

Results for FY Ended March 31, 2020

May 28, 2020

Nippon Chemi-Con Corporation

Overview of FY2019

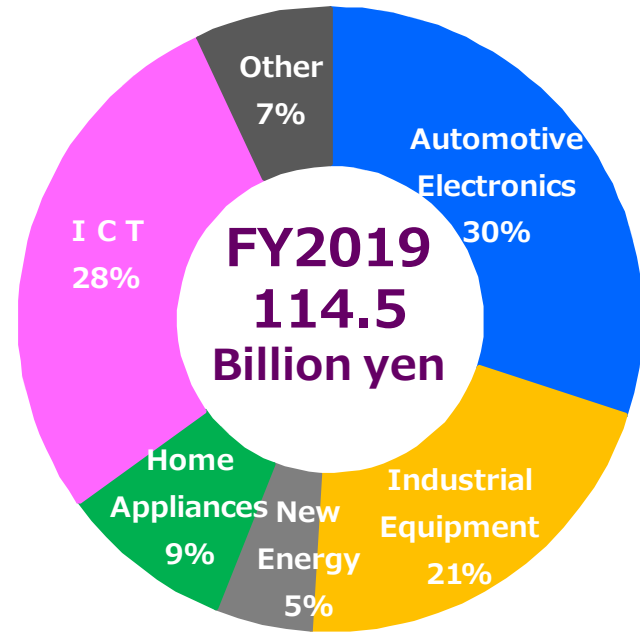
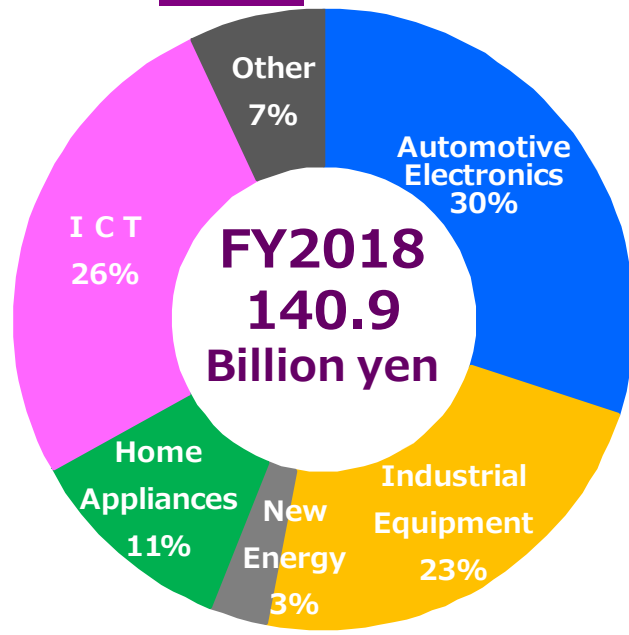
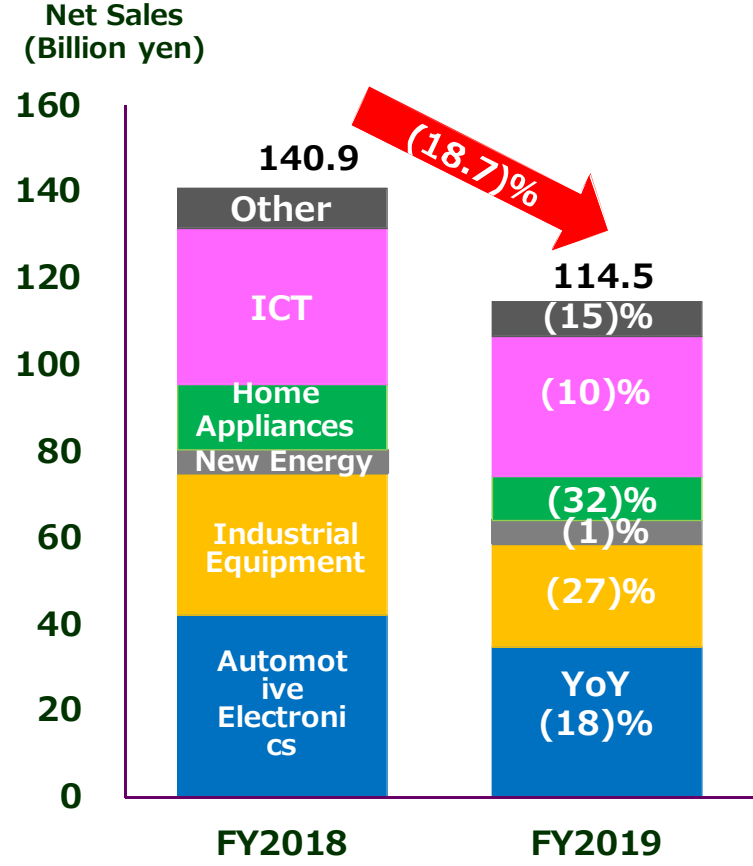
(Billion yen)	FY2018	FY2019	YoY Change	
			Amount	%
Net Sales	140.95	114.59	(26.36)	(18.7)
Operating Income	5.13	(2.89)	(8.02)	—
Operating Income Ratio	3.6%	(2.5)%	(6.1)pt	—
Profit attributable to owners of parent	0.91	(5.92)	(6.83)	—
Profit attributable to owners of parent Ratio	0.7%	(5.2)%	(5.9)pt	—
ROA	0.7%	(4.3)%	(5.0)pt	—
ROE	1.9%	(13.6)%	(15.5)pt	—
Capital Investment	9.55	5.62	(3.93)	(41.2)
Depreciation	6.49	7.19	0.7	10.8
R&D Expenses	4.28	4.16	(0.12)	(3.0)
Average Exchange Rate 1US\$(Yen)	110.91	108.74	—	Yen's rise by 2.0%
1euro(Yen)	128.41	120.82	—	Yen's rise by 5.9%

