

(Reference Translation)



August 6, 2014

**Summary of Financial Information and Business Results
for the First Six 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
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Scheduled date to file the quarterly securities report: August 6, 2014
Scheduled date to commence dividend payments: –
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

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

**1. Consolidated performance for the first six months of fiscal year 2014 ending
December 31, 2014
(January 1, 2014 to June 30, 2014)**

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

Six months ended	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
June 30, 2014	50,734	8.1	3,681	144.9	3,509	847.8	2,568	–
June 30, 2013	46,922	21.9	1,503	–	370	–	(1,369)	–

Note: Comprehensive income Six months ended June 30, 2014: 1,648 million yen [90.4 %]
Six months ended June 30, 2013: 865 million yen [– %]

Six months ended	Net income per share	Diluted net income per share
	yen	yen
June 30, 2014	19.88	–
June 30, 2013	(10.60)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	million yen	million yen	%
June 30, 2014	114,003	14,159	11.5
December 31, 2013	113,189	11,806	10.1

Reference: Equity As of June 30, 2014: 13,148 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	–	0.00			
Fiscal year ending December 31, 2014 (Forecast)			–	3.00	3.00

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

Although the forecast for the fiscal year-end was 2 yen per share in the forecasts most recently announced, it has now been determined as presented above. For a detailed description, please refer to “Notice of Revisions to Earnings Forecasts and Dividend Forecasts,” which was released today (August 6, 2014).

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
Fiscal year ending December 31, 2014	104,000	10.2	6,900	34.0	6,300	62.5	4,600	53.0	33.36

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

For a detailed description, please refer to “Notice of Revisions to Earnings Forecasts and Dividend Forecasts,” which was released today (August 6, 2014).

*** Notes**

- (1) Changes in significant subsidiaries during the six 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 June 30, 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 June 30, 2014	164,116 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)

Six months ended June 30, 2014	129,208,283 shares
Six months ended June 30, 2013	129,214,718 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).

Concerning the average number of shares during the period, which forms the basis for calculation of net income per share stated in the consolidated earnings forecasts for the fiscal year 2014 ending December 31, 2014, the number of increased shares by exercise of subscription rights to shares as of the filing date of this report is reflected in the calculation.

[Attached Material]

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

(1) Explanation regarding operating results

In the six months ended June 30, 2014, 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 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, operating income was 3,681 million yen (compared with an operating income of 1,503 million yen in the same period of the previous fiscal year), ordinary income was 3,509 million yen (compared with an ordinary income of 370 million yen in the same period of the previous fiscal year) and net income was 2,568 million yen (compared with a net loss of 1,369 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) on March 1, 2014. 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 in order to reconstruct the JUKI Group's Electronic Assembly Systems Business in the areas of development, sales and production. In the six months ended June 30, 2014, we started with working on enhancing functionality of new products and developing their peripheral equipment in readiness for a full-scale launch. Going forward, we will continue to strengthen the foundation in the areas of development and production while expanding sales.

(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 37,151 million yen (up by 10.3% from the same period of the previous fiscal year).

b. Electronic Assembly Systems Business

Although sales of labor-saving systems 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).

(2) Explanation regarding financial position

a. Assets, liabilities and net assets

Total assets as of June 30, 2014 were 114,003 million yen, an increase of 814 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 99,843 million yen, a decrease of 1,538 million yen compared to the previous fiscal year-end. This primarily reflected a decrease in short-term loans payable. Net assets were 14,159 million yen, an increase of 2,353 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.

As a result of the recording of net income, losses were eliminated and retained earnings as of June 30, 2014 were 264 million yen, compared to loss of 2,304 million yen at the end of the previous fiscal year.

b. Analysis of cash flows

Net cash provided by operating activities was 3,186 million yen (compared to net cash of 4,326 million yen provided in the same period of the previous fiscal year), mainly due to a recording of income before income taxes and minority interests and an increase in notes and accounts payable - trade.

