

**Summary of Consolidated Financial Results**  
**for the First Half of the Fiscal Year Ending March 31, 2020**  
**[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: Akio Kitaya, Executive Officer / General Manager, General Affairs Dept.  
 Date of filing of financial statements November 13, 2019  
 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 Half of the Fiscal Year Ending March 31, 2020**  
**(April 1, 2019 to September 30, 2019)**

## (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 2020	34,885	2.0	4,065	18.5	3,913	5.2	2,858	9.7
H1/ FY ended March 2019	34,207	3.9	3,429	19.3	3,720	24.3	2,605	13.8

(Note) Comprehensive income

H1/ FY ending March 2020: 2,331 million yen (-19.5%)  
 H1/ FY ended March 2019: 2,894 million yen (-19.9%)

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
H1/ FY ending March 2020	58.44	—
H1/ FY ended March 2019	52.89	—

## (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, 2019	97,323	74,127	76.1	1,513.56
As of March 31, 2019	98,174	73,950	75.2	1,509.80

(Reference) Shareholders' equity

As of September 30, 2019: 74,024 million yen  
 As of March 31, 2019: 73,840 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 2019	—	—	—	44.00	44.00
FY ending March 2020	—	—	—	—	—
FY ending March 2020 (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, 2020 (April 1, 2019 to March 31, 2020)

(% 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	70,500	0.5	7,900	10.5	7,800	7.5	5,400	6.6	110.41

(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, 2019: 49,141,426 shares

As of March 31, 2019: 49,141,426 shares

2) Amount of treasury stock at term-end

As of September 30, 2019: 233,956 shares

As of March 31, 2019: 233,737 shares

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

Six months ended September 30, 2019: 48,907,590 shares

Six months ended September 30, 2018: 49,267,084 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 8 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 .....	7
(3) Explanation Concerning Forward-looking Statements Such as Forecasts of Consolidated Operating Results...8	
2. Quarterly Consolidated Financial Statements and Main Notes .....	9
(1) Quarterly Consolidated Balance Sheets.....	9
(2) Quarterly Consolidated Statements of Income and Comprehensive Income .....	11
(3) Quarterly Consolidated Statement of Cash Flows .....	13
(4) Notes Relating to the Quarterly Consolidated Financial Statements .....	15
(Notes Relating to the Assumption of Going Concern).....	15
(Notes on Significant Changes in the Amount of Shareholders' Equity) .....	15
(Changes in Material Subsidiaries During the Consolidated Cumulative Period Under Review) .....	15
(Application of Specific Accounting Procedures for the Preparation of Quarterly Consolidated Financial Statements).....	15
(Segment Information) .....	15

[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

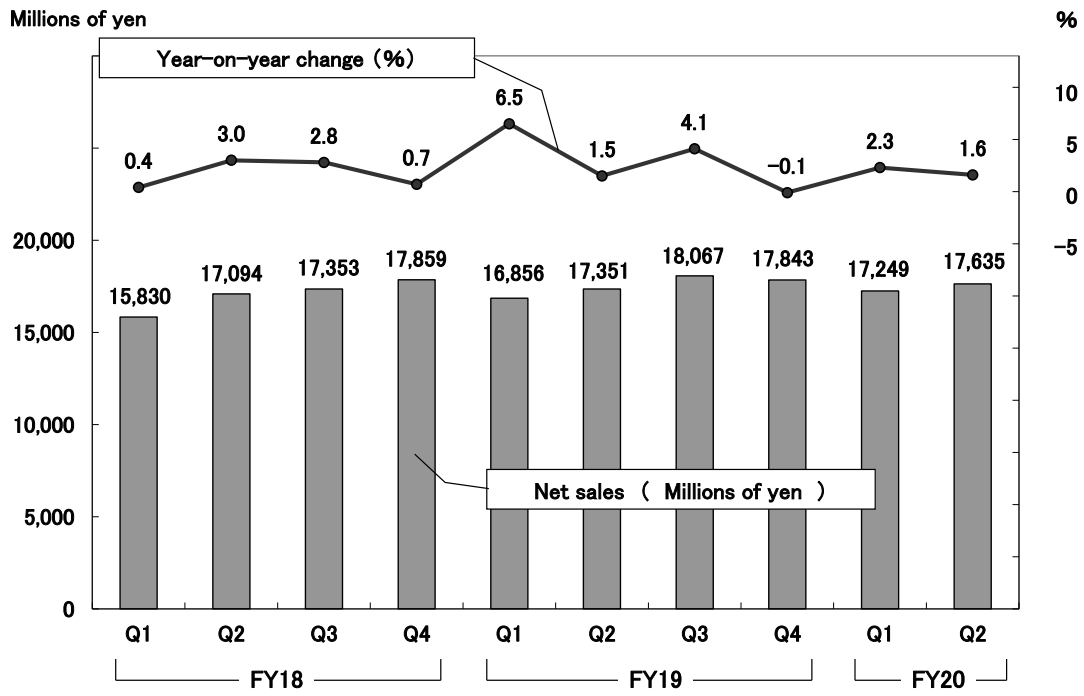
(Millions of yen, %)

