

Presentation Material

First Half of Fiscal Year Ending March 31, 2018

November 7, 2017

Nippon Chemi-Con Corporation

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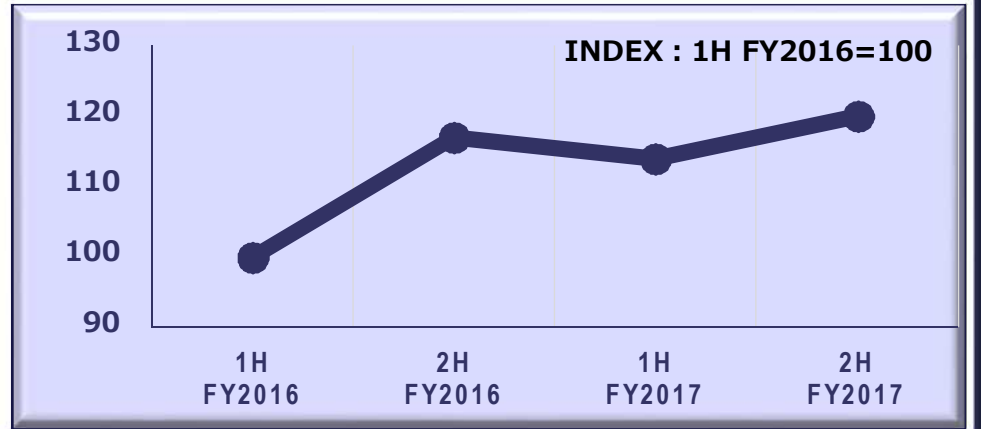
- **Business Environment for FY2017**
- **Results Forecast for the Full Fiscal Year 2017**

● Business Environment for FY2017 (Outlook by Strategic Market)

Automotive electronics

Progress in vehicle electrification

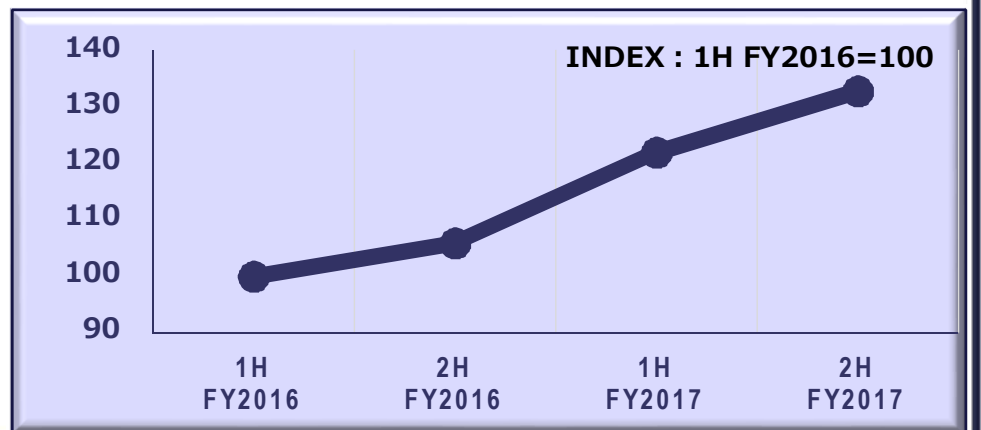
1. Accelerating global shift toward EV
2. Demand growth for automobile parts with the progress of full automatic driving technology



Industrial equipment

Response to the 4th industrial revolution

1. Labor shortage, Rising labor cost
2. Spread of industrial robots
3. Proactive investment in infrastructure

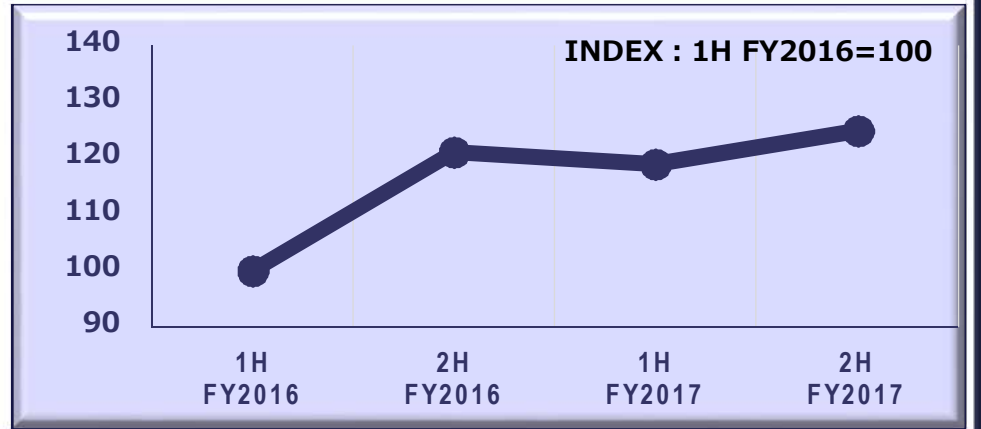


● Business Environment for FY2017 (Outlook by Strategic Market)

