

**Financial Results Explanatory Material
for 3Q FY2021
(Nine months ended December 31, 2021)**

**February 2022
Nippon Chemi-Con Corporation**

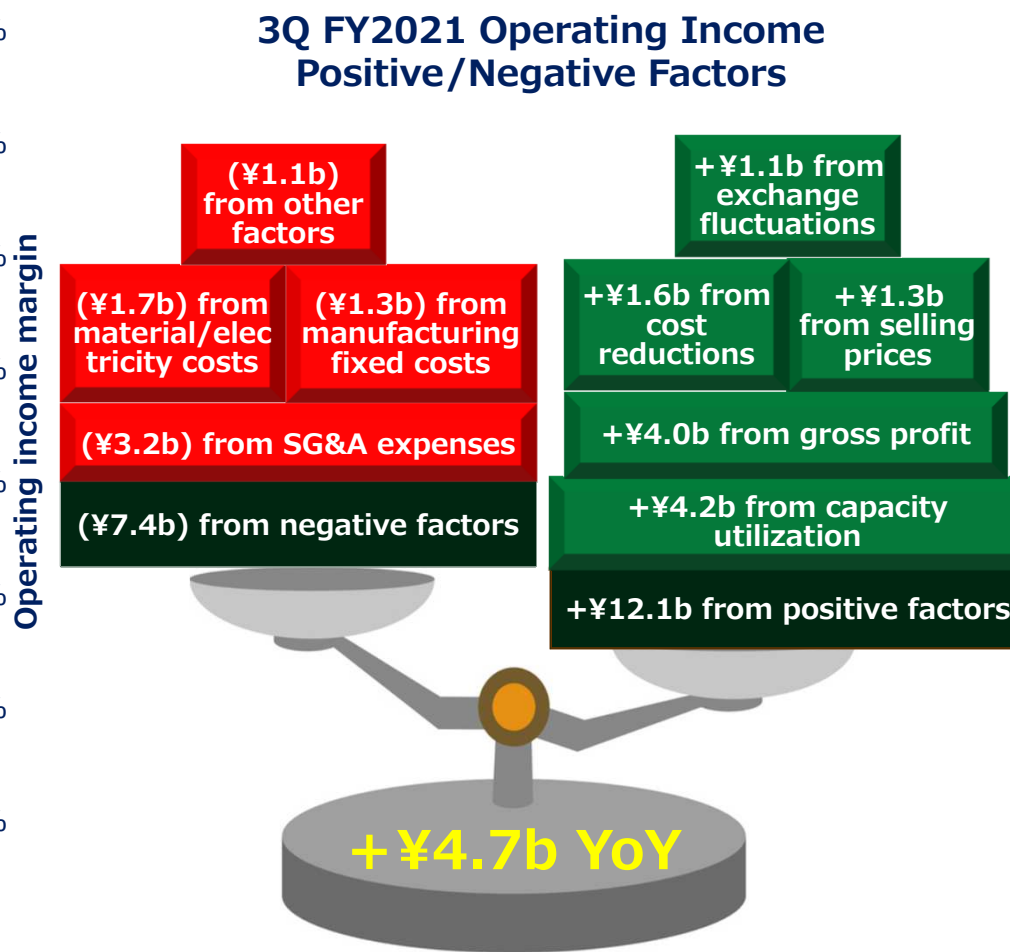
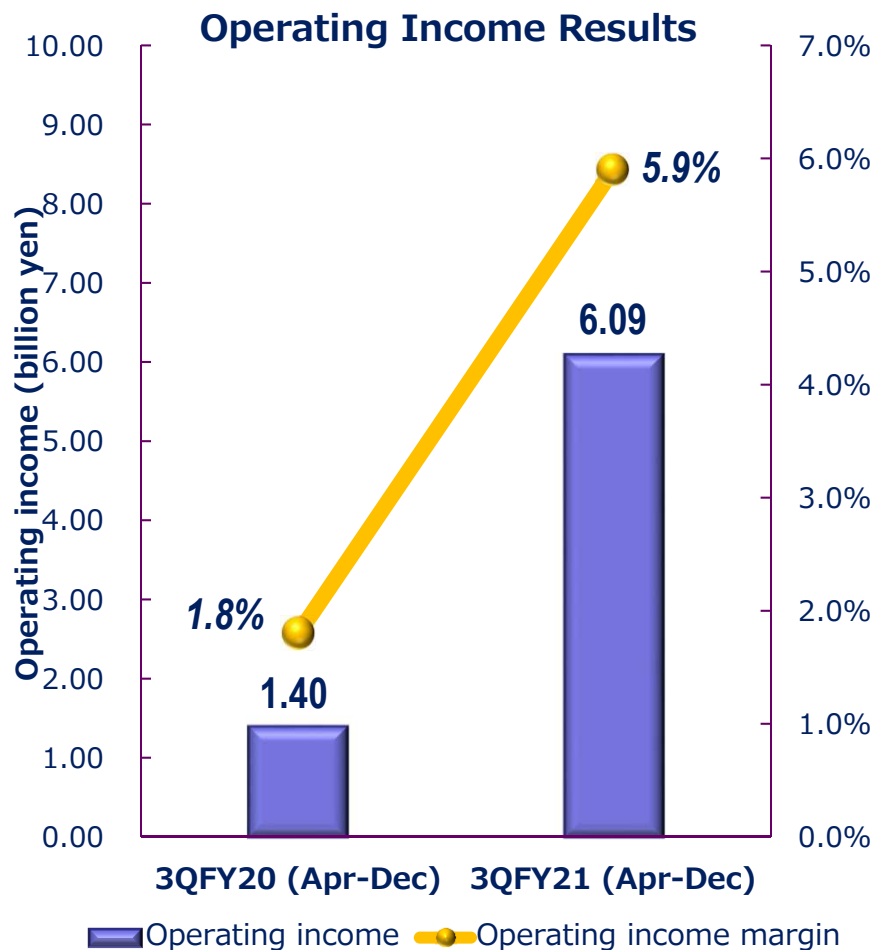
Summary - 3Q FY2021 Results (YoY)

