

**CONSOLIDATED FINANCIAL RESULTS**  
**for the 1st quarter of fiscal year ending 31 March 2008**  
**(1 April 2007 through 30 June 2007)**

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)  
 English translation from the original Japanese language document

26 July 2007

Company name : **JANOME SEWING MACHINE CO., LTD.**  
 Stock exchange on which the shares are listed : Tokyo, Japan (First Section)  
 Securities code : 6445  
 URL : <http://www.janome.co.jp>  
 Representative : Name: Sumikazu Kato  
 Title: President  
 Contact person : Name: Kengo Seki  
 Title: Managing Director in charge of Administration Operations  
 Phone: +81 3 3277 2111

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

**1. Consolidated results (1 April 2007 through 30 June 2007)**

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

1Q ended	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
<b>30 June 2007</b>	<b>11,045</b>	<b>(2.2)</b>	<b>261</b>	<b>(42.7)</b>	<b>350</b>	<b>11.6</b>	<b>131</b>	<b>4.4</b>
30 June 2006	11,297	9.9	456	41.4	314	34.6	125	945.2
Ref. FY ended Mar'07	48,729	--	1,985	--	1,871	--	461	--

1Q ended	Net income per share - basic	Net income per share - diluted
	yen	yen
<b>30 June 2007</b>	<b>0.67</b>	<b>--</b>
30 June 2006	0.65	0.64
Ref. FY ended Mar'07	2.37	2.36

(2) Consolidated financial position

1Q ended	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	yen
<b>30 June 2007</b>	<b>60,766</b>	<b>22,440</b>	<b>35.7</b>	<b>112.20</b>
30 June 2006	59,054	21,759	35.9	111.48
Ref. FY ended Mar'07	59,553	22,373	36.4	111.05

(3) Consolidated cash flow position

1Q ended	Operating activities	Investing activities	Financing activities	Cash & cash equivalents at end of this period
	Million yen	Million yen	Million yen	Million yen
<b>30 June 2007</b>	<b>823</b>	<b>(217)</b>	<b>(293)</b>	<b>3,410</b>
30 June 2006	1,059	(180)	(1,824)	5,009
Ref. FY ended Mar'07	1,617	(2,110)	(2,417)	3,067

**2. Cash dividends**

	Cash dividends per share
(Record Date)	1Q
1Q ended	yen
<b>30 June 2007</b>	<b>--</b>
30 June 2006	--

**[Ref.] 3. Forecast of consolidated results for fiscal year ending 31 March 2008**

(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)	2.07
Full year	5.17

**4. Others**

- (1) Changes in significant subsidiaries during this period : None  
(Changes in specified subsidiaries resulting in changes in scope of consolidation)  
(2) Adoption of simplified accounting methods : Yes  
(3) Change of accounting method since the most recent consolidated fiscal year : None

**(Ref.) Overview of non-consolidated results**

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

1. Non-consolidated results (1 April 2007 through 30 June 2007)

(1) Non-consolidated financial results % 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	%
1Q ended								
<b>30 June 2007</b>	<b>7,955</b>	<b>(9.0)</b>	<b>193</b>	<b>0.2</b>	<b>789</b>	<b>(14.9)</b>	<b>382</b>	<b>(23.8)</b>
30 June 2006	8,740	7.0	193	(3.3)	927	(24.4)	501	(49.2)
Ref. FY ended Mar'07	37,366	--	1,104	--	2,057	--	973	--

	Net income per share - basic	Net income per share - diluted
1Q ended	yen	yen
<b>30 June 2007</b>	<b>1.96</b>	<b>--</b>
30 June 2006	2.59	2.57
Ref. FY ended Mar'07	5.00	4.99

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
1Q ended	Million yen	Million yen	%	yen
<b>30 June 2007</b>	<b>51,442</b>	<b>17,432</b>	<b>33.9</b>	<b>90.17</b>
30 June 2006	51,723	17,549	33.9	89.92
Ref. FY ended Mar'07	51,446	17,664	34.3	90.51

[Ref.] 2. Forecast of non-consolidated results for fiscal year ending 31 March 2008

(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)	1.55
Full year	4.14

[ 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 Balance Sheets

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

(Unit: Million yen, %)

