

+
+
+ Carbon neutrality
+
+ IoT
+
+ Mobility
+ Shift toward EVs +
nichicon
+ Factory automation +
+ Society's charging infrastructure
+ 5G
+



Single-function energy storage systems,
Hybrid energy storage systems,
the Tribrid Energy Storage System™

Unique

Capital stock

+ 14.2 billion yen

Cumulative sales of household energy
storage batteries

+ No.1 in Japan

Net sales

+ 142.1 million yen

Number of
group companies

28

Year of establishment

1950

+ World-first

Shareholders' equity ratio

54.3%

Developed the Tribrid Energy Storage System™,
which allows electricity generated with solar power
to be used in households or in electric vehicles (EVs)
or plug-in hybrid vehicles (PHVs)

Business bases

+ 43 bases in 11 countries

Employees (Consolidated)

+ 5,587

World-first

Development of the EVPower Station, the Vehicle to Home (V2H) system that allows power supply from electric vehicles

Overseas sales ratio

56.1%

Annual dividend per share

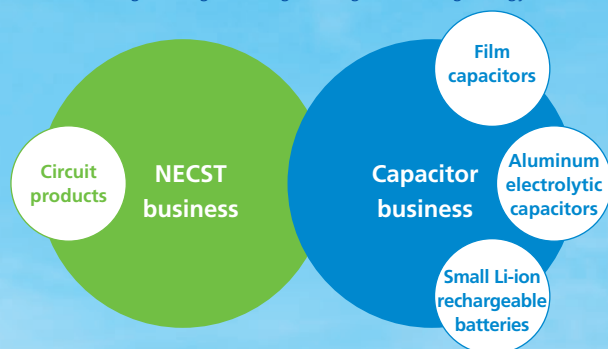
27 yen

Share of accelerator power supplies for medical facilities and academic research

Greater than 80%

Two Business Areas

Developing the capacitor business and NECST (NICHICON Energy Control System Technology) business centered on core technologies for generating, storing, and saving energy



Top Notch Management

First-class performance in every aspect of our business, including quality, cost, delivery, service, and technology

Contents

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Editorial policy

The purpose of this report is to provide a greater understanding of the NICHICON Group's strategies and sustainability initiatives toward achieving a sustainable society and continuously improving corporate value.

In addition to special features on our contribution to carbon neutrality and BCP and our medium-term growth target, Vision 2025, we hear in depth from those responsible for leading such efforts. It is our hope that this report will lead to greater dialogue.

Period covered

This report covers the activities and results in FY2021 (April 1, 2021–March 31, 2022). However, in some parts, it mentions activities and results after April 2022.

Organizations covered

NICHICON Corporation and its consolidated subsidiaries

Reference guidelines

- International Integrated Reporting Framework (IFRS Foundation)
- Company-Investor Dialogue for Collaborative Value Creation (Ministry of Economy, Trade and Industry of Japan)
- Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures.

More information and past case examples can also be found on our website below.



Investor Relations
<https://www.nichicon.co.jp/english/ir/index.html>



CSR & Environment
<https://www.nichicon.co.jp/english/eco/index.html>

Contributing to the creation of a sustainable society by implementing our Mission Statement

The NICHICON Group is, based on our Mission Statement, manufacturing products that have value and performing activities to create a brighter future for society.

With business activities and products that take advantage of our strengths as a company, we will solve the various problems of society and help to make that society more sustainable.

NICHICON's Ideals

Mission Statement

We dedicate ourselves to creating valued products that will contribute to a brighter future for society. We strive to attain a better global environment, to live up to our ethical and social responsibilities and to diligently work to exceed the expectations of our customers, shareholders and employees. With heart and soul we aim to maximize our corporate value by the way of "ko-do" (Think and Work).

* "ko-do" (Think and Work):
NICHICON has coined this word (in the Japanese origin), which refers to thinking and working.

NICHICON Group CSR Charter CSR Ideal

The NICHICON Group, in order to live in harmony with all people as a good "corporate citizen" going into the future, recognizes that fulfilling our corporate social responsibility in all aspects of our management is an issue of maximum importance. We will, in all of our corporate activities, understand and adhere to the relevant laws and international rules not only in letter but in spirit, and will act in accordance with social ethics and in possession of social good sense.

NICHICON's Strengths

Strengths

Developing innovative products and technologies

Contributing to society as a creation business

Cultivating diverse human resources

Engaging in active R&D activities including industry-academia collaboration

Making aggressive capital investment and R&D investment

Building a sound financial base

Promoting DX for reforming manufacturing and making operations more efficient

Business Activities and Products

Capacitor Business

- Aluminum electrolytic capacitors
- Film capacitors
- Small Li-ion rechargeable batteries



NECST Business

- Circuit Products



Sustainability Policy

→ P. 17

Basic Policy on Quality Management

We pledge always to strive, based on our production activity ideal of "quality is everything," for the improvement of reliability, the eradication of errors that lead to customer complaints, and earning the trust of our users, as the driving force for our corporate development.

Value Provided by NICHICON

Value provided


Clean energy




Energy savings




Comfort




Safety and security




BCP




Harmonious coexistence with local regions




Diversity



Contributing to the solving of social issues

Achieving carbon neutrality

Expanding the functions of information and communications equipment

Facilitating advanced medicine

Providing aid to post disaster reconstruction activities

Improving the quality of life

SUSTAINABLE DEVELOPMENT GOALS



Shigeo Yoshida
Representative Director, President



Ippei Takeda
Representative Director and Chairman

Mission Statement

We dedicate ourselves to creating valued products that will contribute to a brighter future for society. We strive to attain a better global environment, to live up to our ethical and social responsibilities and to diligently work to exceed the expectations of our customers, shareholders and employees. With heart and soul we aim to maximize our corporate value by the way of “ko-do” (Think and Work).

“ko-do” (Think and Work): NICHICON has coined this word (in the Japanese origin), which refers to thinking and working.

Top Message

We will put our management philosophy into practice, and work together to achieve our Vision 2025 medium-term growth target.

Setting record highs for net sales and net income

Fiscal 2021 (ended on March 31, 2022) saw sales of products for use in in-vehicle devices remain at a high level for the capacitor business in Japan, Europe and the United States, and the China region. The rapid shift to EVs in many countries has seen dramatic expansion in the market for film capacitors for these vehicles, and we have responded to this strong demand by investing aggressively to increase production. Sales of aluminum electrolytic capacitors for industrial devices were also stronger as the market recovered from the stagnant conditions brought about by trade friction between the US and China in the previous fiscal year. In the NECST business, which we have positioned as a new pillar for business growth, sales of quick chargers and V2H systems grew on the back of the EV proliferation, and our introduction to the market of our new Tribrid Energy Storage System™, which combines solar power generation, EVs, and storage systems, was extremely well received.

These results brought a significant increase in consolidated net sales for the Group, up to a record-high ¥142.2 billion (a 22.5% increase year-on-year). In terms of profit, cost reductions and increased revenue resulted in operating income of ¥6.4 billion (up 308.4% year-on-year), ordinary income of ¥8.5 billion (up 185.0% year-on-year), and net income of ¥7.9 billion (up 363.9% year-on-year), all significant increases. Net income was the highest on record.

NICHICON's mission statement is centered on the idea we should seek to maximize corporate value while fulfilling our social responsibilities as a business by generating profit and helping to address social issues through the creation of goods and services that go beyond simple manufacturing. With this as a foundation, our Group has striven as a whole to create social and economic value. We see fiscal 2021 as proof that the efforts of every NICHICON employee to put our mission statement into practice have finally borne fruit.

