Items Disclosed on the Internet Concerning Convocation Notice of the 104th Ordinary General Meeting of Shareholders

Notes to Consolidated Financial Statements
Notes to Non-consolidated Financial Statements

(January 1, 2018 to December 31, 2018)

JUKI CORPORATION

Pursuant to relevant laws and regulations, and Article 16 of the Articles of Incorporation of the Company, "Notes to Consolidated Financial Statements" and "Notes to Non-consolidated Financial Statements" are provided to shareholders by posting on the Company's website (URL: http://www.juki.co.jp).

Notes to Consolidated Financial Statements

1. Notes on the Basis for the Preparation of Consolidated Financial Statements, etc.

(1) Scope of consolidation

1) Number of consolidated subsidiaries: 26

Names of major consolidated subsidiaries:
JUKI AUTOMATION SYSTEMS CORPORATION, JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION, JUKI SINGAPORE PTE. LTD., JUKI (CHINA) CO., LTD., JUKI (SHANGHAI) INDUSTRIAL CO., LTD., and 21 other subsidiaries.

2) Names of major non-consolidated subsidiaries:
Six non-consolidated subsidiaries, including JUKI MACHINERY VIETNAM CO., LTD., are excluded from the scope of consolidation because their exclusion does not preclude reasonable judgment on the Group's financial situation and management results as a whole.

(2) Application of equity-method

The six non-consolidated subsidiaries and NISSEN Co., Ltd. and three other associates are excluded from the scope of application of equity-method because their exclusion does not preclude reasonable judgment on the Group's financial situation and management results as a whole.

(3) Accounting periods of consolidated subsidiaries

The year-end balance sheet dates for all consolidated subsidiaries, other than JUKI INDIA PVT. LTD. whose balance sheet date is March 31, are the same as the consolidated balance sheet date. The financial statements of JUKI INDIA PVT. LTD. prepared on the basis of a provisional closing of accounts as of the consolidated balance sheet date are used in preparing the consolidated financial statements.

(4) Accounting policies

1) Standards and methods for valuation of important assets

A. Securities

Available-for-sale securities with market quotations

Stated based on the market price, etc. on the consolidated balance sheet date
(Unrealized gains and losses are excluded from income and reported in a separate component of net assets. The cost of sales is calculated using the moving-average method.)

Available-for-sale securities without market quotations

Stated at cost using the moving-average method

B. Derivatives

Stated mainly at market

C. Inventories

Stated at the lower of cost

Merchandise and finished goods and work in process	Mainly by the average method or first-in first-out method
Raw materials and supplies	Mainly by the average method or last cost method

2) Depreciation & amortization method for important depreciable assets

A. Property, plant and equipment (excluding leased assets)

The declining-balance method is applied for the Company and its domestic consolidated subsidiaries. However, the straight-line method is applied for buildings acquired on and after April 1, 1998 (excluding any building fixtures) and building fixtures and structures acquired on and after April 1, 2016. Overseas consolidated subsidiaries are mainly subject to the straight-line method.

The main economic useful lives are as follows:

Buildings and structures	6 - 50 years
Machinery, equipment and vehicles	2 - 15 years
Tools, furniture and fixtures	2 - 20 years

B. Intangible assets (excluding leased assets) and long-term prepaid expenses
The Company and its domestic consolidated subsidiaries use the straight-line method. However, software bundled with computer hardware is amortized every fiscal year by no less than an equal amount calculated based on effective years (2 - 5 years), and computer software for internal use is amortized by the straight-line method over the estimated useful life (5 years). Overseas consolidated subsidiaries are subject to the straight-line method.

C. Leased assets
Leased assets pertaining to finance leases without ownership transfer of the leased assets to the lessee
The straight-line method is applied on the assumptions that the useful life equals the lease term and the residual value is zero.

