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[Title]

MAX Achieves Record-High Cumulative 3Q Sales and Profits, Revises Full-Year and Dividend Forecasts Upward Based on Steady Performance

[Lead]

The following is a transcription of MAX Co., Ltd.'s financial results briefing for the 3rd quarter of the fiscal year ending March 2025, which was given on January 31, 2025.

[Speaker]

Yoshihiro Kaku, Senior Managing Director, Senior Executive Officer of MAX Co., Ltd.

[Text]

Summary of Financial Results in the 3rd Quarter of FY 2024

Summary of Financial Results in the 3rd Quarter of FY 2024

- Both net sales and profits reached record highs in the cumulative 3rd Quarter.
- Sales of tools for concrete structures, with a focus on the rebar tying tools business, totaled to ¥26.5 billion (+15%YoY), achieving 83% of the annual target of ¥32 billion, indicating strong performance.
- Revised the full-year forecast for the fiscal year ending March 2025 upwards, expecting record highs in both sales and profits.
- Based on the steady performance, the dividend forecast has been revised upwards. An annual dividend of ¥112 per share, an increase of ¥11 from the previous fiscal year, is planned.

Yoshihiro Kaku (Kaku): I am Kaku, the Senior Managing Director, Senior Executive Officer of MAX. Thank you for joining MAX's financial results briefing today. Let's begin by going over the financial results based on the slides in the presentation.

This is the summary of financial results. For the cumulative 3rd quarter, we achieved record highs in both sales and profits. Sales of tools for concrete structures, with a focus on the rebar tying tool business, increased 15% YoY to ¥26.5 billion. This represents 83% of the annual target of ¥32 billion, indicating strong performance.

Based on our current performance, We have revised the full-year forecast upwards, expecting record highs for the year.

Considering our solid performance and future prospects, we have raised our dividend forecast. We now plan to increase the annual dividend to ¥112 per share, an increase of ¥11 from the previous fiscal year.

Group-Wide Financial Results in the 3rd Quarter of FY 2024

Group-Wide Financial Results in the 3rd Quarter of FY 2024

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■ Exchange Rate

Q1–Q3 FY 2024 1 USD 152.32 JPY / 1 EUR 164.94JPY

Q1–Q3 FY 2023 1 USD 142.87 JPY / 1 EUR 154.95 JPY

Planned 1 USD 150.95JPY / 1 EUR 164.33 JPY

(unit: millions of yen, %)

	Results in Q1– Q3 for FY under review	Results in Q1– Q3 for previous FY	% Increase /decrease	Full-year plan*	Rate of progress
Net sales	69,010	65,332	+5.6	90,300	76.4
Gross profit	33,264	30,092	+10.5	—	—
Corresponding ratio	48.2	46.1		—	
Operating profit	11,477	9,879	+16.2	13,600	84.4
Corresponding ratio	16.6	15.1		15.1	
Ordinary profit	12,145	10,463	+16.1	13,740	88.4
Corresponding ratio	17.6	16.0		15.2	
Profit attributable to shareholders of parent company	9,109	7,989	+14.0	10,360	87.9
Corresponding ratio	13.2	12.2		11.5	
Net profit per share (yen)	195.80	169.94	—	222.67	—

*Revised plan announced on October 31, 2024

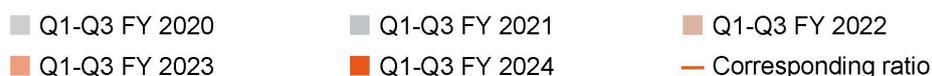
I will now explain the group-wide financial results for the cumulative 3rd quarter of FY 2024. The slide shows the consolidated profit and loss results for the cumulative 3rd quarter.

Net sales came in at ¥ 69,010 million (up 5.6% YoY), operating profit at ¥11,477 million (up 16.2% YoY), ordinary profit at ¥12,145 million (up 16.1% YoY), and profit attributable to shareholders of parent company at ¥9,109 million (up 14.0% YoY).

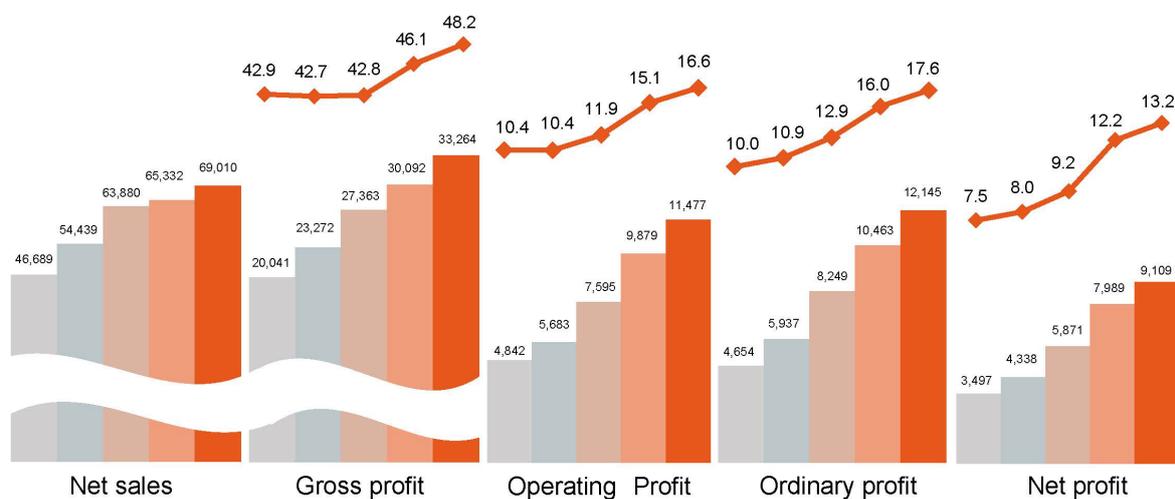
Changes in Group-Wide Financial Results in the 3rd Quarter of FY 2020 to FY 2024

Changes in Group-Wide Financial Results in the 3rd Quarter of FY 2020 to FY 2024

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(unit: millions of yen, %)



The slide shows the trend of key profit and loss items for the cumulative 3rd quarter results over the past five periods. As sales increase on the left side, the profit levels have steadily risen.

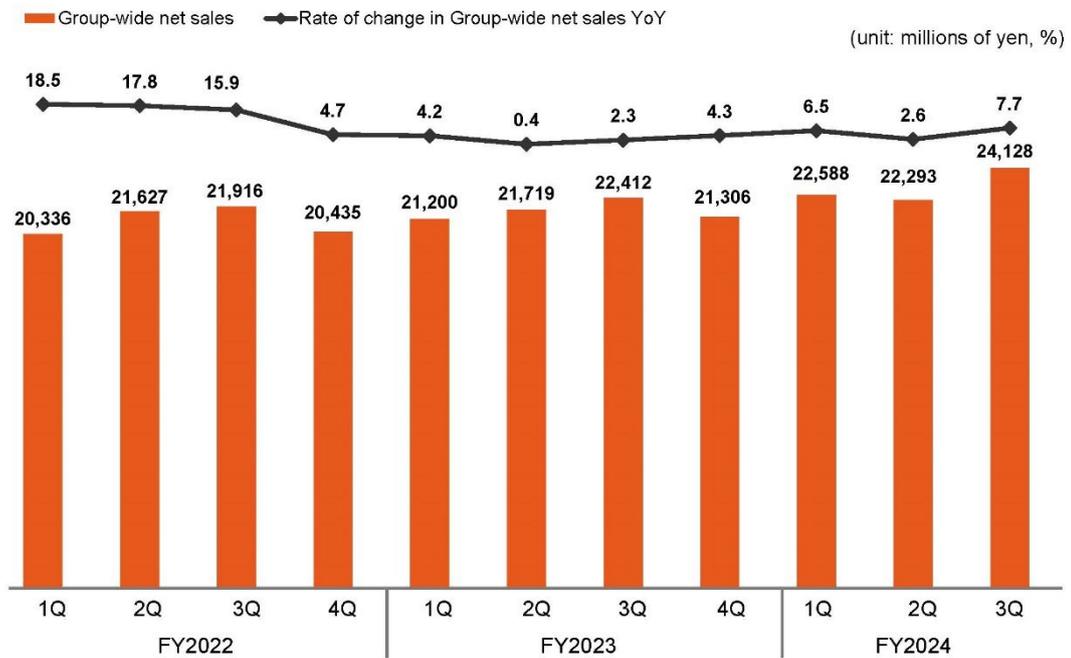
Looking back over the past few years, we faced profit risks due to rising raw material costs and increased procurement costs from currency fluctuations.

However, to address these factors, we have boosted sales of our core rebar tying tools, passed on prices to customers across the group, and optimized our portfolio by shifting to more profitable businesses. As the graph shows, we have steadily improved our profitability.

