

To Our Shareholders



Business Report for the First Half of the 101st Business Term

(From January 1, 2015 through June 30, 2015)

JUKI CORPORATION

Securities code: 6440

Financial Highlights

Major Points of Business Performance

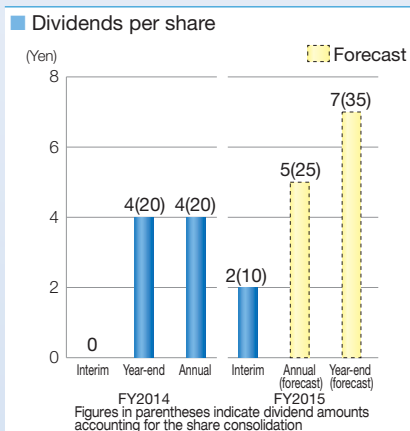
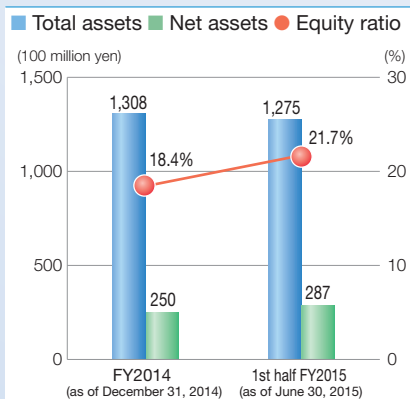
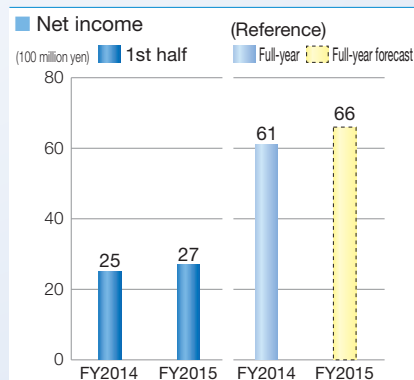
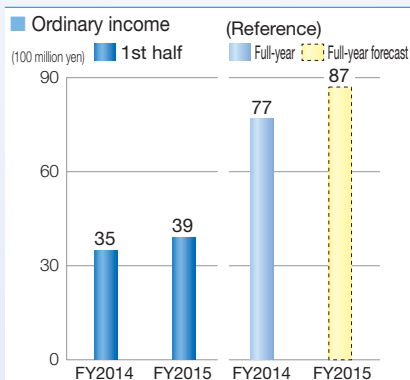
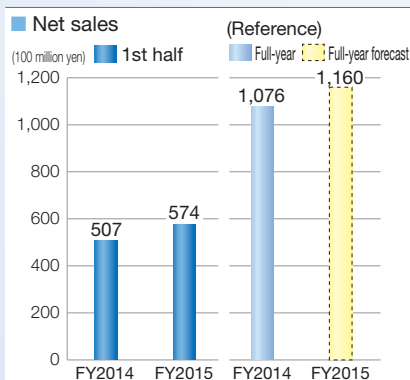
Net sales increased by 13% year on year mainly because of firm performance in sales for the Sewing Machinery Business in Asia's emerging markets continuing on from the previous fiscal year, along with the effect of yen depreciation. Operating income, ordinary income and net income all increased mainly due to the increase in net sales and expansion of areas of business. The Company implemented interim dividend of 2 yen per share.

Net sales 57.4 billion yen
(up by 6.7 billion yen year on year)

Ordinary income 3.9 billion yen
(up by 0.4 billion yen year on year)

Net income 2.7 billion yen
(up by 0.2 billion yen year on year)

Interim dividend 2 yen / share
(10 yen / share accounting for the share consolidation)



Share consolidation and change in 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

Changed to 100 shares from 1,000 shares previously

* Effective date: July 1, 2015

To Our Shareholders

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

In presenting our business results for the first half of the 101st business term (from January 1, 2015 through June 30, 2015), I would like to take the opportunity to convey a few words to our shareholders.

In the first half of fiscal year 2015, consolidated net sales increased by 13.1% year on year to 57,369 million yen 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.

