

Materiality

Maxell has identified key management issues (materiality) in order to improve corporate value.

Background of Identifying Materiality

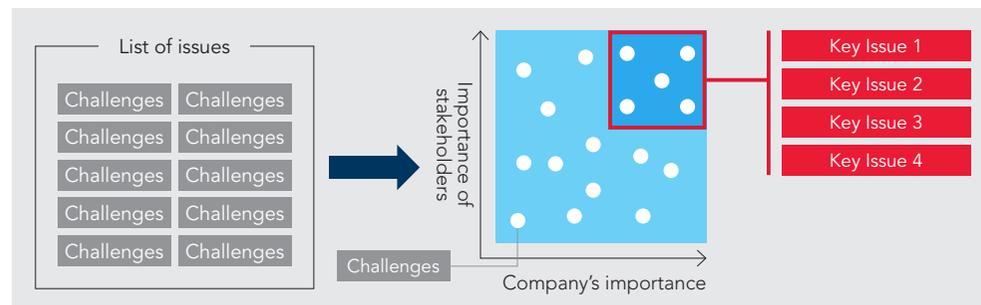
Maxell regards materiality as an “important issue for thoroughly pursuing value” related to its own company. In order to realize sustainable value creation, we will identify materiality in response to risks and opportunities in an uncertain age, and improve management quality, which will lead to the improvement of the triple bottom line of social value, environmental value, and economic value.

In fiscal 2020, Maxell systematized its Management Guidelines as a MVSS and further drew up its Corporate Sustainability Vision. To realize these goals, we identified important issues in fiscal 2021 and will continue dialogue with stakeholders to translate them into concrete results.

Process of Identifying Materiality

In identifying materiality, we identified 33 social issues related to our company from international guidelines such as SDGs, ISO26001, GRIs, MSCI, SASB, etc. As a key management issue for Maxell, we have incorporated opinions from both internal and external stakeholders, and executives have held several discussions to identify seven materialities and 20 action plans.

In August 2021, it was approved by the Board of Directors and gained an internal consensus.



STEP 1

Identification of social issues and recognition of the Company's direction

In order to identify, list, and narrow down global society issues, we identify issues related to our company from guidelines such as SDGs, ISO26001, GRI, MSCI, SASB, and global risk reports. Consistent with the medium-term management plan MEX23, 33 items were selected as candidates, according to the ideal feature of the Company 10–20 years from now, as well as items expected by the public and the Company's own issues.

STEP 2

Analysis and identification of importance

Questionnaires and interviews were conducted with stakeholders (investors, customers, business partners, and outside directors) and Maxell Group executives and employees to analyze the level of importance from the 33 issue candidates, and items of high importance were further narrowed down.

STEP 3

Evaluation of stakeholder perspectives

As for stakeholders, we provided feedback on the opinions of investors, experts, and specialists, and objectively evaluated important items for us.

STEP 4

Selection of importance at the management level and determination of action plans

We selected 14 items from 33 items from STEP 1 through STEP 3, which are important items for both stakeholders and the Company. In addition, we proceeded with additions, integrations, and eliminations through discussions with outside directors, and finally summarized them in seven items. At the same time, we examined the action plan necessary for solving the issues and decided on the content of the 20 plans.

STEP 5

Internal approval

The Board of Directors approved these seven items and 20 action plans and decided on them as materialities for Maxell.

Future Policies

- KPI and target setting
- Implementation of management and internal penetration

Dialogue with stakeholders and information disclosure

Materiality

Maxell has established 20 action plans that take into account risks and opportunities in response to seven material issues. Going forward, we will set targets for each action plan and steadily implement them with the aim of realizing our vision for 2030.

Materiality 1 Creating Innovation through Unique, Original Technologies

- Evolution of unique, original technologies that generate new value
- Strengthening marketing for efficient R&D
- Strengthening partnerships to create new businesses

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Materiality 2 Solving Social Issues through Growth Businesses

- Contributing to the advanced information society through 5G/IoT related businesses
- Contribution in advanced medical and health areas through healthcare-related businesses
- Contributing to a safe and secure society through high-reliability sensing through mobility-related businesses

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Materiality 3 Creating Human Resources and Organizations that Generate Value

- Strengthen management to leverage human resources (build a human resource strategy, promote the right person in the right place and talent management)
- Establishment of a system for human resource development and evaluation that creates proactive human assets capable to generate one from zero
- Promoting diversity and inclusion (utilizing diverse human resources and accepting different values)
- Improve productivity and promote the transmission of skills through the standardization of business processes

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Materiality 4 Maximization of Customer Value

- Transformation into manufacturing that solves social issues ahead of customer issues
- Establishment of a system that prioritizes quality and product safety based on the integrity
- Enhancing the value of the Maxell brand's core products and services

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Materiality 5 Creation of Economic Value through Environmental Activities

- Strengthening environmental technologies and environmentally conscious products
- Conserving resources and energy, and promoting the introduction of renewable energy

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Materiality 6 Strengthen Business Portfolio Management

- Continuously improve the business portfolio through the two axes of market growth and business earnings (ABC-XYZ control)
- Implementing portfolio strategies that anticipate market changes
- Promoting efficiency at global production sites

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Materiality 7 Strengthen Group Governance

- To build effective governance in group management
- Implementing governance to Maximize group synergies

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