Changes in Net Sales by Quarter

Changes in Net Sales by Quarter

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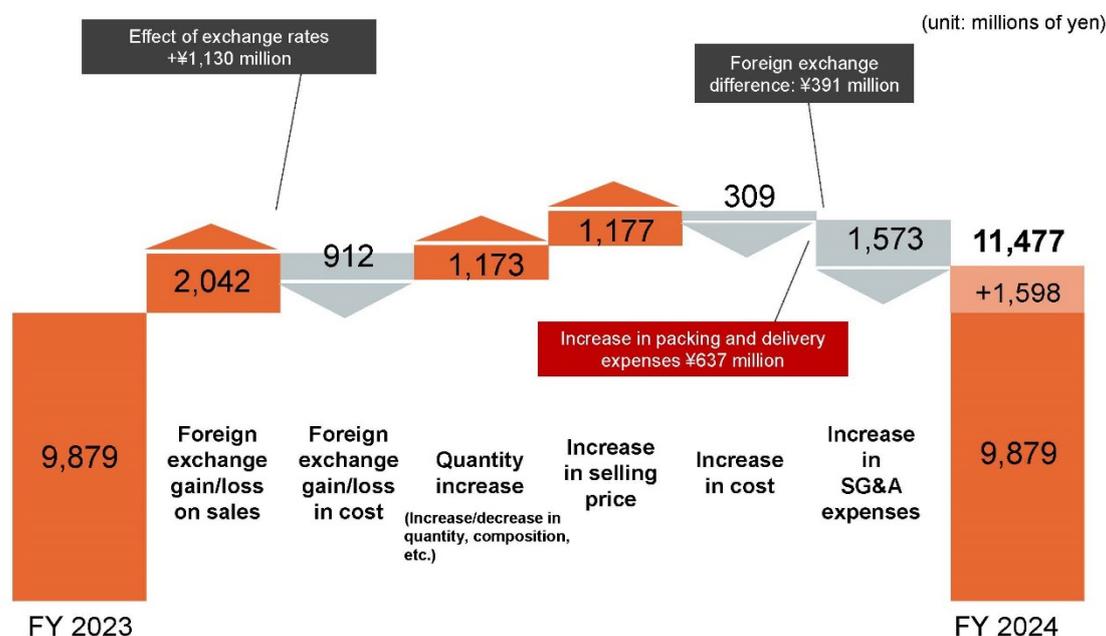


This shows the changes in net sales by quarter. The figure of ¥24,128 million for the current 3rd quarter, shown on the far right of the slide, represents the highest quarterly net sales to date.

Factors for Increase/Decrease of Operating profit

Factors for Increase/Decrease of Operating profit

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Here are the factors causing the changes in operating profit. I will start on the left side of the slide. The exchange rate contributed a ¥2,042 million gain on sales and a ¥912 million loss on cost, resulting in an overall net gain of ¥1,130 million from the exchange rate factors.

The differences in quantity, including composition, resulted in an increase of ¥1,173 million, driven by the improved product mix and expanded sales of core products such as the rebar tying tools.

Next, we look at the relationship between selling price and cost on the right. Cost increased by ¥309 million, but the higher selling prices of ¥1,177 million offset this, contributing to the overall gain.

SG&A expenses rose by ¥1,573 million. The slide shows that this includes a foreign exchange difference of ¥391 million and an increase in packing and delivery expenses of ¥637 million. As a result, investments in SG&A expenses, such as sales promotion and personnel expenses for future business growth, increased by ¥545 million.

We believe we achieved a profit increase of ¥1,598 million, driven not only by external factors like the positive effect of exchange rates, but also by our own internal efforts, including higher selling prices beyond cost increases and, most importantly, boost in sales volume.

Other Financial Information

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

	Results in Q1– Q3 for FY under review	Results in Q1– Q3 for previous FY	YoY
Non-Operating profit/expenses	667	584	+82
Non-Operating profit (excluding foreign exchange effect)	606	419	+187
Non-Operating expenses (excluding foreign exchange effect)	-51	-44	-6
Foreign exchange gain/loss	112	210	-97
Extraordinary profit/loss	473	20	+452
Extraordinary profit	497*	70	+426
Extraordinary loss	-24	-50	+26

*Mainly sale of shares

■ Facilities investment, depreciation, R&D expenses

(unit: millions of yen, %)

	Results in Q1– Q3 for FY under review	Results in Q1– Q3 for previous FY	FY 2024 annual plan	Rate of progress
Facilities investment	1,903	2,151	3,698	51.5
Depreciation	2,467	2,259	3,590	68.7
R&D expenses	3,315	3,360	4,666	71.0

Here is some other financial information. We recognized an extraordinary profit of ¥497 million for the current period. This came from the sale of shares previously purchased as policy holding shares, which we converted into net investments.

Policy holding shares account for about 5% to 6% of our net assets, depending on stock market prices. Looking ahead, we aim to decrease our policy holding shares and allocate the cash raised toward growth investments and shareholder returns.

Economic indicator

Domestic

The economy continues to show a gradual recovery trend. New housing starts related to the Industrial Equipment segment continue to decline, and the floor area of non-residential building starts also remains sluggish.

Overseas

In the United States, housing construction starts remained sluggish as mortgage rates have recently risen again. 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 construction market in Germany and the Nordic countries remained stagnated.

■ Reference indices

Number of new housing construction starts

- Down 3.7% YoY for the period from January to September 2024 (Owner-occupied: -6.2%, Rental: +0.5%, Unit sales: -7.8%)

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

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

- Down 2.9% YoY for the period from October 2023 to June 2024 (Offices: +29.4%, Stores: -2.2%, Factories: -4.9%, Warehouses: -6.7%)
- The supply and demand of skilled rebar workers (for construction sites) is in a state of shortage.

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

Currency exchange rates

- 1 USD = 152.32 JPY, 1 EUR = 164.94 JPY (previous year: 1 USD = 142.87 JPY, 1 EUR = 154.95 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 1,344,000 units in October 2024, 1,294,000 units in November 2024, and 1,499,000 units in December 2024 (Previous year—October: 1,365,000 units, November: 1,510,000 units, December: 1,568,000 units)

As noted in the exchange rate section on the right side of the slide, the foreign exchange sensitivity in sales is ¥200 million for the USD and ¥80 million for the EURO. The foreign exchange sensitivity in operating profit is ¥50 million for the USD and ¥80 million for the EURO, matching the foreign exchange sensitivity in sales.

Financial Results for Individual Segments in the 3rd Quarter of FY 2024

Financial Results for Individual Segments in the 3rd Quarter of FY 2024

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(unit: millions of yen, %)

	Results in Q1–Q3 for FY under review	Results in Q1–Q3 for previous FY	% Increase /decrease	Full-year plan*	Rate of progress
Industrial Equipment segment					
Net sales	50,134	47,236	+6.1	65,290	76.8
Segment profit	11,563	9,926	+16.5	14,030	82.4
Segment profit rate	23.1	21.0		21.5	
Office Equipment segment					
Net sales	16,363	15,642	+4.6	21,670	75.5
Segment profit	3,297	2,903	+13.6	4,180	78.9
Segment profit rate	20.2	18.6		19.3	
HCR Equipment segment					
Net sales	2,511	2,453	+2.4	3,340	75.2
Segment profit	-67	-17	—	0	—
Segment profit rate	-2.7	-0.7		0.0	
Adjustment amount	-3,316	-2,932	—	-4,610	—
Group-wide total					
Net sales	69,010	65,332	+5.6	90,300	76.4
Operating profit	11,477	9,879	+16.2	13,600	84.4
Operating margin	16.6	15.1		15.1	

*Revised plan announced on October 31, 2024

Here are the financial results for the segments. Net sales of the Industrial Equipment segment increased 6.1% YoY to ¥50,134 million. Segment profit increased 16.5% YoY to ¥11,563 million, with a segment profit rate of 23.1%.

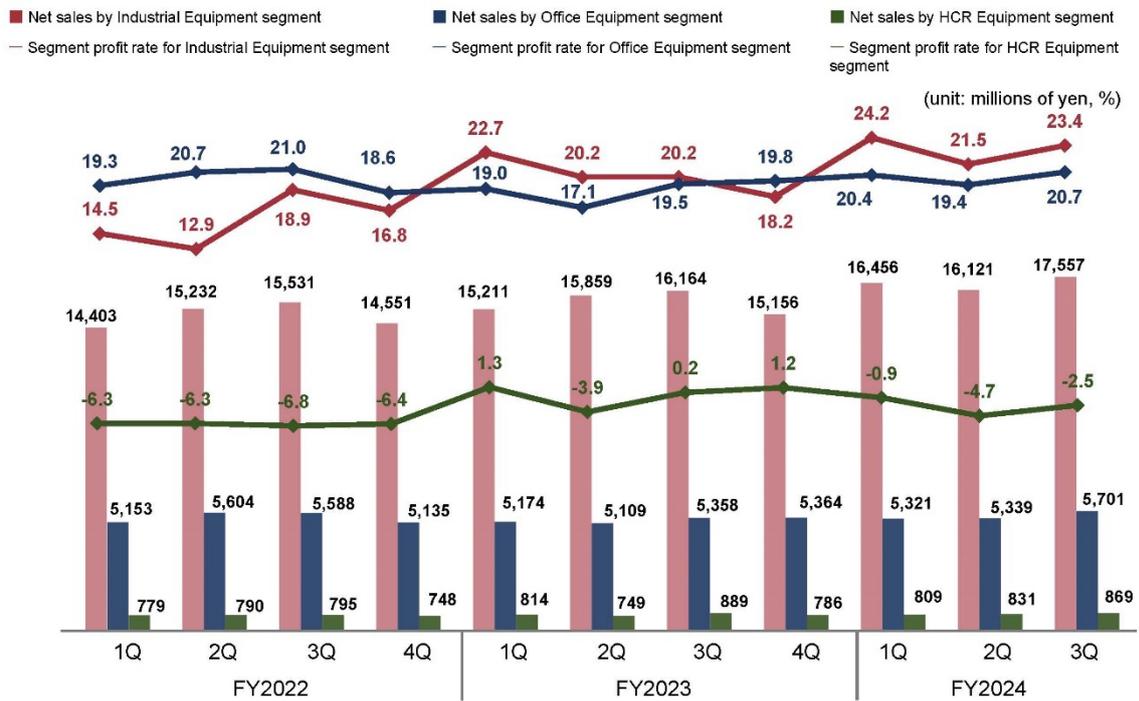
Net sales of the Office Equipment segment increased 4.6% YoY to ¥16,363 million. Segment profit increased 13.6% YoY to ¥3,297 million, with a segment profit rate of 20.2%.

