

Financial Report for the Nine-Month Period Ended December 31, 2007 (Consolidated)

January 15, 2008

Company Name: MAX CO., LTD.
 Stock Listings: First sections of the Tokyo Stock Exchange and Osaka Securities Exchange
 Stock Code: 6454
 Head Office: 6-6, Hakozaeki-cho, Nihonbashi, Chuo-ku, Tokyo, JAPAN
 URL: (<http://www.max-ltd.co.jp>)
 Representative Director: Takashi Miida, CEO, President and Representative Director
 Inquiries: Teruhiro Kamon, Director, General Manager Tel: +81-3-3669-0311

1. Results for the Nine Months Ended December 31, 2007

(1) Consolidated Operating Results

(Millions of yen, %)

	Nine months ended December 31, 2007		Nine months ended December 31, 2006		Year ended March 31, 2007	
	¥	%	¥	%	¥	%
Net sales	¥48,467	1.1%	¥47,932	10.1%	¥65,101	9.5%
Operating income	5,107	1.3	5,039	31.5	6,865	27.5
Ordinary income	5,316	(3.5)	5,508	31.4	7,541	28.0
Net income	3,192	(3.0)	3,290	31.0	4,472	25.4
Net income per share (yen)	¥ 62.03		¥ 63.91		¥ 86.86	
Net income per share after full dilution (yen)	—		—		—	

(2) Consolidated Financial Position

(Millions of yen, %)

	At December 31, 2007	At December 31, 2006	At March 31, 2007
Total assets	¥ 80,163	¥ 79,523	¥ 82,316
Total net assets	64,548	62,631	64,226
Shareholders' equity ratio (%)	80.4%	78.7%	77.9%
Shareholders' equity per share (yen)	¥1,254.33	¥1,214.96	¥1,246.11

(3) Consolidated Cash Flows

(Millions of yen)

	Nine months ended December 31, 2007	Nine months ended December 31, 2006	Year ended March 31, 2007
Net cash provided by operating activities	¥2,911	¥4,609	¥6,506
Net cash used in investing activities	(1,596)	(3,276)	(5,082)
Net cash used in financing activities	(1,830)	(1,512)	(1,537)
Cash and cash equivalents at period-end	6,255	6,381	6,496

2. Dividends

	Dividends per share (¥)	Total dividends paid	Consolidated payout ratio	Consolidated dividend/net asset ratio
	Annual	(Millions of yen)	(%)	(%)
Year ended March 31, 2006	¥31.00	¥1,596	45.7	2.7
Year ended March 31, 2007	35.00	1,801	40.3	2.9
Year ending March 31, 2008 (Est.)	36.00	1,852	44.1	2.8

Note: We have raised our annual dividend forecast by ¥1, to ¥36 per share, from the annual dividend forecast of ¥35 per share we issued when we released our interim consolidated financial results on October 23, 2007, and the annual dividend of ¥35 per share paid for the fiscal year ended March 31, 2007.

3. Forecasts of Consolidated Operating Results for the Fiscal Year Ending March 31, 2008

(Millions of yen, %)

	Year ending March 31, 2008	Year-on-year change
Net sales	¥67,000	2.9%
Operating income	7,000	2.0
Ordinary income	7,200	(4.5)
Net income	4,200	(6.1)
Net income per share (yen)	¥81.61	

4. Others

- (1) Changes in important subsidiaries during the period (changes in specific consolidated subsidiaries attendant with change in scope of consolidation): No
- (2) Whether the Company has adopted simplified accounting methods: Yes
Note: For details, please refer to “4. Other Items” in the “Qualitative Information/Financial Statements” section on page 7.
- (3) Differences in consolidated accounting policies from the fiscal year ended March 31, 2007: None

Note: These forecasts were based on information possessed by the MAX Group at this point in time. More recent data may mean that the actual figures are different than those indicated.

