



MAX Co., Ltd.

Financial Results Briefing for First Quarter of FY 2022

Participants

Akio Kitaya, Executive Officer / General Manager, Finance & Accounting Dept.

Kenichiro Kimachi, General Manager, General Affairs Dept.

Announcement Date

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Financial Results for the Entire Company in the First Quarter of FY 2022

Financial Results for the Entire Company in the First Quarter of FY 2022

■ Exchange rates

(Q1 FY 2022) 1 USD = 109.83 JPY / 1 EUR = 131.87 JPY

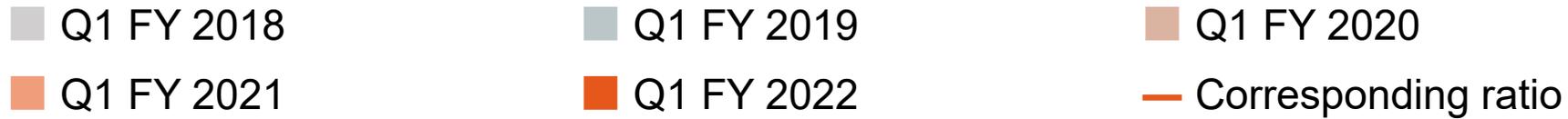
(Q1 FY 2021) 1 USD = 107.75 JPY / 1 EUR = 118.24 JPY

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

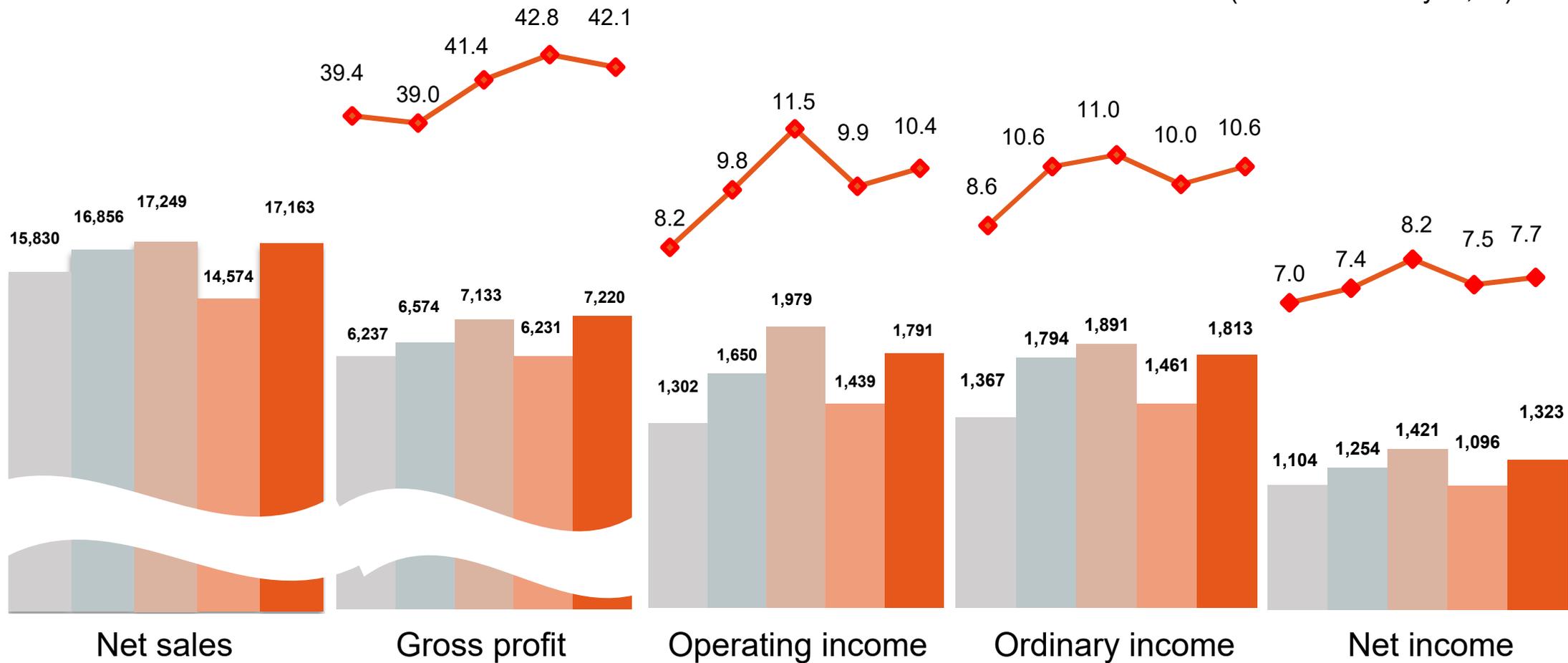
(unit: millions of yen, %)

	Results in Q1 for FY under review	Results in Q1 of previous FY	% increase/ decrease	First-half plan	Rate of progress
Net sales	17,163	14,574	+17.8	32,800	52.3
Gross profit	7,220	6,231	+15.9	—	
Corresponding ratio	42.1	42.8			
Operating income	1,791	1,439	+24.5	3,350	53.5
Corresponding ratio	10.4	9.9		10.2	
Ordinary income	1,813	1,461	+24.0	3,350	54.1
Corresponding ratio	10.6	10.0		10.2	
Net income attributable to shareholders of parental company	1,323	1,096	+20.7	2,500	52.9
Corresponding ratio	7.7	7.5		7.6	
Net income per share (yen)	27.75	22.43	—	52.41	

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



(unit: millions of yen, %)

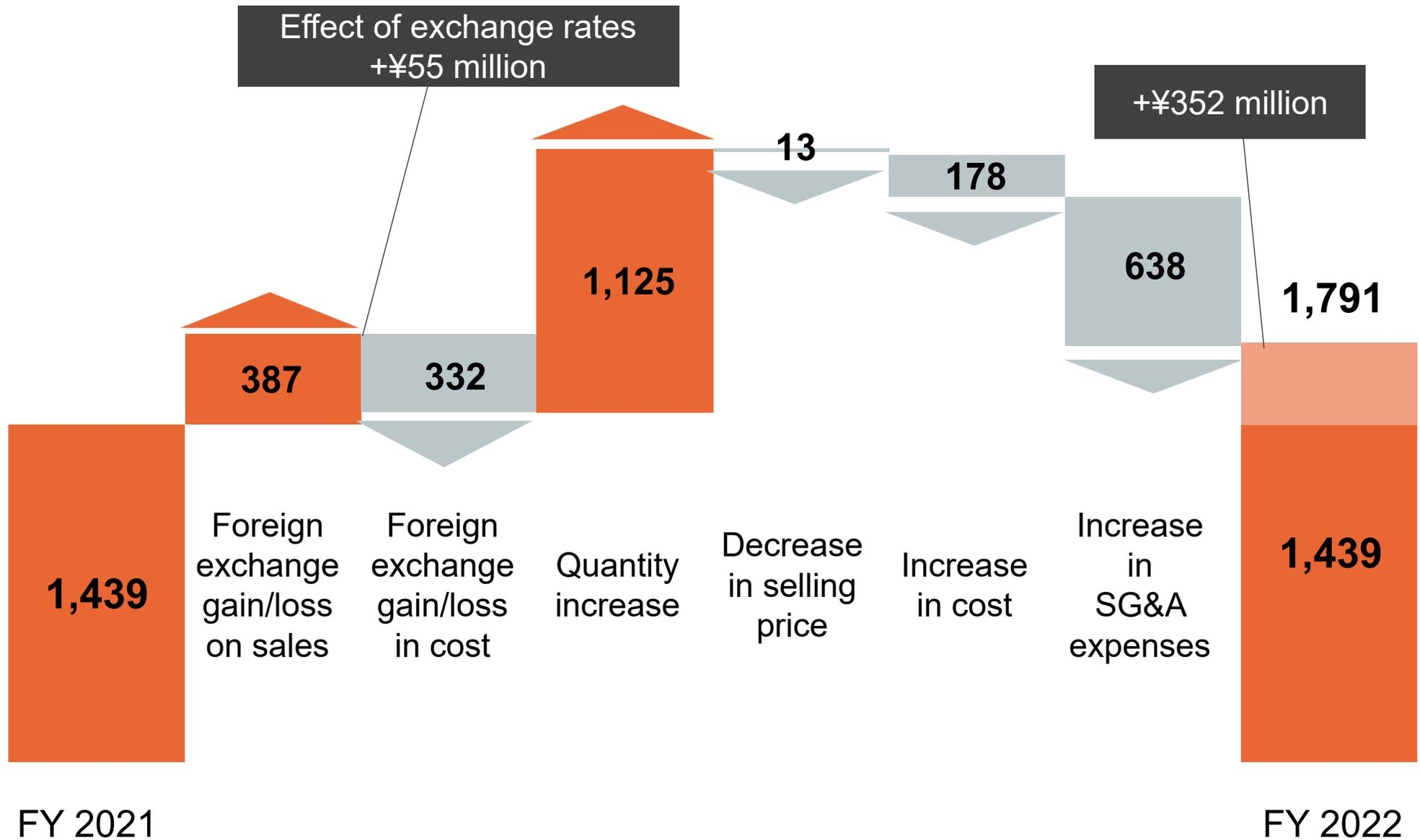


Changes in Financial Results for the Entire Company by Quarter



Factors for Increase/Decrease of Operating Income

(unit: millions of yen)



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

(unit: millions of yen)

	Q1 FY 2022	Q1 FY 2021	YOY
Non-operating income/expenses	21	22	-0.9
Non-operating income (excluding foreign exchange effect)	104	89	+15
Non-operating expenses (excluding foreign exchange effect)	-32	-17	-14
Foreign exchange gain/loss	-50	-49	-1
Extraordinary income/loss	-6	54	-61
Extraordinary income	1	* 59	-57
Extraordinary loss	-8	-4	-3

* Refund of customs duties from previous year: ¥59 million, etc.

