

(Translation)

Consolidated Financial Results
for fiscal Year Ended Mar 31, 2014
(April 1, 2013 through March 31, 2014)
[Japanese GAAP]

May 14, 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
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Date of ordinary general shareholders' meeting: June 20, 2014

Filing date of financial statements: June 23, 2014

Supplementary materials prepared for quarterly financial results : Yes

Financial information meeting held for quarterly financial results: Yes (for securities analyst)

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

1. Consolidated results (April 1, 2013 through March 31, 2014)

(1) Consolidated financial results

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

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2014	44,696	15.6	2,905	68.2	2,353	417.2	1,460	-
March 31, 2013	38,652	4.4	1,727	(26.6)	455	(78.3)	88	(57.5)

Note: Comprehensive income was

2,253 million yen (50.1%) at the end of March 2014

1,501 million yen (91.8%) at the end of March 2013

Fiscal year ended	Net income per share - basic	Net income per share - diluted	Ratio of net income to shareholders equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	yen	yen	%	%	%
March 31, 2014	7.56	--	8.8	4.6	6.5
March 31, 2013	0.46	--	0.6	0.9	4.5

Ref. Equity in net income of affiliates --million yen at the end of March 2014,--million yen at the end of March 2013

(2) Consolidated financial position

Fiscal year ended	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	yen
March 31, 2014	51,409	18,117	34.0	90.34
March 31, 2013	50,183	16,373	31.6	81.91

Ref. Equity 17,465 million yen at the end of March 2014, and 15,835 million yen at the end of March 2013

(3) Consolidated cash flow position

Fiscal year ended	Operating activities	Investing activities	Financing activities	Cash/cash equivalents
	Million yen	Million yen	Million yen	Million yen
March 31, 2014	3,801	(654)	(2,059)	6,301
March 31, 2013	636	(1,319)	(627)	4,785

2. Cash dividends

Fiscal year ended	Annual cash dividends per share					Total amount of cash dividends	Payout ratio of cash dividends	Ratio of dividends to net assets
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total	annual	consolidated	consolidated
March 31, 2013	yen --	yen 0.00	yen --	yen 0.00	yen 0.00	Million yen --	% --	% --
March 31, 2014	yen --	yen 0.00	yen --	yen 0.00	yen 0.00	Million yen --	% --	% --
March 31, 2015 (Forecast)	yen --	yen 0.00	yen --	yen 0.00	yen 0.00	Million yen --	% --	% --

3. Forecast of consolidated results for fiscal year ending March 31, 2015

(April 1, 2014 through March 31, 2015)

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 half (six-months period ending September 30 2014)	21,500	(0.7)	1,200	(5.4)	1,000	58.8	600	131.3
Full year (ending March 31, 2015)	46,000	2.9	3,000	3.3	2,700	14.7	1,800	23.2

	Net Income per share - basic
	yen
First half (six-months period ending September 30 2014)	3.10
Full year (ending March 31, 2015)	9.31

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 year.

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

(i) Changes due to amendments in accounting principles: Yes

(ii) Any changes other than the aforementioned: None

(iii) Changes in accounting estimate: None

(iv) Restatement: None

(3) 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 March 2014

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

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

1,893,683 shares at the end of March 2014

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

(iii) Average number of public shares during fiscal period

193,320,772 shares at the end of March 2014

193,320,501 shares at the end of March 2013

Ref: Overview of non-consolidated results

(1) Non-Consolidated financial results (April 1, 2013 through March 31, 2014)

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

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2014	34,188	10.5	1,327	121.0	1,129	--	1,373	--
March 31, 2013	30,929	6.1	600	(37.0)	(250)	--	(291)	--

	Net income per share - basic	Net income per share - diluted
	yen	yen
Fiscal year ended		
March 31, 2014	7.10	--
March 31, 2013	(1.51)	--

(2) Non-Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
Fiscal year ended	Million yen	Million yen	%	yen
March 31, 2014	43,151	13,955	32.3	72.19
March 31, 2013	43,522	12,482	28.7	64.57

Ref. Equity 13,955 million yen at the end of March 2014, and 12,482 million yen at the end of March 2013

Statement Relating to Execution Status of Audit Procedures

This 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. Analysis of financial results and financial position

(1) Analysis of financial results

(i) Financial results for the fiscal year ended March 31, 2014

In the year to March 31, 2014, production and exports recovered, primarily in developed countries, and economic conditions were firm, despite concern for the future outlook including sagging growth in China and other emerging economies and a scaling-down of monetary easing in the US.

