

(Reference translation)

Explanatory Meeting

First Half Account Settlement
FY2015 ending December 31, 2015
on a consolidated basis

August 18, 2015
Akira Kiyohara, President
JUKI Corporation

Mind & Technology

JUKI
Mind & Technology

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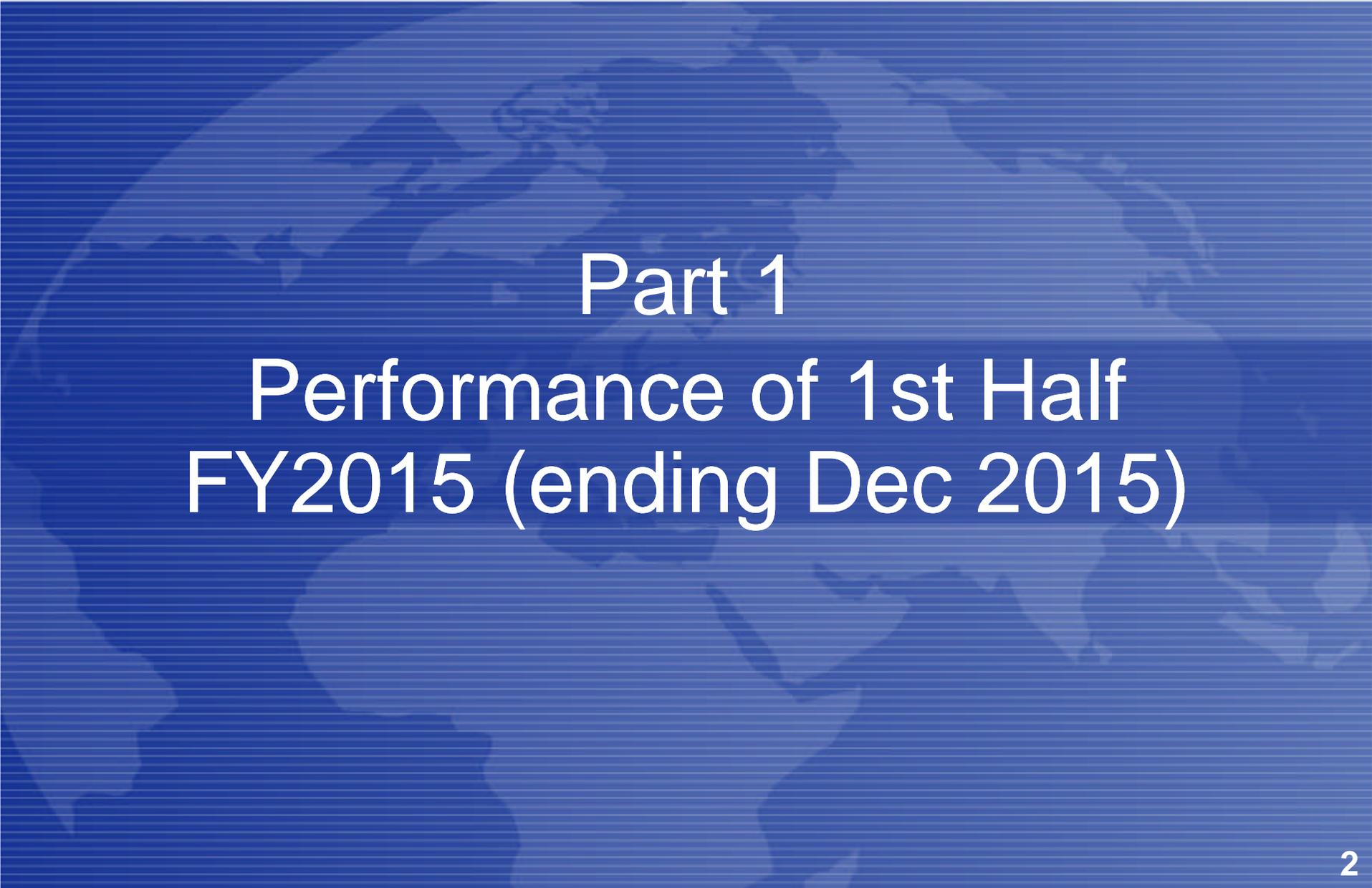
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for the Medium-Term Management Plan (2015-2016)

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Part 1

Performance of 1st Half
FY2015 (ending Dec 2015)

1-1: Performance Trends and Dividends for 1st Half FY2015



Net sales increased by 13% year on year mainly because of 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.

Operating income, ordinary income and net income all increased mainly due to the increase in net sales and expansion of areas of business.

Implemented interim dividend of 2 yen per share.

(Million Yen)

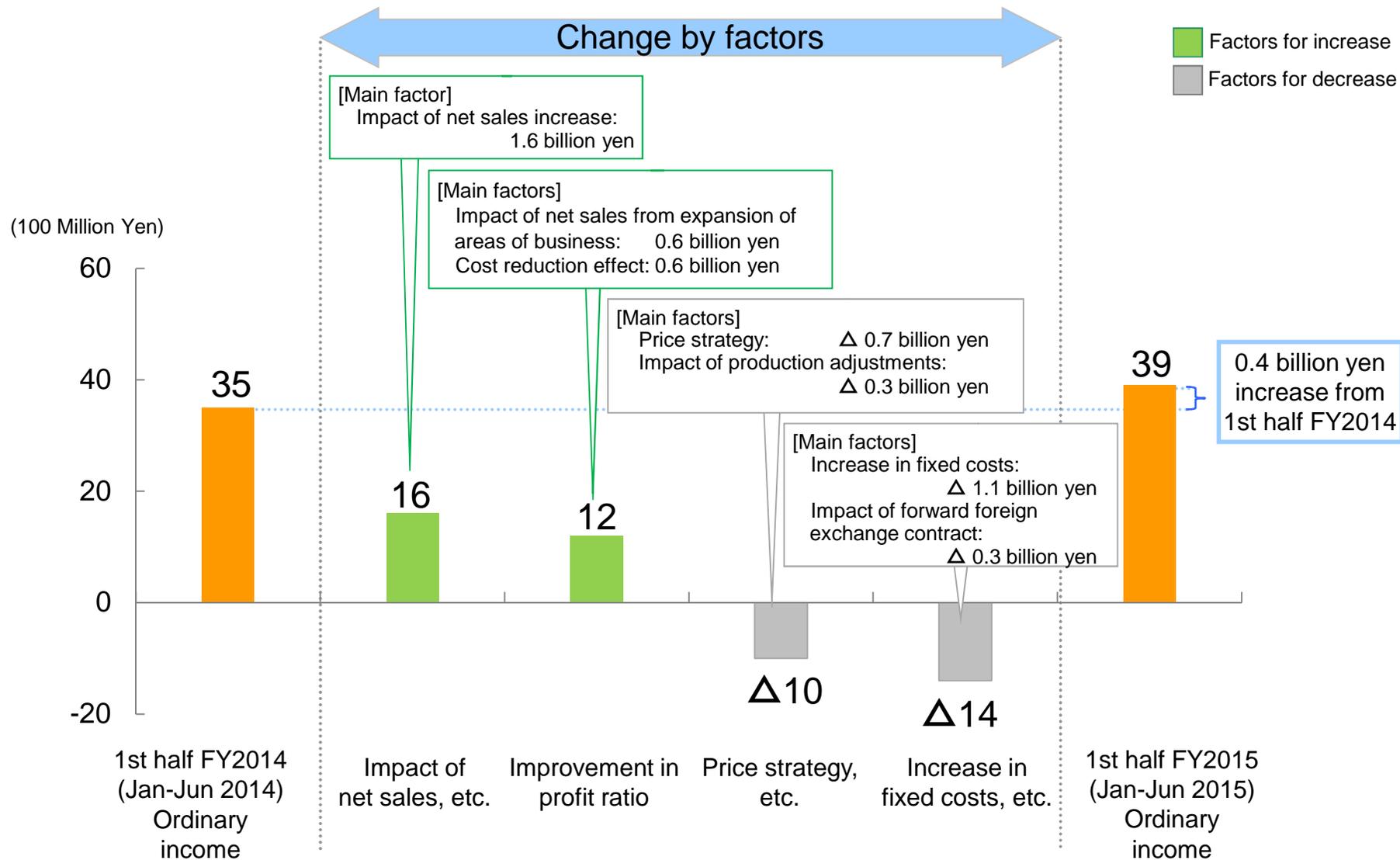
		FY2014 ended December 31, 2014						FY2015 ending December 31, 2015			
		1st half			2nd half			1st half			Year-on-year change B-A (%)
		1Q	2Q	1st half <A>	3Q	4Q	2nd half	1Q	2Q	1st half 	
		Jan-Mar 2014	Apr-Jun 2014	Jan-Jun 2014	Jul-Sep 2014	Oct-Dec 2014	Jul-Dec 2014	Jan-Mar 2015	Apr-Jun 2015	Jan-Jun 2015	
Net Sales		25,201	25,533	50,734	26,016	30,831	56,847	28,136	29,233	57,369	6,635 (13.1%)
Operating Income		1,867 [7.4%]	1,814 [7.1%]	3,681 [7.3%]	2,168 [8.3%]	2,368 [7.7%]	4,536 [8.0%]	1,793 [6.4%]	2,434 [8.3%]	4,227 [7.4%]	545 (14.8%)
Ordinary Income		1,734 [6.9%]	1,775 [7.0%]	3,509 [6.9%]	1,860 [7.1%]	2,341 [7.6%]	4,201 [7.4%]	1,544 [5.5%]	2,399 [8.2%]	3,943 [6.9%]	433 (12.3%)
Net Income		1,113 [4.4%]	1,455 [5.7%]	2,568 [5.1%]	1,646 [6.3%]	1,844 [6.0%]	3,490 [6.1%]	1,019 [3.6%]	1,700 [5.8%]	2,719 [4.7%]	150 (5.9%)
Dividend per Share		—	—	<Interim Dividends> ¥0	—	—	<Year-end Dividends> ¥4	—	—	<Interim Dividends> ¥2	+ ¥2
Exchange Rate	1 US\$	¥103	¥102	¥103	¥105	¥116	¥111	¥119	¥121	¥120	¥17
	1 Euro	¥141	¥140	¥141	¥138	¥144	¥141	¥136	¥135	¥136	△¥5