3) Standards for recognition of important reserves

A. Allowance for doubtful accounts
For loss caused by uncollectible debt to the Company and its domestic consolidated subsidiaries, an allowance for doubtful accounts is provided based on the historical write-off rate for ordinary receivables and the estimated amount of irrecoverable debt based on the recoverability of individual cases for specified receivables such as debt with a possibility of default. For overseas consolidated subsidiaries, the estimated write-off amount is provided.

B. Provision for bonuses
A provision for bonuses is provided based on the estimated future payment of bonuses to employees.

C. Provision for directors' retirement benefits
The system of directors' retirement benefits was abolished with a cut-off date of June 28, 2007. The estimated amount payable as of the cut-off date is provided.
The six consolidated subsidiaries provide the provision in an amount that would be required by the internal rule if all the eligible Directors retired at the balance sheet date.

4) Method of accounting for retirement benefits

A. Method of attributing expected retirement benefits to periods
In calculating the retirement benefit obligations, the benefit formula basis is used to attribute the expected retirement benefits to the period up to the end of the current fiscal year.

B. Method of recognizing actuarial gains and losses and past service cost
Actuarial gains and losses are amortized on a straight-line basis over a period equal to or less than the average remaining service period for employees at the time of each fiscal year in which such gains and losses are realized (10 years). The amortization of net gains and losses starts from the fiscal year immediately following the year in which such gains and losses are realized.
Past service cost is expensed wholly in the fiscal year in which it is realized.

C. Application of simplified accounting method by small-size enterprises
In calculating the liability for retirement benefits (net defined benefit liability) and retirement benefit expenses, certain consolidated subsidiaries apply a simplified accounting method in which retirement benefit obligations are determined based on the amount of retirement benefits required to pay if all eligible employees retired voluntarily at the balance sheet date.

5) Standards for translation of important assets or liabilities in foreign currencies into yen
Monetary assets and liabilities in foreign currencies are translated into yen based on the spot exchange-rate in the foreign exchange market on the consolidated balance sheet date, and the foreign exchange gains and losses from the translations are recognized in the income statement. Assets and liabilities of overseas consolidated subsidiaries are translated into yen based on the spot exchange-rate in the foreign exchange market on the consolidated balance sheet date, while revenue and expenses are translated into yen based on the average exchange rate for the fiscal term. The differences resulting from these translations are included in "Foreign currency translation adjustment" and "Non-controlling interests" under net assets.

6) Accounting for important hedging activities

A. Method

Deferred hedge accounting is applied.

Designation is applied to forward exchange contracts that qualify for designation, and designated exceptional accounting is applied to interest-rate swaps that qualify for exceptional accounting.

B. Means for hedging and hedged item

Means for hedging	Hedged item
Interest-rate swap	Long-term loans payable
Forward exchange contract	Foreign currency receivables (including forecast transactions)

C. Hedging policy

Based on internal rules, hedging is limited to transactions (including forecast transactions) in the scope of practical purposes under the management of the Company’s department in charge of finance, and is undertaken to avoid future risks from fluctuations in interest rates and foreign exchange rates.

D. Method for assessing the effectiveness of hedges

At the start of hedging, the Company assesses the effectiveness of offset in interest rate or foreign exchange rate fluctuation. Then, during the period of hedging, the Company uses the predetermined assessment method to assess whether the high effectiveness of offset is maintained at every fiscal year-end. For forward exchange contracts, assessment of the effectiveness of hedges is omitted as important terms regarding hedged items and means for hedging are the same, and changes in the cash flow from foreign exchange rate fluctuations are expected to be completely offset. Assessment of the effectiveness of interest-rate swaps subject to designated exceptional accounting is also omitted.

7) Accounting for consumption taxes

The tax-exclusion method is applied for consumption tax and local consumption tax.

2. Changes in presentation

Up until the previous fiscal year, in the consolidated balance sheet, the presentation method for “Electronically recorded obligations - operating” was to include it (4,020 million yen in the previous fiscal year) as part of “Accounts payable - trade,” but from the current fiscal year, because of its increased materiality, it is presented separately as “Electronically recorded obligations - operating” (5,140 million yen in the current fiscal year).

