

**Summary of Consolidated Financial Results**  
**for the Third Quarter of the Fiscal Year Ending March 31, 2020**  
**[Japan Standards]**

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 Date of filing of financial statements February 12, 2020  
 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, 2020**  
**(April 1, 2019 to December 31, 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	%
Q3/ FY ending March 2020	52,374	0.2	6,106	11.7	6,097	7.5	4,379	10.0
Q3/ FY ended March 2019	52,274	4.0	5,465	24.3	5,674	23.8	3,981	18.2

(Note) Comprehensive income

Q3/ FY ending March 2020: 4,426 million yen (24.0%)  
 Q3/ FY ended March 2019: 3,570 million yen (-36.9%)

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
Q3/ FY ending March 2020	89.54	—
Q3/ FY ended March 2019	80.82	—

## (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, 2019	99,776	76,221	76.3	1,556.31
As of March 31, 2019	98,174	73,950	75.2	1,509.80

(Reference) Shareholders' equity

As of December 31, 2019: 76,114 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
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	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: None

#### \* 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 December 31, 2019: 49,141,426 shares

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

2) Amount of treasury stock at term-end

As of December 31, 2019: 234,263 shares

As of March 31, 2019: 233,737 shares

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

Nine months ended December 31, 2019: 48,907,487 shares

Nine months ended December 31, 2018: 49,267,027 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."

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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, %)

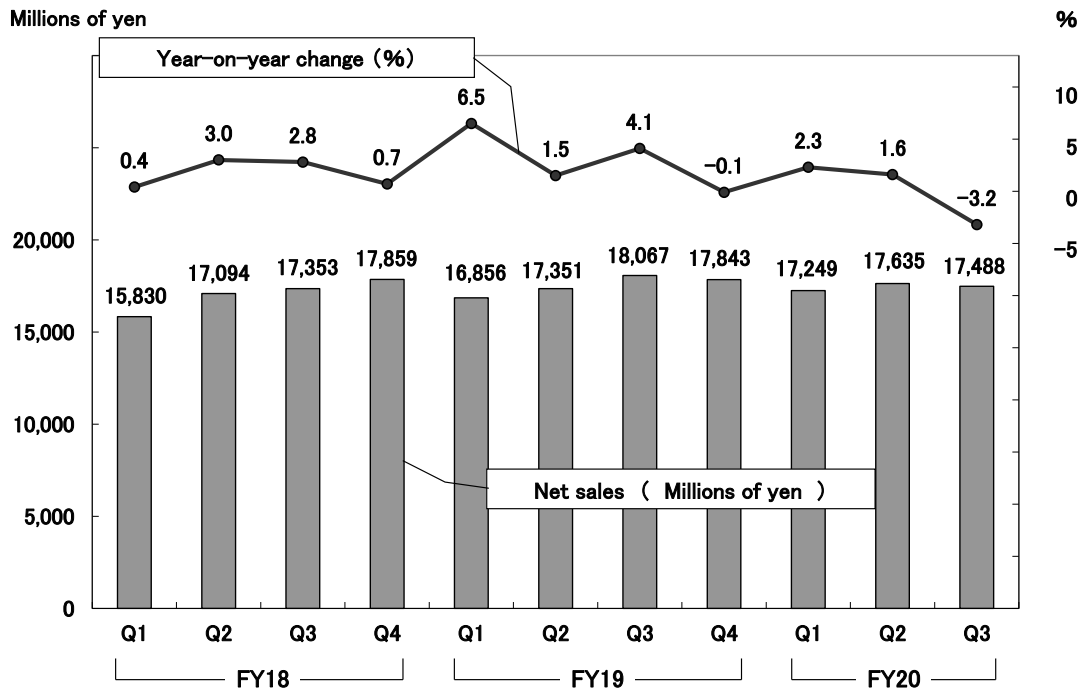
	Cumulative Q3/ FY 2020 (Ending March 2020)	Cumulative Q3/ FY 2019 (Ended March 2019)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	52,374	52,274	+99	+0.2
Operating Income	6,106	5,465	+640	+11.7
Ordinary Income	6,097	5,674	+422	+7.5
Net Income Attributable to Shareholders of Parental Company	4,379	3,981	+397	+10.0
Net Income per Share (yen)	89.54 yen	80.82 yen	+8.72 yen	—
Operating Margin	11.7	10.5	+1.2 points	

