



# MAX Co., Ltd.

## Financial Results Briefing for First Half of FY 2022

Announcement Date: November 4, 2021

### Participants

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# Table of Contents

## Financial Results for the Entire Company in the First Half of FY 2022

1. Financial Results for the Entire Company in the First Half of FY 2022
2. Changes in Financial Results for the Entire Company in the First Half of FY 2018 to FY 2022
3. Changes in Financial Results for the Entire Company by Quarter
4. Factors for Increase/Decrease of Operating Income
5. Other Financial Information
6. Strategic Investment for Mid- and Long-Term Business Growth
7. Economic Indicators

## Financial Results for Individual Segments in the First Half of FY 2022

8. Financial Results for Individual Segments in the First Half of FY 2022
9. Changes in Segment Results by Quarter
10. Industrial Equipment Segment: Financial Results for the First Half of FY 2022
11. Industrial Equipment Segment: Changes in Financial Results by Quarter
12. Office Equipment Segment: Financial Results for the First Half of FY 2022
13. Office Equipment Segment: Changes in Financial Results by Quarter
14. HCR Equipment Segment: Financial Results for the First Half of FY 2022
15. HCR Equipment Segment: Changes in Financial Results by Quarter
16. Changes in Quarterly Net Sales by Overseas Region
17. Priority Business: Overview of Rebar Tying Tools Business
18. Investment Plan

## Operating Results Forecast for FY 2022

19. Plan for Entire Company in FY 2022
20. Segment Plans in FY 2022
21. Dividend Policy: Payout Ratio and Dividends to Net Assets Ratio
22. Dividends Policy: Dividends per Share

## Reference Materials

23. Changes in Quarterly Segment Net Sales by Overseas Region (North America)
24. Changes in Quarterly Segment Net Sales by Overseas Region (Europe)
25. Changes in Quarterly Segment Net Sales by Overseas Region (Asia Excluding Japan)
26. Main Products in Industrial Equipment Product Operations and Office Operations
27. Product Breakdown of Domestic/Overseas Industrial Equipment Product Operations
28. Product Breakdown of Domestic/Overseas Office Operations



# Financial Results for the Entire Company in the First Half of FY 2022

# Financial Results for the Entire Company in the First Half of FY 2022

## ■ Exchange rates

(H1 FY 2022) 1 USD = 109.92 JPY / 1 EUR = 131.18 JPY

(H1 FY 2021) 1 USD = 106.83 JPY / 1 EUR = 120.90 JPY

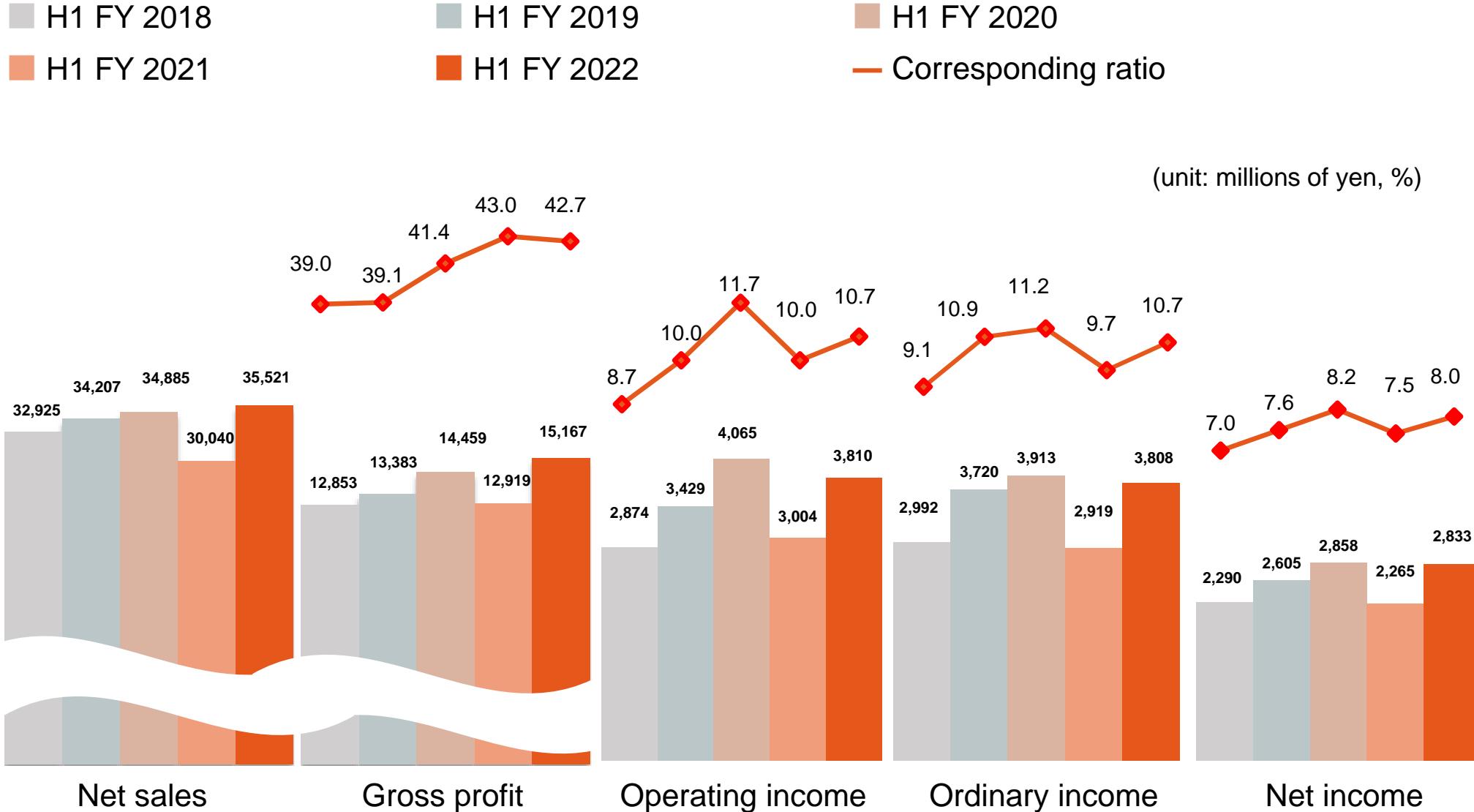
(Planned) 1 USD = 105.00 JPY / 1 EUR = 125.00 JPY

(unit: millions of yen, %)

	Results in H1 for FY under review	Results in H1 of previous FY	% increase/decrease	First-half plan	Achievement rate
Net sales	35,521	30,040	+18.2	32,800	108.3
Gross profit	15,167	12,919	+17.4	—	
Corresponding ratio	42.7	43.0			
Operating income	3,810	3,004	+26.8	3,350	113.8
Corresponding ratio	10.7	10.0		10.2	
Ordinary income	3,808	2,919	+30.5	3,350	113.7
Corresponding ratio	10.7	9.7		10.2	
Net income attributable to shareholders of parental company	2,833	2,265	+25.1	2,500	113.3
Corresponding ratio	8.0	7.5		7.6	
Net income per share (yen)	59.56	46.32	—	52.41	

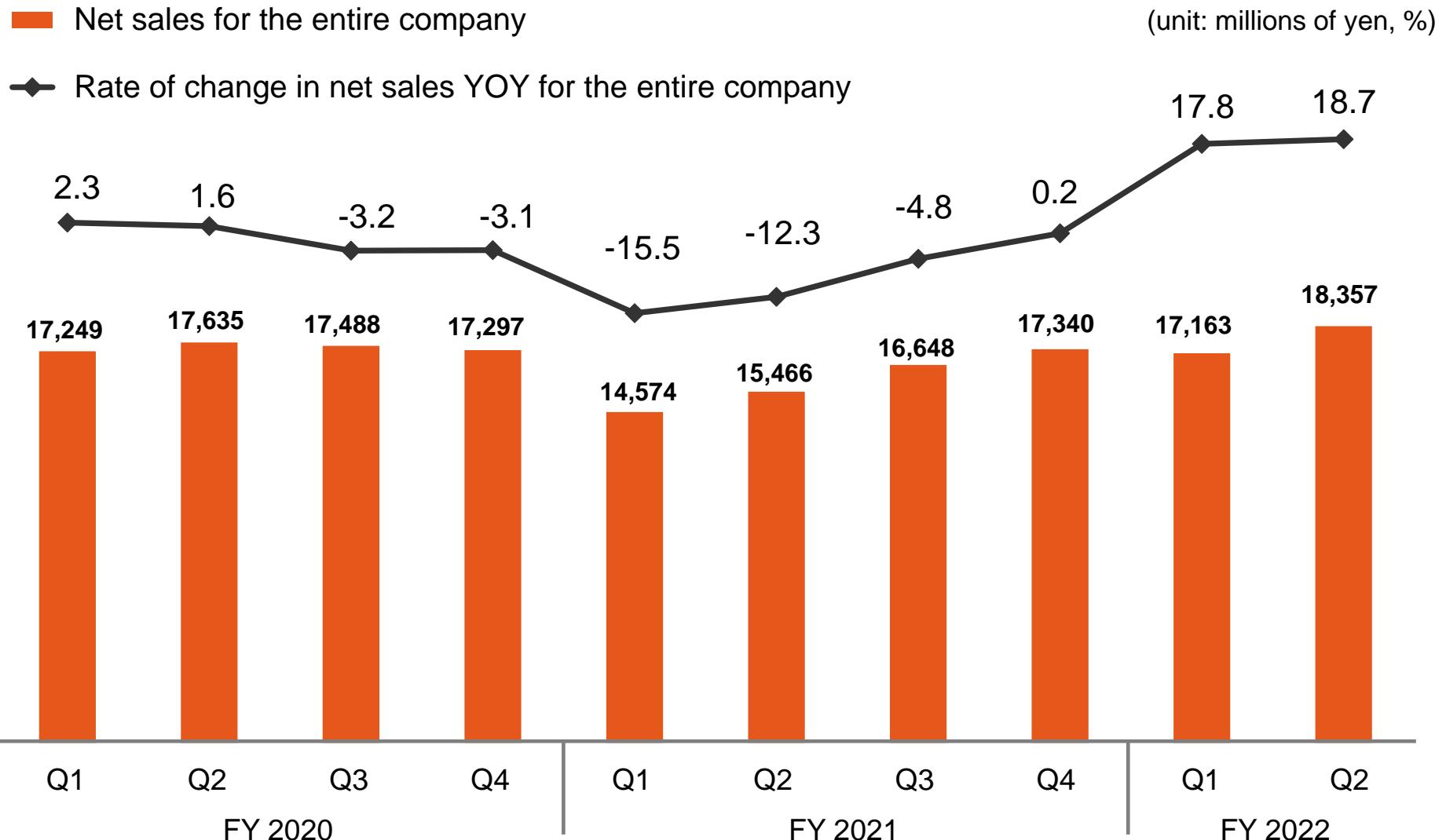
# Changes in Financial Results for the Entire Company in the First Half of FY 2018 to FY 2022

