

**Summary of Consolidated Financial Results  
for the First Half of Fiscal Year Ending March 31, 2018  
[Japan Standards]**

Company name:	MAX Co., Ltd.	Stock listing:	Tokyo Stock Exchange
Securities code:	6454	URL:	<a href="http://www.max-ltd.co.jp">http://www.max-ltd.co.jp</a>
Representative:	Mitsuteru Kurosawa, President	TEL:	+81-3-3669-8106
Contact:	Yasushi Asami, Managing Executive Officer		
Date of filing of financial statements	November 10, 2017		
Date of commencement of dividend payment	—		
The supplementary explanation document for the accounts is created.	Yes		
The briefing for the accounts is held. (for investment analysts and fund managers)	Yes		

(Millions of yen rounded down)

**1. Consolidated Operating Results for the First Half of Fiscal Year Ending March 31, 2018  
(April 1, 2017 to September 30, 2017)**

## (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 2018	32,925	1.7	2,874	(6.2)	2,992	8.1	2,290	5.5
H1/ FY ended March 2017	32,362	(0.2)	3,065	7.0	2,767	(5.0)	2,171	13.9

(Note) Comprehensive income

H1/ FY ending March 2018:	3,613 million yen (181.8%)
H1/ FY ended March 2017:	1,282 million yen (-7.8%)

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
H1/ FY ending March 2018	46.49	—
H1/ FY ended March 2017	44.06	—

## (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
H1/ FY ending March 2018	93,930	68,746	73.1	1,393.24
FY ended March 2017	93,000	67,210	72.2	1,362.05

(Reference) Shareholders' equity

H1/ FY ending March 2018:	68,641 million yen
FY ended March 2017:	67,110 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 2017	—	—	—	42.00	42.00
FY ending March 2018	—	—	—	—	—
FY ending March 2018 (Forecast)	—	—	—	42.00	42.00

(Note) Revision of forecasts on the dividends: None

### 3. Forecasts of Consolidated Operating Results for the Fiscal Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(% 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	5.3	6,500	2.8	6,650	3.0	4,650	(1.6)	94.37

(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 September 30, 2017: 49,500,626 shares

As of March 31, 2017: 49,500,626 shares

2) Number of treasury stock at term-end

As of September 30, 2017: 233,317 shares

As of March 31, 2017: 228,862 shares

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

Six months ended September 30, 2017: 49,268,881 shares

Six months ended September 30, 2016: 49,275,835 shares

\* This quarterly summary of consolidated financial results is excluded from quarterly review.

#### \*Explanation and other special notes regarding the appropriate use of the earnings forecast

Statements on the future of our business in these materials, including the earnings forecast, are based on information available at this moment and certain preconditions which we judge as rational and appropriate. Therefore, actual results and other achievements may differ substantially from the above forecasts for various reasons. For the preconditions of our earnings forecast and matters to be noticed when using the forecast, please refer to page 8 of the appendix, "1. Qualitative Information on Current Quarterly Results, (3) Explanation Concerning Forward-looking Statements Such as Forecasts of Consolidated Operating Results."

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## [Qualitative Information and Financial Statements]

### 1. Qualitative Information on Current Quarterly Results

#### (1) Explanation Concerning Qualitative Information on Operating Results

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

(Millions of yen, %)

	H1/ FY 2018 (Ending March 2018)	H1/ FY 2017 (Ended March 2017)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	32,925	32,362	+562	+1.7
Operating Income	2,874	3,065	(191)	(6.2)
Ordinary Income	2,992	2,767	+225	+8.1
Net Income Attributable to Shareholders of Parental Company	2,290	2,171	+119	+5.5
Net Income per Share (yen)	46.49 yen	44.06 yen	+2.43 yen	—
Operating Margin	8.7	9.5	(0.8) points	

During the consolidated cumulative period under review (from April 1, 2017 to September 30, 2017), Japanese economy showed signs of moderate economic recovery, which can be seen in the recovery of personal consumption backed by robust employment and income conditions on the one hand and improvements in corporate earnings on the other. The number of new housing starts, which influences the Company's business, continued at a steady level thanks to low housing loan interest rates and measures conducted by the government to stimulate housing purchases.

Looking overseas, the U.S. economy maintained a growth trend with robust labor market and favorable business conditions for business enterprises, and in Europe also the economy has been slowly recovering. At the same time, the unclear future policy trends of the American government, geopolitical risks, and some other factors leave the situation surrounding the Company still uncertain.

Under such circumstances, we have established a management policy for this fiscal term as follows:

MAX will strive to continue to make ourselves receive the support of our customers.