Up until the previous fiscal year, in the consolidated statement of income, the presentation method for “Reversal of allowance for doubtful accounts” was to include it (8 million yen in the previous fiscal year) in “Other” under “Non-operating income,” but from the current fiscal year, because of its increased materiality, it is presented separately as “Reversal of allowance for doubtful accounts” (228 million yen in the current fiscal year).

3. Notes to Consolidated Balance Sheet

(1) Assets offered as collateral and collateralized loans

(Assets offered as collateral)

Buildings and structures	2,869 million yen
Machinery, equipment and vehicles	619 million yen
Land	2,399 million yen
Intangible assets	157 million yen
Investment securities	1,635 million yen
Total	7,681 million yen
of which assets offered as foundation mortgage	4,858 million yen

(Collateralized loans)

Short-term loans payable	24,068 million yen
Long-term loans payable	12,998 million yen
Total	37,067 million yen
of which loans collateralized as foundation mortgage	36,020 million yen

(2) Accumulated depreciation of property, plant and equipment 43,021 million yen

The accumulated amount of impairment loss is included in the amount of accumulated depreciation.

4. Notes to Consolidated Statement of Changes in Equity

(1) Type and total number of issued shares as of this fiscal year-end

Common shares 29,874,179 shares

(2) Dividends

1) Dividends paid

Resolution	Type of stock	Source of dividend	Total dividends (million yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on March 26, 2018	Common shares	Retained earnings	1,025	35.00	December 31, 2017	March 27, 2018

(Dividend per share comprises an ordinary dividend of 25.00 yen and a commemorative dividend of 10.00 yen.)

2) Dividends whose record date is during this fiscal year but whose effective date is after the end of this fiscal year

The following dividend for common shares will be proposed for approval at the Ordinary General Meeting of Shareholders to be held on March 27, 2019.

Proposal for Resolution	Type of stock	Source of dividend	Total dividends (million yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on March 27, 2019	Common shares	Retained earnings	878	30.00	December 31, 2018	March 28, 2019

5. Notes on Financial Instruments

(1) Status of financial instruments

The Group procures necessary funds mainly by borrowing from financial institutions based on the capital investment plan. A temporary surplus fund is invested in financial assets that are highly secure.

For customer credit risk concerning trade receivables (notes and accounts receivable - trade), write-off risk is kept lower by the division in charge according to the credit control rules. Investment securities are mainly stocks and the market value of listed stocks is checked quarterly.

Borrowed money is used for working funds (mainly short-term) and capital investment funds (long-term). Interest-swap contracts are used against the interest fluctuation risk of some long-term loans payable, in order to fix the amount of interest expenses. Derivative transactions (related to foreign exchange and interest rate) are conducted only in the scope of practical purposes according to the internal control rules.

(2) Fair value of financial instruments

The amounts posted on the consolidated balance sheet, fair values, and differences thereof as of December 31, 2018 (consolidated balance sheet date for this fiscal year) are as follows:
Financial instruments whose fair value is deemed to be difficult to identify are not included.

(million yen)

	Consolidated balance sheet amount (*1)	Fair value (*1)	Difference
(1) Cash and deposits	7,324	7,324	–
(2) Notes and accounts receivable - trade (*2)	33,077	33,077	–
(3) Investment securities Other securities	2,146	2,146	–
(4) Notes and accounts payable - trade	[11,145]	[11,145]	–
(5) Short-term loans payable (*3)	[27,528]	[27,528]	–
(6) Long-term loans payable (*3)	[24,526]	[24,566]	40
(7) Derivative transactions of which hedge accounting is not applied	3	3	–

(*1) Amounts for which the net total is payable are shown in [ ].
(*2) Allowance for doubtful accounts on notes and accounts receivable - trade is deducted.
(*3) Current portion of long-term loans payable, an item included in short-term loans payable in the consolidated balance sheet, is included in long-term loans payable here.

