

Consolidated Financial Results

Fiscal year ended 31 March 2010

JANOME SEWING MACHINE CO., LTD.

18 May, 2010

Cautionary Statement with respect to forward-looking statements

The forecast and expectations stated in this data are made according to the best judgment of the Company based on the information available at the present time. The forward-looking statements include potential risks and uncertainties, therefore it is possible that actual results may differ materially from these expectations due to various factors including economic conditions and future fluctuation of currency exchange rates.

1. Financial summary for fiscal year ended 31 March 2010 (Progress and effects of Profit Improvement Plan)
2. Forecast for fiscal year ending 31 March 2011

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2. Forecast for fiscal year ending 31 March 2011

Financial summary

JANOME

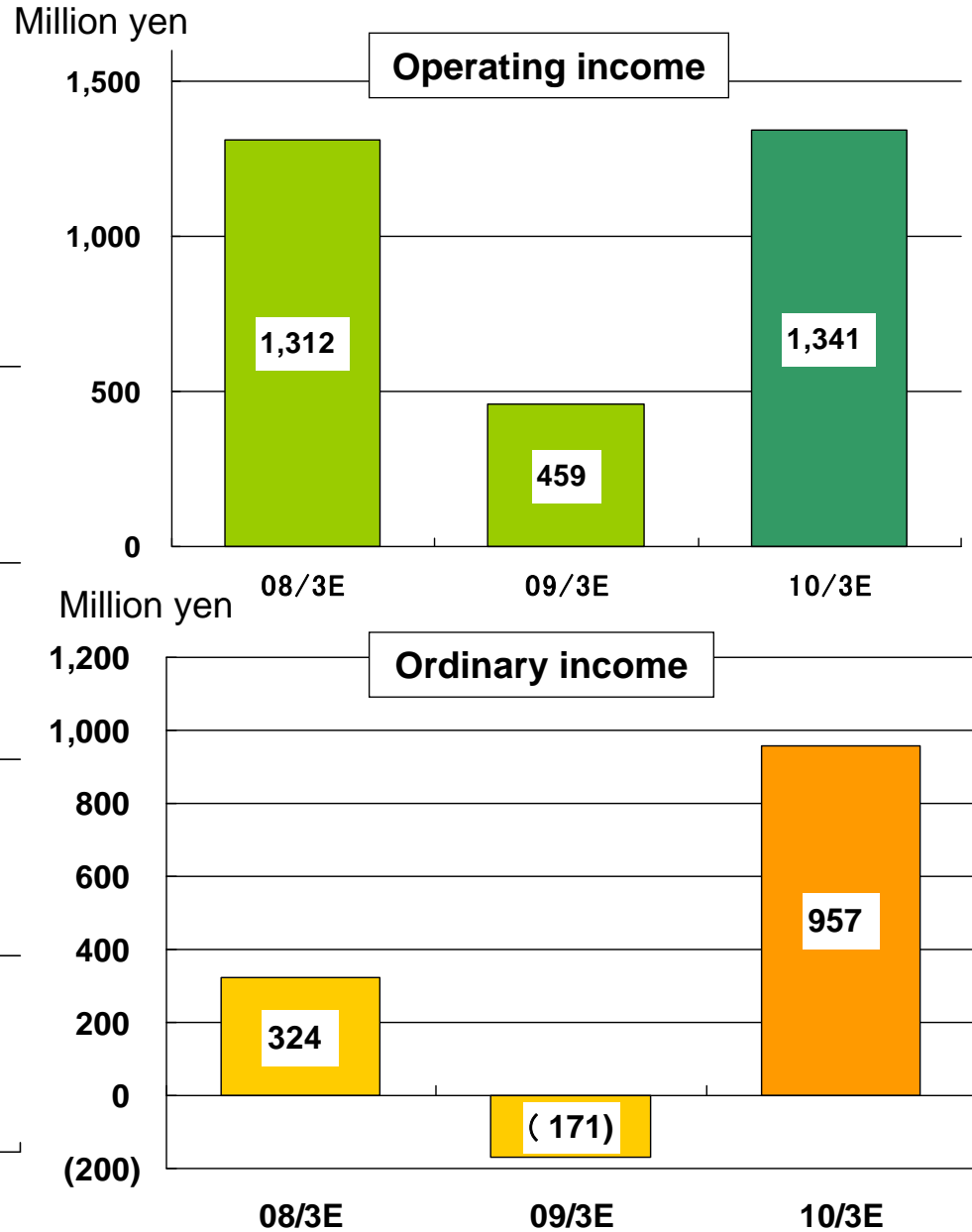
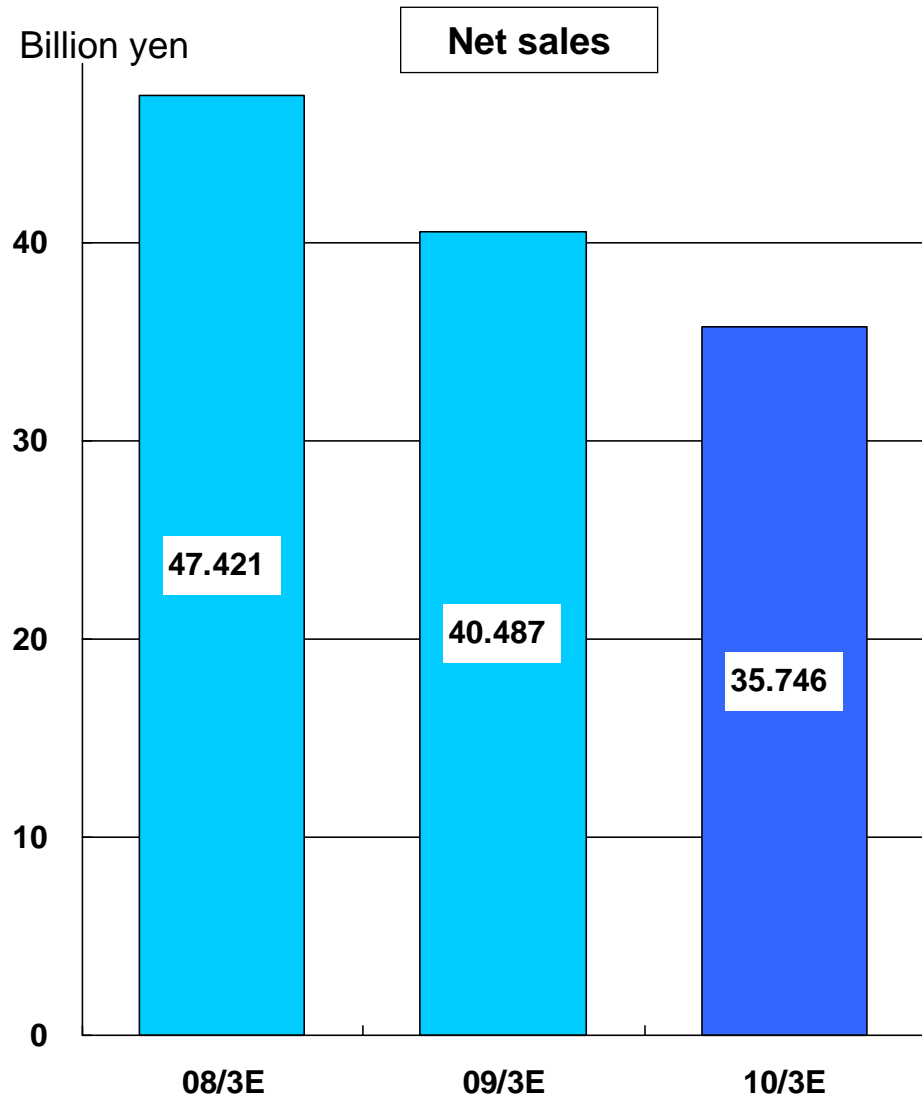
Million yen

