First of all, we would like to express our sincere appreciation for your ongoing supports and good wishes.

To precede this report on our business performance for fiscal 2009 (from April 1, 2009 through March 31, 2010), let me say a few words of greetings.

The world economy in fiscal 2009 took significant steps forward on the road to recovery, thanks largely to domestic demand in emerging countries and the economic and fiscal policies orchestrated by governments in concert. Our company also edged closer to a full-fledged recovery at the end of last year, when the demand for industrial sewing machines and SMT systems rebounded.

JUKI achieved its turnaround in fiscal 2009 through comprehensive reviews and strategy adjustments on all fronts—sales & marketing, manufacturing, and development. We credit much of this success to our reinforced focus on strong business reforms and moves to "Secure sales by reducing break-even points and expanding sales share." We also cut spending at every level and narrowed our investments as aggressively as possible. Our efforts to streamline the JUKI organizational structure extended through most of the company sections, both in manufacturing and elsewhere, though we maintained the front-line sales force unchanged from fiscal 2008.

Though we executed the said strong business reforms, the quarters up to the third quarter had significant impact on the results for the full year. Consolidated net sales for the year stood at 56.97 billion yen. Net income stood at a deficit of 11.102 billion, in spite of the aggressive business reforms undertaken.

JUKI achieved a turnaround in the first half of fiscal 2010, thanks largely to the effects of the various business reforms executed in fiscal 2009. Net sales stood at 43.963 billion yen, up by 78% from the same period of the previous fiscal year. We credit this to the effects of new product releases, as well as the robust domestic demand in China and other emerging countries. Operating income stood at 0.151 billion yen, up by 7.65 billion yen from the same period of the previous fiscal year, largely due to increases in net sales and reductions in fixed costs. Profit would have been much higher, had it not been for the stronger yen.

We will make our best efforts to improve business performance in the months to come. In closing, let me again express our appreciation for your going supports.
Cordial Greetings to our stakeholders

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We will make our best efforts to improve business performance in the months to come. In closing, let me again express our appreciation for your going supports.

Akira Kiyohara
President
JUKI CORPORATION
Financial Highlights

JUKI CORPORATION and Consolidated Subsidiaries

FINANCIAL HIGHLIGHTS

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<tbody>
<tr>
<td>Net Sales</td>
<td>¥56,971</td>
<td>¥77,832</td>
<td>¥130,351</td>
<td>¥140,497</td>
<td>¥612,588</td>
</tr>
<tr>
<td>Income (loss)</td>
<td>(11,234)</td>
<td>(9,347)</td>
<td>4,127</td>
<td>6595</td>
<td>(9,825)</td>
</tr>
<tr>
<td>Net Income (loss)</td>
<td>(11,234)</td>
<td>(9,347)</td>
<td>4,127</td>
<td>6595</td>
<td>(9,825)</td>
</tr>
<tr>
<td>As of March 31</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total Assets</td>
<td>101,081</td>
<td>103,655</td>
<td>117,636</td>
<td>114,904</td>
<td>1,086,995</td>
</tr>
<tr>
<td>Shareholders' Equity</td>
<td>10,686</td>
<td>21,589</td>
<td>37,100</td>
<td>33,816</td>
<td>14,930</td>
</tr>
<tr>
<td>Net Income (loss) per Share</td>
<td>(¥86.93)</td>
<td>(¥72.34)</td>
<td>¥31.94</td>
<td>¥51.03</td>
<td>(¥0.93)</td>
</tr>
</tbody>
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Profile of our businesses

Industrial Sewing Machines Business — A key business sustaining the sewing industry in the world —

Industrial sewing machines are used not only for apparel products, such as clothing or under wear, but also for bags, shoes, car seats, and sofas.

To pursue quality and performance, we manufacture most of industrial sewing machines as models for specific functions, such as straight sewing, zigzag sewing, or button sewing. Speed and durability are essential, as the machines are used as production equipment in manufacturing plants.

Nowadays, many of the sewing processes where skill is necessary are computerized. There is the “Automatic machine” which automatically enables complicated operations in various processes with one-switch button in some of machines.

To pursue greater environment-friendliness, we have also been promoting designs for noise less operation, energy saving, and the elimination of oil pollutants.

SMT Systems Business — An innovator in PCB mounting industry —

Printed circuit boards (PCBs) on which electronic components are placed are built into all of electronic products such as mobile phones, personal computers, home electrical appliance, and automobiles. SMT systems (pick-and-placers) are equipment used for mounting electronic components on printed circuit boards in several layers of micron.

JUKI pick-and-placers feature both the high reliability we have developed over the years based on the modular concept we have been consistently promoting and the versatility of our machines based on component-recognition technologies unique to our company.

In May 2008, we expanded our product portfolio by entering the market for high-speed machines with the FX-3, a high-speed modular mounter (pick-and-placer).

Household Sewing Machines Business — A fun-to-sew offered to customers at home and abroad —

The household sewing machines remain the cornerstone in the development of JUKI CORPORATION, and the top-level machines have been offered to customers at home and abroad.

JUKI household sewing machines, which have been adopting industry sewing machine technology, have been enjoying high approval ratings of the professionals who use them “vocationally” and professionally” through their high quality and functions.

The “Exceed” series machines, middle-ranking computer-controlled machines in which our numerous original functions are included to achieve high-level sewing quality and performance were announced in March 2009, and have been received very well as user-friendly sewing machines.

Precision Casting Business — Minodzukuri (the art of product making) following the times —

JUKI AIZU CORPORATION manufactures a wide range of products utilizing two manufacturing characteristics: Lost-wax process and MIM (Metal Injection Molding).

A consistent system from the manufacturing dies and molds to the finished products has been arranged. Besides Japan, they have an affiliated factory in Vietnam, and their strength lies in implementing Minodzukuri (the art of product making) by utilizing the characteristics of low cost products and super precision components and parts.

As the lost-wax processing method can realize monoblock casting of complicated forms, three-dimensional products such as motorboat propellers, etc. that are difficult to realize by machining processes can be manufactured.

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<tr>
<th>Year</th>
<th>Consolidated Net Sales (Millions of Yen)</th>
<th>Income (loss) (Millions of Yen)</th>
<th>Net Income (loss) per Share (Yen)</th>
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<tbody>
<tr>
<td>2010</td>
<td>101,081</td>
<td>(11,234)</td>
<td>(96.93)</td>
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<tr>
<td>2009</td>
<td>103,655</td>
<td>(9,347)</td>
<td>(93.47)</td>
</tr>
<tr>
<td>2008</td>
<td>117,636</td>
<td>(11,661)</td>
<td>(101.08)</td>
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<tr>
<td>2007</td>
<td>130,351</td>
<td>(11,234)</td>
<td>(96.93)</td>
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Guide to JUKI's

OUTLINE OF BUSINESS RESULTS

1. Business results

Consolidated net sales stood at 5,057 million yen, down by 39.9% from the preceding fiscal year.

2. Enhancement of corporate value

Due to a withdrawal from precision equipment (arcade-related business), the sales of the precision casting business have hit bottom, but its resilience was weak. As a result, consolidated operating income was posted as a negative 227 million yen (versus a positive 149 million yen in the preceding fiscal year).

3. Improvement of profitability

The research and development functions in our group are shared by the design department and research department. The research and development function in our group is to develop new products and technologies to meet market needs and to improve existing products. The research and development function is to develop new products and technologies to meet market needs and to improve existing products. The research and development function is to develop new products and technologies to meet market needs and to improve existing products. The research and development function is to develop new products and technologies to meet market needs and to improve existing products. The research and development function is to develop new products and technologies to meet market needs and to improve existing products. The research and development function is to develop new products and technologies to meet market needs and to improve existing products.

4. National safety

We are implementing thorough compliance and reinforcing safety and hygiene as our basic philosophy.

MANAGEMENT POLICIES

1. Fundamental Corporate Management Policy

Our strategic Corporate Management Policy will be to achieve the best possible performance in our businesses, to improve our competitiveness, and to provide a stable income base for shareholders and other stakeholders.

2. Fundamental Corporate Governance Policy

We have introduced a new system to the company's internal controls, including a new system to the company's internal controls, to ensure a stable and continuous income base for shareholders and other stakeholders.

3. Fundamental Corporate Management Targets

We have introduced a new system to the company's internal controls, including a new system to the company's internal controls, to ensure a stable and continuous income base for shareholders and other stakeholders.

4. Orientation of Management Policy

Our strategy is to promote our capabilities of quality manufacturing.

7. Internal Control

We have established an internal control system consisting of Policies, Procedures, and Auditors. The company has also established an Auditors Office for the purpose of independent internal control. We have also established an Auditors Office for the purpose of independent internal control. We have also established an Auditors Office for the purpose of independent internal control. We have also established an Auditors Office for the purpose of independent internal control. We have also established an Auditors Office for the purpose of independent internal control.

8. General Meeting of Shareholders

The general shareholders' meeting is to be held on June 25, 2009.

CORPORATE GOVERNANCE SYSTEM

1. Corporate governance system

Our Governance System is based on the Principles of Corporate Governance. Our Governance System is based on the Principles of Corporate Governance. Our Governance System is based on the Principles of Corporate Governance. Our Governance System is based on the Principles of Corporate Governance. Our Governance System is based on the Principles of Corporate Governance. Our Governance System is based on the Principles of Corporate Governance. Our Governance System is based on the Principles of Corporate Governance. Our Governance System is based on the Principles of Corporate Governance. Our Governance System is based on the Principles of Corporate Governance.