	30 June 2007	30 June 2006	Increase (Decrease)	(Ref.)	
	Million yen	Million yen	Million yen	%	31 March 2007 Million yen
(ASSETS)					
I Current assets					
Cash on hand and in banks	4,333	5,615	(1,281)	(22.8)	3,885
Accounts and notes receivable	8,395	8,303	92	1.1	9,005
Inventories	9,221	7,384	1,837	24.9	8,737
Other current assets	2,819	3,867	(1,048)	(27.1)	2,304
Total current assets	24,770	25,170	(400)	(1.6)	23,932
II Fixed assets					
Tangible fixed assets	24,976	23,210	1,766	7.6	24,628
Intangible fixed assets	2,270	621	1,649	265.5	2,292
Investments and other assets	8,748	10,052	(1,303)	(13.0)	8,700
Total fixed assets	35,996	33,884	2,111	6.2	35,620
<b>TOTAL ASSETS</b>	<b>60,766</b>	<b>59,054</b>	<b>1,711</b>	<b>2.9</b>	<b>59,553</b>
(LIABILITIES)					
I Current liabilities					
Notes and accounts payable	4,278	4,130	147	3.6	4,677
Short-term borrowings	9,089	11,472	(2,383)	(20.8)	8,086
Current portion of short-term bond	1,250	1,250	--	--	1,250
Other current liabilities	4,013	3,645	368	10.1	3,149
Total current liabilities	18,631	20,498	(1,866)	(9.1)	17,162
II Fixed liabilities					
Bonds and notes	1,975	3,225	(1,250)	(38.8)	2,100
Long-term borrowings	7,090	2,904	4,185	144.1	7,328
Other fixed liabilities	10,629	10,667	(37)	(0.4)	10,589
Total fixed liabilities	19,694	16,797	2,897	17.3	20,017
<b>TOTAL LIABILITIES</b>	<b>38,326</b>	<b>37,295</b>	<b>1,030</b>	<b>2.8</b>	<b>37,179</b>
(NET ASSETS)					
I Shareholders equity					
Common stock	11,372	11,372	--	--	11,372
Capital surplus	823	823	0	0.0	823
Retained earnings	5,007	4,944	62	1.3	5,266
Treasury stock, at cost	(324)	(4)	(319)	--	(4)
Total shareholders equity	16,878	17,136	(257)	(1.5)	17,457
II Difference from revaluation and translation adjustments					
Difference from revaluation of other marketable securities	238	499	(260)	(52.2)	146
Gain (loss) on deferred hedge	0	--	0	--	(2)
Difference from revaluation of land	4,369	4,355	13	0.3	4,369
Foreign currency translation adjustments	203	(811)	1,015	--	(296)
Total difference from revaluation and translation adjustments	4,812	4,044	768	19.0	4,216
III Minority interest share	748	578	169	29.3	699
<b>TOTAL NET ASSETS</b>	<b>22,440</b>	<b>21,759</b>	<b>681</b>	<b>3.1</b>	<b>22,373</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>60,766</b>	<b>59,054</b>	<b>1,711</b>	<b>2.9</b>	<b>59,553</b>

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

## Consolidated Statements of Income

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

(Unit: Million yen, %)

	First Quarter ended		Increase (Decrease)	Increase (Ref.)	
	30 June 2007	30 June 2006		31 March 2007	
	Million yen	Million yen	Million yen	%	Million yen
I Net sales	<b>11,045</b>	11,297	(252)	(2.2)	48,729
II Cost of sales	<b>5,859</b>	5,728	131	2.3	25,584
Gross profit	<b>5,185</b>	5,569	(383)	(6.9)	23,144
III Selling, general and administrative expenses	<b>4,924</b>	5,112	(188)	(3.7)	21,159
Operating income	<b>261</b>	456	(194)	(42.7)	1,985
IV Other income	<b>242</b>	108	133	123.4	553
V Other expenses	<b>152</b>	250	(97)	(38.9)	667
Ordinary profit	<b>350</b>	314	36	11.6	1,871
VI Extraordinary profit	<b>1</b>	2	(1)	(61.0)	473
VII Extraordinary loss	<b>10</b>	10	(0)	(6.4)	605
Income before income taxes and minority interest	<b>341</b>	306	35	11.6	1,740
Income taxes	<b>200</b>	177	23	13.0	1,244
Minority interest	<b>10</b>	3	6	192.1	34
Net income	<b>131</b>	125	5	4.4	461

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

## Consolidated Statements of Shareholders Equity

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

First quarter ended 30 June 2007 (1 April 2007 through 30 June 2007) Unit: Million yen

