

**Financial Results Explanatory Material  
for 3Q FY2023  
(Nine months ended December 31, 2023)**

**February 2024  
Nippon Chemi-Con Corporation**

**TSE Prime Market, Securities code:6997**

# Overview of 3Q FY2023 Consolidated Results

# 3Q FY2023 Financial Results: Main Points

| Main Points                                  |   |
|--|---|
| <b>Net sales</b>                             | <ul style="list-style-type: none"><li>• <b>Markets</b><br/><b>Automotive electronics:</b><br/>The number of parts installed per vehicle increased due to progress on motorization and electrification. Vehicle production volume increased, owing to improvement in semiconductor procurement conditions.<br/><b>Industrial equipment:</b><br/>Demand for capital investment was sluggish in general, affected by rising interest rates and concerns over deceleration of economic growth in Europe and the U.S.<br/><b>ICT:</b> Inventory adjustments in servers for PCs and data centers dragged on.</li><li>• <b>Regions</b><br/><b>Japan:</b> The rebound in inbound demand resulted in a gradual economic rebound.<br/><b>U.S.:</b> The economy was relatively firm, underpinned by a favorable employment environment despite the negative impact from monetary tightening.<br/><b>Europe:</b> While the high inflation rate improved, the economy remained at a standstill.<br/><b>China:</b> Consumer spending and imports/exports remained sluggish amid the slump in real estate.</li></ul> |
| <b>¥116.0 bn</b><br>Down 3.2% YoY            |   |
| <b>Operating income</b>                      |   |
| <b>¥7.2 bn</b><br>Down 20.0% YoY             |   |
| <b>Loss attributable to owners of parent</b> |   |
| <b>(¥22.1 bn)</b>                            |   |

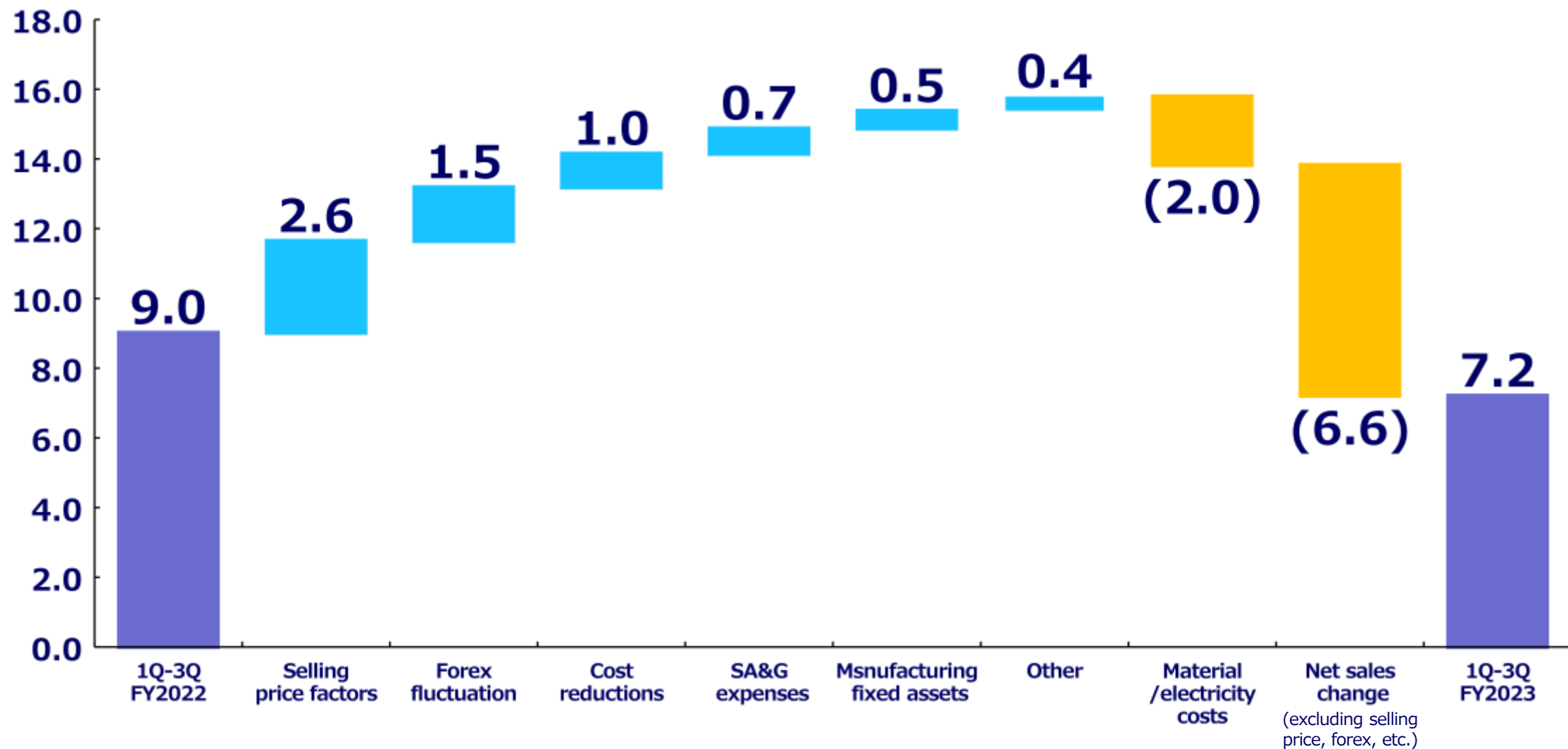
## Overview of 1Q-3Q FY2023 Consolidated Financial Results - YoY -

