



Financial Results of FY2023 (April 2023 – March 2024)

April 26, 2024
Maxell, Ltd.

Summary of today's presentation

1. Outline of Financial results for FY2023

- Sales decreased mainly due to the transfer of domestic consumer products sales business
- Operating profit increased year on year and exceeded forecast
- Net profit increased due to exchange gain in addition to operating profit increase
- Revised year-end dividend forecast upwards (dividend increase) with the increase in net profit

2. Forecast for FY2024

- Slight decrease in sales due to reduced rechargeable batteries sales and licensing revenue, despite sales increase in growing business
- Despite decrease in licensing revenue, operating profit remains at the same level as previous year by sales increase and profitability improvement of other businesses
- Whereas net profit will decrease, it remains same level as pervious year considering the exchange gains added in the previous year
- The dividend forecast for FY2024 is expected to maintain the same amount as FY2023

3. Medium-term management plan (MEX26)

- Further accelerate the policy of previous plan “Commit to Value”, and implement management with greater emphasis on corporate value and profit growth
- Accelerate investments in growth businesses to achieve PBR of over 1.0, while implementing shareholder return policy prioritized on total payout ratio

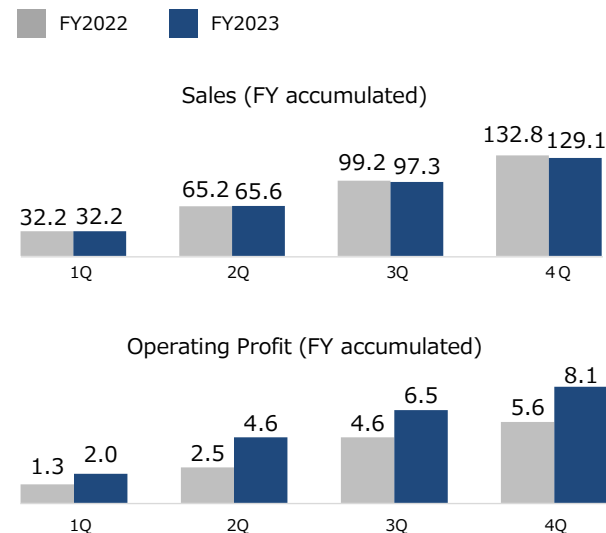
1. Outline of Financial results for FY2023

Consolidated Financial Results of FY2023

JPY billion	FY2022 Result	FY2023		Changes to	
		Forecast	Result	L/Y	Forecast
Net Sales	132.8	130.0	129.1	(3.6)	(0.9)
Operating Profit OP ratio	5.6 4.2%	7.5 5.8%	8.1 6.3%	2.4	0.6
Ordinary Profit OP ratio	6.7 5.1%	—	9.8 7.6%	3.1	—
Net Profit(*) OP ratio	5.2 3.9%	5.8 4.5%	7.5 5.8%	2.4	1.7
Shareholders' Equity Ratio	49.2%	—	54.9%	+5.7pt.	—
Free Cash Flow	5.7	—	9.4	3.7	—
ROIC	3.5%	—	5.0%	+1.5pt.	—
ROE	6.3%	—	8.5%	+2.2pt.	—
Ex-rate US\$	135	143	145	Yen Depreciation	Yen Depreciation

※1 Forecast announced on October 30, 2023

※2 Profit attributable to owners of parent

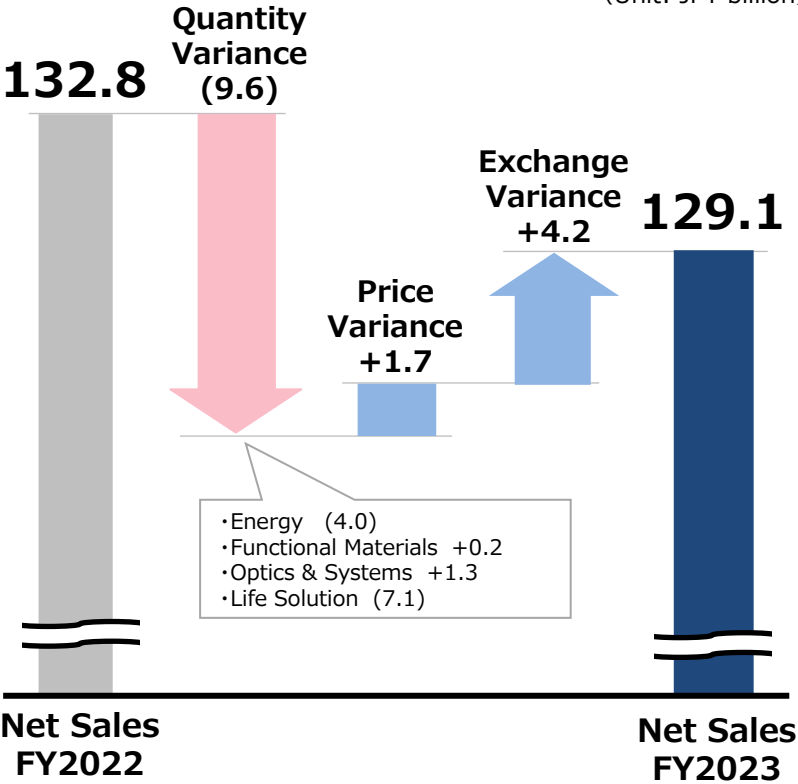


- Despite sales increase of automotive optical components, adhesive tape, and licensing revenue, net sales decreased due to the transfer of the domestic consumer products sales business, and reduction in sales of rechargeable batteries and semiconductor related products
- Operating profit increased due to higher sales of automotive optical components and licensing revenues, as well as improved profit of health & beauty care products
- Net profit increased due to exchange gain in addition to operating profit increase
- ROE improved from 6.3% to 8.5%

