

Summary of Consolidated Financial Results
for the First Half of Fiscal Year Ending March 31, 2019
[Japan Standards]

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 Date of filing of financial statements November 9, 2018
 Date of commencement of dividend payment —
 The supplementary explanation document for the accounts is created. Yes
 The briefing for the accounts is held. (for investment analysts and fund managers) Yes

(Millions of yen rounded down)

1. Consolidated Operating Results for the First Half of Fiscal Year Ending March 31, 2019
(April 1, 2018 to September 30, 2018)

(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	%
H1/ FY ending March 2019	34,207	3.9	3,429	19.3	3,720	24.3	2,605	13.8
H1/ FY ended March 2018	32,925	1.7	2,874	(6.2)	2,992	8.1	2,290	5.5

(Note) Comprehensive income

H1/ FY ending March 2019: 2,894 million yen (-19.9%)
 H1/ FY ended March 2018: 3,613 million yen (181.8%)

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
H1/ FY ending March 2019	52.89	—
H1/ FY ended March 2018	46.49	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2018	96,861	72,398	74.6	1,467.35
As of March 31, 2018	96,133	71,574	74.3	1,450.61

(Reference) Shareholders' equity

As of September 30, 2018: 72,291 million yen
 As of March 31, 2018: 71,467 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 2018	—	—	—	42.00	42.00
FY ending March 2019	—	—	—	—	—
FY ending March 2019 (Forecast)	—	—	—	44.00	44.00

(Note) Revision of forecasts on the dividends: None

3. Forecasts of Consolidated Operating Results for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(% 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	70,400	3.3	6,650	8.3	6,900	13.5	4,800	3.1	97.43

(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.: None

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, 2018: 49,500,626 shares

As of March 31, 2018: 49,500,626 shares

2) Amount of treasury stock at term-end

As of September 30, 2018: 233,608 shares

As of March 31, 2018: 233,440 shares

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

Six months ended September 30, 2018: 49,267,084 shares

Six months ended September 30, 2017: 49,268,881 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 substantially from the above forecasts for various reasons. For the preconditions of our earnings forecast and matters to be noticed when using the forecast, please refer to page 8 of the appendix, "1. Qualitative Information on Current Quarterly Results, (3) Explanation Concerning Forward-looking Statements Such as Forecasts of Consolidated Operating Results."

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[Qualitative Information and Financial Statements]

1. Qualitative Information on Current Quarterly Results

(1) Explanation Concerning Qualitative Information on Operating Results

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

(Millions of yen, %)

	H1/ FY 2019 (Ending March 2019)	H1/ FY 2018 (Ended March 2018)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	34,207	32,925	+1,282	+3.9
Operating Income	3,429	2,874	+554	+19.3
Ordinary Income	3,720	2,992	+728	+24.3
Net Income Attributable to Shareholders of Parental Company	2,605	2,290	+315	+13.8
Net Income per Share (yen)	52.89 yen	46.49 yen	+6.40 yen	—
Operating Margin	10.0	8.7	+1.3 points	

During the consolidated cumulative period under review (April 1, 2018 to September 30, 2018), the Japanese economy displayed signs of a gentle recovery that included improvements in corporate earnings as well as in employment and income conditions. In the U.S., economic expansion trend continued with increasing consumer spending and capital investment, and in Europe also the economy was on a gradual recovery trend.

In the market environment, which affects the Group's Industrial Equipment segment, although the number of new housing construction starts in Japan has decreased as compared with the previous fiscal year, the floor area of newly built offices, plants, and other non-residential buildings has shown a stable increase.

On the other hand, there has been a sense of uncertainty with regard to the business conditions surrounding the Group due to a number of reasons including a rise of the downturn risk in the global economy due to price increases for steel materials, petroleum products, and other raw materials, as well as the U.S.-China trade frictions.

