

## Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 [Japan Standards] (Consolidated)

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 Date of annual shareholder meeting June 26, 2020  
 Date of filing of financial statements June 26, 2020  
 Date of commencement of dividend payment June 29, 2020  
 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 Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)

#### (1) Consolidated Operating Results (Total)

(% 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	%
FY ended March 2020	69,671	(0.6)	7,586	6.1	7,405	2.1	5,510	8.8
FY ended March 2019	70,118	2.9	7,150	16.5	7,253	19.4	5,064	8.8

(Note) Comprehensive income

FY ended March 31, 2020: 4,176 million yen (-16.1%)  
 FY ended March 31, 2019: 4,978 million yen (-22.7%)

	Net Income per Share	Net Income per Share after Dilution	ROE	ROA	Operating Margin
	Yen	Yen	%	%	%
FY ended March 2020	112.67	—	7.4	7.5	10.9
FY ended March 2019	102.92	—	7.0	7.5	10.2

(Reference) Equity in (earnings) losses of affiliates

FY ended March 31, 2020: — million yen  
 FY ended March 31, 2019: — million yen

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2020	99,378	75,972	76.3	1,551.34
As of March 31, 2019	98,174	73,950	75.2	1,509.80

(Reference) Shareholders' equity

As of March 31, 2020: 75,871 million yen  
 As of March 31, 2019: 73,840 million yen

#### (3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financial Activities	Cash and Cash Equivalents at End of the Year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY ended March 31, 2020	8,196	(5,916)	(2,411)	21,849
FY ended March 31, 2019	7,814	(6,384)	(2,824)	22,190

## 2. Dividends

	Dividends per Share					Total Dividends	Payout Ratio (Consolidated)	Dividend on Equity (Consolidated)
	End of Q1	End of Q2	End of Q3	End of Q4	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY ended March 2019	—	—	—	44.00	44.00	2,151	42.5	3.0
FY ended March 2020	—	—	—	46.00	46.00	2,249	40.8	3.0
FY ending March 2021 (Forecast)	—	—	—	—	—		—	

(Note) At the current time, we have not decided the forecast for year-end dividends for the fiscal year ending March 31, 2021. We will promptly announce dividends once it becomes possible to announce the operating results forecast.

## 3. Forecasts of Consolidated Operating Results for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

At the current time, we have not decided the forecasted consolidated operating results for the fiscal year ending March 31, 2021 due to the impact of COVID-19 making rational estimate difficult. We will promptly announce the operating results forecast when such disclosure becomes possible.

### \* Notes

(1) Changes in material subsidiaries during the fiscal term under review (changes in specific subsidiaries affecting the scope of consolidation): None

New: — (Company name: ) Excluded: — (Company name: )

(2) 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

(3) Number of outstanding shares (common stock)

1) Number of shares outstanding at term-end (including treasury stock)

As of March 31, 2020: 49,141,426 shares

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

2) Amount of treasury stock at term-end

As of March 31, 2020: 234,263 shares

As of March 31, 2019: 233,737 shares

3) Amount of average stock during term

Twelve months ended March 31, 2020: 48,907,406 shares

Twelve months ended March 31, 2019: 49,207,126 shares

(Reference) Non-consolidated Operating Results

**Non-consolidated Operating Results for the Fiscal Year Ended March 31, 2020**

**(April 1, 2019 to March 31, 2020)**

(1) Non-consolidated Operating Results

(% figures represent year-on-year increase or decrease)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended March 2020	61,115	(2.2)	4,586	(16.2)	5,161	(15.8)	3,984	(13.2)
FY ended March 2019	62,498	2.2	5,476	10.4	6,129	14.0	4,590	8.1

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
FY ended March 2020	81.47	—
FY ended March 2019	93.29	—

(2) Non-consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2020	93,479	72,572	77.6	1,483.88
As of March 31, 2019	93,433	71,798	76.8	1,468.04

(Reference) Shareholders' equity

As of March 31, 2020: 72,572 million yen  
As of March 31, 2019: 71,798 million yen

**\*This summary of financial results is not subject to audits of 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 noted when using the forecast, please refer to page 8 of the appendix, "1. Summary of Operating Results, (3) Future Prospects."

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## [Qualitative Information and Financial Statements]

### 1. Summary of Operating Results

#### (1) Summary of Operating Results for the Current Term

##### 1) Business results of all companies during the consolidated fiscal year under review

(Millions of yen, %)

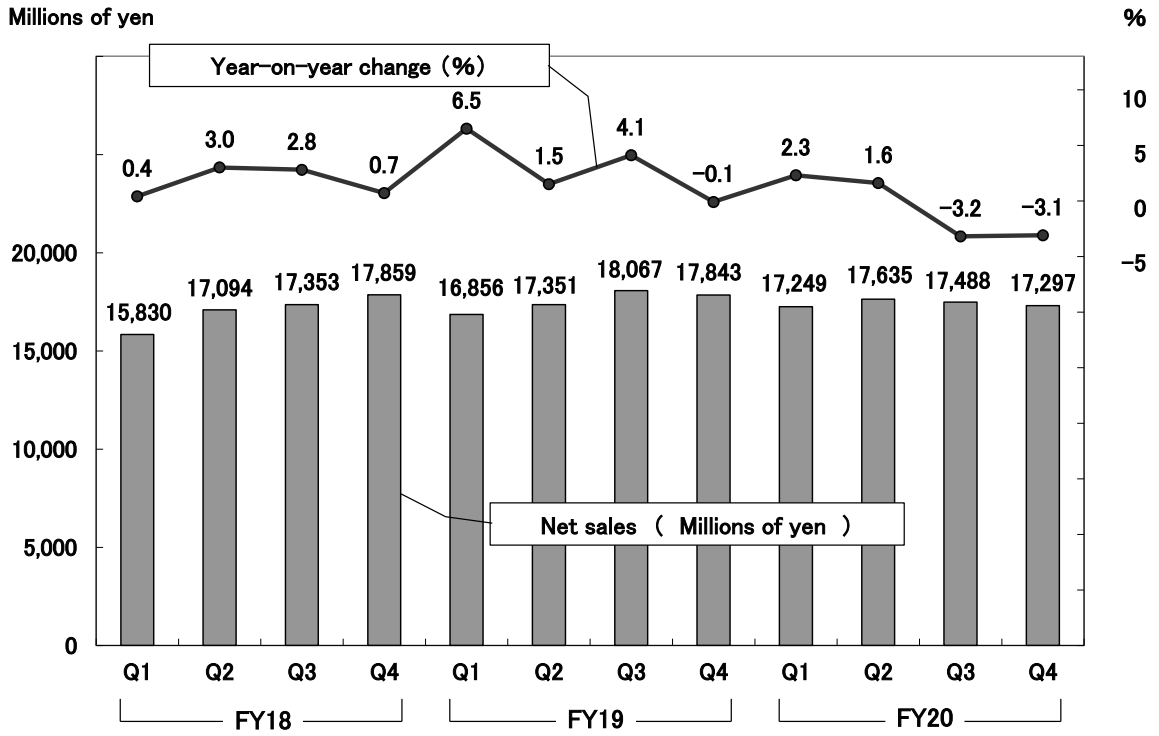
	FY 2020 (Ended March 2020)	FY 2019 (Ended March 2019)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	69,671	70,118	(446)	(0.6)
Operating Income	7,586	7,150	+435	+6.1
Ordinary Income	7,405	7,253	+152	+2.1
Net Income Attributable to Shareholders of Parental Company	5,510	5,064	+446	+8.8
Net Income per Share (yen)	112.67 yen	102.92 yen	+9.75 yen	—
Operating Margin	10.9	10.2	+0.7 points	
ROE	7.4	7.0	+0.4 points	

