

CONSOLIDATED FINANCIAL RESULTS for the first nine months of Fiscal 2006

(from 1 April 2005 to 31 December 2005)

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

31 January 2006

Company name : JANOME SEWING MACHINE CO., LTD.
 Securities code : 6445
 (URL <http://www.janome.co.jp>)
 Stock exchange on which the shares are listed : Tokyo, Japan (First Section)
 Representative : Name: Sumikazu Kato
 Title: President
 Contact person : Name: Kengo Seki
 Title: Director, Accounting Department
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1. Basic preparation for quarterly consolidated financial statements

- (1) Change of accounting method since the most recent fiscal year : Yes
 (Partial adoption of simplified accounting methods)
- (2) Change in scope of consolidation and affiliates using the applied equity method from preceding year :
- | | |
|--|---|
| Number of newly consolidated subsidiaries : | 0 |
| Number of companies excluded from the scope of consolidation : | 0 |
| Number of affiliates newly accounted for under equity method : | 0 |
| Number of companies excluded from the subject of equity method : | 0 |

2. First Nine-Month Period of Fiscal 2006 (from 1 April 2005 to 31 December 2005)

(1) Consolidated financial results (Amounts less than one million yen are rounded down.)

| | Net Sales | | Operating Income | | Ordinary Income | |
|--------------------|-------------|-------|------------------|--------|-----------------|--------|
| | Million yen | % | Million yen | % | Million yen | % |
| 1Q - 3Q of FY2006 | 36,845 | (0.2) | 2,317 | (21.2) | 2,104 | (13.1) |
| 1Q - 3Q of FY2005 | 36,935 | 0.0 | 2,942 | (19.2) | 2,421 | (19.7) |
| (Ref. Fiscal 2005) | 48,438 | | 3,447 | | 2,538 | |

| | Net Income | | Net Income per Share - basic | Net Income per Share - diluted |
|--------------------|-------------|--------|------------------------------|--------------------------------|
| | Million yen | % | yen | yen |
| 1Q - 3Q of FY2006 | 1,631 | 36.7 | 9.98 | 9.91 |
| 1Q - 3Q of FY2005 | 1,193 | (28.8) | 7.83 | -- |
| (Ref. Fiscal 2005) | (4,512) | | (29.60) | -- |

Note:

Regarding net sales, operating income, ordinary income and net income, the figures in % show percentage of change from the corresponding period of the preceding year.

[Summary] Consolidated financial results

For the nine-month period, sales performed nearly the same as the same period of last year. Efforts have been focused on reducing operating expenses to offset increases in cost of sales due to a sharp rise in the cost of raw materials such as aluminum and copper plate.

Operating income was 2,317 million yen (down 21.2% compared to the corresponding period of the previous fiscal year) and ordinary income was 2,104 million yen (down 13.1% compared to the corresponding period of the previous fiscal year).

Net earnings increased this period by 440 million yen over last year to 1,631 million yen (up 36.7% compared to the corresponding period of the previous fiscal year), due to gains from the sales of stock holdings.

(2) Consolidated financial position

| | Total Assets | | Shareholders' Equity | | Shareholders' Equity per Share |
|--------------------|--------------|--|----------------------|------|--------------------------------|
| | Million yen | | Million yen | % | yen |
| 1Q - 3Q of FY2006 | 58,924 | | 16,756 | 28.4 | 97.40 |
| 1Q - 3Q of FY2005 | 68,647 | | 16,477 | 24.0 | 108.09 |
| (Ref. Fiscal 2005) | 60,177 | | 11,547 | 19.2 | 75.75 |

[Consolidated cash flow position]

| | Operating Activities | Investing Activities | Financing Activities | Cash & Cash Equivalents, at End of Period |
|--------------------|----------------------|----------------------|----------------------|---|
| | Million yen | Million yen | Million yen | Million yen |
| 1Q - 3Q of FY2006 | 1,094 | 5,943 | (5,204) | 4,992 |
| 1Q - 3Q of FY2005 | 1,071 | (713) | (89) | 4,630 |
| (Ref. Fiscal 2005) | 2,635 | (1,137) | (2,721) | 3,179 |

[Summary] Consolidated financial positions

Total assets as of 31 December 2005 were 58,924 million yen, down 9,722 million yen compared to the corresponding period of the previous fiscal year, mainly due to the doubtful accounts in the amount of 7,003 million yen reported in Fiscal 2005 ended on 31 March 2005. Interest-bearing debts have been reduced 9,743 million yen compared to the corresponding period of the previous fiscal year, as a result of reduction efforts.

