Items Disclosed on the Internet Concerning Convocation Notice of the 106th Ordinary General Meeting of Shareholders

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

(January 1, 2020 - December 31, 2020)

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: https://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: 25

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 20 other subsidiaries.

2) Names of major non-consolidated subsidiaries:
Seven 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

Number of associates accounted for using the equity method: 1
Company name: ESSEGI AUTOMATION S.r.l.
The seven non-consolidated subsidiaries and NISSEN Co., Ltd. and two 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 facilities attached to buildings) and facilities attached to buildings 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, 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 retirement benefits for directors (and other officers)
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 retirement benefit liability (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 swaps	Long-term borrowings
Forward exchange contracts	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

In the fiscal year ended December 31, 2020, the "subsidy income" that had previously been included in the "other" category of "non-operating income" exceeded 10% of total non-operating income, and thus has been presented as a separate item.

3. Additional Information

With regard to the effects of the spread of novel coronavirus disease (COVID-19), it is currently difficult to estimate these impacts, but based on external information we assume that the effects of the spread of COVID-19 will continue for the certain period of the fiscal year ending December 31, 2021, on which basis we have created accounting estimates related to such matters as judgments on impairment losses for non-current assets, and the recoverability of deferred tax assets.

However, this assumption is highly uncertain, and future results may differ from these estimates and assumptions.

4. Notes to Consolidated Balance Sheet

(1) Assets offered as collateral and collateralized loans

(Assets offered as collateral)

Buildings and structures	3,178 million yen
Machinery, equipment and vehicles	567 million yen
Land	2,399 million yen
Intangible assets	133 million yen
Investment securities	1,513 million yen
Total	7,791 million yen
of which assets offered as foundation mortgage	4,863 million yen

(Collateralized loans)

Short-term borrowings	21,643 million yen
Long-term borrowings	16,399 million yen
Total	38,042 million yen
of which loans collateralized as foundation mortgage	36,702 million yen

(2) Accumulated depreciation of property, plant and equipment 44,916 million yen

The accumulated impairment loss is included in the accumulated depreciation.

5. 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, 2020	Common shares	Retained earnings	732	25.00	December 31, 2019	March 27, 2020

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 25, 2021.

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 25, 2021	Common shares	Retained earnings	585	20.00	December 31, 2020	March 26, 2021

6. 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 borrowings, 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, 2020 (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	13,831	13,831	–
(2) Notes and accounts receivable - trade (*2)	22,795	22,795	–
(3) Investment securities Available-for-sale securities	2,046	2,046	–
(4) Notes and accounts payable - trade	[7,124]	[7,124]	–
(5) Short-term borrowings (*3)	[24,947]	[24,947]	–
(6) Long-term borrowings (*3)	[31,095]	[31,121]	25
(7) Derivative transactions of which hedge accounting is not applied	67	67	–

(*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 borrowings, an item included in short-term borrowings in the consolidated balance sheet, is included in long-term borrowings 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 borrowings:
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 borrowings
The fair value of long-term borrowings 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 borrowings 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 swaps, 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 borrowings, because these transactions are treated in combination with the said long-term borrowings (see (6) above).

Note 2: Non-listed stocks (1,875 million yen included in the consolidated balance sheet) are not included in “(3) Investment securities, Available-for-sale 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.

7. Notes on Per Share Information

(1) Net assets per share	1,059.32 yen
(2) Basic loss per share	160.04 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 facilities attached to buildings) and facilities attached to buildings and structures acquired on and after April 1, 2016.

The main economic useful lives are as follows:

Buildings	6 - 50 years
Structures	10 - 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.

(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 swaps	Long-term borrowings
Forward exchange contracts	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

In the fiscal year ended December 31, 2020, the “subsidy income” that had previously been included in the “other” category of “non-operating income” exceeded 10% of total non-operating income, and thus has been presented as a separate item.

3. Additional Information

With regard to the effects of the spread of COVID-19, it is currently difficult to estimate these impacts, but based on external information we assume that the effects of the spread of COVID-19 will continue for the certain period of the fiscal year ending December 31, 2021, on which basis we have created accounting estimates related to such matters as judgments on impairment losses for non-current assets, and the recoverability of deferred tax assets.
However, this assumption is highly uncertain, and future results may differ from these estimates and assumptions.

4. Notes to Non-consolidated Balance Sheet

(1) Assets offered as collateral and collateralized loans

(Assets offered as collateral)

Buildings, net	436 million yen
Structures, net	11 million yen
Machinery and equipment, net	0 million yen
Land	637 million yen
Investment securities	1,513 million yen
Total	2,598 million yen
of which assets offered as foundation mortgage	1,085 million yen

(Collateralized loans)

Short-term borrowings	16,427 million yen
Long-term borrowings	13,658 million yen
Total	30,085 million yen
of which loans collateralized as foundation mortgage	30,085 million yen

(2) Accumulated depreciation of property, plant and equipment 17,434 million yen

(3) Guarantee liability

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

JUKI SINGAPORE PTE. LTD.	5,216 million yen
JUKI (CHINA) CO., LTD.	1,191 million yen
JUKI (VIETNAM) CO., LTD.	1,446 million yen
JUKI CENTRAL EUROPE SP. ZO.O.	806 million yen
Total	8,660 million yen