FY2019 Results (Net Sales)

Sharp decline in AI-Cap demand mainly in industrial equipment market due to US-China trade friction

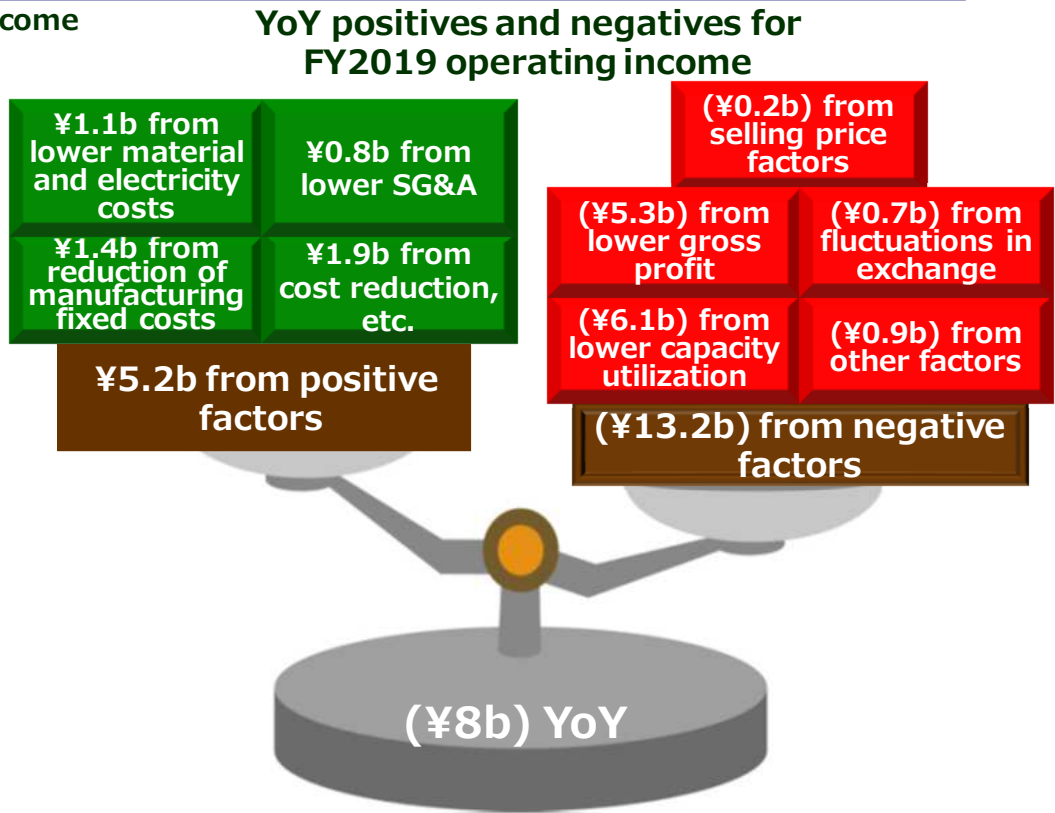
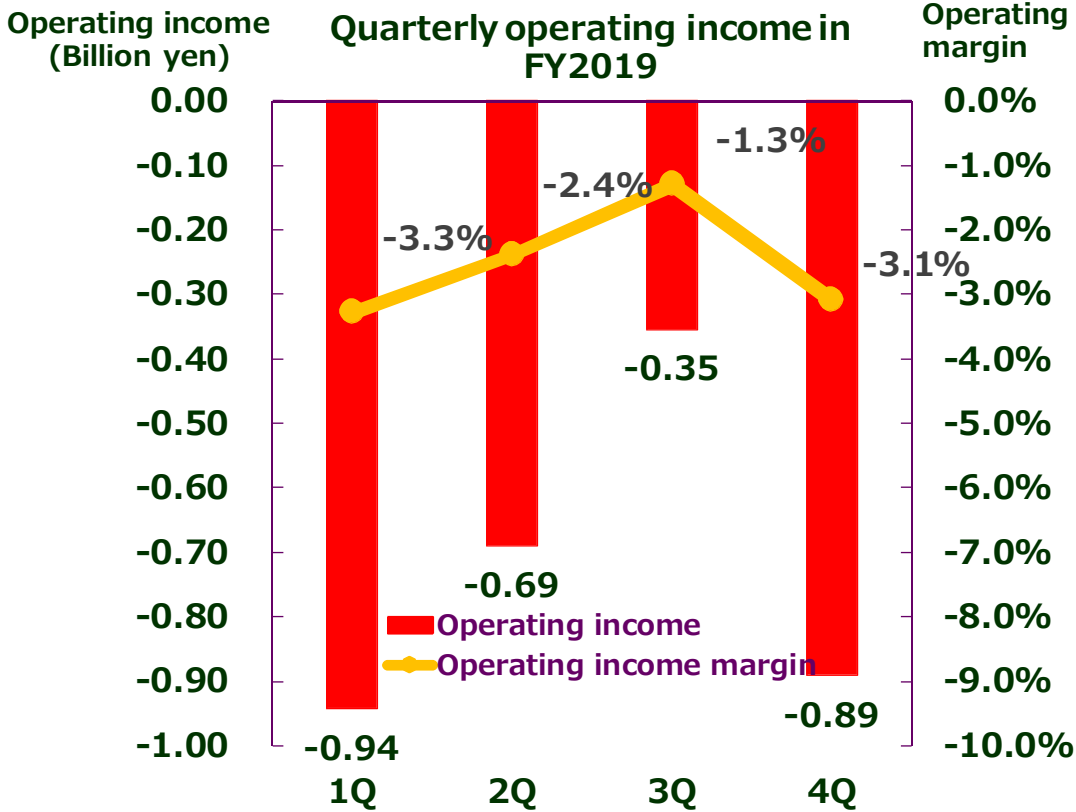
↓ Industrial equipment : Downturn in capital investment mainly in Greater China

↑ ICT : Launchings of 5G base stations and the recovery of server demand



FY2019 Results (Operating income)

Main positives: 1) Reduction of manufacturing fixed costs 2) Cost reduction 3) Improvement in material and electricity costs
Main negatives: 1) Decreased demand in industrial equipment market due to U.S-China trade friction 2) Stronger yen 3) Selling price factors 4) COVID-19



FY2020 Results Forecast (Impact of COVID-19)

