



MAX Co., Ltd.

Financial Results Briefing for First Three Quarters of FY 2022

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Participants

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Group-Wide Financial Results in the First Three Quarters of FY 2022

Group-Wide Financial Results in the First Three Quarters of FY 2022

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■ Exchange rates

(Q1–Q3 FY 2022) 1 USD = 111.00 JPY / 1 EUR = 130.92 JPY

(Q1–Q3 FY 2021) 1 USD = 106.14 JPY / 1 EUR = 121.78 JPY

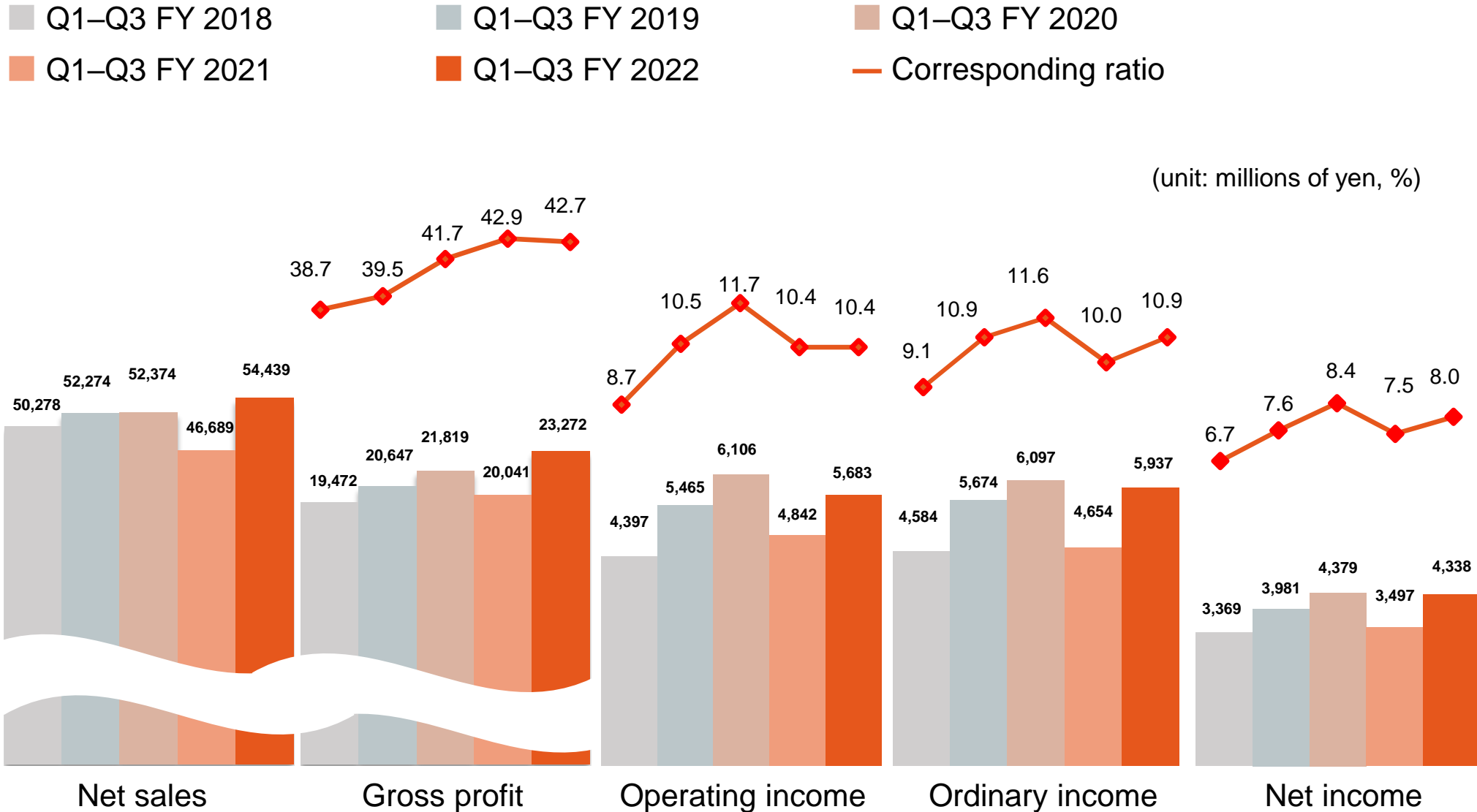
(Planned) 1 USD = 110.00 JPY / 1 EUR = 130.00 JPY

(unit: millions of yen, %)

	Results in Q1–Q3 for FY under review	Results in Q1–Q3 of previous FY	% increase/ decrease	Full-year plan	Rate of progress
Net sales	54,439	46,689	+16.6	72,600	75.0
Gross profit	23,272	20,041	+16.1	—	
Corresponding ratio	42.7	42.9			
Operating income	5,683	4,842	+17.4	7,600	74.8
Corresponding ratio	10.4	10.4		10.5	
Ordinary income	5,937	4,654	+27.5	7,600	78.1
Corresponding ratio	10.9	10.0		10.5	
Net income attributable to shareholders of parental company	4,338	3,497	+24.1	5,650	76.8
Corresponding ratio	8.0	7.5		7.8	
Net income per share (yen)	91.38	71.50	—	119.11	

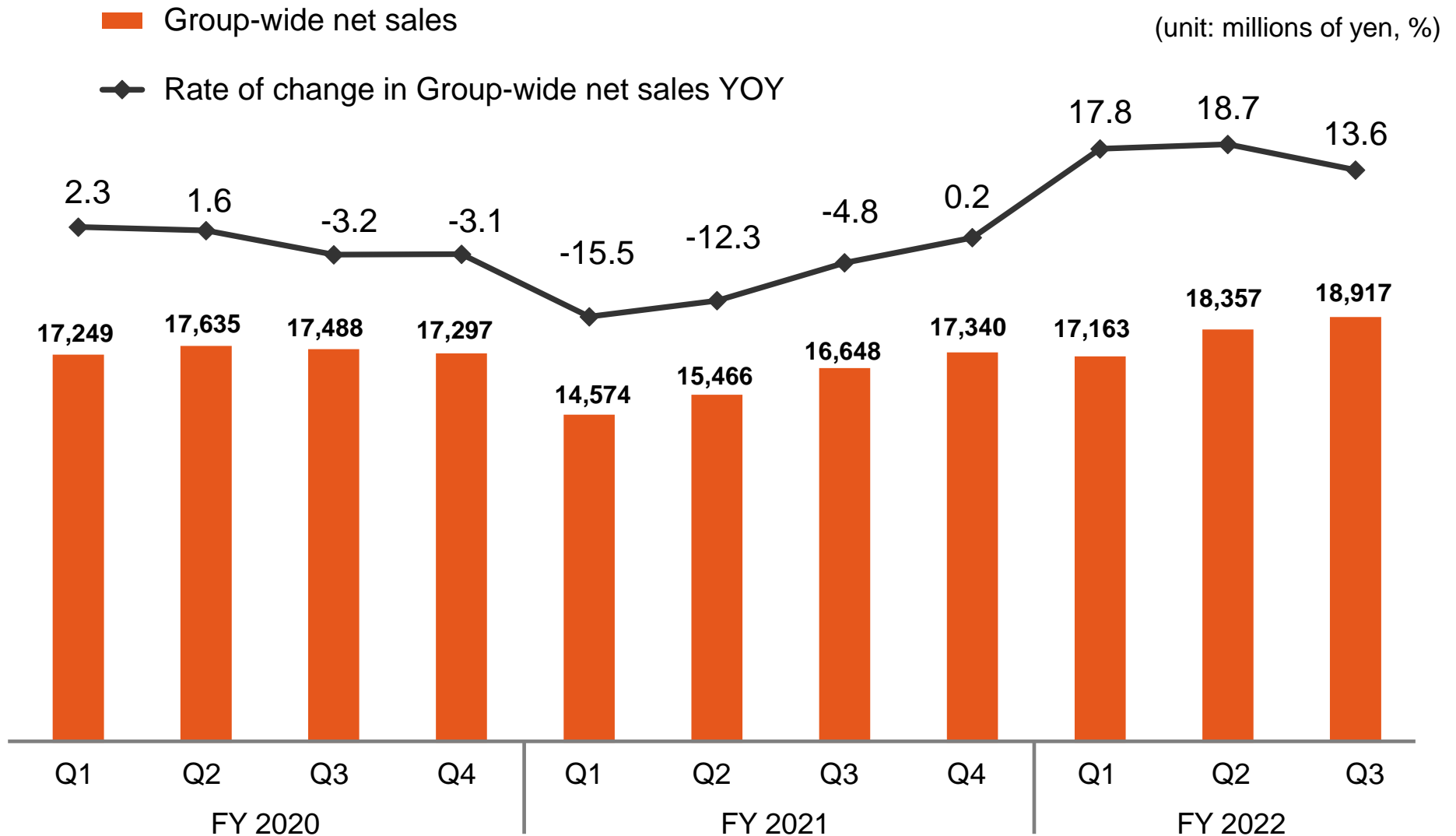
Changes in Group-Wide Financial Results in the First Three Quarters of FY 2018 to FY 2022

