

## CONSOLIDATED FINANCIAL RESULTS for fiscal year ended 31 March 2007 (1 April 2006 through 31 March 2007)

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

English translation from the original Japanese language document

17 May 2007

Company name :	<b>JANOME SEWING MACHINE CO., LTD.</b>		
Stock exchange on which the shares are listed :	Tokyo, Japan (First Section)		
Securities code :	6445		
URL :	<a href="http://www.janome.co.jp">http://www.janome.co.jp</a>		
Representative :	Name:	Sumikazu Kato	
	Title:	President	
Contact person :	Name:	Kengo Seki	
	Title:	Director in charge of Management Planning and Accounting Departments	
	Phone:	+81 3 3277 2111	
Date of ordinary general shareholders' meeting :	27 June 2007		
Payment date of cash dividends :	28 June 2007		
Filing date of financial statements :	28 June 2007		

(Amounts less than one million yen are rounded down.)

### 1. Consolidated results for fiscal year (1 April 2006 through 31 March 2007)

#### (1) Consolidated financial results % of change from the corresponding period of the preceding year

Fiscal years ended	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
<b>31 March 2007</b>	<b>48,729</b>	<b>(1.3)</b>	<b>1,985</b>	<b>(34.6)</b>	<b>1,871</b>	<b>(27.3)</b>	<b>461</b>	<b>(80.7)</b>
31 March 2006	49,376	1.9	3,034	(12.0)	2,575	1.4	2,384	--

Fiscal years ended	Net income per share - basic	Net income per share - diluted	Ratio of shareholders equity to net income	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	yen	yen	%	%	%
<b>31 March 2007</b>	<b>2.37</b>	<b>2.36</b>	<b>2.2</b>	<b>3.1</b>	<b>4.1</b>
31 March 2006	14.15	13.86	15.3	4.3	6.1

(Reference) Minority interest in net loss of subsidiary:

4 million yen at the end of March 2007, and (29 million yen) at the end of March 2006

#### (2) Consolidated financial position

Fiscal years ended	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	yen
<b>31 March 2007</b>	<b>59,553</b>	<b>22,373</b>	<b>36.4</b>	<b>111.05</b>
31 March 2006	60,106	19,731	32.8	104.68

(Reference)

Equity: 21,674 million yen at the end of March 2007, and 19,731 million yen at the end of March 2006

(3) Consolidated cash flow position

	Operating activities	Investing activities	Financing activities	Cash & cash equivalents at end of year
Fiscal years ended	Million yen	Million yen	Million yen	Million yen
<b>31 March 2007</b>	<b>1,617</b>	<b>(2,110)</b>	<b>(2,417)</b>	<b>3,067</b>
31 March 2006	3,509	3,368	(4,050)	5,947

2. Cash dividends

	Cash dividends per share			Total amount of cash dividends	Payout ratio of cash dividends	Ratio of total amount of cash dividends to net assets
	Interim	Year-end	Annual	(Annual)	(Consolidated)	(Consolidated)
Fiscal years ended	yen	yen	yen	Million yen	%	%
31 March 2006	--	--	--	--	--	--
<b>31 March 2007</b>	--	<b>2.00</b>	<b>2.00</b>	<b>390</b>	<b>84.4</b>	<b>1.9</b>
31 March 2008 (Forecast)	--	2.00	2.00	--	39.1	--

3. Forecast of consolidated results for next fiscal year (1 April 2007 through 31 March 2008)

% of change from the corresponding period of the preceding year

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First half (interim)	24,000	3.7	1,200	25.3	1,000	20.6	400	108.6
Full year	50,000	2.6	2,800	41.0	2,400	28.2	1,000	116.8

	Net income per share - basic
	yen
First half (interim)	2.05
Full year	5.12

#### 4. Others

(1) Changes in significant subsidiaries during this fiscal year ended 31 March 2007 : None  
(Changes in specified subsidiaries resulting in changes in scope of consolidation)

(2) Changes of accounting method such as principles, procedures, presentations relating to preparation for consolidated financial statements  
(Significant basic matters in preparation for consolidated financial statements)

(2)-1. Changes due to amendments in accounting principles : Yes

(2)-2. Any other changes than the aforementioned : Yes

(3) Number of shares issued and outstanding (common stock)

(3)-1. Number of shares issued and outstanding at the end of year (including treasury stock) :

195,214,448 shares at the end of March 2007

188,535,909 shares at the end of March 2006

(3)-2. Number of treasury stock at the end of year :

34,710 shares at the end of March 2007

34,527 shares at the end of March 2006

## (Reference) Overview of non-consolidated results

(Amounts less than one million yen are rounded down.)

