



MAX Co., Ltd.  
Financial Results Briefing for the First Three Quarters of FY 2022  
Minutes of Q&A Session

These Minutes constitute an overview of the questions received and answers given in a telephone conference on Tuesday, January 31, 2023, to brief analysts and fund managers on the Company's business results in the first three quarters of the fiscal year ending March 31, 2023 (Q1–Q3 FY 2022).

■ Industrial Equipment Segment

Q1. Please clarify the sales results for tools for concrete structures in the third quarter of this fiscal year (Q3 FY 2022).

A1. The sales results for tools for concrete structures in Q3 FY 2022 were ¥5.7 billion in overseas sales and ¥1.4 billion in domestic sales. The total of domestic and overseas sales was ¥7.1 billion, an increase of 27%.

The results for the same three-month period of the previous fiscal year (Q3 FY 2021) were ¥4.3 billion in overseas sales and ¥1.3 billion in domestic sales, meaning that overseas sales have grown 32% and domestic sales have grown 9%.

Looking at machinery and consumables separately, overseas sales of machinery expanded 25% and sales of consumables advanced 39%. Domestic sales of machinery advanced 16% and sales of consumables grew 9%.

On a unit-sales basis, North American sales fell 1% for machinery and grew 13% for consumables, while in Europe sales declined 8% for machinery and expanded 14% for consumables. In Japan, unit-sales increased 15% for machinery and 6% for consumables.

Q2. Why did you revise downward your full-year forecast for overseas industrial equipment product operations?

A2. The reason is that we revised the expected exchange rate for Q4 from ¥135 to the US dollar to ¥130. The business itself is on firm ground and little changed on a unit-sale basis.

■ Overall Condition of the Company

Q3. The foreign exchange difference included in the increase in selling, general and administrative expenses for Q1–Q3 is ¥800 million. What is the corresponding figure for the first half (H1)?

A3. Foreign exchange difference amounted to ¥544 million in H1.

Q4. What trend do you foresee in packing and delivery expenses? How are rising electricity unit costs and other inflationary indices impacting business results?

A4. Looking back, we can see that packing and delivery expenses peaked in Q2 before settling down in Q3, the most recent period for which we have results. We expect the levels in Q3 to be maintained in Q4 and going forward. The impact of the increase in electricity unit costs is not significant at this time.

Q5. How have changes in exchange rates affected unrealized income on inventory?

A5. Unrealized income on inventory was negatively impacted by the depreciating yen in H1, reducing income by about ¥450 million. In Q3 the yen trended upward, boosting income by approximately ¥300 million, so the effect for Q1–Q3 was a reduction of ¥150 million. For the full fiscal year, we expect the impact on income to be slight. The effect of exchange rates on unrealized income on inventory is included under “quantity increase” in the factors for increase/decrease of operating income, on page 5 of the financial results briefing documents, as a factor affecting increase/decrease in gross profit.

The forecasts of business results and other forward-looking statements in this document are based on information available as of January 31, 2023 and on certain assumptions that the Company judges to be reasonable. Actual business results and other results may differ due to various factors.