CHEMI-CON

CHEMI-CON REPORT 2026

Integrated Report

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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 mediumand 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 — FY 2025 (April 1, 2025 through March 31, 2026)
However, some contents include activities after April 2026

CHEMI-CON REPORT 2026 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." CHEMI-CON REPORT 2026 reviews our performance for FY2025 and the 10th Medium-term Management Plan. Based on the achievements and challenges identified in this review, we explain our business strategies, financial strategies, and initiatives to strengthen our management foundation aimed at achieving renewed growth and the sustainable improvement of corporate value.

Message from Our President ▸P6
The President reviews the Company's performance for FY2025 and the results of the 10th Medium-term Management Plan, and explains our management challenges and the measures we are taking to address them. He also outlines our management policies for building on the achievements of our product planning reforms and in growth markets to drive further growth and realize the overwhelmingly competitive advantage set forth in the 11th Medium-term Management Plan.

Review of the 10th Medium-Term Management Plan / The 11th Medium-Term Management Plan ▸P11-12
We review the achievements and challenges of the 10th Medium-term Management Plan and explain the 11th Medium-term Management Plan, which was formulated based on this analysis. We aim to enhance the competitiveness of our aluminum electrolytic capacitor business through profit expansion in growth markets, regaining market share in the mass market, and cost restructuring, thereby transforming into a corporate structure that is resilient to changes in the market environment.

Message from Our CFO ▸P16
We explain our financial strategy for achieving the sustainable improvement of corporate value by balancing growth investments with financial soundness. We explain our approach to reviewing our capital structure, our cash flow-focused management, investment decisions that take the cost of capital into account, cash allocation, and shareholder returns.

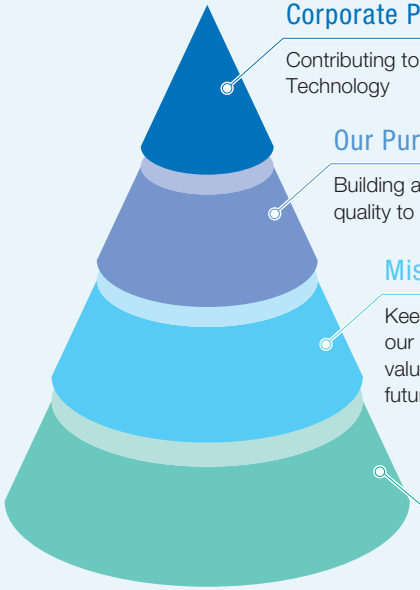
Corporate Philosophy and the Company's Medium to Long-term Management Vision

Aluminum electrolytic capacitors are essential core components among a wide range of electronic devices that support people's daily lives and industrial activities. As global efforts toward the realization of a carbon-neutral society accelerate, demand is increasing for high-performance, high-functionality products that contribute to energy conservation and high efficiency. Against the backdrop of this external environment, Nippon Chemi-Con, based on its corporate philosophy of "Contributing to Environmentally and People Friendly Technology," has been developing business activities with the mission of contributing to technologies that realize dreams by continuously delivering product value that creates a prosperous future and realizes technological innovations, while looking ahead to global developments, including sustainable initiatives aimed at the global environment, changes in technology driven by accelerating technological innovations, rising geopolitical risks, and demographic shifts.

In recent years, expectations for aluminum electrolytic capacitor have been rising in the rapidly expanding AI server-related market. Demand is growing significantly not only for a diverse range of aluminum electrolytic capacitors, including snap-in types used in AI server power supplies, but also for those used in data center infrastructure facilities, particularly large-size aluminum electrolytic capacitors.

Looking further into the future, "liquid immersion cooling" has come into focus as a next-generation cooling technology that can significantly reduce power consumption when cooling servers. The Company was the first in the industry to successfully develop aluminum electrolytic capacitors compatible with liquid immersion cooling environments, and we are proceeding with product development with a view to future market expansion.

Schematic diagram of Corporate Philosophy and Management Vision



Corporate Philosophy

Contributing to Environmentally and People Friendly Technology

Our Purpose

Building a society that uses sound technology and quality to live in harmony with the environment.

Mission

Keep contributing to technologies that fulfill our dreams by continuously providing the value that enables the creation of a brighter future and technological innovation

Medium to Long-term Management Vision

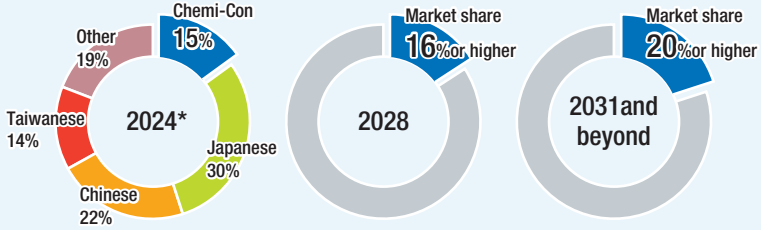
Guidelines for the Company's future vision based on its Corporate Philosophy

Medium to Long-term Management Vision (Where we want to be in 2031 and beyond)

Based on the Company's Corporate Philosophy, Purpose, and Mission, we have established our management vision as a statement of where we want to be over the medium- to long-term through our business activities, as well as the indicators we should strive for in order to achieve sustainable growth.

Grow to become a leading company that drives industry	Contribute to society by providing product value represented by unwavering performance and quality
Build a sound financial position and a stable management platform	Continuously provide appealing products by establishing a solid management platform
Improve employee engagement	Be a company that promotes employee career formation and continuously provides motivation, serves as a source of pride, and offers challenges

Medium- to long-term targets for aluminum electrolytic capacitor global market share



* Estimated by the Company based on external research figures

Under our 11th Medium-term Management Plan, which began in April 2026, the Company formulated a business strategy toward realizing its Medium to Long-term Management Vision. In high value-added markets experiencing rapid growth, we will establish a competitive advantage by continuing to introduce high-performance, high-quality products. Meanwhile, in the mass market centered on general purpose products, we will steadily promote productivity improvements and cost restructuring, aimed at expanding our market share and improving our profitability. Through these initiatives, we will rebuild our business foundation and fundamentally strengthen our profit structure, and aim to continuously improve corporate value while achieving the transformation toward our future vision, as set forth in the Medium to Long-term Management Vision.

Through these initiatives, as we look ahead to the 100th anniversary of the Company's founding in 2031, we will continue to refine technological capabilities and pursue value creation based on our Corporate Philosophy of "Contributing to Environmentally and People Friendly Technology," thereby contributing to the realization of a sustainable society and the creation of a prosperous future.

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
- Mass production of capacitors for tape recorders
- Supplying of capacitors specialized for transistor radios (world's first)
- 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
Generative AI boom
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
- SAccelerating the development of aluminum electrolytic capacitors for AI server power supply unit

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.

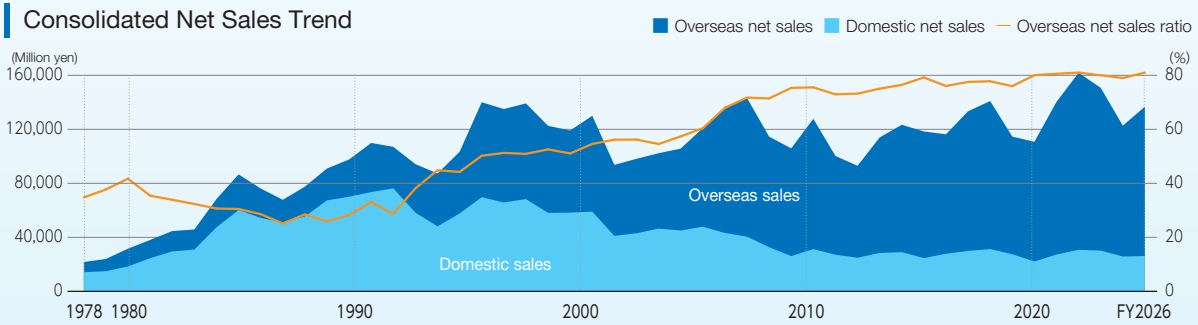
Jun 2024 Completed construction of a dedicated hybrid capacitor manufacturing building at Chemi-Con East Japan Corp. Miyagi Plant.

Oct 2025 CHEMI-CON ELECTRONICS (INDIA) PVT.LTD. commenced operations in India. UNITED CHEMI-CON, INC.'s Detroit Office established in the United States.

Nov CHEMI-CON ELECTRONICS (INDIA) PVT.LTD.'s Bengaluru Office established in India.

Mar 2026 UNITED CHEMI-CON, INC.'s Austin Office established in the United States.

Consolidated Net Sales Trend



At a Glance (As of March 31, 2026)

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

136.8 billion yen

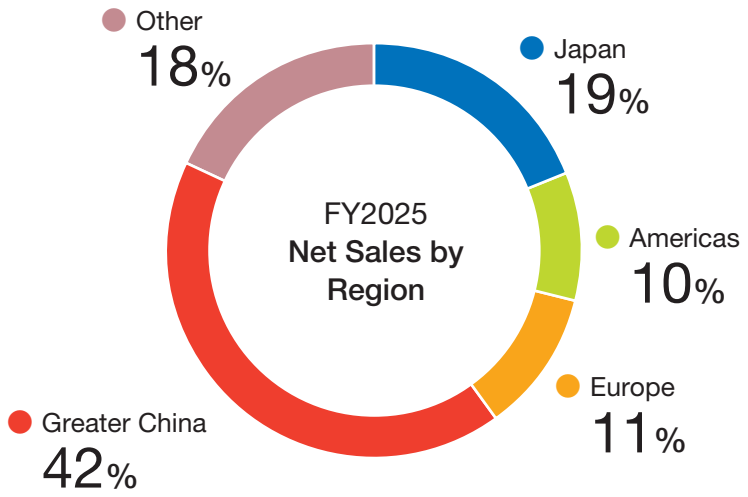
Consolidated Operating Profit

3.3 billion yen

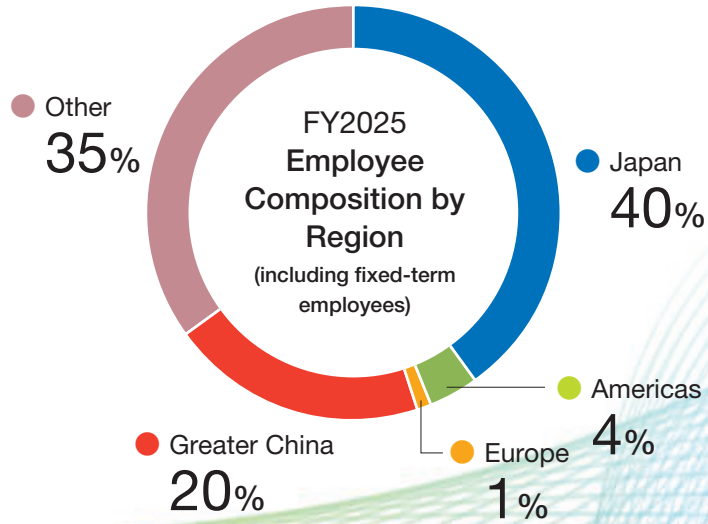
Number of Employees (Consolidated) (including fixed-term employees)

5,647

Net Sales by Region



Employee Composition by Region (including fixed-term employees)



Message from Our President

Toward renewed growth and improved corporate value through the realization of an overwhelmingly competitive advantage

November 2026
President **Kenichi Konno**



Establishing a clear path to renewed growth through the realization of an overwhelmingly competitive advantage

Looking back on my first year as President, the business environment surrounding the Company was by no means easy. In addition to the downturn that followed the COVID-19-related demand surge, the economic slowdown in major regions such as China and Europe, the prolonged situation in Ukraine, and increasing geopolitical risks led to a continued challenging global environment, including a decline in corporate appetite for investment. Amid these circumstances, I would like to express my sincere gratitude to all our stakeholders, including our employees, shareholders, investors, and business partners, for their understanding and cooperation on multiple fronts.

On the other hand, from the second half of FY2025, we began to see new growth opportunities for the Company, such as expanding demand for data centers, mainly related to AI servers. The use of AI is expected to expand across corporate activities, social infrastructure, and a wide range of equipment in the future. By accurately identifying these changes in the market, the Company will further evolve its business structure toward improving corporate value as a company that provides electronic components essential to society.

Reflections on FY2025 and response to management challenges

While FY2025 was affected by factors such as rapid changes in the external environment and deteriorating market conditions, we recognize that there was room for improvement in our efforts to identify the market environment and geopolitical risks, examine the feasibility of our plans, and translate our targets into concrete actions on the frontlines. In the 10th Medium-Term Management Plan, we set targets of 170.0 billion yen in net sales and 14.0 billion in operating profit for FY2025, the final year of the plan. However, actual net sales were 136.8 billion yen and operating profit was 3.3 billion yen, both

significantly below target. We take very seriously the fact that we were unable to fully meet the expectations of our stakeholders, including shareholders and investors.

The shortfall was attributable to a combination of factors, including the downturn that followed the COVID-19-related demand surge, the economic slowdown centered on China and Europe, sluggish growth in EV demand in the automotive electronics market, restrained capital investment in the industrial equipment market, as well as soaring material prices and foreign exchange fluctuations. Furthermore, we recognize that we did not sufficiently analyze the market environment or assess the risks associated with fluctuations in demand when formulating the plan, and that there were also issues in linking our annual plans and the Medium-term Management Plan to specific measures for implementation on the frontlines. Based on these lessons learned, going forward we will more carefully examine the underlying assumptions of our plans and strengthen management practices that enable us to flexibly revise measures in response to changes in the environment.

On the other hand, we are beginning to see some results from the product planning reforms and technological exchanges with customers that we have promoted over the past several years. Activities to identify customers' latent needs from the outset and integrate technology development, product planning, and sales functions to propose high value-added products have begun to translate into orders and sales, mainly related to AI servers, since the second half of FY2025. We believe that these activities will serve as an important foundation for future growth. In addition, the improvement in business performance toward the second half of the fiscal year is an indication that our initiatives are gaining traction. Rather than viewing FY2025 simply as a year in which we fell short of targets, we will position it as a year in which we clearly identified the challenges to be addressed for our next phase of growth, and leverage this to restore trust and improve corporate value.

Toward cash flow-focused management

Since assuming the position of President, one of my top priorities has been improving our financial standing. Until now, the Company has been working to improve profit for the period and capital efficiency indicators such as ROE and ROIC. However, in order to support sustainable growth investments and shareholder returns, it is important not only to improve profits and capital efficiency, but also to strengthen our ability to generate cash. This is why I have placed cash flow at the center of management decisions and promoted cash flow-focused management.

Accordingly, the Company has positioned free cash flow as a key management indicator and is working to incorporate it into the management items for all divisions. We have set improvement targets for the impact of the cash conversion cycle, inventory levels, and production plans on cash flow, and are working to respond to these targets. In addition, we are promoting company-wide efforts to strengthen our ability to generate cash by ensuring that each division has a clear understanding of the relationship between its own operations and cash flow.

Financial soundness, growth investments, and shareholder returns. In order to achieve these three objectives in a balanced manner, it is essential that cash flow-focused management take hold throughout the Company. The Company resumed dividend payments in the fiscal year ended March 31, 2026, and plans to enhance shareholder returns, including through a dividend increase, from the following fiscal year onward. As the Company continues to regain a certain level of profitability and ability to generate cash, we will continue to strive to achieve both sustainable improvement of corporate value and stable shareholder returns.





Overwhelmingly competitive advantage targeted under the 11th Medium-Term Management Plan

We launched the 11th Medium-Term Management Plan in FY2026. The main objective of the Medium-term Management Plan is “the realization of an overwhelmingly competitive advantage.” The Company holds the top market share in aluminum electrolytic capacitors. However, looking back over the past 10 or 20 years, although the scale of our sales has fluctuated with economic cycles, we cannot say that we have achieved significant growth. Precisely because we are a company with a global presence, we must once again take on the challenge of achieving business growth.

Under the 11th Medium-term Management Plan, we will further refine our strengths in technological capabilities, quality, and customer service capabilities to establish a competitive advantage that sets us apart from other companies. In particular, with AI as a key element, we will identify customers’ latent needs from the outset in growth markets where high performance and high reliability are required, such as data centers, advanced automotive electronics equipment, and industrial equipment including physical AI, and integrate technology development, product planning and sales functions to provide high value-added products. The product planning reforms and technological exchanges with customers that we have promoted over the past several years have already begun to show results in orders and sales, and we believe that they will serve as an important foundation for future growth.

Alongside these efforts, we will work to regain market share in the mass market. To date, the Company has focused on areas requiring high performance and high reliability. However, it is also true that we have lost market share in the mass market of a certain size. In order to expand our business scale and stabilize the earnings base, it will be necessary to implement strategies appropriate to both growth markets and the mass market.

Cost restructuring will be an important theme in the mass market. The Company faces the structural challenge of having a high ratio of domestic production relative to the ratio of overseas sales. Going forward, we will optimize our material procurement, production, and logistics, and enhance our cost competitiveness by reviewing the balance between overseas sales and our production and procurement structure. Rather than being caught up in price competition, we will establish a structure that enables us to provide the appropriate quality and performance at the appropriate cost, and steadily capture the markets where we should compete successfully.

Strengthening the financial base and investing in growth

In order to achieve sustainable growth, it is essential that we strengthen our financial base. The Company reviews its capital structure and promotes financial soundness through the redemption and conversion of existing class shares, as well as new fund raising. From December 2023, the Company raised funds through the issuance of class shares to Japan Industrial Solutions. By June 29, 2026, we had completed the monetary redemption and conversion of these class shares into common shares, and subsequently raised funds through the issuance of class shares allocated to the Development Bank of Japan as a new source of funding. The Company plans to use the newly raised funds for capital investments and research and development investments aimed at strengthening competitiveness in both growth markets and the mass market.

In the 11th Medium-term Management Plan, we have established KPIs aimed at maintaining a sound financial standing, including a shareholders’ equity ratio of 40% or higher and a D/E ratio of 1.0 or lower. Looking ahead to the 100th

anniversary of the Company's founding in 2031, we will steadily build a foundation for improving corporate value while balancing growth investments with financial soundness.

Strengthening human capital, compliance, and governance

In improving corporate value, it is essential not only to implement business and financial strategies, but also to strengthen the human resources, organization, and governance that support these strategies. In terms of investment in human capital, we regard improving employee compensation and benefits as an important issue. We will promote a review of our performance evaluation system and compensation system to create an environment in which each and every employee can work with a sense of satisfaction and take on challenges. At the same time, we will strengthen recruitment, develop human resources for future executive positions, and promote the active participation of diverse human resources including women, foreigners, and persons with disabilities.

All competition law-related cases that had remained outstanding for an extended period have now been resolved. I sincerely and deeply apologize to our shareholders and stakeholders for the great concern and inconvenience this series of issues has caused. The Company will continue its efforts to prevent recurrence by strengthening the whistleblowing system and risk assessment, establishing a system that enables us to identify signs of risk at an early stage, ensure that they are communicated to management, and swiftly take corrective action, as well as providing compliance training for all employees and ensuring strict adherence to rules.

Simply putting frameworks in place is not enough to create a truly open organization. What is important is to create a corporate culture in which people who are aware of risks or issues are able to raise their voices, and that those voices are heard within the organization. I will take the initiative in promoting more open and direct communication, and build an organizational culture that incorporates employee feedback into management decisions.

From a governance perspective, we will strengthen the supervisory function of the Board of Directors, and activate the executive officer system in line with the start of the fiscal year, thereby improving our ability to execute the 11th Medium-term Management Plan and annual plans. Going forward, we will continue to clarify the roles of supervision and execution, and work to build a management structure equipped with the necessary skills.

To our stakeholders

The 11th Medium-term Management Plan is an important start for the Company toward renewed growth. Based on the lessons learned thus far, we will ensure that the plan is fully instilled on the frontlines, and build a structure in which each and every employee can take ownership of its execution. We will work to establish cash-flow management, achieve an overwhelmingly competitive advantage, improve the soundness of our financial standing, and strengthen human capital and governance.

Under our Corporate Philosophy of "Contributing to Environmentally and People Friendly Technology," Nippon Chemi-Con has continuously provided electronic components indispensable to society. Going forward, we will continue to refine our technologies and manufacturing capabilities, contribute to the resolution of social issues, and steadily implement the measures set forth in the 11th Medium-Term Management Plan, while making every effort to restore the trust of all our stakeholders and sustainably improve corporate value.



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 resources
- Number of employees (including fixed-term employees): 5,647

Intellectual capital
/ Technological capabilities for generating solid value
- Patents: 639
- R&D expenses: 3.9 billion yen

Social and relationship capital
/ Constructive dialogue
- Communication with stakeholders

Manufactured capital / Smart factory
- Manufacturing bases: 20 bases
- Capital investment: 5.9 billion yen

Financial capital / Improvement of the financial base
- Rating (R&I, JCR): BBB-
- Shareholders' equity ratio: 37.6 %

Natural capital / Effective use of resources
- Total input energy: 4,549 TJ

Data from FY2025 or as of the end of March 2026
Number of patents: As of May 2026 Rating: As of April 2026

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

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
- AI

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
- Increasing geopolitical risks
- Effective use of resources
- Supply chains that are sufficiently socially and environmentally conscious
- Coexistence with local communities and consideration for the environment

Medium-term Management Plan

Review of the 10th Medium-Term Management Plan (FY2023 to FY2025)

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!

Goals of the Medium-term Management Plan

High-quality growth through enhancement of adaptability (resilience)

- Acquire the ability to adapt and overcome difficult environments and situations, grow oneself, 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

Numerical Goals and Results

	Goals of the 10th Medium-term Management Plan	FY2023	FY2024	FY2025	Status of achievement
Net sales	170.0 billion yen	150.7 billion yen	122.6 billion yen	136.8 billion yen	×
Operating profit	14.0 billion yen	9.4 billion yen	3.7 billion yen	3.3 billion yen	×
ROE	15.0%	(41.2)%	0.1%	4.0%	×
ROIC	7.0%	(16.7)%	0.0%	1.8%	×
Interest-bearing debt	60.0 billion yen or less	85.4 billion yen	74.8 billion yen	70.5 billion yen	×
D/E ratio	1.1 x or lower	1.6	1.3	1.1	○

Key Measures

Medium-term Management Plan Measures		KPI	Status of achievement	Results
Business Strategy	New product profit contributions	4.0 billion yen or more	○	Achieved cumulative contributions of ¥7.1 billion
	Increase production of hybrid capacitors	Net sales 150 % (vs. 2022)	×	Not achieved as net sales were 127%
	Strengthen coil business	Net sales 210 % (vs. 2022)	×	Significantly missed target
Production strategy	Smart factory	100 people	△	Generated 90% of personnel relative to initial plans
	SCM x DX	Inventory turnover: 2.2 months Logistics expense ratio: 2.9 %	△	Missed inventory turnover target (2.6 months)

Overall review of the 10th Medium-term Management Plan

While we achieved a certain level of results on an individual policy level, numerical goals fell significantly short throughout the three years of the 10th Medium-term Management Plan.

- Factors behind the failure to achieve the numerical goals of the 10th Medium-term Management Plan are analyzed as follows.
  ① A decline in earnings due to changes in market conditions triggered by geopolitical factors and a prolonged market recovery
  ② Decline in mass market share (general-purpose products) due to intensifying price competition with overseas competitors
  ③ Deterioration of the business earnings structure due to a decline in earnings
- The future challenges identified over the course of the three-year period of the 10th Medium-term Management Plan include formulating and implementing business strategies that enable the Company to respond flexibly to changes in market conditions, as well as improving the business earnings structure by recapturing mass market share (general-purpose products) through enhanced market competitiveness.

The 11th Medium-term Management Plan (FY2026 to FY2028)

Medium to Long-term Management Vision (2031 and beyond)

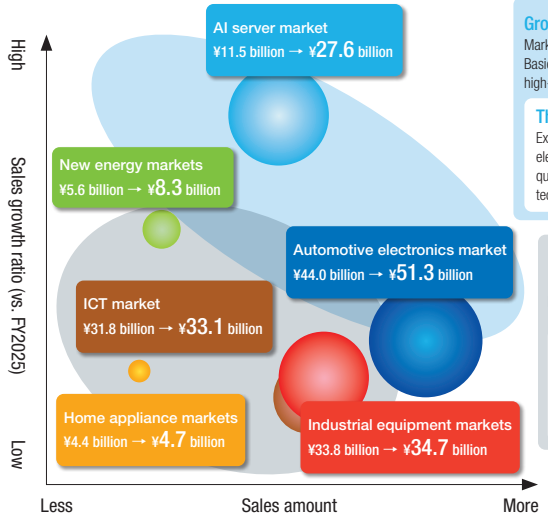
- **Grow to become a leading company that drives industry**
  - Contribute to society by providing product value represented by unwavering performance and quality
- **Build a sound financial position and a stable management platform**
  - Continuously provide appealing products by establishing a solid management platform
- **Improve employee engagement**
  - Be a company that promotes employee career formation and continuously provides motivation, serves as a source of pride, and offers challenges.