## 1. Non-consolidated results for fiscal year (1 April 2006 through 31 March 2007)

## (1) Non-consolidated financial results

% of change from the corresponding period of the preceding year

Fiscal years ended	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
<b>31 March 2007</b>	<b>37,366</b>	<b>(2.2)</b>	<b>1,104</b>	<b>(33.6)</b>	<b>2,057</b>	<b>(10.0)</b>	<b>973</b>	<b>(60.7)</b>
31 March 2006	38,204	(0.4)	1,662	(1.1)	2,285	(1.6)	2,477	--

Fiscal years ended	Net income per share - basic	Net income per share - diluted
	yen	yen
<b>31 March 2007</b>	<b>5.00</b>	<b>4.99</b>
31 March 2006	14.70	14.40

## (2) Non-consolidated financial position

Fiscal years ended	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	yen
<b>31 March 2007</b>	<b>51,446</b>	<b>17,664</b>	<b>34.3</b>	<b>90.51</b>
31 March 2006	52,595	15,702	29.9	83.30

(Reference)

Equity: 17,664 million yen at the end of March 2007, and 15,702 million yen at the end of March 2006

## 2. Forecast of non-consolidated results for next fiscal year (1 April 2007 through 31 March 2008)

% of change from the corresponding period of the preceding year

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First half (interim)	18,500	(2.7)	600	(4.6)	800	(39.1)	300	(61.4)
Full year	38,000	1.7	1,300	17.7	1,700	(17.4)	800	(17.9)

	Net income per share - basic
	yen
First half (interim)	1.54
Full year	4.10

## [ Cautionary statement with respect to forward-looking statements ]

The forward-looking statements including the forecasts for the results stated in this report have been prepared according to the best judgment of our company on the basis of currently available information. Actual performance may be materially different from any forecasts contained in this report due to any number of factors.

# Consolidated Statements of Income

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

Million yen

	Fiscal year 1 April 2005 through 31 Mar 2006	Fiscal year 1 April 2006 through 31 March 2007	Increase (Decrease)
Net sales	49,376	48,729	(647)
Cost of sales	25,063	25,584	521
Gross profit	24,312	23,144	(1,168)
Selling, general and administrative expenses	21,278	21,159	(119)
Operating income	3,034	1,985	(1,048)
<b>Other income</b>	<b>516</b>	<b>553</b>	<b>37</b>
Interest income	32	74	42
Dividend income	24	36	11
Profit from marketable securities	20	--	(20)
Foreign exchange profit	262	264	1
Minority interest in net income of subsidiary	--	4	4
Miscellaneous	176	173	(3)
<b>Other expenses</b>	<b>975</b>	<b>667</b>	<b>(308)</b>
Interest expense	619	435	(184)
Loss from marketable securities	--	38	38
Minority interest in net loss of subsidiary	29	--	(29)
Miscellaneous	325	193	(132)
Ordinary profit	2,575	1,871	(703)
<b>Extraordinary profit</b>	<b>1,269</b>	<b>473</b>	<b>(796)</b>
Gain on sales of investment securities	755	457	(297)
Gain on sales of fixed assets	14	15	1
Proceeds from negotiated settlement	500	--	(500)
<b>Extraordinary loss</b>	<b>612</b>	<b>605</b>	<b>(7)</b>
Loss on sales or depreciation of fixed assets	107	156	48
Organizational restructuring expense	--	133	133
Attorney's fee	--	128	128
Loss on revaluation of inventories	116	95	(21)
Loss on liquidation of associated company	--	54	54
Impairment loss	185	--	(185)
Investigation expense of merger and acquisition	144	--	(144)
Other extraordinary loss	57	37	(19)
Income before income taxes and minority interest	3,232	1,740	(1,492)
Income tax, inhabitant tax and business tax	666	606	(59)
Income tax adjustment	113	637	523
Minority interest	68	34	(33)
Net income	2,384	461	(1,923)

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

Average of exchange rate for the period

Currency	1 April 2005 through 31 Mar 2006	1 April 2006 through 31 March 2007	Increase (Decrease)
1 US\$ =	¥113.31	¥116.97	¥3.66

