

## Summary of Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 2015 [Japan Standards]

Company name: MAX Co., Ltd.	Stock listing: Tokyo Stock Exchange
Securities code: 6454	URL: <a href="http://www.max-ltd.co.jp">http://www.max-ltd.co.jp</a>
Representative: Hachiro Kawamura, President and CEO	TEL: +81-3-3669-8106
Contact: Yasushi Asami, Managing Executive Officer	
Date of filing of financial statements: February 6, 2015	
Date of commencement of dividend payment: —	
The supplementary explanation document for the accounts is created.	Yes
The briefing for the 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, 2015 (April 1, 2014 to December 31, 2014)

#### (1) Consolidated Operating Results (Total)

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

	Net Sales		Operating Income		Ordinary Income		Quarterly Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q3/ FY ending March 2015	47,729	1.2	3,942	23.2	4,613	30.9	3,024	43.0
Q3/ FY ended March 2014	47,165	12.5	3,200	10.5	3,523	9.7	2,115	35.5

(Note) Comprehensive income

Q3/ FY ending March 31, 2015:	5,004 million yen (58.2%)
Q3/ FY ended March 31, 2014:	3,164 million yen (48.2%)

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
Q3/ FY ending March 2015	61.36	—
Q3/ FY ended March 2014	42.79	—

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
Q3/ FY ending March 2015	87,963	65,037	73.8	1,317.09
FY ended March 2014	84,557	61,995	73.2	1,255.50

(Reference) Shareholders' equity

Q3/ FY ending March 2015:	64,919 million yen
FY ended March 2014:	61,889 million yen

### 2. Dividends

	Dividends per Share				
	End of Q1	End of Q2	End of Q3	End of Q4	Total
	Yen	Yen	Yen	Yen	Yen
FY ended March 2014	—	—	—	36.00	36.00
FY ending March 2015	—	—	—	—	—
FY ending March 2015 (Forecast)	—	—	—	36.00	36.00

(Note) Revision of forecasts on the dividends: None

### 3. Forecasts of Consolidated Operating Results for the Fiscal Year Ending March 31, 2015 (From April 1, 2014 to March 31, 2015)

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

	Net Sales		Operating Income		Ordinary Income		Current Net Income		Current Net Assets per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	65,000	0.3	5,200	13.5	5,360	11.1	3,100	10.3	62.76

(Note) Revision of forecasts on the consolidated operation results: None

#### \* Notes

(1) Changes in material subsidiaries during this nine-month period (changes in specific subsidiaries affecting the scope of consolidation): None

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

(2) Application of specific accounting procedures for preparation of the quarterly consolidated financial statements: Yes

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

1) Changes due to revisions to accounting standards, etc.: Yes

2) Changes other than 1): None

3) Changes in accounting estimate: None

4) Revision restatements: None

(4) Number of outstanding shares (common stocks)

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

As of December 31, 2014 50,500,626 shares

As of March 31, 2014 50,500,626 shares

2) Number of treasury stock at term-end

As of December 31, 2014 1,210,292 shares

As of March 31, 2014 1,205,864 shares

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

Nine months ended December 31, 2014 49,292,023 shares

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

#### \*Information 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 the disclosure 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 been completed.

#### \*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, and are not intended as a guarantee that the Company will achieve these targets. Actual results may therefore differ substantially from the above forecasts for various reasons. 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 on Current Quarterly Results, (3) Explanation concerning Forward-looking Statements such as Forecasts of Consolidated Operating Results."

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## [Qualitative Information and Financial Statements]

### 1. Qualitative Information on Current Quarterly Results

#### (1) Explanation concerning Qualitative Information on Operating Results

##### 1) Business results of all companies during the consolidated cumulative period under review

(Millions of yen, %)

	Cumulative Q3 in FY 2015 (Ending March 2015)	Cumulative Q3 in FY 2014 (Ended March 2014)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	47,729	47,165	+563	+1.2
Operating Income	3,942	3,200	+741	+23.2
Ordinary Income	4,613	3,523	+1,090	+30.9
Quarterly Net Income	3,024	2,115	+909	+43.0
Quarterly Net Income per Share (yen)	61.36 yen	42.79 yen	+18.57 yen	-
Operating Margin	8.3	6.8	+1.5 points	

During the consolidated cumulative period under review (fiscal year ending March 31, 2015, Q3), the Japanese economy showed gradual recovery, with some improvement in corporate earnings and employment situation. However, the business environment surrounding the Company remained severe due to decreased consumer spending as the result of an increase in consumption tax, as well as a long-term decline in the number of new housing.

