



Financial Results of 1st Half, FY2024 (April – September 2024)

November 1, 2024
Maxell, Ltd.

1. **FY2024 1H Results Overview**

- Net Sales 63.2 billion Yen (Decreased YoY)
- Operating Profit 4.2 billion Yen (Decreased YoY)
- Net Profit 3.1 billion Yen (Decreased YoY)

2. **Future Outlook**

- After careful examination of each business, operating profit is expected to be on track with the initial plan while sales will slightly decrease

3. **Change of reporting segments in line with portfolio reform**

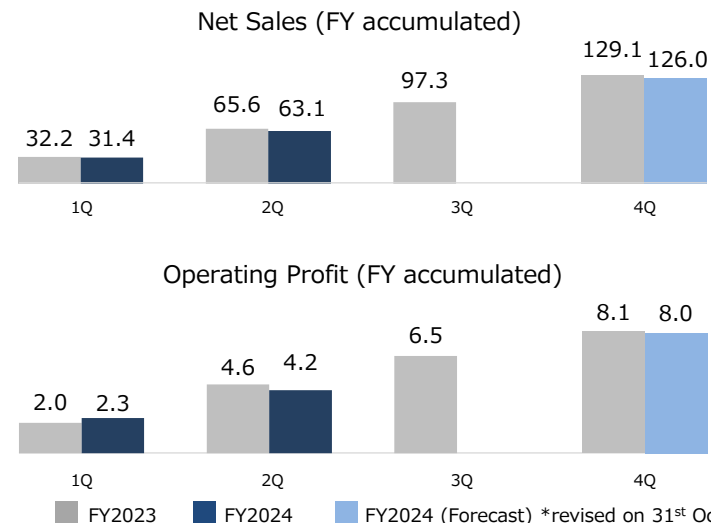
- Maximize corporate value by clarifying the shift towards the Analog Core Business Group

1. FY2024 1H Results Overview

Review on 1st Half, FY2024 Summary

JPY billion	1st Half		Changes to L/Y
	FY2023	FY2024	
Net Sales	65.6	63.1	(2.5)
Operating Profit OP ratio	4.6 7.0%	4.2 6.6%	(0.4)
Ordinary Profit OP ratio	6.0 9.1%	3.9 6.1%	(2.1)
Net Profit* OP ratio	4.9 7.5%	3.1 4.9%	(1.8)
Ex-rate US\$	141	153	12

* : Profit attributable to owners of parent

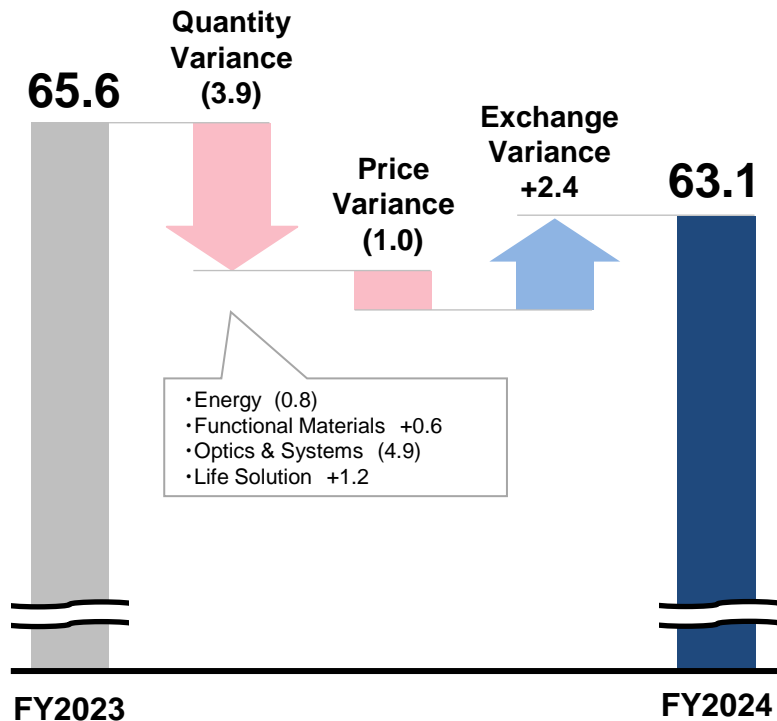


- Sales decreased due to decrease in rechargeable batteries, semiconductor related products and licensing revenues despite increase in primary batteries, adhesive tapes and health & beauty care products
- Operating profit decreased due to decrease in licensing revenue and semiconductor-related products, despite increase in primary batteries and health & beauty care products
- Ordinary profit and net profit were impacted by the record of foreign exchange losses
- Although the situations vary by segment, overall progress is generally on track with the initial plan

