

The logo for MAX Co., Ltd. features the word "MAX" in a bold, white, sans-serif font, centered within a solid orange square.The slogan "ENGINEERED FOR PERFORMANCE" is written in a smaller, orange, sans-serif font. It is positioned below the MAX logo and is flanked by two thin, wavy orange lines that curve upwards and outwards.

# MAX Co., Ltd.

Financial Results Briefing for First Three Quarters of FY 2022

Announcement Date: January 31, 2023

## Participants

Yoshihiro Kaku, Managing Director / Senior Executive Officer

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

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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

## ■ Exchange rates

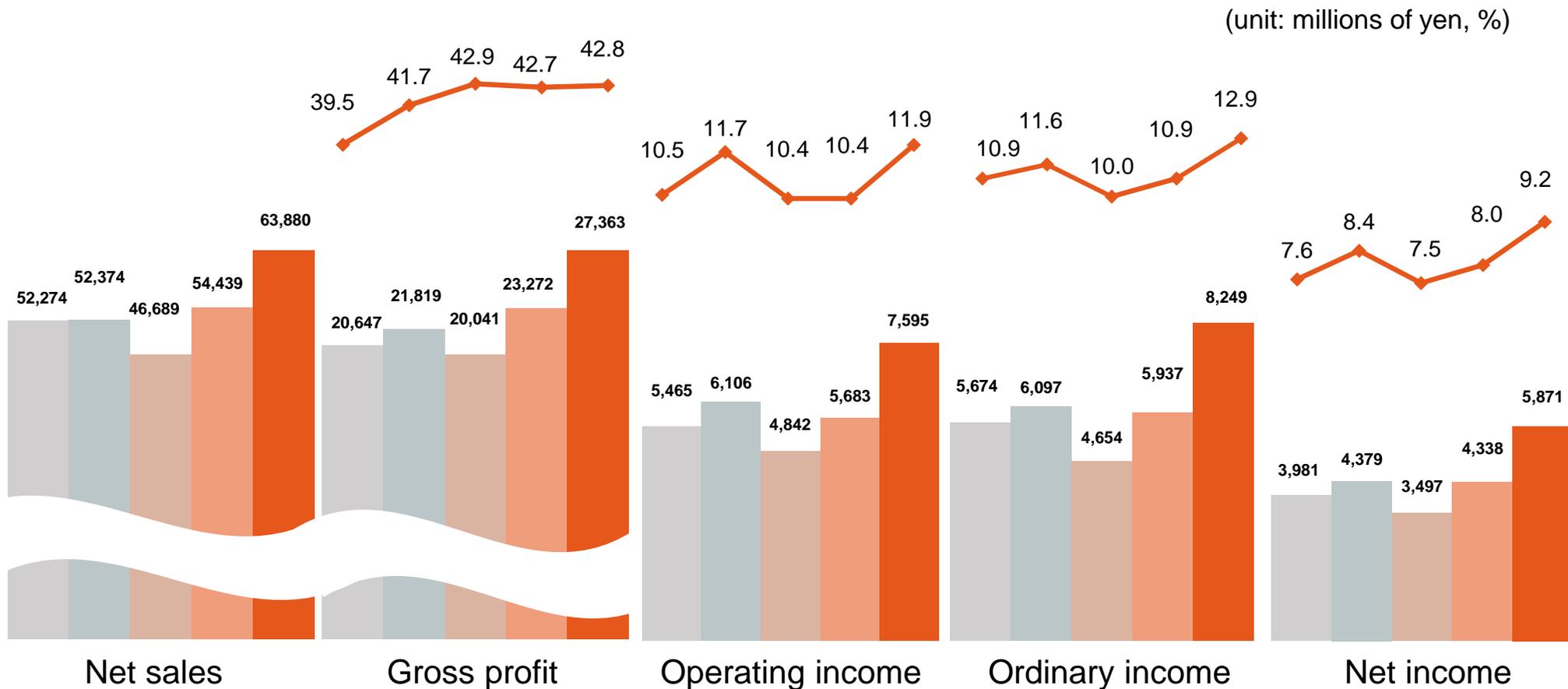
(JPY)	Q1–Q3 FY 2022	Q1–Q3 FY 2021	Planned
1 USD	135.71	111.00	132.72
1 EUR	140.28	130.92	137.13

(unit: millions of yen, %)

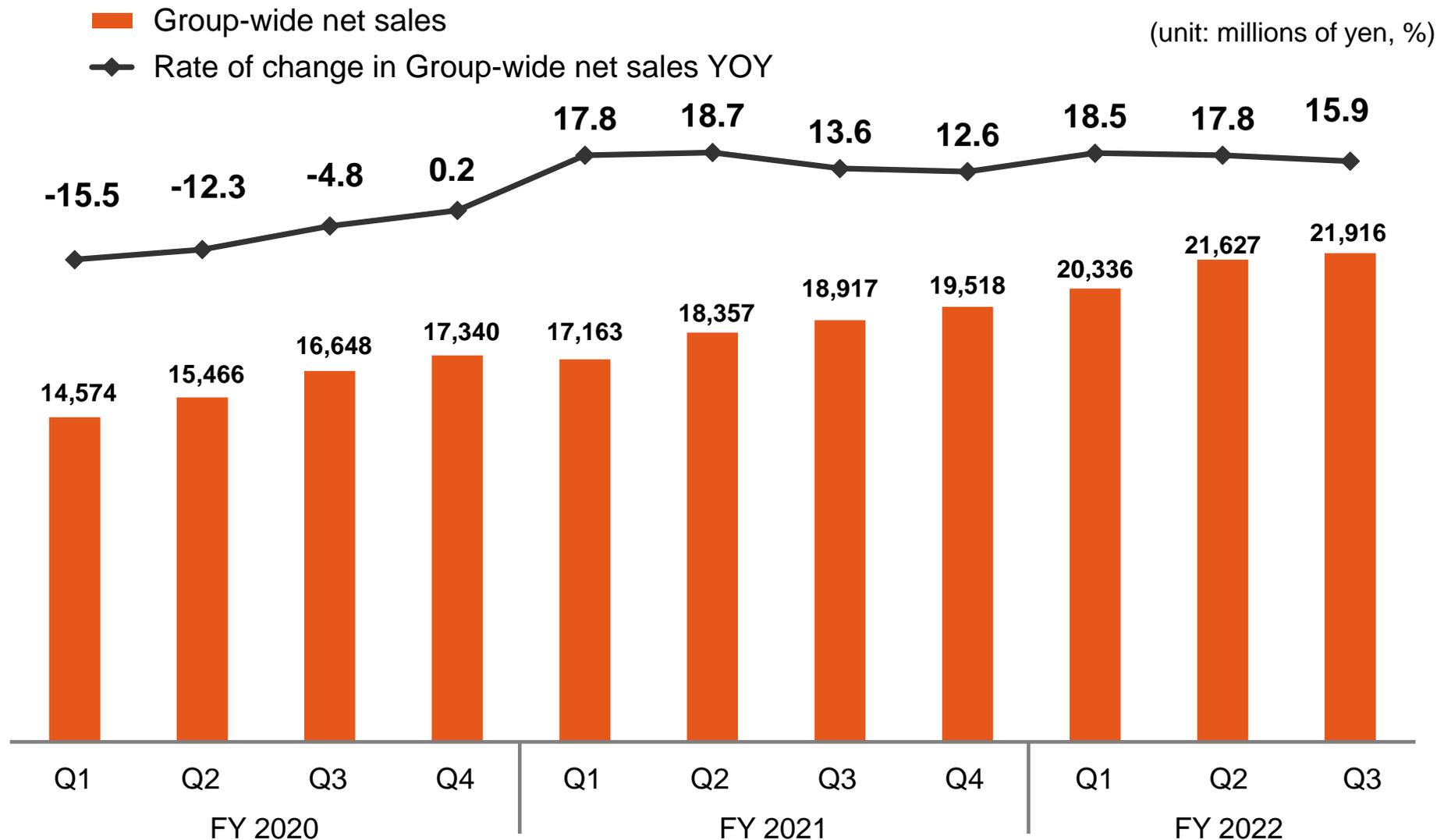
	Results in Q1– Q3 for FY under review	Results in Q1–Q3 of previous FY	% increase/ decrease	Full-year plan*	Rate of progress
Net sales	63,880	54,439	+17.3	85,400	74.8
Gross profit	27,363	23,272	+17.6	—	—
Corresponding ratio	42.8	42.7		—	
Operating income	7,595	5,683	+33.6	9,000	84.4
Corresponding ratio	11.9	10.4		10.5	
Ordinary income	8,249	5,937	+38.9	9,800	84.2
Corresponding ratio	12.9	10.9		11.5	
Net income attributable to shareholders of parental company	5,871	4,338	+35.3	7,200	81.6
Corresponding ratio	9.2	8.0		8.4	
Net income per share (yen)	124.14	91.38	—	152.21	—