In Japan, the economy continued to recover against a backdrop of government stimulus measures and Bank of Japan monetary policies, with increased exports on the back of a weaker yen, expansion of corporate capital investment and improvement in the employment and income environment, as well as increased consumer spending ahead of the consumption rate tax hike.

Under these circumstances, Janome Group has focused its management resources, reorganized its overseas manufacturing subsidiaries and restructured its production system, including increasing the floor space in factories, while also strengthening price competitiveness by cutting manufacturing costs. Sewing machine sales were solid as a result of aggressive marketing activities, including the timely launch of new models to meet customer needs, while yen depreciation also pushed up overseas sales.

As a result, in the year to March 31, 2014, total sales were 44,696 million yen (up 6,044 million yen compared to the previous fiscal year), operating income was 2,905 million yen (up 1,177 million yen), ordinary income was 2,353 million yen (up 1,898 million yen) and net income was 1,460 million yen (up 1,372 million yen).

The performance by segment is outlined below.

<Household equipment>

In the overseas sewing machine market, price competition in low-end markets intensified, due in part to currency weakening in emerging markets and sluggish consumer spending. Under these circumstances, the Group continued to implement aggressive sales promotion measures, focused on Russia, India and Middle Eastern countries. The Group also worked to stimulate demand among home hobbyists who actively use sewing machines for sewing, quilts and embroidery, including the launch of the flagship model "HORIZON Memory Craft 15000" in overseas markets. As a result, overseas sales of sewing machines amounted to 1.86 million units (down 20,000 units compared to the previous fiscal year), while sales on a monetary basis soared to 29,312 million yen (up 5,571 million yen compared to the previous fiscal year) thanks to the launch of new high-end models and rapid yen weakening compared with the previous year.

In the domestic sewing machine market, as conditions in the first half of the year slowed the Group launched products tailored to its different sales channels, including specialist sewing machine outlets, volume retailers and mail order outlets, while also actively participating in events such as hobby shows and quilt shows to stimulate demand. As a result, conditions gradually improved from the latter part of the year, and with a spike in demand prior to the consumption rate tax hike, domestic sewing machine sales amounted to 200,000 units (up 10,000 units compared to the previous fiscal year), or 6,375 million yen (up 155 million yen).

Sales of 24-Hour Clean Bath units and water adjustment equipment were solid throughout the year, supported by renovation demand and rush demand prior to the end of March, with sales amounting to 1,487 million yen (up 107 million yen compared to the previous fiscal year).

Overall, net sales in the household equipment business were 37,175 million yen (up 5,834 million yen compared to the previous fiscal year), with operating income of 2,481 million yen (up 1,265 million yen).

<Industrial equipment>

In the industrial equipment segment, our focus for sales was the domestic market – where increased investment in factory automation is expected – as well as emerging markets, primarily China and South East Asia. In the desk-top robot and electro-press machine business, the Group carried out aggressive marketing activities focused on manufacturing-related companies in fields including manufacturers of mobile information devices such as smartphones and tablets, and automotive parts manufacturers, where demand is being generated in areas such as hybrid, electric and automated vehicles. The Group also worked to carefully address the wide-ranging requirements of its customers, including customization to handle users' highly complex tasks.

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

Overall, net sales in the industrial equipment business were 4,866 million yen (up 121 million yen compared to the previous fiscal year), with operating income of 400 million yen (down 98 million yen).

<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 2,654 million yen (up 88 million yen compared to the previous fiscal year), with operating income of 49 million yen (up 4 million yen) as a result of efforts to cut SG&A expenses, etc.

(ii) Outlook for the fiscal year ending March 31, 2015

With regard to the outlook for the fiscal year ending March 31, 2015, while a modest economic recovery is expected, concerns are also anticipated, including the Ukraine crisis, soaring raw materials prices, stagnant conditions in emerging economies and the impact of the consumption rate tax hike on consumer spending.

In the light of these circumstances, Janome Group will continue to aggressively implement its medium-term business plans "JANOME EVOLUTION 2015" next fiscal year (the second year of the plans), while setting our sights on achieving our performance targets in the year to March 31 2016, the final year of the plans.