Regarding cash flow conditions, net cash generated by operating activities was 1,094 million yen, net cash generated by investing activities, 5,943 million yen (from the stock sales), and net cash used for financing activities, 5,204 million yen. Reflecting these, cash and cash equivalents as of 31 December 2005 totaled 4,992 million yen, up 1,813 million yen from the previous fiscal year ended 31 March 2005 on a consolidated basis.

In December 2005, we issued a second 2,500 million yen convertible bond with year 2010 maturity, and on 5 January 2006, conversion of the entire amount to stock was completed. As of 31 January 2006, capitalization totaled 10,123 million yen.

There were no other changes which significantly affected the financial position.

(Ref. 1) Non-consolidated financial results (from 1 April 2005 to 31 December 2005)

| | Net Sales | | Operating Income | | Ordinary Income | |
|--------------------|-------------|-------|------------------|--------|-----------------|-------|
| | Million yen | % | Million yen | % | Million yen | % |
| 1Q - 3Q of FY2006 | 29,250 | (0.6) | 1,370 | (0.6) | 2,131 | (2.3) |
| 1Q - 3Q of FY2005 | 29,413 | (0.7) | 1,378 | (15.4) | 2,181 | 28.5 |
| (Ref. Fiscal 2005) | 38,368 | | 1,680 | | 2,322 | |

| | Net Income | | Net Income per Share - basic |
|--------------------|-------------|------|------------------------------|
| | Million yen | % | yen |
| 1Q - 3Q of FY2006 | 2,044 | 38.6 | 12.50 |
| 1Q - 3Q of FY2005 | 1,474 | 41.5 | 9.68 |
| (Ref. Fiscal 2005) | (3,915) | | (25.69) |

Note:

Regarding net sales, operating income, ordinary income and net income, the figures in % show percentage of change from the corresponding period of the preceding year.

[Summary] Forecast for remaining Fiscal 2006

The financial results for the first nine months of this fiscal year were generally in line with the budget and there is no revision to the earnings forecast. The forecast for remaining Fiscal 2006 announced with the interim financial results on 4 November 2005 is as follows:

(Ref. 2) Forecast for Fiscal 2006 consolidated business (from 1 April 2005 to 31 March 2006)

| | Net sales | Ordinary income | Net income |
|--------------------------|-----------------------|----------------------|----------------------|
| Full year of Fiscal 2006 | Million yen 50,000 | Million yen 3,500 | Million yen 2,500 |

(Ref.) Net income per share (Annual estimate): 14.53 yen

(Ref. 3) Forecast for Fiscal 2006 non-consolidated business (from 1 April 2005 to 31 March 2006)

| | Net sales | Ordinary income | Net income |
|--------------------------|-----------------------|----------------------|----------------------|
| Full year of Fiscal 2006 | Million yen 40,000 | Million yen 2,500 | Million yen 2,400 |

(Ref.) Net income per share (Annual estimate): 13.95 yen

Attachment

1. (Condensed) Consolidated balance sheet
2. (Condensed) Consolidated statement of income
3. (Condensed) Consolidated statement of surplus
4. (Condensed) Consolidated statement of cash flows

1. Consolidated Balance Sheets

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

As of 31 December 2005 and 2004 (Ref. as of 31 March 2005)