\*Revised plan announced on October 28, 2022

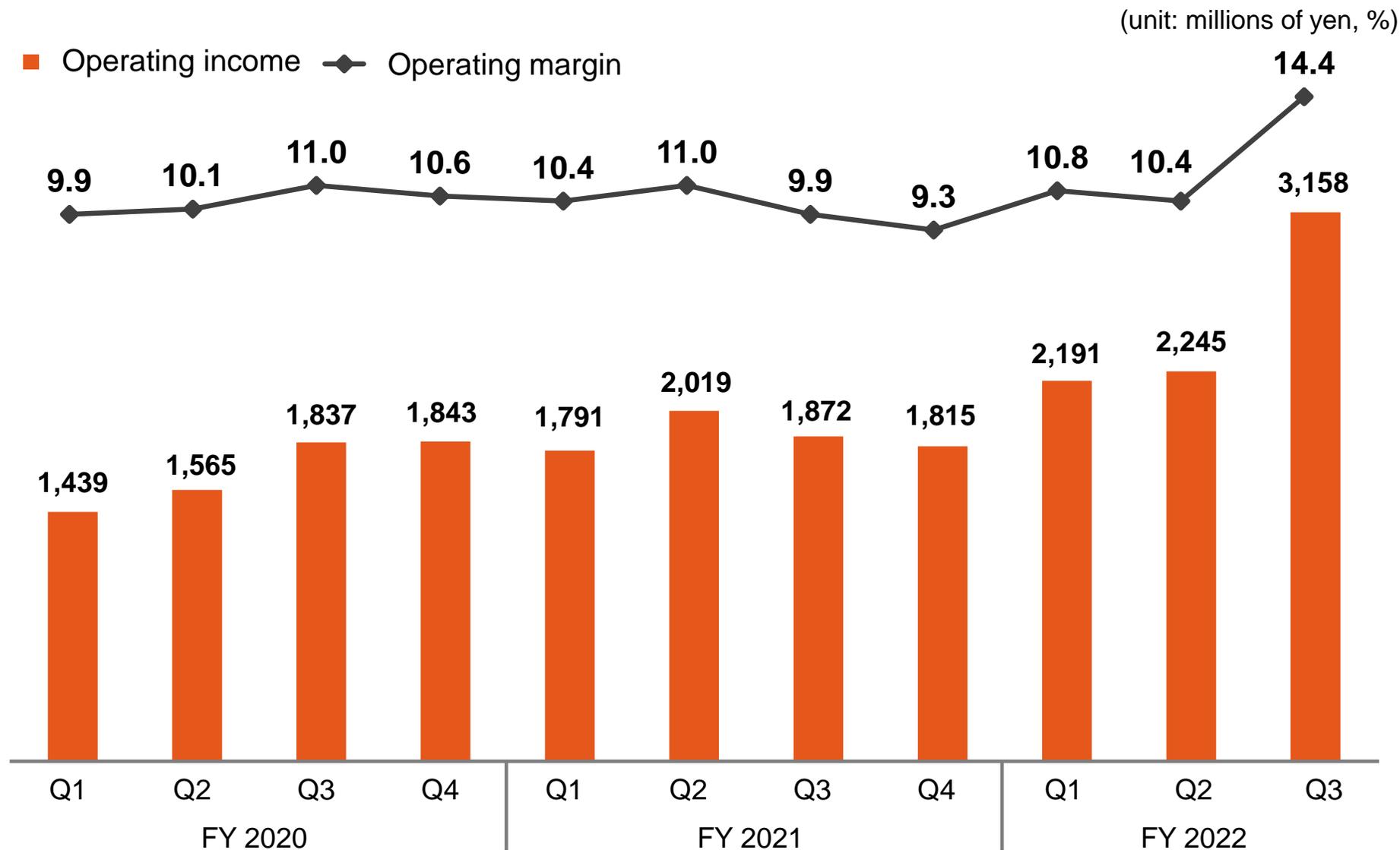
# Changes in Group-Wide Financial Results in the First Three Quarters of FY 2018 to FY 2022



# Changes in Net Sales by Quarter

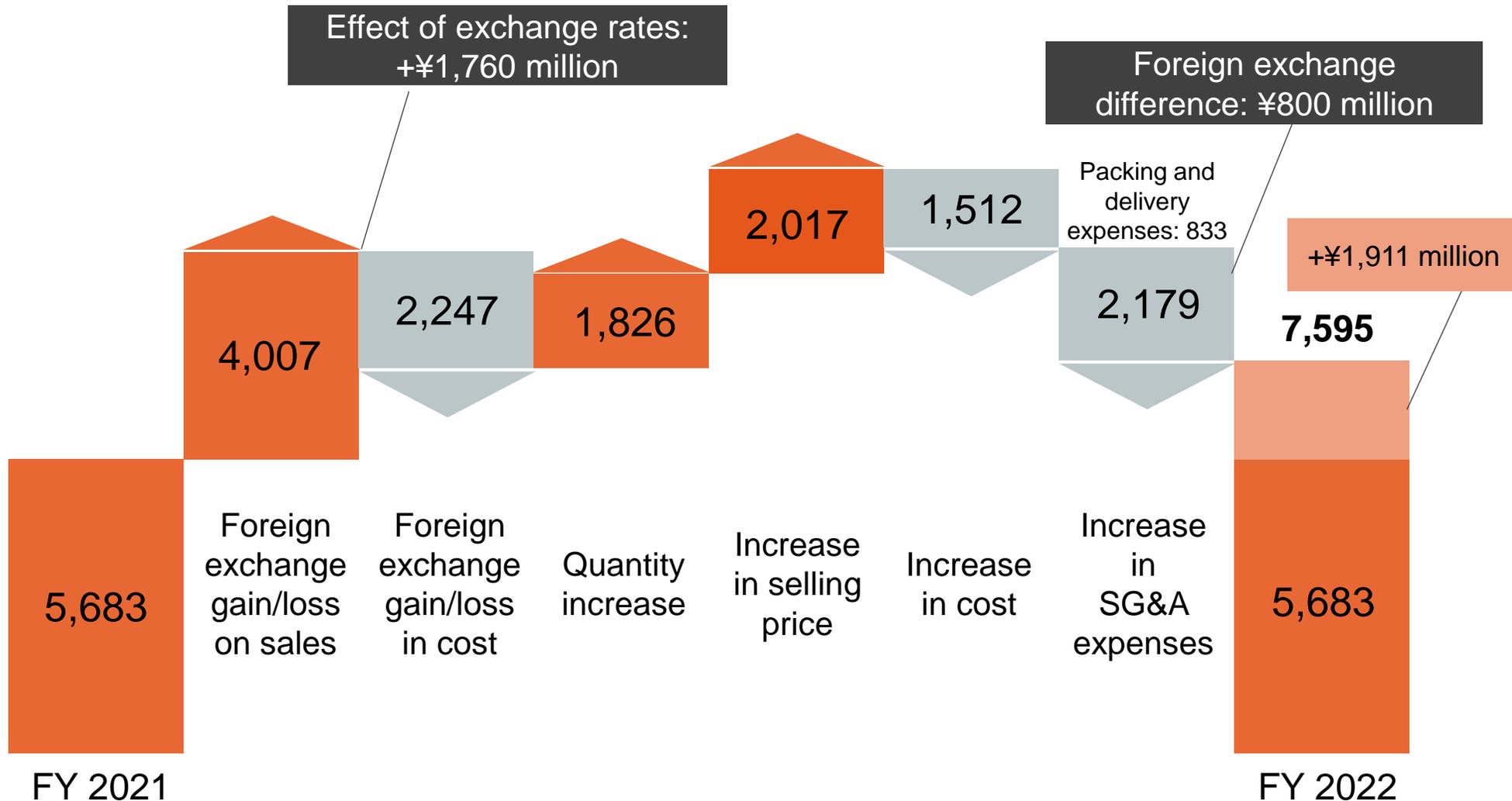


# Changes in Operating Income by Quarter



# Factors for Increase/Decrease of Operating Income

(unit: millions of yen)



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

(unit: millions of yen)

	Q1–Q3 FY 2022	Q1–Q3 FY 2021	YOY
Non-operating income/expenses	654	253	+400
Non-operating income (excluding foreign exchange effect)	364	321	+43
Non-operating expenses (excluding foreign exchange effect)	-62	-68	+6
Foreign exchange gain/loss	352	1	+351
Extraordinary income/loss	-70	-14	-56
Extraordinary income	14	3	+11
Extraordinary loss	-85	-17	-68

## ■ 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	2,519	3,362	4,464	56.4
Depreciation	2,214	2,087	3,161	70.0
R&D expenses	2,740	2,410	3,852	71.1

## 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–Q3 actual investment	Full-year plan	Rate of progress
Investment in operating infrastructure	241	500	48.2%
Investment in digital technology	101	200	50.5%
Strategic investment in development	111	500	22.2%
Investment in corporate communication	36	100	36.0%
<b>Total</b>	<b>488</b>	<b>1,300</b>	<b>37.5%</b>

## Domestic

The economy continued to proceed on a recovery footing, as normalization of economic and social activities progressed.

In the housing market, which affects the Group's Industrial Equipment segment, the number of new housing construction starts was sluggish for owner-occupied housing, but remained solid for rentals and unit sales.

## Overseas

The impact of the COVID-19 pandemic eased, supporting a recovery footing.

In the United States, housing starts were sluggish amid rising mortgage interest rates and construction costs, but construction investment trended firm due to growth in commercial buildings and expressways.

In Europe, demand for infrastructure from large public investments continued.