Janome Group forecasts consolidated earnings in the year to March 31, 2015 as follows: sales 46,000 million yen (up 2.9% compared to the previous fiscal year), operating income 3,000 million yen (up 3.3%), ordinary income 2,700 million yen (up 14.7%), and net income 1,800 million yen (up 23.2%)

(2) Analysis of financial position

(i) Assets, liabilities & net assets

As of March 31, 2014, total assets on a consolidated basis were 51,409 million yen (up 1,226 million yen from the previous fiscal year ended March 31, 2013).

Current assets were 51,409 million yen (up 1,226 million yen from the previous fiscal year ended March 31, 2013) due to increases in cash and cash equivalents, bills and accounts receivable, etc.

Current liabilities were 33,292 million yen (down 518 million yen from the previous fiscal year ended March 31, 2013) due to factors including efforts to reduce interest-bearing debt.

Net assets (including minority interests) were 18,117 million yen (up 1,744 million yen from the previous fiscal year ended March 31, 2013), due to factors including net income for the period and an increase in the foreign currency translation adjustments account due to yen depreciation.

(ii) Cash flows

<Cash flows from operating activities>

Funds increased 3,801 million yen due to factors including the recording of a pre-tax net profit and decrease in inventory assets. (636 million yen increase in funds in the previous fiscal year)

<Cash flows from investing activities>

Net cash generated by investing activities amounted to an outflow of 654 million yen. This was due to expenditure of 716 million yen to purchase tangible fixed assets, including buildings, machinery and equipment for manufacturing subsidiaries and molds associated with new models, income of 611 million yen from the sale of fixed assets including land and buildings in Yao City, Osaka Prefecture, and expenditure of 508 million yen to purchase intangible fixed assets, including software. (1,319 million yen outflow in the previous fiscal year)

<Cash flows from financing activities>

Net cash generated by financing activities amounted to an outflow of 2,059 million yen, due to factors including debt repayment. (627 million yen outflow in the previous fiscal year)

As a result of the above, cash and cash equivalents on a consolidated basis as of March 31, 2014 increased by 1,516 million yen from the previous fiscal year ended March 31, 2013, totaling 6,301 million yen.

(3) Basic policy on profit distribution and distributions in the current and next periods

The policy of the Janome Group is to make profit distributions after broadly taking into consideration retained earnings, etc. based on performance, the dividend payout ratio and future business expansion.

The Group regrets that in the current period, no dividend will be paid due to insufficient accumulation of retained earnings to make a profit distribution.

(4) Risk factors to Janome Group businesses

The Group recognizes that major risk factors as described below could affect Group financial results, stock price, as well as its financial position. The Group makes every effort to avoid such risks and/or manage them to minimize their affect if such events occur.

(i) Affect of exchange rate fluctuation

With the Group's home use sewing machine and industrial equipment businesses operating proactively overseas markets, the ratio of overseas sales as a part of overall sales is around 70 percent.

Although the Group works to hedge any potential exchange losses incurred by foreign currency transactions through foreign exchange advance reservation systems and consolidating settlements between Headquarters and subsidiary

companies, the majority of overseas sales revenue is transacted on a foreign currency basis rather than on a yen basis. Therefore, Group performance could be affected by fluctuations in currency exchange rates.

(ii) Production cost increases

With production facilities based in Japan, Taiwan and Thailand, the Group implements efficient production in accordance with demand trends in the world market. Procuring components globally, the Group endeavors to stabilize procurement and competitively reduce production costs. The Production Control Division manages and controls overall material procurement and production procedures for domestic and overseas production companies and factories. While the Group as a whole consistently makes every effort to minimize any negative affect on production costs, Group performance could be affected by price increases in raw materials such as steel, aluminum, copper and ABS resin.

(iii) Country risk

Throughout the numerous countries where the Group has production and sales activities, political, economic and regulatory changes, natural disasters including earthquakes, typhoons etc., war and terrorism could occur, making it difficult to continue business activities. In such cases, Group performance might be affected.

(iv) Intra-Group quality management and control

With respect to Group products, the Group has developed its production know-how over many years. The Group has 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. In addition, the Group carries out quality system assessments and quality audits on sewing machines, industrial equipment and other products produced by the Company and its domestic and overseas network of associated companies. However, in the event of a large-scale quality problem, Group performance could be affected through the incurrence of recall costs and weakening of the brand image.

(v) 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 wherein compliance with rules and regulations cannot be achieved, Group performance may be affected.

(vi) Market conditions

Within the process of business operations, competition with industry rivals is unavoidable. To that end, the Group is constantly striving to improve product and service quality through fully integrated development, production and sales. However, in the case of drastic changes in market conditions including intensified competition, Group performance could be affected.

