



maxell
Within, the Future

Integrated Report 2024
Maxell, Ltd.



The "Mission" Maxell must carry out

Mission

"Contribute to a sustainable society by innovating unique, original technologies"

The "Future" Maxell wants to realize

Vision

"Create Maximum Excellence for employees, customers, and society by leveraging unique analog core technologies"

The "Value" and "Strengths" Maxell commits to provide

Value

Maxell commits to maximizing corporate value for all stakeholders through three key sources of value

- Technological Value** Create new value through the sincere pursuit of originality and technological excellence
- Customer Value** Respond to customer needs with safe and secure products created by Monozukuri (Manufacturing) above and beyond customer expectations
- Social Value** Take on the many challenges of a changing world to create a prosperous and sustainable society

The "Spirit" Maxell must cherish

Spirit

- Corporate Creed -
- "Harmony and cooperation, working with heart and soul, and contributing to society"**

The "Shared Slogan" of Maxell Group

Slogan

- Brand Slogan -
- "Within, the Future"**
- The future is within -

2020: Formulation of MVVSS

"MVVSS" clarifies the mission the Maxell Group must carry out, the future we want to realize, and the value we commit to provide, now and in the future. It is a declaration that we will respond to the expectations of our stakeholders, and forms the core of our basic management policy. We established MVVSS in July 2020, aiming to unite the efforts of all our employees in one direction and implement management with a focus on corporate value and profit growth. We also proactively disseminated this internally and externally, so as to promote a better understanding of Maxell's direction and identity as a company.



Analog Core Technologies

The core of Maxell, the element without which we cannot be who we are, is our Analog Core Technologies.

Human senses, such as seeing, hearing and touching traverse the border between digital and analog, and lie beyond it. We believe the analog world has the ability to stimulate these senses and express them without limit.

Analog Core Technologies connect the analog to the digital, and play an indispensable role in realizing Monozukuri (Manufacturing) in complex and delicate fields that cannot be achieved by digital technology alone.

Maximum Excellence

Value provided by Maxell to employees, customers, and society

Adequate return on investment (increased stock prices, dividends)

- ▶ A company that attracts continuous support through **enhancement of corporate value**

Remuneration that matches value contributions, fulfilling work, and pleasant workplaces

- ▶ **An attractive company in which everyone can challenge themselves** to reach high goals

High-value-added products and services created by innovating unique, original technologies

- ▶ An indispensable company for **the development of high-value-added products**

Products, services, and solutions to overcome social issues

- ▶ An indispensable company for **the realization of a sustainable society**

Table of Contents and Editorial Policy

The Company positions its Integrated Report as an important tool for communicating with its stakeholders. In it, we present an overview of our Value Creation, and report on the path to realizing our vision, growth strategies for each business, and the enhancement of our management foundation.

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Editorial Policy

The purpose of this Report is to communicate the features of Maxell Group, which conducts business on the basis of co-existing with society, to all stakeholders, including shareholders and investors. It contains information on business, performance, and sustainability-related activities and their outcomes in the form of an Integrated Report. Detailed financial and sustainability information not included in this Report is disclosed on our website.

Period Covered by this Report

This Report focuses on fiscal 2023 (April 2023 to March 2024), but also includes some fiscal 2024 events.

Reference Guidelines

IFRS Foundation "The International Integrated Reporting Framework"
 GRI "GRI Sustainability Reporting Standard"
 Ministry of the Environment "Environmental Reporting Guidelines (2018 Version)"
 Ministry of the Environment "Guidelines for Environmental Reporting (3rd Edition) (May 2014)"
 Environmental Consideration Law
 "ISO 26000:2010"

*International sustainability reporting guidelines compiled by the Global Reporting Initiative

"Guidance for Collaborative Value Creation"

The "Guidance for Collaborative Value Creation," which was prepared by the Ministry of Economy, Trade and Industry, was used as a reference in this Report.



Published

September 2024

History of Innovation

1960s-1980s

Led the way in developing and launching a succession of consumer products during Japan's period of high economic growth, and established development, production, and sales systems in Japan and overseas.

1961

The dry battery and magnetic tape divisions were spun off from Nitto Electric Industrial Co., Ltd. (currently Nitto Denko Corporation), and established as Maxell Electric Industrial Co., Ltd.

Origin of the Company Name

Maximum Capacity Dry Cell

The company name originates from the brand name "Maxell" (Maximum Capacity Dry Cell = a dry cell with the highest performance) created for the dry batteries that constituted its business at the time of its foundation.



1963

First in Japan

Commenced production of alkaline dry batteries

1966

First in Japan

Commercialized audio cassette tapes

1976

First in Japan

Commercialized floppy disks

1983

First in Japan

Commenced production of lithium thionyl chloride batteries for memory backup

1984

Commercialized 12-inch, write-once-read-many optical disc cartridges, IC cards, and memory cards

1989

Commercialized data cartridges for computer use
Entered the professional video tape market for broadcasting stations

1990s-2010s

Shifted business focus from consumer products to industrial components, and expanded product applications to automotive and medical uses

1996

Commenced production of lithium-ion batteries



Lithium-ion batteries

1998

First in the world

Commercialized rewritable DVD-RAM discs

2004

Commercialized heat-resistant coin-type lithium manganese dioxide batteries (for automotive use)

2005

Commenced shipments of in-car camera lens units

2008

Developed heat-resistant separators that improve the safety of lithium-ion batteries

2017

Developed "RIC-FOAM"^{*1}, a proprietary injection foam molding technology

2018

Developed Air Patch Battery for medical/healthcare patches

2019

Commenced shipping samples of coin-type all-solid-state batteries using sulfide-based solid electrolytes
Productized head up displays (AR-HUD)^{*2}

^{*1} Resilient & Innovative Cellular Foam

^{*2} Augmented Reality Head Up Display

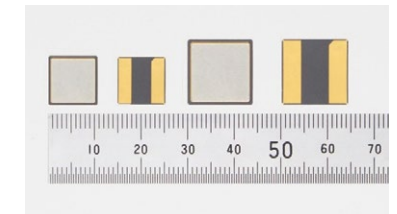
2020s

Further enhancing value creation through our unique Analog Core Technologies, and contributing to a sustainable society

2021

First in the world

Developed ceramic package type sulfide-based all-solid-state batteries that are surface-mountable on boards



Ceramic package type all-solid-state batteries

2022

Productized aerial image display "Advanced Floating Image Display (AFID)^{*3}"

2023

First in the world

Commenced mass production of small-size sulfide-based all-solid-state batteries

2023

Development of cylindrical all-solid-state battery (PSB23280) that can also be applied to main power applications

Development of an ultrasonic cleaning lens unit for automotive applications capable of atomizing rain droplets and melting snow

2024

Developed fundamental technology that increases the maximum operating temperature of all-solid-state batteries to 150°C

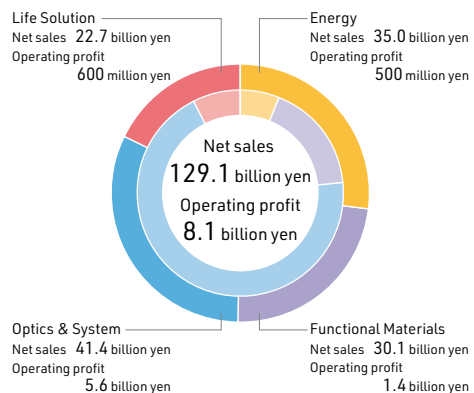
^{*3} Advanced Floating Image Display



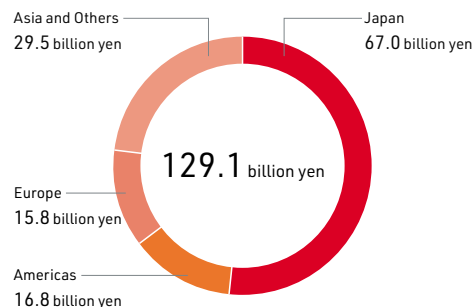
Corporate History

At a Glance

Composition of Sales (FY2023)



Net sales by region (FY2023)



Total Group

Number of Major Subsidiaries (as of March 31, 2024)	19 (affiliated companies: 2)	1	3	3	2
Number of Employees (as of March 31, 2024)	3,956	756	799	1,299	838
Capital investment (FY2023)	6,828 million yen	2,304 million yen	669 million yen	3,005 million yen	850 million yen

- The number of subsidiaries shown in each segment only covers manufacturing companies (the Total Group number includes non-manufacturing companies)
 - The Total Group's number of employees includes 264 employees of administrative divisions, etc., that cannot be categorized into specific segments

Energy



Major Products

Lithium-ion batteries for consumer use, electrodes for lithium-ion batteries, coin-type lithium-ion rechargeable batteries, lithium primary batteries, silver oxide batteries, chargers and battery packs, electrode application products, solar power generation

Growth Businesses

- Heat-resistant coin-type lithium batteries
- Cylindrical-type lithium batteries
- Primary batteries for medical devices

Functional Materials



Major Products

Adhesive tapes, functional materials, coated separators, industrial rubber products

Growth Businesses

- Tapes for construction and construction materials
- Tapes for semiconductor manufacturing processes
- Coated separators

Optics & Systems



Major Products

Optical components, electroforming and precision components, semiconductor-related embedded systems, molding dies and plastic moldings, RFID* systems, IC cards, projectors, imaging equipment

* Radio Frequency Identification

Growth Businesses

- LED headlamp lenses
- In-car camera lens units
- Semiconductor-related embedded systems
- Electroforming and precision components

Life Solution



Major Products

Health & beauty care equipment, small electric equipment, audio equipment, optical discs, charging equipment, accessories, dry batteries, hydraulic tools

Growth Businesses

- Hydraulic tools

m **Basic Management Policy**
MISSION VISION VALUE SPIRIT SLOGAN
VVSS

Vision
 The "Future" Maxell wants to realize

Create **Maximum Excellence** for employees, customers, and society by leveraging unique **Analog Core Technologies**

MEX26 Key growth strategy initiatives in the medium-term management plan MEX26
 Capital to be particularly strengthened under MEX26

INPUT Investing capital to foster a corporate culture of taking on challenges

Flows back from **OUTCOME**

Materialities		MEX26			
03 Creating Human Resources and Organizations that Generate Value / 07 Strengthening Group Governance		Focus on business efficiency and talent development through the standardization of core systems			
Financial Capital	Manufacturing Capital	Intellectual Capital	Human Capital	Social Capital	Natural Capital
FY2023 Net Sales 129.1 billion yen Operating Profit 8.1 billion yen Operating Profit Ratio 6.3% ROIC 5.0%	FY2023 Capital Investment 6.8 billion yen Depreciation 4.8 billion yen	FY2023 R&D expenses 5.5 billion yen Strengthening DX Implementing intellectual property strategies	FY2023 Consolidated Number of Employees 3,956 Ratio of Overseas Employees 40% Strengthening human capital	FY2023 Number of Bases 48 Number of Countries in which Maxell Operates Businesses 15	FY2023 CO ₂ Emissions (Scope 1 and 2) Global 89.6kt-CO ₂ Domestic 54.7kt-CO ₂ Total Waste Emissions 5,453t
FY2024 Targets Net Sales 128.0 billion yen Operating Profit 8.0 billion yen Operating Profit Ratio 6.3% ROIC 5.0% or higher	Growth investments during MEX26: Approx. 35 billion yen (more than double that of MEX23)	FY2026 Target Number of Patents related to Next-Generation Development Technologies 1.5x in five years (FY2022-FY2026)	FY2026 Targets Employee Awareness Survey Improve job satisfaction ratio: 90% or higher Create skill maps for desired talent	Build sincere and close relationships with customers and partner companies in various industry and business categories, and create product value, services, and new markets	FY2030 Targets Domestic CO ₂ emissions: Reduce by 50% or more (compared to FY2013) Renewable energy ratio (= Renewable energy used/total electricity): 15%

BUSINESS PROCESS Creating high added value through Analog Core Technologies



OUTPUT Products / Technologies / Business outcomes

Materialities 04 Maximization of Customer Value / 05 Creation of Economic Value through Environmental Activities / 06 Strengthening Business Portfolio Management

MEX26 Expand our business in 3 focus areas while continuing business distinction based on our Analog Core Technologies While focusing on commercializing all-solid-state batteries, we will launch subsequent themes

Energy
Developing batteries that are safe, and have high capacities and long lives

Functional Materials
Evolving converting products, such as adhesive tapes

Optics & Systems
Developing products that support the evolution of automotive society and information society

Life Solution
Contributing to the provision of safe electrical infrastructure

New Businesses New development, including all-solid-state batteries

OUTCOME Creating value both inside and outside the Company

Materialities 02 Solving Social Issues through Growth Businesses

Creating social and economic value centered around 3 focus areas

Mobility
Contributing to ever-increasing "safety and security"

ICT / AI
Contributing to the expansion of people, society, and industry that continually create new value

Human / Social Infrastructure
Contributing to the realization of a sustainable and comfortable way of life for people and society

Value for customers
Resolving social issues for customers through co-creation

Interaction

Value for employees
Fostering a corporate culture of taking on challenges through successful experiences

Fiscal 2023 was the target year for half (12) of the total KPIs set for the medium-term management plan MEX23; of these, 8 were achieved. With the start of the new medium-term management plan MEX26, we have established KGIs for our materialities and revised our KPIs to show our vision for the Maxell Group in 2030 to a wide range of stakeholders and deepen their understanding.

KGIs for 2030	Management	Operating profit ratio: 10%
	Society	Ratio of female managers: 10% / Employee satisfaction rate: 90%
	Environment	CO ₂ reduction: 50%

Results Legend ○ 100% or higher: Numerical values or items achieved ○ 90-99%: Generally in line with plans with regard to medium- to long-term targets
 △ 89% or lower: Unachieved / Challenges exist toward targeted fiscal year of achievement

Materiality	MEX23			MEX26			Reference
	Action Plan	KPI	Results	Action Plan	KPI		
01 Creating innovation through unique, original technologies	Evolution of unique, original technologies that generate new value	Number of patents related to next-generation development technologies: 1.5 times in five years (FY2026)	◎	Evolution of unique, original technologies that generate new value	Number of patents related to next-generation development technologies: 1.5 times in five years (FY2022-FY2026)		P. 39
	Strengthen marketing for efficient R&D	Sales proportion of highly profitable A and B businesses: Over 50% (FY2023)	△				
	Strengthen partnerships to create new businesses	Sales proportion of new businesses: Over 15% (FY2030)	△		Strengthen partnerships to create new businesses	Create 3 new products led by the New Business Producing Division (during MEX26)	
02 Solving social issues through growth businesses	<ul style="list-style-type: none"> Contribution to the advanced information society through 5G/IoT-related businesses Contribution to advanced medical and health areas through healthcare-related businesses Contribute to a safe and secure society brought by highly-reliable sensing through mobility-related businesses 	13 growth businesses in 3 focus areas: Overall sales growth ratio of 10% (FY2023 vs FY2021)	◎	<ul style="list-style-type: none"> Contribute to a safe and secure society through mobility-related businesses Contribute to an advanced information society through ICT/AI-related businesses Contribute to human/social infrastructure 	11 growth businesses: Sales growth ratio of 20% or higher (FY2026 vs FY2023)		P. 12
03 Creating human resources and organizations that generate value	Strengthen management that leverages human resources (build a human resources strategy, promote the right person in the right place and talent management)	Talent management system: Introduce to the Group companies by FY2026	○	Strengthen management that leverages human resources (build a human resources strategy, promote the right person in the right place and talent management)	Talent management system: Introduce to the Group companies by FY2026		P. 42
		Career interview implementation ratio: 100%	△		Career interview implementation ratio: 100%	P. 42	
	Establishment of a system for human resource development and evaluation that creates proactive human assets capable of creating something out of nothing	Formulate human resources portfolio	◎		Establishment of a system for human resource development and evaluation that creates proactive human assets capable of creating something out of nothing	Education for personnel evaluators: 2 times/year	P. 42
		Education for personnel evaluators: 2 times/year	◎			Creation of skill maps for desired talent (FY2026)	P. 42
	Promoting diversity and inclusion (utilize diverse human resources and accept different values)	Improve overall satisfaction ratio in employee awareness survey: 90% or higher (FY2026)	△	Promoting diversity and inclusion (utilize diverse human resources and accept different values)	Encouragement for men to use childcare leave: 100% usage rate (FY2024)	P. 43	
		Recruitment ratio of new female graduates: 50% or higher for administrative jobs, 25% or higher for engineering jobs	◎		Recruitment ratio of new female graduates: 50% or higher for administrative jobs, 25% or higher for engineering jobs	P. 43	
	Improve productivity and promote the transmission of skills through the standardization of business processes	Improve job satisfaction ratio in employee awareness survey: 90% or higher (FY2026)	○	Improve productivity and promote the transmission of skills through the standardization of business processes	Reduce the total annual working hours of employees: 2.5% reduction compared to FY2023 1,850 hours (FY2026)	P. 44	
Achievement of the company-wide education plan: 100%, ongoing		◎	Achievement of the company-wide education plan: 100%, ongoing		P. 44		

Results Legend ○ 100% or more: Numerical values or items achieved ○ 90-99%: Generally in line with plans with regard to medium- to long-term targets
 △ 89% or lower: Unachieved / Challenges exist toward targeted fiscal year of achievement

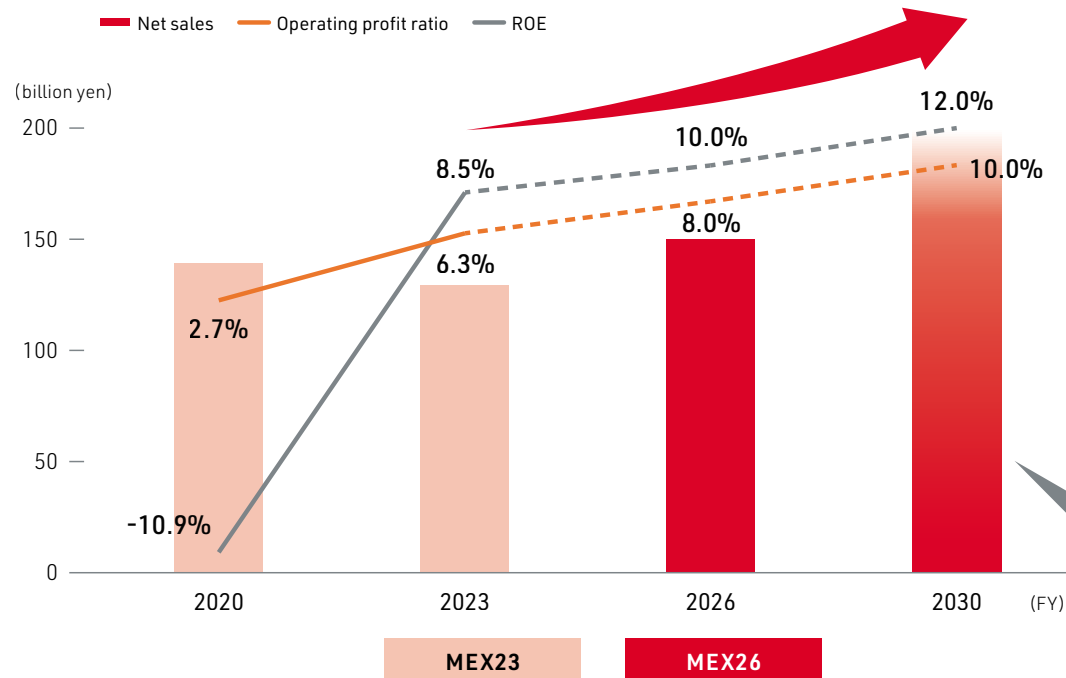
Materiality	MEX23			MEX26			Reference
	Action Plan	KPI	Results	Action Plan	KPI		
04 Maximization of customer value	Transformation to manufacturing that solves the social issues ahead of customer issues	Sales proportion of highly profitable A and B businesses: Over 50% (FY2023)	△	Transformation to manufacturing that solves the social issues ahead of customer issues	11 growth businesses: Operating profit ratio: 15% or higher (FY2026)		P. 12
	Establishment of a system that prioritizes quality and product safety based on integrity	Promote SQM (Super Quality Management for Maxell Group) and zero new recall cases	◎	Establishment of a system that prioritizes quality and product safety based on integrity	Promote SQM (Super Quality Management for Maxell Group) and zero new recall cases		P. 53
	Enhancing the value of the Maxell brand's core products and services	Implemented unification of the format of customer feedback in FY2022. Promote continuous improvement.	◎	Enhancing the value of the Maxell brand's core products and services	Ongoing implementation of customer surveys and improvement of the points with low evaluations Improvement target: 50% or higher (during MEX26)		P. 53
05 Creation of economic value through environmental activities	Strengthen environmental technologies and environmentally conscious products	Define standards to show the degree of contribution to social and environmental issues, and visualize the progress of sustainability. Incorporate specific measures in the next medium-term management plan	◎	Strengthen environmental technologies and environmentally conscious products	Define standards to show the degree of contribution to social and environmental issues, and approve products that exceed these standards as "Eco Excellence." Eco Excellence approval: 10 products or more (during MEX26)		P. 46
	Conserving resources and energy, and promoting the introduction of renewable energy	Domestic CO ₂ emissions: Reduce by 50% or more by FY2030 (vs FY2013)	◎	Conserving resources and energy, and promoting the introduction of renewable energy	Domestic CO ₂ emissions: Reduce 50% or more by FY2030 (vs FY2013)		P. 47
		Renewable energy ratio: 10% in FY2030 (= Renewable energy used/total electricity)	◎		Renewable energy ratio: 15% in FY2030 (= Renewable energy used/total electricity)		P. 47
	Start considering contributions to the reduction of waste plastic from business sites (chemical / materials recycling) and incorporate concrete measures in the next medium-term management plan.	◎		Waste intensity per production: 0.0500 (tons/million yen) or less (FY2026)		P. 47	
06 Strengthening business portfolio management	Implementing portfolio strategies that anticipate market changes	Sales proportion of new businesses: Over 15% (FY2030)	△	Continuously improve the business portfolio through the two axes of market growth and business earnings (ABC-XYZ control)	Sales proportion of A and B businesses*: 75% or higher (FY2026 vs FY2023)		P. 15
	Continuously improve the business portfolio through the two axes of market growth and business earnings (ABC-XYZ control)	Sales proportion of highly profitable A and B businesses: Over 50% (FY2023)	△				
	Promoting efficiency at global production bases	Hold discussions on the current issues and future possibilities of each base from the perspective of production location and portfolio optimization. Incorporate concrete measures in the medium- to long-term management plan	-	Promoting efficiency at global production bases	Hold discussions on the current issues and the future possibilities of each base from the perspective of optimal production placement and portfolio optimization. Incorporate concrete measures in the medium- to long-term management strategy.		-
07 Strengthening group governance	Build effective governance in group management (deepen management)	Further strengthen group governance by enhancing activities across the company, and by strengthening the operation of an appropriate management system, etc.	◎	Build effective governance in group management (deepen management)	Integrate IT basis for basic business operation within the Maxell Group (FY2027)		P. 52
	Implementing governance to maximize group synergies (technology, information, marketing)	Create attractive value for the future by sharing information on markets and customers on a group-wide basis and by integrating technologies within the group. Integrate IT basis for basic business operation within the Maxell Group (FY2027)	◎	Implementing governance to maximize group synergies (technology, marketing)	<ul style="list-style-type: none"> Marketing: Creation of at least 3 new business development themes per year, reviewed across the Maxell Group Technology: Creation of at least 3 patents per year relating to synergies across the Maxell Group 		P. 52

* "Resource Concentration Businesses" with high profitability and growth based on profit & loss control by business

New Medium-Term Management Plan MEX26: "Commit to Value" Implementing management focused on corporate value and profit growth



The path to realizing our vision



Ideal feature to be realized in 2030

Vision

Create **Maximum Excellence** for employees, customers, and society by leveraging unique Analog Core Technologies



Aim to realize further acceleration in growth from FY2027 onwards, when new businesses such as all-solid-state batteries are fully launched

	MEX23		MEX26	
	FY2020	FY2023	FY2026	FY2030
Net sales (billion yen)	139.1	129.1	150.0	TBD
Operating profit (billion yen)	3.8	8.1	12.0	TBD
Operating profit ratio	2.7%	6.3%	8.0%	10.0%
ROIC	1.9%	5.0%	7.5%	TBD
ROE	-10.9%	8.5%	10.0%	12.0%

Review of MEX23 and the initiatives of MEX26

	MEX23		MEX26
	Key initiatives	Results	
Existing businesses (portfolio)	Enhance profitability and capital efficiency through distinction of businesses based on Analog Core Technologies.	Downsized the projector business and transferred the domestic BtoC sales business, and profitability and capital efficiency improved. On the other hand, we did not achieve business growth in the 3 focus areas in accordance with the Plan.	While continuing business distinction, actively invest in growth businesses in 3 focus areas to solve customers' issues using the strengths of our company. (Mobility, ICT/AI, Human/Social Infrastructure)
New businesses	Accelerate the development of key themes by prioritizing existing development themes.	Integrated new technology development activities from each business division and worked toward the efficient use of resources, and brought the development of all-solid-state batteries forward.	Focus on the commercialization of all-solid-state batteries by accelerating application development and customer acquisition. Launch themes following all-solid-state batteries.
Sales	Shift operations to a customer-oriented sales structure to enhance proposal capabilities .	Shifted from product-orientated sales to customer-orientated sales, and reviewed the sales system to create value by solving customers' technology issues, but the challenge of understanding customer issues still remained.	Strengthen the technical sales team to enhance our ability to collect customer needs and solve technical issues .
Management foundation	Focus on the integration of the management foundation at businesses newly consolidated into the Group in areas such as finance and accounting, human resources and general affairs, and core systems.	Ensured that functions that had been separated by Group company and business division, such as finance and accounting, human resources and general affairs, and procurement, became integrated over the whole company, and started standardization of core systems.	Strengthen common management foundation supporting business growth through the enhancement of human resources, digital transformation (DX), intellectual property, and sustainability organizations to elevate the competitiveness of our business.

Financial strategy to maximize corporate value

Growth investments	Proactively invest in growth areas, 35 billion yen (more than double compared to MEX23)
Shareholder returns	A total payout ratio of over 100%, enhance capital efficiency

Starting the new medium-term management plan MEX26 We will aim to become an “indispensable company” by contributing to solve customer issues

Working to become “One Maxell” through the penetration of our MVVSS and organizational reform

When I became president in 2020, Maxell lacked a sense of unity as a group because we had carried out many M&As between 2017 and 2019. In this context, we established MVVSS (Mission, Vision, Value, Spirit, Slogan) as the new core principle of our basic management policy in July 2020 and clarified Maxell's direction, so we could regain our cohesiveness.

I have visited our major domestic bases, including Group companies, and engaged in town hall meetings in which I have communicated directly with employees to help ensure the penetration of MVVSS. It has been four years since MVVSS was established, and I am positive that penetration and sharing among Maxell Group employees have progressed.

Our organizational reforms altered the company's structure, moving from a vertically segmented one to a horizontally integrated one across the entire company. Between fiscal 2022 and fiscal 2023, we consolidated Human Resources & General Affairs, Finance & Accounting, and Procurement & SCM, which were previously divided by business divisions, into our headquarters. In terms of production activities, we strengthened collaboration among Group plants to accommodate each other's materials in case of sudden shortage. In the Monozukuri

Division, the members of each plant are assigned concurrently, promoting shared approaches to monozukuri (manufacturing) and consideration for the standardization of development and manufacturing processes. With the establishment of the new medium-term management plan MEX26 (Maximum Excellence 2026), we were able to set up forums for key members from each business division to gather and hold proactive discussions that overcome the boundaries between business divisions.

I hope that through these initiatives, we will become a company that moves forward with the power of teamwork, in which our employees feel a sense of unity and take on the challenge of difficult issues in a way that transcends departments and roles.

Review of the previous medium-term management plan MEX23

Performance in fiscal 2023, the final year of the previous medium-term management plan MEX23 (Maximum Excellence 2023), saw decreased revenue but increased profits compared to the previous year. As for the whole period of MEX23, while net sales had increased compared to the initial plan, we did not achieve the operating profit target. The main factors for this were the fact that sales of lithium-ion batteries for consumer use in



Keiji Nakamura
President and
Representative Director

gaming machines and ozone anti-bacterial deodorizers were lower than anticipated during the COVID-19 pandemic, as well as our inability to grasp customers' technical issues in focus areas, resulting in insufficient growth.

On the other hand, development was accelerated with the integration of the development units previously located in each business division in fiscal 2021, the first year of MEX23, and the concentration of resources on the projects with growth potential. We were able to create numerous products that are expected to contribute to our future performance, which was a great outcome.

In particular, we have high expectations for our all-solid-state batteries as the pillar of Maxell's next era. Over twenty years ago, I was involved in the development of the primary batteries used in the Tire Pressure Monitoring System (TPMS); my supervisor at the time told me to work on developing something else because it was not possible to insert batteries into a tire and have it run for 10 years, but I continued working on development with a strong desire to meet customer demand. However, all-solid-

state batteries are entirely different to existing batteries as they don't use a liquid, which presented very high technological hurdles. I believed it would be difficult to get a result even if resources were concentrated on them, and gave the instruction to take time and work on them diligently. But the employees who were engaged in this work have surprised me with how far they have come, accelerating development far more than expected through their efforts. Existing smartphone batteries degrade in a few years, but that won't happen if long-life all-solid-state batteries are used. I hope we can realize diverse innovation through these batteries.

Active investment in growth areas through MEX26

Maxell started the new medium-term management plan MEX26 in fiscal 2024. The aim is to reach net sales of 150.0 billion yen and an operating profit of 12.0 billion yen in fiscal 2026, by promoting active investment in growth businesses and

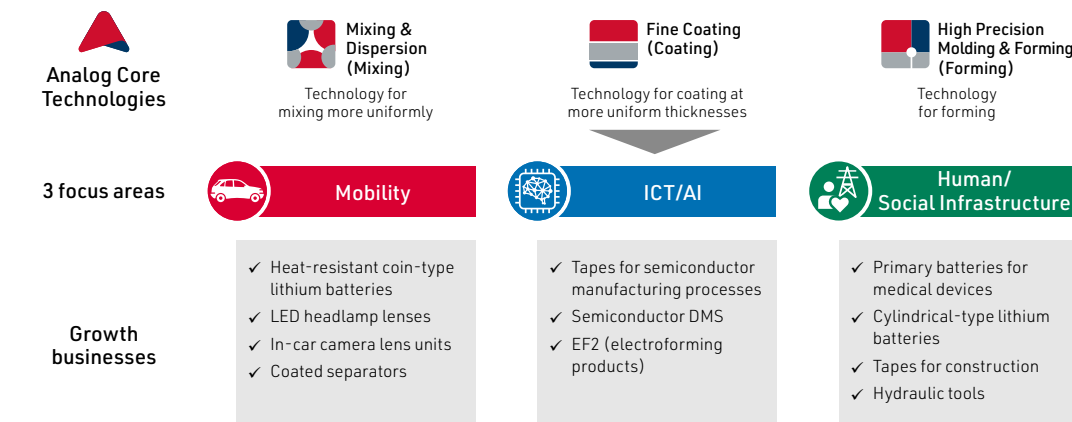
reforming our business portfolio. We expect 35.0 billion yen of growth investment over the three years of MEX26, more than twice that of the MEX23 period, and will mainly work on growth businesses in our 3 focus areas: Mobility, ICT/AI, and Human/Social Infrastructure.

In the Mobility area, we will invest in strengthening production systems to expand our supply of heat-resistant coin-type lithium batteries in response to demand for smaller TPMS modules.

In the ICT/AI area, we are promoting sales of ceramic package type all-solid-state batteries for FA and various sensors. We will also focus on the modularization of small-sized all-solid-state batteries and the development of medium-sized cells. In addition, we are furthering investment in semiconductor DMS (Design & Manufacturing Service) and dicing tapes for semiconductor manufacturing processes, which we expect to grow with the expanding semiconductor market.

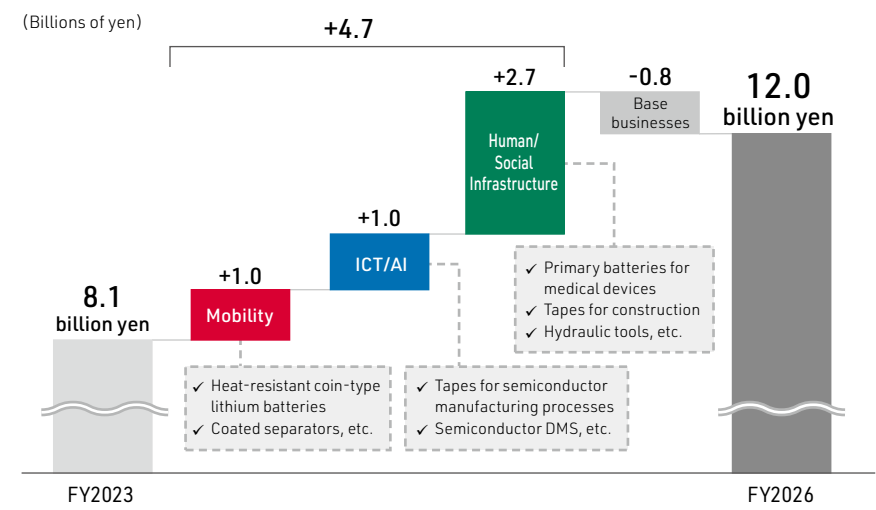
In the Human/Social Infrastructure area, we anticipate growth in the primary battery market for medical devices such as blood

Approaches to the 3 focus areas using Analog Core Technologies



Action Plan	<ul style="list-style-type: none"> Contribute to a safe and secure society through Mobility-related businesses Contribute to an advanced information society through ICT/AI-related businesses Contribute to Human/Social Infrastructure 	KPI	11 growth businesses: Sales growth ratio of 20% or higher (FY2026 vs FY2023)
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Profit growth centered on the 3 focus areas (operating profit variation: FY2023 to FY2026)



Action Plan	Transformation to manufacturing that solves the social issues ahead of customer issues	KPI	11 growth businesses: Operating profit ratio of 15% or higher (FY2026)
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glucose meters, and will invest in the development and increased production thereof. When it comes to tapes for construction, we will also invest in expanding product lineup for various living environments, and aim to expand sales in North America and Southeast Asia.

We will also focus on activities for the creation of new businesses following on from all-solid-state batteries. Our activities will progress in three phases: the commercialization stage once products have been created, the customer validation stage to further product development for product creation during MEX26, and the value validation stage to further business development for product creation from fiscal 2027 to fiscal 2029. During MEX26, we aim to create products from coin-type all-solid-state batteries, medium-sized all-solid-state batteries, all-solid-state battery modules, foam molding, EMC (electromagnetic compatibility) countermeasure materials, and more.

When it comes to reforming our business portfolio, we will aim for growth in our 3 focus areas and redistribute resources distinctively, including business downsizing or withdrawal. Continuing with our ABC-XYZ operations (profit and loss control by business) has allowed quantitative evaluation-based judgement to penetrate our company. Employees engaged in difficult businesses are working with a different look in their eyes

and performance has improved in certain product areas; we plan to accumulate profits across the whole company.

