

## Message from Our President

# Improving productivity and adaptability through total optimization management — Overcoming difficult situations

November 2024

Representative Director and President  
**Norio Kamiyama**



Based on our corporate philosophy, “Contributing to Environmentally and People Friendly Technology,” Nippon Chemi-Con aims to provide high value-added products and services suited to each customer, and strives to create shared value that balances social value and economic value.

Fiscal 2023, the first year of our 10th Medium-term Management Plan, has been an extremely challenging and change-filled year for the Nippon Chemi-Con Group.

Nippon Chemi-Con and its U.S. subsidiary United Chemi-Con, Inc. faced civil lawsuits seeking damages for violations of competition laws related to transactions involving

aluminum electrolytic capacitors. After giving comprehensive consideration to the circumstances, the Company paid settlements after agreeing with the plaintiffs in July 2023 and September 2023 to do so. Although this brought an end to all civil lawsuits in the United States seeking compensation for damages, the payment of settlements resulted in a significant deterioration of the Group’s equity capital. I deeply apologize to our shareholders and other stakeholders for the great concern and inconvenience this has caused.

Under these circumstances, in order to strengthen our financial foundation and secure funds to promote our future growth strategy, in November 2023 we procured approximately 2.4 billion yen through the third-party allotment of common stock with Samyoung Electronics Co.,

Ltd., an affiliate in South Korea, and in December 2023 we procured 15.0 billion yen through the third-party allotment of class stock with the Japan Industrial Solutions III Investment Limited Partnership. These funds will be used for capital investment in growth areas during the 10th Medium-term Management Plan, including the construction of manufacturing buildings and the establishment of smart factories in order to increase production capacity for hybrid capacitors, demand for which is expected to increase in the future.

By continuing to steadily implement the measures in our Medium-term Management Plan, we will shift to a corporate structure that can respond flexibly to changes in the business environment and ensure high profitability even in the midst of change.

## Message from Our President

### FY2023 Overview of Results

Regarding the market environment surrounding the Group, although the automotive electronics market remained firm, the ICT market continued to see inventory adjustments due to the abatement of post-COVID special demand, and the industrial equipment market also experienced a prolonged slump in demand, partly due to sluggish capital investment caused by the worsening economic sentiment in China. As a result, net sales for the fiscal year under review were 150,740 million yen (down 6.9% year on year) and operating income was 9,422 million yen (down 27.2% year on year). The business environment in FY2023 saw a temporary deterioration in operations compared to FY2019, when demand decreased significantly due to trade friction between the United States and China. However, we believe that our success in generating a certain level of profit is due to the results of company-wide efforts, including structural reforms, cost reductions at factories and staff departments, and adjustments to product prices, which are reflected in the figures. In terms of sales, we focused on expanding sales of high value-added products, mainly hybrid capacitors, in the automotive electronics market, the ICT market, and the industrial equipment inverter market, which are positioned as our highest priority strategic markets in the 10th Medium-term Management Plan. Meanwhile, we endeavored to improve profitability by discontinuing production of some products that were a cause of cost increases, and promoting a shift to products with greater production efficiency. In terms of product development, we focused on developing high value-added products, such as a new series of hybrid capacitors for automotive electronics, and promoted the strengthening of competitiveness in strategic markets.

However, due to having recorded extraordinary losses

related to antitrust laws for settlements paid in relation to civil lawsuits in the United States related to competition laws, loss attributable to owners of parent was 21,291 million yen (the previous fiscal year was 2,273 million yen in profit attributable to owners of parent). In light of these circumstances, it is with sincere regret that we forewent paying a year-end dividend on our common stock for the fiscal year ended March 31, 2024. I deeply apologize for this. By steadily implementing the policies in our 10th Medium-term Management Plan, we will strive to put our corporate management back on a growth track as soon as possible, generate business profits, and resume dividends at the earliest.

### 10th Medium-term Management Plan

In April 2023, our Group started our 10th Medium-term Management Plan (FY2023 to FY2025), with the long-term goal of “Create next value: Let’s create the next value,” and the medium-term goal of “high-quality growth through enhancement of adaptability (resilience).” In FY2023, the first year of the 10th Medium-term Management Plan, we saw decreased revenues and income, partly due to the slump in the industrial equipment market and the ICT market. However, by steadily implementing the structural reforms we have been undertaking since the latter half of 2019 and the measures in the 10th Medium-term Management Plan, we believe that we are making progress in shifting to a corporate structure capable of securing a certain level of profits even in a harsh business environment.

Regarding our forecasts for FY2024, the domestic economy is expected to continue in a gradual recovery trend. However, the business environment influencing our Group is expected to remain unpredictable due to the impact on the global economy as a whole from monetary

tightening policies in Europe and the United States, geopolitical risks such as the situation in the Middle East and Ukraine, and climate change risks.