Qualitative Information/Financial Statements

1. Qualitative Information Pertaining to the Consolidated Operating Results

(1) Consolidated Performance in the Nine Months Ended December 31, 2007

(Millions of yen, %)

	Nine months ended December 31, 2007	Increase/decrease compared to nine months ended December 31, 2006	
Net sales	¥48,467	1.1%	¥ 534
Operating income	5,107	1.3	67
Ordinary income	5,316	(3.5)	(192)
Net income	3,192	(3.0)	(98)
Net income per share (yen)	¥ 62.03		(¥1.88)

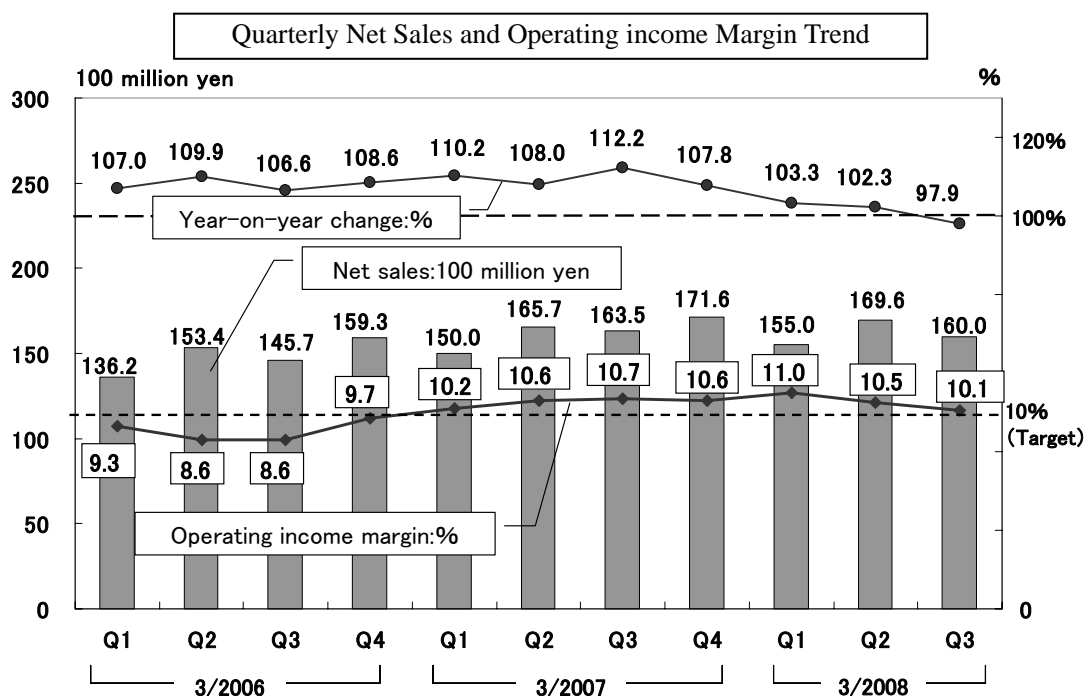
In the three quarters (Q1-Q3) to December 31, 2007, capital expenditures and consumer spending were firm amid continued strength in corporate earnings, but the domestic economic picture remained uncertain as prices for raw materials and supplies rose sharply and housing investment dropped steeply.

