

The logo for MAX Co., Ltd. features the word "MAX" in a bold, white, sans-serif font, centered within a solid orange square.The slogan "ENGINEERED FOR PERFORMANCE" is written in a smaller, orange, sans-serif font. It is positioned below the MAX logo and is flanked by two thin, curved orange lines that sweep upwards and outwards.

MAX Co., Ltd.

Financial Results Briefing for First Three Quarters of FY 2023

Announcement Date: January 31, 2024

Participants

Yoshihiro Kaku, Senior Managing Director / Senior Executive Officer

Nobuo Suda, General Manager, Investor Relations and Public Relations Dept.

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Summary of Financial Results in the First Three Quarters of FY 2023

- **Both net sales and income reached a record high for the first three quarters.**
- **We revised the full-year forecast of net income for FY 2023 and now plan an ROE of 10.5%.**
- **We revised our forecasted dividend upward. We now plan to pay an annual dividend of ¥98 per share, an increase of ¥20 from the previous fiscal year.**



Group-Wide Financial Results in the First Three Quarters of FY 2023

Group-Wide Financial Results in the First Three Quarters of FY 2023

■ Exchange rates

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

Q1–Q3 FY 2022 1 USD = 135.71 JPY / 1 EUR = 140.28 JPY

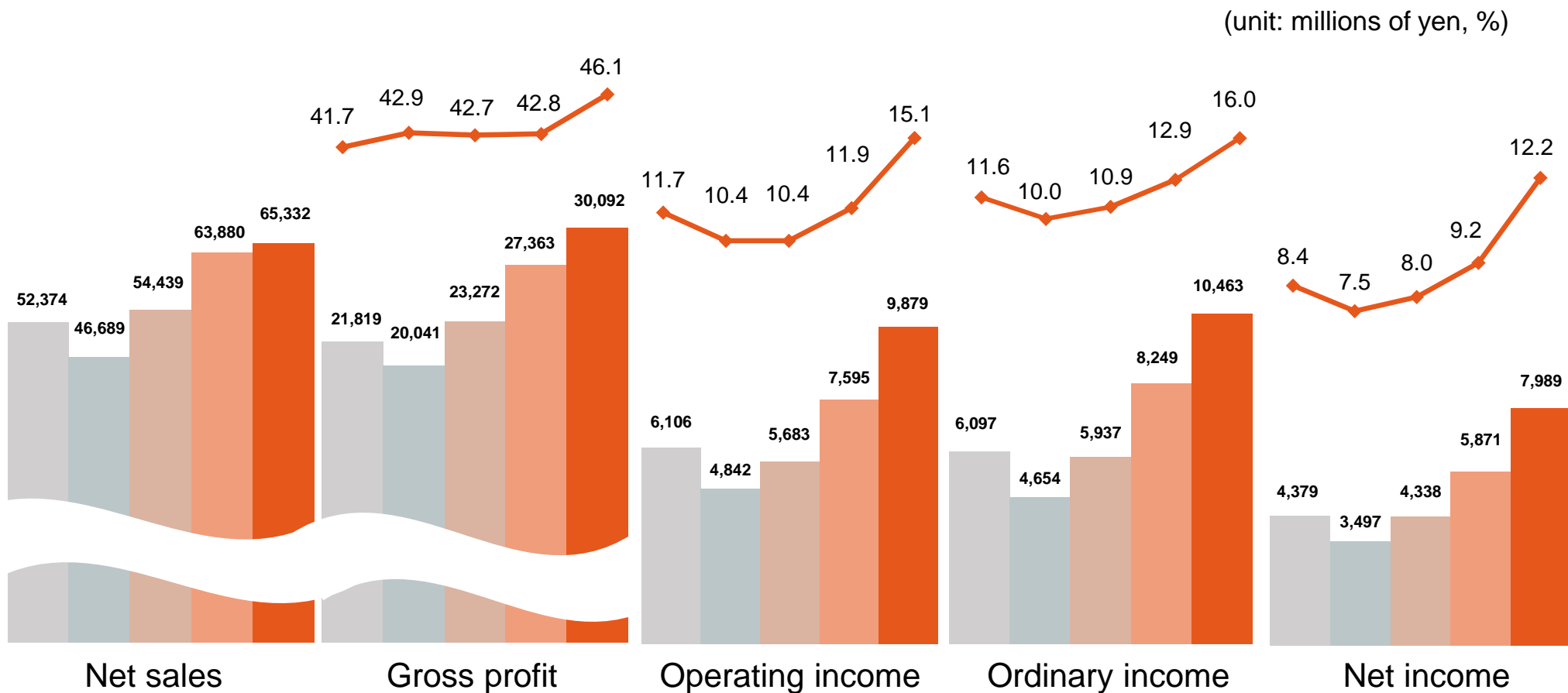
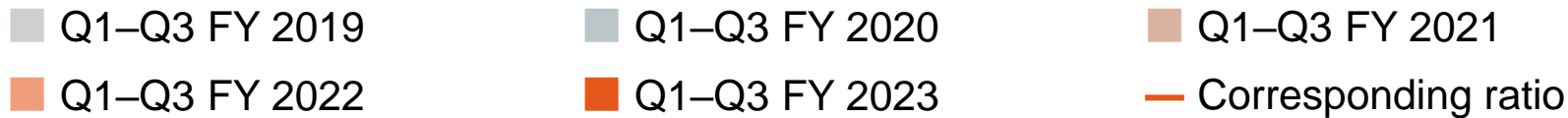
Planned 1 USD = 139.96 JPY / 1 EUR = 151.82 JPY

(unit: millions of yen, %)

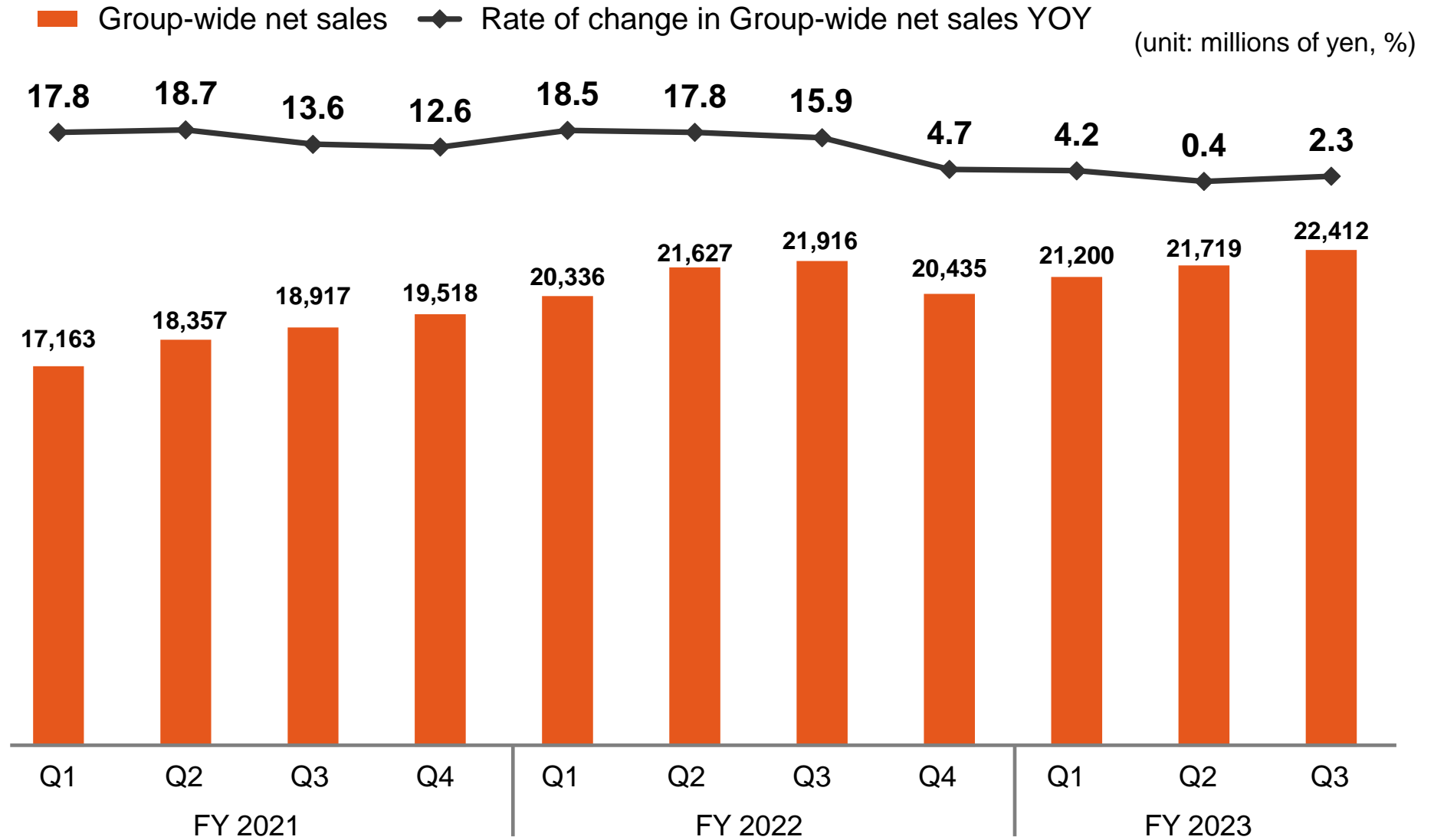
	Results in Q1– Q3 for FY under review	Results in Q1–Q3 of previous FY	% increase/ decrease	Full-year plan*	Rate of progress
Net sales	65,332	63,880	+2.3	87,000	75.1
Gross profit	30,092	27,363	+10.0	—	—
Corresponding ratio	46.1	42.8		—	
Operating income	9,879	7,595	+30.1	12,300	80.3
Corresponding ratio	15.1	11.9		14.1	
Ordinary income	10,463	8,249	+26.8	12,500	83.7
Corresponding ratio	16.0	12.9		14.4	
Net income attributable to shareholders of parental company	7,989	5,871	+36.1	9,380	85.2
Corresponding ratio	12.2	9.2		10.8	
Net income per share (yen)	169.94	124.14	—	199.53	—

