

Summary of Consolidated Financial Information and Business Results for FY2010 ended March 31, 2011 (Japanese standards)

Date: May 13, 2011

Company Name : JUKI Corporation
 Listed on : Tokyo Stock Exchange (1st Section)
 Security code : 6440
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Date Planned for General Meeting of Shareholders : June 28, 2011
 Date Planned for the Start of Dividend Payment : June 29, 2011
 Date Planned for Filing the Financial Statements Report : June 29, 2011
 Preparation of Support Documentation : None
 Explanatory Meeting (IR Meeting) : Yes (for institutional investors and market analysts)

(Rounded down to the nearest million yen)

1. Consolidated financial results for FY2010 ended March 31, 2011 of JUKI Corporation (the "Company") (April 1, 2010 through March 31, 2011)

(1) Consolidated operating results

(Percentage figures denote year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2010 ended March 31, 2011	89,596	57.3	1,144	—	1,174	—	2,467	—
FY2009 ended March 31, 2010	56,970	-26.8	-11,187	—	-11,102	—	-11,233	—

(Reference) Comprehensive income FY2010 ended March 31, 2011 882 million yen (- %) FY2009 ended March 31, 2010 -10,905 million yen (- %)

	Net income per share	Diluted net income per share	Net income ratio to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	yen	yen	%	%	%
FY2010 ended March 31, 2011	19.09	—	22.7	1.1	1.3
FY2009 ended March 31, 2010	-86.93	—	-70.8	-10.8	-19.6

(Reference) Investment profit or loss on equity method FY2010 ended March 31, 2011 - million yen FY2009 ended March 31, 2010 - million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
FY2010 ended March 31, 2011	106,593	11,549	10.6	87.45
FY2009 ended March 31, 2010	101,081	10,686	10.3	80.66

(Reference) Shareholders' equity FY2010 ended March 31, 2011 11,300 million yen FY2009 ended March 31, 2010 10,424 million yen

(3) Consolidated cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of the fiscal year
	million yen	million yen	million yen	million yen
FY2010 ended March 31, 2011	-613	-119	7	7,077
FY2009 ended March 31, 2010	1,224	-10,440	8,524	8,291

2. Dividends

	Cash dividends per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Dividend rate on net assets (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Financial year end	Annual			
	yen	Yen	yen	yen	yen	million yen	%	%
FY2009 ended March 31, 2010	—	0.00	—	0.00	0.00	0	—	—
FY2010 ended March 31, 2011	—	0.00	—	3.00	3.00	387	15.7	3.6
FY2011 ending December 31, 2011 (forecast)	—	—	—	—	—		—	

(Note) The Company is scheduled to change its account settlement date from April 1 to December 31 subject to the approval of Proposal 2 if the 96th General Meeting of Shareholders of the Company The account for the fiscal year ending December 31, 2011, a transitional fiscal due to this change, is scheduled to be an irregular settlement of nine months. Dividends at the end of the second quarter and dividends at the year-end for the fiscal year ending December 31, 2011 ("FY 2011") has not been forecasted and determined. The Company will announce the dividends promptly after it becomes possible to

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disclose the dividend forecast.

3. Business performance forecasts for FY2011 ending December 31, 2011 (April 1, 2011 through December 31, 2011)

(Note) As the fiscal year ending December 31, 2011 will be a transitional year due to the change in the account settlement date, forecasts for the full fiscal year will be forecasts for nine months (April 1, 2011 through December 31, 2011). Because of difficulties in estimating the overall influence by the Great East Japan Earthquake, we can not reasonably forecast business performance for the next year. The forecast will be disclosed promptly after it becomes possible to forecast the business performance.

4. Others

(1) Transfer of important subsidiaries during the period under review (Transfer of specific subsidiaries that results in a change in the scope of consolidation):

None
In — (Company name) Out — (Company name)

(2) Changes in accounting principles, accounting procedures, indication method, etc.

1) Changes due to the revisions to the accounting standards, etc.: Applied

2) Changes due to any reasons other than those in 1) above: None

Note: With respect to the details, please see "Changes in important items basic to the Preparation of the Consolidated Financial Statements, etc." on page 14 hereof (In Japanese versions of Summary of Consolidated Financial Information and Business Results for FY2010: Page 13)

(3) Number of outstanding shares (common stock)

1) Total number of shares and number of outstanding shares at the end of the fiscal year (including treasury stock):

FY2010 ended March 31, 2011	129,370,899 shares	FY2009 ended March 31, 2010	129,370,899 shares
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2) Number of outstanding shares of treasury stock at the end of the fiscal year:

FY2010 ended March 31, 2011	149,132 shares	FY2009 ended March 31, 2010	142,050 shares
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3) Average number of outstanding shares during the fiscal year:

FY2010 ended March 31, 2011	129,225,731 shares	FY2009 ended March 31, 2010	129,231,714 shares
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(References) Summary of business results (Non-consolidated)