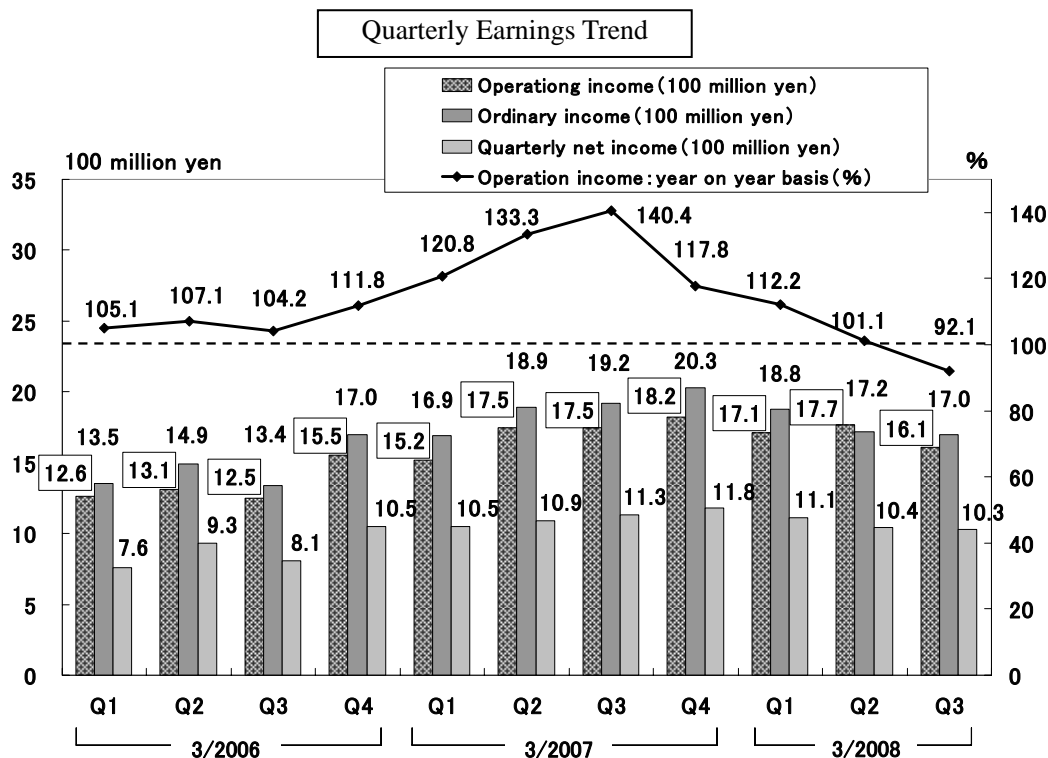
The business environment facing the Max Group remained extremely challenging due to the continuation of the sharp downtrend in the number of new housing starts. This downtrend stems from the disarray in the processing of building applications in Japan since the amended building code came into force as well as from the uncertainty created by the U.S. subprime loan problem.

These factors have had a substantial adverse impact on the Industrial Equipment Division, where many of the product lines are targeted at the domestic housing market. Sales growth at this division, which has been faring well up to the previous fiscal year, has slowed, and higher prices for such raw materials as stainless steel and wire rods have dragged down profits, which had been rebounding.

At the office equipment business, such new products as label printers, compact stapler lines, and automatic staplers generated steady profits and drove growth in sales and profits.

As a result, consolidated net sales and operating income in Q1-Q3 of the fiscal year ending March 31, 2008, were even with those logged for the same period of the previous fiscal year. As for ordinary income, the Company booked a non-operating expense on foreign currency losses in Q1-Q3, whereas it recorded non-operating income on foreign currency gains and portfolio investment profits in Q1-Q3 of the fiscal year ended March 31, 2007. Ordinary income consequently edged down in Q1-Q3.





(2) Earnings by Segment for the Nine Months Ended December 31, 2007

(Millions of yen, %)

