

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

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 Securities code: 6454 URL: <http://www.max-ltd.co.jp>
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 Date of filing of quarterly report: February 7, 2014
 Date of commencement of dividend payment —
 The supplementary explanation document for the third quarter of accounts is created. Yes
 The briefing for the third quarter of accounts is held. (for investment analysts and fund managers) Yes

(Millions of yen rounded down)

1. Consolidated Operating Results for the Third Quarter of Fiscal Year Ending March 31, 2014 (April 1, 2013 to December 31, 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 | % |
| Third Quarter of Fiscal year ending March 2014 | 47,165 | 12.5 | 3,200 | 10.5 | 3,523 | 9.7 | 2,115 | 35.5 |
| Third Quarter of Fiscal year ended March 2013 | 41,918 | (1.8) | 2,897 | (7.9) | 3,211 | 3.3 | 1,560 | 42.4 |

(Note)

Comprehensive income

Third Quarter of Fiscal year ending March 31, 2014: 3,164 million yen (48.2%)
 Third Quarter of Fiscal year ended March 31, 2013: 2,134 million yen (138.9%)

| | Net Income per Share | Net Income per share after dilution |
|--|----------------------|-------------------------------------|
| | Yen | Yen |
| Third Quarter of Fiscal year ending March 2014 | 42.79 | — |
| Third Quarter of Fiscal year ended March 2013 | 30.96 | — |

(2) Consolidated Financial Position

| | Total Assets | Net Assets | Equity ratio | Net Assets per Share |
|------------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of December 31 2013 | 82,350 | 63,595 | 77.1 | 1,287.94 |
| As of March 31, 2013 | 83,839 | 63,784 | 75.7 | 1,259.41 |

(Reference)

Shareholders' equity: As of December 31, 2013: 63,490 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 |
| Full year | 64,000 | 11.2 | 4,350 | 8.0 | 4,550 | (2.4) | 2,800 | 12.4 | 56.65 |

(Note) Revision of forecasts on the consolidated operation results: Yes

The forecasts of consolidated operating results for the fiscal year ending March 31, 2014 have been revised.

* 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: Yes

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 December 31, 2013 50,500,626 shares

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

2) Number of treasury stock at term-end

As of December 31, 2013: 1,204,417 shares

As of March 31, 2013: 95,941 shares

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

Nine months ended December 31, 2013: 49,424,048 shares

Nine months ended December 31, 2012: 50,409,513 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 (Q3 consolidated cumulative period: April 1 to December 31, 2013)

(Units: Millions of yen, %)

| | Cumulative Q3 in FY 2014 | Cumulative Q3 in FY 2013 | Comparison with same quarter of previous fiscal year | |
|----------------------|-----------------------------|-----------------------------|---|--------------------------------|
| | | | Increase (decrease) | Rate of increase (decrease) |
| Net sales | 47,165 | 41,918 | 5,246 | 12.5 |
| Operating income | 3,200 | 2,897 | 303 | 10.5 |
| Ordinary income | 3,523 | 3,211 | 312 | 9.7 |
| Net income | 2,115 | 1,560 | 554 | 35.5 |
| Net income per share | Yen 42.79 | Yen 30.96 | Yen 11.83 | - |
| Operating margin | 6.8 | 6.9 | (0.1) points | |

During the consolidated cumulative period under review (fiscal year ending March 31, 2014, Q3), the Japanese economy showed gradual recovery due to economic measures and financial policy by the national government, as well as improving trends in corporate earnings and consumer spending. Internationally, however, the global economy remained difficult to forecast, amid economic stagnation due to long-term debt problems in Europe and a slowdown in economic growth in developing Asian nations.