Net Sales Changes (1H FY2023 → 1H FY 2024)

Changes (2.5)

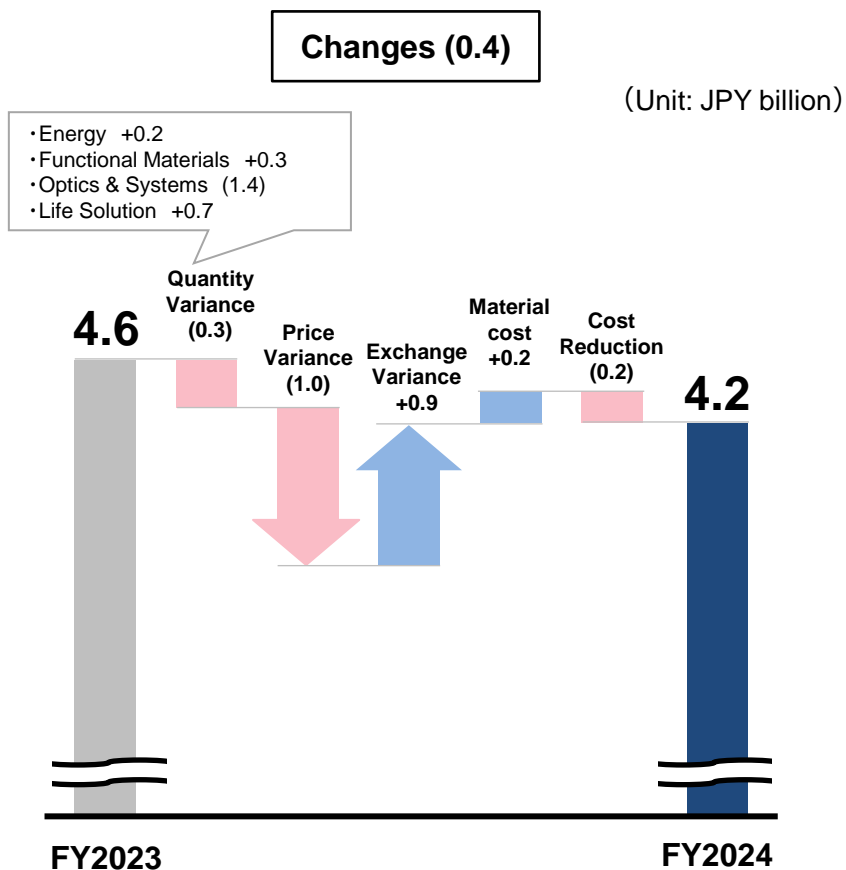
(Unit: JPY billion)



Factor	Point
Quantity Variance	<ul style="list-style-type: none"> • Increase in primary batteries • Increase in adhesive tapes • Increase in health & beauty care products
	<ul style="list-style-type: none"> • Decrease in rechargeable batteries (consumer LIB) • Decrease in automotive optical components (in-car camera lens unit) • Decrease in semiconductor related products (semiconductor DMS) • Decrease in licensing revenues (rebound of one-time increase in the previous year)
Price Variance	<ul style="list-style-type: none"> • Impact in sales price changes due to cost decrease in certain raw materials
Exchange Variance	<ul style="list-style-type: none"> • Positive impact due to yen depreciation

Sales increase Sales decrease

Operating Profit Changes (1H FY2023 → 1H FY 2024)

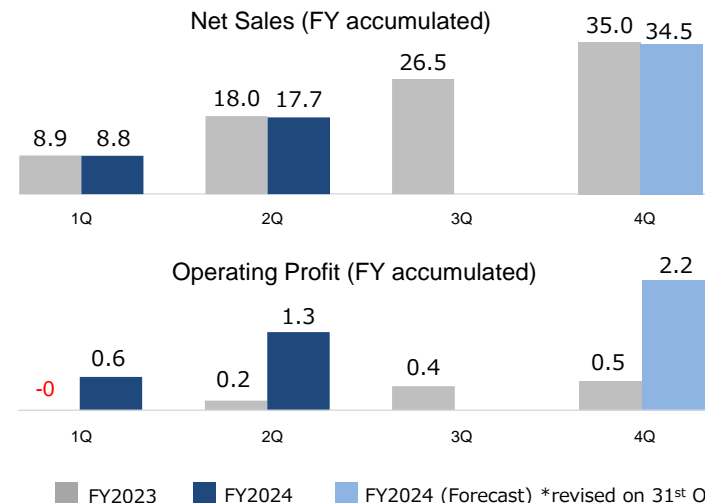


Factor	Point
Quantity Variance	<ul style="list-style-type: none"> • Increase in primary batteries • Increase in adhesive tapes • Increase in health & beauty care products
	<ul style="list-style-type: none"> • Decrease in rechargeable batteries (consumer LIB) • Decrease in automotive optical components (in-car camera lens unit) • Decrease in semiconductor related products (semiconductor DMS) • Decrease in licensing revenues (rebound of one-time increase in the previous year)
Price Variance	• Impact of sales price changes due to cost decrease in certain raw materials
Exchange Variance	• Positive impact due to yen depreciation
Material cost	• Some raw material costs are trending downward
Cost Reduction	• The effects of cost reduction and product mix optimization
	• Recorded expenses associated with customer bankruptcy proceedings