Note 1: Method for calculating the fair value of financial instruments

(1) Cash and deposits, and (2) Notes and accounts receivable - trade:
Since the settlement periods for the foregoing are short, the fair values thereof are almost equal to the carrying amount. Therefore, the corresponding carrying amount is used as the fair value.

(3) Investment securities
The going share price on the exchange is used as the fair value.

(4) Notes and accounts payable - trade and (5) Short-term loans payable:
Since the settlement periods for the foregoing are short, the fair values thereof are almost equal to the carrying amount. Therefore, the corresponding carrying amount is used as the fair value.

(6) Long-term loans payable
The fair value of long-term loans payable is calculated by discounting the sum of principal and interest by an interest rate assumed in cases where similar borrowing is to be newly conducted. The fair value of long-term loans payable with variable interest rates to which special treatment of interest rate swaps is applied (see (7) below) is calculated by discounting the sum of principal and

interest, which is treated in combination with the said interest rate swap, at a reasonably estimated rate applied to a similar new borrowing.

(7) Derivative transactions

The fair value of derivative transactions is calculated based on the prices submitted by financial institutions.

The fair value of interest rate swaps to which special treatment is applied is included in the fair value of the hedged long-term loans payable, because these transactions are treated in combination with the said long-term loans payable (see (6) above).

Note 2: Non-listed stocks (416 million yen included in the consolidated balance sheet) are not included in "(3) Investment securities, Other securities" as the identification of the fair values is deemed to be extremely difficult because of the absence of market values and the inability to estimate future cash flows.

6. Notes on Per Share Information

(1) Net assets per share	1,246.93 yen
(2) Basic earnings per share	226.68 yen

Notes to Non-consolidated Financial Statements

1. Notes on Significant Accounting Policies

(1) Standards and methods for valuation of assets

1) Securities

Shares of subsidiaries and associates

Stated at cost using the moving-average method

Available-for-sale securities with market quotations

Stated based on the market price, etc. on the balance sheet date

(Unrealized gains and losses are excluded from income and reported in a separate component of net assets. The cost of sales is calculated using the moving-average method.)

Available-for-sale securities without market quotations

Stated at cost using the moving-average method

2) Derivatives

Stated mainly at market

3) Inventories

Stated at the lower of cost

Merchandise and finished goods and work in process	Using the average method
Raw materials and supplies	Using the last cost method

(2) Depreciation & amortization method for non-current assets

1) Property, plant and equipment (excluding leased assets)

The declining-balance method is applied. However, the straight-line method is applied for buildings acquired on and after April 1, 1998 (excluding any building fixtures) and building fixtures and structures acquired on and after April 1, 2016.

The main economic useful lives are as follows:

Buildings	6 - 50 years
Structures	6 - 50 years
Machinery and equipment and vehicles	2 - 15 years
Tools, furniture and fixtures	2 - 20 years

2) Intangible assets (excluding leased assets) and long-term prepaid expenses

The straight-line method is applied. However, computer software for internal use is amortized by the straight-line method over the estimated useful life (5 years).

3) Leased assets

Leased assets pertaining to finance leases without ownership transfer of the leased assets to the lessee

The straight-line method is applied on the assumptions that the useful life equals the lease term and the residual value is zero.

(3) Standards for recognition of reserves

1) Allowance for doubtful accounts

For loss caused by uncollectible debt, an allowance for doubtful accounts is provided based on the historical write-off rate for ordinary receivables and the estimated amount of irrecoverable debt based on the recoverability of individual cases for specified receivables such as debt with a possibility of default.

2) Provision for retirement benefits

A provision for retirement benefits is provided based on the estimated retirement benefit obligation and plan assets as of this fiscal year-end.

A. Method of attributing expected retirement benefits to periods

In calculating the retirement benefit obligations, the benefit formula basis is used to attribute the expected retirement benefits to the period up to the end of the current fiscal year.