With respect to profits, the increase in net sales and expansion of areas of business were major factors driving results that exceeded previous-year levels. Accordingly, consolidated operating income was 4,227 million yen, consolidated ordinary income was 3,943 million yen, and consolidated net income was 2,719 million yen.

On the basis of those results, the Company implemented interim dividend of 2 yen per share (if the share consolidation is taken into account, the amount is 10 yen) in order to enhance shareholder returns.

The fiscal year-end dividend forecast is 5 yen per share (if the share consolidation is taken into account, the amount is 25 yen), and the annual dividend forecast is 7 yen per share (if the share consolidation is taken into

account, the amount is 35 yen).

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 sets 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." 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

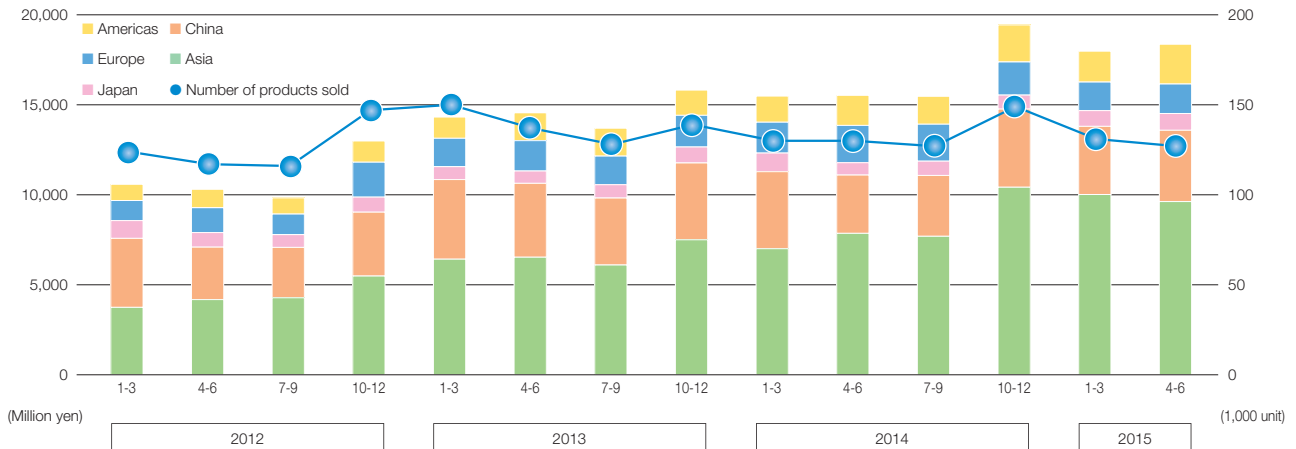
Summary of Results for 1st Half FY2015 (Jan-Jun)

Sewing Machinery Business

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). 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.

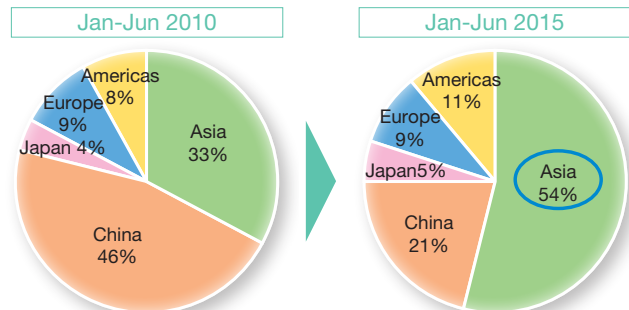
Changes in net sales of industrial sewing machines (excluding parts, etc.) by region



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

	Jan-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	(6)	(15.8%)
Americas	31	39	8	25.8%
Total	310	363	53	17.1%

Composition of net sales: comparison with 2010 (5 years ago)

