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MAX Co., Ltd.

Financial Results Briefing for the First Half (Semi -annual) of FY 2024

Announcement date: October 31, 2024

Participants

Tatsushi Ogawa, President

Yoshihiro Kaku, Senior Managing Director / Senior Executive Officer

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

Nobuo Suda, Executive Officer / General Manager, Corporate Communications Dept.

[Title]

[With Q&A] MAX Achieves Record-High Sales and Operating Profit for the First Half of the Year, Thanks to Strong Performance of Tools for Concrete Structures

[Lead]

The following is a transcription of MAX Co., Ltd.'s financial results briefing for the first half (Semi-annual) of the fiscal year ending March 2025, which was given on October 31, 2024.

[Speaker]

Tatsushi Ogawa, President of MAX Co., Ltd.

[Text]

Summary of Financial Results in the First Half of FY 2024

Summary of Financial Results in the First Half of FY 2024

- Both net sales and Operating profit reached record highs in the first half of the year.
- Operating profit for the first half was in line with the plan announced on July 31, 2024.
- Sales of tools for concrete structures with a focus on the rebar tying tools business, totaled ¥17.5 billion (+14% YoY). This business is progressing steadily, with 55% progress rate against the annual plan of ¥32 billion.

Tatsushi Ogawa (Ogawa): I am Ogawa, the President of MAX. I will now explain the key points of this financial settlement.

The Company's overall performance for the first half of the year saw record highs for both net sales and operating profit. The operating profit for the first half achieved the figure in the plan announced on July 31.

Sales of tools for concrete structures increased 14% YoY to JPY17.5 billion, and the progress rate against the annual plan of JPY32 billion is 55%, showing steady progress.

Group-Wide Financial Results in the First Half of FY 2024

Group-Wide Financial Results in the First Half of FY 2024

1

■ Exchange Rate

H1 FY 2024	1 USD 153.93 JPY	/	1 EUR 166.49 JPY
H1 FY 2023	1 USD 139.94 JPY	/	1 EUR 152.73 JPY
Planned(H1)	1 USD 152.51 JPY	/	1 EUR 166.02 JPY

	Results in H1 for FY under review	Results in H1 of previous FY	% increase/ decrease	First-half plan*	Achievement rate
	(unit: millions of yen, %)				
Net sales	44,881	42,920	+4.6	45,000	99.7
Gross profit	21,650	19,794	+9.4	—	—
Corresponding ratio	48.2	46.1		—	
Operating profit	7,416	6,649	+11.5	7,200	103.0
Corresponding ratio	16.5	15.5		16.0	
Ordinary profit	7,150	7,436	-3.8	7,340	97.4
Corresponding ratio	15.9	17.3		16.3	
Profit attributable to shareholders of parent company	5,453	5,587	-2.4	5,600	97.4
Corresponding ratio	12.2	13.0		12.4	
Net profit per share (yen)	117.22	118.51	—	120.37	—

* Revised plan announced on July 31, 2024

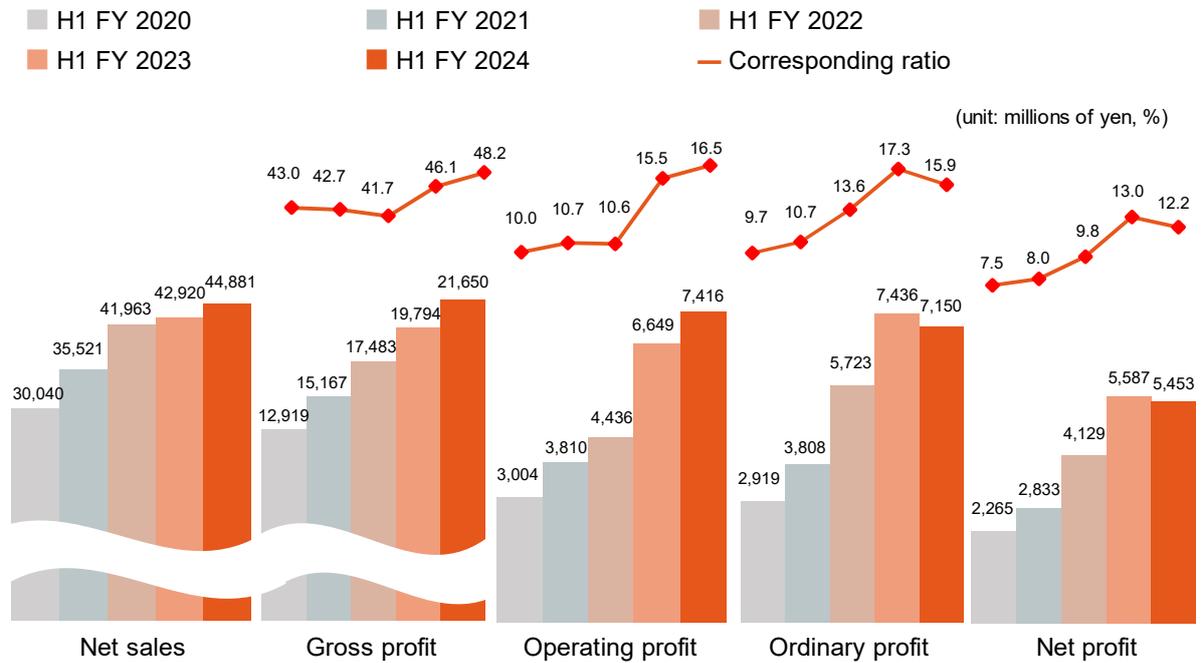
These are the group-wide financial results for the first half of FY 2024. Although net sales fell slightly short of the plan, it increased by 4.6% YoY to JPY44,881 million, and operating profit was 103% compared to the plan and increased by 11.5% YoY to JPY7,416 million.

The decreases in ordinary profit and the item below it are due to the impact of foreign exchange losses from non-operating transactions caused by the appreciation of the yen since July.

Changes in Group-Wide Financial Results in the First Half of FY 2020 to FY 2024

Changes in Group -Wide Financial Results in the First Half of FY 2020 to FY 2024

2

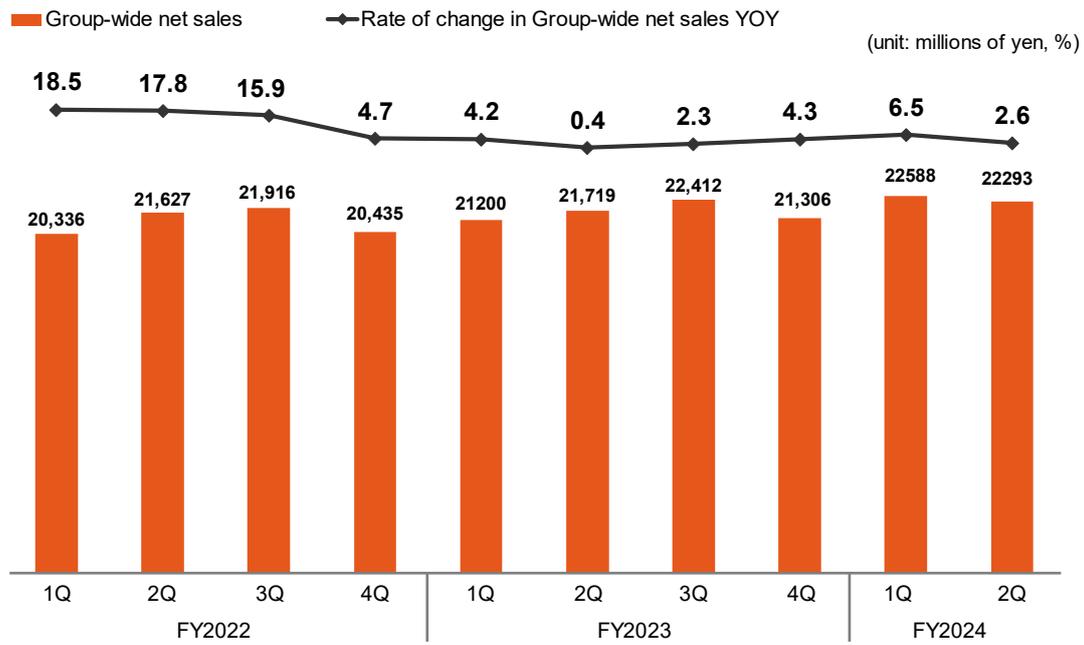


This is a five-period parallel graph of net sales and each profit. We were able to maintain a high level of gross profit margin, thanks to factors such as higher sales prices and the depreciation of the yen, as well as changes in product mix. We will explain operating profit later.

