



MAX Co., Ltd.
Financial Results Briefing for the 3rd Quarter 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 Friday, January 31, 2025, regarding the Company's business results in the 3rd Quarter of the fiscal year ending March 31, 2025.

■ Industrial Equipment Segment

Q1. Regarding the sales status of rebar tying tools in North America, I heard that the sales of tools were stagnant in the second quarter due to the replacement of new and old models, but is it correct to understand that the transition to new model of rebar tying tool was almost completed in the third quarter?

A1. Until around the summer of 2024, we sold both new and old models, but in the third quarter, we have switched to selling new model.

Q2. The sales performance of rebar tying tools in North America remained flat year-on-year in the third quarter (three-month period). Are there any effects of the new rebar tying tool on the performance?

A2. The rebar tying tool "RB443T," released in May 2024, has been evaluated for its faster tying speed. Although it does not have as significant an effect as the "RB441T," released in 2017, which greatly improved product performance with the first introduction of the TWINTIER mechanism, we recognize that the expansion of the machine is steady.

Q3. How much impact does the cost of exhibiting at the "World of Concrete" (hereinafter, WOC) have on expenses? Also, was the cost of this exhibition planned at the beginning of the fiscal year?

A3. At this WOC, in addition to our local subsidiary in the United States, we also exhibited booths from our headquarters to strengthen our brand power, introducing products such as the Autonomous Mobile Tying Robot, Rebar Tying Unit for Automation, and the "CONNECTED TWINTIER," scheduled to be released in North America in the spring of 2025, investing a certain amount of cost. Since WOC was held in January 2025, the cost will be recorded as an expense in the fourth quarter. Additionally, the cost was planned at the beginning of the fiscal year ending March 2025.

Q4. Will you revise the sales plan for tools for concrete structures for the fiscal year ending March 2025 from ¥32 billion?

A4. We have not changed the plan itself, but since the progress rate as of the third quarter is 83%, we expect to exceed the plan based on actual results. Therefore, we do not anticipate a decline in performance in the fourth quarter and expect it to remain steady.

Q5. One of the factors for the 30% year-on-year increase in sales volume of consumables for rebar tying tools in North America in the third quarter (three-month period) is the movement to secure inventory in anticipation of tariffs?

A5. We perceive it as the result of normal sales activities.

Q6. Why has the sales volume of rebar tying tools and consumables in Europe increased significantly year-on-year in the third quarter (three-month period)?

A6. The increase was thanks to the recovery in sales volume in Germany, our main market, and the strengthening of sales expansion activities in Southern and Eastern Europe, where market conditions are strong, resulting in levels exceeding the previous year.

Q7. When is the specific release date for the Autonomous Mobile Tying Robot and Rebar Tying Unit for Automation that were exhibited at WOC?

A7. There are challenges such as weather resistance and durability for outdoor work that need to be cleared, so the specific release timing is undecided.

Q.8 What is the market size for the extra-large diameter rebar tying tool that is scheduled to be released in the future?

A.8 The extra-large diameter rebar tying tool is scheduled to be released in Japan, Europe, and the United States in the near future. By introducing the extra-large diameter tool, we believe that a large part of the rebar tying work can be covered by our tools. While we refrain from providing specific numbers regarding the market size, it is clear that there is demand, and we believe it will contribute to the further growth of the rebar tying tool business.

■ Overall Condition of the Company

Q.9 How do you think about optimizing the business portfolio?

A.9 In optimizing the business portfolio, we are also working to optimize the portfolio within each business and improve profitability. For example, in the domestic office equipment business, we aim to maintain and improve profitability by shifting activities from the stationery-related products business, where market contraction is expected due to paperless trends, to the labeling and signage products business. In the domestic industrial equipment business, we are strengthening the allocation of man-hours to the rebar tying tool business and reducing low-profit product groups to further improve profitability. As a company-wide direction, we plan to focus resources on the rebar tying tool business while managing fixed costs appropriately for other businesses.

Q.10 You mentioned that you plan to spend slightly more on selling, general, and administrative expenses in the fourth quarter, including delayed execution. What are the specific uses of these expenses?

A.10 In addition to recording the costs related to WOC as fourth-quarter expenses, we plan to invest in DX and branding.

Q.11 Which costs are higher, those related to WOC or other investments such as DX?

A.11 The costs for other investments, including DX, are higher.

Q.12 I believe that low trading volume of shares was one of the challenges, but after the stock offering conducted last year, the trading volume has approximately doubled, which I think is very positive from an investor's perspective. What are your thoughts on capital policy, including the future composition of shareholders?

A.12 While there are no specific decisions at this point, we recognize that the composition of shareholders is a medium- to long-term issue. We will continue to consider and implement measures that contribute to enhancing corporate value in a timely and appropriate manner.

Q.13 The medium-term management plan announced in April 2024 (for the fiscal years ending March 2025 to March 2027) seems somewhat conservative given the current exchange rate differences. Will you review the medium-term management plan as needed in the future?

A.13 As you pointed out, the exchange rates set at the time of formulating the medium-term management plan differ from the current exchange rates. We are currently discussing plans for the next fiscal year and the year after, including the assumptions for exchange rates and the status of business activities. Based on the content of these discussions, we plan to review the medium-term management plan.

Q.14

In addition to short-term performance and plans, I would like to see a longer-term perspective on the future prospects of rebar tying tools in each region.

A.14

We will take your valuable opinion into consideration.

The forecasts of business results and other forward-looking statements in this document are based on information available as of January 31, 2025 and on certain assumptions that the Company judges to be reasonable. Actual business results and other results may differ due to various factors.