

(Reference Translation)



November 6, 2015

**Summary of Financial Information and Business Results  
for the First Nine Months of Fiscal Year 2015 Ending December 31, 2015  
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: November 9, 2015  
Scheduled date to commence dividend payments: –  
Preparation of supplementary material on quarterly financial results: None  
Holding of quarterly financial results presentation meeting: None

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

**1. Consolidated performance for the first nine months of fiscal year 2015 ending  
December 31, 2015  
(January 1, 2015 to September 30, 2015)**

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

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended								
September 30, 2015	83,215	8.4	5,514	(5.7)	4,442	(17.3)	2,899	(31.2)
September 30, 2014	76,750	10.4	5,850	74.9	5,370	157.2	4,214	–

Note: Comprehensive income  
Nine months ended September 30, 2015: 2,691 million yen [(42.4) %]  
Nine months ended September 30, 2014: 4,675 million yen [93.9 %]

	Net income per share	Diluted net income per share
Nine months ended	yen	yen
September 30, 2015	97.16	–
September 30, 2014	156.64	–

\* 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	%
September 30, 2015	123,218	27,896	21.9
December 31, 2014	130,751	25,010	18.4

Reference: Equity As of September 30, 2015: 26,984 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: None

\* 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	110,000	2.2	6,800	(17.2)	5,600	(27.4)	3,700	(38.9)	124.00

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

For a detailed description, please refer to “Notice of Revision to Earnings Forecasts for the Fiscal Year Ending December 31, 2015” which was announced today (November 6, 2015).

\* 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 24.80 yen).

## \* Notes

- (1) Changes in significant subsidiaries during the nine 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 September 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 September 30, 2015	35,620 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)

Nine months ended September 30, 2015	29,839,768 shares
Nine months ended September 30, 2014	26,902,628 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 nine months

### (1) Explanation regarding operating results

In the nine months ended September 30, 2015, net sales were 83,215 million yen (up by 8.4% 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, a focus on acquiring new customers and expanding areas of business that deliver high rates of return, and the effect of yen depreciation.

With respect to profits, although the Sewing Machinery Business performed firmly, operating income was 5,514 million yen (down by 5.7% from the same period of the previous fiscal year) due mainly to a drop in sales reflecting a sharp fall in capital investment demand, mainly in the Electronic Assembly Systems Business field, as the effects of the economic slowdown in China became apparent during the third quarter, as well as lower rates of return for profits reflecting price competition with our competitors which escalated to a more intense level. Moreover, ordinary income was 4,442 million yen (down by 17.3% from the same period of the previous fiscal year) and net income of 2,899 million yen (down by 31.2% from the same period of the previous fiscal year) due mainly to the depreciation of emerging country currencies such as the Chinese renminbi and the Indian rupee resulting in valuation losses that were recorded as foreign exchange losses during the third quarter.

(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 sport shoes increased along with sales of automated sewing machines for the apparel sector, which were driven by needs for automation. As a result, net sales of the Sewing Machinery Business as a whole were 62,965 million yen (up by 13.2% from the same period of the previous fiscal year).

#### b. Electronic Assembly Systems Business

Despite sales increases in newly released mounters and labor-saving systems, in China, our largest market, the effect of the economic slowdown emerged as we entered the third quarter, with a sharp decline in capital investment demand leading to a decline in sales. As a result, net sales of the Electronic Assembly Systems Business as a whole were 15,682 million yen (down by 0.7% from the same period of the previous fiscal year).

### (2) Explanation regarding financial position

Assets, liabilities and net assets

Total assets as of September 30, 2015 were 123,218 million yen, a decrease of 7,532 million yen compared to the previous fiscal year-end. This was mainly due to decreases in notes and accounts receivable - trade and inventories. Liabilities were 95,322 million yen, a decrease of 10,418 million yen compared to the previous fiscal year-end. This primarily reflected a decrease in notes and accounts payable - trade. Net assets were 27,896 million yen, an increase of 2,886 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 September 30, 2015 were 68,705 million yen, a decrease of 5,537 million yen compared to the previous fiscal year-end, and the equity ratio was 21.9%, an increase of 3.5 percentage points over that of 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 been revised from those previously announced (February 12, 2015). Net sales are now forecast at 110,000 million yen, operating income at 6,800 million yen, ordinary income at 5,600 million yen, and net income at 3,700 million yen. The revision reflects a sharp decline in capital investment demand and other factors driving sales down below initial forecasts as well as lower rates of return for profits due to price competition in the Electronic Assembly Systems Business; although the Sewing Machinery Business has performed steadily.

The assumed foreign exchange rate used in the consolidated earnings forecasts for the fourth quarter is 115 yen to one U.S. dollar.

For a detailed description, please refer to “Notice of Revision to Earnings Forecasts for the Fiscal Year Ending December 31, 2015” which was disclosed separately today.

The fiscal year-end dividend forecast has not been revised, and accordingly remains at 25 yen per share as previously announced (if the share consolidation is not taken into account, the amount is 5 yen).

