

January 31, 2023

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

Company name: MAX Co., Ltd. Stock listing: Tokyo Stock Exchange  
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Date of filing of financial statements February 10, 2023  
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, 2023**  
**(April 1, 2022 to December 31, 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	%
Q3/ FY ending March 2023	63,880	17.3	7,595	33.6	8,249	38.9	5,871	35.3
Q3/ FY ended March 2022	54,439	16.6	5,683	17.4	5,937	27.5	4,338	24.1

(Note) Comprehensive income

Q3/ FY ending March 2023: 7,302 million yen (54.9%)  
Q3/ FY ended March 2022: 4,713 million yen (8.5%)

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
Q3/ FY ending March 2023	124.14	—
Q3/ FY ended March 2022	91.38	—

## (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, 2022	114,191	87,410	76.5	1,845.62
As of March 31, 2022	109,043	83,136	76.1	1,755.41

(Reference) Shareholders' equity

As of December 31, 2022: 87,302 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)				74.00	74.00

(Note) Revision of forecasts on the dividends: Yes

### 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
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	85,400	15.5	9,800	30.7	10,150	22.5	7,250	19.0	153.27

(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 December 31, 2022: 47,537,426 shares

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

2) Amount of treasury stock at term-end

As of December 31, 2022: 235,205 shares

As of March 31, 2022: 234,892 shares

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

Nine months ended December 31, 2022: 47,302,387 shares

Nine months ended December 31, 2021: 47,480,513 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 .....	6
(1) Quarterly Consolidated Balance Sheets .....	6
(2) Quarterly Consolidated Statements of Income and Comprehensive Income .....	8
(3) Quarterly Consolidated Statement of Cash Flows .....	10
(4) Notes Relating to the Quarterly Consolidated Financial Statements .....	12
(Notes Relating to the Assumption of Going Concern).....	12
(Notes on Significant Changes in the Amount of Shareholders' Equity) .....	12
(Changes in Material Subsidiaries During the Consolidated Cumulative Period Under Review).....	12
(Application of Specific Accounting Procedures for the Preparation of Quarterly Consolidated Financial Statements).....	12
(Changes in Accounting Principles) .....	12
(Segment Information).....	13

[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 2023)	Cumulative Q3/ FY 2021 (Ended March 2022)	Year-on-year Change	
			Increase (Decrease)	Rate of Increase (Decrease)
Net Sales	63,880	54,439	+9,440	+17.3
Operating Income	7,595	5,683	+1,911	+33.6
Ordinary Income	8,249	5,937	+2,312	+38.9
Net Income Attributable to Shareholders of Parental Company	5,871	4,338	+1,533	+35.3
Net Income per Share (yen)	124.14 yen	91.38 yen	+32.76 yen	—
Operating Margin	11.9	10.4	+1.5 points	

During the consolidated cumulative period under review (April 1 to December 31, 2022), the global economy continued to proceed on a recovery footing, as normalization of economic and social activities progressed.

In the housing market, which affects the Group's Industrial Equipment segment, the number of new housing construction starts in Japan was sluggish for owner-occupied housing, but remained solid for rentals and unit sales. In the United States, housing starts were sluggish amid rising mortgage interest rates and construction costs, but construction investment trended firm due to growth in commercial buildings and expressways. The European market continued a gradual recovery, despite downward pressure on the economy from factors such as accelerating inflation from high energy prices.

Corporate earnings continued to be impacted by elevated material prices and restrictions in procurement and supply.

Under such circumstances, net sales increased 17.3% from the previous corresponding period to ¥63,880 million, and operating income increased 33.6% from the previous corresponding period to ¥7,595 million. Ordinary income increased 38.9% from the previous corresponding period to ¥8,249 million, and net income attributable to shareholders of parental company also increased 35.3% from the previous corresponding period to ¥5,871 million.

