

**Summary of Consolidated Financial Results for the Third Quarter ended December 31, 2022**  
**(Japan GAAP)**

January 31, 2023

Listed company: Maxell, Ltd. Stock exchange: Tokyo (Prime Market)  
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: February 10, 2023 Planned date of beginning payment of dividends: —

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

**1. Consolidated Business Results and Financial Position for the Third Quarter ended December 31, 2022**  
**(April 1, 2022 through December 31, 2022)**

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2022	99,235	(5.1)	4,564	(46.8)	5,764	(34.9)	4,979	(6.4)
December 31, 2021	104,553	1.2	8,571	200.8	8,854	239.8	5,322	-

Note: Comprehensive income: December 31, 2022 7,820 millions of yen (increased by 10.2%)  
December 31, 2021 7,094 millions of yen (increased by 506.8%)

	Net profit per share	Net profit per share (Diluted)
	Yen	Yen
December 31, 2022	103.76	—
December 31, 2021	107.60	—

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

**(2) Consolidated Financial Position**

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
December 31, 2022	169,578	86,017	48.9
March 31, 2022	177,535	84,616	45.9

References: Shareholders' equity: December 31, 2022 82,894 millions of yen; March 31, 2022 81,498 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, 2022	-	20.00	-	20.00	40.00
March 31, 2023	-	20.00	-		
March 31, 2023 (Forecast)				20.00	40.00

Note: Revision of the latest dividend forecast: None

### 3. Consolidated Business Forecast for the year ending March 31, 2023 (April 1, 2022 through March 31, 2023)

(% 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	135,000	(2.3)	5,500	(41.1)	5,000	-	104.20

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

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

#### Notes

- (1) Changes in significant subsidiaries during the period: None
- (2) Application of special accounting method: Yes  
 Standard used to calculate income taxes  
 Tax expenses are calculated by making a reasonable estimation of the effective tax rate on income before income taxes for the fiscal year including the third quarter after the application of deferred tax accounting and applying the estimated effective tax rate to the quarterly income before income taxes. However, when an estimated effective tax rate is unreasonable, the effective statutory tax rate shall be applied.
- (3) Changes in accounting policies, accounting estimates and restatement  
 1) Changes as a result of revision of accounting standards: None  
 2) Changes other than 1): None  
 3) Changes in accounting estimates: None  
 4) Restatement: None
- (4) Number of shares issued (common stock)  
 1) Number of shares issued at end of period (including treasury share):  
 December 31, 2022 53,341,500 shares  
 March 31, 2022 53,341,500 shares  
 2) Number of shares of treasury share at end of period:  
 December 31, 2022 7,076,567 shares  
 March 31, 2022 3,882,195 shares  
 3) Average number of shares during the term:  
 December 31, 2022 47,986,282 shares  
 December 31, 2021 49,459,332 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, 2022 and 16,800 shares, for the third quarter ended December 31, 2022).

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” (18,600 shares, for the third quarter ended December 31, 2021 and 17,709 shares, for the third quarter ended December 31, 2022).

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

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

## [Qualitative Information / Financial Statements]

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

(Unless otherwise stated, all comparisons are with operating results in the Third Quarter of the previous fiscal year, from April 1, 2021 to December 31, 2021.)

In the global economy in this third quarter period, although there was a pause in the soaring resource prices and the momentum of global inflation was slowing down, there was a trend of rising prices in Japan due to the impact of the sharp depreciation of Japanese yen. There are also signs of a slowdown in demand, particularly for electronic components, making the situation unpredictable. In terms of the business environment surrounding the Company, whereas there has been an improvement trend since the third quarter, the business environment has been challenging, as the steep rise in the cost of raw materials derived from metals and crude oil has progressed at a faster pace than reflected in the selling prices, and in addition, the production volume of some products has been sluggish due to a shortage of semiconductors at customers.

Under these circumstances, in this third quarter period, total sales decreased by 5.1% (5,318 million yen) to 99,235 million yen due to significant sales decrease of projectors caused by business downsizing and sales decrease of rechargeable batteries and BtoC products. In terms of profitability, operating profit decreased by 46.8% (4,007 million yen) to 4,564 million yen, due to sales decrease of rechargeable batteries, BtoC products and projectors, as well as soaring raw material cost that progressed in the first half period. Ordinary profit decreased by 34.9% (3,090 million yen) to 5,764 million yen and profit attributable to owners of parent decreased by 6.4% (343 million yen) to 4,979 million yen.

The average foreign exchange rate over this third quarter period under review was US\$1=137 yen.

Operating results by segment were as follows.

#### **Energy**

Although sales of primary batteries increased mainly for automotive and medical use, sales of rechargeable batteries decreased significantly due to reduction of production at customer caused by shortage of semiconductors. Due to these reasons, total sales for Energy segment decreased by 9.5% (2,836 million yen) to 27,140 million yen. In terms of profitability, operating profit decreased by 52.7% (1,803 million yen) to 1,616 million yen due to the impact of sales decrease of rechargeable batteries and the impact of soaring raw material costs such as lithium and cobalt.

