



Best Solution & True Innovation

Presentation Material

Fiscal Year Ended March 31, 2016

May 12, 2016

Nippon Chemi-Con Corporation



Best Solution & True Innovation

■ Summary of FY2015

Consolidated Results

(Million yen)

	FY2015 1H	FY2015 2H	Changes from 1H	FY2014 Full Year	FY2015 Full Year	YoY Changes
Net sales	60,623	57,791	(2,832) (4.7%)	123,365	118,414	(4,951) (4.0%)
Operating income (loss)	2,245	(66)	(2,311)	5,122	2,179	(2,943)
Operating income margin	3.7%	(0.1%)	—	4.2%	1.8%	(57.5%)
Ordinary income (loss)	1,620	(455)	(2,075)	6,207	1,165	(5,041)
Ordinary income margin	2.7%	(0.8%)	—	5.0%	1.0%	(81.2%)
Net income attributable to owners of the parent company(loss)	1,131	(8,036)	(9,167)	5,362	(6,905)	(12,267)
Net income margin	1.9%	(13.9%)	—	4.3%	(5.8%)	—
ROA	—	—	—	3.7%	(4.9%)	(8.6%)
ROE	—	—	—	7.6%	(9.7%)	(17.3%)
Average exchange rate						
1US\$ (Yen)	121.80	118.46	(3.34)	109.93	120.13	+10.20
1EUR (Yen)	135.07	130.07	(5.00)	138.77	132.57	(6.20)
Capital Investment	2,327	2,027	(300)	5,203	4,354	(849)
Depreciation	3,516	3,611	+95	7,373	7,127	(246)
R&D Expenses	2,110	2,211	+101	4,160	4,321	+161