	2008/3E	2009/3E	2010/3E	O/(U) (vs. prev. FY)
Net sales	47,421	40,487	35,746	(4,741)
Operating income	1,312 2.8%	459 1.1%	1,341 3.8%	882 2.6%
Ordinary income	324 0.7%	(171) --	957 2.7%	1,129 --
Net income	(1,207)	(5,083)	529	5,613
Ex rate (JPY/USD)	114.28	100.54	92.84	(7.70)

➤ Though net sales decreased, profits improved significantly as the break-even point decreased due to the effects of implementing the Profit Improvement Plan.

➤ Profit at the final stage returned to black for the first time in three years (a significant deficit was posted for the previous year due to a reversal of 3.6 billion yen deferred tax assets to income tax adjustment).

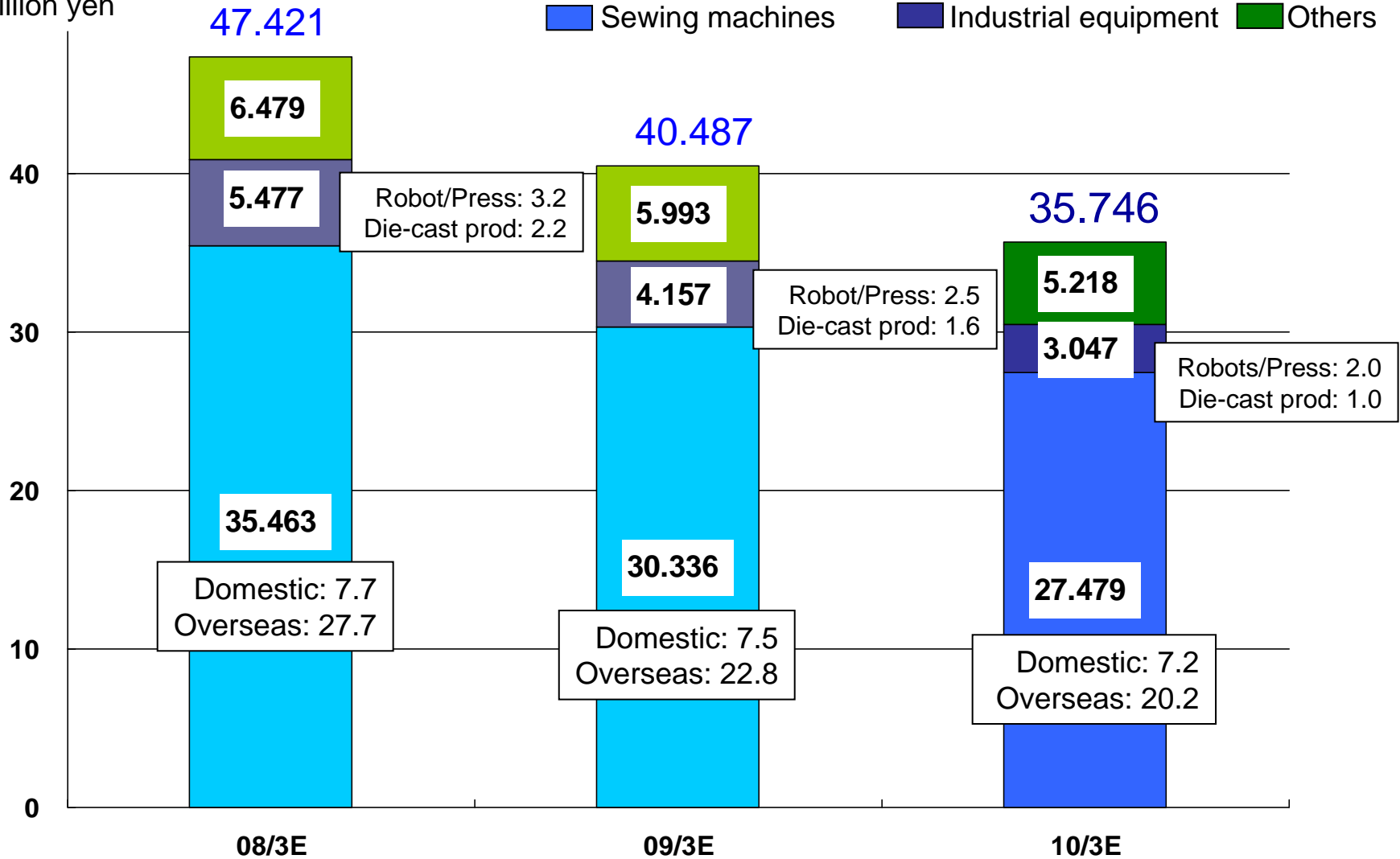
Overview