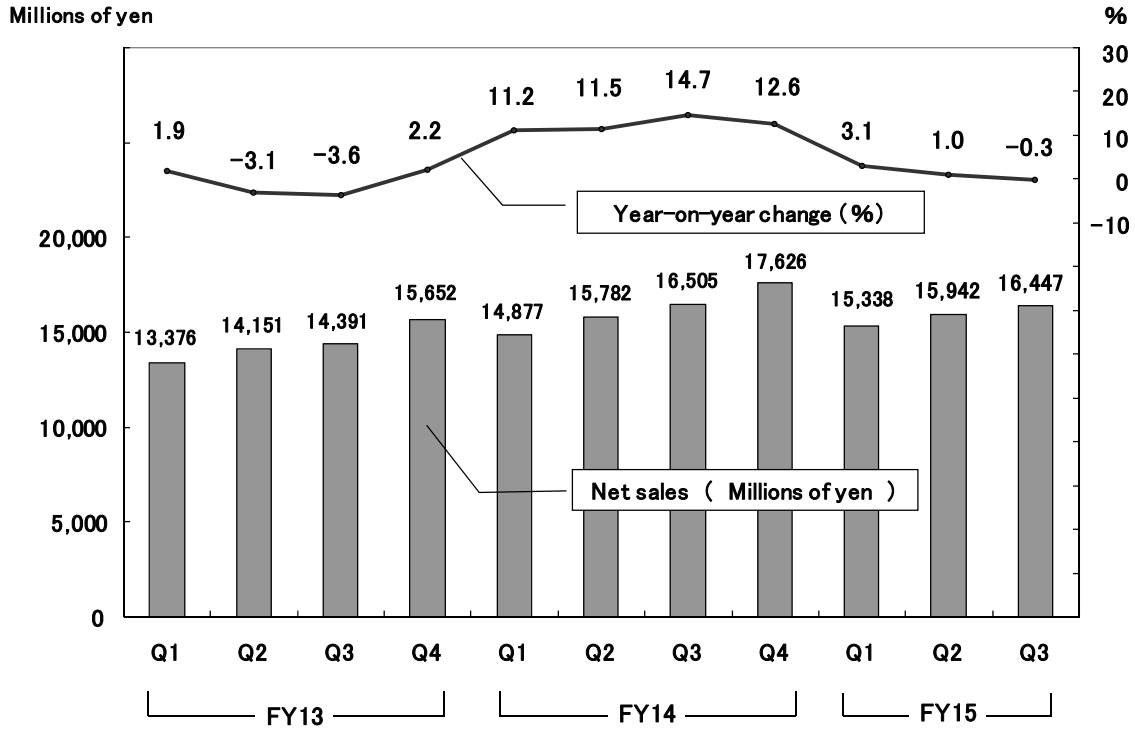
Overseas, although economic recovery in the US boosted the Company's business results, the global economy remained difficult to forecast due to factors including economic stagnation in the European economy.

Under such circumstances, the Max Group has been pursuing to transform itself into a company that could sustainably generate revenues, by proclaiming a management policy for this fiscal term of "1. Increasing earning capacity, 2. Establishing growth businesses, 3. Thinking and acting by oneself." Still, we have enhanced customer value and enterprise value, by implementing the *sangen* principle of focusing on real locations, real goods and real conditions across all companies and organizations, and by solving customers' issues and challenges.

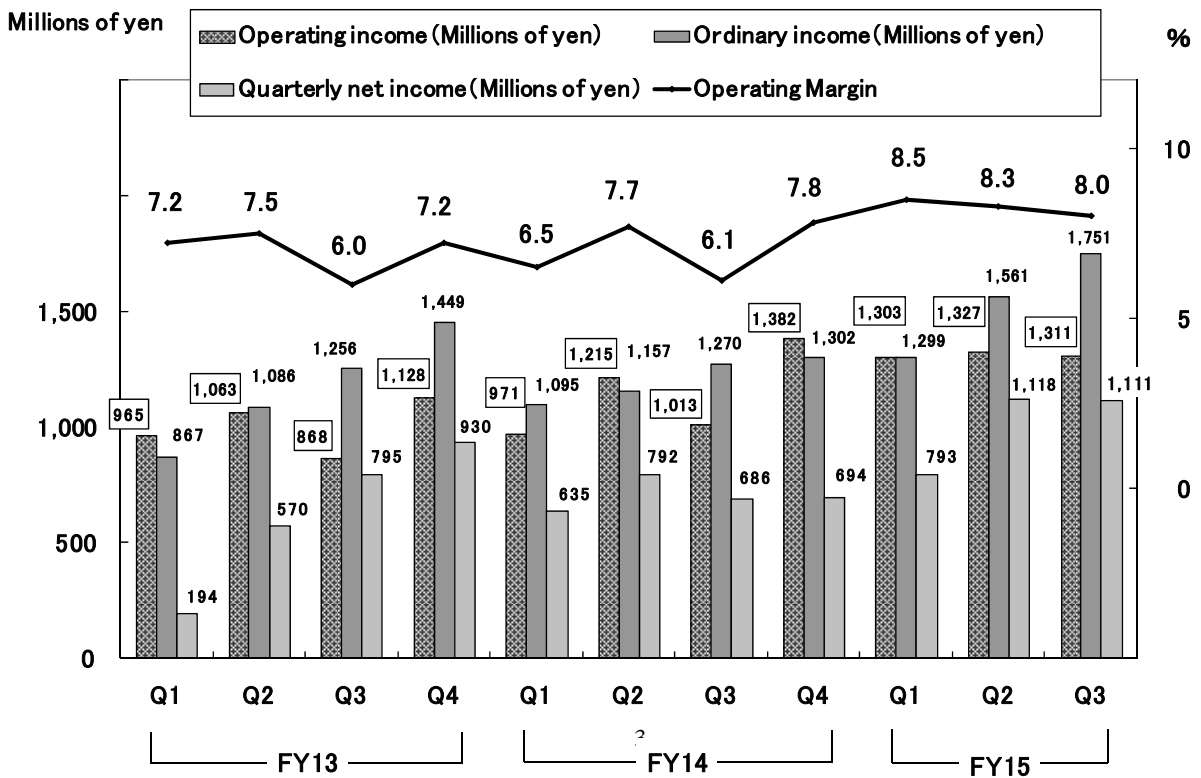
In the Office Equipment segment, despite the impact of decreased consumer spending, revenue increased due to factors including the contribution of sales by the Lighthouse (UK) Holdco Limited, which has become a consolidated subsidiary of the Max Group from the first quarter. In the Industrial Equipment segment, although sales of tools for concrete structures were strong in domestic/overseas industrial equipment product business, sales stayed at the prior-year level due to decreased sales of tools for wood structures. In the HCR Equipment segment, despite decreased sales of walker products, sales stayed at the prior-year level due to increased sales for the Company's major product line of standard wheel chairs.

