

## Summary of Consolidated Financial Results for the Third Quarter ended December 31, 2023 (Japan GAAP)

January 31, 2024

Listed company:	Maxell, Ltd.	Stock exchange: Tokyo (Prime Market)
Code number:	6810	URL: <a href="https://www2.maxell.co.jp/ir/">https://www2.maxell.co.jp/ir/</a>
Representative:	Keiji Nakamura (President)	
Contact person:	Seiji Takahashi (General Manager)	
Planned date of submittal of financial statement report	February 9, 2024	Planned date of beginning payment of dividends —

(Figures are rounded off to the nearest 1 million yen)

### 1. Consolidated Business Results and Financial Position for the Third Quarter ended December 31, 2023 (April 1, 2023 through December 31, 2023)

#### (1) Consolidated Operating Results (% change compared with the same term of the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2023	97,304	(1.9)	6,471	41.8	7,646	32.7	5,685	14.2
December 31, 2022	99,235	(5.1)	4,564	(46.8)	5,764	(34.9)	4,979	(6.4)

Note: Comprehensive income: December 31, 2023 7,706 millions of yen (decreased by 1.5%)  
December 31, 2022 7,820 millions of yen (increased by 10.2%)

	Net profit per share	Net profit per share (Diluted)
	Yen	Yen
December 31, 2023	124.04	—
December 31, 2022	103.76	—

Note: The Company has introduced “performance-linked share-based remuneration system”. And the shares of the Company held by the trust are included in the treasury shares deducted in the calculation of the average number of the shares during the term used in the calculation of “Net profit per share” of the quarter.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
December 31, 2023	164,934	91,782	53.7
March 31, 2023	168,177	85,940	49.2

References: Shareholders' equity: December 31, 2023 88,541 millions of yen; March 31, 2023 82,816 millions of yen

Note: The Company has introduced “performance-linked share-based remuneration system”. And the shares of the Company held by the trust are recorded as treasury shares.

### 2. Dividend

	Dividend per share				
	1Q	2Q	3Q	Year end	Full year
	Yen	Yen	Yen	Yen	Yen
March 31, 2023	-	20.00	-	20.00	40.00
March 31, 2024	-	20.00	-		
March 31, 2024 (Forecast)				20.00	40.00

Note: Revision of the latest dividend forecast: None

### 3. Consolidated Business Forecast for the year ending March 31, 2024 (April 1, 2023 through March 31, 2024)

(% change from the previous year)

	Net sales		Operating profit		Profit attributable to owners of parent		Net profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	130,000	(2.1)	7,500	33.0	5,800	11.7	126.54

Note 1: Revision of the latest consolidated financial forecast: None

2: The Company has introduced “performance-linked share-based remuneration system”. And the shares of the Company held by the trust are included in the treasury shares deducted in the calculation of the average number of the shares during the term used in the calculation of “Net profit per share” of the year.

#### Notes

(1) Changes in significant subsidiaries during the period: None

(2) Application of special accounting method: Yes

Standard used to calculate income taxes

Tax expenses are calculated by making a reasonable estimation of the effective tax rate on income before income taxes for the fiscal year including the third quarter after the application of deferred tax accounting and applying the estimated effective tax rate to the quarterly income before income taxes. However, when an estimated effective tax rate is unreasonable, the effective statutory tax rate shall be applied.

(3) Changes in accounting policies, accounting estimates and restatement

1) Changes as a result of revision of accounting standards: None

2) Changes other than 1): None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of shares issued (common stock)

1) Number of shares issued at end of period (including treasury share):

December 31, 2023 49,695,800 shares

March 31, 2023 49,695,800 shares

2) Number of shares of treasury share at end of period:

December 31, 2023 3,852,532 shares

March 31, 2023 3,871,367 shares

3) Average number of shares during the term:

December 31, 2023 45,833,530 shares

December 31, 2022 47,986,282 shares

Note 1: The number of shares of treasury share at end of period includes the shares of the Company held by the trust relating to “performance-linked share-based remuneration system” (16,800 shares, for the previous consolidated fiscal year ended March 31, 2023 and 15,700 shares, for the third quarter ended December 31, 2023).

