

The logo for MAX, consisting of the letters "MAX" in a bold, white, sans-serif font inside an orange square.The tagline "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 FY 2023

Medium-term Management Plan for the Period FY 2024–FY 2026

Announcement Date: April 26, 2024

## Participants

Tatsushi Ogawa, President

Yoshihiro Kaku, Senior Managing Director / Senior Executive Officer

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

Nobuo Suda, General Manager, Corporate Communications Dept.

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## Summary of Financial Results in FY 2023

- **Net sales, operating income and ordinary income all reached a record high.**
- **Achieved double-digit (11.1%) ROE for FY 2023.**
- **Revised dividends upward. Plan to pay an annual dividend per share of ¥101, an increase of ¥23 from the previous fiscal year.**



# Group-Wide Financial Results in FY 2023

# Group-Wide Financial Results in FY 2023

## ■ Exchange rates

(JPY)	FY 2023	FY 2022	Planned
1 USD	143.82	135.07	142.15
1 EUR	156.24	140.84	153.71

(unit: millions of yen, %)

	Results in FY under review	Results in previous FY	% increase/decrease	Current-year plan*	Achievement rate
Net sales	86,638	84,316	+2.8	87,000	99.6
Gross profit	39,857	36,129	+10.3	—	—
Corresponding ratio	46.0	42.8	—	—	—
Operating income	12,601	9,926	+26.9	12,300	102.4
Corresponding ratio	14.5	11.8	—	14.1	—
Ordinary income	13,717	10,510	+30.5	12,500	109.7
Corresponding ratio	15.8	12.5	—	14.4	—
Net income attributable to shareholders of parental company	10,435	7,619	+37.0	9,600	108.7
Corresponding ratio	12.0	9.0	—	11.0	—
ROE	11.1	8.9	—	10.5	—
Net income per share (yen)	222.57	161.07	—	204.74	—
Dividends per share (yen)	101	78	+23	98	—

\* Revised plan announced on January 31, 2024

Based on the business results for the current fiscal year and dividend policy, the Company has **revised its forecast of the annual dividend from ¥98 per share to ¥101 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 (Announced on January 31, 2024)	—	98.00	98.00
Current forecast	—	101.00	101.00
Results in FY 2022	—	78.00	78.00

**Ratio of dividends to net assets: 5.0%, Payout ratio: 45.4%**  
**Plan an increase of ¥23 from previous fiscal year**

# Changes in Group-Wide Financial Results: FY 2019 to FY 2023

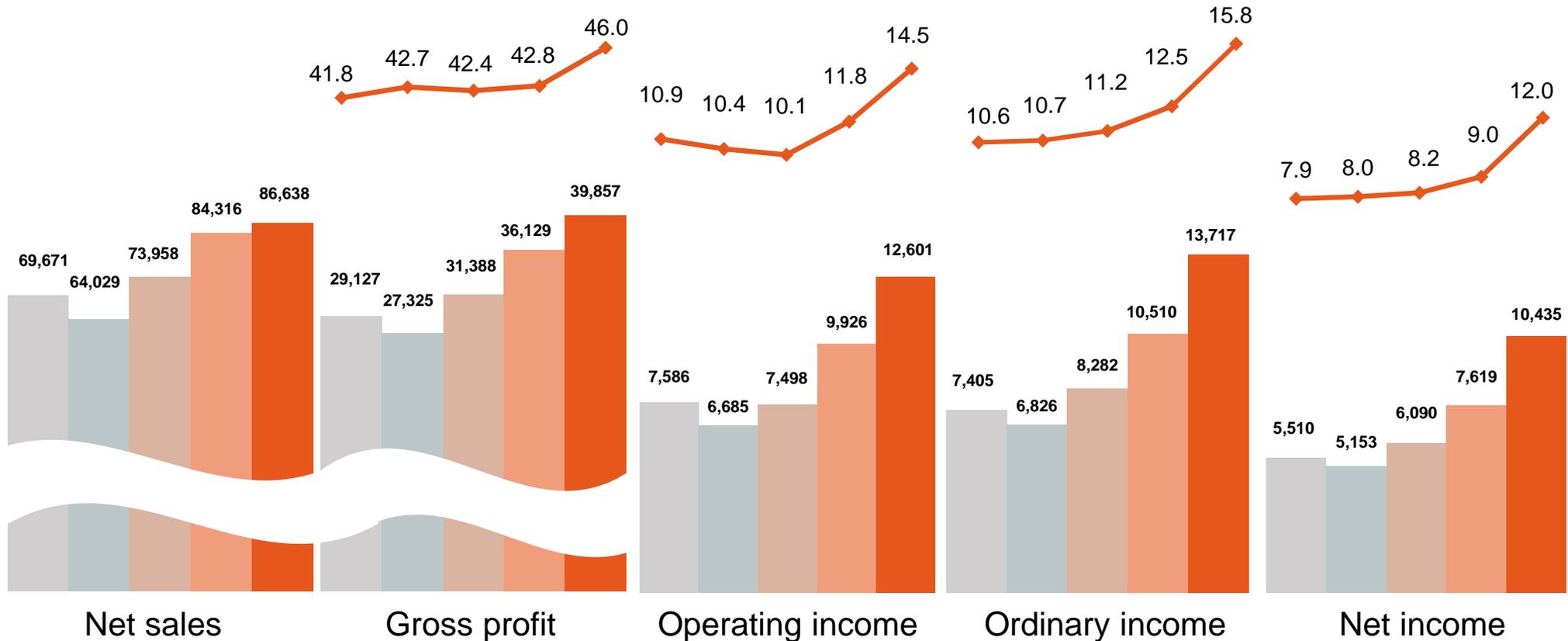
FY 2019  
FY 2022

FY 2020  
FY 2023

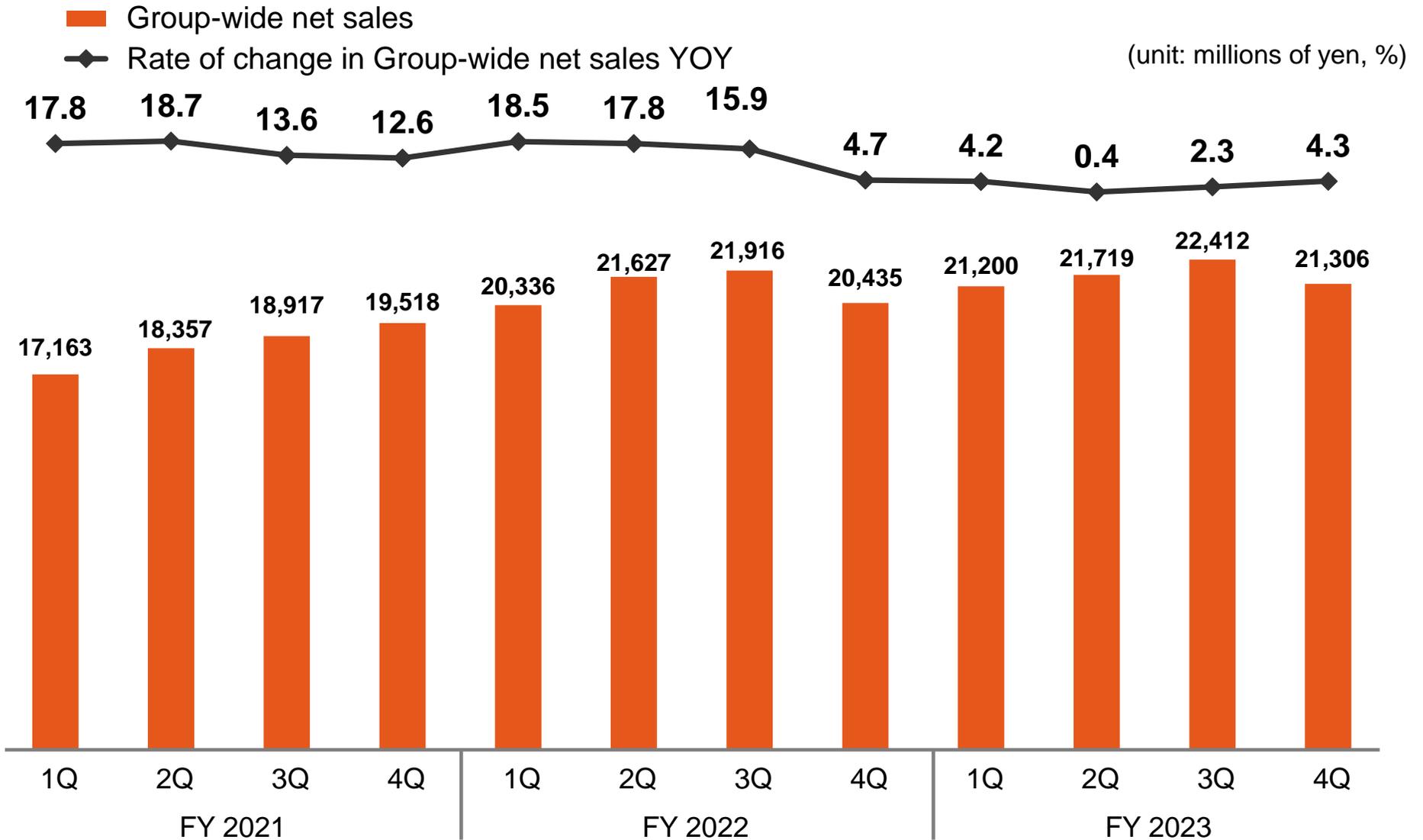
FY 2021

Corresponding ratio

(unit: millions of yen, %)

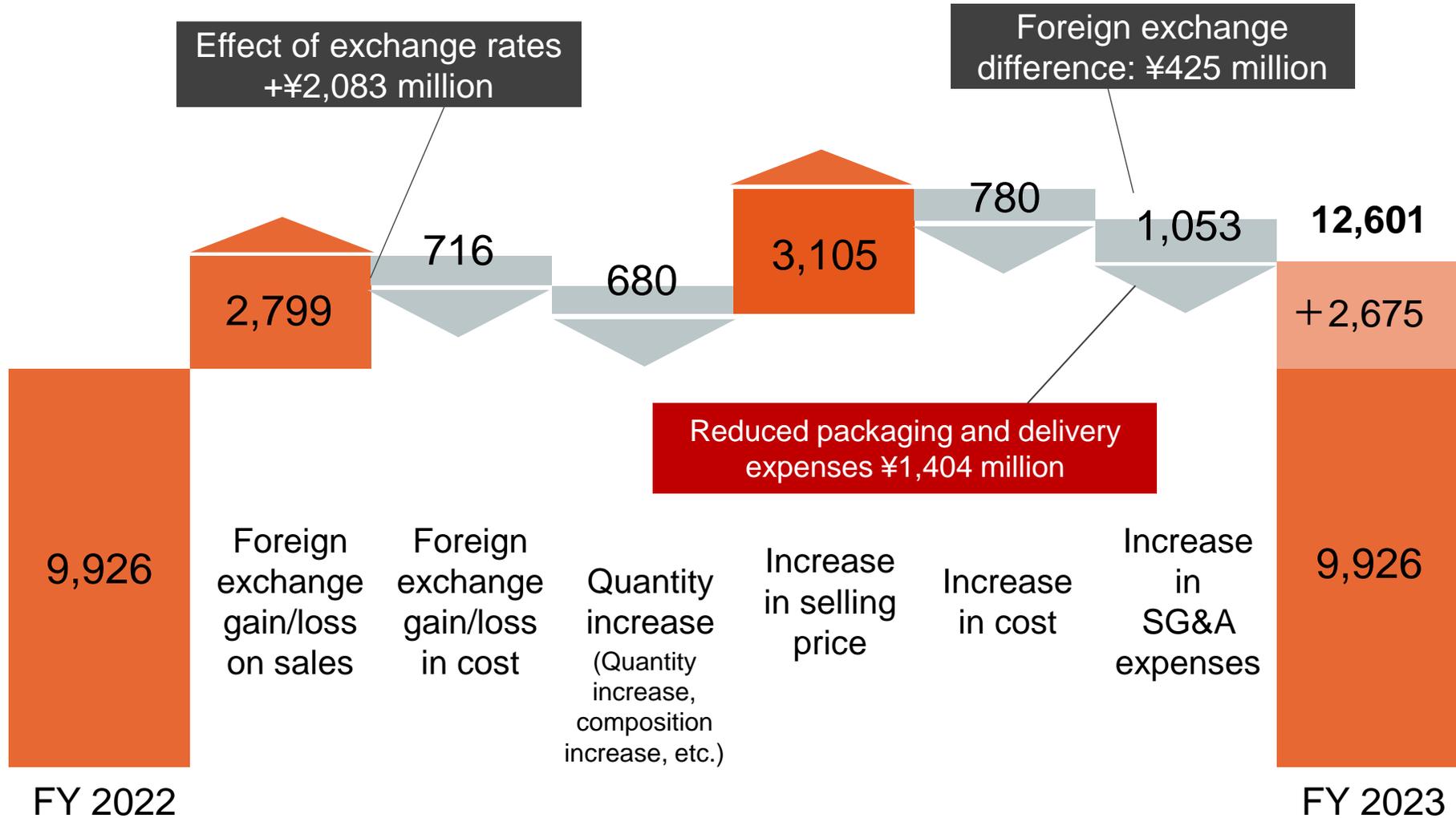


# Changes in Net Sales by Quarter



# Factors for Increase/Decrease of Operating Income

(unit: millions of yen)



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

(unit: millions of yen)

	FY 2023	FY 2022	YOY
Non-operating income/expenses	1,116	584	+531
Non-operating income (excluding foreign exchange effect)	525	425	+100
Non-operating expenses (excluding foreign exchange effect)	-82	-84	+1
Foreign exchange gain/loss	673	244	+429
Extraordinary income/loss	-17	-210	+193
Extraordinary income	70	42	+27
Extraordinary loss	-88	-253	+165

## ■ Facilities investment, depreciation, R&D expenses

(unit: millions of yen, %)

	FY 2023	FY 2022	Current-year plan	Implementation rate
Facilities investment	2,865	3,542	4,615	62.1
Depreciation	3,054	3,022	3,460	88.2
R&D expenses	4,345	3,876	4,545	95.6

## 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) **¥2.4 billion** / Rate of progress compared to 3-year cumulative plan **67%**

(unit: millions of yen, %)

	FY 2023	FY 2023 plan	Implementation rate
Investment in operating infrastructure	315	500	63.0
Investment in digital technology	263	400	65.8
Strategic investment in development	364	600	60.7
Investment in corporate communication	31	100	31.0
Total	973	1,600	60.8

## Domestic

The economy continued to recover gradually. The number of new housing construction starts, which is related to the Group's Industrial Equipment segment, decreased year-on-year with a focus on owner-occupied housing and unit sales. The construction floor area of non-residential structures in Japan was also sluggish.

## Overseas

In the United States, construction investment trended firm for the non-housing construction market and there were signs of a recovery in housing starts. In Europe, concern cannot be dispelled regarding future trends. In particular, there was marked stagnation in housing market conditions in Germany and Northern Europe.

## ■ Reference indices

### Number of new housing construction starts

- Down 4.6% YOY for the period from January to December 2023 (Owner-occupied: -11.4%, Rental: -0.3%, Unit sales: -3.6%)  
→ Negative effect on the industrial equipment product operations (wooden structure related)

### Floor area of construction starts of non-residential structures / Supply and demand for skilled construction workers

- Down 17.3% YOY for the period from October 2022 to September 2023 (Offices: -28.6%, Shops: -7.8%, Factories: -13.1%, Warehouses: -24.8%) However, there is currently a shortage of skilled rebar workers (for construction sites).  
→ As a whole, negative effect on the industrial equipment product operations (concrete structure related)

### Currency exchange rates

- 1 USD = 143.82 JPY, 1 EUR = 156.24 JPY (Previous FY: 1 USD = 135.07 JPY, 1 EUR = 140.84 JPY)
- Foreign exchange sensitivity in sales (annual conversion) (Planned value for FY 2024)  
USD: 200 million JPY, EUR: 80 million JPY
- Foreign exchange sensitivity in operating income (annual conversion) (Planned value for FY 2024)  
USD: 50 million JPY, EUR: 80 million JPY

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

- The annualized rate is 1,375,000 units in January 2024, 1,549,000 units in February 2024, and 1,321,000 units in March 2024 (Previous year—January: 1,340,000 units, February: 1,436,000 units, March: 1,380,000 units)



# Financial Results for Individual Segments in FY 2023

# Financial Results for Individual Segments in FY 2023

(unit: millions of yen, %)

