

To Our Shareholders



Business Report for the 100th Business Term

(From January 1, 2014 through December 31, 2014)

JUKI CORPORATION

Securities code: 6440

Major Points of Business Performance

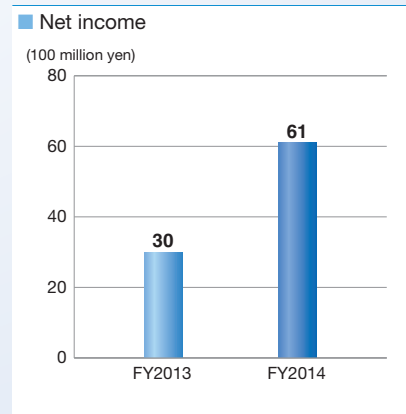
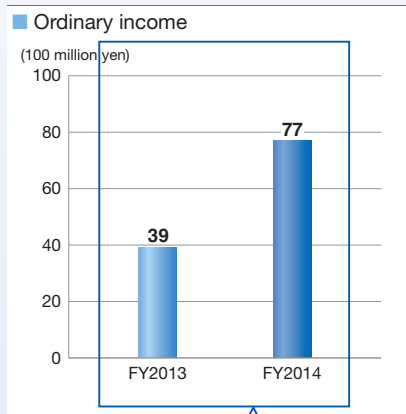
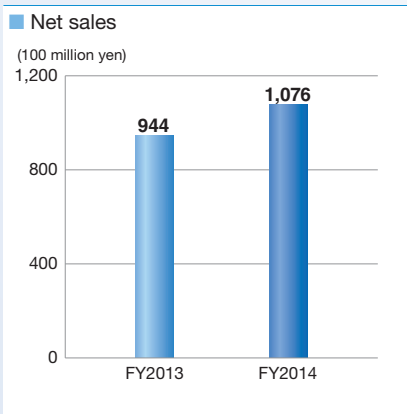
Net sales increased by 14% year on year mainly because of a firm performance for the Sewing Machinery Business in Asia's emerging markets, continuing on from the previous fiscal year, and the effect of yen depreciation. Operating income, ordinary income and net income all increased substantially, boosted by sales increase and positive effects from group-wide structural reforms implemented since the previous fiscal year.

Net sales 107.6 billion yen
(up by 13.2 billion yen year on year)

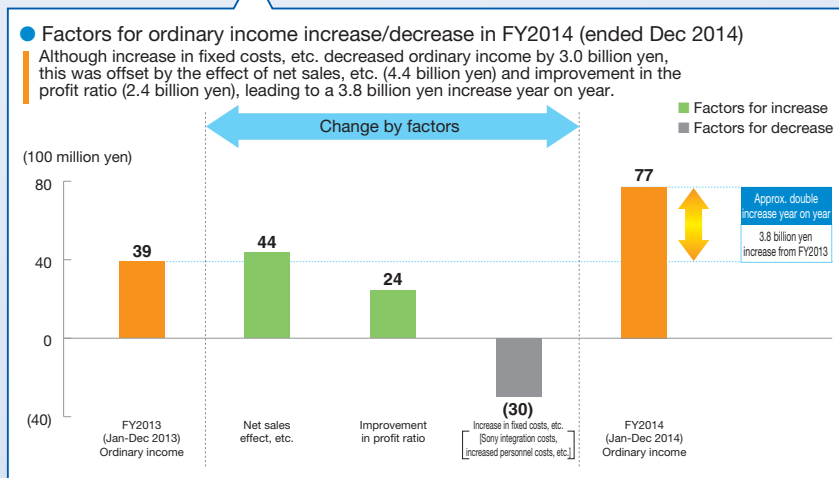
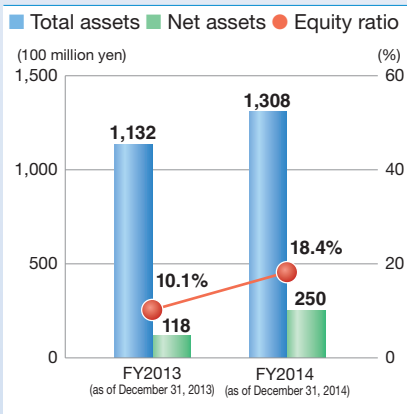
Operating income 8.2 billion yen
(up by 3.1 billion yen year on year)

Ordinary income 7.7 billion yen
(up by 3.8 billion yen year on year)

Net income 6.1 billion yen
(up by 3.1 billion yen year on year)



Average Exchange Rates	1 US\$	1 Euro
Y97	¥97	¥129
Y106	¥106	¥141



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

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

In presenting our business results for the 100th business term (from January 1, 2014 through December 31, 2014), I would like to take the opportunity to convey a few words to our shareholders.