2: The average number of shares during the term is calculated by deducting the treasury shares and the shares of the Company held by the trust relating to “performance-linked share-based remuneration system” (17,709 shares, for the third quarter ended December 31, 2022 and 16,256 shares, for the third quarter ended December 31, 2023).

#### **\* Explanation regarding the appropriate use of forecasts of business results and other special instructions**

Forecasts of business results and other forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable. Actual business results may differ significantly due to a variety of factors. For further information on the above-mentioned forecast preconditions and other related matters, please see page 4, “3. Qualitative Information relating to Projections of Consolidated Business Results”.

## [Qualitative Information / Financial Statements]

### 1. Qualitative Information relating to Consolidated Business Results

(Unless otherwise stated, all comparisons are with operating results in the Third Quarter of the previous fiscal year, from April 1, 2022 to December 31, 2022.)

The global economy in this third quarter period had been unpredictable due to continued financial tightening measures in the United States and Europe, a real estate crisis in China, as well as the heightened geopolitical risks such as the tension in the Middle East, although automotive market recovered as a result of the elimination of shortage of semiconductors. In terms of business environment for the Company, while automotive market recovered, business environment remained difficult due to the factors such as downturn in the semiconductor market, economic stagnation in some regions, and soaring electricity costs.

Under these circumstances, in this third quarter period, total sales decreased by 1.9% (1,931 million yen) to 97,304 million yen due to the transfer of the domestic consumer products sales business, and decrease in sales of rechargeable batteries and primary batteries for electronic equipment, despite an increase of licensing revenues and automotive optical components sales. In terms of profitability, operating profit increased by 41.8% (1,907 million yen) to 6,471 million yen, due to profit increase brought by increased licensing revenues and automotive optical components sales and improved profitability of health and beauty care products. Ordinary profit increased by 32.7% (1,882 million yen) to 7,646 million yen due to recognition of foreign exchange gains and profit attributable to owners of parent increased by 14.2% (706 million yen) to 5,685 million yen. There were recognition of one-time expenses relating to reform of Life Solution business in both operating profit and profit attributable to owners of parent.

The average foreign exchange rate over this third quarter period under review was US\$1=143 yen.

Operating results by segment were as follows.

#### **Energy**

In addition to the sales decrease of rechargeable batteries, primary batteries for electronic equipment decreased in some regions due to economic stagnation. Due to these reasons, total sales for Energy segment decreased by 2.5% (685 million yen) to 26,455 million yen. Operating profit decreased by 74.4% (1,203 million yen) to 413 million yen due to the impact of sales decrease of primary batteries as well as the development cost and the cost of establishing production system for all-solid-state batteries.

#### **Functional Materials**

As sales of adhesive tapes increased, total sales for Functional Materials segment increased by 1.5% (322 million yen) to 22,524 million yen. Operating profit increased by 60.3% (396 million yen) to 1,053 million yen due to optimization of selling prices and effect of sales increase of high value added products.

#### **Optics & Systems**

Although sales of semiconductor related products decreased due to inventory adjustment at customer, total sales for Optics & Systems segment increased by 12.7% (3,541 million yen) to 31,530 million yen due to the increase of licensing revenues and automotive optical components sales. Operating profit increased by 62.4% (1,793 million yen) to 4,666 million yen due to increase of automotive optical components sales as well as licensing revenues.

#### **Life Solution**

As a result of the transfer of the domestic consumer products sales business that impacted on consumer products and health and beauty care products, total sales for Life Solution segment decreased by 23.3% (5,109 million yen) to 16,795 million yen. Operating profit increased by 921 million yen to 339 million yen due to improved profitability of health and beauty care products such as electric shavers, and continued improvement of productivity at overseas production facilities, although there was a recognition of one-time expense relating to reform of Life Solution business.

## **2. Qualitative Information relating to Consolidated Financial Position**

### **Assets**

As of December 31, 2023, total assets amounted 164,934 million yen, decreased by 1.9% from the previous consolidated fiscal year (as of March 31, 2023). Among this, current assets amounted 89,649 million yen, decreased by 5.5%, mainly by decrease of cash and deposits, and inventories. And the ratio of current assets among total assets has changed to 54.4% from 56.4% of the previous consolidated fiscal year. On the other hand, non-current assets amounted 75,285 million yen, increased by 2.7%, and the ratio of non-current assets among total assets has changed to 45.6% from 43.6% of the previous consolidated fiscal year.