## **2. Matters regarding summary information (Notes)**

### **(1) Changes in significant subsidiaries during the nine 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 nine months ended September 30, 2015, is immaterial.

### 3. Quarterly consolidated financial statements

#### (1) Consolidated balance sheet

(million yen)

	As of December 31, 2014	As of September 30, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	9,491	9,073
Notes and accounts receivable - trade	31,275	28,288
Inventories	50,248	47,640
Other	7,353	6,355
Allowance for doubtful accounts	(579)	(566)
Total current assets	97,789	90,791
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,625	14,055
Land	6,774	6,656
Other, net	4,904	4,503
Total property, plant and equipment	26,304	25,216
Intangible assets	2,216	1,900
Investments and other assets		
Other	5,940	6,878
Allowance for doubtful accounts	(1,500)	(1,568)
Total investments and other assets	4,440	5,310
Total non-current assets	32,961	32,426
Total assets	130,751	123,218
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	13,892	12,013
Short-term loans payable	52,492	47,652
Income taxes payable	913	979
Provision for bonuses	69	662
Other	9,734	6,710
Total current liabilities	77,101	68,017
Non-current liabilities		
Long-term loans payable	21,751	21,053
Provision for directors' retirement benefits	171	173
Net defined benefit liability	5,270	5,000
Other	1,446	1,078
Total non-current liabilities	28,639	27,304
Total liabilities	105,741	95,322

(million yen)

	As of December 31, 2014	As of September 30, 2015
Net assets		
Shareholders' equity		
Capital stock	18,044	18,044
Capital surplus	2,094	2,094
Retained earnings	3,754	6,846
Treasury shares	(62)	(65)
Total shareholders' equity	23,831	26,919
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	817	795
Deferred gains or losses on hedges	(3)	–
Foreign currency translation adjustment	(695)	(819)
Remeasurements of defined benefit plans	44	89
Total accumulated other comprehensive income	163	65
Minority interests	1,015	911
Total net assets	25,010	27,896
Total liabilities and net assets	130,751	123,218

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

### Consolidated statement of income (cumulative)

(million yen)

	Nine months ended September 30, 2014	Nine months ended September 30, 2015
Net sales	76,750	83,215
Cost of sales	52,586	57,145
Gross profit	24,164	26,069
Selling, general and administrative expenses	18,314	20,555
Operating income	5,850	5,514
Non-operating income		
Interest income	99	105
Dividend income	72	101
Foreign exchange gains	112	–
Other	396	487
Total non-operating income	680	694
Non-operating expenses		
Interest expenses	1,071	1,012
Foreign exchange losses	–	657
Other	88	95
Total non-operating expenses	1,160	1,765
Ordinary income	5,370	4,442
Extraordinary income		
Gain on sales of non-current assets	16	40
Gain on sales of investment securities	3	–
Total extraordinary income	19	40
Extraordinary losses		
Loss on sales and retirement of non-current assets	67	31
Loss on change in equity	5	–
Other	–	1
Total extraordinary losses	72	33
Income before income taxes and minority interests	5,317	4,449
Income taxes	1,185	1,649
Income before minority interests	4,132	2,800
Minority interests in loss	(81)	(98)
Net income	4,214	2,899

**Consolidated statement of comprehensive income (cumulative)**

(million yen)

	Nine months ended September 30, 2014	Nine months ended September 30, 2015
Income before minority interests	4,132	2,800
Other comprehensive income		
Valuation difference on available-for-sale securities	100	(21)
Deferred gains or losses on hedges	17	3
Foreign currency translation adjustment	425	(131)
Remeasurements of defined benefit plans, net of tax	–	40
Total other comprehensive income	543	(109)
Comprehensive income	4,675	2,691
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,750	2,800
Comprehensive income attributable to minority interests	(74)	(109)

**(3) 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**

Nine months ended September 30, 2014 (January 1, 2014 to September 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	55,634	15,800	71,434	5,315	76,750	–	76,750
Inter-segment sales or transfers	254	263	518	729	1,247	(1,247)	–
Total	55,888	16,064	71,952	6,044	77,997	(1,247)	76,750
Segment profit (loss)	5,660	(123)	5,536	248	5,785	(415)	5,370

- (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 415 million yen deducted from segment profit (loss) as adjustment are a deduction of 10 million yen in inter-segment eliminations and a deduction of 404 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.

Nine months ended September 30, 2015 (January 1, 2015 to September 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	62,965	15,682	78,648	4,567	83,215	–	83,215
Inter-segment sales or transfers	312	210	523	687	1,210	(1,210)	–
Total	63,277	15,893	79,171	5,254	84,425	(1,210)	83,215
Segment profit (loss)	6,080	(1,105)	4,974	148	5,122	(680)	4,442

- (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 680 million yen deducted from segment profit (loss) as adjustment are a deduction of 3 million yen in inter-segment eliminations and a deduction of 676 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 nine months ended September 30, 2015, is immaterial.