Changes in Net Sales by Quarter

Changes in Net Sales by Quarter

3

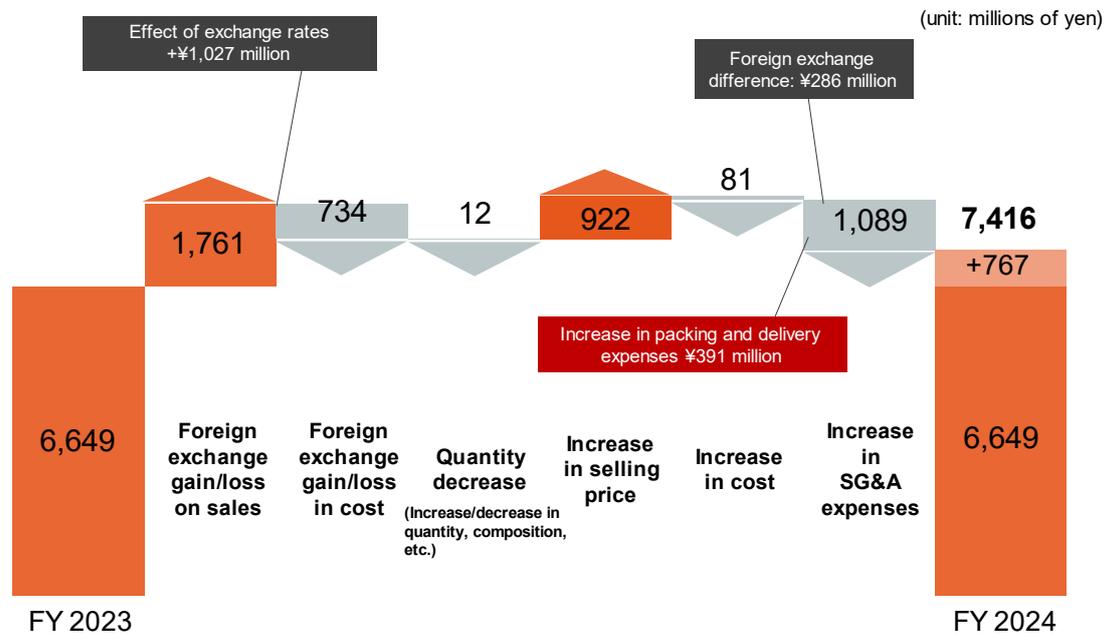


This is quarterly changes in group-wide net sales.

Factors for Increase/Decrease of Operating Profit

Factors for Increase/Decrease of Operating Profit

4



Here are the factors causing the changes in operating profit. I will start on the left side of the slide.

As the yen depreciated compared to the previous year, we had some impacts from foreign exchange on profit with a positive JPY1,761 million from sales, a negative JPY734 million from cost, and a negative JPY12 million from differences in quantity which includes differences in composition.

The selling price raised in the previous period increased the profit by JPY922 million, while costs and SG&A expenses decreased the profit by JPY81 million and JPY1,089 million respectively. Of this cost amount, packing and delivery expenses increased JPY391 million YoY due to higher ocean freight rates and other factors.

As a result of these factors, operating profit increased by JPY767 million to JPY7,416 million.

Other Financial Information

5

■ Non-Operating profit/expenses and extraordinary profit/loss (unit: millions of yen)

	Results in H1 for FY under review	Results in H1 of previous FY	YOY
Non-Operating profit/expenses	-265	787	-1,053
Non-Operating profit (excluding foreign exchange effect)	336	237	+99
Non-Operating expenses (excluding foreign exchange effect)	-32	-46	+13
Foreign exchange gain/loss	-569	596	-1,165
Extraordinary profit/loss	473	55	+418
Extraordinary profit	479*	69	+409
Extraordinary loss	-5	-14	+8

*Mainly sale of shares

■ Facilities investment, depreciation, R&D expenses

(unit: millions of yen, %)

	Results in H1 for FY under review	Results in H1 of previous FY	FY 2024 annual plan	Rate of progress
Facilities investment	1,128	926	3,698	30.5
Depreciation	1,621	1,509	3,590	45.2
R&D expenses	2,146	2,089	4,666	46.0

Here is some other financial information. We recorded a YoY foreign exchange loss of JPY1,165 million. This was due to the yen, which weakened in Q1 but has strengthened since July in Q2. Extraordinary profit includes a gain on the sale of shares that were held as a net investment.

The lower part of the slide shows the results of facilities investment, depreciation, and R&D expenses. Although the rate of progress in facilities investment is slightly behind schedule, we plan to make investment in the second half of the year and beyond.

Economic Indicator

Domestic

The economy continues to move in a gradual recovery. New housing starts related to the Industrial Equipment segment declined.

Overseas

In the United States, housing construction starts remained sluggish, although loan rates have been declining for some time now. On the other hand, construction investment trended firm.

In Europe, there were signs of a recovery as inflation was suppressed and interest rates were lowered, but the economy in Germany, which is our main market, remained stagnated.

Reference indices

Number of new housing construction starts

- Down 4.5% YOY for the period from January to June 2024 (Owner-occupied: -7.5%, Rental: -0.6%, Unit sales: -7.7%)

→ Negative effect on the industrial equipment business (wooden structure related)

Floor area of construction starts of nonresidential structures / Supply and demand for skilled construction workers

- Up 0.3% YOY for the period from October 2023 to March 2024 (Offices: +39.6%, Stores: -14.6%, Factories: -5.9%, Warehouses: +9.5%)
- Supply and demand of skilled rebar workers (for construction sites) is inclined in short supply.

→ Positive effect on the industrial equipment business (concrete structure related)

Currency exchange rates

- 1 USD = 153.93 JPY, 1 EUR = 166.49 JPY (H1 FY 2023: 1 USD = 139.94 JPY, 1 EUR = 152.73 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 profit (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 1,262,000 units in July 2024, 1,361,000 units in August 2024, and 1,354,000 units in September 2024 (Previous year—July: 1,473,000 units, August: 1,305,000 units, September: 1,363,000 units)

These are economic indicators from the external environment.

Financial Results for Individual Segments in the First Half of FY 2024

Financial Results for Individual Segments in the First Half of FY 2024

7

(unit: millions of yen, %)

	Results in H1 for FY under review	Results in H1 of previous FY	% increase/ decrease	First-half plan*	Achievement rate
Industrial Equipment segment					
Net sales	32,577	31,071	+4.8	32,970	98.8
Segment profit	7,453	6,656	+12.0	7,480	99.6
Segment profit rate	22.9	21.4		22.7	
Office Equipment segment					
Net sales	10,661	10,284	+3.7	10,400	102.5
Segment profit	2,120	1,859	+14.0	2,000	106.0
Segment profit rate	19.9	18.1		19.2	
HCR Equipment segment					
Net sales	1,641	1,564	+5.0	1,630	100.7
Segment profit	-45	-19	—	-20	—
Segment profit rate	-2.8	-1.2		-1.2	
Adjustment amount	-2,111	-1,846	—	-2,260	—
Group-wide total					
Net sales	44,881	42,920	+4.6	45,000	99.7
Operating profit	7,416	6,649	+11.5	7,200	103.0
Operating margin	16.5	15.5		16.0	

*Revised plan announced on July 31, 2024

Here are the financial results for the segments. The Industrial Equipment segment reported YoY increases in both sales and profit thanks to firm sales of tools for concrete structures, higher selling prices, and the impact of a weaker yen. Segment profit increased 12% YoY to JPY7,453 million, and the segment profit rate was 22.9%.

