

Summary of Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2014 [Japan Standards] (Consolidated)

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 Date of filing of quarterly report: August 9, 2013
 Date of commencement of dividend payment: —
 The supplementary explanation document for the first quarter of accounts is created. Yes
 The briefing for the first quarter of accounts is held. (for investment analysts and fund managers) Yes

(Millions of yen rounded down)

1. Consolidated Operating Results for the First Quarter of Fiscal Year Ending March 31, 2014 (April 1, 2013 to June 30, 2013)

(1) Consolidated Operating Results (Total)

(% figures represent year-on-year increase or decrease)

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|--|-----------------|------|------------------|-----|-----------------|--------|-----------------|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| First Quarter of Fiscal year ending March 2014 | 14,877 | 11.2 | 971 | 0.6 | 1,095 | 26.2 | 635 | 226.7 |
| First Quarter of Fiscal year ended March 2013 | 13,376 | 1.9 | 965 | 1.2 | 867 | (13.1) | 194 | (66.4) |

(Note)

Comprehensive income

First Quarter of Fiscal year ending March 31, 2014: 1,057 million yen (798.5%)
 First Quarter of Fiscal year ended March 31, 2013: 117 million yen (-79.1%)

| | Net Income per Share | Net Income per share after dilution |
|--|----------------------|-------------------------------------|
| | Yen | Yen |
| First Quarter of Fiscal year ending March 2014 | 12.80 | — |
| First Quarter of Fiscal year ended March 2013 | 3.86 | — |

(2) Consolidated Financial Position

| | Total Assets | Net Assets | Equity ratio | Net Assets per Share |
|----------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of June 30, 2013 | 80,169 | 61,499 | 76.6 | 1,245.30 |
| As of March 31, 2013 | 83,839 | 63,784 | 75.7 | 1,259.41 |

(Reference)

Shareholders' equity: As of June 30, 2013: 61,398 million yen
 As of March 31, 2013: 63,480 million yen

2. Dividends

| | Dividends per Share | | | | |
|--|---------------------|-----------|-----------|-----------|--------|
| | End of Q1 | End of Q2 | End of Q3 | End of Q4 | Annual |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 2013 | — | — | — | 36.00 | 36.00 |
| Fiscal year ending March 2014 | — | — | — | — | — |
| Fiscal year ending March 2014 (Forecast) | — | — | — | 36.00 | 36.00 |

(Note) Revision of forecasts on the dividends: No

3. Forecasts of Consolidated Operating Results for the Fiscal Year Ending March 31, 2014 (April 1, 2013 to March 31, 2014)

(% figures represent year-on-year increase or decrease)

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income | | Net Income per Share |
|------------------------------|-----------------|-----|------------------|------|-----------------|------|-----------------|------|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| First Half (Consolidated) | 28,700 | 4.3 | 2,200 | 8.4 | 2,280 | 16.6 | 1,450 | 89.5 | 28.76 |
| Full year | 60,000 | 4.2 | 4,800 | 19.2 | 5,000 | 7.3 | 3,100 | 24.5 | 61.50 |

(Note) Revision of forecasts on the consolidated operation results: No

* Notes

(1) Changes in material subsidiaries during the consolidation of this quarter (changes in specific subsidiaries affecting the scope of consolidation): No

New: — (Company name:) Excluded: — (Company name:)

(2) Application of special accounting procedures in the creation of quarterly consolidated financial statements: Yes

(3) Changes in Accounting Principles, Changes in Accounting Estimates and Restatements

1) Changes due to revisions to accounting standards, etc.: No

2) Changes other than 1): No

3) Changes in accounting estimate: No

4) Restatement of revisions: No

(4) Number of outstanding shares (common stocks)

1) Number of shares outstanding at term-end (including treasury stocks)

As of June 30, 2013 50,500,626 shares

As of March 31, 2013: 50,500,626 shares

2) Number of treasury stock at term-end

As of June 30, 2013: 1,196,835 shares

As of March 31, 2013: 95,941 shares

3) Number of average stock during term (Quarter accumulation)

Three months ended June 30, 2013: 49,670,744 shares

Three months ended June 30, 2012: 50,411,159 shares

*Display concerning execution condition of the quarterly review procedure.

This quarterly summary of consolidated financial results is excluded from the quarterly review procedure based on the Financial Instruments and Exchange Act, and at the time of indication of the summary of financial results for this quarter, the review procedure of quarterly consolidated financial statements based on the Financial Instruments and Exchange Act has not ended.

*Explanation and other special notes regarding the appropriate use of the earnings forecast

Statements on the future of our business in these materials, including the earnings forecast, are based on information available at this moment and certain preconditions which we judge as rational and appropriate. Therefore, the actual operating results and other achievements may differ significantly from such statements due to various future important factors. For the preconditions of our earnings forecast and matters to be noticed when using the forecast, please refer to page 8 of the appendix, "1. Qualitative Information Regarding the Financial Results for this Quarter, (3) Explanations Relating to Future Forecasting Information including Consolidated Performance Forecasts".

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[Qualitative Information and Financial Statements]

1. Qualitative Information Regarding the Financial Results for this Quarter

(1) Explanations Relating to Operating Results

1) Business results for all companies for the consolidated period under review (Q1 consolidated cumulative period: April 1 to June 30, 2013)

(Units: Millions of yen, %)

| | Cumulative Q1 in FY 2014 | Cumulative Q1 in FY 2013 | Comparison with same quarter of previous fiscal year | |
|----------------------|-----------------------------|-----------------------------|---|--------------------------------|
| | | | Increase (decrease) | Rate of increase (decrease) |
| Net sales | 14,877 | 13,376 | 1,501 | 11.2 |
| Operating income | 971 | 965 | 5 | 0.6 |
| Ordinary income | 1,095 | 867 | 227 | 26.2 |
| Net income | 635 | 194 | 441 | 226.7 |
| Net income per share | Yen 12.80 | Yen 3.86 | Yen 8.94 | - |
| Operating margin | 6.5 | 7.2 | (0.7) points | |

During the consolidated cumulative period under review (fiscal year ending March 31, 2014, Q1), confidence in the Japanese economy, both corporate and personal, showed improvements due to government economic policies and Bank of Japan's monetary relaxation and domestic new housing starts showed signs of recovery supported by a gradual expansion in domestic demand. On the other hand, instability continues in both the share prices and foreign exchange and, European markets continued to stagnate among the lingering debt crisis as growth in emerging countries downshifted, rendering the outlook for the global economy uncertain. Overall prospects remained difficult to predict.