During the consolidated fiscal year under review (from April 1, 2019 to March 31, 2020), although individual consumption continued to recover supported by improving employment conditions and income environment, the Japanese economic recovery suddenly worsened at the end of the fiscal year due to the spread of COVID-19. In the housing market which affects the Group's Industrial Equipment segment, the number of new housing construction starts in Japan decreased compared to the previous fiscal year due to a decrease in rental housing construction starts caused by strict financing of financial institutions. Looking overseas, the U.S. economy continued to grow due to increased personal consumption caused by a growth in employment. The European economy showed weak recovery due to factors such as uncertainty immediately preceding the withdrawal of the U.K. from the European Union. The Asian economic growth slowed slightly due to the impact of trade issues in China. Overall, the environment surrounding the Group is becoming increasingly tough due to factors such as COVID-19 spreading in countries throughout the world.

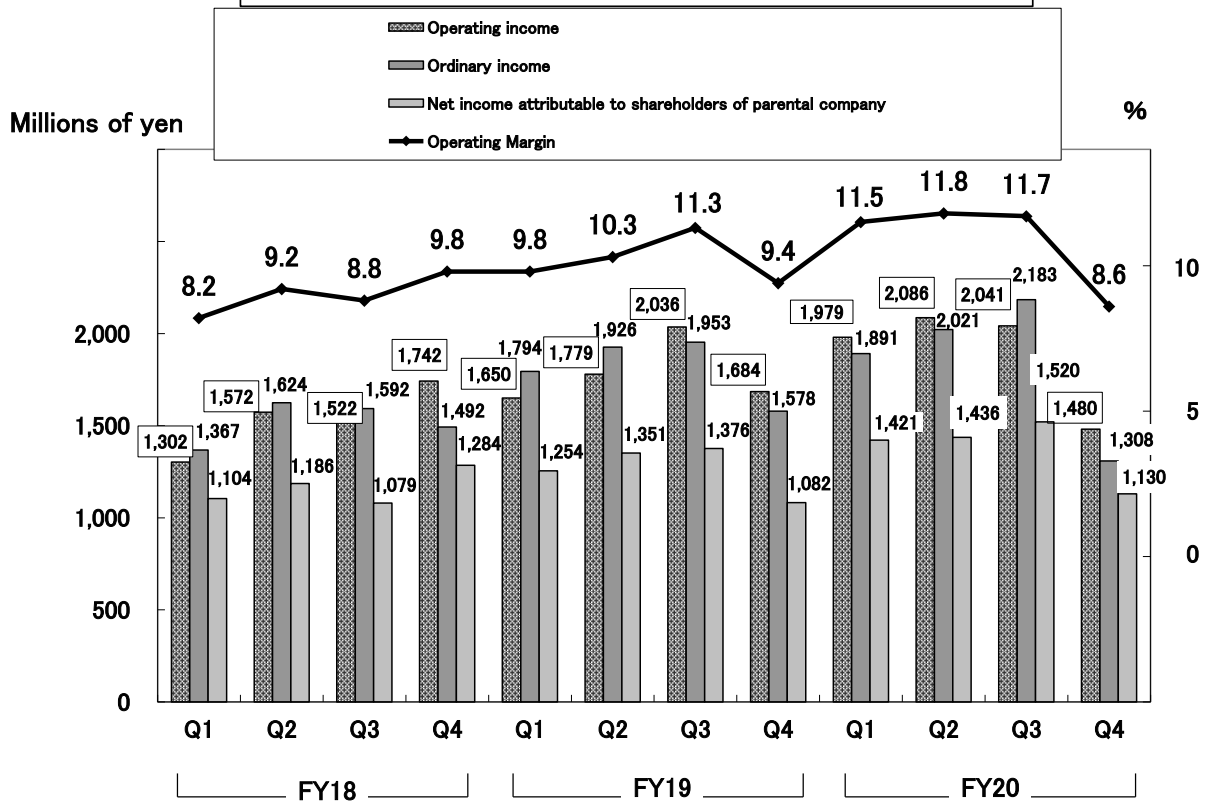
Amidst these circumstances, although revenue increased in the Industrial Equipment segment in the fiscal year under review, revenue decreased in the Office Equipment segment. In terms of profit, profits increased due to the Group expanding sales of TWINTIER rebar tying tools and improving profitability of industrial equipment product operations both domestically and overseas.

Net sales decreased 0.6% from the previous fiscal year to ¥69,671 million, while operating income increased 6.1% from the previous fiscal year to ¥7,586 million. Ordinary income increased 2.1% from the previous fiscal year to ¥7,405 million, and net income attributable to shareholders of parental company also increased 8.8% from the previous fiscal year to ¥5,510 million.