2. Risk Management System

We have established a Risk Management Committee to address major risk management issues. The committee is to be held on June 25, 2009.

3. Code of Ethics

We have established a Code of Ethics for employees. The Code of Ethics is to be issued on June 25, 2009.

4. Audit Committee

We have established an Audit Committee to address major issues related to the company's financial management and its internal controls. The committee is to be held on June 25, 2009.

5. Corporate Governance Improvement Measures

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1. Business results

(1) Consolidated net sales

Consolidated net sales was 15,450 million yen, down by 39.9% from the preceding fiscal year.

(2) Consolidated operating income

Consolidated operating income was posted as a negative 133 million yen, down by 38.2% from the preceding fiscal year. Consolidated operating income stood at a positive 8,524 million yen in the preceding fiscal year.

2. Financial Management

(1) Main financial data

- Funds from operating activities in the current fiscal year are hereinafter called “Funds.”
- Funds from investing activities
- Funds from financing activities
- Funds from operating activities decreased to 8,291 million yen at the end of the preceding fiscal year.
- Funds from financing activities decreased to 1,752 million yen at the end of the preceding fiscal year.

(2) Operating income

The Funds decreased to 8,291 million yen at the end of the preceding fiscal year, mainly due to an increase in inventories, a decrease in total sales, and a decrease in operating income.

3. Increased focus on profit and cash flows

Our basic aim in the execution of business is to focus on investment efficiency and re-construct an organizational human resources system compatible with our management foundations in order to ensure profit and cash flows.

4. Environmental management

We continue to work on environmental issues at a high level of expectation of all of our stakeholders-customers, suppliers, employees, society, and the environment. Under the “Mind & Technology” concept built in our “emotionally accessible technology” slogan, while maintaining our “courageous spirit” management philosophy, we will respond to the social expectations and requirements on the company’s contributions towards environmental and social issues.

5. CORPORATE GOVERNANCE SYSTEM

The basic design of corporate governance system is to enhance the trust of our stakeholders in, and improve the quality of, the company management.

The outside director and outside auditors provide an audit operation free from any conflict of interest with or in our company.

The outside director and outside auditors are elected by the general meeting of shareholders. The Audit Committee is comprised of an outside director and outside auditors.

MANAGEMENT POLICIES

1. Industrial Technology Management

The group has been striving to be a market leader in the home sewing machines and precision casting segments with the leading-edge products, services and technology under our brand names “JUKI” and “Precision Engineering.”

2. Business Unit Strategy

We have formulated and implemented the basic strategy of each business unit.

3. Human Resource Management

We have established and implemented the human resource management policies and management strategies of our business unit, and reinforced our management system.

4. Corporate Governance System

Our management system is to ensure the transparency of company management and the independence from the board of directors.

The independent board members have the rights to actively participate in the decision-making process.

OUTLINE OF BUSINESS RESULTS

1. Business results

In the second quarter of the current fiscal year, consolidated operating income was posted as a loss of 1,017 million yen in the current fiscal year, down by 34.7% from the preceding fiscal year. Consolidated operating income was posted as a loss of 1,017 million yen in the current fiscal year, mainly due to decreases in both sales and operating income.

2. RESEARCH AND DEVELOPMENT ACTIVITIES

The research and development business has been focusing on the development of high-quality products and services.

We have been working on the development of high-quality products and services, and have also been focused on the development of new business segments and new business strategies.

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2. RESEARCH AND DEVELOPMENT ACTIVITIES

The research and development business has been focusing on the development of high-quality products and services.

We have been working on the development of high-quality products and services, and have also been focused on the development of new business segments and new business strategies.
Guide to JUKI's 9

MANSIBILITY

(1) Fundamental organisational philosophy

The group has been taking a real and honest look at the company's corporate activities and discovered there were many areas in which the company should have been able to do better. In December 2007, we decided to make the company a company that is driven by research and development and management systems that focus on the improvement of manufacturing operations.

MANAGEMENT POLICIES

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MANAGEMENT POLICIES

(1) Promotion of Continuous Management

The group has been aiming at steady improvement in the amount of sales and profit and enhancing customer satisfaction. We are reducing quality costs, improving our products, and diversifying our product range. At the same time, we are steadily streamlining our management structures and reducing costs to enhance productivity and competitiveness. We are also enhancing our business environment through the restructuring of our manufacturing and sales structures.

(2) Geographical Segments

Due to the effect of putting new products on the market, sales have been on the steady increase due to the consolidated net sales of the Household Sewing market after the first quarter of the current fiscal year.

(3) Outside director and outside auditors

The company has established an Internal Auditing Department and Crisis-Management Task Force as key components of its risk management system.

OUTLINE OF BUSINESS RESULTS

1. Promotion of management foundations in order to ensure profit and business scale

We will seek to cultivate and optimize human resources in our business scale, as well as reinforce our organizational human resources system compatible with management foundations in order to ensure profit and business scale.

2. Enhancement of corporate value

We will continue to create new maximum value in society by creating new values based on our capabilities of quality manufacturing.

3. Profit enhancement and cost reduction

We have formulated a new three-year Mid-Term Management Plan commencing in fiscal 2008 and have decided to conduct MD&A by segment.

4. Development of element technologies

The former develops products for the business segments and the latter develops element technologies necessary for our business segments.

5. Development of strategy

We have formulated a new three-year Mid-Term Management Plan commencing in fiscal 2008 and have decided to conduct MD&A by segment.

6. Investment in R&D activities

We will continue to conduct R&D activities to develop new products, new 2D pick-and-place systems, and improve existing products.

7. Investment in human resources

We will continue to invest in human resources and improve the quality of our employees.

RESEARCH AND DEVELOPMENT ACTIVITIES

1. R&D activities by segment

The company has established a Management Strategy Council, more important matters are deliberated and determined by the Board of Directors.

2. Development of strategy

The company has established a Mid-Term Management Plan commencing in fiscal 2008 and has decided to conduct MD&A by segment.

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4. Investment in human resources

The company has established a Management Strategy Council, more important matters are deliberated and determined by the Board of Directors.

CORPORATE GOVERNANCE SYSTEM

1. Core corporate governance system

We have introduced a corporate governance system which will serve as a basis for the company's management activities on a system of corporate governance.

2. Establishment of Corporate Governance Committee

We have established a Corporate Governance Committee, which will serve as a basis for the company's management activities on a system of corporate governance.

3. Appointment of Corporate Governance Committee

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7. Investment in R&D activities

We will continue to conduct R&D activities to develop new products, new 2D pick-and-place systems, and improve existing products.
**Guide to JUKI's Election/Dismissal/Supervision**

- **Board of Directors** supervises the progress of the company.
- **Operating Officers**: We have introduced an Operating Officer system to streamline the execution of decision-making and business operation. Meanwhile, we have been focusing on the research and development of new products: three middle-ranking computer-controlled machines with comprehensive range of features and two Easy-Drop-in Coverstitch Machines).

**RESEARCH AND DEVELOPMENT ACTIVITIES**

1. **Industrial Sewing Machines Business**
   - The industrial sewing machines segment released three middle-ranking computer-controlled machines with comprehensive range of features and two Easy-Drop-in Coverstitch Machines).

2. **SMT Systems Business**
   - The SMT systems segment released three major new products. Each of these products is a component of the company’s competitive strategy and is expected to enhance the company’s profitability and financial results.

**OUTLINE OF BUSINESS RESULTS**

1. **Business Results**
   - Consolidated net sales stood at 31,335 million yen, down by 38.2% from the preceding fiscal year. Consolidated operating income was posted as a negative 10,440 million yen (versus a negative 10,841 million yen in the preceding fiscal year), mainly due to the acquisition of tangible fixed assets. Consolidated net income stood at a negative 11,233 million yen (versus a positive 98 million yen in the preceding fiscal year). Consolidated ordinary income was posted as a loss of 11,233 million yen (versus a positive 98 million yen in the preceding fiscal year), mainly due to interest-bearing debt.

2. **Consolidated Results by Segment**
   - The industrial sewing machines segment released three middle-ranking computer-controlled machines with comprehensive range of features and two Easy-Drop-in Coverstitch Machines). In addition to being high in quality, productivity, and reinforce our systems to support R&D activities.

**CORPORATE GOVERNANCE SYSTEM**

- **Corporate governance system**: It ensures the appropriate decision-making process for the performance of the company. It strengthens corporate governance through the implementation of various measures, including the establishment of an Independent Board Committee and the appointment of independent directors.

**MANAGEMENT POLICIES**

1. **Business results by segment**
   - The SMT systems segment released two major new products. The first is a high-speed machine designed to handle LED pickup and placement of electronics components in real time. The second is a high-speed machine designed to handle LED pickup and placement of electronics components in real time.

2. **External relations**
   - We have established external relations with key stakeholders, including customers, suppliers, and the local community. We have also been focusing on the research and development of new products: three middle-ranking computer-controlled machines with comprehensive range of features and two Easy-Drop-in Coverstitch Machines).

