

FOR IMMEDIATE RELEASE

Announcement about conclusion of Sole Distributorship Contract and Capital and Business Alliance Contract

Tokyo, February 28, 2023 --- Maxell, Ltd. (TSE: 6810, hereinafter “the Company”) announced that the Board of Directors held today resolved to conclude the sole distributorship contract between the Company, Maxell Izumi Co., Ltd. (hereinafter “Maxell Izumi”), wholly owned subsidiary of the Company and DENKYOSHA CO., LTD. (hereinafter “DENKYOSHA”), wholly owned subsidiary of Denkyo Group Holdings Co., Ltd. (hereinafter “DG-HD”) as well as the contract on capital and business alliance between the Company and DG-HD (hereinafter “the Capital and Business Alliance”) as follows.

1. Purpose of the Capital and Business Alliance

As announced in “Announcement about Business Alliance for Sales of Consumer Products in Domestic Market” dated October 31, 2022, the Company has concluded the basic agreement toward the start of business alliance in which DENKYOSHA will become the sole distributor (hereinafter “the Business Alliance”), in order to expand the business of maxell brand and IZUMI brand products in Japanese domestic market (hereinafter “the Business”) of the Company.

In addition to conclusion of the sole distributorship contract after carrying out practical discussions on operations as well as modifications on the contents of the contract, the Company has decided today to form the Capital and Business Alliance which includes capital alliance for the purpose of advancing the Business Alliance smoothly and steadily, and expanding the Business in the future.

2. Overview of the Capital and Business Alliance

The function of the Company relating to the Business (Sales, product planning, etc.) will be transferred to DENKYOSHA and the current manufacturing function of the products within the Group, etc. will continue to remain in the Group.

The Company will form capital alliance by acquisition of 55,500 shares of DG-HD (common stock, upper limit). The projection of the Company’s shareholding ratio is 0.83% as maximum. The acquisition of shares is planned to be executed immediately after the sole distributorship contract become effective.

3. Overview of the counter parties

Overview of counter party of the Business Alliance (Sole Distributorship Contract):

(1) Name	DENKYOSHA CO., LTD.
(2) Address	2-10-70 Namba-naka, Naniwa-ku, Osaka-shi, Osaka
(3) Representative	Ichiro Takase, President
(4) Description of Business	Wholesale of household electric appliances, audio and communication devices, air conditioning apparatuses and health and beauty care equipment. The business associated with and related to the wholesale
(5) Capital	340 million yen
(6) Date of Establishment	April 1, 2022
(7) Major Shareholders and holding ratio	Denkyo Group Holdings Co., Ltd. 100%
(8) Relation between the Company and the party	There is no capital relation, and the party is not relevant to the Company's related parties concerned. There is human relation in which the Company's employee is transferred to the party on temporary assignment, and business relation in which the Company is selling the Company's products to the party.

As DENKYOSHA, counter party of the Business Alliance was established on April 1, 2022 prior to the DG-HD's transition to the holding company structure as of October 1, 2022, there is no history of fiscal year yet.

Overview of counter party of the Capital and Business Alliance:

(1) Name	Denkyo Group Holdings Co., Ltd.																						
(2) Address	2-10-70 Namba-naka, Naniwa-ku, Osaka-shi, Osaka																						
(3) Representative	Shuheï Sakata, President																						
(4) Description of Business	Management control of the group companies. Lease and management of real estates																						
(5) Capital	2,644 million yen																						
(6) Date of Establishment	December 1, 1955																						
(7) Major Shareholders and holding ratio (As of March 31, 2022. Ratio of shareholdings against total number of shares issued excluding treasury shares.)	<table border="0"> <tr> <td>Iwatani K.K.</td> <td>15.18%</td> </tr> <tr> <td>Denkyosha Trading Partner Shareholding Association</td> <td>12.11%</td> </tr> <tr> <td>MUFG Bank, Ltd.</td> <td>4.95%</td> </tr> <tr> <td>The Hokuriku Bank, Ltd.</td> <td>4.88%</td> </tr> <tr> <td>Denkyosha Employee Shareholding Association</td> <td>3.51%</td> </tr> <tr> <td>Osamu Nakano</td> <td>2.22%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>1.98%</td> </tr> <tr> <td>Tokio Marine & Nichido Fire Insurance Co., Ltd.</td> <td>1.85%</td> </tr> <tr> <td>Onamba Co., Ltd.</td> <td>1.71%</td> </tr> <tr> <td>Zojirushi Corporation</td> <td>1.68%</td> </tr> </table>			Iwatani K.K.	15.18%	Denkyosha Trading Partner Shareholding Association	12.11%	MUFG Bank, Ltd.	4.95%	The Hokuriku Bank, Ltd.	4.88%	Denkyosha Employee Shareholding Association	3.51%	Osamu Nakano	2.22%	Nippon Life Insurance Company	1.98%	Tokio Marine & Nichido Fire Insurance Co., Ltd.	1.85%	Onamba Co., Ltd.	1.71%	Zojirushi Corporation	1.68%
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(8) Relation between the Company and the party	There is no capital relation, human relation, business relation and the party is not relevant to the Company's related parties concerned.																						
(9) Consolidated Financial Results and Financial Position of the Party for the Last Three Fiscal Years																							
Financial Period	Year Ended March 2020	Year Ended March 2021	Year Ended March 2022																				
Net Assets	Millions of yen 24,564	Millions of yen 26,808	Millions of yen 26,367																				
Total Assets	Millions of yen 34,539	Millions of yen 36,681	Millions of yen 36,353																				
Net Assets per share	Yen 4,026.74	Yen 4,394.83	Yen 4,352.43																				
Net Sales	Millions of yen 51,579	Millions of yen 57,358	Millions of yen 53,747																				
Operating Profit	Millions of yen 116	Millions of yen 1,482	Millions of yen 611																				
Ordinary Profit	Millions of yen 754	Millions of yen 1,870	Millions of yen 1,056																				
Profit Attributable to Owners of Parent	Millions of yen 411	Millions of yen 1,279	Millions of yen 613																				
Net Profit per share	Yen 67.50	Yen 209.75	Yen 100.62																				
Dividend per share	Yen 40.00	Yen 45.00	Yen 40.00																				

4. Schedule

Date of Resolution at the Board of Directors and conclusion of the Basic Agreement relating to the Business Alliance	October 31, 2022
Date of Resolution at the Board of Directors and conclusion of contract relating to the Capital and Business Alliance	February 28, 2023
Date of conclusion of the Sole Distributorship Contract	February 28, 2023
Effective date of the Sole Distributorship Contract	April 1, 2023 (scheduled)

5. Future Forecast

The expenses incurring in the fiscal year ending March 2023 relating to the Capital and Business Alliance have been reflected in "Notice about Revision of Consolidated Financial Forecast for the Fiscal Year ending March 31, 2023" announced on October 28, 2022.