

(Translation)

Consolidated Financial Results
for the 3rd Quarter Ending March 31, 2015
(April 1, 2014 through December 31, 2014)
[Japanese GAAP]

February 4, 2015

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
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Filing date of financial statements for the quarter : February 13, 2014
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, 2014 through December 31, 2014)

(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, 2014	34,448	2.4	2,476	9.6	2,512	46.0	1,679	66.1
December 31, 2013	33,643	15.8	2,260	45.9	1,721	251.7	1,010	--

Note: Comprehensive income was

3,197 million yen (52.4%) at the end of December 2014
2,097 million yen (248.6%) at the end of December 2013

	Net income per share - basic	Net income per share - diluted
First nine months ended	yen	yen
December 31, 2014	8.69	--
December 31, 2013	5.23	--

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
December 31, 2014	55,355	21,288	37.1
March 31, 2014	51,409	18,117	34.0

Ref. Equity 20,554 million yen at the end of December 2014, and 17,465 million yen at the end of March 2014

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, 2014	--	0.00	--	0.00	0.00
March 31, 2015	--	0.00	--		
March 31, 2015 (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, 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	%
Full year (April 1,2014 through March 31, 2015)	46,000	2.9	3,000	3.3	2,700	14.7	1,800	23.2

	Net Income per share - basic
Full year (April 1,2014 through March 31, 2015)	9.31

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: Yes

(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 2014

195,214,448 shares at the end of March 2014

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

1,894,255 shares at the end of December 2014

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

(iii) Average number of public shares during fiscal period

First nine months ended December 31,2014 : 193,320,453 shares

First nine months ended December 31,2013 : 193,320,774 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, 2015

(1) Explanation of financial results

During the nine-month period ended December 31, 2014, the global economy maintained its modest recovery overall, boosted by US economic performance. However, uncertainty about the future outlook increased due to factors including a sharp fall in crude oil prices, leading to a slowdown in Russia and other natural resource economies, as well as sluggish business conditions in Europe.

In Japan, the government now anticipates negative growth, as time will be needed for business conditions to recover following the consumption tax hike. The economy is said to be headed for recovery on improvements in the employment and income situation, but still feels lackluster.

In the light of these circumstances, Janome Group has conducted proactive marketing activities while addressing the economic environment and requirements of each business/market.

As a result, in the first nine months of the year Group total sales were 34,448 million yen (up 2.4% YOY) and operating income was 2,476 million yen (up 9.6% YOY), ordinary income was 2,512 million yen (up 46.0% YOY), and net income was 1,679 million yen (up 66.1% YOY).

The performance by segment is outlined below.

<Household equipment>

In the household equipment business, we focused on stimulating demand in Japan and overseas, and there was a solid performance in North America and Europe. However, sales of home-use sewing machines fell by 75,000 units compared to the corresponding period of the previous fiscal year to 1.53 million units, with revenue of 27,861 million yen (down 1.1% YOY) and operating income of 1,924 million yen (up 0.9% YOY).

<Industrial equipment>

In the industrial equipment segment, there was solid growth in unit sales, bolstered by sales of desk-top robots to smartphone and other mobile device-related companies, as well as sales of electro-press machines to the automotive parts sector, with a record 3,900 units sold in the nine-month period to December 31.

Meanwhile, the die-casting-related business also performed strongly on the back of increased component-related orders from the automotive and precision/industrial equipment sectors, reflecting confidence in Janome's technological capability.

Overall, net sales in the industrial equipment business were 4,567 million yen (up 29.1% YOY), with operating income of 534 million yen (up 68.2% YOY).

<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 2,020 million yen (up 4.0% YOY, with operating income of 85 million yen (up 61.0% YOY)

(2) Explanation of financial position

As of December 31, 2014, total assets on a consolidated basis were 55,355 million yen (up 3,945 million yen from the previous fiscal year ended March 31, 2014).

Current assets were 25,182 million yen (up 3,273 million yen from the previous fiscal year ended March 31, 2014) due to factors including increases in bills and accounts receivable, merchandise and products. Fixed assets totalled 30,172 million yen (up 672 million yen from the previous fiscal year ended March 31, 2014), due to factors including the acquisition of tangible and intangible fixed assets. Current liabilities were 20,816 million yen (up 2,151 million yen from the previous fiscal year ended March 31, 2014) due to factors including an increase in bills and accounts payable and short-term borrowing, while fixed liabilities decreased to 13,250 million yen (down 1,376 million yen) due to factors including a fall in long-term borrowing.