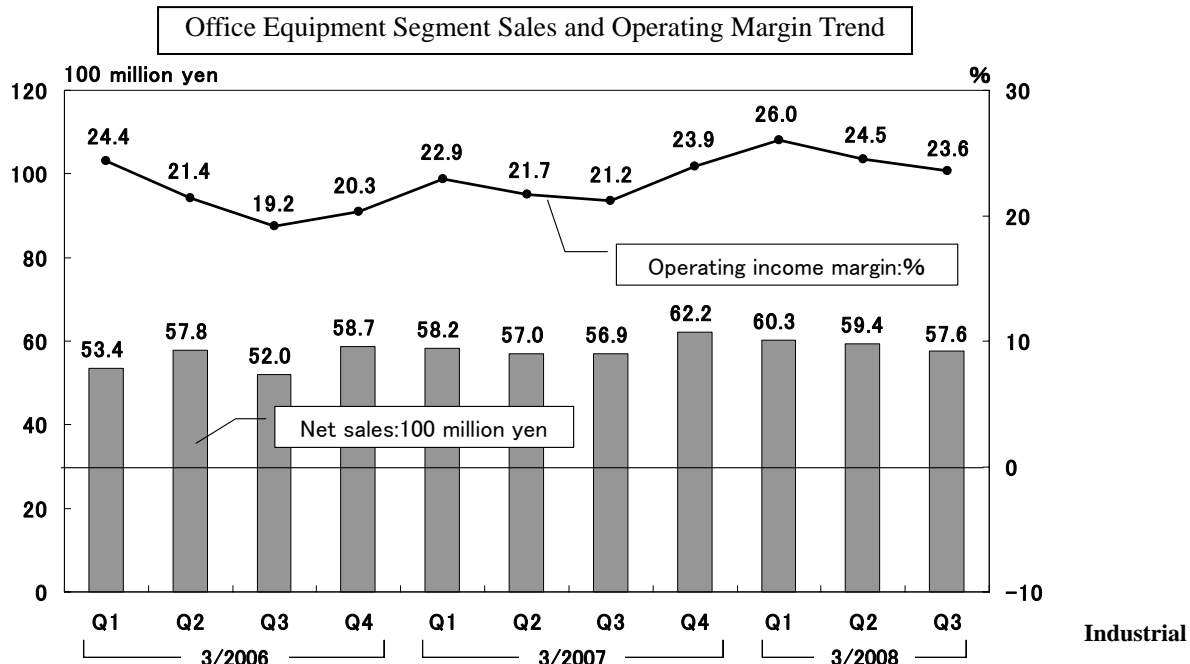
	Office Equipment			Industrial Equipment		
	Nine months ended December 31, 2007	Increase/decrease compared to nine months ended December 31, 2006		Nine months ended December 31, 2007	Increase/decrease compared to nine months ended December 31, 2006	
Net sales	¥17,745	3.0%	¥513	¥30,722	0.1%	21
Operating income	4,387	16.0	604	720	(42.7)	(537)
Operating margin	24.7%	2.7pp	—	2.3%	(1.8pp)	—

Office Equipment Division

In the domestic office equipment business, new products based on universal design principles, such as the stapler line “SAKURI” and a label printer for food labels, which is benefiting from growing food safety and labeling concerns among consumers, contributed to sales.

In the overseas office equipment business, the “Bepop” line of desktop sign makers and new stapler products, which were launched to enhance our brand image and retain our top market share in Asia, contributed to sales.

In the automatic stapler business, sales of medium- and high-speed automatic staplers and staples and other consumables expanded amid the advance of color copiers and the growing need for print-on-demand (POD) applications.

