

**Summary of Consolidated Financial Results
for the First Half of the Fiscal Year Ending March 31, 2022
[Japan Standards]**

Company name:	MAX Co., Ltd.	Stock listing: Tokyo Stock Exchange
Securities code:	6454	URL: https://www.max-ltd.co.jp/
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Date of filing of financial statements	November 11, 2021	
Date of commencement of dividend payment	—	
Supplementary explanation document for the accounts is created.		Yes
Briefing for the accounts (for investment analysts and fund managers) is held.		Yes

(Millions of yen rounded down)

**1. Consolidated Operating Results for the First Half of the Fiscal Year Ending March 31, 2022
(April 1, 2021 to September 30, 2021)**

(1) Consolidated Operating Results (Cumulative)

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

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Shareholders of Parental Company
H1/ FY ending March 2022	Millions of yen 35,521 18.2	Millions of yen 3,810 26.8	Millions of yen 3,808 30.5	Millions of yen 2,833 25.1
H1/ FY ended March 2021	30,040 (13.9)	3,004 (26.1)	2,919 (25.4)	2,265 (20.7)

(Note) Comprehensive income

H1/ FY ending March 2022:	2,896 million yen (3.5%)
H1/ FY ended March 2021:	2,797 million yen (20.0%)

	Net Income per Share	Net Income per Share after Dilution
	Yen 59.56	Yen —
H1/ FY ending March 2022	46.32	—
H1/ FY ended March 2021		

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of September 30, 2021	Millions of yen 102,708	Millions of yen 78,520	% 76.4	Yen 1,657.99
As of March 31, 2021	102,538	78,696	76.7	1,647.68

(Reference) Shareholders' equity

As of September 30, 2021:	78,427 million yen
As of March 31, 2021:	78,599 million yen

2. Dividends

	Dividends per Share				
	End of Q1	End of Q2	End of Q3	End of Q4	Total
FY ended March 2021	Yen —	Yen —	Yen —	Yen 48.00	Yen 48.00
FY ending March 2022	—	—	—		
FY ending March 2022 (Forecast)			—	50.00	50.00

(Note) Revision of forecasts on the dividends: None

**3. Forecasts of Consolidated Operating Results for the Fiscal Year Ending March 31, 2022
(April 1, 2021 to March 31, 2022)**

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

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Shareholders of Parental Company	Net Income per Share
	Millions of yen %	Yen			
Full year	72,600 13.4	7,600 13.7	7,600 11.3	5,650 9.6	119.11

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

*** Notes**

- (1) Changes in material subsidiaries during the consolidated cumulative period under review (changes in specific subsidiaries affecting the scope of consolidation): None
New: — (Company name:) Excluded: — (Company name:)
- (2) Application of specific accounting procedures for the preparation 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.: Yes
 - 2) Changes other than 1): None
 - 3) Changes in accounting estimates: None
 - 4) Restatements: None
- (4) Number of outstanding shares (common stock)
 - 1) Number of shares outstanding at term-end (including treasury stock)

As of September 30, 2021:	47,537,426 shares
As of March 31, 2021:	47,937,426 shares
 - 2) Amount of treasury stock at term-end

As of September 30, 2021:	234,763 shares
As of March 31, 2021:	234,490 shares
 - 3) Amount of average stock during term (quarter accumulation)

Six months ended September 30, 2021:	47,569,439 shares
Six months ended September 30, 2020:	48,907,098 shares

***This quarterly summary of consolidated financial results is excluded from quarterly review by certified public accountants or auditing corporations.**

***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, actual results and other achievements may differ 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 4 of the appendix, "1. Qualitative Information on Current Quarterly Results, (3) Explanation Concerning Forward-looking Statements Such as Forecasts of Consolidated Operating Results."

The materials for briefing of the accounts and supplementary explanation documents for the accounts shall be made available on our website (<https://www.max-ltd.co.jp/>).