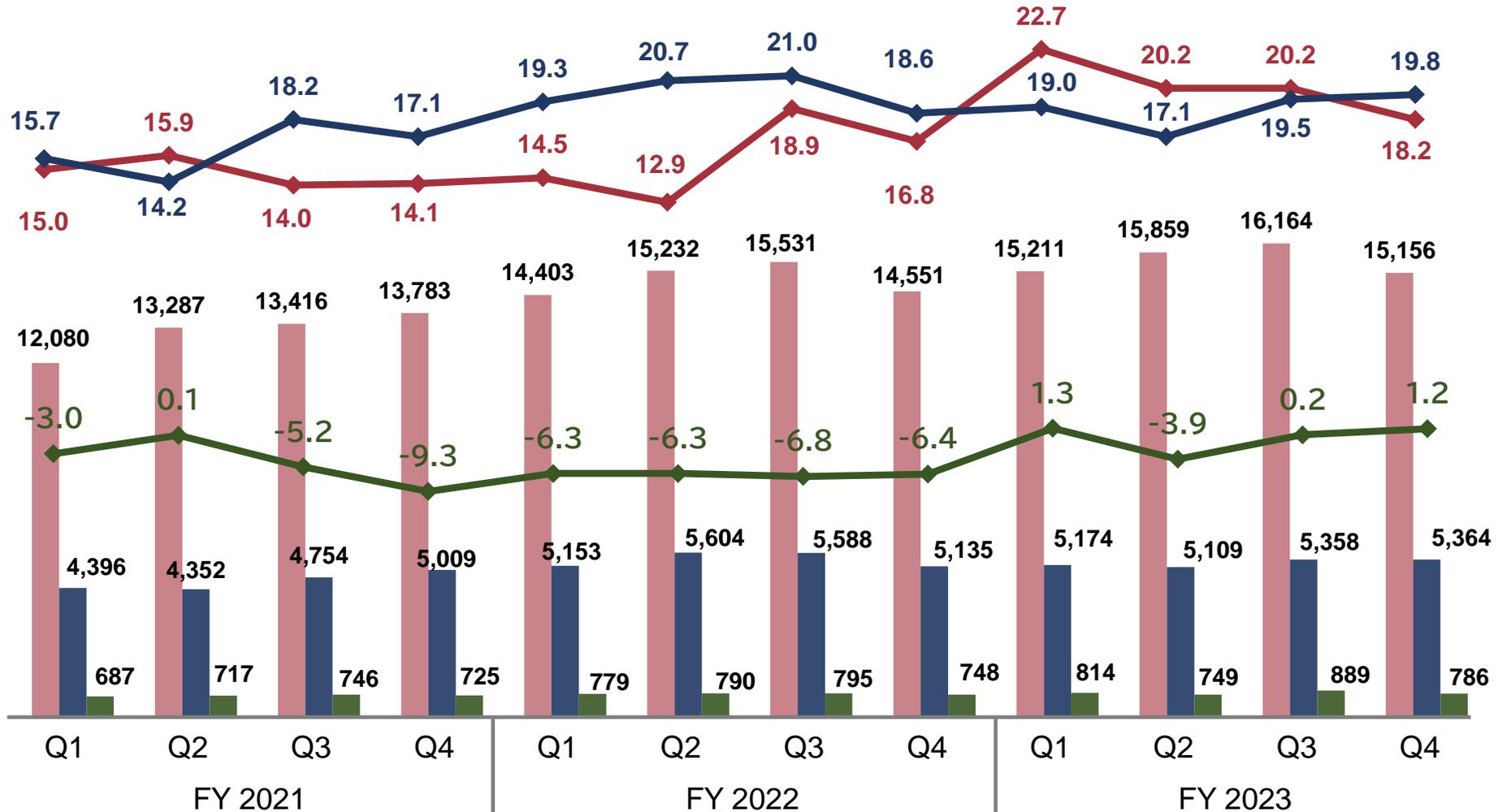
	Results in FY under review	Results in previous FY	% increase/ decrease	Current-year plan*	Achievement rate
<b>Industrial Equipment segment</b>					
Net sales	62,392	59,719	+4.5	62,500	99.8
Segment profit	12,691	9,433	+34.5	12,650	100.3
Segment profit rate	20.3	15.8		20.2	
<b>Office Equipment segment</b>					
Net sales	21,006	21,482	-2.2	21,170	99.2
Segment profit	3,965	4,287	-7.5	3,950	100.4
Segment profit rate	18.9	20.0		18.7	
<b>HCR Equipment segment</b>					
Net sales	3,239	3,113	+4.0	3,330	97.3
Segment profit	-7	-201	—	0	
Segment profit rate	-0.2	-6.5		0.0	
<b>Adjustment amount</b>	-4,048	-3,594	—	-4,300	
<b>Group-wide total</b>					
Net sales	86,638	84,316	+2.8	87,000	99.6
Operating income	12,601	9,926	+26.9	12,300	102.4
Operating margin	14.5	11.8		14.1	

\* Revised plan announced on January 31, 2024

# Changes in Segment Results by Quarter

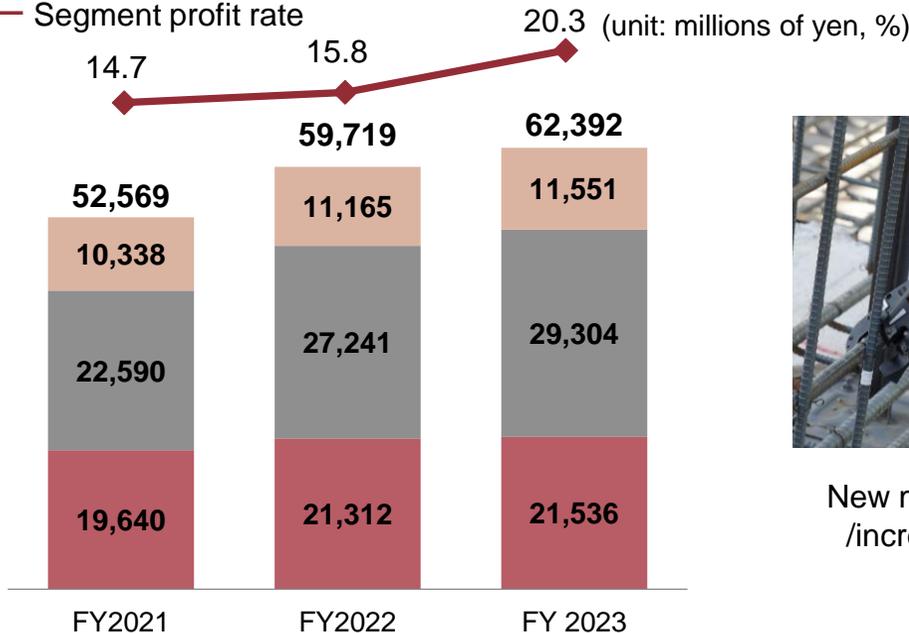
- Net sales by Industrial Equipment segment
- Net sales by Office Equipment segment
- Net sales by HCR Equipment segment
- Segment profit rate for Industrial Equipment segment
- Segment profit rate for Office Equipment segment
- Segment profit rate for HCR Equipment segment

(unit: millions of yen, %)



# Industrial Equipment Segment: Financial Results for FY 2023

- Domestic industrial equipment product operations
- Overseas industrial equipment product operations
- Residential environmental equipment operations
- Segment profit rate



New model of TWINTIER /increased tying speed



DRYFAN for newly-built housing

FY2021  
Domestic industrial equipment product operations

▶ Despite a tough external environment which included a decrease in the construction floor area of concrete structures, sales of tools trended firm thanks to growing sales of the new model RB-442T of rebar tying tools TWINTIER.

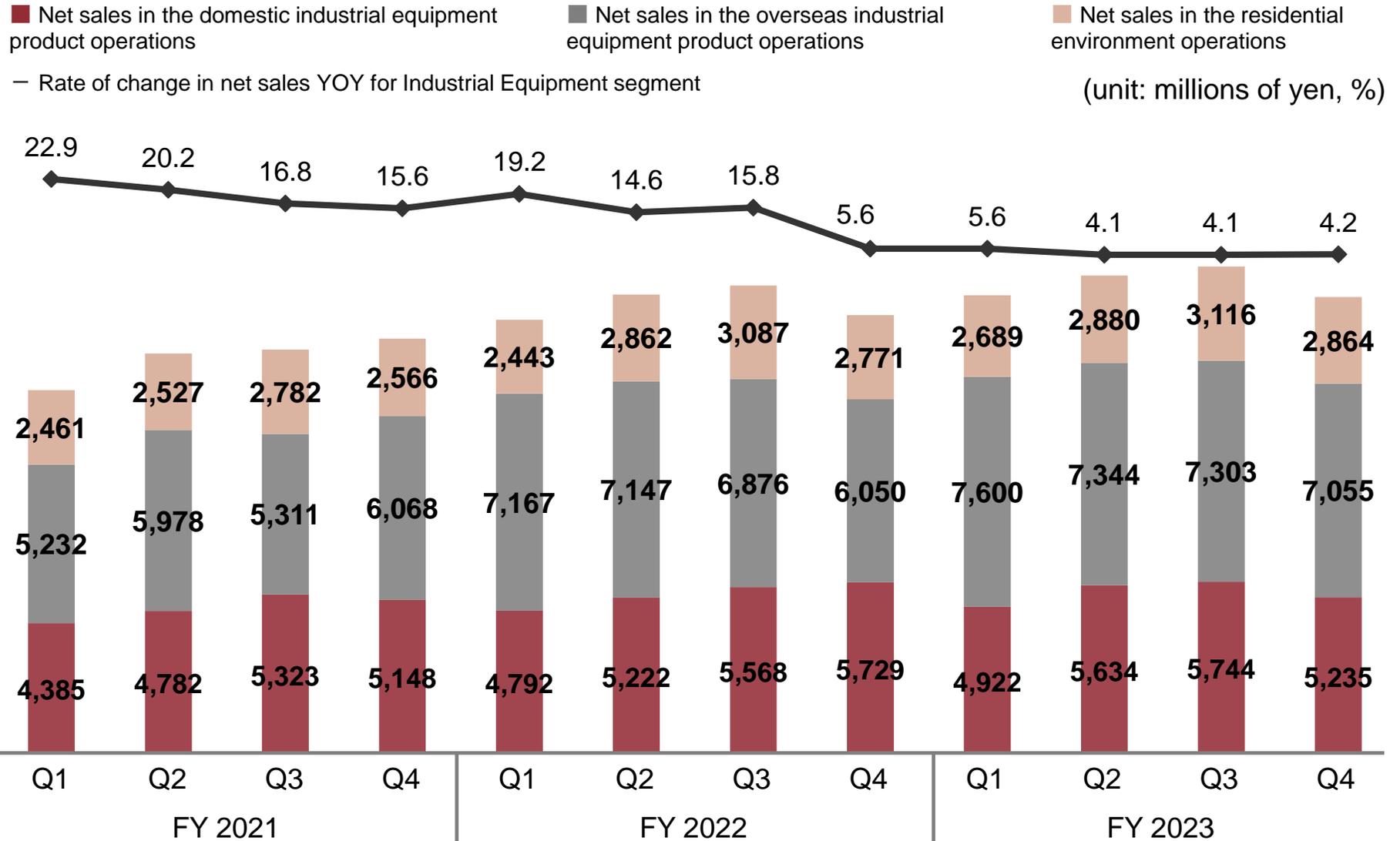
Overseas industrial equipment product operations

▶ In North America, sales of TWINTIER rebar tying tools and related consumables grew thanks to factors such as increased construction expenditures in the non-housing construction market and holding of sales promotions. On the other hand, in Europe, sales decreased mainly for tools in view of the uncertain economic outlook for the construction market.

Residential environmental equipment operations

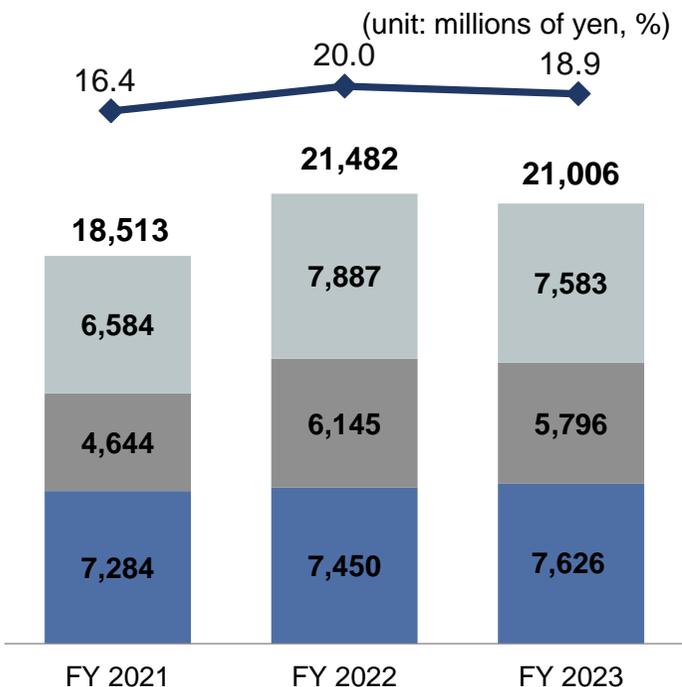
▶ Sales of DRYFAN bathroom heaters, ventilators and dehumidifiers, which are the mainstay of the business, grew in the housing stock for renovation and replacement, which is a focus of the segment. Sales also trended firm in the new-built housing market.

# Industrial Equipment Segment: Changes in Net Sales by Quarter



# Office Equipment Segment: Financial Results for FY 2023

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



BEPOP label-making machines



LETATWIN tube markers

Domestic office equipment product operations



Due to the elimination of the shortage in electronic components which had occurred in the first half of the previous fiscal year, LETATWIN tube markers trended firm and there were increased sales of consumables for BEPOP label-making machines.

Overseas office equipment product operations



Sales of stationery-related products decreased due to prolonged inventory adjustments by customers in Southeast Asia.

Auto-stapler product operations

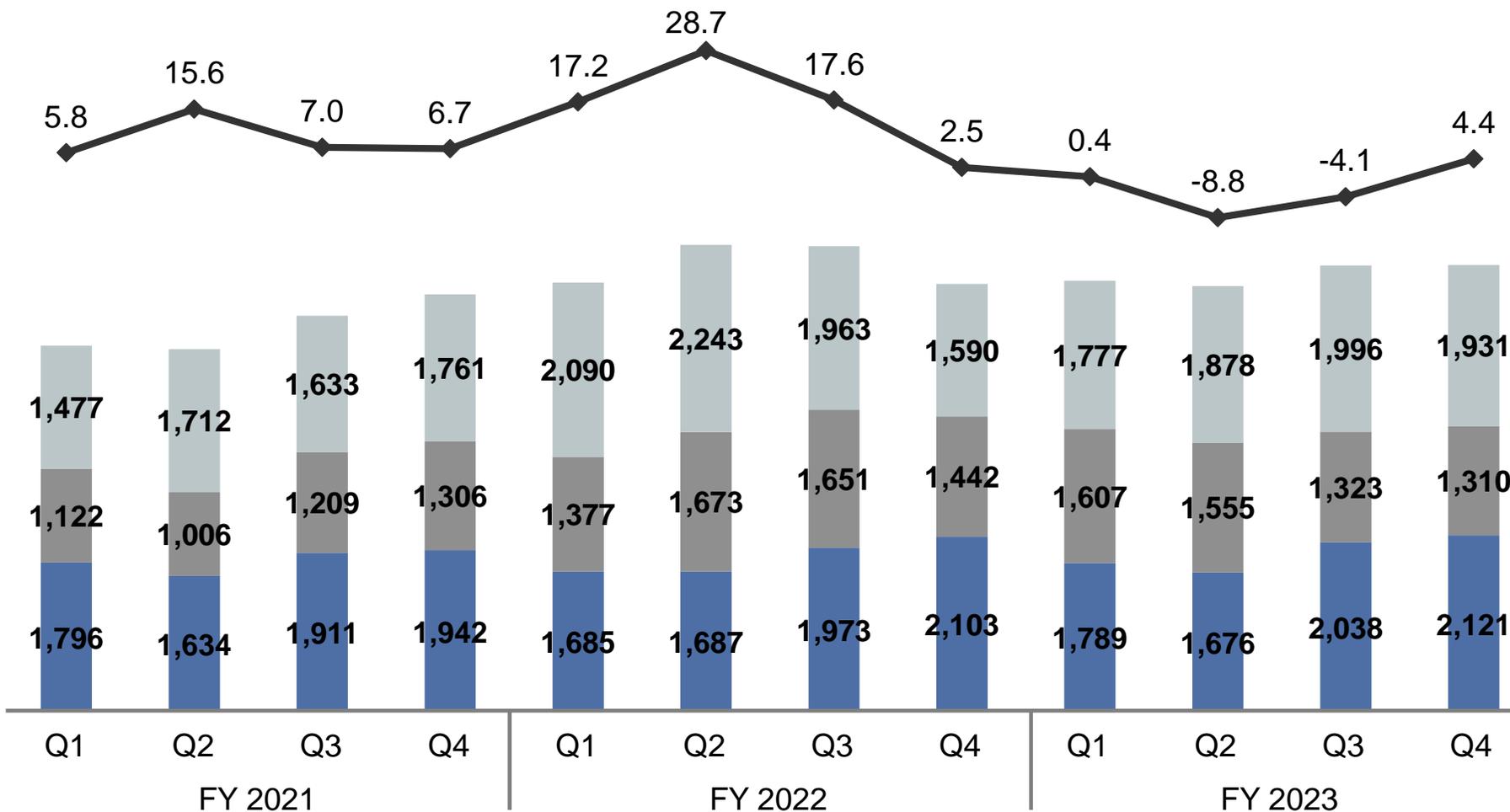


In the first half, orders were sluggish due to inventory adjustments by customers. However, signs of recovery were observed in the second half.

