

The logo for MAX, consisting of the letters "MAX" in a bold, white, sans-serif font inside an orange square.The slogan "ENGINEERED FOR PERFORMANCE" in a smaller, orange, sans-serif font, positioned below the MAX logo and flanked by two curved orange lines.

MAX Co., Ltd.

Financial Results Briefing for First Quarter of FY 2022

Announcement Date: July 29, 2022

Participants

Yoshihiro Kaku, Managing Director / Senior Executive Officer

Nobuo Suda, General Manager, Investor Relations and Public Relations Dept.

Table of Contents

Group-Wide Financial Results in the First Quarter of FY 2022

1. Group-Wide Financial Results in the First Quarter of FY 2022
2. Changes in Group-Wide Financial Results in the First Quarter of FY 2018 to FY 2022
3. Changes in Group-Wide Financial Results by Quarter
4. Factors for Increase/Decrease of Operating Income
5. Other Financial Information
6. Record of Strategic Investment
7. Economic Indicators

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

8. Financial Results for Individual Segments in the First Quarter of FY 2022
9. Changes in Segment Results by Quarter
10. Industrial Equipment Segment: Financial Results for the First Quarter of FY 2022
11. Industrial Equipment Segment: Changes in Financial Results by Quarter
12. Office Equipment Segment: Financial Results for the First Quarter of FY 2022
13. Office Equipment Segment: Changes in Financial Results by Quarter
14. HCR Equipment Segment: Financial Results for the First Quarter 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. Progress of Constructing Thai Factory No. 3

Operating Results Forecast for FY 2022

19. Group-Wide Plan in the First Half of FY 2022
20. Segment Plans in the First Half of FY 2022
21. Group-Wide Plan in FY 2022
22. Segment Plans in FY 2022
23. Dividend Policy: Payout Ratio and Dividends to Net Assets Ratio
24. Dividends Policy: Dividends per Share

Reference Materials

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



Group-Wide Financial Results in the First Quarter of FY 2022

Group-Wide Financial Results in the First Quarter of FY 2022

1

■ Exchange rates

Q1 FY 2022 1 USD = 126.50 JPY / 1 EUR = 136.76 JPY

Q1 FY 2021 1 USD = 109.83 JPY / 1 EUR = 131.87 JPY

Planned 1 USD = 120.00 JPY / 1 EUR = 130.00 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	20,336	17,163	+18.5	37,600	54.1
Gross profit	8,535	7,220	+18.2	—	—
Corresponding ratio	42.0	42.1		—	
Operating income	2,191	1,791	+22.3	3,580	61.2
Corresponding ratio	10.8	10.4		9.5	
Ordinary income	3,082	1,813	+70.0	3,570	86.3
Corresponding ratio	15.2	10.6		9.5	
Net income attributable to shareholders of parental company	2,220	1,323	+67.8	2,650	83.8
Corresponding ratio	10.9	7.7		7.0	
Net income per share (yen)	46.95	27.75	—	56.02	—

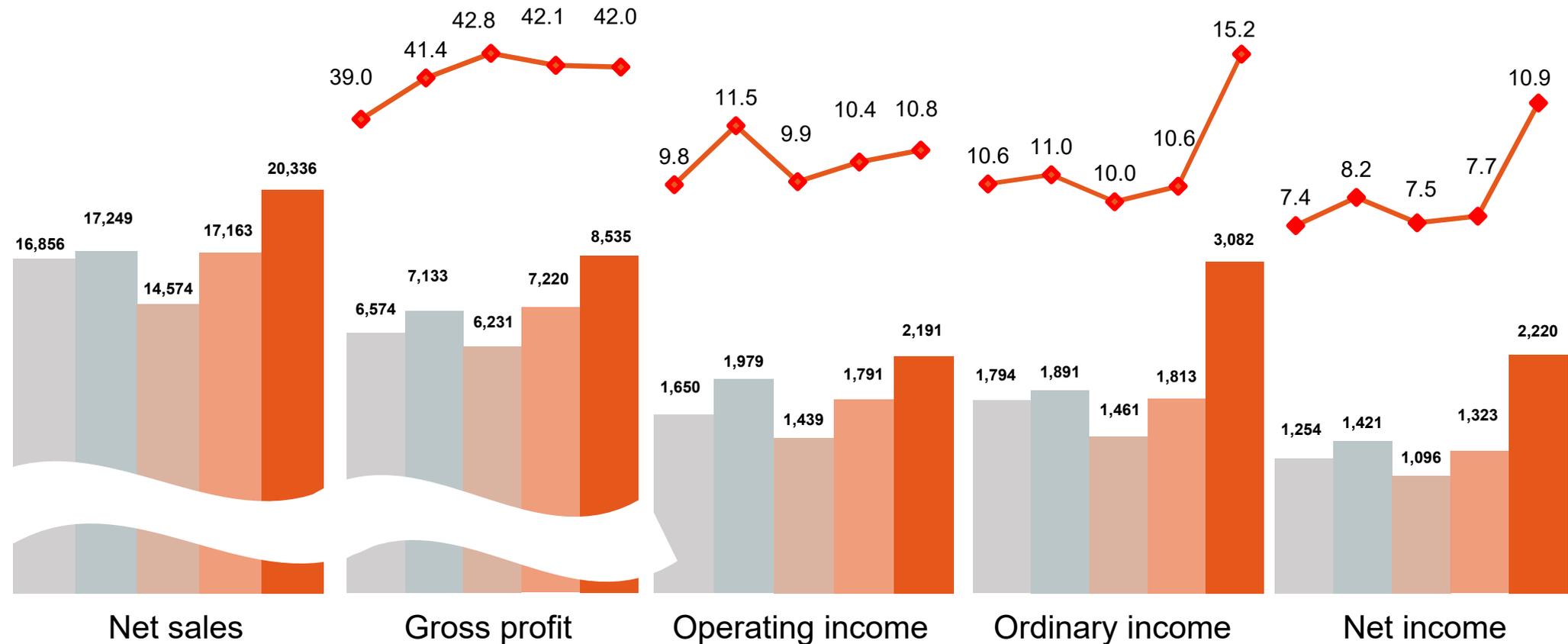
Changes in Group-Wide Financial Results in the First Quarter of FY 2018 to FY 2022

■ Q1 FY 2018
■ Q1 FY 2021

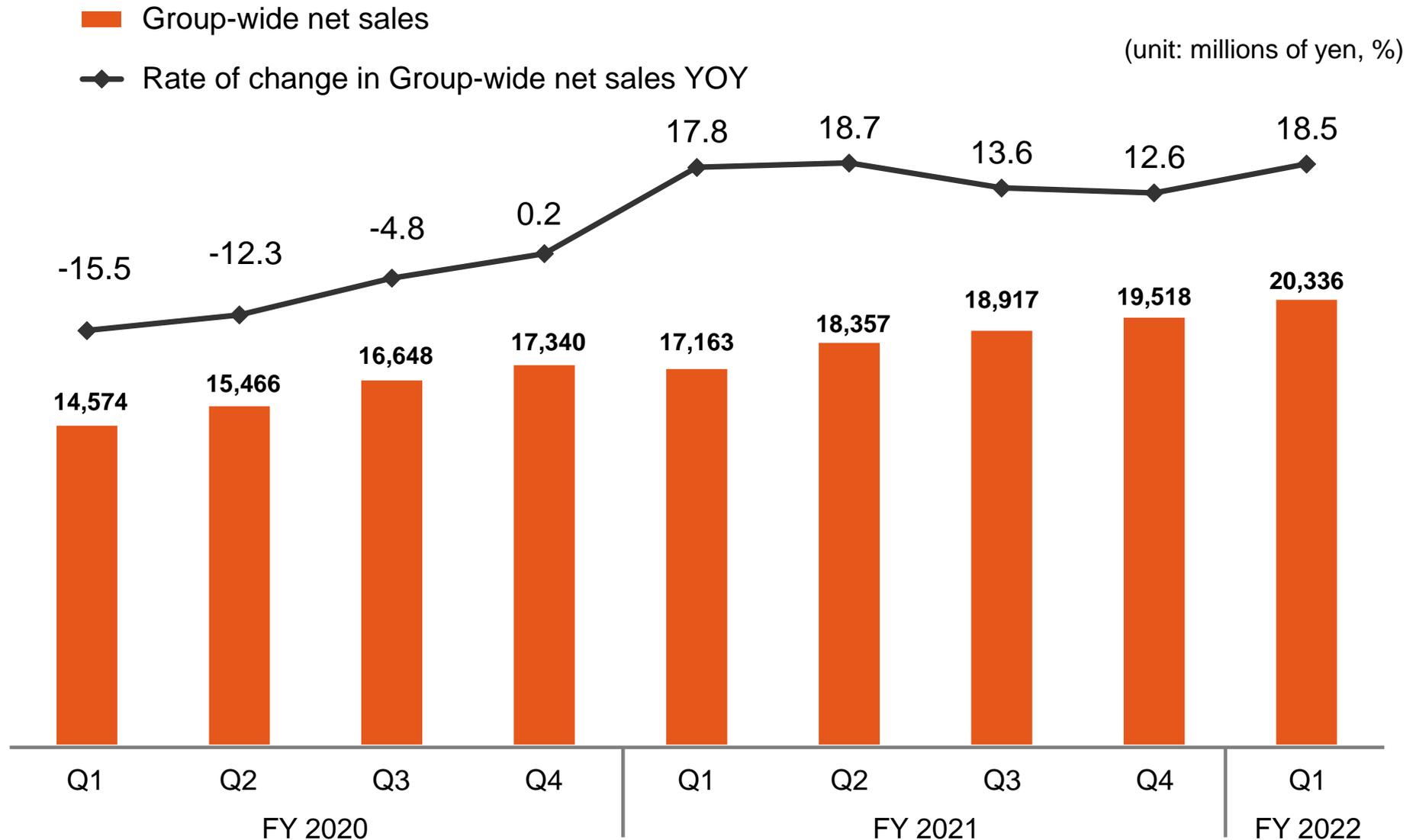
■ Q1 FY 2019
■ Q1 FY 2022

■ Q1 FY 2020
— Corresponding ratio

(unit: millions of yen, %)

