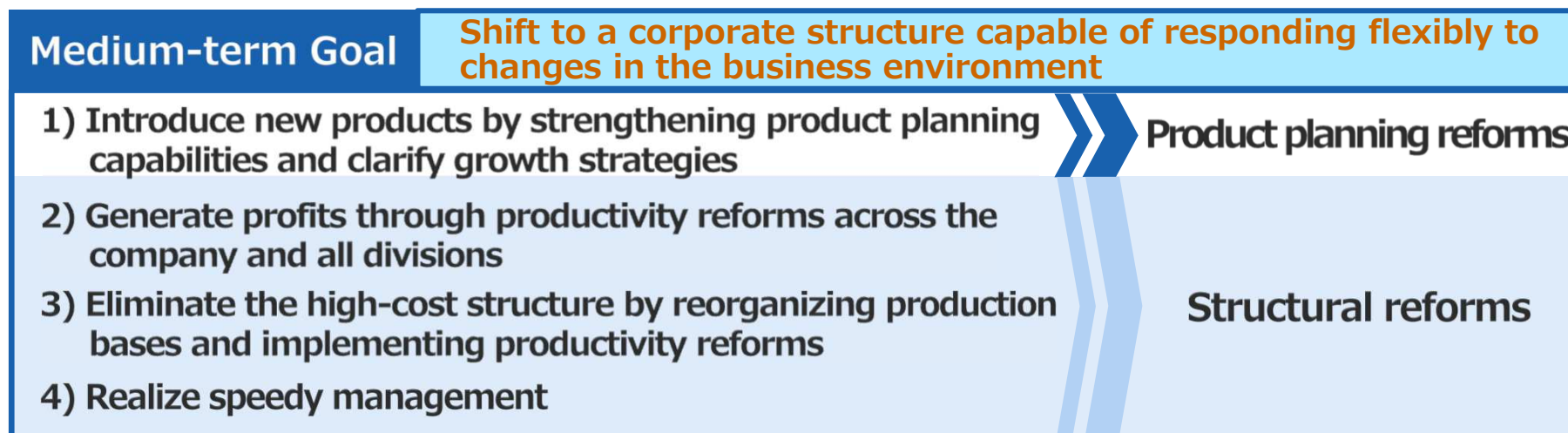


# **Financial Results Explanatory Material for 2Q FY2022**

**(Six months ended September 30, 2022)**

**November 2022**  
**Nippon Chemi-Con Corporation**

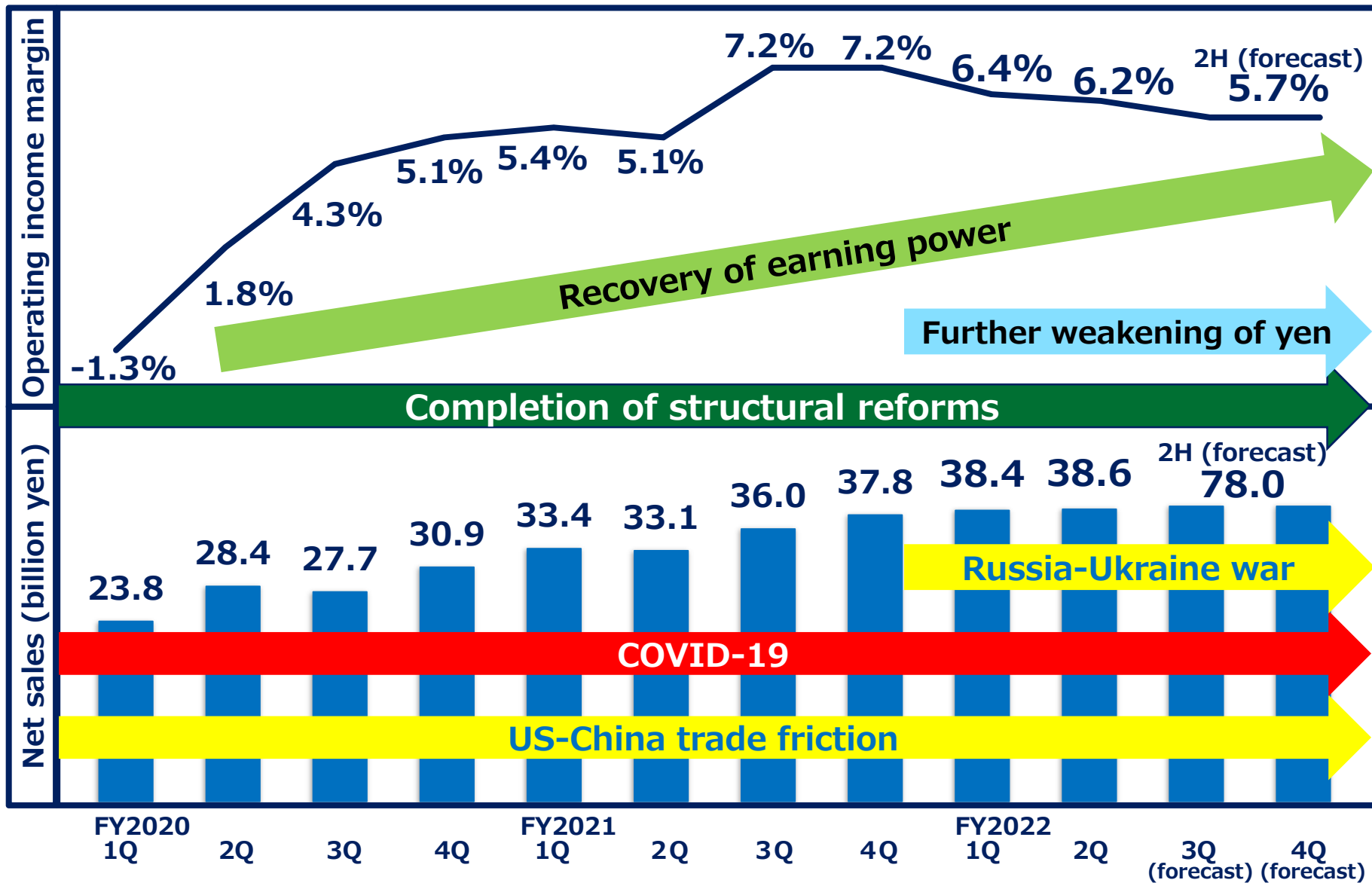
# 1. Progress of the 9th Medium-term Management Plan (FY2020-2021 Results, FY2022 Forecast)



▶ **Improve financial position by improving asset efficiency and reducing fixed costs**

	FY2020	FY2021	FY2022 (forecast)	9th Medium-term FY2022 goals
Net sales	¥110.7b	¥140.3b	¥155.0b	¥140.0b
Operating income	¥2.9b	¥8.7b	¥9.3b	¥10.0b
Net income	¥2.0b	¥(12.1b)	¥3.0b	¥6.0b
ROE	4.5%	(25.3)%	6.5%	10% and higher
Total asset turnover ratio	0.8	0.9	1.0	1.0 and higher

