

**Summary of Financial Information and Business Results  
for the First Three Months of Fiscal Year 2017 Ending December 31, 2017  
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: May 8, 2017  
 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 three months of fiscal year 2017 ending December 31, 2017 (January 1, 2017 to March 31, 2017)**

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

Three months ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
March 31, 2017	23,717	(8.5)	2,138	47.0	2,241	169.6	1,527	134.8
March 31, 2016	25,910	(7.9)	1,455	(18.9)	831	(46.2)	650	(36.2)

Note: Comprehensive income Three months ended March 31, 2017: 935 million yen [– %]  
 Three months ended March 31, 2016: (943) million yen [– %]

Three months ended	Basic earnings per share	Diluted earnings per share
	yen	yen
March 31, 2017	52.13	–
March 31, 2016	21.88	–

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	million yen	million yen	%
March 31, 2017	111,258	27,930	24.6
December 31, 2016	111,365	27,582	24.2

Reference: Equity As of March 31, 2017: 27,347 million yen

As of December 31, 2016: 27,005 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, 2016	–	0.00	–	20.00	20.00
Fiscal year ending December 31, 2017	–				
Fiscal year ending December 31, 2017 (Forecast)		0.00	–	20.00	20.00

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

## 3. Consolidated earnings forecasts for the fiscal year 2017 ending December 31, 2017 (January 1, 2017 to December 31, 2017)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Six months ending June 30, 2017	48,000	(5.9)	3,000	47.9	2,800	361.7	1,800	–	61.44
Fiscal year ending December 31, 2017	101,000	3.4	4,800	3.2	3,700	22.4	2,200	16.8	75.09

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

In the consolidated earnings forecasts most recently announced, the forecasts for the six months ending June 30, 2017 were undetermined. These forecasts are as shown above. The forecasts for the fiscal year ending December 31, 2017, are unchanged from those most recently announced.

**\* Notes**

- (1) Changes in significant subsidiaries during the three 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
- (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: None
  - 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

(4) Number of issued shares (common shares)

- a. Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2017	29,874,179 shares
As of December 31, 2016	29,874,179 shares

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

As of March 31, 2017	577,397 shares
As of December 31, 2016	577,229 shares

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

Three months ended March 31, 2017	29,296,896 shares
Three months ended March 31, 2016	29,738,028 shares

\* Quarterly financial results reports are not required to be subjected to quarterly reviews.

\* 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 three months

### (1) Explanation regarding operating results

In the three months ended March 31, 2017, net sales amounted to 23,717 million yen (down by 8.5% from the same period of the previous fiscal year). This was partly due to the fact that the Company promoted solution sales activities, involving proposing products and services that match customers' needs for labor saving and manpower saving, and smart factories, etc. to boost factory-wide production efficiency, and in addition, sales activities were carried out focusing on profitability, as well as revisions to the profits from transactions.

With respect to profits, although the decrease in sales had an impact, factors such as improved profitability due to the above-mentioned sales measures and cost reductions and so on, and the effects of cost-cutting led operating profit to amount to 2,138 million yen (up by 47.0% from the same period of the previous fiscal year). Ordinary profit stood at 2,241 million yen (up by 169.6% from the same period of the previous fiscal year) and profit attributable to owners of parent stood at 1,527 million yen (up by 134.8% from the same period of the previous fiscal year), owing to factors such as lower exchange losses accompanying the revaluation of foreign-currency-denominated receivables, which were significant in the three months ended March 31, 2016.

(Business overview by primary segment)

In order to respond to environmental changes in the future and build a business structure enabling continuous high revenues, the Company revised its managerial framework in the three months ended March 31, 2017. In line with this, the two existing segments the "Sewing Machinery Business" and the "Electronic Assembly Systems Business" were reorganized into two new segments called the "Sewing Machinery and Systems Business" and the "Industrial Equipment and Systems Business" in order to strengthen solution deployment with the inclusion of the systems field.

Segment information related to the three months ended March 31, 2016 has been prepared based on the categories after the change.

#### a. Sewing Machinery and Systems Business

In regard to geographic regions, although sales were robust in Europe and the U.S., sales were sluggish in some regions of the Asian market. In terms of products, sales of items in the non-apparel field, such as products for car seats, grew, but sales of products for the apparel market declined. Due to factors such as these, net sales of the Sewing Machinery and Systems Business amounted to 15,989 million yen (down by 11.8% from the same period of the previous fiscal year). With respect to profits, segment profit (ordinary profit or loss) stood at 1,815 million yen (up by 12.9% from the same period of the previous fiscal year), owing to factors such as improved profitability due to the deployment of the above-mentioned sales activities and cost reduction effects, etc.