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

(Millions of yen, %)

		Cumulative Q3/ FY 2022 (Ending March 2023)	Cumulative Q3/ FY 2021 (Ended March 2022)	Year-on-year Change	
				Increase (Decrease)	Rate of Increase (Decrease)
Office Equipment	Net Sales	16,346	13,503	+2,843	+21.1
	Segment Profit	3,331	2,176	+1,154	+53.1
	Segment Profit Rate	20.4	16.1	+4.3 points	
Industrial Equipment	Net Sales	45,168	38,785	+6,383	+16.5
	Segment Profit	6,989	5,800	+1,189	+20.5
	Segment Profit Rate	15.5	15.0	+0.5 points	
HCR Equipment	Net Sales	2,365	2,150	+214	+10.0
	Segment Profit	(153)	(58)	(94)	—
	Segment Profit Rate	(6.5)	(2.7)	(3.8) points	
Adjustments (Group-wide Expenses)		(2,571)	(2,234)	(337)	—
Group-wide	Net Sales	63,880	54,439	+9,440	+17.3
	Operating Income	7,595	5,683	+1,911	+33.6
	Operating Margin	11.9	10.4	+1.5 points	

## Office Equipment Segment

Business results for the Office Equipment segment were as follows: Net sales of ¥16,346 million (an increase of 21.1% from the previous corresponding period), segment profit of ¥3,331 million (an increase of 53.1% from the previous corresponding period), and segment profit rate of 20.4%.

In domestic office equipment product operations, net sales were ¥5,346 million (an increase of 0.1% from the previous corresponding period).

Sales of BEPOP label-making machines increased in response to implementation proposals using online seminars and tradeshows.

In overseas office equipment product operations, net sales were ¥4,703 million (an increase of 40.9% from the previous corresponding period).

Sales of stationery-related products rose in Southeast Asia, while sales of BEPOP label-making machines advanced due to strengthening of the Company's sales organization in Europe.

In auto-stapler product operations, net sales were ¥6,296 million (an increase of 30.6% from the previous corresponding period).

Orders from business partners rose in response to a shift of workers back to offices from remote work, supporting solid sales of Auto Staplers and dedicated consumables.

## Industrial Equipment Segment

Business results for the Industrial Equipment segment were as follows: Net sales of ¥45,168 million (an increase of 16.5% from the previous corresponding period), segment profit of ¥6,989 million (an increase of 20.5% from the previous corresponding period), and segment profit rate of 15.5%.

In domestic industrial equipment product operations, net sales were ¥15,583 million (an increase of 7.5% from the previous corresponding period).

Sales of new air-compressor products were favorable. Sales of TWINTIER rebar tying tools and their dedicated consumables increased, driven by growing awareness of the importance of raising productivity and further promotion of proposal-based activities.

In overseas industrial equipment product operations, net sales were ¥21,191 million (an increase of 28.3% from the previous corresponding period).

Against a background of robust conditions in the non-housing construction market, which includes commercial buildings and expressways, sales of TWINTIER rebar tying tools and their dedicated consumables grew.

In residential environmental equipment operations, net sales were ¥8,393 million (an increase of 8.0% from the previous corresponding period).

Sales of DRYFAN bathroom heaters, ventilators and dehumidifiers expanded in both the housing stock for renovation & replacement and the new-built housing market.

## HCR Equipment Segment

Business results for the HCR Equipment segment were as follows: Net sales of ¥2,365 million (an increase of 10.0% from the previous corresponding period) and a segment loss of ¥153 million.

Revenues increased as awareness grew about the WAVIT series, the segment's core product line, and as sales of high-value-added wheelchairs swelled in the rental market. However, profitability faltered under the impact of yen depreciation.