# Consolidated Balance Sheets

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

	as of 31 March 2006	as of 31 March 2007	Million yen Increase (Decrease)
<b>ASSETS</b>			
<b>Current assets</b>	<b>25,962</b>	<b>23,932</b>	<b>(2,029)</b>
Cash on hand and in banks	6,601	3,885	(2,716)
Accounts and notes receivable	8,875	9,005	130
Marketable securities	1,531	589	(942)
Inventories	7,105	8,737	1,632
Deffered income taxes	1,433	1,298	(134)
Other current assets	629	698	68
Allowance for doubtful accounts	(213)	(282)	(68)
<b>Fixed assets</b>	<b>34,143</b>	<b>35,620</b>	<b>1,477</b>
Tangible fixed assets	23,340	24,628	1,287
Buildings and structures	4,527	4,425	(101)
Machinery and vehicles	1,156	1,145	(10)
Land	16,388	16,813	425
Construction in progress	5	1,047	1,041
Other tangible fixed assets	1,263	1,195	(67)
Intangible fixed assets	587	2,292	1,704
<b>Investments and other assets</b>	<b>10,215</b>	<b>8,700</b>	<b>(1,514)</b>
Investment securities	4,014	2,564	(1,449)
Deffered income taxes	5,083	5,013	(69)
Other investments and assets	1,173	1,180	6
Allowance for doubtful accounts	(57)	(59)	(2)
<b>TOTAL ASSETS</b>	<b>60,106</b>	<b>59,553</b>	<b>(552)</b>

	as of 31 March 2006	as of 31 March 2007	Million yen Increase (Decrease)
<b>LIABILITIES</b>			
<b>Current liabilities</b>	<b>20,856</b>	<b>17,162</b>	<b>(3,693)</b>
Notes and accounts payable	3,803	4,677	873
Short-term borrowings	12,590	8,086	(4,504)
Current portion of short-term bond	1,250	1,250	--
Income taxes payable	399	399	0
Allowance for employees' bonuses	590	609	18
Other current liabilities	2,221	2,140	(81)
<b>Fixed liabilities</b>	<b>18,910</b>	<b>20,017</b>	<b>1,106</b>
Bonds and notes	4,850	2,100	(2,750)
Long-term borrowings	3,467	7,328	3,860
Deferred income taxes for revaluation	5,137	5,137	--
Liability for retirement payments	4,719	4,681	(38)
Other fixed liabilities	736	770	33
<b>TOTAL LIABILITIES</b>	<b>39,767</b>	<b>37,179</b>	<b>(2,587)</b>
<b>MINORITY INTEREST SHARE</b>			
Minority interest share	607	--	--
<b>SHAREHOLDERS EQUITY</b>			
Common stock	10,622	--	--
Capital surplus	3,000	--	--
Retained earnings	1,892	--	--
Difference from revaluation of land	4,355	--	--
Difference from revaluation of other marketable securities	657	--	--
Foreign currency translation adjustments	(792)	--	--
Treasury stock, at cost	(4)	--	--
<b>TOTAL SHAREHOLDERS EQUITY</b>	<b>19,731</b>	<b>--</b>	<b>--</b>
<b>TOTAL OF LIABILITIES, MINORITY INTEREST SHARE AND SHAREHOLDERS EQUITY</b>	<b>60,106</b>	<b>--</b>	<b>--</b>
<b>NET ASSETS</b>			
<b>Shareholders equity</b>	<b>--</b>	<b>17,457</b>	<b>--</b>
Common stock	--	11,372	--
Capital surplus	--	823	--
Retained earnings	--	5,266	--
Treasury stock, at cost	--	(4)	--
<b>Difference from revaluation and translation adjustments</b>	<b>--</b>	<b>4,216</b>	<b>--</b>
Difference from revaluation of other marketable securities	--	146	--
Gain (loss) on deferred hedge	--	(2)	--
Difference from revaluation of land	--	4,369	--
Foreign currency translation adjustments	--	(296)	--
<b>Minority interest share</b>	<b>--</b>	<b>699</b>	<b>--</b>
<b>TOTAL NET ASSETS</b>	<b>--</b>	<b>22,373</b>	<b>--</b>
<b>TOTAL OF LIABILITIES AND NET ASSETS</b>	<b>--</b>	<b>59,553</b>	<b>--</b>

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

## Consolidated Statements of Shareholders Equity

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

Fiscal year ended 31 March 2007 (1 April 2006 through 31 March 2007)