	Shareholders Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
Balances at 31 March 2007	11,372	823	5,266	(4)	17,457
<b>Increase/Decrease</b>					
1. Cash dividends			(390)		(390)
2. Net income			131		131
3. Purchase of treasury stock				(320)	(320)
4. Sales of treasury stock				0	0
5. Increase/Decrease of other than shareholders equity (net)					
<b>Total increase/decrease</b>	--	--	<b>(259)</b>	<b>(319)</b>	<b>(579)</b>
Balances at 30 June 2007	11,372	823	5,007	(324)	16,878

Unit: 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 2007	146	(2)	4,369	(296)	4,216	699	22,373
<b>Increase/Decrease</b>							
1. Cash dividends							(390)
2. Net income							131
3. Purchase of treasury stock							(320)
4. Sales of treasury stock							0
5. Increase/Decrease of other than shareholders equity (net)	92	3	--	500	596	49	645
<b>Total increase/decrease</b>	<b>92</b>	<b>3</b>	<b>--</b>	<b>500</b>	<b>596</b>	<b>49</b>	<b>66</b>
Balances at 30 June 2007	238	0	4,369	203	4,812	748	22,440

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

## Consolidated Statements of Cash Flows

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

(Unit: Million yen)

	First Quarter ended		(Ref.)
	30 June 2007	30 June 2006	31 March 2007
	Million yen	Million yen	Million yen
I Cash flows from operating activities			
Net income before income taxes and minority interest	341	306	1,740
Depreciations	180	272	1,113
Interest and dividend income	(32)	(45)	(111)
Interest payment	106	101	435
Increase/decrease in accounts receivable	1,029	519	1,057
Increase/decrease of inventories	(106)	(275)	(1,003)
Increase/decrease of accounts payable	(684)	371	169
Others	458	77	(567)
Sub total	1,295	1,328	2,834
Interest and dividend received	32	45	108
Interest paid	(106)	(90)	(414)
Payment for income taxes	(397)	(223)	(626)
Others	--	--	(284)
Net cash generated by operating activities	823	1,059	1,617
II Cash flows from investing activities			
Expenditures for purchase of tangible fixed assets	(163)	(141)	(1,907)
Others	(53)	(39)	(203)
Net cash generated by investing activities	(217)	(180)	(2,110)
III Cash flows from financing activities			
Net increase/decrease in short-term borrowings	896	(1,038)	1,963
Proceeds from long-term borrowings	--	--	6,616
Expenditures for repayment of long-term debts	(320)	(578)	(9,663)
Others	(869)	(208)	(1,333)
Net cash used for financing activities	(293)	(1,824)	(2,417)
IV Effect of exchange rate changes on cash and cash equivalents	30	7	29
V Increase/decrease in cash and cash equivalents	343	(938)	(2,880)
VI Cash and cash equivalents at beginning of this period	3,067	5,947	5,947
VII Cash and cash equivalents at end of this period	3,410	5,009	3,067

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

## Consolidated Segment Information

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

### [ Operating results by segment ]

First quarter ended 30 June 2007 (1 April 2007 through 30 June 2007)

(Unit: 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	8,076	1,398	483	1,086	11,045	--	11,045
(2) Intersegment sales or transfers	18	291	9	315	635	(635)	--
Total	8,095	1,690	493	1,401	11,680	(635)	11,045
Operating expenses	7,954	1,589	509	1,371	11,425	(641)	10,783
Operating income (loss)	140	101	(16)	30	255	6	261

First quarter ended 30 June 2006 (1 April 2006 through 30 June 2006)

(Unit: 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	8,170	1,261	617	1,248	11,297	--	11,297
(2) Intersegment sales or transfers	17	256	12	240	526	(526)	--
Total	8,187	1,518	629	1,488	11,823	(526)	11,297
Operating expenses	7,805	1,432	637	1,496	11,371	(530)	10,840
Operating income (loss)	382	85	(7)	(7)	452	4	456

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

(Unit: 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	36,449	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

(Note) 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<br>(Other services) | ..... | IT software/electronic data processing services, real estate, maintenance services and restaurant operation |

[ Geographic information ]

First quarter ended 30 June 2007 (1 April 2007 through 30 June 2007)

(Unit: Million yen)

	Japan	North America	South/East Asia	Other regions	Total	Intersegment elimination or corporate	Consolidated
Net sales							
(1) Net sales to external customers	7,574	1,782	174	1,513	11,045	--	11,045
(2) Intersegment sales or transfers	2,078	--	3,722	13	5,813	(5,813)	--
Total	9,652	1,782	3,897	1,526	16,858	(5,813)	11,045
Operating expenses	9,446	1,840	3,806	1,514	16,608	(5,825)	10,783
Operating income (loss)	205	(57)	90	11	250	11	261

