

## Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 [Japan Standards] (Consolidated)

Company name:	MAX Co., Ltd.	Stock listing:	Tokyo Stock Exchange
Securities code:	6454	URL:	<a href="https://www.max-ltd.co.jp/">https://www.max-ltd.co.jp/</a>
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Date of annual shareholder meeting	June 29, 2021		
Date of filing of financial statements	June 29, 2021		
Date of commencement of dividend payment	June 30, 2021		
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, 2021 (April 1, 2020 to March 31, 2021)

#### (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 2021	64,029	(8.1)	6,685	(11.9)	6,826	(7.8)	5,153	(6.5)
FY ended March 2020	69,671	(0.6)	7,586	6.1	7,405	2.1	5,510	8.8

(Note) Comprehensive income

FY ended March 31, 2021:	6,950 million yen (66.4%)
FY ended March 31, 2020:	4,176 million yen (-16.1%)

	Net Income per Share	Net Income per Share after Dilution	ROE	ROA	Operating Margin
	Yen	Yen	%	%	%
FY ended March 2021	105.80	—	6.7	6.8	10.4
FY ended March 2020	112.67	—	7.4	7.5	10.9

(Reference) Equity in (earnings) losses of affiliates

FY ended March 31, 2021:	— million yen
FY ended March 31, 2020:	— 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, 2021	102,538	78,696	76.7	1,647.68
As of March 31, 2020	99,378	75,972	76.3	1,551.34

(Reference) Shareholders' equity

As of March 31, 2021:	78,599 million yen
As of March 31, 2020:	75,871 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 2021	8,798	(5,349)	(4,483)	21,421
FY ended March 2020	8,330	(5,986)	(2,411)	21,849

## 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 2020	—	—	—	46.00	46.00	2,249	40.8	3.0
FY ended March 2021	—	—	—	48.00	48.00	2,289	44.4	3.0
FY ending March 2022 (Forecast)	—	—	—	50.00	50.00		45.4	

## 3. Forecasts of Consolidated Operating Results for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

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

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First Half (Total)	32,800	9.2	3,350	11.5	3,350	14.8	2,500	10.4	52.41
Full year	67,400	5.3	7,100	6.2	7,100	4.0	5,250	1.9	110.06

### \* 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, 2021: 47,937,426 shares

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

2) Amount of treasury stock at term-end

As of March 31, 2021: 234,490 shares

As of March 31, 2020: 234,263 shares

3) Amount of average stock during term

Twelve months ended March 31, 2021: 48,706,387 shares

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

(Reference) Non-consolidated Operating Results

**Non-consolidated Operating Results for the Fiscal Year Ended March 31, 2021  
(April 1, 2020 to March 31, 2021)**

(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 2021	54,940	(10.1)	2,333	(49.1)	3,265	(36.7)	2,608	(34.5)
FY ended March 2020	61,115	(2.2)	4,586	(16.2)	5,161	(15.8)	3,984	(13.2)

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
FY ended March 2021	53.55	—
FY ended March 2020	81.47	—

(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, 2021	93,121	71,855	77.2	1,506.32
As of March 31, 2020	93,479	72,572	77.6	1,483.88

(Reference) Shareholders' equity

As of March 31, 2021: 71,855 million yen  
As of March 31, 2020: 72,572 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

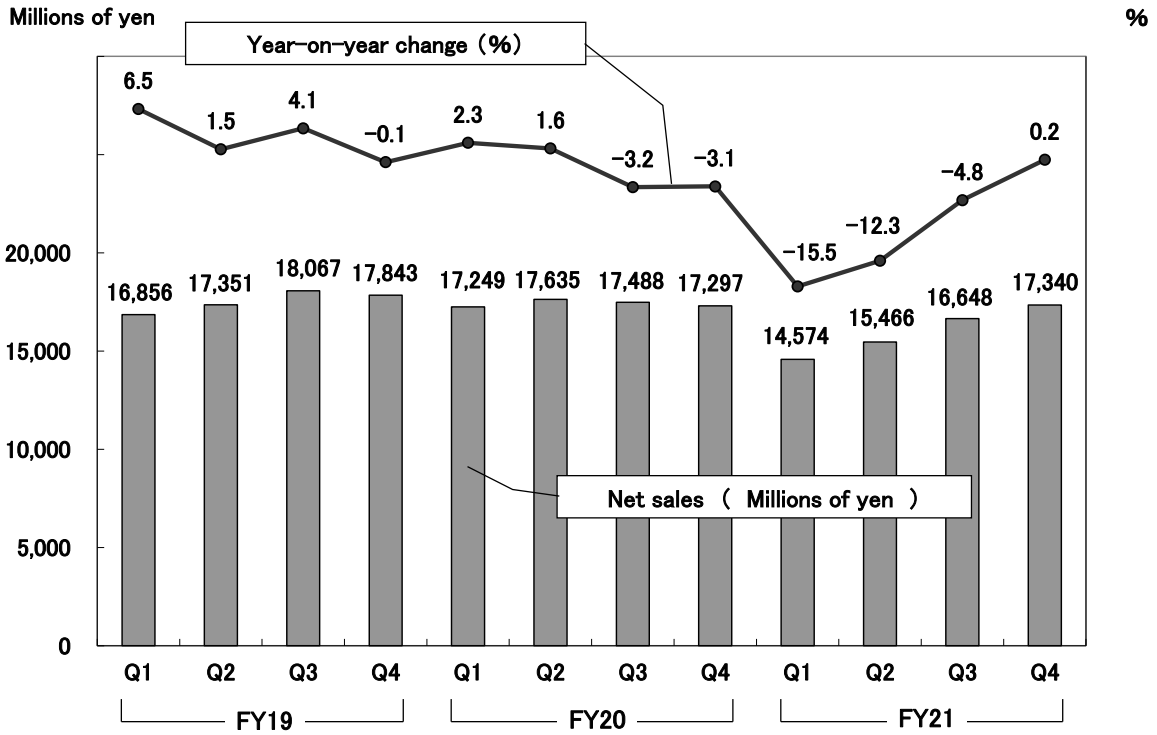
(Millions of yen, %)

