January 27, 2017

Summary of Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2017 [Japan Standards]

Company name:	MAX Co., Ltd.	Stock listing: Tokyo Stock Exchange	
Securities code:	6454	URL: http://www.max-ltd.co.jp	
Representative:	Hachiro Kawamura, President		TEL: +81-3-3669-8106
Contact:	Yasushi Asami, Managing Executive Officer		

Date of filing of financial statements February 10, 2017

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 Third Quarter of Fiscal Year Ending March 31, 2017 (April 1, 2016 to December 31, 2016)

(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 2017	49,237	0.1	4,631	9.3	4,912	11.5	3,683	28.9
Q3/ FY ended March 2016	49,209	3.1	4,236	7.5	4,405	(4.5)	2,856	(5.5)

(Note) Comprehensive income
Q3/ FY ending March 2017: 4,484 million yen (59.4%)
Q3/ FY ended March 2016: 2,813 million yen (-43.8%)

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
Q3/ FY ending March 2017	74.75	—
Q3/ FY ended March 2016	57.96	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
Q3/ FY ending March 2017	91,578	66,815	72.9	1,353.99
FY ended March 2016	88,828	64,263	72.2	1,301.81

(Reference) Shareholders' equity
Q3/ FY ending March 2017: 66,715 million yen
FY ended March 2016: 64,150 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 2016	—	—	—	39.00	39.00
FY ending March 2017	—	—	—		
FY ending March 2017 (Forecast)				39.00	39.00

(Note) Revision of forecasts on the dividends: None

3. Forecasts of Consolidated Operating Results for the Fiscal Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(% 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	67,000	0.7	6,000	2.0	6,150	6.2	4,000	13.9	81.24

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

This time, we have revised our forecasts of consolidated operating results for the term ending March 31, 2017.

* 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, 2016: 49,500,626 shares
   As of March 31, 2016: 49,500,626 shares
2) Number of treasury stock at term-end
   As of December 31, 2016: 227,415 shares
   As of March 31, 2016: 222,798 shares
3) Number of average stock during term (quarter accumulation)
   Nine months ended December 31, 2016: 49,275,283 shares
   Nine months ended December 31, 2015: 49,283,802 shares

***Information concerning execution condition of the quarterly review procedure.**

This quarterly summary of consolidated financial results is excluded from the quarterly review procedure based on the Financial Instruments and Exchange Act, and at the time of the disclosure of the summary of financial results for this quarter, the review procedure of quarterly consolidated financial statements based on the Financial Instruments and Exchange Act has not been completed.

***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, and are not intended as a guarantee that the Company will achieve these targets. Actual results may therefore 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, %)

	Q3/ FY 2017 (Ending March 2017)	Q3/ FY 2016 (Ended March 2016)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	49,237	49,209	+27	+0.1
Operating Income	4,631	4,236	+394	+9.3
Ordinary Income	4,912	4,405	+507	+11.5
Net Income Attributable to Shareholders of Parental Company	3,683	2,856	+826	+28.9
Net Income per Share (yen)	74.75 yen	57.96 yen	+16.79 yen	—
Operating Margin	9.4	8.6	+0.8 points	

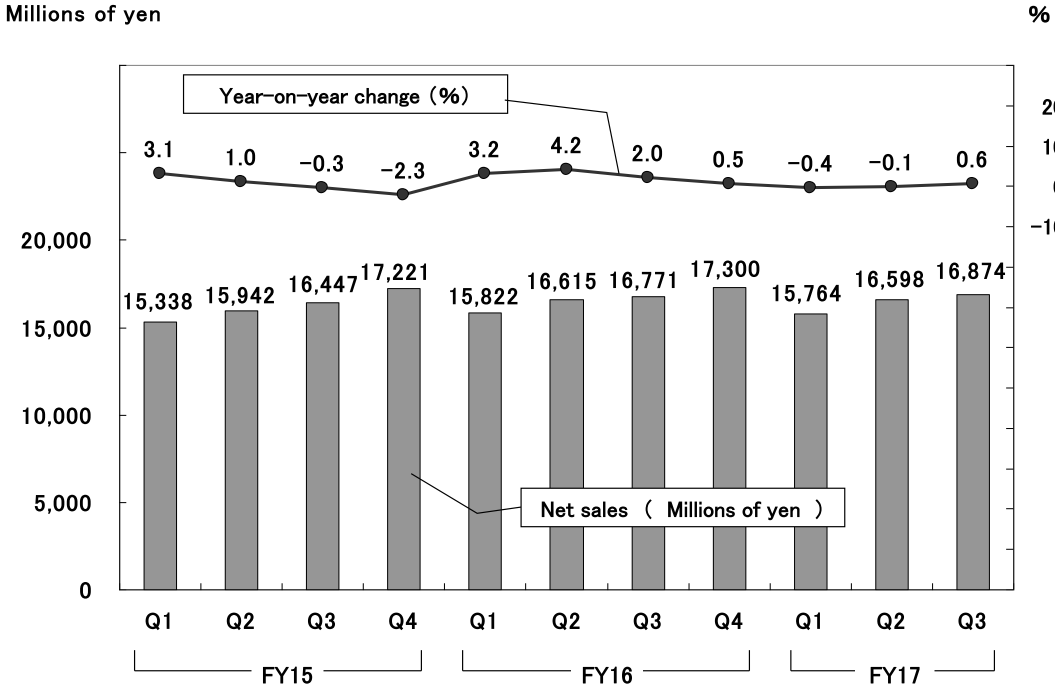
During the consolidated cumulative period under review (from April 1, 2016 to December 31, 2016), the economy of Japan showed signs of gradual recovery, as can be seen in the improvements of employment and income conditions and the consumer spending, which has begun to bottom out. The number of new housing construction starts in Japan, which affects the Company's business, has increased as compared to the previous term thanks to the government support measures for house acquisition on the one hand and the low interest rates for housing loans made possible with the negative interest policy of the Bank of Japan on the other. Overseas, the U.S. economy maintained its growth for the time being with improvements of the employment environment, and in Europe also, the economy is recovering with normalization of consumer spending and exports. On the other hand, the economy of China has shown a slight slowdown, conditions in some newly-emerging nations are displaying certain increased risks, and thus the business environment surrounding the Company remained uncertain.

