

FOR IMMEDIATE RELEASE

**Notice on recognition of extraordinary loss
and difference between consolidated financial forecast and results
for the fiscal year ended March 31, 2022**

Tokyo, May 13, 2022 --- Maxell, Ltd. (TSE: 6810, hereinafter “the Company”) today announced about recognition of extraordinary loss and difference between consolidated financial forecast announced on October 28, 2021 and the results for the fiscal year ended March 31, 2022 as follows.

1. Outline of recognition of extraordinary loss

(1) Consolidated financial results

(Loss on valuation of investment securities)

The Company has invested in Vehicle Energy Japan Inc. since March 2019, and their sales have been expanding supported by the trend of electrification of cars. However, for their fiscal year ended March 2022, it is anticipated that their plan to make profit will be delayed due to temporary decrease in their demand affected by shortage of supply of semiconductors. The Company therefore recognized loss on valuation of investment securities amounted 10,312 million yen according to accounting standards.

(2) Non-consolidated financial results

(Loss on extinguishment of tie-in shares)

As announced on October 28, 2021 in “Notice regarding recognition of extraordinary loss (loss on extinguishment of tie-in shares)”, the Company recognized loss on extinguishment of tie-in shares amounted 15,236 million yen in non-consolidated financial statements of the Company.

As the extraordinary loss is offset in the Company’s consolidated financial results, there will be no influence on the Company’s consolidated financial conditions.

2. Influence on the Company’s financial conditions

Extraordinary losses mentioned above are already included in the consolidated financial results for the fiscal year ended March 31, 2022 in consolidated balance sheets and consolidated statements of income in “Summary of Consolidated Financial Results for the Year Ended March 31, 2022” announced today. Furthermore, there will be no influence on cash flow nor on future financial conditions due to these extraordinary losses.

3. Difference between consolidated financial forecast and results for the fiscal year ended March 31, 2022 (April 1, 2021 through March 31, 2022)

	Net Sales	Operating profit	Profit attributable to owners of parent	Net income per share
	(Million yen)	(Million yen)	(Million yen)	(yen)
Previous Forecast (A)	136,500	9,500	5,700	115.25
Actual Results (B)	138,215	9,332	(3,659)	(73.98)
Variance (C) = (B) - (A)	1,715	(168)	(9,359)	
% of change (C)/(A)	1.3	1.8	-	
[Reference] Result of Previous Fiscal Year ended March 31, 2020	139,055	3,806	(9,373)	(189.51)

*Ordinary profit increased by 157.1% to 9,888 million yen from 3,846 million yen of previous fiscal year.

4. Reason of difference between consolidated financial forecast and results

Although there were no big difference between forecast and results regarding net sales and operating profit, as mentioned in “1. Outline of recognition of extraordinary loss”, profit attributable to owners of parent became lower than the previous forecast due to recognition of loss on valuation of investment securities.