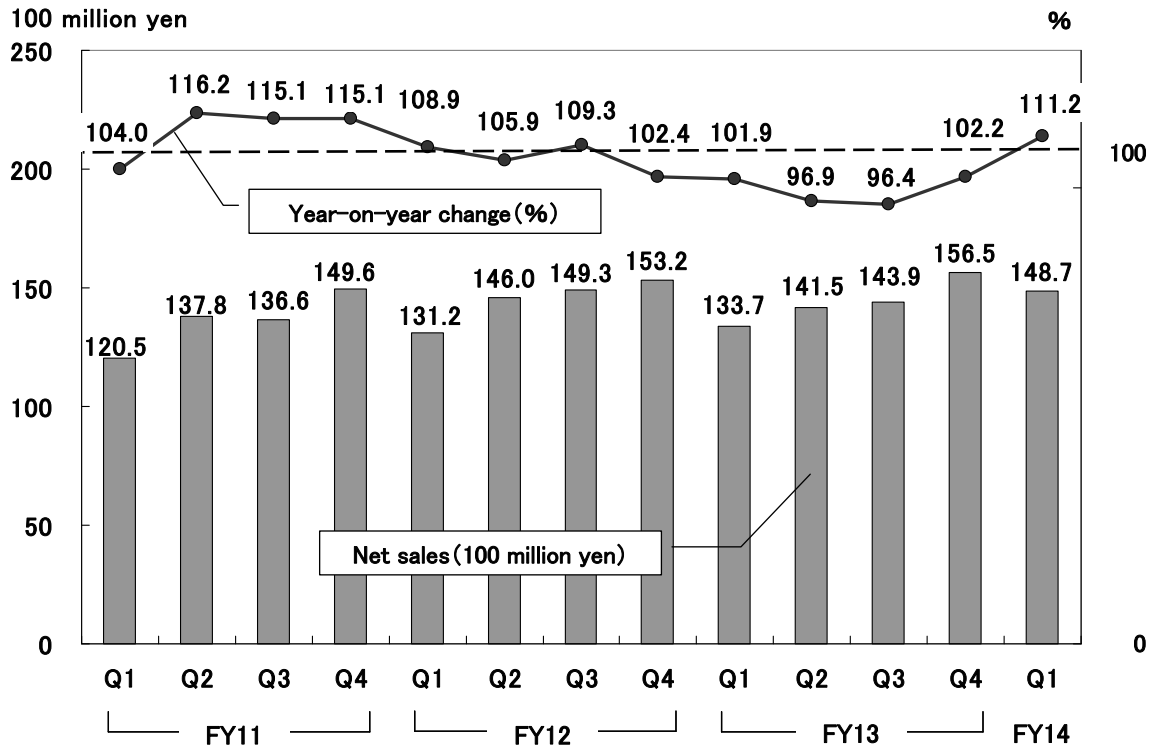
Against these mixed conditions, the Max Group moved proactively to enhance customer and enterprise value solving customer problems and issues. Proclaiming a management policy of strengthening relations with, knowing, and obtaining the backing of customers, the Group resolutely pursued implementation of customer-relationship management (CRM). Across all companies and organizations, the Group implemented the *sangen* principle of focusing on real locations, real goods and real conditions.

In the industrial-equipment segment, supported by firm domestic new housing starts, in addition to the increased sales of construction tools increased in the domestic industrial equipment operations, rebar tying tools, a unique proprietary product of the Company, contributed to sales both domestically and overseas resulting in increased revenues. In the office-equipment segment, on the other hand, revenues also improved with the auto-stapler operations exhibiting steady recovery in shipment volume from a state of stagnation caused by the impact of the prior year European debt crisis. In the HCR-equipment segment, in Kawamura Cycle Co., Ltd., a consolidated subsidiary, the orders for wheel chairs from nursing care facilities ran its course but new products including walkers was steady and was able to secure the levels of prior year sales.

