Financial Results Explanatory Material for Q2 FY2026 (Six months ended September 30, 2026)

November 2026

Nippon Chemi-Con Corporation

TSE Prime Market, Securities code:6997

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I. 1H FY2026 Consolidated Earnings Summary

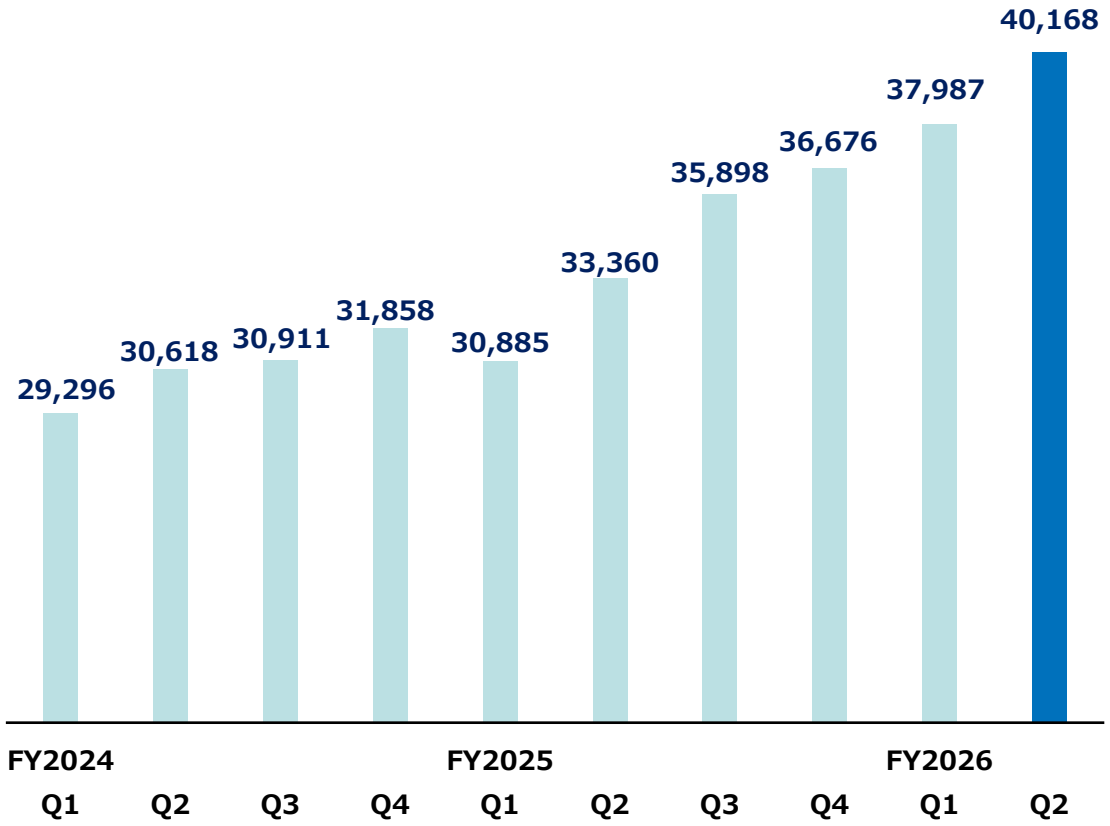
Main Points of 1H FY2026 Consolidated Results

	Main Points
Net Sales **78,155** million yen YoY +21.6%	◇ Net sales (market trends) ◆ ICT and AI server market Net sales were firm particularly thanks to aluminum electrolytic capacitors and conductive and hybrid capacitors for AI and general-purpose servers used in data centers. ◆ Automotive electronics market Global automobile sales numbers were weak but the ratio of sales of xEVs (EVs and hybrids) remained high in Europe and the US. As such, capacitor demand increased on an increase in the number of parts per vehicle. ◆ Industrial equipment market Demand remained strong, thanks in particular to semiconductor and data center-related investments.
Operating Profit **3,763** million yen YoY +293.4%	◇ Operating profit Profit increased, despite higher-than-anticipated increases in raw material prices, thanks to an improvement in the product mix attributable to increased sales of highly profitable products, mainly data center-related products. We also saw a certain level of contributions from price adjustments.
Profit attributable to owners of parent **45** million yen YoY -83.0%	◇ Profit attributable to owners of parent Recorded extraordinary losses of 2.04 billion yen related to litigation.

Trend in Quarterly Earnings

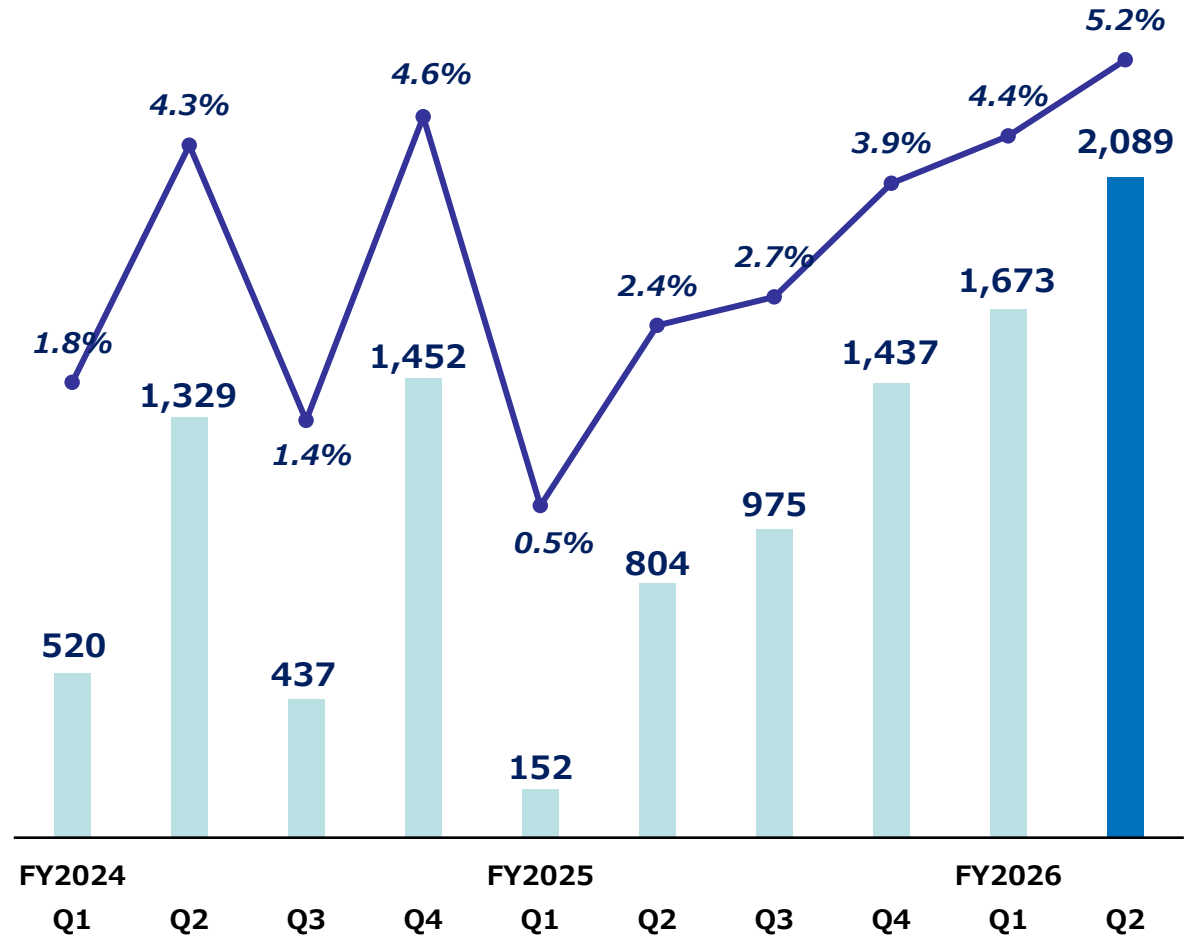
Net Sales
Unit: Million yen

Trends in Net Sales



Operating Profit
Unit: Million yen

Trends in Operating Profit and Operating Margin



1H FY2026 Consolidated Results (YoY)