The 11th Medium-term Management Plan Policies (FY2026 to FY2028)

Rebuild business foundation centered on strengthening the competitiveness of our aluminum electrolytic capacitor business

Medium-term Management Plan Business Vision and Business Policies

Changes in net sales from FY2025 to FY2028



Growth markets and high value-added markets
Market characteristics: A market domain with high technological barriers to entry
Basic policy: Establish market superiority by injecting high-performance, high-quality products

The Company's initiatives
Expand sales in the AI server market, a growth area, and the automotive electronics market, which has high requirements for performance and quality, and enhance R&D and capital investment to strengthen our technological capabilities and production capacity.

Mass market (general purpose products)
Market characteristics: A market domain with severe cost requirements
Basic policy: Implement cost restructuring to recapture market share

The Company's initiatives
Improve product market competitiveness by promoting optimal production sites and material procurement, and strengthen market proposal capabilities by engaging in strategic sales activities.

Overall corporate strategy for the 11th Medium-term Management Plan

Based on the policy for the 11th Medium-term Management Plan, we will build a corporate structure that is resilient to changes in the market environment from the perspective of business, non-financial, and financial strategies, with the aim of achieving medium- to long-term growth.

Business Strategy
Generate earnings to promote business growth

Implement cost restructuring and improve the break-even sales ratio
- Strengthen market competitiveness by establishing a production system in optimal locations
- Strengthen market competitiveness by practicing optimal material procurement and logistics/inventory management

Approach to growth markets
- Expand revenue by developing new products and expanding sales activities targeting the AI server market

Approach to recapturing mass market share (general purpose products)
- Recapture market share by strengthening market proposal capabilities and strategic sales measures

Develop a second business pillar and evaluate businesses
- Improve ability to generate medium- to long-term earnings and conduct business assessments to make judgments on the selection and concentration of management resources

Non-financial strategy
Strengthen management foundation to support business growth

Environment
- Strengthen environmental response aimed at achieving carbon neutrality

Human resources
- Recruit and develop human resources from a medium- to long-term perspective and achieve corporate culture reforms

Governance
- Strengthen governance functions and develop the next generation of management human resources to achieve ESG management

DX
- Accelerate business execution by using data and AI to enhance business activity integration

Financial strategy
Improve financial soundness through efficient capital management

Investment activities for sustainable growth
- Strategic investments targeting earnings growth in growth markets (AI server market)
- Investments aimed at building a production system in optimal locations
- Investments to promote business continuity, quality responses, and sustainable development

Build a sound financial foundation for supporting business activities
- Capital financing by issuing new class shares to the Development Bank of Japan
- Control interest bearing debt by accelerating debt repayment and achieve an optimal D/E ratio

Shareholder Return
- Restore dividends for common shares
- Formulate policies for realizing continuous dividends and expanding returns

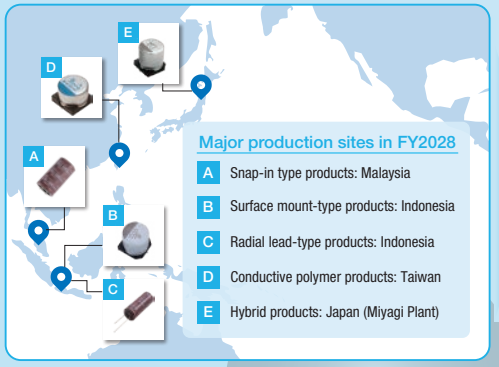
Medium-term Management Plan

The 11th Medium-term Management Plan (FY2026 to FY2028)

Business Strategy: Cost Restructuring

By establishing a production system in optimal locations through production consolidation and a shift to overseas production, we will increase the production ratio at our overseas production sites, and enhance the market competitiveness of each product. In addition, we will increase our contribution to business earnings by promoting the procurement of raw materials at optimal locations and enhancing our logistics and inventory management, thereby establishing an optimal production structure. By implementing this cost restructuring as a business strategy, we aim to improve our market competitiveness and business earnings.

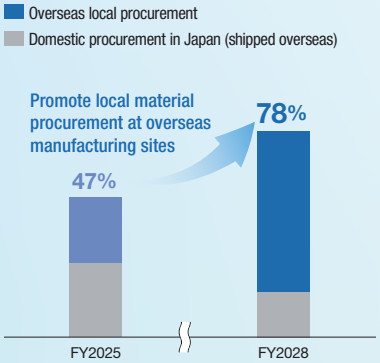
Cost restructuring by shifting to overseas production

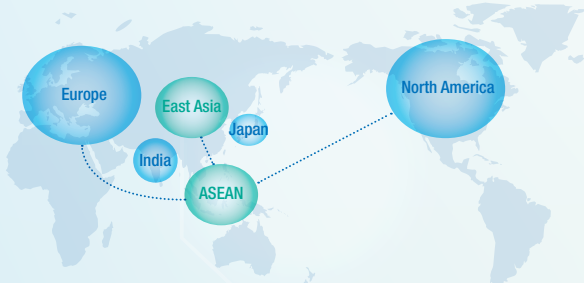


	FY2025	FY2028
Overseas sales ratio	80%	81%
Overseas production ratio	65%	74%
Overall equipment efficiency (OEE) improvement rate*	19%	32%

* Improvement rate compared with FY2019

Cost restructuring by promoting optimal material procurement





- Develop an efficient logistics network and build an inventory management structure
- In growth markets, optimize logistics management by shortening the number of days required for shipping to the ASEAN and East Asian regions where numerous major clients are located

Business Strategy: Market Approach Based on Building a Business Structure in the ASEAN Region

In terms of our business structure in the ASEAN region, we will increase our profitability in growth markets and mass markets (general purpose products) by strengthening manufacturing and sales alliances across our three bases: Thailand, which will newly oversee sales management functions; Indonesia, the core base of an optimized production system; and Malaysia, the manufacturing base for snap-in type products for growth markets.



Sales base structure: ASEAN Head Office

- Strengthen sales structure by shifting sales management functions to Thailand, where our major customers are concentrated

Manufacturing base structure: Core Manufacturing Base

- Promote the establishment of an optimal production system centered on Indonesia
- Increase the production ratio of our mainstay product, surface mount-type products, to strengthen profitability
- Establish a system for increasing production of snap-in type products in Malaysia to strengthen profitability in the AI server market

Market Strategy: India and Other Markets

- Establish a pilot model sales strategy in Thailand with potential expansion into the India market
- CAGR for the Indian market (2025-2028) : 60%
- Strengthening sales, production capabilities, and profitability in Korea and ASEAN region by enhancing collaboration with Samyoung Electronics of Korea

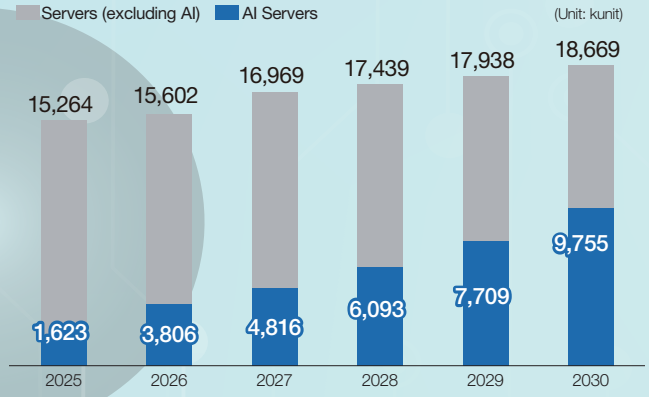
Aim to improve profitability by strengthening manufacturing and sales alliances

The 11th Medium-term Management Plan (FY2026 to FY2028)

Business Strategy: Approach to Growth Markets

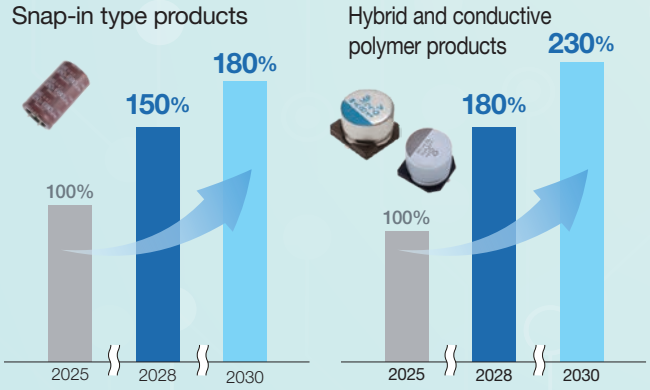
In line with the rapid spread of generative AI, global demand for AI servers is expected to grow rapidly. In recent years, demand for high-capacitance aluminum electrolytic capacitors has been expanding rapidly due to the increasing power consumption at data centers.

Global server demand forecast



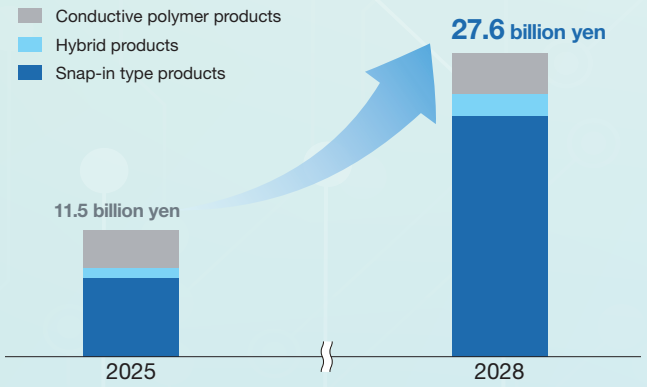
Roadmap to high-capacitance for aluminum electrolytic capacitors for the AI server market

Achieving dynamic increase in capacitance for aluminum electrolytic capacitors through the integration of our materials technologies, represented by electrode-foil materials, and component design technologies will enable us to achieve market superiority in the AI server market.



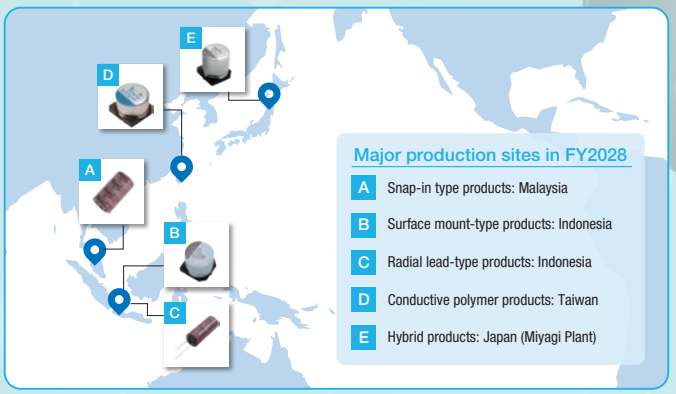
AI server market-related sales projections

We aim to expand profits by securing orders in the AI server market through comprehensive sales activities targeting data center server-related customers. In FY2028, we plan to achieve sales of 27.6 billion yen in the AI server market.



Business Strategy: Approach to Recapturing Mass Market Share (General Purpose Products)

We aim to recapture mass market share (general purpose products) by implementing cost restructuring that encompasses manufacturing, sales and logistics through the establishment of an optimal production system.



Automotive electronics

Products: Hybrid products

- Work to expand market share centered on the automotive electronics market by promoting the adoption of products incorporating new materials while also aiming to expand profits through utilization gains

Products: Surface mount-type products

- Aim to expand market share centered on the automotive electronics market by promoting the adoption of products incorporating new materials and cost restructuring to increase market competitiveness

ICT

Products: Conductive polymer products

- Aim to recapture market share centered on the ICT market by promoting the adoption of new materials to increase market competitiveness

Industrial equipment / New energy

Products: Snap-in type and radial lead-type products

- Aim to recapture share in the industrial equipment and new energy markets, which have strict cost requirements, by promoting cost restructuring centered on mid- and high-voltage products to increase market competitiveness

Medium-term Management Plan

The 11th Medium-term Management Plan (FY2026 to FY2028)

In the 11th Medium-term Management Plan, we aim to improve corporate value over the medium- to long-term by strengthening the management foundation that supports business growth through initiatives for the environment, human resources, and governance, which serve as the basis for our management platform.

Environmental strategy

Reduce electricity and fuel consumption through the promotion of energy conservation

- Promote upgrades to highly efficient production equipment and ancillary facilities
- Adopt highly efficient production systems

Expand use of renewable energy and non-fossil fuel energy

- Promote renewable energy purchasing at manufacturing bases
- Install solar power generation equipment on manufacturing base grounds (Utilize on-site PPA)

As reductions in CO_2 emissions from the promotion of energy conservation and adoption of renewable energy are projected to fall short, take measures to reduce emissions by leveraging off-site PPAs or purchasing non-fossil fuel certificates

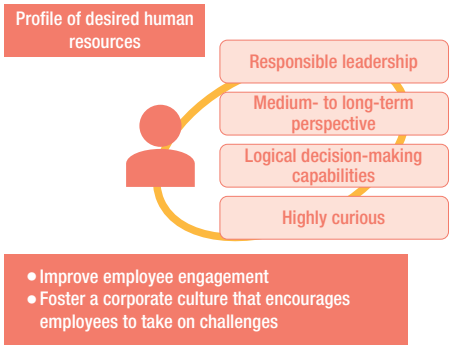
Human Resource Strategy

Strategies to recruit and develop talent into desired human resources

- Recruitment: Acquire diverse human resources by expanding recruitment content
- Placement: Revitalize the organization by conducting suitability analyses to achieve strategic personnel rotations
- Development: Provide educational programs linked to the HR system and promote employee career development

Revitalize the organization through revisions to the human resource and compensation systems (to be introduced from 2028)

- Maximize individual capabilities through a generalist/specialist system (separation of job titles and ranks)
- Accelerate promotions for promising young human resources into key positions and transform our corporate culture
- Achieve medium- to long-term human resource development and skills transfer by specialist personnel
- Transform the performance evaluation system to support employee challenges



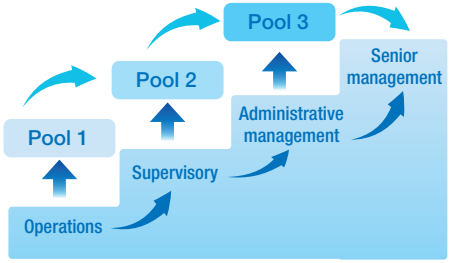
Governance Strategy

Initiatives for strengthening governance functions

- Reinforce compliance education and strengthen various risk management systems (linked to risk assessment investments)
- Conduct human rights due diligence utilizing external entities
- Strengthen the Board of Directors' functions

Initiatives for developing next-generation management human resources

- Develop skill assets necessary for each job level
- Provide opportunities to acquire skill assets
- Introduce a skill pool system for the early development of core personnel and adopt a strategic personnel placement system



Conceptual diagram of early development of core personnel through utilization of the skill pool system

Numerical Goals (FY2028)

By completing the business, non-financial, and financial strategies of the 11th Medium-Term Management Plan, we will transform the Company into a corporate structure that is resilient to changes in the market environment and increase our profitability. Through growth and evolution toward our future vision, we aim to achieve the medium- to long-term improvement of corporate value.

Financial KPI	Net sales	165.0 billion yen
	Operating profit	14.0 billion yen
	Operating profit margin	8.0% or higher
	ROE	13.0% or higher
	ROIC	7.0% or higher
	EBITDA	21.0 billion yen or more
	Aluminum electrolytic capacitor global market share	16% or higher*1
	Shareholders' equity ratio	40% or higher
	D/E ratio	1.0 or lower
Non-financial KPI	Environment: CO_2 Emission Reduction (vs. FY2013)	Domestic: 42%, Overseas: 19%
	Social: Employee Engagement Survey	Engagement Score: 3.5pt or higher*2 (Maximum score: 5.0pt)
	Governance: Board of Directors Efficacy Assessment	Average of all items: 3.5pt or higher*3 (Maximum score: 5.0pt)

*1 As a medium- to long-term goal, aim for a global market share of 20% or more in aluminum electrolysis from 2031 onwards.
*2 A score of 3.5 points or higher is considered "high."
*3 A score of 3.5 points or higher is considered "high" (aiming for 3.5 points or higher from the FY2026 survey).

Message from Our CFO

Improve corporate value through a virtuous cycle of growth investment and capital efficiency improvements



Member of the Board
Senior Managing Executive Officer
Chief Financial Officer
Osamu Ishii

In the fiscal year ended March 31, 2026, while growth opportunities expanded for the Company, including the progress of electrification in the automotive electronics market and the expansion of the AI server market, the business environment remained challenging, as the industrial equipment market continued to be affected by inventory adjustments. In this environment, the Company took measures to improve earnings, such as shifting toward high value-added products and improving productivity. However, partly due to the impact of soaring material costs, net sales were 136.8 billion yen (up 11.5% year on year) and operating profit was 3.3 billion yen (down 9.9% year on year). Sales in growth markets expanded, led by large-size capacitors and hybrid capacitors for AI servers, and our efforts to strengthen our business foundation made steady progress. However, partly due to delays in responding to changes in the business environment, we were unable to achieve the earnings targets for the final year of the 10th Medium-Term Management Plan, leaving us with ongoing challenges in terms of profit levels and capital efficiency.

We have positioned the fiscal year ending March 31, 2027, the first year of the 11th Medium-Term Management Plan, as a year in which we will launch full-fledged initiatives for new growth. In the AI server market, which is expanding against the backdrop of the growing adoption of generative AI, we plan to increase sales of high value-added products, including large-size capacitors and hybrid capacitors, which we have been working on since the previous fiscal year, while steadily promoting productivity improvements and earnings structure reform. As a result, for the fiscal year ending March 31, 2027, we are targeting net sales of 160.0 billion yen (up 16.9% year on year) and operating profit of 8.0 billion yen (up 4.6 billion yen year on year). To achieve the targets set forth in the new Medium-term Management Plan, we will first focus on steadily implementing the plan for the first fiscal year.

Under the 11th Medium-term Management Plan, which commenced in the current fiscal year, we have adopted "Rebuild business foundation centered on strengthening the competitiveness of our aluminum electrolytic capacitor business" as our basic policy. Along with expanding our business and improving profitability in growth markets, we aim to improve capital efficiency by strengthening ROIC-based management, and for FY2028 we are targeting net sales of 165.0 billion yen or more, operating profit of 14.0 billion yen or more, ROE of 13% or higher, and ROIC of 7% or higher. While sincerely addressing the issues identified in the 10th Medium-Term

Management Plan, we will integrate our business and financial strategies and work to establish a foundation for sustainable growth.

We recognize that building a strong financial foundation to support growth investment is essential to achieving the goals of the 11th Medium-term Management Plan. We have been working to reduce interest-bearing debt and improve our financial standing. However, we believe that maintaining both financial soundness and growth investments is essential to realizing sustainable growth and improving corporate value. As part of these efforts, in June 2026, we redeemed the class shares held by Japan Industrial Solutions and undertook capital financing by issuing new class shares underwritten by the Development Bank of Japan. We plan to use these funds to advance the initiatives set forth in the 11th Medium-term Management Plan, including capital investment and R&D investment in growth markets.

We recognize that improving capital efficiency is a key management issue to enhance corporate value. The Company also recognizes that the cost of equity is approximately 10% to 11% and the weighted average cost of capital (WACC) is 4% to 5%, and our current capital profitability does not sufficiently exceed these levels. In order to improve capital efficiency, we are making various improvements, including setting hurdle rates for capital investment criteria and applying them rigorously, and reviewing our business portfolio using ROIC as a new criterion for business withdrawal.

Under the 11th Medium-term Management Plan, we aim to achieve a shareholders' equity ratio of 40% or higher and a D/E ratio of 1.0 or lower. in FY2028 by improving profitability and strengthening our financial foundation. We will continue to promote management that is conscious of the cost of capital by generating profits through investment in growth markets and optimizing our capital structure.

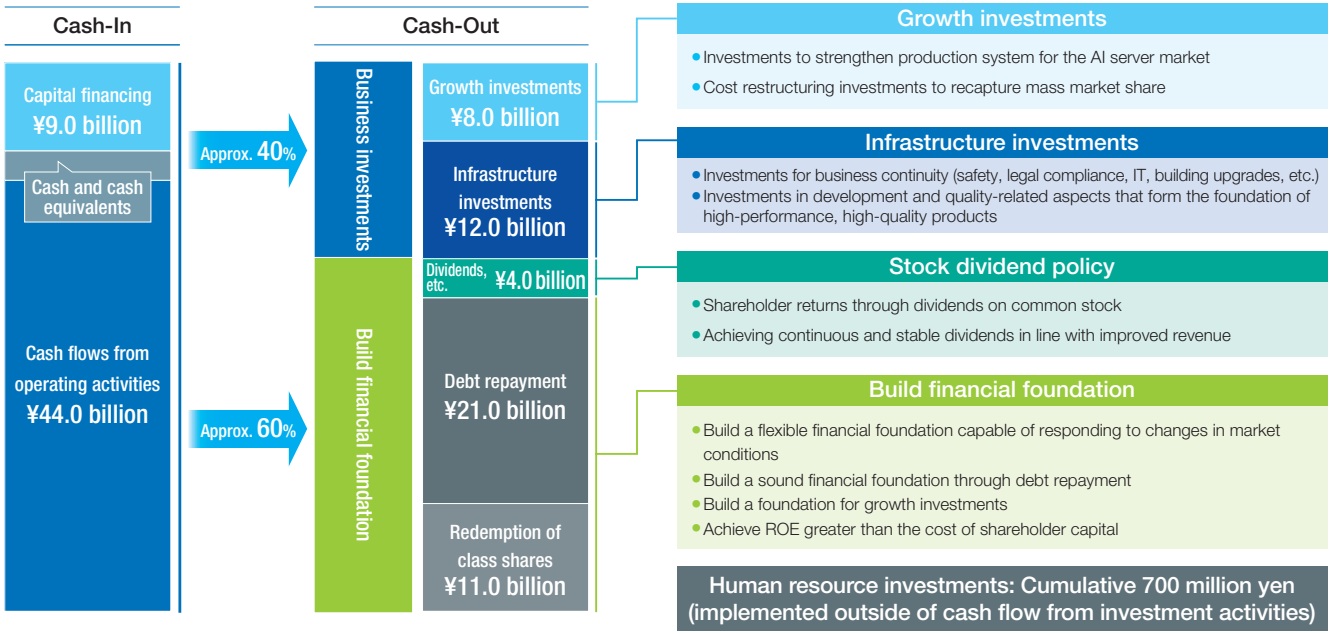
The foundation that supports these initiatives is the generation of stable cash flow. We have positioned cash flow generation as one of our key management indicators. During the three-year period of the 11th Medium-term Management Plan, we will allocate 40% of the cash generated to growth areas and 60% to strengthening our financial foundation, including debt repayment, and returning profits to shareholders, thereby improving future profitability and enhancing corporate value.

The Company's basic policy on shareholder returns is to maintain stable dividend payments. In the fiscal year ended March 31, 2026, we resumed dividend payments at 20 yen per share, and for the fiscal year ending March 31, 2027, we plan to increase the dividend payment to 25 yen per share.

Going forward, we will steadily improve our profitability and strengthen our financial foundation, while working to enhance corporate value over the medium- to long-term and expand shareholder returns.

We will pursue the integrated implementation of our business and financial strategies while placing importance on constructive dialogue with our shareholders and investors, and work to achieve the targets set forth in the 11th Medium-Term Management Plan. Amid the increasing uncertainty in the business environment, we will enhance corporate value by further strengthening our profitability and financial foundation, and by improving capital efficiency in order to meet the expectations of our stakeholders. I sincerely ask for your continued understanding and support.

Cash Allocation Plan in the 11th Medium-term Management Plan



Nippon Chemi-Con's Strategic Markets

The Nippon Chemi-Con Group focuses on marketing, product development, and sales promotion activities in 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 (FY2025)



Capacitors 92%

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



Mechanical and other parts 2%

Inductors (Choke Coils etc.), Camera modules



Other 6%

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 nformation infrastructure

Demand for electronic components is projected to increase with the increases in power consumption associated with the widespread adoption of AI and advancements in GPU, as well as advancements in information infrastructure, including the construction of data centers and the development of base stations enabling high-speed, large-volume communications.

Net sales by market (application) (FY2025)

Previous standard / New standard*

Automotive Electronics Market 29% → 32%

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

Industrial Equipment Market 21% → 25%

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

ICT Market 35% → 23%

- PCs, home video game consoles
- Data center servers
- Communication base stations, etc.

AI server market – → 8%

Home Appliances Market 5% → 4%

- Air conditioners・Refrigerators
- Smart home electronics etc.

New Energy Market 4% → 3%

- Photo voltaic systems
- Wind power generation systems etc.

