(Reference Translation)

November 2, 2016

Summary of Financial Information and Business Results for the First Nine Months of Fiscal Year 2016 Ending December 31, 2016 on a Consolidated Basis <under Japanese GAAP>

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Listing: First Section of the Tokyo Stock Exchange
Securities code: 6440
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Scheduled date to file the quarterly securities report: November 4, 2016
Scheduled date to commence dividend payments: –
Preparation of supplementary material on quarterly financial results: None
Holding of quarterly financial results presentation meeting: None

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the first nine months of fiscal year 2016 ending December 31, 2016 (January 1, 2016 to September 30, 2016)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Nine months ended	million yen	%	million yen	%	million yen	%	million yen	%
September 30, 2016	73,283	(11.9)	2,776	(49.7)	1,307	(70.6)	110	(96.2)
September 30, 2015	83,215	8.4	5,514	(5.7)	4,442	(17.3)	2,899	(31.2)

Note: Comprehensive income
Nine months ended September 30, 2016: (3,797) million yen [– %]
Nine months ended September 30, 2015: 2,691 million yen [(42.4) %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	yen	yen
September 30, 2016	3.73	–
September 30, 2015	97.16	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	million yen	million yen	%
September 30, 2016	106,174	23,388	21.6
December 31, 2015	119,281	28,477	23.2

Reference: Equity As of September 30, 2016: 22,906 million yen
As of December 31, 2015: 27,678 million yen

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended December 31, 2015	–	2.00	–	25.00	–
Fiscal year ending December 31, 2016	–	0.00	–		
Fiscal year ending December 31, 2016 (Forecast)				20.00	20.00

Note: Revisions to the dividend forecasts most recently announced: None

* On July 1, 2015, the Company carried out a one-for-five common share consolidation. Consequently, the interim dividend for the fiscal year ended December 31, 2015 is the actual amounts prior to the consolidation, and the total annual dividend for the fiscal year ended December 31, 2015 is presented as "–." If the share consolidation is taken into account, the interim dividend for the fiscal year ended December 31, 2015 was 10 yen per share, and the total annual dividend amounted to 35 yen per share.

3. Consolidated earnings forecasts for the fiscal year 2016 ending December 31, 2016 (January 1, 2016 to December 31, 2016)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Fiscal year ending December 31, 2016	104,000	(7.9)	4,200	(40.9)	2,400	(58.1)	1,000	(74.0)	33.90

Note: Revisions to the consolidated earnings forecasts most recently announced: None

*** Notes**

(1) Changes in significant subsidiaries during the nine months under review (changes in specified subsidiaries resulting in changes in the scope of consolidation): None

(2) Application of special accounting for preparing quarterly consolidated financial statements: Yes
Note: For a detailed description, please refer to "(2) Application of special accounting for preparing quarterly consolidated financial statements" of "2. Matters regarding summary information (Notes)" on page 4 of the [Attached Material].

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

b. Changes in accounting policies due to other reasons: None

c. Changes in accounting estimates: None

d. Restatement of prior period financial statements after error corrections: None

Note: For a detailed description, please refer to "(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections" of "2. Matters regarding summary information (Notes)" on page 4 of the [Attached Material].

(4) Number of issued shares (common shares)

a. Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2016	29,874,179 shares
As of December 31, 2015	29,874,179 shares

b. Number of treasury shares at the end of the period

As of September 30, 2016	577,085 shares
As of December 31, 2015	36,089 shares

c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2016	29,501,664 shares
Nine months ended September 30, 2015	29,839,768 shares

* Indication regarding execution of quarterly review procedures

This quarterly financial results report is not subject to the quarterly review procedures under the Financial Instruments and Exchange Act, and at the time of disclosure hereof, the quarterly review procedures for quarterly consolidated financial statements under the Financial Instruments and Exchange Act have been completed.

* Disclaimer regarding forward-looking statements

This report contains forward-looking statements concerning future plans, strategies and assumptions in light of the economic, financial and other data currently available. Furthermore, they are subject to a number of risks and uncertainties. JUKI therefore wishes to caution readers that actual results may differ materially from those projected in such forward-looking statements. Significant factors that may have an impact on actual results include the economic environment surrounding JUKI's business, political situations in key markets, and foreign exchange rate fluctuations (primarily the yen to U.S. dollar rate).