*Revised plan announced on October 31, 2023

Changes in Group-Wide Financial Results in the First Three Quarters of FY 2019 to FY 2023

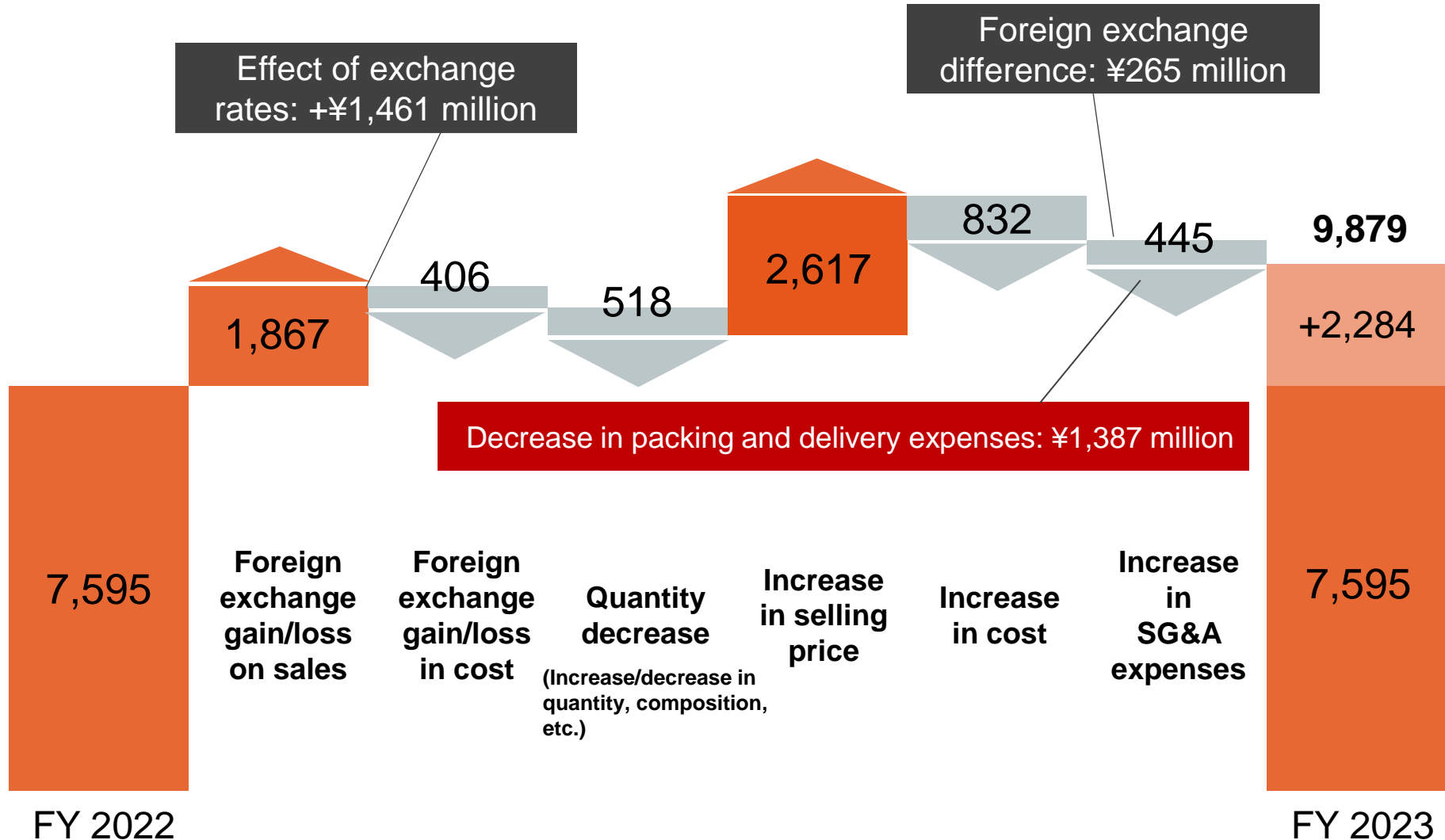


Changes in Net Sales by Quarter



Factors for Increase/Decrease of Operating Income

(unit: millions of yen)



■ Non-operating income/expenses and extraordinary income/loss

(unit: millions of yen)

	Results in Q1–Q3 for FY under review	Results in Q1–Q3 of previous FY	YOY
Non-operating income/expenses	584	654	-70
Non-operating income (excluding foreign exchange effect)	419	364	+54
Non-operating expenses (excluding foreign exchange effect)	-44	-62	+17
Foreign exchange gain/loss	210	352	-142
Extraordinary income/loss	20	-70	+91
Extraordinary income	70	14	+55
Extraordinary loss	-50	-85	+35

■ Facilities investment, depreciation, R&D expenses

(unit: millions of yen, %)

	Results in Q1–Q3 for FY under review	Results in Q1–Q3 of previous FY	FY 2023 annual plan	Rate of progress
Facilities investment	2,151	2,519	4,615	46.6
Depreciation	2,259	2,214	3,460	65.3
R&D expenses	3,360	2,740	4,545	73.9

Priority Policy

Contribute to business growth by expanding priority businesses and actively investing in the launch of new businesses

Strategic investment for mid- and long-term business growth

Cumulative investment amount over
3 years (FY 2021 to FY 2023) **¥3.6 billion**

(unit: millions of yen, %)

	Actual investment in Q1–Q3 for FY under review	FY 2023 annual plan	Rate of progress
Investment in operating infrastructure	239	500	47.8
Investment in digital technology	151	400	37.8
Strategic investment in R&D	247	600	41.2
Investment in corporate communication, etc.	25	100	25.0
Total	662	1,600	41.4

Raw material prices and exchange rate fluctuations continued to impact corporate earnings

Domestic

The economy continues to show signs of gradual recovery.

In the housing market, which affects the Group's Industrial Equipment segment, the number of new housing construction starts was sluggish year-on-year for owner-occupied housing and unit sales, but increased slightly for rentals.

The floor area of construction starts for non-residential structures decreased significantly year-on-year.

Overseas

In the United States, there were signs of recovery for housing starts, and construction investment in the non-housing construction market trended firm.

In Europe, concern cannot be dispelled regarding future trends such as the prolonged situation in Ukraine and concern regarding inflation. In Germany and Northern Europe, housing market conditions worsened markedly due to factors such as rising interest rates.

Reference indices

Number of new housing construction starts

- Down 4.1% YOY for the period from January to September 2023 (Owner-occupied: -9.8%, Rental: +0.7%, Unit sales: -4.7%)
→ Negative effect on the industrial equipment product operations (wooden structure related)

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

- Down 17.5% YOY for the period from October 2022 to June 2023 (Offices: -28.1%, Shops: -7.3%, Factories: -12.6%, Warehouses: -26.7%)
- There is currently a shortage of skilled rebar workers (for construction sites).
→ As a whole, negative effect on the industrial equipment product operations (concrete related)

Currency exchange rates

- 1 USD = 142.87 JPY, 1 EUR = 154.95 JPY
(Q1–Q3 FY 2022: 1 USD = 135.71 JPY, 1 EUR = 140.28 JPY)
- Foreign exchange sensitivity in sales (annual conversion)
(Planned value for FY 2023)
USD: 200 million JPY, EUR: 90 million JPY
- Foreign exchange sensitivity in operating income (annual conversion)
(Planned value for FY 2023)
USD: 50 million JPY, EUR: 90 million JPY

Number of new housing construction starts in the U.S.

- The annualized rate is 1,376,000 units in October 2023, 1,525,000 units in November 2023, and 1,460,000 units in December 2023
(Previous year—October: 1,432,000 units, November: 1,427,000 units, December: 1,357,000 units)



Financial Results for Individual Segments in the First Three Quarters of FY 2023

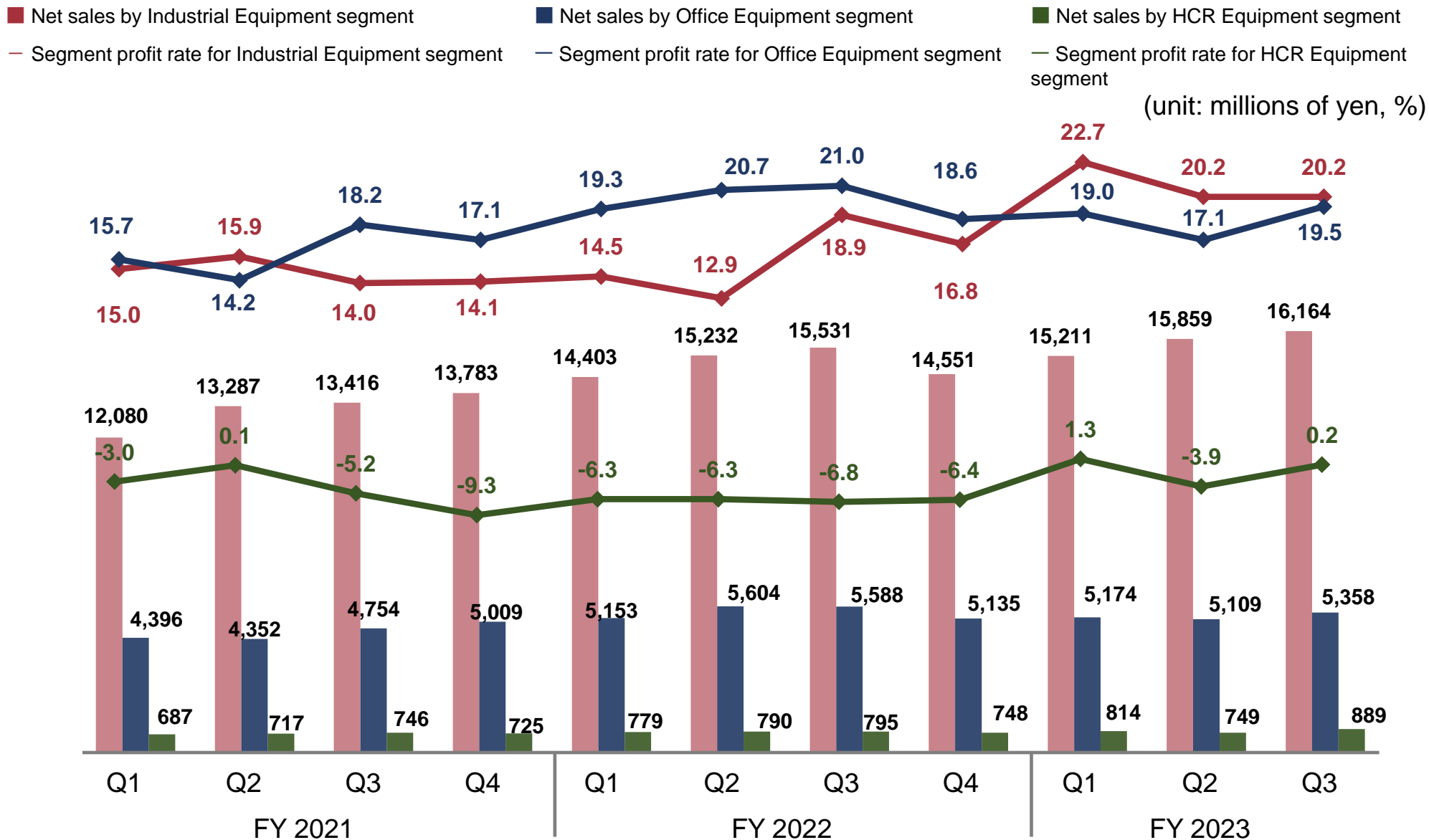
Financial Results for Individual Segments in the First Three Quarters of FY 2023