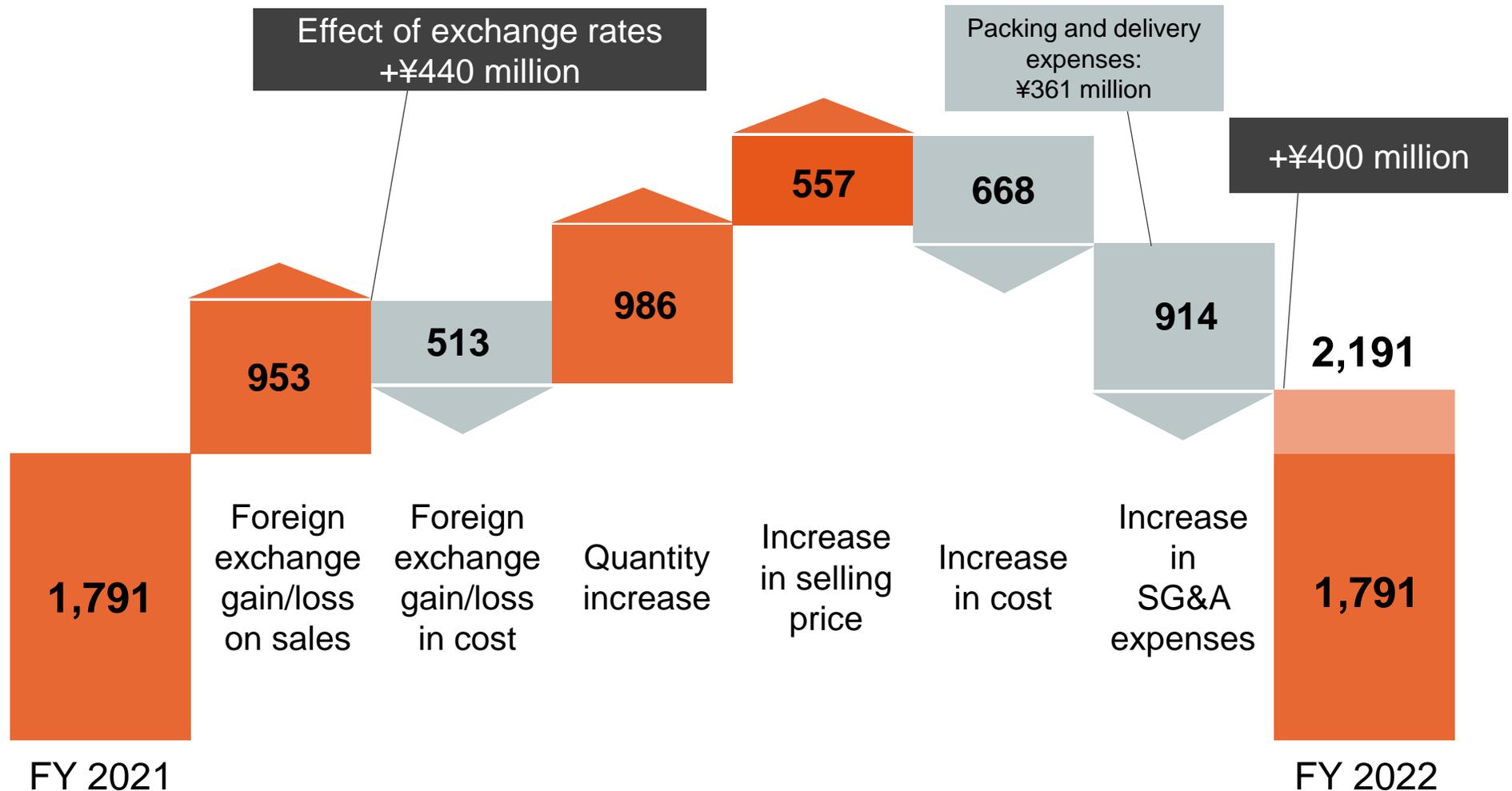


Changes in Group-Wide Financial Results by Quarter



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	890	21	+868
Non-operating income (excluding foreign exchange effect)	122	104	+17
Non-operating expenses (excluding foreign exchange effect)	-19	-32	+12
Foreign exchange gain/loss	787	-50	+838
Extraordinary income/loss	-29	-6	-22
Extraordinary income	3	1	+1
Extraordinary loss	-32	-8	-24

■ 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	478	2,640	4,464	10.7
Depreciation	722	633	3,161	22.8
R&D expenses	835	754	3,852	21.7

Priority Policy

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

Strategic investment for mid- and long-term business growth

Cumulative investment amount over 3 years (FY 2021 to FY 2023) **¥3.6 billion**

(unit: millions of yen)

FY 2022	Q1 actual investment	Plan for FY under review*	Rate of progress
Investment in operating infrastructure	54	500	10.8%
Investment in digital technology	30	200	15.0%
Strategic investment in development	16	500	3.2%
Investment in corporate communication	4	100	4.0%
Total	104	1,300	8.0%

*As of April 28, 2022

Domestic

Amid the decreasing severity of COVID-19 conditions, economic and social activities are being normalized and recovery trends continue.

In the housing market, which affects the Group's Industrial Equipment segment, although the number of new housing construction starts fell below the same month of last year in some area, it remained firm overall, with a focus on rental housing.

Overseas

The impact of COVID-19 has decreased and recovery trends are being maintained. In the U.S., despite a slight decrease in the number of housing starts, construction investment was strong. In Europe, demand continued to increase due to large-scale public investment.

Construction and civil engineering sites continued to thrive in Europe and the U.S.

Reference indices

Number of new housing construction starts

- Up 4.9% YOY for the period from January to March 2022 (Owner-occupied: -6.9%, Rental: +13.5%, Built-for-sale: +7.6%)

→ 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 32.0% YOY for the period from October 2021 to December 2021 (Offices: +101.1%, Shops: -10.1%, Factories: +44.9%, Warehouses: +56.0%)
 - Some shortages of skilled rebar workers (for construction sites) occurred.
- Positive effect on the industrial equipment product operations (concrete related)

Currency exchange rates

- 1 USD = 126.50 JPY, 1 EUR = 136.76 JPY (Q1 FY 2021: 1 USD = 109.83 JPY, 1 EUR = 131.87 JPY)
- Foreign exchange sensitivity in sales (annual conversion) USD: 190 million JPY, EUR: 80 million JPY

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

- The annualized rate is 1,805,000 units in April 2022, 1,591,000 units in May 2022, and 1,559,000 units in June 2022 (Previous year—April: 1,514,000 units, May: 1,546,000 units, June: 1,643,000 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

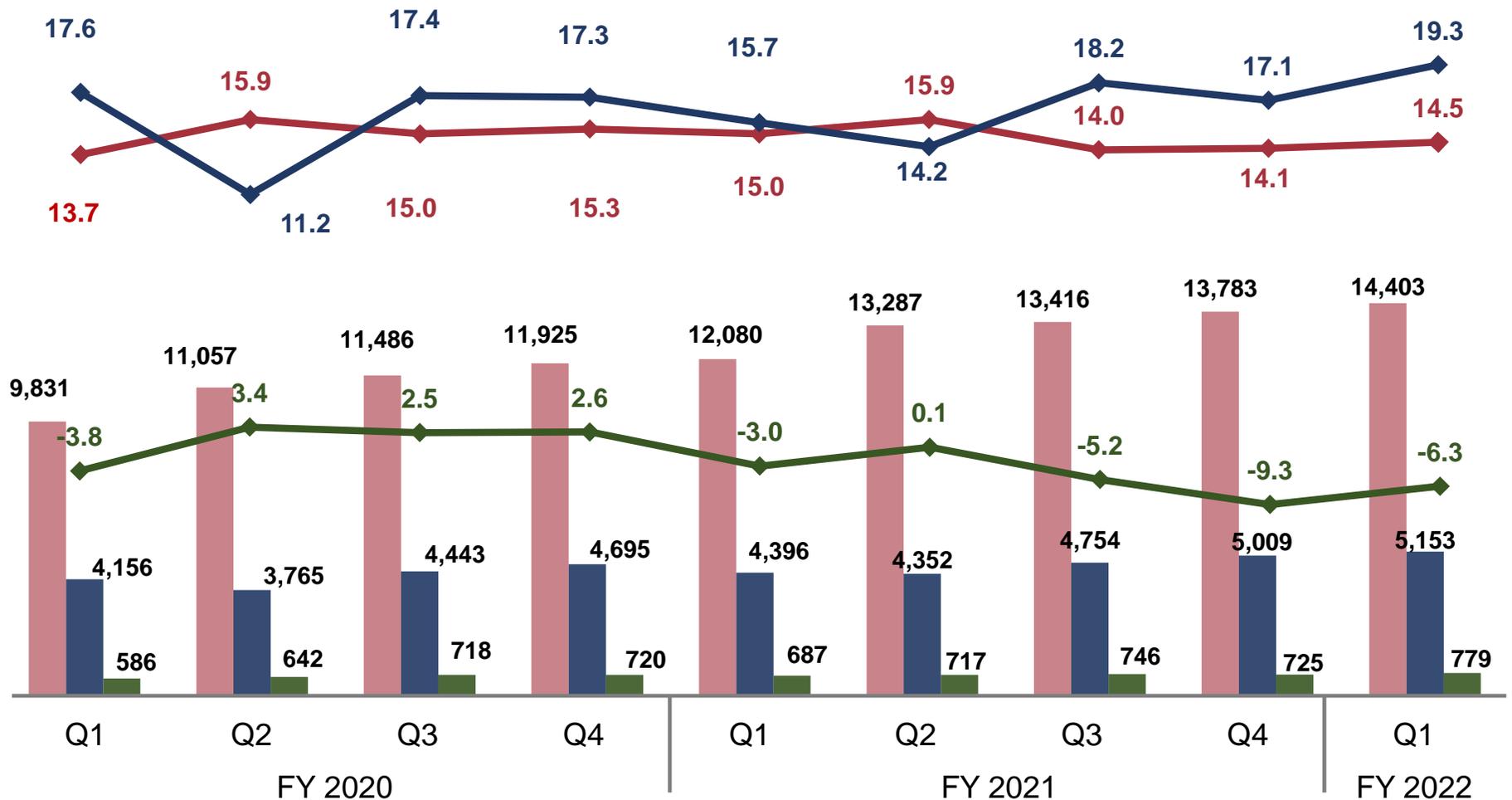
(unit: millions of yen, %)

