

To Our Shareholders



Business Report for the First Half of the 100th Business Term

(From January 1, 2014 through June 30, 2014)

JUKI CORPORATION

Securities code: 6440

Financial Highlights

Major Points of Business Performance

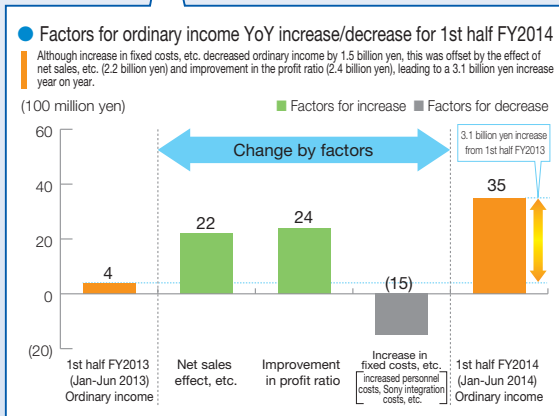
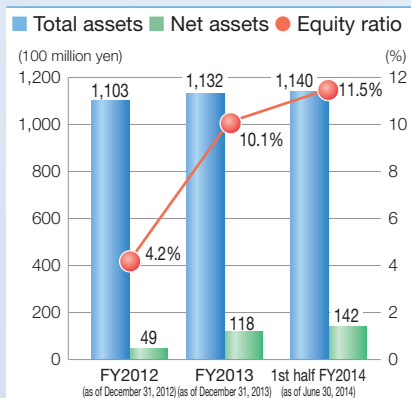
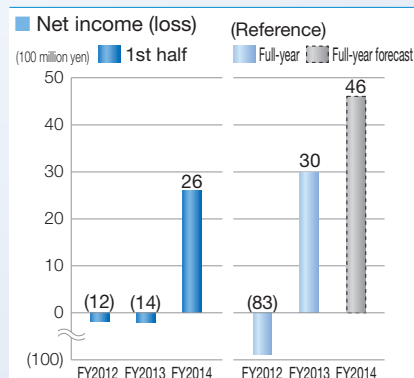
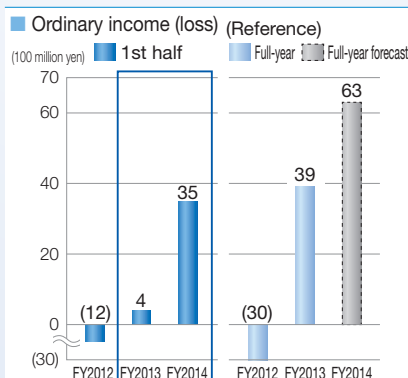
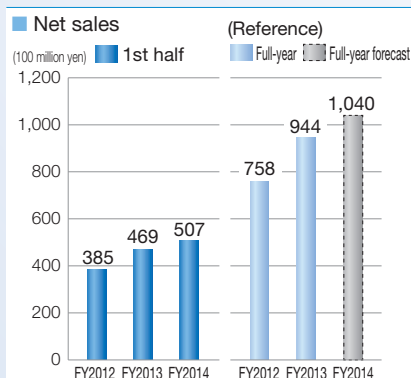
Net sales increased by 8% year on year mainly because of a firm performance for the Sewing Machinery Business in Asia's emerging markets, continuing on from the previous fiscal year, and the effect of yen depreciation. Operating income, ordinary income and net income all increased substantially, boosted by positive effects from group-wide structural reforms implemented since the previous fiscal year.

Net sales 50.7 billion yen
(up by 3.8 billion yen year on year)

Operating income 3.7 billion yen
(up by 2.2 billion yen year on year)

Ordinary income 3.5 billion yen
(up by 3.1 billion yen year on year)

Net income 2.6 billion yen
(up by 3.9 billion yen year on year)



Full-year forecasts for FY2014 (announced on August 6)

Net sales 104.0 billion yen

Operating income 6.9 billion yen

Ordinary income 6.3 billion yen

Net income 4.6 billion yen

Dividend per share (fiscal year-end) 3 yen

(Note) In this Business Report, when expressing amounts in units of 100 million yen, the amounts are rounded to the nearest 100 million yen.