Net sales and operating income declined YoY due to a slump in the industrial equipment and ICT markets.

| (Million yen)                                   | 1Q-3Q<br>FY2022 | 1Q-3Q<br>FY2023 | Change   | %                   |
|---|-----------------|-----------------|----------|---------------------|
| Net Sales                                       | 119,899         | 116,021         | (3,878)  | (3.2%)              |
| Operating income                                | 9,013           | 7,208           | (1,805)  | (20.0%)             |
| Ratio to net sales                              | 7.5%            | 6.2%            | (1.3pt)  | -                   |
| Profit/loss attributable<br>to owners of parent | 2,053           | (22,141)        | (24,194) | -                   |
| Exchange rate                                   |                 |                 |          |                     |
| Average exchange rate:<br>USD (yen)             | 136.51          | 143.29          | +6.78    | 4.9% weaker<br>yen  |
| Average exchange rate:<br>EUR (yen)             | 140.59          | 155.29          | +14.70   | 10.4% weaker<br>yen |

# 1Q-3Q FY2023 Operating Income - YoY -

(Billion yen)



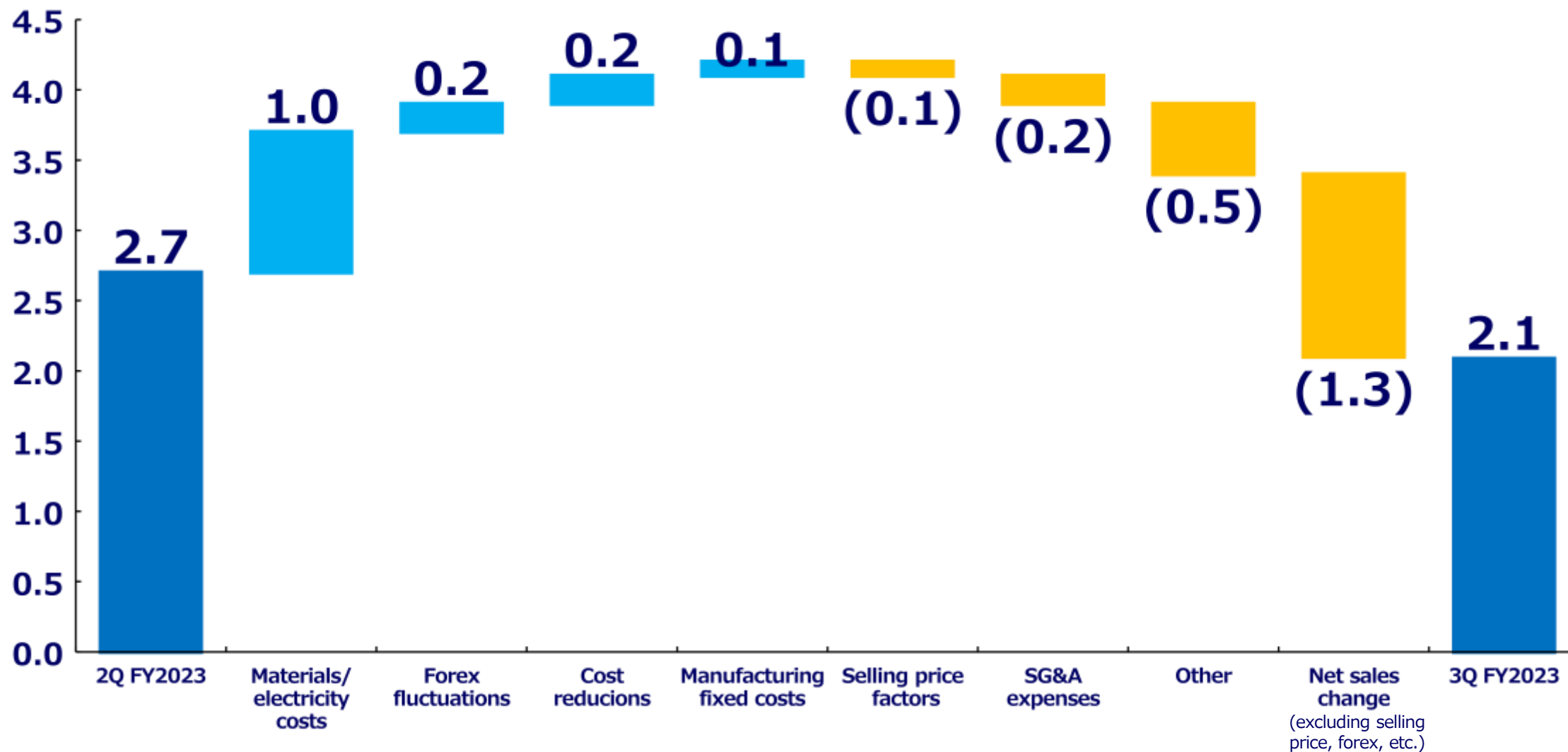
# Overview of 3Q FY2023 Consolidated Financial Results – QoQ Comparison -

Net sales and operating income declined compared to the 2Q due to the delayed rebound in the industrial equipment and ICT markets.

| (Million yen)                                | 2Q FY2023 | 3Q FY2023 | Change  | %               |
|--|-----------|-----------|---------|-----------------|
| Net Sales                                    | 39,204    | 35,680    | (3,524) | (8.9%)          |
| Operating income                             | 2,710     | 2,085     | (625)   | (23.0%)         |
| Ratio to net sales                           | 6.9%      | 5.8%      | (1.1pt) | -               |
| Profit/loss attributable to owners of parent | (8,954)   | 640       | +9,594  | -               |
| Exchange rate                                |           |           |         |                 |
| Average exchange rate: USD (yen)             | 144.62    | 147.89    | +3.27   | 2.2% weaker yen |
| Average exchange rate: EUR (yen)             | 157.30    | 159.11    | +1.81   | 1.1% weaker yen |

# 3Q FY2023 Operating Income - QoQ Comparison -

(Billion yen)