2

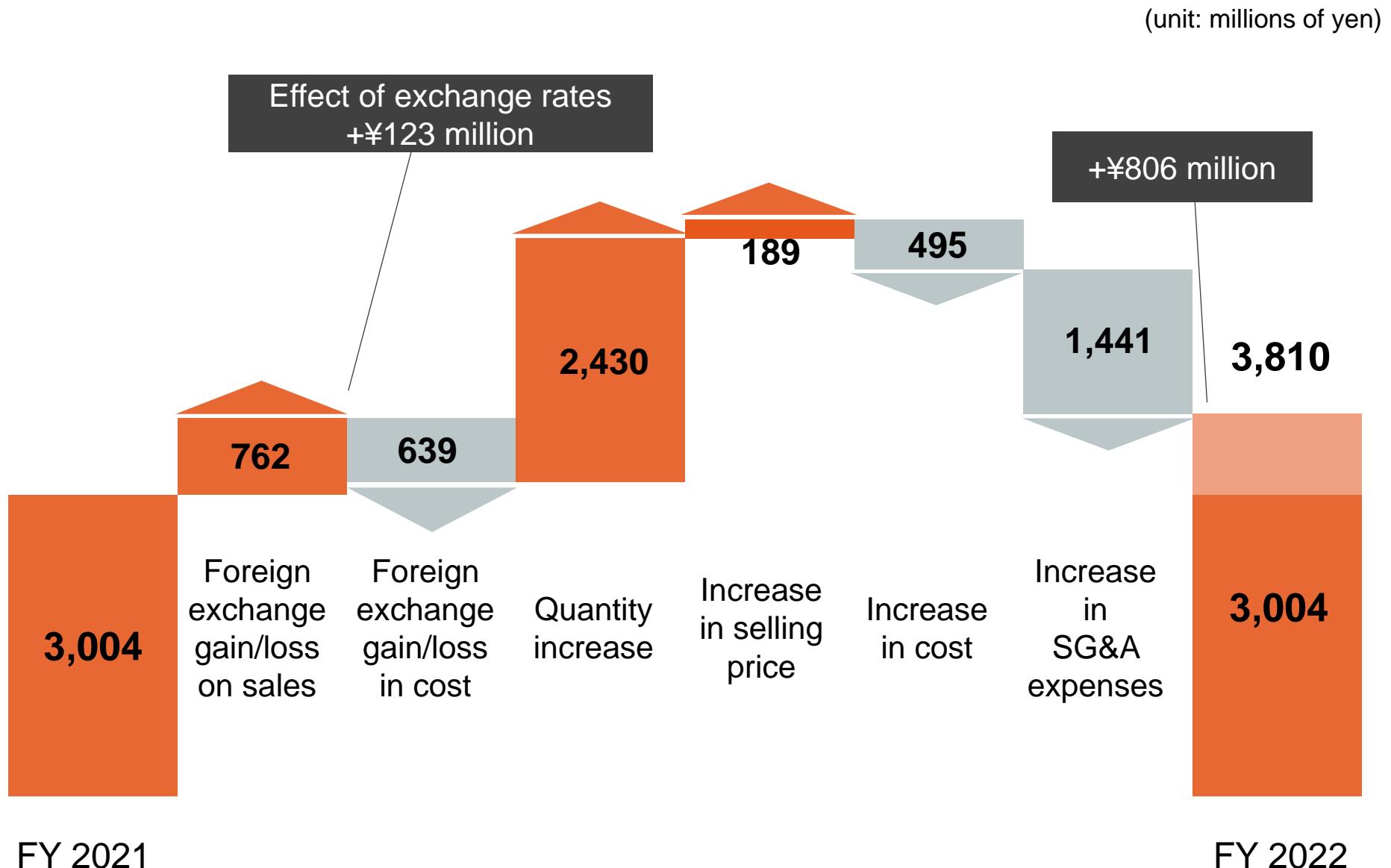


# Changes in Financial Results for the Entire Company by Quarter

3



# Factors for Increase/Decrease of Operating Income



## ■ Non-operating income/expenses and extraordinary income/loss

	H1 FY 2022	H1 FY 2021	YOY	(unit: millions of yen)
Non-operating income/expenses	-2	-85	+83	
Non-operating income (excluding foreign exchange effect)	162	169	-6	
Non-operating expenses (excluding foreign exchange effect)	-50	-44	-5	
Foreign exchange gain/loss	-114	-210	+95	
Extraordinary income/loss	-10	87	-98	
Extraordinary income	2	* 93	-91	
Extraordinary loss	-12	-5	-6	

\* Refund of customs duties from previous year: ¥93 million

## ■ Facilities investment, depreciation, R&D expenses

(unit: millions of yen, %)

	H1 FY 2022	H1 FY 2021	FY 2022 annual plan	Rate of progress
Facilities investment	2,674	2,314	5,388	49.6
Depreciation	1,339	1,237	2,933	45.7
R&D expenses	1,604	1,529	3,256	49.3

## Priority Policy

Contribute to business growth by expanding priority businesses and actively investing in the creation of new businesses

## Progress of strategic investment for business growth

Cumulative investment amount over 3 years (FY 2022 to FY 2024) **¥3.6 billion**

(unit: millions of yen, %)

FY 2022	H1 results	Full-year forecast	Rate of progress
Investment in enhancing operating infrastructure	44	225	19.6
Investment in digital technology	32	207	15.5
Strategic investment in development	154	482	32.0
Brand strategy, etc.	7	43	16.3
<b>Total</b>	<b>238</b>	<b>957</b>	<b>24.9</b>

## Domestic

Although restrictions on some economic activities continued due to the spread of COVID-19, the Japanese economy is showing signs of recovery due to the promotion of vaccination.

Since March, the number of new housing construction starts related to the Industrial Equipment segment has been increasing compared to the same period of the previous fiscal year.

## Overseas

Although there have been subsequent waves of COVID-19 in some countries and regions, construction and civil engineering sites in Europe and the United States are booming due to strong trends in the number of new housing construction starts in the United States and an increase in infrastructure construction in Europe.

### ■ Reference indices

#### Number of new housing construction starts

- Up 3.3% YOY for the period from January to June 2021  
(Owner-occupied: +7.7%, Rental: +2.6%, Built-for-sale: +0.1%)

→ Positive effect on the industrial equipment product operations (wooden structure related) and residential environmental equipment operations

#### Floor area of construction starts of non-residential structures / Supply and demand for skilled construction workers

- Down 2.6% YOY for the period from October 2020 to March 2021  
(Offices: -5.6%, Shops: +24.2%, Factories: -20.9%, Warehouses: +15.1%)
- There continues to be neither an excess or lack in the supply and demand of skilled rebar workers (for construction sites).  
→ Slightly negative effect on the industrial equipment product operations (concrete related)

#### Currency exchange rates

- 1 USD = 109.92 JPY, 1 EUR = 131.18 JPY  
(H1 FY 2021: 1 USD = 106.83 JPY, 1 EUR = 120.90 JPY)  
→ Looking overseas, sales of tools for concrete structures were strong and foreign exchange gains were obtained. In Japan, foreign exchange losses were recorded due to the impact of a weakening yen.