# Office Equipment Segment: Changes in Net Sales by Quarter

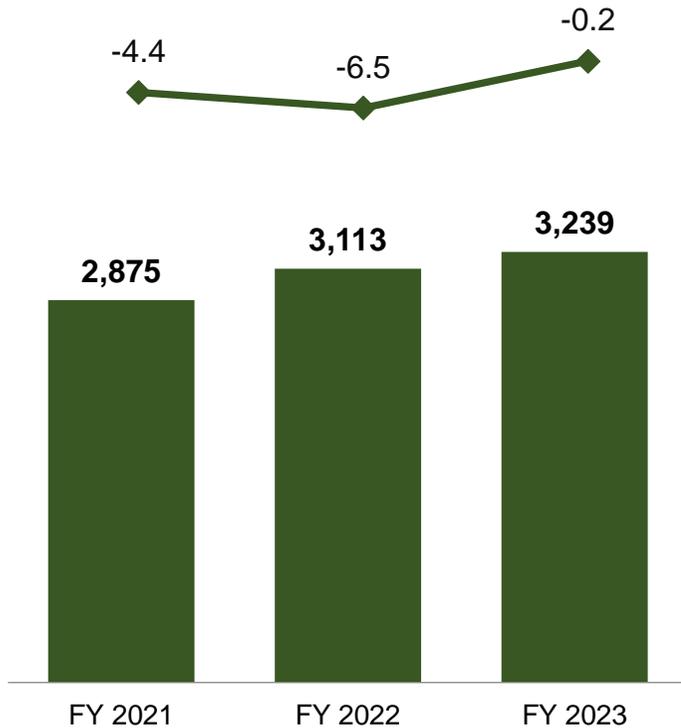
■ Net sales in the domestic office equipment product operations
 ■ Net sales in the overseas office equipment product operations
 ■ Net sales in the auto-stapler product operations  
 — Rate of change in net sales YOY for Office Equipment segment

(unit: millions of yen, %)



# HCR Equipment Segment: Financial Results for FY 2023

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



Multipurpose wheelchairs:  
Modern Series



Standard wheelchairs:  
Stayer

HCR Equipment segment



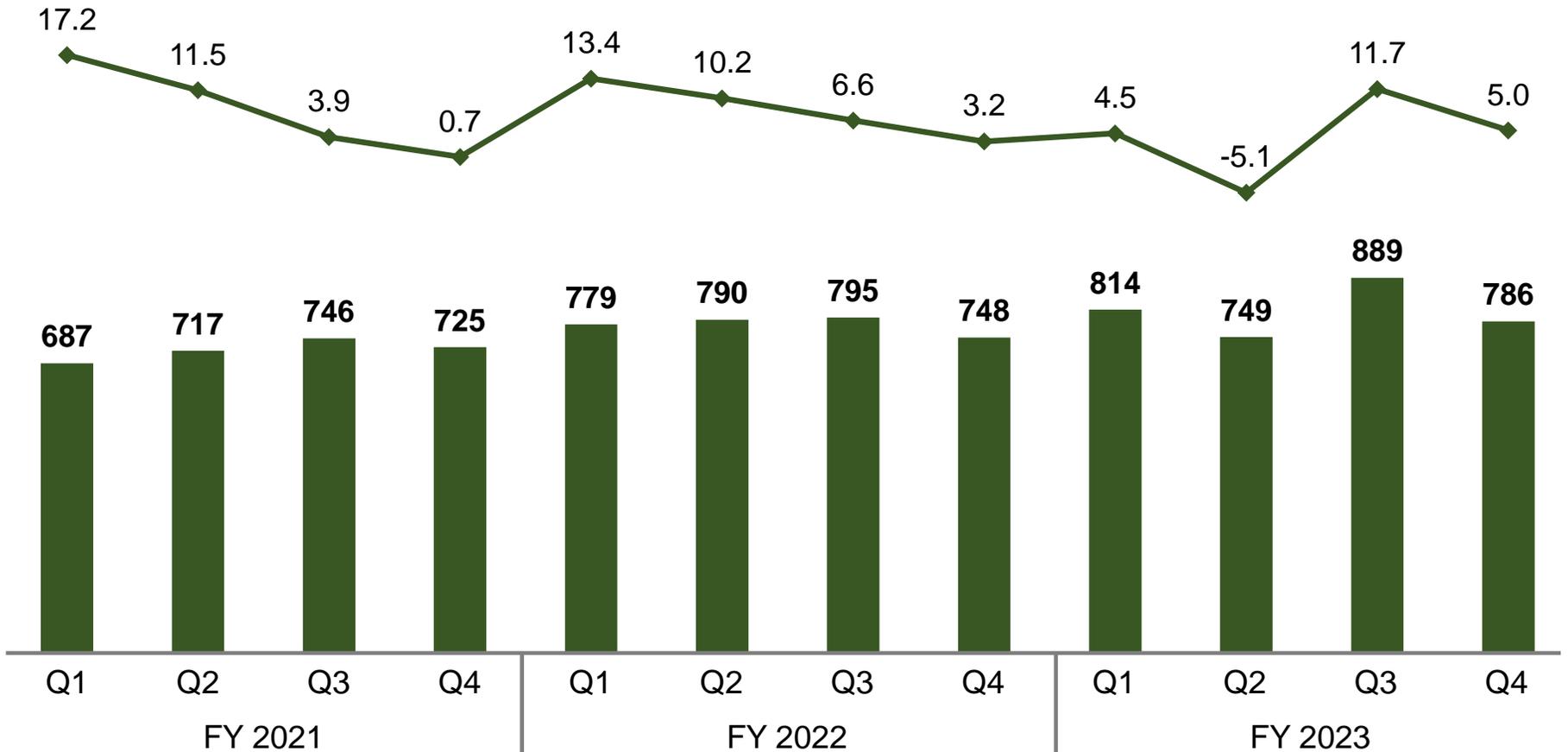
Revenue increased thanks to strong sales of wheelchairs for hospitals and care facilities and to growing overseas sales, particularly to China.

# HCR Equipment Segment: Changes in Net Sales by Quarter

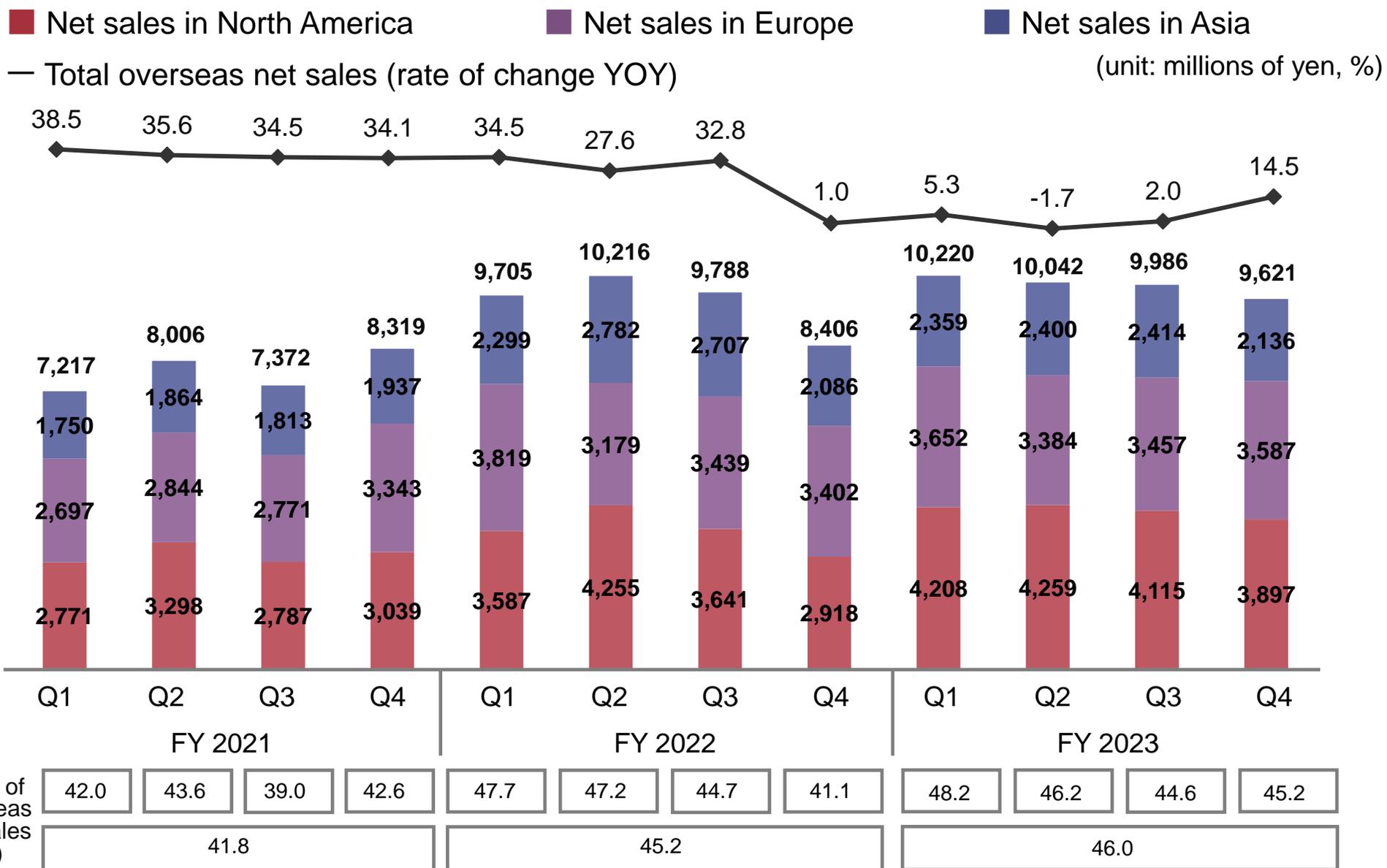
■ Net sales by HCR Equipment segment

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

(unit: millions of yen, %)



# Changes in Quarterly Net Sales by Overseas Region



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: **¥30.4 billion (+9.1% year-on-year)**  
(Rate of progress compared to plan: **98.1%**)
- Number of concrete material dealers compared to March 31, 2021: **+65.1%**

## Continued growth of the consumable Tie Wire in conjunction with rise in cumulative number of machines in operation

### Overseas



#### North America

- Sales of tools and related consumables grew thanks to factors such as increased construction expenditures in the non-housing construction market and holding of sales promotions. On a quantity basis, sales of both tools and consumables exceeded the previous fiscal year.

#### Europe

- Although the economic outlook differs depending on the country, sales were sluggish due to marked stagnation in housing market conditions in Germany and Northern Europe. Although quantity was at the same level as the previous fiscal year in the fourth quarter (three-month period), we expect an unfavorable environment to continue going forward. We will work to increase sales in Southern Europe and Eastern Europe.

### Japan



- Although the construction floor area of concrete structures was sluggish, sales of tools increased in the fourth quarter (three-month period) due to the launch of the new model RB-442T of rebar tying tools TWINTIER. From the perspective of increasing on-site productivity, we promoted a switch from manual-tying to tying by rebar tying tools.

(Medium-term Management Plan)

# Review of the Medium-term Management Plan (FY 2021 to FY 2023)

<b>Review and Current Status of Previous Medium-term Management Plan</b>	
1	During the period of the previous Medium-term Management Plan ending in FY 2023, operating results were strong thanks to factors such as growth in the rebar tying tools business, increased selling prices, and the depreciation of the yen.
2	As a result of the strong operating results, ROE also improved to 11.1%, which exceeded the target of the previous Medium-term Management Plan (8%) and the cost of equity (6% to 7%).
3	Both stock price and PBR improved significantly during the period of the previous Medium-term Management Plan.
4	Although the amount of net cash and deposits has increased, the ratio of net cash and deposits has been maintained at a certain level through growth investments and increased shareholder returns.
5	In addition to strengthening corporate governance through measures such as abolishing takeover defense measures, enhanced information disclosure.

Reached all targets through growth of rebar tying tools business

Forecasted exchange rates  
 1 USD = 105.00 JPY  
 1 EUR = 125.00 JPY

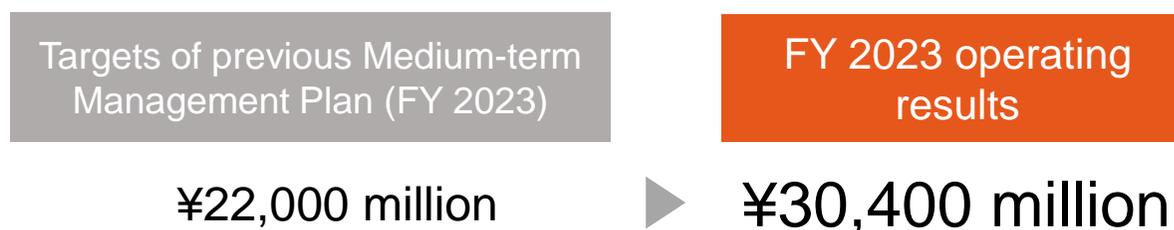
Actual exchange rate  
 1 USD = 143.82 JPY  
 1 EUR = 156.24 JPY

	Targets for previous Medium-term Management Plan (FY 2023)	FY 2023 operating results	Progress rate
Net sales	¥72,900 million	¥86,600 million	<b>119%</b>
Operating income	¥9,000 million	¥12,600 million	<b>140%</b>
Net income attributable to shareholders of parental company	¥7,000 million	¥10,400 million	<b>149%</b>
ROE	8.0%	11.1%	<b>+3.1pt</b>

Achieved all targets

	Targets for previous Medium-term Management Plan (FY 2023)	FY 2023 operating results	Progress rate
Operating income	¥9,000 million	¥12,600 million	140%

## (1) Growth of rebar tying tool business



(2) Absorbed cost increases and SG&A expenses through increased selling prices

(3) Positive effect of depreciating yen

## Basic Strategy for Medium-term Management Plan (FY 2021 to FY 2023)

### Growth of Overseas Business

- Accelerate the growth of the rebar tying tools business
- Overseas expansion of AF (Agriculture/Food) business
- Active investment in priority regions

### Business Model Transformation

- Strengthen the infrastructure of highly-profitable businesses
- Promote activities in new markets

### Launch of New Businesses

- Medium- to long-term R&D investment
- Investment in domestic and overseas market development sales

### Strengthening Management Infrastructure

- Improve business productivity by utilizing digital technology
- Realize a healthy and comfortable workplace at the company
- Strengthen ESG and brand power

## Measures and Evaluation

- Overseas sales increased by ¥17 billion during the period of the previous Medium-term Management Plan.
- Rebar tying tools business grew 1.4 times more than expected.
- Established sales bases in Germany etc. Completed 3rd factory in Thailand and expanded the supply capacity of consumables.

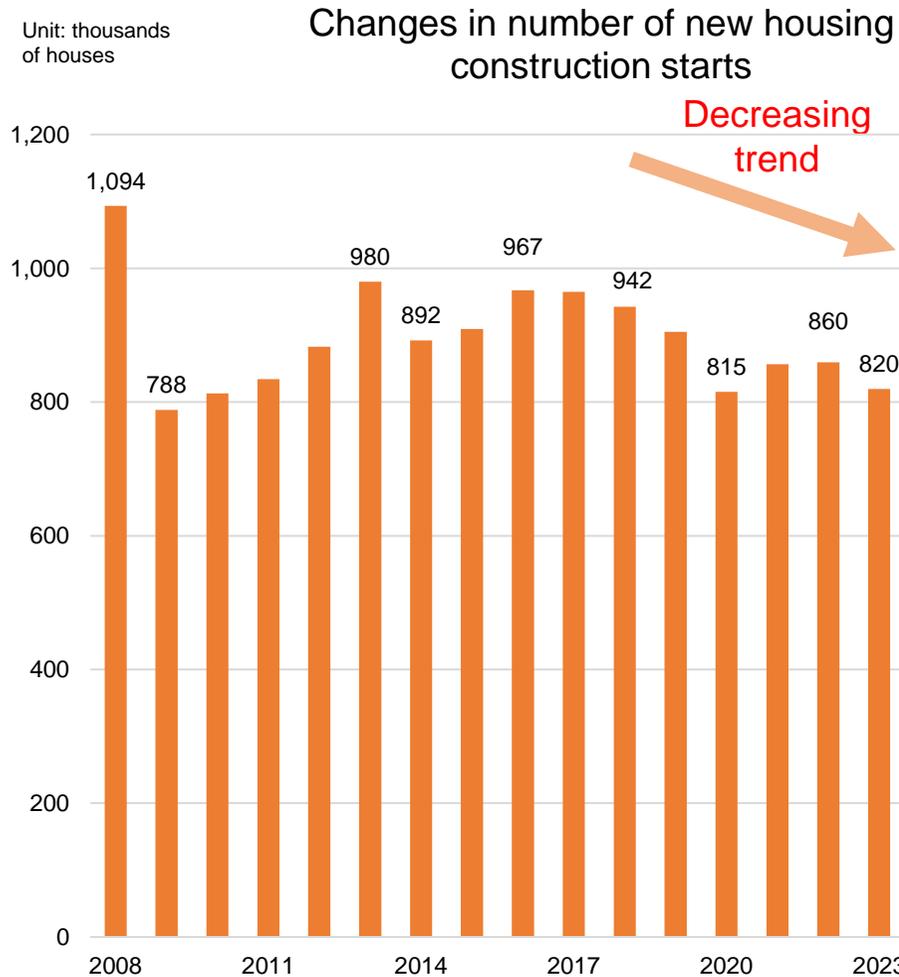
- In each domestic business, increased sales prices to absorb cost increases caused by soaring prices of various materials and a depreciating yen.
- Shift to stock business is progressing smoothly.
- Established a dedicated organization for new markets and held activities.

- Continued R&D investment (¥11.7 billion in the last three fiscal years).
- Established New Business Launch Project and utilized a subsidiary to launch the Rentool business by utilizing a subsidiary.
- In the next Medium-term Management Plan, we will accelerate activities toward commercialization.

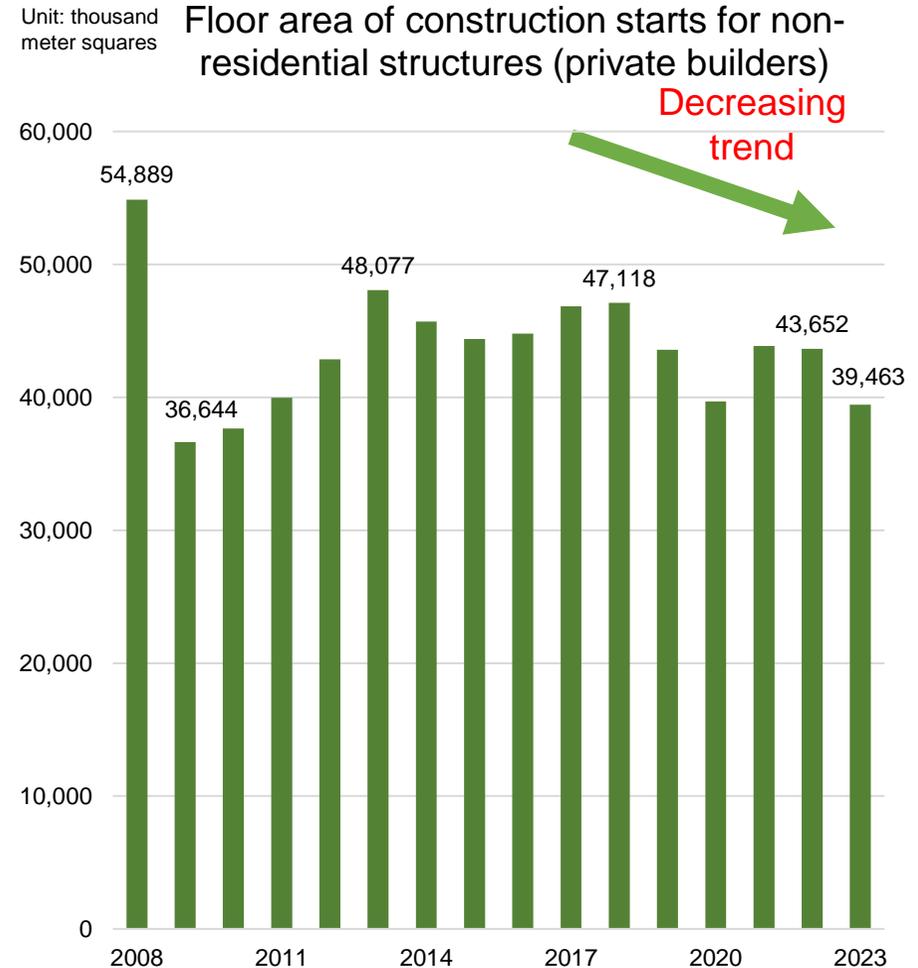
- Recognized as a “DX-certified Business Operator” by the Ministry of Economy, Trade and Industry.
- Addressed the target of reducing total working hours per year to less than 1,900 hours. Actual result for FY 2023 was 1,879 hours.
- Supporting the TCFD and published an Integrated Report.

