

FOR IMMEDIATE RELEASE

About the Action to Implement Management that is Conscious of Cost of Capital and Stock Price (Planning & Disclosure)

Tokyo, June 5, 2024—Maxell, Ltd. (TSE: 6810, hereinafter “the Company”) has made up the plan at the Board of Directors held today, following the announcement “About the Action to Implement Management that is Conscious of Cost of Capital and Stock Price (Analysis of Current Situation)” on October 30, 2023 as follows.

In order to realize management that is conscious of cost of capital and stock price, it is requested by Tokyo Stock Exchange to continue to conduct series of actions, “Analysis of Current Situation”, “Planning & Disclosure” and “Implementation of Initiatives” and to make progress analysis and update disclosures every year.

In the plan announcing today, the Company clarifies the policy and the initiatives in the period of the Medium-Term Management Plan MEX26 (Maximum Excellence 2026) from the fiscal year ending March 2025 to the fiscal year ending March 2027 toward realization of management that is conscious of cost of capital and stock price, based on the results of analysis of current situation announced on October 30, 2023.

(Outline of the Plan)

According to the analysis of current situation, the Company recognizes that “Improving Profitability” and “Stable Profit Growth” which is to respond to expectation for medium- to long-term growth, are the key objectives. In the MEX26, the Company will further accelerate business portfolio reform for improving profitability, and will allocate management resources strategically to the areas such as strengthening of advanced technology developments and new market developments, proactive capital investments, mainly to the growth businesses in the 3 focus areas for realization of stable profit growth. Also, regarding the cash allocation in the period of MEX26, in addition to accelerating growth investments, the Company will strengthen shareholder returns with total payout ratio of over 100% and will optimize its cost of capital in order to realize PBR over 1.0x.

For the details of the plan, please refer to the “Action to Implement Management that is Conscious of Cost of Capital and Stock Price -Planning & Disclosure-” attached. Also, please refer to “Medium-Term Management Plan MEX26” posted on the Company website.

The Company will steadily implement the initiatives based on the plan announced today, and through the regular verification, will aim to realize sustainable growth and enhancement of corporate value over the medium- to long-term.

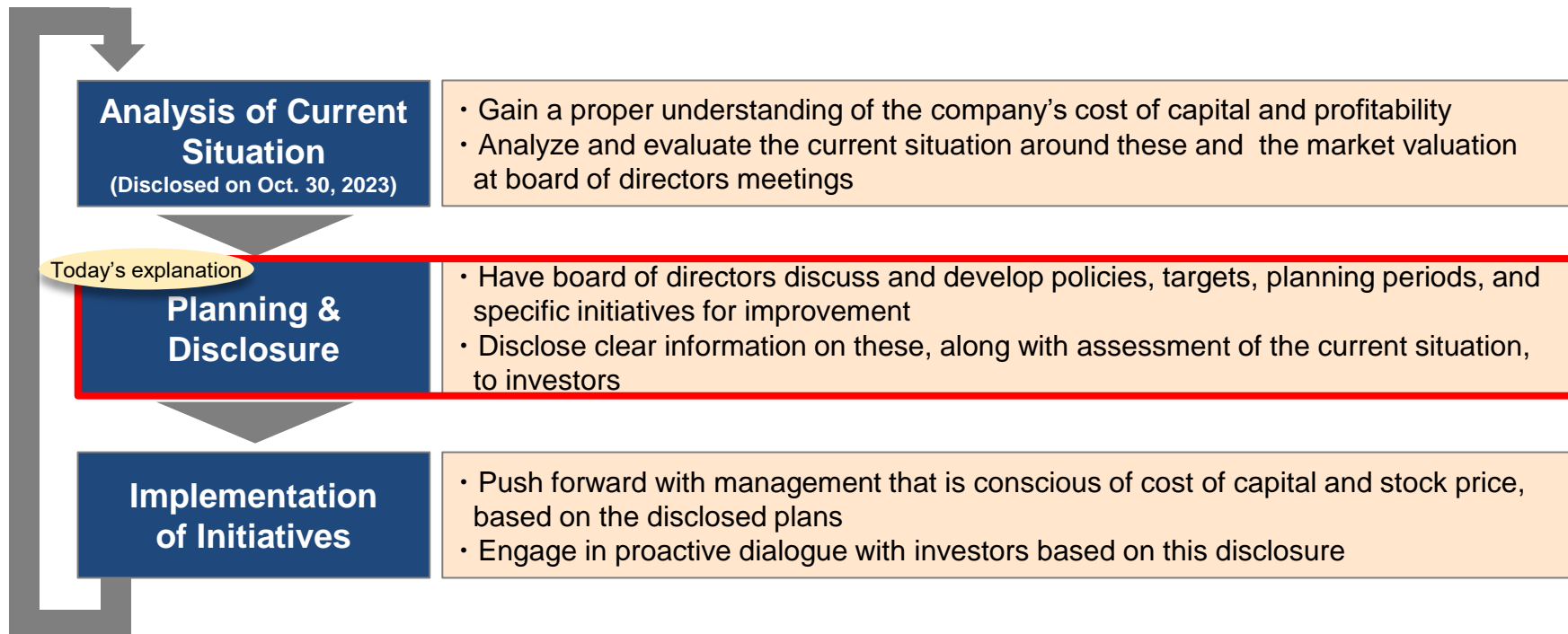
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Action to Implement Management
that is Conscious of Cost of Capital and Stock Price
-Planning & Disclosure-

