

**CONSOLIDATED FINANCIAL RESULTS**  
**for the 1st quarter of fiscal year ending 31 March 2009**  
**(1 April 2008 through 30 June 2008)**

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

29 July 2008

Company name : **JANOME SEWING MACHINE CO., LTD.**  
 Stock exchange on which the shares are listed : Tokyo, Japan  
 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

Filing date of financial statements for the first quarter period : 13 August 2008

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

**1. Consolidated results (1 April 2008 through 30 June 2008)**

(1) Consolidated financial results

Percent indication shows percentage 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 2008</b>	<b>10,905</b>	--	<b>68</b>	--	<b>80</b>	--	<b>(99)</b>	--
30 June 2007	11,045	(2.2)	261	(42.7)	350	11.6	131	4.4

	Net income per share - basic	Net income per share - diluted
1Q ended	yen	yen
<b>30 June 2008</b>	<b>(0.51)</b>	--
30 June 2007	0.67	--

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
1Q ended	Million yen	Million yen	%	yen
<b>30 June 2008</b>	<b>59,506</b>	<b>19,459</b>	<b>31.7</b>	<b>97.64</b>
FYE 31 March 2008	58,299	19,281	32.1	96.79

Ref. Equity 18,876 million yen at the end of June 2008, and 18,711 million yen at the end of March 2008

**2. Cash dividends**

(Record Date)	Cash dividends per share				
	1Q	2Q	3Q	Year-end	Annual
Fiscal year ending	yen	yen	yen	yen	yen
31 March 2008	--	0.00	--	0.00	0.00
<b>31 March 2009</b>	--				
31 March 2009 (Forecast)		0.00	--	--	--

Note:

Changes in dividend forecast for fiscal year ending 31 March 2009 as of 30 June 2008: None.  
 Year-end dividend for fiscal year ending 31 March 2009 is not yet decided.

### 3. Forecast of consolidated results for fiscal year ending 31 March 2009

(1 April 2008 through 31 March 2009)

Percent indication shows percentage 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 (1 April 2008 through 30 September 2008)	23,000	--	600	--	400	--	100	--
Full year (1 April 2008 through 31 March 2009)	48,000	1.2	1,900	44.8	1,400	332.1	400	--

	Net Income per share - basic
	yen
First half (1 April 2008 through 30 September 2008)	0.52
Full year (1 April 2008 through 31 March 2009)	2.07

Note: Changes in forecast of consolidated results as of 30 June 2008: None

### 4. Others

- (1) Changes in significant subsidiaries during this period (changes in specified subsidiaries resulting in changes in scope of consolidation): None  
Number of newly consolidated subsidiary: 0 Number of company excluded from the scope of consolidation: 0
- (2) Adoption of simplified accounting methods as well as specifically applied accounting methods for quarterly consolidated financial statements: Yes
- (3) Changes of accounting method such as principles, procedures and presentations, relating for preparation for quarterly consolidated financial statements (significant basic matters in preparation for quarterly consolidated financial statements)
  - ① Changes due to amendments in accounting principles: Yes
  - ② Any changes other than the aforementioned: None
- (4) Number of shares issued and outstanding (common stock)
  - ① Number of shares issued and outstanding at the end of fiscal year (including treasury stock)
    - 195,214,448 shares at the end of June 2008
    - 195,214,448 shares at the end of March 2008
  - ② Number of treasury stock at the end of fiscal year
    - 1,889,150 shares at the end of June 2008
    - 1,889,068 shares at the end of March 2008
  - ③ Average number of shares during this period (1 April 2008 through 30 June 2008)
    - 193,325,218 shares at the end of June 2008
    - 194,717,050 shares at the end of June 2007

**Explanation regarding the appropriate use of forecast of results and other notes:**

1. The forecast announced on 19 May 2008 for the consolidated results for the fiscal year ending 31 March 2009 has not been revised. The above-mentioned forecasts have been prepared according to the best judgment of the Company on the basis of currently available information. Actual performance may be materially different from any forecasts contained in this report due to various factors.

2. Effective 1 April 2008, the Company adopted the Accounting Standard for Quarterly Financial Statements (ASBJ Statement No. 12) and its Implementation Guidance on Accounting Standards for Quarterly Financial Statements (ASBJ Guidance No. 14). In addition, the Company prepares its quarterly consolidated financial statements in accordance with the specific rules governing the reporting of quarterly financial results in Japan.

3. As of the release of this report, year-end dividend distribution remains undecided. The Company will comprehensively take into consideration such factors as the business results of each fiscal term, the payout ratio of dividends, and internal reserve before deciding. It will be released once it becomes possible to reasonably estimate the dividend amount.

