

**Summary of Consolidated Financial Results**  
**for the First Quarter of the Fiscal Year Ending March 31, 2023**  
**[Japan Standards]**

Company name: MAX Co., Ltd. Stock listing: Tokyo Stock Exchange  
 Securities code: 6454 URL: <https://www.max-ltd.co.jp/>  
 Representative: Mitsuteru Kurosawa, President TEL: +81-3-3669-8106  
 Contact: Yoshihiro Kaku, Managing Director / Senior Executive Officer  
 Date of filing of financial statements August 9, 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 First Quarter of the Fiscal Year Ending March 31, 2023**  
**(April 1, 2022 to June 30, 2022)**

## (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	%
Q1/ FY ending March 2023	20,336	18.5	2,191	22.3	3,082	70.0	2,220	67.8
Q1/ FY ended March 2022	17,163	17.8	1,791	24.5	1,813	24.0	1,323	20.7

(Note) Comprehensive income

Q1/ FY ending March 2023: 3,864 million yen (186.8%)  
 Q1/ FY ended March 2022: 1,347 million yen (-4.6%)

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
Q1/ FY ending March 2023	46.95	—
Q1/ FY ended March 2022	27.75	—

## (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2022	109,950	83,972	76.3	1,772.92
As of March 31, 2022	109,043	83,136	76.1	1,755.41

(Reference) Shareholders' equity

As of June 30, 2022: 83,863 million yen  
 As of March 31, 2022: 83,035 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 2022	—	—	—	64.00	64.00
FY ending March 2023	—	—	—	—	—
FY ending March 2023 (Forecast)	—	—	—	64.00	64.00

(Note) Revision of forecasts on the dividends: None

### 3. Forecasts of Consolidated Operating Results for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% 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
First half	41,300	16.3	4,380	14.9	4,770	25.2	3,450	21.8	72.93
Full year	82,400	11.4	9,000	20.0	9,400	13.5	6,800	11.6	143.76

(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 June 30, 2022: 47,537,426 shares

As of March 31, 2022: 47,537,426 shares

2) Amount of treasury stock at term-end

As of June 30, 2022: 234,945 shares

As of March 31, 2022: 234,892 shares

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

Three months ended June 30, 2022: 47,302,498 shares

Three months ended June 30, 2021: 47,702,860 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."

Table of Contents of the appendix

1. Qualitative Information on Current Quarterly Results .....	2
(1) Explanation Concerning Qualitative Information on Operating Results .....	2
(2) Explanation Concerning Financial Position.....	4
(3) Explanation Concerning Forward-looking Statements Such as Forecasts of Consolidated Operating Results ...	4
2. Quarterly Consolidated Financial Statements and Main Notes .....	5
(1) Quarterly Consolidated Balance Sheets .....	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income.....	7
(3) Quarterly Consolidated Statement of Cash Flows .....	9
(4) Notes Relating to the Quarterly Consolidated Financial Statements .....	11
(Notes Relating to the Assumption of Going Concern).....	11
(Notes on Significant Changes in the Amount of Shareholders' Equity).....	11
(Changes in Material Subsidiaries During the Consolidated Cumulative Period Under Review).....	11
(Application of Specific Accounting Procedures for the Preparation of Quarterly Consolidated Financial Statements).....	11
(Changes in Accounting Principles).....	11
(Segment Information).....	12

[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, %)

	Q1/ FY 2022 (Ending March 2023)	Q1/ FY 2021 (Ended March 2022)	Year-on-year Change	
			Increase (Decrease)	Rate of Increase (Decrease)
Net Sales	20,336	17,163	+3,173	+18.5
Operating Income	2,191	1,791	+400	+22.3
Ordinary Income	3,082	1,813	+1,268	+70.0
Net Income Attributable to Shareholders of Parental Company	2,220	1,323	+897	+67.8
Net Income per Share (yen)	46.95 yen	27.75 yen	+19.20 yen	—
Operating Margin	10.8	10.4	+0.4 points	

During the consolidated cumulative period under review (April 1, 2022 to June 30, 2022), the global economy continued to show signs of recovery due to normalization of economic and social activities.

In the housing market, which effects the Group's Industrial Equipment segment, the number of new housing construction starts in Japan remained firm, with a focus on rental housing. In the U.S., despite a slight deceleration of growth of the number of housing starts, construction investment was strong. In Europe, there were signs of a recovery movement in capital investment.