Introduction

- The Company explains about the plan based on the Medium-Term Management Plan MEX26 for FY2024 - FY2026 relating to “Action to Implement Management that is Conscious of Cost of Capital and Stock Price” requested by Tokyo Stock Exchange



Made up plan based on initiatives of Medium-Term Management Plan MEX26

- **Key Objectives according to Analysis of Current Situation**
- **Initiatives toward realization of PBR over 1.0x**
 - Realization of “Improving Profitability” and “Stable Profit Growth”
 - Cash Allocation Plan
- **Targets of Medium-Term Management Plan MEX26**

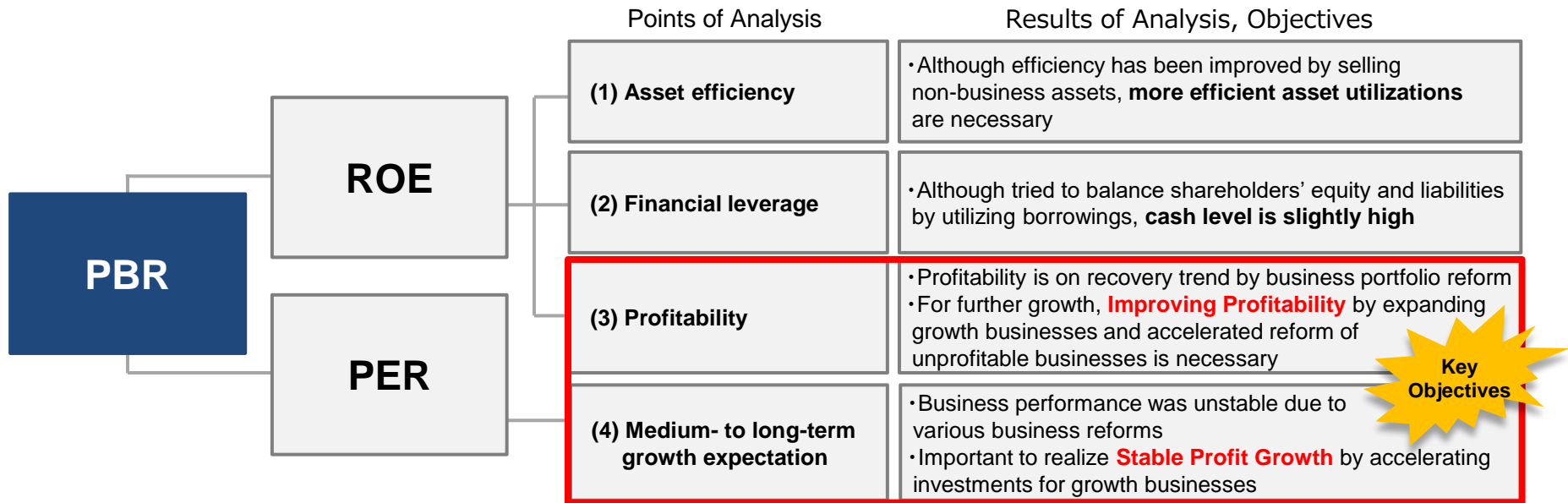
**For details, please refer to “Medium-Term Management Plan MEX26”
announced on June 5, 2024**