(Billion yen)	FY2020	FY2021	YoY	
	3Q (Apr-Dec)	3Q (Apr-Dec)	Amount	%
Net sales	79.85	102.49	+22.63	+28.3
Gross profit	14.80	22.70	+7.90	+53.3
<i>Ratio to net sales</i>	<i>18.5%</i>	<i>22.2%</i>	<i>+3.7pt</i>	-
SG&A expenses	13.39	16.61	+3.21	+24.0
<i>Ratio to net sales</i>	<i>16.8%</i>	<i>16.2%</i>	<i>(0.6)pt</i>	-
Operating income	1.40	6.09	+4.68	+334.0
<i>Ratio to net sales</i>	<i>1.8%</i>	<i>5.9%</i>	<i>+4.1pt</i>	-
Profit/loss attributable to owners of parent	0.54	(13.67)	(14.21)	-
<i>Ratio to net sales</i>	<i>0.7%</i>	<i>(13.3)%</i>	<i>(14.0)pt</i>	-
Capital investment	2.31	4.32	+2.01	+87.0
Depreciation	4.32	4.37	+0.05	+11.5
R&D expenses	2.79	3.06	+0.27	+9.6
Avg exchange rate 1USD(JPY)	106.11	111.10	Yen's weakening by 4.7%	
1EUR(JPY)	122.38	130.62	Yen's weakening by 6.7%	

*The 18.4 billion yen settlement for the US class action lawsuit has been posted as extraordinary loss for 3Q FY2021.