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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, %)

	H1/ FY 2022 (Ending March 2022)	H1/ FY 2021 (Ended March 2021)	Year-on-year Change	
			Increase (Decrease)	Rate of Increase (Decrease)
Net Sales	35,521	30,040	+5,481	+18.2
Operating Income	3,810	3,004	+806	+26.8
Ordinary Income	3,808	2,919	+889	+30.5
Net Income Attributable to Shareholders of Parental Company	2,833	2,265	+567	+25.1
Net Income per Share (yen)	59.56 yen	46.32 yen	+13.24 yen	—
Operating Margin	10.7	10.0	+0.7 points	—

During the consolidated cumulative period under review (April 1, 2021 to September 30, 2021), in the Japanese economy, although personal consumption was somewhat weak due to the impact of COVID-19, a movement toward recovery continued thanks to increased vaccinations and improvement of the overseas economy. In the housing market which affects the Group's Industrial Equipment segment, the number of new housing construction starts in Japan increased compared to the same period of the previous fiscal year.

Looking at overseas economies, the U.S. economy is showing signs of steady recovery due to factors such as strong personal consumption and an increase in the number of new housing construction starts. The European economy also showed some movement toward recovery in personal consumption, facilities investment, etc.

On the other hand, rising global prices for raw materials and increasing costs due to rising transportation expenses have affected corporate profits.

Under such circumstances, net sales increased 18.2% from the previous corresponding period to ¥35,521 million, and operating income increased 26.8% from the previous corresponding period to ¥3,810 million. Ordinary income increased 30.5% from the previous corresponding period to ¥3,808 million, and net income attributable to shareholders of parental company also increased 25.1% from the previous corresponding period to ¥2,833 million.

2) Business results by segment for the consolidated cumulative period under review

(Millions of yen, %)

Segment	H1/ FY 2022 (Ending March 2022)	H1/ FY 2021 (Ended March 2021)	Year-on-year Change		
			Increase (Decrease)	Rate of Increase (Decrease)	
Office Equipment	Net Sales	8,749	7,922	826	+10.4
	Segment Profit	1,309	1,154	154	+13.4
	Segment Profit Rate	15.0	14.6	+0.4 points	—
Industrial Equipment	Net Sales	25,368	20,888	4,479	+21.4
	Segment Profit	3,922	3,103	818	+26.4
	Segment Profit Rate	15.5	14.9	+0.6 points	—
HCR Equipment	Net Sales	1,404	1,229	175	+14.3
	Segment Profit	(19)	0	(19)	—
	Segment Profit Rate	(1.4)	0.0	(1.4) points	—
Adjustments	Segment Profit	(1,401)	(1,253)	(147)	—
Group-wide	Net Sales	35,521	30,040	+5,481	+18.2
	Operating Income	3,810	3,004	+806	+26.8
	Operating Margin	10.7	10.0	+0.7 points	—

Office Equipment Segment

Business results for the Office Equipment segment were as follows: Net sales of ¥8,749 million (an increase of 10.4% from the previous corresponding period), segment profit of ¥1,309 million (an increase of 13.4% from the previous corresponding period), and segment profit rate of 15.0%.

In the domestic office operations, net sales were ¥3,430 million (an increase of 2.3% from the previous corresponding period).

Although sales decreased for stationery-related products, revenue increased due to strong sales of labelling and signage products in conjunction with rising food-to-go demand; for example, sales increased for label printing products used for food labels.

In the overseas office operations, net sales were ¥2,128 million (an increase of 18.1% from the previous corresponding period).

Revenue increased due to increased sales of the tube marker LETATWIN in China, and to recovery in the sales of stationery-related products in Southeast Asia.

In the auto-stapler operations, net sales were ¥3,189 million (an increase of 15.3% from the previous corresponding period).

Revenue rose due to increased sales of machinery and consumables as a result of growing orders from business partners following gradual recovery in the office occupancy rate in general.

Industrial Equipment Segment

Business results for the Industrial Equipment segment were as follows: Net sales of ¥25,368 million (an increase of 21.4% from the previous corresponding period), segment profit of ¥3,922 million (an increase of 26.4% from the previous corresponding period), and segment profit rate of 15.5%.

In the domestic industrial equipment product operations, net sales were ¥9,168 million (an increase of 4.7% from the previous corresponding period).