Million yen

| ACCOUNT | 31 December 2005 | 31 December 2004 | Increase (Decrease) | 31 March 2005 |
|---|---------------------|---------------------|------------------------|------------------|
| [ASSETS] | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 5,063 | 4,682 | 381 | 3,303 |
| Accounts and notes receivable | 9,749 | 9,403 | 346 | 8,017 |
| Marketable securities | -- | 1,337 | (1,337) | 1,210 |
| Inventories | 7,931 | 7,031 | 900 | 7,312 |
| Other current assets | 1,609 | 2,077 | (468) | 1,096 |
| Allowance for doubtful accounts | (237) | (187) | (50) | (208) |
| Total current assets | 24,115 | 24,343 | (228) | 20,732 |
| Fixed assets | | | | |
| Tangible fixed assets | | | | |
| Buildings and structures | 4,577 | 4,660 | (83) | 4,631 |
| Land | 16,381 | 16,515 | (134) | 16,524 |
| Other tangible fixed assets | 2,461 | 2,333 | 128 | 2,481 |
| Total tangible fixed assets | 23,420 | 23,509 | (89) | 23,637 |
| Intangible fixed assets | 582 | 622 | (39) | 614 |
| Investments and other assets | | | | |
| Investment securities | 3,716 | 6,280 | (2,563) | 7,391 |
| Allowance against negotiated obligation | 30,000 | 30,000 | -- | 30,000 |
| Deferred tax assets | 5,947 | 5,674 | 273 | 6,599 |
| Other investments and assets | 1,266 | 1,338 | (71) | 1,325 |
| Allowance for doubtful accounts | (30,123) | (23,120) | (7,003) | (30,123) |
| Total investments and other assets | 10,806 | 20,171 | (9,365) | 15,192 |
| Total fixed assets | 34,809 | 44,303 | (9,494) | 39,444 |
| TOTAL ASSETS | 58,924 | 68,647 | (9,722) | 60,177 |
| [LIABILITIES] | | | | |
| Current liabilities | | | | |
| Notes and accounts payable | 3,809 | 3,954 | (144) | 3,864 |
| Short-term borrowings | 13,669 | 23,417 | (9,748) | 14,011 |
| Short-term bond | 1,250 | -- | 1,250 | -- |
| Income taxes payable | 353 | 776 | (423) | 290 |
| Allowance for employees' bonuses | 429 | 426 | 2 | 599 |
| Other current liabilities | 3,060 | 3,013 | 46 | 2,135 |
| Total current liabilities | 22,571 | 31,587 | (9,016) | 20,901 |
| Fixed liabilities | | | | |
| Bonds | 5,850 | 1,000 | 4,850 | 3,000 |
| Long-term borrowings | 3,918 | 10,013 | (6,095) | 15,031 |
| Deferred tax liabilities | 3,862 | 3,933 | (70) | 3,932 |
| Liability for retirement payments | 4,651 | 4,270 | 381 | 4,409 |
| Other fixed liabilities | 748 | 826 | (78) | 816 |
| Total fixed liabilities | 19,030 | 20,044 | (1,013) | 27,190 |
| TOTAL LIABILITIES | 41,602 | 51,632 | (10,029) | 48,092 |
| [MINORITY INTEREST SHARE] | | | | |
| Minority interest share | 565 | 537 | 27 | 537 |
| [SHAREHOLDERS' EQUITY] | | | | |
| Common stock | 8,873 | 7,623 | 1,250 | 7,623 |
| Capital surplus | 1,250 | 0 | 1,250 | 0 |
| Retained earnings | 1,139 | 5,110 | (3,971) | (594) |
| Difference from revaluation of land | 5,630 | 5,733 | (103) | 5,732 |
| Difference from revaluation of investment securities | 662 | (556) | 1,219 | 24 |
| Foreign currency translation adjustments | (795) | (1,430) | 635 | (1,235) |
| Treasury stock, at cost | (3) | (2) | (1) | (2) |
| TOTAL SHAREHOLDERS' EQUITY | 16,756 | 16,477 | 279 | 11,547 |
| TOTAL OF LIABILITIES, MINORITY INTEREST SHARE AND SHAREHOLDERS' EQUITY | 58,924 | 68,647 | (9,722) | 60,177 |

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

2. Consolidated Statements of Income

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

For the periods of 1 April - 31 December 2005 and 2004

Million yen

| ACCOUNT | 1 Apr - 31 Dec 2005 | 1 Apr - 31 Dec 2004 | Increase (Decrease) |
|---|------------------------|------------------------|------------------------|
| Net sales | 36,845 | 36,935 | (89) |
| Cost of sales | 18,534 | 17,795 | 738 |
| Gross profit | 18,311 | 19,139 | (827) |
| Selling, general and administrative expenses | 15,993 | 16,196 | (202) |
| Operating income | 2,317 | 2,942 | (625) |
| Other income | | | |
| Interest income | 23 | 20 | 2 |
| Dividend income | 23 | 12 | 10 |
| Foreign exchange profit | 315 | 39 | 276 |
| Miscellaneous | 165 | 88 | 77 |
| Total other income | 527 | 160 | 366 |
| Other expenses | | | |
| Interest expense | 515 | 565 | (49) |
| Miscellaneous | 224 | 117 | 107 |
| Total other expenses | 739 | 682 | 57 |
| Ordinary profit | 2,104 | 2,421 | (316) |
| Extraordinary profit | | | |
| Gain on sales of investment securities | 713 | -- | 713 |
| Gain on sales of fixed assets | 11 | 103 | (91) |
| Total extraordinary profit | 725 | 103 | 622 |
| Extraordinary loss | | | |
| Impairment loss | 185 | -- | 185 |
| Loss on sales or depreciation of fixed assets | 91 | 36 | 55 |
| Loss on revaluation of inventories | 31 | 41 | (9) |
| Investigation expense of merger and acquisition | 143 | -- | 143 |
| Other extraordinary loss | 17 | 1 | 16 |
| Total extraordinary loss | 469 | 78 | 391 |
| Income before income taxes | 2,360 | 2,445 | (85) |
| Income tax, inhabitant tax and business tax | 673 | 1,175 | (501) |
| Minority interest | 55 | 76 | (21) |
| Net income | 1,631 | 1,193 | 438 |

