

FOR IMMEDIATE RELEASE

**Notice about Dissolution of Subsidiary
following Production Discontinuation of Prismatic Lithium-ion Battery,
Recognition of Operating Expenses and Extraordinary Losses,
and Revision of Consolidated Financial Forecast**

Tokyo, March 24, 2025—Maxell, Ltd. (TSE: 6810, hereinafter “the Company”) has today announced that the Board of Directors resolved to discontinue production of prismatic lithium-ion battery (hereinafter “the Product”), which is part of the Energy business of the Group, and to dissolve its consolidated subsidiary Wuxi Maxell Energy Co., Ltd. (Wuxi City, China, hereinafter “WME”) that manufactures the Product. The dissolution of WME will be proceeded in coordination with the relevant authorities in China. Additionally, due to these matters, the Company has revised the consolidated financial forecast for the fiscal year ending March 31, 2025, as there will be occurrence of operating expenses and extraordinary losses in the fiscal year ending March 31, 2025 as follows.

1. Production Discontinuation of the Product and Dissolution of WME

(1) Reason

In the Mid-term Management Plan MEX26, the Company is implementing portfolio reform by shifting resources to growth businesses and accelerating commercialization of new businesses such as all-solid-state batteries, through distinction of existing businesses including the Product from growth potential and profitability perspectives.

Since the start of production in 1996, the Product has supported the Energy business of the Group by being adopted in mobile devices such as mobile phones, smartphones and portable game consoles. However, in recent years, sales and profits of the Product have declined due to the shift to laminated lithium-ion batteries, and the Company has determined that it will be difficult to recover business performance in the future, leading to the decisions this time.

Although there will be a temporary impact on the business performance, the Company believes it will contribute to strengthening profitability and portfolio reform of the Group from the fiscal year ending March 2026 onwards.

Going forward, the Company will further strengthen the Energy business by focusing on primary batteries for automotive applications and medical devices as the core of growth strategy, and aiming to achieve early contribution to the business performance of all-solid-state batteries, primarily for industrial equipment.

(2) Profile of WME

(1) Name	Wuxi Maxell Energy Co., Ltd.		
(2) Address	Wuxi City, China		
(3) Representative	Hiroyuki Ota, Chairman		
(4) Description of business	Production of prismatic lithium-ion batteries (excluding electrodes)		
(5) Capital	137,380 thousand RMB		
(6) Date of establishment	June 1996		
(7) Major shareholder and holding ratio	The Company 100%		
(8) Relationship with the Company	Capital relation	WME is a wholly owned subsidiary of the Company.	
	Human relation	The Company sends executives, etc. to WME.	
	Business relation	There are businesses of products, parts and materials, etc. between the Company and WME.	
	Applicable status to related party	WME is a consolidated subsidiary of the Company. WME falls under related party.	
(9) Financial results and financial position for the last three years			
Fiscal year	Year ended December 2022	Year ended December 2023	Year ended December 2024
Net assets	459,029 thousand RMB	449,009 thousand RMB	188,927 thousand RMB
Total assets	517,754 thousand RMB	481,622 thousand RMB	246,031 thousand RMB
Net sales	389,698 thousand RMB	352,498 thousand RMB	209,959 thousand RMB
Operating profit	33,620 thousand RMB	27,113 thousand RMB	13,865 thousand RMB
Ordinary profit	54,816 thousand RMB	40,913 thousand RMB	21,133 thousand RMB
Net profit	41,123 thousand RMB	30,771 thousand RMB	15,816 thousand RMB

(3) Schedule

Board of Directors' resolution at the Company and WME:	March 24, 2025
Production discontinuation of the Product at WME:	May 2025 (scheduled)
Dissolution of WME:	Upon completion of the necessary procedures in accordance with the local laws and regulations. The specific schedule is not confirmed yet.

(4) Recognition of Operating Expenses and Extraordinary Losses

The Company is to recognize operating expenses and extraordinary losses in the consolidated financial statements for the fiscal year ending March 2025 as follows.

Operating expenses:

Approximately 1.2 billion yen will be recognized mainly as loss on valuation of inventories.

Extraordinary losses:

Approximately 2.8 billion yen will be recognized mainly as extra retirement payments and impairment losses of non-current assets.

(5) Future Forecast

The impact on the business performance for the fiscal year ending March 2025 has been incorporated into "2. Revision of Consolidated Financial Forecast" below. There is no impact on the business performance for the fiscal year ending March 2026 and beyond which must be disclosed.

2. Revision of Consolidated Financial Forecast

(1) Revision of Consolidated Financial Forecast for the Fiscal Year ending March 31, 2025 (April 1, 2024 through March 31, 2025)

	Net Sales	Operating profit	Profit attributable to owners of parent	Net profit per share
Previous Forecast (A) (as of October 31, 2024)	(million yen) 126,000	(million yen) 8,000	(million yen) 6,000	(yen) 134.18
Revised Forecast (B)	129,300	8,400	3,500	79.68
Variance (B-A)	3,300	400	(2,500)	—
% of change	2.6	5.0	(41.7)	—
(Reference) Results of the previous fiscal year ended March 31, 2024	129,139	8,083	7,544	164.59

(2) Reason

Taking the expected recognition of operating expenses and extraordinary losses mentioned above in “1. (4) Recognition of Operating Expenses and Extraordinary Losses” into account, the Company has revised the profit attributable to owners of parent downwards from the previous forecast as of October 31, 2024. On the other hand, the business performance of the third quarter of the fiscal year ending March 2025 onwards has been progressing better than the previous forecast due to favorable foreign exchange impacts, the forecast for net sales has been revised upwards. Additionally, the forecast for operating profit has also been revised upwards, even after taking the impact of the recognition of operating expenses mentioned above into account.

Details of the revised forecasts of net sales and operating profit by segment are as follows.

[Revision of Consolidated Forecast for the Fiscal Year ending March 31, 2025 by segment]

Unit: million yen

	Net Sales		Operating income	
	Revised Forecast	Previous Forecast	Revised Forecast	Previous Forecast
Energy	36,000	34,500	1,400	2,200
Functional Materials	31,900	31,900	1,100	800
Optics & Systems	35,900	35,300	4,200	3,600
Life Solution	25,500	24,300	1,700	1,400
Total	129,300	126,000	8,400	8,000

(Energy)

Although net sales has been revised upwards due to strong performance of primary batteries for automotive applications and medical devices, operating profit has been revised downwards due to the impact of recognition of operating expenses mentioned above.

(Functional Materials)

Although there is no revision of net sales, operating profit has been revised upwards as improvements in profitability are progressing.

(Optics & Systems)

Mainly due to increase of licensing revenues, both net sales and operating profit have been revised upwards.

(Life Solution)

Both net sales and operating profit have been revised upwards, due to the strong performance of health and beauty care OEM products and progress of hydraulic tools better than the previous forecast.

(3) Dividend Forecast

As the Company is aiming to strengthen shareholder returns with total payout ratio of over 100% as a guide during the period of the Mid-term Management Plan MEX26, there will be no revision of dividend forecast for the fiscal year ending March 2025 due to this revision of consolidated financial forecast.

	Interim Dividend	Year-end Dividend	Total
Dividend per share for the Fiscal year ending March 2025	25.00 yen (Result)	25.00 yen (Forecast)	50.00 yen (Forecast)

Note:

This financial forecast is based on the information available as of the date of its announcement and actual performance may differ due to variety of factors.

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