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Changes in Group-Wide Financial Results Company by Quarter

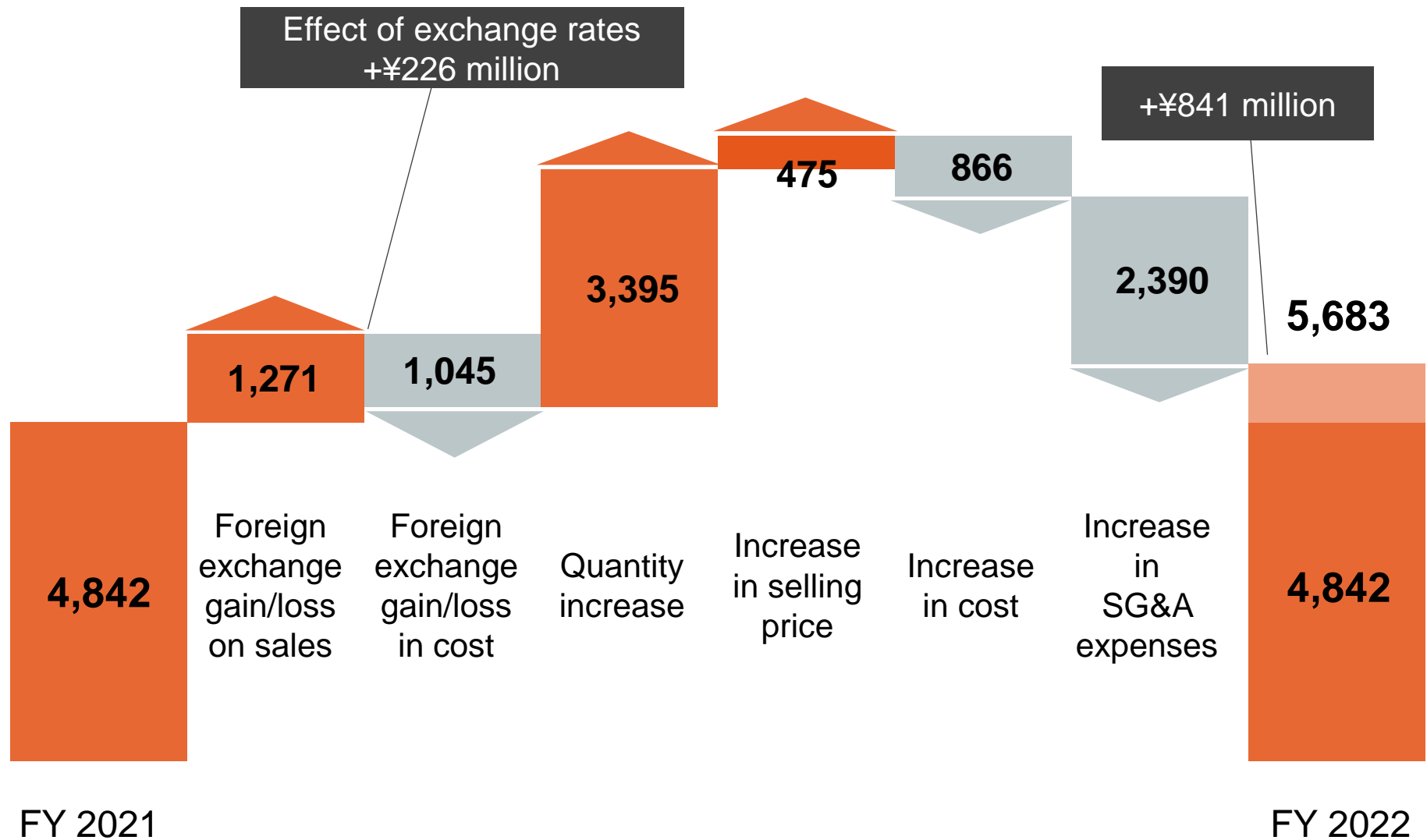
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Factors for Increase/Decrease of Operating Income

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(unit: millions of yen)



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

(unit: millions of yen)

	Q1–Q3 FY 2022	Q1–Q3 FY 2021	YOY
Non-operating income/expenses	253	-187	+441
Non-operating income (excluding foreign exchange effect)	321	271	+49
Non-operating expenses (excluding foreign exchange effect)	-68	-63	-5
Foreign exchange gain/loss	1	-396	+397
Extraordinary income/loss	-14	89	-103
Extraordinary income	3	* 97	-94
Extraordinary loss	-17	-8	-9

* Refund of customs duties from previous year: ¥97 million

■ Facilities investment, depreciation, R&D expenses

(unit: millions of yen, %)

	Q1–Q3 FY 2022	Q1–Q3 FY 2021	FY 2022 annual plan	Rate of progress
Facilities investment	3,362	4,339	5,388	62.4
Depreciation	2,087	1,863	2,933	71.2
R&D expenses	2,410	2,322	3,256	74.0

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	Q1–Q3 results	Full-year forecast
Investment in enhancing operating infrastructure	112	188
Investment in digital technology	56	156
Strategic investment in development	215	417
Brand strategy, etc.	10	43
Total	394	804

Domestic

As restrictions on economic activity prompted by the COVID-19 pandemic gradually eased, Japan's economy trended toward recovery.

The number of new housing construction starts, which affects the Industrial Equipment segment, has been increasing in comparison with the previous year since March 2021.

Overseas

As the negative influence of the rebounding COVID-19 pandemic has continued, the global economy has maintained a recovery footing.

Construction and civil engineering sites have continued to boom in Europe and the United States. The number of new housing construction starts in the United States has trended favorably, while infrastructure projects have grown in Europe.

Reference indices

Number of new housing construction starts

- Up 4.7% YOY for the period from January to September 2021
(Owner-occupied: +10.2%, Rental: +4.2%, Built-for sale: little changed)
→ 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

- Up 1.6% YOY for the period from October 2020 to June 2021
(Offices: +2.6%, Shops: +23.8%, Factories: -8.0%, Warehouses: +15.6%)
- Some shortages of skilled rebar workers (for construction sites) occurred.
→ Slightly positive effect on the industrial equipment product operations (concrete-related)

Currency exchange rates

- 1 USD = 111.00 JPY, 1 EUR = 130.92 JPY
(Q1–Q3 FY 2021: 1 USD = 106.14 JPY, 1 EUR = 121.78 JPY)
→ Overseas, depreciation of the yen positively impacted sales and earnings. In Japan, depreciation of the yen raised costs, negatively impacting business results.

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

- The annualized rate is 1,552,000 units in October 2021, 1,678,000 units in November 2021, and 1,702,000 units in December 2021
(Previous year—October: 1,514,000 units, November: 1,551,000 units, December: 1,661,000 units)



