

Presentation Material

First Half of Fiscal Year

Ending March 31, 2020

November 8, 2019

Nippon Chemi-Con Corporation

Overview of the 1H

Overview of the 1H

(Million yen)

	FY2018		FY2019	YoY Change	
	1H	2H	1H		
Net Sales	72,172	68,778	57,576	(14,595)	(20.2)%
Operating Income	3,130	2,007	(1,638)	(4,768)	—
Ratio to net sales	4.3%	2.9%	(2.8)%		
Profit attributable to owners of parent	(108)	1,025	(2,485)	(2,376)	—
Ratio to net sales	(0.1)%	1.5%	(4.3)%		
Capital Investment	5,500	4,053	3,174	(2,326)	(42.3)%
Depreciation	3,065	3,430	3,496	430	14.0%
R&D Expenses	2,132	2,156	2,082	(50)	(2.3)%
Average Exchange Rate 1 US\$(Yen)	110.26	111.55	108.63	(1.63)	(1.5)%
1 euro(Yen)	129.85	126.96	121.42	(8.43)	(6.5)%

Sales by Product Group for 1H FY2019

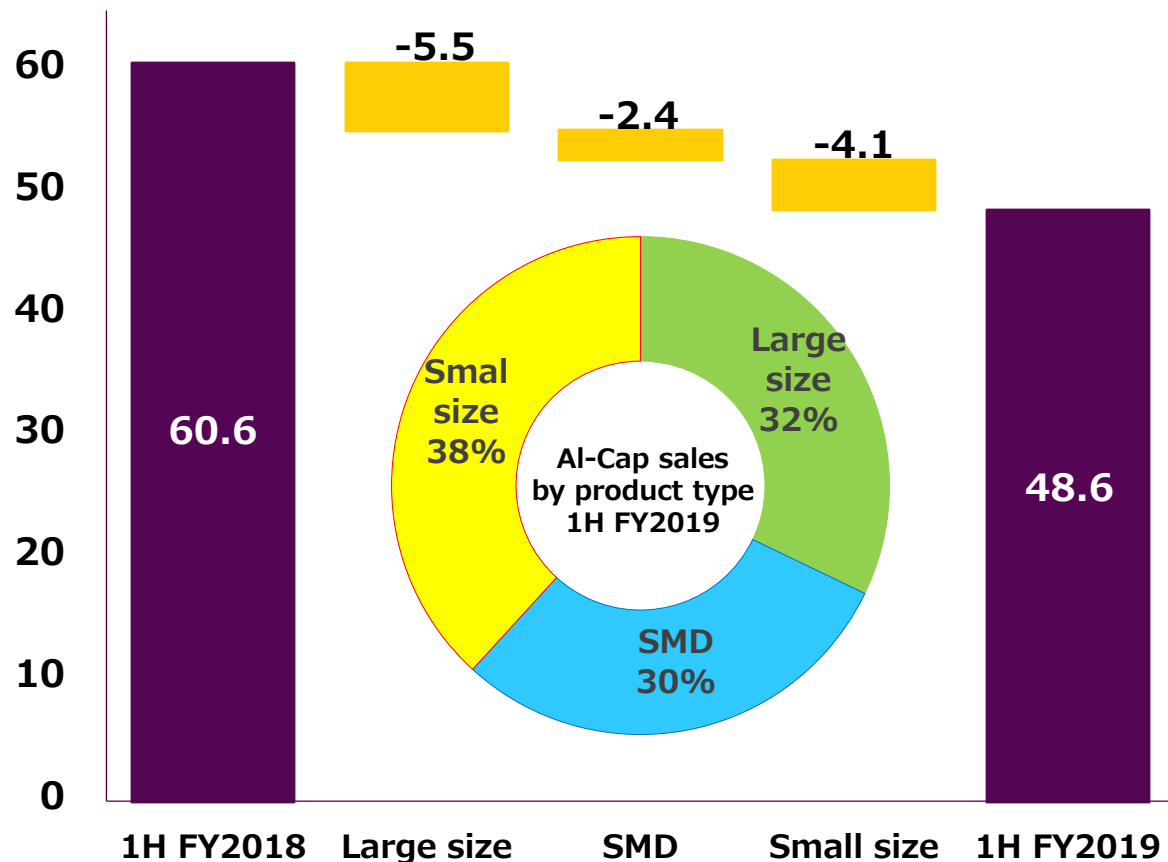
(Million yen)