Under such circumstances, the Group pursues to “1. Establish growth businesses, 2. Increase earning capacity, 3. Think and act by oneself,” based on its management policy for the current fiscal term that places “customer value” and “realism” at the basis of our activities. We are working on developing products considering growth and revenues based on customer needs, and on providing results for our customers through sustainable business activities. This way, the Group commits to achieving sustained growth and enhancing group-wide profitability.

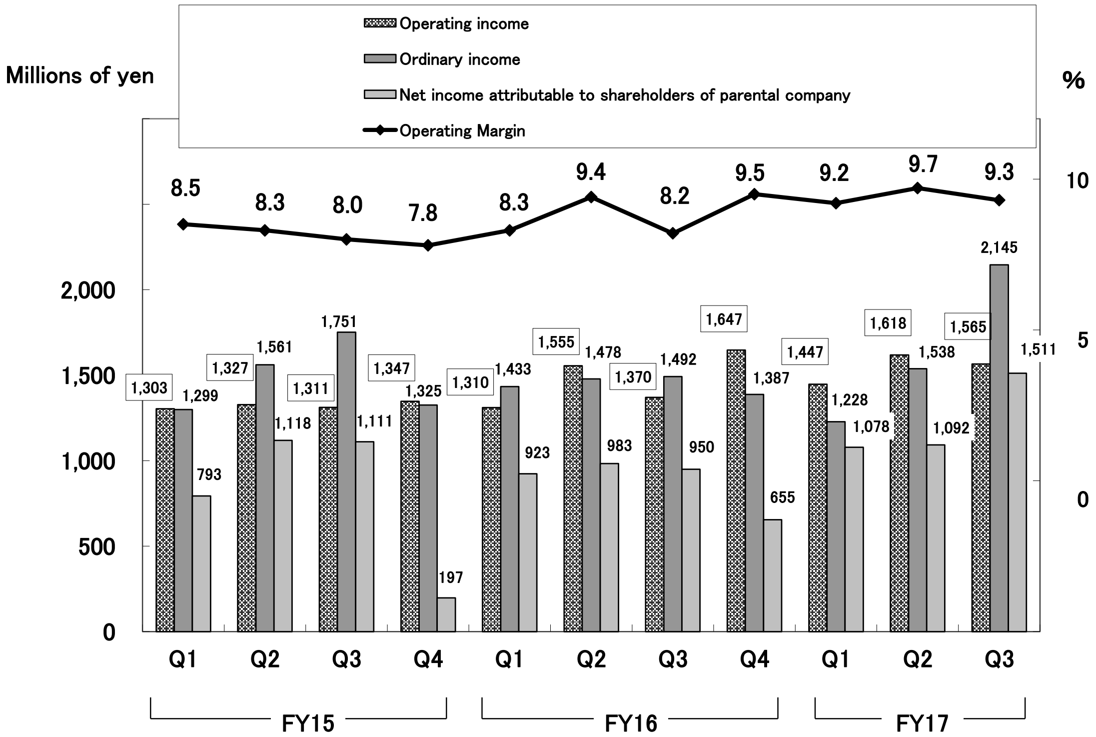
In the Office Equipment segment, sales of "BEPOP" label-making machines grew both in Japan and overseas, but due to the strong yen rates as compared with the previous year, the overall segment revenue decreased. In the Industrial Equipment segment, although due to the strong yen rates there was a decrease in revenue in the overseas industrial equipment product business, in Japan, against the background of a steady increase in the number of new housing construction starts, there was an increase of sales of tools for wood structures as well as an increase in sales of bathroom heaters, ventilators and dehumidifiers by the residential environment business, and, as a result, the overall segment revenue increased. In the HCR Equipment segment, despite our continued efforts to actively engage in proposal activities focusing on large-scale rental routes, wheelchair sales fell, thus resulting in a decrease of the overall segment revenue.