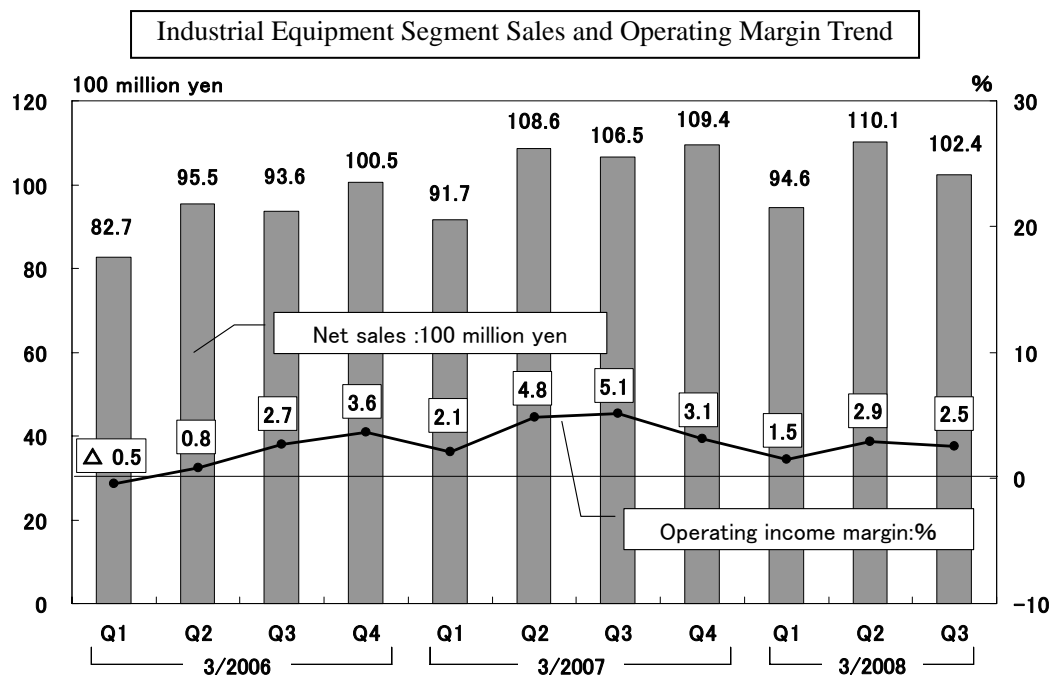


Equipment Division

In the domestic industrial equipment business, sales of concrete rebar tying tools, gas-powered nailers for concrete construction work, and other concrete-related products grew. Even so, sales of nailers and consumables fell as the sharp decline in housing starts since the amended building code took effect in June shows no signs of abating.

The housing environmental equipment business was also hurt by the fall in new housing starts, leading to a decline in sales of such mainstays as dryers/heaters/ventilators for bathrooms. Even so, sales at the housing environmental equipment business were flat compared with the same period in the previous fiscal year, thanks to expanding sales of growth-stage products, such as 24-hour residential ventilation systems with air-to-air heat exchangers, garbage disposal units, and floor-heating systems.

In the overseas industrial equipment business, North American sales of standard-pressure nailers were slack as the U.S. housing market sagged, but sales of concrete pin nailers, gas nailers, and concrete rebar tying tools increased in North America and Europe.



(3) Forecasts for Consolidated Performance of Fiscal Year Ending March 31, 2008

(Millions of yen, %)

	Year ending March 31, 2008	Year-on-year change	
Net sales	¥67,000	2.9%	¥1,899
Operating income	7,000	2.0	135
Ordinary income	7,200	(4.5)	(341)
Net income	4,200	(6.1)	(272)
Net income per share (yen)	¥ 81.61	—	¥(5.25)

The economic outlook for the fiscal year ending March 31, 2008, is uncertain in view of profit-dampening factors, such as a stronger yen and higher prices for crude oil and other raw materials and supplies, and of concerns about the stagnation in the U.S. economy and the knock-on effects on Europe and other quarters of the global economy from the widening impact of the U.S. subprime loan problem.

That said, new housing starts, which had been slumping through the end of 2007, and the detached housing market, which does not include condominiums, are showing signs of recovery, and we expect earnings at the domestic industrial equipment segment to improve going forward.

Under these circumstances, the Max Group is ratcheting up its efforts to increase earnings by delving deeper into its customer relationship management (CRM) activities and supply chain management (SCM) activities.

(4) Dividends

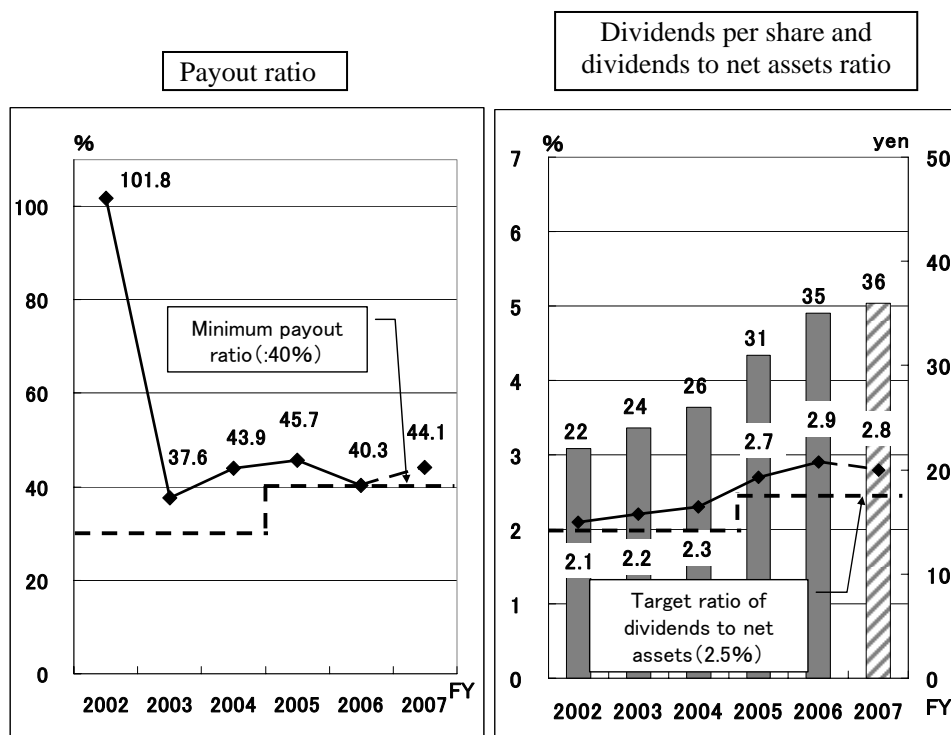
For the fiscal year ending March 31, 2008, we expect modest growth in sales and operating income to be virtually even with that of the previous fiscal year.