#### b. Industrial Equipment and Systems Business

In regard to geographic regions, sales were robust in China, the Company's largest market. In terms of products, there were increases related to the sales of labor-saving devices for deployment based on the smart factories proposal, parts sales of customer business, and the sales of group business, such as commissioned processing. Due to these and other factors, net sales of the Industrial Equipment and Systems Business remained essentially unchanged from the previous year at 7,644 million yen (down by 0.7% from the same period of the previous fiscal year). With respect to profits, there were cost reduction effects based on improved profitability and structural reforms carried out to date, and partly for these reasons, segment profit (ordinary profit or loss) rose significantly to 593 million yen (loss of 154 million yen in the same period of the previous fiscal year). Going forward, the Company will further increase profits by expanding sales revenue.

### (2) Explanation regarding financial position

Assets, liabilities and net assets

Total assets as of March 31, 2017 were 111,258 million yen, a decrease of 106 million yen

compared to the previous fiscal year-end. This was mainly due to a decrease in trade receivables. Liabilities were 83,328 million yen, a decrease of 454 million yen compared to the previous fiscal year-end. This reflected a decrease in long-term loans payable. Net assets were 27,930 million yen, an increase of 347 million yen compared to the previous fiscal year-end. This was mainly due to an increase in retained earnings. Consequently, the equity ratio was 24.6%, an increase of 0.3 percentage points over that of the previous fiscal year-end.

**(3) Explanation regarding forward-looking statements such as consolidated earnings forecasts**

For the consolidated earnings forecasts and the dividend forecasts for the six months ending June 30, 2017, please refer to “Notice of Earnings Forecasts and Dividend Forecasts,” which was announced today.

## 2. Quarterly consolidated financial statements and significant notes thereto

### (1) Consolidated balance sheet

(million yen)

	As of December 31, 2016	As of March 31, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	8,048	9,670
Notes and accounts receivable - trade	30,741	29,034
Inventories	37,616	37,484
Other	4,059	4,506
Allowance for doubtful accounts	(399)	(397)
Total current assets	80,066	80,299
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,890	12,761
Land	6,523	6,445
Other, net	4,098	4,072
Total property, plant and equipment	23,512	23,280
Intangible assets	1,711	1,646
Investments and other assets		
Other	8,025	7,942
Allowance for doubtful accounts	(1,951)	(1,911)
Total investments and other assets	6,074	6,031
Total non-current assets	31,298	30,958
Total assets	111,365	111,258
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	9,972	10,327
Short-term loans payable	43,144	43,058
Income taxes payable	409	812
Provision for bonuses	15	509
Other	7,712	6,713
Total current liabilities	61,254	61,421
Non-current liabilities		
Long-term loans payable	16,647	16,054
Provision for directors' retirement benefits	69	55
Net defined benefit liability	5,163	5,167
Other	646	629
Total non-current liabilities	22,528	21,906
Total liabilities	83,782	83,328

(million yen)

	As of December 31, 2016	As of March 31, 2017
Net assets		
Shareholders' equity		
Capital stock	18,044	18,044
Capital surplus	2,035	2,035
Retained earnings	8,937	9,879
Treasury shares	(605)	(605)
Total shareholders' equity	28,412	29,353
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	839	792
Foreign currency translation adjustment	(2,274)	(2,838)
Remeasurements of defined benefit plans	28	40
Total accumulated other comprehensive income	(1,406)	(2,005)
Non-controlling interests	576	582
Total net assets	27,582	27,930
Total liabilities and net assets	111,365	111,258

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

### Consolidated statement of income (cumulative)

(million yen)

	Three months ended March 31, 2016	Three months ended March 31, 2017
Net sales	25,910	23,717
Cost of sales	18,062	15,878
Gross profit	7,848	7,838
Selling, general and administrative expenses	6,392	5,699
Operating profit	1,455	2,138
Non-operating income		
Interest income	10	20
Dividend income	61	64
Foreign exchange gains	–	61
Reversal of allowance for doubtful accounts	66	46
Other	137	182
Total non-operating income	275	374
Non-operating expenses		
Interest expenses	330	259
Foreign exchange losses	544	–
Other	24	11
Total non-operating expenses	899	271
Ordinary profit	831	2,241
Extraordinary income		
Gain on sales of non-current assets	1	32
Total extraordinary income	1	32
Extraordinary losses		
Loss on sales and retirement of non-current assets	5	9
Other	–	10
Total extraordinary losses	5	19
Profit before income taxes	827	2,254
Income taxes	269	709
Profit	557	1,544
Profit (loss) attributable to non-controlling interests	(92)	17
Profit attributable to owners of parent	650	1,527

