

Financial Report for the Third Quarter of the Fiscal Year Ending March 31, 2009 (Consolidated)

January 23, 2009

Company Name: MAX CO., LTD.
 Stock Listing: First Section of the Tokyo Stock Exchange
 Stock Code: 6454
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Scheduled date to submit
 Quarterly Securities Report: February 13, 2009

1. Results for the Third Quarter of the Fiscal Year Ending March 31, 2009 (April 1, 2008 to December 31, 2008)

(1) Consolidated Operating Results (Nine Months)

(Millions of yen, percentage figures are changes from the same period of the previous fiscal year)

	Nine months ended December 31, 2008		Nine months ended December 31, 2007	
Net sales	¥45,806	—%	¥48,467	1.1%
Operating income	4,230	—	5,107	1.3
Ordinary income	3,926	—	5,316	(3.5)
Net income	2,352	—	3,192	(3.0)
Net income per share (yen)	¥46.63	—	¥62.03	—
Net income per share after full dilution (yen)	—	—	—	—

(2) Consolidated Financial Position

(Millions of yen)

	At December 31, 2008	At March 31, 2008
Total assets	¥77,729	¥79,689
Net assets	62,289	63,071
Shareholders' equity ratio (%)	80.0%	79.0%
Shareholders' equity per share (yen)	¥1,233.26	¥1,248.31

For reference: Shareholders' equity: ¥62,203 million (as of December 31, 2008); ¥62,983 million (as of March 31, 2008).

2. Dividends

Base date	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total dividends
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2008	¥—	¥—	¥—	¥36.00	¥36.00
Year ending March 31, 2009	—	—	—	—	—
Year ending March 31, 2009 (Est.)	—	—	—	36.00	36.00

Note: Whether the dividend forecast for the quarter under review has been revised: No

3. Forecast of Consolidated Operating Results for the Fiscal Year Ending March 31, 2009 (April 1, 2008 to March 31, 2009)

(Millions of yen, percentage figures are changes from the same period of the previous fiscal year)

	Year ending March 31, 2009	
Net sales	¥60,000	(8.4)%
Operating income	4,700	(31.4)
Ordinary income	4,400	(35.2)
Net income	2,700	(32.7)
Net income per share (yen)	¥53.53	—

Note: Whether the forecasts for consolidated earnings for the quarter under review have been revised: Yes

4. Others

- (1) Changes in important subsidiaries during the period (changes in special consolidated subsidiaries attendant with change in scope of consolidation): No
- (2) Application of simplified accounting procedures, or application of special accounting procedures in creating consolidated financial statements for the quarter under review: Yes
- (3) Changes in principles, procedures, and presentation method of accounting related to the compilation of consolidated quarterly financial statements (Description of changes in important items that comprise the basic foundation in the compilation of consolidated quarterly financial statements)
 1. Changes attendant with revisions in accounting principles: Yes
 2. Other changes aside from (1) above: No
- (4) Number of shares outstanding (common stock)
 1. Period-end number of shares outstanding (including treasury stock): 50,500,626 (as of December 31, 2008); 50,500,626 (as of March 31, 2008)
 2. Period-end number of treasury stock: 61,831 (as of December 31, 2008); 45,168 (as of March 31, 2008)
 3. Average number of outstanding common shares: 50,445,044 (as of December 31, 2008); 51,466,345 (as of December 31, 2007)

* Explanation on the appropriate use of earnings forecasts and other notices

- (1) Forecasts are based on information available on the date of publication. Actual performance may differ from forecasts due to various subsequent factors.
- (2) From this consolidated fiscal year, we are applying the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12) and Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14). We also produce our consolidated quarterly financial statements in accordance with "Rules for Quarterly Consolidated Financial Statement".