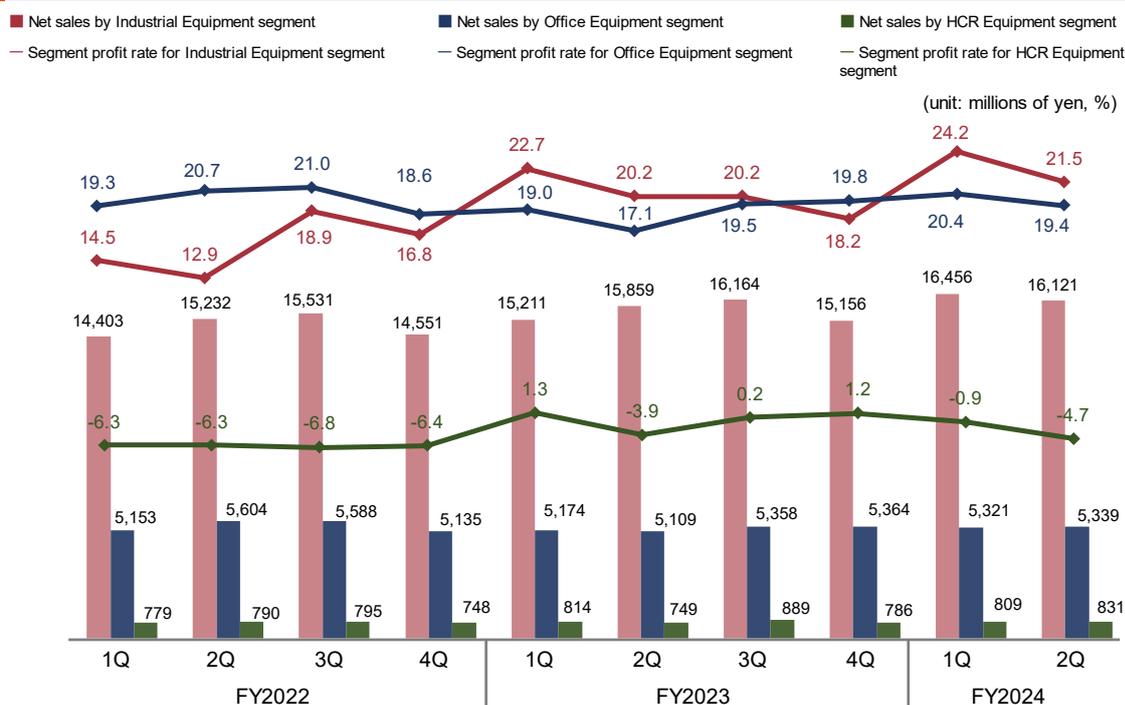
In the Office Equipment segment, both sales and profit increased YoY, mainly thanks to an increase in sales in the auto stapler equipment business. Segment profit increased 14% YoY to JPY2,120 million, and the segment profit rate was 19.9%.

The HCR Equipment segment reported a YoY increase in sales and a decrease in profit. The segment posted a loss of JPY45 million.

Changes in Segment Results by Quarter

Changes in Segment Results by Quarter

8



This graph shows net sales and segment profit rate by segment on a quarterly basis.

Profit rates in the Industrial Equipment segment have remained high thanks to improved profitability and higher selling prices in the domestic business and the positive effect of foreign exchange rates on the overseas industrial equipment business.

In the current Q2, the profit rate declined slightly compared to Q1, mainly due to a smaller positive impact from foreign exchange in the overseas industrial equipment business.

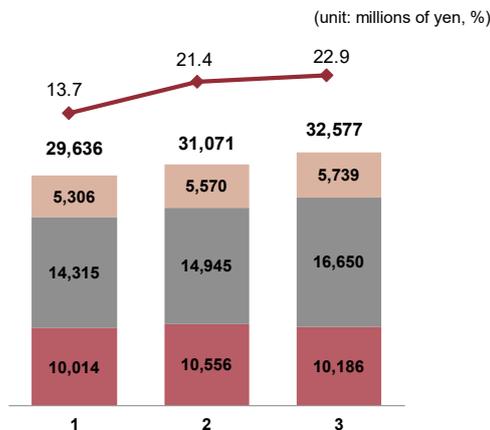
In addition, although the HCR Equipment segment saw an increase in sales, its profitability deteriorated compared to Q1 due to sluggish sales of high-value-added products and other factors.

Industrial Equipment Segment: Financial Results for the First Half of FY 2024

Industrial Equipment Segment : Financial Results for the First Half of FY 2024

9

■ Domestic industrial equipment business ■ Overseas industrial equipment business
 ■ Home environment equipment business — Segment profit rate



New model of Turbo screw driver



New model of Air Compressor



New model of TWINTIER rebar tying tools

- Domestic industrial equipment business**
 - ▶ Sales of new model of "TWINTIER" rebar tying tools expanded, and sales of the tools and their consumables were strong. On the other hand, sales of tools for wooden structures remained sluggish due to the impact of the decline in new housing starts.
- Overseas industrial equipment business**
 - ▶ In North America, sales of consumables for "TWINTIER" rebar tying tools increased thanks to steady construction spending on the non-housing market and an increase in the cumulative number of tools in operation. In Europe, sales of rebar tying tools and their consumables were steady. This reflected signs that the decline in sales volume in main market areas such as Germany and Scandinavia had bottomed out, as well as activities in areas where market conditions were favorable.
- Home environment equipment business**
 - ▶ Sales of our main products heater-ventilator-dryer for bathrooms, "DRYFAN," declined in the replacement market (replacement of existing units), which we are focusing on, but increased in sales to some OEM customers.

Here are the results of the Industrial Equipment segment. The dark red color at the bottom of the graph on the left side of the slide shows the results of the domestic industrial equipment business.

Net sales were down 3.5% YoY to JPY10,186 million. This was due to the continued slump in sales of tools for wooden structures, caused by the decline in the number of new housing starts. On the other hand, sales of new model of "TWINTIER" rebar tying tools expanded, and sales of the tools and their consumables were strong.

Our plan is to exceed the previous year's results for the full year, with the introduction of new models such as "Turbo" screwdriver and "Air Compressor" launched in September, as shown in the image on the right.

The center of the graph shows the results of the overseas industrial equipment business. Sales increased 11.4% YoY to JPY16.65 billion. In North America, sales of consumables for rebar tying tools increased thanks to steady construction spending on the non-housing market and an increase in the cumulative number of tools in operation.

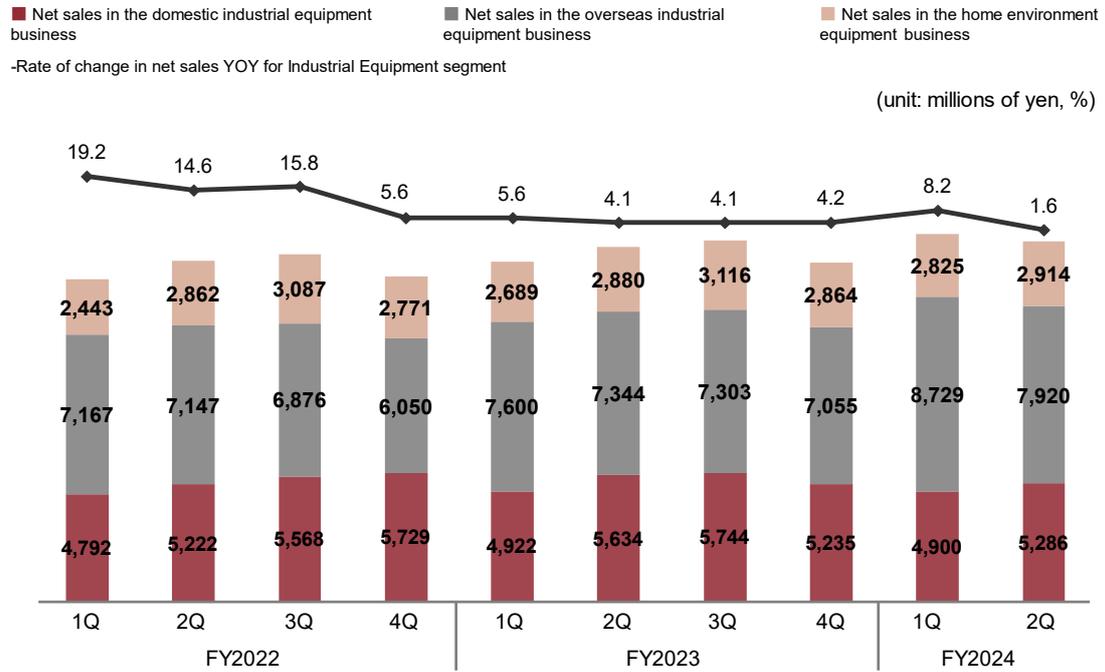
In Europe, we saw signs that the decline in sales volume had bottomed out in major areas, and we made some progress in areas where market conditions are robust, resulting in strong sales of rebar tying tools and consumable supplies.