In the fiscal year 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 14.0% year on year to 107,581 million yen. In addition, boosted by the sales increase and the positive effects from the group-wide structural reforms that have been implemented since the previous fiscal year, all levels of income showed increases with consolidated operating income of 8,217 million yen, consolidated ordinary income of 7,710 million yen and consolidated net income of 6,058 million yen.

For dividends, we maintain the basic policy of striving to improve the return of profit to our shareholders based on the stable payment of dividends in comprehensive consideration of factors such as the results of the fiscal year under review and the internal reserve provided for future business development. For the fiscal year under review, in consideration of this basic policy and the latest year-end financial position, we plan to pay a dividend of 4 yen per share.

The Company formulated a Medium-Term Management Plan for the two years ending in 2016

under its vision to be a “Global ‘Monodzukuri’ manufacturer equipped to survive in the 21st century.” Positioning this Medium-Term Management Plan as two years in which we will create the foundations to ensure growth, the Company will increase investment in growth for the future. We will strive to realize a virtuous cycle for growth and to improve our business performance by carrying out advance development and capital investment and pushing ahead with investment for the development and utilization of personnel. In this way, we are aiming to be a company that responds to changes and forms a strong business.

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



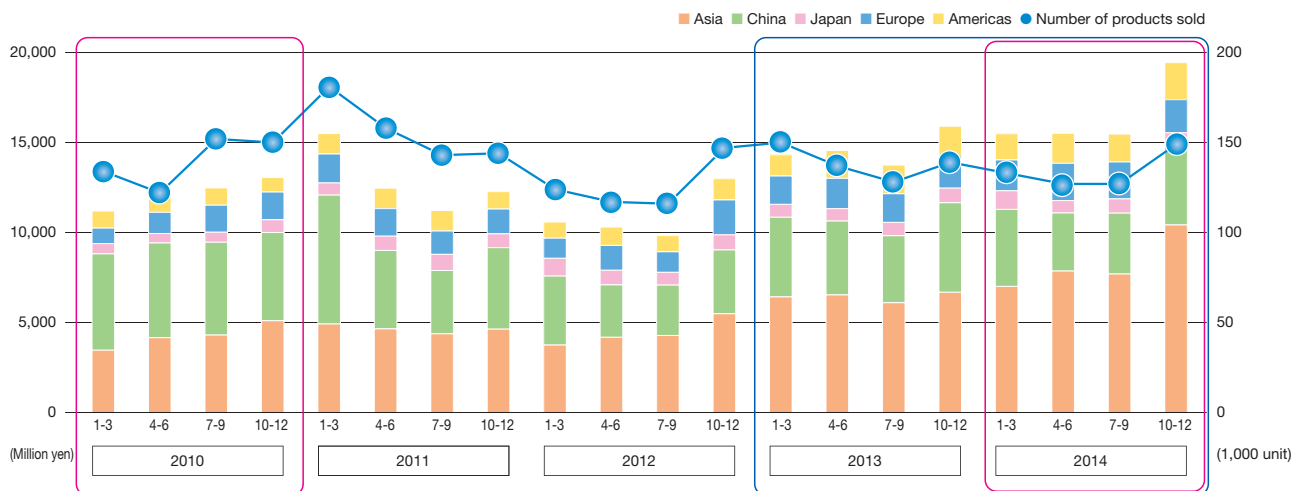
Akira Kiyohara
Representative Director

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 there was an increase in sales to manufacturers of non-apparel sewn products such as

car seats and sports shoes, an expanding business field that the Company is focusing on. As a result, net sales of the Sewing Machinery Business as a whole were 77,991 million yen (up by 13.3% from the same period of the previous fiscal year).

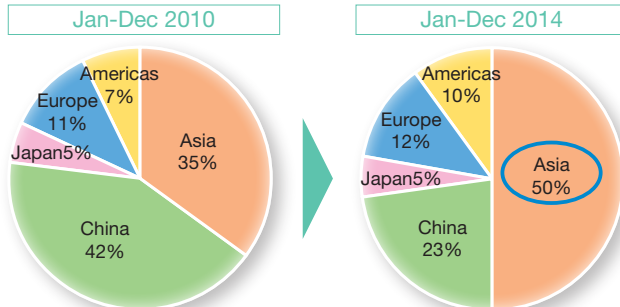
● Changes in net sales of industrial sewing machines (excluding parts, etc.) by region



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

	Jan-Dec 2013	Jan-Dec 2014	Amount of change	% of change
Asia	266	330	64	24.1%
China	165	152	(13)	(7.9%)
Japan	30	33	3	10.0%
Europe	66	77	11	16.7%
Americas	57	67	10	17.5%
Total	584	659	75	12.8%