#### Number of new housing construction starts in the U.S.

- The annualized rate is 1,562,000 units in July 2021, 1,580,000 units in August 2021, and 1,555,000 units in September 2021  
(Previous year—July: 1,497,000 units, August: 1,376,000 units, September: 1,448,000 units)



# Financial Results for Individual Segments in the First Half of FY 2022

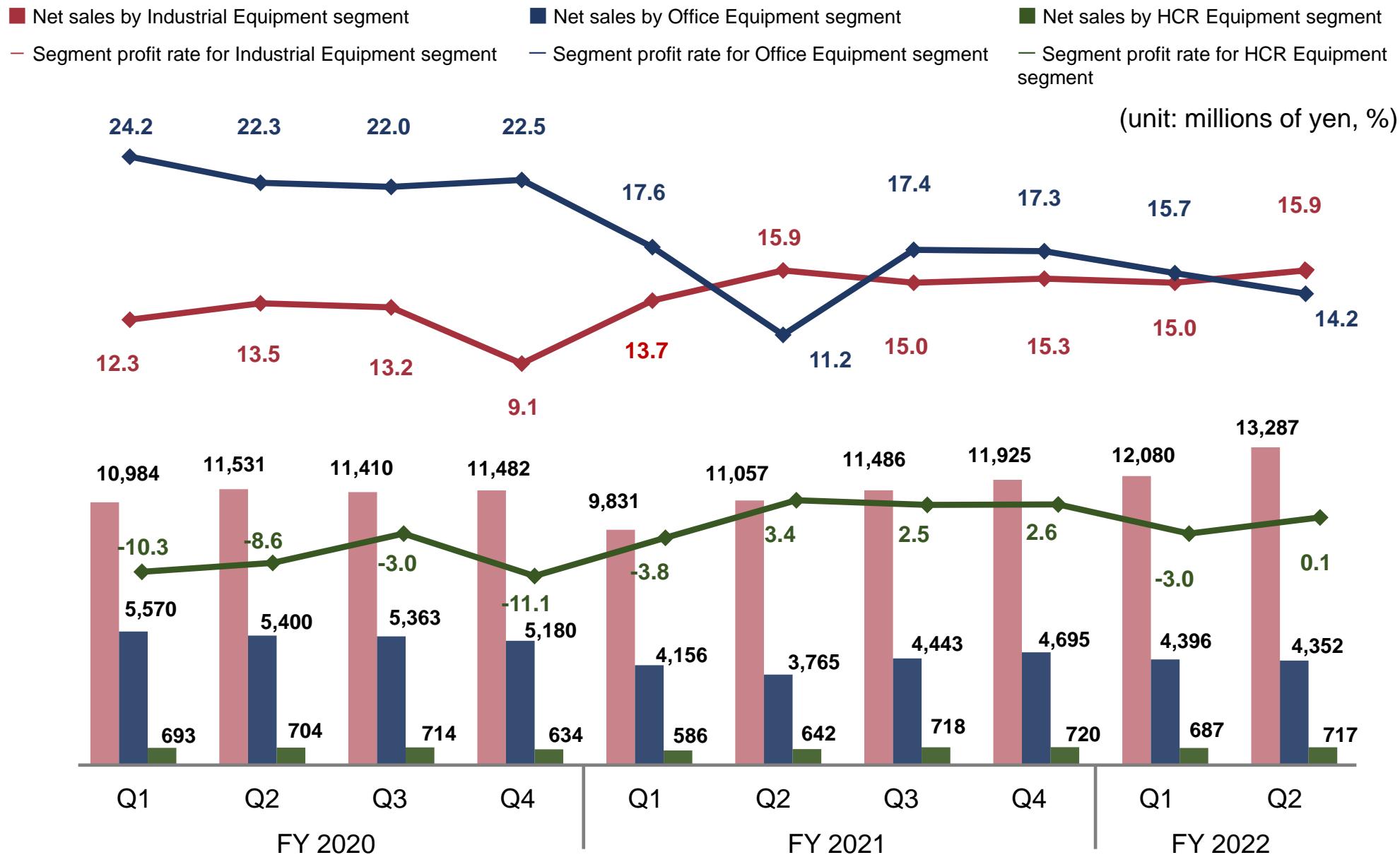
# Financial Results for Individual Segments in the First Half of FY 2022

(unit: millions of yen, %)

	Results in H1 for FY under review	Results in H1 of previous FY	% increase/decrease	First-half plan	Achievement rate
Industrial Equipment segment					
Net sales	25,368	20,888	+21.4	22,480	112.8
Segment profit	3,922	3,103	+26.4	3,340	117.4
Segment profit rate	15.5	14.9		14.9	
Office Equipment segment					
Net sales	8,749	7,922	+10.4	9,000	97.2
Segment profit	1,309	1,154	+13.4	1,530	85.6
Segment profit rate	15.0	14.6		17.0	
HCR Equipment segment					
Net sales	1,404	1,229	+14.3	1,320	106.4
Segment profit	-19	0	—	10	—
Segment profit rate	-1.4	0.0		0.8	
Adjustment amount	-1,401	-1,253	+11.8	-1,530	—
Total for entire company					
Net sales	35,521	30,040	+18.2	32,800	108.3
Operating income	3,810	3,004	+26.8	3,350	113.8
Operating margin	10.7	10.0		10.2	

# Changes in Segment Results by Quarter

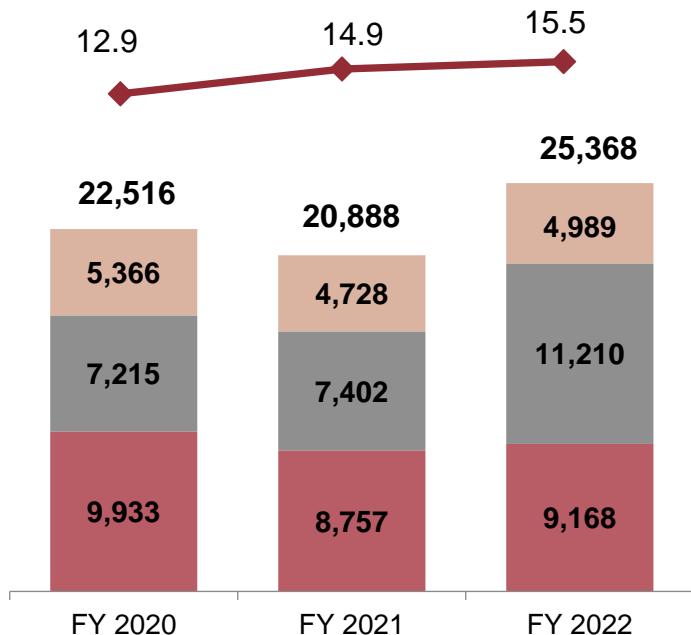
9



# Industrial Equipment Segment: Financial Results for the First Half of FY 2022

- Domestic industrial equipment product operations
- Overseas industrial equipment product operations
- Residential environmental equipment operations
- Segment profit rate

(unit: millions of yen, %)



TWINTIER rebar tying tools



DRYFAN bathroom heaters, ventilators and dehumidifiers

Domestic industrial equipment product operations

► Revenue increased due to growing sales of consumables for tools for wooden structures, and to strong sales of dedicated consumables for TWINTIER rebar tying tools.

Overseas industrial equipment product operations

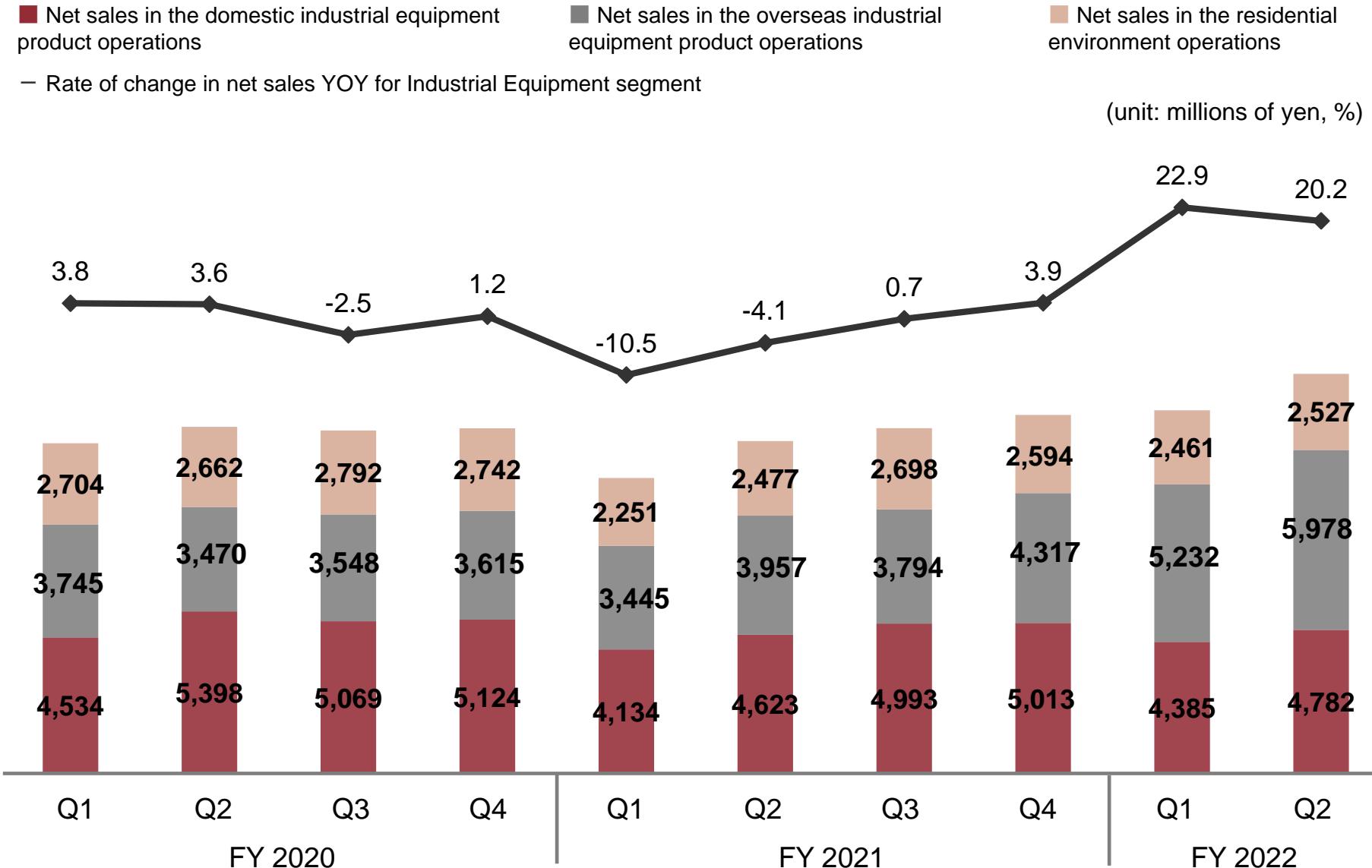
► Sales of TWINTIER rebar tying tools and dedicated consumables grew with a focus on Western countries, and sales of tools for wooden structures also increased.