Revenue increased due to growing sales of consumables for tools for wooden structures, and to strong sales of dedicated consumables for TWINTIER rebar tying tools.

In the overseas industrial equipment product operations, net sales were ¥11,210 million (an increase of 51.4% from the previous corresponding period).

Sales of TWINTIER rebar tying tools and dedicated consumables grew with a focus on Western countries, and sales of tools for wooden structures also increased.

In the residential environmental equipment operations, net sales were ¥4,989 million (an increase of 5.5% from the previous corresponding period).

Revenue increased due to growing sales of DRYFAN bathroom heaters, ventilators and dehumidifiers, which are the mainstay of the business, in the new housing market as well as the housing stock market for renovation and replacement.

HCR Equipment Segment

Business results for the HCR Equipment segment were as follows: Net sales of ¥1,404 million (an increase of 14.3% from the previous corresponding period) and a segment loss of ¥19 million.

Although sales activities continued to be slow, revenue increased due to growing sales of high value-added wheelchairs in the nursing care market. On the other hand, profitability decreased due to the impact of exchange rates caused by a weakening yen.

(2) Explanation Concerning Financial Position

1) Summary of Consolidated Balance Sheets

	Q2/ FY 2022 (As of September 30, 2021)	FY 2021 (As of March 31, 2021)	(Millions of yen, %)	
			Comparison with Position at End of Previous Consolidated Fiscal Year	
			Increase (Decrease)	Rate of Increase (Decrease)
Total Assets	102,708	102,538	+169	+0.2
Net Assets	78,520	78,696	(176)	(0.2)
Equity Ratio	76.4	76.7	(0.3)	points

Assets increased ¥169 million compared to the end of the previous consolidated fiscal year, to ¥102,708 million. Current assets decreased ¥636 million due to factors such as a decline of ¥3,062 million in cash and deposits, despite an increase of ¥698 million in marketable securities and a rise of ¥592 million in merchandise and finished goods. Non-current assets increased ¥806 million due to factors such as a rise of ¥1,451 million in property, plant and equipment, despite a decrease of ¥861 million in investment securities.

Liabilities increased ¥346 million compared to the end of the previous consolidated fiscal year, to ¥24,188 million. Current liabilities increased ¥570 million due to factors such as an increase of ¥390 million in income taxes payable and a rise of ¥109 million in accounts payable-trade. Non-current liabilities decreased ¥224 million, as net defined benefit liability fell ¥236 million.

Net assets decreased ¥176 million compared to the end of the previous consolidated fiscal year, to ¥78,520 million. Despite having reached a net income attributable to shareholders of parental company of ¥2,833 million, shareholders' equity decreased ¥239 million due to a ¥2,289 million payment of cash dividends and a ¥704 million retirement of treasury shares.

Accumulated other comprehensive income increased ¥67 million due to factors such as a rise of ¥152 million in remeasurements of defined benefit plans, despite a decrease of ¥158 million in valuation difference on available-for-sale securities.

2) Analysis of Consolidated Cash Flow

The balance of cash and cash equivalents ("funds") during the consolidated cumulative period under review was ¥18,359 million due to a decrease of ¥3,062 million.

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 obtained from operating activities in the consolidated cumulative period under review amounted to ¥2,761 million. The key increases came from net income before income taxes of ¥3,797 million and depreciation of ¥1,339 million. The key decreases came from an increase of ¥958 million in inventories, ¥788 million paid as income taxes, and an increase of ¥593 million in consumption taxes refund receivable.

Cash flows from investment activities

Funds used in investment activities in the consolidated cumulative period under review amounted to ¥2,819 million. The key decreases came from purchase of property, plant and equipment of ¥2,646 million and purchase of short-term and long-term investment securities of ¥1,202 million. The key increase came from proceeds of ¥1,100 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 amounted to ¥3,158 million. The key decreases were ¥2,288 million in cash dividends paid and ¥744 million in purchase of treasury shares.

(3) Explanation Concerning Forward-looking Statements Such as Forecasts of Consolidated Operating Results

Due to strong sales of tools for concrete structures with a focus on Western countries in the Industrial Equipment segment, we predict that operating results will surpass the forecasted values announced on April 28, 2021. Therefore, the forecast has been revised.