	H1/ FY 2020 (Ending March 2020)	H1/ FY 2019 (Ended March 2019)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	34,885	34,207	+677	+2.0
Operating Income	4,065	3,429	+635	+18.5
Ordinary Income	3,913	3,720	+192	+5.2
Net Income Attributable to Shareholders of Parental Company	2,858	2,605	+252	+9.7
Net Income per Share (yen)	58.44 yen	52.89 yen	+5.55 yen	—
Operating Margin	11.7	10.0	+1.7 points	

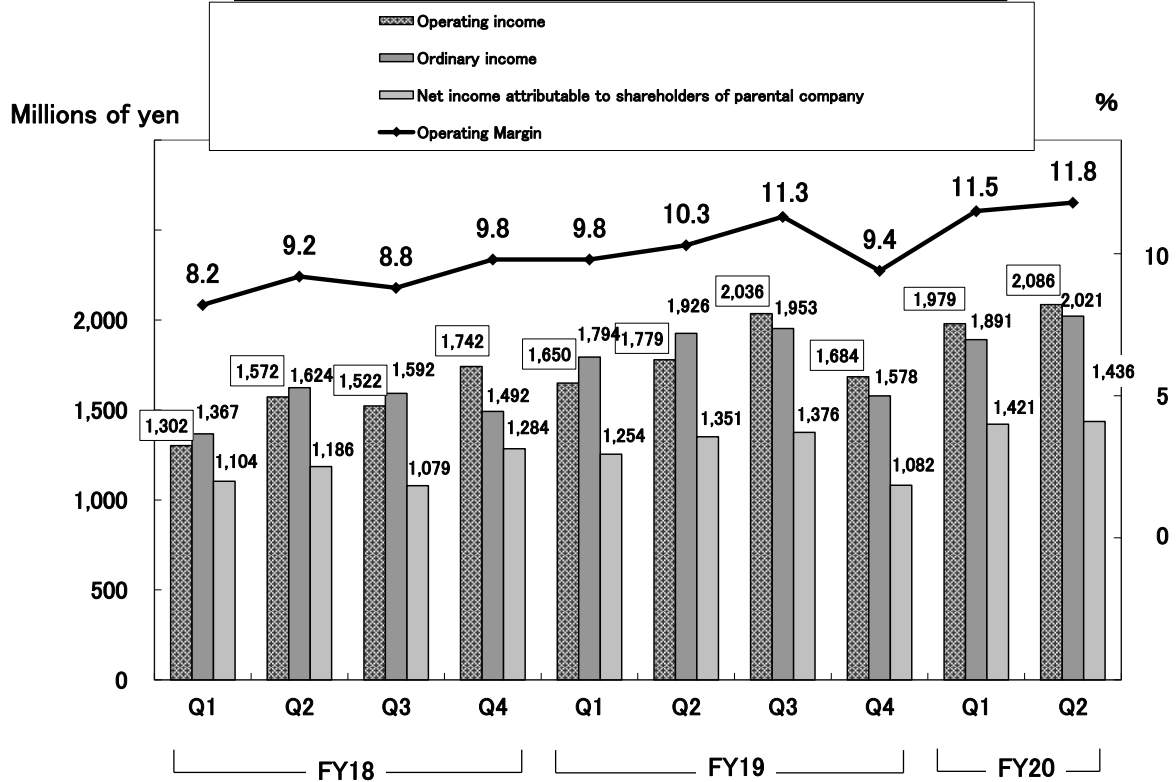
During the consolidated cumulative period under review (April 1, 2019 to September 30, 2019), the Japanese economy has continued to recover gradually as the result of persistent improvements in the hiring and income environments, as well as the result of government policies. In the housing market, which is related to the Group's Industrial Equipment segment, the number of new housing construction starts in Japan has fallen due to a continued decrease in the construction starts of rental housing. In terms of overseas economies, the United States economy continues to recover due to support from personal consumption caused by favorable hiring and income environments. The European economy also recovered gradually. However, the Asian economy is showing some signs of weakness due to factors such as the prolonged trade friction between the United States and China. As a result, the sense of uncertainty in the business environment surrounding the Group has continued.

