

CONSOLIDATED FINANCIAL RESULTS
for the first nine months of fiscal year ending 31 March 2007
 (from 1 April 2006 to 31 December 2006)

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)
 English translation from the original Japanese language document

31 January 2007

Company name : JANOME SEWING MACHINE CO., LTD.
 Securities code : 6445
 (URL <http://www.janome.co.jp>)
 Stock exchange on which the shares are listed : Tokyo, Japan (First Section)
 Representative : Name: Sumikazu Kato
 Title: President
 Contact person : Name: Kengo Seki
 Title: Director, Accounting Department
 Phone: +81 3 3277 2111

1. Basic preparation for quarterly consolidated financial statements

- (1) Adoption of simplified accounting methods : Yes
 (Income tax expenses are calculated by applying the estimated annual effective tax rate method.)
 (2) Change of accounting method since the most recent consolidated fiscal year : No
 (3) Change in scope of consolidation and affiliates using the applied equity method
 from preceding year : Yes
 (Number of newly consolidated subsidiaries: 4)

2. First nine-months ended 31 December 2006 (from 1 April 2006 to 31 December 2006)

(1) Consolidated financial results (Amounts less than one million yen are rounded down.)

	Net Sales		Operating Income		Ordinary Income	
	Million yen	%	Million yen	%	Million yen	%
1Q - 3Q 2006	35,963	(2.4)	1,621	(30.0)	1,510	(28.3)
1Q - 3Q 2005	36,845	(0.2)	2,317	(21.2)	2,104	(13.1)
Ref. FY ended Mar'06	49,376		3,034		2,575	

	Net Income		Net Income per Share - basic	Net Income per Share - diluted
	Million yen	%	yen	yen
1Q - 3Q 2006	641	(60.7)	3.30	3.29
1Q - 3Q 2005	1,631	36.7	9.98	9.91
Ref. FY ended Mar'06	2,384		14.15	13.86

Note:

Regarding net sales, operating income, ordinary income and net income, the figures in % show percentage of change from the corresponding period of the preceding year.

[Summary] Consolidated financial results

For the nine-month period, net sales revenue and earnings of sewing machines were below those of the same period for the previous year, due to a drop in the door-to-door sales market, and rises in raw material costs that could not be transferred into retail prices because of fierce price wars.

Industrial equipment business proceeded favorably, in both domestic and overseas markets.

Reflecting these, net sales revenue was 35,963 million yen (down 2.4% compared to the corresponding period of the previous fiscal year), ordinary income 1,510 million yen (down 28.3% compared to the corresponding period of the previous fiscal year), and net income for this period was 641 million yen (down 60.7% compared to the corresponding period of the previous fiscal year).

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	yen
1Q - 3Q 2006	61,297	22,311	35.4	114.31
1Q - 3Q 2005	58,924	16,756	28.4	97.40
Ref. FY ended Mar'06	60,106	19,731	32.8	104.68

[Consolidated cash flow position]

	Operating Activities	Investing Activities	Financing Activities	Cash & Cash Equivalents at End of Period
	Million yen	Million yen	Million yen	Million yen
1Q - 3Q 2006	213	(2,389)	49	3,982
1Q - 3Q 2005	1,094	5,943	(5,204)	4,992
Ref. FY ended Mar'06	3,509	3,368	(4,050)	5,947

[Summary] Consolidated financial positions

Total assets as of 31 December 2006 were 61,297 million yen (up 2,372 million yen compared to the corresponding period of the previous fiscal year). This is due to a conversion of the convertible bonds with stock acquisition rights to common stock, as well as an increase of the shareholders equity because of the net income of this period.

Regarding cash flow conditions, net cash generated by operating activities was plus 313 million yen, net cash generated by investing activities, minus 2,389 million yen due to expenditures for purchase of tangible fixed assets, and net cash used for financing activities, plus 49 million yen. Reflecting these, cash and cash equivalents as of 31 December 2006 totaled 3,982 million yen, down 1,965 million yen from the previous fiscal year ended 31 March 2006 consolidated period (down 1,010 million yen compared to the corresponding period of the previous fiscal year).