For further details, please refer to the "Notice of Changes to the Full-year Forecasts of Consolidated Operating Results" that was released on October 29, 2021.

Dividends

Our basic dividend policy is to maintain "a minimum of 40% payout ratio with a target ratio of dividends to net assets of 3.0%," based on the consolidated financial statement.

In the fiscal year under review, there is the possibility that the Company's operating results will be impacted by factors such as the uncertain economic environment and exchange rate fluctuations. At the current point in time, operating revenue is strong, so we plan to pay an annual dividend of ¥50 per share, which is an increase of ¥2 per share from the annual dividend of ¥48 that was paid in the previous fiscal year.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	FY 2021 (As of March 31, 2021)	Q2/ FY 2022 (As of September 30, 2021)
ASSETS		
Current assets		
Cash and deposits	21,421	18,359
Notes and accounts receivable-trade	12,628	12,579
Marketable securities	3,908	4,606
Merchandise and finished goods	6,616	7,208
Work in process	798	984
Raw materials	1,090	1,313
Other	785	1,560
Allowance for doubtful accounts	(1)	(2)
Total current assets	<u>47,246</u>	<u>46,610</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,483	10,308
Other, net	16,244	13,870
Total property, plant and equipment	22,727	24,179
Intangible assets	332	370
Investments and other assets		
Investment securities	27,589	26,728
Other	4,651	4,830
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	<u>32,231</u>	<u>31,549</u>
Total non-current assets	<u>55,292</u>	<u>56,098</u>
Total assets	<u>102,538</u>	<u>102,708</u>
LIABILITIES		
Current liabilities		
Accounts payable-trade	3,561	3,670
Short-term loans payable	1,850	1,850
Income taxes payable	565	955
Provision for bonuses	1,834	1,897
Provision for directors' bonuses	58	25
Provision for product warranties	68	118
Other	3,862	3,854
Total current liabilities	<u>11,800</u>	<u>12,371</u>
Non-current liabilities		
Long-term loans payable	150	150
Provision for product warranties	13	12
Net defined benefit liability	10,789	10,553
Asset retirement obligations	41	41
Other	1,046	1,059
Total non-current liabilities	<u>12,041</u>	<u>11,817</u>
Total liabilities	<u>23,842</u>	<u>24,188</u>

	(Millions of yen)	
	FY 2021 (As of March 31, 2021)	Q2/ FY 2022 (As of September 30, 2021)
NET ASSETS		
Shareholders' equity		
Capital stock	12,367	12,367
Capital surplus	10,517	10,517
Retained earnings	55,872	55,671
Treasury stock	(373)	(413)
Total shareholders' equity	78,384	78,144
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,259	1,100
Revaluation reserve for land	(339)	(339)
Foreign currency translation adjustment	236	309
Remeasurements of defined benefit plans	(940)	(788)
Total accumulated other comprehensive income	215	282
Non-controlling interests	97	92
Total net assets	78,696	78,520
Total liabilities and net assets	102,538	102,708

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

(Millions of yen)

	H1/ FY 2021 (From April 1, 2020 to September 30, 2020)	H1/ FY 2022 (From April 1, 2021 to September 30, 2021)
Net sales	30,040	35,521
Cost of sales	17,121	20,354
Gross profit	12,919	15,167
Selling, general and administrative expenses		
Salaries	2,805	2,957
Provision for bonuses	921	1,144
Provision for directors' bonuses	26	25
Retirement benefit expenses	553	370
Packing and delivery expenses	1,211	1,850
Promotion expenses	492	481
Depreciation	365	465
Other	3,538	4,060
Total selling, general and administrative expenses	9,914	11,356
Operating income	3,004	3,810
Non-operating income		
Interest income	35	25
Dividend income	58	55
Subsidy income	35	34
Other	40	47
Total non-operating income	169	162
Non-operating expenses		
Interest expenses	22	31
Taxes and dues	9	3
Foreign exchange losses	210	114
Other	12	15
Total non-operating expenses	254	165
Ordinary income	2,919	3,808
Extraordinary income		
Gain on sales of non-current assets	—	2
Refund of customs duties from previous year	93	—
Total extraordinary income	93	2
Extraordinary loss		
Loss on sales of non-current assets	—	0
Loss on abandonment of non-current assets	5	12
Loss on sales of investment securities	0	—
Total extraordinary loss	5	12
Net income before income taxes	3,006	3,797
Income taxes	744	969
Net income	2,262	2,828
Net income (loss) attributable to non-controlling interests	(3)	(4)
Net income attributable to shareholders of parental company	2,265	2,833

(Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	H1/ FY 2021 (From April 1, 2020 to September 30, 2020)	H1/ FY 2022 (From April 1, 2021 to September 30, 2021)
Net income	2,262	2,828
Other comprehensive income		
Valuation difference on available-for-sale securities	244	(158)
Foreign currency translation adjustment	(34)	73
Adjustments relating to retirement benefits	324	152
Total other comprehensive income	535	67
Comprehensive income	2,797	2,896
(Breakdown)		
Comprehensive income attributable to shareholders of parental company	2,799	2,900
Comprehensive income attributable to non- controlling interests	(2)	(4)

(3) Quarterly Consolidated Statement of Cash Flows

	H1/ FY 2021 (From April 1, 2020 to September 30, 2020)	H1/ FY 2022 (From April 1, 2021 to September 30, 2021)	(Millions of yen)
Cash flows from operating activities			
Net income before income taxes	3,006	3,797	
Depreciation	1,237	1,339	
Increase (decrease) in allowance for doubtful accounts	(0)	1	
Increase (decrease) in provision for bonuses	(135)	61	
Increase (decrease) in provision for directors' bonuses	(17)	(32)	
Increase (decrease) in provision for product warranties	(12)	(6)	
Increase (decrease) in net defined benefit liability	197	(16)	
Interest and dividend income	(93)	(80)	
Interest expenses	22	31	
Foreign exchange losses (gains)	10	4	
Loss on abandonment of non-current assets	5	12	
Loss (gain) on sales of non-current assets	—	(2)	
Refund of customs duties from previous year	(93)	—	
Loss (gain) on sales of short-term and long-term investment securities	0	—	
Increase (decrease) in deposits received from employees	(8)	1	
Decrease (increase) in notes and accounts receivable-trade	2,253	65	
Decrease (increase) in inventories	(371)	(958)	
Increase (decrease) in notes and accounts payable-trade	(282)	111	
Decrease (increase) in consumption taxes refund receivable	—	(593)	
Increase (decrease) in accrued consumption taxes	(180)	(114)	
Decrease (increase) in other assets	(264)	(182)	
Increase (decrease) in other liabilities	(74)	42	
Subtotal	5,198	3,482	
Interest and dividend income received	120	104	
Interest expenses paid	(28)	(36)	
Income taxes (paid) refund	(951)	(788)	
Refund of customs duties from previous year	93	—	
Cash flows from operating activities	4,432	2,761	
Cash flows from investment activities			
Purchase of short-term and long-term investment securities	(1,302)	(1,202)	
Proceeds from sales and redemption of short-term and long-term investment securities	1,100	1,100	
Purchase of property, plant and equipment	(2,381)	(2,646)	
Payments for retirement of property, plant and equipment	(150)	—	
Proceeds from sales of property, plant and equipment	—	5	
Purchase of intangible assets	(75)	(92)	
Payments of loans receivable	(1)	(0)	
Collection of loans receivable	20	16	
Cash flows from investment activities	(2,790)	(2,819)	

	(Millions of yen)	
	H1/ FY 2021 (From April 1, 2020 to September 30, 2020)	H1/ FY 2022 (From April 1, 2021 to September 30, 2021)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(744)
Cash dividends paid	(2,246)	(2,288)
Cash dividends paid to non-controlling shareholders	(0)	—
Repayments of lease obligations	(127)	(125)
Cash flows from financing activities	(2,374)	(3,158)
Effect of exchange rate change on cash and cash equivalents	(44)	154
Net increase (decrease) in cash and cash equivalents	(776)	(3,062)
Balance of cash and cash equivalents, beginning of the period	21,849	21,421
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	11	—
Quarterly balance of cash and cash equivalents at the end of the period	21,085	18,359

(4) Notes Relating to the Quarterly Consolidated Financial Statements

(Notes Relating to the Assumption of Going Concern)

None.