The top of the graph shows the results of the home environmental equipment business. Sales increased 3% YoY to JPY5,739 million. Sales of our main product “DRYFAN” heater-ventilator-dryer for bathrooms declined in the replacement market (replacement of existing units), which is a focus of the company, but sales to some OEM clients increased.

Industrial Equipment Segment: Changes in Net Sales by Quarter

Industrial Equipment Segment : Changes in Net Sales by Quarter

10



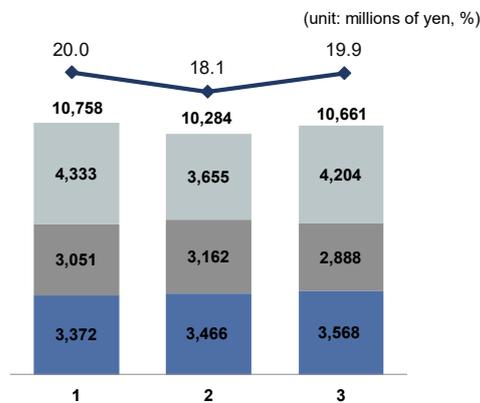
Here are the quarterly sales figures for the Industrial Equipment segment. Please see them later.

Office Equipment Segment: Financial Results for the First Half of FY 2024

Office Equipment Segment: Financial Results for the First Half of FY 2024

11

- Domestic office equipment business
- Overseas office equipment business
- Auto stapler equipment business
- Segment profit rate



BEPOP
Sign & label printing
machines



LETATWIN
tube markers

Domestic office equipment business

▶ Sales of the sign & label printing machines "BEPOP" increased thanks to proposals for label applications in response to new chemical substance regulations and promotion of proposal activities to major companies with the contest for safety signs and safety awareness training as a starting point.

Overseas office equipment business

▶ Although sales of labelling and signage products such as "BEPOP" and "LETATWIN" tube markers remained steady, sales of stationery-related products declined due to the continued economic slowdown in some parts of Southeast Asia.

Auto stapler equipment business

▶ Orders from clients continued to recover, and sales of Auto staplers and consumables remained steady.

Here are the results of the Office Equipment segment. The bottom of the graph on the left side of the slide shows the results of the domestic office equipment business. Sales increased 2.9% YoY to JPY3,568 million. Sales of the "BEPOP" sign and label printing machines increased because of proposals for label applications in compliance with new chemical substance regulations and promotion of proposal activities to major companies.

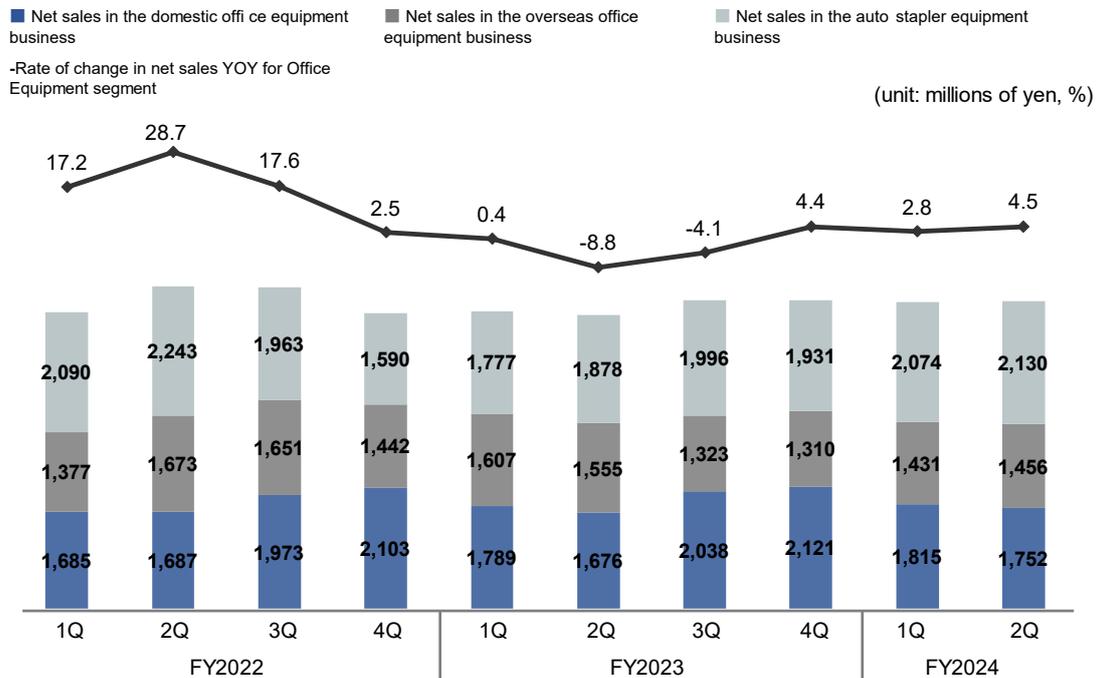
The center of the graph shows the results of the overseas office equipment business. Sales decreased 8.7% YoY to JPY2,888 million. Although sales of labeling and signage products such as "BEPOP" and "LETATWIN" tube markers remained steady, sales of stationery-related products declined due to continued economic slowdown in some areas of Southeast Asia.

The top of the graph shows the results of the auto stapler equipment business. Sales increased 15% YoY to JPY4,204 million. Orders from clients continued to recover, and sales of auto staplers and consumables remained steady.

Office Equipment Segment: Changes in Net Sales by Quarter

Office Equipment Segment: Changes in Net Sales by Quarter

12



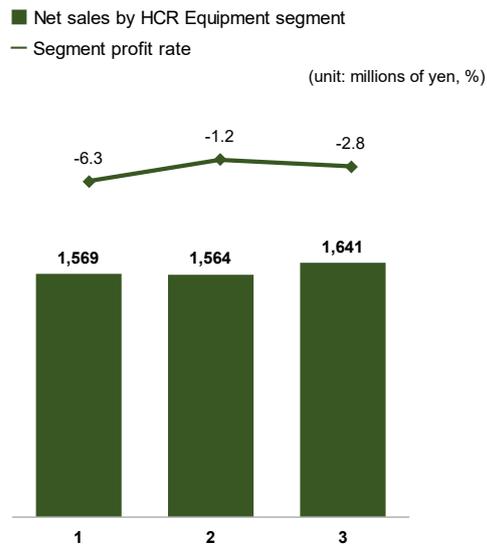
Here are the quarterly sales figures for the Office Equipment segment. Please refer to the top of the bar graph, the results of the auto stapler equipment business.

Since the second half of FY 2023, orders from clients have continued to recover. However, from a long-term perspective, we expect a gradual decline due to the shift to paperless office environment.

HCR Equipment Segment: Financial Results for the First Half of FY 2024

HCR Equipment Segment: Financial Results for the First Half of FY 2024

13



Wheelchairs for overseas market



Multifunctional Wheelchair Modern Series

HCR Equipment segment



Although orders from clients were sluggish in the domestic market, sales of wheelchairs for overseas markets, especially the rental market in China, increased.