Qualitative Information / Financial Statements

1. Consolidated Operating Results

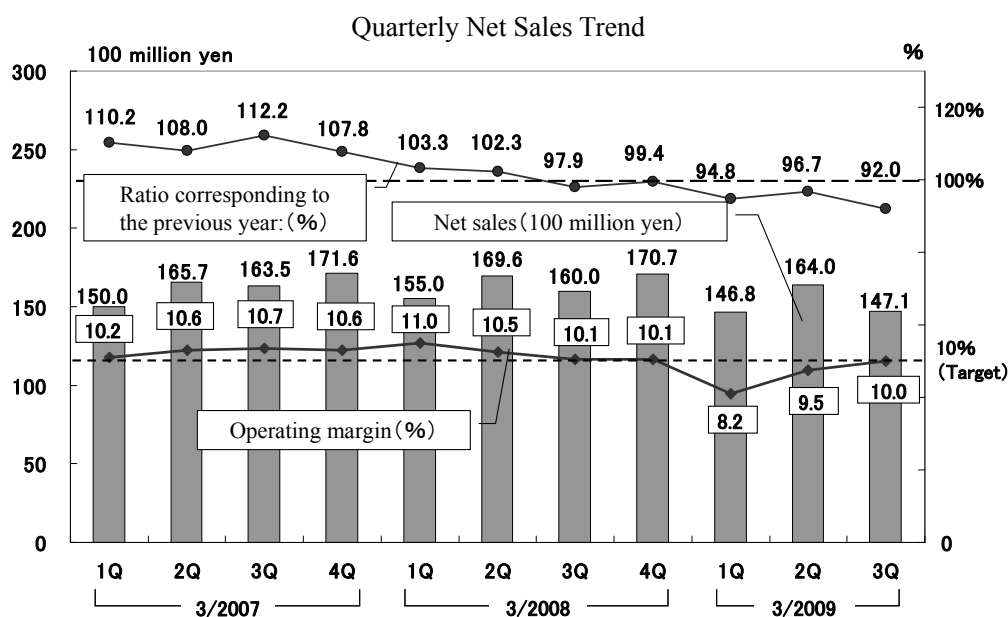
(1) Consolidated Operating Results (Nine Months)

(Millions of yen, %)

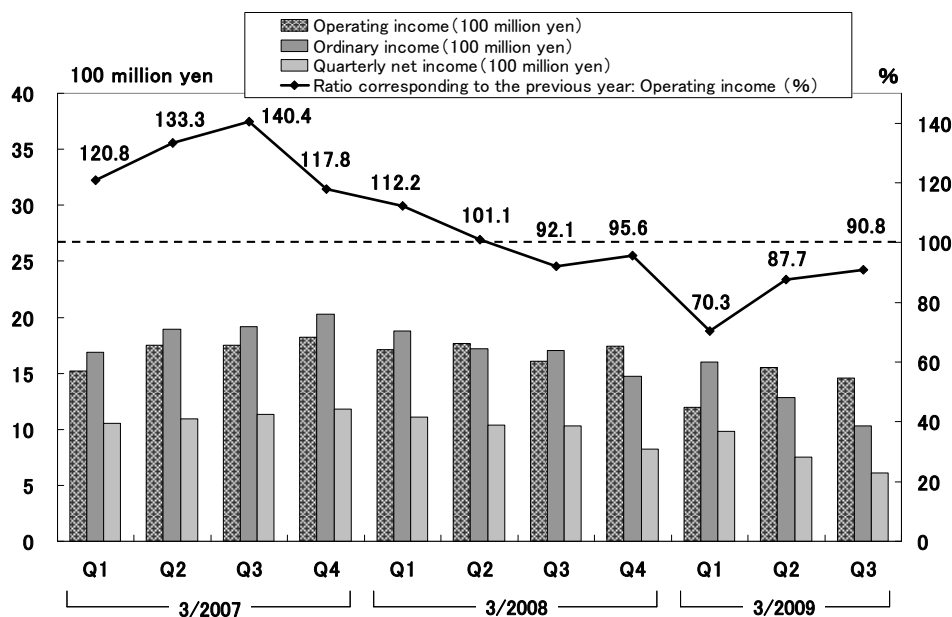
	Nine months ended December 31, 2008	Increase (decrease) year-on-year	
Net sales	¥45,806	(5.5)%	¥(2,660)
Operating income	4,230	(17.2)	(876)
Ordinary income	3,926	(26.2)	(1,390)
Net income	2,352	(26.3)	(840)
Net income per share (yen)	¥46.63	—	¥(15.40)

During the first nine months of the fiscal year, significant confusion occurred in global financial systems and securities markets following the financial crisis that began in the United States. Further, during the third quarter, the crisis began to adversely impact real economies in various regions, resulting in a worldwide economic recession. As a result of these developments, the Company's business environment has been increasingly unpredictable due to such factors that include wide fluctuations in exchange rates and the prices of steel products as well as oil and other commodities.