As a result, net sales increased 1.2% from the previous same fiscal quarter to ¥47,729 million. Operating income increased 23.2% from the previous fiscal quarter to ¥3,942 million. Ordinary income increased 30.9% from the previous same fiscal quarter to ¥4,613 million. Net income also rose 43.0% from the previous same fiscal quarter to ¥3,024 million.

### Quarterly Net Sales Trend and Changes Year-on-Year



### Quarterly Earnings Trend



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

(Millions of yen, %)

	Cumulative Q3 in FY 2015 (Ending March 2015)	Cumulative Q3 in FY 2014 (Ended March 2014)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	16,313	15,865	+448	+2.8
Operating Income	3,027	3,026	+1	+0.0
Operating Margin	18.6	19.1	(0.5) points	

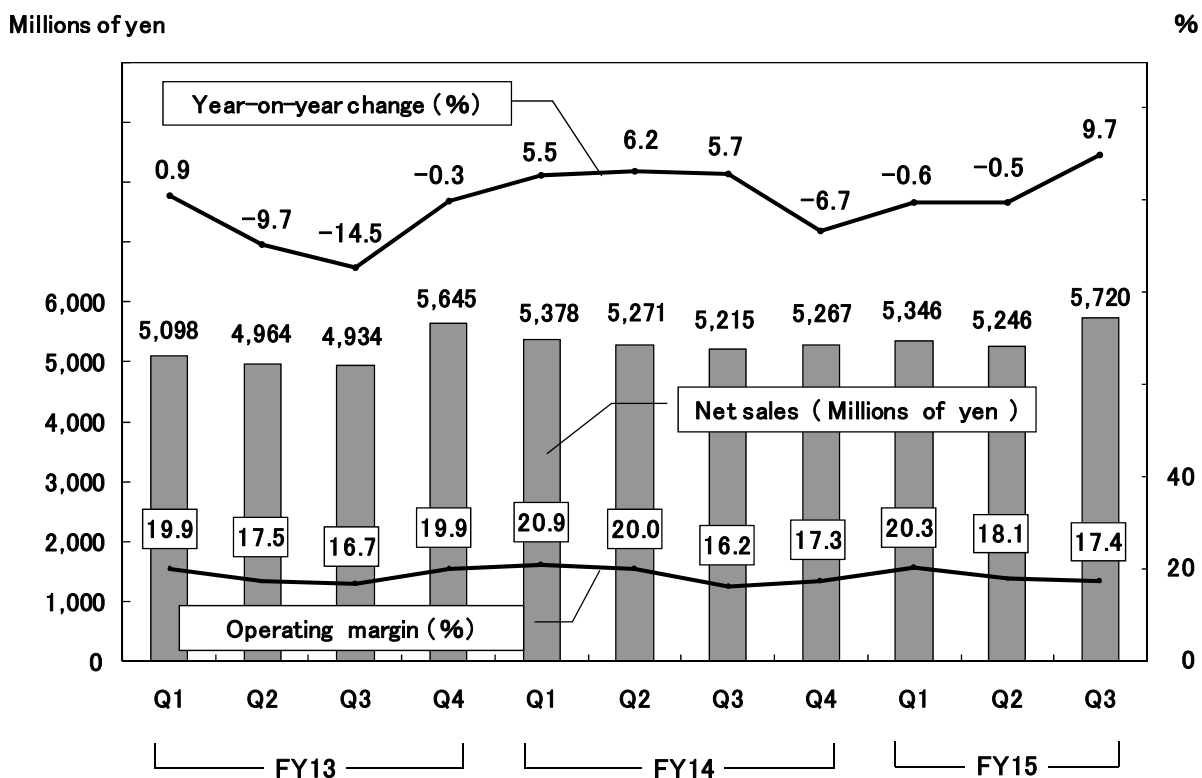
Business results for the Office Equipment segment were as follows: Net sales ¥16,313 million (an increase of 2.8% from the same term of the previous year), operating income ¥3,027 million, and operating margin 18.6%.

In domestic office operations, with a focus on factories and construction businesses, the Company promoted the spread of office equipment including “BEPOP” signage creation machines and “LETATWIN” tube markers. However, revenue decreased in the overall segment due to a prolonged decline in consumer spending and a drop in demand after the pre-tax hike buying rush.

In overseas office operations, revenue increased in the overall segment due to factors including a recovery for stapler sales in the Asian market and the contribution of sales by the consolidated subsidiary Lighthouse (UK) Holdco Limited from the first quarter.