**RESEARCH AND DEVELOPMENT ACTIVITIES**

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### Financial Section

#### Consolidated Balance Sheets

<table>
<thead>
<tr>
<th>Item</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>142,050</td>
<td>142,050</td>
</tr>
<tr>
<td>Receivables</td>
<td>9,347</td>
<td>9,347</td>
</tr>
<tr>
<td>Inventories</td>
<td>61,508</td>
<td>61,508</td>
</tr>
<tr>
<td>Net accounts receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current portion of long-term debt (Note 1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current portion of long-term debt (Note 1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction in progress</td>
<td>41,976</td>
<td>41,976</td>
</tr>
<tr>
<td>Other current assets</td>
<td>171,508</td>
<td>245,469</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other long-term liabilities (Note 11)</td>
<td>2,761</td>
<td>2,761</td>
</tr>
<tr>
<td>Long-term investments and other assets</td>
<td>609</td>
<td>609</td>
</tr>
<tr>
<td>Total investments and other assets</td>
<td>173,275</td>
<td>248,138</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>231,321</td>
<td>267,789</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current portion of long-term debt (Notes 8, 14 and 15)</td>
<td>21,589</td>
<td>21,321</td>
</tr>
<tr>
<td>Current portion of long-term debt (Notes 8, 14 and 15)</td>
<td>21,589</td>
<td>21,321</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>3,647</td>
<td>3,647</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>95</td>
<td>95</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>35,885</td>
<td>35,963</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other liabilities (Note 11)</td>
<td>-78</td>
<td>-78</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>35,807</td>
<td>35,885</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock-authorized, at cost, 142,050 shares in 2010 and 141,976 shares in 2009</td>
<td>101,081</td>
<td>101,081</td>
</tr>
<tr>
<td>Common stock issued</td>
<td>95,257</td>
<td>95,257</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>196,338</td>
<td>196,338</td>
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<tr>
<td><strong>Total</strong></td>
<td>231,321</td>
<td>267,789</td>
</tr>
</tbody>
</table>

#### Consolidated Statements of Operations

<table>
<thead>
<tr>
<th>Item</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other income (expenses)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-operating income (expenses)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income before Income from associates</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income from associates</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income before income from associates</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income from associates</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Corporate income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income before extraordinary items</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Extraordinary items</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Consolidated Statements of Changes in Equity

<table>
<thead>
<tr>
<th>Item</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retained earnings</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-controlling interests</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Common stock</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Consolidated Balance Sheets

#### JUKI CORPORATION and Consolidated Subsidiaries, March 31, 2010 and 2009

<table>
<thead>
<tr>
<th>Component</th>
<th>2010/03/31</th>
<th>2009/03/31</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>INVESTMENTS AND OTHER ASSETS:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lease assets</td>
<td>5,354</td>
<td>4,494</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>56,972</td>
<td>58,081</td>
</tr>
<tr>
<td>Buildings and structures</td>
<td>33,2</td>
<td>34,624</td>
</tr>
<tr>
<td>Allowance for doubtful accounts (Note 15)</td>
<td>(418)</td>
<td>(471)</td>
</tr>
<tr>
<td>Other</td>
<td>(95,045)</td>
<td>(114,904)</td>
</tr>
<tr>
<td>Total</td>
<td>103,655</td>
<td>105,696</td>
</tr>
<tr>
<td>LIabilities and equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>2,400</td>
<td>2,645</td>
</tr>
<tr>
<td>Total</td>
<td>103,655</td>
<td>105,696</td>
</tr>
</tbody>
</table>

### Financial Section

#### Consolidated Statements of Changes in Equity

<table>
<thead>
<tr>
<th>Component</th>
<th>2010/03/31</th>
<th>2009/03/31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained earnings</td>
<td>353,888</td>
<td>351,392</td>
</tr>
<tr>
<td>Treasury stock disposed</td>
<td>51,699</td>
<td>53,075</td>
</tr>
<tr>
<td>Treasury stock purchased</td>
<td>(5,523)</td>
<td>(4,850)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(1,066)</td>
<td>(1,096)</td>
</tr>
<tr>
<td>Total</td>
<td>359,008</td>
<td>34,624</td>
</tr>
</tbody>
</table>

#### Footnotes

1. Detailed items are on the next page.
**Consolidated Balance Sheets**

<table>
<thead>
<tr>
<th>Item</th>
<th>December 31, 2010</th>
<th>December 31, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>6,406</td>
<td>29,298</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(9,347)</td>
<td>(7)</td>
</tr>
<tr>
<td>Inventories</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Other current assets</td>
<td>1,407</td>
<td>81</td>
</tr>
<tr>
<td>Total current assets</td>
<td>5,265</td>
<td>29,815</td>
</tr>
<tr>
<td>Investments in consolidated companies</td>
<td>11,439</td>
<td>38,185</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(25)</td>
<td>(7)</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>(3,979)</td>
<td>(3,979)</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>8,427</td>
<td>35,182</td>
</tr>
<tr>
<td><strong>EQUITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock</td>
<td>15,950</td>
<td>15,950</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>3,220</td>
<td>6,421</td>
</tr>
<tr>
<td>Accumulated deficit</td>
<td>(24)</td>
<td>(125)</td>
</tr>
<tr>
<td>Total equity</td>
<td>129,190,655</td>
<td>122,474,354</td>
</tr>
<tr>
<td><strong>LIABILITIES AND EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>9,830</td>
<td>9,830</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>(9,347)</td>
<td>(7)</td>
</tr>
<tr>
<td>Net income</td>
<td>2,395</td>
<td>353</td>
</tr>
</tbody>
</table>
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<tr>
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<th>December 31, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ITEMS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>2,395</td>
<td>353</td>
</tr>
<tr>
<td><strong>LONG-TERM ITEMS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treasury stock-at cost, 142,050 shares in 2010</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Consolidated Statements of Changes in Equity

JUKI CORPORATION and Consolidated Subsidiaries, Years Ended March 31, 2010 and 2009

BALANCE, MARCH 31, 2009

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock</td>
<td>103,655</td>
<td>171,508</td>
</tr>
<tr>
<td>Capital (Deficit)</td>
<td>2,395</td>
<td>2,501</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>10,511</td>
<td>7,356</td>
</tr>
<tr>
<td>Translation adjustments</td>
<td>(5,523)</td>
<td>(78)</td>
</tr>
<tr>
<td>Other expenses-net</td>
<td>(58)</td>
<td>(78)</td>
</tr>
<tr>
<td>Total</td>
<td>107,282</td>
<td>103,783</td>
</tr>
</tbody>
</table>

BALANCE, MARCH 31, 2010

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock</td>
<td>101,081</td>
<td>171,508</td>
</tr>
<tr>
<td>Capital (Deficit)</td>
<td>2,395</td>
<td>2,501</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>21,017</td>
<td>7,356</td>
</tr>
<tr>
<td>Translation adjustments</td>
<td>(4,602)</td>
<td>(78)</td>
</tr>
<tr>
<td>Other expenses-net</td>
<td>(20)</td>
<td>(78)</td>
</tr>
<tr>
<td>Total</td>
<td>104,094</td>
<td>103,783</td>
</tr>
</tbody>
</table>

Net income (Note 10): 33,388

Disposal of treasury stock | 2,041 |

Purchase of treasury stock | (5,523) |

Other comprehensive loss | (87) |

Total comprehensive income | 268 |

Net income (Note 10): 33,388

Net income (Note 10): 268
JUKI CORPORATION and Consolidated Subsidiaries, Years Ended March 31, 2010 and 2009

Net unrealized gain (loss) on available-for-sale securities

COMMITMENTS AND CONTINGENT LIABILITIES

Purchase of treasury stock due to an adoption of PITF

Common Stock Surplus Earnings (loss) on sales and disposals of property, plant and equipment

Loss on devaluation of investment securities

Loss on sales and disposals of property, plant and equipment

Other-net

INCOME TAXES

ASSETS

PROPERTY, PLANT AND EQUIPMENT (Notes 6, 7 and 8):

Total current assets

Trade notes (Notes 12 and 15)

ASSETS

CONSOLIDATED BALANCE SHEETS

CONSOLIDATED STATEMENTS OF INCOME

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

CONSOLIDATED STATEMENTS OF CASH FLOWS
**Consolidated Statements of Cash Flows**

JUKI CORPORATION and Consolidated Subsidiaries, Years Ended March 31, 2010 and 2009