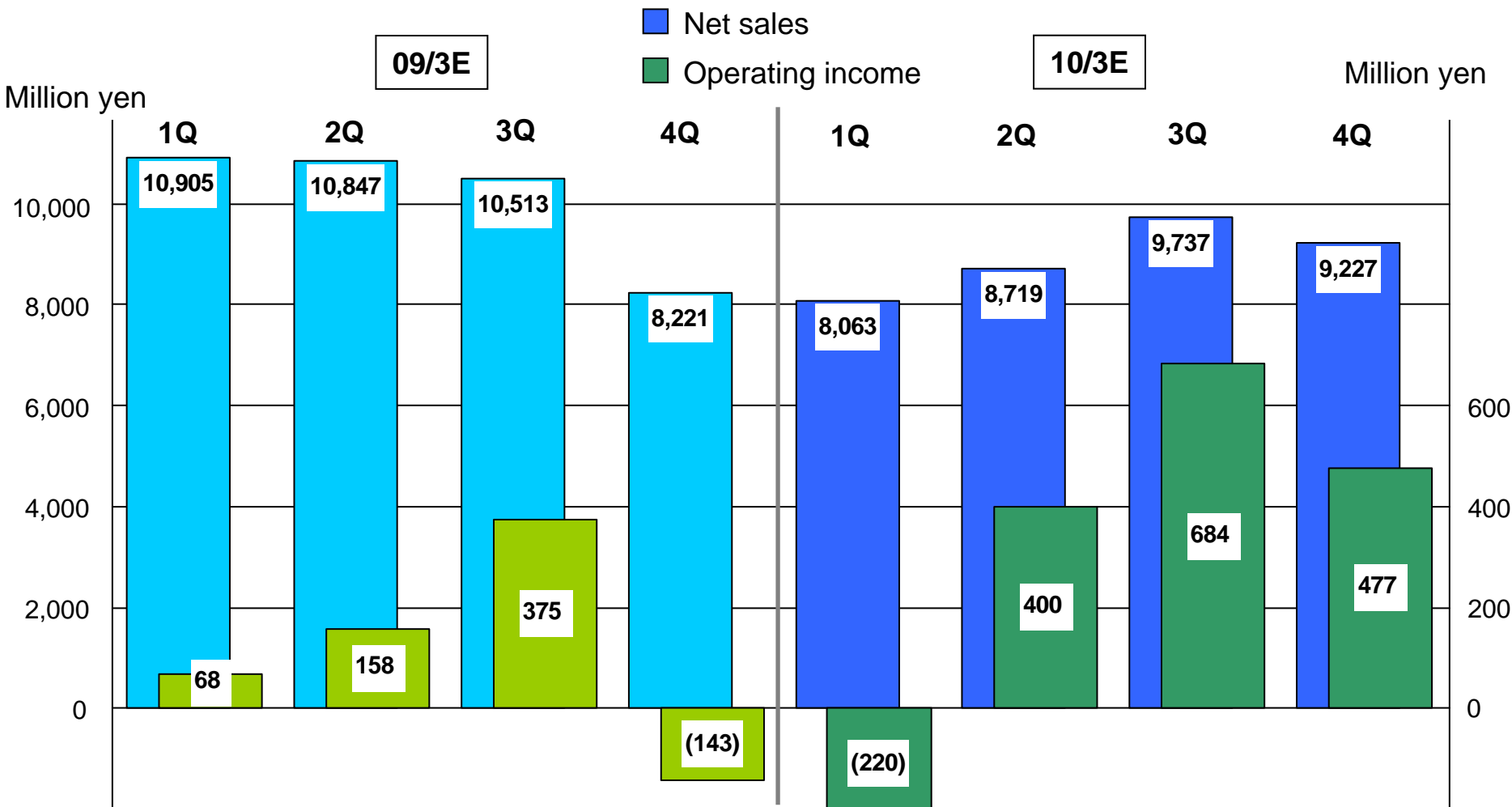
Net sales by business segment

Billion yen

■ Sewing machines
 ■ Industrial equipment
 ■ Others



Quarterly trend in results



After results reached their lowest point in 1Q of 10/3E, they shifted to a basis for recovery from 2Q of 10/3E onward.

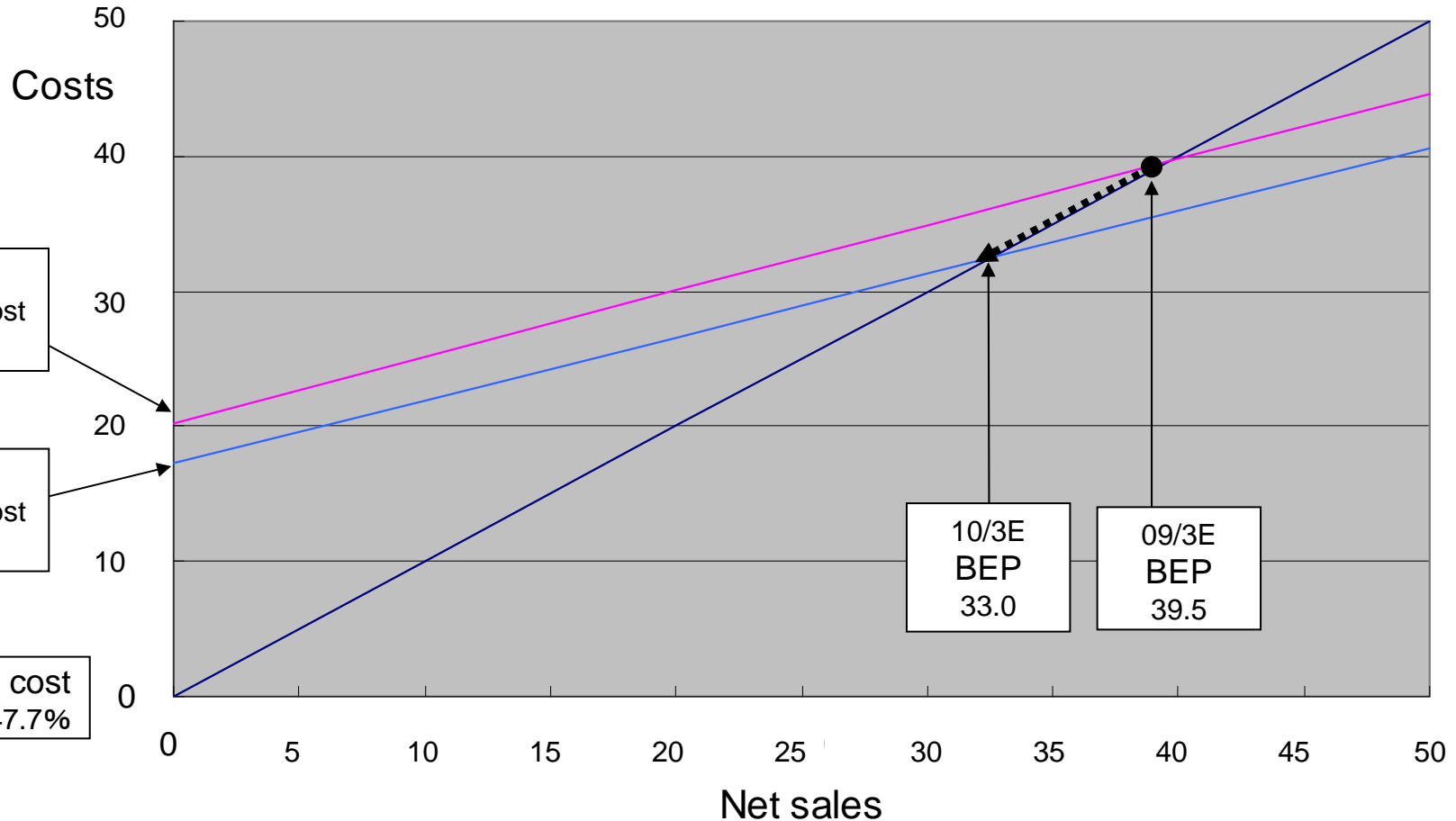
Progress and effects of Profit Improvement Plan

Million yen

<Theme>	<Budget>	<Result>	<Difference> vs. 09/3E
Reduction in procurement/ production costs	510	460	(50)
Reduction in labor costs	430	480	50
Restructuring/integration of associated companies	550	530	(20)
Reduction in miscellaneous costs	420	200	(220)
Reduction in personnel costs	1,140	1,230	90
Total	3,050	2,900	(150)