To Our Shareholders

We would like to express our appreciation for your ongoing support of our business activities.

In presenting our business results for the first half of the 100th business term (from January 1, 2014 through June 30, 2014), I would like to take the opportunity to convey a few words to our shareholders.

In the first half under review, a firm performance for the Sewing Machinery Business in Asia's emerging markets, continuing on from the previous fiscal year, and the effect of yen depreciation, led to consolidated net sales rising 8.1% year on year to 50,734 million yen. In addition, boosted by positive effects from the group-wide structural reforms that have been implemented since the previous fiscal year, all levels of income showed substantial increases with consolidated operating income of 3,681 million yen, consolidated ordinary income of 3,509 million yen and consolidated net income of 2,568 million yen.

Although losses were eliminated as of the end of the first half under review, in consideration of the financial position, we have regretfully taken the decision not to pay an interim dividend for FY2014. For the year-end dividend, we forecast 3 yen per share.

In the second half of FY2014, we will step up our efforts to acquire new customers and increase revenues in markets where we are yet to gain a presence and untapped markets. In the Sewing Machinery Business,

we will continue to increase customers by strengthening our market strategy particularly in emerging Asian regions that are showing growth. We will also increase revenues by making cost reductions and expanding sales of highly profitable products such as non-apparel. In the Electronic Assembly Systems Business, we will work to quickly realize the fruits of our business integration with the Sony Group through vigorous efforts in the development of line solution sales centered on increasing sales of new products added in the integration. Furthermore, in the Group Business, we will expand the contracted processing business by strengthening cooperation among our group companies in Japan and utilizing their manufacturing technology.

In closing, we ask for the ongoing support and guidance of our shareholders.



Akira Kiyohara
Representative Director

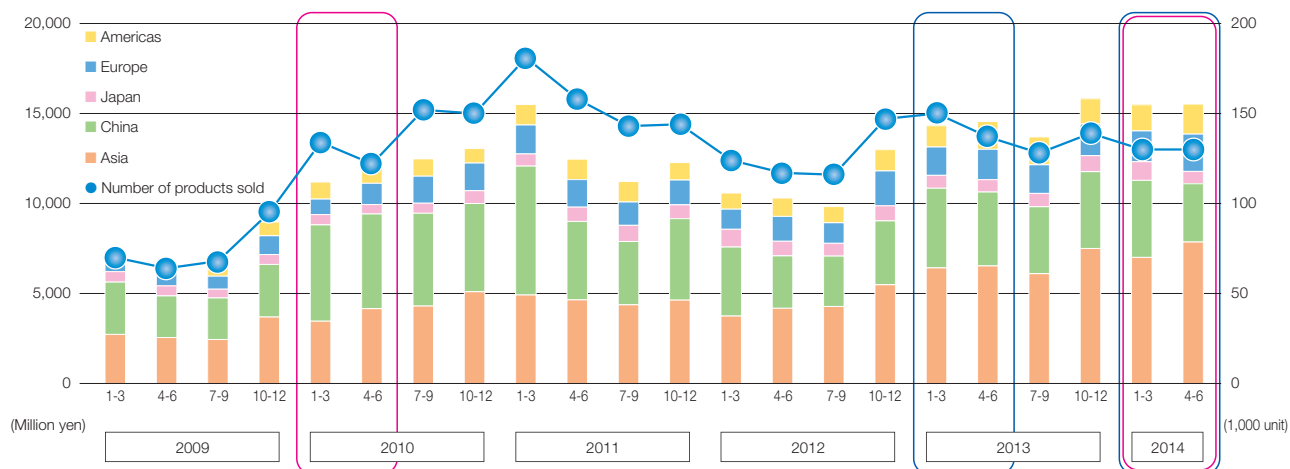
Summary of Results for 1st Half FY2014 (Jan-Jun)

Sewing Machinery Business

In the apparel sewing industry, there is a growing trend of a shift in clothing production bases from China into emerging Asian regions. Sales in these regions proceeded firmly and sales to manufacturers of non-apparel sewn products such as car seats and sports

shoes increased. As a result, net sales for the Sewing Machinery Business as a whole were 37,151 million yen (up by 10.3% from the same period of the previous fiscal year).