## 2. Net Sales and Operating Income (FY2020-2021 Results, FY2022 Forecast)



### 3. 1H FY2022 Results and Full-Year Forecast

Aim to achieve full-year targets announced by completing structural reforms

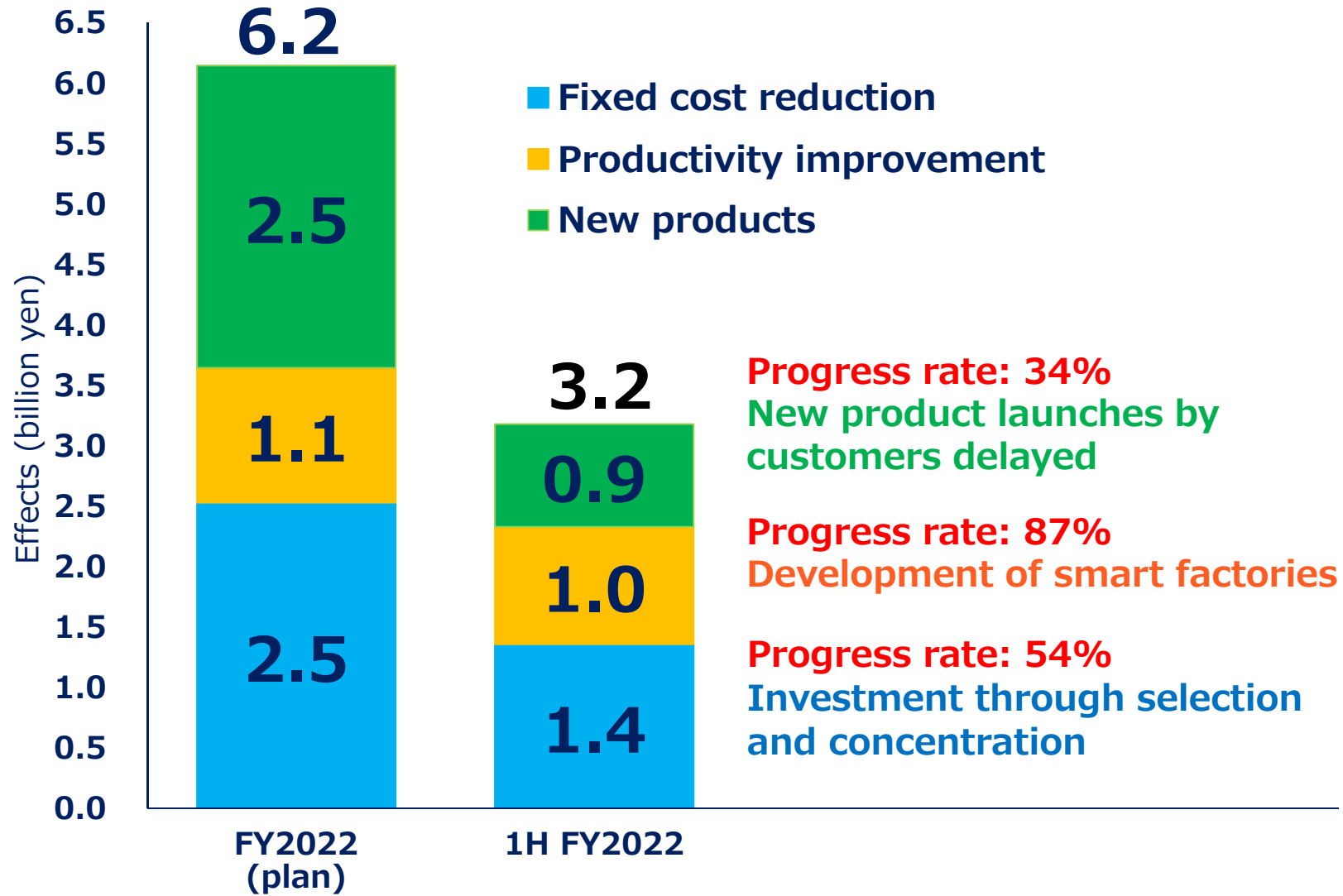
(Unit: million yen)	FY2021		FY2022		YoY	
	1H	Full-year	1H	Full-year (forecast)	Amount	%
Net sales	66,502	140,316	77,041	155,000	+14,684	+10.5%
Operating income	3,492	8,798	4,853	9,300	+501	+5.7%
Ratio to net sales	5.3%	6.3%	6.3%	6.0%		
Ordinary income	3,324	8,038	4,803	8,800	+761	+9.5%
Ratio to net sales	5.0%	5.7%	6.2%	5.7%		
Profit/loss attributable to owners of parent	2,497	-12,124	-514	3,000	+15,124	-
Ratio to net sales	3.8%	-8.6	-0.7%	1.9%		