Residential environmental equipment operations

► Revenue increased due to growing sales of DRYFAN bathroom heaters, ventilators and dehumidifiers, which are the mainstay of the business, in the new housing market as well as the housing stock market for renovation and replacement.

# Industrial Equipment Segment: Changes in Financial Results by Quarter

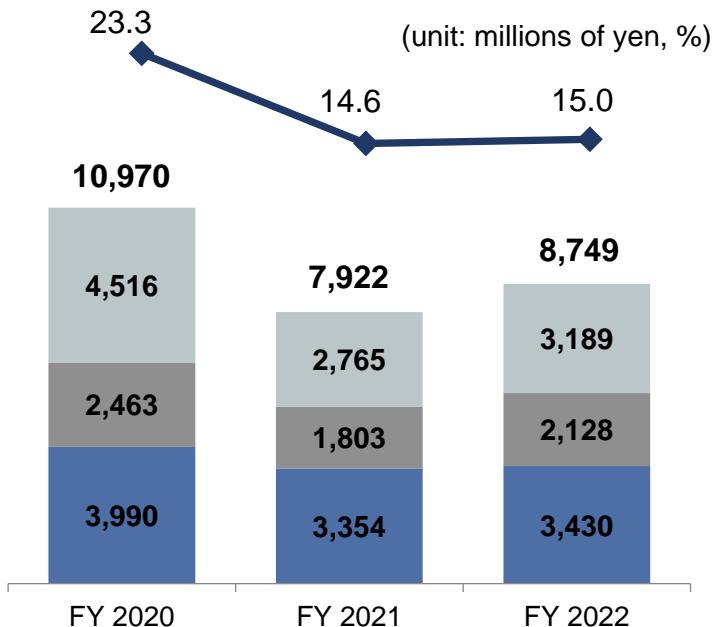
11



# Office Equipment Segment: Financial Results for the First Half of FY 2022

12

■ Domestic office operations  
■ Overseas office operations  
■ Auto-stapler operations    — Segment profit rate



Label printers for food labeling



LETATWIN tube markers

Domestic office operations

► Although sales decreased for stationery-related products, revenue increased due to strong sales of labelling and signage products in conjunction with rising food-to-go demand; for example, sales increased for label printing products used for food labels.

Overseas office operations

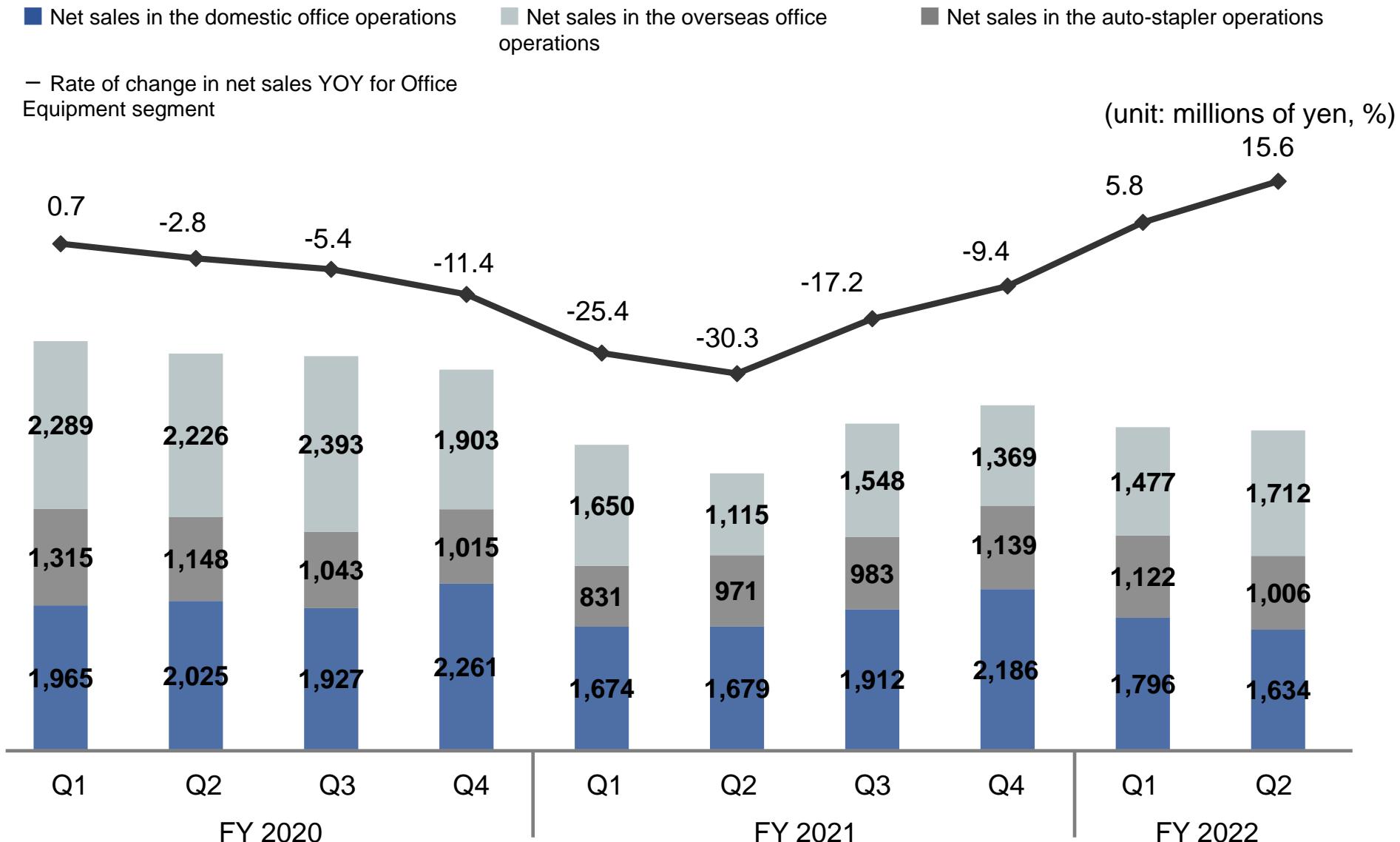
► Revenue increased due to increased sales of the tube marker LETATWIN in China, and to recovery in the sales of stationery-related products in Southeast Asia.

Auto-stapler operations

► Revenue rose due to increased sales of machinery and consumables as a result of growing orders from business partners following gradual recovery in the office occupancy rate in general.

# Office Equipment Segment: Changes in Financial Results by Quarter

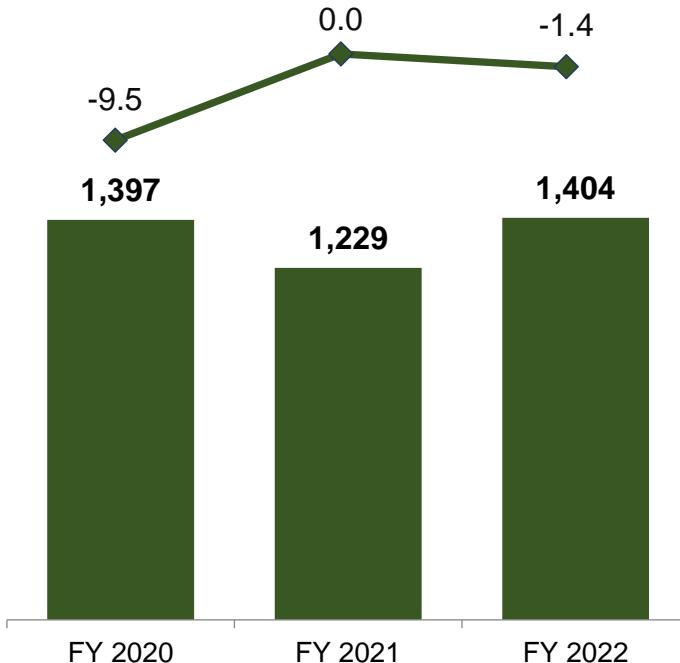
13



# HCR Equipment Segment: Financial Results for the First Half of FY 2022

14

■ Net sales by HCR Equipment segment  
— Segment profit rate  
(unit: millions of yen, %)



Multifunction wheelchairs: Modern Series  
Equipped with a footrest and right/left  
interlocking brakes: SAYUREN



Functionally sophisticated wheelchairs:  
WAVIT Roo

HCR Equipment segment



► Although sales activities continued to be slow, revenue increased due to growing sales of high value-added wheelchairs in the nursing care market. On the other hand, profitability decreased due to the impact of exchange rates caused by a weakening yen.