There were no other changes which significantly affected the financial position.

(Ref. 1) Non-consolidated financial results (from 1 April 2006 to 31 December 2006)

	Net Sales		Operating Income		Ordinary Income	
	Million yen	%	Million yen	%	Million yen	%
1Q - 3Q 2006	28,377	(3.0)	762	(44.3)	1,465	(31.2)
1Q - 3Q 2005	29,250	(0.6)	1,370	(0.6)	2,131	(2.3)
Ref. FY ended Mar'06	38,204		1,662		2,285	

	Net Income		Net Income per Share - basic
	Million yen	%	yen
1Q - 3Q 2006	875	(57.2)	4.50
1Q - 3Q 2005	2,044	38.6	12.50
Ref. FY ended Mar'06	2,477		14.70

Note:

Regarding net sales, operating income, ordinary income and net income, the figures in % show percentage of change from the corresponding period of the preceding year.

[Summary] Forecast for remaining fiscal year ending March 2007

There is no revision to the earnings forecast for remaining fiscal year to 31 March 2007 announced with the interim financial results on 8 November 2006.

(Ref. 2) Consolidated forecast for fiscal year ending March 2007

(from 1 April 2006 to 31 March 2007)

	Net sales	Ordinary income	Net income
	Million yen	Million yen	Million yen
Full year	51,500	2,900	1,250

(Ref.) Forecast of net income per share (fiscal year ending 31 March 2007): 6.40 yen

(Ref. 3) Non-consolidated forecast for fiscal year ending March 2007

(from 1 April 2006 to 31 March 2007)

	Net sales	Ordinary income	Net income
	Million yen	Million yen	Million yen
Full year	39,500	2,400	1,200

(Ref.) Forecast of net income per share (fiscal year ending 31 March 2007): 6.15 yen

Attachment

1. (Condensed) Consolidated balance sheet
2. (Condensed) Consolidated statement of income
3. (Condensed) Consolidated statement of shareholders equity
4. (Condensed) Consolidated statement of cash flows
5. (Condensed) Consolidated segment information

1. Consolidated Balance Sheets

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

As of 31 December 2006 and 2005 (Ref. as of 31 March 2006)

	Million yen			
ACCOUNT	31 December 2006	31 December 2005	Increase (Decrease)	31 March 2006
[ASSETS]				
Current assets				
Cash on hand and in banks	4,588	5,063	(474)	6,601
Accounts and notes receivable	9,947	9,749	197	8,875
Marketable securities	1,478	--	1,478	1,531
Inventories	8,401	7,931	469	7,105
Other current assets	2,739	1,609	1,129	2,063
Allowance for doubtful accounts	(547)	(237)	(309)	(213)
Total current assets	26,607	24,115	2,491	25,962
Fixed assets				
Tangible fixed assets				
Buildings and structures	4,409	4,577	(167)	4,527
Land	16,468	16,381	87	16,388
Other tangible fixed assets	2,872	2,461	410	2,425
Total tangible fixed assets	23,750	23,420	330	23,340
Intangible fixed assets	1,990	582	1,407	587
Investments and other assets				
Investment securities	2,854	3,716	(862)	4,014
Allowance against negotiated obligation	--	30,000	(30,000)	--
Deferred tax assets	4,969	5,947	(977)	5,083
Other investments and assets	1,180	1,266	(85)	1,173
Allowance for doubtful accounts	(55)	(30,123)	30,067	(57)
Total investments and other assets	8,948	10,806	(1,857)	10,215
Total fixed assets	34,689	34,809	(119)	34,143
TOTAL ASSETS	61,297	58,924	2,372	60,106