(unit: millions of yen, %)

	Results in Q1–Q3 for FY under review	Results in Q1–Q3 of previous FY	% increase/ decrease	Full-year plan*	Rate of progress
Industrial Equipment segment					
Net sales	47,236	45,168	+4.6	62,500	75.6
Segment profit	9,926	6,989	+42.0	12,650	78.5
Segment profit rate	21.0	15.5		20.2	
Office Equipment segment					
Net sales	15,642	16,346	-4.3	21,320	73.4
Segment profit	2,903	3,331	-12.8	3,950	73.5
Segment profit rate	18.6	20.4		18.5	
HCR Equipment segment					
Net sales	2,453	2,365	+3.7	3,180	77.2
Segment profit	-17	-153	—	0	—
Segment profit rate	-0.7	-6.5		0.0	
Adjustment amount	-2,932	-2,571	—	-4,300	
Group-wide total					
Net sales	65,332	63,880	+2.3	87,000	75.1
Operating income	9,879	7,595	+30.1	12,300	80.3
Operating margin	15.1	11.9		14.1	

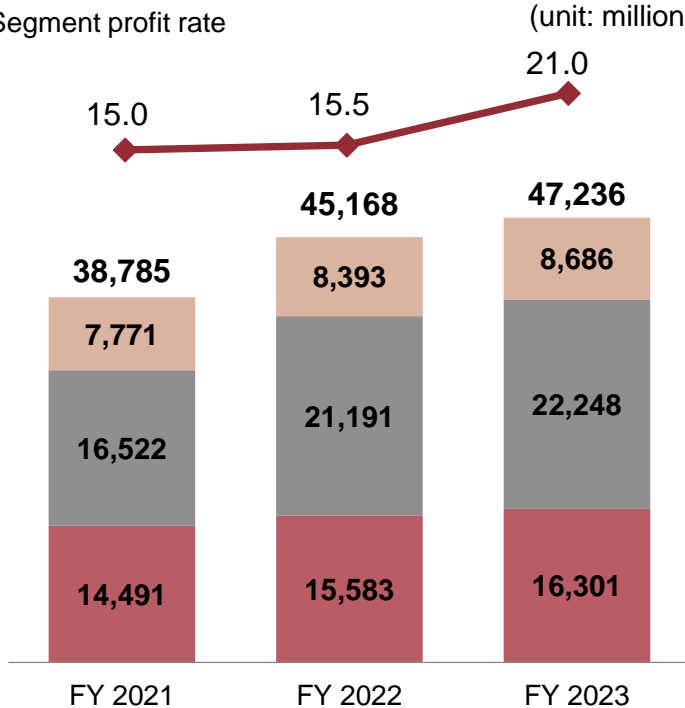
*Revised plan announced on October 31, 2023

Changes in Segment Results by Quarter



Industrial Equipment Segment: Financial Results for the First Three Quarters of FY 2023

- Domestic industrial equipment product operations
 - Overseas industrial equipment product operations
 - Residential environmental equipment operations
 - Segment profit rate
- (unit: millions of yen, %)



New product of rebar tying tool TWINTIER/increased tying speed



Compressors (limited color)

Domestic industrial equipment product operations



Although there was a decrease in the construction floor area of concrete structures, sales of tools increased during the third quarter due to the launch of the new rebar tying tool TWINTIER RB-442T in December. Sales of air compressors, which are the mainstay of the business, also trended favorably.

Overseas industrial equipment product operations



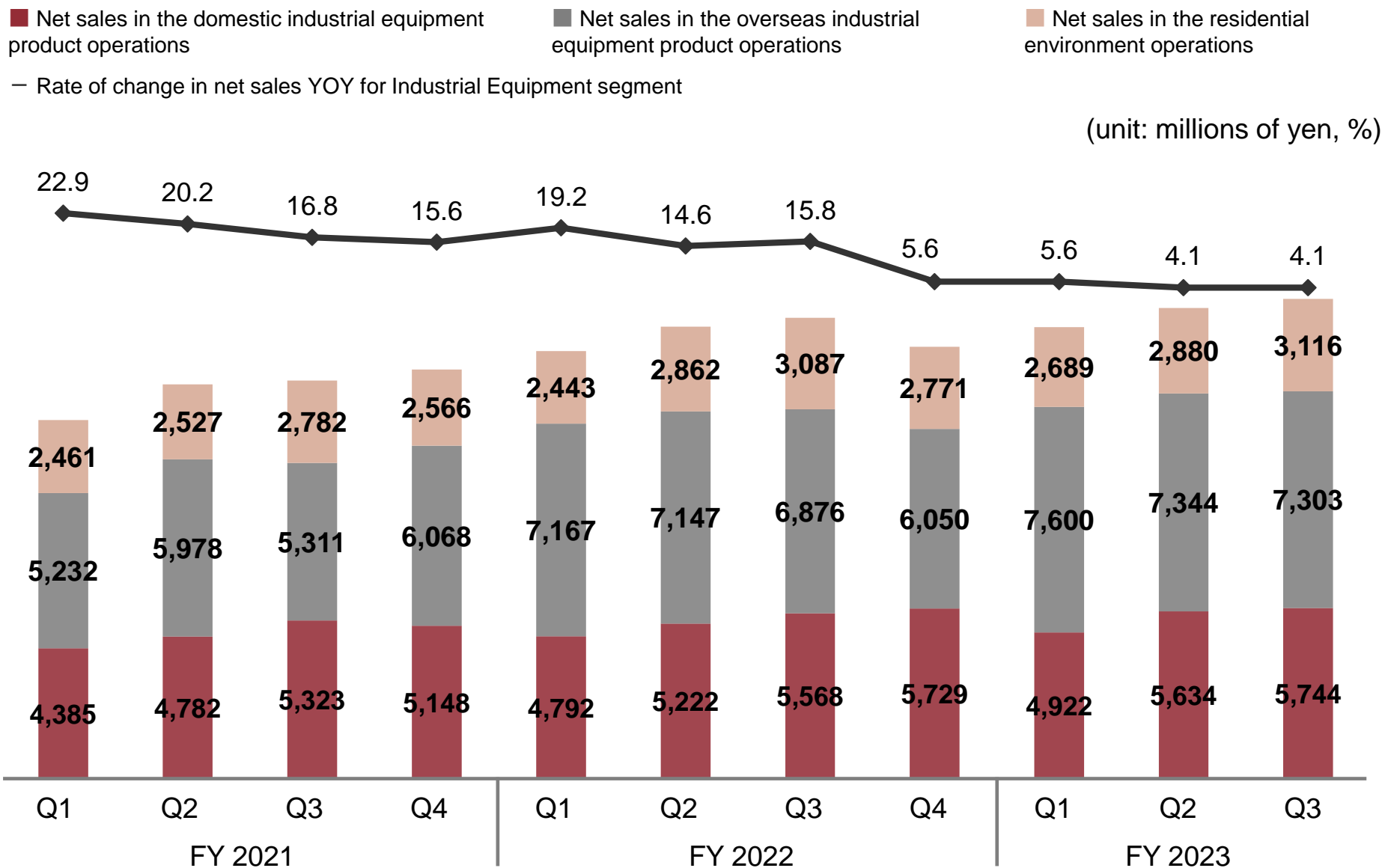
In North America, sales of consumables for TWINTIER rebar tying tools grew due to factors such as increased construction expenditures in the non-housing construction market and holding of sales promotions at large-scale tradeshows. On the other hand, sales of tools decreased in Europe in view of the uncertain economic outlook for the construction market.

Residential environmental equipment operations



Sales of DRYFAN bathroom heaters, ventilators and dehumidifiers, which are the mainstay of the business, continued to increase in the housing stock for renovation & replacement, which is a focus of the segment.