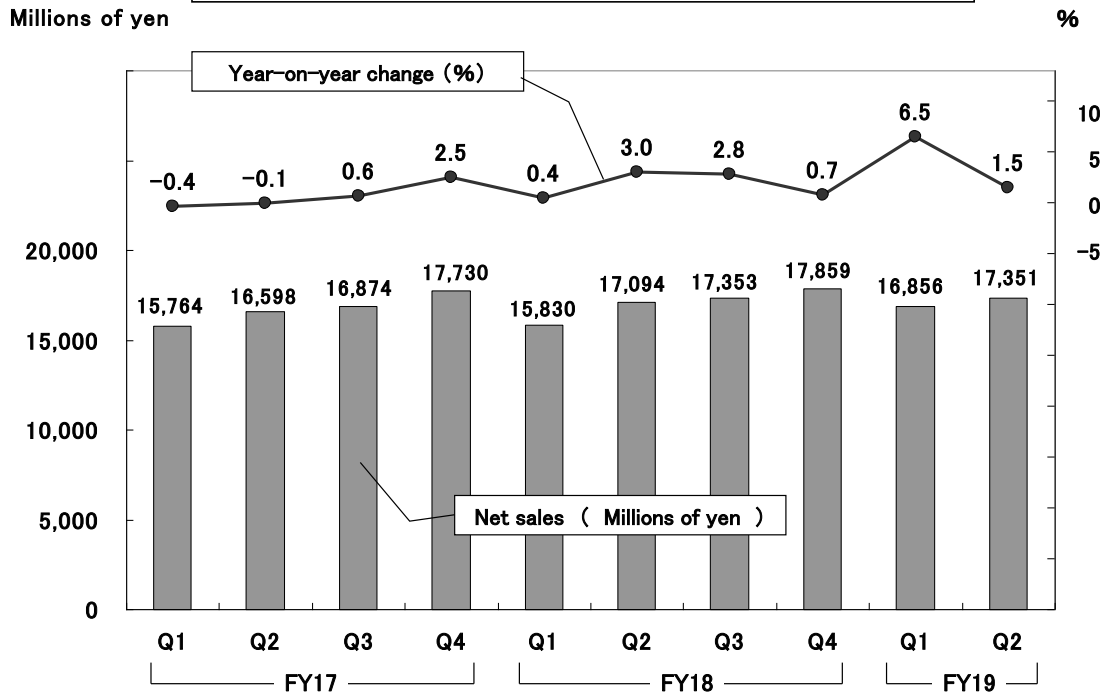
Under such circumstances, during the period under review, the Industrial Equipment Segment drove the overall sales as our rebar tying tool TWINTIER released last year continually showed a robust sales performance with an increase in sales both in Japan and overseas. And although there were a number of factors contributing to an increase in costs including price increases for steel materials and petroleum products, the Max Group posted an increase both in sales and profits.

Net sales increased 3.9% from the previous corresponding period to ¥34,207 million, while operating income increased 19.3% from the previous corresponding period to ¥3,429 million. Ordinary income increased 24.3% from the previous corresponding period to ¥3,720 million, and net income attributable to shareholders of parental company also increased 13.8% from the previous corresponding period to ¥2,605 million.

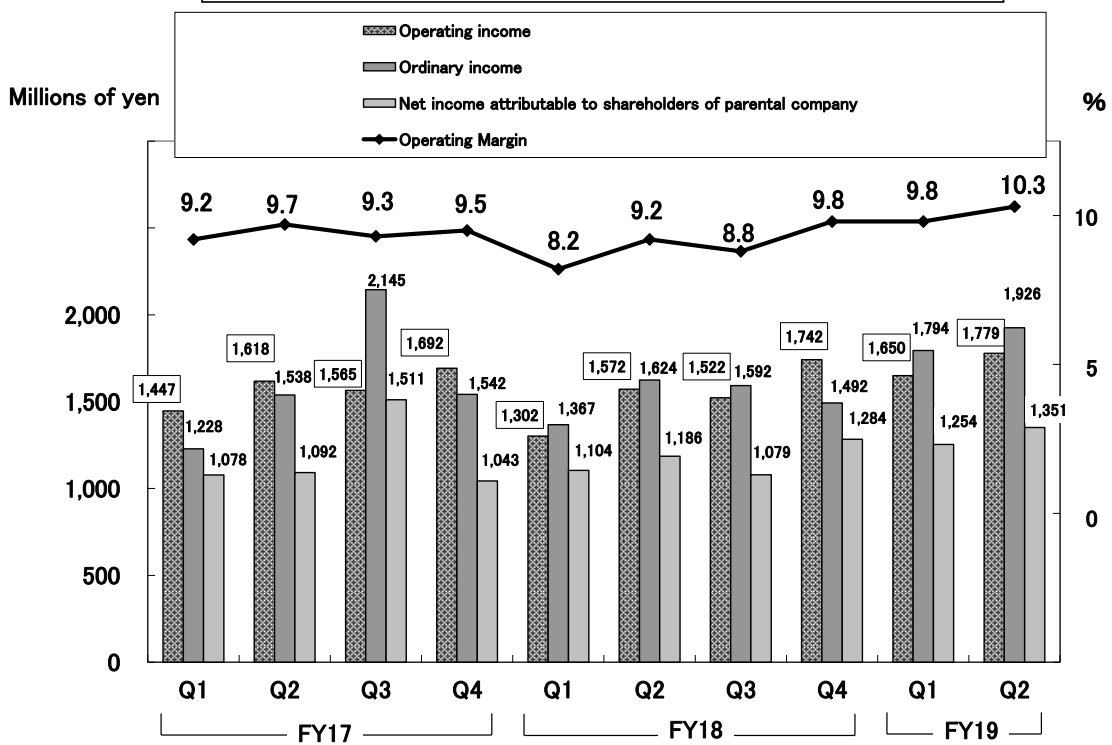
As stated in "3) Items regarding changes, etc. in reported segments" on page 16, from the first quarter of this fiscal year, the calculation method for income of reported segments has been changed, and the expenses related to the Administrative Department of the headquarters, which so far had been distributed between the Office Equipment segment, the Industrial Equipment segment, and the HCR Equipment segment, are now posted in the adjustments relating to the profit/loss of the segments as overall expenses.