	Million yen			
ACCOUNT	31 December 2006	31 December 2005	Increase (Decrease)	31 March 2006
[LIABILITIES]				
Current liabilities				
Notes and accounts payable	4,163	3,809	353	3,803
Short-term borrowings	10,613	13,669	(3,055)	12,590
Short-term bond (current portion)	250	1,250	(1,000)	1,250
Income taxes payable	430	353	77	399
Allowance for employees' bonuses	430	429	1	590
Other current liabilities	2,493	3,060	(566)	2,221
Total current liabilities	18,382	22,571	(4,188)	20,856
Fixed liabilities				
Bonds and notes	3,100	5,850	(2,750)	4,850
Long-term borrowings	6,846	3,918	2,928	3,467
Deferred tax liabilities for revaluation	5,137	3,862	1,274	5,137
Liability for retirement payments	4,729	4,651	78	4,719
Other fixed liabilities	789	748	40	736
Total fixed liabilities	20,602	19,030	1,572	18,910
TOTAL LIABILITIES	38,985	41,602	(2,616)	39,767
[MINORITY INTEREST SHARE]				
Minority interest share	--	565	--	607
[SHAREHOLDERS EQUITY]				
Common stock	--	8,873	--	10,622
Capital surplus	--	1,250	--	3,000
Retained earnings	--	1,139	--	1,892
Difference from revaluation of land	--	5,630	--	4,355
Difference from revaluation of investment securities	--	662	--	657
Foreign currency translation adjustments	--	(795)	--	(792)
Treasury stock, at cost	--	(3)	--	(4)
TOTAL SHAREHOLDERS EQUITY	--	16,756	--	19,731
TOTAL OF LIABILITIES, MINORITY INTEREST SHARE AND SHAREHOLDERS EQUITY	--	58,924	(9,722)	60,106
[NET ASSETS]				
Shareholders equity				
Common stock	11,372	--	--	--
Capital surplus	823	--	--	--
Retained earnings	5,446	--	--	--
Treasury stock, at cost	(4)	--	--	--
Total shareholders equity	17,638	--	--	--
Difference from revaluation and translation adjustments				
Difference from revaluation of investment securities	140	--	--	--
Difference from revaluation of land	4,369	--	--	--
Foreign currency translation adjustments	(466)	--	--	--
Total difference	4,043	--	--	--
Minority interest share	629	--	--	--
TOTAL NET ASSETS	22,311	--	--	--
TOTAL OF LIABILITIES AND NET ASSETS	61,297	--	--	--

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

2. Consolidated Statements of Income

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

For the periods of 1 April - 31 December 2006 and 2005

ACCOUNT	Million yen		
	1 Apr - 31 Dec 2006	1 Apr - 31 Dec 2005	Increase (Decrease)
Net sales	35,963	36,845	(882)
Cost of sales	18,853	18,534	318
Gross profit	17,110	18,311	(1,201)
Selling, general and administrative expenses	15,488	15,993	(505)
Operating income	1,621	2,317	(696)
Other income			
Interest income	44	23	21
Dividend income	32	23	9
Miscellaneous	343	480	(137)
Total other income	421	527	(106)
Other expenses			
Interest expense	319	515	(196)
Miscellaneous	213	224	(11)
Total other expenses	532	739	(207)
Ordinary profit	1,510	2,104	(594)
Extraordinary profit			
Gain on sales of investment securities	454	713	(259)
Gain on sales of fixed assets	13	11	2
Total extraordinary profit	468	725	(257)
Extraordinary loss			
Attorney's fee	128	--	128
Loss on sales or depreciation of fixed assets	61	91	(30)
Loss on revaluation of inventories	30	31	(1)
Impairment loss	--	185	(185)
Investigation expense of merger and acquisition	--	143	(143)
Other extraordinary loss	--	17	(17)
Total extraordinary loss	220	469	(249)
Income before income taxes and minority interest	1,758	2,360	(602)
Income tax, inhabitant tax and business tax	1,083	673	410
Minority interest	32	55	(22)
Net income	641	1,631	(990)

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

Average of exchange rate for the period			
Currency	1 Apr - 31 Dec 2006	1 Apr - 31 Dec 2005	Increase (Decrease)
1 US\$ =	¥116.19	¥112.10	¥4.09

3. Consolidated Statements of Shareholders Equity

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

First nine-months ended 31 December 2006 (from 1 April 2006 to 31 December 2006)