[Attached Material]

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1. Qualitative information regarding consolidated performance for the first nine months

(1) Explanation regarding operating results

In the nine months ended September 30, 2016, the Company has taken steps to construct a solid business foundation and expand areas of business, strengthening solution selling and widening the scope of activities for proposing automation and labor-saving solutions to our customers. Nevertheless, net sales were 73,283 million yen (down by 11.9% from the same period of the previous fiscal year). This was mainly because the yen was strong compared to the same period of the previous fiscal year due to factors such as the low Federal funds rate, amid global economic stagnation due to a heightened uncertain outlook with factors such as the slowdown in the Chinese economy.
With respect to profits, despite the cost reduction effects in the areas of production, operating income was 2,776 million yen (down by 49.7% from the same period of the previous fiscal year), mainly due to the drop in sales and lower rates of return. Ordinary income was 1,307 million yen (down by 70.6% from the same period of the previous fiscal year), mainly due to foreign exchange losses incurred as non-operating expenses on revaluation of receivables amid a significant shift to appreciation of the yen against the U.S. dollar compared with the previous fiscal year-end. As a result, profit attributable to owners of parent was 110 million yen (down by 96.2% from the same period of the previous fiscal year), mainly due to an increase in tax expenses resulting from a revision of recoverability of deferred tax assets.

(Business overview by primary segment)
a. Sewing Machinery Business
In regard to geographic market, sales increased in emerging countries such as Bangladesh and India but languished in China and the Americas, etc. In terms of product, although sales of non-apparel sewn products and automated sewing machines through solution selling, etc. were well, the yen was strong compared to the same period of the previous fiscal year. As a result, net sales of the Sewing Machinery Business as a whole were 56,757 million yen (down by 9.9% from the same period of the previous fiscal year), and segment profit was 4,894 million yen (down by 19.5% from the same period of the previous fiscal year). Looking ahead, we will aim to improve sales and earnings by strengthening solution selling.

b. Electronic Assembly Systems Business
In regard to geographic market, sales decreased in our largest market of China, and in the Americas. In terms of product, growth achieved in sales of our new-type mounter which was rolled out under our line solutions strategy, did not make up for a drop in sales of our existing mounters. As a result, net sales of the Electronic Assembly Systems Business as a whole were 11,654 million yen (down by 25.7% from the same period of the previous fiscal year). Segment loss was 1,435 million yen (segment loss was 1,105 million yen in the same period of the previous fiscal year), mainly reflecting the decline in sales and lower rates of return for profits due to competition with rival companies, although structural reform of overall businesses brought about certain effect in reducing costs. Looking ahead, we will aim to improve earnings by achieving cost reduction through structural reforms and expanding our customer base by strengthening sales capabilities.

(2) Explanation regarding financial position

Assets, liabilities and net assets
Total assets as of September 30, 2016 were 106,174 million yen, a decrease of 13,107 million yen compared to the previous fiscal year-end. This was mainly due to a decrease in inventories and notes and accounts receivable - trade. Liabilities were 82,785 million yen, a decrease of 8,017 million yen compared to the previous fiscal year-end. This primarily reflected a decrease in short-term and long-term loans payable. Net assets were 23,388 million yen, a decrease of 5,089 million yen compared to the previous fiscal year-end. This was mainly due to purchases of treasury shares combined with a higher negative value in foreign currency translation adjustment due to the appreciation of the yen. Consequently, the equity ratio was 21.6%, a decrease of 1.6 percentage points over that of the previous fiscal year-end.

(3) Explanation regarding forward-looking statements such as consolidated earnings forecasts

The consolidated earnings forecasts for the fiscal year ending December 31, 2016 have not been revised from those previously announced on August 3, 2016.

2. Matters regarding summary information (Notes)

(1) Changes in significant subsidiaries during the nine months under review

No items to report.

(2) Application of special accounting for preparing quarterly consolidated financial statements

(Calculation of taxes)
Taxes are calculated by reasonably estimating the effective tax rate after application of tax effect accounting to profit before income taxes for the fiscal year, and multiplying the quarterly profit before income taxes by such estimated effective tax rate.

It should be noted that income taxes-deferred are included in income taxes.