	1H FY2018	2H FY2018	1H FY2019	Percentage of Total sales (1H FY2019)	YoY Change	
Aluminum Electrolytic Capacitors	60,625	57,782	48,606	84.4%	(12,019)	(19.8)%
DLCAP™	2,064	2,366	2,445	4.2%	381	18.5%
Ceramic Capacitors, Varistors, etc.	1,801	1,753	1,496	2.6%	(305)	(16.9)%
Mechanical Parts and Other Parts (Coil, Camera module)	1,921	1,616	1,787	3.1%	(134)	(7.0)%
Capacitor Materials	3,815	3,004	2,029	3.5%	(1,786)	(46.8)%
Other	1,945	2,257	1,211	2.1%	(734)	(37.7)%
Total	72,172	68,778	57,576	100%	(14,596)	(20.2)%

YoY Change in Aluminum Electrolytic Capacitor Sales

Net Sales
(Billion yen)

Decrease by ¥1.2 billion YoY



Large size

Weak demand in industrial equipment, data center, etc.

SMD (including conductive polymer)

Sluggish sales of automobiles worldwide
Delayed recovery in demand for server

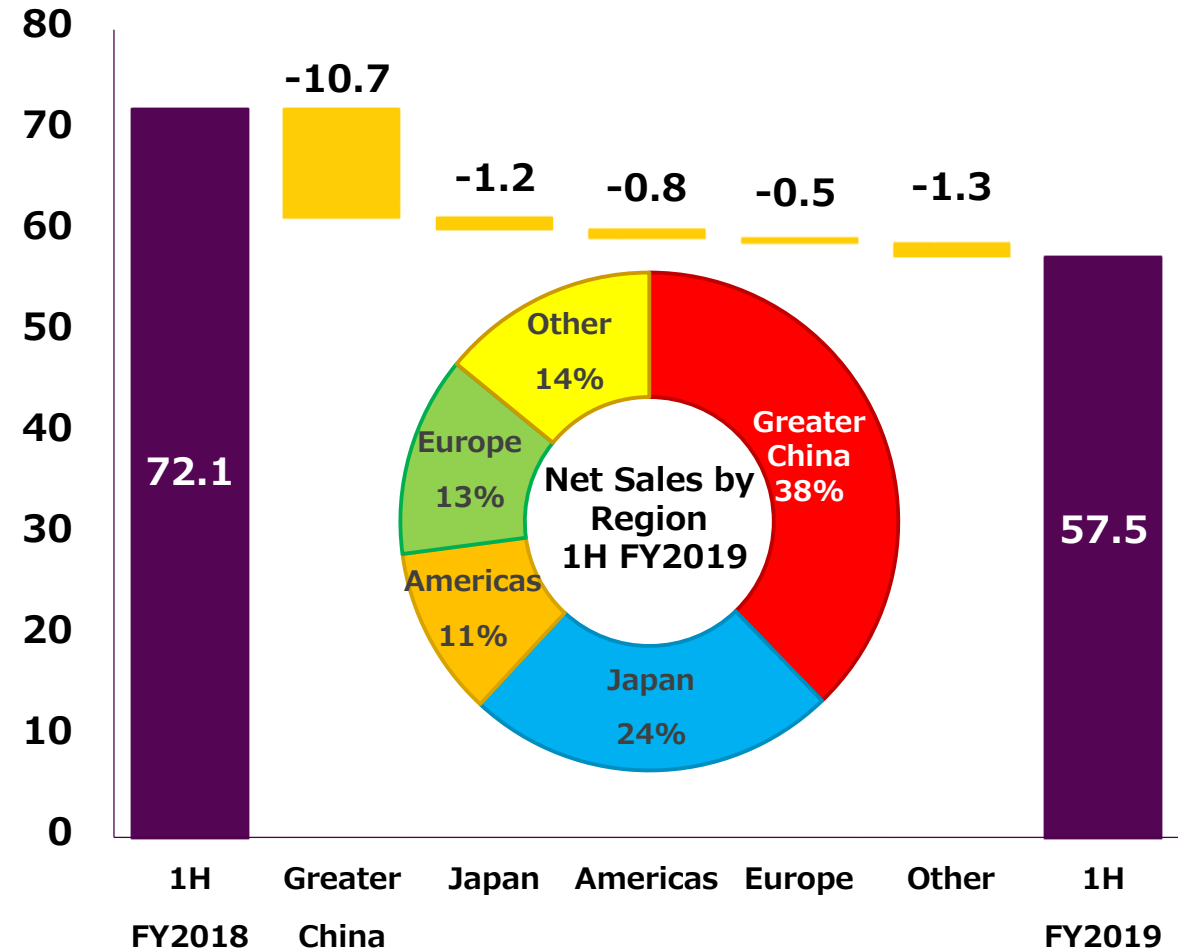
Small size

Sluggish demand in consumer electronics and power supply with the impact of US-China trade friction

YoY Change in Sales (all products) by Region

Net Sales (Billion yen)

Sharp decline in Greater China with the impact of US-China trade friction



Greater China

Weak demand especially in ICT and industrial equipment
Movement toward 5G base station became active

Japan

Sharp decline YoY in export of industrial equipment (e.g. machine tools and FA) to China

Americas

Major distributors' inventory adjustment

Europe

Rapid decline in export of automobile to China

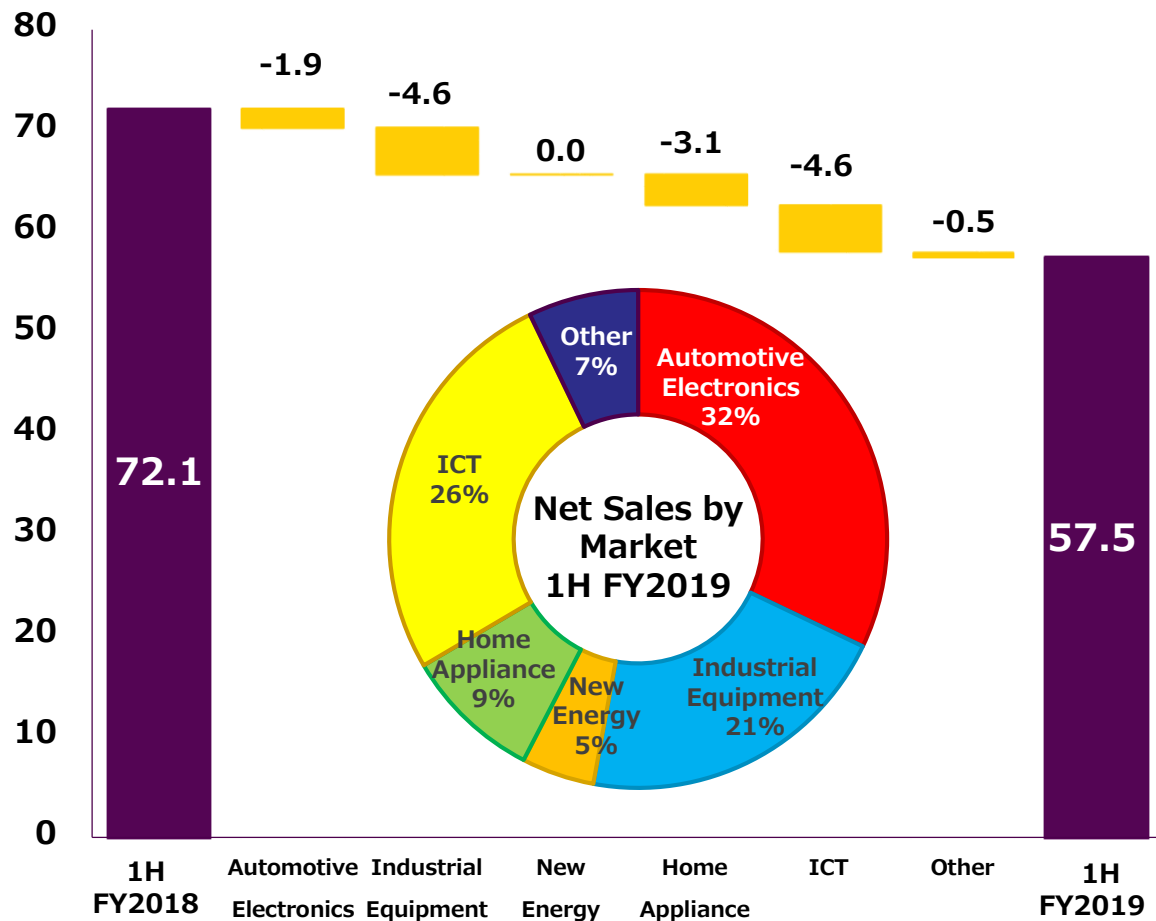
Other regions (ASEAN, Korea)