During the consolidated cumulative period under review (April 1, 2019 to December 31, 2019), the Japanese economy recovered gradually as the result of an upswing in personal consumption, despite continued weakness in exports and other areas. In the housing market, which is related to the Group's Industrial Equipment segment, the slump in rental housing continued due to stricter lending by financial institutions, which resulted in the decrease of new housing construction starts in Japan. In terms of overseas economies, the United States economy continued to recover due to support from personal consumption caused by a favorable hiring environment. The European economy also recovered weakly against the backdrop of the Brexit issue. The Asian economy is showing further signs of weakness mainly attributable to the manufacturing industry in China. As a result, the sense of uncertainty in the business environment surrounding the Group has continued.

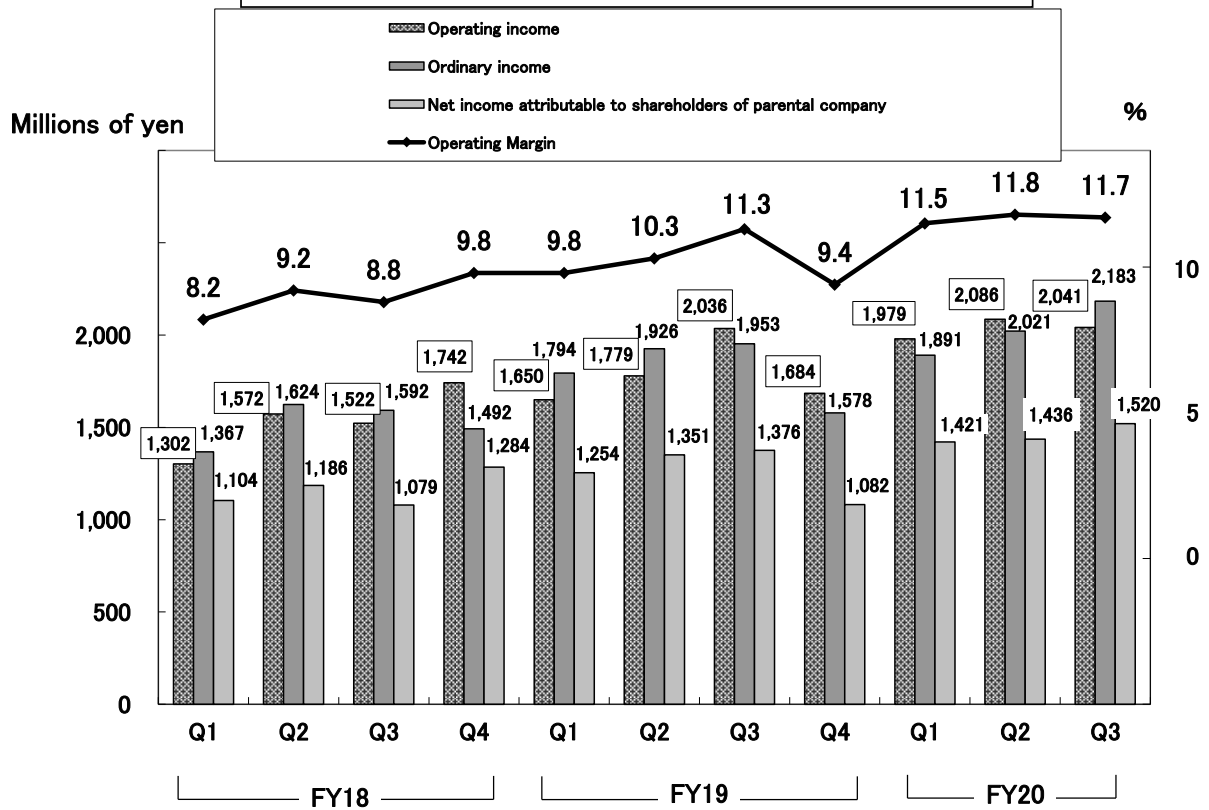
Under such circumstances, during the period under review, revenue increased in the Industrial Equipment segment and HCR Equipment segment, while revenue decreased in the Office Equipment segment. As for profits, profitability improved in the Industrial Equipment segment due to increased sales of rebar tying tools in the domestic and overseas industrial equipment product operations. As a result, profits rose for the entire company.