	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	14,403	12,080	+19.2	26,850	53.6
Segment profit	2,084	1,813	+14.9	3,840	54.3
Segment profit rate	14.5	15.0		14.3	
Office Equipment segment					
Net sales	5,153	4,396	+17.2	9,200	56.0
Segment profit	996	691	+44.2	1,470	67.8
Segment profit rate	19.3	15.7		16.0	
HCR Equipment segment					
Net sales	779	687	+13.4	1,550	50.3
Segment profit	-48	-20	—	-30	—
Segment profit rate	-6.3	-3.0		-1.9	
Adjustment amount	-839	-692	—	-1,700	49.4
Group-wide total					
Net sales	20,336	17,163	+18.5	37,600	54.1
Operating income	2,191	1,791	+22.3	3,580	61.2
Operating margin	10.8	10.4		9.5	

Changes in Segment Results by Quarter

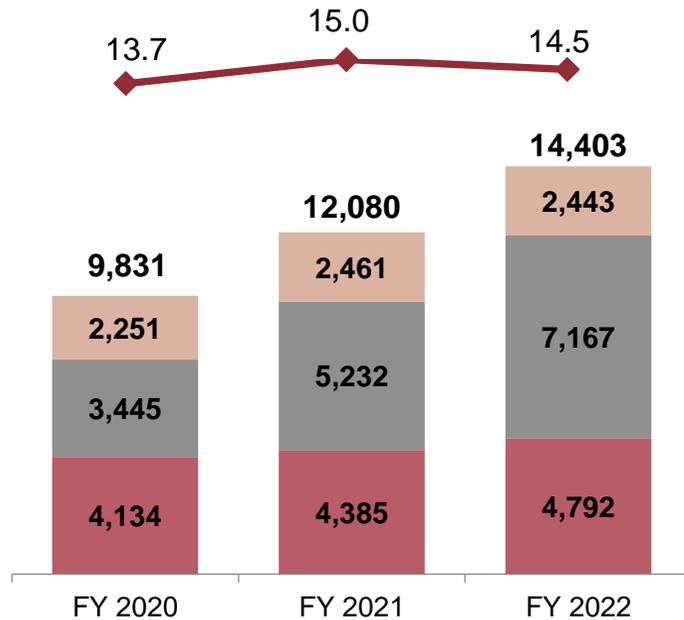
- Net sales by Industrial Equipment segment
- Net sales by Office Equipment segment
- Net sales by HCR Equipment segment
- Segment profit rate for Industrial Equipment segment
- Segment profit rate for Office Equipment segment
- Segment profit rate for HCR Equipment segment

(unit: millions of yen, %)



Industrial Equipment Segment: Financial Results for the First Quarter 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



High-pressure nailers

Domestic industrial equipment product operations



Sales of TWINTIER rebar tying tools and dedicated consumables grew, and there were strong sales of nailers and air compressors, which are the mainstay of the business.

Overseas industrial equipment product operations



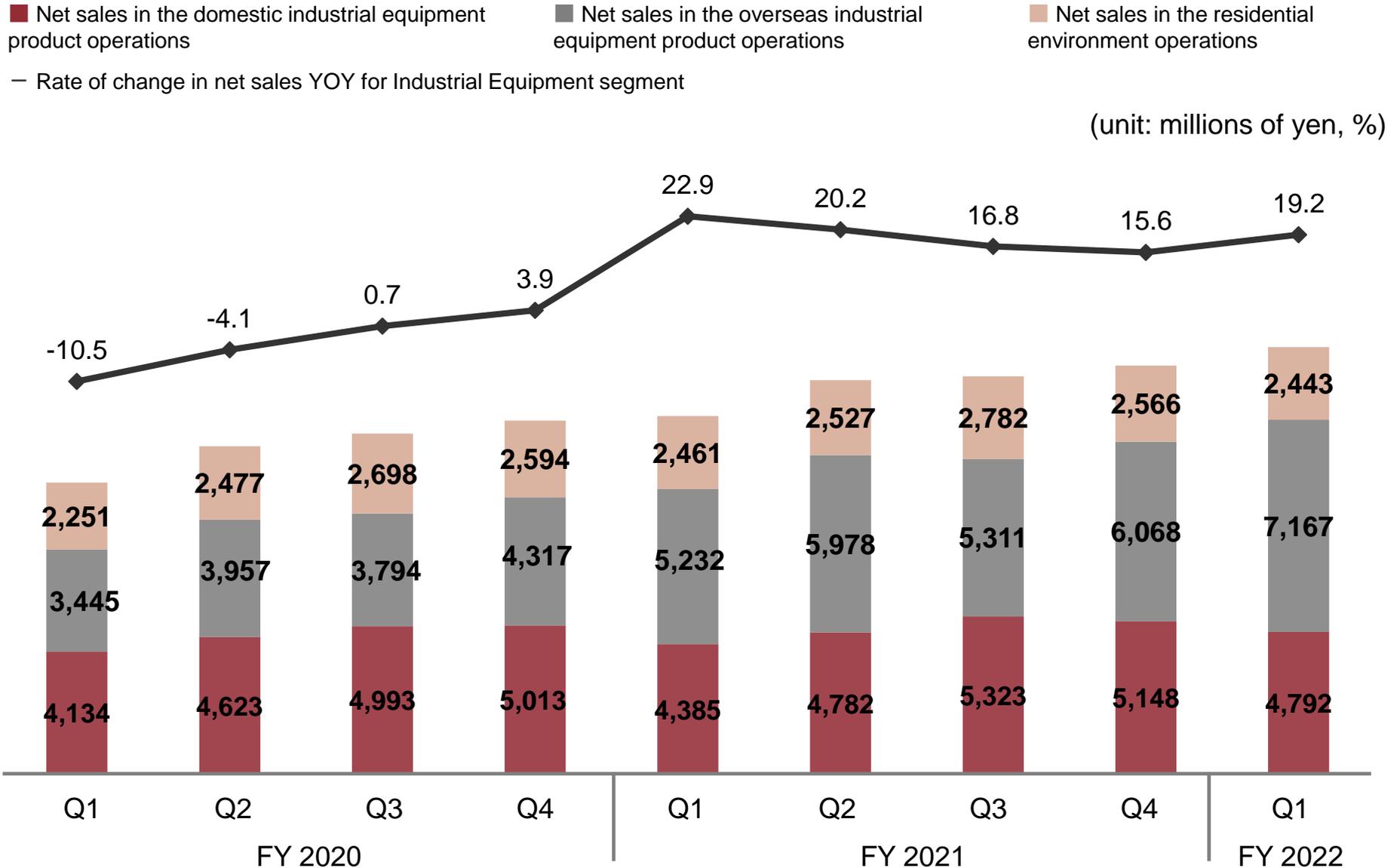
The construction market continued to be active in Europe and the United States. In addition to significant growth in sales of TWINTIER rebar tying tools and dedicated consumables, sales also increased for tools for wooden structures.

Residential environmental equipment operations



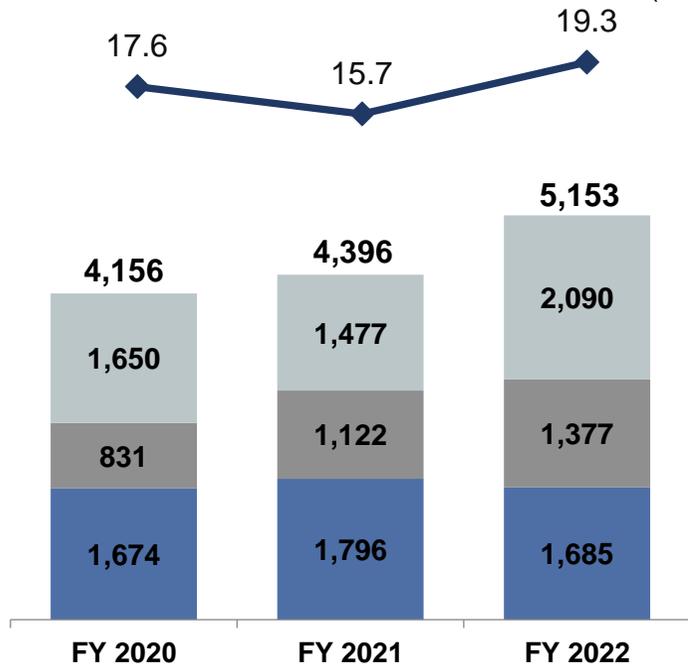
Due to the impact of the lockdown in Shanghai, production temporarily stagnated and sales decreased for DRYFAN bathroom heaters, ventilators and dehumidifiers.