■ Facilities investment, depreciation, R&D expenses

(unit: millions of yen, %)

	Q1 FY 2022	Q1 FY 2021	FY 2022 annual plan	Rate of progress
Facilities investment	2,640	1,256	5,388	50.0
Depreciation	633	621	2,933	21.6
R&D expenses	754	763	3,256	23.2



Construction of new logistics warehouse Yoshii Warehouse

- Started full-scale operation since July 2021
- Total investment amount: ¥2.66 billion (including ¥1.5 billion in FY 2022)
- Important points of facilities investment in Yoshii Warehouse
 - Fulfilling increased shipping and inventory needs in conjunction with business expansion.
 - Achieved a healthy and comfortable working environment through measures such as improving the workplace.
 - Installed solar panels to reduce CO₂ emissions by 110 tons annually. Also contributes as a measure for our BCP.



New building at Osaka Branch

- Started operation since July 2021
- Total investment amount: ¥1.67 billion (including ¥0.57 billion in FY 2022)
- Important points of facilities investment
 - Reconstructed the old branch office building that was originally built in 1966.
 - Installed LCD monitors in various places to support new work styles such as web conferencing.
 - Ensured safety by taking countermeasures against disasters such as large-scale earthquakes and floods.

Domestic

In conjunction with the spread of COVID-19, restrictions on economic activities continue; for example, a state of emergency was declared once again by the Japanese government. The number of new housing starts which is related to the Group's Industrial Equipment segment has increased year-on-year since March.

Overseas

Subsequent waves of COVID-19 are spreading in some countries and regions in Europe and Asia. Related to the Industrial Equipment segment, operations of construction and civil engineering sites in Europe and the United States are continued in general.

Reference indices

Number of new housing construction starts

- Down 1.6% YOY for the period from January to March 2021 (Owner-occupied: +3.4%, Rental: -5.1%, Built-for-sale: -1.9%)

→ Negative 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 8.1% YOY for the period from October to December 2020 (Offices: -1.2%, Shops: +31.6%, Factories: -37.9%, Warehouses: +15.7%)
- Supply of skilled rebar workers (for construction sites) slightly exceeds the demand

→ Negative effect on the industrial equipment product operations (concrete related)

Currency exchange rates

- 1 USD = 109.83 JPY, 1 EUR = 131.87 JPY (Q1 FY 2021: 1 USD = 107.75 JPY, 1 EUR = 118.24 JPY)

→ Regarding foreign exchange sensitivity for the consolidated financial results, we have achieved a balance of foreign currency sales/procurement, so there is little effect on operating income.

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

- The annualized rate is 1,514,000 units in April 2021, 1,546,000 units in May 2021, and 1,643,000 units in June 2021 (Previous year—April: 934,000 units, May: 1,046,000 units, June: 1,273,000 units)



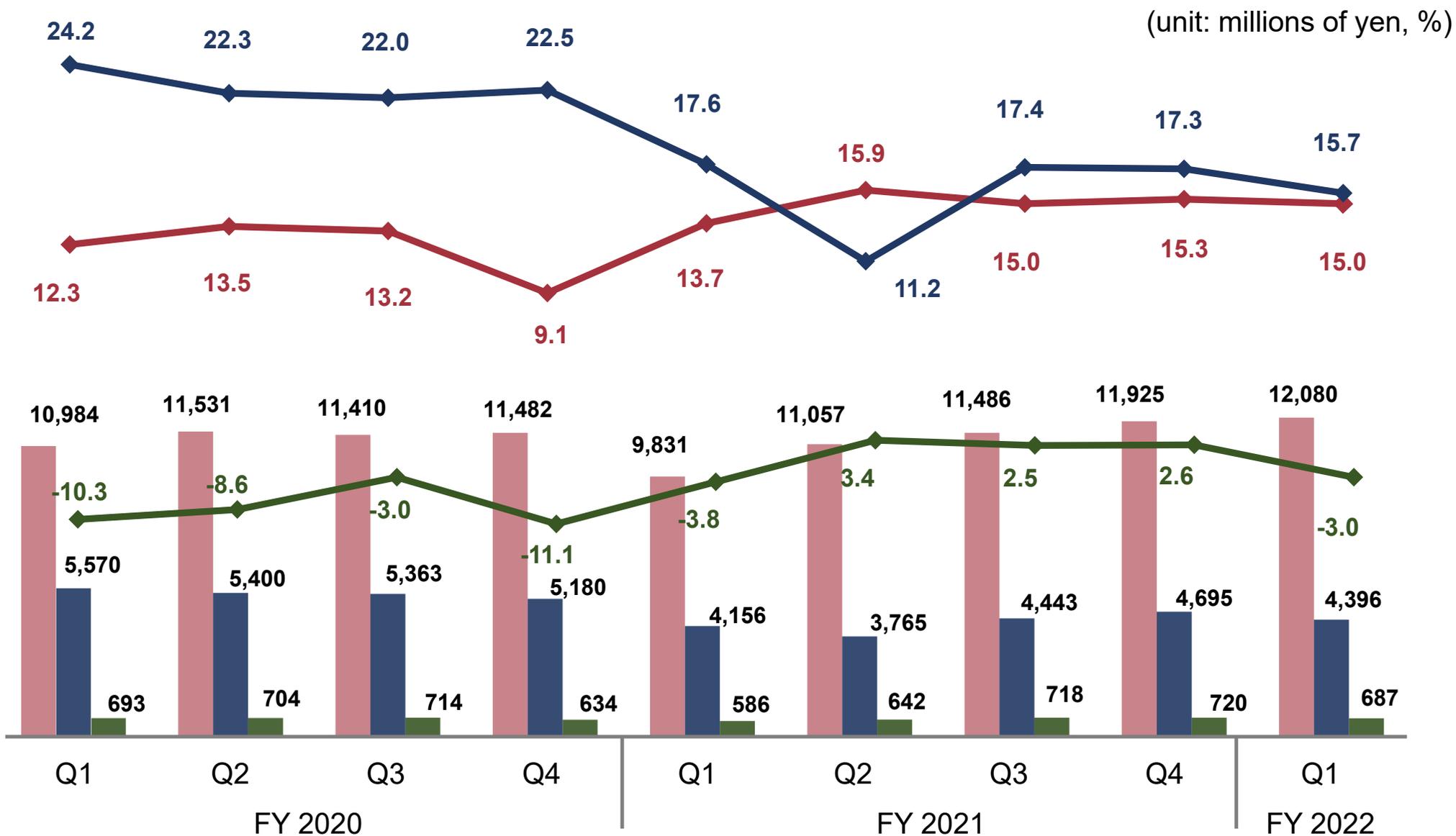
Financial Results for Individual Segments in the First Quarter of FY 2022

Financial Results for Individual Segments in the First Quarter of FY 2022

(unit: millions of yen, %)	Results in Q1 for FY under review	Results in Q1 of previous FY	% increase/decrease	First-half plan	Rate of progress
Industrial Equipment segment					
Net sales	12,080	9,831	+22.9	22,480	53.7
Segment profit	1,813	1,349	+34.4	3,340	54.3
Segment profit rate	15.0	13.7		14.9	
Office Equipment segment					
Net sales	4,396	4,156	+5.8	9,000	48.8
Segment profit	691	732	-5.6	1,530	45.2
Segment profit rate	15.7	17.6		17.0	
HCR Equipment segment					
Net sales	687	586	+17.2	1,320	52.1
Segment profit	-20	-22	—	10	—
Segment profit rate	-3.0	-3.8		0.8	
Adjustment amount	-692	-620	+11.6	-1,530	45.3
Total for entire company					
Net sales	17,163	14,574	+17.8	32,800	52.3
Operating income	1,791	1,439	+24.5	3,350	53.5
Operating margin	10.4	9.9		10.2	