There are some signs of recovery in the number of new housing starts, which had been slumping through the end of the previous fiscal year, and, on this basis, we think earnings at the domestic industrial equipment business will improve from the third quarter.

The basic policy for our dividend strategy is to distribute profits based on the dividend payout ratio and ratio of dividends to net assets. On this basis, we have increased the size of our dividend payment for four successive fiscal years.

The business environment has been volatile, but based on our earnings outlook and to secure the support of our shareholders, we have raised our annual dividend forecast by ¥1, to ¥36 per share, from the forecast of ¥35 per share we issued when we released our interim consolidated financial results and the annual dividend of ¥35 per share we paid for the fiscal year ended March 31, 2007.

This translates into a projected consolidated dividend payout ratio of 44.1% and a ratio of dividends to net assets of 2.8%.



2. Qualitative Information Pertaining to the Consolidated Financial Position

(Millions of yen, %)

	At December 31, 2007	Increase/decrease compared to December 31, 2006	
Total assets	¥80,163	0.8%	¥ 639
Total net assets	64,548	3.1	¥1,917
Shareholders' equity ratio (%)	80.4%	1.7pp	

Regarding assets, despite a decrease in notes and accounts receivable of ¥1,002 million, current assets increased ¥1,156 million, mainly due to switching from investment securities that resulted in an expansion of ¥688 million in marketable securities and a ¥1,298 million rise in inventories. Primarily as a consequence of an increase in consolidated subsidiaries, investments and other assets fell ¥909 million. Total assets increased ¥639 million.

Regarding liabilities, current liabilities declined ¥1,703 million, chiefly because notes and accounts payable—trade decreased ¥603 million and accrued corporate taxes fell ¥575 million. Total liabilities decreased ¥1,277 million.

Total net assets increased ¥1,917 million due mainly to an increase in surplus earnings reserves.

3. Qualitative Information Pertaining to the Consolidated Cash Flows

(Millions of yen)

	Nine months ended December 31, 2007	Increase/decrease compared to December 31, 2006
Balance of cash and cash equivalents at beginning of period	¥6,496	¥ (95)
Cash flows from operating activities	2,911	(1,698)
Cash flows from investing activities	(1,596)	1,680
Cash flows from financing activities	(1,830)	(317)
Balance of cash and cash equivalents at end of period	6,255	(125)

Net cash provided by operating activities amounted to ¥2,911 million as a result of the following. Income before income taxes and minority interests came to ¥5,294 million and notes and accounts receivable—trade declined ¥1,649 million, but inventories increased ¥782 million and payments of corporate taxes came to ¥3,644 million.

Net cash used in investing activities amounted to ¥1,596 million as a result of the following. While the redemption of marketable securities added proceeds of ¥4,210 million, the outflow from the purchase of marketable securities came to ¥3,814 million and the outflow from the purchase of tangible fixed assets came to ¥2,022 million.

Net cash used in financing activities amounted to ¥1,830 million, mainly as a result of dividend payments.

Consequently, compared with the end of the previous fiscal year, the balance of cash and cash equivalents fell by ¥241 million, to ¥6,255 million at the end of the third quarter of the fiscal year ending March 31, 2008.