(vii) Management of personal information

The Group has a privacy policy and personal information protection guidelines in place, and the Company 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 personal information is leaked, it is possible that not only the Group's reputation but also Group performance could be affected.

(viii) Fluctuation of interest rate

Interest-bearing debts in the Group might be affected by an interest rate fluctuation. Group performance could be affected by an increase in interest-bearing amounts due to an increase in interest rates.

(q) Impairment of fixed assets

With respect to tangible and intangible fixed assets, investment and other assets that the Group holds, should a case arise wherein impairment loss procedures become necessary, it is possible that both Group performance and its financial situation could be affected.

(x) Deferred income tax assets

The Group includes an appropriate amount of deferred income tax assets in the financial statements. However, in the future, should a change in business performance cause a decrease in estimated taxable income which in turn prevents a forwarded loss account from being eliminated as projected, Group performance could be affected by a reversal of part of its deferred income tax assets to income tax adjustment.

(x i) Employee retirement benefit costs and obligations

The Group calculates the amount of employee retirement benefit costs and obligations appropriately based on assumptions used in the relevant actuarial calculations. However, in the case of a drastic change in comparison with those assumptions, Group performance and financial situation could be affected by an increase in employee retirement benefit costs and obligations.

(x ii) Financial covenants associated with borrowings

Some of the Group's borrowings have financial covenants attached, which if infringed could result in the financial institution making a claim for accelerated repayment of the debt.

(x iii) Business re-organization

The Company may conduct business re-organization including withdrawal from unprofitable businesses and/or the liquidation of associated companies. The relevant business re-organization could affect the Group's performance and financial situation.

(x iv) Risks related to Natural Disasters

Natural disasters have the potential to seriously damage the Group facilities and equipment, as well as hinder production with an external supply chain problem. As a result, the Group's business operations and financial situation could be greatly 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 business, followed by the industrial equipment business and other business.

Operations by segment are as follows:

- Household equipment business

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 by Janome America, Inc., Janome UK Ltd., Janome Australia Pty. Ltd., Elna

International Corp. SA and other sales companies. The Company also develops, produces and distributes 24-Hour Clean Bath systems for home and business use.