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■ Summary of FY2015

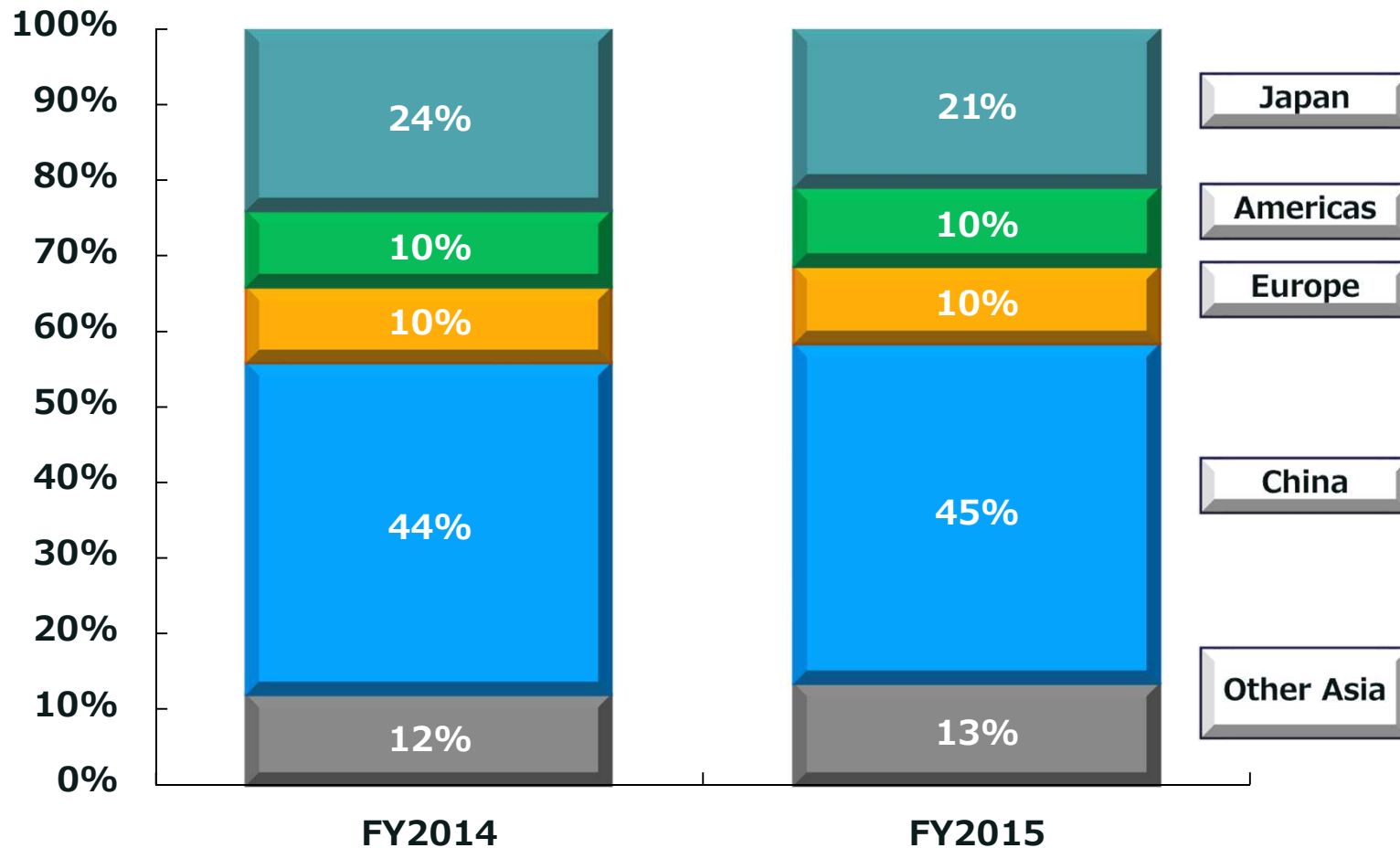
Sales by product

(Million yen)(Percentages indicate ratio of total sales / changes)

	FY2015 1H	FY2015 2H	Changes from 1H	FY2014 Full Year	FY2015 Full Year	YoY Changes
Aluminum Electrolytic Capacitors	52,095 85.9%	48,599 84.1%	(3,496) (6.7%)	104,195 84.5%	100,694 85.0%	(3,501) (3.4%)
(Conductive Polymer Aluminum Solid Capacitors)	5,043 8.3%	5,258 9.1%	+215 +4.3%	10,404 8.4%	10,301 8.7%	(103) (1.0%)
DLCAP™	1,952 3.2%	1,979 3.4%	+27 +1.4%	4,302 3.5%	3,931 3.3%	(371) (8.6%)
Other Capacitors	1,762 2.9%	1,853 3.2%	+91 +5.2%	4,126 3.3%	3,615 3.1%	(511) (12.4%)
Capacitors Total	55,809 92.1%	52,431 90.7%	(3,378) (6.1%)	112,624 91.3%	108,240 91.4%	(4,384) (3.9%)
Electro-Mechanical Parts and Other Parts	1,358 2.2%	1,449 2.5%	+91 +6.7%	2,720 2.2%	2,807 2.4%	+87 +3.2%
Capacitor Materials	2,489 4.1%	2,775 4.8%	+286 +11.5%	5,902 4.8%	5,264 4.4%	(638) (10.8%)
Other	956 1.6%	1,135 2.0%	+179 +18.7%	2,118 1.7%	2,101 1.8%	(17) (0.8%)
Total	60,623 100.0%	57,791 100.0%	(2,832) (4.7)	123,365 100.0%	118,414 100.0%	(4,951) (4.0%)