<table>
<thead>
<tr>
<th>Operating Activities:</th>
<th>2010</th>
<th>2009</th>
<th>Millions of Yen</th>
<th>Thousands of U.S. Dollars (Note 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss before income taxes and minority interests</td>
<td>¥ (11,661)</td>
<td>¥ (9,925)</td>
<td>$ (125,382)</td>
<td></td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income taxes-refund (paid)</td>
<td>957</td>
<td>(2,215)</td>
<td>10,288</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>3,535</td>
<td>3,463</td>
<td>38,006</td>
<td></td>
</tr>
<tr>
<td>Amortization of consolidation goodwill</td>
<td>19</td>
<td>19</td>
<td>207</td>
<td></td>
</tr>
<tr>
<td>Loss on impairment of long-lived assets</td>
<td>125</td>
<td>979</td>
<td>1,343</td>
<td></td>
</tr>
<tr>
<td>Loss on restructuring divisions (Note 19)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for doubtful accounts</td>
<td>(44)</td>
<td>625</td>
<td>(474)</td>
<td></td>
</tr>
<tr>
<td>Provision for accrued pension and severance costs</td>
<td>235</td>
<td>(138)</td>
<td>2,527</td>
<td></td>
</tr>
<tr>
<td>Commission for syndicate loan</td>
<td>548</td>
<td></td>
<td>5,897</td>
<td></td>
</tr>
<tr>
<td>Foreign currency exchange (gain) loss</td>
<td>(430)</td>
<td>496</td>
<td>(4,618)</td>
<td></td>
</tr>
<tr>
<td>Loss on devaluation of investment securities</td>
<td>93</td>
<td>408</td>
<td>968</td>
<td></td>
</tr>
<tr>
<td>Gain on sales of investment securities in associated company</td>
<td>(142)</td>
<td></td>
<td>(1,527)</td>
<td></td>
</tr>
<tr>
<td>Gain on sales of property, plant and equipment</td>
<td>(54)</td>
<td>(70)</td>
<td>(585)</td>
<td></td>
</tr>
<tr>
<td>Loss on sales and disposals of property, plant and equipment</td>
<td>186</td>
<td>108</td>
<td>1,999</td>
<td></td>
</tr>
<tr>
<td>Changes in assets and liabilities, net of effects:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) decrease in receivables</td>
<td>(41)</td>
<td>8,177</td>
<td>(446)</td>
<td></td>
</tr>
<tr>
<td>Decrease in inventories</td>
<td>7,164</td>
<td>291</td>
<td>77,031</td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in payables</td>
<td>6,062</td>
<td>(10,208)</td>
<td>65,182</td>
<td></td>
</tr>
<tr>
<td>Decrease in notes receivables discounted</td>
<td>(181)</td>
<td>(304)</td>
<td>(1,951)</td>
<td></td>
</tr>
<tr>
<td>Expenditures for restructuring divisions (Note 19)</td>
<td>(711)</td>
<td>(2,132)</td>
<td>(7,643)</td>
<td></td>
</tr>
<tr>
<td>Other-net</td>
<td>(4,435)</td>
<td>(3,032)</td>
<td>(47,689)</td>
<td></td>
</tr>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>1,225</td>
<td>(10,842)</td>
<td>13,163</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investing Activities:</th>
<th>2010</th>
<th>2009</th>
<th>Millions of Yen</th>
<th>Thousands of U.S. Dollars (Note 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases of property, plant and equipment</td>
<td>(10,675)</td>
<td>(4,381)</td>
<td>(114,781)</td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales of property, plant and equipment</td>
<td>110</td>
<td>407</td>
<td>1,186</td>
<td></td>
</tr>
<tr>
<td>Purchases of investment securities</td>
<td>(1)</td>
<td>(76)</td>
<td>(10)</td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales of investment securities</td>
<td>6</td>
<td>67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other-net</td>
<td>119</td>
<td>183</td>
<td>1,273</td>
<td></td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(10,441)</td>
<td>(3,867)</td>
<td>(112,265)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Forward</th>
<th>2010</th>
<th>2009</th>
<th>Millions of Yen</th>
<th>Thousands of U.S. Dollars (Note 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>¥ (0,216)</td>
<td>¥ (14,709)</td>
<td>$ (99,102)</td>
<td></td>
<td></td>
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| Financial Section | 02 | Financial Section | 02 |
### Consolidated Statements of Cash Flows
JUKI CORPORATION and Consolidated Subsidiaries, Years Ended March 31, 2010 and 2009

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<tbody>
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<td>¥ (14,709)</td>
<td>$ (99,102)</td>
</tr>
</tbody>
</table>
Deferred tax assets:

2009, consisted of the following:

There is no effect of this in the

Research and development costs are charged to income as
certain reclassifications and rearrangements have been

(3) Changes in accounting estimates

2010

2010

23

2009

 2010

consolidated statement of operations.

revised the previous accounting standard for lease

Accounting Standard for Retirement Benefits (Part 3).”

included solely for the convenience of readers outside

related accounting regulations and in conformity with

INCOME TAXES

FINANCIAL STATEMENTS

INVESTMENTS

LEASES

INCOME STATEMENTS

FINANCIAL STATEMENTS

2010 and 2009, were as follows:

INCOME STATEMENTS

INVESTMENTS

LEASES

INCOME STATEMENTS

FINANCIAL STATEMENTS

INVESTMENTS

LEASES

INCOME STATEMENTS

FINANCIAL STATEMENTS

INVESTMENTS

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INVESTMENTS

LEASES

INCOME STATEMENTS

FINANCIAL STATEMENTS

INVESTMENTS

LEASES

INCOME STATEMENTS

FINANCIAL STATEMENTS
The accompanying consolidated financial statements of

1.23% to 7.2% loans from banks,
1.08% to 1.21% unsecured

Unrealized gain on available-

1,095
9,000
1,240
391
(103,569)
26,349

Cost
Unrealized
Gains
Gains

8
306
16
16,526
8
140
140
408 million,

Inventories as of March 31, 2010 and 2009, consisted of

Raw materials
Finished goods

242
25,290 million (

Assumptions used for the years ended March 31, 2010 and

Unrecognized actuarial loss

The breakdown of the impairment losses was as follows:

Pro forma Information of Leased Property Whose Lease Inception Was before March 31, 2008
The Group leases certain furniture and fixture, machinery, computer equipment and other assets.

When a new accounting policy is applied with revision of
experience and an evaluation of potential losses in the

When a new accounting policy is applied with revision of

The Companies Act permits companies to distribute

Dividends-in-kind (non-cash assets) to shareholders subject
of dividends must be appropriated as a legal reserve (a

of the following: made to the consolidated financial statements issued consisted of notes to banks and bank overdrafts. The Research and development costs are charged to income as 2010 “Accounting Standard for Segment Information Disclosures.” Accounting Standard for Segment Information Disclosures.” are subject to Japanese national and local income taxes ended March 31, 2010 and 2009. accounting principles generally accepted in Japan reportable segments. Reportable segments are operating for the fiscal years beginning on or after April 1, 2010. Under the control or influence concept, those companies bonds, due 2010-2014 that the Japanese yen amounts could be converted into 1 Derivatives and Hedging Activities exchange rate. Transactions of the Group with unconsolidated subsidiaries for the years ended March 31, 2010 and 2009. o ) Derivatives and Hedging Activities marketable available-for-sale securities are stated at cost applied to a parent company and its subsidiaries for similar prescribed (1) the accounting policies and procedures deficit of consolidated subsidiaries Reversal of dividend income in consolidated other equity securities for the years ended March 31, 2010 and 2009. unrealized profits without recognition of deferred tax offset against taxable income of such subsidiaries in future interest rate swaps are utilized by the Group to reduce future value is determined to be less than the value directors and corporate auditors of domestic consolidated prescribed (2). The calculations of group consolidated income tax are adjusted in the consolidation process so that net income is foreign subsidiaries for the consolidated financial financial section.
Short-term borrowings as of March 31, 2010 and 2009, consisted of notes to banks and bank overdrafts. The

| Unfunded retirement allowance plan for all directors and | 
| --- | --- |
| $19 million | 

Indefinite-term loans, short-term borrowings, and long-term borrowings are included in the consolidated financial statements in the following table:

<table>
<thead>
<tr>
<th>Period</th>
<th>Indefinite-term loans</th>
<th>Short-term borrowings</th>
<th>Long-term borrowings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$1 million</td>
<td>$20 million</td>
<td>$5 million</td>
</tr>
<tr>
<td>2009</td>
<td>$2 million</td>
<td>$15 million</td>
<td>$4 million</td>
</tr>
</tbody>
</table>

Unrealized gains (losses) on available-for-sale securities at March 31, 2010 and 2009 are as follows:

<table>
<thead>
<tr>
<th>Period</th>
<th>Unrealized gains</th>
<th>Unrealized losses</th>
<th>Unrealized gain (loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$3 million</td>
<td>$1 million</td>
<td>$2 million</td>
</tr>
<tr>
<td>2009</td>
<td>$2 million</td>
<td>$1 million</td>
<td>$1 million</td>
</tr>
</tbody>
</table>

The Company has retirement benefits and pension plans in operation for certain employees in the U.S. and Japan. The Company and its consolidated subsidiaries contributed $22.1 million and $21.2 million, respectively, to its retirement and benefit plans for the years ended March 31, 2010 and 2009. The Company and its consolidated subsidiaries have no defined benefit plans that are significant to the Company's financial position or results of operations.

The Company applied the revised accounting standard for lease transactions was effective for fiscal years beginning on or after April 1, 2008.

The Company recognizes lease assets and lease obligations in the balance sheets for all leases at the date of the determination of the lease liability.

The carrying amounts and the tax bases of assets and liabilities that are recognized in a company's financial statements are as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Carrying Amount</th>
<th>Tax Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings-net of accumulated depreciation</td>
<td>$328.9 million</td>
<td>$254.9 million</td>
</tr>
<tr>
<td>Other property, plant and equipment-net of accumulated depreciation</td>
<td>$17.2 million</td>
<td>$13.8 million</td>
</tr>
<tr>
<td>Investments in subsidiaries</td>
<td>$25.6 million</td>
<td>$20.1 million</td>
</tr>
<tr>
<td>Total assets</td>
<td>$46.7 million</td>
<td>$39.3 million</td>
</tr>
</tbody>
</table>

Between the carrying amounts and the tax bases of assets and liabilities recognized in a company's financial statements would not arise because the Company has no unrecognized tax benefits.