## Reference indices

### Number of new housing construction starts

- Up 1.0% YOY for the period from January to September 2022 (Owner-occupied: -9.7%, Rental: +7.0%, Unit sales: +5.7%)

→ Slightly 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 12.9% YOY for the period from October 2021 to June 2022 (Offices: +17.3%, Shops: -7.0%, Factories: +40.2%, Warehouses: +26.4%)
- 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 = 135.71 JPY, 1 EUR = 140.28 JPY (Q1–Q3 FY 2021: 1 USD = 111.00 JPY, 1 EUR = 130.92 JPY)
- Foreign exchange sensitivity in sales (annual conversion) USD: 190 million JPY, EUR: 80 million JPY
- Foreign exchange sensitivity in operating income (annual conversion) USD: 30 million JPY, EUR: 80 million JPY

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

- The annualized rate is 1,426,000 units in October 2022, 1,401,000 units in November 2022, and 1,382,000 units in December 2022 (Previous year—October: 1,552,000 units, November: 1,678,000 units, December: 1,702,000 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

(unit: millions of yen, %)

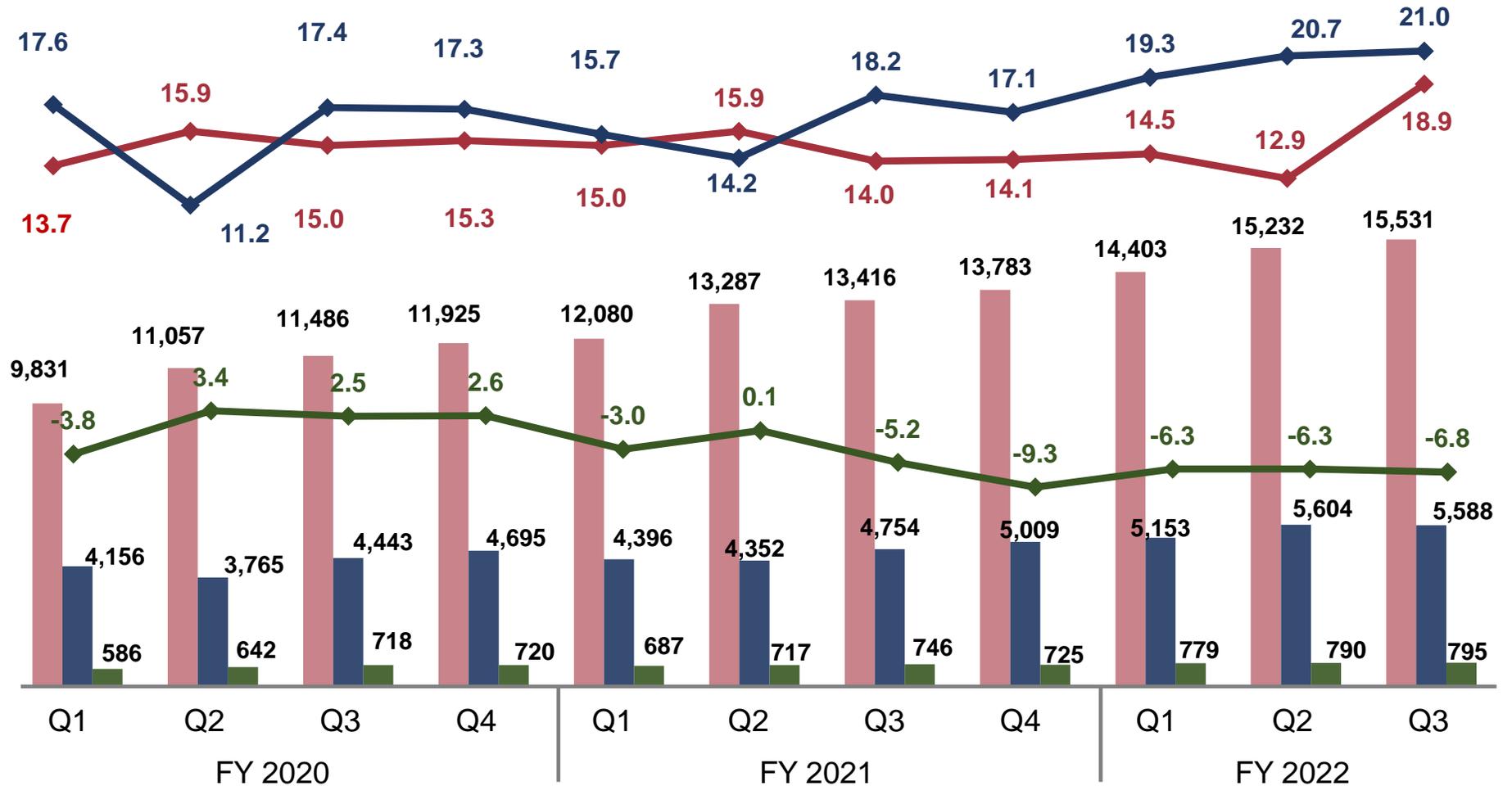
	Results in Q1–Q3 for FY under review	Results in Q1–Q3 of previous FY	% increase/ decrease	Full-year plan*	Rate of progress
<b>Industrial Equipment segment</b>					
Net sales	45,168	38,785	+16.5	60,400	74.8
Segment profit	6,989	5,800	+20.5	8,750	79.9
Segment profit rate	15.5	15.0		14.5	
<b>Office Equipment segment</b>					
Net sales	16,346	13,503	+21.1	21,850	74.8
Segment profit	3,331	2,176	+53.1	4,230	78.7
Segment profit rate	20.4	16.1		19.4	
<b>HCR Equipment segment</b>					
Net sales	2,365	2,150	+10.0	3,150	75.1
Segment profit	-153	-58	—	-200	—
Segment profit rate	-6.5	-2.7		-6.4	
<b>Adjustment amount</b>	-2,571	-2,234	—	-3,780	
<b>Group-wide total</b>					
Net sales	63,880	54,439	+17.3	85,400	74.8
Operating income	7,595	5,683	+33.6	9,000	84.4
Operating margin	11.9	10.4		10.5	

\*Revised plan announced on October 28, 2022

# Changes in Segment Results by Quarter

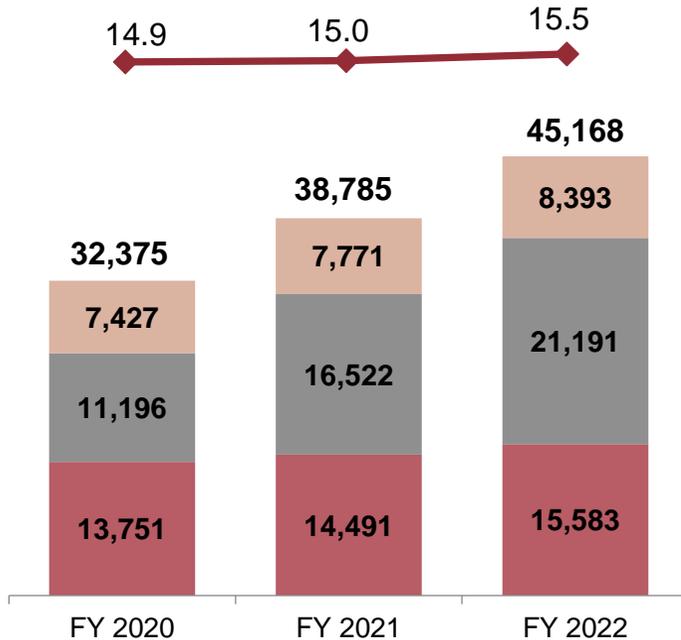
■ Net sales by Industrial Equipment segment     
 ■ Net sales by Office Equipment segment     
 ■ Net sales by HCR Equipment segment  
— Segment profit rate for Industrial Equipment segment     
 — Segment profit rate for Office Equipment segment     
 — Segment profit rate for HCR Equipment segment

(unit: millions of yen, %)



# Industrial Equipment Segment: Financial Results for the First Three Quarters 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



New compressor model

Domestic industrial equipment product operations



Sales of new air-compressor products were favorable. Sales of TWINTIER rebar tying tools and their dedicated consumables increased, driven by growing awareness of the importance of raising productivity and further promotion of proposal-based activities.

Overseas industrial equipment product operations



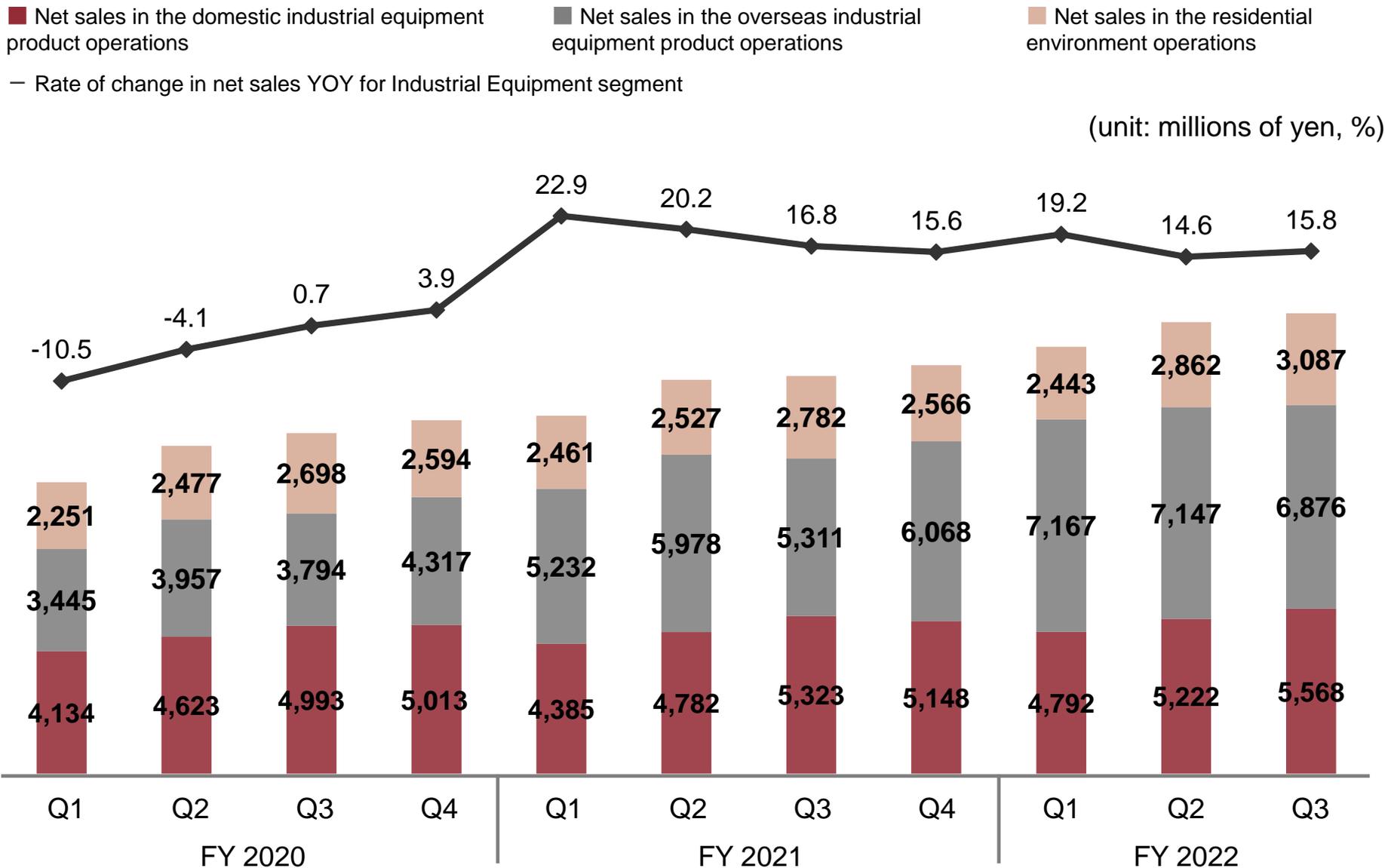
Against a background of robust conditions in the non-housing construction market, which includes commercial buildings and expressways, sales of TWINTIER rebar tying tools and their dedicated consumables grew.