Gradually affected by Chinese economic slowdown

YoY Change in Sales (all products) by Market

Net Sales
(Billion yen)

Sluggish demand in automobile, industrial equipment and ICT



Industrial equipment

Economic downturn continued in Greater China
Sharp decline in demand for machine tools, robot, SPE, etc.

ICT

Sluggish demand for server
Delay in distributors' inventory adjustment in Greater China

Results Forecast for 2H FY2019

Results Forecasts for FY2019

(Million yen)

	FY2018	FY2019						YoY	Change from Original Forecast
		Original Forecast			Revised Forecast				
	Full Year	1H	2H	Full Year	1H Results	2H Forecast	Full Year Forecast		
Net Sales	140,951	64,000	74,000	138,000	57,576	59,923	117,500	(16.6)%	(14.9)%
Operating Income	5,137	1,500	3,800	5,300	(1,638)	1,939	300	(94.2)%	(94.3)%
Ratio to net sales	3.6%	2.3%	5.1%	3.8%	(2.8)%	3.2%	0.3%		
Profit attributable to owners of parent	917	900	2,600	3,500	(2,485)	1,485	(1,000)	—	—
Ratio to net sales	0.7%	1.4%	3.5%	2.5%	(4.3)%	2.5%	(0.9)%		
Capital Investment	9,553	4,400	3,600	8,000	3,174	3,326	6,500	(32.0)%	(18.8)%
Depreciation	6,496	3,500	3,900	7,400	3,496	3,804	7,300	12.4%	(1.4)%
R&D Expenses	4,288	2,100	2,200	4,300	2,082	1,918	4,000	(6.7)%	(7.0)%
Average Exchange Rate 1 US\$(Yen)	110.91	110.00	110.00	110.00	108.63	107.00	107.82	(2.8)%	(2.0)%
1 euro(Yen)	128.41	125.00	125.00	125.00	121.42	118.00	119.71	(6.8)%	(4.2)%