	FY 2021 (Ended March 2021)	FY 2020 (Ended March 2020)	Year-on-year Change	
			Increase (Decrease)	Rate of Increase (Decrease)
Net Sales	64,029	69,671	(5,642)	(8.1)
Operating Income	6,685	7,586	(900)	(11.9)
Ordinary Income	6,826	7,405	(578)	(7.8)
Net Income Attributable to Shareholders of Parental Company	5,153	5,510	(357)	(6.5)
Net Income per Share (yen)	105.80 yen	112.67 yen	(6.87) yen	—
Operating Margin	10.4	10.9	(0.5) points	
ROE	6.7	7.4	(0.7) points	

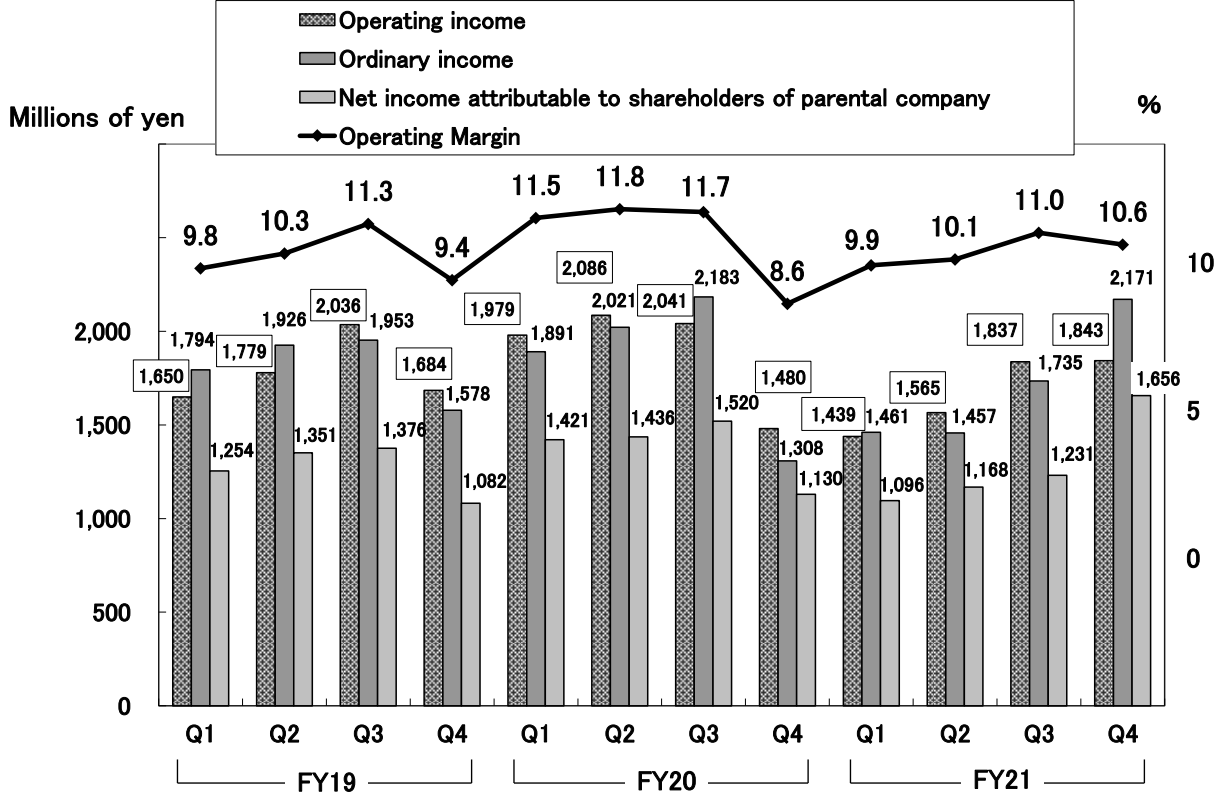
During the consolidated fiscal year under review (from April 1, 2020 to March 31, 2021), Japanese economic activities stagnated due to factors such as the state of emergency declared in response to the spread of COVID-19. Personal consumption decreased due to restrictions and voluntary abstinence from consumption activities. Even so, since the fourth quarter, a recovery trend in corporate income was observed in conjunction with signs of economic recovery in Japan and overseas. In the housing market which affects the Group's Industrial Equipment segment, the total number of new housing construction starts continued to decrease compared to the previous fiscal year. However, the number of owner-occupied housing construction starts has increased since November. Looking overseas, the U.S. economy has recovered rapidly due to factors such as strong personal consumption and increased facilities investment, but economic activities in Europe have been suppressed due to subsequent waves of COVID-19.