Other 6% → 5%

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

* As of FY2026, the reporting categories have been changed to market segments that more accurately reflect the actual composition of net sales.
Accordingly, the net sales composition for FY2025 is also calculated based on the revised market segments.

Market Environment and Business

(Develop businesses that are less affected by fluctuations in demand > Optimize sales balance by market/Focus on automotive electrification and AI server markets)

Issues

Structural changes in the Company's major markets, including the shift from PCs to smartphones, and home appliances

Intensifying competition due to the rise of emerging economies

Strategies

Sharpen focus on highly profitable, high-growth markets (centralize human resources, assets, time, and investments)

◇ Automotive electronics market Growing demand for components due to further advancements in electrification

◇ ICT Market Rapid growth in generative AI servers (rise in power consumption → increase in demand for aluminum electrolytic capacitors)

The Company's strengths:①Product supply capabilities ②High product reliability ③Technological capabilities (materials-based approach)

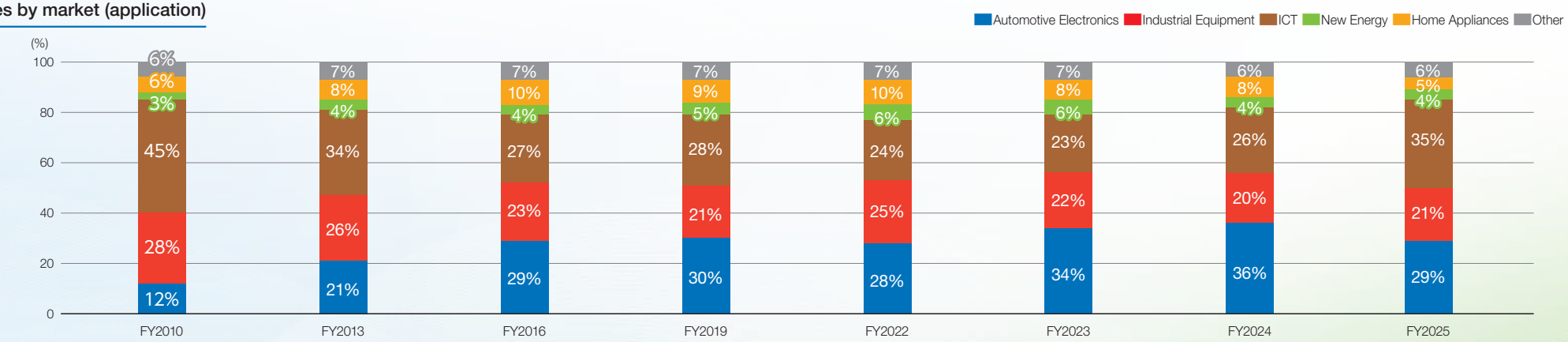
Changes in composition of net sales by market for FY2025

ICT Demand for capacitors for AI servers increased due to the release of next-generation GPUs. Sales ratio increased by 9 percentage points from the previous fiscal year to 35% > Going forward, expectations of rapid growth in demand for AI servers and data centers

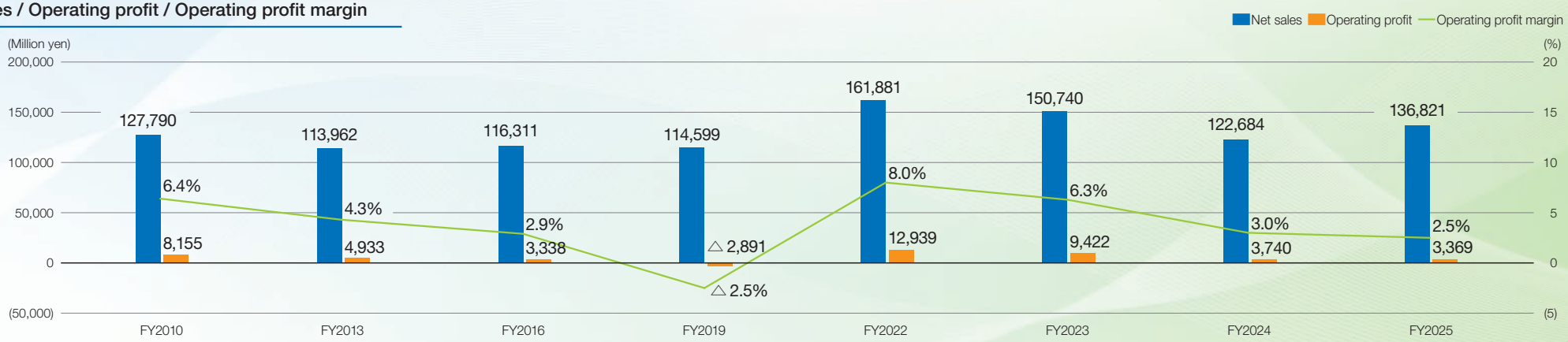
Automotive electronics Sales ratio decreased by 7 percentage points from the previous fiscal year to 29%, partly due to a slowdown in the shift to EVs. > Aim to capture increased demand through normalization of market inventories and advancements in functionality

Industrial Equipment Sales ratio increased by 1 percentage point from the previous fiscal year to 21% due to a recovery led by data center-related investment > Projections for market recovery driven by data center-related investment

Net sales by market (application)



Net sales / Operating profit / Operating profit margin



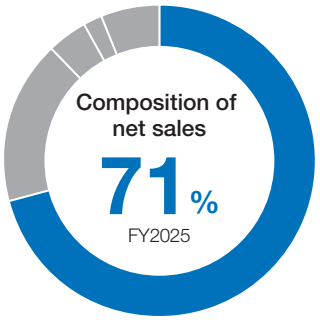
Business Overview

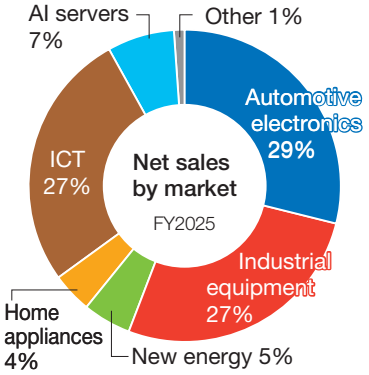
Business-based Strategies

Aluminum Electrolytic Capacitors

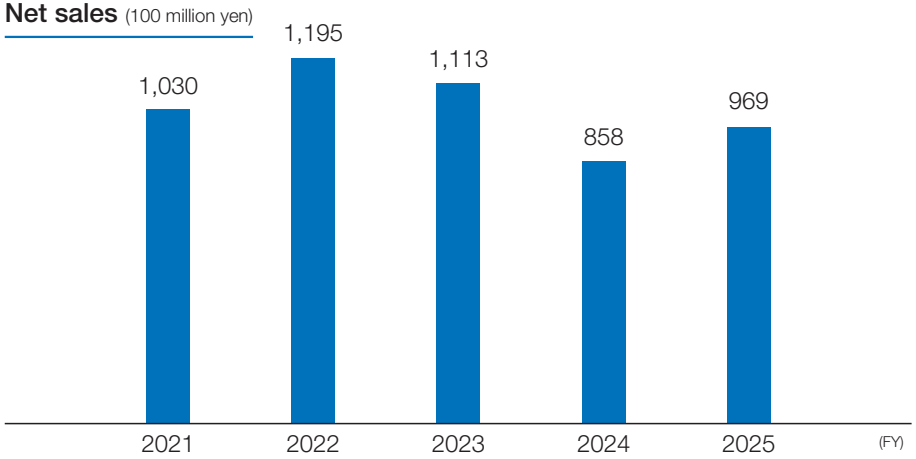
(excluding conductive polymer capacitors)

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 (100 million yen)



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

Generate earnings by focusing on the AI server, industrial equipment, and ICT markets

- Supply of high-capacitance products for AI servers and data centers
- Development and advanced launch of products with market superiority based on materials technology



Screw terminal type / snap-in type

Small and medium-size products

Recapture the mass market share (general purpose products) by improving market competitiveness

- Improve market competitiveness by promoting cost restructuring
- Strengthen lineup of industry-leading high-capacity products



Radial lead type

SMD type products

Further improve profitability by enhancing market competitiveness

- Improve market competitiveness mainly in the automotive electronics market by promoting cost restructuring
- Develop products with market superiority based on materials and design technologies



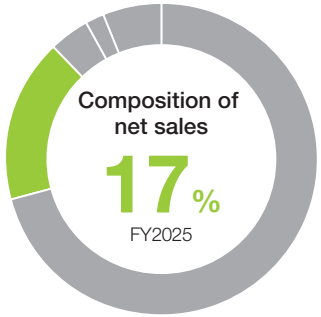
SMD type

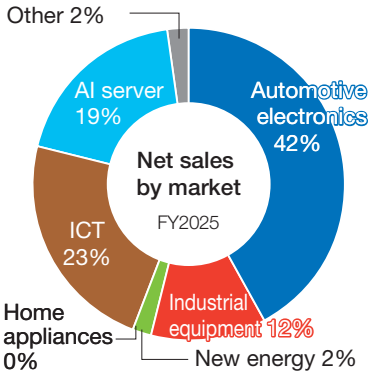
Business-based Strategies

Conductive Polymer Capacitors

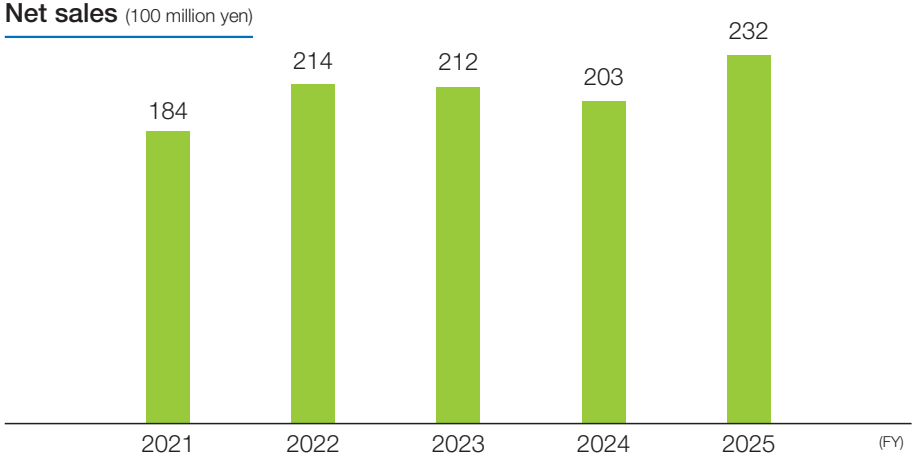
Ultra-low ESR products using solid conductive polymers instead of electrolytic liquid are also widely used.

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





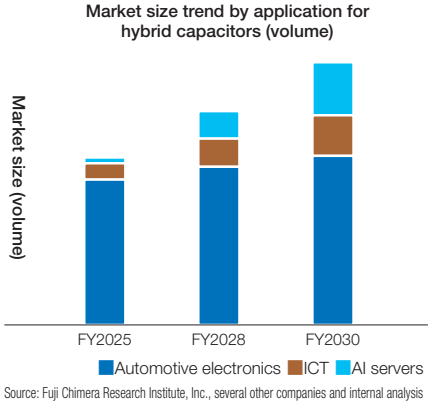
Net sales (100 million yen)



Increasing production to meet the rapidly growing hybrid capacitor market

Market size forecast

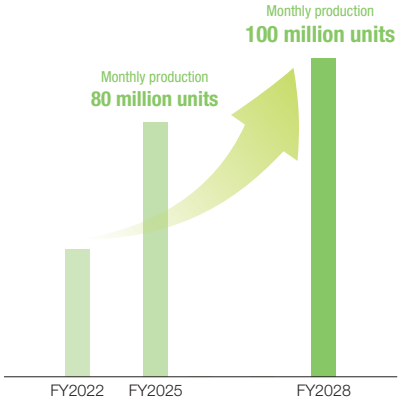
Market trend



Source: Fuji Chimera Research Institute, Inc., several other companies and internal analysis

Production expansion plan

Production capacity



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

Conductive polymer capacitors

Generate earnings in the AI server and ICT markets

- Further expand sales and supply to the AI server market
- Improve market competitiveness by promoting cost restructuring
- Develop and expand sales of new products to the automotive electronics market (ADAS and CASE applications)


Conductive polymer capacitors radial lead type


Conductive polymer capacitors SMD type

Hybrid capacitors

Generate earnings by creating competitive advantage in the AI server and automotive electronics markets

- Further expand sales to the AI server market
- Implement strategic sales measures in the automotive electronics market
- Develop new products that contribute to creating market superiority and expand sales in the AI server, automotive electronics, and ICT markets


Hybrid capacitors radial lead type


Hybrid capacitors SMD type

Business-based Strategies

Other Capacitors
(including solid devices and functional devices)

Main products

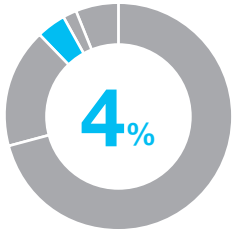


Ceramic capacitors

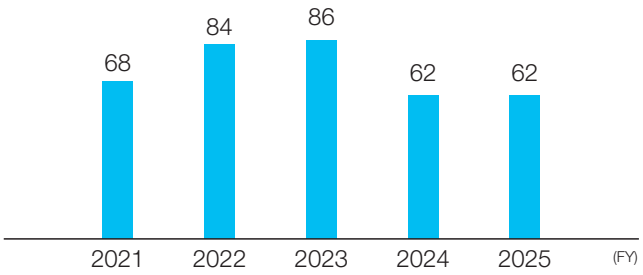


Supercapacitors

Composition of net sales (FY2025)



Net sales (100 million yen)



- Ceramic capacitors:
  Develop and expand sales of distinguishing products focused on high capacitance and large-size products
  Expand metal cap type products for the AI server market
- 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



Camera modules

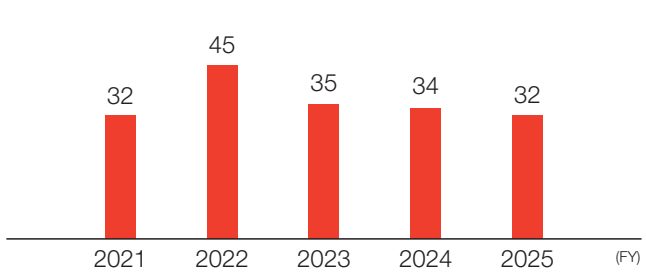


Inductors (choke coils, etc.)

Composition of net sales (FY2025)



Net sales (100 million yen)



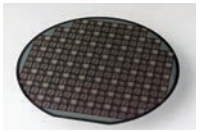
- Modules:
  Launch high-performance camera modules that capture the needs of the automotive electronics and industrial equipment markets
- Inductors (choke coils, etc.):
  Strengthen new product development and sales expansion using nanocrystalline materials for the automotive electronics market
  Strengthen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

Other
(including functional material)

Main products

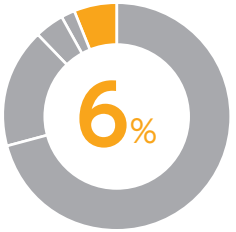


Capacitor material: Aluminum electrode foil

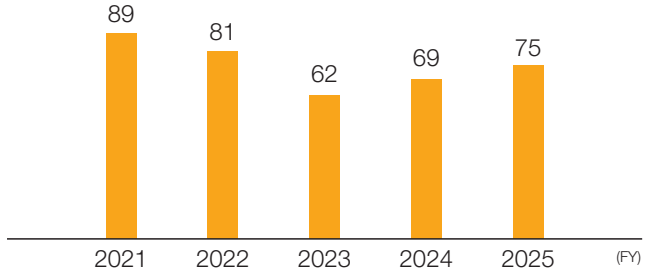


Resale products: Silicon wafers

Composition of net sales (FY2025)



Net sales (100 million yen)



- 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

Message from Our R&D Executive Vice President

Growth of technologies and human resources supporting an overwhelmingly competitive advantage



R&D Executive Vice President

Katsunori Nogami

Under the 11th Medium-term Management Plan, the Company has set the goal of "Realizing an overwhelmingly competitive advantage." The source of this competitive advantage lies in our technology base, built over many years by integrating our materials technology, product design, production technology, and quality assurance. However, a technological advantage is not something that can be maintained once it is established. In an era of rapid changes in markets and technologies, it is important that the technologies themselves continue to evolve. The driving force behind this is the growth of each and every engineer.

Against the backdrop of the growing adoption of generative AI, the AI and data center markets are currently entering a period of significant growth. Many of the Company's products, including aluminum electrolytic capacitors and conductive polymer aluminum electrolytic capacitors, play important roles in the power supply systems and peripheral equipment that support these markets. In addition to higher performance and reliability, the market also demands more rapid development than ever before.

To respond to these changes in the environment, R&D Headquarters promotes accelerated development and increased value-added by sharing product concepts, based on customer needs and market trends, across all processes from basic research, materials development, and product development to production technology and manufacturing. In addition, by strengthening our technology platform, we are working to apply technologies developed in AI-related markets to the automotive electronics and industrial equipment fields, thereby creating the next growth opportunities.

The Company’s R&D Headquarters is responsible not only for development functions but also for marketing functions. In recent years, through technology exchanges with customers and market analysis, we have worked to identify not only customers’ explicit needs, but also their latent needs, and have strengthened the mechanisms to channel those insights directly to our R&D Division. By bringing together marketing professionals who understand the market and development professionals who have a deep understanding of technology, we are able to enhance our product planning capabilities based on customer value, and quickly and accurately present value proposals even in a rapidly changing market environment.

In addition, the ability to continue to learn as an organization is essential for sustained technological innovation. We place importance not only on enhancing the technical expertise of our engineers, but also on developing them into professionals who understand market and customer challenges and who can proactively propose new value. The growth of each individual drives the growth of the organization, which in turn creates new competitiveness.

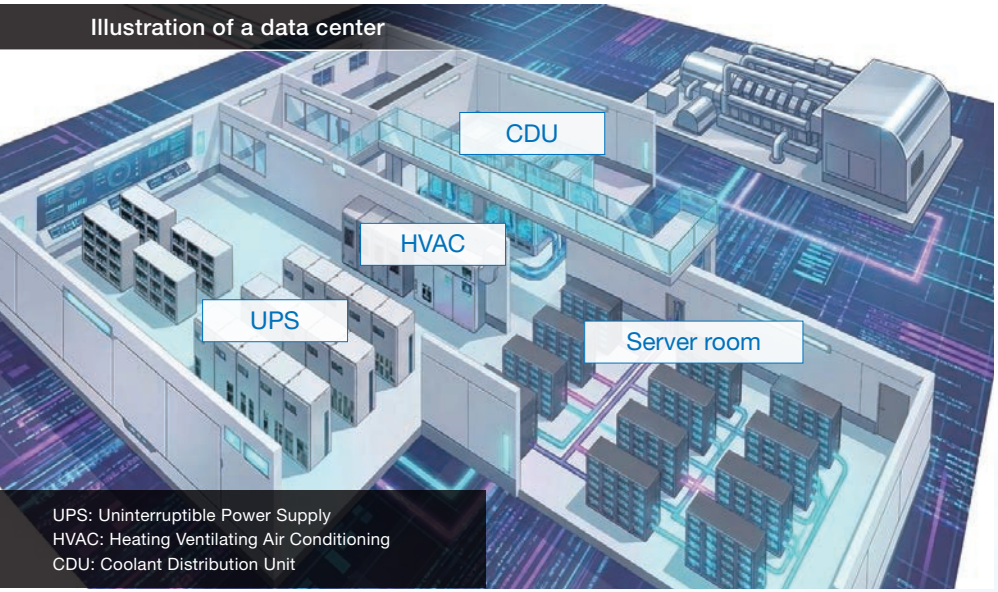
By continuing to evolve while integrating technology, marketing, and human resources, we will continue to provide new value to our customers and society. We will also achieve an "overwhelmingly competitive advantage" that links personal growth to organizational evolution, thereby contributing to the continuous improvement of corporate value.

Special Feature

Capacitors for use in the Field of AI

In recent years, as the introduction of AI technology has accelerated across industries, demand has been growing rapidly not only for AI servers, which are essential for processing the vast amounts of data generated by the rapid adoption of generative AI, but also for data centers that house large numbers of AI server units. The Company's various capacitors play an important role as passive components essential to the configuration of AI servers and data centers. In addition, through continuous technological innovation, we aim to anticipate customers' needs and contribute to society over the medium- to long-term.

Illustration of a data center



UPS: Uninterruptible Power Supply
HVAC: Heating Ventilating Air Conditioning
CDU: Coolant Distribution Unit

Data center facilities

Data centers house equipment and facilities that require large amounts of power, including uninterruptible power supplies (UPS), air conditioning inverters (HVAC), and inverters for water-cooling circulation units that make up the cooling systems for the servers (CDU). Demand for screw terminal type aluminum electrolytic capacitors capable of supplying large amounts of power to these systems is expanding rapidly.

Screw terminal type aluminum electrolytic capacitors

Application: UPS, HVAC, CDU



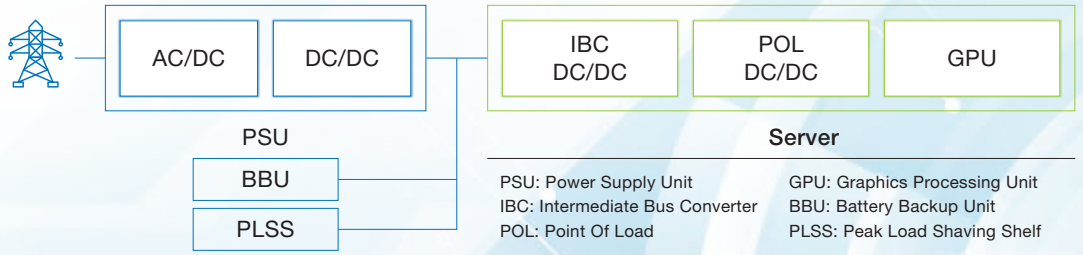


Image of large-size screw terminal type aluminum electrolytic capacitors installed in a UPS

Data center server rooms

As data processing speeds increase and the volume of data processed grows, numerous GPUs operate in synchronization within the server, resulting in greater fluctuations in server power consumption due to sudden changes in load. These fluctuations in power consumption occur repeatedly over very short periods, creating the need for a high-speed, stable power supply. For this reason, aluminum electrolytic capacitors, which serve as an instantaneous power supply, are required to offer high capacitance.

Schematic diagram of an AI server rack circuit configuration



PSU: Power Supply Unit
IBC: Intermediate Bus Converter
POL: Point Of Load
GPU: Graphics Processing Unit
BBU: Battery Backup Unit
PLSS: Peak Load Shaving Shelf

Snap-in type aluminum electrolytic capacitor

Application: PSU



Conductive polymer hybrid aluminum electrolytic capacitor

Application: IBC



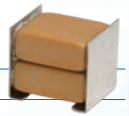
Conductive polymer aluminum solid capacitors

Application: IBC, POL, GPU



Metal cap type multilayer ceramic capacitors

Application: BBU



The BBU provides DC power to server racks as a backup power source in the event of a loss of grid power. A BBU consists of batteries and DC-DC converters. However, as higher output power requirements increase the footprint of the batteries, the DC-DC converters must be accommodated within the limited space available in the BBU. In response to this trend, demand for our metal cap type ceramic capacitors is increasing rapidly, as their high capacitance and reduced footprint enable higher mounting density.

Message from Our Quality Assurance and Production System Executive Vice President



Executive Officer
Quality Assurance and
Production System Executive Vice President
Hiroyuki Wakabayashi

"Create an overwhelmingly competitive advantage through quality"

Since its founding, Nippon Chemi-Con has positioned "providing quality that satisfies our customers" to be one of the most important values underlying its business activities, and has placed it at the core of its corporate management. We believe that quality is not simply a matter of meeting specifications and standards, but rather the foundation for continuously earning the trust of our customers and society, and an important management asset that supports sustainable growth and the improvement of corporate value.

The business environment surrounding the Company is currently undergoing a major transformation. In line with the expansion of the AI server market on the back of rapid advances in AI technology, the increasing electrification and intelligence of automobiles, and the advancement of social infrastructure, the levels of reliability, safety, and stability required of our products are higher than ever before. In these markets, even minor defects can have a significant impact on society and customers, making the responsibilities expected of manufacturers greater than ever.

Meanwhile, changes in the international situation, including increasing geopolitical risks and the situation in the Middle East, are having a significant impact on the entire supply chain, resulting in soaring raw material prices, longer procurement lead times, and even supply shortages. In such an environment, quality management that takes a comprehensive view of the entire supply chain, not just the quality of the products themselves, has become essential. The Company is striving to achieve both stable quality and a stable supply by strengthening the management of components and raw materials that have a significant impact on quality, enhancing our ability to detect abnormalities, and strengthening collaboration with suppliers.

Furthermore, as our operations become increasingly globalized, it is important to ensure consistent quality regardless of which of our production sites around the world manufacture the product. Accordingly, while taking into account the characteristics and business environment of each region, we are developing common quality standards and management processes, and are working to strengthen our quality assurance systems on a global basis.