# External Environment (Domestic) during Period of Previous Medium-term Management Plan

Domestic construction stagnated, with decreasing trends for both the number of new housing construction starts and the floor area of construction starts.



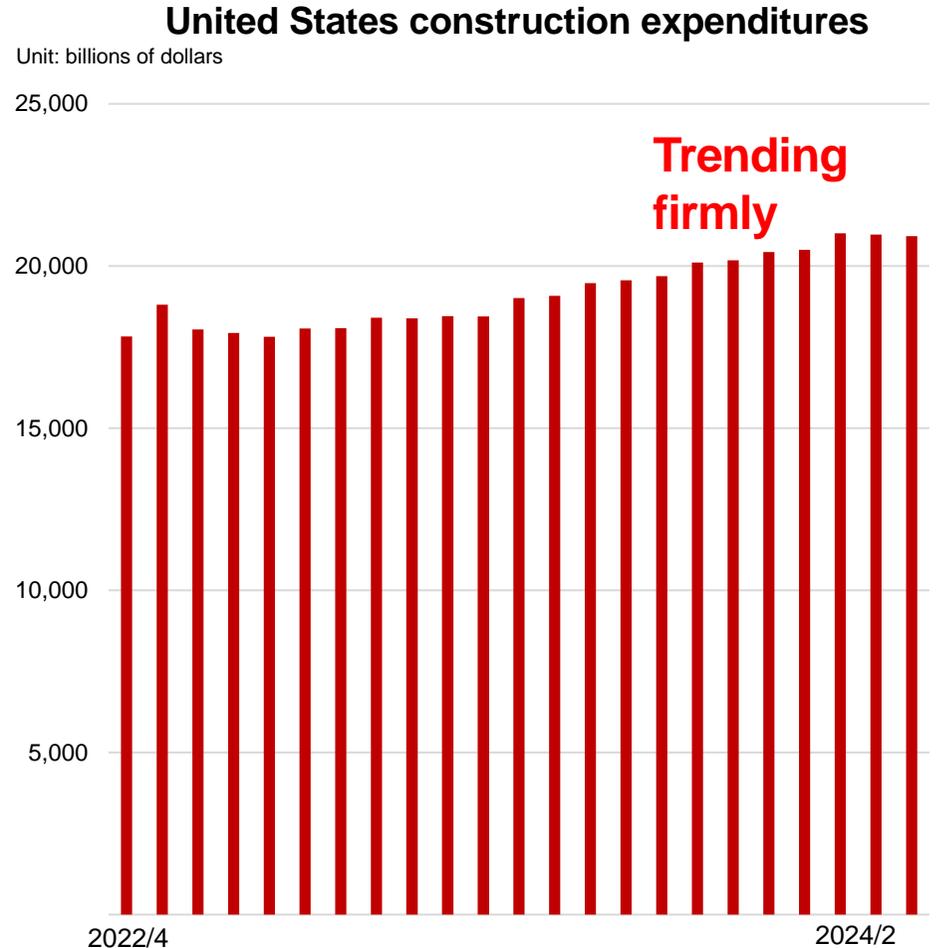
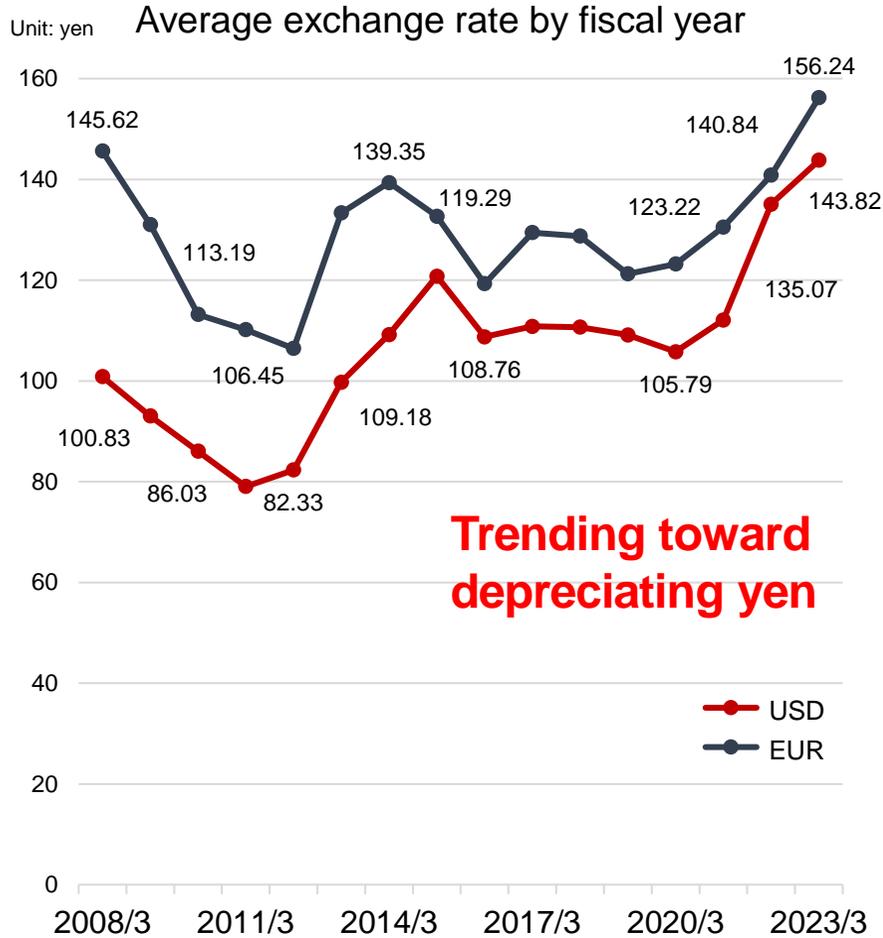
Source: Report on Statistical Survey of Building Construction Starts 2023, Ministry of Land, Infrastructure, Transport and Tourism



Source: Report on Statistical Survey of Building Construction Starts 2023, Ministry of Land, Infrastructure, Transport and Tourism

# External Environment (Overseas) during Period of Previous Medium-term Management Plan

Exchange rate is trending toward a depreciating yen. Construction expenditures in the United States are trending firmly.



# Review by Business (Industrial Equipment Segment)

(unit: millions of yen, %)

	Results (FY 2023)	Previous Medium-term Management Plan (FY 2023)	Difference	Progress rate
Industrial Equipment segment				
Segment net sales	62,392	50,200	12,192	124.3
Domestic industrial equipment product operations	21,536	20,950	586	102.8
Overseas industrial equipment product operations	29,304	19,100	10,204	153.4
Residential environmental equipment operations	11,551	10,150	1,401	113.8
Segment profit	12,691	8,450	4,241	150.2
Segment profit rate	20.3%	16.8%	3.5pt	

## Domestic industrial equipment product operations

- Although the number of new housing construction starts decreased, achieved targets by passing on costs associated with increased prices for raw materials, etc.

## Overseas industrial equipment product operations

- Although there has been a slowdown in Europe recently, sales increased significantly because the rebar tying tools business exceeded expectations for both tools and consumables, and the depreciating yen was also beneficial.

## Residential environmental equipment operations

- Achieved targets because sales of DRYFAN bathroom heaters, ventilators and dehumidifiers grew in the housing stock for renovation and replacement, and sales in the newly-built housing market trended firm.

# Review by Business (Office/HCR Equipment Segment)

(unit: millions of yen, %)

	Results (FY 2023)	Previous Medium-term Management Plan (FY 2023)	Difference	Progress rate
<b>Office Equipment segment</b>				
Segment net sales	21,006	19,500	1,506	107.7
Domestic office equipment product operations	7,626	8,100	-473	94.2
Overseas office equipment product operations	5,796	4,900	896	118.3
Auto-stapler product operations	7,583	6,500	1,083	116.7
Segment profit	3,965	3,550	415	111.7
Segment profit rate	18.9	18.2	0.7pt	
<b>HCR Equipment segment</b>				
Segment net sales	3,239	3,200	39	101.2
Segment profit	-7	200	-207	—
Segment profit rate	-0.2	6.3	-6.5pt	

## Domestic office operations

- Although revenue increased due to price revisions, failed to achieve targets due to being unable to cover the impact of decrease in quantity.

## Overseas office operations

- Although business was stagnant due to inventory adjustments by customers, achieved targets thanks to factors such as a depreciating yen.

## Auto-stapler operations

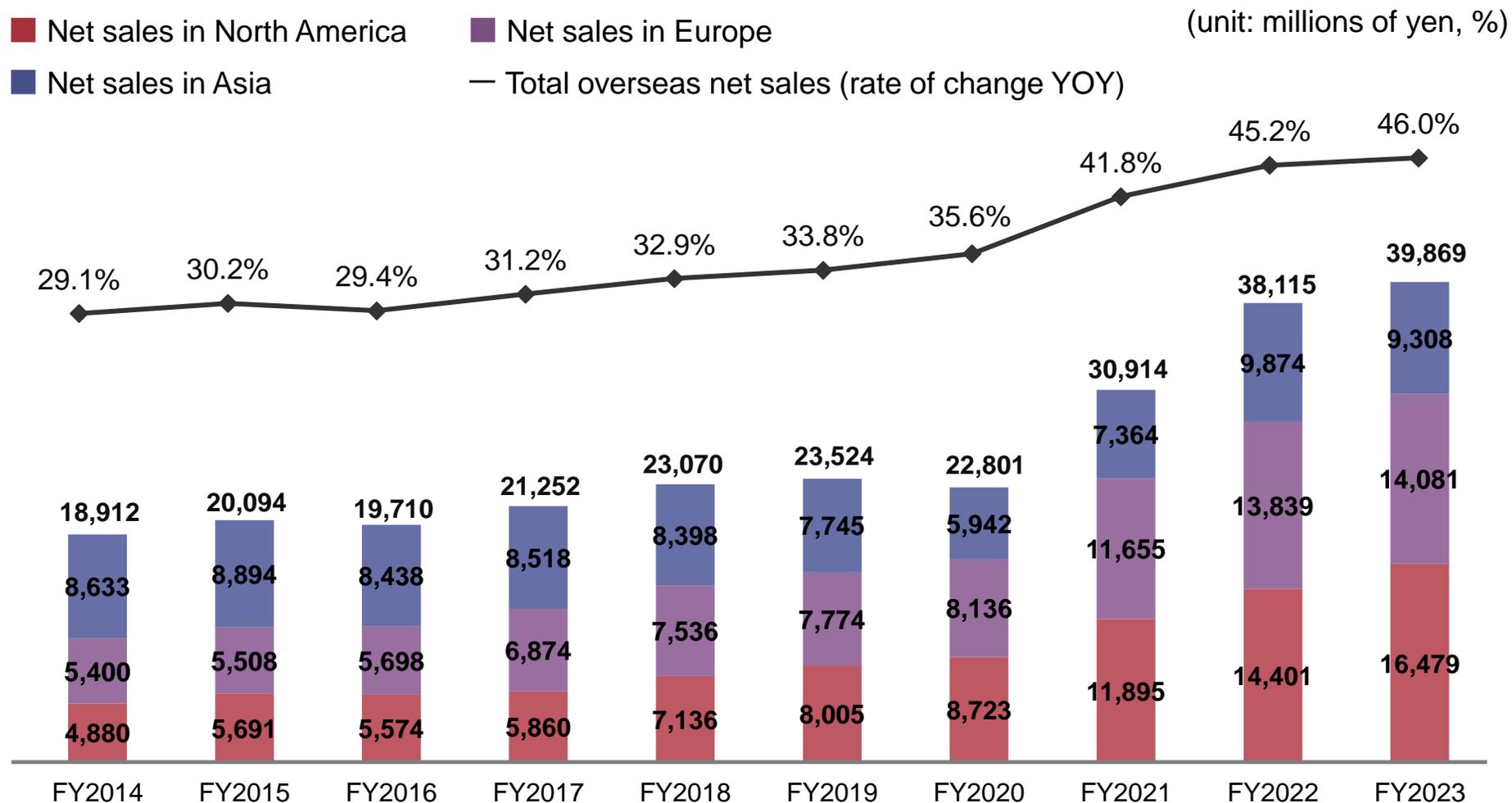
- Decrease was less than expected thanks to recent slight recovery.

## HCR Equipment segment

- Failed to achieve income target due to significant impact of depreciating yen.

# Changes in Overseas Net Sales and Ratio

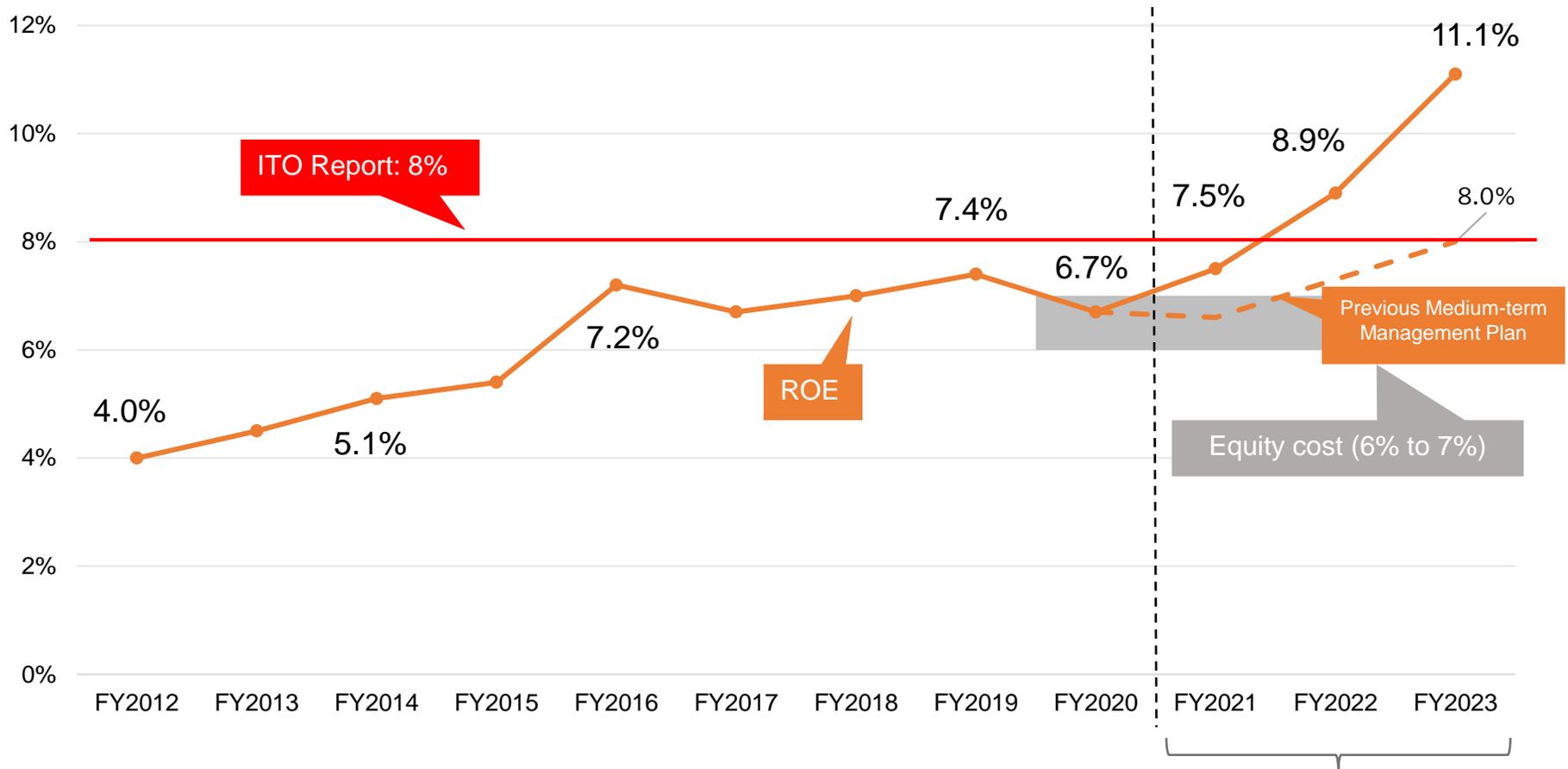
■ Ratio of overseas net sales is increasing due to growth of overseas market



Note: Includes overseas net sales for auto-stapler product operations.

