

Financial Results Explanatory Material for 3Q FY2024 (Nine months ended December 31, 2024)

**February 2025
Nippon Chemi-Con Corporation**

TSE Prime Market, Securities code: 6997

3Q FY2024 Consolidated Earnings Summary

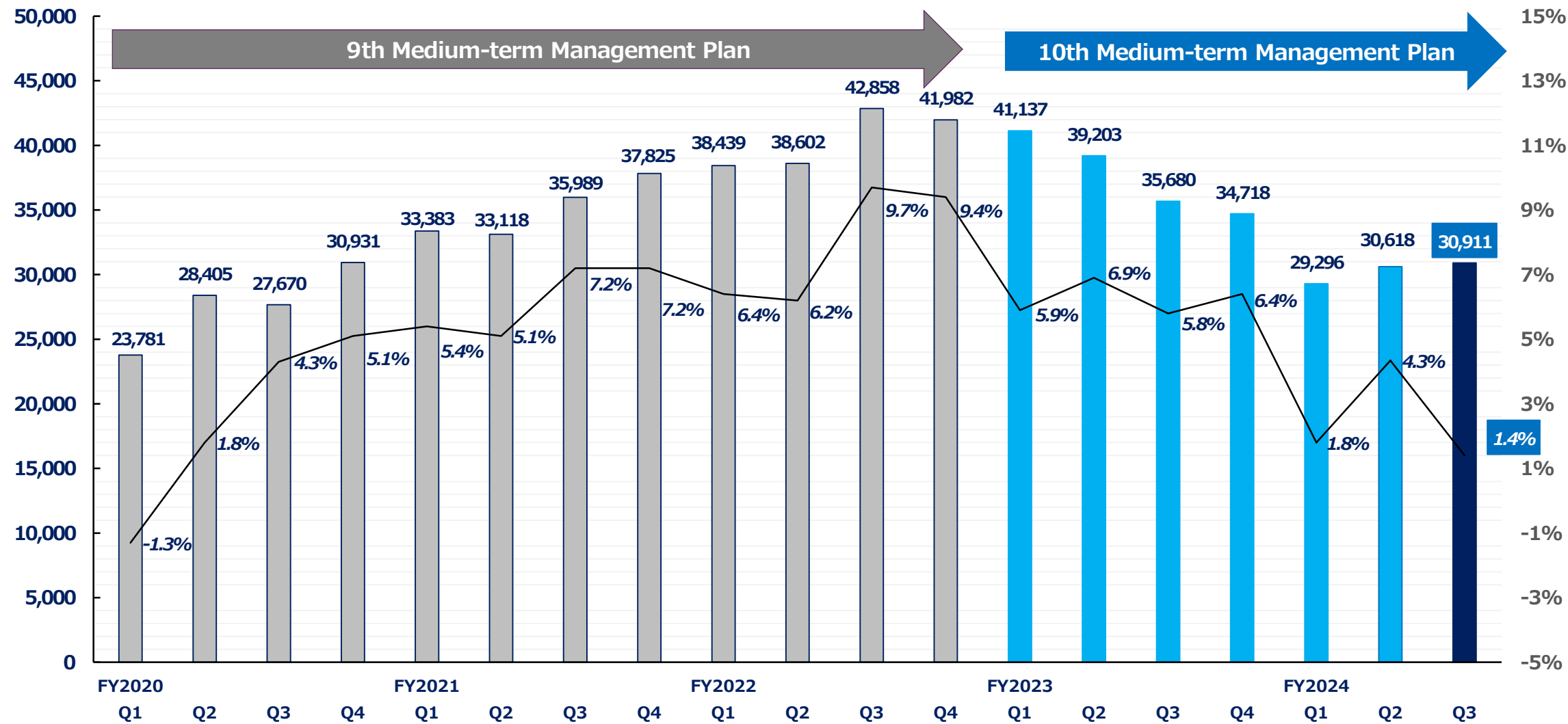
Trends in Quarterly Earnings

Net Sales

Unit: Million yen

Trends in Net Sales and Operating Margin

Operating Margin (%)