### Quarterly Net Sales Trend and Changes Year-on-Year



### Quarterly Earnings Trend



2) Results by business sector  
Office Equipment Segment

(Millions of yen, %)

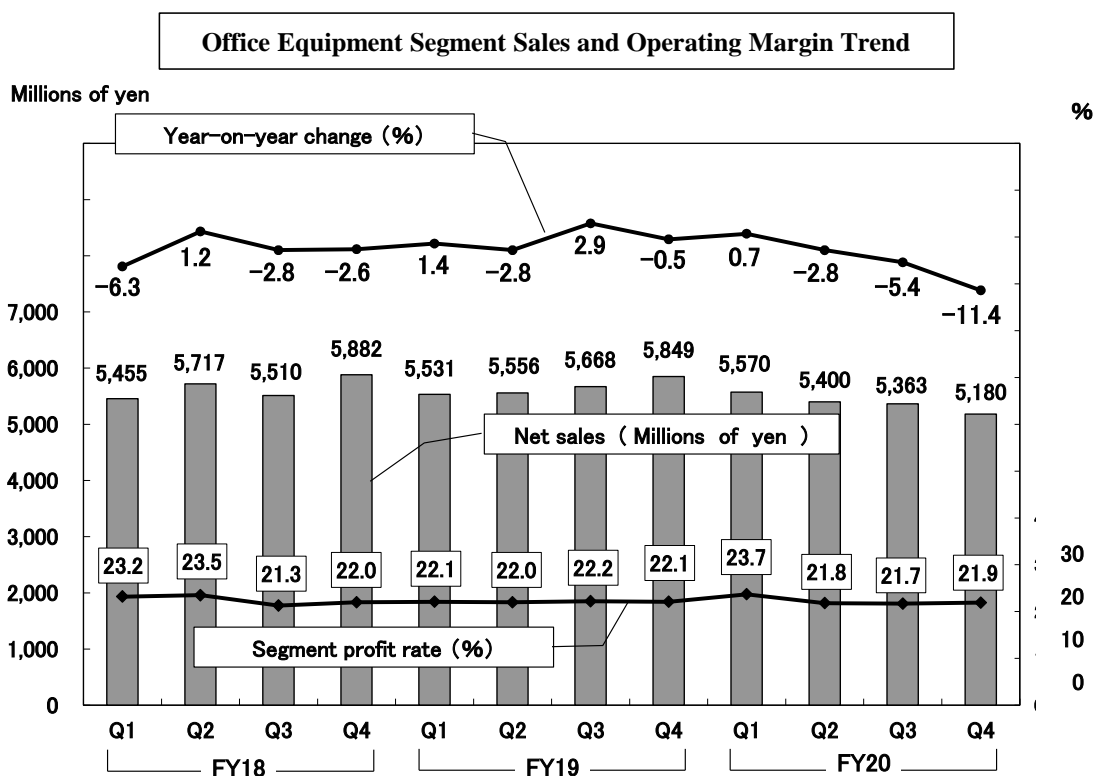
	FY 2020 (Ended March 2020)	FY 2019 (Ended March 2019)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	21,515	22,606	(1,091)	(4.8)
Segment Profit	4,797	4,999	(202)	(4.1)
Segment Profit Rate	22.3	22.1	+0.2 points	

Business results for the Office Equipment segment were as follows: Net sales of ¥21,515 million (a decrease of 4.8% from the previous term), segment profit of ¥4,797 million (a decrease of 4.1% from the previous term), and segment profit rate of 22.3%.

Although sales increased for BEPOP label-making machines, which are being introduced to manufacturing plants in order to make safety-related signs, and for label printers for food labeling in conjunction with revision of food labeling regulations, sales decreased for stationery-related products and LETATWIN tube markers. Overall, domestic office operations posted a decrease in revenue.

In the overseas office operations, sales of BEPOP label-making machines in the European market increased thanks to sales expansion by the Lighthouse (UK) Ltd. However, sales of stationery-related products decreased in the Asian market. This resulted in overall decreased revenue.

In auto-stapler operations, sales decreased due to a fall in production at copy machine manufacturers caused by the spread of COVID-19. Furthermore, revenue decreased due to appreciation of the yen.



Industrial Equipment Segment

(Millions of yen, %)

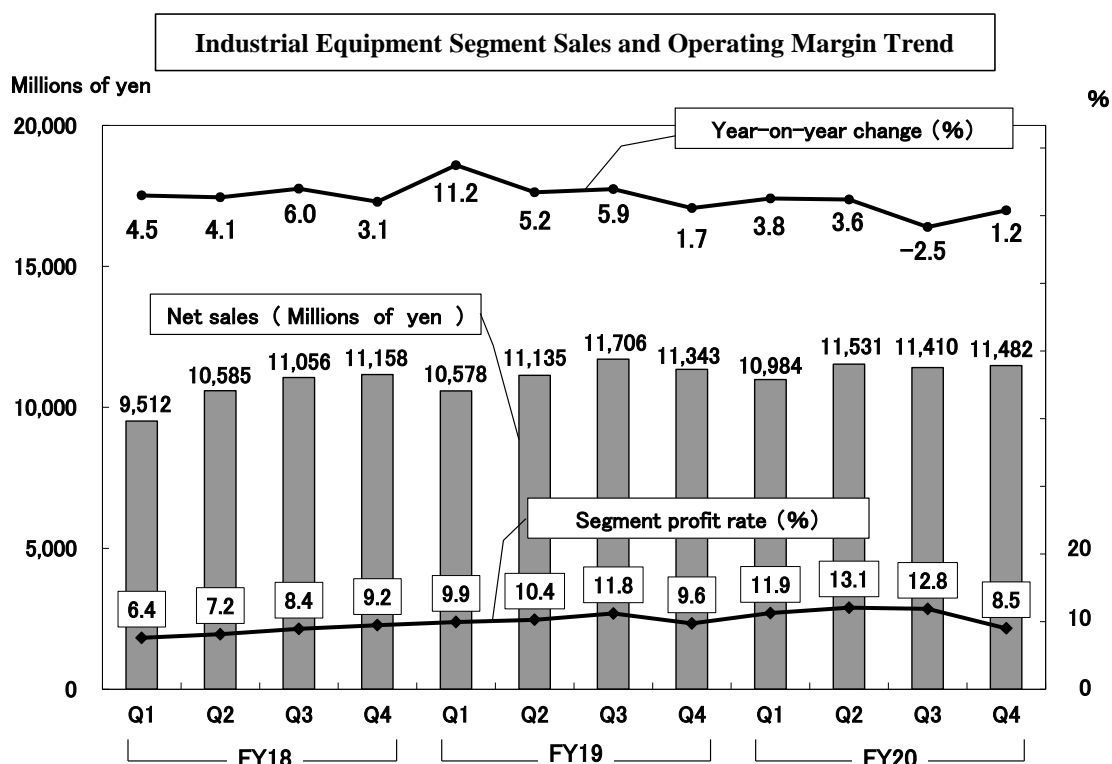
	FY 2020 (Ended March 2020)	FY 2019 (Ended March 2019)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	45,409	44,763	+646	+1.4
Segment Profit	5,262	4,684	+577	+12.3
Segment Profit Rate	11.6	10.5	+1.1 points	

