

Presentation Material

Fiscal Year Ended March 31, 2018

May 15, 2018

Nippon Chemi-Con Corporation

CONTENTS

- **FY2017 Results**
- **FY2018 Plan**

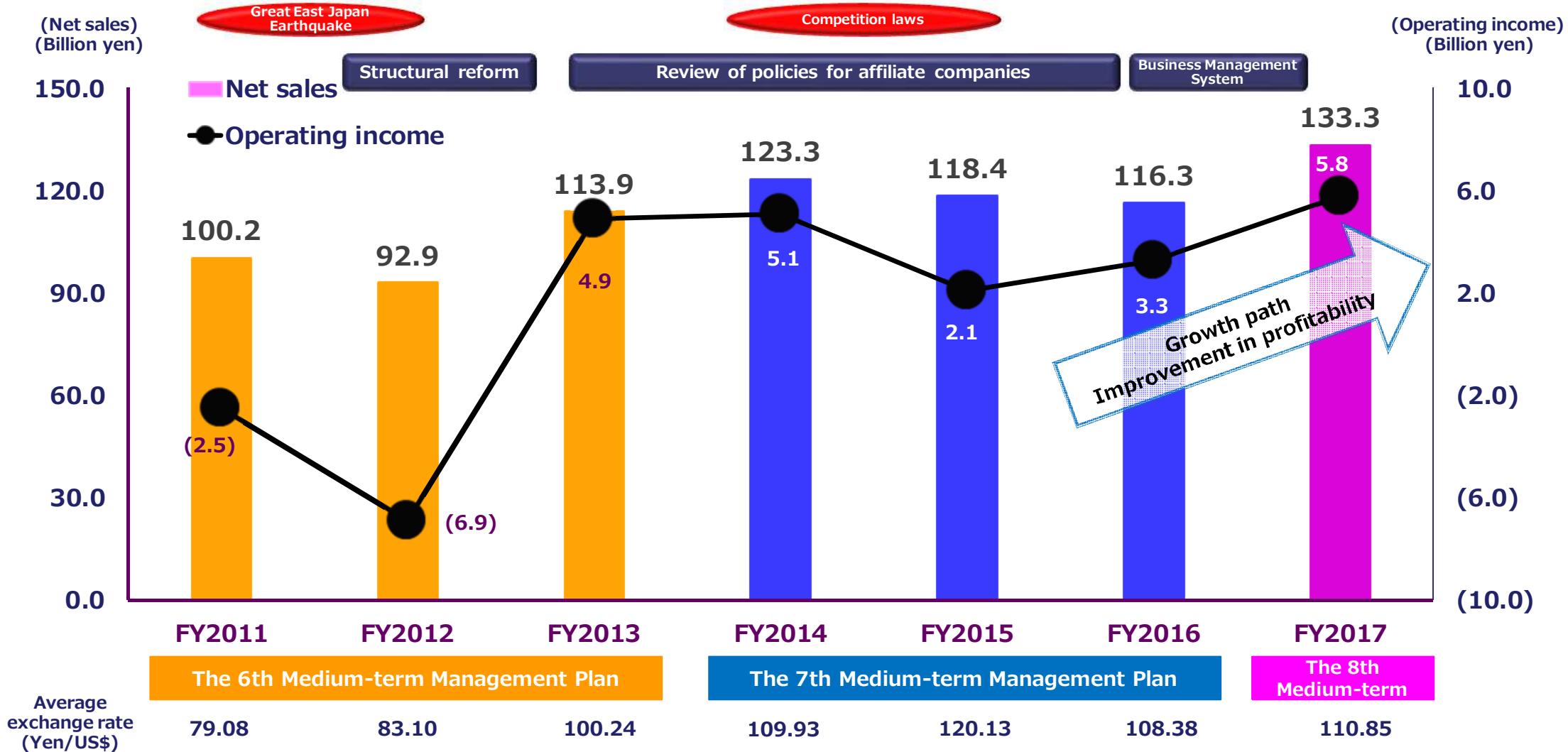
● FY2017 Results

Strong growth in net sales and operating income
Increase in fixed costs and logistics cost to respond do robust demand