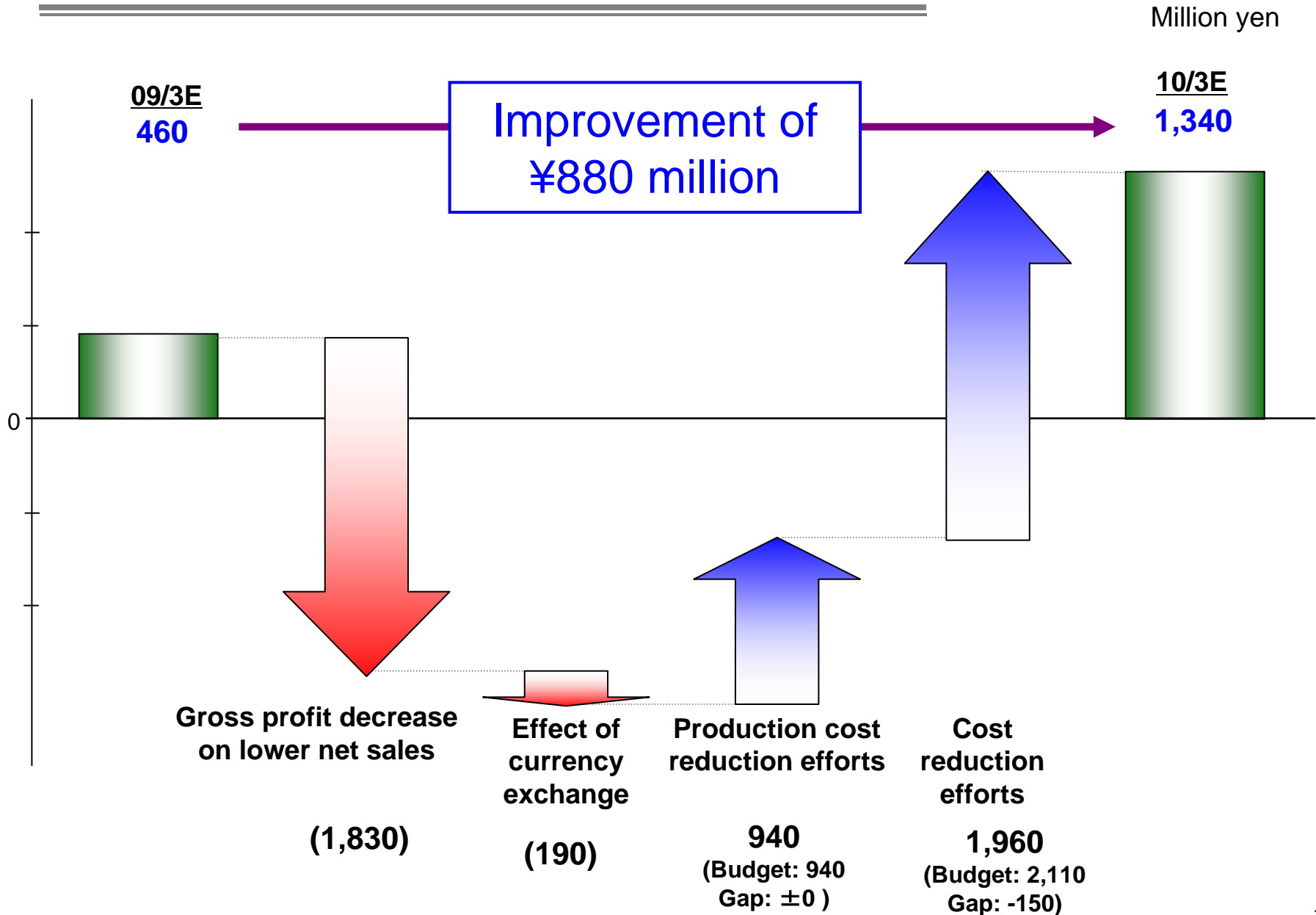
Break-even analysis

Billion yen



Fixed cost decreased by 2.9 billion yen with the variable cost ratio down by 1.2 percentage points resulting in a BEP decrease of 6.5 billion yen.