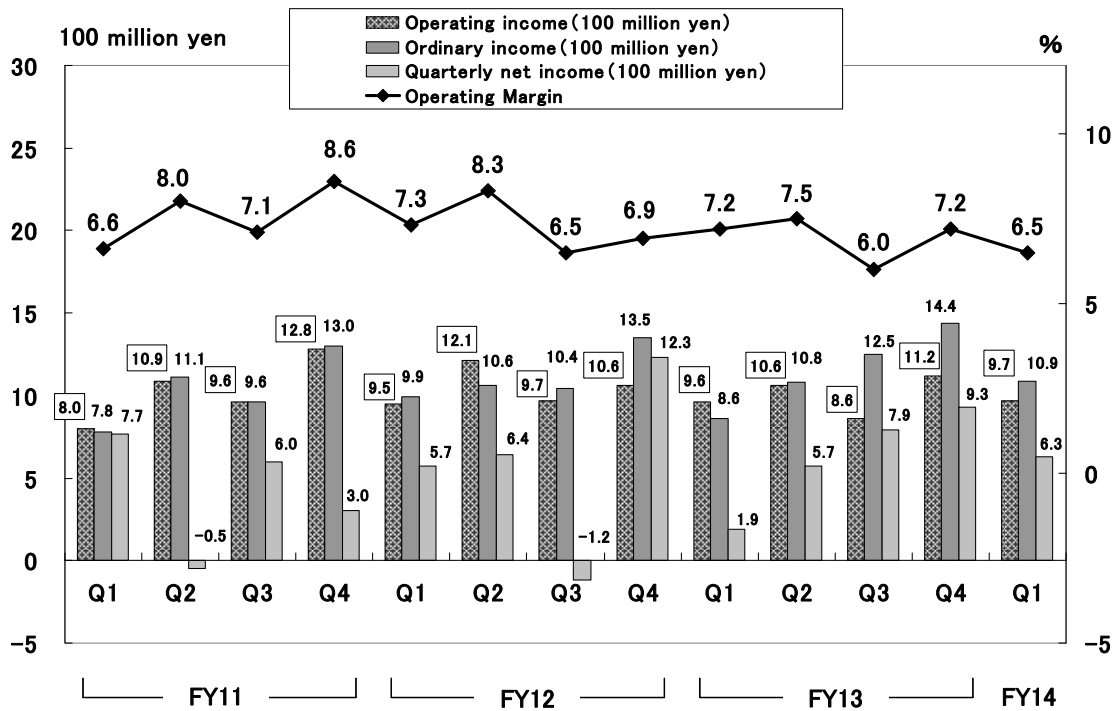
Net sales strengthened 11.2% over the same quarter of the previous fiscal year to ¥14,877 million. Operating income increased 0.6% from the same quarter of the previous fiscal year to ¥971 million. Ordinary income strengthened 26.2% over the same quarter of the previous fiscal year to ¥1,095 million, paced by a foreign-exchange gain from the depreciation of the yen. Net income jumped 226.7% from the same quarter of the previous fiscal year to ¥635 million.

Further, in the previous year consolidated first quarter a loss of ¥615 million in unrealized valuation losses in investment securities was booked as an extraordinary loss.

Quarterly Net Sales Trend and Changes Year-on-Year



Quarterly Earnings Trend



2) Results by business sector for the consolidated cumulative period under review
Office Equipment

(Units: Millions of yen, %)

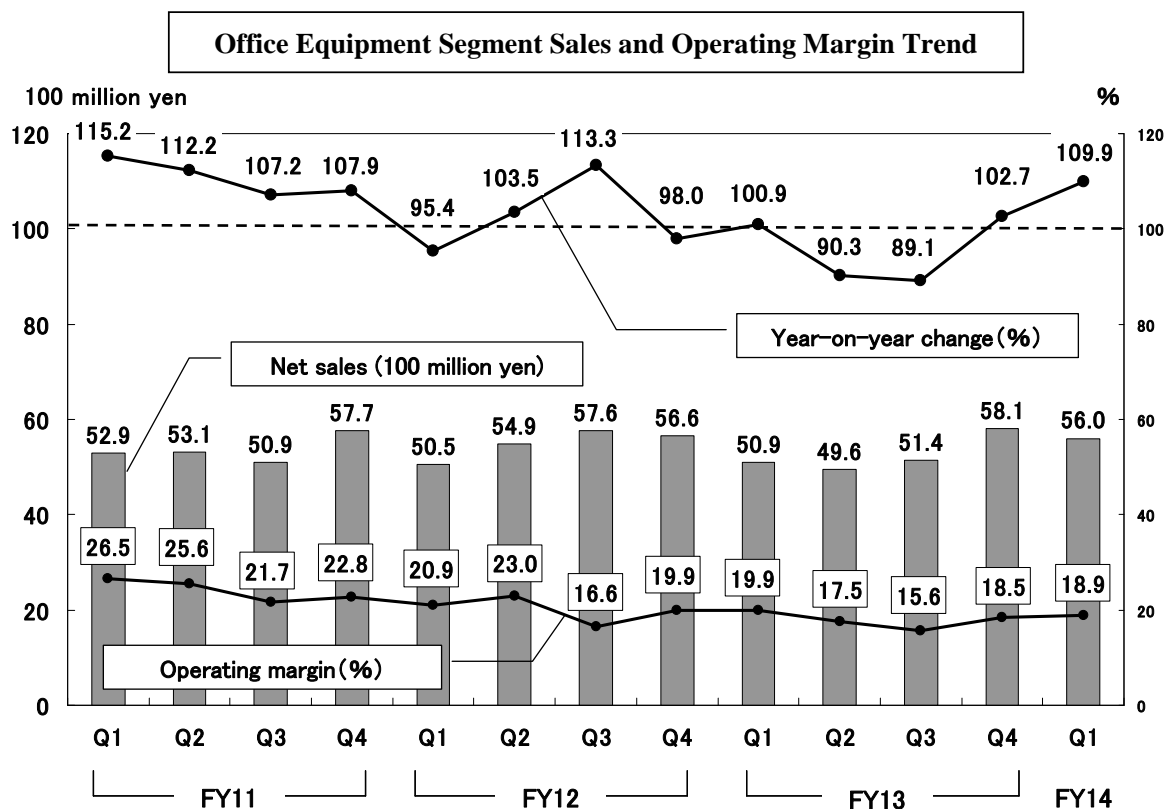
| | Cumulative Q1 in FY 2014 | Cumulative Q1 in FY 2013 | Comparison with same quarter of previous fiscal year | |
|------------------|-----------------------------|-----------------------------|---|--------------------------------|
| | | | Increase (decrease) | Rate of increase (decrease) |
| Net sales | 5,601 | 5,098 | 502 | 9.9 |
| Operating income | 1,055 | 1,012 | 43 | 4.3 |
| Operating margin | 18.9 | 19.9 | (1.0) points | |

Business results for the office-equipment segment in the consolidated cumulative period under review were as follows: Net sales ¥5,601 million (an increase of 9.9% against the same period of the previous fiscal year), operating income ¥1,055 million (an increase of 4.3% against the same period of the previous fiscal year), and operating margin 18.9%. Although impacted negatively by increased cost of products manufactured overseas due to the weakened yen, revenues and profits increased due to the recovery in the orders for auto-staplers and strong sales of new products including stationery products.