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

Changes in accounting policies

(Application of Accounting Standard for Business Combinations, etc.)
Effective from the first quarter ended March 31, 2016, the Company has applied the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013; hereinafter the "Accounting Standard for Business Combinations"), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013; hereinafter the "Accounting Standard for Consolidated Financial Statements"), the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013; hereinafter the "Accounting Standard for Business Divestitures"), etc. As a result, the method of recording has been changed; the amount of difference caused by changes in the Company's ownership interests in the subsidiaries under ongoing control of the Company is recorded as capital surplus, and acquisition-related costs are recorded as expenses for the fiscal year in which they are incurred. Furthermore, the accounting method has been changed; for business combinations carried out on or after the beginning of the first quarter ended March 31, 2016, the revision of the acquisition cost allocation according to the finalization of the provisional accounting treatment is reflected in the quarterly consolidated financial statements for the quarterly period to which the date of the business combination belongs. In addition, the presentation method has been changed; "Net income" has been changed to "Profit attributable to owners of parent", "Income before minority interests" has been changed to "Profit", and "Minority interests" has been changed to "Non-controlling interests." To reflect these changes, the Company has reclassified its quarterly and full-year consolidated financial statements for the first nine months of the previous fiscal year and the previous fiscal year.
Application of the Accounting Standard for Business Combinations, etc. is in line with the transitional measures provided for in paragraph 58-2 (4) of the Accounting Standard for Business Combinations, paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and paragraph 57-4 (4) of the Accounting Standard for Business Divestitures. The Company applied the said standards prospectively from the beginning of the first quarter ended March 31, 2016.
The impact on quarterly consolidated financial statements for the third quarter under review is immaterial.

(Application of Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016)
Following the revision to the Corporation Tax Act, the Company has applied the "Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016" (ASBJ PITF No. 32, June 17, 2016) from the second quarter ended June 30, 2016, and changed the depreciation method for building fixtures and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method.
The impact from this change on operating income, ordinary income and profit before income taxes for the nine months ended September 30, 2016 is immaterial.

3. Quarterly consolidated financial statements

(1) Consolidated balance sheet

(million yen)

	As of December 31, 2015	As of September 30, 2016
Assets		
Current assets		
Cash and deposits	7,906	8,653
Notes and accounts receivable - trade	31,263	26,333
Inventories	42,647	35,952
Other	5,541	5,600
Allowance for doubtful accounts	(400)	(335)
Total current assets	86,958	76,204
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,844	12,921
Land	6,656	6,523
Other, net	4,523	4,058
Total property, plant and equipment	25,024	23,503
Intangible assets	1,797	1,526
Investments and other assets		
Other	7,297	6,523
Allowance for doubtful accounts	(1,795)	(1,584)
Total investments and other assets	5,501	4,939
Total non-current assets	32,323	29,969
Total assets	119,281	106,174
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,126	10,947
Short-term loans payable	46,870	41,358
Income taxes payable	745	354
Provision for bonuses	60	586
Other	6,632	6,041
Total current liabilities	64,436	59,287
Non-current liabilities		
Long-term loans payable	20,101	17,551
Provision for directors’ retirement benefits	171	72
Net defined benefit liability	5,084	5,081
Other	1,009	791
Total non-current liabilities	26,367	23,498
Total liabilities	90,803	82,785

(million yen)

	As of December 31, 2015	As of September 30, 2016
Net assets		
Shareholders’ equity		
Capital stock	18,044	18,044
Capital surplus	2,094	2,094
Retained earnings	7,800	7,164
Treasury shares	(66)	(605)
Total shareholders’ equity	27,873	26,698
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	817	557
Foreign currency translation adjustment	(1,148)	(4,482)
Remeasurements of defined benefit plans	136	132
Total accumulated other comprehensive income	(194)	(3,791)
Non-controlling interests	799	481
Total net assets	28,477	23,388
Total liabilities and net assets	119,281	106,174

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income (cumulative)

(million yen)

	Nine months ended September 30, 2015	Nine months ended September 30, 2016
Net sales	83,215	73,283
Cost of sales	57,145	51,623
Gross profit	26,069	21,659
Selling, general and administrative expenses	20,555	18,883
Operating income	5,514	2,776
Non-operating income		
Interest income	105	24
Dividend income	101	100
Commission fee	133	205
Reversal of allowance for doubtful accounts	17	213
Other	337	260
Total non-operating income	694	803
Non-operating expenses		
Interest expenses	1,012	875
Foreign exchange losses	657	1,328
Other	95	68
Total non-operating expenses	1,765	2,272
Ordinary income	4,442	1,307
Extraordinary income		
Gain on sales of non-current assets	40	442
Total extraordinary income	40	442
Extraordinary losses		
Loss on sales and retirement of non-current assets	31	114
Impairment loss	–	105
Special retirement expenses	–	79
Other	1	–
Total extraordinary losses	33	300
Profit before income taxes	4,449	1,449
Income taxes	1,649	1,536
Income taxes for prior periods	–	51
Profit (loss)	2,800	(138)
Loss attributable to non-controlling interests	(98)	(248)
Profit attributable to owners of parent	2,899	110

Consolidated statement of comprehensive income (cumulative)

(million yen)

	Nine months ended September 30, 2015	Nine months ended September 30, 2016
Profit (loss)	2,800	(138)
Other comprehensive income		
Valuation difference on available-for-sale securities	(21)	(260)
Deferred gains or losses on hedges	3	–
Foreign currency translation adjustment	(131)	(3,395)
Remeasurements of defined benefit plans, net of tax	40	(2)
Total other comprehensive income	(109)	(3,659)
Comprehensive income	2,691	(3,797)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,800	(3,486)
Comprehensive income attributable to non-controlling interests	(109)	(310)

(3) Notes on quarterly consolidated financial statements

(Notes on premise of going concern)

No items to report.