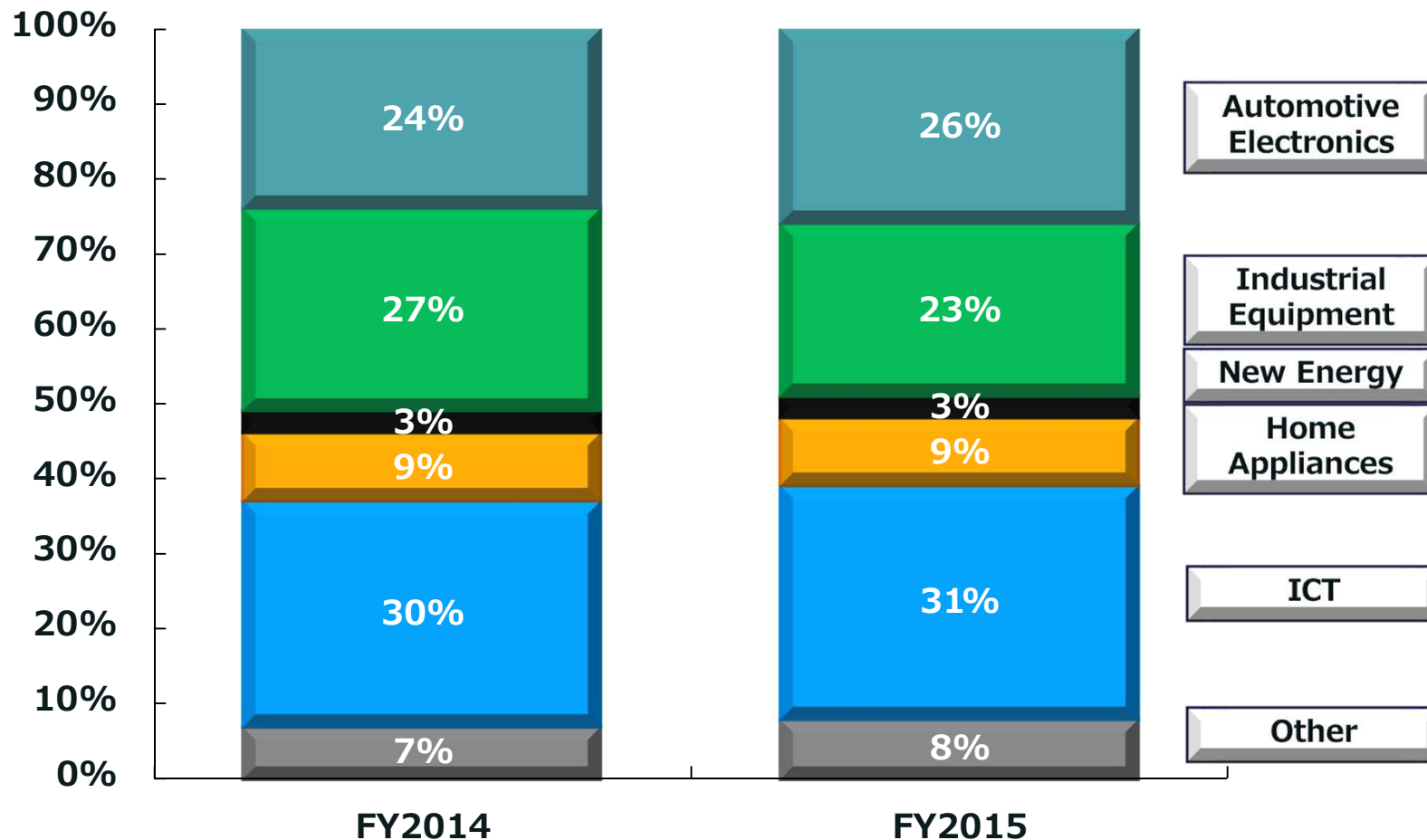
Sales by Region (All products)

- Ratio of sales from Japan declined from 24% to 21%.
- ◆ Industrial equipment market: Growth in sales of large can type aluminum electrolytic capacitors slowed due to weak demand in infrastructure market.
- ◆ Automotive electronics market: Sales of DLCAP™ decreased due to weak demand for fuel-efficient cars affected by low price of crude oil.