Business results for the Industrial Equipment segment were as follows: Net sales of ¥45,409 million (an increase of 1.4% from the previous term), segment profit of ¥5,262 million (an increase of 12.3% from the previous term), and segment profit rate of 11.6%.

In the domestic industrial equipment product operations, advancing adoption in new markets for the TWINTIER rebar tying tools continued, thus resulting in increased sales for consumable products and increased sales of tools for concrete structures. However, the sales of tools for wooden structures decreased. Overall, this resulted in a decrease of revenue.

In the overseas industrial equipment product operations, as the result of the Group expanding its presence in the existing construction market and the civil engineering market through the release of new products, introduction of the TWINTIER rebar tying tools in Western markets proceeded smoothly for both machinery and consumables. Overall, this resulted in an increase of revenue.

In the residential environmental equipment operations, although there was an increase in sales of DRYFAN bathroom heaters, ventilators and dehumidifiers in the housing stock market, there was a decrease in sales for ventilation systems. Overall, this resulted in a decrease of revenue.



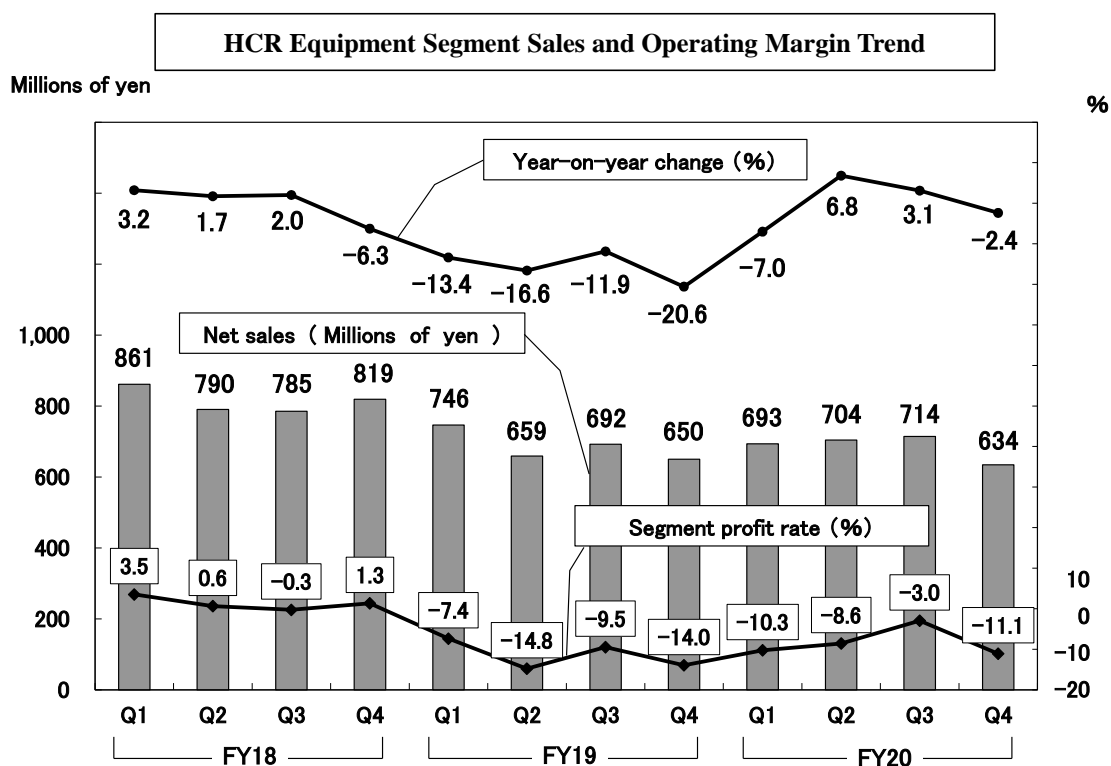


HCR Equipment Segment

(Millions of yen, %)

	FY 2020 (Ended March 2020)	FY 2019 (Ended March 2019)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	2,746	2,748	(1)	(0.1)
Segment Profit	(224)	(310)	+85	—
Segment Profit Rate	(8.2)	(11.3)	+3.1 points	

Business results for the HCR Equipment segment were as follows: Net sales of ¥2,746 million (down 0.1% compared to the previous fiscal year) and a negative segment profit of ¥224 million. This was due to factors including a delay in the launch of new products and a decrease in operation of production plants caused by COVID-19, despite an increase in the sales of high-unit-price wheelchairs.



## (2) Summary of Financial Position for the Current Term

### 1) Analysis of the Consolidated Balance Sheets

(Millions of yen, %)

	FY 2020 (As of March 31, 2020)	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	99,378	98,174	+1,204	+1.2
Net Assets	75,972	73,950	+2,021	+2.7
Equity Ratio	76.3	75.2	+1.1 points	

Assets increased ¥1,204 million compared to the end of the previous consolidated fiscal year, to ¥99,378 million. Current assets decreased ¥3,612 million due to factors such as a fall of ¥2,109 million in marketable securities, a decrease of ¥868 million in notes and accounts receivable-trade, and a drop of ¥340 million in cash and deposits. Non-current assets increased ¥4,816 million due to factors such as a rise of ¥3,767 million in investment securities.