In this highly uncertain business environment, in order to achieve the medium- to long-term goals of the 10th Medium-term Management Plan and realize our vision, we believe that it is most essential for each and every employee to acquire and practice the ability to adapt and overcome difficult environments and situations, grow one-self, and actively confront future goals with hope. We will establish a strong corporate structure for profitability in any business environment, and will make a united effort toward the achievement of our 10th Medium-term Management Plan in order to realize sustainable growth going forward.

### Toward a highly profitable structure

#### - Providing high value-added products and improving productivity -

The basic policy for the 10th Medium-term Management Plan is to target a highly profitable structure by providing high value-added products and improving productivity. Specifically, we will actively engage in capital investments to build a system for increasing production of hybrid capacitors, which are high value-added products and whose sales are expected to continue to increase. We plan to construct a new manufacturing building at Chemi-Con East Japan’s Miyagi Plant, and increase the Group’s hybrid capacitor production capacity two-fold by the end of FY2028 (compared to the end of FY2022). In addition, we have also started production at TAIWAN CHEMI-CON CORP., an overseas manufacturing base, and as well as working to increase production, we have been addressing BCP issues, which has long been a strong request from our customers. Hybrid capacitors are being widely adopted for automotive electronics as automation and electrification advance. In the future, however, their use is expected to

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expand to social infrastructure applications such as AI servers and communication base stations, and by increasing production, we will be able to capture that demand and further improve our profitability.

Meanwhile, in terms of initiatives to improve productivity, we will further promote Total Productive Management (TPM) activities at our production plants, convert plants into smart factories using digital transformation (DX), and strengthen our supply chain management (SCM) strategy and staff productivity improvements.

In shifting to smart factories, we are promoting the automation of product appearance sorting and the introduction of automated guided vehicles (AGVs), which are proving to be effective in reducing costs through labor savings and productivity improvements.

Our SCM strategy involves efficiently utilizing data from order information to production activities to create optimal production plans and promote the efficiency of the entire process, from materials procurement to product shipment. By establishing lean production operations based on highly effective plans that do not rely on human effort or judgment, we aim to reduce inventory and shorten total lead times, which will lead to the creation of free cash flow.

We recognize that improving productivity among our staff departments is one of the things we must focus on. As specific initiatives to achieve this, we are firstly undertaking stock-takes of existing work in all staff departments, and fundamentally reviewing both the content of work and the way it is implemented, including prioritizing work, deciding which tasks to discontinue, and promoting the digital transformation of simple and overlapping tasks. In addition, we will make our initiatives more effective by monitoring their progress, implementing PDCA management, and reflecting the results of these initiatives in our assessments. In this way, we will continue to promote workflow reforms while reaffirming the roles of our staff, and further improve the productivity of staff operations.

### Toward strengthening product planning capabilities and taking on the challenge of new technologies

Another initiative to improve profitability is the alignment of product planning capability enhancement and technology (shifting to high-profit products by integrating market orientation and product orientation) as set out in the research and development strategy of the 10th Medium-term Management Plan. As part of this, we launched the CAT Project (Connecting Application & Technology Development Project) in April 2023. In the CAT Project, members consisting mainly of young and mid-career employees are listening closely to the challenges faced by our customers to identify potential demand and link this to the development of capacitor technology. In order to address the real issues facing our customers, we believe it is essential to deeply understand their product composition, assess products under conditions close to the actual usage conditions, and propose products that make full use of simulations. To achieve these goals, project members are working with external institutions to learn basic theories in the field of power electronics and develop circuit simulation models. Based on the simulation results, they are also working to analyze capacitor functions and develop elemental technologies from the customer's perspective. By widely disseminating the knowledge, data, and methods gained through these initiatives within the Company, we hope to eventually use them to develop next-generation products to follow hybrid capacitors.

### Sustainability Efforts

For many years, our Group has continued to support society and technological innovation from the background through





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the development and manufacture of electronic components. I believe the reason our products and business activities have long been accepted by society is not only because of technological strengths, but also because of our corporate philosophy, “Contributing to Environmentally and People Friendly Technology.” This philosophy, which continually recognizes that our actions and business operations have an impact on the environment and society, is at the foundation of all our activities and represents our commitment to strive for balance between our operating activities and contributions to social development.

In addition to the recent environmental issues of climate change and biodiversity, we are also facing a crisis of limited resources as a result of vigorous economic activities that exceed the limit of what the planet itself can tolerate. There is a demand for manufacturing that is based on principles such as how to most effectively use existing resources and how to reduce the environmental load through the optimal life cycle of products.

The Company believes that its *raison d’être* and vision is to enrich people’s lives and livelihoods by providing electronic components, and to contribute to the global environment and local communities through continuous business operations. We will continue to operate our business with awareness and responsibility, with the aim of manufacturing products that are needed by society and being a company that is needed by society.