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

Office Equipment Segment Sales and Operating Margin Trend



Industrial Equipment Segment

(Millions of yen, %)

	Cumulative Q3 in FY 2015 (Ending March 2015)	Cumulative Q3 in FY 2014 (Ended March 2014)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	28,832	28,731	+101	+0.4
Operating Income	1,035	432	+602	+139.4
Operating Margin	3.6	1.5	+2.1 points	

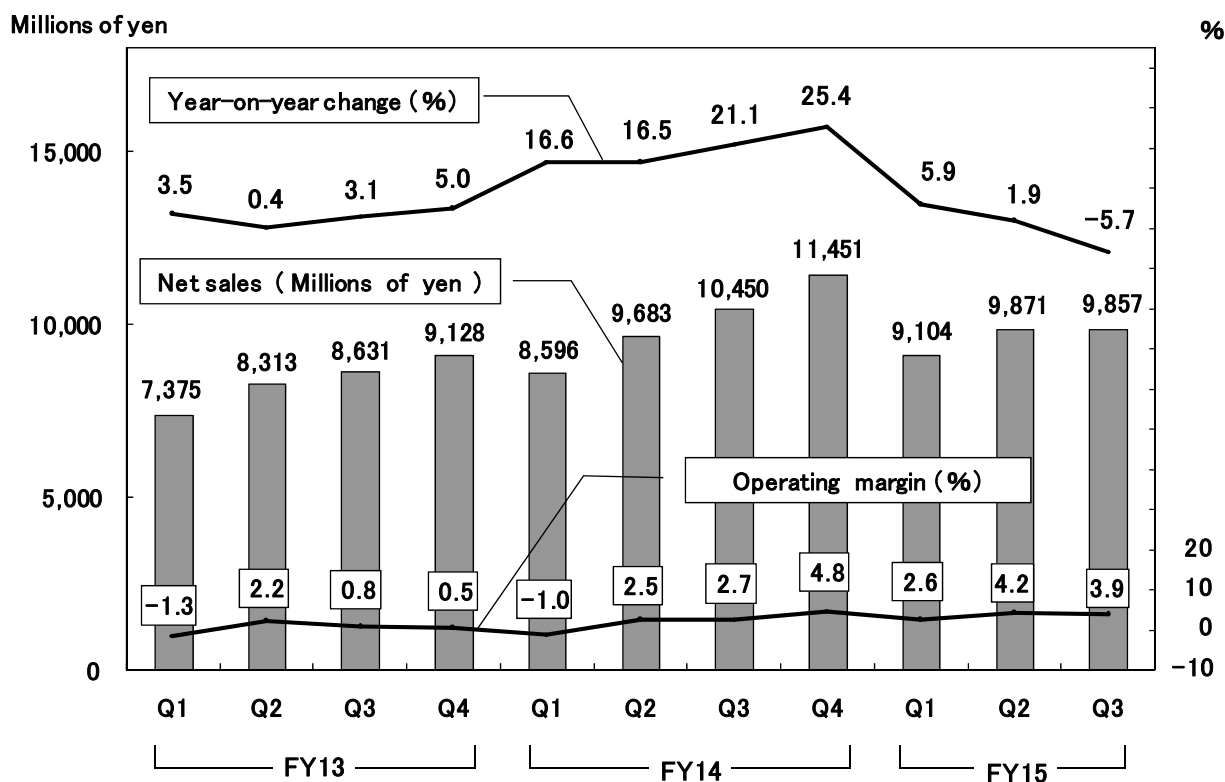
Results in the Industrial Equipment segment were as follows: Net sales ¥28,832 million (an increase of 0.4% from the same term of the previous year), operating income ¥1,035million (an increase of 139.4% from the same term of the previous year), and operating margin 3.6%.

In the domestic industrial equipment product business, sales promotion in multiple markets resulted in increased sales of tools for concrete structures. However, a continued decrease in the number of new housing led to decreased sales for the Company's major product line of high-pressure nailers, air compressors and other tools for wood structures, thus resulting in a decrease in revenue.

In the overseas industrial equipment business, in North America, backed by economic recovery in the US, the sales of nailers and tools for concrete structures grew strongly, thus resulting in an increase in revenue.

In residential environment operations, there were healthy sales for the Company's major product line of bathroom heaters, ventilators and dehumidifiers, as well as high-performance ventilation systems for which sales began in the second half of last year. This resulted in an increase in revenue.

**Industrial Equipment Segment Sales and Operating Margin Trend**



HCR Equipment Segment

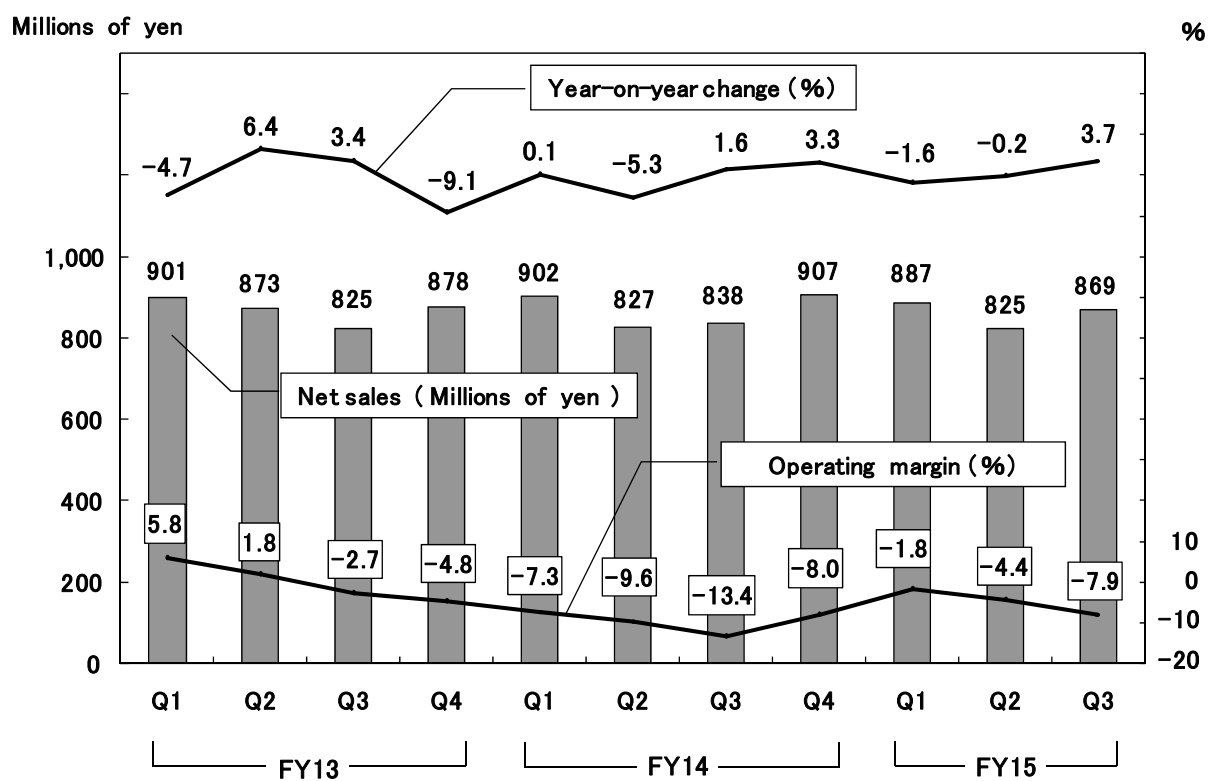
(Millions of yen, %)