Capital investment	2,817	5,858	3,611	8,500	+2,641	+45.1%
Depreciation	2,868	5,885	2,933	6,000	+114	+1.9%
R&D expenses	1,992	4,156	2,165	4,500	+343	+8.3%

Avg exchange rate						
1USD (YEN)	109.80	112.38	133.97	134.49	19.7% weaker yen	
1EUR (YEN)	130.90	130.56	138.73	138.37	6.0% weaker yen	

## 5. Improvement Effect From Structural Reforms (1H FY2022)

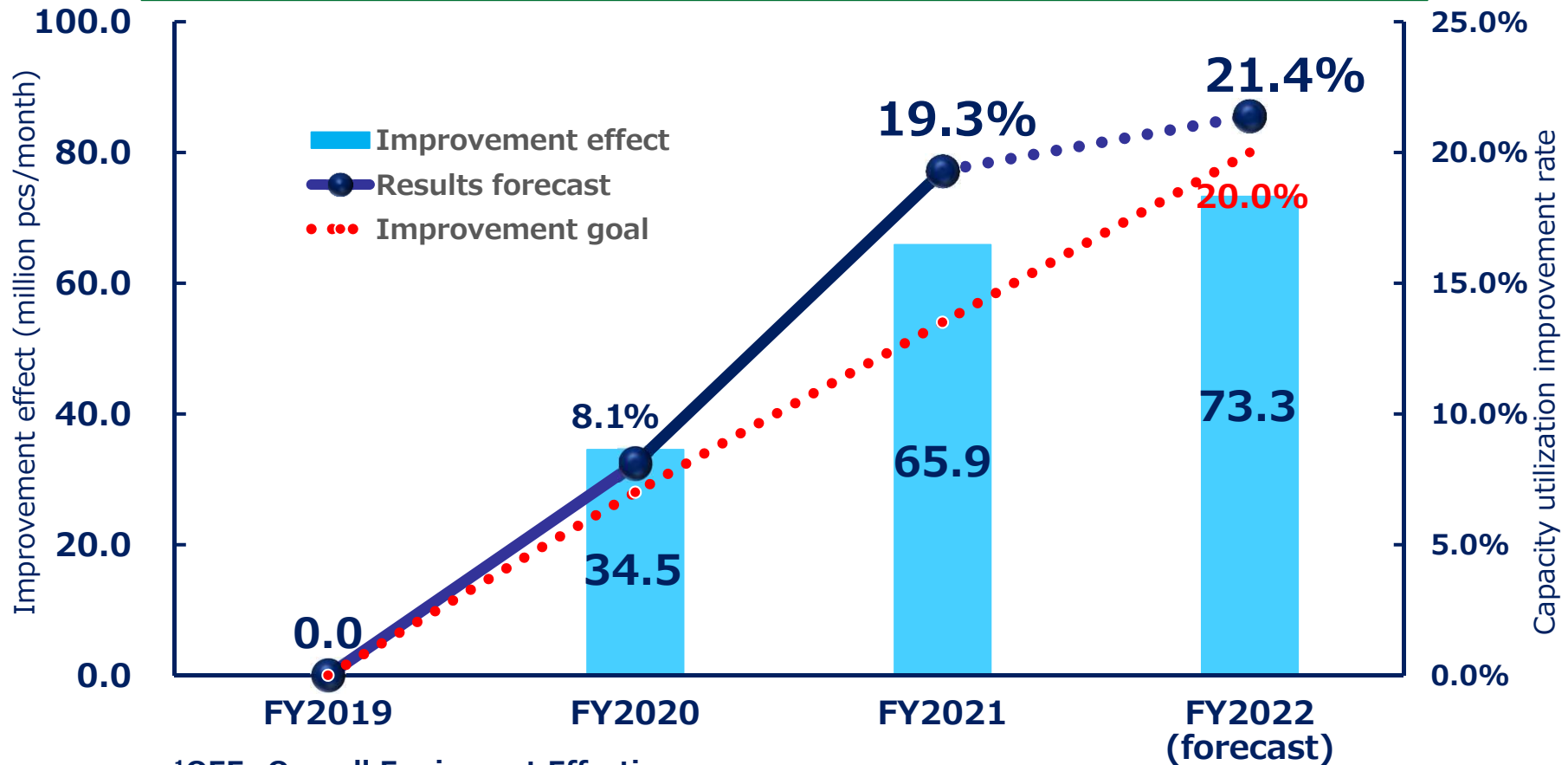