In connection with this change, in the results by business segment listed in pages 4 to 6, the numerical values pertaining to the past business have been created anew using the newly applied calculation method.

Quarterly Net Sales Trend and Changes Year-on-Year



Quarterly Earnings Trend



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

Office Equipment Segment

(Millions of yen, %)

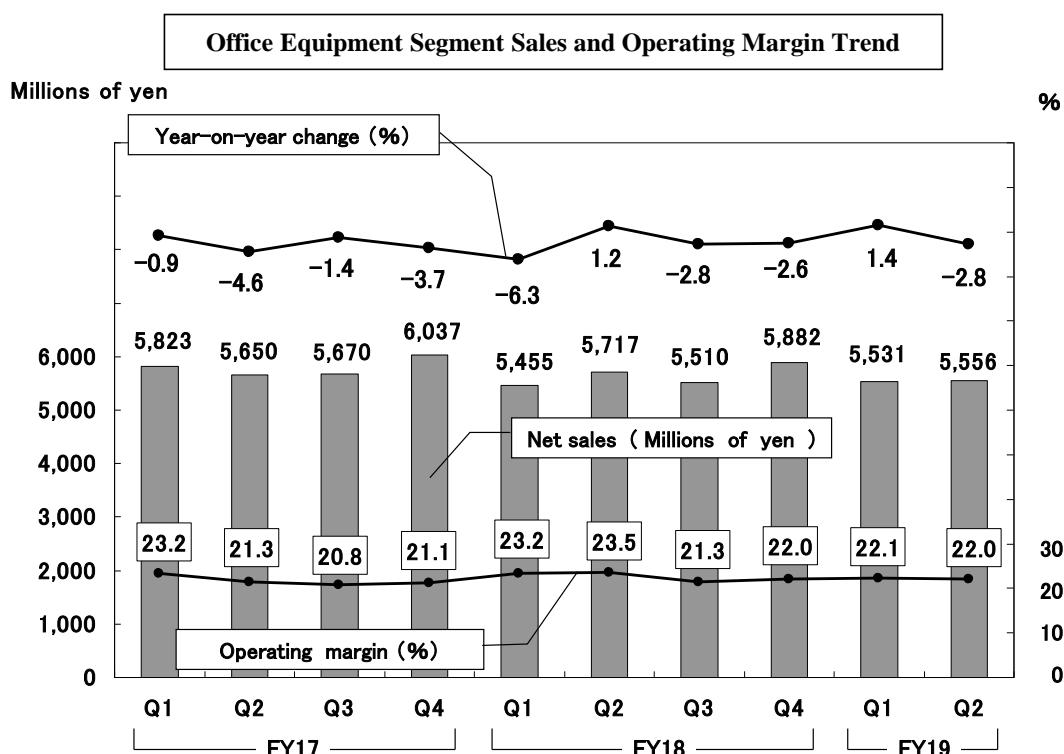
	H1/ FY 2019 (Ending March 2019)	H1/ FY 2018 (Ended March 2018)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	11,087	11,173	(85)	(0.8)
Operating Income	2,445	2,606	(160)	(6.2)
Operating Margin	22.1	23.3	(1.2) points	

Business results for the Office Equipment segment during this second quarter were as follows: Net sales ¥11,087 million (a decrease of 0.8% from the previous corresponding period), operating income ¥2,445 million (a decrease of 6.2% from the previous corresponding period), and operating margin 22.1%.

Domestic office operations on the whole posted revenue on the same level as the previous year, as although sales of the stationery-related products decreased, sales of the LETATWIN tube markers for electric installation increased.

In the overseas office operations, the overall segment revenue remained on the same level it was in the last fiscal year, as although sales of the stationery-related products decreased, sales of the BEPOP label-making machines increased driven by sales promotion activities conducted in the European market by the Lighthouse (UK) Ltd., a subsidiary of the Group in the UK, as well as increased demand for labels and signs linked to public works investments in the China market.