Despite soaring raw material costs, profit increased on increased sales of high-added-value products, adjusting selling prices, and cost reductions

Unit: Million yen, %

	FY2025	FY2026		YoY		vs. Forecast	
	1H Results	1H Forecast	1H Results	Change	% Change	Change	% Change
Net sales	64,246	77,000	78,155	+13,908	+21.6%	+1,155	+1.5%
Operating profit	956	3,000	3,763	+2,806	+293.4%	+763	+25.4%
Ratio to net sales	1.5%	3.9%	4.8%	+3.3pt	-	+0.9pt	-
Profit attributable to owners of parent	269	1,500	45	-224	-83.0%	-1,454	-96.9%
Ratio to net sales	0.4%	1.9%	0.1%	-0.3Pt	-	-1.8Pt	-
Capital investment	3,812	2,800	3,639	-173	-4.5%	+839	+30.0%
Depreciation and amortization	3,297	3,300	3,294	-2	-0.1%	-5	-0.2%
R&D expenses	2,002	1,950	2,197	+194	+9.7%	+246	+12.7%
Avg. exchange rate: USD (yen)	146.04	153.00	159.37	9.1% yen depreciation		4.2% yen depreciation	

1H FY2026: Net Sales by Product (YoY)

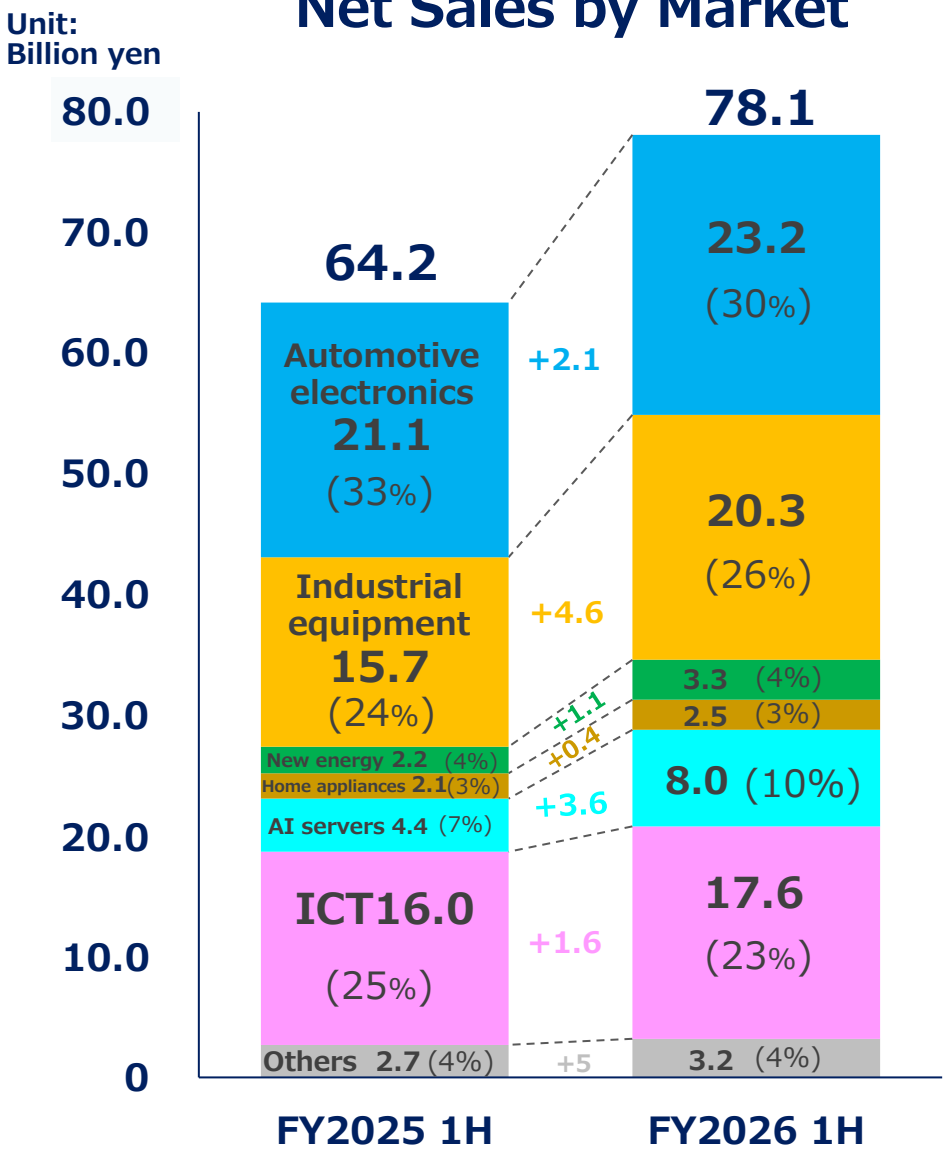
Net sales of conductive capacitors and aluminum electrolytic capacitors increased significantly on increased data center demand