Residential environmental equipment operations



Sales of DRYFAN bathroom heaters, ventilators and dehumidifiers expanded in both the housing stock for renovation & replacement and the new-built housing market.

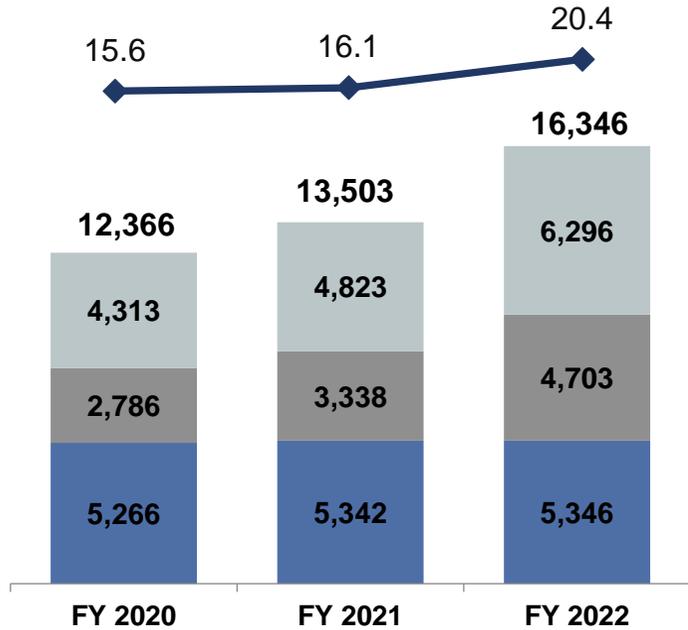
# Industrial Equipment Segment: Changes in Net Sales by Quarter



# Office Equipment Segment: Financial Results for the First Three Quarters 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



New stapler products

Domestic office equipment product operations



Sales of BEPOP label-making machines increased in response to implementation proposals using online seminars and tradeshows.

Overseas office equipment product operations



Sales of stationery-related products rose in Southeast Asia, while sales of BEPOP label-making machines advanced due to strengthening of the Company's sales organization in Europe.

Auto-stapler product operations

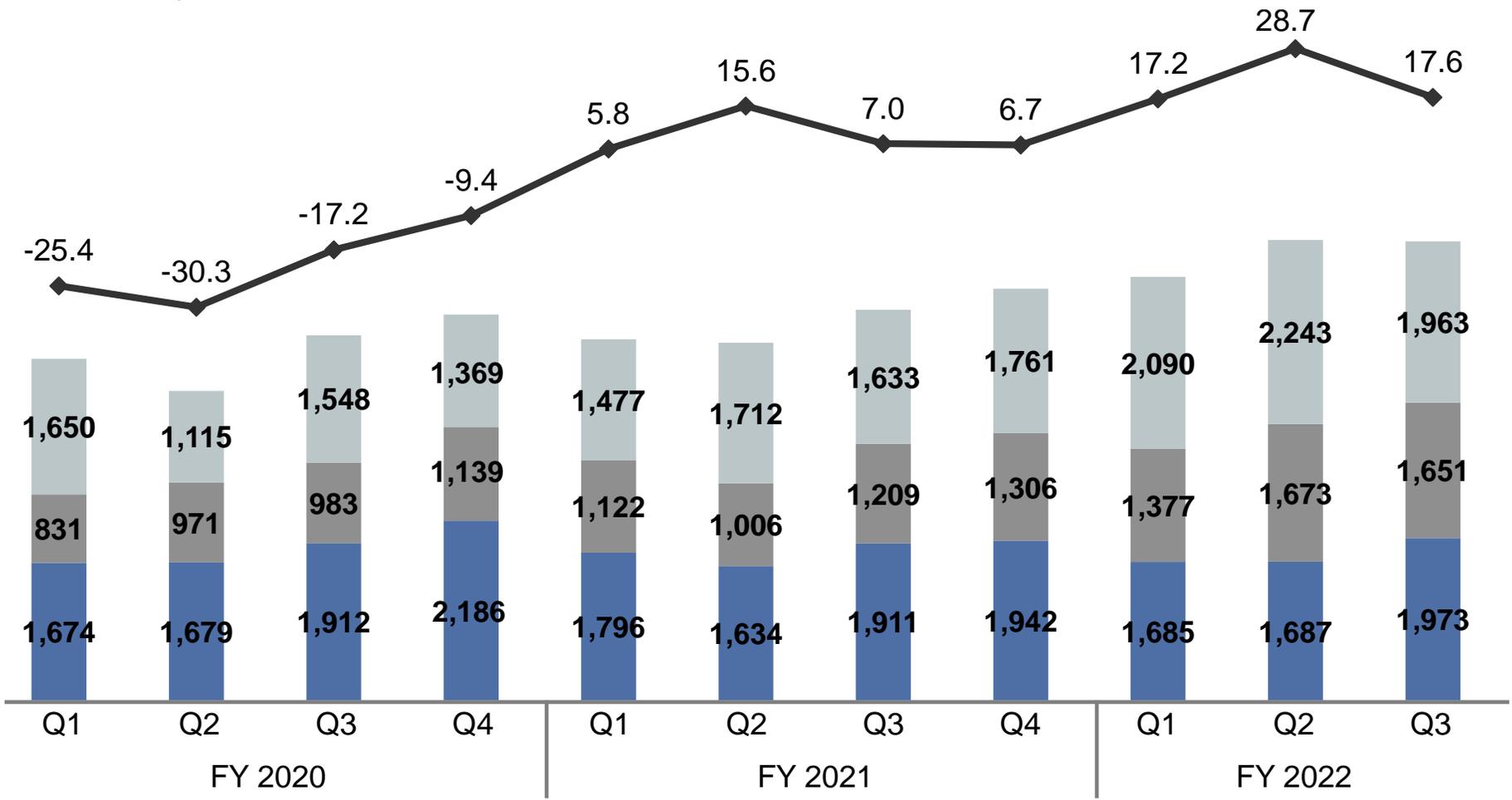


Orders from business partners rose in response to a shift of workers back to offices from remote work, supporting solid sales of Auto Staplers and dedicated consumables.

# Office Equipment Segment: Changes in Net Sales by Quarter

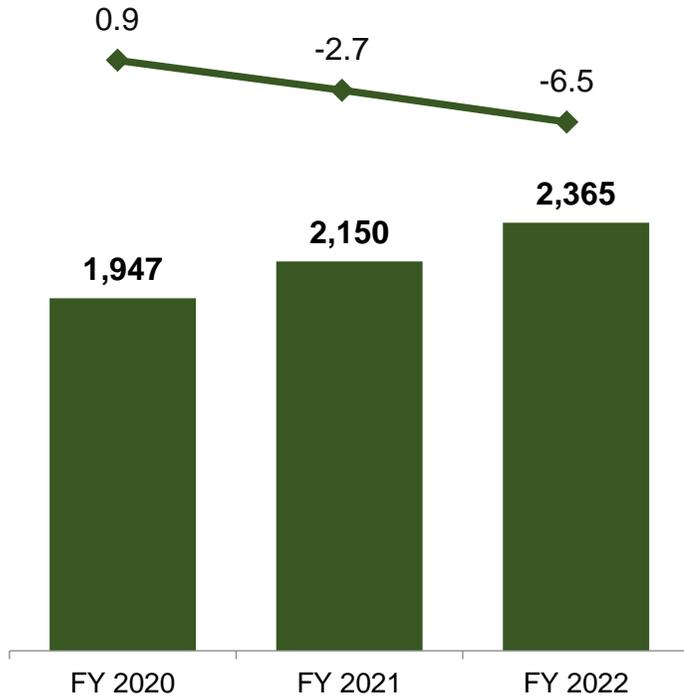
■ Net sales in the domestic office equipment product operations
 ■ Net sales in the overseas office equipment product operations
 ■ Net sales in the auto-stapler product operations  
 — Rate of change in net sales YOY for Office Equipment segment

(unit: millions of yen, %)