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

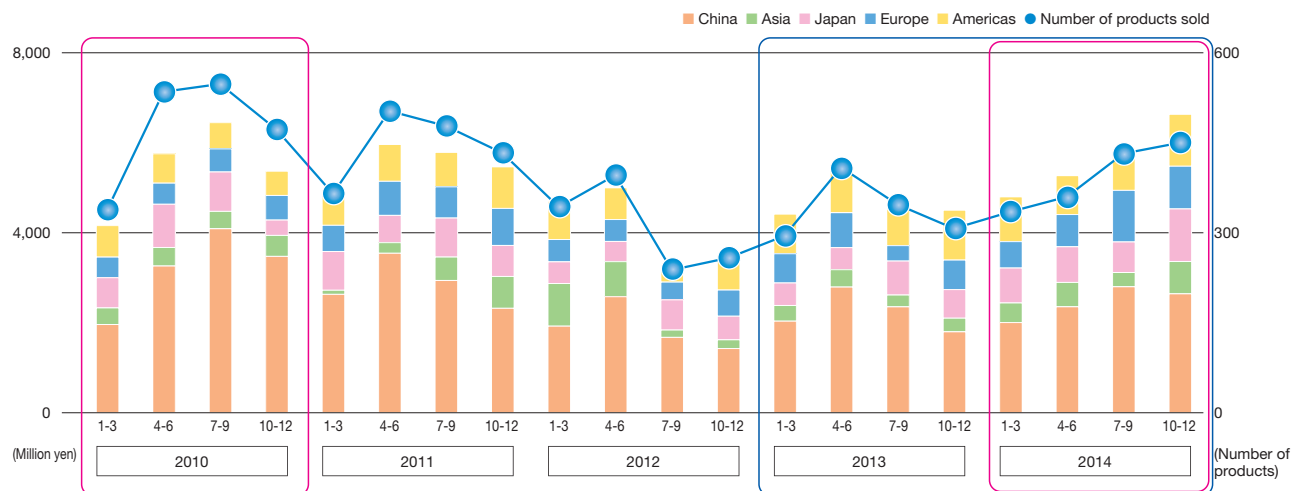


Electronic Assembly Systems Business

In addition to the contribution to sales from new products and from purchased products associated with business field expansion, there was an increase in the sales of labor-saving equipment. As a result, net

sales of the Electronic Assembly Systems Business as a whole were 22,432 million yen (up by 19.2% from the same period of the previous fiscal year).

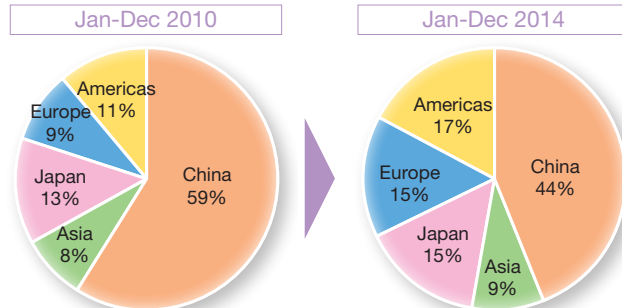
● Changes in net sales by region



● Net sales: year-on-year comparison (100 million yen)

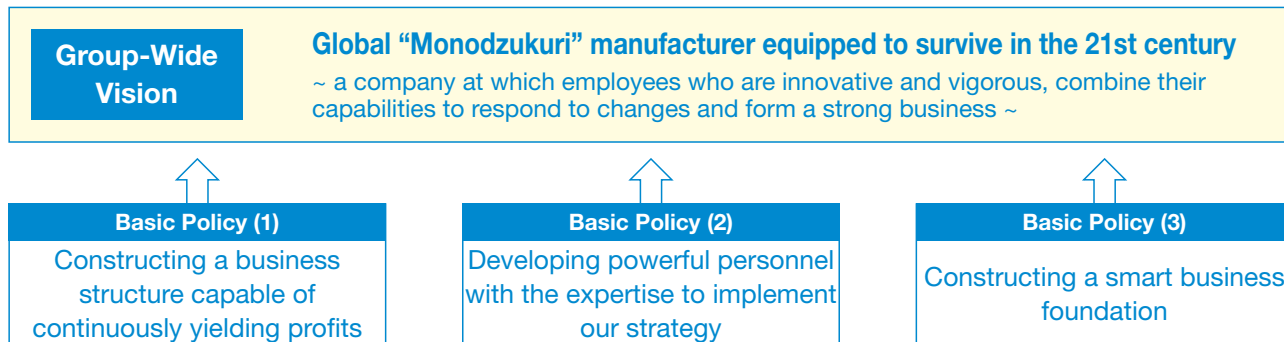
	Jan-Dec 2013	Jan-Dec 2014	Amount of change	% of change
China	90	98	8	8.9%
Asia	13	20	7	53.8%
Japan	24	34	10	41.7%
Europe	24	34	10	41.7%
Americas	37	38	1	2.7%
Total	188	224	36	19.2%