4. Other Items

Adoption of simplified procedures for accounting treatment

In principle, we have used some simplified procedures in compiling quarterly financial information based on the rules for interim consolidated financial statements.

Simplified procedures

(1) Valuation method and valuation criteria for important assets

Marketable securities: For other marketable securities, we have used the data from the most recent settlement date for our mark-to-market values at the interim period.

(2) Calculation of tax expense

We use an annual tax rate forecast for our calculations.

Quarterly Consolidated Financial Statements

1. Abbreviated Consolidated Balance Sheet

(Millions of yen, %)

	At December 31, 2007		At December 31, 2006		Increase/decrease compared to December 31, 2006		At March 31, 2007	
	¥	%	¥	%	¥	%	¥	%
ASSETS								
Current assets	¥33,906	42.3%	¥32,750	41.2%	¥ 1,156	3.5%	¥ 36,561	44.4%
Cash and cash deposits	6,255		6,381		(125)		6,496	
Notes and accounts receivable—trade	14,022		15,024		(1,002)		16,097	
Marketable securities	2,995		2,306		688		4,909	
Inventories	8,397		7,099		1,298		7,014	
Other	2,235		1,938		297		2,043	
Fixed assets	46,256	57.7	46,773	58.8	(516)	(1.1)	45,754	55.6
Tangible fixed assets	18,651		18,239		411		18,436	
Intangible assets	248		267		(19)		255	
Investments and other assets	27,356		28,266		(909)		27,063	
Total assets	¥80,163	100.0%	¥79,523	100.0%	¥ 639	0.8%	¥ 82,316	100.0%
LIABILITIES								
Current liabilities	¥10,559	13.2%	¥12,262	15.4%	¥(1,703)	(13.9)%	¥13,603	16.5%
Notes and accounts payable—trade	4,278		4,882		(603)		4,516	
Short-term loans	2,215		2,050		165		2,150	
Other	4,065		5,330		(1,262)		6,936	
Long-term liabilities	5,054	6.3	4,629	5.8	425	9.2	4,487	5.5
Total liabilities	15,614	19.5	16,892	21.2	(1,277)	(7.6)	18,090	22.0
NET ASSETS								
Shareholders' equity	65,458	81.7	63,048	79.3	2,410	3.8	64,206	78.0
Common stock	12,367		12,367		—		12,367	
Capital surplus	10,520		10,519		0		10,519	
Retained earnings	45,483		43,020		2,463		44,201	
Treasury stock	(2,912)		(2,859)		(53)		(2,883)	
Revaluations and adjustments	(999)	(1.2)	(489)	(0.6)	(509)	104.0	(60)	(0.1)
Land revaluation difference	(2,804)		(2,170)		(633)		(2,170)	
Revaluation difference on other securities	1,871		1,901		(30)		2,248	
Foreign currency translation adjustment	(65)		(220)		154		(137)	
Minority interests	88	0.1	72	0.1	16	22.9	80	0.1
Total net assets	64,548	80.5	62,631	78.8	1,917	3.1	64,226	78.0
Total liabilities and net assets	¥80,163	100.0%	¥79,523	100.0%	¥ 639	0.8%	¥82,316	100.0%

2. Abbreviated Consolidated Statement of Income

(Millions of yen, %)

	Nine months ended December 31, 2007		Nine months ended December 31, 2006		Increase/decrease compared to nine months ended December 31, 2006		Year ended March 31, 2007	
Net sales	¥48,467	100.0%	¥47,932	100.0%	¥534	1.1%	¥65,101	100.0%
Cost of sales	29,900	61.7	29,636	61.8	263		40,441	62.1
Gross profit	18,567	38.3	18,295	38.2	271		24,659	37.9
Selling, general and administrative expenses	13,459	27.8	13,256	27.7	203		17,794	27.3
Operating income	5,107	10.5	5,039	10.5	67	1.3	6,865	10.5
Non-operating income	392	0.8	554	1.2	(162)		788	1.2
Non-operating expenses	182	0.4	85	0.2	97		111	0.2
Ordinary income	5,316	11.0	5,508	11.5	(192)	(3.5)	7,541	11.6
Special income	20	0.0	7	0.0	13		243	0.4
Special losses	43	0.1	43	0.1	0		57	0.1
Income before income taxes and minority interests	5,294	10.9	5,473	11.4	(178)	(3.3)	7,728	11.9
Tax expenses	2,095		2,177		(81)		3,248	
Minority interests	6		5		0		7	
Net income	¥ 3,192	6.6%	¥ 3,290	6.9%	¥ (98)	(3.0)%	¥ 4,472	6.9%