Net sales of the HCR Equipment segment increased 2.4% YoY to ¥2,511 million. However, segment profit resulted in a loss of ¥67 million.

Changes in Segment Results by Quarter

Changes in Segment Results by Quarter

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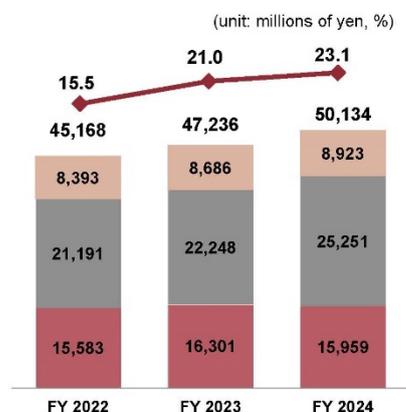
This shows the changes in segment results by quarter. Please review it later.

Industrial Equipment segment : Financial Results for the 3rd Quarter of FY 2024

Industrial Equipment segment : Financial Results for the 3rd Quarter of FY 2024

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



TWINTIER rebar tying tools



Turbo screw driver

- Domestic industrial equipment business ▶ Thanks to the increase in the cumulative number of operating rebar tying tools, sales of their consumables remained strong. On the other hand, sales of tools for wooden structures remained sluggish due to the decline in new housing starts.
- Overseas industrial equipment business ▶ In North America, sales of consumables for rebar tying tools increased thanks to steady construction spending in the non-residential market. In Europe, although recovery in the Nordic countries was delayed, sales of rebar tying tools and their consumables remained steady thanks to continuous strengthening of activities in areas with favorable market conditions.
- Home environment equipment business ▶ Sales of our main product, the heater-ventilator-dryer for bathrooms "DRYFAN," were somewhat stagnant in the replacement market (replacement of existing units), which we are focusing on, but remained steady for some OEM customers.

I will explain the situation by segment.

First, let's look at the Industrial Equipment segment's financial results for the 3rd quarter of FY 2024. The domestic industrial equipment business is performing well, especially the core rebar tying tool business. However, sales of air tools for wooden structures have slightly declined due to the drop in new housing construction starts.

We will continue to focus on the rebar tying tool business going forward within the domestic industrial equipment business. For air tools, we plan to introduce new products that leverage our brand power, securing a strong business foundation. This strategy will strengthen profitability and overall structure of the domestic industrial equipment business.

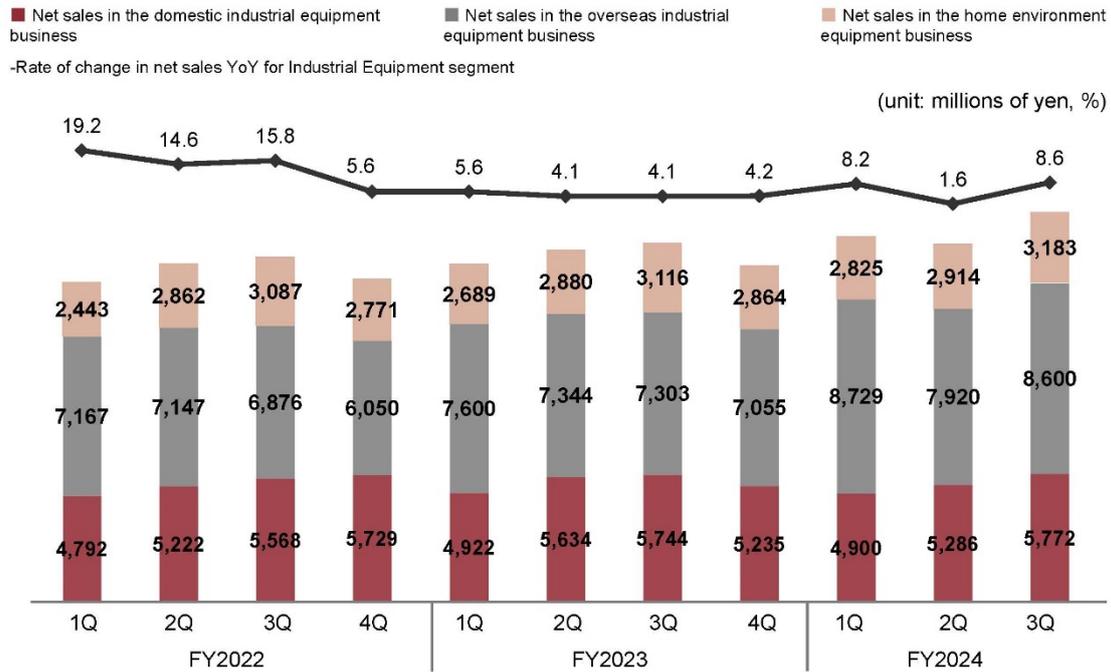
In the overseas industrial equipment business, sales in North America continue to perform well. In Europe, while the recovery in the Nordic countries is slow, we have seen improvement in Germany and have expanded sales in key areas like Southern and Eastern Europe, driving recovery and further growth across the European region.

The home environment equipment business is performing steadily overall

Industrial Equipment segment: Changes in Net Sales by Quarter

Industrial Equipment segment: Changes in Net Sales by Quarter

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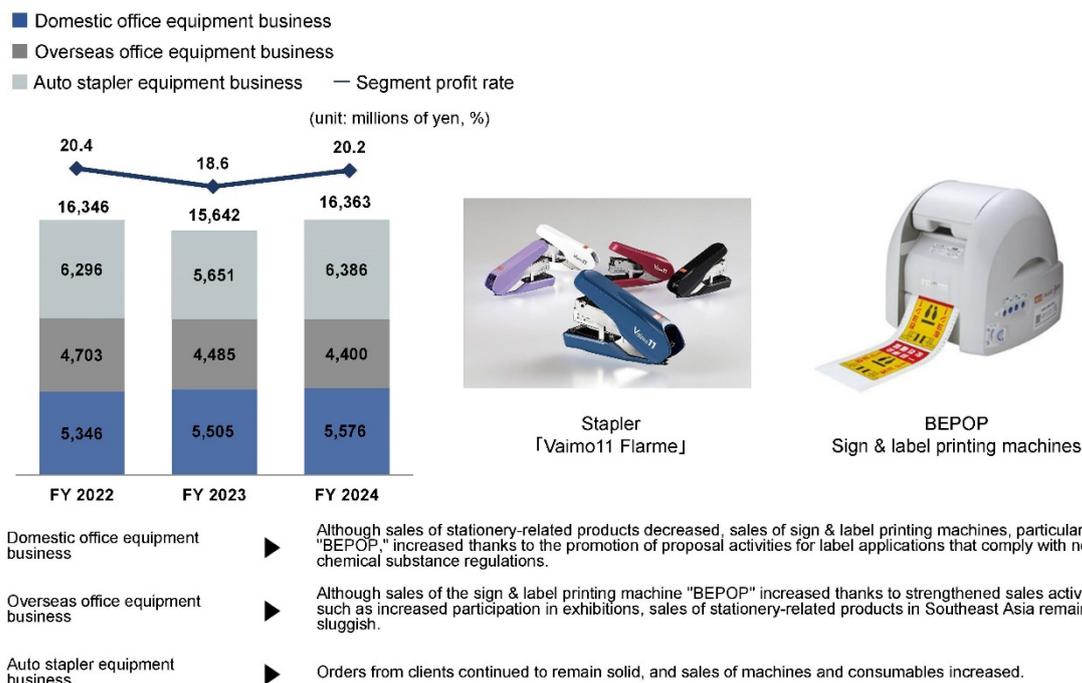


This shows the changes in net sales by quarter for the Industrial Equipment segment. Please review it later.

Office equipment Segment: Financial Results for the 3rd Quarter of FY 2024

Office equipment Segment: Financial Results for the 3rd Quarter of FY 2024

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Here are the Office Equipment segment's financial results for the 3rd quarter of FY 2024. Sales of stationery-related products in the domestic office equipment business have dropped, which was anticipated. However, sales of our focused labeling and signage products, particularly sign & label printing machines *BEPOP*, have increased, leading to a slight overall revenue growth for the business.

In the overseas office equipment business, the labeling and signage products is growing steadily, just like in the domestic market. While sales of stationery-related products in the ASEAN market have declined, they have begun to recover gradually, and we anticipate further recovery from the end of the current period into the next.

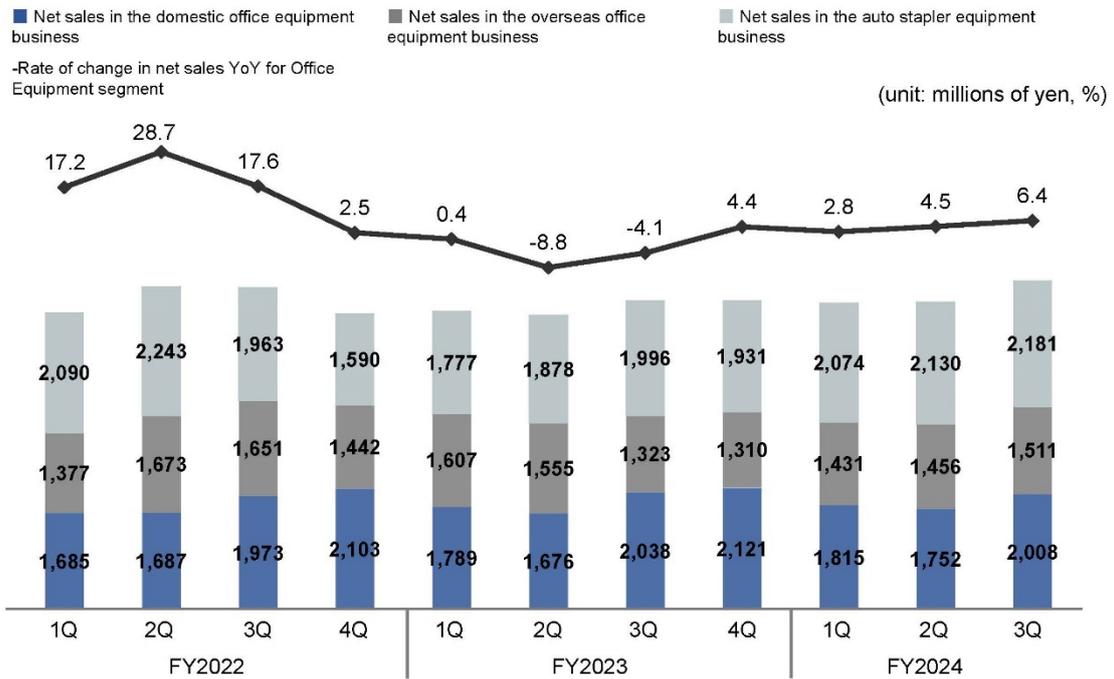
The auto stapler equipment business is seeing steady orders from copy machine manufacturers, resulting in increased sales of both machines and consumables.