Furthermore, we are promoting smart factory initiatives at our production sites, and utilizing data obtained from the manufacturing process in real time to enable the early detection of abnormalities and rapid improvements. In addition, in response to the declining working population and rising labor expenses overseas, we are promoting the automation and labor-saving of manufacturing processes through the use of AI, AOI (Automated Optical Inspection), and the digitalization of standard work procedures. Through these initiatives, we are achieving both stable quality and improved productivity, while accelerating our evolution toward data-driven manufacturing.

Ultimately, however, it is people who support the quality of a company. The Company is continuously undertaking human resources development with an emphasis on frontline experience and real-world situations, and strives to foster a corporate culture in which each and every employee acts with responsibility and pride in quality.

Going forward, we will continue to meet the expectations of changing markets and society, while further enhancing quality, not merely as a management activity, but as a strategic asset that drives our competitiveness. Furthermore, by earning the trust of our customers through quality assurance and creating an overwhelmingly competitive advantage that no other company can match, we will contribute to the realization of a sustainable society and the further improvement of corporate value.

Sustainability Management

Basic Policy of Sustainability

Nippon Chemi-Con embraces the corporate philosophy "Contributing to Environmentally and People Friendly Technology." Over the years, we have continuously played a role in supporting people's lives and enabling technological innovation for society. This corporate philosophy represents our belief that the technology that supports society and its development must not harm the environment or people. Nippon Chemi-Con believes that the essence of sustainability is to be appreciated by society and to contribute to society while engaging in communication and maintaining harmony with stakeholders. We drafted our new "Basic Policy of Sustainability" as a policy to make this philosophy a reality.

WEB Basic Policy of Sustainability
https://www.chemi-con.co.jp/en/company/sustainability/philosophy/

WEB Nippon Chemi-Con Group Charter of Corporate Behavior
https://www.chemi-con.co.jp/en/company/sustainability/governance/compliance/charter.html

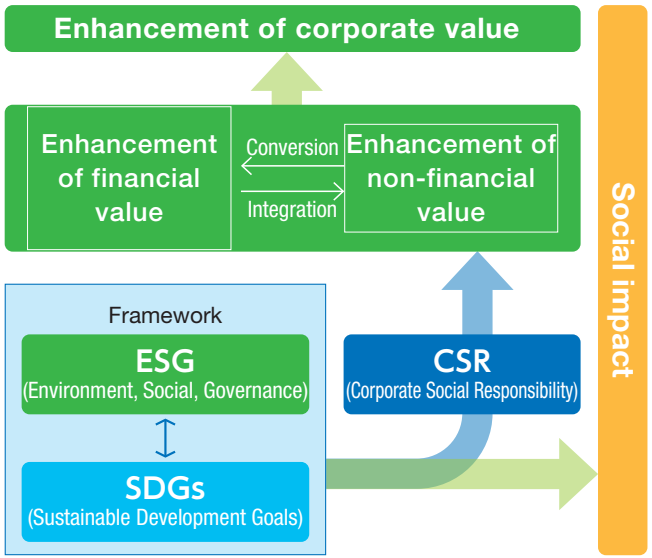
Sustainability Promotion System

The Nippon Chemi-Con Group works to cooperate with all divisions and sites mainly through the Administration Dept. The Administration Dept. takes charge of practical matters with supervision and instructions from the Board of Directors and the Executive Committee. To promote CSR upon our supply chain, we convey our CSR policies to suppliers before implementing assessments and aim for mutual sustainable development through communication. All Group offices and plants conduct CSR internal audits and independently work to understand and correct risks, enforcing policies to become a better company. We have adopted a system that selects auditors from sites that are not subject to auditing to monitor each other.

How Nippon Chemi-Con positions sustainability activities and concepts

We position ESG and SDGs as a framework for implementing and evaluating our efforts related to corporate CSR. We do not view these concepts as mutually exclusive, rather as overlapping and deeply correlated. With this notion, we will comprehensively engage in sustainability activities.

With consideration to the impact our corporate activities have on society, we will also aim to increase our nonfinancial value through internal sustainability investments with the goal of generating a positive impact on earnings. We believe that it is important to have processes that link sustainability investments, such as human capital, intellectual property and climate change measures, to the reduction of business risks and improvement of both short-term and long-term earnings. Through these activities, we will continue to be a better company for our shareholders, customers, employees and other stakeholders, and make efforts to continuously improve our corporate value.



Participation in the UN Global Compact

The Nippon Chemi-Con Group participates in the United Nations Global Compact (UNGC). The UNGC is comprised of 10 universal principles related to four areas: human rights, labour, environment, and anti-corruption.

The Ten Principles of the UN Global Compact

1 Human Rights

- Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2 make sure that they are not complicit in human rights abuses.

2 Labour

- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4 the elimination of all forms of forced and compulsory labour;
- Principle 5 the effective abolition of child labour; and
- Principle 6 the elimination of discrimination in respect of employment and occupation.

3 Environment

- Principle 7 Businesses should support a precautionary approach to environmental challenges;
- Principle 8 undertake initiatives to promote greater environmental responsibility; and
- Principle 9 encourage the development and diffusion of environmentally friendly technologies.

4 Anti-Corruption

- Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

Strategic Basis for Sustainability – ESG Initiatives

Nippon Chemi-Con Group incorporates ESG (Environment, Social, Governance) into our corporate strategies to pursue sustainable growth. We outline activity goals and promote participation.

E Promote business activities focused on global environment

S Promote human resource development and worklife balance

G Ensure corporate governance, corporate ethics, and transparency of management

Sustainable Corporate Growth

ESG Activities (Goals, Achievements, Progress, and Degree of Completion)

◎: Achieved ○: Achievement rate of 80% or more △: No progress —×: Not evaluated in the fiscal year under review

ESG initiative items	FY2025 major activities and goals	FY2025 achievements and progress	Degree of completion	FY2026 major activities and goals	Related pages
E Environment / Global environment conservation	Global warming prevention and energy conservation activities			Global warming prevention and energy conservation activities	
	・Energy intensity improvement: 1% or higher per year*1	Base year (FY2020) comparison: 10.4% improvement	◎	・Energy intensity improvement: 1% or higher per year*1	P30
	・CO_2 emission reduction rate goal (FY2013 comparison)*1 Manufacturing bases in Japan: 35.1% Manufacturing bases overseas (excluding Samyoung Electronics and Qingdao Samyoung Electronics): 3.0%	Base year (FY2013) comparison: Manufacturing bases in Japan: 33.4% improvement Manufacturing bases overseas: 6.0% improvement	○ ◎	・CO_2 emission reduction rate goal (FY2013 comparison)*1 Manufacturing bases in Japan: 37.8% Manufacturing bases overseas (excluding Samyoung Electronics and Qingdao Samyoung Electronics): 8.5%	
	Appropriate management of chemical substances used by factories[1] ・Environmental impact of chemical substances used by factories	Appropriate management conducted at all plants, no incidents having an impact on the environment	◎	Appropriate management of chemical substances used by factories[1] ・Environmental impact of chemical substances used by factories	P32
	Management of chemical substances used in products (environmentally friendly products)[3] ・Zero environmental-related product accidents	No environmental-related product accidents	◎	Management of chemical substances used in products (environmentally friendly products)[3] ・Zero environmental-related product accidents	P50
	Effective use of resources and waste reduction, promotion of 3Rs including plastic waste ・Final disposal rate: 1.0% or less[2]	Final disposal rate: 0.41%	◎	Effective use of resources and waste reduction, promotion of 3Rs including plastic waste ・Final disposal rate: 1.0% or less[2]	P31
	Continue improvements based on environmental management system (ISO14001 etc.)[3]	Environmental management system functioned effectively and performance including environmental goals improved	◎	Enhance performance by continued improvements based on environmental management system (ISO14001 etc.)[3]	WEB
	Promote biodiversity conservation activities[2] ・Continue protection of endangered species ・Cooperation with local companies and schools ・Conservation activities near sites	Each site conducted distinctive initiatives to promote cooperation with local communities	○	Promote biodiversity conservation activities[2] ・Continue protection of endangered species ・Cooperation with local companies and schools ・Conservation activities near sites	P31 P39
	Contribute to local communities[2] ・No legal violations including accidents resulting in environmental pollution attributable to the Company	Volunteer work we conducted as part of our community contributions includes environmental beautification activities, such as cleaning around each plant and along shorelines.	◎	Contribute to local communities[2] ・Continue environmental conservation activities	P39
	Compliance with environmental laws[3] ・No legal violations including accidents resulting in environmental pollution attributable to the Company	No legal violations including accidents resulting in environmental pollution attributable to the Company	◎	Compliance with environmental laws[3] ・No legal violations including accidents resulting in environmental pollution attributable to the Company	P30
	Expand line of products enabling size reductions and higher temperature resistance and longer life[3]	Promoted product size reductions and energy conservation with new electrode foil, and developed solutions for higher temperature resistance and longer life	◎	Expand line of products enabling size reductions and higher temperature resistance and longer life[3]	P18 P20

[1]Manufacturing bases in Japan and overseas (excluding Samyoung Electronics and Qingdao Samyoung Electronics), head office [2]Manufacturing bases in Japan [3]Nippon Chemi-Con Group [4]Nippon Chemi-Con [5]Nippon Chemi-Con and affiliates in Japan [6]Taiwan Chemi-Con, Indonesia Chemi-Con

ESG Activities (Goals, Achievements, Progress, and Degree of Completion)

◎: Achieved ○: Achievement rate of 80% or more △: No progress —×: Not evaluated in the fiscal year under review

ESG initiative items		FY2025 major activities and goals	FY2025 achievements and progress	Degree of completion	FY2026 major activities and goals	Related pages
S Social	HR/ benefits	Adopt work-from-home system[4]	Continued work-from-home system	◎	Adopt work-from-home system[4]	
		Continue welcome back program (rehiring program)[5]	No applications	△	Continue welcome back program (rehiring program)[5]	WEB
	Employee health and safety	Reduce average overtime to average 29 hours or less per month per employee[4]	Achieved	◎	Reduce average overtime to average 29 hours or less per month per employee[4]	P38
		Increase paid leave usage rate and childcare leave usage rate to 70% and higher[5]	Achieved	◎	Increase paid leave usage rate and childcare leave usage rate to 70% and higher[5]	P37-38
		Continue mandatory rest between shifts[5]	Continued mandatory rest between shifts	◎	Continue mandatory rest between shifts[5]	
		Continue healthy company activities[5]	Mainly conducting walking events that could be worked on individually and environmental conservation activities near sites	○	Continue healthy company activities[5]	P38
	Human resource development	Conduct tiered training[5]	Conducted as scheduled	◎	Conduct tiered training[5]	P36
		Continue training programs in Japan for overseas local employees[6]	Miyagi Plant accepted 11 employees	—	Continue training programs in Japan for overseas local employees[6]	
		Continue overseas assignments via the global human resources development program (application based)[5]	Not implemented	—	Continue overseas assignments via the global human resources development program (application based)[5]	
		Continue measures to maintain a 5-year turnover rate of 11% or less for young employees[4]	Not achieved	×	Continue measures to maintain a 5-year turnover rate of 11% or less for young employees[4]	
	Diversity	Proactive employment of foreign students studying in Japan[4]	Hired three persons	○	Proactive employment of foreign students studying in Japan[4]	P35
		Increase employment rate for disabled workers to 2.5% by FY2024*[4]	Not achieved	×	Increase employment rate for disabled workers to 2.5% by FY2024[4]	P35
		Increase female employment rate to 30% or higher for technical and manufacturing positions and 40% or higher for sales and clerical positions[4]	FY2024 results: Technical and manufacturing positions: Approx. 13% Sales and clerical positions: 100%	△	Increase female employment rate to 30% or higher for technical and manufacturing positions and 40% or higher for sales and clerical positions[4]	
		Increase female managers/section chiefs/section managers/deputy section managers by 50% by the end of FY2025 compared to the end of FY2020[4]	As of end of FY2024: Increased by 9%	×	Increase female managers/section chiefs/section managers/deputy section managers by 50% by the end of FY2025 compared to the end of FY2020[4]	P35-36
	Social welfare	Provide support such as vaccines and clothing to developing nations[5] Support wheelchair purchases[5]	Continued Implementation	◎	Provided public support, including donation of emergency supplies and collection of soda can pull tabs[5]	
	Next-generation development	Continue internship system[4]	Conducted at Nippon Chemi-Con head office, Kanagawa Research Center, Chemi-Con East Japan Corp. Fukushima Plant and Chemi-Con Device Corp. Nagai Plant (for university graduates)	◎	Continue internship system[4]	P36
		Dispatch instructors for next-generation human resource development conducted by industry organizations[4]	Participated in JEITA Human Resources Development Council-Elementary and Secondary Education WG “visiting lectures” project	◎	Dispatch instructors for next-generation human resource development conducted by industry organizations[4]	

[1]Manufacturing bases in Japan and overseas (excluding Samyoung Electronics and Qingdao Samyoung Electronics), head office [2]Manufacturing bases in Japan [3]Nippon Chemi-Con Group [4]Nippon Chemi-Con [5]Nippon Chemi-Con and affiliates in Japan [6]Taiwan Chemi-Con, Indonesia Chemi-Con

ESG Activities (Goals, Achievements, Progress, and Degree of Completion)

◎: Achieved ○: Achievement rate of 80% or more △: No progress —×: Not evaluated in the fiscal year under review

ESG initiative items		FY2025 major activities and goals	FY2025 achievements and progress	Degree of completion	FY2026 major activities and goals	Related pages
G Governance	Corporate governance	Increase participation in management by outside officers and creation of environment that promotes engagement[4]	Attended various meetings as necessary and conducted inspection tours of sites	○	Increase participation in management by outside officers and creation of environment that promotes engagement[4]	P40
		Reflect results of internal controls efficacy evaluations on management[4]	Issued report to management on internal governance efficacy evaluation	◎	Reflect results of internal controls efficacy evaluations on management[4]	P40 WEB
		Compliance with basic policy on corporate governance[4]	In compliance with policies	◎	Compliance with basic policy on corporate governance[4]	P40 WEB
		Promptly disclose financial results explanatory materials[4] (May/November: on day of briefing session, August/February: on day of results announcement	May/November: on day of briefing session August/February: within one week of results announcement	△	Promptly disclose financial results explanatory materials[4] (May/November: on day of briefing session, August/February: on day of results announcement	WEB
	Compliance	Continue publishing articles related to legal affairs in the company newsletter*[5]	Continued publishing articles related to legal affairs in the company newsletter	○	Continue publishing articles related to legal affairs in the company newsletter*[5]	P43 WEB
		Continue participation in UN Global Compact (participating since 2012)[3]	Continued participation in UN Global Compact	◎	Continue participation in UN Global Compact (participating since 2012)[3]	P26 WEB
		Conduct CSR internal audits at 6 sites Expand the system where different sites audit each other as deputy auditors[5]	Conducted at 4 sites Expand participation by deputy auditors	△	Conduct CSR internal audits at 5 sites Expand the system where different sites audit each other as deputy auditors[5]	P43
	Risk management	Regular BCP validation, reviews[3]	Conducted annual regular updates, including the list of material suppliers and created new lists of BCP information for each site	◎	Regular BCP validation, reviews[3]	P43-44 WEB
		Reinforce information leak prevention (data center, thin client, internal audits, etc.)[5]	Conducted internal audits as planned	◎	Reinforce information leak prevention (data center, thin client, internal audits, etc.)[5]	WEB

[1] Manufacturing bases in Japan and overseas (excluding Samyoung Electronics and Qingdao Samyoung Electronics), head office
[2] Manufacturing bases in Japan [3] Nippon Chemi-Con Group [4] Nippon Chemi-Con [5] Nippon Chemi-Con and affiliates in Japan
[6] Taiwan Chemi-Con, Indonesia Chemi-Con

For more ESG information, see our website. WEB https://www.chemi-con.co.jp/en/company/sustainability/esgdata/

E Environment

Environmental Management

Nippon Chemi-Con's Environmental Policy (Summary)

- Structures organization that operates at every level for conserving the global environment
- Sets environmental goals and targets, Improves environmental performances, Continuous improvements of Environmental Management System (EMS)
- Considers biodiversity
- Observes all environmental laws, regulations, agreements, and internal standards
- Promotes Carbon neutral and Energy conservation, Effective use of resources, and Waste reduction including plastics
- Promotes the development and marketing of products that have a less environmental loads, and Proper control of Chemical substances in the products
- Educates and enlightens our entire workforce
- Ensuring business continuity by establishing and maintaining management system to prevent environmental risks and climate change risks, and to minimize the impacts when they occur, as well as by strengthening water resource risk management.
- Releases information on environmental management activities to the public positively, and promotes sufficient communication with the local community and stakeholders

Compliance to the Laws and Significant Accidents Occurrence Status

The Nippon Chemi-Con Group has taken the following measures to comply with environment-related laws and regulations.

- Established a system for managing measures for compliance with various environmental laws and regulations
- For certain regulated items, established voluntary standards that are stricter than legally mandated standards and implemented higher levels of management

As a result, there were no serious accidents involving environmental pollution attributable to the Company.

Environmental Activities

Energy Conservation

Since FY2021, the Nippon Chemi-Con Group has participated in the electrical and electronics industry's "Carbon Neutrality Action Plan." We are continuing efforts to achieve our Group energy intensity improvement goal of 1% or more through FY2030 based on FY2020 results.

As an additional target, we have set a goal of "reducing CO_2 emissions from manufacturing in FY2030 by roughly 46% in Japan and by an average of 29% overseas compared to FY2013 levels to achieve carbon neutrality in 2050."

To achieve this goal, the Group is engaged in companywide activities led by an energy conservation working group, which is comprised of staff in charge of energy.

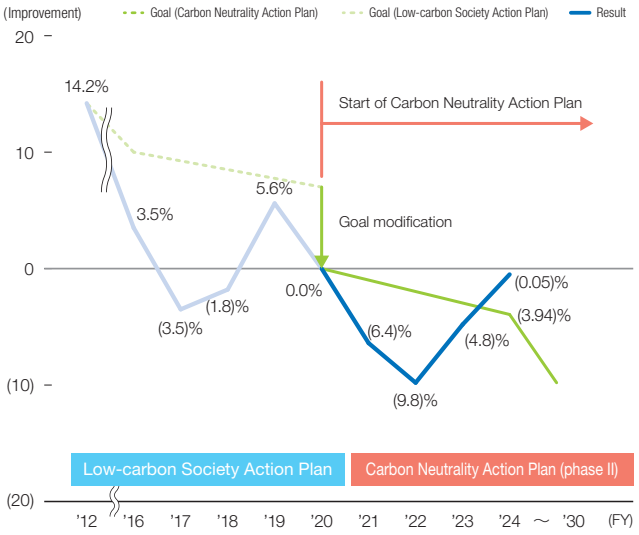
Mid-term target In light of "Carbon Neutrality Action Plan" by industrial associations:

Toward FY2030 Improvement target in energy intensity → Annual average : 1% and higher

Long-term target In light of the common goal set by industrial associations:

Toward FY2050 Improvement target in energy intensity → Annual average : 1% and higher

Trend of energy intensity improvement (Manufacturing bases in Japan and overseas (excluding Samyoung Electronics and Qingdao Samyoung Electronics))



<Activity Results> Breakdown of total CO_2 emissions by year*1

(t-CO_2)

Fiscal Year	2021	2022	2023	2024	2025
Purchased electric power*2	397,629	389,238	339,868	327,454	344,353
Grade A heavy oil	6,029	5,961	5,380	4,916	4,518
Kerosene	1,144	1,128	881	1,012	1,029
City gas	18,133	15,929	14,460	14,007	18,112
Gasoline	118	189	189	164	122
LPG	260	306	277	222	276
LNG	16,179	15,164	14,405	15,629	11,771
Diesel (Light oil)	52	37	34	39	35
Other*3	294	174	0	0	10
Total	439,839	428,126	375,494	363,444	380,226

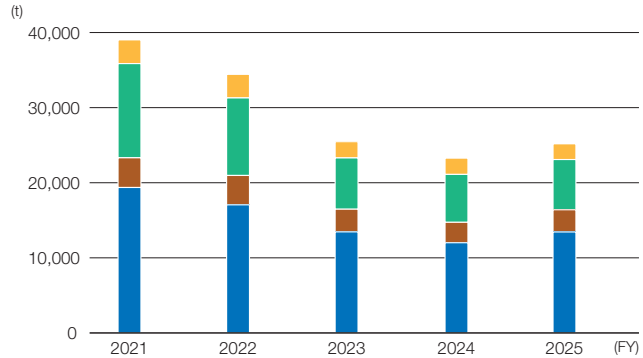
*1 Aggregation scope: Total for overseas manufacturing bases (excluding Samyoung Electronics and Qingdao Samyoung Electronics), manufacturing bases in Japan and head office.
*2 CO_2 emissions from electric power generation are calculated using the average emission factors (based on location) for each country and region.
*3 Other emissions refer to emissions from industrial steam until FY2024, and emissions from refrigerant leaks from FY2025 onwards.

Resource Conservation

In the manufacturing activities of industries, the resources are essential element. Efficient use of such resources will protect global environment and ecology.

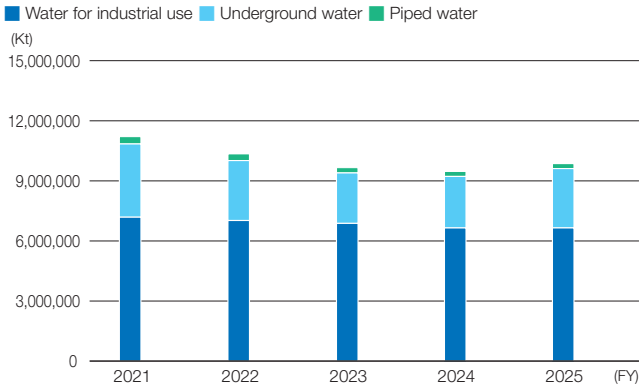
We contribute to the effective use of resources by encouraging the 3Rs, which stand for reduce, reuse and recycle, and improving production processes.

Trend of resource consumption by Nippon Chemi-Con Group*



*Manufacturing bases in Japan and overseas (excluding Samyoung Electronics and Qingdao Samyoung Electronics), head office

Trend of water consumption by Nippon Chemi-Con Group*



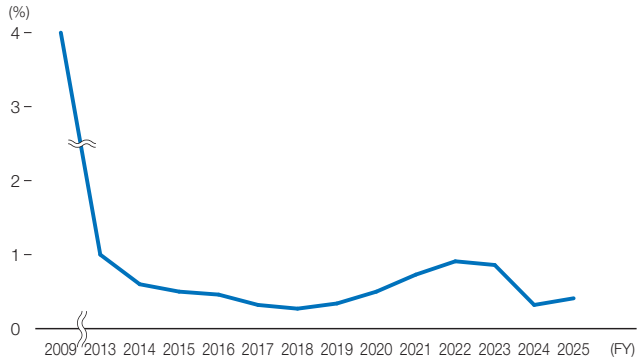
*Manufacturing bases in Japan and overseas (excluding Samyoung Electronics and Qingdao Samyoung Electronics), head office

Waste Reduction

The Nippon Chemi-Con Group is working on resource circulation and reduction in landfill disposal volumes by promoting activities to reduce the amount of industrial waste generated.

We further promote the 3Rs, effective use of resources and resource circulation to reduce waste including plastics and improve the final disposal rate.

Trend of final disposal rate (manufacturing bases in Japan)



Biodiversity Initiatives

In the Nippon Chemi-Con Group's activities to conserve biodiversity, we will take actions for each of the three impacts on biodiversity.

1. Impact from procurement of raw materials: In cooperation with our suppliers, we share views and mutual understanding concerning biodiversity, and move continuously ahead with activities.
2. Impact on ecosystems caused by manufacturing: Our manufacturing processes use energy and resources, and they emit CO_2, waste water and other emissions. As this is an area where our Group's business activities directly have an impact, effective and continuous activities are ongoing.
3. Impact on biodiversity due to changes in environments surrounding our workplaces caused by our use of land: Consideration to local environment and surrounding ecosystem by securing green space in our premises and the social contribution activities.

Biodiversity offers indispensable and vital bounties (ecosystem services) to all of humanity. The activities that we are able to perform are steady and modest ones, we think. Yet we believe that each workplace employing its ingenuity, and continuing with what small activities it can accomplish, is a very significant thing. We will roll out such steady and continuous activities.



Chemi-Con Device Corp. Nagai Plant
We conducted an organism survey in the pond on plant grounds and found Japanese wrinkled frogs living in a rich ecosystem. Japanese wrinkled frogs are classified as a near threatened species by Yamagata prefecture.

CHEMI-CON EAST JAPAN MATERIALS CORP. Kitakata Plant
To help protect the rosy lilies (himesayuri) plants, we participated in the conservation activities for the himesayuri colony organized by Kitakata City.