Overview of 1Q-3Q FY2024 Consolidated Financial Results - YoY -

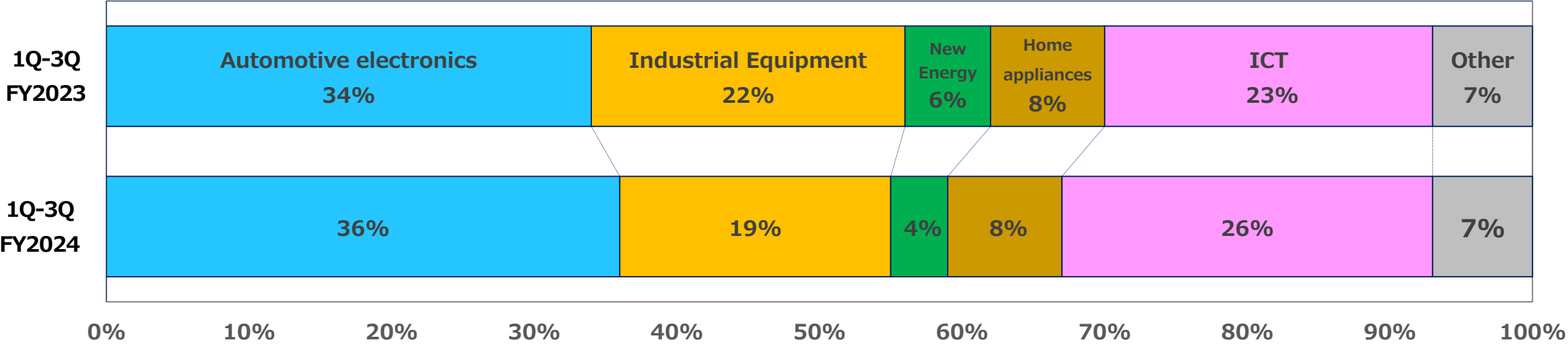
Unit: Million yen	1Q-3Q FY2023	1Q-3Q FY2024	Change	Rate of Change (%)
Net Sales	116,021	90,826	-25,195	-21.7%
Operating income	7,208	2,287	-4,920	-68.3%
Operating margin	6.2%	2.5%	-3.7pt	-
Net income	-22,141	13	+22,155	-
Capital investment	9,185	6,222	-2,963	-32.3%
Depreciation and amortization	4,711	4,922	+210	+4.5%
R&D expenses	3,397	3,148	-249	-7.3%
Currency rate vs USD (yen)	143.29	152.57	Yen depreciation: 6.5%	
vs. EUR (yen)	155.29	164.83	Yen depreciation: 6.1%	

1 Q-3Q FY2024 Financial Results: Main Points

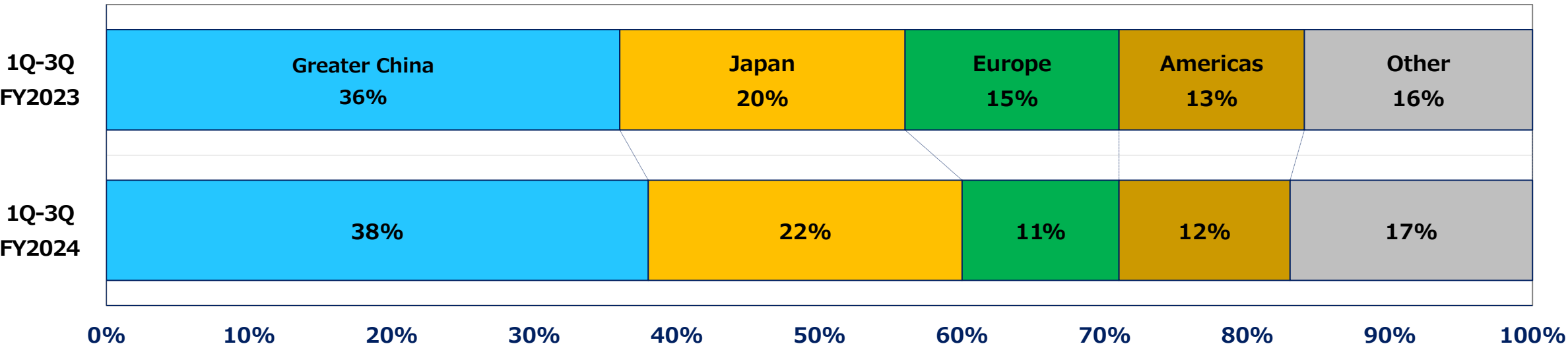
Main Points	
Net Sales	Net sales
¥90.8 bn Down 21.7% YoY	- 3Q sales decreased YoY due to a sluggish start to the quarter in the industrial equipment market, stagnant EV performance in the automotive electronics market, and compliance problems at automotive manufacturers, among other factors
Operating income	Operating income
¥2.3 bn Down 68.3% YoY	- Operating income decreased YoY despite a decline in fixed costs thanks to efforts to control labor expenses and capital investments. We incurred utilization losses due to a decline in net production that was attributable to decreased net sales. Also, a stagnant automotive electronics market triggered a downturn in the product sales mix. These factors caused the gross margin ratio to decline.
Profit/loss attributable to owners of parent	
¥13 mn	