In domestic office operations, although the sales of time recorders which was introduced in the previous term stabilized, sales of stationery products including hole puncher that combines dust bar, an industry first, and stapler using paper staples using paper-based consumables contributed to sales resulting in sales equaling those in the same time in the previous year for the business overall.

In overseas office operations, centering on the principal area of staplers, marketing activities have been strengthened on country specific lines including enhancing the color variation and strengthening retail displays. In the south Asian markets, as a result of expanded sales of new products targeting the mass retailers in each country, sales of the equipment and consumables both increased resulting in increased revenues.

In auto-stapler operations, the Company supplied auto-staplers and consumables (staples) to virtually all photocopier manufacturers, both in Japan and overseas. The impact of the European debt crisis has bottomed out and the shipment volume has shown a recovery trend since the third quarter of the previous year. In the first quarter under review, machinery sales steadily grew resulting in increased revenues.



Industrial Equipment

(Units: Millions of yen, %)

| | Cumulative Q1 in FY 2014 | Cumulative Q1 in FY 2013 | Comparison with same quarter of previous fiscal year | |
|------------------|--------------------------|--------------------------|--|-----------------------------|
| | | | Increase (decrease) | Rate of increase (decrease) |
| Net sales | 8,373 | 7,375 | 998 | 13.5 |
| Operating income | (18) | (99) | 80 | - |
| Operating margin | (0.2) | (1.3) | 1.1 points | |

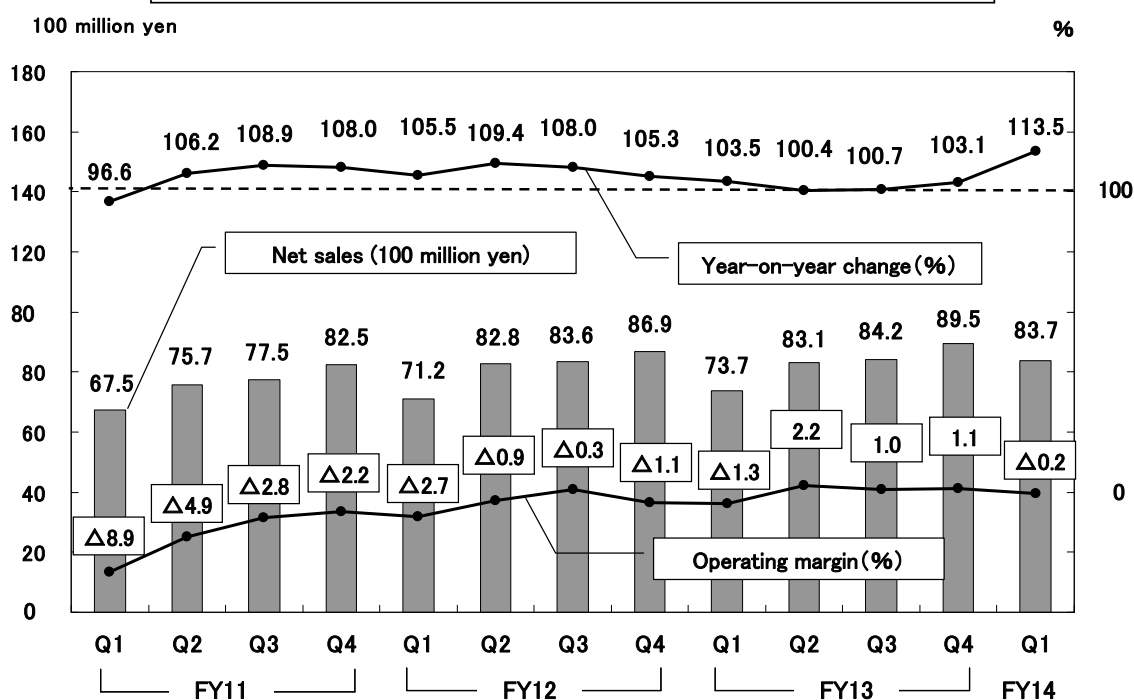
Results in the industrial-equipment segment for the consolidated cumulative period under review were: Net sales ¥8,373 million (a 13.5% increase over the same period of the previous fiscal year) and operating income -¥18 million. With the modest recovery in new housing starts in domestic and North American markets, revenues in industrial equipment and housing environment businesses showed increased revenue, however, due to cost increases in overseas produced products due to the weakened yen, while showing improvements compared with the same period the previous year, resulted in slight operating losses.

In domestic industrial-equipment operations, supported by the taking hold of recovery construction from the East Japan Great Earthquake and last minute demand prior in advance of the increase in Consumption Tax, tools for wooden construction including the Company's major product line, high-pressure nailers, compressors and battery-powered tools as well as tools for concrete structures including rebar tying tools and gas nailers showed strength resulting in increased revenues.

In overseas industrial-equipment operations, in North America, supported by favorable housing starts as a result of making advances in sales expansion activities including establishing new dealers and bulk deliveries to large projects, the sales of rebar tying tools and air nailers grew resulting in increased revenues of the overall operations as a whole.

In the residential environment operations, while the sales of floor heaters declined with public construction such as nursery facilities and convalescence facilities having run its course, a gradual recovery in condominium starts supported firm sales of heating, drying and ventilations systems for bathrooms, the Company's major product line, resulted in increased revenues.