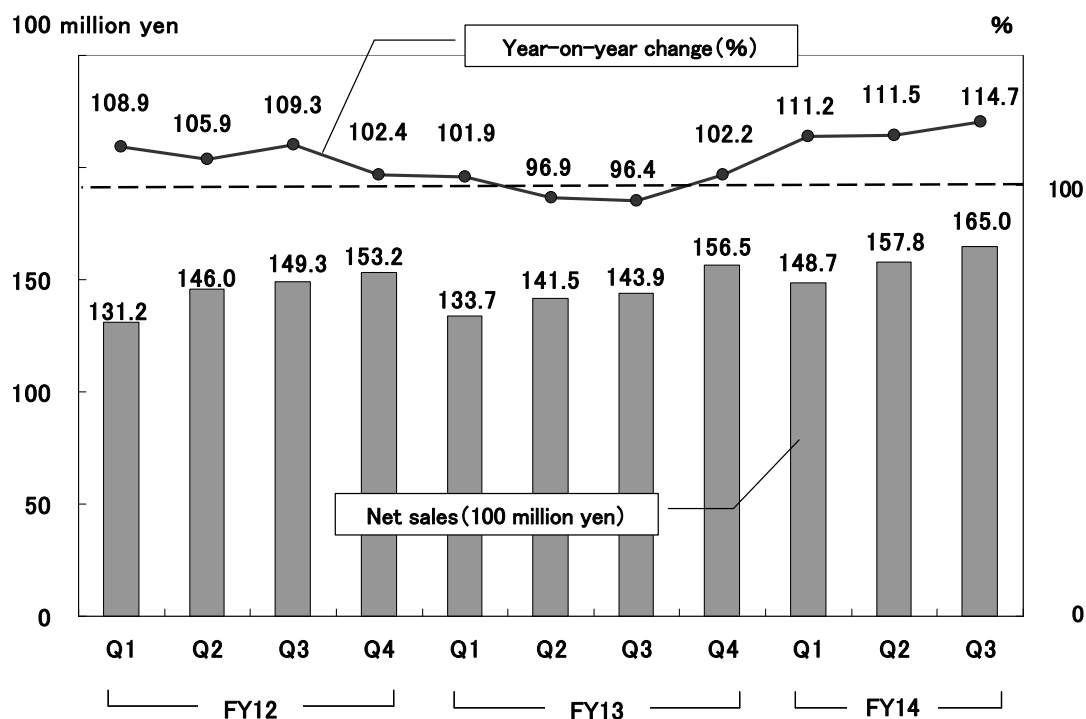
Against these mixed conditions, the Max Group moved proactively to enhance customer and enterprise value solving customer problems and issues. Proclaiming a management policy of strengthening relations with, knowing, and obtaining the backing of customers, the Group resolutely pursued implementation 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 office-equipment segment, gradual economic recovery in the United States contributed to increased production of photocopiers by OEM customers which spurred steady growth of shipments in auto-stapler operations and income rose. In the industrial-equipment segment, last-minute demand driven by the impending increase in consumption tax resulted in increased domestic housing starts. In the domestic industrial equipment operations, there were strong sales for the new high-pressure nailer. Furthermore, due to steady recovery in housing starts in the United States, nailers and the Company's unique rebar-tying tools contributed to net sales and income rose. In the HCR-equipment segment, net sales decreased slightly. The consolidated subsidiary Kawamura Cycle Co., Ltd. enjoyed firm sales of new walkers, but these were more than offset by a further decline in sales for aluminum standard wheel chairs.

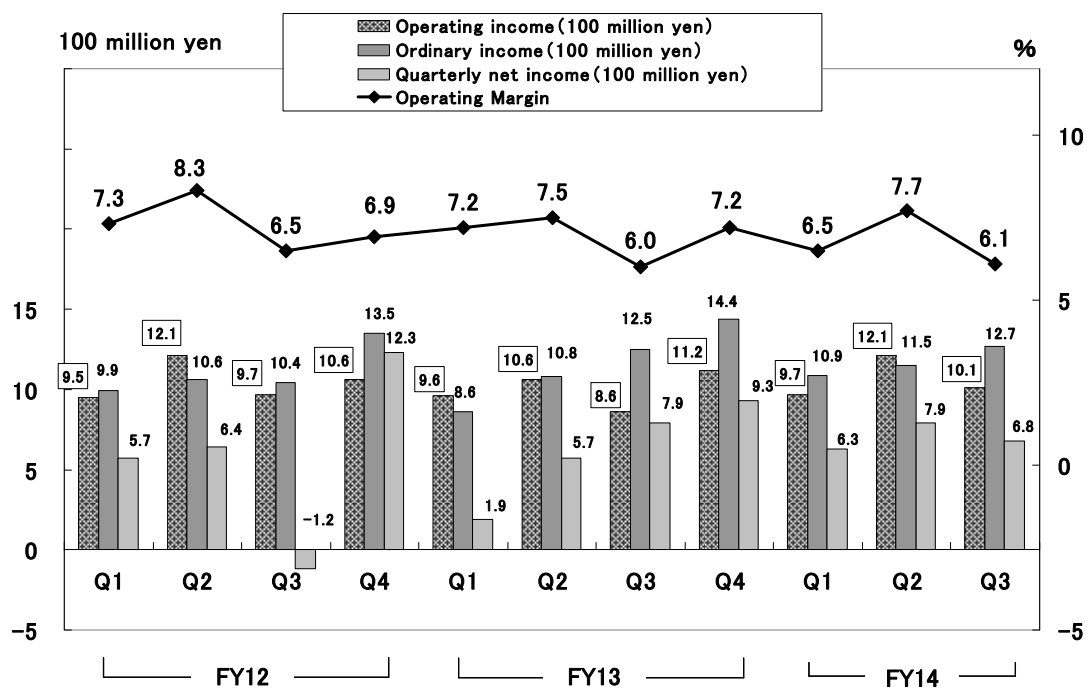
Net sales strengthened 12.5% over the same quarter of the previous fiscal year to ¥47,165 million. Operating income increased 10.5% from the same quarter of the previous fiscal year to ¥3,200 million. Ordinary income strengthened 9.7% over the same quarter of the previous fiscal year to ¥3,523 million. Net income jumped 35.5% from the same quarter of the previous fiscal year to ¥2,115 million.