3Q FY2024 Net Sales by Market and by Region

■ Percentage of Net Sales by Market

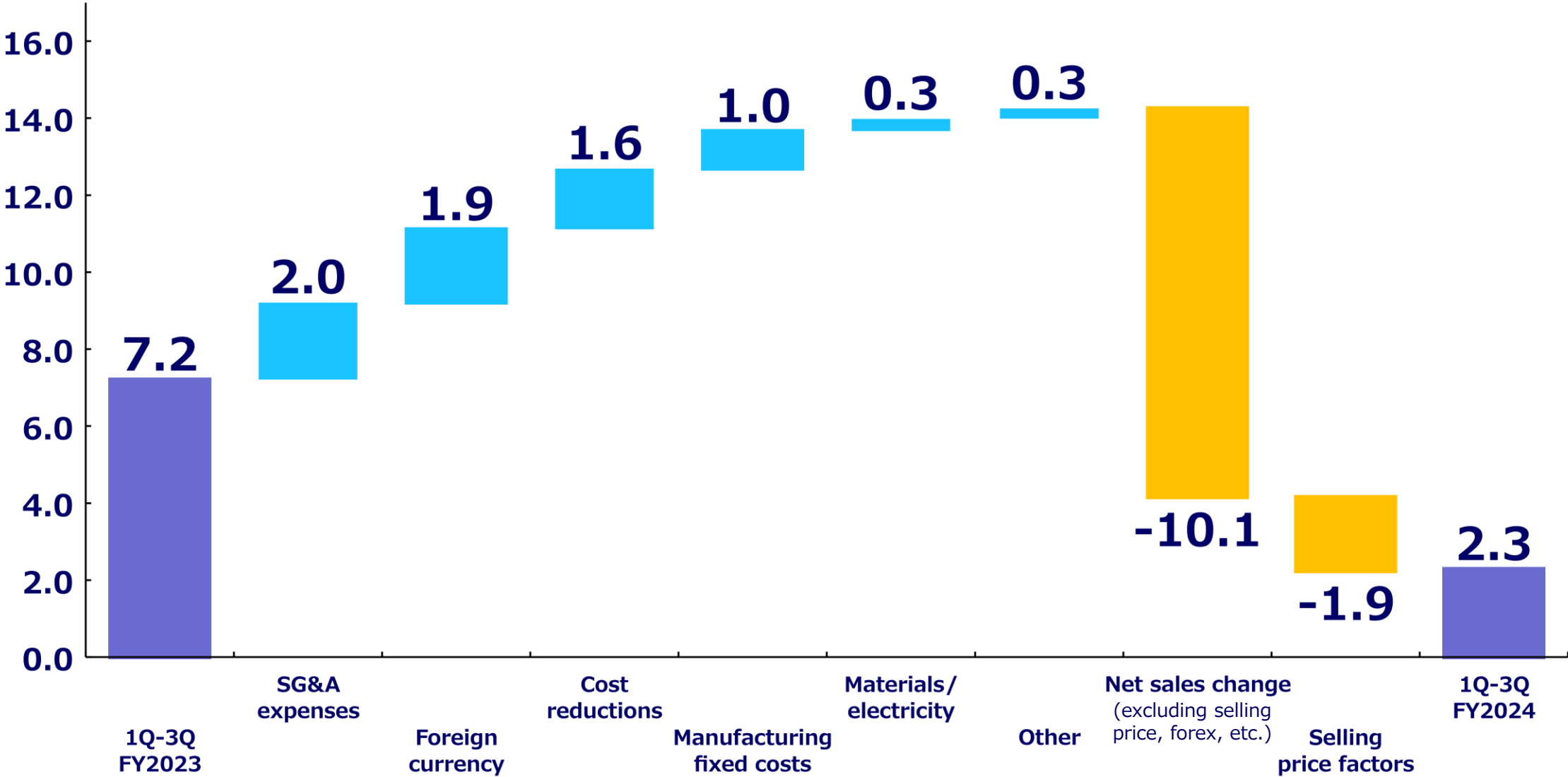


■ Percentage of Net Sales by Region



1Q-3Q FY2024 Operating Income - YoY -

Unit: Billion yen









FY2024 Consolidated Earnings Forecast

Outlook for Current Operating Environment and Three Major Markets

- ICT market to remain strong on growth of AI market
- Downward revision to production on sluggish automotive sales in Japan, Europe, and the US. Further delay in projected recovery for the industrial equipment market.