## (2) Explanation Concerning Financial Position

### 1) Summary of Consolidated Balance Sheets

(Millions of yen, %)

	Q3/ FY 2022 (As of December 31, 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	114,191	109,043	+5,148	+4.7
Net Assets	87,410	83,136	+4,274	+5.1
Equity Ratio	76.5	76.1	+0.4 points	

Assets increased ¥5,148 million compared to the end of the previous consolidated fiscal year, to ¥114,191 million. Current assets increased ¥6,323 million mainly due to increases of ¥1,574 million in cash and deposits, ¥1,257 million in notes and accounts receivable-trade, ¥1,289 million in marketable securities and ¥1,829 million in merchandise and finished goods. Non-current assets decreased ¥1,175 million due to factors such as a decline of ¥2,600 million in investment securities.

Liabilities increased ¥873 million compared to the end of the previous consolidated fiscal year, to ¥26,780 million. Current liabilities increased ¥1,174 million mainly due to increases of ¥509 million in accounts payable-trade and ¥246 million in income taxes payable. Non-current liabilities decreased ¥300 million due to factors such as a reduction of ¥473 million in net defined benefit liability.

Net assets increased ¥4,274 million compared to the end of the previous consolidated fiscal year, to ¥87,410 million. Shareholders' equity increased ¥2,844 million. One key factor was the ¥5,871 million net income attributable to shareholders of parental company, despite the ¥3,027 million paid out in cash dividend.

Accumulated other comprehensive income increased ¥1,422 million. This was due to factors including an increase in valuation difference on available-for-sale securities of ¥504 million and a rise in foreign currency translation adjustment of ¥740 million.

### 2) Analysis of Consolidated Cash Flow

The balance of cash and cash equivalents ("funds") during the consolidated cumulative period under review was ¥24,876 million due to an increase of ¥1,574 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 ¥5,027 million. The key increases came from net income before income taxes of ¥8,178 million and depreciation of ¥2,214 million. The key decreases came from an increase of ¥1,092 million in notes and accounts receivable-trade, an increase of ¥2,270 million in inventories, and ¥2,847 million paid as income taxes.

#### Cash flows from investment activities

Funds used in investment activities in the consolidated cumulative period under review amounted to ¥777 million. The key increase came from proceeds of ¥3,418 million from sales and redemption of short-term and long-term investment securities. The key decreases came from purchase of short-term and long-term investment securities of ¥1,404 million and purchase of property, plant and equipment of ¥2,631 million.

#### Cash flows from financing activities

Funds used in financing activities in the consolidated cumulative period under review amounted to ¥3,225 million. The key decrease was ¥3,024 million in cash dividends paid.

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

As a result of a solid trend in business results and a pause in the rise of packing and delivery expenses, the Company has revised upward its forecast of full-year consolidated operating results from the forecast announced on October 28, 2022.

For further details, please refer to the "Notice of Changes to the Full-year Forecasts of Consolidated Operating Results and Dividend Forecasts" that was released on January 31, 2023.

## 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.”

The possibility exists that the Company’s operating results will be impacted by a variety of factors in the socioeconomic environment, such as high raw-material prices and prolongation of the conflict in Ukraine, as well as by exchange-rate fluctuations. However, the Company’s operating revenues are currently firm.

Based on the above dividend policy and forecast of business results, the Company has revised its dividend forecast upward by ¥10, from an annual dividend of ¥64 per share in the previous fiscal year to an annual dividend of ¥74 per share.

For further details, please refer to the “Notice of Changes to the Full-year Forecasts of Consolidated Operating Results and Dividend Forecasts” that was released on January 31, 2023.