Industrial Equipment Segment: Changes in Financial Results by Quarter



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

■ Domestic office equipment product operations
■ Overseas office equipment product operations
■ Auto-stapler product operations — Segment profit rate
 (unit: millions of yen, %)



BEPOP label-making machines



Staplers (overseas models)

Domestic office equipment product operations



In addition to decreased sales of stationery-related products, sales of labelling and signage products such as LETATWIN tube markers and BEPOP label-making machines also fell due to the impact of a shortage in electronic components.

Overseas office equipment product operations



Sales of products such as LETATWIN tube markers stagnated due to the impact of a shortage in electronic components. Even so, due in part to the effect of the launch of new stapler products, sales of stationery-related products increased with a focus on Southeast Asia.

Auto-stapler product operations

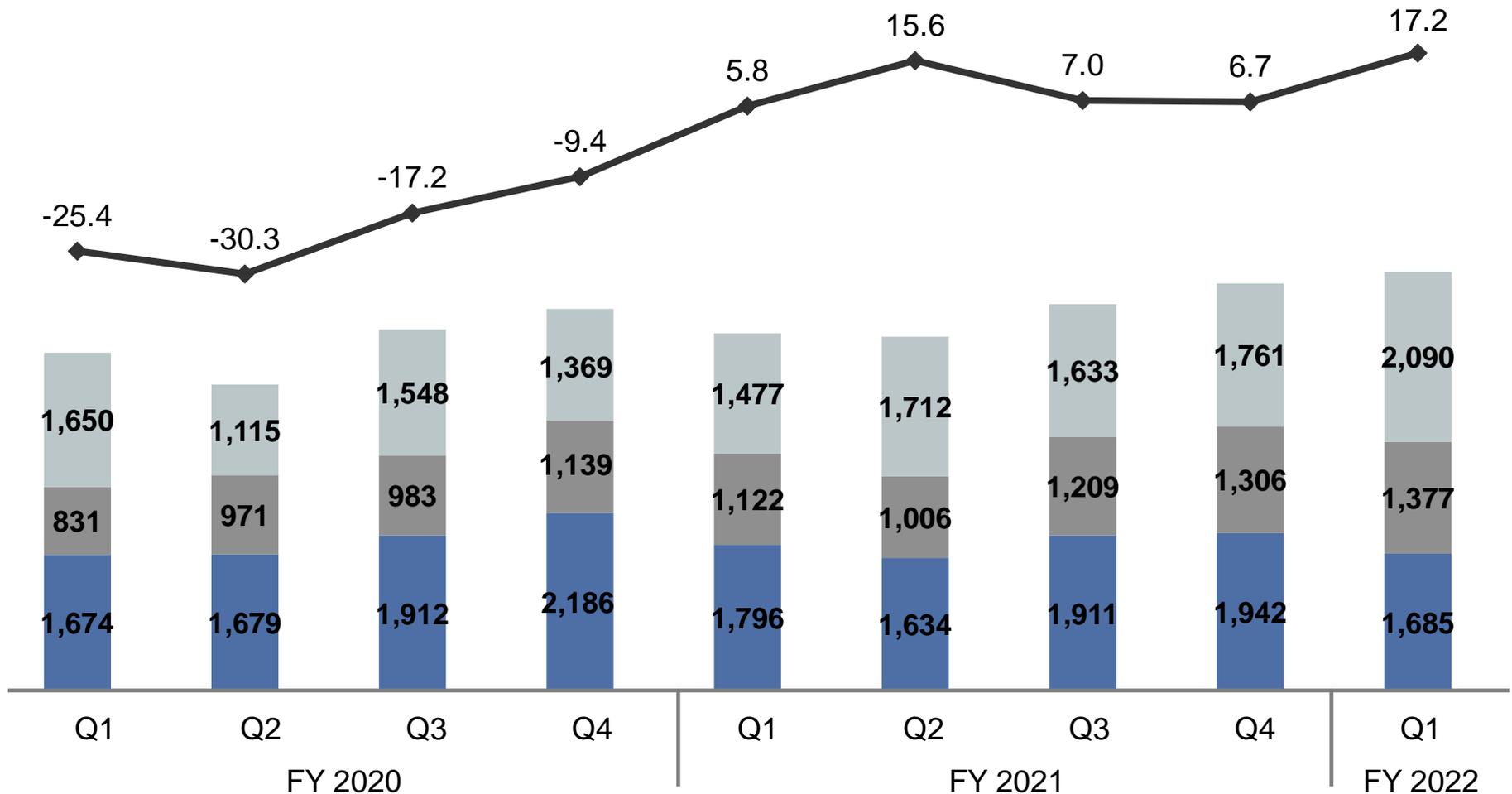


Sales of Auto Staplers and dedicated consumables increased in conjunction with a recovery in the office occupancy rate.

Office Equipment Segment: Changes in Financial Results by Quarter

■ Net sales in the domestic office equipment product operations
 ■ Net sales in the overseas office equipment product operations
 ■ Net sales in the auto-stapler product operations
 — Rate of change in net sales YOY for Office Equipment segment

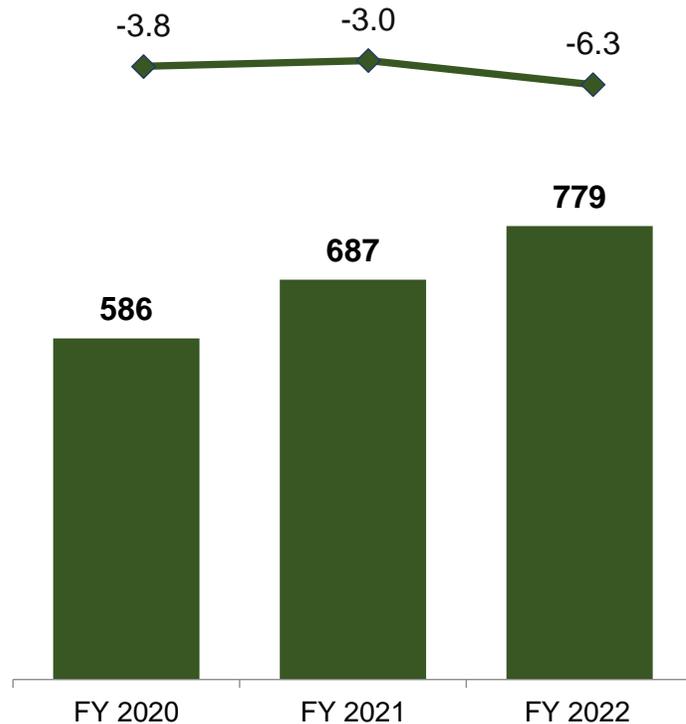
(unit: millions of yen, %)



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

■ Net sales by HCR Equipment segment
— Segment profit rate

(unit: millions of yen, %)



Functionally sophisticated wheelchairs:
WAVIT Roo+



Multifunction wheelchairs:
Modern Series

HCR Equipment segment



Sales to rental wholesalers, hospitals, and other facilities were strong due to the promotion of sales activities such as visiting rental businesses and exhibiting at trade shows.

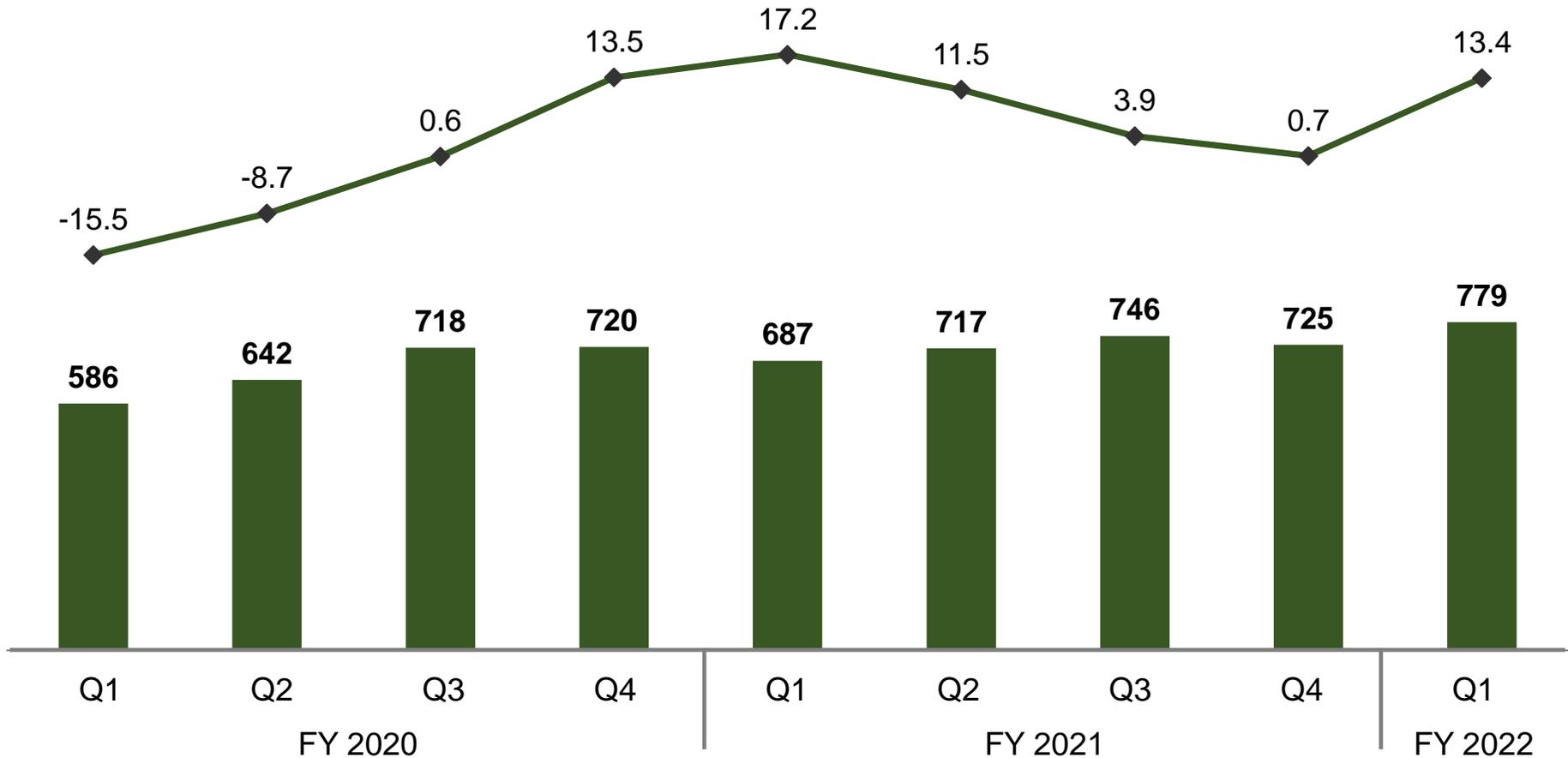
On the other hand, profitability fell due to decreased factory operation caused by the lockdown in Shanghai, and to a weakening yen exchange rate.