Average of exchange rate for the period

| Currency | 1 Apr - 31 Dec 2005 | 1 Apr - 31 Dec 2004 | Increase (Decrease) |
|----------|------------------------|------------------------|------------------------|
| 1 US\$ = | ¥112.10 | ¥108.55 | ¥3.55 |

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

3. Consolidated Statements of Surplus

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

For the periods of 1 April - 31 December 2005 and 2004

Million yen

| ACCOUNT | 1 Apr - 31 Dec 2005 | 1 Apr - 31 Dec 2004 | Increase (Decrease) |
|---|------------------------|------------------------|------------------------|
| [CAPITAL SURPLUS] | | | |
| Beginning balance | 0 | 1,694 | (1,694) |
| Increase | | | |
| Conversion of convertible bond to stock | 1,250 | -- | 1,250 |
| Decrease | | | |
| Transfer of capital reserve to retained earnings | -- | 1,694 | (1,694) |
| Ending balance | 1,250 | 0 | 1,250 |
| [RETAINED EARNINGS] | | | |
| Beginning balance | (594) | 2,208 | (2,803) |
| Increase | | | |
| Net income | 1,631 | 1,193 | 438 |
| Transfer from capital reserve | -- | 1,694 | (1,694) |
| Transfer from land revaluation difference | 102 | -- | 102 |
| Gains from newly consolidated subsidiaries | -- | 19 | (19) |
| Total increase | 1,734 | 2,907 | (1,173) |
| Decrease | | | |
| Exclusion from scope of consolidated subsidiaries | -- | 5 | (5) |
| Ending balance | 1,139 | 5,110 | (3,971) |

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

4. Consolidated Statements of Cash Flows

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

For the periods of 1 April - 31 December 2005 and 2004

Million yen

| ACCOUNT | 1 Apr - 31 Dec 2005 | 1 Apr - 31 Dec 2004 |
|---|------------------------|------------------------|
| I. CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before income taxes | 2,360 | 2,445 |
| Depreciations | 791 | 670 |
| Impairment loss | 185 | -- |
| Increase/decrease of allowance for doubtful accounts | 18 | (7) |
| Increase/decrease of employees' retirement benefits | 241 | 115 |
| Interest and dividend income | (46) | (33) |
| Interest payment | 515 | 565 |
| Loss on sales of securities in investment | (1,202) | (1,730) |
| Increase/decrease of inventories | (130) | (157) |
| Increase/decrease of accounts payable | (496) | (179) |
| Others | (314) | (447) |
| Sub total | 1,923 | 1,240 |
| Interest and dividend received | 53 | 36 |
| Interest paid | (484) | (516) |
| Reversal of investment received | -- | 986 |
| Income tax paid | (398) | (675) |
| Net cash generated by operating activities | 1,094 | 1,071 |
| II. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Expenditures for term-deposits | (1) | (80) |
| Income from term-deposits | 32 | 110 |
| Expenditures for purchase of tangible fixed assets | (724) | (883) |
| Expenditures for purchase of securities in investment | (67) | (365) |
| Income from sales of securities in investment | 6,750 | 374 |
| Others | (47) | 132 |
| Net cash generated by investing activities | 5,943 | (713) |
| III. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net increase/decrease of short-term borrowings | (6,563) | (7,498) |
| Long-term borrowings | 1,073 | 7,052 |
| Expenditure for repayment of long-term debt | (6,204) | (555) |
| Proceeds from issuance of bonds | 6,549 | 978 |
| Expenditure for minority stockholders' dividends | (40) | (64) |
| Others | (18) | (1) |
| Net cash used for financing activities | (5,204) | (89) |
| IV. Effect of exchange rate changes on cash and cash equivalents | (20) | (14) |
| V. Increase/decrease in cash and cash equivalents | 1,813 | 253 |
| VI. Cash and cash equivalents, at beginning of period | 3,179 | 4,283 |
| VII. Increase in cash and cash equivalents from new consolidation | -- | 93 |
| VIII. Cash and cash equivalents, at end of period | 4,992 | 4,630 |

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