

**CONSOLIDATED FINANCIAL RESULTS
for the first half of fiscal year ending 31 March 2009
(1 April through 30 September 2008)**

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

31 October 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 half: 14 November 2008

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

1. Consolidated results (1 April 2008 through 30 September 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	
First half year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
30 September 2008	21,752	--	227	--	166	--	(551)	--
30 September 2007	23,116	(0.1)	417	(56.4)	306	(63.1)	(355)	--

	Net income per share - basic	Net income per share - diluted
First half year ended	yen	yen
30 September 2008	(2.85)	--
30 September 2007	(1.83)	--

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
First half year ended	Million yen	Million yen	%	yen
30 September 2008	58,307	18,088	30.1	90.64
FYE 31 March 2008	58,299	19,281	32.1	96.79

Ref: Equity 17,523 million yen at the end of September 2008, and 18,711 million yen at the end of March 2008

2. Cash dividends

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

Note: Changes in dividend forecast for fiscal year ending 31 March 2009 as of 30 September 2008: None.

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	%
Full year (1 April 2008 through 31 March 2009)	43,500	(8.3)	1,200	(8.5)	900	177.8	100	--

	Net Income per share - basic
	yen
Full year (1 April 2008 through 31 March 2009)	0.52

Note: Changes in forecast of consolidated results as of 30 September 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 subsidiaries: 0 Number of companies 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 to preparation of quarterly consolidated financial statements (significant basic matters regarding preparation of 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 September 2008
 - 195,214,448 shares at the end of March 2008
 - ② Number of treasury stock at the end of fiscal year
 - 1,890,479 shares at the end of September 2008
 - 1,889,068 shares at the end of March 2008
 - ③ Average number of shares during this period (1 April through 30 September 2008)
 - 193,324,908 shares at the end of September 2008
 - 194,121,605 shares at the end of September 2007

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

1. The forward-looking statements including the forecast of the results stated in this report have been prepared according to the information that the Company currently has available, and based on management assumptions considered reasonable by the Company. Actual performance may be materially different from any forecasts 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.

Consolidated Balance Sheets

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

Million yen

	Current First Half as of 30 September 2008	Previous Fiscal Year as of 31 March 2008 (condensed)
ASSETS		
Current assets		
Cash and deposits	4,459	5,030
Accounts and notes receivable	7,468	7,773
Marketable securities	240	370
Merchandise and products	6,247	5,413
Semi-finished products	676	578
Raw materials and work in process	2,173	1,983
Other current assets	1,859	1,847
Allowance for doubtful accounts	(122)	(127)
Total current assets	23,002	22,870
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	6,478	6,066
Land	16,548	16,673
Other tangible fixed assets	3,018	3,116
Total tangible fixed assets	26,046	25,856
Intangible fixed assets		
Goodwill	1,492	1,590
Other intangible fixed assets	610	618
Total intangible fixed assets	2,103	2,208
Investments and other assets	7,154	7,363
Total fixed assets	35,304	35,428
TOTAL ASSETS	58,307	58,299
LIABILITIES		
Current liabilities		
Notes and accounts payable	4,415	4,462
Short-term borrowings	11,626	8,658
Income taxes payable	131	264
Allowance for employees bonuses	656	565
Other current liabilities	3,104	3,664
Total current liabilities	19,934	17,615
Fixed liabilities		
Bonds	800	800
Long-term borrowings	8,785	10,252
Liability for employees retirement payments	4,644	4,198
Other fixed liabilities	6,054	6,152
Total fixed liabilities	20,284	21,402
TOTAL LIABILITIES	40,219	39,018

Million yen

	Current First Half as of 30 September 2008	Previous Fiscal Year as of 31 March 2008 (condensed)
NET ASSETS		
Shareholders equity		
Common stock	11,372	11,372
Capital surplus	823	823
Retained earnings	2,661	3,704
Treasury stock, at cost	(325)	(325)
Total shareholders equity	<u>14,532</u>	<u>15,575</u>
Difference from revaluation and translation adjustments		
Revaluation of other marketable securities	46	(78)
Gain/(loss) on deferred hedge	(3)	(5)
Difference from revaluation of land	4,321	4,334
Foreign currency translation adjustments	(1,374)	(1,114)
Total difference from revaluation and translation adjustments	<u>2,990</u>	<u>3,135</u>
Minority interest share	<u>564</u>	<u>570</u>
TOTAL NET ASSETS	<u>18,088</u>	<u>19,281</u>
TOTAL LIABILITIES AND NET ASSETS	<u>58,307</u>	<u>58,299</u>

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 Half
	1 April 2008
	through
	30 September 2008
Net sales	21,752
Cost of sales	11,959
Gross profit	9,793
Selling, general and administrative expenses	9,566
Operating income	227
Non-operating income	
Interest income	19
Dividend income	19
Foreign exchange profit	171
Miscellaneous income	113
Total non-operating income	323
Non-operating expenses	
Interest expenses	252
Miscellaneous expenses	132
Total non-operating expenses	384
Ordinary income	166
Extraordinary profit	
Gain on sales of fixed assets	1
Total extraordinary profit	1
Extraordinary losses	
Loss on valuation of investment securities	245
Loss on disposal and sales of fixed assets	148
Impairment losses	24
Total extraordinary losses	418
Income/(loss) before income taxes and minority interests	(250)
Income tax, resident tax and business tax	186
Income tax adjustment	83
Total taxes	269
Minority interests	30
Net income/(loss)	(551)