As a result, net sales increased 0.2% from the previous corresponding period to ¥52,374 million, while operating income increased 11.7% from the previous corresponding period to ¥6,106 million. Ordinary income increased 7.5% from the previous corresponding period to ¥6,097 million, and net income attributable to shareholders of parental company also increased 10.0% from the previous corresponding period to ¥4,379 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, %)

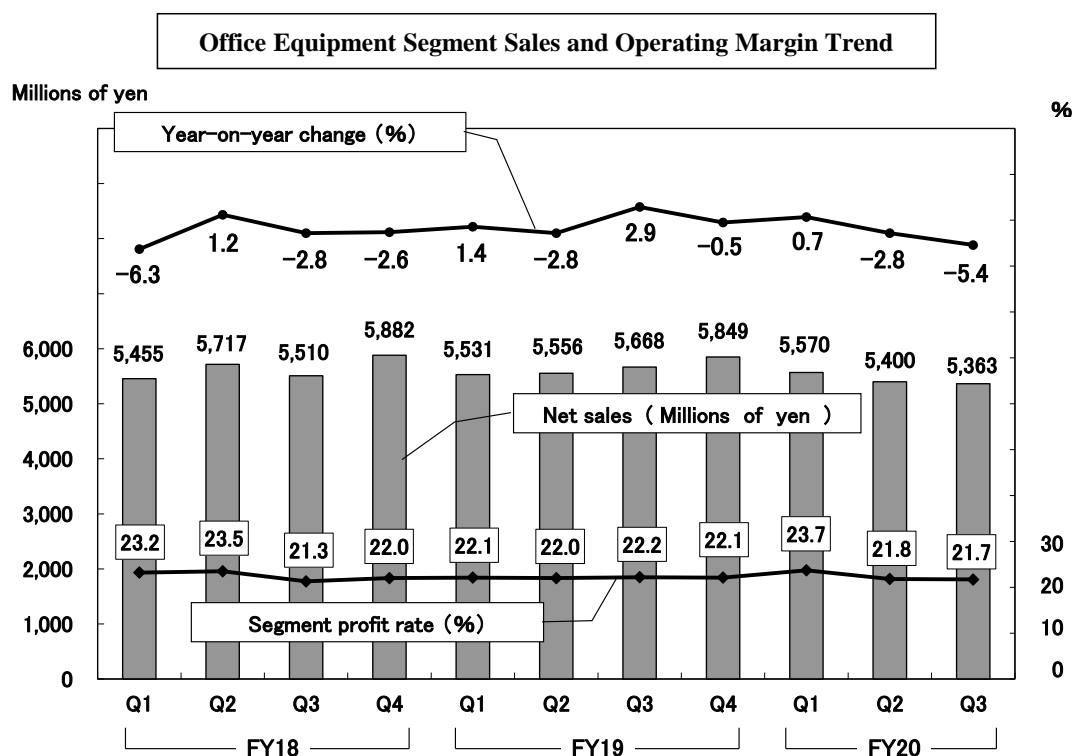
	Cumulative Q3/ FY 2020 (Ending March 2020)	Cumulative Q3/ FY 2019 (Ended March 2019)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	16,334	16,756	(421)	(2.5)
Segment Profit	3,663	3,704	(40)	(1.1)
Segment Profit Rate	22.4	22.1	+0.3 points	

Business results for the Office Equipment segment were as follows: Net sales ¥16,334 million (a decrease of 2.5% from the previous corresponding period), segment profit ¥3,663 million (a decrease of 1.1% from the previous corresponding period), and segment profit rate 22.4%.

In the domestic office operations, sales of the BEPOP label-making machines rose driven by proposal activities to improve safety-related signs at manufacturing plants. However, sales decreased for stationary related products and the tube marker LETATWIN for electrical equipment. As a result, the overall revenue decreased slightly.

In the overseas office operations, despite increased sales of the BEPOP label-making machines in the European market, the overall revenue fell due to continued decreased sales in stationary related products in the Asian market.

In the auto-stapler operations, there were signs of recovery in the sales of equipment which had decreased until the period ended September 30, 2019. However, the overall revenue remained the same year-on-year due to the effect of exchange rates with an appreciating yen.