3Q FY2021 Results - Operating Income (YoY)

Positive factors: 1) Higher capacity utilization 2) Higher gross profit 3) Cost reductions 4) Selling price adjustments 5) Exchange fluctuations
Negative factors: 1) Higher SG&A expenses such as logistics costs 2) Higher material/electricity costs 3) Higher manufacturing fixed costs



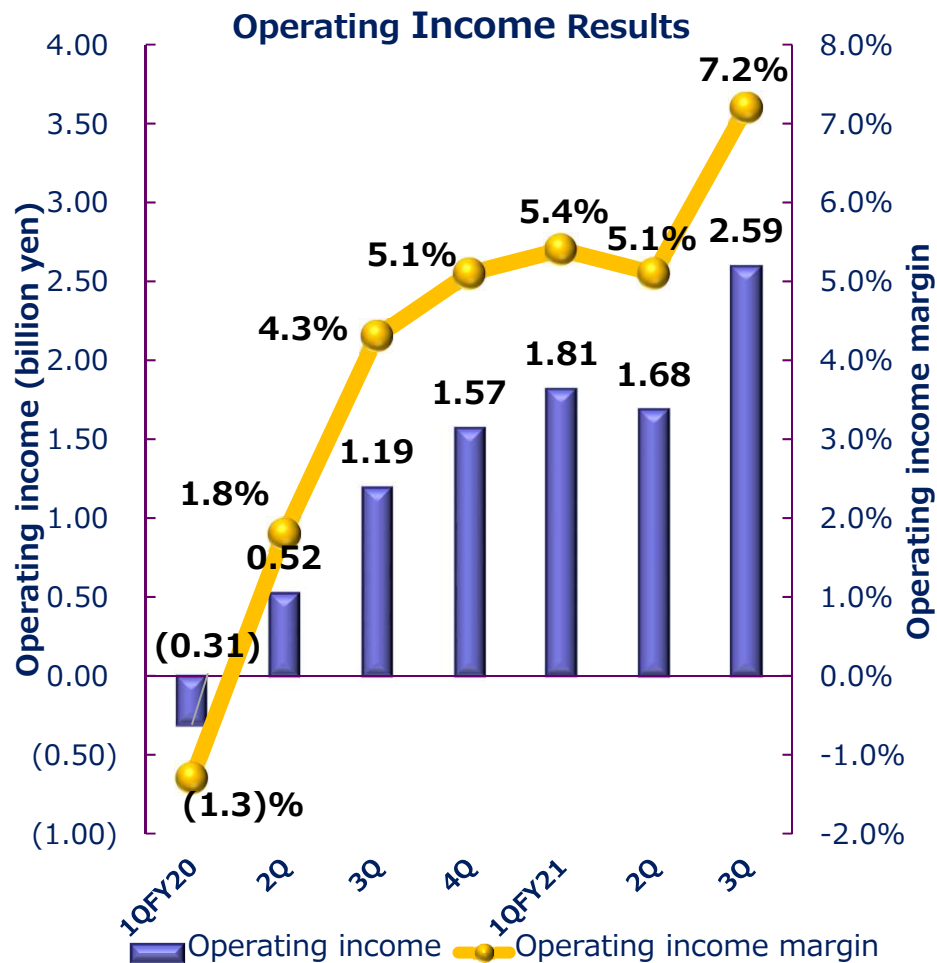
Summary - 3Q FY2021 Results (YoY/QoQ)

(Billion yen)	FY2020	FY2021		YoY		QoQ	
	3Q	2Q	3Q	Amount	%	Amount	%
Net sales	27.67	33.11	35.98	+8.31	+30.0	+2.87	+8.6
Gross profit	5.72	7.02	8.53	+2.81	+49.1	+1.51	+21.5
<i>Ratio to net sales</i>	20.7%	21.2%	23.7%	+3.0pt	-	+2.5pt	-
SG&A expenses	4.53	5.34	5.93	+1.40	+30.9	+0.59	+11.0
<i>Ratio to net sales</i>	16.4%	16.1%	16.5%	0.0pt	-	+0.3pt	-
Operating income	1.19	1.68	2.59	+1.40	+117.6	+0.91	+54.1
<i>Ratio to net sales</i>	4.3%	5.1%	7.2%	+2.9pt	-	+2.1pt	-
Profit/loss attributable to owners of parent	0.69	0.98	(16.17)	(16.86)	-	(17.15)	-
<i>Ratio to net sales</i>	2.5%	3.0%	(44.9)%	(47.4)pt	-	(47.9)pt	-
Capital investment	0.75	1.91	1.50	+0.75	+100.0	(0.41)	(21.4)
Depreciation	1.45	1.42	1.51	+0.06	+4.1	+0.09	+6.3
R&D expenses	0.94	0.98	1.06	+0.12	+12.7	+0.08	+8.1
Avg exchange rate 1USD(JPY) 1EUR(JPY)	104.51 124.54	110.11 129.84	113.71 130.07	Yen's weakening by 8.8% Yen's weakening by 4.4%		Yen's weakening by 3.2% Yen's weakening by 0.1%	