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 Half 1 April 2008 through 30 September 2008
Cash flows from operating activities	
Net income/(loss) before income taxes and minority interests	(250)
Depreciation	585
Impairment losses	24
Goodwill amortization	97
Increase/(decrease) of employees retirement benefits	(146)
Interest and dividend income	(38)
Interest expenses	252
(Profit)/loss on valuation of investment securities	245
(Increase)/decrease in accounts receivable	119
(Increase)/decrease in inventory assets	(1,286)
Increase/(decrease) in accounts payable	97
Others	75
Sub total	<u>(223)</u>
Interest and dividend received	41
Interest paid	(252)
Income taxes paid	(263)
Net cash generated by operating activities	<u>(697)</u>
Cash flows from investing activities	
Expenditures for term-deposits	(26)
Inflow from repayment of term-deposits	7
Proceeds from sales and redemption of investment securities	210
Expenditures for purchase of tangible fixed assets	(1,341)
Others	30
Net cash generated by investing activities	<u>(1,119)</u>
Cash flows from financing activities	
Net increase/(decrease) in short-term borrowings	2,536
Outflow to repayment of long-term debts	(939)
Expenditures for redemption of bonds	(125)
Others	(9)
Net cash used for financing activities	<u>1,462</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(164)</u>
Increase/(decrease) in cash and cash equivalents	<u>(519)</u>
Cash and cash equivalents at beginning of this period	<u>4,361</u>
Cash and cash equivalents at end of this period	<u>3,842</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 half (1 April 2008 through 30 September 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	16,356	2,481	2,056	858	21,752	--	21,752
(2) Intersegment sales or transfers	15	525	548	21	1,110	(1,110)	--
Total	16,371	3,007	2,605	879	22,863	(1,110)	21,752
Operating expenses	16,189	2,876	2,637	941	22,645	(1,119)	21,525
Operating income/(loss)	182	130	(32)	(62)	218	9	227

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 half (1 April 2008 through 30 September 2008)

Million yen

	Japan	North America	South East Asia	Other Regions	Total	Elimination / Corporate	Consolidated
Net sales							
(1) Net sales to external customers	14,830	3,413	375	3,132	21,752	--	21,752
(2) Intersegment sales or transfers	5,523	--	8,756	19	14,300	(14,300)	--
Total	20,354	3,413	9,131	3,152	36,052	(14,300)	21,752
Operating expenses	20,123	3,419	9,265	3,052	35,861	(14,335)	21,525
Operating income/(loss)	230	(5)	(133)	100	191	35	227

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 half (1 April 2008 through 30 September 2008)

Million yen

	North America	Europe	Other Regions	Total
I Overseas sales	3,674	5,196	4,158	13,029
II Consolidated sales				21,752
III Ratio of overseas sales to consolidated sales	16.9%	23.9%	19.1%	59.9%

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
for the interim period ended 30 September 2007

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

	Interim Period
	1 April 2007
	through
	30 September 2007
	Million yen
Net sales	23,116
Cost of sales	12,608
Gross profit	10,507
Selling, general and administrative expenses	10,089
Operating income	417
Non-operating income	239
Non-operating expense	351
Ordinary income	306
Extraordinary profit	91
Extraordinary loss	286
Income before income taxes and minority interests	111
Income taxes	443
Minority interests	23
Net income	(355)

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

[Reference]

(Condensed) Consolidated Statement of Cash Flows
for the interim period ended 30 September 2007

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

	Interim Period 1 April 2007 through 30 September 2007
	Million yen
I Cash flows from operating activities	
Net income before income taxes and minority interests	111
Depreciation	515
Interest and dividend income	(55)
Interest expenses	219
(Increase)/decrease in accounts receivable	(334)
(Increase)/decrease in inventory assets	(524)
Increase/(decrease) in accounts payable	99
Others	76
Sub total	108
Interest and dividend received	56
Interest paid	(222)
Income taxes paid	(413)
Others	(109)
Net cash generated by operating activities	(580)
II Cash flows from investing activities	
Expenditures for purchase of tangible fixed assets	(950)
Others	413
Net cash generated by investing activities	(537)
III Cash flows from financing activities	
Net increase/(decrease) in short-term borrowings	3,244
Outflow to repayment of long-term debts	(837)
Others	(864)
Net cash used for financing activities	1,542
IV Effect of exchange rate changes on cash and cash equivalents	107
V Increase/(decrease) in cash and cash equivalents	532
VI Cash and cash equivalents at beginning of this period	3,067
VII Cash and cash equivalents at end of this period	3,599

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

[Reference]

Consolidated Segment Information

for the interim period ended 30 September 2007

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

[Operational results by segment]

Interim period (1 April 2007 through 30 September 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	17,328	2,700	2,156	930	23,116	--	23,116
(2) Intersegment sales or transfers	29	586	620	19	1,256	(1,256)	--
Total	17,358	3,287	2,776	949	24,372	(1,256)	23,116
Operating expenses	17,166	3,027	2,725	1,007	23,927	(1,228)	22,698
Operating income (loss)	191	260	51	(57)	445	(27)	417

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]

Interim period (1 April 2007 through 30 September 2007)

Million yen

	Japan	North America	South East Asia	Other Regions	Total	Elimination / Corporate	Consolidated
Net sales							
(1) Net sales to external customers	15,337	4,268	360	3,150	23,116	--	23,116
(2) Intersegment sales or transfers	5,987	--	9,323	22	15,333	(15,333)	--
Total	21,324	4,268	9,683	3,172	38,449	(15,333)	23,116
Operating expenses	20,958	4,379	9,419	3,111	37,868	(15,170)	22,698
Operating income (loss)	366	(111)	264	61	580	(163)	417

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]

Interim period (1 April 2007 through 30 September 2007)

Million yen

	North America	Europe	Other Regions	Total
I Overseas sales	4,762	5,288	3,800	13,852
II Consolidated sales				23,116
III Ratio of overseas sales to consolidated sales	20.6%	22.9%	16.4%	59.9%

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.