



FY2007 First Half Consolidated Financial Results

(1 April through 30 September 2006)

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

English translation from the original Japanese language document

8 November 2006

Company name : JANOME SEWING MACHINE CO., LTD.
 Securities code : 6445
 (URL <http://www.janome.co.jp>)

Stock exchange on which the shares are listed : Tokyo, Japan
 Location of the head office : Tokyo, Japan

Representative : Name: Sumikazu Kato
 Title: President

Contact person : Name: Kengo Seki
 Title: Director, Accounting Department
 Phone: +81 3 3277 2111

Meeting of Board of Directors
 for interim financial results : 8 November 2005
 US GAAP : Not applied

1. Fiscal 2007 First Half (1 April 2006 through 30 September 2006)

1) Consolidated financial results (Amounts less than one million yen are rounded down.)

	Net Sales		Operating Income		Ordinary Income	
	Million yen	%	Million yen	%	Million yen	%
Fiscal 2007 1H	23,144	0.7	958	(22.4)	829	(21.3)
Fiscal 2006 1H	22,975	(0.1)	1,234	(18.2)	1,054	(17.1)
(Ref.) Fiscal 2006	49,376		3,034		2,575	

	Net Income		Net Income per Share - basic	Net Income per Share - diluted
	Million yen	%	yen	yen
Fiscal 2007 1H	191	(68.1)	0.99	0.98
Fiscal 2006 1H	601	19.1	3.76	--
(Ref.) Fiscal 2006	2,384		14.15	13.86

Note:

1. Minority interest in net loss of subsidiary: 3 million yen for FY2007 1H, 0 million yen for FY2006 1H, and (29 million yen) for FY2006.

2. Average outstanding shares of common stock (consolidated basis): 194,225,382 shares for FY2007 1H, 159,799,127 shares for FY2006 1H, and 168,561,184 shares for FY2006.

3. Change of accounting method since the most recent fiscal year: No

4. Regarding net sales, operating income, ordinary income and net income, the figures in % show percentage of change from the corresponding period of the preceding year.

2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	yen
Fiscal 2007 1H	59,862	21,657	35.2	110.96
Fiscal 2006 1H	63,549	16,064	25.3	93.38
(Ref.) Fiscal 2006	60,106	19,731	32.8	104.68

Note: Outstanding shares of common stock (consolidated basis): 195,179,382 shares as of 30 September 2006, 172,033,882 shares as of 30 September 2005, and 188,501,382 shares as of 31 March 2006.

3) Consolidated cash flow position

	Operating Activities	Investing Activities	Financing Activities	Cash & Cash Equivalents, at End of Period
	Million yen	Million yen	Million yen	Million yen
Fiscal 2007 1H	328	(1,793)	(928)	3,569
Fiscal 2006 1H	255	628	282	4,311
(Ref.) Fiscal 2006	3,509	3,368	(4,050)	5,947

4) Scope of consolidation and affiliates using the applied equity method.

Number of consolidated subsidiaries: 21

Number of non-consolidated subsidiaries accounted for under the equity method: 0

Number of affiliates accounted for under the equity method: 1

5) Change in scope of consolidation and affiliates using the applied equity method, from preceding year.

Number of newly consolidated subsidiaries: 4

Number of companies excluded from the scope of consolidation: 0

Number of affiliates newly accounted for under equity method: 0

Number of companies excluded from the subject of equity method: 0

2. Consolidated forecast for Fiscal 2007 (from 1 April 2006 to 31 March 2007)

	Net Sales	Ordinary Income	Net Income
	Million yen	Million yen	Million yen
F2007 Full year	51,500	2,900	1,250

(Ref.) Forecast of net income per share (FY2007): 6.40 yen

Note: The above forecast of net income per share has been calculated by dividing the estimated net income by the number of shares issued as of 30 September 2006.

Beginning with this Fiscal 2007, several consolidated subsidiaries shall change their respective fiscal year ends from 31 December to 31 March. The consolidated forecast for Fiscal 2007 includes adjustments for the transition period (1 January through 31 March 2007) in accordance with the fiscal year end alignment, as well as estimates for the newly consolidated subsidiaries Janome acquired during this period.

For reference purposes only, the following forecast excludes both the adjustment for the transition period and that for the newly consolidated subsidiaries.

	Net Sales	Ordinary Income	Net Income
(Ref.)(pre-adjustment)	Million yen	Million yen	Million yen
F2007 Full year	50,000	2,800	1,200

(Ref.) Forecast of net income per share excluding adjustments (FY2007): 6.15 yen

* The above forecast has been prepared on the basis of currently available information. Please take note that actual performance may differ from any forecasts contained in this report due to any number of factors.

