

January 31, 2022

Summary of Consolidated Financial Results
for the Third Quarter 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	February 10, 2022		
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 Third Quarter of the Fiscal Year Ending March 31, 2022
(April 1, 2021 to December 31, 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q3/ FY ending March 2022	54,439	16.6	5,683	17.4	5,937	27.5	4,338	24.1
Q3/ FY ended March 2021	46,689	(10.9)	4,842	(20.7)	4,654	(23.7)	3,497	(20.1)

(Note) Comprehensive income

Q3/ FY ending March 2022: 4,713 million yen (8.5%)
Q3/ FY ended March 2021: 4,342 million yen (-1.9%)

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
Q3/ FY ending March 2022	91.38	—
Q3/ FY ended March 2021	71.50	—

(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, 2021	105,558	80,337	76.0	1,696.35
As of March 31, 2021	102,538	78,696	76.7	1,647.68

(Reference) Shareholders' equity

As of December 31, 2021: 80,241 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
	Yen	Yen	Yen	Yen	Yen
FY ended March 2021	—	—	—	48.00	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	%	Millions of yen	%	Millions of yen	%	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: None

* 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 December 31, 2021: 47,537,426 shares

As of March 31, 2021: 47,937,426 shares

2) Amount of treasury stock at term-end

As of December 31, 2021: 234,763 shares

As of March 31, 2021: 234,490 shares

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

Nine months ended December 31, 2021: 47,480,513 shares

Nine months ended December 31, 2020: 48,907,075 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 conditions 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/about/ir/>).

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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/ FY 2022 (Ending March 2022)	Cumulative Q3/ FY 2021 (Ended March 2021)	Year-on-year Change	
			Increase (Decrease)	Rate of Increase (Decrease)
Net Sales	54,439	46,689	+7,750	+16.6
Operating Income	5,683	4,842	+841	+17.4
Ordinary Income	5,937	4,654	+1,282	+27.5
Net Income Attributable to Shareholders of Parental Company	4,338	3,497	+841	+24.1
Net Income per Share (yen)	91.38 yen	71.50 yen	+19.88 yen	—
Operating Margin	10.4	10.4	+0.0 points	

During the consolidated cumulative period under review (April 1, 2021 to December 31, 2021), the Japanese economy continued to move in the direction of recovery, as the difficult conditions engendered by the COVID-19 pandemic eased. In the housing market, which affects the Group's Industrial Equipment segment, the number of new housing construction starts in Japan in both the owner-occupied and rental housing markets increased over the previous year.

The global economy also entered a recovery frame, despite ongoing impact from the pandemic. In the United States, although a resurgence in infections weighed somewhat on personal consumption and capital investment, the number of new housing construction starts proceeded on a firm base. In Europe, personal consumption and capital investment both increased.

On the other hand, logistical congestion, semiconductor shortages and high prices for steel and other raw materials severely impacted corporate earnings.

Under such circumstances, net sales increased 16.6% from the previous corresponding period to ¥54,439 million, and operating income increased 17.4% from the previous corresponding period to ¥5,683 million. Ordinary income increased 27.5% from the previous corresponding period to ¥5,937 million, and net income attributable to shareholders of parental company also increased 24.1% from the previous corresponding period to ¥4,338 million.

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

(Millions of yen, %)

Segment		Cumulative Q3/ FY 2022 (Ending March 2022)	Cumulative Q3/ FY 2021 (Ended March 2021)	Year-on-year Change	
				Increase (Decrease)	Rate of Increase (Decrease)
Office Equipment	Net Sales	13,503	12,366	+1,137	+9.2
	Segment Profit	2,176	1,927	+248	+12.9
	Segment Profit Rate	16.1	15.6	+0.5 points	
Industrial Equipment	Net Sales	38,785	32,375	+6,410	+19.8
	Segment Profit	5,800	4,828	971	+20.1
	Segment Profit Rate	15.0	14.9	+0.1 points	
HCR Equipment	Net Sales	2,150	1,947	+203	+10.4
	Segment Profit	(58)	17	(76)	—
	Segment Profit Rate	(2.7)	0.9	(3.6) points	
Adjustments	Segment Profit	(2,234)	(1,932)	(302)	—
Group-wide	Net Sales	54,439	46,689	+7,750	+16.6
	Operating Income	5,683	4,842	+841	+17.4
	Operating Margin	10.4	10.4	+0.0 points	

Office Equipment Segment

Business results for the Office Equipment segment were as follows: Net sales of ¥13,503 million (an increase of 9.2% from the previous corresponding period), segment profit of ¥2,176 million (an increase of 12.9% from the previous corresponding period), and segment profit rate of 16.1%.

