

(Translation)

Consolidated Financial Results
for the Third Quarter Ended December 31, 2013
(April 1, 2013 through December 31, 2013)
[Japanese GAAP]

February 7, 2014

Company name: **JANOME SEWING MACHINE CO., LTD.** Tokyo Stock Exchange in Japan
Securities code: 6445 [URL http://www.janome.co.jp](http://www.janome.co.jp)
Representative: Name: Hachiro Makabe Title: President
Contact person: Name: Takeyuki Oshima Title: General Manager, Accounting
Phone: +81 42 661 3071
Filing date of financial statements for the quarter : February 13, 2013
Payment date of cash dividends: ----
Supplementary materials prepared for quarterly financial results : None
Financial information meeting held for quarterly financial results: None

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

1. Consolidated results (April 1, 2013 through December 31, 2013)

(1) Consolidated financial results

Percentages represent the percentage of change from the previous fiscal year.

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First nine months ended December 31, 2013	33,643	15.8	2,260	45.9	1,721	251.7	1,010	-
December 31, 2012	29,046	5.7	1,549	(5.8)	489	(69.5)	17	(69.9)

Note: Comprehensive income was 2,097 million yen (248.6%) at the end of December 2013, and 601 million yen (-%) at the end of December 2012

	Net income per share - basic	Net income per share - diluted
First nine months ended	yen	yen
December 31, 2013	5.23	--
December 31, 2012	0.09	--

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	yen
December 31, 2013	53,270	18,446	33.4	92.07
March 31, 2013	50,183	16,373	31.6	81.91

Ref. Equity 17,798 million yen at the end of December 2013, and 15,835 million yen at the end of March 2013

2. Cash dividends

	Annual cash dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
Fiscal year ended	yen	yen	yen	yen	yen
March 31, 2013	--	0.00	--	0.00	0.00
March 31, 2014	--	0.00	--		
March 31, 2014 (Forecast)				0.00	0.00

Note: Revisions to the forecast of cash dividends in the current quarter: None

3. Forecast of consolidated results for fiscal year ending March 31, 2014

(April 1, 2013 through March 31, 2014)

Percentages represent the percentage of change from the previous fiscal year.

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Full year	42,000	8.7	2,500	44.7	1,700	273.5	1,000	-

	Net Income per share - basic
	yen
Full year	5.17

Note: Revisions to the forecast of financial in the current quarter: None

4. Others

(1) Changes in significant subsidiaries during the current fiscal year : None

Note: This refers to a presence/absence of changes in specified subsidiaries accompanying changes in scope of consolidation during the current quarter.

(2) Application of particular accounts procedures to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting principles, procedures and presentations, etc.

(i) Changes due to amendments in accounting principles: None

(ii) Any changes other than the aforementioned: None

(iii) Changes in accounting estimate: None

(iv) Restatement: None

(4) Number of shares issued and outstanding (common stock)

(i) Number of shares issued and outstanding at the end of fiscal period (including treasury stock)

195,214,448 shares at the end of December 2013

195,214,448 shares at the end of March 2013

(ii) Number of treasury stock shares at the end of fiscal period

1,893,677 shares at the end of December 2013

1,893,667 shares at the end of March 2013

(iii) Average number of public shares during fiscal period

First nine months ended December 31,2013 : 193,320,774 shares

First nine months ended December 31,2012 : 193,320,561 shares

Statement Relating to Execution Status of Audit Procedures

This quarterly financial report is exempt from audit procedures based upon the Financial Instruments and Exchange Act. At the time of disclosure of this report, audit procedures for the consolidated financial statements have not been completed.

Explanation regarding the appropriate use of result forecasts, and other special items

The forward-looking statements stated in this report include expectations based on assumption, forecast and projection by our management available as of the date of their announcement. It is possible that actual results may differ materially from these expectations due to various factors.

1. Qualitative Information Concerning Financial Results for the 3rd quarter of the fiscal year ending March 31, 2014

(1) Explanation of financial results

During the nine-month period ended December 31 2013, there was a gentle recovery in business conditions on factors including increased consumer spending in the US and Europe, despite a sense of alarm at the scaling down of monetary easing in the US and ongoing concern about European government debt problems, as well as persistent uncertainty about the future outlook due to sagging growth in emerging economies including China.