Industrial equipment - Robots

Diversification of robot market

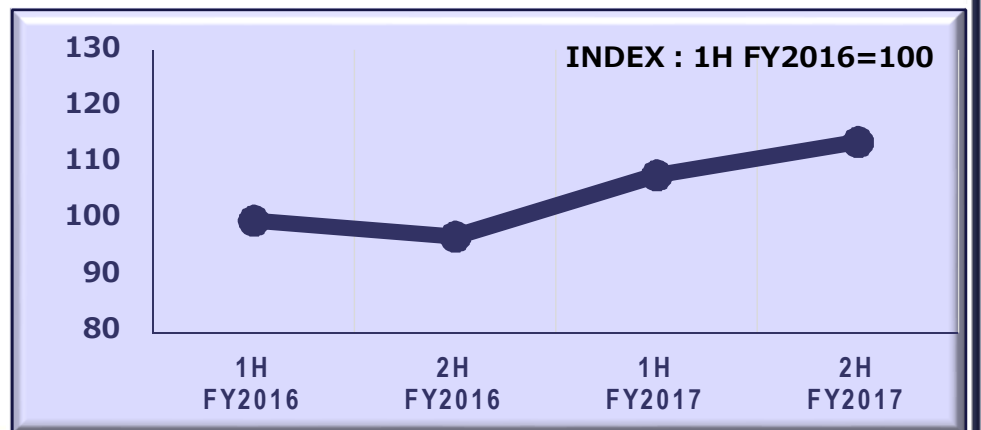
1. Industrial robots = Production efficiency
2. Service robots = Expanding and supporting human capacities, providing livelihood support



Industrial equipment – General-purpose inverters

Growing needs in rationalization and energy saving

1. Strong demand for factory automation in China
2. Local economies to be on a recovery trend in Europe
3. Global efforts to reduce CO2 emissions

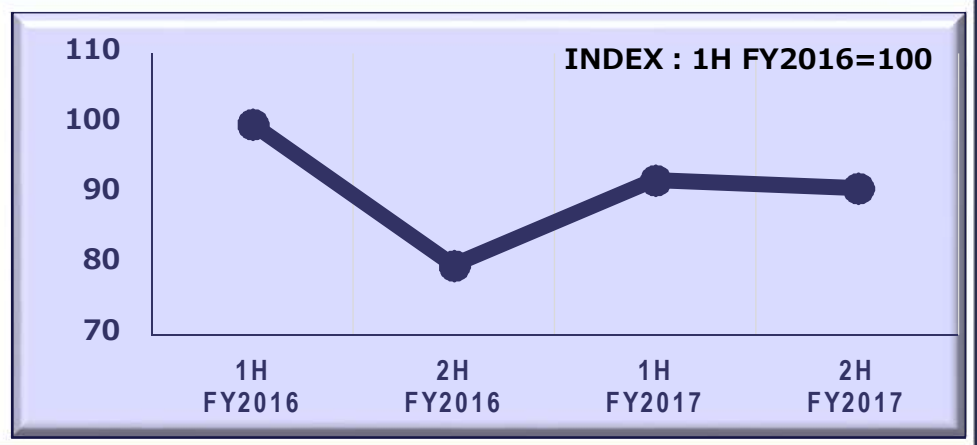


● Business Environment for FY2017 (Outlook by Strategic Market)

New energy

Demand situation to remain uncertain

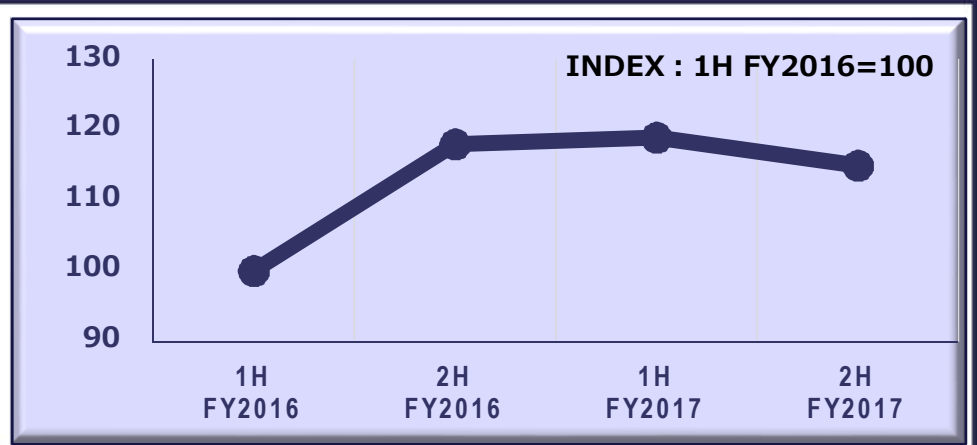
Demand for solar power generation to remain strong in China, adjustment phase in other regions



Home appliances

Air conditioners market

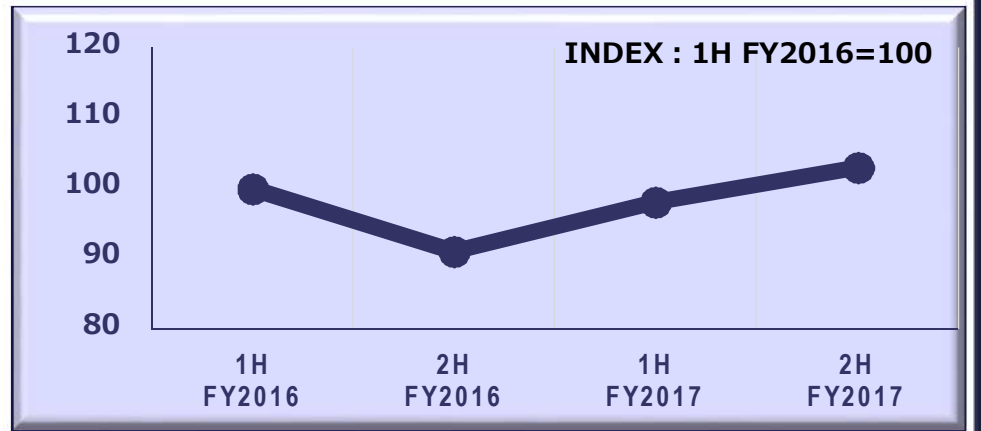
1. Demand recovery in China backed by the decrease in inventories and increased real estate investment
2. Weak demand due to unseasonable weather in other regions