Unit: Million, %

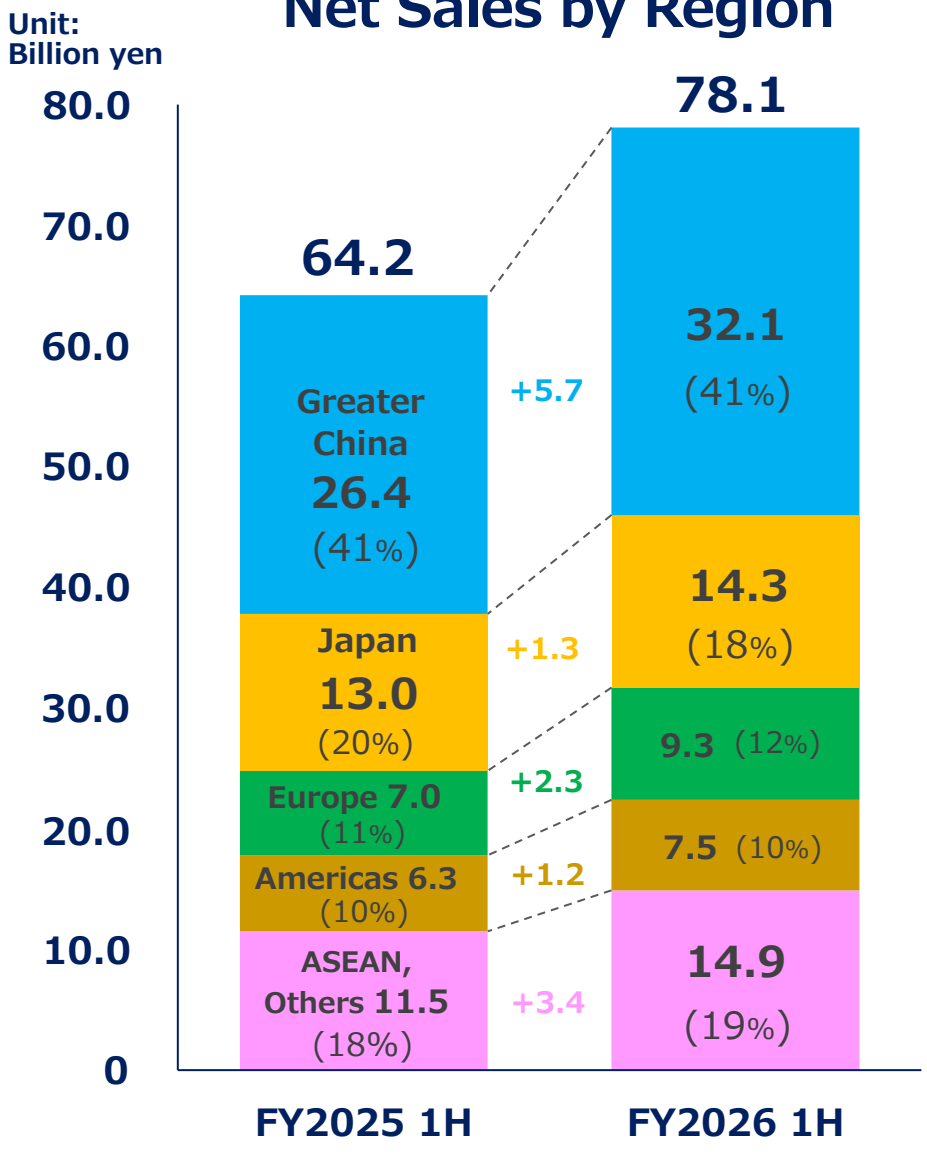
	FY2025		FY2026				YoY		vs. Forecast	
	1H Results		1H Forecast		1H Results					
	Amount	% of total	Amount	% of total	Amount	% of total	Change	% Change	Change	% Change
Aluminum electrolytic	56,099	87.3%	69,300	90.0%	69,289	88.7%	+13,189	+23.5%	-10	-0.0%
of which are conductive polymer	10,706	16.7%	13,600	17.7%	13,943	17.8%	+3,236	+30.2%	+343	+2.5%
DLCAP™	1,852	2.9%	1,600	2.1%	1,922	2.4%	+69	+3.8%	+322	+20.1%
Ceramic capacitors/ varistors	1,263	2.0%	1,200	1.6%	1,402	1.8%	+139	+11.0%	+202	+16.9%
Mechanical and other parts	1,575	2.5%	1,350	1.7%	1,561	2.0%	-14	-0.9%	+211	+15.6%
Capacitor materials	2,657	4.1%	2,850	3.7%	3,122	4.0%	+464	+17.5%	+272	+9.6%
Other	797	1.2%	700	0.9%	857	1.1%	+59	+7.5%	+157	+22.5%
Total	64,246	100.0%	77,000	100.0%	78,155	100.0%	+13,908	+21.6%	+1,155	+1.5%

1H FY2026 Net Sales Trends

Net Sales by Market

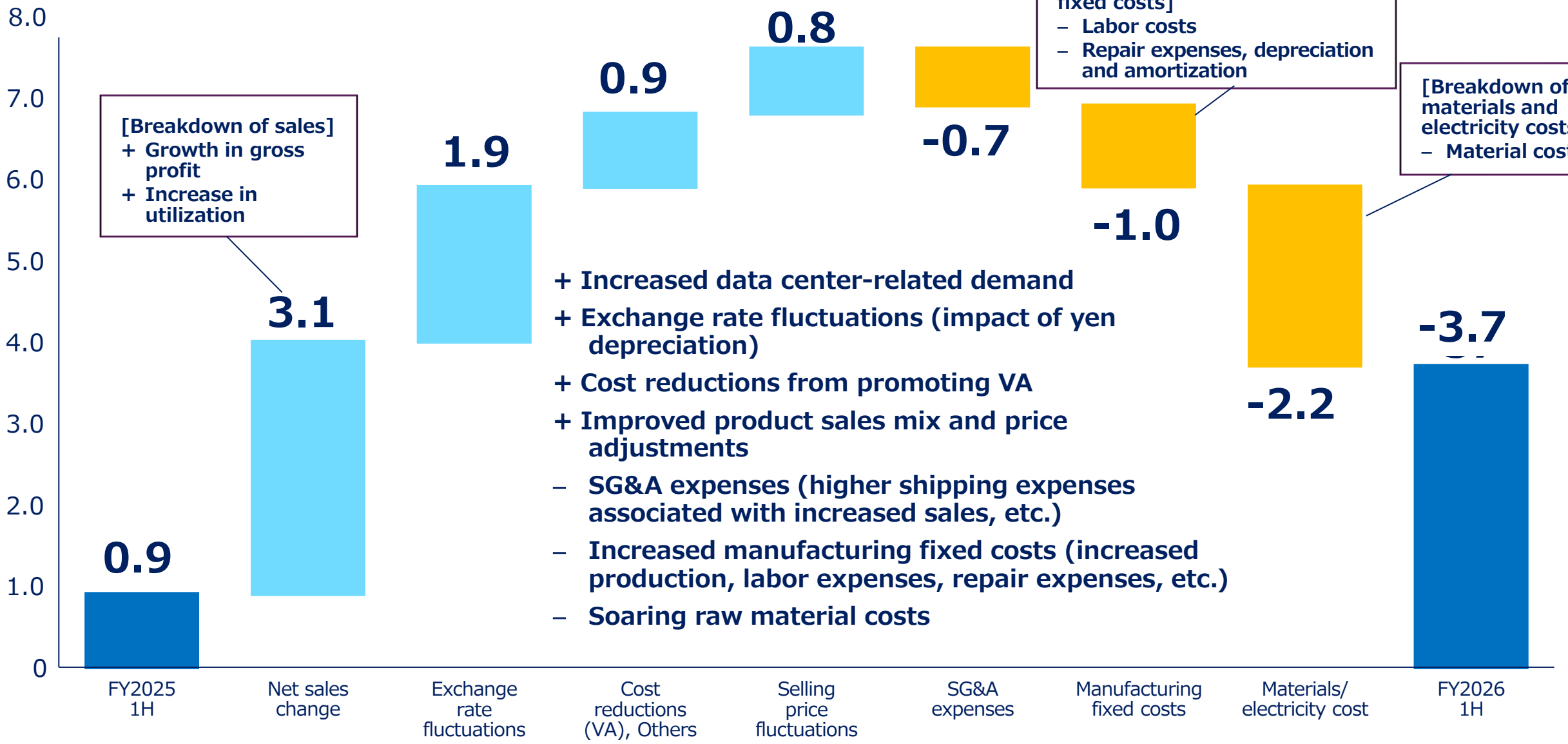


Net Sales by Region



1H FY2026 Operating Profit (YoY)

Unit: Billion yen



1H FY2026 Consolidated Statement of Cash Flow

◆ **Free cash flow:**
Mainly due to improved cash flow resulting from higher operating profit.

