Financial Summary
Interim Period of Fiscal Year Ending 31st March 2008

Tokyo, 14th November 2007

1. Financial results

(1) Overview of financial results

① Financial results for interim period (from 1st April 2007 through 30th September 2007)

During this interim consolidated financial period, due to the persistently high price of crude oil as well as concerns about slowdown in the U.S. economy, a sense of future uncertainty was prevailing in the world economy.

Under these circumstances, while the Janome Group implemented business reorganization including the establishment of a Global Production Operation division to build a competitive global production system, the Group proceeded to streamline administrative operation and solidify its management fundamentals.

However, Group net sales totaled 23.116 billion yen, due to the factors outlined below, with ordinary income of 306 million yen for a net loss for this period of 355 million yen.

a) Unexpected sales drop in Japan

Under the increasingly difficult environment surrounding the door-to-door sales in Japan, the Company endeavored to keep and expand demand for sewing machines through the development of sewing schools to further consumer awareness of the enjoyment of handcraft work using sewing machines. To deeply penetrate such a selling strategy into the market, however, it will take much more time than expected.

b) Effect of continuing high raw material prices

As it is expected that the high prices of raw materials will continue, we are constantly making efforts towards improving productivity. Furthermore, under the control of our Global Production Operations division established in April 2007, we are proceeding with production standardization based on the principle of total optimization throughout the entire Group. However, with the fierce price war continuing at the lower-end of the sewing machine industry, we were unable to transfer all of the rises in raw material costs into retail prices leading to an increased cost to sales ratio.

c) Delayed effect of recent acquisitions

In August 2006 we acquired an overseas sewing machine sales company, and in February 2007 a domestic (Japanese) sewing machine production company, to pursue further Group growth. In addition to the reorganization of their sales operation systems being more involved than initially anticipated and thereby having little positive contribution on the profit/loss front, we also incurred goodwill amortization resulting from the M&A transactions, which were both factors for our net loss during the six-month period ended 30 September 2007. It should be noted that the operation system reorganization is nearly complete and we expect to enjoy positive effects of the acquisitions in the second half of this fiscal year ending 31 March 2008.

d) Extraordinary losses on investment securities

Due to the development of the sub prime housing loan problems in the United States, this interim period saw a decline in stock prices, mainly among financial institutions. Accordingly, the Company experienced extraordinary losses on the valuation of marketable securities held by the Company as of the end of September 2007.

e) Increase in corporate tax amount due to overseas subsidiary dividend payments

Although overseas subsidiary dividend payments are not included in the consolidated financial statement, the corporate taxes involved are, and since these taxes surpassed interim pretax net income, consolidated net income shows a net loss for the interim period.

② Operational results by segment

・ Home use sewing machines

The Group developed new products to fulfill the needs of customers and improved enrichment of sewing-related products and accessories, and promoted aggressive sales activities including new market cultivation and strong sales promotion support for dealers.

Overseas, although uncertainty was increasing around economic trends in North America, revenue in the overseas markets increased due to increased sales of Elna products, sales expansion in Central and South America and the Middle East, and new market cultivation.

In Japan, the environment surrounding door-to-door sales taking a further turn for the worse and the lowering of the retail price of sewing machines had a greater impact than expected. The Group will continue to encourage demand for sewing machines through development of sewing schools, sales promotions and aggressive participation in a variety of exhibitions.

Reflecting the above, global sales for the Group in sewing machines totaled 17.328 billion yen (up 318 million yen from the same period of previous year).

・ Industrial equipment

Industrial robots including desktop, Scara and electro-press machines proceeded favorably due to collaboration mainly with the automotive industry.

In die-cast products, efforts into expanding sales of vacuum injection devices and small-lot casting, in addition to the contribution of earnings from Hosei Corporation, which joined the Group in February 2007, resulted in net sales for industrial equipment totaling 2.7 billion yen (up 311 million yen over the same period of previous year).