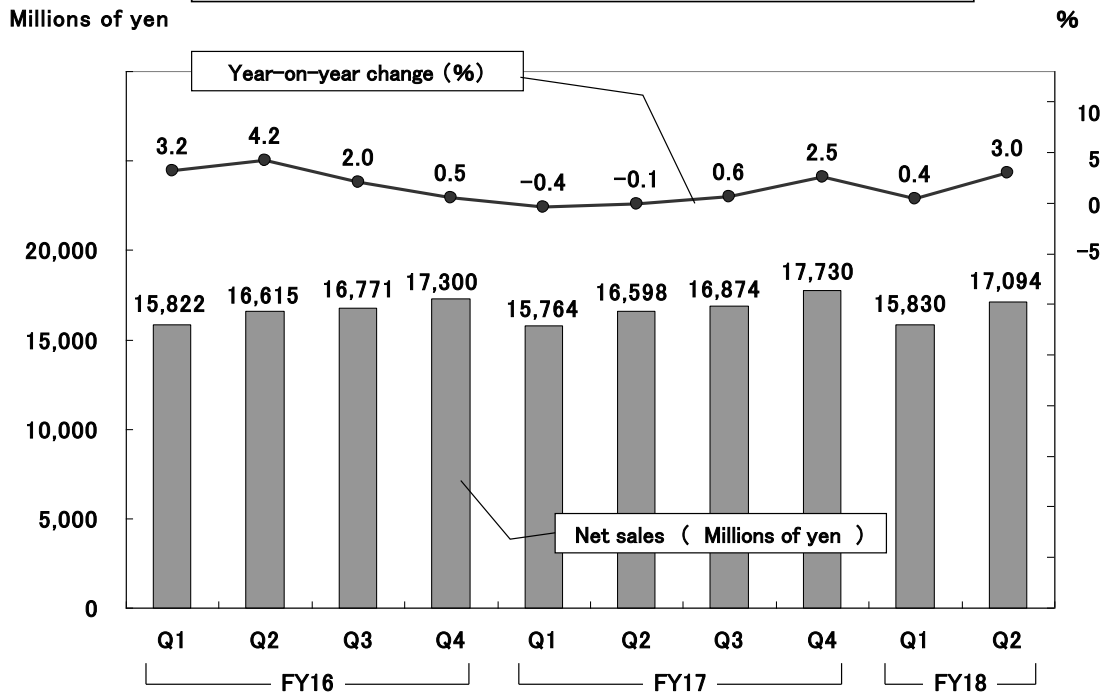
1. We will strive to achieve business growth through our strong marketing and competitive products.
2. We will strive to enhance our job productivity, achieving both high profitability and realizing a healthy and good working environment.
3. We will strive to study job sites and understand their true nature. By doing so, we will build ourselves a high performance organization.

Working in the directions set in this policy, during the period under review the Max Group made continuous efforts to improve its organization, institutional framework and ways of working. Our aims are to strengthen our earning capacity, offer products that match the fundamental needs of job sites, and further establish the Max brand.

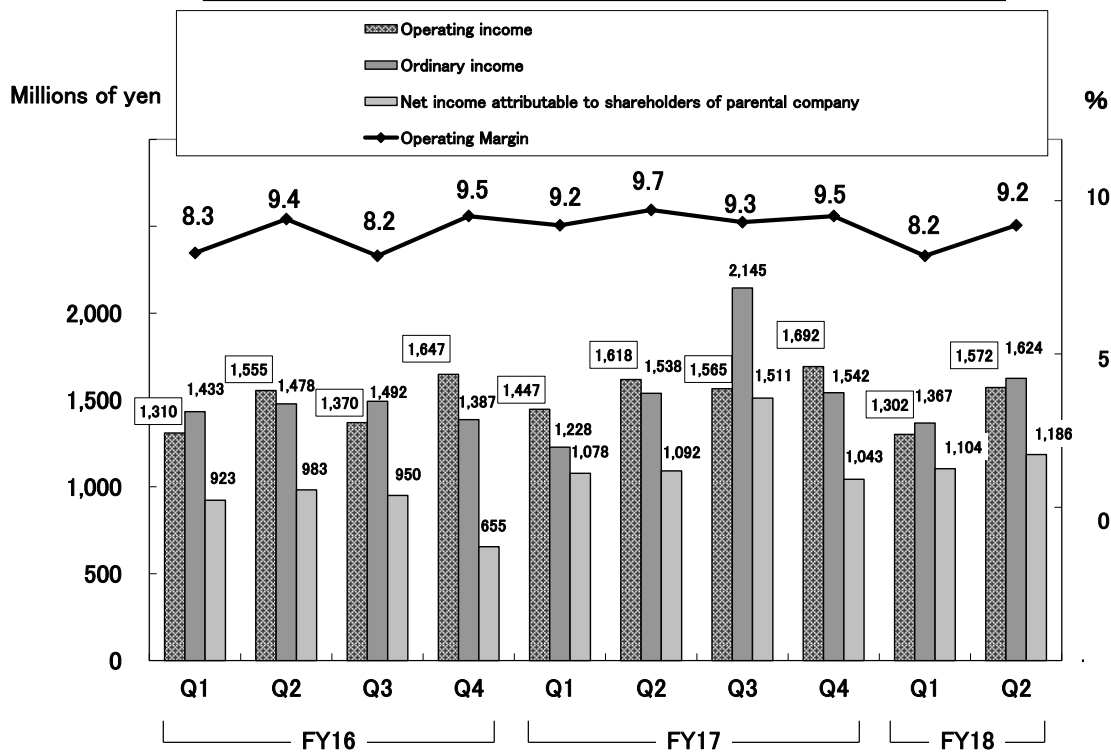
In the Office Equipment segment, domestic office operations posted a decrease of revenue due to a decrease in sales of stationery-related products. In the Industrial Equipment segment, although the residential environment business posted decreased sales of floor heaters, there was a continued increase of sales of tools for wood structures and tools for concrete structures both in domestic industrial equipment product operations and overseas industrial equipment product operations, resulting in an increase of the revenue. In the HCR Equipment segment, introduction of high value-added wheelchairs advanced in the large-scale rental routes, resulting in an increase of the revenue.