### **Liabilities**

As of December 31, 2023, total liabilities amounted 73,152 million yen, decreased by 11.0% from the previous consolidated fiscal year. Among this, current liabilities amounted 59,017 million yen, increased by 6.3%, mainly by increase of current portion of long-term borrowings. And the current ratio became 1.5 times, and the cash on hand which is the balance between current liabilities and current assets, became 30,632 million yen. On the other hand, non-current liabilities amounted 14,135 million yen, decreased by 47.1%, mainly by decrease of long-term borrowings.

### **Net Assets**

As of December 31, 2023, total net assets amounted 91,782 million yen, increased by 6.8% from the previous consolidated fiscal year, mainly by record of profit attributable to owners of parent amounted 5,685 million yen and increase of foreign currency translation adjustment amounted 1,578 million yen. And the equity ratio has changed to 53.7% from 49.2% of the previous consolidated fiscal year.

## **3. Qualitative Information relating to Projections of Consolidated Business Results**

Business performance in the third quarter period as a whole was slightly better than predicted, due to increase of licensing revenues and automotive related products sales, improved profitability of health and beauty care products, despite sales decrease of rechargeable batteries and primary batteries for electronic equipment, and semiconductor related products. As for the fourth quarter, the Company predicts that tough situation for rechargeable and primary batteries, and semiconductor related products will continue, whereas automotive related products will perform well.

Under these circumstances, the Company will secure the consolidated financial forecasts for the fiscal year ending March 2024 of 130,000 million yen in net sales, 7,500 million yen in operating profit and 5,800 million yen in profit attributable to owners of parent same as in “Notice about Revision of Consolidated Financial Forecast for the Fiscal Year ending March 31, 2024” announced on October 30, 2023 and prepare for the leap in the fiscal year ending March 2025 and beyond.

For full-year performance forecasts by business segment, please refer to the supplementary information on page 5.

## Supplementary information

### Consolidated Financial Results and Forecast

(Millions of yen)

	Third Quarter ended: December 31, 2022	Third Quarter ended: December 31, 2023	Change* (%)	March 31, 2024 Forecast	Change* (%)
Net sales	99,235	97,304	(1.9)	130,000	(2.1)
Operating profit	4,564	6,471	41.8	7,500	33.0
Profit attributable to owners of parent	4,979	5,685	14.2	5,800	11.7

\* % change from the same term of the previous year

### Sales and Operating Income by Segment

	December 31, 2022	December 31, 2023		Change* (%)	March 31, 2024 Forecast		Change* (%)
	Millions of yen	Millions of yen	Composition (%)		Millions of yen	Composition (%)	
Net sales	99,235	97,304	100.0	(1.9)	130,000	100.0	(2.1)
Energy	27,140	26,455	27.2	(2.5)	35,500	27.3	(3.5)
Functional Materials	22,202	22,524	23.1	1.5	30,600	23.6	4.5
Optics & Systems	27,989	31,530	32.4	12.7	41,900	32.2	11.8
Life Solution	21,904	16,795	17.3	(23.3)	22,000	16.9	(24.8)
Operating profit	4,564	6,471	100.0	41.8	7,500	100.0	33.0
Energy	1,616	413	6.4	(74.4)	500	6.7	(78.8)
Functional Materials	657	1,053	16.3	60.3	1,600	21.3	85.4
Optics & Systems	2,873	4,666	72.1	62.4	5,400	72.0	38.9
Life Solution	(582)	339	5.2	-	0	-	-

\* % change from the same term of the previous year

### Sales by Regional Segment

	December 31, 2022	December 31, 2023		Change* (%)
	Millions of yen	Millions of yen	Composition (%)	
Overseas sales	42,469	47,227	48.5	11.2
America	10,203	13,481	13.8	32.1
Europe	9,262	11,857	12.2	28.0
Asia and other	23,004	21,889	22.5	(4.8)
Domestic sales	56,766	50,077	51.5	(11.8)
Total	99,235	97,304	100.0	(1.9)

\* % change from the same term of the previous year

### Capital investment, Depreciation, R&D expenses

(Millions of yen)