## 3Q FY2023 Results for Net Sales by Product- YoY/QoQ Comparisons -

Aluminum electrolytic capacitors: Slump in the industrial equipment market  
Hybrid capacitors: Automotive electronics market remained strong

| (Million yen)                       | FY2022        | FY2023        |               | YoY            |                | QoQ            |               |
|-------------------------------------|---------------|---------------|---------------|----------------|----------------|----------------|---------------|
|                                     | 3Q            | 2Q            | 3Q            | Change         | %              | Change         | %             |
| Aluminum electrolytic               | 37,793        | 34,350        | 31,042        | (6,751)        | (17.8%)        | (3,308)        | (9.6%)        |
| Conductive polymer                  | 5,604         | 5,317         | 5,362         | (242)          | (4.3%)         | +45            | +0.8%         |
| DLCAP™                              | 1,048         | 1,447         | 1,268         | +220           | +20.9%         | (179)          | (12.3%)       |
| Ceramic capacitors,<br>varistors    | 1,081         | 896           | 759           | (322)          | (29.7%)        | (137)          | (15.2%)       |
| Mechanical parts and<br>other parts | 1,050         | 1,028         | 739           | (311)          | (29.6%)        | (289)          | (28.1%)       |
| Capacitor materials                 | 1,169         | 1,085         | 1,323         | +154           | +13.1%         | +238           | +21.9%        |
| Other                               | 717           | 397           | 549           | (168)          | (23.4%)        | +152           | +38.2%        |
| <b>Total</b>                        | <b>42,858</b> | <b>39,204</b> | <b>35,680</b> | <b>(7,178)</b> | <b>(16.7%)</b> | <b>(3,524)</b> | <b>(8.9%)</b> |



# **FY2023 – Consolidated Full-Year Forecast**

# FY2023 Consolidated Forecast: Main Points

| 2H Main Points                                 |   |
|--|---|
| <b>Net Sales</b>                               | <ul style="list-style-type: none"> <li>• <b>Markets</b><br/> <b>Automotive electronics:</b><br/>                     Pent-up demand in Japan, the U.S. and Europe will be strong and demand for parts per vehicle will increase. Steady progress is being made on resolving parts inventory problems in the market.<br/> <b>Industrial equipment:</b><br/>                     The cautious stance on capital investment will persist for longer than expected amid uncertainty over the future of the economy.<br/> <b>ICT:</b> Inventory adjustments for servers used in data centers will continue.</li> <li>• <b>Regions</b><br/> <b>Japan:</b> Strong vehicle exports, boosted by the weak yen, will drive the economy.<br/> <b>U.S.:</b> Strong consumer spending and firm employment will contribute to a virtuous cycle that will lead to economic growth.<br/> <b>Europe:</b> Improvement in the high inflation rate is causing a rebound in consumer spending.<br/> <b>China:</b> Inventory adjustments in the ICT market are expected to come to an end, amid the continuing slump in the real estate market.</li> </ul> |
| <p><b>¥153.0 bn</b><br/>down 5.5% YoY</p>      |   |
| <b>Operating income</b>                        |   |
| <p><b>¥10.0 bn</b><br/>down 22.7% YoY</p>      |   |
| <b>Profit attributable to owners of parent</b> |   |
| <p><b>(¥20.0 bn)</b></p>                       |   |

# FY2023 Consolidated Full-Year Forecast

Inventory adjustments will come to an end in the industrial equipment and ICT markets and demand will rebound in the automotive electronics market

