

Financial Results Explanatory Material for Q2 FY2025 (Six months ended September 30, 2025)

November 2025

Nippon Chemi-Con Corporation

TSE Prime Market, Securities code:6997

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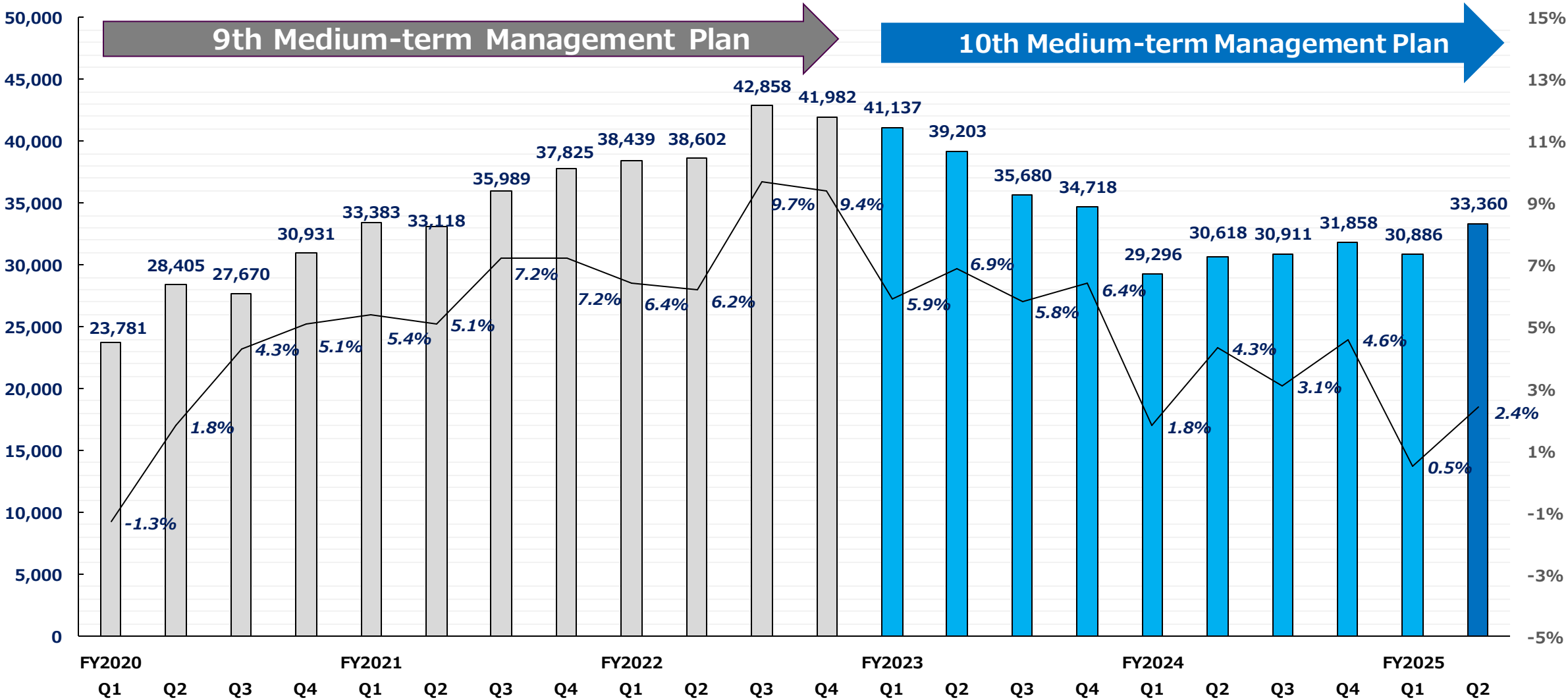
Q2 FY2025 Trend in Net Sales and Operating Margin

Net Sales

Unit: Million yen

Operating Margin (%)

Trends in Net Sales and Operating Margin



I. Q2 FY2025 Consolidated Earnings Summary

1H FY2025 Consolidated Results (YoY)

Despite delays in the recovery of the automotive electronics and industrial equipment markets, the ICT market was firm thanks to increased demand for AI servers, among other factors