● Business Environment for FY2017 (Outlook by Strategic Market)

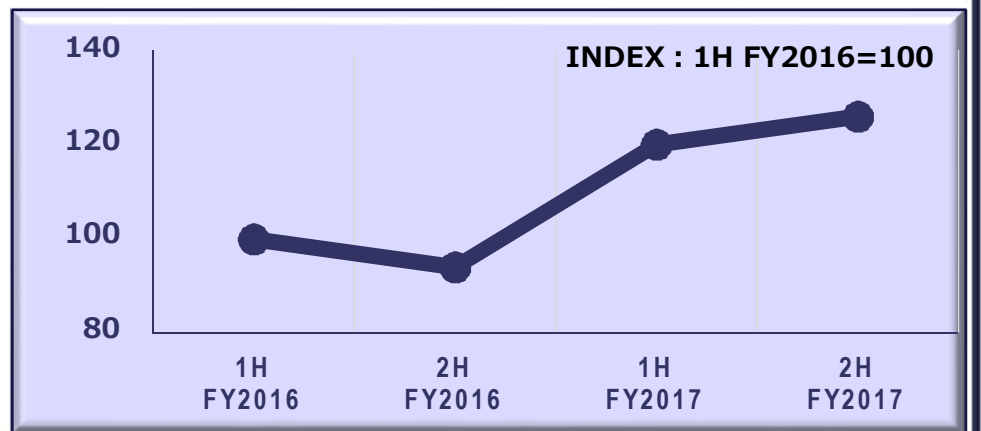
ICT - PC

Decrease in shipping volume due to higher selling prices caused by a constrained supply of key components such as DRAM, SSD, and LCD panel



ICT - Server

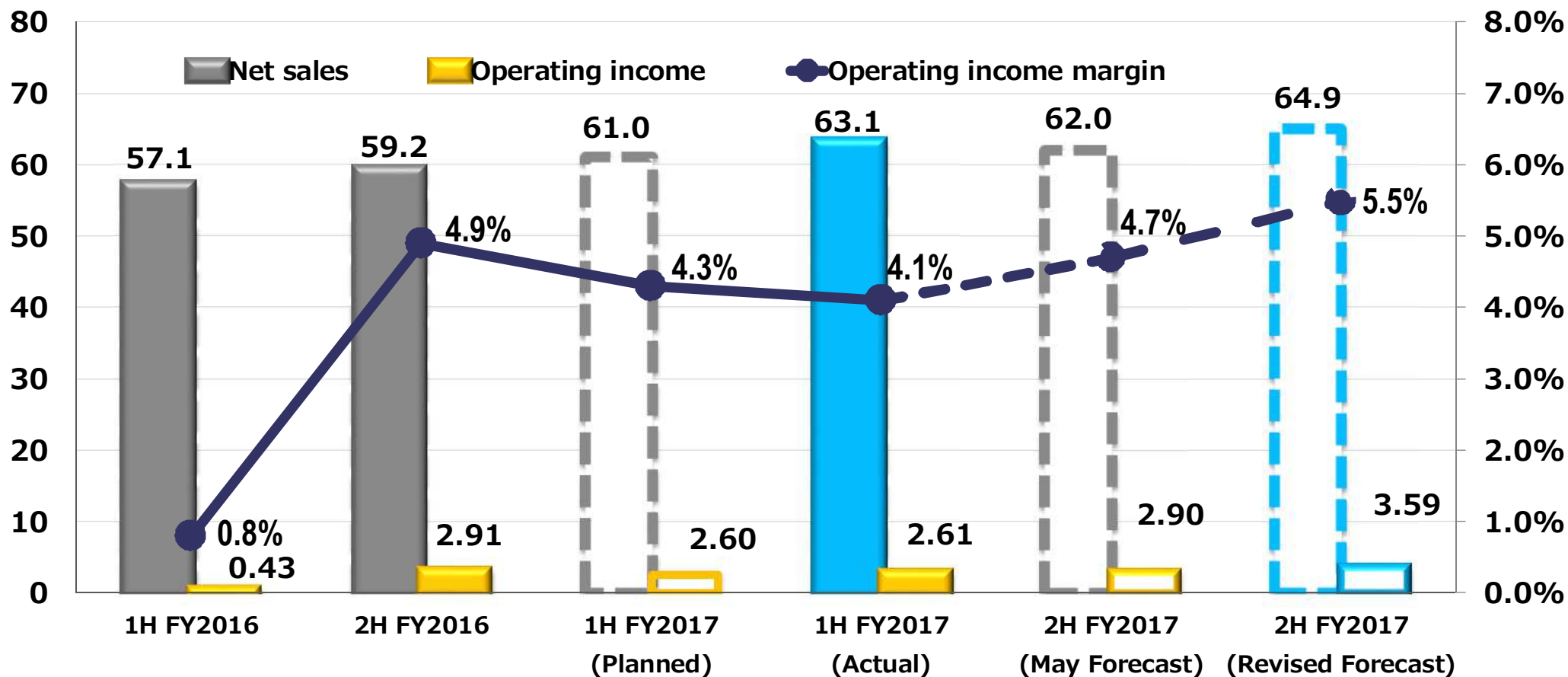
The age of cloud computing and big data
Rise in the size of server market with the increase in demand for data centers representing about 35% of server demand



● Business Environment for FY2017 (Net sales, Operating Income)

(Net sales and Operating income (billion yen))