Seeking to achieve record-high performance by increasing production capacity, expanding our product lineup, and diversifying procurement routes

In fiscal 2022 (ending on March 31, 2023), heightened geopolitical risks around the world such as the deterioration of the situation in Ukraine are continuing to raise concerns such as the soaring cost of raw materials, disruptions in procurement networks for parts and materials, and rapid hikes in energy prices. Moreover, the renewed spread of COVID-19 continues to affect the world economy, making the outlook likely to remain highly uncertain.

Conversely, the four markets designated by NICHICON as priorities (energy, the environment [ecology] and medical equipment, automotive and railway-car related appliances, household electrical appliances and industrial inverters, and information and communications equipment), are expected to see further growth in demand as the global move toward decarbonization accelerates. One such example is our Vehicle-to-Home (V2H) system EV Power Station, which is able to draw power from electric vehicles and has attracted renewed attention for its convenience.

In the capacitor business, this business environment has prompted us to work to increase production capacity by ramping up capital investment in response to strong market demand, while moving ahead with measures to boost sales in order to increase operating income and reduce costs. Meanwhile, in the NECST business we are endeavoring to broaden our lineup of household energy storage systems and public and industrial power storage systems, while expanding sales channels, and working to improve systems to address a diverse range of needs such as making our products easier to purchase and use.

However, these efforts have been hindered by problems such as a shortage of parts and materials and the rising price of raw materials, and in an increasing number of cases we are unable to deliver products by the dates our customers request. We believe that we will be able to overcome these



difficulties by diversifying our procurement routes and strengthening purchasing functions.

We anticipate achieving net sales of ¥153 billion (up 7.6% year-on-year), for a record high for the second consecutive year, and an operating income of ¥7.8 billion (a 21.4% increase year-on-year).

Toward a new stage of growth under the Vision 2025 medium-term growth targets formulated with the participation of all employees

At NICHICON, we believe the key points to achieving corporate growth in the medium- to long-term are “G: Green (the environment),” and “D: Digital (DX).” When it comes to “G,” the NICHICON Group offers many environmentally friendly products, and we thus anticipate even more business opportunities as the issue of climate change becomes a challenge for the entire world and the market for environment-related products and services grows even larger. With regard to “D,” the transition to an era of adapting to life with COVID-19 is expected to bring accelerated initiatives leveraging digital technologies such as 5G, AI, and IoT in a variety of domains, which will in turn prompt further growth in demand for the NICHICON Group products that support them.

In November 2021, all NICHICON employees participated in formulating the Vision 2025 medium-term growth targets, which are intended to allow us to make the most of these opportunities and achieve sustainable growth in line with our mission statement. We will pursue the following strategies for growth to achieve the goals of Vision 2025, which calls for consolidated net sales of ¥200 billion and a consolidated operating income margin of 10% or more (a consolidated operating income of ¥20 billion or more).

In the aluminum electrolytic capacitor business, we will leverage the strengths of our broad product lineup and our production and sales systems in Japan and overseas to strengthen and expand our business foundations in terms of quality, cost, delivery times, services, and technology, focusing on growth markets in mobility, communications, and environmental domains. The demand for electrified vehicles (xEVs) is growing rapidly, and we are investing

management resources in expanding sales and strengthening our global production systems, taking advantage of our proprietary development of metallized films used in the production of film capacitors for these vehicles.

In the NECST business, we intend to enhance our product lineup by capitalizing on our technological strengths in energy storage systems and power control. This will allow us to improve our handling of the renewable energy and energy storage markets, which are growing amid the megatrend toward decarbonization. In our storage-related business we will work with product lines that contribute to the development of charging infrastructure in society, such as quick chargers, Power Mover (external power supplies), and V2H systems, while for switching power supplies we will leverage our position as holder of the top market share to focus on growth markets such as air conditioning equipment, robotics, and 5G communications. For applied systems and our distributed power supply business, we plan on global expansion, basing our efforts on large-scale specialty power supplies for special applications and on accelerator power supplies for medical facilities and academic research.

Focusing more on social value

We intend to focus still more on efforts to improve social value, such as ESG, which has become increasingly important to the sustainable growth of a company. On the environmental front As mentioned above, we will further enhance our competitive advantages as a company by striving to provide more environmentally friendly products and reducing the environmental impact of our business processes. For example, from fiscal 2021 we began installing integrated power systems at all NICHICON production sites, including new sites and facility expansions. These systems store electricity generated through solar power, and then efficiently charge electric vehicles (EVs) and supply power to production equipment. This is an effort to reduce CO₂ emissions in our production processes by using our own products at our production sites. We are also moving forward with a project at NICHICON KAMEOKA that will allow our customers and suppliers to see the actual benefits of installing our products and systems.

Additionally, in December 2021, we joined EV100, an international initiative intended to encourage businesses to make environmental improvements and adopt electric vehicles. Going forward, we plan to further increase our sales of products and systems that promote the adoption of electric vehicles, and to shift to an all-electric fleet of company vehicles by 2030.

Moreover, in May 2022, we announced our support for the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). We have already begun assessing

the risks and opportunities that climate change poses to our core capacitor and NECST businesses, and plan to work to disclose information on our governance and strategies (see pages 19–20 for details).

We believe that human resources are the most important non-financial aspect of any business platform. Working from the belief that people are the biggest management resource for a business, and are the source of the energy it needs to grow, NICHICON is dedicated to fostering working environment where each employee is aware of the needs of both society and the current era; one in which they can maintain an awareness of compliance in “Thinking and Working,”—an environment that is rewarding and allows them to grow.

On another front, we are working to strengthen our corporate governance to ensure that our management practices are fair. In order to ensure that the Board of Directors functions in a supervisory role, one third of Board members are required to be external directors, and we have established a Nomination and Compensation Committee that acts in an advisory role to the Board of Directors, ensuring that director nomination and compensation procedures are fair, transparent, and objective. The majority of the members on this committee are external directors.

In addition to those aspects described above, we believe that the “D” (digital) aspects touched on previously will form an important foundation for the competitiveness of business in future. For example, in the past we would have dealt with problems such as production faults at factories overseas by dispatching quality control staff from Japan. Nowadays however, remote conferencing systems using digital technology allow as many people as necessary such as staff from the Quality Assurance Division as well as production engineering staff from factories in Japan and employees from the Development Division at NICHICON Headquarters to take part in meetings with people on location in real time. They can then share data from the production site where the fault occurred and pool their knowledge quickly to reach a solution. The ability to solve issues like this leads to improved service for our customers.

In June 2021, we established our Digitalization Promotion Office as a specialist entity aimed at making full use of digital technology. Going forward, we intend to leverage digital technology to streamline operations and improve productivity at each division, centering our efforts around the Digitalization Promotion Office, and building on this to create new businesses and put a profitable structure in place.

Creating new value for society as we move forward

We at NICHICON see ourselves as creators rather than manufacturers. This is because we do believe that our real mission is not simply to make things, but to create



technologies that allow us to resolve a range of social issues. Many of the issues faced by society today are too large for a single company to take on by itself and cannot be resolved by a company trying to do so with its own resources alone. It is becoming increasingly important to collaborate and create with people, businesses, and organizations outside the company who possess a broad base of knowledge, experience, and technology. In fact, it has been our practice to actively seek the services of experienced people from outside the company, particularly when moving into new domains, and we have been proactive in the promotion of R&D activities in collaboration with universities and other institutions. The recently announced an electronic shelf tag system and metamaterial heat dissipation sheets are two products that can be said to have been born from exactly such collaborations.

As part of these endeavors, we have been participating in a proof-of-concept project for P2G (Power to Gas) systems since September 2021. P2G is a method for producing hydrogen by utilizing power derived from renewable energy sources to electrolyze hydrogen from water, and is gaining attention globally as a new technology that may be used to achieve a decarbonized society. Nine organizations, including the prefectural government and the Tokyo Electric Power Company, are participating in proof-of-concept testing being conducted in Kofu City in Yamanashi Prefecture, NICHICON is responsible for developing power converters.