Further, in the previous year consolidated third quarter a loss of ¥534 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 Q3 in FY 2014 | Cumulative Q3 in FY 2013 | Comparison with same quarter of previous fiscal year | |
|------------------|-----------------------------|-----------------------------|---|--------------------------------|
| | | | Increase (decrease) | Rate of increase (decrease) |
| Net sales | 16,362 | 14,997 | 1,365 | 9.1 |
| Operating income | 2,901 | 2,701 | 199 | 7.4 |
| Operating margin | 17.7 | 18.0 | (0.3) points | |

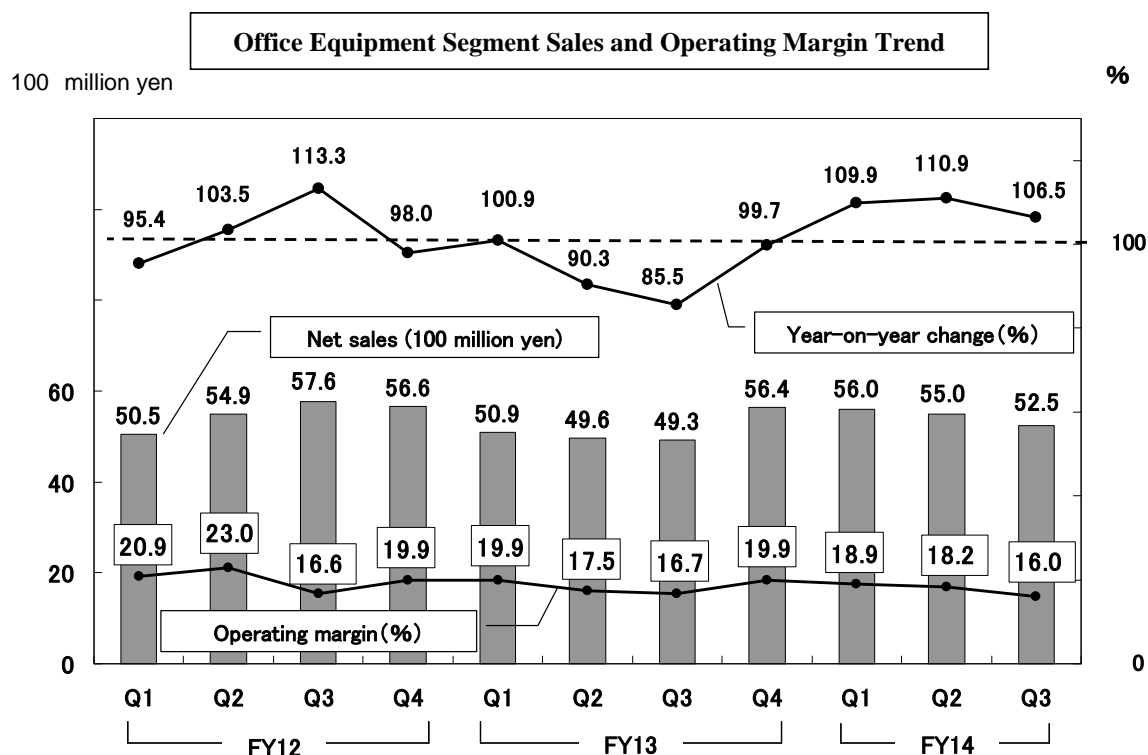
Business results for the office-equipment segment were as follows: Net sales ¥16,362 million (an increase of 9.1% against the same period of the previous fiscal year), operating income ¥2,901 million (an increase of 7.4% against the same period of the previous fiscal year), and operating margin 17.7%.

The increase in production of photocopiers by OEM customers paced a firming trend in orders for auto-staplers and strong sales of new products such as stationery products, bolstering revenues and income.

In domestic office operations, the industry-first stapler using paper staples made from paper-based consumables contributed to net sales. Furthermore, through the release of new products, sales of core staplers and staples increased, and net sales were equivalent to those in the same time in the previous year.

In overseas office operations, South Asian markets saw expanded sales of office products and increased income due to enhancement of store displays at leading modern trade stores in each country, as well as the opening of new sales routes.

In auto-stapler operations, recovery in the photocopier market led to more shipments of equipment and consumables, resulting in an increase in revenue.



Industrial Equipment

(Units: Millions of yen, %)

| | Cumulative Q3 in FY 2014 | Cumulative Q3 in FY 2013 | Comparison with same quarter of previous fiscal year | |
|------------------|-----------------------------|-----------------------------|---|--------------------------------|
| | | | Increase (decrease) | Rate of increase (decrease) |
| Net sales | 28,234 | 24,321 | 3,912 | 16.1 |
| Operating income | 557 | 149 | 407 | 271.7 |
| Operating margin | 2.0 | 0.6 | 1.4 points | |