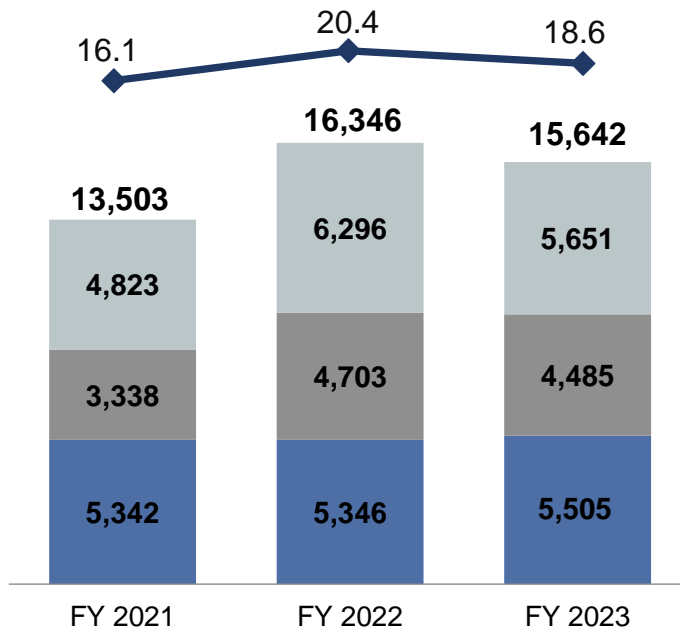
Industrial Equipment Segment: Changes in Net Sales by Quarter



Office Equipment Segment: Financial Results for the First Three Quarters of FY 2023

- Domestic office equipment product operations
- Overseas office equipment product operations
- Auto-stapler product operations
- Segment profit rate

(unit: millions of yen, %)



BEPOP label-making machines



Mobile stick stapler MOTICK (matte colors)

Domestic office equipment product operations



Due to the elimination of the shortage in electronic components which had occurred in the first half of the previous fiscal year, LETATWIN tube markers trended firm and there were increased sales of consumables for BEPOP label-making machines.

Overseas office equipment product operations



Sales of stationery-related products continued to be sluggish due to inventory adjustments by customers, and sales of LETATWIN tube markers decreased due to the slumping Chinese market.

Auto-stapler product operations

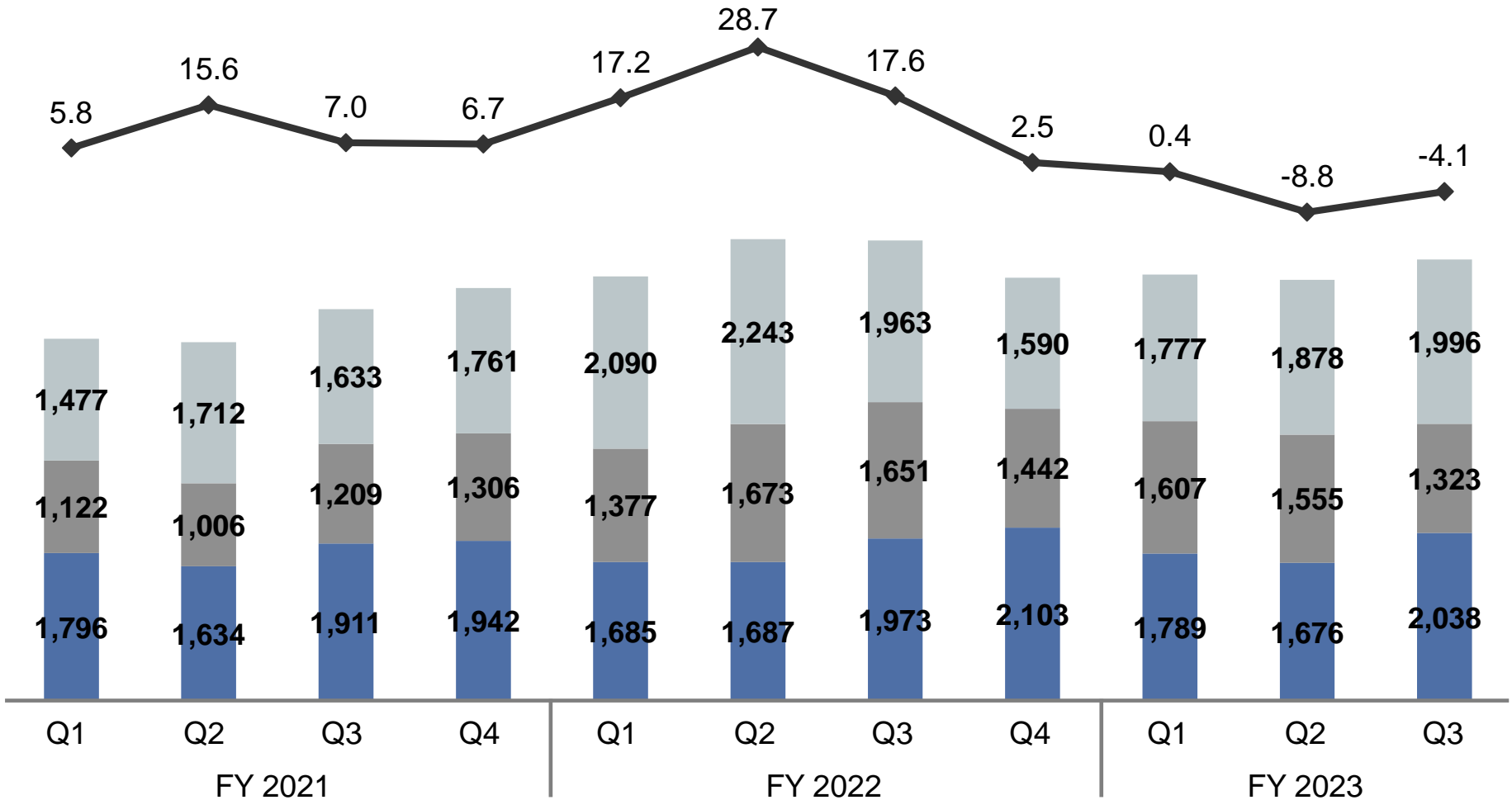


During the third quarter, sales of Auto Staplers and dedicated consumables trended firm due to recovery in orders from customers.

Office Equipment Segment: Changes in Net Sales by Quarter

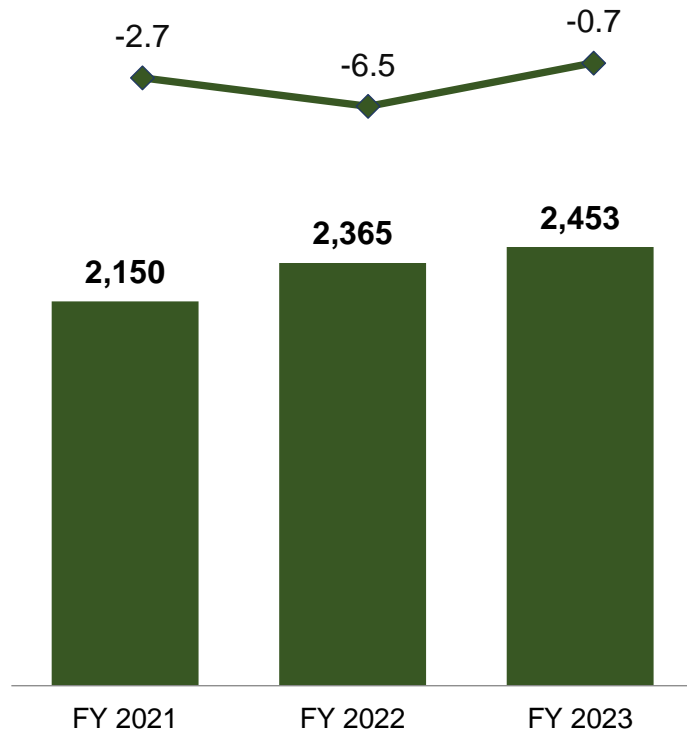
■ Net sales in the domestic office equipment product operations
 ■ Net sales in the overseas office equipment product operations
 ■ Net sales in the auto-stapler product operations
 — Rate of change in net sales YOY for Office Equipment segment

(unit: millions of yen, %)



HCR Equipment Segment: Financial Results for the First Three Quarters of FY 2023


■ Net sales by HCR Equipment segment
— Segment profit rate
(unit: millions of yen, %)



Lightweight wheelchairs:
Fuwarisu



Standard wheelchairs:
Stayer

HCR Equipment segment 

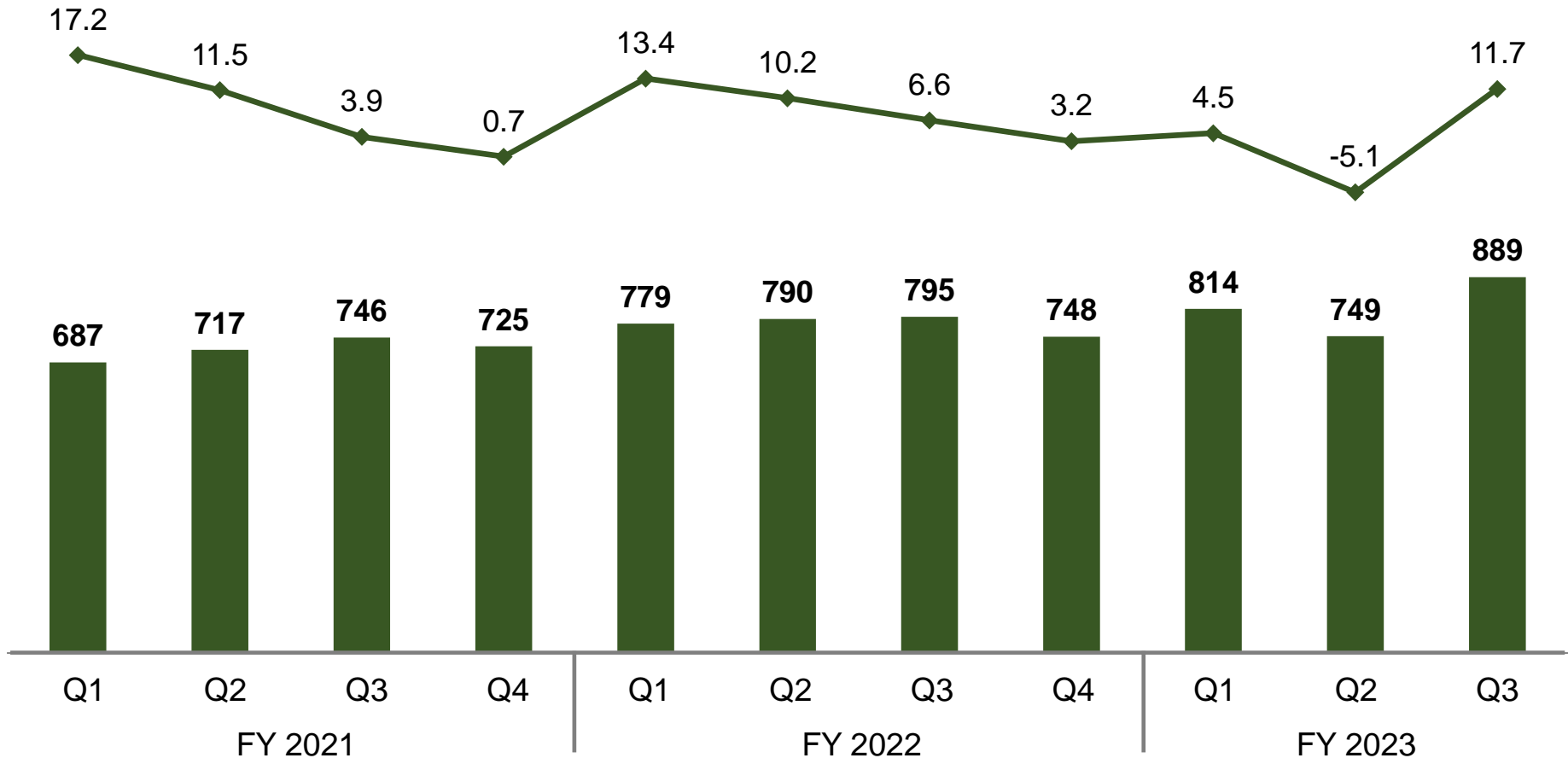
Revenue increased due to the promotion of usage of wheelchairs to main customers in the rental market.

