Corporate Philosophy

Contributing to Environmentally and People Friendly Technology

As we move toward the realization of a carbon-neutral society, interest in energy conversion technology is steadily rising. High-efficiency energy conversion technology has become essential in supporting our lives and industries in various ways. Examples of such technology include technology for converting natural solar and wind energy into electrical energy, technology that utilizes this electricity operate lights, automobiles, and robots, as well as technology for processing and transmitting vast amounts of information. Among the electronic components that support the core of such technology is the aluminum electrolytic capacitor manufactured by Nippon Chemi-Con.

For instance, as AI is being rapidly adopted in diverse fields, the Company is swiftly launching products for AI servers that leverage cutting-edge technology while accelerating the development of new products for powering next-generation data centers. Our products are used in a wide range of areas, including chargers and electronic control units for electric vehicles, inverter power supplies installed in robots and industrial equipment, mobile phone communication base stations, power conditioners for solar power generation, and low power consumption LED lighting equipment. In this way, we contribute significantly higher functionality and energy conservation of equipment.

Nippon Chemi-Con's corporate philosophy is "Contributing to Environmentally and People Friendly Technology." The Company's philosophy is to increase its corporate value by refining technology and contributing to the resolution of social issues, with the aim of contributing to the realization of a sustainable society. Nippon Chemi-Con will continue to contribute to building a sustainable future through its business activities.

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Growth Strategy for Value Creation

Foundation for Value Creation

Data Section

Editing Policy

The CHEMI-CON REPORT is an integrated report created once per year and published on our website to help our shareholders, investors, and other stakeholders better understand our business activities, our corporate value, and the appeal of the Nippon Chemi-Con Group. In addition to financial information, we provide an overview of our medium- and long-term management strategy and ESG information (environment, social, governance). More detailed information and updates may be found in the various materials we publish as necessary, as well as on other pages on our website. During the creation of this document, we reference the International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC). Furthermore, forward-looking statements indicated in the CHEMI-CON REPORT are forecasts we have deemed to be reasonable based on information available at the time of creation. Due to a variety of factors, actual results may differ from published forecasts.

Sites covered — Nippon Chemi-Con Corporation and its Group affiliates
Period covered — FY2024 (April 1, 2024 through March 31, 2025) However, some contents include activities after April 2025

CHEMI-CON REPORT 2025 Highlights

The purpose of the CHEMI-CON REPORT is to disclose our corporate activities aimed at realizing our corporate philosophy of "Contributing to Environmentally and People Friendly Technology." We have prepared this report with the desire to deepen our engagement with our stakeholders and hear their opinions, and hope it will deepen your understanding of the Company.

Message from Our President ▶P7
President Kenichi Konno, who assumed his position in April 2025, expresses his greetings to all our stakeholders. He lays out the Company's strategic viewpoints and direction under the new system, including initiatives for corporate transformation, our approach to priority markets, and new product development.

Aluminum Electrolytic Capacitors for use in the Field of AI ▶P20
In this special feature, we introduce examples of how the Company's products are used in the generative AI market, which is expected to grow rapidly. We explain why aluminum electrolytic capacitors are used in so many data center applications.

Message from Outside Officers ▶P41
Our Outside Officers convey their perspectives on management direction and supervision taking sustainability and human capital into consideration, as we work toward sustainable corporate value improvement.

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.

Social conditions/ issues

- Dawn of the electronics industry
- Post-war reconstruction and rapid growth
- Home appliance boom
- Car boom
- Bubble economy
- Globalization

1930 **1980**

Values/ products we provide

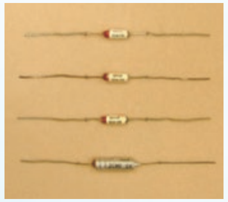
- Mass production of capacitors for radios
- Start of capacitor export
- Mass production of capacitors for TVs
- Supplying of capacitors specialized for transistor radios (world's first)
- Mass production of capacitors for tape recorders
- Automation of capacitor manufacturing facilities (world's first)
- Supplying of capacitors for vehicles
- Mass production of capacitors for consumer-use VTR

Aug 1931 Successful commercialization of Japan's first electrolytic capacitors. "SATOH DENKI KOGYOSHO" as a limited partnership company established in Tokyo.