First quarter ended 30 June 2006 (1 April 2006 through 30 June 2006)

(Unit: Million yen)

	Japan	North America	South/East Asia	Other regions	Total	Intersegment elimination or corporate	Consolidated
Net sales							
(1) Net sales to external customers	8,236	1,793	209	1,057	11,297	--	11,297
(2) Intersegment sales or transfers	2,005	--	3,967	--	5,973	(5,973)	--
Total	10,241	1,793	4,177	1,057	17,270	(5,973)	11,297
Operating expenses	10,036	1,813	4,159	1,007	17,017	(6,176)	10,840
Operating income (loss)	205	(19)	17	50	253	203	456

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

(Unit: 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

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

[ Overseas sales by region ]

First quarter ended 30 June 2007 (1 April 2007 through 30 June 2007) (Unit: Million yen)

	North America	Europe	Other regions	Total
I Overseas sales	1,947	2,625	1,685	6,259
II Consolidated sales				11,045
III Ratio of overseas sales to consolidated sales	17.6%	23.8%	15.3%	56.7%

First quarter ended 30 June 2006 (1 April 2006 through 30 June 2006) (Unit: Million yen)

	North America	Europe	Other regions	Total
I Overseas sales	1,979	2,424	1,563	5,968
II Consolidated sales				11,297
III Ratio of overseas sales to consolidated sales	17.5%	21.5%	13.8%	52.8%

(Ref.) Fiscal year ended 31 March 2007 (1 April 2006 through 31 March 2007) (Unit: Million yen)

	North America	Europe	Other regions	Total
I Overseas sales	11,007	10,588	6,482	28,079
II Consolidated sales				48,729
III 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, Switzerland
  - (3) Other regions           ..... South/East Asia, Oceania, Middle East, Africa, Central/South Americas
3. Overseas sales are presented, excluding consolidated sales in domestic Japan.

## [ Summary ]

### 1. Consolidated financial results

For the first quarter period, severe business conditions continued due to high prices of raw materials and fierce price wars in the lower-end market of the sewing machine industry, as well as a changing of the business environment with regard to door-to-door sales activities in the Japanese sewing machine market.

In these circumstances, we established Global Production Operations for the purposes of managing and controlling overall material procurements and production procedures of Janome Group, so as to minimize impact to production costs throughout the entire Group. Also in Japan, Janome Group proceeded with the re-organization of sales operation systems, and made efforts to reduce expenditures and improve other income/loss.

Reflecting these results, the Janome Group posted net sales of 11.045 billion yen (down 2.2% compared to the corresponding period of the previous fiscal year), operating income 261 million yen (down 42.7% compared to the corresponding period of the previous fiscal year). Ordinary income rose 350 million yen (up 11.6% compared to the corresponding period of the previous fiscal year), and net income for this period reached 131 million yen (up 4.4% compared to the corresponding period of the previous fiscal year).

### 2. Consolidated financial position

Total assets as of 30 June, 2007 were 60.766 billion yen, up 1.711 billion from the end of June 2006.

The current assets decreased to 24.77 billion yen (down 400 million yen from a year earlier). The fixed assets increased to 35.996 billion yen (up 2.111 billion yen from a year earlier).

The current liabilities decreased to 18.631 billion yen (down 1.866 billion yen from a year earlier). The fixed liabilities increased to 19.694 billion yen (up 2.897 billion yen from a year earlier).

Main factors of the increase/decrease in assets are attributable to the increased number of newly consolidated subsidiaries, including Elna International Corporation that Janome acquired during the fiscal year period ended 31 March, 2007, as well as an increase in tangible fixed assets generated by investment activities. As announced on 8 June, 2007, Janome acquired its own shares of common stock, 1,851,000 shares (purchase price of 319 million yen).

### 3. Forecast of results for fiscal year ending 31 March, 2008

The financial results for the first quarter were generally in line with the budget and there is no revision to the earnings forecast, both consolidated and non-consolidated, which we announced with the financial results for the fiscal year ended 31 March, 2007, on 17 May, 2007.

#### 4. Others

(1) Changes in significant subsidiaries during this period (changes in specified subsidiaries resulting in changes in scope of consolidation): None.

(2) Adoption of simplified accounting method: Income tax expenses are calculated by applying the estimated annual effective tax rate method.

(3) Change of accounting method since the most recent consolidated fiscal year: None.