On the other hand, amid concerns regarding the impact of factors such as the prolonged situation in Ukraine and subsequent waves of COVID-19 in China, global raw material prices are soaring, distribution costs are increasing, and restrictions are being placed on procurement and supply. These trends continued to have a severe impact on corporate earnings.

Under such circumstances, net sales increased 18.5% from the previous corresponding period to ¥20,336 million, and operating income increased 22.3% from the previous corresponding period to ¥2,191 million. Ordinary income increased 70.0% from the previous corresponding period to ¥3,082 million, and net income attributable to shareholders of parental company also increased 67.8% from the previous corresponding period to ¥2,220 million.

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

(Millions of yen, %)

		Q1/ FY 2022 (Ending March 2023)	Q1/ FY 2021 (Ended March 2022)	Year-on-year Change	
				Increase (Decrease)	Rate of Increase (Decrease)
Office Equipment	Net Sales	5,153	4,396	+757	+17.2
	Segment Profit	996	691	+305	+44.2
	Segment Profit Rate	19.3	15.7	+3.6 points	
Industrial Equipment	Net Sales	14,403	12,080	+2,323	+19.2
	Segment Profit	2,084	1,813	+270	+14.9
	Segment Profit Rate	14.5	15.0	(0.5) points	
HCR Equipment	Net Sales	779	687	+92	+13.4
	Segment Profit	(48)	(20)	(28)	—
	Segment Profit Rate	(6.3)	(3.0)	(3.3) points	
Adjustments (Group-wide Expenses)		(839)	(692)	(147)	—
Group-wide	Net Sales	20,336	17,163	+3,173	+18.5
	Operating Income	2,191	1,791	+400	+22.3
	Operating Margin	10.8	10.4	+0.4 points	

## Office Equipment Segment

Business results for the Office Equipment segment were as follows: Net sales of ¥5,153 million (an increase of 17.2% from the previous corresponding period), segment profit of ¥996 million (an increase of 44.2% from the previous corresponding period), and segment profit rate of 19.3%.

In the domestic office equipment product operations, net sales were ¥1,685 million (a decrease of 6.2% from the previous corresponding period).

In addition to decreased sales of stationery-related products, sales of labelling and signage products such as LETATWIN tube markers and BEPOP label-making machines also fell due to the impact of a shortage in electronic components.

In the overseas office equipment product operations, net sales were ¥1,377 million (an increase of 22.8% from the previous corresponding period).

Similar to the domestic office equipment product operations, sales of products such as LETATWIN tube markers stagnated due to the impact of a shortage in electronic components. Even so, due in part to the effect of the launch of new stapler products, sales of stationery-related products increased with a focus on Southeast Asia.

In the auto-stapler product operations, net sales were ¥2,090 million (an increase of 41.5% from the previous corresponding period).

Sales of Auto Staplers and dedicated consumables increased in conjunction with a recovery in the office occupancy rate.

## Industrial Equipment Segment

Business results for the Industrial Equipment segment were as follows: Net sales of ¥14,403 million (an increase of 19.2% from the previous corresponding period), segment profit of ¥2,084 million (an increase of 14.9% from the previous corresponding period), and segment profit rate of 14.5%.

In the domestic industrial equipment product operations, net sales were ¥4,792 million (an increase of 9.3% from the previous corresponding period).

Sales of TWINTIER rebar tying tools and dedicated consumables grew, and there were strong sales of nailers and air compressors, which are the mainstay of the business.

In the overseas industrial equipment product operations, net sales were ¥7,167 million (an increase of 37.0% from the previous corresponding period).

The construction market continued to be active in Europe and the United States. In addition to significant growth in sales of TWINTIER rebar tying tools and dedicated consumables, sales also increased for tools for wooden structures.

In the residential environmental equipment operations, net sales were ¥2,443 million (a decrease of 0.7% from the previous corresponding period).

Due to the impact of the lockdown in Shanghai, production temporarily stagnated and sales decreased for DRYFAN bathroom heaters, ventilators and dehumidifiers.

## HCR Equipment Segment

Business results for the HCR Equipment segment were as follows: Net sales of ¥779 million (an increase of 13.4% from the previous corresponding period) and a negative segment profit of ¥48 million.

Sales to rental wholesalers, hospitals, and other facilities were strong due to the promotion of sales activities such as visiting rental businesses and exhibiting at expos.

On the other hand, profitability fell due to decreased factory operation caused by the lockdown in Shanghai, and to a weakening yen exchange rate.