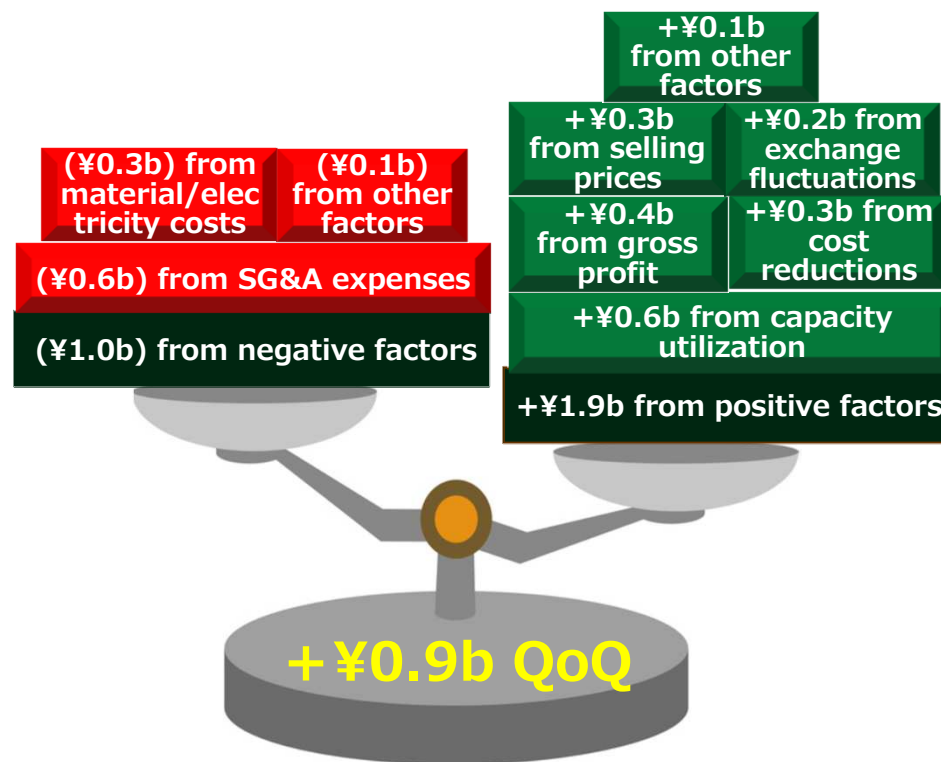
*The 18.4 billion yen settlement for the US class action lawsuit has been posted as extraordinary loss for 3Q FY2021.

3Q FY2021 Results - Operating Income (QoQ)

Positive factors: 1) Higher capacity utilization 2) Higher gross profit 3) Cost reductions 4) Selling price adjustments 5) Exchange fluctuations
Negative factors: 1) Higher SG&A expenses such as logistics costs 2) Higher material/electricity costs