- Industrial equipment business

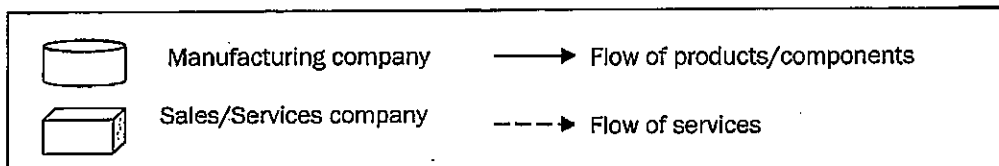
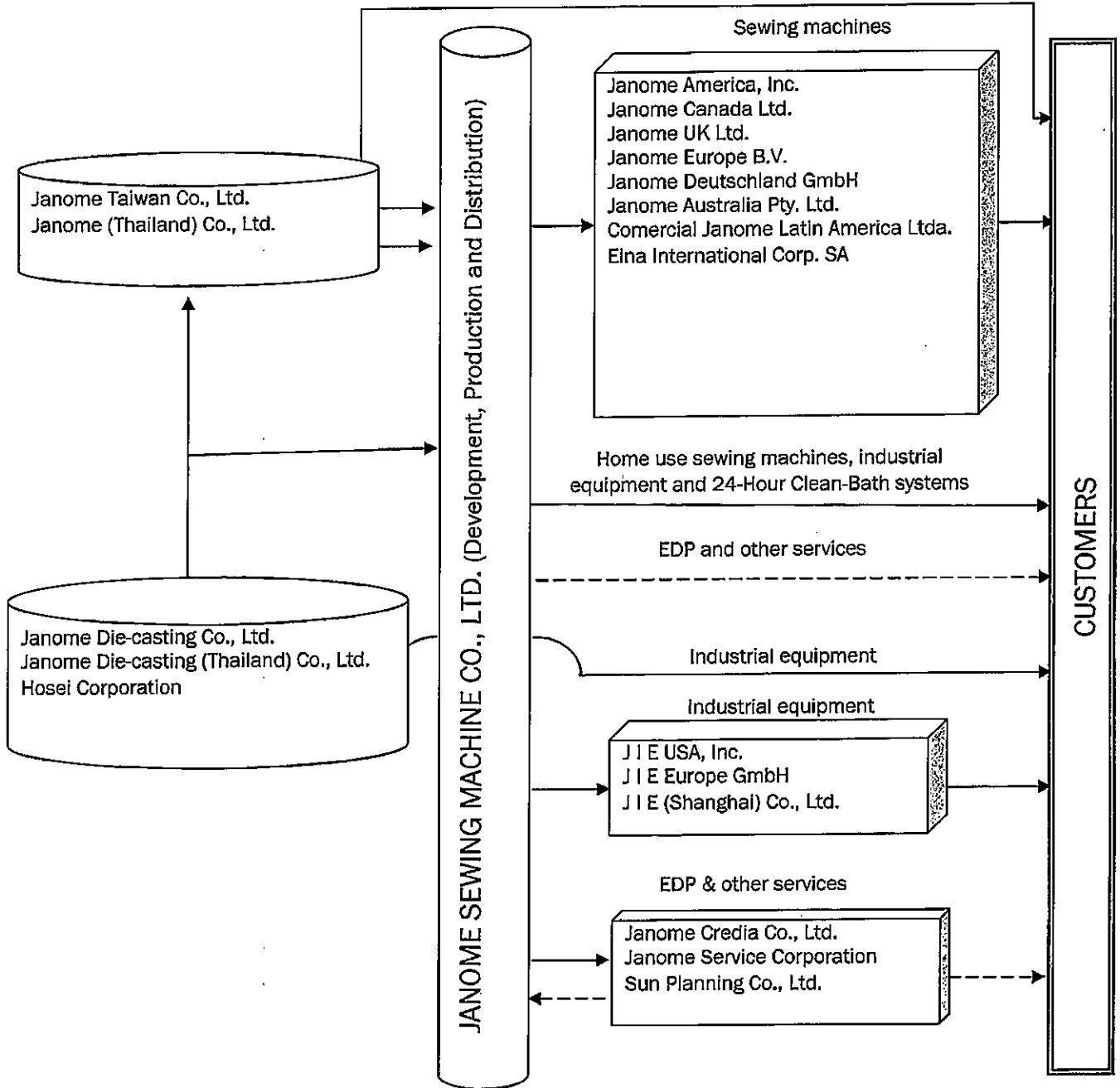
The Company develops and produces industrial equipment including desk-top robots and electropress machines, with sales and marketing handled by the Company and a limited number of overseas sales subsidiaries. Also, Janome Die-casting Co., Ltd., Janome Die-casting (Thailand) Co., Ltd. And Hosei Corporation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

- Other businesses

Janome Credia Co., Ltd. is involved in IT software/electronic data processing services, and Janome Service Corporation installs and maintains 24-Hour Clean Bath systems. The Company also operates a real estate business.

[Overview and operational flow chart of group companies]

Home use sewing machines



3. Management policy

(1) Basic Group management policy

The Janome Group strives for appropriate and efficient management in order to contribute to the enhancement of society and culture through the provision of consistently high-quality products and services of value based on legislative compliance, while maintaining sound and amicable relations with all of its stakeholders.

In addition, the Group aims to build a robust earnings structure that can address changes in the external environment, to achieve efficient management, improve productivity, and strengthen its R&D and sales/services structures.

(2) Issues to be addressed by the Group

Against a backdrop of dramatic change in the global economy in recent times, sequentially the Janome Group has drawn up medium-term plans in order to stably and continually enhance our corporate value, and based on our policy of focusing management resources on future growth businesses in order to become a global company with significant earning power, we have set out three key objectives as follows:

- (1) Establish low-cost structure
- (2) Achieve operating profit margin of 10%
- (3) Strengthen production structure

In order to achieve the above, we will operate in line with the basic policy outlined below.

(i) Focus management resources on businesses/markets with growth potential

In the sewing machine business, we will focus on the overseas market, which is key to growth, and commit management resources to both this and the industrial equipment business segment.

(ii) Strengthen earnings base through reductions in manufacturing costs, selling and administrative costs

With global competition expected to intensify, we will transfer the manufacturing control/purchasing control/manufacturing technology business functions associated with sewing machine production to our manufacturing base in Taiwan in order to realize further cost reductions. In addition, we will push forward with reductions in selling and administrative costs through measures such as reducing business overlap between segments and eliminating unnecessary operations.