## (2) Explanation Concerning Financial Position

### 1) Summary of Consolidated Balance Sheets

(Millions of yen, %)

	Q1/ FY 2022 (As of June 30, 2022)	FY 2021 (As of March 31, 2022)	Comparison with Position at End of Previous Consolidated Fiscal Year	
			Increase (Decrease)	Rate of Increase (Decrease)
Total Assets	109,950	109,043	+907	+0.8
Net Assets	83,972	83,136	+836	+1.0
Equity Ratio	76.3	76.1	+0.2 points	

Assets increased ¥907 million compared to the end of the previous consolidated fiscal year, to ¥109,950 million. Current assets increased ¥1,498 million due to factors such as a rise of ¥445 million in notes and accounts receivable-trade, an increase of ¥437 million in merchandise and finished goods, and an increase of ¥472 million in raw materials. Non-current assets decreased ¥591 million due to factors such as a decline of ¥1,163 million in investment securities.

Liabilities increased ¥70 million compared to the end of the previous consolidated fiscal year, to ¥25,977 million. Current liabilities decreased ¥36 million due to factors such as a fall of ¥764 million in provision for bonuses. Non-current liabilities increased ¥107 million.

Net assets increased ¥836 million compared to the end of the previous consolidated fiscal year, to ¥83,972 million. Despite having reached a net income attributable to shareholders of parental company of ¥2,220 million, shareholders' equity decreased ¥806 million due to a ¥3,027 million payment of cash dividends.

Accumulated other comprehensive income increased ¥1,634 million due to factors such as a rise of ¥1,340 million in foreign currency translation adjustment.

### 2) Analysis of Consolidated Cash Flow

The balance of cash and cash equivalents ("funds") during the consolidated cumulative period under review was ¥23,272 million due to a decrease of ¥29 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 ¥1,230 million. The key increases came from net income before income taxes of ¥3,052 million and depreciation of ¥722 million. The key decreases came from a decrease of ¥764 million in provision for bonuses and ¥1,699 million paid as income taxes.

#### Cash flows from investment activities

Funds obtained from investment activities in the consolidated cumulative period under review amounted to ¥494 million. The key increase came from proceeds of ¥1,100 million from sales and redemption of short-term and long-term investment securities. The key decrease came from purchase of property, plant and equipment of ¥514 million.

#### Cash flows from financing activities

Funds used in financing activities in the consolidated cumulative period under review amounted to ¥2,877 million. The key decrease was ¥2,807 million in cash dividends paid.

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

We now predict that we will surpass the forecast of operating results announced on April 28, 2022 due to the recent strong performance and changes made to the forecasted exchange rate. Therefore, we have revised our business forecast for the first half and full year for the fiscal year ending March 31, 2023.

For details, please refer to the "Notice of Changes to the First-half and Full-year Forecasts of Consolidated Operating Results" that was announced on July 29, 2022.

#### Dividends

Our basic dividend policy is to "maintain a minimum of 3.5% ratio of dividends to net assets with a target payout ratio of 50%, as based on consolidated financial results."

In the fiscal year under review, there is the possibility that the Company's operating results will be impacted by factors such as soaring global raw material prices, increasing distribution costs, the prolonged situation in the Ukraine and other aspects of the socioeconomic environment, and exchange rate fluctuations. At the current point in time, operating revenue is strong and there is no change in our plan to pay an annual dividend of ¥64 per share as announced on April 28, 2022.

## 2. Quarterly Consolidated Financial Statements and Main Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	FY 2021 (As of March 31, 2022)	Q1/ FY 2022 (As of June 30, 2022)
<b>ASSETS</b>		
Current assets		
Cash and deposits	23,302	23,272
Notes and accounts receivable-trade	13,785	14,230
Marketable securities	4,810	5,209
Merchandise and finished goods	8,705	9,142
Work in process	992	1,177
Raw materials	1,487	1,960
Other	1,851	1,441
Allowance for doubtful accounts	(4)	(4)
<b>Total current assets</b>	<b>54,930</b>	<b>56,429</b>
Non-current assets		
Property, plant and equipment	24,963	25,100
Intangible assets	440	494
Investments and other assets		
Investment securities	23,766	22,602
Other	4,952	5,334
Allowance for doubtful accounts	(9)	(9)
<b>Total investments and other assets</b>	<b>28,709</b>	<b>27,927</b>
<b>Total non-current assets</b>	<b>54,113</b>	<b>53,521</b>
<b>Total assets</b>	<b>109,043</b>	<b>109,950</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable-trade	4,223	4,593
Short-term loans payable	2,000	2,000
Income taxes payable	1,597	971
Provision for bonuses	1,834	1,070
Provision for directors' bonuses	49	17
Provision for product warranties	213	199
Asset retirement obligations	—	11
Other	4,132	5,150
<b>Total current liabilities</b>	<b>14,051</b>	<b>14,014</b>
Non-current liabilities		
Provision for product warranties	12	12
Net defined benefit liability	10,618	10,521
Asset retirement obligations	154	141
Other	1,070	1,288
<b>Total non-current liabilities</b>	<b>11,855</b>	<b>11,962</b>
<b>Total liabilities</b>	<b>25,907</b>	<b>25,977</b>