1. Non-consolidated financial results of FY2010 ended March 31, 2011 (April 1, 2010 through March 31, 2011)

(1) Operating results (Percentage figures denote year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2010 ended March 31, 2011	60,101	116.8	-775	—	2,461	—	1,684	—
FY2009 ended March 31, 2010	27,725	-41.7	-11,538	—	-10,655	—	-9,975	—

	Net income per share	Diluted net income per share
	yen	yen
FY2010 ended March 31, 2011	13.03	—
FY2009 ended March 31, 2010	-77.19	—

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
FY2010 ended March 31, 2011	87,048	17,262	19.8	133.59
FY2009 ended March 31, 2010	83,591	15,545	18.6	120.29

(Reference) Shareholders' equity FY2010 ended March 31, 2011 17,262 million yen FY2009 ended March 31, 2010 15,545 million yen

* Indication of audit procedures implementation status

While this Summary of the Financial Information and Business Results is exempted from audit procedures under the Financial Instruments and Exchange Act, audit procedures for financial statements under the Financial Instruments and Exchange Act have not been completed at the time of disclosure of this Summary.

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1. Operating Results

(1) Analysis of Operating Results

① Overview of the current fiscal year

Irrespective of the strong yen situation, our business for FY 2010 was underpinned by robust demand in China and other Asian regions, resulting in consolidated net sales of 89,596 million yen (up by 57.3% from FY 2009) and consolidated ordinary income of 1,174 million yen (versus a negative 11,102 million yen in FY 2009). Consolidated net income was posted as a profit of 2,467 million yen (versus a negative 11,233 million yen in FY 2009), due to various factors such as extraordinary income from sales of real estate.

② Overview of each business segment

(i) Industrial Sewing Machines Business

Sales turned around mainly due to increase in demand by manufacturers of clothes (**their purpose is to sell and distribute such clothes, etc. in their domestic markets) the Chinese market and such rising countries such as other Asian area, consolidated net sales of the Industrial Sewing Machines Business as a whole stood at 57,177 million yen, up by 58.4% from FY 2009.

(ii) SMT Systems Business (pick-and-placers, etc.)

Bolstered by steadily growing sales of high-speed pick-and-placers in the China market and development of steady sales in Japan, the U.S., and Europe, consolidated net sales of the SMT Systems Business as a whole stood at 22,437 million yen (up by 86.4% from the preceding fiscal year).

(iii) Household Sewing Machines Business

Though sales in Japan moved almost same as those in FY 2009, consolidated net sales of the Household Sewing Machines Business as a whole stood at 3,090 million yen (up by 27.5% from FY 2009), backed by steady increase sales in the U.S. and Europe markets.

③ Forecast for the next fiscal year (FY2011 ending December 31, 2011)

Due to difficulties in estimating the overall influence to our business performance by the Great East Japan Earthquake, we may not reasonably forecast a business performance forecast for FY 2011. . The forecast will be disclosed promptly after it becomes possible to forecast the business performance.

(2) Analysis of Financial Position

(Analysis of Assets, Liabilities, Net Assets, and Cash Flows)

Assets, Liabilities, Net Assets, and Cash Flows for FY2010 ended March 31, 2011

Total assets at the end of FY 2010 increased by 5,512 million yen from the end of FY 2009 to 106,593 million yen, due to an increase in working capital such as inventories, etc. as a result of

increase in sales. Liabilities increased by 4,648 million yen from the end of FY 2009 to 95,043 million yen, as a result of the increase in notes and accounts payable-trade by 3,833 million yen.

Net assets increased by 863 million yen from the end of the preceding year to 11,549 million yen, mainly due to an increase of retained earnings increased by 2,465 million yen, in spite of a decline of foreign currency translation adjustment by 1,649 million yen affected by the strong yen situation.

Cash flow from operating activities resulted in negative cash flow of 613 million yen, due mainly to an increase in working capital a result of increase in sales.

Cash flow from investing activities resulted in negative cash flow of 119 million yen, due mainly to the acquisition and sale of tangible fixed assets.

Cash flow from financing activities resulted in positive cash flow of 7 million yen. This was mainly a result of increase in interest-bearing debts.

(Transition of Cash Flows Indicators)

Transition of Cash Flows indicators of our Group are as follows.

	FY2006 ended March 2007	FY2007 ended March 2008	FY2008 ended March 2009	FY2009 ended March 2010	FY2010 ended March 2011
Shareholders' equity ratio (%)	29.1	31.3	20.6	10.3	10.6
Market value-based shareholders' equity ratio (%)	87.5	40.5	9.7	22.5	22.8
Ratio of interest-bearing debts to cash flows (times)	2.2	15.0	—	53.8	—
Interest-coverage ratio (times)	14.8	2.6	—	1.1	—

(Note) Shareholders' equity ratio: Shareholders' equity divided by Total assets

Market value-based shareholders' equity ratio: Aggregate market value of shares divided by Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt divided by Cash flow

Interest-coverage ratio: Cash flow divided by interest payment

* All of the above indicators are calculated based on consolidated financial figures.