Profit increase Profit decrease

Review on 1st Half, FY2024 by segment (Energy)

JPY billion	1st Half		Changes to
	FY2023	FY2024	
Net Sales	18.0	17.7	(0.3)
Operating Profit	0.2	1.3	1.2
OP ratio	0.9%	7.5%	-



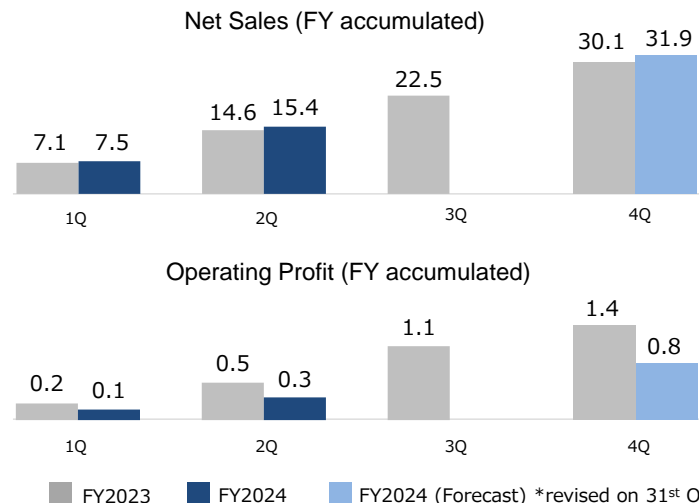
Net Sales	<ul style="list-style-type: none"> • Sales of primary batteries increased due to stable demand for automotive applications and increased sales in the expanding market for medical devices • Sales of rechargeable batteries decreased due to decrease in sales of consumer LIB
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Operating Profit	<ul style="list-style-type: none"> • Operating profit of primary batteries increased due to sales increase and improved capacity utilization, as well as the effects of yen depreciation • Although operating profit of rechargeable batteries decreased due to sales decline, the impact was minimized through the minimum operations of consumer LIB
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<p>【Main products of primary batteries】</p> <ul style="list-style-type: none"> • Heat resistant coin type lithium battery • Cylindrical type lithium battery • Coin type lithium battery <p>【 Main products of rechargeable batteries 】</p> <ul style="list-style-type: none"> • Consumer lithium-ion battery • Coin type lithium rechargeable battery

Review on 1st Half, FY2024 by segment (Functional Materials)

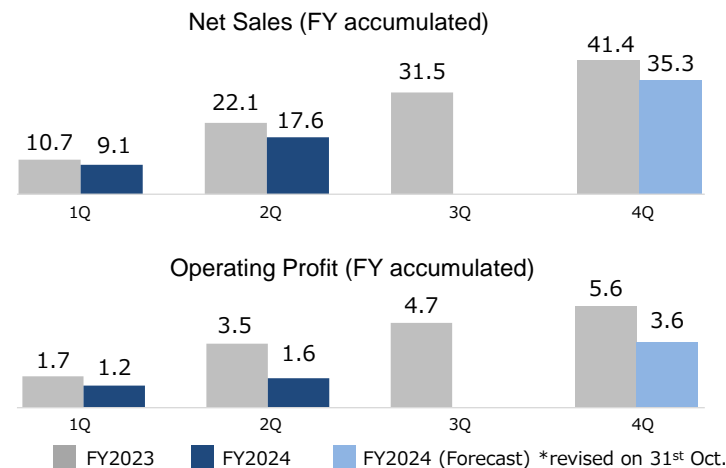
JPY billion	1st Half		Changes to
	FY2023	FY2024	
Net Sales	14.6	15.4	0.8
Operating Profit	0.5	0.3	(0.2)
OP ratio	3.6%	2.1%	-



Net Sales	<ul style="list-style-type: none"> • Sales of adhesive tape increased due to continued strong performance centered on tapes for semiconductor manufacturing process • Sales of industrial materials maintained the same level as previous year, as coated separators offset the challenging sales of industrial rubber products 	<p>【Main products of adhesive tape】</p> <ul style="list-style-type: none"> • Tapes for construction • Tapes for semiconductor manufacturing process • Tapes for industrial processes <p>【Main products for industrial materials】</p> <ul style="list-style-type: none"> • Industrial rubber • Coated separator
Operating Profit	<ul style="list-style-type: none"> • Operating profit of adhesive tapes decreased due to the impact of yen's depreciation and the increase of development costs • Profit of industrial materials decreased due to challenging sales of industrial rubber products, although profits of coated separators increased 	