Million yen

	Shareholders' Equity				Total
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	
Balances at 31 March 2006	10,622	3,000	1,892	(4)	15,510
Increase/Decrease					
Issuance of common stock	749	749			1,499
Net income			641		641
Purchase of treasury stock				(0)	(0)
Transfer of capital reserve to retained earnings		(2,926)	2,926		--
Transfer of difference from revaluation of land			(13)		(13)
Increase/Decrease of other than shareholders equity (net)					
Total increase/decrease	749	(2,176)	3,554	(0)	2,127
Balances at 31 December 2006	11,372	823	5,446	(4)	17,638

Million yen

	Difference from Revaluation and Translation Adjustments				Minority Interest Share	Total Net Assets
	Revaluation of Investment Securities	Revaluation of Land	Foreign Currency Translation Adjustments	Total Difference		
Balances at 31 March 2006	657	4,355	(792)	4,221	607	20,339
Increase/Decrease						
Issuance of common stock						1,499
Net income						641
Purchase of treasury stock						(0)
Transfer of capital reserve to retained earnings						--
Transfer of difference from revaluation of land						(13)
Increase/Decrease of other than shareholders equity (net)	(517)	13	326	(177)	22	(155)
Total increase/decrease	(517)	13	326	(177)	22	1,972
Balances at 31 December 2006	140	4,369	(466)	4,043	629	22,311

4. Consolidated Statements of Cash Flows

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

For the periods of 1 April - 31 December 2006 and 2005

	Million yen	
ACCOUNT	1 Apr - 31 Dec 2006	1 Apr - 31 Dec 2005
I. CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes and minority interest	1,758	2,360
Depreciations	785	791
Impairment loss	--	185
Increase/decrease of allowance for doubtful accounts	(13)	18
Increase/decrease of employees retirement benefits	1	241
Interest and dividend income	(77)	(46)
Interest payment	319	515
Increase/decrease in accounts receivable	(296)	(1,202)
Increase/decrease of inventories	(888)	(130)
Increase/decrease of accounts payable	109	(496)
Proceeds from sales of marketable securities	(454)	--
Others	(295)	(314)
Sub total	946	1,923
Interest and dividend received	78	53
Interest paid	(307)	(484)
Income tax paid	(404)	(398)
Net cash generated by operating activities	313	1,094
II. CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for term-deposits	(1)	(1)
Proceeds from term-deposits	7	32
Expenditures for purchase of tangible fixed assets	(1,174)	(724)
Expenditures for purchase of investment securities	(1)	(67)
Proceeds from sales of investment securities	295	6,750
Expenditures for acquisition of businesses	(1,521)	--
Others	6	(47)
Net cash generated by investing activities	(2,389)	5,943
III. CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase/decrease in short-term borrowings	3,771	(6,563)
Proceeds from long-term borrowings	5,800	1,073
Expenditures for repayment of long-term debt	(8,188)	(6,204)
Proceeds from issuance of bonds	--	6,549
Expenditures for redemption of bonds	(1,250)	--
Expenditures for minority stockholders dividends	(63)	(40)
Others	(19)	(18)
Net cash used for financing activities	49	(5,204)
IV. Effect of exchange rate changes on cash and cash equivalents	60	(20)
V. Increase/decrease in cash and cash equivalents	(1,965)	1,813
VI. Cash and cash equivalents, at beginning of period	5,947	3,179
VII. Cash and cash equivalents, at end of period	3,982	4,992

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

5. Consolidated Segment Information

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

1) Operating results by segment

First nine-months ended 31 December 2006 (from 1 April 2006 to 31 December 2006)

(Unit: Million yen)

	Home use sewing machines	Industrial equipment	24-Hour Clean Bath systems	All other	Total	Intersegment elimination or corporate	Consolidated
Net sales							
1) Net sales to external customers	26,801	3,467	1,906	3,787	35,963	--	35,963
2) Intersegment sales or transfers	38	834	35	792	1,701	(1,701)	--
Total	26,839	4,302	1,942	4,580	37,664	(1,701)	35,963
Operating expenses	25,577	4,129	1,922	4,428	36,058	(1,716)	34,341
Operating income	1,261	172	19	152	1,605	15	1,621