Under such circumstances, net sales decreased 8.1% from the previous fiscal year to ¥64,029 million, and operating income decreased 11.9% from the previous fiscal year to ¥6,685 million. Ordinary income decreased 7.8% from the previous fiscal year to ¥6,826 million, and net income attributable to shareholders of parental company also decreased 6.5% from the previous fiscal year to ¥5,153 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 2021 (Ended March 2021)	FY 2020 (Ended March 2020)	Year-on-year Change	
			Increase (Decrease)	Rate of Increase (Decrease)
Net Sales	17,061	21,515	(4,453)	(20.7)
Segment Profit	2,738	4,895	(2,156)	(44.1)
Segment Profit Rate	16.1	22.8	(6.7) points	

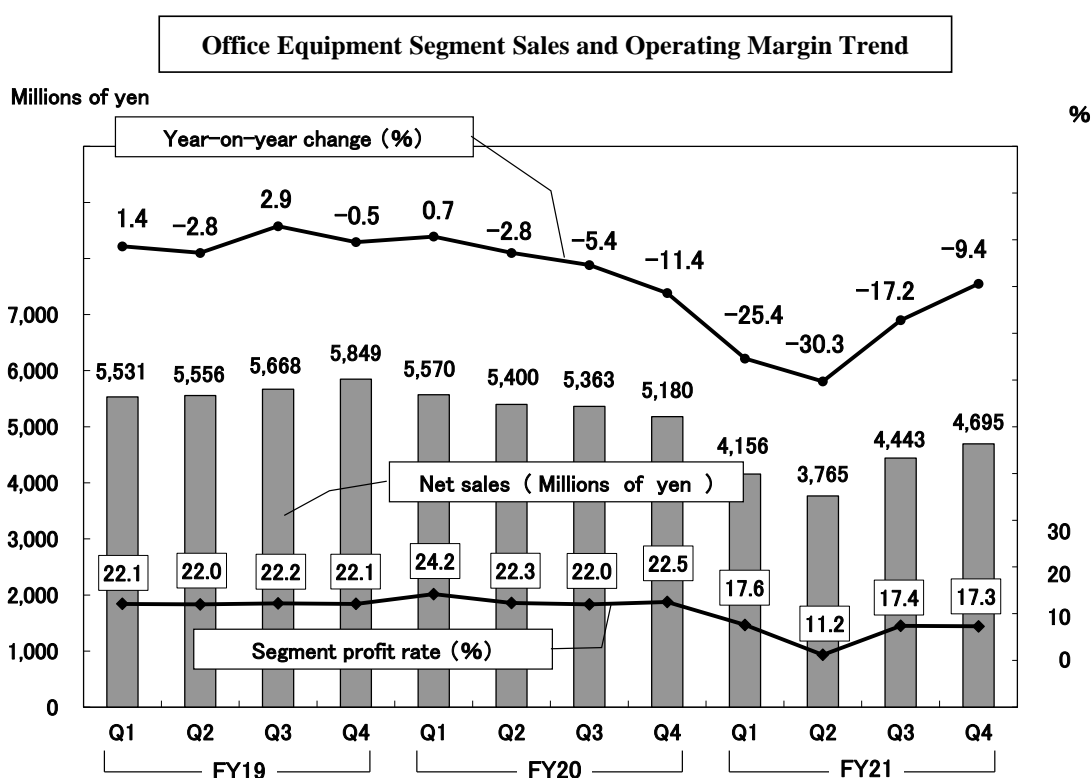
Business results for the Office Equipment segment were as follows: Net sales of ¥17,061 million (a decrease of 20.7% from the previous term), segment profit of ¥2,738 million (a decrease of 44.1% from the previous term), and segment profit rate of 16.1%.

In the domestic office operations, net sales were ¥7,452 million (a decrease of 8.9% from the previous term). Sales decreased for stationery-related products and BEPOP label-making machines.

In the overseas office operations, net sales were ¥3,926 million (a decrease of 13.2% from the previous term). Sales of BEPOP label-making machines and related products in the European market increased due to demand for signs. However, there was a decrease in sales of stationery-related products, which are mainly sold in the Southeast Asian market.

In the auto-stapler operations, net sales were ¥5,683 million (a decrease of 35.5% from the previous term).

Sales of machinery and consumable products fell due to decreased orders from business partners as the result of more people working at home, etc.



## Industrial Equipment Segment

(Millions of yen, %)

	FY 2021 (Ended March 2021)	FY 2020 (Ended March 2020)	Year-on-year Change	
			Increase (Decrease)	Rate of Increase (Decrease)
Net Sales	44,300	45,409	(1,109)	(2.4)
Segment Profit	6,652	5,454	+1,198	+22.0
Segment Profit Rate	15.0	12.0	+3.0 points	

Business results for the Industrial Equipment segment were as follows: Net sales of ¥44,300 million (a decrease of 2.4% from the previous term), segment profit of ¥6,652 million (an increase of 22.0% from the previous term), and segment profit rate of 15.0%.

In the domestic industrial equipment product operations, net sales were ¥18,764 million (a decrease of 6.8% from the previous term).