Under such circumstances, during the period under review, the Industrial Equipment segment drove our overall sales. Net sales increased 2.0% from the previous corresponding period to ¥34,885 million, while operating income increased 18.5% from the previous corresponding period to ¥4,065 million. Ordinary income increased 5.2% from the previous corresponding period to ¥3,913 million, and net income attributable to shareholders of parental company also increased 9.7% from the previous corresponding period to ¥2,858 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, %)

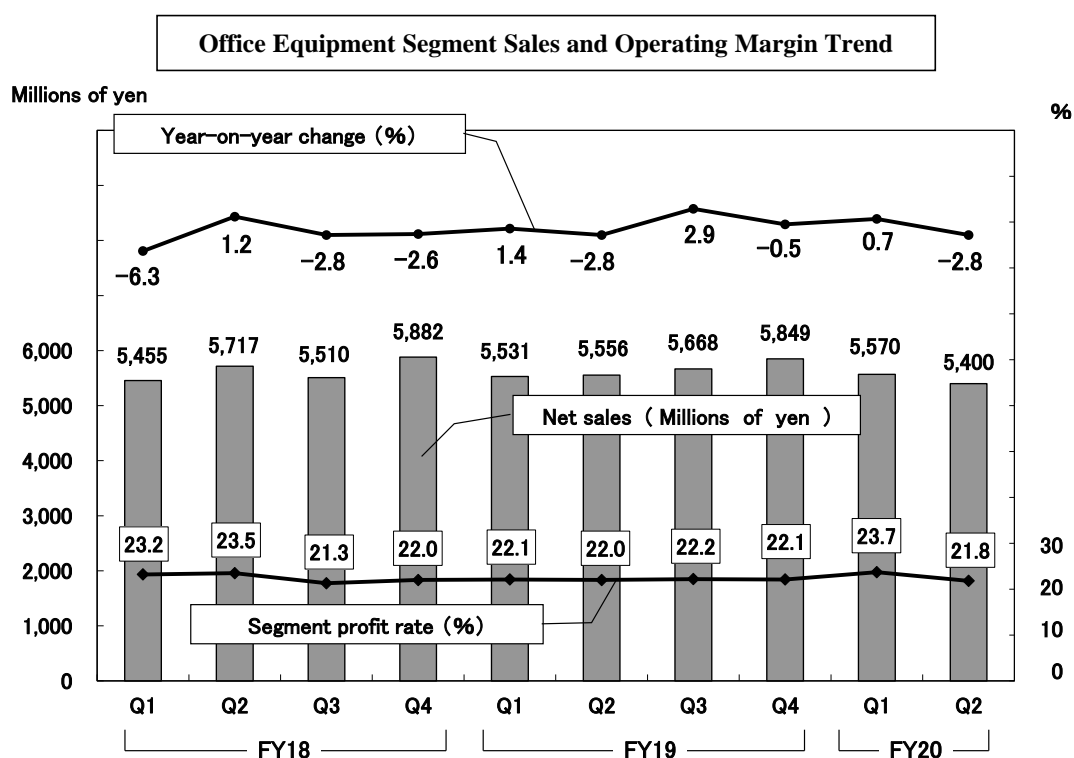
	H1/ FY 2020 (Ending March 2020)	H1/ FY 2019 (Ended March 2019)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	10,970	11,087	(117)	(1.1)
Segment Profit	2,501	2,445	+56	+2.3
Segment Profit Rate	22.8	22.1	+0.7 points	

Business results for the Office Equipment segment were as follows: Net sales ¥10,970 million (a decrease of 1.1% from the previous corresponding period), segment profit ¥2,501 million (an increase of 2.3% from the previous corresponding period), and segment profit rate 22.8%.

In the domestic office operations, sales of the BEPOP label-making machines rose driven by increased applications of safety-related signs at manufacturing plants. Also, sales increased for label printers which support the Food Labeling Act which will be put into full effect in April 2020, and as a result, the revenue increased.

In the overseas office operations, despite increased sales of the BEPOP label-making machines driven by sales promotion activities conducted in the European market by Lighthouse (UK) Ltd., a subsidiary of the Group in the UK, the overall revenue fell due to decreased sales in stationary related products and the tube marker LETATWIN in the Asian market.