3Q FY2021 Operating Income Positive/Negative Factors

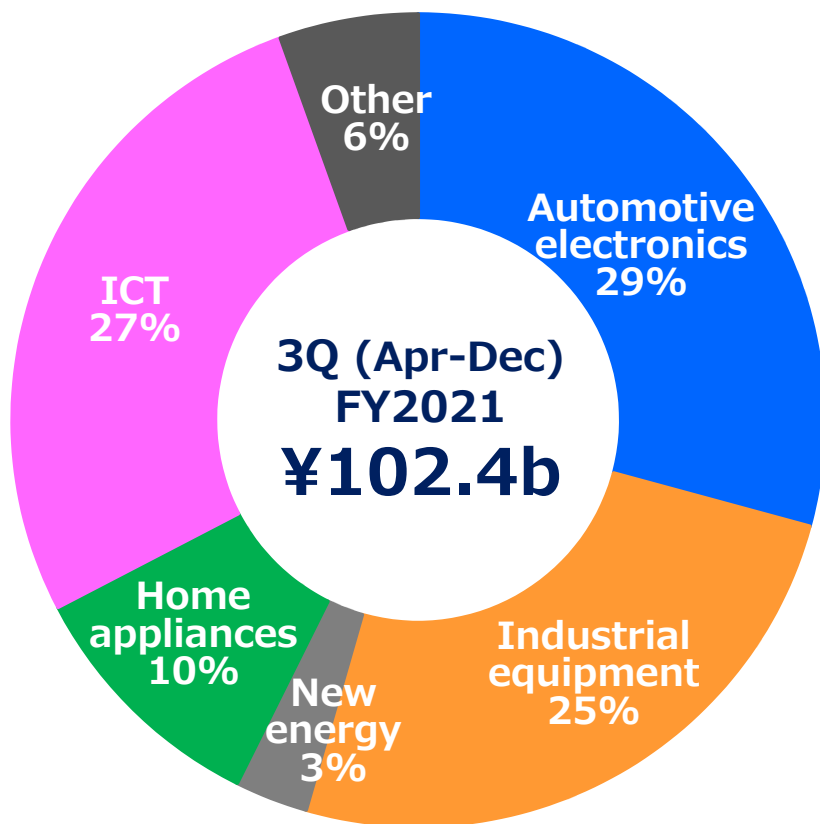


3Q FY2021 Results – Net Sales by Product (YoY/QoQ)

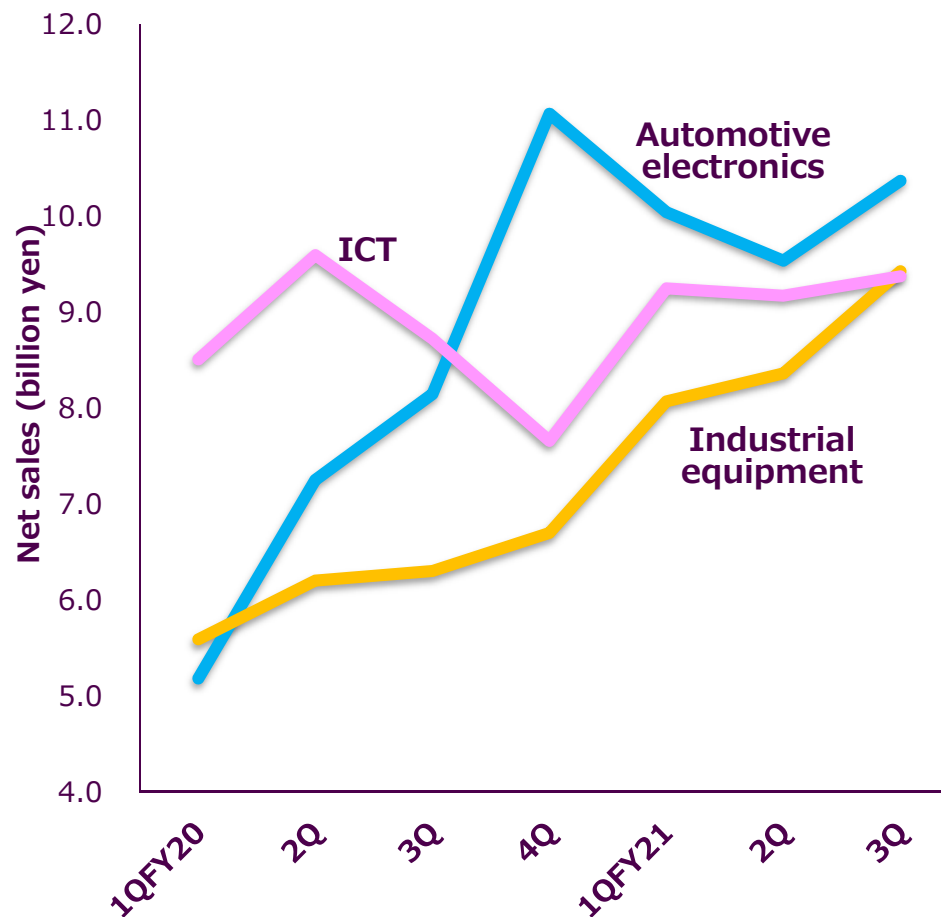
(Billion yen)	FY2020	FY2021		YoY		QoQ	
	3Q	2Q	3Q	Amount	%	Amount	%
Aluminum electrolytic capacitors	23.84	28.78	30.99	+7.15	+29.9	+2.21	+7.6
Aluminum electrolytic capacitors	19.94	24.57	26.15	+6.21	+31.1	+1.58	+6.4
Conductive polymer/Hybrid	3.90	4.21	4.83	+0.93	+24.0	+0.62	+14.8
DLCAP™	1.03	0.68	0.93	(0.10)	(9.7)	+0.25	+36.7
Ceramic capacitors/Varistors	0.61	0.83	0.88	+0.26	+43.0	+0.04	+5.7
Mechanical and other parts	0.59	0.77	0.85	+0.26	+43.4	+0.08	+11.1
Capacitor materials	1.18	1.54	1.66	+0.48	+41.2	+0.11	+7.6
Other	0.39	0.49	0.64	+0.25	+65.9	+0.15	+32.4
Total	27.67	33.11	35.98	+8.31	+30.0	+2.87	+8.6