Net Sales Changes (FY2022 → FY2023)

Changes (3.6)

(Unit: JPY billion)

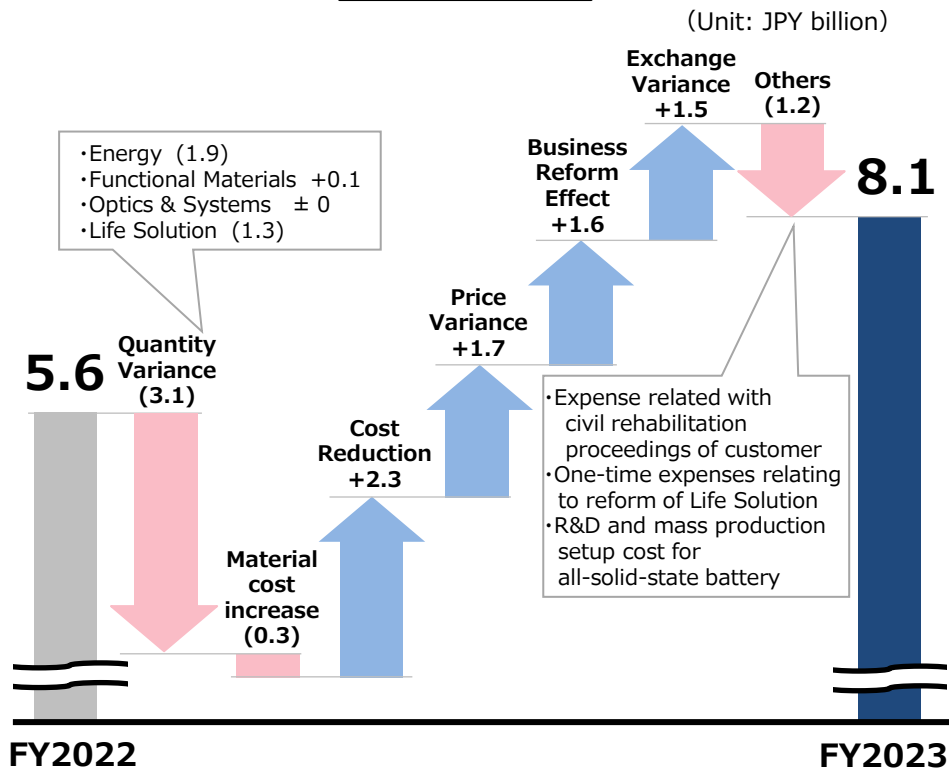


Factor	Status
Quantity Variance	<ul style="list-style-type: none">• Good sales of automotive optical components and adhesive tape• Licensing revenues remained strong including temporary cases
	<ul style="list-style-type: none">• Decrease due to the transfer of domestic consumer products sales business• Sales decrease of consumer LIB• Primary battery decreased due to sluggish demand for electronic devices in China and global markets• Temporary inventory adjustments by customers for semiconductor-related products
Price Variance	<ul style="list-style-type: none">• Continue to optimize sales prices
Exchange Variance	<ul style="list-style-type: none">• Positive impact of yen depreciation

Sales increase Sales decrease

Operating Profit Changes (FY2022 → FY2023)