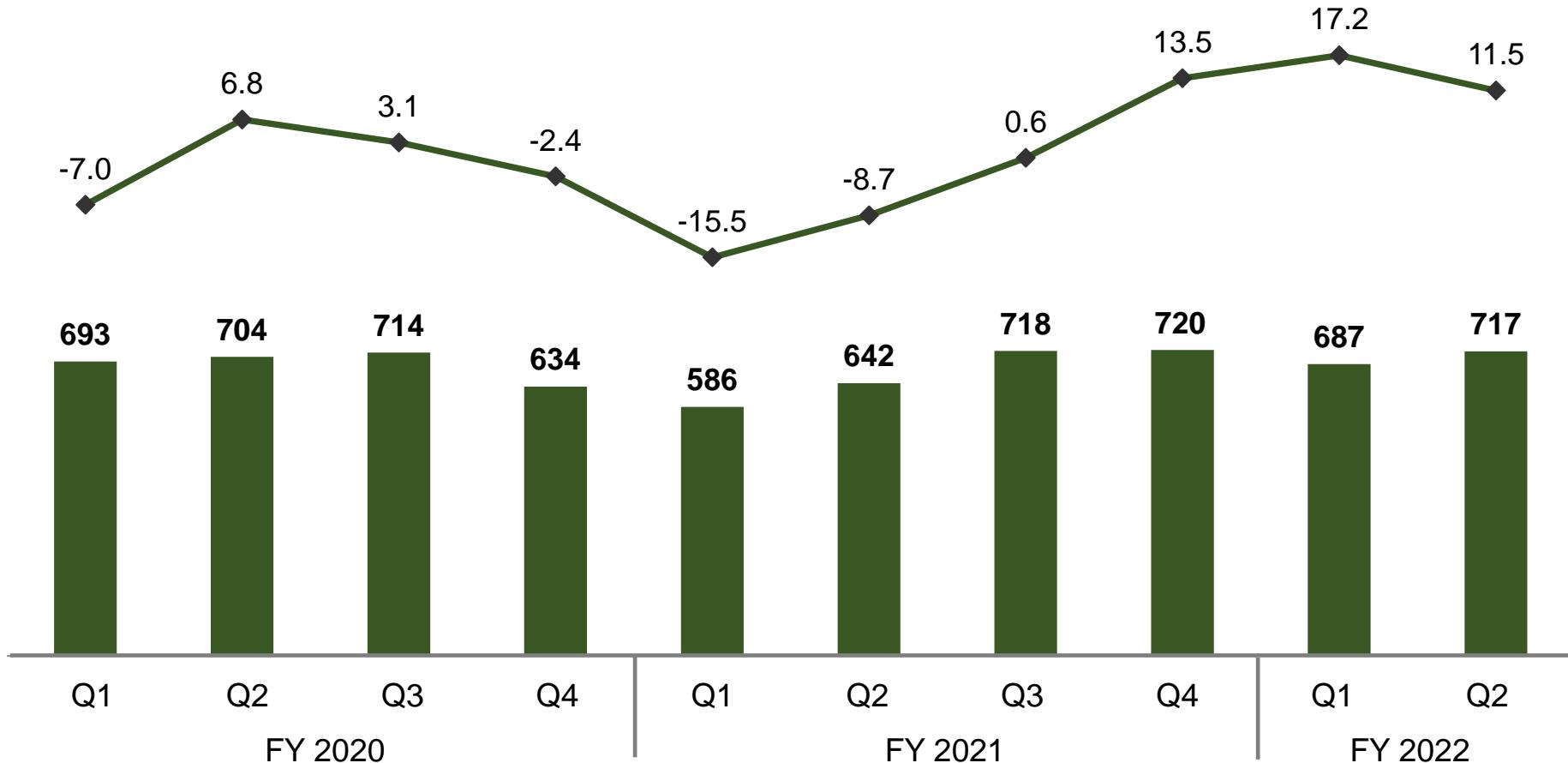
# HCR Equipment Segment: Changes in Financial Results by Quarter

15

■ Net sales by HCR Equipment segment

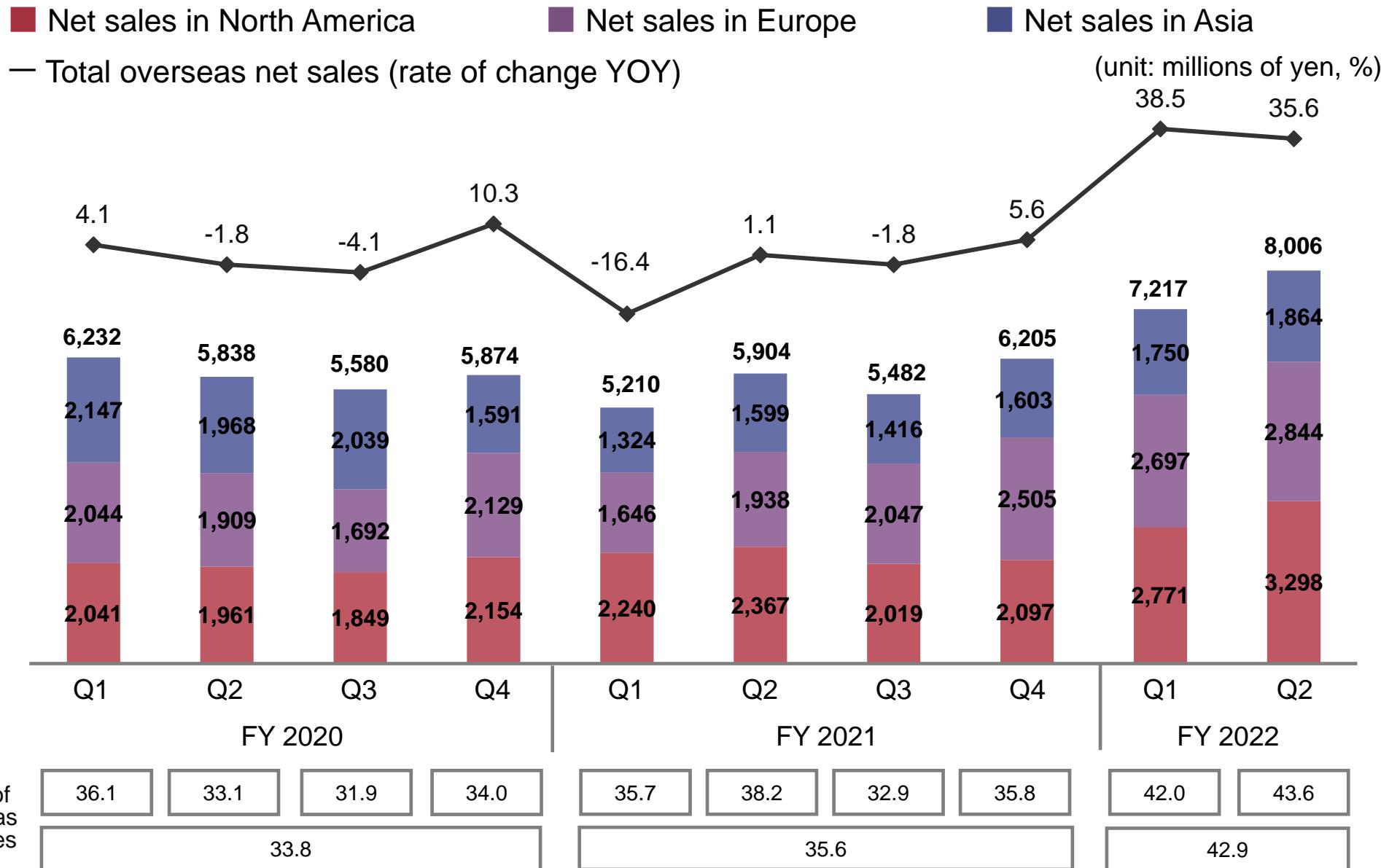
— Rate of change in net sales YOY for HCR Equipment segment

(unit: millions of yen, %)



# Changes in Quarterly Net Sales by Overseas Region

16



Note: Includes overseas net sales for auto-stapler operations.

## **Sales of tools for concrete structures were strong, centered on the rebar tying tools business**

- Sales of tools for domestic and overseas concrete structures: ¥11.4 billion (+42.8% year-on-year)
- Number of concrete material dealers compared to March 31, 2021: +17.6% (plan for a 40% increase by fiscal year ending March 31, 2024)

### Japan



- Implemented installation promotion activities utilizing NETIS and rental dealers for the civil engineering market, which is a developing market. In addition to the civil engineering market, we are expanding sales activities for large-diameter models in the construction market (condominiums/housing foundations).

### North America



- Public works continues to boom. Demand for rebar tying tools is increasing in conjunction with labor shortages.
- Opened a new service center in western California. Seek to improve the quality of after-sales support.

### Europe



- Actively provide training to dealer salespersons, strengthen existing sales channels, and develop new dealers.
- In response to booming large-scale infrastructure construction such as railways, roads, and tunnels, the operating rate of subcontracted pre-cast concrete factories increased, which resulted in support for strong sales of rebar tying tools.

Made a decision to **construct a new factory** in Thailand for manufacturing consumables for rebar tying tools

## Thai Factory No. 3

Currently, in our Thai factories, Factory No. 1 mainly manufactures staplers and nailers, and Factory No. 2 manufactures Tie Wire, which is a consumable for rebar tying tools. Following the Factory No. 2, by constructing Factory No. 3 for manufacturing Tie Wire, we will achieve further business growth by building a system that meets the strong market demand.