We believe that sustainability initiatives based on this philosophy will, in the medium to long term, reduce risks by strengthening resilience and increase cash flows through high-quality growth, thereby contributing to the sustainable improvement of our corporate value. In particular, in the current highly uncertain business environment, we recognize that it is important to acquire competitiveness through adaptability and innovation in order to quickly respond to change, and that investing in human capital, which is the

source of corporate value, and responding to climate change issues constitute management issues that we should focus on.

As we continue to pursue sustainable technological innovation that balances our business activities with respect for and coexistence with people, society, and the environment, we will further accelerate investment in human capital to train the human resources who will lead the Company 10 years from now as set out in our Human Resources Development Policy; in other words, human resources capable of taking on challenges that go beyond the borders of organizations and systems. With regard to climate change issues, we will analyze the risks and opportunities that could affect the Company’s business in accordance with the framework set out in the TCFD, and reflect them in our management strategies.

### To our stakeholders

The Company will celebrate its centenary in 2031. If we are to continue to achieve sustainable growth, it is important that we create new value for society and our customers. In order to achieve the long-term goal of our 10th Medium-term Management Plan, “Create next value: Let’s create the next value,” we hope to proactively take on new challenges without fear of failure and create the next generation of value (corporate value, product value, new business) so that all our employees will not be satisfied with the status quo but will set their sights even higher. We will strive ever harder than before to engage in dialogue with stakeholders to ensure that they have a deeper understanding of our approach and efforts toward improving the Group’s medium- to long-term corporate value.

I ask for your continued support and understanding.

# Medium-term Management Plan

## The 10th Medium-term Management Plan (FY2023 to FY2025)

### Corporate Philosophy

### “Contributing to Environmentally and People Friendly Technology”

### Long-term Goal

#### Create next value (Let's create the next value!)

- Create a value of the next generation (corporate value, product value, new business)! Create human resources who can try crossing borders through organizational and structural reforms!

### Medium-term Goal

#### High-quality growth through enhancement of adaptability (resilience)

- Acquire the ability to adapt and overcome difficult environments and situations, grow one-self, and actively confront future goals with hope

### Basic Policy for the Medium-term Management Plan

#### Target a highly profitable structure by providing high value-added products and improving productivity

- Practice of sustainable management in order to be trusted and needed by society continuously
- Development of innovative human resources that have both creativity and practical skills
- Taking action to meet hidden customer demands through integration of market orientation and product orientation
- Reform of the production structure through an optimal portfolio (reconfiguration/standardization) and smart factories

### Basic Strategy / Key Measures

1. Implementation of ESG management
2. Enhancement of the human resource strategy
3. Improvement of earning power through alignment of product planning capability enhancement and technology

4. Establishment of an optimal production system
5. Strengthening of cost competitiveness through productivity improvement

#### Business Strategy

#### Strengthening highly profitable products

1. Investing in and increasing production of hybrid capacitors
2. Strengthening the coil business

#### Improving Productivity

#### Production structure reforms through optimal portfolio (rebuilding and standardizing)

1. Smart factories
2. Supply chain management (SCM) strategy
3. Improvement in staff productivity

\*Pursue 1. through 3. based on the DX strategy

### Numerical Goals for FY2025

Net sales	170 billion yen	D/E ratio	1.1 x or less
Operating income	14 billion yen	Total asset turn-over ratio	1.0 x or more
Operating income margin	8.2 %	ROE	15.0 %
Profit attributable to owners of parent	10 billion yen	ROIC	7.0 %
Interest-bearing debt	60 billion yen		

(Revised on May 16, 2024)

### Capital Policy During the 10th Medium-term Management Plan Period

- Prioritize internal reserves for investment in strengthening the financial foundation and in growth areas, expand business scale and stabilize the revenue base, and then strive to restore dividends to shareholders quickly.
- Accurately determine the cost of capital and add the following indicators as KPI targets to increase capital efficiency and improve profitability.
  - (1) ROE greater than the cost of shareholder capital
  - (2) ROIC greater than the weighted average cost of capital (WACC)
- Progress on the KPI will be disclosed on our corporate website and we will redouble efforts to engage in dialog with investors and other stakeholders.