In this economic environment, the Company decided on a management policy of “forming deeper links with customers and thereby gaining increased client confidence,” devoted Companywide efforts to achieving better results with business growth and rebuilding our profit structure while also working to reduce fixed expenses to maintain and protect our business performance in the face of sudden changes in the business environment resulting from the worldwide economic slowdown occurring during the period under review. Despite these developments, both sales and income declined.



Quarterly Earnings Trend



(2) Earnings for the Nine Months by Division

(Millions of yen, %)

	Office Equipment			Industrial Equipment		
	Nine months ended December 31, 2008	Increase (decrease) year-on-year		Nine months ended December 31, 2008	Increase (decrease) year-on-year	
Net sales	¥17,342	(2.3)%	¥(402)	¥28,464	(7.3)%	¥(2,257)
Operating income (loss)	4,380	(0.1)	(6)	(149)	—	(870)
Operating margin	25.3%	0.6pp	—	(0.5)%	(2.8)pp	—

Office Equipment Division

In the domestic office equipment business, we maintained the leading share in niche markets, such as staplers (including automatic staplers), and pursued our business model of selling both equipment and expendable supplies.

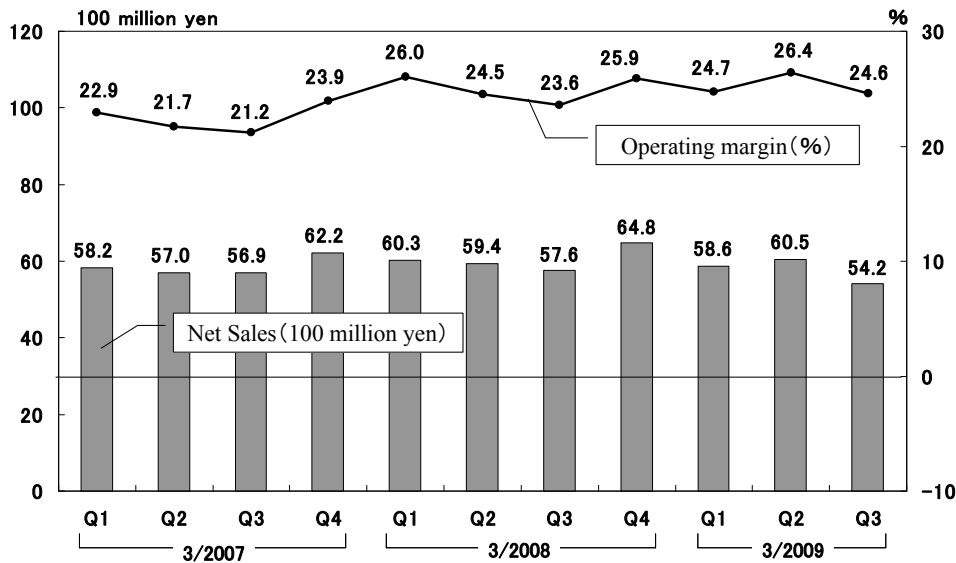
During the nine months under review, sales fell but we maintained operating income of almost the same level as in the prior period, thereby showing profitability even as the domestic and overseas economies declined.

In the domestic office equipment business, as companies experience a need to cut costs, the launch of Vaimo11, a “next-generation” handy-type stapler, and its accompanying newly designed “No. 11” staples contributed to increased sales as did the growing tendency for major chain stores to introduce food label printers, an area of the business we are trying to expand. This tendency was a result of heightened public concerns about food safety and security.

In the overseas office equipment business, we recorded increased sales in Asia for new stapler products and for “Letatwin”, a tube marker for electrical equipment.

In the autostapler business, we are continuing to supply autostaplers and expendable supplies (staples) to the majority of copier and printer manufacturers both domestically and overseas. During the nine months, sales of the industry’s first “photocopier with a built-in plastic ring bookbinder”, which can both photocopy and bind books, contributed to sales, but revenue from existing auto staplers, for both equipment and staples, fell as a result of the economic slowdown in Europe and the United States.