In the auto-stapler operations, despite sales of consumables on a similar level to the previous year, the revenue dropped due to decreased sales of machinery.



## Industrial Equipment Segment

(Millions of yen, %)

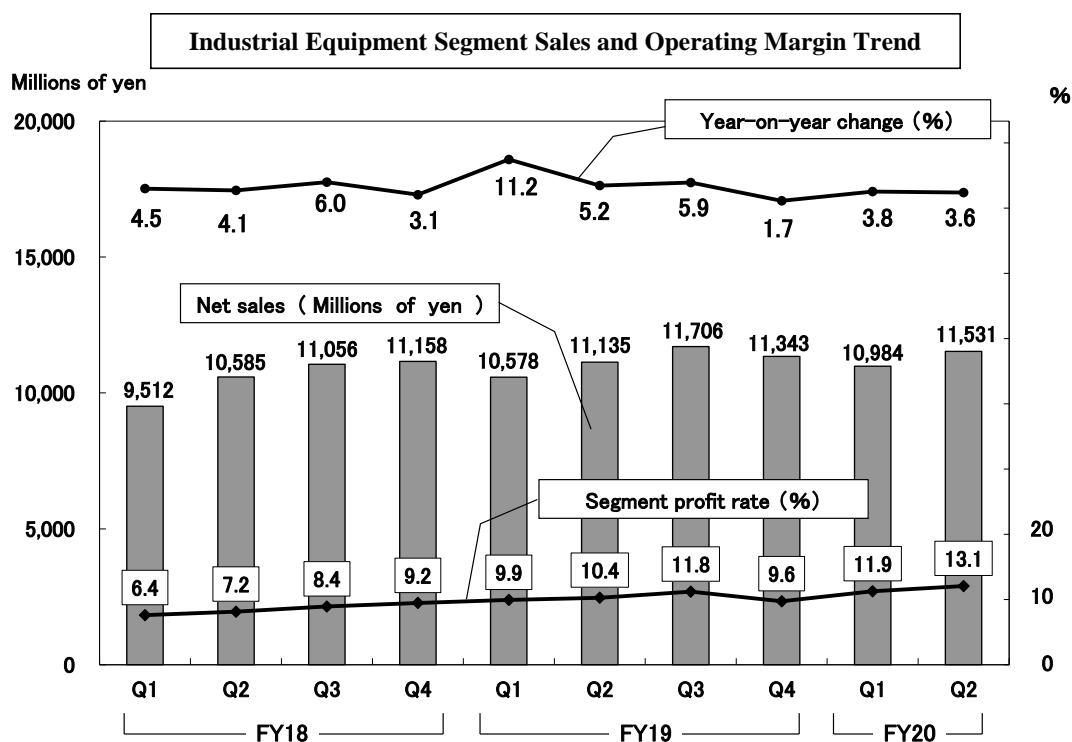
	H1/ FY 2020 (Ending March 2020)	H1/ FY 2019 (Ended March 2019)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	22,516	21,713	+802	+3.7
Segment Profit	2,815	2,206	+608	+27.6
Segment Profit Rate	12.5	10.2	+2.3 points	

Business results for the Industrial Equipment segment were as follows: Net sales ¥22,516 million (an increase of 3.7% from the previous corresponding period), segment profit ¥2,815 million (an increase of 27.6% from the previous corresponding period), and segment profit rate 12.5%.

In the domestic industrial equipment product operations, the revenue grew as the result of increased sales of tools for concrete structures due to the TWINTIER rebar tying tools expanding into markets such as civil engineering, as well as rising sales of compressors and other tools for wooden structures.

In the overseas industrial equipment product operations, the revenue increased due to heightened sales of tools for concrete structures caused by high evaluation for the functionality of the TWINTIER rebar tying tools, advancing adoption of our equipment in the civil engineering market, and replacement of existing equipment.

In the residential environmental equipment operations, the revenue increased due to expanded sales targeting detached houses and condominiums for DRYFAN bathroom heaters, ventilators and dehumidifiers, which are the mainstay of the business, as well as expanded sales in the housing stock for replacement and inspection.