Review on 1st Half, FY2024 by segment (Optics & Systems)

	JPY billion	1st Half		Changes to
		FY2023	FY2024	
Net Sales		22.1	17.6	(4.5)
Operating Profit		3.5	1.6	(1.9)
OP ratio		15.9%	9.2%	-



Net Sales

- Despite good performance in LED headlamp lenses, sales of automotive optical components decreased due to sales decline in in-car camera lens units
- Sales of semiconductor-related products decreased due to the impact of customer inventory adjustments
- Licensing revenue decreased due to the rebound of one-time revenue recorded in the previous year

Operating Profit

- Despite good performance in LED headlamp lenses, profit of automotive optical components decreased due to sales decline in in-car camera lens units
- Profit of semiconductor-related products decreased due to decrease in sales
- Licensing revenue decreased YoY, while maintained certain level of profit

【Main products of in-car optical components】

- In car camera lens unit
- LED headlamp lens

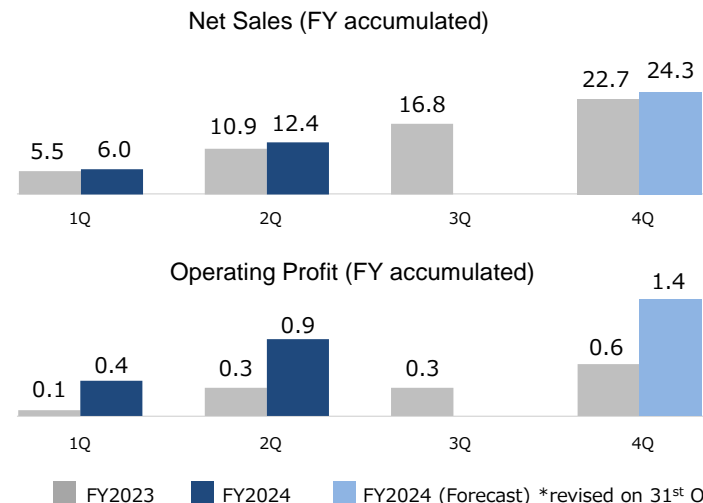
【Main products for semiconductor related products】

- Semiconductor DMS※
- Electro fine forming

※DMS : Design & Manufacturing Service

Review on 1st Half, FY2024 by segment (Life Solution)

JPY billion	1st Half		Changes to
	FY2023	FY2024	
Net Sales	10.9	12.4	1.5
Operating Profit	0.3	0.9	0.6
OP ratio	3.1%	7.4%	-



Net Sales

• Sales increased due to good sales of OEM products in health & beauty care products

Operating Profit

• Profit increased due to sales increase of health & beauty care products in addition to the effect of business reform implemented in FY2023

【 Main products of Life Solution】

- Health care products
- Beauty care products
- Hydraulic tools

2. Future Outlook

Key Points for 2nd Half, FY2024 by segment

Positive

Negative

Segment	Key Points for 2nd Half	
Energy	Primary Batteries	<ul style="list-style-type: none"> • Sales for medical devices will continue to exceed expectations • Sales for automotive and infrastructure applications will progress steadily
	Rechargeable Batteries	<ul style="list-style-type: none"> • Anticipate further sales decline in 2H. Minimize the impact to profit through minimum operations
Functional Materials	Adhesive Tapes	<ul style="list-style-type: none"> • Sales of tapes for construction will not reach the initial plan although they are on increasing trend • Tapes for semiconductor manufacturing process will continue to progress well
	Industrial Materials	<ul style="list-style-type: none"> • Industrial rubber products will not reach the initial plan while they are recovering, gradually • Sales of coated separators will increase gradually
Optics & Systems	Automotive optical components	<ul style="list-style-type: none"> • Sales of in-car camera lens units will decrease due to the sales performance of our customers • LED headlamp lenses will steadily progress centered on overseas demand
	Semiconductor related products	<ul style="list-style-type: none"> • Customer inventory adjustments for semiconductor DMS are expected to take longer than anticipated and continue through 4Q • EF² is expected to recover from 2H onwards
Life Solution	Health & Beauty care OEM	<ul style="list-style-type: none"> • OEM products centered on shavers are expected to continue performing well in 2H onwards
	Hydraulic tools	<ul style="list-style-type: none"> • Both ODM and own brand products are expected to progress as initial plan