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

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



Functionally sophisticated wheelchairs:  
WAVITRoos+



Multifunction wheelchairs:  
Modern Series

HCR Equipment segment



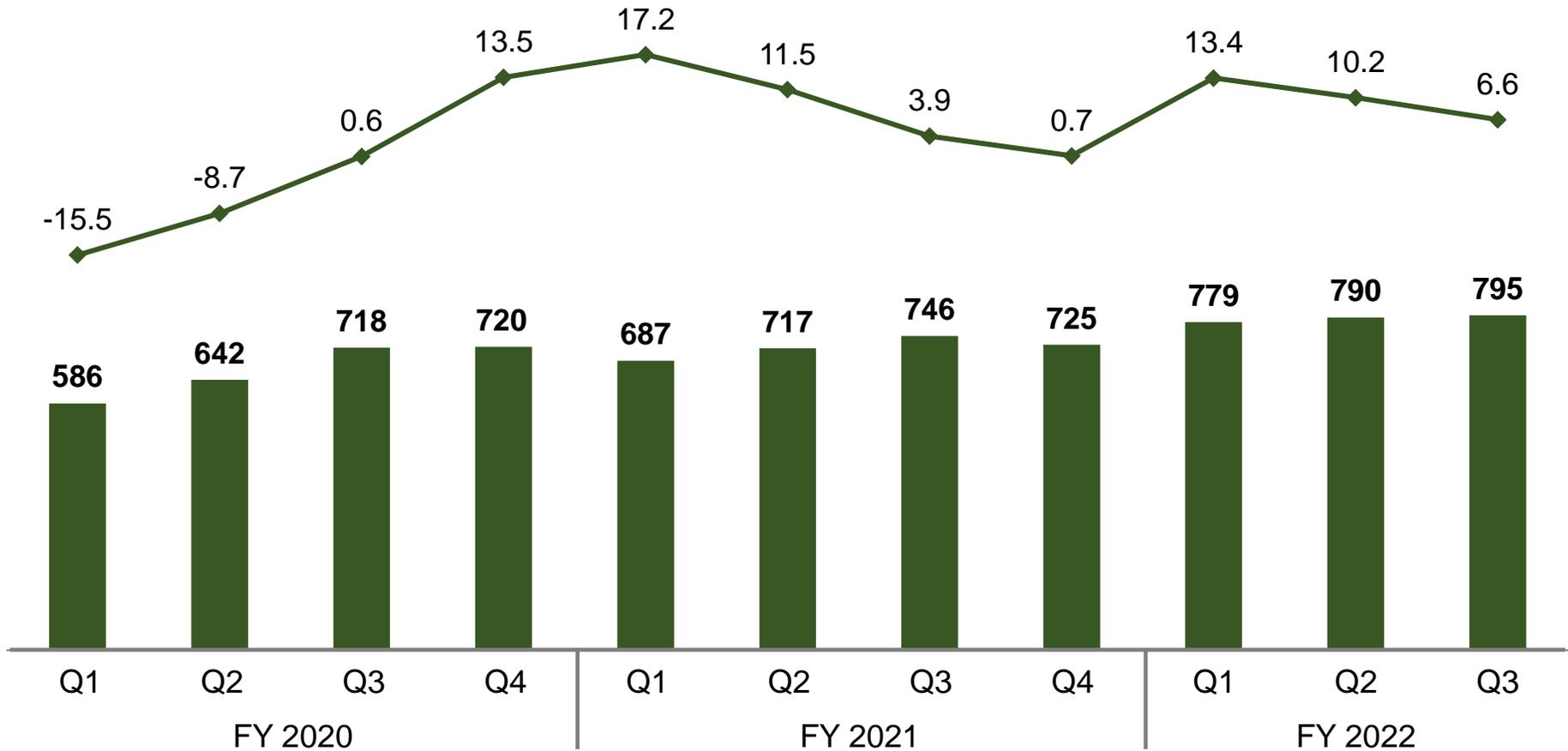
Revenues increased as awareness grew about the WAVIT series, the segment's core product line, and as sales of high-value-added wheelchairs swelled in the rental market. However, profitability faltered under the impact of yen depreciation.

# HCR Equipment Segment: Changes in Net Sales by Quarter

■ Net sales by HCR Equipment segment

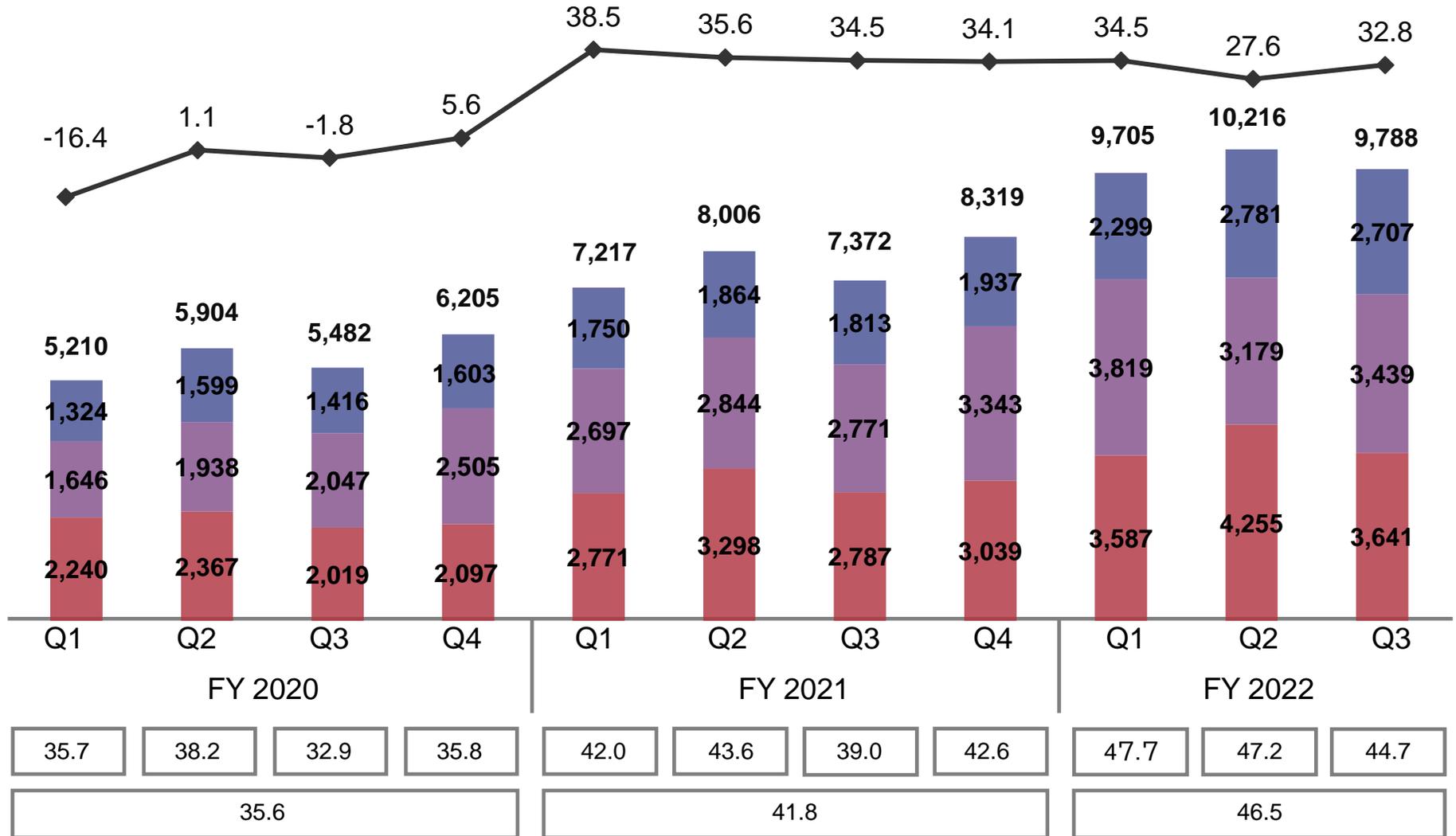
— Rate of change in net sales YOY for HCR Equipment segment

(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.

## Steady sales of tools for concrete structures with a focus on the rebar tying tools business

- Domestic and overseas sales of tools for concrete structures: **¥21.5 billion** (+26.8% year-on-year)  
(Rate of progress compared to plan: **83.0%**)
- Number of concrete material dealers compared to March 31, 2021: **+45.2%**

The cumulative number of machines in operation in this market rose, driving continuing growth in sales of consumables.

### Overseas



#### North America

- Sellouts from dealers were firm. At the same time, increased production of consumables (Tie Wire) and easing of logistical congestion led to slight overstocking of dealer inventories.

#### Europe

- Sellouts from distributors and dealers were firm, but the unclear economic outlook persuaded many distributors and dealers to draw down inventories.

#### In Common

- Housing starts were sluggish amid rising interest rates. The Company strengthened sales approaches in the solidly growing market for non-housing construction, such as commercial buildings and expressways.

### Japan



- Labor shortages persisted on construction sites. Rising awareness of the need to boost productivity and strengthening of the sales system had effects, increasing sales of machinery and consumables.