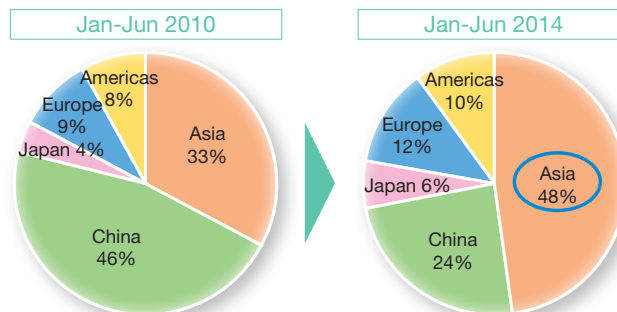
Changes in net sales of industrial sewing machines (excluding parts, etc.) by region



Net sales (industrial sewing machines excluding parts, etc.): year-on-year comparison (100 million yen)

	Jan-Jun 2013	Jan-Jun 2014	Amount of change	% of change
Asia	130	149	19	14.6%
China	85	75	(10)	(11.8%)
Japan	14	17	3	21.4%
Europe	33	38	5	15.2%
Americas	27	31	4	14.8%
Total	289	310	21	7.3%

Net sales composition ratio (industrial sewing machines excluding parts, etc.): comparison with FY2010

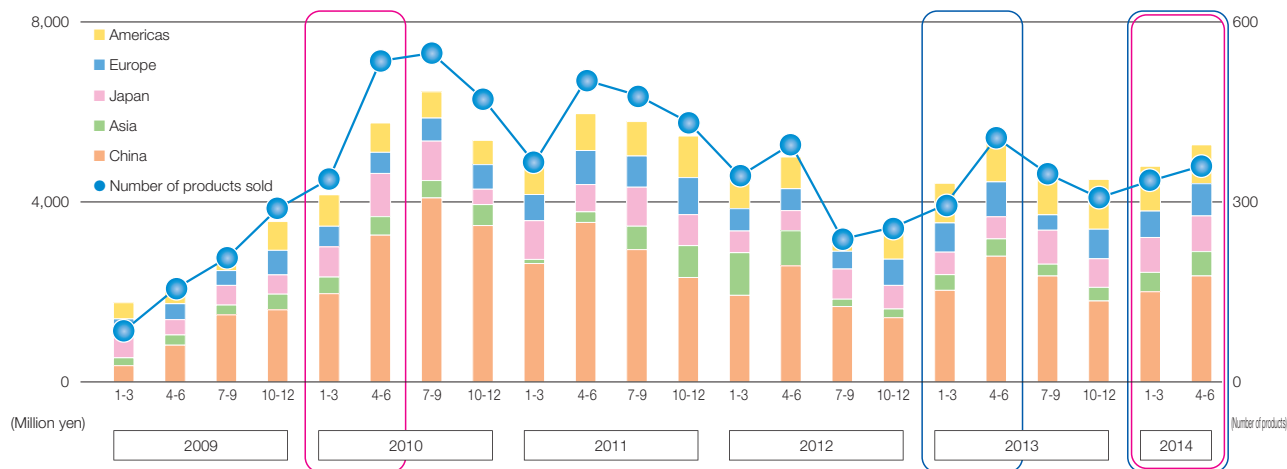


Electronic Assembly Systems Business

Although sales of labor-saving equipment increased, the sales contribution from new products (mounters, printing equipment and inspection equipment) added in the business integration is still to be fully realized. As a result,

net sales of the Electronic Assembly Systems Business as a whole were 10,061 million yen (up by 2.7% from the same period of the previous fiscal year).