Changes +2.4

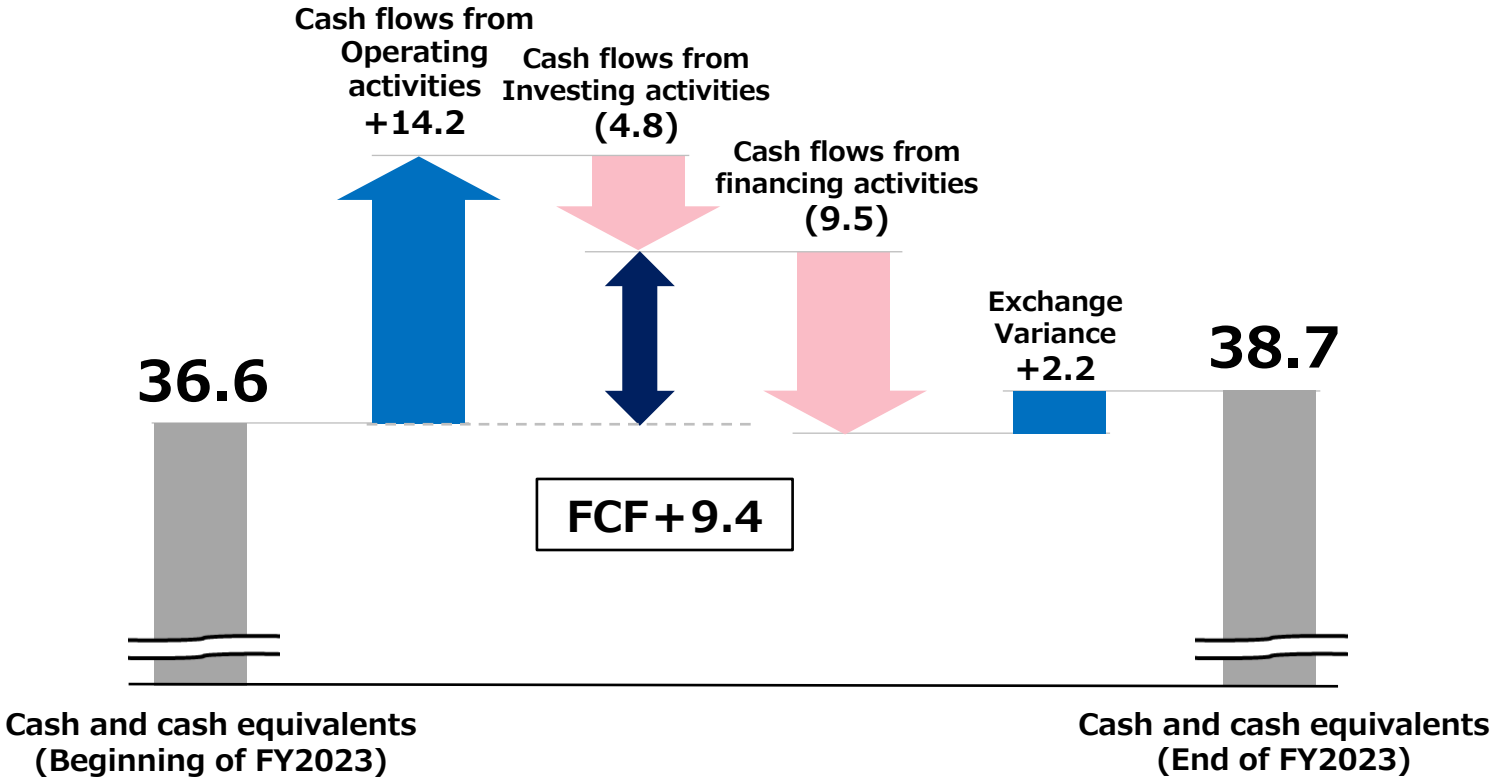


Factor	Status
Quantity Variance	•Good sales of automotive optical components and adhesive tape
	•Licensing revenues remained strong
	•Impact of transfer of domestic consumer products sales business
	•Lower sales of primary and rechargeable batteries
Material cost increase	•Lower sales of semiconductor related products
	•Trends vary by material, but soaring material costs are moving toward resolution
Cost Reduction	•Effect of cost reductions and improved product-mix
Price Variance	•Effect of selling price optimization
Business Reform Effect	•Fixed cost reduction due to the transfer of domestic consumer products sales business
Exchange Variance	•Positive impact of yen depreciation
Others	•Expense related with civil rehabilitation proceedings of customer (1Q)
	•Recognized one-time expenses relating to reform of Life Solution business (3Q)
	•R&D and mass production setup cost for all-solid-state battery

Profit increase Profit decrease

Cash Flow Changes

(Unit: JPY billion)

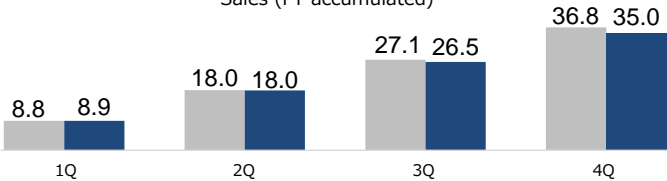


Review on FY2023 by segment (Energy)

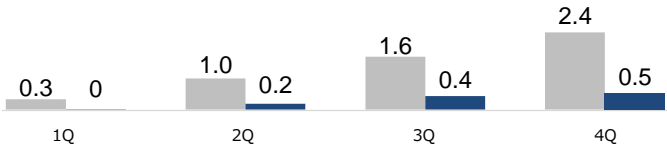
JPY billion	Full Year		Changes to L/Y
	FY2022	FY2023	
Net sales	36.8	35.0	(1.8)
Operating Profit	2.4	0.5	(1.9)
OP ratio	6.4%	1.4%	

■ FY2022 ■ FY2023

Sales (FY accumulated)



Operating Profit (FY accumulated)



Sales

- Despite decrease in sales volume for electronic devices due to sluggish demand in China and global markets, sales of primary batteries kept same level as previous year with strong performance for automotive applications
- Sales of rechargeable batteries decreased due to a decrease in sales of consumer LIB

Operating profit

- Profit of primary batteries decreased due to lower sales for electronic applications and deterioration of product-mix
- Despite lower sales, profitability of rechargeable batteries improved due to fixed cost reduction
- Recognized expenses for developing all-solid-state battery and for building mass production system

【Main products of primary batteries】

- Heat resistant coin type lithium battery
- Cylindrical type lithium battery
- Coin type lithium battery