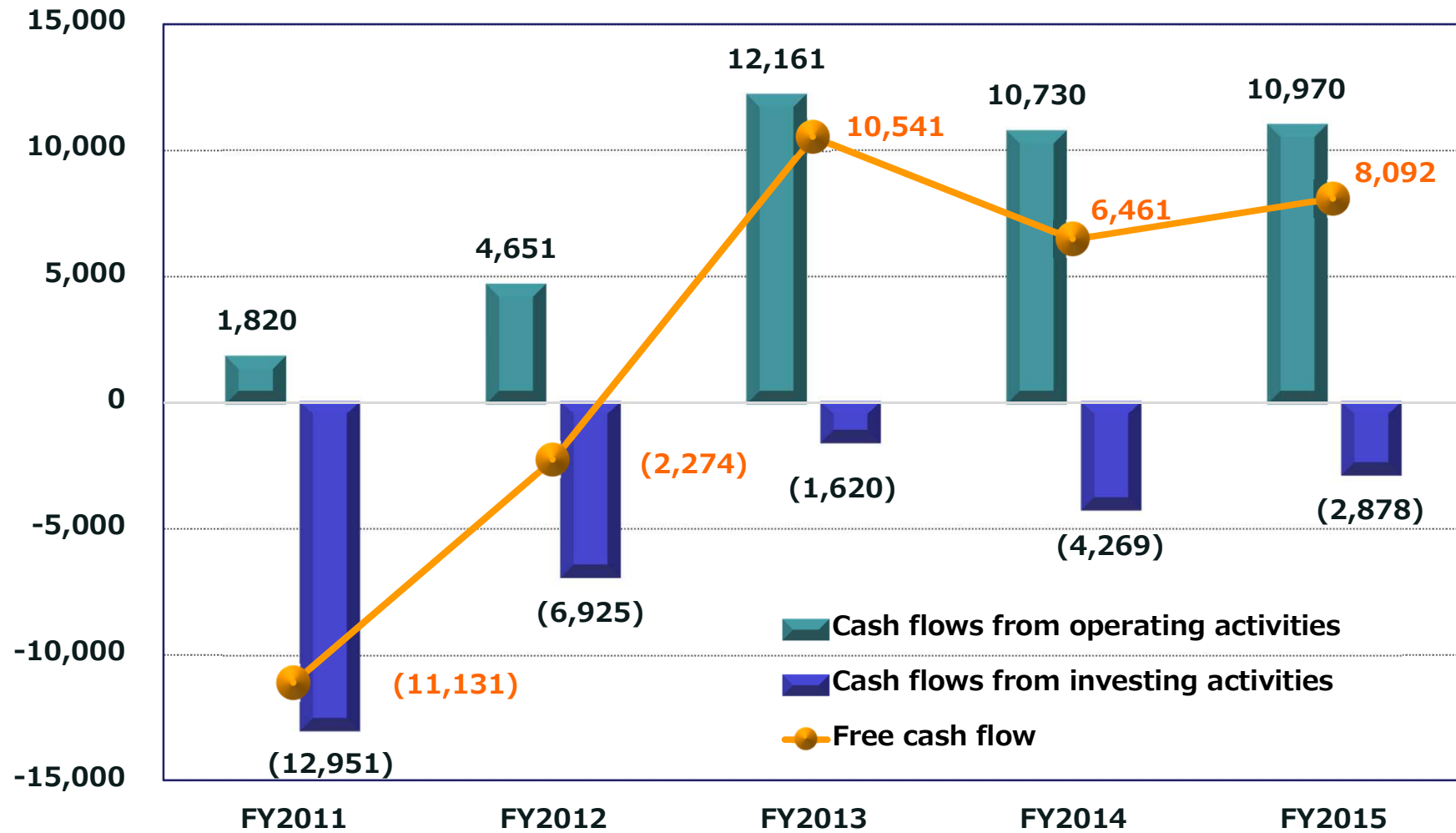
Sales by Market (All products)

- Automotive Electronics: Solid growth mainly in the US.
- Industrial Equipment: Sharp decline affected by economic slowdown in China.
- ICT: Stopped declining as demand for base stations rose in 2H though demand in PC remained weak.