Changes in net sales by region



Net sales: year-on-year comparison

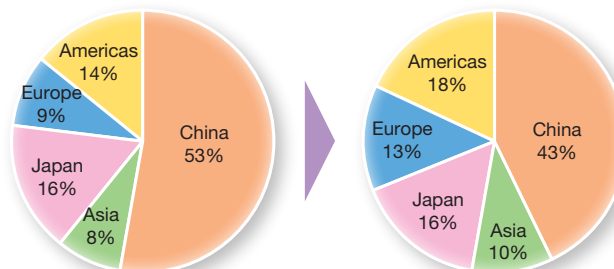
(100 million yen)

	Jan-Jun 2013	Jan-Jun 2014	Amount of change	% of change
China	48	44	(4)	(8.3%)
Asia	8	10	2	25.0%
Japan	10	16	6	60.0%
Europe	14	13	(1)	(7.1%)
Americas	18	18	0	0%
Total	98	101	3	2.7%

Net sales composition ratio: comparison with FY2010

Jan-Jun 2010

Jan-Jun 2014



Key Initiatives for 2nd Half FY2014

Understanding of Environment

- US is moving toward tapering of monetary easing → Attention on impact on emerging economies
- Global economy is on a gradual growth trajectory
- However, the global competitive environment is getting harsher

- ◆ Capital investment among customers is healthy → Ongoing scenario of good opportunities arising to extend positive results by bringing in a large number of customers
- ◆ Heightened need for automation due to soaring personnel costs

Accelerate creation of business structure that can sustainably generate revenues and construction of a solid business foundation

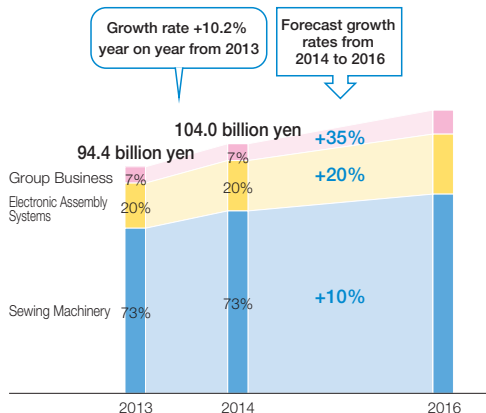
“Development of human resources to advance our business strategy” as a global enterprise

Achieve our goal of becoming “a strong company equipped to survive in the 21st century as a global “Monodzukuri” (art of product making) manufacturer with 100 years of history”

Construction of a solid business foundation

Establishment of business structure that can sustainably generate revenues

- Illustration of sales composition of each business



Group Business
Expand contracted processing business

Electronic Assembly Systems Business
Focus market growth areas
Communication devices (smartphones, etc.)
Home appliances, lighting, etc.
In-car devices, etc.

Sewing Machinery Business
Expansion areas among business fields
Non-apparel (automobiles, shoes, etc.)
Knitwear machinery
Automated machines
Household sewing machines

Key Initiatives for 2nd Half FY2014 (Sewing Machinery Business)

Sewing Machinery Business [Industrial sewing machines]

Regional strategy

- Expand new business opportunities by continuing to accurately keep track of trends in relocation of production bases to emerging countries in regions like Southeast Asia and South Asia.
Also concentrate on sales expansion in “new emerging countries” in areas including Middle East, Africa and Central/South America

Strategies by business sector

- Firmly maintain strength in woven machinery field, an area of expertise.
Expand business fields in areas of non-apparel, knitwear machinery and automated machines, which have growth potential

Non-apparel

Through new products, gain presences in markets for automobiles, sports shoes, furniture and others

Knitwear machinery

Expand sales of new products and utilize alliance with SIRUBA

Automated machines

Respond to customization orders and strengthen line solution sales using strength in woven machinery field