# Operating Results Forecast for FY 2022

# Group-Wide Plan in FY 2022

## ■ Exchange rates

(JPY)	FY 2022		FY 2021
	Full-year, expected	Q4, expected	Full-year result
1 USD	134.28	130.00	112.08
1 EUR	138.96	135.00	130.56

(unit: millions of yen, %)

	Current plan (Jan. 31, 2023)	Previous plan (Oct. 28, 2022)	Difference	Results in previous FY	% increase/ decrease
Net sales	85,400	85,400	—	73,958	+15.5
Operating income	9,800	9,000	800	7,498	+30.7
Corresponding ratio	11.5	10.5		10.1	
Ordinary income	10,150	9,800	350	8,282	+22.5
Corresponding ratio	11.9	11.5		11.1	
Net income attributable to shareholders of parental company	7,250	7,200	50	6,090	+19.0
Corresponding ratio	8.5	8.4		8.2	
Net income per share (yen)	153.27	152.21	1.06	128.40	
ROE	8.4	8.3	0.1P	7.5	

• As a result of a solid trend in business results and a pause in the rise of packing and delivery expenses, the Company has revised upward its forecast of full-year consolidated operating results from the forecast announced on October 28, 2022.

# Segment Plans in FY 2022

(unit: millions of yen, %)	Current plan (Jan. 31, 2023)	Previous plan (Oct. 28, 2022)	Difference	Results in previous FY	% increase/ decrease
<b>Industrial Equipment segment</b>					
Net sales	60,550	60,400	150	52,569	+15.2
Segment profit	9,550	8,750	800	7,739	+23.4
Segment profit rate	15.8	14.5		14.7	
<b>Office Equipment segment</b>					
Net sales	21,700	21,850	-150	18,513	+17.2
Segment profit	4,190	4,230	-40	3,034	+38.1
Segment profit rate	19.3	19.4		16.4	
<b>HCR Equipment segment</b>					
Net sales	3,150	3,150	—	2,875	+9.5
Segment profit	-160	-200	40	-126	—
Segment profit rate	-5.1	-6.4		-4.4	
<b>Adjustment amount</b>	-3,780	-3,780	—	-3,148	
<b>Group-wide total</b>					
Net sales	85,400	85,400	—	73,958	+15.5
Operating income	9,800	9,000	800	7,498	+30.7
Operating margin	11.5	10.5		10.1	



Based on its dividend policy and forecast of business results, the Company has **revised its forecast of the annual dividend from ¥64 per share to ¥74 per share.**

## Dividend Policy

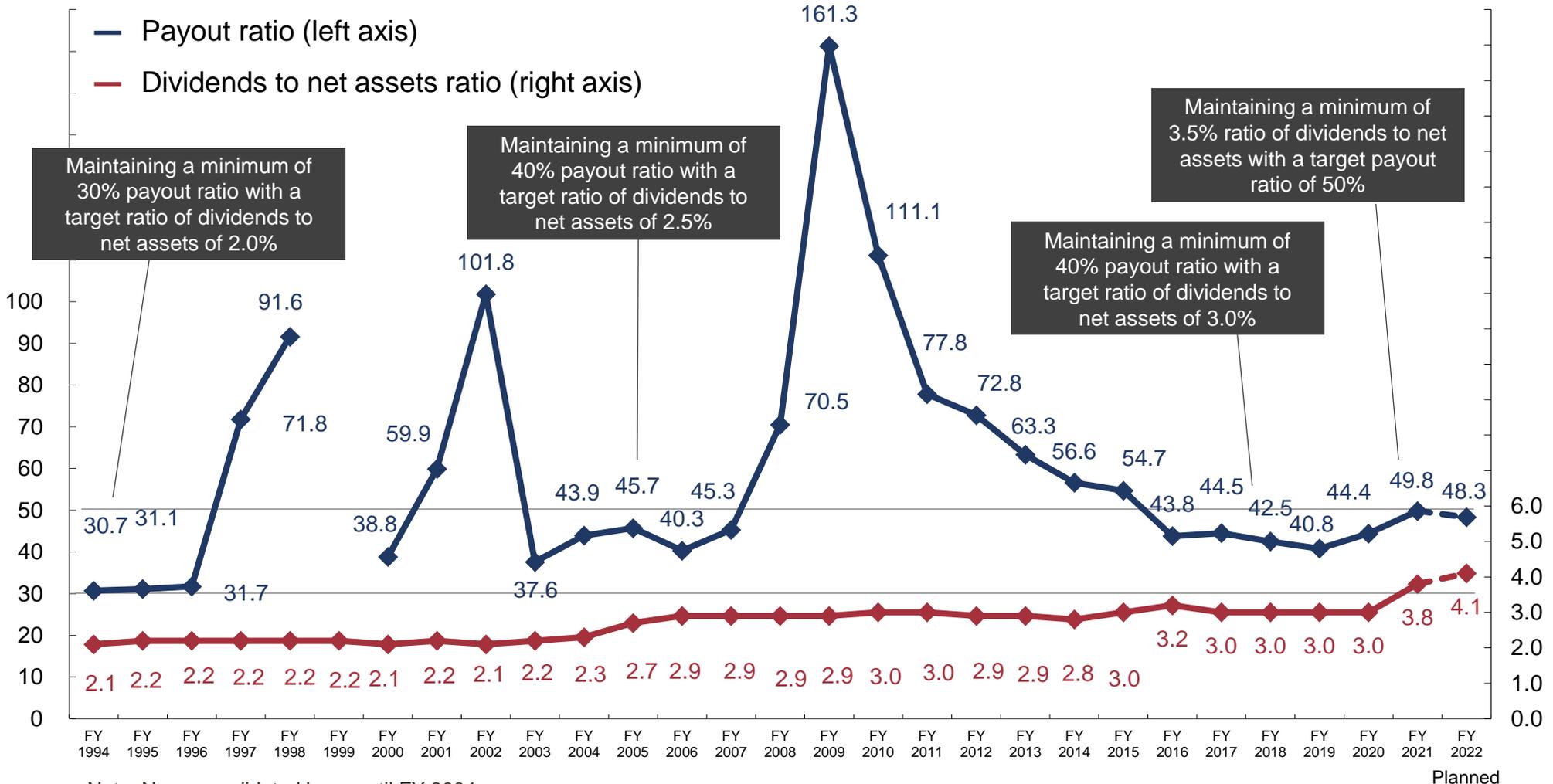
Based on consolidated financial results, “maintain a minimum of 3.5% ratio of dividends to net assets” and “seek to achieve a target payout ratio of 50%.”

	Annual dividend		
	End of Q2	Year-end	Total
	Yen	Yen	Yen
Previous forecast	—	64.00	64.00
Current forecast	—	74.00	74.00
Results in FY 2021	—	64.00	64.00

# 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%.”

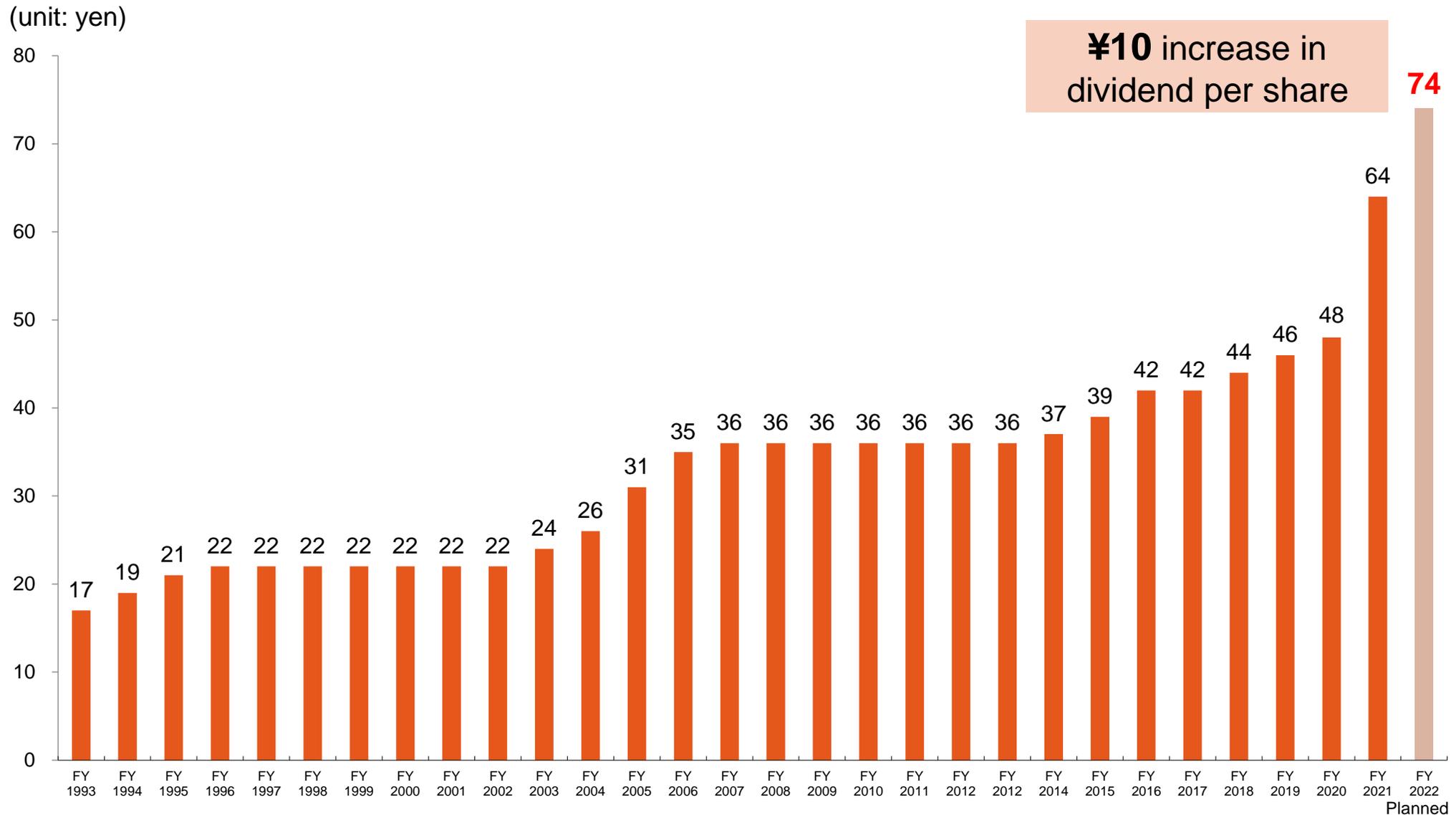
(unit: %)



Note: Non-consolidated base until FY 2004.