Changes in Segment Results by Quarter

- 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



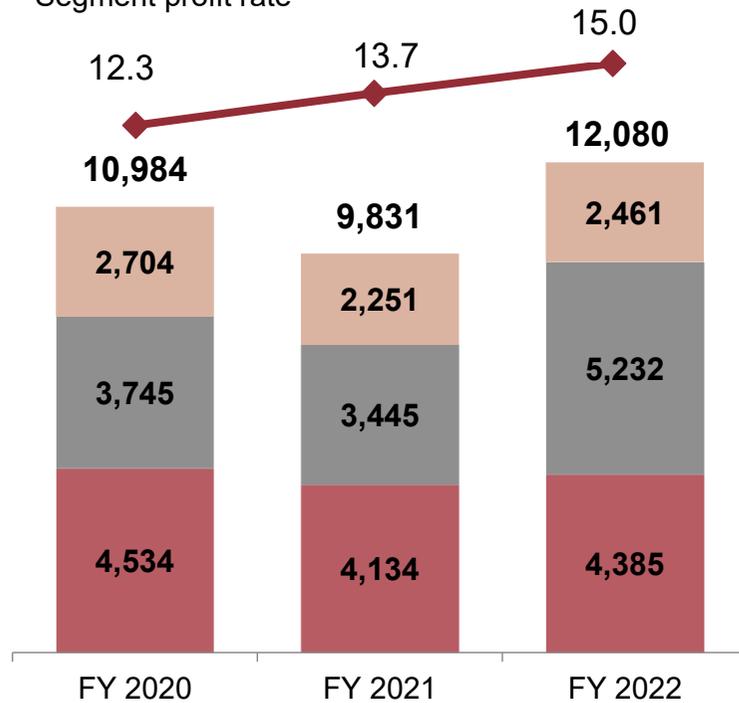
Industrial Equipment Segment: Financial Results for the First Quarter of FY 2022

■ Domestic industrial equipment product operations (unit: millions of yen, %)

■ Overseas industrial equipment product operations

■ Residential environmental equipment operations

— Segment profit rate



TWINTIER rebar tying tools



DRYFAN bathroom heaters, ventilators and dehumidifiers

Domestic industrial equipment product operations



Revenue increased due to growing sales of tools for wooden structures and their consumables resulting from a recovery in the number of new housing construction starts, and from growing sales of tools for concrete structures with a focus on consumables for TWINTIER rebar tying tools.

Overseas industrial equipment product operations



Sales of TWINTIER rebar tying tools and other tools for concrete structures increased, particularly in the civil engineering market due to growing demand for public projects in Western countries. Sales of tools for wooden structures also increased in conjunction with a strong number of new housing construction starts in the U.S.

Residential environmental equipment operations

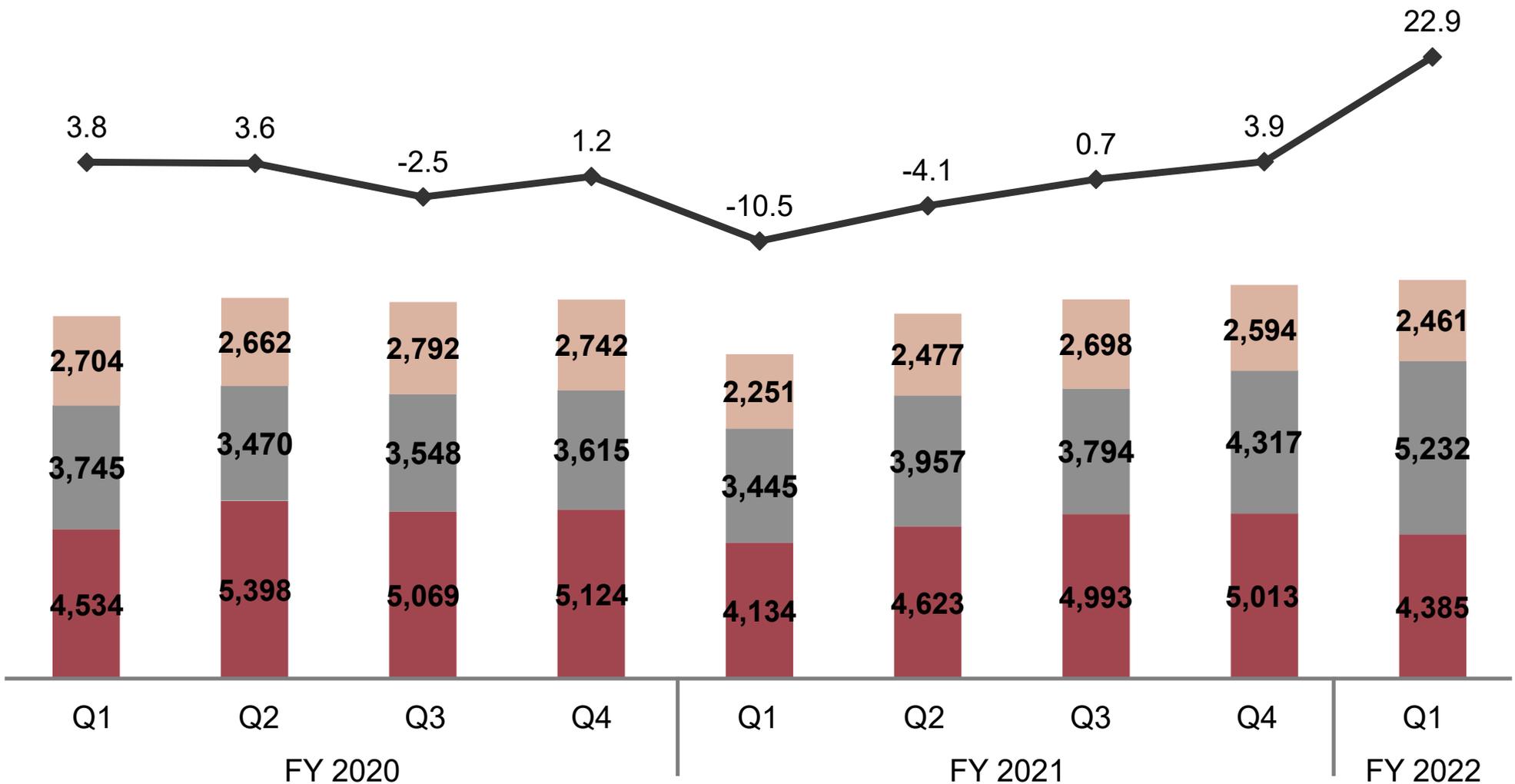


Revenue increased due to growing sales of DRYFAN bathroom heaters, ventilators and dehumidifiers, which are the mainstay of the business, in the new housing market and the housing stock market for renovation and replacement.

Industrial Equipment Segment: Changes in Financial Results by Quarter

- Net sales in the domestic industrial equipment product operations
- Net sales in the overseas industrial equipment product operations
- Net sales in the residential environment operations
- Rate of change in net sales YOY for Industrial Equipment segment

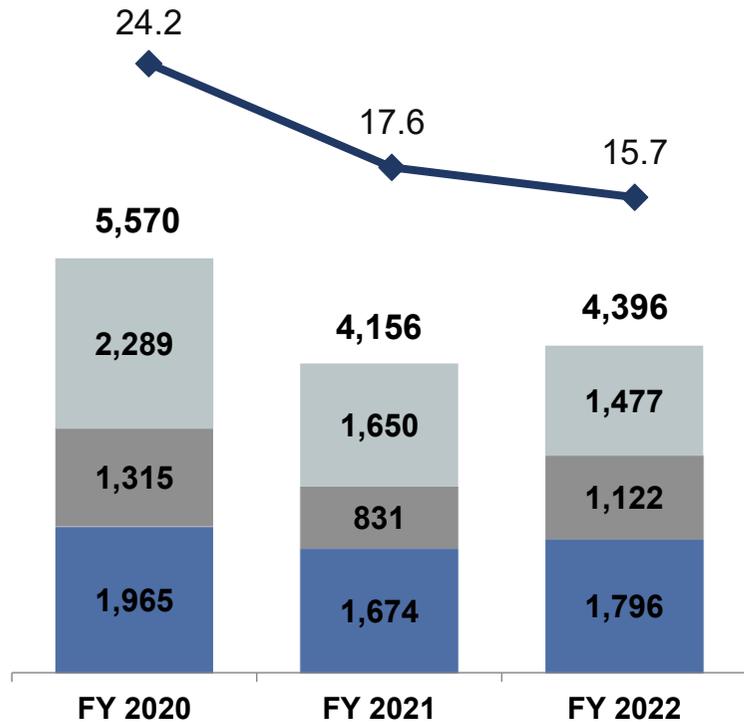
(unit: millions of yen, %)



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

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

(unit: millions of yen, %)



