

FY2012 Forecast Revision and Structural Reform

Presentation Data (Summary)

October 3, 2012

Nippon Chemi-Con Corporation

FY2012 Revised Forecast

Junichi Suga, Executive Managing Director

Structural Reform and FY2013 Forecast

Ikuo Uchiyama, President



Background for the Forecast Revision

Negative Impact of the Great East Japan Earthquake

- 1. Decline in Aluminum Electrolytic Capacitor market share**
- 2. Severe price competition due to the rise of Chinese and Taiwanese competitors**

Stagnation of Global Economy

- 1. European countries' financial problems**
- 2. No signs of recovery in sight after sharp downturn in consumer electronics and industrial equipment markets in China, which accounts for about half of Nippon Chemi-Con's total sales**

Nippon Chemi-Con's performance deteriorated which resulted in significant downward forecast revision for the first half and the full fiscal year 2012

Revised Forecast for the First Half of FY2012

Revised forecast for the first half of FY2012

(Billions of yen)	1H FY2012		Change from August Forecast
	August Forecast	October Forecast	
Net sales	50.0	45.8	(4.2)
Operating income(loss)	(0.7)	(4.2)	(3.5)
Ordinary income(loss)	(1.1)	(5.3)	(4.2)
Net income	(1.5)	(5.9)	(4.4)

Revised Forecast for the Full FY2012

Revised forecast for the full FY2012

(Billions of yen)	FY2012 (full year)		Change from August Forecast
	August Forecast	October Forecast	
Net sales	110.0	93.0	(17.0)
Operating income(loss)	1.5	(6.8)	(8.3)
Ordinary income(loss)	1.0	(8.0)	(9.0)
Net income	0	(9.7)	(9.7)

Structural Reform

1. Outline of Structural Reform

1) Eliminate/Consolidate Production Facilities

2) Personnel Downsizing

3) Reduction of Labor Costs –Nippon Chemi-Con

4) Freeze Capital Spending

5) Reduce Inventory

6) Business Selection and Focus

7) Growth Strategy with New Products

Structural Reform

1. Outline of Structural Reform

8) Allocated Structural Reform Budget

- 1 billion yen

9) Effects of Structural Reform

8 billion yen profit improvement
Operating income of 3 billion yen
and Net income of 1.5 billion yen
for the FY2013

Structural Reform

2. Goals of Structural Reform

Reform the business structure to turn profit at 90 billion yen sales amount

Reduce the break-even point

107billion yen 90 billion yen

Structural Reform

3. Measures and Effects of the Structural Reform

Fixed Costs Reduction	6 billion yen
Productivity Improvement	0.5 billion yen
Sales Increase by New Products	1.5 billion yen
Total	8 billion yen

Performance Goals for FY2013

Performance Goals for FY2013

(Billions of yen)	Goals for FY2013
Net sales	96.0
Operating income	3.0
Net income	1.5



[Note]

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.