Preconditions for the results forecasts

- Spread of infection to end during the first quarter and the demand to gradually recover from the second quarter
- Production was halted at bases Chemi-Con(Wuxi)(Feb.) and Chemi-Con(Malaysia) (Apr.), but recovery is possible
- There are no plans of halting production at any bases
- Increase in demand in 5G and cloud-related markets by the swift recovery of Greater China and Korea
- Industrial equipment and automotive electronics to partially return to normal as well from the second quarter

Opportunities and risks concerning performance fluctuations

- (-) Prolongation of the pandemic and downturn of the world economy
⇒ Demand to fall below the plan
- (-) Halt of production at bases due to the spread of the infection
⇒ Operation rate to decrease
- (+) Speedy recovery from the pandemic and business stimulation measures by governments ⇒ Rise in demand

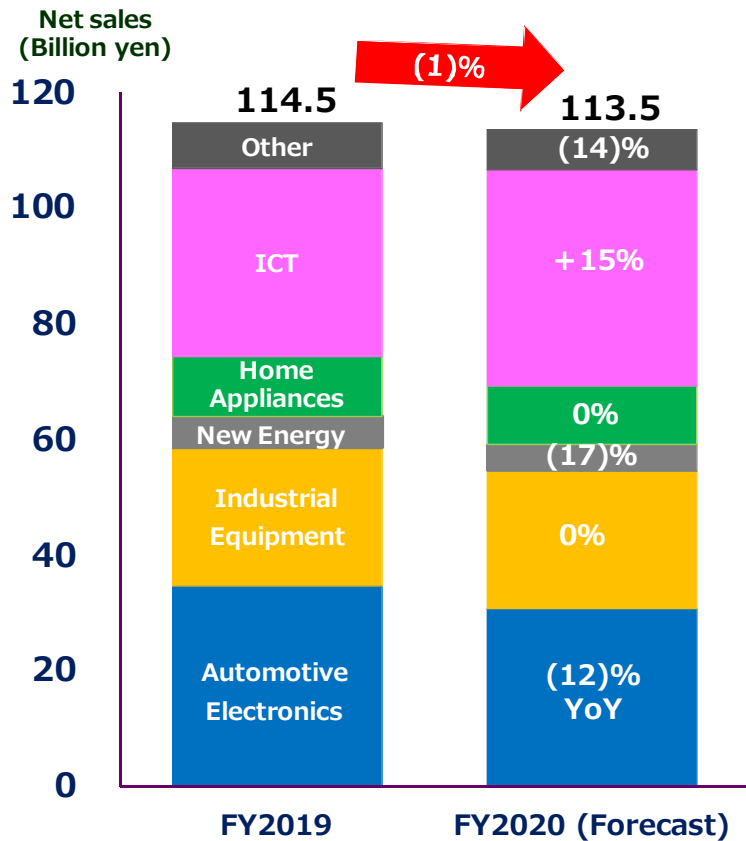
Translation

Results Forecasts for FY2020

(Billion yen)	FY2019	FY2020 Forecast	YoY Change	
			Amount	%
Net Sales	114.59	113.5	(1.09)	(1.0)
Operating Income	(2.89)	2.9	5.79	—
Operating Income Ratio	(2.5)%	2.6%	5.1pt	—
Profit attributable to owners of parent	(5.92)	1.4	7.32	—
Profit attributable to owners of parent Ratio	(5.2)%	1.2%	6.4pt	—
ROA	(4.3)%	1.0%	5.3pt	—
ROE	(13.6)%	3.5%	17.1pt	—
Capital Investment	5.62	6.5	0.88	15.7
Depreciation	7.19	5.66	(1.53)	(21.4)
R&D Expenses	4.16	4.1	(0.06)	(1.5)
Average Exchange Rate 1US\$(Yen)	108.74	105.00	—	Yen's rise by 3.4%
1euro(Yen)	120.82	116.00	—	Yen's rise by 4.0%