(Billion yen)	FY2016	FY2017		Change	
		Forecast	Results	YoY	vs Forecast
Net Sales	116.31	128.00	133.36	+14.7%	+4.2%
Operating Income	3.33	6.20	5.81	+74.3%	(6.1)%
Ratio to net sales	2.9%	4.8%	4.4%	+1.5pt	(0.4)pt
Profit attributable to owners of parent	0.84	2.10	(16.05)	—	—
Ratio to net sales	0.7%	1.6%	(12.0)%	—	—
ROA	0.6%	1.5%	(11.3)%	—	—
ROE	1.3%	3.3%	(28.6)%	—	—
Capital Investment	4.59	8.50	7.52	+63.9%	(11.5)%
Depreciation	6.22	6.60	6.10	(1.8)%	(7.5)%
R&D Expenses	4.27	4.20	4.20	(1.5)%	+0.2%
Average Exchange Rate 1US\$(Yen)	108.38	111.28	110.85	+2.3%	(0.4)%

Translation

Business performances in the last seven years



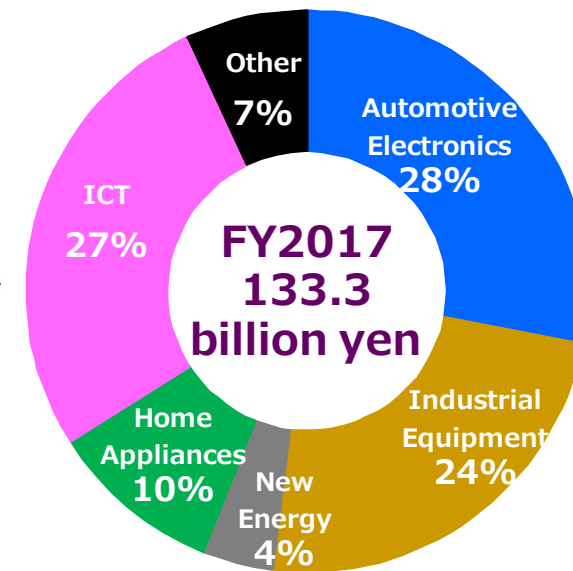
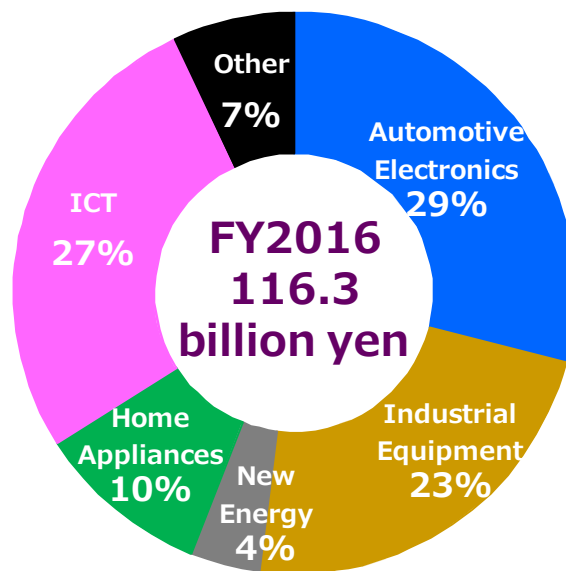
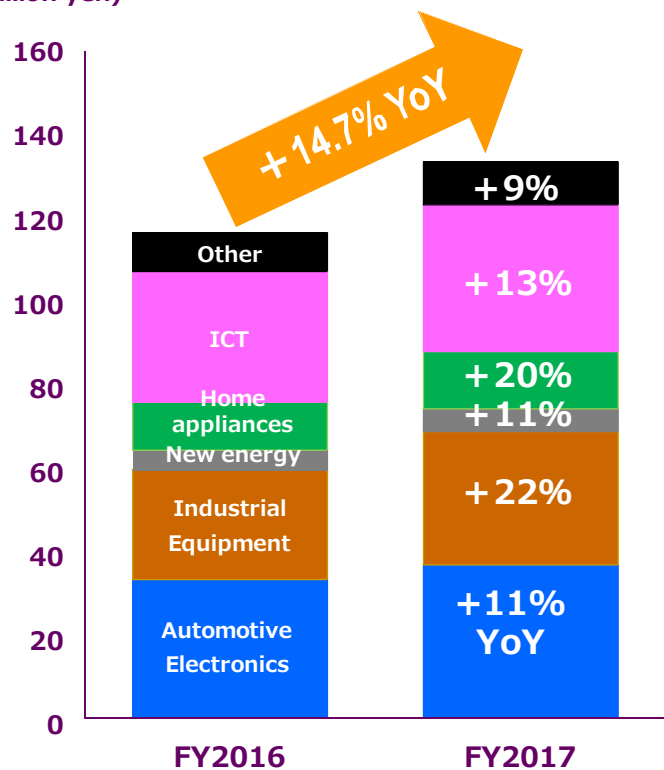
Tokyo, May 15, 2018