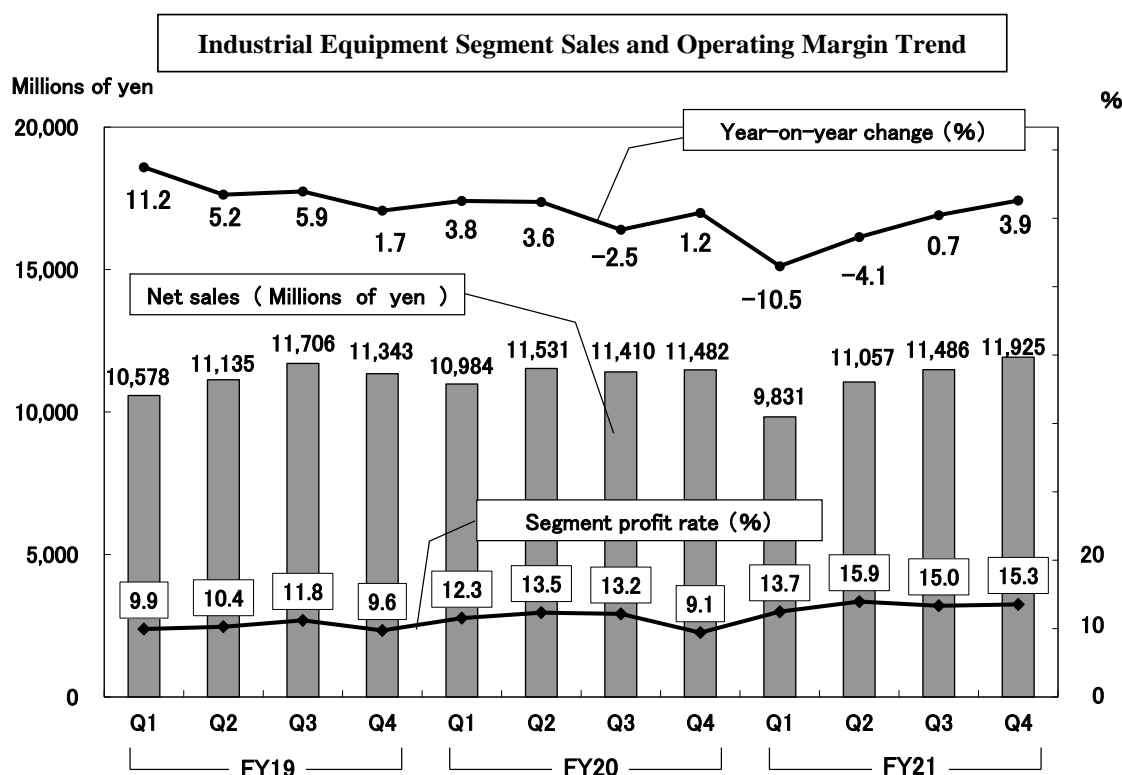
Despite continued strong sales of consumables for TWINTIER rebar tying tools, sales of tools for wooden structures fell due to factors such as the decrease in the number of new housing construction starts in Japan and the stagnation of sales activities to business partners.

In the overseas industrial equipment product operations, net sales were ¥15,513 million (an increase of 7.9% from the previous term).

Although sales activities were subject to restrictions due to the influence of COVID-19, sales of tools for concrete structures increased, especially sales of TWINTIER rebar tying tools. This was caused by continued operation at construction sites using rebar tying tools in Western countries.

In the residential environmental equipment operations, net sales were ¥10,021 million (a decrease of 8.1% from the previous term).

Sales of DRYFAN bathroom heaters, ventilators and dehumidifiers, which are the mainstay of the business, fell in the new housing market due to a decrease in the number of new housing construction starts in Japan. However, sales in the housing stock market for renovation and replacement increased. Sales of ventilation systems decreased due to the effect of customers switching to suppliers other than the Company in the previous fiscal year.





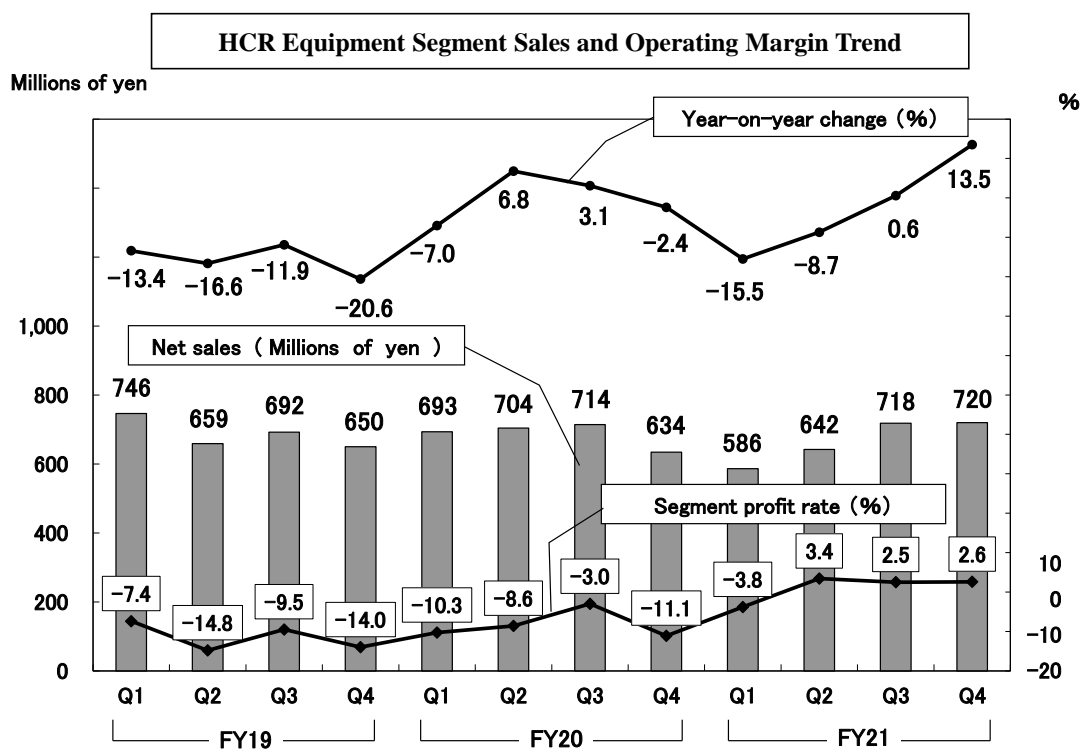
HCR Equipment Segment

(Millions of yen, %)

	FY 2021 (Ended March 2021)	FY 2020 (Ended March 2020)	Year-on-year Change	
			Increase (Decrease)	Rate of Increase (Decrease)
Net Sales	2,667	2,746	(79)	(2.9)
Segment Profit	36	(224)	+261	—
Segment Profit Rate	1.4	(8.2)	+9.6 points	

Business results for the HCR Equipment segment were as follows: Net sales of ¥2,667 million (a decrease of 2.9% from the previous term), segment profit of ¥36 million, and segment profit rate of 1.4%.