Office Equipment Segment Sales and Operating Margin Trend



Industrial Equipment Division

In the domestic industrial equipment business, sales in the housing and environmental equipment business, an area of the business we are working to expand, were maintained at the same level as in the prior period. In the domestic industrial equipment business, sales fell as the number of new domestic housing starts, which had slumped rapidly during the prior period, showed only a sluggish recovery and remained at low levels. In the overseas industrial equipment business, sales fell as the European and U.S. economies decelerated rapidly and the yen appreciated dramatically.

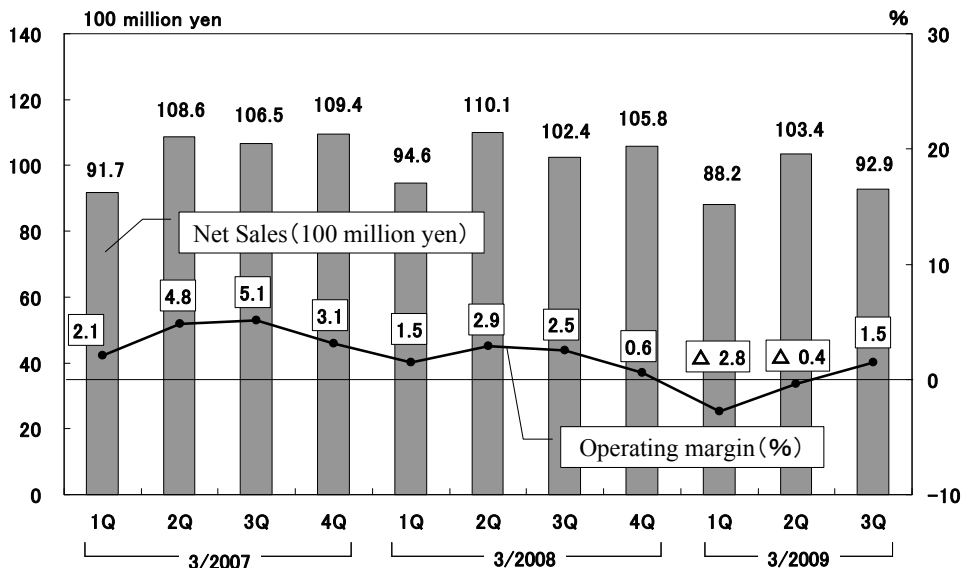
Although we worked to reflect repeated increases in raw materials costs in our retail prices and also endeavored to reduce expenses, the division as a whole saw a decline in both sales and income.

In the domestic industrial equipment business, sales of our new “rechargeable brushless impact driver”, which is equipped with a lithium ion battery, contributed to sales, but both major and local building firms continued to refrain from purchasing nailers as during the previous period. We worked to maintain profits by amending our retail prices in response to rising prices for materials, including wire rods, which are used to make nails, staples, and other products.

In the housing environmental equipment business, revenue from ventilation systems fell as new condominium construction dropped, but the Company recorded increased sales from new product lines that we are working to expand, including disposal systems and floor heating systems.

In the overseas industrial equipment business, we recorded decreased sales for concrete rebar tying tools, which had previously contributed to business expansion, due to the economic slowdown in the European market. The major decrease in the number of housing starts in the United States and the appreciation of the yen also contributed to decreased sales overall.

Industrial Equipment Segment Sales and Operating Margin Trend



2. Qualitative Information Pertaining to the Consolidated Financial Position

(Millions of yen, %)

	At December 31, 2008	Change from March 31, 2008	
Total assets	¥77,729	(2.5)%	¥(1,959)
Net assets	62,289	(1.2)	(782)
Shareholders' equity ratio (%)	80.0%	1.0pp	—

Regarding assets, current assets decreased ¥4,021 million principally because although finished products increased ¥583 million, notes and accounts receivable—trade decreased ¥2,492 million and marketable securities dropped ¥2,697 million due to the redemption of bonds that matured and other factors. Fixed assets increased ¥2,062 million, mainly due to an increase of ¥1,546 million in investment securities.

Regarding liabilities, current liabilities decreased ¥1,672 million due to a ¥1,295 million decline in accrued bonus payments to employees and a ¥708 million decline in income taxes payable. Although long-term liabilities increased ¥494 million due mainly to the application of “accounting standards for lease transactions,” total liabilities decreased ¥1,177 million.