## Industrial Equipment Segment

(Millions of yen, %)

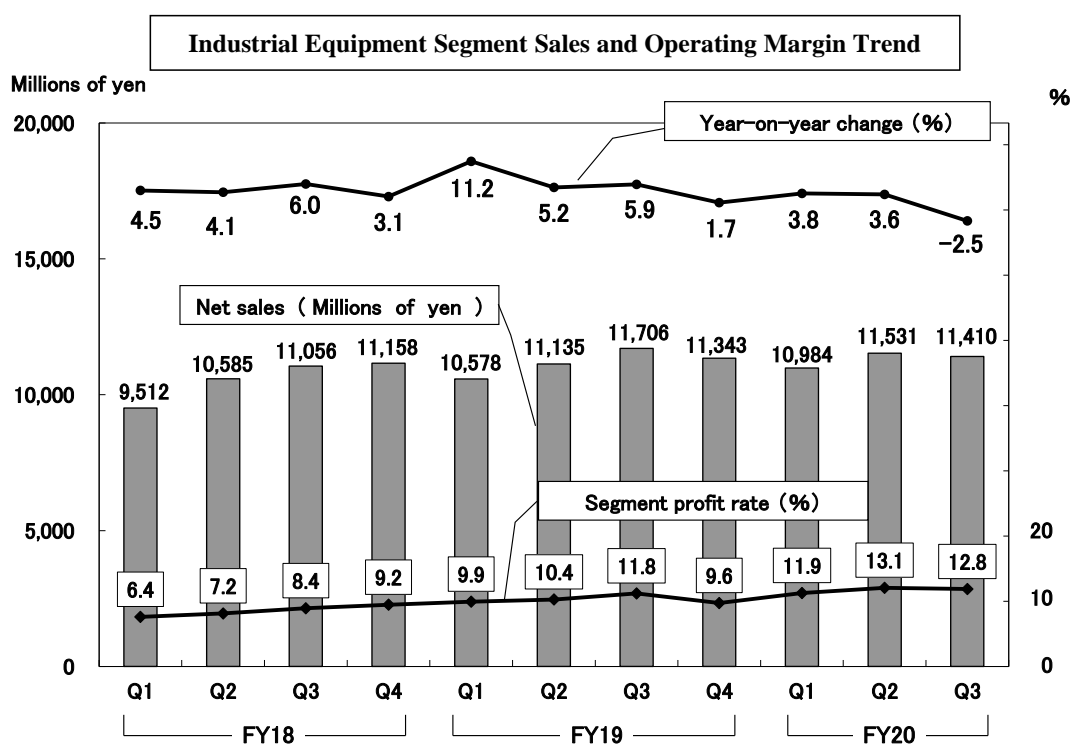
	Cumulative Q3/ FY 2020 (Ending March 2020)	Cumulative Q3/ FY 2019 (Ended March 2019)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	33,927	33,419	+507	+1.5
Segment Profit	4,281	3,592	+688	+19.2
Segment Profit Rate	12.6	10.8	+1.8 points	

Business results for the Industrial Equipment segment were as follows: Net sales ¥33,927 million (an increase of 1.5% from the previous corresponding period), segment profit ¥4,281 million (an increase of 19.2% from the previous corresponding period), and segment profit rate 12.6%.

In the domestic industrial equipment product operations, the revenue grew slightly due to the November release of new products for TWINTIER rebar tying tools, which enabled tying of large-diameter rebar. Adoption of these products is advancing in existing markets such as construction, as well as new markets such as civil engineering.

In the overseas industrial equipment product operations, the revenue increased due to heightened sales of tools for concrete structures caused by improved sales of consumables in conjunction with steady adoption of TWINTIER rebar tying tools in Western markets.

In the residential environmental equipment operations, the overall revenue decreased due to falling sales of ventilation systems, despite increased sales of DRYFAN bathroom heaters, ventilators and dehumidifiers, which are the mainstay of the business, in housing stock market.