**Steadily progressing towards achieving the goals of MEX26
whereas there are some businesses facing short-term challenges**

JPY billion		FY2023 Result	FY2024		Changes	
			Previous Forecast	Revised Forecast	L/T	
	Energy	Net sales	35.0	32.5	34.5	2.0
		Operating Profit	0.5	0.7	2.2	1.5
	Functional Materials	Net sales	30.1	32.4	31.9	(0.5)
		Operating Profit	1.4	1.6	0.8	(0.8)
	Optics & Systems	Net sales	41.4	40.2	35.3	(4.9)
		Operating Profit	5.6	4.7	3.6	(1.1)
	Life Solution	Net sales	22.7	22.9	24.3	1.4
		Operating Profit	0.6	1.0	1.4	0.4
	Total	Net sales	129.1	128.0	126.0	(2.0)
		Operating Profit	8.1	8.0	8.0	0.0
		Net Profit*	7.5	6.0	6.0	0.0
		Ex-rate US\$	145	145	148	3

【Deviation from the initial plan】

- While sales of primary batteries are performing well, automotive optical components and semiconductor-related products are struggling
- Although adhesive tapes and semiconductor-related products are struggling, the strong performance of primary batteries has kept the overall operating profit on track with the initial plan

3. Changes of reporting segments in line with portfolio reform

The medium-term management plan MEX26 is progressing as planned

- Growth investments towards the ideal feature to be realized in 2030 are on track. Future projects are also being prepared as planned
- The enhancement of shareholder returns is progressing as scheduled (interim dividend of 25 yen for FY2024, share buyback of 5 billion yen executed)
- The performance for FY2024 is generally progressing in line with the plan.

Accelerate growth by clarifying business distinctions (enforce portfolio reform)

- Maximize corporate value by improving capital efficiency through concentrating growth investments on “Analog Core businesses”, which are based on the “Analog Core Technologies” that are the strengths of the Company
- Change reporting segments in line with portfolio reform (effective from FY2025).

**We sincerely ask for your continued support for Maxell
as we accelerate our efforts to realize MEX26 targets**

Overview of MEX26: Maximizing corporate value through business strategies and financial strategies

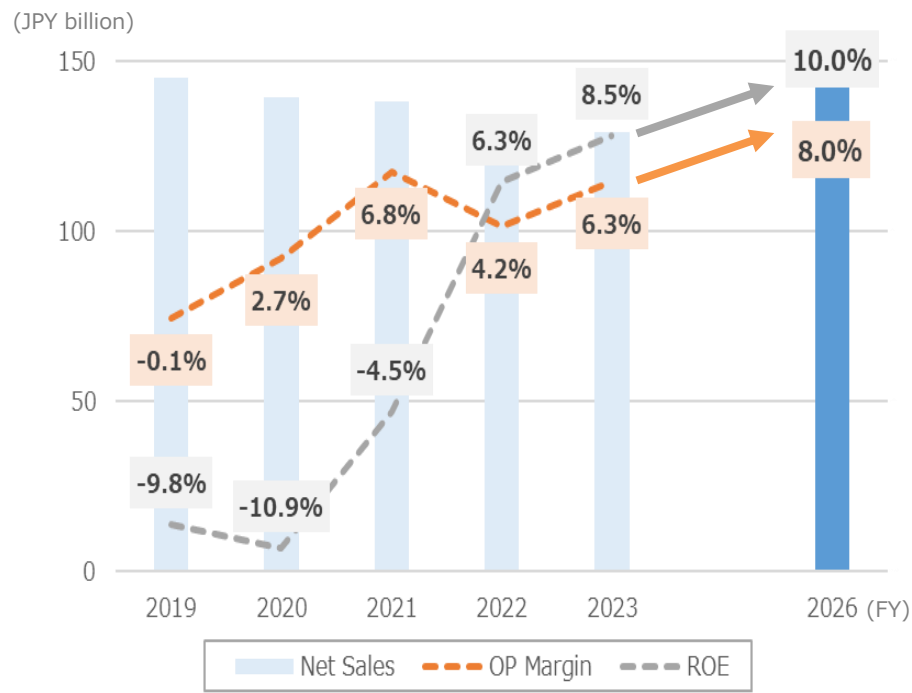
Reposted MEX26 presentation published on June 5, 2024