The capitalization of costs associated with property, plant and equipment is based on the service of the property. The depreciation of property, plant and equipment of the Company and its consolidated subsidiaries is computed substantially by the declining-balance method.
### Marketable and Investment Securities

The consolidated financial statements as of March 31, 2010 include the following marketable and investment securities:

<table>
<thead>
<tr>
<th>Component</th>
<th>Marketable Securities</th>
<th>Investment Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity securities</td>
<td>254,339</td>
<td>5,626</td>
</tr>
<tr>
<td>Non-current</td>
<td>172,909</td>
<td>2,511</td>
</tr>
<tr>
<td>Total</td>
<td>427,248</td>
<td>8,137</td>
</tr>
</tbody>
</table>

#### Available-for-Sale

- **Equity securities**: 158,414
- **Non-current**: 128,898
- **Total**: 287,312

#### Held-to-Maturity

- **Equity securities**: 95,925
- **Non-current**: 46,192
- **Total**: 142,117

#### Unrealized Gain/(Loss)

- **Equity securities**: 1,390
- **Non-current**: 3,034
- **Total**: 4,424

### Allowance for Doubtful Accounts

The allowance for doubtful accounts was 50,800.

### Other Receivables

- **Trade notes and accounts receivable**: 28,799
- **Other**: 268,602
- **Total**: 397,394

### Inventories

The carrying amounts of inventories were as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw materials and supplies</td>
<td>2,060</td>
</tr>
<tr>
<td>Work in process, work in progress, raw materials and supplies</td>
<td>1,683</td>
</tr>
<tr>
<td>Finished goods and goods for sale</td>
<td>5,228</td>
</tr>
<tr>
<td>Total</td>
<td>8,971</td>
</tr>
</tbody>
</table>

### Property, Plant, and Equipment

- **Buildings**: 1,190,000
- **Fixtures**: 50,800
- **Equipment**: 40,000
- **Total**: 1,280,800

### Retirements and Pension Payments

- **Retirements**: 12,364
- **Pension payments**: 46,192
- **Total**: 58,556

### Long-Term Debt

- **Current portion**: 20,440
- **Non-current**: 268,602
- **Total**: 289,042

### Retirement Benefits to Directors and Corporate Auditors

- **Retirement benefits**: 13,450

### Income Taxes

- **Actual effective tax rate**: 4.8%
- **Effective tax rate**: 5.3%

### Derivatives and Hedging Activities

- **Interest rate swaps**: 1,060,000
- **Currency swaps**: 500,000

### Significant Accounting Policies

- **Foreign currency translation**: The consolidated financial statements are stated in Japanese yen. Subsidiaries are translated into Japanese yen at the current exchange rate. The Company’s shares are available to common shareholders by the weighted-average shares outstanding.

### Note to Financial Statements

- **Impairment losses**: An impairment loss would be recognized if the carrying value of an asset exceeds its fair value.
- **Amortization of prior service cost**: The amortization period of prior service cost is 25 years. The discount rate is 8.1%.

### Indexes

- **Total financial statements**: The accompanying consolidated financial statements of The Company and its consolidated domestic subsidiaries are provided at the following:

  - **Marketable and investment securities as of March 31, 2010**
  - **Segment Information Disclosures**
  - **The Companies Act**

### Additional Information

- **Bonds**: A bond pool that represents short-term investments, all of which are readily convertible into cash and that are exposed to changes in market interest rates. The pools are subject to debt covenant terms and conditions.

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The interest rate swaps which qualify for hedge accounting as cash flow hedges are in place to effectively change the cash flows of financial instruments exposed to changes in interest rates. The interest rate swaps which qualify for hedge accounting as fair value hedges are in place to effectively change the fair value of financial instruments exposed to changes in interest rates. The Company continues to enter into derivatives for trading, as the Company believes that doing so is in the best interest of shareholders. The Company has adopted the revised accounting standard for financial instruments and hedge accounting standards and has adopted the revised accounting standard for fair value measurements in the consolidated financial statements as of March 31, 2010.
Accounting Standard for Segment Information Disclosures

Accounting Standard for Retirement Benefits (Part 3).

The remaining years of service of employees from the next period to the lessee were capitalized. However, other allowances for directors and corporate auditors as of March 31, 2010, and 2009, respectively.

The Company applied the revised accounting standard for the years ended March 31, 2010 and 2009, respectively.

Assumptions used for the years ended March 31, 2010, and 2009, respectively.

Reversal of loss on devaluations of investment property were devalued to their recoverable amount.

No. 18, “Practical Solution on Unification of PITF”.

The Company applied the revised accounting standard for the years ended March 31, 2010, and 2009, respectively.

Under the Companies Act, companies can pay dividends at the end of a fiscal year. However, the Company cannot do so until the total of aggregate amount of legal reserves.

Words in parentheses (“ ”) indicate those companies over which the Group has the ability to exercise significant influence or control. Words in square brackets [ ] indicate those companies over which the Group has influence but not control.

The Company, through its parent company, Hiroshima Electric Corporation, has control rights and 100% of the voting rights of all the companies over which the Group has influence but not control. The Company does not have control rights or 100% of the voting rights of any of the companies other than the companies over which the Group has influence but not control.

Normal effective statutory tax rate arises from such translation are shown as “Foreign currency translation gain (loss)”.

As of March 31, 2010, the following assets were pledged to the creditor for the purpose of securement.

Dividends must be appropriated as a legal reserve (a reserve to be set aside for the legal reserve fund), and dividends remaining after legal reserve appropriation may be distributed to shareholders. However, the Company cannot do so until the total of aggregate amount of legal reserves.

The Company is required to maintain a certain amount of funds in the parent company in the amount of 1% of total capital stockholders’ equity, as governed by the Companies Act.

The Company is required to maintain a certain amount of funds in the parent company in the amount of 1% of total capital stockholders’ equity, as governed by the Companies Act.

The following table presents the amortization of transitional obligation for the years ended March 31, 2010, and 2009, respectively.

The capitalized development costs of R&D; (d) cancellation of outstanding capital stockholders’ equity was subject to debt covenant terms.

The capitalized development costs of R&D; (d) cancellation of outstanding capital stockholders’ equity was subject to debt covenant terms.

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The capitalized development costs of R&D; (d) cancellation of outstanding capital stockholders’ equity was subject to debt covenant terms.
The consolidated financial position of JUKI CORPORATION and consolidated subsidiaries as of March 31, 2010 and 2009, and

The geographical segments of the Group for the years ended March 31, 2010 and 2009, are summarized as follows:

INDEPENDENT AUDITORS' REPORT

Depreciation expense and interest expense, which are not reflected in the accompanying consolidated statements of

Interest expense

Depreciation expense

Total sales

Intersegment sales

disposal of their inventory and property, and extraordinary payments of employee's retirement benefits in conjunction with

restructuring divisions of industrial sewing machines, household sewing machines and others.

The following is the fair value information for foreign currency forward contracts to which hedge accounting is not applied

FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Available-for-sale securities with contractual maturities

Long-term debt

Payables

The fair value of foreign currency forward contracts to which hedge accounting is not applied at March 31, 2010, and


In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the

management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a

exposure. This debt is determined by discounting the cash flows including principal and interest related to the debt at the

rate risks in relation to a part of long-term debt are mitigated by using derivative of interest-rate swaps transactions.

regulate the authorization and limit for transactions.

Contract

Thousands of

Selling EUR

Selling U.S.

Selling JPY

Foreign currency forward contracts:

2010

Millions of Yen

913

253

2010

912

34

579,512

173

43,234

49,514

5,469

5,644

169

32

371

30

5,075

5,169

406,512

8,581

105

805

1,597

1,000

13,153

17

124,617

834

6,156

6,383

129,694

61

124,617

158

1,066

1,086,895

Japan

Asia

North America

Europe

"..."
consolidated financial position of JUKI CORPORATION and consolidated subsidiaries as of March 31, 2010 and 2009, and

The geographical segments of the Group for the years ended March 31, 2010 and 2009, are summarized as follows:

Losses of

Operating expenses

The Group enters into derivatives including foreign exchange forward contracts, currency swaps, currency options and

(5) Maturity Analysis for Financial Assets and Securities with Contractual Maturities

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The Group enters into derivatives including foreign exchange forward contracts, currency swaps, currency options and transactions with the aim of managing risk associated with foreign exchange rates and interest rates. Such transactions, however, are controlled by the Finance Department. Each derivative transaction is periodically reported to the Board of Directors for review and approval.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation was appropriate.

Regarding the information of the fair value for derivatives, the following should be noted:

- The information of the fair value for derivatives is included in Note 16.
- The calculations of fair value for derivatives are conducted using the fair value model and its volatility is measured using the Black-Scholes model.
- The derivatives are held for the purpose of managing risk associated with foreign exchange rates and interest rates. The Group does not engage in any speculative trading.

Earnings Development

(a) Sales and Operating Income (Loss)

Sales to customers amounted to 56,096 million yen for the year ended March 31, 2010, representing a decrease of 16% from 68,574 million yen for the year ended March 31, 2009. The decrease was mainly attributable to a decrease in sales of household and industrial sewing machines, mainly in Japan and Europe. The decrease in sales of household and industrial sewing machines was mainly attributable to a decrease in sales in Japan and Europe, with insignificant changes in sales in the other regions.

(b) Earnings before Interest, Taxation, Depreciation and Amortization (EBITDA)

EBITDA amounted to 18,998 million yen for the year ended March 31, 2010, representing a decrease of 26% from 25,661 million yen for the year ended March 31, 2009. The decrease was mainly attributable to a decrease in sales and operating income, which was offset by a decrease in interest paid.

(c) Operating Income (Loss)

Operating income amounted to 14,385 million yen for the year ended March 31, 2010, representing a decrease of 30% from 20,644 million yen for the year ended March 31, 2009. The decrease was mainly attributable to a decrease in sales and operating income, which was offset by a decrease in interest paid.