* Operating cash flow is used for cash flows.

* Interest-bearing debts includes all debts recorded on the consolidated balance sheet for which interest is being paid.

(3) Fundamental Corporate Policy for Distributing Profits, and Dividends for FY2010 ended March 31, 2011 and FY2011 ending December 31, 2011

With respect to distribution of profit, it is our basic policy to endeavor to return adequate profits to our shareholders, basically seeking stable distribution of dividend, and concurrently, we take into account comprehensive issues such as necessity of retained earnings to prepare for future business operations, the financial results of each of the fiscal years, etc.

We would like to offer a year-end dividend of 3 yen per share, as disclosed in "Notice of Distribution of Dividend" disclosed earlier today by the Company.

The dividend forecast for the next fiscal year (FY 2011) will be announced promptly after it becomes possible to forecast the business performance for FY 2011.

2. Management Policies

(1) Basic management policy

The Company group will strive to fulfill the trust and expectations of at large all its stakeholders such as customers, shareholders, business partners, employees and society, etc., by providing superior products and rendering superior services in response to the needs of markets and customers throughout the world, with a focus on improvement to the level of “Customer Satisfaction (CS).”

Our basic aim on the execution of business is to contribute toward society by creating new values based on the corporate slogan, “Mind & Technology –Technology with heart-” while we expand our business globally.

(2) Management Strategies for the Medium to Long Term and Issues to Address

The Company group formulated “J No. 1 Plan,” a new mid-term management plan for the period from FY 2011 to FY 2013.

With the vision of the mid-term management plan, that is, “Becoming a strong company which can survive through the 21st century as a global ‘Monodzukuri’ (art of product making) manufacturer we will strive to win highest support for JUKI’s products and services” from markets and customers throughout the world.

In our efforts to establish “strength,” we will reinforce three management bases: (i) a “strong” customer base, (ii) a “strong” income and financial base, and (iii) a “strong” HR and technology base. For the purpose of establishing such three bases, every officer and employee at JUKI will aim to gain the (i) highest support from customers throughout the world, (ii) “strong confidence” from shareholders and financial institutions, and (iii) employees’ “capability” and organizational “vitality” in the JUKI workforce.

In the meantime, we will work towards two targets set for the final year of the plan (FY 2013): 150 billion yen in net sales and 15 billion yen in ordinary income (ordinary income ratio: 10%).

Specifically, we have established six basic plans: (a) “Reinforcement and development of business base,” (b) “Development of a production strategy to realize strong ‘Monodzukuri’ (art of products making) capabilities (No. 1 QCD),” (c) “Reconstruction of a technology strategy for product development to meet market needs,” (d) “Promotion of HR strategy to support corporate strength,” (e) “Reconstruction of our business organizational structure” and (f) “Streamlining, simplification, and speed-up of our administrative and indirect organizations and globalization.” The details of such six plans are as follows:

- (a) With respect to “Reinforcement and development of business base”: We will work on new business while reinforcing existing business and expanding its peripheral domains, in order to increase net sales to 150 billion yen.
- (b) With respect to “Development of production strategy to realize robust ‘*Monodzukuri*’ ((art of products making) (No. 1 QCD)”: We will promote the reconstruction of production bases to accord with business expansion and the reconstruction of material procurement system,

based on the concept of “optimal production”. That is (i) manufacturing products where they are sold, and (ii) procuring materials, parts and any kind whatsoever where they are used for manufacture).

- (c) With respect to “Reconstruction of technology strategy for product development to meet market needs”: we will promote the further globalization of our development system and speed up high-end product development mainly at our domestic bases (R&D organizations in Japan).
- (d) With respect to “Promotion of an HR strategy to support corporate strength”: We will establish a solid base of human resources by developing global talent of employees so that they can work globally and by reinforcing personnel who can fill integral roles in JUKI as a “*Monodzukuri*” company, as main pillars of the plan.
- (e) With respect to “Reconstruction of our business organizational structure”: We implemented a company-wide organizational revision as of April 1, 2011. By reviewing problems involving efficiency of the previous business division system, we revised from the business division system to the functional organization system, and such functional organization system will enable us to use management resources more flexibly and efficiently from a company-wide viewpoint.
- (f) With respect to “Streamlining, simplification and speed-up of administrative & indirect organizations and globalization of functions”: We will standardize and simplify jobs by integrating and unifying administrative and indirect functions, and will also proceed with globalization by strengthening head office functions in China.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Million yen)