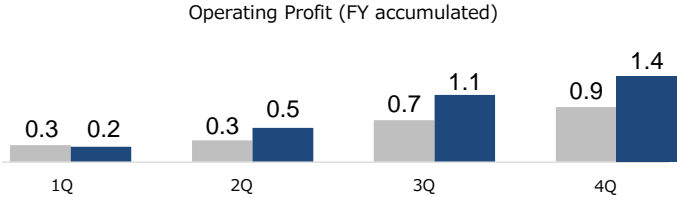
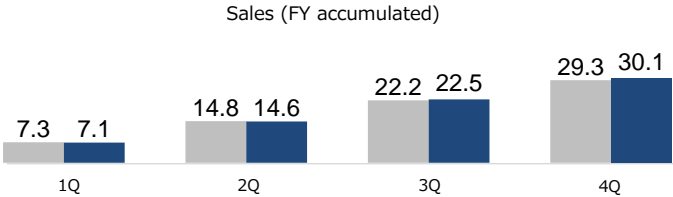
【Main products of rechargeable batteries】

- Consumer lithium-ion battery
- Coin type lithium rechargeable battery

Review on FY2023 by segment (Functional Materials)

JPY billion	Full Year		Changes to L/Y
	FY2022	FY2023	
Net sales	29.3	30.1	0.9
Operating Profit	0.9	1.4	0.5
OP ratio	2.9%	4.5%	

FY2022 FY2023

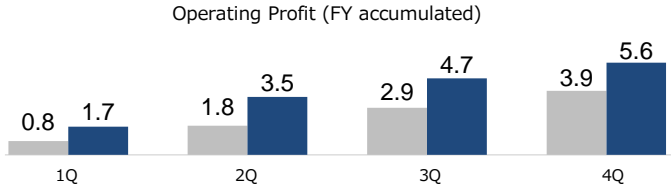
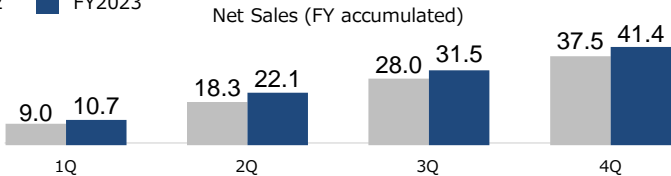


Sales	<ul style="list-style-type: none">•Sales of adhesive tape increased due to recovery in orders mainly for semiconductortor manufacturing process•Sales of industrial materials decreased due to delay in order recovery of industrial rubber	<div>【Main products of adhesive tape】<ul style="list-style-type: none">•Tape for construction•Dicing tape•Tape for industrial processes【Main products for industrial materials】<ul style="list-style-type: none">•Industrial rubber•Coated separator</div>
Operating profit	<ul style="list-style-type: none">•Profit of adhesive tape increased due to sales expansion of high value added products and selling price optimization•Profit of industrial materials increased due to improved profitability	

Review on FY2023 by segment (Optics & Systems)

JPY billion	Full Year		Changes to L/Y
	FY2022	FY2023	
Net sales	37.5	41.4	3.9
Operating Profit	3.9	5.6	1.7
OP ratio	10.4%	13.6%	

FY2022 FY2023

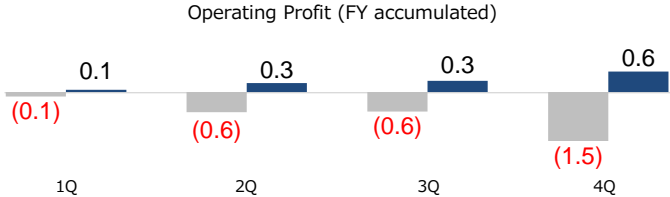
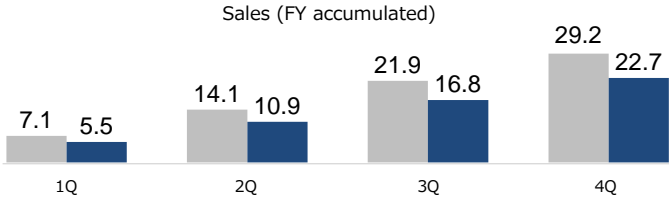


Sales	<ul style="list-style-type: none">• Sales of automotive optical components increased due to recovery in automotive market and improved installation rate• Sales of semiconductor related products decreased due to the impact of inventory adjustment at some customers• Licensing revenue contributed to sales increase	<p>【Main products of in-car optical components】</p> <ul style="list-style-type: none">• In car camera lens unit• LED headlamp lens <p>【Main products for semiconductor related products】</p> <ul style="list-style-type: none">• Semiconductor DMS ※• EF² : Electro fine forming <p>※DMS : Design & Manufacturing Service</p>
Operating profit	<ul style="list-style-type: none">• Profitability of automotive optical components improved due to growth in high value-added products• Profit of semiconductor related products decreased due to lower sales• Profit of licensing revenue increased due to higher sales	

Review on FY2023 by segment (Life Solution)

JPY billion	Full Year		Changes to L/Y
	FY2022	FY2023	
Net sales	29.2	22.7	(6.6)
Operating Profit	(1.5)	0.6	2.1
OP ratio	—	2.7%	