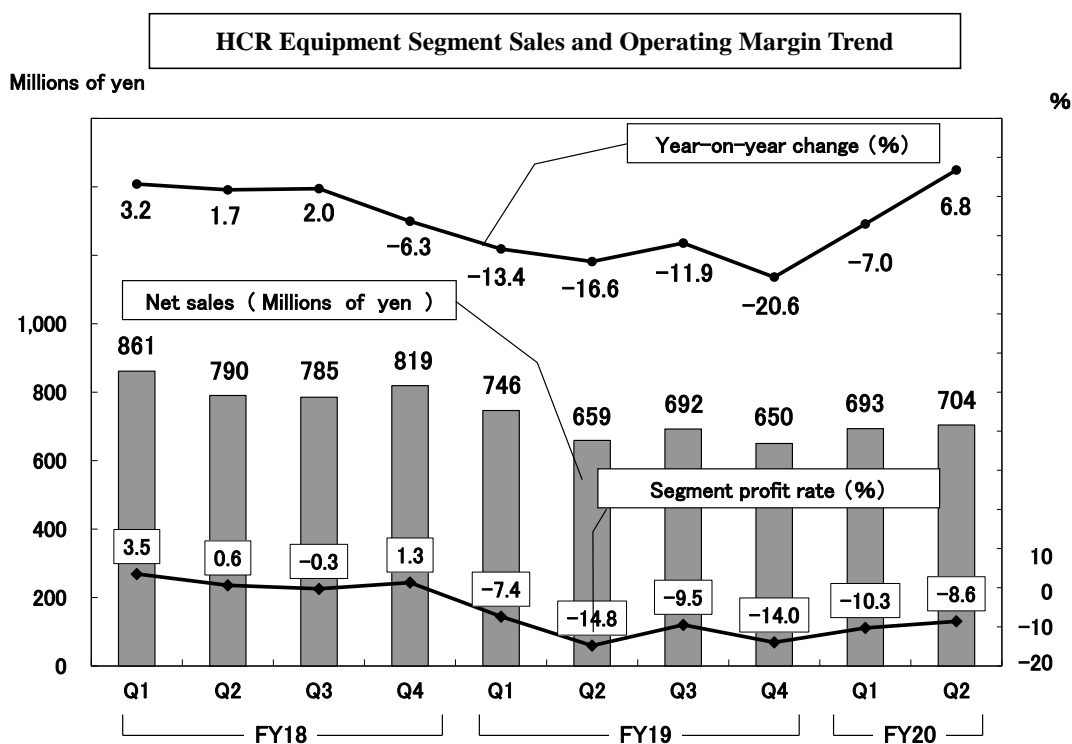
## HCR Equipment Segment

(Millions of yen, %)

	H1/ FY 2020 (Ending March 2020)	H1/ FY 2019 (Ended March 2019)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	1,397	1,405	(7)	(0.6)
Segment Profit	(132)	(153)	+21	—
Segment Profit Rate	(9.5)	(10.9)	+1.4 points	

Business results for the HCR Equipment segment were as follows: Net sales ¥1,397 million (a decrease of 0.6% from the corresponding previous period) and a negative segment profit of ¥132 million.

The segment stopped selling old products and experienced decreased sales of high-unit-price wheelchairs. However, in the second quarter of the period under review, net sales showed a recovering trend due to continued proposal activities for the Modern Series, the new wheelchairs which we began selling from the second half of the previous period.





## (2) Explanation Concerning Financial Position

### 1) Summary of Consolidated Balance Sheets

(Millions of yen, %)

	Q2/ FY 2020 (As of September 30, 2019)	FY 2019 (As of March 31, 2019)	Comparison with position at end of previous consolidated fiscal year	
			Increase (decrease)	Rate of increase (decrease)
Total Assets	97,323	98,174	(851)	(0.9)
Net Assets	74,127	73,950	176	0.2
Equity Ratio	76.1	75.2	+0.9 points	

Assets decreased ¥851 million compared to the end of the previous consolidated fiscal year, to ¥97,323 million. Current assets decreased ¥3,091 million due to factors such as a fall of ¥1,808 million in marketable securities, a decrease of ¥560 million in notes and accounts receivable-trade, and a drop of ¥456 million in cash and deposits. Non-current assets increased ¥2,240 million due to factors such as a rise of ¥1,805 million in investment securities and an increase of ¥358 million in property, plant and equipment.

Liabilities decreased ¥1,027 million compared to the end of the previous consolidated fiscal year, to ¥23,196 million. Current liabilities decreased ¥759 million due to factors such as a drop of ¥306 million in accounts payable-trade and a fall of ¥278 million in provision for bonuses. Non-current liabilities decreased ¥268 million due to factors such as a drop of ¥300 million in net defined benefit liability.