Notes: 1. Exchange rate is an average rate during the period, and such rate influences operating income.

2. Figures in parentheses [] are ratios of income to net sales.

1-2: Factors for Ordinary Income Increase/Decrease for 1st Half FY2015

The effect of the price strategy and increases in fixed costs, etc. were offset by the impact of net sales, etc. and improvement in the profit ratio, leading to a year-on year increase.



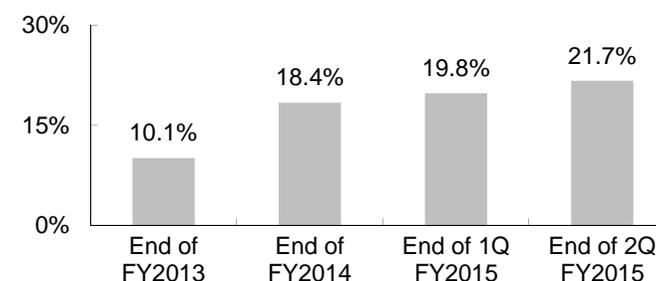
1-3: Changes in Major Financial Indices



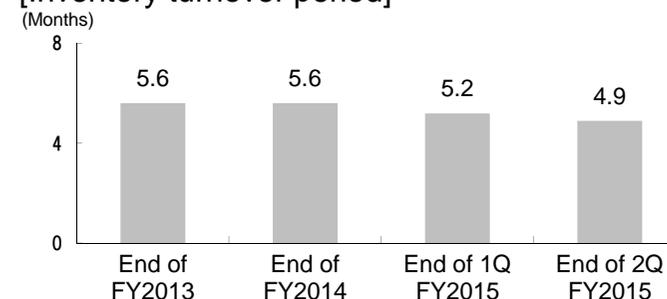
- Equity ratio rose to 21.7% mainly due to an increase in retained earnings (3.2 billion yen).
- Inventory turnover period decreased to 4.9 months due to a decrease in inventories caused by our efforts to revamp distribution and reduce manufacturing lead times.
- Interest-bearing debts decreased by 2.0 billion yen.

	(Million Yen)		
	As of December 31, 2014 (FY2014) 〈A〉	As of June 30, 2015 (2Q FY2015) 〈B〉	Change 〈B-A〉
Total Assets	130,751	127,524	Δ3,226
Net Assets [retained earnings]	25,010 [3,754]	28,729 [6,964]	3,719 [3,210]
Net Assets Ratio	19.1%	22.5%	3.4%
Equity Ratio	18.4%	21.7%	3.3%
Notes and accounts receivable - trade	31,275	31,744	468
Inventories [turnover period]	50,248 [5.6 months]	47,129 [4.9 months]	Δ3,118 [Δ0.7 months]
Notes and accounts payable - trade	13,892	11,475	Δ2,416
Interest-bearing debts	74,748	72,714	Δ2,035
Cash and deposits	9,491	9,868	377
Exchange rate (period-end)	1 US\$ ¥120	¥122	¥2

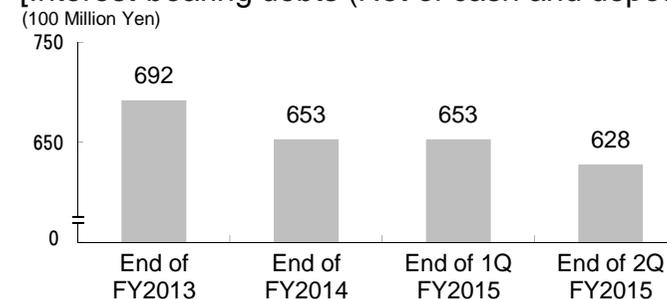
[Equity ratio]



[Inventory turnover period]



[Interest-bearing debts (Net of cash and deposits)]



1-4-1: Performance by Segments

Changes in Net Sales



In the Sewing Machinery Business, net sales increased by 15.5%. In the apparel sewing industry, expanded sales in emerging Asian regions, Vietnam and Bangladesh in particular, and regions such as Latin America and Africa contributed to the increase. By product, higher sales to manufacturers of car seats, sports shoes and other non-apparel sewn products, along with higher sales to knitwear product manufacturers also contributed to the increase.

In the Electronic Assembly Systems Business, net sales increased by 13.3% despite weak sales in China, our largest market, due to factors such as higher sales in Europe and Americas, and by product due to higher sales of our newly released mounters and purchased products.