- Operating period: Scheduled for March 2023
- Investment amount: ¥1.65 billion (Phase 1)
- Building floor area: 4,800 m<sup>2</sup>



Scheduled site for construction of new factory

Exterior of Thai factory (current)



# Operating Results Forecast for FY 2022

# Plan for Entire Company in FY 2022

	Current plan (Oct. 29, 2021)	Initial plan (Apr. 28, 2021)	Difference	Results in previous FY	(unit: millions of yen, %) % increase/ decrease
Net sales	72,600	67,400	5,200	64,029	+13.4
Operating income	7,600	7,100	500	6,685	+13.7
Corresponding ratio	10.5	10.5		10.4	
Ordinary income	7,600	7,100	500	6,826	+11.3
Corresponding ratio	10.5	10.5		10.7	
Net income attributable to shareholders of parental company	5,650	5,250	400	5,153	+9.6
Corresponding ratio	7.8	7.8		8.0	
Net income per share (yen)	119.11	110.06	9.05	105.80	
ROE	7.1	6.6	0.5P	6.7	

- Due to strong sales of tools for concrete structures with a focus on Western countries in the Industrial Equipment segment, we predict that operating results will surpass the planned value announced on April 28, 2021.

# Segment Plans in FY 2022

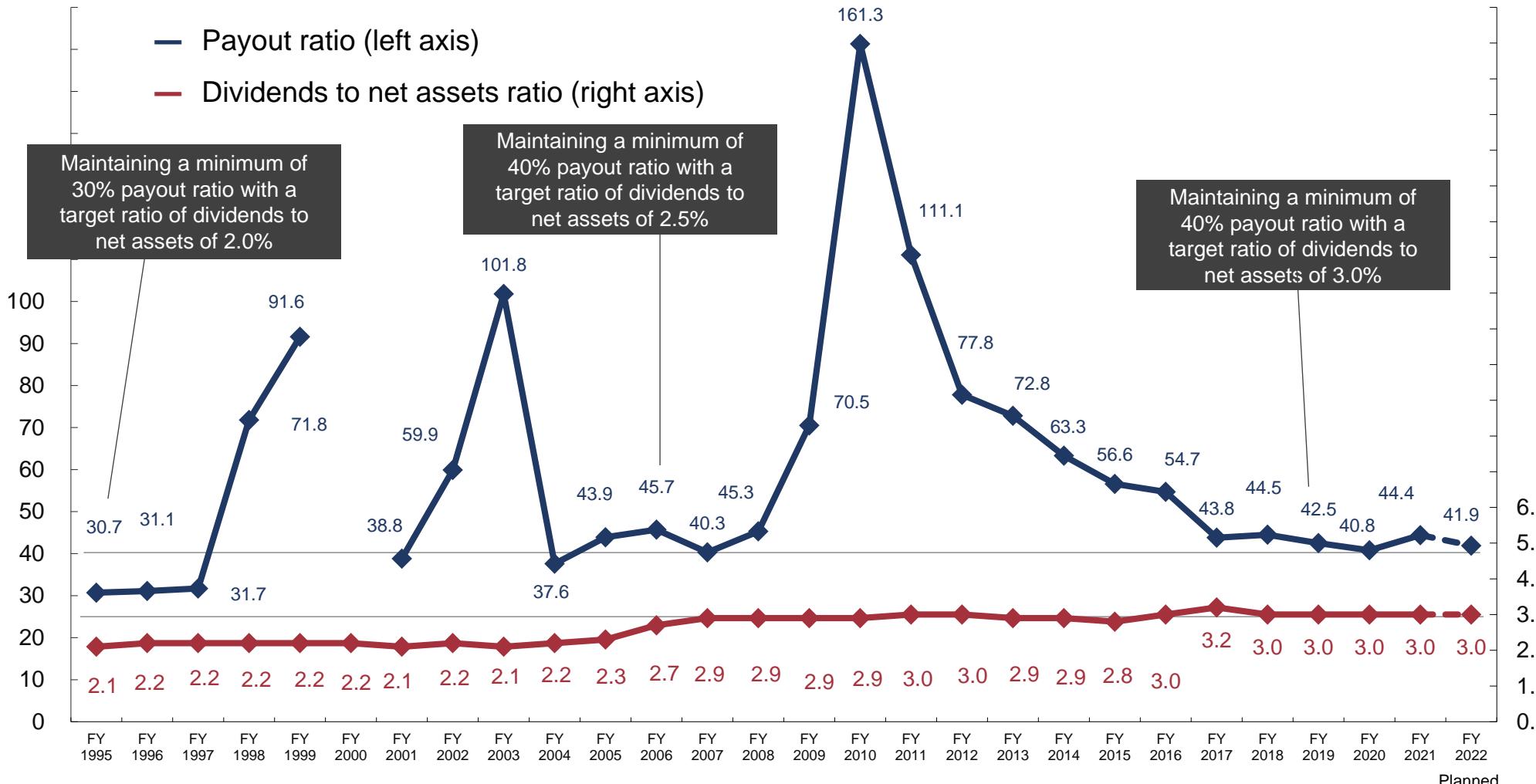
20

	Current Plan (Oct. 29, 2021)	Initial Plan (Apr. 28, 2021)	Difference	Results in previous FY	(unit: millions of yen, %) % increase/ decrease
Industrial Equipment segment					
Net sales	51,000	45,650	5,350	44,300	+15.1
Segment profit	7,630	6,750	880	6,652	+14.7
Segment profit rate	15.0	14.8		15.0	
Office Equipment segment					
Net sales	18,720	19,000	-280	17,061	+9.7
Segment profit	3,270	3,400	-130	2,738	+19.4
Segment profit rate	17.5	17.9		16.1	
HCR Equipment segment					
Net sales	2,880	2,750	130	2,667	+8.0
Segment profit	0	50	-50	36	—
Segment profit rate	—	1.8		1.4	
Adjustment amount	-3,300	-3,100	-200	-2,741	
Total for entire company					
Net sales	72,600	67,400	5,200	64,029	+13.4
Operating income	7,600	7,100	500	6,685	+13.7
Operating margin	10.5	10.5		10.4	

# Dividend Policy: Payout Ratio and Dividends to Net Assets Ratio

Based on consolidated financial results, seek to “maintain a minimum of 40% payout ratio with a target ratio of dividends to net assets of 3.0%.”

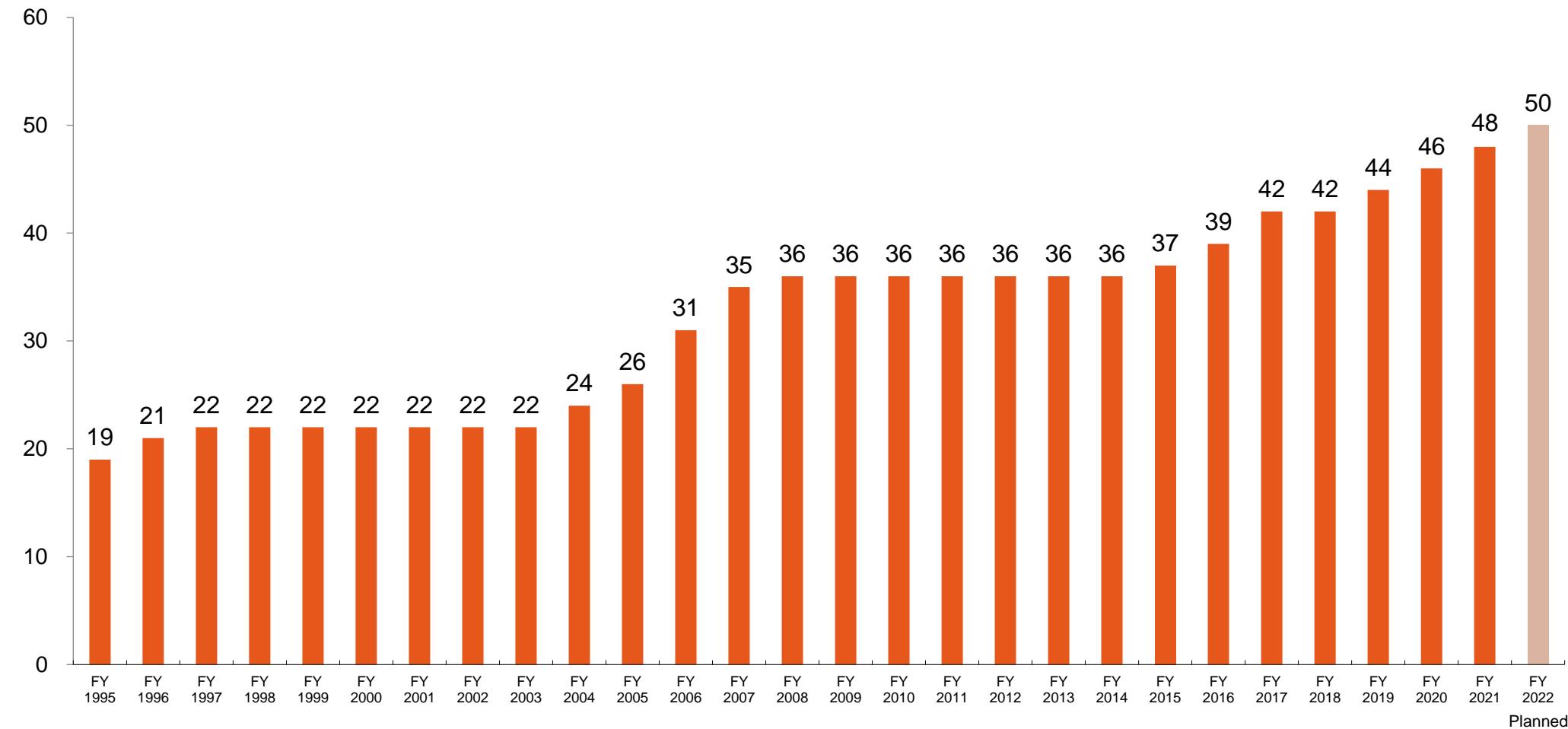
(unit: %)



Note: Non-consolidated base until FY 2005.