In Japan, there are signs of an economic recovery against a backdrop of government stimulus measures and Bank of Japan monetary policy, including improvement in export conditions brought about by the weaker yen, a recovery in consumer spending thanks to factors including high share prices, and improved corporate earnings.

Under these circumstances, the Janome Group has made efforts to focus its management resources, accelerate R&D and cut total costs, based on its medium-term business plans starting in the current fiscal year. As a result, in the first nine months of the year Group total sales were 33,643 million yen (up 15.8% compared to the corresponding period of the previous fiscal year) and operating income was 2,260 million yen (up 45.9%), ordinary income was 1,721 million yen (up 251.7% compared to the corresponding period of the previous fiscal year), and net income was 1,010 million yen (up 993 million yen compare to the corresponding period of the previous fiscal year).

The performance by segment is outlined below.

<Household equipment>

In the overseas sewing machine market, there was a strong performance from Janome Group's overseas sales subsidiaries, including those in the US and UK, thanks to a recovery in consumer spending in the major developed nations. Regarding sales to distributors, there was significant growth in Russia as well as strong sales to Europe and the Middle East, resulting in overseas sewing machine sales of 1.47 million units (an increase of about 20,000 units compared with the corresponding period of the previous year). In addition, the "Memory Craft 15000" highest end model, which was launched this year, has been well received, and with the yen weakening considerably since the corresponding period of the previous fiscal year, overseas sales increased to 22,636 million yen (up 27.4% compared to the corresponding period of the previous fiscal year).

In the domestic market, sales of sewing machines amounted to about 130,000 units (down about 10,000 units compared to the corresponding period of the previous fiscal year), due to a fall in unit sales of low-priced machines, but domestic sales fell only 1.7% to 5,526 million yen, in part due to brisk sales of mid- to high-end models and 24-Hour Clean Bath systems.

Overall, sewing machine sales amounted to 1.60 million units (an increase of about 10,000 units compared with the corresponding period of the previous year), with sales of 28,162 million yen (up 20.4% compared to the corresponding period of the previous fiscal year) and operating income of 1,907 million yen (up 75.0%) in the household equipment segment.

<Industrial equipment>

In the industrial equipment segment, the Group carried out aggressive marketing activities focused on manufacturing-related companies in fields including information devices and equipment (such as mobile phones and smartphones) and automotive parts, with an emphasis on the domestic market and the emerging markets of China and South East Asia, stemming the trend of falling orders. However, there was only a slight recovery in orders, with sales of desk-top robots and electro-press machines amounting to about 2,600 units in the cumulative nine-month period, or about 900 units less than the corresponding period of the previous year.

In the die-casting business, there was a solid performance thanks to recovering domestic business conditions.

As a result, net sales in the industrial equipment business were 3,538 million yen (down 6.0% compared to the corresponding period of the previous fiscal year), with operating income of 317 million yen (down 32.1%).

<Other>

In other business segments including IT software development, data processing, and 24-Hour Clean Bath system installation and maintenance, as well as real estate leasing income, net sales were 1,942 million yen (up 2.9% compared to the corresponding period of the previous fiscal year), with operating income of 53 million yen (compared with an operating loss of 4 million yen in the corresponding period of the previous fiscal year).

(2) Explanation of financial position

As of December 31, 2013, total assets on a consolidated basis were 53,270 million yen (up 3,087 million yen from the previous fiscal year ended March 31, 2013).

Current assets were 22,843 million yen (up 2,672 million yen from the previous fiscal year ended March 31, 2013) due to factors including increases in cash and deposits, bills and accounts receivable. Fixed assets totalled 30,427 million yen (up 415 million yen from the previous fiscal year ended March 31, 2013), due to factors including the acquisition of machinery, molds and software.

Current liabilities were 19,190 million yen (up 3,202 million yen from the previous fiscal year ended March 31, 2013) due to factors including an increase in bills and accounts payable and short-term borrowing, while fixed liabilities decreased to 15,633 million yen (down 2,188 million yen) due to factors including a fall in long-term borrowing.