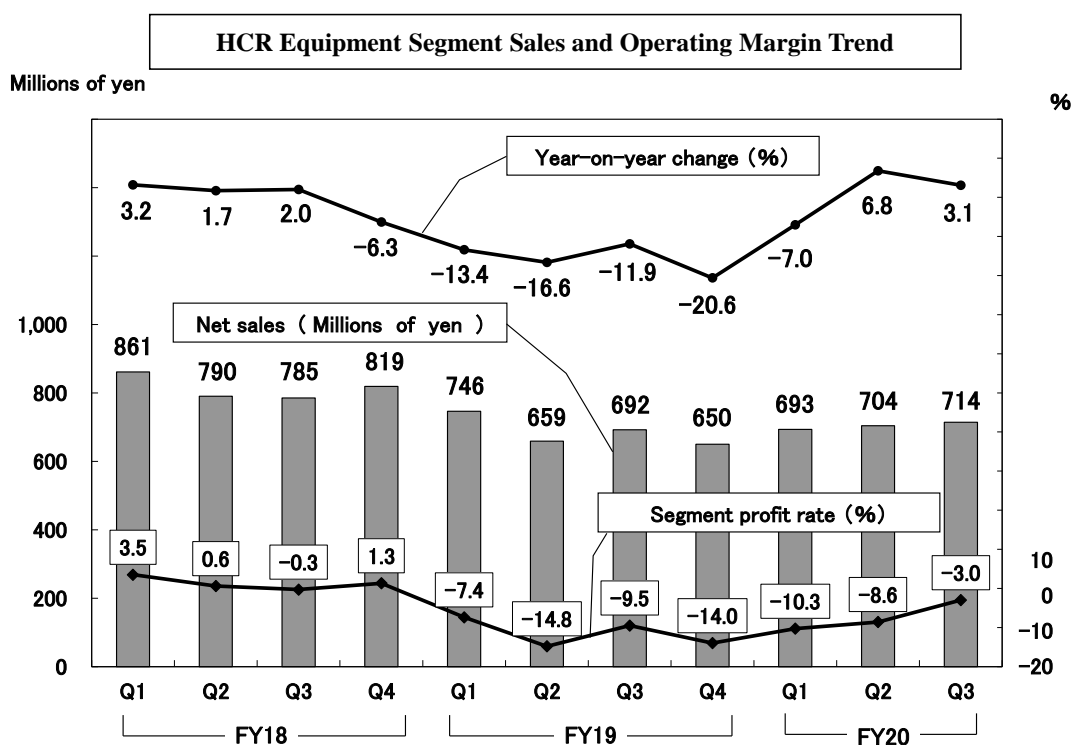
## HCR Equipment Segment

(Millions of yen, %)

	Cumulative Q3/ FY 2020 (Ending March 2020)	Cumulative Q3/ FY 2019 (Ended March 2019)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	2,112	2,098	+13	+0.7
Segment Profit	(153)	(219)	+65	—
Segment Profit Rate	(7.3)	(10.4)	+3.1 points	

Business results for the HCR Equipment segment were as follows: Net sales ¥2,112 million (an increase of 0.7% from the corresponding previous period) and a negative segment profit of ¥153 million.

The overall revenue increased slightly due to progress in the adoption of the new wheelchairs Modern Series, which were released in the previous period, by major rental routes, despite the impact of discontinued sales of old products.





## (2) Explanation Concerning Financial Position

### 1) Summary of Consolidated Balance Sheets

(Millions of yen, %)

	Q3/ FY 2020 (As of December 31, 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	99,776	98,174	+1,601	+1.6
Net Assets	76,221	73,950	+2,271	+3.1
Equity Ratio	76.3	75.2	+1.1 points	

Assets increased ¥1,601 million compared to the end of the previous consolidated fiscal year, to ¥99,776 million. Current assets decreased ¥2,953 million due to factors such as a fall of ¥1,906 million in marketable securities and a drop of ¥1,367 million in cash and deposits. Non-current assets increased ¥4,555 million due to factors such as a rise of ¥3,895 million in investment securities and an increase of ¥515 million in property, plant and equipment.

Liabilities decreased ¥669 million compared to the end of the previous consolidated fiscal year, to ¥23,555 million. Current liabilities decreased ¥289 million due to factors such as a fall of ¥739 million in provision for bonuses. Non-current liabilities decreased ¥380 million due to factors such as a drop of ¥416 million in net defined benefit liability.

Net assets increased ¥2,271 million compared to the end of the previous consolidated fiscal year, to ¥76,221 million. Shareholders' equity increased ¥2,226 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 ¥4,379 million.