In the auto-stapler operations, segment revenue decreased due to the exchange rates being in favor of the yen in sales to Asia, as well as inventory adjustments among some of the Group's business partners.



Industrial Equipment Segment

(Millions of yen, %)

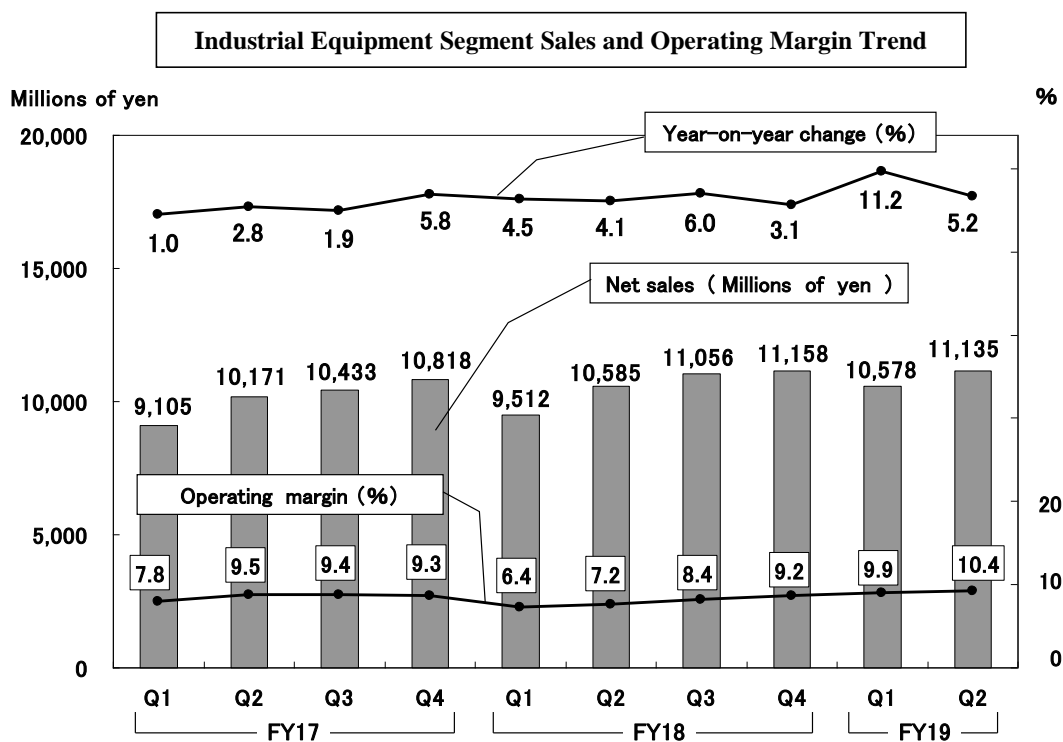
	H1/ FY 2019 (Ending March 2019)	H1/ FY 2018 (Ended March 2018)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	21,713	20,098	+1,614	+8.0
Operating Income	2,206	1,375	+831	+60.4
Operating Margin	10.2	6.8	+3.4 points	

Business results for the Industrial Equipment segment during this second quarter were as follows: Net sales ¥21,713 million (an increase of 8.0% from the previous corresponding period), operating income ¥2,206 million (an increase of 60.4% from the previous corresponding period), and operating margin 10.2%.

In the domestic industrial equipment product operations, although due to a decrease in the number of new housing construction starts in Japan, sales of tools for wooden structures decreased, since the release of the highly efficient TWINTIER rebar tying tools, sales of tools for concrete structures have been increasing driven by an increase of demand propelled by expansion of the scope of application of the series on the one hand and expansion into new markets on the other, resulting in the segment posting an increase of revenue.

In the overseas industrial equipment product operations, sales of the TWINTIER rebar tying tools increased with an increase of customers in the civil engineering industry, various large-scale facilities, and other users working in all kinds of construction sites choosing to adopt our products as a result of activities implemented to expand the Group's sales network in the European markets as well as in the U.S. market, resulting in the segment posting an increase of revenue.

In the residential environmental equipment operations, although there was an increase of sales targeting condominiums and the remodeling market of DRYFAN bathroom heaters, ventilators and dehumidifiers, which are the mainstay of the business, sales of ventilation systems decreased, resulting in a decrease of revenue.