HCR Equipment Segment: Changes in Financial Results by Quarter

■ Net sales by HCR Equipment segment

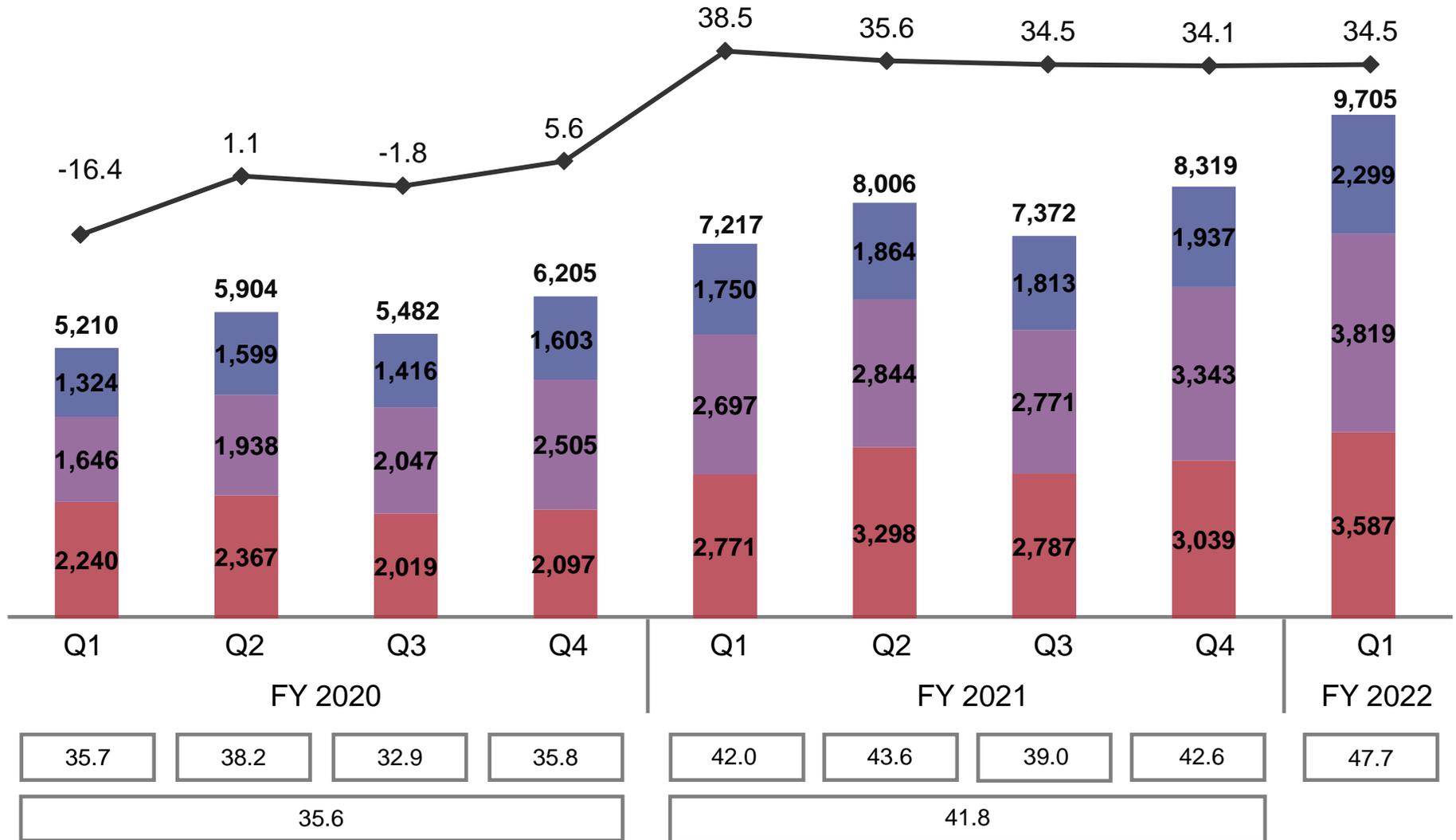
— Rate of change in net sales YOY for HCR Equipment segment

(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 product operations.

Continued strong sales of tools for concrete structures with a focus on the rebar tying tools business

- Domestic and overseas sales of tools for concrete structures: **¥7 billion** (+36.3% year-on-year)

(Rate of progress compared to plan: **27.2%**)

- Number of concrete material dealers compared to March 31, 2021: **+41.8%**

Overseas

North America

- Continue to focus on developing new dealers and strengthening the sales capabilities of existing dealers.
- Distribution stagnation has become chronic. Local inventories remain at a low level, and backorders are occurring in some cases.

Europe

- Strong sales are driven by continued infrastructure demand from large-scale public investment in each country.
- In some cases, new projects were temporarily suspended due to soaring steel prices, unstable material supply, etc., caused by the prolonged situation in the Ukraine. (This has not had a significant impact at the current point in time.)

Japan

- Sales of large-diameter machines for tying thick reinforcing bars such as those used for beams and columns in buildings have increased significantly.
- We will raise awareness at the sites through on-site demonstrations, machine rentals, and promotion using actual application examples. We will aim to spread and expand the use of rebar tying tools in both the existing construction market and the civil engineering market, where the Company is striving to develop its presence.

Construction of Thai Factory No. 3 is proceeding as planned and on schedule for **launching operations in March 2023**.

About Thai Factory No. 3

This new factory is being constructed for the purpose of manufacturing the consumable “Tie Wire” for rebar tying tools. The rebar tying tools business is a priority business that continues to grow, with a focus in Europe and the United States. Currently, “Tie Wire” is produced at a domestic factory and at Thai Factory No. 2. By constructing Thai Factory No. 3, we will establish a system that can respond to strong growth in demand.



Factory No. 3 (under construction)



Factory No. 3 shown in center of photo



From closest: Factory No. 1, No. 2, No. 3





Operating Results Forecast for FY 2022

Group-Wide Plan in the First Half of FY 2022

■ Forecasted exchange rates

1 USD = 125.75 JPY / 1 EUR = 135.88 JPY

(unit: millions of yen, %)

	Current plan (July 29, 2022)	Initial plan (Apr. 28, 2022)	Difference	Results in H1 of previous FY	% increase/ decrease
Net sales	41,300	37,600	3,700	35,521	+16.3
Operating income	4,380	3,580	800	3,810	+14.9
Corresponding ratio	10.6	9.5		10.7	
Ordinary income	4,770	3,570	1,200	3,808	+25.2
Corresponding ratio	11.5	9.5		10.7	
Net income attributable to shareholders of parental company	3,450	2,650	800	2,833	+21.8
Corresponding ratio	8.4	7.0		8.0	
Net income per share (yen)	72.93	56.02	16.91	59.56	—

• Due to the recent strong performance and changes in the forecasted exchange rate, we expect to surpass the forecast of operating results announced on April 28, 2022. Therefore, we have revised our plans for the first half and full year.