(Million Yen)

	FY2014 ended December 31, 2014						FY2015 ending December 31, 2015			Year-on-year change B-A (%)
	1st half			2nd half			1st half			
	1Q	2Q	1st half <A>	3Q	4Q	2nd half	1Q	2Q	1st half 	
	Jan-Mar 2014	Apr-Jun 2014	Jan-Jun 2014	Jul-Sep 2014	Oct-Dec 2014	Jul-Dec 2014	Jan-Mar 2015	Apr-Jun 2015	Jan-Jun 2015	
Sewing Machinery	18,657	18,494	37,151	18,482	22,358	40,839	21,223	21,681	42,904	5,753 (15.5%)
Electronic Assembly Systems	4,792	5,269	10,061	5,739	6,632	12,371	5,367	6,036	11,403	1,342 (13.3%)
Others	1,751	1,770	3,521	1,794	1,842	3,636	1,545	1,516	3,061	△460 (△13.1%)
Total	25,201	25,533	50,734	26,016	30,831	56,847	28,136	29,233	57,369	6,635 (13.1%)

1-4-2: Performance by Segments

Changes in Ordinary Income



The Sewing Machinery Business showed an increase in profits reflecting cost reduction effect and increased sales of products such as non-apparel and automated machines which are highly profitable.

The Electronic Assembly Systems Business invested in development in readiness for full-scale launch of new products added in the business integration with Sony.

(Million Yen)

	FY2014 ended December 31, 2014						FY2015 ending December 31, 2015			Year-on-year change B-A [Change in profit ratio]
	1st half			2nd half			1st half			
	1Q	2Q	1st half <A>	3Q	4Q	2nd half	1Q	2Q	1st half 	
	Jan-Mar 2014	Apr-Jun 2014	Jan-Jun 2014	Jul-Sep 2014	Oct-Dec 2014	Jul-Dec 2014	Jan-Mar 2015	Apr-Jun 2015	Jan-Jun 2015	
Sewing Machinery	1,735 [9.3%]	1,964 [10.6%]	3,699 [10.0%]	1,961 [10.6%]	1,646 [7.4%]	3,607 [8.8%]	1,925 [9.1%]	2,504 [11.5%]	4,429 [10.3%]	730 [0.3%]
Electronic Assembly Systems	68 [1.4%]	Δ230 [Δ4.4%]	Δ162 [Δ1.6%]	39 [0.7%]	194 [2.9%]	233 [1.9%]	Δ134 [Δ2.5%]	Δ80 [Δ1.3%]	Δ214 [Δ1.9%]	Δ52 [Δ0.3%]
Others	49 [2.8%]	119 [6.7%]	168 [4.8%]	80 [4.5%]	75 [4.1%]	155 [4.3%]	70 [4.5%]	14 [0.9%]	84 [2.7%]	Δ84 [Δ2.1%]
Adjustment	Δ119	Δ76	Δ195	Δ220	424	204	Δ316	Δ40	Δ356	Δ161
Total	1,734 [6.9%]	1,775 [7.0%]	3,509 [6.9%]	1,860 [7.1%]	2,341 [7.6%]	4,201 [7.4%]	1,544 [5.5%]	2,399 [8.2%]	3,943 [6.9%]	433 [±0%]

Figures in parentheses [] are ratios of ordinary income to net sales.

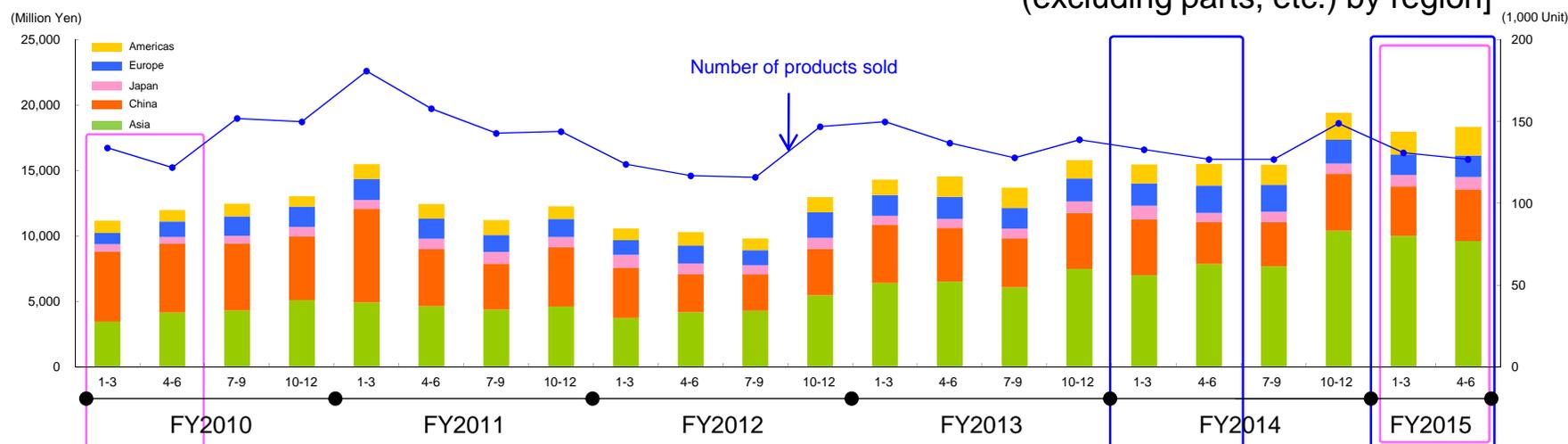
(Reference 1) Performance by Segments

Sales by Region (Sewing Machinery Business: Industrial Sewing Machines)



Sales in emerging Asian regions were strong and the net sales ratio grew to 54%.
The weighting of sales in China fell.

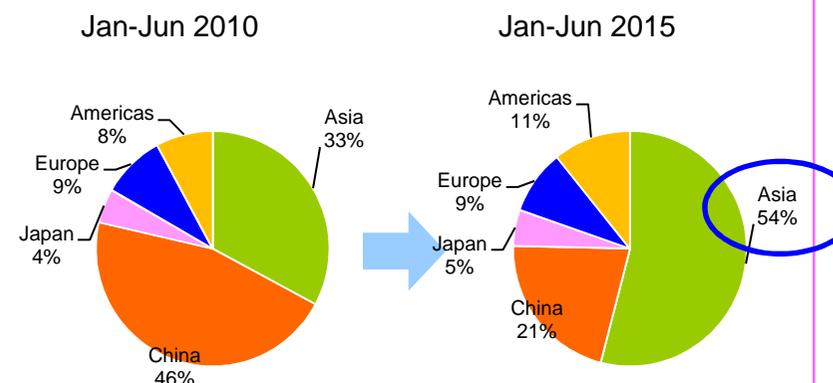
[Sewing Machinery Business: Changes in net sales of industrial sewing machines (excluding parts, etc.) by region]



[Net sales: year-on-year comparison] (100 Million Yen)

	Jan-Jun 2014	Jan-Jun 2015	Amount of change	% of change
Asia	149	196	47	31.5%
China	75	78	3	4.0%
Japan	17	18	1	5.9%
Europe	38	32	Δ6	Δ15.8%
Americas	31	39	8	25.8%
Total	310	363	53	17.1%

[Composition of net sales: comparison with Jan-Jun 2010]