Accumulated other comprehensive income increased ¥47 million as resulted from a rise of ¥411 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 ¥20,822 million due to a decrease of ¥1,367 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 ¥5,512 million. The key increases came from net income before income taxes of ¥6,051 million, depreciation of ¥1,848 million, an increase of ¥295 million in notes and accounts payable-trade, and a decrease of ¥274 million in notes and accounts receivable-trade. The key decreases came from ¥1,986 million paid as income taxes, an increase of ¥745 million in inventories, and a decrease of ¥738 million in provision for bonuses.

#### Cash flows from investment activities

Funds used in investment activities in the consolidated cumulative period under review amounted to ¥4,407 million. The key increase came from proceeds of ¥4,077 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 ¥6,316 million and purchase of property, plant and equipment of ¥2,035 million.

#### Cash flows from financing activities

Funds used in financing activities in the consolidated cumulative period under review amounted to ¥2,343 million. The key decrease was ¥2,150 million in cash dividends paid.

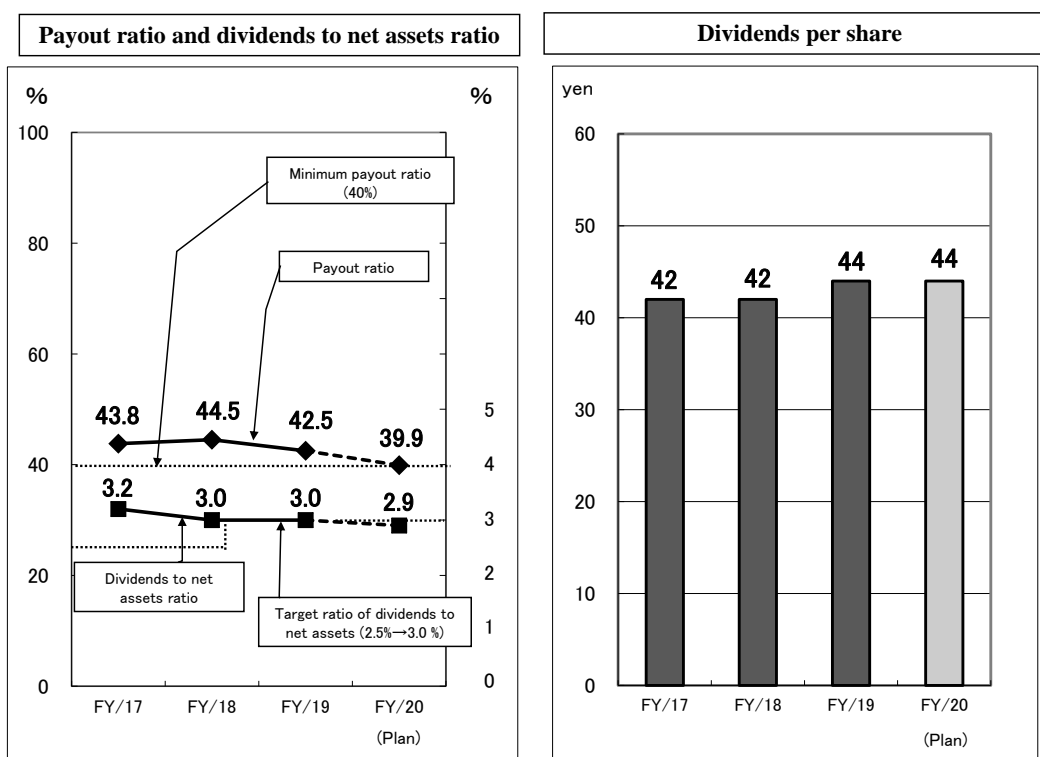
(3) Explanation Concerning Forward-looking Statements Such as Forecasts of Consolidated Operating Results

There are no changes to the forecast of consolidated operating results for the fiscal year ending March 31, 2020 announced on October 30, 2019.