3. Abbreviated Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2007	Nine months ended December 31, 2006	Year-on-year increase/decrease	Year ended March 31, 2007
I. Cash flows from operating activities				
Income before income taxes and minority interests	¥5,294	¥5,473	¥ (178)	¥7,728
Depreciation expenses	1,804	1,609	195	2,215
Decrease (increase) in notes and accounts receivable—trade	1,649	(762)	2,411	(1,816)
Increase in inventory assets	(782)	(177)	(605)	(68)
(Decrease) increase in notes and accounts payable—trade	(400)	654	(1,055)	263
Other	(1,262)	290	(1,553)	605
Subtotal	6,301	7,088	(787)	8,927
Corporate income taxes paid	(3,644)	(2,698)	(946)	(2,733)
Other	254	219	35	311
Net cash provided by operating activities	2,911	4,609	(1,698)	6,506
II. Cash flows from investing activities				
Expenditures for the acquisition of marketable and investment securities	(3,814)	(5,446)	1,631	(7,642)
Proceeds from the redemption or sales of marketable and investment securities	4,210	3,900	310	5,119
Expenditures for the acquisition of tangible fixed assets	(2,022)	(1,746)	(276)	(2,550)
Other	30	15	15	(9)
Net cash used in investing activities	(1,596)	(3,276)	1,680	(5,082)
III. Cash flows from financing activities				
Amount paid for dividend payments	(1,800)	(1,594)	(206)	(1,595)
Other	(29)	81	(110)	57
Net cash used in financing activities	(1,830)	(1,512)	(317)	(1,537)
IV. Effect of exchange rate changes on cash and cash equivalents	5	(30)	36	18
V. Decrease in cash and cash equivalents	(509)	(210)	(299)	(95)
VI. Cash and cash equivalents at beginning of period	6,496	6,592	(95)	6,592
VII. Increase in cash and cash equivalents from the addition of consolidated subsidiaries	268	—	268	—
VIII. Balance of cash and cash equivalents at end of period	¥6,255	¥6,381	¥(125)	¥6,496

4. Segment Data

Consolidated Business Operations by Segment

Nine months ended December 31, 2007 (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%

Nine months ended December 31, 2006 (April 1, 2006 to December 31, 2006)

(Millions of yen)

	Office Equipment	Industrial Equipment	Total	Elimination/ Corporate	Consolidated
Net sales	¥17,231	¥30,701	¥47,932	—	¥47,932
Operating expenses	13,449	29,443	42,892	—	42,892
Operating income	3,782	1,257	5,039	—	5,039
Operating margin (%)	22.0%	4.1%	10.5%	—	10.5%

(Reference)

Third quarter of the fiscal year ending 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%

Third quarter of the fiscal year ended March 31, 2007 (October 1, 2006 to December 31, 2006)

(Millions of yen)

	Office Equipment	Industrial Equipment	Total	Elimination/ Corporate	Consolidated
Net sales	¥5,697	¥10,658	¥16,355	—	¥16,355
Operating expenses	4,487	10,112	14,599	—	14,599
Operating income	1,210	545	1,755	—	1,755
Operating margin (%)	21.2%	5.1%	10.7%	—	10.7%

Fiscal year ended March 31, 2007 (April 1, 2006 to March 31, 2007)

(Millions of yen)

	Office Equipment	Industrial Equipment	Total	Elimination/ Corporate	Consolidated
Net sales	¥23,455	¥41,645	¥65,101	—	¥65,101
Operating expenses	18,185	40,050	58,235	—	58,235
Operating income	5,270	1,595	6,865	—	6,865
Operating margin (%)	22.5%	3.8%	10.5%	—	10.5%