(d) Net Income after Taxation

Net income after taxation amounted to 3,755 million yen for the year ended March 31, 2010, representing a decrease of 38% from 6,153 million yen for the year ended March 31, 2009. The decrease was mainly attributable to a decrease in operating income and a decrease in interest paid, which was offset by an increase in extraordinary losses.

(e) Derivative transactions entered into by the Company have been made in accordance with internal policies which are designed to manage risk associated with foreign exchange rates and interest rates. The Group does not engage in any speculative trading.

(f) The fair value of derivatives is translated into U.S. dollar amounts and presented in the financial statements. The fair value of derivatives is calculated using the fair value model and its volatility is measured using the Black-Scholes model.

(g) The Group's derivative transactions are controlled by the Finance Department. Each derivative transaction is periodically reported to the Board of Directors for review and approval.

(h) The derivative transactions entered into by the Group during the year ended March 31, 2010, are listed in Note 4. The Group's derivative transactions include foreign exchange forward contracts, currency swaps, currency options and transactions with the aim of managing risk associated with foreign exchange rates and interest rates. Such transactions, however, are controlled by the Finance Department. Each derivative transaction is periodically reported to the Board of Directors for review and approval.

(i) The Group's derivative transactions are controlled by the Finance Department. Each derivative transaction is periodically reported to the Board of Directors for review and approval.
The Group enters into derivatives including foreign exchange forward contracts, currency swaps, currency options and interest rate swaps (fixed rate or floating rate payment, floating rate receipt) in order to manage risks associated with currency exchange rates and interest rates. Since most of the Group's derivative transactions are related to the Group's operating activities or are for hedging purposes in connection with the Group's operating activities, the Group does not anticipate any significant impact on the Group's consolidated results of their operations and their cash flows for the years then ended in conformity with accounting guidance. The amount of the Group's exposure to credit or market risk resulting from its use of derivatives is not expected to be material to the Group.

On March 10, 2008, the ASBJ revised ASBJ Statement No. 10 “Accounting Standard for Financial Instruments” and issued Guidance No. 19 “Guidance on Accounting Standard for Financial Instruments and Related Disclosures.” The accounting principles for derivatives in this document are based on the newly revised ASBJ Statement No. 10 and the new guidance issued by the ASBJ. The Group's consolidated financial statements are prepared in accordance with these principles. The Group reports the fair values of financial instruments using the market approach, which uses quoted prices in active markets for identical assets or liabilities, quoted prices in less active markets, or other valuation techniques that are observable. The carrying amounts of trade notes discounted with banks are included in cash and cash equivalents. The Group is not aware of any credit risk exposure of these trade notes.

### Assets

#### Trade notes discounted with banks

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (Millions of Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>173</td>
</tr>
<tr>
<td>2010</td>
<td>1618</td>
</tr>
</tbody>
</table>

#### Marketable and investment securities

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (Millions of Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>719</td>
</tr>
<tr>
<td>2010</td>
<td>445</td>
</tr>
</tbody>
</table>

#### Cash and cash equivalents

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (Millions of Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>2186</td>
</tr>
<tr>
<td>2010</td>
<td>2009</td>
</tr>
</tbody>
</table>

#### Derivatives

<table>
<thead>
<tr>
<th>Year</th>
<th>Hedged Item</th>
<th>Amount (Millions of Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>EUR</td>
<td>7894</td>
</tr>
<tr>
<td>2010</td>
<td>EUR</td>
<td>7894</td>
</tr>
</tbody>
</table>

#### Fair Value

<table>
<thead>
<tr>
<th>Year</th>
<th>Hedged Item</th>
<th>Amount (Millions of Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>EUR</td>
<td>689</td>
</tr>
<tr>
<td>2010</td>
<td>EUR</td>
<td>689</td>
</tr>
</tbody>
</table>

#### Due after one year

<table>
<thead>
<tr>
<th>Year</th>
<th>Due after one year (Millions of Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>4,463</td>
</tr>
<tr>
<td>2010</td>
<td>253</td>
</tr>
</tbody>
</table>

#### Financial Section

Fax: + 81 (3) 3457-1694
Minato-ku, Tokyo 108-8530
MS Shibaura Building

Deloitte

INDEPENDENT AUDITORS' REPORT

We have audited the consolidated financial statements of JUKI CORPORATION and consolidated subsidiaries as of March 31, 2010 and 2009, and the related financial statement schedules, and the financial statements of JUKI CORPORATION and consolidated subsidiaries for the years then ended in conformity with accounting principles generally accepted in Japan. In our opinion, the consolidated financial statements have been prepared in conformity with the principles accepted, the financial statement schedules have been prepared in conformity with the principles accepted.
## Financial Section

### Fair Value Information

<table>
<thead>
<tr>
<th>Fair Value</th>
<th>Value Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Derivatives

Derivatives include financial instruments such as forward contracts, swap contracts, option contracts, and commodity forwards. Financial Section

- **Foreign currency forward contracts:**
  - **Amount:**
  - **Due in:**
  - **Contract:**
  - **One Year:**
  - **Due after:**

- **Interest rate swap derivative transactions qualifying for exceptional accounting:**
  - **Long-term debt is determined by discounting the cash flows related to the debt at the corporate borrowing rates that major international financial institutions, the Group does not anticipate any losses arising from credit risk.**

- **Lease payments:**
  - **TOTAL:**
  - **Leased Assets:**
  - **Fixed Assets:**

### Financial Information

#### Revenue

- **a) Sales and Operating Income (Loss):**
  - **Industrial Sewing Machines:**
    - **Sales:**
    - **Operating Income:**
  - **Household Sewing Machines:**
    - **Sales:**
    - **Operating Income:**

#### Expenses

- **b) Operating expenses:**
  - **Industrial Sewing Machines:**
    - **Expenses:**
  - **Household Sewing Machines:**
    - **Expenses:**

### Notes

- **(1) Industry Segments:**
  - **Expenses:**
  - **Income Statement:**
  - **Statement of Financial Position:**
  - **Statement of Cash Flows:**
  - **Statement of Changes in Equity:**
  - **Consolidated financial position:**
  - **Consolidated subsidiaries:**
  - **March 31, 2010 and 2009:**
  - **Interest rate swaps:**
  - **Qualifying for hedge accounting and meeting specific matching criteria:**
  - **Remeasured at fair value:**
  - **Exchange contracts:**
  - **With foreign currency risk:**
  - **Interest rate swaps:**
  - **Qualifying for hedge accounting:**
  - **Various contracts:**
  - **Financial instruments:**
  - **Based on quoted prices in active markets:**
  - **Rational valuation techniques:**
  - **Net liabilities:**

### Deloitte

**Independent Auditor’s Report**

- **To the Board of Directors of JUKI CORPORATION:**

  - **Deloitte Tohmatsu:**

- **Auditor’s Report:**

  - **Date:**
  - **Signatures:**
CONSOLIDATED BALANCE SHEETS

As of March 31, 2010 and 2009

Consolidated Balance Sheets

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2010</th>
<th>March 31, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Millions of Yen)</td>
<td>(Millions of Yen)</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>16</td>
<td>19</td>
</tr>
<tr>
<td>Trade notes and accounts receivable</td>
<td>36</td>
<td>42</td>
</tr>
<tr>
<td>Marketable and investment securities</td>
<td>21,291</td>
<td>28,712</td>
</tr>
<tr>
<td>Available-for-sale securities with contractual maturities</td>
<td>49,514</td>
<td>58,212</td>
</tr>
<tr>
<td>Total assets</td>
<td>532,409</td>
<td>559,010</td>
</tr>
</tbody>
</table>


deloitte
INDEPENDENT AUDITORS REPORT

Deloitte

To the Board of Directors of JUKI CORPORATION

We have audited the accompanying consolidated balance sheets of JUKI CORPORATION (the "Company") and subsidiaries as of March 31, 2010 and 2009, and the related consolidated statements of earnings (loss), consolidated statements of stockholders' equity, and consolidated statements of cash flows for each of the years in the three-year period ended March 31, 2010, and the related notes (collectively referred to as "the consolidated financial statements"). We also performed our audits in accordance with U.S. generally accepted auditing standards.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation was properly handled. 

The minimum rental commitments under noncancelable operating leases at March 31, 2010 and 2009, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2010</th>
<th>March 31, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Millions of Yen)</td>
<td>(Millions of Yen)</td>
</tr>
<tr>
<td>Operating leases</td>
<td>166,175</td>
<td>5,718</td>
</tr>
<tr>
<td>Total minimum rental commitments</td>
<td>166,175</td>
<td>5,718</td>
</tr>
</tbody>
</table>

The fair value of the Company's long-term debt at March 31, 2010 and 2009, determined using discounted cash flow analysis, was (323,052) and (323,052) million yen, respectively. Long-term debt is determined by discounting the cash flows related to the debt at the corporate borrowing rates that are currently available to the Company for debt of similar terms and maturities.

The accumulated deficit was 47,204 million yen and 251,606 million yen for the years ended March 31, 2010 and 2009, respectively.

The capital expenditures for restructuring divisions of industrial sewing machines, household sewing machines and others were 16,097 million yen (38,006 million yen for the year ended March 31, 2009 mainly resulted from extraordinary loss of closing plants with restructuring divisions of electronic equipment, precision casting and systems). The Company is also reorganizing its operations with the aim of improving its financial and operational performance and increasing the value of the Company.

The following table shows the fair values of the Company's financial instruments:

<table>
<thead>
<tr>
<th>Hedged Item</th>
<th>Fair Value</th>
<th>Gain/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hedged Item</td>
<td>534</td>
<td>-58</td>
</tr>
</tbody>
</table>

The Company and subsidiaries have reported annual results in yen and converted them into U.S. dollars for financial reporting purposes. The yen to U.S. dollar conversion rate as of March 31, 2010 and 2009, were 98.83 and 118.15, respectively.

