



MAX Co., Ltd.

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

Minutes of Q&A Session

These Minutes constitute an overview of the questions received and answers given in a briefing for analysts and fund managers held on Thursday, October 31, 2024, regarding the Company's business results in the first half of the fiscal year ending March 31, 2025 (H1 FY 2024).

■ Industrial Equipment Segment

Q1. What is the effect of the new model of rebar tying tools and the plans for future promotion in North America?

A1. In North America, the sales volume of rebar tying tools for the second quarter (three-month period) was negative due to the impact of the promotion that was carried out YOY. The new model of rebar tying tool that was released in May was just recently distributed to dealers in the first quarter, so we believe that the effects of the new model will gradually become apparent as we promote it. There is also a possibility that we will carry out promotions in line with future sales conditions.

Q2. What is the background to the belief that the market in Europe has hit bottom, and what is the situation by area?

A2. We believe that the construction business confidence index for each country and the recovery in sales of rebar tying tool consumables at major dealers in Germany indicate that the market has bottomed out. In the second quarter (three-month period), overall European consumption of consumables grew by 18% YOY in terms of volume. In southern Europe, including Italy and Spain, indicators of construction business sentiment are continuing to be strong, and sales are also growing significantly YOY. Business confidence and sales growth are in line, and we expect this growth to continue.

Q3. In Japan, it seems that the effect of the new model of rebar tying tools has converged by the second quarter. How are the sales of the new model?

A3. In Japan, sales have been increasing since the release of the new model of rebar tying tools in December last year, with a 9% increase in tool sales and a 6% increase in consumables sales in the second quarter. Although the growth rate has slowed down since the release of the new model, we believe that demand is not decreasing but is remaining steady.

Q4. When will the new model of rebar tying tool "CONNECTED TWINTIER", which was released in some areas in October, be released throughout Japan and overseas?

A4. We can't tell you when it will be released, but We will roll out to each region as soon as preparations are complete.

Q5. Can the new model of rebar tying tool “CONNECTED TWINTIER” also be used overseas with on the communication platform of KDDI CORPORATION, with whom we are jointly developing?

A5. This function can also be used overseas.

Q6. Has the sales price of the rebar tying tool “CONNECTED TWINTIER” been raised from the “RB-442T” released in December?

A6. It has been raised slightly.

■Overall Condition of the Company

Q7. Regarding the full-year plan, what is the factors contributing to the decrease in operating profit (6.1 billion yen) in the second half compared to the first half (approximately 7.4 billion yen)?

A7. We are planning for operating profit of approximately 6.1 billion yen in the second half, with the impact of exchange rate differences amounting to approximately 500 million yen and growth investments of approximately 700 million yen.

Q8. What are the specific details of the investment in growth?

A8. We are planning to invest in strengthening our management base, such as Facilities investment and DX investment, as well as in research and development.

Q9. What measures are you taking to maintain ROE of over 10%?

A9. In addition to further improving our business profitability, we aim to maintain and improve our ROE to over 10% by implementing appropriate capital management.

Q10. I think there is a possibility that the major shareholders will sell their MAX shares. What are your future plans and methods?

A10. We will correspond flexibly to changing circumstances. We cannot say for sure at this point about how we will do this, but we will manage the situation while also considering ways to increase liquidity.

The forecasts of business results and other forward-looking statements in this document are based on information available as of October 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.