In the domestic office equipment product operations, net sales were ¥5,342 million (an increase of 1.4% from the previous corresponding period).

Sales of stationery-related products declined. However, with the resumption of face-to-face sales operations, sales of labelling and signage products, such as BEPOP label-making machines and label printers for food labeling, increased.

In the overseas office equipment product operations, net sales were ¥3,338 million (an increase of 19.8% from the previous corresponding period).

With the reopening of economic activity, sales of stationery-related products advanced, particularly in Southeast Asia, while demand for LETATWIN tube markers expanded in China.

In the auto-stapler product operations, net sales were ¥4,823 million (an increase of 11.8% from the previous corresponding period).

A slowdown in orders from OEM customers blunted machinery sales. However, sales of consumables quickened.

Industrial Equipment Segment

Business results for the Industrial Equipment segment were as follows: Net sales of ¥38,785 million (an increase of 19.8% from the previous corresponding period), segment profit of ¥5,800 million (an increase of 20.1% from the previous corresponding period), and segment profit rate of 15.0%.

In the domestic industrial equipment product operations, net sales were ¥14,491 million (an increase of 5.4% from the previous corresponding period).

Against a background of recovery in the number of new housing construction starts in Japan, sales of consumables for tools for wooden structures and dedicated consumables for TWINTIER rebar tying tools trended favorably.

In the overseas industrial equipment product operations, net sales were ¥16,522 million (an increase of 47.6% from the previous corresponding period).

Sales of TWINTIER rebar tying tools and their dedicated consumables continued to expand. Sales of tools for wooden structures also rose.

In the residential environmental equipment operations, net sales were ¥7,771 million (an increase of 4.6% from the previous corresponding period).

Sales of DRYFAN bathroom heaters, ventilators and dehumidifiers, which are the mainstay of the business, increased in the market for housing-stock renovation and replacement as well as in the new-housing market.

HCR Equipment Segment

Business results for the HCR Equipment segment were as follows: Net sales of ¥2,150 million (an increase of 10.4% from the previous corresponding period) and a segment loss of ¥58 million.

Buoyed by the cancellation of a state-of-emergency declaration, sales to hospitals and other facilities rose, as did sales to rental wholesalers. However, rising raw-material prices and transportation expenses, combined with the impact of a weakening yen exchange rate, hampered profitability.

(2) Explanation Concerning Financial Position

1) Summary of Consolidated Balance Sheets

(Millions of yen, %)

	Q3/ FY 2022 (As of December 31, 2021)	FY 2021 (As of March 31, 2021)	Comparison with Position at End of Previous Consolidated Fiscal Year	
			Increase (Decrease)	Rate of Increase (Decrease)
Total Assets	105,558	102,538	+3,019	+2.9
Net Assets	80,337	78,696	+1,640	+2.1
Equity Ratio	76.0	76.7	(0.7) points	

Assets increased ¥3,019 million compared to the end of the previous consolidated fiscal year, to ¥105,558 million. Current assets increased ¥3,230 million due to factors such as a rise of ¥1,363 million in merchandise and finished goods and an increase of ¥1,101 million in marketable securities. Non-current assets decreased ¥210 million due to factors such as a fall of ¥2,700 million in investment securities, despite an increase of ¥2,085 million in property, plant and equipment.

Liabilities increased ¥1,378 million compared to the end of the previous consolidated fiscal year, to ¥25,221 million. Current liabilities increased ¥1,655 million due to factors such as a rise of ¥915 million in accounts payable-trade and an increase of ¥800 million in income taxes payable. Non-current liabilities decreased ¥276 million due to factors such as a decline of ¥347 million in net defined benefit liability.

Net assets increased ¥1,640 million compared to the end of the previous consolidated fiscal year, to ¥80,337 million. Shareholders' equity increased ¥1,266 million. One key factor was the ¥4,338 million net income attributable to shareholders of parental company, despite the ¥2,289 million paid out in cash dividends and the ¥704 million retirement of treasury shares.

Accumulated other comprehensive income increased ¥376 million. This was due to factors including an increase in foreign currency translation adjustment of ¥477 million.

2) Analysis of Consolidated Cash Flow

The balance of cash and cash equivalents ("funds") during the consolidated cumulative period under review was ¥19,798 million due to a decrease of ¥1,622 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 ¥3,921 million. The key increases came from net income before income taxes of ¥5,922 million and depreciation of ¥2,087 million. The key decreases came from an increase of ¥1,754 million in inventories, ¥1,379 million paid as income taxes, and a decrease of ¥868 million in provision for bonuses.