Net assets increased ¥176 million compared to the end of the previous consolidated fiscal year, to ¥74,127 million. Shareholders' equity increased ¥705 million. One key factor was the ¥2,151 million paid out in cash dividends, offset by a net income attributable to shareholders of parental company of ¥2,858 million.

Accumulated other comprehensive income fell ¥522 million as resulted from a drop of ¥414 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 ¥21,733 million due to a decrease of ¥456 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 ¥4,030 million. The key increases came from net income before income taxes of ¥3,971 million and depreciation of ¥1,220 million. The key decrease came from ¥1,039 million paid as income taxes.

#### Cash flows from investment activities

Funds used in investment activities in the consolidated cumulative period under review amounted to ¥1,937 million. The key increase came from proceeds of ¥3,077 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 ¥3,510 million and purchase of property, plant and equipment of ¥1,446 million.

#### Cash flows from financing activities

Funds used in financing activities in the consolidated cumulative period under review amounted to ¥2,264 million. The key decrease was ¥2,148 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	70,500	72,350	(1,850)	(2.6)	70,118	+381	+0.5
Operating Income	7,900	7,450	+450	+6.0	7,150	+749	+10.5
Ordinary Income	7,800	7,600	+200	+2.6	7,253	+546	+7.5
Net Income Attributable to Shareholders of Parental Company	5,400	5,250	+150	+2.9	5,064	+335	+6.6
Net Income per Share (yen)	110.41 yen	107.35 yen	+3.06 yen		102.92 yen	+7.49 yen	

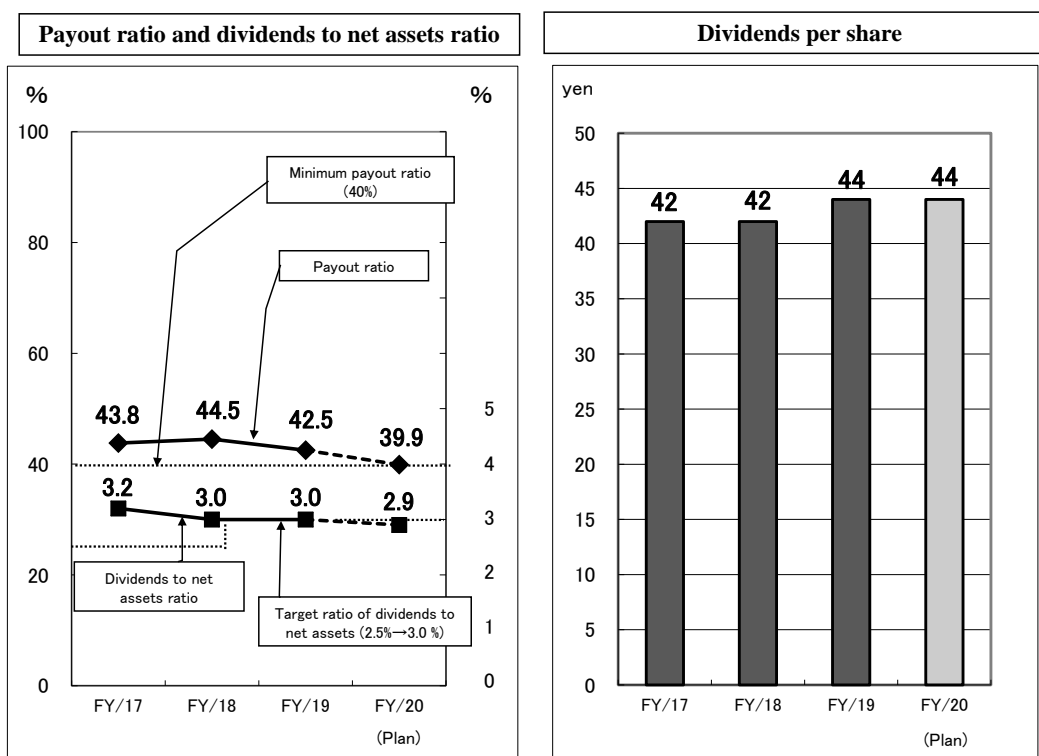
\*Forecasted exchange rates for the second half of the year ending March 31, 2020: 1 USD = 105 JPY, 1 EUR = 115 JPY; (Previous forecast): USD = 110 JPY, 1 EUR = 125 JPY

We revised our forecast for the full fiscal year based on business trends in the consolidated cumulative period under review (April 1, 2019 to September 30, 2019) and the changes to the forecasted exchange rates in the second half of the year. Although net sales will decrease compared to the previous forecast, we will revise our operating income upwards when considering the strong growth in business such as TWINTIER rebar tying tools and BEPOP label-making machines, and considering decreased costs due to changes in the forecasted exchange rates. We also revised related ordinary income and net income attributable to shareholders of parental company.