B. Method of recognizing actuarial gains and losses and past service cost

Actuarial gains and losses are amortized on a straight-line basis over a period equal to or less than the average remaining service period for employees at the time such gains and losses are realized (10 years). The amortization of net gains and losses starts from the fiscal year immediately following the year in which such gains and losses are realized.

Past service cost is expensed wholly in the fiscal year in which it is realized.

3) Provision for directors' retirement benefits

The system of directors' retirement benefits was abolished with a cut-off date of June 28, 2007. The estimated amount payable as of the cut-off date is provided.

(4) Other significant basic matters for the preparation of financial statements

1) Standards for translation of assets and liabilities in foreign currencies into yen

Monetary assets and liabilities in foreign currencies are translated into yen based on the spot exchange-rate in the foreign exchange market on the balance sheet date, and the foreign exchange gains and losses from the translations are recognized in the income statement.

2) Accounting for hedging activities

A. Method

Deferred hedge accounting is applied.

Designation is applied to forward exchange contracts that qualify for designation, and designated exceptional accounting is applied to interest-rate swaps that qualify for exceptional accounting.

B. Means for hedging and hedged item

Means for hedging	Hedged item
Interest-rate swap	Long-term loans payable
Forward exchange contract	Foreign currency receivables (including forecast transactions)

C. Hedging policy

Based on internal rules, hedging is limited to transactions (including forecast transactions) in the scope of practical purposes under the management of the department in charge of finance, and is undertaken to avoid future risks from fluctuations in interest rates and foreign exchange rates.

D. Method for assessing the effectiveness of hedges

At the start of hedging, the Company assesses the effectiveness of offset in interest rate or foreign exchange rate fluctuation. Then, during the period of hedging, the Company uses the predetermined assessment method to assess whether the high effectiveness of offset is maintained at every fiscal year-end. For forward exchange contracts, assessment of the effectiveness of hedges is omitted as important terms regarding hedged items and means for hedging are the same, and changes in the cash flow from foreign exchange rate fluctuations are expected to be completely offset. Assessment of the effectiveness of interest-rate swaps subject to designated exceptional accounting is also omitted.

3) Method of accounting for retirement benefits

The accounting methods for unrecognized actuarial gains and losses relating to retirement benefits are different from the accounting methods in the consolidated financial statements.

4) Accounting for consumption taxes

The tax-exclusion method is applied for consumption tax and local consumption tax.

2. Changes in presentation

Up until the previous fiscal year, in the non-consolidated balance sheet, the presentation method for "Electronically recorded obligations - operating" was to include it (943 million yen in the previous fiscal year) as part of "Accounts payable - trade," but from the current fiscal year, because of its increased materiality, it is presented separately as "Electronically recorded obligations - operating" (1,570 million yen in the current fiscal year)

3. Notes to Non-consolidated Balance Sheet

(1) Assets offered as collateral and collateralized loans

(Assets offered as collateral)

Buildings	497 million yen
Structures	12 million yen
Machinery and equipment	7 million yen
Land	637 million yen
Investment securities	1,635 million yen
Total	2,790 million yen
of which assets offered as foundation mortgage	1,155 million yen

(Collateralized loans)

Short-term loans payable	19,036 million yen
Long-term loans payable	11,647 million yen
Total	30,683 million yen
of which loans collateralized as foundation mortgage	30,683 million yen

(2) Accumulated depreciation of property, plant and equipment **16,801 million yen**

(3) Guarantee liability

The Company provides guarantees on borrowings from financial institutions by other companies.

JUKI (CHINA) CO., LTD.	2,585 million yen
JUKI SINGAPORE PTE. LTD.	1,176 million yen
JUKI (VIETNAM) CO., LTD.	1,215 million yen
JUKI CENTRAL EUROPE SP. ZO.O.	853 million yen
Other	353 million yen
Total	6,185 million yen

(4) Monetary receivables from and payables to subsidiaries and associates (excluding accounting items presented separately)

Short-term monetary receivables	39,258 million yen
Short-term monetary payables	16,978 million yen

4. Notes to Non-consolidated Statement of Income

(1) Transactions with subsidiaries and associates (excluding accounting items presented separately)

Net sales	56,663 million yen
Purchase	30,794 million yen
Other operating transactions	3,587 million yen
Transactions other than operating transactions	2,466 million yen

(2) Gain on liquidation of subsidiaries and associates

The Company received a liquidation dividend resulting from the complete liquidation of a consolidated subsidiary.