◆ **Cash flows from financing activities:**
Mainly income of 9.0 billion yen from the issuance of Class C/Class D shares and expenditures of approx. 11.0 billion yen for the redemption of Class A shares
***Class B shares have all been converted to common shares.**

Unit: Million yen	1H FY2025 results	1H FY2026 results	Change
Cash flows from operating activities	2,062	6,128	+4,065
Cash flows from investing activities	-3,388	-2,990	+397
Free cash flow	-1,325	◆ 3,137	+4,463
Cash flows from financing activities	-2,482	◆ -2,386	+96
Impact of exchange rate fluctuations	15	385	+369
Balance of cash and cash equivalents	20,071	22,422	+2,350

II. FY2026 Full-Year Consolidated Earnings Forecast

Main Points of FY2026 Consolidated Earnings Forecast

	Main points
Net sales **160,000** million yen No change from previous forecast	◇ Net sales (market trends) ◆ ICT and AI server market Projecting continued strong demand driven primarily by AI and general-purpose servers for data centers. ◆ Automotive electronics market While there are signs of a slowdown in vehicle sales, particularly in the Chinese market, sales of xEVs remain firm in Western markets with the trends toward electrification continuing. ◆ Industrial equipment market Continued strong demand for machining equipment and FA equipment supported by ongoing investments in the semiconductor and data center sectors.
Operating profit **8,000** million yen No change from previous forecast	◇ Operating profit In response to rising material costs, we are expanding sales of high-added-value products, adjusting selling prices, and reinforcing cost reduction measures. Through these actions, we aim to absorb the impact of higher costs and improve overall profitability.
Profit attributable to owners of parent **2,000** million yen -2,000 million yen vs. previous forecast	◇ Profit attributable to owners of parent Recorded an extraordinary loss of 2.04 billion yen related to litigation. Consequently, we have revised our full-year forecast.

FY2026 Full-Year Earnings Forecast

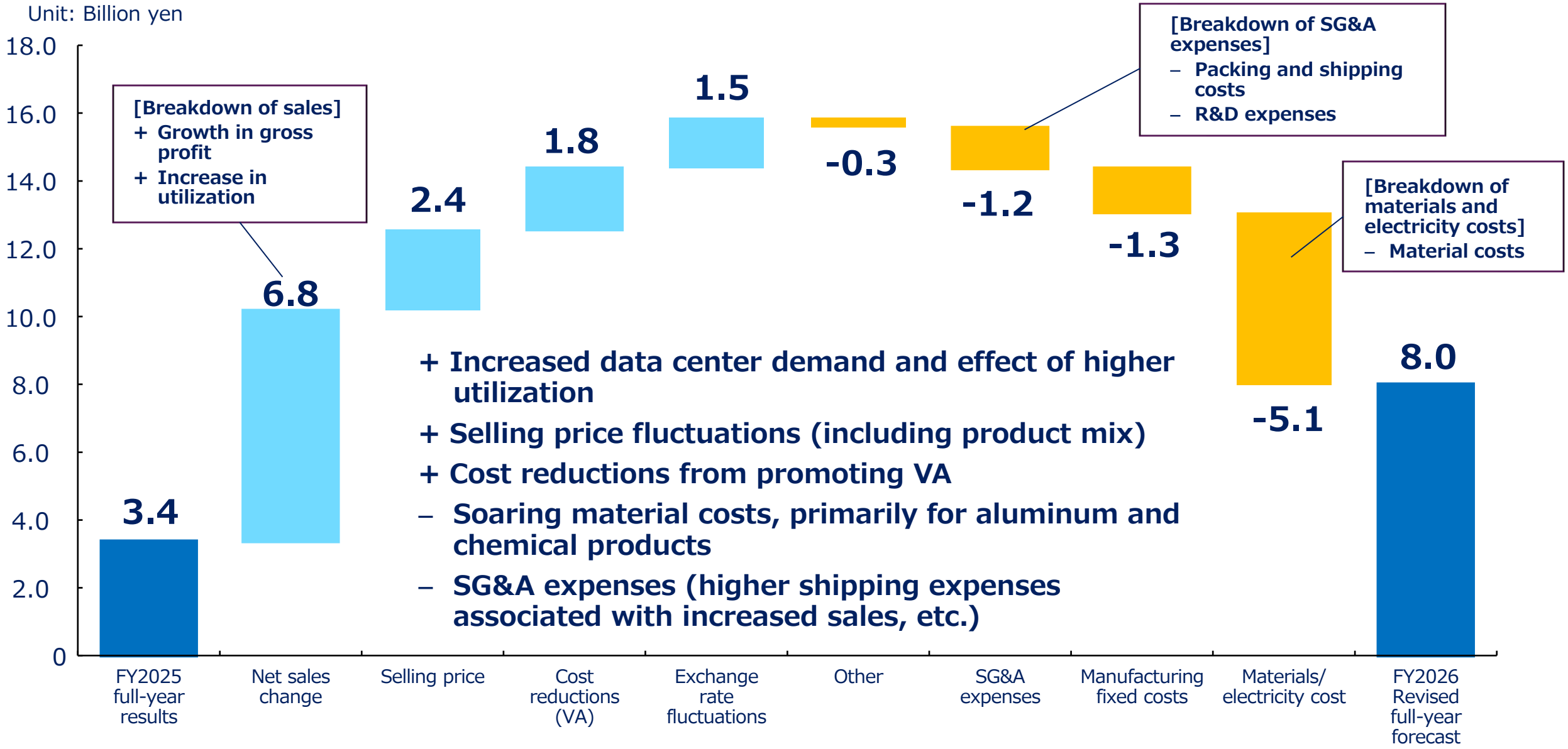
Changed profit attributable to owners of parent to reflect having recorded extraordinary losses related to litigation

Unit: Million yen, %

	FY2025	FY2026				
	Full-year results	1H results	Initial full-year earnings forecast	Revised full-year earnings forecast	Change	% Change
Net sales	136,821	78,155	160,000	160,000	-	-
Operating profit	3,369	3,763	8,000	8,000	-	-
Ratio to net sales	2.5%	4.8%	5.0%	5.0%	-	-
Profit attributable to owners of parent	2,367	45	4,000	2,000	-2,000	-50.0%
Ratio to net sales	1.7%	0.1%	2.5%	1.3%	-1.2Pt	-
Capital investment	5,911	3,639	5,700	5,700	-	-
Depreciation and amortization	6,842	3,294	6,600	6,600	-	-
R&D expenses	3,892	2,197	4,000	4,400	+400	+10.0%
Avg. exchange rate: USD (yen)	150.77	159.37	153.00	156.19	No change in 2H from 153.00 yen	

FY2026 Analysis of Changes in Revised Full-Year Operating Profit (YoY)