	Cumulative Q3 in FY 2015 (Ending March 2015)	Cumulative Q3 in FY 2014 (Ended March 2014)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	2,582	2,568	+14	+0.5
Operating Income	(120)	(257)	+137	-
Operating Margin	(4.7)	(10.0)	+5.3 points	

Results in the HCR Equipment segment were as follows: Net sales ¥2,582 million (an increase of 0.5% from the same term of the previous year) and operating income -¥120 million.

Although shipments of walker products declined, sales for the Company's major product line of standard wheelchairs remained strong, thus resulting in sales staying at the previous year level.

HCR Equipment Segment Sales and Operating Margin Trend





(2) Explanation concerning Financial Position  
Summary of Consolidated Balance Sheets

(Millions of yen, %)

	Q3/FY 2015 (As of December 31, 2014)	FY 2014 (As of March 31, 2014)	Comparison with position at end of previous consolidated fiscal year	
			Increase (decrease)	Rate of increase (decrease)
Total Assets	87,963	84,557	+3,405	+4.0
Net Assets	65,037	61,995	+3,041	+4.9
Equity Ratio	73.8	73.2	+0.6 points	

Assets increased ¥3,405 million in comparison with the position at the end of the previous consolidated fiscal year, to ¥87,963 million. Current assets increased ¥2,501 million, due to factors such as a rise of ¥2,805 million in cash and deposits. Non-current assets grew by ¥904 million, lifted by a rise of ¥919 million in investment securities.

Liabilities increased ¥363 million in comparison with the position at the end of the previous consolidated fiscal year, to ¥22,925 million. Current liabilities raised ¥330 million, as notes and accounts payable-trade increased ¥327 million. Non-current liabilities raised ¥33 million, lifted by a rise of ¥26 million in provision for directors' retirement benefits.

Net assets increased ¥3,041 million in comparison with the position at end of the previous consolidated fiscal year, to ¥65,037 million.

Shareholders' equity increased by ¥962 million. Key factors were cash dividends paid of ¥1,774 million and a decrease in retained surplus of ¥182 million due to a change in accounting policy related to benefit plans. These were offset by quarterly net income of ¥3,024 million.

Other comprehensive incomes grew ¥2,067 million, lifted by rise of ¥864 million in valuation difference on available-for-sale securities, as well as of ¥830 million in foreign currency translation adjustment.

#### Analysis of Consolidated Cash Flow

The balance of cash and cash equivalents ("funds") during the consolidated cumulative period under review was ¥13,831 million, due to an increase of ¥2,273 million in cash and cash equivalents, and of ¥531 million in cash and cash equivalents accompanying changes in the scope of consolidation.

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

#### Cash flows from operating activities

Funds provided by operating activities in the consolidated cumulative period under review amounted to ¥4,574 million. The key increases came from quarterly net income before income taxes of ¥4,500 million, and notes and accounts receivable-trade of ¥1,034 million. The key decreases came from a decrease of ¥602 million in provision for bonuses, and payment of ¥1,581 million in income taxes.

#### Cash flows from investment activities

Funds used in investment activities in the consolidated cumulative period under review were ¥807 million. The key expenditures came from purchase of short-term and long term investment securities of ¥3,879 million, and purchase of property, plant and equipment of ¥965 million. The key increases came from proceeds of ¥3,200 million from sales and redemption of short-term and long term investment securities.

#### Cash flows from financing activities

Funds used in financing activities in the consolidated cumulative period under review were ¥1,946 million. The key expenditures were cash dividends of ¥1,773 million.

(3) Explanation concerning Forward-looking Statements such as Forecasts of Consolidated Operating Results

Boosted by gradual growth in the United States and emerging Asian countries, the Company posted strong business results for the nine-month period under review. However, the environment surrounding the Max Group remains uncertain due to prolonged decline in consumer spending resulting from increased consumption tax in Japan, as well as a continued decline in the number of new housing.