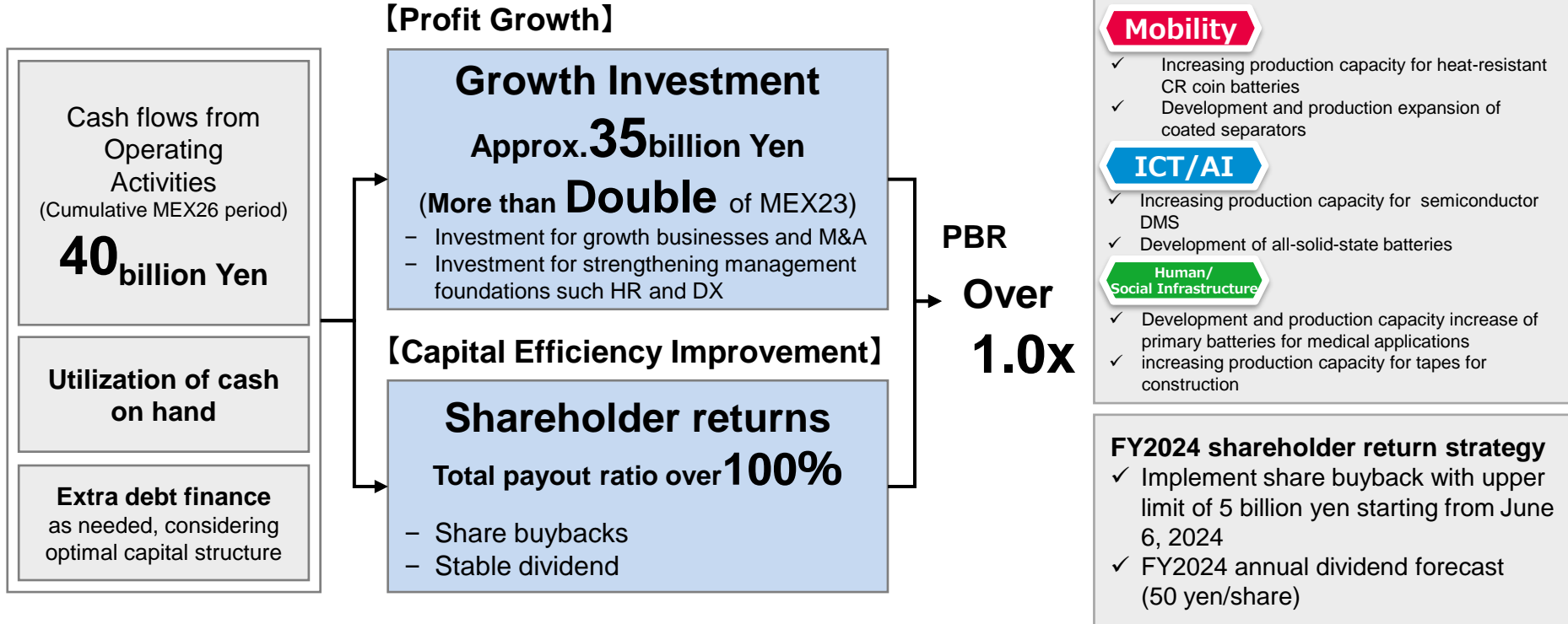
MEX26

Business Strategy for profit growth	Existing Businesses (Portfolio)	Expand business in 3 focus areas while continuing business distinction
	New Business	Focus on commercialization of all-solid-state battery while launching new themes for the future
	Sales	Strengthen technical sales personnel and expand sales through global sales organization
	Management Foundation	Focus on business efficiency and talent development through the standardization of core systems
Financial Strategy to maximize corporate value	Growth Investment	Proactive investment in growing fields Investment amount 35 billion yen, more than double of MEX23
	Shareholder Return	Total payout ratio of over 100% , improving capital efficiency

Results trend MEX26



- In **MEX26**, aim to achieve PBR of over 1.0x by achieving profit growth through proactive growth investments as well as improving capital efficiency through enhanced shareholder returns



Growth investments in 3 focus areas are being carried out on track

- In 3 focus areas, mass production investments are being carried out sequentially as specifications are finalized through alignment with customers
- Continue to develop products that solve our customers' issues and proceed with mass production investments

3 Focus Areas

Status of Major Growth Investments



Mobility

■ Heat Resistant Coin Type Lithium Battery

Implement capacity expansion investments to meet the growing demand driven by market growth **(approx. 500 million yen)**



■ Coated Separator

Introduce mass production equipment to respond to customer inquiries due to the increasing demand for BEVs **(approx. 2.7 billion yen*)**



*Eligible for subsidies from METI



ICT/AI

■ Semiconductor DMS

Implement capacity expansion investments to meet the increasing demand due to the growth in semiconductor manufacturing equipment **(approx. 2 billion yen)**



Human/ Social Infrastructure

■ Primary batteries for medical applications

Implement capacity expansion investments to meet the increasing demand for CGM devices **(approx. 5 billion yen)**



■ Tapes for construction

Implement capacity expansion investments to capture global demand **(approx. 2.2 billion yen)**



