

(Translation)

CONSOLIDATED FINANCIAL RESULTS
for the 1st quarter of fiscal year ending 31 March, 2011
(1 April, 2010 through 30 June, 2010)
[Japanese Standards]

6 August, 2010

Company name: **JANOME SEWING MACHINE CO., LTD.** Tokyo Stock Exchange in Japan
Securities code: 6445 URL <http://www.janome.co.jp>
Representative: Name: Hachiro Makabe Title: President
Contact person: Name: Tomohiko Okabe Title: Accounting General Manager
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Filing date of quarterly financial statements: 12 August, 2010 Payment date of cash dividends: ----
Supplementary materials prepared for quarterly financial results: No
Financial information meeting for quarterly financial results to be held: No

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

1. Consolidated results (1 April, 2010 through 30 June, 2010)

(1) Consolidated financial results

Percent indication shows percentage of change from the corresponding period of the preceding year.

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q ended								
30 June, 2010	8,863	9.9	543	--	520	--	342	--
30 June, 2009	8,063	(26.1)	(220)	--	(260)	--	(265)	--

	Net income per share - basic	Net income per share - diluted
1Q ended	yen	yen
30 June, 2010	1.77	--
30 June, 2009	(1.37)	--

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
1Q ended	Million yen	Million yen	%	yen
30 June, 2010	50,070	13,435	25.8	66.75
FYE 31 March, 2010	50,512	13,649	25.9	67.56

Ref. Equity 12,903 million yen at the end of June 2010, and 13,060 million yen at the end of March 2010

2. Cash dividends

	Annual cash dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
Fiscal year ending	yen	yen	yen	yen	yen
31 March, 2010	--	0.00	--	0.00	0.00
31 March, 2011	--				
31 March, 2011 (Forecast)		0.00	--	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 31 March, 2011

(1 April, 2010 through 31 March, 2011)

Percent indication shows percentage of change from the corresponding period of the preceding year.

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First half (six-month period ending 30 September, 2010)	17,500	4.3	900	399.1	800	--	500	--
Full year (ending 31 March, 2011)	37,000	3.5	1,800	34.2	1,200	25.4	800	51.2

	Net Income per share - basic
	yen
First half (six-month period ending 30 September, 2010)	2.59
Full year (ending 31 March, 2011)	4.14

Note: Revisions to the forecast of consolidated results in the current quarter: Yes

4. Others

(1) Changes in significant subsidiaries during the current quarter: None

Note: This refers to a presence/absence of changes in specified subsidiaries accompanying changes in scope of consolidation during the current quarter.

(2) Adoption of simplified accounting methods and specifically applied accounting methods: Yes

Note: This refers to adoption of simplified accounting methods and specifically applied accounting methods for preparing quarterly consolidated financial statements.

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

① Changes due to amendments in accounting principles: Yes

② Any changes other than the aforementioned: None

Note: This refers to a presence/absence of changes in accounting principles, procedures and presentations, etc., relating to the preparation of quarterly consolidated financial statements described in "Changes of significant basic matters for the preparation of quarterly consolidated financial statements.

(4) Number of shares issued and outstanding (common stock)

① Number of shares issued and outstanding at the end of fiscal period (including treasury stock)

195,214,448 shares at the end of June 2010

195,214,448 shares at the end of March 2010

② Number of treasury stock at the end of fiscal period

1,892,066 shares at the end of June 2010

1,892,066 shares at the end of March 2010

③ Average number of shares during fiscal period (1 April through 30 June)

193,322,382 shares at the end of June 2010

193,322,528 shares at the end of June 2009

Indication of the implementation status of quarterly review procedures

This quarterly financial report is exempt from the quarterly review procedures based upon the Financial Instruments and Exchange Act. At the time of disclosure of this report, the quarterly review procedures for the quarterly consolidated financial statements are in the process of implementation.

Explanation regarding the appropriate use of forecasts of results, and other special items

The forward-looking statements including the forecasts of the results stated in this report have been prepared according to information that the Company currently has available, and are based on management assumptions considered reasonable by the Company. Actual performance may be materially different from any forecasts due to various factors.