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

None.

(Changes in Material Subsidiaries During the Consolidated Cumulative Period Under Review)

None.

(Application of Specific Accounting Procedures for the Preparation of 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 second quarter currently under review) by an effective tax rate reasonably estimated by applying tax effect accounting to estimated income before income taxes.

(Changes in Accounting Principles)

(Application of Accounting Standards, etc., Related to Revenue Recognition)

From the beginning of the consolidated first quarter of this fiscal year, the Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020; hereinafter, "Revenue Recognition Accounting Standard"), etc. Accordingly, once control of the promised goods or services has been transferred to the customer, the monetary amount expected to be received in exchange for said goods or services is recognized as revenue.

In applying the Revenue Recognition Accounting Standard, etc., the Company complies with the transitional treatment stipulated in the proviso of Paragraph 84 in the Revenue Recognition Accounting Standard. The cumulative financial effect of applying the new accounting principle retroactively to events before the beginning of the consolidated first quarter of this fiscal year is added to or subtracted from the retained earnings at the beginning of the consolidated first quarter of this fiscal year, and the new accounting principle is applied from the balance at the beginning of the quarter onward.

The impact of this change on the balance of retained earnings at the beginning of the current fiscal year, profit (loss) for the consolidated cumulative second quarter under review, and per share information is insignificant.

(Accounting Standard for Fair Value Measurement)

The Company has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30; July 4, 2019; hereinafter, "Fair Value Measurement Accounting Standard") since the beginning of the first quarter of this consolidated fiscal year. Also, in accordance with the transitional treatment defined in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10; July 4, 2019), the Company has decided to henceforward apply the new accounting standards stipulated by the Fair Value Measurement Accounting Standard, etc. This will not impact the quarterly consolidated financial statements related to the consolidated cumulative period under review, etc.

(Segment Information)

H1 of FY 2021 (From April 1, 2020 to September 30, 2020)

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

	Reported segments			Adjustments	Total
	Office Equipment	Industrial Equipment	HCR Equipment		
Net sales					
Net sales to outside customers	7,922	20,888	1,229	—	30,040
Inter-segment sales or transfers	—	—	—	—	—
Total	7,922	20,888	1,229	—	30,040
Segment profit	1,154	3,103	0	(1,253)	3,004

(Notes) 1. Segment profit is consistent with operating income in the quarterly consolidated statement of income.

2. The segment profit adjustment of negative ¥1,253 million includes the negative ¥1,253 million of the Group-wide expenses, which are not allocated to the individual reported segments. Group-wide expenses are mainly comprised of general and administrative expenses not attributable to the reported segment.

H1 of FY 2022 (From April 1, 2021 to September 30, 2021)

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

	Reported segments			Adjustments	Total
	Office Equipment	Industrial Equipment	HCR Equipment		
Net sales					
Net sales to outside customers	8,749	25,368	1,404	—	35,521
Inter-segment sales or transfers	—	—	—	—	—
Total	8,749	25,368	1,404	—	35,521
Segment profit (loss)	1,309	3,922	(19)	(1,401)	3,810

(Notes) 1. Segment profit (loss) is consistent with operating income in the quarterly consolidated statement of income.

2. The segment profit adjustment of negative ¥1,401 million includes the negative ¥1,401 million of the Group-wide expenses, which are not allocated to the individual reported segments. Group-wide expenses are mainly comprised of general and administrative expenses not attributable to the reported segment.

2) Notes relating to changes, etc., to reported segments

As described in the Change in Accounting Principles, the Company has applied the Revenue Recognition Accounting Standard, etc., since the beginning of the first quarter of this consolidated fiscal year and changed the accounting treatment method for revenue recognition. Therefore, similar changes are being made to the method of calculating profit and loss in business segments.

As a result, in the consolidated cumulative period under review, the impact on quarterly consolidated financial statements is insignificant.