Liabilities decreased ¥817 million compared to the end of the previous consolidated fiscal year, to ¥23,406 million. Current liabilities decreased ¥715 million due to factors such as a fall of ¥576 million in accounts payable-trade and a drop of ¥277 million in accounts payable. Non-current liabilities decreased ¥102 million due to factors such as a decrease of ¥137 million in net defined benefit liability.

Net assets increased ¥2,021 million compared to the end of the previous consolidated fiscal year, to ¥75,972 million. Shareholders' equity increased ¥3,357 million. One key factor was the ¥5,510 million net income attributable to shareholders of parental company, despite the ¥2,151 million paid out in cash dividends.

Accumulated other comprehensive income decreased ¥1,326 million. This was due to factors including an increase in remeasurements of defined benefit plans of ¥186 million and a decrease in valuation difference on available-for-sale securities of ¥1,055 million.

### 2) Analysis of Consolidated Cash Flows

#### Summary of Consolidated Cash Flows

(Millions of yen)

Category	FY 2019	FY 2020	Increase (decrease)
Cash and cash equivalents at beginning of the year	23,722	22,190	(1,532)
Funds provided by (used in) operating activities	7,814	8,196	+381
Funds provided by (used in) investment activities	(6,384)	(5,916)	+467
Funds provided by (used in) financing activities	(2,824)	(2,411)	+413
Effect of exchange rate change on cash and cash equivalents	(137)	(208)	(70)
Net increase (decrease) in cash and cash equivalents	(1,532)	(340)	+1,192
Cash and cash equivalents at end of the year	22,190	21,849	(340)

#### Analysis of Consolidated Cash Flows

The balance of cash and cash equivalents ("funds") at the end of the consolidated fiscal year under review was ¥21,849 million due to a decrease of ¥340 million.

Factors in the status of each type of cash flow in the consolidated fiscal year under review were as follows.

#### Cash flows from operating activities

Funds provided by operating activities in the consolidated fiscal year under review amounted to ¥8,196 million. The key increases came from net income before income taxes of ¥7,432 million and depreciation of ¥2,466 million. The key decrease came from ¥2,310 million paid as income taxes.

#### Cash flows from investment activities

Funds used in investment activities in the consolidated fiscal year under review amounted to ¥5,916 million. The key decreases came from purchase of short-term and long-term investment securities of ¥8,620 million, and purchase of property, plant and equipment of ¥2,722 million. The key increase came from proceeds of ¥5,466 million from sales and redemption of short-term and long-term investment securities.

#### Cash flows from financing activities

Funds used in financing activities in the consolidated fiscal year under review amounted to ¥2,411 million. The key decrease was ¥2,152 million in cash dividends paid.

The trend of the Group's cash flow indicators is as follows.

	FY 2017	FY 2018	FY 2019	FY 2020
Equity Ratio (%)	72.2	74.3	75.2	76.3
Market Value-Based Equity Ratio (%)	78.4	70.0	81.1	81.9
Cash Flow to Interest Bearing Debt Ratio (annual)	0.3	0.4	0.3	0.3
Interest Coverage Ratio (times)	185.6	172.7	236.1	207.7

- Equity Ratio: Shareholders' Equity ÷ Total Assets
- Market Value-Based Equity Ratio: Market Value of Shares ÷ Total Assets
- Cash Flow to Interest Bearing Debt Ratio: Interest-Bearing Debt ÷ Operating Cash Flows
- Interest Coverage Ratio: Operating Cash Flows ÷ Interest Payments

(Note 1) In each case, indices are calculated based on consolidated financial figures.

(Note 2) Market Value of Shares is based on the number of outstanding shares excluding treasury stock.

(Note 3) For Cash Flow, operating cash flow is used.

(Note 4) Interest-Bearing Debt includes all debt on the consolidated balance sheets that incur interest.

### (3) Future Prospects

When examining the business environment surrounding the Group, tough conditions are forecasted to continue due to the spread of COVID-19. We expect the Group's business to be impacted by a decrease in corporate activities and personal consumption caused by restrictions on economic activity in order to prevent the spread of COVID-19. However, at the current time, uncertainty regarding the scale and timeframe of the influence of COVID-19 makes it difficult to rationally estimate the operating results forecast.

We will promptly announce the operating results forecast when such disclosure becomes possible.

### (4) Basic Policy Relating to Distribution of Profits and Dividends for the Current and Coming Term

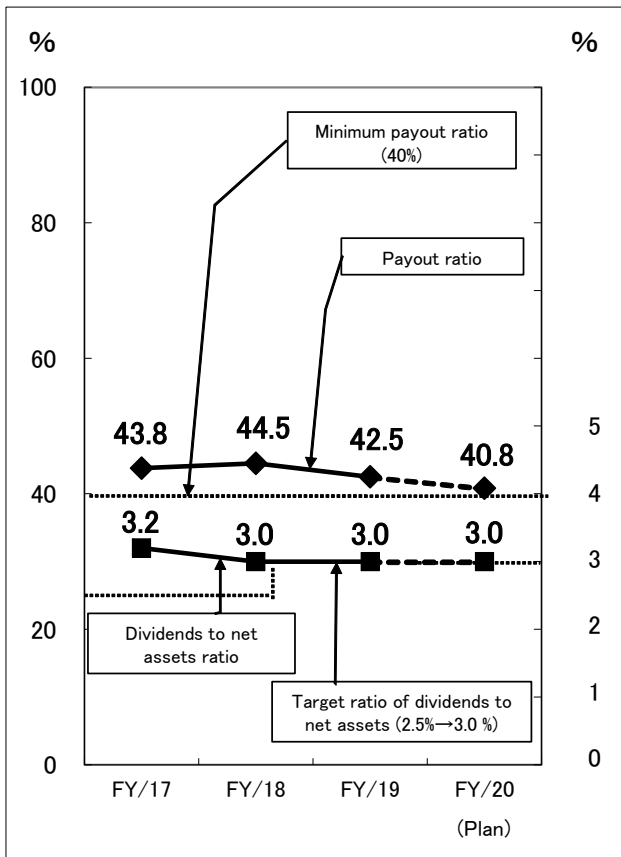
The Company has positioned returning profits to shareholders as one of the highest priority policies and it is the Company's fundamental policy to stably distribute results supported by corporate performance by pursuing growth of the business and business profits. In accordance with this policy, the Company seeks to maintain a minimum of 40% payout ratio with a target ratio of dividends to net assets of 3.0%.