3Q FY2021 Results – Net Sales by Market

Net Sales by Market



Net Sales of Our Three Main Markets



Performance Improvement Effect From Structural Reforms (FY2019 Comparison)

Translation

Performance improvement effect

Total effect of 3Q (Apr-Dec): ¥3.6b (94% complete)

Main Measures	FY2021 Original Plan	3Q (Apr-Dec) Results	FY2021 Full Year Forecast
1) Reduce fixed costs Reduce personnel costs and depreciation costs	¥2.0b	¥1.48b (74%)	¥1.9b
2) Improve profit through productivity improvement Promote smart factories, Establish a system for high- capacity operation of electrode foil	¥0.7b	¥1.26b (180%)	¥1.8b
3) Increase profitability by introducing new products	¥1.1b	¥0.86b (78%)	¥1.4b
Total	¥3.8b	¥3.60b (94%)	¥5.1b

2H FY2021 Forecast

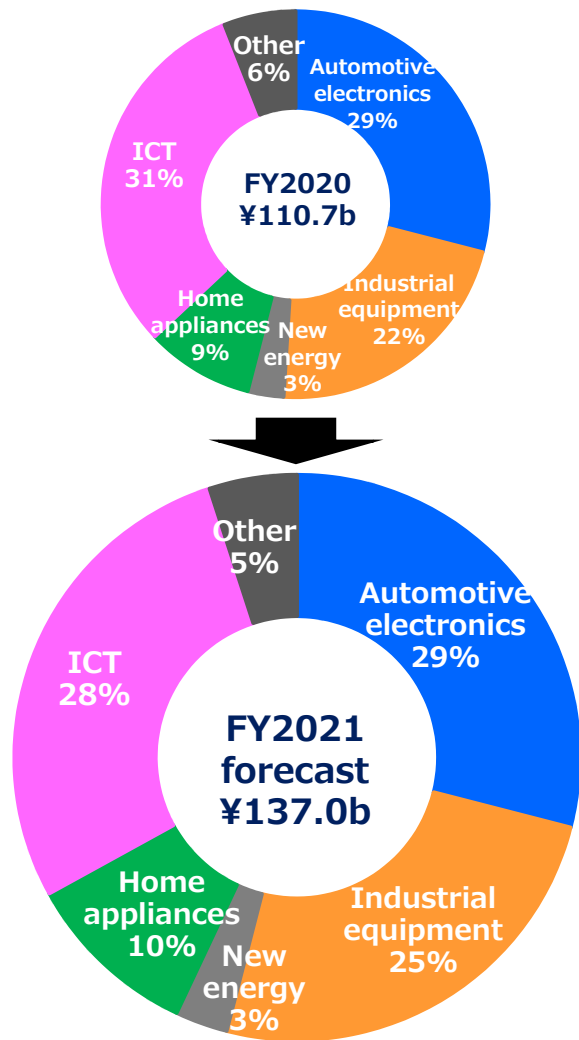
(Billion yen)	FY2020	FY2021					YoY	
	Full Year	1H	2H Forecast	HoH Amount	HoH %	Full Year Forecast	Amount	%
Net sales	110.78	66.50	70.49	+3.99	+6.0	137.00	+26.22	+23.7
Gross profit	21.14	14.17	15.92	+1.75	+12.3	30.10	+8.96	+42.3
<i>Ratio to net sales</i>	19.1%	21.3%	22.6%	+1.3pt	-	22.0%	+2.9pt	-
SG&A expenses	18.17	10.68	11.62	+0.94	+8.8	22.30	+4.13	+22.7
<i>Ratio to net sales</i>	16.4%	16.1%	16.5%	+0.4pt	-	16.3%	(0.1)pt	-
Operating income	2.97	3.49	4.30	+0.81	+23.3	7.80	+4.83	+162.5
<i>Ratio to net sales</i>	2.7%	5.3%	6.1%	+0.8pt	-	5.7%	+3.0pt	
Profit/loss attributable to owners of parent	2.03	2.49	(15.69)	(18.19)	-	(13.20)	(15.23)	-
<i>Ratio to net sales</i>	1.8%	3.8%	(22.3)%	(26.1)pt	-	(9.6)%	(11.4)pt	-
Capital investment	3.47	2.81	4.18	+1.36	+48.4	7.00	+3.53	+101.7
Depreciation	5.74	2.86	3.13	+0.26	+9.1	6.00	+0.26	+4.5
R&D expenses	3.71	1.99	2.15	+0.16	+8.2	4.15	+0.44	+11.8
Avg exchange rate 1USD(YEN) 1EUR(YEN)	106.06 123.70	109.80 130.90	110.86 130.04	Yen's weakening by 0.9% Yen's rise by 0.6%		110.33 130.47	Yen's weakening by 4.0% Yen's weakening by 5.4%	

*The 18.4 billion yen settlement for the US class action lawsuit has been posted as extraordinary loss for 3Q FY2021.