Net cash used in investing activities was 1,152 million yen (compared to net cash of 188 million yen provided in the same period of the previous fiscal year). This was mainly the result of purchase of property, plant and equipment and intangible assets.

Net cash used in financing activities was 1,245 million yen (compared to net cash of 3,965 million yen used in the same period of the previous fiscal year), mainly due to a decrease in interest-bearing debt.

As a result, cash and cash equivalents were 6,753 million yen, an increase of 513 million yen compared to 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, 2014, reflect the actual operating results for the first six months ended June 30, 2014 and the improved operating results that the Company expects to achieve by expanding sales through taking advantage of expanded demand in the Asian market and strengthening sales capabilities on one hand, and by reducing operating costs on the other. Based on these considerations, for the fiscal year ending December 31, 2014, the Company forecasts net sales of 104,000 million yen (an increase of 10.2% year on year), operating income of 6,900 million yen (an increase of 34.0%), ordinary income of 6,300 million yen (an increase of 62.5%) and net income of 4,600 million (an increase of 53.0%). The assumed foreign exchange rate used in the consolidated earnings forecasts for the second half of the fiscal year is 97 yen to one U.S. dollar.

For a detailed description, please refer to "Notice of Revisions to Earnings Forecasts and Dividend Forecasts," which was released today (August 6, 2014).

2. Matters regarding summary information (Notes)

(1) Changes in significant subsidiaries during the six 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 for the fiscal year, and multiplying the quarterly income 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

No items to report.

3. Quarterly consolidated financial statements

(1) Consolidated balance sheet

(million yen)

	As of December 31, 2013	As of June 30, 2014
Assets		
Current assets		
Cash and deposits	6,254	6,997
Notes and accounts receivable - trade	24,879	24,221
Inventories	44,328	44,355
Other	5,168	5,838
Allowance for doubtful accounts	(1,125)	(1,105)
Total current assets	79,505	80,306
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,204	14,704
Land	6,774	6,774
Other, net	4,635	4,574
Total property, plant and equipment	26,614	26,053
Intangible assets	1,579	2,233
Investments and other assets		
Other	6,926	6,888
Allowance for doubtful accounts	(1,436)	(1,478)
Total investments and other assets	5,489	5,409
Total non-current assets	33,683	33,696
Total assets	113,189	114,003
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,875	12,381
Short-term loans payable	53,074	50,555
Current portion of bonds	10	-
Income taxes payable	873	1,316
Provision for bonuses	54	51
Other	6,962	6,561
Total current liabilities	72,850	70,867
Non-current liabilities		
Long-term loans payable	21,655	21,919
Provision for retirement benefits	5,217	5,297
Provision for directors' retirement benefits	165	165
Other	1,492	1,593
Total non-current liabilities	28,531	28,976
Total liabilities	101,382	99,843

(million yen)

	As of December 31, 2013	As of June 30, 2014
Net assets		
Shareholders' equity		
Capital stock	15,950	15,950
Retained earnings	(2,304)	264
Treasury shares	(60)	(61)
Total shareholders' equity	13,585	16,153
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	630	739
Deferred gains or losses on hedges	(23)	(9)
Foreign currency translation adjustment	(2,760)	(3,735)
Total accumulated other comprehensive income	(2,153)	(3,005)
Minority interests	374	1,011
Total net assets	11,806	14,159
Total liabilities and net assets	113,189	114,003

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

Consolidated statement of income (cumulative)

(million yen)

	Six months ended June 30, 2013	Six months ended June 30, 2014
Net sales	46,922	50,734
Cost of sales	35,116	35,111
Gross profit	11,805	15,622
Selling, general and administrative expenses	10,302	11,940
Operating income	1,503	3,681
Non-operating income		
Interest income	70	61
Dividend income	32	52
Foreign exchange gains	–	246
Other	341	253
Total non-operating income	445	613
Non-operating expenses		
Interest expenses	841	724
Foreign exchange losses	652	–
Other	84	60
Total non-operating expenses	1,577	784
Ordinary income	370	3,509
Extraordinary income		
Gain on sales of non-current assets	39	12
Gain on sales of investment securities	0	3
Total extraordinary income	39	15
Extraordinary losses		
Loss on sales and retirement of non-current assets	7	56
Impairment loss	104	–
Loss on change in equity	–	5
Special retirement expenses	1,462	–
Total extraordinary losses	1,574	61
Income (loss) before income taxes and minority interests	(1,163)	3,463
Income taxes	192	944
Income (loss) before minority interests	(1,356)	2,519
Minority interests in income (loss)	13	(49)
Net income (loss)	(1,369)	2,568