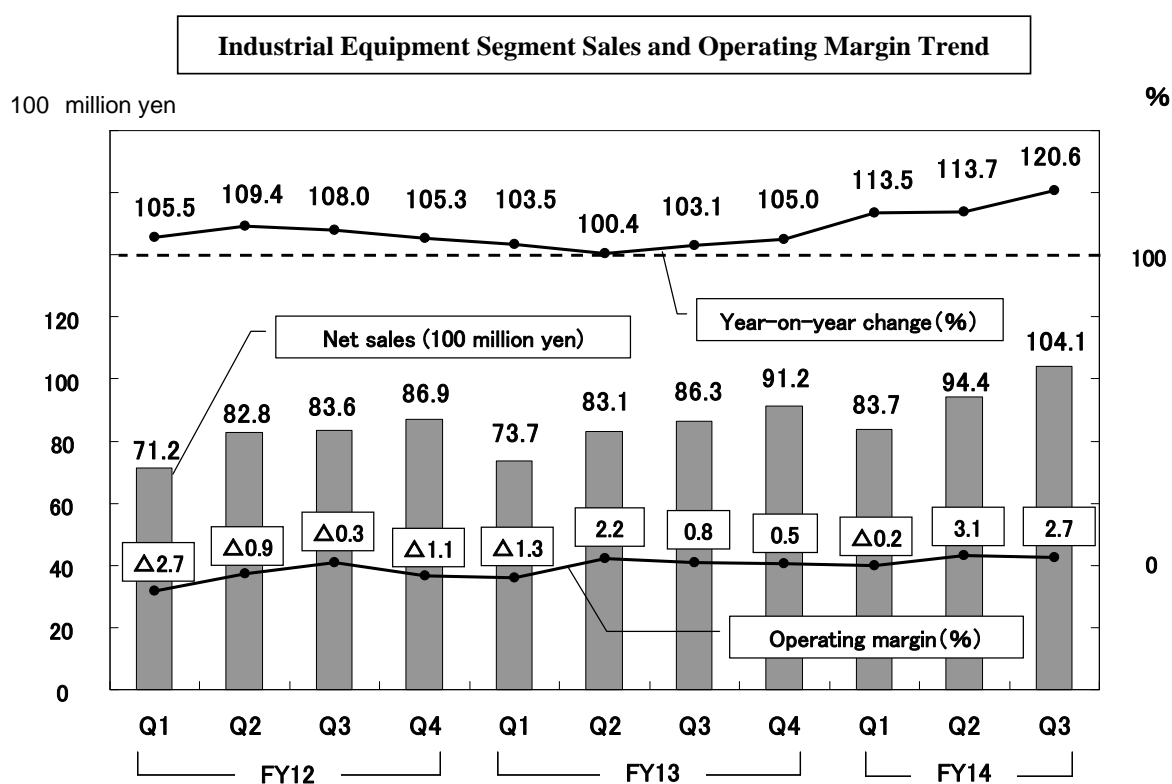
Results in the industrial-equipment segment were: Net sales ¥28,234 million (an increase of 16.1% over the same period of the previous fiscal year), operating income ¥557 million (an increase of 271.7% against the same period of the previous fiscal year), and operating margin 2.0%.

Due to recovery in housing starts in the domestic and North American markets, revenues in the industrial equipment and residential-environment operations advanced. Domestically, earnings increased despite the impact of increased costs due to the weakened yen.

In domestic industrial-equipment operations, last-minute demand created by a coming hike in the consumption tax provided the background for new products to drive sales. 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 showed strong results. Moreover, there were increased shipments of consumables including coil nails and screws. These trends resulted in increased revenues.

In overseas construction-equipment operations, in North America, supported by favorable housing starts, the sales of rebar-tying tools and air nailers grew. Also, as the result of enhanced sales promotion activities, batch delivery to major retail stores and expanded sales to leading local stores proceeded smoothly. These trends resulted in increased revenues of the overall operations.

In the residential-environment operations, a gradual recovery in condominium starts supported firm sales for the Company's major product line of heating, drying and ventilations systems for bathrooms, ventilations systems, and air cleaners, thus resulting in increased revenues.



HCR Equipment

(Units: Millions of yen, %)

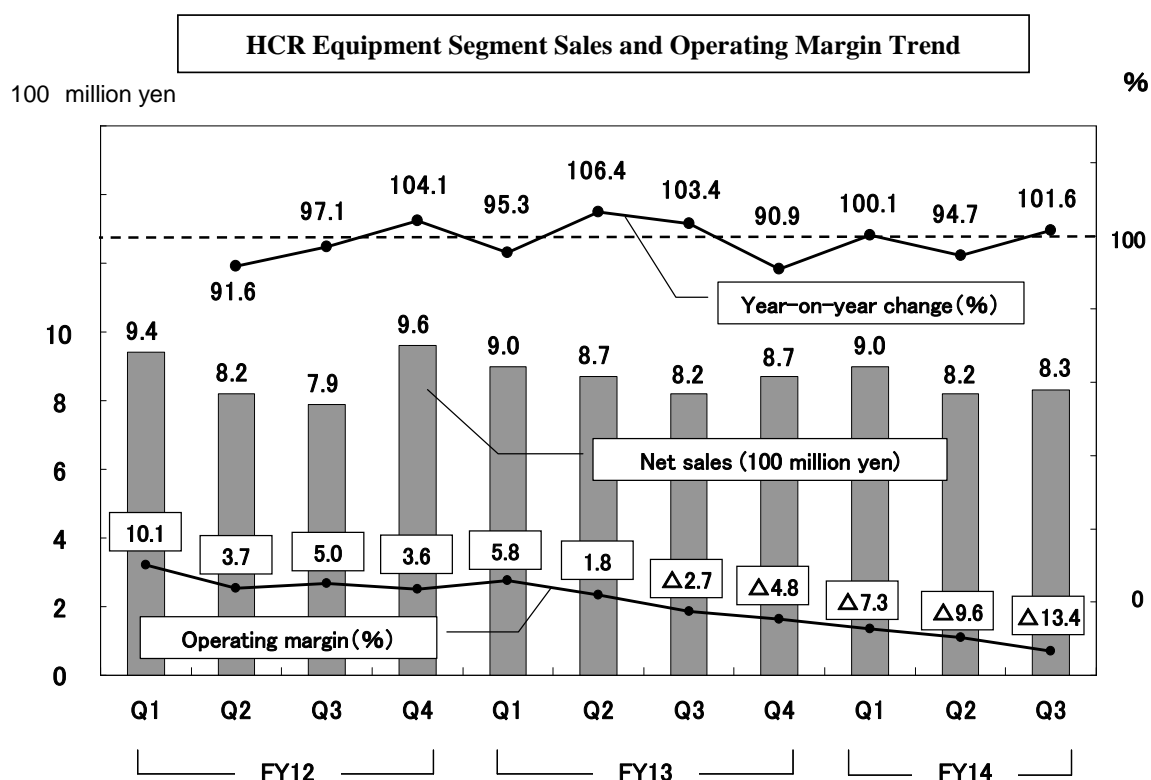
| | Cumulative Q3 in FY 2014 | Cumulative Q3 in FY 2013 | Comparison with same quarter of previous fiscal year | |
|------------------|--------------------------|--------------------------|--|-----------------------------|
| | | | Increase (decrease) | Rate of increase (decrease) |
| Net sales | 2,568 | 2,600 | (31) | (1.2) |
| Operating income | (257) | 45 | (303) | - |
| Operating margin | (10.0) | 1.8 | (11.8) points | |