Net assets decreased ¥782 million due in part to decreases in a revaluation difference on other securities and in foreign currency translation adjustment.

3. Qualitative Information on Consolidated Earnings Forecasts

(1) Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2009 (April 1, 2008 to March 31, 2009)

(Millions of yen, %)

	Fiscal year ending March 31, 2009	Increase (decrease) year-on -year	
Net sales	¥60,000	(8.4)%	¥(5,537)
Operating income	4,700	(31.4)	(2,151)
Ordinary income	4,400	(35.2)	(2,387)
Net income	2,700	(32.7)	(1,313)
Net income per share (yen)	¥ 53.53	—	¥(24.58)

As economies around the world enter recession, we expect the Company's business environment to be extremely difficult due to factors including the very rapid appreciation of the yen, a slowdown in the domestic economy, and further contractions in demand in the domestic housing market.

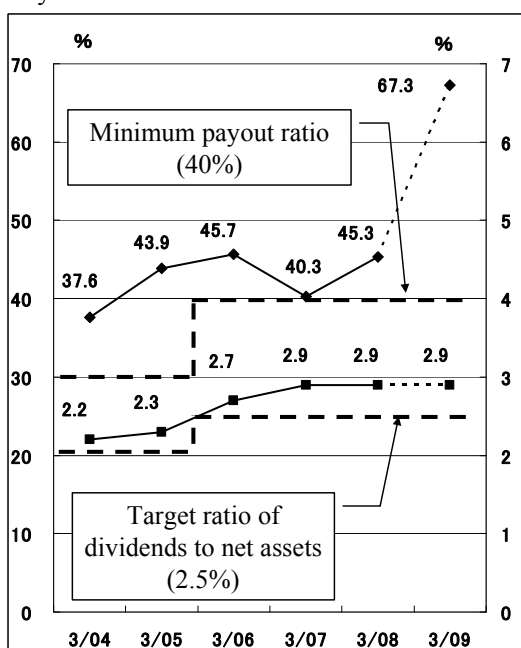
As a result of these factors, we have made the following modifications to the forecast for the full fiscal year originally announced on October 22, 2008.

(2) Dividends

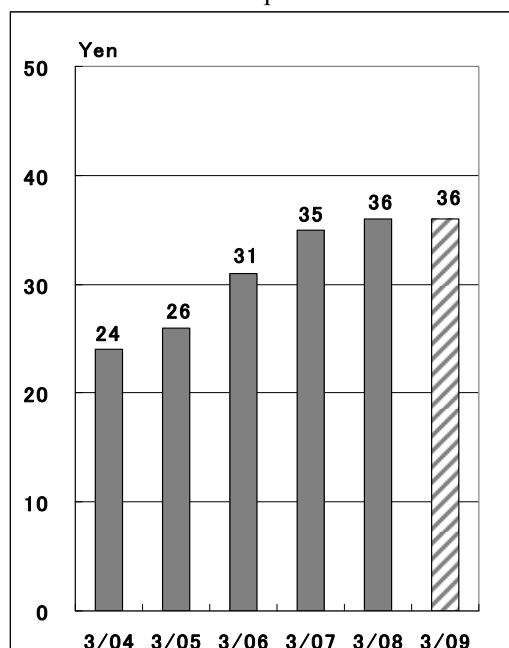
The Company's basic dividend policy is to maintain a minimum dividend payout ratio of 40% and a target dividend to net assets ratio of 2.5%.

Although we are forecasting reduced sales and reduced income for the full fiscal year, we have taken into account our future business growth and financial situation and, as a result, intend to maintain the prior fiscal year's annual dividend of ¥36 per share.

Payout Ratio and Dividends to Net Assets Ratio



Dividends per Share



Note: Ratios for fiscal periods through the fiscal year ended March 31, 2005 are calculated based on parent company-only data.