FY2007 First Half Consolidated Balance Sheets

JANOME SEWING MACHINE CO., LTD. AND ITS CONSOLIDATED SUBSIDIARIES

As of 30 September 2006 and 2005 (Ref. as of 31 March 2006)

Million yen

ACCOUNT	30 September 2006	30 September 2005	Increase (Decrease)	31 March 2006
[ASSETS]				
Current assets				
Cash on hand and in banks	4,175	4,362	(187)	6,601
Accounts and notes receivable	9,100	8,719	380	8,875
Marketable securities	1,452	29	1,422	1,531
Inventories	8,583	8,777	(194)	7,105
Other current assets	2,533	1,275	1,258	2,063
Allowance for doubtful accounts	(541)	(204)	(336)	(213)
Total current assets	25,303	22,960	2,343	25,962
Fixed assets				
Tangible fixed assets				
Buildings and structures	4,475	4,620	(145)	4,527
Land	16,462	16,359	103	16,388
Other tangible fixed assets	2,439	2,448	(9)	2,425
Total tangible fixed assets	23,376	23,428	(52)	23,340
Intangible fixed assets	1,990	589	1,400	587
Investments and other assets				
Investment securities	3,033	9,621	(6,587)	4,014
Allowance against negotiated obligations	--	30,000	(30,000)	--
Deferred tax assets	4,988	5,788	(799)	5,083
Other investments and assets	1,225	1,285	(60)	1,173
Allowance for doubtful accounts	(56)	(30,123)	30,067	(57)
Total investments and other assets	9,191	16,571	(7,380)	10,215
Total fixed assets	34,558	40,589	(6,031)	34,143
TOTAL ASSETS	59,862	63,549	(3,687)	60,106

				Million yen
ACCOUNT	30 September 2006	30 September 2005	Increase (Decrease)	31 March 2006
[LIABILITIES]				
Current liabilities				
Notes and accounts payable	4,649	4,772	(123)	3,803
Short-term borrowings	8,933	20,040	(11,107)	12,590
Short-term bond (current portion)	250	1,000	(750)	1,250
Income taxes payable	302	312	(9)	399
Allowance for employees' bonuses	721	684	36	590
Other current liabilities	2,172	2,064	107	2,221
Total current liabilities	17,028	28,874	(11,846)	20,856
Fixed liabilities				
Bonds and notes	3,225	2,000	1,225	4,850
Long-term borrowings	7,369	6,859	509	3,467
Deferred tax liabilities for revaluation	5,137	3,862	1,274	5,137
Liability for retirement payments	4,688	4,575	113	4,719
Other fixed liabilities	755	789	(33)	736
Total fixed liabilities	21,176	18,087	3,088	18,910
TOTAL LIABILITIES	38,205	46,962	(8,757)	39,767
[MINORITY INTEREST SHARE]				
Minority interest share	--	523	--	607
[SHAREHOLDERS' EQUITY]				
Common stock	--	8,873	--	10,622
Capital surplus	--	1,250	--	3,000
Retained earnings	--	108	--	1,892
Difference from revaluation of land	--	5,630	--	4,355
Difference from revaluation of investment securities	--	1,305	--	657
Foreign currency translation adjustments	--	(1,099)	--	(792)
Treasury stock, at cost	--	(3)	--	(4)
TOTAL SHAREHOLDERS' EQUITY	--	16,064	--	19,731
TOTAL OF LIABILITIES, MINORITY INTEREST SHARE AND SHAREHOLDERS' EQUITY	--	63,549	--	60,106
[NET ASSETS]				
Shareholders' equity				
Common stock	11,372	--	--	--
Capital surplus	823	--	--	--
Retained earnings	5,010	--	--	--
Treasury stock, at cost	(4)	--	--	--
Total shareholders' equity	17,202	--	--	--
Difference from revaluation and translation adjustments				
Difference from revaluation of investment securities	212	--	--	--
Difference from revaluation of land	4,355	--	--	--
Foreign currency translation adjustments	(701)	--	--	--
Total difference	3,866	--	--	--
Minority interest share	588	--	--	--
TOTAL NET ASSETS	21,657	--	--	--
TOTAL OF LIABILITIES AND NET ASSETS	59,862	--	--	--

Note: Amounts less than one million yen are rounded down.