Unit: Million yen, %

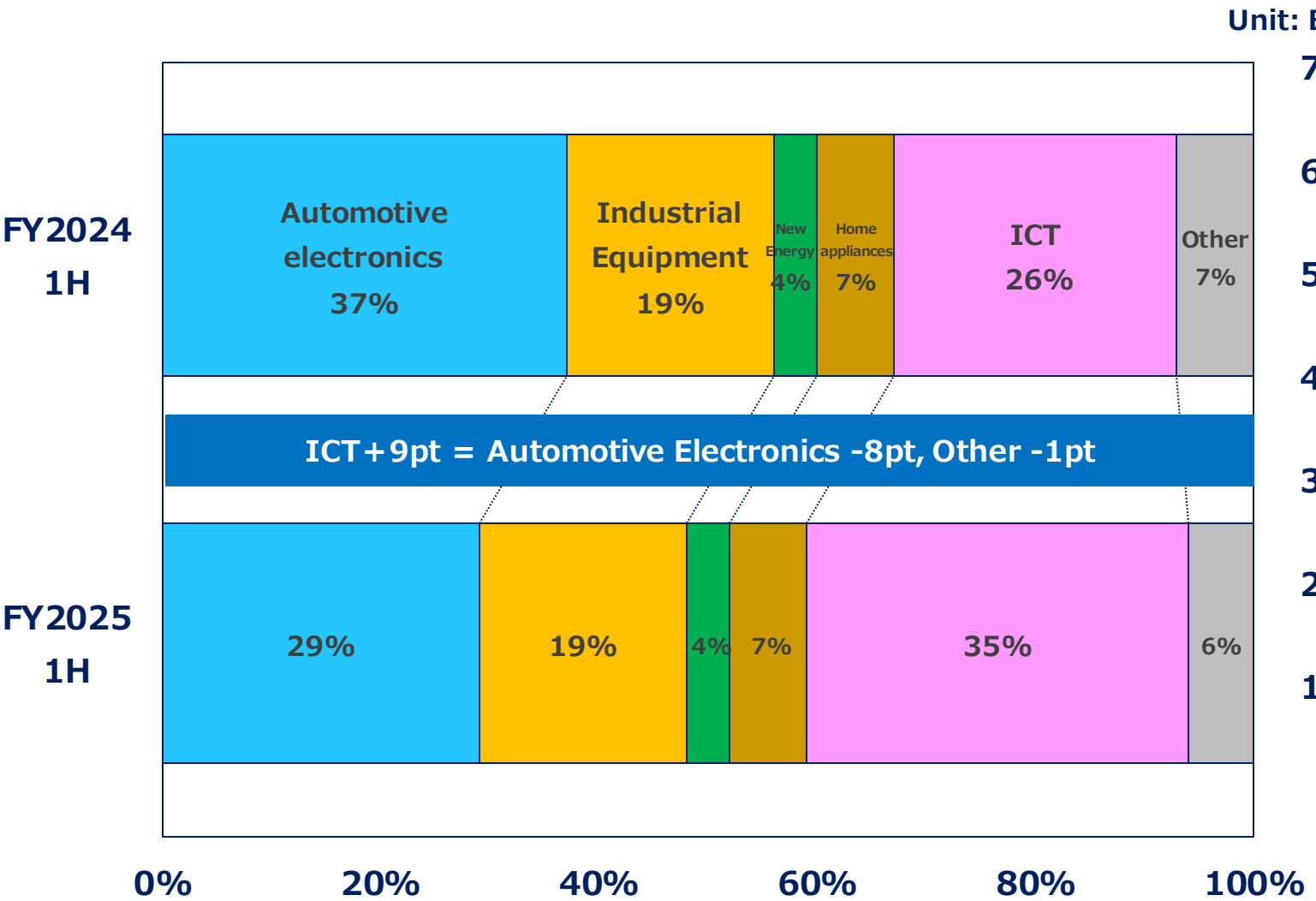
	FY2024	FY2025	YoY	
	1H Results	1H Results	Change	% Change
Net Sales	59,914	64,246	+4,331	+7.2%
Operating income	1,850	956	-893	-48.3%
Ratio to net sales	3.1%	1.5%	-1.6pt	-
Profit attributable to owners of parent	78	269	191	-
Ratio to net sales	0.1%	0.4%	+0.3pt	-
Capital investment	5,218	3,812	-1,405	-26.9%
Depreciation and amortization	3,285	3,297	+12	+0.4%
R&D expenses	2,056	2,002	-53	-2.6%
Avg. exchange rate: USD (yen)	152.63	146.04	4.3% yen appreciation	

Main Points of 1H FY2025 Consolidated Results

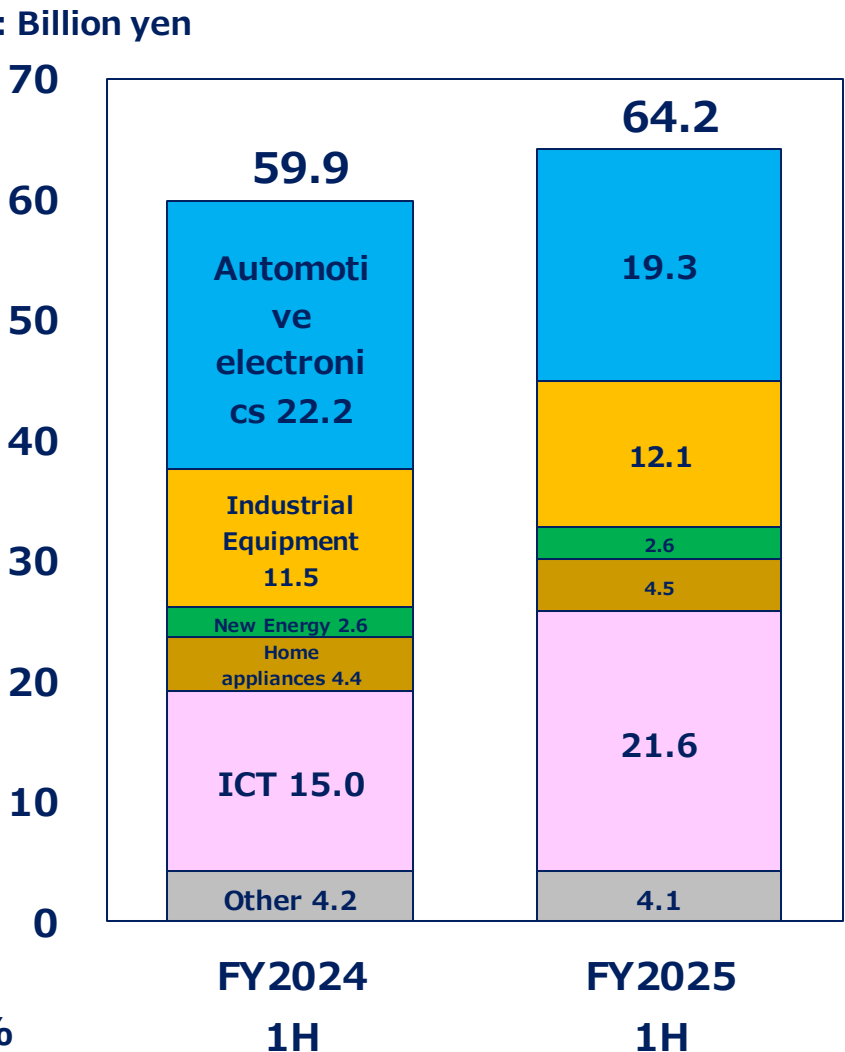
Main Points of 1H FY2025 Financial Results	
Net Sales	◇ Net sales (Market Trends) ◆ Automotive electronics market US tariffs triggered uncertainty but orders received trended towards improvement on progress made towards parts inventory normalization. ◆ Industrial equipment market Despite sentiment that the market had bottomed out, this did not lead to full-scale capital investments. Therefore, recovery is projected for 2H FY2025 or later. ◆ ICT market Net sales were strong on continued growth in server demand for data centers (increased demand for AI servers)
64,246 million yen YoY, up +7.2%	
Operating income	◇ Operating income ◆ Income decreased by 48.3% YoY due to factors such as trend of yen appreciation, soaring material costs, and changes to the product mix.
956 million yen YoY -48.3%	
Profit attributable to owners of parent	
269 million yen	