➔ Same as the previous forecast

| (Million yen)                                | FY2022    | Full-year FY2023 (forecast) |                        | YoY      |                 |
|--|-----------|-----------------------------|------------------------|----------|-----------------|
|  | Full-year | Announced in Nov. 2023      | Announced in Feb. 2024 | Change   | %               |
| Net Sales                                    | 161,881   | 153,000                     | 153,000                | (8,881)  | (5.5%)          |
| Operating income                             | 12,939    | 10,000                      | 10,000                 | (2,939)  | (22.7%)         |
| Ratio to net sales                           | 8.0%      | 6.5%                        | 6.5%                   | (1.5pt)  | -               |
| Profit/loss attributable to owners of parent | 2,273     | (20,000)                    | (20,000)               | (17,727) | -               |
| Exchange rate                                |           |                             |                        |          |                 |
| Average exchange rate: USD (yen)             | 135.47    | 140.50                      | 142.47                 | +7.00    | 5.1% weaker yen |
| Average exchange rate: EUR (yen)             | 140.97    | 151.69                      | 153.97                 | +13.00   | 9.2% weaker yen |

# Supplementary Material

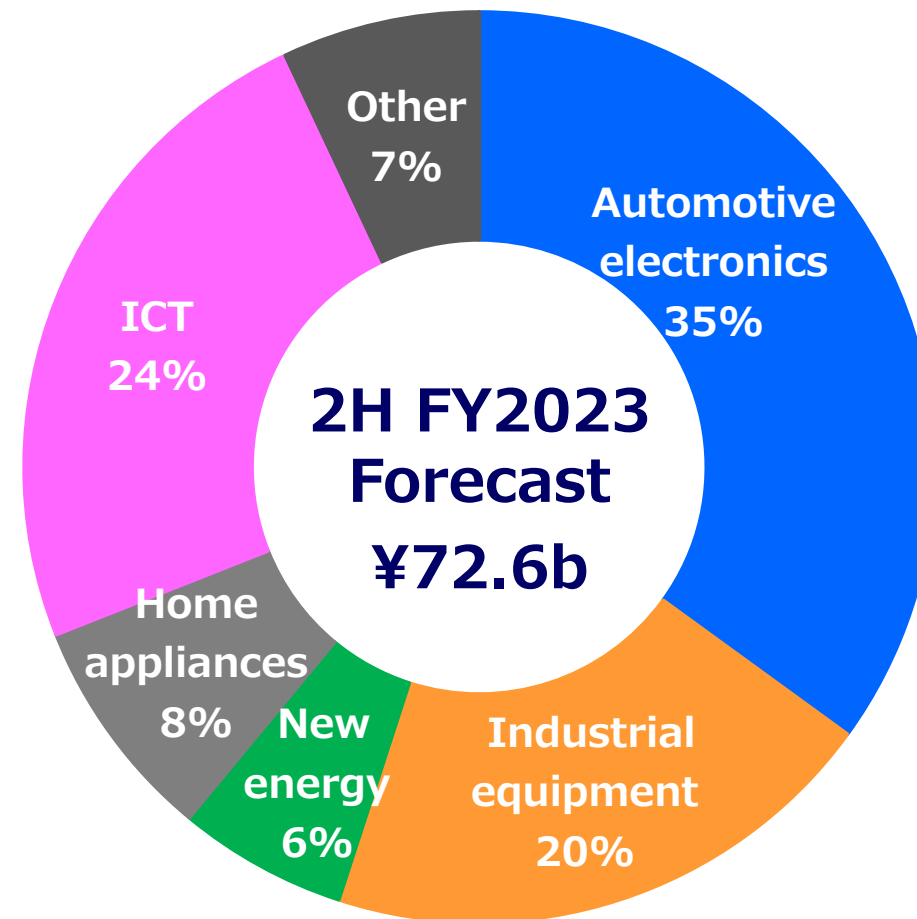
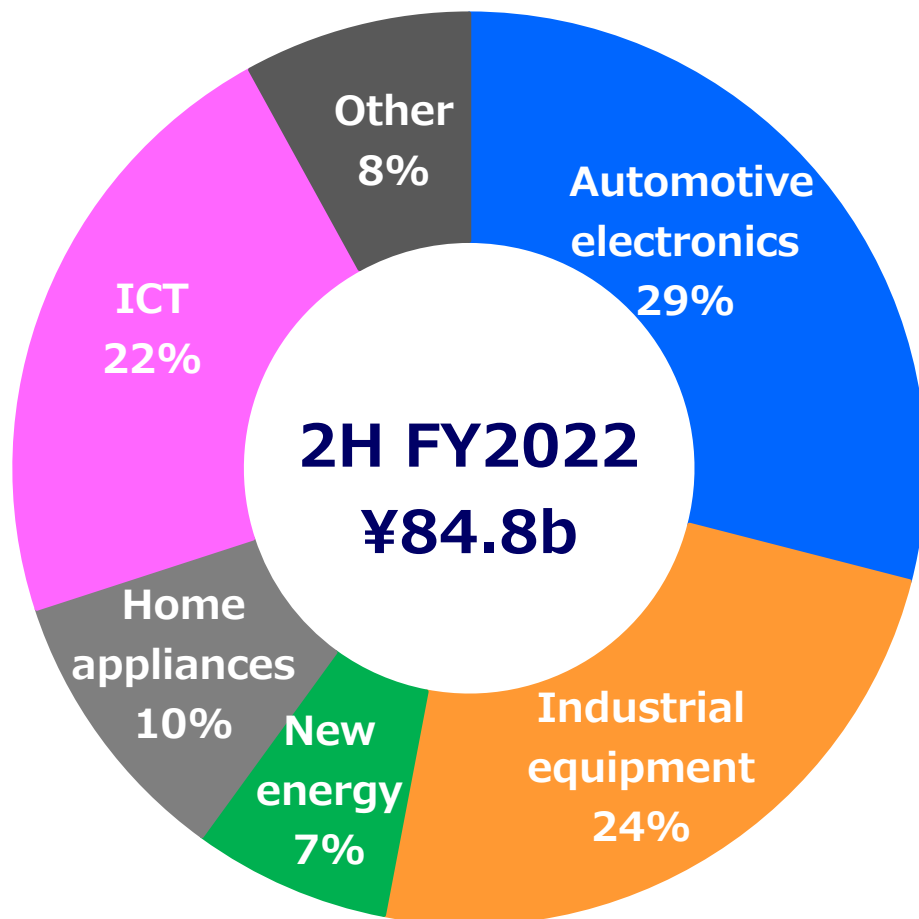
## FY2023 Forecast of Net Sales by Product – YoY –