Consolidated Cash Flow

(Million yen)



Fundamental Strategy

Company-wide Management Innovation :
Shift from Rebirth to Growth Path



**V-shaped Recovery in
Operating Income**



**Improvement
in Asset Turnover Ratio**



Generating Cash Flows

Core Strategies

1. Strengthening corporate governance and promoting aggressive management

To improve the trust from customers, shareholders, investors, and society and continue to be a “valued entity”, we ensure management transparency based on corporate ethics and legal compliance, further enhance our corporate governance aiming to strengthen competitiveness.

2. Speeding Up of Management Innovations

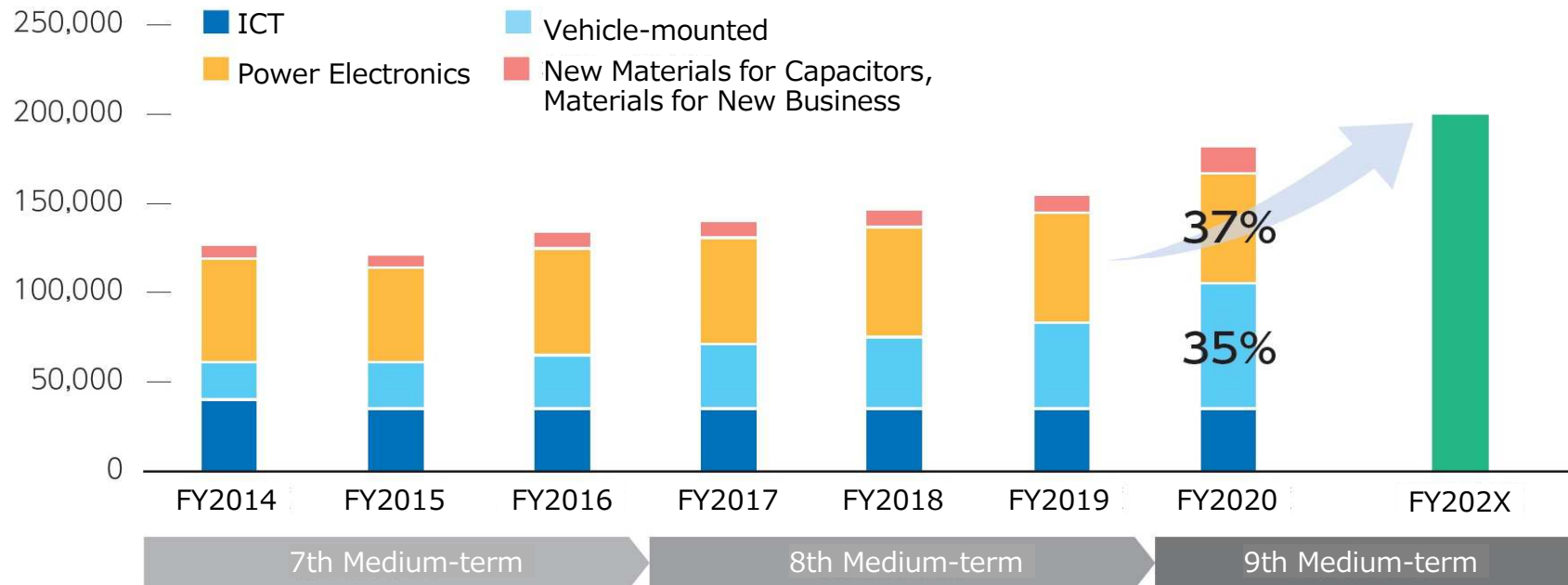
- Clarification of business responsibilities
- Review of policy for affiliated companies
- Cost structure reform (Reorganization of production system)
- Balance sheet reform
- Human resources development