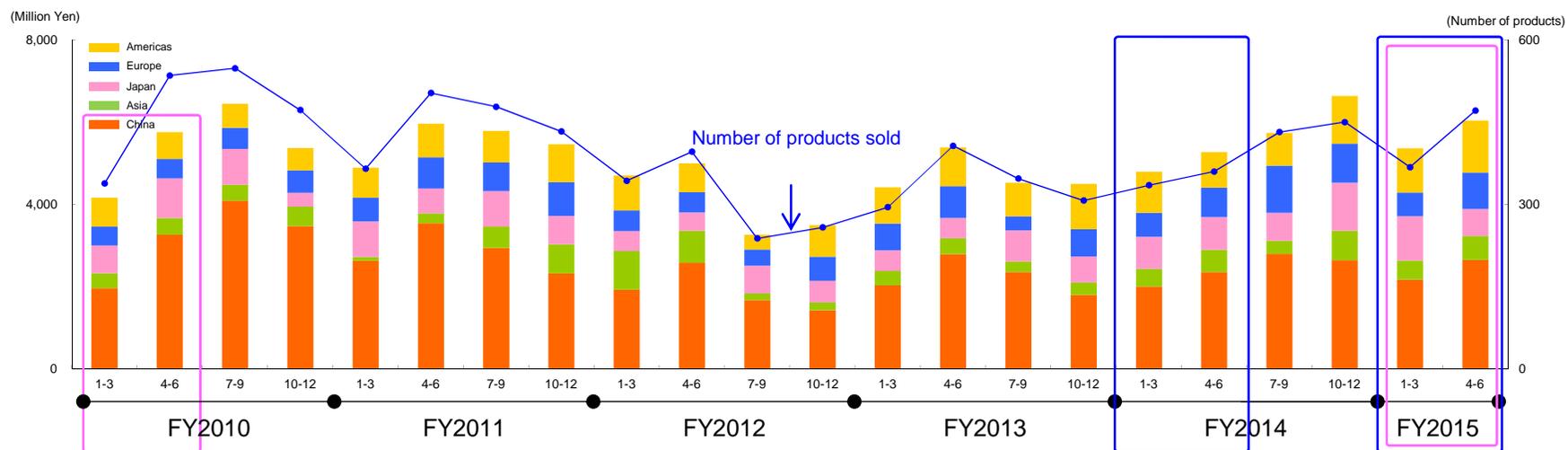
Note: The numbers for industrial sewing machines (excluding parts, etc.) are the aggregated monthly sales and do not match the figures of final settlement of account.

(Reference 2) Performance by Segments Sales by Region (Electronic Assembly Systems Business)



Sales in China were weak while sales in Europe and Americas increased.

[Electronic Assembly Systems Business: Changes in net sales by region]

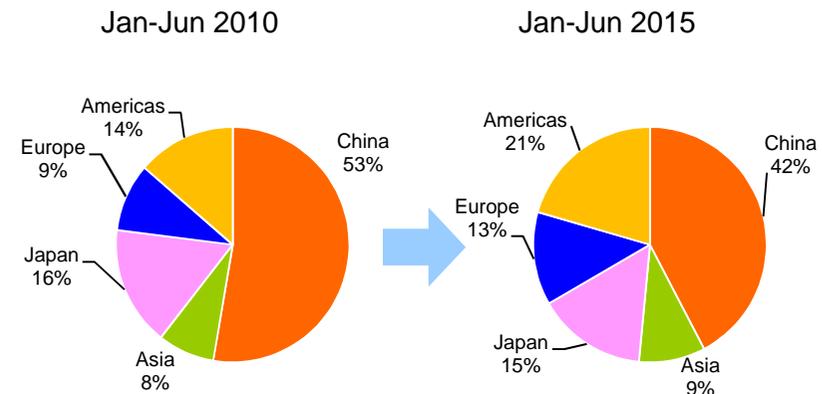


[Net sales: year-on-year comparison]

(100 Million Yen)

	Jan-Jun 2014	Jan-Jun 2015	Amount of change	% of change
China	44	48	4	9.1%
Asia	10	11	1	10.0%
Japan	16	17	1	6.3%
Europe	13	15	2	15.4%
Americas	18	23	5	27.8%
Total	101	114	13	13.3%

[Composition of net sales: comparison with Jan-Jun 2010]



Note: The numbers are the aggregated monthly sales and do not match the figures of final settlement of account.

1-5: Share Consolidation and Change in the Number of Shares per Share Unit

Share consolidation and change in the number of shares per share unit

Purpose

Japan's securities exchanges have announced the "Action Plan for Consolidating Trading Units"

- Standardize the trading unit for common shares for all listed companies in Japan at 100 shares per unit
- The securities exchanges' preferred investment unit level is at least 50,000 yen and less than 500,000 yen

Carry out the share consolidation and change the number of shares per share unit

Share consolidation

A one-for-five common share consolidation

Change in the number of shares per share unit

1,000 shares to 100 shares

* Effective date: July 1, 2015

Total number of issued shares

149,370,899 shares

one-fifth

29,874,179 shares



Part 2

Measures and Key Initiatives
for the Medium-Term
Management Plan (2015-2016)

2-1-1: Measures for the Medium-Term Management Plan (2015-2016)

Vision and basic policies

Group-Wide
Vision

Global “Monodzukuri” manufacturer equipped
to survive in the 21st century

~ a company at which employees who are innovative and active, combine their capabilities to respond to changes and form a strong business ~

Basic Policy (1)

Constructing a business structure capable of continuously yielding profits

Basic Policy (2)

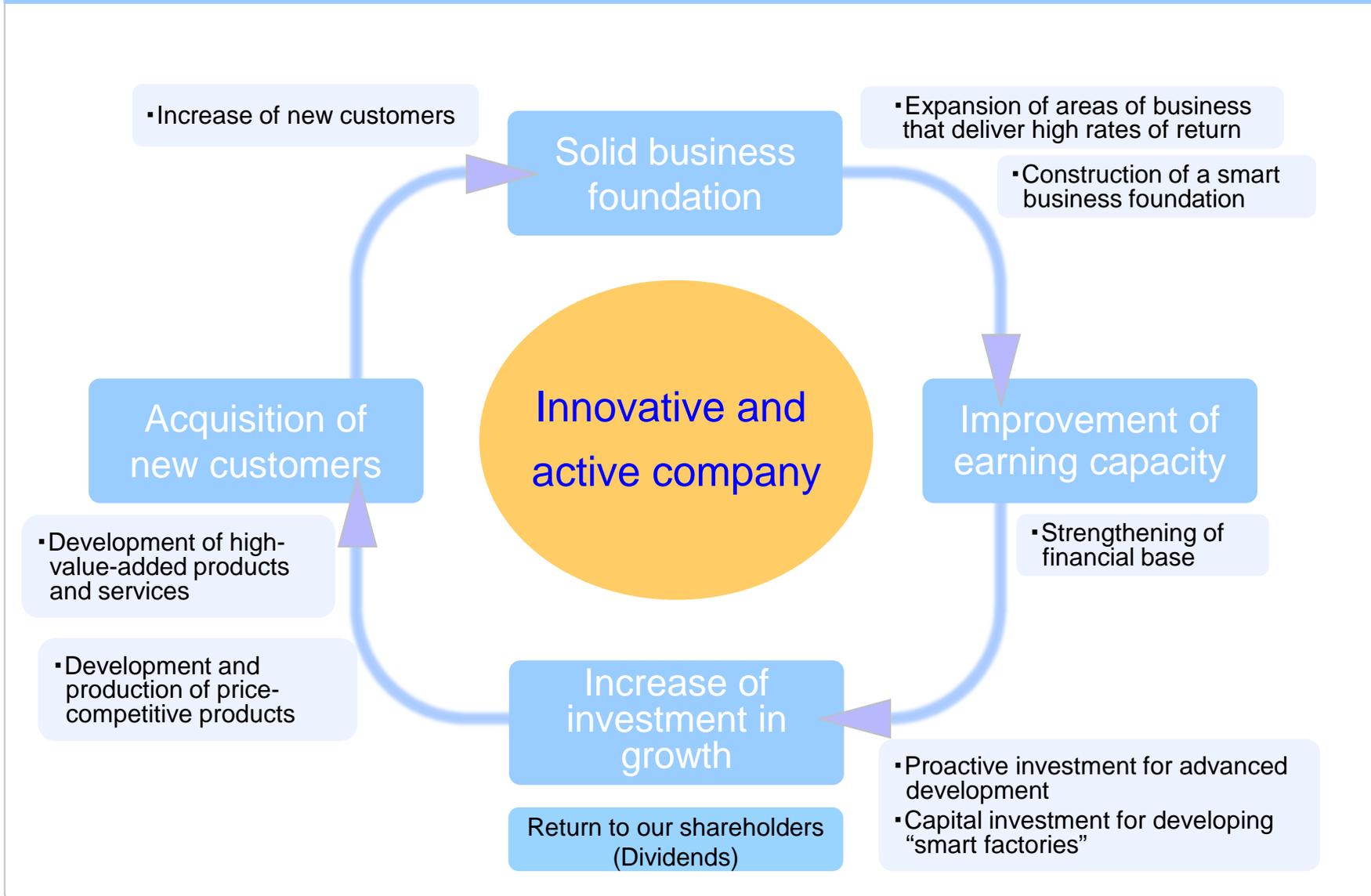
Developing powerful personnel with the expertise to implement our strategy