1943 | 1945 A product fromSATOH DENKI KOGYOSHO days.

Aug 1947 Company reorganized, company name changed to "NIPPON CHEMICAL CAPACITOR INC."

1955 A micro electrolytic capacitor installed in Japan's first transistor radios.



May 1963 Japanese spelling of the company adjusted.

Apr 1966 A new plant established in Miyagi Prefecture for production of small size aluminum electrolytic capacitors.

Jun 1966 HITACHI ELECTROLYTIC FOIL LABORATORY INC. (later changed to KDK CORP.) established in Ibaraki Prefecture for production of materials for aluminum electrolytic capacitors.

Mar 1969 A new plant established in Iwate Prefecture for production of medium size aluminum electrolytic capacitors.

Jun 1970 UNITED CHEMI-CON, INC. established in the United States.

Sep 1970 Listed on the second section of the Tokyo Stock Exchange.

Sep 1972 SAMYOUNG ELECTRONICS CO., LTD. established as a joint venture in South Korea.

Feb 1975 SINGAPORE CHEMI-CON (PTE.) LTD. established in Singapore.

Jun 1976 A new plant established in Fukushima Prefecture for production of large size aluminum electrolytic capacitors.

Feb 1977 EUROPE CHEMI-CON (DEUTSCHLAND) GmbH, established in Germany.

Sep 1977 Listed on the first section of the Tokyo Stock Exchange.

Apr 1979 TAIWAN CHEMI-CON CORP. established in Taiwan.

Sep 1980 A local Hong-Kong affiliate (currently HONG KONG CHEMI-CON LTD.) established.

Jul 1981 Company name changed to "NIPPON CHEMI-CON CORPORATION."

Jan 1993 P.T. INDONESIA CHEMI-CON established in Indonesia.

May 1994 DONG GUANG KDK ALUMINUM FOIL MANUFACTURE LTD. established in China.

Apr 1995 Acquisition of shares of MARCON ELECTRONICS CO., LTD.

1998 Conductive polymer aluminum solid capacitors launched.

May 1998 SHANGHAI CHEMI-CON TRADING CO.,LTD. established in China.

Oct 1999 Merger of the processing division of KDK CORP. to strengthen technical development capabilities of aluminum electrolytic capacitors.

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

Social conditions/ issues

Century of the environment
Popularization of digital devices and IT adoption
Emergence of hybrid cars

Towards a sustainable society
Global number of EV exceeds 10 million*

2000 ... **2025**

Values/ products we provide

- Supplying of conductive polymer aluminum solid capacitors for home video game consoles (world's first)
- Introduction of lead-free, environmentally friendly capacitors
- Supplying of supercapacitors for passenger vehicles (world's first)
- Commercialization of hybrid capacitors

Aug 2002 Production of aluminum electrolytic capacitors launched at CHEMI-CON (WUXI) CO., LTD. in China.

2003 Mass production of large capacitance supercapacitors launched.

Apr 2003 CHEMI-CON ELECTRONICS (THAILAND) CO., LTD. established in Thailand.

Apr 2008 CHEMI-CON TRADING (SHENZHEN) CO.,LTD. established in China.

2012 Conductive polymer hybrid aluminum electrolytic capacitors launched.

Mar 2012 Kanagawa Research Center established.

Feb 2016 CHEMI-CON AMERICAS HOLDINGS, INC. established as a regional headquarters in the United States.

Aug 2016 NIPPON CHEMI-CON CORP.'s shares of CHEMI-CON (WUXI) CO.,LTD. transferred to HONG KONG CHEMI-CON LTD.