We are aware that the figures of consolidated net sales of ¥200 billion and a consolidated operating income margin of 10% or more are very high targets for the NICHICON Group. However, I believe that all of our employees are passionate about continuing the momentum for fiscal 2021, when we achieved our highest net sales and net income in this year, the next year, and on to fiscal 2025, and to meet our targets.

In accordance with our mission statement, we at NICHICON will move forward together to create new value for society, and we would like to ask all of our stakeholders for their continued support and understanding in these endeavors.

Ippei Takeda

Representative Director and Chairman

Shigeo Yoshida

Representative Director, President

Contributing to carbon neutrality and BCP

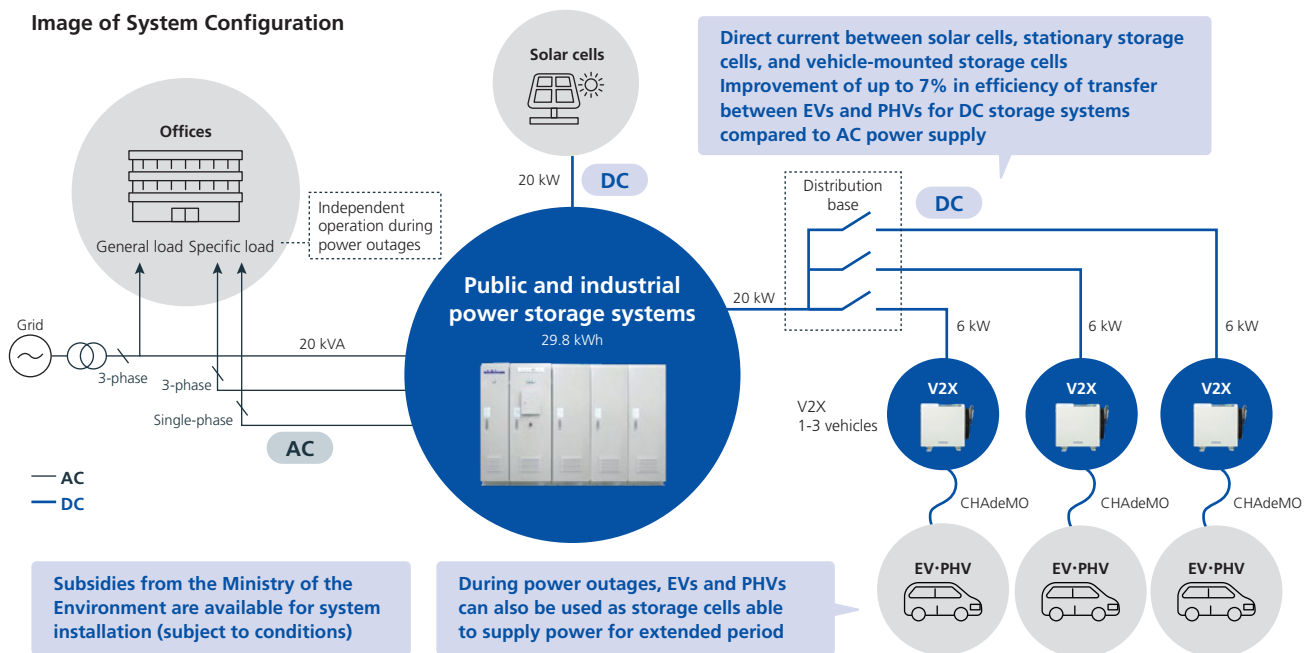
NICHICON develops and provides energy storage systems that store energy generated using renewable energy sources, and helps to solve societal problems using the systems that will allow us to achieve carbon neutrality and which are also essential as emergency power sources during power outages.

Newly developed DC Link Industrial Power Storage System with both resilience and a significant greenhouse gas reduction effect

In June 2022, NICHICON announced its DC Link Industrial Power Storage System, which links with EV chargers (V2X). Able to charge EVs and PHVs with DC electricity generated using solar power without converting it to AC, this system improved efficiency by up to 7% compared to an AC power supply. During power outages, in addition to energy storage systems, EVs and PHVs can also be used as storage cells, able to supply power to specific loads.

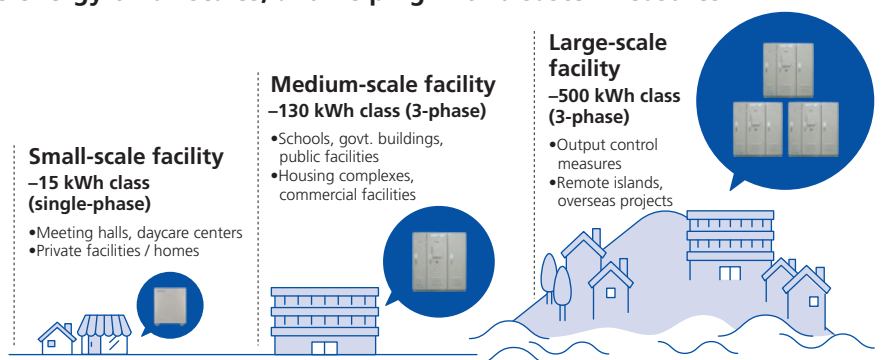
In addition to reducing greenhouse gas emissions, DC Link aids environmental and disaster assistance measures in public facilities as a highly resilient system that is useful in emergencies.

Image of System Configuration



Expanding the use of renewable energy on all scales, and helping with disaster measures

NICHICON energy storage systems store electricity generated using renewable energy sources that can then be used at night or during power outages. Since 2012 we were the first in the industry to market energy storage systems for home use, and we have expanded our product lineup to include everything from portable systems to 500 kWh class units for large-scale generation projects.



DC Link Industrial Power Storage System + Solar cells*

* The area within the dotted lines is scheduled for completion in March 2023 (for PPA use)

A large display on the first floor of this building showing the amount of electricity generated by solar cells installed on the roof, along with the resulting CO₂ reduction

Public and industrial power storage systems



V2X (3 vehicles)



The NICHICON Bright Future Center Tribrid Energy Storage System™ V2H system



NICHICON KAMEOKA project to bring together NECST products

NICHICON KAMEOKA is the main production site for our V2H systems and rapid chargers for EVs and PHVs, both products of the NECST business. In addition to reducing CO₂ emissions, the NICHICON KAMEOKA project, which began in October 2021, makes use of our NECST products, allowing us to show their benefits to our customers, and as well as suppliers such as housebuilders and automotive dealers, and is intended to contribute to the growth of our business. The NICHICON Bright Future is scheduled to open in October 2022 as a showcase for NECST products for the home, allowing our customers to experience demonstrations of how they can be used during power outages.

DC Link Industrial Power Storage System and Solar Cells

- Installation of DC Link Industrial Power Storage Systems using subsidies from the Ministry of the Environment.
- In addition to reduction of CO₂ emissions, these systems enhance the utility of facilities used as evacuation centers by supplying power to specific loads (NICHICON KAMEOKA is registered as a temporary evacuation center for Kameoka City).

Devices	Specifications	Number of vehicles
Solar cells	23.76 kW	1 type
Li-ion energy storage systems	20 kW–29.8 kWh	1 vehicle
V2X	5.9 kW	3 vehicles

- In addition to DC Link Industrial Power Storage Systems, solar cells are installed using power purchasing agreements (roof rental)
- The renewable energy ratio of a DC Link Industrial Power Storage System combined with solar cells is approximately 4.3%

(Note) Installation of solar cells for power purchasing agreement use is planned for March 2023. After installation is complete, the reduction in CO₂ emissions achieved through solar power will be approximately 124 tons per year.