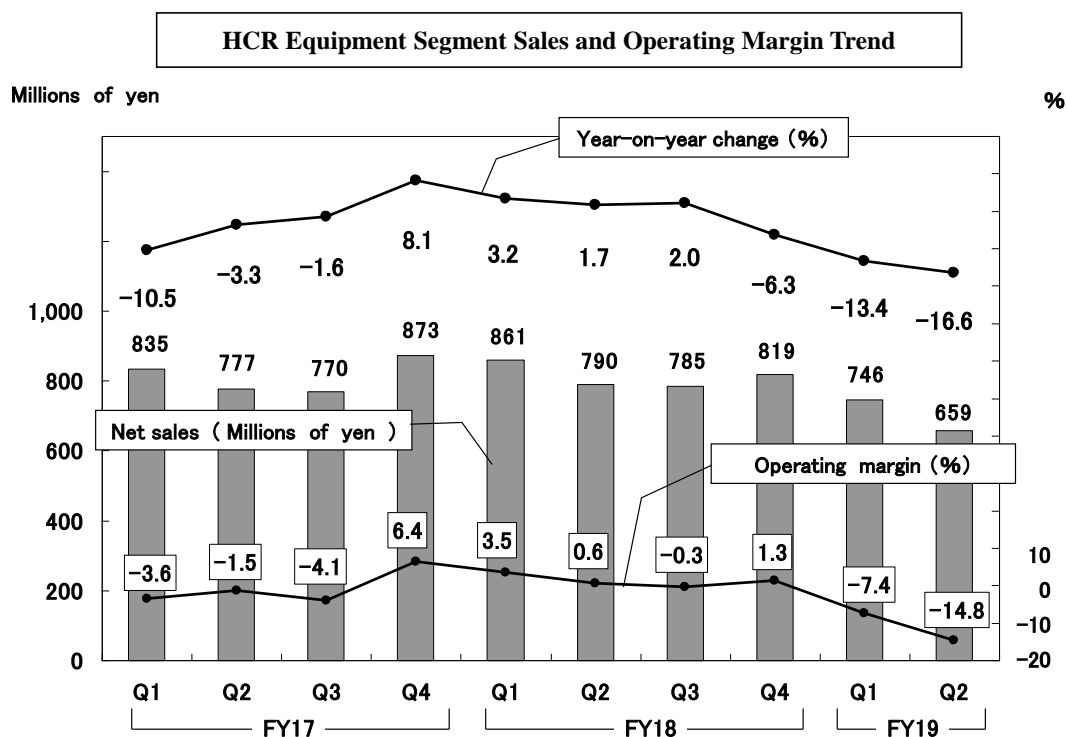
HCR Equipment Segment

(Millions of yen, %)

	H1/ FY 2019 (Ending March 2019)	H1/ FY 2018 (Ended March 2018)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	1,405	1,652	(246)	(14.9)
Operating Income	(153)	35	(188)	—
Operating Margin	(10.9)	2.1	(13.0) points	

Business results for the HCR Equipment segment during this second quarter were as follows: Net sales ¥1,405 million (a decrease of 14.9% from the corresponding previous period) and a negative operating income of ¥153 million.

The HCR Equipment Segment experienced a decrease in sales of wheelchairs under the influence of a number of factors including a partial revision of the public nursing care insurance made in October, which resulted in the welfare equipment rental dealers refraining from buying new wheelchairs, and the segment revenue decreased.



(2) Explanation Concerning Financial Position

1) Summary of Consolidated Balance Sheets

(Millions of yen, %)

	As of September 30, 2018	As of March 31, 2018	Comparison with position at end of previous consolidated fiscal year	
			Increase (decrease)	Rate of increase (decrease)
Total Assets	96,861	96,133	+727	+0.8
Net Assets	72,398	71,574	+824	+1.2
Equity Ratio	74.6	74.3	+0.3 points	

Assets increased ¥727 million in comparison with the position at the end of the previous consolidated fiscal year, to ¥96,861 million. Current assets decreased ¥808 million due to factors such as a fall of ¥868 million in notes and accounts receivable-trade. Non-current assets increased ¥1,536 million due to factors such as a rise of ¥900 million in investment securities and an increase of ¥763 million in property, plant and equipment.

Liabilities decreased ¥96 million in comparison with the position at the end of the previous consolidated fiscal year, to ¥24,462 million. Current liabilities increased ¥203 million due to factors such as a rise of ¥224 million in income taxes payable. Non-current liabilities decreased ¥300 million due to factors such as a drop of ¥304 million in net defined benefit liability.

Net assets increased ¥824 million in comparison with the position at the end of the previous consolidated fiscal year, to ¥72,398 million. Shareholders' equity increased ¥536 million. Key factors were cash dividends paid of ¥2,069 million, offset by a net income attributable to shareholders of parental company of ¥2,605 million.

Accumulated other comprehensive income rose ¥287 million as resulted from a rise of ¥299 million in remeasurements of defined benefit plans.

2) Analysis of Consolidated Cash Flow

The balance of cash and cash equivalents ("funds") during the consolidated cumulative period under review was ¥23,465 million due to a decrease of ¥256 million in cash and cash equivalents.