As a result, net sales increased 0.1% from the previous corresponding period to ¥49,237 million. Operating income increased 9.3% from the previous corresponding period to ¥4,631 million. Ordinary income increased 11.5% from the previous corresponding period to ¥4,912 million. Net income attributable to shareholders of parental company also increased 28.9% from the previous corresponding period to ¥3,683 million.

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, %)

	Q3/ FY 2017 (Ending March 2017)	Q3/ FY 2016 (Ended March 2016)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	17,144	17,551	(406)	(2.3)
Operating Income	3,096	3,513	(417)	(11.9)
Operating Margin	18.1	20.0	(1.9) points	

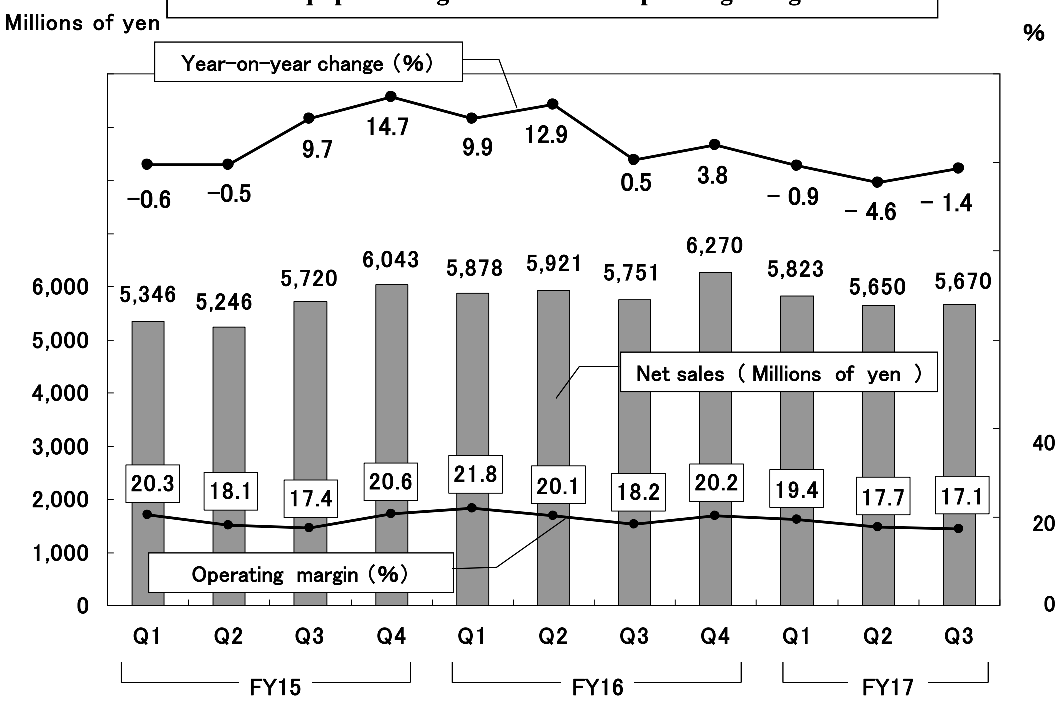
Business results for the Office Equipment segment during this third quarter were as follows: Net sales ¥17,144 million (a decrease of 2.3% from the previous corresponding period), operating income ¥3,096 million (a decrease of 11.9% from the previous corresponding period), and operating margin 18.1%.

In domestic office operations, despite an increase in sales of "BEPOP" label-making machines, overall segment revenue slightly decreased due to a decrease in stationery-related sales.

In overseas office operations, we were able to create a sales network in the U.S. and China for "BEPOP" label-making machines. As a result, the overall segment sales increased. Also, although stapler sales increased with an increase in Asia and our success in expanding our sales network in Europe, due to the strong yen rates as compared with the previous year, the overall segment revenue decreased.

In auto-stapler operations, although machinery sales increased, due to the strong yen rates as compared with the previous year, on the whole the segment revenue decreased.