(iii) Strengthen development capability, accelerate pace

We will clarify our development policy and build an efficient development structure through measures such as narrowing the focus of development topics, developing product series, and promoting the sharing of components.

(iv) Rebuild the production structure for the future

Envisaging an increase in sewing machine sales to emerging markets, we will build a production structure in Thailand that allows us to increase our production capacity from the current 1.2 million units to 1.5 million units .

4. 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 Fiscal Year ended Mar 31, 2014
ASSETS		
Current assets		
Cash and deposits	5,580	7,076
Notes and accounts receivable-trade	6,183	6,621
Merchandise and finished goods	4,602	4,451
Work in process	501	479
Raw materials and supplies	2,598	2,318
Deferred taxes assets	495	651
Other	354	451
Allowance for doubtful accounts	(146)	(141)
Total current assets	20,170	21,909
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	6,216	5,939
Machinery, equipment and vehicles(net)	965	1,174
Land	15,878	15,049
Construction in progress	602	607
Other tangible fixed assets (net)	1,020	1,130
Total tangible fixed assets	24,683	23,900
Intangible fixed assets		
Goodwill	505	361
Other intangible fixed assets	1,376	1,637
Total intangible fixed assets	1,882	1,999
Investments and other assets		
Investment securities	1,612	1,827
Deferred tax assets	1,404	1,277
Other	503	537
Allowance for doubtful accounts	(74)	(43)
Total investments and other assets	3,446	3,600
Total fixed assets	30,012	29,500
TOTAL ASSETS	50,183	51,409

Consolidated Balance Sheets

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

Currency unit : million yen

	Previous Fiscal Year ended Mar 31, 2013	Current Fiscal Year ended Mar 31, 2014
LIABILITIES		
Current liabilities		
Notes and accounts payable	2,861	3,408
Short-term loans payable	6,957	9,188
Current portion of long-term loans payable	3,285	2,819
Income taxes payable	272	444
Provision for bonuses	417	449
Provision for Restructuring loss	92	88
Other current liabilities	2,100	2,266
Total current liabilities	15,987	18,665
Fixed liabilities		
Long-term borrowings	8,119	4,500
Deferred income taxes for revaluation	4,420	4,158
Liability for employee retirement payments	4,572	-
Net defined benefit liability	-	5,215
Other fixed liabilities	711	752
Total fixed liabilities	17,822	14,627
TOTAL LIABILITIES	33,810	33,292
NET ASSETS		
Shareholders equity		
Common stock	11,372	11,372
Capital surplus	823	823
Retained earnings	(1,846)	87
Treasury stock, at cost	(324)	(324)
Total shareholders' equity	10,024	11,958
Other comprehensive income		
Valuation difference in other marketable securities	131	226
Gain (loss) on deferred hedge	(7)	(3)
Land revaluation difference	6,572	6,099
Foreign currency translation adjustments	(885)	(331)
Remeasurements of defined benefit plans	-	(483)
Total other comprehensive income	5,810	5,506
Minority interest share	537	652
TOTAL NET ASSETS	16,373	18,117
TOTAL LIABILITIES AND NET ASSETS	50,183	51,409

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 Fiscal Year April 1, 2012 through Mar 31, 2013	Current Fiscal Year April 1, 2013 through Mar 31, 2014
Net sales	38,652	44,696
Cost of sales	23,436	27,430
Gross profit	15,215	17,266
Selling, general and administrative expenses	13,487	14,361
Operating income	1,727	2,905
Non-operating income		
Interest income	21	21
Dividend income	22	28
Exchange gains	-	160
Reversal of allowance for doubtful accounts	46	-
Other	105	158
Total non-operating income	194	367
Non-operating expenses		
Interest expenses	380	325
Foreign exchange losses	280	-
Restructuring loss	690	450
Other	116	144
Total non-operating expenses	1,466	919
Ordinary income	455	2,353
Extraordinary profits		
Gain on sales of fixed assets	3	17
Gain on sales of investment securities	-	4
Total extraordinary profits	3	21
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	13	308
Impairment loss	-	30
Loss on valuation of investment securities	10	-
Loss on valuation of other investments	-	10
Total extraordinary losses	24	350
Income before income taxes and minority interests	434	2,025
Income tax, resident tax and business tax	543	745
Income tax adjustment	(159)	(271)
Total taxes	384	473
Net income before minority interests	49	1,551
Minority interests income / (loss)	(38)	90
Net income	88	1,460