52% of plan achieved for 1H FY2022



## 5. Improvement Effect From Structural Reforms (FY2020-2021 Results, FY2022 Forecast)

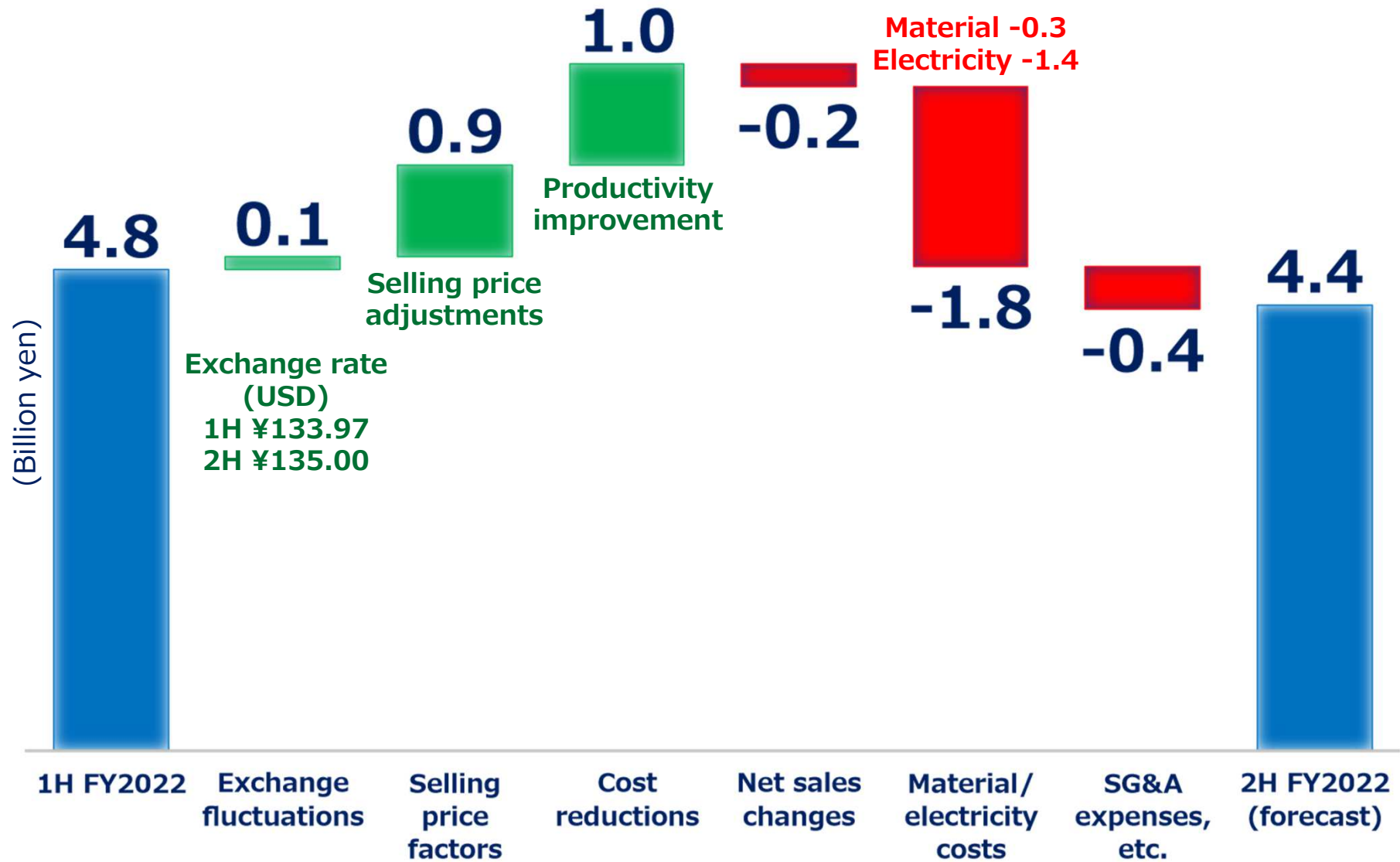
Improvement of OEE<sup>1</sup>, TEEP<sup>2</sup> & per person productivity to respond to increases in production without increasing employees or facilities