Office Equipment Segment Sales and Operating Margin Trend



Industrial Equipment Segment

(Millions of yen, %)

	Q3/ FY 2017 (Ending March 2017)	Q3/ FY 2016 (Ended March 2016)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	29,709	29,137	+572	+2.0
Operating Income	1,607	1,039	+568	+54.7
Operating Margin	5.4	3.6	+1.8 points	

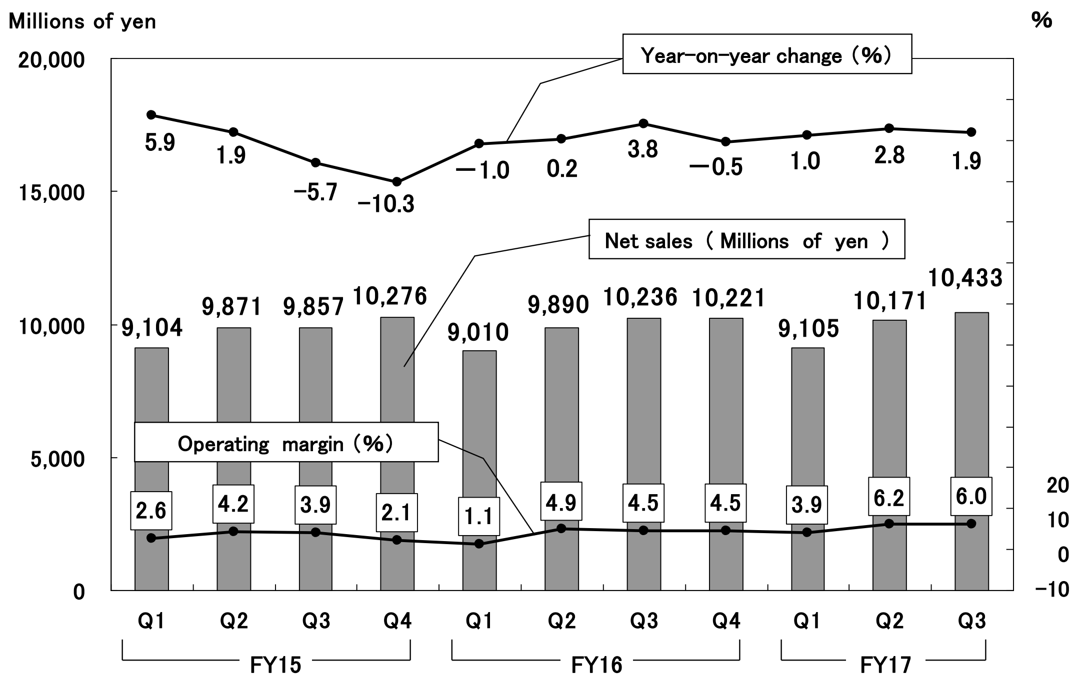
Business results for the Industrial Equipment segment during this third quarter were as follows: Net sales ¥29,709 million (an increase of 2.0% from the previous corresponding period), operating income ¥1,607 million (an increase of 54.7% from the previous corresponding period), and operating margin 5.4%.

In the domestic industrial equipment product operations, due to a decrease in the floor area of reinforced concrete structures, sales of tools for concrete structures decreased, but we managed to score a higher revenue overall from the sales of tools for wood structures centering on the newly released battery-power tools and the nailers, which increased thanks to the steady recovery in the number of new housing construction starts.

In the overseas industrial equipment product operations, although with the establishment of the Company's sales network in Europe and the U.S. the quantity of tools for concrete structures sold increased, overall revenue decreased due to the strong yen rates compared with the preceding term.

In the residential environment operations, although sales of floor heating systems decreased, sales of bathroom heaters, ventilators and dehumidifiers increased for detached houses and rental housing markets, where the number of new construction starts is on the rise, resulting in an overall increase of the segment revenue.