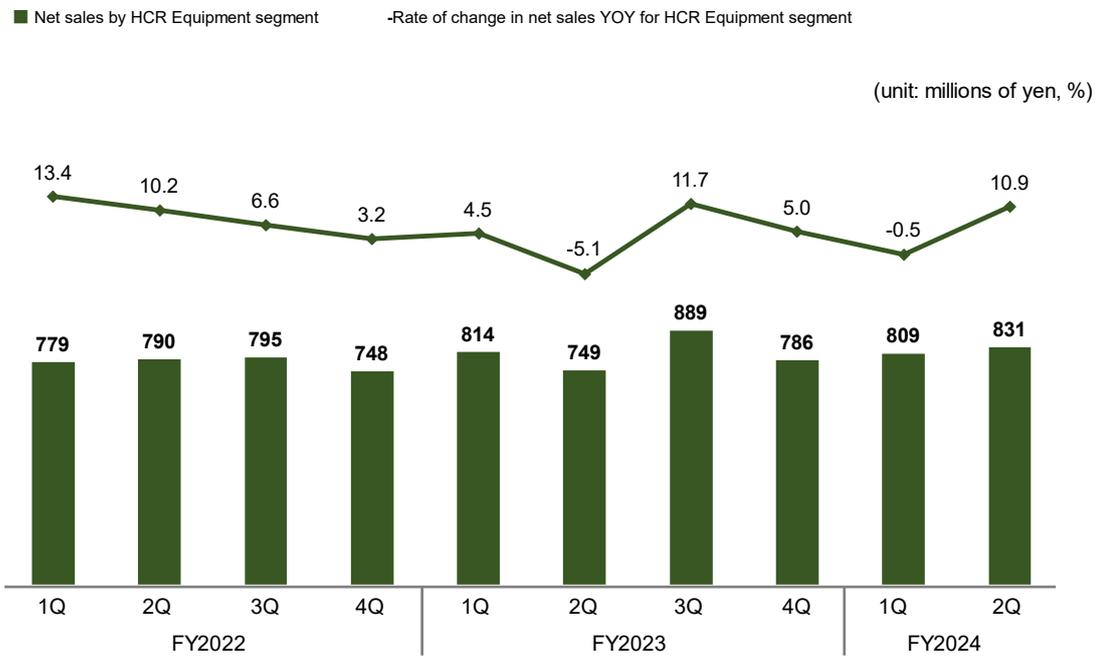
HCR Equipment segment. Net sales increased 5% YoY to JPY1,641 million, with a segment profit rate of -2.8%. Sales of wheelchairs to overseas markets, particularly the rental market in China, increased. However, orders from clients in the domestic market were sluggish.

The depreciation of the yen in foreign exchange has been a negative factor for profits. On the other hand, profitability is steadily improving due to continued efforts to improve productivity at factories and to pass on prices to customers.

HCR Equipment Segment: Changes in Net Sales by Quarter

HCR Equipment Segment: Changes in Net Sales by Quarter

14

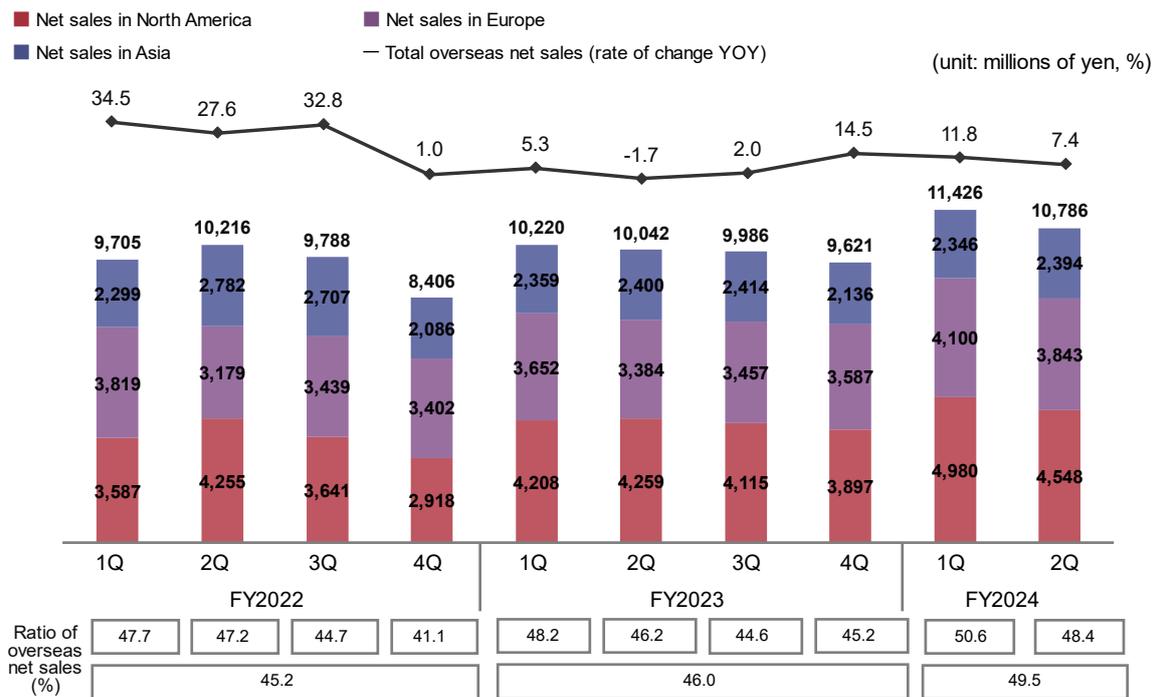


Here are the quarterly sales figures for the HCR Equipment segment. Please see them later.

Changes in Quarterly Net Sales by Overseas Region

Changes in Quarterly Net Sales by Overseas Region

15



Note: Includes overseas net sales for auto stapler equipment business.

Here are sales trends by overseas region. Overseas sales in Q2 totaled JPY10,786 million, maintaining a high level of over JPY10 billion. This represents an increase of 7.4% over the previous year, and the ratio of overseas net sales to total net sales was 49.5% in the first half.

Priority Business: Overview of Rebar Tying Tools Business

Priority Business: Overview of Rebar Tying Tools Business

16

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 ¥17.5 billion (¥3.1 billion in Japan, ¥14.4 billion overseas)

Growth of 13.5% over the previous year / 54.7% progress against the annual plan

Steady sales of consumable tie wires as the cumulative number of tools in operation increased

Overseas



North America

- Construction investment in the non-residential market remained steady. Sales of tools decreased compared to the previous year due to the impact of the promotion carried out in the previous year, despite the progress of the distribution of new products. On the other hand, sales of consumables grew significantly thanks to an increase in the number of tools in operation.

Europe

- In main areas such as Germany and Sweden, the decline in sales volume appears to have bottomed out, and sellouts from distributors and dealers have gradually recovered.
- In addition to sales expansion of the new "TWINTIER" product launched in May, the company promoted sales expansion activities in Southern and Eastern Europe, where market conditions are steady, and both tools and consumables exceeded the previous year's sales volumes in the first half of the fiscal year.

Japan



- As sales of the new "TWINTIER" products expanded, total sales of tools increased. Sales of consumables were also strong thanks to an increase in the number of tools in operation.

Here is an overview of the Rebar Tying Tools business. Sales of tools for concrete structures, centered on the rebar tying tools business, increased 13.5% YoY to JPY17.5 billion, 54.7% of the annual plan.

By region, in North America, sales volume of tools declined because of promotions implemented in the previous year. However, sales of consumables increased thanks to an increase in the number of tools in operation.

In Europe, the decline in sales volume appears to have bottomed out in the main markets of Germany and Scandinavia, and the sales volume of both tools and consumables exceeded the previous year's level. In addition to expanding sales of new products, we intend to continue promoting activities in Southern and Eastern Europe, where market conditions are favorable.

In Japan, sales of tools expanded due to the impact of the new product, "TWINTIER" rebar tying tool. Sales of consumables also remained strong due to an increase in the cumulative number of tools in operation.

Priority Business: Launch of "CONNECTED TWINTIER" Rebar Tying Tools

Priority Business: Launch of "CONNECTED TWINTIER" Rebar Tying Tools

17

Launched the world's first rebar tying tools with 4G LTE communication and GPS functionality

Visualization of operational status and tracking in the event of theft have been realized.

In collaboration with KDDI CORPORATION (hereafter, KDDI), MAX has incorporated KDDI's IoT network service into its battery-operated rebar tying tools. **We promote construction DX that utilizes digital technologies such as IoT to improve productivity and efficiency in jobsite work.**

Sales area

Initially launched in the Kanto region (Tokyo, Saitama, Chiba, Kanagawa). We plan to expand sequentially throughout Japan and overseas.



Main Features

- (1) GPS and remote locking to prevent theft -related problems
- (2) Visualization of tool operating status
- (3) Tool placement tailored to the busyness of the jobsites



This slide is about the release of a new product from the "TWINTIER" line of rebar tying tools. In October 2024, a new model of the "TWINTIER" equipped with 4G LTE communication and GPS functions was released in a limited area.