5. Notes to Non-consolidated Statement of Changes in Equity

Type and number of treasury shares as of this fiscal year-end

Common shares	578,403 shares

6. Notes on Tax Effect Accounting

Major causes for accrual of deferred tax assets and deferred tax liabilities

	(million yen)
- Current:	
Deferred tax assets:	
Loss on valuation of inventories	90
Income taxes payable	52
Other	23
Total	167
Valuation allowance	(90)
Total deferred tax assets	76
- Noncurrent:	
Deferred tax assets:	
Provision for retirement benefits	903
Allowance for doubtful accounts	658
Impairment loss	62
Loss on valuation of shares of subsidiaries and associates	2,317
Loss on valuation of investments in capital of subsidiaries and associates	248
Other	578
Total	4,768
Valuation allowance	(3,864)
Total deferred tax assets	904
Offset to deferred tax liabilities	(166)
Net deferred tax assets	737
Deferred tax liabilities:	
Valuation difference on available-for-sale securities	166
Total deferred tax liabilities	166
Offset to deferred tax assets	(166)
Net deferred tax liabilities	–

7. Notes on Transactions with Related Parties

Subsidiaries and associates

Category	Company name	Ownership of voting rights, etc. (Ownership percentage)	Relationship with the related parties	Transaction details	Transaction amounts (million yen)	Receivables or payables on transactions: Account item	Receivables or payables on transactions: Fiscal year-end balance (million yen)
Subsidiaries	JUKI SINGAPORE PTE. LTD.	Direct ownership 100.0%	Sales and maintenance of the Company's products	Sales of products	27,229	Accounts receivable - trade	15,283
				Debt guarantee	1,176	–	–
	JUKI (CHINA) CO., LTD.	Direct ownership 100.0%	Sales and maintenance of the Company's products	Provision of loan	1,528	Long-term loans receivable from subsidiaries and associates	1,221
				Recovery of funds	1,517	–	–
				Receipt of interest	55	–	–
				Debt guarantee	2,585	–	–
	JUKI AUTOMATION SYSTEMS CORPORATION	Direct ownership 91.8%	Sales and maintenance of the Company's products	Purchase of products	– (*)	Accounts payable - other	11,974
				Provision of loan	1,270	Short-term loans receivable	6,000
				Recovery of funds	2,070	–	–
				Receipt of interest	74	–	–
				Trademark fee income, etc.	364	Accrued income	55
	JUKI CENTRAL EUROPE SP. ZO.O.	Direct ownership 100.0%	Sales and maintenance of the Company's products	Sales of products	7,307	Accounts receivable - trade	3,228
				Debt guarantee	853	–	–
	JUKI (HONG KONG) LTD.	Direct ownership 100.0%	Sales and maintenance of the Company's products	Borrowing of fund	1,115	Short-term loans payable	1,100
				Repayment of fund	1,325	–	–
				Payment of interest	23	–	–
	JUKI AUTOMATION SYSTEMS INC.	Indirect ownership 100%	Sales and maintenance of the Company's products	Sales of products	– (*)	Accounts receivable - other	870
						Long-term accounts receivable from subsidiaries and associates	216