■ FY2022 ■ FY2023



Sales	<ul style="list-style-type: none">•Sales of consumer products and health & beauty care products decreased as a result of the transfer of the domestic consumer products sales business	<div>【Main products of BtoC products】<ul style="list-style-type: none">•Consumer products</div>
Operating profit	<ul style="list-style-type: none">•Profitability improved as a result of Life Solution business reform and continued improvement of productivity at overseas production plants•Improved product-mix in health & beauty care products centered on shavers contributed to profit growth•Recognized one-time expenses relating to reform of Life Solution business in 3Q	<div>【 Main products of Health & Beauty care, OEM】<ul style="list-style-type: none">•Health care products•Beauty care products</div>

2. Forecast for FY2024

Business Forecast for FY2024

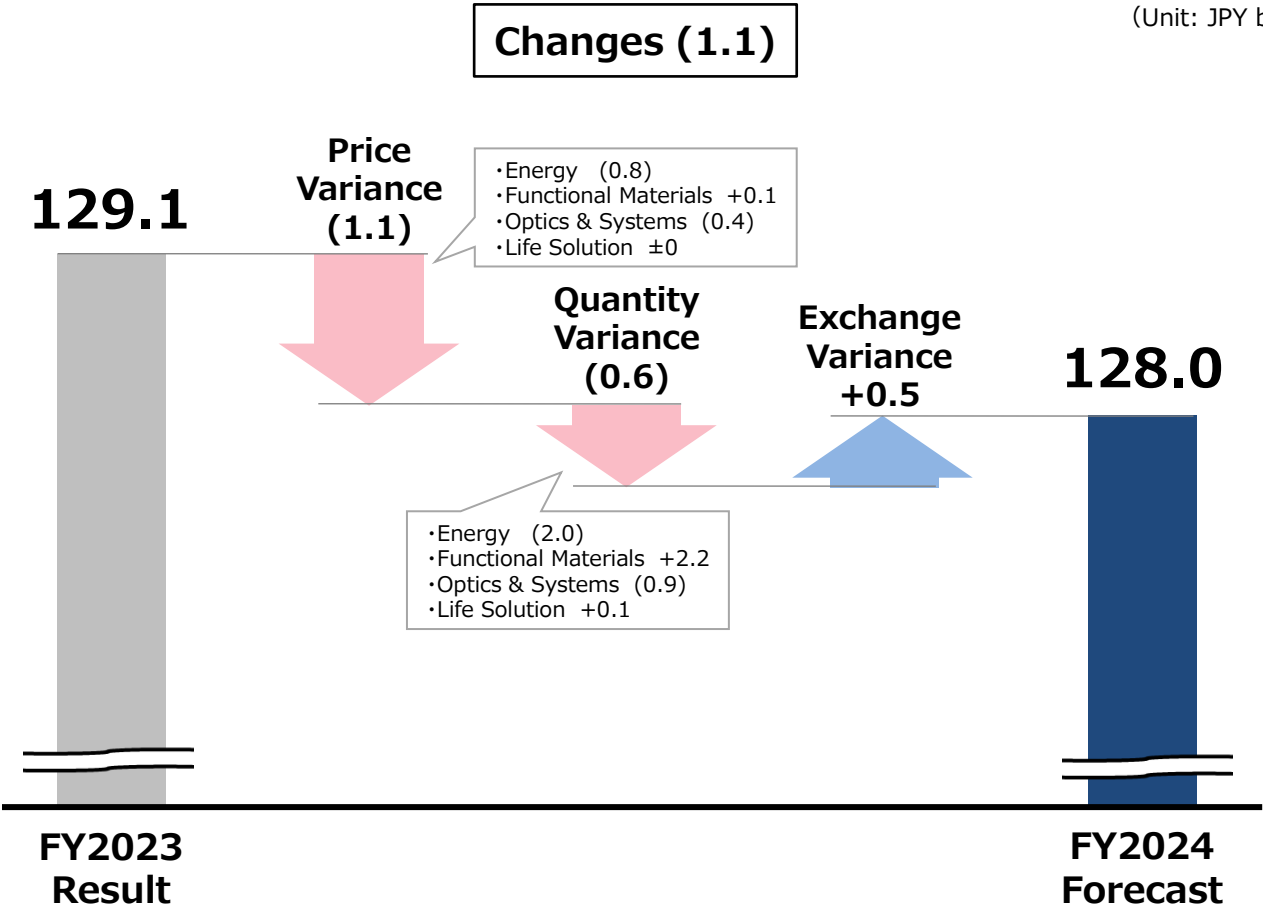
JPY billion		FY2023 Result		FY2024 Forecast		Changes
Net Sales		129.1		128.0		(1.1)
Operating Profit	OP ratio	8.1	6.3%	8.0	6.3%	(0.1)
Net Profit(*)	OP ratio	7.5	5.8%	6.0	4.7%	(1.5)
ROIC		5.0%		over 5.0%		—
ROE		8.5%		over 6.3%		—
Ex-rate	US\$	145		145		—

※ Profit attributable to owners of parent

- Slight decrease in sales due to reduced rechargeable batteries sales and licensing revenue, despite sales increase in growing business
- Operating profit remains at the same level as previous year by sales increase and profitability improvement of other businesses, despite decrease in licensing revenue
- Whereas net profit will decrease, it remains same level as pervious year considering the exchange gains added in the previous year

Net Sales Changes (FY2023 → FY2024)