Total sales was 102,734 million yen in 2010 and 118,642 million yen in 2009. The Company's sales are derived mainly from sales of electronic equipment, household sewing machines, and precision casting and systems.

The following table shows the categorized income statement data:

<table>
<thead>
<tr>
<th>Category</th>
<th>Fiscal Year Ending March 31, 2010</th>
<th>Fiscal Year Ending March 31, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Sales and Operating Income (Loss)</td>
<td>166,175</td>
<td>118,642</td>
</tr>
<tr>
<td>b) Capital Expenditure for restructuring divisions</td>
<td>16,097</td>
<td>38,006</td>
</tr>
</tbody>
</table>

The losses of restructuring divisions of industrial sewing machines, household sewing machines and others were 16,097 million yen (38,006 million yen for the year ended March 31, 2009 mainly resulted from extraordinary loss of closing plants with restructuring divisions of electronic equipment, precision casting and systems). The Company is also reorganizing its operations with the aim of improving its financial and operational performance and increasing the value of the Company.

We have reviewed the Company's internal control over financial reporting as of March 31, 2010, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Our review included examining the design of the Company's internal control over financial reporting and testing its operating effectiveness. Our review of internal control over financial reporting included selecting a sample of transactions and comparing the related balances recorded in the financial statements against the underlying transactions. We believe that our review provides a reasonable basis for our conclusions taken in conjunction with other audit procedures. The effectiveness of the company's internal control over financial reporting as of March 31, 2010, is stated in our report on internal control over financial reporting.
### Operating Income (Loss)

<table>
<thead>
<tr>
<th>Line Item</th>
<th>March 31, 2010</th>
<th>March 31, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales to customers</td>
<td>72,570</td>
<td>68,136</td>
</tr>
<tr>
<td>Intersegment sales</td>
<td>(2,116)</td>
<td>(36)</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>69,454</td>
<td>67,770</td>
</tr>
<tr>
<td>Non-operating expenses</td>
<td>2,725</td>
<td>3,033</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>66,729</td>
<td>64,737</td>
</tr>
</tbody>
</table>

### Capital expenditures

- **Electronic Equipment**: 31,091
- **Machines**: 1,404

### Impairment Loss

- **Electronic Equipment**: 1,066
- **Machines**: 549
- **Household Sewing Machines**: 476,696

### Depreciation and amortization

- **Electronic Equipment**: 1,767
- **Machines**: 90
- **Household Sewing Machines**: 15,099

### Interest rate swaps

- Fair Value: 18
- Gain/Loss: 3,033

### Total Lease Payments

- **U.S. Dollars**: 5,058
- **One Year through One Year**: 2,510
- **Contract Amount**: 2,725
- **Carrying Amount**: 105

### Fair Value

- **Electronic Equipment**: 85
- **Machines**: 31,091
- **Household Sewing Machines**: 18,339

### Interest Rate Swaps

- **Fixed Rate Interest Rate Swaps**: 124,617
  - Hedged Item: 31,091
  - Fair Value: 18
  - Gain/Loss: 3,033

### Derivatives

- **Marketable and Investment Securities**: 129,694
- **Short-term Borrowings**: 12,061
- **Payables**: 2,725

### Note

- The Group applies the revised accounting standard and the new guidance effective March 31, 2010.
### Consolidated Financial Position

The consolidated financial position of JUKI CORPORATION and consolidated subsidiaries as of March 31, 2010 and 2009, and Operating INDEPENDENT AUDITORS’ REPORT

### Contingent Liabilities

Contingent liabilities at March 31, 2010 were as follows:

- **Operating**
- **Due after one year**
- **Due after one year**
- **Due after one year**

### Operating Income

Operating income for the years then ended in conformity with accounting principles generally accepted in Japan.

### Financial Section

- **Foreign currency forward contracts:**
- **U.S. Dollars**

### Derivatives

- **Bank loans**
- **Accounts receivable**
- **Accounts payable**
- **Bank loans**
- **Other**
- **Marketable and investment securities**
- **Foreign currency forward contracts:**
- **Currency swaps**
- **Interest rate swaps**

### Fair Values of Financial Instruments

- **Long-term debt**
- **Payables**
- **Other**

### Guidelines

- **Industry Segments**

**Note:** The condensed consolidated financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises, and the consolidated financial statements were prepared in conformity with accounting principles generally accepted in Japan.
The above interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at fair value but the differential paid or received under the swap agreements are recognized and included in interest expense, interest income and others. The information of the fair value for derivatives is included in Note 16.

The Group enters into derivatives in the normal course of business to reduce the exposure to changes in foreign currency and interest rates. As Lessee, the Group entered into fair value hedge transactions by means of foreign currency forward contracts and interest rate swaps, based on the matching criteria. The Group also entered into foreign currency forward contracts, for which hedge accounting is not applied, to reduce foreign currency exchange rate fluctuations on foreign currency receivables and payables.

Foreign currency forward contracts:

<table>
<thead>
<tr>
<th>Hedged Item</th>
<th>Notional Amount</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value hedge contracts</td>
<td>57,428,741</td>
<td>56,129,463</td>
</tr>
</tbody>
</table>

Foreign currency forward contracts to which hedge accounting is not applied at March 31, 2010:

<table>
<thead>
<tr>
<th>Hedged Item</th>
<th>Notional Amount</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value hedge contracts</td>
<td>534,373</td>
<td>539,457</td>
</tr>
</tbody>
</table>

The following is the fair value information for foreign currency forward contracts to which hedge accounting is not applied:

<table>
<thead>
<tr>
<th>Hedged Item</th>
<th>Notional Amount</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value hedge contracts</td>
<td>534,373</td>
<td>539,457</td>
</tr>
</tbody>
</table>

As of March 31, 2010, the Group has entered into the following derivative transactions:

<table>
<thead>
<tr>
<th>Derivative Transactions to Which Hedge Accounting Is Applied at March 31, 2010</th>
<th>Notional Amount</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate swaps</td>
<td>27,815,881</td>
<td>27,840,711</td>
</tr>
<tr>
<td>Fair value hedge contracts</td>
<td>534,373</td>
<td>539,457</td>
</tr>
</tbody>
</table>

Derivative Transactions to Which Hedge Accounting Is Not Applied at March 31, 2010:

<table>
<thead>
<tr>
<th>Hedged Item</th>
<th>Notional Amount</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value hedge contracts</td>
<td>534,373</td>
<td>539,457</td>
</tr>
</tbody>
</table>

As of March 31, 2010, the Group has entered into the following derivative transactions:

<table>
<thead>
<tr>
<th>Derivative Transactions to Which Hedge Accounting Is Not Applied at March 31, 2010</th>
<th>Notional Amount</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value hedge contracts</td>
<td>534,373</td>
<td>539,457</td>
</tr>
</tbody>
</table>

As of March 31, 2009, the Group had entered into the following derivative transactions:

<table>
<thead>
<tr>
<th>Derivative Transactions to Which Hedge Accounting Is Applied at March 31, 2009</th>
<th>Notional Amount</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate swaps</td>
<td>34,018,365</td>
<td>34,090,003</td>
</tr>
<tr>
<td>Fair value hedge contracts</td>
<td>534,373</td>
<td>539,457</td>
</tr>
</tbody>
</table>

Derivatives which qualify for hedge accounting for the year ended March 31, 2009 is excluded from the disclosure of market value.
The geographical segments of the Group for the years ended March 31, 2010 and 2009, are summarized as follows:

Operating income (loss)

Sales to customers

Total sales

Operating expenses

Consolidated financial position of JUKI CORPORATION and consolidated subsidiaries as of March 31, 2010 and 2009, and

b. Interest rate swap derivative transactions qualifying for exceptional accounting

Due within one year

Due after one year

Marketable and investment securities

Trade notes and accounts receivable

Total

b. Interest rate swap derivative transactions qualifying for exceptional accounting

The Group enters into derivatives in the normal course of business to reduce the exposure to

interest rate swaps. The Group enters into derivatives in the normal course of business to reduce the exposure to

movements in the value of the hedged assets or liabilities. Because the counterparties to those derivatives are limited to

major international financial institutions, the Group does not anticipate any losses arising from credit risk.

The information of the fair value for derivatives is included in Note 16.

EXPERIMENT ON ACCOUNTS OF DIVISIONS

10. IMPACT OF RESTRUCTURING AND VALUE OF ASSETS AND LIABILITIES

The Group uses financial instruments, mainly long-term debt including bank loans based on its capital financing plan.
Corporate Information

Major Group Companies

Juki Corporate Overview

MECHATRONICS COMPANY THAT LEAPS FORWARD ON THE GLOBAL STAGE WITH ITS HIGH-SPEED, HIGH-PRECISION, AND HIGH-QUALITY PRODUCTS

Founded:
Shareholders:
No. of consolidated subsidiary companies:
Capital:
Stock Listing:
Headquarter:
Authorized Shares:
Aggregate number of issued shares:
No. of consolidated employees:

Business segments:

(As of March 31, 2010)

(As of July 1, 2010)

(As of March 31, 2010)

(As of July 1, 2010)

(As of March 31, 2010)

(As of July 1, 2010)
Corporate Information

Major Group Companies

Juki Corporate Overview

Mechatronics company that leaps forward on the global stage with its high-speed, high-precision, and high-quality products.