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)	Q3/ FY 2020 (As of December 31, 2019)
<b>ASSETS</b>		
Current assets		
Cash and deposits	22,190	20,822
Notes and accounts receivable-trade	14,394	14,057
Marketable securities	4,915	3,009
Merchandise and finished goods	6,095	6,684
Work in process	782	865
Raw materials	1,097	1,115
Other	1,075	1,044
Allowance for doubtful accounts	(1)	(1)
<b>Total current assets</b>	<b>50,549</b>	<b>47,596</b>
Non-current assets		
Property, plant and equipment	19,188	19,703
Intangible assets	228	299
Investments and other assets		
Investment securities	23,552	27,447
Other	4,662	4,735
Allowance for doubtful accounts	(5)	(5)
<b>Total investments and other assets</b>	<b>28,208</b>	<b>32,177</b>
<b>Total non-current assets</b>	<b>47,624</b>	<b>52,179</b>
<b>Total assets</b>	<b>98,174</b>	<b>99,776</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable-trade	3,713	3,927
Short-term loans payable	1,850	1,850
Income taxes payable	1,082	711
Provision for bonuses	1,753	1,013
Provision for directors' bonuses	44	34
Provision for product warranties	112	142
Other	3,723	4,310
<b>Total current liabilities</b>	<b>12,279</b>	<b>11,990</b>
Non-current liabilities		
Long-term loans payable	150	150
Provision for product warranties	14	14
Net defined benefit liability	10,799	10,382
Asset retirement obligations	29	30
Other	952	988
<b>Total non-current liabilities</b>	<b>11,945</b>	<b>11,565</b>
<b>Total liabilities</b>	<b>24,224</b>	<b>23,555</b>

(Millions of yen)

	FY 2019 (As of March 31, 2019)	Q3/ FY 2020 (As of December 31, 2019)
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	12,367	12,367
Capital surplus	10,517	10,518
Retained earnings	51,533	53,760
Treasury stock	(319)	(320)
<b>Total shareholders' equity</b>	<b>74,099</b>	<b>76,325</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,417	1,207
Revaluation reserve for land	(339)	(339)
Foreign currency translation adjustment	(82)	(236)
Remeasurements of defined benefit plans	(1,253)	(842)
<b>Total accumulated other comprehensive income</b>	<b>(258)</b>	<b>(211)</b>
Non-controlling interests	109	106
<b>Total net assets</b>	<b>73,950</b>	<b>76,221</b>
<b>Total liabilities and net assets</b>	<b>98,174</b>	<b>99,776</b>

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

(Millions of yen)

	Cumulative Q3/ FY 2019 (From Apr. 1, 2018 to Dec. 31, 2018)	Cumulative Q3/ FY 2020 (From Apr. 1, 2019 to Dec. 31, 2019)
Net sales	52,274	52,374
Cost of sales	31,626	30,555
Gross profit	20,647	21,819
Selling, general and administrative expenses		
Salaries	4,271	4,272
Provision for bonuses	602	617
Provision for directors' bonuses	33	30
Retirement benefit expenses	821	757
Packing and delivery expenses	1,710	1,725
Promotion expenses	990	1,212
Depreciation	475	593
Other	6,276	6,504
Total selling, general and administrative expenses	15,181	15,712
Operating income	5,465	6,106
Non-operating income		
Interest income	49	56
Dividend income	140	137
Amortization of negative goodwill	5	—
Other	107	81
Total non-operating income	303	275
Non-operating expenses		
Interest expenses	29	29
Taxes and dues	4	10
Foreign exchange losses	28	207
Other	32	37
Total non-operating expenses	95	285
Ordinary income	5,674	6,097
Extraordinary income		
Gain on sales of non-current assets	—	1
Gain on sales of investment securities	10	118
Refund of customs duties from previous year	—	55
Total extraordinary income	10	175
Extraordinary loss		
Loss on sales of non-current assets	3	4
Loss on abandonment of non-current assets	17	195
Impairment loss	—	21
Total extraordinary loss	20	221
Net income before income taxes	5,664	6,051
Income taxes	1,678	1,670
Net income	3,985	4,381
Net income attributable to non-controlling interests	3	1
Net income attributable to shareholders of parental company	3,981	4,379

## (Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Cumulative Q3/ FY 2019 (From Apr. 1, 2018 to Dec. 31, 2018)	Cumulative Q3/ FY 2020 (From Apr. 1, 2019 to Dec. 31, 2019)
Net income	3,985	4,381
Other comprehensive income		
Valuation difference on available-for-sale securities	(694)	(210)
Foreign currency translation adjustment	(170)	(156)
Adjustments relating to retirement benefits	449	411
Total other comprehensive income	(414)	44
Comprehensive income	3,570	4,426
(Breakdown)		
Comprehensive income attributable to shareholders of parental company	3,570	4,426
Comprehensive income attributable to non- controlling interests	0	(0)

