

## Summary of Consolidated Financial Results for the First Half ended September 30, 2021 (Japan GAAP)

October 28, 2021

Listed company: Maxell, Ltd. Stock exchange: Tokyo (first section)  
Code number: 6810 URL: <https://www2.maxell.co.jp/ir/>  
Representative: Keiji Nakamura (President)  
Contact person: Seiji Takahashi (General Manager)  
Planned date of submittal of financial statement report: November 10, 2021  
Planned date of beginning payment of dividends: December 8, 2021

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

### 1. Consolidated Business Results and Financial Position for the First Half ended September 30, 2021 (April 1, 2021 through September 30, 2021)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2021	69,261	8.8	6,146	643.2	6,425	687.4	3,972	-
September 30, 2020	63,640	(13.5)	827	17.8	816	3.4	(844)	-

Note: Comprehensive income: September 30, 2021 4,696 millions of yen (813.6%)  
September 30, 2020 514 millions of yen (- %)

	Net profit per share	Net profit per share (Diluted)
	Yen	Yen
September 30, 2021	80.31	—
September 30, 2020	(17.06)	—

Note 1: The Company has introduced “performance-linked share-based remuneration system”. And the shares of the Company held by the trust are included in the treasury shares deducted in the calculation of the average number of the shares during the term used in the calculation of “Net profit per share” of the quarter.

2: From the beginning of the First Quarter ended June 30, 2021, the Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29 of March 31, 2020), etc. The numbers relating to the First Half ended September 30, 2021 are after application of the Accounting Standard for Revenue Recognition, etc.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
September 30, 2021	186,554	88,283	45.9
March 31, 2021	176,807	83,597	45.9

References: Shareholders' equity: September 30, 2021 85,642 millions of yen; March 31, 2021 81,162 millions of yen

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

### 2. Dividend

	Dividend per share				
	1Q	2Q	3Q	Year end	Full year
	Yen	Yen	Yen	Yen	Yen
March 31, 2021	-	0.00	-	0.00	0.00
March 31, 2022	-	20.00	-	-	-
March 31, 2022 (Forecast)	-	-	-	20.00	40.00

Note: Revision of the latest dividend forecast: Yes

### 3. Consolidated Business Forecast for the year ending March 31, 2022 (April 1, 2021 through March 31, 2022)

(% change from the previous year)

	Net sales		Operating profit		Profit attributable to owners of parent		Net profit per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
Full year	136,500	(1.8)	9,500	149.6	5,700	-	115.25	

Note 1: Revision of the latest consolidated financial forecast: Yes

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

#### Notes

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

(2) Application of special accounting method: Yes

Standard used to calculate income taxes

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

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

1) Changes as a result of revision of accounting standards: Yes

Application of Accounting Standard for Revenue Recognition

The Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29 of March 31, 2020), etc. from the beginning of the first quarter ended June 30, 2021 and revenue is recognized when control of promised goods or services are transferred to customers in the amount expected to be received in exchange for those goods or services.

As a result, in the First Half ended September 30, 2021, net sales decreased by 1,780 million yen, cost of sales decreased by 1,623 million yen, selling, general and administrative expenses decreased by 81 million yen and non-operating expenses decreased by 28 million yen. Also, operating profit decreased by 76 million yen, and ordinary profit and profit before income taxes decreased by 48 million yen each. There is no influence to the balance of retained earnings at the beginning of the period.

2) Changes other than 1): None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of shares issued (common stock)

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

September 30, 2021 53,341,500 shares

March 31, 2021 53,341,500 shares

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

September 30, 2021 3,882,166 shares

March 31, 2021 3,882,166 shares

3) Average number of shares during the term:

September 30, 2021 49,459,334 shares

September 30, 2020 49,458,726 shares

Note 1: The number of shares of treasury share at end of period includes the shares of the Company held by the trust relating to “performance-linked share-based remuneration system” (18,600 shares, for the previous consolidated fiscal year ended March 31, 2021 and 18,600 shares, for the First Half ended September 30, 2021).

2: The average number of shares during the term is calculated by deducting the treasury shares and the shares of the Company held by the trust relating to “performance-linked share-based remuneration system” (19,207 shares, for the First Half ended September 30, 2020 and 18,600 shares, for the First Half ended September 30, 2021).