Chemi-Con Device Corp. Nagaoka Plant
In November 2025, we participated as volunteers in the planting of hepaticas (yukiwariso) plants at the Yukiguni Botanical Garden located near our office. In March 2026, the yukiwariso plants were confirmed to have bloomed.

For more environmental information, see the webpages below.
WEB https://www.chemi-con.co.jp/en/company/sustainability/environment/

E Environment

Green Procurement/Third-party Evaluation of Environmental Initiatives

Management of Chemical Substances in the Products

Through policies such as RoHS Directives, prohibited and restricted substances have been defined based on consideration of human health and the ecosystem, and the aim of reducing waste, thus the management of such substances has become essential. The Nippon Chemi-Con Group has established and operates the following based on the keywords “Keep Out, Do not Use, Do not Emit, Do not Mix”: (1) A CiP management system* at all production sites and related departments; we have implemented our own (2) Green Supplier Certification System and (3)material approval system to ensure thorough management of “Keep Out” from development stage of the products, and appropriately manage chemical substances at each stage of development, procurement, manufacturing, and sales. We also respond to various environmental requirements (legal regulations, industry requirements, customer requirements). Information on chemical substances in products is very important in modern society.

These requirements are not limited to the management of specific prohibited substances, but also apply to information used towards waste reduction, the stable supply of important resources, information related to realizing a resource recycling-based society, and important information disclosure to waste disposal companies. As such, it is necessary to engage in initiatives that consider the entire life cycle.

Cooperation across the entire supply chain is essential to handling more advanced information. We place great significance on the green supplier certification system, and are promoting measures to give preferential treatment to suppliers with a strong track record and high level of cooperation.

* A chemical substances in products (CiP) management system based on guidelines (https://chemsherpa.net/english/docs/guidelines) drafted by the Joint Article Management Promotion-consortium (JAMP).

Green Procurement and Green Supplier Certification System

Building strong cooperation with suppliers and sharing information in a timely manner are essential not only for compliance with laws but also for making products that meet diversifying customer requirements. The Nippon Chemi-Con Group has established and implemented the Nippon Chemi-Con Group Green Procurement Standards from the viewpoint of procuring materials and parts that satisfy legal regulations and customer requirements and is working to ensure thorough chemical substance management. In addition, we support our sustainable global procurement activities by sharing regulatory information with suppliers through the Green Supplier Certification System and conducting regular audits and evaluations of suppliers’ status of chemical substances and maintenance management. From July 2021, we have started issuing our “Climate Change Risk Assessment Report” during supplier audit feedback to promote a common un.

Third-party Evaluation of Environmental Initiatives



Professor emeritus, Keio University
Yuji Kishi

The assessment criteria surrounding corporate evaluations of environmental contributions are significantly changing in the areas of global warming and biodiversity. In the area of global warming, the trend favoring extreme mitigation measures has begun to shift both internationally and domestically towards a flexible perspective that places greater emphasis on adaptation measures, especially following the United States’ withdrawal from the Paris Agreement. In the field of biodiversity, there has been a major shift from a narrow focus on conservation of rare species and exclusion of invasive species, in line with the vision of the United Nations Decade on Biodiversity, towards the comprehensive restoration of nature (“Nature Positive”), and restoration efforts outside protected areas (OECM). In Japan, however, government measures have centered on a certification system that is unique to the country, making it difficult for ordinary companies to take action under the current circumstances. Against this backdrop, this overview covers your company’s achievements for fiscal 2025. In line with your company’s commitment to the TCFD Declaration made in 2021, the basic environmental contribution indicators, such as the final disposal rate of waste, annual CO_2 total emissions, resource saving, and improvements in energy intensity, have all shown continued progress with partial fluctuations, and it can be assessed that effort is being steadily made. In the field of biodiversity contributions, which are likely to be better understood and highly regarded by local communities, efforts to protect and conserve important and notable species within factory area are ongoing. With policy shifts by the Ministry of the Environment and the Ministry of Land, Infrastructure, Transport and Tourism towards greater emphasis on OECM, corporate efforts aimed at regional biodiversity conservation - once often overlooked - are now gaining significant new attention going forward. A new point of interest in your Company’s contribution in this area is proactively developing and communicating initiatives regarding conservation and restoration of rare species outside protected area that has long been carried out within corporate premises as contributions to green infrastructure that place greater emphasis on “Nature Positive” and OECM through collaboration with government authorities, civic organizations and other entities outside the corporate premises . At that time, regardless of the presence or size of rare species, incorporating thoughtful designs that promote the enhancement of water retention—an important function for climate change adaptation—will also be a key focus going forward.

E Environment

Climate Change Initiatives

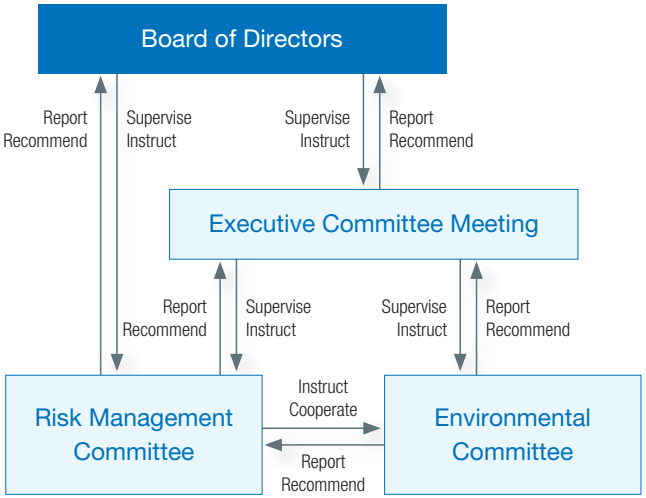
In March 2022, Nippon Chemi-Con declared support for the recommendations of the "Task Force on Climate-Related Financial Disclosures (TCFD)" with the recognition that climate change is a significant issue which affects the continuation of our business. In accordance with the framework set forth in the TCFD, we analyze risks/opportunities related to climate change that may affect our business and reflect them in our corporate strategy. Furthermore, we continuously work to enhance the sophistication of the content and improve the accuracy of our analysis, and we conduct annual reviews.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Governance

The Company will conduct discussions related to climate change and evaluate/manage statuses of climate change initiatives at the Risk Management Committee. The Risk Management Committee will report climate-related information including risks and opportunities that may affect our business to the Executive Committee Meeting and Board of Directors twice a year, and the Board of Directors will instruct/supervise. We will also implement initiatives towards resolving issues related to climate change, environmental risks and environmental tasks at the Environmental Committee. The Environmental Committee will extend initiatives to executing divisions and manage progress of initiatives towards decarbonization and energy conservation, and report to the Executive Committee Meeting and Risk Management Committee.

Simple diagram of governance related to climate change



Strategy

In FY2022, all Executive Officers conducted an assessment of the risks and opportunities for the Company's business related to climate change. Since FY2023, the Company conducts a review of the impact and duration of risks and opportunities once a year.

Risks/opportunities	Events	Impact*1	Term*2
Transition risks	[Market] Risks that will occur when customer demands related to climate change is not met	Impact: Large	Short to medium term

(Potential events) In a 1.5°C scenario, technology related to climate change and other requests are assumed to increase. Our net sales may decrease if we cannot meet customer demands. In particular, in the automotive electronics market and the industrial equipment/energy conversion market, requirements for lower carbon emissions and greater efficiency have become increasingly sophisticated, making it important to address these requirements in order to maintain our competitiveness..

(Measures) (1) The automotive electronics and industrial equipment/energy conversion markets which are included in our current strategically important markets greatly contribute to the mitigation of climate change through vehicle electrification, etc. The Company is responding to these requirements by launching new products and accelerating the development process. At the same time, we are working to reduce CO_2 emissions during manufacturing through measures such as improving yields at our production sites, and to curb emissions at the product usage stage by extending the life of our aluminum electrolytic capacitors.

(2) We ask our suppliers to implement initiatives on climate-related risks based on our Green Procurement Standards. When entering into or renewing transactions, we ask suppliers facing high physical risks to promote initiatives through the supply chain by reviewing their business continuity plans taking climate-related risks into consideration and by implementing adaption measures.

Transition risks	[Policy/Legal] Adoption of carbon pricing and increase in electricity and fuel costs	Impact: Large	Short to medium term

(Potential events) In a 1.5°C scenario, carbon pricing such as carbon taxes is assumed to be adopted as measures for climate change. An example of this is the imposition in Japan of a "carbon levy" on fossil fuel importers, which is scheduled from FY2028. Other countries are also expected to introduce similar levies. As a result, we expect to face direct and indirect increases in electricity costs, fuel costs, material costs, and taxes.

(Measures) We have an Energy Conservation Subcommittee under the Environmental Committee as a measure for carbon pricing. The Subcommittee engages in group-wide energy conservation and CO_2 reduction, and is working to reduce the future impact.
In addition, we have started introducing renewable energy power to achieve carbon neutrality in 2050, and we are also considering further utilization. Specifically, we started solar power generation at CHEMI-CON (WUXI) CO., LTD. in China in 2023. In Japan, we introduced on-site PPA at Chemi-Con East Japan Corp. Fukushima Plant in January 2024 and started generating solar power through on-site PPA at CHEMI-CON (MALAYSIA) SDN. BHD. in November 2024. Through these initiatives, we aim to both reduce the risk of rising electricity costs and reduce CO_2 emissions.

Physical risks	[Acute] Increase in severity of disasters due to extreme weather	Impact: Small	Short to long term

(Potential events) In the 4°C scenario, the scale and impact of heavy rains and other disasters are expected to expand in line with the increase in frequency of extreme weather. As a result, risks such as damage to production sites and disruption of supply chains are assumed.

(Measures) In order to reduce disaster risks associated with the increasing severity of extreme weather events, we continue to leverage our production systems at multiple sites for products and materials and the alternative procurement system (multiple purchases and multiple procurements), which were established in the wake of the Great East Japan Earthquake in 2011, to address physical risks. Furthermore, based on these systems, we regularly review our Business Continuity Plan (BCP) to enhance the effectiveness of our risk response measures.
In addition, for our domestic sites, we assess future flood risks based on hazard maps and other sources, and implement measures in stages according to the potential impact. For example, the Group has identified sites that may be affected by flooding, and is implementing countermeasures. At Nippon Chemi-Con Corp. Takahagi Plant and Chemi-Con East Japan Corp. Miyagi Plant, which would be significantly affected, we are implementing the following specific measures.

Nippon Chemi-Con Corp. Takahagi Plant

Located adjacent to the Hananuki River, the plant is assumed to experience a flood depth of approximately 0.6m under the planned flood scale (once every 50 years). In response, we are implementing flood protection measures by installing sandbags and flood barriers, while also relocating critical equipment to elevated levels.

Chemi–Con East Japan Corp. Miyagi Plant

The plant is located in an area at risk of flood waters exceeding 2 meters under the assumed maximum flood scale (once every 1,000 years). In addition to installing sandbags, the new manufacturing building incorporates a waterproof structure and elevates the placement of equipment.
We regularly monitor the progress of these measures, and consider and implement additional measures as necessary.

*1 Risks and opportunities that may have an effect of over 5% of net sales are evaluated as having a large impact.
*2 The terms assume the following periods: short=until FY2025, medium=until FY2030, long=until FY2050.

E Environment

Climate Change Initiatives

Risks/opportunities	Events	Impact*1	Term*2
Opportunities	[Market] Providing products/services that meet customer demand [Technology] Improvement of competitive advantage due to development of new technology	Impact: Large	Short to medium term

(Potential events) In a 1.5°C scenario, adoption of facilities and changes in device specifications is expected to be promoted to suppress greenhouse gas emissions. In such a world that promotes electrification and energy conservation, utilization opportunities of our products could increase. In particular, as electrification advances and demand for improved energy efficiency grows, demand for highly efficient, low power-consumption products is expected to increase, creating opportunities to strengthen our competitiveness by leveraging our technological advantages. Moreover, we believe we will be able to provide products with reduced CO_2 emissions as we have already been proactively reducing the amount of electricity consumption in our electrode foil production.

(Measures) (1) The automotive electronics and industrial equipment/energy conversion markets which are included in our current strategically important markets greatly contribute to the mitigation of climate change through vehicle electrification, etc. We will continue to launch new products for these markets and accelerate development to meet customer demands and expand business opportunities.

(2) We will promote product development and production facility development/adoption with the prospect of reducing CO_2 emissions in production.

Opportunities	[Resilience] Promotion of renewable energy programs and energy-saving measures	Impact: Small	Short to medium term

(Potential events) In a 1.5°C scenario, promotion of renewable energy programs and energy-saving measures is required.

(Measures) We aim to improve competitiveness by promoting renewable energy programs and energy-saving measures to reduce costs, etc.

*1 Risks and opportunities that may have an effect of over 5% of net sales is evaluated as having a large impact.
*2 The terms assume the following periods: short=until FY2025, medium=until FY2030, long=until FY2050.

Risk Management

Our Group has formulated the Basic Risk Management Policy, and is working to develop and strengthen its risk management system based on the Basic Regulations for Risk Management and related guidelines. Our Group has established the Risk Management Committee under the general manager of risk management to formulate action plans related to risk management and monitor the status of their implementation from the perspective of the entire group. In this committee, we recognize climate change risks as a critical risk to our business, which is consistently discussed within the committee. The committee meets twice a year and reports the status of risk management to the Board of Directors and the Executive Committee Meeting. In addition, with regard to climate change risks, the division in charge develops policies for risk reduction and opportunity acquisition to each business site and division, and monitors the status of initiatives. It also provides support to related divisions. Climate change risks are regularly assessed and the status of response measures is reviewed. Depending on their significance, these risks are reported to management, and necessary measures are reviewed accordingly.

For our basic policy and processes regarding risk management, please refer to the link below.
WEB https://www.chemi-con.co.jp/en/company/sustainability/governance/risk/management.html

Metrics and Targets

Nippon Chemi-Con uses the following metrics and targets to assess/manage climate-related risks.

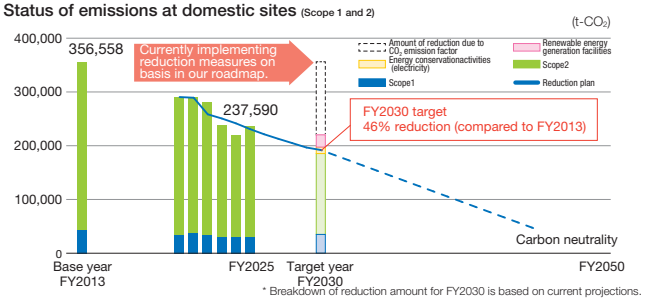
- We aim to improve energy consumption per unit by an annual average of 1% or higher towards FY2030 based on the “Carbon Neutrality Action Plan” promoted by electrical and electronics industries.
- To realize carbon neutrality by 2050, we will pursue a reduction of approximately 46% in Japan and an average of 29% overseas for CO_2 emissions caused by our production operations in FY2030 on a FY2013 basis.

Status of domestic and overseas CO_2 emissions

Domestic CO_2 emissions were 357,000 tons in FY2013 but this figure fell by approximately 33% in FY2025 to 238,000 tons.

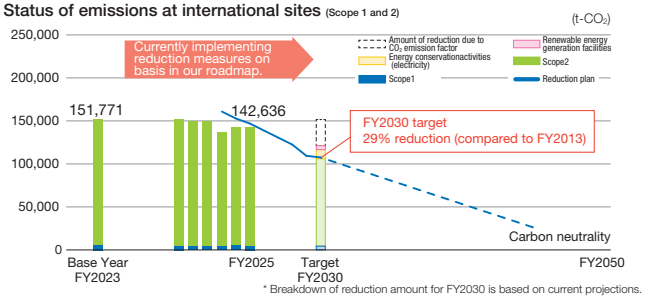
Overseas, the amount was 152,000 tons in FY2013 but this figure fell by approximately 6% in FY2025 to 143,000 tons.

Status of emissions at domestic sites (Scope 1 and 2)



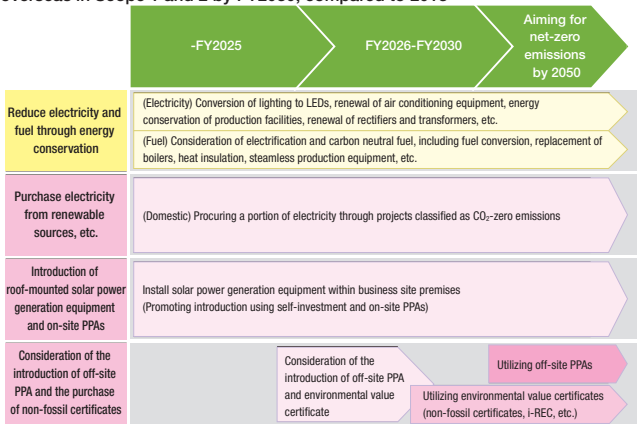
* Breakdown of reduction amount for FY2030 is based on current projections.

Status of emissions at international sites (Scope 1 and 2)



* Breakdown of reduction amount for FY2030 is based on current projections.

Aiming for a 46% reduction domestically and an average 29% reduction overseas in Scope 1 and 2 by FY2030, compared to 2013



For GHG emissions by Nippon Chemi-Con’s operations, please refer to the link below.
WEB https://www.chemi-con.co.jp/en/company/sustainability/environment/data.html

For Nippon Chemi-Con’s performance based on metrics and targets related to climate change, please refer to the link below. (Metrics/targets for risks)
WEB https://www.chemi-con.co.jp/en/company/sustainability/environment/protection.html

S Social

Human Resource Strategy

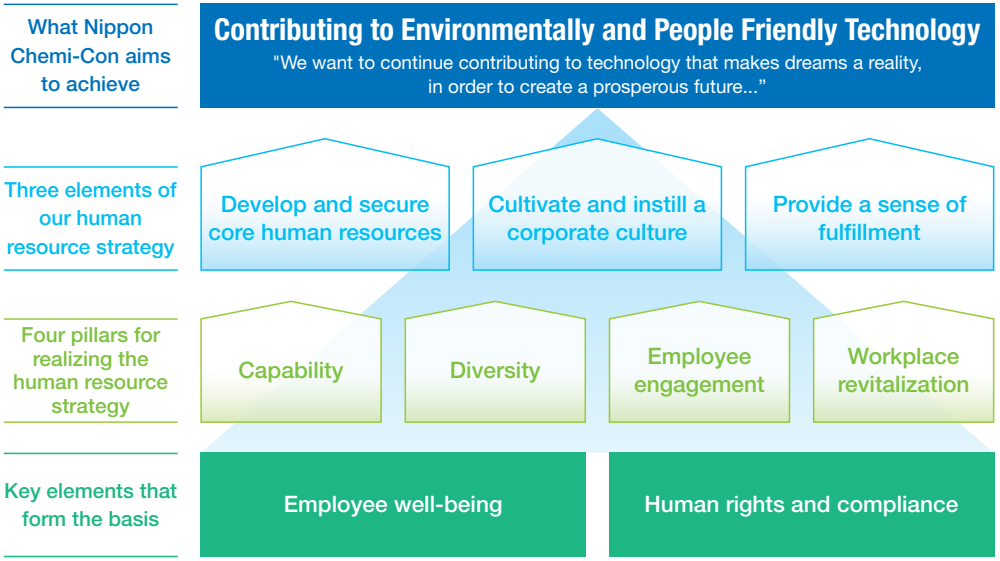
Nippon Chemi-Con's Human Capital Strategy and Policy

In the highly uncertain business environment surrounding the Company, it is essential to develop the ability to respond quickly to change and acquire competitiveness through innovation. Accordingly, investment in human capital, which is a source of corporate value, is a key management issue. In particular, to ensure the successful implementation of the business strategies set forth in the 11th Medium-term Management Plan, the Company believes it is important to attract, develop, and retain "human resources who can actively work to acquire and improve skills and knowledge, including advanced technology," "human resources who can take on new challenges and create innovation," and "human resources who can identify market and customer needs from a global perspective and formulate and achieve goals."

To address these challenges, we have established a clear profile of desired human resources as part of our human resource strategy policy, and aim to attract, develop, and retain "human resources who can drive improvements in our organization and systems and take on challenges across all boundaries."

Overview of human resource strategy

As described below, by strategically advancing the three elements of our human resource strategy: "develop and secure core human resources," "cultivate and instill a corporate culture," and "provide a sense of fulfillment," we will work to realize our corporate philosophy of "Contributing to Environmentally and People Friendly Technology."



Initiatives and KPIs/KGIs to realize the human resource strategy

KGI Employee engagement score of 3.5 or higher <FY2025: 3.3>

* The maximum engagement score is 5.0, with a score of 3.5 or higher indicating a high level of satisfaction.

Elements	Initiative	KPI	Target	Result (FY2025)
Develop and secure core human resources	Strengthen internship programs	Participant satisfaction	80% or higher	100%
	Strengthen tiered training <Content optimization>	—	—	—
	Promote self-development	Number of participants	—	331
Cultivate and instill a corporate culture	Implement DEI promotion activities	—	—	—
	Proactive recruitment regardless of background	Ratio of female employment	30% or higher	27.3%
		Percentage of foreign employment	8% or higher	6.8%
		Percentage of employees with disabilities	2.7% or higher	2.10%
	Proactive promotion regardless of background	Percentage of females at supervisory level or above	Compared with 2020 1.5 times	Compared with 2020 2.3 times
		Percentage of mid-career employees in management positions	20% or higher	19.9%
Provide a sense of fulfillment	Active promotion of internal awards	Outstanding Engineer Award	—	—
		Top of Sales Award	—	—
	Promote work style diversity	Utilization rate of the male childcare leave	80% or higher	80.6%

Develop and secure core human resources

Ⅰ. Strengthen internship programs

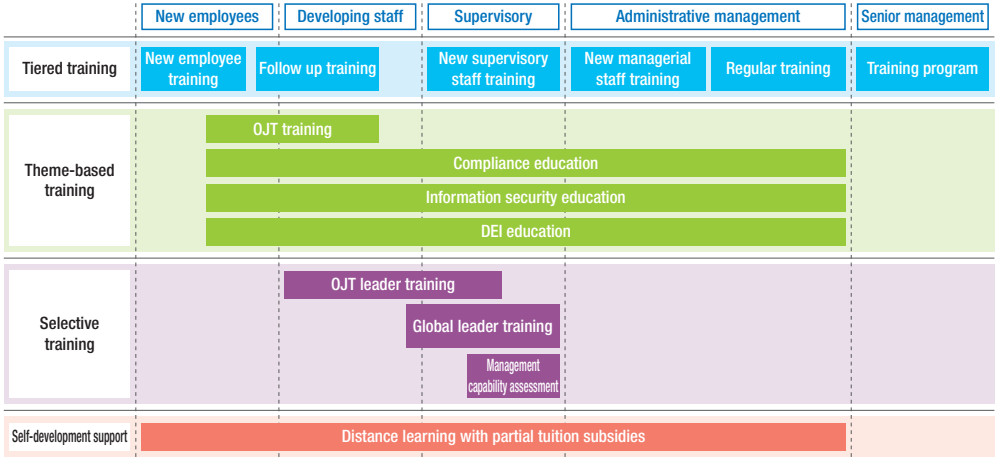
The Company is strengthening its internship programs with the aim of proactively attracting and securing the human resources we seek, as well as confirming the affinity between the corporate image and values of students joining the Company and the aspirations of the Company, and sharing those values. In particular, to attract and secure "development personnel," who are the source of our technological capabilities, the Company offers a diverse range of programs consisting of seven courses in three categories, and is actively working to ensure that these activities provide a highly satisfactory experience for participants.



Ⅱ.Strengthen tiered training (strengthen support for career development)

The results of an employee awareness survey indicate a need for more systematic training and development that is closely aligned with the acquisition of skill assets required for each position and job level. Therefore, the Company is implementing a structured approach to human resources development from two perspectives: knowledge and skills acquisition and experience; and providing employee training accordingly.

Training system for human resources development



Ⅲ. Promote self-development

The Company has established and operates a distance learning support system that provides partial tuition subsidies as part of our self-development mechanisms with the aim of respecting and encouraging each employee's desire for independent and autonomous growth.

Cultivate and instill a corporate culture

Ⅰ. Implement DEI (Diversity, Equity and Inclusion) promotion activities

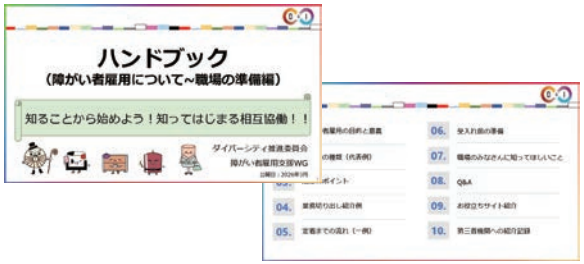
Our fundamental belief is that promoting DEI not only has social value in itself, but is also essential for developing an environment conducive to generating diverse ideas that bring about the integration of knowledge (innovation). Based on this approach, we are working to attract and develop the ideal human resources that the Company needs; in other words, "human resources who can take on new challenges and create innovation," as well as "human resources who can identify market and customer needs from a global perspective and formulate and achieve goals."