The recovery and sales growth in the auto stapler equipment business have surpassed our expectations this period. However, we do not expect this to continue in the next period. We must prepare for a gradual decline in sales while maintaining and ensuring profitability in this business and reviewing the group-wide profit structure.

Office Equipment Segment: Changes in Net Sales by Quarter

Office Equipment Segment: Changes in Net Sales by Quarter

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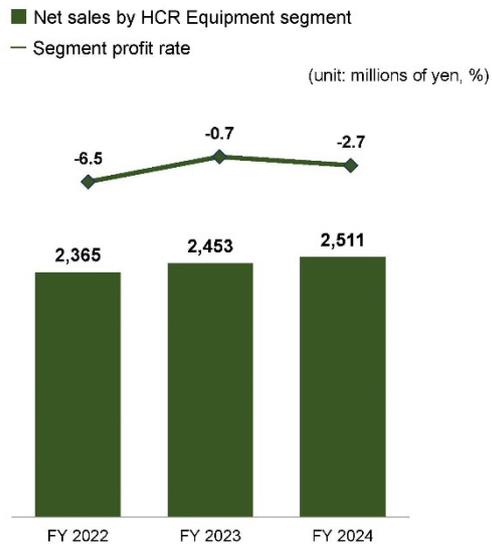


This shows the changes in net sales by quarter for the Office Equipment segment. Please review it later.

HCR Equipment Segment: Financial Results for the 3rd Quarter of FY 2024

HCR Equipment Segment: Financial Results for the 3rd Quarter of FY 2024

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Wheelchairs for overseas market



Multifunctional Wheelchair Modern Series

HCR Equipment segment



Although wheelchair sales in the domestic market decreased, sales of wheelchairs for the rental market in China remained strong.

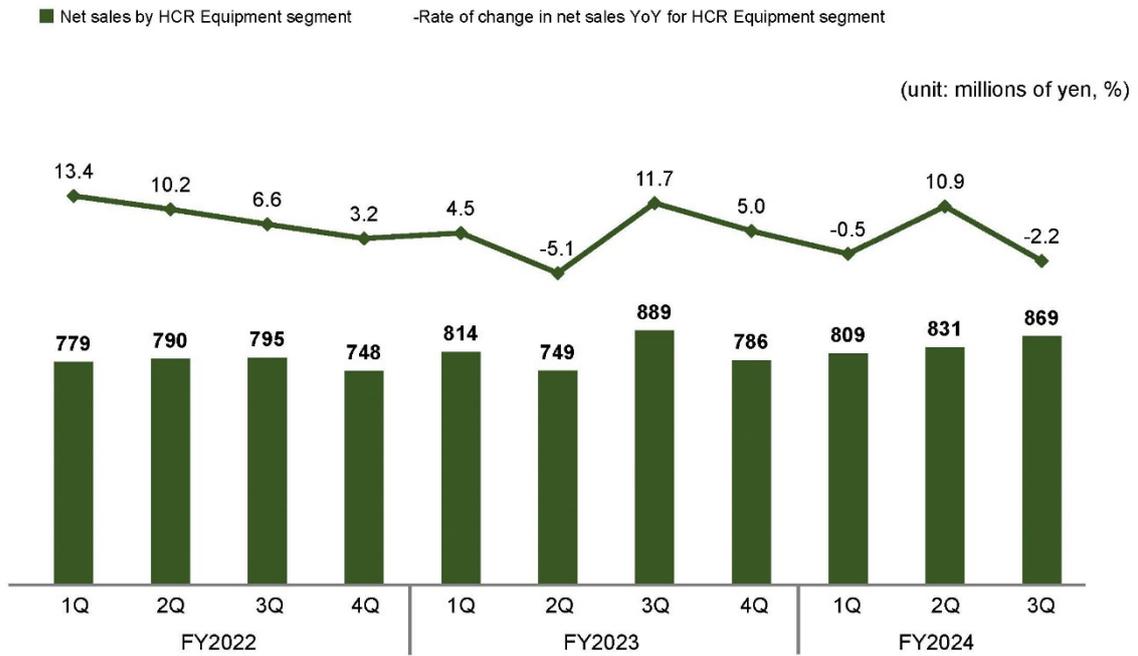
Here are the HCR Equipment segment's financial results for the 3rd quarter of FY 2024. Net sales increased, but as I mentioned earlier, segment profit showed a slight loss. This was mainly due to rising procurement costs driven by the weaker yen.

To address this business environment, we began implementing revenue improvement measures, including passing on prices to customers that had been considered challenging, starting from the end of the previous period. As a result, the business has definitely improved. Going forward, we will implement additional measures to further enhance revenue.

HCR Equipment Segment: Changes in Net Sales by Quarter

HCR Equipment Segment: Changes in Net Sales by Quarter

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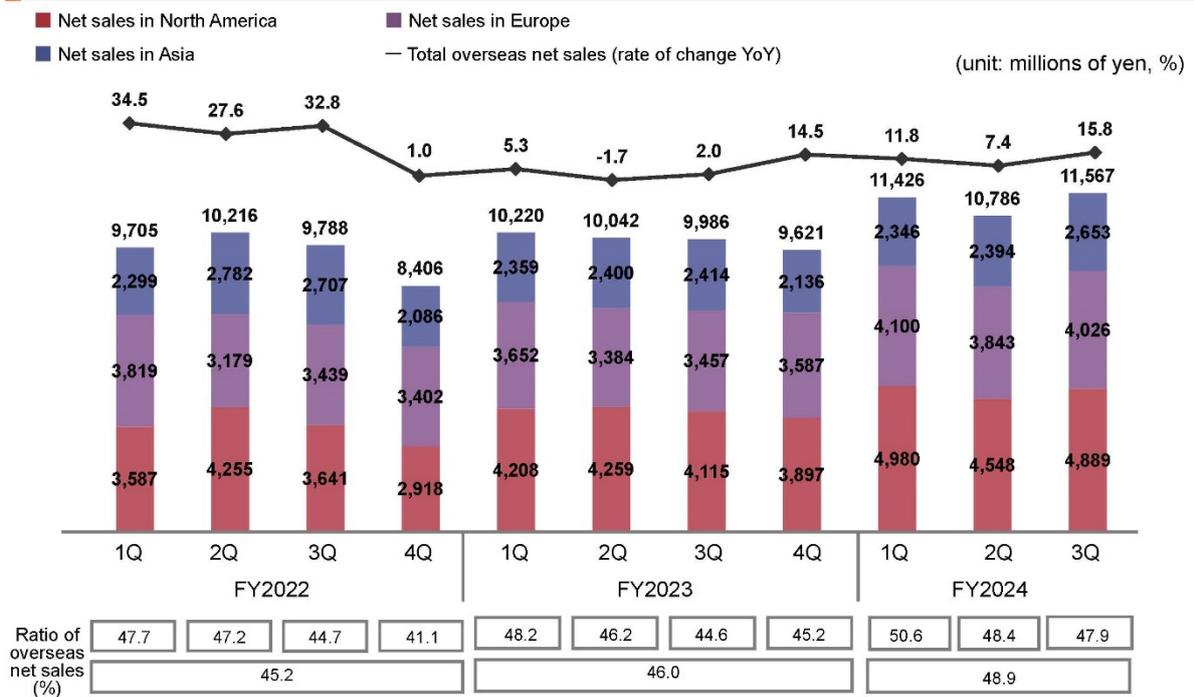


This shows the changes in net sales by quarter for the HCR Equipment segment. Please review it later.

Changes in Quarterly Net Sales by Overseas Region

Changes in Quarterly Net Sales by Overseas Region

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

The slide shows the changes in quarterly net sales by our key overseas region. The ratio of overseas net sales has risen to 48.9% for the cumulative 3rd quarter. By focusing on the rebar tying tool business, we will continue to expand internationally, aiming to surpass the 50% overseas sales ratio target from our medium-term management plan in FY 2026 ahead of schedule.

Priority Business: Overview of Rebar Tying Tool Business

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Steady sales of tools for concrete structures with a focus on the rebar tying tool business

· Domestic and overseas sales of tools for concrete structures: ¥26.5 billion (¥4.7 billion in Japan, ¥21.8 billion overseas)

Growth of **15.2% over the** previous year / **82.8%** progress against the annual plan

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

Overseas



North America

- Thanks to continued steady construction investment in the non-residential market and the increase in the cumulative number of operating tools, sales of consumables grew significantly. Overall, the rebar tying tool business in North America performed well.