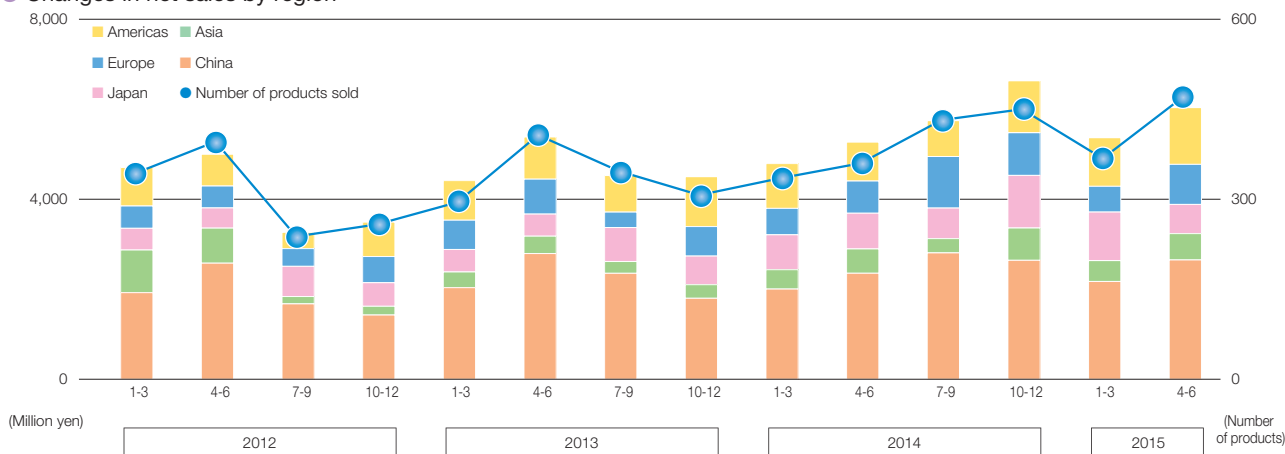


Electronic Assembly Systems Business

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) despite weak sales in China, our largest market. The increase was 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.

Changes in net sales by region

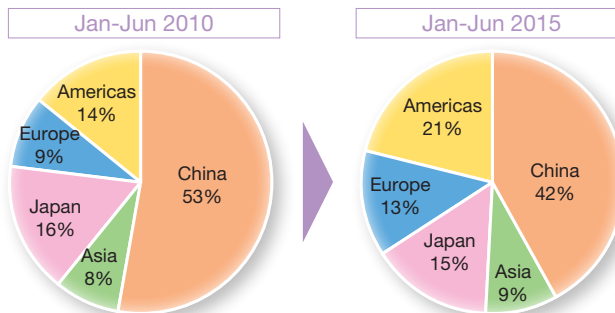


Net sales: year-on-year comparison

(100 million yen)

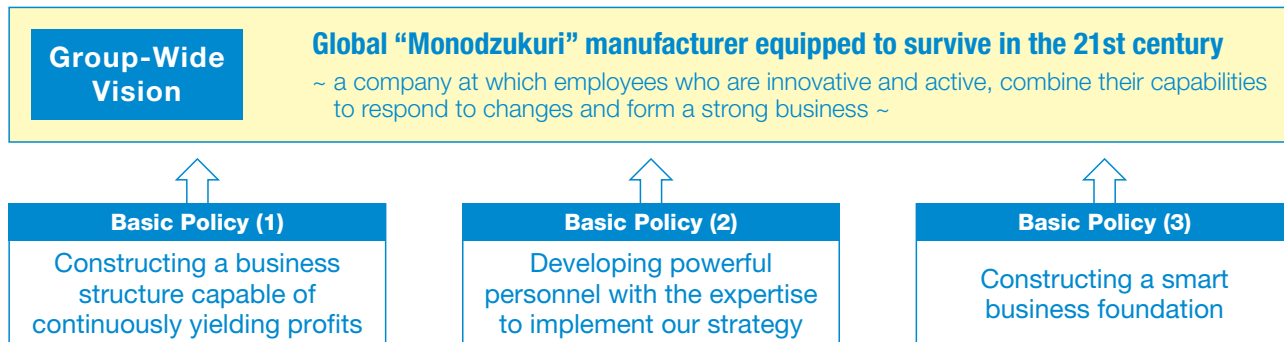
	Jan-Jun 2014	Jan-Jun 2015	Amount of change	% of change
China	44	48	4	9.1%
Asia	10	11	1	10.0%
Japan	16	17	1	6.3%
Europe	13	15	2	15.4%
Americas	18	23	5	27.8%
Total	101	114	13	13.3%