First nine-months ended 31 December 2005 (from 1 April 2005 to 31 December 2005)

(Unit: Million yen)

	Home use sewing machines	Industrial equipment	24-Hour Clean Bath systems	All other	Total	Intersegment elimination or corporate	Consolidated
Net sales							
1) Net sales to external customers	27,558	3,228	2,386	3,671	36,845	--	36,845
2) Intersegment sales or transfers	16	761	36	790	1,603	(1,603)	--
Total	27,574	3,990	2,423	4,461	38,449	(1,603)	36,845
Operating expenses	25,567	3,781	2,305	4,464	36,119	(1,591)	34,528
Operating income	2,007	208	117	(3)	2,329	(12)	2,317

Notes: Major products in each business segment are as follows:

- 1) Home use sewing machines Home use sewing machines and sewing-related products
- 2) Industrial equipment Industrial robots, electro-press machines, die-cast products, plastic parts
- 3) 24-Hour Clean Bath systems 24-Hour Clean Bath, water ionizer
- 4) All other Computer software/EDP services, real estate, after-sales/maintenance services, restaurant operation

2) Geographic information

First nine-months ended 31 December 2006 (from 1 April 2006 to 31 December 2006)

(Unit: Million yen)

	Japan	North America	South/East Asia	Other regions	Total	Intersegment elimination	Consolidated
Net sales							
1) Net sales to external customers	24,294	7,605	492	3,571	35,963	--	35,963
2) Intersegment sales or transfers	8,742	--	13,939	--	22,682	(22,682)	--
Total	33,037	7,605	14,432	3,571	58,646	(22,682)	35,963
Operating expenses	32,071	7,467	14,077	3,450	57,066	(22,724)	34,341
Operating income	965	138	354	120	1,579	41	1,621

First nine-months ended 31 December 2005 (from 1 April 2005 to 31 December 2005)

(Unit: Million yen)

	Japan	North America	South/East Asia	Other regions	Total	Intersegment elimination	Consolidated
Net sales							
1) Net sales to external customers	24,113	8,822	346	3,563	36,845	--	36,845
2) Intersegment sales or transfers	9,552	--	13,103	3	22,659	(22,659)	--
Total	33,666	8,822	13,449	3,566	59,505	(22,659)	36,845
Operating expenses	32,316	8,423	13,066	3,331	57,137	(22,608)	34,528
Operating income	1,350	398	382	235	2,367	(50)	2,317

Notes:

1. Countries or regional analyses are presented, based on geographic contiguity.

2. Major countries or regions are as follows:

- 1) North America ······ U.S.A., Canada
- 2) South/East Asia ······ R.O.C. (Taiwan), Thailand
- 3) Other regions ······ U.K., Netherlands, Australia, New Zealand, Chile

3) Overseas sales by region

First nine-months ended 31 December 2006 (from 1 April 2006 to 31 December 2006)

(Unit: Million yen)

	North America	Europe	Other regions	Total
I. Overseas sales	8,266	7,330	4,772	20,370
II. Consolidated sales				35,963
III. Ratio of overseas sales to consolidated sales	23.0%	20.4%	13.3%	56.6%

First nine-months ended 31 December 2005 (from 1 April 2005 to 31 December 2005)

(Unit: Million yen)

	North America	Europe	Other regions	Total
I. Overseas sales	9,470	6,410	4,596	20,477
II. Consolidated sales				36,845
III. Ratio of overseas sales to consolidated sales	25.7%	17.4%	12.5%	55.6%

Notes:

1. Countries or regional analyses are presented, based on geographic contiguity.

2. Major countries or regions are as follows:

- 1) North America ······ U.S.A., Canada
- 2) Europe ······ U.K., Netherlands, Germany
- 3) Other regions ······ South/East Asia, Oceania, Middle East, Africa, Central/South Americas

3. Overseas sales are presented, excluding consolidated sales in domestic Japan.