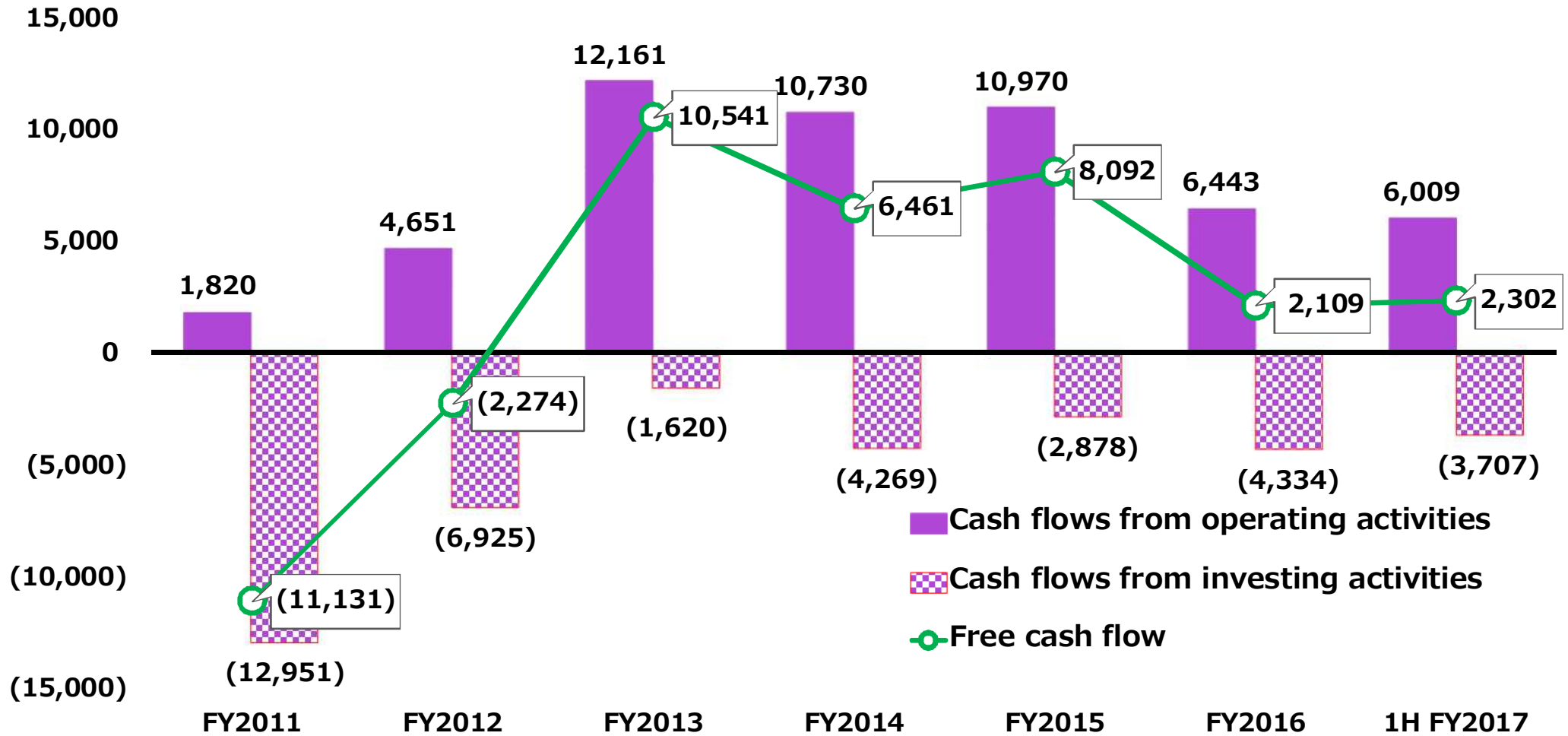
(Operating income margin(%))



Translation

● Business Environment for FY2017 (Cash Flows)

(Million Yen)



● Business Environment for FY2017 (Sales by Product)

Sales largely increased over the same period the previous year in every product category

(100 Million Yen)

	1H FY2016	1H FY2017	Change	Change (%)
Aluminum Electrolytic Capacitors	482	532	+50	+10.4%
DLCAPT TM	21	23	+2	+10.4%
Ceramic Capacitors, Varistors	16	17	+2	+9.7%
Electro-Mechanical Parts and Other Parts (Coil, Camera module)	14	15	+1	+8.4%
Capacitor Materials	30	33	+3	+10.2%
Other	8	11	+2	+28.8%
Total	571	631	+60	+10.6%

CONTENTS

- **Business Environment for FY2017**
- **Results Forecast for the Full Fiscal Year 2017**

● Results Forecast for the Full Fiscal Year 2017

Further promoting speedy management through business management system and improvement to profitability through expanding sales of strategic products

(Billion yen)	FY2016			FY2017			
	1H	2H	Full year	1H	2H(Revised Forecast)	Revised Forecast for the Full year	YoY
Net Sales	57.06	59.25	116.31	63.09	64.91	128.00	110.0%
Operating Income	0.43	2.91	3.34	2.61	3.59	6.20	185.7%
Ratio to net sales	0.8%	4.9%	2.9%	4.1%	5.5%	4.8%	+1.9pt
Profit attributable to owners of parent	(1.49)	2.33	0.84	1.92	2.38	4.30	511.8%
Ratio to net sales	(2.6%)	3.9%	0.7%	3.0%	3.7%	3.4%	+2.7pt
ROA	(1.1%)	1.7%	0.6%	1.4%	1.6%	3.0%	+2.4pt
ROE	(2.5%)	3.8%	1.3%	3.0%	3.6%	6.6%	+5.3pt
Capital Investment	2.20	2.39	4.59	4.03	4.48	8.50	185.1%
Depreciation	3.04	3.18	6.22	2.96	3.64	6.60	106.1%
R&D Expenses	2.12	2.15	4.27	2.06	2.14	4.20	98.3%
Average Exchange Rate 1US\$ (Yen)	105.29	111.47	108.38	111.06	110.00	110.53	—
1euro (Yen)	118.15	119.43	118.79	126.29	123.00	124.65	—