Sales decreased due to restrictions on sales activities in response to the spread of COVID-19. However, profits increased due to improved profitability achieved through strong sales of high value-added wheelchairs and decreased fixed expenses.



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

### 1) Analysis of the Consolidated Balance Sheets

(Millions of yen, %)

	FY 2021 (As of March 31, 2021)	FY 2020 (As of March 31, 2020)	Comparison with Position at End of Previous Consolidated Fiscal Year	
			Increase (Decrease)	Rate of Increase (Decrease)
Total Assets	102,538	99,378	+3,159	+3.2
Net Assets	78,696	75,972	+2,724	+3.6
Equity Ratio	76.7	76.3	+0.4 points	

Assets increased ¥3,159 million compared to the end of the previous consolidated fiscal year, to ¥102,538 million. Current assets increased ¥309 million due to factors such as a rise of ¥1,102 million in marketable securities and an increase of ¥524 million in merchandise and finished goods, despite a fall of ¥898 million in notes and accounts receivable-trade and a decline of ¥428 million in cash and deposits. Non-current assets increased ¥2,850 million due mainly to a rise of ¥3,063 million in construction in progress and an increase of ¥270 million in investment securities, despite a decrease of ¥444 million in deferred tax assets.

Liabilities increased ¥435 million compared to the end of the previous consolidated fiscal year, to ¥23,842 million. Current liabilities increased ¥236 million primarily as a result of a rise of ¥424 million in accounts payable-trade and an increase of ¥188 million in accounts payable, despite a drop of ¥276 million in income taxes payable. Non-current liabilities increased ¥198 million, as net defined benefit liability rose ¥128 million and lease obligations climbed ¥78 million.

Net assets increased ¥2,724 million compared to the end of the previous consolidated fiscal year, to ¥78,696 million. Shareholders' equity increased ¥927 million. One key factor was the ¥5,153 million net income attributable to shareholders of parental company, despite the ¥2,249 million paid out in cash dividends.

Accumulated other comprehensive income increased ¥1,800 million. This was due to factors including an increase in valuation difference on available-for-sale securities of ¥897 million, a rise in foreign currency translation adjustment of ¥776 million, and an increase in remeasurements of defined benefit plans of ¥126 million.

### 2) Analysis of Consolidated Cash Flows

#### Summary of Consolidated Cash Flows

(Millions of yen)

Category	FY 2020	FY 2021	Increase (Decrease)
Cash and cash equivalents at beginning of the year	22,190	21,849	(340)
Funds provided by (used in) operating activities	8,330	8,798	+468
Funds provided by (used in) investment activities	(5,986)	(5,349)	+637
Funds provided by (used in) financing activities	(2,411)	(4,483)	(2,072)
Effect of exchange rate change on cash and cash equivalents	(272)	594	+866
Net increase (decrease) in cash and cash equivalents	(340)	(440)	(99)
Cash and cash equivalents at end of the year	21,849	21,421	(428)

#### Analysis of Consolidated Cash Flows

The balance of cash and cash equivalents ("funds") at the end of the consolidated fiscal year under review was ¥21,421 million due to a decrease of ¥440 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 ¥8,798 million. The key increases came from net income before income taxes of ¥7,032 million and depreciation of ¥2,522 million. The key decreases came from ¥2,112 million paid as income taxes and a decrease in notes and accounts receivable-trade of ¥1,042 million.

#### Cash flows from investment activities

Funds used in investment activities in the consolidated fiscal year under review amounted to ¥5,349 million. The key decreases came from purchase of property, plant and equipment of ¥4,943 million and purchase of short-term and long-term investment securities of ¥3,011 million. The key increase came from proceeds of ¥2,848 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 ¥4,483 million. The key decreases came from ¥2,248 million in cash dividends paid and purchase of treasury shares of ¥1,976 million.

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

	FY 2018	FY 2019	FY 2020	FY 2021
Equity Ratio (%)	74.3	75.2	76.3	76.7
Market Value-Based Equity Ratio (%)	70.0	81.1	81.9	76.2
Cash Flow to Interest Bearing Debt Ratio (annual)	0.4	0.3	0.3	0.3
Interest Coverage Ratio (times)	172.7	236.1	211.0	199.6

- 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, a gradual economic recovery is expected due to factors such as restrictions placed on economic activities in response to COVID-19.

Management indices for the fiscal year ending March 31, 2022 and the fiscal year ending March 31, 2024 are listed below. For details, please refer to the "Financial Results Briefing for FY 2021 (April 1, 2020 to March 31, 2021) and Medium-term Management Plan for the Period FY 2022–FY 2024," which was announced today.