FY2007 First Half Consolidated Statements of Income

JANOME SEWING MACHINE CO., LTD. AND ITS CONSOLIDATED SUBSIDIARIES

For the periods of 1 April - 30 September 2006 and 2005 (Ref. period of 1 April 2005 - 31 March 2006)

Million yen

ACCOUNT	1 Apr - 30 Sep 2006	1 Apr - 30 Sep 2005	Increase (Decrease)	1 Apr 2005 - 31 Mar 2006
Net sales	23,144	22,975	169	49,376
Cost of sales	11,932	11,269	662	25,063
Gross profit	11,212	11,705	(493)	24,312
Selling, general and administrative expenses	10,254	10,471	(216)	21,278
Operating income	958	1,234	(276)	3,034
Other income				
Interest income	32	18	13	32
Dividend income	32	23	9	24
Profit from marketable securities	--	--	--	20
Foreign exchange profit	115	123	(8)	262
Minority interest in net profit of subsidiary	3	0	2	--
Miscellaneous	86	94	(8)	176
Total other income	269	261	8	516
Other expenses				
Interest expense	202	340	(137)	619
Loss from marketable securities	81	--	81	--
Minority interest in net loss of subsidiary	--	--	--	29
Miscellaneous	114	100	14	325
Total other expenses	398	441	(42)	975
Ordinary income	829	1,054	(224)	2,575
Extraordinary profit				
Proceeds from sales of marketable securities	366	--	366	755
Gain on sales of fixed assets	13	9	3	14
Proceeds from negotiated settlement	--	--	--	500
Total extraordinary profit	379	9	369	1,269
Extraordinary loss				
Attorneys' fee	128	--	128	--
Loss on revaluation of inventories	26	31	(5)	116
Loss on sales or depreciation of fixed assets	21	24	(3)	107
Impairment loss	--	185	(185)	185
Investigation expense of merger and acquisition	--	--	--	144
Other extraordinary loss	--	17	(17)	57
Total extraordinary loss	175	259	(83)	612
Income before income taxes and minority interest	1,033	804	228	3,232
Income tax, inhabitant tax and business tax	285	297	(12)	666
Income tax adjustment	540	(122)	662	113
Minority interest	16	28	(12)	68
Net income	191	601	(409)	2,384

Note: Amounts less than one million yen are rounded down.

Average of exchange rate for the period

Currency	1 Apr - 30 Sep 2006	1 Apr - 30 Sep 2005	Increase (Decrease)	1 Apr 2005 - 31 Mar 2006
1 US\$ =	¥115.37	¥109.48	¥5.89	¥113.31

FY2007 First Half Consolidated Statements of Shareholders' Equity

JANOME SEWING MACHINE CO., LTD. AND ITS CONSOLIDATED SUBSIDIARIES

Fiscal 2007 First Half (from 1 April 2006 to 30 September 2006)

Million yen

	Shareholders' Equity					Difference from Revaluation and Translation Adjustments	Minority Interest Share	Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total			
Balances at 31 Mar 2006	10,622	3,000	1,892	(4)	15,510	4,221	607	20,339
Increase/Decrease								
Issurance of common stock	749	749			1,499			1,499
Net income			191		191			191
Purchase of treasury stock				(0)	(0)			(0)
Transfer of capital reserve to retained earnings		(2,926)	2,926		--			--
Increase/Decrease of other than shareholders' equity (net)					--	(354)	(19)	(373)
Total increase/decrease	749	(2,176)	3,118	(0)	1,691	(354)	(19)	1,317
Balances at 30 Sep 2006	11,372	823	5,010	(4)	17,202	3,866	588	21,657

Breakdown of Difference from Revaluation and Translation Adjustments

	Revaluation of Investment Securities	Revaluation of Land	Foreign Currency Translation Adjustments	Total Difference
Balances at 31 Mar 2006	657	4,355	(792)	4,221
Total increase/decrease	(445)	--	91	(354)
Balances at 30 Sep 2006	212	4,355	(701)	3,866

FY2007 First Half Consolidated Statements of Cash Flows

JANOME SEWING MACHINE CO., LTD. AND ITS CONSOLIDATED SUBSIDIARIES

For the periods of 1 April - 30 September 2006 and 2005 (Ref. period of 1 April 2005 - 31 March 2006)