Industrial Equipment Segment Sales and Operating Margin Trend



HCR Equipment Segment

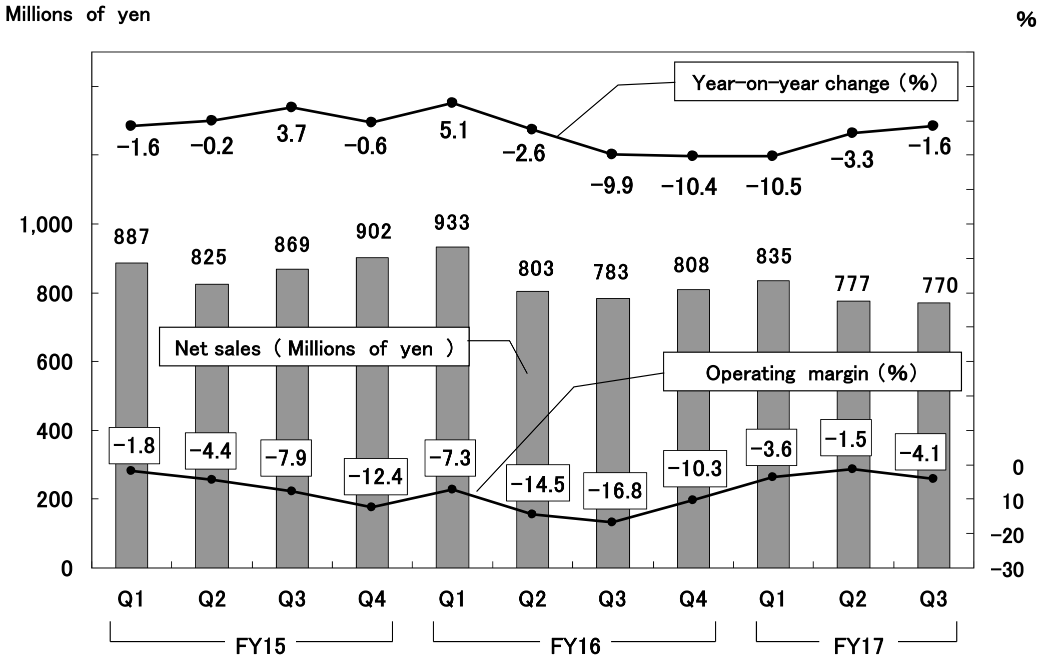
(Millions of yen, %)

	Q3/ FY 2017 (Ending March 2017)	Q3/ FY 2016 (Ended March 2016)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	2,383	2,520	(137)	(5.5)
Operating Income	(72)	(316)	+243	—
Operating Margin	(3.1)	(12.6)	+9.5 points	

Business results for the HCR Equipment segment during this third quarter were as follows: Net sales ¥2,383 million (a decrease of 5.5% from the corresponding previous period) and operating income -¥72 million.

Although the Company continued its activities for installation of new products mainly focusing on large-scale rental routes, the number of wheelchairs sold decreased, resulting in an overall decrease of the segment revenue. On the other hand, the operating loss was reduced due to cost reduction that was made possible by a revision of the manufacturing process implemented to gain productivity as well as a decrease of costs resulting from strong yen rates.

HCR Equipment Segment Sales and Operating Margin Trend



(2) Explanation Concerning Financial Position

1) Summary of Consolidated Balance Sheets

(Millions of yen, %)

	Q3/ FY 2017 (As of December 31, 2016)	FY 2016 (As of March 31, 2016)	Comparison with position at end of previous consolidated fiscal year	
			Increase (decrease)	Rate of increase (decrease)
Total Assets	91,578	88,828	+2,749	+3.1
Net Assets	66,815	64,263	+2,552	+4.0
Equity Ratio	72.9	72.2	+0.7 points	

Assets increased ¥2,749 million in comparison with the position at the end of the previous consolidated fiscal year, to ¥91,578 million. Despite a decrease of ¥318 million in raw materials, current assets increased ¥3,949 million, due to factors such as a rise of ¥1,982 million in cash and deposits, and of ¥1,294 million in marketable securities. Non-current assets decreased ¥1,199 million due to factors such as a drop of ¥885 million in investment securities.

Liabilities increased ¥197 million in comparison with the position at the end of the previous consolidated fiscal year, to ¥24,762 million. Current liabilities increased ¥607 million due to factors such as a rise of ¥378 million in income taxes payable. Non-current liabilities decreased ¥410 million due to factors such as a drop of ¥382 million in net defined benefit liability.

Net assets increased ¥2,552 million in comparison with the position at the end of the previous consolidated fiscal year, to ¥66,815 million. Shareholders' equity increased ¥1,755 million. Key factors were cash dividends paid of ¥1,921 million, offset by a net income attributable to shareholders of parental company of ¥3,683 million.

Although foreign currency translation adjustment decreased ¥556 million, accumulated other comprehensive income rose ¥809 million as resulted from an increase of ¥723 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 ¥19,765 million due to an increase of ¥1,982 million in cash and cash equivalents compared with the previous consolidated fiscal year.

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 period under review amounted to ¥5,544 million. The key increases came from net income before income taxes of ¥4,914 million, a depreciation of ¥1,506 million, and an increase of ¥647 million in net defined benefit liability. The key decreases came from an increase of ¥644 million in notes and accounts receivable-trade, and ¥829 million in income taxes (paid) refund.

Cash flows from investment activities

Funds used in investment activities in the consolidated cumulative period under review were ¥1,164 million. The key increases came from proceeds of ¥1,600 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 ¥1,217 million, and purchase of property, plant and equipment of ¥1,582 million.