Factors for increase/decrease in operating income



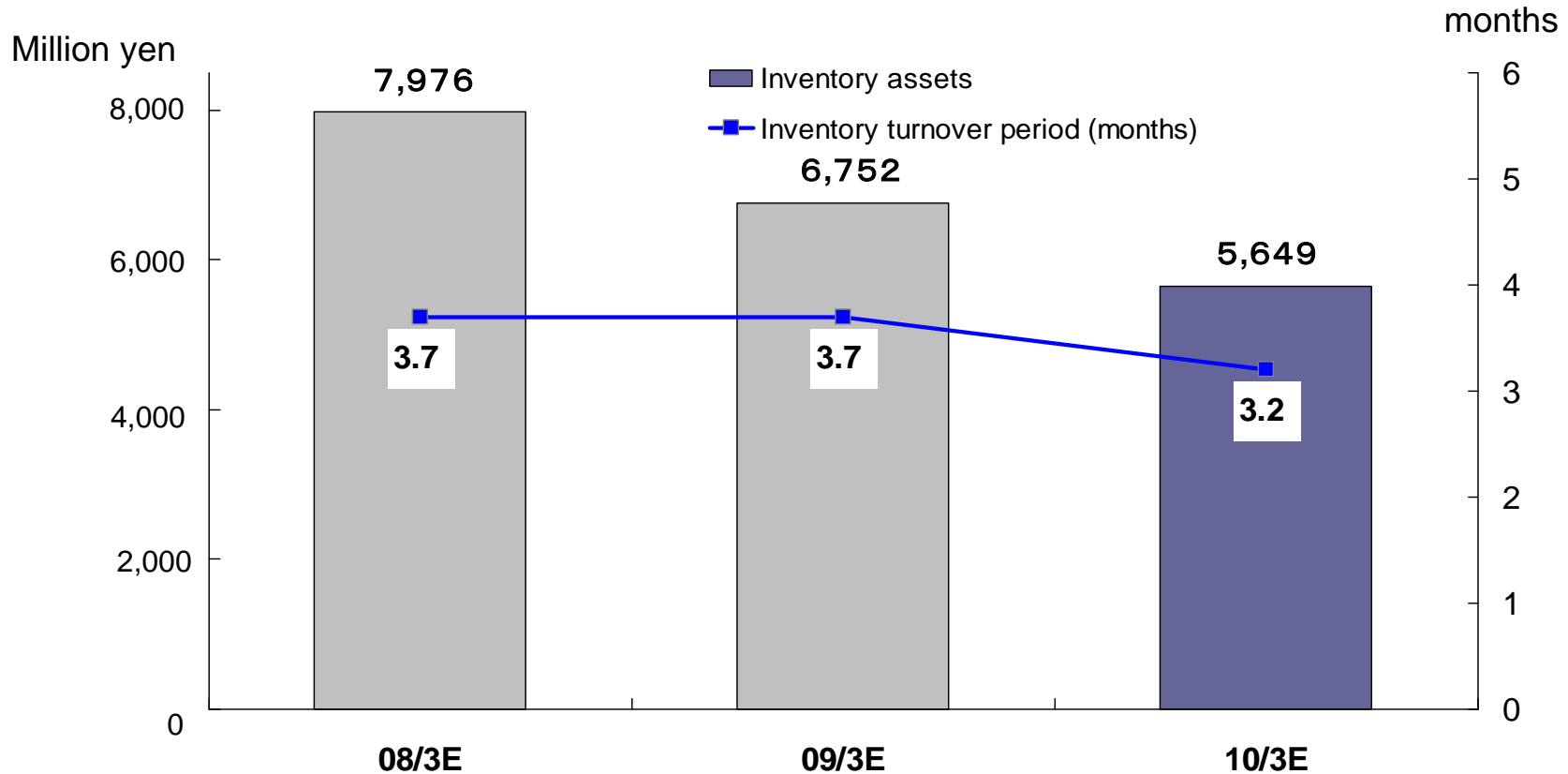
Consolidated balance sheet

Million yen

		09/3E	10/3E	O/(U)	
Assets	Current assets	19,114	20,162	1,048	
	Fixed assets	31,883	30,350	(1,533)	
	Total assets	50,997	50,512	(484)	
Liabilities and net assets	Liabilities	Current liabilities	18,635	20,966	2,330
		Fixed liabilities	19,620	15,897	(3,723)
		Total liabilities	38,256	36,863	(1,392)
	Net assets	Shareholders equity	11,372	11,372	--
		Retained earnings and treasury stock	(2,169)	(3,261)	(1,091)
		Other	3,537	5,537	2,000
		Total net assets	12,740	13,649	908
Total liabilities and net assets		50,997	50,512	(484)	

Unrealized loss on sale of real estate (Azabu Building) under tax law was realized and recorded on retained earnings.

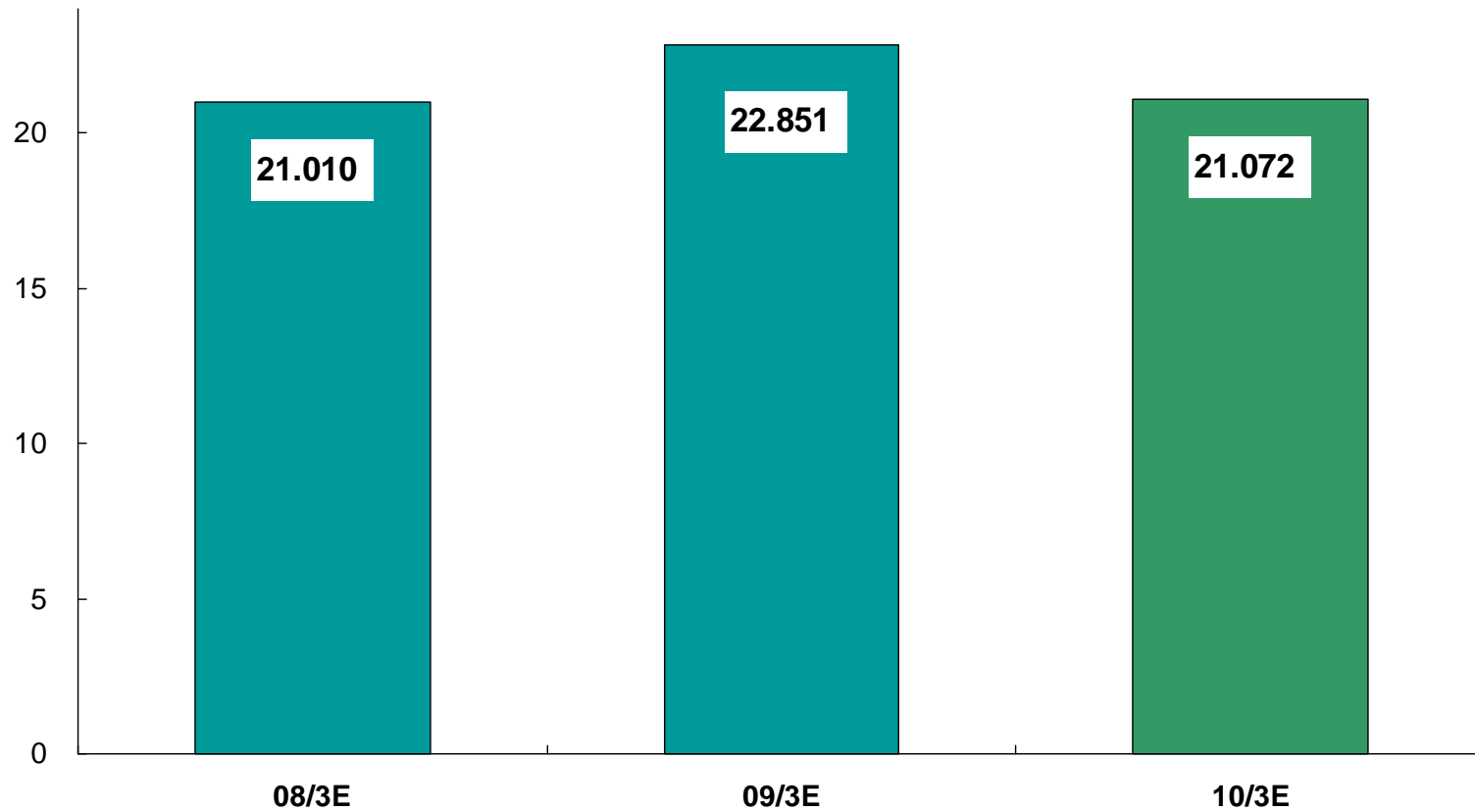
Inventory assets and inventory turnover period



As a result of a decrease in the inventory assets of merchandise/products, the inventory turnover period was reduced to 3.2 months (= inventory assets ÷ average cost of monthly sales).

Interest-bearing debts

Billion yen



Balance of interest-bearing debts as of 31st March 2010 decreased by 1.779 billion yen compared with previous fiscal year.