Europe

- In the Nordic countries, recovery has been somewhat delayed, but in Germany, the recovery trend in sales volume continues.
- In addition to the sales expansion of the new "TWINTIER," continuous strengthening of activities in Southern and Eastern Europe led to both tools and consumables exceeding the previous year's levels in the cumulative 3rd Quarter.

Japan



- Although the floor area of construction starts of concrete structures was sluggish, sales of consumables remained strong. On the other hand, due to the impact of the new "TWINTIER" product launched in December 2023, the number of machines sold in the 3rd Quarter (three-month period) decreased compared to the previous year.

Here is an overview of our priority business, the rebar tying tool business. As mentioned in the summary of financial results, sales have remained strong. Net sales of tools for concrete structures reached ¥26.5 billion, growing by 15.2% YoY. The progress rate toward our annual plan stands at 82.8%.

Since the regional overview overlaps with the earlier explanation of the Industrial Equipment segment, I will skip the details and briefly summarize each area.

North America has had some fluctuations between quarters, but it has remained strong overall.

In Europe, which faced tough conditions last year, the recovery in Germany and the continued expansion in Southern and Eastern Europe have led to a rebound, surpassing last year's levels and showing growth.

In the domestic market, while the effect of new machinery has leveled off, the overall business continues to expand. We will continue to drive marketing activities, with the rebar tying tool business as our key focus.

Exhibited at World of Concrete, one of the world's largest exhibitions for the concrete construction industry Part 1

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MAX exhibited at the "World of Concrete 2025," which was held in Las Vegas.

As the leading company that launched the world's first battery-operated rebar tying tool in 1993, we have implemented branding of MAX, as well as introducing our new rebar tying products under development to overseas markets.

Event Dates:

Wednesday, January 22, 2025 - Friday, January 24, 2025 (Japan Time)

Theme:

REVOLUTIONIZE REBAR TYING -- Continuing to create new standards for rebar tying --

Main exhibits:

- Autonomous Mobile Tying Robot
- Rebar Tying Unit for Automation
- CONNECTED TWINTIER

We are streaming video of the exhibition, so please take a look.

<https://youtu.be/ncjNYAifwTo>



Slides 17 and 18 provide information about our participation in the "World of Concrete (WOC)" exhibition, one of the world's largest exhibitions for the concrete construction industry, which is closely linked to our focused rebar tying tool business.

MAX USA CORP., our North American subsidiary, has been continuously exhibiting at the WOC since I was the head of international sales 10 years ago, and even more so since over 20 years ago, when rebar tying tools were still in their early stages

Previously, our focus in the WOC exhibition was mainly on promoting products and acquiring potential customers. This time, in addition to that, we took our efforts to a new level, highlighting our leadership in rebar tying tools, promoting the MAX brand to overseas markets, and presenting our developing automated equipment.

Unfortunately, I couldn't attend in person as I stayed behind, but I have been told our booth was "constantly busy." I believe it served as excellent chance to boost our brand power and presence in the rebar tying tool market.

We have shared a video of the WOC exhibition. You can find the URL and QR code on the slide, so please take a look when you have time.

Exhibited at World of Concrete, one of the world's largest exhibitions for the concrete construction industry Part 2

Exhibited at World of Concrete, one of the world's largest exhibitions for the concrete construction industry Part 2

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Main exhibits

MAX contributes to solving social issues such as the labor shortage and improving work efficiency at construction sites.

*In Japan, it was released in limited regions in October 2024.

Under Development: Automated Equipment

to be released in North America in the spring of 2025

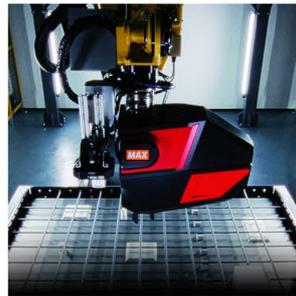
Autonomous Mobile Tying Robot

In floor rebar tying operations, the robot autonomously generates optimal routes, rounds designated areas, and ties rebar. Equipped with adaptive capabilities, it instantly regenerates a new route when detecting obstacles, ensuring seamless operation. Furthermore, through a centralized system for swarm control, multiple units can work in coordination.



Rebar Tying Unit for Automation

The specialized unit, developed by fully utilizing the company's TWINTIER technology and integrating suitable automation innovations, can be customized to suit various devices, including robotic arms. It automatically detects the tying target area, adjusts to the optimal position, angle, and stroke, and ties rebar with accuracy. Also, it detects rebar misalignment or obstacles and autonomously executes adjustments or avoidance measures.



CONNECTED TWINTIER

With 4G LTE communication and GPS functions integrated into the TWINTIER, it is possible to remotely monitor the location and operational status of tools. Security alerts and real-time tracking can remotely lock tools to prevent unauthorized use when the tools are taken outside designated areas.



We introduced new products under development and upcoming releases at the WOC. These include *Autonomous Mobile Tying Robot* and *Rebar Tying Unit for Automation*, as automated equipment under development, as well as *CONNECTED TWINTIER*, set to launch in North America this spring. We displayed, exhibited, and demonstrated these products.

Although there are no photos included here, we also showcased new products planned for release this year and next. These include a rebar tying tool designed to bind larger diameter rebar, and a rebar cutter that covers the entire rebar tying process.

Our active participation in these exhibitions helps solve social issues such as labor shortages and boost jobsite efficiency. At the same time, it allows us to address various needs and applications in rebar tying and demonstrate our position as a leading company in the market.

Implementation of Capital Policy

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Implementation of Stock Offering

Type and Number of Shares Offered: 1,250,000 shares of the Company's common stock (plus an additional 187,200 shares through over-allotment)

Seller and Number of Shares Offered:	Mizuho Bank, Ltd.	400,000 shares
	Gunma Bank, Ltd.	400,000 shares
	MUFG Bank, Ltd.	200,000 shares
	Mitsui Sumitomo Insurance Co., Ltd.	200,000 shares
	Sumitomo Mitsui Trust Bank, Ltd.	50,000 shares

Application Period: Thursday, November 28, 2024 - Friday, November 29, 2024

Purpose of the Offering: To increase MAX's recognition among a wide range of investors, diversify the shareholder base, and improve stock liquidity.

Acquisition of Treasury Stock

Depending on market conditions, it is possible that some or all of the acquisition may not be carried out.

Type of Shares to be Acquired: The Company's common stock

Total Number of Shares to be Acquired: 600,000 shares (maximum) (Total acquisition price: 2.4 billion yen (maximum))

Acquisition Period: Monday, January 6, 2025 - Wednesday, April 30, 2025

Cancellation of Treasury Stock

Type of Shares to be Cancelled: The Company's common stock

Total Number of Shares to be Cancelled: 1,000,000 shares (2.10% of the total number of issued shares before cancellation)

Cancellation Date: Thursday, December 26, 2024

We are focusing on rebar tying tools to drive sustainable improvements in profitability. As previously disclosed, we have also implemented capital policies for the current period. As we have discussed, expanding our rebar tying tool business and optimizing our domestic portfolio has greatly improved our profitability.

Over the past three years of the previous medium-term management plan, our stock price and market capitalization have nearly doubled, and the PBR has increased by about 1.5 times. Currently, both market capitalization and PBR have further improved. We believe that investors and the market have given us significant recognition.

As we developed and reviewed the current medium-term management plan, we, as management, shared key challenges such as the future shareholder composition and improving stock liquidity in the market, considering both internal and external factors.

Based on this understanding of the environment, we proactively restructured our capital structure and improved stock liquidity and capital efficiency. To achieve this, we implemented a capital policy package, which includes "Stock Offering," "Acquisition of Treasury Stock," and "Cancellation of Treasury Stock." The details are outlined in the slide.

We have already completed the stock offering and cancellation, and we are currently purchasing treasury stocks from January to April.

Going forward, we aim to enhance corporate value by driving business activities to strengthen and improve profitability, while also considering and implementing timely, effective capital policies.

This concludes my explanation of the financial results, business activities, and capital policies for the 3rd quarter of FY 2024.

Group-Wide Plan in FY 2024

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■ Forecasted exchange rates (from Q4)

1 USD = 150.00 JPY

1 EUR = 160.00 JPY

(unit: millions of yen, %)

	Current plan (January 31, 2025)	Previous plan (October 31, 2024)	Difference	Results in previous FY	% increase/ decrease
Net sales	91,300	90,300	1,000	86,638	+5.4
Operating profit	13,800	13,600	200	12,601	+9.5
Corresponding ratio	15.1	15.1		14.5	
Ordinary profit	14,100	13,740	360	13,717	+2.8
Corresponding ratio	15.4	15.2		15.8	
Profit attributable to shareholders of parent company	10,600	10,360	240	10,435	+1.6
Corresponding ratio	11.6	11.5		12.0	
Net profit per share (yen)	228.32	222.67	5.65	222.57	
ROE	10.3	10.1	0.2P	11.1	

Thanks to the strong performance up to the 3rd Quarter, we have revised our full-year forecast for the fiscal year ending March 2025, as it is expected to exceed the projected figures announced on October 31, 2024.

Next, let's discuss the full-year forecast. Based on strong performance, we have revised our forecast upwards. From the previous plan, net sales are expected to increase by ¥1,000 million to ¥91,300 million, operating profit by ¥200 million to ¥13,800 million, ordinary profit by ¥360 million to ¥14,100 million, and net profit by ¥240 million to ¥10,600 million. We expect ROE to be 10.3%.