**Improvement effect forecasted to exceed Medium-term goals**



<sup>1</sup>OEE=Overall Equipment Effectiveness  
<sup>2</sup>TEEP=Total Effective Equipment Performance

## 6. 2H FY2022 Forecast – Operating Income (HoH)



## 8. Priority Measures to Accomplish Goals for FY2022

### 1. Completion of structural reforms

		Method			
		TPM activities	SCM reforms	DX implementation	Promoting standardization
Purpose	1) Improving OEE/TEEP	↓		↓	↓
	2) Improving per person productivity				
	3) Improving staff productivity		↓	↓	
	4) Improving logistics efficiency and reducing inventory	↓			

### 2. Product planning reforms

- 1) Improving product planning capabilities  
(Concept-driven, enhancing added value)
- 2) Enhancing sales expansion capabilities  
(Strengthening cooperation of sales and development divisions)
- 3) Establishing the New Business Promotion Dept. (April 1, 2022)

### 3. Enhancing ESG initiatives

Declaration of support for the TCFD recommendations (March 2022)  
 ⇒ We will further disclose information on “Governance,” “Strategy,” “Risk Management” and “Metrics and Targets” based on the TCFD recommendations. Available on our website since June 2022.



# Supplementary Material

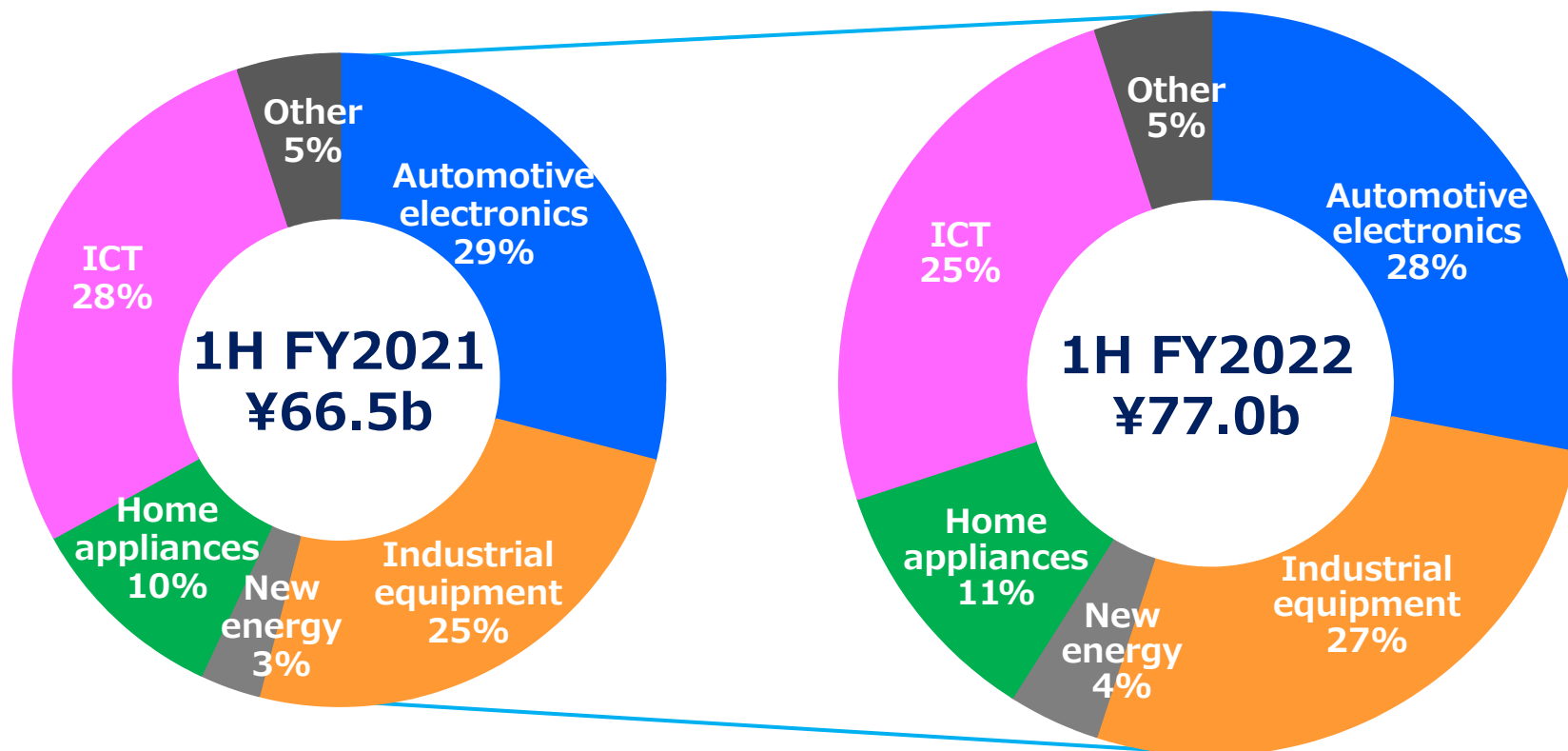
## Net Sales by Product – FY2022 Forecast

Product (Unit: million yen)	FY2021	FY2022					
	Full-year	1H	2H (forecast)	Full-year (forecast)	Composition (full-year forecast)	YoY amount	YoY %
Aluminum electrolytic	121,402	66,506	68,493	135,000	87.1%	+13,597	+11.2%
Conductive polymer	18,433	10,199	10,800	21,000	13.5%	+2,566	+13.9%
DLCAP™	3,400	2,057	1,542	3,600	2.3%	+199	+5.9%
Ceramic capacitors, varistors	3,394	1,912	1,688	3,600	2.3%	+205	+6.1%
Mechanical parts and other parts	3,189	2,118	1,381	3,500	2.3%	+310	+9.7%
Capacitor materials	6,749	3,269	3,930	7,200	4.6%	+450	+6.7%
Other	2,179	1,178	921	2,100	1.4%	(79)	(3.6)%
<b>Total</b>	<b>140,316</b>	<b>77,041</b>	<b>77,958</b>	<b>155,000</b>	<b>100.0%</b>	<b>+14,684</b>	<b>+10.5%</b>