3. Clarification of Growth Strategy

- Establish an overwhelming competitiveness of aluminum electrolytic capacitors business
- Strengthen the growth potential of DLCAP business
- Enhance Solid Devices business and Functional Devices business
- Development of functional materials business and new materials business

Mission: Becoming No.1 for capacitors in the energy field

Long-term goals (Million Yen)



- In our Sixth Medium-term Management Plan, we launched activities that were a part of our initiative to reform into an E.C.O. solutions company.
- In our Seventh Medium-term Management Plan, we embraced the slogan of conducting corporate rehabilitation aimed at creating a foundation for becoming an E.C.O. solutions company. We are working to strengthen our financial position, clarify our growth strategy, and implement speedy business management.
- Over the long-term, our goal in FY2022 is to develop into an E.C.O. solutions company.

- (1) Further focus on the power electronics market
- (2) Expand ratio of sales from the vehicle-mounted electronics market

We are strengthening our product development as we aim to become a company with annual sales of 200 billion yen in the early 2020s.



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■ Results Forecast for FY2016

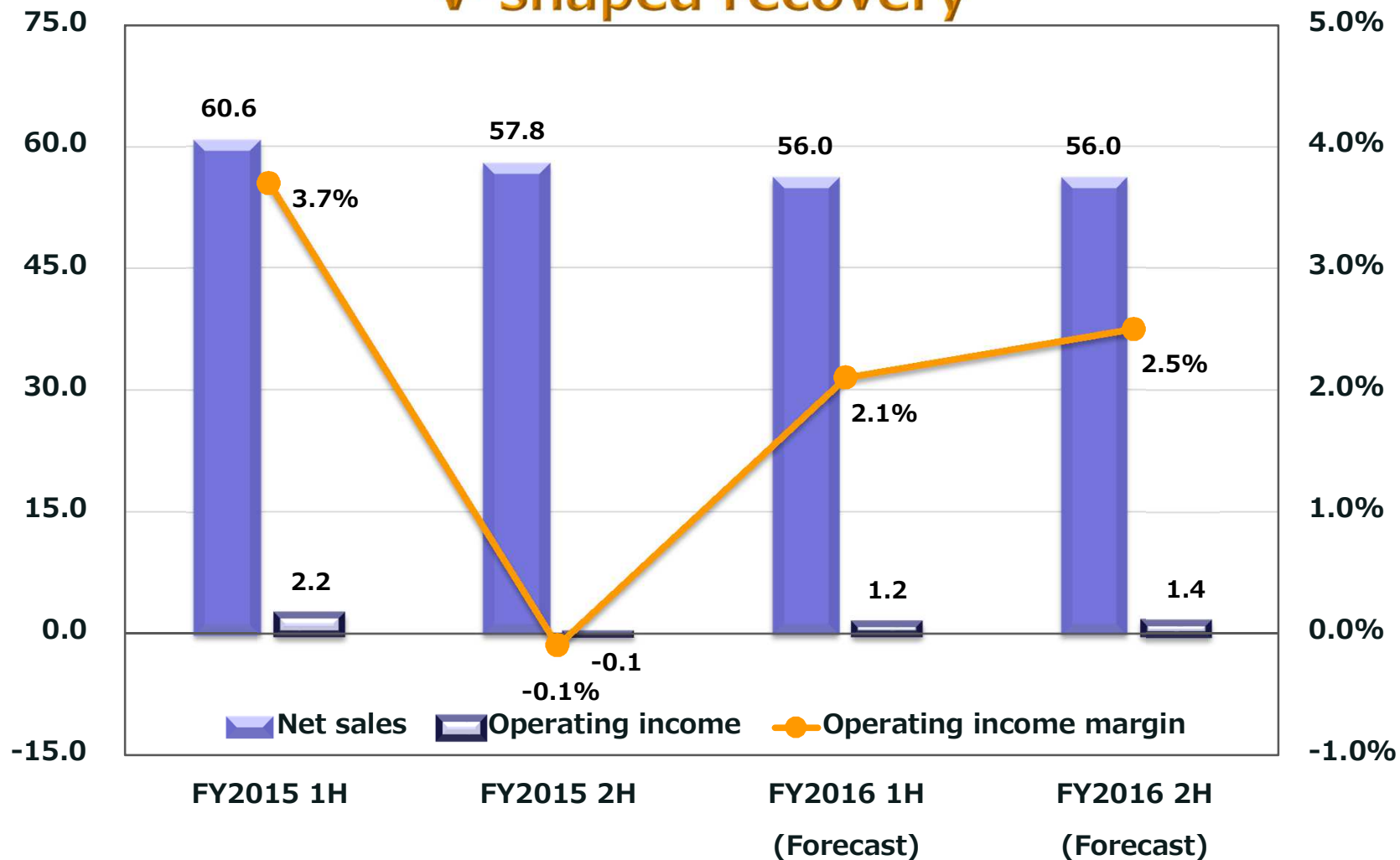
(Million yen)

