

(Reference Translation)



August 6, 2015

**Summary of Financial Information and Business Results
for the First Six Months of Fiscal Year 2015 Ending December 31, 2015
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: August 7, 2015
Scheduled date to commence dividend payments: September 8, 2015
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 2015 ending December 31, 2015
(January 1, 2015 to June 30, 2015)**

(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, 2015	57,369	13.1	4,227	14.8	3,943	12.3	2,719	5.9
June 30, 2014	50,734	8.1	3,681	144.9	3,509	847.8	2,568	—

Note: Comprehensive income Six months ended June 30, 2015: 3,225 million yen [95.6 %]
Six months ended June 30, 2014: 1,648 million yen [90.4 %]

Six months ended	Net income per share	Diluted net income per share
	yen	yen
June 30, 2015	91.14	—
June 30, 2014	99.40	—

* On July 1, 2015, the Company carried out a one-for-five common share consolidation. Net income per share has been calculated as if the share consolidation had been carried out at the beginning of the fiscal year ended December 31, 2014.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	million yen	million yen	%
June 30, 2015	127,524	28,729	21.7
December 31, 2014	130,751	25,010	18.4

Reference: Equity As of June 30, 2015: 27,715 million yen

As of December 31, 2014: 23,994 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, 2014	–	0.00	–	4.00	4.00
Fiscal year ending December 31, 2015	–	2.00			
Fiscal year ending December 31, 2015 (Forecast)			–	25.00	–

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

* On July 1, 2015, the Company carried out a one-for-five common share consolidation. Consequently, the fiscal year-end dividend per share for the fiscal year ending December 31, 2015 (forecast) is an amount that takes into account the impact of the share consolidation, and the total annual dividend is presented as “–.” If the share consolidation is not taken into account, the fiscal year-end dividend per share for the fiscal year ending December 31, 2015 (forecast) amounts to 5 yen and the annual dividend amounts to 7 yen per share.

3. Consolidated earnings forecasts for the fiscal year 2015 ending December 31, 2015 (January 1, 2015 to December 31, 2015)

(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, 2015	116,000	7.8	9,500	15.6	8,700	12.8	6,600	8.9	221.18

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

* Net income per share in the consolidated earnings forecasts for the fiscal year ending December 31, 2015, is an amount that takes into account the impact of the share consolidation. (If the share consolidation is not taken into account, the amount is 44.24 yen).

* 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: 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 June 30, 2015	29,874,179 shares
As of December 31, 2014	29,874,179 shares

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

As of June 30, 2015	34,559 shares
As of December 31, 2014	33,682 shares

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

Six months ended June 30, 2015	29,840,226 shares
Six months ended June 30, 2014	25,841,654 shares

* On July 1, 2015, the Company carried out a one-for-five common share consolidation. The total number of issued shares at the end of the period, the number of treasury shares at the end of the period, and the average number of shares during the period have been calculated as if the share consolidation had been carried out at the beginning of the fiscal year ended December 31, 2014.

* 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 six months

(1) Explanation regarding operating results

In the six months ended June 30, 2015, net sales were 57,369 million yen (up by 13.1% from the same period of the previous fiscal year) as a result of factors including firm performance in sales for the Sewing Machinery Business in Asia's emerging markets continuing on from the previous fiscal year, along with the effect of yen depreciation.

With respect to profits, the increase in net sales and business expansion were major factors driving results that exceeded previous-year levels. Accordingly, operating income was 4,227 million yen (up by 14.8% from the same period of the previous fiscal year), ordinary income was 3,943 million yen (up by 12.3% from the same period of the previous fiscal year), and net income was 2,719 million yen (up by 5.9% from the same period of the previous fiscal year).