Million yen

	Shareholders Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
Balances at 31 March 2006	10,622	3,000	1,892	(4)	15,510
<b>Increase/Decrease</b>					
Issuance of common stock	749	749			1,499
Net income			461		461
Purchase of treasury stock				(0)	(0)
Sales of treasury stock		0		0	0
Transfer of capital reserve to retained earnings		(2,926)	2,926		--
Transfer of difference from revaluation of land			(13)		(13)
Increase/Decrease of other than shareholders equity (net)					
<b>Total increase/decrease</b>	<b>749</b>	<b>(2,176)</b>	<b>3,374</b>	<b>(0)</b>	<b>1,947</b>
Balances at 31 March 2007	11,372	823	5,266	(4)	17,457

Million yen

	Difference from Revaluation and Translation Adjustments					Minority interest share	Total net assets
	Revaluation of other marketable securities	Gain (loss) on deferred hedge	Revaluation of land	Foreign currency translation adjustments	Total difference		
Balances at 31 March 2006	657	--	4,355	(792)	4,221	607	20,339
<b>Increase/Decrease</b>							
Issuance of common stock							1,499
Net income							461
Purchase of treasury stock							(0)
Sales of treasury stock							0
Transfer of capital reserve to retained earnings							--
Transfer of difference from revaluation of land							(13)
Increase/Decrease of other than shareholders equity (net)	(511)	(2)	13	495	(4)	92	87
<b>Total increase/decrease</b>	<b>(511)</b>	<b>(2)</b>	<b>13</b>	<b>495</b>	<b>(4)</b>	<b>92</b>	<b>2,034</b>
Balances at 31 March 2007	146	(2)	4,369	(296)	4,216	699	22,373

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

# Consolidated Statements of Cash Flows

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

Million yen

	Fiscal year 1 April 2005 through 31 Mar 2006	Fiscal year 1 April 2006 through 31 March 2007
<b>Cash flows from operating activities</b>		
Net income before income taxes and minority interest	3,232	1,740
Depreciations	1,056	1,113
Impairment loss	185	--
Increase/decrease of allowance for doubtful accounts	(30,070)	(283)
Increase/decrease of employees retirement benefits	262	(156)
Interest and dividend income	(57)	(111)
Interest payment	619	435
Proceeds from sales of investment securities	(755)	(457)
Proceeds from negotiated settlement	(500)	--
Organizational restructuring expense	--	133
Attorney's fee	--	128
Loss on liquidation of associated company	--	54
Compensation for damages	--	37
Increase/decrease in accounts receivable	(209)	1,057
Increase/decrease of inventories	685	(1,003)
Increase/decrease of accounts payable	(495)	169
Decrease of allowance against negotiated obligations	30,000	--
Others	220	(23)
Sub total	4,174	2,834
Interest and dividend received	65	108
Interest paid	(600)	(414)
Proceeds from negotiated settlement	500	--
Payment for organizational restructuring	--	131
Payment for attorney's fee	--	(128)
Payment for compensation for damages	--	(25)
Payment for income taxes	(630)	(626)
Net cash generated by operating activities	3,509	1,617
<b>Cash flows from investing activities</b>		
Expenditures for term-deposits	(601)	(1)
Proceeds from term-deposits	33	8
Expenditures for purchase of securities	(1,511)	--
Proceeds from sales of securities	--	1,081
Expenditures for purchase of tangible fixed assets	(866)	(1,907)
Expenditures for purchase of investment securities	(461)	(54)
Proceeds from sales of investment securities	6,834	761
Expenditures for acquisition of subsidiary's shares	--	(1,947)
Others	(59)	(51)
Net cash generated by investing activities	3,368	(2,110)
<b>Cash flows from financing activities</b>		
Net increase/decrease in short-term borrowings	(7,437)	1,963
Proceeds from long-term borrowings	1,073	6,616
Expenditures for repayment of long-term debts	(6,640)	(9,663)
Proceeds from issuance of bonds	9,034	--
Expenditures for redemption of bonds	--	(1,250)
Expenditures for dividends to minority shareholders	(40)	(63)
Others	(40)	(19)
Net cash used for financing activities	(4,050)	(2,417)
Effect of exchange rate changes on cash and cash equivalents	(59)	29
Increase/decrease in cash and cash equivalents	2,768	(2,880)
Cash and cash equivalents at beginning of year	3,179	5,947
Cash and cash equivalents at end of year	5,947	3,067

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

## Consolidated Segment Information

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

### 1. Operating results by segment

Fiscal year ended 31 March 2006 (1 April 2005 through 31 March 2006)