Fiscal Year Ended March 31, 2018

FY2017 Results (Net sales)

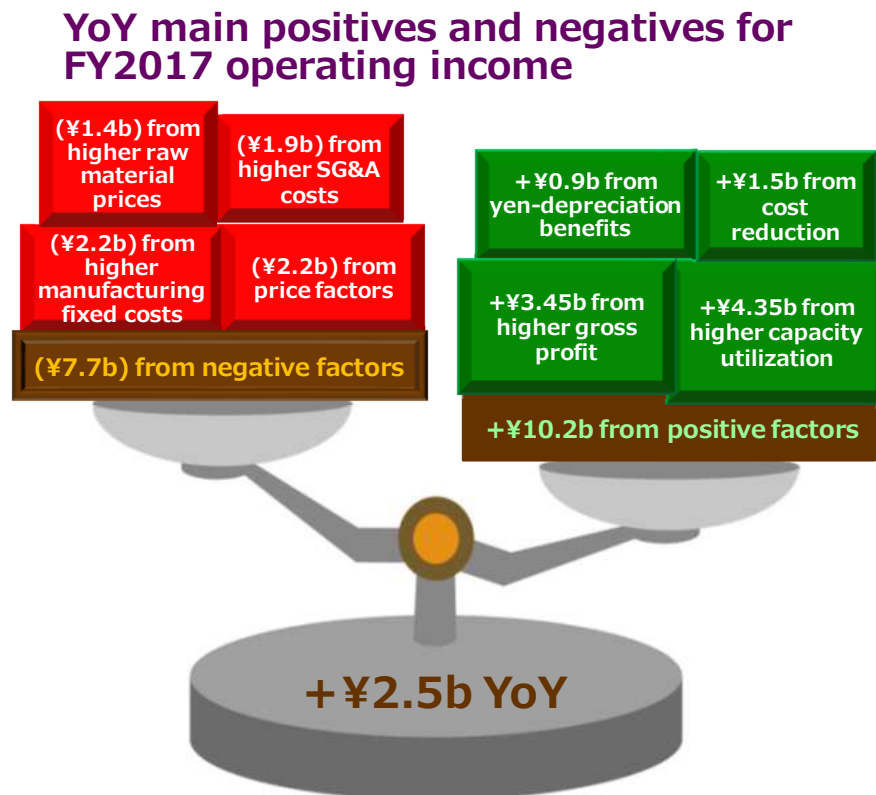
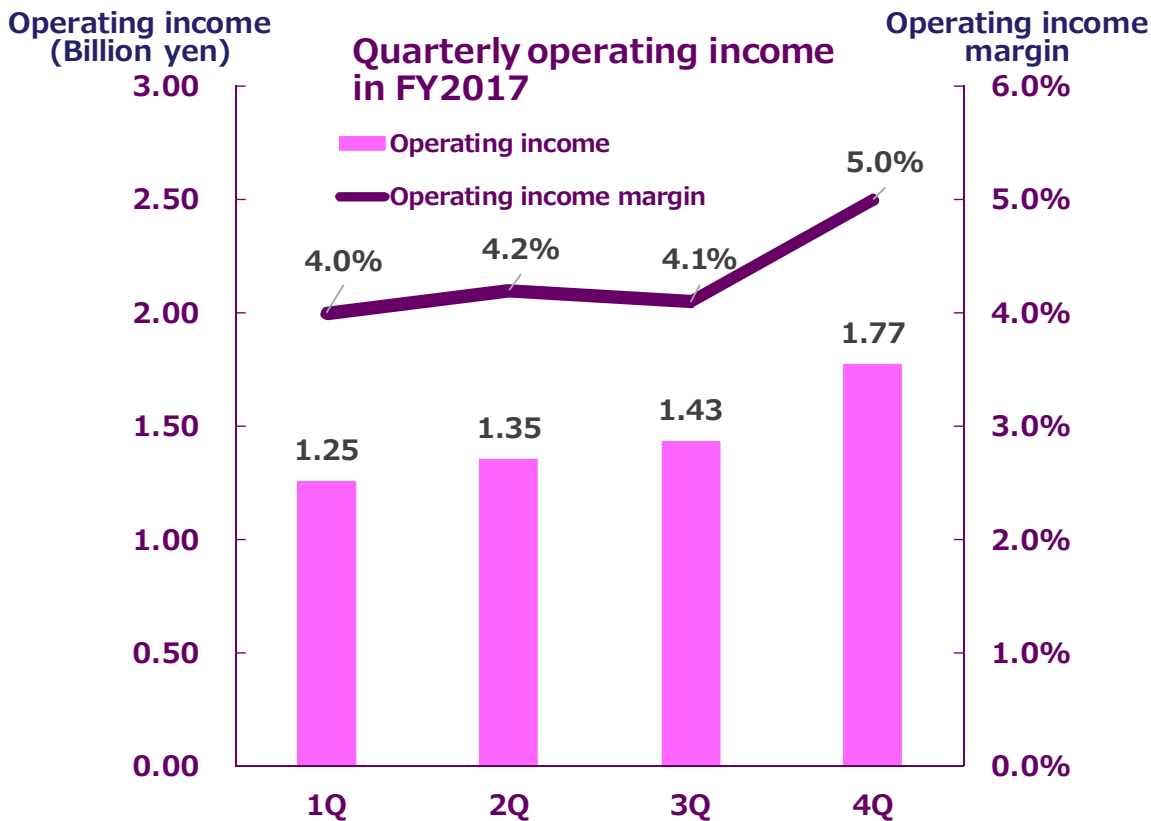
- 1. The 4th industrial revolution : major sales growth centered in aluminum electrolytic capacitors (+14.7% YoY)
- 2. Automotive electronics as a new growth market: automatic driving, connected cars, xEV, 48-volt power systems
- 3. Expanded use of our new products mainly in automotive electronics : hybrid capacitors, polymer capacitors, camera modules

Net sales
(Billion yen)



● FY2017 Results (Operating income)

- + Major sales growth (+14.7% YoY) as a result of sales promotional efforts aimed at power electronics market and automotive electronics market
- Temporary increase in manufacturing fixed costs, logistics costs, to meet robust demand (though improved in 4Q)
- = Steady growth focusing on automotive electronics and power electronics and improvement in profitability



CONTENTS

- FY2017 Results
- FY2018 Plan

● Fundamental Strategy for FY2018

Proactively implement new reforms,
viewing the 4th industrial revolution as a growth opportunity