As a result, net sales increased 1.7% from the previous corresponding period to ¥32,925 million, while operating income decreased 6.2% from the previous corresponding period to ¥2,874 million. As foreign exchange losses from assets denominated in foreign currency, etc. decreased from the previous corresponding period, ordinary income increased 8.1% from the previous corresponding period to ¥2,992 million. Net income attributable to shareholders of parental company increased 5.5% from the previous corresponding period to ¥2,290 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, %)

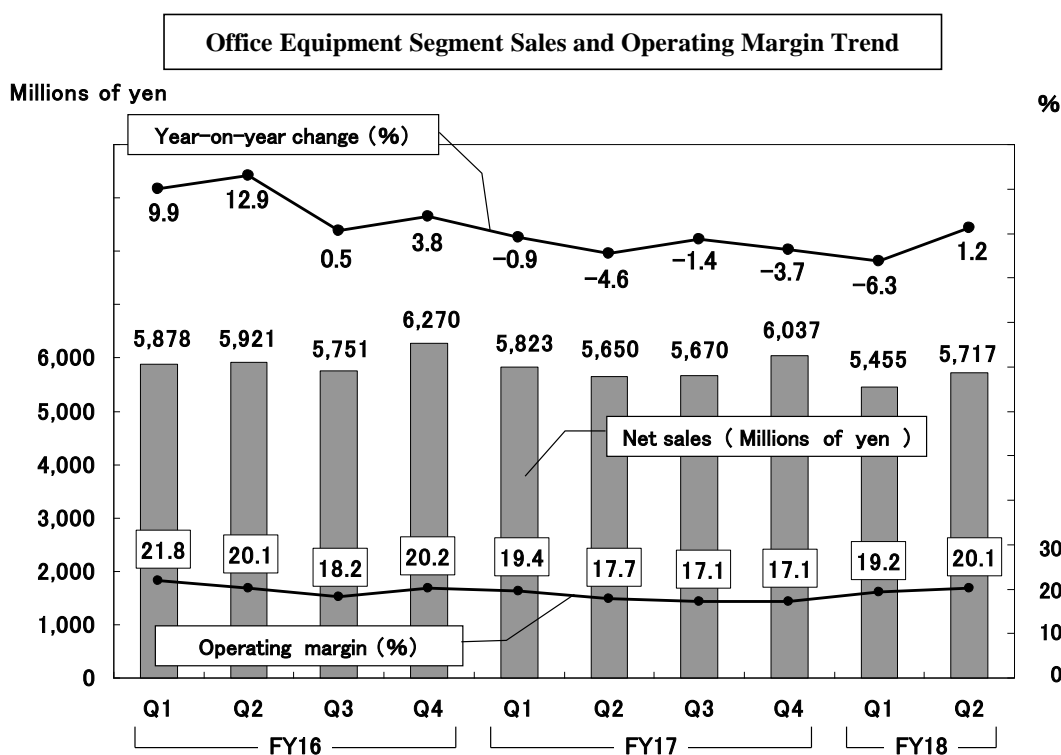
	H1/ FY 2018 (Ending March 2018)	H1/ FY 2017 (Ended March 2017)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	11,173	11,474	(300)	(2.6)
Operating Income	2,197	2,133	+64	+3.0
Operating Margin	19.7	18.6	+1.1 points	

Business results for the Office Equipment segment during this second quarter were as follows: Net sales ¥11,173 million (a decrease of 2.6% from the previous corresponding period), operating income ¥2,197 million (an increase of 3.0% from the previous corresponding period), and operating margin 19.7%.