### Management Indices

(Millions of yen, %)

	Results in FY under Review		Plan for Next FY		Medium-term Management Plan	
	FY 2021		FY 2022		FY 2024	
	Results	Rate of Increase (Decrease)	Plan	Rate of Increase (Decrease)	Plan	Compound Annual Growth Rate (CAGR) for the Period FY 2021–FY 2024
Net Sales	64,029	(8.1)	67,400	5.3	72,900	4.4
Operating Income	6,685	(11.9)	7,100	6.2	9,000	10.4
Ordinary Income	6,826	(7.8)	7,100	4.0	9,100	10.1
Net Income Attributable to Shareholders of Parental Company	5,153	(6.5)	5,250	1.9	7,000	10.7
Operating Margin	10.4		10.5		12.3	
ROE	6.7		6.6		8.0	

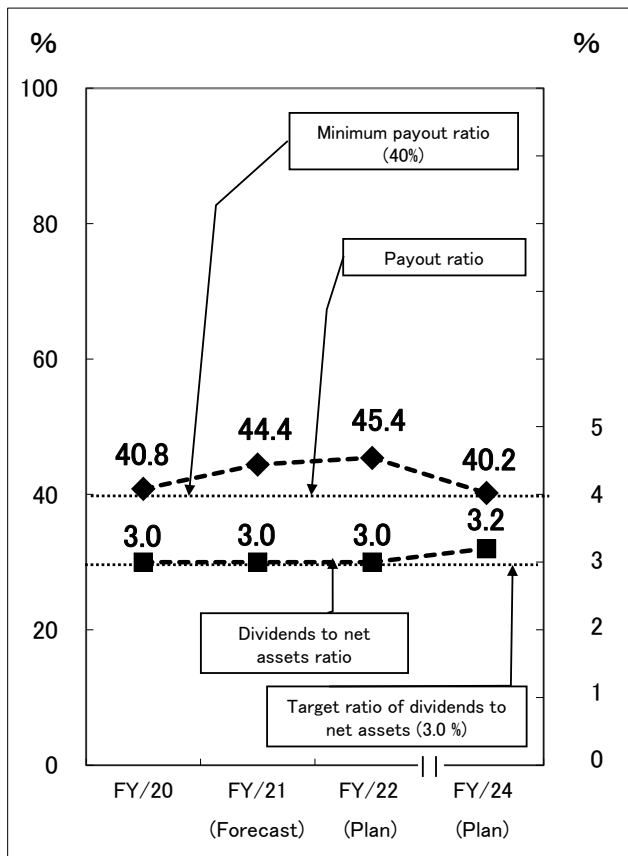
(4) Basic Policy Relating to Distribution of Profits and Dividends for the Current and Coming Term

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%.

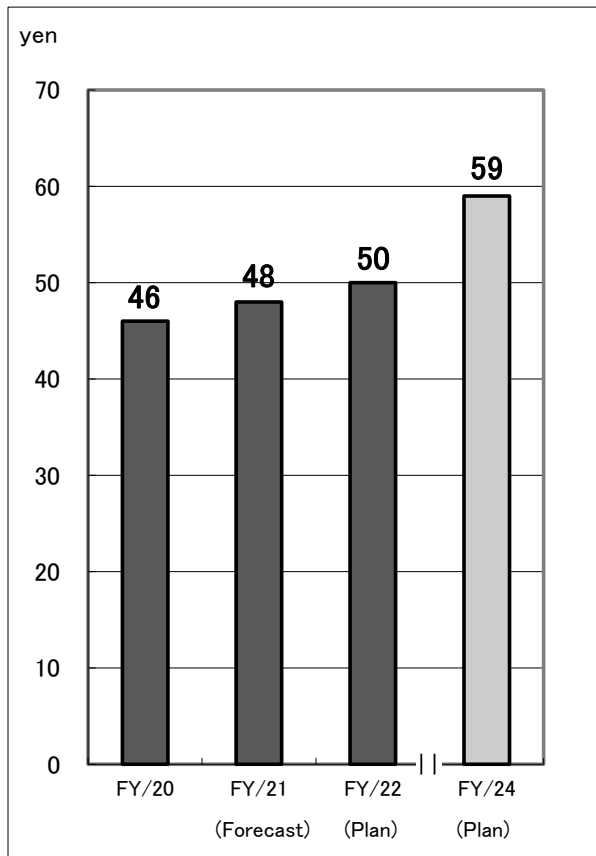
In the fiscal year under review, both sales and profits decreased due to the effect of COVID-19. However, in the fiscal year under review, based on consideration for our dividend policy and financial conditions, the Group plans to pay an “annual dividend of ¥48 per share.”

Based on our current dividend policy, we plan to pay an “annual dividend of ¥50 per share” in the next fiscal year.

**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 limited number of 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 2020 (As of March 31, 2020)	FY 2021 (As of March 31, 2021)
<b>ASSETS</b>		
Current assets		
Cash and deposits	21,849	21,421
Notes and accounts receivable-trade	13,526	12,628
Marketable securities	2,805	3,908
Merchandise and finished goods	6,091	6,616
Work in process	858	798
Raw materials	1,025	1,090
Other	780	785
Allowance for doubtful accounts	(1)	(1)
<b>Total current assets</b>	<b>46,937</b>	<b>47,246</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,622	6,483
Machinery, equipment and vehicles, net	3,606	3,536
Land	7,165	7,181
Leased assets, net	567	602
Construction in progress	585	3,649
Other, net	1,102	1,274
<b>Total property, plant and equipment</b>	<b>19,649</b>	<b>22,727</b>
Intangible assets		
Other	316	332
<b>Total intangible assets</b>	<b>316</b>	<b>332</b>
Investments and other assets		
Investment securities	27,319	27,589
Long-term loans receivable	220	129
Deferred tax assets	4,051	3,607
Other	889	914
Allowance for doubtful accounts	(5)	(9)
<b>Total investments and other assets</b>	<b>32,474</b>	<b>32,231</b>
<b>Total non-current assets</b>	<b>52,441</b>	<b>55,292</b>
<b>Total assets</b>	<b>99,378</b>	<b>102,538</b>