Market-specific Outlook

Market	1H FY2024	2H FY2024	Market Outlook
Automotive electronics			<ul style="list-style-type: none"> -While manufacturers in Japan, EU, and the US struggle with the emergence of Chinese manufacturers, demand for electronic components is projected to increase thanks to growth in the adoption of automotive electronics -Power backup units using DLCAP to expand from domestic to overseas automotive electronics manufacturers
Industrial equipment New energy			<ul style="list-style-type: none"> -Due to slower-than-expected recovery, full-scale market launch projected from 2025 onwards. -Changes in US government policy to trigger recovery in drilling operations for petroleum and natural gas, driving increased demand for high-capacitance capacitors -Lower interest rates in the US to drive recovery in the number of new home developments, which is projected to increase demand for power conditioners used in solar power systems
ICT			<ul style="list-style-type: none"> -Continued increase in orders received for AI servers will lead to increased power consumption, driving demand for high-capacitance capacitors -New business chances related to AI servers <ul style="list-style-type: none"> (1) Compatibility for liquid immersion cooling (2) Applications for power conditioning

FY2024 Full-Year Consolidated Earnings Outlook

Unit: Million yen*	FY2023	FY2024	YoY	
	Full-year Results	Full-year Plan	Change	Rate of Change (%)
Net Sales	150,740	133,000	-17,740	-11.8%
Operating income	9,422	7,200	-2,222	-23.6%
Operating margin	6.3%	5.4%	-0.9pt	-
Net income	-21,291	4,000	+25,291	-
ROA	-12.7%	2.4%	+15.1pt	-
ROE	-41.2%	7.2%	+48.4pt	-
Capital investment	11,195	8,500	-2,695	-24.1%
Depreciation and amortization	6,339	6,400	+60	+1.0%
R&D expenses	4,489	4,200	-289	-6.5%
Currency rate vs USD (yen)	144.62	148.82	Yen depreciation: 2.9%	
vs. EUR (yen)	156.80	162.97	Yen depreciation: 3.9%	

* There are no revisions to the full-year consolidated forecast we announced on November 5, 2024. We will provide immediate notice in the event of the need for future revisions to our earnings forecast.

Appendix

FY2024 3Q Results: Net Sales by Product - YoY/QoQ Comparisons -

Unit: Million yen	FY2023	FY2024		YoY		QoQ	
	3Q Results	Q2 Results	3Q Results	Change	Rate of Change (%)	Change	Rate of Change (%)
Aluminum electrolytic	31,042	26,340	26,560	-4,482	-14.4%	+219	+0.8%
Conductive polymer	5,362	5,032	5,113	-249	-4.6%	+80	+1.6%
DLCAP™	1,268	905	922	-346	-27.3%	+17	+1.9%
Ceramic capacitors/ varistors	759	675	572	-186	-24.5%	-103	-15.3%
Mechanical parts and other parts	739	960	823	+84	+11.4%	-137	-14.3%
Capacitor materials	1,323	1,479	1,681	+358	+27.1%	+201	+13.7%
Other	549	257	352	-197	-35.9%	+94	+36.6%
Total	35,680	30,618	30,911	-4,769	-13.4%	+292	+1.0%

FY2024 Forecast of Net Sales by Product – YoY –

Unit: Million yen	FY2023	FY2024				
	Full-year Results	1H Results	2H Forecast	Full-year Forecast	Change	Rate of Change (%)
Aluminum electrolytic	132,497	51,717	64,783	116,500	-15,997	-12.1%
Conductive polymer	21,231	9,943	10,857	20,800	-431	-2.0%
DLCAP™	5,195	1,921	1,779	3,700	-1,495	-28.8%
Ceramic capacitors/ varistors	3,389	1,260	1,240	2,500	-889	-26.2%
Mechanical parts and other parts	3,500	1,712	1,688	3,400	-100	-2.9%
Capacitor materials	4,615	2,750	3,050	5,800	+1,184	+25.7%
Other	1,541	553	547	1,100	-441	-28.6%
Total	150,740	59,914	73,086	133,000	-17,740	-11.8%

Disclaimer

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.