Becoming an “indispensable” presence

Maxell aims to become an indispensable presence for our customers. To accomplish this, it is vital that we make full use of the value of our products and technologies, and I believe that if we do not align our technologies in response to customers’ desired specifications and requirements, we will not demonstrate the true performance of our products. For example, even batteries of the same standard can have different performance from those of other manufacturers, and it is important to align them with specific equipment and conditions that customers use. Similarly, in the case of automotive optical lenses, it is necessary to align the design to achieve the desired characteristics that customers seek.

Notably, the mobility, medical, and industrial areas are directly linked to safety and security, requiring diligent alignment; I believe that our company’s value is more likely to be recognized in these areas. In these fields, we will provide optimal solutions through technical sales capabilities that align technologies at a high level in response to customer issues and demands, and monozukuri capabilities that use our unique

Analog Core Technologies.

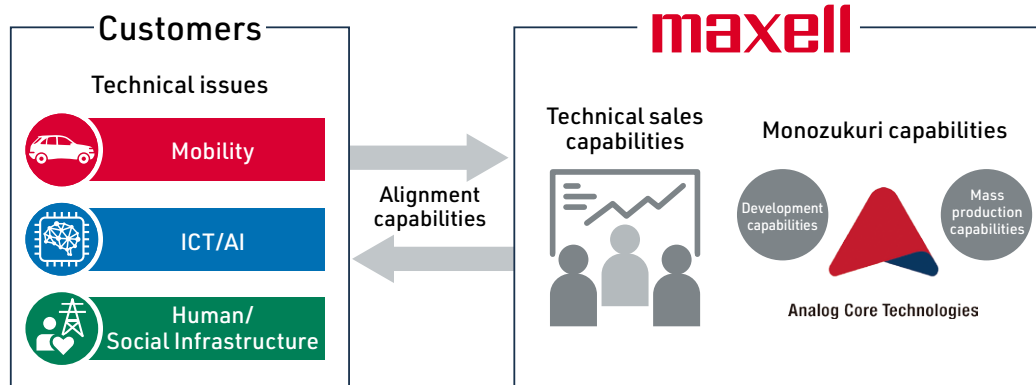
With regard to technical sales, it is important for engineers to visit customers to gain direct experience of their issues and reflect these in development. We have asked the Sales Department to accompany engineers from plants and research laboratories on customer visits. We are also implementing a system in which engineers are assigned to specific products and regularly visit overseas customers.

Furthermore, in order to provide optimal solutions, it is important for Sales to propose not only products from their own department but also products from other departments, and to engage with customers in different fields to capture various challenges. We will promote integration beyond the boundaries of business divisions.

Steadily engaging in actions to strengthen sustainability management

Maxell identified seven materialities in fiscal 2021 to enhance our sustainability management; in fiscal 2022, we formulated KPIs, and in fiscal 2023 we started implementing these materialities into our business activities. During MEX26, we will steadily implement action plans for each materiality, with a focus on both economic and social value, as we work toward sustainable

Maxell’s Business Model



growth. To accomplish this, we have set KGIs as goals for us to aim for, and reformulated our KPIs as performance indicators to reach these goals.

During MEX23, we started scenario analysis (analysis of risks and opportunities) for climate change measures in Maxell, Ltd. in fiscal 2021, which we then expanded to our Group companies. In July 2023, we created our environmental vision, as well as setting the target for fiscal 2030 to reduce waste and start to recycle composite plastics toward a recycling-oriented society, and the goal for fiscal 2050 to reach carbon neutrality.

We also focused on contributing to society via Maxell's products and business activities, and promoted "Creation of economic value through environmental activities," one of our materialities. An example of our efforts to reduce the burden on the environment through our business activities: we reduced electric power costs and CO₂ by reviewing our manufacturing processes and visualizing the air that is often used to drive production equipment to prevent air leakage. One example of the development of environmentally friendly products through original technologies is the development of "Electrolytic Reactors" with Osaka University from April 2023; these are used in the electrolytic reduction of CO₂ as part of the New Energy and Industrial Technology Development Organization (NEDO) project "Integrated Electrochemical Systems for Scalable CO₂

Conversion to Chemical Feedstocks."

For MEX26, we are also focusing on one additional main initiative for sustainability, "Creating human resources and organizations that generate value," and will strengthen our human capital based on the themes of "acquiring diverse talent," "allocating human resources based on aptitude," "enhancing employees' awareness of management participation," "fostering a corporate culture that recognizes and encourages challenges," "maintaining a rewarding workplace environment," and "sustainable human resources development." We have also set scores for employee awareness surveys as one of our KPIs, with high target values. We are taking action to ensure that our employees are highly motivated and able to perform at their best, including strengthening functional training and introducing a share-based remuneration system for people who work as section managers or higher.

In terms of DX, as part of group governance for "One Maxell," we will further promote the unification of systems and the consolidation and use of information.

To our stakeholders

Maxell recorded a loss in fiscal 2019, and in fiscal 2020 we carried out a restructuring with no way of going back. Over

the following three years from fiscal 2021, we worked to plant "seeds" for the future through MEX23, the first phase for our ideal feature to be realized in fiscal 2030. Fostering multiple businesses with the potential to be our next pillar, including all-solid-state batteries, allowed us to solidify our growth scenarios.

Through MEX26, we will ensure distinction between our current businesses, and accelerate the preparations and the formation of business foundations for growth businesses. In this context, we will consider M&A an option for areas that we cannot grow alone.

Our PBR is currently below 1.0, but this will steadily rise as we work toward the goals of MEX26, and we will definitely exceed a PBR of 1.0 by improving our profitability and capital efficiency.

After we have accomplished MEX26, from fiscal 2027 onwards we will fully launch our new businesses, including all-solid-state batteries, and accelerate growth; in so doing, we want to make major contributions to solving social issues and a sustainable society.

We hope that you also hold expectations for our future, and look forward to your continued understanding and support.

Keiji Nakamura
President and Representative Director
 September 2024

Promoting sustainability management

Materialities

- Creating Innovation through Unique, Original Technologies
- Solving Social Issues through Growth Businesses
- Creating Human Resources and Organizations that Generate Value
- Maximization of Customer Value
- Creation of Economic Value through Environmental Activities
- Strengthening Business Portfolio Management
- Strengthening Group Governance

Established an environmental vision and made a declaration of carbon neutrality

Environmental Vision

Maxell aims to achieve "a carbon-free society" and "a recycling-oriented society" by pursuing innovation and contributing to the realization of a sustainable society in which everyone can live with peace of mind

Targets

- Initiatives toward achieving a carbon-free society**
 FY2050 (global): Achieve carbon neutrality
 FY2030 (Japan): Reduce CO₂ emissions by 50% or more (vs FY2013)
- Initiatives toward achieving a recycling-oriented society**
 FY2030 (global):
 - Achieve waste intensity per production of 0.0450 (tons/million yen) or less (reduction by 19% vs FY2021)
 - Commence chemical/material recycling of composite plastic waste



We will focus on growth investments and shareholder returns to improve profitability and capital efficiency

Noritoshi Masuda
Director



Review of Fiscal 2023

Sales for fiscal 2023, the final year of the previous medium-term management plan MEX23 (Maximum Excellence 2023), decreased 2.7% year-on-year to 129.1 billion yen due to a decrease in sales associated with the transfer of the domestic consumer product sales business, as well as the decrease in sales of rechargeable batteries and semiconductor-related products. On the other hand, operating profit increased 43.4% year-on-year to 8.1 billion yen due to reductions in fixed costs resulted from the transfer of the domestic consumer product sales business as part of business reforms and the expansion of growth businesses.

In terms of operating profit, although we lowered the operating profit plan for the final year of MEX23 from 12.5 billion yen to 7.5 billion yen when we announced the financial results for fiscal 2022 because of the impact of reduced demand caused by change in the economic environment such as the prolonged spread of COVID-19, as well as increased costs due to soaring raw material and electric power costs, we were finally able to achieve the downwardly revised target.

Additionally, ROE was 8.5%, a high level in our history, but we are not satisfied with this and are aiming to further improve it.

Toward achieving the MEX26 targets

In the new medium-term management plan MEX26 (Maximum Excellence 2026), which began in fiscal 2024, we set targets for fiscal 2026, the final year, of 150.0 billion yen in net sales, 12.0 billion yen in operating profit, and ROE of 10.0%.

In order to improve profits, we will continue steadily promoting ABC-XYZ operations (profit and loss control by business) and PIPJ (profit and loss improvement by model project) while brushing up on our management methods. ABC-XYZ operations rank all business groups according to their sales growth rate and operating profit margin, and accelerate the business portfolio replacement by efficiently implementing business strategies according to the rank. In order to increase the ratio of our “resource concentration businesses (A, B)” with high growth and profitability, we will work on measures after determining which businesses are growth businesses and which businesses should be growth businesses but are not growing.

Action Plan	Continuously improve business portfolio through the two axes of market growth and business earnings (ABC-XYZ control)
KPI	AB business ratio (vs. FY2023 results) of 75% or higher (FY2026)

		MEX26
Item	FY2023	FY2026
Net Sales	129.1 billion yen	150.0 billion yen
Operating Profit	8.1 billion yen	12.0 billion yen
Operating Profit Ratio	6.3%	8.0%
ROIC	5.0%	7.5%
ROE	8.5%	10.0%

In MEX23, the KPI for materiality was a sales ratio for A and B businesses of over 50%. However, despite maintaining high profitability, there were certain businesses that experienced slowdown in sales growth compared to last year due to a variety of factors, including external factors. As a result, the achievement for fiscal 2023 was 32%, falling short of the target. Ranking based on short-term growth in this way carries the risk of misjudging profit-oriented portfolio reform, so in MEX26 we have decided to assess medium-term growth. Under this standard, the composition ratio for A and B businesses in fiscal 2023 would be 60%.

Through PIPJ we had been working to achieve operating profit margins of 10% or higher for each business division and affiliated company through profit and loss management for 5,000 to 6,000 models. However, in order to make it easier to understand at the operational level, we have transitioned to management based on gross profit margin with a target of 30% or higher. We are also taking steps to further improve the profitability of profitable models while reducing unprofitable models, which is contributing to the accumulation of profits.

We are working to improve ROIC (return on invested capital) from 5.0% in fiscal 2023, and are aiming to achieve ROIC of 7.5% in fiscal 2026, which would exceed our cost of invested capital (WACC: weighted average cost of capital) of 6%.

For our balance sheets, we are continuing to work on improving working capital (CCC: cash conversion cycle) and monitoring investments to optimize inventories and fixed assets.

In order to shorten our CCC, we will improve working capital by optimizing inventories. We have also been optimizing and streamlining our inventories, which we had been holding at a high level in preparation for unforeseen circumstances during the COVID-19 pandemic, and in the future, we will be improving cash flow by reducing inventories.

In terms of investment monitoring, the Investment Committee examines the profitability of new investments of 100 million yen or more. Each person responsible for technology, marketing, procurement, environmental issues, finance, legal affairs, and intellectual property scrutinize proposals based on their own expertise to determine whether it contributes to the enhancement of corporate value. Cases that have passed

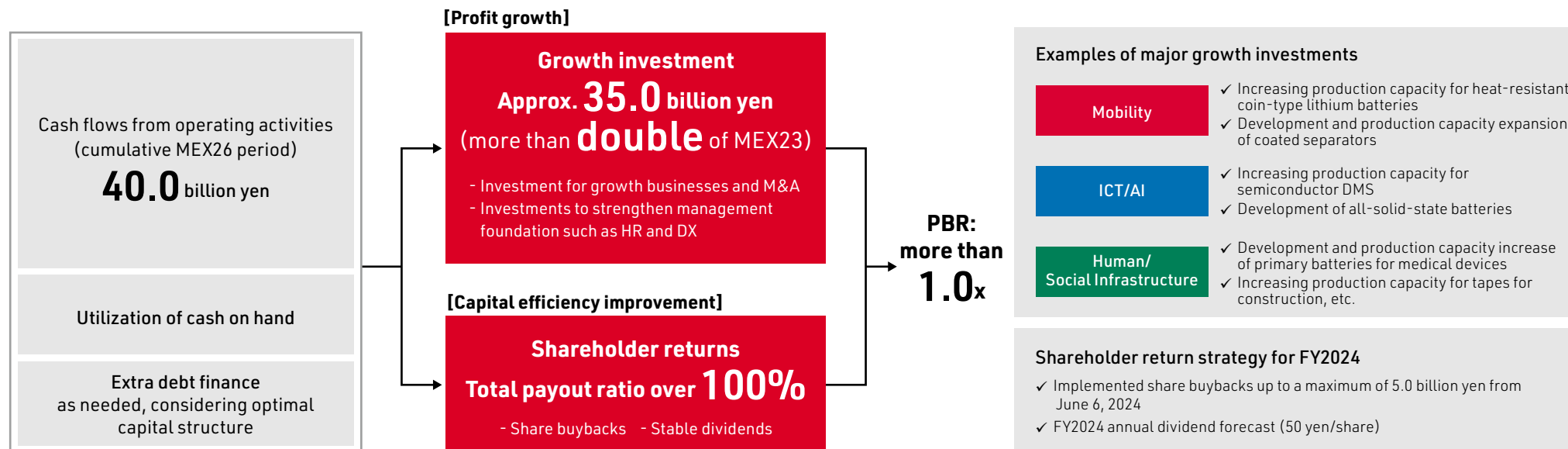
this review process are then referred to the Management Committee and the Board of Directors for deliberations. After an investment is made, progress is monitored every quarter. In MEX23, we made focused investments in adhesive tapes and coated separators, as well as capital investments in the business for semiconductor manufacturing equipment. I believe that my mission is to clearly show the medium- to long-term growth strategies of these businesses and steadily link them to profits.

The shareholders' equity ratio was 54.9% at the end of fiscal 2023, but we are targeting a level of around 50%. Additionally, the debt-to-equity ratio is currently between 0.1 and 0.2, but we would like to aim for a level of between 0.2 and 0.5.

Cash allocation in MEX26

In terms of cash allocation in MEX26, we plan to allocate 40.0 billion yen (cumulative across the three years) in cash flows from operating activities, cash on hand, and interest-bearing debt based on the optimal capital structure toward growth investments and shareholder returns. Given that we have been

Cash allocation approach



able to draw up a specific business growth scenario in MEX26, we believe that we can accelerate our efforts by improving both profitability and capital efficiency.

The growth investment that we are most focusing on is planned to be approx. 35.0 billion yen, more than double that of MEX23. While the investment amount in MEX23 did not reach the plan, in MEX26, we are primarily focusing on investments that directly contribute to sales from fiscal 2027. This includes approx. 20.0 billion yen in capital investment for growth businesses, approx. 10.0 billion yen in new business development and investments with an eye on alliances, and approx. 5.0 billion yen in strengthening our management foundation, such as strengthening human resources and digital transformation.

We will achieve profit growth through aggressive growth investments, improve capital efficiency by strengthening shareholder returns, and aim to achieve a PBR of over 1.0. Our shareholder return policy in MEX26 is a “total payout ratio of 100% or higher,” and we will conduct share buybacks and pay stable dividends.

Toward strengthening our management foundation

In order to steadily promote efforts to grow profit and improve capital efficiency, we will also focus on strengthening our management foundation through initiatives such as enhancing

human capital, digital transformation, and intellectual property, and promoting sustainability management.

Of these, we position strengthening human capital as a top priority, and will foster an organizational culture in which each employee’s individual capabilities are enhanced and in which they come together as a team to take on new challenges. We also will continue to work on developing and acquiring diverse talent, appropriately allocating human resources, and raising employees’ awareness of participation in management.

In addition, while we optimized our personnel through structural reforms implemented in fiscal 2020, we will focus on strengthening human resources in growth areas as an upfront investment.

One of the KPIs related to human capital is the high goal of increasing the level of job satisfaction in employee awareness surveys to 90% or higher, a goal which shows the strong desires of management after discussions on the matter at Board of Directors meetings. We hope to work on improvements based on the survey results and increase engagement.

As for digital transformation efforts, in MEX23, we established the core systems for each business and company; built an environment where information on sales, procurement, production, accounting, etc. can be collected and managed in a centralized manner; and centralized information. In MEX26, we will realize innovations to solve a variety of issues in the areas of

business, production, and decision-making, and will accelerate improvements to labor productivity, including consideration of work style reform and the use of AI.

Intellectual property is handled by specialized departments, and many of them are linked to revenue. In MEX23 we strengthened the cycle of maximizing intellectual property value and began creating a system for building a next-generation patent group. MEX26 will further strengthen these efforts by expanding our human resources and organization in terms of intellectual property to build a patent group that can contribute to revenue in the medium- to long-term.

With the start of MEX26, the Corporate Sustainability Department, which was part of the Corporate Communications Division, has been reorganized into the Corporate Sustainability Division, which reports directly to the President. Aiming to balance economic value and social value, it will steadily advance our efforts to achieve carbon neutrality and efforts related to materiality and KPIs together with our partner companies, and fulfill our responsibilities as a listed company.

We will continue working to strengthen the Maxell Group’s structure from both financial and non-financial perspectives.

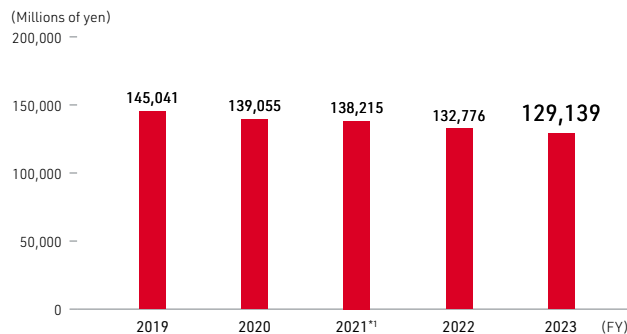
Noritoshi Masuda
 Director
 September 2024



Key activities in MEX26 for each management foundation

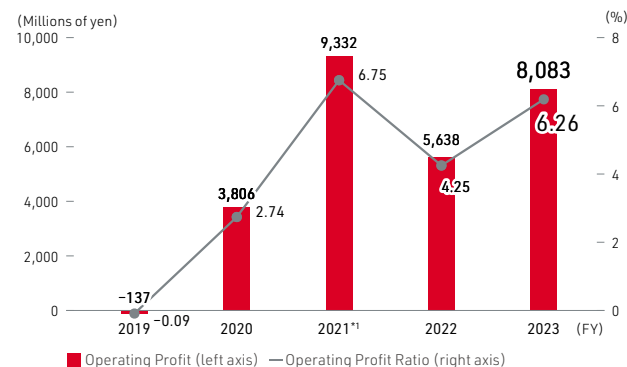
Management foundation	Key activities in MEX26
Human capital	In order to strengthen human capital, prioritize investment and implementation of various initiatives aimed at “extending individual strengths,” “working as a team,” and “taking on challenges.”
Intellectual property	Strengthen human resources and organizational capabilities while further evolving and deepening initiatives, aiming to build patent portfolios that can contribute to medium- to long-term profitability.
DX	Further evolve DX based on the core systems standardized in MEX23, realizing innovation for solving various issues in the areas of business, production, and decision-making, and accelerate workstyle reform and labor productivity improvement
Sustainability management	Aim to achieve sustainable growth by accelerating efforts toward carbon neutrality and by implementation of concrete actions based on materiality and KPIs while considering the balance between economic value and social value

Net Sales



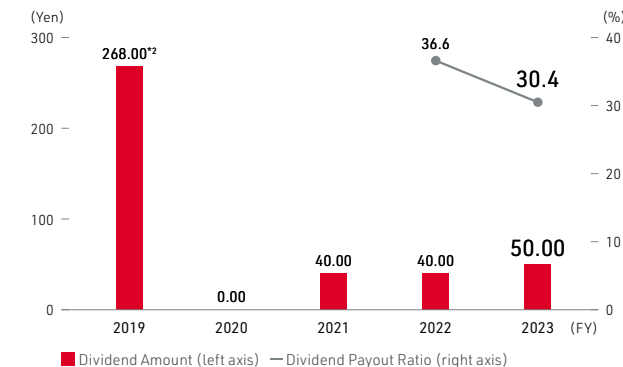
Net sales are trending downward mainly due to a review of the business portfolio. In FY2023, there were increased sales of automotive optical components, adhesive tapes, and licensing revenues, but as a result of factors such as a decrease in sales due to the transfer of the domestic consumer products sales business, and a decrease in sales of rechargeable batteries and semiconductor-related products, net sales declined 2.7% compared to the previous year.

Operating Profit/Operating Profit Ratio



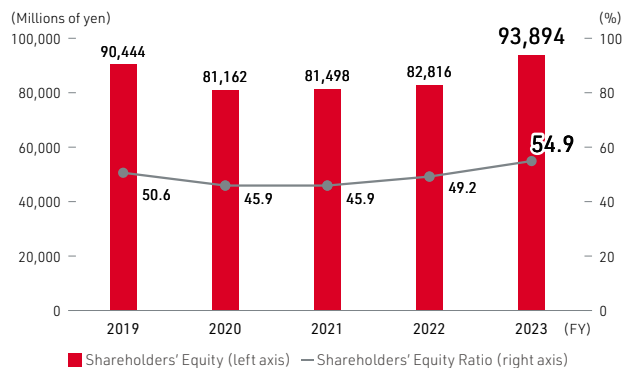
In FY2023, operating profit rose by 43.4% compared to the previous year due to the impact of increased profits from sales increase in automotive optical components and licensing revenues, as well as improved profitability of health and beauty care products. The operating profit ratio was 6.26%.

Dividend Amount/Dividend Payout Ratio



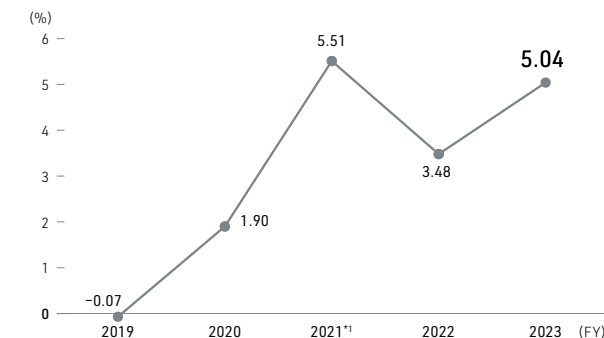
Maxell's basic policy is to continue to return profits to shareholders stably and appropriately, while taking into consideration current capital investment funding and investment funds focused on future business development. Maxell adopts a dividend payout ratio of 30-40% as a guide when paying dividends to its shareholders.

Shareholders' Equity/Shareholders' Equity Ratio



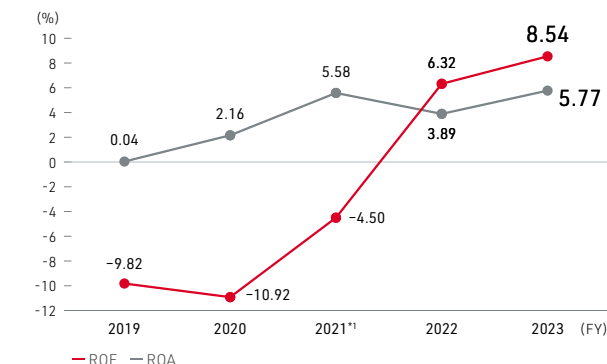
Maxell views around 50% as an appropriate shareholders' equity ratio from the standpoint of capital structure optimization. It aims to ensure a robust financial structure by utilizing borrowing while providing stable and continuous shareholder returns.

ROIC



Maxell has been employing ROIC as an important, groupwide management benchmark since FY2019, as an indicator that demonstrates profitability with regard to invested capital. As a result of an increase in operating profit and a decrease in inventory in FY2023, ROIC improved to 5.04%.

ROE/ROA

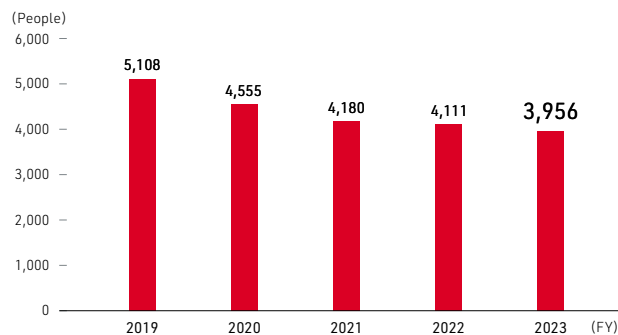


In FY2023, ROE increased to 8.54% due to an increase in current net profit, and ROA increased to 5.77% due to an increase in operating profit.

*1 From the beginning of FY2021, the Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29 of March 31, 2020), etc. The numbers relating to FY2021 onwards are after application of the accounting standards, etc.

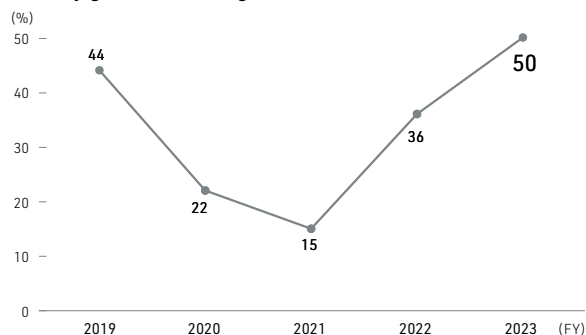
*2 Ordinary dividend: 18 yen Special dividend: 250 yen

Number of Employees



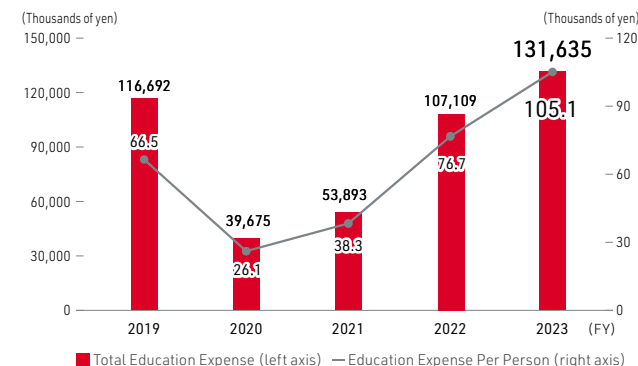
At the end of FY2023, the number of employees had decreased from the previous fiscal year, mainly as a result of transfers associated with the transfer of domestic consumer product sales business and the injection molding business in Europe.

Ratio of Female Hires among New Graduates (University graduates or higher)



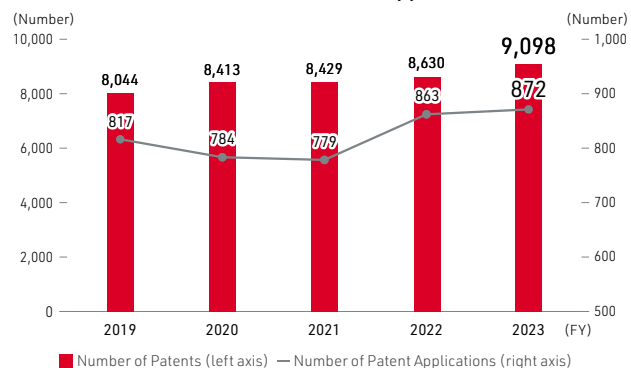
The ratio of new female graduates (university graduates or higher) who joined the company in April 2024 was 67% for administrative positions (target: 50%) and 33% for engineering positions (target: 25%), so the targets were achieved in both cases. The overall ratio was 50%.

Education Expenses



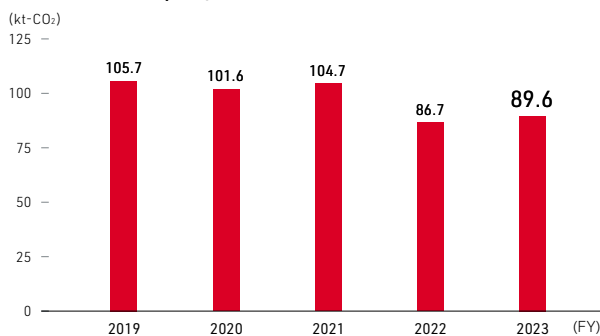
Education expense per person fell temporarily in FY2020 due to business restructuring, etc., but investment was bolstered from FY2022, and in FY2023 education expense per person reached its highest level in 5 years due to increased investments in education, including education for young employees and hierarchical education, as well as overseas training.

Number of Patents/Number of Patent Applications



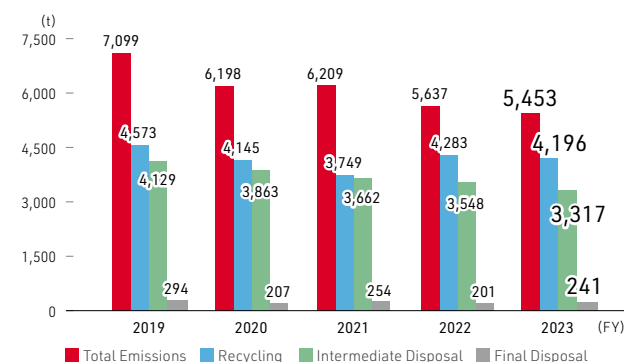
The number of patent applications has continued to trend upward since FY2021. In FY2023, Maxell continued to focus invention and creation resources on next-generation development technologies (all-solid-state batteries, EMC countermeasure materials, foam molding technology, etc.), which led to a higher number of patent applications than in the previous fiscal year. As a result, the number of patents also increased by 5% compared to the previous fiscal year.

CO₂ Emissions (Scope 1, 2*)



Domestically, Maxell's CO₂ emissions increased by 11% in FY2023 compared to the previous fiscal year, and declined by 7% overseas, leading to a 3% increase in CO₂ emissions across Maxell Group as a whole. The increase in Japan is due to a significant deterioration in the CO₂ emissions coefficients of the main electric power companies with which Maxell has contracts.

Waste Emissions



Domestically, Maxell's total waste emissions fell by 7% in FY2023 compared to the previous fiscal year, and increased by 11% overseas, leading to a 3% reduction in waste emissions across Maxell Group as a whole. Additionally, from this year's Integrated Report, the 5-year trend includes Gangquan Precision (Shenzhen) Co., Ltd.

* Scope 1: Direct emissions due to fuel incineration, etc. at business sites. Scope 2: Indirect emissions from purchased electricity, etc.

Special Feature: A future transformed by all-solid-state batteries

With battery design, development, and manufacturing as its founding business, Maxell worked on the development and manufacturing of lithium-ion batteries and micro batteries for many years. We are now developing high-performing^{*1} and highly reliable^{*2} all-solid-state batteries by integrating the Analog Core Technologies—Mixing & Dispersion (Mixing), Fine Coating (Coating), and High Precision Molding & Forming (Forming)—that we have cultivated, with technologies gained through collaboration with other companies, and adding newly developed processing technologies. We are currently mass-producing ceramic package type all-solid-state batteries by utilizing our domestic factories, facilities, and manufacturing technologies as well as our expertise for micro batteries and lithium-ion batteries.

Analog Core Technologies: the source of Maxell's value creation



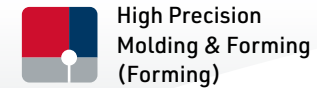
Technology for mixing five times more uniformly than simple mixing, in any size, hardness, or weight^{*3}

Improves the stability of battery characteristics through high-precision, uniform dispersion



Technology for coating at more uniform thicknesses, from a few millimeters to nanometers

Realizes batteries with a higher capacity through high-precision coating technology



Technology that enables forming with 1/6 of the porosity of conventional lithium-ion batteries

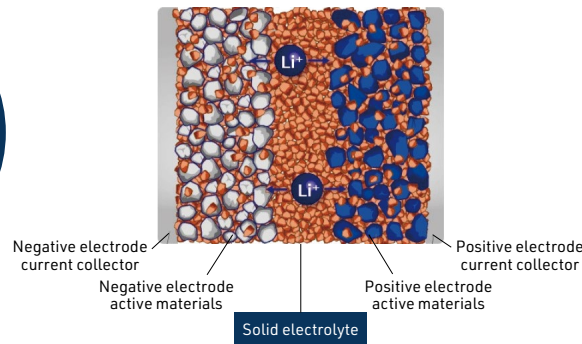
Realizes higher energy density in batteries by controlling electrode thickness

All-solid-state batteries

Rechargeable batteries that do not use liquid electrolyte

A wide range of discharge temperatures

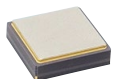
Long battery life lasting 20 years



High capacity and high output

No electrolyte leakage, explosion, or ignition

Lineup



Ceramic package type all-solid-state batteries



Cylindrical all-solid-state batteries



Coin-type all-solid-state batteries



All-solid-state battery module kit

^{*1} High heat resistance, long life, high safety ^{*2} Based on the results of a comparison with Maxell's liquid coin-type lithium-ion rechargeable battery in an overdischarge storage test ^{*3} Five times the load characteristics

Special Feature A future transformed by all-solid-state batteries

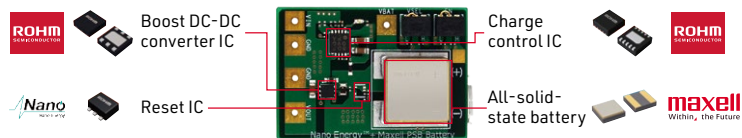
Round-table discussion

Promoting the wider adoption of all-solid-state batteries through joint development

Collaborative theme



In January 2023, we achieved the joint development of a low current consumption power supply module kit for evaluation using ROHM Co., Ltd.'s power supply IC mounted with Nano Energy™ ultra-low current consumption technology and Maxell's ceramic package type all-solid-state batteries. With this product, customers can easily evaluate our all-solid-state batteries when considering their use. After we announced the kit, we received inquiries from large numbers of customers, and have made a great step forward in practical application of all-solid-state batteries.



Kazuki Furukawa
Maxell, Ltd.

Masayuki Yamada
Maxell, Ltd.

Kiyotaka Umemoto
ROHM Semiconductor
(Shanghai) Co., Ltd.

Masashi Nagasato
ROHM Co., Ltd.

The background story of joint development

Yamada: I've been acquainted with Mr. Umemoto for ten years. Since that time, our company has worked on the development of many different batteries to replace lithium-ion batteries—not only all-solid-state batteries but also aqueous rechargeable batteries and batteries made from materials that are non-toxic to the body and the environment. However, there was an issue: even if we developed a new battery, customers would not accept a battery without optimized charging equipment.

Umemoto: A shared concern of our company and Maxell was that power supply ICs and batteries individually do not convey

their advantage and they lack appeal in the market. And so, we started collaborating with the development of an aqueous rechargeable battery ten years ago, and now we have finally commercialized a power supply module kit for evaluation equipped with Maxell's high-performance all-solid-state batteries and our power supply IC with high performance and low current consumption.

Nagasato: I was originally involved in the design of the IC mounted with our Nano Energy™ ultra-low current consumption technology designed for batteries, but I also felt that it would be difficult to attract customers with just this unit. I heard about the all-solid-state battery project from

Mr. Umemoto, and eventually we worked on it together. I think this was a great collaboration that enabled us to make the most of the characteristics of Nano Energy™.

Furukawa: I am mainly responsible for the design of the ceramic package type all-solid-state batteries, and I got involved in this project in the early product design stage, around four years ago.