In domestic office operations, the Company posted an increase of sales of "LETATWIN" tube markers used for marking of terminals used in control boards, etc. due to release of new products, but sales of staplers and other stationery-related products as well as time recorders decreased, resulting in a decrease of the overall segment revenue.

In the overseas office operations, sales of the "BEPOP" label-making machines increased thanks to the sales promotion measures conducted on the European market by Lighthouse (UK) Ltd., a subsidiary of the Company in the UK, while "LETATWIN" tube markers introduced to the Asian market made good progress there, and, driven by the label-making machines operations, the segment revenue increased.

In auto-stapler operations, although sales of both machinery and consumables showed signs of recovery, the segment revenue decreased.



## Industrial Equipment Segment

(Millions of yen, %)

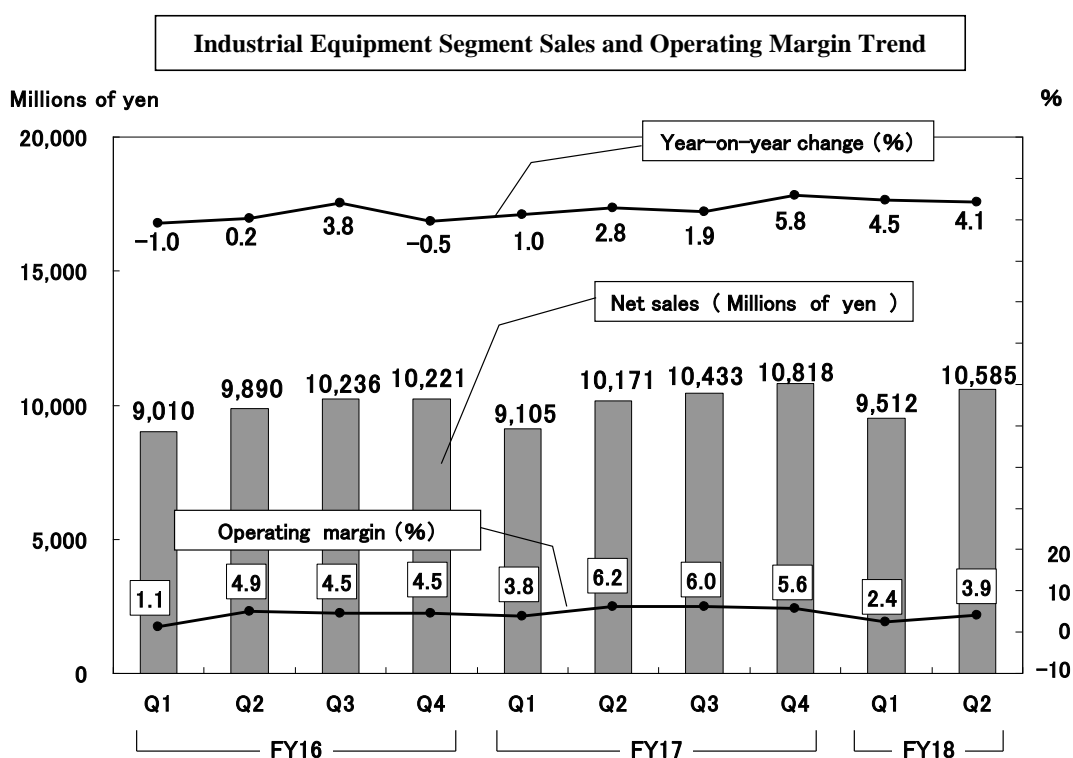
	H1/ FY 2018 (Ending March 2018)	H1/ FY 2017 (Ended March 2017)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	20,098	19,276	+822	+4.3
Operating Income	641	974	(332)	(34.2)
Operating Margin	3.2	5.1	(1.9) points	

Business results for the Industrial Equipment segment during this second quarter were as follows: Net sales ¥20,098 million (an increase of 4.3% from the previous corresponding period), operating income ¥641 million (a decrease of 34.2% from the previous corresponding period), and operating margin 3.2%.

In the domestic industrial equipment product operations, in addition to an increase in sales of tools for wooden structures including newly released handy compressors and high-pressure nailers, for which the Company recently created a new standard color, sales of tools for concrete structures also increased. As a result, the segment revenue increased.

In the overseas industrial equipment product operations, with the establishment of a new sales network in Europe and the U.S., sales of tools for wooden structures increased, while sales of tools for concrete structures also increased as a result of measures implemented to find new clients in cooperation with the existing routes. As a result, the segment revenue increased.

In the residential environment operations, there was an increase of sales of "DRYFAN" bathroom heaters, ventilators and dehumidifiers, which are the mainstay of the business, targeting detached houses and apartment houses, while efforts to find clients in the renovation market also bore fruit. On the other hand, sales of floor heaters, etc. decreased, and the overall segment revenue decreased.