# Dividends Policy: Dividends per Share

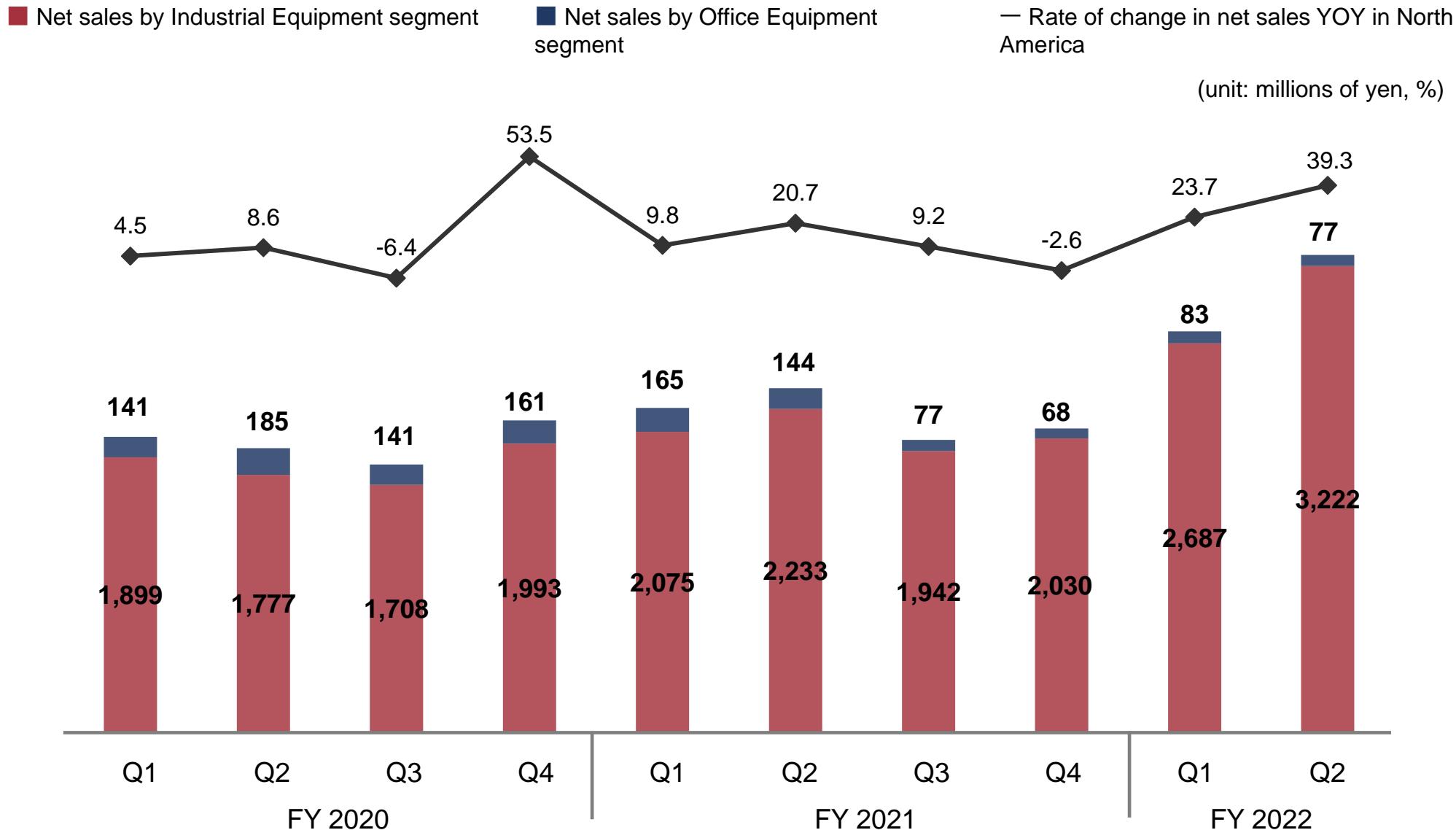
(unit: yen)



# Reference Materials

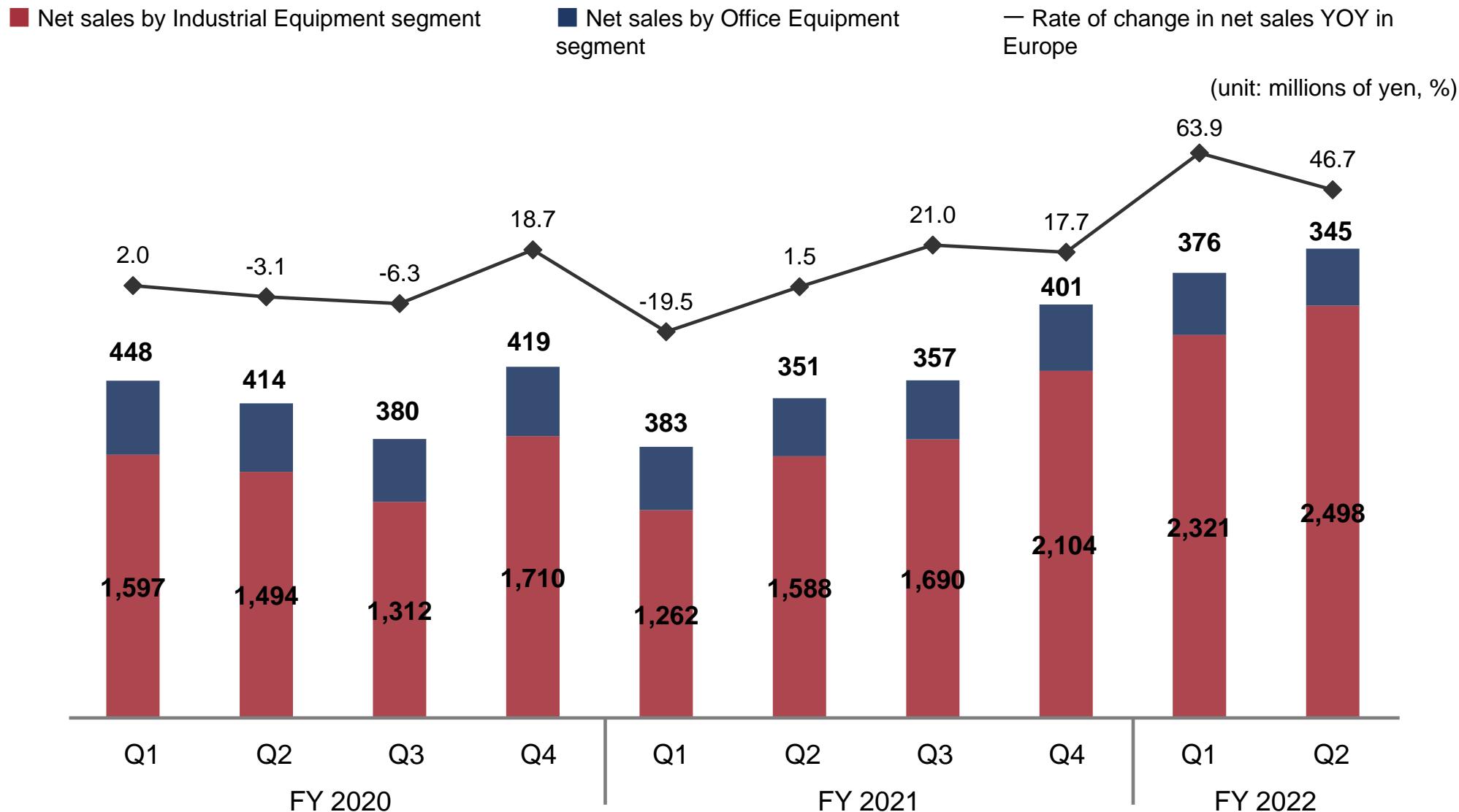
# Changes in Quarterly Segment Net Sales by Overseas Region (North America)