Portable electric staplers



LETATWIN tube markers

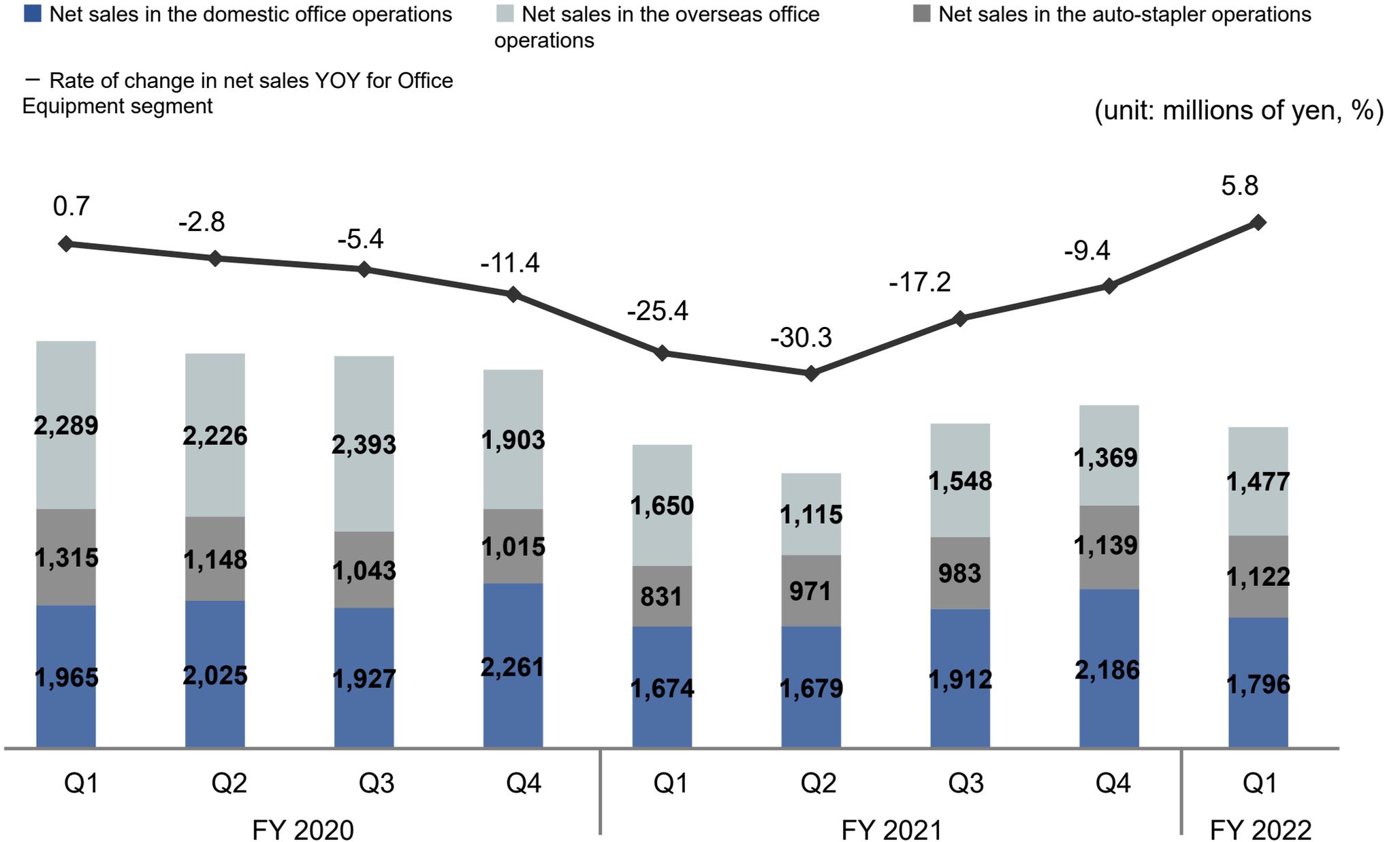
- Domestic office operations

▶ Revenue increased due to growing sales for the tube marker LETATWIN, for which new products were released in June, and for labelling and signage products such as BEPOP label-making machines.
- Overseas office operations

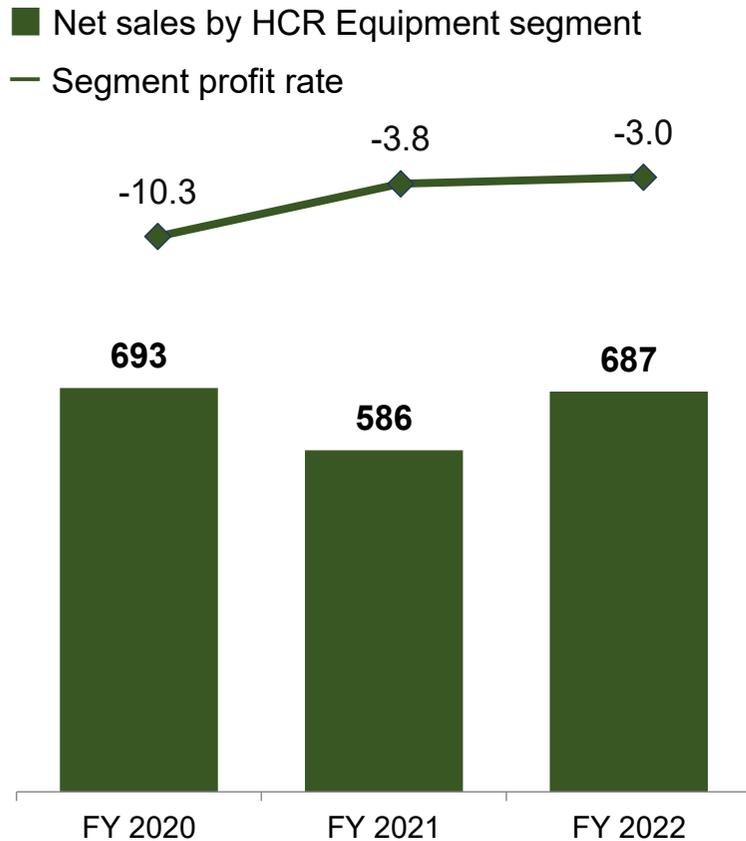
▶ Revenue increased due to growing sales of labelling and signage products such as the tube marker LETATWIN in China, and to recovery in the sales of stationery-related products in Southeast Asia.
- Auto-stapler operations

▶ Revenue decreased year-on-year as people continued to work from home due to the impact of COVID-19, although recovery was observed from the low point of the second quarter of the previous fiscal year.

Office Equipment Segment: Changes in Financial Results by Quarter



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



(unit: millions of yen, %)



New wheelchairs: WAVIT Roo



Multifunctional wheelchairs: Modern Series

HCR Equipment segment



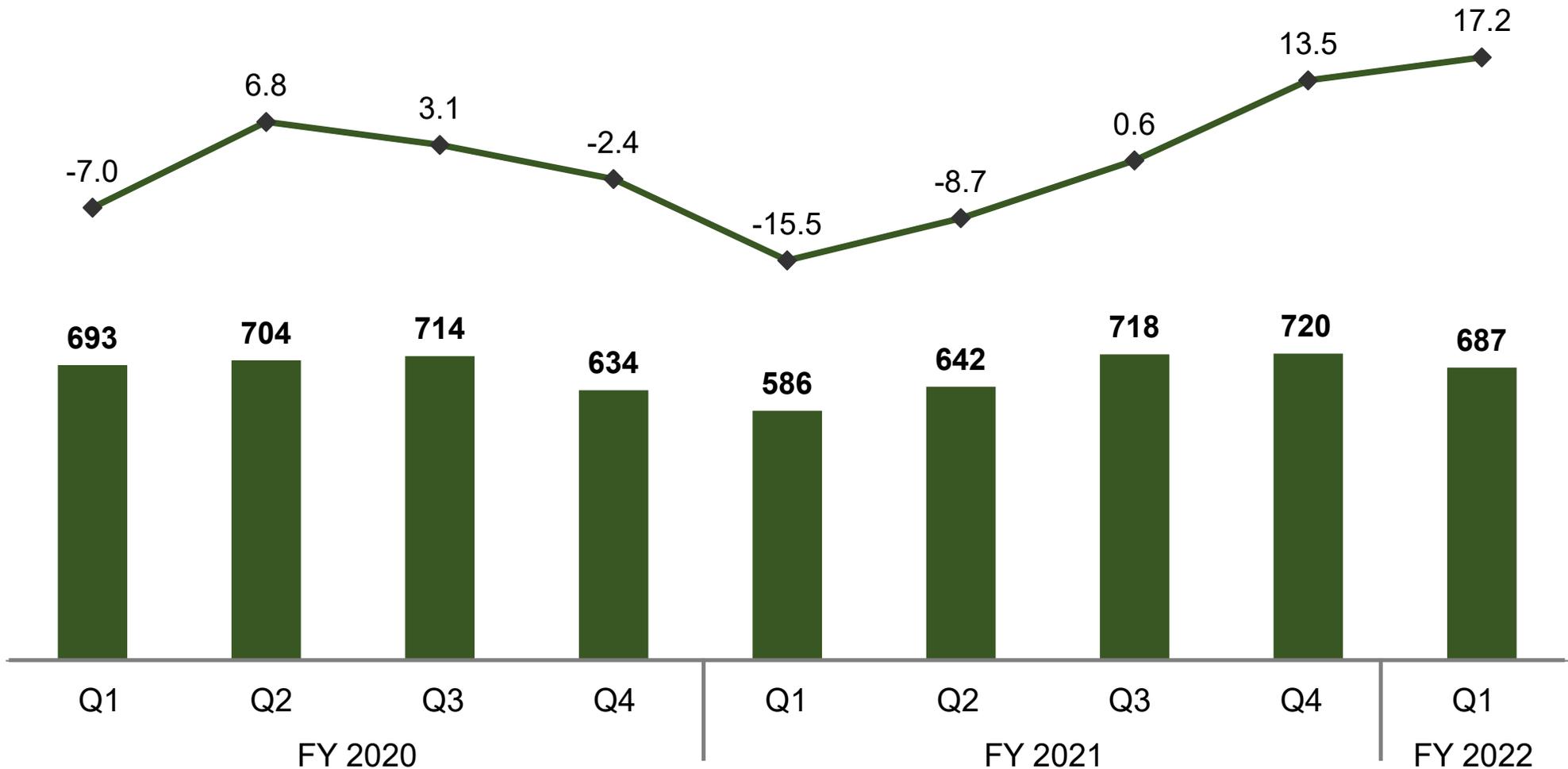
Although restrictions on sales activities continued from the previous term, revenue increased due to growing sales mainly for high value-added wheelchairs thanks to enhanced proposal activities of new wheelchairs in the nursing care market.