Segment Plans in FY 2024

Segment Plans in FY 2024

21

(unit: millions of yen, %)	Current plan (January 31, 2025)	Previous plan (October 31, 2024)	Difference	Results in previous FY	% increase/ decrease
Industrial Equipment segment					
Net sales	66,120	65,290	830	62,392	+6.0
Segment profit	14,067	14,030	37	12,691	+10.8
Segment profit rate	21.3	21.5		20.3	
Office Equipment segment					
Net sales	21,850	21,670	180	21,006	+4.0
Segment profit	4,410	4,180	230	3,965	+11.2
Segment profit rate	20.2	19.3		18.9	
HCR Equipment segment					
Net sales	3,330	3,340	-10	3,239	+2.8
Segment profit	-67	0	-67	-7	—
Segment profit rate	-2.0	0.0		-0.2	
Adjustment amount	-4,610	-4,610	—	-4,048	—
Group-wide total					
Net sales	91,300	90,300	1,000	86,638	+5.4
Operating profit	13,800	13,600	200	12,601	+9.5
Operating margin	15.4	15.1		14.5	

This slide shows the forecast by segment. Please review it later.

Plans for Each Subsegment (By Business) in FY 2024

Plans for Each Subsegment (By Business) in FY 2024

22

(unit: millions of yen, %)	Current plan (January 31, 2025)	Previous plan (October 31, 2024)	Difference	Results in previous FY	% increase/ decrease
Industrial Equipment segment					
Segment net sales	66,120	65,290	830	62,392	+6.0
Domestic industrial equipment business	21,420	21,560	-140	21,536	-0.5
Overseas industrial equipment business	32,700	31,930	770	29,304	+11.6
Home environment equipment business	12,000	11,800	200	11,551	+3.9
Segment profit	14,067	14,030	37	12,691	+10.8
Segment profit rate	21.3	21.5		20.3	
Office Equipment segment					
Segment net sales	21,850	21,670	180	21,006	+4.0
Domestic office equipment business	7,700	7,820	-120	7,626	+1.0
Overseas office equipment business	5,750	5,850	-100	5,796	-0.8
Auto stapler equipment business	8,400	8,000	400	7,583	+10.8
Segment profit	4,410	4,180	230	3,965	+11.2
Segment profit rate	20.2	19.3		18.9	

Here is the forecast by sub-segment.

Considering the cumulative results through the 3rd quarter and the full-year forecast for both the group-wide and segment profits, the 4th-quarter forecast, particularly for profit, is slightly lower.

A few factors are driving this, mainly the assumption of exchange rates at ¥150 per USD and ¥160 per EURO, with the yen strengthening toward the end of the period. Also, some of the planned SG&A expenses have been delayed, and this, along with other considerations, contributes to higher SG&A in the 4th quarter as we prepare for future growth.

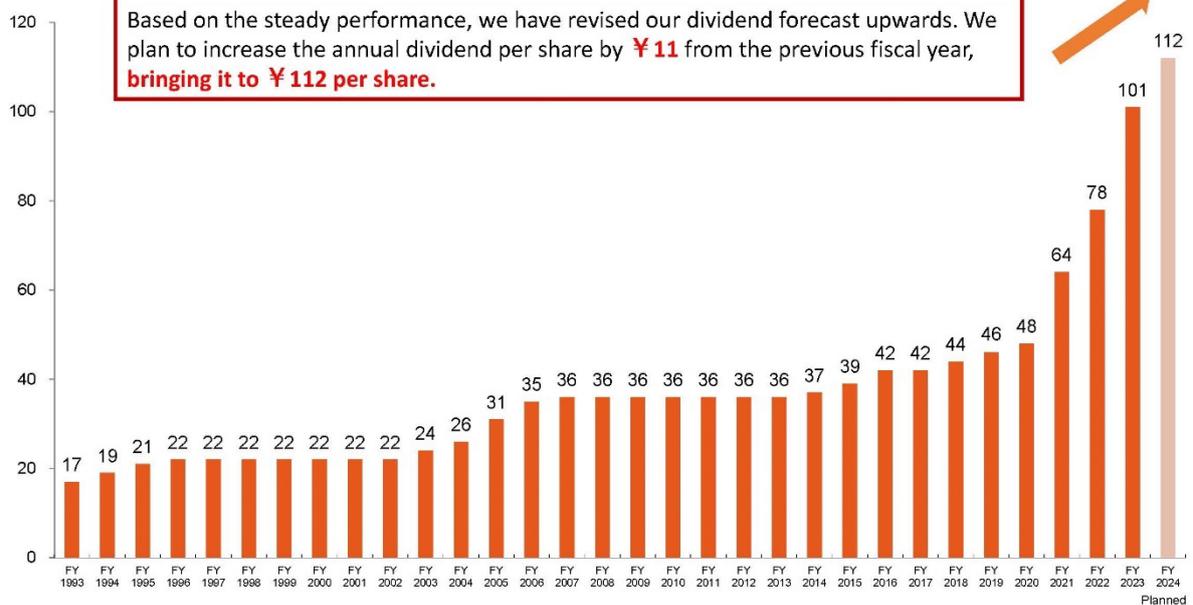
These factors mainly affect the Industrial Equipment segment, leading to lower profits in that segment, but we expect the business itself to continue performing well.

Dividend Policy: Dividends per Share

Dividend Policy: Dividends per Share

23

(unit: yen)



Here is the dividends per share. As mentioned in the summary earlier, considering the strong performance and our dividend policy, we have raised the dividend from the previous plan of ¥108 upward by ¥4, bringing it to ¥112, an increase of ¥11 from the previous fiscal year.

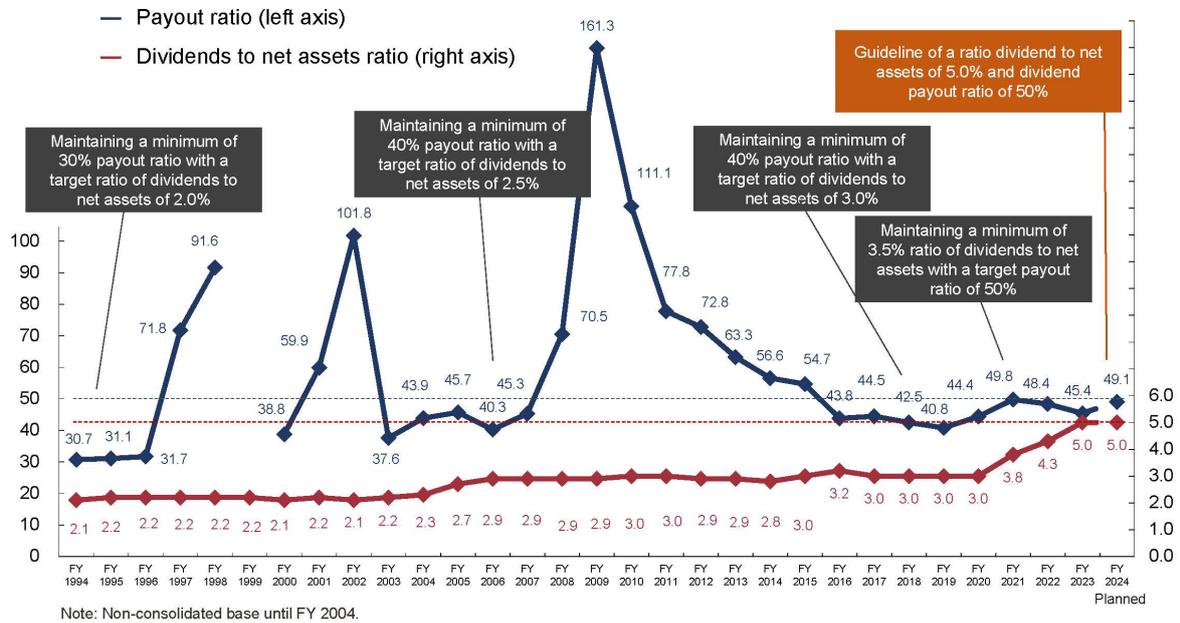
Dividend Policy: Payout Ratio and Dividends to Net Assets Ratio

Dividend Policy: Payout Ratio and Dividends to Net Assets Ratio

24

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: %)



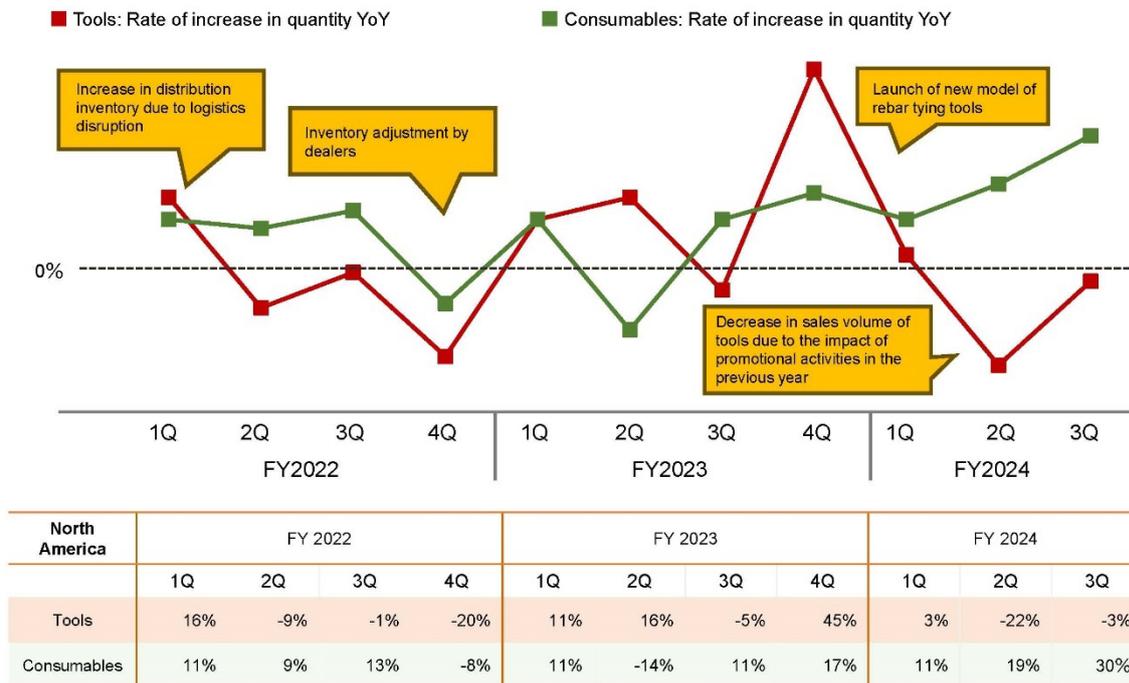
This slide shows the trend in the payout ratio and dividend to net assets ratio. The rest of the slides are for your reference, and you can check them later.

