

**Summary of Financial Information and Business Results  
for the First Three Months of Fiscal Year 2014 Ending December 31, 2014  
on a Consolidated Basis  
<under Japanese GAAP>**

Company name: **JUKI Corporation**  
 Listing: First Section of the Tokyo Stock Exchange  
 Securities code: 6440  
 URL: <http://www.juki.co.jp/>  
 Representative: Akira Kiyohara, President  
 Inquiries: Masahiko Suzuki, General Manager of Finance & Accounting Department  
 TEL: +81-42-357-2211

Scheduled date to file the quarterly securities report: May 9, 2014  
 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 three months of fiscal year 2014 ending  
December 31, 2014  
(January 1, 2014 to March 31, 2014)**

**(1) Consolidated operating results (cumulative)** (Percentages indicate year-on-year changes)

| Three months ended | Net sales   |      | Operating income |       | Ordinary income |   | Net income  |   |
|--------------------|-------------|------|------------------|-------|-----------------|---|-------------|---|
|                    | million yen | %    | million yen      | %     | million yen     | % | million yen | % |
| March 31, 2014     | 25,201      | 11.4 | 1,867            | 632.1 | 1,734           | – | 1,113       | – |
| March 31, 2013     | 22,624      | 18.4 | 255              | –     | (531)           | – | (2,128)     | – |

Note: Comprehensive income Three months ended March 31, 2014: 591 million yen [– %]  
 Three months ended March 31, 2013: (690) million yen [– %]

| Three months ended | Net income per share | Diluted net income per share |
|--------------------|----------------------|------------------------------|
|                    | yen                  | yen                          |
| March 31, 2014     | 8.62                 | –                            |
| March 31, 2013     | (16.47)              | –                            |

## (2) Consolidated financial position

|                   | Total assets | Net assets  | Equity ratio |
|-------------------|--------------|-------------|--------------|
| As of             | million yen  | million yen | %            |
| March 31, 2014    | 114,991      | 13,103      | 10.4         |
| December 31, 2013 | 113,189      | 11,806      | 10.1         |

Reference: Equity As of March 31, 2014: 12,007 million yen

As of December 31, 2013: 11,432 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, 2013             | –                 | 0.00               | –                 | 0.00            | 0.00  |
| Fiscal year ending December 31, 2014            | –                 |                    |                   |                 |       |
| Fiscal year ending December 31, 2014 (Forecast) |                   | 0.00               | –                 | 2.00            | 2.00  |

Note: Revisions to the dividend forecasts most recently announced: Yes

Although the forecast for the second quarter-end of the fiscal year ending December 31, 2014 was yet to be determined in the forecasts most recently announced, it has now been determined as presented above. For a detailed description, please refer to “Notice of Earnings Forecasts and Dividend Forecasts,” which was released today (May 8, 2014). The dividend forecast for the fiscal year-end is unchanged.

## 3. Consolidated earnings forecasts for the fiscal year 2014 ending December 31, 2014 (January 1, 2014 to December 31, 2014)

(Percentages indicate year-on-year changes)

|                                      | Net sales   |     | Operating income |       | Ordinary income |       | Net income  |      | Net income per share |
|--------------------------------------|-------------|-----|------------------|-------|-----------------|-------|-------------|------|----------------------|
|                                      | million yen | %   | million yen      | %     | million yen     | %     | million yen | %    | yen                  |
| Six months ending June 30, 2014      | 51,000      | 8.7 | 3,700            | 146.2 | 3,100           | 737.1 | 2,000       | –    | 15.48                |
| Fiscal year ending December 31, 2014 | 102,000     | 8.1 | 6,300            | 22.3  | 5,000           | 28.9  | 3,700       | 23.1 | 28.63                |

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

Although the forecasts for the six months ending June 30, 2014 were yet to be determined in the forecasts most recently announced, they have now been determined as presented above. For a detailed description, please refer to “Notice of Earnings Forecasts and Dividend Forecasts,” which was released today (May 8, 2014). The forecasts for the fiscal year ending December 31, 2014 are unchanged.

**\* Notes**

- (1) Changes in significant subsidiaries during the three 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: None
  - 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

(4) Number of issued shares (common shares)

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

|                         |                    |
|-------------------------|--------------------|
| As of March 31, 2014    | 129,370,899 shares |
| As of December 31, 2013 | 129,370,899 shares |

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

|                         |                |
|-------------------------|----------------|
| As of March 31, 2014    | 162,183 shares |
| As of December 31, 2013 | 161,683 shares |

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

|                                   |                    |
|-----------------------------------|--------------------|
| Three months ended March 31, 2014 | 129,208,971 shares |
| Three months ended March 31, 2013 | 129,215,417 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]**