Financial Results for Individual Segments in the First Three Quarters of FY 2022

Financial Results for Individual Segments in the First Three Quarters of FY 2022

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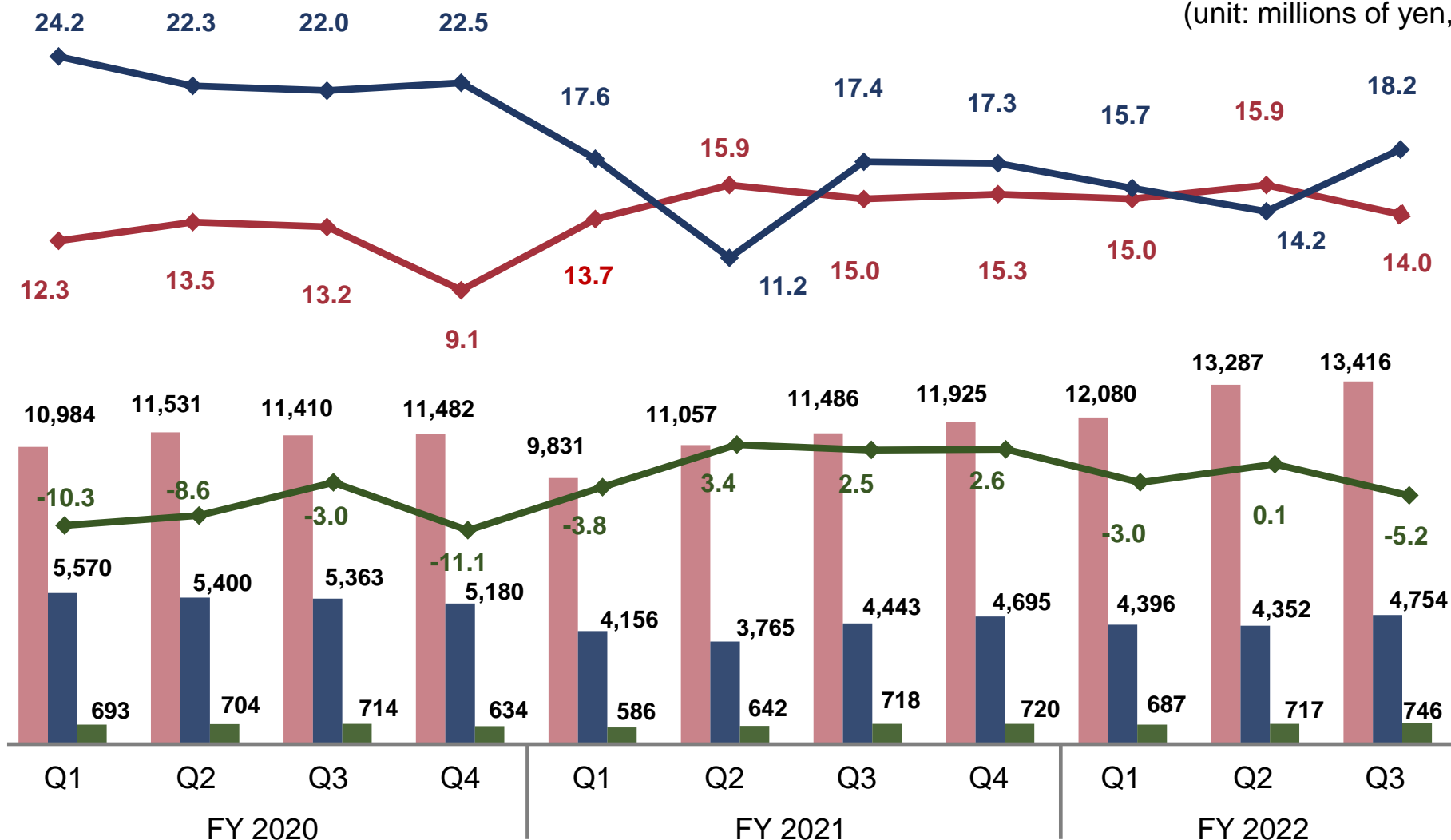
	Results in Q1–Q3 for FY under review	Results in Q1–Q3 of previous FY	% increase/ decrease	(unit: millions of yen, %)	
				Full-year plan	Rate of progress
Industrial Equipment segment					
Net sales	38,785	32,375	+19.8	51,000	76.0
Segment profit	5,800	4,828	+20.1	7,630	76.0
Segment profit rate	15.0	14.9		15.0	
Office Equipment segment					
Net sales	13,503	12,366	+9.2	18,720	72.1
Segment profit	2,176	1,927	+12.9	3,270	66.6
Segment profit rate	16.1	15.6		17.5	
HCR Equipment segment					
Net sales	2,150	1,947	+10.4	2,880	74.7
Segment profit	-58	17	—	0	—
Segment profit rate	-2.7	0.9		—	
Adjustment amount	-2,234	-1,932	+15.6	-3,300	—
Group-wide total					
Net sales	54,439	46,689	+16.6	72,600	75.0
Operating income	5,683	4,842	+17.4	7,600	74.8
Operating margin	10.4	10.4		10.5	

Changes in Segment Results by Quarter

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■ Net sales by Industrial Equipment segment
 ■ Net sales by Office Equipment segment
 ■ Net sales by HCR Equipment segment
— Segment profit rate for Industrial Equipment segment
 — Segment profit rate for Office Equipment segment
 — Segment profit rate for HCR Equipment segment

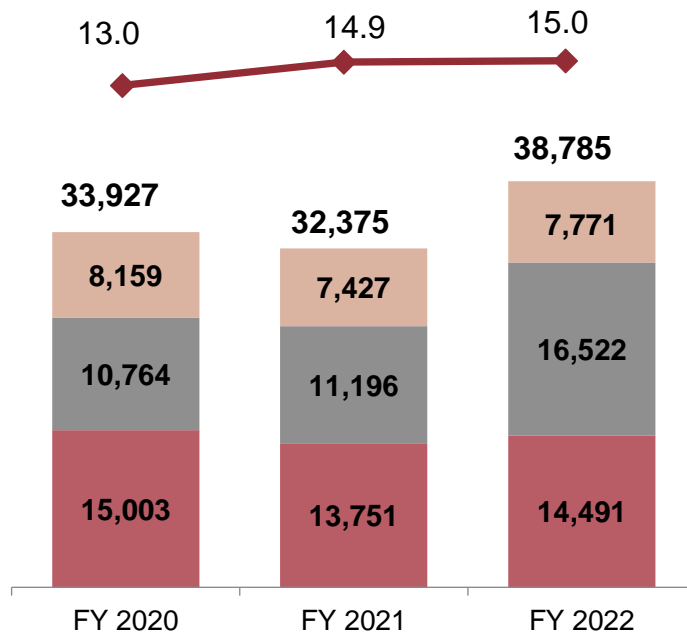
(unit: millions of yen, %)



Industrial Equipment Segment: Financial Results for the First Three Quarters of FY 2022

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- 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



High-pressure nailers

Domestic industrial equipment product operations



Against a background of recovery in the number of new housing construction starts in Japan, sales of consumables for tools for wooden structures and dedicated consumables for TWINTIER rebar tying tools trended favorably.

Overseas industrial equipment product operations



Sales of TWINTIER rebar tying tools and their dedicated consumables continued to expand. Sales of tools for wooden structures also rose.

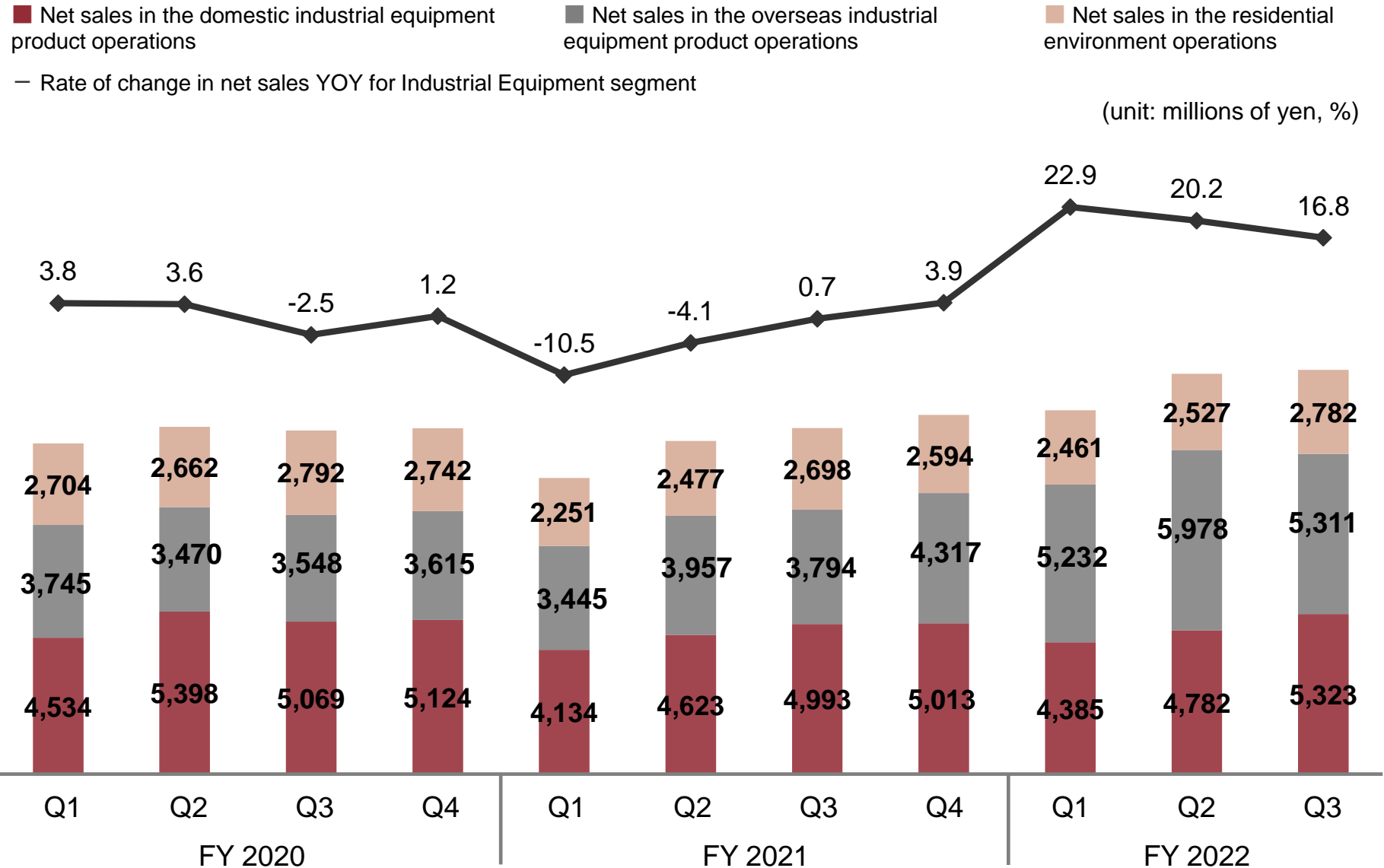
Residential environmental equipment operations



Sales of DRYFAN bathroom heaters, ventilators and dehumidifiers, which are the mainstay of the business, increased in the market for housing-stock renovation and replacement as well as in the new-housing market.