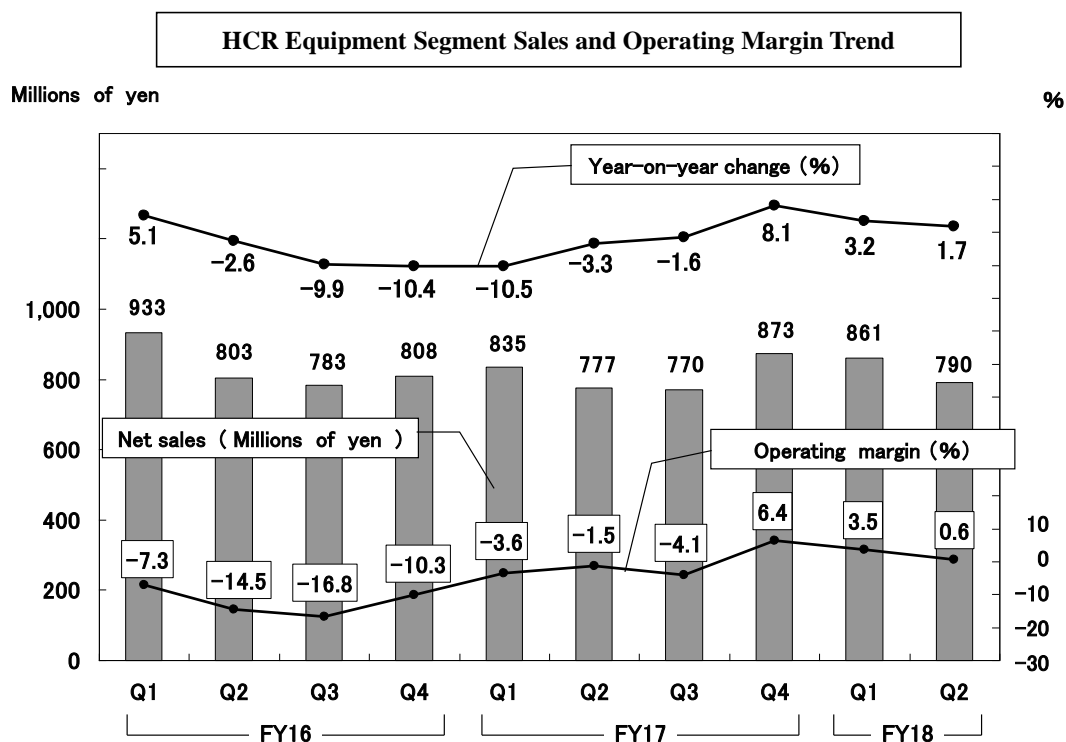
## HCR Equipment Segment

(Millions of yen, %)

	H1/ FY 2018 (Ending March 2018)	H1/ FY 2017 (Ended March 2017)	Year-on-year Change	
			Increase (decrease)	Rate of increase (decrease)
Net Sales	1,652	1,612	+40	+2.5
Operating Income	35	(41)	+77	—
Operating Margin	2.1	(2.6)	+4.7 points	

Business results for the HCR Equipment segment during this second quarter were as follows: Net sales ¥1,652 million (an increase of 2.5% from the corresponding previous period) and operating income ¥35 million.

In the HCR Equipment segment, proposal activities to induce clients to adopt high value-added wheelchairs in large-scale rental routes made a good progress. As a result, the segment revenue increased. Moreover, the Company managed to decrease fixed costs including personnel expenses, resulting in operating income moving into the black.





## (2) Explanation Concerning Financial Position

### 1) Summary of Consolidated Balance Sheets

(Millions of yen, %)

	Q2/ FY 2018 (As of September 30, 2017)	FY 2017 (As of March 31, 2017)	Comparison with position at end of previous consolidated fiscal year	
			Increase (decrease)	Rate of increase (decrease)
Total Assets	93,930	93,000	929	1.0
Net Assets	68,746	67,210	1,535	2.3
Equity Ratio	73.1	72.2	+0.9 points	

Assets increased ¥929 million in comparison with the position at the end of the previous consolidated fiscal year, to ¥93,930 million. Current assets increased ¥1,053 million due to factors such as a rise of ¥906 million in marketable securities. Despite an increase of ¥538 million in property, plant and equipment, non-current assets decreased ¥123 million due to factors such as a drop of ¥398 million in investment securities.

Liabilities decreased ¥606 million in comparison with the position at the end of the previous consolidated fiscal year, to ¥25,183 million. Current liabilities decreased ¥246 million due to factors such as a fall of ¥224 million in income taxes payable. Non-current liabilities also decreased ¥360 million due to factors such as a drop of ¥235 million in net defined benefit liability.

