

FOR IMMEDIATE RELEASE

**Notice regarding recognition of extraordinary loss (loss on extinguishment of tie-in shares) following absorption-type merger of subsidiary
(Non-consolidated financial results)**

Tokyo, October 28, 2021 --- As announced in “Notice regarding Completion of Absorption-type Merger of Wholly Owned Subsidiary and Corporate Name Change” on October 1, 2021, Maxell, Ltd. (TSE: 6810, hereinafter “the Company”) has executed the absorption-type merger wherein Maxell, Ltd. (hereinafter “ex-Maxell”) was the absorbed company and used be a wholly owned subsidiary of the Company (hereinafter “Absorption-type Merger”) as of October 1, 2021.

As the accounting process relating to Absorption-type Merger, the Company today announced about recognition of extraordinary loss (loss on extinguishment of tie-in shares) in the Company’s non-consolidated financial statements as follows.

1. Outline of extraordinary loss

The difference amounted 15.2 billion yen, between the book values of assets and liabilities received from absorbed company ex-Maxell, and the shares of ex-Maxell held by the Company (tie-in shares) as of the effective date of Absorption-type Merger (October 1, 2021), is recognized in the Company’s non-consolidated financial statements as extraordinary loss (as loss on extinguishment of tie-in shares).

2. Influence to the Company’s consolidated financial conditions

As the extraordinary loss is offset in the Company’s consolidated financial results, there will be no influence to the Company’s consolidated financial conditions for the fiscal year ending March 31, 2022. The Company apologies for the recognition of the extraordinary loss in the non-consolidated financial statements of the Company in connection with Absorption-type Merger, and for execution of Absorption-type Merger as a simplified merger.

On the other hand, there will be no influence to the Company’s consolidated financial conditions as mentioned above, and there will be sufficient distributable amount in the Company’s non-consolidated balance sheet even after recognizing the extraordinary loss. Also, the Company has announced today about the upward revision of interim and year-end dividends for the fiscal year ending March 2022.

The Company would like to ask all the shareholders for continued support as the Company continues to strive to enhance corporate value and to realize shareholder returns.

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