HCR Equipment Segment: Changes in Financial Results by Quarter

■ Net sales by HCR Equipment segment

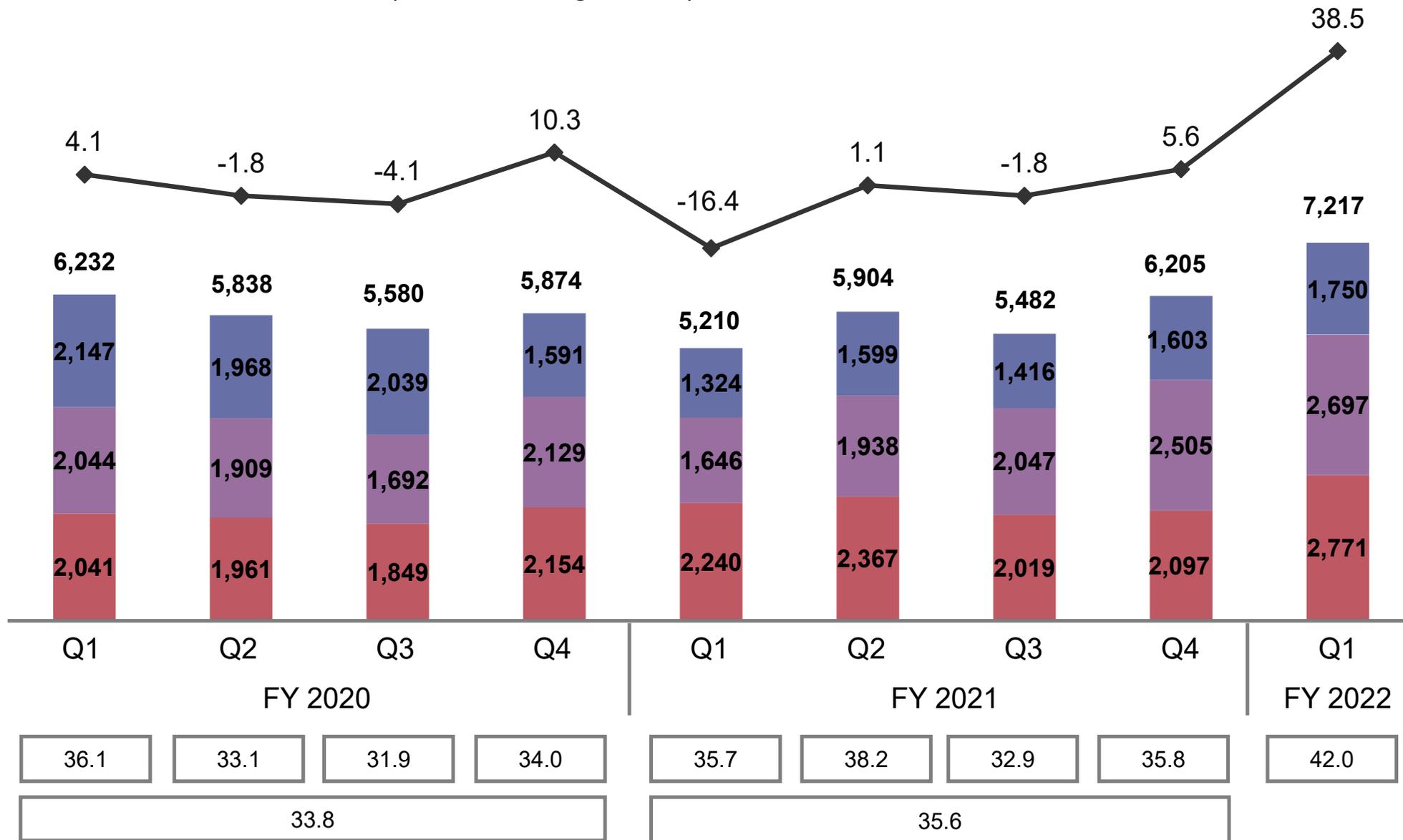
— Rate of change in net sales YOY for HCR Equipment segment

(unit: millions of yen, %)



Changes in Quarterly Net Sales by Overseas Region

■ Net sales in North America
 ■ Net sales in Europe
 ■ Net sales in Asia
 — Total overseas net sales (rate of change YOY)
 (unit: millions of yen, %)



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 ¥5.2 billion (+39.0% year-on-year)
- Number of concrete material dealers compared to March 31, 2021 +15.8%

Japan



- As an upstream activity of promoting the use of Rebar Tying Tools in the civil engineering market, which is a developing market, we have appealed to general contractors through exhibitions, advertisements, etc., based on the VE evaluation of NETIS. As a result, we succeeded in obtaining more inquiries than the previous year. We have carried out proposal activities such as demonstration of large-diameter models for the sales channels to the civil engineering market.

North America



- The establishment of new concrete material dealers has progressed and the local sales network has expanded.
- Public projects are thriving. Demand for rebar tying tools is increasing due to labor shortages in some regions.

Europe



- Although the number of new concrete material dealers has not increased due to subsequent waves of COVID-19, we have focused on expanding business with existing concrete material dealers.
- Sales of rebar tying tools have risen due to increased use in large-scale projects such as railways and roads. In Northern Europe, we have obtained large purchase orders from the customers switching from the old models.



Operating Results Forecast for FY 2022

Plan for Entire Company in the First Half of FY 2022

(unit: millions of yen, %)

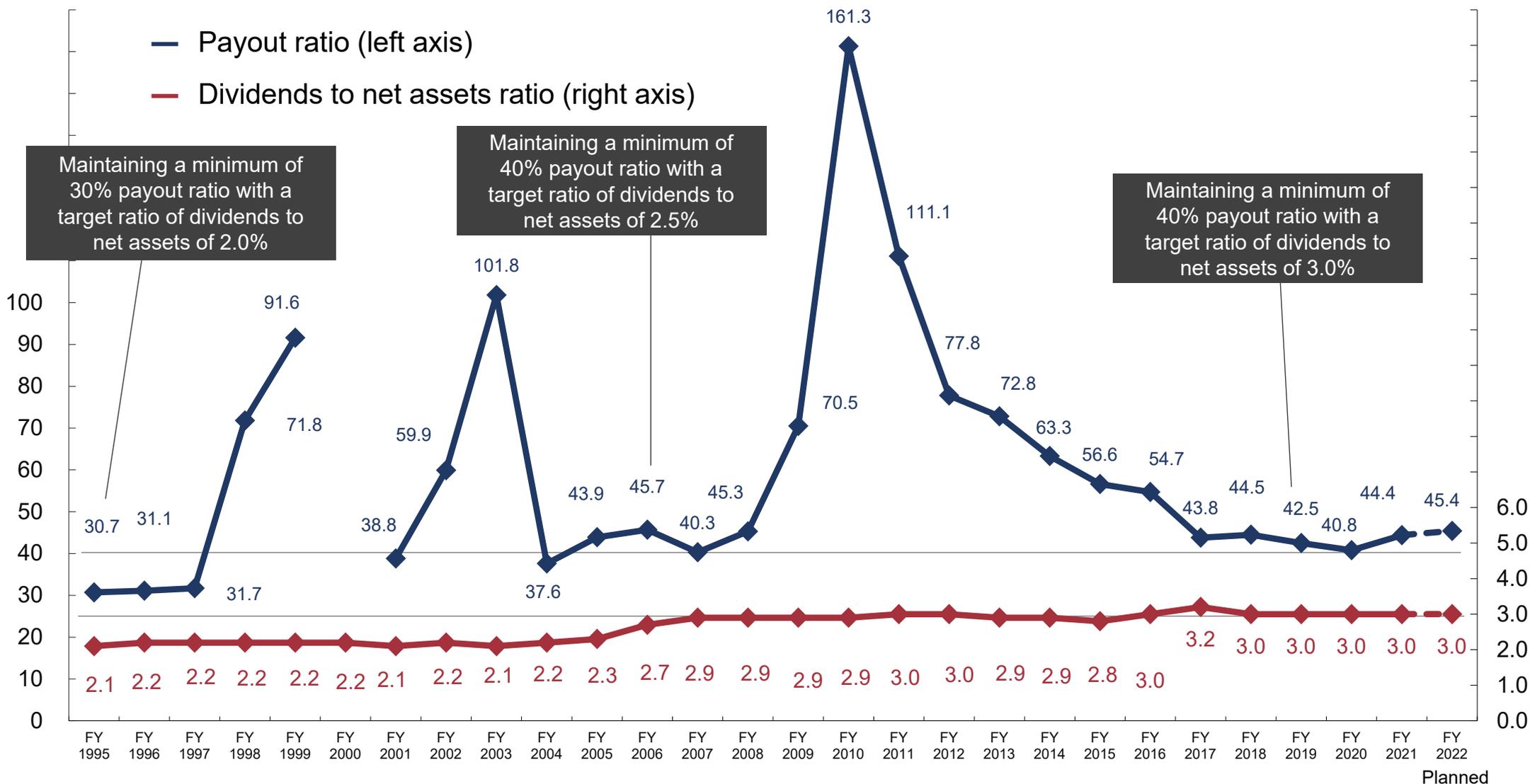
	First-half plan			Full-year plan	
	First-half plan	Results in H1 of previous FY	YOY	Full-year plan	YOY
Net sales	32,800	30,040	+9.2	67,400	+5.3
Operating income	3,350	3,004	+11.5	7,100	+6.2
Ordinary income	3,350	2,919	+14.8	7,100	+4.0
Net income attributable to shareholders of parental company	2,500	2,265	+10.4	5,250	+1.9
Operating margin	10.2	10.0		10.5	
ROE	—	—		6.6	

