[Summary]

1. Consolidated financial results

For the period covering the first nine months, severe business conditions continued due to rises in raw material costs, a changing of business environment surrounding door-to-door sales in Japan, as well as effects of the slowdown in the U.S. economy.

It was under such circumstances that the Company established the Global Production Operations Division in April 2007 to comprehensively manage and control material procurement and production procedures across the Janome Group to minimize the impact on production costs. Also, in Japan the Group proceeded with the re-organization of sales operations and made efforts aimed at reducing expenditures. Nonetheless, Janome Group net sales totaled 35.886 billion yen (down 0.2% compared to the corresponding period of the previous fiscal year), operating income 842 million yen (down 48.1% compared to the corresponding period of the previous fiscal year), with ordinary income 572 million yen (down 62.1% compared to the corresponding period of the previous fiscal year) for a net loss of 149 million yen for this period.

2. Consolidated financial position

Total assets as of 31st December, 2007 were 61.822 billion yen, up 524 million yen from the end of December 2006.

Current assets decreased to 25.668 billion yen (down 939 million yen from the same period of the previous year), mainly due to a decrease in accounts receivable. Fixed assets increased to 36.153 billion yen (up 1.463 billion yen from the same period of the previous year) due to a renewal of production facilities including the Tokyo Factory and Janome Die-casting Co., Ltd.

Current liabilities increased to 21.573 billion yen (up 3.19 billion yen from the same period of the previous year). Fixed liabilities decreased to 18.692 billion yen (down 1.91 billion yen from the same period of the previous year).

As announced on 8th June, 2007, the Company repurchased 1,851,000 shares of its own common stock (purchase price of 319 million yen).

3. Forecast of results for fiscal year ending 31st March, 2008

The consolidated financial achievements during this period from 1st April, 2007 through 31st December, 2007 did not meet expectations due to the factors outlined below.

① Transfer of raw material cost increases into retail prices did not progress as projected.

② Because of slow sales at the mid-to-high end of sewing machines, the entire model assortment shifted toward the lower end.

③ Holiday sales in the North American market were lower than expected due to sluggish consumer demand affected by future economic uncertainty stemming from fallout from the sub-prime mortgage situation in the United States.

④ Sales in the Japan market slowed down, affected by the changing business environment surrounding door-to-door sales.

Regarding the remaining financial period from 1st January through 31st March 2008, it is expected that the difficult business environment surrounding the Group business will continue. In addition, fixed asset depreciation as well as real estate impairment losses are anticipated as facility development progresses at the Tokyo Factory and Janome Die-casting Co., Ltd. It is therefore likely that Group performance will not reach original projections. Thus, the forecast of results on a consolidated basis as well as on a non-consolidated basis for the fiscal year ending 31st March 2008, as announced on 14th November, 2007, is hereby amended downward to the following.

- Consolidated forecast for fiscal year ending 31 March 2008
  (Full year from 1 April 2007 to 31 March 2008)

(Unit: Million yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Forecast before amendment (A)	50,000	2,200	1,800	250
Forecast after amendment (B)	**48,500**	**1,200**	**800**	**(700)**
Amount changed (B-A)	(1,500)	(1,000)	(1,000)	(950)
Ratio of change (%)	(3.0)	(45.5)	(55.6)	--
(Ref) Actual results of the corresponding period of the preceding year (Full year ended 31 Mar 2007)	48,729	1,985	1,871	461

- Non-consolidated forecast for fiscal year ending 31 March 2008
  (Full year from 1 April 2007 to 31 March 2008)

(Unit: Million yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Forecast before amendment (A)	36,500	950	1,700	700
Forecast after amendment (B)	**35,500**	**650**	**1,600**	**450**
Amount changed (B-A)	(1,000)	(300)	(100)	(250)
Ratio of change (%)	(2.7)	(31.6)	(5.9)	(35.7)
(Ref) Actual results of the corresponding period of the preceding year (Full year ended 31 Mar 2007)	37,366	1,104	2,057	973

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 method: Income tax expenses are calculated by applying the estimated annual effective tax rate method.

(3) Change of accounting method since the most recent consolidated fiscal year: None.