**Index**

|                                                                                                                                                         |   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| 1. Qualitative information regarding consolidated performance for the first three months .....                                                          | 2 |
| (1) Explanation regarding operating results .....                                                                                                       | 2 |
| (2) Explanation regarding financial position .....                                                                                                      | 3 |
| (3) Explanation regarding forward-looking statements such as consolidated earnings forecasts.....                                                       | 3 |
| 2. Matters regarding summary information (Notes).....                                                                                                   | 4 |
| (1) Changes in significant subsidiaries during the three months under review .....                                                                      | 4 |
| (2) Application of special accounting for preparing quarterly consolidated financial statements.....                                                    | 4 |
| (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections ..... | 4 |
| 3. Quarterly consolidated financial statements.....                                                                                                     | 5 |
| (1) Consolidated balance sheet .....                                                                                                                    | 5 |
| (2) Consolidated statement of income and consolidated statement of comprehensive income.....                                                            | 7 |
| Consolidated statement of income (cumulative).....                                                                                                      | 7 |
| Consolidated statement of comprehensive income (cumulative).....                                                                                        | 8 |
| (3) Notes on quarterly consolidated financial statements.....                                                                                           | 9 |
| (Notes on premise of going concern).....                                                                                                                | 9 |
| (Notes on significant changes in the amount of shareholders' equity) .....                                                                              | 9 |
| (Segment information, etc.) .....                                                                                                                       | 9 |

## 1. Qualitative information regarding consolidated performance for the first three months

### (1) Explanation regarding operating results

In the three months ended March 31, 2014, although sales were generally weak for the Sewing Machinery Business and Electronic Assembly Systems Business in China, a continuation of firm year-on-year performance in the Sewing Machinery Business in Asia's emerging markets, and the effect of yen depreciation led to net sales rising 11.4% year on year to 25,201 million yen. In addition, boosted by positive effects from the group-wide structural reforms that have been implemented since the preceding year, operating income was 1,867 million yen (compared with an operating income of 255 million yen in the same period of the previous fiscal year), ordinary income was 1,734 million yen (compared with an ordinary loss of 531 million yen in the same period of the previous fiscal year) and net income was 1,113 million yen (compared with a net loss of 2,128 million yen in the same period of the previous fiscal year).

JUKI AUTOMATION SYSTEMS CORPORATION, a consolidated subsidiary of the Company, succeeded to the surface-mount technology ("SMT") equipment and related businesses of Sony Corporation and its subsidiary SONY EMCS Corporation (hereinafter, "SONY Corporation, etc.") by company split (absorption-type company split). As a result, we are now making efforts to improve development efficiency, expand sales through an enhanced product lineup, and strengthen solution sales through utilizing both companies' mounting technology knowhow through reconstructing the JUKI Group's Electronic Assembly Systems Business, in the areas of development, sales and production. Going forward, we will continue to strengthen the business foundation while expanding business areas.

(Business overview by primary segment)

#### a. 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 18,657 million yen (up by 13.1% from the same period of the previous fiscal year).

#### b. Electronic Assembly Systems Business

Although sales in China, our largest market, were weak, sales to the Japanese domestic market increased and sales of mounters and labor-saving systems for the LED market increased. As a result, net sales of the Electronic Assembly Systems Business as a whole were 4,792 million yen (up by 8.6% from the same period of the previous fiscal year).

**(2) Explanation regarding financial position**

Assets, liabilities and net assets

Total assets as of March 31, 2014 were 114,991 million yen, an increase of 1,801 million yen compared to the previous fiscal year-end. This was mainly due to an increase in cash and deposits and an increase in intangible assets accompanying the company split with Sony Corporation, etc. Liabilities were 101,887 million yen, an increase of 504 million yen compared to the previous fiscal year-end. This primarily reflected an increase in long-term loans payable. Net assets were 13,103 million yen, an increase of 1,296 million yen compared to the previous fiscal year-end. This was mainly due to the recording of net income and the increase in minority interests from the execution of a company split at a subsidiary.

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

The company has not revised its consolidated earnings forecasts for the fiscal year ending December 31, 2014, which were announced on February 14, 2014.

For our consolidated earnings forecasts for the six months ending June 30, 2014, which were yet to be determined as of February 14, 2014, please refer to “Notice of Earnings Forecasts and Dividend Forecasts,” which was announced today (May 8, 2014).

## **2. Matters regarding summary information (Notes)**

### **(1) Changes in significant subsidiaries during the three 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 income before income taxes and minority interests for the fiscal year, and multiplying the quarterly income before income taxes and minority interests 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**

No items to report.