● Net sales composition ratio: comparison with FY2010

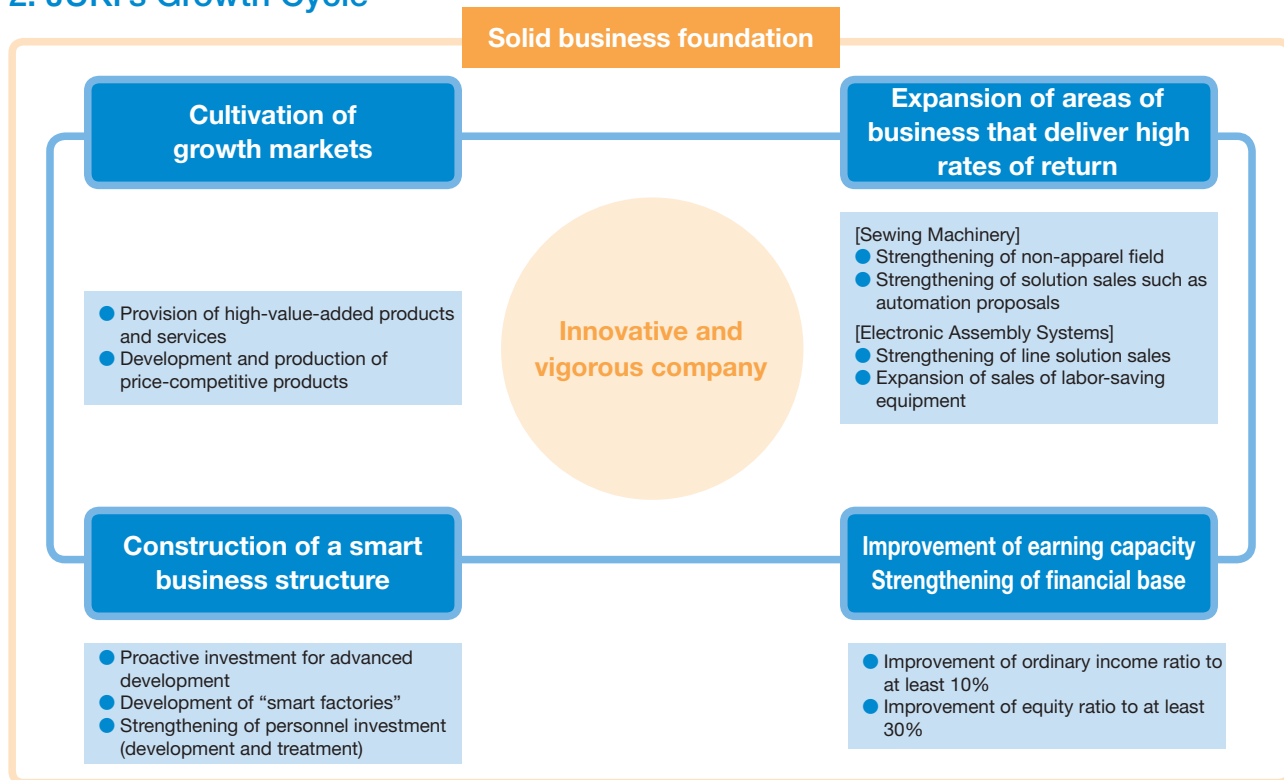


Medium-Term Management Plan (2015-2016)