	FY2009 consolidated (as of March 31, 2010)	FY2010 consolidated (as of March 31, 2011)
Assets		
Current assets		
Cash and deposits	8,348	7,178
Notes and accounts receivable-trade	13,153	17,357
Marketable securities	6	—
Merchandise and products	20,064	24,169
Work in process	4,724	5,282
Raw materials and supplies	4,508	6,788
Deferred tax assets	493	582
Others	5,647	3,564
Allowance for doubtful accounts	-1,095	-1,158
Total current assets	55,851	63,764
Fixed assets		
Tangible fixed assets		
Buildings and structures-net	19,683	18,149
Machinery, equipment and vehicles-net	3,642	3,398
Tools, furniture and fixtures-net	1,183	875
Land	7,584	7,510
Lease assets-net	801	744
Construction in progress	16	37
Total tangible fixed assets	32,911	30,714
Intangible fixed assets	2,302	1,855
Investments and other assets		
Investment securities	2,125	1,956
Long-term loans	534	554
Long-term prepaid expenses	424	395
Deferred tax assets	6,402	6,971
Others	2,106	1,213
Allowance for doubtful accounts	-1,576	-832
Total investments and other assets	10,015	10,258
Total fixed assets	45,229	42,829
Total assets	101,081	106,593

(Unit: Million yen)

	FY2009 consolidated (as of March 31, 2010)	FY2010 consolidated (as of March 31, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	11,003	14,836
Short-term borrowings	42,197	42,643
Corporate bonds redeemable within 1 year	540	40
Lease obligations	282	278
Accrued expenses	2,536	2,480
Income taxes payable, etc.	133	251
Deferred tax liabilities	12	16
Reserve for bonuses	683	747
Reserve for disaster loss	—	305
Notes payable-facilities	1,109	122
Others	1,638	4,395
Total current liabilities	60,137	66,117
Fixed liabilities		
Corporate bonds	120	80
Long-term borrowings	21,915	19,958
Lease obligations	793	697
Reserve for retirement benefits	6,541	6,336
Reserve for retirement benefits for directors and corporate auditors	387	174
Deferred tax liabilities	0	—
Others	499	1,678
Total fixed liabilities	30,257	28,925
Total liabilities	90,395	95,043
Net assets		
Shareholders' equity		
Capital stock	15,950	15,950
Capital surplus	8,976	—
Retained earnings	-8,839	2,604
Treasury stock	-57	-58
Total shareholders' equity	16,030	18,496
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16	74
Deferred gains or losses on hedges	-99	-97
Foreign currency translation adjustment	-5,523	-7,173
Total accumulated other comprehensive income	-5,605	-7,196
Minority interests	261	249
Total net assets	10,686	11,549
Total liabilities and net assets	101,081	106,593

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Unit: Million yen)

	FY2009 consolidated (April 1, 2009 through March 31, 2010)	FY2010 consolidated (April 1, 2010 through March 31, 2011)
Net sales	56,970	89,596
Cost of sales	47,140	68,030
Gross profit	9,829	21,565
Selling, general and administrative expenses	21,017	20,420
Operating income (loss)	-11,187	1,144
Non-operating income		
Interest income	175	126
Dividends income	225	204
Foreign exchange gains	600	593
Subsidies	219	—
Others	618	574
Total non-operating income	1,839	1,499
Non-operating expenses		
Interest expenses	1,123	1,330
Syndicated loan commission	548	49
Others	81	90
Total non-operating expenses	1,753	1,469
Ordinary income (loss)	-11,102	1,174
Extraordinary income		
Gain on sale of fixed assets	54	1,924
Gain on sale of subsidiaries and affiliates' stocks	142	—
Gain on liquidation of subsidiaries and affiliates	48	—
Foreign exchange gain on capital reduction of subsidiaries and affiliates	184	—
Others	18	59
Total extraordinary income	448	1,984
Extraordinary loss		
Loss on sale and disposal of fixed assets	185	57
Impairment loss	124	138
Loss on valuation of investment securities	92	240
Loss on dissolution of subsidiaries and affiliates	197	—
Loss on liquidation of subsidiaries and affiliates	—	114
Special retirement expenses	193	—
Provision of reserve for disaster loss	—	305
Others	212	139
Total extraordinary loss	1,006	996
Net income (loss) before taxes	-11,660	2,162
Corporate income tax, inhabitants tax, and enterprise taxes	168	409
Corporate tax adjustments	-586	-720
Total income taxes	-417	-310
Net income (loss) before minority interests	—	2,473
Minority interests (loss)	-8	6
Net income (loss)	-11,233	2,467

Consolidated Statements of Comprehensive Income

(Unit: Million yen)

	FY2009 consolidated (April 1, 2009 through March 31, 2010)	FY2010 consolidated (April 1, 2010 through March 31, 2011)
Net income (loss) before minority interests	—	2,473
Other comprehensive income	—	
Valuation difference on available-for-sale securities	—	57
Deferred gains or losses on hedges	—	1
Foreign currency translation adjustment	—	-1,649
Total other comprehensive income	—	-1,590
Comprehensive income	—	882
Comprehensive income attributable to	—	
Comprehensive income attributable to the parent	—	876
Comprehensive income attributable to minority interests	—	6