Through joint development with KDDI CORPORATION, by incorporating KDDI's IoT network service, we have enabled the users to receive the operating data of the rebar tying tool and the location information of the tool itself in real time via a web application. At present, it is only available in a limited area, but we plan to expand it nationwide and overseas in the future.

This concludes the explanation of the results for the first half of FY 2024.

Group-Wide Plan in FY 2024

Group-Wide Plan in FY 2024

18

■ Forecasted exchange rates (from Q3)

1 USD = 145.00 JPY

1 EUR = 160.00 JPY

(unit: millions of yen, %)

	Current plan (October 31, 2024)	Previous plan (July 31, 2024)	Difference	Results in previous FY	% increase/ decrease
Net sales	90,300	90,300	—	86,638	+4.2
Operating profit	13,600	13,600	—	12,601	+7.9
Corresponding ratio	15.1	15.1		14.5	
Ordinary profit	13,740	13,740	—	13,717	+0.2
Corresponding ratio	15.2	15.2		15.8	
Profit attributable to shareholders of parent company	10,360	10,360	—	10,435	-0.7
Corresponding ratio	11.5	11.5		12.0	
Net profit per share (yen)	222.67	222.91	-0.24	222.57	
ROE	10.1	10.1	—	11.1	

There are no changes to the group-wide plan announced on July 31, 2024, in terms of net sales and profits, but we have revised the business performance forecasts by segment and by business in light of recent trends and future forecasts.

This is the group-wide plan for the full year of FY 2024. The assumed exchange rates are JPY145 to the USD and JPY160 yen to the EURO.

There are no changes from the plan announced on July 31, 2024, but the performance forecasts by segment and business have been revised based on recent performance and future trends.

Segment Plans in FY 2024

Segment Plans in FY 2024

19

(unit: millions of yen, %)	Current plan (October 31, 2024)	Previous plan (July 31, 2024)	Difference	Results in previous FY	% increase/ decrease
Industrial Equipment segment					
Net sales	65,290	65,640	-350	62,392	+4.6
Segment profit	14,030	14,060	-30	12,691	+10.5
Segment profit rate	21.5	21.4		20.3	
Office Equipment segment					
Net sales	21,670	21,320	+350	21,006	+3.2
Segment profit	4,180	4,000	+180	3,965	+5.4
Segment profit rate	19.3	18.8		18.9	
HCR Equipment segment					
Net sales	3,340	3,340	—	3,239	+3.1
Segment profit	0	0	—	-7	—
Segment profit rate	0.0	0.0		-0.2	
Adjustment amount	-4,610	-4,460	-150	-4,048	—
Group-wide total					
Net sales	90,300	90,300	—	86,638	+4.2
Operating profit	13,600	13,600	—	12,601	+7.9
Operating margin	15.1	15.1		14.5	

These are the plans by segment. We are planning net sales of JPY65,290 million in the Industrial Equipment segment, with segment profit of JPY14,030 million and a segment profit rate of 21.5%. Compared to the previous plan, net sales have been revised downward by JPY350 million and segment profit by JPY30 million. I will explain the breakdown later.

We expect the Office Equipment segment to generate net sales of JPY21,670 million, with segment profit of JPY4,180 million and a segment profit rate of 19.3%. This is an upward revision of JPY350 million in net sales and JPY180 million in segment profit from the previous plan.

There is no change to the previous plan in the HCR Equipment segment, for net sales of JPY3,340 million.

Plans for Each Subsegment (By Business) in FY 2024

Plans for Each Subsegment (By Business) in FY 2024

20

(unit: millions of yen, %)	Current plan (October 31, 2024)	Previous plan (July 31, 2024)	Difference	Results in previous FY	% increase/ decrease
Industrial Equipment segment					
Segment net sales	65,290	65,640	-350	62,392	+4.6
Domestic industrial equipment business	21,560	21,960	-400	21,536	+0.1
Overseas industrial equipment business	31,930	31,930	—	29,304	+9.0
Home environment equipment business	11,800	11,750	50	11,551	+2.2
Segment profit	14,030	14,060	-30	12,691	+10.5
Segment profit rate	21.5	21.4		20.3	
Office Equipment segment					
Segment net sales	21,670	21,320	350	21,006	+3.2
Domestic office equipment business	7,820	7,750	70	7,626	+2.5
Overseas office equipment business	5,850	5,800	50	5,796	+0.9
Auto-stapler equipment business	8,000	7,770	230	7,583	+5.5
Segment profit	4,180	4,000	180	3,965	+5.4
Segment profit rate	19.3	18.8		18.9	

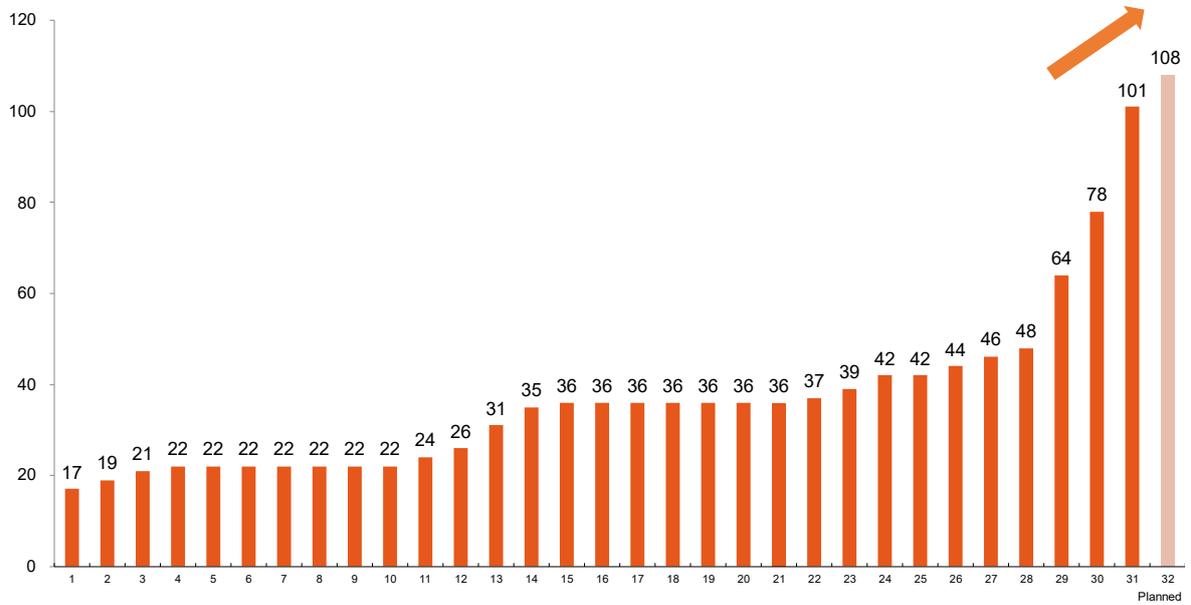
This is a plan by business. The domestic industrial equipment business has been revised downward from the previous plan, based on the results for Q2 of tools for wooden structures. For the full year, the plan is for an increase from the previous year. The auto stapler equipment business has been revised upward, considering the current situation, including the results for the first half of the year.

Dividend Policy: Dividends per Share

Dividend Policy: Dividends per Share

21

(unit: yen)



This graph shows the changes in dividends per share. There are no changes to the dividend forecast. For FY 2024, we plan to increase the annual dividend per share by JPY7 from the previous fiscal year to JPY108.