1. Vision and Basic Policies



2. JUKI’s Growth Cycle



3. Operating Environment

Operating Environment

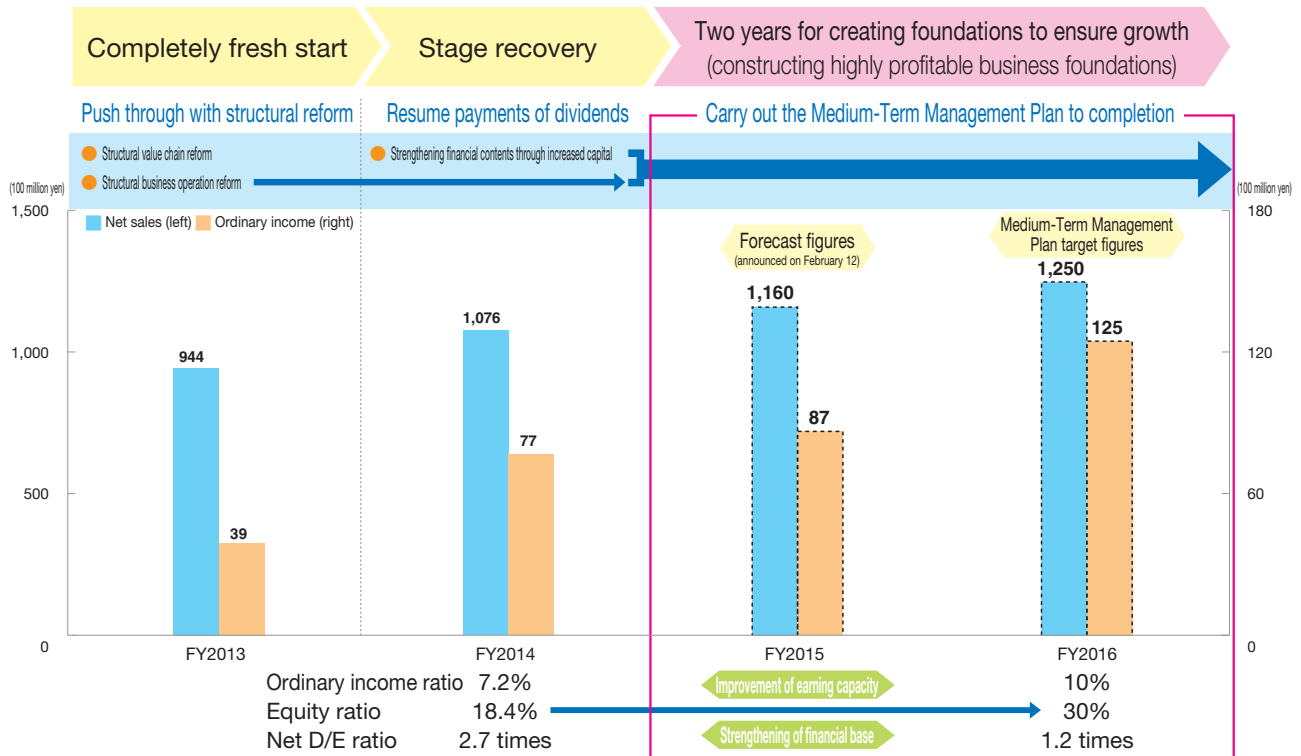
- In the U.S., monetary easing in a winding down phase
 - ➔ Stable growth in near term
- Emerging countries maintain moderate growth

Uncertainties

- In China, industrial structure reform despite economic growth slowdown
- Geopolitical risks evident particularly in Middle East
- Currency depreciation in oil-producing countries due to crude oil price fall, etc.

Capital investment in manufacturing sector move to “selective investment” ➔ proactive investment into labor-saving & manpower-saving equipment

4. Positioning of Medium-Term Management Plan

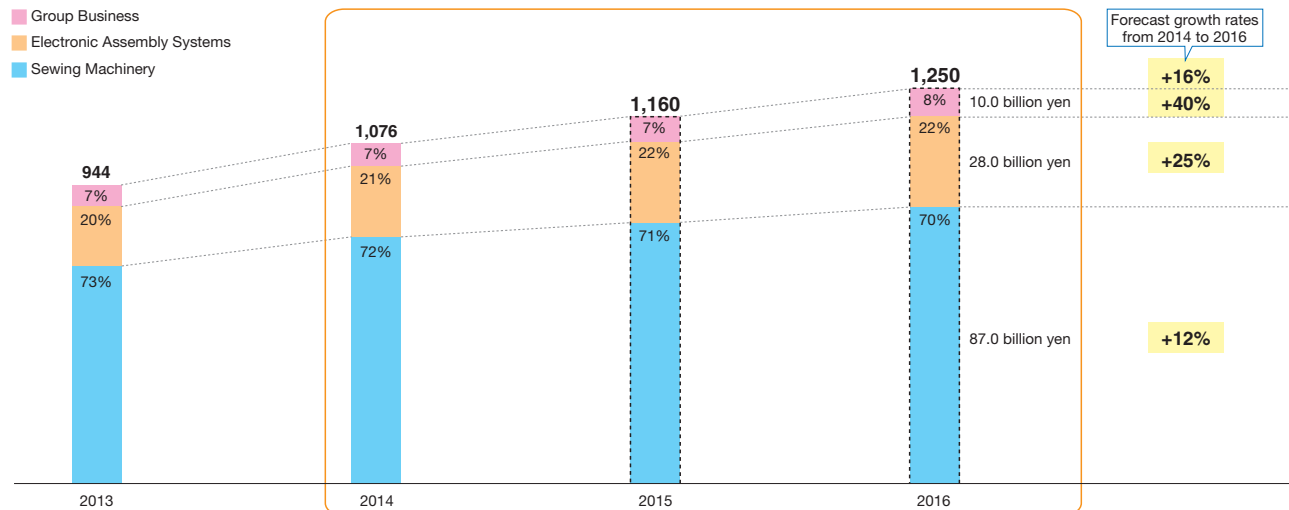


* The exchange rate for Medium-Term Management Plan: 1 US\$ = ¥110

Medium-Term Management Plan (2015-2016)