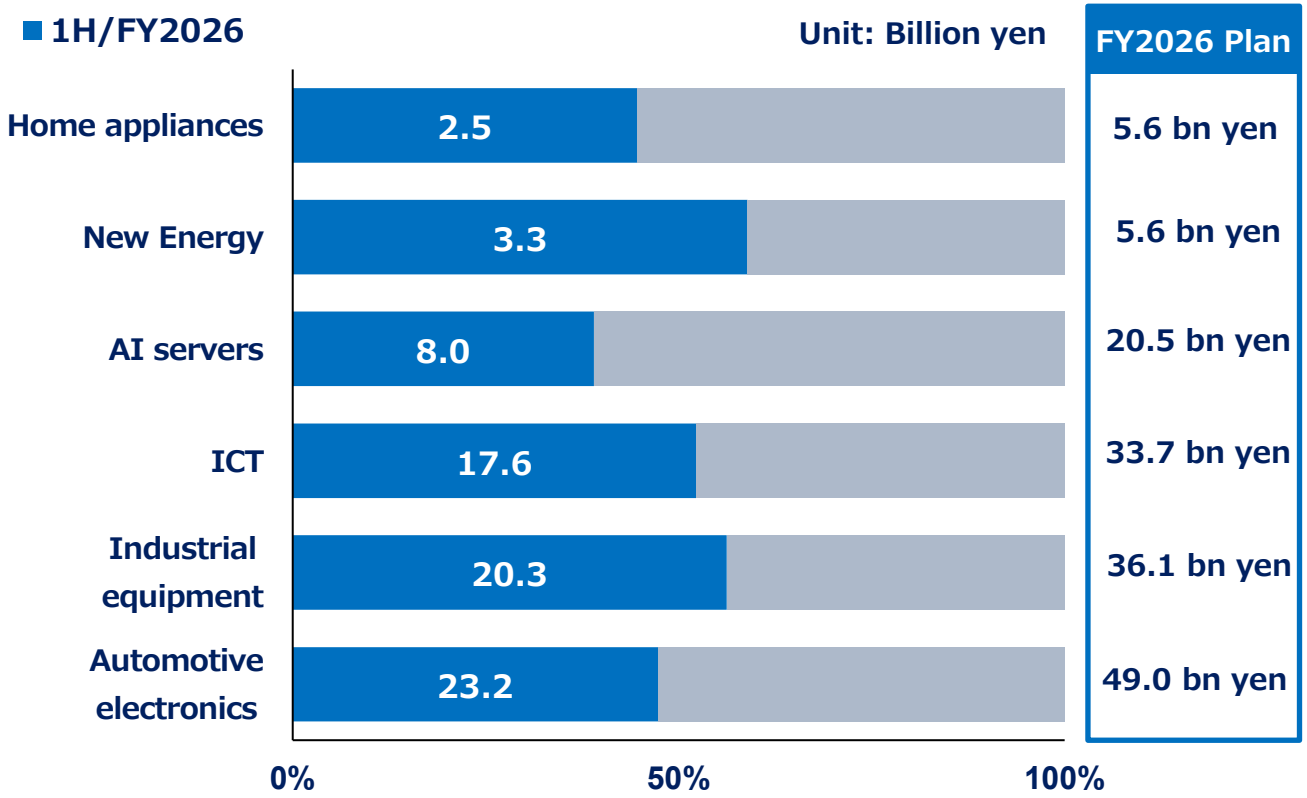
Unit: Billion yen



11th Medium-term Management Plan Progress: Sales Results by Market

Strong data center-related investments drove firm sales in the industrial equipment and ICT markets

Sales Results by Market

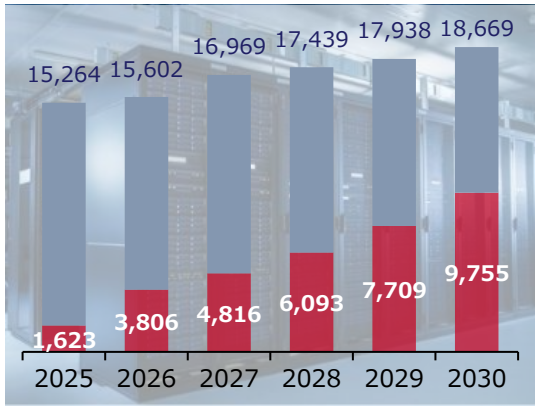


- **Increase in data center-related investments**
  → Demand growth in industrial equipment and ICT markets
  - ✓ Increased demand for semiconductors, FA, and machining equipment
  - ✓ Increased computer demand: Favorable performance for general-purpose servers
  - ✓ AI servers: Sales growth on production capacity expansion
- **Electrification and electronic components driving demand for automotive electronics**
  → Vehicle sales sluggish but the number of capacitors per vehicle increased
  - ✓ ADAS and function integration are driving increased demand for high-performance capacitors
  - ✓ xEV sales increasing mainly in Europe and the Americas on energy price concerns

11th Medium-term Management Plan Progress: Approach to Growth Markets

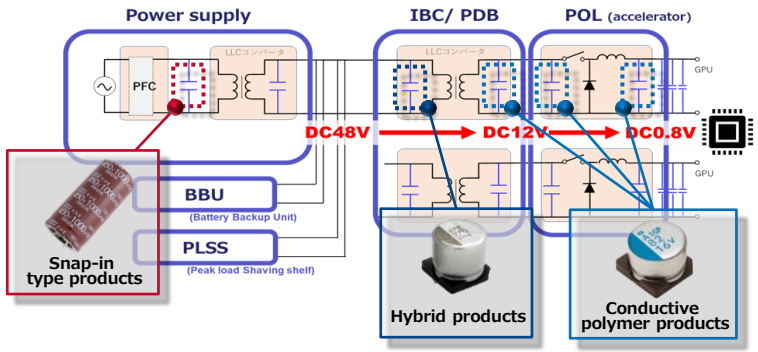
Increasing production capacity to keep up with rapidly growing AI server demand

AI Server Global Demand Forecast



Forecast based on external survey data

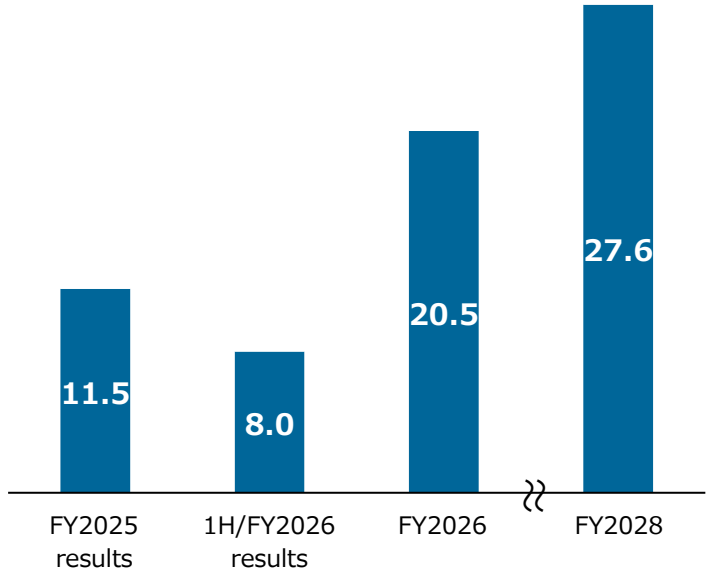
AI Server PSU Circuit Configuration



Approach to the AI Server Market

AI Server Market-related Sales Plan

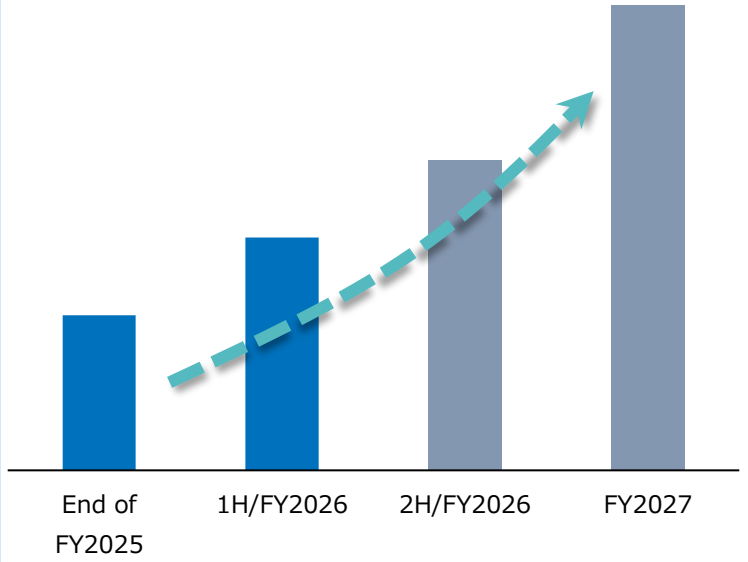
(Unit: Billion yen)



- With increasing data center power consumption and computing demands, the demand for high-capacity aluminum electrolytic capacitors, hybrid capacitors, and conductive polymer capacitors is growing

Plan for Increasing Production Capacity for Snap-in Type Aluminum Electrolytic Capacitors

(Index notation based on the end of FY2025)



- We will increase production capacity to meet the growing demand for large-sized snap-in aluminum electrolytic capacitors being driven by increased power consumption