Net assets were 21,288 million yen (up 3,170 million yen from the previous fiscal year ended March 31, 2014) 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, 2014 decreased by 160 million yen from the previous fiscal year ended March 31, 2014, to 6,141 million yen (an increase of 661 million yen YOY).

Net cash generated by operating activities amounted to an inflow of 992 million yen (as compared to an inflow of 1,629 million yen YOY), due to factors including 2,285 million yen in quarterly income before income taxes and minority interests, an increase of 1,360 million yen in notes, accounts receivable, and an increase of 771 million yen in inventories.

Net cash generated by investing activities amounted to an outflow of 1,359 million yen (as compared to an outflow of 753 million yen YOY), due to expenditures of 1,007 million yen to purchase tangible fixed assets including equipment and molds, etc.

Net cash used for financing activities amounted to an outflow of 90 million yen (as compared to an outflow of 492 million yen YOY), due to factors including an increase in short-term borrowings of 1,493 million yen and an outflow from repayment of long-term debts of 1,524 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, 2014	Current Third Quarter as of December 31, 2014
ASSETS		
Current assets		
Cash and deposits	7,076	6,978
Notes and accounts receivable-trade	6,621	8,348
Merchandise and finished goods	4,451	5,301
Work in process	479	545
Raw materials and supplies	2,318	2,959
Other	1,103	1,204
Allowance for doubtful accounts	(141)	(155)
Total current assets	21,909	25,182
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	5,939	5,889
Land	15,049	14,865
Other tangible fixed assets (net)	2,912	3,662
Total tangible fixed assets	23,900	24,416
Intangible fixed assets		
Goodwill	361	252
Other intangible fixed assets	1,637	1,836
Total intangible fixed assets	1,999	2,089
Investments and other assets	3,600	3,667
Total fixed assets	29,500	30,172
TOTAL ASSETS	51,409	55,355
LIABILITIES		
Current liabilities		
Notes and accounts payable	3,408	3,844
Short-term loans payable	12,007	13,746
Income taxes payable	444	270
Provision for bonuses	449	281
Provision for Restructuring loss	88	82
Other current liabilities	2,266	2,590
Total current liabilities	18,665	20,816
Fixed liabilities		
Long-term borrowings	4,500	3,041
Deferred income taxes for revaluation	4,158	4,077
Liability for employee retirement payments	5,215	5,355
Other fixed liabilities	752	776
Total fixed liabilities	14,627	13,250
TOTAL LIABILITIES	33,292	34,067

Currency unit: million yen

	Previous Fiscal Year ended Mar 31, 2014	Current Third Quarter as of December 31, 2014
NET ASSETS		
Shareholders' equity		
Common stock	11,372	11,372
Capital surplus	823	823
Retained earnings	87	1,912
Treasury stock, at cost	(324)	(325)
Total shareholders' equity	11,958	13,784
Other comprehensive income		
Valuation difference in other marketable securities	226	219
Gain (loss) on deferred hedge	(3)	(1)
Land revaluation difference	6,099	5,953
Foreign currency translation adjustments	(331)	921
Remeasurements of defined benefit plans	(483)	(322)
Total other comprehensive income	5,506	6,770
Minority interest share	652	733
TOTAL NET ASSETS	18,117	21,288
TOTAL LIABILITIES AND NET ASSETS	51,409	55,355

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, 2013 through December 31, 2013	Current Nine Months April 1, 2014 through December 31, 2014
Net sales	33,643	34,448
Cost of sales	20,577	20,972
Gross profit	13,065	13,476
Selling, general and administrative expenses	10,805	10,999
Operating income	2,260	2,476
Non-operating income		
Interest income	14	15
Dividend income	22	32
Insurance received	-	28
Exchange gains	119	188
Other	114	71
Total non-operating income	272	336
Non-operating expenses		
Interest expenses	257	204
Restructuring loss	450	-
Other	103	95
Total non-operating expenses	811	299
Ordinary income	1,721	2,512
Extraordinary profits		
Gain on sales of fixed assets	2	9
Gain on sales of investment securities	4	-
Total extraordinary profits	6	9
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	14	29
Impairment Loss	-	207
Loss on valuation of investment of others	10	-
Total extraordinary losses	24	237
Income before income taxes and minority interests	1,703	2,285
Income tax, resident tax and business tax	543	595
Income tax adjustment	73	0
Total taxes	616	596
Net income before minority interests	1,086	1,688
Minority interests in income / (loss)	75	9
Net income	1,010	1,679