Results in the HCR segment's results were: Net sales ¥2,568 million (a decrease of 1.2% over the same period of the previous fiscal year) and operating income -¥257 million.

Wheel chairs, walker products, special bicycles and other mobility-support devices designed for seniors contributed positively to sales. However, increased costs caused by the weakened yen resulted in an operating loss.

At Kawamura Cycle Co., Ltd., sales of walkers and special wheelchairs remained solid. However, sales in the company's mainstay line of aluminum standard wheel chairs faltered, resulting in net sales equivalent to the same period of the previous fiscal year.

The Home Care & Rehabilitation (HCR) Sales Group sells equipment to support independent living for the elderly. The group expanded its lineup by releasing the Cool'cle-M, which offers enhanced speed performance.



(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 December 31, 2013 (Q1-Q3)) | Previous consolidated fiscal year (year ended March 31, 2013) | Comparison with position at end of previous consolidated fiscal year | |
|--------------|--|---|--|-----------------------------|
| | | | Amount of increase (decrease) | Rate of increase (decrease) |
| Total assets | 82,350 | 83,839 | (1,488) | (1.8) |
| Net assets | 63,595 | 63,784 | (189) | (0.3) |
| Equity ratio | 77.1 | 75.7 | 1.4 points | |

Assets decreased ¥1,488 million in comparison with the position at end of the previous consolidated fiscal year, to ¥82,350 million. Current assets decreased ¥4,749 million, due to factors such as a decline of ¥5,701 million in cash and deposits. Non-current assets grew by ¥3,260 million, lifted by rises of ¥3,738 million in investments securities.

Liabilities lightened ¥1,299 million in comparison with the position at end of the previous consolidated fiscal year, to ¥18,755 million. Current liabilities declined ¥1,722 million, as short-term loans payable declined ¥601 million, income taxes payable decreased by ¥788 million, and provision for bonuses decreased by ¥632 million. Non-current liabilities raised ¥422 million, as provision for retirement benefits increased ¥568 million.

Net assets decreased ¥189 million in comparison with the position at end of the previous consolidated fiscal year, to ¥63,595 million. Shareholders' equity declined by ¥1,402 million, as quarterly net income of ¥2,115 million was more than offset by payment of ¥1,814 million and purchase of treasury stock of ¥1,325 million (net assets decrease) in dividends.

2) Analysis of Consolidated Cash Flow

The balance of cash and cash equivalents ("funds") at the end of Q3 of the consolidated cumulative fiscal period decreased ¥5,459 million in comparison with the previous consolidated fiscal year, to ¥10,614 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 (used in) operating activities)

Funds provided by operating activities in the consolidated cumulative period under review amounted to ¥2,288 million. Key increases came from quarterly net profit before taxes and adjustments ¥3,323 million, and depreciation and amortization ¥1,410 million. Key decreases consisted of decrease in provision for bonuses ¥632 million and income taxes paid ¥2,008 million.

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

Funds used in investment activities in the consolidated cumulative period under review were ¥4,124 million. A rough breakdown of this expenditure yields expenditures for purchase of short-term and long term investment securities of ¥6,355 million and purchase of property, plant and equipment of ¥1,189 million, partially offset by proceeds from sales and redemption of short-term and long term investment securities of ¥3,271 million and proceeds from withdrawal of time deposits of ¥652 million.

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

Funds used in financing activities in the consolidated cumulative period under review equaled ¥3,846 million. The key component was purchase of treasury stock, amounting to ¥1,325 million, and cash dividends paid, amounting to ¥1,811 million.