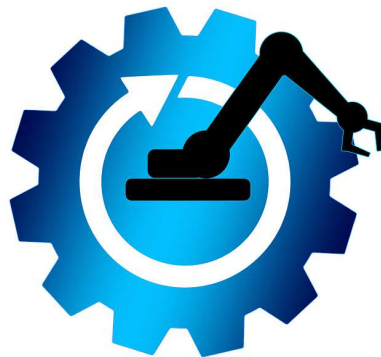
- **Generating profits by effective use of management resources (people, things, money and information) -**

Provide customers with the best solution

Automotive
Electronics



Industrial
Equipment



New Energy



Home
Appliances



ICT



● Strengthen management platform

Strengthen management platform for growth

Speedy management -Swift decisions through Business management system

Promoting consolidated management
-Strengthen policies related to affiliates
Strengthen management functions for China region
(Business model complete within China)

Strong financial structure
-Aim to become a business structure able to generate profits even at 100 yen against US dollar
Improve profitability of low-profit businesses
Improve investment efficiency, asset utilization
Implement supply chain reform (Improve asset turnover ratio)

Investment in growth businesses
-Capital investment of ¥10 billion and R&D expenses of ¥4.5 billion for FY2018
Growth strategies for each six businesses

● Focus markets for FY2018 (INDEX : FY2016=100)

Automotive electronics

Further progress in vehicle electrification

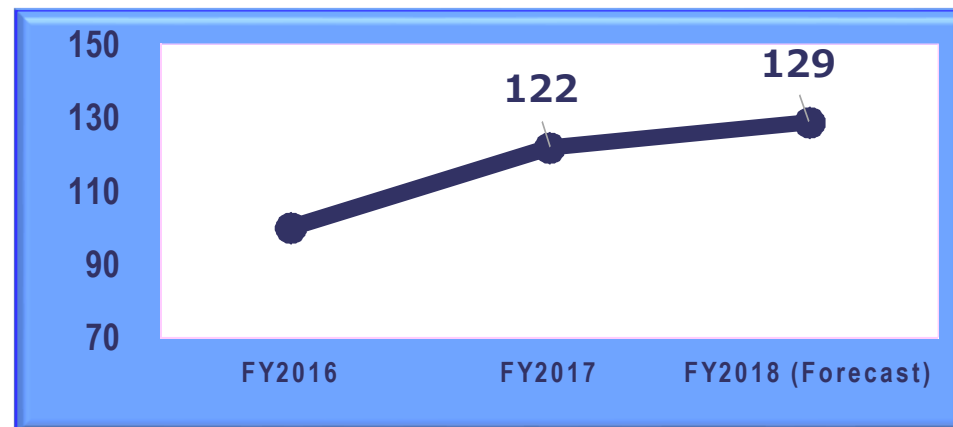
1. Intelligent automobiles, internet connectivity
2. Commercialization of automatic driving
3. xEV in China, 48-volt power systems in Europe



Industrial equipment

Wave of the 4th industrial revolution

1. Solid demand in FA, labor saving equipment
2. Further progress in IoT
3. Slowdown of investment in smartphones and organic EL

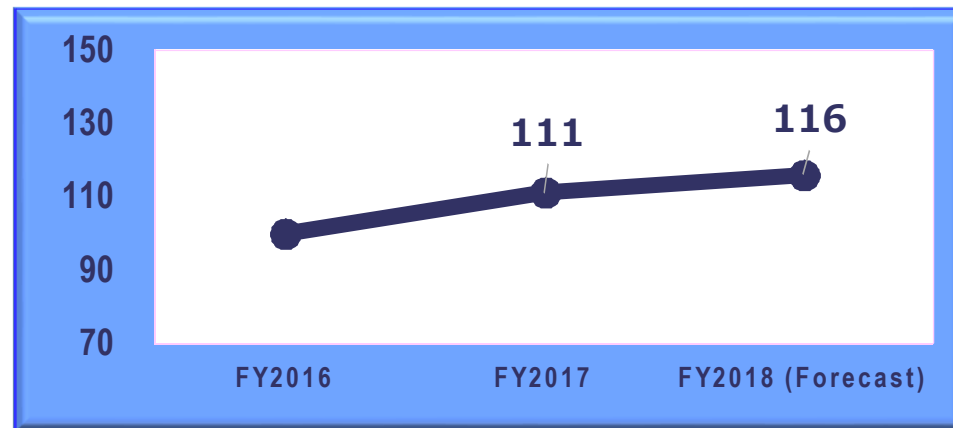


● Focus markets for FY2018 (INDEX : FY2016=100)