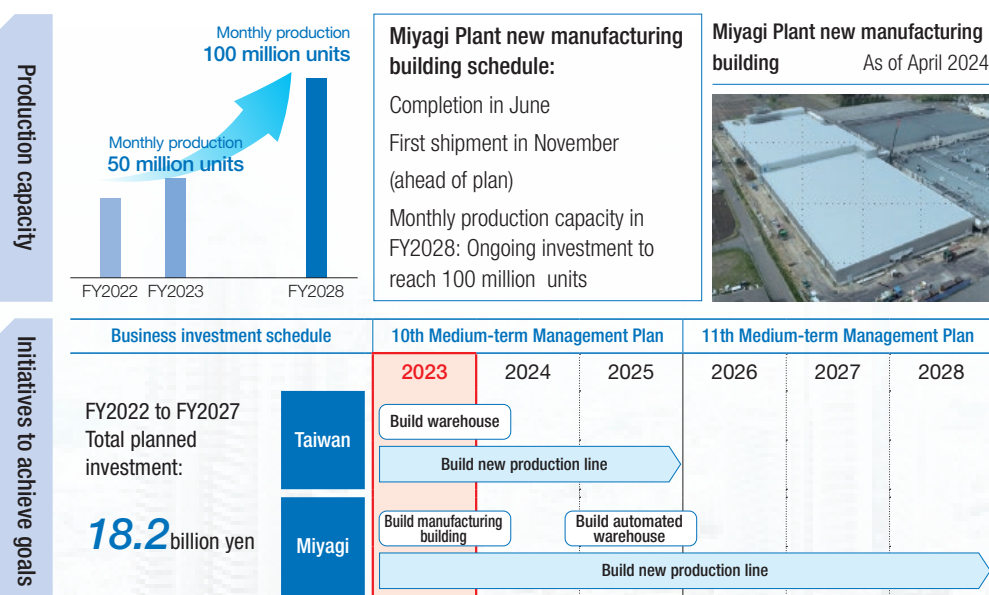
■ For the latest information on the medium-term management plan, see the webpage below.

WEB <https://www.chemi-con.co.jp/en/company/ir/policy/plan/>

## 中期経営計画

## The 10th Medium-term Management Plan (Growth Strategy)

## Increase Hybrid Capacitor Production Capacity



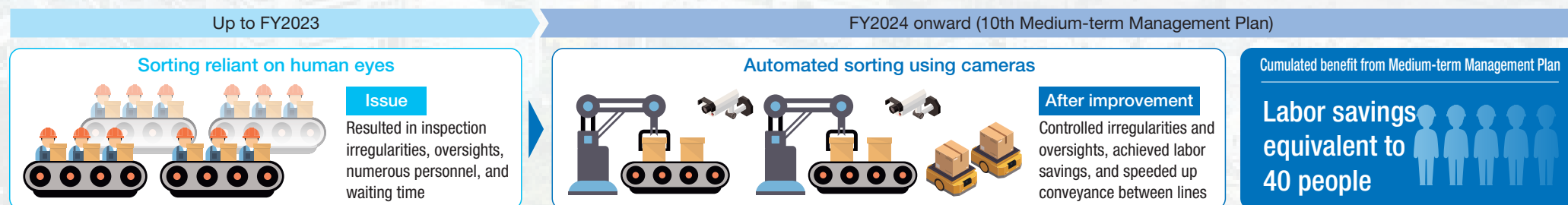
## Specific Uses of Proceeds from Financing

Proceeds from financing will mainly be used for key measures in the 10th Medium-term Management Plan; namely, capital investment in the hybrid capacitor business, capital investment in conversion of plants to smart factories, and R&D-related investment.

	Class shares	Common shares
Capital investment in conductive polymer hybrid aluminum electrolytic capacitor business	7,899 million yen	2,374 million yen
Capital investment in upgrading plants to smart factories	4,443 million yen	—
R&D-related investment	2,468 million yen	—
Timing of expenditure (planned)	April 2023 to March 2026	December 2023 to March 2026

## Automate External Appearance Sorting (Smart Factory Initiative)

Automate external product appearance sorting ⇒ Use omni-directional external appearance sorter to switch from human judgment to quantitative judgment of all items





## Financial Strategy Message from Our CFO



## Promote the establishment of an earnings platform and greater asset efficiency

In FY2023, net sales decreased by 6.9% year on year to 150.7 billion yen mainly due to a decline in demand for products for industrial equipment in our key strategic markets, primarily as a result of the continued turmoil in Ukraine and the slump in capital investment due to a slowdown in China's economy and real estate market.

Looking at income, the loss in the operating rates of plants due to the downturn in sales of our mainstay aluminum electrolytic capacitors had a significant impact, resulting in operating income of 9.4 billion yen, a year-on-year decrease of 27%. However, we were able to secure a certain level of profit thanks to the growth of high value-added products such as hybrid capacitors, and the continuation of the structural reforms that we started under the 9th Medium-term Management Plan, which have transformed our business into one that is profitable even in an economic downturn.

In FY2023, the Company procured 17.4 billion yen in capital financing through a third-party capitalization involving the use of class shares and common shares. The aim of this decision was to restore the Group's net assets, which were damaged by the recording of extraordinary losses of 29.6 billion yen due to large settlements paid in relation to civil lawsuits in the United States. This move was also made to secure capital for growth. As a result, shareholders' equity ratio was 30.7% (down 0.2% year on year), and net assets were 53.6 billion yen (up 2.9 billion yen year

on year).

The funds procured will be used for investment in growth areas, including hybrid capacitors and research and development, with the aim of improving profitability in the medium to long term.

We believe that this capital increase has resulted in a certain degree of financial stabilization by securing liquidity. However, we recognize that the further strengthening of our financial base is one of the most important issues in the electronic components market, which is susceptible to fluctuations in demand.