Apr 2017 Consolidation of FUKUSHIMA ELECTROLYTIC INDUSTRY CORP. to CHEMI-CON FUKUSHIMA CORP. and Consolidation of CHEMI-CON YONEZAWA CORP. to CHEMI-CON YAMAGATA CORP.

Apr 2020 CHEMI-CON EAST JAPAN MATERIALS CORP. established after the split of the electrode foil business of CHEMI-CON IWATE CORP. and CHEMI-CON FUKUSHIMA CORP.
The absorption of CHEMI-CON IWATE CORP. and CHEMI-CON FUKUSHIMA CORP. into CHEMI-CON MIYAGI CORP., renamed CHEMI-CON EAST JAPAN CORP.

Mar 2022 Declaration of support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

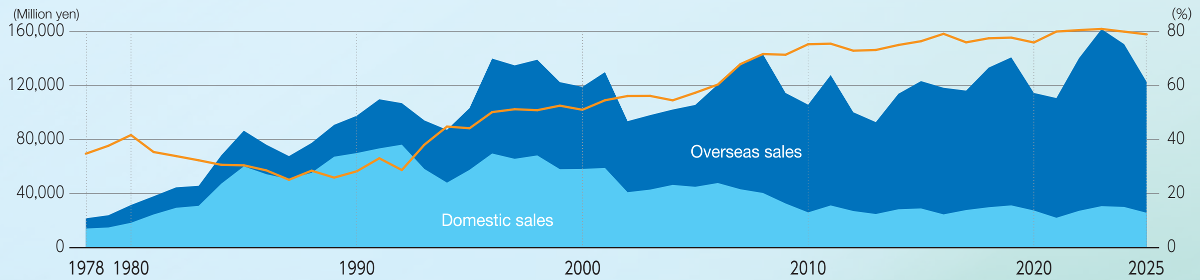
Apr 2022 Transition to the Prime Market of the Tokyo Stock Exchange.

Oct 2023 Absorption of CHEMI-CON MACHINERY CORP. into CHEMI–CON EAST JAPAN CORP.
Absorption of CHEMI-CON NAGAOKA CORP. into CHEMI-CON YAMAGATA CORP., renamed CHEMI-CON DEVICE CORP.

Jun 2024 Completed construction of a dedicated hybrid capacitor manufacturing building at Chemi-Con East Japan Corp. Miyagi Plant.

Oct 2025 CHEMI-CON ELECTRONICS (INDIA) PVT.LTD. commenced operations in India.

Consolidated Net Sales Trend



At a Glance (As of March 31, 2025)

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.