# Supplementary Material

## Net Sales by Market – 1H FY2021, 1H FY2022

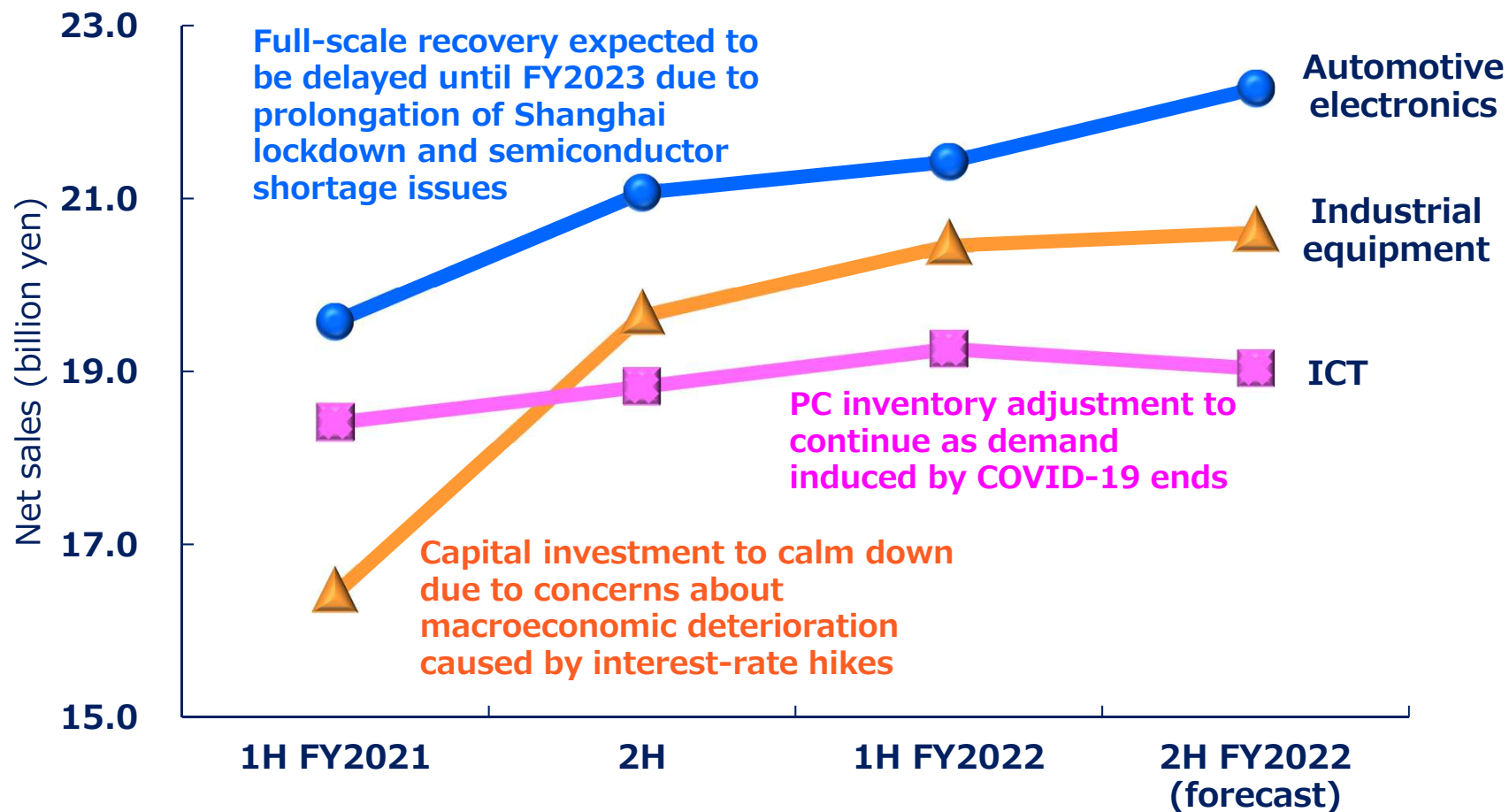
Growth in sales for the industrial equipment market  
Continued strong capital investment due to steady corporate performances



# Supplementary Material

## Trends in Main Markets – 1H FY2021–2H FY2022

### Trends in the Three Main Markets



**[Note]**

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