#### **Functional Materials**

Sales of adhesive tapes increased mainly for construction use, and for industrial materials, sales of industrial rubber products increased. Total sales for Functional Materials segment increased by 7.1% (1,470 million yen) to 22,202 million yen. On the other hand, operating profit decreased by 59.6% (968 million yen) to 657 million yen due to the impact of soaring raw material costs such as naphtha and rubber.

#### **Optics & Systems**

Although sales of both automotive optical components and semiconductor related products increased due to order recoveries from automotive and semiconductor related customers, the downsizing of the projector business had a significant impact, and total sales for Optics & Systems segment decreased by 5.1% (1,508 million yen) to 27,989 million yen. Operating profit increased by 2.6% (74 million yen) to 2,873 million yen as the increase of profit of automotive optical components and semiconductor related products compensated impact of decrease in sales of projectors.

#### **Life Solution**

As sales of BtoC products decreased due to struggle in sales of health and beauty care products, total sales for Life Solution segment decreased by 10.0% (2,444 million yen) to 21,904 million yen. Operating profit decreased by 1,310 million yen to loss of 582 million yen due to decrease in sales of BtoC products and the impact of cost increase of imported products caused by sharp depreciation of yen.

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

### **Assets**

As of December 31, 2022, total assets amounted 169,578 million yen, decreased by 4.5% from the previous consolidated fiscal year (as of March 31, 2022). Among this, current assets amounted 91,829 million yen, decreased by 7.7%, mainly by decrease of cash and deposits, although inventories increased. And the ratio of current assets among total assets has changed to 54.2% from 56.0% of the previous consolidated fiscal year. On the other hand, non-current assets amounted 77,749 million yen, decreased by 0.4%, and the ratio of non-current assets among total assets has changed to 45.8% from 44.0% of the previous consolidated fiscal year.

### **Liabilities**

As of December 31, 2022, total liabilities amounted 83,561 million yen, decreased by 10.1% from the previous consolidated fiscal year. Among this, current liabilities amounted 55,947 million yen, decreased by 3.1%, mainly by decrease of other current liabilities. And the current ratio became 1.6 times, and the cash on hand which is the balance between current liabilities and current assets, became 35,882 million yen. On the other hand, non-current liabilities amounted 27,614 million yen, decreased by 21.6%, mainly by decrease of long-term borrowings.

### **Net Assets**

As of December 31, 2022, total net assets amounted 86,017 million yen, increased by 1.7% from the previous consolidated fiscal year, mainly by record of profit attributable to owners of parent amounted 4,979 million yen and increase of foreign currency translation adjustment amounted 2,366 million yen, although there was decrease came from share buybacks. And the equity ratio has changed to 48.9% from 45.9% of the previous consolidated fiscal year.

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

Business performance in the third quarter itself has been improved compared to the previous second quarter in all segments. Sales of products for automotive increased and revision of selling prices were higher than the increase of raw material costs, and operating profit increased by 79.0% (928 million yen) from previous quarter to 2,103 million yen as a whole.

On the other hand, due to worldwide recession resulting in a decline in orders, a sharp slowdown in demand and delays in production due to the expansion of COVID-19 in China as well as rising energy costs, the future outlook is uncertain. In light of these circumstances, the Company will maintain consolidated financial forecasts for the fiscal year ending March 2023 of 135,000 million yen in net sales, 5,500 million yen in operating profit and 5,000 million yen in profit attributable to owners of parent same as in "Notice about Revision of Consolidated Financial Forecast for the Fiscal Year ending March 31, 2023" announcement on October 28, 2022.

The Company aims to return to profitability under the mid-term management plan MEX23. In the current fiscal year ending March 2023, the Company will strengthen the business foundation for the future, such as by reforming business portfolio including BtoC business and accelerating the commercialization of all-solid-state battery, and solidify the business foundation for profit growth for the fiscal year ending March 2024, the final year of MEX23.

## Supplementary information

### Consolidated Financial Results and Forecast

(Millions of yen)

	Third Quarter ended: December 31, 2021	Third Quarter ended: December 31, 2022	Change* (%)	March 31, 2023 Forecast	Change* (%)
Net sales	104,553	99,235	(5.1)	135,000	(2.3)
Operating profit	8,571	4,564	(46.8)	5,500	(41.1)
Profit attributable to owners of parent	5,322	4,979	(6.4)	5,000	-

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

### Sales and Operating Income by Segment

	December 31, 2021	December 31, 2022		Change* (%)	March 31, 2023 Forecast		Change* (%)
	Millions of yen	Millions of yen	Composition (%)		Millions of yen	Composition (%)	
Net sales	104,553	99,235	100.0	(5.1)	135,000	100.0	(2.3)
Energy	29,976	27,140	27.3	(9.5)	37,300	27.6	(3.4)
Functional Materials	20,732	22,202	22.4	7.1	29,900	22.2	6.7
Optics & Systems	29,497	27,989	28.2	(5.1)	38,900	28.8	(1.6)
Life Solution	24,348	21,904	22.1	(10.0)	28,900	21.4	(9.8)
Operating profit	8,571	4,564	100.0	(46.8)	5,500	100.0	(41.1)
Energy	3,419	1,616	35.4	(52.7)	2,000	36.4	(50.6)
Functional Materials	1,625	657	14.4	(59.6)	1,400	25.5	(24.8)
Optics & Systems	2,799	2,873	62.9	2.6	3,300	60.0	(1.1)
Life Solution	728	(582)	-	-	(1,200)	-	-