Industrial Equipment Segment Sales and Operating Margin Trend



HCR Equipment

(Units: Millions of yen, %)

| | Cumulative Q1 in FY 2014 | Cumulative Q1 in FY 2013 | Comparison with same quarter of previous fiscal year | |
|------------------|--------------------------|--------------------------|--|-----------------------------|
| | | | Increase (decrease) | Rate of increase (decrease) |
| Net sales | 902 | 901 | 0 | 0.1 |
| Operating income | (65) | 52 | (117) | — |
| Operating margin | (7.3) | 5.8 | (13.1) points | |

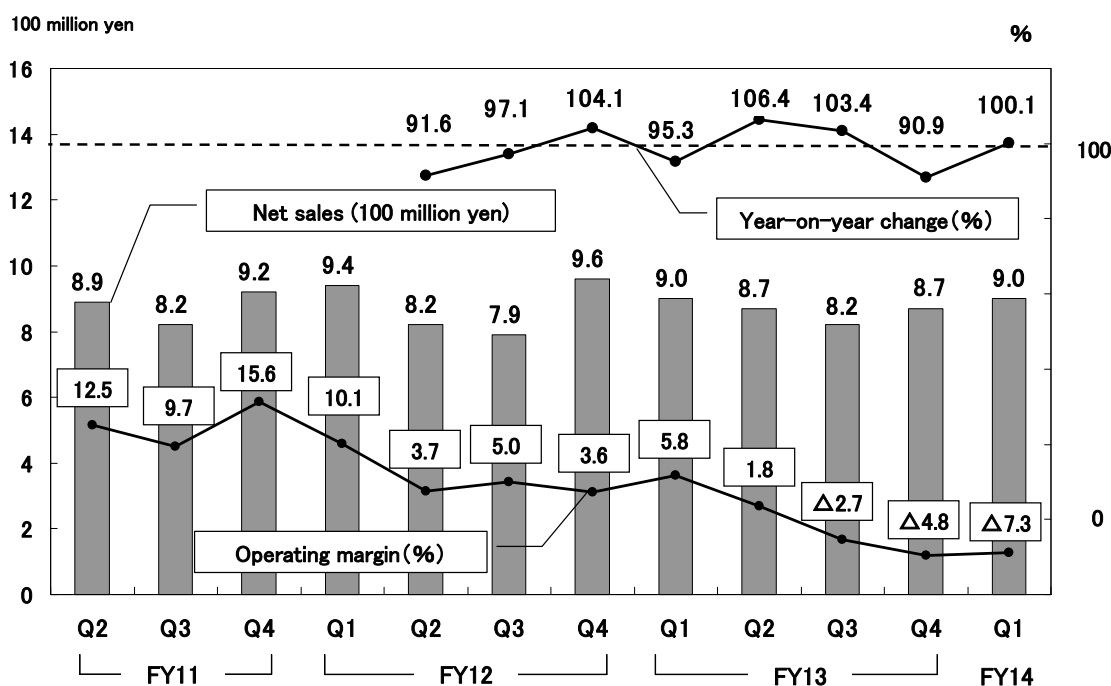
In the consolidated cumulative period under review, the HCR segment’s results were as follows: Net sales ¥902 million (an increase of 0.1% over the same period of the previous fiscal year) and operating income -¥65 million.

Sales of wheel chairs and walkers and bicycles designed for seniors use as support equipment for seniors’ mobility remained strong and the sales retained the same level as the same period the previous year, however, due to the increased costs caused by the weakened yen, resulted in declined profits and an operating loss.

At Kawamura Cycle Co., Ltd., with the termination of subsidy measures to old age nursing facilities by the government in March 2013, the sales of the Company’s principal product, aluminum standard wheel chair declined; however, new products such as walkers contributed to sales and the sales level remained level with the same period the previous year.

The Home Care & Rehabilitation (HCR) Sales Group sells equipment to support independent living for the elderly. As a means for mobility enabling the seniors to enjoy getting about, the Company is promoting Cool’cle-S, a unique bicycle with four wheels to resist falling over to the senior bicycle market including medical institutions.

HCR Equipment Segment Sales and Operating Margin Trend



(2) Explanations Relating to the Financial Position

1) Analysis of the Consolidated Balance Sheet

(Unit: Millions of yen, %)

| | Consolidated cumulative period under review (April 1 to June 30, 2013 (Q1)) | Previous consolidated fiscal year (year ending March 31, 2013) | Comparison with position at end of previous consolidated fiscal year | |
|--------------|---|--|--|-----------------------------|
| | | | Amount of increase (decrease) | Rate of increase (decrease) |
| Total assets | 80,169 | 83,839 | (3,670) | (4.4) |
| Net assets | 61,499 | 63,784 | (2,285) | (3.6) |
| Equity ratio | 76.6 | 75.7 | 0.9 points | |

Assets decreased ¥3,670 million in comparison with the position at end of the previous consolidated fiscal year, to ¥80,169 million. Current assets decreased ¥4,509 million, due to factors such as a decline of ¥3,132 million in cash and deposits and a fall of ¥1,181 million in short-term investment securities. Non-current assets grew by ¥838 million, lifted by rises of ¥233 million in property, plant and equipment and ¥658 million in investments securities.

Liabilities lightened ¥1,385 million in comparison with the position at end of the previous consolidated fiscal year, to ¥18,669 million. Current liabilities declined ¥1,459 million, as income taxes payable fell ¥666 million, and provision for bonuses decreased by ¥749 million. Non-current liabilities rose ¥74 million, as provision for retirement benefits expanded.

Net assets decreased ¥2,285 million in comparison with the position at end of the previous consolidated fiscal year, to ¥61,499 million. Shareholders' equity declined by ¥2,495 million, as quarterly net income of ¥635 million was more than offset by payment of ¥1,814 million and purchase of treasury stock of ¥1,316 million (net assets decrease) in dividends.

2) Analysis of Consolidated Cash Flow

The balance of cash and cash equivalents ("funds") at the end of Q1 of the consolidated cumulative fiscal period decreased ¥3,290 million in comparison with the previous consolidated fiscal year, to ¥12,783 million.

Factors in the status of each type of cash flow in the consolidated cumulative period under review were as follows.

(Net cash provided by (obtained from) operating activities)

Funds provided by operating activities in the consolidated cumulative period under review amounted to ¥212 million. Key increases came from quarterly net profit before taxes and adjustments ¥1,159 million, depreciation and amortization ¥434 million and decrease in notes and accounts receivable-trade ¥804 million. Key decreases consisted of decrease in provision for bonuses ¥749 million and income taxes paid ¥1,177 million.