1H FY2025 Net Sales by Market

Percentage of Net Sales by Market

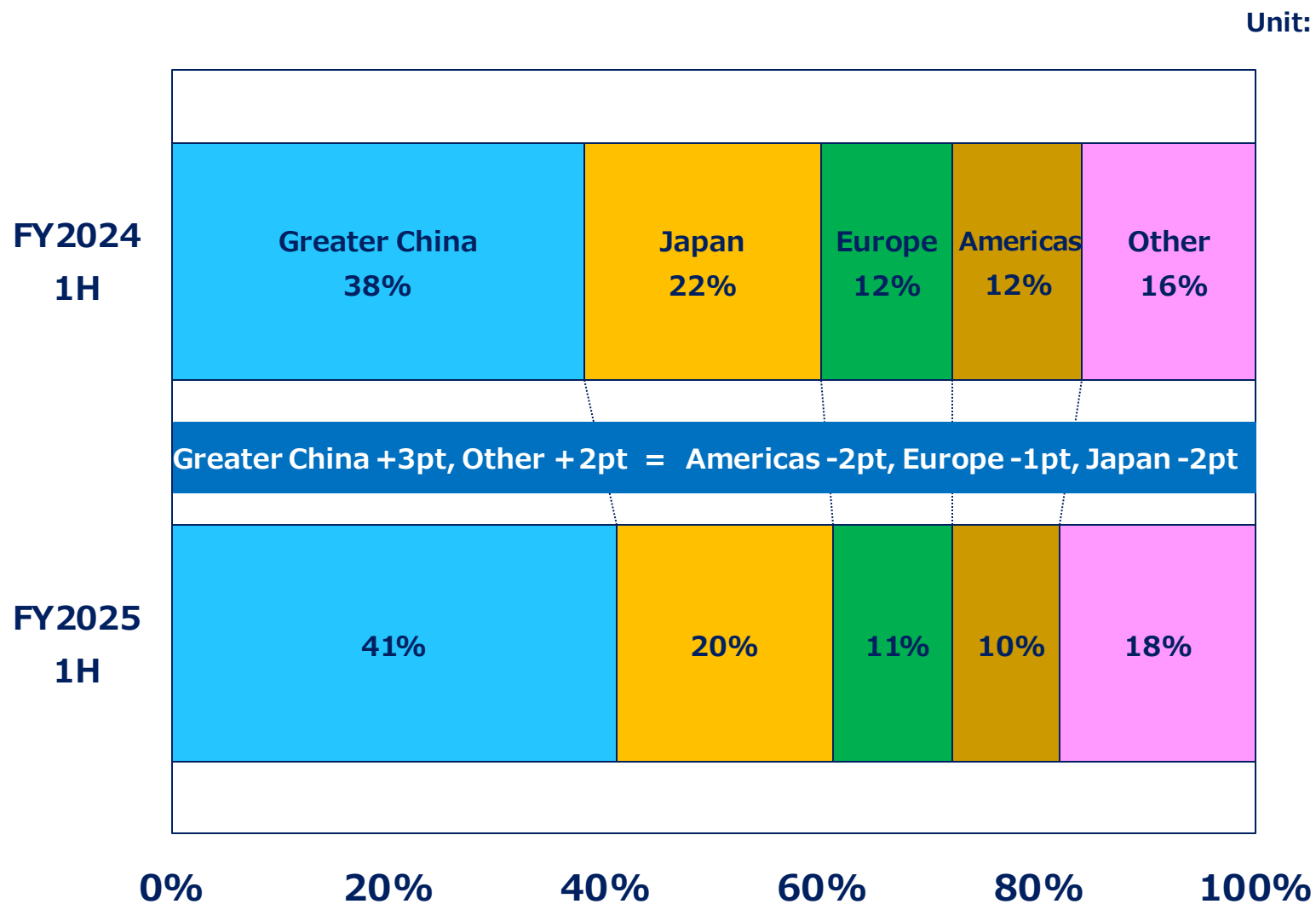


Net Sales by Market

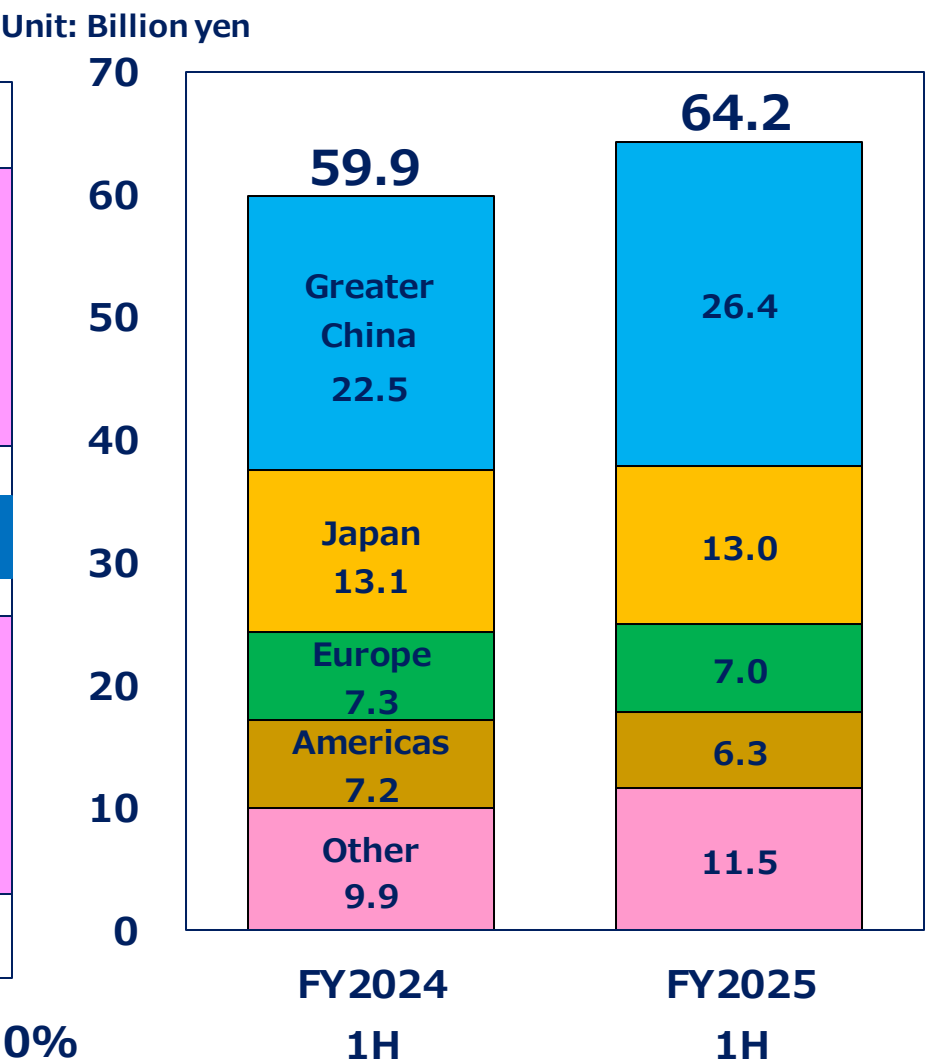


1H FY2025 Net Sales by Region

Percentage of Net Sales by Region

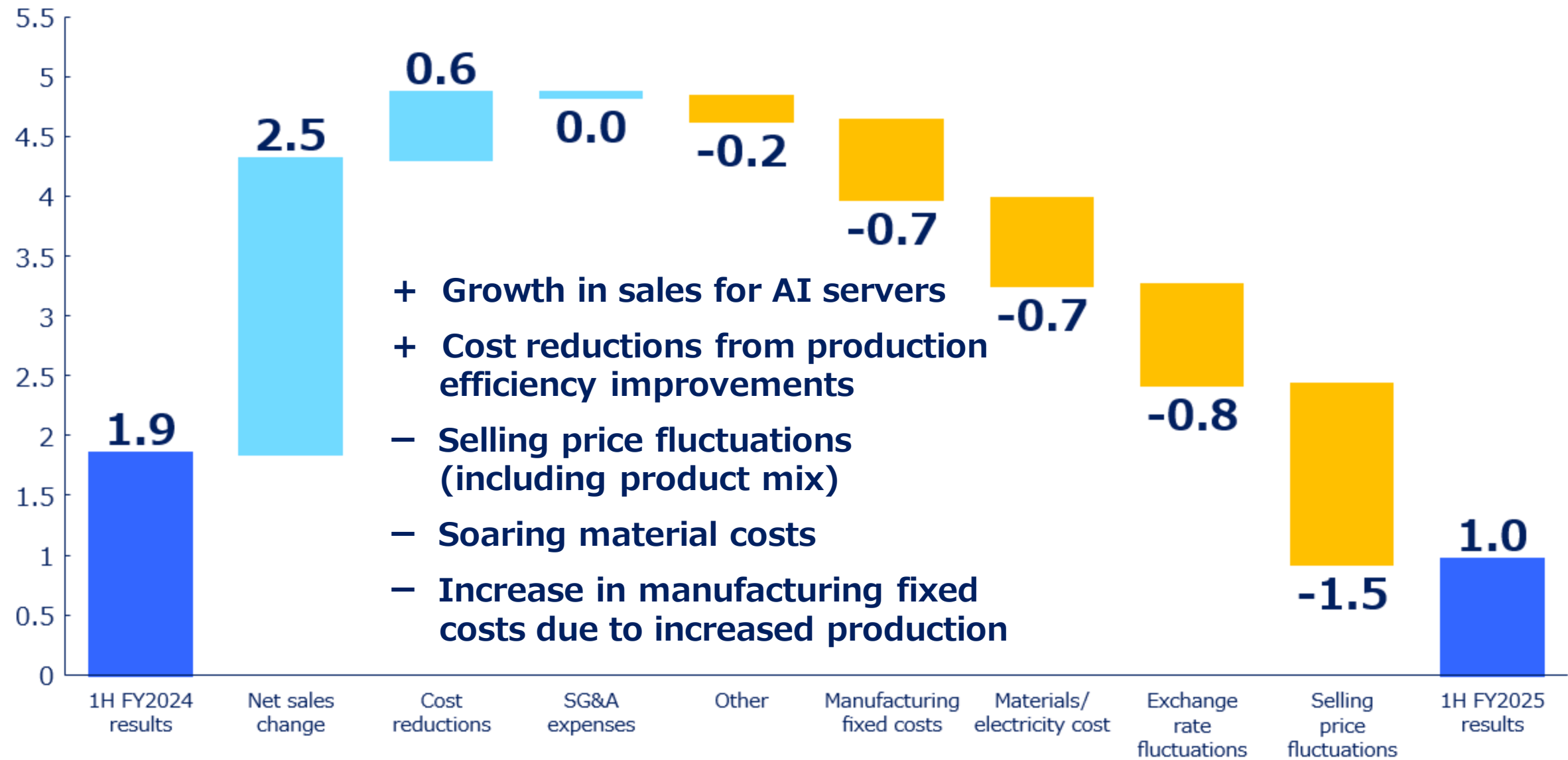


Net Sales by Region



1H FY2025 Operating Income (YoY)

Unit: Billion yen



1H FY2025 Share Class

■ Trends in press releases concerning class of shares

Release date	Release details						
March 10, 2025	✓ The removal of conversion restriction from FY2025 onwards was accelerated by one year						
	✓ Applies to "Cases of confident projections of results that will fall, or results have already fallen, 20% below the FY2024 Medium-term Management Plan operating income target of 11.0 billion yen"						
September 17, 2025	✓ JIS exercised put options attached to Class B shares to receive common shares as consideration.						
