



MAX Co., Ltd.  
Briefing on Financial Results for FY 2022 and Business Plan for FY 2023  
Minutes of Q&A Session

These Minutes constitute an overview of the questions received and answers given in regards to the Company's financial results to analysts and fund managers who attended the briefing on Friday, April 28, 2023.

■ Industrial Equipment Segment

Q1. What were sales results of tools for concrete structures in the fourth quarter of this fiscal year (Q4 FY 2022) and the full year?

A1. The sales results for tools for concrete structures in Q4 FY 2022 were ¥4.9 billion in overseas sales and ¥1.4 billion in domestic sales. The total of overseas and domestic sales was ¥6.3 billion, an increase of 7%.

The results for the same three-month period of the previous fiscal year were ¥4.8 billion in overseas sales and ¥1.1 billion in domestic sales, meaning that overseas sales have grown 2% and domestic sales have grown 29%.

Looking at machinery and consumables separately, overseas sales of machinery decreased by 5%, while sales of consumables increased by 4%. Domestic sales of machinery remained the same, while sales of consumables grew by 44%.

On a unit-sales basis, North American sales fell by 20% for machinery and declined by 8% for consumables. In Europe sales decreased by 27% for machinery and fell by 19% for consumables. In Japan, unit-sales remained the same for machinery and grew by 39% for consumables.

The full-year sales results for tools for concrete structures were ¥22.4 billion in overseas sales and ¥5.5 billion in domestic sales. The total of overseas and domestic sales was ¥27.9 billion, an increase of 22%.

Looking at machinery and consumables separately, overseas sales of machinery grew by 18%, and sales of consumables increased by 26%. Domestic sales of machinery increased by 14%, and sales of consumables grew by 23%.

On a unit-sales basis, North American sales fell by 4% for machinery and grew by 6% for consumables. In Europe sales decreased by 5% for machinery and increased by 3% for consumables. In Japan, unit-sales increased by 11% for machinery and grew by 15% for consumables.

Q2. What is the status of inventory adjustments for tools for concrete structures?

A2. The Company recognizes that inventory adjustments were made for both machinery and consumables.

In North America, logistics were unstable until the middle of the third quarter, and dealers maintained a high level of inventory. Afterwards, logistics stabilized and dealers returned their inventory to the original level, which caused sales from MAX to stagnate. On the other hand, sellouts from dealers to users were firm, and we believe that inventory adjustments at major dealers were almost complete as of the end of the fourth quarter.

In Europe, although the level of inventory held by distributors and dealers was not very high, sales from MAX slowed

as the result of distributors and dealers reducing inventory due to the uncertain economic outlook.

Q3. What is the status of sellouts for tools for concrete structures?

A3. The Company recognizes that there are no major changes in shipments from dealers to users. In particular, sellouts in North America are firm. In Europe, although economic uncertainty is a risk factor, demand at construction sites has not declined significantly.

Q4. Please clarify the sales plan for FY 2023 regarding tools for concrete structures.

A4. We plan to reach ¥31 billion in net sales of tools for concrete structures in FY 2023 (up approx. 11% year-on-year). In North America, we expect steady growth due to strong investment in the non-housing construction market. In Europe, we also expect steady growth, but there are risk factors such as the uncertain economic outlook and delays in public works projects due to the prolonged situation in Russia-Ukraine conflict. In Japan, we are promoting a shift from manual work to machinery by proposing expanded applications (various usage conditions) in the existing construction market.

#### ■ Overall Condition of the Company

Q5. What is your forecast for packing and delivery expenses in FY 2023?

A5. Packing and delivery expenses in FY 2022 peaked in the second quarter, and then decreased year-on-year in the third quarter and fourth quarter. The ratio of packing delivery expenses in company-wide net sales was 6.5% in the first half and 4.7% in the second half.

We envision packing and delivery expenses in FY 2023 to be at the level of the second half in FY 2022.

The forecasts of business results and other forward-looking statements in this document are based on information available as of April 28, 2023 and on certain assumptions that the Company judges to be reasonable. Actual business results and other results may differ due to various factors.