# Consolidated Balance Sheets

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

Million yen

	Current First Quarter as of 30 June 2008	Previous Fiscal Year as of 31 March 2008 (condensed)
<b>ASSETS</b>		
Current assets		
Cash and deposits	5,117	5,030
Accounts and notes receivable	7,826	7,773
Marketable securities	295	370
Merchandise and products	5,915	5,413
Semi-finished products	635	578
Raw materials and work in process	2,222	1,983
Other current assets	1,895	1,847
Allowance for doubtful accounts	(137)	(127)
Total current assets	<u>23,771</u>	<u>22,870</u>
Fixed assets		
Tangible fixed assets		
Buildings and structures	6,249	6,066
Land	16,608	16,673
Other tangible fixed assets	3,384	3,116
Total tangible fixed assets	<u>26,242</u>	<u>25,856</u>
Intangible fixed assets	2,168	2,208
Investments and other assets	7,324	7,363
Total fixed assets	<u>35,734</u>	<u>35,428</u>
<b>TOTAL ASSETS</b>	<u>59,506</u>	<u>58,299</u>
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable	4,547	4,462
Short-term borrowings	9,741	8,658
Income taxes payable	153	264
Allowance for employees bonuses	291	565
Other current liabilities	4,037	3,664
Total current liabilities	<u>18,771</u>	<u>17,615</u>
Fixed liabilities		
Bonds	800	800
Long-term borrowings	10,255	10,252
Liability for employees retirement payments	4,149	4,198
Other fixed liabilities	6,070	6,152
Total fixed liabilities	<u>21,275</u>	<u>21,402</u>
<b>TOTAL LIABILITIES</b>	<u>40,046</u>	<u>39,018</u>

Million yen

	Current First Quarter as of 30 June 2008	Previous Fiscal Year as of 31 March 2008 (condensed)
<b>NET ASSETS</b>		
Shareholders equity		
Common stock	11,372	11,372
Capital surplus	823	823
Retained earnings	3,558	3,704
Treasury stock, at cost	(325)	(325)
Total shareholders equity	15,429	15,575
Difference from revaluation and translation adjustments		
Revaluation of other marketable securities	(52)	(78)
Gain (loss) on deferred hedge	(5)	(5)
Difference from revaluation of land	4,321	4,334
Foreign currency translation adjustments	(817)	(1,114)
Total difference from revaluation and translation adjustments	3,446	3,135
Minority interest share	582	570
<b>TOTAL NET ASSETS</b>	<b>19,459</b>	<b>19,281</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>59,506</b>	<b>58,299</b>

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

# Consolidated Statement of Income

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

	Million yen
	Current First Quarter 1 April 2008 through 30 June 2008
Net sales	10,905
Cost of sales	6,062
Gross profit	4,843
Selling, general and administrative expenses	4,775
Operating income	68
Non-operating income	
Interest income	7
Dividend income	17
Foreign exchange profit	179
Miscellaneous income	34
Total non-operating income	239
Non-operating expenses	
Interest expenses	127
Miscellaneous expenses	99
Total non-operating expenses	226
Ordinary income	80
Extraordinary profit	
Gain on sales of fixed assets	1
Total extraordinary profit	1
Extraordinary losses	
Impairment losses	24
Loss on disposal and sales of fixed assets	19
Total extraordinary losses	43
Income before income taxes and minority interests	37
Income tax, resident tax and business tax	54
Income tax adjustment	58
Total taxes	113
Minority interests	23
Net income (loss)	(99)

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

## Consolidated Statement of Cash Flows

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

	Million yen
	Current First Quarter 1 April 2008 through 30 June 2008
<b>Cash flows from operating activities</b>	
Net income before income taxes and minority interests	37
Depreciation	286
Impairment losses	24
Goodwill amortization	48
Increase/(decrease) of allowance for doubtful accounts	2
Increase/(decrease) of employees retirement benefits	(48)
Interest and dividend income	(24)
Interest expenses	127
(Increase)/decrease in accounts receivable	345
(Increase)/decrease of inventories	(470)
Increase/(decrease) of accounts payable	(178)
Others	138
Sub total	<u>288</u>
Interest and dividend received	27
Interest paid	(47)
Income taxes paid	(152)
Net cash generated by operating activities	<u>116</u>
<b>Cash flows from investing activities</b>	
Inflow from repayment of term-deposits	7
Proceeds from sales and redemption of investment securities	75
Expenditures for purchase of tangible fixed assets	(781)
Others	(17)
Net cash generated by investing activities	<u>(716)</u>
<b>Cash flows from financing activities</b>	
Net increase/(decrease) in short-term borrowings	1,152
Outflow to repayment of long-term debts	(219)
Expenditures for redemption of bonds	(125)
Others	(8)
Net cash used for financing activities	<u>798</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(105)</u>
Increase/(decrease) in cash and cash equivalents	<u>93</u>
Cash and cash equivalents at beginning of this period	<u>4,361</u>
Cash and cash equivalents at end of this period	<u>4,455</u>

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

Effective 1 April 2008, the Company adopted the Accounting Standard for Quarterly Financial Statements (ASBJ Statement No. 12) and its Implementation Guidance on Accounting Standards for Quarterly Financial Statements (ASBJ Guidance No. 14). In addition, the Company prepares its quarterly consolidated financial statements in accordance with the specific rules governing the reporting of quarterly financial results in Japan.

## Notes regarding going concern assumptions

None.