Model house, NICHICON Bright Future Center

- Installation of Tribrid Energy Storage Systems, and household products such as V2H systems, as well as solar cells
- In addition to product displays, the project will also be used for demonstration tests of products such as V2H systems that are under development
- Demonstrations for power outages will also be performed
- The second floor will be used for business meetings and for construction training



Vision 2025 medium-term growth targets

NICHICON strives to be a business that is admired for its ESG initiatives and sustainable growth achieved through the realization of its mission statement. On November 30, 2021, the company established its Vision 2025 medium-term growth targets to accelerate initiatives that capitalize on its strengths.

The changing external environment

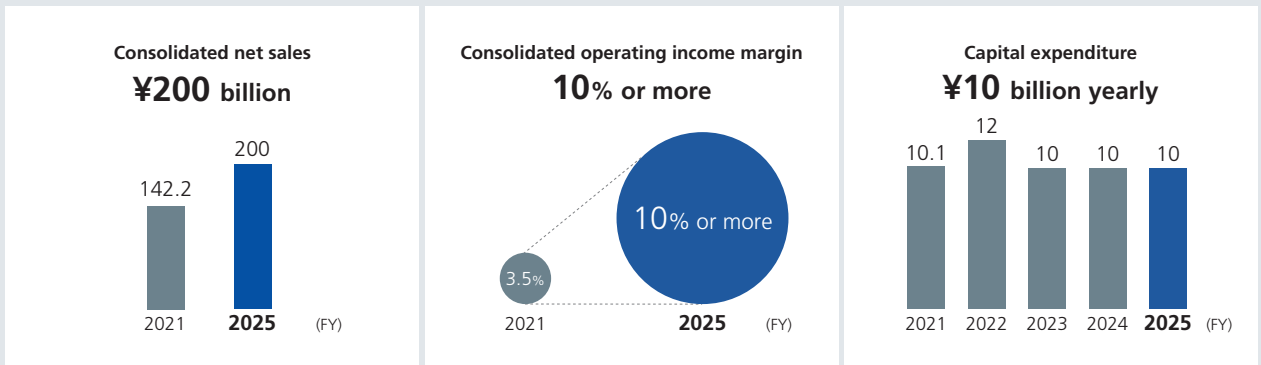
New values such as those embodied in the SDGs, carbon neutrality, circular economies, and shared economies are spreading across the globe	Innovative advances in digital technologies such as 5G, AI, and IoT	Efforts to adapt to life with COVID-19 are driving change in industrial structures, socioeconomics, and the promotion of DX
Demand for automation and power conservation is expanding beyond the developed world to emerging countries	Electrification of cars and the shift to EVs are accelerating dramatically	Reduced generation costs are propelling a move to renewable energy as a primary power source

NICHICON's capacitor and NECST businesses are solutions for an era in which problems must be solved to achieve a better global environment

Growth strategies that leverage NICHICON's strengths

Systems for producing and selling a broad range of aluminum electrolytic capacitors in Japan and abroad	Focus on growth markets and strategically strengthen and expand our business base
Independently develop and produce electric and hybrid vehicle film capacitors made from metallized film	Take the growth in demand as an opportunity for growth and invest management resources actively
Broad lineup of energy- and environment-related products in the NECST business and Power supply technologies covering everything from switching power supplies to applied systems	Respond to the megatrend of decarbonization by expanding value-creating business through alliance strategies and solutions and further improvements to our product lineup
Framework for development of innovative, unique, leading products and technologies such as small Li-ion rechargeable batteries, household energy storage systems, and V2H systems	Further accelerate development of products that help solve social issues

Managerial targets for fiscal 2025



→ P. 13 Message from the General Manager of the Capacitor Business
 → P. 14 Message from the General Manager of the NECST Business

→ P. 15 Message from the Chief Financial Officer

→ P. 15 Message from the Chief Financial Officer

Business-specific strategies

Capacitor Business

Principal markets

Mobility	xEVs (electric vehicles such as EVs, PHVs, HVs, FCVs), ECUs (electronic control units), OBCs (on-board battery chargers), etc.
Communications	5G base stations, servers, etc.
Environment-related	IoT edge devices

Regional strategies

Japan	Efforts to tailor our products to meet customer specifications, and effective use of distributors for customers who are expanding around the world
United States	Efforts to tailor our products to meet customer specifications for IT- and xEV-focused customers
Europe	Efforts to tailor our products to meet customer specifications for customers selling vehicle-mounted products, and focused expansion of sales in this domain
China Region	Strengthening of sales activities in the in-vehicle, 5G, and environmental markets
Asia, etc.	Growth of sales of the Indian market using sales locations in India

Active investment in growth sectors

- Grow sales of conductive polymer aluminum solid electrolytic capacitors and conductive polymer hybrid aluminum electrolytic capacitors through active investment and increased utilization of capacity
- Grow sales of film capacitors for EVs and HVs and improve global production systems

Grow sales and improve operating income through development of new products

Small Li-ion rechargeable batteries

Build demand for backup power supplies, including those for IoT edge devices and mounting in vehicles

Metamaterial heat dissipation sheets

Growth of new sales for portable devices and IT-related equipment

Process improvements

Technology	Development of products based on customer and market needs, as well as development based on our own technologies in cooperation with industry and academia
Production	KPI target management based on shared indicators
Others	Improvement of SCM systems (PSI management, optimization of inventory, shortened lead-times, etc.)

NECST Business

Main markets

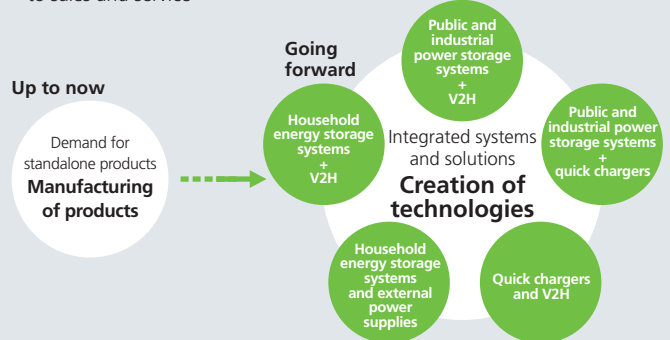
Environment-related	Comprehensive, carbon-free systems leveraging energy storage and power control technologies
Electric vehicle-related	Quick-chargers, external power feeder (Power Mover), V2H
Air conditioning, robots, 5G communications	Switching power supplies
Advanced science and medicine	Large-scale specialty power supplies, accelerator power supplies for medical facilities and academic research

Develop new markets and customers through strategic alliances

Expand business through alliances with leading companies focusing on initiatives related to the environment and energy, such as RE100, EV100, SDGs, ESG investment

NICHICON's strengths

- Developing a broad range of businesses including standalone products as well as composite systems utilizing storage batteries and recharging infrastructure
- Integrated total solution systems covering everything from manufacturing to sales and service



Expansion of businesses related to maintenance services and remote monitoring, etc.

- Use of DX technologies and automated AI control to offer services that satisfy our customers
- Energy storage systems for home, public, and industrial use, applied systems

Entry into overseas markets

- Promote global expansion through cooperation in leading capacitor regional strategies
- Energy storage systems for home, public, and industrial use, V2H systems, quick chargers, applied systems

Message from the General Manager of the Capacitor Business

**Seek to grow as much as possible,
taking NICHICON to the next level****Katsuhiko Mori**Executive Vice President
General Manager of the Capacitor Business**Capturing strong demand in our focus markets to
achieve growth**

Under our Vision 2025 medium-term growth targets, our sales target for the capacitor business is ¥100 billion. We hope to achieve at least 10% over our current business scale in this four year period. We think that we can reach this goal by focusing on our three target growth markets of mobility, communications, and environment-related products, and by increasing sales and profits for heat dissipation sheets and small Li-ion rechargeable batteries, new products launched as part of a change to our product portfolio. Taking the size and strong demand of these focus markets into account, we would like to achieve growth of at least 10%.