Cash flows from financing activities

Funds used in financing activities in the consolidated cumulative period under review were ¥2,095 million. The key expenditures were ¥1,921 million in cash dividends paid.

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

Forecasts of consolidated operating results for the term ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(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	67,000	69,400	(2,400)	(3.5)	66,510	+489	+0.7

This time, we have revised the forecast for net sales among the forecasted values for the full fiscal year ending March 31, 2017 announced on April 28, 2016.

To achieve the management policy of this term, that is, establishing growth businesses and increasing earning capacity, we are continuing our group-wide efforts and the businesses are making good progress against the background of favorable conditions in the Japanese construction market. On the other hand, the yen equivalent of the overseas sales is expected to decrease due to the yen rates that have been even more in favor of the yen than our initial estimates.

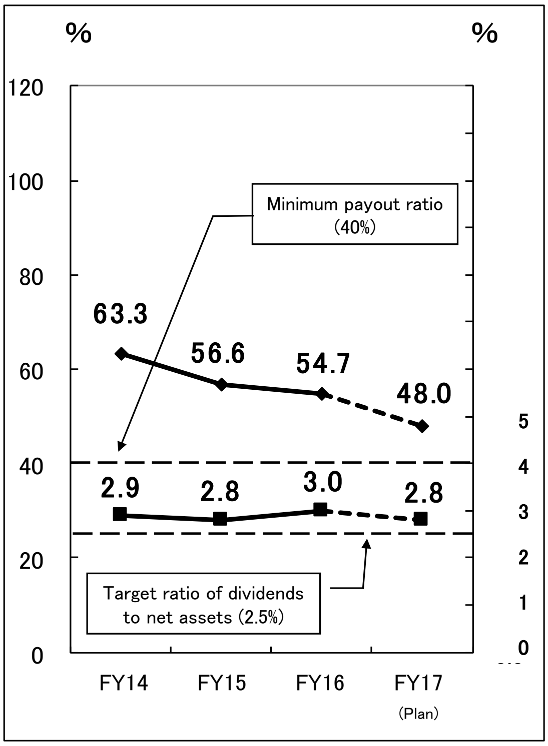
Please note that no changes have been made to the forecasts of operating results for the full fiscal year regarding operating income, ordinary income, net income attributable to shareholders of parental company, or net income per share.

Dividends

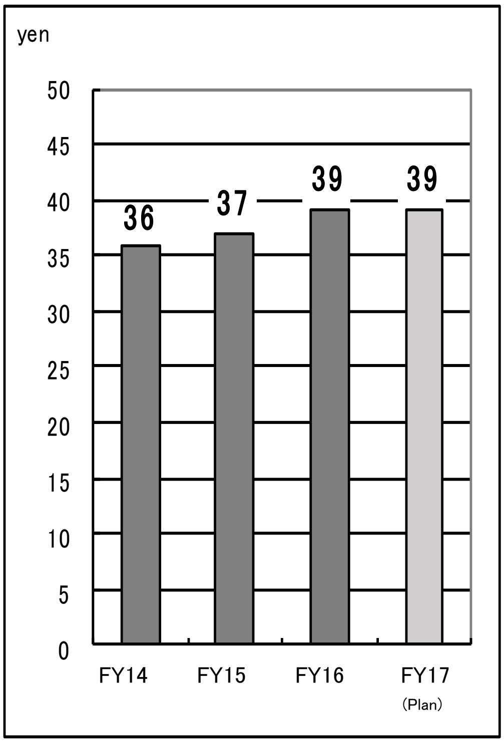
We have set a dividend policy of “maintaining a minimum of 40% payout ratio and targeting rate of dividends to net assets of 2.5%.”

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 and its financial position, we plan to make the same annual dividend payment of “¥39 per share” as the previous fiscal year.

Payout ratio and dividends to net assets ratio



Dividends per share



2. Items Related to Summary Information (Notes)

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

None.

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

(3) Changes in Accounting Principles, Changes in Accounting Estimates and Restatements

Change in Accounting Principles

Implementation of Practical Solutions on Accounting for Changes in the Method of Depreciation Related to Revisions to the FY2016 Tax Law

In accordance with revisions to the Corporate Tax Law, we have adopted the "Practical Solutions on Accounting for Changes in the Method of Depreciation Related to Revisions to the FY2016 Tax Law" (Practical Issues Task Force No. 32 issued on June 17, 2016), effective from the consolidated first quarter of current fiscal year. Accordingly, we modified the method of depreciation of facilities attached to buildings and of structures acquired on or after April 1, 2016, from the declining balance method to the straight line method.

There was only minor impact on income and loss during the consolidated cumulative period under review.