Million yen

Account	1 Apr - 30 Sep 2006	1 Apr - 30 Sep 2005	1 April 2005 - 31 Mar 2006
I. CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income taxes and minority interest	1,033	804	3,232
Depreciations	517	503	1,056
Impairment loss	--	185	185
Increase/decrease in allowance for doubtful accounts	(15)	(8)	(30,070)
Increase/decrease in employees' retirement benefits	(44)	147	262
Interest and dividend income	(65)	(41)	(57)
Interest payment	202	340	619
Proceeds from negotiated settlement	--	--	(500)
Increase/decrease in accounts receivable	329	(570)	(209)
Increase/decrease in inventories	(1,211)	(1,259)	685
Increase/decrease in accounts payable	684	775	(495)
Proceeds from sales of marketable securities	(366)	--	(755)
Decrease in allowance against negotiated obligations	--	--	30,000
Others	(247)	(45)	219
Sub total	818	830	4,174
Interest and dividend received	65	43	65
Interest paid	(188)	(340)	(600)
Negotiated settlement received	--	--	500
Income taxes paid	(367)	(278)	(630)
Net cash generated by operating activities	328	255	3,509
II. CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures for term-deposits	--	--	(601)
Proceeds from term-deposits	7	--	33
Expenditures for purchase of securities	--	--	(1,511)
Expenditures for purchase of tangible fixed assets	(552)	(559)	(866)
Expenditures for purchase of investment securities	(1)	(67)	(461)
Proceeds from sales of investment securities	295	1,180	6,834
Expenditures for acquisition of businesses	(1,513)	--	--
Others	(28)	74	(59)
Net cash generated by investing activities	(1,793)	628	3,368
III. CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase/decrease in short-term borrowings	2,090	41	(7,437)
Proceeds from long-term debts	5,800	--	1,073
Expenditure for repayment of long-term debts	(7,610)	(2,196)	6,640
Proceeds from issuance of bonds	--	2,495	9,034
Expenditures for redemption of bonds	(1,125)	--	--
Expenditure for minority shareholders' dividends	(63)	(40)	(40)
Others	(19)	(17)	(40)
Net cash used for financing activities	(928)	282	(4,050)
IV. Effect of exchange rate changes on cash and cash equivalents	14	(33)	(59)
V. Increase/decrease in cash and cash equivalents	(2,378)	1,132	2,768
VI. Cash and cash equivalents, at beginning of period	5,947	3,179	3,179
VII. Cash and cash equivalents, at end of period	3,569	4,311	5,947

Note: Amounts less than one million yen are rounded down.

FY2007 First Half Consolidated Segment Information

JANOME SEWING MACHINE CO., LTD. AND ITS CONSOLIDATED SUBSIDIARIES

1) Operating results by segment

Fiscal 2007 First Half (from 1 April 2006 to 30 September 2006)

(Unit: Million yen)

	Home use sewing machines	Industrial equipment	24-Hour Clean Bath systems	All other	Total	Intersegment elimination or corporate	Consolidated
Net sales and operating income							
Net sales :							
1) Net sales to external customers	17,010	2,389	1,179	2,566	23,144	--	23,144
2) Intersegment sales/transfers	30	508	21	499	1,060	(1,060)	--
Total	17,040	2,897	1,200	3,065	24,205	(1,060)	23,144
Operating expenses	16,325	2,754	1,198	2,978	23,256	(1,069)	22,186
Operating income	715	143	2	87	948	9	958

Fiscal 2006 First Half (from 1 April 2005 to 30 September 2005)

(Unit: Million yen)

	Home use sewing machines	Industrial equipment	24-Hour Clean Bath systems	All other	Total	Intersegment elimination or corporate	Consolidated
Net sales and operating income							
Net sales :							
1) Net sales to external customers	17,081	2,109	1,412	2,371	22,975	--	22,975
2) Intersegment sales/transfers	10	445	21	506	984	(984)	--
Total	17,092	2,555	1,434	2,877	23,959	(984)	22,975
Operating expenses	16,013	2,405	1,385	2,909	22,714	(972)	21,741
Operating income	1,078	150	48	(31)	1,245	(11)	1,234

Fiscal 2006 (from 1 April 2005 to 31 March 2006)

(Unit: Million yen)

	Home use sewing machines	Industrial equipment	24-Hour Clean Bath systems	All other	Total	Intersegment elimination or corporate	Consolidated
Net sales and operating income							
Net sales :							
1) Net sales to external customers	36,786	4,440	3,106	5,043	49,376	--	49,376
2) Intersegment sales/transfers	33	924	48	1,048	2,055	(2,055)	--
Total	36,819	5,364	3,154	6,092	51,431	(2,055)	49,376
Operating expenses	34,205	5,118	3,009	6,058	48,391	(2,049)	46,342
Operating income	2,613	246	145	34	3,040	(6)	3,034