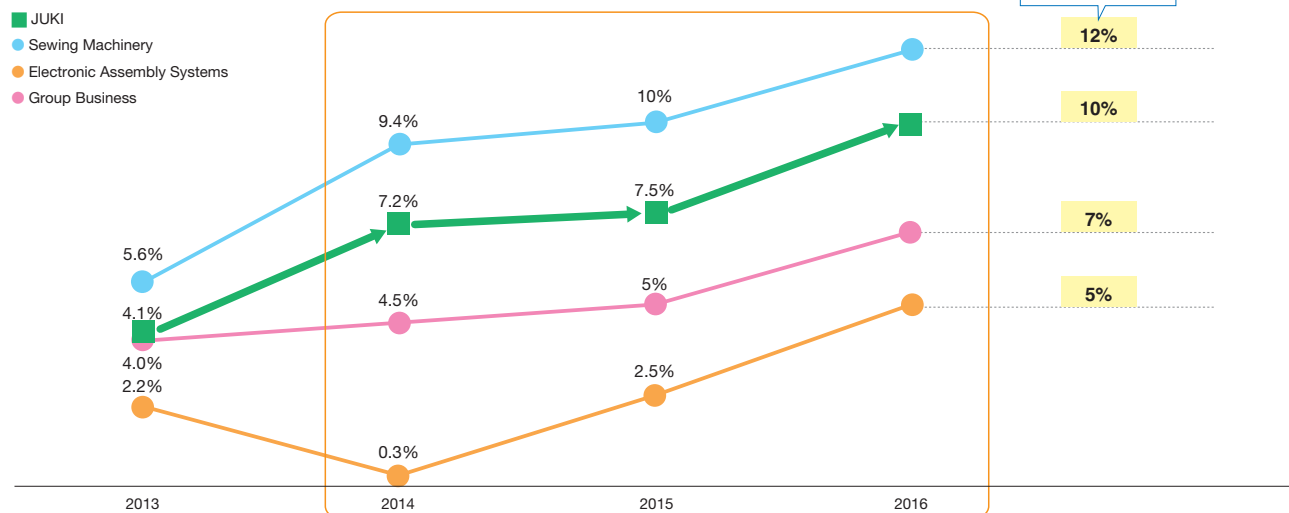
5. Cultivation of Growth Markets

● Net sales by business segment (100 million yen)



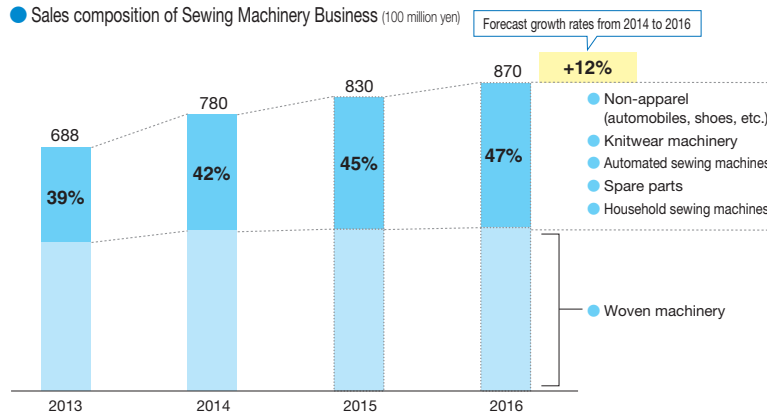
6. Expansion of Areas of Business that Deliver High Rates of Return

● Ordinary income ratio by business segment

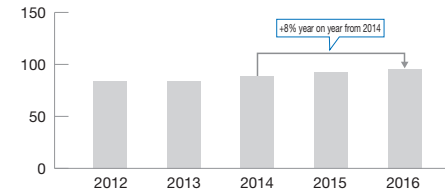


7-1. Medium-Term Plan for Sewing Machinery Business (Industrial Sewing Machines • Household Sewing Machines)

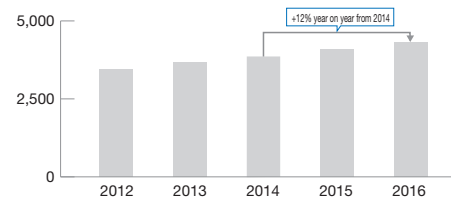
Expand business fields with non-apparel, knitwear machinery, automated sewing machines, spare parts and household sewing machines



● Automobile market (Million unit) * Data: JUKI estimates



● Shoe market (100 million US\$) * Data: JUKI estimates



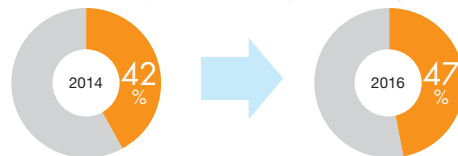
7-2. Strategy for Industrial Sewing Machine Business

Strategy Business with the top market share in all sectors and regions

~ Construct a business model of FA (Factory Automation) through the full-fledged operation of line solutions (smart sewing system sales) ~

● Net sales ratio for expansion areas

Expansion areas: Non-apparel, knitwear machinery, automated sewing machines, spare parts



● Net sales ratio for emerging markets

Emerging markets: Southeast Asia, South Asia, Central/South America, Middle East, Africa