The advantages and ingenuity of the power supply module kit for evaluation

Umemoto: When a customer considers equipping new batteries, they have to think of a design based on the

Special Feature: A future transformed by all-solid-state batteries

Round-table discussion Promoting the wider adoption of all-solid-state batteries through joint development



Kiyotaka Umemoto

Technical Director
FAE Head Quarter
ROHM Semiconductor (Shanghai)
Co., Ltd.

Main leader of this project.
Seconded to Shenzhen in China in
May 2023.

specifications of that battery and order IC components, which can take several months and incur design cost. If a customer uses this evaluation module, they can immediately connect it to the device in which they are considering using all-solid-state batteries, and confirm its operation. They can clearly understand what will change and what won't change with an all-solid-state battery (voltage, applicable temperature range, electricity consumption, etc.), and easily compare and evaluate it with existing batteries such as lithium-ion batteries.

Yamada: Conventional batteries are cylindrical-type or coin-type, but we have developed the world's first ceramic package type battery, so it is not easy for customers to evaluate it if we hand it over as it is. This circuit board for evaluation mounted with an all-solid-state battery that we have created with ROHM enables easy external connection, so customers can now use it for development without any stress.

Nagasato: The ROHM power supply IC used for this collaboration incorporates ultra-low current consumption technology developed with the target of "over 10 years



Masayuki Yamada

Deputy General Manager
New Business Producing Division
Maxell, Ltd.

Has worked on the development of new batteries since his time in charge of lithium-ion batteries, and participated in this project.

of operation with a coin battery." We struggled to find an operating current with the best balance between low consumption and responsiveness to achieve low current consumption without compromising the key power supply characteristic of responsiveness. However, with the collaboration of Maxell's engineers including Mr. Furukawa, we were able to fully bring out the discharge performance of all-solid-state batteries and maximize their battery life. In addition, this technology allows for the placement of a charge control IC and power supply system in the extremely small circuit board space, without compromising the advantageous characteristic of small size inherent in Maxell's all-solid-state batteries.

Looking back on development and expectations for the future

Yamada: Until now, our company has engaged in business selling ready-made batteries, including dry cell batteries, and there was a lack of customer-oriented approach of providing product samples to facilitate further discussions. Collaborating with ROHM and providing product samples has significantly enhanced customer understanding and accelerated our business development—it was really helpful.

Umemoto: The semiconductor industry development cycle is typically two or three years, but being involved in the battery business with its long development span of 10 years has been an opportunity to broaden my perspective and my work. This has been a long, ongoing collaborative project in our company, and I hope it continues in the future. We anticipate further technology development from Maxell.

Furukawa: All-solid-state batteries are safe and reliable, so they have the potential to replace the batteries in a variety of products in the future. We are also now focusing on developing multi-cell series batteries (bipolar-type batteries). If lithium-ion batteries are connected in series inside a battery, the electrolyte does not react properly across the multiple cells. This issue does not occur in all-solid-state batteries, so it is possible to obtain high output from each battery, and we expect these to be used as the main power source for a variety of devices. Furthermore, we have cultivated markets where primary batteries have been used, and will also cultivate

Masashi Nagasato

Specialist
HV Power Stage Design Group
HV Power Stage Design Department
Power Stage Product Design Division
LSI Business Unit
ROHM Co., Ltd.

Involved in the development of Nano Energy™ ultra-low current consumption technology.



markets where batteries have not been used by engaging in development to further increase heat resistance.

Nagasato: To increase the effectiveness of all-solid-state batteries, we need solutions that can make use of microenergy from light or vibrations, similar to energy harvesting. We also developed a new module kit for evaluation in July 2023 by creating a solution that enables all-solid-state batteries to charge using electricity generated from the sun or indoor lights. I hope both companies continue our activities to expand the market for all-solid-state batteries.

Yamada: All-solid-state batteries can handle low power consumption, and have the characteristics of heat resistance, a wide temperature range, and long life. We will contribute to solutions to social issues through usage that makes the most of these characteristics. As the working population decreases, I hope we can work together to reduce maintenance work, with our focus on long-lasting batteries and ROHM's focus on achieving longer life by low power consumption.

Kazuki Furukawa

Engineer
Material Innovation Section,
Innovation Product Creation Department
New Business Producing Division
Maxell, Ltd.

Responsible for the development of ceramic package type all-solid-state batteries.



Special Feature A future transformed by all-solid-state batteries

Round-table discussion

Generating new value through co-creation with customers

Collaborative theme



The multi-turn absolute encoder MAR-M700MFA, equipped with a ceramic package type all-solid-state battery

In November 2023, we announced that our all-solid-state batteries were being used for Nikon Corporation's M700MFA, a multi-turn absolute encoder. An absolute encoder is a sensor with a wide range of uses in industrial machinery, including industrial robots, which can detect absolute values for robot-arm rotational displacement and similar measurements. Until now, the power required to store the data detected was provided by an external battery, but Nikon was able to integrate the battery into the encoder by using our all-solid-state batteries, which have excellent heat resistance, aiming to make it maintenance-free with increased design flexibility.

The background story of adopting the all-solid-state battery

Toyama: Nikon has previously adopted our heat-resistant coin-type lithium batteries, and had business relations with the digital camera division as well.

Abe: In 2019, when we were developing the product that was the precursor to the M700MFA, due to the connection we had in using Maxell's heat-resistant coin-type lithium batteries, we had the opportunity to engage from an early stage in the development of this product, as well.

Tokiwa: We started considering the specification for the encoder from the winter of 2022. There was a trend of making encoders maintenance-free, and we wanted to get rid of the

work involved in removing and changing external batteries for industrial robots. In response to this need, Nikon resolved the issue by incorporating batteries into the encoder's circuit board. Maxell's all-solid-state batteries, which are small in size, fit the requirements perfectly by meeting the criteria of environmental resistance, a wide temperature range, long life, and safety.

Abe: There were plenty of opportunities for engineers to talk to each other, and we were provided with information on the characteristics of the all-solid-state batteries. In response to the specifications required by Nikon, we were proposed to use reflow-mounting with ceramic packaging, which allowed us to realize Nikon's unique maintenance-free encoder.

Toyama: We achieved really great communication in terms of

Koichi Toyama
Maxell, Ltd.

Keisuke Tokiwa
NIKON CORPORATION

Yuta Sato
Maxell, Ltd.

Kei Abe
NIKON CORPORATION



both the sales and design teams, and were able to advance the project with an understanding of each other's situations. We cleared mutual hurdles through detailed discussions, and created a product that is usable in extremely harsh environments, which I'm happy about.

Sato: Nikon had used Maxell products in the past, and had a certain understanding about our batteries, so it was easy for us to understand each other. In addition, Maxell is promoting the development of all-solid-state batteries based on our policy of solving social issues. Nikon aimed to make this product maintenance-free, and we were moving in the same direction, so we were able to carry out development smoothly.

Special Feature: A future transformed by all-solid-state batteries

Round-table discussion Generating new value through co-creation with customers



Kei Abe

4th Development Section,
1st Development Department
Development and Engineering Sector
Industrial Solutions Business Unit
NIKON CORPORATION

Responsible for total coordination of electrical design as well as proposing products to customers.

The advantages of the encoder incorporating the all-solid-state battery

Sato: All-solid-state batteries have four advantages i.e. "high safety" due to the absence of flammable materials, eliminating the risk of ignition or explosion, "wide temperature range" as the solid electrolyte prevents freezing or evaporation of the electrolyte that can occur with liquid electrolyte solution, "surface mountability" with the positive and negative terminals on the same side, making it easier to integrate into the circuit board, and "long lifespan." These characteristics were suited to the environments in which encoders are used and the challenges they face.

Tokiwa: When attempting to create maintenance-free encoders, it is often difficult to avoid an increase in size. However, taking advantage of Maxell's all-solid-state batteries being small, we were able to develop a product with an unprecedented thinness.

Abe: When it came to charging, we used a system in which the charging of encoders automatically starts when the main power is turned on. Even in such a harsh environment, with the batteries always close to fully charged, the long life that Nikon



Keisuke Tokiwa

4th Development Section,
1st Development Department
Development and Engineering Sector
Industrial Solutions Business Unit
NIKON CORPORATION

Responsible for detailed product assessments as a technical contact point.

seeks had been realized.

Furthermore, when making proposals to our customers, we consulted on the presentation of proposals and various data graphs, allowing us to effectively convey the high reliability of this new battery technology to our customers.

Looking back on development

Tokiwa: When we first adopted the all-solid-state batteries for this project, there were a lot of parameters, including deterioration due to charging, which made things complicated, but Maxell gained a deeper understanding of factors such as the development background and usage environment, and we were able to carefully confirm each other's aims and move forward, which gave me a sense of comfort.

Abe: Although we are in different companies, we shared a common desire to expand into new worlds, and were able to move forward with the sense that we were on the same team. The concept of the battery characteristics was complex, and we struggled to integrate that into the specifications of the encoder. However, it was beneficial that both companies went deep into worst-case scenarios, conducting extensive discussions.

Sato: We worked closely as a team that faces challenges together, and were able to create a relationship where questions could be immediately addressed. With Nikon's requirements, such as "10-year life at 105°C" and "obtaining the necessary battery data to determine the encoder's specifications," we also gained an understanding of the battery characteristics required for the FA industry, and incorporated them into specifications, leading to its commercialization.

Toyama: Maxell's entry into the FA industry was nearly for the first time, but working with Nikon, a top manufacturer of encoders, has provided us with huge learnings about the difficulties of this industry.

Expectations and outlook for all-solid-state batteries

Tokiwa: In November 2023, we displayed the product at the International Robot Exhibition, and it seemed that commercialization of a product using all-solid-state batteries made an impact, resulting in numerous inquiries from

Koichi Toyama

Manager
1st Section, Domestic Sales Department
Sales & Marketing Division
Maxell, Ltd.

Leader of schedule and cost management, and strategy development for business expansion.



domestic and overseas customers. We are at the stage where customers are evaluating our samples, and we plan to start mass production in the spring of 2025. As the MAR-700MFA has a wide temperature range and is compact, we expect it to replace other companies' products in the future. Right now, only Nikon makes and sells an encoder with a built-in battery. I think that demand for all-solid-state batteries will rise steadily if the M700MFA becomes the mainstream for maintenance-free products.

Sato: Going forward, it will be crucial to explore and expand the market extensively. We aim to continue our strong partnership with Nikon and work together to achieve our goals.

Toyama: We've had inquiries from a wide range of fields in addition to the FA industry, including for sensor devices and devices that currently use coin-type primary batteries as backups, and will develop these with each component manufacturer. With regard to mass production, we have finished introducing equipment in our Kyoto Works, and will go ahead with the preparations to supply Nikon in this fiscal year. From the perspective of the SDGs, we'd like to emphasize that our all-solid-state batteries being used as a key device can add new value, such as making products maintenance-free.

Yuta Sato

Business Planning Section, Business
Development Department
New Business Producing Division
Maxell, Ltd.

Acted as a technical contact point, also involved in development design, and the launch of mass production.



Aiming to commercialize "permanent power sources" in 2030

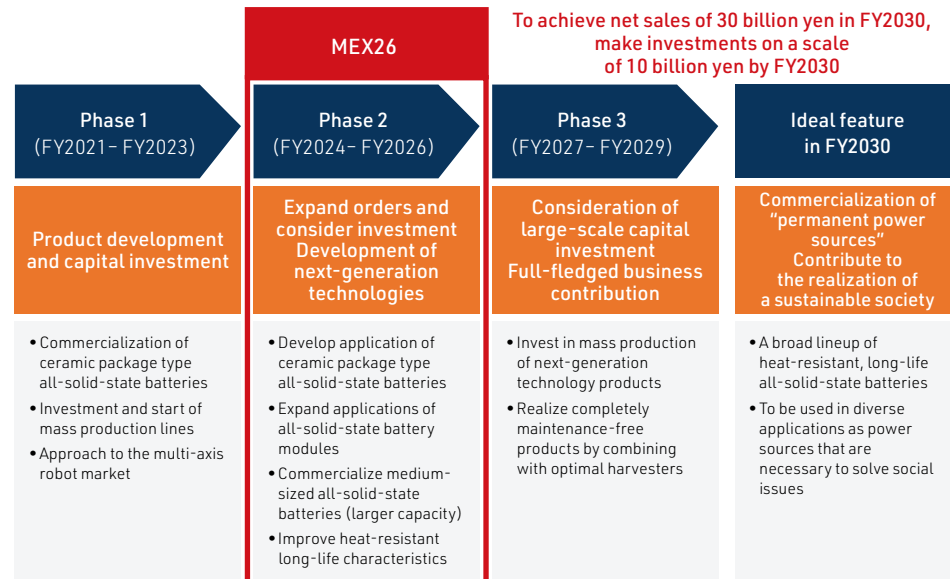
Business strategy

Active investment for net sales of 30 billion yen

The Maxell Group aims to contribute to the realization of a sustainable society by commercializing "permanent power sources" using all-solid-state batteries. As we evolve operating life, heat resistance, and capacity, we will also develop new applications.

During MEX26, we will expand sales for FA and various sensor applications while focusing on the modularization of small cells and the development of medium-sized cells. To achieve net sales of 30 billion yen in fiscal 2030, we are implementing phased capital investment, and completed a mass production facility in April 2023. Shipments of mass-produced products started in June 2023. From fiscal 2024 onward, we plan to carry out sequential investment in accordance with increased orders and the completion of new developments.

Business strategy



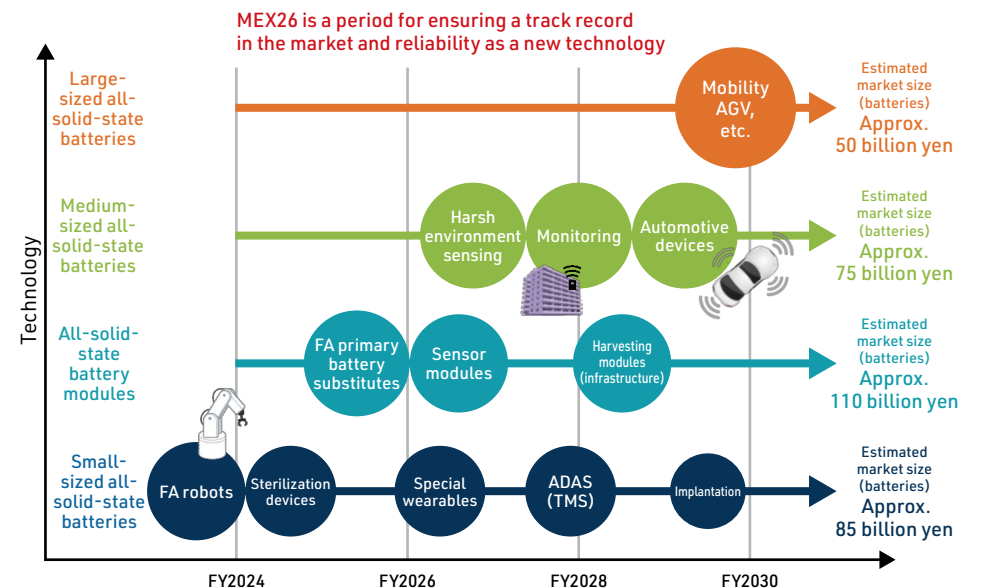
Development plan

Expand the relevant markets, starting with FA robots with small batteries

All-solid-state batteries accommodate market needs in various fields that were previously untapped, thanks to their high heat resistance, long life, and absolute safety and reliability. Maxell aims for an estimated market size of 300 billion yen for all-solid-state batteries in 2030, and we hope to expand our lineup and widen market applications through technological development such as increased capacity and investment in packaging that corresponds to purposes. These batteries are not just for FA use; we will also evolve them for wearables, automotive devices, AGV (automated guided vehicles), and medical applications.

▶ Relevant information: Development of all-solid-state battery technologies that can work at 150°C.

Estimated markets and development roadmap



*The circle size represents the market size (based on research by Maxell)

2 Growth strategy

The Current Status of the Business Portfolio, and the Future

Business distinction process: Screening growth businesses from 3 perspectives, and continuously shifting resources to growth businesses

Screening businesses from 3 perspectives

1 Market opportunities

Is the market undergoing significant changes, and are there expectations of new technology challenges arising?

3 focus areas: "Mobility", "ICT/AI", "Human/Social Infrastructure"

2 Utilization of Analog Core Technologies

Can we contribute to solutions to customers' technology issues using our strength in Analog Core Technologies?

3 Profitability

Can we obtain reasonable economic value corresponding to the value we provide?

Management tools: ABC-XYZ (profit and loss control by business) and PIPJ (profit and loss improvement by model project)

Resource allocation

Growth businesses

- Priority allocation of technical sales personnel
- Proactive growth investment




Resources

Shift to growth businesses

Base businesses

- Maximize profits through low-cost operations
- Downsize or withdraw from low-profit businesses

Growth strategy in 3 focus areas

	Market environment	Strategy	11 growth businesses	Business Segments
 Mobility	Temporary business stagnation due to a transitional period in customer technologies	Proactively drive development and investment in advanced technologies from FY2027 while maximizing profits	Heat-resistant coin-type lithium batteries LED headlamp lenses In-car camera lens units Coated separators	Energy Optics & Systems Functional Materials
 ICT / AI	Keep pace with the growing semiconductor market	Cultivate an overseas market and expand into new markets and new customers while strengthening our current position	Tapes for semiconductor manufacturing processes Semiconductor DMS EF ² (electroforming products)	Functional Materials Optics & Systems
 Human / Social Infrastructure	Identify markets in which demand is expected to emerge and increase in the future	Proactively drive upfront investment linked to customers, based on technological capabilities	Primary batteries for medical devices Cylindrical-type lithium batteries Tapes for construction and construction materials Hydraulic tools	Energy Functional Materials Life Solution



Leveraging the technological strengths cultivated since our foundation, we are striving to grow our micro battery business and establish a market for all-solid-state batteries.

Takashi Kimura
General Manager, Energy Division

Value Creation Process by Business Segment – Business Strategy from FY2024

INPUT

Invest capital in growth businesses

FY2023 Result

Financial Capital	Manufacturing Capital	Intellectual Capital	Human Capital
Net sales 35.0 billion yen	Capital investment 2.3 billion yen Depreciation ... 1.6 billion yen	R&D expenses 1.5 billion yen	Consolidated number of employees 756 people

BUSINESS PROCESS

Business growth strategy

Target Markets and Strategies

CGM* market	TPMS market	Smart meter market	Creating new markets
Increase medical care-related partners in preparation for market expansion	Maintain top global share, develop applications other than TPMS	Accelerate the exploration of the IoT communication device market	Contribute to solving social issues (FA, wearables, automotive, medical, etc.)
<ul style="list-style-type: none"> Strengthen and expand small-sized batteries in the Mobility, ICT/AI, and Human/Social Infrastructure areas Expand market applications of all-solid-state batteries based on the four axes of long life, high heat resistance, high output, and high capacity 			
*CGM: Continuous Glucose Monitoring			

Products and Services to be Created

OUTPUT

Products & Services

Primary batteries for medical devices	Heat-resistant coin-type lithium batteries	Cylindrical-type lithium batteries	All-solid-state batteries
Enhance safety and reliability Responding to the increase in diabetes patients	Enhance safety and reliability Contribute to traffic safety worldwide	Higher capacities, longer operating life Respond to IoT environment Improve labor productivity	Suitable for applications emphasizing high heat resistance, long life, safety, and reliability

Business Value

OUTCOME

Results & Impact

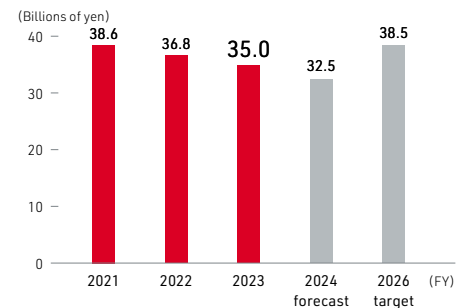
Productivity	Profitability
Reduce costs by improving production process for various batteries	Improve through increased production + expansion in sales channels & market share Optimize selling prices
<p>Ensuring safety in society through the effective utilization of small, high-capacity batteries</p>	
Social Value	Contribute to a safe and comfortable society, to an extension in healthy lifespan, and to medical care
Environmental Value	Maximize energy efficiency

Fiscal 2023 Performance and Future Strategies

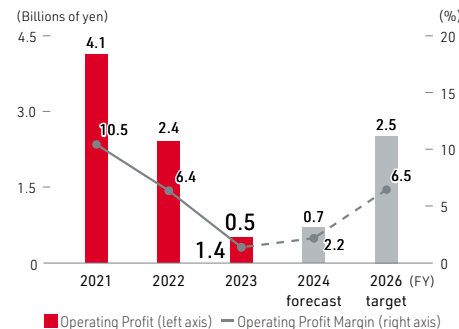
In fiscal 2023, sales of primary batteries were maintained at the same level as the previous fiscal year. However, due to a decrease in sales of rechargeable batteries, overall sales in the energy segment decreased. Operating profit also decreased due to expenses related to the development cost and cost of production system establishment for all-solid-state batteries.

In MEX26, we will expand orders and execute investment for mass production of primary batteries for medical devices, and pursue even more minimum operations for rechargeable batteries. For specialty business such as electrode-applied equipment, we will continue to pursue a niche strategy and explore new expansion opportunities in emerging fields. For all-solid-state batteries, we will establish mass production technologies and promote customer development activities to substantially contribute to our performance.

Net Sales Trend



Operating Profit/Operating Profit Margin Trend



Strategy Progress Report | Primary Batteries for Medical Devices

Maxell's primary batteries are widely used in analog watches and medical equipment that operate for long periods under light load. They have already captured a large share of the watch market thanks to their excellent sealing technologies (leak-proof) and long-life technologies, and we are also aiming to capture a large share of the medical market.

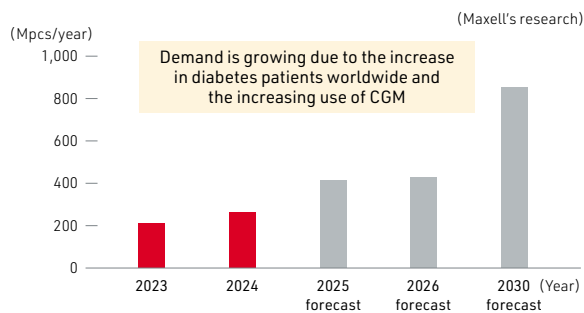


Maxell's Strengths

Providing safety and reliability cultivated through successive generations of battery technology

- Ensure safety thanks to sealing and long-life technologies cultivated through heat-resistant coin-type lithium batteries
- Achieve the high degree of reliability demanded from batteries used in medical devices
- A wide range of products up to small and thin types to meet miniaturization needs for medical devices

Demand Forecasts for CGM (Continuous Glucose Monitoring)



Market Share / Positioning



Product strategy	Production strategy	Sales strategy
<p>Advanced development of batteries for next-generation CGM</p> <ul style="list-style-type: none"> • Establish partnerships with medical device manufacturers to develop batteries that meet the needs of next-generation CGM • Expand the lineup of small-sized batteries 	<p>Planned investments to increase production in line with sales targets from 2026 onwards (investment amount: approx. 5 billion yen (2024))</p> <ul style="list-style-type: none"> • Mass production facilities for primary batteries for medical devices 	<p>Strengthening the organization</p> <ul style="list-style-type: none"> • Team formation integrating sales and business division <p>Strengthening overseas sales</p> <ul style="list-style-type: none"> • Strengthening marketing research for medical applications in each country and region • Conduct comprehensive research into battery types, sizes, required characteristics, external designs, and price trends to obtain highly accurate information necessary for investment decisions

Helping people around the world live healthier lives by leveraging Analog Core Technologies

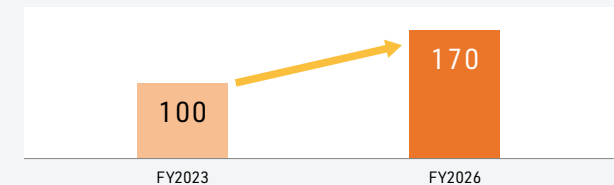


Shiori Hashimoto
Alkaline Battery Design Group
Design Dept., Energy Division



Yasuhiro Yamada
Maxell Corporation
of America

Business plan

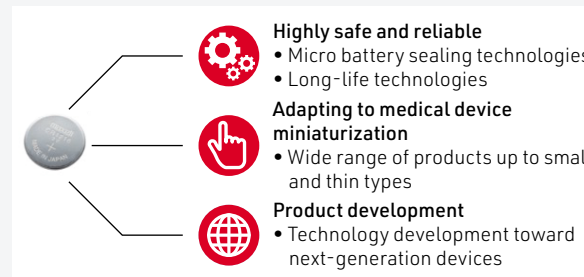


*Sales figures for FY2023 are set as 100

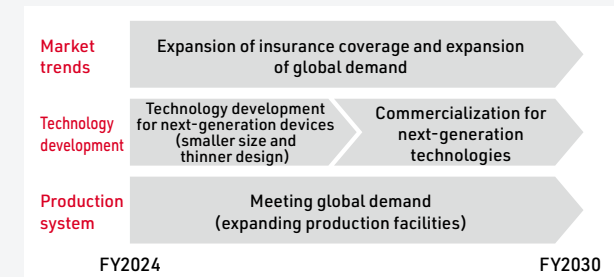
Maxell's primary batteries are used in healthcare markets around the world, not only for keyless entry and watch applications, but also as the main power source for small medical devices. By making full use of our Analog Core Technologies, we are working to meet a wide range of customer demands.

We ensure reliability and safety in the development of CGM batteries by aligning with customer needs. We also implement strict quality control, which supports the rapid growth and technological innovation of the CGM market in North America. We will continue contributing to the expansion of small-sized medical devices and helping many people live healthy lives.

Features of Maxell's CGM batteries



Business roadmap





We will thoroughly promote and accelerate our three new initiatives (promoting new product and technology development, developing new customers and applications, and creating new markets and businesses.)

Takahiro Sakai
 General Manager, Functional Materials Division

Value Creation Process by Business Segment – Business Strategy from FY2024

INPUT

Invest capital in growth businesses

FY2023 Result

Financial Capital	Manufacturing Capital	Intellectual Capital	Human Capital
Net sales.....30.1 billion yen	Capital investment 700 million yen Depreciation...800 million yen	R&D expenses 1.4 billion yen	Consolidated number of employees..... 799 people

BUSINESS PROCESS

Business growth strategy

Target Markets and Strategies

North America and Southeast Asia markets

Promote adoption of airtight materials (North America)
 Promote adoption of waterproof materials (Southeast Asia)

Semiconductor market (China and Taiwan)

Quality enhancement through thin film and smooth coating technologies

Global hybrid and electric vehicle market

Excellent safety suitable for automotive lithium-ion batteries

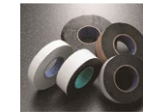
- Develop competitive technology in response to the needs of each market and strengthen sales force
- Continue cost reduction activities that are committed to cost and quality
- Create new products toward boosting future profits

Products and Services to be Created

OUTPUT

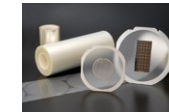
Products & Services

Tapes for construction



Expand the range of customized products tailored to each country's living environment
Foster a culture that emphasizes airtightness

Tapes for semiconductor manufacturing processes



High adhesive strength and excellent peeling characteristics
Respond to demand for data centers

Coated separators



Improve vehicle safety
Contribute to highly heat-resistant and durable batteries

Business Value

Productivity

High-efficiency production by stimulating new demand in the market

Profitability

Enhance through market creation and share expansion

OUTCOME

Results & Impact



Contribute to health and economic development through the effective utilization of highly functional adhesive materials in everyday life and industries around the world

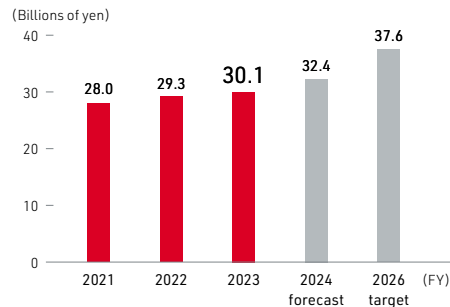
- Social Value** Effective use of the functions of adhesive materials to life and to industry
- Environmental Value** Energy-saving in housings and buildings

Fiscal 2023 Performance and Future Strategies

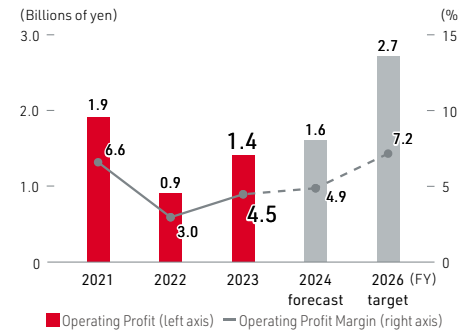
Sales in fiscal 2023 increased due to recovery of orders for adhesive tapes, primarily for semiconductor manufacturing processes. Operating profit also increased as a result of expanding sales of high-value-added adhesive tape products and optimized sales prices, as well as implementing profitability improvement measures for industrial materials.

In MEX26, we will continue investing in new products and new businesses in growth businesses as well as strengthening our production technologies and manufacturing capabilities in base businesses, thereby fostering a business culture that continues to ensure high profitability and aiming to achieve an operating profit margin of 8%.

Net Sales Trend



Operating Profit/Operating Profit Margin Trend



Strategy Progress Report | Tapes for Construction

Maxell's tapes for construction are composed of a thick coating of a highly viscous adhesive material made from compounds and blends of butyl rubber and other materials. By taking advantage of its waterproof, airtight, adhesive, heat/cold resistance, and solvent resistance properties, we are expanding its applications beyond homes and automobiles to include cold storage warehouses and LNG* vessels.



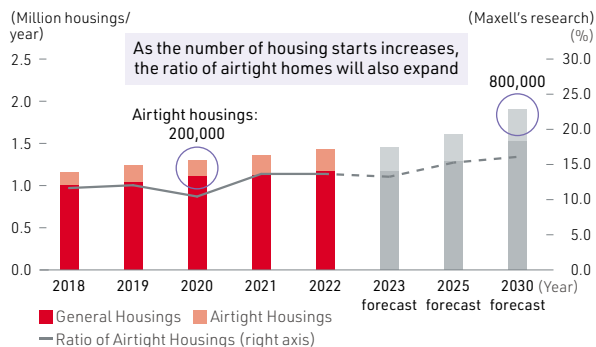
* LNG: Liquefied Natural Gas

Maxell's Strengths

Providing customized products adapted to each country's living environment

- Airtight and waterproof material that solves potential problems in various construction environments
- Possible to propose highly-insulated and highly-airtight tapes that are suitable for complying with energy-conservation guidelines

Trend and Forecasts for North American Housing Starts



Market Share / Positioning



Product strategy	Production strategy	Sales strategy
Enhance lineup of customized products tailored to customer needs and their intended uses by incorporating Maxell's strengths in technologies	Plan investments to increase production in line with 2026 sales targets (Investments of approx. 700 million yen in facilities/personnel/advertising (2024-2026))	<ul style="list-style-type: none"> - Strengthen activities to acquire OEMs, focusing on entry into major housing manufacturers - Focus on expanding overseas sales channels North America: Completed logistics setup (introducing airtight packing, and improving brand awareness by strengthening lineup) Southeast Asia: Focusing on Indonesian market with a large number of households (promoting adoption of waterproof functionality)

Globally strengthening our lineup of customized products, with a focus on increasing value for customers

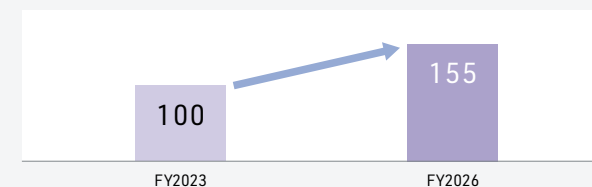


Mizuki Tachibana
In charge of North America Marketing and Development

Tomoko Arai
In charge of North America and Southeast Asia Development

Rika Takagi
In charge of Southeast Asia Marketing and Development

Business plan



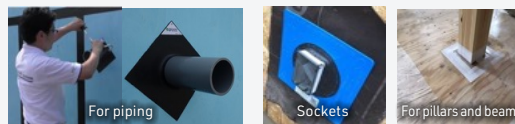
*Sales figures for FY2023 are set as 100

The Marketing Section of the Business Planning Department in the Functional Materials Division is committed to providing value, not just products.

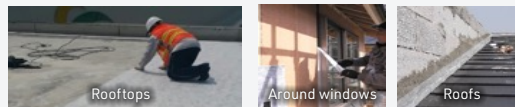
The value that a product has for a customer varies depending on the region, field, and application. We are always conscious of how value is recognized in the market – not the uniqueness of the product itself, but the uniqueness of the value that we provide within the customer's supply chain – as we carry out our marketing and product development in the construction field in North America and Southeast Asia.

Customized products

Airtight materials



Waterproof materials



Overseas expansion plan

FY	2023	2024	2025	2026	2027-
Airtight materials for North America	Phase 1	Phase 2			Phase 3
	Market entry	Expanding the lineup of airtight materials (auxiliary materials)			Launch of structural materials
Waterproof materials for Southeast Asia	Housing market	Entering the housing, non-housing (infrastructure), and automotive markets			Market expansion



We will contribute to a safe and secure automotive and information society through our core technologies of optical design, micro- and high-precision processing, and security.

Noriyoshi Bito
General Manager, Optics & Systems Division

Value Creation Process by Business Segment – Business Strategy from FY2024

INPUT

Invest capital in growth businesses

FY2023 Result

Financial Capital	Manufacturing Capital	Intellectual Capital	Human Capital
Net sales 41.4 billion yen	Capital investment 3.0 billion yen Depreciation ... 1.7 billion yen	R&D expenses 2.4 billion yen	Consolidated number of employees... 1,299 people

BUSINESS PROCESS

Business growth strategy

Target Markets and Strategies

Market for high-precision plastic lenses
Maintain and enhance competitiveness as a key Japanese manufacturer

China/ASEAN/India markets
Expand from individual headlamp lenses to lens units

Semiconductor manufacturing equipment market
Strengthen relationships with semiconductor manufacturing equipment manufacturers

Miniaturizing and increasingly complex semiconductor packaging market
Leveraging precision electroforming technologies to respond to increasing complexity, greater miniaturization, and higher refinement

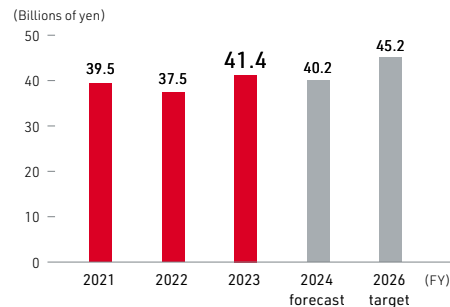
- Develop technologies that respond to the needs of each market, and increase sales channels
- Expand business through stronger relationships with existing customers (bolster product strengths and relationships based on trust)
- Expand business area by promoting new development (acquire new customers and increase sales)

Fiscal 2023 Performance and Future Strategies

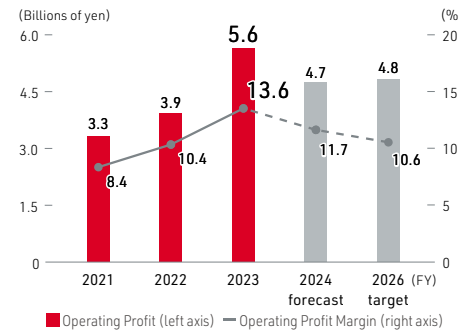
Despite external factors such as semiconductor shortages and a stagnant semiconductor market, the deterioration of the semiconductor-related business was compensated by the automotive-related business, so both sales and profits increased in fiscal 2023.