In FY2023, the Company established the Diversity Promotion Committee, with members selected from among each of our domestic sites and offices. In FY2025, we implemented initiatives under the theme of "eliminating the difficulties faced by employees with disabilities" with three main pillars: "support for work-life balance," "raising awareness and knowledge," and "support for employment of persons with disabilities."

Major initiatives to promote DEI

Activity themes	Initiative
Support for work-life balance (support for balancing childcare, family care, and medical treatment with work)	Identifying the actual usage of internal systems related to support for work-life balance, exploring improvement methods, and implementing improvement
Raising awareness and knowledge (raising awareness of DEI)	Public relations activities through e-mail magazines and internal newsletters, in-house seminars, and partial incorporation into training programs
Support for employment of persons with disabilities	Activities including visits to special needs education schools and companies with advanced practices, and the compilation of guidebooks focused on gaining a better understanding of disabilities with the support of experts





Ⅱ. Proactive recruitment and promotion regardless of background

1) Promote the active participation of women

To increase the proportion of women in managerial and supervisory positions in the future, we have set numerical targets and have been working towards them by actively recruiting female graduates and holding roundtable discussions to identify and discuss current issues with the aim of raising the awareness and motivation of employees who aspire to become managerial and

supervisory positions. In FY2025, females accounted for 2.3 times the proportion of managerial and supervisory positions compared with FY2020, significantly exceeding the target of 1.5 times or higher for FY2020. We will continue to support career development by sharing role models of females who are currently active in managerial and supervisory positions, thereby further increasing the proportion of women in these positions.

2) Promote the success of mid-career employees

The Company is actively recruiting mid-career personnel who can make an immediate contribution to achieving our business objectives, while also fostering such employees into managerial and supervisory positions through education and training on the Company-specific knowledge and technologies. In FY2025, the proportion of mid-career employees in management positions was 19.9%, and we will continue to take measures to increase this to the target of 20% or more.

Provide a sense of fulfillment

Ⅰ. Active promotion of internal awards system

We have established and operate an internal awards system in a wide range of fields, including businesses, research and development, and sales, with the aim of creating an environment in which employees find a sense of fulfillment in their work and undertake it with a high level of engagement. In FY2025, we selected 14 projects involving approximately 80 personnel from among numerous entries in R&D and business fields to receive internal recognition. These awards have made a significant contribution to the advancement of our technologies and the enhancement of employees' engagement. Going forward, we will continue to promote the award system and work to enhance employee engagement.

Ⅱ. Promote work style diversity

As part of our efforts to create a workplace environment in which every employee can work with peace of mind, the Company encourages male employees to take childcare leave. As one of these initiatives, we post "Information on Support for Balancing Work and Child-raising" on the company intranet to help alleviate concerns over life events such as childbirth and childcare.

By sharing hands-on experiences, such as "surveys and experiences of male employees who have taken childcare leave" and "interviews with superiors of employees who have taken childcare leave," we are creating opportunities to understand the importance of fathers' involvement in childcare and alleviate concerns about taking childcare leave. As a result of these initiatives, the percentage of male employees who took childcare leave in FY2025 was 80.6%.

Realization of Work Style Diversity

The Nippon Chemi-Con Group is working on making an inclusive workplace to make active participation possible for personnel with diverse backgrounds and values.

Diverse work styles

- Adoption of work-from-home (includes use of flextime)
- Adoption of flextime (provisional elimination of core time)
- Adoption of hourly paid leave
- Expansion of half-day paid leave
- Change in units for acquirable accumulated paid leave (half-day allowed)
- Childcare leave
- Family care leave
- Shorter working hours
- Staggered working hours
- Returnment support for employees on administrative leave
- Work-treatment balance support
- Welcome-back (rehiring) program

Realization of work-life balance

- Implementation of no-overtime day
- Reduction of overtime work
- Promotion of paid leave acquisition
- Promotion of childcare leave acquisition for men
- Rest between shifts (extended rest times)

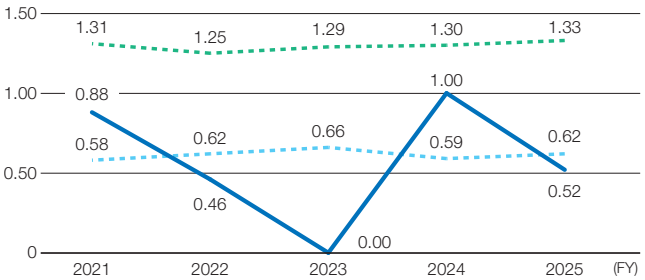
Industrial Safety and Health

The Nippon Chemi-Con Group has Industrial Safety and Health Committees at each site and promotes initiatives on industrial safety and health. In the event of a labor accident, the cause and correction actions are shared with domestic and overseas bases through the supervisory division of manufacturing businesses to prevent reoccurrences.

Status of labor accidents

The lost time incident rate (LTIR) in Japan varies depending on the fiscal year, but the rate in FY2025 was 0.52.

Lost time incident rate (LTIR)



Nippon Chemi-Con and affiliates in Japan
Manufacturers of electronic components/devices/electronic circuits
Manufacturers

*Source: Lost time incident rate/Survey on Industrial Accidents (Ministry of Health, Labour and Welfare)

S Social

Healthy Company

Activity Details

Ensuring the health of our employees and their families enables employees to work safely and leads to growth for the company. Embracing the approach that employee health is a benchmark of corporate management status, we aim to provide a comfortable work environment that encourages all employees to actively engage in health management, health risk countermeasures, and health maintenance and improvement. To support the mental and physical health of our employees, we will strengthen our collaboration with health insurance unions and proactively adopt ICT in initiatives to promote health management.

Since FY2017, Nippon Chemi-Con and affiliates in Japan have participated in health management surveys conducted by the Ministry of Economy, Trade, and Industry (METI) to promote effective health initiatives by quantifying health information. We will take a managerial approach and strategically implement employee health management.

Activities in FY2024 (Nippon Chemi-Con and affiliates in Japan)

I. Health management initiatives

1) Maintain a 100% health examination consultation rate and measures to increase rate of re-examinations

Although we have a 100% health examination consultation rate, there is room to improve the rate of re-examinations. To ensure compliance with the Industrial Safety and Health Act and increase health awareness among employees, we will continue working to increase the rate of re-examinations.

2) Providing designated health guidance based on health examination results

Using the results of designated examinations focused on metabolic syndrome, we will use dedicated staff to proactively provide designated health guidance to persons with high risks of lifestyle diseases and may greatly enhance their chances of disease prevention through lifestyle improvements.

Additionally, we visit all offices and plants and arrange to have industry doctors conduct interviews with employees who work long hours.

3) Continuation of stress check system and initiatives to increase response rate

We conduct the stress check system at all workplaces to expand opportunities for discovery with a focus on prevention. In doing so, we are working to prevent the rate of workers who suffer from mental illnesses or require a leave of absence. We strengthen outreach efforts and urge employees who have not responded to stress check queries to improve the response rate, encourage high-stress individuals to attend face-to-face doctor consultations, and strive to create an environment where these issues can be discussed comfortably.

At the same time, we provide line care training for management personnel to provide opportunities for learning how to respond to consultations from subordinates.

II. Health risk initiatives

1) Total ban on smoking during work hours

Society is paying greater attention to measures against smoking because tobacco impacts not only the smoker but also the health of non-smokers due to second-hand smoke. Tobacco increases the risk of lung cancer and ischemic heart disease and can greatly impact future health. We promote various anti-tobacco measures from the desire to promote health maintenance.

In FY2020, the Nippon Chemi-Con Group initiated smoking bans during work hours as part of efforts to further prevent passive smoking.

2) Lifestyle disease prevention

Health physicians and specialists use health examination results to provide health guidance to persons applicable to metabolic syndrome and pre-metabolic syndrome to support lifestyle improvements. To promote the prevention of common illnesses and lifestyle diseases related to eating habits and sleep, we regularly hold behavior improvement seminars at our offices and plants. In fiscal 2024, we made it possible to view on-site seminars online and were able to provide access flexibly to suit the way employees work. We will use online measures as well in FY2025 depending on conditions.

III. Health maintenance and improvement initiatives

Implementing various measures to promote improvement of exercise habits

While many people understand the importance and joy of exercise, the reality is that, even with that understanding, few people habitually engage in exercise. To improve this situation, we aim to increase our “habitual exerciser ratio (ratio of people who have decent exercise habits)” which is an indicator of the Survey on Health and Productivity Management.We will continue to hold walking events sponsored by the Health Insurance Union, which are easy for individuals to participate in.

We will encourage participation in these events to further increase the participation rate, and promote the maintenance of employee health.

IV. Achieving work-life balance

We work to create a comfortable work environment that enables balance between work and childcare or family care in order to provide all employees with the opportunity to reach their full potential.

Nippon Chemi-Con has established an action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children. Through this plan, we aim for paid leave utilization rates and childcare leave utilization rates of 70% and higher, and to reduce average overtime to 29 hours or less per month, per employee.

The Company will continue to achieve its targets and strive to enhance systems that promote flexible and diverse working styles.

S Social

Contributions to Local Communities

The Nippon Chemi-Con Group values communication with local communities and actively promotes local contribution activities in a spirit of coexistence and coprosperity.

"Shinai-motsugo" Conservation Activities for the Future

The "Shinai-motsugo" freshwater fish is registered as an endangered species by the Ministry of Environment, and was found at Shinainuma in Miyagi Prefecture. Chemi-Con East Japan Corp. Miyagi Plant has been working with local NPOs to protect and hatch Shinai-motsugo on its premises since FY2016. In June 2019, together with local elementary school students, we released Shinai-motsugo into their home Katsurasawa pond. This event has taken place every year since 2020, and on June 24, 2025, we released healthy Shinai-motsugo into the wild, we once again released healthy Shinai-motsugo into the wild. We also exchanged information and provided advice to other companies that similarly are engaged in the conservation of Shinai-motsugo. We will take one step at a time to pass on nature in its abundance and a gentle spirit to future generations.



▲ (Photo from June 2025)

Contributing to Local Communities through Environmental Conservation Activities

As a part of its regional contribution activities, the Nippon Chemi-Con Group continuously conducts volunteer activities by employees to protect the environment. Every year, many employees and their families participate in cleanup activities along the roads around our offices and at nearby shorelines and rivers to preserve the nature that brings us many "blessings" and pass it on to future generations.

These activities not only beautify local areas, but also serve as opportunities to raise awareness of the natural environment, making them an important part of fulfilling our corporate social responsibility (CSR). We will continue our environmental conservation activities together with local residents and work to realize a sustainable society.



▲ Shoreline cleaning activities by Nippon Chemi-Con Corp. Niigata Plant



▲ Cleanup activities by Chemi-Con East Japan Corp. Ome Division

Minami-Medaka Conservation Activities for the Future

The Chemi-Con East Japan Iwate Plant has been engaged in activities to protect the Minami-Medaka (Japanese rice fish/Oryzias latipes), which has been designated as a Vulnerable species on the Ministry of Environment Red List since 2015. This activity began with protecting medaka living in a pond on the plant premises, with the aim of preserving medaka that live in the local Kitakami River system for our future children. The grown medaka are then donated to local elementary schools and other organizations, expanding the circle of conservation in the community.

In 2016, we commenced a partnership with the TDK Akita Kitakami Plant (as it then was) which was located in the same region, by donating approximately 30 medaka. In October 2019, we helped the grown medaka return home by releasing them into the Iwate Plant's pond. In FY2024, we continued to make donations to local elementary and junior high schools.

We will continue to convey the importance of the natural environment to the next generation through activities for protecting and nurturing small lives, together with residents of the Kitakami region.





▲ Protection activities at the pond on plant premises



▲ Donation to Kitakami Junior High School



▲ Donation to Kurosawajiri Elementary School

G Governance

Corporate Governance

Enhancement of Corporate Governance

2014
- Introduction of an Executive Officer System

2015
- Formulation of Basic Policy for Corporate Governance
- Establishment of Nomination Advisory Committee
- Establishment of Compensation Advisory Committee

2016
- Ratio of outside Members of the Board: 1/3
- Start of Effectiveness Evaluations for the Board of Directors

Basic Concept

Nippon Chemi-Con's basic concept of corporate governance is to ensure the transparency and efficiency of management for shareholders and all other stakeholders. In addition to legal functions such as General Meeting of Shareholders, the Board of Directors, the Audit & Supervisory Board, and Accounting Auditor, the company established the internal control systems, and continuously provided information on business conditions through briefing session on financial results and timely disclosure to implement sound, efficient and transparent corporate management.

Our Corporate Governance System

Nippon Chemi-Con is a company with an Audit & Supervisory Board. We have adopted an executive officer system to clearly separate inspection/supervision of management and execution of operations. Additionally, we have established a Nomination Advisory Committee and a Compensation Advisory Committee to strengthen our governance of executive appointments and compensation. Both the Nomination Advisory Committee and Compensation Advisory Committee are chaired by independent outside Members of the Board, and each advisory committee is made up of a majority of independent outside Members of the Board.

(As of March 31, 2026)

Board of Directors

Nippon Chemi-Con's Board of Directors comprises six members. A Board of Directors of such a small number allows it to make swift decisions, and the inclusion of three outside Members of the Board with no vested interests in the Company reinforces its function of inspecting and supervising management. The Nippon Chemi-Con Articles of Incorporation outline that the company shall appoint no more than 10 people as Members of the Board.

Composition of the Board of Directors

Number of outside officers

Inside Members of the Board 3	Outside Members of the Board 3

Gender Male:4 Female:2 Average age 63

Status of outside Member of the Board activities

Name	Summary of statements and duties	Rate of attendance at the Board of Directors
Suzuko Miyata	Makes beneficial statements at meetings regarding the promotion of diversity from an independent and objective standpoint based on advanced knowledge of legal affairs and risk management. In addition, Ms. Miyata has been executing her duties as a member of the Nomination Advisory Committee and Chairperson of the Compensation Advisory Committee.	24/24
Hiroshi Yoshida	Makes beneficial statements at meetings regarding the development of aluminum electrolytic capacitors from an independent and objective standpoint based on advanced knowledge on sales and marketing. In addition, Mr. Yoshida has been executing his duties as Chairperson of the Nomination Advisory Committee and as a member of the Compensation Advisory Committee.	24/24
Tomomi Nakano	Makes beneficial statements at various meetings from an independent and objective standpoint based on advanced knowledge of finance and accounting. In addition, Ms. Nakano has been executing her duties as a member of the Nomination Advisory Committee and a member of the Compensation Advisory Committee.	19/19

Executive Officer System

Nippon Chemi-Con has introduced an executive officer system to make separation between the function of the Board of Directors' decision making in management and of Members of the Board's inspecting and supervising operations and the function of executive officers' executing operations. Executive officers swiftly execute operations based on decisions in management by executing matters determined by the Board of Directors.

Audit & Supervisory Board

The Audit & Supervisory Board inspects the state of the corporate governance, the steering situations, and daily activities in management including those performed by Members of the Board. The Board works closely with the internal audit department and the corporate auditor to exchange reports, opinions, and information.

Composition of Audit & Supervisory Board

Number of outside officers

Inside Audit & Supervisory Board Members 2	Outside Audit & Supervisory Board Members 2

Average age 65

Priority audit points for FY2025

i Audits the legality and appropriateness of decision-making processes and decisions made at Board of Directors meetings and other important meetings.
ii Audit of legal compliance of business operations and status of compliance with Business Conduct Guidelines as a business group
iii Audits the organization and operation of the internal control systems for the Nippon Chemi-Con Group as well as the effectiveness of subsidiary governance by each head office organization in charge.
iv Audit of the formulation of the 11th Medium-term Management Plan and the implementation status of the management policies for FY2025
v Audit of progress and status of the establishment of a new risk management system

Status of outside Audit & Supervisory Board member activities

Name	Summary of statements	Rate of attendance at the Board of Directors/Audit & Supervisory Board
Masaaki Doi	Makes objective statements based on many years of experience and knowledge as a Certified Public Accountant.	23/23 17/17
Kaoru Ogawa	Makes objective statements based on many years of experience and knowledge as a Certified Public Accountant.	18/18 11/11

Nomination Advisory Committee

The Nomination Advisory Committee consult with other members about the content of a draft to be proposal to a General Meeting of Shareholders concerning selection and dismissal of Members of the Board and members of the Audit & Supervisory Board and the content of a draft to be proposed to the Board of Directors concerning selection and dismissal of executive officers. Such consultations are conducted prior to determination of such proposals in light of the “Standards for Selection of Members of the Board and Executive Officers” and the “Standards for Selection of Members of the Audit & Supervisory Board” set by the company, the conclusions of which are recommended to the Board of Directors.

Compensation Advisory Committee

The Compensation Advisory Committee consult with other members about matters concerning compensation of Members of the Board and executive officers and expenses opinions and advice to the Board of Directors. Such consultations are conducted after the committee considers the business scale and levels of compensation of employees of the company, and decent third party’s study conducted periodically on compensation of corporate management, etc. in addition to levels of compensation of other competitors, socio-economic conditions, etc.

Executive Committee Meeting

Nippon Chemi-Con has established the Executive Committee Meeting for making swift decisions. The committee, which is the consultation organ on operational execution policies, holds meetings two to four times a month, in principle, in order to examine important subjects in management.

Officer Compensation

1. Policies

Compensation for Nippon Chemi-Con Members of the Board is designed and managed as a system that is both linked to performance and investor long-term income and to the promotion of personnel growth and development. Our basic policy is to achieve an appropriate and fair balance that further increases Member of the Board motivation toward maximizing corporate value.

2. Procedures

For the purpose of enhancing the independence and objectivity of functions related to determining Members of the Board’s compensation, we establish a Compensation Advisory Committee to deliberate on matters related to Members of the Board’s compensation, after which a decision is made by the Board of Directors. The Nippon Chemi-Con Board of Directors has determined that the Representative Member of the Board is the most appropriate person for comprehensively assessing the level of contributions to overall Company performance made by the departments overseen by each Member of the Board. As such, the Board entrusts decisions on individual compensation for each Member of the Board to the Representative Member of the Board. Furthermore, compensation for executive Members of the Board is comprised of monthly compensation and performance linked compensation, which is determined based on company performance for the given fiscal year and individual performance. As performance-linked compensation is not appropriate for non-executive Members of the Board and outside Members of the Board, their compensation consists solely of monthly compensation. Compensation for Audit & Supervisory Board Members is monthly compensation only, which is determined as individual fixed compensation based on deliberations by Audit & Supervisory Board Members. Policies concerning decisions on compensation for individual Members of the Board are determined following consultation with and a review by the Compensation Advisory Committee.

Officer category	Total compensation (million yen)	Total compensation by type (million yen)				Number of applicable officers
		Fixed compensation	Performance-linked compensation	Retirement bonuses	Non-monetary compensation (within types on the left)	
Member of the Board (excluding outside Members of the Board)	127	127	—	—	—	4
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	42	42	—	—	—	3
Outside officers	46	46	—	—	—	6
Total	216	216	—	—	—	13

(For the fiscal year ended March 31, 2026)

Effectiveness Evaluations for the Board of Directors

Nippon Chemi-Con conducts effectiveness surveys on all Members of the Board and Audit & Supervisory Board Members comprising the Board of Directors. These surveys are used to conduct an effectiveness analysis and evaluation of the Board of Directors.

Main evaluation points

- **Structure and governance of the Board of Directors**
  (Responsibilities of independent outside Members of the Board, officer training, etc.)
- **Corporate strategy and business strategy**
  (Monitoring and supervision of the progress of action plans, providing information necessary for strategic deliberations, etc.)
- **Business ethics and risk management**
  (Establishment of risk assessment process, supervision of establishment and operation of internal control systems, etc.)
- **Performance monitoring and evaluation of executives**
  (Correlation between performance indicators and management indicators, appropriate formulation and implementation of succession plans, etc.)
- **Communication with shareholders**
  (Feedback from shareholders, etc.)

For this survey, we used an external organization to evaluate survey questions, and to collect and tabulate the survey responses.

Based on these results of the surveys, our evaluation concluded that the company was largely maintaining the effectiveness of the Board of Directors in FY2024.

Highly evaluated points

- Independent outside Members of the Board offer constructive opinions to management and are able to raise objections as necessary.
- The Board of Directors has confirmed that effective means and channels of communication (whistle-blowing system) exist and are functioning effectively to enable employees, including those of Group companies, to report violations of laws and regulations and other misconduct.
- The Board of Directors appropriately monitors and oversees management to ensure that an effective corporate philosophy and corporate code of conduct and other such policies are established and complied with, and that all employees fully understand and widely implement them.

Points requiring improvement

- The Board of Directors will discuss the approach to succession planning and share an awareness of the issues. Formulate plans from a medium- to long-term perspective and ensure their appropriate implementation.

Enhance opportunities for deliberation on the human resource strategy. Report results of the survey on human resources development and retention to the Board of Directors.

Provide Members of the Board and Audit & Supervisory Board Members with opportunities for more effective and continuous training for acquiring the knowledge necessary to appropriately fulfill their respective roles and responsibilities (including improving and supplementing their knowledge). Strengthen training for newly appointed Members of the Board and enhance opportunities to provide Outside Officers with explanations for their deeper understanding of the Company's business.

Going forward, based on the findings of this evaluation, the Company will continue to implement initiatives to ensure the effectiveness of the Board of Directors, and strive to strengthen corporate governance and continuously improve corporate value.

Issues Recognized from FY2024 Effectiveness Evaluations and FY2025 Initiatives

<Advance distribution of materials for the Board of Directors and enhancement of explanations>

- We reviewed the priority of matters to be covered at advance briefing sessions. For matters requiring discussion prior to resolution, we have improved the process by providing opportunities for explanation at an earlier stage, not only for matters scheduled for discussion at the Board of Directors meeting on the day, but also for matters to be discussed at subsequent Board of Directors meetings in order to foster a deeper understanding.

<Officer training>

- We conduct training sessions for officers led by external instructors. (Twice a year)
- We hold study meetings on sustainability, led by officers themselves. (Five times a year)
- We conduct tours of production sites, mainly for newly appointed Outside Officers, to deepen their understanding of the Company's business. (Twice a year)

<Human resource strategy>

- Based on interviews with officers, we identified the abilities, skills, and profile of human resources required for each position.
- We also conducted an employee awareness survey to analyze gaps with the ideal human resources that we seek, formulated improvement plans, and incorporated them in our 11th Medium-term Management Plan.

G Governance

Compliance

Compliance Promotion System

1. System

The Nippon Chemi-Con Group appoints a managing compliance officer as the chief officer in charge. This chief compliance officer oversees a compliance committee which works to draft compliance policies and action plans related to compliance, and conduct monitoring of implementation progresses for these initiatives. Each department in Nippon Chemi-Con and company of the Group has assigned a compliance officer and compliance staff who work to promote and reinforce policy related to compliance.

2. Measures

To further ensure overall compliance, we conduct CSR internal audits of each factory to confirm that management systems related to labor, health and safety, and ethics at all factories are constantly operating effectively. As compliance education, we hold seminars on sustainability, competition laws and insider trading regulations in new employee training and continuous training conducted at each employee level. One initiative related to ensuring compliance with competition laws is to invite external lecturers (attorneys) to hold competition law seminars. At the same time, we drafted the Basic Policies Concerning Compliance with Competition Laws and other internal regulations and manuals which are applied to internal audits conducted by the legal affairs department every year.

In addition, the legal department creates and updates a structured set of video training materials so that all employees can access compliance training at any time.

Whistleblowing System

The Nippon Chemi-Con Group has established “Rules on Handling of Whistleblowing,” through which we established a consultation desk and whistleblowing help desk for employees (Nippon Chemi-Con in-house standing statutory member of the Audit & Supervisory Board and Administration Department manager) as part of a system for ensuring the early discovery and prevention of legal infractions and to protect whistleblowers.

With regard to the internal whistleblowing help desk, a new external help desk was established in November 2024. The privacy of those seeking help and of whistleblowers is strictly protected, and anonymous consultations are easily available via e-mail, telephone, web-based form, or letter.

During compliance training, we explain the importance and effectiveness of whistleblowing to promote awareness about the whistleblowing system. To address questions that arise during daily operations, the department in charge of legal affairs serves as a help desk to provide legal consultation and help prevent compliance risks before they arise.