I have explained the financial results, business activities, and forecasts for the 3rd quarter of FY 2024. We believe our ability to generate profits has clearly improved. Going forward, we aim to further increase corporate value by continuously enhancing both business profitability and capital efficiency.

Q&A: Changes in Quarterly Segment Net Sales by Overseas Region (North America)

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

28



Participant: Regarding the sales volume of rebar tying tools in North America, especially the tools themselves, I heard that the 2nd-quarter drop was due to replacing old products with new ones. Is it correct to assume that the switch to the new products was completed by the 3rd quarter?

Kaku: You're right. There was a period until around summer when we sold both the old and new products, but from autumn onwards, sales have almost entirely switched to the new products.

Participant: The 3rd quarter (three months) of FY 2024 appears to be nearly the same as FY2023. Does this suggest the new product has not driven any increase in sales volume?

Kaku: The numbers are compared year-on-year, so factors like whether there was a promotion last year can cause big differences. The new product released in May 2024 is being praised for its faster tying speed. While it has not had as dramatic an effect as the shift from single wire to twin tire, I believe the sales of tools remain strong.

Q&A: Cost of "WOC"

Exhibited at World of Concrete, one of the world's largest exhibitions for the concrete construction industry Part 1

17

MAX exhibited at the "World of Concrete 2025," which was held in Las Vegas.

As the leading company that launched the world's first battery-operated rebar tying tool in 1993, we have implemented branding of MAX, as well as introducing our new rebar tying products under development to overseas markets.

Event Dates:

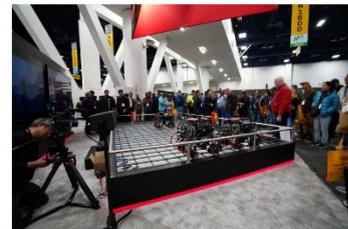
Wednesday, January 22, 2025 - Friday, January 24, 2025 (Japan Time)

Theme:

REVOLUTIONIZE REBAR TYING -- Continuing to create new standards for rebar tying --

Main exhibits:

- Autonomous Mobile Tying Robot
- Rebar Tying Unit for Automation
- CONNECTED TWINTIER



We are streaming video of the exhibition, so please take a look.

<https://youtu.be/ncjNYAifwTo>



Participant: This year's WOC is relatively large-scale, but has the exhibition cost significantly increased? Or do they not factor into the overall costs?

Kaku: As I mentioned, until now, only the local subsidiary participated, mainly for product promotion and attracting potential customers. This time, we also exhibited from our Tokyo headquarters, focusing on showcasing automated equipment and upcoming products, so we have invested a significant amount for the future.

Since the event was held in January, the costs are generally not included in the 3rd quarter results and will be accounted for the 4th quarter.

Participant: Did you factor in the investment costs from the beginning of the period?

Kaku: When we set the business plan for the current period, we decided to actively invest in this year's WOC to enhance our presence and brand power in the rebar tying tool market. Therefore, the planned investment will be recorded in the 4th quarter.

Q&A: Optimizing the Business Portfolio

Participant: In the presentation, you discussed reassessing the business portfolio. While the rebar tying tool business is performing well, you explained that the auto stapler equipment business is expected to shrink in the future. Although the HCR Equipment segment has begun to pass on prices to customers, some areas have seen limited progress.

I know where to drive growth in portfolio optimization, but how are you addressing cost control, and what actions are you taking?

Kaku: Sorry for the confusion. By optimizing the business portfolio, I mean optimizing the portfolio within each individual business.

As I briefly mentioned earlier, in the domestic office equipment business, we will shift from the stationery-related products to the labeling and signage products to improve our revenue structure.

In the domestic industrial equipment business, we will transition towards rebar tying tools over the long term and gradually phase out less profitable products. This is how we plan to optimize the portfolio by enhancing the business structure in each segment.

Participant: In that sense, how is the discussion on optimizing the portfolio of each business positioned within management?

Kaku: I think this question is about optimizing the portfolio at a higher level, and we are, of course, addressing it. As you all know, we operate multiple businesses.

Within that, we continuously discuss how to balance and structure the overall portfolio. Our group prioritizes internal resources for the rebar tying tool business, while ensuring proper fixed cost management in other businesses.

Priority Business: Overview of Rebar Tying Tool Business

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Steady sales of tools for concrete structures with a focus on the rebar tying tool business

· Domestic and overseas sales of tools for concrete structures: ¥26.5 billion (¥4.7 billion in Japan, ¥21.8 billion overseas)

Growth of **15.2% over the** previous year / **82.8%** progress against the annual plan

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

Overseas



North America

- Thanks to continued steady construction investment in the non-residential market and the increase in the cumulative number of operating tools, sales of consumables grew significantly. Overall, the rebar tying tool business in North America performed well.

Europe

- In the Nordic countries, recovery has been somewhat delayed, but in Germany, the recovery trend in sales volume continues.
- In addition to the sales expansion of the new "TWINTIER," continuous strengthening of activities in Southern and Eastern Europe led to both tools and consumables exceeding the previous year's levels in the cumulative 3rd Quarter.

Japan

- Although the floor area of construction starts of concrete structures was sluggish, sales of consumables remained strong. On the other hand, due to the impact of the new "TWINTIER" product launched in December 2023, the number of machines sold in the 3rd Quarter (three-month period) decreased compared to the previous year.

Participant: Is it correct to understand that the sales target for tools for concrete structures for the current period remains ¥32 billion, unchanged from the previous target?

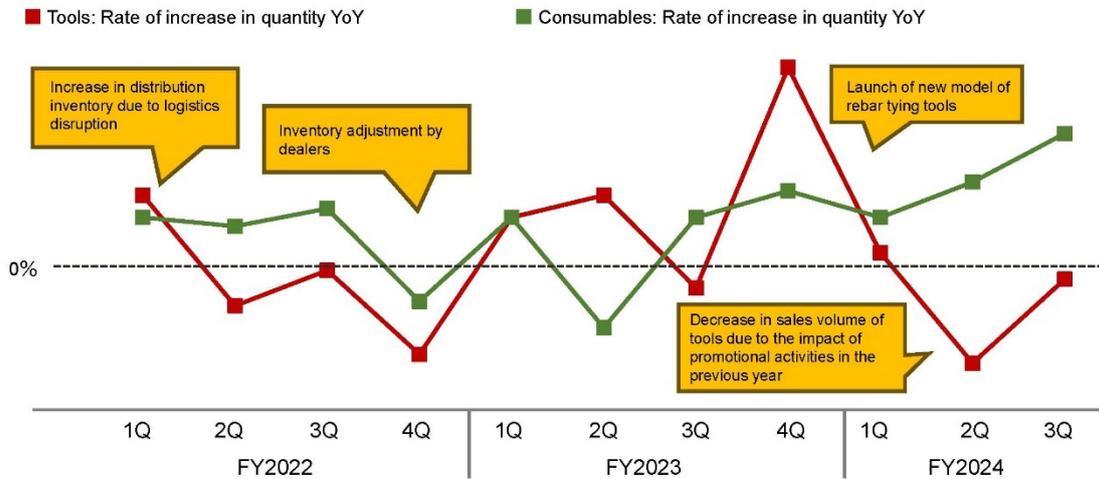
Kaku: As mentioned earlier, the current progress rate is 82.8% of the plan. While we have not changed the target, we believe the actual performance will exceed it.

Participant: Since sales of the "TWINTIER" are strong, can we expect no sudden decline in the 4th quarter?

Kaku: Exactly. We believe the rebar tying tool business will remain stable.

Q&A: Year-on-Year Growth Rate of North American Consumables and Its Connection to the U.S. Administration

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



North America	FY 2022				FY 2023				FY 2024		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Tools	16%	-9%	-1%	-20%	11%	16%	-5%	45%	3%	-22%	-3%
Consumables	11%	9%	13%	-8%	11%	-14%	11%	17%	11%	19%	30%

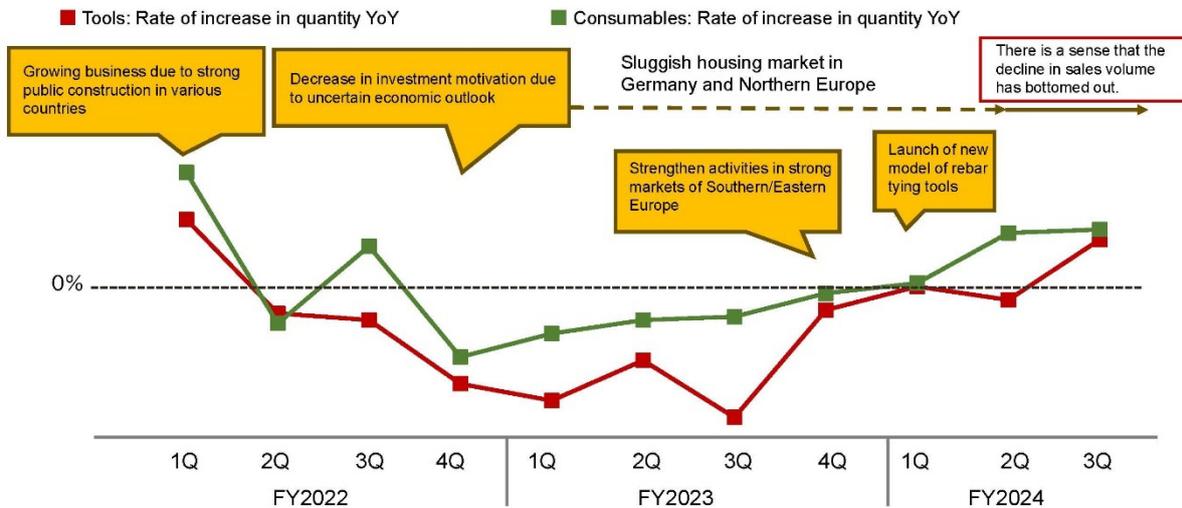
Participant: The year-on-year growth rate for North American rebar tying tools (consumables) for the 3rd quarter (three months) saw a significant 30% increase. Could this be the result of inventory stocking actions taken before President Trump’s inauguration due to tariff concerns?

