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At a Glance (As of March 31, 2024)

We respect people and aim to be a company that contributes to society and the environment through the creativity of all employees.

Since its founding in 1931, Nippon Chemi-Con has been developing a wide range of electronic components, starting with aluminum electrolytic capacitors. Based on our corporate philosophy, "Contributing to Environmentally and People Friendly Technology," we aim to create the next value (corporate value, product value, new business). We will further strengthen the development capabilities, manufacturing capabilities, and sales capabilities that we have gained over many years, and contribute to the resolution of social issues by providing high value-added products.



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Nippon Chemi-Con's Value Provision Domains

The Nippon Chemi-Con Group focuses on marketing, product development, and sales promotion activities in five strategic markets where we expect market growth and where there is demand for our technology. Striving to resolve social issues, Nippon Chemi-Con continues to provide value in various domains.

Net sales by product group (FY2023)



Capacitors

Aluminum Electrolytic Capacitors, Conductive Polymer Capacitors, Hybrid Capacitors, Supercapacitors, Multilayer Ceramic Capacitors, Metal Oxide Varistors





Capacitor material, Silicon wafers (resale products)

Realizing a carbon-free society

Demand for electronic components is projected to increase with trends such as vehicle electrification and automation, the adoption of inverters in industrial equipment and home appliances, expanding adoption of renewable energy, and energy management.

Stable supply of high-quality products

Upgrading to smart factories

• Global manufacturing and sales network

Advancements in information infrastructure

With the expansion of fifth generation mobile communication systems (5G), demand for electronic components is projected to increase with the construction of communication base stations, an increase in data centers for supporting high-speed, large-volume communications, and advancements in information infrastructure such as the new construction of AI servers.

Net sales by market (application) (FY2023)

Automotive Electronics Market

- Electronic control units (ECU)
- · Advanced driver assistance systems (ADAS)
- · Onboard chargers etc.

ICT Market

- · PCs, home video game consoles
- Data center servers
- · Communication base stations, e

Industrial Equipment Market

- General-purpose inverters
- · Servo amplifiers
- · Switching power supplies etc.

Home Appliances Market

- · Air conditioners
- Refrigerators
- · Smart home electronics etc



New Energy Market

- · Photo voltaic systems
- Wind power generation systems etc



Other



Conductive Polymer Aluminum Solid Capacitors: referred to as Conductive Polymer Capacitors Conductive Polymer Hybrid Aluminum Electrolytic Capacitors: referred to as Hybrid Capacitors

Market Environment and Business

Development (Develop businesses that are less affected by fluctuations in demand > Optimize sales balance by market/Focus on automotive electronics market)

Issues	Contraction of PC, camera, car navigation, and other markets due to the rise of the smartphone Around 2007, the main device for connecting to the internet shifted from the PC to the smartphone	St	rategies	Focus on growing automotive electronics market > establish competitive advantage, stabilize profitability Sharp rise in demand for aluminum electrolytic capacitors driven by rapid shift to the electrification of automobiles (1)Further weight reductions, (2)increased safety and reliability, (3)acceleration of network connectivity
ICT	Inventory adjustments for PCs and data center servers became prolonged, resulting in the sales ratio falling 1 percentage point from the previous fiscal year to 23% > Expectations on market expansion for AI-equipped PCs and generative AI servers			
Automotive electronics	The sales ratio increased by 6 percentage points from the previous fiscal year to 34% due to the normalization of semiconductor supply and the drive toward electrification and increased use of electronics > Further market expansion is expected due to growing demand for hybrid capacitors			
Industrial Equipment	The sales ratio decreased by 3 percentage points to 22% due to the prolonged inventory adjustment of facilities, parts, and other such things that accrued during the COVID-19 pandemic			

Net sales by market (application)

Automotive Electronics Industrial Equipment III ICT III New Energy III Home Appliances III Other





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History

Since its establishment in 1931 as the first Japanese manufacturer of aluminum electrolytic capacitors, Nippon Chemi-Con has developed and provided a variety of products that meet the demands of the times.



States.

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History

*Total of BEV (Battery Electric Vehicle) and PHEV (Plug-in Hybrid Electric Vehicle) among passenger vehicles. Source: International Energy Agency (IEA), Global EV Outlook 2021



Chapter 4

Data Section

Financial and Non-financial Highlights







Dividend per share (DPS)



Book value per share (BPS)

(Yen)



Free cash flow



Return on equity (ROE)



Distal investment



We will increase capital efficiency by concentration and selection of our capital investments.

R&D expenses (ratio to net sales)



Under a medium- to long-term plan, we work to maintain R&D investments equivalent to 3-4% of net sales for technology development, the driving force behind corporate growth.



Financial and Non-financial Highlights



Non-Consolidated Consolidated





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Product compliance (All product categories)



Since the ELV Directive came into force in Europe in 2003, the RoHS Directive became effective in 2006, and REACH in 2007. REACH is intended for all chemical substances. These European standards have become a global trend and countries around the world are strengthening chemical substance management.

We are committed to providing "green products" that are free of regulated chemical substances keeping up with rapidly changing chemical substance regulations and complying to laws and distributing information in advance.

The graph shows the shift in the number of surveys conducted on our products by customers such as non-containment confirmation of hazardous substances. There were about 7,000 inquiries in FY2014, but they increased to over 9,000 by the time the revised RoHS Directive (RoHS2) was implemented in 2019. In 2021, we started a service for downloading RoHS/REACH Compliance Statements on our website. This service is being used frequently, indicating how much customers are focusing on product "compliance."

Description of the substant of



The potential applications for our products are expanding due to customer technology trends. However, it goes without saying that strong, trusting relationships with our suppliers are critical to ensure a quick response to customer expectations.

We have made improvements on the conventional Green Supplier Certification System by combining quality (Q), procurement (P) and environment (E) into a single audit system and are promoting the creation of "QPE Supplier Charts" through this system. These charts are similar to a health exam chart and enables us to regularly check on the health (management) status of our suppliers. These charts serve as a tool for close communication with our suppliers.

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Process of Value Creation

Contributing to the creation of new values and resolving social issues through our business activities. The process of value creation leads to the growth and increase in sustainable corporate value of Nippon Chemi-Con Group.