WEB Whistleblowing system
https://www.chemi-con.co.jp/en/company/sustainability/governance/compliance/whistleblowing.html

G Governance

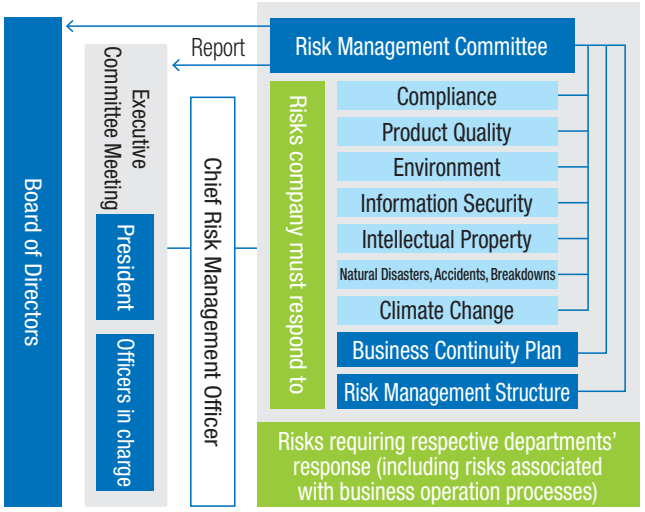
Risk Management

The Nippon Chemi-Con Group has established Basic Policy for Risk Management to prevent risks, including human error and natural disaster, which could have a major impact on business and minimize the subsequent risks to stakeholders. We use Basic Regulations for Risk Management and other relevant regulations to maintain and enhance our risk management system.

Risk Management Promotion System

At the Nippon Chemi-Con Group, the chief risk management officer oversees a risk management committee, which promotes policy related to risk management. This committee works to draft risk management policy that is applied to the entire Group, draft action plans related to risk management, and conduct monitoring of implementation progress for these initiatives. The committee is comprised of the chief risk management officer, managers of departments in charge of risk management, and Audit & Supervisory Board Members. The Risk Management Committee reports on materialized risks, and identifies, analyzes, and assesses potential risks. After identifying the key risks that need to be prioritized and addressed across the Group, the Committee formulates measures and reports on the status of risk management to the Board of Directors and the Executive Committee twice a year.

Risk Management System



Risk Factors

Risk items	Risk details	Risk mitigation measures
(1) Risks concerning economic conditions	● Fluctuations in economic conditions in the countries and regions in which our products are sold ● The possibility that heightened inflationary pressures, driven by U.S. tariff policies and changes in monetary policies in various countries, could lead to sluggish corporate capital investment and consumer spending, as well as a decline in demand for the Company's products	● Increase production capacity for large-sized aluminum electrolytic capacitors mainly for use as power sources for AI servers. ● Continue development and investments to increase production for high-capacitance and high-output hybrid capacitors. ● Promote development of next-generation high-capacitance top electrode foil to strengthen competitiveness. ● In terms of cost restructuring, promote cost reduction initiatives by improving the cost structure through the transfer of production overseas, promoting the utilization of external aluminum electrode foils in general purpose products and local procurement overseas, and expanding mass production.
(2) Risks concerning exchange rate fluctuations	● Fluctuations in exchange rates when converting financial statements of our foreign affiliates into JPY	● Hedge risk through forward exchange contracts, etc.
(3) Risks concerning price competition	● Price competition arising with domestic and overseas competitors	● Reduce costs through efficiency improvements to production systems that leverage our strengths in maintaining an integrated production system from materials development to product sales. ● Develop products with high added value and high profitability, and expand sales in core markets.
(4) Risks concerning raw material price fluctuations and procurement	● Material price increases due to rising logistics, labor, and raw material costs ● Delays in product shipments caused by raw material shortages due to natural disasters, etc. ● Procurement difficulties due to geopolitical tensions arising from armed conflicts between countries ● Increases in production suspension (EOL) by suppliers	● Promote local procurement at overseas manufacturing companies. ● Continuously reduce costs through productivity improvements. ● Purchase raw materials from multiple suppliers. ● Engage in regular credit management of suppliers. ● Reinforce the supply chain aimed at stable procurement.
(5) Risks concerning product defects	● Occurrence of large-scale product defects	● Comply with quality management standards (UL standards, AEC-Q200, etc.). ● Obtain ISO9001 and IATF16949 certifications and strengthen quality. ● Establish a structure that responds quickly to minimize effects in case of a defect.
(6) Risks concerning laws and public regulations	● Cost burden associated with changes in laws and public regulations ● Criminal penalties, governmental charges, and payment of compensation due to regulatory violations	● Comply with legislation and respond rapidly to amendments. ● Risk management through appropriate conduct of litigation.
(7) Risks concerning natural disasters and unpredictable events	● Production halts caused by facility damage or difficulty in supplying electricity or water due to earthquakes, etc. ● Economic downturn due to the spread and prolongation of infectious diseases ● Suspension of operations requested by national governments	● Strengthen cooperation with administrative authorities and information gathering. ● Implement various infection prevention measures, including telecommuting and staggered working hours. ● Continue operations by adopting tools for remote work.
(8) Risks concerning climate change	● Additional costs arising from the introduction of carbon tax, carbon pricing, and an emission trading system. ● Lowering of market competitiveness in the event of an inability to meet customer requirements related to environmental performance and sustainability ● Suspension of business continuity and additional costs arising from intensified and more frequent natural disasters	● Reduce CO_2 based on the roadmap for energy saving and carbon-neutral measures. ● Expand disaster prevention equipment at business bases, which would be significantly impacted by a natural disaster. ● Conduct analyses based on multiple climate scenarios (scenarios where decarbonization progresses and scenarios where climate change impacts progress). ● CPromote CO_2 emissions reduction, introduce renewable energy, enhance product development to meet customer demands, and review the Business Continuity Plan (BCP) led by the Energy Conservation Subcommittee.
(9) Risks concerning human resource acquisition and human resource development	● Potential that acquisition and development of the human resources required to implement our management strategies may not proceed as planned due to factors such as intensifying competition for human resources in the labor market, widening skill gaps resulting from changes in the business environment, human resources drain, and delays in human resource development measures	● Build the necessary human resource portfolio, strengthen recruitment activities, enhance education and training programs, create a comfortable working environment, promote diversity, and improve employee engagement.
(10) Risks concerning information security	● Potential for business interruptions due to the leakage of confidential information, data tampering, system outages, and other disruptions in the event of external cyberattacks or any other unauthorized access ● Potential in particular for disruptions to core systems, order processing, production management, shipping, accounting or other operations if critical data is encrypted by ransomware or other means and payment is demanded in exchange for its recovery, or if the disclosure of stolen information is threatened	● Establish multilayered security measures, including network monitoring and detection of suspicious access. ● Conduct employee education and business site audits.

G Governance

Message from Outside Officers



Toward sustainable growth through growth strategies and a stronger human resources foundation

Outside Member of the Board
Suzuko Miyata

Fiscal 2026 is an important year for the launch of the 11th Medium-term Management Plan. Against the backdrop of growing demand for products in the AI server market, opportunities for growth are expanding across the Company's businesses. The Company has set ambitious targets for net sales and operating profit for the final year of the Plan, but is already seeing signs of improvement as it implements various measures. It is important to further strengthen the Company's production technology capabilities to meet rapidly evolving market needs and to translate the added value generated from these capabilities into effective sales strategies. We will closely monitor the progress of the Medium-term Management Plan to ensure that the Company's technological and sales capabilities function effectively together and that its growth strategies translate into tangible results.

In terms of governance, the Company has begun implementing a new human resource strategy system with a view to the future. The Company is making steady progress on forward-looking initiatives, including creating a system that allows each employee to work on their own career development, and establishing a medium- to long-term human resources development system to nurture the next generation of leaders. It is important not only to put such systems in place, but also to ensure they are implemented in ways that enable employees to experience their own growth and take on challenges with a sense of motivation. In addition, the percentage of women in management positions and the ratio of employees with disabilities have been improving year by year. As an Outside Member of the Board, I will continue to fulfill my responsibilities to ensure that Nippon Chemi-Con can steadily achieve sustainable growth while contributing to society in both material and human aspects.



Toward achievement of the 11th Medium-Term Management Plan

Outside Member of the Board
Hiroshi Yoshida

The 11th Medium-Term Management Plan, which commenced in the current fiscal year, sets challenging targets of 165.0 billion yen in net sales and 14.0 billion yen in operating profit for its final year. The main points of the business strategy for achieving these goals are as follows:

A. Increase sales volume and significantly improve unit profitability in high value-added markets with high entry barriers for competitors; and

B. Recapture mass market share.

Looking at the measures under the two strategies, Strategy B calls for a 10-percentage-point improvement in the break-even point through cost restructuring. Although achieving this target will not be easy, I believe there is a strong likelihood of success because the measures, such as shifting to overseas production and accelerating the transition to smart factories, are specific and well suited to the Company's strengths.

Regarding Strategy A, the primary target market is AI server applications, where demand is expected to expand significantly, and the Company has plans to increase production capacity to meet this demand. Accordingly, I believe there is sufficient potential for growth in sales volume. However, I also believe that improving profitability remains a challenge. The Company's technical development capabilities are among the best in the industry, and their value is highly regarded by customers. I believe there is room to take this a step further by adopting an approach that places greater emphasis on the value provided to customers. To achieve this, it is important to further deepen understanding of customers' manufacturing processes, business challenges, and cost structures. It is necessary for the technical and sales departments to fully understand the value and results that the Company's products bring to customers, and to establish a system that enables the Company to propose solutions to customers that demonstrate aspects such as their economic benefits. Securing appropriate earnings based on customer value in this way will be the foundation that supports research and development investments and capital investments for the future. I expect that these initiatives will lead to the provision of greater value to customers and stronger long-term partnerships.



Starting the new Medium-term Management Plan

Outside Member of the Board
Tomomi Nakano

The Company launched its 11th Medium-Term Management Plan in fiscal 2026, a new milestone, under which it aims to increase sales and profits through structural reforms on the cost front and a focused approach to growth markets. One of the key areas of focus in these growth markets is the AI server market. The emergence of AI represents a historic innovation, and I believe that concentrating its business strategy on this market has the potential to drive significant growth for the Company. At the same time, given concerns about intensifying competition and rapidly changing technology, I will take a clear-headed approach to monitoring whether the Company is responding swiftly to changes in the environment and whether it is taking on excessive risk.

Another major pillar of the plan is for the Company to increase its share of the mass market (general purpose products). Strengthening its production and sales foundations for aluminum electrolytic capacitors, one of the Company's core strengths, is important for building a robust and sustainable business foundation.

Regarding its financial strategy, I will monitor the progress of company-wide initiatives to place greater emphasis on cash flow, while remaining keenly aware of the Company's responsibilities to both common shareholders and class shareholders in light of the newly issued class shares. In addition, as a listed company, I will closely monitor the Company's efforts to address key issues related to the environment, society, and corporate governance, while actively supporting initiatives to enhance employee engagement, which serves as a driving force for the Company's business.



Further improving corporate value

Audit & Supervisory Board Member
Masaaki Doi

The current global social and economic environments are becoming increasingly uncertain, while the business environment surrounding companies continues to undergo significant changes, driven by technological innovations, such as AI, and the need to address sustainability. I believe that in order for the Nippon Chemi-Con Group to navigate this period of profound change and continue to establish a strong position in global markets, it is essential to maintain and strengthen governance and pursue steady transformation based on a sound management foundation.

Against this backdrop, the 11th Medium-Term Management Plan has made a start. It is important that the entire Group work together to implement the Plan in order to overcome the various challenges and achieve its targets.

From my objective perspective as a certified public accountant and an Outside Audit & Supervisory Board Member, I believe that the sustainable growth of a company is built on highly transparent management and the trust of all its stakeholders. In my view, compliance represents the minimum standards that a company must uphold, while a strong commitment to high ethical standards and social responsibility beyond mere compliance is what enhances a company's true value.

It is precisely in such an environment that I hope each member of the Group will take pride and responsibility in their respective roles, and continue to take on challenges with determination. From my independent position, I will also fulfill my responsibilities as an Audit & Supervisory Board Member toward the sound development of the Nippon Chemi-Con Group and the realization of a sustainable society.

I look forward to seeing the Group create new value for the future.



Supporting sustainable growth and trust

Audit & Supervisory Board Member
Kaoru Ogawa

The products supplied by the Group worldwide are essential components required for all types of electronic circuits, and providing products with higher functionality and reliability can be regarded as the Company's greatest contribution to society.

In addition, recent advances in science and technology are bringing significant changes to industry, including the realization of autonomous driving, changes in and the expanding use of AI, the practical application of autonomous humanoid robots, and the expansion of the space business. In this regard, the Company is expected to respond appropriately to the needs of its customers.

Furthermore, in today's society, companies are expected to address a wide range of issues from the perspective of sustainability, including the environment, human rights, compliance, supply chains, and human capital.

Under the 11th Medium-Term Management Plan, the Group has set "Rebuild business foundation centered on strengthening the competitiveness of our aluminum electrolytic capacitor business" as its basic policy, and will work towards achieving its targets by focusing on two key measures: "Generate earnings to promote business growth" and "Improve financial soundness through efficient capital management."

Needless to say, management has a responsibility to bring together the collective capabilities of the Group as whole and lead the way forward. As an officer of Nippon Chemi-Con, I will fulfill my responsibility to help the Company achieve sustainable growth. At the same time, as a member of the Audit & Supervisory Board, I will fulfill my mission of ensuring sound management and maintaining the trust of shareholders and other stakeholders from an independent position separate from Members of the Board.

G | Governance

Executive Members (As of June 26, 2026)



President and Chief Executive Officer
Kenichi Konno

Date of birth : December 25, 1965 Joined Company in 1984

Currently	President and Chief Executive Officer
Formerly	President of Chemi-Con East Japan Corp. Division Manager of Product Business Management, Nippon Chemi-Con Corp.



Member of the Board
Osamu Ishii

Date of birth : July 3, 1959 Joined Company in 1984

Currently	Senior Managing Executive Officer (CFO, Officer in charge of Accounting Dept./Corporate Strategy Dept./Digital Strategy Dept.)
Formerly	Department Manager of Division Planning Dept., Material Division Headquarters, Nippon Chemi-Con Corp. Department Manager of Accounting Dept., Planning Headquarters, Nippon Chemi-Con Corp.



Member of the Board and Senior Executive Officer
Minetoshi Irie

Date of birth : December 16, 1970
Joined Company in 1998

Currently	Senior Executive Officer (Division Manager of Sales Headquarters, President of United Chemi-Con, Inc.)
Formerly	Chairman of Europe Chemi-Con (Deutschland) GmbH President of Chemi-Con Trading (Shenzhen) Co., Ltd.



Outside Member of the Board
Suzuko Miyata

Date of birth : April 2, 1955
Appointed as Member of the Board in June 2021

Formerly	Senior Managing Member of the Board, Legal Affairs Strategy Manager, Chairperson of Risk Management Committee, Special Expert Committee Member of Internal Audit Division, TV TOKYO Holdings Corporation



Outside Member of the Board
Hiroshi Yoshida

Date of birth : July 24, 1955
Appointed as Member of the Board in June 2023

Formerly	Member of the Board and Vice Presidential Executive Officer, President of Performance Polymers SBU, Asahi Kasei Corp.



Outside Member of the Board
Tomomi Nakano

Date of birth : August 17, 1969
Appointed as Member of the Board in June 2025

Currently	Representative of Nakano Tomomi Certified Public Accountant and Tax Accountant Office Outside Member of the Board, Audit Committee member, Nihon Chouzai Co., Ltd. Outside Member of the Board (Audit and Supervisory Committee Member) of Mebuki Financial Group, Inc. Supervisory Member of the Board of Healthcare & Medical Investment Corporation
Formerly	Outside Audit & Supervisory Board Menber of Kiraboshi Bank, Ltd. Outside Member of the Board (Audit Committee member) of Uniden Holdings Corporation



Audit & Supervisory Board Member
Shunichi Horino

Date of birth : September 3, 1963
Joined Company in 1988
Appointed as Audit & Supervisory Board Member in June 2024

Formerly	Department Manager of Internal Audit Department



Audit & Supervisory Board Member
Hirokazu Ichihara

Date of birth : March 14, 1962
Joined Company in 1984
Appointed as Audit & Supervisory Board Member in June 2025

Formerly	Representative Member of the Board of Chemi-Con Nagaoka Corp. Department Manager of Electro-Products Development Dept., Electronic Units Division Headquarters



Outside Audit & Supervisory Board Member
Masaaki Doi

Date of birth : September 15, 1960
Appointed as Audit & Supervisory Board Member in June 2022

Currently	Head of Doi CPA Office Outside Audit & Supervisory Board Member, KOBELCO WIRE COMPANY, LTD
Formerly	Managing Director, General Manager of Osaka Regional Office No.2, Asahi Shinwa & Co. (currently KPMG AZSA LLC)



Outside Audit & Supervisory Board Member
Kaoru Ogawa

Date of birth : April 3, 1958
Appointed as Audit & Supervisory Board Member in June 2024

Currently	Head of Ogawa CPA Office Outside Audit & Supervisory Board Member of Japan Tissue Engineering Co., Ltd.
Formerly	Partner, Deloitte Touche Tohmatsu LLC Director, The Japanese Institute of Certified Public Accountants Partner, GYOSEI & CO. Outside Audit & Supervisory Board Member, AT-Group Co., Ltd.

Skill Matrix - Members of the Board and Audit & Supervisory Board Members

To promote the Company's sustainable growth and medium- and long-term improvements in corporate value, we use our corporate philosophy as the basis for identifying the skills and experience required of the Board of Directors with comprehensive consideration given to the following: (1) product planning reform and structural reform measures, (2) global market environment response measures, and (3) sustainability promotion. Particular areas of expectation for Members of the Board include the following. Furthermore, skills selection for independent outside Members of the Board focuses on management experience at other companies and the ability to make meaningful recommendations concerning governance for Nippon Chemi-Con.

(As of June 26, 2026)

Name	Attributes	Position in the Company	Age	Gender	Term of office	Skills and experience					
						Corporate Management	R&D/Production/Quality	Sales/Marketing	Legal Affairs/Sustainability	Finance/Accounting	International Experience
Kenichi Konno		President (Chief Executive Officer)	60	Male	3	○	○				
Osamu Ishii		Member of the Board (Senior Managing Executive Officer)	66	Male	5	○				○	○
Minetoshi Irie		Member of the Board (Senior Executive Officer)	55	Male	1	○		○			○
Suzuko Miyata	Outside Independent officer	Member of the Board	71	Female	5	○			○		
Hiroshi Yoshida	Outside Independent officer	Member of the Board	70	Male	3	○		○			
Tomomi Nakano	Outside Independent officer	Member of the Board	56	Female	1					○	
Shunichi Horino		Audit & Supervisory Board Member	62	Male	2					○	○
Hirokazu Ichihara		Audit & Supervisory Board Member	64	Male	1	○	○				
Masaaki Doi	Outside Independent officer	Audit & Supervisory Board Member	65	Male	4					○	
Kaoru Ogawa	Outside Independent officer	Audit & Supervisory Board Member	68	Male	2				○	○	

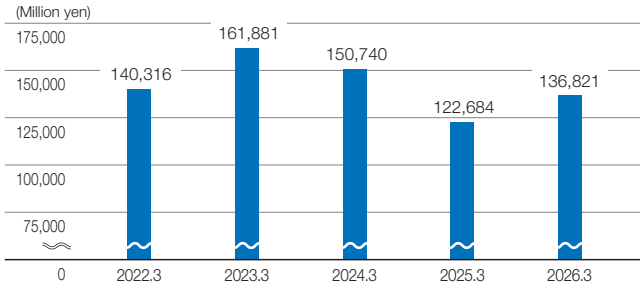
Executive Officers

Chief Executive Officer Kenichi Konno
Executive Officer Akimi Makino
Senior Managing Executive Officer and CFO Osamu Ishii
Executive Officer Yusuke Fukushima
Managing Executive Officer Katsunori Nogami
Executive Officer Masakazu Suda
Senior Executive Officer Minetoshi Irie
Executive Officer Satoru Tsumeda
Executive Officer Hiroyuki Wakabayashi
Executive Officer Taku Muramatsu

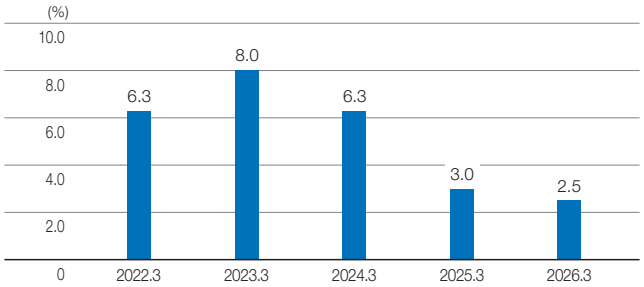
Financial and Non-financial Highlights

The key financial and non-financial information for Nippon Chemi-Con Group is presented in the graph below.

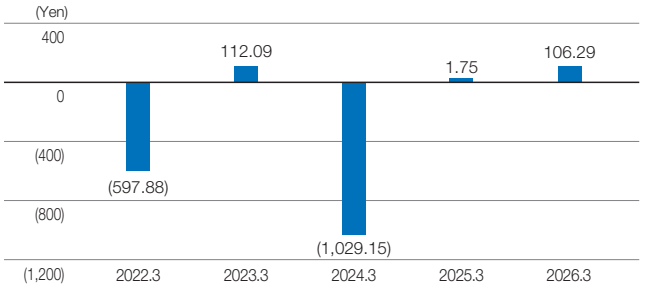
Net sales



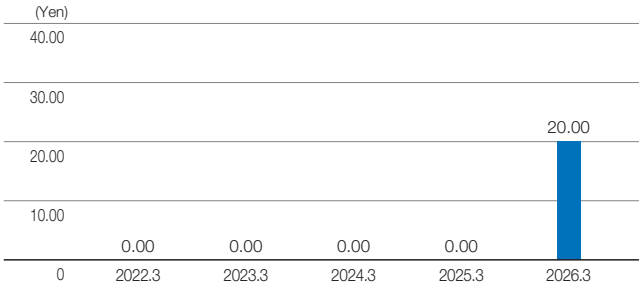
Operating profit margin



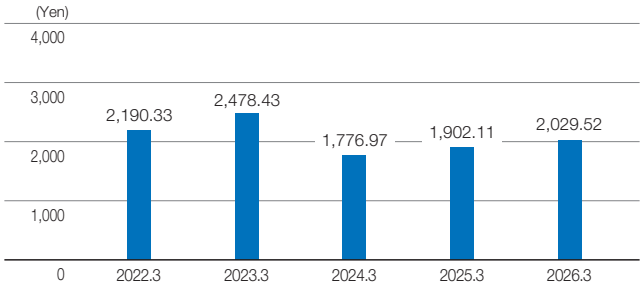
Profit (loss) per share (EPS)



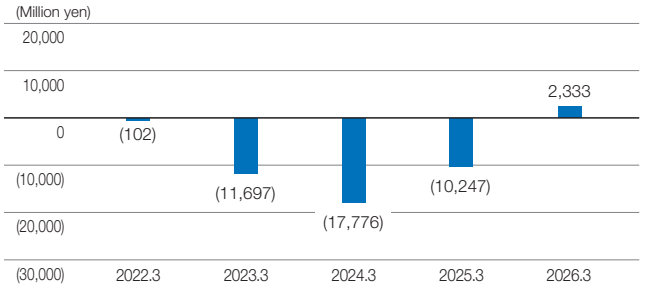
Dividend per share (DPS)



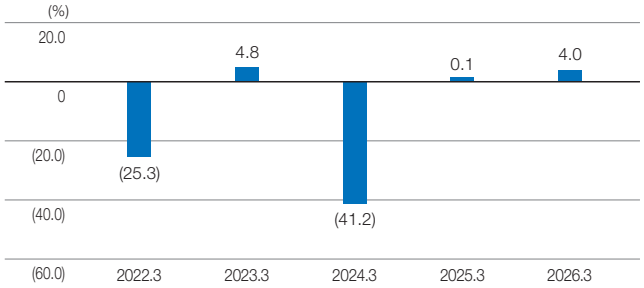
Book value per share (BPS)



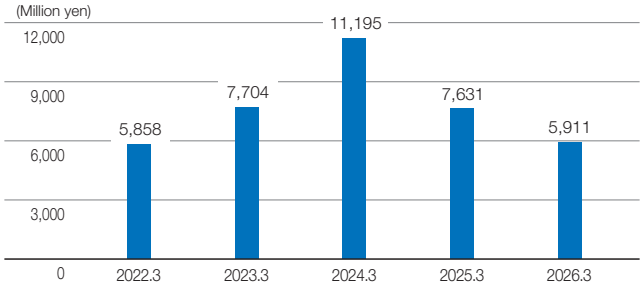
Free cash flow



Return on equity (ROE)

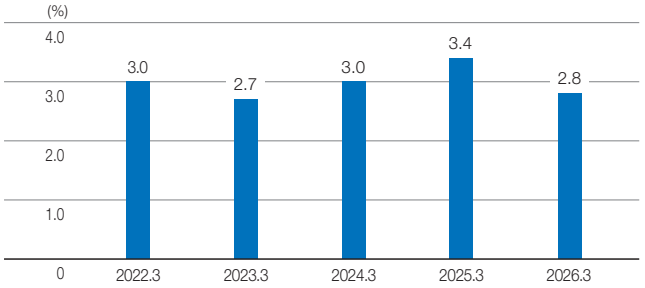


Capital investment



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

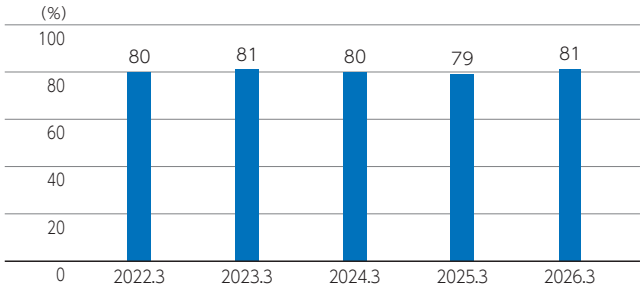
R&D expenses (ratio to net sales)



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.