## Consolidated Segment Information

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

### [Operational results by segment]

Current first quarter (1 April 2008 through 30 June 2008)

Million yen

	Home use sewing machines	Industrial equipment	EDP and other services	24-Hour Clean Bath systems	Total	Elimination / Corporate	Consolidated
Net sales							
(1) Net sales to external customers	8,162	1,291	1,026	425	10,905	--	10,905
(2) Intersegment sales or transfers	11	261	272	10	555	(555)	--
Total	8,173	1,552	1,298	435	11,460	(555)	10,905
Operating expenses	8,149	1,506	1,327	413	11,396	(559)	10,837
Operating income (loss)	24	46	(28)	22	64	4	68

Notes:

1. Business segments presented are classified by product category.

2. 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 and die-cast products/plastic parts
- ③ EDP and other services                       ..... IT software/electronic data processing services, real estate, maintenance services and restaurant operations
- ④ 24-Hour Clean Bath systems               ..... 24-Hour Clean Bath and water ionizers

### [Geographic information]

Current first quarter (1 April 2008 through 30 June 2008)

Million yen

	Japan	North America	South East Asia	Other Regions	Total	Elimination / Corporate	Consolidated
Net sales							
(1) Net sales to external customers	7,555	1,575	199	1,575	10,905	--	10,905
(2) Intersegment sales or transfers	2,166	--	4,123	8	6,299	(6,299)	--
Total	9,722	1,575	4,322	1,584	17,204	(6,299)	10,905
Operating expenses	9,731	1,595	4,360	1,540	17,227	(6,390)	10,837
Operating income (loss)	(9)	(19)	(37)	43	(22)	90	68

Notes:

1. Countries or regional analyses presented are based on geographic proximity.

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]**

Current first quarter (1 April 2008 through 30 June 2008)

Million yen

	North America	Europe	Other Regions	Total
I Overseas sales	1,737	2,579	2,180	6,497
II Consolidated sales				10,905
III Ratio of overseas sales to consolidated sales	15.9%	23.7%	20.0%	59.6%

Notes:

1. Countries or regional analyses presented are based on geographic proximity.
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 America
3. Overseas sales include sales by the Company and its subsidiaries in countries and regions outside Japan.

**Notes regarding significant changes in the amount of shareholders equity**

None.

[Reference]

(Condensed) Consolidated Statement of Income

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

	First Quarter ended 30 June 2007
	Million yen
Net sales	11,045
Cost of sales	5,859
Gross profit	5,185
Selling, general and administrative expenses	4,924
Operating income	261
Non-operating income	242
Non-operating expense	152
Ordinary income	350
Extraordinary profit	1
Extraordinary loss	10
Income before income taxes and minority interests	341
Income taxes	200
Minority interests	10
Net income	131

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

[Reference]

## (Condensed) Consolidated Statement of Cash Flows

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

	First Quarter ended 30 June 2007
	Million yen
I Cash flows from operating activities	
Net income before income taxes and minority interests	341
Depreciation	180
Interest and dividend income	(32)
Interest expenses	106
(Increase)/decrease in accounts receivable	1,029
(Increase)/decrease of inventories	(106)
Increase/(decrease) of accounts payable	(684)
Others	458
Sub total	1,295
Interest and dividend received	32
Interest paid	(106)
Income taxes paid	(397)
Net cash generated by operating activities	823
II Cash flows from investing activities	
Expenditures for purchase of tangible fixed assets	(163)
Others	(53)
Net cash generated by investing activities	(217)
III Cash flows from financing activities	
Net increase/(decrease) in short-term borrowings	896
Outflow to repayment of long-term debts	(320)
Others	(869)
Net cash used for financing activities	(293)
IV Effect of exchange rate changes on cash and cash equivalents	30
V Increase/(decrease) in cash and cash equivalents	343
VI Cash and cash equivalents at beginning of this period	3,067
VII Cash and cash equivalents at end of this period	3,410

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

[Reference]

## Consolidated Segment Information

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

### [Operational results by segment]

First quarter (1 April 2007 through 30 June 2007)

Million yen

	Home use sewing machines	Industrial equipment	EDP and other services	24-Hour Clean Bath systems	Total	Elimination / Corporate	Consolidated
Net sales							
(1) Net sales to external customers	8,076	1,398	1,086	483	11,045	--	11,045
(2) Intersegment sales or transfers	18	291	315	9	635	(635)	--
Total	8,095	1,690	1,401	493	11,680	(635)	11,045
Operating expenses	7,954	1,589	1,371	509	11,425	(641)	10,783
Operating income (loss)	140	101	30	(16)	255	6	261

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 and die-cast products/  
plastic parts
- ③ EDP and other services                       ..... IT software/electronic data processing services, real estate,  
maintenance services and restaurant operations
- ④ 24-Hour Clean Bath systems               ..... 24-Hour Clean Bath and water ionizers

### [Geographic information]

First quarter (1 April 2007 through 30 June 2007)

Million yen

	Japan	North America	South East Asia	Other Regions	Total	Elimination / 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

Notes:

1. Countries or regional analyses presented are based on geographic proximity.

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 (1 April 2007 through 30 June 2007)

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%

## Notes:

1. Countries or regional analyses presented are based on geographic proximity.
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 America
3. Overseas sales include sales by the Company and its subsidiaries in countries and regions outside Japan.