

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	million yen	million yen	%
September 30, 2017	110,692	30,911	27.4
December 31, 2016	111,365	27,582	24.2

Reference: Equity As of September 30, 2017: 30,334 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	–	0.00	–		
Fiscal year ending December 31, 2017 (Forecast)				20.00	20.00

Note: Revisions to the dividend forecasts most recently announced: None

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
Fiscal year ending December 31, 2017	101,000	3.4	6,000	29.0	5,500	82.0	3,500	85.8	119.47

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

*** 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
- (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 September 30, 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 September 30, 2017	577,734 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)

Nine months ended September 30, 2017	29,296,688 shares
Nine months ended September 30, 2016	29,501,664 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]

Index

- 1. Qualitative information regarding consolidated performance for the first nine months 2
 - (1) Explanation regarding operating results 2
 - (2) Explanation regarding financial position 3
 - (3) Explanation regarding forward-looking statements such as consolidated earnings forecasts..... 3
- 2. Quarterly consolidated financial statements and significant notes thereto..... 4
 - (1) Consolidated balance sheet 4
 - (2) Consolidated statement of income and consolidated statement of comprehensive income..... 6
 - Consolidated statement of income (cumulative)..... 6
 - Consolidated statement of comprehensive income (cumulative)..... 7
 - (3) Notes to quarterly consolidated financial statements..... 8
 - (Notes to premise of going concern)..... 8
 - (Notes to significant changes in the amount of shareholders’ equity) 8
 - (Application of special accounting for preparing quarterly consolidated financial statements)..... 8
 - (Segment information, etc.) 8

1. Qualitative information regarding consolidated performance for the first nine months

(1) Explanation regarding operating results

In the nine months ended September 30, 2017, net sales amounted to 74,228 million yen (up by 1.3% 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, 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 5,571 million yen (up by 100.7% from the same period of the previous fiscal year). Ordinary profit stood at 5,391 million yen (up by 312.4% from the same period of the previous fiscal year) and profit attributable to owners of parent stood at 3,771 million yen (profit of 110 million yen in 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 previous fiscal year.

(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 nine months ended September 30, 2016 has been prepared based on the categories after the change.

a. Sewing Machinery and Systems Business

In regard to geographic regions, although sales remained robust in Europe, the U.S. and China, sales were sluggish in some regions of the Asian market. In terms of products, sales of items in the non-apparel field were robust, 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 49,512 million yen (down by 4.5% from the same period of the previous fiscal year). With respect to profits, segment profit (ordinary profit or loss) stood at 4,113 million yen (up by 26.9% 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, supported by increased capital investment demand starting with the largest market, China. In terms of products, there were increases related to the sales of new mounters, sales of labor-saving devices for deployment based on the smart factories proposal 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 stood at 24,471 million yen (up by 15.4% from the same period of the previous fiscal year). With respect to profits, as a result of cost reduction effects based on improved profitability due to increased sales of new products and structural reforms carried out to date, segment profit (ordinary profit or loss) rose significantly to 1,839 million yen (loss of 362 million yen in the same period of the previous fiscal year).

(2) Explanation regarding financial position

Total assets as of September 30, 2017 were 110,692 million yen, a decrease of 672 million yen compared to the previous fiscal year-end. This was mainly due to a decrease in notes and accounts receivable - trade. Liabilities were 79,780 million yen, a decrease of 4,001 million yen compared to the previous fiscal year-end. This reflected a decrease in short-term and long-term loans payable. Net assets were 30,911 million yen, an increase of 3,329 million yen compared to the previous fiscal year-end. This was mainly due to an increase in retained earnings. Consequently, the equity ratio was 27.4%, an increase of 3.2 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, 2017 have not been revised from those previously announced on August 3, 2017. Going forward, the Company will closely examine its earnings forecasts after taking into account the impact on the Company's earnings from factors including the business environment.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(million yen)

	As of December 31, 2016	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	8,048	7,518
Notes and accounts receivable - trade	30,741	29,716
Inventories	37,616	37,871
Other	4,059	4,729
Allowance for doubtful accounts	(399)	(358)
Total current assets	80,066	79,477
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,890	12,500
Land	6,523	6,459
Other, net	4,098	4,413
Total property, plant and equipment	23,512	23,373
Intangible assets	1,711	1,638
Investments and other assets		
Other	8,025	8,163
Allowance for doubtful accounts	(1,951)	(1,960)
Total investments and other assets	6,074	6,203
Total non-current assets	31,298	31,214
Total assets	111,365	110,692
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,972	12,632
Short-term loans payable	43,144	37,961
Income taxes payable	409	970
Provision for bonuses	15	556
Other	7,712	6,139
Total current liabilities	61,254	58,261
Non-current liabilities		
Long-term loans payable	16,647	15,664
Provision for directors' retirement benefits	69	61
Net defined benefit liability	5,163	5,175
Other	646	618
Total non-current liabilities	22,528	21,519
Total liabilities	83,782	79,780