Sales Forecast for FY2019 by Product Group

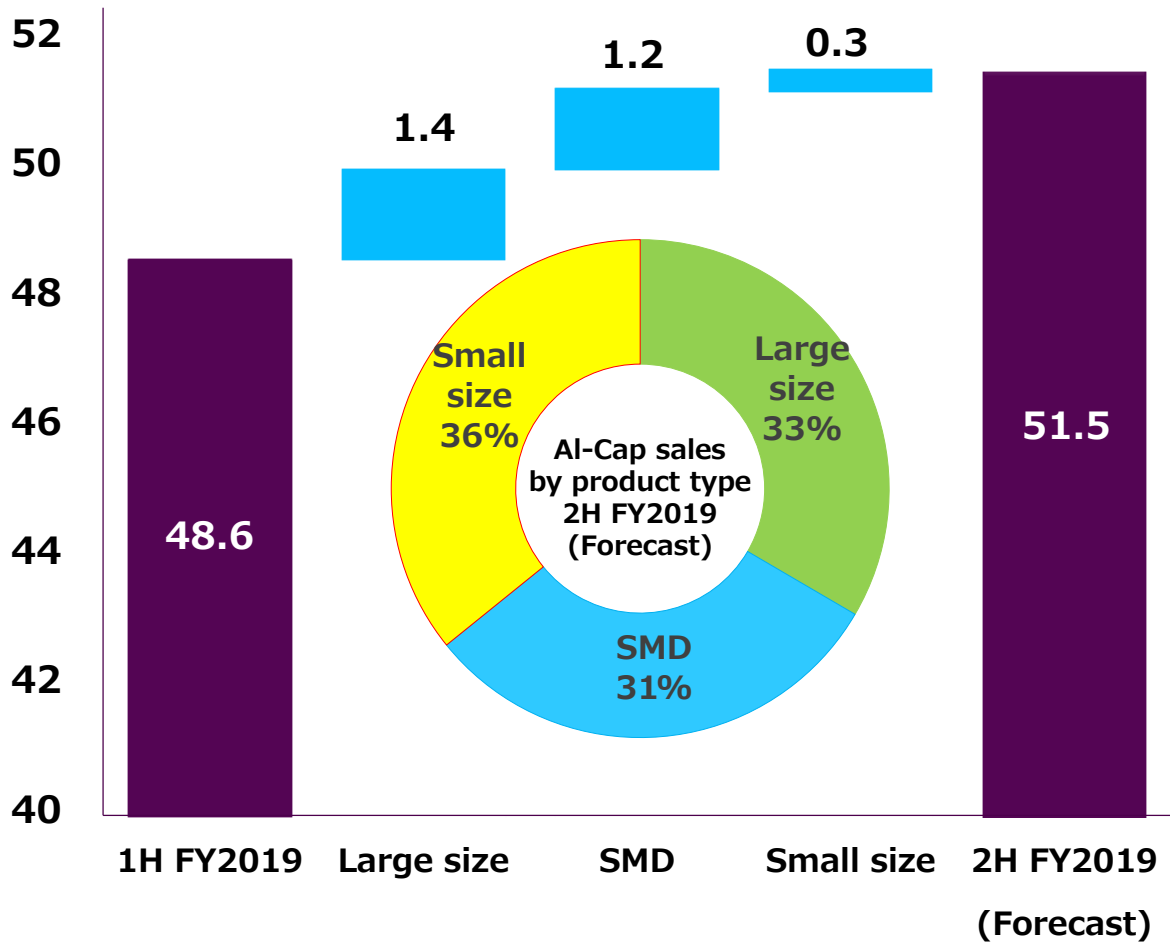
(Million yen)

	1H FY2018	1H FY2019	Revised Forecast for 2H FY2019	Change from 1H FY2019		Revised Forecast for full FY2019	YoY	
Aluminum Electrolytic Capacitors	118,407	48,606	51,593	2,987	6.1%	100,200	(18,207)	(15.4)%
DLCAP™	4,430	2,445	2,354	(91)	(3.7)%	4,800	370	8.3%
Ceramic Capacitors, Varistors, etc.	3,554	1,496	1,504	8	0.5%	3,000	(554)	(15.5)%
Mechanical Parts and Other Parts (Coil, Camera module)	3,537	1,787	1,712	(75)	(4.1)%	3,500	(37)	(1.0)%
Capacitor Materials	6,819	2,029	1,970	(59)	(2.9)%	4,000	(2,819)	(41.3)%
Other	4,202	1,211	788	(423)	(34.9)%	2,000	(2,202)	(52.4)%
Total	140,951	57,576	59,923	2,347	4.0%	117,500	(23,451)	(16.6)%

Sales Forecast (Aluminum Electrolytic Capacitor)

Net Sales
(Billion yen)

Demand increase for
conductive polymer capacitor and hybrid capacitor



Large size

Recovery in demand for data center
Inventory correction for industrial equipment

SMD(conductive polymer, hybrid capacitor)

Increase in demand from 5G, CASE
(automotive electronics) market
Recovery in demand for PC and server