Key Objectives according to Analysis of Current Situation

Key Objectives according to Analysis of Current Situation

(Announced on October 30, 2023)

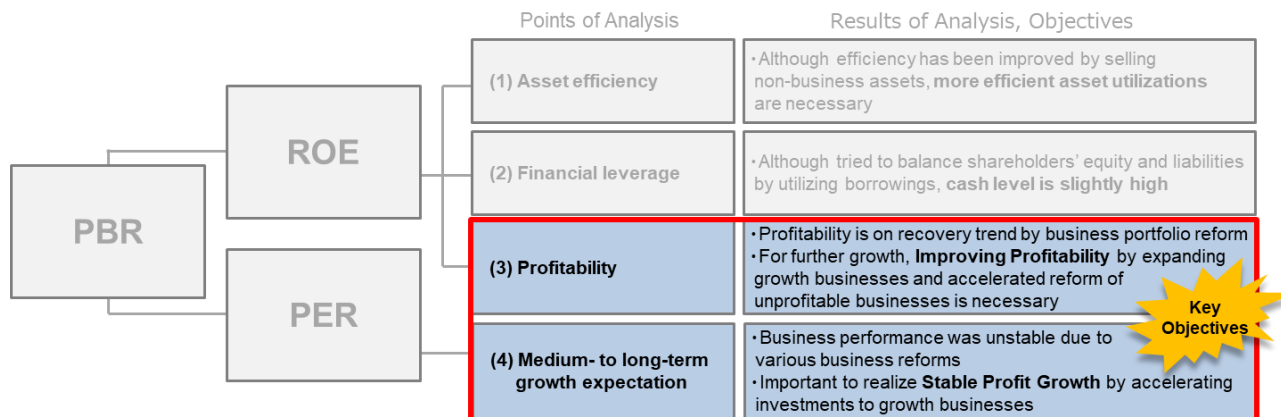
- In October 2023, the Company made analysis of current situation from 4 points, (1) Asset efficiency, (2) Financial leverage, (3) Profitability and (4) Medium- to long-term growth expectation
- The Company recognizes that the key objectives are “Improving Profitability” and “Stable Profit Growth”
- By implementing initiatives of MEX26, the Company will aim for early realization of PBR over 1.0x



“Improving Profitability” and “Stable Profit Growth” are Key Objectives

Initiatives toward realization of PBR over 1.0x

Realization of “Improving Profitability” and “Stable Profit Growth”



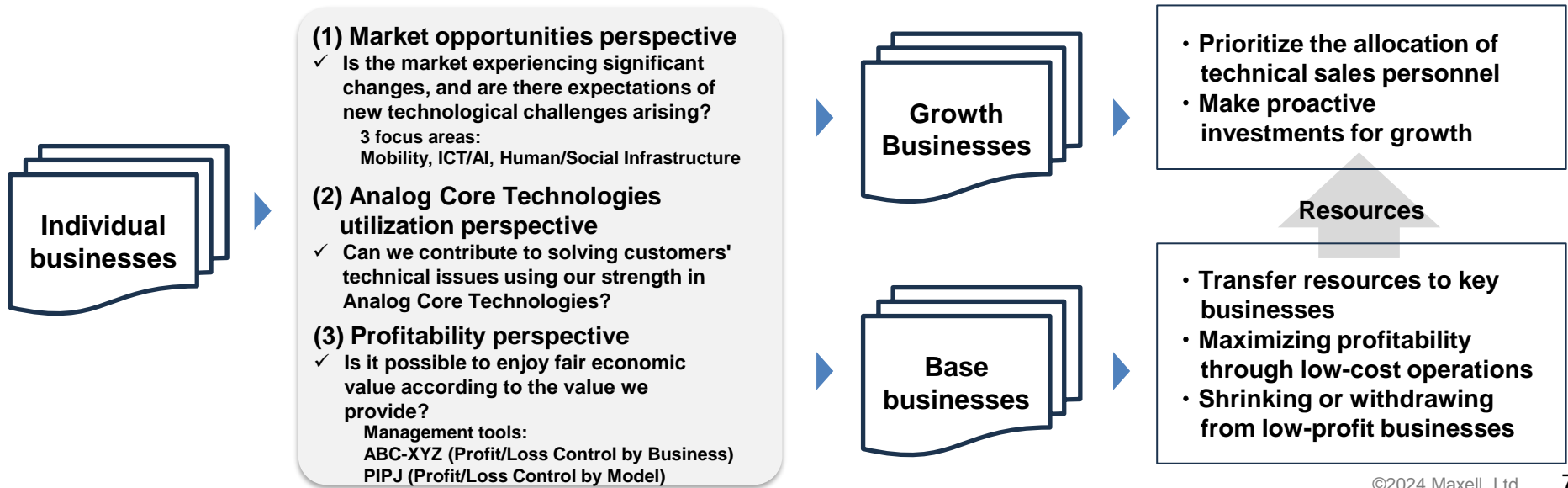
Business Distinction toward Improving Profitability