・ 24-Hour Clean Bath systems, EDP and other services

Net sales of 24-Hour Clean Bath systems, EDP and other services including IT software/electronic data processing services, installation/maintenance of 24-Hour Clean Bath systems plus those from real estate, totaled 3.086 billion yen (down 659 million yen from the same period of previous year).

③ Outlook for remainder of fiscal year (1st April 2007 through 31st March 2008)

During this period from 1st April through 30th September 2007, expansion of Group net overseas sewing machine sales proceeded favorably in Europe, Russia, the Middle East, and Central and South America. However, Group profits fell to the negative due to slow sales in the North American market, the largest sales territory for the Group, and the delayed effect of recent acquisitions. In the Japan market, the Group faced an uphill battle against the increasingly difficult environment surrounding door-to-door sales.

Regarding the remainder of the fiscal year ending 31st March 2008, with the reorganization of the overseas distribution systems of Elna brand merchandise complete, we can now expect the effective utilization of our two major brands of "JANOME" and "elna" to lead to sales expansion in the sewing machine market. In addition, as we head into the upcoming Christmas season, we can expect an increase in both sales and profits through efforts expanding sales of high value-added products from the effect of new products launched this first half and through the four-needle embroidery machine introduced second half of the previous fiscal year. Moreover, as the price wars in the sewing machine industry are toning down, it is expected that a price review of Company products will be accepted by customers because of the prominence of our products in terms of quality.

In Japan, while the Group strengthens individual sales staff skill levels by utilizing "J staff" organized under various employment systems, the Group will continue to encourage demand for sewing machines through development of sewing schools to broaden awareness of the enjoyment of handicraft work. We also expect the launching of Elna branded home use sewing machines and ironing presses to contribute towards sales growth in the Japan market.

Concerning the industrial equipment business, the Group will strengthen sales forces through the enrichment of our technical service system with development of technical service bases outside and within Japan. Regarding aluminum die-cast production, the Group strives to expand business by effectively utilizing the three production bases of Yamanashi and Hyogo in Japan and Kabinburi in Thailand.

Note that the forecast for the consolidated results for fiscal year ending 31st March 2008, is amended to the following as announced on 2nd November 2007.

(Unit: Million yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Forecast before amendment (A)	50,000	2,800	2,400	1,000
Forecast after amendment (B)	50,000	2,200	1,800	250
Amount changed (B-A)	--	(600)	(600)	(750)
Ratio of change (%)	--	(21.4)	(25.0)	(75.0)
(Reference) Actual results of the corresponding period of the preceding year (Full year ending 31 Mar 2007)	48,729	1,985	1,871	461

(2) Overview of financial position

① Assets, liabilities and net assets

Total assets during this interim consolidated financial period ended 30th September 2007 were 60.843 billion yen (up 981 million yen from the same period of previous year).

Total liabilities increased to 39.498 billion yen (up 1.293 billion yen from the same period of previous year), due to an increase of 1.215 billion yen in interest-bearing debts from the same period of previous year.

Total net assets (including minority interest share) decreased to 21.345 billion yen (down 311 million yen from the same period of previous year).

② Overview of cash flow position

Net cash generated by operating activities was negative 580 million yen (down 908 million yen from the same period of previous year), mainly due to an increase in accounts receivable and inventory assets.

Net cash generated by investing activities was negative 537 million yen (up 1.255 billion yen from the same period of previous year), mainly due to capital investment expenditures totaling 950 million yen, including 420 million yen for renewal of the production facility of Janome Die-casting Co., Ltd., 120 million yen for construction of J's Building Nagoya to house industrial equipment sales and technical service offices, and 210 million yen for molds and machinery expenses.

Net cash used for financing activities was plus 1.542 billion yen (up 2.471 billion yen from the same period of previous year), mainly due to an increase in short-term borrowings.

As a result, cash and cash equivalents during this interim consolidated financial period ended 30th September 2007 increased by 532 million yen from the previous fiscal year ended 31st March 2007, amounting to 3.599 billion yen.