Industrial Equipment Segment: Changes in Financial Results by Quarter

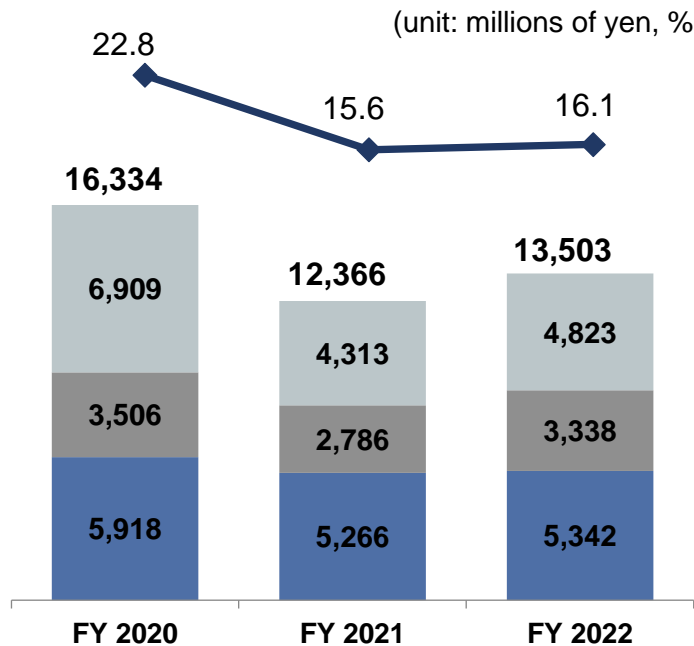
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Office Equipment Segment: Financial Results for the First Three Quarters of FY 2022

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- Domestic office equipment product operations
- Overseas office equipment product operations
- Auto-stapler product operations
- Segment profit rate



BEPOP label-making machines



S-Shark silicon-covered staplers

Domestic office equipment product operations



Sales of stationery-related products declined. However, with the resumption of face-to-face sales operations, sales of labelling and signage products, such as BEPOP label-making machines and label printers for food labeling, increased.

Overseas office equipment product operations



With the reopening of economic activity, sales of stationery-related products advanced, particularly in Southeast Asia, while demand for LETATWIN tube markers expanded in China.

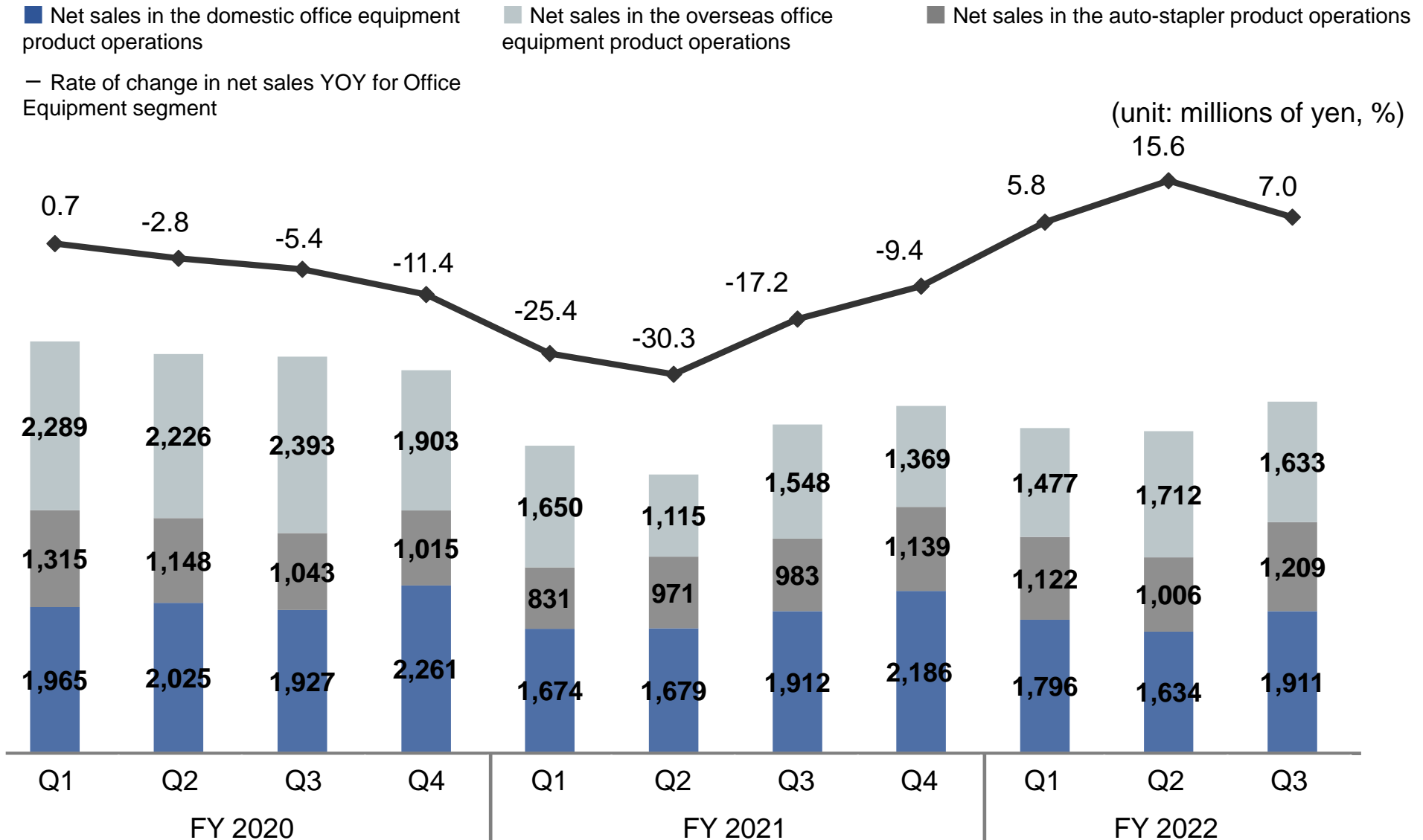
Auto-stapler product operations



A slowdown in orders from OEM customers blunted machinery sales. However, sales of consumables quickened.

Office Equipment Segment: Changes in Financial Results by Quarter

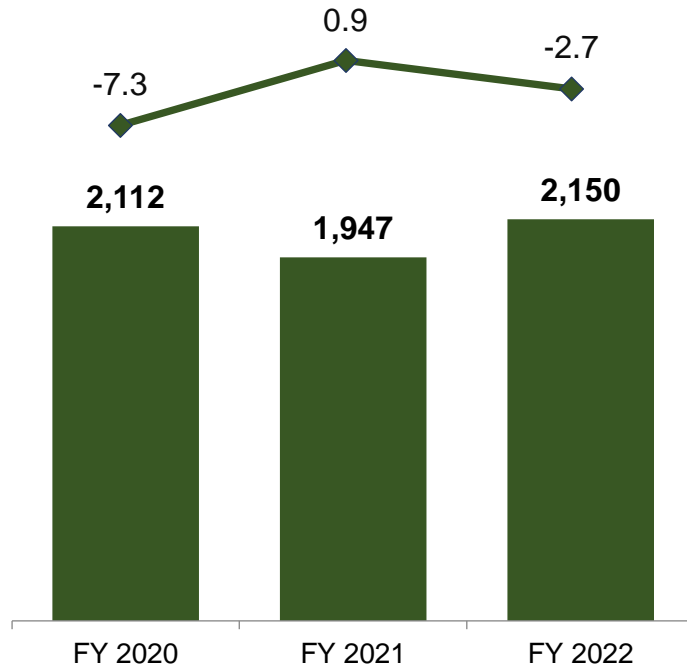
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HCR Equipment Segment: Financial Results for the First Three Quarters of FY 2022

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



Functionally sophisticated wheelchairs:
WAVITRoo



Multifunction wheelchairs:
Modern Series

HCR Equipment segment



Buoyed by the cancellation of a state-of-emergency declaration, sales to hospitals and other facilities rose, as did sales to rental wholesalers. However, rising raw-material prices and transportation expenses, combined with the impact of a weakening yen exchange rate, hampered profitability.