(3) Consolidated Statements of Change in Net Assets

(Unit: Million yen)

	FY2009 consolidated (April 1, 2009 through March 31, 2010)	FY2010 consolidated (April 1, 2010 through March 31, 2011)
Shareholders' equity		
Capital stock		
Balance at the end of the FY	15,950	15,950
Changes of items during the FY		
Total changes of items during the FY	—	—
Balance at the end of the FY	15,950	15,950
Capital surplus		
Balance at the end of the FY	8,977	8,976
Changes of items during the FY		
Transfer from capital surplus to retained earnings	—	-8,976
Disposal of treasury stock	-0	—
Total changes of items during the FY	-0	-8,976
Balance at the end of the FY	8,976	—
Retained earnings		
Balance at the end of the FY	2,394	-8,839
Changes of items during the FY		
Transfer from capital surplus to retained earnings	—	8,976
Net income (loss)	-11,233	2,467
Total changes of items during the FY	-11,233	11,443
Balance at the end of the FY	-8,839	2,604
Treasury stock		
Balance at the end of the FY	-57	-57
Changes of items during the FY		
Purchase of treasury stock	-0	-1
Disposal of treasury stock	1	—
Total changes of items during the FY	0	-1
Balance at the end of the FY	-57	-58
Total shareholders' equity		
Balance at the end of the FY	27,264	16,030
Changes of items during the FY		
Transfer from capital surplus to retained earnings	—	—
Net income (loss)	-11,233	2,467
Purchase of treasury stock	-0	-1
Disposal of treasury stock	0	—
Total changes of items during the FY	-11,234	2,465
Balance at the end of the FY	16,030	18,496

(Unit: Million yen)

	FY2009 consolidated (April 1, 2009 through March 31, 2010)	FY2010 consolidated (April 1, 2010 through March 31, 2011)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of the FY	-77	16
Changes of items during the FY		
Net amount of changes in items not included in shareholders' equity during the FY	94	57
Total changes of items during the FY	94	57
Balance at the end of the FY	16	74
Deferred gains or losses on hedges		
Balance at the end of the FY	-2	-99
Changes of items during the FY		
Net amount of changes in items not included in shareholders' equity during the FY	-97	1
Total changes of items during the FY	-97	1
Balance at the end of the FY	-99	-97
Foreign currency translation adjustment		
Balance at the end of the FY	-5,863	-5,523
Changes of items during the FY		
Net amount of changes in items not included in shareholders' equity during the FY	340	-1,649
Total changes of items during the FY	340	-1,649
Balance at the end of the FY	-5,523	-7,173
Total accumulated other comprehensive income		
Balance at the end of the FY	-5,943	-5,605
Changes of items during the FY		
Net amount of changes in items not included in shareholders' equity during the FY	337	-1,590
Total changes of items during the FY	337	-1,590
Balance at the end of the FY	-5,605	-7,196
Minority interests		
Balance at the end of the FY	267	261
Changes of items during the FY		
Net amount of changes in items not included in shareholders' equity during the FY	-5	-12
Total changes of items during the FY	-5	-12
Balance at the end of the FY	261	249
Total net assets		
Balance at the end of the FY	21,589	10,686
Changes of items during the FY		
Net income (loss)	-11,233	2,467
Purchase of treasury stock	-0	-1
Disposal of treasury stock	0	—
Net amount of changes in items not included in shareholders' equity during the FY	331	-1,602
Total changes of items during the FY	-10,902	863
Balance at the end of the FY	10,686	11,549

(4) Consolidated Statements of Cash Flows

(Unit: Million yen)

	FY2009 consolidated (April 1, 2009 through March 31, 2010)	FY2010 consolidated (April 1, 2010 through March 31, 2011)
Cash flow from operating activities		
Net income (loss) before taxes	-11,660	2,162
Depreciation and amortization	3,534	3,701
Amortization of goodwill	19	12
Impairment loss	124	138
Provision of reserve for disaster loss	—	305
Increase (Decrease) in allowance for doubtful accounts	-44	-572
Increase (Decrease) of reserve for retirement benefits	234	-198
Increase (Decrease) of reserve for bonuses	-240	65
Interest and dividends income	-400	-331
Interest expenses	1,123	1,330
Syndicated loan commission	548	49
Foreign exchange losses (gains)	-429	35
Loss (Gain) on valuation of investment securities	92	240
Loss (Gain) on sale of investment securities	3	0
Loss (Gain) on sale of subsidiaries and affiliates' stocks	-142	—
Loss (Gain) of disposal and sale of fixed assets	131	-1,867
Decrease (Increase) in notes and accounts receivable-trade	-41	-5,989
Decrease (Increase) in inventories	7,163	-9,269
Increase (Decrease) in notes and accounts payable- trade	6,061	4,128
Increase (Decrease) in accrued consumption taxes	-280	17
Increase (Decrease) in notes discounted	-181	476
Others	-3,939	6,338
Subtotal	1,680	775
Interest and dividends income received	399	329
Interest expenses paid	-1,101	-1,309
Payments for business reorganization	-710	—
Income taxes (paid) refund	956	-409
Cash flow from operating activities	1,224	-613
Cash flow from investing activities		
Purchase of tangible and intangible fixed assets	-10,674	-2,889
Proceeds from sale of tangible and intangible fixed assets	110	2,577
Purchases of investment securities	-0	-2
Proceeds from sale of investment securities	6	155
Proceeds from sale of subsidiaries and affiliates' stocks	28	—
Payments of loans receivable	-83	-49
Collection of loans receivable	36	29