Dividends

Our basic dividend policy is to maintain, based on the consolidated financial statement, "a minimum of 40% payout ratio with a target ratio of dividends to net assets of 3.0%".

For the current term, although there is a possibility for the uncertain economic environment and exchange trends negatively impacting our operating performance, the annual dividend is expected to remain unchanged at ¥44 per share.



## 2. Quarterly Consolidated Financial Statements and Main Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	FY 2019 (As of March 31, 2019)	Q2/ FY 2020 (As of September 30, 2019)
<b>ASSETS</b>		
Current assets		
Cash and deposits	22,190	21,733
Notes and accounts receivable-trade	14,394	13,834
Marketable securities	4,915	3,107
Merchandise and finished goods	6,095	5,954
Work in process	782	927
Raw materials	1,097	985
Other	1,075	916
Allowance for doubtful accounts	(1)	(1)
<b>Total current assets</b>	<b>50,549</b>	<b>47,458</b>
Non-current assets		
Property, plant and equipment	19,188	19,546
Intangible assets	228	260
Investments and other assets		
Investment securities	23,552	25,358
Other	4,662	4,705
Allowance for doubtful accounts	(5)	(5)
<b>Total investments and other assets</b>	<b>28,208</b>	<b>30,058</b>
<b>Total non-current assets</b>	<b>47,624</b>	<b>49,865</b>
<b>Total assets</b>	<b>98,174</b>	<b>97,323</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable-trade	3,713	3,407
Short-term loans payable	1,850	1,850
Income taxes payable	1,082	1,109
Provision for bonuses	1,753	1,474
Provision for directors' bonuses	44	19
Provision for product warranties	112	154
Other	3,723	3,504
<b>Total current liabilities</b>	<b>12,279</b>	<b>11,519</b>
Non-current liabilities		
Long-term loans payable	150	150
Provision for product warranties	14	15
Net defined benefit liability	10,799	10,498
Asset retirement obligations	29	30
Other	952	983
<b>Total non-current liabilities</b>	<b>11,945</b>	<b>11,676</b>
<b>Total liabilities</b>	<b>24,224</b>	<b>23,196</b>

(Millions of yen)

	FY 2019 (As of March 31, 2019)	Q2/ FY 2020 (As of September 30, 2019)
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	12,367	12,367
Capital surplus	10,517	10,517
Retained earnings	51,533	52,239
Treasury stock	(319)	(319)
Total shareholders' equity	74,099	74,805
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,417	1,034
Revaluation reserve for land	(339)	(339)
Foreign currency translation adjustment	(82)	(496)
Remeasurements of defined benefit plans	(1,253)	(979)
Total accumulated other comprehensive income	(258)	(781)
Non-controlling interests	109	102
Total net assets	73,950	74,127
Total liabilities and net assets	98,174	97,323

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

(Millions of yen)

	H1/ FY 2019 (From Apr. 1, 2018 to Sept. 30, 2018)	H1/ FY 2020 (From Apr. 1, 2019 to Sept. 30, 2019)
Net sales	34,207	34,885
Cost of sales	20,824	20,425
Gross profit	13,383	14,459
Selling, general and administrative expenses		
Salaries	2,827	2,838
Provision for bonuses	943	887
Provision for directors' bonuses	20	19
Retirement benefit expenses	546	504
Packing and delivery expenses	1,122	1,155
Promotion expenses	651	830
Depreciation	313	412
Other	3,527	3,744
Total selling, general and administrative expenses	9,953	10,394
Operating income	3,429	4,065
Non-operating income		
Interest income	30	33
Dividend income	78	80
Amortization of negative goodwill	3	—
Foreign exchange gains	163	—
Other	57	47
Total non-operating income	333	160
Non-operating expenses		
Interest expenses	19	19
Taxes and dues	2	8
Foreign exchange losses	—	261
Other	20	23
Total non-operating expenses	42	312
Ordinary income	3,720	3,913
Extraordinary income		
Gain on sales of non-current assets	—	0
Gain on sales of investment securities	—	118
Total extraordinary income	—	119
Extraordinary loss		
Loss on sales of non-current assets	3	—
Loss on abandonment of non-current assets	10	39
Impairment loss	—	21
Total extraordinary loss	13	61
Net income before income taxes	3,707	3,971
Income taxes	1,099	1,111
Net income	2,607	2,859
Net income attributable to non-controlling interests	1	1
Net income attributable to shareholders of parental company	2,605	2,858