Basic Policy (3)

Constructing a smart business foundation

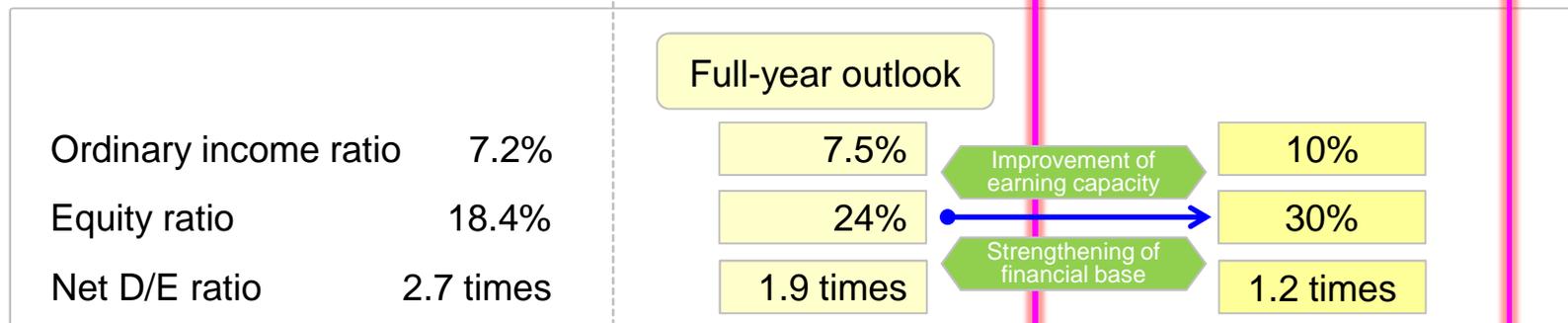
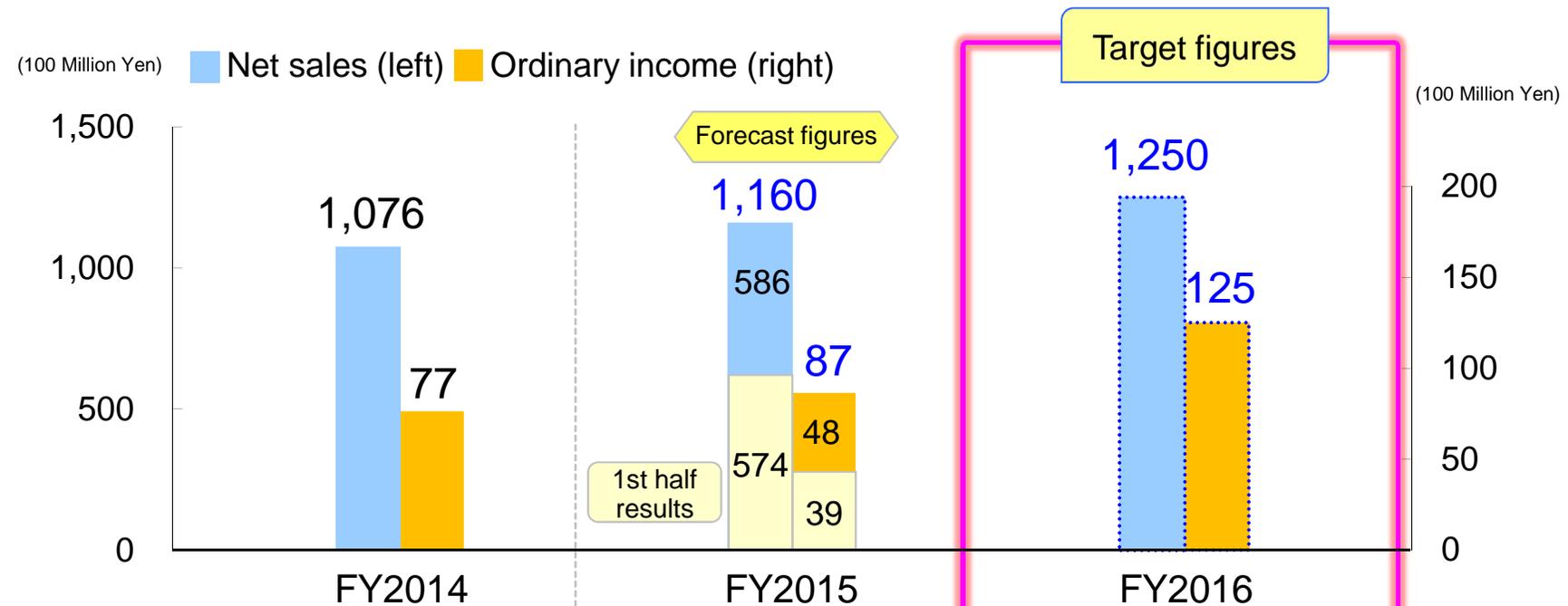
2-1-2: Measures for the Medium-Term Management Plan (2015-2016)

JUKI's growth cycle



2-1-3: Measures for the Medium-Term Management Plan (2015-2016)