Others	137	59
Cash flow from investing activities	-10,440	-119

(Unit: Million yen)

	FY2009 consolidated (April 1, 2009 through March 31, 2010)	FY2010 consolidated (April 1, 2010 through March 31, 2011)
Cash flow from financing activities		
Increase (Decrease) in short-term borrowings-net	-4,900	-134
Proceeds from long-term debt	21,829	10,977
Repayments of long-term debt	-7,842	-11,528
Payment for redemption of bonds	-40	-540
Cash dividends paid	-5	-4
Syndicated loan commission	-548	-49
Proceeds from sales and redemption by installment payment	—	1,730
Repayment of sales and redemption by installment payment	—	-133
Others	31	-310
Cash flow from financing activities	8,524	7
Effect of exchange rate changes on cash and cash equivalents	58	-489
Net increase (decrease) in cash and cash equivalents	-633	-1,214
Cash and cash equivalents at the beginning of the FY	8,925	8,291
Cash and cash equivalents at the end of the FY	8,291	7,077

(5) Notes to Going Concern

None

(6) Changes in important items which are basic to the Preparation of the Consolidated Financial Statements, etc.

Application of the “Accounting standard for asset retirement obligations”: (The term “ASBJ” used in the below means “Accounting Standards Board of Japan”)

The “Accounting standard for asset retirement obligations” (ASBJ Statement No. 18, March 31, 2008) and “Guidance on the Accounting standard for asset retirement obligations” (ASBJ Guidance No.21, March 31, 2008) are applied from this consolidated FY.

The application of these standard and guideline has no material effects on operating income, ordinary income, and net income before income taxes.

(7) Additional information

(Change of fiscal year)

At the Board of Directors’ meeting held on April 26, 2011, the Company resolved to change the fiscal year (the end of business year), subject to the approval of “Partial amendment to the Articles of Incorporation” (Proposal 2) at the 96th Ordinary General Meeting of Shareholders to be held on June 28, 2011, as follows:

(1) Reasons

The Company will unify the group-wide fiscal year by changing the fiscal year of the Company and its domestic subsidiaries in order to more efficiently manage business operations, including budget compilation and management of the results of the Company group, on a consolidated basis. This change is also undertaken to facilitate the procedures necessary for unifying the fiscal year of the consolidated companies in accordance with such requirement as provided in the International Financial Reporting Standards (IFRS) now being reviewed and prepared for future application.

(2) Details

Account settlement date at present: March 31 every year

Account settlement date proposed: December 31 every year

The 97th fiscal year, a transitional year, will be nine months from April 1, 2011 to December 31, 2011.

(8) Notes to Consolidates Financial Statements

(Consolidated Statements of Comprehensive Income)

FY2010 consolidated (April 1, 2010 through March 31, 2011)

Comprehensive income for the consolidated fiscal year immediately before this consolidated fiscal year

Comprehensive income attributable to owners of the parent	-10,896 million yen
Comprehensive income attributable to minority interests	-8 million yen
<u>Total</u>	<u>-10,905 million yen</u>

Other comprehensive income for the consolidated fiscal year immediately before this consolidated fiscal year

Valuation difference on available-for-sale securities	94 million yen
Deferred gains or losses on hedges	-97 million yen
Foreign currency translation adjustment	340 million yen
<u>Total</u>	<u>337 million yen</u>

(Business Segment Information, etc.)

a. Information by business segment

FY2009 consolidated (April 1, 2009 through March 31, 2010)

(Unit: Million yen)

	Industrial Sewing Machines	SMT Systems	Household Sewing Machines	Electronic Equipment and Computer Peripherals	Precision Casting	Others	Total	Intersegment Elimination and/or Unallocated Amount	Consolidated
I Sales and Operating Income (Loss)									
Net sales									
(1) Sales to external customers	36,092	12,040	2,424	2,381	2,745	1,287	56,970	—	56,970
(2) Intersegment sales or transfer	415	252	467	99	51	362	1,647	(1,647)	—
Total	36,507	12,292	2,891	2,480	2,796	1,649	58,617	(1,647)	56,970
Operating expenses	41,788	15,863	3,210	2,454	2,930	1,685	67,933	224	68,158
Operating income (loss)	-	-	- 319	25	- 133	- 36	-	(1,872)	-
	5,281	3,570					9,315		11,187
I Assets, Depreciation/Amortization Cost, Impairment Loss, and Capital Expenditures									
Assets	44,332	22,775	542	2,662	2,978	1,705	74,998	26,083	101,081
Depreciation/Amortization	1,404	845	48	90	202	63	2,654	880	3,534
Impairment loss	18	—	—	—	—	55	73	51	124
Capital expenditures	794	547	3	15	145	19	1,526	6,504	8,030

(Notes) 1. The business segments are based on the classification used by the Company internally for its business.