Trends in cash flow indices of the Group are as follows:

	as of 31 March 2006	as of 30 Sept 2006	as of 31 March 2007	as of 30 Sept 2007
Shareholders equity ratio	32.8 %	35.2 %	36.4 %	33.9 %
Equity ratio based on market value	90.3 %	63.6 %	55.7 %	40.4 %
Interest bearing debts to cash flow ratio	5.9 years	5.5 years	11.6 years	29.6 years
Interest coverage ratio	5.9 times	1.8 times	3.9 times	--

Formulae:

Shareholders equity ratio:	Shareholders equity / Total assets
Equity ratio based on market value:	Market value of shareholders equity / Total assets
Interest bearing debts to cash flow ratio:	Interesting bearing debts / Cash flow (for the past year)
Interest coverage ratio:	Cash flow / Interest paid

* 1. All ratios are calculated based on the consolidated financial statement.
* 2. Market value of shareholders equity is calculated at closing stock value at the end of fiscal year x number of shares issued and outstanding at the end of fiscal year.
* 3. Cash flow is the amount of net cash generated by operating activities stated on the consolidated statements of cash flows. Interest-bearing debts are all those stated on the consolidated balance sheet for which interest is paid. Interest paid is the amount stated on the consolidated statement of cash flow.

(3) Basic policy on the distribution of profits and payment of dividends for fiscal year ending 31st March 2008

The Company resumed dividend payments to shareholders for the fiscal year ended 31st March 2007 for the first time in sixteen years. With respect to future dividend payments, the Company intends to continue a fundamental policy of consistent profit distribution while giving comprehensive consideration to such factors as business results of each fiscal term, payout ratio of dividends, and internal funds to be reserved for future business development plans.

As for year-end dividends for the fiscal year ending 31st March 2008, the Company plans to pay two yen per share.

(4) Risk factors to Janome Group business

The Group recognizes that major risk factors described below might have effects on Group financial results, stock price, as well as financial position.

① Effect of exchange rate fluctuation

Concerning Group sewing machine and industrial equipment businesses, the Group will continue its pro-active sales development in the overseas market. Examining the ratio of overseas sales as a part of total consolidated sales, with 52.7% in 2004, 55.2% in 2005, 57.6% in 2006, and 59.9% for this first half, it indicates an upward trend. While the Group intends to hedge the exchange loss incurred by foreign currency transactions through foreign exchange forward reservation systems as well as netting settlement systems between Headquarters and subsidiary companies, because the majority of overseas sales revenue is transacted on a foreign currency basis rather than a yen basis, it is possible that Group performance could be affected by fluctuation in currency exchange rates.

② Rises in production costs

With production facilities based on Japan, Taiwan and Thailand, the Group implements efficient production in accordance with demand trends from the global market. By procuring components on a global basis, the Group endeavored to stabilize procurements and competitively reduce production costs. To strengthen TPM (Total Production Movement) measures for optimizing productivity through the entire Group, the Company established the Global Production Operations division for the purpose of managing and controlling overall material procurement and production procedures in domestic and overseas production companies and factories. While the Group consistently makes every effort group-wide to minimize the impact on production costs, it is possible that Group performance could be affected by rises in raw materials, such as aluminum and copper, the major raw materials used in sewing machines.

③ Country risk

Throughout the numerous countries where the Group has production and sales activities, the Group has been able to avoid being affected by political, economic and regulatory changes, war and terrorism until now. However, should such events occur and make it difficult to continue business activities, it is possible that Group performance could be affected.

④ Intra-Group quality management and control

With respect to Group products, the Group has production know-how developed over many years. In addition, the Group carries out quality system assessments and quality audits on sewing machines, industrial equipment and other products produced by domestic and overseas network of companies and has also instituted a PL (Product Liability) committee that holds monthly meetings regarding product safety and promotes quality assurance activities through the entire group via the Quality Assurance Department. However, should a large-scale quality failure occur, it is possible that Group performance could be affected through the incurrence of recall costs and lowering of the Janome brand image.