■ ROE in FY 2023 exceeded equity cost and ITO Report (8%)

### ROE and equity cost (past trends)



Note: Equity cost is calculated using a CAPM base

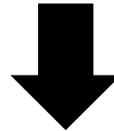
Period of previous Medium-term Management Plan

# Breakdown of ROE Improvements

- Contributing to the improvement in the net profit margin thanks to the improvement in the operating profit margin

$$\text{ROE} = \text{Net profit margin in current period} \times \text{Total asset turnover rate} \times \text{Financial leverage}$$

$$\text{FY 2020} \quad 6.7\% = 8.0\% \times 0.63 \times 1.31$$



$$\text{FY 2023} \quad 11.1\% = 12.0\% \times 0.73 \times 1.26$$

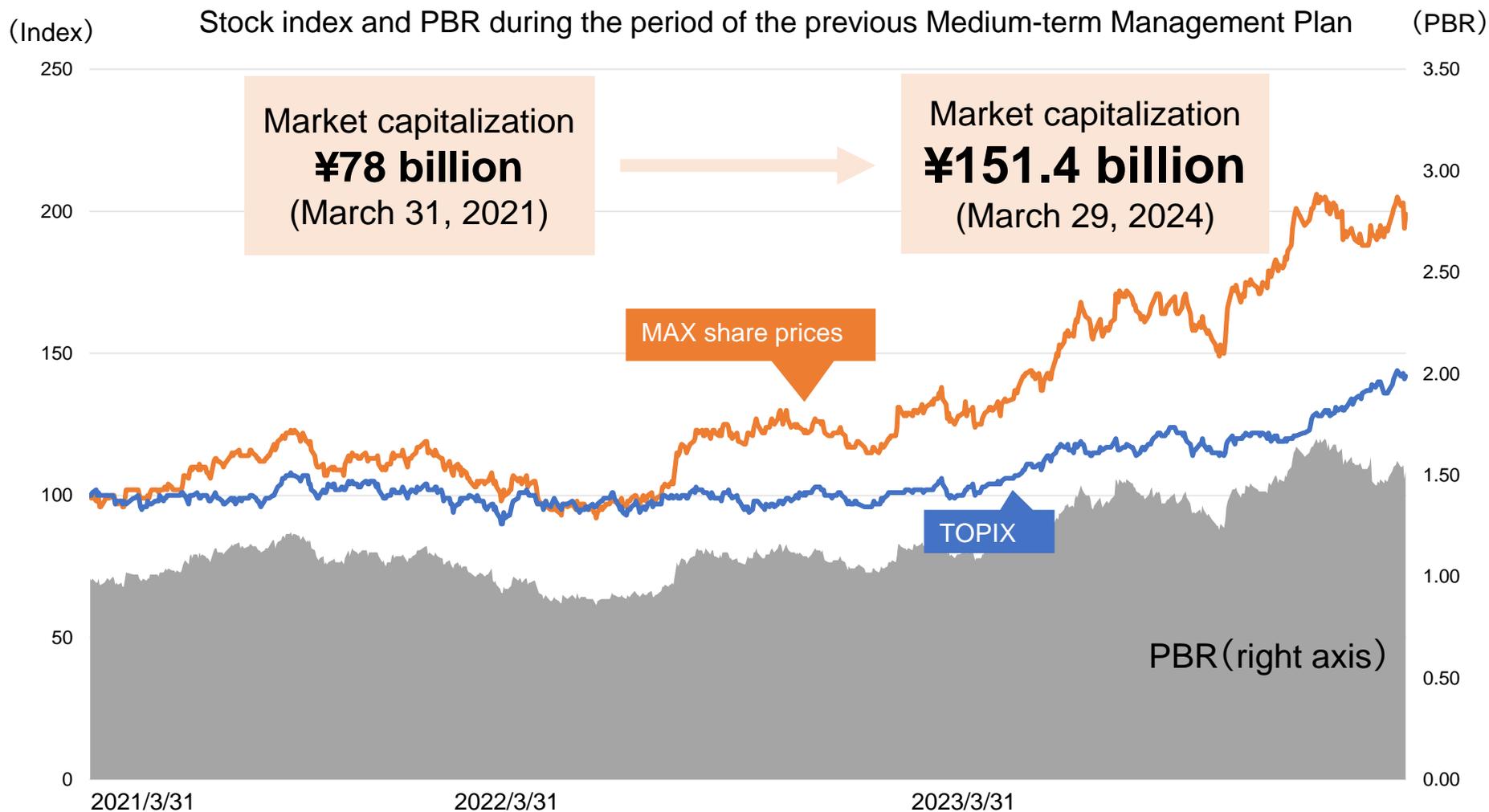
Contribution  
ratio

80%

27%

-7%

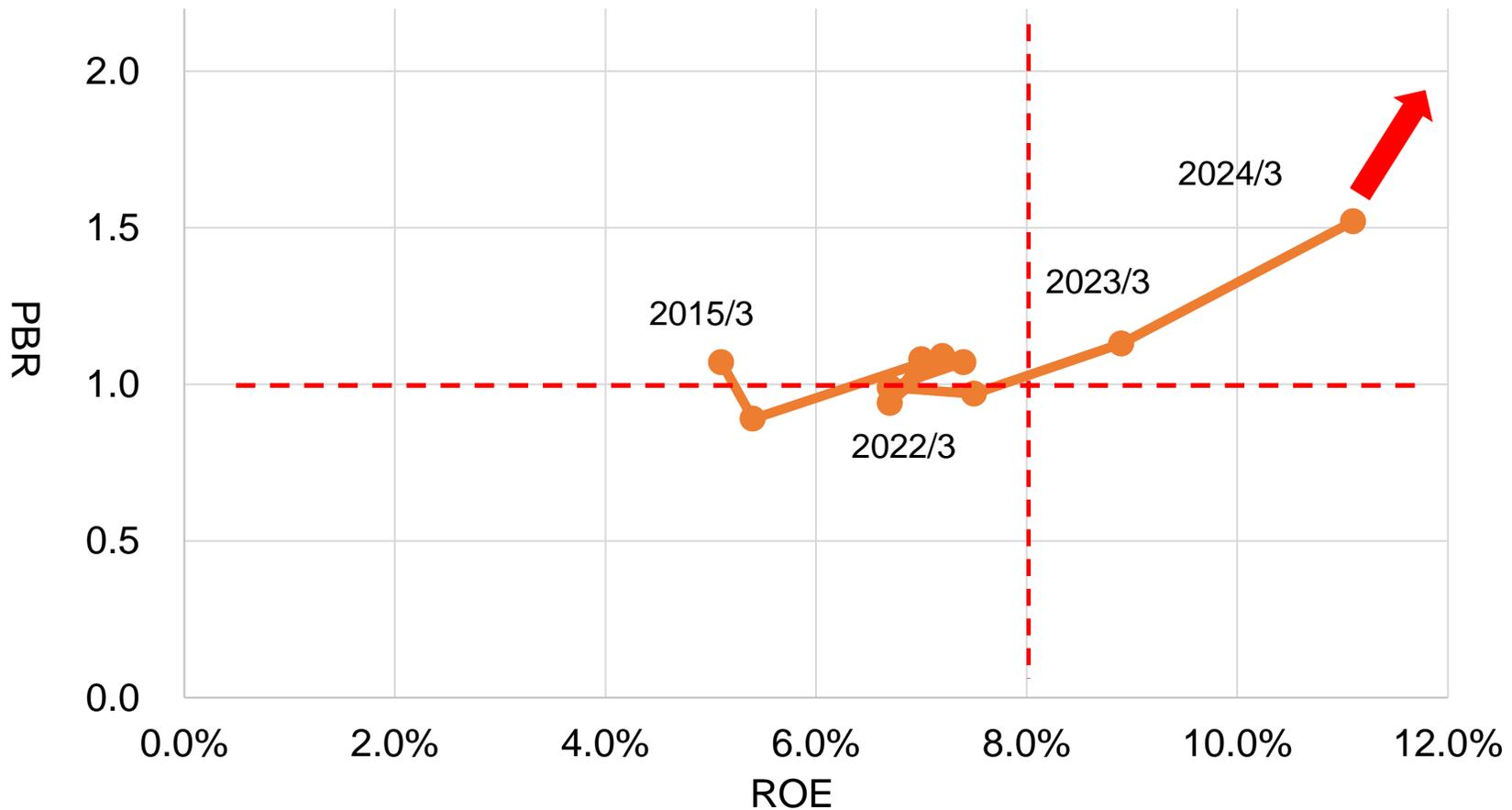
## ■ Share prices exceeded TOPIX and PBR reached 1.5 times



Note: Share prices and TOPIX are indexed with March 31, 2021 as 100.

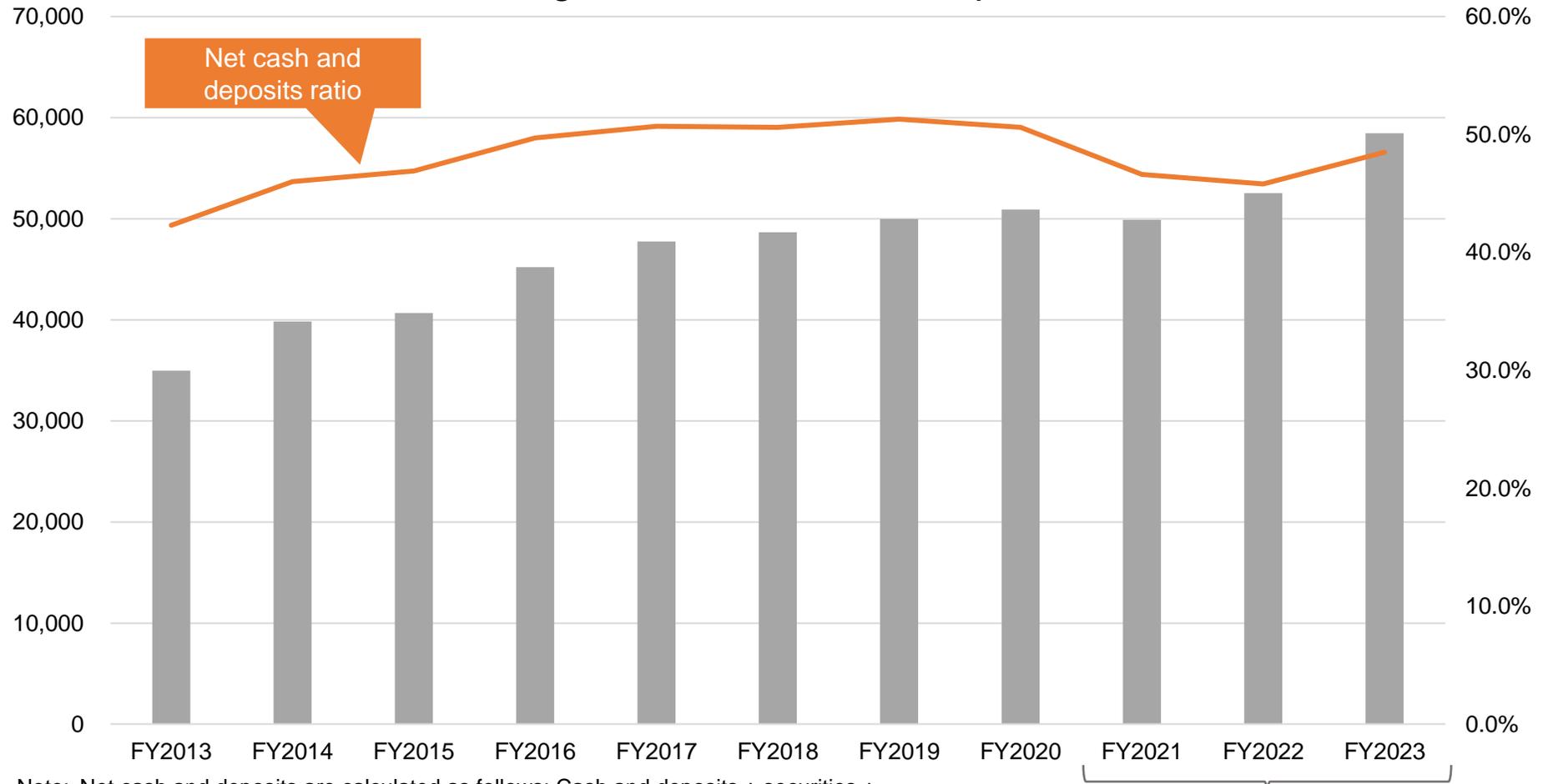
- ROE and PBR improved significantly and we aim for even further improvements in the future.

ROE/PBR Matrix



- Although the amount of net cash and deposits is increasing, the net cash and deposit ratio is decreasing and being suppressed.

### Changes in Net Cash and Deposits



Note: Net cash and deposits are calculated as follows: Cash and deposits + securities + investment securities – long-term and short-term loans payable.

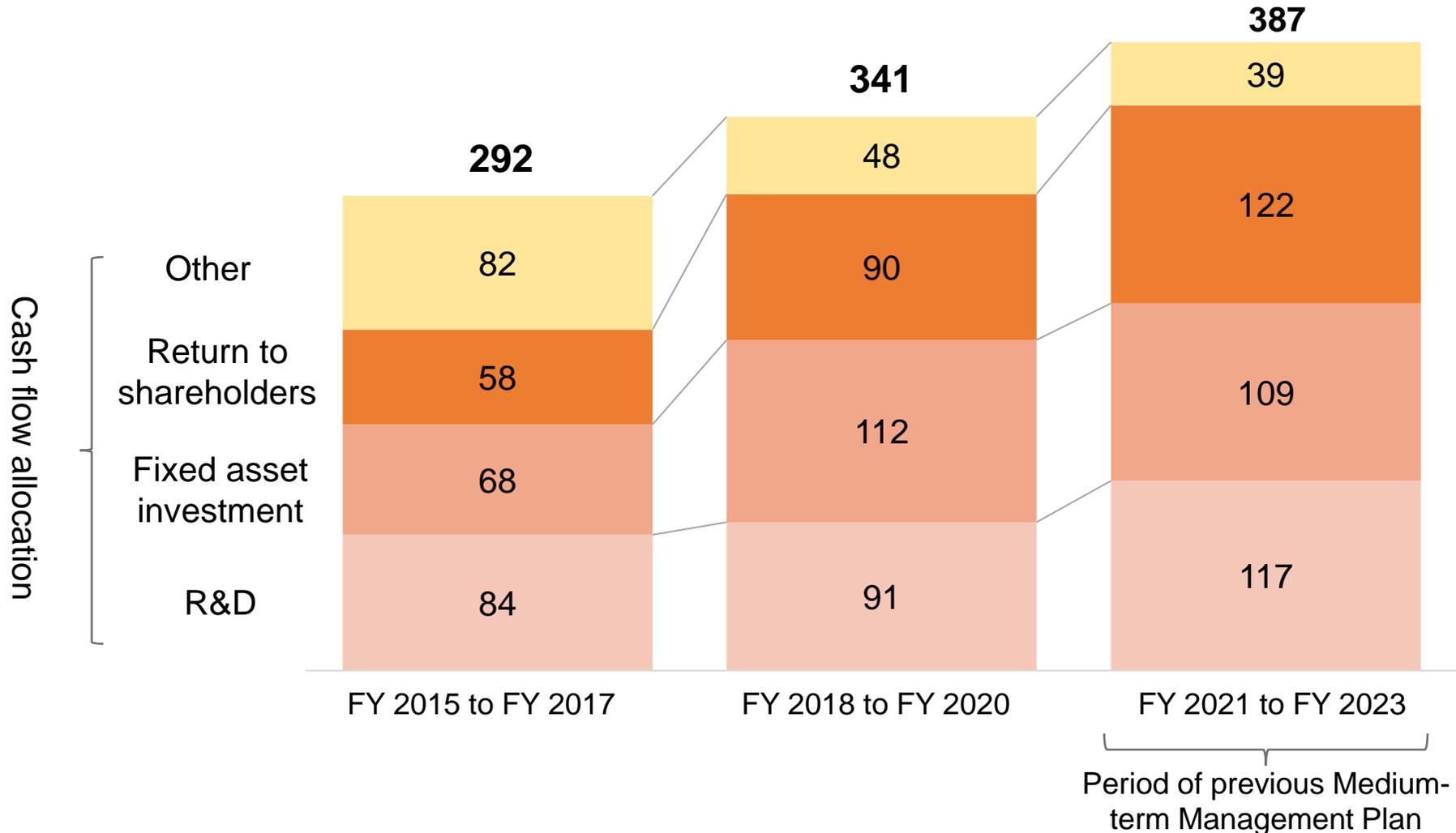
Note: Net cash and deposits ratio is calculated as follows: net cash and deposits / (total assets - long-term and short-term loans payable).

Period of previous Medium-term Management Plan

## ■ Increased use of cash in growth investment and return to shareholders

BREAKDOWN FOR USAGE OF OPERATING CASH FLOW (PRIOR TO EXCLUSION OF R&D EXPENSES) FOR PAST 3-YEAR PERIODS

Unit: 100 millions of yen

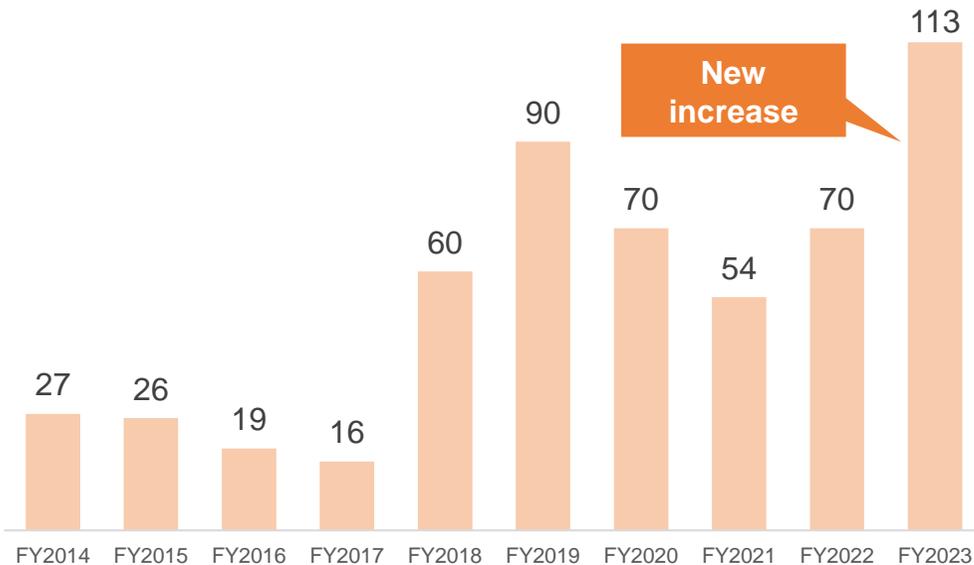


- Continue to strengthen measures such as abolishing takeover defense measures

<p><b>Previous period of last Medium-term Management Plan</b></p>	<p><b>Period of last Medium-term Management Plan (FY 2021 to FY 2023)</b></p>
<p>1. Became a company with an Audit and Supervisory Committee</p> <p>2. Increased number of outside directors</p> <p>3. Established a Nomination Advisory Committee and a Remuneration Advisory Committee</p> <p style="text-align: center;">Sharing values with shareholders</p>	<p>1. Abolished takeover defense measures</p> <p>2. Appointed female outside director and increased the number of outside directors (female directors: 10%, outside directors: 40%)</p> <p>3. Implemented stock remuneration for officers</p> <p>4. Granted RS to Employee Shareholding Association (increased the Shareholding Association participation rate from 58% to 88% (including contract employees and part-time employees))</p> <p>5. Held accounting and financial education for business operations staff departments (approximately 50 participants)</p>

■ In addition to actively conducting individual IR interviews, we published an Integrated Report

## Increase in number of individual IR interviews



Note: Twice a year, report on interview status, Q&A content, etc., to the Board of Directors

## Enhancement of Website

All Japanese Listed Companies' Website Ranking of Nikko Investor Relations Co., Ltd.