New energy

Photovoltaic generation market

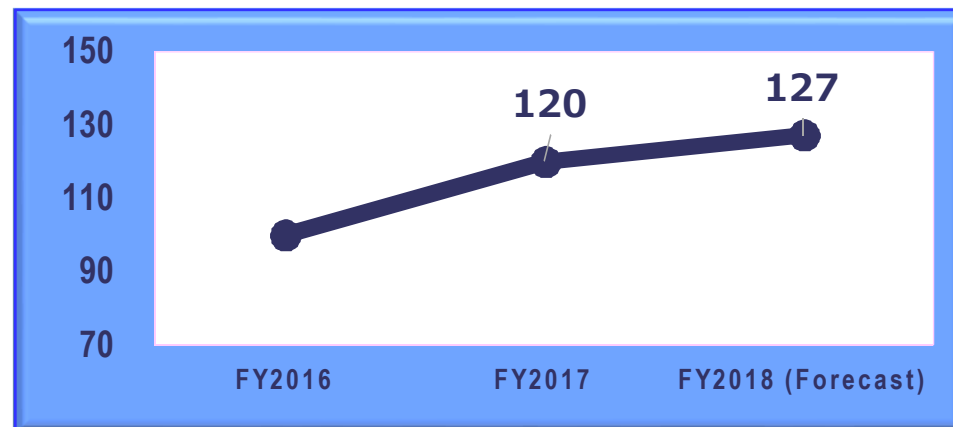
- 1. Steady demand growth in China
- 2. Rapid development expected in India as a new market



Home appliances

Inverter air conditioners

- 1. 2017: Strong demand growth because of heat wave in China
- 2. 2018: Concern for adjustment in response to strong demand in previous year



● Results Forecast for FY2018

Aim to further promote speedy management decisions with the functions of the Business management system, and Enhance our profitability through sales increase of strategic products

(Billion yen)	FY2017			FY2018 (Forecast)			
	1H	2H	Full Year	1H	2H	Full Year	YoY
Net Sales	63.08	70.27	133.36	69.00	71.00	140.00	+5.0%
Operating Income	2.61	3.20	5.81	3.50	4.00	7.50	+28.9%
Ratio to net sales	4.1%	4.6%	4.4%	5.1%	5.6%	5.4%	+1.0pt
Profit attributable to owners of parent	1.92	(17.97)	(16.05)	2.50	3.00	5.50	—
Ratio to net sales	3.0%	(25.6)%	(12.0)%	3.6%	4.2%	3.9%	—
ROA	1.4%	(12.6)%	(11.3)%	1.8%	2.0%	3.8%	—
ROE	3.0%	(30.5)%	(28.6)%	5.0%	5.7%	10.7%	—
Capital Investment	4.02	3.49	7.52	7.00	3.00	10.00	+32.9%
Depreciation	2.95	3.14	6.10	3.20	3.80	7.00	+14.7%
R&D Expenses	2.05	2.14	4.20	2.20	2.30	4.50	+6.9%
Average Exchange Rate 1US\$(Yen)	111.06	110.64	110.85	105.00	105.00	105.00	(5.3)%
1euro(Yen)	126.29	133.12	129.70	125.00	125.00	125.00	(3.6)%