- Prioritize our business based on “market opportunities”, “utilization of Analog Core Technologies”, and “profitability”, and implement continuous resource reallocation
- Position “Mobility”, “ICT/AI”, and “Human/Social Infrastructure” as 3 focus areas in MEX26 considering their significant changes, and prioritize to solve our customers' technical issues by leveraging Analog Core Technologies

[Business distinction process]

Screening business from 3 perspectives and continuously shifting resources to growth businesses

Screening business from 3 perspectives



Approach to 3 Focus Areas with Analog Core Technologies

- Analog Core Technologies is a collective term for mass production technology developed through the manufacture of batteries and tapes such as “Mixing & Dispersion”, “Fine Coating” and “High Precision Molding & Forming”
- Achieve sales and profit growth by focusing on 3 areas where Analog Core Technologies can be a source of competitive advantage



Analog Core Technologies

Mixing & Dispersion (Mixing)

Technology of mixing materials uniformly

Fine Coating (Coating)

Technology of coating with uniform thickness

High Precision Molding & Forming (Forming)

Technologies of forming



Business Segment

Energy

Functional Materials

Optics & Systems

Life Solution



3 Focus Areas

Mobility

MegaTrend: Mobility Revolution

ICT/AI

MegaTrend: ICT/AI Revolution


Human/ Social Infrastructure

Mega Trend: Sophistication of Human/ Social Infrastructure

Growth Strategies in 3 Focus Areas

Market Perception and Strategic Policies


Growth Businesses



Mobility

- ✓ Temporary business stagnation due to technological transitions at customer
- ✓ While maximizing profit, proactively promote the development and investment in advanced technologies that will bear fruit beyond fiscal year 2027


- ✓ Heat resistant coin type lithium battery Energy
- ✓ LED Headlamp Lens Optics & Systems
- ✓ In-Car Camera Lens Unit Optics & Systems
- ✓ Coated separator Functional Materials



ICT/AI

- ✓ Keep up with the growing semiconductor market
- ✓ Expanding into new markets and new customers while strengthening our existing position

- ✓ Tapes for semiconductor manufacturing process Functional Materials
- ✓ Semiconductor DMS Optics & Systems
- ✓ EF2 (electro forming) Optics & Systems



**Human/
Social Infrastructure**

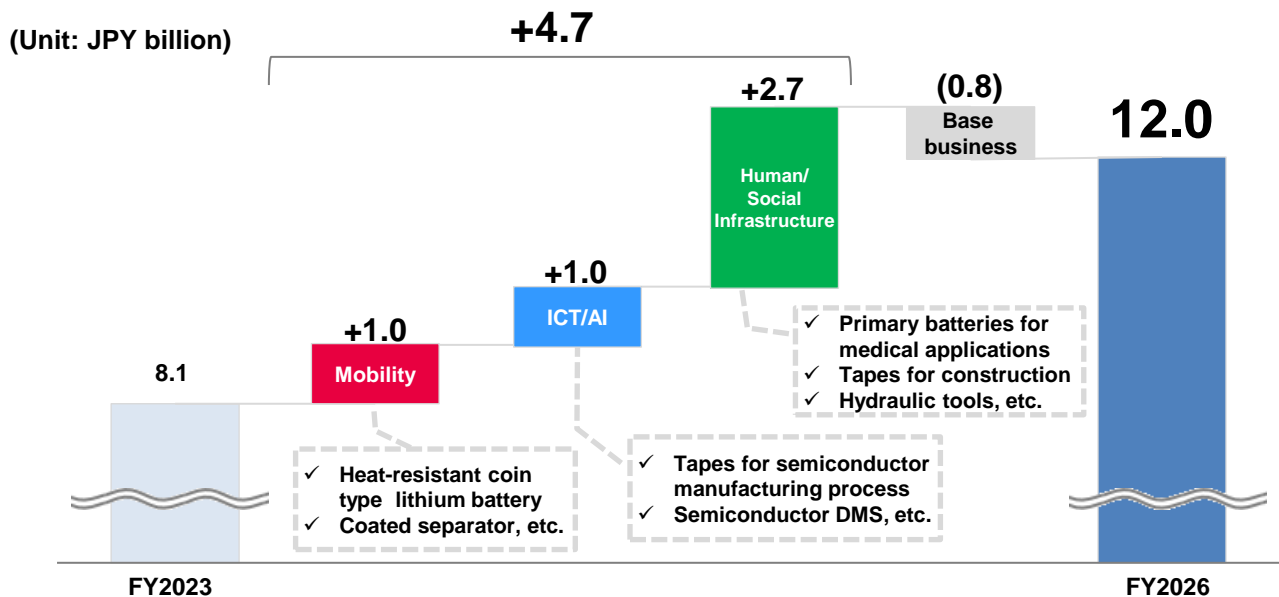
- ✓ Identify markets where demand is expected to emerge and expand in the future.
- ✓ Actively promote proactive investments tied to customers based on our technological capabilities