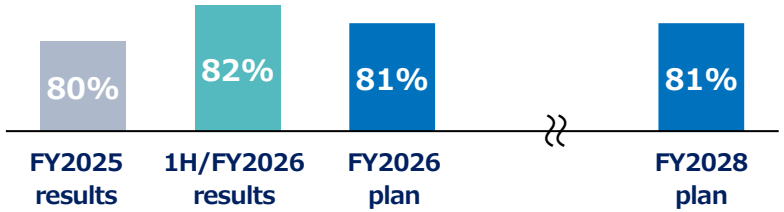
11th Medium-term Management Plan Progress:
Progress on Enhancing Competitiveness by Building a System of Optimal Production Locations

Aiming to regain mass market share (general-purpose products), we are promoting a shift in production from domestic plants to overseas plants

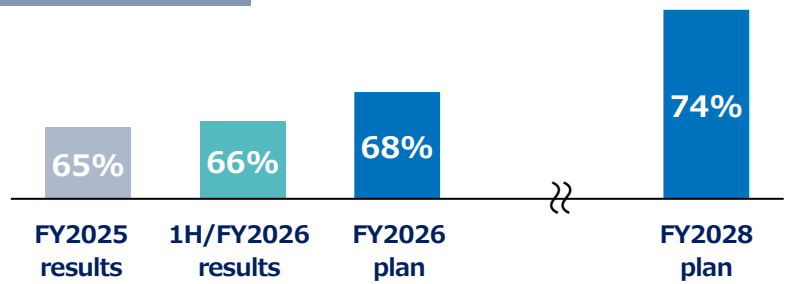
In light of current strong demand, we will implement appropriate production measures to improve profitability

Establishing a system of optimal production locations for aluminum electrolytic capacitors

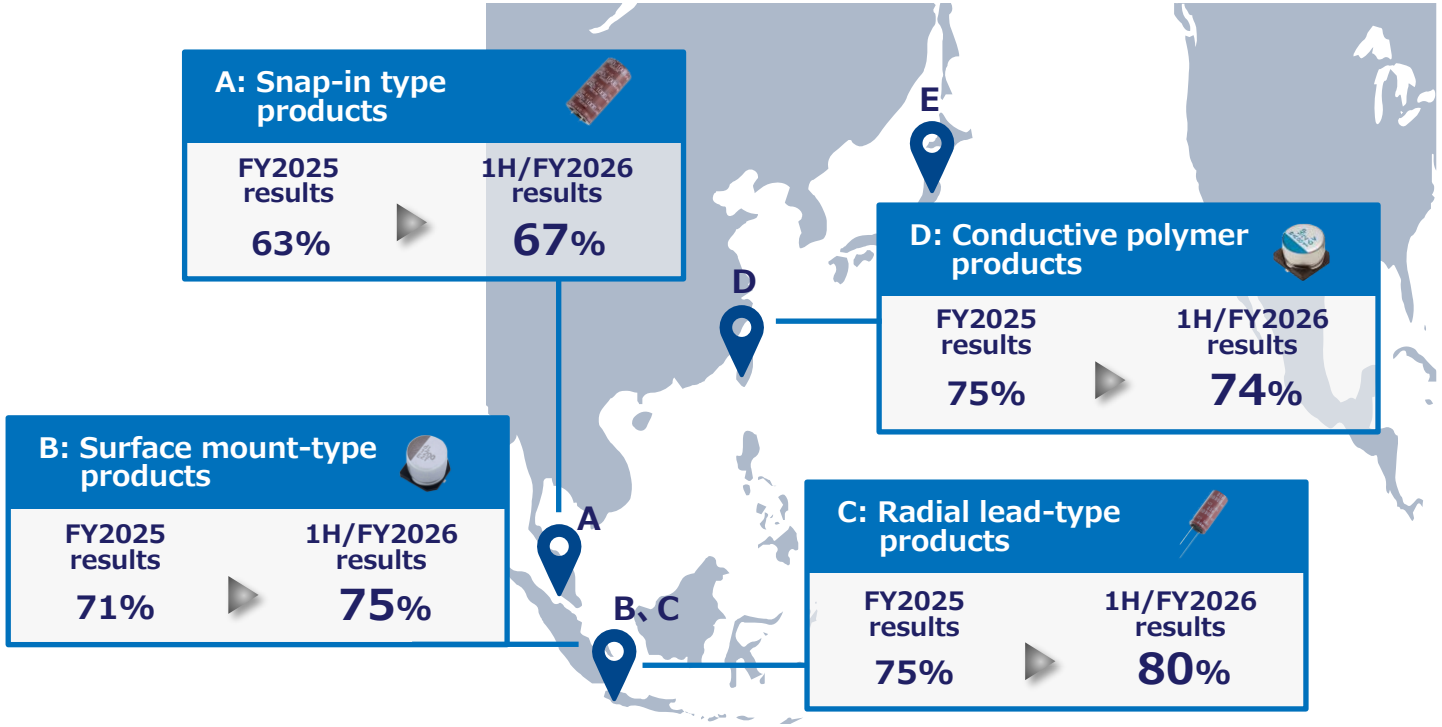
Overseas sales ratio



Overseas sales ratio



Status of progress on consolidating production and shifting to overseas production



*The ratios A through D indicate the overseas production ratio.

11th Medium-term Management Plan Progress:
Progress in Procurement of Materials from Optimal Locations

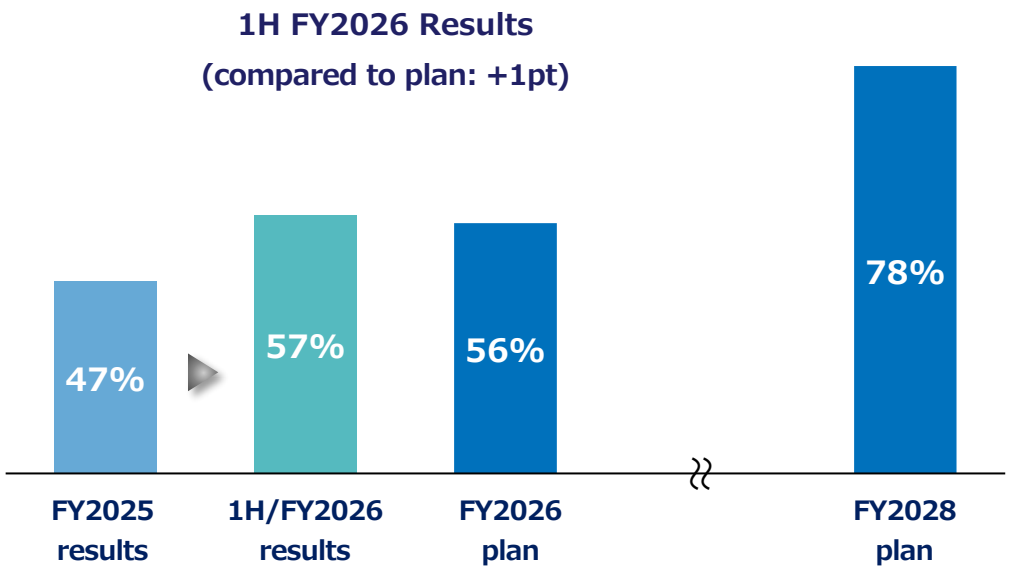
By strengthening raw material procurement and logistics/inventory management systems, we will support the expansion of business profits building a system of optimal production locations

In response to soaring raw material prices, we will constrain rising manufacturing costs by increasing the proportion of locally sourced materials