The Company has formulated a Medium-Term Management Plan ending in the fiscal year 2016 based on its vision of being a "Global 'Monodzukuri' manufacturer equipped to survive in the 21st century." The plan set forth basic policies that involve acquiring new customers and expanding areas of business that deliver high rates of return, while also creating a lean and productive business structure largely through initiatives involving advanced development investment and development of "smart factories." Our pursuit of business in line with such policies helped bring about the increase in net sales and improvement in earnings achieved during the six months ended June 30, 2015.

(Business overview by primary segment)

a. Sewing Machinery Business

In the apparel sewing industry, sales expanded in emerging Asian regions, Vietnam and Bangladesh in particular, and regions such as Latin America and Africa. By product, sales to manufacturers of non-apparel sewn products such as car seats and sports shoes, and sales to makers of knitwear products increased. As a result, net sales of the Sewing Machinery Business as a whole were 42,904 million yen (up by 15.5% from the same period of the previous fiscal year).

b. Electronic Assembly Systems Business

Although sales in China, our largest market, were weak, looking at results by product we achieved increased sales of our newly released mounters and purchased products amid sales growth in Europe and the U.S. As a result, net sales of the Electronic Assembly Systems Business as a whole were 11,403 million yen (up by 13.3% 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, 2015 were 127,524 million yen, a decrease of 3,226 million yen compared to the previous fiscal year-end. This was mainly due to a decrease in inventories caused in part by our efforts to revamp distribution and reduce manufacturing lead times. Liabilities were 98,794 million yen, a decrease of 6,946 million yen compared to the previous fiscal year-end. This primarily reflected a decrease in notes and accounts payable - trade. Net assets were 28,729 million yen, an increase of 3,719 million yen compared to the previous fiscal year-end. This was mainly due to the recording of net income and the transfer of the amount of impact from a change in the accounting standard for retirement benefits to retained earnings at the beginning of the period. Consequently, short-term and long-term loans payable as of June 30, 2015 were 72,338 million yen, a decrease of 1,904 million yen compared to the previous fiscal year-end, and the equity ratio was 21.7%, an increase of 3.3 percentage points over that of the previous fiscal year-end.

b. Analysis of cash flows

Net cash provided by operating activities was 4,232 million yen (compared to net cash of 3,186 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 a decrease in inventories.

Net cash used in investing activities was 544 million yen (compared to net cash of 1,152 million yen used 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 3,306 million yen (compared to net cash of 1,245 million yen used in the same period of the previous fiscal year), mainly due to payment of cash dividends and a decrease in interest-bearing debt.

As a result, cash and cash equivalents were 9,764 million yen, an increase of 478 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, 2015 have not been revised from those previously announced (February 12, 2015).

Moreover, the Company previously announced that it would forgo payment of a dividend at the end of the second quarter, but has since decided to pay a dividend of 2 yen per share (not accounting for the share consolidation) given developments such as having generated greater-than-expected net income during the six months ended June 30, 2015. However, the fiscal year-end dividend forecast has not been revised, and accordingly remains at 5 yen per share as previously announced (if the share consolidation is taken into account, the amount is 25 yen).

For a detailed description, please refer to “Notice of Dividends of Surplus (Interim Dividends)” which was disclosed separately today.

Dividends (Result and forecast amounts)

	Second quarter-end (Result)	Fiscal year-end (Forecast)	Total (Forecast)
Not accounting for the share consolidation	2 yen	5 yen	7 yen
Accounting for the share consolidation	10 yen	25 yen	35 yen

* On July 1, 2015, the Company carried out a one-for-five common share consolidation.

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

Changes in accounting policies

(Application of the Accounting Standard for Retirement Benefits, etc.)

Regarding the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012; hereinafter the “Accounting Standard”) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, March 26, 2015; hereinafter the “Guidance”), effective from the first quarter ended March 31, 2015, the Company has applied the provisions of the main clauses of Paragraph 35 of the Accounting Standard and Paragraph 67 of the Guidance, reviewed its calculation method for retirement benefit obligations and service costs, and changed its method of attributing expected benefits to periods from the straight-line basis to the benefit formula basis. In addition, the Company has changed the method for determining the discount rate from one that uses a discount rate based on a period approximate to the expected average remaining working lives of employees, to one that uses a single weighted average discount rate reflecting each estimated timing and amount of benefit payment.