In MEX26, the automotive-related business will focus on developing environmentally resistant products and improving image quality and resolution of in-car camera lens units, accelerating the transition to ADAS. Additionally, we will also work with customers to develop next-generation headlamp lenses that are more luminous efficient and lightweight, contributing to a safe and secure automotive society. The semiconductor-related business will respond to the ICT/AI transformation with semiconductor manufacturing equipment and next-generation semiconductor packaging, contributing to a safe and secure information society.

Net Sales Trend



Operating Profit/Operating Profit Margin Trend



OUTPUT

Products & Services

Products and Services to be Created

In-car camera lens units



Develop hybrid lens units

High precision, high durability, low cost

LED headlamp lenses



Evolve and diversify headlamps

Free-form surface designs, cost compatible

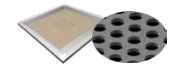
Semiconductor DMS



Utilize production bases in Japan

Handle production of multiple models and high-quality manufacturing

Precision electroforming products, metal masks, electronics components



Masks for solder ball bumping

Utilize precision electroforming technologies

Support a wide variety of products, miniaturization, and high performance

Business Value

Productivity

Enhance added value by expanding from individual components to modules

Profitability

Improve profitability by providing unique value

OUTCOME

Results & Impact



Contribute to mobility diversification and energy-saving with high-precision plastic lenses and support for semiconductor development

Social Value Improve the safety of mobility, contribute to next-generation semiconductors

Environmental Value Energy-saving automotive products and semiconductor-related embedded products

Strategy Progress Report | In-car Camera Lens Units

In-car viewing cameras are installed at the front, rear, left, and right of a vehicle, and make the driver more aware of danger by displaying images of the areas outside the car that are a driver's blind spots.

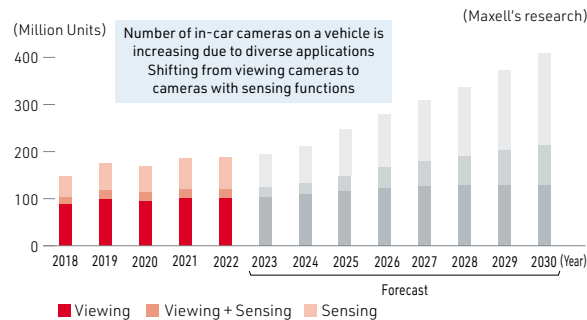
Sensing cameras process outside images and use them for autonomous driving, to recognize road lanes, traffic lights, and vehicles in front.



Maxell's Strengths

- Production of environmentally resistant products (ultrasonic cleaning lens unit) (from 2027)
- Development and production of plastic lenses with high precision and heat resistance
Increased coaxial accuracy with alignment molds / Achieve heat resistance of 135°C with highly heat-resistant AR coating technology
- Long sales track record with safety and reliability
- Integrated development, from optical design to production, and creation of intellectual property value
Proposals for customized optical design / Development of equipment for production and automation

Market size of in-car cameras



Market Share / Positioning

2024 Target

Global share **8% or higher**
(Maxell's research)

Japanese manufacturers **NO. 1**

Product strategy	Production strategy	Sales strategy
Develop added-value functions, such as environmentally resistant products, in pursuit of further safety	Optimize production plants, aiming to promote automation and local production for local consumption (1) Partial automation of appearance inspection for single lens, barrel appearance (2) Strengthen production engineering capabilities for molding and assembling (3) Creation of optical design platform and shortening of lead times, standardization of lenses	Break new ground with added-value lenses utilizing the core technologies of precision molding for plastic lenses (1) Japan and Europe: Exploring car manufacturers and camera module manufacturers (2) China: Acquire customers for lenses with added value (3) Global: Acquire system manufacturers

Promoting the development and sale of ultrasonic cleaning lens unit



Koshi Fujii
Precision Business Division
Maxell Frontier Co., Ltd.

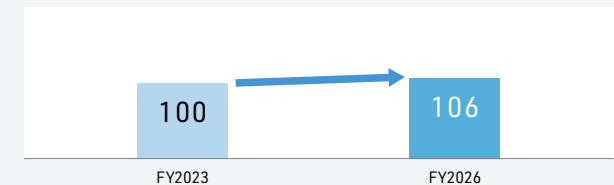


Kosuke Takagi
Domestic Sales Department
Sales & Marketing Division

Koshi Fujii: I'm in charge of the structural design of the ultrasonic cleaning lens unit, and am taking on the challenge of creating new designs. I really felt responsibility as an engineer and the importance of the design as I faced issues such as applying unconventional specification standards and failure to achieve performance. We will continue to develop Maxell's original camera lens units and disseminate new value.

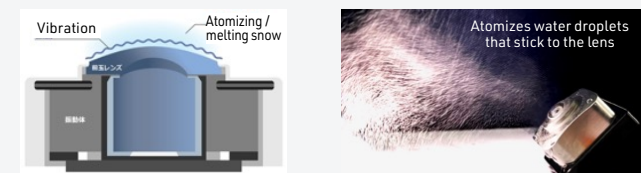
Kosuke Takagi: To date, our main sales targets have been camera module manufacturers, but we are also proposing the ultrasonic cleaning lens unit directly to car manufacturers as a key technology for autonomous driving. Besides in-car use, there has been interest from manufacturers of construction equipment and machine tools, and we are proposing this as a way of providing solutions to their issues.

Business plan



*Sales figures for FY2023 are set as 100 (mass-produced products only, same exchange rate)

New function: Ultrasonic cleaning lens unit



Using ultrasonic vibration on the outermost lens makes it possible to atomize water droplets on the lens surface. This can be used for everything from atomizing rain droplets stuck to the lens to snow melting (production to start in 2027).



Trusted hydraulic tools support the world's infrastructure, and consumer electronic products make life more convenient and enjoyable via advanced technologies and unique ideas. We are contributing to rich and comfortable daily lives through these two types of "electricity-related Monozukuri."

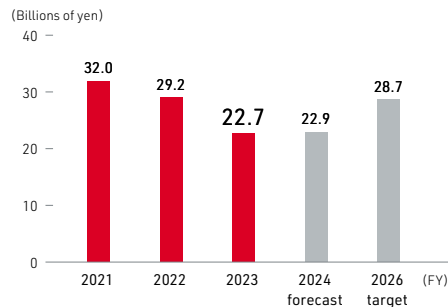
Naoto Sugimune
General Manager, Life Solution Division

Fiscal 2023 Performance and Future Strategies

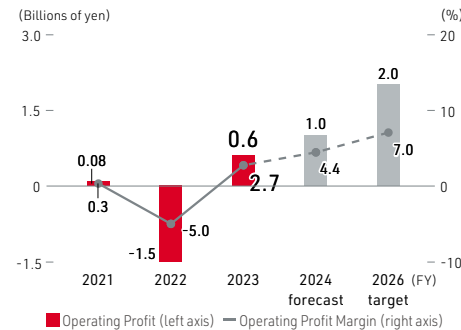
In fiscal 2023, although sales of consumer products and health and beauty care products decreased due to the transfer of the domestic consumer product sales business, profitability has increased thanks to business reform efforts and continued productivity improvements at overseas production facilities.

In MEX26, we will expand the rollout of our own brand of hydraulic tools with universal battery pack models, and will maintain our No. 1 domestic market share. Domestic and overseas ODM will expand the range of models and aim to expand our global share. For consumer electronic products, we will expand our lineup of high-value-added products, such as shavers with long-life blades that stay sharp for five years, in order to meet diverse consumer needs.

Net Sales Trend



Operating Profit/Operating Profit Margin Trend



Value Creation Process by Business Segment – Business Strategy from FY2024

INPUT	FY2023 Result			
	Financial Capital	Manufacturing Capital	Intellectual Capital	Human Capital
Invest capital in growth businesses	Net sales 22.7 billion yen	Capital investment 900 million yen Depreciation ... 700 million yen	R&D expenses 200 million yen	Consolidated number of employees..... 838 people

Target Markets and Strategies

BUSINESS PROCESS	Global market for hydraulic tools	Global market for shavers and other beauty care products
Business growth strategy	Build robust relationships with partners worldwide, mainly in North America	Enhance the Company's brand strength Expand market by developing ODM/OEM businesses
	<ul style="list-style-type: none"> Introduce products that pay attention to user convenience and functionality, in the markets for tools for electrical wiring and tools for other industries Develop shavers fitted with new mechanisms, for overseas markets Utilize medical care device certification, and develop products that answer customers' needs with an eye to a global expansion of health and beauty care products 	

Products and Services to be Created

OUTPUT	Hydraulic tools	Health and beauty care products (shavers)
Products & Services	<p>Left: Maxell battery pack Center/right: Universal battery packs</p> <p>Integrated operation for hydraulic tools, from design and development through to production</p> <p>Rolling out of products that respond to customers' needs and compatibility with universal battery packs</p>	<p>ODM/OEM for cosmetics and beauty appliance manufacturers</p> <p>Flexible production in Japan and China</p>

Business Value

OUTCOME	Productivity	Profitability
Results & Impact	Strengthen production capacity, operate an efficient business	Introduce new products, expand market share Promote initiatives such as introduction to other industries
	<p>*Electric Power Transmission Line infrastructure</p>	<p>Contribute to rich and comfortable daily lives through electricity-related Monozukuri (manufacturing)</p> <p>Social Value Support living together with electricity</p> <p>Environmental Value Support energy-saving lifestyles</p>

Strategy Progress Report | Hydraulic Tools

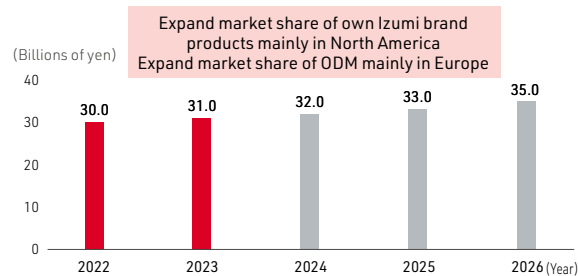
Using our original technologies that stay one step ahead, we have been continuously creating a variety of tools, including the first domestically produced rechargeable hydraulic tool, as a pioneer in the field of hydraulic tools. We will carry on innovating professional tools chosen by professionals with even higher quality and better ease of use.



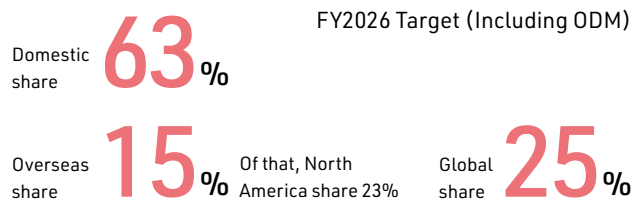
Maxell's Strengths

- Ultra-high-pressure hydraulic technology → Achieving compact and lightweight high-power tools
Expansion into other industries apart from construction and maintenance of electricity transmission facilities (industry, transport, general construction)
- Enhanced lineup of models with specifications that respond to market demands (compatibility with universal battery packs)

Predicted global hydraulic tool market size (in value)

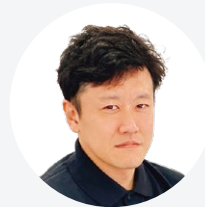


Market Share / Positioning



Product strategy	Production strategy	Sales strategy
Expand lineup to meet market needs and engage in horizontal development toward markets of other industries <ul style="list-style-type: none"> • Expand compact and lightweight tools • Launch ODM for overseas markets • Horizontal development toward markets of other industries (plan to grow into new core business) 	Joint research with electricity companies on new engineering methods, acquire tool certification	<ul style="list-style-type: none"> • Strengthen overseas sales channels, including ODM • Enter markets for other industries (construction, piping, transport)

Aiming to increase our share by launching new products into the main categories of overseas markets

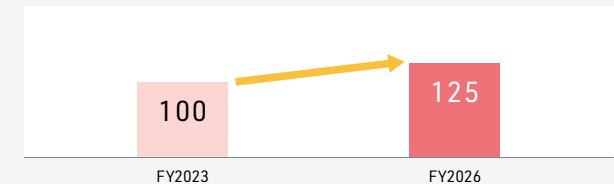


Takahito Hirabayashi
Engineering Department,
Hydraulic Tools Division
Maxell Izumi Co., Ltd.



Yasuyo Suzuki
Sales Department,
Hydraulic Tools Division
Maxell Izumi Co., Ltd.

Business plan



*Sales figures for FY2023 are set as 100

In June 2024, we launched our SLA/SLV series into the market, which focuses on making our 6-ton output models smaller and lighter. SLA is targeted for North America and SLV for other overseas markets with a lineup of 16 devices which will also be rolled out into the domestic market. It has been 6 years since we launched a new product in this category, and we have added our independently developed auto-return function (patent application made) as a new feature. It is designed to withstand extremely cold working conditions, with the use of rubber materials with flexibility and cold-resistance, along with increased efficiency of the hydraulic drive, creating products that are small and lightweight while still being capable of operating in environments of -20°C.

The SLA/SLV series are products that can grant Maxell Izumi's technology global appeal, and we will confidently incorporate this into our sales activities.

Enhancing the lineup of compact and lightweight tools



The upright, compact, and lightweight rechargeable hydraulic tools SLA/SLV series

The auto-return function that simplifies user operation

Normally, two switches are pressed to operate these kind of tools (switches to start operation and to lower the piston(s)), but this function means the tool can be operated with one activation switch, which does everything up to raising the piston and increasing the pressure. Releasing the activation switch after the work is finished causes the piston to automatically lower, making operation easier.

While focusing on the commercialization of all-solid-state batteries, we will create new business themes based on customer challenges by leveraging group synergies

Kenichi Sano
General Manager,
New Business Producing Division



Action Plan	Strengthen partnerships for generating new businesses	KPI	Create 3 new products led by the New Business Producing Division (during MEX26)
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MEX26 policies


The New Business Producing Division has set our sights on the feature to be realized in 2030. In order to achieve this, the basic policy of MEX26 is to promote early development and commercialization of themes that solve customer issues, as well as the creation of new development themes through lean canvas.

Furthermore, by leveraging the synergy effects of diverse businesses within the whole group, we aim to create and develop new businesses and technologies, thereby enhancing the value of the Maxell brand.

▶ Key objective (1)

Transition from a product-out development approach to a problem-solving development approach (social issues, customer issues)

Technology development that contributes to the resolution of social issues (contributions that range from the individual through to lifestyles through to a global scale)

	Social issues	Solutions	Innovations
People	<ul style="list-style-type: none"> Declining birthrate and aging population Measures for infectious diseases 	<ul style="list-style-type: none"> Improvement of healthcare efficiency Implant treatment Contactless diagnoses 	<ul style="list-style-type: none"> Battery design: All-solid-state batteries Analysis technologies: Sensing devices (early diagnosis of dementia etc.)
Environment	<ul style="list-style-type: none"> Natural disasters Climate change 	<ul style="list-style-type: none"> Carbon neutrality CO₂ capture Mobility efficiency 	<ul style="list-style-type: none"> Electrode design: CO₂ recycling system Molding technology: Foam molding Optical design: Next-generation HUD (Head Up Display)
Industry	<ul style="list-style-type: none"> Declining labor force population Energy problems 	<ul style="list-style-type: none"> Maintenance-free Increase of communication speed Heat resistance, long life, small size 	<ul style="list-style-type: none"> Dispersion technology: EMC countermeasure materials Battery design: All-solid-state batteries Material design: MID* products

* Molded Interconnect Device

▶ Key objective (2)

Fostering a creative organization culture that takes on challenges, with a mindset of trying new things without fear of failure.



An environment allowing me to take on new challenges leads to my motivation at work

Tomoki Yamamoto
Business Development Department,
New Business Producing Division

The New Business Producing Division is focused on fostering a corporate culture that serves as the foundation for new business creation, and all our employees are taking on new challenges regardless of their rank or position. I am also spending my days learning and challenging myself to come up with new business ideas as I carry out my role of leading new business creation.

It is not possible to come up with new ideas or to create businesses without challenges and failures. That may seem like common sense, but an environment that makes this possible is one of Maxell's great assets, and this has led to employee motivation and ease of work.

Status of activities for new business creation

- Implement phase management in accordance with each development stage (business development → product development → commercialization)
- Aim to commercialize new businesses in product development phase (customer validation stage) during MEX26

Business development Value validation stage

► Aim for product commercialization in FY2027-FY2029

Next-generation HUD

Bio-based plastics

MID products

Sensing devices

Large-sized all-solid-state batteries (bipolar structure)

Harvesting hybrid all-solid-state battery modules

Energy CH₄ CO₂ H₂ Water CO₂ recycling system

Transparent electromagnetic wave absorbing sheet

Terahertz compliant electromagnetic wave absorber

Finger tap device
Swallowing device
Contactless electrocardiograph

Basic structure of the absorber

Product development Customer validation stage

► Aim for product commercialization in FY2024-FY2026 (MEX26)

Foam molding

All-solid-state battery modules

Coin-type all-solid-state batteries

Medium-sized all-solid-state batteries

EMC countermeasure materials

Commercialization stage

► Product commercialization completed in FY2023 (MEX23)

Ceramic package type all-solid-state battery lineup

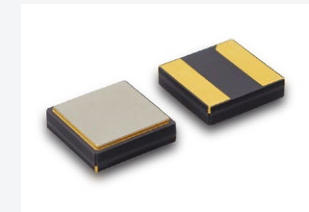
New business creation activities
Innovation leveraging Analog Core Technologies and existing assets

TOPICS

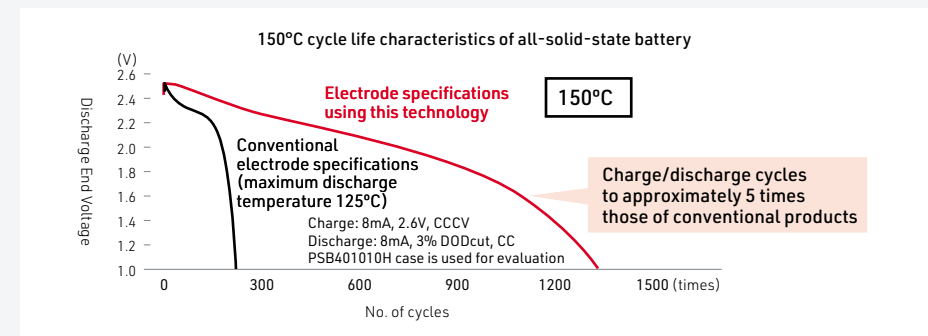
Development of an all-solid-state battery that can operate in a maximum working temperature of 150°C
Usable in high-temperature environments such as medical applications, sterilization, semiconductor manufacturing processes, and automotive applications

Maxell has successfully developed electrode technology for all-solid-state batteries, allowing to increase maximum operating temperatures to 150°C.

In June 2023, we started mass-producing the PSB401010H ceramic package type all-solid-state battery, and received many requests for usage beyond the maximum discharge temperature of 125°C from areas such as medical sterilization processes, semiconductor manufacturing processes, and automotive applications, where it is necessary to sense and monitor the temperature of equipment surroundings and other information in high-temperature environments. In response to these demands, Maxell analyzed the degradation mechanisms in all-solid-state batteries, and discovered that the side effects at the interface between the positive electrode active material and solid electrolyte are the main cause of deterioration of all-solid-state batteries at high temperatures; by making significant changes to the electrode design, including the electrode materials and composition, we successfully improved the charge/discharge cycle characteristics at 150°C to reach approximately five times the number of cycles of conventional products.



PSB401010H ceramic package type all-solid-state battery



Examples of expanded application resulting from operation at 150°C

High-temperature data logger for sterilization

Equipment monitoring (infrastructure plants)

Devices for vehicles (sensing road surfaces)

Semiconductor manufacturing equipment (temperature sensing)

We will deepen our relationships with major customers around the world, strengthen our technical sales organization to solve customer issues, and expand sales through our global sales structure.

Shinichiro Takao
General Manager,
Sales & Marketing Division



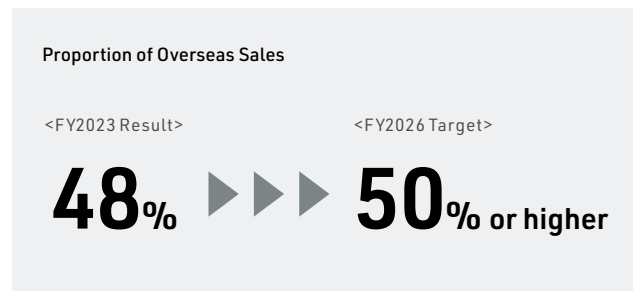
Action Plan	Enhance the value of the core products and services of the Maxell brand	KPI	Continue conducting customer surveys and improving low ratings Improvement target: 50% or higher (MEX26 period) NEW
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MEX26 Policy

In MEX23, we reviewed our sales structure to create value by solving customers' technical issues and shifted from product-oriented sales (by business division) to customer-oriented sales to strengthen our proposal capabilities. However, we were unable to fully grasp our customers' issues and thus were unable to achieve the business growth that we had planned.

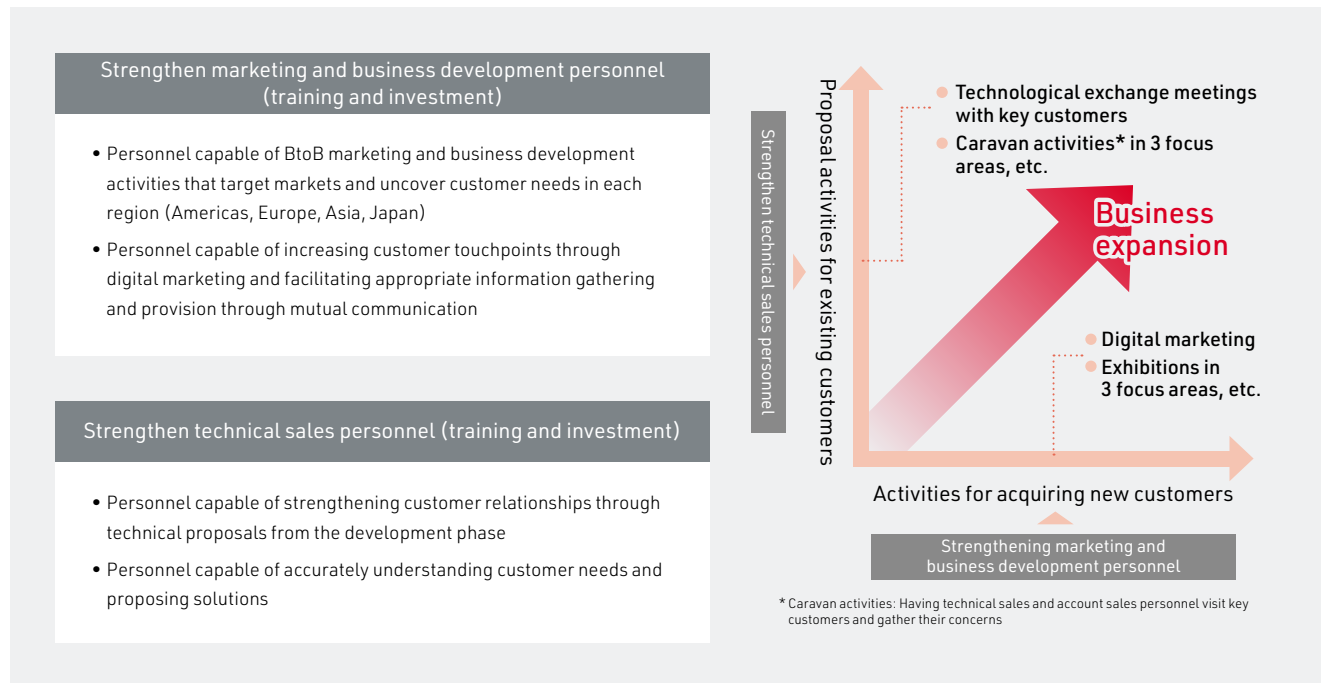
In MEX26, we will strengthen market targeting, digging up customer needs, and digital marketing. To those ends, we will be investing in human resources development in order to further strengthen our technical sales organization.

Additionally, in expanding our businesses in the 3 focus areas "Mobility," "ICT / AI" and "Human / Social Infrastructure," we will strengthen relationships with customers who are major players around the world, solve their problems and issues together, and aim to expand our businesses.



▶ Key objective (1)

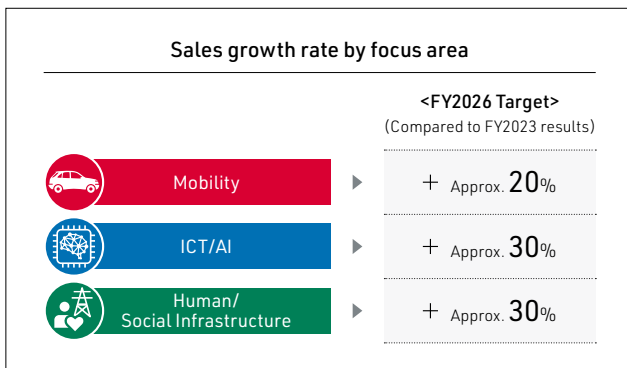
Strengthen the technical sales team to solve customer issues



▶ Key objective (2)

For business expansion in the 3 focus areas

We will strengthen the technical sales team, deepen relationships with customers who are major global players in the 3 focus areas, and aim to expand businesses together with customers through our ability to resolve customer issues.



Europe × **Mobility**

In-car camera lens units:
Actively hold technological exchange meetings with key customers and promote advanced development

Heat-resistant coin-type lithium batteries:
Maintain top share globally, primarily in Europe

Asia/Japan × **ICT/AI**

Tapes for semiconductor manufacturing processes:
Expand sales by developing new customers in China, Taiwan, and Southeast Asia (by using a combination of sales networks of sales subsidiaries and local distributors)

EF² (electroforming products):
Increase existing market share and develop new markets not only in Japan, but also in Taiwan, China, and Southeast Asia

Semiconductor DMS:
Maintain and strengthen ties with top domestic customers

Americas × **Human/Social Infrastructure**

Primary batteries for medical devices:
Capture market share from leading manufacturers through technology alignment

Cylindrical lithium batteries:
Strengthen relationships with key customers overseas to maintain high market share

Tapes for construction:
Expand sales for airtight houses in North America

European sales

Building good relationships with customers is the key to success

Stewart Smith
Maxell Europe Ltd.

We build relationships of trust with our customers through continuous communication, predict potential market trends, and identify their needs. By providing Maxell's innovative solutions, we encourage open exchanges of ideas. The success of our current business stems from our ability to balance technical expertise, product solutions, and commercial positioning. Effective team communication is the cornerstone of developing and enhancing these capabilities.

Asia/Japan sales

Building trust through rapid responses

Tsugunori Takeuchi
Maxell Asia, Ltd.

Speed is particularly important in the Asian market, and we focus on coordination, both internal and external, to quickly respond to the constant stream of inquiries and requests. In order to cover the entire Asian region, there are numerous cultural differences and regional issues, and we must come up with solutions from a variety of perspectives. When I visit a customer location and am able to meet their diverse needs, I feel an irreplaceable sense of accomplishment.

North American sales

Working together as a team to secure long-term partnerships

Sandra Rasmussen-Carnes
Maxell Corporation of America

Our team shares the core values of trust, honesty, and diligence, and we secure long-term partnerships with customers by (1) developing strong professional relationships, (2) introducing products and new technologies, (3) preparing professional proposals, (4) managing schedules, (5) managing demand forecasts, deliveries, and production capacity, (6) concluding long-term contracts, and (7) securing customer programs for continuity.

Intellectual Property that Supports New and Existing Businesses

Aim to build intellectual property (IP) that is conducive to Value Creation, and to contribute to our businesses through IP utilization

Action Plan	Evolution of unique, original technologies that generate new value	KPI	Number of patents related to next-generation development technologies: 1.5 times in 5 years (from FY2022 to FY2026)
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Tatsuya Yamamoto
General Manager,
IP Innovation Division



Basic Policy

Maxell strives to maximize the value of IP through the basic operations of creating, nurturing, and managing rights for the purpose of appropriate protection of IP; through pursuing innovation in unique, original technologies; and through actively utilizing IP.

Additionally, we are also working on business activities that integrate our technology strategies and IP strategies, with a focus on our unique Analog Core Technologies. Furthermore, in order to utilize IP for sustainable growth in value creation, we are promoting IP investment and utilization strategies based on reporting to the Board of Directors and governance. At the same time, we are maintaining an attitude of respecting the IP of other companies in order to build a fair business environment, such as by carefully checking other companies' patents from the early stages of research and development.

We have laid down the foundation for creating a system for building a next-generation patent group, represented by all-solid-state batteries, by fiscal 2023. From fiscal 2024 onwards, we will work to further evolve and deepen our efforts and strengthen our human resources and organizational capabilities in order to build a patent group that can contribute to profits in the medium- to long-term.

IP Basic Duties

In order to maximize the contribution of IP to our businesses with our business environment, business strategy and IP information analysis as the base, we will steadily build an IP portfolio that will come to life in five to 10 years' time. We will achieve this through IP grand design activities, whereby we plan IP activities by "backcasting" – casting an eye back from the future use of IP envisioned at each business, to the present – and through

strategic invention activities that prioritize fostering IP rights with a focus on important technologies.

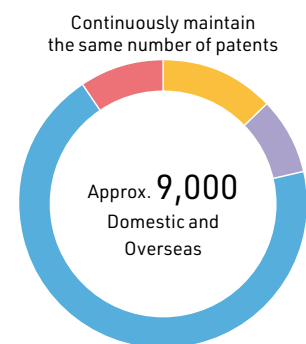
Company-wide innovation activities from an IP perspective

Through collaborations with the IP Innovation Division, the New Business Producing Division and the Sales & Marketing Division, as well as the Group companies, we will comprehensively explore the intellectual and human assets related to the technologies owned by Maxell Group, and drive innovation activities with the premise of creating new businesses across business segments by leveraging these assets. In fiscal 2024, we will strengthen and promote integrated cross-divisional activities through the newly established Cross-link Department.

IP Utilization

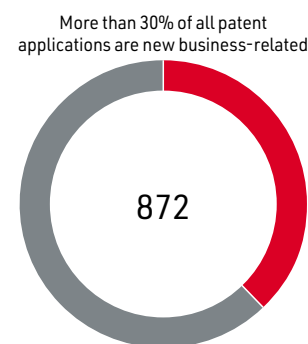
We will contribute to the protection and development of the Company's businesses with IP. Additionally, we will obtain licensing fees by licensing Maxell's IP to other companies, which will directly contribute to the Company's profit and lead to the emergence of new innovation and the continuous creation of new IP. We are proactively advancing licensing activities in the area of batteries, which is Maxell's founding business, and the area of video and communications, in which we possess high-value patents. In cases where the Company's IP is not being appropriately respected, we are prepared to take action when compelled to, such as lawsuits.

Patent Status



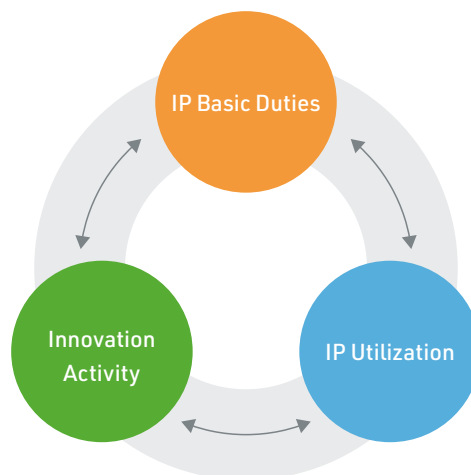
- Energy
- Functional Materials
- Optics & Systems
- Life Solution

Number of worldwide patent applications (FY2023)



- New Business Producing Division
- Other

* As of March 2024



External recognition: Selected for "Asia IP Elite 2024"

Since 2018, Maxell has been continuously selected for the "Asia IP Elite" by Intellectual Asset Management (IAM), an internationally authoritative intellectual property media organization, as one of the companies that position intellectual property at the core of their business strategy and conduct outstanding intellectual property activities.

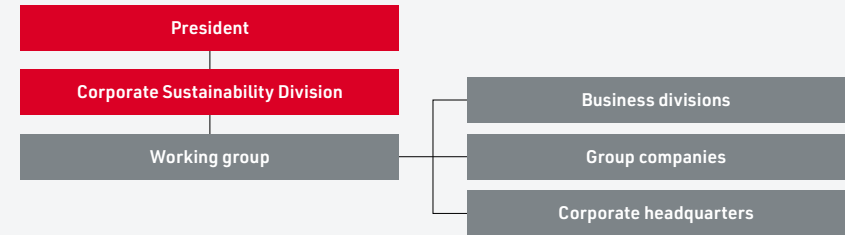
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Management Foundation Enhancement

Sustainability Management

Sustainability Promotion Organization

- Collaborative operation by representatives of each business division and corporate headquarters
- Established a Group-wide promotion system that involves all Group companies
- The Corporate Sustainability Division forms a cross-divisional working group to advance sustainability initiatives



Key initiatives and evaluations

FY2020

- Formulation of Corporate Sustainability Vision
- Summarization of alignment between business activities and SDGs

FY2021

- Identification of materialities (7 materialities and 20 action plans)
- Expressed support for TCFD recommendations
- Summarization of contributions of Maxell products and services to achievement of SDGs

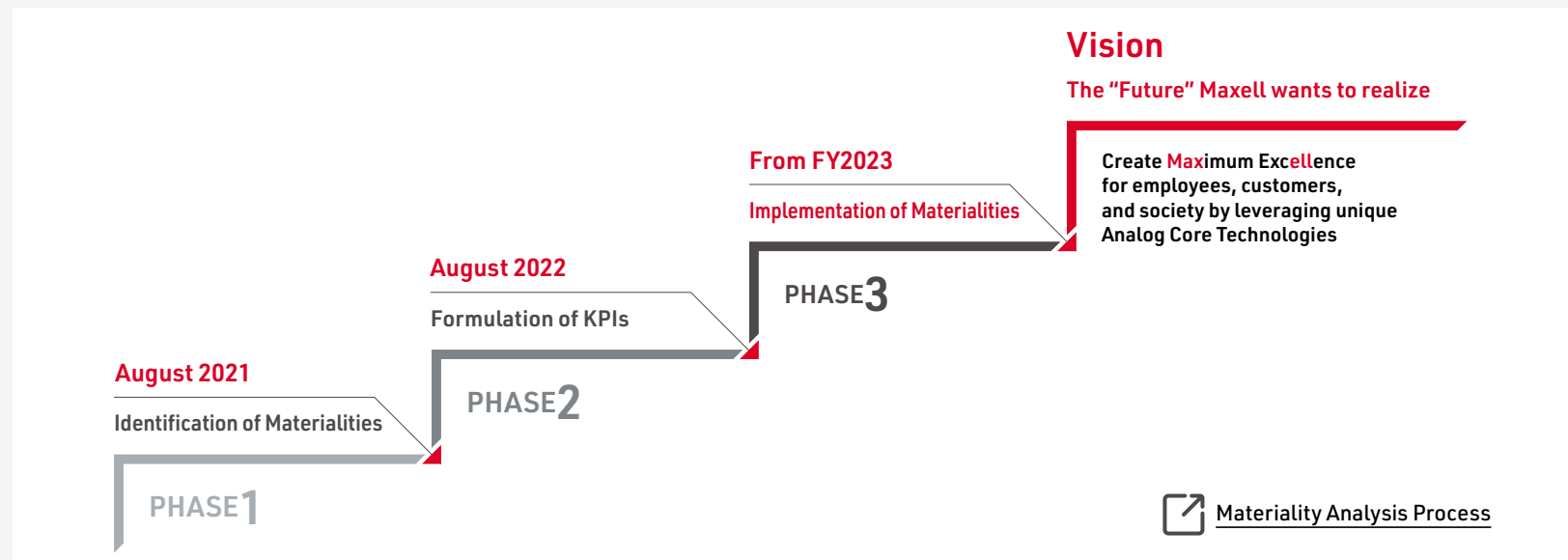
FY2022

- Disclosure of human capital-related information
- Partial revision of action plans and formulation of KPIs
- Conducted dialogues between president and employees at all business sites

FY2023

- Establishment of Environmental Vision and declaration of carbon neutrality by fiscal 2050
- Received an "AA" rating in the MSCI ESG ratings
- Received an "A-" rating in the CDP Climate Change Report 2023

Addressing important management issues through materialities, action plans, and KPIs



Maxell Group implements a variety of initiatives aimed at ensuring that the individuality of each employee is respected, and that our workplaces are rewarding to work at. These initiatives include the promotion of diversity and inclusion, work-life balance, and personnel training aimed at passing on Maxell's technological strengths to future generations.