Status of measures for the Medium-Term Management Plan



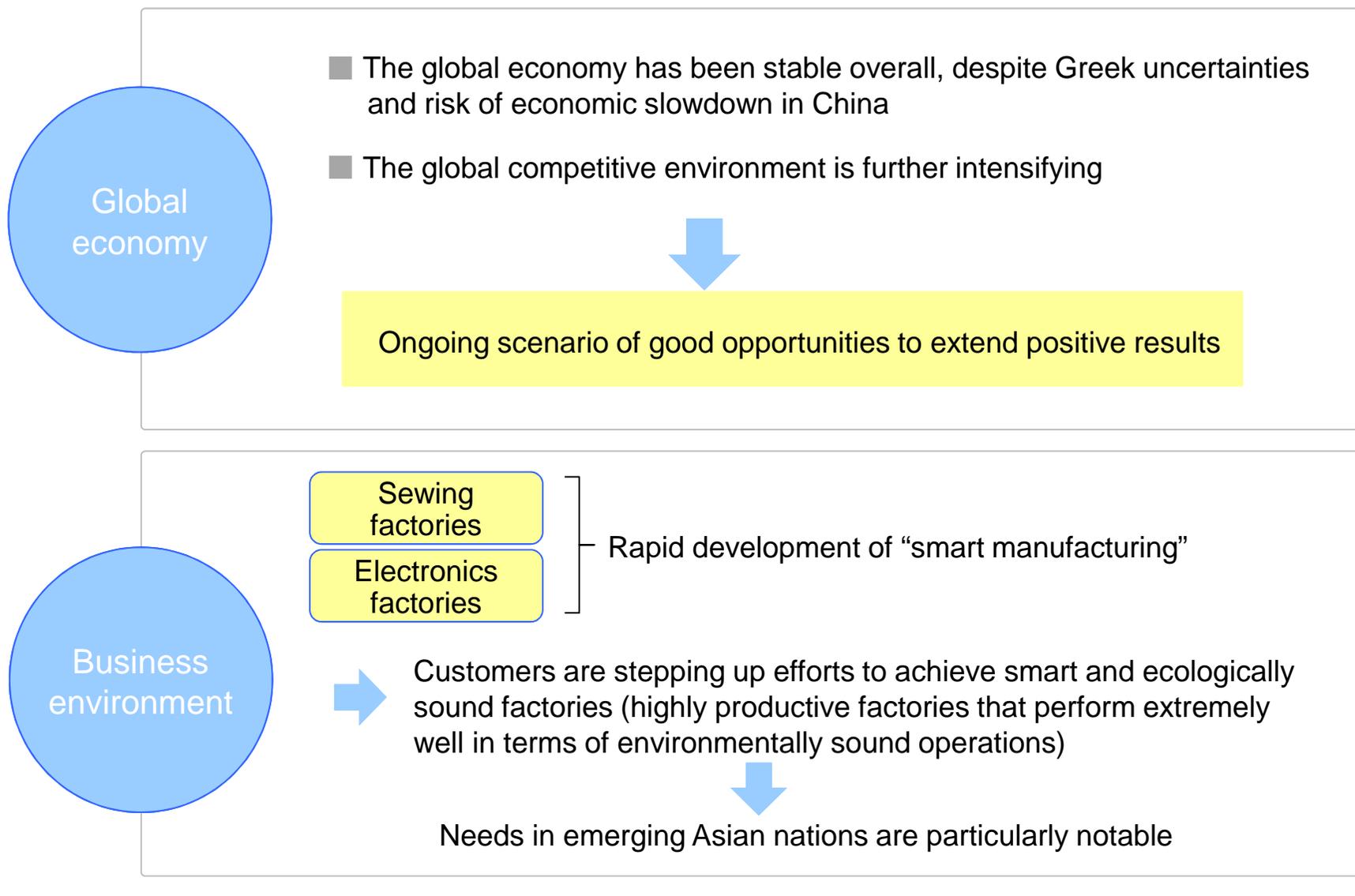
* The exchange rate for the Medium-Term Management Plan : 1 US\$ = ¥110

2-2-1: Full-year Forecasts for FY2015



	(100 Million Yen)			[Reference]	(100 Million Yen)
	Full-year forecasts for FY2015 [announced on Feb. 12]	Full-year results for FY2014	Increase	Results for 1st half FY2015 (Jan-Jun 2015)	Forecasts for 2nd half FY2015 (Jul-Dec 2015)
Net Sales	1,160	1,076	84	574	586
Operating Income	95	82	13	42	53
Ordinary Income	87	77	10	39	48
Net Income	66	61	5	27	39
Exchange rate (1US\$)					¥110
Dividend per Share	Annual dividend forecast for FY2015	Annual dividend for FY2014	Increase	Interim dividend for FY2015	Year-end dividend forecast for FY2015
Not accounting for the share consolidation	¥7	¥4	¥3	¥2	¥5
Accounting for the share consolidation	¥35	¥20	¥15	¥10	¥25

Global economy and business environment



2-3-1-1: Key Initiatives for 2nd Half FY2015 (Sewing Machinery Business: Industrial Sewing Machines)

Strategy by product and regional strategy for industrial sewing machines

Expand sales in growing areas of business

Strategy by product

Non-apparel

- Automobiles ⇒ Address needs for special orders
- Sports shoes
- Other (market for bags, furniture, etc.)

Knitwear machinery

- Expand sales through line solutions
- Expand sales in Latin America

Automated sewing machines

- Extend market for product models geared toward special orders of major users

Spare parts

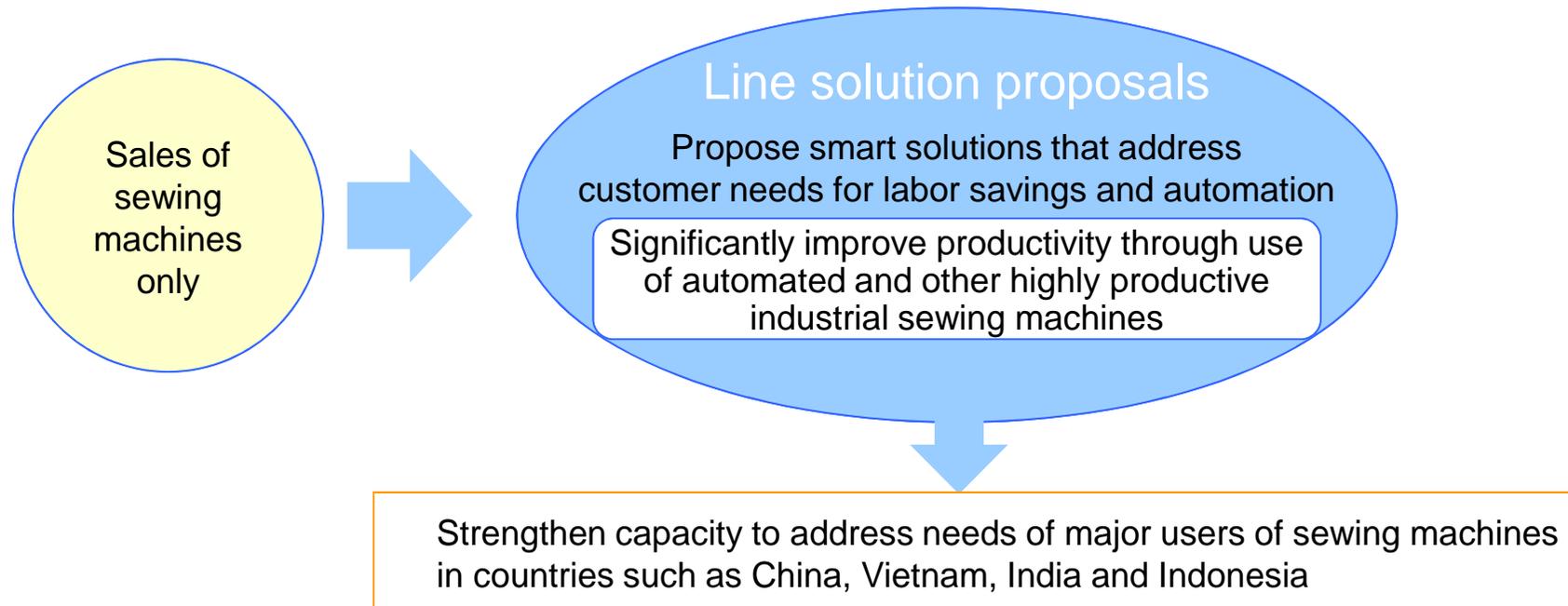
- Expand distribution points in Asia

Regional strategy

- Properly address the issue of production base relocation
⇒ Expand sales in Southeast Asia and South Asia
- Expand sales in “new emerging countries”
⇒ Develop sales networks in the Middle East, Africa and Latin America

2-3-1-2: Key Initiatives for 2nd Half FY2015 (Sewing Machinery Business: Industrial Sewing Machines)

Enlargement of line solution proposals and new product lines



New product lines



LU-2800 Series



LK-1903BB



LBH-1790A Series



DDL-900A

2-3-2-1: Key Initiatives for 2nd Half FY2015 (Sewing Machinery Business: Household Sewing Machines)



Strategy by product and regional strategy for household sewing machines

Reinforce sales and introduce new products targeting quilters

Strategy by product

Household sewing machines

- Expand sales by introducing new products
- Bring household sewing machines for quilters to the market
- Reinforce sales made by handicraft mass merchandisers and roadside retailers, etc.