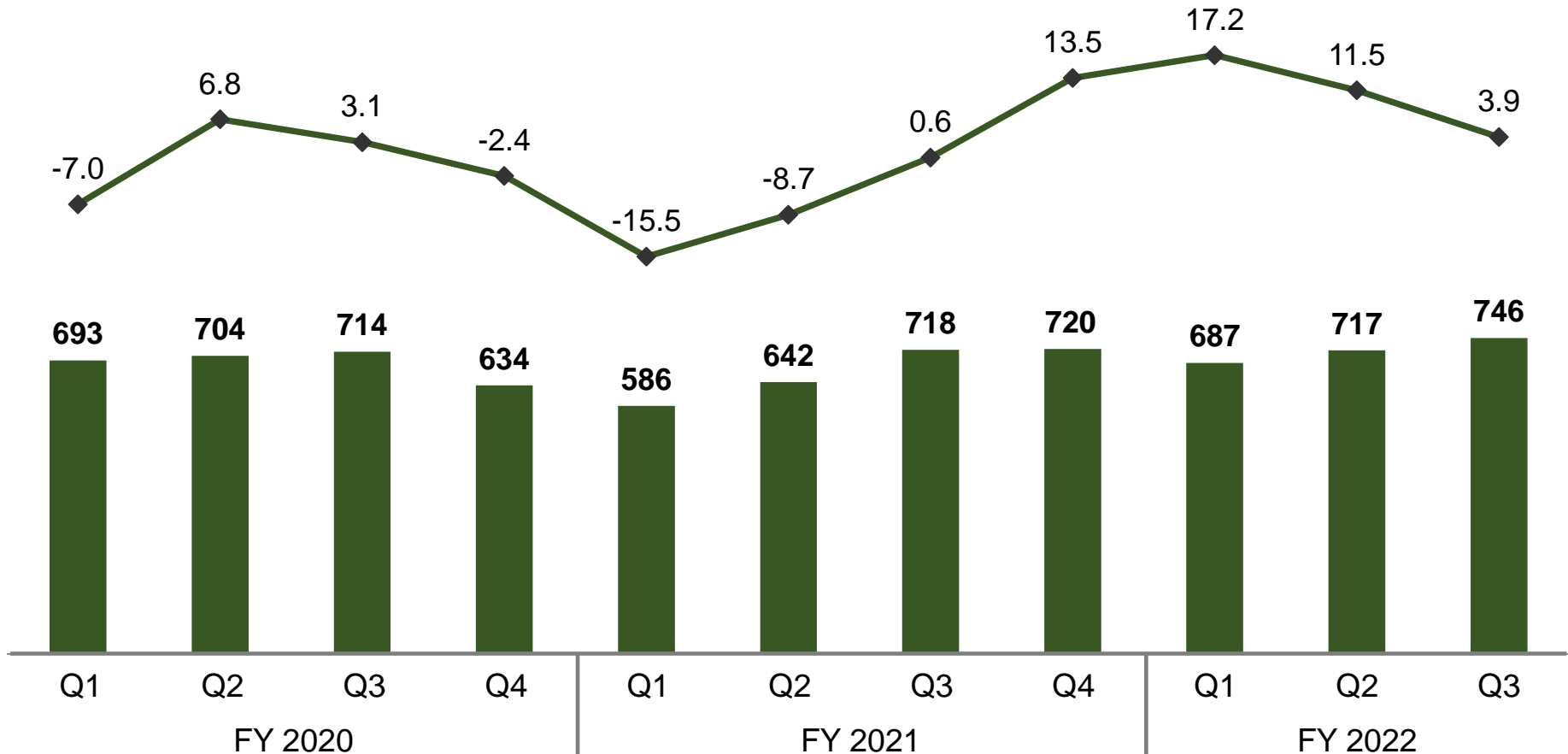
HCR Equipment Segment: Changes in Financial Results by Quarter

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■ Net sales by HCR Equipment segment

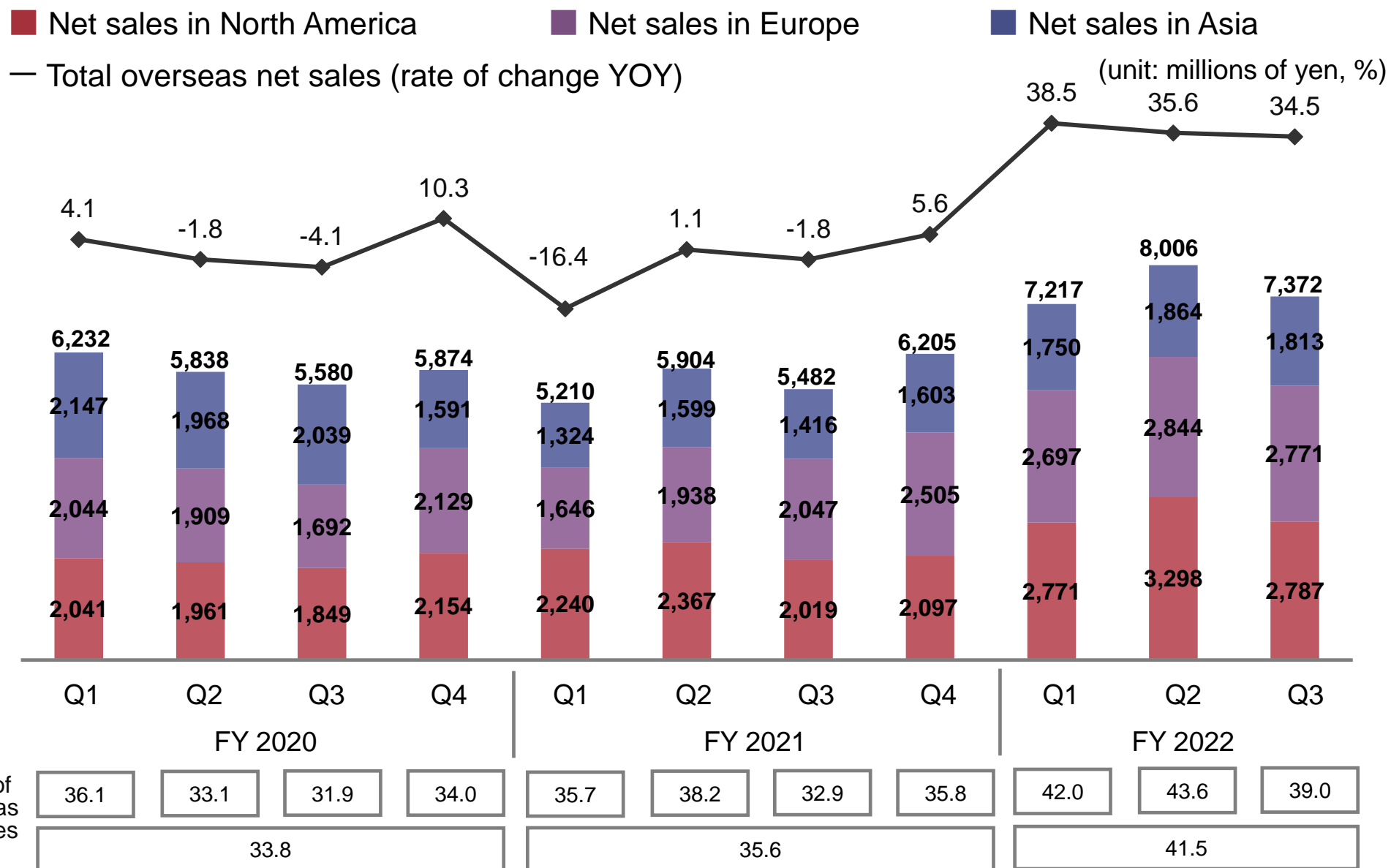
— Rate of change in net sales YOY for HCR Equipment segment

(unit: millions of yen, %)



Changes in Quarterly Net Sales by Overseas Region

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Note: Includes overseas net sales for auto-stapler product 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: ¥17.0 billion (+40.5% year-on-year)
- Number of concrete material dealers compared to March 31, 2021: +23.3% (targeting a 40% increase by fiscal year ending March 31, 2024)

Overseas



North America

- Sales of rebar tying tools increased at major dealers in the United States and new dealers in Canada.

Europe

- Continued infrastructure demand due to large-scale public investment and replacement demand in the rental market drove favorable sales of rebar tying tools.

-
- Logistical congestion continued globally. Delays in shipping-container arrivals caused distributors and dealers in Europe and the United States to draw down inventories to low levels.

Japan



- Accumulative increase of rebar tying tools used in existing markets led to a favorable trend in sales of consumables.
- In the civil engineering market, in which the Company is developing a presence, the Company made the most of large-scale construction projects as showcases to promote adoption of rebar tying tools, seeking to expand sales.

Establishment of an Office in Düsseldorf, Germany

The Company established an office in its most important European market, Germany. The aim of the new office is to boost customer satisfaction by further strengthening sales capabilities and enhancing after-sales service.

- MAX Europe B.V. German Office
- Date established: February 1, 2022
- Number of employees: About 10
- Operations: Sale of construction tools and office equipment, after-sales service and others.
- Newly established as a branch office for the Company's European sales subsidiary, MAX Europe B.V.

Main products handled



TWINTIER
rebar tying
tools



High-pressure
nailers



Air compressors

Exterior view of German Office





Operating Results Forecast for FY 2022

■ Full year forecasted exchange rates

FY under review 1 USD = 110.75 JPY / 1 EUR = 130.69 JPY

Previous FY 1 USD = 105.79 JPY / 1 EUR = 123.22 JPY

(unit: millions of yen, %)

	Plan for FY under review (Oct. 29, 2021)	Results in previous FY	% increase/ decrease
Net sales	72,600	64,029	+13.4
Operating income	7,600	6,685	+13.7
Corresponding ratio	10.5	10.4	
Ordinary income	7,600	6,826	+11.3
Corresponding ratio	10.5	10.7	
Net income attributable to shareholders of parental company	5,650	5,153	+9.6
Corresponding ratio	7.8	8.0	
Net income per share (yen)	119.11	105.80	
ROE	7.1	6.7	

- The forecast of consolidated business results for FY 2022 is unchanged from the forecast announced on October 29, 2021.