Segment Plans in the First Half of FY 2022

(unit: millions of yen, %)	First-half plan			Full-year plan	
	First-half plan	Results in H1 of previous FY	YOY	Full-year plan	YOY
Industrial Equipment segment					
Net sales	22,480	20,888	+7.6	45,650	+3.0
Segment profit	3,340	3,103	+7.6	6,750	+1.5
Segment profit rate	14.9	14.9		14.8	
Office Equipment segment					
Net sales	9,000	7,922	+13.6	19,000	+11.4
Segment profit	1,530	1,154	+32.5	3,400	+24.1
Segment profit rate	17.0	14.6		17.9	
HCR Equipment segment					
Net sales	1,320	1,229	+7.4	2,750	+3.1
Segment profit	10	0	—	50	+36.4
Segment profit rate	0.8	0.0		1.8	
Adjustment amount	-1,530	-1,253	+22.0	-3,100	+13.1
Total for entire company					
Net sales	32,800	30,040	+9.2	67,400	+5.3
Operating income	3,350	3,004	+11.5	7,100	+6.2
Operating margin	10.2	10.0		10.5	

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: %)

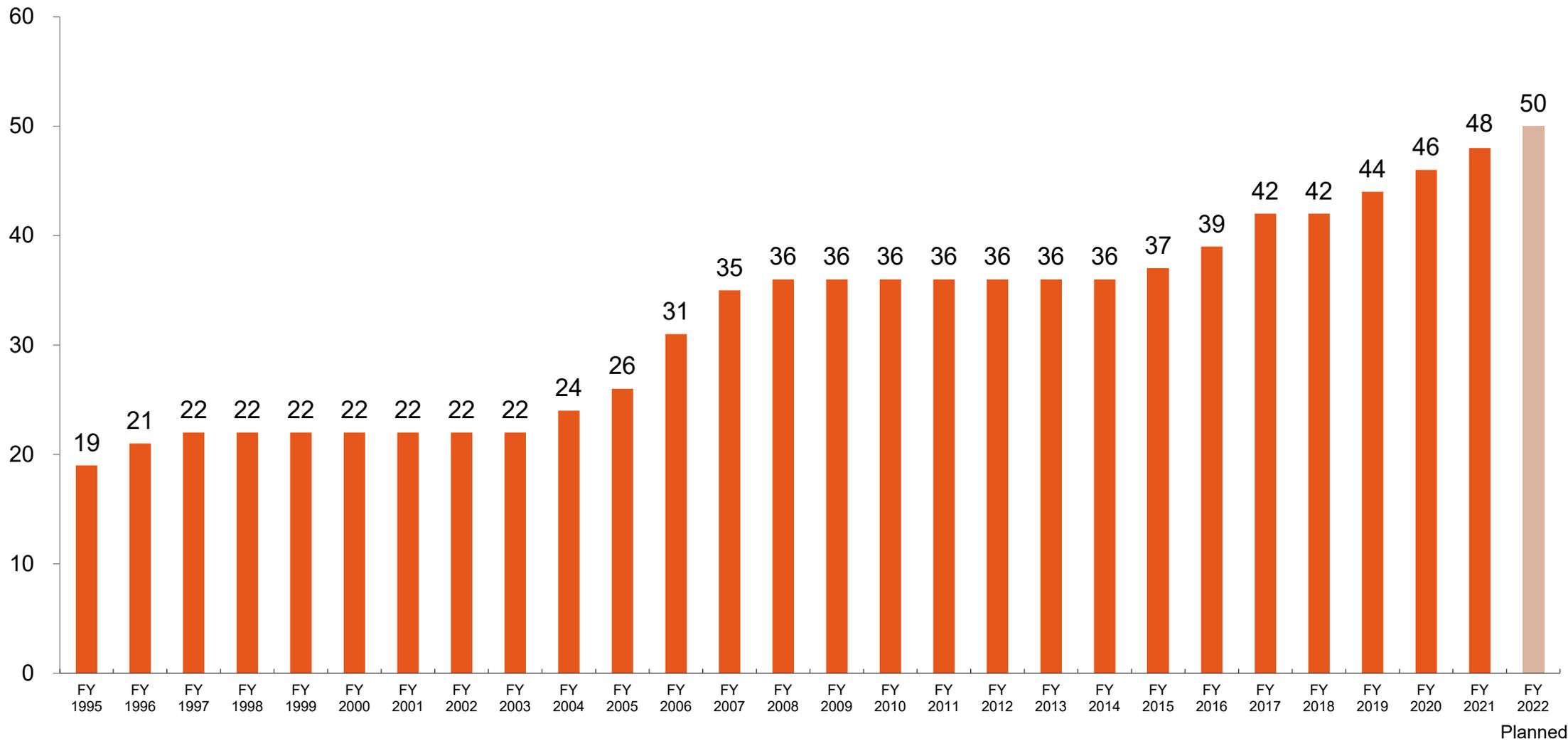


Note: Non-consolidated base until FY 2005.

Planned

Dividends Policy: Dividends per Share

(unit: yen)