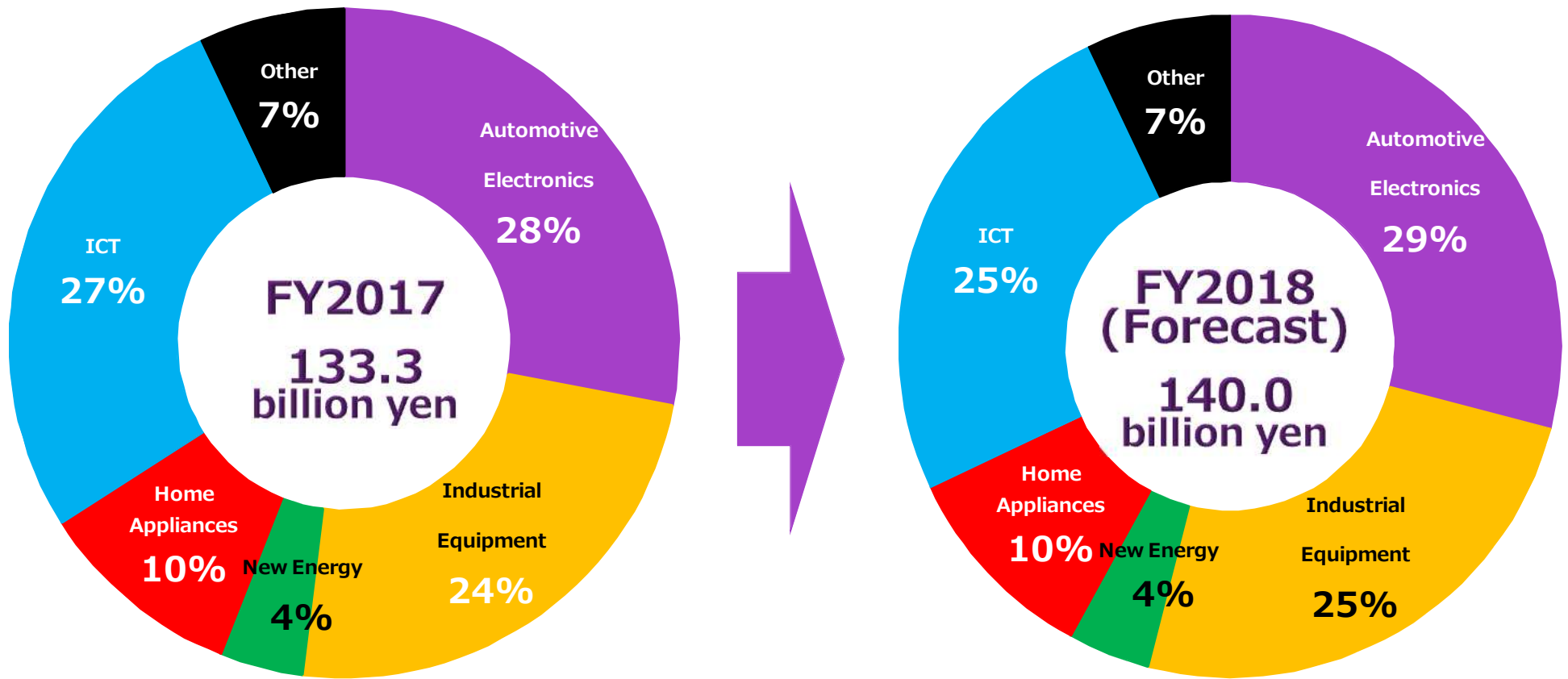
● Results Forecast for FY2018

New demand growth in automotive electronics market (automatic driving, connected cars, xEV, 48-volt power systems) , though some concern about the business cycle in industrial equipment market

(100 Million yen)	FY2017	FY2018 (Forecast)	Change	Change(%)
Aluminum Electrolytic Capacitors	1,125	1,180	+55	+4.8%
DLCAP™	44	45	+1	+1.7%
Ceramic Capacitors, Varistors	36	39	+3	+7.8%
Electro-Mechanical Parts and Other Parts (Coil, Camera module)	32	37	+5	+15.3%
Capacitor Materials	71	71	(0)	(0.4)%
Other	24	28	+4	+15.2%
Total	1,333	1,400	+66	+5.0%