For example, in the mobility domain, the trend toward the electrification of cars and the shift to electric vehicles is expected to boost the number of capacitors per vehicle by approximately 30 to 50%. In addition to the growing demand for battery management systems (BMS) and electronic control units (ECU), the EV market is experiencing a rapid increase in the demand for large- and lead-type capacitors for on-board chargers, and film capacitors EV inverters, none of which are present in conventional internal combustion engines. There is also a shift to EVs in India, the world's largest market for two-wheeled vehicles. In the information and communications domain, we anticipate an increase in the number of base stations to the expansion of 5G service areas, as well as the arrival of 6G services. Meanwhile, in the environment-related domain, we anticipate a swift rise in the use of inverters in air conditioners to accompany the move toward carbon neutrality over the next three to four years. We will leverage these opportunities for market growth to grow our businesses.

**Strengthening production systems is key to
business growth**

The immediate issue we face is the degree to which we can grow the earnings of our capacitor business, with the task before us being to strengthen our production systems. Currently we have a great many outstanding orders for the conductive polymer aluminum solid electrolytic capacitors, conductive polymer hybrid electrolytic capacitors, chip-type aluminum electrolytic capacitors, and film capacitors needed in our three focus markets, and we are operating at full capacity.

We must fulfill these orders if we are to generate revenue, and thus we are continuing to invest in capital at production facilities in Japan and internationally. For example, from fiscal 2020 through to

fiscal 2021, we have increased production of aluminum electrolytic capacitors by 10% and film capacitors by 30%. Beginning in fiscal 2022 we also plan to expand our production capacity further, and intend to construct new factories.

We also increased production of small Li-ion rechargeable batteries, a new product. These are intended for use stylus pens, which are selling well, and we also anticipate them finding use in electronic shelf tags as part of the growing shift to IoT in response to labor-saving needs.

**Making the most of our strengths while working to
create new value**

NICHICON possesses a variety of strengths that we have cultivated through our efforts to create products with value. Our sales and proposal system are distinctive for having technical personnel at all of our locations.

In terms of products, our market competitiveness is based on the fact that the electrode foil and electrolyte that are the primary constituents of aluminum electrolyte capacitors are developed in-house, and on the integrated production systems we use to make film capacitors beginning with metallized film. Moreover, the small Li-ion rechargeable batteries (SLB) used in IoT edge devices are unique NICHICON products with outstanding safety that can be recharged repeatedly without degrading, and are extremely unlikely to smoke or catch fire, even under abnormal conditions.

In recent years, NICHICON has also focused on strengthening development work that leverages our technologies in collaboration with academic institutions. One such example can be found in the company's development of heat dissipation sheets based on a completely new principle for heat dissipation: releasing heat that has nowhere to go. Many of our customers in the vehicle and information communication domains are grappling with the problem of heat that has nowhere to escape, and we feel that there are commercial opportunities for this technology.

Although we have struggled to increase profit margins in the capacitor business in the past, we have endeavored to improve production efficiency, engage in sales activities that capitalize on our strengths, increase the ratio of high value-added products in our product mix, and to develop new and unique products, efforts that have seen profitability increase with each year. As a core NICHICON business we will implement the growth strategies of Vision 2025 to lift the company to another level.

Message from the General Manager of the NECST Business

Creating value and achieving growth while addressing social issues

Naoto Noguchi

Senior Executive Vice President
General Manager of the NECST business



Energy storage systems and EV-related products as growth drivers

The NECST business is built around the concept of helping to resolve social issues through all-new innovative products and technologies, centering on a core of power control technology. Currently, core products include everything from energy storage systems for household, public, and industrial use to circuit products and a variety of power supplies. In terms of the history of NICHICON the NECST business is still in its infancy, with current sales at a level of just under ¥50 billion. From here, we intend to take the business to sales of ¥100 billion by the close of March 2026, the final fiscal year of our Vision 2025 medium-term growth targets. We have positioned energy storage systems and EV-related products as drivers for this growth.

The world is now moving toward carbon neutrality. Japan has set targets of installing 350,000 energy storage systems by 2030, installing solar power generation equipment in 60% of new houses, and making 100% of new passenger vehicle sales EVs by the mid-2030s, with the goal of achieving carbon neutrality by 2050. As the country moves to using energy from renewable sources and the shift to EVs becomes a social policy, NICHICON will focus on products that support EVs, such as energy storage and V2H systems, areas in which we have accumulated technology, knowledge, and experience.

Energy storage systems for decarbonization and BCP

Demand for large-scale industrial and public energy storage systems is growing rapidly, prompted by both decarbonization and the need for emergency power sources. For example, high-rise buildings require power to operate pumps and elevators during power outages, while warehouses used for distribution must maintain freezing and refrigeration facilities to preserve products such as food and pharmaceuticals.

As companies begin to invest in capital in a manner that positions energy storage systems as essential, in June 2022 we launched our DC Link Industrial Power Storage System, which uses direct current to connect the chargers for multiple EVs to the power conditioners of public and industrial power storage systems, in anticipation of challenges to come. This is a groundbreaking product, as it allows DC electricity from solar power to be stored as-is, without the loss incurred by converting it to AC. Additionally, we offer a comprehensive lineup of products, extending to three-phase models with a capacity ranging into the hundreds of kilowatts.

We are also enhancing the range of products we offer for household use, and in April 2022 released our latest model, the Tribrid Energy Storage System™, which links solar power generators with storage cells and V2H. This system is notable for being able to use EVs as mobile storage cells, and we are working to grow its sales as the ultimate for the home production for home consumption model.

Support the shift to EVs with charging infrastructure

As the shift to EVs begins to gain ground in Japan, the installation of quick chargers for EVs and PHVs at expressways has become an urgent matter, along with the need to expand the areas where service is offered. To address this need, NICHICON has worked with other companies to develop rapid chargers that can charge six EVs at the same time, with the first such system delivered to the Daikoku parking area on Tokyo's Metropolitan Expressway in December 2021.

These quick chargers have been awarded CHAdeMo certification, a universal global standard for EV rapid chargers, and we are considering global expansion.

Toward achieving Vision 2025

In addition to storage cells and EV related products, there are many opportunities for business growth, including switching power supplies for growth markets such as air conditioning equipment, robotics and 5G communications, and global deployment of large-scale power supplies and accelerator power supplies for medical facilities and academic research.

We will also focus our efforts on alliances with businesses in other domains in order to achieve further growth. NICHICON advocates the idea of being a creative business, or in other words, a company that focuses on creation and innovation. It is our hope that forming alliances in different industries will offer new insights into how to solve the next problems faced by society.

We believe that the NECST business has almost unlimited potential and will lead to great success.

Message from the Chief Financial Officer

Achieving our medium-term vision from a financial standpoint, while focusing on the real world

Hitoshi Chikano

Director and Senior Managing Executive Officer
General Manager of Financial & Accounting Headquarters
and General Manager of PR & Investor Relations Office



Summary of Fiscal 2021

Evaluation of balanced business growth

One of the roles of a finance officer is to protect the company by preparing financial measures for use in any eventuality, while another is to invest for growth in a timely manner without missing any opportunities in order to earn reliable returns. I believe that it is my duty to address both the active and defensive aspects of these actions while maintaining an awareness of the real world and the realities of the business environment.

Looking back, fiscal 2021 (the year ended on March 31, 2022) was also a year of change from a financial standpoint, with consolidated net sales and net income for the group reaching record highs, and ROE (Return on Equity) increasing year-on-year from 2.1% to 8.8%.