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 ¥4,668 million. The key increases came from net income before income taxes of ¥3,707 million, a depreciation of ¥1,079 million, and a decrease of ¥927 million in notes and accounts receivable-trade. The key decrease came from income taxes paid of ¥965 million.

Cash flows from investment activities

Funds used in investment activities in the consolidated cumulative period under review were ¥2,754 million. The key increase came from proceeds of ¥2,900 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 ¥3,952 million and purchase of property, plant and equipment of ¥1,706 million.

Cash flows from financing activities

Funds used in financing activities in the consolidated cumulative period under review were ¥2,179 million. The key decrease was ¥2,066 million in cash dividends paid.

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

(Millions of yen, %)

	Forecast of operating results for the full fiscal year after this time's revision	Forecast of operating results for the full fiscal year announced last time	Difference with last time		Full fiscal year results of the previous year	Difference with previous year	
			Increase (decrease)	Rate of increase (decrease)		Increase (decrease)	Rate of increase (decrease)
Net Sales	70,400	70,400	—	—	68,138	+2,261	+3.3
Operating Income	6,650	6,400	+250	+3.9	6,139	+510	+8.3
Ordinary Income	6,900	6,550	+350	+5.3	6,076	+823	+13.5
Net Income Attributable to Shareholders of Parental Company	4,800	4,600	+200	+4.3	4,654	+145	+3.1
Net Income per Share (yen)	97.43 yen	93.37 yen	+4.06 yen		94.46 yen	+2.97 yen	

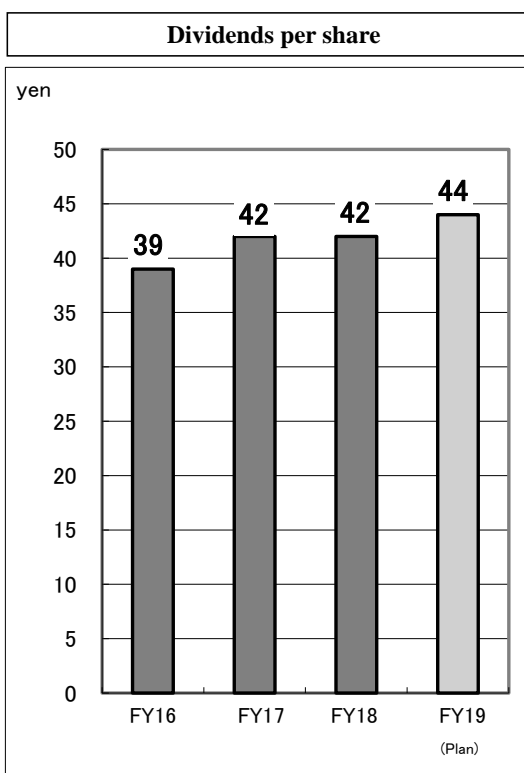
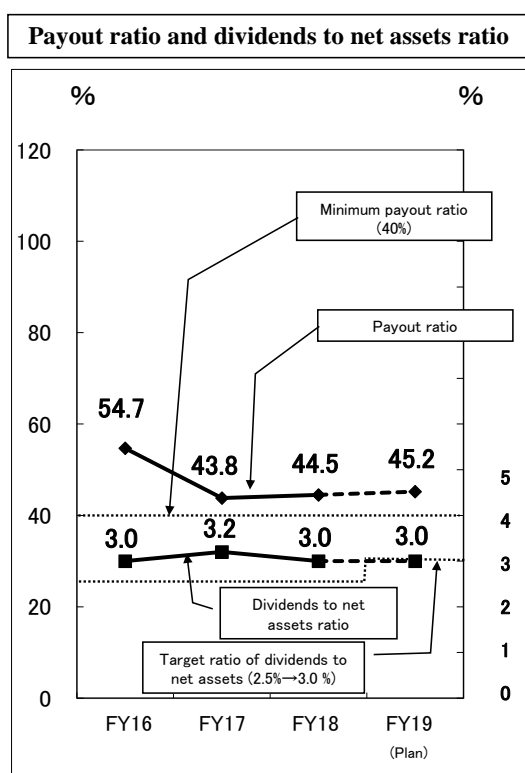
This time, the Group made a revision of its forecast of consolidated operating results for the fiscal year ending March 31, 2019 released on April 27, 2018.

For the latter half of the year, we expect our domestic environment to be adversely influenced by a decrease in the number of new housing construction starts on the one hand and price increases for steel materials, petroleum products, and other raw materials on the other, but, in view of the operating performance of the Group in the consolidated cumulative period under review (April 1, 2018 to September 30, 2018), it was decided to revise the full-year operating performance forecast.