HCR Equipment Segment: Changes in Net Sales by Quarter

■ Net sales by HCR Equipment segment

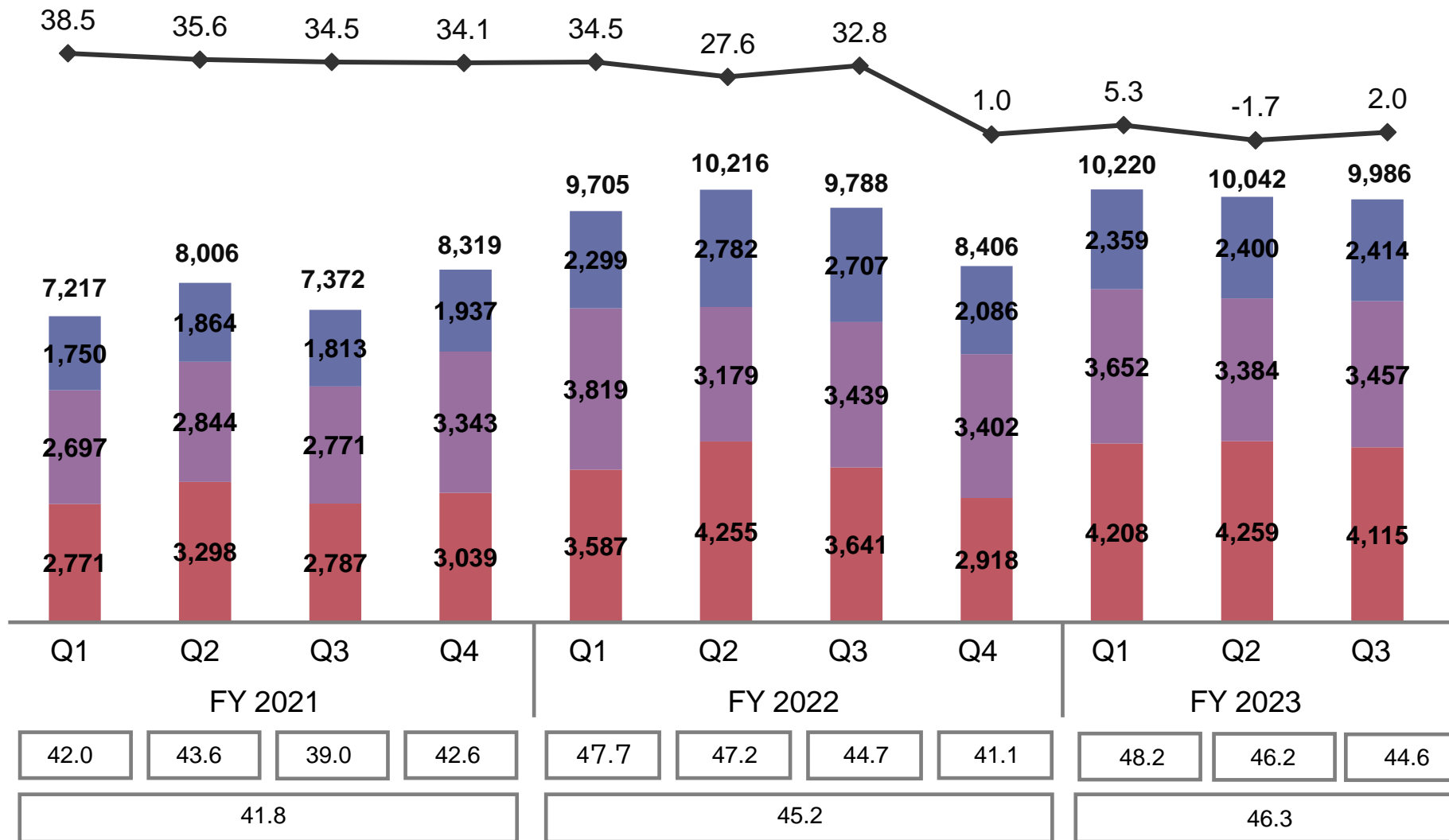
— Rate of change in net sales YOY for HCR Equipment segment

(unit: millions of yen, %)



Changes in Quarterly Net Sales by Overseas Region

■ Net sales in North America
 ■ Net sales in Europe
■ Net sales in Asia
 — Total overseas net sales (rate of change YOY)
 (unit: millions of yen, %)



Note: Includes overseas net sales for auto-stapler product operations.

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: **¥23.0 billion (+7.0% year-on-year)**
(Rate of progress compared to plan: **74.2%**)
- Number of concrete material dealers compared to March 31, 2021: **+61.6%**

Firm trend for the consumable Tie Wire in conjunction with rise in cumulative number of tools in operation

Overseas



North America

- Sales of consumables grew due to factors such as continued firm trends in construction investment in the non-housing market and holding of sales promotions at large-scale tradeshows. Sales of tools in the third quarter (3-month period) decreased slightly year-on-year; however, in the cumulative third quarter, sales remained higher than the same period of the previous fiscal year.

Europe

- Investment enthusiasm decreased due to the uncertain economic outlook. In Germany and Northern Europe, sales stagnated due to markedly worsened conditions in the housing market. We forecast that this tough environment will continue.

Japan



- Although the construction floor area of concrete structures was sluggish, sales of tools increased during the third quarter due to the launch of the new rebar tying tool TWINTIER RB-442T. From the perspective of increasing on-site productivity, we promoted a switch from manual-tying to tying by rebar tying tools.

Rentool: A subscription/rental service for tools

Contribute to increase in young carpenters

◆Business activities

A subscription/rental service for tools

Rentool is a service provides users with tools by selecting either subscription or rental depending on their situation. By reducing the initial cost of installing tools, we will lower the hurdles to young people when entering the workforce and contribute to solving the social issue of a declining carpenter population.

From April 1, 2024, we will gradually expand the service area to the prefectures of Tokyo, Ibaraki, Tochigi, Gunma, Saitama, Chiba, and Kanagawa.

◆Company overview

Name RENTOOL Co., Ltd.
Established September 2023
Address 5-17-19 Nishikicho, Tachikawa-shi, Tokyo (inside Tama Sales Office of MAX Co., Ltd.)
Capital 20 million yen

◆Overview of the in-house business plan contest: New Business Launch Project

From 2021, we have been holding an in-house business plan contest with the aim of launching new businesses, which is one of the basic strategies of the Medium-term Management Plan.

Rentool won the Grand Prize at the 1st New Business Launch Project competition held in 2021, and has been successfully commercialized.

A circular graphic with a white center and a light orange background. The center contains the text "サブスク 3年利用で自分のものに!" (Subscription 3-year use to own your own!), the Rentool logo (a stylized red "R" followed by "ンツール"), and "工具のサブスク/レンタルサービス" (Tool subscription/rental service). The circle is surrounded by various colorful icons of tools like hammers, wrenches, and power drills, along with a house icon.

サブスク 3年利用で自分のものに!

ンツール

工具のサブスク/レンタルサービス

<https://www.rentool.jp/>



Operating Results Forecast for FY 2023

■ Forecasted exchange rates (Q4)

1 USD = 140.00 JPY

1 EUR = 150.00 JPY

(unit: millions of yen, %)

	Current plan (Jan. 31, 2024)	Previous plan (Oct. 31, 2023)	Difference	Results in previous FY	% increase/ decrease
Net sales	87,000	87,000	—	84,316	+3.2
Operating income	12,300	12,300	—	9,926	+23.9
Corresponding ratio	14.1	14.1		11.8	
Ordinary income	12,500	12,500	—	10,510	+18.9
Corresponding ratio	14.4	14.4		12.5	
Net income attributable to shareholders of parental company	9,600	9,380	220	7,619	+26.0
Corresponding ratio	11.0	10.8		9.0	
Net income per share (yen)	204.74	199.53		161.07	
ROE	10.5	10.1	0.4P	8.9	

•As the result of reviewing our outlook for the amount of tax-abatement policy by the Japanese government, net income attributable to shareholders of the parental company is expected to exceed the forecast.