FY 2022: First selection to “**Rank A Websites**”

FY 2023: First selection to “**Rank AA Websites**”

## Support for TCFD Recommendations

Set greenhouse gas reduction targets

Scope 1, 2: Achieve net zero by 2042

Scope 3 Category 11:

By 2030, reduce by 30% compared to FY 2018

## Publishing of Integrated Report



(Medium-term Management Plan)

Medium-term Management Plan for the  
Period FY 2024–FY 2026

We will continue to transform our business portfolio toward FY 2030 and aim to sustainably increase shareholder value and corporate value.



<b>Net sales</b>	<b>¥86.6 billion</b>
<b>Operating income</b>	<b>¥12.6 billion</b>
<b>ROE</b>	<b>11.1 %</b>
<b>PBR</b>	<b>1.52 times</b>
<b>Overseas sales ratio</b>	<b>46.0 %</b>

<b>Net sales</b>	<b>¥97.8 billion</b>
<b>Operating income</b>	<b>¥15.3 billion</b>
<b>ROE</b>	<b>10.7 %</b>
<b>PBR</b>	<b>1.82 times</b>
<b>Overseas sales ratio</b>	<b>50.0 %</b>

<b>Net sales</b>	<b>over ¥110.0 billion</b>
<b>Operating income</b>	<b>over ¥20.0 billion</b>
<b>ROE</b>	<b>over 12.0 %</b>
<b>PBR</b>	<b>over 2 times</b>
<b>Overseas sales ratio</b>	<b>over 55.0 %</b>

# Create the Future

– Maximize corporate value by improving business profitability and return on capital –

## 1. Business Strategy

(1) Further growth of overseas businesses

(2) Strengthening of domestic businesses

(3) Commercialization of new businesses



## 2. Strengthening Management Infrastructure Strategy

(1) Sustainability management (human capital)

(2) DX promotion

(3) Facilities investment



## 3. Growth Investment Strategy

(1) Business expansion investment

(2) R&D investment

# Medium-term Management Plan for the Entire Company (FY 2024 to FY 2026)

## ■ Forecasted exchange rates

FY 2023	1 USD = 143.82 JPY	/	1 EUR = 156.24 JPY
FY 2024 (plan)	1 USD = 145.00 JPY	/	1 EUR = 155.00 JPY
FY 2026 (plan)	1 USD = 140.00 JPY	/	1 EUR = 150.00 JPY

(unit: millions of yen, %)

	FY 2023	Plan for next FY		Medium-term Management Plan	
		FY 2024	% increase/decrease	FY 2026	Compound Annual Growth Rate (CAGR) for the period FY 2023–FY 2026
Net sales	86,638	89,800	+3.6	97,800	4.1
Operating income	12,601	13,000	+3.2	15,300	6.7
Ordinary income	13,717	13,000	-5.2	15,300	3.7
Net income attributable to shareholders of parental company	10,435	10,000	-4.2	11,200	2.4
Operating margin	14.5	14.5	—	15.6	—
ROE	11.1	10.0	—	10.7	—

# Medium-term Management Plan by Segment (FY 2024 to FY 2026)

(unit: millions of yen, %)	FY 2023	Plan for next FY		Medium-term Management Plan	
		FY 2024	% increase/decrease	FY 2026	Compound Annual Growth Rate (CAGR) for the period FY 2023–FY 2026
<b>Industrial Equipment segment</b>					
Net sales	62,392	64,600	+3.5	71,700	4.7
Segment profit	12,691	13,420	+5.7	16,600	9.4
Segment profit rate	20.3	20.8	—	23.2	—
<b>Office Equipment segment</b>					
Net sales	21,006	21,750	+3.5	22,100	1.7
Segment profit	3,965	4,010	+1.1	4,200	1.9
Segment profit rate	18.9	18.4		19.0	—
<b>HCR Equipment segment</b>					
Net sales	3,239	3,450	+6.5	4,000	7.3
Segment profit	-7	20	—	200	—
Segment profit rate	-0.2	0.6	—	5.0	—
<b>Adjustment amount</b>	<b>-4,048</b>	<b>-4,450</b>		<b>-5,700</b>	
<b>Total for entire company</b>					
Net sales	86,638	89,800	+3.6	97,800	4.1
Operating income	12,601	13,000	+3.2	15,300	6.7
Operating margin	14.5	14.5	—	15.6	—

# Medium-term Management Plan by Each Subsegment (FY 2024 to FY 2026)

40

(unit: millions of yen, %)	FY 2023	Plan for next FY		Medium-term Management Plan	
		FY 2024	% increase/ decrease	FY 2026	Compound Annual Growth Rate (CAGR) for the period FY 2023–FY 2026
<b>Industrial Equipment segment</b>					
Segment net sales	62,392	64,600	+3.5	71,700	4.7
Domestic industrial equipment product operations	21,536	22,220	+3.2	22,940	2.1
Overseas industrial equipment product operations	29,304	30,750	+4.9	36,860	7.9
Residential environmental equipment product operations	11,551	11,630	+0.7	11,900	1.0
Segment profit	12,691	13,420	+5.7	16,600	9.4
Segment profit rate	20.3	20.8	—	23.2	—
<b>Office Equipment segment</b>					
Segment net sales	21,006	21,750	+3.5	22,100	1.7
Domestic office equipment product operations	7,626	7,720	+1.2	7,720	0.4
Overseas office equipment product operations	5,796	6,600	+13.9	7,350	8.2
Auto-stapler product operations	7,583	7,430	-2.0	7,030	-2.5
Segment profit	3,965	4,010	+1.1	4,200	1.9
Segment profit rate	18.9	18.4	—	19.0	—

## Industrial Equipment segment



### Business Environment

- Decrease in number of domestic new housing construction starts
- Decrease and aging of skilled rebar workers
- Work-style reform in the construction industry
- Investment in non-housing in the United States continues to be strong
- European economic outlook is expected to remain sluggish for the time being

### Impact

- Shrinking market size of domestic business
- Increased needs for mechanization
- Stagnating demand due to delayed construction period
- Increased demand for tools
- Stagnating demand for tools

## Office Equipment segment

Japan / Overseas

### Business Environment

- Further elimination of paper through use of ICT

### Impact

- Decrease of stationery-related products
- Decrease of auto-stapler business

## HCR Equipment segment

Japan



### Business Environment

- Increase in elderly population
- Increase in annual cumulative number of recipients of preventive nursing care services and nursing care services



### Impact

- Increase in demand for nursing care equipment

## Group-Wide

### Business Environment

- Fluctuation in exchange rates

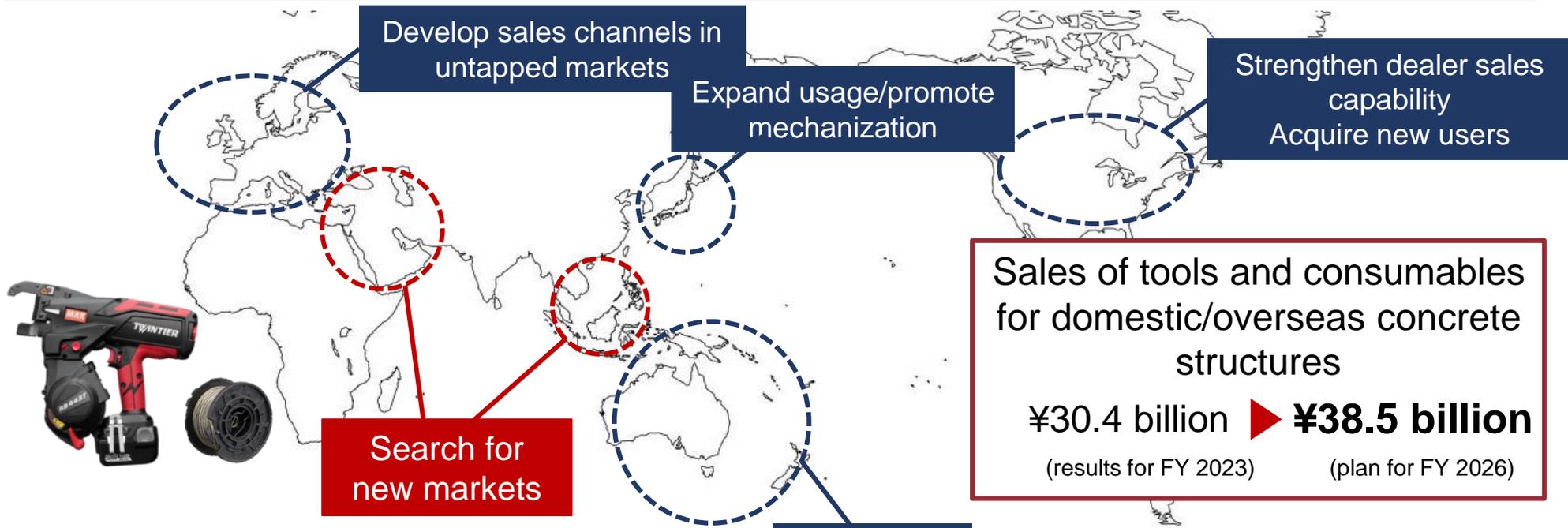


### Impact

- Impact on profit

## Priority Policies

While strengthening the competitive advantages of products, etc., promote the development of sales channels and users in untapped markets



## Activity Policy

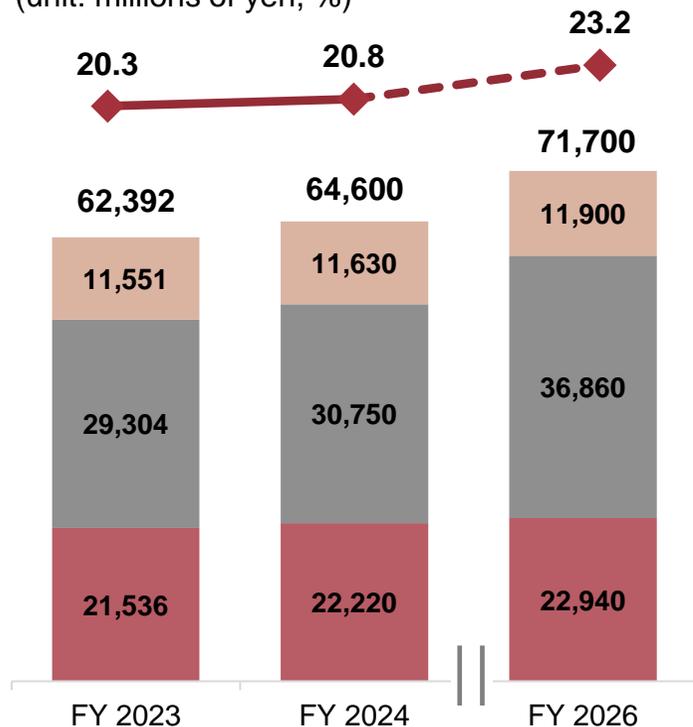
<p><b>Japan</b></p> <p>Expand application (construction/civil engineering)</p>	<p>ASEAN, Middle East and Oceania</p> <p>Search for new markets and expand penetration</p>	<p><b>Europe</b></p> <p>Develop sales channels in untapped markets</p>	<p><b>United States</b></p> <p>Dealer training Acquire new users</p>	<p><b>Production</b></p> <p>Continue investment to increase production of consumables</p>	<p><b>Development</b></p> <p>Enhance product lineup</p>
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## Priority Policies

Continue to expand business with a focus on domestic/overseas rebar tying tools business

- Domestic industrial equipment product operations
- Overseas industrial equipment product operations
- Residential environmental equipment operations
- Segment profit rate

(unit: millions of yen, %)



## Overseas industrial equipment product operations

- Develop new users with a focus on the non-housing market
- Strengthen sales capabilities through dealer training
- Develop after-service systems

## Domestic industrial equipment product operations

- Make proposals using improved on-site productivity as the key factor
- Expand applications in construction and civil engineering markets

## Domestic/overseas rebar tying tools operations

- Continuously enhance our competitive advantages through investment in new products

## Residential environmental equipment operations

- Continue expansion of housing stock business for renovation and replacement with bathroom heaters, ventilators and dehumidifiers

## AF (Agriculture/Food) operations

- Expand the spread of the branch induction binder TAPENER in the European, American, and Chinese markets
- Develop sales channels in untapped regions

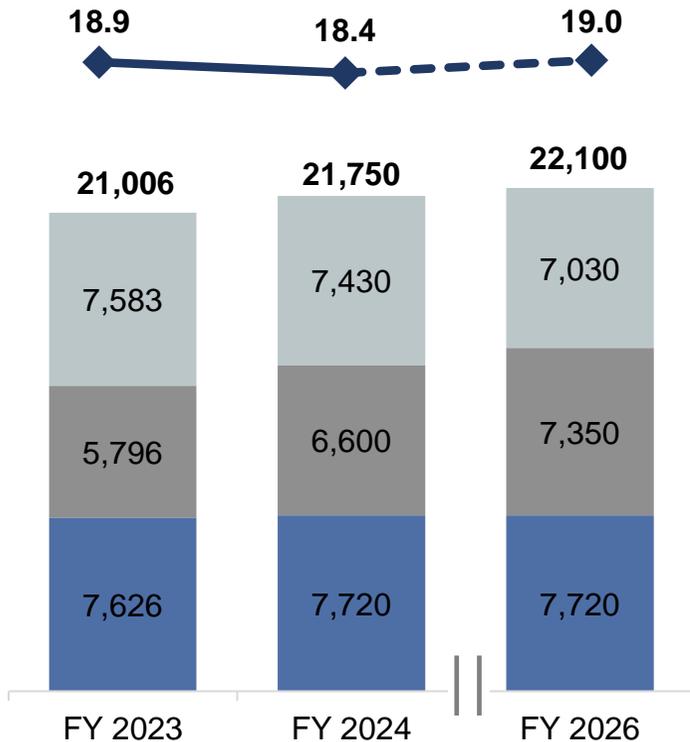


## Priority Policies

Secure profitability by expanding labeling and signage products and overseas markets

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

(unit: millions of yen, %)



### Overseas office operations

- Expand sales of labeling and signage products such as BEPOP label-making machines and LETATWIN tube markers in the European and American markets
- Secure stable sales of stationery-related products in ASEAN region

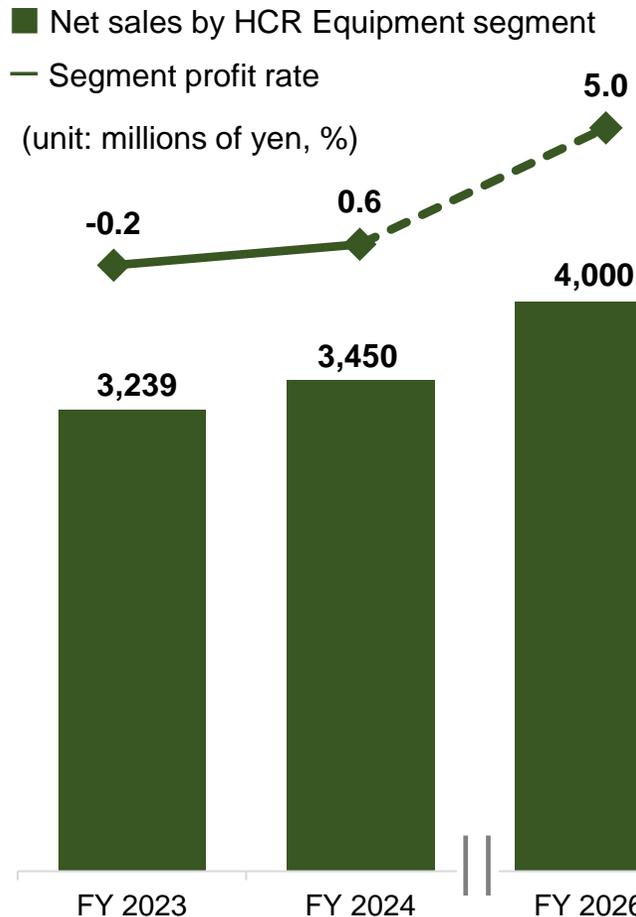
### Domestic office operations

- Use ICT to strengthen customer contacts and improve sales productivity
- Expand sales of BEPOP label-making machines for workplace health and safety signs applications



## Priority Policies

Achieve stable profitability through continued earnings improvement and expansion of overseas business