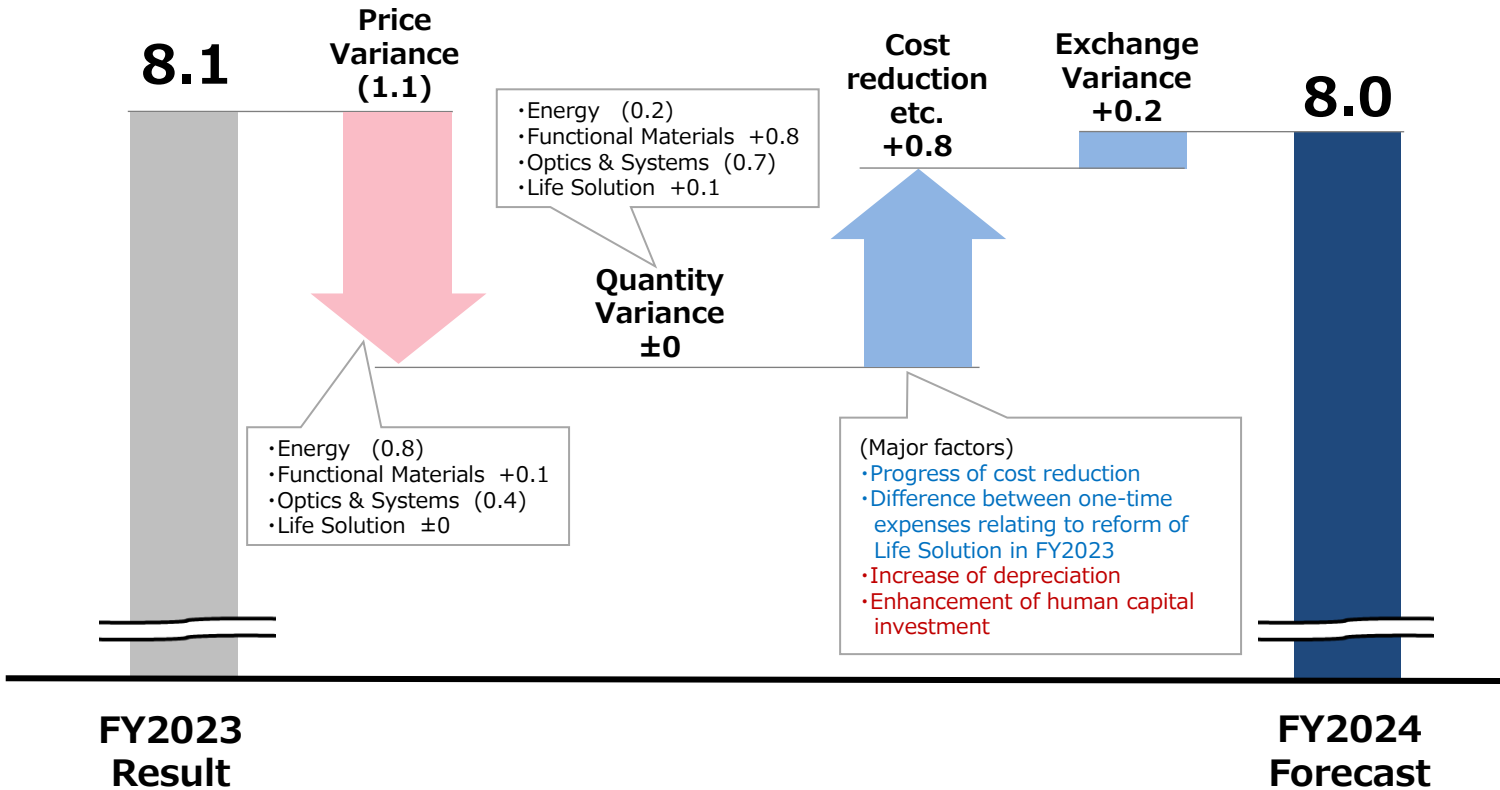
(Unit: JPY billion)



Operating Profit Changes (FY2023 → FY2024)

Changes (0.1)

(Unit: JPY billion)



Business Forecast for FY2024 by segment

JPY billion		FY2023 Result	FY2024 Forecast	Changes
Energy	Net sales	35.0	32.5	(2.5)
	Operating Profit <small>OP ratio</small>	0.5 <small>1.4%</small>	0.7 <small>2.2%</small>	0.2
Functional Materials	Net sales	30.1	32.4	2.3
	Operating Profit <small>OP ratio</small>	1.4 <small>4.5%</small>	1.6 <small>4.9%</small>	0.3
Optics & Systems	Net sales	41.4	40.2	(1.2)
	Operating Profit <small>OP ratio</small>	5.6 <small>13.6%</small>	4.7 <small>11.7%</small>	(0.9)
Life Solution	Net sales	22.7	22.9	0.2
	Operating Profit <small>OP ratio</small>	0.6 <small>2.7%</small>	1.0 <small>4.4%</small>	0.4
Total	Net sales	129.1	128.0	(1.1)
	Operating Profit <small>OP ratio</small>	8.1 <small>6.3%</small>	8.0 <small>6.3%</small>	(0.1)