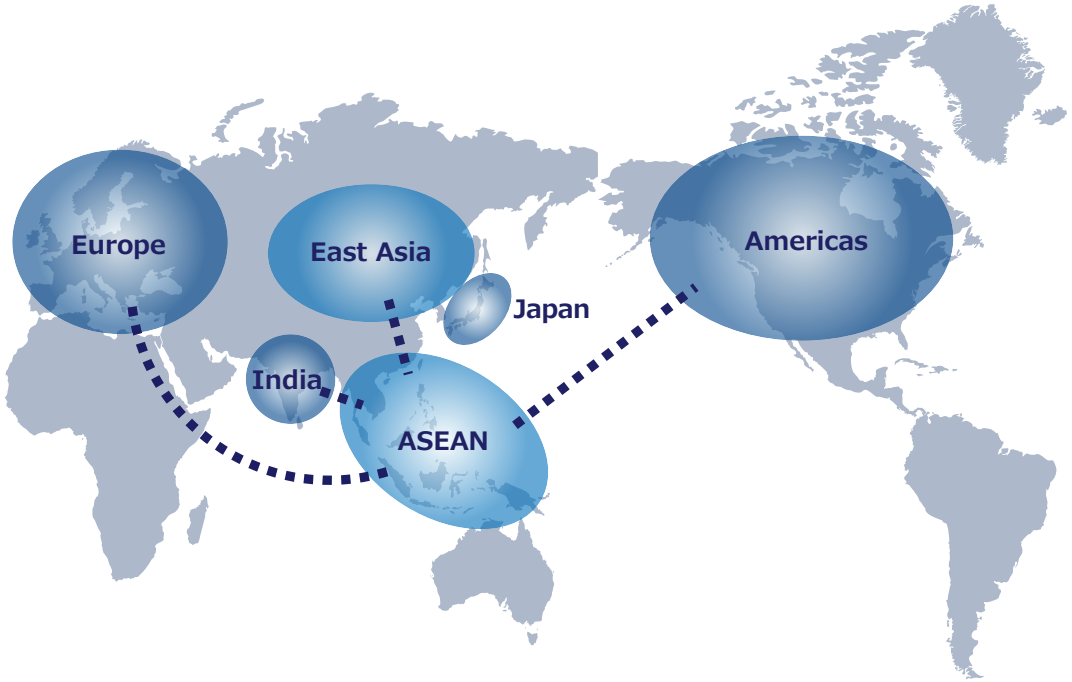
We will secure profits by implementing logistics and inventory management in response to current strong increases in demand

Enhance market competitiveness through procurement of raw materials in optimal locations

Trends in the local procurement ratio of materials at overseas manufacturing sites



Enhance logistics and inventory management to support a system of optimal production locations



11th Medium-term Management Plan Progress: Financial KPIs

Evaluating the progress of the financial KPIs outlined in the Medium-term Management Plan

		FY2025 results (Final year of 10th Medium-term Management Plan)	FY2026 plan (First year of 11th Medium-term Management Plan)	FY2026 1H progress
Financial KPI	Net Sales	¥136.8 billion	¥160.0 billion	¥78.1 billion
	Operating profit	¥3.4 billion	¥8.0 billion	¥3.7 billion
	Operation profit margin	2.5%	5.0% or higher	4.8%
	ROE	4.0%	6.0% or higher	0.1%
	ROIC	1.8%	3.0% or higher	0.0%
	EBITDA	¥10.2 billion	¥14.0 billion or more	¥7.0 billion
	Equity ratio	37.6%	35% or higher	35.0%
	D/E ratio	1.1	1.1 or lower	1.2

Future Market Outlook

Power flow centered on AI servers: The market from power generation to the edge domain

1 Power Generation
Renewable energy

- Solar power inverters
- Wind power inverters
- Hydropower control equipment, etc.

2 Grid Infrastructure
Energy storage, power transmission, and stabilization

- Battery Energy Storage System
- Grid-connected inverters

3 Data Center
DC Facility Infrastructure

- UPS
- Coolant for air conditioning/cooling chillers
- Circulation pump

4 Compute
AI servers

- PSU
- Power supply auxiliary (BBU、CBU)
- IBC
- POL

5 Telecom
Telecommunications infrastructure

- Communication base stations
- Optical transmission equipment

6 Human Interface/ Edge Computing

Manufacturing equipment, medical

- Industrial robots
- Servo drivers
- MRI/CT
- Humanoid

Automotive, mobile terminals

- EV main circuit inverters (OBC/BMS),
- Various in-vehicle ECUs
- PCs, smartphones

Related products



Large-sized aluminum electrolytic capacitors, supercapacitors, etc.



Large-sized aluminum electrolytic capacitors, coils, supercapacitors, etc.



Large-sized aluminum electrolytic capacitors, coils, etc.



Aluminum electrolytic capacitors, hybrid capacitors, conductive polymer capacitors, ceramic capacitors, coils, etc.



Aluminum electrolytic capacitors, hybrid capacitors, conductive polymer capacitors, coils, etc.



Our various products

Investments in data centers are driving market expansion, particularly in related infrastructure, servers, and telecommunications.

Looking ahead, rising electricity demand and the spread of AI across various sectors are expected to drive demand to include power infrastructure and the edge computing domain.

Regarding Lawsuit Against Our Singapore Subsidiary

As announced on December 9, 2024, in the notice titled “Notice Concerning Filing of Lawsuit in Singapore Against Our Singapore Subsidiary” a lawsuit was filed against our Singapore subsidiary (SCC) by Dyson, one of our customers. As announced on September 26, 2026, a judgment was handed down on September 18, 2026, ordering SCC to make payment.

Course of the litigation

- November 29, 2024: Dyson files a lawsuit against SCC.
- September 18, 2026: Judgment rendered ordering payment by SCC.
- October 15, 2026: SCC, dissatisfied with the judgment, filed an appeal.

Main points of dispute

- Dyson claims that the rise in product defect rates is due to components purchased from SCC, and is seeking damages.
- SCC argues that the plaintiff’s claim is unfounded, as it has not been clearly established that the components they supplied caused the increased defect rate.

Verdict details

- While partially upholding SCC’s arguments, the ruling orders a payment of 92.7 million GBP (approximately 19.3 billion yen) in damages.
- Additional costs—such as legal fees and interest for late payment—are yet to be determined.

Impact on performance

- In anticipation of the first-instance judgment becoming final, 2.0 billion yen has been recorded as a litigation-related loss under extraordinary losses.
- As SCC is the entity liable for the judgment debt, an amount equivalent to SCC’s net assets has been recognized as a loss.

Our policy

- As announced on October 16, 2026 , SCC filed an appeal against the ruling.
- **As of November 18, 2026, the Company's policy regarding litigation remains unchanged.**
- As this case is still ongoing, we are unable to provide details about the progress or content of the lawsuit, nor can we answer individual inquiries. We appreciate your understanding.