Net assets increased ¥1,535 million in comparison with the position at the end of the previous consolidated fiscal year, to ¥68,746 million. Shareholders' equity increased ¥214 million. Key factors were cash dividends paid of ¥2,069 million, offset by a net income attributable to shareholders of parental company of ¥2,290 million.

Accumulated other comprehensive income increased ¥1,316 million, as valuation difference on available-for-sale securities expanded ¥440 million, and remeasurements of defined benefit plans rose ¥527 million.

### 2) Analysis of Consolidated Cash Flow

The balance of cash and cash equivalents ("funds") during the consolidated cumulative period under review was ¥21,761 million due to a decrease of ¥203 million in cash and cash equivalents.

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

#### Cash flows from operating activities

Funds obtained from operating activities in the consolidated cumulative period under review amounted to ¥3,085 million. The key increases came from net income before income taxes of ¥3,006 million, a depreciation of ¥1,061 million, and a decrease of ¥528 million in notes and accounts receivable-trade. The key decreases came from an increase of ¥479 million in inventories, and ¥1,204 million in income taxes paid.

#### Cash flows from investment activities

Funds used in investment activities in the consolidated cumulative period under review were ¥1,289 million. The key increase came from proceeds of ¥2,000 million from sales and redemption of short-term and long-term investment securities. The key decreases came from purchase of short-term and long-term investment securities of ¥1,923 million, and purchase of property, plant and equipment of ¥1,401 million.

#### Cash flows from financing activities

Funds used in financing activities in the consolidated cumulative period under review were ¥2,184 million. The key decrease was ¥2,067 million in cash dividends paid.

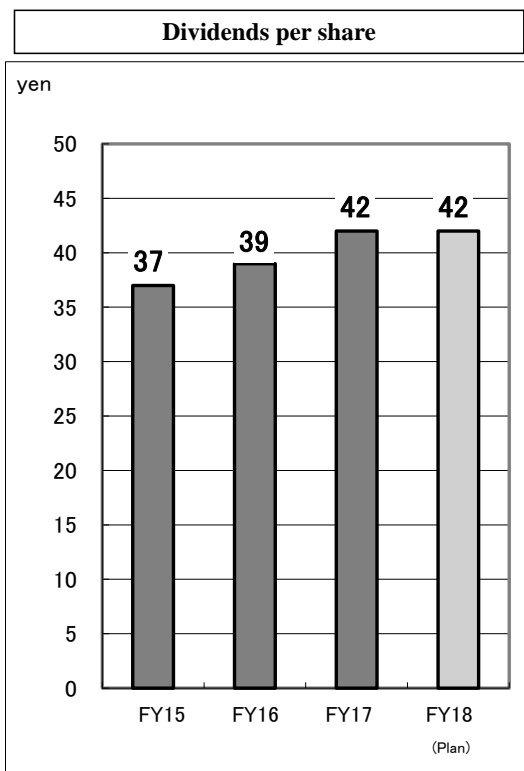
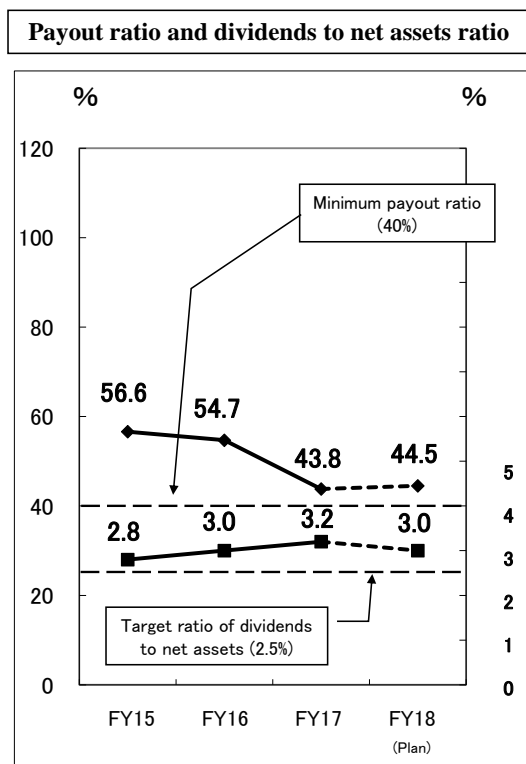
(3) Explanation Concerning Forward-looking Statements Such as Forecasts of Consolidated Operating Results

Our forecasts of operating results for the fiscal year ending March 31, 2018 remain unchanged from the release on April 27, 2017.

Dividends

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

Although the Company’s performance may be impacted by various factors such as the uncertain economic environment and exchange rate fluctuations, taking into account the Company’s current steady corporate performance and its financial position, we plan to make the same annual dividend payment of “¥42 per share” as the previous fiscal year.