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

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

## [Qualitative Information / Financial Statements]

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

(Unless otherwise stated, all comparisons are with operating results in the First Half of the previous fiscal year, from April 1, 2020 to September 30, 2020.)

The global economy in this first half period remained unpredictable, such as a sharp increase in the number of new cases of the Novel Coronavirus (COVID-19) infections disease in Japan. On the other hand, the global increase in the number of people with the infections is being curbed due to the progress of vaccination, and the Company predicts that the economy will gradually recover in the future, particularly in major markets such as automotive, semiconductors, and consumer electronics. However, it is necessary to continue to closely monitor the negative impact on supply chains, including production of the Company and the customers, due to shortages of semiconductors, soaring raw material costs, and stagnation in logistics.

Under these circumstances, in this first half period, total sales increased by 8.8% (5,621 million yen) to 69,261 million yen, due to the recovery trend of the demands in the markets such as automotive and semiconductors. In terms of profitability, operating profit increased by 643.2% (5,319 million yen) to 6,146 million yen, ordinary profit increased by 687.4% (5,609 million yen) to 6,425 million yen and profit attributable to owners of parent increased by 4,816 million yen to 3,972 million yen, due to profit increase following the recovery of sales and the effects of business reform executed in the previous consolidated fiscal year.

The average foreign exchange rate over this First Half period under review was US\$1=110yen.

The Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29 of March 31, 2020), etc. from the beginning of the first quarter period ended June 30, 2021.

Operating results by segment were as follows.

#### **Energy**

There were sales increase of heat resistant coin type lithium batteries supported by recovery of demand for automotive market, cylindrical type lithium batteries for smart meters and coin type lithium rechargeable batteries for hearing aids, and the sales of lithium ion batteries for consumer stayed almost same level as in the previous year. Due to these reasons, sales for Energy segment increased by 13.6% (2,398 million yen) to 20,059 million yen. Operating profit increased by 139.8% (1,466 million yen) to 2,515 million yen, by increase of profit due to sales increase of heat resistant coin type lithium batteries and cylindrical type lithium batteries, etc.

#### **Functional Materials**

Sales decrease of coated separator due to the application of the Accounting Standard for Revenue Recognition had been compensated by sales increase of adhesive tapes and industrial rubber products, and total sales for Functional Materials segment increased by 7.1% (899 million yen) to 13,551 million yen. Operating profit increased by 590.1% (897 million yen) to 1,049 million due to increase of profit by sales increase of adhesive tapes and industrial rubber products, as well as profit increase of coated separator.

#### **Optics & Systems**

Due to sales increase of optical components such as in-car camera lens unit and LED headlamp lens supported by recovery demands in automotive market, head up displays and semiconductor related embedded systems, sales for Optics & Systems segment increased by 14.6% (2,526 million yen) to 19,848 million yen. Operating profit increased by 2,999 million yen to 2,203 million yen mainly due to the temporary effect following business reform for projectors and improved profitability of optical components for automotive market, etc.

## **Life Solution**

Despite the downturn of overall consumer electronics market, sales of beauty care products and hydraulic tools increased. However, as the sales of anti-bacterial deodorizer, for which demand was increasing in the expansion of COVID-19 in the previous fiscal year, showed slow down, and also by the effect of business transfer of part of health product, sales of health related products decreased. Furthermore, other consumer products such as optical disks decreased, and sales for Life Solution segment decreased by 1.3% (202 million yen) to 15,803 million yen. Although profit for hydraulic tools and beauty care products increased, operating profit decreased by 10.2% (43 million yen) to 379 million yen, due to decrease of profit for health related products and other consumer products such as optical disks.

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

### **Assets**

As of September 30, 2021, total assets amounted 186,554 million yen, increased by 5.5% from the previous consolidated fiscal year (as of March 31, 2021). Among this, current assets amounted 97,127 million yen, increased by 13.8%, mainly by increase of cash and deposits. And the ratio of current assets among total assets has changed to 52.1% from 48.3% of the previous consolidated fiscal year. On the other hand, non-current assets amounted 89,427 million yen, decreased by 2.2%, and the ratio of non-current assets among total assets has changed to 47.9% from 51.7% of the previous consolidated fiscal year.

