



MAX Co., Ltd.  
Financial Results Briefing for the First Quarter of FY 2024  
Minutes of Q&A Session

These Minutes constitute an overview of the questions received and answers given in a telephone conference on Wednesday, July 31, 2024, to brief analysts and fund managers on the Company's business results in the first quarter of the fiscal year ending March 31, 2025 (Q1 FY 2024).

■ Industrial Equipment Segment

Q1. How is the market reception for the new model of rebar tying tools that was launched in Europe and the United States in May?

A1. The number of rebar tying tools sold has increased year-on-year in both Europe and the United States, and the new product contributed significantly to sales in the first quarter. However, as sales only began in May, we have yet to fully ascertain market reception. In the first quarter, there was some inventory of the previous model of tools remaining, but the new model of tools has almost replaced the previous model in both Europe and the United States, including distribution inventory. Going forward, we plan to further expand sales and evaluate market reception.

Q2. What is the status of sales for the new model of rebar tying tools that was first launched in Japan in December of last year? What are the future prospects for the new model?

A2. Market reception in Japan has been very positive, and the number of rebar tying tools sold is growing due to the effect of the new model. We recognize that there is demand for both new and replacement purchases. We are actively investing sales man-hours in the rebar tying tools business and expect sales to continue to grow further.

Q3. What is the greater factor behind the recovery in sales volumes of rebar tying tools in Europe—the effect of the new model or the impact of market conditions?

A3. We believe that the recovery is largely thanks to growing sales of the new model and strengthened activities in Southern Europe and other areas where market conditions are strong. We believe that the effect of growing sales for the new model, and strengthened activities in areas where market conditions are strong, are about the same. Both factors are steadily contributing to the recovery of sales volume. Besides, although market conditions in key areas such as Germany and Northern Europe continue to be stagnant, the conditions have not worsened.

Q4. Do you believe that market conditions in Germany and Northern Europe have hit bottom?

A4. Although we don't have a full grasp of conditions, we feel that market conditions are bottoming out when considering market analysis and on-site information.

Q5. How is the profitability of the new model of rebar tying tools compared to that of the previous model?

A5. There have been no significant changes in profitability compared to the previous model.

Q6. Are the overseas sales prices of the new model of rebar tying tools higher than those of the previous model?

A6. Yes, we raised the prices slightly.

■ Overall Condition of the Company

Q7. In regard to the revised plan, why do you forecast operating income to decrease in the second quarter compared to the first quarter?

Is this decrease seasonal?

A7. The decrease is due to the impact of foreign exchange rate differences between the first quarter and the second quarter, as well as unspent selling, general and administrative expenses that were originally scheduled for the first quarter being delayed until the second quarter or later. There are no seasonal differences that would have a significant impact on business results between the first and second quarters. The period of high demand for overseas rebar tying tools is from spring to summer, so we believe that the market environment will enable us to continue growing sales in the second quarter.

Q8. What is the foreign exchange sensitivity?

A8. We assume that Asian currencies are linked to the USD. Conversion to USD will have an impact of 200 million yen/yen on annual sales. Conversion to the euro will have an impact of 80 million yen/yen. The foreign exchange sensitivity of operating income is 50 million yen/yen for the USD, and 80 million yen/yen for the euro, which is the same as sales due to almost no purchases by the euro. Information on foreign exchange sensitivity is shown on slide 6 of the financial results briefing materials.

Q9. In the first quarter, there was a sale of shares that were deemed to be pure investments. Going forward, will you continue such sales of shares, including cross-shareholdings?

A9. The sale of shares to which you refer was made in the first quarter after the Company had dissolved its previous cross-shareholdings and switched its holding purpose to pure investment. Going forward, in principle, we plan to reduce our cross-shareholdings.

Q10. What is the possibility of major shareholders selling their shares in the Company?

A10. Some major shareholders have specifically mentioned reducing their shareholdings in their published medium-term management plans. We believe this will have an impact on the Company as well.

The forecasts of business results and other forward-looking statements in this document are based on information available as of July 31, 2024 and on certain assumptions that the Company judges to be reasonable. Actual business results and other results may differ due to various factors.