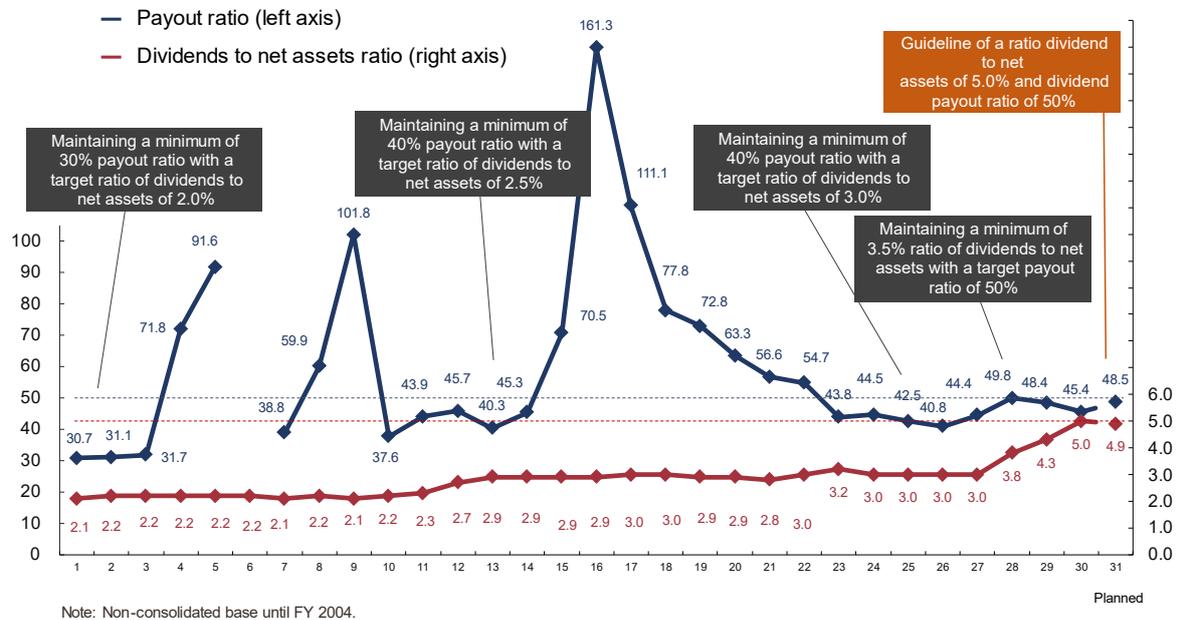
Dividend Policy: Payout Ratio and Dividends to Net Assets Ratio

Dividend Policy: Payout Ratio and Dividends to Net Assets Ratio

22

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

(unit: %)



This is a graph showing the trends in the payout ratio and the ratio of dividends to net assets. The ratio of dividends to net assets is 4.9%, and the payout ratio is 48.5%.

Published the Integrated Report 2024

To obtain stakeholders' deeper understanding of the MAX Group, the Group published Integrated Report 2024.

Main Points

Enhanced value creation process

The value that MAX creates for the world has been made concrete as "eliminating labor shortages" and "contributing to improving health and safety in the workplace and at home". We have specified economic, social and environmental values for the outcomes, and have worked to enhance the value creation process.

Rebar Tying Tools Business featured

In addition to the history of rebar tying tools, which has been a driving force for growth, the report includes comments from local sales managers in the North American area, where sales have been strong. The report also provides information on the anticipated market size and growth strategy for the Rebar Tying Tools Business.

Please refer to our website for the "Integrated Report 2024.

<https://www.maxltd.co.jp/about/ir/data/integrated/>



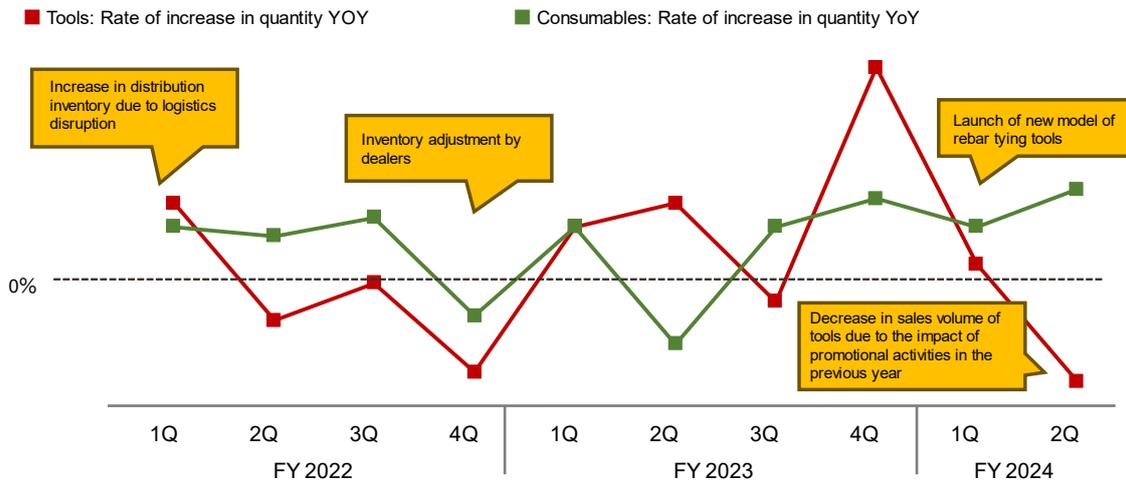
Today, we published our Integrated Report 2024. It is available on our website, so please take a look at it when you have time.

Also, for reference, please take a look at the slides 27 to 29. They show the quarterly volume trends for the rebar tying tools and consumables.

Q&A: Sales of Rebar Tying Tools in North America

Rebar Tying Tools (Tools/Consumables): Changes in Quantity by Quarter (North America)

27



North America	FY 2022				FY 2023				FY 2024	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Tools	16%	-9%	-1%	-20%	11%	16%	-5%	45%	3%	-22%
Consumables	11%	9%	13%	-8%	11%	-14%	11%	17%	11%	19%

Participant: I have a question about the status of rebar tying tools overseas. In North America, it seems that sales of tools have not increased, despite the introduction of new products in May. Is the effect of the new products not very strong?

I also heard that you carried out a large-scale promotional activity in the previous year. Was this activity only a one-off campaign? Do you have any plans to carry out another promotional activity this winter? Please tell us about sales in North America.

Ogawa: In North America, the sales volume of rebar tying tools for Q2 (three-month period) was negative because we conducted a promotional activity in the same period of the previous year. The new products launched in May were fully distributed to dealers in Q1, so we believe that the effects of the new products will be seen in the future as we promote proposal activities.

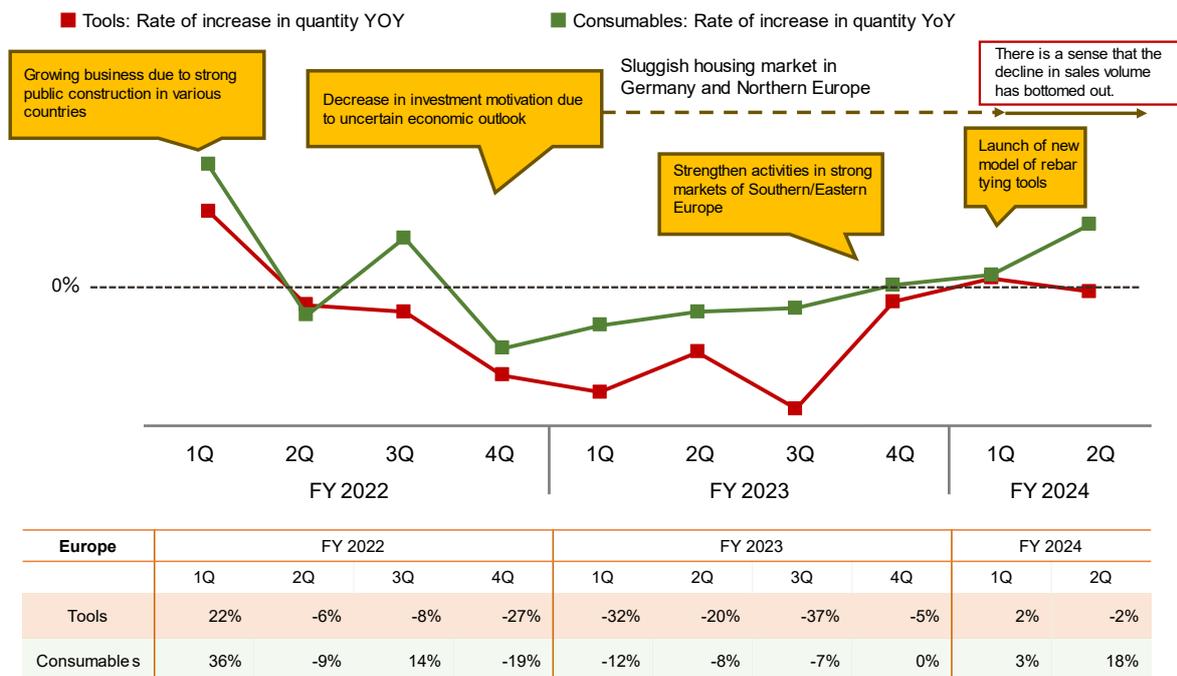
Participant: Are you considering any promotional activity involving new products, especially through the winter season?