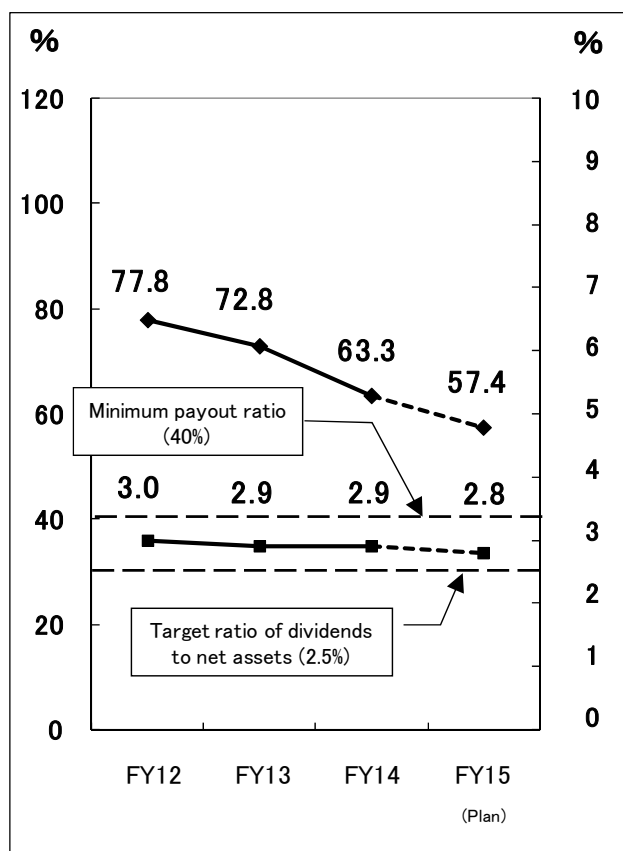
Amidst such circumstances, the Company's business has remained steady as the result of initiatives to transform itself into a company that can sustainably generate revenues by 1) Group-wide cost cutting and plant restructuring, 2) Acceleration of an earnings recovery at each business section, and 3) Expansion of overseas operations and exploitation of the opportunities derived from the operations of Lighthouse (UK) Holdco Limited in order to generate more income. Accordingly, there is no change to the forecast for consolidated operating results for the fiscal year ending March 2015, published April 25, 2014.

Dividends

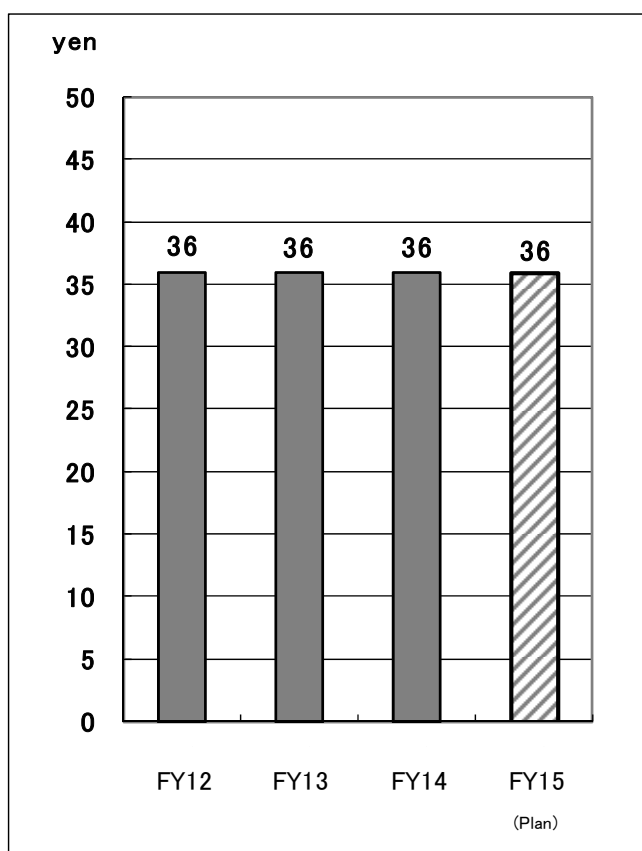
Our dividend policy is "maintaining a minimum of 40% payout ratio and targeting rate of dividends to net assets of 2.5%."

Although the Company's performance may be impacted by various factors such as the uncertain economic environment and exchange rate fluctuations, taking into account the Company's steady corporate performance and its financial position, we plan to make the same dividend payment of "¥36 per share annual dividend."

**Payout ratio and dividends to net assets ratio**



**Dividends per share**



## 2. Items related to Summary Information (Notes)

### (1) Changes in Material Subsidiaries during the Consolidated Cumulative Period under Review: None.

In spite of no changes in specific subsidiaries, the Lighthouse (UK) Holdco Limited and the Lighthouse (UK) Limited have been included in the scope of consolidation from the first quarter of the current consolidated fiscal year, as their importance has increased.

### (2) Application of Specific Accounting Procedures for Preparation of the Quarterly Consolidated Financial Statements

#### Calculation of tax expenses

Tax expenses are calculated by multiplying pre-tax current net income for the fiscal year including the third quarter under review by the effective tax rate that was reasonably estimated by applying tax effect accounting to estimated income before income taxes.

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

#### Change in Accounting Principles

##### Implementation of Accounting Standards for Retirement Benefits

We have adopted “Accounting Standards for Retirement Benefits” (Corporate Accounting Standards No. 26 of May 17, 2012, hereinafter referred to as “Retirement Benefits Accounting Standards”) and “Implementation Guidance on Accounting Standard for Retirement Benefits” (Corporate Accounting Standards No. 25 of May 17, 2012, hereinafter referred to as “Implementation Guidance on Retirement Benefits”) from the first consolidated quarter of current fiscal year on provisions stipulated in the texts of the Section 35 of the Retirement Benefits Accounting Standards and of the Section 67 of the Implementation Guidance on Retirement Benefits: we have revised the accounting method for retirement benefit obligations and service cost, and we have changed the method of discount determination to a method that uses single weighted average discount rate reflecting amounts for each estimated period for payment of retirement benefits and other payments, by making use of service period basis as the attribution method for projected retirement benefits.