Quarterly Consolidated Financial Statements

1. Consolidated Balance Sheet

(Millions of yen)

	At December 31, 2008	At March 31, 2008
ASSETS		
Current assets	¥31,072	¥35,094
Cash and cash deposits	6,680	6,236
Notes and accounts receivable—trade	12,526	15,019
Marketable securities	1,002	3,700
Finished merchandise	16	3
Finished products	5,929	5,345
Raw materials	1,837	1,831
Work in progress	720	733
Other	2,365	2,230
Allowance for doubtful accounts	(5)	(6)
Fixed assets	46,657	44,595
Tangible fixed assets	17,867	18,279
Intangible assets	201	237
Investments and other assets	28,588	26,078
Investment securities	22,500	20,953
Other	6,094	5,127
Allowance for doubtful accounts	(6)	(3)
Total assets	¥77,729	¥79,689
LIABILITIES		
Current liabilities	¥9,895	¥11,567
Notes and accounts payable—trade	4,614	4,360
Short-term loans	2,075	2,232
Income taxes payable	208	917
Accrued bonuses to employees	245	1,541
Accrued bonuses to directors and corporate auditors	36	67
Other	2,712	2,447
Long-term liabilities	5,545	5,050
Long-term loans	156	132
Reserve for retirement benefits to employees	3,971	3,814
Reserve for retirement benefits to directors and corporate auditors	267	232
Negative goodwill	77	83
Other	1,071	787
Total liabilities	15,440	16,617
NET ASSETS		
Shareholders' equity	65,511	64,995
Common stock	12,367	12,367
Capital surplus	10,518	10,517
Retained earnings	42,688	42,152
Treasury stock	(62)	(43)
Revaluations and adjustments	(3,307)	(2,011)
Revaluation difference on other securities	(178)	759
Land revaluation difference	(2,804)	(2,804)
Foreign currency translation adjustment	(324)	34
Minority interests	85	87
Total net assets	62,289	63,071
Total liabilities and net assets	¥77,729	¥79,689

2. Consolidated Statement of Income

(Millions of yen)

	Nine months ended December 31, 2008
Net sales	¥45,806
Cost of sales	28,795
Gross profit	17,011
Selling, general and administrative expenses	12,780
Employee compensation	3,819
Provision for accrued bonuses to employees	131
Provision for accrued bonuses to directors and corporate auditors	36
Retirement benefits to employees	692
Provision to reserve for retirement benefits to directors and corporate auditors	37
Packing and shipping costs	1,150
Sales promotion expenses	1,246
Depreciation and amortization	447
Provision of allowance for doubtful accounts	4
Other	5,213
Operating income	4,230
Non-operating income	459
Interest income	195
Dividend income	139
Amortization of negative goodwill	5
Other	119
Non-operating expenses	763
Interest expenses	45
Foreign exchange losses	669
Taxes and duties	23
Other	25
Ordinary income	3,926
Special losses	542
Losses on the sales of fixed assets	88
Losses on the disposal of fixed assets	18
Losses on the revaluation of inventories	144
Losses on the sales of investment securities	1
Losses on the revaluation of investment securities	236
Retirement benefit expenses applicable to previous period	54
Income before income taxes and minority interests	3,384
Tax expenses	1,020
Minority interests	11
Net income	¥ 2,352

(Millions of yen)

	Three months ended December 31, 2008
Net sales	¥14,717
Cost of sales	9,202
Gross profit	5,514
Selling, general and administrative expenses	4,044
Employee compensation	1,244
Provision for accrued bonuses to employees	131
Provision for accrued bonuses to directors and corporate auditors	5
Retirement benefits to employees	240
Provision to reserve for retirement benefits to directors and corporate auditors	12
Packing and shipping costs	365
Sales promotion expenses	411
Depreciation and amortization	148
Provision for allowance for doubtful accounts	3
Other	1,480
Operating income	1,469
Non-operating income	159
Interest income	67
Dividend income	40
Amortization of negative goodwill	1
Other	50
Non-operating expenses	592
Interest expenses	17
Foreign exchange losses	564
Other	11
Ordinary income	1,036
Special losses	204
Losses on the sales of fixed assets	87
Losses on the disposal of fixed assets	5
Losses on the sales of investment securities	1
Losses on the revaluation of investment securities	110
Income before income taxes and minority interests	831
Tax expenses	215
Minority interests	3
Net income	¥ 612

3. Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2008
I. Cash flows from operating activities	
Income before income taxes and minority interests	¥3,384
Depreciation expenses	2,080
Amortization of negative goodwill	(5)
Increase in allowance for doubtful accounts	2
Decrease in accrued bonuses to employees	(1,295)
Decrease in accrued bonuses to directors and corporate auditors	(31)
Increase in reserve for retirement benefits for employees, directors and corporate auditors	192
Interest and dividend income	(334)
Interest expenses	45
Effect of exchange rate changes	9
Losses on the disposal of fixed assets	18
Losses on the revaluation of investment securities	236
Decrease in notes and accounts receivable—trade	2,293
Increase in inventory assets	(916)
Increase in notes and accounts payable—trade	636
Decrease in consumption tax payable	(27)
Increase in other assets	(856)
Increase in other liabilities	251
Subtotal	5,683
Interest and dividends received	332
Interest expenses paid	(46)
Corporate income taxes paid	(1,487)
Net cash provided by operating activities	4,482
II. Cash flows from investing activities	
Expenditures for the acquisition of marketable and investment securities	(4,249)
Proceeds from the redemption or sales of marketable and investment securities	3,706
Acquisition of fixed assets	(1,271)
Proceeds from the sales of fixed assets	6
Disbursement of loans	(72)
Recovery of loans	109
Net cash used in investing activities	(1,772)
III. Cash flows from financing activities	
Proceeds from loans	50
Expenditure for the repayment of loans	(170)
Expenditure for the acquisition of treasury stock	(27)
Proceeds from the sale of treasury stock	8
Amount paid for dividend payments	(1,814)
Expenditure for repayment of lease obligations	(182)
Net cash used in financing activities	(2,136)
IV. Effect of exchange rate changes on cash and cash equivalents	(128)
V. Increase in cash and cash equivalents	444
VI. Cash and cash equivalents at beginning of period	6,236
VII. Balance of cash and cash equivalents at end of period	¥6,680

4. Notes on Assumptions Underlying the Definition of Ongoing Businesses

No related items

5. Segment Data

Consolidated Business Operations by Segment

Nine months of the fiscal year ending March 31, 2009 (April 1, 2008 to December 31, 2008)

(Millions of yen)

	Office Equipment	Industrial Equipment	Total	Elimination/ Corporate	Consolidated
Net sales	¥17,342	¥28,464	¥45,806	—	¥45,806
Operating expenses	12,961	28,614	41,575	—	41,575
Operating income (loss)	4,380	(149)	4,230	—	4,230
Operating margin (%)	25.3%	(0.5)%	9.2%	—	9.2%

Note: Since the first quarter of the period under review, we have applied the Accounting Standard for Measurement of Inventories (Accounting Standards Board of Japan, ASBJ Statement No. 9, published July 5, 2006). As such, we have changed our valuation standards from the original cost method to the cost method, under which the values may be reduced following declines in profitability.

The impact of these changes on consolidated operating expenses during the first nine months of the fiscal year, when compared to prior accounting methods, is not material for either office equipment or industrial equipment.

Nine months of the fiscal year ended March 31, 2008 (April 1, 2007 to December 31, 2007)

(Millions of yen)

	Office Equipment	Industrial Equipment	Total	Elimination/ Corporate	Consolidated
Net sales	¥17,745	¥30,722	¥48,467	—	¥48,467
Operating expenses	13,357	30,002	43,360	—	43,360
Operating income	4,387	720	5,107	—	5,107
Operating margin (%)	24.7%	2.3%	10.5%	—	10.5%

6. Notes on Significant Changes to Shareholders' Capital

No related items

(Supplementary Information)**Quarterly Consolidated Financial Statements****Consolidated Statements of Income**

(Millions of yen, %)