Planned

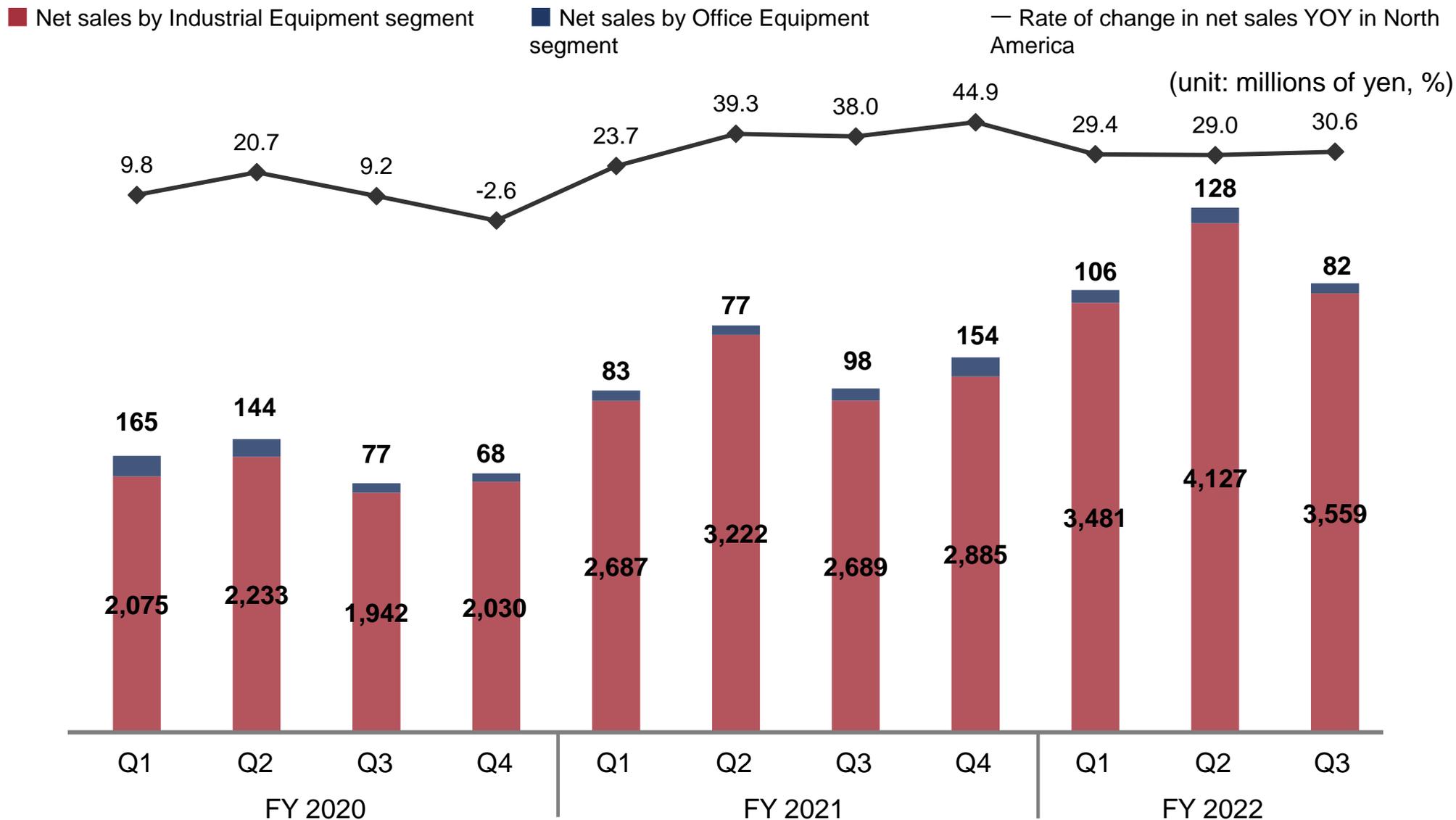
# Dividends Policy: Dividends per Share





# Reference Materials

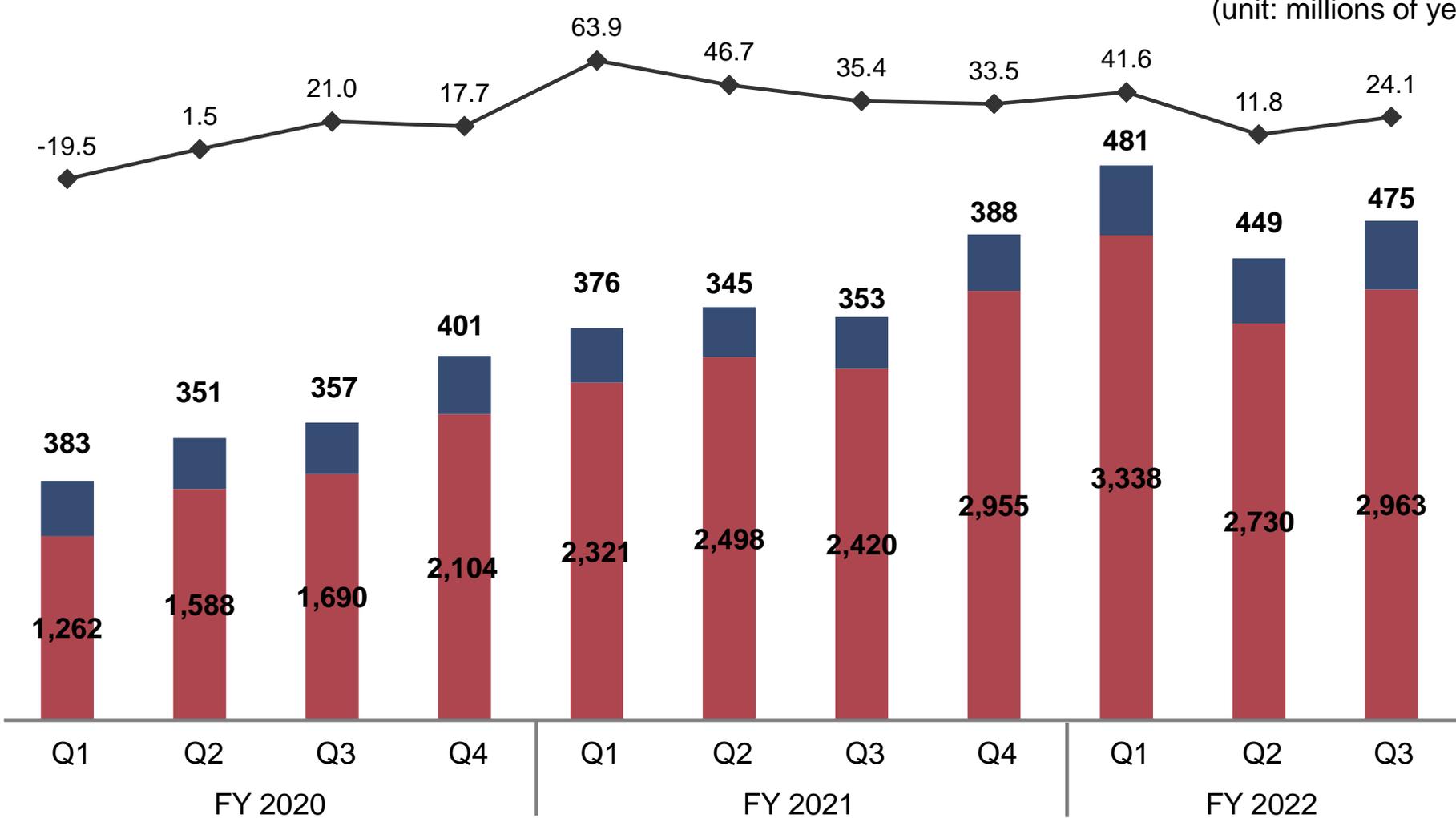
# Changes in Quarterly Segment Net Sales by Overseas Region (North America)