● Results Forecast for the Full Fiscal Year 2017

(Revised sales forecast by product for full fiscal year 2017)

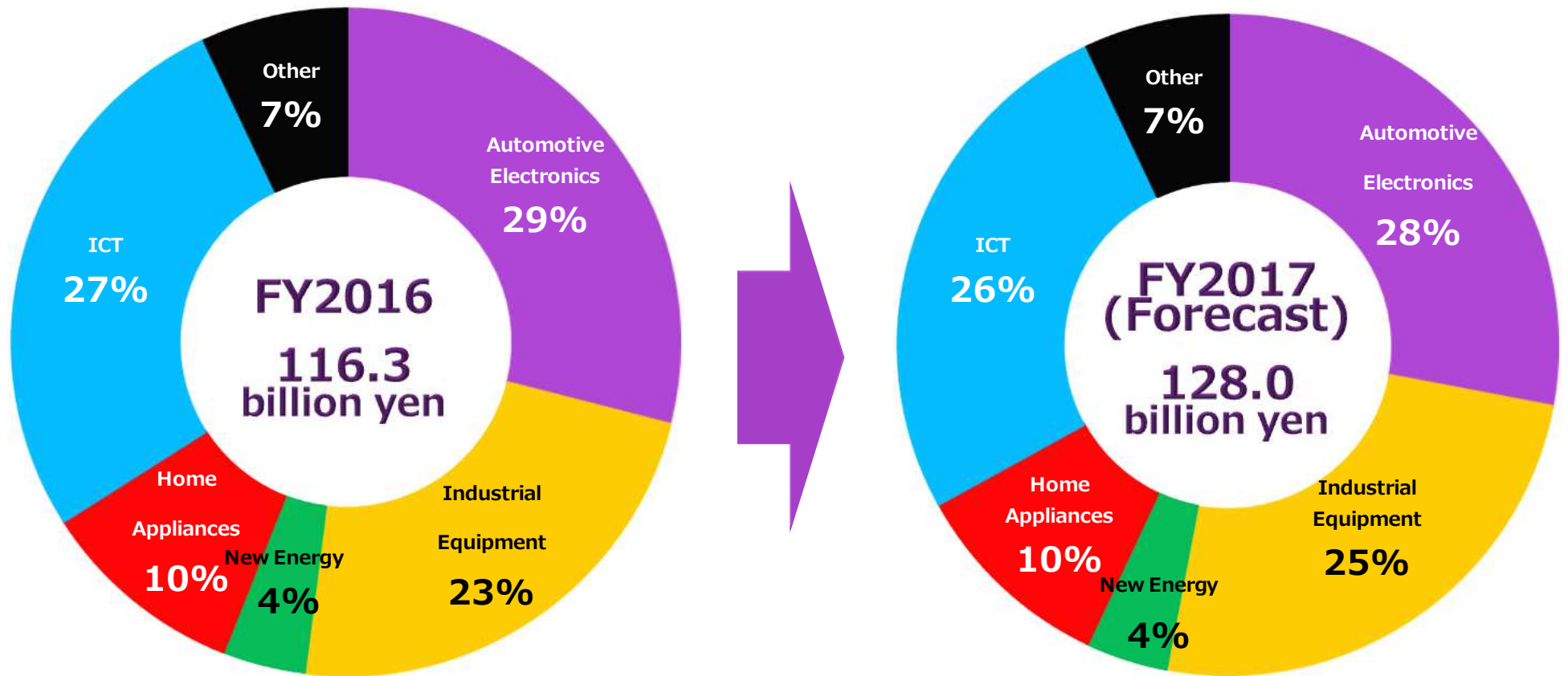
Sales growth rate expected to exceed the rates in 1H for Aluminum electrolytic capacitors, Ceramic capacitors, Varistors, and Electro-mechanical parts

(100 Million Yen)

	FY2016	FY2017 (Revised forecast)	Change	Change (%)
Aluminum Electrolytic Capacitors	976	1,080	+104	+10.7%
DLCAPT TM	44	46	+2	+4.0%
Ceramic Capacitors, Varistors	33	36	+3	+10.4%
Electro-Mechanical Parts and Other Parts (Coll, Camera module)	28	33	+5	+18.4%
Capacitor Materials	63	65	+2	+2.7%
Other	19	20	+1	+2.7%
Total	1,163	1,280	+117	+10.0%