Spare parts

Expand spare parts sales through global network



DU-1281 Series
(New product)



MF-7500(D) Series
(New product)

Sewing Machinery Business [Household sewing machines]

Regional strategy

- Operation of sales strategy in accordance with characteristics of overseas markets ➡ Expand sales mainly focusing on quilt virtuoso pro long arm quilting machine in US and overlock with air-supported threading in Europe

Product strategy and alliance strategy

- Sales expansion through new products (MO-1000, TL-2200 QVP, HZL-350Z)



Overlock with air-supported threading
MO-1000



Quilt virtuoso pro long arm quilting machine
TL-2200QVP



Electric sewing machine
HZL-350Z

Key Initiatives for 2nd Half FY2014 (Electronic Assembly Systems Business)

Electronic Assembly Systems Business

Enhance functionality and develop peripheral equipment of new products added in business integration and have full-scale launch of sales

Vigorously develop sales of line solution that include printing equipment, inspection equipment and others with mounters

- Vigorously pursue alliances and accelerate efforts to acquire customers in markets where JUKI is yet to gain a presence [JUKI product lines (standard line examples)]



RP-1
Printing
equipment



RV-1
Post-printing inspection
equipment



RX-7
High-speed mounter
(Chip shooter)



RX-7
High-speed mounter
(Chip shooter)



RX-6
High-speed mounter
(Flexible mounter)



RV-1
Visual inspection
equipment

Expand sales of labor-saving equipment

- Aim for further sales expansion of labor-saving equipment as means of opening doors to potential solutions business

Product
PICK UP!

We added printing equipment and inspection equipment to our product lineup through our business integration with the Sony Group.

We will proactively make line solution proposals for the production line issues faced by our customers.

Solder Paste Printer "RP-1" (New product)



This printer is a solder paste printing device for PWBs to solder components, and is a keystone to maintaining good quality in the assembling process. "RP-1" offers significant improvements in printing accuracy and productivity with the "Motion Screen," a new mechanism that aligns the position of the PWB with that of the screen mask.

PWB Visual Inspection Machine "RV-1" (New product)



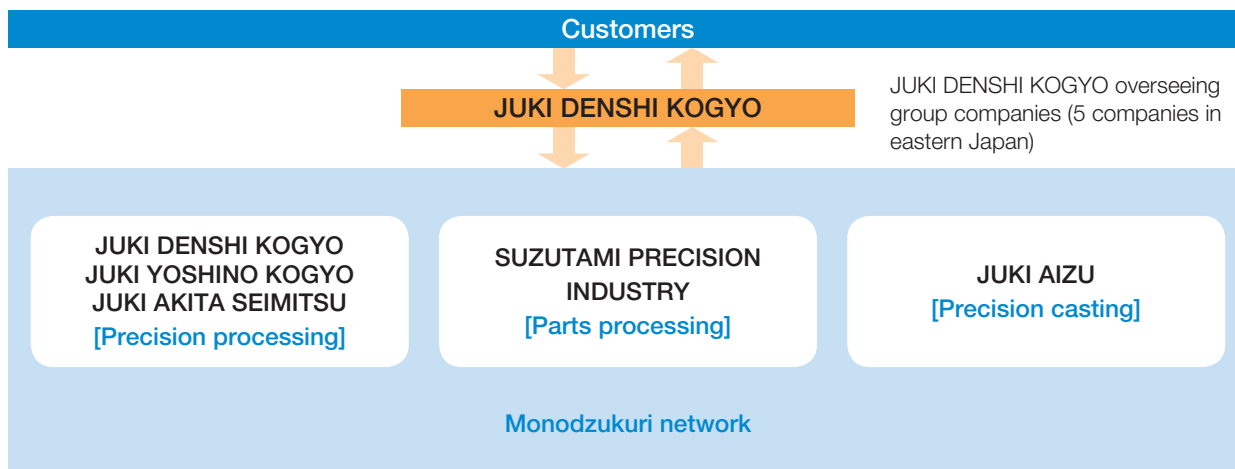
This inspection machine checks for component mounting failures and solder printing failures on PWBs. "RV-1" is equipped with the "Clear Vision Capturing System," which enables it to correctly and quickly detect failures even on high-density PWBs used in mobile terminal and others.