By business segment, in addition to strong sales of aluminum electrolytic capacitors for vehicle-mounted products, demand for industrial products also recovered. Core businesses experienced steady growth as we also moved to increase production of film capacitors for use in xEVs to meet growing demand, while sales of household energy storage systems were also strong thanks to the introduction of new products. By region, we increased sales and profits in Japan, the U.S., Asia, Europe, and all other regions, and overall, we believe that we have achieved balanced growth across the board.

Future financial strategy

Continued active investment to achieve our vision

Under Vision 2025, which we announced in November 2021, we set goals of consolidated net sales of ¥200 billion and a consolidated operating income margin of at least 10%. In terms of revenue composition, we aim to have a 1:1 ratio between the capacitor and NECST businesses, or a sales volume of ¥100 billion for both businesses by fiscal 2025. Although the NECST business has experienced rapid growth in recent years, sales volume is approximately half that of the capacitor business, and to meet our target this business must achieve a growth rate of approximately 25% annually. With the move to becoming carbon neutral gaining ground globally, demand for environment-related products—including the EV market—is anticipated to grow. However capital investment is essential if we are to turn this opportunity into profit. We plan to continue annual capital investment of ¥10 billion yearly until fiscal 2025, focusing on products for energy, environmental, and medical applications, as well as for vehicle-mounted products,

areas where growth is anticipated. In fiscal 2022 we plan capital investment of approximately ¥12 billion.

Under Vision 2025, operating income is used as a measure of earning power, but cash conversion cycle (CCC) and return on equity (ROE) are also used as an indicator of operating efficiency from a financial standpoint. As Chief Financial Officer, I believe that strengthening internal control of finances and increasing these values is an important goal.

To our shareholders and investors

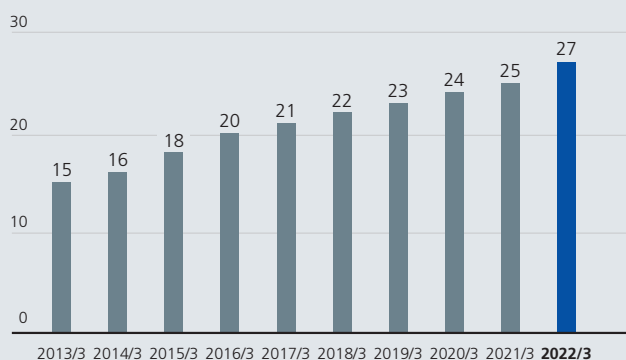
Increasing dividends for the ninth consecutive year

We believe that returning profits to our shareholders is an important issue for management, and are working to raise shareholder dividends in a stable manner by enhancing corporate value and improving our corporate structure to increase profit. We use retained earnings for investments to boost future corporate value, such as capital investment to expand existing core businesses, and investing in research and development to create new products to meet customer needs.

In accordance with the policy defined above, in fiscal 2021 we awarded an interim dividend of ¥13 per share and a year-end dividend of ¥14 per share, for a total of ¥27 per share. For fiscal 2022 (the year ending in March 2023) we plan to increase dividends on the assumption that net income will increase, marking the 10th consecutive year of increases since fiscal 2013 (the year ended in March 2014). Going forward we intend to continue our policy of stable increases in shareholder dividends.

Yearly Dividends per Share

(yen)



Sustainability (ESG information)

Message from the General Manager of the Sustainability Promotion Department

We will work dynamically to bring our Sustainability Policy to reality

Akihiro Yano

Director and Senior Executive Operating Officer
General Manager of Corporate Planning Headquarters
and General Manager of Sustainability Office



Seeking to bring our Sustainability Policy to reality

In line with our Vision 2025 medium-term growth targets announced in November 2021, we have formulated our Sustainability Policy (see page 17), which serves as a guideline to help us achieve a sustainable society and improve our corporate value. Based on our decision that it is necessary to further strengthen the functions of the current CSR Promotion Committee if we are to bring the Sustainability Policy to reality, we have inaugurated a new Sustainability Promotion Committee in April 2022.

Chaired by the Representative Director and President, the Sustainability Promotion Committee comprises three committees: Environment and Energy, Diversity, and Compliance and Risk Management. These three correspond to the various standpoints of E (the Environment), S (Society), and G (Governance). The three committees each set their own agendas for their members to examine, summarizing the results for presentation at the monthly meeting of the Sustainability Promotion Committee. Based on these, the Sustainability Promotion Meeting holds in-depth discussions with the President, selecting themes for initiatives to be taken up by the entire company and deciding on policies, managing progress for each theme.

Three committees promoting company-wide initiatives

Based on NICHICON's endorsement of the TCFD recommendations and joining of the TCFD consortium in May 2022 the Environment and Energy Committee is currently working to formulate climate change measures and proposals for the disclosure of climate-related information. Meanwhile, the Compliance and Risk Management Committee is promoting straightforward but important functions such as the organization and revision of internal regulations in line with changes in the business environment, and ongoing training to ingrain company rules into the workplace.

The Diversity Committee performs functions that were not undertaken by the CSR Promotion Committee. This fiscal year, human resources evaluation systems, healthy work-life balance, and the construction of platforms for human resource information management are major themes for activities, and the committee has begun by revising human resource systems to bring them in step with the times and improve the motivation of each employee. The Diversity Committee is also working with the Human Resources Division on human resources training.

Dynamic activities in cooperation with each division in the company

Meetings of the Sustainability Promotion Committee are attended by mid-level managers such as section managers from each division, and feature lively discussions of opinions and ideas based on actual workplace situations. We believe that providing a venue for everyone to discuss problems and evaluate specific proposals that are based on the deliberations of each committee has made the Sustainability Promotion Committee more effective.

At a time when society is increasingly focusing on ESG and other non-financial activities of businesses, disclosure of information of this kind is likely to become more important going forward. We are now in the process of in-house discussions on what to select as key performance indicators for each activity (examples include diversity promotion and reductions in CO₂ emissions), what kind of targets we should set, and what we should do to achieve them. We are also conducting interviews with our business partners and other companies, as well as setting benchmarks.

Our activities are based on our Sustainability Policy and the Vision 2025 medium-term growth targets, and rooted in NICHICON's mission statement. Keeping this in mind, we will continue to move forward with dynamic activities in cooperation with other divisions such as general affairs and human resources, as well collaborating with other committees.

The Concept of Sustainability Management



Sustainability Policy and promotion structure

Sustainability Policy

Following the NICHICON Group Mission Statement, we will dedicate ourselves to contributing to the creation of a brighter future society through the creation of products that help to achieve a better global environment. Our aim is to realize a sustainable society and increase corporate recognition while fulfilling our corporate social and ethical responsibilities.

1. By combining a wide range of technologies starting from material development to system design, NICHICON is helping solve social issues such as climate change. By promoting digital transformation and innovation, we are helping to create a brighter future.
2. We value dialogue and cooperation with all stakeholders, creating shared value, and developing fair and highly transparent management.
3. Our goal is to increase customer satisfaction by respecting human rights, ensuring diversity, developing human resources, and top notch management,* and aiming for corporate development and the happiness of all employees.

*First-class performance in every aspect of our business, including quality, cost, delivery, service, and technology

Sustainability promotion structure

On November 30, 2021, the NICHICON Group established its medium-term growth targets, Vision 2025, as well as its Sustainability Policy, which aims to realize a sustainable society and improve corporate value by achieving these targets. For the Group to carry out its business in line with this policy, the Sustainability Promotion Office was established on February 1, 2022, followed by the Sustainability Promotion Committee, chaired by the president, on April 1, 2022.