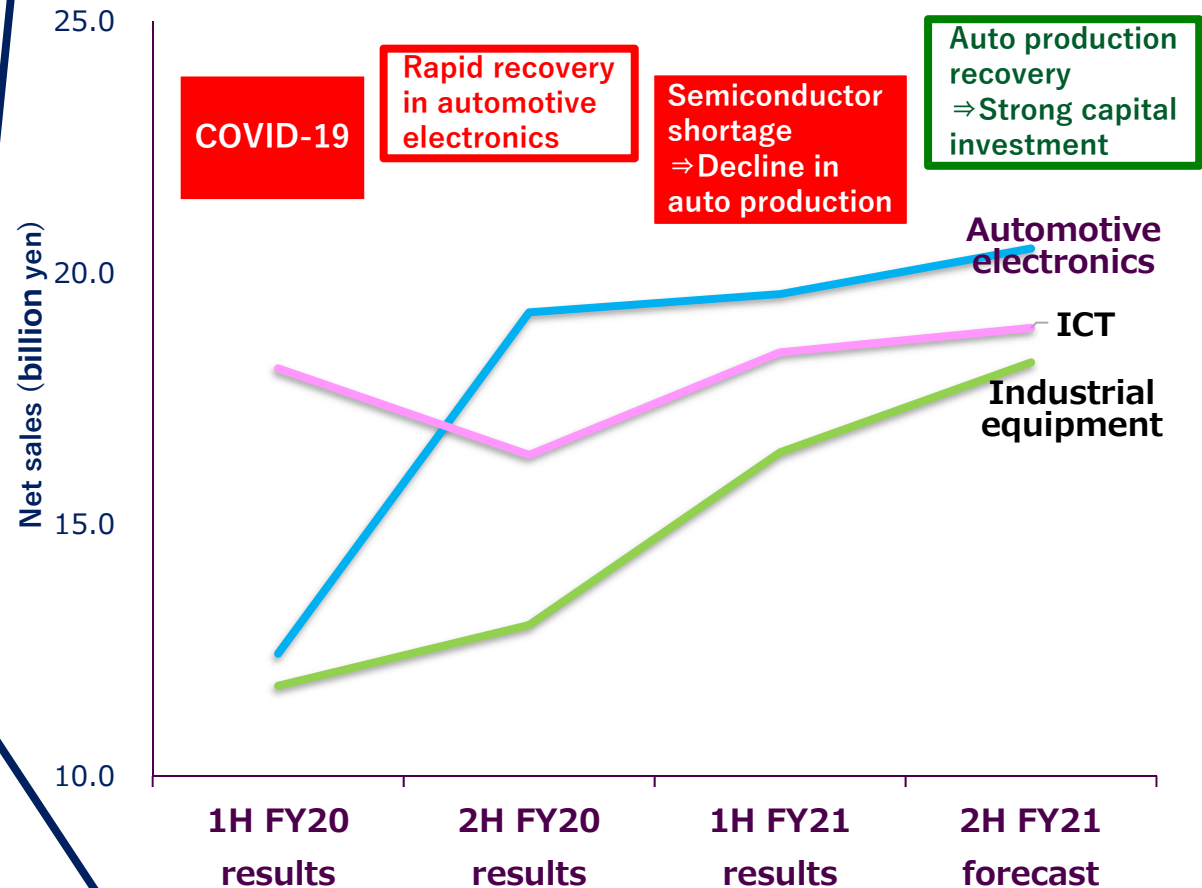
2H FY2021 Forecast – Net Sales by Product

(Billion yen)	FY2020	FY2021				YoY	
	Full Year	1H	2H Forecast	1H Comparison	Full Year Forecast	Amount	%
Aluminum electrolytic capacitors	95.29	57.89	60.70	+2.81	118.60	+23.31	+24.5
Aluminum electrolytic capacitors	80.01	49.13	50.96	+1.83	100.10	+20.09	+25.1
Conductive polymer/Hybrid	15.28	8.76	9.73	+0.97	18.50	+3.22	+21.0
DLCAP™	3.36	1.42	1.87	+0.46	3.30	(0.06)	(1.9)
Ceramic capacitors/Varistors	2.56	1.64	1.75	+0.11	3.40	+0.84	+32.8
Mechanical and other parts	2.62	1.47	1.72	+0.25	3.20	+0.58	+22.1
Capacitor materials	4.90	3.09	3.36	+0.27	6.40	+1.50	+30.5
Other	2.04	0.97	1.12	+0.15	2.10	+0.06	+2.7
Total	110.78	66.50	70.49	+3.99	137.00	+26.23	+23.7

FY2021 Forecast – Net Sales by Market



Results and Forecast for Our Three Main Markets



[Note]

This material has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The projected performance figures in this material are based on information available to Nippon Chemi-Con's management at the time this material was prepared.

There are many uncertain factors inherent in forecasting, and there might be cases in which actual results differ from forecast values. Nippon Chemi-Con undertakes no obligation to publicly update or revise any forward-looking statements included in this material.

If you are interested in investing in Nippon Chemi-Con, you are requested to make a final investment decision at your own risk.

Please note that neither Nippon Chemi-Con nor any third party providing information shall be responsible for any damage or loss you may suffer due to investment in Nippon Chemi-Con based on the information shown in this material.