Segment Plans in FY 2022

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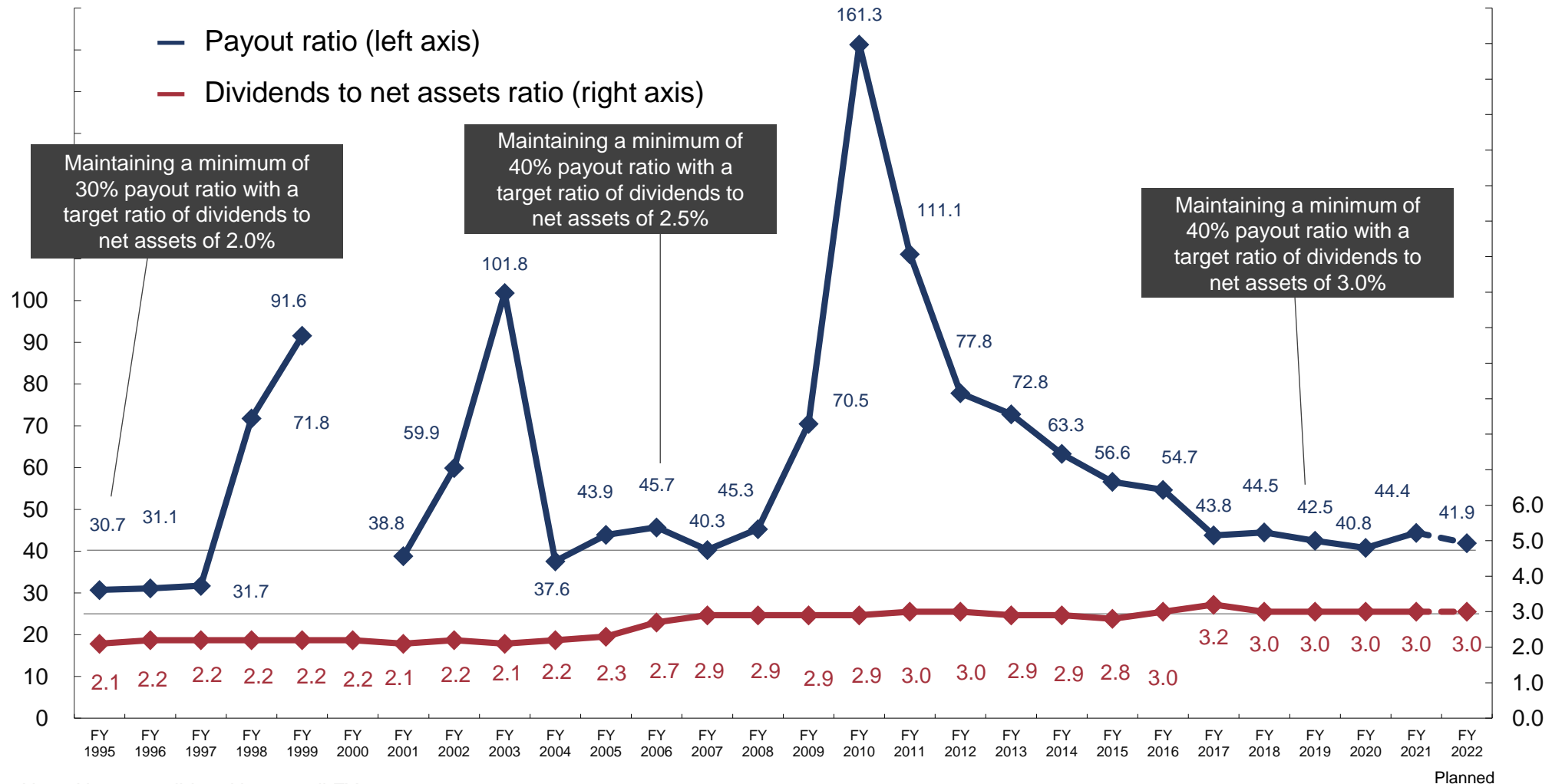
	(unit: millions of yen, %)		
	Plan for FY under review (Oct. 29, 2021)	Results in previous FY	% increase/ decrease
Industrial Equipment segment			
Net sales	51,000	44,300	+15.1
Segment profit	7,630	6,652	+14.7
Segment profit rate	15.0	15.0	
Office Equipment segment			
Net sales	18,720	17,061	+9.7
Segment profit	3,270	2,738	+19.4
Segment profit rate	17.5	16.1	
HCR Equipment segment			
Net sales	2,880	2,667	+8.0
Segment profit	0	36	—
Segment profit rate	—	1.4	
Adjustment amount	-3,300	-2,741	
Group-wide total			
Net sales	72,600	64,029	+13.4
Operating income	7,600	6,685	+13.7
Operating margin	10.5	10.4	

Dividend Policy: Payout Ratio and Dividends to Net Assets Ratio

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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%.”

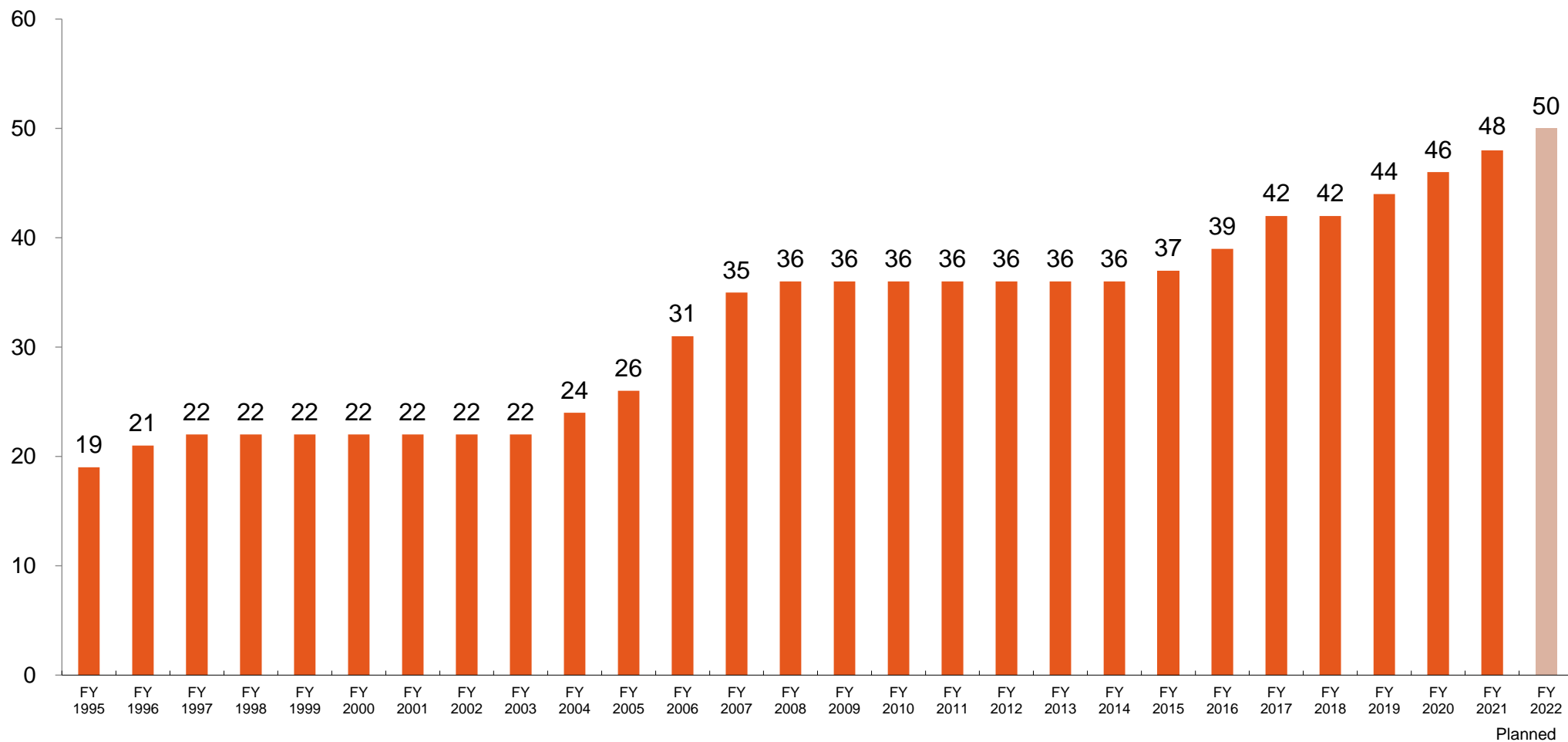
(unit: %)



Dividends Policy: Dividends per Share

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(unit: yen)