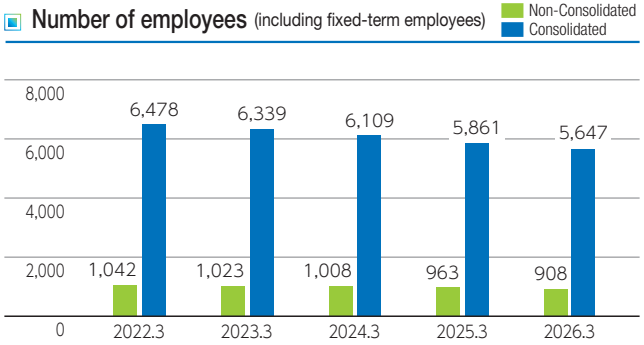
Financial and Non-financial Highlights

Overseas sales ratio

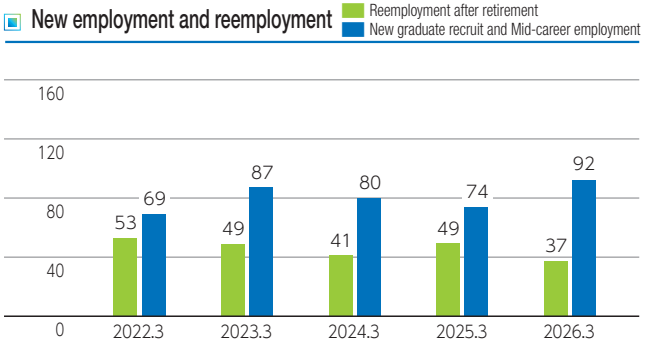


We work to strengthen regional strategies to diversify risks.

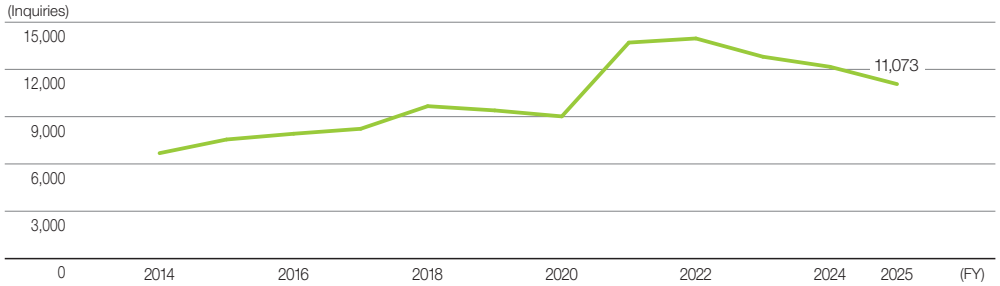
Number of employees (including fixed-term employees)



New employment and reemployment



Product compliance (All product categories)

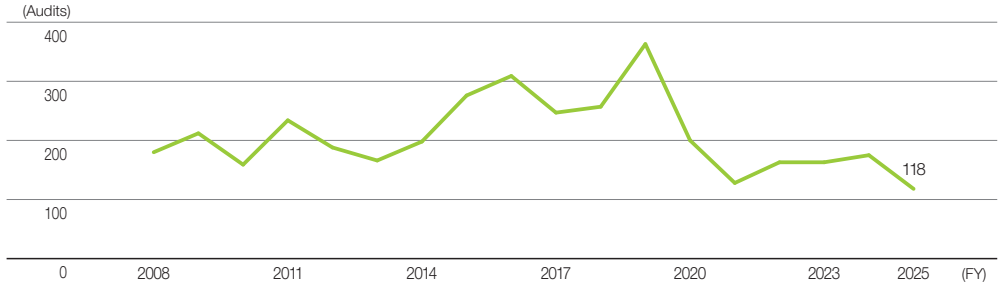


Since the ELV Directive came into force in Europe in 2003, the RoHS Directive became effective in 2006, and REACH in 2007. REACH is intended for all chemical substances. These European standards have become a global trend and countries around the world are strengthening chemical substance management.

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.”

QPE supplier audit results (All offices and plants in or outside Japan)



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.

Results for Years Ended March 31, 2016 through 2025

Million Yen Thousand U.S. dollars

	2017.3	2018.3	2019.3	2020.3	2021.3	2022.3	2023.3	2024.3	2025.3	2026.3	2026.3
For the year											
Net sales	116,311	133,362	140,951	114,599	110,788	140,316	161,881	150,740	122,684	136,821	855,777
Operating profit (loss)	3,338	5,818	5,137	(2,891)	2,971	8,798	12,939	9,422	3,740	3,369	21,076
Operating profit margin (%)	2.9	4.4	3.6	(2.5)	2.7	6.3	8.0	6.3	3.0	2.5	2.5
Ordinary profit (loss)	2,002	4,416	4,833	(4,245)	2,091	8,038	10,994	7,913	1,568	2,094	13,101
Ordinary profit margin (%)	1.7	3.3	3.4	(3.7)	1.9	5.7	6.8	5.3	1.3	1.5	1.5
Profit (loss) attributable to owners of parent	840	(16,056)	917	(5,926)	2,038	(12,124)	2,273	(21,291)	37	2,367	14,808
Profit attributable to owners of parent margin (%)	0.7	(12.0)	0.7	(5.2)	1.8	(8.6)	1.4	(14.1)	0.0	1.7	1.7
Capital investment	4,590	7,525	9,553	5,620	3,477	5,858	7,704	11,195	7,631	5,911	36,976
Depreciation and amortization	6,220	6,105	6,496	7,199	5,747	5,885	5,933	6,339	6,640	6,842	42,794
Research and development (R&D) expenses	4,272	4,208	4,288	4,161	3,710	4,156	4,383	4,489	4,228	3,892	24,344
Proportion of net sales (%)	3.7	3.2	3.0	3.6	3.3	3.0	2.7	3.0	3.4	2.8	2.8
At year end											
Current assets	83,799	83,659	78,254	80,380	81,523	96,434	97,758	104,815	86,620	87,573	547,747
Fixed assets	55,968	59,052	60,030	59,234	57,925	59,706	64,983	68,106	76,082	78,411	490,438
Current liabilities	29,442	61,425	47,389	52,748	54,278	69,223	59,181	75,017	60,631	58,456	365,625
Long-term liabilities	46,754	31,875	42,980	47,084	33,265	42,201	52,881	44,293	45,403	44,393	277,669
Net assets	63,571	49,410	47,914	39,781	51,904	44,715	50,678	53,610	56,667	63,135	394,890
Total assets	139,768	142,711	138,284	139,615	139,448	156,140	162,741	172,921	162,702	165,985	1,038,186
Cash flows											
Cash flows from operating activities	6,443	5,305	(13,856)	3,925	2,067	5,105	(4,862)	(12,959)	(493)	7,622	47,675
Cash flows from investing activities	(4,334)	(7,265)	(8,771)	(5,447)	(3,034)	(5,208)	(6,834)	(4,817)	(9,754)	(5,288)	(33,080)
Free cash flow	2,108	(1,960)	(22,627)	(1,521)	(967)	(102)	(11,697)	(17,776)	(10,247)	2,333	14,595
Cash flows from financing activities	710	(1,759)	17,128	10,478	(3,470)	(218)	12,049	35,421	(11,931)	(6,232)	(38,985)

Results for Years Ended March 31, 2016 through 2025

	2017.3	2018.3	2019.3	2020.3	2021.3	2022.3	2023.3	2024.3	2025.3	2026.3 (Yen)	2026.3 (U.S. dollers)
Per share data											
Profit (loss) per share Basic	51.57	(985.77)	56.36	(363.96)	114.76	(597.88)	112.09	(1,029.15)	1.75	106.29	0.66
Profit (loss) per share Diluted	—	—	—	—	114.63	—	—	—	0.95	68.80	0.43
Cash dividends	30.00	30.00	30.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00	0.13
Net assets	3,877.73	3,012.97	2,921.53	2,422.68	2,544.62	2,190.33	2,478.43	1,776.97	1,902.11	2,029.52	12.69
Financial indicators											
Return on assets (ROA; %)	0.6	(11.4)	0.7	(4.3)	1.5	(8.2)	1.4	(12.7)	0.0	1.4	
Return on equity (ROE; %)	1.3	(28.6)	1.9	(13.6)	4.5	(25.3)	4.8	(41.2)	0.1	4.0	
Shareholders' equity ratio (%)	45.2	34.4	34.4	28.3	37.0	28.4	30.9	30.7	34.5	37.6	
Average exchange rate (Yen)											
US$	108.38	110.85	110.91	108.74	106.06	112.38	135.47	144.62	152.58	150.77	
EUR	118.79	129.70	128.41	120.82	123.70	130.56	140.97	156.80	163.75	174.79	

Notes : 1. Amounts are rounded off to the nearest 1 million yen.
2. US dollar amounts are calculated based on currency rate of $1=¥159.88.
3. Free cash flow = Cash flows from operating activities + Cash flows from investing activities.
4. Diluted earnings per share for the fiscal year from 2016 to 2019, 2021, and 2022 are not presented because there are no dilutive shares. Per share information (EPS, BPS, and DPS) is calculated based on the assumption that said share consolidation was conducted at the beginning of fiscal year ended March 2017.
5. Return on assets (ROA) is calculated by dividing term net profit by average total assets.
6. Return on equity (ROE) is calculated by dividing term net profit by average shareholder equity.
7. Depreciation and amortization expenses exclude depreciation and amortization related to research and development expenses.
8. On October 1, 2017, we conducted a share consolidation for common stock based on a ratio of 10 to 1. Per share information (EPS, BPS, and DPS) is calculated based on the assumption that said share consolidation was conducted at the beginning of fiscal year ended March 2016.
9. As of the beginning of FY2018, we apply the Partial Amendments to Accounting Standards for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018). As a result, we now indicate deferred tax assets under investments and other assets and deferred tax liabilities under non-current liabilities. Figures for FY2017 have been adjusted retroactively to reflect the change in accounting standards.

Corporate Information / Stock Information (As of March 31, 2026)

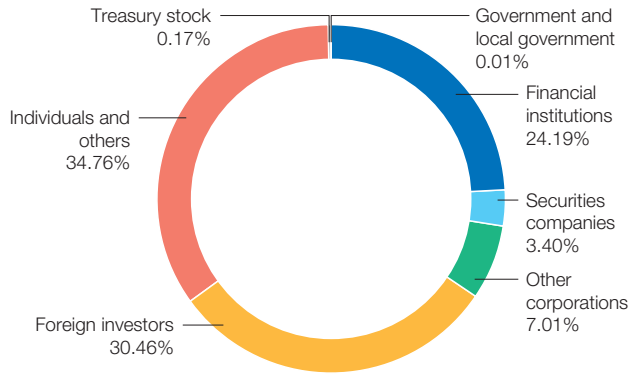
Foundation	August 1931	
Establishment	August 1947	
Capital	5,452 million yen	
Number of Employees	5,647 (Consolidated) (including fixed-term employees)	
Common Stock		
● Issued	Common stock	24,698,450 shares
	Class A stock	10,000 shares
	Class B stock	3,001 shares
● Trading Unit	100 shares	
● Number of Shareholders	Common stock	13,552
	Class A stock	1
	Class B stock	1
Stock Listing	Prime Market of the Tokyo Stock Exchange	
Securities Code	6997	
Fiscal Year-End	March 31	
Ordinary General Shareholders' Meeting	June	
Shareholder Registry Administrator	Mitsubishi UFJ Trust and Banking Corporation	
Head Office	5-6-4, Osaki, Shinagawa-ku, Tokyo 141-8605, Japan TEL: +81-3-5436-7711 FAX: +81-3-5436-7631	

Major Shareholders (Top 10)

Name	Percentage of issued shares (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	12.62
Japan Industrial Solutions III Investment Limited Partnership	7.18
KOREA SECURITIES DEPOSITORY-SAMSUNG	6.65
MSIP CLIENT SECURITIES	4.27
Custody Bank of Japan, Ltd. (Trust Account)	2.94
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	2.62
MUFG Bank, Ltd.	2.13
Nippon Life Insurance Company	2.08
Central Tanshi Co. Ltd.	1.66
TOP PARTS CO.,LTD	1.36

Note: Shareholding ratio is calculated by subtracting treasury stock.

Ownership and Distribution of Shares

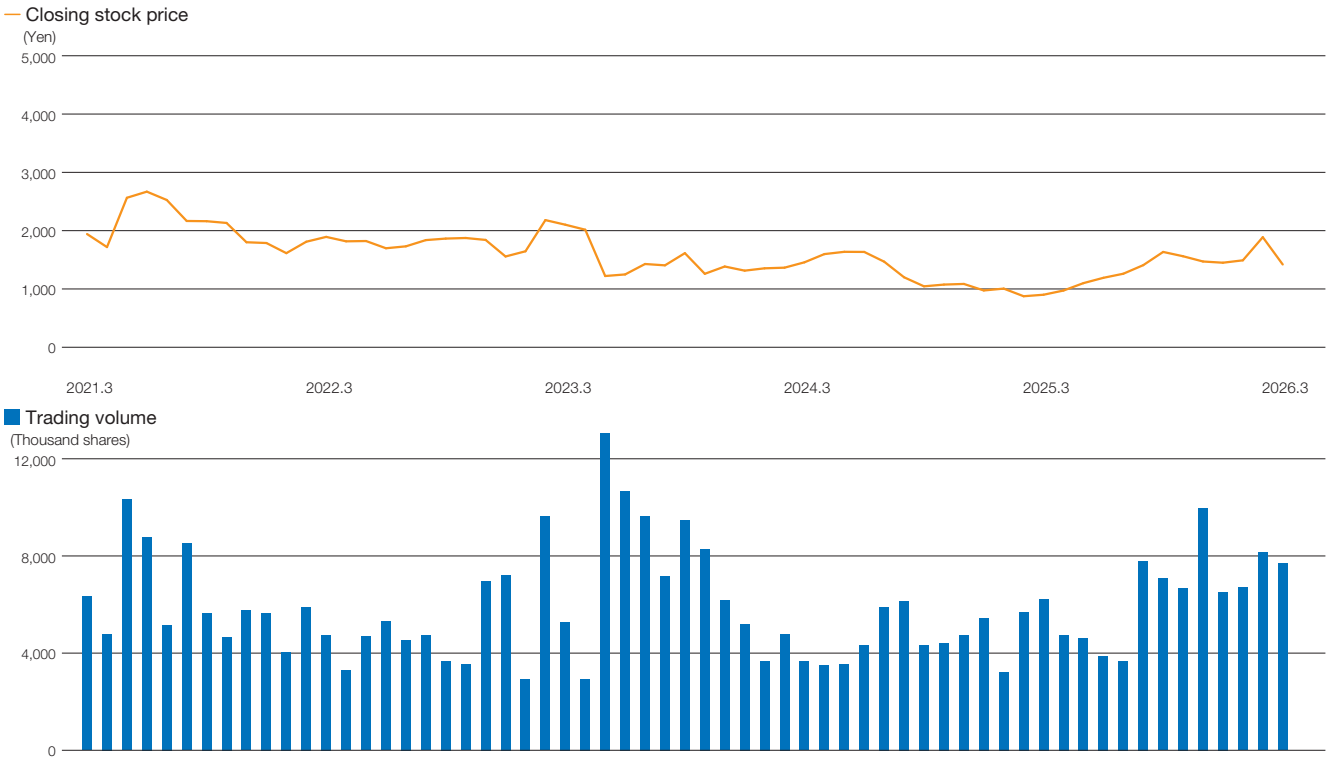


Highest and Lowest Annual Stock Prices

FY	High (¥)	Low (¥)
2021	2,780	1,513
2022	2,354	1,494
2023	2,170	1,196
2024	1,735	818
2025	**1,889**	**714**

Note: Highest and lowest values for stock price are based on the Tokyo Stock Exchange Prime Market as of April 4, 2022. Prior to that date, values are based on the Tokyo Stock Exchange (First Section).

Stock Price and Volume (Tokyo Stock Exchange)



Global Network (As of October 1, 2026)

Nippon Chemi-Con Group Overseas Network

Topic

- **EUNITED CHEMI-CON, INC. (U.S.A.) opened two sales offices in the United States: the Texas Office and the Michigan Office.**
  By establishing these offices in areas where cutting-edge technologies, including those related to the EV industry, are concentrated, the Company has strengthened its ability to address growth markets.



— Overseas Affiliates —

Manufacturing Bases

1. UNITED CHEMI-CON, INC. (North Carolina, U.S.A.)
2. CHEMI-CON MATERIALS CORP. (Washington, U.S.A.)
3. QINGDAO SAMYOUNG ELECTRONICS CO., LTD. (Shandong, China)
4. TAIWAN CHEMI-CON CORP. (Nantou)
5. CHEMI-CON(WUXI)CO.,LTD. (Jiangsu, China)
6. DONG GUANG KDK ALUMINUM FOIL MANUFACTURE LTD. (Guangdong, China)
7. CHEMI-CON(MALAYSIA) SDN. BHD. (Selangor)

Sales Bases

1. UNITED CHEMI-CON, INC. (Illinois, U.S.A.)
2. UNITED CHEMI-CON, INC. (California, U.S.A.)
3. UNITED CHEMI-CON, INC. (Michigan, U.S.A.)
4. UNITED CHEMI-CON, INC. (Texas, U.S.A.)
5. TAIWAN CHEMI-CON CORP. (Taipei)
6. SNA ELECTRONICS Co., Ltd. (Seoul, South Korea)

Sales Bases

7. HONG KONG CHEMI-CON LTD.
8. CHEMI-CON TRADING (SHENZHEN) CO.,LTD. (Shenzhen, China)
9. SINGAPORE CHEMI-CON (PTE.) LTD.
10. CHEMI-CON ELECTRONICS (THAILAND) CO., LTD.
11. CHEMI-CON(MALAYSIA) SDN. BHD. (Penang)
12. CHEMI-CON ELECTRONICS (INDIA) PVT. LTD. (Delhi)
13. CHEMI-CON ELECTRONICS (INDIA) PVT. LTD. (Bengaluru)

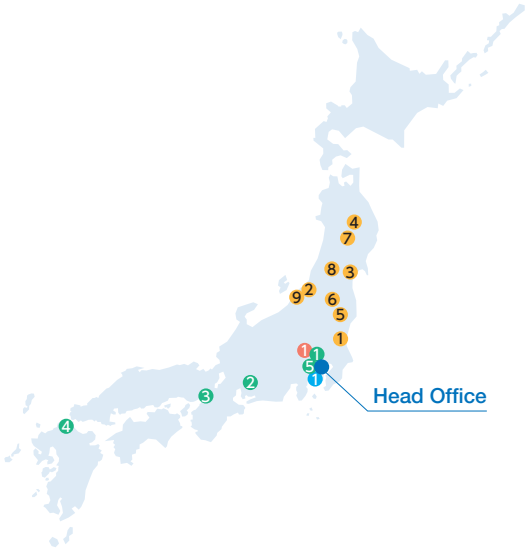
Manufacturing and Sales Bases

1. SAMYOUNG ELECTRONICS CO., LTD. (Gyeonggi-do, Korea)
2. P.T.INDONESIA CHEMI-CON

Regional Headquarter

1. CHEMI-CON AMERICAS HOLDINGS, INC. (Illinois, U.S.A.)

Nippon Chemi-Con Group Domestic Network



— NIPPON CHEMI-CON CORPORATION —

● **Head Office** (Tokyo)

Manufacturing Bases

1. Takahagi Plant (Ibaraki)
2. Niigata Plant

Sales Bases

1. East Japan Branch (Tokyo)
2. Central Japan Branch (Aichi)
3. West Japan Branch (Osaka)
4. Kitakyushu Sales Office (Fukuoka)

R&D Bases

1. Kanagawa Research Center

— Affiliates in Japan —

Manufacturing Bases

3. CHEMI–CON EAST JAPAN CORP. Miyagi Plant
4. CHEMI–CON EAST JAPAN CORP. Iwate Plant
5. CHEMI–CON EAST JAPAN CORP. Fukushima Plant
6. CHEMI-CON EAST JAPAN MATERIALS CORP. Kitakata Plant (Fukushima)
7. CHEMI-CON EAST JAPAN MATERIALS CORP. Iwate Waga Plant
8. CHEMI-CON DEVICE CORP. Yamagata Plant
9. CHEMI-CON DEVICE CORP. Yonezawa Plant (Yamagata)
10. CHEMI-CON DEVICE CORP. Nagaoka Plant (Niigata)

Sales Bases

5. KDK CORP. (Tokyo)

Manufacturing and Sales Bases

1. CHEMI–CON EAST JAPAN CORP. Ome Division (Tokyo)

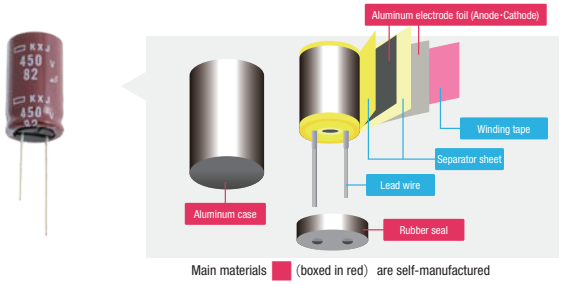
Fundamental Product Knowledge

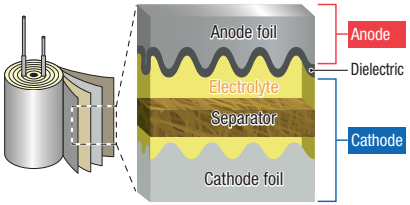
Aluminum electrolytic capacitors

Capacitors are electronic components that adjust and stabilize the flow of electricity by storing (charging) and releasing (discharging) it. Capacitors have important functions that include storing electricity, passing only alternating current and not direct current, and absorbing “noise” that can cause malfunctions to electronic devices. There are several types of capacitors, depending on the material used, including ceramic capacitors and tantalum capacitors, each with their own unique features. The Company’s main product, aluminum electrolytic capacitors, are capacitors that use “a thin layer of oxidized aluminum foil (Al_2O_3)” 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 used in all types of electrical and electronic equipment (automobiles, industrial equipment, white goods appliances, digital devices, social infrastructure, etc.), taking advantage of their properties as an anode, dielectric, and cathode (a true cathode is an electrolyte).

Basic Structure of Aluminum Electrolytic Capacitors





Ultra-low ESR products that use solid conductive polymers instead of electrolyte liquid are also widely used, mainly in digital devices. Hybrid capacitors that combine electrolyte liquid and conductive polymers have also made an appearance in recent years and are extensively used in automobiles, telecommunications equipment, server applications, etc. They continue to evolve to provide the optimal characteristics suited to the usage conditions.

Features 1. Small size 2. High capacitance 3. Cost-effective per capacitance 4. High reliability 5. Broad applications

Compared with other types of capacitors with the same capacitance, aluminum electrolytic capacitors are smaller, have higher capacitance, and offer excellent cost-effectiveness. As mentioned above, they are essential electronic components for power supply circuits, and are widely used for a broad range of purposes.

Examples of aluminum electrolytic capacitor applications



Home video game consoles

10-30 units



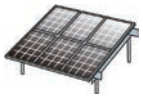
Inverter air conditioners

20-30 units



Automobiles

50-250 units



Photovoltaic power conditioners

30-50 units



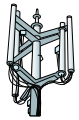
Industrial robots

10-60 units



Data center servers

50 units or more



Communication base stations

10-70 units

Inquiries regarding the CHEMI-CON REPORT 2026



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WEB https://www.chemi-con.co.jp/en/company/

Precautions concerning forecasts

This report includes future forecasts related to company plans, strategies, performance, and other matters. These forecasts are based on judgments made using presently available information. Please note that actual performance may differ from these forecasts as a result of various factors.

NIPPON CHEMI-CON CORPORATION

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