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

1) Forecast of consolidated business results for FY 2014 (April 1, 2013 to March 31, 2014)

(Unit: Millions of yen, %)

| | Changes to full-year performance forecast | Previous full-year performance forecast | Comparison with previous forecast | | Previous year's results | Comparison with previous year | |
|----------------------|---|---|-----------------------------------|-----------------------------|-------------------------|-------------------------------|-----------------------------|
| | | | Increase (decrease) | Rate of increase (decrease) | | Increase (decrease) | Rate of increase (decrease) |
| Net sales | 64,000 | 60,000 | 4,000 | 6.7 | 57,570 | 6,430 | 11.2 |
| Operating income | 4,350 | 4,800 | (450) | (9.4) | 4,026 | 324 | 8.0 |
| Ordinary income | 4,550 | 5,000 | (450) | (9.0) | 4,661 | (111) | (2.4) |
| Net income | 2,800 | 3,100 | (300) | (9.7) | 2,490 | 310 | 12.4 |
| Net income per share | Yen 56.65 | Yen 61.50 | Yen (4.85) | | Yen 49.41 | Yen 7.24 | |

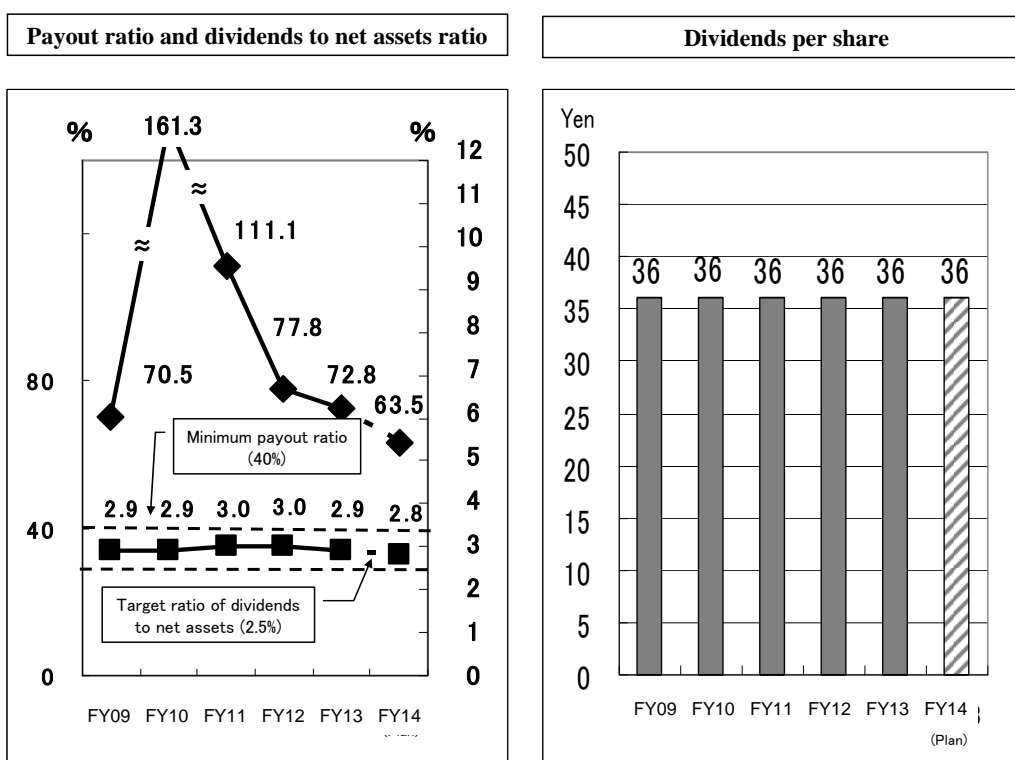
While the environment surrounding the group continues to be uncertain including economic stagnation in the European market and slowing in the growth of emerging countries, supported by the firm construction markets both domestically and in North America and steady recovery in auto-stapler operations, business performance continues to be strong.

Under these conditions, as of January 27, 2014, the directors 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.



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 accounting period 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

(Changes in Accounting Estimates)

In the past, to prepare for special damage expenses incurred at the parent company, the amount of said expenses was appropriated as a reserve for product-quality assurance, based on a special estimate of the cost incurred. However, due to considerable progress in recovering said expenses, more precise estimates are now possible. Accordingly, the estimates have been changed.

In tandem with these changes, the difference between the previous and current estimates for the third quarter of the consolidated cumulative fiscal year under review is recorded as extraordinary income.

As such, the quarterly net income before taxes and adjustments for the Q3 of the consolidated cumulative fiscal year under review is increased by ¥72 million.

3. Consolidated Financial Statements in the Third Quarter

(1) Consolidated Balance Sheets in the Third Quarter

(Millions of yen)

| | FY 2013 (As of March 31, 2013) | Cumulative Q3 in FY 2014 (As of December 31, 2013) |
|---|-----------------------------------|---|
| ASSETS | | |
| Current assets | | |
| Cash and deposits | 16,315 | 10,614 |
| Notes and accounts receivable-trade | 13,740 | 14,215 |
| Short-term investment securities | 3,982 | 4,105 |
| Merchandise and finished goods | 4,647 | 4,912 |
| Work in process | 704 | 708 |
| Raw materials | 2,481 | 2,455 |
| Other | 1,914 | 2,025 |
| Allowance for doubtful accounts | (3) | (3) |
| Total current assets | 43,783 | 39,034 |
| Non-current assets | | |
| Property, plant and equipment | 18,514 | 18,279 |
| Intangible assets | 221 | 251 |
| Investments and other assets | | |
| Investment securities | 16,732 | 20,471 |
| Other | 4,598 | 4,327 |
| Allowance for doubtful accounts | (11) | (14) |
| Total investments and other assets | 21,319 | 24,784 |
| Total non-current assets | 40,056 | 43,316 |
| Total assets | 83,839 | 82,350 |