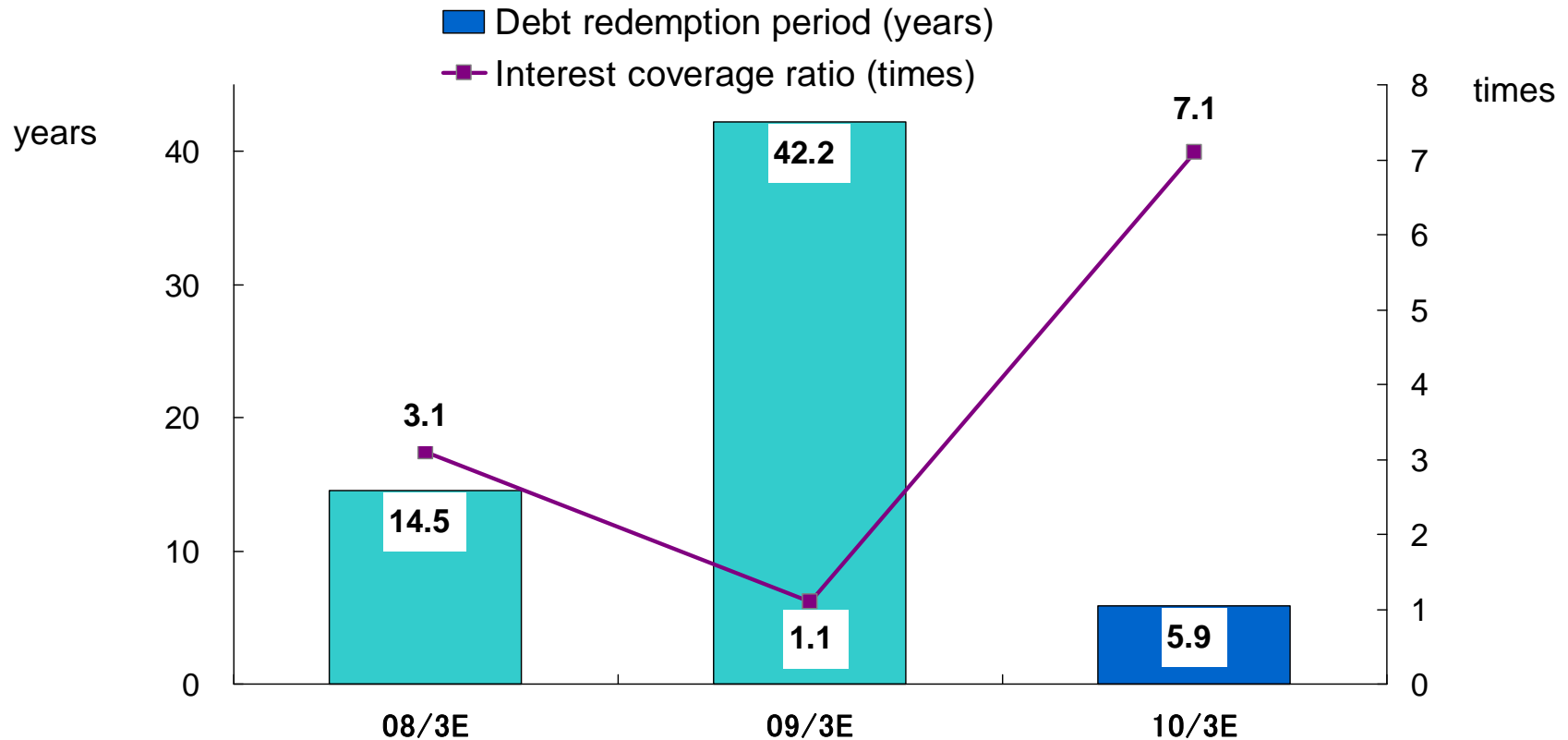
Statement of cash flows

Million yen

	09/3E	10/3E	O/U
Cash flows from operating activities	543	3,543	2,999
Net income before income taxes and minority interests	(1,091)	1,047	2,139
Depreciation	1,115	982	(133)
(Increase)/Decrease in accounts receivable	669	(112)	(781)
(Increase)/Decrease in inventory assets	306	1,223	917
Others	(458)	401	859
Cash flows from investing activities	(2,061)	153	2,215
Expenditures for purchase of tangible fixed assets	(2,541)	(848)	1,692
Others	480	1,000	521
Cash flows from financing activities	2,208	(1,692)	(3,901)
Increase/(Decrease) in interest-bearing debts	2,231	(1,674)	(3,905)
Others	(22)	(18)	4
Cash and cash equivalents at end of the year	4,866	6,869	2,002

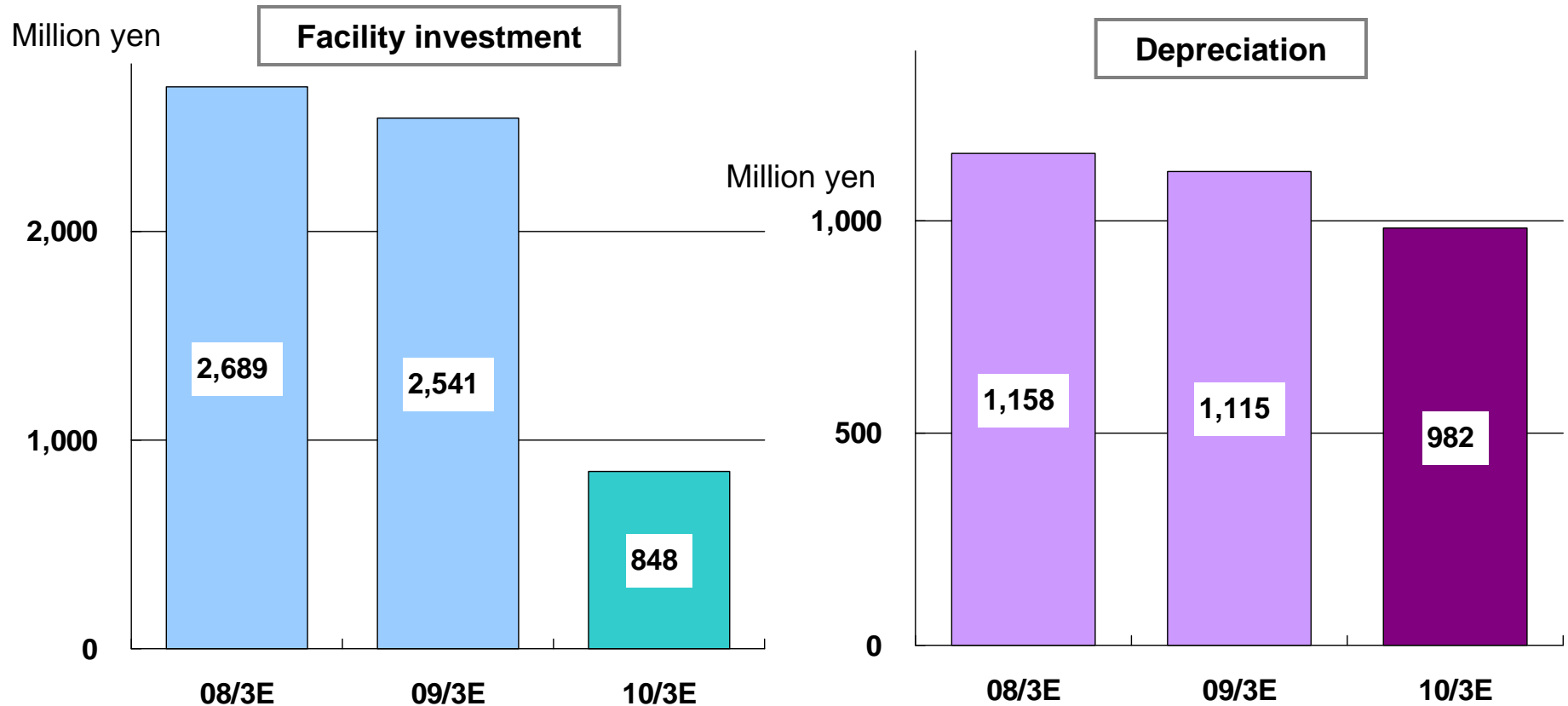
- Operating activities: 3,543 million yen after a return to black of the final stage profit and a decrease in inventory assets
- Investing activities: 153 million yen due to sale of Azabu Building
- Financing activities: Minus 1,692 million yen due to repayment of long-term debts

Debt redemption period and interest coverage ratio



As a result of a decrease in interest-bearing debts and increase in cash flows from operating activities, the debt redemption period increased to 5.9 years (= interest-bearing debts ÷ cash flow from operating activities) and interest coverage ratio to 7.1 times (= cash flows from operating activities ÷ interest paid) in a V-shape recovery.