Composition of net sales: comparison with 2010 (5 years ago)

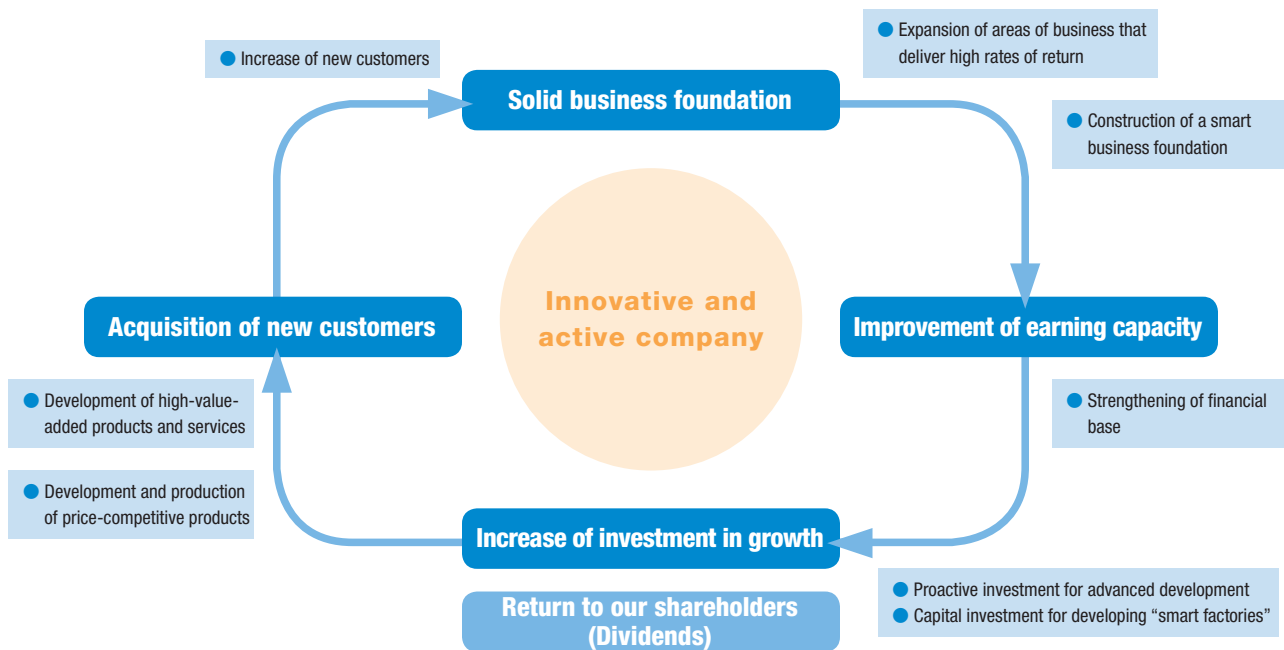


Medium-Term Management Plan (2015-2016)