## (3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Cumulative Q3/ FY 2019 (From Apr. 1, 2018 to Dec. 31, 2018)	Cumulative Q3/ FY 2020 (From Apr. 1, 2019 to Dec. 31, 2019)
<b>Cash flows from operating activities</b>		
Net income before income taxes	5,664	6,051
Depreciation	1,621	1,848
Amortization of goodwill	104	—
Amortization of negative goodwill	(5)	—
Impairment loss	—	21
Increase (decrease) in allowance for doubtful accounts	(0)	0
Increase (decrease) in provision for bonuses	(821)	(738)
Increase (decrease) in provision for directors' bonuses	(8)	(10)
Increase (decrease) in provision for product warranties	3	30
Increase (decrease) in net defined benefit liability	247	175
Interest and dividend income	(190)	(193)
Interest expenses	29	29
Foreign exchange losses (gains)	(2)	4
Loss on abandonment of non-current assets	17	195
Loss (gain) on sales of non-current assets	3	2
Refund of customs duties from previous year	—	(55)
Loss (gain) on sales of short-term and long-term investment securities	(10)	(118)
Increase (decrease) in deposits received from employees	310	237
Decrease (increase) in notes and accounts receivable-trade	799	274
Decrease (increase) in inventories	(791)	(745)
Increase (decrease) in notes and accounts payable-trade	119	295
Increase (decrease) in accrued consumption taxes	15	133
Decrease (increase) in other assets	(202)	(272)
Increase (decrease) in other liabilities	47	57
Subtotal	6,951	7,222
Interest and dividend income received	260	247
Interest expenses paid	(20)	(26)
Income taxes (paid) refund	(1,902)	(1,986)
Refund of customs duties from previous year	—	55
<b>Cash flows from operating activities</b>	<b>5,288</b>	<b>5,512</b>
<b>Cash flows from investment activities</b>		
Purchase of short-term and long-term investment securities	(7,373)	(6,316)
Proceeds from sales and redemption of short-term and long-term investment securities	4,513	4,077
Purchase of property, plant and equipment	(2,458)	(2,035)
Proceeds from sales of property, plant and equipment	9	9
Purchase of intangible assets	(51)	(138)
Payments of loans receivable	(12)	(39)
Collection of loans receivable	45	34
<b>Cash flows from investment activities</b>	<b>(5,326)</b>	<b>(4,407)</b>

	(Millions of yen)	
	Cumulative Q3/ FY 2019 (From Apr. 1, 2018 to Dec. 31, 2018)	Cumulative Q3/ FY 2020 (From Apr. 1, 2019 to Dec. 31, 2019)
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(0)	(1)
Proceeds from sales of treasury shares	—	0
Cash dividends paid	(2,067)	(2,150)
Cash dividends paid to non-controlling shareholders	(0)	(1)
Repayments of lease obligations	(167)	(190)
<b>Cash flows from financing activities</b>	<b>(2,236)</b>	<b>(2,343)</b>
Effect of exchange rate change on cash and cash equivalents	(66)	(129)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,341)</b>	<b>(1,367)</b>
Balance of cash and cash equivalents, beginning of the period	23,722	22,190
<b>Quarterly balance of cash and cash equivalents at the end of the period</b>	<b>21,381</b>	<b>20,822</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.

(Segment Information)

Cumulative Q3 of FY 2019 (From April 1, 2018 to December 31, 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	16,756	33,419	2,098	—	52,274
Inter-segment sales or transfers	—	—	—	—	—
Total	16,756	33,419	2,098	—	52,274
Segment profit (loss)	3,704	3,592	(219)	(1,612)	5,465

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

2. The segment profit adjustment of negative ¥1,612 million includes the negative ¥1,612 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 2020 (From April 1, 2019 to December 31, 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	16,334	33,927	2,112	—	52,374
Inter-segment sales or transfers	—	—	—	—	—
Total	16,334	33,927	2,112	—	52,374
Segment profit (loss)	3,663	4,281	(153)	(1,684)	6,106

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

2. The segment profit adjustment of negative ¥1,684 million includes the negative ¥1,684 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.