In the fiscal year under review, we achieved robust business profit throughout the Company due to growth of the Industrial Equipment segment by expanding sales of TWINTIER rebar tying tools both in Japan and overseas. In the fiscal year under review, based on consideration for our dividend policy and financial conditions, the Group plans to pay an "annual dividend of ¥46 per share."

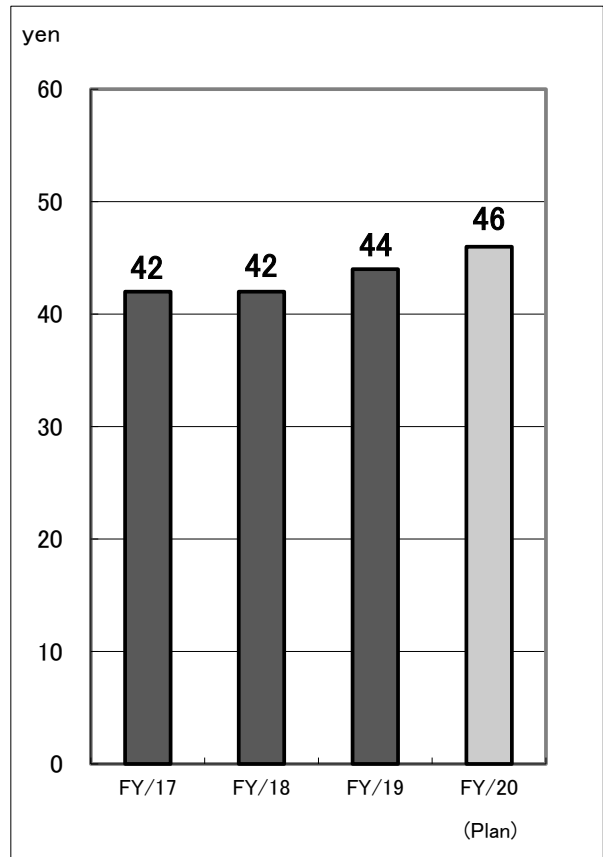
#### Outlook for Dividends for Coming Term

We have not decided the next dividend because it is difficult to forecast operating results at the current time. We will promptly announce dividends once it becomes possible to announce the operating results forecast.

### Payout ratio and dividends to net assets ratio



### Dividends per share



## 2. Basic Approach to Selection of Accounting Standards

For the time being, the Group has applied the Japanese standards to its consolidated financial statements, as we have no listing overseas scheduled and have only a few operating locations overseas. However, considering the shift in foreign shareholders' percentage and trends of International Financial Reporting Standards (IFRS) adoption in other domestic companies, the Group is open to further consider the use of IFRS.

### 3. Consolidated Financial Statement and Main Notes

#### (1) Consolidated Balance Sheets

(Millions of yen)

	FY 2019 (As of March 31, 2019)	FY 2020 (As of March 31, 2020)
<b>ASSETS</b>		
Current assets		
Cash and deposits	22,190	21,849
Notes and accounts receivable-trade	14,394	13,526
Marketable securities	4,915	2,805
Merchandise and finished goods	6,095	6,091
Work in process	782	858
Raw materials	1,097	1,025
Other	1,075	780
Allowance for doubtful accounts	(1)	(1)
<b>Total current assets</b>	<b>50,549</b>	<b>46,937</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,484	6,622
Machinery, equipment and vehicles, net	3,413	3,606
Land	7,253	7,165
Leased assets, net	451	567
Construction in progress	541	585
Other, net	1,044	1,102
<b>Total property, plant and equipment</b>	<b>19,188</b>	<b>19,649</b>
Intangible assets		
Other	228	316
<b>Total intangible assets</b>	<b>228</b>	<b>316</b>
Investments and other assets		
Investment securities	23,552	27,319
Long-term loans receivable	200	220
Deferred tax assets	3,633	4,051
Other	827	889
Allowance for doubtful accounts	(5)	(5)
<b>Total investments and other assets</b>	<b>28,208</b>	<b>32,474</b>
<b>Total non-current assets</b>	<b>47,624</b>	<b>52,441</b>
<b>Total assets</b>	<b>98,174</b>	<b>99,378</b>

(Millions of yen)

	FY 2019 (As of March 31, 2019)	FY 2020 (As of March 31, 2020)
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable-trade	3,713	3,136
Short-term loans payable	1,850	1,850
Lease obligations	177	266
Accounts payable	2,136	1,859
Income taxes payable	1,082	841
Accrued consumption taxes	93	341
Provision for bonuses	1,753	1,730
Provision for directors' bonuses	44	44
Provision for product warranties	112	87
Other	1,315	1,407
<b>Total current liabilities</b>	<b>12,279</b>	<b>11,563</b>
Non-current liabilities		
Long-term loans payable	150	150
Lease obligations	273	300
Deferred tax liabilities	26	45
Deferred tax liabilities for land revaluation	474	474
Provision for product warranties	14	13
Net defined benefit liability	10,799	10,661
Asset retirement obligations	29	30
Other	177	166
<b>Total non-current liabilities</b>	<b>11,945</b>	<b>11,842</b>
<b>Total liabilities</b>	<b>24,224</b>	<b>23,406</b>
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	12,367	12,367
Capital surplus	10,517	10,518
Retained earnings	51,533	54,891
Treasury stock	(319)	(320)
<b>Total shareholders' equity</b>	<b>74,099</b>	<b>77,456</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,417	361
Revaluation reserve for land	(339)	(339)
Foreign currency translation adjustment	(82)	(539)
Remeasurements of defined benefit plans	(1,253)	(1,066)
<b>Total accumulated other comprehensive income</b>	<b>(258)</b>	<b>(1,585)</b>
Non-controlling interests	109	100
<b>Total net assets</b>	<b>73,950</b>	<b>75,972</b>
<b>Total liabilities and net assets</b>	<b>98,174</b>	<b>99,378</b>

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

(Millions of yen)