### 3. Quarterly consolidated financial statements

#### (1) Consolidated balance sheet

(million yen)

|                                              | As of December 31, 2013 | As of March 31, 2014 |
|----------------------------------------------|-------------------------|----------------------|
| <b>Assets</b>                                |                         |                      |
| Current assets                               |                         |                      |
| Cash and deposits                            | 6,254                   | 7,385                |
| Notes and accounts receivable - trade        | 24,879                  | 25,214               |
| Inventories                                  | 44,328                  | 43,962               |
| Other                                        | 5,168                   | 5,283                |
| Allowance for doubtful accounts              | (1,125)                 | (1,120)              |
| Total current assets                         | 79,505                  | 80,725               |
| Non-current assets                           |                         |                      |
| Property, plant and equipment                |                         |                      |
| Buildings and structures, net                | 15,204                  | 14,952               |
| Land                                         | 6,774                   | 6,774                |
| Other, net                                   | 4,635                   | 4,738                |
| Total property, plant and equipment          | 26,614                  | 26,465               |
| Intangible assets                            | 1,579                   | 2,342                |
| Investments and other assets                 |                         |                      |
| Other                                        | 6,926                   | 6,909                |
| Allowance for doubtful accounts              | (1,436)                 | (1,452)              |
| Total investments and other assets           | 5,489                   | 5,456                |
| Total non-current assets                     | 33,683                  | 34,265               |
| Total assets                                 | 113,189                 | 114,991              |
| <b>Liabilities</b>                           |                         |                      |
| Current liabilities                          |                         |                      |
| Notes and accounts payable - trade           | 11,875                  | 11,507               |
| Short-term loans payable                     | 53,074                  | 52,895               |
| Current portion of bonds                     | 10                      | —                    |
| Income taxes payable                         | 873                     | 1,036                |
| Provision for bonuses                        | 54                      | 494                  |
| Other                                        | 6,962                   | 6,202                |
| Total current liabilities                    | 72,850                  | 72,137               |
| Non-current liabilities                      |                         |                      |
| Long-term loans payable                      | 21,655                  | 22,933               |
| Provision for retirement benefits            | 5,217                   | 5,297                |
| Provision for directors' retirement benefits | 165                     | 166                  |
| Other                                        | 1,492                   | 1,352                |
| Total non-current liabilities                | 28,531                  | 29,749               |
| Total liabilities                            | 101,382                 | 101,887              |

(million yen)

|                                                       | As of December 31, 2013 | As of March 31, 2014 |
|-------------------------------------------------------|-------------------------|----------------------|
| Net assets                                            |                         |                      |
| Shareholders' equity                                  |                         |                      |
| Capital stock                                         | 15,950                  | 15,950               |
| Retained earnings                                     | (2,304)                 | (1,190)              |
| Treasury shares                                       | (60)                    | (60)                 |
| Total shareholders' equity                            | 13,585                  | 14,698               |
| Accumulated other comprehensive income                |                         |                      |
| Valuation difference on available-for-sale securities | 630                     | 751                  |
| Deferred gains or losses on hedges                    | (23)                    | (15)                 |
| Foreign currency translation adjustment               | (2,760)                 | (3,426)              |
| Total accumulated other comprehensive income          | (2,153)                 | (2,690)              |
| Minority interests                                    | 374                     | 1,095                |
| Total net assets                                      | 11,806                  | 13,103               |
| Total liabilities and net assets                      | 113,189                 | 114,991              |

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

(million yen)

|                                                          | Three months ended<br>March 31, 2013 | Three months ended<br>March 31, 2014 |
|----------------------------------------------------------|--------------------------------------|--------------------------------------|
| Net sales                                                | 22,624                               | 25,201                               |
| Cost of sales                                            | 17,264                               | 17,764                               |
| Gross profit                                             | 5,359                                | 7,437                                |
| Selling, general and administrative expenses             | 5,104                                | 5,569                                |
| Operating income                                         | 255                                  | 1,867                                |
| Non-operating income                                     |                                      |                                      |
| Interest income                                          | 41                                   | 31                                   |
| Dividend income                                          | 6                                    | 4                                    |
| Subsidies for employment adjustment                      | 58                                   | –                                    |
| Foreign exchange gains                                   | –                                    | 85                                   |
| Other                                                    | 108                                  | 137                                  |
| Total non-operating income                               | 215                                  | 258                                  |
| Non-operating expenses                                   |                                      |                                      |
| Interest expenses                                        | 427                                  | 364                                  |
| Foreign exchange losses                                  | 513                                  | –                                    |
| Other                                                    | 61                                   | 27                                   |
| Total non-operating expenses                             | 1,002                                | 391                                  |
| Ordinary income (loss)                                   | (531)                                | 1,734                                |
| Extraordinary income                                     |                                      |                                      |
| Gain on sales of non-current assets                      | 27                                   | 4                                    |
| Gain on sales of investment securities                   | 0                                    | 3                                    |
| Total extraordinary income                               | 28                                   | 8                                    |
| Extraordinary losses                                     |                                      |                                      |
| Loss on sales and retirement of non-current assets       | 4                                    | 5                                    |
| Impairment loss                                          | 76                                   | –                                    |
| Loss on change in equity                                 | –                                    | 5                                    |
| Special retirement expenses                              | 1,461                                | –                                    |
| Total extraordinary losses                               | 1,542                                | 10                                   |
| Income (loss) before income taxes and minority interests | (2,045)                              | 1,732                                |
| Income taxes                                             | 79                                   | 589                                  |
| Income (loss) before minority interests                  | (2,125)                              | 1,143                                |
| Minority interests in income                             | 2                                    | 30                                   |
| Net income (loss)                                        | (2,128)                              | 1,113                                |