(Net cash provided by (used in) investment activities)

Funds used in investment activities in the consolidated cumulative period under review were ¥30 million. A rough breakdown of this expenditure yields expenditures for purchase of short-term and long term investment securities of ¥1,121 million and purchase of property, plant and equipment of ¥594 million, partially offset by sale and redemption of short-term and long term investment securities of ¥1,975 million and proceeds from withdrawal of time deposits of ¥252 million.

3) Net cash provided by (used in) financing activities

Funds used in financing activities in the consolidated cumulative period under review equaled ¥3,535 million. The key component was cash dividends paid, amounting to ¥1,615 million, and purchase of treasury stock, amounting to ¥1,317 million.

(3) Explanations Relating to Future Forecasting Information including Consolidated Performance Forecasts

While the environment surrounding the group continues to be uncertain including stagnations in the European markets associated with the debt crisis and slowing in the growth of the emerging countries, and increased prices of raw materials with the weakening yen, supported by the firm construction markets both domestically and in North America and steady recovery in auto-stapler operations, the Company's business performance continues to be strong.

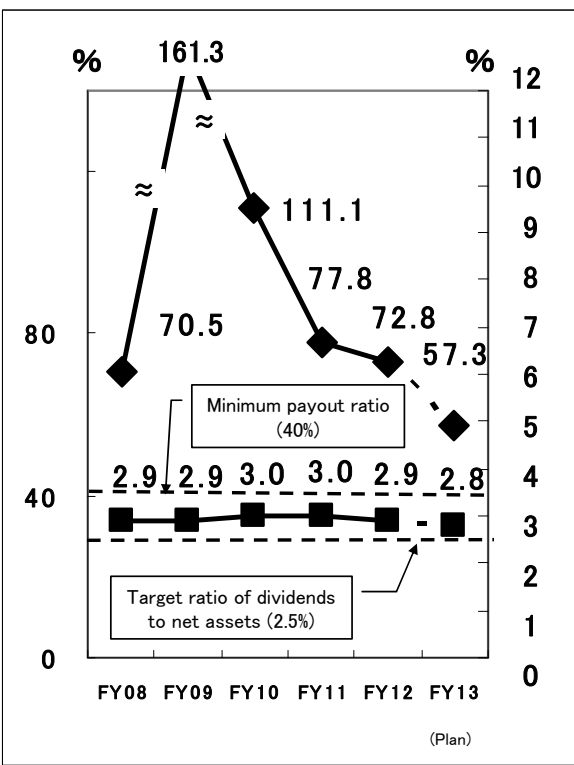
Under these conditions, the directors have not revised their forecast for consolidated business results for FY 2014, published April 26, 2013.

Dividends

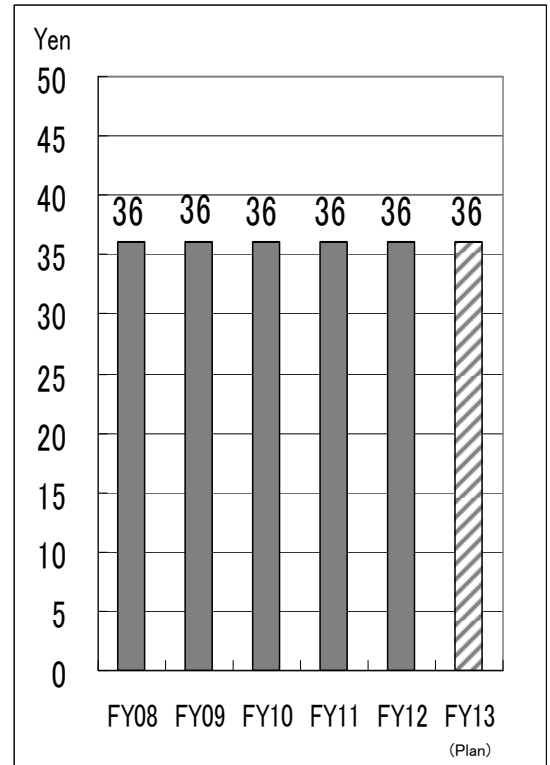
The Company's dividend policy is to maintain a minimum payout ratio of 40%, aiming for 2.5% of net assets dividend ratio, on a consolidated basis.

The directors believe that the unclear prospects for the business environment and exchange-rate trends may adversely affect the business results of the Company. However, revenues from operations continue to be firm. In comprehensive consideration of the Company's financial condition, the Company plans to distribute a full-year dividend of ¥36 per share, equal to the dividend of the previous fiscal year.

Payout ratio and dividends to net assets ratio



Dividends per share



2. Items Regarding Summary Information (Notes)

(1) Changes in material subsidiaries during the consolidated accumulation of this quarter

None.

(2) Application of special accounting procedures in the creation of quarterly consolidated financial statements

(Calculation of tax expenses)

Tax expenses are calculated by forming a reasonable estimate of the effective tax rate after application of tax-effect accounting to net income before taxes and adjustments for the consolidated fiscal year, including the consolidated cumulative quarter under review, and multiplying this estimated effective tax rate by the quarterly net income before taxes and adjustments.

(3) Changes in Accounting Principles, Changes in Accounting Estimates and Restatements

None.