Ⅲ. Appendix

NIPPON CHEMI-CON CORPORATION

Established: August 1931

Capital: 5,452.57 million yen

Number of employees:
5,348 (as of March 31, 2026; Group-wide)

Stock code: 6997
(Tokyo Stock Exchange Prime Market)

Industry: Electronic equipment
(electronic components)

Net sales: 136.8 billion yen (Total Group Sales in 2025)

Head office: 5-6-4 Osaki, Shinagawa-ku, Tokyo

Operations:
Manufacturing and sales of aluminum electrolytic and other capacitors
Manufacturing and sales of various precision mechanical components
Manufacturing and sales of various electronic equipment
Other business



Key Markets

With a focus on key markets, we provide capacitors used in electrical circuits throughout everyday life



- ✓ Data centers
- ✓ PCs
- ✓ Communication base stations
- ✓ Gaming consoles



- ✓ ADAS
- ✓ Various ECUs
- ✓ On-board chargers
- ✓ Airbags



- ✓ Industrial inverters
- ✓ Servos
- ✓ Robots
- ✓ Construction machinery



- ✓ Air conditioners
- ✓ Washing machines
- ✓ Refrigerators
- ✓ Vacuum cleaners



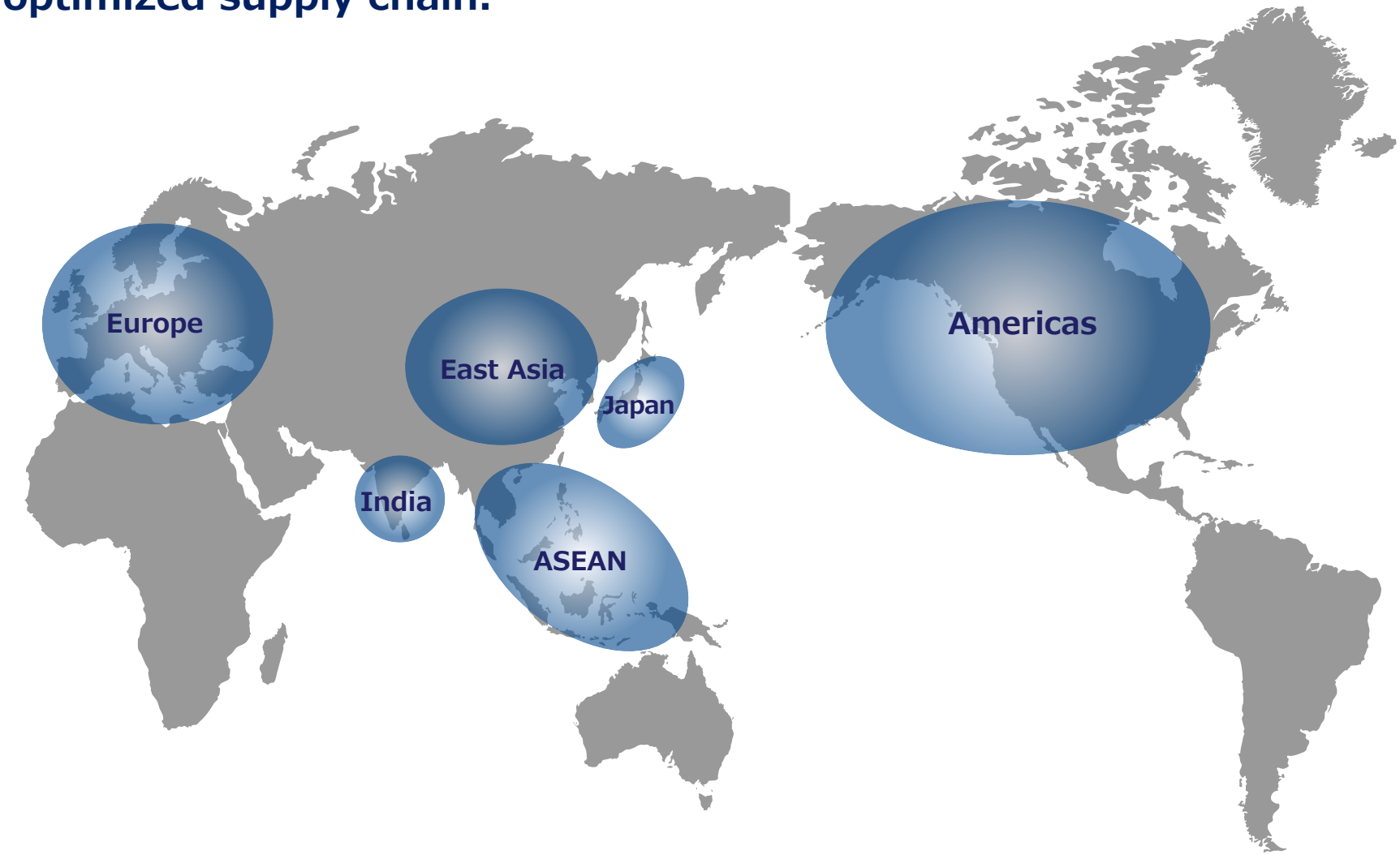
- ✓ Solar power generation
- ✓ Wind power generation
- ✓ Smart meters
- ✓ Energy storage devices



- ✓ Aerospace
- ✓ Medical devices
- ✓ E-commerce
- ✓ Other

Global Network

Nippon Chemi-Con operates 20 manufacturing sites and 22 sales locations. Together with group affiliates, we have established an optimized supply chain.



About the Aluminum Electrolytic Capacitor Business

About aluminum electrolytic capacitors

- Electrical energy charging and discharging
- Electrical flow stabilization (smoothing)
- Ability to store large amounts of energy (high capacitance)
- Available in a wide range of product sizes
- Versatile for use in a broad variety of applications

Aluminum electrolytic capacitor application examples



Gaming consoles

10-30 units



Automobiles

50-250 units



Inverters, A/C

20-30 units



Solar power generation Power conditioners

30-50 units



Industrial robots

10-60 units



Data center servers

50+ units



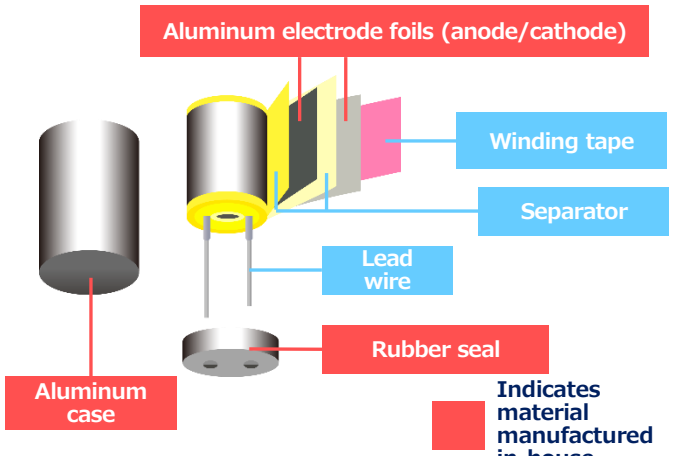
Communication base stations

10-70 units

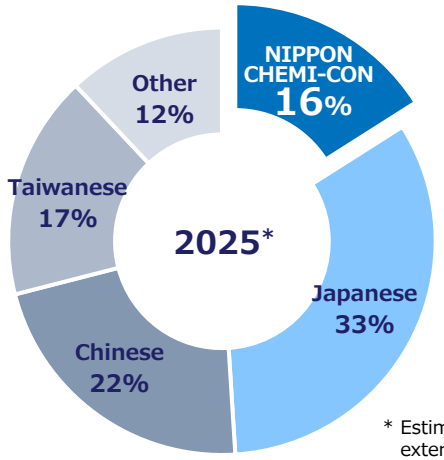
Nippon Chemi-Con's aluminum electrolytic capacitors

- Internal development and production of key product materials
- Internal development of much of the production equipment
- Global product supply system

Basic structure of an aluminum electrolytic capacitor



Global market share of aluminum electrolytic capacitors



* Estimated based on external research

As a pioneer in aluminum electrolytic capacitors, we hold the world's largest market share. We apply our expertise in material development, including the electrode foils that significantly influence electrical capacitance of aluminum electrolytic capacitors, as well as production capabilities that balance high quality with high productivity and a global product supply network.

Publication of an Integrated Report

We have published our integrated report, CHEMI-CON REPORT 2026.

Japanese/English



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