Net assets were 18,446 million yen (up 2,073 million yen from the previous fiscal year ended March 31, 2013) due to factors including an increase in retained earnings.

[Overview of cash flow position]

Cash and cash equivalents on a consolidated basis as of December 31, 2013 increased by 694 million yen from the previous fiscal year ended March 31, 2013, to 5,479 million yen (an increase of 915 million yen compared to the corresponding period of the previous fiscal year).

Net cash generated by operating activities amounted to an inflow of 1,629 million yen (as compared to an outflow of 30 million yen in the corresponding period of the previous fiscal year), due to factors including 1,703 million yen in quarterly income before income taxes and minority interests, an increase of 1,283 million yen in notes and accounts receivable, and an increase of 804 million yen in notes and accounts payable.

Net cash generated by investing activities amounted to an outflow of 753 million yen (as compared to an outflow of 959 million yen in the corresponding period of the previous fiscal year), due to expenditure of 492 million yen to purchase tangible fixed assets including machinery and molds, etc., and expenditure of 309 million yen to acquire intangible fixed assets such as software.

Net cash used for financing activities amounted to a reduction in funds of 492 million yen (as compared to an outflow of 332 million yen in the corresponding period of the previous fiscal year), due to factors including an increase in short-term borrowings of 2,523 million yen and an outflow from repayment of long-term debts of 2,946 million yen.

2. Consolidated Financial Statements

Consolidated Balance Sheets

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

Currency unit: million yen

	Previous Fiscal Year ended Mar 31, 2013	Current Third Quarter as of December 31, 2013
ASSETS		
Current assets		
Cash and deposits	5,580	6,221
Notes and accounts receivable-trade	6,183	7,848
Merchandise and finished goods	4,602	4,735
Work in process	501	604
Raw materials and supplies	2,598	2,640
Other	849	968
Allowance for doubtful accounts	(146)	(176)
Total current assets	20,170	22,843
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	6,216	6,087
Land	15,878	15,916
Other tangible fixed assets (net)	2,588	2,865
Total tangible fixed assets	24,683	24,869
Intangible fixed assets		
Goodwill	505	397
Other intangible fixed assets	1,376	1,590
Total intangible fixed assets	1,882	1,987
Investments and other assets	3,446	3,570
Total fixed assets	30,012	30,427
TOTAL ASSETS	50,183	53,270
LIABILITIES		
Current liabilities		
Notes and accounts payable	2,861	3,694
Short-term loans payable	10,243	12,349
Income taxes payable	272	279
Provision for bonuses	417	253
Provision for Restructuring loss	92	118
Other current liabilities	2,100	2,495
Total current liabilities	15,987	19,190
Fixed liabilities		
Long-term borrowings	8,119	5,795
Deferred income taxes for revaluation	4,420	4,420
Liability for employee retirement payments	4,572	4,688
Other fixed liabilities	711	729
Total fixed liabilities	17,822	15,633
TOTAL LIABILITIES	33,810	34,824

Currency unit: million yen

	Previous Fiscal Year ended Mar 31, 2013	Current Third Quarter as of December 31, 2013
NET ASSETS		
Shareholders' equity		
Common stock	11,372	11,372
Capital surplus	823	823
Retained earnings	(1,846)	(835)
Treasury stock, at cost	(324)	(324)
Total shareholders' equity	10,024	11,035
Other comprehensive income		
Valuation difference in other marketable securities	131	313
Gain (loss) on deferred hedge	(7)	(5)
Land revaluation difference	6,572	6,572
Foreign currency translation adjustments	(885)	(118)
Total other comprehensive income	5,810	6,762
Minority interest share	537	647
TOTAL NET ASSETS	16,373	18,446
TOTAL LIABILITIES AND NET ASSETS	50,183	53,270