Kaku: I cannot speak to the details, but I believe there was no large-scale stockpiling in advance. There may have been some, but I have not received any information suggesting that. I view this as a result of normal sales activities.

Q&A: Market Overview for Rebar Tying Tool business in Europe

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

29



Europe	FY 2022				FY 2023				FY 2024		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Tools	22%	-6%	-8%	-27%	-32%	-20%	-37%	-5%	2%	-2%	16%
Consumables	36%	-9%	14%	-19%	-12%	-8%	-7%	0%	3%	18%	19%

Participant: The European rebar tying tool market has seen a strong recovery in both tools and consumables since the 3rd quarter. Is this mainly driven by increased sales, or is the recovery in Germany a key factor?

Kaku: There are two reasons for the recovery. First, our key market in Germany has recovered, bringing sales back to last year's levels. Second, we increased our own efforts by strengthening activities in Southern and Eastern Europe, which has contributed positively. Together, these factors have resulted in overall growth in Europe from the previous year.

Q&A: Delays in the Execution of Budget Allocations

Participant: For the 4th quarter, we expect weaker profits, mainly due to delayed budget execution. What are the planned uses for the delayed budget?

Kaku: One example, as mentioned earlier, is the budget allocated for our participation in the WOC. Additionally, we have planned various future investments, including those in DX (digital transformation) initiatives. The plan includes specific allocations for DX and brand investments, among others. We aim to execute them in the 4th quarter, and they have been incorporated into the budget.

Participant: Between the investment in DX and the WOC exhibition costs, which one has a bigger scale or proportion?

Kaku: The investment in future initiatives, including DX, makes up a larger proportion.

Q&A: Revision of Performance Forecast

Group-Wide Plan in FY 2024

20

■ Forecasted exchange rates (from Q4)

1 USD = 150.00 JPY

1 EUR = 160.00 JPY

(unit: millions of yen, %)

	Current plan (January 31, 2025)	Previous plan (October 31, 2024)	Difference	Results in previous FY	% increase/ decrease
Net sales	91,300	90,300	1,000	86,638	+5.4
Operating profit	13,800	13,600	200	12,601	+9.5
Corresponding ratio	15.1	15.1		14.5	
Ordinary profit	14,100	13,740	360	13,717	+2.8
Corresponding ratio	15.4	15.2		15.8	
Profit attributable to shareholders of parent company	10,600	10,360	240	10,435	+1.6
Corresponding ratio	11.6	11.5		12.0	
Net profit per share (yen)	228.32	222.67	5.65	222.57	
ROE	10.3	10.1	0.2P	11.1	

Thanks to the strong performance up to the 3rd Quarter, we have revised our full-year forecast for the fiscal year ending March 2025, as it is expected to exceed the projected figures announced on October 31, 2024.

Participant: Regarding the medium-term management plan through FY 2026, I feel that it has become somewhat more conservative, including the assumptions about the exchange rate. There might not be a need for unnecessary revisions, but have you been revising and rolling over the plan each year? I believe the significant deviation in exchange rate assumptions is one of the contributing factors.

Kaku: You're right that the current medium-term management plan was initially based on assumptions of ¥140 per USD and ¥150 per EURO. However, the current exchange rates have diverged significantly from these assumptions. We are currently revising the plans for the next two fiscal years, considering the business situation and other factors. We plan to advance the medium-term management plan based on these updated insights.

Implementation of Capital Policy

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Implementation of Stock Offering

Type and Number of Shares Offered: 1,250,000 shares of the Company's common stock (plus an additional 187,200 shares through over-allotment)

Seller and Number of Shares Offered:	Mizuho Bank, Ltd.	400,000 shares
	Gunma Bank, Ltd.	400,000 shares
	MUFG Bank, Ltd.	200,000 shares
	Mitsui Sumitomo Insurance Co., Ltd.	200,000 shares
	Sumitomo Mitsui Trust Bank, Ltd.	50,000 shares

Application Period: Thursday, November 28, 2024 - Friday, November 29, 2024

Purpose of the Offering: To increase MAX's recognition among a wide range of investors, diversify the shareholder base, and improve stock liquidity.

Acquisition of Treasury Stock

Depending on market conditions, it is possible that some or all of the acquisition may not be carried out.

Type of Shares to be Acquired: The Company's common stock

Total Number of Shares to be Acquired: 600,000 shares (maximum) (Total acquisition price: 2.4 billion yen (maximum))

Acquisition Period: Monday, January 6, 2025 - Wednesday, April 30, 2025

Cancellation of Treasury Stock

Type of Shares to be Cancelled: The Company's common stock

Total Number of Shares to be Cancelled: 1,000,000 shares (2.10% of the total number of issued shares before cancellation)

Cancellation Date: Thursday, December 26, 2024

Participant: Your company has been highly profitable, but the trading volume has been quite low, which I believe was one of the challenges. After the recent stock offering, the trading volume has roughly doubled, which is very positive from an investor's perspective. Although you may not be able to continue offering stocks regularly, will you be making efforts to increase liquidity in the long term?

Kaku: Currently, there are no institutional decisions in place, and due to the involvement of other parties, I can't provide specific details. However, how we approach capital policy, capital structure, and shareholder composition is a major medium- to long-term challenge for us. Therefore, we intend to carefully evaluate and implement appropriate actions as needed in the coming period and beyond.

Q&A: Long-Term Forecast

Participant: I have a request. Your materials have been getting more detailed each time, and I think that is excellent. Companies that only talk about their dreams tend to focus on the long-term, often avoiding short-term performance. However, your company address short-term performance well, so I think it would be helpful to also include more about the long-term aspects.

The rebar tying tool business, in particular, is poised for significant growth, not only due to current inflation but also demographic trends. Therefore, it might be worthwhile to boldly discuss a 10- to 20-year span, considering regional penetration and GDP per capita. I am looking forward to the upcoming earnings presentation.

Kaku: Thank you for your valuable suggestion.

Q&A: Main Exhibits at WOC

Exhibited at World of Concrete, one of the world's largest exhibitions for the concrete construction industry Part 2

18

Main exhibits

MAX contributes to solving social issues such as the labor shortage and improving work efficiency at construction sites.

Under Development: Automated Equipment

*In Japan, it was released in limited regions in October 2024.

to be released in North America
in the spring of 2025*

Autonomous Mobile Tying Robot

In floor rebar tying operations, the robot autonomously generates optimal routes, rounds designated areas, and ties rebar. Equipped with adaptive capabilities, it instantly regenerates a new route when detecting obstacles, ensuring seamless operation. Furthermore, through a centralized system for swarm control, multiple units can work in coordination.



Rebar Tying Unit for Automation

The specialized unit, developed by fully utilizing the company's TWINTIER technology and integrating suitable automation innovations, can be customized to suit various devices, including robotic arms. It automatically detects the tying target area, adjusts to the optimal position, angle, and stroke, and ties rebar with accuracy. Also, it detects rebar misalignment or obstacles and autonomously executes adjustments or avoidance measures.



CONNECTED TWINTIER

With 4G LTE communication and GPS functions integrated into the TWINTIER, it is possible to remotely monitor the location and operational status of tools. Security alerts and real-time tracking can remotely lock tools to prevent unauthorized use when the tools are taken outside designated areas.



Participant: Regarding the main exhibits at this WOC, how long do you anticipate it will take to commercialize *Autonomous Mobile Tying Robot* and *Rebar Tying Unit for Automation* that are currently under development?

Additionally, the new extra-large diameter model, scheduled for release between 2025 and 2026, will likely expand the existing market. However, since I do not have a clear image of what the extra-large-diameter market looks like, I would appreciate it if you could explain it.

Kaku: First, *Autonomous Mobile Tying Robot* and *Rebar Tying Unit for Automation* are showcased as machines currently under development.

To bring these products to market, we need to address challenges like weather resistance and durability. With these challenges in mind, we plan to release them at the right time. Therefore, we cannot provide a specific release date yet.

Next, I will talk about the extra-large diameter model, as well as the rebar cutter, which has a slightly different application. To strengthen our sales activities, we plan to begin sales in Japan, Europe, and the U.S. in the near future, from the current fiscal year into the next.

By introducing the extra-large diameter model, we believe we can cover most of the rebar tying tasks and applications with our tools. This will likely change the market size, so we plan to assess the new market potential while pushing forward with our sales expansion efforts.

Participant: I believe you have estimated the market for the extra-large diameter model. Could you share the expected market size when it launches?

Kaku: I'm sorry, but I cannot share specific figures. However, it is clear that there is demand, so we are confident in our ability to sell it successfully.