Key points of FY2024 by segment

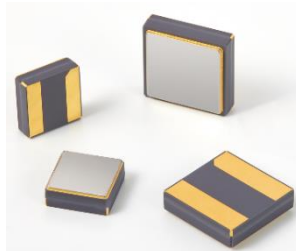
Segment	Point	
Energy	Primary Batteries	<ul style="list-style-type: none"> • Order increase for medical applications and demand recovery for electronic applications • Increase sales for automotive applications by enhancing production capacity
	Rechargeable Batteries	<ul style="list-style-type: none"> • Anticipating significant order decrease for consumer LIB, proceeding with production efficiency improvements to enhance profitability • Start full-scale mass production of all-solid-state battery for FA equipment
Functional Materials	Adhesive Tapes	<ul style="list-style-type: none"> • Orders for high-value-added products such as tapes for construction and tapes for semiconductor manufacturing process are expanding steadily
	Industrial Materials	<ul style="list-style-type: none"> • Expand orders for the automotive products due to the expansion of and xEV markets, as well as gaining adoption to new vehicle models
Optics & Systems	Automotive optical components	<ul style="list-style-type: none"> • Concentrate on the development of the high value-added products for next generation models
	Semiconductor related products	<ul style="list-style-type: none"> • Orders recovering in line with the recovery of the semiconductor manufacturing equipment market • Enhance production capacity in response to the mid- to long-term order increase
	Others	<ul style="list-style-type: none"> • Anticipate decrease in revenue for FY2024 due to temporary licensing revenue in FY2023 • Base licensing revenue remains strong
Life Solution	Health & Beauty care OEM	<ul style="list-style-type: none"> • Accelerate improvement of product-mix by enhancing OEM businesses

(Unit: billion yen)	FY2023 (Actual)	FY2024 Forecast	Change
Capital investment	6.8	8.0	+1.2
Adjustments for depreciation	4.8	5.5	+0.7
R&D expenses	5.5	6.0	+0.5

■ Major capital investment in FY2023

All-solid-state batteries

- Apr. 2023: Completed mass production facility
- Jun. 2023: Started shipments of mass-produced products
- Amount : Approx. 2 billion yen
- Planning to execute sequential investments and large-scale investments aligned with order increase and development of high-capacity products



Semiconductor DMS

- Mar. 2024: Building completed
Equipment to be installed within FY2024
- Amount : Approx. 2 billion yen
- Executed investment at Yonezawa Plant for expanding production in line with the growth of the semiconductor market



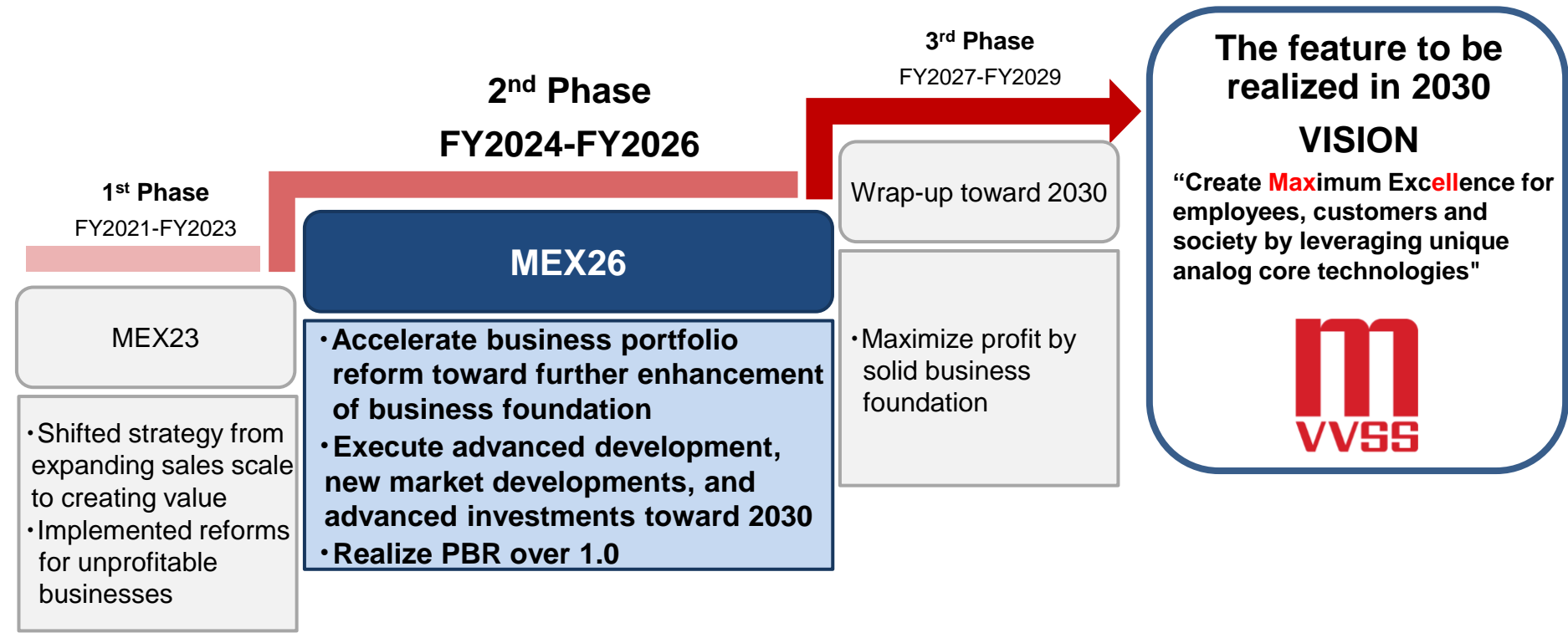
(Ordinary dividend)	FY2023 Forecast		FY2024 (Forecast)
	(Announced on 27 th Apr. 2023)	(Revised on 26 th Apr. 2024)	
Interim dividend	20yen(Actual)	20yen(Actual)	25yen
Year-end dividend	20yen	30yen	25yen
Total	40yen	50yen	50yen