3. Consolidated Financial Statements in the First Quarter

(1) Consolidated Balance Sheets in the First Quarter

(Millions of yen)

| | FY 2013 (As of March 31, 2013) | Cumulative Q1 in FY 2014 (As of June 30, 2013) |
|---|-----------------------------------|---|
| ASSETS | | |
| Current assets | | |
| Cash and deposits | 16,315 | 13,183 |
| Notes and accounts receivable-trade | 13,740 | 13,067 |
| Short-term investment securities | 3,982 | 2,801 |
| Merchandise and finished goods | 4,647 | 4,951 |
| Work in process | 704 | 707 |
| Raw materials | 2,481 | 2,590 |
| Other | 1,914 | 1,975 |
| Allowance for doubtful accounts | (3) | (3) |
| Total current assets | 43,783 | 39,274 |
| Non-current assets | | |
| Property, plant and equipment | 18,514 | 18,747 |
| Intangible assets | 221 | 228 |
| Investments and other assets | | |
| Investment securities | 16,732 | 17,391 |
| Other | 4,598 | 4,539 |
| Allowance for doubtful accounts | (11) | (11) |
| Total investments and other assets | 21,319 | 21,919 |
| Total non-current assets | 40,056 | 40,895 |
| Total assets | 83,839 | 80,169 |

(Millions of yen)

| | FY 2013 (As of March 31, 2013) | Cumulative Q1 in FY 2014 (As of June 30, 2013) |
|---|-----------------------------------|---|
| LIABILITIES | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 4,102 | 4,109 |
| Short-term loans payable | 2,451 | 1,850 |
| Income taxes payable | 1,078 | 411 |
| Provision for bonuses | 1,354 | 604 |
| Provision for directors' bonuses | 64 | 9 |
| Provision for product-quality assurance | 144 | 144 |
| Other | 3,454 | 4,060 |
| Total current liabilities | 12,649 | 11,190 |
| Non-current liabilities | | |
| Long-term loans payable | 100 | 150 |
| Provision for retirement benefits | 5,968 | 6,178 |
| Provision for directors' retirement benefits | 288 | 106 |
| Asset retirement obligation | 26 | 26 |
| Negative goodwill | 45 | 43 |
| Other | 975 | 974 |
| Total non-current liabilities | 7,405 | 7,479 |
| Total liabilities | 20,055 | 18,669 |
| NET ASSETS | | |
| Shareholders' equity | | |
| Capital stock | 12,367 | 12,367 |
| Capital surplus | 10,517 | 10,517 |
| Retained earnings | 42,697 | 41,518 |
| Treasury stock | (96) | (1,413) |
| Total shareholders' equity | 65,486 | 62,990 |
| Other comprehensive incomes | | |
| Valuation difference on available-for-sale securities | 226 | 496 |
| Revaluation reserve for land | (2,228) | (2,228) |
| Foreign currency translation adjustment | (4) | 139 |
| Total of other comprehensive income | (2,006) | (1,592) |
| Minority interests | 304 | 101 |
| Total net assets | 63,784 | 61,499 |
| Total liabilities and net assets | 83,839 | 80,169 |

(2) Consolidated Statements of Income in the First Quarter

(Millions of yen)

| | Cumulative Q1 in FY 2013 (Ended June 30, 2012) | Cumulative Q1 in FY 2014 (Ended June 30, 2013) |
|---|--|--|
| Net sales | 13,376 | 14,877 |
| Cost of Sales | 8,066 | 9,212 |
| Gross Profit | 5,309 | 5,665 |
| Selling, general and administrative expenses | | |
| Salaries | 1,372 | 1,396 |
| Provision for bonuses | 272 | 358 |
| Provision for directors' bonuses | 11 | 9 |
| Retirement benefit expenses | 340 | 365 |
| Provision for directors' retirement benefits | 14 | 13 |
| Packing and delivery expenses | 390 | 435 |
| Promotion expenses | 255 | 311 |
| Depreciation | 162 | 157 |
| Other | 1,524 | 1,645 |
| Total selling, general and administrative expenses | 4,344 | 4,693 |
| Operating income | 965 | 971 |
| Non-operating income | | |
| Interest income | 40 | 29 |
| Dividends income | 48 | 45 |
| Amortization of negative goodwill | 4 | 1 |
| Foreign exchange gains | - | 62 |
| Gain on valuation of derivatives | 9 | - |
| Other | 19 | 22 |
| Total non-operating income | 121 | 161 |
| Non-operating expenses | | |
| Interest expenses | 12 | 10 |
| Taxes and dues | 4 | 4 |
| Foreign exchange losses | 190 | - |
| Other | 12 | 22 |
| Total non-operating expenses | 219 | 37 |
| Ordinary income | 867 | 1,095 |
| Extraordinary income | | |
| Gain on sales of investment securities | - | 26 |
| Gain on negative goodwill | - | 43 |
| Gain on product-quality assurance | 88 | - |
| Total extraordinary income | 88 | 70 |
| Extraordinary loss | | |
| Loss on abandonment of noncurrent assets | 9 | 7 |
| Loss on valuation of investment securities | 615 | - |
| Total extraordinary loss | 624 | 7 |
| Income before income taxes | 331 | 1,159 |
| Income taxes | 118 | 518 |
| Income before minority interest | 212 | 640 |
| Minority interests in income | 18 | 4 |
| Net income (loss) | 194 | 635 |

(Consolidated comprehensive statement of income in the First Quarter)

(Millions of yen)

| | Cumulative Q1 in FY 2013 (Ended June 30, 2012) | Cumulative Q1 in FY 2014 (Ended June 30, 2013) |
|---|--|--|
| Income before minority interest | 212 | 640 |
| Other comprehensive incomes | | |
| Valuation difference on available-for-sale securities | 118 | 269 |
| Foreign currency translation adjustment | (213) | 147 |
| Total of other comprehensive income | (95) | 416 |
| Comprehensive income | 117 | 1,057 |
| (Breakdown) | | |
| Comprehensive income relating to shareholders of parental company | 112 | 1,049 |
| Comprehensive income relating to minority shareholders | 5 | 8 |