Dividends

During the period under review, we made partial changes to the dividend policy increasing the target rate of dividends to net assets by 0.5%. The new dividend policy based on consolidated financial statement now reads "maintaining a minimum of 40% payout ratio and targeting rate of dividends to net assets of 3.0%."

Although the Company's performance may be impacted by various factors such as the uncertain economic environment and exchange rate fluctuations, taking into account the Company's current steady corporate performance, we plan to increase the annual dividend by ¥2 from the previous fiscal year making the "annual dividend payment of ¥44 per share."



2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
ASSETS		
Current assets		
Cash and deposits	23,722	23,465
Notes and accounts receivable-trade	14,855	13,987
Marketable securities	5,925	5,922
Merchandise and finished goods	5,280	5,547
Work in process	812	920
Raw materials	1,189	1,185
Other	1,017	965
Allowance for doubtful accounts	(1)	(1)
Total current assets	52,801	51,993
Non-current assets		
Property, plant and equipment	18,097	18,861
Intangible assets	403	311
Investments and other assets		
Investment securities	20,100	21,001
Other	4,736	4,700
Allowance for doubtful accounts	(5)	(5)
Total investments and other assets	24,831	25,695
Total non-current assets	43,332	44,868
Total assets	96,133	96,861
LIABILITIES		
Current liabilities		
Accounts payable-trade	3,710	3,742
Short-term loans payable	1,850	1,850
Income taxes payable	940	1,164
Provision for bonuses	1,770	1,532
Provision for directors' bonuses	42	20
Other	3,610	3,817
Total current liabilities	11,924	12,127
Non-current liabilities		
Long-term loans payable	150	150
Provision for product warranties	43	42
Net defined benefit liability	11,437	11,133
Asset retirement obligations	18	29
Negative goodwill	7	3
Other	978	976
Total non-current liabilities	12,635	12,335
Total liabilities	24,559	24,462

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
NET ASSETS		
Shareholders' equity		
Capital stock	12,367	12,367
Capital surplus	10,518	10,518
Retained earnings	49,029	49,565
Treasury stock	(278)	(278)
Total shareholders' equity	71,636	72,173
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,947	1,897
Revaluation reserve for land	(338)	(338)
Foreign currency translation adjustment	59	97
Remeasurements of defined benefit plans	(1,837)	(1,537)
Total accumulated other comprehensive income	(169)	118
Non-controlling interests	106	107
Total net assets	71,574	72,398
Total liabilities and net assets	96,133	96,861

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

(Millions of yen)

	Cumulative H1 in FY 2018 (From Apr. 1, 2017 to Sept. 30, 2017)	Cumulative H1 in FY 2019 (From Apr. 1, 2018 to Sept. 30, 2018)
Net sales	32,925	34,207
Cost of sales	20,071	20,824
Gross profit	12,853	13,383
Selling, general and administrative expenses		
Salaries	2,795	2,827
Provision for bonuses	962	943
Provision for directors' bonuses	19	20
Retirement benefit expenses	833	546
Packing and delivery expenses	1,036	1,122
Promotion expenses	633	651
Depreciation	308	313
Other	3,390	3,527
Total selling, general and administrative expenses	9,979	9,953
Operating income	2,874	3,429
Non-operating income		
Interest income	36	30
Dividend income	84	78
Amortization of negative goodwill	3	3
Foreign exchange gains	—	163
Other	59	57
Total non-operating income	184	333
Non-operating expenses		
Interest expenses	19	19
Taxes and dues	2	2
Foreign exchange losses	32	—
Other	11	20
Total non-operating expenses	66	42
Ordinary income	2,992	3,720
Extraordinary income		
Gain on sales of non-current assets	32	—
Total extraordinary income	32	—
Extraordinary loss		
Loss on sales of non-current assets	—	3
Loss on abandonment of non-current assets	18	10
Total extraordinary loss	18	13
Net income before income taxes	3,006	3,707
Income taxes	821	1,099
Income taxes for prior periods	(106)	—
Net income	2,291	2,607
Net income attributable to non-controlling interests	0	1
Net income attributable to shareholders of parental company	2,290	2,605

(Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Cumulative H1 in FY 2018 (From Apr. 1, 2017 to Sept. 30, 2017)	Cumulative H1 in FY 2019 (From Apr. 1, 2018 to Sept. 30, 2018)
Net income	2,291	2,607
Other comprehensive income		
Valuation difference on available-for-sale securities	440	(49)
Foreign currency translation adjustment	353	37
Adjustments relating to retirement benefits	527	299
Total other comprehensive income	1,321	287
Comprehensive income	3,613	2,894
(Breakdown)		
Comprehensive income attributable to shareholders of parental company	3,606	2,893
Comprehensive income attributable to non- controlling interests	6	1