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

(million yen)

	Three months ended March 31, 2016	Three months ended March 31, 2017
Profit	557	1,544
Other comprehensive income		
Valuation difference on available-for-sale securities	(270)	(46)
Foreign currency translation adjustment	(1,209)	(573)
Remeasurements of defined benefit plans, net of tax	(20)	11
Total other comprehensive income	(1,500)	(608)
Comprehensive income	(943)	935
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(831)	928
Comprehensive income attributable to non-controlling interests	(111)	7

**(3) Notes to quarterly consolidated financial statements  
(Notes to premise of going concern)**

No items to report.

**(Notes to significant changes in the amount of shareholders' equity)**

No items to report.

**(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 profit before income taxes for the fiscal year, and multiplying the quarterly profit before income taxes by such estimated effective tax rate.

It should be noted that income taxes-deferred are included in income taxes.

**(Segment information, etc.)**

1. Information regarding the amounts of net sales and profit/loss by reportable segment

Three months ended March 31, 2016 (January 1, 2016 to March 31, 2016) (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 and Systems Business	Industrial Equipment and Systems Business	Total				
Net sales							
To external customers	18,131	7,698	25,830	79	25,910	–	25,910
Inter-segment sales or transfers	157	117	275	126	401	(401)	–
Total	18,289	7,816	26,105	206	26,312	(401)	25,910
Segment profit (loss)	1,607	(154)	1,452	4	1,457	(626)	831

(Notes) 1. The “Other Businesses” category refers to business segments not included in reportable segments under which businesses such as the building management business are classified.

2. Included in the 626 million yen deducted from segment profit (loss) as adjustment are a deduction of 13 million yen in inter-segment eliminations and a deduction of 612 million yen in corporate loss that cannot be allocated to any reportable segment. The corporate loss mainly consists of costs related to the administrative functions of the Company that have not been attributed to any reportable segment and foreign exchange losses that have not been attributed to any reportable segment.

3. Segment profit (loss) is adjusted with ordinary profit in the quarterly consolidated statement of income.

2. Information regarding impairment loss of non-current assets and goodwill by reportable segment

No items to report.

Three months ended March 31, 2017 (January 1, 2017 to March 31, 2017) (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 and Systems Business	Industrial Equipment and Systems Business	Total				
Net sales							
To external customers	15,989	7,644	23,634	82	23,717	–	23,717
Inter-segment sales or transfers	269	114	384	111	496	(496)	–
Total	16,259	7,759	24,018	194	24,213	(496)	23,717
Segment profit	1,815	593	2,409	10	2,419	(177)	2,241

(Notes) 1. The “Other Businesses” category refers to business segments not included in reportable segments under which businesses such as the building management business are classified.

2. Included in the 177 million yen deducted from segment profit as adjustment are a deduction of 6 million yen in inter-segment eliminations and a deduction of 170 million yen in corporate loss that cannot be allocated to any reportable segment. The corporate loss mainly consists of costs related to the administrative functions of the Company that have not been attributed to any reportable segment and foreign exchange losses that have not been attributed to any reportable segment.
3. Segment profit is adjusted with ordinary profit in the quarterly consolidated statement of income.

2. Information regarding impairment loss of non-current assets and goodwill by reportable segment

No items to report.

3. Matters regarding changes in reportable segments

In three months ended March 31, 2017, the Company reorganized its reportable segments, changing the two existing segments the “Sewing Machinery Business” and the “Electronic Assembly Systems Business” into two new segments called the “Sewing Machinery and Systems Business” and the “Industrial Equipment and Systems Business,” accompanying a revision of its managerial framework and reorganization.

The “Sewing Machinery and Systems Business” consists of an industrial sewing machine business and a household sewing machine business. Meanwhile, the “Industrial Equipment and Systems Business” is comprised of “Group Business” that include the commissioned processing business, which has potential for growth, “Customer Business,” such as parts sales and maintenance services, and the “Electronic Assembly Systems Business,” which carries out the manufacture and sale of mounting equipment such as mounters.

Segment information related to the three months ended March 31, 2016 has been prepared based on the categories after the change.