Consolidated statement of comprehensive income (cumulative)

(million yen)

	Six months ended June 30, 2013	Six months ended June 30, 2014
Income (loss) before minority interests	(1,356)	2,519
Other comprehensive income		
Valuation difference on available-for-sale securities	264	108
Deferred gains or losses on hedges	95	13
Foreign currency translation adjustment	1,862	(993)
Total other comprehensive income	2,222	(870)
Comprehensive income	865	1,648
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	816	1,716
Comprehensive income attributable to minority interests	49	(68)

(3) Consolidated statement of cash flows

(million yen)

	Six months ended June 30, 2013	Six months ended June 30, 2014
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	(1,163)	3,463
Depreciation	1,459	1,515
Impairment loss	104	–
Extra retirement payment	1,462	–
Increase (decrease) in allowance for doubtful accounts	137	63
Increase (decrease) in provision for retirement benefits	(1,272)	82
Increase (decrease) in provision for bonuses	(10)	(1)
Interest and dividend income	(103)	(113)
Interest expenses	841	724
Foreign exchange losses (gains)	1,079	(246)
Loss (gain) on sales and retirement of property, plant and equipment and intangible assets	(31)	44
Decrease (increase) in notes and accounts receivable - trade	(576)	(70)
Decrease (increase) in inventories	8,104	(1,583)
Increase (decrease) in notes and accounts payable - trade	(1,138)	724
Increase (decrease) in accrued consumption taxes	497	(227)
Increase (decrease) in notes discounted	149	(135)
Other, net	(2,981)	156
Subtotal	6,559	4,397
Interest and dividend income received	103	113
Interest expenses paid	(854)	(736)
Payments for extra retirement payments	(1,431)	–
Income taxes (paid) refund	(50)	(587)
Net cash provided by (used in) operating activities	4,326	3,186
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(288)	(914)
Proceeds from sales of property, plant and equipment and intangible assets	213	34
Other, net	263	(272)
Net cash provided by (used in) investing activities	188	(1,152)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(2,084)	(2,215)
Proceeds from long-term loans payable	4,087	7,547
Repayments of long-term loans payable	(5,928)	(6,686)
Redemption of bonds	(20)	(10)
Cash dividends paid	(0)	(0)
Proceeds of sale and installment back	345	674
Repayments of sale and installment back payables	(126)	(264)
Other, net	(238)	(290)
Net cash provided by (used in) financing activities	(3,965)	(1,245)
Effect of exchange rate change on cash and cash equivalents	685	(274)
Net increase (decrease) in cash and cash equivalents	1,235	513
Cash and cash equivalents at beginning of period	7,960	6,239
Cash and cash equivalents at end of period	9,195	6,753

**(4) 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

Six months ended June 30, 2013 (January 1, 2013 to June 30, 2013) (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	33,669	9,797	43,467	3,455	46,922	–	46,922
Inter-segment sales or transfers	112	87	200	432	633	(633)	–
Total	33,782	9,885	43,667	3,887	47,555	(633)	46,922
Segment profit	462	170	632	193	826	(455)	370

- (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 455 million yen deducted from segment profit as adjustment are 2 million yen in inter-segment eliminations and a deduction of 458 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.