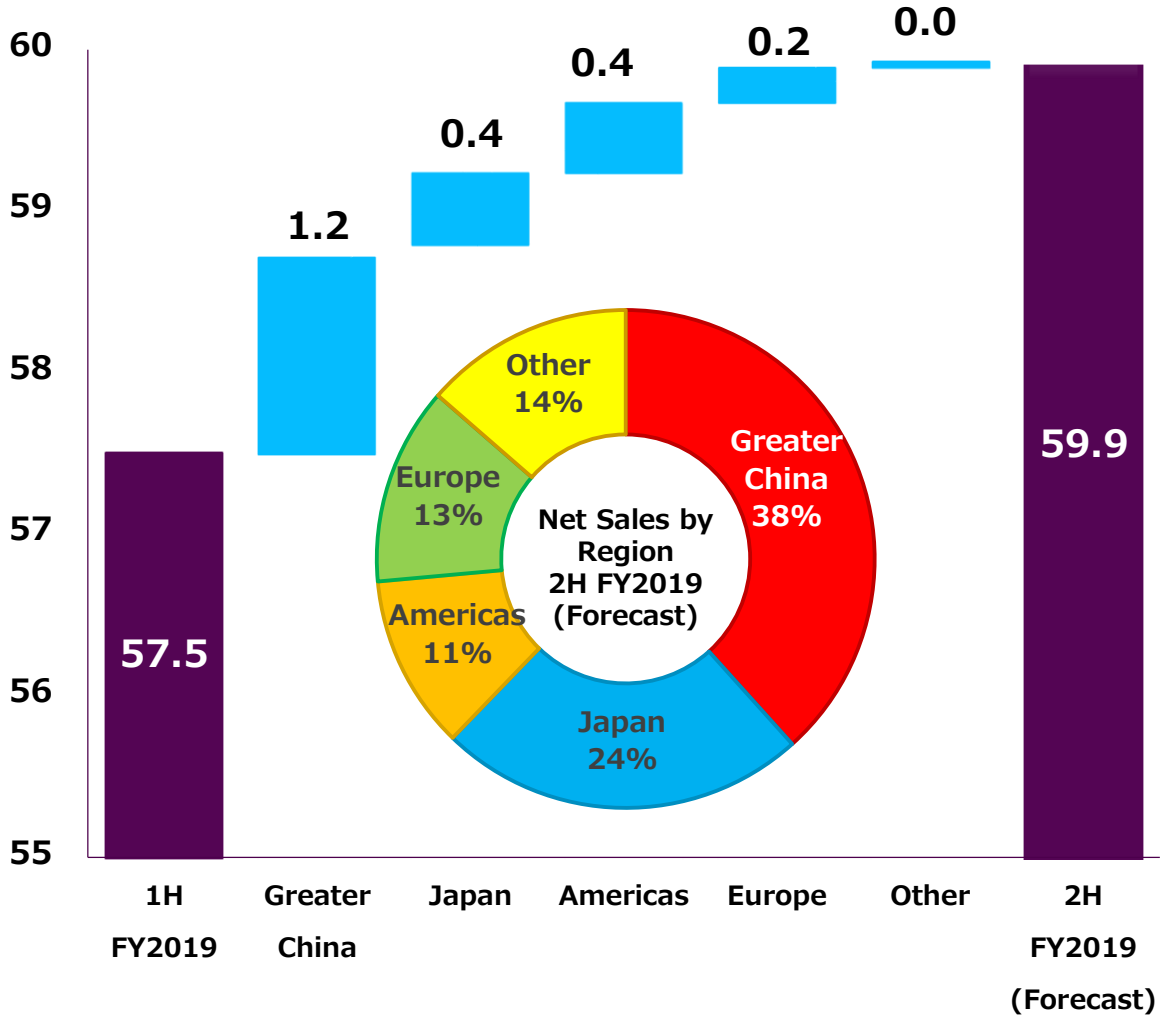
Small size

Recovery in demand from Japanese automotive
electronics manufactures

Sales Forecast by Region (all products)

Net Sales (Billion yen)

Launch of 5G base station, Recovery in demand for server



Greater China

Distribution inventory adjustment to improve
Steady growth in demand for 5G base station
Recovery in demand for server

Japan

Slight recovery in export of industrial equipment (e.g. machine tools and FA) to China