(4) Additional Information

Implementation of Guidance on Realizability of Deferred Tax Assets

We have adopted the "Implementation Guidance on Realizability of Deferred Tax Assets" (Corporate Accounting Standards No. 26 of March 28, 2016), effective from the consolidated first quarter of current fiscal year.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	FY 2016 (As of March 31, 2016)	Cumulative Q3 in FY 2017 (As of December 31, 2016)
ASSETS		
Current assets		
Cash and deposits	17,783	19,765
Notes and accounts receivable-trade	14,356	14,909
Marketable securities	3,224	4,519
Merchandise and finished goods	5,141	5,565
Work in process	878	867
Raw materials	1,480	1,161
Other	1,841	1,857
Allowance for doubtful accounts	(13)	(4)
Total current assets	44,693	48,642
Non-current assets		
Property, plant and equipment	17,298	17,560
Intangible assets	717	500
Investments and other assets		
Investment securities	21,672	20,787
Other	4,454	4,093
Allowance for doubtful accounts	(9)	(5)
Total investments and other assets	26,118	24,874
Total non-current assets	44,134	42,935
Total assets	88,828	91,578
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	4,073	4,112
Short-term loans payable	1,850	1,850
Income taxes payable	822	1,201
Provision for bonuses	1,435	836
Provision for directors’ bonuses	43	38
Other	3,294	4,087
Total current liabilities	11,519	12,126
Non-current liabilities		
Long-term loans payable	150	150
Provision for product warranties	47	42
Net defined benefit liability	11,788	11,406
Asset retirement obligations	28	18
Negative goodwill	22	17
Other	1,008	1,001
Total non-current liabilities	13,045	12,635
Total liabilities	24,565	24,762

(Millions of yen)

	FY 2016 (As of March 31, 2016)	Cumulative Q3 in FY 2017 (As of December 31, 2016)
NET ASSETS		
Shareholders' equity		
Capital stock	12,367	12,367
Capital surplus	10,518	10,518
Retained earnings	43,654	45,415
Treasury stock	(263)	(269)
Total shareholders' equity	66,277	68,032
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,190	1,832
Revaluation reserve for land	(343)	(343)
Foreign currency translation adjustment	285	(270)
Remeasurements of defined benefit plans	(3,258)	(2,534)
Total accumulated other comprehensive income	(2,126)	(1,317)
Non-controlling interests	112	100
Total net assets	64,263	66,815
Total liabilities and net assets	88,828	91,578

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(Quarterly Consolidated Statement of Income)

(Millions of yen)

	Cumulative Q3 in FY 2016 (From Apr. 1, 2015 to Dec. 31, 2015)	Cumulative Q3 in FY 2017 (From Apr. 1, 2016 to Dec. 31, 2016)
Net sales	49,209	49,237
Cost of sales	30,572	29,669
Gross profit	18,637	19,568
Selling, general and administrative expenses		
Salaries	4,316	4,315
Provision for bonuses	478	565
Provision for directors' bonuses	31	38
Retirement benefit expenses	831	1,157
Provision for directors' retirement benefits	9	—
Packing and delivery expenses	1,445	1,476
Promotion expenses	860	945
Depreciation	495	451
Other	5,932	5,986
Total selling, general and administrative expenses	14,401	14,937
Operating income	4,236	4,631
Non-operating income		
Interest income	71	62
Dividend income	118	117
Amortization of negative goodwill	5	5
Foreign exchange gains	—	52
Other	96	108
Total non-operating income	292	346
Non-operating expenses		
Interest expenses	30	29
Taxes and dues	4	5
Foreign exchange losses	59	—
Other	29	29
Total non-operating expenses	124	64
Ordinary income	4,405	4,912
Extraordinary income		
Reversal of foreign currency translation adjustment	9	—
Gain on sales of non-current assets	—	16
Gain on sales of investment securities	46	—
Total extraordinary income	55	16
Extraordinary loss		
Loss on sales of non-current assets	0	—
Loss on abandonment of non-current assets	16	14
Product quality warranty expenses	49	—
Impairment loss	76	—
Total extraordinary loss	142	14
Net income before income taxes	4,317	4,914
Income taxes	1,450	1,479
Income taxes for prior periods	—	(250)
Net income	2,866	3,685
Net income attributable to non-controlling interests	10	2
Net income attributable to shareholders of parental company	2,856	3,683

(Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Cumulative Q3 in FY 2016 (From Apr. 1, 2015 to Dec. 31, 2015)	Cumulative Q3 in FY 2017 (From Apr. 1, 2016 to Dec. 31, 2016)
Net income	2,866	3,685
Other comprehensive income		
Valuation difference on available-for-sale securities	97	642
Foreign currency translation adjustment	(515)	(566)
Adjustments relating to retirement benefits	364	723
Total other comprehensive income	(53)	799
Comprehensive income	2,813	4,484
(Breakdown)		
Comprehensive income attributable to shareholders of parental company	2,819	4,492
Comprehensive income attributable to non-controlling interests	(5)	(8)