(Millions of yen)

	FY 2021 (As of March 31, 2022)	Q1/ FY 2022 (As of June 30, 2022)
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	12,367	12,367
Capital surplus	10,517	10,517
Retained earnings	58,929	58,122
Treasury stock	(413)	(413)
Total shareholders' equity	81,401	80,595
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,143	1,377
Revaluation reserve for land	(339)	(339)
Foreign currency translation adjustment	1,773	3,114
Remeasurements of defined benefit plans	(943)	(884)
Total accumulated other comprehensive income	1,633	3,268
Non-controlling interests	100	109
Total net assets	83,136	83,972
Total liabilities and net assets	109,043	109,950

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

(Millions of yen)

	Q1/ FY 2021 (From April 1, 2021 to June 30, 2021)	Q1/ FY 2022 (From April 1, 2022 to June 30, 2022)
Net sales	17,163	20,336
Cost of sales	9,943	11,801
Gross profit	7,220	8,535
Selling, general and administrative expenses		
Salaries	1,472	1,494
Provision for bonuses	506	616
Provision for directors' bonuses	13	17
Retirement benefit expenses	186	170
Packing and delivery expenses	908	1,269
Promotion expenses	223	333
Depreciation	205	273
Other	1,912	2,167
Total selling, general and administrative expenses	5,428	6,343
Operating income	1,791	2,191
Non-operating income		
Interest income	13	18
Dividend income	42	61
Foreign exchange gains	—	787
Other	48	41
Total non-operating income	104	910
Non-operating expenses		
Interest expenses	17	13
Taxes and dues	6	0
Foreign exchange losses	50	—
Other	8	5
Total non-operating expenses	83	19
Ordinary income	1,813	3,082
Extraordinary income		
Gain on sales of non-current assets	1	3
Total extraordinary income	1	3
Extraordinary loss		
Loss on sales of non-current assets	0	—
Loss on abandonment of non-current assets	8	28
Impairment loss	—	4
Total extraordinary loss	8	32
Net income before income taxes	1,806	3,052
Income taxes	484	830
Net income	1,322	2,222
Net income (loss) attributable to non-controlling interests	(1)	1
Net income attributable to shareholders of parental company	1,323	2,220

(Quarterly Consolidated Statement of Comprehensive Income)  
 Consolidated First Quarter

(Millions of yen)

	Q1/ FY 2021 (From April 1, 2021 to June 30, 2021)	Q1/ FY 2022 (From April 1, 2022 to June 30, 2022)
Net income	1,322	2,222
Other comprehensive income		
Valuation difference on available-for-sale securities	(183)	234
Foreign currency translation adjustment	131	1,347
Adjustments relating to retirement benefits	76	59
Total other comprehensive income	24	1,641
Comprehensive income	1,347	3,864
(Breakdown)		
Comprehensive income attributable to shareholders of parental company	1,348	3,855
Comprehensive income attributable to non- controlling interests	(1)	8