2. Principal products by business segment are as follows:

- (1) Industrial Sewing Machines Business: industrial sewing machines
- (2) SMT Systems Business: pick-and-placers
- (3) Household Sewing Machines Business: household sewing machines
- (4) Electronic Equipment and Computer Peripherals Business: arcade machines, IT-related equipment, etc.
- (5) Precision Casting Business: lost-wax products, MIM (Metal Injection Molding) products
- (6) Others: dies and molds, press products, etc.

3. Unallocated amounts for operating expenses included in Intersegment Elimination and/or Unallocated Amount are 1,873 million yen, and most of them are expenditures of the Company's administrative organizations.

4. Unallocated amounts for assets included in Intersegment Elimination and/or Unallocated Amount are 27,578 million yen, and most of them are surplus funds (cash and marketable securities) of the Company, long-term investment funds (investment securities), and assets and others of the administrative organizations.

5. Capital expenditures include accrued amounts of long-term prepaid expenses. The Depreciation/Amortization includes the amortized amount of long-term prepaid expenses.

b. Geographical Segments

FY2009 consolidated (April 1, 2009 through March 31, 2010)

(Unit: Million yen)

	Japan	Americas	Asia	Europe	Total	Intersegment Elimination and/or Unallocated Amount	Consolidated
I Sales and Operating Income (Loss)							
Net sales							
(1) Sales to customers	15,454	5,057	31,335	5,122	56,970	—	56,970
(2) Intersegment sales	24,167	159	5,718	118	30,163	(30,163)	—
Total	39,621	5,216	37,054	5,241	87,133	(30,163)	56,970
Operating expenses	49,514	5,413	37,805	5,468	98,201	(30,043)	68,158
Operating income (loss)	- 9,892	- 196	- 751	- 227	- 11,067	(119)	- 11,187
II Assets	53,894	6,748	27,039	4,206	91,889	9,191	101,081

(Notes) 1. Countries and regions are classified according to geographical proximity.

2. Countries and regions outside Japan are broken down into the following geographical areas.

(1) The Americas: U.S.A.

(2) Asia: China, Vietnam, Singapore

(3) Europe: Germany, Italy, Poland

3. Unallocated amounts for operating expenses included in Intersegment Elimination and/or Unallocated Amount are 1,873 million yen, and most of them are expenditures of the Company's administrative organizations.

4. Unallocated amounts for assets included in Intersegment Elimination and/or Unallocated Amount are 27,578 million yen, and most of them are surplus funds (cash and marketable securities) of the Company, long-term investment funds (investment securities), and assets and others of the administrative organizations.

c. Overseas Sales

FY2009 consolidated (April 1, 2009 through March 31, 2010)

(Unit: Million yen)

	Americas	Asia	Europe	Others	Total
I Overseas sales	5,140	32,564	5,660	133	43,498
II Consolidated sales	—	—	—	—	56,970
III Percentage of overseas sales in consolidated sales	9.0%	57.2%	9.9%	0.2%	76.4%

(Notes) 1. Geographic segmentation is based on geographic proximity.

2. Major countries or regions except Japan in each category are as follows:

(1) The Americas: U.S.A.

(2) Asia: China, Vietnam, Singapore

(3) Europe: Germany, Italy

(4) Others: South Africa, Australia

3. Overseas sales include all sales of the Company and its consolidated subsidiaries, including those in countries or regions outside of Japan.

(Business Segment Information)

1. Outline of reported segments

The reported segments of the Company are components of the Company that have separate financial information available and that are periodically examined to enable the Board of Directors, etc. to make decisions on the allocation of management resources and evaluate the results of business performance.

The Company's report consists of segments by product and service, and the reported segments are the "Industrial Sewing Machines Business" (mainly, the production and sales of industrial sewing machines), "SMT Systems Business" (mainly, the production and sales of pick-and-placers) and the "Household Sewing Machines Business" (mainly, the production and sales of household sewing machines).

2. Calculation method for sales, income or loss, assets, liabilities and other items by reported segment

The accounting method for reported business segments is almost the same as the method for preparing consolidated financial statements.

For income of reported segments, the ordinary income base figure is used. Intersegment income and transfer amounts are decided in consideration of the market price and other factors.