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

Short-term monetary receivables	26,662 million yen
Short-term monetary payables	16,776 million yen

5. Notes to Non-consolidated Statement of Income

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

Net sales	26,379 million yen
Purchase	13,187 million yen
Other operating transactions	2,383 million yen
Transactions other than operating transactions	2,613 million yen

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

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

Common shares 578,890 shares

7. Notes on Tax Effect Accounting

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

	(million yen)
Deferred tax assets	
Provision for retirement benefits	851
Allowance for doubtful accounts	577
Impairment loss	62
Loss on valuation of inventories	108
Loss on valuation of shares of subsidiaries and associates	2,317
Loss on valuation of investments in capital of subsidiaries and associates	248
Loss brought forward	1,301
Other	745
Total	6,211
Valuation allowance	(4,912)
Total deferred tax assets	1,299
Offset to deferred tax liabilities	(200)
Net deferred tax assets	1,098
Deferred tax liabilities:	
Enterprise tax receivable	5
Valuation difference on available-for-sale securities	195
Total deferred tax liabilities	200
Offset to deferred tax assets	(200)
Net deferred tax liabilities	–

8. 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	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	7,206	Accounts receivable - trade	3,474
				Debt guarantee	5,216	–	–
	JUKI (CHINA) CO., LTD.	Direct ownership 100.0%	Sales and maintenance of the Company's products	Sales of products	2,383	Accounts receivable - trade	560
				Debt guarantee	1,191	–	–
	JUKI AUTOMATION SYSTEMS CORPORATION	Direct ownership 91.8%	Sales and maintenance of the Company's products	Purchase of products	– (*)	Accounts payable - other	12,147
				Provision of loan	2,410	Short-term loans receivable	6,380
				Recovery of funds	1,630	–	–
				Receipt of interest	69	–	–
				Trademark fee income, etc.	244	Accrued income	49
	JUKI CENTRAL EUROPE SP. ZO.O.	Direct ownership 100.0%	Sales and maintenance of the Company's products	Sales of products	5,211	Accounts receivable - trade	3,407
				Debt guarantee	806	–	–
	JUKI (HONG KONG) LTD.	Direct ownership 100.0%	Sales and maintenance of the Company's products	Borrowing of fund	208	Short-term borrowings	208
				Repayment of fund	914	–	–
				Payment of interest	8	–	–
	SHANGHAI JUKI SEWING MACHINE CO., LTD.	Direct ownership 72.3% Indirect ownership 27.7%	Manufacture of the Company's products	Purchase of products	3,061	Accounts payable - trade	975
	JUKI AUTOMATION SYSTEMS INC.	Indirect ownership 100%	Sales and maintenance of the Company's products	Sales of products	– (*)	Accounts receivable - other	758
						Long-term accounts receivable from subsidiaries and associates - other	153

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	1,076
						Long-term accounts receivable from subsidiaries and associates - other	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 21.3% Indirect ownership 78.7%	Manufacture of the Company's products	Purchase of products	3,061	Accounts payable - trade	975
				Technical advisory fee income, etc.	280	Accrued income	161
	JUKI AMERICA, INC.	Direct ownership 100.0%	Sales and maintenance of the Company's products	Sales of products	5,668	Accounts receivable - trade	1,905
	JUKI (VIETNAM) CO., LTD.	Direct ownership 100.0%	Manufacture of the Company's products	Purchase of products	4,950	Accounts payable - trade	648
				Technical advisory fee income, etc.	179	Accrued income	56
				Debt guarantee	1,446	–	–
	JUKI SMT ASIA CO., LTD.	Direct ownership 100.0%	Sales and maintenance of the Company's products	Sales of products	– (*)	Accounts receivable - other	77
						Long-term accounts receivable from subsidiaries and associates - other	995
	JUKI SALES (JAPAN) CORPORATION	Direct ownership 100.0%	Sales and maintenance of the Company's products	Sales of products	4,129	Accounts receivable - trade	1,882
	JUKI INDIA PVT. LTD.	Direct ownership 94.6% Indirect ownership 5.4%	Sales and maintenance of the Company's products	Sales of products	499	Accounts receivable - trade	246
	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	4,099

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. 1,741 million yen in allowance for doubtful accounts has been recorded regarding claims to long-term accounts receivable from subsidiaries and associates - other with a possibility of default above. In relation to this allowance, a total of 107 million yen of reversal of allowance for doubtful accounts has been recorded in the current fiscal year.
7. 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 7,802 million yen, the balance of sales to JUKI AUTOMATION SYSTEMS INC. is 744 million yen, the balance of sales to JUKI AUTOMATION SYSTEMS GMBH is 1,103 million yen, the balance of sales to JUKI SMT ASIA CO., LTD. is 73 million yen, and the balance of purchases from JUKI AUTOMATION SYSTEMS CORPORATION is 2,755 million yen.

9. Notes on Per Share Information

(1) Net assets per share	960.41 yen
(2) Basic loss per share	95.81 yen