- ✓ Primary batteries for medical applications Energy
- ✓ Cylindrical type lithium battery Energy
- ✓ Tapes for construction Functional Materials
- ✓ Hydraulic tools Life Solution

Improving Profitability by Profit Increase in 3 Focus Areas

- Aim for growth in 3 focus areas
- In other businesses (base businesses), reallocate resources, including downsizing or withdrawing, to accelerate growth in the focus areas
- Promote business distinction to increase sales and profits on company-wide level

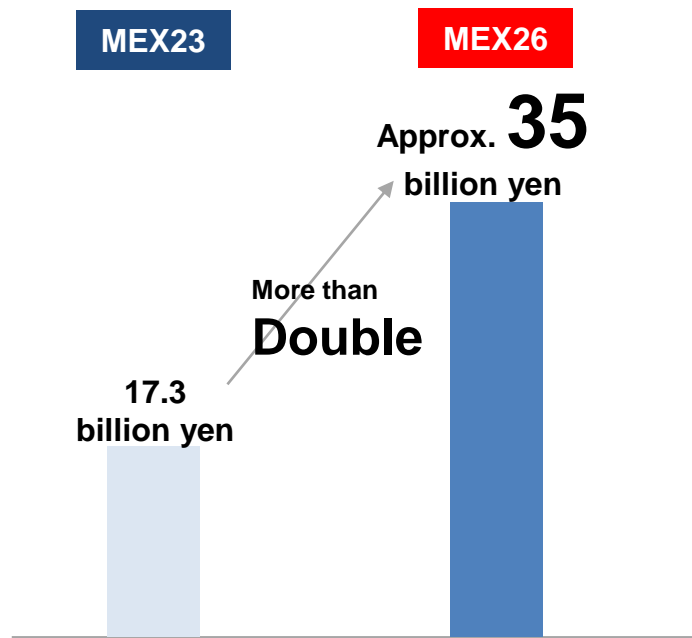
Operating profit change from FY2023 to FY2026.



Proactive Growth Investments toward Stable Profit Growth

- Achieve business growth through proactive investment by developing products that contribute to solving our customers' technical issues in 3 focus areas
- Growth investment in MEX26 is anticipated to be more than double compared to MEX23

[Growth investment]



[Major Growth Investment Examples]



Mobility

- ✓ Investment in increasing production capacity for heat-resistant coin type lithium batteries
- ✓ Investment in the development and production expansion of coated separators for electric vehicles



ICT/AI

- ✓ Investment in increasing production capacity for semiconductor DMS
- ✓ Investment in development of all-solid-state batteries