Strengthening human capital

We have been working to strengthen our human capital by implementing various measures based on "acquiring diverse talent," "sustainable development," "appropriate allocation,"

"creating a rewarding workplace environment," "enhancing management participation awareness," and "fostering corporate culture."

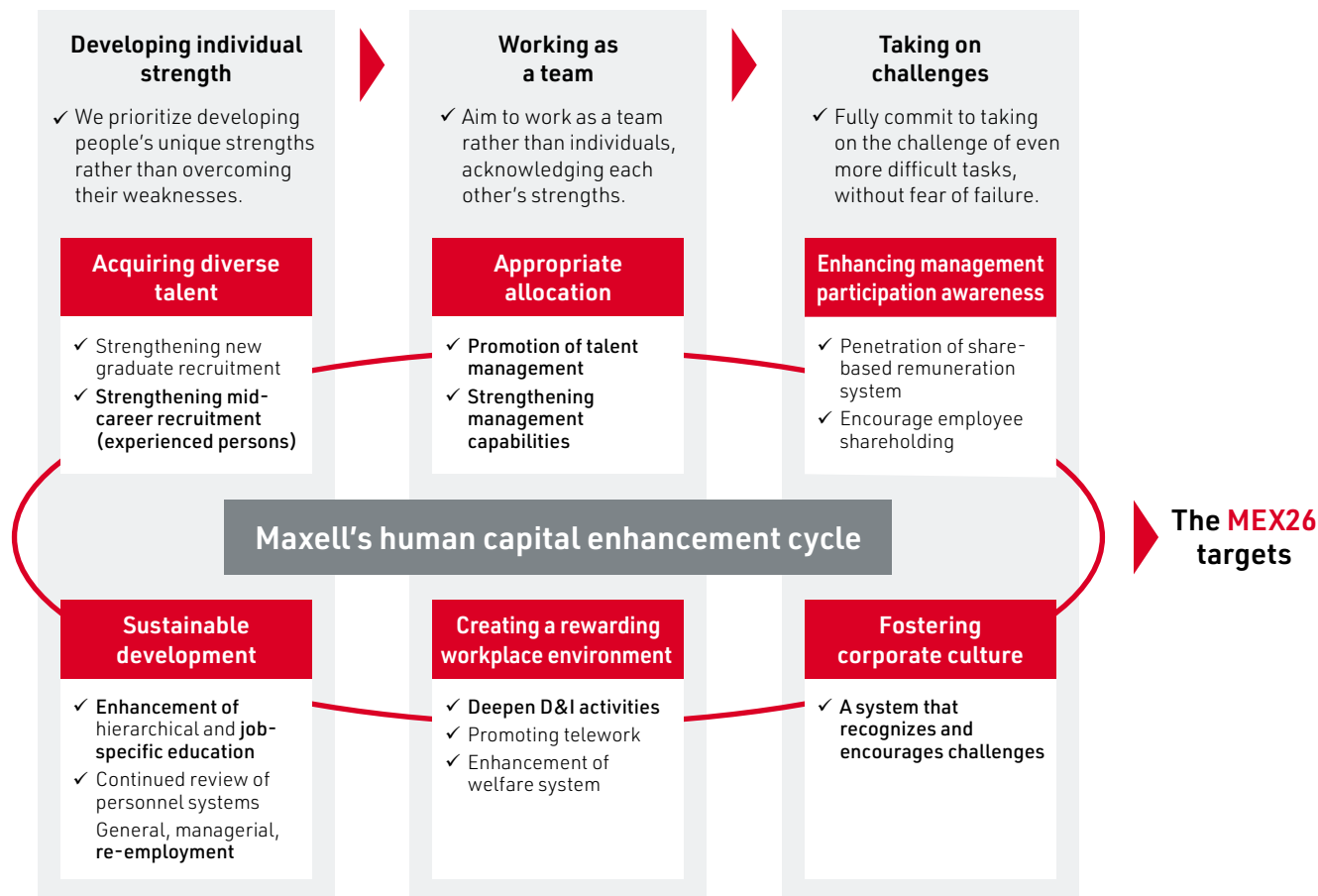
During MEX26, we will provide priority investment for implementing various measures to "develop individual strengths," "work as a team," and "take on challenges."

Acquiring diverse talent

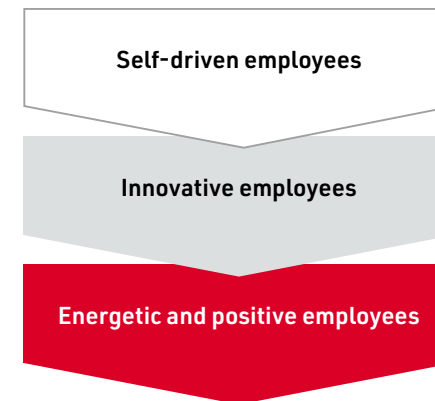
To further enhance trust in the Maxell brand and achieve sustainable growth, it is essential to have personnel who can identify issues, think independently, and take action in response to various changes to customer needs and market environments.

We have identified three key words for the Maxell Group's desired talent profile: self-driven employees, innovative employees, and energetic and positive employees. We will redouble our efforts to recruit and nurture exceptional talent, enabling a diverse range of individuals to bring together and coordinate their expertise, take on the challenge of creating new value, and work together on helping to create the future.

The path to achieving the MEX26 targets



Desired talent



Additionally, in consideration of the importance of diversity, the Group is also proactively hiring diverse talent, including foreign nationals, women, and people with various career backgrounds; our aim is to strengthen our organizational capabilities by making the most of talent with different values, sensibilities, and experiences. The new graduate recruitment rate targets for women at Maxell, Ltd. are 25% for engineering jobs and 50% for administrative and sales jobs.

We also support a balance between work and home life through childcare and nursing care by implementing our “return entry” system, which rehires employees who have left us for reasons such as childbirth, childcare, or nursing care within five years of their leaving provided that the employees and the company have mutually agreed.

Gender ratio* of new graduate recruits of Maxell, Ltd.

	Female	Male
FY2022 cohort	15.0%	85.0%
Engineering jobs	11.8%	88.2%
Administrative/sales jobs	33.3%	66.7%
FY2023 cohort	36.4%	63.6%
Engineering jobs	29.4%	70.6%
Administrative/sales jobs	60.0%	40.0%
FY2024 cohort	50.0%	50.0%
Engineering jobs	42.9%	57.1%
Administrative/sales jobs	66.7%	33.3%

* Gender ratio among recruits with university degrees or higher



Comment from an experienced professional/
mid-career hire employee

I want to develop a talent portfolio and a talent strategy that suit Maxell

Yohei Takimoto
Human Resources & General Affairs Department

I am currently responsible for the recruitment of experienced professionals/mid-career hires. I developed an interest in human resources work from my experience in my previous job in talent sourcing and sales, and joined Maxell with the hope of building a human resources strategy connected to on-boarding and management that goes beyond hiring.

Maxell maintains a balance between business divisions and administration divisions, and I have found that proposals for improvement are easily accepted. In the future, I hope to gain knowledge and build up experience, not only in recruitment but also in the wide-ranging work of human resources, so I can create a human resources portfolio that suits the company and promote the acquisition of talent.

Action Plan	Strengthen the management that leverages human resources (build a human resources strategy, promote the right person in the right place and talent management)
KPI	(1) Talent management system: Introduce to the Group companies by FY2026 (2) Career interview implementation ratio: 100% (3) Education for personnel evaluators: 2 times/year (4) Improve job satisfaction ratio in employee awareness survey: 90% or higher (FY2026)

Action Plan	Establishment of a system for human resource development and evaluation that creates proactive talent capable of creating something out of nothing
KPI	Creation of skill maps for desirable human resources (FY2026) NEW

Appropriate allocation and sustainable development

Maxell provides education with set points from key initiatives, based on our three education policies.

With these policies, we aim to raise the standard of our human resources through hierarchical and selective education, as well as education for personnel evaluators during evaluation periods. We are also developing job-specific education in the “global,” “sales and marketing,” and “technology” areas, through which we implement training based on hierarchy in

Basic educational policies

- (1) People are the most important resource for a company, and in addition to fostering a culture of ongoing education, we aim to be a company in which people grow and develop.
- (2) Develop human resources able to identify societal changes, work sincerely toward achieving greater creativity and technological capabilities, and provide value to employees, customers, and society.
- (3) Develop human resources with a global, diversity, and inclusion mindset.

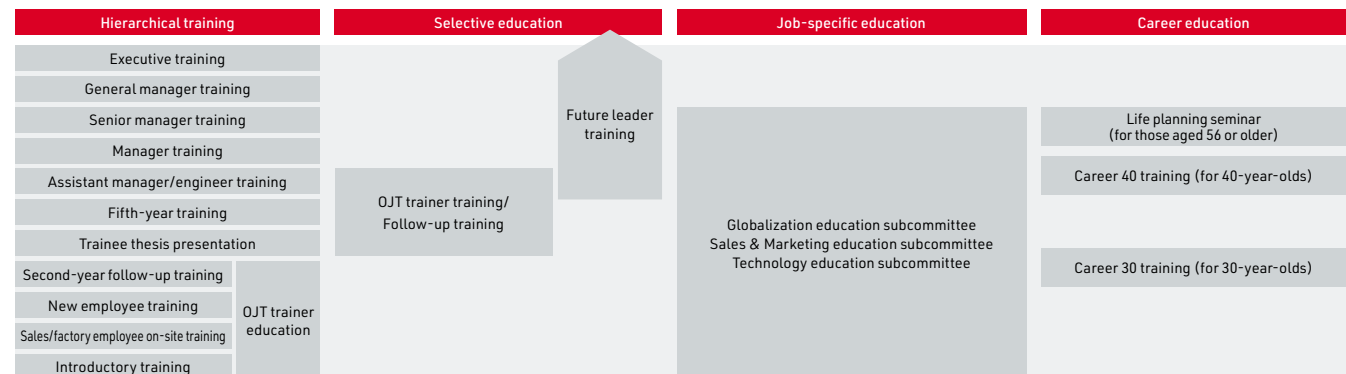
various specialized fields and global education with overseas training, etc.; we use various educational curriculums to develop human resources who are able to create new value, with regular refinement of our education themes and techniques in accordance with the times.

In fiscal 2023, we redefined the desired talent that is the core of our human resources portfolio. In fiscal 2024, we started creating skill maps that will lead to the development and acquisition of said talent.

We finished introducing a talent management system in fiscal 2022, with the aim of making personnel information more visible, and have carried out human resources development and promotion. We will update our KPI in the future, aiming to introduce this system to our Group companies by fiscal 2026.

When it comes to career interviews, we will create a structure that will aid training plans by sharing interview content within departments, and aim for a continuing implementation ratio of 100%.

Human resources development system





Comment from overseas job training participant

I want to contribute to the overall improvement of the department by sharing my own experiences

Yusuke Mimura
EF2 Business Development Department,
Optics & Systems Division

I participated in overseas job training in Taiwan for one year. This was my first time going overseas, both for business and for private reasons, so I gained much by staying there for a whole year. Also, while Taiwan is a comfortable place to live in, I needed to learn Chinese from scratch rather than using English, which I had studied to a certain extent. Because of this, I felt this was a more accessible challenge for someone who is not confident in their English.

I was the first person from Kyushu Works to participate in the overseas job training, so I plan to share my experiences with as many people as possible, and to tackle my future work in a way that greatly benefits the whole department.

Employee awareness survey

At Maxell we conduct an employee awareness survey once a year. In fiscal 2023, we expanded the scope of the survey to our domestic Group companies; we innovated the survey questions and created and developed reports by department in order to further increase the clarity of issues as we work to strengthen our human capital.

We established seven new elements for engagement: enthusiasm, immersion, dynamism, positive feeling in the workplace, a sense of future engagement, a unified direction, and satisfaction with the current situation. We achieved a score of 63% compared with our target score of 90% or higher of positive respondents. To reach our goal, we will work on policies as a company, mainly initiatives such as talent management to enable individuals to build their careers and acquire the skills they need, organizational invigoration through communication initiatives, and management

Engagement score (percentage of positive respondents)

FY2021	FY2022	FY2023
50%	55%	63%

* Overall satisfaction score for company life until FY2022

enhancement measures. We are also carrying out development for our survey reports, including department-based measures, and working to implement improvements by workplace.

Action Plan	Promoting diversity and inclusion (utilize diverse human resources and accept different values)
KPI	(1) Encouragement for men to use childcare leave: 100% usage rate (FY2024) NEW (2) Recruitment ratio of female graduates: 50% or higher for administrative jobs, 25% or higher for engineering jobs

Establishing a rewarding workplace environment

Maxell has created a diverse work system, enabling all employees to engage in flexible workstyles according to their lifestyle and life stage. Notably, we have established a system that exceeds the legal level of childcare and nursing care to ensure a balance between work and home. With regard to the use of childcare leave by men, we have offered five days of new paid childcare leave for a child's birth since fiscal 2023; this had a usage rate of 42%. We have established a KPI of a 100% usage rate in fiscal 2024, and are promoting the creation of workplaces in which it is easy to take leave.

Employees taking childcare and/or nursing care leave

	FY2021	FY2022	FY2023
Childcare leave, etc.*	14 employees	15 employees (5 male, 10 female)	16 employees (12 male, 4 female)
Nursing care leave	0 employees	1 employee	1 employee

*Includes the number of people taking childcare leave for a child's birth from FY2023

Running D&I workshops

At Maxell, we emphasize diversity and inclusion and aim to enhance organizational problem-solving capabilities, creativity, and flexibility by harnessing personnel with differing values, sensibilities, and experience. In particular, we place strong emphasis on activities at "M-Wing," a company-wide project run by members selected from each business division. The project's slogan is "Fostering companies and workplaces where everyone can thrive," and we continue to work toward this goal.

In fiscal 2023, in addition to our bottom-up M-Wing activities, the Secretariat carried out individual diversity and

inclusion promotion interviews for directors, as well as running workshops for the heads of our business divisions. Participants once again discussed Company initiatives, and shared their feelings on issues such as "creating a culture and framework to take on new challenges" and the "necessity of each person who works at Maxell understanding D&I in terms of their own work." Awareness of these issues was reflected in the themes for employee workshops.



Snapshot of D&I workshop



Comment from a user of the system

I want to promote the creation of an environment that facilitates easy utilization of the system

Shogo Matsunami
Human Resources & General Affairs Department

I took five days of leave when my wife gave birth to our second child. It was great that I could be there at the moment of birth and spend the important time after the birth with my family.

Because this is a new system, not many people have used it yet, but I've been proactively encouraged by the members of my workplace to do so. I was so grateful for the understanding and support of everyone around me, and in the future I want to take my turn in giving active support. I hope the creation of an environment that makes it easy to use this system will gradually spread to each workplace.

Creating Human Resources and Organizations that Generate Value

Action Plan	Improve productivity and promote the transmission of skills through the standardization of business processes
KPI	(1) Reduce the total annual working hours of employees by 2.5% compared to FY2023 1,850 hours (FY2026) NEW (2) 100% achievement of the company-wide education plan

Promoting digitalization to assist with work style reforms

Maxell is proactively promoting digitalization as a key measure in strengthening its management foundation and advancing work style reforms.

To strengthen our management foundation, we are carrying out business reforms and revamping our core systems to standardize operations, moving away from the current form of management in which each domestic and overseas site establishes its own operational foundation individually. In this way, we are working toward lower operation costs, stronger corporate governance, and optimized utilization of human resources.

Notably, we are aiming to realize automation of operations and increase operational efficiency as much as possible, particularly in indirect departments such as general affairs, accounting, and business operations, and looking to enhance productivity and reduce costs by promoting digitalization measures such as the use of teleworking and clouds, and streamlining operations through RPA (robotic process automation).

Continuing IoT/AI engineer development and digital literacy education

We aim to develop IoT/AI engineers who can play an active role in the creation of IoT businesses, acquiring knowledge on programs related to IoT through practical education provided via the "IoT Human Resources Development Program." Specifically, we provide opportunities for employees to learn practical programming and master the programming language Python with the aim of nurturing personnel who can use their IoT and AI knowledge to implement devices and applications. Approximately 60 employees are currently participating. By steadily implementing such initiatives, we are strengthening our ability to connect needs and seeds based on reliable technologies, ultimately enhancing our capacity to create new businesses based on IoT and AI technologies.

In addition to the specialized training mentioned above, to enhance the IT literacy of each employee, we have created

an environment in which employees can continue to learn, including the preparation of a platform where they can learn basic computer skills and Office operation skills that are useful in the workplace.

In fiscal 2023, we implemented 100% of our different education plans, including the transmission of skills. We will continue our education and training according to our plans in fiscal 2024.

Initiatives to reduce total working hours

Maxell maintains a balance between work and employees' personal lives through the flexible use of annual paid leave and a flexible working system so our employees are healthy in body and mind and can carry out activities that fully demonstrate their abilities in their work.

Through the Labor-Management Council meetings that are held at each business site every month, we implement activities in which labor and management are united, while gaining an understanding of overtime and the number of days of paid leave taken. More specifically, every month we set days when people should clock out at their expected time, spread this information to employees via opening messages on computers and flags on the premises, and encourage employees to leave on time. To promote the use of leave, in fiscal 2023, we also set common days to encourage people to take paid leave across the company, in addition to activities at each business site. We will continue reducing overall working hours in fiscal 2024, both by shortening long working hours and encouraging people to take paid leave. This will increase productivity.

Enhancing management participation awareness

We are aiming to increase management participation awareness and continue raising our corporate value through employees holding company shares, as well as furthering value-sharing with shareholders. With these goals in mind, we have introduced a share-based remuneration system to deliver restricted stock and an employee shareholding association system.

The share-based remuneration system sees shares with a 5-year transfer restriction given to managerial level employees in the Company once a year.

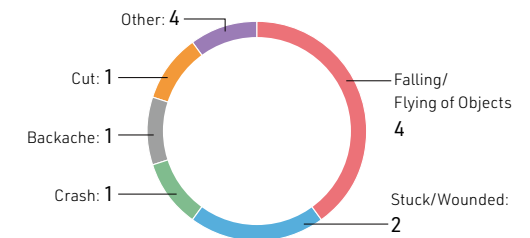
The Maxell Group's employee shareholding association system was introduced for employees and re-employed employees in the Company and the domestic Group companies.

Initiatives for occupational health and safety policies and the prevention of work-related accidents

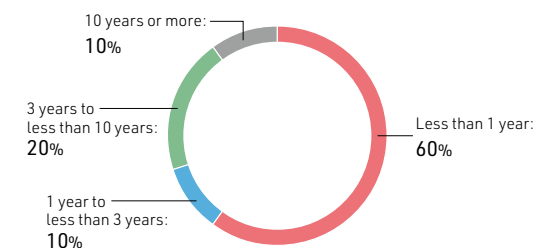
Maxell Group companies work as a team to carry out occupational health and safety activities under the basic policy of "Put Highest Priority on Safety and Health." In fiscal 2023 as well, we carried out "strictly adhering to basic safety behavior rules" and the "5W (5 whys) to be used when unsafe behaviors and situations occur," aiming for zero fatal and serious accidents. We strengthened our activities to eliminate recurring accidents and aimed for eliminating occupational accidents.

As a result, as of fiscal 2023, Maxell, Ltd. has had no instances of fatal accidents or serious work-related incidents (including fatal incidents) that resulted in disability (for company employees, temporary workers, and resident contract employees) for five consecutive years from fiscal 2019. We will strive to prevent serious work-related accidents by thoroughly implementing measures to stop work-related accidents, including risk reduction measures based on risk assessments, Safety and Health Committee meetings, and internal safety patrols. We will also work to grasp data from the whole Group and disclose information.

FY2023 work-related injuries by category (cases)



FY2023 work-related accident occurrence rates (by years of work experience)



At Maxell Group, we recognize that addressing global environmental issues, including global warming, is an urgent priority. To help address such issues, we have introduced an environmental management system and are advancing group-wide efforts.

Environmental Management

Operation of Environmental Management System

Maxell Group is committed to environmental initiatives, including efforts to help prevent global warming, in accordance with its “Environmental Conservation Action Guidelines.” Our activities are led by the president and are conducted in line with the environmental management system according to various standards. We ensure compliance with regulations such as the REACH regulation and the RoHS directive and are steadily reinforcing our compliance efforts. We are also bolstering our focus on activities aimed at achieving environmental results based on the ISO 14001:2015 standards.

Moreover, in October 2021, the Maxell Group announced our endorsement of the Task Force on Climate-related Financial Disclosure (TCFD), which promotes the identification and disclosure of the risks and opportunities that climate change presents to companies and financial markets, and conducted

scenario analyses.

A third-party organization assures any environment-related data we disclose and ensures its accuracy.

Establishment of Maxell Group’s Environmental Vision

In 2020, the Japanese government set the target of achieving carbon neutrality by 2050, thereby necessitating even greater CO₂ reduction; in response to this, the Maxell Group established its Environmental Vision in July 2023. We are pursuing a variety of initiatives on the way to achieving our goal of reducing domestic CO₂ emissions by 50% from fiscal 2013 levels (scope 1 and 2 emissions) by fiscal 2030 to achieve a carbon-free society.

Additionally, looking toward 2050, the Group will continue with efforts such as factory energy efficiency-boosting initiatives, increased use of renewable energy, and the use of non-fossil certificates. The Group will also contribute to the achievement of carbon neutrality by fiscal 2050 (global Scope

1 and 2 emissions) and the realization of a sustainable society through the implementation of decarbonization technologies developed by Maxell Group. These decarbonization technologies include our electrolysis reactors, used in the electrolytic reduction of CO₂ through the production of electrodes via dispersion and coating technologies. These are one of the Analog Core Technologies that Maxell has developed since our founding in the course of developing and manufacturing products like magnetic tapes and lithium-ion batteries. To contribute to achieving a recycling-oriented society, Maxell Group has also set targets to reduce waste intensity per production as a way to promote waste-free design and manufacturing throughout the entire Group. The initial focus will be on reducing loss resulting from manufacturing errors.

Additionally, in response to growing concern over plastic waste-related issues like ocean plastic pollution, the Group has set the target of commencing chemical and material recycling of composite plastic waste generated at its facilities by fiscal 2030.

Environmental Vision

Maxell aims to achieve “a carbon-free society” and “a recycling-oriented society” by pursuing innovation and contributing to the realization of a sustainable society in which everyone can live with peace of mind.

Initiatives toward achieving a carbon-free society		
Targets	FY2050	Achieve carbon neutrality Subject: Scope 1 and 2 emissions (global)
	FY2030	Reduce CO ₂ emissions by 50% or more (vs FY2013) Subject: Scope 1 and 2 emissions (domestic)
Initiatives toward achieving a recycling-oriented society (Resource saving and resource recycling of plastics, etc.)		
Targets	FY2030	- Achieve waste intensity per production*1 of 0.0450 (tons/million yen) or less (reduction by 19% vs FY2021) Subject: Global
		- Commence chemical/material recycling of composite plastic waste

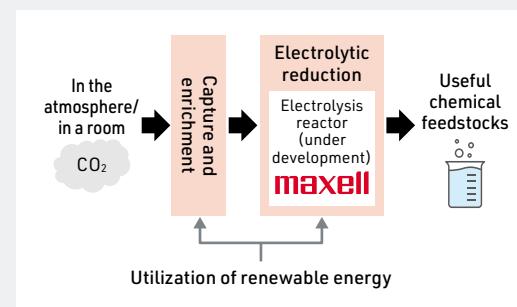
*1 Waste intensity per production is an index for generated waste amount. Waste amount (t) / production amount (million yen)

TOPICS

Participating in the NEDO Moonshot Research and Development Program “Integrated Electrochemical Systems for Scalable CO₂ Conversion to Chemical Feedstocks”

Maxell has participated in the New Energy and Industrial Technology Development Organization (NEDO) Moonshot Research and Development Program “Integrated Electrochemical Systems for Scalable CO₂ Conversion to Chemical Feedstocks” since April 2023 as a recommissioning contractor.

The development of electrolysis reactors used in the electrolytic reduction of CO₂ for this project is being carried out jointly by Maxell and Osaka University. These large electrolysis reactors will be developed by using our Analog Core Technologies that Maxell has cultivated since its foundation in the course of development and manufacturing of products like magnetic tapes and lithium-ion batteries, and are being readied for practical application through the production of electrodes via dispersion and coating technologies. We are promoting their development and thus contributing to the significant recycling of CO₂.



Maxell Group Environmental Action Plan for Fiscal 2023

Based on the belief that environmental activities and contribution to business performance should be managed in an integrated manner, Maxell Group aims to motivate its workforce through the management of indicators (on intensity per production basis: amount consumed/amount produced) that help to visualize efforts for improvement. The indicator we used until fiscal 2022, which was based on intensity per net sales, is no longer used due to the increasing cost of electricity and other energy resulting from soaring crude oil prices and the rising waste disposal costs, which made it impossible to provide appropriate evaluations.

In fiscal 2023, we met our target for intensity per production for waste. When it came to intensity per production for energy and water, although we had reduced production volume, we were not able to achieve consistent reduction of usage, and so fell short of our targets. We will continue making

improvements as we strive to save energy and water.

In fiscal 2023, Maxell Group experienced no significant environmental incidents, and was subject to no environmental fines or complaints. Additionally, with the enforcement of the Fluorocarbon Emissions Control Act, we conducted both simplified inspections (quarterly) and statutory inspections. These inspections showed an annual leakage of 235 tons of fluorocarbons, a volume that is below the reporting threshold.


Action Plan	Strengthen environmental technologies and environmentally conscious products
KPI	Define standards to show the degree of contribution to social and environmental issues, and approve products that exceed these standards as "Eco Excellence" Eco Excellence approval: 10 products or more (during MEX26) NEW

Reduction of Environmental Burden through Environmentally Conscious Products

At Maxell Group, we evaluate the quantitative environmental impact of new products at each stage of their life cycle in accordance with environmentally conscious design assessment criteria at the design and development stages, and register those that meet certain standards as "environmentally conscious products." When a product does not meet the standards for "environmentally conscious products," we conduct eco-friendly CSR/CSV product assessments. Products deemed to meet certain criteria through this assessment are registered as eco-friendly CSR/CSV products that contribute to the achievement of the SDGs.

We are currently upholding a 100% registration ratio of eco-friendly CSR/CSV products; as we seek to further reduce the environmental burden and solve social issues, we have decided to establish and award new certification standards that pick out excellent products from among the eco-friendly CSR/CSV products with the goal of increasing awareness and motivation among product designers and developers, and initiatives to demonstrate the degree of contribution to environmental issues, a subject of heightened importance around the world.

These excellent products will be named and approved as "Eco Excellence," if they exceed certain standards when compared to existing products or products from other companies, based on five criteria: (1) CO₂ reduction, (2) weight reduction, (3) use of recycled materials/materials with a low burden on the environment (alternative materials), (4) long life, and (5) recycling when the product is to be disposed of.

 Examples of products that contribute to environmental and social value












Recycling of Products

In accordance with the "Act on the Promotion of Effective Utilization of Resources," Maxell has joined an association called the Japan Portable Rechargeable Battery Recycling Center (JBRC) and displays recycling symbols on the lithium-ion batteries manufactured and sold, and promotes the use of the association's collection and recycling system to customers.

In fiscal 2023, through such supporting activities, the amount of small lithium-ion batteries collected by JBRC was 589 tons (100% compared to the previous year), which was approximately the same amount as in fiscal 2022. We

Environmental Action Plan for FY2023^{*1}

Evaluation:  Achieved  Achievement rate 95% or higher  Achievement rate less than 95%

No.	Action targets		Classification ^{*2}	FY2023			FY2024
				Targets	Results	Evaluation	Targets
1	Net sales ratio of eco-friendly CSR/CSV products ^{*3} (%)		Domestic/overseas	100	100		100
2	Registration ratio of eco-friendly CSR/CSV products using new assessment approach (%)		Domestic/overseas	100	100		100
3	Market introduction ratio of eco-friendly CSR/CSV products (%)		Domestic/overseas	100	100		100
4	"Eco Mind" education participation ratio (%)		Domestic/overseas	100	100		100
5	Continuation of zero emissions (years) (target: manufacturing facilities) (Final disposal volume: less than 5t, final disposal ratio: less than 1%)		Domestic	23	23		24
6	Energy	Intensity per production x 10 ⁻³ (kL/million yen)	Domestic/overseas plants	398	417		425
			Domestic plants	324	355		361
7	Waste	Intensity per personnel and floor space (kL/person + km ²)	Domestic/overseas offices	18	16		16
		Intensity per production x 10 ⁻⁴ (t/million yen)	Domestic/overseas plants	538	512		538
8	Water	Recycling ratio (%)	Domestic/overseas plants	70	91		70
		Intensity per production x 10 ⁻² (m ³ /million yen)	Overseas plants	800	818		800

*1 Value of in-house production amount at overseas plants converted to yen at fixed exchange rates.

*2 Overseas plants: Maxell Digital Products China Co., Ltd., Wuxi Maxell Energy Co., Ltd., Maxell Tohshin (Malaysia) Sdn. Bhd., PT. Sliontec Ekadharna Indonesia, Gangquan Precision (Shenzhen) Co., Ltd.

*3 Eco-friendly CSR/CSV products are products that meet either the criteria for environmentally conscious products or CSR/CSV products.

believe that recycling is becoming an ingrained habit among consumers. With regard to projectors, in April 2019 we received approval from the Ministry of the Environment under the “wide area certification system” to promote recycling, and we have continued to collect projectors for recycling since then. As for hair dryers and shavers, they fall under the “Act on Promotion of Recycling of Small Waste Electrical and Electronic Equipment,” and collection is carried out by each municipality.

Action Plan	Conserving resources and energy, and promoting the introduction of renewable energy
KPI	(1) Domestic CO ₂ emissions: Reduce by 50% or more by FY2030 (vs FY2013) (2) Renewable energy ratio: 15% in FY2030 (= Renewable energy used/total electricity) (3) Waste intensity per production: 0.0500 (tons/million yen) or less (FY2026) NEW

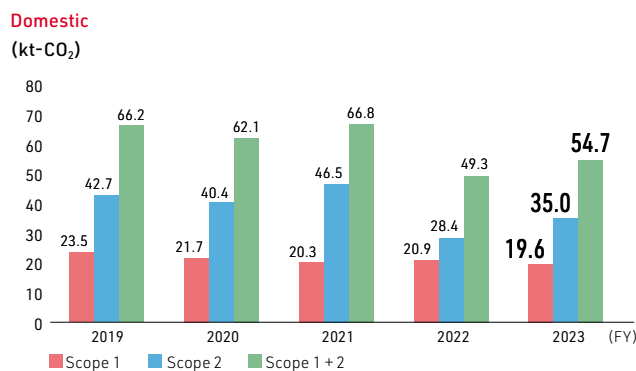
Helping to Prevent Global Warming

We have set “Conserving resources and energy, and promoting the introduction of renewable energy” as a materiality action plan. The plan includes a KPI of achieving a reduction in CO₂ emissions of 50% or more by fiscal 2030 compared to fiscal 2013, and we are proactively working toward this. Concrete measures undertaken by Maxell Group as part of plant electricity-saving measures include visualizing electricity consumption patterns to reduce wasteful electricity usage, improving operational efficiency through demand management at facilities, updating air conditioning systems, switching to LED lighting, and planting of green walls. In fiscal 2022, the Kobuchizawa Works, Kyoto Works, and Ono Works began solar power generation for in-house consumption. In fiscal 2023, the Kyoto Works generated 256 MWh, while the Ono Works generated 734 MWh. We also started purchasing non-fossil certificates in fiscal 2022. These efforts allowed the Group to exceed the “Renewable energy ratio of 10% by fiscal 2030” KPI in fiscal 2022, and we therefore set a target of “Renewable energy ratio of 15% by fiscal 2030” as a new KPI.

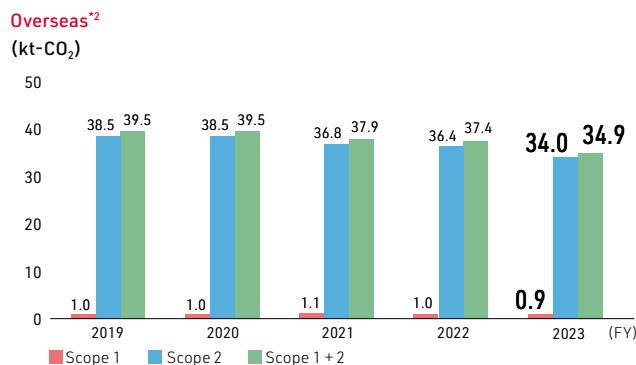
Our domestic CO₂ emissions in fiscal 2023 rose by 11% from the previous year, while overseas emissions dropped by 7%, leading to an overall rise of 3% across the Group as a whole (down 42% compared to fiscal 2013). The reason for

the rise within Japan was the significant worsening of the CO₂ emission factor of our main contracted electricity company. In the future, we will continue to reduce electric power through energy-saving activities, introduce solar power generation for in-house consumption, and increase our percentage of non-fossil certificates. In addition to solar power generation for in-house consumption, the Ono Works is also selling electricity generated with its solar power facilities. In fiscal 2023, 1,382 MWh of electricity was generated for this purpose, contributing to the prevention of global warming.

CO₂ emissions (Scope 1 and 2^{*1})



*1 Scope 1: Direct emissions due to fuel combustion, etc. at business sites
Scope 2: Indirect emissions from purchased electricity, etc.