Additionally, based on the results for FY2023, we have revised our numerical targets for FY2025, which is the final year of the 10th Medium-term Management Plan. To achieve our targets of 60.0 billion yen or less in interest-bearing debt, a D/E ratio of 1.1 or less, an ROE of 15%, and an ROIC of 7%, we need to steadily reduce interest-bearing debt by increasing net assets by way of recording profits for the fiscal year and by generating cash flows.

To achieve this, we are promoting the establishment of an earnings platform and the greater efficiency of assets. In the previous fiscal year, we disposed of all of our cross-shareholdings, and in the current fiscal year we are working to improve profitability by expanding the production scale of hybrid capacitors at the Miyagi Plant and TAIWAN CHEMI-CON CORP., and by expanding sales of high value-added large-size capacitors. At the same time, we are utilizing DX to link order data with

production plans in the supply chain, aimed at reducing inventory by shortening lead times and improving working capital (CCC).

Additionally, with regard to ROIC, which was incorporated from the 9th Medium-term Management Plan, we have started operations in which the achievement of improvement targets (KPIs) at each site will lead to the improvement of business-based ROIC by introducing ROIC targets for each business, and we are strengthening management that is conscious of the cost of capital.

As a medium- to long-term financial strategy, we believe it is important to increase our cash flow generation capabilities by focusing on reducing interest-bearing debt, correcting the balance of our capital/debt structure, and redeeming class shares. We also recognize that a major management issue is to strengthen our earning power by setting an annual EBITDA (earnings before interest, tax, depreciation, and amortization) target of 20.0 billion yen or more, invest in growth areas and research and development, reduce interest-bearing debt, and allocate funds to human capital, while resuming dividends to shareholders as soon as possible.

Going forward, we will strive to improve our corporate value through dialogue with all stakeholders, including by strengthening our financial position and communicating our non-financial initiatives in a manner that is easy to understand through IR/SR opportunities.

## Technology Strategy Message from Our CTO



### Creating high value-added products

#### — Realizing actual and latent needs —

In line with our medium-term goal of achieving high-quality growth through enhancement of adaptability (resilience), the R&D Headquarters is committed to securing profits in any type of operating environment.

In order to achieve this, one of the most important issues is to shift to high value-added products, and I believe there are two main ways to approach this.

- (1) Being at the forefront in responding to customers' emerging needs
- (2) Presenting proposals that identify latent needs

Regarding (1), we have built a system capable of meeting customer requirements from basic research, materials, facilities, and product development to mass production, based on a platform of elemental technologies that include intellectual property.

For example, in the development of snap-in types of

capacitors, we are focusing on the AI server power supply market, which is currently experiencing rapid growth. This market is changing rapidly, and we need to respond more quickly than ever before. To this end, we are working to improve efficiency by incorporating the specifications, timing, and other requirements by the market from the most upstream development of electrode foils through to production technology, manufacturing and sales, and by forming a company-wide development and business structure. Furthermore, by blending this sense of urgency with our proprietary technology for combining new electrode foils with other materials, we have been able to bring more competitive, high value-added products to the market.

Regarding (2), we have consistently aimed to develop "concept-driven products." In April 2023, we launched CAT (Connecting Application & Technology Development) Project, which helps young capacitor developers acquire skills such as customer circuit technology and develop the ability to view capacitors from the customer's perspective. From FY2024, we

will incorporate this activity into our existing operations and disseminate it throughout our worldwide sales network, aiming to bring ourselves closer to meeting customers' latent needs.

Additionally, in April 2022 we established the New Business Promotion Department to provide a forum for learning about social issues, customer requirements, technological development, social implementation, and monetization in a practical setting through new business education, and to cultivate human resources that proactively take on new challenges from a position that is closer to the customer's.

We believe that the important factor to have in common is for each engineer to understand the overall picture and direction of the mission, and to act proactively in order to develop products more efficiently.

Based on the above, we will create products with higher added value from intangible assets such as technology, and work to improve investment efficiency.



## Quality Strategy Message from Our CQO



Executive Officer  
Chief Quality Officer  
**Hiroyuki Wakabayashi**

### Stable provision of “quality that satisfies our customers”

Nippon Chemi-Con has always considered “providing quality that satisfies our customers” to be one of the most important factors in our business. With this as our quality philosophy, we have been working on corporate activities. In recent years in particular, the usage environments have become increasingly strict and the range of usage has expanded rapidly in markets that have a major impact on society, including automotive electronics where automation and electrification are progressing and applications that support social infrastructure such as AI servers and communication base stations. As a result, social demands and responsibility for the quality required are becoming more stringent.

On the other hand, there are increasing risks involved in maintaining product quality and providing a stable supply, including the difficulty in securing personnel due to the declining working population in Japan and soaring labor expenses overseas, and the difficulty in steadily securing materials stemming from strengthened environmental regulations and geopolitical risks, including regional situations, and we believe that adequate measures are required.