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Cumulative H1 in FY 2018 (From Apr. 1, 2017 to Sept. 30, 2017)	Cumulative H1 in FY 2019 (From Apr. 1, 2018 to Sept. 30, 2018)
Cash flows from operating activities		
Net income before income taxes	3,006	3,707
Depreciation	1,061	1,079
Amortization of goodwill	66	70
Amortization of negative goodwill	(3)	(3)
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for bonuses	(179)	(236)
Increase (decrease) in provision for directors' bonuses	(33)	(21)
Increase (decrease) in provision for product warranties	(0)	(0)
Increase (decrease) in net defined benefit liability	524	126
Interest and dividend income	(120)	(108)
Interest expenses	19	19
Foreign exchange losses (gains)	(6)	40
Loss on abandonment of non-current assets	18	10
Loss (gain) on sales of non-current assets	(32)	3
Decrease (increase) in notes and accounts receivable-trade	528	927
Decrease (increase) in inventories	(479)	(305)
Increase (decrease) in notes and accounts payable-trade	158	(106)
Increase (decrease) in accrued consumption taxes	(182)	(16)
Decrease (increase) in other assets	(34)	76
Increase (decrease) in other liabilities	(162)	233
Subtotal	4,147	5,495
Interest and dividend income received	163	158
Interest expenses paid	(19)	(19)
Income taxes (paid) refund	(1,204)	(965)
Cash flows from operating activities	3,085	4,668
Cash flows from investment activities		
Purchase of short-term and long-term investment securities	(1,923)	(3,592)
Proceeds from sales and redemption of short-term and long-term investment securities	2,000	2,900
Purchase of property, plant and equipment	(1,401)	(1,706)
Proceeds from sales of property, plant and equipment	45	9
Purchase of intangible assets	(49)	(36)
Payments of loans receivable	(1)	(1)
Collection of loans receivable	39	32
Cash flows from investment activities	(1,289)	(2,754)

(Millions of yen)

	Cumulative H1 in FY 2018 (From Apr. 1, 2017 to Sept. 30, 2017)	Cumulative H1 in FY 2019 (From Apr. 1, 2018 to Sept. 30, 2018)
Cash flows from financing activities		
Purchase of treasury shares	(6)	(0)
Cash dividends paid	(2,067)	(2,066)
Cash dividends paid to non-controlling shareholders	(1)	(0)
Repayments of lease obligations	(108)	(111)
Cash flows from financing activities	(2,184)	(2,179)
Effect of exchange rate change on cash and cash equivalents	186	9
Net increase (decrease) in cash and cash equivalents	(203)	(256)
Balance of cash and cash equivalents, beginning of the period	21,965	23,722
Quarterly balance of cash and cash equivalents at the end of the period	21,761	23,465

(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 under review by the effective tax rate that was reasonably estimated by applying tax effect accounting to estimated income before income taxes.

(Additional Information)

Adoption of "Partial Amendments to 'Accounting Standard for Tax Effect Accounting'", etc.

From the beginning of the first quarter of the current fiscal year, the Group has adopted the "Partial Amendments to 'Accounting Standard for Tax Effect Accounting'" (Guidance No. 28 issued on February 16, 2018 by the Accounting Standards Board of Japan), displaying deferred tax assets in the investments and other assets, and deferred tax liabilities in the non-current liabilities.

(Segment Information)

Cumulative H1 of FY 2018 (From April 1, 2017 to September 30, 2017)

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	11,173	20,098	1,652	—	32,925
Inter-segment sales or transfers	—	—	—	—	—
Total	11,173	20,098	1,652	—	32,925
Segment profit	2,606	1,375	35	(1,142)	2,874

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

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

None.

Cumulative H1 of FY 2019 (From April 1, 2018 to September 30, 2018)

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	11,087	21,713	1,405	—	34,207
Inter-segment sales or transfers	—	—	—	—	—
Total	11,087	21,713	1,405	—	34,207
Segment profit (loss)	2,445	2,206	(153)	(1,069)	3,429

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

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

None.

3) Items regarding changes, etc. in reported segments

From the first quarter of the current fiscal year, the calculation method for income of reported segments has been changed, and the expenses related to the Administrative Department of the headquarters, which so far had been distributed between the Office Equipment segment, the Industrial Equipment segment, and the HCR Equipment segment are now posted in the adjustments relating to the profit/loss of the segment as overall expenses.

The reason for it is that from the first quarter of this fiscal year, the Group switched to a new performance management method, whereby segments are managed according to the pure profits or losses they post excluding the expenses related to the Administrative Department of the headquarters.

The information by segment for the first half of the previous fiscal year has been created anew using the new classification.