| (Million yen)                       | FY2022<br>Full-year | FY2023        |                  |                         |                |               |
|-------------------------------------|---------------------|---------------|------------------|-------------------------|----------------|---------------|
|                                     |                     | 1H            | 2H<br>(forecast) | Full-year<br>(forecast) | Change         | %             |
| Aluminum electrolytic               | 140,897             | 71,205        | 64,394           | 135,600                 | (5,297)        | (3.8%)        |
| Conductive polymer                  | 21,379              | 10,610        | 10,389           | 21,000                  | (379)          | (1.8%)        |
| DLCAP™                              | 4,471               | 2,656         | 2,343            | 5,000                   | +529           | +11.8%        |
| Ceramic capacitors,<br>varistors    | 3,940               | 1,773         | 1,527            | 3,300                   | (640)          | (16.2%)       |
| Mechanical parts and<br>other parts | 4,496               | 1,872         | 1,527            | 3,400                   | (1,096)        | (24.4%)       |
| Capacitor materials                 | 5,731               | 2,141         | 2,058            | 4,200                   | (1,531)        | (26.7%)       |
| Other                               | 2,345               | 692           | 807              | 1,500                   | (845)          | (36.0%)       |
| <b>Total</b>                        | <b>161,881</b>      | <b>80,341</b> | <b>72,658</b>    | <b>153,000</b>          | <b>(8,881)</b> | <b>(5.5%)</b> |

## Net Sales by Market – YoY Comparison of 2H –

Automotive electronics, up six percentage points; ICT, up two percentage points: Increase in the number of parts accompanying robust pent-up demand and progress on electrification (Automotive electronics)