Segment Plans in FY 2023

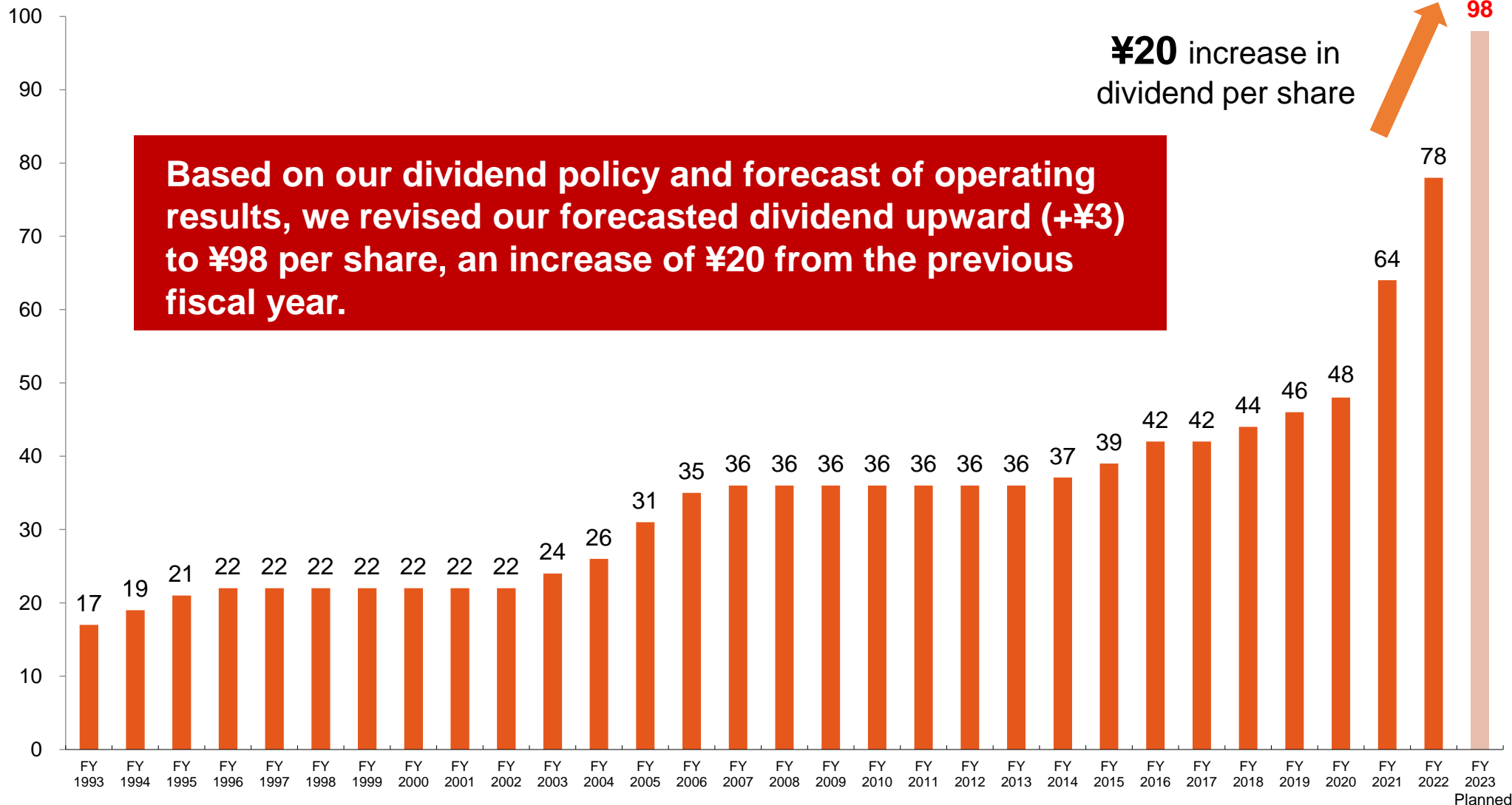
(unit: millions of yen, %)	Current plan (Jan. 31, 2024)	Previous plan (Oct. 31, 2023)	Difference	Results in previous FY	% increase/ decrease
Industrial Equipment segment					
Net sales	62,500	62,500	—	59,719	+4.7
Segment profit	12,650	12,650	—	9,433	+34.1
Segment profit rate	20.2	20.2		15.8	
Office Equipment segment					
Net sales	21,170	21,320	-150	21,482	-1.5
Segment profit	3,950	3,950	—	4,287	-7.9
Segment profit rate	18.7	18.5		20.0	
HCR Equipment segment					
Net sales	3,330	3,180	150	3,113	+6.9
Segment profit	0	0	—	-201	—
Segment profit rate	0.0	0.0		-6.5	
Adjustment amount	-4,300	-4,300	—	-3,594	
Group-wide total					
Net sales	87,000	87,000	—	84,316	+3.2
Operating income	12,300	12,300	—	9,926	+23.9
Operating margin	14.1	14.1		11.8	

Plans for Each Subsegment (Business) in FY 2023

(unit: millions of yen, %)	Current plan (Jan. 31, 2024)	Previous plan (Oct. 31, 2023)	Difference	Results in previous FY	% increase/ decrease
Industrial Equipment segment					
Segment net sales	62,500	62,500	—	59,719	+4.7
Domestic industrial equipment product operations	22,030	21,800	230	21,312	+3.4
Overseas industrial equipment product operations	28,840	29,070	-230	27,241	+5.9
Residential environmental equipment operations	11,630	11,630	—	11,165	+4.2
Segment profit	12,650	12,650	—	9,433	+34.1
Segment profit rate	20.2	20.2		15.8	
Office Equipment segment					
Segment net sales	21,170	21,320	-150	21,482	-1.5
Domestic office equipment product operations	7,690	7,690	—	7,450	+3.2
Overseas office equipment product operations	5,980	6,220	-240	6,145	-2.7
Auto-stapler product operations	7,500	7,410	90	7,887	-4.9
Segment profit	3,950	3,950	—	4,287	-7.9
Segment profit rate	18.7	18.5		20.0	

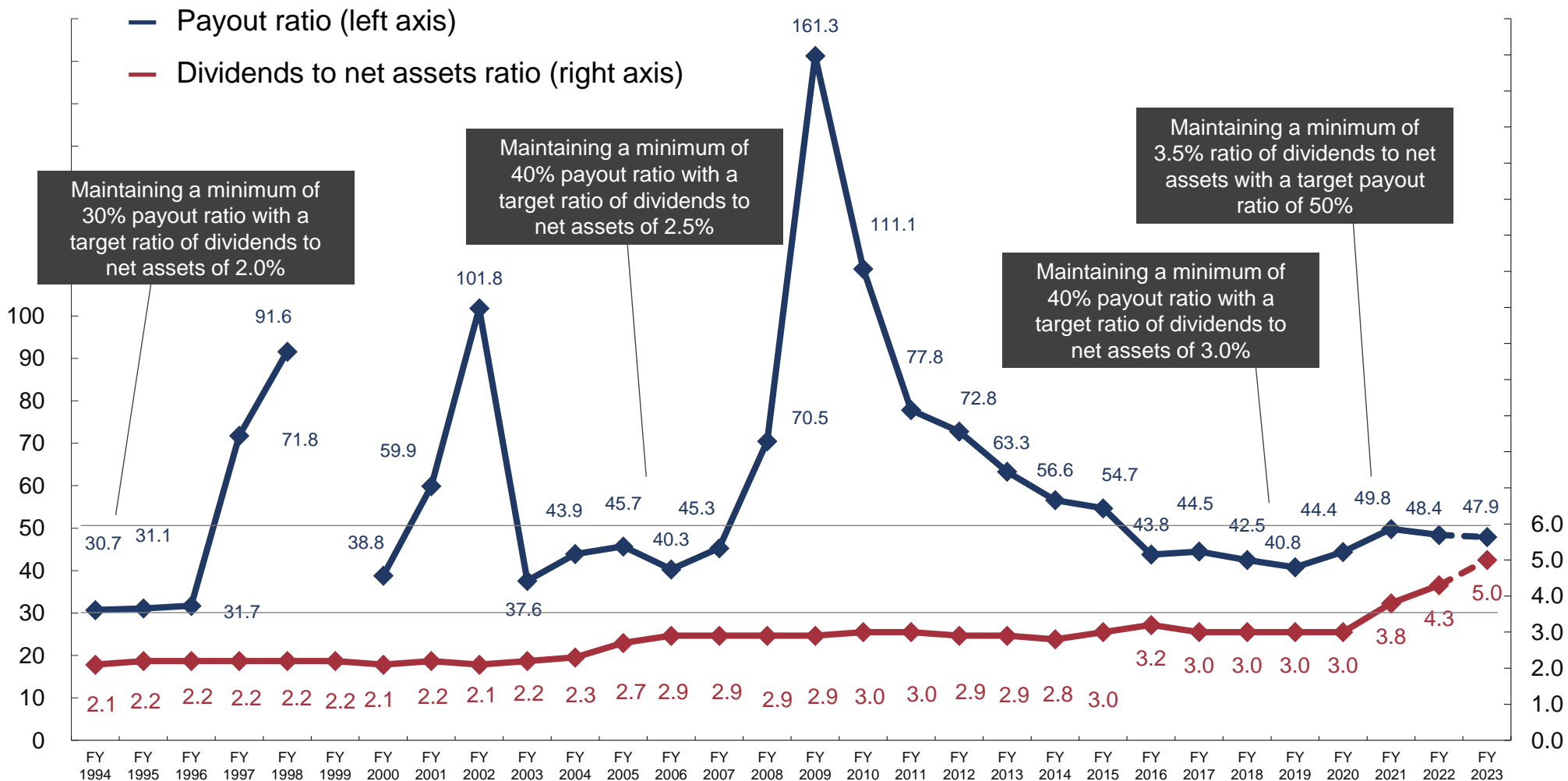
Dividend Policy: Dividends per Share

Based on consolidated financial results, “maintain a minimum of 3.5% ratio of dividends to net assets” and “seek to achieve a target payout ratio of 50%.”
(unit: yen)



Dividend Policy: Payout Ratio and Dividends to Net Assets Ratio

(unit: %)



Note: Non-consolidated base until FY 2004.

