1. Qualitative Information Concerning Consolidated Financial Results for the 1st quarter of the fiscal year ending 31 March, 2012

(1) Financial results

Regarding the global economy during the 1st quarter ended 30 June, 2011, in the Asian region the trend towards economic expansion continued, centering on China. In the United States there was gradual economic recovery, however high unemployment rates curbed growth. In Europe some countries faced financial difficulties and economic growth was mixed.

The Japanese economy showed a moderate recovery despite reductions in manufacturing operations and consumer spending. The Great East Japan Earthquake of March 2011 had an adverse impact on the recovery.

Under the mid-term plan "Janome Evolution 2012", the Janome Group carried out measures for expanding profits through allocating resources to promising markets such as the overseas sewing machine market and industrial equipment business, while implementing profit oriented group management and bolstering corporate strength.

[Business results by segment]

(i) Household equipment:
The Group penetrated emerging markets and unit sales in overseas markets rose to 440 thousand units, an increase of 50 thousand units over the previous fiscal year. Net sales of home use sewing machines totaled 6,949 million yen (down 2.0% compared to the corresponding period last year), due to the rapid appreciation of the yen. The strong appreciation of the Taiwanese dollar against the US dollar increased sales costs while the demand for new products, an area which had contributed greatly to the Group's profits and where market investments were made during the same period last year, leveled off. As a result operating income totaled 223 million yen (down 45.8 % compared to the corresponding period last year).

(ii) Industrial equipment:
Sales of desk-top robots and electro-press machines proceeded favorably, due to an aggressive expansion of sales activity particularly in the Asian market.

Die-casting business sales were affected by production adjustments made by domestic manufacturers, particularly those in the automotive industry due to the Great East Japan Earthquake.

As a result, net sales in industrial equipment were 993 million yen (down 4.1% compared to the corresponding period last year) with an operating income of 114 million yen (down 19.3 % compared to the corresponding period last year).

(iii) Other:
In other business segments including IT software development, net sales were 651 million yen (down 11.7% compared to the corresponding period last year) due in part to a delayed recovery in IT-related investment demand leading to an operating loss of 7 million yen (compared with an operating loss of 8 million yen for the corresponding period last year).

In total, the Janome Group's net sales for the first half period were 8,594 million yen (down 3.0% compared to the corresponding period last year) with an operating income of 319 million yen (down 41.1% compared to the corresponding period last year).

(2) Qualitative Information Concerning Consolidated Financial Position for the 1st quarter of fiscal year ending 31st March, 2012

Total assets on a consolidated basis as of 30th June, 2011, were 49,687 million yen (up 596 million yen from the previous fiscal year ended 31 March, 2011).

Current assets increased to 20,122 million yen (up 737 million yen from the previous fiscal year ended 30th June, 2011) due to an inventory increase. Fixed assets were 29,564 million yen (down 140 million yen from the previous fiscal year ended 31st March, 2010) due to the depreciation of fixed assets.

Current liabilities increased by 1,408 million yen to 18,346 million yen due to an increase in short-term borrowings, and fixed liabilities decreased by 790 million yen to 17,245 million yen due to a decrease in long-term borrowings.

Net assets decreased to 14,095 million yen (down 21 million yen from the previous fiscal year ended 31 March, 2011) due to a decrease in the foreign currency translation adjustments account balance.

[Overview of cash flow position]

Cash and cash equivalents on a consolidated basis as of 30th June, 2011 increased by 147 million yen from the previous fiscal year ended 31st March, 2010, totaling 6,939 million yen (an decrease of 640 million yen compared to the corresponding period last year).

Net cash generated by operating activities amounted to an inflow of 337 million yen. This was due to a return of 283 million yen for net income before income taxes and minority interests, an increase in inventories of 526 million yen and an increase in accounts payable of 322 million yen, etc.

Net cash generated by investing activities amounted to an outflow of 267 million yen. This was due to an expenditure of 120 million yen to purchase tangible fixed assets, etc.

Net cash used for financing activities amounted to an inflow of 93 million yen. This was due to a increase in short-term borrowing of 415 million yen and an outflow from repayment of long-term debts of 289 million yen, etc.

(3) Forecast of consolidated results for fiscal year ending 31st March, 2011

As the negative impact of the Great East Japan Earthquake was less severe than the Group's forecast, the consolidated forecast for the 1st half ending 30th September, 2011 was revised as follows:

Revised forecast of consolidated results for the 1st half ending 30th September, 2011
(1 April, 2011 through 30th September, 2011)

Unit: Million yen

	Net Sales	Operating Income	Ordinary Income	Net Income	Net income per share
Previous forecast (A)	16,500	400	150	50	¥0.26
Revised forecast (B)	17,000	500	400	150	¥0.78
Increase/decrease (B-A)	500	100	250	100	--
% change	3.0	25.0	166.7	200.0	--
Results of 1st half of previous fiscal year (Reference)	17,811	1,115	980	567	¥2.94

Regarding the consolidated results of the full year ending 31st March, 2012, there are no revisions to the earnings forecast announced by the Company on 13th May, 2011, due to concerns about an economic slowdown, an unclear outlook for trends in currency exchange rates such as the appreciation of Japanese yen and Taiwanese dollar, and other factors that may result from financial difficulties in the United States and some European countries.