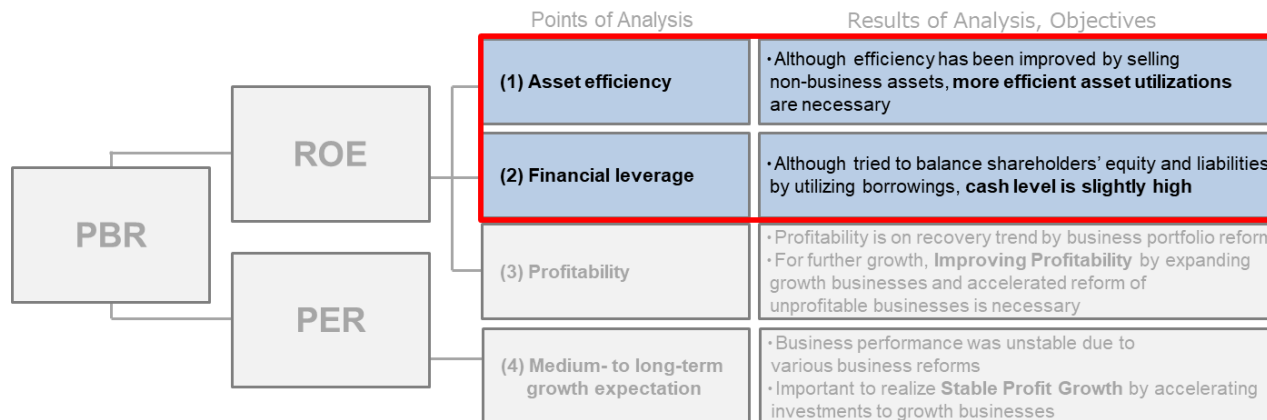


Human/Social Infrastructure

- ✓ Investment in development and increasing production capacity of primary batteries for medical applications
- ✓ Investment in increasing production capacity for tapes for construction and others

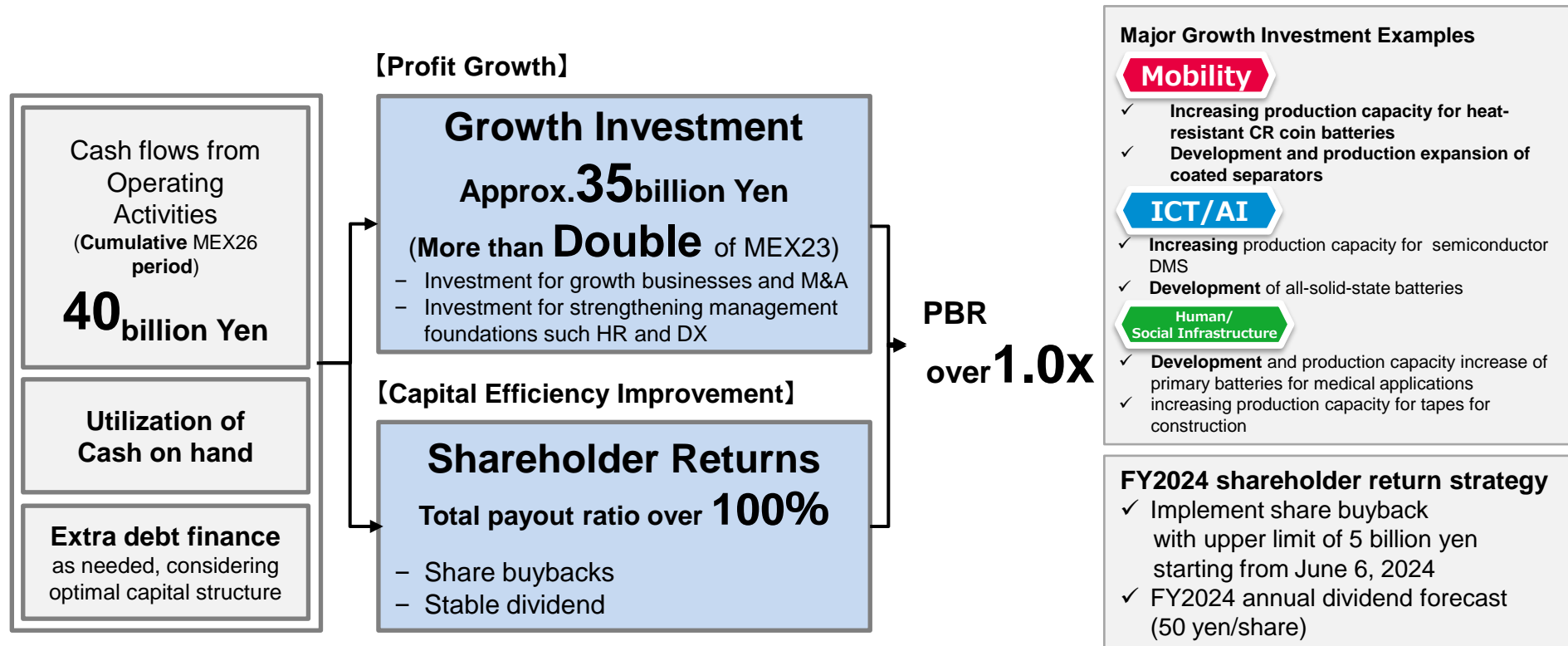
Initiatives toward realization of PBR over 1.0x