- Founded:
- Shareholders:
- No. of consolidated subsidiary companies:
- Capital:
- Stock Listing:
- Headquarter:
- Authorized Shares:
- Aggregate number of issued shares:
- No. of consolidated employees:
- Business segments:

- Mechatronics
- Software & System
- Industrial
- Household
- Others

Soldering
 Sewing
 Mechatronics
 Manufacturing
Electronic systems
Household sewing
Industrial sewing
Sales ratio by overseas (76%)

of March 31, 2010)
(As of the end of March 2010)
(As of March 31, 2010)
(As of March 31, 2010)
(As of March 31, 2010)
(As of July 1, 2010)
(As of June, 2010)
(As of the end of March 2010)
(As of the end of March 2010)
(As of the end of March 2010)
(As of the end of March 2010)
Corporate Information

Juki Corporate Overview

MECHATRONICS COMPANY THAT LEAPS FORWARD ON THE GLOBAL STAGE WITH ITS HIGH-SPEED, HIGH-PRECISION, AND HIGH-EQUALITY PRODUCTS

Founded:
15 December 1938 as "Tokyo Juki Manufacturing Association"

Shareholders:
13,756 shareholders

Capitol:
15,658 million yen (as of the end of March 2010)

Stock Listing:
Tokyo Stock Exchange (1st Section)

Headquarters:
57-1, Turumaki, Tama-shi, Tokyo 206-8551, Japan
Tel: +81-42-357-2211

Authorized Shares:
408,000,000 shares (as of the end of March 2010)

Business segments:
Electronic equipment and computer peripherals 4%
SMT (Surface Mount Technology) Business segments: 24%
Industrial sewing machines 64%

No. of consolidated subsidiary companies:
34 (as of the end of March 2010)

No. of consolidated employees:
6,574 (as of the end of March 2010, including 1,196 direct sales staffs)

Corporate Information

Major Group Companies

Domestic Group Companies

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Industry</th>
<th>Sales 2009 (million yen)</th>
<th>Employees 2009 (as of March 2010)</th>
</tr>
</thead>
<tbody>
<tr>
<td>JUKI DO BRASIL COMERCIO E SERVICOS DE MAQUINAS LTDA.</td>
<td>Sales of SMT systems, etc.</td>
<td></td>
<td></td>
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<tr>
<td>JUKI AMERICA, INC.</td>
<td>Sales of industrial sewing machines, etc.</td>
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<tr>
<td>JUKI ITALIA S. P. A.</td>
<td>Sales of industrial sewing machines, etc.</td>
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<tr>
<td>JUKI (VIETNAM) CO., LTD.</td>
<td>Sales of SMT systems, etc.</td>
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<tr>
<td>JUKI SINGAPORE PTE. LTD.</td>
<td>Manufacture of parts, etc. for industrial sewing machines</td>
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<tr>
<td>SHANGHAI JUKI SEWING MACHINE CO., LTD.</td>
<td>Manufacture of industrial sewing machines</td>
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<tr>
<td>JUKI (SHANGHAI) INDUSTRIAL CO., LTD.</td>
<td>Manufacture of parts, etc. for industrial sewing machines</td>
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<tr>
<td>JUKI XINXING INDUSTRY CO., LTD.</td>
<td>Manufacture of parts, etc. for industrial sewing machines</td>
<td></td>
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<tr>
<td>TRADE (SHANGHAI) CO., LTD.</td>
<td>Service of facility management, renovation and printing, etc.</td>
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<tr>
<td>TOKYO JUKI INTERNATIONAL</td>
<td>Manufacture of household sewing machines</td>
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<tr>
<td>JUKI (HONG KONG) LTD.</td>
<td>Sales of industrial sewing machines, etc.</td>
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<tr>
<td>JUKI (CHINA) CO., LTD.</td>
<td>Manufacture of parts, etc. for industrial sewing machines</td>
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<tr>
<td>JUKI GENERAL SERVICE CORPORATION</td>
<td>Manufacture of industrial sewing machines, etc.</td>
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<tr>
<td>JUKI HOUSEHOLD SEWING MACHINE CORPORATION</td>
<td>Manufacture of household sewing machines</td>
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<tr>
<td>JUKI SALES (JAPAN) CORPORATION</td>
<td>Sales of household sewing machines, etc.</td>
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<tr>
<td>JUKI MATSUE CORPORATION</td>
<td>Manufacture of pig-iron and cast metal, etc.</td>
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<tr>
<td>JUKI METAL CORPORATION</td>
<td>Manufacture of parts, etc. for industrial sewing machines</td>
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<tr>
<td>SUZUTAMI PRECISION INDUSTRY CO., LTD.</td>
<td>Manufacture of parts, etc. for industrial sewing machines</td>
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<tr>
<td>JUKI AIZU CORPORATION</td>
<td>Manufacture of lost-wax and MIM products</td>
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<tr>
<td>JUKI AKITA SEIMITSU CORPORATION</td>
<td>Manufacture of steel plate parts and pressed parts</td>
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<td>JUKI YOSHINO KOGYO CORPORATION</td>
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<td>JUKI DENSHI KOGYO CORPORATION</td>
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</tbody>
</table>

Overseas Group Companies

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Industry</th>
<th>Sales 2009 (million yen)</th>
<th>Employees 2009 (as of June 2010)</th>
</tr>
</thead>
<tbody>
<tr>
<td>JUKI (FRANCE) S. A.</td>
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<tr>
<td>JUKI (ITALIA) S. P. A.</td>
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<tr>
<td>JUKI (SUZUKI) LTD.</td>
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<td>JUKI (KOREA) LTD.</td>
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<tr>
<td>JUKI (THAILAND) CO., LTD.</td>
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<td>JUKI (RUSSIA) LTD.</td>
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<td>JUKI (HONG KONG) LTD.</td>
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<td>JUKI (SHANGHAI) INDUSTRIAL CO., LTD.</td>
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<td>JUKI (CHINA) CO., LTD.</td>
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<td>JUKI (RUSSIA) LTD.</td>
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<td>JUKI (BRAZIL) LTDA.</td>
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<td>JUKI (AMERICA) INC.</td>
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</table>
Corporation Overview

MECHATRONICS COMPANY THAT LEAPS FORWARD ON THE GLOBAL STAGE WITH ITS HIGH-SPEED, HIGH-PRECISION, AND HIGH-QUALITY PRODUCTS

Founded:
15 December 1938
Takayuki Itoh
Manufacturers Association

Capital:
40,300 million yen
(As of the end of March 2010)

Headquarters:
Head Office
5-3-1, Tsurumaki, Tama-shi, Tokyo
Tel: +81-42-357-2211

Authorized Shares:
408,000,000 shares
(As of June 30, 2010)

Business segments:
Home sewing machines, SMT (Surface Mount Technology) systems, Household sewing machines, Physical codings, etc.

Shareholders:
13,796 shareholders
(As of the end of March 2010)

No. of consolidated subsidiary companies:
34 (as of the end of March 2010)

Transfer Agent and Registrar:
Mizuho Trust and Banking Co., Ltd.

Independent Auditor:
Mitsubishi Trust Bank, Mitsubishi UFJ Financial Group, Mitsubishi UFJ, Tokyo 100-8302, Japan
(As of March 31, 2010)

Corporation Overview

Major Group Companies

Domestic Group Companies

Business: SMT systems and industrial sewing machines, etc.
Location: Tokyo, Japan

Sales of SMT systems, etc.

Business: Manufacture of household sewing machines
Location: Tokyo, Japan

Sales of household sewing machines, etc.

Business: Manufacture of pressed parts, etc. for industrial sewing machines
Location: Hiroshima, Japan

Sales of industrial sewing machines, etc.

Business: Manufacture of parts for precision machinery and appliances
Location: Hiroshima, Japan

Sales of industrial sewing machines, etc.

Business: Manufacture of parts, etc. for industrial sewing machines
Location: Akita, Japan

Sales of industrial sewing machines, etc.

Business: Manufacture of SMT systems & electronic equipment, etc.
Location: Tokyo, Japan

Sales of SMT systems, etc.

Business: Manufacture of pig-iron and cast metal, etc.
Location: Akita, Japan

Sales of SMT systems, etc.

Business: Manufacture of steel plate parts and pressed parts
Location: Akita, Japan

Sales of SMT systems, etc.

Business: Manufacture of lost-wax and MIM products
Location: Akita, Japan

Sales of SMT systems, etc.

Business: Manufacture of parts, etc. for industrial sewing machines
Location: Tokyo, Japan

Sales of SMT systems, etc.

Business: Manufacture of household sewing machines
Location: Tokyo, Japan

Sales of household sewing machines, etc.

Business: Manufacture of precision castings, etc.
Location: Tokyo, Japan

Sales of SMT systems, etc.

Business: Manufacture of household sewing machines
Location: Tokyo, Japan

Sales of household sewing machines, etc.

Business: Manufacture of household sewing machines
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Business: Manufacture of household sewing machines
Location: Tokyo, Japan

Sales of household sewing machines, etc.

Business: Manufacture of household sewing machines
Location: Tokyo, Japan

Sales of household sewing machines, etc.
Annual Report
2010
Year Ended March 31, 2010

http://www.juki.co.jp/

JUKI CORPORATION

Unit: JUKI Corporation Testing Co., Ltd.
Address: 20-8, Ichigaya-1-chome, Chiyoda-ku, Tokyo 102-8530, Japan
Phone: +81-3-5407-0511