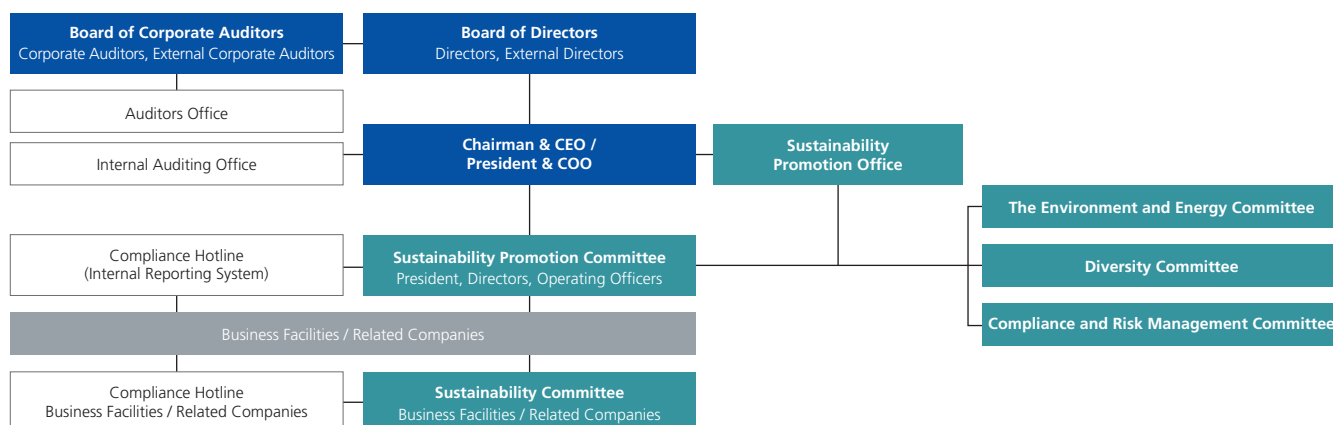
The Sustainability Promotion Committee serves to strengthen and build on the functions of the CSR Promotion Committee (established in June 2003). In addition to reviewing and making decisions on Group-wide policies, the committee also keeps track of policy progress and gives guidance for improvement among other functions. It is for this reason that committees linked to the Sustainability Promotion Committee have also adopted an approach

geared toward ESG, namely on the environment and energy (E), diversity (S), as well as on compliance and risk management (G). The Sustainability Promotion Committee meets once a month to deliberate over outcomes from talks on sustainability issues discussed by three committees.

Topics discussed at past committee meetings

- **The environment and energy**
Methods for ascertaining Scope 3 carbon emissions, details on TCFD information disclosure
- **Diversity**
Work on three topics: performance evaluation system, support for health and work-life balance, and construction of HR database
- **Compliance and risk management**
Policy for changing sustainability-related regulations, method of cooperation between the General Administration and Human Resources managers meeting and the Sustainability Promotion Committee

Sustainability Promotion Structure Chart



Reducing the environmental impact of business activities

Approach on the reduction of CO₂ emissions

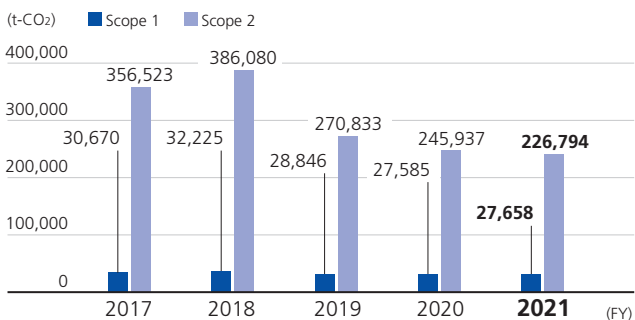
Carbon neutrality is an issue that should be addressed on a global scale. As such, NICHICON has formulated a sustainability policy in an effort to work as a Group to reduce the carbon emissions that are a cause of global warming. In addition to efforts to reduce energy consumption per basic unit by working aggressively to improve the efficiency of production processes that consume large amounts of energy and reduce the percentage of defective products, we are promoting the improvement and efficient operation of facilities, which lead to energy saving.

Furthermore, as well as switching to low-emissions equipment, moving to low-carbon vehicles, and shifting away from the use of fuel oil to liquefied natural gas (LNG) as an energy source, energy saving is being promoted with the participation of all employees, such as by properly managing air-conditioning temperatures, switching to LED lighting, turning off unnecessary lighting and equipment, and turning off idling engines when commuting by car.

We are also asking suppliers to practice eco-driving—avoiding sudden starting and acceleration—as well as to cooperate with our Idling Stop campaign. In distribution and logistics, we are working to reduce CO₂ by decreasing the number of product deliveries and moving to consolidated shipments. Furthermore, we believe that the expansion of inverter smoothing film capacitors—a key device for promoting the spread of EVs that do not emit CO₂—will lead to CO₂ reduction.

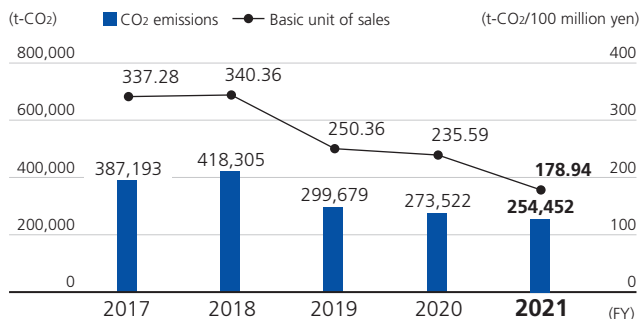
Compared to fiscal 2020, CO₂ emissions and sales intensity decreased in fiscal 2021 by saving energy in the production process. We will continue working to improve production efficiency and reduce the percentage of defective products, in order to further reduce CO₂ emissions.

CO₂ Emissions



Notes on the CO₂ emissions factor used to calculate CO₂ emissions
 Scope 1: For fuel-related emissions, we use the emissions factor stipulated in the Greenhouse Gas Emissions Accounting and Reporting Manual of the Ministry of the Environment's Accounting and Reporting System which is based on the Act on Promotion of Global Warming Countermeasures.
 Scope 2: For emissions factors related to electric power, Japan uses the published figures of adjusted emissions factors by electric power company (by menu or residue) under the Ministry of the Environment's greenhouse gas emission calculation, reporting, and publication system which is based on the Act on Promotion of Global Warming Countermeasures, and for overseas, the International Energy Agency's (IEA) emissions factors for world countries.

CO₂ Emissions and Basic Unit of Sales (Scope 1 and 2)

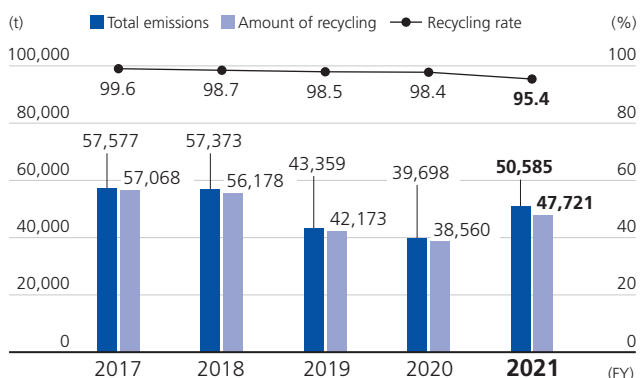


Waste reduction and recycling initiatives

We are working toward zero emissions in order to build a sound material-cycle society and to engage in sustainable economic and production activities.

In fiscal 2021, we continued to reduce waste and convert paper, scrap metal, and waste plastic into valuable resources.

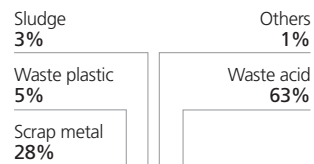
Total Waste Emissions, Amount of Recycling, Recycling Rate



Breakdown of Waste Generation



Final Disposal Volume



Information disclosure based on the TCFD

The NICHICON Group supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and will contribute to the realization of a sustainable society by identifying future events related to climate change as management risks and responding to them, while at the same time identifying new opportunities and applying them to corporate strategies.