## 2. Quarterly Consolidated Financial Statements and Main Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	FY 2021 (As of March 31, 2022)	Q3/ FY 2022 (As of December 31, 2022)
<b>ASSETS</b>		
Current assets		
Cash and deposits	23,302	24,876
Notes and accounts receivable-trade	13,785	15,042
Marketable securities	4,810	6,100
Merchandise and finished goods	8,705	10,534
Work in process	992	1,233
Raw materials	1,487	1,962
Other	1,851	1,508
Allowance for doubtful accounts	(4)	(4)
<b>Total current assets</b>	<b>54,930</b>	<b>61,254</b>
Non-current assets		
Property, plant and equipment	24,963	25,820
Intangible assets	440	460
Investments and other assets		
Investment securities	23,766	21,166
Other	4,952	5,499
Allowance for doubtful accounts	(9)	(9)
<b>Total investments and other assets</b>	<b>28,709</b>	<b>26,656</b>
<b>Total non-current assets</b>	<b>54,113</b>	<b>52,937</b>
<b>Total assets</b>	<b>109,043</b>	<b>114,191</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable-trade	4,223	4,732
Short-term loans payable	2,000	2,000
Income taxes payable	1,597	1,844
Provision for bonuses	1,834	1,471
Provision for directors' bonuses	49	61
Provision for product warranties	213	183
Asset retirement obligations	—	4
Other	4,132	4,928
<b>Total current liabilities</b>	<b>14,051</b>	<b>15,226</b>
Non-current liabilities		
Provision for product warranties	12	14
Net defined benefit liability	10,618	10,145
Asset retirement obligations	154	121
Other	1,070	1,272
<b>Total non-current liabilities</b>	<b>11,855</b>	<b>11,554</b>
<b>Total liabilities</b>	<b>25,907</b>	<b>26,780</b>

(Millions of yen)

	FY 2021 (As of March 31, 2022)	Q3/ FY 2022 (As of December 31, 2022)
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	12,367	12,367
Capital surplus	10,517	10,517
Retained earnings	58,929	61,774
Treasury stock	(413)	(414)
Total shareholders' equity	81,401	84,246
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,143	1,648
Revaluation reserve for land	(339)	(339)
Foreign currency translation adjustment	1,773	2,514
Remeasurements of defined benefit plans	(943)	(766)
Total accumulated other comprehensive income	1,633	3,056
Non-controlling interests	100	108
Total net assets	83,136	87,410
Total liabilities and net assets	109,043	114,191

(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, 2021 to Dec. 31, 2021)	Cumulative Q3/ FY 2022 (From Apr. 1, 2022 to Dec. 31, 2022)
Net sales	54,439	63,880
Cost of sales	31,167	36,517
Gross profit	23,272	27,363
Selling, general and administrative expenses		
Salaries	4,433	4,537
Provision for bonuses	609	959
Provision for directors' bonuses	37	61
Retirement benefit expenses	556	496
Packing and delivery expenses	3,000	3,833
Promotion expenses	942	1,048
Depreciation	741	837
Other	7,268	7,994
Total selling, general and administrative expenses	17,588	19,768
Operating income	5,683	7,595
Non-operating income		
Interest income	55	66
Dividend income	119	163
Foreign exchange gains	1	352
Subsidy income	35	—
Other	110	134
Total non-operating income	322	717
Non-operating expenses		
Interest expenses	44	32
Taxes and dues	3	3
Other	20	26
Total non-operating expenses	68	62
Ordinary income	5,937	8,249
Extraordinary income		
Gain on sales of non-current assets	3	5
Gain on sales of investment securities	—	9
Total extraordinary income	3	14
Extraordinary loss		
Loss on sales of non-current assets	0	—
Loss on abandonment of non-current assets	17	38
Impairment loss	—	47
Total extraordinary loss	17	85
Net income before income taxes	5,922	8,178
Income taxes	1,589	2,302
Net income	4,333	5,876
Net income (loss) attributable to non-controlling interests	(5)	4
Net income attributable to shareholders of parental company	4,338	5,871

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

(Millions of yen)

	Cumulative Q3/ FY 2021 (From Apr. 1, 2021 to Dec. 31, 2021)	Cumulative Q3/ FY 2022 (From Apr. 1, 2022 to Dec. 31, 2022)
Net income	4,333	5,876
Other comprehensive income		
Valuation difference on available-for-sale securities	(329)	504
Foreign currency translation adjustment	480	743
Adjustments relating to retirement benefits	228	177
Total other comprehensive income	379	1,425
Comprehensive income	4,713	7,302
(Breakdown)		
Comprehensive income attributable to shareholders of parental company	4,715	7,294
Comprehensive income attributable to non- controlling interests	(1)	7