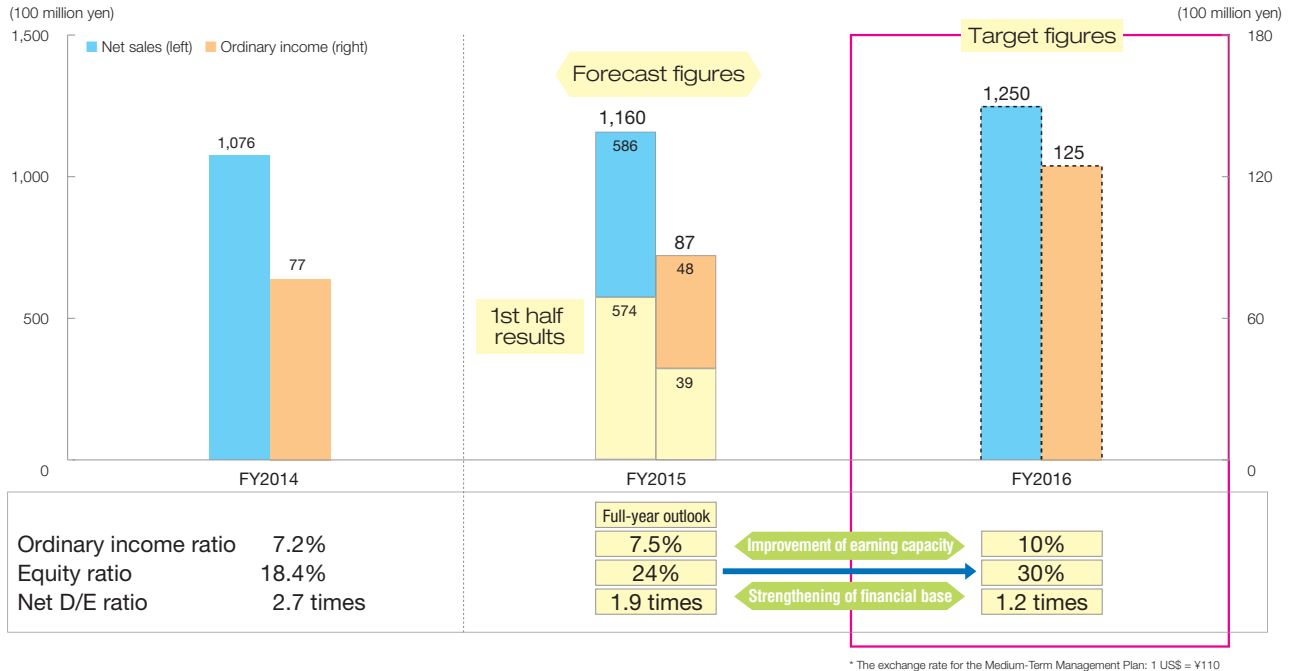
1. Vision and Basic Policies



2. JUKI’s Growth Cycle



3. Status of Measures for the Medium-Term Management Plan



4. Global Economy and Business Environment



Key Initiatives for 2nd Half FY2015 (Sewing Machinery Business)

1. Strategy by Product and Regional Strategy for Industrial Sewing Machines

Strategy by product

Expand sales in growing areas of business

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

Enlargement of line solution proposals and new product lines

Sales of sewing machines only

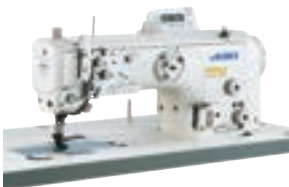
Line solution proposals

Propose smart solutions that address customer needs for labor savings and automation

Significantly improve productivity through use of automated and other highly productive industrial sewing machines

Strengthen capacity to address needs of major users of sewing machines in countries such as China, Vietnam, India and Indonesia

New product lines



LU-2800 Series



LK-1903BB



LBH-1790A Series



DDL-900A

2. Strategy by Product and Regional Strategy for Household Sewing Machines

Strategy by product

Reinforce sales and introduce new products targeting quilters

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

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

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

3. 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)