(Millions of yen)

| | FY 2013 (As of March 31, 2013) | Cumulative Q3 in FY 2014 (As of December 31, 2013) |
|---|-----------------------------------|---|
| LIABILITIES | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 4,102 | 4,458 |
| Short-term loans payable | 2,451 | 1,850 |
| Income taxes payable | 1,078 | 289 |
| Provision for bonuses | 1,354 | 721 |
| Provision for directors' bonuses | 64 | 21 |
| Provision for product-quality assurance | 144 | 70 |
| Other | 3,454 | 3,515 |
| Total current liabilities | 12,649 | 10,927 |
| Non-current liabilities | | |
| Long-term loans payable | 100 | 150 |
| Provision for retirement benefits | 5,968 | 6,537 |
| Provision for directors' retirement benefits | 288 | 113 |
| Asset retirement obligation | 26 | 26 |
| Negative goodwill | 45 | 39 |
| Other | 975 | 959 |
| Total non-current liabilities | 7,405 | 7,827 |
| Total liabilities | 20,055 | 18,755 |
| NET ASSETS | | |
| Shareholders' equity | | |
| Capital stock | 12,367 | 12,367 |
| Capital surplus | 10,517 | 10,517 |
| Retained earnings | 42,697 | 42,619 |
| Treasury stock | (96) | (1,421) |
| Total shareholders' equity | 65,486 | 64,084 |
| Other comprehensive incomes | | |
| Valuation difference on available-for-sale securities | 226 | 824 |
| Revaluation reserve for land | (2,228) | (1,850) |
| Foreign currency translation adjustment | (4) | 433 |
| Total of other comprehensive income | (2,006) | (593) |
| Minority interests | 304 | 104 |
| Total net assets | 63,784 | 63,595 |
| Total liabilities and net assets | 83,839 | 82,350 |

(2) Consolidated Statements of Income in the Third Quarter

(Millions of yen)

| | Cumulative Q3 in FY 2013 (Ended December 31, 2012) | Cumulative Q3 in FY 2014 (Ended December 31, 2013) |
|---|--|--|
| Net sales | 41,918 | 47,165 |
| Cost of Sales | 25,730 | 29,680 |
| Gross Profit | 16,187 | 17,484 |
| Selling, general and administrative expenses | | |
| Salaries | 4,067 | 4,182 |
| Provision for bonuses | 411 | 474 |
| Provision for directors' bonuses | 43 | 29 |
| Retirement benefit expenses | 1,020 | 1,110 |
| Provision for directors' retirement benefits | 46 | 35 |
| Packing and delivery expenses | 1,234 | 1,407 |
| Promotion expenses | 848 | 1,057 |
| Depreciation | 496 | 488 |
| Provision of allowance for doubtful accounts | 1 | 0 |
| Other | 5,119 | 5,497 |
| Total selling, general and administrative expenses | 13,290 | 14,283 |
| Operating income | 2,897 | 3,200 |
| Non-operating income | | |
| Interest income | 120 | 70 |
| Dividends income | 100 | 98 |
| Amortization of negative goodwill | 12 | 5 |
| Foreign exchange gains | 45 | 186 |
| Gain on valuation of derivatives | 72 | - |
| Other | 80 | 73 |
| Total non-operating income | 431 | 435 |
| Non-operating expenses | | |
| Interest expenses | 34 | 30 |
| Taxes and dues | 11 | 21 |
| Takeover bid expenses | 23 | - |
| Other | 48 | 60 |
| Total non-operating expenses | 118 | 112 |
| Ordinary income | 3,211 | 3,523 |
| Extraordinary income | | |
| Gain on sales of investment securities | - | 26 |
| Gain on negative goodwill | - | 43 |
| Gain on product-quality assurance | 90 | 72 |
| Total extraordinary income | 90 | 143 |
| Extraordinary loss | | |
| Impairment loss | - | 304 |
| Loss on sales of noncurrent assets | - | 1 |
| Loss on abandonment of noncurrent assets | 99 | 18 |
| Loss on valuation of investment securities | 534 | - |
| Other | - | 19 |
| Total extraordinary loss | 634 | 342 |
| Income before income taxes | 2,667 | 3,323 |
| Income taxes | 1,073 | 1,200 |
| Income before minority interest | 1,593 | 2,122 |
| Minority interests in income | 32 | 7 |
| Net income (loss) | 1,560 | 2,115 |

(Consolidated comprehensive statement of income in the Third Quarter)

(Millions of yen)

| | Cumulative Q3 in FY 2013 (Ended December 31, 2012) | Cumulative Q3 in FY 2014 (Ended December 31, 2013) |
|--|--|--|
| Income before minority interest | 1,593 | 2,122 |
| Other comprehensive incomes | | |
| Valuation difference on available-for-sale securities | 259 | 597 |
| Foreign currency translation adjustment | 281 | 444 |
| Total of other comprehensive income | 541 | 1,041 |
| Comprehensive income | 2,134 | 3,164 |
| (Breakdown) | | |
| Comprehensive income relating to shareholders of parental company | 2,086 | 3,149 |
| Comprehensive income relating to minority shareholders | 48 | 14 |