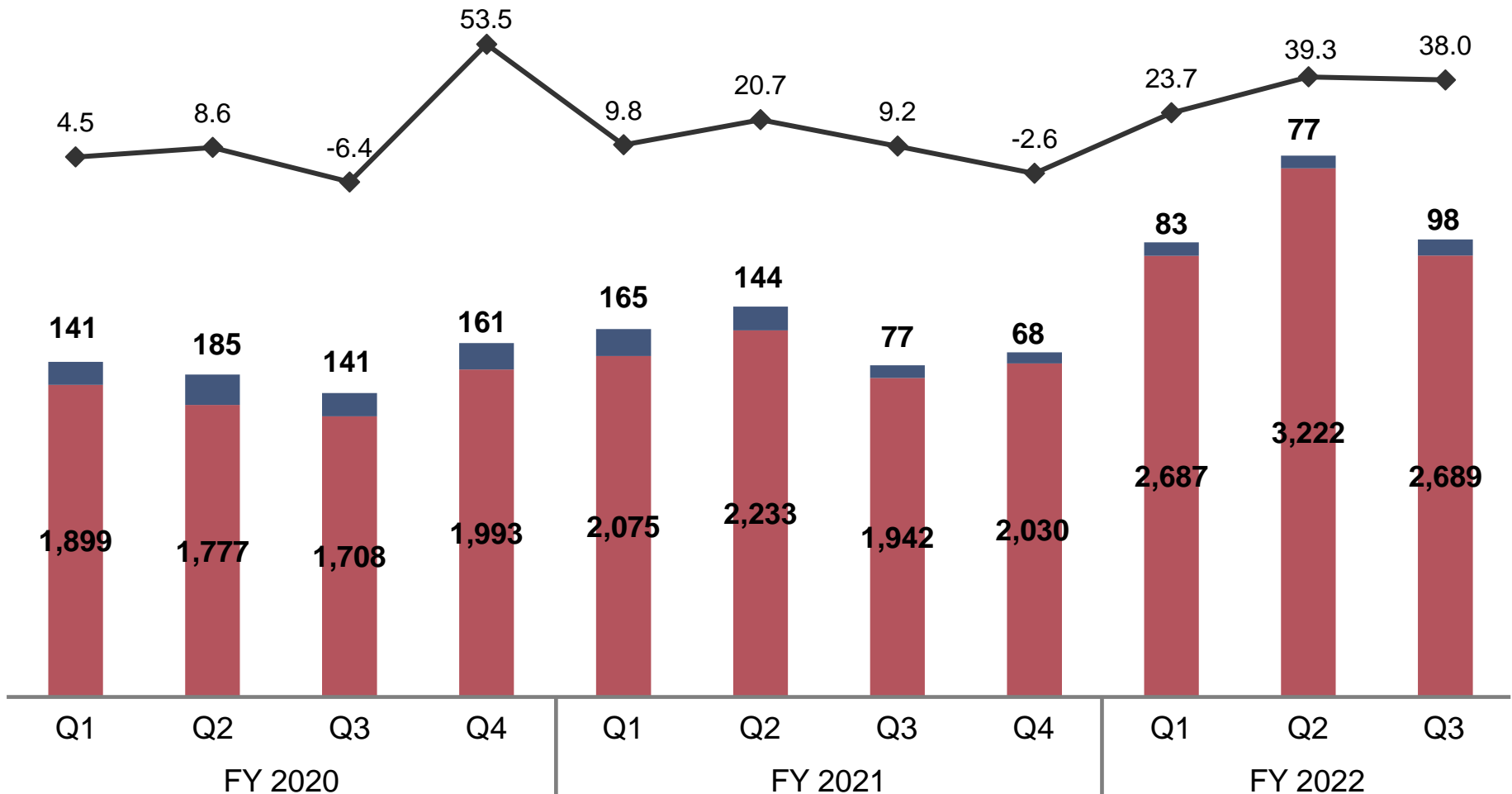
Reference Materials

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

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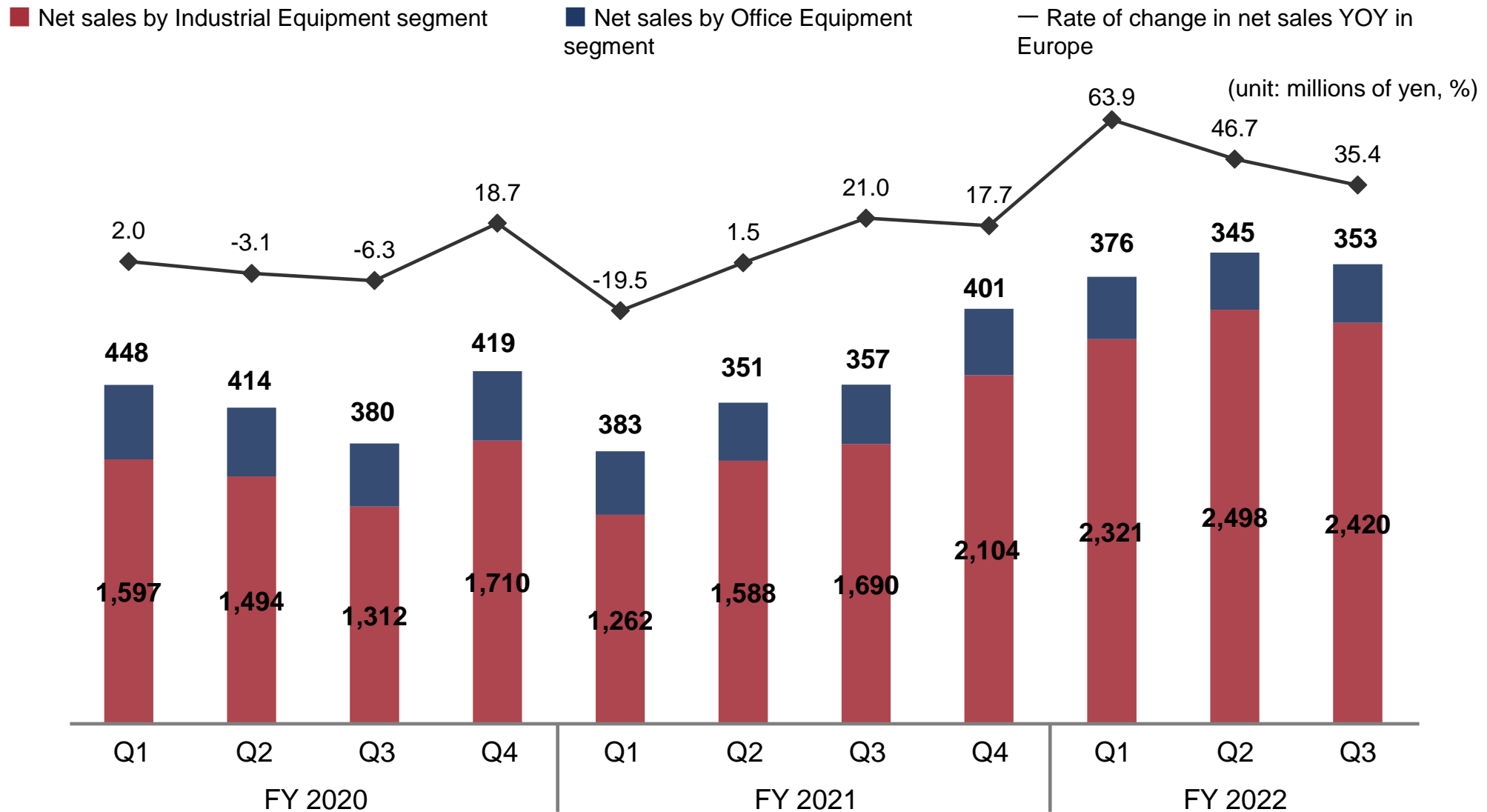
■ Net sales by Industrial Equipment segment ■ Net sales by Office Equipment segment — Rate of change in net sales YOY in North America

(unit: millions of yen, %)