We at Nippon Chemi-Con are fully aware of these changes, and recognize that it is our responsibility as a manufacturer to provide “quality that satisfies our customers” in a steady and timely manner. At the same time, we take pride in the technological capabilities that enable us to achieve this, which is Nippon Chemi-Con’s strength. We have outlined the goal of “balancing quality and productivity by promoting practical quality control,” and are working to realize the stable supply of “quality that satisfies our customers.”

To achieve this, we believe it is important not only to consider “design quality” and “production quality,” but also to regard every aspect from “material quality” that is the input to “logistics quality” that delivers products to customers as the “scope of the quality required,” and to proceed with improvements in each of these four categories. Specifically, we will proceed with the following initiatives.

- 1) Continue to promote the shift to smart factories in order to improve production efficiency while maintaining quality  
Reduce manual work, reduce sensory evaluation through automatic evaluation systems using big data, etc.

- 2) Strengthen management of material and logistics suppliers
- 3) Develop and strengthen human resources capable of “improving and building quality systems”



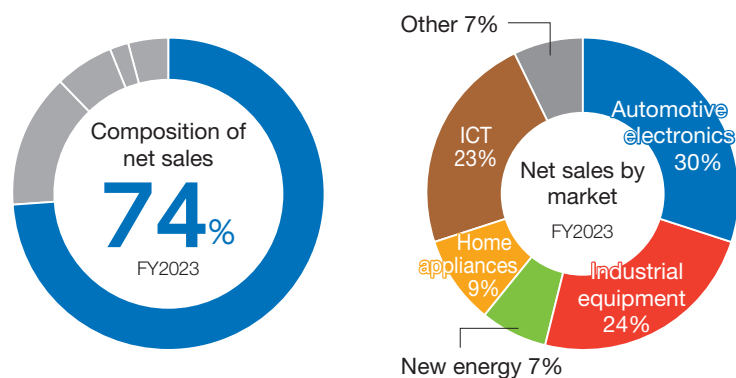
Every employee at Nippon Chemi-Con is constantly aware that the products we provide have a critical role in supporting social infrastructure, and we will continue our endless pursuit of improvements so that we remain a company that is needed by our customers and that contributes to society.

## Business Overview

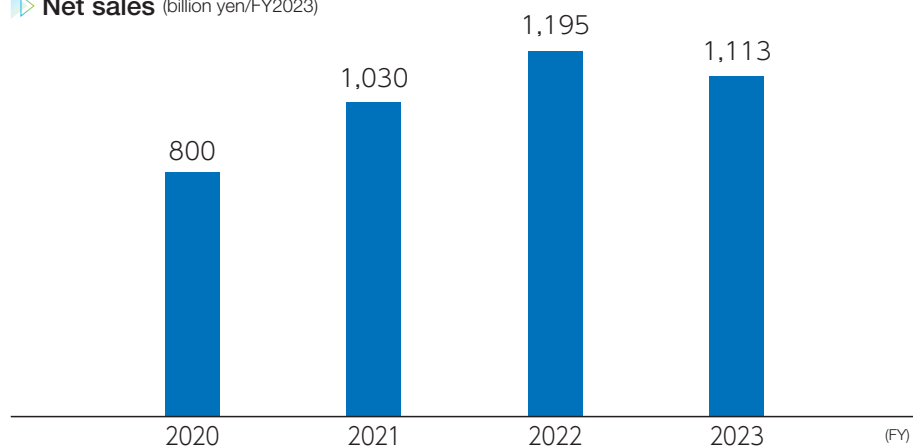
## Business-based Strategies

Aluminum Electrolytic Capacitors  
(excluding conductive polymer capacitors)

Aluminum electrolytic capacitors are capacitors that use a thin layer of oxidized aluminum as the dielectric. They feature a large capacitance by forming minute unevenness on the surface of aluminum foil through electrochemical treatment to enlarge the surface area. They are widely used for smoothing and decoupling.



Net sales (billion yen/FY2023)



## Competitive advantages of aluminum electrolytic capacitors (comparison with other capacitors)

Capacitor type	Aluminum electrolytic			Ceramic	Film
	Electrolytic	Conductive polymer	Hybrid		
High capacitance	◎	◎	◎	△	×
Cost	◎	○	○	△	△
ESR	×	◎	○	◎	◎
No use of rare metals	◎	◎	◎	△	○
Lifespan	×	○	○	◎	◎
Temperature characteristics	△	◎	◎	△	◎
Heat resistance	○	○	○	◎	△

## Product strategy - Focus on automotive electronics / ICT (communications) / industrial equipment / energy conversion markets

Large-size products

Focus on industrial equipment / energy conversion / ICT (communications)/automotive electronics markets

- Shift to high value-added product development based on materials technology
- Improvement of overall equipment effectiveness (OEE) for existing facilities

Screw terminal type / snap-in type



Small and medium-size products

Selection and concentration

- Shift to high value-added product development based on materials technology
- Termination of production of small-size small-capacitance products