		No. of shares exercised	Payment amount		Premium	Revised acquisition price*1	Common shares issued
October 28, 2025	September 17, 2025	363 shares	363 million yen	1.415	513.6 million yen	1,025.4	500,921 shares
	October 28, 2025	362 shares	362 million yen	1.415	512.2 million yen	1,025.4	499,541 shares
	Total	725 shares					1,000,462 shares
*1. 90% of VWAP average price for the 20-day period prior to June 30, 2025							

■ We received the following verbal explanation regarding the JIS (via our press release) policy for the foreseeable future *as of March 2025

(1)	Policy is to not allow the transfer of this class of shares to a third party.	
(2)	Class A Shares	There are no plans to exercise Put Options for the foreseeable future (Put Options exercisable from April 2026)
(3)	Class B Shares	Assumes the gradual exercising of Put Options and the acquisition of our Company's common shares followed by selling on the market based on timing deemed appropriate by the JIS Fund for the objective of achieving capital gains by improving the Company's corporate value and maximizing share value

II. FY2025 Full-Year Consolidated Earnings Forecast

FY2025 Full-Year Consolidated Earnings Forecast

Earnings expected to increase on a recovery in the industrial equipment and growth in demand for parts for the ICT and automotive electronics markets

Unit: Million yen	FY2024	FY2025				
	Full-year Results	1H Results	2H Revised Plan	Full-Year Revised Plan	Change	% Change
Net Sales	122,684	64,246	72,753	137,000	+14,315	+11.7%
Operating income	3,740	956	3,043	4,000	+259	+6.9%
Operating margin	3.0%	1.5%	4.2%	2.9%	-0.1pt	-
Net income	37	269	1,230	1,500	+1,462	-
ROE	0.1%	0.5%	-	2.7%	+2.6pt	-
Capital investment	7,631	3,812	1,487	5,300	-2,331	-30.6%
Depreciation and amortization	6,640	3,297	3,202	6,500	-140	-2.1%
R&D expenses	4,228	2,002	2,197	4,200	-28	-0.7%
Exchange rate: USD (yen)	152.58	146.04	145.00	145.52	4.6% yen appreciation	