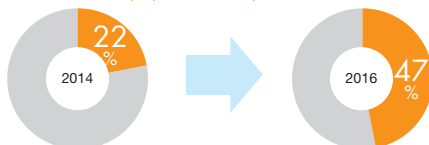
7-3. Strategy for Household Sewing Machine Business

Strategy Business with strong merits despite its small size ~ Place a priority on contact with consumer markets and utilize our industrial sewing machine technology ~

● JUKI' s share in machines for work purposes and for quilts (amount basis)

Machines for work purposes and for quilts

* Data: JUKI estimates



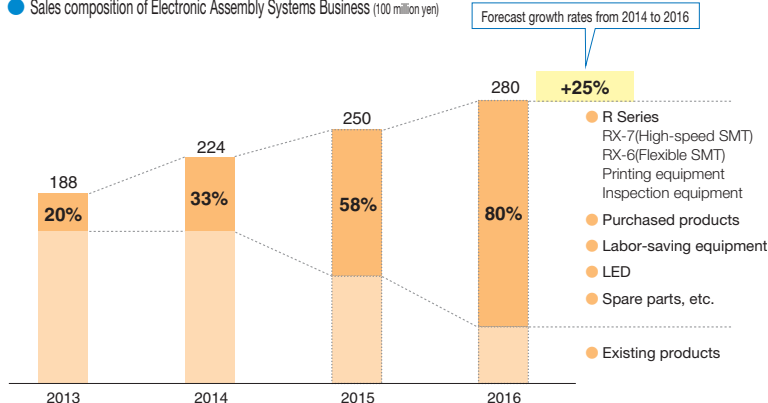
● Tokyo International Great Quilt Festival 2015 (January 22 to 28, Tokyo Dome)



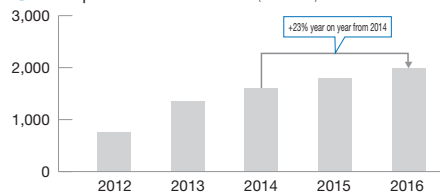
8. Medium-Term Plan and Strategy for Electronic Assembly Systems Business

Expand business fields with R Series (new product), purchased products, labor-saving equipment and others

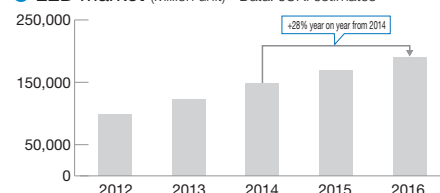
● Sales composition of Electronic Assembly Systems Business (100 million yen)



● Smartphone ■ tablet market (Million unit) * Data: JUKI estimates



● LED market (Million unit) * Data: JUKI estimates



Strategy Business incorporating the remarkable strength of our operational capability in line solutions

~ Construct business model of offering solutions based on thorough understanding of customer needs ~

Line solutions total 51% (R Series + Purchased products)

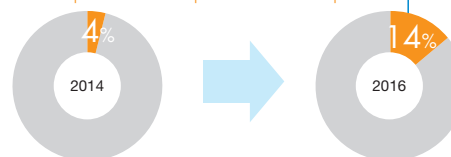
● Net sales ratio for R Series

R Series: RX-7(High-speed SMT), RX-6(Flexible SMT), Printing equipment, Inspection equipment



● Net sales ratio for purchased products

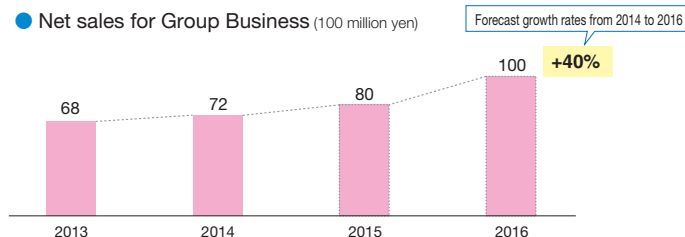
Purchased products: Purchased products from other companies



9. Medium-Term Plan and Strategy for Group Business

Strategy Group of “Monodzukuri” manufacturers that is strong in precision processing and assembly utilizing cooperation between group companies centered on JUKI Denshi Kogyo Corporation

● Net sales for Group Business (100 million yen)



Design-assembly of control boards



Lost-wax (precision casting)



Precision processing

Consolidated Financial Statements (Summary)

Consolidated Balance Sheet

(Million yen)