Segment Plans in the First Half of FY 2022

(unit: millions of yen, %)	Current plan (July 29, 2022)	Initial plan (Apr. 28, 2022)	Difference	Results in H1 of previous FY	% increase/ decrease
Industrial Equipment segment					
Net sales	29,450	26,850	+2,600	25,368	+16.1
Segment profit	4,360	3,840	+520	3,922	+11.2
Segment profit rate	14.8	14.3		15.5	
Office Equipment segment					
Net sales	10,280	9,200	+1,080	8,749	+17.5
Segment profit	1,860	1,470	+390	1,309	+42.0
Segment profit rate	18.1	16.0		15.0	
HCR Equipment segment					
Net sales	1,570	1,550	+20	1,404	+11.8
Segment profit	-90	-30	-60	-19	—
Segment profit rate	-5.7	-1.9		-1.4	
Adjustment amount	-1,750	-1,700	-50	-1,401	—
Group-wide total					
Net sales	41,300	37,600	+3,700	35,521	+16.3
Operating income	4,380	3,580	+800	3,810	+14.9
Operating margin	10.6	9.5	+1.1	10.7	

(unit: millions of yen, %)

	Current plan (July 29, 2022)	Initial plan (Apr. 28, 2022)	Difference	Results in previous FY	% increase/ decrease
Net sales	82,400	78,100	4,300	73,958	+11.4
Operating income	9,000	8,200	800	7,498	+20.0
Corresponding ratio	10.9	10.5		10.1	
Ordinary income	9,400	8,200	1,200	8,282	+13.5
Corresponding ratio	11.4	10.5		11.1	
Net income attributable to shareholders of parental company	6,800	6,000	800	6,090	+11.6
Corresponding ratio	8.3	7.7		8.2	
Net income per share (yen)	143.76	126.84	16.92	128.40	
ROE	8.0	7.2	0.8P	7.5	

Segment Plans in FY 2022

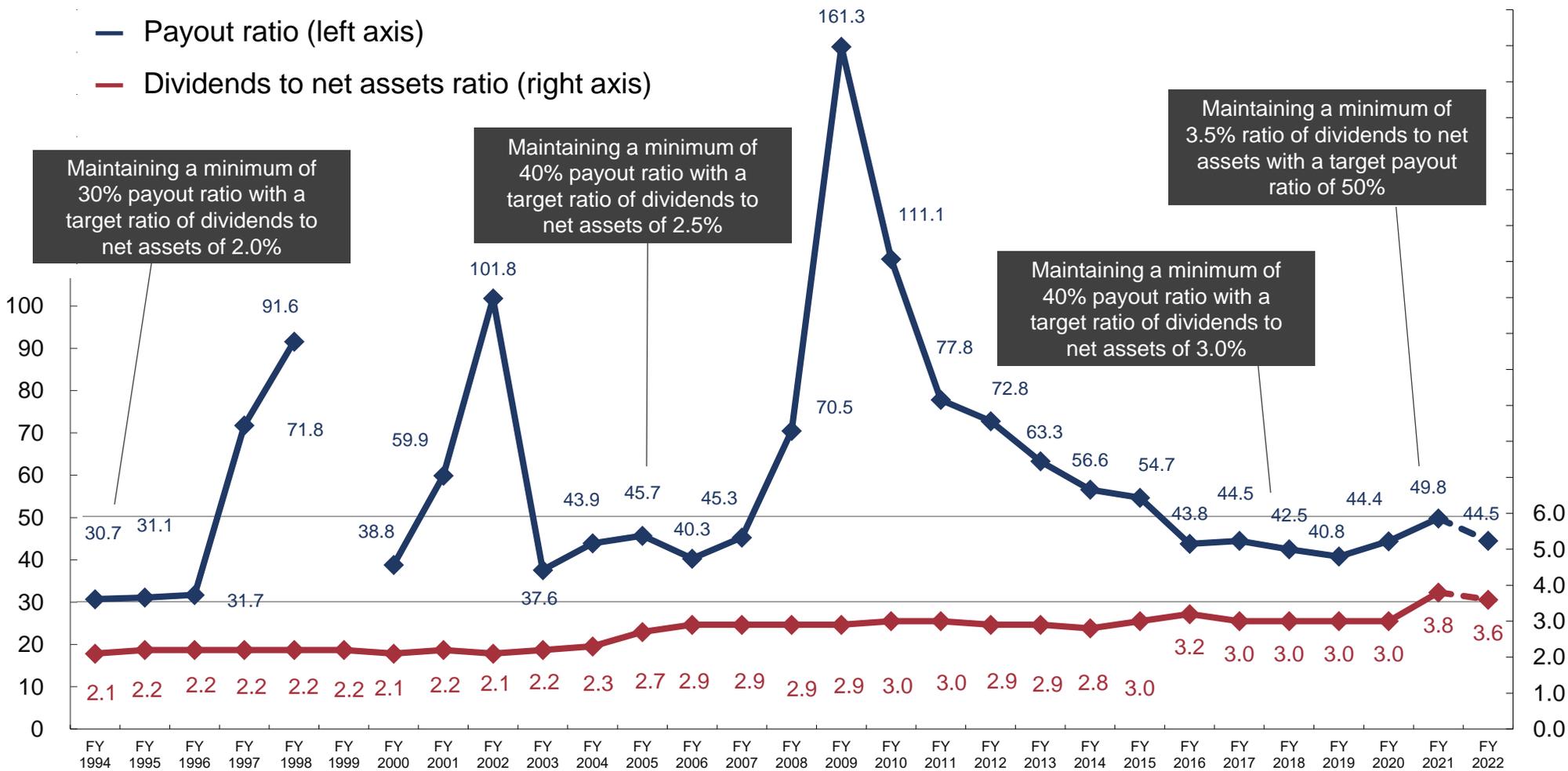
(unit: millions of yen, %)	Current plan (July 29, 2022)	Initial plan (Apr. 28, 2022)	Difference	Results in previous FY	% increase/ decrease
Industrial Equipment segment					
Net sales	58,770	55,720	+3,050	52,569	+11.8
Segment profit	9,200	8,650	+550	7,739	+18.9
Segment profit rate	15.7	15.5		14.7	
Office Equipment segment					
Net sales	20,430	19,200	+1,230	18,513	+10.4
Segment profit	3,670	3,280	-130	3,034	+21.0
Segment profit rate	18.0	17.1		16.4	
HCR Equipment segment					
Net sales	3,200	3,180	+20	2,875	+11.3
Segment profit	-90	0	-90	-126	—
Segment profit rate	-2.8	0.0		-4.4	
Adjustment amount	-3,780	-3,730	-50	-3,148	
Group-wide total					
Net sales	82,400	78,100	+4,300	73,958	+11.4
Operating income	9,000	8,200	800	7,498	+20.0
Operating margin	10.9	10.5		10.1	

Dividend Policy: Payout Ratio and Dividends to Net Assets Ratio

Based on consolidated financial results, “maintain a minimum of 3.5% ratio of dividends to net assets” and “seek to achieve a target payout ratio of 50%.”

(unit: %)

- Payout ratio (left axis)
- Dividends to net assets ratio (right axis)

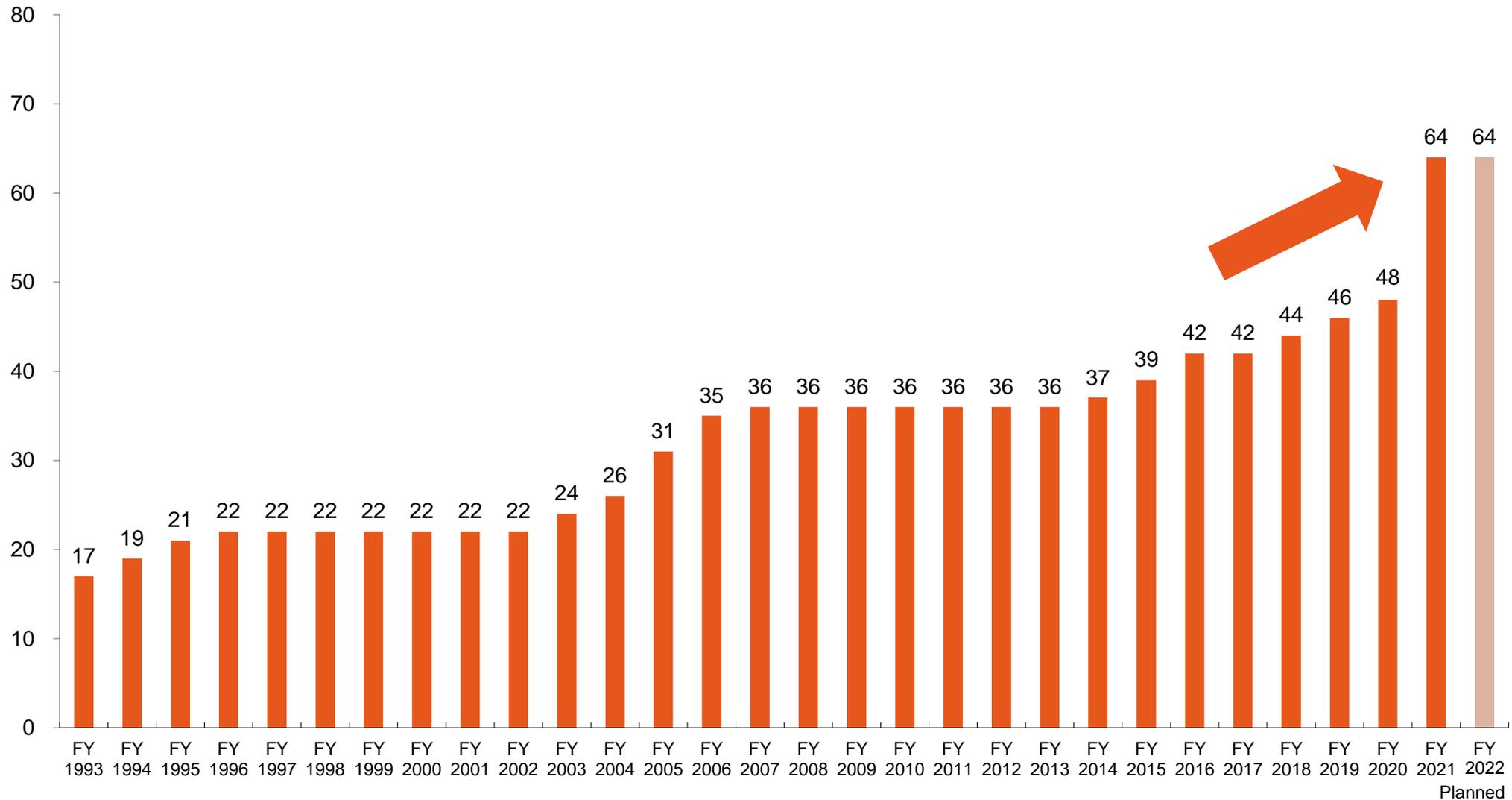


Note: Non-consolidated base until FY 2004.

