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MAX Co., Ltd.
Financial Results Briefing for the First Quarter of FY 2025
Minutes of Q&A Session

These minutes provide an overview of the questions received from participants and the answers given in a briefing for analysts and fund managers held on Thursday, July 31, 2025.

■ Industrial Equipment Segment

Q1. In North America, you mentioned that price revisions in response to the Trump tariffs were implemented starting in May. When did the temporary demand in response to the price revisions begin to emerge? Please also provide an overview of sales performance in June and beyond following the temporary demand.

A1. In response to the announcement of Trump's tariffs in April 2025, we implemented price revisions mainly for consumables for rebar tying tools from May 1, 2025. We understand that temporary demand began immediately after the announcement in early April. Sales volume from our company to dealers declined in May, when the price revisions were implemented, but remained steady in June. Additionally, inventory levels at major dealers rose slightly at the end of April but have since gradually normalized, and there are currently no significant impacts. We believe that the temporary demand was not limited to dealers but also occurred at the user level. While it is difficult to accurately assess the impact, we have factored this as a risk factor for the second half of the year and beyond.

Q2. Was the large temporary increase in demand for consumables for rebar tying tools?

A2. That understanding (that the impact of the temporary demand was significant for consumables) is correct.

Q3. Where are the production bases for rebar tying tools and consumables sold in North America?

A3. We manufacture rebar tying tools at our Tamamura Factory in Gunma Prefecture and consumables at MAX (THAILAND) CO., LTD.

Q4. Your company completed construction of a factory in Thailand in 2023 dedicated to the production of Tie Wire, a consumable for rebar tying tools. Please tell us about the status of subsequent production line expansion.

A4. The third factory in Thailand, which was completed in 2023, has the capacity to increase production by approximately 1.75 times the production volume before the third factory began operations (domestic + second factory in Thailand), and is well equipped to respond to the current sales situation.

Going forward, we will continue to closely monitor demand trends and consider the enhancement of our production bases in a timely and appropriate manner.

Q5. Please explain the background behind the recovery in sales of rebar tying tools in the Nordic countries.

A5. In Europe, the main markets for the rebar tying tool business are Germany and the Nordic countries. In Germany, infrastructure investment has been steady since the previous fiscal year (ended March 2025), and infrastructure projects are gradually starting to move forward in the Nordic countries as well. In the Nordic countries, rental sales are the mainstay of the business, and we believe that the market has bottomed out and is on the road to recovery as rental sales are recovering.

Q6. What is the market size for the new rebar tying tools, TWINTIER Extra Large Jaw model?

A6. Our rebar tying tools are mainly available in three models: Standard, Large Jaw, and Extra Large Jaw. In terms of usage, the Standard model accounts for about 80%, the Large Jaw model accounts for more than half of the remaining 20%, and the Extra Large Jaw model accounts for the remainder.

Q7. Are sales of the Extra Large Jaw model exceeding your expectations?

A7. Although it has only been on the market for a short time, current sales are in line with our plans.

Q8. When will the battery-operated wire mesh cutter go on sale?

A8. We plan to launch the battery-operated wire mesh cutter in Japan, Europe, and the US in the near future. The market for battery-operated wire mesh cutters is not large, just like that of Extra Large Jaw models. However, we expect these products to contribute to net sales growth.

Q9. Do you plan to revise prices in response to upcoming tariff increases in North America?

A9. We plan to implement a price increase in August in response to the scheduled increase in mutual tariffs to 15% in August 2025 (an increase of 5% from the current 10%). As with the price revision implemented in May, we will strive to maintain profits as planned.

Q10. Please provide an update on the current status of any temporary demand ahead of the August price revisions.

A10. At this time, there is no information indicating the occurrence of temporary demand.

Q11. Please tell us about changes in sales volume of rebar tying tools in North America before and after the tariff increase.

A11. Since there are no direct competitors for our TWINTIER rebar tying tools, we do not believe that this price revision will have a significant impact on sales volume.

Q12. Operating profit for the second quarter onwards of the fiscal year is slightly conservative compared to the results for the first quarter. Please explain the reasons for this.

A12. The price revisions for products sold in North America implemented in the first quarter (May) had a greater impact on sales prices than the increase in costs due to tariffs, due to local inventory levels, and this was one of the factors that pushed up operating profit in the first quarter. We are revising our plans for the second quarter and beyond, taking into account the relationship between the increase in sales prices due to price revisions and the increase in costs, as well as the reactionary decline in demand following the temporary demand in the first quarter.

■ Overall Condition of the Company

Q13. Regarding the acquisition of treasury shares, what kind of shareholders are you targeting for the purchase through ToSTNeT-3?

A13. We refrain from providing specific answers. Our shareholder structure has a high proportion of financial institutions such as banks and life insurance companies, and the cross-shareholdings of these companies are generally being reduced. Please infer the details based on this background.

Q14. Please explain the background behind the decision on the level of acquisition of treasury shares (1,000,000 shares, 5.5 billion yen).

A14. The decision was made based on the intention to improve capital efficiency, strengthen shareholder returns in light of the total return ratio, effectively use cash holdings, and consider the intentions of major shareholders.

Q15. Please provide your thoughts on future measures, including cancellation, regarding the treasury shares acquired through ToSTNeT-3.

A15. We will consider cancellation at an appropriate time.

Q16. Please explain why you have revised your business performance forecast for the fiscal year ending March 2026 upward but have not changed your dividend forecast.

A16. Our dividend policy follows a 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. We will make decisions based on future business performance.

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