## 2. Quarterly Consolidated Financial Statements and Main Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	FY 2017 (As of March 31, 2017)	Cumulative H1 in FY 2018 (As of September 30, 2017)
<b>ASSETS</b>		
Current assets		
Cash and deposits	21,965	21,761
Notes and accounts receivable-trade	14,748	14,364
Marketable securities	4,212	5,119
Merchandise and finished goods	5,160	5,526
Work in process	845	1,012
Raw materials	1,183	1,187
Other	1,802	1,998
Allowance for doubtful accounts	(1)	(1)
<b>Total current assets</b>	<b>49,916</b>	<b>50,969</b>
Non-current assets		
Property, plant and equipment	17,342	17,881
Intangible assets	496	445
Investments and other assets		
Investment securities	21,034	20,636
Other	4,216	4,003
Allowance for doubtful accounts	(5)	(5)
<b>Total investments and other assets</b>	<b>25,245</b>	<b>24,633</b>
<b>Total non-current assets</b>	<b>43,084</b>	<b>42,960</b>
<b>Total assets</b>	<b>93,000</b>	<b>93,930</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable-trade	3,864	4,169
Short-term loans payable	1,950	2,000
Income taxes payable	1,372	1,147
Provision for bonuses	1,719	1,539
Provision for directors' bonuses	53	19
Other	3,633	3,470
<b>Total current liabilities</b>	<b>12,592</b>	<b>12,346</b>
Non-current liabilities		
Long-term loans payable	50	—
Provision for product warranties	44	43
Net defined benefit liability	12,061	11,826
Asset retirement obligations	18	18
Negative goodwill	15	11
Other	1,007	936
<b>Total non-current liabilities</b>	<b>13,197</b>	<b>12,836</b>
<b>Total liabilities</b>	<b>25,789</b>	<b>25,183</b>

(Millions of yen)

	FY 2017 (As of March 31, 2017)	Cumulative H1 in FY 2018 (As of September 30, 2017)
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	12,367	12,367
Capital surplus	10,518	10,518
Retained earnings	46,444	46,665
Treasury stock	(271)	(278)
Total shareholders' equity	69,059	69,273
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,635	2,076
Revaluation reserve for land	(328)	(328)
Foreign currency translation adjustment	(306)	41
Remeasurements of defined benefit plans	(2,949)	(2,421)
Total accumulated other comprehensive income	(1,948)	(631)
Non-controlling interests	100	105
Total net assets	67,210	68,746
Total liabilities and net assets	93,000	93,930

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

(Millions of yen)

	Cumulative H1 in FY 2017 (From April 1, 2016 to Sept. 30, 2016)	Cumulative H1 in FY 2018 (From April 1, 2017 to Sept. 30, 2017)
Net sales	32,362	32,925
Cost of sales	19,399	20,071
Gross profit	12,962	12,853
Selling, general and administrative expenses		
Salaries	2,885	2,795
Provision for bonuses	958	962
Provision for directors' bonuses	24	19
Retirement benefit expenses	774	833
Packing and delivery expenses	966	1,036
Promotion expenses	621	633
Depreciation	299	308
Other	3,367	3,390
Total selling, general and administrative expenses	9,896	9,979
Operating income	3,065	2,874
Non-operating income		
Interest income	39	36
Dividend income	66	84
Amortization of negative goodwill	3	3
Other	73	59
Total non-operating income	182	184
Non-operating expenses		
Interest expenses	19	19
Taxes and dues	3	2
Foreign exchange losses	434	32
Other	23	11
Total non-operating expenses	481	66
Ordinary income	2,767	2,992
Extraordinary income		
Gain on sales of non-current assets	15	32
Total extraordinary income	15	32
Extraordinary loss		
Loss on abandonment of non-current assets	10	18
Total extraordinary loss	10	18
Net income before income taxes	2,772	3,006
Income taxes	851	821
Income taxes for prior periods	(250)	(106)
Net income	2,171	2,291
Net income (loss) attributable to non-controlling interests	(0)	0
Net income attributable to shareholders of parental company	2,171	2,290

## (Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Cumulative H1 in FY 2017 (From April 1, 2016 to Sept. 30, 2016)	Cumulative H1 in FY 2018 (From April 1, 2017 to Sept. 30, 2017)
Net income	2,171	2,291
Other comprehensive income		
Valuation difference on available-for-sale securities	(211)	440
Foreign currency translation adjustment	(1,159)	353
Adjustments relating to retirement benefits	482	527
Total other comprehensive income	(888)	1,321
Comprehensive income	1,282	3,613
(Breakdown)		
Comprehensive income attributable to shareholders of parental company	1,298	3,606
Comprehensive income attributable to non- controlling interests	(16)	6