Planned

Dividends Policy: Dividends per Share

(unit: yen)

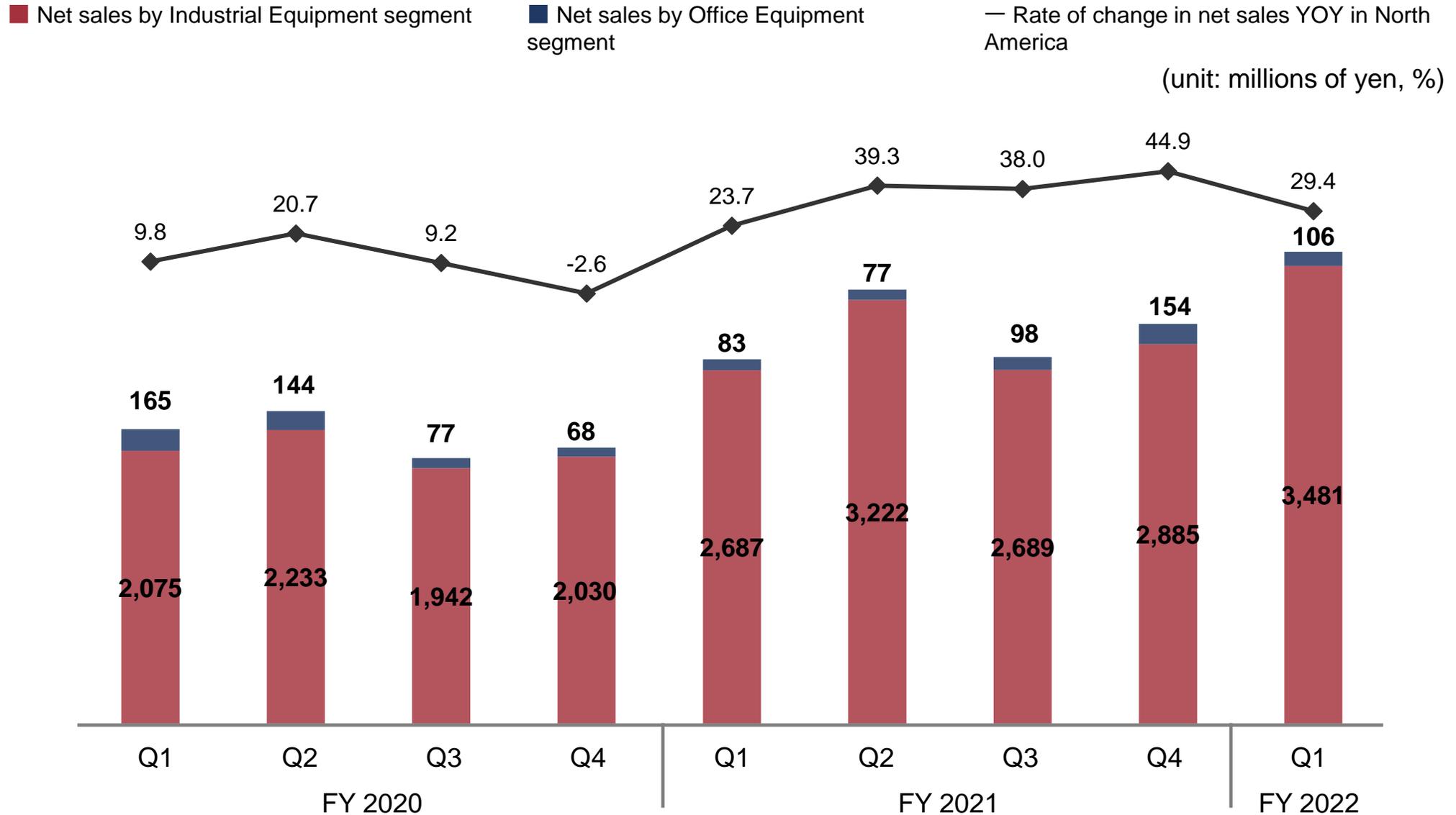


Planned



Reference Materials

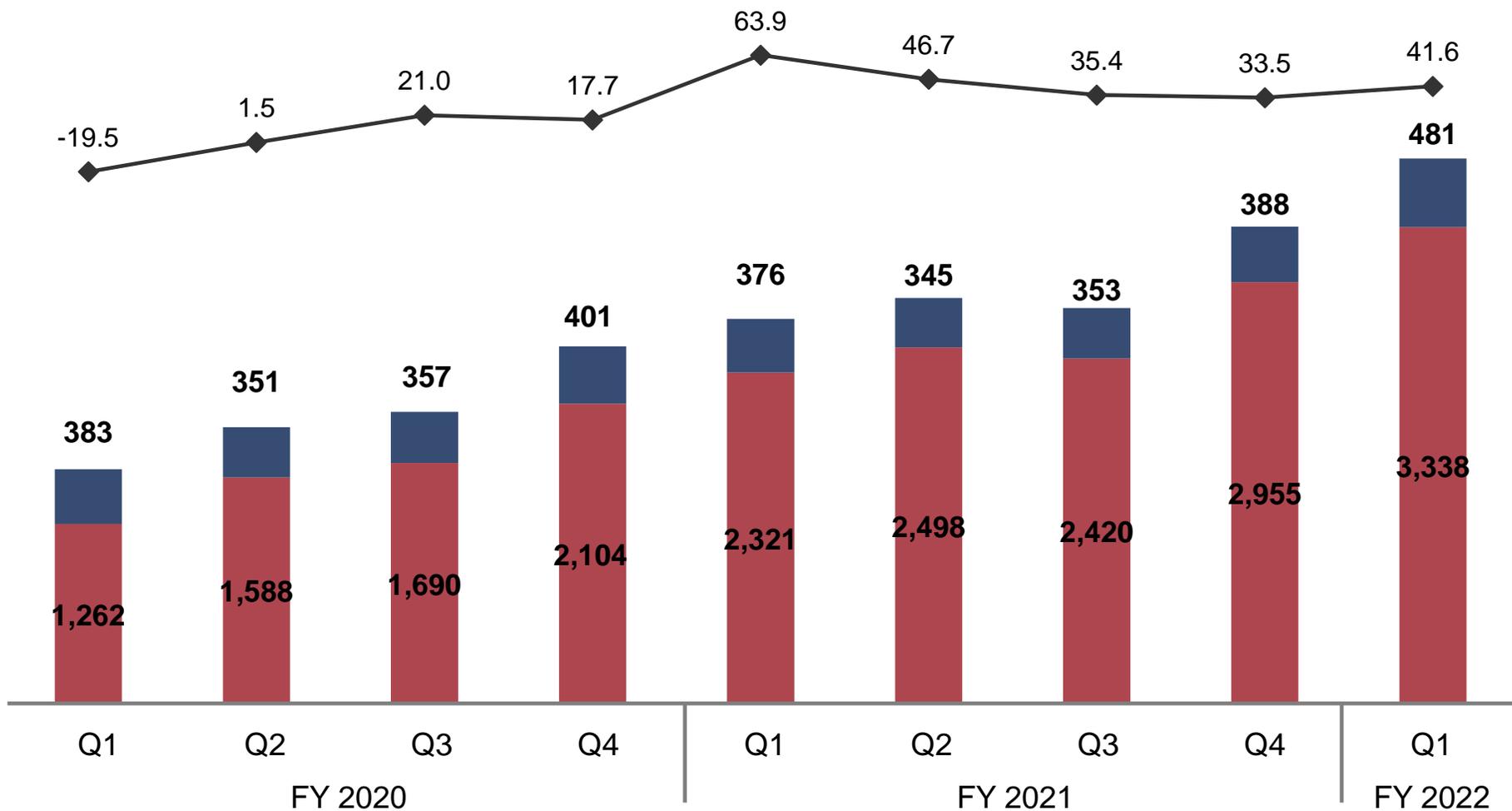
Changes in Quarterly Segment Net Sales by Overseas Region (North America)