Key Initiatives for 2nd Half FY2014 (Group Business)

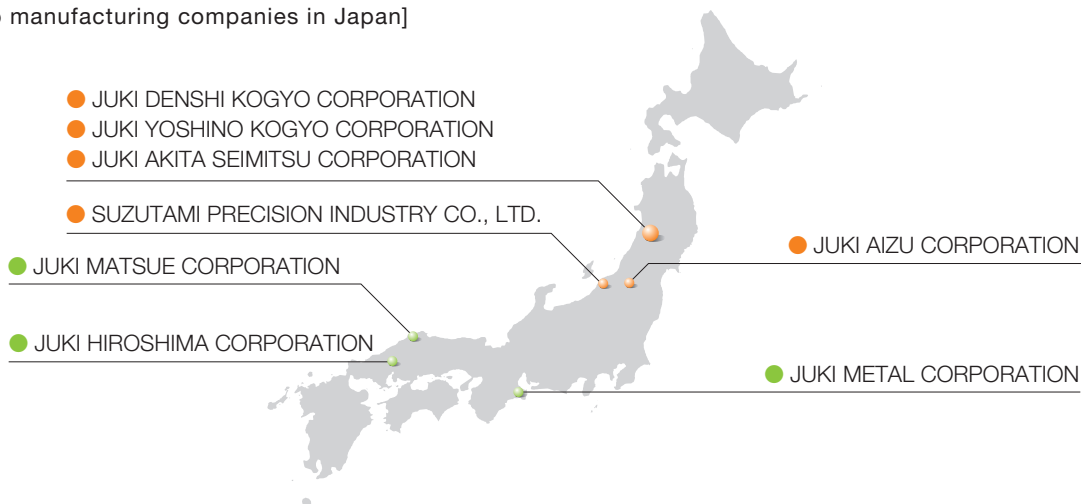
Group Business

Expand contracted processing business as third business segment → Cultivate as a new business

- With JUKI DENSHI KOGYO taking the lead, make use of precision processing and precision casting technology of JUKI Group companies and strengthen cooperation among companies, thus achieving business expansion



[Group manufacturing companies in Japan]



Consolidated Financial Statements for the First Half (Summary)

Consolidated Balance Sheet

(Million yen)

Item	FY2013 as of December 31, 2013	1st half FY2014 as of June 30, 2014	Change
Assets			
Current assets	79,505	80,306	801
Cash and deposits	6,254	6,997	742
Notes and accounts receivable - trade	24,879	24,221	(657)
Inventories	44,328	44,355	26
Other	5,168	5,838	670
Allowance for doubtful accounts	(1,125)	(1,105)	20
Non-current assets	33,683	33,696	13
Property, plant and equipment	26,614	26,053	(561)
Buildings and structures	15,204	14,704	(500)
Land	6,774	6,774	0
Other	4,635	4,574	(61)
Intangible assets	1,579	2,233	654
Investments and other assets	5,489	5,409	(80)
Other	6,926	6,888	(38)
Allowance for doubtful accounts	(1,436)	(1,478)	(42)
Total assets	113,189	114,003	814

(Million yen)