Consolidated Net Sales

122.6 billion yen

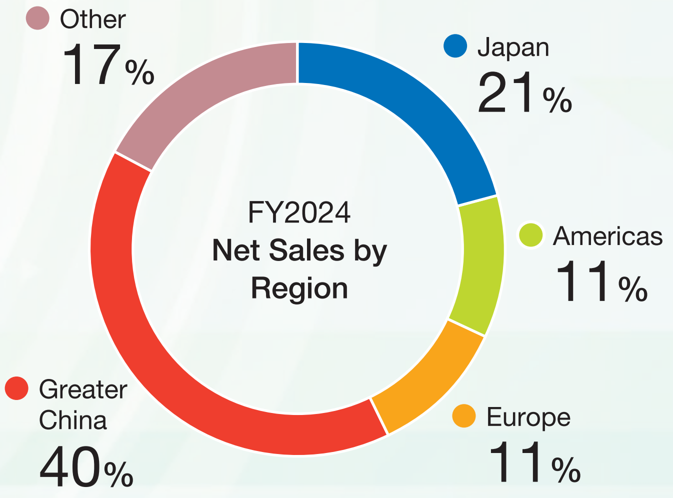
Consolidated Operating Income

3.7 billion yen

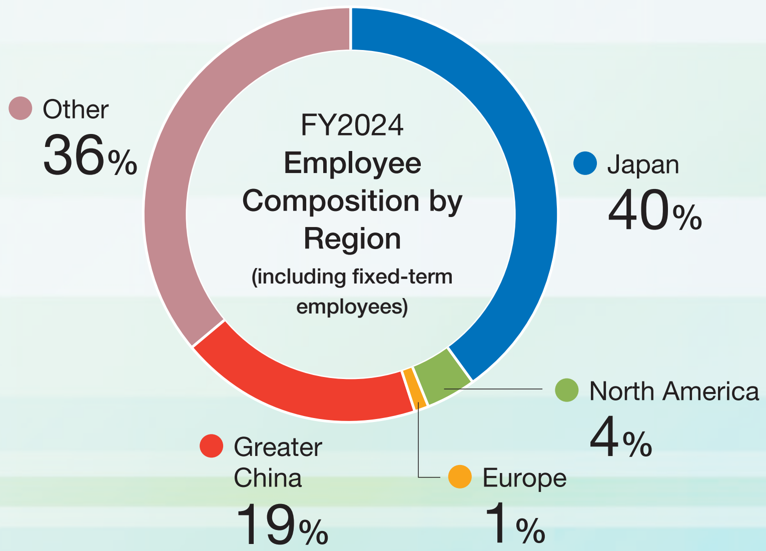
Number of Employees (Consolidated) (including fixed-term employees)

5,861

Net Sales by Region



Employee Composition by Region (including fixed-term employees)



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.

Management Capital

6 capital

Human capital / Global, diverse human capital
- Number of employees (including fixed-term employees): 5,861 people

Intellectual capital / Technological capabilities for generating solid value
- Patents: 678 patents
- R&D expenses: 4.2 billion yen

Social and relationship capital / Constructive dialogue
- Communication with stakeholders

Manufactured capital / Smart factory
- Manufacturing bases: 20 bases
- Capital investment: 7.6 billion yen

Financial capital / Improvement of the financial base
- Rating (R&I, JCR): BBB-
- Shareholders' equity ratio: 34.5%

Natural capital / Effective use of resources
- Total input energy: 4,483 TJ

Data from FY2024 or as of the end of March 2025
Number of patents: As of May 2025 Rating: As of April 2025

Business Model

Our Business as a Group

Incorporation into Medium-term Management Plan

Decarbonized society: GX Green transformation × Productivity improvement: DX Digital transformation

VALUE CHAIN: Product planning R&D → Procurement → Production → Quality management → Sales

Management challenges
The 10th Medium-term Management Plan

Nippon Chemi-Con's Strengths

Development capabilities (planning and development of new products)
Manufacturing (smart factory)
Sales capabilities (global network)

Output to Markets

Aluminum electrolytic capacitor business

Solid device business

Functional device business

Functional material business

Creating new values by providing solutions that meet the needs of society and our customers

- Automotive electronics
- Industrial equipment
- New energy
- Home appliances
- ICT

Outcome

Continuous contributions to resolving social issues

Contribution through our businesses
- Reduce product size and weight which leads to reduced CO_2 emissions from the devices and equipment that contain our products
- Adopt various energy conservation measures for electricity use in our business activities

Creating economic value through sustainable growth

Financial improvements, investments and shareholder return
- Sustainable cash flow growth
- Strategic investments in fields and regions that are growing
- Use of DX and AI
- Shareholder return with stable dividend based on the balance of our capital and debt

Corporate Governance

Corporate Philosophy "Contributing to Environmentally and People Friendly Technology"

Return of Capital

Changes in Social Issues

- Climate change issues
- Realization of a safe and pleasant mobility-based society
- Response to low birth rates and population aging
- Ensuring fair and equal employment and safe workplaces
- Progress of digitalization
- Development of social infrastructure
- Effective use of resources
- Supply chains that are sufficiently socially and environmentally conscious
- Coexistence with local communities and consideration for the environment