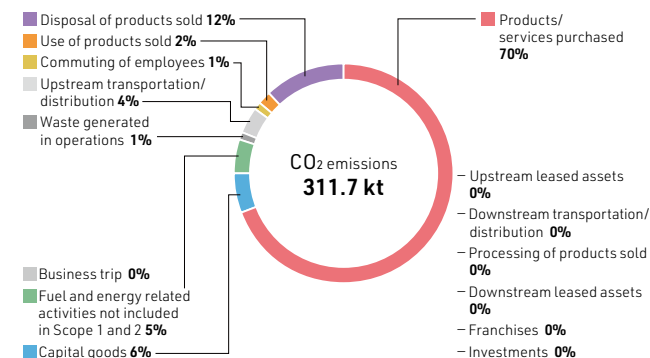


*2 Electricity/CO₂ conversion coefficient: Malaysia 0.62, China 0.61, Indonesia 0.78 (unit is t-CO₂/MWh for all countries)

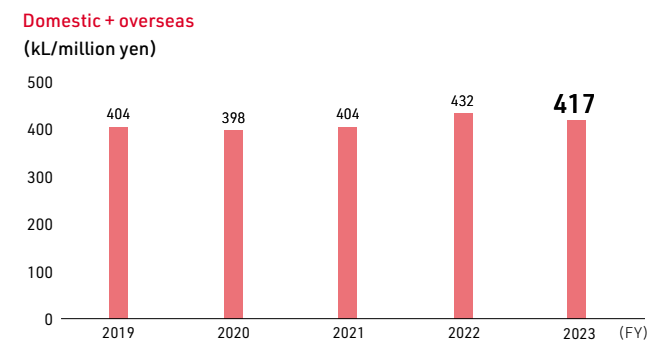
Scope 3

Maxell Group calculates total CO₂ emissions across the entire supply chain, including Scope 3 emissions. Scope 3 emissions refer to indirect emissions other than Scope 1 and Scope 2 emissions. For emissions calculations, starting from fiscal 2018, we aggregate and disclose performance data in accordance with the “Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain” issued by the Ministry of the Environment and the Ministry of Economy, Trade and Industry.

Breakdown of Scope 3 CO₂ emissions by category



Energy intensity per production



Ascertaining Transport-related Energy Intensity Per Production

Since Maxell Group offers a wide range of products, we monitor the transport-related energy intensity per production at each manufacturing base.

In fiscal 2023, the total figure for all manufacturing bases decreased by 7% compared to the previous fiscal year.

	Production amount (million yen)	Usage (ten thousand ton-km)	Intensity (ton-km/million yen)
FY2021	58,186	1,014	174
FY2022	51,919	958	184
FY2023	53,008	903	170

Waste Reduction and Recycling

With regard to conserving resources as part of our materiality action plan, our recent focus has been on measures for waste plastic as an environmental issue, and we are investigating chemical/materials recycling.

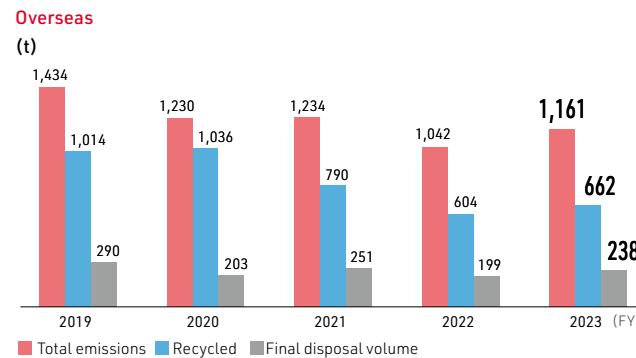
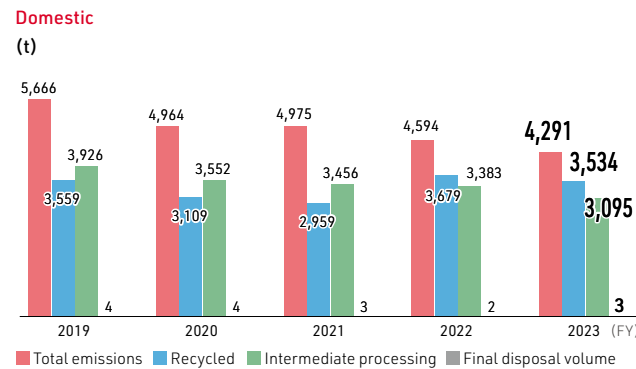
Furthermore, at Maxell Group, we are working toward “Zero emissions”^{*1} by ensuring thorough waste separation, promoting the monetization of valuable waste through information sharing at each business site, and expanding and enhancing in-house intermediate processing.

For example, in the lithium-ion battery manufacturing process, we separate paint residue and end cuts generated in each production step, and deliver these to appropriate companies to recycle copper, aluminum, and rare metals such as cobalt (20 tons in fiscal 2023).

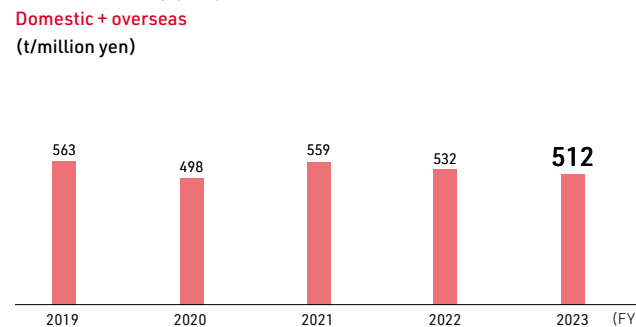
At the Ono Works, we also recycle silver oxide (1.7 tons in fiscal 2023). The amount of valuable waste generated domestically in fiscal 2023 was down 3% compared to the previous fiscal year. As a result of our intensified recycling efforts, domestic manufacturing bases achieved zero emissions for the 23rd consecutive year.

^{*1} Criteria for zero emissions (criteria for each business site): Final waste disposal volume less than 5 tons/year and final disposal ratio less than 1%/year

Situation of wastes, etc.



Waste intensity per production

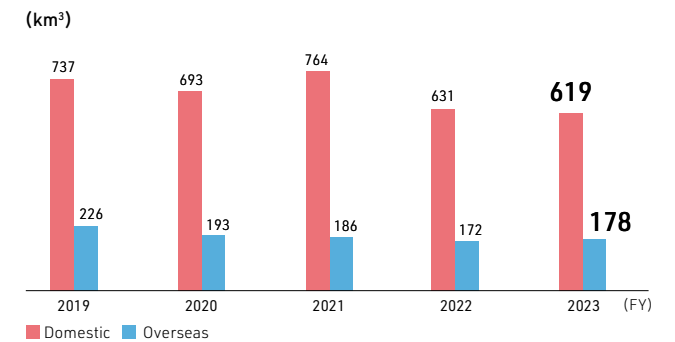


Water Consumption Reduction Initiatives

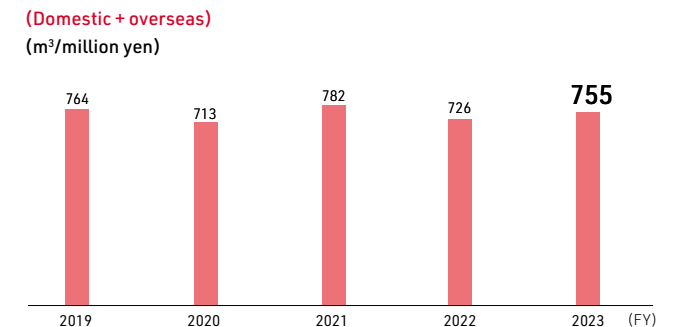
Maxell Group strives to reduce water consumption in manufacturing processes and conserve water resources through reutilization and other practices. For instance, at the Kyoto Works, a system to recover and reuse 100% of drain water was introduced in response to increased steam usage due to the increased production of lithium-ion battery electrodes. This resulted in a saving of 40 km³ of water annually. In Maxell Group’s domestic business sites, there was a 2% reduction in water usage compared to the previous fiscal year, and at the Group’s overseas business sites where water risk^{*2} is high, there was a 4% increase compared to the previous fiscal year. Overall, Maxell Group achieved a 1% reduction in water usage compared to the previous fiscal year.

^{*2} Water Risk Atlas (Aquaduct)

Water consumption



Water intensity per production



As we look toward 2050, we will continue to conduct energy-conservation activities at our factories, to introduce renewable energy, and to utilize non-fossil certificates, and, via the societal implementation of decarbonization technologies to be developed at Maxell Group, we will also contribute to achieving carbon neutrality (global Scope 1 and 2) by fiscal 2050 and realizing a sustainable society.

Basic Approach

Climate change is a threat to the health of both humanity and the earth, affecting our businesses, customers, and supply chain. As one of the companies addressing climate change, we believe that we have a significant role to play in contributing to global efforts to prevent climate change. Whereas we understand that climate change poses risks, such as increased costs and business disruption, we also see it as an opportunity for Maxell to create new value by meeting the societal needs that emerge.

Maxell announced its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in October 2021. We will conduct scenario analysis in accordance with the guidelines laid out by the TCFD and will work to disclose relevant information such as our governance and strategies.

Maxell is implementing initiatives in accordance with the framework below, which covers the four core elements of the TCFD recommendations: governance, strategy, risk management, and metrics and targets.

Governance

The Board of Directors is responsible for decisions relating to Maxell's climate change initiatives.

- The Board of Directors is our highest decision-making body and is responsible for all decisions, including those concerning climate change-related issues.
- The president and representative director is in charge of climate change-related issues. The president also serves as the head of the Environmental Committee, and is responsible for incorporating all environment-related issues into our corporate strategy and targets.

Board of Directors decisions on climate change-related initiatives

- (1) Endorsement of TCFD recommendations (October 2021)
- (2) Set the medium- to long-term goal of "Reducing domestic CO₂ emissions by 50% or more by 2030 (vs. FY2013)" and a commitment to focus on addressing environmental issues (November 2021)
- (3) Introduction of solar power generation for in-house consumption (December 2021)
- (4) Disclosure of TCFD scenario analyses (September 2022)
- (5) Establishment of Environmental Vision and declaration on Carbon Neutrality (July 2023)
- (6) Reported the results of TCFD scenario analysis for all Maxell business divisions (July 2023)

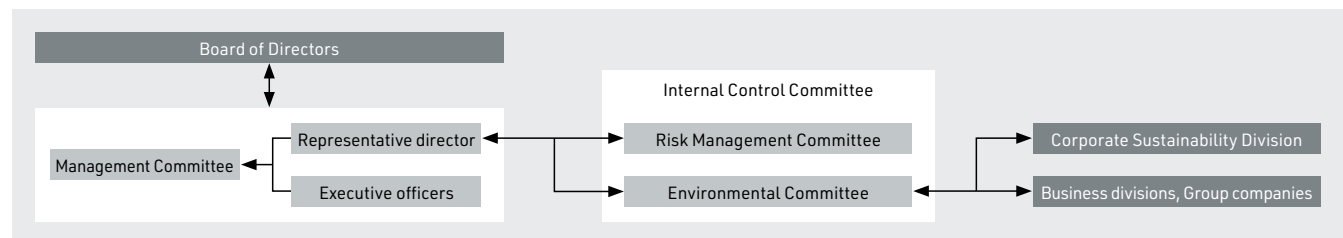
- We have established an Internal Control Committee to ensure and strengthen the effectiveness of corporate governance for the enhancement of the entire Group's corporate value and the achievement of management objectives. As for climate change, the Environmental Committee is responsible for establishing and strengthening the management system for the entire Group.
- The Environmental Committee is responsible for drafting Maxell Group's overall strategy for climate change and managing the Group's progress toward achieving its climate change-related targets. The committee is composed of environmental promotion officers and environmental management officers from business divisions at each business site, as well as the chairs of specialized subcommittees. The committee meets three times a year.

Climate-change related matters that were confirmed and decided by the Environmental Committee in FY2023

- (1) Established criteria for selecting outstanding products from amongst eco-friendly CSR/CSV products (Eco Excellence)
- (2) Drafted an action plan to reduce CO₂ emissions by 50% or more by FY2030 (vs. FY2013), and conducted progress reviews (every three months)
- (3) Drafted an action plan for energy conservation measures for the current fiscal year, and conducted progress reviews (every three months)
- (4) Promote thorough awareness on the Environmental Vision and Declaration on Carbon Neutrality

- The Environmental Committee works with four subcommittees – the Eco-Factory Subcommittee, the Environmentally Conscious Products Subcommittee, the Chemical Substances Management Subcommittee, and the Green Procurement Subcommittee – to discuss climate change-related policies, policy planning, and promotion activities.
- In fiscal 2023, the Environmental Committee discussed policies, policy planning, and promotion activities for a decarbonized and circular society, discussed setting the achievement of carbon neutrality as a goal for fiscal 2050, and, to achieve a circular society, discussed setting a goal of reducing waste and starting the recycling of composite plastics as a goal for fiscal 2030.

Governance structure



Strategy

In July 2023, Maxell established an Environmental Vision to clarify the ideal features of its environmental management from a long-term perspective, positioning the resolution of environmental issues as one of the top priorities. In the Environmental Vision, we set a goal of achieving carbon neutrality by fiscal 2050 and, in order to achieve a recycling-oriented society, we set a goal of reducing waste and of starting to recycle composite plastics by fiscal 2030.

While the manifestation of climate change poses risks for each business division, it can also become an opportunity to utilize technologies that we have accumulated over many years. We will view climate change as both an opportunity and a risk, demonstrating our competitive advantages and putting into practice activities so that we will be recognized by society as a sustainable company.

In fiscal 2021, we began a climate change scenario analysis using Maxell's Energy Division as a model case. In fiscal 2022, we extended this analysis to cover Maxell's three other business divisions: the Functional Materials Division, the Optics & Systems Division, and the Life Solution Division. Then, in fiscal 2023, we rolled out this analysis to our group companies and completed the analysis of the entire Group.

In our analysis, we focused on production sectors where the Maxell Group is likely to be the most affected by climate change, and envisioned society with a temperature rise of 1.5°C and 4°C, identifying risks and opportunities while also considering ways to address them.

In terms of medium- to long-term risks, we found that in the 1.5°C rise scenario, the introduction of a carbon tax will increase the tax burden on our business activities, and changes in consumer behavior will have a major impact on our business, while in the 4°C rise scenario, the intensification of extreme weather such as storms will have a major impact on our business (refer to page 51).

Response to Climate Change-Related Risks Based on Climate Change Scenarios

We have considered our response to the risks in the 1.5°C temperature rise scenario from the impact of an increased tax burden due to the introduction of carbon taxes on business activities. Going forward, we will plan and implement

specific improvement measures to reduce the identified risks. Specifically, by systematically reducing Scope 1 and 2 emissions, we will reduce the burden from a future carbon price and will be prepared to reliably meet customer demands for decarbonization.

In addition, by reducing the amount of raw materials we use and shifting to recycled materials, we will lower our Scope 3 emissions, thereby reducing future business risks and leading to the acquisition and expansion of business opportunities.

We will reduce our CO₂ emissions and lower our carbon tax burden through energy-conservation activities, the introduction of renewable energy generation for in-house consumption, and the promotion of non-fossil certificates.

To mitigate risks associated with the potential impact on our business by changing consumer behavior, we will continue to provide products and services that help to resolve societal issues through the introduction of environmentally conscious products based on a new set of criteria, which we have set as an action plan.

In the 4°C temperature rise scenario, we anticipate impact from intensified abnormal weather events such as severe storms. To address this risk, we will enhance our business continuity planning to minimize damage and strengthen our resilience against disruptions in our own operations and in our supply chain.

Response to Climate Change-Related Opportunities Based on Climate Change Scenarios

Based on the climate change scenarios, we believe that many opportunities will arise for products developed through harnessing the Analog Core Technologies of each business unit of Maxell (refer to page 51).

Risk Management

Climate change risks are managed by the Environmental Committee.

The Environmental Committee is responsible for overseeing climate change risks, opportunities, and strategies, as well as for managing the progress of the Group's overall climate change targets.

Significant risks and opportunities are discussed and approved by the Board of Directors.

Metrics and targets

The Maxell Group has set and announced the following goals:

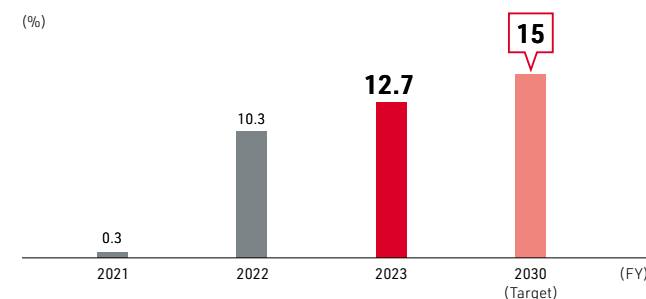
Initiatives for achieving a carbon-free society

- FY2050 target: Achieve carbon neutrality (global Scope 1 and 2)
- FY2030 target: Reduce CO₂ emissions by 50% or more (domestic Scope 1 and 2; compared to FY2013)

Initiatives for renewable energy

- Renewable energy ratio
FY2030 target: Proportion of renewable energy used: 15% or higher

Renewable energy ratio target



Initiatives to achieve a recycling-oriented society (resource conservation and resource recycling for plastics, etc.)

- FY2030 Waste intensity per production*: 0.0450 (tons/million yen) or less (19% reduction compared to FY2021)
- Start of chemical and material recycling of composite plastic waste

* Waste intensity per production: An indicator of the amount of waste generated, expressed as waste mass (tons) / production amount (millions of yen)

For details of our performance and initiatives, refer to page 51.

Risks and opportunities

Maxell's analysis:

Scenario where the goal is to limit temperature increase to 1.5°C: Regarding the transition risks, it is assumed that governmental regulations will be tightened and that net zero CO₂ emissions will be achieved by 2050 through the implementation of countermeasures.

Scenario where temperature rises by 4°C: Regarding physical risks, abnormal weather events would be expected to intensify if additional policies are not implemented and no progress is made with climate change countermeasures.

Financial impact:
■ Large: 1 billion yen or more
■ Medium: 100 million yen to less than 1 billion yen
 Small: less than 100 million yen

Risks		Major risks	Time frame	Degree of business impact								Time frame	Major opportunities					
				Energy business		Functional Materials business		Optics & Systems business		Life Solution business			Energy business	Functional Materials business	Optics & Systems business	Life Solution business		
Categories	Sub-categories		1.5°C	4°C	1.5°C	4°C	1.5°C	4°C	1.5°C	4°C								
Transition risks	Policies/regulation	Carbon tax increases	Introduction of carbon tax will have broad impact on raw materials, containers, and packaging materials, and result in increased costs	Medium-to long-term	Medium		Medium		Medium		Medium		Short- to medium-term	Cost reductions through installation of energy-saving equipment and improvements to energy-saving processes			Lessening environmental impact with low-carbon alternative materials	
		CO ₂ emissions of each country	Need to switch to high-efficiency manufacturing equipment due to strengthened energy-saving policies	Medium-to long-term										Short- to medium-term	CO ₂ monitoring advances and batteries integrated into infrastructural facilities, leading to increased sales	Growing demand for renewable energy in semiconductor and housing-related businesses	Growing demand for CO ₂ monitoring leads to increased sales in semiconductor-related businesses	Growing recognition of value of environmentally conscious products, leading to increased sales
		Strengthening of emissions reduction policies		Medium-to long-term										Short- to medium-term	-	-	-	
	Market	Price increases/decreases for important products	Profitability improvement due to growing market recognition of environmental value of carbon-neutral environmentally compliant products	Short- to medium-term			Medium		Medium					Short- to medium-term	Increased sales with growing recognition of value of environmentally conscious products			
		Reputation	Changes to consumer behavior	Growth of environmentally conscious purchasing by consumers in response to climate change	Short- to medium-term	Medium				Medium				Short- to medium-term				
			Changes to reputation among investors	Deterioration of reputation among investors and difficulty in procuring funds if climate change countermeasures deemed inadequate	Short- to medium-term										Short- to medium-term	-	-	-
Physical risks	Chronic	Rise of average temperatures	Increase in expenses due to increase in electricity consumption	Medium-to long-term									Short- to medium-term	Increased sales of batteries used as disaster/emergency power sources	Demand for airtight housing increases due to rising temperatures, leading to increased sales of airtight tape	- Increased market share and sales with environmentally resistant in-car camera lens units - Increased sales of systems such as disaster surveillance sensors, surveillance cameras, disaster monitoring systems, and others	Increased sales of sterilization/deodorization products due to mold growth	
		Changes to precipitation/weather patterns	Frequent damage to business sites due to increased precipitation and flooding	Short- to medium-term	Medium	Medium	Medium	Medium	Medium			Short- to medium-term	Increased demand for waterproofing tape and increased waterproofing technology-related sales					
		Rising sea levels	Increasing chronic damage to business sites at low altitudes	Short- to medium-term										Short- to medium-term	-	-	-	-
	Acute	Intensification of abnormal weather	Frequent abnormal weather events such as storms cause repeated damage	Short- to medium-term	Medium	Medium	Medium	Medium	Medium	Medium			Short- to medium-term	Increased sales of batteries used as disaster/emergency power sources	Increased sales of masking tape and glass protection (anti-shatter) tape for use in disasters	- Increased market share and sales with environmentally resistant in-car camera lens units - Increased sales of systems such as disaster surveillance sensors, surveillance cameras, disaster monitoring systems, and others	Increased disaster-preparedness-related demand	

At Maxell, we are working proactively to generate synergies within the Group through cross-organizational collaboration between business divisions and operating companies. In MEX26, we aim to unify IT infrastructure throughout the entire Group to improve efficiency, while also creating development themes and acquiring patents across the Group.

Action Plan	Build effective governance in group management (deepen management)
KPI	Integrate IT basis for basic business operation within the Maxell Group (FY2027) NEW

Conducting Group Internal Audits

At Maxell Group, risks are managed and considered through the Risk Management Committee with the aim of strengthening governance and enhancing corporate value. Additionally, internal audits of all Group companies are conducted every other year.

As of March 31, 2024, Maxell Group has 4 domestic and 14 overseas consolidated subsidiaries. A breakdown of these companies is provided below. In fiscal 2023, 6 of the companies were subjected to internal audits. Improvement plans based on PDCA cycles were created in response to the issues identified during these internal audits with the aim of making necessary improvement plans to be implemented within 1 year.

Additionally, an Internal Control Committee has been established to conduct regular monitoring of constituent committees. Issues identified during internal audits and issues raised at Internal Control Committee meetings are reported to members of the Board of Directors to facilitate improvements.

Maxell Group's consolidated subsidiary companies

Business category	Domestic	China	Asia	Europe and Americas
Manufacturing	1	3	2	–
Sales/services	–	4	3	2
Manufacturing/sales	3	–	–	–

Toward a Unified IT Infrastructure

In order to achieve our action plan of “Building effective governance in group management (deepen management),” we are integrating the IT infrastructure for our core operations in each business and Group company, and are creating an environment in which management information on sales, procurement, production, and accounting, etc. can be centrally collected and managed.

Initiatives in the domestic Group are being carried out in three major phases, with the first two phases having been completed during the MEX23 medium-term plan period. We will continue working toward completing the integration of IT infrastructure for our core operations by fiscal 2027.

Action Plan	Implementing governance to maximize group synergies (technology, marketing)
KPI	<ul style="list-style-type: none"> Marketing: Creation of at least 3 new business development themes per year, reviewed across the Maxell Group NEW Technology: Creation of at least 3 patents per year relating to synergies across the Maxell Group NEW

Utilizing Group-Wide Cross-Functional Organization

Maxell Group is advancing development projects through company-wide cross-functional organization that transcends organizational boundaries in order to generate group-wide synergies and expedite the launch of new businesses.

During the MEX26 medium-term management plan period, we will prepare new businesses and achieve sustainable growth with a focus on the feature to be realized in 2030.

Additionally, through “Yokogushi MIRAI” (Group-wide new business creation activities), we have set new KPIs in marketing and technology to maximize our synergies. In the future, we will promote activities in line with the new KPIs.

Group synergy networking events

To promote collaborative development and create new business, we have continuously been working to enhance intergroup interactions with efforts led by the New Business Producing Division, which has involved sharing core technologies, development themes, and challenges between Maxell and each group company. In fiscal 2023, these meetings were held seven times and 30 development themes were identified, including wear sensors, bond strength sensors, and RTC modules. We are currently working on development to solve customer issues with each of these products.

FY2023 Group Synergy Networking Events

- 1st event: Development trends and core technologies for rubber products, 3D printable rubber, and recyclable rubber
- 2nd event: Development trends and core technologies for hydraulic tools, and core technologies for shavers
- 3rd event: Core technologies for the precision and DMS businesses
- 4th event: Core technologies for Electro-Fine-Forming (EF²)
- 5th event: Core technologies for adhesives
- 6th event: Core technologies for micro batteries
- 7th event: Core technologies for security products

Maximize synergies through MI (Maxell Innovation) activities (company-wide initiatives to create innovation)

Since fiscal 2019, Maxell has been implementing a project called “MI (Maxell Innovation) activities,” which is aimed at sustained creation of new businesses. The project involves soliciting ideas and business proposals from employees, subjecting them to an evaluation and selection process, and promoting the creation of new businesses.

In fiscal 2023, with the participation of external judges we held a new-business-proposal pitch contest that involved various internal and external training and activity program teams.

Quality Assurance Activities

Based on the pillars of "Basics and Ethics," the Maxell Group has established a quality assurance system that prioritizes quality and product safety. We are also focused on improving customer satisfaction, aiming to provide products and services that maximize customer value.

Toward improving product quality and reliability

In providing products and services, Maxell Group promotes quality assurance activities to gain customer satisfaction and trust, based on our corporate creed of "harmony and cooperation, working with heart and soul, and contributing to society."

Quality policy

1. Aim to achieve the world's highest quality to meet global competition
2. Provide customers with the highest quality products and services

Action Plan	Establish a system that prioritizes quality and product safety based on integrity
KPI	Promote SQM (Super Quality Management for the Maxell Group) and achieve zero new recall cases

Quality Assurance System, and Promotion of SQM (Super Quality Management for Maxell Group) Initiative

Quality Assurance System

To improve product quality and reliability, Maxell Group is carrying out quality assurance activities through the Group-wide Quality Assurance Committee, which is composed of members of the quality assurance departments of all business divisions and group companies, with the Quality Assurance Division at the Head Office as the Promotion Office.

In addition, for the International Organization for Standardization quality management system standard (ISO9001), we have transitioned to a company-wide integrated audit since fiscal 2014, renewed our certification in fiscal 2021, and are striving to further improve quality by horizontally spreading best practices. In addition, for products that require a more advanced quality control system, we thoroughly control product

quality in accordance with the quality management system standard for the automotive industry (IATF16949) and the quality management system standard for medical devices (ISO13485).

SQM Initiative

In order to deliver products and services of a quality that satisfies our customers, Maxell Group has formulated the "Voluntary Action Plan for Product Safety" and is working to continuously strengthen quality control through the SQM Initiative. There were no new recall cases in fiscal 2023.

The SQM Initiative promotes activities to verify process reliability, which is the basis of manufacturing, from the perspective of "occurrences" and "outflows." In addition, the Quality Assurance Committee exchanges opinions and shares quality claims and quality improvement cases, which helps to foster know-how and raise awareness regarding quality control. In addition, as part of our educational activities, we conduct online training aimed at acquiring knowledge about quality, as well as practical courses for young and mid-career employees focusing on human error behaviors at plants.

Main trainings and participants

(Number of people)

Training		FY2020	FY2021	FY2022	FY2023
General education	General quality (e-learning)	N/A	770	822	993
	FTA/FMEA*1 (online training)	-	-	-	212
Practical education*2	Preventing human errors	25	40	21	-

*1 FTA (Fault Tree Analysis)/FMEA (Failure Mode and Effect Analysis)

*2 Practical FTA/FMEA education planned for FY2024

Compliance adherence

In recent years, even in companies that have obtained ISO or IATF certification, there have been cases of "quality fraud (falsification, concealment, alteration, or fabrication of records)," so we are conducting audits that focus on the risk of quality fraud.

Specifically, the Quality Assurance Division conducts audits throughout the entire process from product planning to mass production and shipping to confirm that there is no quality fraud, as well as to promote the creation of systems that prevent quality fraud from occurring, and to foster quality awareness as a preventative measure.

In fiscal 2023 we conducted audits of 23 of our bases, including of our overseas bases, and found no quality fraud such as falsification or concealment of inspected data.

Action Plan	Enhance the value of the Maxell brand's core products and services
KPI	Conduct customer surveys and improve the points with low evaluations Improvement target: 50% or higher during the MEX26 Period NEW

Improving Customer Satisfaction Ratings

We conduct satisfaction surveys of our major customers in Japan and overseas to enhance the value of the Maxell brand's core products and services.

In fiscal 2023, we conducted a survey of 121 customers in Japan and overseas, and the number of responses expressing dissatisfaction was approximately 30% lower than in the survey we conducted in fiscal 2022. As for these instances of dissatisfaction, sales, sales administration departments, and business divisions are working together to consider measures to resolve these instances of dissatisfaction and are following up with the customers in question. We will also review the KPIs of the materiality action plan and work to further improve customer satisfaction in fiscal 2024.

The Maxell Group builds strong partnerships with its suppliers and works together across the Group on three pillars: “Promoting procurement activities linked to ROIC management,” “Enhancing product competitiveness through material cost management,” and “Promoting sustainable procurement.”

As partners to fulfill social responsibilities together

Suppliers of raw materials, parts, indirect materials, equipment, and subcontractors for product production and logistics are indispensable to our business activities. They are also partners in fulfilling social responsibilities. Based on this recognition, Maxell Group develops CSR activities in collaboration with our business partners and sincerely responds to the expectations and demands toward each of our business activities.

Group-wide management system

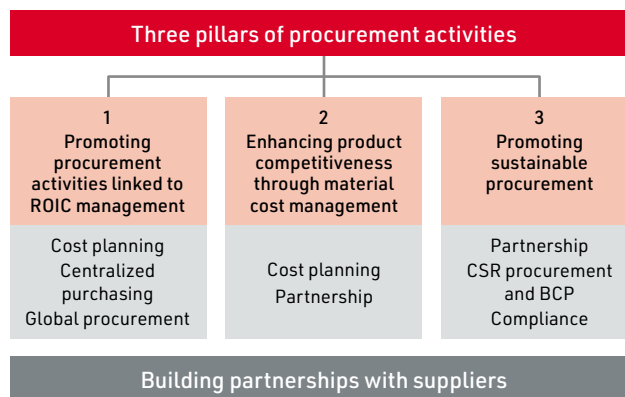
Maxell Group actively collaborates across the entire group on “CSR procurement” to fulfill social responsibilities throughout the supply chain.

The goals and action plans are discussed and determined by the “Procurement Risk Management Committee,” a cross-group entity comprising representatives from all business divisions and the procurement departments of group companies, with the headquarters’ Procurement & SCM Division acting as the secretariat. These plans are then communicated and thoroughly implemented across the entire group.

Key Initiatives in the “Three Pillars of Procurement Activities”

Based on the MVSS, which is our fundamental management policy, we have reorganized our procurement activities into three main pillars. While adapting to changes in the market, we will achieve results by co-creating with our partners to promote activities in line with this procurement policy.

Three pillars of procurement activities



Promoting procurement activities linked to ROIC management

We will advance procurement initiatives in collaboration with the Profit and Loss Improvement by Model Project (PIPJ) and the Profit and Loss Control by Business (ABC-XYZ Control). Specifically, as a measure to address and improve unprofitable products, we are strengthening cost planning engineering and global procurement activities. Furthermore, we are aiming to foster co-creation and prosperity by engaging in joint cost reduction activities with our partners and by welcoming their new proposals, such as unique technologies, advanced development, and new materials.

Enhancing product competitiveness through material cost management

We are strengthening product competitiveness by managing material costs for each product field through budget versus actual analysis.

Specifically, by coordinating activities among corporate procurement, business unit procurement, and related departments, we are integrating our partners’ added value, improvements, and new ideas while forecasting and analyzing market trends to meet cost targets. Additionally, we are dedicated to continuously pursuing operational efficiency by consolidating and centralizing the procurement of indirect materials and common items – previously procured independently by business divisions – to the procurement headquarters.

Promoting sustainable procurement

At the Maxell Group, we promote CSR procurement across the entire supply chain based on the “Supply Chain CSR Procurement Guidelines.”

Since fiscal 2019, we have been using a CSR self-assessment questionnaire to check the state of compliance with the CSR Procurement Guidelines at important suppliers in Japan and overseas, and are working to understand the current situation and make improvements.

The CSR self-assessment is conducted for critical suppliers (direct materials: accounting for 80% of procurement amount and parts suppliers with no alternative procurement; indirect materials: equipment-related suppliers) using a questionnaire developed by Maxell based on the on-site audit standards of the RBA (Responsible Business Alliance). This initiative is being carried out on a three-year cycle, and from fiscal 2022, the scope is being expanded to include equipment-related suppliers in addition to critical direct materials suppliers.

Fiscal 2023 marks the second year of our three-year plan, and we received responses from 280 companies (240 direct materials companies, 40 equipment-related companies). In cases where the first-tier supplier is a trading company, we also asked for a response from the second-tier supplier. As for the evaluation results, no companies received a D grade, and 4% (10 companies) received a C grade (6 direct materials companies, 4 equipment-related companies). We are continuing to follow up on the improvement plans.

List of results for FY2023

Grade	Companies	Share
Grade A (85% or higher)	159	57%
Grade B (65-84%)	111	40%
Grade C (50-64%)	10	4%
Grade D (49% or lower)	0	0%
Total	280	

The Maxell Group aims for medium- to long-term enhancement of corporate value by implementing management measures from the perspective of all stakeholders. Under this policy, we are striving to strengthen corporate governance by accelerating management decision-making and business execution, and by enhancing our monitoring system.

Corporate Governance System

The Board of Directors of the Company is responsible for establishing group-wide management policies and medium- to long-term business strategies. It is also responsible for supervising the execution of duties by directors and executive officers and the execution of operations by operating companies. The Board of Directors is chaired by the President and Representative Director, and consists of 8 members, including 3 outside directors.

