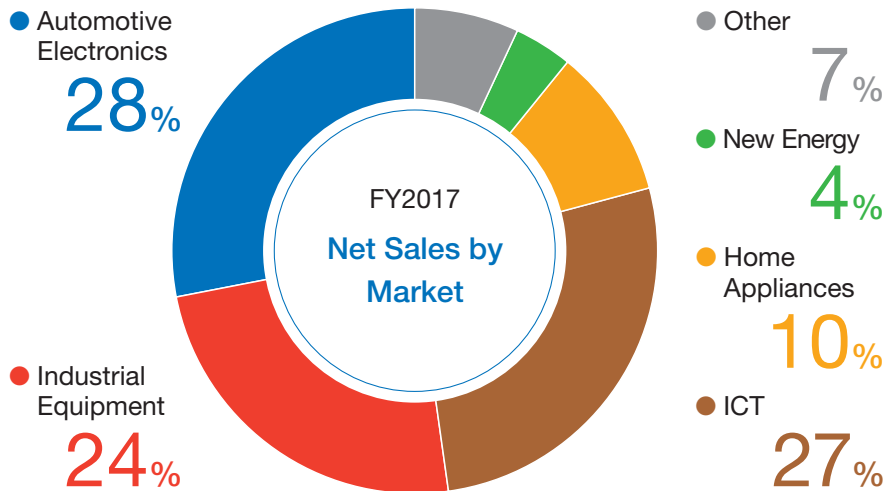


Net Sales by Market

The Nippon Chemi-Con Group is focused on marketing, product development, and sales promotion activities in what we refer to as our five fields expected to see market growth.

Our FY2017 net sales composition for these five strategic markets are as shown in the graph.



Automotive Electronics Market

Down 1 percentage point year-on-year

28%

Our products are used in a wide variety of mounted electronics, including the vehicle-mounted chargers installed in EV and plug-in hybrid vehicles and other EV related devices, the electronic circuits used to control engines and steering, as well as SRS airbags, air conditioning, and headlights. Seeing particular growth in recent years has been sales of products for equipment supporting intelligent vehicles, including advanced driver assistance systems (ADAS) and autonomous driving systems. In addition to electric double layer capacitors (EDLC) for braking energy recovery systems, products for car navigation systems and drive recorders are also included in this category.



Major products used



Aluminum Electrolytic Capacitors (SMD type)



Aluminum Electrolytic Capacitors (Radial Lead type)



Conductive Polymer Hybrid Aluminum Electrolytic Capacitors



Electric Double Layer Capacitors

Industrial Equipment Market

Up 1 percentage point year-on-year

24%

This category covers industrial use products, including products used in the manufacturing equipment installed in semiconductor factories, the industrial robots operating on automobile production lines, and machining equipment such as lathing and milling machines. Factors driving demand include the automation of production processes (factory automation) in various industries, the dissemination of equipment with AI and IoT-based functions, and inverter power supply that improve equipment environmental performance. This category also includes products for public transportation systems such as trains and airplanes, construction machinery, security equipment used to safeguard our cities, as well as lifeline and infrastructure facilities.



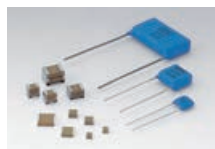
Major products used



Aluminum Electrolytic Capacitors (Snap-in type)



Aluminum Electrolytic Capacitors (Screw Terminal type)



Multilayer Ceramic Capacitors



Amorphous / Dust Choke Coils

New Energy Market

Unchanged year-on-year

4%



This category covers sales to the renewable energy sector, including the power conditioners that are vital to solar power generation and the wind power generation systems being adopted around the world. This sector has a relatively small market scale compared to other sectors but public interest in environmental and energy issues is growing, and this market is expected to see medium and long-term growth. We will continue to examine technology and market trends as we proactively promote sales.

Major products used



Aluminum Electrolytic Capacitors (Snap-in type)



Aluminum Electrolytic Capacitors (Screw Terminal type)



Metal Oxide Varistors



Amorphous / Dust Choke Coils

Home Appliance Market

Unchanged year-on-year

10%



This category mainly represents sales of products used in traditional home appliances such as air conditioners, refrigerators, and washing machines. Increasing consumer interest in environmental issues has resulted in the majority of these devices making the transition to the use of inverters in order to improve energy conservation. As a result, the electronics components market is growing. With the increasing functionality of devices, smart home electronics and IoT home appliances have been commercialized, which is expected to expand this market.

Major products used



Aluminum Electrolytic Capacitors (Radial Lead type)



Aluminum Electrolytic Capacitors (Snap-in type)



Aluminum Electrolytic Capacitors (Screw Terminal type)



Amorphous / Dust Choke Coils

ICT Market

Unchanged year-on-year

27%



ICT stands for Information & Communication Technology, and as a category covers sales for audio-visual digital equipment and information communications devices, including televisions, personal computers, and video game consoles. We have reevaluated our business portfolio as we shift away from sales for consumer products, which are showing signs of becoming commodities. At the same time, we are seeing firm demand from server products due to growth in data centers and cloud services, and demand related to communication base stations due to higher speed and greater capacity in mobile communications. We also are seeing the birth of new markets such as virtual currency mining machines.

Major products used



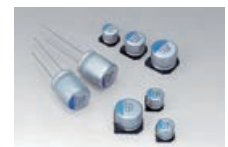
Aluminum Electrolytic Capacitors (SMD type)



Aluminum Electrolytic Capacitors (Radial Lead type)



Aluminum Electrolytic Capacitors (Snap-in type)



Conductive Polymer Aluminum Solid Capacitors