## (3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Cumulative Q3/ FY 2021 (From Apr. 1, 2021 to Dec. 31, 2021)	Cumulative Q3/ FY 2022 (From Apr. 1, 2022 to Dec. 31, 2022)
<b>Cash flows from operating activities</b>		
Net income before income taxes	5,922	8,178
Depreciation	2,087	2,214
Impairment loss	—	47
Increase (decrease) in allowance for doubtful accounts	1	0
Increase (decrease) in provision for bonuses	(868)	(363)
Increase (decrease) in provision for directors' bonuses	(20)	11
Increase (decrease) in provision for product warranties	(0)	(27)
Increase (decrease) in net defined benefit liability	(18)	(219)
Interest and dividend income	(175)	(230)
Interest expenses	44	32
Foreign exchange losses (gains)	(85)	(288)
Loss on abandonment of non-current assets	17	38
Loss (gain) on sales of non-current assets	(3)	(5)
Loss (gain) on sales of short-term and long-term investment securities	—	(9)
Increase (decrease) in deposits received from employees	417	476
Decrease (increase) in notes and accounts receivable-trade	(612)	(1,092)
Decrease (increase) in inventories	(1,754)	(2,270)
Increase (decrease) in notes and accounts payable-trade	859	490
Decrease (increase) in consumption taxes refund receivable	(637)	639
Increase (decrease) in accrued consumption taxes	(125)	(51)
Decrease (increase) in other assets	(202)	(454)
Increase (decrease) in other liabilities	293	539
Subtotal	5,141	7,654
Interest and dividend income received	208	251
Interest expenses paid	(49)	(31)
Income taxes (paid) refund	(1,379)	(2,847)
Cash flows from operating activities	3,921	5,027
<b>Cash flows from investment activities</b>		
Purchase of short-term and long-term investment securities	(1,203)	(1,404)
Proceeds from sales and redemption of short-term and long-term investment securities	2,300	3,418
Purchase of property, plant and equipment	(3,689)	(2,631)
Payments for retirement of property, plant and equipment	—	(29)
Proceeds from sales of property, plant and equipment	7	6
Purchase of intangible assets	(173)	(156)
Payments of loans receivable	(1)	—
Collection of loans receivable	26	27
Payments for asset retirement obligations	—	(7)
Cash flows from investment activities	(2,734)	(777)

(Millions of yen)

	Cumulative Q3/ FY 2021 (From Apr. 1, 2021 to Dec. 31, 2021)	Cumulative Q3/ FY 2022 (From Apr. 1, 2022 to Dec. 31, 2022)
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(744)	(0)
Cash dividends paid	(2,288)	(3,024)
Repayments of lease obligations	(192)	(200)
<b>Cash flows from financing activities</b>	<b>(3,225)</b>	<b>(3,225)</b>
Effect of exchange rate change on cash and cash equivalents	415	550
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,622)</b>	<b>1,574</b>
Balance of cash and cash equivalents, beginning of the period	21,421	23,302
<b>Quarterly balance of cash and cash equivalents at the end of the period</b>	<b>19,798</b>	<b>24,876</b>

(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 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 since the beginning of the consolidated first quarter of this fiscal year.

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 consolidated first quarter of this fiscal year, "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 third 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 consolidated first quarter of this fiscal year. 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)

Cumulative Q3 of FY 2021 (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.

Cumulative Q3 of FY 2022 (From April 1, 2022 to December 31, 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	16,346	45,168	2,365	—	63,880
Inter-segment sales or transfers	—	—	—	—	—
Total	16,346	45,168	2,365	—	63,880
Segment profit (loss)	3,331	6,989	(153)	(2,571)	7,595

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

2. The segment profit adjustment of negative ¥2,571 million includes the negative ¥2,571 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 ¥47 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 ¥47 million in the “Industrial Equipment” segment.