Cash flows from investment activities

Funds used in investment activities in the consolidated cumulative period under review amounted to ¥2,734 million. The key decreases came from purchase of property, plant and equipment of ¥3,689 million and purchase of short-term and long-term investment securities of ¥1,203 million. The key increase came from proceeds of ¥2,300 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 ¥3,225 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

There is no change in the forecast of consolidated operating results announced on October 29, 2021 for the fiscal year ending March 31, 2022.

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)	Q3/ FY 2022 (As of December 31, 2021)
ASSETS		
Current assets		
Cash and deposits	21,421	19,798
Notes and accounts receivable-trade	12,628	13,305
Marketable securities	3,908	5,009
Merchandise and finished goods	6,616	7,979
Work in process	798	1,098
Raw materials	1,090	1,340
Other	785	1,946
Allowance for doubtful accounts	(1)	(3)
Total current assets	47,246	50,477
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,483	10,329
Other, net	16,244	14,483
Total property, plant and equipment	22,727	24,813
Intangible assets	332	397
Investments and other assets		
Investment securities	27,589	24,889
Other	4,651	4,990
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	32,231	29,870
Total non-current assets	55,292	55,081
Total assets	102,538	105,558
LIABILITIES		
Current liabilities		
Accounts payable-trade	3,561	4,477
Short-term loans payable	1,850	1,850
Income taxes payable	565	1,365
Provision for bonuses	1,834	967
Provision for directors' bonuses	58	37
Provision for product warranties	68	124
Other	3,862	4,634
Total current liabilities	11,800	13,455
Non-current liabilities		
Long-term loans payable	150	150
Provision for product warranties	13	12
Net defined benefit liability	10,789	10,442
Asset retirement obligations	41	48
Other	1,046	1,111
Total non-current liabilities	12,041	11,765
Total liabilities	23,842	25,221

(Millions of yen)

	FY 2021 (As of March 31, 2021)	Q3/ FY 2022 (As of December 31, 2021)
NET ASSETS		
Shareholders' equity		
Capital stock	12,367	12,367
Capital surplus	10,517	10,517
Retained earnings	55,872	57,177
Treasury stock	(373)	(413)
Total shareholders' equity	78,384	79,650
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,259	929
Revaluation reserve for land	(339)	(339)
Foreign currency translation adjustment	236	713
Remeasurements of defined benefit plans	(940)	(711)
Total accumulated other comprehensive income	215	591
Non-controlling interests	97	95
Total net assets	78,696	80,337
Total liabilities and net assets	102,538	105,558

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Quarterly Consolidated Statement of Income)
Consolidated Cumulative Third Quarter

(Millions of yen)

	Cumulative Q3/ FY 2021 (From Apr. 1, 2020 to Dec. 31, 2020)	Cumulative Q3/ FY 2022 (From Apr. 1, 2021 to Dec. 31, 2021)
Net sales	46,689	54,439
Cost of sales	26,647	31,167
Gross profit	20,041	23,272
Selling, general and administrative expenses		
Salaries	4,234	4,433
Provision for bonuses	561	609
Provision for directors' bonuses	43	37
Retirement benefit expenses	830	556
Packing and delivery expenses	1,871	3,000
Promotion expenses	825	942
Depreciation	558	741
Other	6,274	7,268
Total selling, general and administrative expenses	15,199	17,588
Operating income	4,842	5,683
Non-operating income		
Interest income	52	55
Dividend income	95	119
Foreign exchange gains	—	1
Subsidy income	46	35
Other	76	110
Total non-operating income	271	322
Non-operating expenses		
Interest expenses	34	44
Taxes and dues	11	3
Foreign exchange losses	396	—
Other	17	20
Total non-operating expenses	459	68
Ordinary income	4,654	5,937
Extraordinary income		
Gain on sales of non-current assets	—	3
Gain on sales of investment securities	0	—
Refund of customs duties from previous year	97	—
Total extraordinary income	97	3
Extraordinary loss		
Loss on sales of non-current assets	—	0
Loss on abandonment of non-current assets	8	17
Loss on sales of investment securities	0	—
Total extraordinary loss	8	17
Net income before income taxes	4,744	5,922
Income taxes	1,249	1,589
Net income	3,494	4,333
Net income attributable to non-controlling interests	(2)	(5)
Net income attributable to shareholders of parental company	3,497	4,338

(Quarterly Consolidated Statement of Comprehensive Income)
 Consolidated Cumulative Third Quarter

(Millions of yen)