	December 31, 2022	December 31, 2023	Change* (%)	March 31, 2024 Forecast	Change* (%)
Capital investment	3,016	3,917	29.9	8,000	109.2
Depreciation	3,533	3,573	1.1	5,400	14.0
R&D expenses	4,705	3,946	(16.1)	6,500	1.6

\* % change from the same term of the previous year

## 4. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	38,170	35,529
Notes and accounts receivable - trade	30,439	29,733
Inventories	22,476	20,725
Other	4,678	4,223
Allowance for doubtful accounts	(926)	(561)
<b>Total current assets</b>	<b>94,837</b>	<b>89,649</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Land	28,994	29,013
Other, net	22,550	24,067
<b>Total property, plant and equipment</b>	<b>51,544</b>	<b>53,080</b>
Intangible assets	4,697	4,630
<b>Investments and other assets</b>		
Other	17,190	17,671
Allowance for doubtful accounts	(91)	(96)
<b>Total investments and other assets</b>	<b>17,099</b>	<b>17,575</b>
<b>Total non-current assets</b>	<b>73,340</b>	<b>75,285</b>
<b>Total assets</b>	<b>168,177</b>	<b>164,934</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	18,421	17,200
Current portion of long-term borrowings	8,123	12,935
Income taxes payable	506	1,074
Other	28,444	27,808
<b>Total current liabilities</b>	<b>55,494</b>	<b>59,017</b>
<b>Non-current liabilities</b>		
Long-term borrowings	17,625	5,562
Net defined benefit liability	5,372	5,228
Asset retirement obligations	434	436
Other	3,312	2,909
<b>Total non-current liabilities</b>	<b>26,743</b>	<b>14,135</b>
<b>Total liabilities</b>	<b>82,237</b>	<b>73,152</b>

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Capital stock	12,203	12,203
Capital surplus	22,951	22,953
Retained earnings	53,011	56,862
Treasury shares	(5,678)	(5,648)
Total shareholders' equity	82,487	86,370
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	334	270
Foreign currency translation adjustment	1,781	3,359
Remeasurements of defined benefit plans	(1,786)	(1,458)
Total accumulated other comprehensive income	329	2,171
Non-controlling interests	3,124	3,241
Total net assets	85,940	91,782
Total liabilities and net assets	168,177	164,934

## (2) Consolidated Statements of Income

	(Millions of yen)	
	Nine months ended December 31, 2022 (April 1, 2022- December 31, 2022)	Nine months ended December 31, 2023 (April 1, 2023- December 31, 2023)
Net sales	99,235	97,304
Cost of sales	76,522	74,569
Gross profit	22,713	22,735
Selling, general and administrative expenses	18,149	16,264
Operating profit	4,564	6,471
Non-operating income		
Interest income	128	385
Dividend income	123	164
Foreign exchange gains	889	640
Other	399	373
Total non-operating income	1,539	1,562
Non-operating expenses		
Interest expenses	83	59
Share of loss of entities accounted for using equity method	70	99
Rental costs	48	91
Other	138	138
Total non-operating expenses	339	387
Ordinary profit	5,764	7,646
Extraordinary income		
Gain on sale of non-current assets	136	11
Other	9	—
Total extraordinary income	145	11
Extraordinary losses		
Loss on sale and retirement of non-current assets	81	184
Extra retirement payments	—	435
Total extraordinary losses	81	619
Profit before income taxes	5,828	7,038
Income taxes	739	1,270
Profit	5,089	5,768
Profit attributable to non-controlling interests	110	83
Profit attributable to owners of parent	4,979	5,685



(3) Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Nine months ended December 31, 2022 (April 1, 2022- December 31, 2022)	Nine months ended December 31, 2023 (April 1, 2023- December 31, 2023)
Profit	5,089	5,768
Other comprehensive income		
Valuation difference on available-for-sale securities	(45)	(62)
Foreign currency translation adjustment	2,389	1,672
Remeasurements of defined benefit plans, net of tax	387	328
Total other comprehensive income	<u>2,731</u>	<u>1,938</u>
Comprehensive income	<u>7,820</u>	<u>7,706</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,687	7,527
Comprehensive income attributable to non-controlling interests	133	179