Implemented shareholder returns as planned

- Implemented shareholder returns as planned, and executed share buyback of 5 billion yen in FY2024

Interim dividend

- Dividends are implemented in accordance with the basic policy of 30-40% payout ratio
- The annual dividend forecast remains unchanged since the announcement on April 26, 2024

Dividend (Ordinary Dividend)	FY2024
2Q(Actual)	25 yen
End year(Forecast)	25 yen
Full year(Forecast)	50 yen

Status of share buyback

- The acquisition of treasury shares was completed as of September 6, 2024
- All shares acquired this time are scheduled to be canceled on November 29, 2024

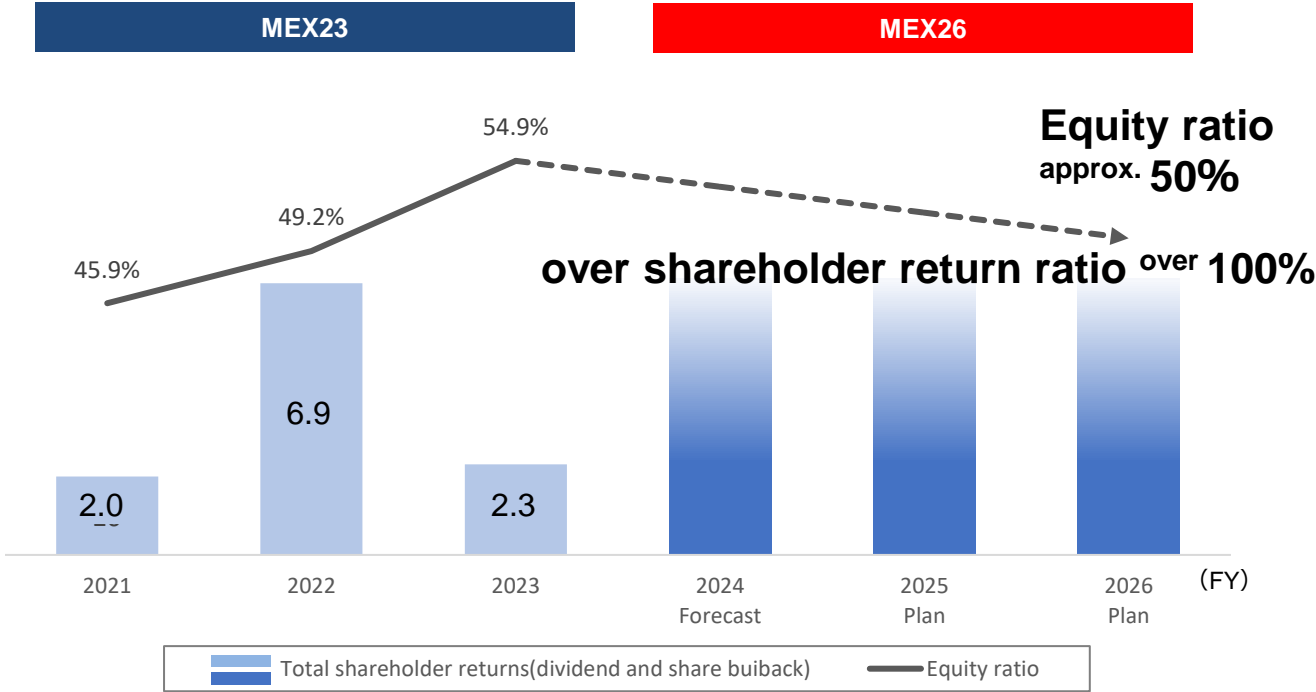
Contents	Details
Period for buyback	June 6 to Sep 6, 2024
Total number of shares bought	2,739,600 shares
Total value of shares bought	4,999,929,200 yen
Scheduled date of cancellation	November 29, 2024

Achieve total shareholder return ratio of over 100% during MEX26 period, in addition to growth investments

Continue to promote the improvement of capital efficiency going forward

- Set target of 50% equity ratio as benchmark in promoting the improvement of capital efficiency
- Plan to maintain total shareholder return ratio of over 100% and will continue to implement appropriate shareholder return measures throughout the MEX26 period

(Unit: JPY billion)