Radial lead type



SMD type products

Further improve profitability by expanding sales to the automotive electronics market

- Improvement of product mix by increasing the rate of highperformance products
- Improvement of overall equipment effectiveness (OEE) for existing facilities

SMD type



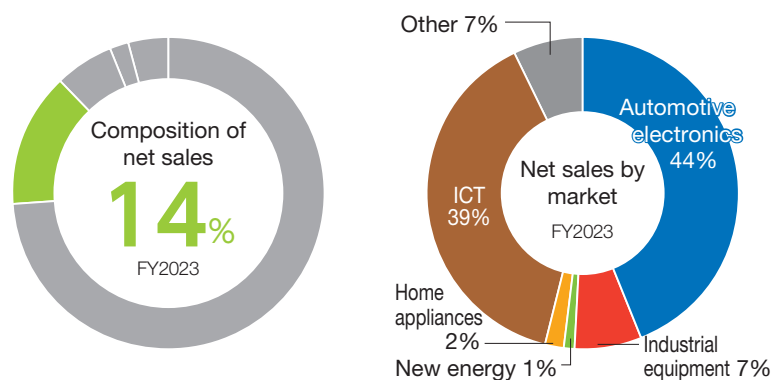
## Business Overview

## Business-based Strategies

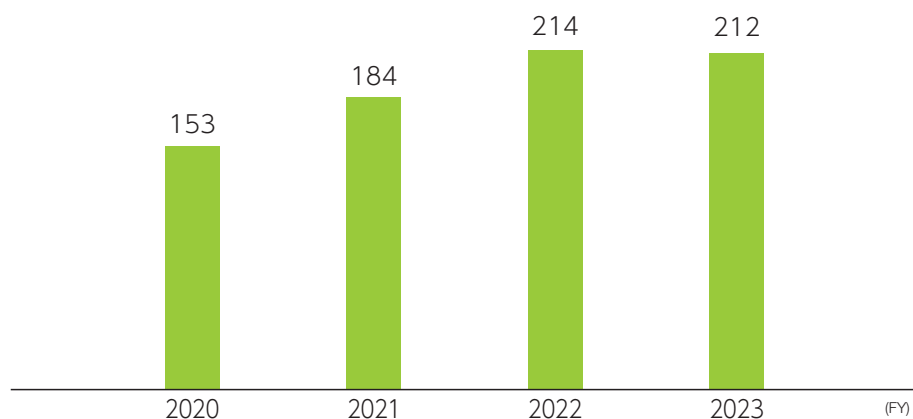
## Conductive Polymer Capacitors

Ultra-low ESR products using solid conductive polymers instead of electrolyte liquid are also widely used.

In recent years, hybrid capacitors that combine electrolyte liquid and conductive polymers have also been added, and they continue to evolve to provide the optimal characteristics suited to the usage conditions.

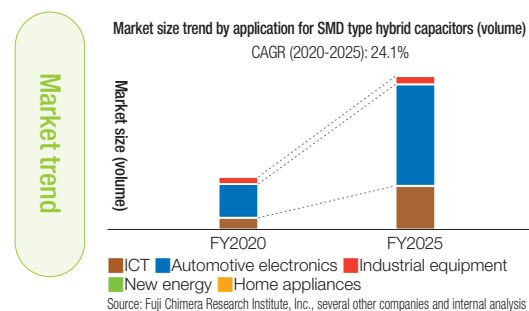


▶ **Net sales** (billion yen/FY2023)

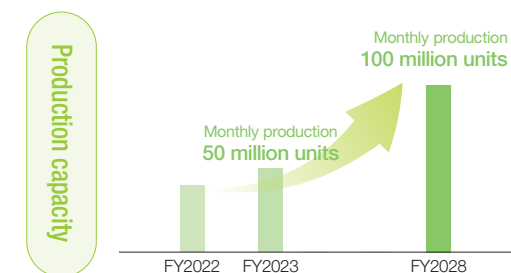


## Increasing production to meet the rapidly growing hybrid capacitor market

## ▶ Market size forecast



## ▶ Production expansion plan



## Product strategy - Focus on automotive electronics / ICT (communications) / industrial equipment / energy conversion markets

## Conductive polymer capacitors

## Radial lead type

- ICT Market : Focus on generative AI servers/high value-added markets

Conductive polymer capacitors radial lead type



## SMD type

- ICT Market : Focus on generative AI servers/high value-added markets  
Permeate 5G communications base station markets and new product development targeting 6G
- Automotive electronics market : Inject new products and strengthen sales promotion on ADAS and other automotive CASE applications

Conductive polymer capacitors SMD type



## Hybrid capacitors

## Automotive electronics market

- Expand domains into ADAS, 48V mild hybrid systems, LED headlights, EPS (electric power steering), OBC, and ECU