⑤ Compliance and internal control

The Group has established a management system for internal control under which operations will be carried out in strict compliance with related laws and regulations to uphold fair business practices and financial information reliability. However, should a situation occur where compliance with rules and regulations is unable to be achieved, it is possible that Group performance could be affected.

⑥ Market conditions

In the process of business operations, it is impossible to avoid competition with competitors within the industry, and to that end, the Group is constantly striving to improve product and service quality through fully integrated development, production and sales. However, in case of a drastic change in market conditions including intensified competition, it is possible that group performance could be affected.

⑦ Management of personal information

The Group formulated personal information protection guidelines and a privacy policy and established an inter-company management system to fulfill the obligations of the Japanese Personal Information Protection Law. However, should a case arise wherein customer information including such personal information is leaked, it is possible that not only Group trust but also Group performance could be affected.

2. Description of the Janome Group

Principal operations of the Company as well as its subsidiaries are focused primarily on the home use sewing machine related businesses, followed by the industrial equipment business and the 24-Hour Clean Bath and EDP businesses.

On 1st August 2007 the Group established Janome Industrial Equipment USA, Inc. in order to generate further business development in the North America market and develop a global industrial equipment business.

Operations by segment are as follows:

・Home use sewing machines

The Company as well as Janome Taiwan Co., Ltd., Janome (Thailand) Co., Ltd. and other manufacturing companies develop and produce primarily home use sewing machines, as well as embroidery machines and sewing-related product lines, with sales and marketing handled by the Company as well as Janome America, Inc., Jamac, Inc., Janome UK Ltd., Janome Australia Pty. Ltd. and other sales companies.

・Industrial equipment

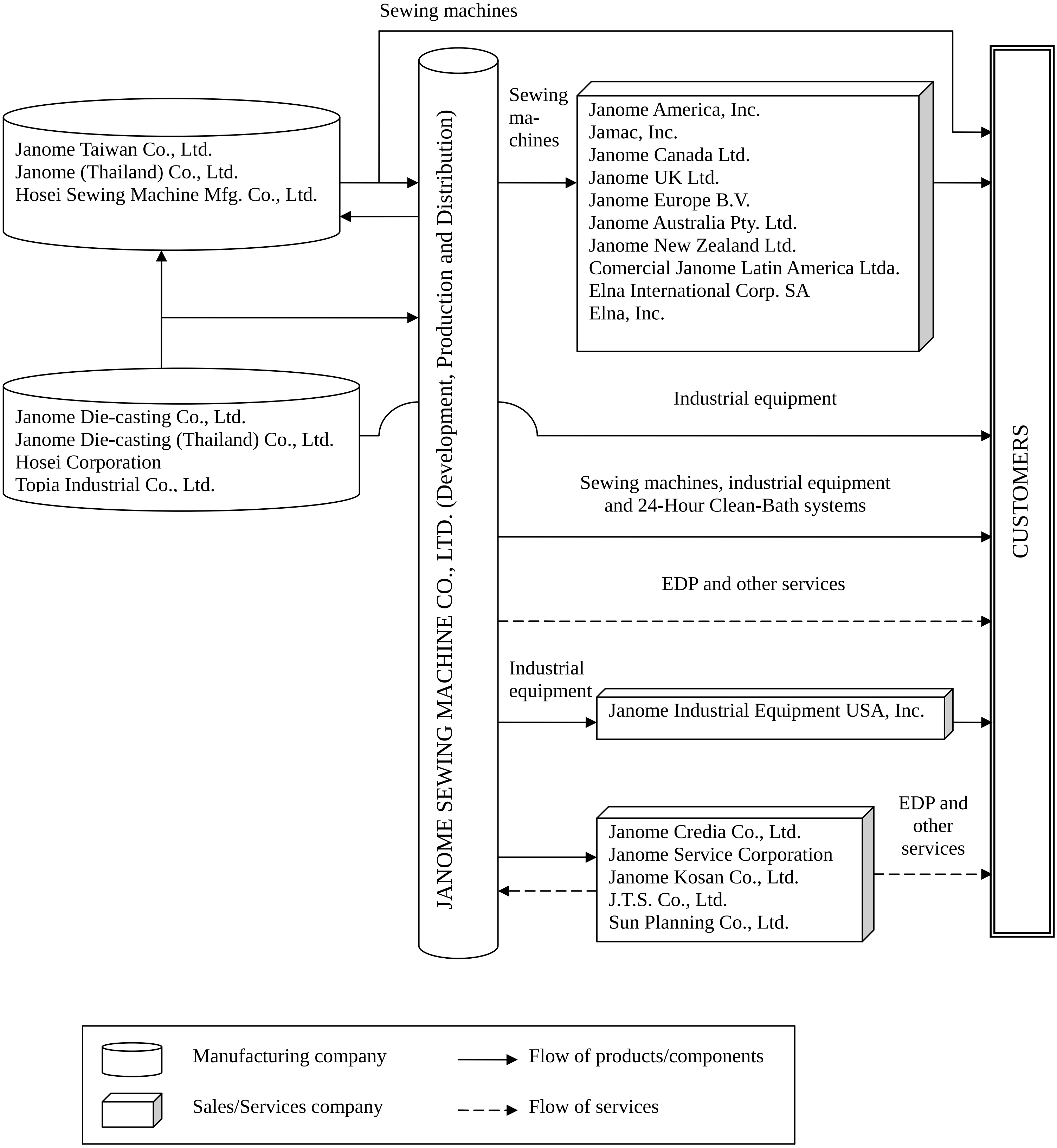
The Company develops and produces industrial equipment including desk-top robots and Electro-press machines, with sales and marketing handled by the Company and a limited number of overseas sales subsidiaries. Janome Die-casting Co., Ltd., Janome Die-casting (Thailand) Co., Ltd. and Hosei Corporation manufacture and distribute die-cast products.