Item	FY2013 as of December 31, 2013	1st half FY2014 as of June 30, 2014	Change
Liabilities			
Current liabilities	72,850	70,867	(1,983)
Notes and accounts payable - trade	11,875	12,381	506
Short-term loans payable	53,074	50,555	(2,519)
Other	7,899	7,928	29
Non-current liabilities	28,531	28,976	445
Long-term loans payable	21,655	21,919	264
Provision for retirement benefits	5,217	5,297	80
Other	1,657	1,758	101
Total liabilities	101,382	99,843	(1,539)
Net assets			
Shareholders' equity	13,585	16,153	2,568
Capital stock	15,950	15,950	0
* Retained earnings	(2,304)	264	2,568
Treasury shares	(60)	(61)	(1)
Accumulated other comprehensive income	(2,153)	(3,005)	(852)
Valuation difference on available-for-sale securities	630	739	109
Deferred gains or losses on hedges	(23)	(9)	14
Foreign currency translation adjustment	(2,760)	(3,735)	(975)
Minority interests	374	1,011	637
Total net assets	11,806	14,159	2,353
Total liabilities and net assets	113,189	114,003	814

* Losses were eliminated.

Strengthening Financial Structure

Enhancement of Equity Capital



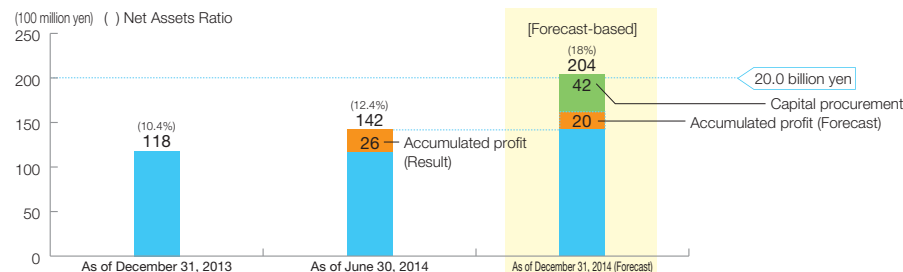
- 1 Growth investment to construct a "solid business foundation"
- 2 Strengthening capacity to address risks



- 1 Steady accumulated profit for each FY
- 2 Capital procurement

[Capital increase through the issuance of subscription rights to shares]
June 17 Issuance resolved
August 4 Capital increase completed
The amount procured is 4.2 billion yen

Changes in net assets



Consolidated Statement of Income

(Million yen)

Item	1st half FY2013 January 1, 2013 to June 30, 2013	1st half FY2014 January 1, 2014 to June 30, 2014	Change
Net sales	46,922	50,734	3,812
Cost of sales	35,116	35,111	(5)
Gross profit	11,805	15,622	3,817
Selling, general and administrative expenses	10,302	11,940	1,638
Operating income	1,503	3,681	2,178
Non-operating income	445	613	168
Non-operating expenses	1,577	784	(793)
Ordinary income	370	3,509	3,139
Extraordinary income	39	15	(24)
Extraordinary losses	1,574	61	(1,513)
Income (loss) before income taxes and minority interests	(1,163)	3,463	4,626
Income taxes	192	944	752
Income (loss) before minority interests	(1,356)	2,519	3,875
Minority interests in income (loss)	13	(49)	(62)
Net income (loss)	(1,369)	2,568	3,937

Consolidated Statement of Cash Flows

(Million yen)

Item	1st half FY2013 January 1, 2013 to June 30, 2013	1st half FY2014 January 1, 2014 to June 30, 2014	Change
Net cash provided by (used in) operating activities	4,326	3,186	(1,140)
Net cash provided by (used in) investing activities	188	(1,152)	(1,340)
Net cash provided by (used in) financing activities	(3,965)	(1,245)	2,720
Effect of exchange rate change on cash and cash equivalents	685	(274)	(959)
Net increase (decrease) in cash and cash equivalents	1,235	513	(722)
Cash and cash equivalents at beginning of period	7,960	6,239	(1,721)
Cash and cash equivalents at end of period	9,195	6,753	(2,442)

Corporate Profile

Trade name	JUKI CORPORATION
Founded on	December 15, 1938
Paid-in capital	15,950.26 million yen
Head office	2-11-1, Tsurumaki, Tama-shi, Tokyo, Japan
Fiscal year-end	December
Business items	Industrial sewing machines, SMT systems, Household sewing machines, etc.
Number of employees	6,127 (on a consolidated basis)
Number of consolidated subsidiaries	31