(Millions of yen)

	FY 2020 (As of March 31, 2020)	FY 2021 (As of March 31, 2021)
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable-trade	3,136	3,561
Short-term loans payable	1,850	1,850
Lease obligations	266	222
Accounts payable	1,859	2,048
Income taxes payable	841	565
Accrued consumption taxes	341	252
Provision for bonuses	1,730	1,834
Provision for directors' bonuses	44	58
Provision for product warranties	87	68
Other	1,407	1,338
<b>Total current liabilities</b>	<b>11,563</b>	<b>11,800</b>
Non-current liabilities		
Long-term loans payable	150	150
Lease obligations	300	379
Deferred tax liabilities	45	41
Deferred tax liabilities for land revaluation	474	474
Provision for product warranties	13	13
Net defined benefit liability	10,661	10,789
Asset retirement obligations	30	41
Other	166	151
<b>Total non-current liabilities</b>	<b>11,842</b>	<b>12,041</b>
<b>Total liabilities</b>	<b>23,406</b>	<b>23,842</b>
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	12,367	12,367
Capital surplus	10,518	10,517
Retained earnings	54,891	55,872
Treasury stock	(320)	(373)
<b>Total shareholders' equity</b>	<b>77,456</b>	<b>78,384</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	361	1,259
Revaluation reserve for land	(339)	(339)
Foreign currency translation adjustment	(539)	236
Remeasurements of defined benefit plans	(1,066)	(940)
<b>Total accumulated other comprehensive income</b>	<b>(1,585)</b>	<b>215</b>
Non-controlling interests	100	97
<b>Total net assets</b>	<b>75,972</b>	<b>78,696</b>
<b>Total liabilities and net assets</b>	<b>99,378</b>	<b>102,538</b>

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

(Millions of yen)

	FY 2020 (From April 1, 2019 to March 31, 2020)	FY 2021 (From April 1, 2020 to March 31, 2021)
Net sales	69,671	64,029
Cost of sales	40,544	36,704
Gross profit	29,127	27,325
Selling, general and administrative expenses	21,541	20,639
Operating income	7,586	6,685
Non-operating income		
Interest income	76	74
Dividend income	146	104
Rent income	15	15
Subsidy income	—	50
Other	97	79
Total non-operating income	335	324
Non-operating expenses		
Interest expenses	39	42
Taxes and dues	14	14
Foreign exchange losses	412	94
Depreciation	8	0
Other	41	32
Total non-operating expenses	516	183
Ordinary income	7,405	6,826
Extraordinary income		
Gain on sales of non-current assets	20	0
Gain on sales of investment securities	315	29
Refund of customs duties from previous year	217	226
Total extraordinary income	553	256
Extraordinary loss		
Loss on sales of non-current assets	4	—
Loss on abandonment of non-current assets	212	16
Loss on valuation of investment securities	288	—
Loss on sales of investment securities	—	0
Impairment loss	21	—
Restructuring expenses	—	33
Total extraordinary loss	526	50
Net income before income taxes	7,432	7,032
Income taxes-current	2,009	1,838
Income taxes-deferred	(88)	48
Total income taxes	1,920	1,887
Net income	5,511	5,145
Net income (loss) attributable to non-controlling interests	1	(8)
Net income attributable to shareholders of parental company	5,510	5,153

## (Consolidated Statement of Comprehensive Income)

(Millions of yen)

	FY 2020 (From April 1, 2019 to March 31, 2020)	FY 2021 (From April 1, 2020 to March 31, 2021)
Net income	5,511	5,145
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,055)	897
Foreign currency translation adjustment	(465)	782
Adjustments relating to retirement benefits	186	126
Total other comprehensive income	(1,334)	1,805
Comprehensive income	4,176	6,950
(Breakdown)		
Comprehensive income attributable to shareholders of parental company	4,183	6,953
Comprehensive income attributable to non-controlling interest	(6)	(2)



(3) Consolidated Statements of Changes in Net Assets  
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

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(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	54,891	(320)	77,456
Changes of items during the period					
Dividends of surplus			(2,249)		(2,249)
Net Income attributable to shareholders of parental company			5,153		5,153
Change in scope of consolidation			(0)		(0)
Purchase of treasury shares				(1,976)	(1,976)
Retirement of treasury shares		(0)	(1,922)	1,922	—
Net changes of items other than shareholders' equity					—
Total changes of items during the period	—	(0)	980	(53)	927
Balance at end of the year	12,367	10,517	55,872	(373)	78,384

(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	361	(339)	(539)	(1,066)	(1,585)	100	75,972
Changes of items during the period							
Dividends of surplus							(2,249)
Net Income attributable to shareholders of parental company							5,153
Change in scope of consolidation							(0)
Purchase of treasury shares							(1,976)
Retirement of treasury shares							—
Net changes of items other than shareholders' equity	897	—	776	126	1,800	(3)	1,797
Total changes of items during the period	897	—	776	126	1,800	(3)	2,724
Balance at end of the year	1,259	(339)	236	(940)	215	97	78,696