	Cumulative Q3/ FY 2021 (From Apr. 1, 2020 to Dec. 31, 2020)	Cumulative Q3/ FY 2022 (From Apr. 1, 2021 to Dec. 31, 2021)
Net income	3,494	4,333
Other comprehensive income		
Valuation difference on available-for-sale securities	226	(329)
Foreign currency translation adjustment	135	480
Adjustments relating to retirement benefits	487	228
Total other comprehensive income	848	379
Comprehensive income	4,342	4,713
(Breakdown)		
Comprehensive income attributable to shareholders of parental company	4,344	4,715
Comprehensive income attributable to non- controlling interests	(1)	(1)

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Cumulative Q3/ FY 2021 (From Apr. 1, 2020 to Dec. 31, 2020)	Cumulative Q3/ FY 2022 (From Apr. 1, 2021 to Dec. 31, 2021)
Cash flows from operating activities		
Net income before income taxes	4,744	5,922
Depreciation	1,863	2,087
Increase (decrease) in allowance for doubtful accounts	(0)	1
Increase (decrease) in provision for bonuses	(799)	(868)
Increase (decrease) in provision for directors' bonuses	(1)	(20)
Increase (decrease) in provision for product warranties	(12)	(0)
Increase (decrease) in net defined benefit liability	285	(18)
Interest and dividend income	(148)	(175)
Interest expenses	34	44
Foreign exchange losses (gains)	48	(85)
Loss on abandonment of non-current assets	8	17
Loss (gain) on sales of non-current assets	—	(3)
Refund of customs duties from previous year	(97)	—
Loss (gain) on sales of short-term and long-term investment securities	(0)	—
Increase (decrease) in deposits received from employees	348	417
Decrease (increase) in notes and accounts receivable-trade	2,122	(612)
Decrease (increase) in inventories	(411)	(1,754)
Increase (decrease) in notes and accounts payable-trade	252	859
Decrease (increase) in consumption taxes refund receivable	—	(637)
Increase (decrease) in accrued consumption taxes	(100)	(125)
Decrease (increase) in other assets	(106)	(202)
Increase (decrease) in other liabilities	215	293
Subtotal	8,245	5,141
Interest and dividend income received	188	208
Interest expenses paid	(31)	(49)
Income taxes (paid) refund	(1,879)	(1,379)
Refund of customs duties from previous year	97	—
Cash flows from operating activities	6,620	3,921
Cash flows from investment activities		
Purchase of short-term and long-term investment securities	(2,203)	(1,203)
Proceeds from sales and redemption of short-term and long-term investment securities	2,009	2,300
Purchase of property, plant and equipment	(4,467)	(3,689)
Payments for retirement of property, plant and equipment	(150)	—
Proceeds from sales of property, plant and equipment	—	7
Purchase of intangible assets	(101)	(173)
Payments of loans receivable	(1)	(1)
Collection of loans receivable	32	26
Cash flows from investment activities	(4,882)	(2,734)

(Millions of yen)

	Cumulative Q3/ FY 2021 (From Apr. 1, 2020 to Dec. 31, 2020)	Cumulative Q3/ FY 2022 (From Apr. 1, 2021 to Dec. 31, 2021)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(744)
Cash dividends paid	(2,248)	(2,288)
Cash dividends paid to non-controlling shareholders	(0)	—
Repayments of lease obligations	(188)	(192)
Cash flows from financing activities	(2,438)	(3,225)
Effect of exchange rate change on cash and cash equivalents	(10)	415
Net increase (decrease) in cash and cash equivalents	(710)	(1,622)
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	21,151	19,798

(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 third 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 third 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)

Cumulative Q3 of FY 2021 (From April 1, 2020 to December 31, 2020)

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

(Millions of yen)

	Reported segments			Adjustments	Total
	Office Equipment	Industrial Equipment	HCR Equipment		
Net sales					
Net sales to outside customers	12,366	32,375	1,947	—	46,689
Inter-segment sales or transfers	—	—	—	—	—
Total	12,366	32,375	1,947	—	46,689
Segment profit	1,927	4,828	17	(1,932)	4,842

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

2. The segment profit adjustment of negative ¥1,932 million includes the negative ¥1,932 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.

Cumulative Q3 of FY 2022 (From April 1, 2021 to December 31, 2021)

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

(Millions of yen)

	Reported segments			Adjustments	Total
	Office Equipment	Industrial Equipment	HCR Equipment		
Net sales					
Net sales to outside customers	13,503	38,785	2,150	—	54,439
Inter-segment sales or transfers	—	—	—	—	—
Total	13,503	38,785	2,150	—	54,439
Segment profit (loss)	2,176	5,800	(58)	(2,234)	5,683

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

2. The segment profit adjustment of negative ¥2,234 million includes the negative ¥2,234 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.