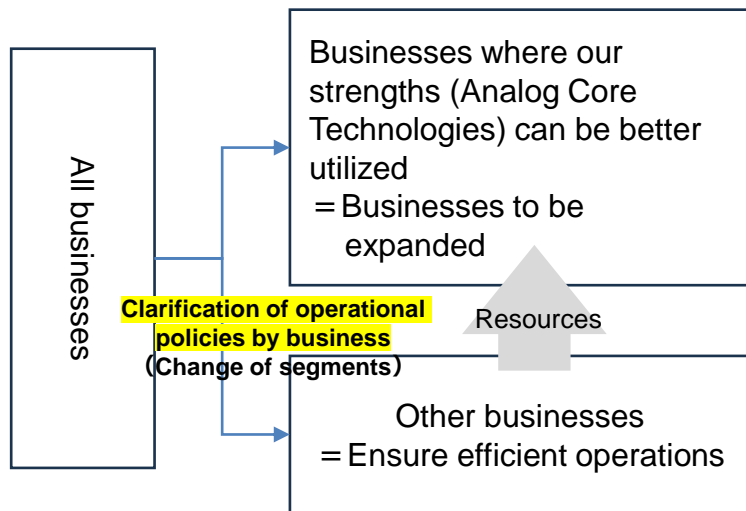


For further growth : Implement changes of reporting segments

- In order to achieve MEX26 and move towards the feature to be realized in 2030, change reporting segments to further clarify business distinctions
- Maximize corporate value by accelerating growth and improving capital efficiency through concentrated investments in businesses that should be expanded and efficient operation

■ Idea behind the changes

- ✓ Accelerate growth through concentrated investments
- ✓ Improve capital efficiency by focusing resources



■ Purpose of the changes

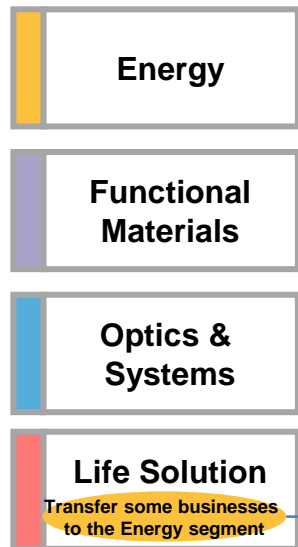
- ✓ Ensure the achievement of MEX26 targets through business growth and improved capital efficiency
- ✓ Preparing the foundation for future growth



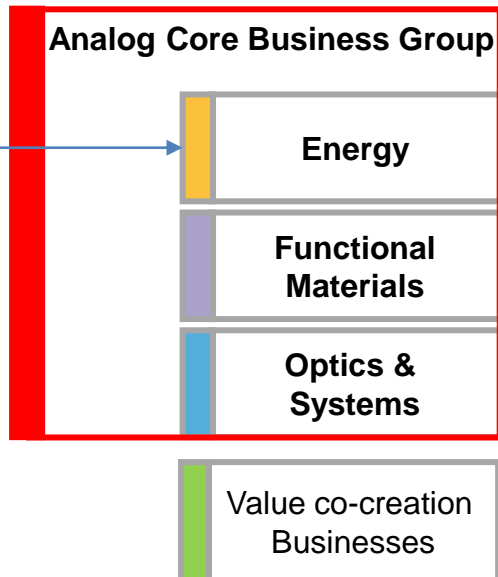
Changes of reporting segments in line with portfolio reform

- Define Energy, Functional Materials, and Optics & Systems as “Analog Core Business Group” which consists of businesses that should be grown intensively. While making aggressive growth investments, the Company will accelerate business growth by exploring growth opportunities through external collaboration and M&A
- Other businesses are defined as value co-creation businesses aiming to contribute to profits, and will be thoroughly implemented efficient operations to maximize profits

Current segments



Changed Segments



Operational Policy

- ✓ **Intensively promote growth by leveraging** our strength in **Analog Core Technologies**
- ✓ Accelerate business growth **by strategically allocating human resources, making aggressive growth investments, and exploring growth opportunities through external collaboration and M&A**
- ✓ In order to drive both sales growth and profitability enhancement, businesses that are unprofitable and show no prospects for improvement within the Analog Core Business Group will be **actively replaced**
- ✓ Aim for contribution to profits
- ✓ **Ensure efficient operations** and strive to maximize profitability

Performance Figures after the Change in Reporting Segments (Reference)

(Unit: JPY billion)

【Current segment】

Top : Sales Bottom : OP	FY2023	FY2024 (Forecast)
Total	129.1 8.1	126.0 8.0
Energy	35.0 0.5	34.5 2.2
Functional Materials	30.1 1.4	31.9 0.8
Optics & Systems	41.4 5.6	35.3 3.6
Life Solution	22.7 0.6	24.3 1.4



【After change】

Top : Sales Bottom : OP	FY2023	FY2024 (Forecast)
Total	129.1 8.1	126.0 8.0
Analog Core Business Group		
Energy	39.8 0.9	40.0 2.6
Functional Materials	30.1 1.4	31.9 0.8
Optics & Systems	41.4 5.6	35.3 3.6
Value co-creation Businesses	17.8 0.3	18.8 1.0

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