(3) Consolidated Statement of Cash Flows

(Millions of yen)

| | Cumulative Q3 in FY 2013 (Ended December 31, 2012) | Cumulative Q3 in FY 2014 (Ended December 31, 2013) |
|---|--|--|
| Net cash provided by (used in) operating activities | | |
| Net profit before tax and adjustments | 2,667 | 3,323 |
| Depreciation and amortization | 1,295 | 1,410 |
| Impairment loss | - | 304 |
| Amortization of negative goodwill | (12) | (5) |
| Increase (decrease) in allowance for doubtful accounts | (3) | 3 |
| Loss (gain) on sales of short-term and long term investment securities | - | (26) |
| Gain on negative goodwill | - | (43) |
| Increase (decrease) in provision for bonuses | (574) | (632) |
| Increase (decrease) in provision for directors' bonuses | (6) | (43) |
| Increase (decrease) in product-quality assurance | (103) | 73 |
| Increase (decrease) in provision for retirement benefits and directors' retirement benefits | 486 | 393 |
| Interest and dividends income | (220) | (168) |
| Interest expenses | 34 | 30 |
| Loss (gain) on valuation of derivatives | (72) | - |
| Foreign exchange losses (gains) | (7) | (4) |
| Loss on abandonment of noncurrent assets | 99 | 18 |
| Loss (gain) on sales of noncurrent assets | - | 1 |
| Loss (gain) on valuation of investment securities | 534 | - |
| Decrease (increase) in notes and accounts receivable-trade | 721 | (122) |
| Decrease (increase) in inventories | (500) | (21) |
| Increase (decrease) in notes and accounts payable-trade | 35 | (93) |
| Increase (decrease) in accrued consumption taxes | 4 | (156) |
| Decrease (increase) in other assets | (105) | 104 |
| Increase (decrease) in other liabilities | (202) | (175) |
| Subtotal | 4,070 | 4,168 |
| Interest and dividends income received | 273 | 158 |
| Interest expenses paid | (34) | (29) |
| Income taxes (paid) refund | (1,507) | (2,008) |
| Net cash provided by (used in) operating activities | 2,801 | 2,288 |

(Millions of yen)

| | Cumulative Q3 in FY 2013 (Ended December 31, 2012) | Cumulative Q3 in FY 2014 (Ended December 31, 2013) |
|--|--|--|
| Net cash provided by (used in) investment activities | | |
| Purchase of short-term and long term investment securities | (4,013) | (6,355) |
| Proceeds from sales and redemption of short-term and long term investment securities | 5,300 | 3,271 |
| Purchase of property, plant and equipment | (1,492) | (1,189) |
| Proceeds from sales of property, plant and equipment | 0 | 47 |
| Purchase of intangible assets | (66) | (73) |
| Purchase of investments in subsidiaries | - | (167) |
| Payments of loans receivable | (20) | (19) |
| Collection of loans receivable | 121 | 109 |
| Payments into time deposits | (156) | (400) |
| Proceeds from withdrawal of time deposits | 155 | 652 |
| Net cash provided by (used in) investment activities | (172) | (4,124) |
| Net cash provided by (used in) financing activities | | |
| Decrease in short-term loans payable | (108) | (551) |
| Proceeds from long-term loans payable | - | 50 |
| Repayment of long-term loans payable | - | (50) |
| Purchase of treasury stock | (4) | (1,325) |
| Cash dividends paid | (1,814) | (1,811) |
| Cash dividends paid to minority shareholders | (21) | (3) |
| Repayments of lease obligations | (160) | (155) |
| Net cash provided by (used in) financing activities | (2,108) | (3,846) |
| Effect of exchange rate change on cash and cash equivalents | 179 | 222 |
| Net increase (decrease) in cash and cash equivalents | 700 | (5,459) |
| Balance of cash and cash equivalents, beginning of the period | 14,387 | 16,073 |
| Balance of cash and cash equivalents, end of the period | 15,087 | 10,614 |

(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 to bring the balance as of end of the consolidated quarter under review to ¥1,421 million.

(Segment Information)

Third quarter in the fiscal year ended March 31, 2013 (From April 1, 2012 to December 31, 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 | 14,997 | 24,321 | 2,600 | 41,918 |
| Internal sales between segments, or exchange | - | - | - | - |
| Total | 14,997 | 24,321 | 2,600 | 41,918 |
| Segment profit or segment loss | 2,701 | 149 | 45 | 2,897 |

(Note) The segment profit listed here matches the operating income reported in the Consolidated Statements of Income in the third quarter.

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.

Third quarter in the fiscal year ending March 31, 2014 (From April 1, 2013 to December 31, 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 | 16,362 | 28,234 | 2,568 | 47,165 |
| Internal sales between segments, or exchange | - | - | - | - |
| Total | 16,362 | 28,234 | 2,568 | 47,165 |
| Segment profit or segment loss | 2,901 | 557 | (257) | 3,200 |

(Note) The segment profit or loss listed here matches the operating income reported in the Consolidated Statements of Income in the third quarter.

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) Items regarding changes to reporting segments

From the third quarter of the consolidated accounting period under review, the reporting segment for the label business was changed from the Office Equipment segment to the Industrial Equipment segment due to changes in the company structure. Segment information for the third quarter in the fiscal year ended March 31, 2013 was created based on reporting segment classifications for the third quarter of the consolidated cumulative fiscal year under review.

4) Information related to impairment loss for non-current assets and goodwill
(Significant impairment loss related to non-current assets)

(Millions of yen)

| | Report segment | | | Total |
|-----------------|------------------|----------------------|---------------|-------|
| | Office Equipment | Industrial Equipment | HCR Equipment | |
| Impairment loss | 5 | 287 | 10 | 304 |