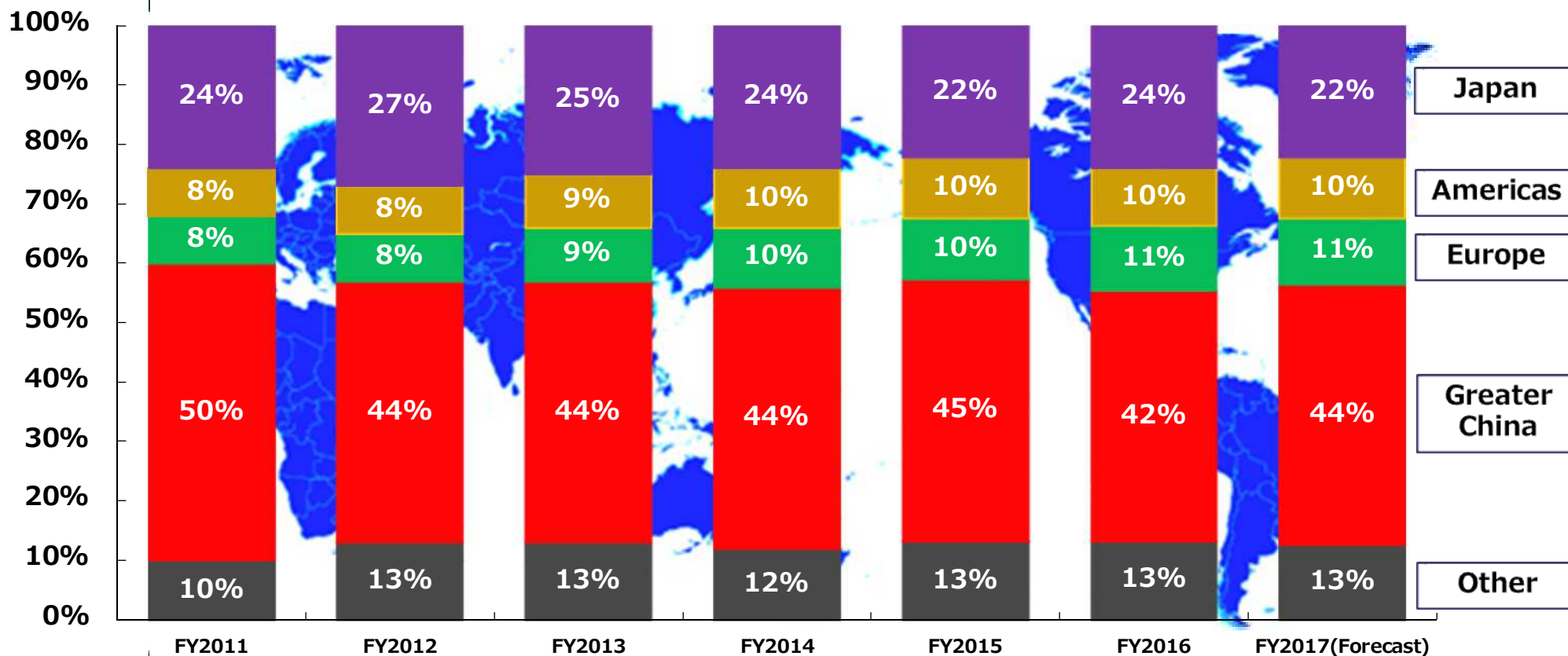
● **Results Forecast for the Full Fiscal Year 2017**
 (Sales by Market FY2016 ⇒ FY2017)

Growth rate of sales from industrial equipment including robots and FA to exceed the growth rate of sales from automotive electronics



● Results Forecast for the Full Fiscal Year 2017 (Sales by Region)

Recovery in sales in Greater China: Solid demand growth in Robot, FA and Automotive electronics markets

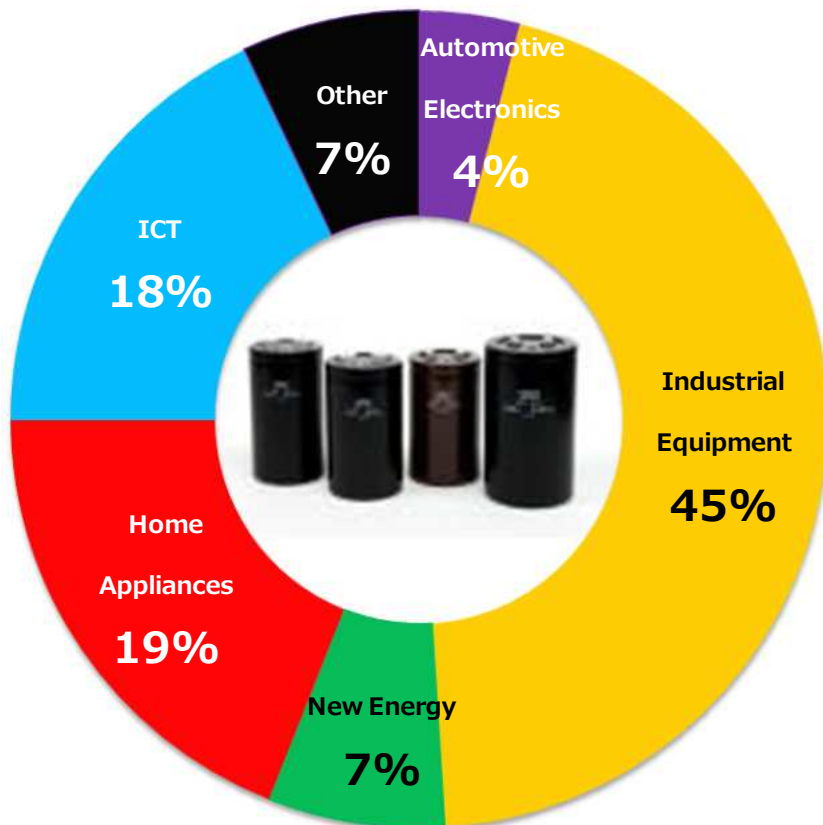


Translation

● Growth strategies for each business (Sales forecast for FY2017 by Market)