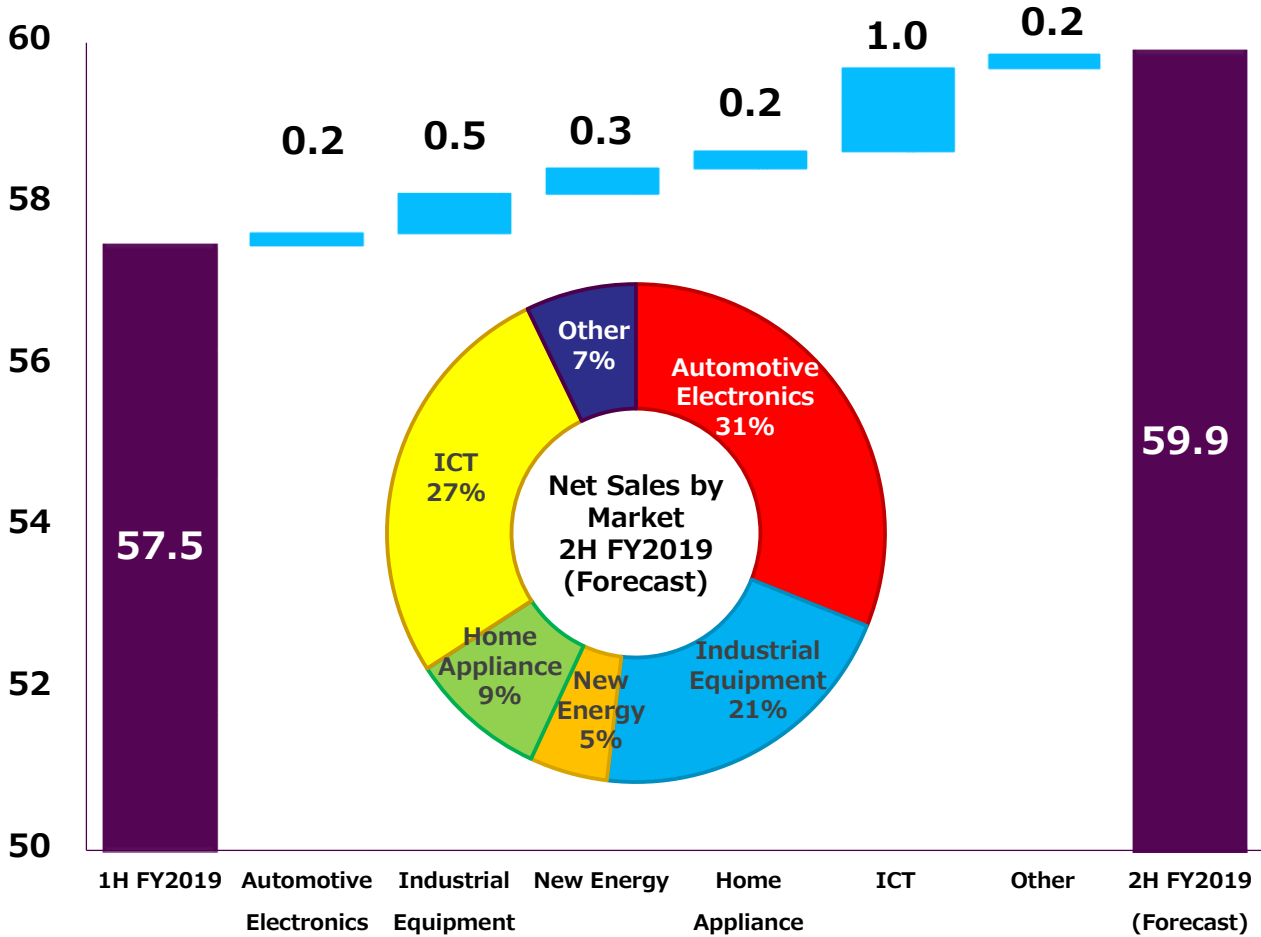
Americas

Major distributors' inventory adjustment to improve

Sales Forecast by Market (all products)

Net Sales
(Billion yen)

Increase by about ¥2.3 billion YoY



Industrial Equipment

Conclusion of inventory adjustment in Greater China

New Energy

Recovery in demand for solar power generation in China

ICT

Increasing demand for 5G base station
Recovery in demand for server

〔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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