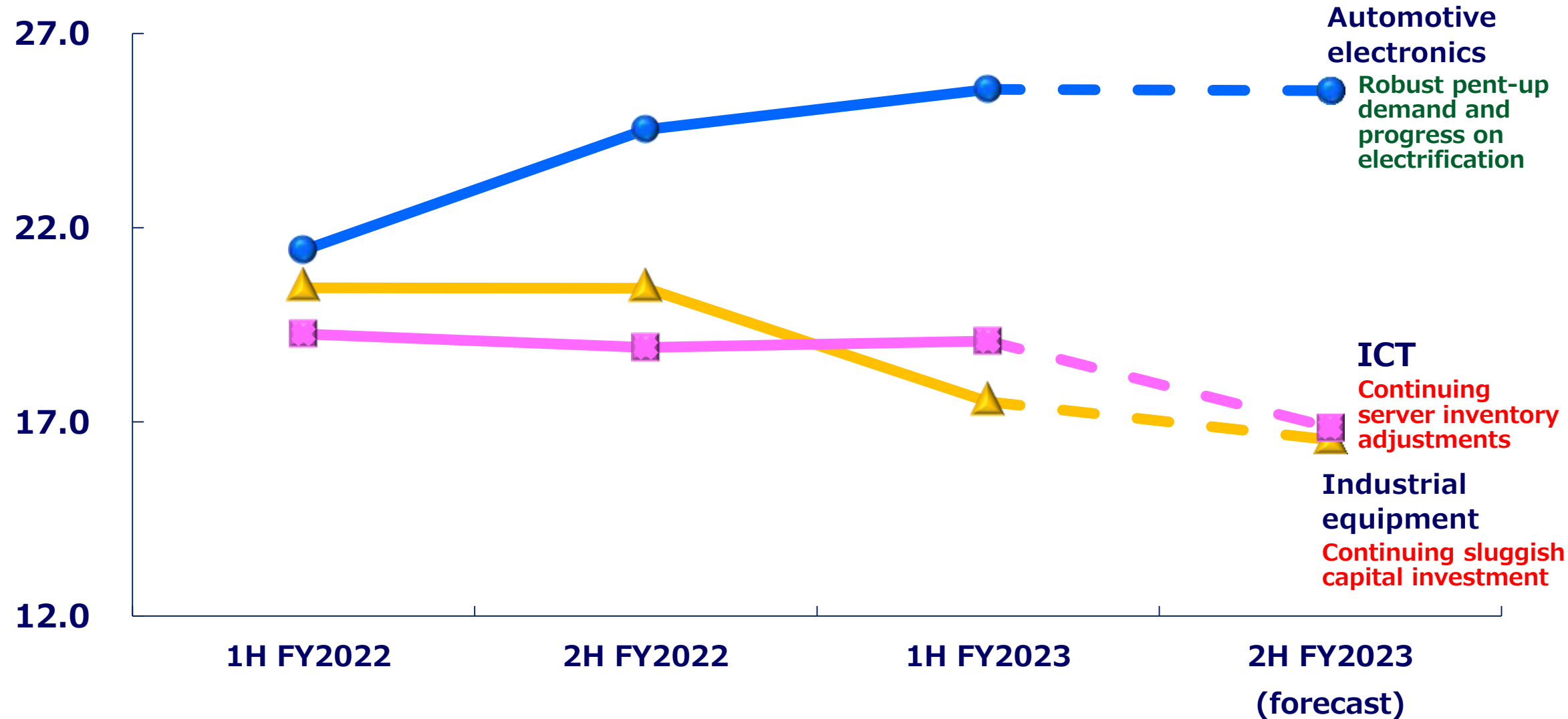
Industrial equipment, down four percentage points; home appliances, down two percentage points; new energy, down one percentage point; other, one percentage point: Inventory adjustments dragging on



# Three Main Market Trends – FY2023 Forecast

(Billion yen)

## Net Sales



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