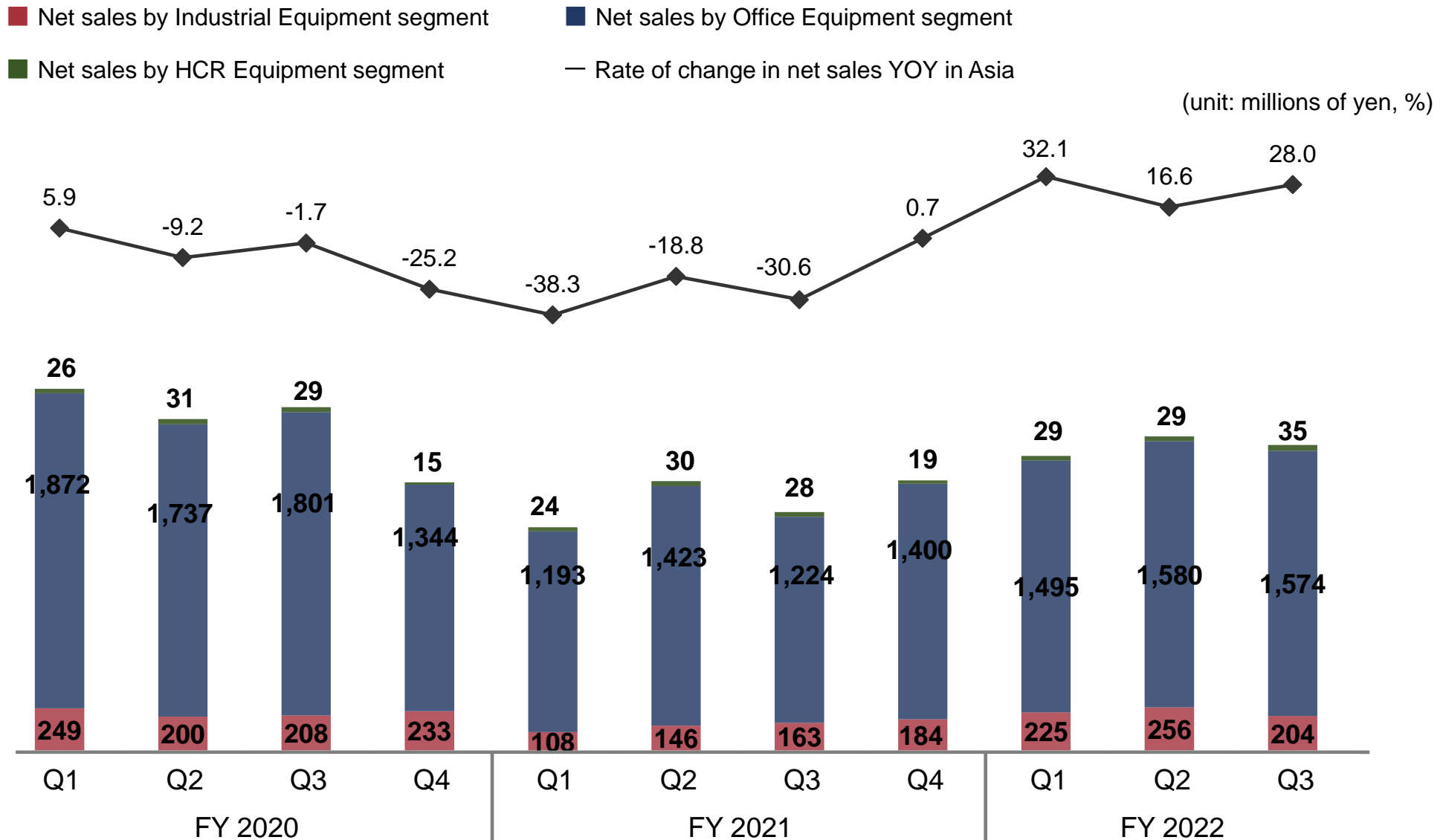
Changes in Quarterly Segment Net Sales by Overseas Region (Europe)

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

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Main Products in Industrial Equipment Product Operations and Office Equipment Product Operations

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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 equipment product 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



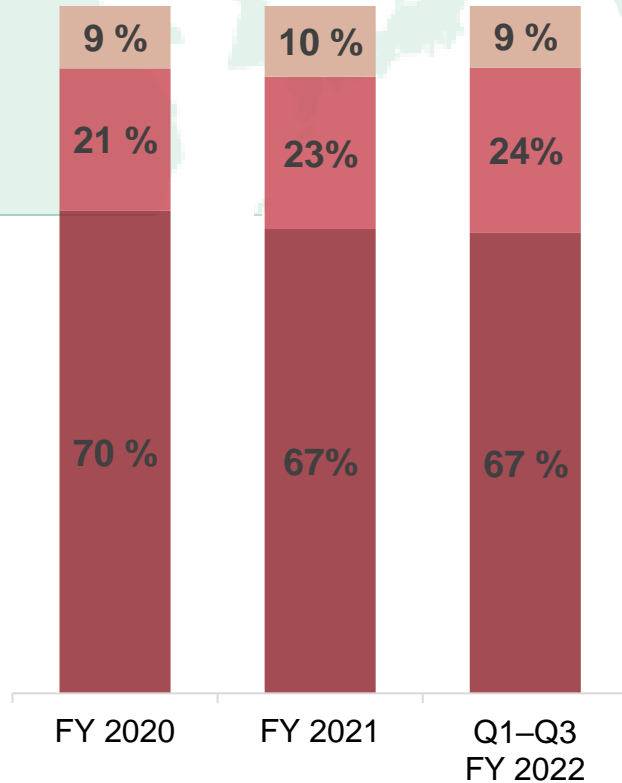
Calligraphy printers



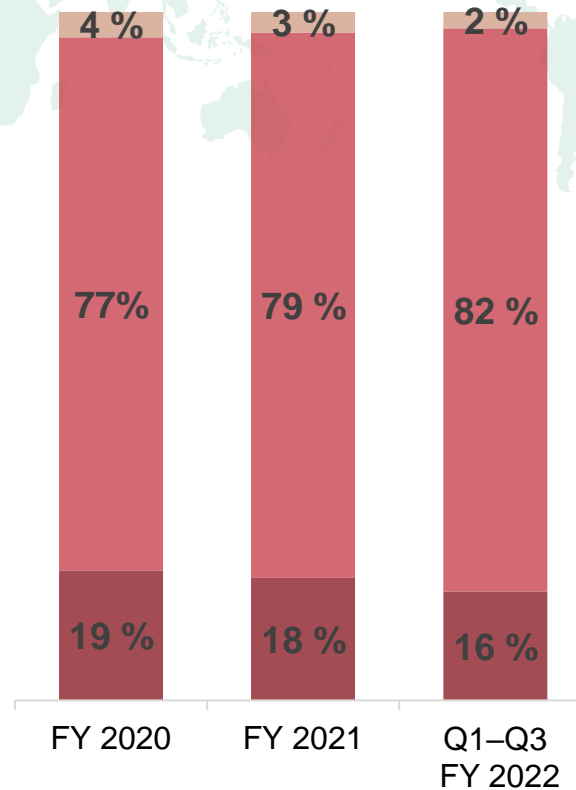
Product Breakdown of Domestic/Overseas Industrial Equipment Product Operations

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Product breakdown of domestic industrial equipment product operations



Product breakdown of overseas industrial equipment product operations

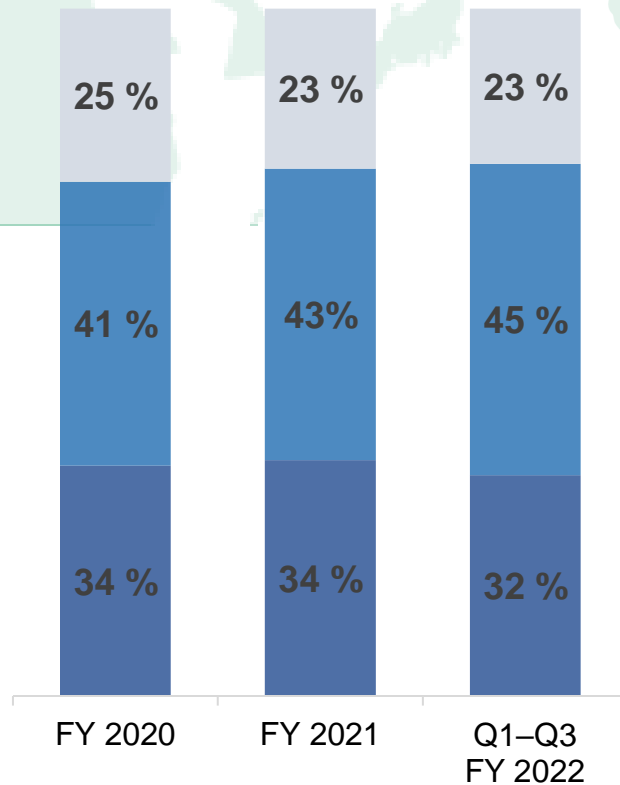


- AF (Agriculture/Food)
- Tools for concrete structures
- Tools for wooden structures

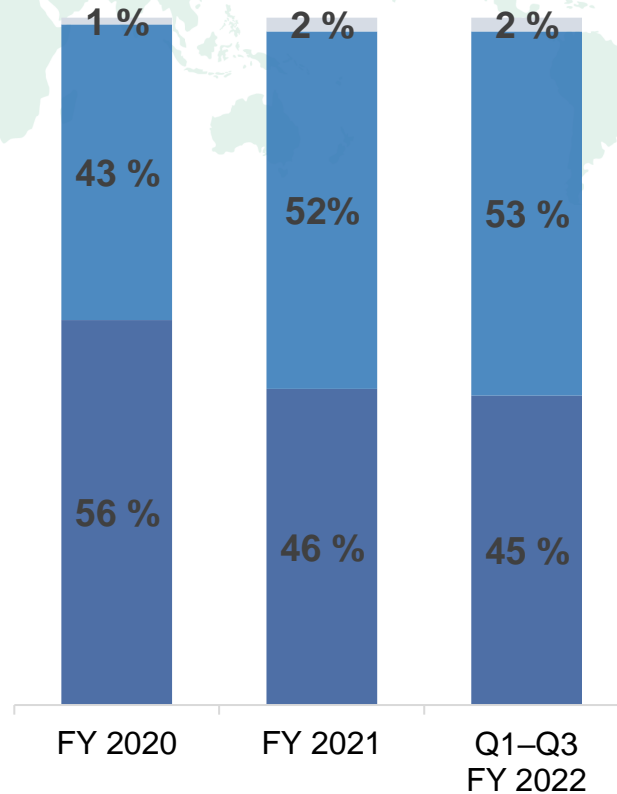
Product Breakdown of Domestic/Overseas Office Equipment Product Operations

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Product breakdown of domestic office equipment product operations



Product breakdown of overseas office equipment product 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.