[Qualitative Information]

1. Consolidated financial results

For the period covering the first three months, future uncertainty continued in the world economy due to a weaker U.S. dollar against the Japanese yen as well as rises in crude oil and raw material costs.

It was under such circumstances that the Group developed proactive sales expansion activities in home use sewing machines, resulting in sales of 430 thousand units for this period (up 90 thousand units compared to the corresponding period of the previous fiscal year). As for industrial equipment, though the Company fortified technical service and sales infrastructure, severe business conditions continued and a gearing-down in facility investment influenced by a sense of future economic uncertainty was seen.

As a result, Janome Group net sales totaled 10.905 billion yen (down 1.3% compared to the corresponding period of the previous fiscal year), operating income was 68 million yen (down 73.9% compared to the corresponding period of the previous fiscal year), with ordinary income of 80 million yen (down 77.1% compared to the corresponding period of the previous fiscal year) for a net loss of 99 million yen for this period.

2. Consolidated financial position

Total assets as of 30th June 2008 were 59.506 billion yen (up 1.206 billion yen from the previous fiscal year ended 31st March 2008).

Current assets increased to 23.771 billion yen (up 900 million yen from the previous fiscal year ended 31st March 2008) due to an increase in inventory assets incurred by a price climb of component parts in addition to the regular increase in inventory for Christmas season sales. Fixed assets increased to 35.734 billion yen (up 306 million yen from the previous fiscal year ended 31st March 2008) due to an increase in tangible fixed assets including renewal of Janome Die-casting (Thailand) Co., Ltd. and construction of J's Building Iizuka.

Current liabilities increased to 18.771 billion yen (up 1.156 billion yen from the previous fiscal year ended 31st March 2008) due to an increase in short-term borrowings, and fixed liabilities decreased to 21.275 billion yen (down 127 million yen from the previous fiscal year ended 31st March 2008).

[Overview of cash flow position]

Cash and cash equivalents on a consolidated basis as of 30th June 2008 increased by 93 million yen from the previous fiscal year ended 31st March 2008, totaling 4.455 billion yen.

Net cash generated by operating activities was 116 million yen (down 707 million yen from a year earlier). This was mainly due to an increase in inventory assets.

Net cash generated by investing activities was negative 716 million yen (down 498 million yen from a year earlier). This was mainly due to the purchase of tangible fixed assets.

Net cash used for financing activities was 798 million yen (up 1.092 billion yen from a year earlier). This was mainly due to an increase in borrowings.

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

There is no revision to the earnings forecast, both first half (1st April 2008 through 30th September 2008) and full year (1st April 2008 through 31st March 2009) announced by the Company on 19th May 2008 with the financial results for the fiscal year ended 31st March 2008. 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.

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 methods as well as specifically applied accounting methods for quarterly consolidated financial statements

Simplified accounting methods are applied in the calculation of certain income tax expenses, depreciation of fixed assets as well as allowances.

(3) Changes of accounting method such as principles, procedures and presentations, relating for preparation for quarterly consolidated financial statements

① Effective 1st 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.

② Measurement of inventories and the value method
Inventories the Company holds for ordinary sales purposes are primarily valued at cost using the moving-average method. In accordance with the Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9) effective 1st April 2008, the Company has cut the book value on items for which profitability has decreased. This change has only a minor impact on profit and loss for the period.

③ Adoption of accounting standards for lease transactions
In and before the fiscal year ended 31st March 2008, non-ownership transfer finance lease transactions were treated in accordance with accounting methods for ordinary lease transactions. Effective 1st April 2008, the Company adopted the Accounting Standard for Lease Transactions (ASBJ Statement No. 13) and its Implementation Guidance on Accounting Standard for Lease Transactions (ASBJ Guidance No. 16). Accordingly, these lease transactions are now treated in accordance with accounting methods for ordinary sales transactions.

This change has no impact on operating income, ordinary income, as well as net income before taxes and other adjustments for the first quarter period.

* ASBJ: Accounting Standards Board of Japan. (http://www.asb.or.jp/)