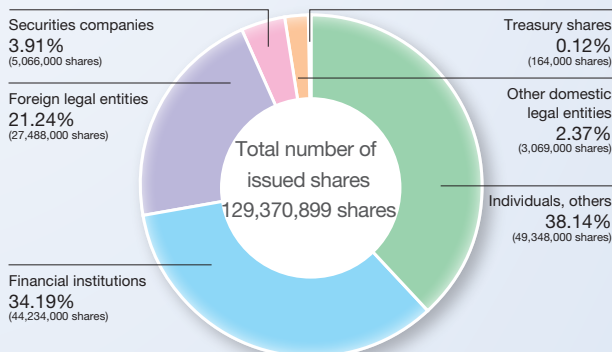
Stock Information

- Total number of authorized shares.....400,000,000 shares
- Total number of issued shares 129,370,899 shares
- Total number of shareholders 10,642

Major Shareholders

Shareholder name	Number of shares (1,000 shares)	Shareholding ratio (%)
BNYM SA/NV FOR BNYM CLIENT ACCOUNT MPCJ JAPAN	6,458	4.99
Japan Trustee Services Bank, Ltd. (Trust Account)	5,058	3.91
Mizuho Bank, Ltd.	4,690	3.62
Nippon Life Insurance Company	3,818	2.95
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,627	2.80

Stock Distribution Status by Owner Type



Information for Shareholders

Business year	January 1 to December 31
Ordinary General Meeting of Shareholders	March
Record date for the Ordinary General Meeting of Shareholders	December 31
Unit stock	1,000 shares
Method of public notice	We will post the public notice electronically on our website (http://www.juki.co.jp); provided, however, that in the case where an electronic public notice is impracticable due to an accident or any other unavoidable reason, the same public notice of the Company may be given in the Nihon Keizai Shimbun.
Listed stock exchange	Tokyo Stock Exchange, 1st section (securities code: 6440)
Shareholder register manager	1-2-1, Yaesu, Chuo-ku, Tokyo Mizuho Trust & Banking Co., Ltd.
(Handling office)	1-2-1, Yaesu, Chuo-ku, Tokyo Head Office Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.

	Shareholders with an account at a securities company	Shareholders without an account at a securities company, etc. (shareholders using a special account)
Mailing address	The securities company with which you trade	2-8-4, Izumi, Suginami-ku, Tokyo 168-8507 Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.
Telephone number for inquiries		0120-288-324 (toll free; within Japan only) (Business hours: 9:00 – 17:00 excluding Saturdays, Sundays, and national holidays)
Handling offices for various procedures (changes in the shareholder's address, changes in the way of receiving dividends for shareholders, etc.)		Mizuho Securities Co., Ltd. Headquarters, branch offices and sales offices “Planet Booths” for consultations with Mizuho Securities in Mizuho Bank branch lobbies Mizuho Trust & Banking Co., Ltd. Headquarters and branch offices
Offices for payment of dividends yet to be received	Headquarters and branch offices of Mizuho Trust & Banking Co., Ltd. Headquarters and branch offices of Mizuho Bank, Ltd. (Mizuho Securities Co., Ltd. only acts as a forwarding office.)	
Note	To have statements of payment issued, please refer to the above-mentioned mailing address, telephone number for inquiries, and handling offices for various procedures for shareholders using a special account.	You may purchase or sell shares through a special account only if you additionally purchase shares less than one unit or sell such shares. You need to open an account at a securities company, etc. and carry out a book-entry transfer of your shares in the special account. If you intend to carry out procedures at Mizuho Securities Co., Ltd. to make a request to purchase shares of less than one unit in order to make your holding into a whole unit of shares, you need to remit the relevant payment to the account designated by Mizuho Trust & Banking Co., Ltd., in advance.

Our Website



<http://www.juki.co.jp>

JUKI CORPORATION

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