Overlock machines

- Expand sales by introducing new products
- Bring overlock machines for quilters to the market

Machines for work purposes and for quilts

- Develop a series of QVP quilting machines and expand sales to quilters

Regional strategy

- Expand sales primarily of products offering substantial added value such as household sewing machines and quilting machines in developed countries (Japan, the U.S., Europe)
- Develop sales networks in emerging countries

2-3-2-2: Key Initiatives for 2nd Half FY2015 (Sewing Machinery Business: Household Sewing Machines)



New product lines

Long arm quilting machine for household use

TL-2200QVP



Frame type (stand-up model)



Table type (sit-down model)



G Series (Backlight feature)

HZL-G220/G120



Further introductions of 10-series machines are planned for the second half of the fiscal year

2-3-3-1: Key Initiatives for 2nd Half FY2015 (Electronic Assembly Systems)

Strategy by product for Electronic Assembly Systems

Expand sales in growing areas of business

Strategy
by product

R Series
(new product)

- Expand sales of new product lines (RX-7 (high-speed SMT), RX-6 (flexible SMT), printing equipment and inspection equipment)

Labor-saving
equipment

- Expand sales by upgrading sales networks, enhancing partnerships, etc.

Purchased
products

- Expand sales of storage systems (ISM Series)

LED

- Expand sales through the JX-350 (new product)

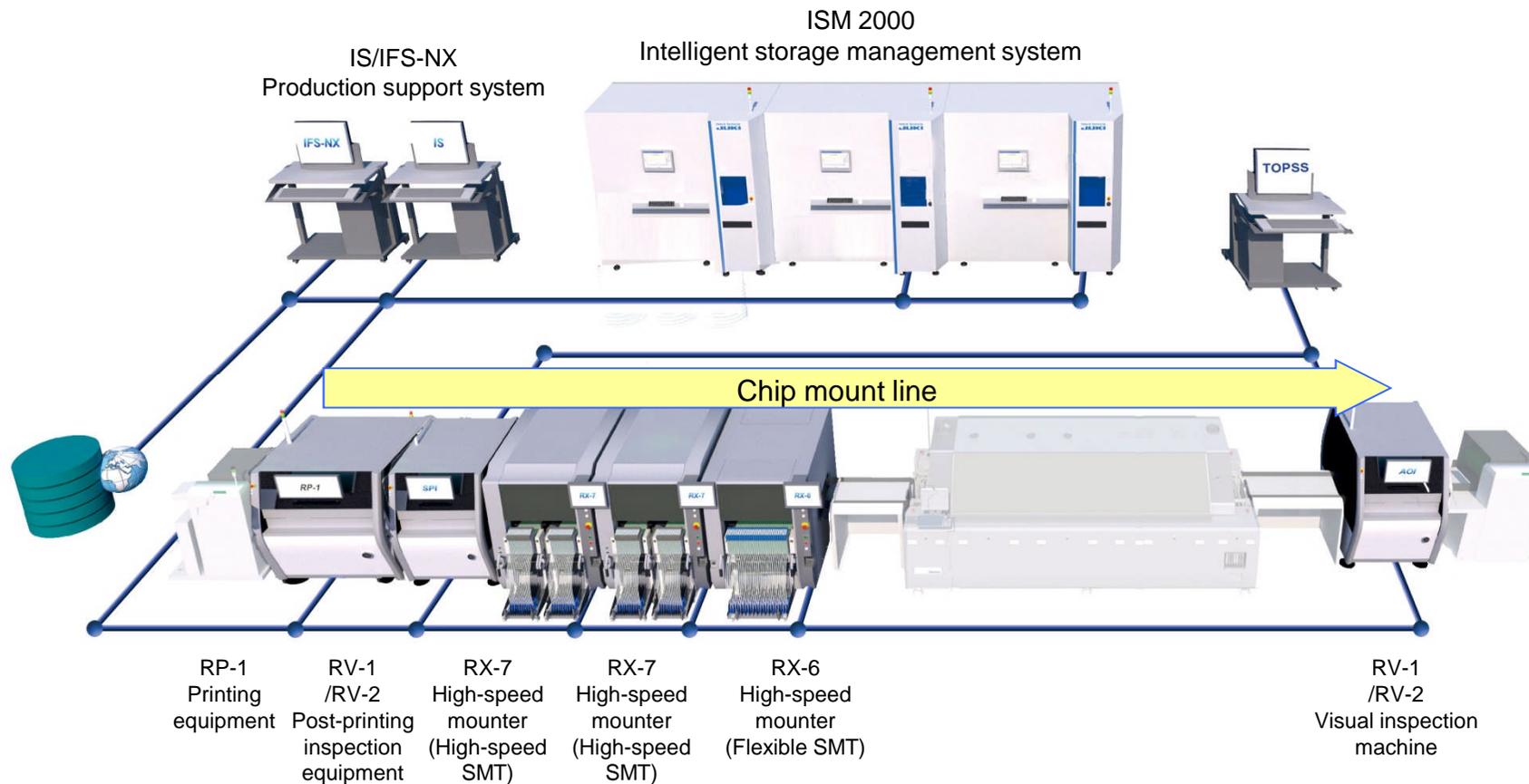
Spare parts

- Streamline supply channels for spare parts

2-3-3-2: Key Initiatives for 2nd Half FY2015 (Electronic Assembly Systems)