Ogawa: I think we may implement promotional activities, one at a time, while keeping an eye on sales.

Q&A: The Status and Sense of Bottoming Out in Each Area of Europe

Rebar Tying Tools (Tools/Consumables): Changes in Quantity by Quarter (Europe)

28



Participant: My question is about Europe. You mentioned in your explanation for Q1 that the decline in sales volume seems to have bottomed out. However, looking at the graph on the slide 28, it does not appear that the bottom has yet been reached in Q2. Is it correct to say that the actual sales status in areas including Northern and Southern Europe shows signs of bottoming out?

Ogawa: First, we are looking at the indicators of business confidence in the construction industry to see if it has bottomed out. Basically, it is still in a slump, but we think it is starting to show signs of bottoming out. In fact, we are seeing a recovery in wire consumption at major dealers in Germany.

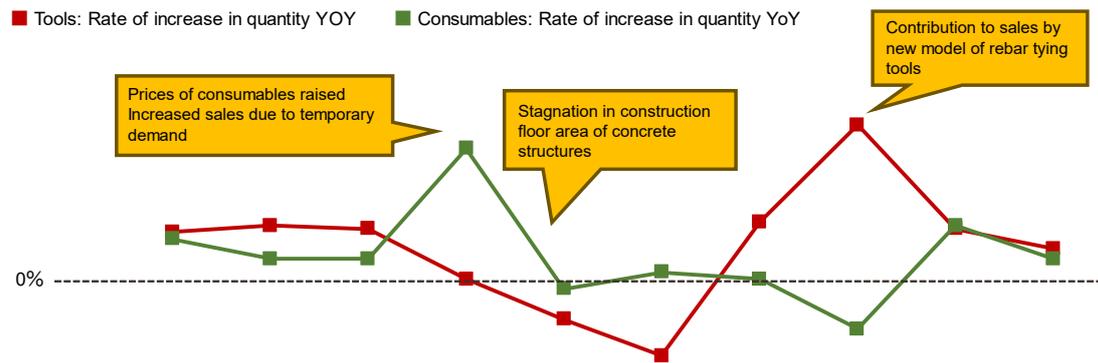
The sales volume of consumables for rebar tying tools in Q2 (three-month period) across Europe grew by 18% YoY. So, we think that we may be seeing the bottoming out of the market.

In addition, in Southern Europe, such as Italy and Spain, indicators of business confidence in the construction industry have been very strong. Sales volumes in Q2 also exceeded those of the same period last year by a considerable margin. We believe that the coincidence between business confidence and sales volume growth is promising.

Q&A: Slowing Domestic Growth and the End of the Impact of New Products

Rebar Tying Tools (Tools/Consumables): Changes in Quantity by Quarter (Domestic)

29



	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	FY 2022				FY 2023				FY 2024	
Domestic	FY 2022				FY 2023				FY 2024	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Tools	14%	16%	15%	0%	-12%	-23%	17%	46%	15%	9%
Consumables	12%	6%	6%	39%	-3%	2%	0%	-15%	16%	6%

Participant: It looks like the impact of the new rebar tying tool in the domestic market is starting to fade during Q2. Since not so many units were sold in the same period last year, the decline in the growth rate may indicate that the impact is fading. How do you see this?

Ogawa: In terms of volume for Q2 (three-month period), domestic equipment sales increased by 9%, and consumables sales increased by 6%. So basically, sales are expanding. We believe that demand is firm.

In the line graph on the slide, I think it is relatively important to see whether the percentage is above or below 0. As a general trend, I think demand has not decreased.

Q&A: Release Date and Unit Price of the “CONNECTED TWINTIER”

Priority Business: Launch of “CONNECTED TWINTIER” Rebar Tying Tools

17

Launched the world's first rebar tying tools with 4G LTE communication and GPS functionality

Visualization of operational status and tracking in the event of theft have been realized.

In collaboration with KDDI CORPORATION (hereafter, KDDI), MAX has incorporated KDDI's IoT network service into its battery-operated rebar tying tools. **We promote construction DX that utilizes digital technologies such as IoT to improve productivity and efficiency in jobsite work.**

Sales area

Initially launched in the Kanto region (Tokyo, Saitama, Chiba, Kanagawa). We plan to expand sequentially throughout Japan and overseas.



Main Features

- (1) GPS and remote locking to prevent theft -related problems
- (2) Visualization of tool operating status
- (3) Tool placement tailored to the busyness of the jobsites



Participant: I have a question about the new product “CONNECTED TWINTIER,” which was launched in October in a limited areas in Japan. Do we have to wait until next fiscal year or later for its launch in other areas in Japan and overseas? Please give us the approximate time frame to the extent possible.

Ogawa: We cannot state a specific date for the launch, but we would like to roll it out in each region as soon as we are ready.

Participant: In the case of overseas expansion, can you cover all areas by cooperating with KDDI CORPORATION?

Ogawa: We can cover them.

Participant: Is the unit price of “CONNECTED TWINTIER” higher than that of “RB-442T” released in December?

Ogawa: It is slightly higher.

Q&A: Factors Behind the Decline in Operating Profit in the Second Half of the Year

Participant: I have a question about operating profit for the second half. Compared to operating profit of JPY7.4 billion in the first half of the year, I believe that the plan for the second half is for a profit of between JPY6.1 billion and JPY6.2 billion. Is it correct to assume that the exchange rate is the only factor that will cause a decrease in profit in the second half compared to the first half?

Ogawa: The impact of the yen, which we expect to be stronger than in the first half, is approximately JPY500 million. In addition, we have about JPY700 million expenses to be invested for growth in the second half of the year. Due to these factors, operating profit for the second half of the fiscal year is expected to be lower than in the first half.

Participant: Is there a relatively large cost burden in the second half of the year?

Ogawa: We plan to be so.

Participant: What exactly do you mean by investment for growth?

Ogawa: Mainly R&D and DX-related investments.

Q&A: Measures Regarding ROE and Measures to Deal with Selling Pressure from Shareholders

Group-Wide Plan in FY 2024

18

■ Forecasted exchange rates (from Q3)

1 USD = 145.00 JPY

1 EUR = 160.00 JPY

(unit: millions of yen, %)

	Current plan (October 31, 2024)	Previous plan (July 31, 2024)	Difference	Results in previous FY	% increase/ decrease
Net sales	90,300	90,300	—	86,638	+4.2
Operating profit	13,600	13,600	—	12,601	+7.9
Corresponding ratio	15.1	15.1		14.5	
Ordinary profit	13,740	13,740	—	13,717	+0.2
Corresponding ratio	15.2	15.2		15.8	
Profit attributable to shareholders of parent company	10,360	10,360	—	10,435	-0.7
Corresponding ratio	11.5	11.5		12.0	
Net profit per share (yen)	222.67	222.91	-0.24	222.57	
ROE	10.1	10.1	—	11.1	

There are no changes to the group-wide plan announced on July 31, 2024, in terms of net sales and profits, but we have revised the business performance forecasts by segment and by business in light of recent trends and future forecasts.

Participant: I have a question regarding measures to improve ROE. I believe that this year's ROE will be unusually high, exceeding 10%. What measures will you take to maintain ROE above 10%?

In addition, I have read from your company's shareholder composition that there are many insurance companies and though that it is possible that there will be pressure to sell Max shares in the future. I know this is a difficult question to answer as it involves external parties, but what are your thoughts on this matter?

Ogawa: First, in terms of ROE, we will basically focus on increasing our business profitability. We will also maintain ROE more than 10% while properly managing capital.

Regarding the shares, we would like to take actions flexibly according to the situation since it involves other parties. We would like to manage the shares while taking their liquidity into consideration.

Participant: Are you saying that you would rather increase liquidity rather than decrease it?

Ogawa: That is correct.