Application of the Accounting Standard and Guidance is in line with the transitional measures provided in Paragraph 37 of the Accounting Standard, and the effect of the revision to the calculation method for retirement benefit obligations and service costs has been added to or deducted from retained earnings as of January 1, 2015.

As a result, net defined benefit asset as of January 1, 2015 (included and recorded in “Other” under investments and other assets) increased by 806 million yen, net defined benefit liability decreased by 394 million yen and retained earnings increased by 1,087 million yen. The impact of this change on profit and loss for the six months ended June 30, 2015, is immaterial.

3. Quarterly consolidated financial statements

(1) Consolidated balance sheet

(million yen)

	As of December 31, 2014	As of June 30, 2015
Assets		
Current assets		
Cash and deposits	9,491	9,868
Notes and accounts receivable - trade	31,275	31,744
Inventories	50,248	47,129
Other	7,353	5,923
Allowance for doubtful accounts	(579)	(560)
Total current assets	97,789	94,105
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,625	14,280
Land	6,774	6,774
Other, net	4,904	4,683
Total property, plant and equipment	26,304	25,739
Intangible assets	2,216	2,005
Investments and other assets		
Other	5,940	7,226
Allowance for doubtful accounts	(1,500)	(1,551)
Total investments and other assets	4,440	5,674
Total non-current assets	32,961	33,419
Total assets	130,751	127,524
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,892	11,475
Short-term loans payable	52,492	49,526
Income taxes payable	913	1,117
Provision for bonuses	69	61
Other	9,734	7,349
Total current liabilities	77,101	69,530
Non-current liabilities		
Long-term loans payable	21,751	22,812
Provision for directors' retirement benefits	171	170
Net defined benefit liability	5,270	4,987
Other	1,446	1,293
Total non-current liabilities	28,639	29,264
Total liabilities	105,741	98,794

(million yen)

	As of December 31, 2014	As of June 30, 2015
Net assets		
Shareholders' equity		
Capital stock	18,044	18,044
Capital surplus	2,094	2,094
Retained earnings	3,754	6,964
Treasury shares	(62)	(64)
Total shareholders' equity	23,831	27,039
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	817	1,033
Deferred gains or losses on hedges	(3)	–
Foreign currency translation adjustment	(695)	(436)
Remeasurements of defined benefit plans	44	78
Total accumulated other comprehensive income	163	675
Minority interests	1,015	1,014
Total net assets	25,010	28,729
Total liabilities and net assets	130,751	127,524

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

Consolidated statement of income (cumulative)

(million yen)

	Six months ended June 30, 2014	Six months ended June 30, 2015
Net sales	50,734	57,369
Cost of sales	35,111	39,273
Gross profit	15,622	18,096
Selling, general and administrative expenses	11,940	13,869
Operating income	3,681	4,227
Non-operating income		
Interest income	61	83
Dividend income	52	88
Foreign exchange gains	246	–
Other	253	332
Total non-operating income	613	504
Non-operating expenses		
Interest expenses	724	682
Foreign exchange losses	–	36
Other	60	69
Total non-operating expenses	784	789
Ordinary income	3,509	3,943
Extraordinary income		
Gain on sales of non-current assets	12	9
Gain on sales of investment securities	3	–
Total extraordinary income	15	9
Extraordinary losses		
Loss on sales and retirement of non-current assets	56	13
Loss on change in equity	5	–
Other	–	1
Total extraordinary losses	61	14
Income before income taxes and minority interests	3,463	3,937
Income taxes	944	1,227
Income before minority interests	2,519	2,710
Minority interests in loss	(49)	(9)
Net income	2,568	2,719