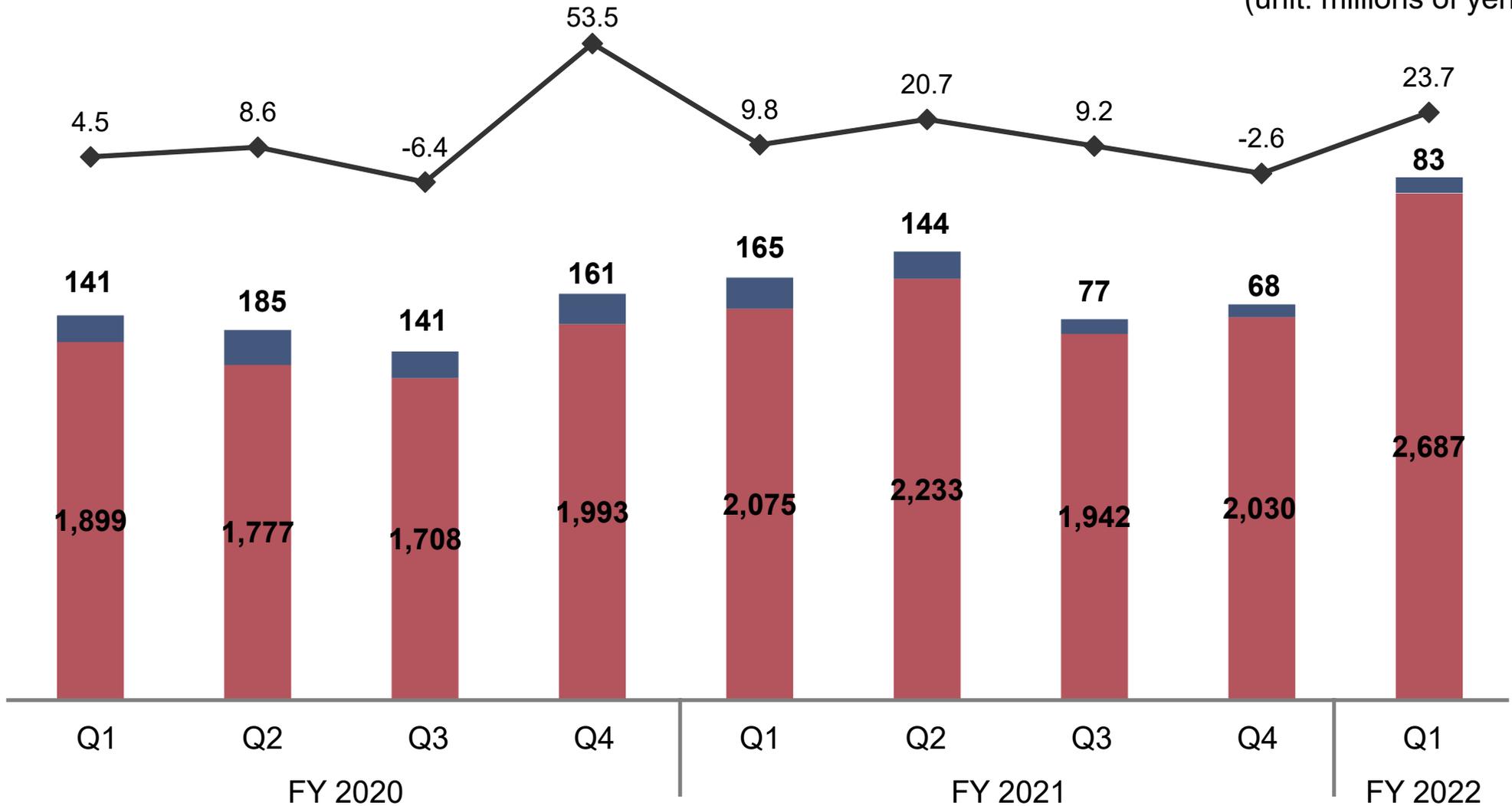


Reference Materials

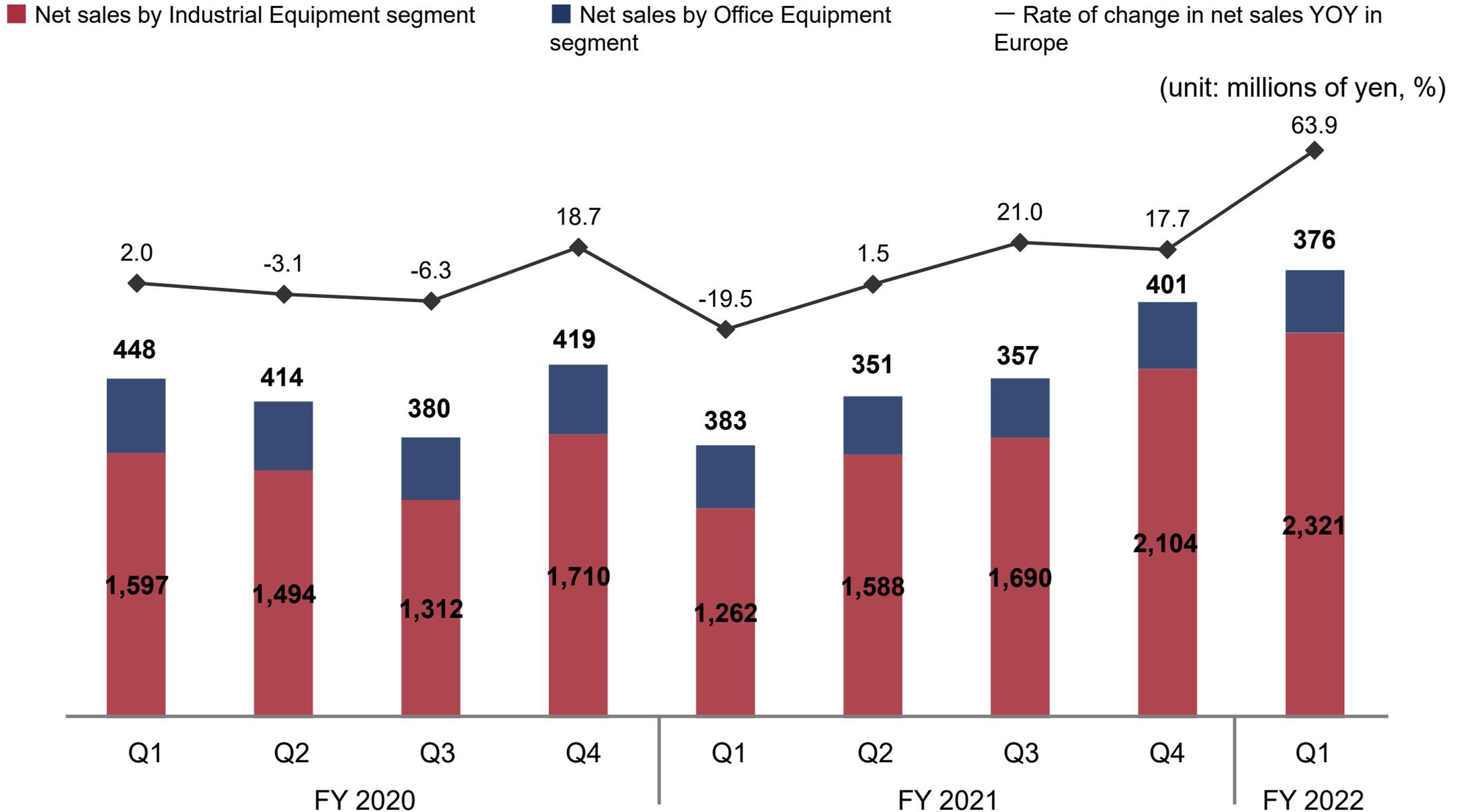
Changes in Quarterly Segment Net Sales by Overseas Region (North America)

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

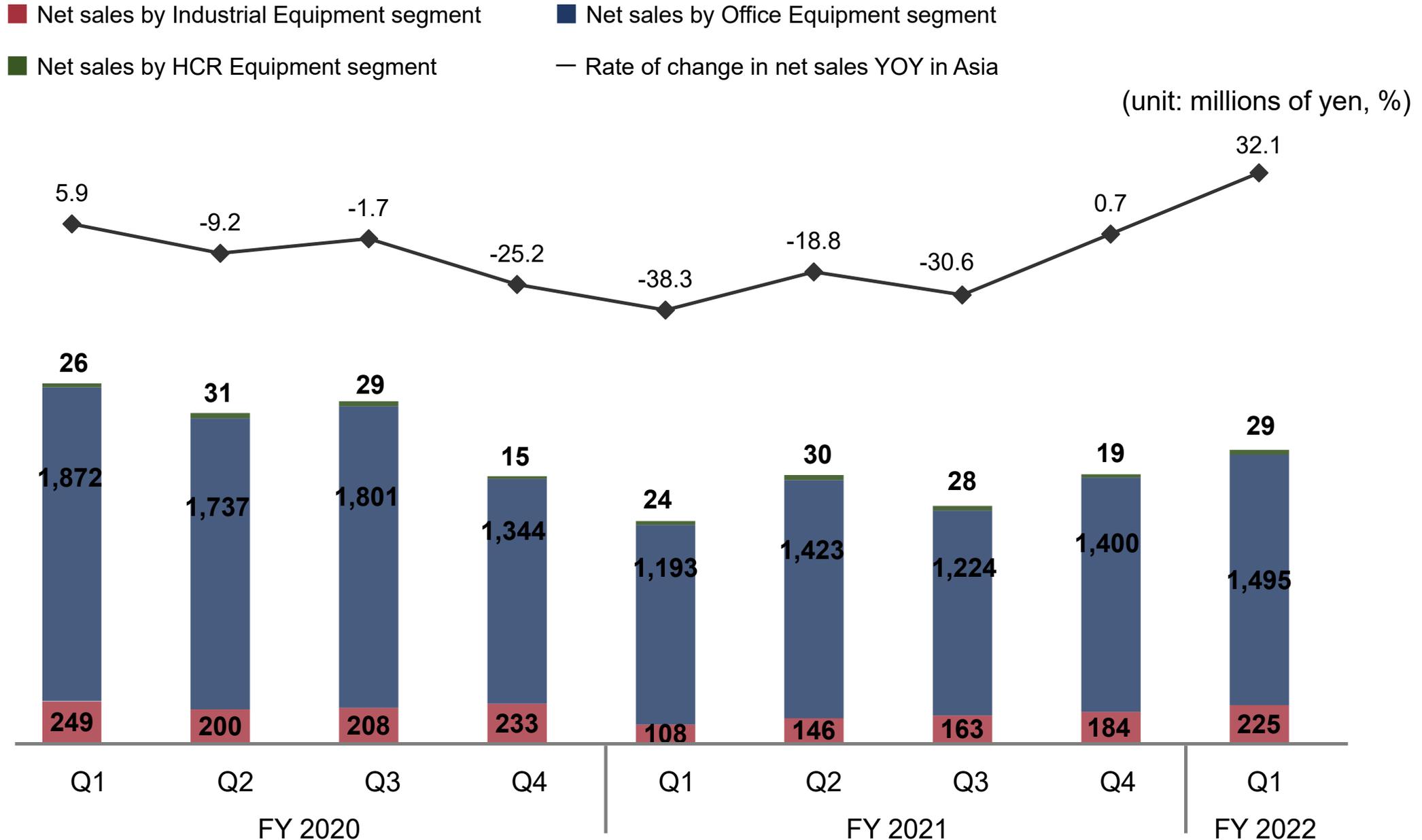
(unit: millions of yen, %)