FY2025 Full-Year Consolidated Earnings Forecast: Main Points

Main Points of FY2025 Financial Outlook

Net Sales

137,000 million yen
YoY +11.7%

Operating income

4,000 million yen
YoY +6.9%

Profit attributable to owners of parent

1,500 million yen
YoY 37 million yen

◇ Net Sales

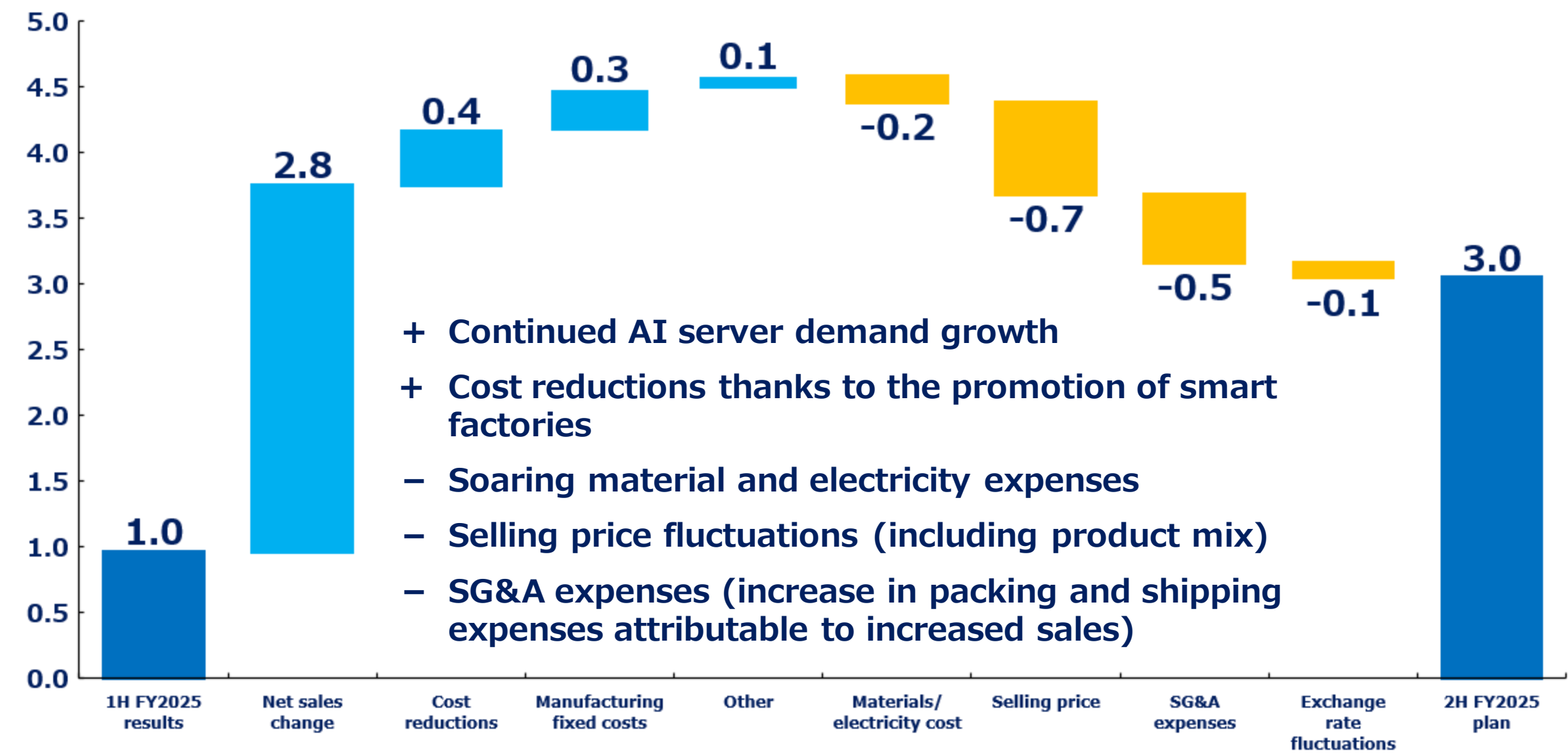
- * Automotive electronics market: Amid the impact of US tariff policy, customer parts inventories are progressing towards normalization, with the market projected to recovery heading into FY2026.
- * Industrial equipment market: There is continued uncertainty due to US tariff policy and geopolitical risks as market recovery is projected to be more gradual than initial assumptions.
- * ICT market: Projecting strong data center investments driven by major US IT companies. Projecting increased demand for high-value-added parts for AI servers.

◇ Operating income

- * Despite the recovery of the automotive electronics and industrial equipment markets being more gradual than expected, we forecast operating income to increase by 6.9% YoY thanks to contributions from strong ICT market sales.

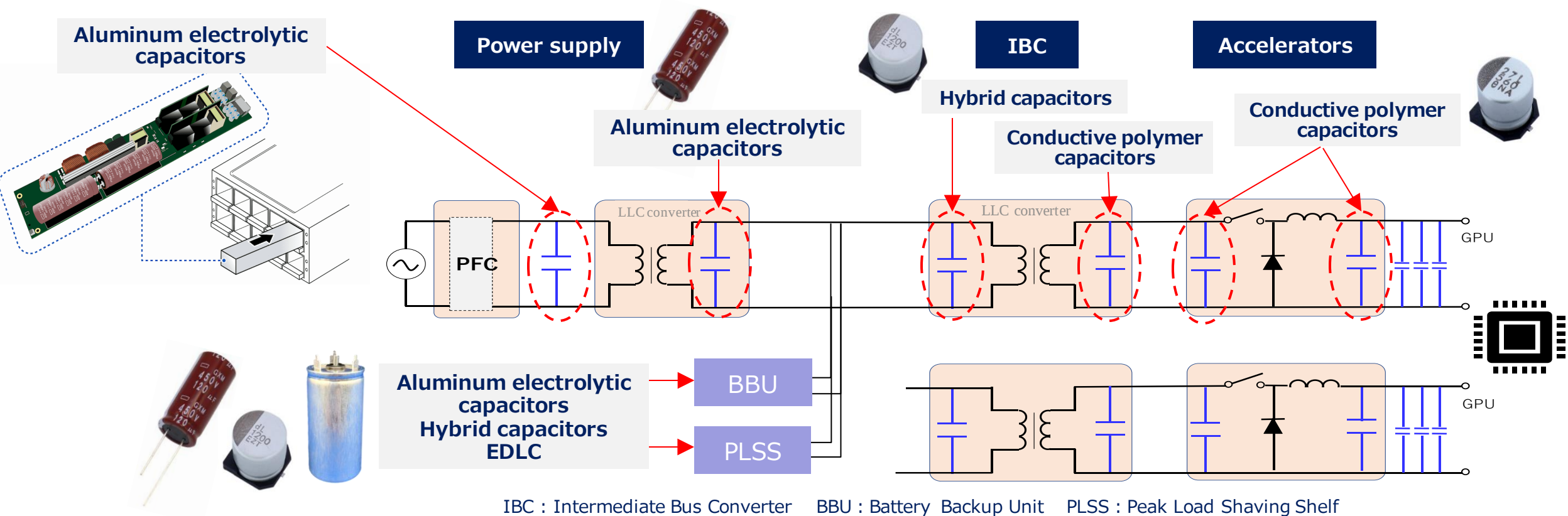
2H FY2025 Operating Income Forecast (vs. 1H)