	FY 2019 (From April 1, 2018 to March 31, 2019)	FY 2020 (From April 1, 2019 to March 31, 2020)
Net sales	70,118	69,671
Cost of sales	42,387	40,544
Gross profit	27,731	29,127
Selling, general and administrative expenses	20,580	21,541
Operating income	7,150	7,586
Non-operating income		
Interest income	63	76
Dividend income	150	146
Rent income	16	15
Amortization of negative goodwill	7	—
Other	109	97
Total non-operating income	347	335
Non-operating expenses		
Interest expenses	38	39
Taxes and dues	6	14
Foreign exchange losses	116	412
Depreciation	26	8
Other	55	41
Total non-operating expenses	244	516
Ordinary income	7,253	7,405
Extraordinary income		
Gain on sales of non-current assets	62	20
Gain on sales of investment securities	10	315
Gain on sales of golf memberships	5	—
Refund of customs duties from previous year	—	217
Total extraordinary income	77	553
Extraordinary loss		
Loss on sales of non-current assets	3	4
Loss on abandonment of non-current assets	191	212
Loss on valuation of investment securities	—	288
Impairment loss	11	21
Total extraordinary loss	206	526
Net income before income taxes	7,124	7,432
Income taxes-current	2,107	2,009
Income taxes-deferred	(52)	(88)
Total income taxes	2,055	1,920
Net income	5,068	5,511
Net income attributable to non-controlling interests	4	1
Net income attributable to shareholders of parental company	5,064	5,510

## (Consolidated Statement of Comprehensive Income)

(Millions of yen)

	FY 2019 (From April 1, 2018 to March 31, 2019)	FY 2020 (From April 1, 2019 to March 31, 2020)
Net income	5,068	5,511
Other comprehensive income		
Valuation difference on available-for-sale securities	(529)	(1,055)
Revaluation reserve for land	(1)	—
Foreign currency translation adjustment	(143)	(465)
Adjustments relating to retirement benefits	583	186
Total other comprehensive income	(90)	(1,334)
Comprehensive income	4,978	4,176
(Breakdown)		
Comprehensive income attributable to shareholders of parental company	4,974	4,183
Comprehensive income attributable to non-controlling interest	3	(6)



(3) Consolidated Statements of Changes in Net Assets  
Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	12,367	10,518	49,029	(278)	71,636
Changes of items during the period					
Dividends of surplus			(2,069)		(2,069)
Net Income attributable to shareholders of parental company			5,064		5,064
Purchase of treasury shares				(532)	(532)
Retirement of treasury shares		(0)	(490)	491	—
Net changes of items other than shareholders' equity					—
Total changes of items during the period	—	(0)	2,504	(40)	2,462
Balance at end of the year	12,367	10,517	51,533	(319)	74,099

(Millions of yen)

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the year	1,947	(338)	59	(1,837)	(169)	106	71,574
Changes of items during the period							
Dividends of surplus							(2,069)
Net Income attributable to shareholders of parental company							5,064
Purchase of treasury shares							(532)
Retirement of treasury shares							—
Net changes of items other than shareholders' equity	(529)	(1)	(142)	583	(89)	2	(86)
Total changes of items during the period	(529)	(1)	(142)	583	(89)	2	2,376
Balance at end of the year	1,417	(339)	(82)	(1,253)	(258)	109	73,950

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	12,367	10,517	51,533	(319)	74,099
Changes of items during the period					
Dividends of surplus			(2,151)		(2,151)
Net Income attributable to shareholders of parental company			5,510		5,510
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					—
Total changes of items during the period	—	0	3,358	(1)	3,357
Balance at end of the year	12,367	10,518	54,891	(320)	77,456

(Millions of yen)

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the year	1,417	(339)	(82)	(1,253)	(258)	109	73,950
Changes of items during the period							
Dividends of surplus							(2,151)
Net Income attributable to shareholders of parental company							5,510
Purchase of treasury shares							(1)
Disposal of treasury shares							0
Net changes of items other than shareholders' equity	(1,055)	—	(457)	186	(1,326)	(8)	(1,335)
Total changes of items during the period	(1,055)	—	(457)	186	(1,326)	(8)	2,021
Balance at end of the year	361	(339)	(539)	(1,066)	(1,585)	100	75,972

## (4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY 2019 (From April 1, 2018 to March 31, 2019)	FY 2020 (From April 1, 2019 to March 31, 2020)
<b>Cash flows from operating activities</b>		
Net income before income taxes	7,124	7,432
Depreciation	2,262	2,466
Amortization of negative goodwill	(7)	—
Impairment loss	11	21
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Amortization of goodwill	138	—
Increase (decrease) in provision for bonuses	(11)	(22)
Increase (decrease) in provision for directors' bonuses	2	(0)
Increase (decrease) in provision for product warranties	83	(25)
Increase (decrease) in net defined benefit liability	201	130
Interest and dividend income	(213)	(222)
Interest expenses	38	39
Foreign exchange losses (gains)	(4)	(26)
Loss on abandonment of non-current assets	191	212
Loss (gain) on sales of non-current assets	(59)	(16)
Refund of customs duties from previous year	—	(217)
Loss (gain) on sales of investment securities	(10)	(315)
Loss (gain) on valuation of investment securities	—	288
Loss (gain) on sales of golf memberships	(5)	—
Increase (decrease) in deposits received from employees	68	(78)
Decrease (increase) in notes and accounts receivable-trade	441	701
Decrease (increase) in inventories	(676)	(94)
Increase (decrease) in notes and accounts payable-trade	(23)	(393)
Increase (decrease) in accrued consumption taxes	(18)	246
Decrease (increase) in other assets	(92)	110
Increase (decrease) in other liabilities	2	(199)
Subtotal	9,444	10,037
Interest and dividend income received	304	290
Interest expenses paid	(33)	(39)
Income taxes (paid) refund	(1,901)	(2,310)
Refund of customs duties from previous year	—	217
<b>Cash flows from operating activities</b>	<b>7,814</b>	<b>8,196</b>

(Millions of yen)

	FY 2019 (From April 1, 2018 to March 31, 2019)	FY 2020 (From April 1, 2019 to March 31, 2020)
<b>Cash flows from investment activities</b>		
Purchase of short-term and long-term investment securities	(9,182)	(8,620)
Proceeds from sales and redemption of short-term and long-term investment securities	5,913	5,466
Purchase of property, plant and equipment	(3,156)	(2,722)
Proceeds from sales of property, plant and equipment	72	153
Purchase of intangible assets	(76)	(177)
Payments of loans receivable	(14)	(57)
Collection of loans receivable	53	42
Proceeds from sales of golf memberships	6	—
Cash flows from investment activities	(6,384)	(5,916)
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(532)	(1)
Proceeds from sales of treasury shares	—	0
Cash dividends paid	(2,068)	(2,152)
Cash dividends paid to non-controlling shareholders	(0)	(1)
Repayments of lease obligations	(223)	(257)
Cash flows from financing activities	(2,824)	(2,411)
Effect of exchange rate change on cash and cash equivalents	(137)	(208)
Net increase (decrease) in cash and cash equivalents	(1,532)	(340)
Balance of cash and cash equivalents, beginning of the period	23,722	22,190
Balance of cash and cash equivalents, end of the period	22,190	21,849

(5) Notes Relating to the Assumption of Going Concern

None.