	FY2015 (Results)	FY2016 (Forecast)	Change (Amount)	Change (YoY) (%)
Net sales	118,414	112,000	(6,414)	(5.4%)
Operating income	2,179	2,600	+421	+19.3%
Operating income margin	1.8%	2.3%		
Ordinary income	1,165	2,400	+1,235	+106.0%
Ordinary income margin	1.0%	2.1%		
Net income attributable to owners of the parent company(loss) Net income margin	(6,905) (5.8%)	1,500 1.3%	+8,405	Turnaround
ROA	(4.9%)	1.1%	+6.0%	—
ROE	(9.8%)	2.4%	+12.2%	—
Average exchange rate				
1US\$ (Yen)	120.13	110.00	(10.13)	—
1EUR (Yen)	132.57	125.00	(7.57)	—
Capital Investment	4,354	5,100	+746	+17.1%
Depreciation	7,127	6,800	(327)	(4.6%)
R&D Expenses	4,321	4,500	+179	+4.1%

Operating income forecast

V-shaped recovery

(Billion yen)





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■ Results Forecast for FY2016

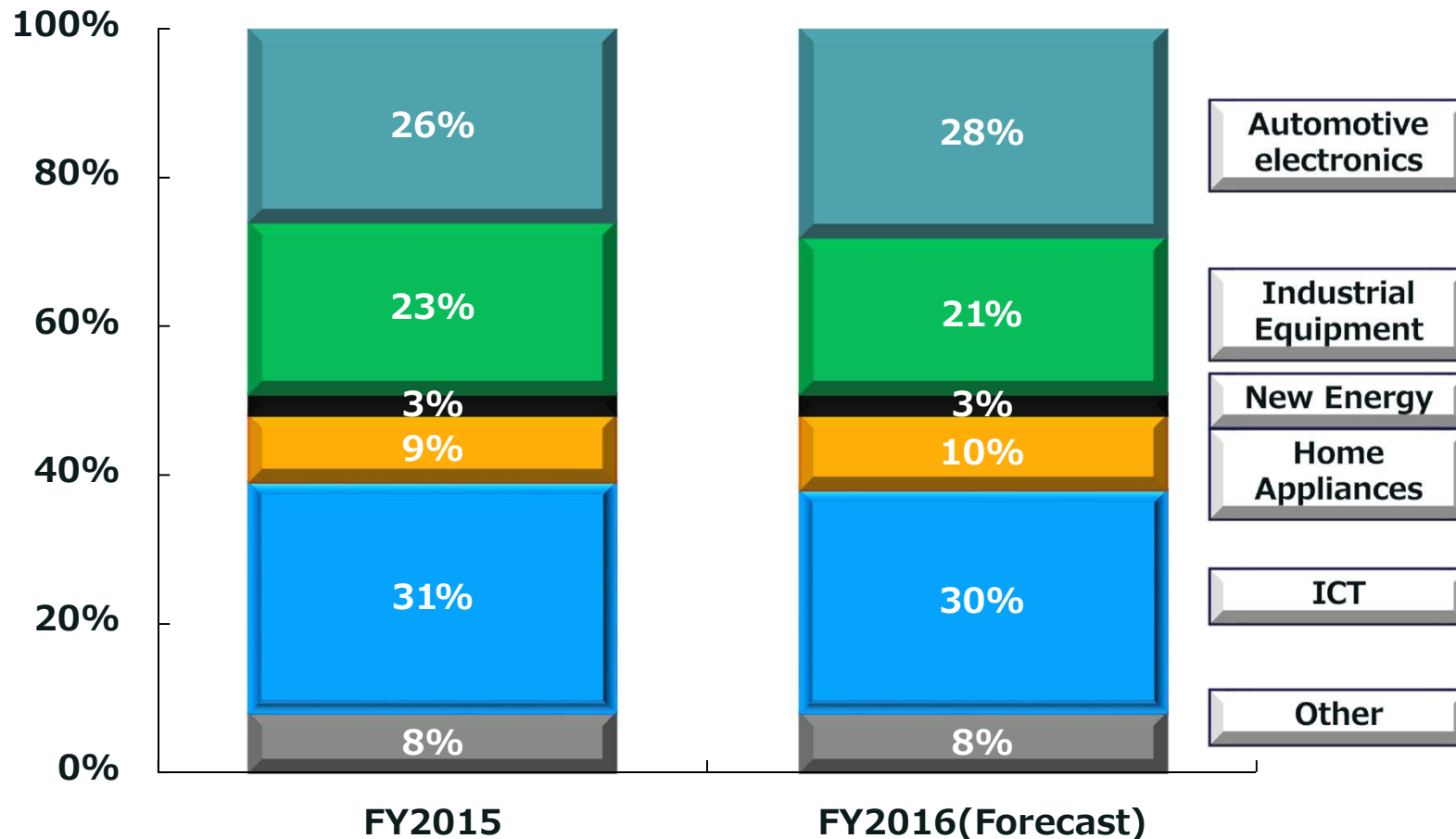
Sales by product

(Million yen)(Percentages indicate ratio of total sales / YoY change)

	FY2015 (Results)	FY2016 (Forecast)	Change (Amount)	Change (YoY)(%)
Aluminum Electrolytic Capacitors	100,694 85.0%	94,300 84.2%	(6,394)	(6.3%)
(Conductive Polymer Aluminum Solid Capacitors)	10,301 8.7%	9,400 8.4%	(901)	(8.7%)
DLCAP™	3,931 3.3%	4,100 3.7%	+169	+4.3%
Other Capacitors	3,615 3.1%	3,200 2.9%	(415)	(11.5%)
Capacitors Total	108,240 91.4%	101,600 90.7%	(6,640)	(6.1%)
Electro-Mechanical Parts and Other Parts	2,807 2.4%	2,800 2.5%	(7)	(0.2%)
Capacitor Materials	5,264 4.4%	5,400 4.8%	+136	+2.6%
Other	2,101 1.8%	2,200 2.0%	+99	+4.7%
Total	118,414 100.0%	112,000 100.0%	(6,414)	(5.4%)

Sales by Market (All products)

- Automotive Electronics : Solid growth to continue with tax reduction for automobile purchase in China, strong demand in the US, and the progress in vehicle electrification. Approaching 30% of total sales as demand for aluminum electrolytic capacitors, DLCAP™, Camera Modules, Ceramic Capacitors, Choke Coils for automotive use remains strong.
- Industrial Equipment: To remain stagnant in FY2016 affected by economic slowdown in China and the declined resource prices.





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{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. Nippon Chemi-Con undertakes no obligation to publicly update or revise any forward-looking statements included in this material.

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