Unit: Billion yen



Growth strategy: Product lines for data centers

Wide range of products to handle all server power supply lines
Compatibility for liquid immersion cooling across all product categories:
aluminum electrolytic, hybrid, and conductive polymer capacitors



Growth Strategy: Expand Data Center Market and our Contributions

(1) Demand growth on increase in data center investments

Increase in number of servers

→ Increase in both general servers and AI servers

Higher processing capacity leading to increases in GPU power consumption and the number of processors

→ Increased demand for capacitors as solutions for issues such as power retention and noise countermeasures

→ Increasing number of related circuits driving growth in parts demand

(2) Superiority of our aluminum electrolytic capacitors

Priority for parts for data centers is product reliability (*according to OCP)

→ Long track record of offering highly reliable products to power supply and automotive electronics manufacturers

*OCP (Open Compute Project): An international project for standardizing and optimizing data center designs

Consumed electricity increasing but there is a limit to space inside racks

→ An effective solution would be aluminum electrolytic capacitors, which offer a superior size to capacitance ratio (Includes hybrid and conductive polymer capacitors)

→ Strengthen technology for achieving high capacitance

We use an AI server technology roadmap to estimate necessary capacitor capacitance

GPU generation	FY2024	FY2025	FY2026	FY2027
Power source output kw (Index based on FY2024 as 100)	100	200	600	800
Power supply output voltage V	12V	48V	48V	800V
Capacitor capacitance μ F (Index based on FY2024 as 100)	100	400	2800	3800

Growth strategy: Initiatives in the automotive electronics market (CASE)

Common technological trends in products for automotive electronics and data centers Synergy effect from new product development

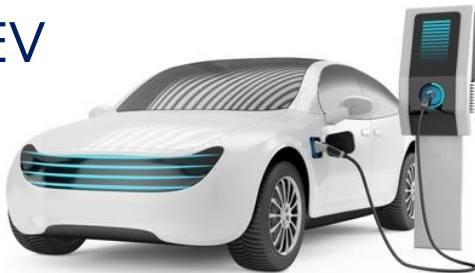
CASE deployment projected to drive increases in demand for electronic parts

- High heat resistance, high-reliability hybrid capacitors
- High-capacitance products utilizing newly developed aluminum electrode foil
- EDLC corresponding to automotive electronic quality

Horizontal deployment for data centers
Required uses for capacitors are common

- Compatibility for 48V
- High reliability
- High capacitance
- Current load leveling