Consolidated Balance Sheets

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

Million yen

	Current First Quarter as of 30 June, 2010	Previous Fiscal Year as of 31 March, 2010 (condensed)
ASSETS		
Current assets		
Cash and deposits	8,198	7,471
Accounts and notes receivable	5,354	6,128
Merchandise and products	3,676	3,751
Semi-finished products	438	397
Raw materials and work in process	1,663	1,499
Other current assets	988	1,029
Allowance for doubtful accounts	(111)	(117)
Total current assets	20,208	20,162
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	6,936	7,129
Land	15,902	15,945
Other tangible fixed assets (net)	2,103	2,184
Total tangible fixed assets	24,943	25,260
Intangible fixed assets		
Goodwill	958	1,000
Other intangible fixed assets	575	554
Total intangible fixed assets	1,534	1,555
Investments and other assets	3,384	3,534
Total fixed assets	29,861	30,350
TOTAL ASSETS	50,070	50,512
LIABILITIES		
Current liabilities		
Notes and accounts payable	2,864	2,990
Short-term borrowings	13,284	14,531
Current portion of short-term bonds	800	800
Income taxes payable	235	282
Allowance for employee bonuses	173	306
Other current liabilities	2,256	2,054
Total current liabilities	19,615	20,966
Fixed liabilities		
Bonds and notes	60	60
Long-term borrowings	6,878	5,681
Deferred income taxes for revaluation	5,064	5,064
Liability for employee retirement payments	4,273	4,368
Other fixed liabilities	742	723
Total fixed liabilities	17,018	15,897
TOTAL LIABILITIES	36,634	36,863

Million yen

	Current First Quarter as of 30 June, 2010	Previous Fiscal Year as of 31 March, 2010 (condensed)
NET ASSETS		
Shareholders equity		
Common stock	11,372	11,372
Capital surplus	823	823
Retained earnings	(2,594)	(2,936)
Treasury stock, at cost	(325)	(325)
Total shareholders equity	<u>9,277</u>	<u>8,935</u>
Valuation and translation adjustments		
Valuation difference in other marketable securities	(63)	(51)
Gain (loss) on deferred hedge	(2)	(2)
Land revaluation difference	5,927	5,927
Foreign currency translation adjustments	(2,235)	(1,748)
Total valuation and translation adjustments	<u>3,626</u>	<u>4,125</u>
Minority interest share	<u>532</u>	<u>588</u>
TOTAL NET ASSETS	<u>13,435</u>	<u>13,649</u>
TOTAL LIABILITIES AND NET ASSETS	<u>50,070</u>	<u>50,512</u>

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

Consolidated Statement of Income

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

Million yen

	Previous First Quarter 1 April, 2009 through 30 June, 2009	Current First Quarter 1 April, 2010 through 30 June, 2010
Net sales	8,063	8,863
Cost of sales	4,878	4,958
Gross profit	3,185	3,904
Selling, general and administrative expenses	3,405	3,361
Operating income/(loss)	(220)	543
Non-operating income		
Interest income	6	4
Dividend income	12	15
Foreign exchange profit	87	12
Settlement fees received	--	67
Miscellaneous income	44	40
Total non-operating income	151	140
Non-operating expenses		
Interest expenses	123	118
Miscellaneous expenses	68	44
Total non-operating expenses	191	163
Ordinary income/(loss)	(260)	520
Extraordinary profits		
Gain on sales of fixed assets	4	106
Compensation received	130	--
Total extraordinary profits	135	106
Extraordinary losses		
Loss on disposal and sales of fixed assets	20	14
Provision for environmental countermeasures	--	16
Effect of application in accounting standards for asset retirement obligations	--	55
Total extraordinary losses	20	86
Income/(loss) before income taxes and minority interests	(145)	541
Income tax, resident tax and business tax	100	115
Income tax adjustment	13	86
Total taxes	114	201
Net income before minority interests	--	339
Minority interests	5	(2)
Net income/(loss)	(265)	342

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

Consolidated Statement of Cash Flows

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

Million yen

	Previous First Quarter 1 April, 2009 through 30 June, 2009	Current First Quarter 1 April, 2010 through 30 June, 2010
Cash flows from operating activities		
Net income/(loss) before income taxes and minority interests	(145)	541
Depreciation	269	230
Goodwill amortization	43	41
Increase/(decrease) of employees retirement benefits	(112)	(94)
Interest and dividend income	(19)	(20)
Interest expenses	123	118
(Increase)/decrease in accounts receivable	437	293
(Increase)/decrease in inventories	323	(406)
Increase/(decrease) in accounts payable	218	160
Others	66	105
Sub total	1,204	971
Interest and dividend received	19	22
Interest paid	(49)	(72)
Income taxes paid	(179)	(135)
Net cash generated by operating activities	995	786
Cash flows from investing activities		
Outflow from depositing of term-deposits	--	(34)
Inflow from repayment of term-deposits	13	16
Expenditures for purchase of tangible fixed assets	(167)	(91)
Proceeds from sales of tangible fixed assets	--	144
Others	(7)	(46)
Net cash generated by investing activities	(161)	(10)
Cash flows from financing activities		
Net increase/(decrease) in short-term borrowings	(1,021)	(1,419)
Inflow from long-term borrowings	450	1,600
Outflow from repayment of long-term debts	(9)	(80)
Others	(28)	(33)
Net cash used for financing activities	(609)	67
Effect of exchange rate changes on cash and cash equivalents	(15)	(130)
Increase/(decrease) in cash and cash equivalents	209	711
Cash and cash equivalents at beginning of this period	4,866	6,869
Cash and cash equivalents at end of this period	5,076	7,580

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

Notes regarding going concern assumptions

None.