23



# Changes in Quarterly Segment Net Sales by Overseas Region (Europe)

24



# Changes in Quarterly Segment Net Sales by Overseas Region (Asia Excluding Japan)

25

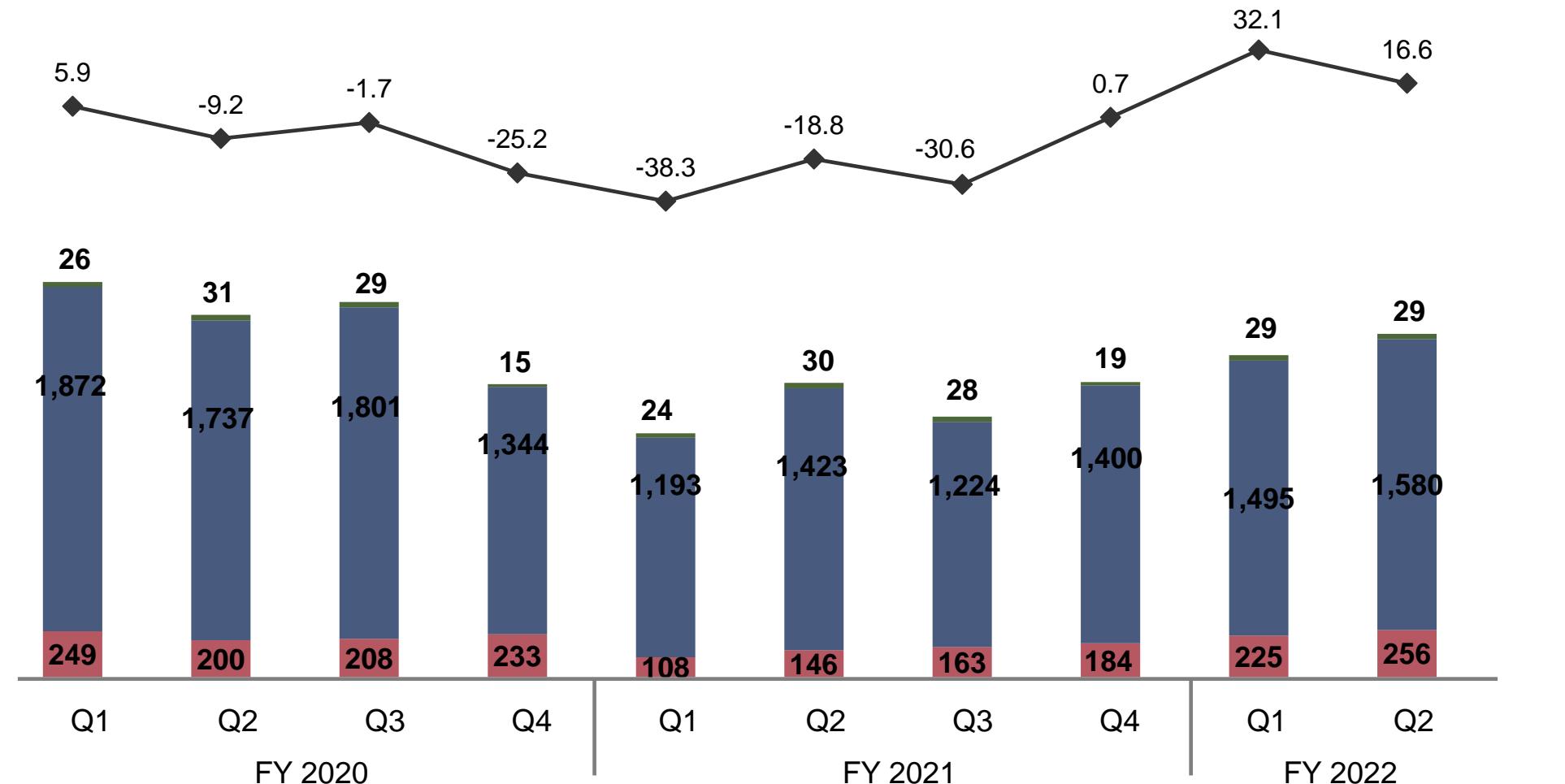
■ Net sales by Industrial Equipment segment

■ Net sales by Office Equipment segment

■ Net sales by HCR Equipment segment

— Rate of change in net sales YOY in Asia

(unit: millions of yen, %)



# Main Products in Industrial Equipment Product Operations and Office Operations

26

## Industrial equipment product operations

### Tools for wooden structures

Nailers



Air compressors



Battery-power tools



### Tools for concrete structures

TWINTIER rebar tying tools



Concrete nailers



Gas nailers



### AF (Agriculture/Food)

Branch induction  
binders for  
horticulture



Bag closing  
machines



## Office operations

### Stationery-related products

Staplers



Hole punches



Stampers



### Labelling and signage products

BEPOP label-making machines



LETATWIN tube  
markers



Label printers for  
food labeling



### Other

Time recorders



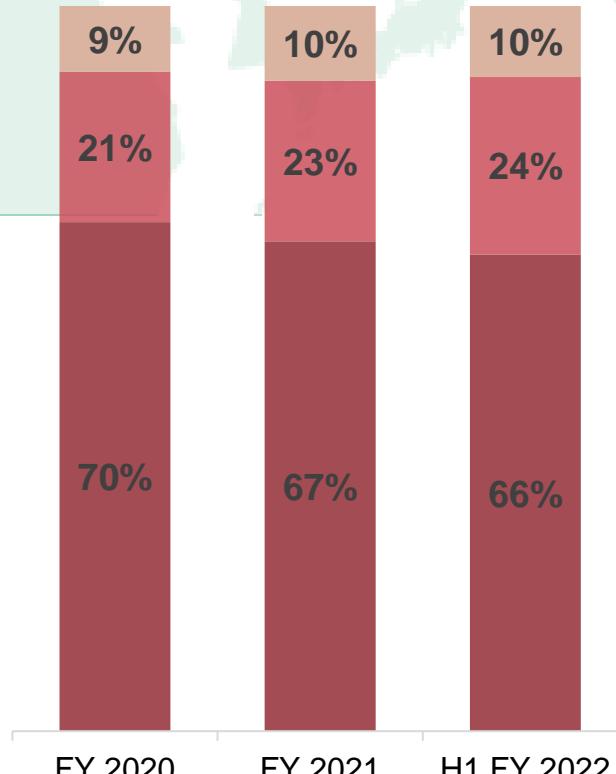
Calligraphy printer



# Product Breakdown of Domestic/Overseas Industrial Equipment Product Operations

27

Product breakdown of domestic industrial equipment product operations



Product breakdown of overseas industrial equipment product operations

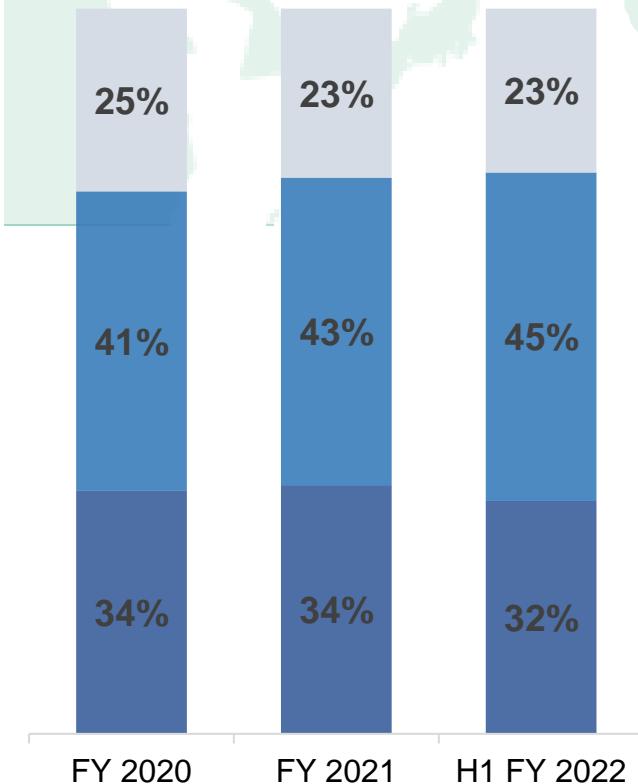


- AF (Agriculture/Food)
- Tools for concrete structures
- Tools for wooden structures

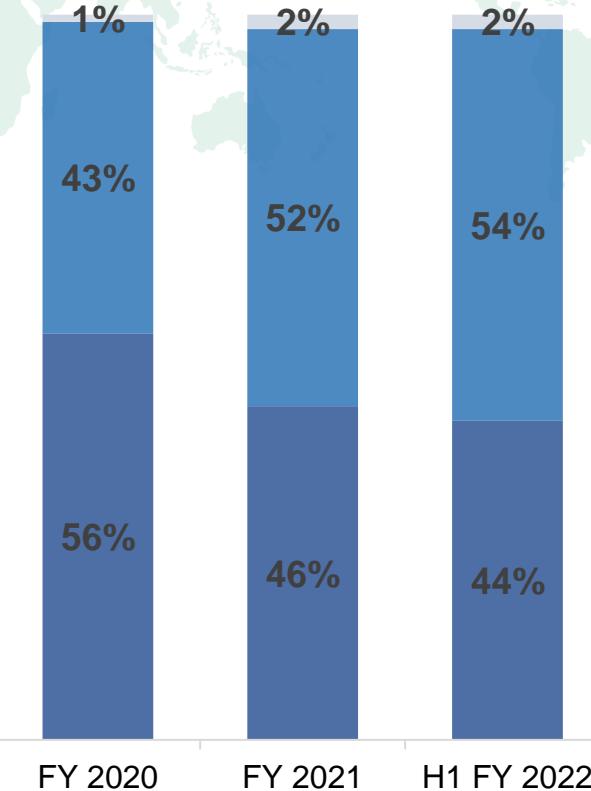
# Product Breakdown of Domestic/Overseas Office Operations

28

Product breakdown of domestic office operations



Product breakdown of overseas office operations



- Other
- Labelling and signage products
- Stationery-related products



The contents listed in this document are based on information currently available to the Company and certain assumptions that are deemed as reasonable. Please be aware that actual future business results, etc., may differ considerably depending on various factors.