EV



SDV



ADAS

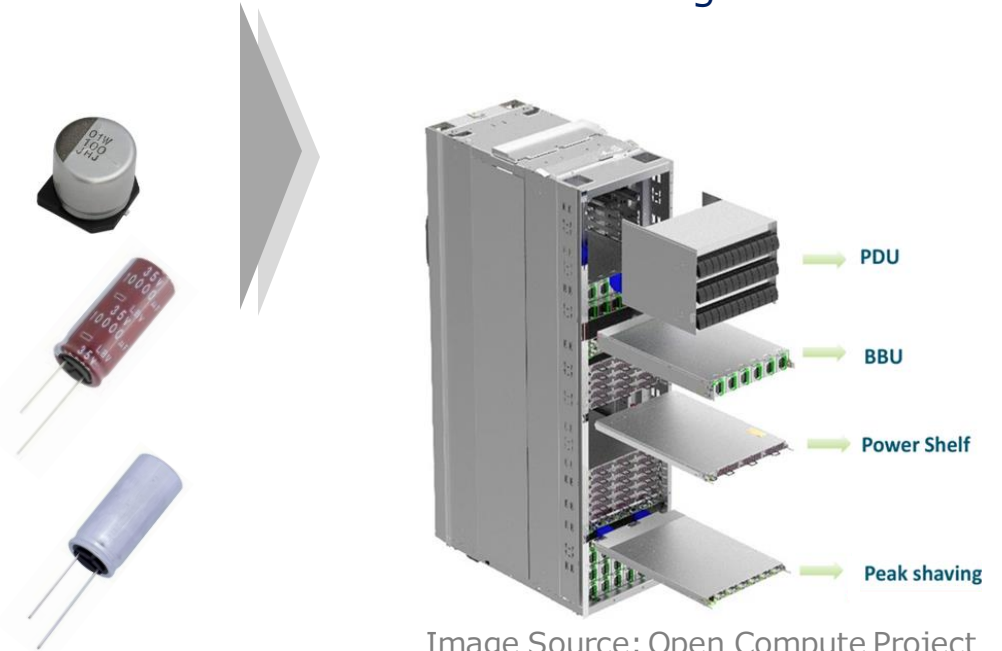
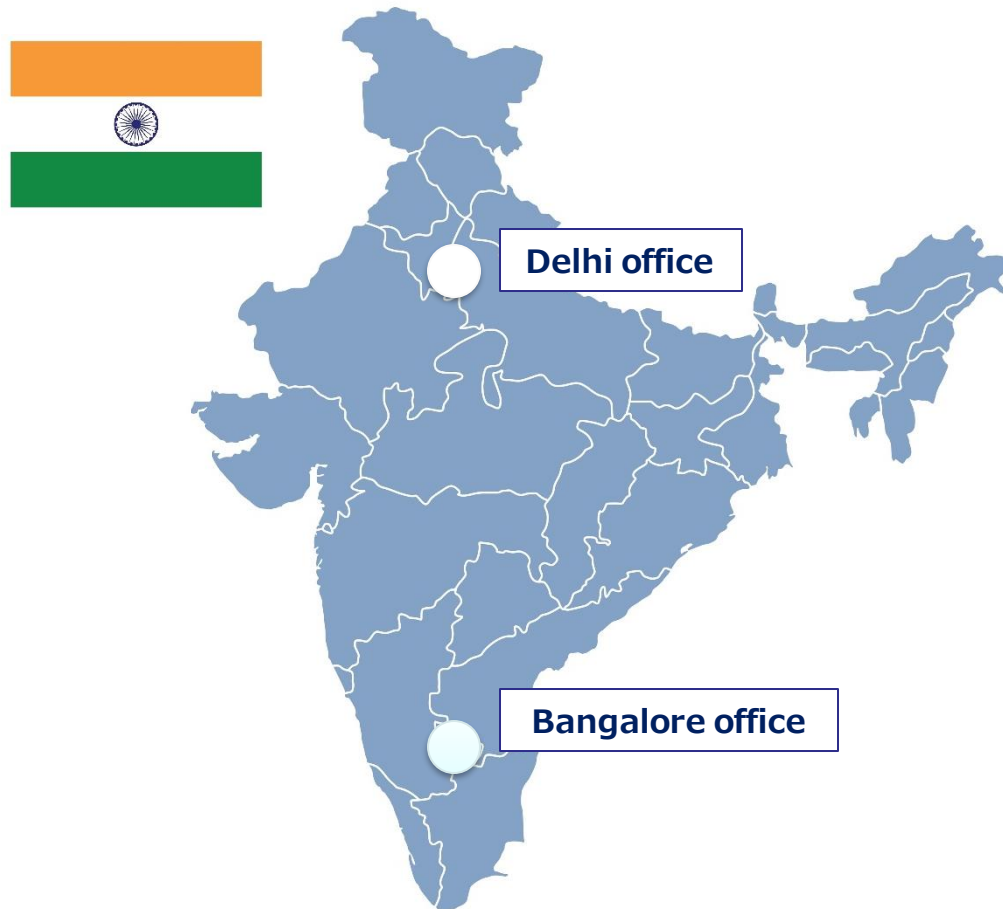


Image Source: Open Compute Project

Growth strategy: Strengthen sales strategy (strengthen response for India market)

Established CHEMI-CON ELECTRONICS(INDIA) PRIVATE LIMITED
Strengthen sales to India, which is expected to see growth in market size



Cover wide area from two locations

- '25/10 Delhi (main office)
- '25/11 Bangalore (branch office)

Expand sales to local manufacturers in India

Expectations for growth domains such as automotive electronics, industrial equipment, and new energy markets
Catch up to growth demand linked to national programs
Respond to needs by leveraging strengths such as high performance, high-reliability, and long life products

Support structure for strengthening customer engagement

Rapid technology support by local subsidiary
Customer support from locations such as Singapore and Malaysia
SCM support based on a global project structure

Appendix

1H FY2025 Net Sales by Product (YoY)

Increased net sales for aluminum electrolytic capacitors on increased data center demand (including AI servers)

Unit: Million yen, %

	FY2024		FY2025		YoY	
	1H		1H			
	Amount	% of total	Amount	% of total	Change	% Change
Aluminum electrolytic	51,717	86.3%	56,099	87.3%	+4,382	+8.5%
Conductive polymer	9,943	16.6%	10,706	16.7%	+763	+7.7%
DLCAP™	1,921	3.2%	1,852	2.9%	-69	-3.6%
Ceramic capacitors/ Varistors	1,260	2.1%	1,264	2.0%	+4	+0.2%
Mechanical parts and other parts	1,712	2.9%	1,575	2.5%	-137	-8.0%
Capacitor materials	2,750	4.6%	2,657	4.1%	-93	-3.4%
Other	553	0.9%	797	1.2%	+244	+44.2%
Total	59,914	100.0	64,246	100.0%	+4,332	+7.2%

FY2025 Full-Year Product-specific Sales Forecast

Earnings expected to increase on a recovery in the industrial equipment and growth in demand for parts for the ICT and automotive electronics markets

Unit: Million yen	FY2024 Results	FY2025				
		1H Results	2H Revised Plan	Full-Year Revised Plan	YoY Change	YoY Rate of Change (%)
Aluminum electrolytic	106,114	56,099	65,000	121,100	+14,986	+14.1%
Conductive polymer	20,306	10,706	11,893	22,600	+2,294	+11.3%
DLCAP™	3,751	1,852	1,747	3,600	-151	-4.0%
Ceramic capacitors/ Varistors	2,452	1,264	1,336	2,600	+148	+6.0%
Mechanical parts and other parts	3,441	1,575	1,524	3,100	-341	-9.9%
Capacitor materials	5,703	2,657	2,542	5,200	-503	-8.8%
Other	1,220	797	602	1,400	+180	+14.7%
Total	122,684	64,246	72,753	137,000	+14,316	+11.7%

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