Facility investment and depreciation



- Facility investment decreased after completion of the HQ relocation to Hachioji.
- Investment expenses were mainly for a renewal of moldings and production facilities.

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2. Forecast for fiscal year ending 31 March 2011

Forecast

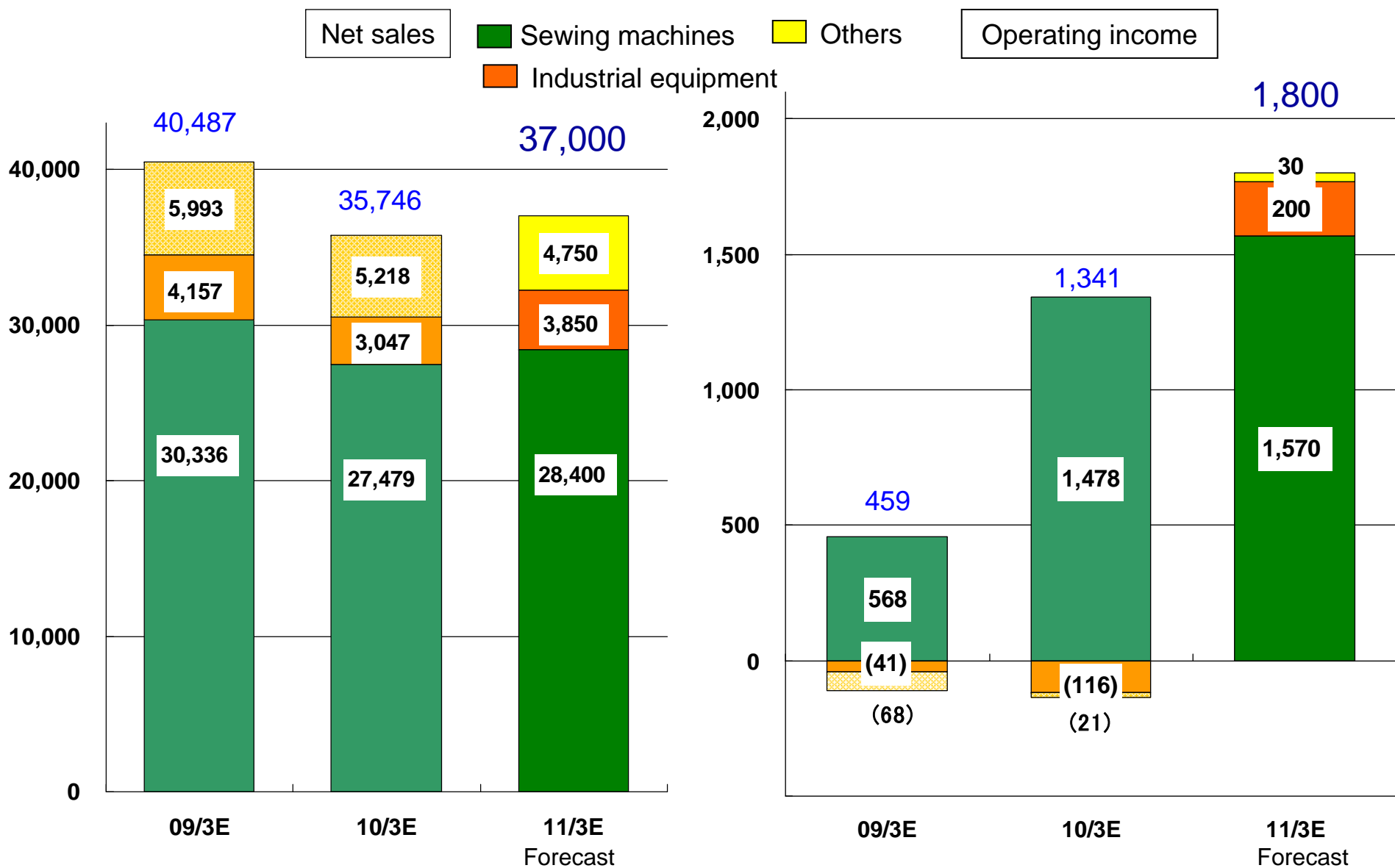
Million yen

	10/3E Result	11/3E Forecast	O/U
Net sales	35,746	37,000	1,254
Operating income	1,341 3.8%	1,800 4.9%	459 1.1%
Ordinary income	957 2.7%	1,200 3.3%	243 0.6%
Net income	529	800	271
Ex rate (JPY/USD)	92.84	90.00	(2.84)

While maintaining and strengthening the profit structure established in the Profit Improvement Plan, the Janome Group pursues increases in both sales and profits.

Forecast by business segment

Million yen



Household equipment business

Janome strengthens its position as the No.1 group among sewing machine manufacturers.