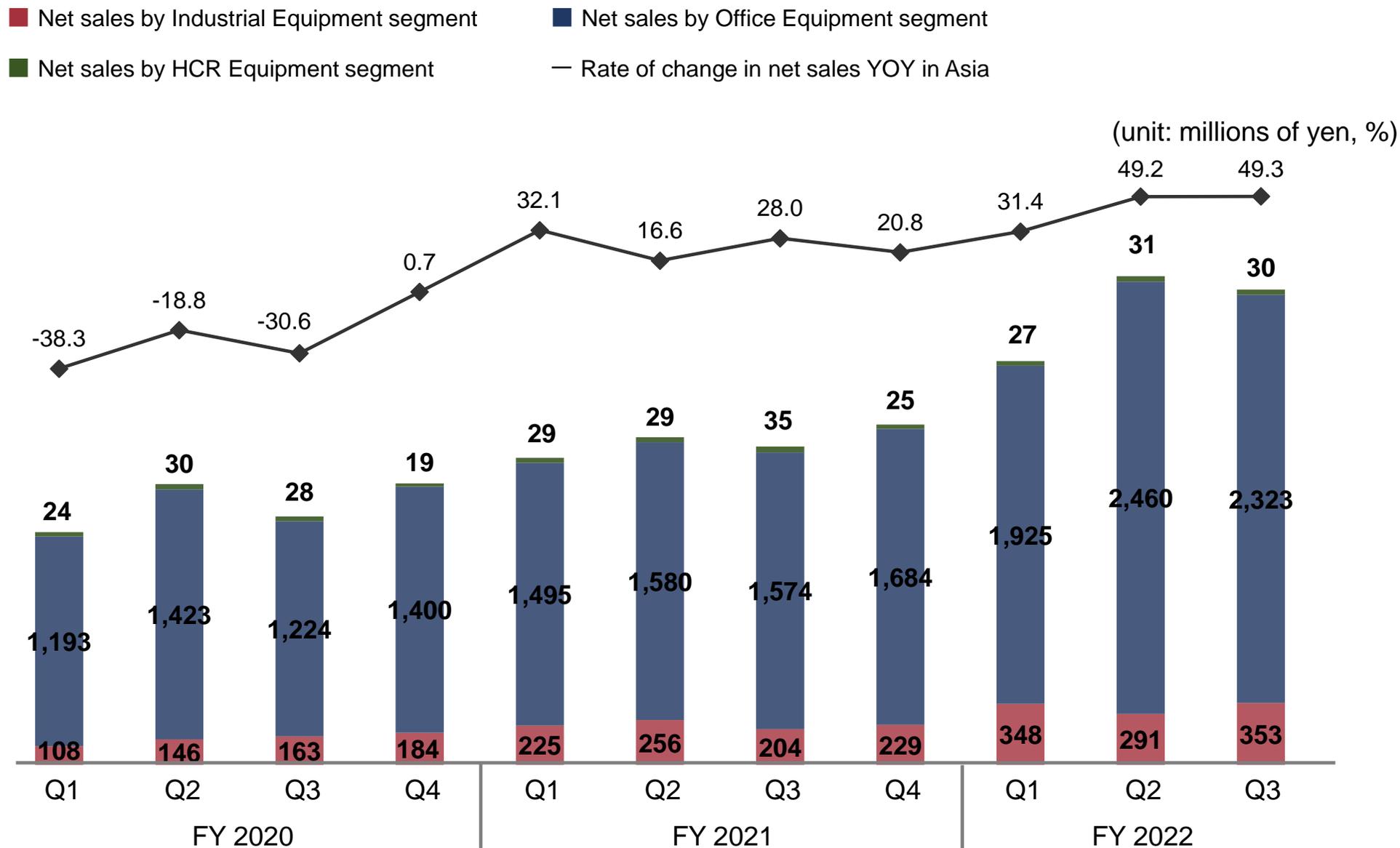
# Changes in Quarterly Segment Net Sales by Overseas Region (Europe)

■ 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> 	 

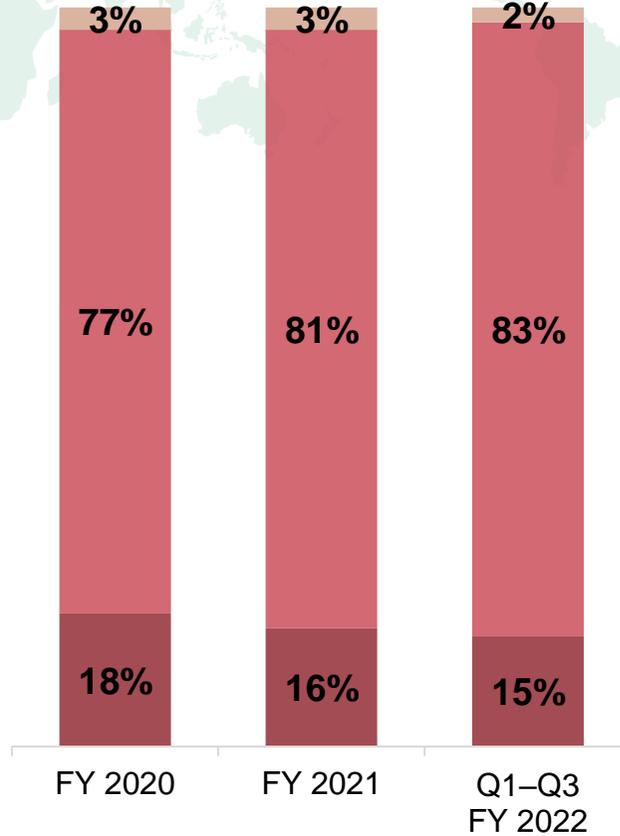
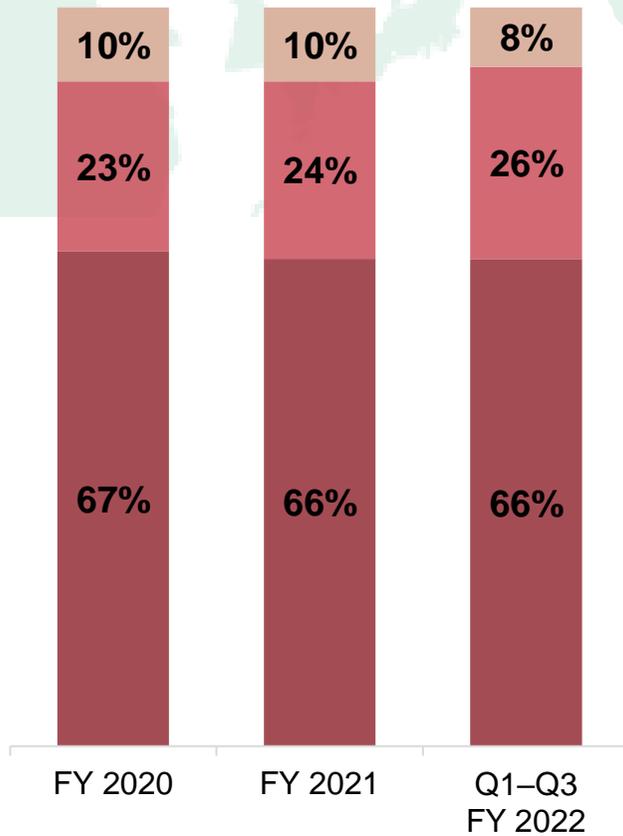
## Office equipment product operations

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>Stamps, etc.</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

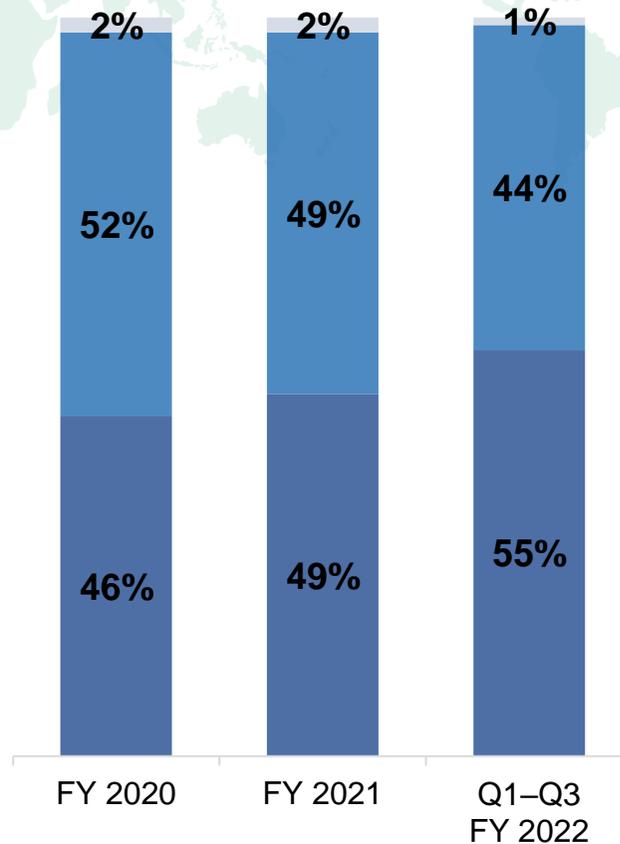
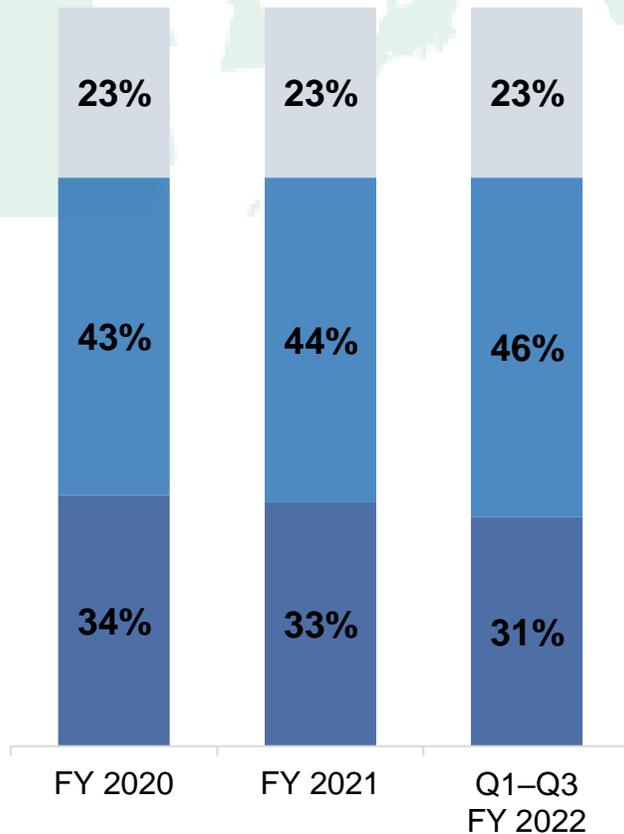


- AF (Agriculture/Food)
- Tools for concrete structures
- Tools for wooden structures

# 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.