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

Consolidated Statement of Income

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

Currency unit: million yen

	Previous Nine Months April 1, 2012 through December 31, 2012	Current Nine Months April 1, 2013 through December 31, 2013
Net sales	29,046	33,643
Cost of sales	17,418	20,577
Gross profit	11,628	13,065
Selling, general and administrative expenses	10,079	10,805
Operating income	1,549	2,260
Non-operating income		
Interest income	17	14
Dividend income	17	22
Reversal of allowance for doubtful accounts	46	-
Exchange gains	-	119
Other	90	114
Total non-operating income	171	272
Non-operating expenses		
Interest expenses	286	257
Foreign exchange losses	161	-
Restructuring loss	690	450
Other	93	103
Total non-operating expenses	1,231	811
Ordinary income	489	1,721
Extraordinary profits		
Gain on sales of fixed assets	1	2
Gain on sales of investment securities	-	4
Total extraordinary profits	1	6
Extraordinary losses		
Loss on valuation of investment securities	10	-
Loss on sales and retirement of noncurrent assets	12	14
Loss on valuation of investment of others	-	10
Total extraordinary losses	23	24
Income before income taxes and minority interests	468	1,703
Income tax, resident tax and business tax	424	543
Income tax adjustment	43	73
Total taxes	467	616
Net income before minority interests	0	1,086
Minority interests in income / (loss)	(16)	75
Net income	17	1,010

Consolidated statements of comprehensive income

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

Currency unit: million yen

	Previous Nine Months April 1, 2012 through December 31, 2012	Current Nine Months April 1, 2013 through December 31, 2013
Income before minority interests	0	1,086
Other comprehensive income		
Valuation difference on available-for-sale securities	44	181
Deferred gains or losses on hedges	2	2
Foreign currency translation adjustment	554	826
Total other comprehensive income	601	1,010
Comprehensive income	601	2,097
Comprehensive income attributable to:		
parent company owners	594	1,962
minority interests	6	134

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

Consolidated Statement of Cash Flows

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

Currency unit: million yen

	Previous Nine Months April 1, 2012 through December 31, 2012	Current Nine Months April 1, 2013 through December 31, 2013
Cash flows from operating activities		
Net income before income taxes and minority interests	468	1,703
Depreciation	719	827
Goodwill amortization	124	108
Increase/ (decrease) of employees retirement benefits	46	39
Interest and dividend income	(35)	(37)
Interest expenses	286	257
loss on valuation of investment securities	10	-
(Increase)/ decrease in accounts receivable	29	(1,283)
(Increase)/ decrease in inventories	(683)	103
Increase/ (decrease) in accounts payable	(192)	804
Others	(133)	(162)
Sub total	640	2,358
Interest and dividend received	37	40
Interest paid	(245)	(232)
Income taxes paid	(462)	(537)
Net cash generated by operating activities	(30)	1,629
Cash flows from investing activities		
Payments into time deposits	(304)	(104)
Proceeds from withdrawal of time deposits	300	147
Purchase of property, plant and equipment	(595)	(492)
Proceeds from sales of property, plant and equipment	4	5
Others	(363)	(309)
Net cash generated by investing activities	(959)	(753)
Cash flows from financing activities		
Net increase/(decrease) in short-term borrowings	716	2,523
Inflow from long-term borrowings	1,250	-
Outflow from repayment of long-term debts	(2,240)	(2,946)
Others	(58)	(69)
Net cash used for financing activities	(332)	(492)
Effect of exchange rate changes on cash and cash equivalents	1	310
Increase/(decrease) in cash and cash equivalents	(1,320)	694
Cash and cash equivalents at beginning of period	5,885	4,785
Cash and cash equivalents at end of period	4,564	5,479

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

Notes of Consolidated Financial Statements

(Notes regarding going concern assumptions)

None.

(Notes on significant changes in the amount of shareholders' equity)

None.

(Consolidated Segment Information)

I . Previous first nine months (April 1, 2012 through December 31, 2012)

1. Information on net sales and operating income/(loss) by reportable segment

Currency unit: million yen

	Reportable segment			Other*	Total
	Household equipment	Industrial equipment	Total		
Net sales					
Net sales to external customers	23,393	3,765	27,158	1,888	29,046
Intersegment sales or transfers	31	596	627	819	1,446
Total	23,424	4,361	27,785	2,707	30,493
Segment profit / (loss)	1,090	468	1,558	(4)	1,554

Note*: "Other" is not categorized in the reportable business segment and includes IT software/electronic data processing services and real estate, etc.