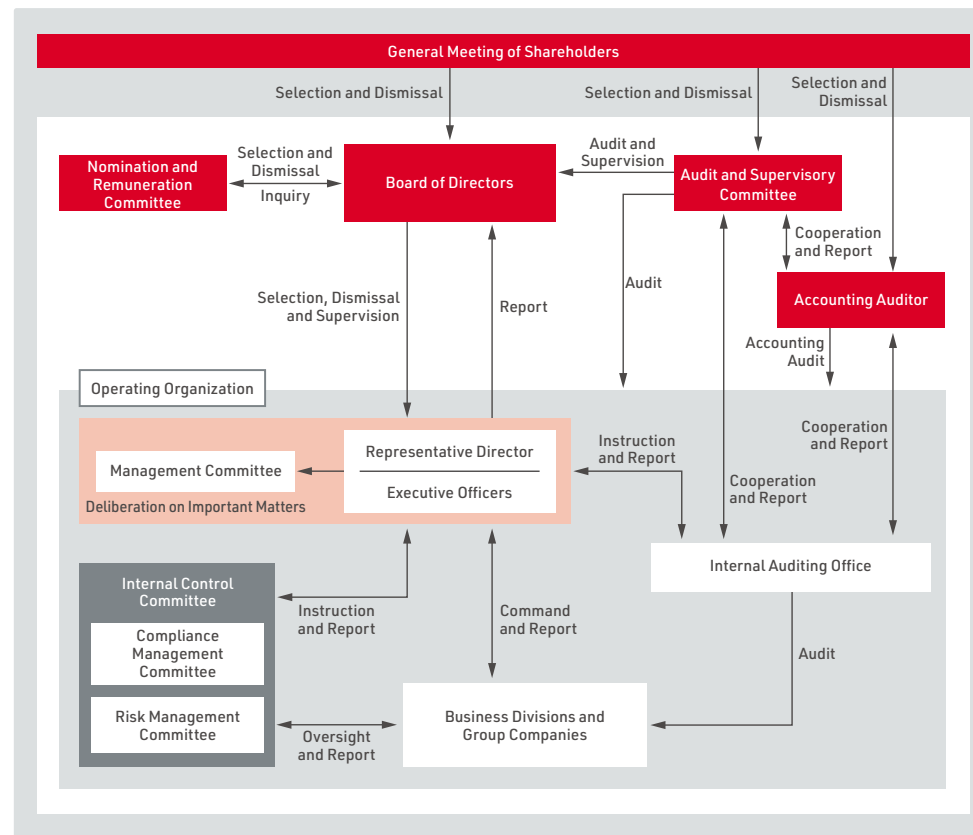
As a “Company with an Audit and Supervisory Committee,” since June 2016, we have been working to strengthen the audit and supervisory functions of the Board of Directors through an independent Audit and Supervisory Committee. In addition, the “Nomination and Remuneration Committee,” the majority of whose members and the chairperson are independent outside directors, has been established as an advisory body to the Board of Directors with the aim of ensuring objectivity and transparency in the determination of matters related to the nomination and compensation of directors, and working to improve the effectiveness of the Board of Directors’ supervisory functions.

We also adopt an executive officer system to facilitate prompt decision-making and more efficient management with regard to business execution.

Corporate Governance Guidelines

In order to achieve sustainable growth and increase corporate value at Maxell Group over the medium- to long-term, we have established “[Corporate Governance Guidelines](#),” which define our basic approach and basic policies on corporate governance. We will strive to ensure appropriate information disclosure and transparency, appropriately fulfill the roles and responsibilities of the Board of Directors, and further invigorate constructive dialogue (engagement) with shareholders and investors.

Corporate Governance System



Appointment of Directors, and Ensuring Diversity

The Company secures its management oversight system as a result of appointing outside directors who express their opinions to the Board of Directors from an independent and objective standpoint.

Reasons for Appointment as Outside Directors and Status of Activities

Name	Reasons for Appointment		Status of Activities (April 1, 2023 – March 31, 2024)
Sachiko Murase	As a lawyer specializing in corporate legal affairs, Ms. Sachiko Murase has a wealth of expertise and a high level of professional knowledge. In addition to her experience as an outside officer at listed companies, since she took office as a director of the Company, she has been committed to providing valuable advice at Board of Directors' meetings. Accordingly, she is expected to continue to contribute to sustaining and strengthening the Group's growth strategies, corporate governance, and risk management.	Attendance at Board of Directors' meetings: Attended 17 of 17 meetings	<p>Status of comments at Board of Directors' meetings She comments appropriately based on her specialist perspective on corporate legal affairs as a lawyer.</p> <p>Overview of duties carried out in connection with the role expected to be fulfilled by outside directors She actively points out challenges relating to corporate governance and makes recommendations conducive to enhancing corporate value, based on the high level of expertise she has cultivated as a lawyer. She also provides beneficial advice on empowering female employees.</p>
Kazuhiro Aigami	Mr. Kazuhiro Aigami has served as the Representative Director for JVCKENWOOD Corporation and in other important posts, and thus has a wealth of management experience, as well as extensive insight into global sales and marketing strategies. Since he took office as a director of the Company, he has been committed to providing valuable advice at Board of Directors' meetings. Accordingly, he is expected to continue contributing to sustaining and strengthening our global business strategies and governance.	Attendance at Board of Directors' meetings: Attended 17 of 17 meetings Audit and Supervisory Committee meetings: Attended 17 of 17 meetings	<p>Status of comments at Board of Directors' meetings and Audit and Supervisory Committee meetings He comments appropriately based on his specialist perspective concerning management as a whole.</p> <p>Overview of duties carried out in connection with the role expected to be fulfilled by outside directors He actively points out challenges relating to global management and makes recommendations conducive to enhancing corporate value, based on his wealth of experience and broad-ranging insight as a business person. In addition, as Chairman of the Nomination and Remuneration Committee, which considers the personnel system and remuneration of the Company's executive management, he actively makes recommendations on the building of the Company's executive structure and remuneration systems, from an objective standpoint.</p>
Kazuyoshi Hata	Mr. Kazuyoshi Hata has served as a Senior Executive Officer at Konica Minolta, Inc. and in other roles, and as such, he not only has a proven track record and vast experience in business management and business reforms, but he also possesses a wide range of insight stretching from the technology domain through to the management planning domain. Since he took office as a director of the Company, he has been committed to providing valuable advice at Board of Directors' meetings. Accordingly, he is expected to continue contributing to sustaining and strengthening growth strategies and governance in new business fields.	Attendance at Board of Directors' meetings: Attended 17 of 17 meetings Audit and Supervisory Committee meetings: Attended 17 of 17 meetings	<p>Status of comments at Board of Directors' meetings and Audit and Supervisory Committee meetings He comments appropriately based on his specialist perspective concerning management as a whole.</p> <p>Overview of duties carried out in connection with the role expected to be fulfilled by outside directors He actively raises points concerning business reforms and growth strategies and makes recommendations conducive to enhancing corporate value, based on his wealth of experience and broad-ranging insight as a business person. In addition, as a member of the Nomination and Remuneration Committee, which considers the personnel system and remuneration of the Company's executive management, he actively makes recommendations on the building of the Company's executive structure and remuneration systems, from an objective standpoint.</p>

Notes: 1 In accordance with Article 427, Paragraph 1 of the Companies Act, the Company and the three outside directors, Ms. Sachiko Murase, Mr. Kazuhiro Aigami and Mr. Kazuyoshi Hata, have entered into limited liability agreements whereby liability is limited to the minimum liability amount set forth in Article 425, Paragraph 1 of the act.

2 The Company has appointed and registered the three outside directors, Ms. Sachiko Murase, Mr. Kazuhiro Aigami and Mr. Kazuyoshi Hata, as independent directors as required by Tokyo Stock Exchange, Inc.

Directors' Skills Matrix

Name	Position at the Company	Experience and Expertise							
		Business Portfolio Management	Global Business	Sales & Marketing	New Technology Creation	Production Improvement	Finance	Legal Affairs & Compliance	ESG
Keiji Nakamura	President and Representative Director	✓			✓	✓			✓
Hiroyuki Ota	Director	✓			✓	✓			✓
Shinichiro Takao	Director		✓	✓					✓
Noritoshi Masuda	Director		✓				✓	✓	✓
Sachiko Murase	Outside Director							✓	✓
Hiroyuki Suzuki	Director (Full-time Audit and Supervisory Committee member)		✓				✓	✓	✓
Kazuhiro Aigami	Outside Director (Audit and Supervisory Committee member)	✓	✓	✓					✓
Kazuyoshi Hata	Outside Director (Audit and Supervisory Committee member)	✓			✓	✓			✓

Definitions of Skills (Experience and Specialties)

Business Portfolio Management:	Business management experience at a domestic listed company with multiple businesses or at a global company
Global Business	: Experience in overseas business management and extensive knowledge of overseas culture and business environments
Sales & Marketing	: Extensive knowledge in the area of sales and marketing, and experience as a leader in the area
New Technology Creation	: Management experience and extensive technological knowledge as a leader in charge of promoting new technology creation (innovation)
Production Improvement	: Extensive knowledge in the area of manufacturing, including productivity improvement and cost reduction, and experience as a leader in the area
Finance	: Extensive knowledge in the area of corporate finance, and experience as a leader in the area
Legal Affairs & Compliance	: Extensive knowledge in the area of legal affairs and compliance, and experience as a leader in the area
ESG	: Extensive knowledge in the area of ESG, and experience as a leader in the area

Remuneration for Directors, etc.

The appropriateness of the policy for determining remuneration for directors, etc. is discussed at the Nomination and Remuneration Committee, an advisory body to the Board of Directors, in which the majority of members is composed of independent outside directors and which is chaired by an independent outside director, and the policy is decided at the Board of Directors based on the Committee's recommendations.

Remuneration for directors (excluding outside directors and directors who serve as Audit and Supervisory Committee members) consists of a fixed monthly "Basic remuneration (monthly salary)" (monetary reward), "Bonus" (monetary reward) linked to achievement level of business performance of a single fiscal year and distributed as short-term incentive, and "Share-based remuneration" linked to achievement level of business performance defined in the medium-term management plan and distributed as medium- to long-term incentive.

Directors' Remuneration for Fiscal 2023

Classification	Number of Directors to be Paid	Total Remuneration (million yen)
Directors (excluding outside directors and directors who serve as Audit and Supervisory Committee members)	5	167
Directors who serve as Audit and Supervisory Committee members (excluding outside directors)	1	20
Outside directors	3	26

Remuneration Structure

Classification	Type of Remuneration	Summary
Directors (excluding outside directors and directors who serve as Audit and Supervisory Committee members)	Basic remuneration	A fixed amount is paid monthly in accordance with the position and responsibilities.
	Performance-linked remuneration	<p>Short-term incentives (bonus) In the interest of achieving single-fiscal-year performance targets, bonuses will be paid in June or July of the following fiscal year in an amount calculated in the range of 0% to 200% of the standard amount for each position, according to the degree of achievement of company-wide performance (operating profit, ROIC, and ROE) and individual performance (track record in addressing management issues), for the relevant fiscal year.</p> <p>Medium- to long-term incentives (share-based remuneration) As a performance-linked stock grant trust system aimed at sustainable performance improvement in the medium- to long-term and maximizing corporate value, points will be granted in June or July of the following fiscal year, which will be calculated in the range of 0% to 200% according to the degree of achievement of performance (ROIC) during the term of office, and the shares will be granted at the time of retirement, according to the relevant points.</p>
Outside directors/directors who serve as Audit and Supervisory Committee members	Basic remuneration	As their position is independent from business execution, their base remuneration consists only of the monthly fixed base remuneration.

Assessment of the Effectiveness of the Board of Directors

Based on the Corporate Governance Guidelines, the Company regularly evaluates the effectiveness of the Board of Directors, with the aim of increasing the effectiveness of the Board of Directors and enhancing corporate value.

For fiscal 2023 as well, we analyzed and assessed the effectiveness of the Board of Directors as follows.

Methods of analysis and assessment related to the effectiveness of the Board of Directors

Interviews were held with outside directors based on an anonymous survey of all directors regarding the following items and the results.

Based on the outcomes, the effectiveness of the Board of Directors was analyzed and assessed by the Board of Directors, and ways to respond in the future were considered.

- Board of Directors' structure
- Board of Directors' effectiveness
- Effectiveness of appointment and remuneration systems for directors and executives
- Board of Directors' management
- Personal evaluation
- Structure of support and cooperation for outside directors
- Roles of Audit and Supervisory Committee members and the expectations to them
- Relationship with shareholders and other stakeholders

* The assessment covers the same items covered in fiscal 2022 in order to make the results comparable with the results of fiscal 2022.

Outline of analysis and assessment results related to the effectiveness of the Board of Directors, and responses going forward

The Board of Directors of the Company is constructing an appropriate system for the monitoring of key management decision-making and business execution, and recognizes that the effectiveness of the Board of Directors as a whole has been ensured.

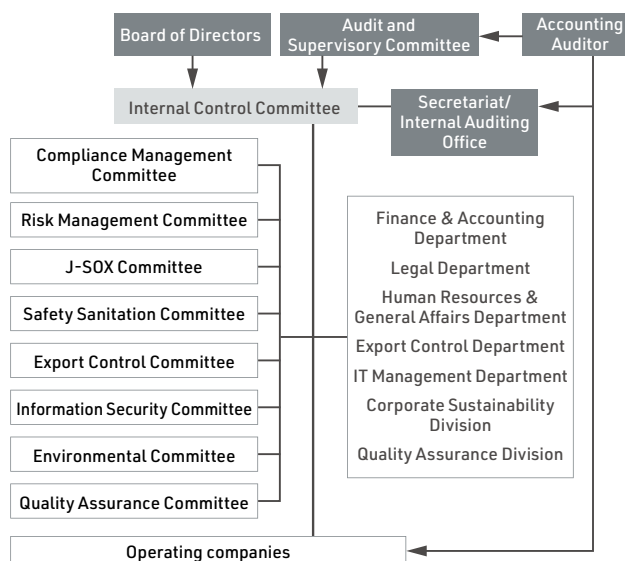
On the other hand, with regard to deepening medium- to long-term strategic discussions, which was an outstanding issue last year, the Board of Directors has acknowledged that constructive discussions in the Group as a whole need to continue to further enhance corporate value.

Based on the analysis and assessment results, the Board of Directors of the Company will concentrate on addressing the above-mentioned issues, and will strive to further improve its effectiveness.

Enhancing Internal Control Systems

Maxell Group has established the Internal Control Committee to ensure and strengthen the effectiveness of corporate governance, toward enhancing the corporate value of the Group as a whole and achieving management objectives. Through the Committee's activities, we are striving to improve the management system and to strengthen the functions of the Group as a whole, including compliance and risk management, thereby enhancing our internal control systems.

Organizational Structure of Maxell Group's Internal Control Systems



Compliance System

The Maxell Group has established the "Maxell Group Code of Conduct," which is shared and applied throughout the Group, to realize the Group's fundamental philosophy of "ensuring fair and transparent corporate activities" as well as to protect corporate ethics and prevent corruption, and is constantly working to strengthen our compliance system.

We have established a Compliance Management Committee, which is chaired by the director in charge of risk management and meets regularly (2 times or more per year). In addition to its members, it is always attended by

the president and representative director, and the director who serves as a full-time Audit and Supervisory Committee member, who act as observers. The Compliance Management Committee deliberates and decides on policies for responding to issues such as those related to compliance promotion activities including education, corporate ethics, and corruption prevention activities, as well as matters related to compliance violations. It reports on the outcomes of its activities.

The Compliance Management Committee also sets out a compliance program that employees should engage in on a daily basis, chiefly from the standpoints of "preventing violations of competition laws," "preventing bribery," and "preventing anti-social trading," and works to make sure this is thoroughly implemented across the Maxell Group.

The Committee also carries out regular monitoring to check that the ethical standards set out in the "Maxell Group Code of Conduct" and the compliance program are being correctly implemented, and to confirm their status. The Committee carries out audits of each business division and Group company within Japan once a year and Group companies overseas once every two years by making on-site visits to confirm various ledgers; interviews are also held with employees to ask about the content of work-related emails and to confirm the presence or absence of contact with rival companies, which could be a violation of competition laws. It also works to improve employees' awareness of compliance.

Meanwhile, since 2016 the general managers of each business division and the presidents of each Group company have been designated as their respective division and company's compliance promotion leaders (31 persons), and simultaneously, the compliance promotion members assigned to each business division and each Group company (43 persons in total) have been positioned as secretariats. The compliance promotion leaders are responsible for making known and implementing decisions pertaining to compliance made by the Compliance Management Committee, at the respective business divisions and Group companies they are in charge of, and also have a duty to take appropriate steps, such as by setting out business procedures for preventing compliance violations by disseminating compliance awareness among employees.

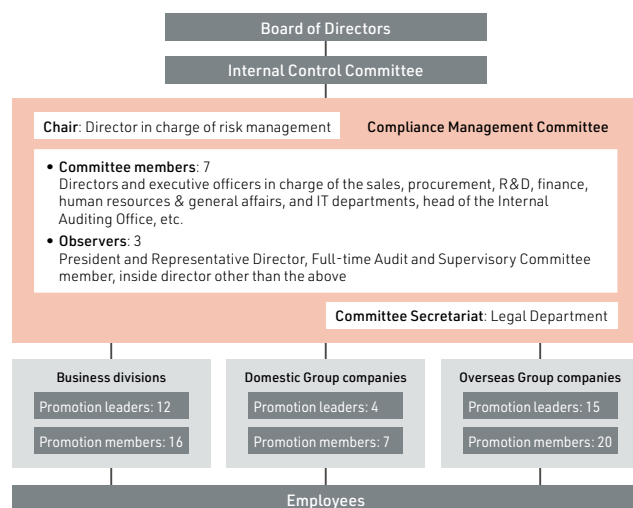
The status of these Compliance Management Committee activities is reported every year at a Board of Directors' meeting through the Internal Control Committee, which supervises all committee activities across the Maxell Group.

Establishment of an Internal Reporting Desk Independent from the Management

Maxell Group has established the “Maxell Compliance Helpline” as an internal reporting system that can be utilized by employees of the Group, and is enhancing its capacity for in-house “self-cleansing” by ensuring that it becomes aware of any illegal and fraudulent activities promptly. In addition, in order to promote compliance management, we have established a whistle-blowing hotline to an external attorney who is independent of the management, as a contact point for cases that are difficult to investigate internally. We have also established a dedicated contact point that allows employees of overseas Group companies to report directly to the headquarters of the Company in Japan in different languages (English, Chinese, Indonesian, Malaysian, Korean, German, Hungarian, and Japanese), and are ensuring that the internal reporting system spreads throughout the Group. When setting up the internal reporting desk, we used e-learning and posters to repeatedly make it known that reporters will not be disadvantaged because they made a report and that reports will be accepted anonymously.

Incidentally, there were 3 cases of internal reports in fiscal 2023, but no reports concerning major legal violations, etc.

Compliance Promotion System



Respect for Human Rights

Maxell Group recognizes respect for human rights as one of its key management issues. In September 2013, we formulated the “Maxell Group Human Rights Policy” based on the “International Bill of Human Rights” and the “ILO Declaration on Fundamental Principles and Rights at Work” of the International Labour Organization (ILO). In an effort to raise awareness of respect for human rights among all employees, we continue to conduct training at each employee level, and education through e-learning, every year.

In addition, as one part of our efforts to address harassment, consultants selected by both labor and management have been assigned to each business site, and awareness-raising activities are being conducted to maintain and strengthen internal systems and prevent harassment, such as by making the internal whistle-blowing system well known within the Company.

Implementing Compliance and Ethics Education

Compliance and ethics education activities covering all Group employees (including temporary employees and part-timers)

Since 2009, the Maxell Group has designated October of each year as “Corporate Ethics Compliance Month.” We carry out activities globally with the aim of becoming a model company that is trusted by society in all its company activities as a result of Maxell Group employees executing sincere and fair business, protecting the environment, ensuring sound relationships with society, civil servants, etc., respecting human rights, and ensuring good workplace environments that are free from power harassment and sexual harassment.

More specifically, we distribute the President’s compliance message in the local language of each country, and we also hold e-learning courses, “workplace discussion meetings” that bring together employees to hold discussions on an individual workplace basis, and “compliance lectures” to which external lecturers are invited, on themes such as “preventing violations of competition laws,” “preventing bribery,” “preventing anti-social trading,” and “preventing insider trading,” and attendance records are kept.

We also distribute compliance cards to all Maxell Group employees in Japan and overseas. These include contact information for internal reporting, so Maxell Group employees

around the world can make anonymous reports directly to the internal reporting desk in Japan. It is also possible to use the cards to reference the Maxell Group Code of Conduct in different languages on smartphones and other devices via the URL (2D code).

Compliance education as one part of hierarchical training

Compliance education tailored to employment posts is held for new employees, for newly-appointed managers taking on a managerial position, and for all managers/senior managers.

Additionally, compliance education that involves direct lectures by attorneys or other external experts is held for executive officers, who are the Company’s top management.

Number of employees who participated in compliance education and activities held in Japan over the past 3 years (total number of people)

	FY2021	FY2022	FY2023
e-learning	6,629	7,344	6,931
Ethics Month “workplace discussions”	3,226	3,158	3,240
Hierarchical training (managers/senior managers, newly appointed managers, new employees, others)	281	305	557
Training for executives	23	33	12
Total	10,159	10,840	10,740

Number of employees who participated in compliance education and activities held overseas over the past three years (total number of people)

	FY2021	FY2022	FY2023
Americas	81	74	121
Europe	114	104	167
Asia	1,742	1,716	3,090
Total	1,937	1,894	3,378

Risk Management

Maxell and Maxell Group companies have identified four risks (strategic risk, financial risk, hazard risk, and operation risk) that the Group faces, or could face in the future, and are systematically taking appropriate precautionary measures in response to these risks.

The Risk Management Committee determines the important matters related to risk management, recognizes the four risks outlined in policies, and, if necessary, carries out reviews. After this, the Committee directs each business division and headquarters to implement measures to address and manage these risks.

The Risk Management Committee meets regularly once a year, when it compiles activity reports from the people responsible for each division and headquarters, and from the person in charge of risk analysis. These are then reported to the Internal Control Committee.

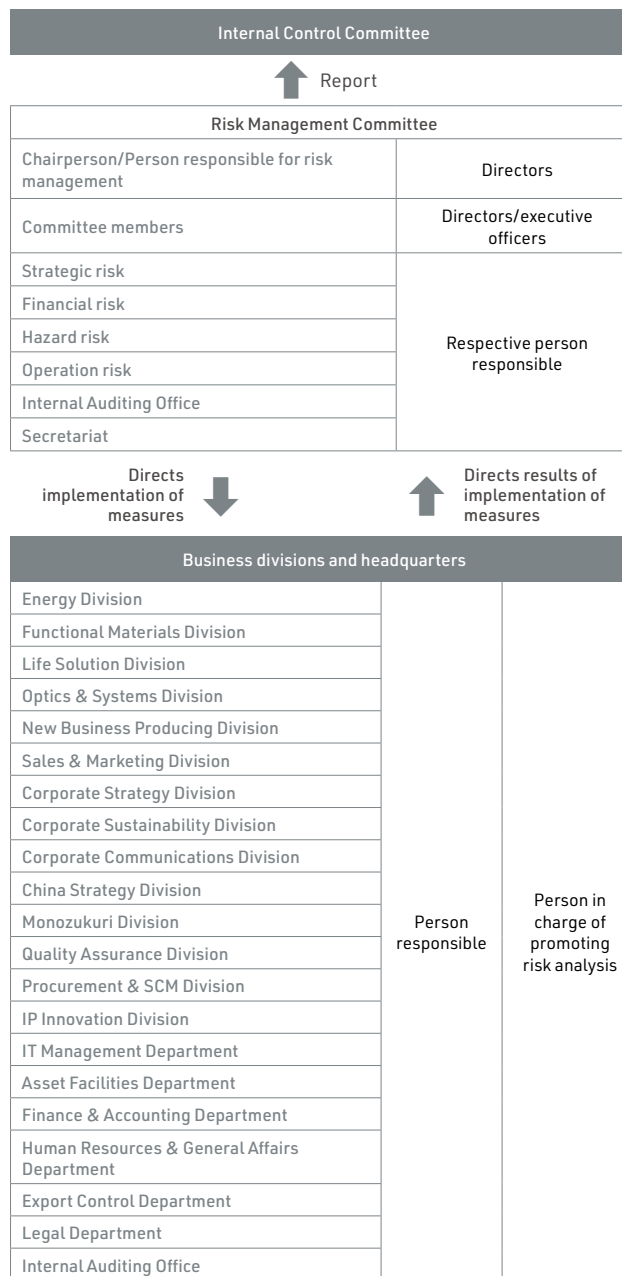
Maintaining Information Security

Maxell Group has set out an "Information Security Policy" and is thoroughly implementing rules, systems, and safety measures related to security. We are also conducting thorough employee education to raise the security awareness of each and every employee. In addition to annual education on information security and personal information protection, we also regularly conduct "targeted e-mail drills" as training for cyberattacks. We also acquired "PrivacyMark" certification as a way of thoroughly protecting personal information, and continue to keep that certification updated and current. With cyberattacks growing more diverse recently, we are also working on strengthening our security measures.

Promoting the Business Continuity Plan (BCP)

Maxell Group is working to strengthen its business continuity plan in order to reduce the risk of business interruptions arising from large-scale disasters, such as earthquakes, and accidents. In addition to establishing an employee safety confirmation system, we have formulated initial action plans and business recovery plans for emergencies, and in order to ensure the execution of these plans, we conduct training at each business site in anticipation of large-scale disasters. Furthermore, in order to respond to contingencies at our business partners, we are making steady progress in developing a database that includes information on the

Risk Management System



locations of our primary to secondary suppliers. At the Group's overseas sales and manufacturing sites, we formulate and operate overseas crisis management manuals to ensure thorough crisis management, including with regard to terrorism and other unstable situations.

Going forward, the Group will work to minimize all risks facing its entire workforce while also making improvements, including in its responses when emergencies strike.


Minimizing tax risks

As a global company, Maxell Group believes paying tax correctly is an important part of its contribution to society and local communities overseas.

Maxell Group publishes its "Global Tax Policy," which covers "Governance and risk management," "Compliance and reporting," and "Arranging our taxes," in the interests of enhancing the transparency of the Group's governance regarding its tax affairs. The Global Tax Policy's content satisfies the disclosure requirements in the countries in which Maxell Group operates businesses.

Participation in the United Nations Global Compact

Maxell Group supports the United Nations Global Compact. We support the 10 principles of human rights, labour, environment, and anti-corruption, and are engaged in activities in each field.



Please refer to the [Corporate Governance Report](#) for detailed information such as the implementation status of the Corporate Governance Code.

Please refer to [Compliance](#) for detailed compliance information, such as anti-bribery and export control.

Directors

*Refers to the operating company "Maxell, Ltd." under the holding company structure in place from October 1, 2017, to September 30, 2021.



Apr. 1990 Joined the Company
Jan. 2013 Deputy General Manager, Energy Division of the Company
Jul. 2014 Executive Officer of the Company
Oct. 2017 Executive Officer of Maxell, Ltd.*
Apr. 2018 President and Representative Director of Maxell, Ltd.*
Jun. 2018 Director of the Company
Jun. 2020 President and Representative Director of the Company
Apr. 2024 President and Representative Director, and Chief Executive Officer of the Company (incumbent)

Keiji Nakamura

President and Representative Director



Apr. 1983 Joined the Company
Apr. 2007 General Manager, Production Engineering Division, Development & Technology Group of the Company
Jan. 2013 General Manager, Corporate Strategy Division of the Company
Jul. 2013 Deputy General Manager, Optronics Division of the Company
Apr. 2016 Executive Managing Director, Hitachi Juei Tech Co., Ltd. (currently Maxell Frontier Co., Ltd.)
Deputy General Manager, Optronics Division of the Company
Oct. 2017 Executive Managing Director, Maxell Juei Tech Co., Ltd. (currently Maxell Frontier Co., Ltd.)
Deputy General Manager, Optronics Division of Maxell, Ltd.*
Oct. 2018 Deputy General Manager, Optronics Division of Maxell, Ltd.*
Apr. 2019 General Manager, Optronics Division of Maxell, Ltd.*
Oct. 2021 General Manager, Optics & Systems Division of the Company
Apr. 2022 General Manager, Monozukuri Division and General Manager, Quality Assurance Division of the Company
Jun. 2022 Director, General Manager, Monozukuri Division and General Manager, Quality Assurance Division of the Company
Apr. 2023 Director, General Manager, Monozukuri Division, General Manager, Quality Assurance Division and General Manager, Energy Division of the Company
Apr. 2024 Director, Managing Executive Officer and General Manager, Monozukuri Division of the Company (incumbent)

Hiroyuki Ota

Director



Apr. 1991 Joined the Company
Dec. 2006 BtoB Sales & Marketing Manager, Maxell Corporation of America
Apr. 2014 Senior Manager, Micro Battery Sales Department, Energy Division of the Company
Apr. 2016 Managing Director and General Manager, Maxell Taiwan, Ltd.
Oct. 2018 President, Maxell Asia, Ltd.
Apr. 2021 General Manager, Energy Division of Maxell, Ltd.*
Oct. 2021 General Manager, Energy Division of the Company
Apr. 2023 Executive Officer of the Company
Jun. 2023 Director of the Company
Apr. 2024 Director, Executive Officer and General Manager, Sales & Marketing Division of the Company (incumbent)

Shinichiro Takao

Director



Apr. 1987 Joined the Company
Oct. 2017 General Manager, Finance Department of the Company
Deputy General Manager and Senior Manager, Finance & Accounting Department of Maxell, Ltd.*
Apr. 2019 Executive Officer, General Manager, Finance Department of the Company
Director, Senior Manager, Finance & Accounting Department of Maxell, Ltd.*
Jun. 2019 Director, General Manager, Finance Department of the Company
Oct. 2019 Director of the Company
Director of Maxell, Ltd.*
Apr. 2024 Director, Managing Executive Officer of the Company (incumbent)

Noritoshi Masuda

Director



Apr. 1995 Joined NICHIIHA Corporation
Sep. 2008 Registered as lawyer
Joined SEIWA MEITETSU LAW OFFICE
Nov. 2015 Outside Audit & Supervisory Board member of BUNKYODO GROUP HOLDINGS CO., LTD. (incumbent)
Sep. 2018 Joined Kudanzakae Law Office (incumbent)
Jun. 2019 Outside Audit & Supervisory Board member of NICHIIAS Corporation (incumbent)
Jun. 2020 Director of the Company (incumbent)
Mar. 2021 Outside Director of Roland Corporation
Jun. 2024 Outside Director of NIPPON CHUZO K.K. (incumbent)

Sachiko Murase

Outside Director

Directors who serve as Audit and Supervisory Committee members



Apr. 1983 Joined the Company
Jun. 2008 Deputy General Manager, Finance & Accounting Division of the Company
Apr. 2018 Executive Officer of the Company, Director of Maxell, Ltd.*
Apr. 2019 Auditor of Maxell, Ltd.*
Jun. 2020 Director (Full-time Audit and Supervisory Committee member) of the Company (incumbent)

Hiroyuki Suzuki

Director



Apr. 1981 Joined CEMEDINE CO., LTD.
Apr. 1990 Joined Kenwood Corporation
Apr. 2007 General Manager, Communications Division of Kenwood Corporation
Jun. 2007 Managing Operating Officer of Kenwood Corporation
Jun. 2008 Director of the Board of Kenwood Corporation
Jun. 2009 President and Representative Director of the Board of Kenwood Corporation
Director of the Board of JVCKENWOOD Holdings, Inc. (currently JVCKENWOOD Corporation)
Oct. 2011 Director of the Board of JVCKENWOOD Corporation
May 2014 Representative Director of the Board of JVCKENWOOD Corporation
Oct. 2014 Representative Director of the Board of JVCKENWOOD Corporation, President of JVCKENWOOD USA Corporation
Jun. 2016 Representative Director of the Board and Executive Vice President of JVCKENWOOD Corporation
Jun. 2022 Director of the Company (Audit and Supervisory Committee member) (incumbent)

Kazuhiro Aigami

Outside Director



Apr. 1981 Joined Minolta Camera Co., Ltd.
Apr. 2009 Executive Officer and General Manager, Corporate Strategy Division of Konica Minolta Holdings, Inc. (currently Konica Minolta, Inc.)
Apr. 2011 Managing Director and General Manager, Planning and Administration Headquarters of Konica Minolta Medical & Graphic, Inc.
Apr. 2013 Executive Officer and President, Healthcare Company of Konica Minolta, Inc.
Apr. 2016 Executive Officer, Responsible for Alliance, of Konica Minolta, Inc.
Apr. 2018 Senior Executive Officer, General Manager of Management Planning Division, and Head of Kansai Branch, Responsible for Investor and Public Relations, of Konica Minolta, Inc.
Apr. 2020 Advisor of Konica Minolta, Inc.
Jun. 2022 Director of the Company (Audit and Supervisory Committee member) (incumbent)

Kazuyoshi Hata

Outside Director

Executive Officers

Keiji Nakamura

Chief Executive Officer

Hiroyuki Ota

Managing Executive Officer

Noritoshi Masuda

Managing Executive Officer

Kenichi Sano

Executive Officer

Shinichiro Takao

Executive Officer

Noriyoshi Bito

Executive Officer

Tatsuya Yamamoto

Executive Officer

maxell
Within, the Future



Kazuhiro Aigami
Outside Director

Sachiko Murase
Outside Director

Keiji Nakamura
President and
Representative Director

Kazuyoshi Hata
Outside Director

Maxell Group is Working Together to Steadily Advance MEX26 and Achieve Growth

Improving the Effectiveness of the Board of Directors, and Stimulating Discussions Across Business Divisions

Aigami: The Board of Directors has shifted its focus to discussing growth strategies and improving corporate value, and detailed operational matters are now being delegated to the execution side and discussed at meetings of the Management Committee. The Executive Officer system has also been enhanced.

We, the Outside Directors, asked President Nakamura to further enhance discussions on improving medium- to long-term corporate value, and he has set aside some time after the Board of Directors' meetings so that we can have free discussions. We have been having frank exchanges of opinions about future growth strategies, and we are now able to have more in-depth discussions.

Murase: That's right. The Board of Directors has always had lively exchanges of opinions on management, but, even outside

of the Board of Directors, I think that discussions on medium- to long-term themes, such as the MEX26 goals and efforts toward the 2030 goals, are being held in a more substantial way.

Hata: I agree with both of you. Over the past two years, we have established the Executive Officer System and increased the number of Executive Officers, and as such I hope that at Management Committee meetings everyone will discuss matters not just from the viewpoint of their own department, but from that of the whole company, and exercise their insights.

Aigami: I have also asked President Nakamura to encourage people to voice their opinions during the meetings, even if it means calling on people who have not spoken, and I have heard that the participants are now having lively discussions without hesitation or reservation.

Nakamura: At Management Committee meetings I encourage participants to speak up. In the past, there was a strong mentality of being hesitant to voice opinions on other matters if one's own business area was not performing well, with a mindset of needing to focus on strengthening one's own department first. This made it difficult to have discussions that were optimal for the company overall. But now, perhaps because organizations like development and sales are more integrated, I feel that things are gradually improving.

Re-establishing KPIs to Steadily Implement Action Plans, and Revitalization of Personnel Exchanges

Hata: In formulating MEX26, Outside Directors participated from an early stage and discussions continued for about a year. During the current fiscal year, we discussed how to handle materiality in the future, taking into account the progress that we've made so far. Some of the action plans also had not defined KPIs or KGIs, so we reviewed and clarified them. By establishing deeply thought-out measures, employees will know what they are aiming for and what they need to do, and the company's overall ability to implement them will improve.



Aigami: As a matter that is related to multiple materialities, the Outside Directors suggested that there is a need to move forward with actionable personnel exchanges and inter-business transfers in order to increase employee engagement and synergies between business divisions, and we believe that this has been steadily implemented and is leading to company revitalization.