Consolidated statements of comprehensive income

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

Currency unit: million yen

	Previous Fiscal Year April 1, 2012 through Mar 31, 2013	Current Fiscal Year April 1, 2013 through Mar 31, 2014
Income before minority interests	49	1,551
Other comprehensive income		
Valuation difference on available-for-sale securities	116	94
Deferred gains or losses on hedges	4	4
Foreign currency translation adjustment	1,330	603
Total other comprehensive income	1,451	701
Comprehensive income	1,501	2,253
Comprehensive income attributable to:		
parent company owners	1,452	2,113
minority interests	49	139

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 Fiscal Year April 1, 2012 through Mar 31, 2013	Current Fiscal Year April 1, 2013 through Mar 31, 2014
Cash flows from operating activities		
Net income before income taxes and minority interests	434	2,025
Depreciation	1,013	1,119
Impairment loss	-	30
Goodwill amortization	162	144
Increase/ (decrease) in allowance for doubtful accounts	(53)	(56)
Increase / (decrease) of employees retirement benefits	12	-
Increase/ (decrease) in net defined benefit liability	-	68
Interest and dividends income	(43)	(49)
Interest expenses	380	325
Loss / (gain) on valuation of investment securities	10	-
(Increase) / decrease in accounts receivable	475	(317)
(Increase) / decrease in inventories	(42)	801
Increase / (decrease) in accounts payable	(557)	531
Others	(240)	31
Sub total	<u>1,551</u>	<u>4,654</u>
Interest and dividend received	43	48
Interest paid	(388)	(321)
Income taxes paid	(569)	(579)
Net cash generated by operating activities	<u>636</u>	<u>3,801</u>
Cash flows from investing activities		
Payments into time deposits	(317)	(140)
Proceeds from withdrawal of time deposits	305	149
Purchase of property, plant and equipment	(750)	(716)
Proceeds from sales of property, plant and equipment	5	611
Purchase of intangible assets	(387)	(508)
Others	(175)	(49)
Net cash generated by investing activities	<u>(1,319)</u>	<u>(654)</u>
Cash flows from financing activities		
Net increase / (decrease) in short-term borrowings	(509)	2,111
Inflow from long-term borrowings	4,050	-
Outflow from repayment of long-term debts	(4,095)	(4,086)
Cash dividends paid to minority shareholders	(19)	(24)
Others	(52)	(60)
Net cash used for financing activities	<u>(627)</u>	<u>(2,059)</u>
Effect of exchange rate changes on cash and cash equivalents	210	428
Increase / (decrease) in cash and cash equivalents	<u>(1,099)</u>	<u>1,516</u>
Cash and cash equivalents at beginning of year	<u>5,885</u>	<u>4,785</u>
Cash and cash equivalents at end of year	<u>4,785</u>	<u>6,301</u>

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

5. Notes to consolidated financial statement

Consolidated Segment Information

a. Operational results by segment

Previous Fiscal Year (April 1, 2012 through March 31, 2013)

Currency unit: million yen

	Reportable segments			Other	Total
	Home hold equipment	Industrial equipment	Total		
Net sales					
Net sales to external customers	31,341	4,744	36,085	2,566	38,652
Intersegment sales or transfers	55	806	861	1,230	2,091
Total	31,396	5,550	36,947	3,796	40,743
Segment profit	1,216	498	1,715	45	1,760
Segment assets	32,294	6,146	38,440	6,443	44,884
Other items					
Depreciation	608	226	835	178	1,013
Amortization of goodwill	144	17	162	--	162
Increase in property, plant and equipment, and intangible assets	842	256	1,099	38	1,137

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

Current Fiscal Year (April 1, 2013 through March 31, 2014)

Currency unit: million yen

	Reportable segments			Other	Total
	Home hold equipment	Industrial equipment	Total		
Net sales					
Net sales to external customers	31,175	4,866	42,041	2,654	44,696
Intersegment sales or transfers	45	927	972	1,256	2,228
Total	37,220	5,793	43,014	3,911	46,925
Segment profit	2,481	400	2,881	49	2,931
Segment assets	31,766	7,381	39,148	6,407	45,555
Other items					
Depreciation	679	258	938	181	1,119
Amortization of goodwill	144	--	144	--	144
Impairment loss	--	--	--	26	26
Increase in property, plant and equipment, and intangible assets	999	208	1,207	17	1,225

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

Difference between total amounts for reportable segments and amounts in the consolidated statement of income and main details of these differences (matters relating to difference adjustment)