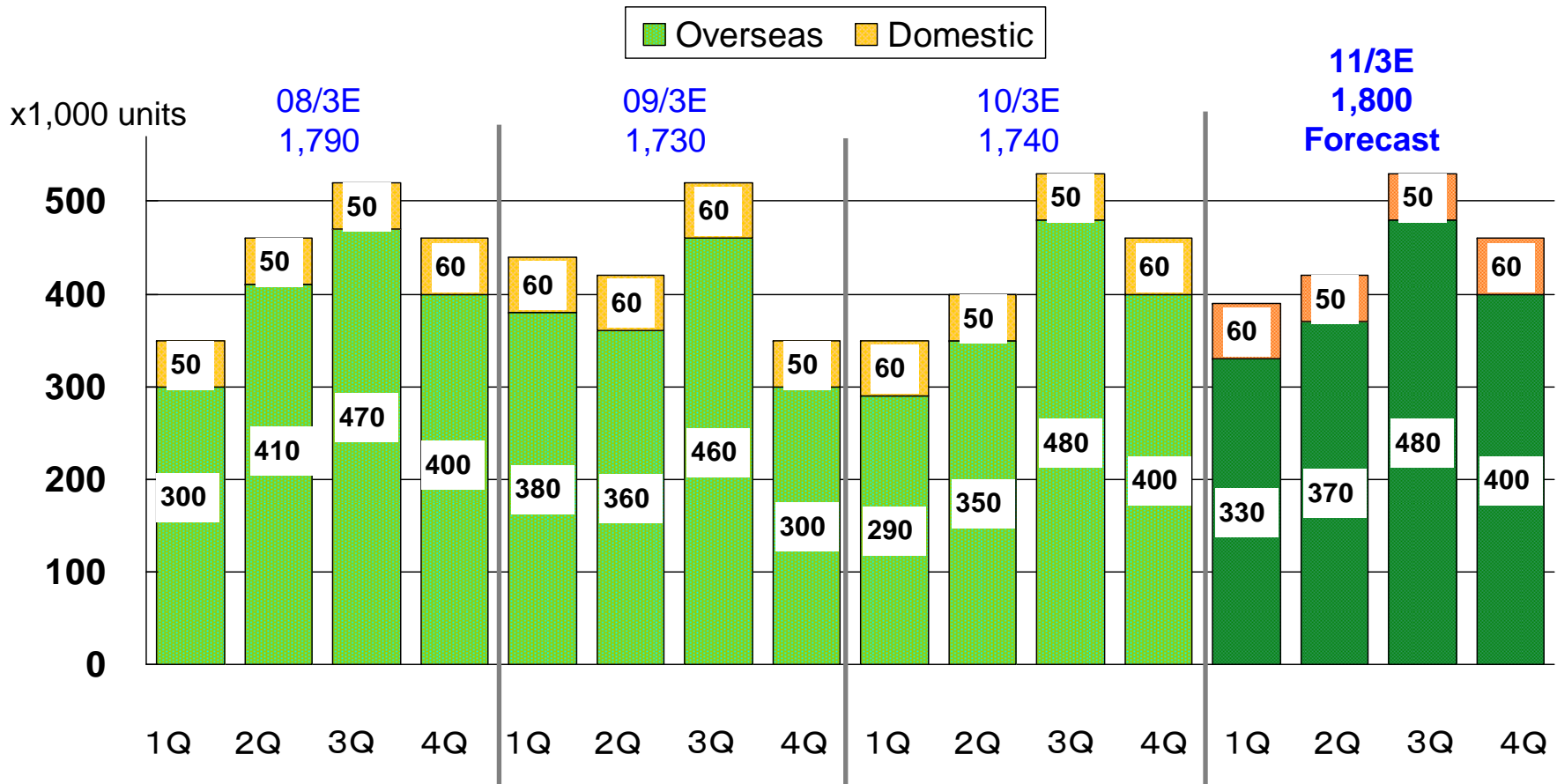
Japan:

➤ Strengthen sales through distributors as well as owners' shops, while responding to diversifications in the sales business model and sustaining the availability of a door-to-door sales system.

Overseas:

- Aim for a share acquisition of 30% or more for professional dealer sales, especially in the United States which has the largest home use sewing machine market (Estimated U.S. market size: 1,700,000 units including 500,000 units for professional dealer sales).
- Strengthen sales in emerging markets such as central America and Asia in addition to maintaining and expanding sales in existing markets.

Quarterly unit sales of sewing machines



Unit sales of 1.8 million are expected for the fiscal year ending 31st March 2011. Once markets fully recover from recession, the achievement of a 2 million unit sales milestone is in sight.

New models

Top-of-the-line
for quilting/sewing



Sample of quilting work



Computerized
utility machines



Pink Ribbon campaign
support models



Industrial equipment business

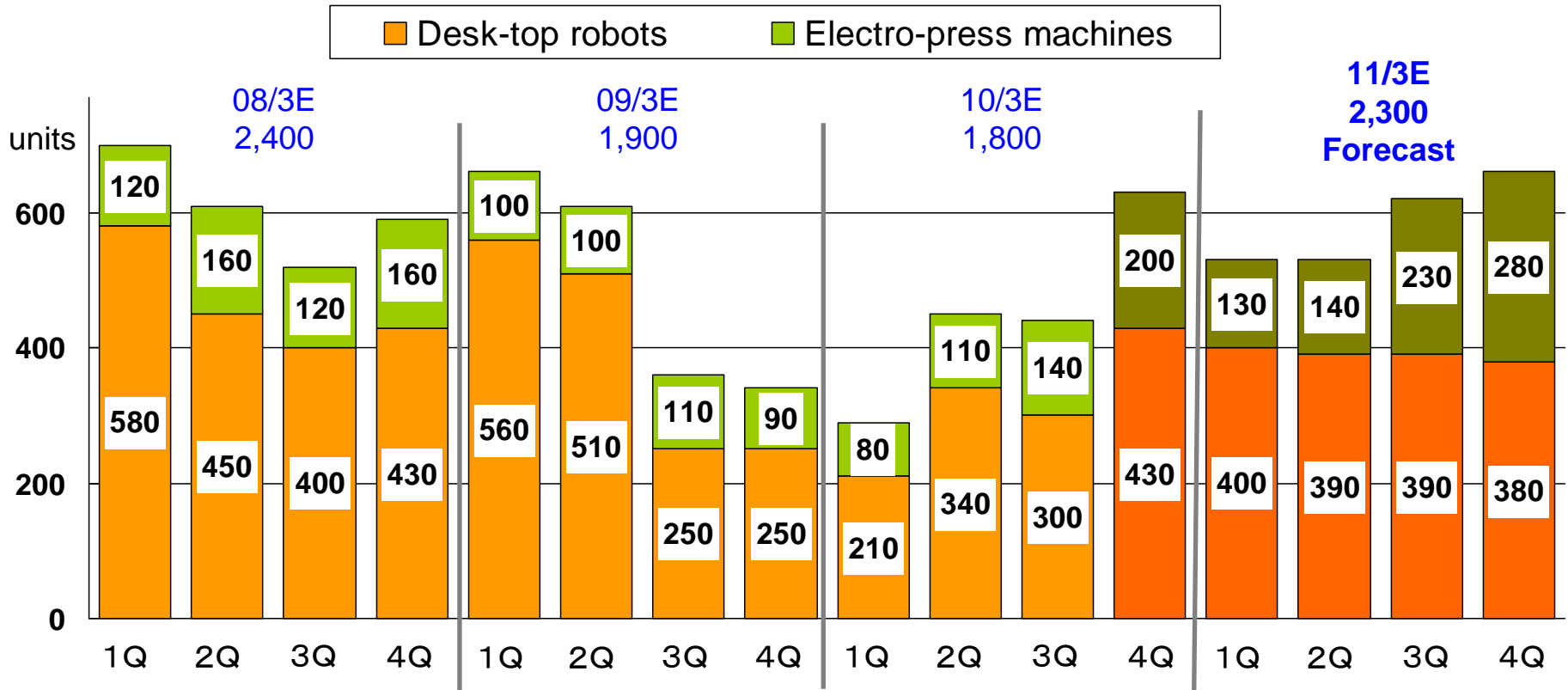
Desk-top robot/electro-press machine business:

- Establish a steady position in the industry.
- Expand sales in the Asia market including mainland China, Thailand, Korea, etc.
- Launch affordable products in order to enhance the line-up and increase sales volume.

Die-casting business:

- Maintain, strengthen and further improve the profit structure that returned to black in 4Q of the fiscal year ended 31st March 2010 as a result of restructuring efforts.

Quarterly unit sales of desk-top robots/electro-press machines



- After sales figures reached their lowest point in 1Q of 10/3E, demand moved to a recovery trend.
- Aim for further sales expansion in the favorable Asia market (mainland China, Thailand, Korea) and for sales restoration in the domestic market through the release of a new electro-press series machine.



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