**Consolidated statement of comprehensive income (cumulative)**

(million yen)

|                                                         | Three months ended<br>March 31, 2013 | Three months ended<br>March 31, 2014 |
|---------------------------------------------------------|--------------------------------------|--------------------------------------|
| Income (loss) before minority interests                 | (2,125)                              | 1,143                                |
| Other comprehensive income                              |                                      |                                      |
| Valuation difference on available-for-sale securities   | 243                                  | 120                                  |
| Deferred gains or losses on hedges                      | 68                                   | 7                                    |
| Foreign currency translation adjustment                 | 1,122                                | (679)                                |
| Total other comprehensive income                        | 1,434                                | (551)                                |
| Comprehensive income                                    | (690)                                | 591                                  |
| Comprehensive income attributable to                    |                                      |                                      |
| Comprehensive income attributable to owners of parent   | (715)                                | 575                                  |
| Comprehensive income attributable to minority interests | 24                                   | 15                                   |

**(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)**

No items to report.

**(Segment information, etc.)**

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

Three months ended March 31, 2013 (January 1, 2013 to March 31, 2013) (million yen)

|                                  | Reportable segment        |                                      |        | Other Businesses<br>(Note 1) | Total  | Adjustments<br>(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            | 16,492                    | 4,414                                | 20,906 | 1,717                        | 22,624 | –                       | 22,624                                                                     |
| Inter-segment sales or transfers | 39                        | 39                                   | 78     | 216                          | 295    | (295)                   | –                                                                          |
| Total                            | 16,532                    | 4,453                                | 20,985 | 1,934                        | 22,919 | (295)                   | 22,624                                                                     |
| Segment profit (loss)            | (104)                     | (144)                                | (248)  | 90                           | (158)  | (373)                   | (531)                                                                      |

- (Notes) 1. The “Other Businesses” category refers to business segments not included in reportable segments under which businesses such as the precision casting (the production and sale of lost-wax products, etc.), the IT-related equipment, and the dies and press processing parts are classified.
2. Included in the 373 million yen deducted from segment profit (loss) as adjustment are 0 million yen in inter-segment eliminations and a deduction of 373 million yen in corporate expenses that cannot be allocated to any reportable segment. The corporate expenses are mainly costs related to the administrative functions of the Company that have not been attributed to a reportable segment.
3. Segment profit (loss) is adjusted with ordinary loss in the quarterly consolidated statement of income.

Three months ended March 31, 2014 (January 1, 2014 to March 31, 2014) (million yen)

|                                  | Reportable segment        |                                      |        | Other Businesses<br>(Note 1) | Total  | Adjustments<br>(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            | 18,657                    | 4,792                                | 23,449 | 1,751                        | 25,201 | –                       | 25,201                                                                     |
| Inter-segment sales or transfers | 84                        | 63                                   | 147    | 218                          | 365    | (365)                   | –                                                                          |
| Total                            | 18,741                    | 4,855                                | 23,597 | 1,969                        | 25,566 | (365)                   | 25,201                                                                     |
| Segment profit                   | 1,735                     | 68                                   | 1,804  | 49                           | 1,853  | (119)                   | 1,734                                                                      |

- (Notes) 1. The “Other Businesses” category refers to business segments not included in reportable segments under which businesses such as the precision casting (the production and sale of lost-wax products, etc.), the IT-related equipment, and the dies and press processing parts are classified.
2. Included in the 119 million yen deducted from segment profit as adjustment are a deduction of 2 million yen in inter-segment eliminations and a deduction of 116 million yen in corporate expenses that cannot be allocated to any reportable segment. The corporate expenses are mainly costs related to the administrative functions of the Company that have not been attributed to a reportable segment.
3. Segment profit 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

Three months ended March 31, 2013 (January 1, 2013 to March 31, 2013)  
(Significant impairment loss on non-current assets)

As for idle assets which have not been attributed to reportable segments, the Company reduced their book values to recoverable values due to a decline of their market values and recorded this reduction as impairment loss under extraordinary losses. The recognized amount as impairment loss was 76 million yen for the three months ended March 31, 2013.

Three months ended March 31, 2014 (January 1, 2014 to March 31, 2014)

No items to report.