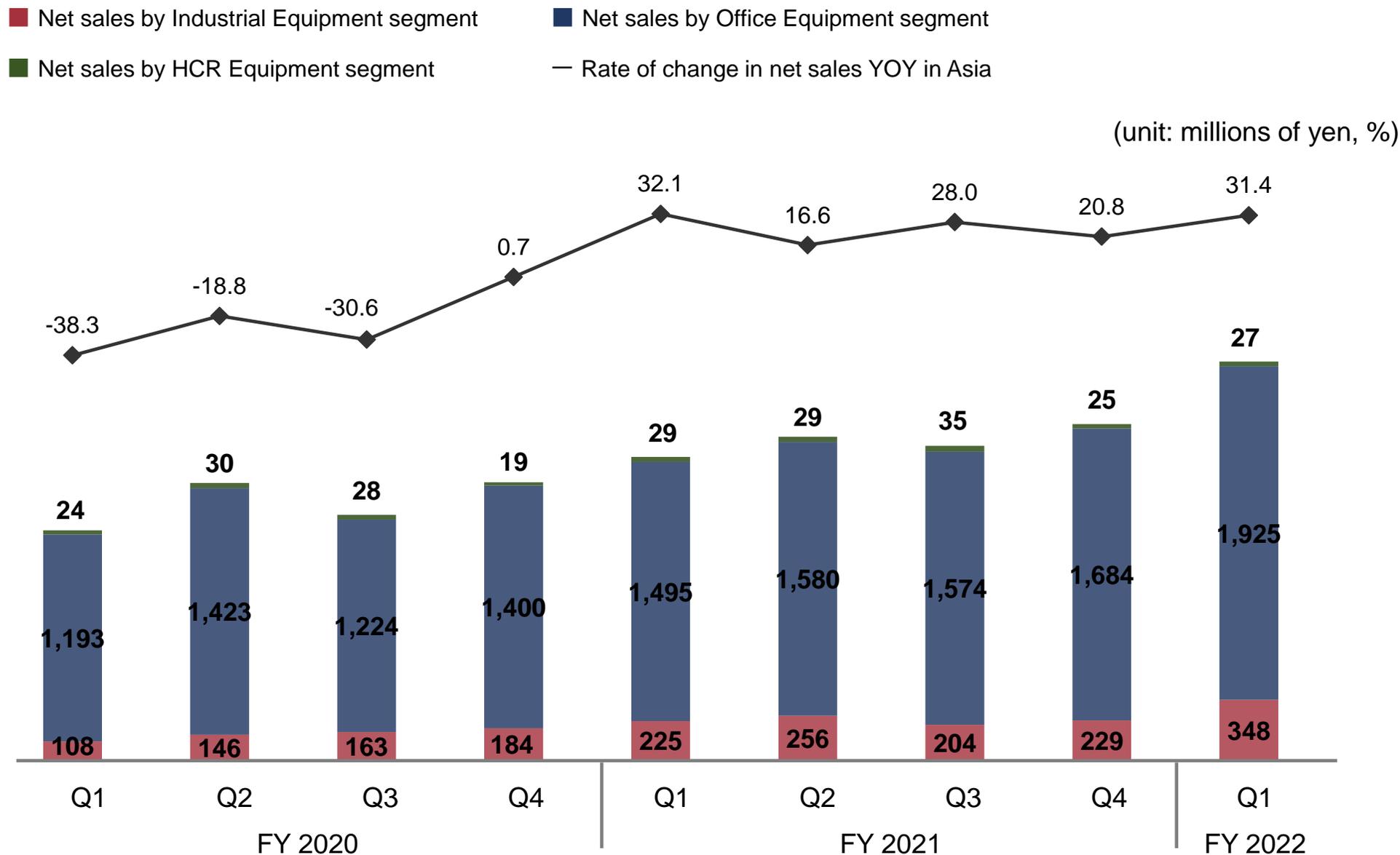
Changes in Quarterly Segment Net Sales by Overseas Region (Europe)

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

(unit: millions of yen, %)



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



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

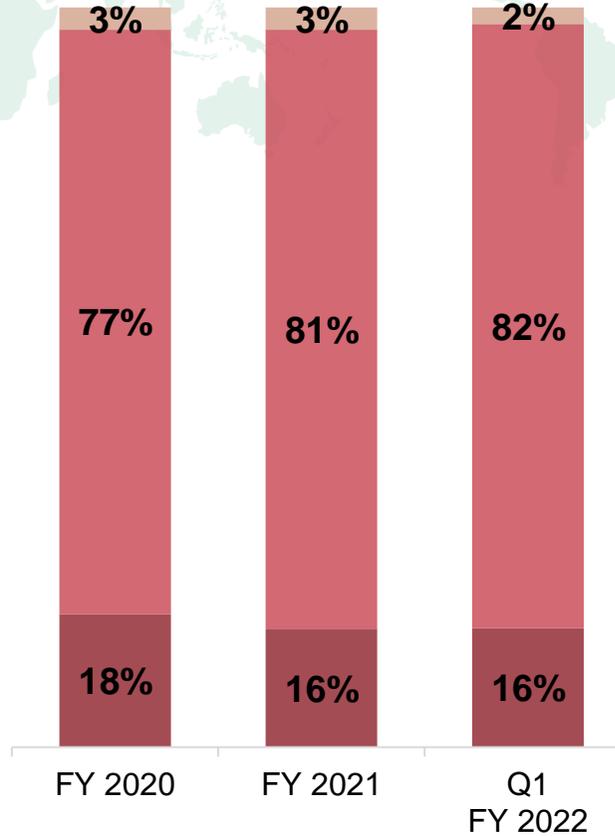
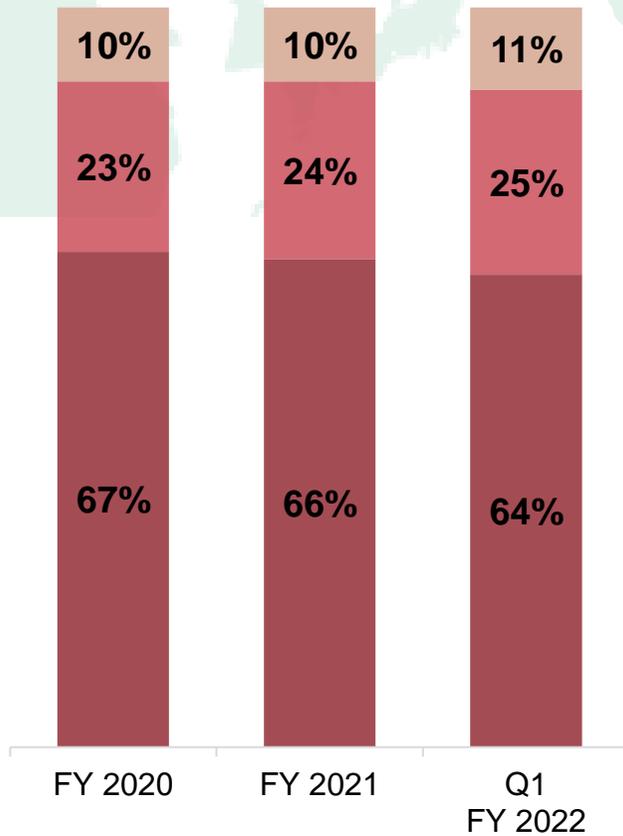
Office equipment product operations

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> 	

Industrial Equipment Segment: Product Breakdown of the Domestic/Overseas Industrial Equipment Product Operations

Product breakdown for the domestic industrial equipment product operations

Product breakdown for the overseas industrial equipment product operations

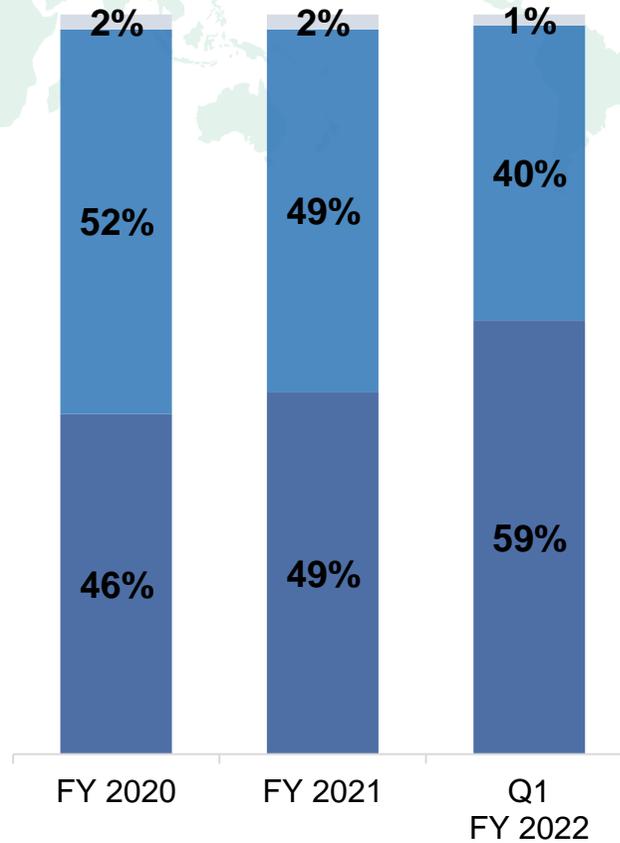
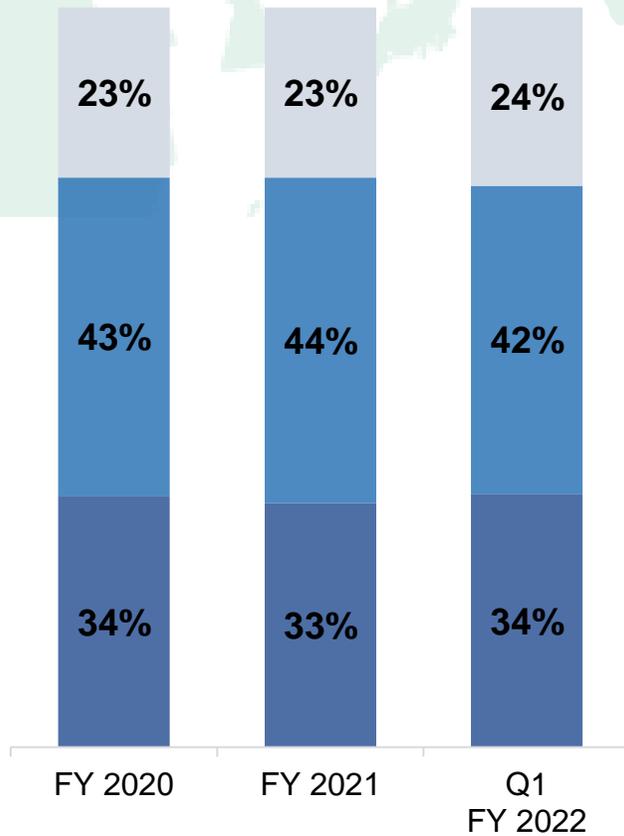


- AF (Agriculture/Food)
- Tools for concrete structures
- Tools for wooden structures

Office Equipment Segment: Product Breakdown of the Domestic/Overseas Office Equipment Product Operations

Product breakdown for the domestic office equipment product operations

Product breakdown for the 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.