Six months ended June 30, 2014 (January 1, 2014 to June 30, 2014) (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	37,151	10,061	47,213	3,521	50,734	–	50,734
Inter-segment sales or transfers	162	158	320	471	792	(792)	–
Total	37,314	10,219	47,534	3,992	51,526	(792)	50,734
Segment profit (loss)	3,699	(162)	3,537	168	3,705	(195)	3,509

- (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 195 million yen deducted from segment profit (loss) as adjustment are a deduction of 8 million yen in inter-segment eliminations and a deduction of 186 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 income in the quarterly consolidated statement of income.

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

Six months ended June 30, 2013 (January 1, 2013 to June 30, 2013)
(Significant impairment loss on non-current assets)

As for business assets in the Sewing Machinery Business for which initially assumed revenues are no longer anticipated, and idle assets which have not been attributed to reportable segments, the Company reduced their book values to recoverable values and recorded these reductions as impairment loss under extraordinary loss. The recognized amounts as impairment loss are 28 million yen and 76 million yen, respectively, for the six months ended June 30, 2013.

Six months ended June 30, 2014 (January 1, 2014 to June 30, 2014)

No items to report.

(Material subsequent events)

(Issuance of subscription rights to shares)

The Company issued the first series subscription rights to shares with exercise price amendment clause (with clauses to designate exercise or suspension) through a third party allotment on July 4, 2014, in accordance with a resolution made at the Board of Directors' meeting held on June 17, 2014.

The payment of the total amount of the issue price of these subscription rights to shares was completed on the same date, and the allotment was made as described below.

The first series subscription rights to shares with exercise price amendment clause (with clauses to designate exercise or suspension) by allotment to third party

The number of subscription rights to shares	20,000 subscription rights to shares
Class and number of shares to be issued upon exercise of subscription rights to shares	Common shares of the Company: 20,000,000 shares
Issue price	735 yen per subscription right to shares (Total issue price: 14,700,000 yen)
Number of potential shares by such issuance	Number of potential shares: 20,000,000 shares (1,000 shares per subscription right to shares) Upper limit exercise price is not set. Although the lower limit exercise price is set at 168 yen, the number of potential shares is 20,000,000 shares even at the lower limit exercise price.
Exercise prices and amendment conditions of exercise price	Initial exercise price: 225 yen On and after July 7, 2014, the exercise price shall be amended to the amount equivalent to 92% of the closing price of the ordinary transaction of the Company's common shares at the Tokyo Stock Exchange on the trading day immediately prior to the date on which notifications of requests for the exercise of subscription rights to shares are made; provided, however, that in the case where the price after the amendment is lower than the lower limit exercise price, the exercise price shall be revised to the lower limit exercise price.
Date of issuance	July 4, 2014
Exercised period of subscription rights to shares	From July 7, 2014 to July 6, 2017
Allottee	Nomura Securities Co., Ltd.
Use of proceeds	a. Renewal of existing facilities such as the Ohtawara Plant and the Company's plants in Vietnam, and investment in new facilities in the Sewing Machinery Business b. Investment in the product development in growth fields in the Sewing Machinery Business c. Expenditure to expand sales and marketing network for emerging markets in the Sewing Machinery Business d. Investment in development of the line solution business and automation and labor-saving equipment, etc. in the Electronic Assembly Systems Business e. Investment in production equipment related to contracted processing for business expansion of the Group Business f. Repayment of borrowings from financial institutions

(Capital increase through exercise of subscription rights to shares)

In the period from the end of the second quarter ended June 30, 2014 until August 4, 2014, the payment upon exercise of subscription rights to shares and the issuance of new shares were fully completed.

- | | |
|---|--------------------------------------|
| a. The number of exercised subscription rights to shares: | 20,000 subscription rights to shares |
| b. The number of issued shares: | 20,000,000 shares |
| c. Total exercise price: | 4,174 million yen |
| d. Amount of increase in capital stock: | 2,094 million yen |
| e. Amount of increase in legal capital surplus: | 2,094 million yen |

(Note) As a result of the above, the total number of issued common shares of the Company as of the filing date of this report was 149,370,899 shares, capital stock was 18,044 million yen, and legal capital surplus was 2,094 million yen.