(million yen)

	As of December 31, 2016	As of September 30, 2017
Net assets		
Shareholders' equity		
Capital stock	18,044	18,044
Capital surplus	2,035	2,035
Retained earnings	8,937	12,123
Treasury shares	(605)	(606)
Total shareholders' equity	28,412	31,597
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	839	1,032
Foreign currency translation adjustment	(2,274)	(2,358)
Remeasurements of defined benefit plans	28	62
Total accumulated other comprehensive income	(1,406)	(1,263)
Non-controlling interests	576	577
Total net assets	27,582	30,911
Total liabilities and net assets	111,365	110,692

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

Consolidated statement of income (cumulative)

(million yen)

	Nine months ended September 30, 2016	Nine months ended September 30, 2017
Net sales	73,283	74,228
Cost of sales	51,623	51,126
Gross profit	21,659	23,101
Selling, general and administrative expenses	18,883	17,530
Operating profit	2,776	5,571
Non-operating income		
Interest income	24	41
Dividend income	100	119
Commission fee	205	176
Reversal of allowance for doubtful accounts	213	51
Other	260	277
Total non-operating income	803	667
Non-operating expenses		
Interest expenses	875	729
Foreign exchange losses	1,328	85
Other	68	32
Total non-operating expenses	2,272	847
Ordinary profit	1,307	5,391
Extraordinary income		
Gain on sales of non-current assets	442	38
Total extraordinary income	442	38
Extraordinary losses		
Loss on sales and retirement of non-current assets	114	39
Impairment loss	105	–
Special retirement expenses	79	–
Other	–	27
Total extraordinary losses	300	66
Profit before income taxes	1,449	5,363
Income taxes	1,536	1,570
Income taxes for prior periods	51	–
Profit (loss)	(138)	3,793
Profit (loss) attributable to non-controlling interests	(248)	21
Profit attributable to owners of parent	110	3,771

Consolidated statement of comprehensive income (cumulative)

(million yen)

	Nine months ended September 30, 2016	Nine months ended September 30, 2017
Profit (loss)	(138)	3,793
Other comprehensive income		
Valuation difference on available-for-sale securities	(260)	193
Foreign currency translation adjustment	(3,395)	(79)
Remeasurements of defined benefit plans, net of tax	(2)	34
Total other comprehensive income	(3,659)	147
Comprehensive income	(3,797)	3,941
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,486)	3,915
Comprehensive income attributable to non-controlling interests	(310)	26

**(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

Nine months ended September 30, 2016 (January 1, 2016 to September 30, 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	51,838	21,198	73,036	246	73,283	–	73,283
Inter-segment sales or transfers	598	343	941	384	1,325	(1,325)	–
Total	52,436	21,541	73,978	630	74,608	(1,325)	73,283
Segment profit (loss)	3,240	(362)	2,877	47	2,924	(1,617)	1,307

(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 1,617 million yen deducted from segment profit (loss) as adjustment are 6 million yen in inter-segment eliminations and a deduction of 1,623 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.

Nine months ended September 30, 2017 (January 1, 2017 to September 30, 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	49,512	24,471	73,984	244	74,228	–	74,228
Inter-segment sales or transfers	725	277	1,002	351	1,354	(1,354)	–
Total	50,237	24,749	74,987	595	75,583	(1,354)	74,228
Segment profit	4,113	1,839	5,953	33	5,987	(595)	5,391

(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 595 million yen deducted from segment profit as adjustment are a deduction of 11 million yen in inter-segment eliminations and a deduction of 583 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
Nine months ended September 30, 2016 (January 1, 2016 to September 30, 2016)
(Significant impairment loss on non-current assets)

In the nine months ended September 30, 2016, impairment loss comprising 105 million yen in assets of Industrial Equipment and Systems Business segment is recorded as extraordinary loss.

Nine months ended September 30, 2017 (January 1, 2017 to September 30, 2017)

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 includes 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 nine months ended September 30, 2016 has been prepared based on the categories after the change.