Currency unit: million yen

Net Sales	Previous Fiscal Year	Current Fiscal Year
Reportable segment total	36,947	43,014
Other net sales	3,796	3,911
Elimination of intersegment transactions	(2,091)	(2,228)
Net sales on consolidated financial statement	38,652	44,696

Currency unit: million yen Currency unit: million yen

Profit	Previous Fiscal Year	Current Fiscal Year
Reportable segment total	1,715	2,881
Other profit	45	49
Elimination of intersegment transactions	(33)	(26)
Operating income on consolidated financial statement	1,727	2,905

Currency unit: million yen

Assets	Previous Fiscal Year	Current Fiscal Year
Reportable segment total	38,440	39,148
Other Assets	6,443	6,407
Companywide asset	5,883	6,550
Elimination of intersegment transactions	(584)	(696)
Total assets on consolidated financial statement	50,183	51,409

Currency unit: million yen

Other	Reportable segment total		Other		Adjustment		Amount recorded in consolidated financial statement	
	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year
Depreciation	835	938	178	181	--	--	1,013	1,119
Amortization of goodwill	162	144	--	--	--	--	162	144
Impairment loss	--	--	--	26	--	4	--	30
Increase in fixed assets	1,099	1,207	38	17	--	--	1,137	1,225

b. Additional information

Previous Fiscal Year (April 1, 2012 through March 31, 2013)

1. Geographic segmentation

Currency unit: million yen

	Japan	North America	South East Asia	Other	Total	Elimination / Corporate	Consolidated
Net sales							
(1) Net sales to external customers	26,796	5,711	619	5,524	38,652	--	38,652
(2) Intersegment sales or transfers	8,092	--	16,857	36	24,985	(24,985)	--
Total	34,888	5,711	17,477	5,561	63,638	(24,985)	38,652
Operating income/(loss)	592	501	371	480	1,944	(217)	1,727

Note:

(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) South East Asia R.O.C. (Taiwan), Thailand
- (iii) Other regions U.K., Netherlands, Switzerland, Australia, New Zealand, Chile

2 Information by region

(1)Net Sales

Currency unit: million yen

Japan	North America		Europe		Other	Total
	USA	Canada	Russia	Other		
13,144	4,884	1,049	5,033	4,718	9,822	38,652

(2)Tangible fixed assets

Currency unit: million yen

Japan	Asia	Other	Total
21,551	2,942	189	24,683

II Current Fiscal Year (April 1, 2013 through March 31, 2014)

1.Geographic segmentation

Currency unit: million yen

	Japan	North America	South East Asia	Other	Total	Elimination / Corporate	Consolidated
Net sales							
(1) Net sales to external customers	29,388	7,430	674	7,202	44,696	--	44,696
(2) Intersegment sales or transfers	8,991	--	19,752	12	28,757	(28,757)	--
Total	38,380	7,430	20,427	7,215	73,453	(2,857)	44,696
Operating income/(loss)	1,323	573	607	520	3,025	(119)	2,905

Note:

(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) South East Asia R.O.C. (Taiwan), Thailand
- (iii) Other regions U.K., Netherlands, Switzerland, Australia, New Zealand, Chile

2 Information by region

(1)Net Sales

Currency unit: million yen

Japan	North America		Europe		Other	Total
	USA	Canada	Russia	Other		
13,592	6,461	1,244	6,256	6,522	10,620	44,696

(2)Tangible fixed assets

Currency unit: million yen

Japan	Asia	Other	Total
20,576	3,133	191	23,900

c.Information on impairment loss in noncurrent assets by reported segment

Previous Fiscal Year (April 1, 2012 through March 31, 2013)

None.

Current Fiscal Year (April 1, 2013 through March 31, 2014)

Currency unit: million yen

	Home hold equipment	Industrial equipment	Other	Elimination / Corporate	Total
Impairment loss	--	--	26	4	30

d.Information on amortization of goodwill and amortized balance by reported segment

Previous Fiscal Year (April 1, 2012 through March 31, 2013)

Currency unit: million yen

	Home hold equipment	Industrial equipment	Other
Amortization in fiscal year	144	17	162
Current year ending balance	505	--	505

Current Fiscal Year (April 1, 2013 through March 31, 2014)

Currency unit: million yen

	Home hold equipment	Industrial equipment	Other
Amortization in fiscal year	144	--	144
Current year ending balance	361	--	361