To apply the Retirement Benefits Accounting Standards, we comply with the transitional handling stipulated in the Section 37 of Retirement Benefits Accounting Standards, and effect of changes of the accounting method for retirement benefit obligations and service cost, financial effects are added to or subtracted from retained earnings, at the beginning of the consolidated fiscal quarter of current fiscal year.

As the result, net defined benefit liability increased by ¥282 million, while retained earnings decreased by ¥182 million, as of the beginning of the consolidated first quarter of current fiscal year. There was only minor impact on operating income, ordinary income and quarterly net income before income taxes during the consolidated nine-month period under review.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	FY 2014 (As of March 31, 2014)	Cumulative Q3 in FY 2015 (As of December 31, 2014)
<b>ASSETS</b>		
Current assets		
Cash and deposits	11,025	13,831
Notes and accounts receivable-trade	14,595	13,992
Marketable securities	3,611	3,108
Merchandise and finished goods	4,592	5,585
Work in process	1,058	957
Raw materials	2,043	1,943
Other	1,993	1,999
Allowance for doubtful accounts	(3)	(1)
<b>Total current assets</b>	<b>38,916</b>	<b>41,418</b>
Non-current assets		
Property, plant and equipment	17,586	17,787
Intangible assets	254	976
Investments and other assets		
Investment securities	22,317	23,236
Other	5,491	4,554
Allowance for doubtful accounts	(9)	(9)
<b>Total investments and other assets</b>	<b>27,799</b>	<b>27,781</b>
<b>Total non-current assets</b>	<b>45,641</b>	<b>46,545</b>
<b>Total assets</b>	<b>84,557</b>	<b>87,963</b>
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable-trade	4,228	4,555
Short-term loans payable	1,850	1,850
Income taxes payable	932	865
Provision for bonuses	1,428	826
Provision for directors' bonuses	41	33
Other	3,217	3,898
<b>Total current liabilities</b>	<b>11,698</b>	<b>12,028</b>
Non-current liabilities		
Long-term loans payable	150	150
Provision for directors' retirement benefits	125	152
Net defined benefit liability	9,536	9,533
Asset retirement obligations	27	27
Negative goodwill	37	32
Other	987	1,001
<b>Total non-current liabilities</b>	<b>10,863</b>	<b>10,897</b>
<b>Total liabilities</b>	<b>22,562</b>	<b>22,925</b>

(Millions of yen)

	FY 2014 (As of March 31, 2014)	Cumulative Q3 in FY 2015 (As of December 31, 2014)
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	12,367	12,367
Capital surplus	10,517	10,517
Retained earnings	42,828	43,796
Treasury stock	(1,423)	(1,428)
<b>Total shareholders' equity</b>	<b>64,290</b>	<b>65,253</b>
Accumulated other comprehensive incomes		
Valuation difference on available-for-sale securities	583	1,447
Revaluation reserve for land	(1,364)	(1,265)
Foreign currency translation adjustment	279	1,109
Remeasurements of defined benefit plans	(1,899)	(1,625)
<b>Total of other comprehensive income</b>	<b>(2,401)</b>	<b>(333)</b>
Minority interests	105	117
<b>Total net assets</b>	<b>61,995</b>	<b>65,037</b>
<b>Total liabilities and net assets</b>	<b>84,557</b>	<b>87,963</b>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
(Quarterly Consolidated Statement of Income)

(Millions of yen)

	Cumulative Q3 in FY 2014 (From Apr. 1, 2013 to Dec. 31, 2013)	Cumulative Q3 in FY 2015 (From Apr. 1, 2014 to Dec. 31, 2014)
Net Sales	47,165	47,729
Cost of Sales	29,680	29,422
Gross Profit	17,484	18,306
Selling, general and administrative expenses		
Salaries	4,182	4,279
Provision for bonuses	474	564
Provision for directors' bonuses	29	33
Retirement benefit expenses	1,110	750
Provision for directors' retirement benefits	35	49
Packing and delivery expenses	1,407	1,397
Promotion expenses	1,057	1,089
Depreciation	488	490
Provision of allowance for doubtful accounts	0	0
Other	5,497	5,710
Total Selling, general and administrative expenses	14,283	14,363
Operating Income	3,200	3,942
Non-operating income		
Interest income	70	76
Dividend income	98	103
Amortization of negative goodwill	5	5
Foreign exchange gains	186	496
Other	73	103
Total non-operating income	435	786
Non-operating expenses		
Interest expenses	30	29
Taxes and dues	21	15
Other	60	70
Total non-operating expenses	112	115
Ordinary Income	3,523	4,613
Extraordinary income		
Gain on sales of investment securities	26	-
Gain on negative goodwill	43	-
Gain on product-quality assurance	72	-
Total extraordinary income	143	-
Extraordinary loss		
Impairment loss	304	-
Loss on sales of non-current assets	1	28
Loss on abandonment of non-current assets	18	53
Loss on liquidation of subsidiaries and associates	-	30
Other	19	-
Total extraordinary loss	342	112
Quarterly net income before income taxes	3,323	4,500
Income taxes	1,200	1,473
Quarterly income before minority interest	2,122	3,026
Minority interests in income	7	2
Quarterly net income	2,115	3,024

## (Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Cumulative Q3 in FY 2014 (From Apr. 1, 2013 to Dec. 31, 2013)	Cumulative Q3 in FY 2015 (From Apr. 1, 2014 to Dec. 31, 2014)
Quarterly net income before minority interest	2,122	3,026
Other comprehensive incomes		
Valuation difference on available-for-sale securities	597	864
Foreign currency translation adjustment	444	839
Adjustment relating to retirement benefits	-	273
Total other comprehensive incomes	1,041	1,977
Quarterly Comprehensive income	3,164	5,004
(Breakdown)		
Quarterly Comprehensive Income relating to shareholders of parental company	3,149	4,992
Quarterly Comprehensive Income relating to minority shareholders	14	12