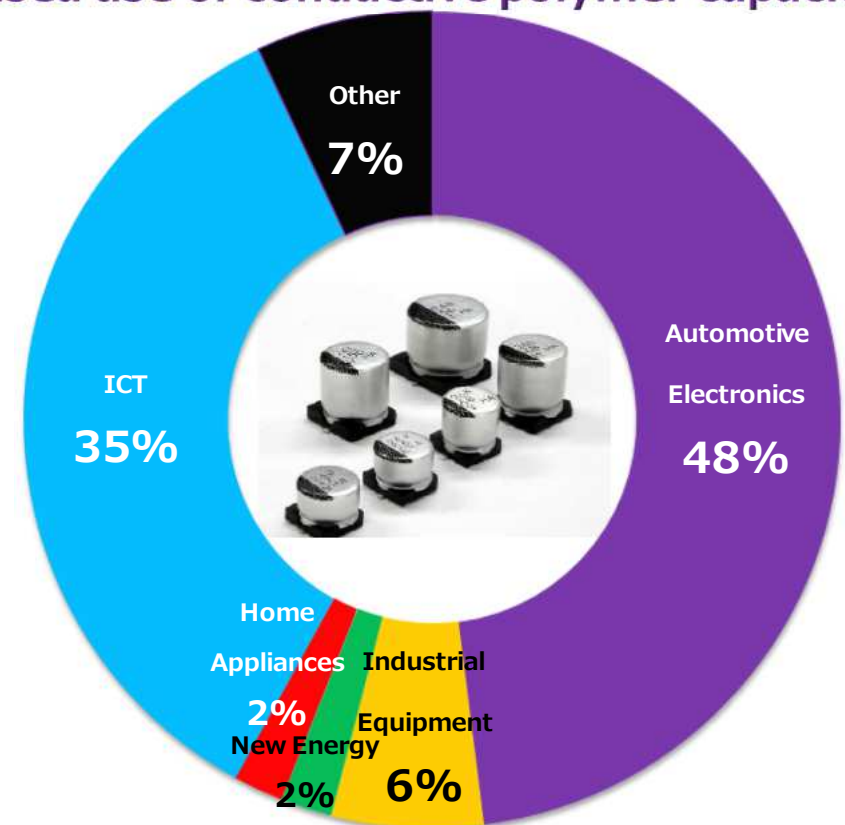
Large Aluminum Electrolytic Capacitor Business

Strong demand in Robot and FA areas



SMD Aluminum Electrolytic Capacitor Business

Evolution of automotive electronics,
Increased use of conductive polymer capacitors

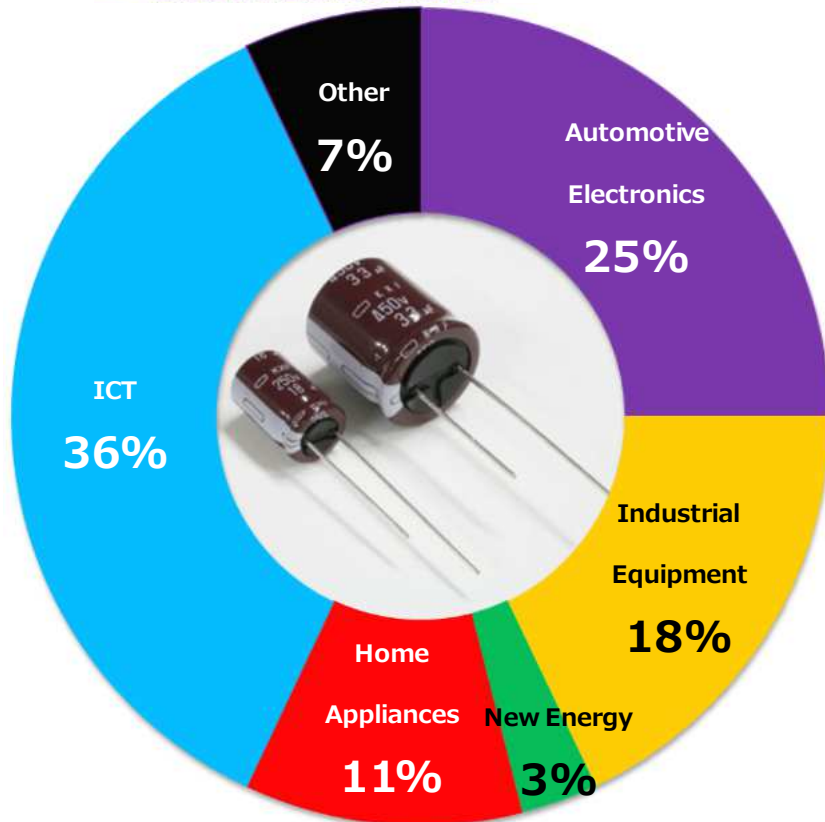


Translation

● Growth strategies for each business (Sales forecast for FY2017 by Market)

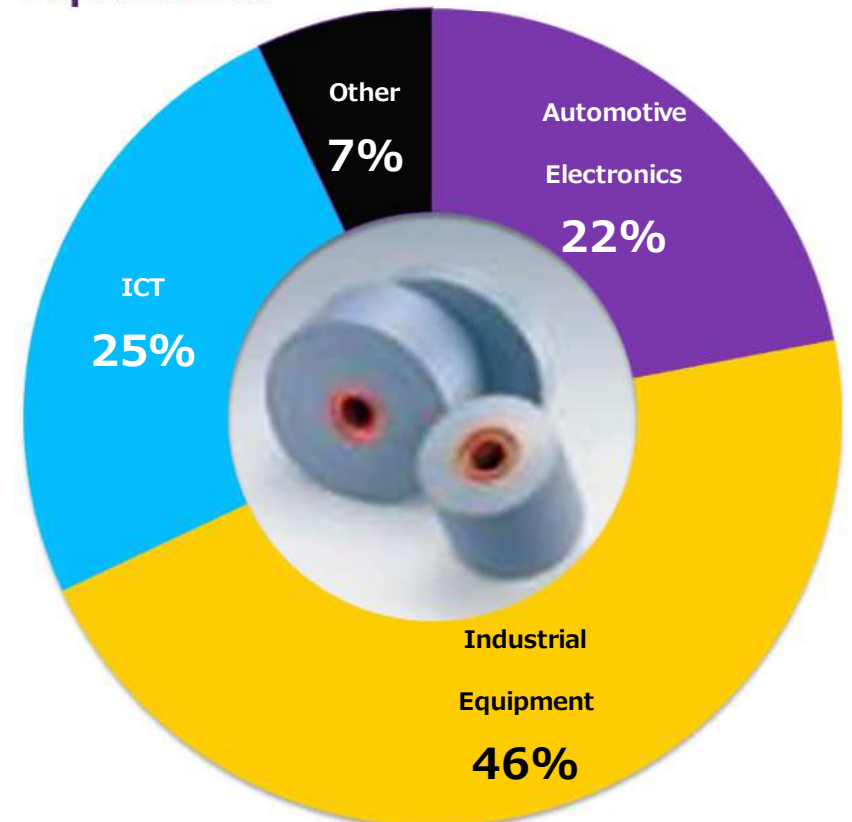
Small Aluminum Electrolytic Capacitor Business