## ICT market (communication base stations)

- Focus on generative AI server market/high value-added markets
- Permeate 5G communications base station markets and new product development targeting 6G



Hybrid capacitors radial lead type



Hybrid capacitors SMD type



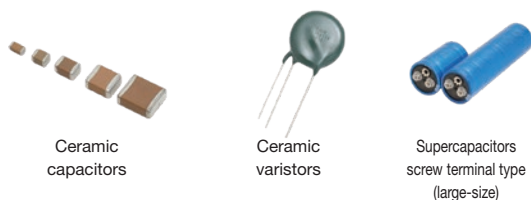
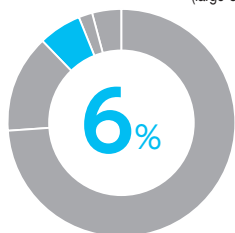
## Business Overview

## Business-based Strategies

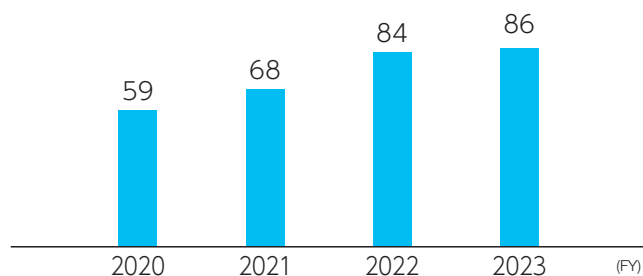
## Other Capacitors

(including solid devices and functional devices)

## ▶ Main products

▶ Composition of net sales  
(FY2022)

## ▶ Net sales (billion yen/FY2023)

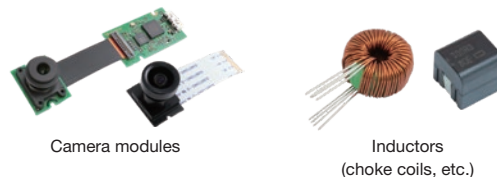
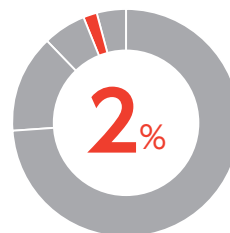


- Ceramic capacitors:  
Develop and expand sales of distinguishing products focused on high capacitance and large-size products
- Ceramic varistors:  
Optimization of global production operations
- Supercapacitors:  
New product development (expand product line) targeting backup power sources on the automotive electronics market

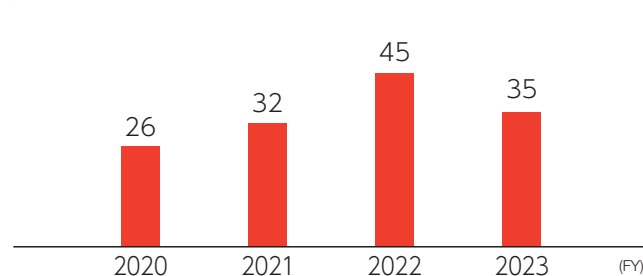
## Mechanical and other parts

(including solid devices and functional devices)

## ▶ Main products

▶ Composition of net sales  
(FY2022)

## ▶ Net sales (billion yen/FY2023)

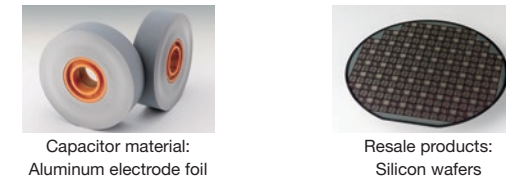
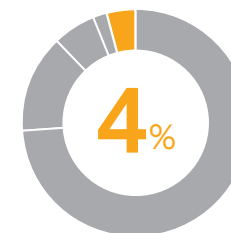


- Modules:  
Launch high-performance camera modules that capture the needs of the automotive electronics and industrial equipment markets
- Inductors (choke coils, etc.):  
Strengthen new product development and sales expansion using nanocrystalline materials for the automotive electronics market

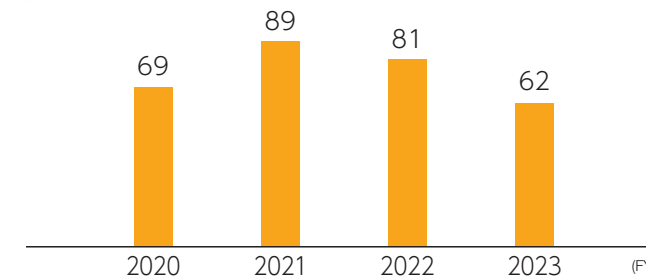
## Other

(including functional material)

## ▶ Main products

▶ Composition of net sales  
(FY2022)

## ▶ Net sales (billion yen/FY2023)



- Capacitor material:  
Aluminum electrode foil  
Increasing sales of highly profitable and new products by identifying market needs
- Resale products:  
Silicon wafers  
Strengthen sales expansion targeting semiconductor manufacturers servicing the automotive electronics and industrial equipment markets