	Nine months ended December 31, 2008		Nine months ended December 31, 2007		Fiscal year ended March 31, 2008	
Net sales	¥45,806	100.0%	¥48,467	100.0%	¥65,537	100.0%
Cost of sales	28,795	62.9	29,900	61.7	40,510	61.8
Gross profit	17,011	37.1	18,567	38.3	25,027	38.2
Selling, general and administrative expenses	12,780	27.9	13,459	27.8	18,175	27.7
Employee compensation	3,819		3,873		5,138	
Provision for accrued bonuses to employees	131		426		1,015	
Provision for accrued bonuses to directors and corporate auditors	36		50		67	
Retirement benefits to employees	692		563		779	
Provision to reserve for retirement benefits to directors and corporate auditors	37		42		70	
Packing and shipping costs	1,150		1,329		1,791	
Sales promotion expenses	1,246		1,184		1,665	
Depreciation and amortization	447		301		413	
Provision for allowance for doubtful accounts	4		—		—	
Other	5,213		5,687		7,234	
Operating income	4,230	9.2	5,107	10.5	6,851	10.5
Non-operating income	459	1.0	392	0.8	511	0.8
Interest income	195		166		227	
Dividend income	139		123		131	
Amortization of negative goodwill	5		3		7	
Other	119		98		145	
Non-operating expenses	763	1.7	182	0.4	575	0.9
Interest expenses	45		44		51	
Foreign exchange losses	669		75		429	
Taxes and duties	23		14		19	
Other	25		48		75	
Ordinary income	3,926	8.6	5,316	11.0	6,787	10.4
Special income	—	—	20	0.0	20	0.0
Reversal of allowance for doubtful accounts	—		20		20	
Special losses	542	1.2	43	0.1	71	0.1
Losses on the sales of fixed assets	88		—		—	
Losses on the disposal of fixed assets	18		43		58	
Losses on the revaluation of inventories	144		—		—	
Losses on the sales of investment securities	1		—		—	
Losses on the revaluation of investment securities	236		—		—	
Valuation loss on club memberships	—		—		12	
Retirement benefit expenses applicable to previous period	54		—		—	
Income before income taxes and minority interests	3,384	7.4	5,294	10.9	6,735	10.3
Tax expenses	1,020		2,095		2,714	
Minority interests	11		6		8	
Net income	¥ 2,352	5.1	¥ 3,192	6.6	¥ 4,013	6.1

Segment Data

Consolidated Business Operations by Segment

Nine months of the fiscal year ending March 31, 2009 (April 1, 2008 to December 31, 2008)

(Millions of yen)

	Office Equipment	Industrial Equipment	Total	Elimination/ Corporate	Consolidated
Net sales	¥17,342	¥28,464	¥45,806	—	¥45,806
Operating expenses	12,961	28,614	41,575	—	41,575
Operating income	4,380	(149)	4,230	—	4,230
Operating margin (%)	25.3%	(0.5)%	9.2%	—	9.2%

Nine months of the fiscal year ended March 31, 2008 (April 1, 2007 to December 31, 2007)

(Millions of yen)

	Office Equipment	Industrial Equipment	Total	Elimination/ Corporate	Consolidated
Net sales	¥17,745	¥30,722	¥48,467	—	¥48,467
Operating expenses	13,357	30,002	43,360	—	43,360
Operating income	4,387	720	5,107	—	5,107
Operating margin (%)	24.7%	2.3%	10.5%	—	10.5%

Third quarter of the fiscal year ending March 31, 2009 (October 1, 2008 to December 31, 2008)

(Millions of yen)

	Office Equipment	Industrial Equipment	Total	Elimination/ Corporate	Consolidated
Net sales	¥5,425	¥9,291	¥14,717	—	¥14,717
Operating expenses	4,091	9,156	13,247	—	13,247
Operating income	1,334	134	1,469	—	1,469
Operating margin (%)	24.6%	1.5%	10.0%	—	10.0%

Third quarter of the fiscal year ended March 31, 2008 (October 1, 2007 to December 31, 2007)

(Millions of yen)

	Office Equipment	Industrial Equipment	Total	Elimination/ Corporate	Consolidated
Net sales	¥5,762	¥10,242	¥16,005	—	¥16,005
Operating expenses	4,405	9,982	14,387	—	14,387
Operating income	1,357	260	1,617	—	1,617
Operating margin (%)	23.6%	2.5%	10.1%	—	10.1%

Year ended March 31, 2008 (April 1, 2007 to March 31, 2008)

(Millions of yen)

	Office Equipment	Industrial Equipment	Total	Elimination/ Corporate	Consolidated
Net sales	¥24,228	¥41,309	¥65,537	—	¥65,537
Operating expenses	18,161	40,524	58,686	—	58,686
Operating income	6,066	784	6,851	—	6,851
Operating margin (%)	25.0%	1.9%	10.5%	—	10.5%