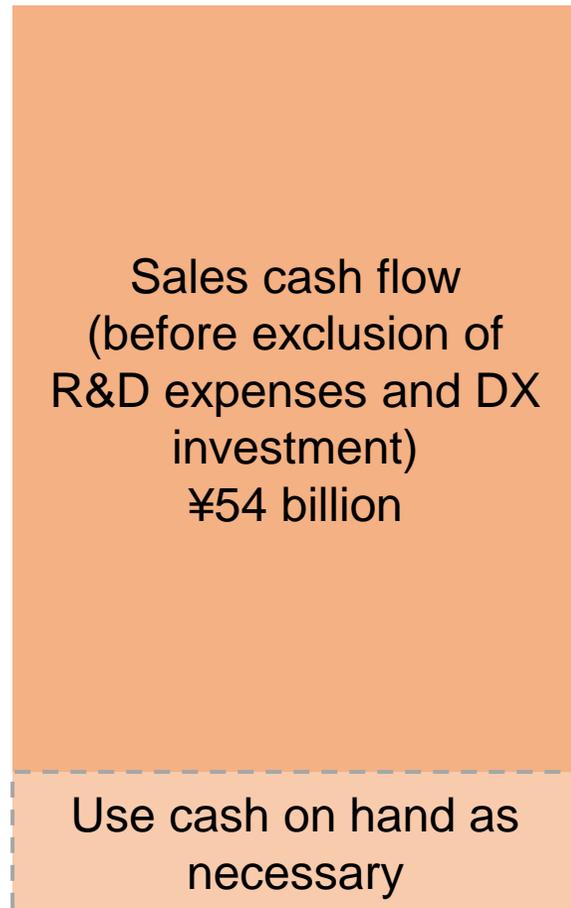


- Continue to increase profitability through productivity improvements and in-house production at factory in China
- Maintain and expand net sales through continuously launching new products
- Expand sales in overseas markets with a focus on China

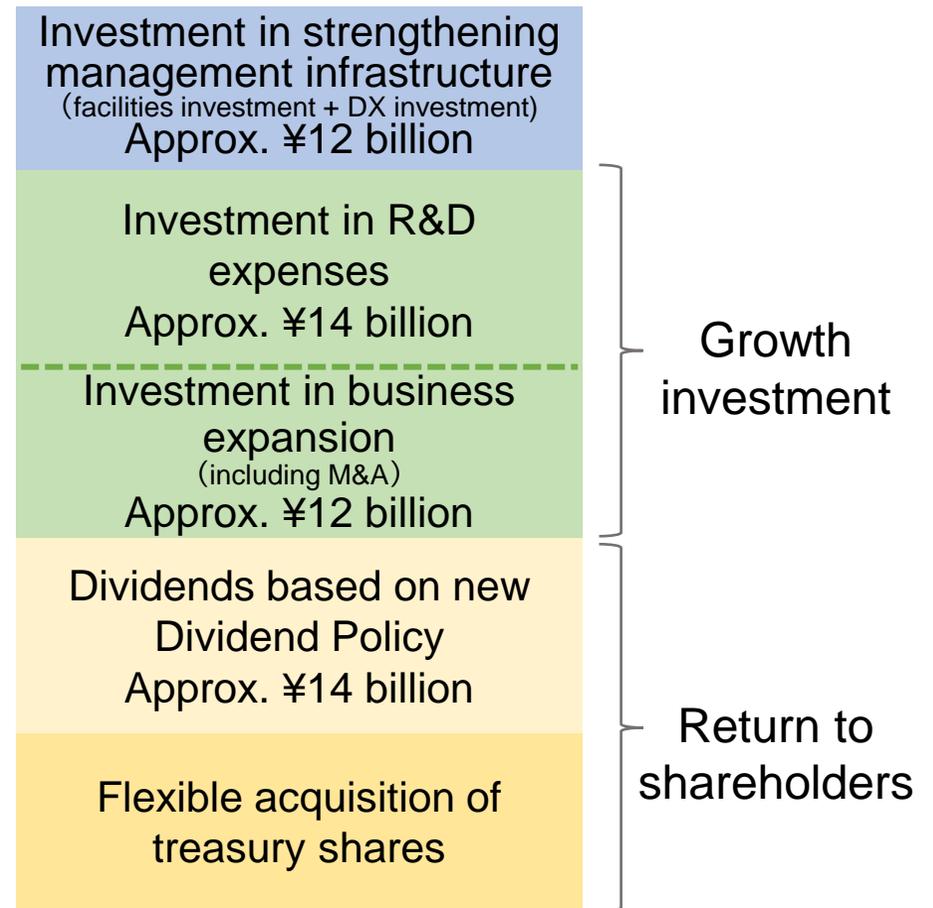


- Use cash on hand and actively inject funds for continued growth

## Cash in



## Cash out



Our Company has positioned returning profits to shareholders as one of the highest priority management policies. Our Company has its basic policy on profit distribution to “expand profits from business activities through sustainable growth and distribute profits in a stable manner over the long term.”

Based on this policy, in consideration of factors such as the current financial situation, improved business profitability, and the level of the ratio of dividends to net assets, etc., we have revised our dividend policy as follows.

## Former Dividend Policy (until FY 2023)

Maintain a minimum of 3.5% ratio of dividends to net assets with a target payout ratio of 50%, as based on consolidated financial results.



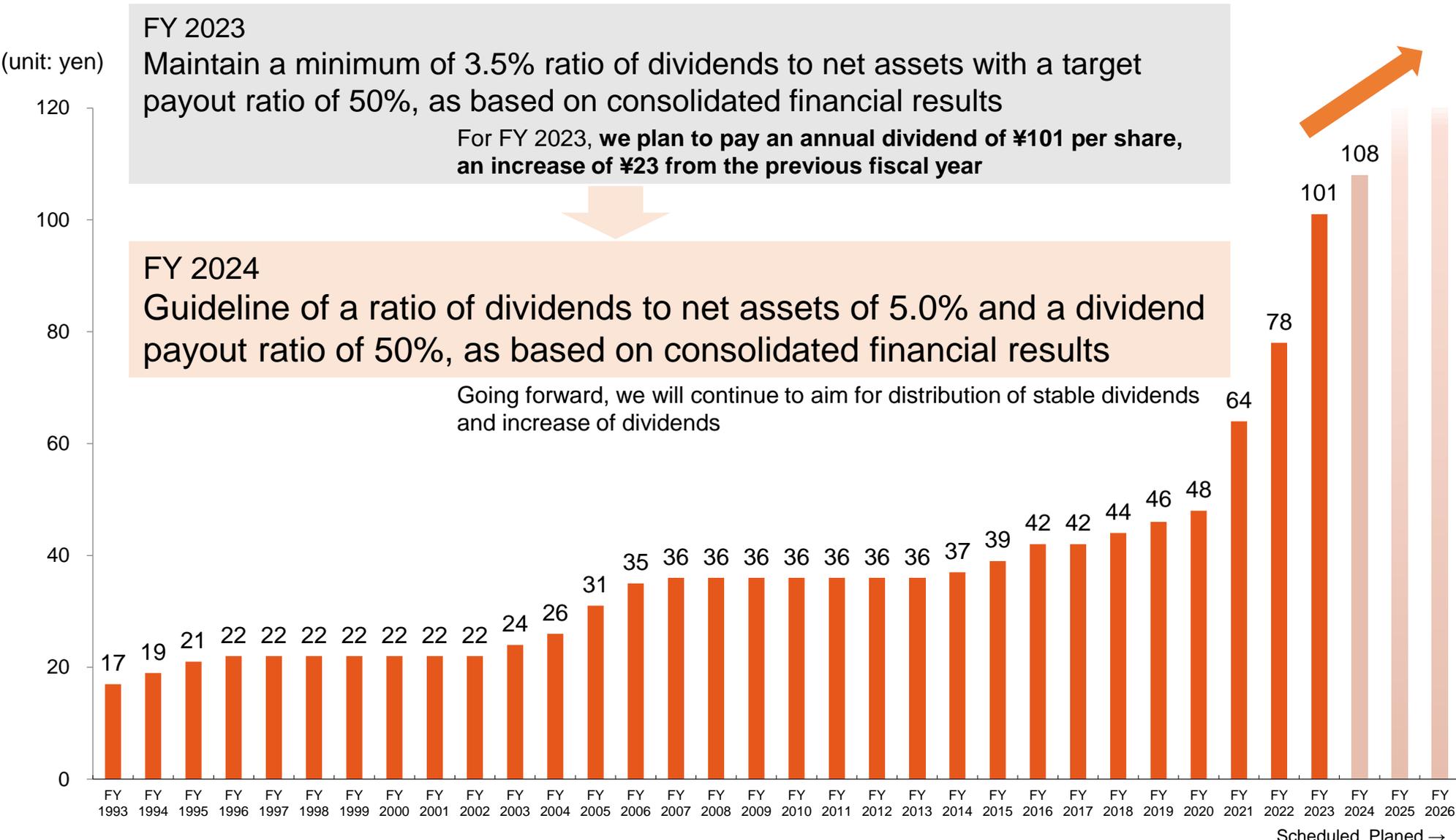
## New Dividend Policy (changed from FY 2024)

Guideline of a ratio of dividends to net assets of 5.0% and a dividend payout ratio of 50%, as based on consolidated financial results.

<Acquisition of treasury shares>

- We will flexibly acquire treasury shares.

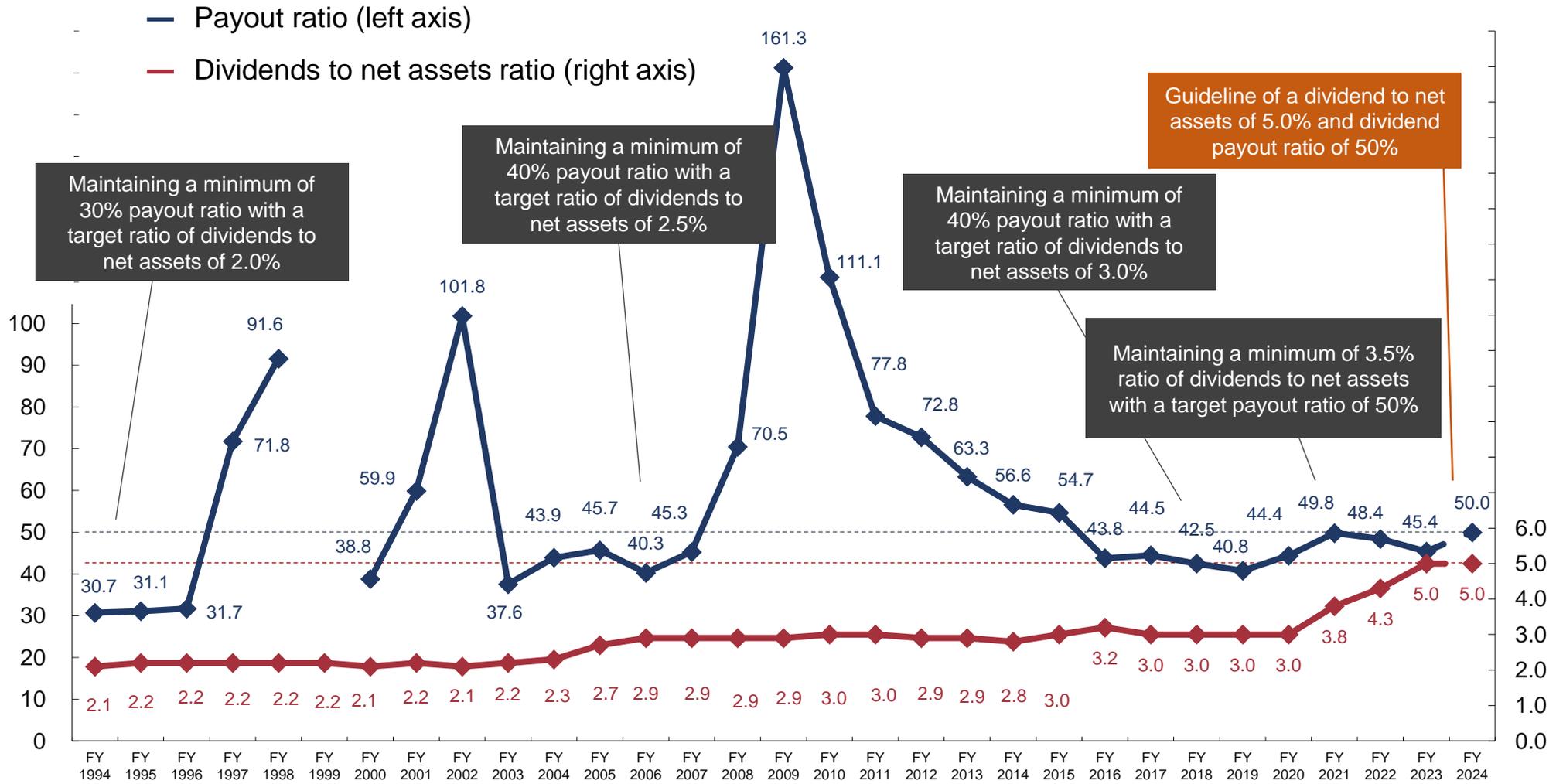
# Dividends Policy: Dividends per Share



Note: The dividend plan for FY 2024 and later is calculated based on the revised Dividend Policy as stated above and on the Medium-term Management Plan.

# Dividend Policy: Payout Ratio and Dividends to Net Assets Ratio

(unit: %)



Note: Non-consolidated base until FY 2005.

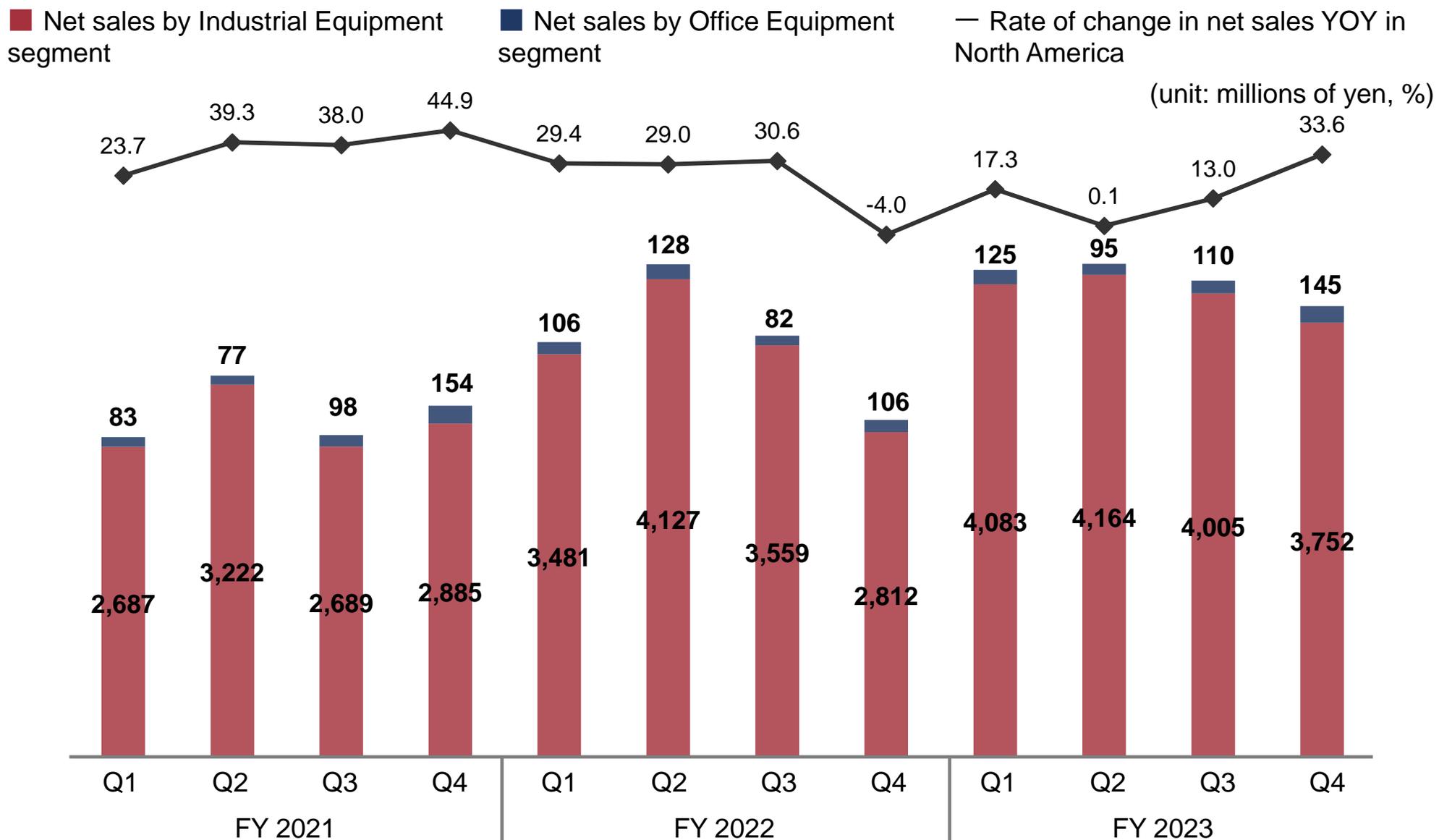
Scheduled Planned →

Materiality	Main Initiatives Plan
<p><b>E</b> (Environment)</p> <p>Contribute to a sustainable Earth environment</p>	<ul style="list-style-type: none"><li>• Strengthen initiatives to reduce CO<sub>2</sub> emissions</li><li>• Promote development of environmentally-friendly products</li></ul>
<p><b>S</b> (Society)</p> <p>Become a corporation that fully utilizes human resources</p> <p>Promote innovation to realize making life and work easier and more enjoyable</p> <p>Ensure responsible supply</p>	<ul style="list-style-type: none"><li>• Implement human rights due diligence</li><li>• Establish an environment that promotes performance by female employees</li><li>• Increase investment in acquisition and training of human resources to lead the future</li><li>• Actively invest in R&amp;D expenses</li><li>• Implement DX-related expenses</li><li>• Strengthen quality management system</li></ul>
<p><b>G</b> (Governance)</p> <p>Maintain and strengthen corporate governance</p>	<ul style="list-style-type: none"><li>• Continue evaluation efficacy of Board of Directors</li></ul>