(6) Notes Relating to the Consolidated Financial Statements

(Segment Information)

1) Summary of reported segments

The reported segments of the Company are those of the constituent units of the Company for which separate financial statements are available and are subject to regular review by the board of directors for decisions on allocation of management resources and to assess business performance.

The Company has a manufacturing and sales organization with products and services and with respect to the products and services handled formulates comprehensive domestic and overseas strategies and engage in business activities.

Therefore, the Company is constituted by segments by products and services based on the manufacturing and sales organization and have 3 reported segments of “Office Equipment,” “Industrial Equipment” and “HCR Equipment.”

“Office Equipment” segment is engaged in the manufacture and sale of office equipment and stationery related products. “Industrial Equipment” segment is engaged in the manufacture and sale of construction machinery and tools as well as residential equipment. “HCR Equipment” is engaged in the manufacture and sale of assistive and nursing care products.

2) Method of calculating the amounts of segment sales, profit or loss, assets and other items

The method of accounts processing used for the reported business segments is generally consistent with the method used in creation of consolidated financial statement.

3) Information on the amounts of segment sales, profit or loss, assets and other items

Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Reported segments			Adjustments	Total
	Office Equipment	Industrial Equipment	HCR Equipment		
Net sales					
Net sales to outside customers	22,606	44,763	2,748	—	70,118
Inter-segments sales or transfers	—	—	—	—	—
Total	22,606	44,763	2,748	—	70,118
Segment profit (loss)	4,999	4,684	(310)	(2,223)	7,150
Segment assets	18,789	27,168	2,599	—	48,557
Other items					
Depreciation	636	1,505	110	—	2,252
Amortization of goodwill	138	—	—	—	138
Amortization of negative goodwill	—	7	—	—	7
Impairment loss	—	0	—	10	11
Increase in property, plant and equipment and intangible assets	940	2,012	196	—	3,149

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

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reported segments			Adjustments	Total
	Office Equipment	Industrial Equipment	HCR Equipment		
Net sales					
Net sales to outside customers	21,515	45,409	2,746	—	69,671
Inter-segments sales or transfers	—	—	—	—	—
Total	21,515	45,409	2,746	—	69,671
Segment profit (loss)	4,797	5,262	(224)	(2,248)	7,586
Segment assets	18,785	28,150	2,472	—	49,408
Other items					
Depreciation	694	1,652	115	—	2,461
Impairment loss	—	—	—	21	21
Increase in property, plant and equipment and intangible assets	943	2,101	48	—	3,093

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

- 4) Difference between the total amount of reported segments and the amount appropriated in the consolidated balance sheets, as well as key details of said difference (items related to adjustment of differences)

(Millions of yen)

Assets	FY 2019	FY 2020
Reported segment total	48,557	49,408
Group-wide assets (Note)	49,616	49,970
Total assets in the consolidated balance sheets	98,174	99,378

(Note) Group-wide assets are principally investment marketable securities not attributable to reported segments.

- 5) Information relating to loss due to impairment of non-current assets

Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

The Company groups its assets according to its management accounting segmentation as the smallest units generating cash flows. As a result, the book value of the idle assets has been reduced to the recoverable value, and said reduction has been recorded in extraordinary loss as “impairment loss.”

Recoverable value has been calculated according to the net disposal value. In the current consolidated accounting year, the assets subject to impairment loss of ¥11 million are idle assets. The net disposal value has been calculated based on the reasonably adjusted amount of appraised value of non-current assets for property tax.

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

The Company groups its assets according to its management accounting segmentation as the smallest units generating cash flows. As a result, the book value of the idle assets has been reduced to the recoverable value, and said reduction has been recorded in extraordinary loss as “impairment loss.”

Recoverable value has been calculated according to the net disposal value. In the current consolidated accounting year, the assets subject to impairment loss of ¥21 million are assets which are scheduled to be sold. The net disposal value has been calculated based on a rational estimate of the scheduled sales value.

## (Per Share Information)

(Yen)

	FY 2019 (From April 1, 2018 to March 31, 2019)	FY 2020 (From April 1, 2019 to March 31, 2020)
Net assets per share	1,509.80	1,551.34
Net income per share	102.92	112.67

(Notes) 1. With respect to the net income per share after dilution, as no latent shares exist, no inclusion has been made.

2. The basis for the calculation of the net income per share is as follows.

	FY 2019 (From April 1, 2018 to March 31, 2019)	FY 2020 (From April 1, 2019 to March 31, 2020)
Net income attributable to shareholders of parental company (¥ million)	5,064	5,510
Amount not relating to common shares (¥ million)	—	—
Net income attributable to shareholders of parental company relating to common shares (¥ million)	5,064	5,510
Average number of common shares outstanding during the term (shares)	49,207,126	48,907,406

3. The basis for the calculation of net assets per share is as follows.

	FY 2019 (From April 1, 2018 to March 31, 2019)	FY 2020 (From April 1, 2019 to March 31, 2020)
Total of net assets (¥ million)	73,950	75,972
Amount to be deducted from the total of net assets (¥ million)	109	100
(Of which non-controlling interests (¥ million))	(109)	(100)
Closing net assets relating to common shares (¥ million)	73,840	75,871
Number of common shares as of end of term used in the calculation of net assets per share (shares)	48,907,689	48,907,163

## (Significant Subsequent Events)

None.