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Cumulative Q3 in FY 2016 (From Apr. 1, 2015 to Dec. 31, 2015)	Cumulative Q3 in FY 2017 (From Apr. 1, 2016 to Dec. 31, 2016)
Cash flows from operating activities		
Net income before income taxes	4,317	4,914
Depreciation	1,435	1,506
Impairment loss	76	—
Amortization of goodwill	131	108
Amortization of negative goodwill	(5)	(5)
Increase (decrease) in allowance for doubtful accounts	5	(11)
Increase (decrease) in provision for bonuses	(697)	(589)
Increase (decrease) in provision for directors' bonuses	(11)	(4)
Increase (decrease) in provision for product warranties	(17)	(4)
Increase (decrease) in provision for directors' retirement benefits	(154)	—
Increase (decrease) in net defined benefit liability	190	647
Interest and dividend income	(190)	(180)
Interest expenses	30	29
Foreign exchange losses (gains)	3	(6)
Reversal of foreign currency translation adjustment	(9)	—
Loss on abandonment of non-current assets	16	14
Loss (gain) on sales of non-current assets	0	(16)
Loss (gain) on sales of short-term and long-term investment securities	(46)	—
Product quality warranty expenses	49	—
Decrease (increase) in notes and accounts receivable-trade	(174)	(644)
Decrease (increase) in inventories	101	(130)
Increase (decrease) in notes and accounts payable-trade	319	68
Increase (decrease) in accrued consumption taxes	(217)	95
Decrease (increase) in other assets	(340)	4
Increase (decrease) in other liabilities	(201)	359
Subtotal	4,613	6,156
Interest and dividend income received	258	247
Interest expenses paid	(30)	(29)
Income taxes (paid) refund	(1,842)	(829)
Cash flows from operating activities	2,998	5,544
Cash flows from investment activities		
Purchase of short-term and long-term investment securities	(1,834)	(1,217)
Proceeds from sales and redemption of short-term and long-term investment securities	2,799	1,600
Purchase of property, plant and equipment	(1,548)	(1,582)
Proceeds from sales of property, plant and equipment	—	18
Purchase of intangible assets	(22)	(63)
Payments of loans receivable	(2)	(0)
Collection of loans receivable	90	91
Payments for asset retirement obligations	—	(10)
Cash flows from investment activities	(517)	(1,164)

(Millions of yen)

	Cumulative Q3 in FY 2016 (From Apr. 1, 2015 to Dec. 31, 2015)	Cumulative Q3 in FY 2017 (From Apr. 1, 2016 to Dec. 31, 2016)
Cash flows from financing activities		
Purchase of treasury shares	(14)	(6)
Proceeds from sales of treasury shares	3	0
Cash dividends paid	(1,822)	(1,921)
Cash dividends paid to non-controlling shareholders	(1)	(4)
Repayments of lease obligations	(175)	(163)
Cash flows from financing activities	(2,010)	(2,095)
Effect of exchange rate change on cash and cash equivalents	(231)	(302)
Net increase (decrease) in cash and cash equivalents	239	1,982
Balance of cash and cash equivalents, beginning of the period	15,343	17,783
Quarterly balance of cash and cash equivalents at the end of the period	15,583	19,765

(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.

(Segment Information)

Cumulative Q3 of FY 2016 (From April 1, 2015 to December 31, 2015)

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

(Millions of yen)

	Reported segments			Total
	Office Equipment	Industrial Equipment	HCR Equipment	
Net sales				
Net sales to outside customers	17,551	29,137	2,520	49,209
Inter-segment sales or transfers	—	—	—	—
Total	17,551	29,137	2,520	49,209
Segment profit (loss)	3,513	1,039	(316)	4,236

(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.

Cumulative Q3 of FY 2017 (From April 1, 2016 to December 31, 2016)

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

(Millions of yen)

	Reported segments			Total
	Office Equipment	Industrial Equipment	HCR Equipment	
Net sales				
Net sales to outside customers	17,144	29,709	2,383	49,237
Inter-segment sales or transfers	—	—	—	—
Total	17,144	29,709	2,383	49,237
Segment profit (loss)	3,096	1,607	(72)	4,631

(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 this consolidated third quarter under review, the Company has made a change in the reported segments due to changes of corporate structure, so that the Labeling Business, which has been a part of the Industrial Equipment segment so far, from now on will be reported as a part of the Office Equipment segment.

Please note that in the segment information regarding the same period of last year (from April 1, 2015 to December 31, 2015), the amounts listed are modified according to the new classification.