Item	FY2013 as of December 31, 2013	FY2014 as of December 31, 2014	Change
Assets			
Current assets	79,505	97,789	18,284
Cash and deposits	6,254	9,491	3,237
Notes and accounts receivable - trade	24,879	31,275	6,396
Inventories [inventory turnover period]	44,328 [5.6 months]	50,248 [5.6 months]	5,920 [0 months]
Deferred tax assets	1,788	3,050	1,262
Other	2,254	3,723	1,469
Non-current assets	33,683	32,961	(722)
Property, plant and equipment	26,614	26,304	(310)
Buildings and structures	15,204	14,625	(579)
Machinery, equipment and vehicles	2,996	3,324	328
Tools, furniture and fixtures	974	1,116	142
Land	6,774	6,774	0
Other	664	463	(201)
Intangible assets	1,579	2,216	637
Investments and other assets	5,489	4,440	(1,049)
Investment securities	2,741	3,051	310
Deferred tax assets	1,373	124	(1,249)
Other	1,374	1,263	(111)
Total assets	113,189	130,751	17,562
Liabilities			
Current liabilities	72,850	77,101	4,251
Notes and accounts payable - trade	11,875	13,892	2,017
Short-term loans payable and current portion of bonds, etc.	53,433	52,699	(734)
Forward exchange contracts	1,099	2,800	1,701
Other	6,442	7,709	1,267
Non-current liabilities	28,531	28,639	108
Long-term loans payable, etc.	22,076	22,048	(28)
Other	6,455	6,591	136
Total liabilities	101,382	105,741	4,359
Net assets			
Shareholders' equity	13,585	23,831	10,246
Capital stock	15,950	18,044	2,094
Capital surplus	—	2,094	2,094
Retained earnings	(2,304)	3,754	6,058
Treasury shares	(60)	(62)	(2)
Accumulated other comprehensive income	(2,153)	163	2,316
Foreign currency translation adjustment	(2,760)	(695)	2,065
Other	607	858	251
Minority interests	374	1,015	641
Total net assets	11,806	25,010	13,204
Total liabilities and net assets	113,189	130,751	17,562

Consolidated Statement of Income

(Million yen)

Item	FY2013 January 1, 2013 to December 31, 2013	FY2014 January 1, 2014 to December 31, 2014	Change
Net sales	94,385	107,581	13,196
Cost of sales	68,094	74,078	5,984
Gross profit	26,291	33,503	7,212
Selling, general and administrative expenses	21,139	25,285	4,146
Operating income	5,151	8,217	3,066
Non-operating income	922	1,069	147
Non-operating expenses	2,195	1,576	(619)
Ordinary income	3,878	7,710	3,832
Extraordinary income	194	24	(170)
Extraordinary losses *	1,637	147	(1,490)
Income before income taxes and minority interests	2,434	7,587	5,153
Income taxes	(592)	1,628	2,220
Income before minority interests	3,027	5,958	2,931
Minority interests in income (loss)	20	(100)	(120)
Net income	3,006	6,058	3,052

* 1,461 million yen of special retirement expenses arising from the solicitation of applicants for voluntary retirement was recorded in the first quarter.

Consolidated Statement of Cash Flows

(Million yen)

Item	FY2013 January 1, 2013 to December 31, 2013	FY2014 January 1, 2014 to December 31, 2014	Change
Net cash provided by (used in) operating activities	6,405	3,459	(2,946)
Net cash provided by (used in) investing activities	293	(1,868)	(2,161)
Net cash provided by (used in) financing activities	(9,445)	837	10,282
Effect of exchange rate change on cash and cash equivalents	1,027	617	(410)
Net increase (decrease) in cash and cash equivalents	(1,720)	3,045	4,765
Cash and cash equivalents at beginning of period	7,960	6,239	(1,721)
Cash and cash equivalents at end of period	6,239	9,285	3,046

Corporate Information (as of December 31, 2014)

Corporate Profile

Trade name	JUKI CORPORATION
Founded on	December 15, 1938
Paid-in capital	18,044.71 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	6,153 (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..... 149,370,899 shares
- Total number of shareholders..... 10,298

Major Shareholders

Shareholder name	Number of shares (1,000 shares)	Shareholding ratio (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	13,473	9.03
BNYM SA/NV FOR BNYM CLIENT ACCOUNT MPCJAPAN	6,838	4.58
JP MORGAN CHASE BANK 380634	5,826	3.90
Mizuho Bank, Ltd.	4,690	3.14
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	3,788	2.53

(Note) The shareholding ratio is calculated by means of deducting treasury shares (168,411 shares) from the number of the issued shares.

Stock Distribution Status by Owner Type

Individuals, others 29.79% (44,499,000 shares)	Financial institutions 37.97% (56,729,000 shares)	Foreign legal entities 26.57% (39,692,000 shares)
Securities companies 3.28% (4,900,000 shares)	Other domestic legal entities 2.26% (3,380,000 shares)	Treasury shares 0.11% (168,000 shares)

JUKI CORPORATION

2-11-1, Tsurumaki, Tama-shi, Tokyo 206-8551, Japan
Tel: +81-42-357-2211

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
Number of shares per share unit	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)
Administrator of shareholder registry (Handling office)	1-2-1, Yaesu, Chuo-ku, Tokyo Mizuho Trust & Banking Co., Ltd. 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>