Million yen

	Home use sewing machines	Industrial equipment	24-Hour Clean Bath systems	Other services	Total	Intersegment elimination or corporate	Consolidated
Net sales							
(1) Net sales to external customers	36,786	4,440	3,106	5,043	49,376	--	49,376
(2) Intersegment sales or 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
Assets	27,576	5,002	3,757	8,693	45,029	15,076	60,106
Depreciation	745	167	42	118	1,074	(18)	1,056
Impairment loss	--	--	--	185	185	--	185
Capital expenditure	653	266	42	15	978	(86)	892

Fiscal year ended 31 March 2007 (1 April 2006 through 31 March 2007)

Million yen

	Home use sewing machines	Industrial equipment	24-Hour Clean Bath systems	EDP and other services	Total	Intersegment elimination or corporate	Consolidated
Net sales							
(1) Net sales to external customers	36,448	4,685	2,470	5,125	48,729	--	48,729
(2) Intersegment sales or transfers	51	1,259	45	1,063	2,419	(2,419)	--
Total	36,499	5,944	2,515	6,188	51,148	(2,419)	48,729
Operating expenses	35,056	5,570	2,487	6,070	49,185	(2,441)	46,744
Operating income	1,443	373	28	118	1,963	21	1,985
Assets	31,984	6,581	3,326	7,918	49,810	9,743	59,553
Depreciation	767	220	36	90	1,113	--	1,113
Impairment loss	--	--	--	--	--	--	--
Capital expenditure	1,194	676	106	33	2,011	--	2,011

\* Classification of "Other services" for fiscal year ended 31 March 2006 has been re-named to "EDP and other services" effective this consolidated fiscal year ended 31 March 2007.

#### Notes:

1. Major products in each business segment are as follows:

- |                                |       |   |
|--------------------------------|-------|---|
| (1) Home use sewing machines   | ..... | Home use sewing machines and sewing-related products/accessories  |
| (2) Industrial equipment       | ..... | Industrial robots, electro-press machines, die-cast products and plastic parts                              |
| (3) 24-Hour Clean Bath systems | ..... | 24-Hour Clean Bath and water ionizer  |
| (4) EDP and other services     | ..... | IT software/electronic data processing services, real estate, maintenance services and restaurant operation |

2. Assets included under "Intersegment elimination or corporate" consist of funds, mainly operation funds (cash and marketable securities), long-term investment funds (investment securities) as well as administration-related assets held by Janome Sewing Machine Co., Ltd.

Amount: 15,758 million yen for fiscal year ended 31 March 2006  
10,130 million yen for fiscal year ended 31 March 2007

## 2. Geographic information

Fiscal year ended 31 March 2006 (1 April 2005 through 31 March 2006)

Million yen

	Japan	North America	South/East Asia	Other regions	Total	Intersegment elimination or corporate	Consolidated
Net sales							
(1) Net sales to external customers	32,606	11,663	554	4,551	49,376	--	49,376
(2) Intersegment sales or 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
Assets	55,916	5,068	9,460	2,796	73,242	(13,136)	60,106

Fiscal year ended 31 March 2007 (1 April 2006 through 31 March 2007)

Million yen

	Japan	North America	South/East Asia	Other regions	Total	Intersegment elimination or corporate	Consolidated
Net sales							
(1) Net sales to external customers	32,030	10,236	709	5,752	48,729	--	48,729
(2) Intersegment sales or transfers	11,643	--	19,406	251	31,301	(31,301)	--
Total	43,674	10,236	20,116	6,003	80,030	(31,301)	48,729
Operating expenses	42,439	10,122	19,638	5,812	78,012	(31,268)	46,744
Operating income	1,235	113	477	191	2,018	(32)	1,985
Assets	47,159	5,748	10,155	3,247	66,311	(6,757)	59,553

### 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, Switzerland, Australia, New Zealand, Chile

3. Assets included under "Intersegment elimination or corporate" consist of funds, mainly operation funds (cash and marketable securities), long-term investment funds (investment securities) as well as administration-related assets held by Janome Sewing Machine Co., Ltd.

Amount: 15,758 million yen for fiscal year ended 31 March 2006

10,130 million yen for fiscal year ended 31 March 2007

### 3. Overseas sales by region

Fiscal year ended 31 March 2006 (1 April 2005 through 31 March 2006)

Million yen

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

Fiscal year ended 31 March 2007 (1 April 2006 through 31 March 2007)

Million yen

	North America	Europe	Other regions	Total
Overseas sales	11,007	10,588	6,482	28,079
Consolidated sales				48,729
Ratio of overseas sales to consolidated sales	22.6%	21.7%	13.3%	57.6%

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 East, Africa, Central/South Americas
3. Overseas sales are presented, excluding consolidated sales in domestic Japan.