## (4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY 2020 (From April 1, 2019 to March 31, 2020)	FY 2021 (From April 1, 2020 to March 31, 2021)
<b>Cash flows from operating activities</b>		
Net income before income taxes	7,432	7,032
Depreciation	2,466	2,522
Impairment loss	21	—
Increase (decrease) in allowance for doubtful accounts	(0)	3
Increase (decrease) in provision for bonuses	(22)	104
Increase (decrease) in provision for directors' bonuses	(0)	13
Increase (decrease) in provision for product warranties	(25)	(18)
Increase (decrease) in net defined benefit liability	130	309
Interest and dividend income	(222)	(178)
Interest expenses	39	42
Foreign exchange losses (gains)	47	(166)
Loss on abandonment of non-current assets	212	16
Loss (gain) on sales of non-current assets	(16)	(0)
Refund of customs duties from previous year	(217)	(226)
Loss (gain) on sales of investment securities	(315)	(29)
Loss (gain) on valuation of investment securities	288	—
Increase (decrease) in deposits received from employees	(78)	(7)
Decrease (increase) in notes and accounts receivable-trade	701	1,042
Decrease (increase) in inventories	(94)	(401)
Increase (decrease) in notes and accounts payable-trade	(393)	338
Increase (decrease) in accrued consumption taxes	246	(95)
Decrease (increase) in other assets	232	(0)
Increase (decrease) in other liabilities	(262)	193
Subtotal	10,171	10,497
Interest and dividend income received	290	230
Interest expenses paid	(39)	(44)
Income taxes (paid) refund	(2,310)	(2,112)
Refund of customs duties from previous year	217	226
Cash flows from operating activities	8,330	8,798

(Millions of yen)

	FY 2020 (From April 1, 2019 to March 31, 2020)	FY 2021 (From April 1, 2020 to March 31, 2021)
<b>Cash flows from investment activities</b>		
Purchase of short-term and long-term investment securities	(8,620)	(3,011)
Proceeds from sales and redemption of short-term and long-term investment securities	5,466	2,848
Purchase of property, plant and equipment	(2,722)	(4,943)
Payments for retirement of property, plant and equipment	(69)	(150)
Proceeds from sales of property, plant and equipment	153	—
Purchase of intangible assets	(177)	(136)
Proceeds from sales of intangible assets	—	0
Payments of loans receivable	(57)	(2)
Collection of loans receivable	42	46
<b>Cash flows from investment activities</b>	<b>(5,986)</b>	<b>(5,349)</b>
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(1)	(1,976)
Proceeds from disposal of treasury shares	0	—
Cash dividends paid	(2,152)	(2,248)
Cash dividends paid to non-controlling shareholders	(1)	(0)
Repayments of lease obligations	(257)	(258)
<b>Cash flows from financing activities</b>	<b>(2,411)</b>	<b>(4,483)</b>
Effect of exchange rate change on cash and cash equivalents	(272)	594
Net increase (decrease) in cash and cash equivalents	(340)	(440)
Balance of cash and cash equivalents, beginning of the period	22,190	21,849
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	11
<b>Balance of cash and cash equivalents, end of the period</b>	<b>21,849</b>	<b>21,421</b>

(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 welfare 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, 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)	4,895	5,454	(224)	(2,538)	7,586
Segment assets	18,785	28,150	2,472	—	49,408
Other items					
Depreciation	694	1,652	115	5	2,466
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.

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reported segments			Adjustments	Total
	Office Equipment	Industrial Equipment	HCR Equipment		
Net sales					
Net sales to outside customers	17,061	44,300	2,667	—	64,029
Inter-segments sales or transfers	—	—	—	—	—
Total	17,061	44,300	2,667	—	64,029
Segment profit	2,738	6,652	36	(2,741)	6,685
Segment assets	19,465	33,390	2,624	—	55,480
Other items					
Depreciation	689	1,741	98	(6)	2,522
Increase in property, plant and equipment and intangible assets	1,399	3,537	50	—	4,987

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

#### 4) Notes relating to changes, etc., to reported segments

Business management classifications were revised since the consolidated fiscal year under review and some changes were made to the profit and loss calculation method for the reported segments. Previously, expenses related to research and development for which commercialization is uncertain were allocated to the Office Equipment segment and the Industrial Equipment segment. Now, as with expenses related to the headquarters management department, these expenses are recorded as Group-wide expenses in the adjustment to segment profit or loss.

For the segment information for the previous consolidated fiscal year, we have listed numbers created in accordance with classifications after the change.

#### 5) 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 2020	FY 2021
Reported segment total	49,408	55,480
Group-wide assets (Note)	49,970	47,057
Total assets in the consolidated balance sheets	99,378	102,538

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

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

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.

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

None.

#### (Per Share Information)

(Yen)

	FY 2020 (From April 1, 2019 to March 31, 2020)	FY 2021 (From April 1, 2020 to March 31, 2021)
Net assets per share	1,551.34	1,647.68
Net income per share	112.67	105.80

(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 2020 (From April 1, 2019 to March 31, 2020)	FY 2021 (From April 1, 2020 to March 31, 2021)
Net income attributable to shareholders of parental company (¥ million)	5,510	5,153
Amount not relating to common shares (¥ million)	—	—
Net income attributable to shareholders of parental company relating to common shares (¥ million)	5,510	5,153
Average number of common shares outstanding during the term (shares)	48,907,406	48,706,387

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

	FY 2020 (As of March 31, 2020)	FY 2021 (As of March 31, 2021)
Total of net assets (¥ million)	75,972	78,696
Amount to be deducted from the total of net assets (¥ million)	100	97
(Of which non-controlling interests (¥ million))	(100)	(97)
Closing net assets relating to common shares (¥ million)	75,871	78,599
Number of common shares as of end of term used in the calculation of net assets per share (shares)	48,907,163	47,702,936

(Significant Subsequent Events)

None.