## (3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Q1/ FY 2021 (From April 1, 2021 to June 30, 2021)	Q1/ FY 2022 (From April 1, 2022 to June 30, 2022)
<b>Cash flows from operating activities</b>		
Net income before income taxes	1,806	3,052
Depreciation	633	722
Impairment loss	—	4
Increase (decrease) in allowance for doubtful accounts	1	0
Increase (decrease) in provision for bonuses	(975)	(764)
Increase (decrease) in provision for directors' bonuses	(44)	(32)
Increase (decrease) in provision for product warranties	(3)	(13)
Increase (decrease) in net defined benefit liability	11	(13)
Interest and dividend income	(56)	(80)
Interest expenses	17	13
Foreign exchange losses (gains)	15	(656)
Loss on abandonment of non-current assets	8	28
Loss (gain) on sales of non-current assets	(1)	(3)
Increase (decrease) in deposits received from employees	420	412
Decrease (increase) in notes and accounts receivable-trade	615	(222)
Decrease (increase) in inventories	(446)	(537)
Increase (decrease) in notes and accounts payable-trade	(17)	268
Decrease (increase) in consumption taxes refund receivable	(263)	722
Increase (decrease) in accrued consumption taxes	(107)	7
Decrease (increase) in other assets	(135)	(442)
Increase (decrease) in other liabilities	134	388
<b>Subtotal</b>	<b>1,613</b>	<b>2,854</b>
Interest and dividend income received	66	88
Interest expenses paid	(19)	(12)
Income taxes (paid) refund	(557)	(1,699)
<b>Cash flows from operating activities</b>	<b>1,103</b>	<b>1,230</b>
<b>Cash flows from investment activities</b>		
Purchase of short-term and long-term investment securities	(601)	(0)
Proceeds from sales and redemption of short-term and long-term investment securities	500	1,100
Purchase of property, plant and equipment	(2,045)	(514)
Payments for retirement of property, plant and equipment	—	(9)
Proceeds from sales of property, plant and equipment	1	4
Purchase of intangible assets	(53)	(97)
Payments of loans receivable	(0)	—
Collection of loans receivable	10	13
<b>Cash flows from investment activities</b>	<b>(2,189)</b>	<b>494</b>

(Millions of yen)

	Q1/ FY 2021 (From April 1, 2021 to June 30, 2021)	Q1/ FY 2022 (From April 1, 2022 to June 30, 2022)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(2,288)	(2,807)
Repayments of lease obligations	(64)	(70)
Cash flows from financing activities	(2,353)	(2,877)
Effect of exchange rate change on cash and cash equivalents	135	1,122
Net increase (decrease) in cash and cash equivalents	(3,304)	(29)
Balance of cash and cash equivalents, beginning of the period	21,421	23,302
Quarterly balance of cash and cash equivalents at the end of the period	18,117	23,272

(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 first 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 the United States Financial Accounting Standards Board's Accounting Standards Codification (ASC) No. 842 on Leasing)

Some of our overseas consolidated subsidiaries that have adopted US GAAP have applied ASC No. 842 on leasing from the beginning of the first quarter of the consolidated accounting period under review.

As a result, in principle, all leases of the lessee's lease transactions at the overseas consolidated subsidiary will be recorded as assets and liabilities on the balance sheet.

In applying ASC No. 842, we have adopted the method of recognizing the cumulative impact of the application of the accounting standards on the date of starting application, as permitted in the transitional measures.

As a result, at the beginning of the first quarter consolidated accounting period under review, "Other" for investments and other assets increased by ¥268 million, "Other" for current liabilities increased by ¥36 million, and "Other" for non-current liabilities increased by ¥232 million.

There will be no impact on profit or loss for the first quarter of the consolidated cumulative period under review.

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31; June 17, 2021; hereinafter, "Fair Value Measurement Implementation Guidance") since the beginning of the first quarter consolidated accounting period under review. In accordance with the transitional treatment defined in Paragraph 27-2 of the Fair Value Measurement Implementation Guidance, the Company has decided to henceforward apply the new accounting principles stipulated by the Fair Value Measurement Implementation Guidance.

This will not impact the quarterly consolidated financial statements.

(Segment Information)

Q1 of FY 2021 (From April 1, 2021 to June 30, 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	4,396	12,080	687	—	17,163
Inter-segment sales or transfers	—	—	—	—	—
Total	4,396	12,080	687	—	17,163
Segment profit (loss)	691	1,813	(20)	(692)	1,791

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

2. The segment profit adjustment of negative ¥692 million includes the negative ¥692 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.

Q1 of FY 2022 (From April 1, 2022 to June 30, 2022)

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	5,153	14,403	779	—	20,336
Inter-segment sales or transfers	—	—	—	—	—
Total	5,153	14,403	779	—	20,336
Segment profit (loss)	996	2,084	(48)	(839)	2,191

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

2. The segment profit adjustment of negative ¥839 million includes the negative ¥839 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) Information on impairment loss on non-current assets, goodwill, etc., by reported segment

(Significant impairment loss on non-current assets)

An impairment loss of ¥4 million has been recorded for idle assets that we do not expect to use in the future.

The breakdown is ¥0 million in the “Office Equipment” segment and ¥3 million in the “Industrial Equipment” segment.