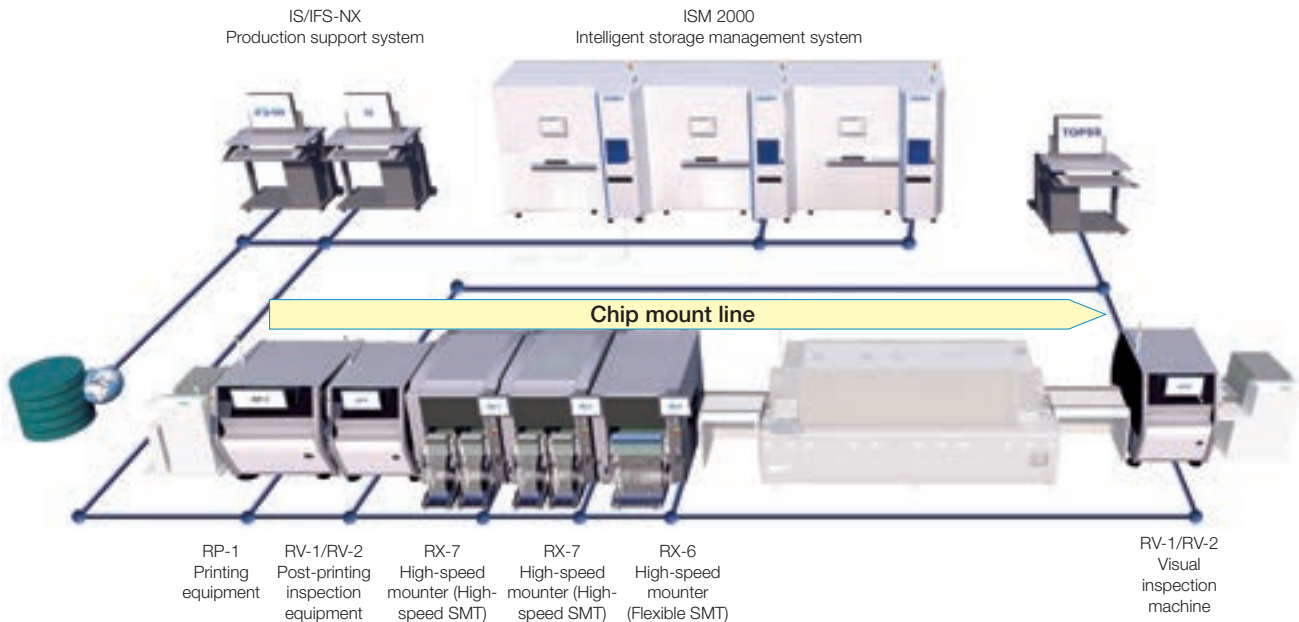
LED

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

Spare parts

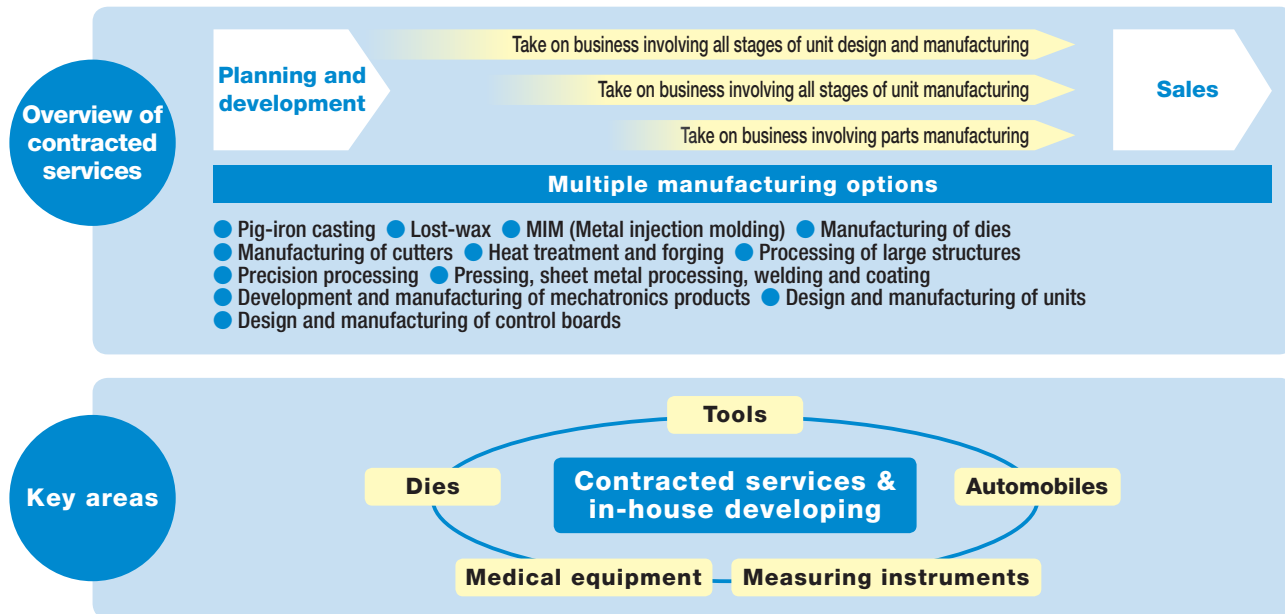
- Streamline supply channels for spare parts