# Reference Materials

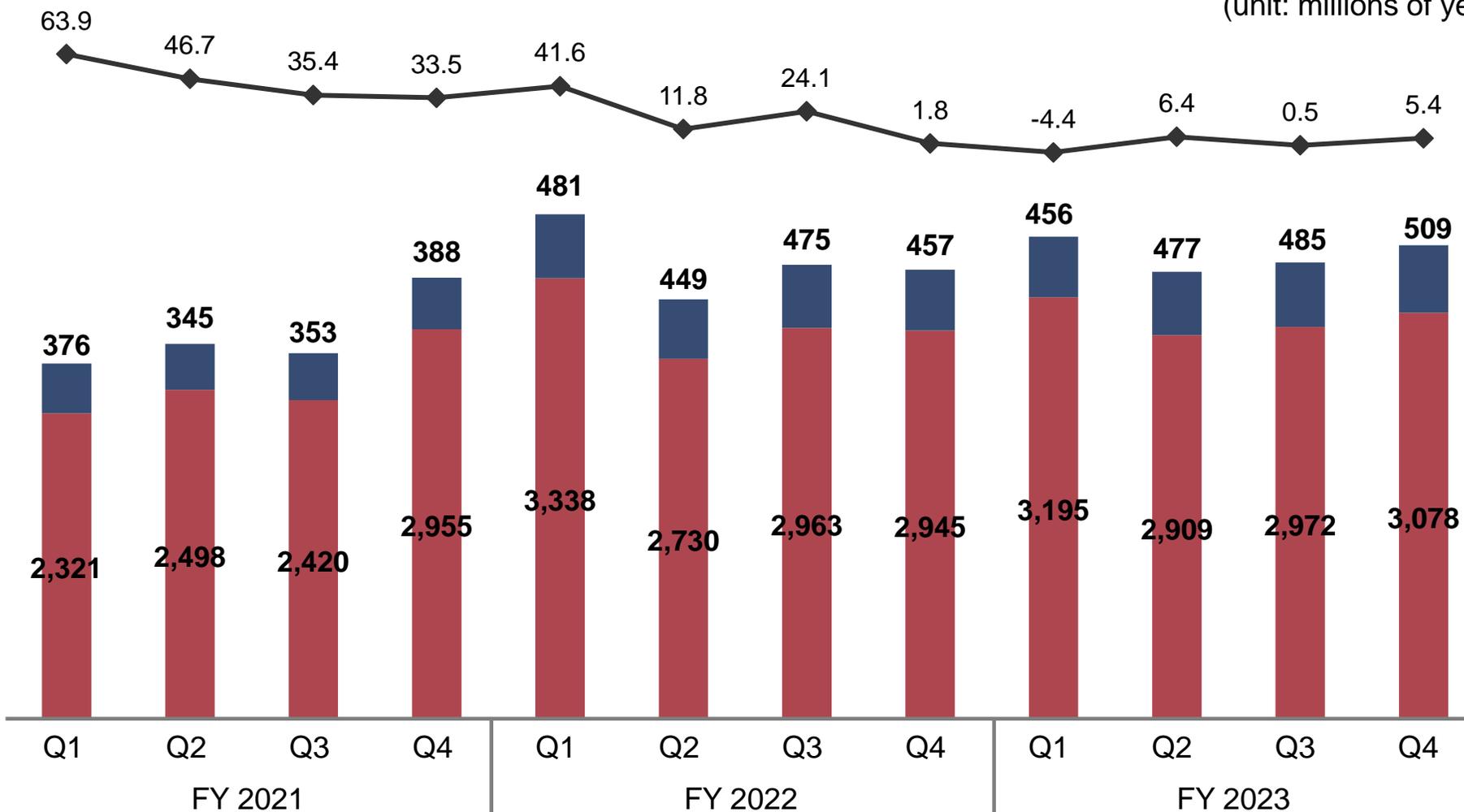
# Changes in Quarterly Segment Net Sales by Overseas Region (North America)



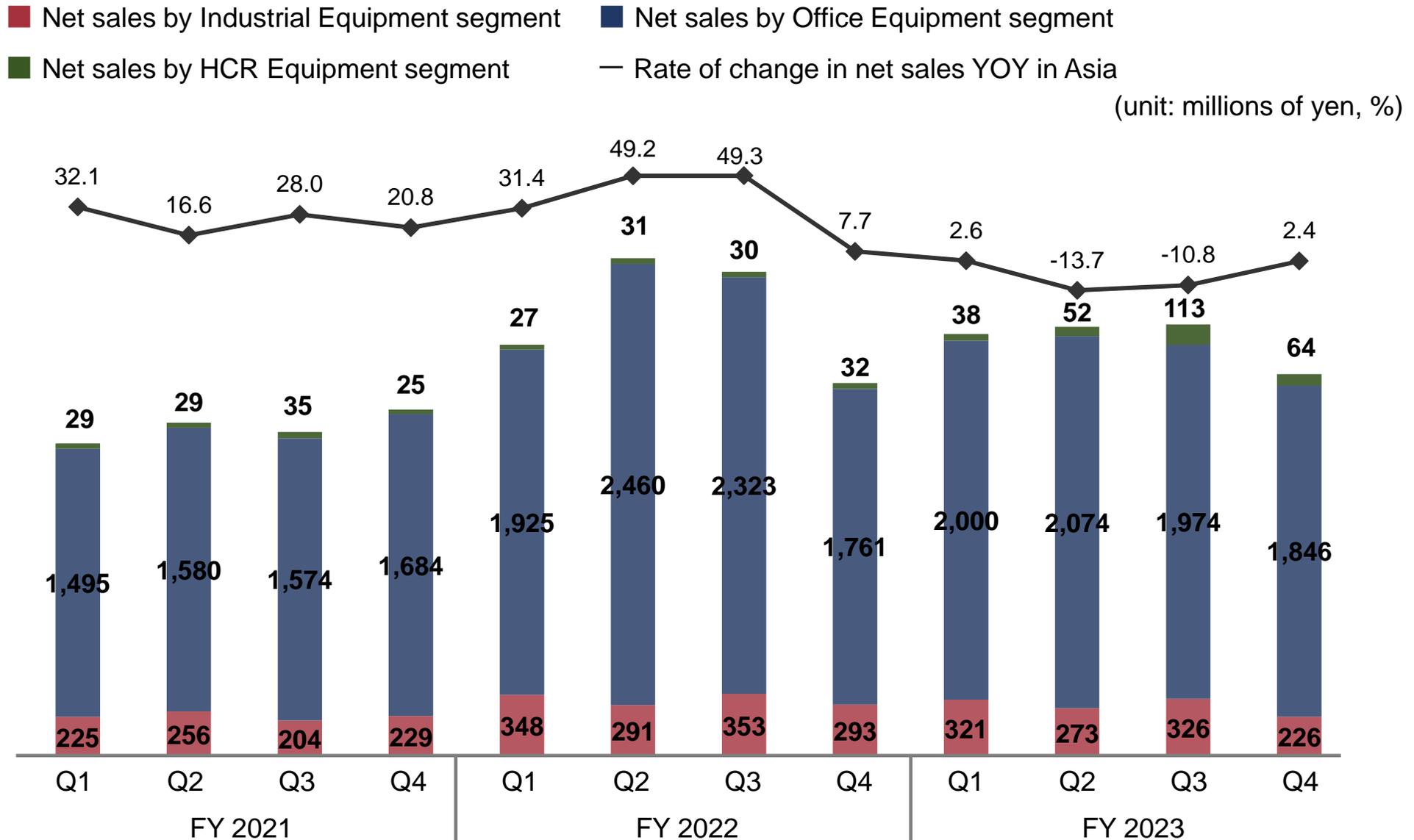
# Changes in Quarterly Segment Net Sales by Overseas Region (Europe)

■ 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)



## Industrial equipment product operations

### Tools for wooden structures



### Tools for concrete structures



### AF (Agriculture/Food)



## Office equipment product operations

### Stationery-related products



### Labelling and signage products



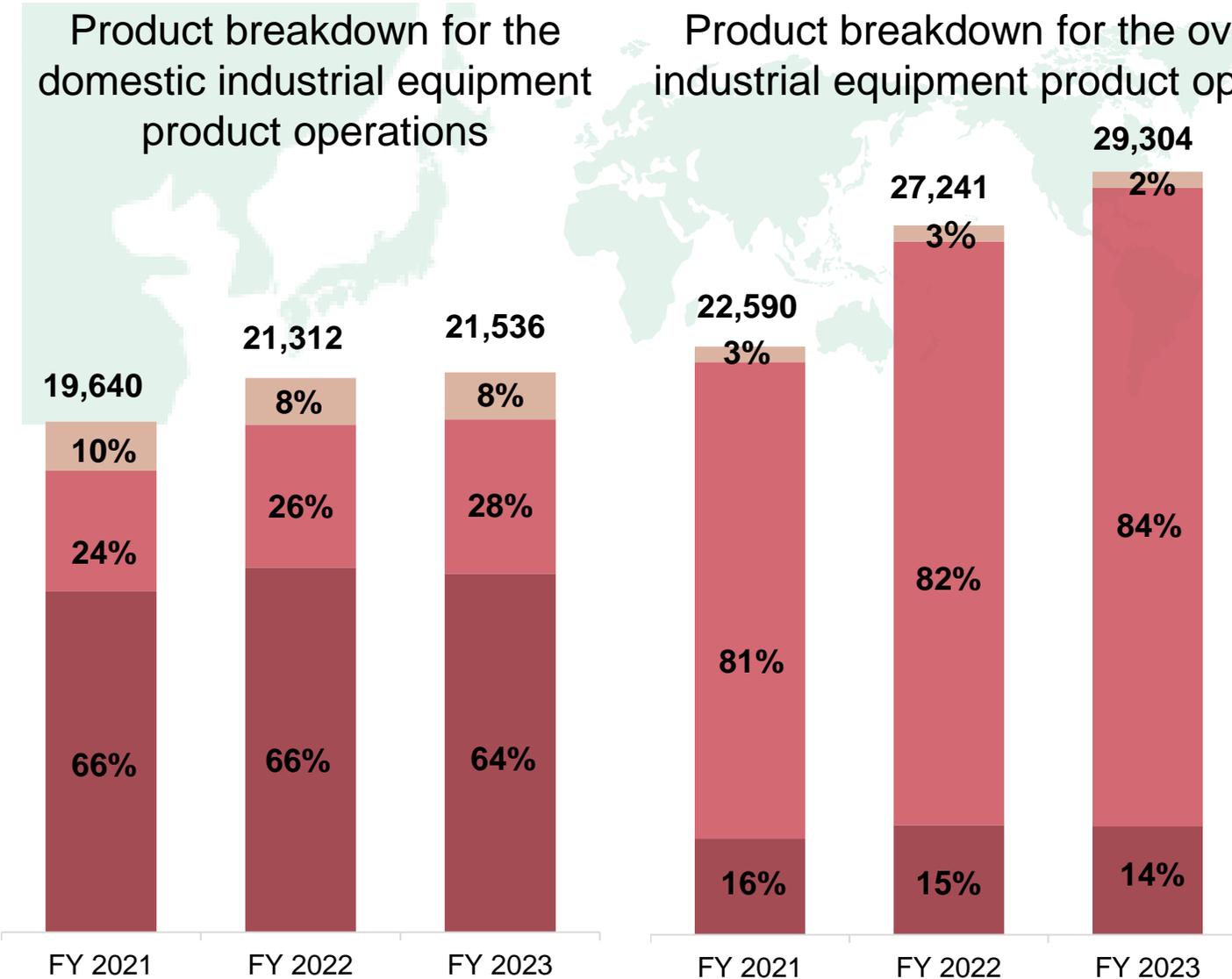
### Other



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

Product breakdown for the domestic industrial equipment product operations

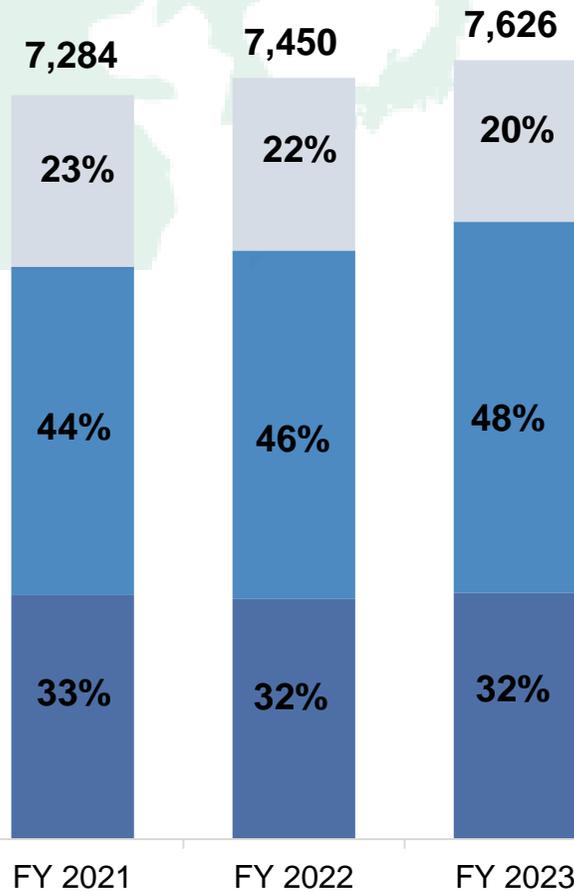
Product breakdown for the overseas industrial equipment product operations



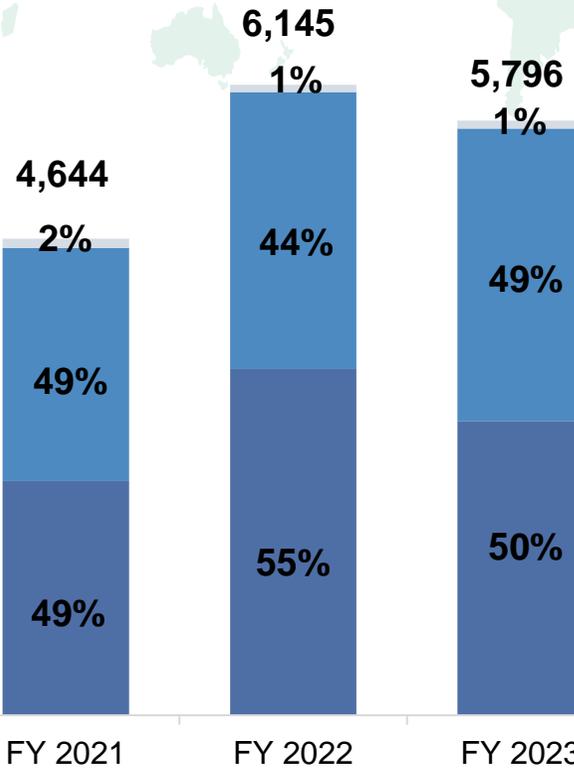
- AF (Agriculture/Food)
- Tools for concrete structures
- Tools for wooden structures

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

Product breakdown for the domestic office equipment product operations

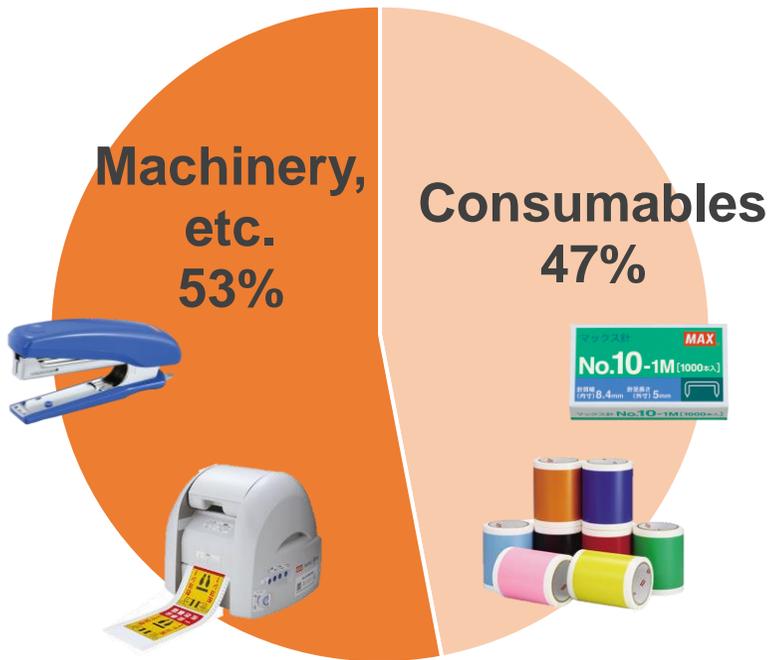


Product breakdown for the overseas office equipment product operations

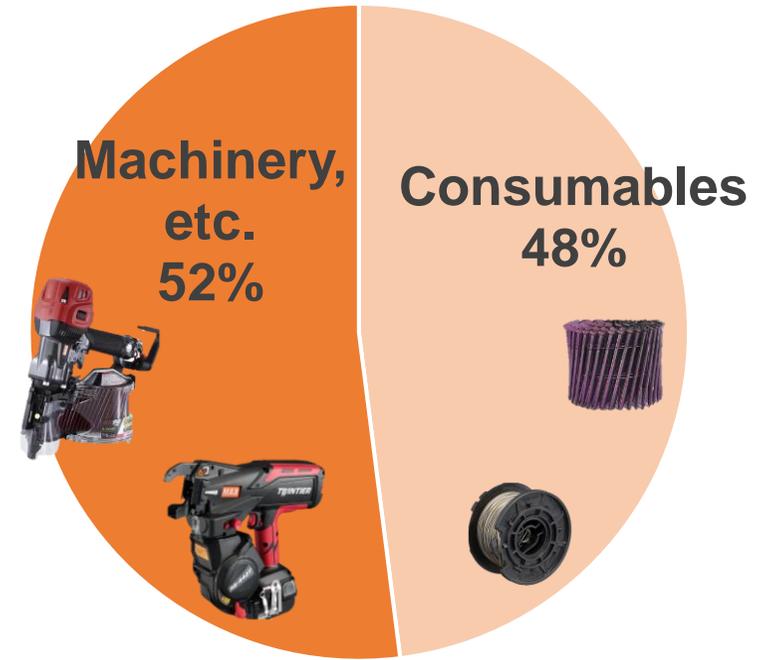


- Other
- Labelling and signage products
- Stationery-related products

## Office Equipment segment



## Industrial Equipment segment



Note: Consumables indicate consumables in the business model



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.