3. Information for sales, income or loss, assets, liabilities and other items by reported segment

FY2010 consolidated (April 1, 2010 through March 31, 2011)

(Unit: ¥ million)

	Reported segment				Others (Note 1)	Total	Adjustment s (Note 2)	Amounts reported in Consolidate d Financial Statements (Note 3)
	Industrial Sewing Machines Business	SMT Systems Business	Household Sewing Machines Business	Total				
Sales								
Sales to external customers	57,177	22,437	3,090	82,704	6,891	89,596	—	89,596
Intersegment sales or transfer	474	2,830	28	3,333	2,057	5,391	(5,391)	—
Total	57,651	25,268	3,118	86,038	8,949	94,987	(5,391)	89,596
Segment income	1,670	751	18	2,439	59	2,499	(1,324)	1,174
Segment asset	48,986	29,440	2,569	80,996	10,282	91,278	15,315	106,593
Others								
Depreciation/Amortization	1,407	1,209	68	2,685	324	3,009	691	3,701
Interest income	75	51	0	126	19	146	(19)	126
Interest expenses	880	419	10	1,310	46	1,357	(26)	1,330
Increase in tangible and intangible fixed assets	1,337	478	18	1,835	147	1,982	275	2,258

(Notes) 1. The "Others" category is established for business segments excluded from reported segments. This category includes the Precision Casting Business (the production and sales of lost-wax products, etc.), the IT-related equipment business, and the die, mold and press products business.

2. Adjustments are as follows:

- (1) The adjustments of negative 1,324 million yen for segment income include negative 14 million yen of intersegment elimination and negative 1,310 million yen of unallocated company-wide expenses. The company-wide expenses are mainly company administrative expenses not allocated to any reported segment.
- (2) The adjustments of 15,315 million yen for segment assets are mainly items of the Company not allocated to any reported segment, such as cash and deposit, investment securities, and buildings and structures.
- (3) The adjustments of 691 million yen for depreciation are mainly adjustments for depreciation related to administrative divisions of the Company not allocated to any reported segment.
- (4) The adjustments of 275 million yen for increases of tangible and intangible fixed assets are mainly capital investments not allocated to any reported segment.

3. Segment income is adjusted with ordinary income of the consolidated statements of income.

(Related Information)

FY2010 consolidated (April 1, 2010 through March 31, 2011)

1. Information by product and service

Information by product and service is omitted because similar information is disclosed in the Business Segment Information.

2. Information by region

(1) Sales

(Unit: ¥ million)

Japan	China	Asia	Americas	Europe	Others	Total
15,731	35,771	23,015	7,234	7,253	591	89,596

(Note) Sales are categorized into countries or regions based on the location of customers.

(2) Tangible fixed assets

(Unit: ¥ million)

Japan	China	Others	Total
26,579	3,402	733	30,714

3. Information on major customers

Information on major customers is omitted, because no external customer accounts for 10% or more of net sales in the consolidated statements of income.

(Information on Impairment Loss of Fixed Assets by Reported Segment)

FY2010 consolidated (April 1, 2010 through March 31, 2011)

(Unit: ¥ million)

	Industrial Sewing Machines Business	SMT Systems Business	Household Sewing Machines Business	Others	Company-wide /Elimination (Note)	Total
Impairment loss	—	—	—	4	134	138

(Note) Amount of "Company-wide/Elimination" is related to the idle real estate and others held by the Company.

"Accounting Standard for Disclosures about Segment of an Enterprise and Related Information" (ASBJ Statement No. 17, March 27, 2009) and "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, March 21, 2008) are applied from this consolidated FY.

(Per Share Information)

	FY2009 (consolidated) April 1, 2009 through March 31, 2010	FY2010 (consolidated) April 1, 2010 through March 31, 2011
Net assets per share	80.66 yen	87.45 yen
Net income or loss per share	- 86.93 yen	19.09 yen

(Note) 1. Diluted net income per share is net loss per share, and is not described since no diluted shares exist.

2. The basis of the calculations of net income or loss per share is as follows.

	FY2009 (consolidated) April 1, 2009 through March 31, 2010	FY2010 (consolidated) April 1, 2010 through March 31, 2011
Net income or loss	- 11,233 million yen	2,467 million yen
Amount not allocable to outstanding common shares	—	—
Net income or loss allocable to outstanding common shares	- 11,233 million yen	2,467 million yen
Average number of shares of outstanding common shares	129,231,714 shares	129,225,731 shares

3. The basis of the calculation of net assets per share is as follows.

	FY2009 (consolidated) April 1, 2009 through March 31, 2010	FY2010 (consolidated) April 1, 2010 through March 31, 2011
Total net assets	10,686 million yen	11,549 million yen
Deduction	261 million yen	249 million yen
(Minority interests)	261 million yen	249 million yen
Net assets at the end of fiscal year, allocable to common shares	10,424 million yen	11,300 million yen
Number of common shares used for the calculation of net assets per share	129,228,849 shares	129,221,767 shares

(Material Subsequent Events)

None