Consolidated statements of comprehensive income

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

Currency unit: million yen

	Previous Nine Months April 1, 2013 through December 31, 2013	Current Nine Months April 1, 2014 through December 31, 2014
Income before minority interests	1,086	1,688
Other comprehensive income		
Valuation difference on available-for-sale securities	181	(6)
Deferred gains or losses on hedges	2	1
Foreign currency translation adjustment	826	1,351
Remeasurements of defined benefit plans	-	161
Total other comprehensive income	1,010	1,508
Comprehensive income	2,097	3,197
Comprehensive income attributable to:		
parent company owners	1,962	3,089
minority interests	134	107

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, 2013 through December 31, 2013	Current Nine Months April 1, 2014 through December 31, 2014
Cash flows from operating activities		
Net income before income taxes and minority interests	1,703	2,285
Depreciation	827	887
Impairment loss	-	207
Goodwill amortization	108	108
Increase/ (decrease) of employees retirement benefits	39	-
Increase/ (decrease) in net defined benefit liability	-	39
Interest and dividend income	(37)	(48)
Interest expenses	257	204
(Increase)/ decrease in accounts receivable	(1,283)	(1,360)
(Increase)/ decrease in inventories	103	(771)
Increase/ (decrease) in accounts payable	804	379
Others	(162)	(31)
Sub total	2,358	1,898
Interest and dividend received	40	51
Interest paid	(232)	(187)
Income taxes paid	(537)	(769)
Net cash generated by operating activities	1,629	992
Cash flows from investing activities		
Payments into time deposits	(104)	(30)
Proceeds from withdrawal of time deposits	147	37
Purchase of property, plant and equipment	(492)	(1,007)
Proceeds from sales of property, plant and equipment	5	94
Others	(309)	(454)
Net cash generated by investing activities	(753)	(1,359)
Cash flows from financing activities		
Net increase/(decrease) in short-term borrowings	2,523	1,493
Outflow from repayment of long-term debts	(2,946)	(1,524)
Others	(69)	(60)
Net cash used for financing activities	(492)	(90)
Effect of exchange rate changes on cash and cash equivalents	310	298
Increase/(decrease) in cash and cash equivalents	694	(160)
Cash and cash equivalents at beginning of period	4,785	6,301
Cash and cash equivalents at end of period	5,479	6,141

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, 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	2,260

II . Current first nine months (April 1, 2014 through December 31, 2014)

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	27,861	4,567	32,428	2,020	34,448
Intersegment sales or transfers	27	737	765	964	1,729
Total	27,888	5,305	33,193	2,984	36,178
Segment profit/(loss)	1,924	534	2,459	85	2,545

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	2,459
Other net profit	85
Elimination of intersegment transactions	(68)
Operating income in quarterly consolidated statements	2,476

3. Additional information

(1) Geographic segmentation

Previous 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

Current first nine months (April 1, 2014 through December 31, 2014)

Currency unit: million yen

	Japan	North America	South East Asia	Other Regions	Total	Elimination / Corporate	Consolidated
Net sales							
(1) Net sales to external customers	21,603	6,231	513	6,099	34,448	--	34,448
(2) Intersegment sales or transfers	8,673	--	15,407	5	24,087	(24,087)	--
Total	30,277	6,231	15,921	6,105	58,535	(24,087)	34,448
Operating income/ (loss)	1,556	411	478	370	2,818	(341)	2,476

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, 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%

Current first nine months (April 1, 2014 through December 31, 2014)

Currency unit: million yen

	North America	Europe	Other Regions	Total
Net sales				
I Overseas sales	6,443	9,171	9,039	24,655
II Consolidated sales				34,448
III Ratio of overseas sales to consolidated sales	18.7%	26.6%	26.2%	71.6%

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