Category	Company name	Ownership of voting rights, etc. (Ownership percentage)	Relationship with the related parties	Transaction details	Transaction amounts (million yen)	Receivables or payables on transactions	
						Account item	Fiscal year-end balance (million yen)
Subsidiaries	JUKI AUTOMATION SYSTEMS GMBH	Direct ownership 100.0%	Sales and maintenance of the Company's products	Sales of products	– (*)	Accounts receivable - other	938
						Long-term accounts receivable from subsidiaries and associates	1,363
	JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION	Direct ownership 100.0%	Manufacture of the Company's products	Receipt of collateral	(Note 3)	–	–
	JUKI (SHANGHAI) INDUSTRIAL CO., LTD.	Direct ownership 27.5% Indirect ownership 72.5%	Manufacture of the Company's products	Purchase of products	12,028	Accounts payable - trade	1,423
				Technical advisory fee income, etc.	646	Accrued income	139
	JUKI AMERICA, INC.	Direct ownership 100.0%	Sales and maintenance of the Company's products	Sales of products	7,671	Accounts receivable - trade	1,098
	JUKI (VIETNAM) CO., LTD.	Direct ownership 100.0%	Manufacture of the Company's products	Purchase of products	6,039	Accounts payable - trade	666
				Debt guarantee	1,215	–	–
	JUKI SMT ASIA CO., LTD.	Direct ownership 100.0%	Sales and maintenance of the Company's products	Sales of products	– (*)	Accounts receivable - other	234
						Long-term accounts receivable from subsidiaries and associates	1,041
	JUKI SALES (JAPAN) CORPORATION	Direct ownership 100.0%	Sales and maintenance of the Company's products	Sales of products	3,065	Accounts receivable - trade	1,478
	JUKI INDIA PVT. LTD.	Indirect ownership 100%	Sales and maintenance of the Company's products	Sales of products	1,636	Accounts receivable - trade	1,775
						Long-term accounts receivable from subsidiaries and associates	122
	TOKYO JUKI INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Direct ownership 100.0%	Sales and maintenance of the Company's products	Sales of products	– (*)	Accounts receivable - other	3,875

Terms for transactions and policies to decide them:

(Notes)
1. Terms for sales and purchases are decided in consideration of factors such as market prices.
2. Loan rates are reasonably decided in consideration of market interest rates and the financial status of borrowers.
3. Real estate owned by JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION has been received as collateral against the Company's borrowings from financial institutions (revolving mortgage at a maximum 2,000 million yen). No fees connected with collateral pledging have been paid.
4. Technical advisory fee income etc. are decided in consideration of factors such as market prices.
5. Debt guarantee for JUKI SINGAPORE PTE. LTD., JUKI (CHINA) CO., LTD., JUKI CENTRAL EUROPE SP. ZO.O. and JUKI (VIETNAM) CO., LTD. is provided with regard to borrowing from banks. A fixed debt guarantee charge has been received.
6. 2,000 million yen in allowance for doubtful accounts has been recorded regarding claims to long-term accounts receivable from subsidiaries and associates with a possibility of default above. In relation to this allowance, a total of 130 million yen of reversal of allowance for doubtful accounts has been recorded in the current fiscal year.
7. For interest received on long-term accounts receivable from subsidiaries etc., market interest rates and the financial status of counterparties are taken into consideration. No interest has been received from JUKI INDIA PVT. LTD.
8. Transaction amounts do not include consumption taxes. The fiscal year-end balance includes consumption taxes.

(*)Because the Company has been carrying out sales transactions as the agent of JUKI AUTOMATION SYSTEMS CORPORATION in the Electronic Assembly Systems Business since August 1, 2013, the amounts in the non-consolidated statement of income are presented with the balance of the said sales transactions offset against the balance of purchase transactions.
The balance of sales to TOKYO JUKI INTERNATIONAL TRADING (SHANGHAI) CO., LTD. is 10,877 million yen, the balance of sales to JUKI AUTOMATION SYSTEMS INC. is 1,586 million yen, the balance of sales to JUKI AUTOMATION SYSTEMS GMBH is 1,741 million yen, the balance of sales to JUKI SMT ASIA CO., LTD. is 185 million yen, and the balance of purchases from JUKI AUTOMATION SYSTEMS CORPORATION is 18,814 million yen.

8. Notes on Per Share Information

(1) Net assets per share	1,069.69 yen
(2) Basic earnings per share	124.84 yen