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



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



Main Products in Industrial Equipment Product Operations and Office Operations

Industrial equipment product operations

Tools for wooden structures	Tools for concrete structures	AF (Agriculture/Food)
<p>Nailers</p> 	<p>TWINTIER rebar tying tools</p> 	<p>Branch induction binders for horticulture</p> 
<p>Air compressors</p> 	<p>Concrete nailers</p> 	<p>Bag closing machines</p> 
<p>Battery-power tools</p> 	<p>Gas nailers</p> 	

Office operations

Stationery-related products	Labelling and signage products	Other
<p>Staplers</p> 	<p>BEPOP label-making machines</p> 	<p>Time recorders</p> 
<p>Hole punches</p> 	<p>LETATWIN tube markers</p> 	<p>Calligraphy printer</p> 
<p>Stampers</p> 	<p>Label printers for food labeling</p> 	

Product Breakdown of the Domestic/Overseas Industrial Equipment Product Operations (Annual)

Net sales and product breakdown for the domestic industrial equipment product operations

Net sales and product breakdown for the overseas industrial equipment product operations

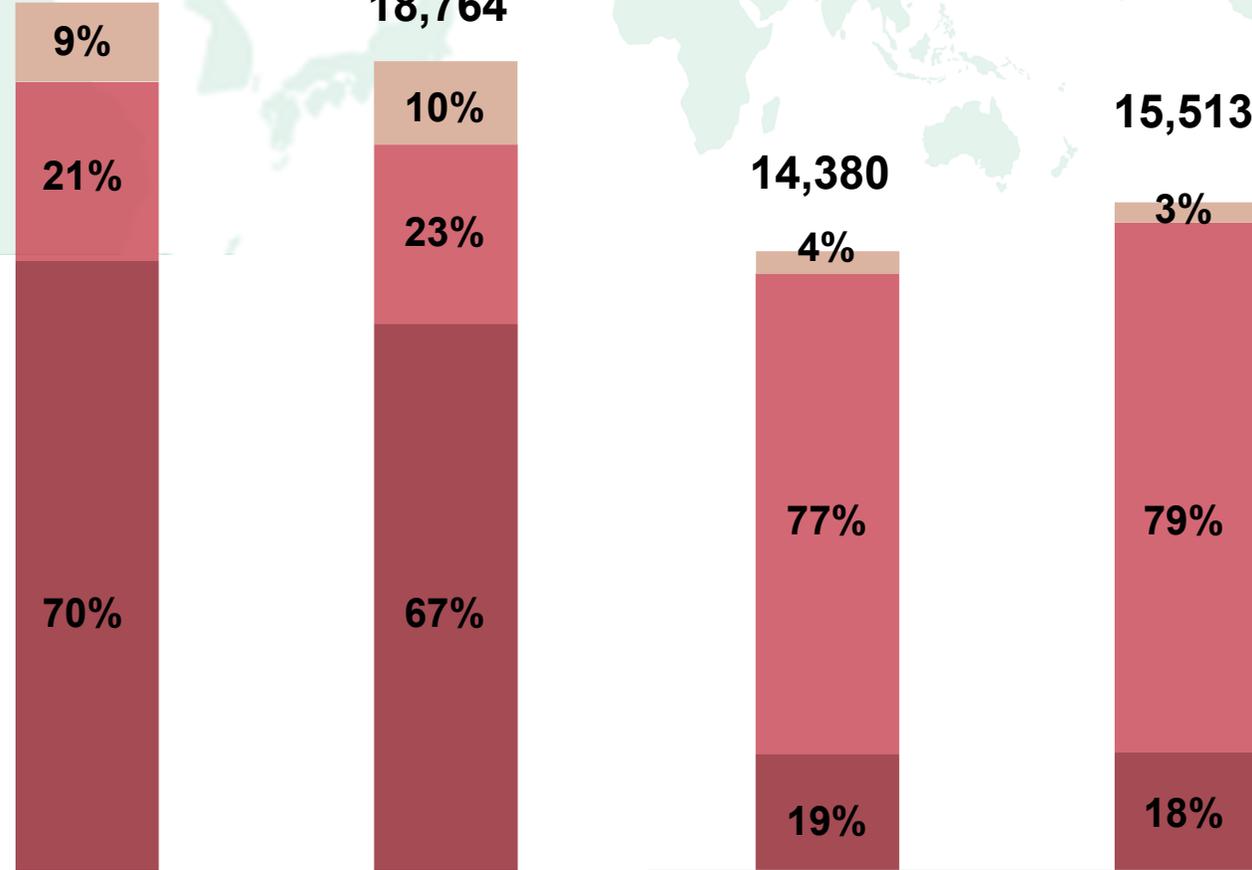
20,127

18,764

14,380

15,513

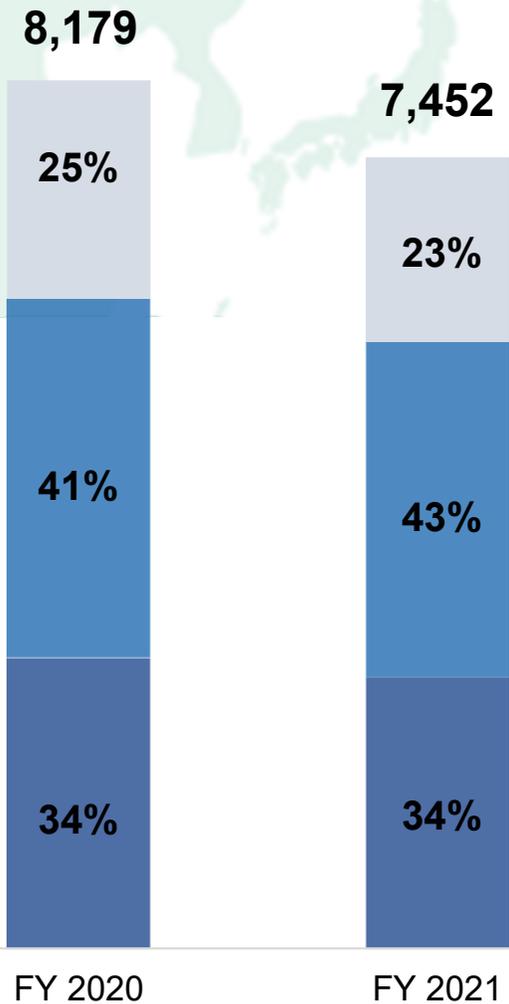
(unit: millions of yen)



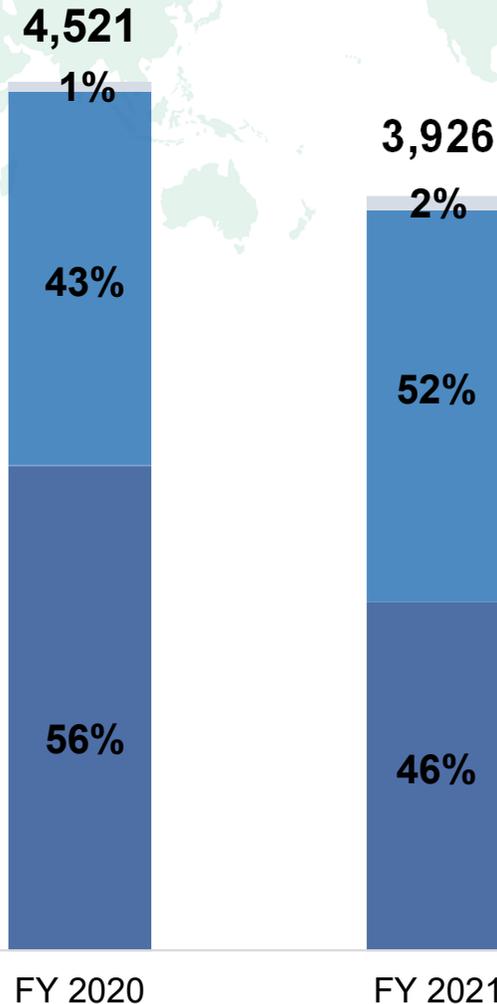
- AF (Agriculture/Food)
- Tools for concrete structures
- Tools for wooden structures

Product Breakdown of the Domestic/Overseas Office Operations (Annual)

Net sales and product breakdown for the domestic office operations



Net sales and product breakdown for the overseas office operations



(unit: millions of yen)

- 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.