### **Liabilities**

As of September 30, 2021, total liabilities amounted 98,271 million yen, increased by 5.4% from the previous consolidated fiscal year. Among this, current liabilities amounted 55,198 million yen, increased by 12.7%, mainly by increase of other current liabilities. And the current ratio became 1.8 times, and the cash on hand which is the balance between current liabilities and current assets, became 41,929 million yen. On the other hand, non-current liabilities amounted 43,073 million yen, decreased by 2.6%, mainly by payment of long-term loans payable.

### **Net Assets**

As of September 30, 2021, total net assets amounted 88,283 million yen, increased by 5.6% from the previous consolidated fiscal year, mainly by record of profit attributable to owners of parent amounted 3,972 million yen. And the equity ratio has unchanged from 45.9% of the previous consolidated fiscal year.

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

The business performance in this first half period resulted more than the forecast announced on April 28, 2021, as the sales of products for automotive and semiconductor market were strong, and the sales of lithium ion batteries for consumer stayed almost same level as in the previous year, and due to effects of business reforms. On the other hand, the Company predicts the global economic environment to gradually recover from concerns about the expansion of COVID-19 infection disease, although the influence may remain throughout this consolidated fiscal year. On the other hand, from the third quarter onwards, the Company is also seeing several negative factors that may cause a short-term impact on business performance, such as revisions of customers' production plans due to shortages of parts and materials such as semiconductors, surge in raw materials costs, and a stagnation in logistics.

Considering these circumstances, as stated in the "Notice about Revision of Consolidated Financial Forecast for the Fiscal Year ending March 31, 2022" announced today, the Company has revised the forecasts of net sales to 136,500 million yen (increased by 11,500 million yen, in comparison with the forecast announced on April 28, 2021), operating profit to 9,500 million yen (increased by 3,500 million yen), and profit attributable to owners of parent to 5,700 million yen (increased by 2,200 million yen).

The Company is aiming to return to profit re-growth in the first year of the Mid-Term Plan MEX23. The business performance in this first half period was strong in total including temporary factors. At the same time, the Company recognizes certain progress in the enhancement of business foundation for the future. The Company will continue to put highest priority on ensuring profitability, and to promote business reforms to achieve MEX23's targets for the fiscal year ending March 2024 (Operating profit: 12,500 million yen, operating profit margin: 10% or more and ROIC: over 7%).

## Supplementary information

### Consolidated Financial Results and Forecast

(Millions of yen)

	First Half ended: September 30, 2020	First Half ended: September 30, 2021	Change* (%)	March 31, 2022 Forecast	Change* (%)
Net sales	63,640	69,261	8.8	136,500	(1.8)
Operating profit	827	6,146	643.2	9,500	149.6
Profit attributable to owners of parent	(844)	3,972	—	5,700	—

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

### Sales and Operating Profit by Segment

	September 30, 2020	September 30, 2021		Change* (%)	March 31, 2022 Forecast		Change* (%)
	Millions of yen	Millions of Yen	Composition (%)		Millions of yen	Composition (%)	
Net sales	63,640	69,261	100.0	8.8	136,500	100.0	(1.8)
Energy	17,661	20,059	29.0	13.6	37,400	27.4	(1.1)
Functional Materials	12,652	13,551	19.6	7.1	27,300	20.0	(1.3)
Optics & Systems	17,322	19,848	28.6	14.6	40,000	29.3	3.6
Life Solution	16,005	15,803	22.8	(1.3)	31,800	23.3	(9.1)
Operating profit	827	6,146	100.0	643.2	9,500	100.0	149.6
Energy	1,049	2,515	40.9	139.8	3,300	34.7	(0.3)
Functional Materials	152	1,049	17.1	590.1	2,000	21.1	81.8
Optics & Systems	(796)	2,203	35.8	—	3,300	34.7	—
Life Solution	422	379	6.2	(10.2)	900	9.5	(61.4)

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

### Sales by Regional Segment

	September 30, 2020	September 30, 2021		Change* (%)
	Millions of yen	Millions of yen	Composition (%)	
Overseas sales	22,741	28,988	41.9	27.5
America	5,805	7,107	10.3	22.4
Europe	2,809	5,387	7.8	91.8
Asia and other	14,127	16,494	23.8	16.8
Domestic sales	40,899	40,273	58.1	(1.5)
Total	63,640	69,261	100.0	8.8