Planned

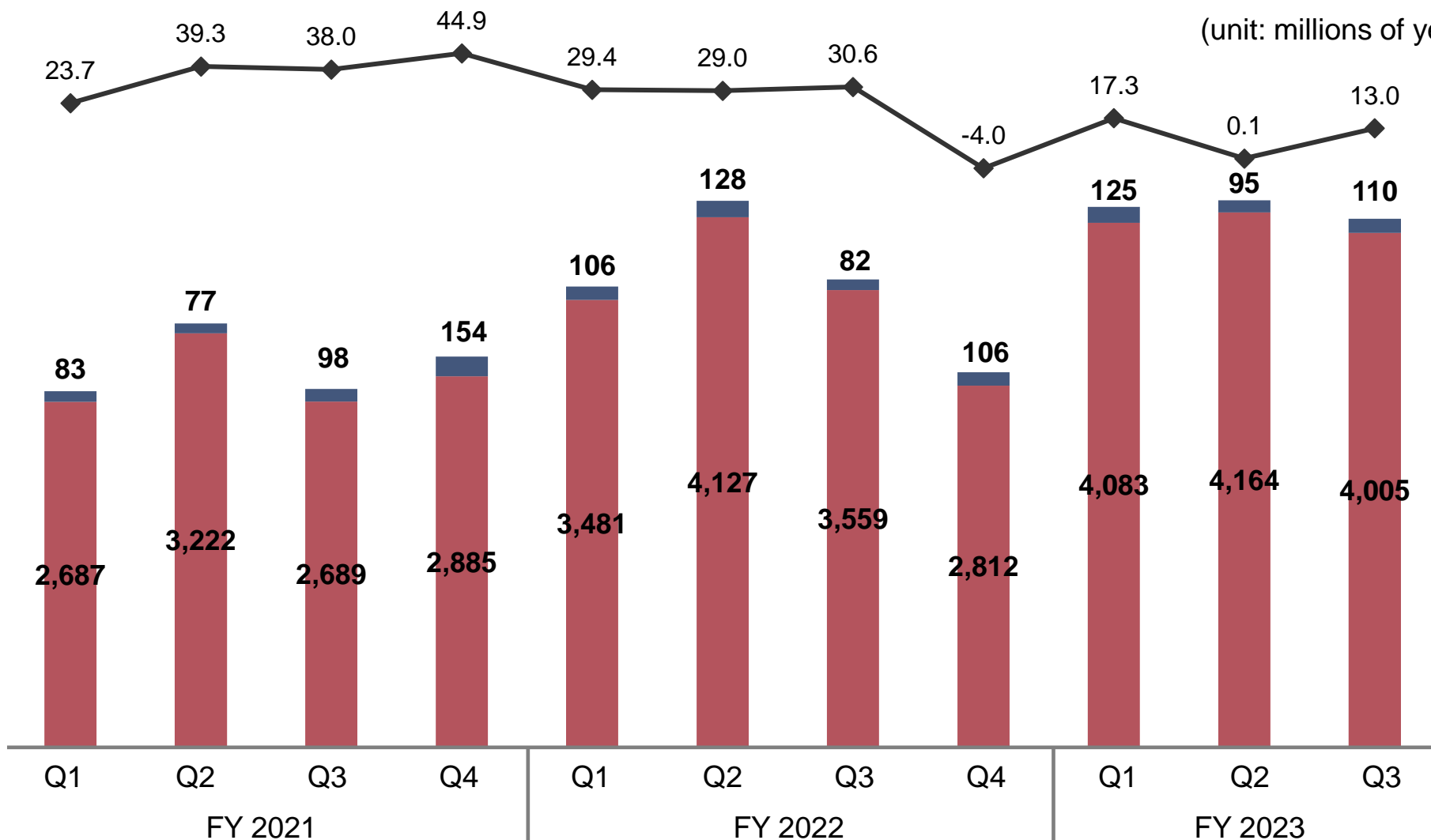


Reference Materials

Changes in Quarterly Segment Net Sales by Overseas Region (North America)

■ Net sales by Industrial Equipment segment
 ■ Net sales by Office Equipment segment
 — Rate of change in net sales YOY in North America

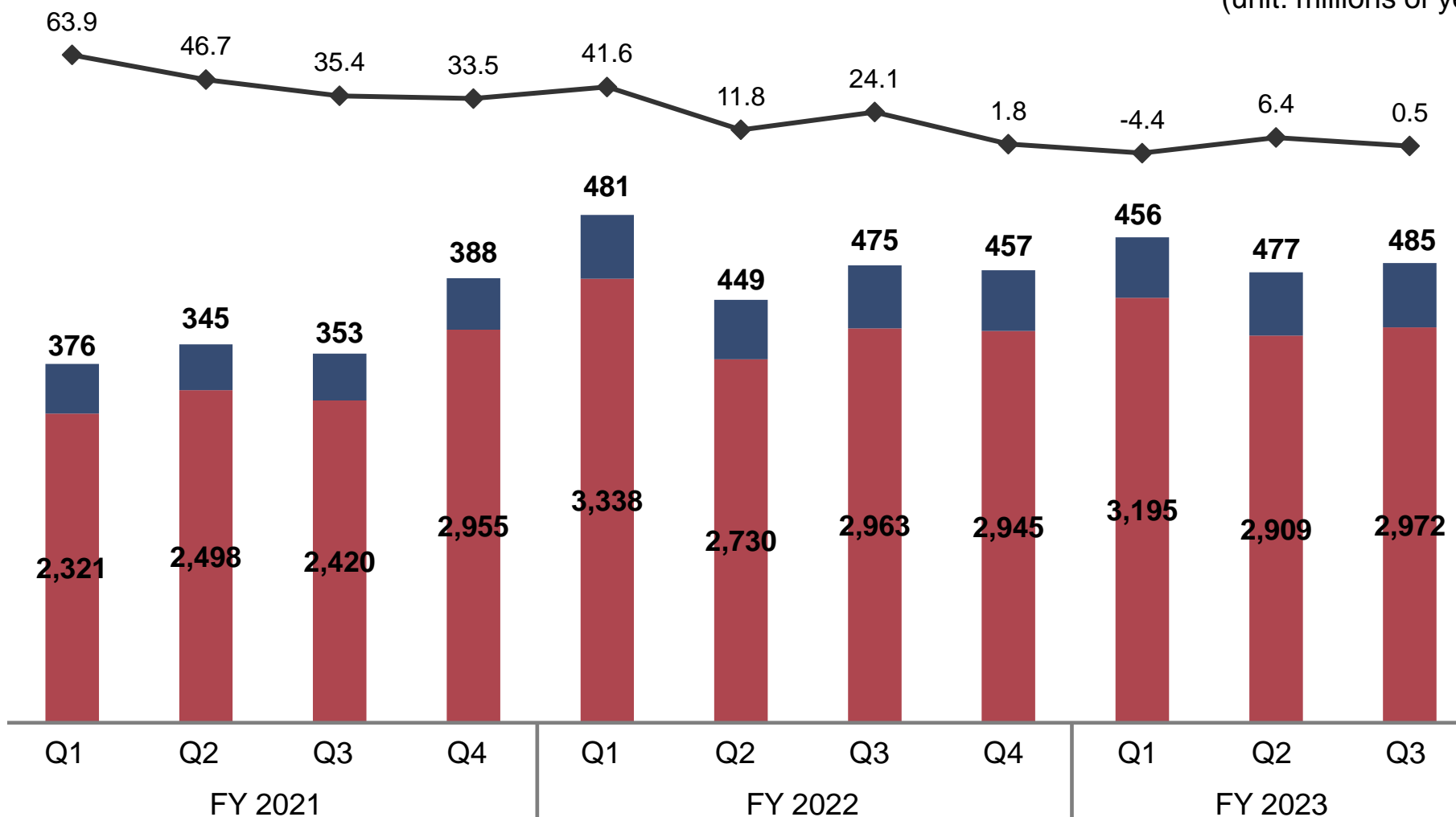
(unit: millions of yen, %)



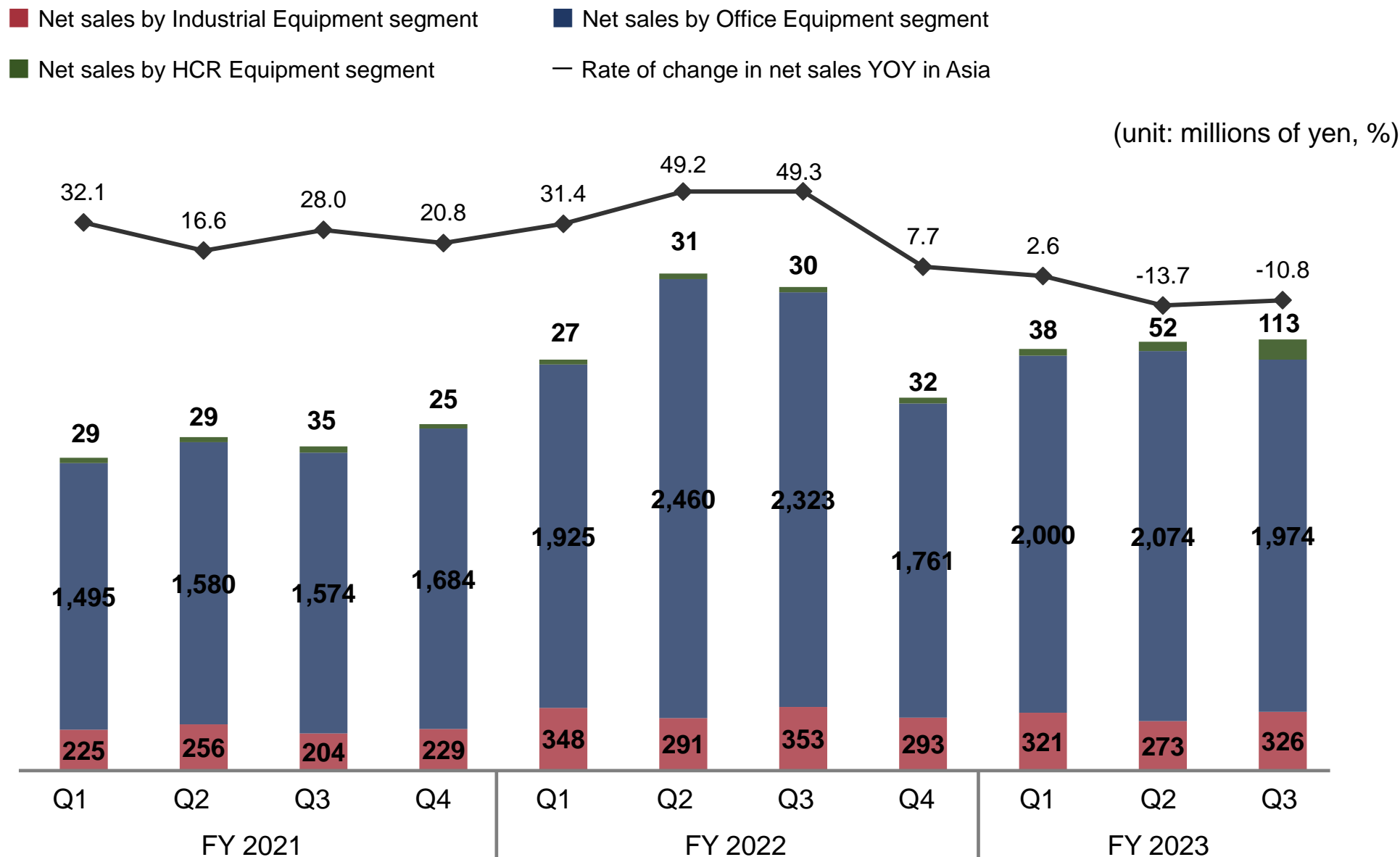
Changes in Quarterly Segment Net Sales by Overseas Region (Europe)