Consolidated Segment Information

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

[Operational results by segment]

Previous first quarter (1 April, 2009 through 30 June, 2009)

Million yen

	Home use sewing machines	Industrial equipment	EDP and other services	24-Hour Clean Bath systems	Total	Elimination / Corporate	Consolidated
Net sales							
(1) Net sales to external customers	6,135	582	953	392	8,063	--	8,063
(2) Intersegment sales or transfers	14	123	227	9	374	(374)	--
Total	6,149	706	1,180	401	8,438	(374)	8,063
Operating income/(loss)	(81)	(115)	(16)	(7)	(221)	1	(220)

Notes:

1. Business segments presented are classified by product category.

2. Major products in each business segment are as follows:

- | | | |
|--------------------------------|-------|--|
| (1) Home use sewing machines | | Home use sewing machines and sewing-related products/accessories |
| (2) Industrial equipment | | Industrial robots, electro-press machines, injection molding products and die-cast products |
| (3) EDP and other services | | IT software/electronic data processing services, real estate, maintenance services and restaurant operations |
| (4) 24-Hour Clean Bath systems | | 24-Hour Clean Bath and water ionizers |

[Geographic information]

Previous first quarter (1 April, 2009 through 30 June, 2009)

Million yen

	Japan	North America	South East Asia	Other Regions	Total	Elimination / Corporate	Consolidated
Net sales							
(1) Net sales to external customers	5,609	1,113	113	1,226	8,063	--	8,063
(2) Intersegment sales or transfers	1,316	--	2,834	0	4,151	(4,151)	--
Total	6,926	1,113	2,947	1,227	12,215	(4,151)	8,063
Operating income/(loss)	(267)	(15)	65	41	(176)	(43)	(220)

Notes:

1. Countries or regional analyses presented are based on geographic proximity.

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, Switzerland, Australia, New Zealand, Chile

[Overseas sales]

Previous first quarter (1 April, 2009 through 30 June, 2009)

Million yen

	North America	Europe	Other Regions	Total
I Overseas sales	1,185	1,657	1,509	4,352
II Consolidated sales				8,063
III Ratio of overseas sales to consolidated sales	14.7%	20.5%	18.7%	53.9%

Notes:

1. Overseas sales include sales by the Company and its subsidiaries in countries and regions outside Japan.

2. Countries or regional analyses presented are based on geographic proximity.

3. Major countries or regions are as follows:

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

[Segment information]

1. Outline of reportable business segments

The Group's reportable business segments are classified by product category where financial information is available through the component units by product operation.

The Board of Directors conducts periodical investigation on their product segments in order to evaluate the allocation of management resources and business results.

Consequently, the Group has two reportable segments by product: the Household equipment business and the Industrial equipment business.

The household equipment business manufactures and sells sewing machines, 24-Hour Clean Bath systems and other household equipment.

The industrial equipment business manufactures and sells desk-top robots, electro-press machines, die-cast molding products and other industrial equipment.

2. Information on net sales and operating income/(loss) by reportable business segment

Current first quarter (1 April, 2010 through 30 June, 2010)

Million yen

	Reportable business segment			Other*	Total
	Household equipment	Industrial equipment	Total		
Net sales					
Net sales to external customers	7,090	1,035	8,125	737	8,863
Intersegment sales or transfers	10	226	236	212	449
Total	7,100	1,262	8,362	949	9,312
Operating income/(loss)	411	142	553	(8)	544

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

3. Adjustment to operating income/(loss) in quarterly consolidated statement of income

Million yen

Income	Amount
Total in reportable business segment	553
Operating income/(loss) in Other*	(8)
Elimination in intersegment transaction	(1)
Operating income/(loss) in quarterly consolidated statement of income	543

4. Information on impairment losses on fixed assets and goodwill by reportable business segment

(Significant impairment losses relating to fixed assets)

None.

(Significant changes in the amount of goodwill)

None.

(Additional information)

Effective from 1st April, 2010, the Group adopted the Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No.17 of 27th March, 2009) and its Implementation Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ No.20 of 21st March, 2008).

Notes regarding significant changes in the amount of shareholders equity

None.