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

### Sales by Regional Segment

	December 31, 2021	December 31, 2022		Change* (%)
	Millions of yen	Millions of yen	Composition (%)	
Overseas sales	44,017	42,469	42.8	(3.5)
America	10,099	10,203	10.3	1.0
Europe	8,584	9,262	9.3	7.9
Asia and other	25,334	23,004	23.2	(9.2)
Domestic sales	60,536	56,766	57.2	(6.2)
Total	104,553	99,235	100.0	(5.1)

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

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

(Millions of yen)

	December 31, 2021	December 31, 2022	Change* (%)	March 31, 2023 Forecast	Change* (%)
Capital investment	2,508	3,016	20.3	7,000	76.8
Depreciation	3,343	3,533	5.7	5,000	10.1
R&D expenses	4,613	4,705	2.0	7,000	9.7

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

## 4. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	45,552	32,660
Notes and accounts receivable - trade	30,160	29,321
Inventories	18,378	24,541
Other	6,225	6,224
Allowance for doubtful accounts	(846)	(917)
Total current assets	99,469	91,829
Non-current assets		
Property, plant and equipment		
Land	32,609	32,707
Other, net	22,898	22,391
Total property, plant and equipment	55,507	55,098
Intangible assets		
Goodwill	48	—
Other	4,983	4,738
Total intangible assets	5,031	4,738
Investments and other assets		
Other	17,750	18,003
Allowance for doubtful accounts	(222)	(90)
Total investments and other assets	17,528	17,913
Total non-current assets	78,066	77,749
Total assets	177,535	169,578
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	19,606	20,376
Current portion of long-term borrowings	6,598	7,661
Income taxes payable	829	482
Other	30,686	27,428
Total current liabilities	57,719	55,947
Non-current liabilities		
Long-term borrowings	25,994	18,654
Net defined benefit liability	5,705	5,772
Asset retirement obligations	425	427
Other	3,076	2,761
Total non-current liabilities	35,200	27,614
Total liabilities	92,919	83,561

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Net assets		
Shareholders' equity		
Capital stock	12,203	12,203
Capital surplus	28,290	28,290
Retained earnings	49,756	52,797
Treasury shares	(6,034)	(10,387)
Total shareholders' equity	84,215	82,903
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	233	188
Foreign currency translation adjustment	(1,212)	1,154
Remeasurements of defined benefit plans	(1,738)	(1,351)
Total accumulated other comprehensive income	(2,717)	(9)
Non-controlling interests	3,118	3,123
Total net assets	84,616	86,017
Total liabilities and net assets	177,535	169,578

## (2) Consolidated Statements of Income

	(Millions of yen)	
	Nine months ended December 31, 2021 (April 1, 2021 - December 31, 2021)	Nine months ended December 31, 2022 (April 1, 2022 - December 31, 2022)
Net sales	104,553	99,235
Cost of sales	77,252	76,522
Gross profit	27,301	22,713
Selling, general and administrative expenses	18,730	18,149
Operating profit	8,571	4,564
Non-operating income		
Interest income	68	128
Dividend income	124	123
Share of profit of entities accounted for using equity method	112	—
Foreign exchange gains	7	889
Other	294	399
Total non-operating income	605	1,539
Non-operating expenses		
Interest expenses	79	83
Share of loss of entities accounted for using equity method	—	70
Loss on tax purpose reduction entry of non-current assets	77	—
Other	166	186
Total non-operating expenses	322	339
Ordinary profit	8,854	5,764
Extraordinary income		
Gain on sale of non-current assets	11	136
Other	85	9
Total extraordinary income	96	145
Extraordinary losses		
Loss on sale and retirement of non-current assets	129	81
Impairment losses	131	—
Extra retirement payments	623	—
Other	169	—
Total extraordinary losses	1,052	81
Profit before income taxes	7,898	5,828
Income taxes	2,444	739
Profit	5,454	5,089
Profit attributable to non-controlling interests	132	110
Profit attributable to owners of parent	5,322	4,979



(3) Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Nine months ended December 31, 2021 (April 1, 2021 - December 31, 2021)	Nine months ended December 31, 2022 (April 1, 2022 - December 31, 2022)
Profit	5,454	5,089
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,126)	(45)
Foreign currency translation adjustment	2,121	2,389
Remeasurements of defined benefit plans, net of tax	645	387
Total other comprehensive income	<u>1,640</u>	<u>2,731</u>
Comprehensive income	<u>7,094</u>	<u>7,820</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,823	7,687
Comprehensive income attributable to non-controlling interests	271	133