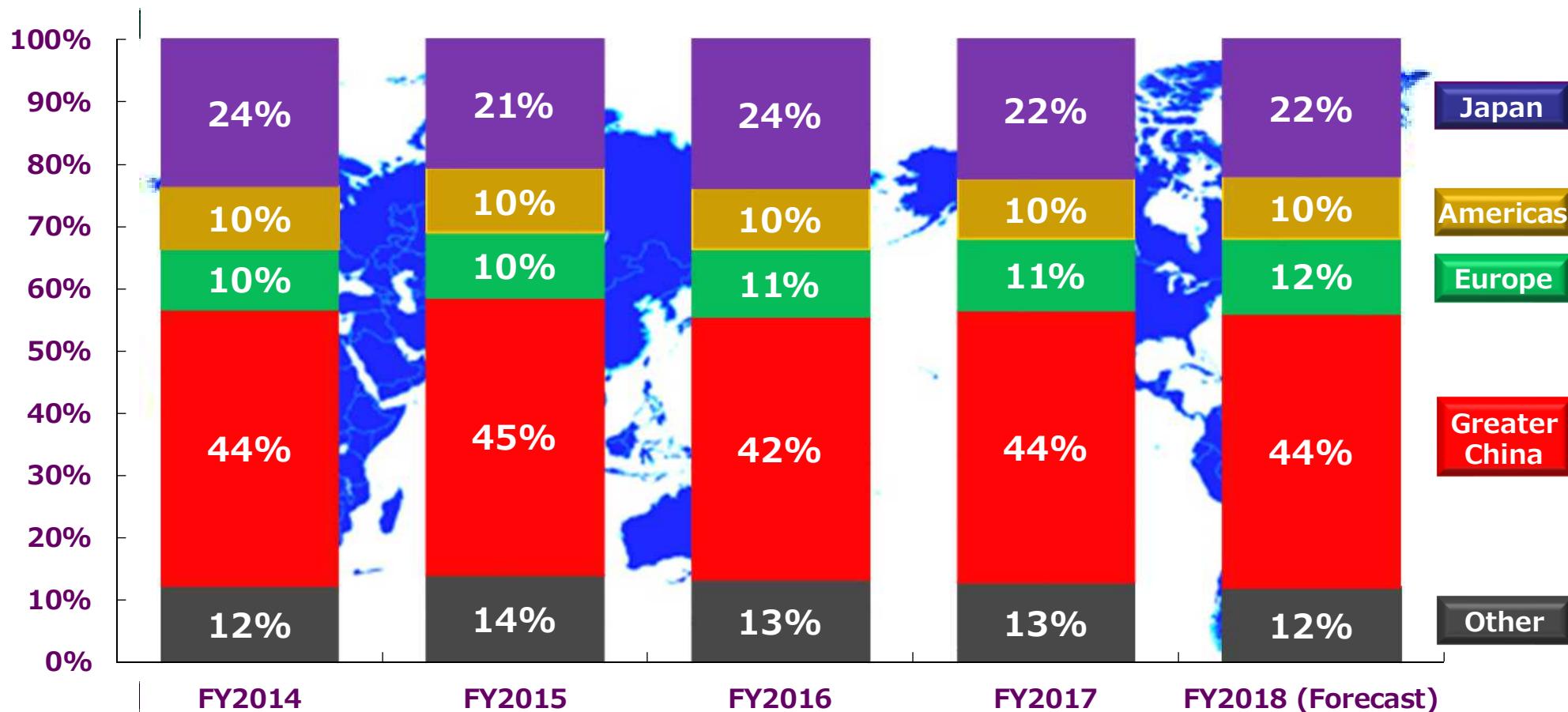
● Results Forecast for FY2018 (Sales by Market)

**New demand growth in automotive electronics market
(automatic driving, connected cars, xEV, 48-volt power systems)**



● Results Forecast for FY2018 (Sales by Region)

Solid demand in Greater China and in Europe driven by the 4th industrial revolution and new automotive electronics market



〔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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