- Revise FY2023 year-end dividend forecast upwards from 20 yen to 30 yen with the increase in net profit
- Despite net profit decrease from previous year, maintain FY2024 annual dividend forecast of 50 yen in accordance with basic dividend policy (dividend payout ratio of 30-40%)

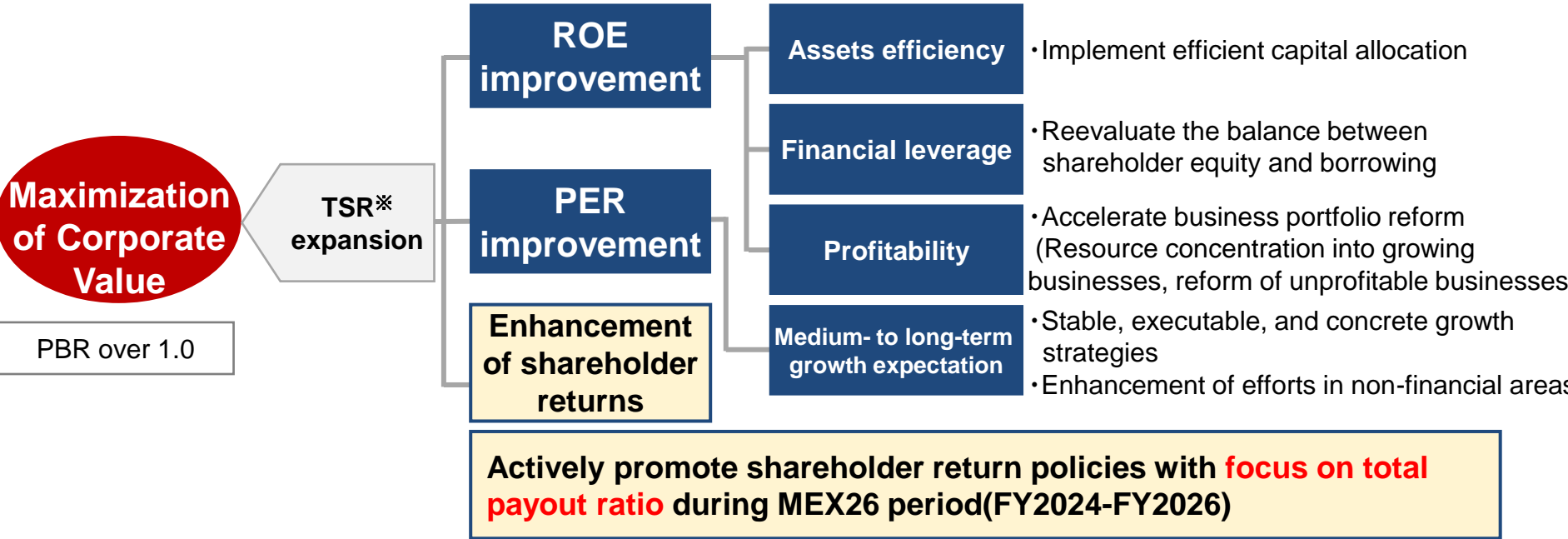
3. Medium-term management plan (MEX26)

Positioning of MEX26 within the long-term plan

“Commit to Value”, implement management focused on corporate value and profit growth



Aim to achieve PBR over 1.0 at early stage by accelerating investment in growth-driving businesses and further strengthening shareholder returns



Specific details of MEX26 will be disclosed on 5th June

■ **Schedule** : Thursday, June 5, 2024, 14:00-16:30

■ **Location** : AP Tokyo Marunouchi (Otemachi) + Web (Zoom)

■ **Attendee (plan)**

Position	Name	Duties in charge
President and Representative Director Chief Executive Officer	Keiji Nakamura	
Director Managing Executive Officer	Hiroyuki Ota	China Strategy, Manufacturing Technology, Energy Business, Functional Materials Business and Life Solution Business
Director Managing Executive Officer	Noritoshi Masuda	Procurement & SCM, Finance, Export Control, IT, Legal Affairs, HR & General Affairs, Asset and Risk Management
Director Executive Officer	Shinichiro Takao	Sales
Executive Officer	Kenichi Sano	New Business and R&D
Executive Officer	Noriyoshi Bito	Optics & Systems Business and QA
Executive Officer	Tatsuya Yamamoto	Intellectual Property

Product displays as well as demonstrations of new business products are scheduled at the venue

Notes about statements about the future

Parts of this document contain predictions about the future that are based on our current expectations and beliefs.

These statements are provided as background material for investors.

We cannot ensure or guarantee that any such statement will prove to be correct.

Please keep in mind that actual outcomes might differ from anticipated results.

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Within, the Future