■ Net sales by Industrial Equipment segment
 ■ Net sales by Office Equipment segment
 — Rate of change in net sales YOY in Europe

(unit: millions of yen, %)



Changes in Quarterly Segment Net Sales by Overseas Region (Asia Excluding Japan)



Main Products in Industrial Equipment Product Operations and Office Equipment Product Operations

Industrial equipment product operations

Tools for wooden structures	Tools for concrete structures	AF (Agriculture/Food)
<p>Nailers</p> 	<p>TWINTIER rebar tying tools</p> 	<p>Branch induction binders for horticulture</p> 
<p>Air compressors</p> 	<p>Concrete nailers</p> 	<p>Bag closing machines</p> 
<p>Battery-power tools</p> 	<p>Gas nailers</p> 	

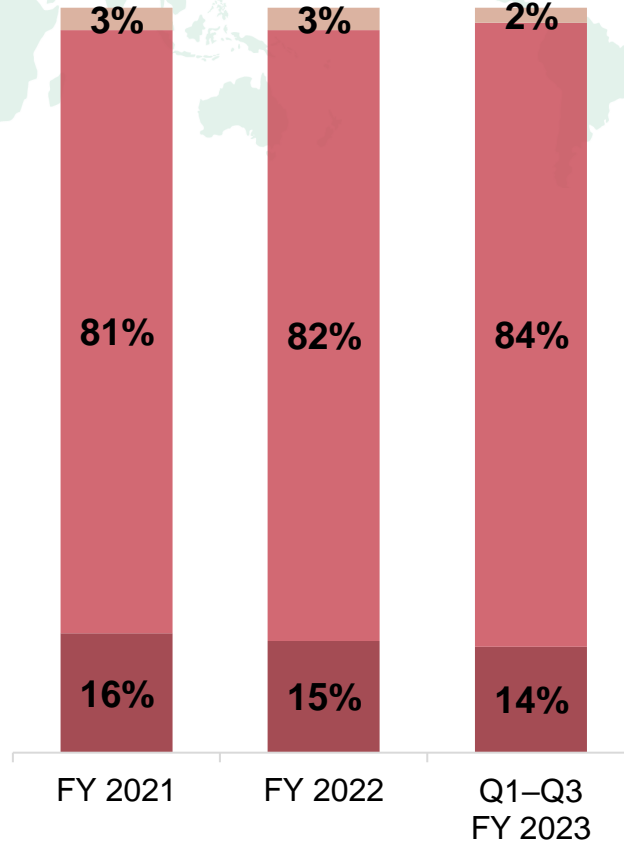
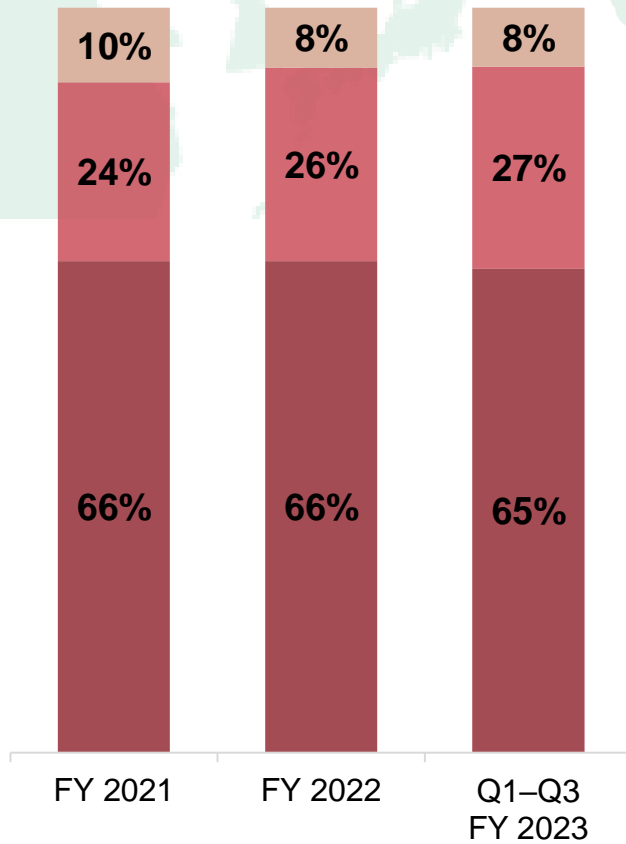
Office equipment product operations

Stationery-related products	Labeling and signage products	Other
<p>Staplers</p> 	<p>BEPOP label-making machines</p> 	<p>Time recorders</p> 
<p>Hole punches</p>  <p>Roller stamp for protecting personal information, and other products</p>	<p>LETATWIN tube markers</p>  <p>Label printers for food labeling</p> 	<p>Calligraphy printer</p> 

Industrial Equipment Segment: Product Breakdown of the Domestic/Overseas Industrial Equipment Product Operations

Product breakdown for the domestic industrial equipment product operations

Product breakdown for the overseas industrial equipment product operations

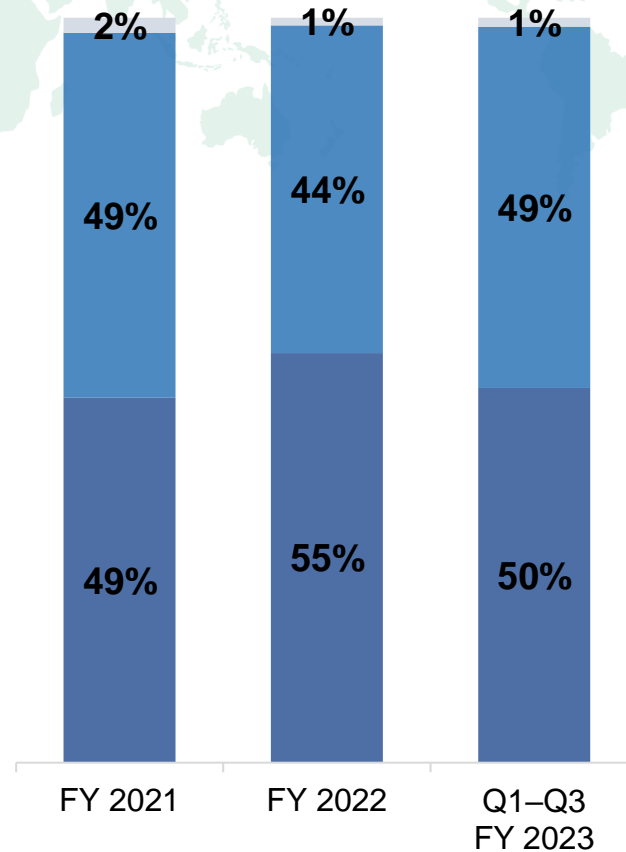
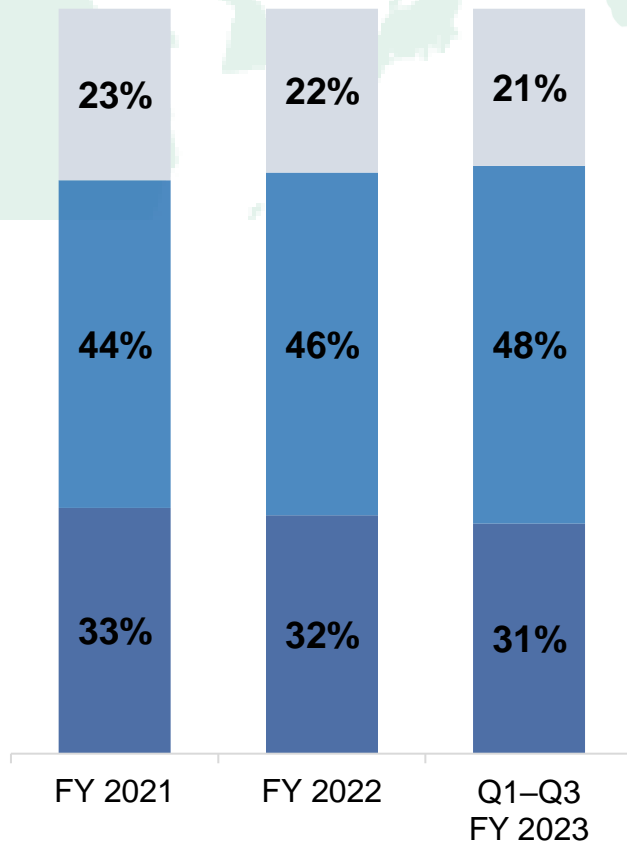


- AF (Agriculture/Food)
- Tools for concrete structures
- Tools for wooden structures

Office Equipment Segment: Product Breakdown of the Domestic/Overseas Office Equipment Product Operations

Product breakdown for the domestic office equipment product operations

Product breakdown for the overseas office equipment product operations



- Other
- Labeling and signage products
- Stationery-related products



The contents listed in this document are based on information currently available to the Company and certain assumptions that are deemed as reasonable. Please be aware that actual future business results, etc., may differ considerably depending on various factors.