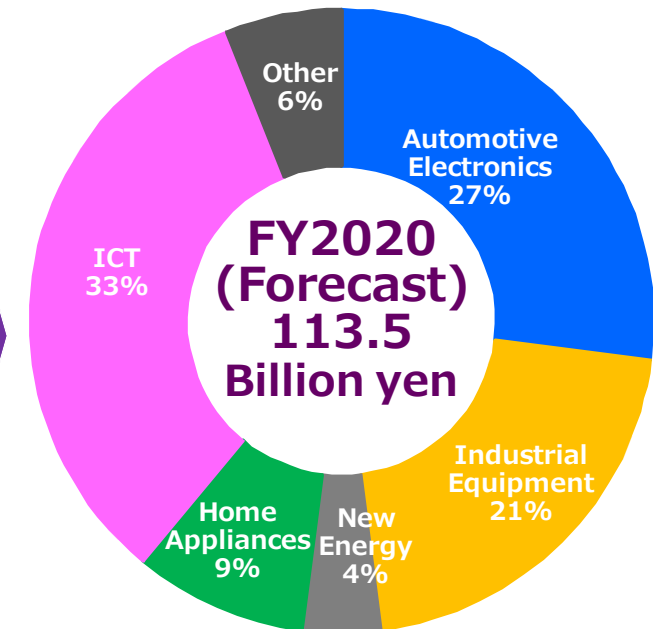
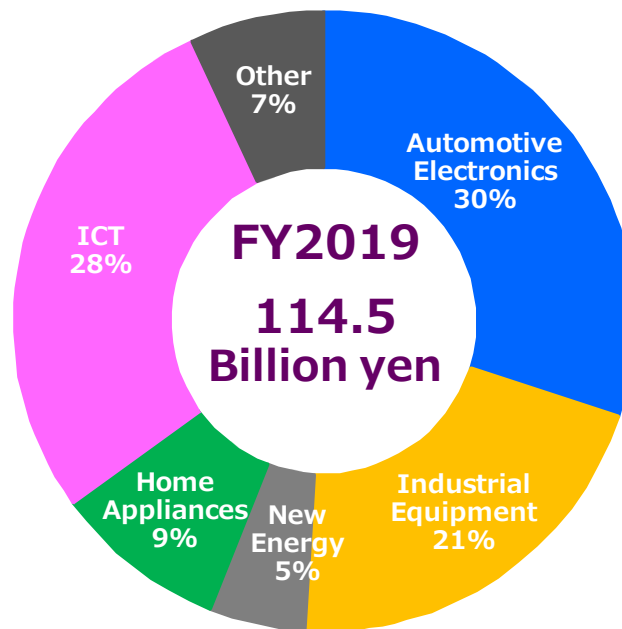
FY2020 Sales Forecast by Market

Automotive electronics to suffer from the effects of COVID-19, the shift to telework to cause a rise in ICT demand



↓ **Automotive Electronics : Decrease in car demand due to COVID-19**

↑ **ICT : Boost in PC demand caused by the increase in 5G base stations and the shift to telework**