(Notes on significant changes in the amount of shareholders' equity)

The Company purchased 540,800 treasury shares as resolved at the meeting of the Board of Directors held on March 17, 2016. As a result, in the nine months ended September 30, 2016, the Company increased its holdings of treasury shares by 539 million yen, which includes acquisitions made through Company's purchases of shares less than one unit. Accordingly, the Company's holdings of treasury shares amounted to 605 million yen as of September 30, 2016.

(Segment information, etc.)

1. Information regarding the amounts of net sales and profit/loss by reportable segment

Nine months ended September 30, 2015 (January 1, 2015 to September 30, 2015) (million yen)

	Reportable segment			Other Businesses (Note 1)	Total	Adjustments (Note 2)	Amount recorded in the quarterly consolidated statement of income (Note 3)
	Sewing Machinery Business	Electronic Assembly Systems Business	Total				
Net sales							
To external customers	62,965	15,682	78,648	4,567	83,215	–	83,215
Inter-segment sales or transfers	312	210	523	687	1,210	(1,210)	–
Total	63,277	15,893	79,171	5,254	84,425	(1,210)	83,215
Segment profit (loss)	6,080	(1,105)	4,974	148	5,122	(680)	4,442

(Notes) 1. The "Other Businesses" category refers to business segments not included in reportable segments under which businesses such as the precision casting business (the production and sale of lost-wax products, etc.), the precision processing and assembly business and the IT-related equipment business are classified.
2. Included in the 680 million yen deducted from segment profit (loss) as adjustment are a deduction of 3 million yen in inter-segment eliminations and a deduction of 676 million yen in corporate loss that cannot be allocated to any reportable segment. The corporate loss mainly consists of costs related to the administrative functions of the Company that have not been attributed to a reportable segment and foreign exchange losses that have not been attributed to a reportable segment.
3. Segment profit (loss) is adjusted with ordinary income in the quarterly consolidated statement of income.

Nine months ended September 30, 2016 (January 1, 2016 to September 30, 2016) (million yen)

	Reportable segment			Other Businesses (Note 1)	Total	Adjustments (Note 2)	Amount recorded in the quarterly consolidated statement of income (Note 3)
	Sewing Machinery Business	Electronic Assembly Systems Business	Total				
Net sales							
To external customers	56,757	11,654	68,412	4,870	73,283	–	73,283
Inter-segment sales or transfers	62	102	164	692	857	(857)	–
Total	56,820	11,757	68,577	5,563	74,140	(857)	73,283
Segment profit (loss)	4,894	(1,435)	3,458	(195)	3,263	(1,955)	1,307

(Notes) 1. The "Other Businesses" category refers to business segments not included in reportable segments under which businesses such as the precision casting business (the production and sale of lost-wax products, etc.), the precision processing and assembly business and the IT-related equipment business are classified.
2. Included in the 1,955 million yen deducted from segment profit (loss) as adjustment are 6 million yen in inter-segment eliminations and a deduction of 1,962 million yen in corporate loss that cannot be allocated to any reportable segment. The corporate loss mainly consists of costs related to the administrative functions of the Company that have not been attributed to a reportable segment and foreign exchange losses that have not been attributed to a reportable segment.
3. Segment profit (loss) is adjusted with ordinary income in the quarterly consolidated statement of income.

2. Information regarding loss on impairment of non-current assets and goodwill by reportable segment

(Significant impairment loss on non-current assets)

In the nine months ended September 30, 2016, impairment losses comprising 105 million yen in assets of other segments are recorded as extraordinary loss.

3. Matters regarding changes in reportable segments

As stated in changes in accounting policies, following the revision to the Corporation Tax Act, the Company changed the depreciation method for building fixtures and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method. Therefore, the depreciation method used for business segments has been changed in the same way from the second quarter ended June 30, 2016.

The impact from this change on segment profit (loss) for the nine months ended September 30, 2016 is immaterial.