Cash Allocation Plan



Cash Allocation Plan

- In MEX26, aim to achieve PBR over 1.0x by achieving profit growth through proactive growth investments as well as improving capital efficiency through enhanced shareholder returns



Targets of Medium-Term Management Plan MEX26

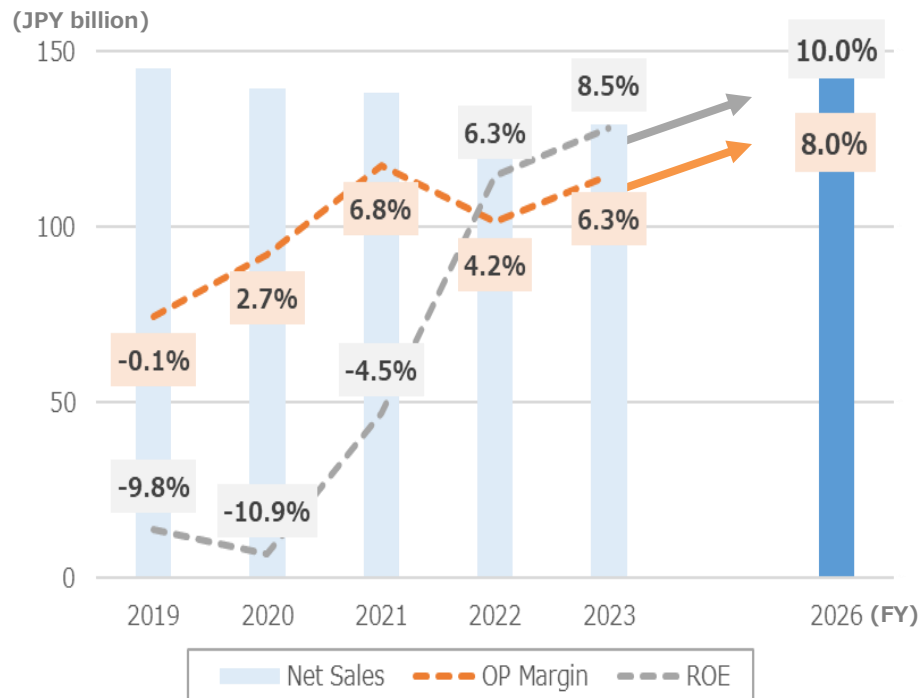
Points of MEX26 Initiatives

MEX26

Business Strategy for profit growth	Existing Businesses (Portfolio)	Expand business in three focus areas while continuing business distinction
	New Business	Focus on commercialization of all-solid-state battery while launching new themes for the future
	Sales	Strengthen technical sales personnel and expand sales through global sales organization
	Management Foundation	Focus on business efficiency and talent development through the standardization of core systems
Financial Strategy to maximize corporate value	Growth Investment	Proactive investment in growing fields Investment amount 35 billion yen, more than double of MEX23
	Shareholder Return	Total payout ratio of over 100%, improving capital efficiency

Results trend

MEX26



【MEX26 Targets】

Item	MEX26	
	FY2023	FY2026
Net Sales (JPY billion)	129.1	150.0
Operating Profit (JPY billion)	8.1	12.0
OP Margin	6.3%	8.0%
ROIC	5.0%	7.5%
ROE	8.5%	10.0%

【Breakdown by Business Segment】

Net Sales Operating Profit	MEX26	
	FY2023	FY2026
Total (JPY billion)	129.1 8.1	150.0 12.0
Energy	35.0 0.5	38.5 2.5
Functional Materials	30.1 1.4	37.6 2.7
Optics & Systems	41.4 5.6	45.2 4.8
Life Solution	22.7 0.6	28.7 2.0

Notes about statements about the future

Parts of this document contain predictions about the future that are based on our current expectations and beliefs.

These statements are provided as background material for investors.

We cannot ensure or guarantee that any such statement will prove to be correct.

Please keep in mind that actual outcomes might differ from anticipated results.

maxell
Within, the Future