Consolidated statement of comprehensive income (cumulative)

(million yen)

	Six months ended June 30, 2014	Six months ended June 30, 2015
Income before minority interests	2,519	2,710
Other comprehensive income		
Valuation difference on available-for-sale securities	108	216
Deferred gains or losses on hedges	13	3
Foreign currency translation adjustment	(993)	265
Remeasurements of defined benefit plans, net of tax	–	29
Total other comprehensive income	(870)	514
Comprehensive income	1,648	3,225
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,716	3,231
Comprehensive income attributable to minority interests	(68)	(6)

(3) Consolidated statement of cash flows

(million yen)

	Six months ended June 30, 2014	Six months ended June 30, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	3,463	3,937
Depreciation	1,515	1,514
Increase (decrease) in allowance for doubtful accounts	63	41
Increase (decrease) in provision for retirement benefits	82	–
Increase (decrease) in net defined benefit liability	–	110
Decrease (increase) in net defined benefit asset	–	(41)
Increase (decrease) in provision for bonuses	(1)	(7)
Interest and dividend income	(113)	(172)
Interest expenses	724	682
Foreign exchange losses (gains)	(246)	106
Loss (gain) on sales and retirement of property, plant and equipment and intangible assets	44	4
Decrease (increase) in notes and accounts receivable - trade	(70)	(298)
Decrease (increase) in inventories	(1,583)	3,419
Increase (decrease) in notes and accounts payable - trade	724	(2,497)
Increase (decrease) in notes discounted	(135)	60
Other, net	(70)	(1,102)
Subtotal	4,397	5,757
Interest and dividend income received	113	171
Interest expenses paid	(736)	(690)
Income taxes (paid) refund	(587)	(1,006)
Net cash provided by (used in) operating activities	3,186	4,232
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(914)	(668)
Proceeds from sales of property, plant and equipment and intangible assets	34	26
Other, net	(272)	98
Net cash provided by (used in) investing activities	(1,152)	(544)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(2,215)	(1,712)
Proceeds from long-term loans payable	7,547	6,800
Repayments of long-term loans payable	(6,686)	(7,291)
Redemption of bonds	(10)	–
Cash dividends paid	(0)	(592)
Cash dividends paid to minority shareholders	–	(1)
Proceeds of sale and installment back	674	–
Repayments of sale and installment back payables	(264)	(317)
Other, net	(290)	(190)
Net cash provided by (used in) financing activities	(1,245)	(3,306)
Effect of exchange rate change on cash and cash equivalents	(274)	95
Net increase (decrease) in cash and cash equivalents	513	478
Cash and cash equivalents at beginning of period	6,239	9,285
Cash and cash equivalents at end of period	6,753	9,764

**(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, 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 business (the production and sale of lost-wax products, etc.), the IT-related equipment business and the dies and press processing parts business 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 each reportable segment.
3. Segment profit (loss) is adjusted with ordinary income in the quarterly consolidated statement of income.

Six months ended June 30, 2015 (January 1, 2015 to June 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	42,904	11,403	54,308	3,061	57,369	–	57,369
Inter-segment sales or transfers	149	138	288	449	737	(737)	–
Total	43,054	11,541	54,596	3,510	58,106	(737)	57,369
Segment profit (loss)	4,429	(214)	4,215	84	4,299	(356)	3,943

- (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 356 million yen deducted from segment profit (loss) as adjustment are a deduction of 5 million yen in inter-segment eliminations and a deduction of 350 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 each 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

No items to report.

3. Matters regarding changes in reportable segments

As stated in changes in accounting policies, in line with a change in the calculation method for retirement benefit obligations and service costs from the first quarter ended March 31, 2015, the calculation method for retirement benefit obligations and service costs of business segments has been changed in the same way.

The impact from this change on profit and loss of each reportable segment in the six months ended June 30, 2015, is immaterial.