・24-Hour Clean Bath systems, EDP and other services

The Company develops, produces and distributes 24-Hour Clean Bath systems for home and business use, and also operates a real estate business. Janome Credia Co., Ltd. is involved in IT software/electronic data processing services, Janome Service Corporation in installation/maintenance of 24-Hour Clean Bath systems, and Janome Kosan Co., Ltd. in restaurant operations.

Overview of transactions of consolidated subsidiaries

as of 30th September 2007



3. Management policy

(1) Janome basic management policy

In order to contribute to the improvement of the social and cultural lives of people by providing consistently high quality and price-worthy products and services, the Group endeavors to implement a fair and streamlined management, while keeping a healthy and friendly relationship with each of its stakeholders in full compliance with all rules and regulations.

To achieve sustainable growth by investing in facilities appropriately from time to time, the Group reinforces production efficiency, a research/development infrastructure, as well as a sales/customer service infrastructure. At present, the Group is proceeding with a renewal of superannuated building facilities and installation of new customer service bases. Regarding factory facilities, the Group builds in accordance with current earthquake-resistant standards in order to provide safe and consistently high quality products, as well as lowering production costs through in-house production of precision processing components. Regarding new customer service bases, the Group is proceeding with strengthening of technical support services to increase customer satisfaction.

(2) Issues to be addressed

Janome Group will execute the following measures as it works towards risk management.

1. Expand sales of high value-added products (home use sewing machines)
    - Set up regular training and seminars, and organize sales support system.
    - Strengthen corporate and product promotional activities through advertising as well as participation in exhibitions.

2. Fortify overseas sales and customer service infrastructures (home use sewing machines)
    - Develop global market through reorganization and enlargement of overseas sales bases.
    - Expand sales through utilization of the two biggest brands, “JANOME” and “elna”.

3. Fortify domestic (Japan) sales and customer service infrastructures (industrial equipment)
    - Review and restructure network of domestic sales bases

4. Cultivate new markets (industrial equipment)
    - Proactively promote collaboration with other parties in industrial equipment fields.