On the other hand, as Mr. Hata said, some of the KPIs and KGIs had not been sufficiently reviewed. For example, one of the materialities is "Creating human resources and organizations that generate value," but we felt that the action plan was not being sufficiently implemented, so we reviewed it.

Murase: In addition to revising the KPIs, this fiscal year we also set new KGIs so as to clarify the image that Maxell aims to achieve by 2030. One of the new KGIs is the ratio of female managers, and we expect that promoting human resources diversity will lead to revitalization across a wide range of Maxell's businesses.

Hata: Maxell's business fields are wide-ranging, and combining them brings forth even greater strengths, so personnel rotations are important. It's difficult at first when you move to a different workplace, but we hope that through these difficulties the employees will grow, understand the

differences and strengths of each business division, and gain the ability to make proposals that can solve customer issues.

Nakamura: Yes. Some of the KPIs were only weakly linked to our final goals, so for the final fiscal year of MEX26 we revised the plan to quantify the ideal feature in 2030 and link the KPIs to it. We will continue to closely monitor progress on MEX26 and make improvements to areas that are lagging behind.

Toward Steady Progress on MEX26

Aigami: In formulating MEX26, we had in-depth discussions based on SWOT analysis by each business division. I think that each business division's understanding of the current situation has also become clearer. On the other hand, it is difficult to say that we had sufficient time to discuss medium- to long-term growth strategies, so we would like to continue discussing medium- to long-term initiatives, such as revitalizing personnel exchanges to create synergies between businesses, collaborations with other companies, and M&A.

Nakamura: We were able to spend more time than previously on discussing how to utilize our strengths and how to achieve our goals by deeply analyzing the external environment such as trends in our markets, customers, and competitors.

As Mr. Aigami said, we did not have enough time to discuss M&A and external collaborations, so we will need to continue discussing these topics while sharing progress on the plan. Actually, a variety of proposals about alliances with external parties have already been made, and we will continue to consider creating synergies by utilizing the knowledge that we have gained through past M&A and alliances.

Murase: When formulating MEX26, the leaders from each business division gathered together and listened to presentations on the business environment and policies of the other business divisions, which I think enabled them to deepen their understanding of each other's situations. In particular, we had numerous discussions about the reasons why we were unable to achieve our goals in MEX23. Based on

that analysis, for MEX26 we are discussing major measures such as how to utilize our strengths to achieve steady growth and how to proceed with business replacement. It is also important to confront our weaknesses and decide whether they are something we can overcome or something we should give up on.

Hata: With MEX23, we lacked the ability to execute growth in some areas, so in MEX26 we are planning to focus investments on the growth fields that we have set. To boost the momentum of our growth strategy, it is important to lay the foundations for innovation. Innovation can be achieved by combining unique ideas with our strengths and our ability to discern the market's true needs. In order to achieve this, as President Nakamura is always saying, it is important for engineers to go out into the market and fully understand customer needs. Additionally, in order to know where and what Maxell's strengths are, we must rotate personnel. Knowing the strengths not only of your own business division but also those of other business divisions will enable us to meet customer needs.



Aigami: Fostering the next generation of leaders is also important. Most of our current Directors and Executive Officers are in their 50s, but we also have many excellent people in their 40s who have a strong sense of management and who serve as presidents at subsidiaries and overseas sales companies and plant managers. I am convinced that these people will be a major driving force for Maxell in the future, and I think that the company will become even more vibrant if we create forums for them to express their opinions, such as by having them attend Management Committee meetings as observers.

Murase: By rotating personnel, employees can gain experience in a variety of businesses, which also improves their leadership skills. One of Maxell's strengths is that we develop a wide range of businesses based on our unique Analog Core Technologies. I believe that by experiencing a variety of businesses, employees will develop the ability to take on management roles that leverage Maxell's strengths.

Nakamura: During MEX23, we started by horizontally connecting the functions that existed in each business division so as to strengthen the horizontal connections between business divisions and between people. For example, we



rotated manufacturing managers between plants and business divisions.

Then, in 2022, we implemented the "Step 26" project, selecting employees from across the company, primarily those in their 40s, and having them formulate a medium-term management plan for 2024 and beyond. I think that the connections made there will serve as a foundation for exchanges across business divisions in the future, and I would like us to continue to work on stimulating horizontal exchanges.

MEX26 is a Period of Great Progress. Achieving the 2030 Goals with "One Maxell"

Hata: The President, Executive Officers, and division heads will clearly communicate and instill the aims, measures, and management ideas of MEX26 so that each employee can exercise their capabilities. This will give the company the ability to execute, and will also lead to personal growth, increased motivation, and enhanced engagement. I feel that this vertical communication within the organization has fostered a sense of One Maxell, but, at the same time, I also feel that the connection between Maxell itself and the Group companies is still weak. It is important that Group companies work together in the same direction.

Aigami: My impression of Maxell is that there are many people who are serious, very responsible, and act prudently, but I feel that the people involved in IP and new business development are resolute, down-to-earth, and passionate. If we provide people like this with responsibility and opportunities, and stimulate horizontal communication through cross-divisional organization, then I think we will develop leaders who will be successful in the future.

Murase: If you only look at the performance trends during the MEX23 period, then it may seem like there has been no growth, but the substance of our business has dramatically changed. Based on our strengthened foundation, MEX26 is a growth phase toward 2030. One of Maxell's strengths that will promote growth is our outstanding ability to achieve the themes set by



customer requests. However, there are also times when I feel that only our technological capabilities are growing, and that there may be a slight disconnect as to whether or not we are meeting the needs of society. I believe that proposing solutions that address the potential needs of our customers and creating new value will lead to growth toward 2030.

Nakamura: The development of all-solid-state batteries was extremely difficult from a technical point of view, but their development has progressed beyond what I imagined. As our customers have praised our results and placed high expectations on us, the employees involved in these efforts have gained confidence and are working with a positive attitude. I hope that this success story, of taking on a challenge and overcoming such high hurdles, will motivate all of our employees. By fostering a culture of taking on difficult challenges in this way, the Maxell Group will work as one to achieve steady growth toward our goals.



Data Section

Key Financial Data

(Millions of yen)

(FY)	2019	2020	2021 ^{*1}	2022	2023
Net sales	145,041	139,055	138,215	132,776	129,139
Operating profit (loss)	(137)	3,806	9,332	5,638	8,083
Operating profit (loss) to net sales (%)	(0.09)	2.74	6.75	4.25	6.26
EBITDA ^{*2}	5,738	9,252	13,874	10,375	12,886
EBITDA margin (%) ^{*3}	3.96	6.65	10.04	7.81	9.98
Net profit (loss) attributable to owners of parent	(10,487)	(9,373)	(3,659)	5,193	7,544
Net profit (loss) to net sales (%)	(7.23)	(6.74)	(2.65)	3.91	5.84
Depreciation	5,875	5,446	4,542	4,737	4,803
Capital investment	5,148	8,092	3,960	3,825	6,828
R&D expenses	8,864	7,934	6,379	6,397	5,480
Net profit (loss) per share (yen) ^{*4}	(205.23)	(189.51)	(73.98)	109.33	164.59
Net assets per share (yen) ^{*4}	1,828.68	1,640.98	1,647.78	1,807.25	2,048.15
Annual dividend per share (yen)	268.00 ^{*5}	0.00	40.00	40.00	50.00
Dividend payout ratio (%)	–	–	–	36.6	30.4
Average number of shares during the term (excluding treasury shares) (thousand shares)	51,099	49,459	49,459	47,500	45,836
Number of shares issued at the end of period (including treasury shares) (thousand shares)	53,341	53,341	53,341	49,695	49,695
ROE (%)	(9.82)	(10.92)	(4.50)	6.32	8.54
ROA (%) ^{*6}	0.04	2.16	5.58	3.89	5.77
ROIC (%) ^{*7}	(0.07)	1.90	5.51	3.48	5.04
Receivables turnover (times) ^{*8}	4.14	4.59	4.57	4.38	4.24
Inventory turnover (times) ^{*9}	5.32	5.82	6.02	5.03	4.69
Shareholders' equity ratio (%)	50.6	45.9	45.9	49.2	54.9
D/E ratio (times) ^{*10}	0.78	0.51	0.51	0.34	0.23
Current ratio (%)	209.9	174.3	172.3	170.9	155.5
Working capital ^{*11}	32,310	8,809	5,105	10,992	6,854

Net Sales by Region

(Millions of yen)

(FY)	2019	2020	2021	2022	2023
Americas	11,865	11,778	13,890	14,075	16,843
Europe	11,657	9,507	11,500	12,577	15,844
Asia and other	33,684	30,692	33,057	29,367	29,493
Japan	87,835	87,078	79,768	76,757	66,959

Average foreign exchange rate over the year

JPY/USD (yen)	2019	2020	2021	2022	2023
	109	106	112	135	145

Year-end Stock Price Indicators

(FY)	2019	2020	2021	2022	2023
EV/EBITDA (times) ^{*12}	13.7	8.6	3.9	6.4	4.6
Year-end stock price (yen)	1,064	1,399	1,202	1,539	1,593
Year-end market capitalization (millions of yen)	56,755	74,625	64,116	76,482	79,165
Year's high (yen)	1,971	1,516	1,531	1,691	1,803
Year's low (yen)	882	836	1,055	1,110	1,434

*1 From the beginning of FY2021, the Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29 of March 31, 2020), etc. The numbers relating to FY2021 onwards are after application of the accounting standard, etc.

*2 Operating profit + depreciation

*3 EBITDA / Net Sales x 100

*4 The Company has introduced the "performance-linked share-based remuneration system." The shares of the Company held by the trust are included in the treasury shares deducted in the calculation of the average number of shares during the term used in the calculation of "Net profit (loss) per share," and are included in the treasury shares deducted in the calculation of the number of shares issued at the end of the period used in the calculation of "Net assets per share."

*5 Ordinary dividend: 18 yen Special dividend: 250 yen

*6 Ordinary profit / Average total assets (average of the beginning and end of the period) x 100

*7 Net operating profit after income tax / Average invested capital (average of the beginning and end of the period) Net operating profit after income tax = Operating profit x (1 - 0.31), Invested capital = Net assets - Non-controlling interests + Short-term and Long-term borrowings (excluding interest-free borrowings) + Lease obligations + Other interest-bearing debts

*8 Net sales / Average accounts receivable-trade (average of the beginning and end of the period)

*9 Cost of sales / Average inventories (average of the beginning and end of the period)

*10 Interest-bearing debts (Short-term and Long-term borrowings + Lease obligations) / Year-end shareholders' equity (Year-end market capitalization)

*11 (Current assets - Cash and cash equivalents) - (Current liabilities - Short-term interest-bearing debts)

*12 (Year-end market capitalization + Interest-bearing debts - Cash and cash equivalents) / EBITDA

Segment Information

(Millions of yen)

(FY)	2019	2020	(FY)	2021*	2022	2023
Net sales	145,041	139,055	Net sales	138,215	132,776	129,139
Energy	38,203	37,811	Energy	38,631	36,774	34,971
Industrial Materials	54,413	50,843	Functional Materials	28,018	29,286	30,144
Electronic Appliances & Consumer Products	52,425	50,401	Optics & Systems	39,540	37,476	41,369
Operating profit (loss)	(137)	3,806	Life Solution	32,026	29,240	22,655
Energy	2,498	3,309	Operating profit (loss)	9,332	5,638	8,083
Industrial Materials	887	1,432	Energy	4,050	2,359	504
Electronic Appliances & Consumer Products	(3,522)	(935)	Functional Materials	1,861	863	1,350
Operating profit (loss) to net sales (%)	(0.09)	2.74	Optics & Systems	3,338	3,889	5,606
Energy	6.54	8.75	Life Solution	83	(1,473)	623
Industrial Materials	1.63	2.82	Operating profit (loss) to net sales (%)	6.75	4.25	6.26
Electronic Appliances & Consumer Products	(6.72)	(1.86)	Energy	10.48	6.41	1.44
Total assets	178,873	176,807	Functional Materials	6.64	2.95	4.48
Energy	30,771	33,269	Optics & Systems	8.44	10.38	13.55
Industrial Materials	54,955	52,888	Life Solution	0.26	(5.04)	2.75
Electronic Appliances & Consumer Products	54,797	42,555	Total assets	177,535	168,177	171,100
Other	38,350	48,095	Energy	34,923	37,594	37,063
Capital expenditure	5,638	8,343	Functional Materials	31,471	32,996	35,427
Energy	1,046	1,506	Optics & Systems	35,662	37,384	42,582
Industrial Materials	3,450	2,843	Life Solution	29,955	22,529	20,087
Electronic Appliances & Consumer Products	1,142	3,994	Other	45,524	37,674	35,941
Depreciation	5,875	5,446	Capital expenditure	4,183	5,131	6,940
Energy	1,402	1,428	Energy	845	1,883	2,320
Industrial Materials	2,515	2,579	Functional Materials	889	635	713
Electronic Appliances & Consumer Products	1,958	1,439	Optics & Systems	1,867	1,928	3,041
R&D expenses	8,864	7,934	Life Solution	582	685	866
Energy	1,908	1,473	Depreciation	4,542	4,737	4,803
Industrial Materials	2,394	2,638	Energy	1,376	1,459	1,583
Electronic Appliances & Consumer Products	4,562	3,823	Functional Materials	723	745	790
Year-end number of employees	5,108	4,555	Optics & Systems	1,710	1,758	1,731
Energy	959	862	Life Solution	733	775	699
Industrial Materials	2,073	1,980	R&D expenses	6,379	6,397	5,480
Electronic Appliances & Consumer Products	1,844	1,477	Energy	1,173	1,412	1,478
Other (employees who cannot be categorized into specific segments)	232	236	Functional Materials	1,527	1,310	1,379
			Optics & Systems	2,961	2,797	2,419
			Life Solution	718	878	204
			Year-end number of employees	4,180	4,111	3,956
			Energy	793	785	756
			Functional Materials	786	803	799
			Optics & Systems	1,280	1,333	1,299
			Life Solution	1,021	945	838
			Other (employees who cannot be categorized into specific segments)	300	245	264

* From the beginning of FY2021, the Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29 of March 31, 2020), etc. The numbers relating to FY2021 onwards are after application of the accounting standard, etc.

Business segments have been changed from fiscal 2021

New business segments / major products from fiscal 2021 onwards

Energy	Lithium-ion batteries, micro batteries
Functional Materials	Adhesive tapes, coated separators
Optics & Systems	Optical components, semiconductor-related embedded systems
Life Solution	Consumer products, health and beauty care products, hydraulic tools

Former business segments / major products up to fiscal 2020

Energy	Lithium-ion batteries, micro batteries
Industrial Materials	Adhesive tapes, optical components, semiconductor-related embedded systems, coated separators
Electronic Appliances & Consumer Products	Consumer products, projectors, health and beauty care products, hydraulic tools

Consolidated Balance Sheets (Summary)

(Millions of yen)

(FY)	2019	2020	2021*	2022	2023
Total current assets	84,657	85,369	99,469	94,837	92,166
Principal items included in the above:					
Cash and deposits	22,636	33,016	45,552	38,170	38,665
Notes and accounts receivable - trade	30,328	30,295	30,160	30,439	30,446
Inventories	21,431	16,034	18,378	22,476	19,617
Total non-current assets	94,216	91,438	78,066	73,340	78,934
Total property, plant and equipment	62,063	55,280	55,507	51,544	54,413
Total intangible assets	6,265	5,359	5,031	4,697	4,778
Total investments and other assets	25,888	30,799	17,528	17,099	19,743
Principal items included in the above:					
Investment securities	21,626	24,168	9,672	9,503	9,568
Net defined benefit assets	1,878	3,861	4,550	4,881	7,706
Deferred tax assets	1,457	1,732	2,152	1,780	1,564
Total assets	178,873	176,807	177,535	168,177	171,100
Total current liabilities	40,335	48,975	57,719	55,494	59,258
Principal items included in the above:					
Notes and accounts payable - trade	16,668	17,851	19,606	18,421	17,168
Accounts payable - other, and accrued expenses	10,158	21,527	13,403	13,178	14,497
Short-term borrowings, current portion of long-term borrowings and lease obligations	10,406	5,210	6,692	8,218	12,611
Total non-current liabilities	45,626	44,235	35,200	26,743	14,535
Principal items included in the above:					
Long-term borrowings and lease obligations	34,004	32,856	26,170	17,776	5,733
Deferred tax liabilities	4,183	4,175	2,512	2,849	2,682
Net defined benefit liabilities	7,249	6,700	5,705	5,372	5,445
Total liabilities	85,961	93,210	92,919	82,237	73,793
Total shareholders' equity	103,571	88,864	84,215	82,487	88,229
Total accumulated other comprehensive income	(13,127)	(7,702)	(2,717)	329	5,665
Non-controlling interests	2,468	2,435	3,118	3,124	3,413
Total net assets	92,912	83,597	84,616	85,940	97,307
Total liabilities and net assets	178,873	176,807	177,535	168,177	171,100

* From the beginning of FY2021, the Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29 of March 31, 2020), etc. The numbers relating to FY2021 onwards are after application of the accounting standard, etc.

Consolidated Statements of Income (Summary)

(Millions of yen)

(FY)	2019	2020	2021	2022	2023
Net sales	145,041	139,055	138,215	132,776	129,139
Gross profit	27,331	30,063	34,602	30,098	30,496
Total selling, general, and administrative expenses	27,468	26,257	25,270	24,460	22,413
Operating profit (loss)	(137)	3,806	9,332	5,638	8,083
Total non-operating income/expenses (net)	213	40	556	1,089	1,703
Principal items included in the above:					
Interest income and dividend expenses	359	461	280	327	726
Interest expenses and sales discounts	(295)	(285)	(153)	(126)	(83)
Foreign exchange gains/losses	94	(230)	164	778	1,016
Share of profit/loss of entities accounted for using equity method	164	(30)	138	(152)	(46)
Ordinary profit	76	3,846	9,888	6,727	9,786
Extraordinary income /loss (net)	(9,502)	(11,544)	(11,437)	538	(653)
Principal items included in the above:					
Gains on sale of non-current assets	6	6,610	13	1,625	24
Compensation for forced relocation	-	1,339	-	-	-
Losses on sale and retirement of non-current assets	(314)	(271)	(446)	(228)	(242)
Impairment losses	(7,782)	(4,742)	(131)	(461)	-
Extra retirement payments	-	-	(635)	(407)	(435)
Losses on valuations of investment securities	-	-	(10,312)	-	-
Business restructuring expenses	(1,587)	(7,319)	-	-	-
Litigation expenses	-	(7,067)	-	-	-
Profit (loss) before income taxes	(9,426)	(7,698)	(1,549)	7,265	9,133
Total income taxes	736	1,799	1,718	2,009	1,482
Profit (loss) attributable to non-controlling interests	325	(124)	392	63	107
Profit (loss) attributable to owners of parent	(10,487)	(9,373)	(3,659)	5,193	7,544

Consolidated Statement of Cash Flows (Summary)

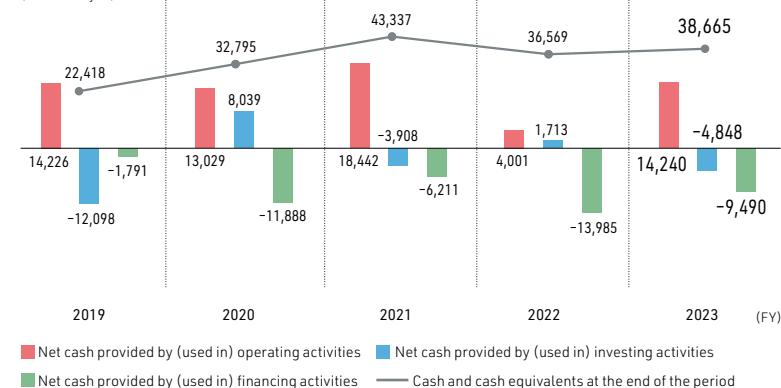
(Millions of yen)

(FY)	2019	2020	2021	2022	2023
Net cash provided by (used in) operating activities	14,226	13,029	18,442	4,001	14,240
Principal items included in the above:					
Profit (loss) before income taxes	(9,426)	(7,698)	(1,549)	7,265	9,133
Depreciation	5,875	5,446	4,542	4,737	4,803
Impairment loss	7,782	4,742	131	461	—
Extra retirement payments	—	—	635	407	435
Amortization of goodwill	1,231	590	590	48	—
Loss (gain) on sale and retirement of non-current assets	308	(6,339)	433	(1,397)	218
Decrease (increase) in trade receivables	9,441	464	1,004	384	1,020
Decrease (increase) in inventories	2,707	4,530	(1,338)	(3,868)	3,750
Increase (decrease) in trade payables	(3,004)	852	1,251	(1,320)	(1,467)
Net cash provided by (used in) investing activities	(12,098)	8,039	(3,908)	1,713	(4,848)
Principal items included in the above:					
Purchase of investment securities	(130)	(31)	(7)	(6)	(72)
Proceeds from sale of investment securities	332	37	2,403	985	—
Payments for construction of rental properties	(2,360)	—	—	—	—
Purchase of property, plant and equipment	(7,898)	(6,268)	(4,030)	(4,931)	(6,027)
Proceeds from sale of property, plant and equipment	6	14,784	832	5,649	29
Net cash provided by (used in) financial activities	(1,791)	(11,888)	(6,211)	(13,985)	(9,490)
Principal items included in the above:					
Net increase (decrease) in borrowings	18,637	(6,388)	(5,098)	(6,844)	(7,563)
Purchase of treasury shares	(5,039)	—	—	(5,000)	—
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(5,335)	—	—	—
Dividends paid to non-controlling interests	(38)	(64)	(9)	(128)	(62)
Dividends paid	(15,081)	—	(990)	(1,938)	(1,834)
Repayments of lease liabilities	(166)	(101)	(114)	(92)	(63)
Effect of exchange rate changes on cash and cash equivalents	(604)	1,197	2,219	1,503	2,194
Net increase (decrease) in cash and cash equivalents	(267)	10,377	10,542	(6,768)	2,096
Cash and cash equivalents at the beginning of the period	22,685	22,418	32,795	43,337	36,569
Cash and cash equivalents at the end of the period	22,418	32,795	43,337	36,569	38,665
Free cash flow*	2,128	21,068	14,534	5,714	9,392

* Net cash flow provided by (used in) operating activities + Net cash provided by (used in) investing activities

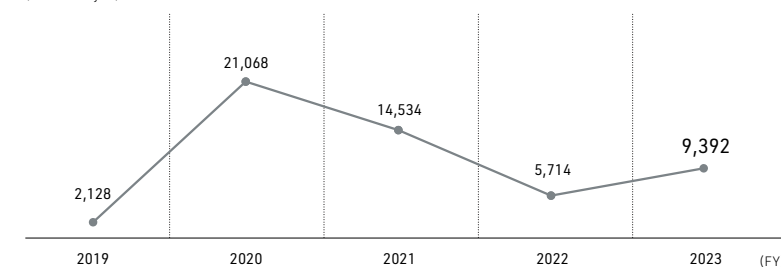
Cash Flow Changes

(Millions of yen)



Free Cash Flow

(Millions of yen)



Maxell has been actively expanding its overseas operations since 1969.

From here on also, Maxell will work to further enhance its competitiveness within the rapidly changing global market, based on its quality, and the trust customers place in that quality.



Japan	
Maxell, Ltd.	
Tokyo Headquarters, Tokyo Office	Minato-ku, Tokyo
Registered Head Office, Kyoto Headquarters, Kyoto Office/Works	Oyamazaki-cho, Otokuni-gun, Kyoto Pref.
Miyagi Works	Watari-cho, Watari-gun, Miyagi Pref.
Kawasaki Office/Works	Kawasaki-shi, Kanagawa Pref.
Yokohama Office	Yokohama-shi, Kanagawa Pref.
Kobuchizawa Works	Hokuto-shi, Yamanashi Pref.
Ono Works	Ono-shi, Hyogo Pref.
Kyushu Works	Fukuchi-machi, Tagawa-gun, Fukuoka Pref.
Kanto and Tohoku Sales Office	Kasukabe-shi, Saitama Pref.
Nagoya Sales Office	Nagoya-shi, Aichi Pref.
Kansai Office	Osaka-shi, Osaka Pref.
Kyushu Sales Office	Fukuoka-shi, Fukuoka Pref.

Maxell Frontier Co., Ltd.	
Head Office, Yokohama Works	Yokohama-shi, Kanagawa Pref.
Tokyo Sales Office	Minato-ku, Tokyo
Gifu Works	Minokamo-shi, Gifu Pref.
Yonezawa Works	Yonezawa-shi, Yamagata Pref.
Miyagi Works	Watari-cho, Watari-gun, Miyagi Pref.
Maxell Izumi Co., Ltd.	
Head Office	Matsumoto-shi, Nagano Pref.
Kyushu Works	Fukuchi-machi, Tagawa-gun, Fukuoka Pref.
Tokyo Sales Office	Shibuya-ku, Tokyo
Osaka Sales Office	Osaka-shi, Osaka Pref.
Nagoya Sales Office	Nagoya-shi, Aichi Pref.
Fukuoka Sales Office	Fukuoka-shi, Fukuoka Pref.
Sendai Sales Office	Sendai-shi, Miyagi Pref.
Ube Maxell Kyoto Co., Ltd.	
Head Office	Oyamazaki-cho, Otokuni-gun, Kyoto Pref.

Maxell Kureha Co., Ltd.	
Head Office, Osaka Branch	Osaka-shi, Osaka Pref.
Tokyo Branch	Taito-ku, Tokyo
Nagoya Branch	Nagoya-shi, Aichi Pref.
Kyushu Branch	Kitakyushu-shi, Fukuoka Pref.
Tsu Plant	Tsu-shi, Mie Pref.
Kameyama Plant	Kameyama-shi, Mie Pref.
Overseas	
Maxell Corporation of America	USA
Maxell Corporation of America, Canada Branch	Canada
Maxell Research and Development America, LLC	USA
Maxell Latin America, S.A.	Panama
Maxell Europe Ltd.	UK
Maxell Europe Ltd. German Branch	Germany

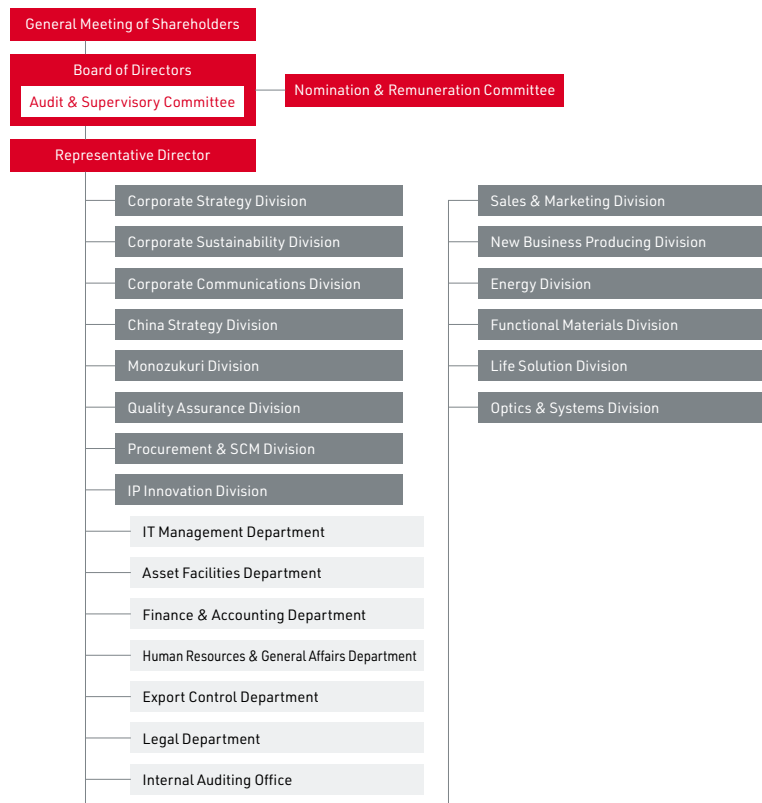
Maxell Europe Ltd. Munich Office	Germany
Maxell Europe Ltd. Hungarian Branch	Hungary
Maxell Asia, Ltd.	Hong Kong, China
Maxell Asia, Ltd. Chennai Office	India
Maxell Asia, Ltd. Bangkok Office	Thailand
Maxell Asia, Ltd. Vietnam Office	Vietnam
Maxell (Shanghai) Trading Co., Ltd.	Shanghai, China
Maxell (Shenzhen) Trading Co., Ltd.	Shenzhen, China
Maxell Taiwan, Ltd.	Taiwan
Maxell Asia (Singapore) Pte. Ltd.	Singapore
Maxell Joei Tech (Thailand) Co., Ltd.	Thailand
Maxell Tohshin (Malaysia) Sdn. Bhd.	Malaysia
PT. Sliointec Ekadharm Indonesia	Indonesia
Wuxi Maxell Energy Co., Ltd.	Wuxi, China
Maxell Digital Products China Co., Ltd.	Fuzhou, China
Izumi Products HK Limited	Hong Kong, China
Gangquan Precision (Shenzhen) Co., Ltd.	Shenzhen, China

Corporate Data

Company Name	Maxell, Ltd. https://www2.maxell.co.jp/
Tokyo Headquarters	21F, Taiyo Life Shinagawa Building, 2-16-2 Konan, Minato-ku, Tokyo 108-8248, Japan
Kyoto Headquarters	1 Koizumi, Oyamazaki, Oyamazaki-cho, Otokuni-gun, Kyoto 618-8525, Japan
Established	September 1960
Capital	12.203 billion yen
President and Representative Director	Keiji Nakamura
Number of Employees	Consolidated: 3,956*
Shareholder Registry Administrator	Mitsubishi UFJ Trust and Banking Corporation
Accounting Auditor	Ernst & Young ShinNihon LLC

*As of March 31, 2024

Organization Chart of Maxell, Ltd. (As of September 1, 2024)

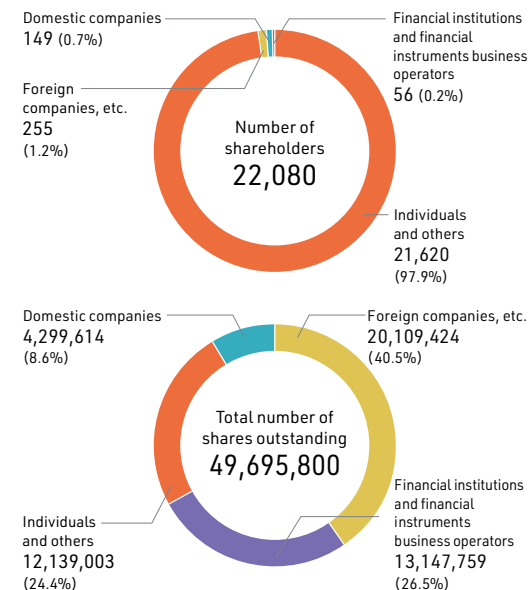


Status of Major Shareholders

	Name of Shareholder	Number of Shares Held (Thousand Shares)	Shareholding Ratio (%)
1	The Master Trust Bank of Japan, Ltd.	7,410	16.16
2	Custody Bank of Japan, Ltd.	3,393	7.40
3	TAIYO FUND, L.P.	2,568	5.60
4	SSBTC CLIENT OMNIBUS ACCOUNT	2,264	4.94
5	Nichia Corporation	2,001	4.36
6	TAIYO HANEI FUND, L.P.	1,672	3.65
7	Zeon Corporation	1,311	2.86
8	STATE STREET BANK AND TRUST COMPANY 505227	1,277	2.78
9	GOVERNMENT OF NORWAY	790	1.72
10	STATE STREET BANK WEST CLIENT - TREATY 505234	738	1.61

Notes: 1. The numbers for the shares held by The Master Trust Bank of Japan, Ltd. and Custody Bank of Japan, Ltd. represent the numbers of shares they hold in connection to their trust duties.
2. When calculating the shareholding ratios, treasury shares (3,836,848 shares) are excluded.

Breakdown of Shares



Major External Recognition

Obtained an "A-" rating in CDP's Climate Change Report 2023

Maxell, Ltd. obtained an "A-" rating, which is the leadership level, in the "Climate Change Report 2023" conducted by CDP, an international environmental not-for-profit organization that runs an environmental information disclosure system for companies and local governments, and a "B" rating, which is the management level, in the "Water Security Report 2023."



Obtained an A rank in the "3rd JRECO Fluorocarbon Countermeasure Rating" for two consecutive years

Following 2023, Maxell, Ltd. received an A rank in an evaluation by the Japan Refrigerants and Environment Conservation Organization (JRECO) of corporate efforts for compliance with the Act on Rational Use and Appropriate Management of Fluorocarbons. The Maxell Group has been calculating the amount of fluorocarbon leakage from the equipment it uses, as well as conducting both simple and periodic inspections since before the law was enacted in 2015.



Obtained an "AA" rating in the MSCI ESG Ratings

Maxell, Ltd. obtained an "AA" rating in the "MSCI ESG Ratings," which is a global ESG rating index. Maxell's various "social" and "governance" activities and disclosures were highly evaluated, and Maxell moved up two ranks from the "BBB" rating.



Selected as a constituent of the "Sompo Sustainability Index" for eight consecutive years

In recognition of Maxell Group's ESG efforts, it has been selected as a constituent of Sompo Asset Management Co., Ltd.'s "Sompo Sustainability Index" for 8 consecutive years since 2017.



Recognized as a "2024 Certified Health & Productivity Management Outstanding Organization"

Under the Certified Health & Productivity Management Outstanding Organizations Recognition Program conducted by Japan's Ministry of Economy, Trade and Industry and by the Nippon Kenko Kaigi, Maxell, Ltd. and Maxell Frontier Co., Ltd. were certified in the large enterprise category as "2024 Certified Health & Productivity Management Outstanding Organizations."



Selected for Asia IP Elite 2024

Maxell, Ltd. has been continuously selected since 2018 for the "Asia IP Elite" by Intellectual Asset Management, an internationally authoritative intellectual property media organization, as one of the companies that position IP at the core of their business strategy.





Logo for KUSE GA ARU STUDIO

KUSE GA ARU (Edgy) STUDIO | ATVK

Maxell's studio located in Art and Technology Village Kyoto (ATVK).* The studio was established with the aim of creating "new value" by combining sensitivities and technologies of the people who will lead the next generation, and to contribute to the enhancement of corporate value and branding activities of Maxell through a variety of events.

*Based on a land lease agreement between Kyoto Prefecture and Maxell, the Public Interest Incorporated Foundation KYOTO Industrial Support Organization 21 operates AVTK through free loan from Kyoto Prefecture, as a base for open innovation through the fusion of art and technology.

(The photographs on the cover page and pages 1, 11, 13, 14, 15, 17, 62, 63, and 64 were taken at KUSE GA ARU STUDIO.)

Notes about Statements about the Future

Statements made in this report with respect to our performance outlook, plans, strategies, and other statements that are not historical facts are our predictions based on information available to the Company as of March 31, 2024 and are subject to risks and uncertainties. Accordingly, please do not rely solely on these predictions in making investment decisions.

maxell
Within, the Future

Maxell, Ltd.
<https://www2.maxell.co.jp/>