## (3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Cumulative H1 in FY 2017 (From April 1, 2016 to Sept. 30, 2016)	Cumulative H1 in FY 2018 (From April 1, 2017 to Sept. 30, 2017)
<b>Cash flows from operating activities</b>		
Net income before income taxes	2,772	3,006
Depreciation	993	1,061
Amortization of goodwill	76	66
Amortization of negative goodwill	(3)	(3)
Increase (decrease) in allowance for doubtful accounts	(11)	(0)
Increase (decrease) in provision for bonuses	52	(179)
Increase (decrease) in provision for directors' bonuses	(18)	(33)
Increase (decrease) in provision for product warranties	(4)	(0)
Increase (decrease) in net defined benefit liability	404	524
Interest and dividend income	(105)	(120)
Interest expenses	19	19
Foreign exchange losses (gains)	58	(6)
Loss on abandonment of non-current assets	10	18
Loss (gain) on sales of non-current assets	(15)	(32)
Decrease (increase) in notes and accounts receivable-trade	717	528
Decrease (increase) in inventories	(283)	(479)
Increase (decrease) in notes and accounts payable-trade	7	158
Increase (decrease) in accrued consumption taxes	49	(182)
Decrease (increase) in other assets	28	(34)
Increase (decrease) in other liabilities	(237)	(162)
Subtotal	4,509	4,147
Interest and dividend income received	155	163
Interest expenses paid	(17)	(19)
Income taxes (paid) refund	(356)	(1,204)
Cash flows from operating activities	4,290	3,085
<b>Cash flows from investment activities</b>		
Purchase of short-term and long-term investment securities	(201)	(1,923)
Proceeds from sales and redemption of short-term and long-term investment securities	1,100	2,000
Purchase of property, plant and equipment	(968)	(1,401)
Proceeds from sales of property, plant and equipment	18	45
Purchase of intangible assets	(38)	(49)
Payments of loans receivable	(26)	(1)
Collection of loans receivable	56	39
Payments for asset retirement obligations	(10)	—
Cash flows from investment activities	(71)	(1,289)

(Millions of yen)

	Cumulative H1 in FY 2017 (From April 1, 2016 to Sept. 30, 2016)	Cumulative H1 in FY 2018 (From April 1, 2017 to Sept. 30, 2017)
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(3)	(6)
Cash dividends paid	(1,920)	(2,067)
Cash dividends paid to non-controlling shareholders	(4)	(1)
Repayments of lease obligations	(109)	(108)
Cash flows from financing activities	(2,038)	(2,184)
Effect of exchange rate change on cash and cash equivalents	(703)	186
Net increase (decrease) in cash and cash equivalents	1,476	(203)
Balance of cash and cash equivalents, beginning of the period	17,783	21,965
Quarterly balance of cash and cash equivalents at the end of the period	19,259	21,761



(4) Notes Relating to the Quarterly Consolidated Financial Statements

(Notes Relating to the Assumption of Going Concern)

None.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

None.

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

None.

(Application of Specific Accounting Procedures for the Preparation of Quarterly Consolidated Financial Statements)

Calculation of Tax Expenses

Tax expenses are calculated by multiplying pre-tax current net income for the fiscal year including the second quarter under review by the effective tax rate that was reasonably estimated by applying tax effect accounting to estimated income before income taxes.

(Segment Information)

Cumulative H1 of FY 2017 (From April 1, 2016 to September 30, 2016)

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

(Millions of yen)

	Reported segments			Total
	Office Equipment	Industrial Equipment	HCR Equipment	
Net sales				
Net sales to outside customers	11,474	19,276	1,612	32,362
Inter-segment sales or transfers	—	—	—	—
Total	11,474	19,276	1,612	32,362
Segment profit (loss)	2,133	974	(41)	3,065

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

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

None.

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

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

(Millions of yen)

	Reported segments			Total
	Office Equipment	Industrial Equipment	HCR Equipment	
Net sales				
Net sales to outside customers	11,173	20,098	1,652	32,925
Inter-segment sales or transfers	—	—	—	—
Total	11,173	20,098	1,652	32,925
Segment profit	2,197	641	35	2,874

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

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

None.

3) Items regarding changes, etc. in reported segments

From the previous fiscal year, the Company has made a change in the reported segments due to changes of corporate structure, so that the Labeling Business, which has been a part of the Industrial Equipment segment so far, from now on will be reported as a part of the Office Equipment segment.

The segment information of the same consolidated cumulative period of the previous fiscal year provided for the purpose of comparison (from April 1, 2016 to September 30, 2016) is prepared and listed based on the segments after the change, which means that there are discrepancies between the reported segments in the same consolidated cumulative period of the previous fiscal year announced in the previous consolidated fiscal year.