## (3) Statement of Quarterly Consolidated Cash Flows

(Millions of yen)

	Cumulative Q3 in FY 2014 (From Apr. 1, 2013 to Dec. 31, 2013)	Cumulative Q3 in FY 2015 (From Apr. 1, 2014 to Dec. 31, 2014)
<b>Cash flows from operating activities</b>		
Quarterly net income before income taxes	3,323	4,500
Depreciation	1,410	1,369
Impairment loss	304	-
Amortization of goodwill	-	121
Amortization of negative goodwill	(5)	(5)
Increase (decrease) in allowance for doubtful accounts	3	(2)
Gain on negative goodwill	(43)	-
Increase (decrease) in provision for bonuses	(632)	(602)
Increase (decrease) in provision for directors' bonuses	(43)	(8)
Increase (decrease) in product-quality assurance	73	-
Increase (decrease) in provision for directors' retirement benefits	(175)	26
Increase (decrease) in provision for retirement benefits	568	-
Increase (decrease) in net defined benefit liability	-	138
Interest and dividend income	(168)	(180)
Interest expenses	30	29
Foreign exchange losses (gains)	(4)	(61)
Loss on abandonment of non-current assets	18	53
Loss (gain) on sales of non-current assets	1	28
Loss (gain) on sale of short-term and long term investment securities	(26)	-
Decrease (increase) in notes and accounts receivable-trade	(122)	1,034
Decrease (increase) in inventories	(21)	(382)
Increase (decrease) in notes and accounts payable-trade	(93)	(241)
Increase (decrease) in accrued consumption taxes	(156)	131
Decrease (increase) in other assets	104	(256)
Increase (decrease) in other liabilities	(175)	238
<b>Subtotal</b>	<b>4,168</b>	<b>5,932</b>
Interest and dividend income received	158	252
Interest expenses paid	(29)	(29)
Income taxes (paid) refund	(2,008)	(1,581)
<b>Cash flows from operating activities</b>	<b>2,288</b>	<b>4,574</b>



(Millions of yen)

	Cumulative Q3 in FY 2014 (From Apr. 1, 2013 to Dec. 31, 2013)	Cumulative Q3 in FY 2015 (From Apr. 1, 2014 to Dec. 31, 2014)
<b>Cash flows from investment activities</b>		
Purchase of short-term and long term investment securities	(6,355)	(3,879)
Proceeds from sales and redemption of short-term and long term investment securities	3,271	3,200
Purchase of property, plant and equipment	(1,189)	(965)
Proceeds from sales of property, plant and equipment	47	239
Purchase of intangible assets	(73)	(61)
Purchase of investments in subsidiaries	(167)	(3)
Payments of loans receivable	(19)	(10)
Collection of loans receivable	109	89
Payments into time deposits	(400)	-
Proceeds from withdrawal of time deposits	652	-
Other	-	584
<b>Cash flows from investment activities</b>	<b>(4,124)</b>	<b>(807)</b>
<b>Cash flows from financing activities</b>		
Decrease in short-term loans payable	(551)	(2)
Proceeds from long-term loans payable	50	-
Repayment of long-term loans payable	(50)	-
Purchase of treasury stock	(1,325)	(5)
Cash dividends paid	(1,811)	(1,773)
Cash dividends paid to minority shareholders	(3)	(0)
Repayments of lease obligations	(155)	(164)
<b>Cash flows from financing activities</b>	<b>(3,846)</b>	<b>(1,946)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>222</b>	<b>453</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,459)</b>	<b>2,273</b>
<b>Balance of cash and cash equivalents, beginning of the period</b>	<b>16,073</b>	<b>11,025</b>
<b>Net increase (decrease) in cash and cash equivalents accompanying changes in the scope of consolidation</b>	<b>-</b>	<b>531</b>
<b>Quarterly balance of cash and cash equivalents at the end of the period</b>	<b>10,614</b>	<b>13,831</b>

(4) Notes Relating to the Quarterly Consolidated Financial Statements

(Notes Relating to the Assumption of a Going Concern)

None.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

None.

(Segment Information)

Consolidated Third Quarter of FY 2014 (From April 1, 2013 to December 31, 2013)

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

(Millions of yen)

	Report segment			Total
	Office Equipment	Industrial Equipment	HCR Equipment	
Net Sales				
Net sales to outside customers	15,865	28,731	2,568	47,165
Inter-segment sales or transfers	-	-	-	-
Total	15,865	28,731	2,568	47,165
Segment profit (loss)	3,026	432	(257)	3,200

(Note) Segment profit (loss) is consistent with operating income in the quarterly consolidated statement of income.

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

None.

3) Information relating to loss or goodwill due to impairment of non-current assets

(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

Consolidated Third Quarter of FY 2015 (From April 1, 2014 to December 31, 2014)

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

(Millions of yen)

	Report segment			Total
	Office Equipment	Industrial Equipment	HCR Equipment	
Net Sales				
Net sales to outside customers	16,313	28,832	2,582	47,729
Inter-segment sales or transfers	-	-	-	-
Total	16,313	28,832	2,582	47,729
Segment profit (loss)	3,027	1,035	(120)	3,942

(Note) Segment profit (loss) is consistent with operating income in the quarterly consolidated statement of income.

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

None.