## (Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	H1/ FY 2019 (From Apr. 1, 2018 to Sept. 30, 2018)	H1/ FY 2020 (From Apr. 1, 2019 to Sept. 30, 2019)
Net income	2,607	2,859
Other comprehensive income		
Valuation difference on available-for-sale securities	(49)	(382)
Foreign currency translation adjustment	37	(420)
Adjustments relating to retirement benefits	299	274
Total other comprehensive income	287	(528)
Comprehensive income	2,894	2,331
(Breakdown)		
Comprehensive income attributable to shareholders of parental company	2,893	2,335
Comprehensive income attributable to non- controlling interests	1	(4)

## (3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	H1/ FY 2019 (From Apr. 1, 2018 to Sept. 30, 2018)	H1/ FY 2020 (From Apr. 1, 2019 to Sept. 30, 2019)
<b>Cash flows from operating activities</b>		
Net income before income taxes	3,707	3,971
Depreciation	1,079	1,220
Amortization of goodwill	70	—
Amortization of negative goodwill	(3)	—
Impairment loss	—	21
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for bonuses	(236)	(277)
Increase (decrease) in provision for directors' bonuses	(21)	(24)
Increase (decrease) in provision for product warranties	(0)	43
Increase (decrease) in net defined benefit liability	126	93
Interest and dividend income	(108)	(113)
Interest expenses	19	19
Foreign exchange losses (gains)	40	12
Loss on abandonment of non-current assets	10	39
Loss (gain) on sales of non-current assets	3	(0)
Loss (gain) on sales of short-term and long-term investment securities	—	(118)
Increase (decrease) in deposits received from employees	70	(79)
Decrease (increase) in notes and accounts receivable-trade	927	391
Decrease (increase) in inventories	(305)	(2)
Increase (decrease) in notes and accounts payable-trade	(106)	(102)
Increase (decrease) in accrued consumption taxes	(16)	75
Decrease (increase) in other assets	76	31
Increase (decrease) in other liabilities	162	(256)
<b>Subtotal</b>	<b>5,495</b>	<b>4,945</b>
Interest and dividend income received	158	150
Interest expenses paid	(19)	(25)
Income taxes (paid) refund	(965)	(1,039)
<b>Cash flows from operating activities</b>	<b>4,668</b>	<b>4,030</b>
<b>Cash flows from investment activities</b>		
Purchase of short-term and long-term investment securities	(3,952)	(3,510)
Proceeds from sales and redemption of short-term and long-term investment securities	2,900	3,077
Purchase of property, plant and equipment	(1,706)	(1,446)
Proceeds from sales of property, plant and equipment	9	0
Purchase of intangible assets	(36)	(78)
Payments of loans receivable	(1)	(0)
Collection of loans receivable	32	20
<b>Cash flows from investment activities</b>	<b>(2,754)</b>	<b>(1,937)</b>

(Millions of yen)

	H1/ FY 2019 (From Apr. 1, 2018 to Sept. 30, 2018)	H1/ FY 2020 (From Apr. 1, 2019 to Sept. 30, 2019)
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(2,066)	(2,148)
Cash dividends paid to non-controlling shareholders	(0)	(1)
Repayments of lease obligations	(111)	(114)
Cash flows from financing activities	(2,179)	(2,264)
Effect of exchange rate change on cash and cash equivalents	9	(285)
Net increase (decrease) in cash and cash equivalents	(256)	(456)
Balance of cash and cash equivalents, beginning of the period	23,722	22,190
Quarterly balance of cash and cash equivalents at the end of the period	23,465	21,733



(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 currently under review) by an effective tax rate reasonably estimated by applying tax effect accounting to estimated income before income taxes.

(Segment Information)

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

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

2. The segment profit adjustment of negative ¥1,069 million includes the negative ¥1,069 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.

H1 of FY 2020 (From April 1, 2019 to September 30, 2019)

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	10,970	22,516	1,397	—	34,885
Inter-segment sales or transfers	—	—	—	—	—
Total	10,970	22,516	1,397	—	34,885
Segment profit (loss)	2,501	2,815	(132)	(1,119)	4,065

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

2. The segment profit adjustment of negative ¥1,119 million includes the negative ¥1,119 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.