2. Difference between the sum of reportable segment profits and losses and operating income in quarterly consolidated statements of income and major factors in the difference (adjustment of difference)

Currency unit: million yen

Profit	Amount
Reportable segment total	1,558
Other net loss	(4)
Elimination of intersegment transactions	(4)
Operating income in quarterly consolidated statements of income	1,549

II . Current first nine months (April 1, 2013 through December 31, 2013)

1. Information on net sales and operating income/(loss) by reportable segment

Currency unit: million yen

	Reportable segment			Other*	Total
	Household equipment	Industrial equipment	Total		
Net sales					
Net sales to external customers	28,162	3,538	31,700	1,942	33,643
Intersegment sales or transfers	30	711	742	877	1,619
Total	28,193	4,249	32,442	2,819	35,262
Segment profit/(loss)	1,907	317	2,225	53	2,279

Note*: "Other" is not categorized in the reportable business segment and includes IT software/electronic data processing services and real estate, etc.

2. Difference between the sum of reportable segment profits and losses and operating income in quarterly consolidated statements of income and major factors in the difference (adjustment of difference)

Currency unit: million yen

Profit	Amount
Reportable segment total	2,225
Other net profit	53
Elimination of intersegment transactions	(18)
Operating income in quarterly consolidated statements of income	2,260

3. Additional information

(1) Geographic segmentation

Previous first nine months (April 1, 2012 through December 31, 2012)

Currency unit: million yen

	Japan	North America	South East Asia	Other Regions	Total	Elimination / Corporate	Consolidated
Net sales							
(1) Net sales to external customers	20,275	4,118	446	4,206	29,046	--	29,046
(2) Intersegment sales or transfers	6,245	--	12,743	35	19,024	(19,024)	--
Total	26,520	4,118	13,189	4,242	48,070	(19,024)	29,046
Operating income/ (loss)	600	374	346	373	1,695	(146)	1,549

Current first nine months (April 1, 2013 through December 31, 2013)

Currency unit: million yen

	Japan	North America	South East Asia	Other Regions	Total	Elimination / Corporate	Consolidated
Net sales							
(1) Net sales to external customers	21,968	5,601	539	5,534	33,643	--	33,643
(2) Intersegment sales or transfers	6,936	--	15,265	8	22,210	(22,210)	--
Total	28,905	5,601	15,805	5,542	55,854	(22,210)	33,643
Operating income/ (loss)	1,025	455	447	438	2,367	(106)	2,260

Notes;

(1) Countries or regional analyses presented are based on geographic proximity

(2) Major countries or regions are defined as follows

- (i) North America U.S.A., Canada
- (ii) South East Asia R.O.C. (Taiwan), Thailand
- (iii) Other regions U.K., Netherlands, Switzerland, Australia, New Zealand, Chile

(2) Overseas sales by region

Previous first nine months (April 1, 2012 through December 31, 2012)

Currency unit: million yen

	North America	Europe	Other Regions	Total
Net sales				
I Overseas sales	4,268	7,223	7,701	19,193
II Consolidated sales				29,046
III Ratio of overseas sales to consolidated sales	14.7%	24.9%	26.5%	66.1%

Current first nine months (April 1, 2013 through December 31, 2013)

Currency unit: million yen

	North America	Europe	Other Regions	Total
Net sales				
I Overseas sales	5,822	10,073	8,027	23,923
II Consolidated sales				33,643
III Ratio of overseas sales to consolidated sales	17.3%	29.9%	23.9%	71.1%

1. Overseas sales include sales by the Company and its subsidiaries in countries and regions outside Japan.

(1) Countries or regional analyses presented are based on geographic proximity

(2) Major countries or regions are as follows

- (i) North America U.S.A., Canada
- (ii) Europe U.K., Netherlands, Germany, Switzerland, Russia
- (iii) Other regions South East Asia, Oceania, Middle East, Africa, Central/South America