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

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

(Millions of yen)

	September 30, 2020	September 30, 2021	Change* (%)	March 31, 2022 Forecast	Change* (%)
Capital investment	4,389	1,513	(65.5)	6,000	(25.9)
Depreciation	2,697	2,199	(18.5)	4,800	(11.9)
R&D expenses	3,963	3,026	(23.6)	6,800	(14.3)

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

## 4. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	33,016	45,748
Notes and accounts receivable - trade	30,295	28,958
Inventories	16,034	18,351
Other	6,565	4,981
Allowance for doubtful accounts	(541)	(911)
Total current assets	85,369	97,127
Non-current assets		
Property, plant and equipment		
Land	32,930	32,581
Other, net	22,350	22,226
Total property, plant and equipment	55,280	54,807
Intangible assets		
Goodwill	638	344
Other	4,721	4,602
Total intangible assets	5,359	4,946
Investments and other assets		
Investment securities	24,168	21,399
Other	6,833	8,479
Allowance for doubtful accounts	(202)	(204)
Total investments and other assets	30,799	29,674
Total non-current assets	91,438	89,427
Total assets	176,807	186,554
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	17,851	19,197
Short-term loans payable	3,500	—
Current portion of long-term loans payable	1,598	1,598
Income taxes payable	1,174	3,776
Other	24,852	30,627
Total current liabilities	48,975	55,198
Non-current liabilities		
Long-term loans payable	32,592	31,793
Net defined benefit liability	6,700	6,793
Asset retirement obligations	422	424
Other	4,521	4,063
Total non-current liabilities	44,235	43,073
Total liabilities	93,210	98,271

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Net assets		
Shareholders' equity		
Capital stock	12,203	12,203
Capital surplus	28,290	28,290
Retained earnings	54,405	58,377
Treasury shares	(6,034)	(6,034)
Total shareholders' equity	88,864	92,836
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,117	635
Foreign currency translation adjustment	(5,826)	(5,164)
Remeasurements of defined benefit plans	(2,993)	(2,665)
Total accumulated other comprehensive income	(7,702)	(7,194)
Non-controlling interests	2,435	2,641
Total net assets	83,597	88,283
Total liabilities and net assets	176,807	186,554

## (2) Consolidated Statements of Income

(Millions of yen)

	First half ended September 30, 2020 (April 1, 2020 - September 30, 2020)	First half ended September 30, 2021 (April 1, 2021 - September 30, 2021)
Net sales	63,640	69,261
Cost of sales	50,804	50,534
Gross profit	12,836	18,727
Selling, general and administrative expenses	12,009	12,581
Operating profit	827	6,146
Non-operating income		
Interest income	223	59
Dividend income	69	77
Share of profit of entities accounted for using equity method	—	99
Foreign exchange gains	—	56
Other	250	153
Total non-operating income	542	444
Non-operating expenses		
Interest expenses	51	54
Sales discounts	89	28
Share of loss of entities accounted for using equity method	65	—
Foreign exchange losses	182	—
Other	166	83
Total non-operating expenses	553	165
Ordinary profit	816	6,425
Extraordinary income		
Gain on sale of non-current assets	39	5
Gain on sale of investment securities	—	50
Total extraordinary income	39	55
Extraordinary losses		
Loss on sale and retirement of non-current assets	70	59
Impairment losses	153	25
Loss on COVID19	110	—
Total extraordinary losses	333	84
Profit before income taxes	522	6,396
Income taxes	1,316	2,255
Profit (loss)	(794)	4,141
Profit attributable to non-controlling interests	50	169
Profit (loss) attributable to owners of parent	(844)	3,972



(3) Consolidated Statements of Comprehensive Income

(Millions of yen)

	First half ended September 30, 2020 (April 1, 2020 - September 30, 2020)	First half ended September 30, 2021 (April 1, 2021 - September 30, 2021)
Profit (loss)	(794)	4,141
Other comprehensive income		
Valuation difference on available-for-sale securities	901	(482)
Foreign currency translation adjustment	6	709
Remeasurements of defined benefit plans, net of tax	401	328
Total other comprehensive income	1,308	555
Comprehensive income	514	4,696
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	455	4,480
Comprehensive income attributable to non-controlling interests	59	216