Optimally located production = Cost reductions



Functional Material Business

Strengthening material development capabilities

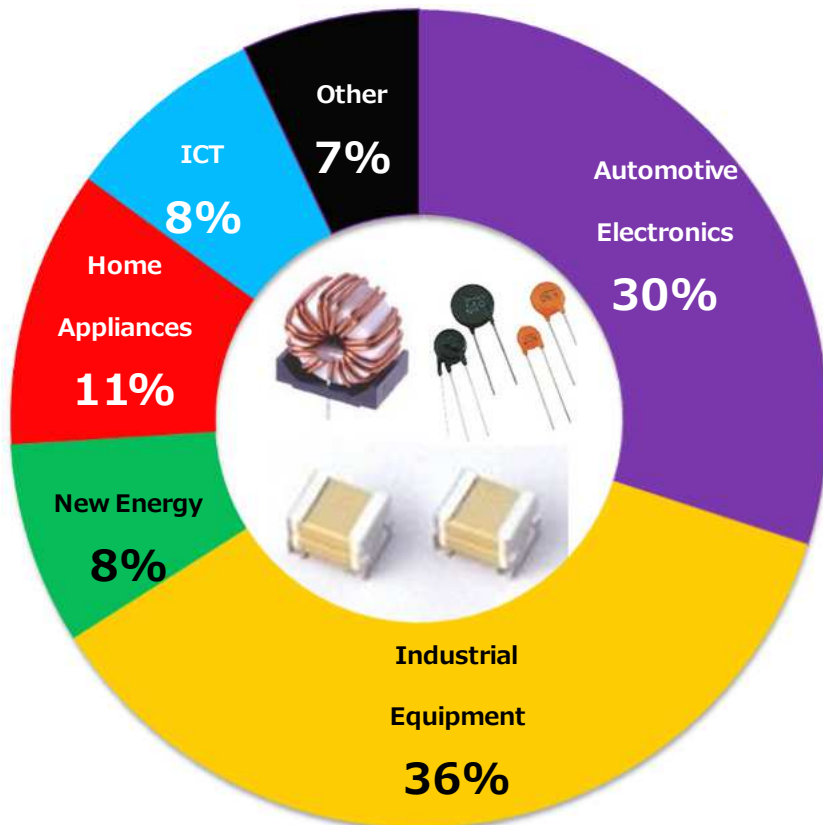


Translation

● Growth strategies for each business (Sales forecast for FY2017 by Market)

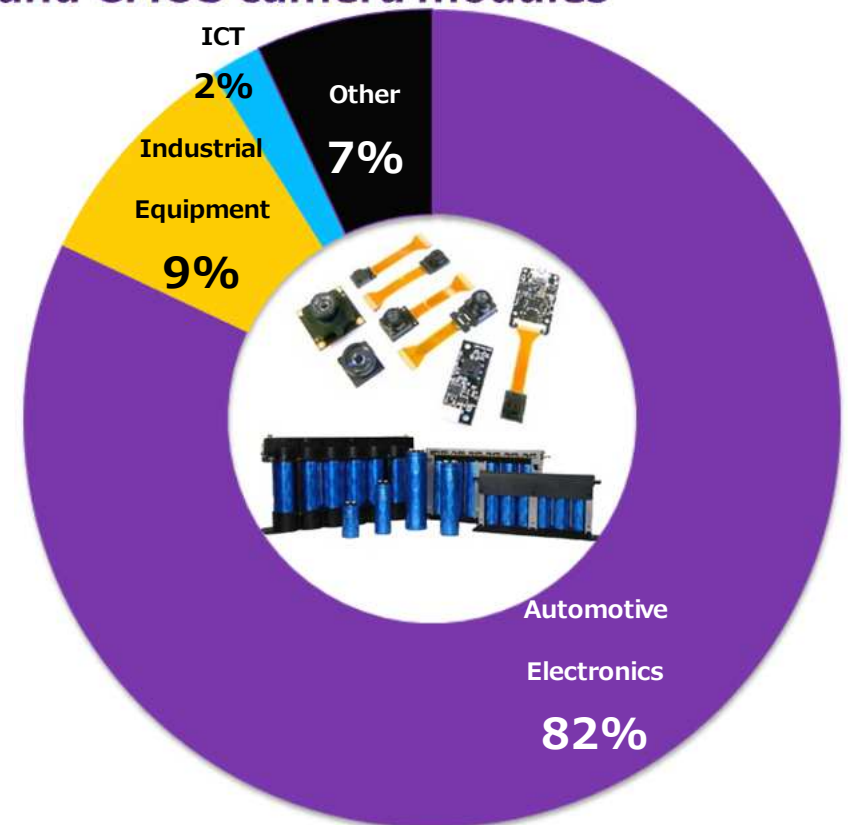
Solid Devices Business

Global niche top strategy



Functional Devices Business

Generating new markets with DLCAP™ and CMOS camera modules



〔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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