Example of a line solution proposal (standard line)



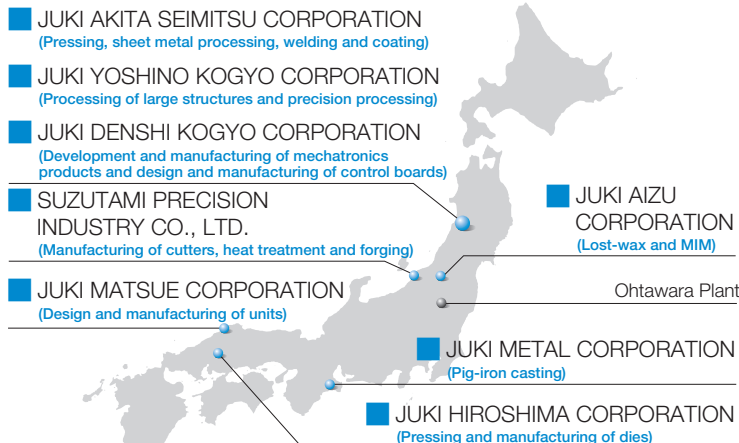
➡ Redouble efforts to attract new customers through line solution proposals that also encompass purchased products

4. Group Business Contracted Services and Key Areas



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)



Consolidated Financial Statements for the First Half (Summary)

Consolidated Balance Sheet

(Million yen)

Item	FY2014 as of December 31, 2014	1st half FY2015 as of June 30, 2015	Change
Assets			
Current assets	97,789	94,105	(3,684)
Non-current assets	32,961	33,419	457
Total assets	130,751	127,524	(3,226)
Liabilities			
Current liabilities	77,101	69,530	(7,571)
Non-current liabilities	28,639	29,264	625
Total liabilities	105,741	98,794	(6,946)
Net assets			
Shareholders' equity	23,831	27,039	3,208
Accumulated other comprehensive income	163	675	511
Minority interests	1,015	1,014	(0)
Total net assets	25,010	28,729	3,719
Total liabilities and net assets	130,751	127,524	(3,226)

Consolidated Statement of Income

(Million yen)

Item	FY2014 January 1, 2014 to June 30, 2014	1st half FY2015 January 1, 2015 to June 30, 2015	Change
Net sales	50,734	57,369	6,635
Cost of sales	35,111	39,273	4,161
Gross profit	15,622	18,096	2,474
Selling, general and administrative expenses	11,940	13,869	1,928
Operating income	3,681	4,227	545
Non-operating income	613	504	(108)
Non-operating expenses	784	789	4
Ordinary income	3,509	3,943	433
Extraordinary income	15	9	(6)
Extraordinary losses	61	14	(46)
Income before income taxes and minority interests	3,463	3,937	473
Income taxes	944	1,227	283
Income before minority interests	2,519	2,710	190
Minority interests in loss	(49)	(9)	39
Net income	2,568	2,719	150

Corporate Information (as of June 30, 2015)

■ 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	6,272 (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 14,230

JUKI CORPORATION

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<http://www.juki.co.jp>

■ Major Shareholders

Shareholder name	Number of shares (1,000 shares)	Shareholding ratio (%)
JAPAN SECURITIES FINANCE CO., LTD.	10,637	7.12
Japan Trustee Services Bank, Ltd. (Trust Account)	6,764	4.53
Mizuho Bank, Ltd.	4,690	3.14
Yoshiaki Ota	3,700	2.48
Nippon Life Insurance Company	3,660	2.45

■ Stock Distribution Status by Owner Type