Enlargement of line solution proposals

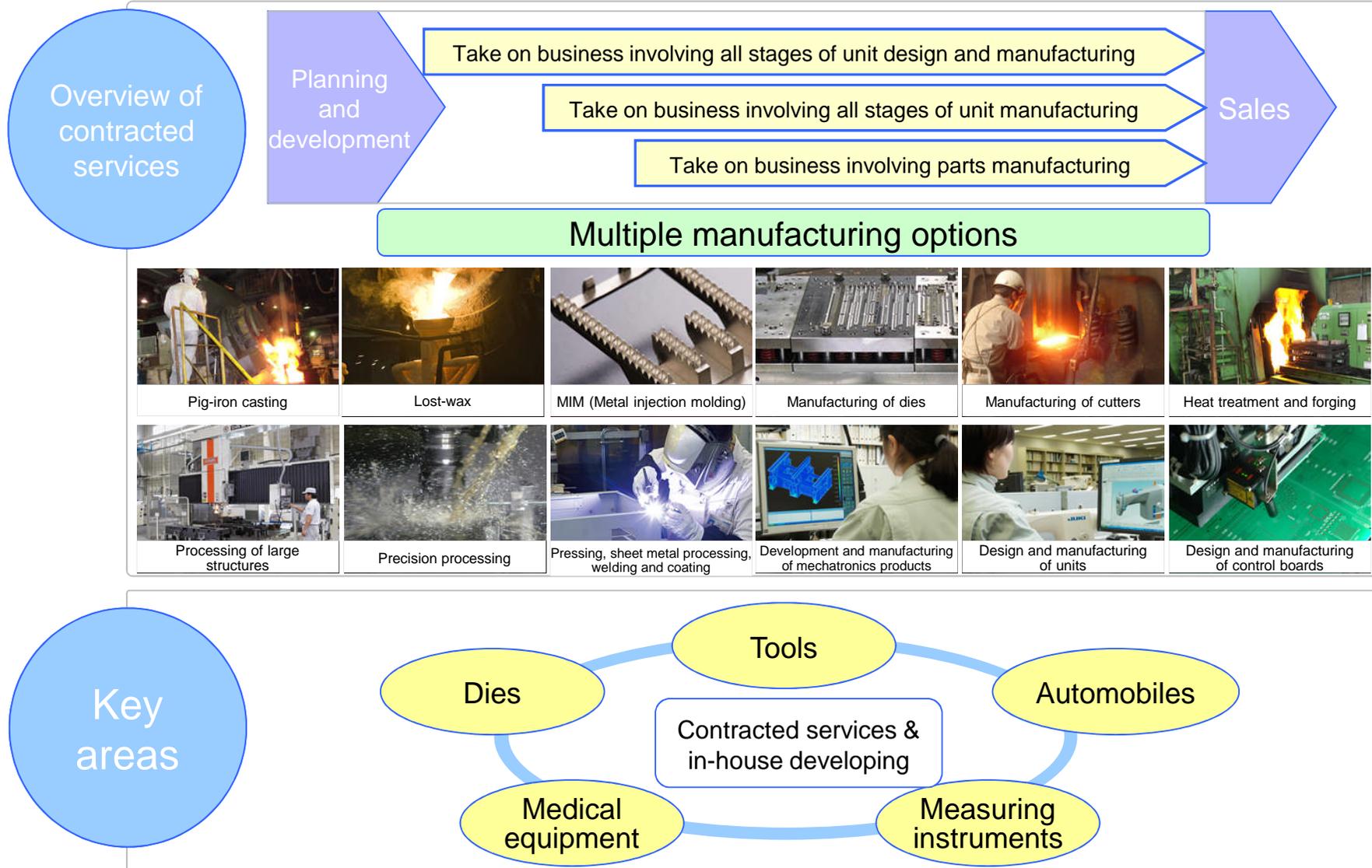
Example of a line solution proposal (standard line)



➔ Redouble efforts to attract new customers through line solution proposals that also encompass purchased products

2-3-4-1: Key Initiatives for 2nd Half FY2015 (Group Business)

Group Business contracted services and key areas

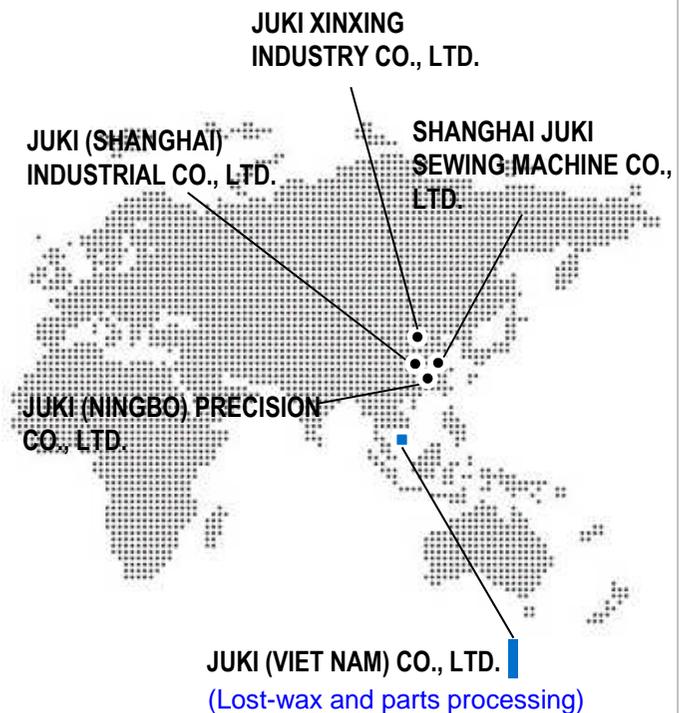
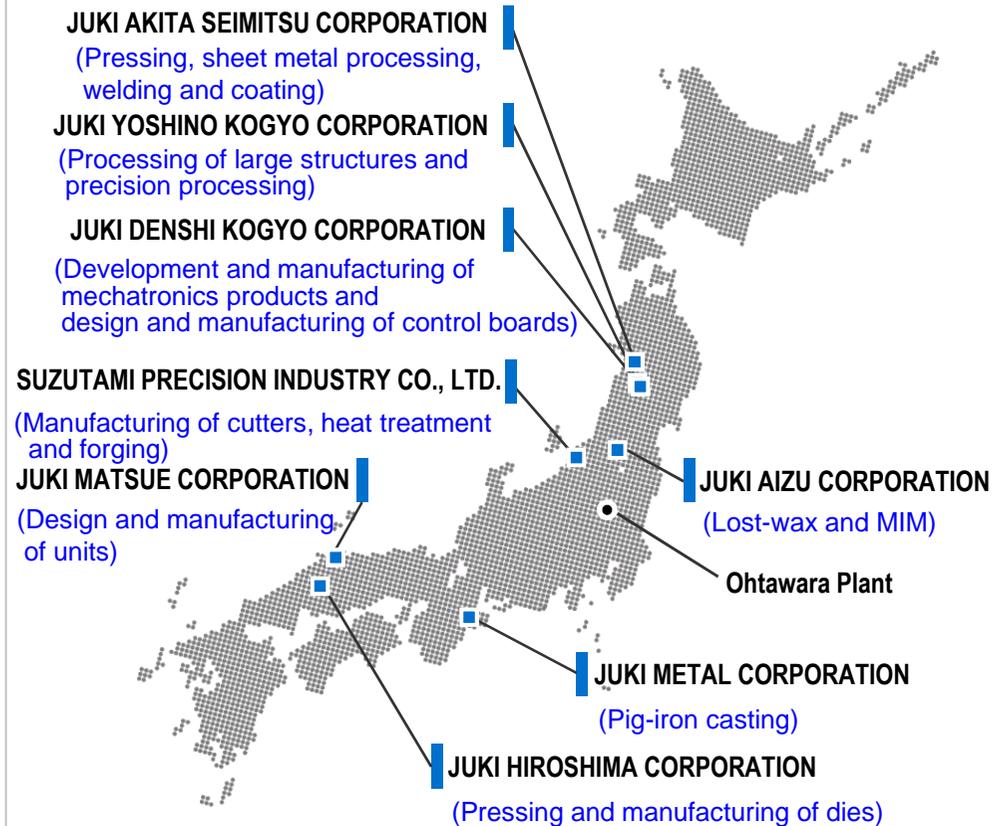


2-3-4-2: Key Initiatives for 2nd Half FY2015 (Group Business)

Group manufacturing companies in Japan and overseas

Expansion of contracted processing business of the Group's manufacturing companies in Japan and overseas as a third business segment

Group manufacturing companies in Group Business
(Eight domestic companies and one overseas company)



This material 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.

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