FY2020 Sales Forecast by Product Group

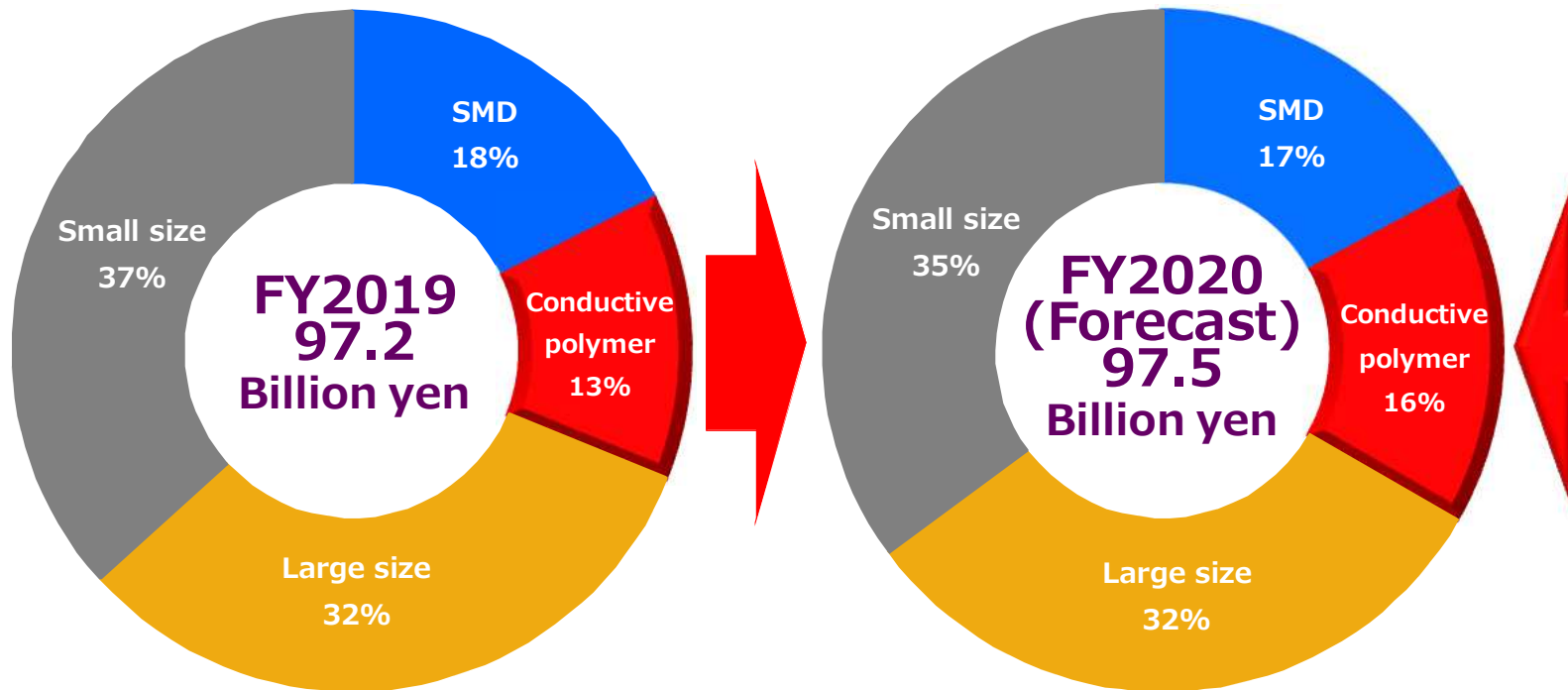
Strong demand for Conductive Polymer driven by ICT market
Decreased demand for other products in Automotive Electronics due to COVID-19

Product Group	FY2019 (Billion yen)	Percentage of Total Sales	FY2020 Forecast (Billion yen)	Percentage of Total Sales	YoY	YoY (%)	
Aluminum Electrolytic Capacitors	97.2	84.8%	97.5	86.0%	+0.3	+0.4%	→
(Conductive Polymer Capacitors)	13.0	11.4%	15.7	13.9%	+2.6	+20.2%	↗
DLCAP™	4.4	3.9%	3.4	3.0%	(1.0)	(22.8)%	↘
Ceramic Capacitors, Varistors, etc.	2.9	2.5%	2.7	2.4%	(0.1)	(6.6)%	↘
Mechanical Parts and Other Parts (Coil, Camera module)	3.3	3.0%	2.9	2.6%	(0.4)	(14.5)%	↘
Capacitor Materials	4.4	3.9%	4.8	4.3%	+0.3	8.7%	↗
Other	2.1	1.9%	2.0	1.8%	(0.1)	(6.0)%	↘
Total	114.5	100.0%	113.5	100.0%	(1.0)	(1.0)%	↘

FY2020 Aluminum Electrolytic Capacitor Strategy

(Improved product mix through the increase of conductive polymer sales ratio)

Increased demand for Conductive Polymer and Hybrid Capacitors for ICT market
Major improvement in product mix
– Product strategy for after-COVID-19 (the end of pandemic and following economic regrowth) –



After-COVID-19
Promising markets
and equipment

ICT Market

- 5G Base stations
- Servers
- Home-use game consoles
- Various IT terminals
- etc.

[Note]

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