(3) Consolidated Statement of Cash Flows

(Millions of yen)

| | Cumulative Q1 in FY 2013 (Ended June 30, 2012) | Cumulative Q1 in FY 2014 (Ended June 30, 2013) |
|---|--|--|
| Net cash provided by (used in) operating activities | | |
| Net profit before tax and adjustments | 331 | 1,159 |
| Depreciation and amortization | 407 | 434 |
| Amortization of negative goodwill | (4) | (1) |
| Loss (gain) on sales of short-term and long term investment securities | - | (26) |
| Gain on negative goodwill | - | (43) |
| Increase (decrease) in provision for bonuses | (717) | (749) |
| Increase (decrease) in provision for directors' bonuses | (38) | (54) |
| Increase (decrease) in product-quality assurance | (94) | - |
| Increase (decrease) in provision for retirement benefits and directors' retirement benefits | 182 | 26 |
| Interest and dividends income | (88) | (74) |
| Interest expenses | 12 | 10 |
| Loss (gain) on valuation of derivatives | (9) | - |
| Foreign exchange losses (gains) | (5) | 12 |
| Loss on abandonment of noncurrent assets | 9 | 7 |
| Loss (gain) on valuation of investment securities | 615 | - |
| Decrease (increase) in notes and accounts receivable-trade | 1,266 | 804 |
| Decrease (increase) in inventories | (289) | (329) |
| Increase (decrease) in notes and accounts payable-trade | (281) | (165) |
| Increase (decrease) in accrued consumption taxes | (6) | (133) |
| Decrease (increase) in other assets | (130) | (79) |
| Increase (decrease) in other liabilities | 253 | 533 |
| Subtotal | 1,411 | 1,328 |
| Interest and dividends income received | 99 | 72 |
| Interest expenses paid | (12) | (10) |
| Income taxes (paid) refund | (871) | 1,177 |
| Net cash provided by (used in) operating activities | 627 | 212 |
| Net cash provided by (used in) investment activities | | |
| Purchase of short-term and long term investment securities | (1,555) | (1,121) |
| Proceeds from sales and redemption of short-term and long term investment securities | 1,200 | 1,975 |
| Purchase of property, plant and equipment | (187) | (594) |
| Proceeds from sales of property, plant and equipment | (31) | (20) |
| Purchase of intangible assets | 0 | - |
| Purchase of investments in subsidiaries | - | (167) |
| Payments of loans receivable | (14) | (1) |
| Collection of loans receivable | 50 | 46 |
| Payments into time deposits | (36) | (400) |
| Proceeds from withdrawal of time deposits | 35 | 252 |
| Net cash provided by (used in) investment activities | (538) | (30) |

| | (Millions of yen) | |
|--|--|--|
| | Cumulative Q1 in FY 2013 (Ended June 30, 2012) | Cumulative Q1 in FY 2014 (Ended June 30, 2013) |
| Net cash provided by (used in) financing activities | | |
| Decrease in short-term loans payable | (36) | (551) |
| Proceeds from long-term loans payable | - | 50 |
| Repayment of long-term loans payable | - | (50) |
| Purchase of treasury stock | (0) | (1,317) |
| Cash dividends paid | (1,618) | (1,615) |
| Cash dividends paid to minority shareholders | (19) | (1) |
| Repayments of lease obligations | (54) | (51) |
| Net cash provided by (used in) financing activities | (1,728) | (3,535) |
| Effect of exchange rate change on cash and cash equivalents | (130) | 63 |
| Net increase (decrease) in cash and cash equivalents | (1,770) | (3,290) |
| Balance of cash and cash equivalents, beginning of the period | 14,387 | 16,073 |
| Balance of cash and cash equivalents, end of the period | 12,617 | 12,783 |

(4) Notes Relating to the Consolidated Quarterly Financial Statements

(Notes Relating to the Assumption of a Going Concern)

None.

(Notes When There Have Been Significant Changes in the Amount of Shareholders Equity)

The Company purchased treasury shares pursuant to a resolution of the board of directors meeting held May 13, 2013. By this purchase, treasury shares increased ¥1,316 million during the consolidated first quarter under review to bring the balance as of end of the consolidated quarter under review to ¥1,413 million.

(Segment Information)

First quarter in the fiscal year ended March 31, 2013 (From April 1, 2012 to June 30, 2012)

1) Information on the amount of sales, profit and losses for reported segments

(Millions of yen)

| | Report segment | | | Total |
|--|------------------|----------------------|---------------|--------|
| | Office Equipment | Industrial Equipment | HCR Equipment | |
| Net Sales | | | | |
| Net sales to outside customers | 5,098 | 7,375 | 901 | 13,376 |
| Internal sales between segments, or exchange | - | - | - | - |
| Total | 5,098 | 7,375 | 901 | 13,376 |
| Segment profit or segment loss | 1,012 | (99) | 52 | 965 |

2) Difference between the total amount of income (loss) of reporting segments and the amount appropriated in the quarterly consolidated balance sheet, as well as key details of said difference (items related to adjustment of differences)

No items apply.

First quarter in the fiscal year ending March 31, 2014 (From April 1, 2013 to June 30, 2013)

1) Information on the amount of sales, profit and losses for reported segments

(Millions of yen)

| | Report segment | | | Total |
|--|------------------|----------------------|---------------|--------|
| | Office Equipment | Industrial Equipment | HCR Equipment | |
| Net Sales | | | | |
| Net sales to outside customers | 5,601 | 8,373 | 902 | 14,877 |
| Internal sales between segments, or exchange | - | - | - | - |
| Total | 5,601 | 8,373 | 902 | 14,877 |
| Segment profit or segment loss | 1,055 | (18) | (65) | 971 |

2) Difference between the total amount of income (loss) of reporting segments and the amount appropriated in the quarterly consolidated balance sheet, as well as key details of said difference (items related to adjustment of differences)

No items apply.

3) Information Relating to Losses due to Impairment of Fixed Assets or Goodwill by Reported Segment

(Gains from Incidence of Material Negative Goodwill)

In the HCR Equipment segment, during the consolidated first quarter under review, all fractional shares of Class A shares of Kawamura Cycle Co, Ltd. was purchased. Further, the amount recorded as gains from incidence of negative good will due to the said event in the consolidated first quarter under review was ¥43 million.