Notes: Major products in each business segment are as follows:

- | | | |
|-------------------------------|-------|---|
| 1) Home use sewing machines | | Home use sewing machines and sewing-related products |
| 2) Industrial equipment | | Industrial robots, electro-press machines, die-cast products, prastic precision parts |
| 3) 24-Hour Clean Bath systems | | 24-Hour Clean Bath, alkaline water ionizer, bathroom dryer |
| 4) All other | | Computer software/EDP services, real estate, after-sales/maintenance services, restaurant operation |

2) Geographic information

Fiscal 2007 First Half (from 1 April 2006 to 30 September 2006)

(Unit: Million yen)

	Japan	North America	South/East Asia	Other regions	Total	Intersegment elimination	Consolidated
Net sales and operating income							
Net sales :							
1) Net sales to external customers	16,740	3,863	340	2,200	23,144	--	23,144
2) Intersegment sales/transfers	5,398	--	9,052	--	14,451	(14,451)	--
Total	22,138	3,863	9,393	2,200	37,595	(14,451)	23,144
Operating expenses	21,368	3,880	9,222	2,128	36,599	(14,412)	22,186
Operating income	770	(17)	171	71	996	(38)	958

Fiscal 2006 First Half (from 1 April 2005 to 30 September 2005)

(Unit: Million yen)

	Japan	North America	South/East Asia	Other regions	Total	Intersegment elimination	Consolidated
Net sales and operating income							
Net sales :							
1) Net sales to external customers	15,758	4,728	269	2,218	22,975	--	22,975
2) Intersegment sales/transfers	7,075	--	9,035	3	16,114	(16,114)	--
Total	22,834	4,728	9,305	2,221	39,090	(16,114)	22,975
Operating expenses	21,793	4,517	9,138	2,106	37,556	(15,814)	21,741
Operating income	1,040	211	167	114	1,534	(300)	1,234

Fiscal 2006 (from 1 April 2005 to 31 March 2006)

(Unit: Million yen)

	Japan	North America	South/East Asia	Other regions	Total	Intersegment elimination	Consolidated
Net sales and operating income							
Net sales :							
1) Net sales to external customers	32,606	11,663	554	4,551	49,376	--	49,376
2) Intersegment sales/transfers	11,613	--	17,287	0	28,901	(28,901)	--
Total	44,220	11,663	17,842	4,551	78,278	(28,901)	49,376
Operating expenses	42,597	11,240	17,255	4,262	75,356	(29,014)	46,342
Operating income	1,623	422	586	288	2,921	112	3,034

Notes:

1. Countries or regional analyses are presented, based on geographic contiguity.

2. Major countries or regions are as follows:

- | | | |
|--------------------|-------|--|
| 1) North America | | U.S.A., Canada |
| 2) South/East Asia | | R.O.C. (Taiwan), Thailand |
| 3) Other regions | | U.K., Netherlands, Australia, New Zealand, Chile |

3) Overseas sales by region

Fiscal 2007 First Half (from 1 April 2006 to 30 September 2006) (Unit: Million yen)

	North	Europe	Other regions	Total
I. Overseas sales	4,334	5,004	3,196	12,535
II. Consolidated sales				23,144
III. Ratio of overseas sales to consolidated sales	18.7%	21.6%	13.8%	54.2%

Fiscal 2006 First Half (from 1 April 2005 to 30 September 2005) (Unit: Million yen)

	North	Europe	Other regions	Total
I. Overseas sales	5,222	3,848	3,002	12,072
II. Consolidated sales				22,975
III. Ratio of overseas sales to consolidated sales	22.7%	16.7%	13.1%	52.5%

Fiscal 2006 (from 1 April 2005 to 31 March 2006) (Unit: Million yen)

	North	Europe	Other regions	Total
I. Overseas sales	12,479	8,726	6,063	27,269
II. Consolidated sales				49,376
III. Ratio of overseas sales to consolidated sales	25.3%	17.7%	12.2%	55.2%

Notes:

1. Countries or regional analyses are presented, based on geographic contiguity.
2. Major countries or regions are as follows:
 - 1) North America ······ U.S.A., Canada
 - 2) Europe ······ U.K., Netherlands, Germany
 - 3) Other regions ······ South/East Asia, Oceania, Middle/Near East, Africa, Central/South America
3. Overseas sales are presented, excluding consolidated sales in domestic Japan.