Based on the TCFD recommendations, the Group will also analyze the risks and opportunities that climate change poses to its business, working to disclose information on governance, strategy, risk management, metrics and targets.

Governance

In December 1997, NICHICON Group established the NICHICON Group's CSR Charter (revised in August 2015), and as the Mission Statement declares, we have not only contributed to the creation of a brighter future for society through the manufacture of products that have value, but also worked to realize a better global environment. In our medium-term growth targets, we have set tackling climate change as one of our most important priorities based on our sustainability policy. The Board of Directors has decided on policies and measures to build and promote ESG management and to acquire business opportunities aimed at realizing a low-carbon society.

As a framework for promoting these activities, we have also established the Sustainability Promotion Committee, chaired by the president. Within this committee we have set up the Environment and Energy Committee attended by the persons responsible for relevant divisions to create a system that works across the company.

Strategy

The Group examined the risks and opportunities that climate change poses to our mainstay capacitor and NECST businesses. After outlining the environment surrounding our business to consider the importance to stakeholders and the Group, the risks and opportunities are evaluated on three levels: small, medium, and large, in terms of their impact on our business activities. (See page 20.)

Risk management

In addition to deliberating and setting strategies, policies, targets, plans, and measures related to Group-wide environmental conservation and climate change, the Environment and Energy Committee also reviews their implementation at monthly Sustainability Promotion Committee meetings. Moreover, we have designated a person responsible for supervising environmental management at the head office Administration Headquarters and established an environmental management system (EMS) secretariat in addition to designating a person responsible for EMS management at our manufacturing facilities to coordinate together in accordance with the environmental policy and environmental conservation plan.

Along with climate-related risks, the Sustainability Promotion Committee also identifies and manages other important risks mainly by the Compliance and Risk Management Committee which sits within the Sustainability Promotion Committee.

Based on our business continuity plan (BCP) and business continuity management (BCM), we have established a Group-wide communication system should any risk occur. In the event of a crisis, we put together a task force according to the scale and level of the crisis with a system in place for formulating countermeasures, directing, giving orders, and implementing such measures.

Metrics and targets

To contribute to global efforts to mitigate global warming, and as a target for reducing CO₂ emissions by our own and partner companies, the NICHICON Group aims to be carbon neutral by 2050. We are also actively working to manage industrial waste emissions as well as improve the amount of recycling and rate for which resources get reused to preserve the environment and maintain resources.

Moreover, we will also focus on making it easier for customers to understand how using our products and services is beneficial in terms of tackling climate change.

Based on these targets, the Group will contribute to the realization of a sustainable society and increase corporate value by promoting business activities aimed at further preserving the global environment.

Climate-Related Risks and Opportunities and Their Impact on Business Activities

Risks/ Opportunities	Transition/ Physical	Cause	Effect	Evaluation
Risks	Transition	Carbon tax (carbon pricing)	Soaring prices of raw materials such as aluminum foil	Large
Risks	Transition	Growing customer demand	Changes, selection, and restrictions on procurement strategies and policies	Medium
Risks	Transition	Carbon emission policies	Increasing electricity costs and raw materials and fuels	Large
Risks	Physical	More extreme weather	Supply chain disruptions and suspended operations due to natural disasters	Large
Risks	Physical	Changing rainfall patterns	Drop in some production capacity due to water shortage	Small
Opportunities	Transition	Energy saving / low carbonization	More widespread use of inverters in industrial equipment and white goods, boosting demand for aluminum electrolytic capacitors	Large
Opportunities	Transition	Decarbonization	Expanding business opportunities for aluminum electrolytic capacitors, film capacitors, quick chargers, and vehicle-to-home (V2H) with the growing popularity of electric vehicles	Large
Opportunities	Transition	Renewable energy	Growing market for household energy storage systems	Large
Opportunities	Physical	Frequent natural disasters	Increase in vehicle-to-load (V2L) sales opportunities through BCP measures	Medium
Opportunities	Physical	Power consumption management	Increase in sales opportunities for public and industrial composite power storage systems	Medium
Opportunities	Transition	Improved power load efficiency	Rush to replace power capacitors	Small

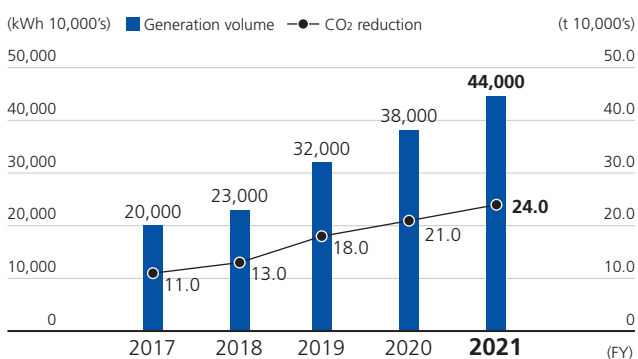
Reducing the environmental impact of our products

Our basic approach to product development

Our Mission Statement clearly states our dedication to creating valued products that will contribute to a brighter future for society and striving to attain a better global environment. This idea being very closely linked to the SDGs and direction of ESG investment can be said to be ahead of the curve in terms of global trends. To fulfill our Mission Statement, we are making significant contributions to reduce our impact on the environment. For instance, by combining the energy storage and V2H systems provided by the NECST business with solar power generation, we have made it possible to supply power without carbon emissions. The amount of power generated by these products has reached around 440 million kWh per year, which translates to around 240,000 tons of CO₂ emissions eliminated.

Meanwhile, in our mainstay capacitor business, we have established an array of eco-friendly products. These include, lead-free conductive polymer aluminum solid electrolytic capacitors and conductive polymer hybrid aluminum electrolytic capacitors, the GeoCap[®] which does not contain any polyvinyl chloride in the exterior material, sulfur hexafluoride-free phase advance capacitors, and the GeoDRY[®] which does not emit harmful substances when disposed of. And with our circuit products, we are not only making the products smaller, which helps to save resources, but we are also working to reduce the amount of power they use.

Generation Volume and CO₂ Reductions from Products in the NECST Business



Launch of 200 kW multi-quick chargers for EVs and PHVs

As electric vehicles are expected to become increasingly more widespread, there are concerns regarding congestion and waiting times at charging points on expressways. To solve these problems, we developed the 200 kW EV/PHV multi-quick chargers and installed the first charging unit in the Daikoku Parking Area on the Metropolitan Expressway. In addition to being able to charge with a maximum output of 90 kW from a single charging port, the 200 kW output can be optimally distributed to enable six vehicles to be charged simultaneously, helping to significantly bring down waiting times for charging electric cars.

Not only is the charger easy to use, but it also won the Good Design Award with its sophisticated design allowing it to be sympathetically installed in many different locations.



200 kW EV/PHV multi-quick chargers installed in the Daikoku Parking Area



Up to six cars can be charged at once

Complying with the RoHS Directive,*1 REACH Regulations,*2 and China RoHS Directive*3

The standard products sold by the NICHICON Group comply with the EU's RoHS Directive. Our eco-friendly product GeoCap[®] complies with the 2013 revision of the European RoHS Directive (2011/65/EU). We have also completed corresponding measures to manage the four phthalate esters which were newly restricted under the Official Journal of the European Union 2015/863 directive, prior to its enforcement on July 22, 2019, with construction of a control system also being completed. In complying with the REACH Regulations, we communicate to our business partners each update of the list of substances of very high concern (SVHC) that the European Chemicals Agency (ECHA) announces twice a year and conduct surveys on contained substances. We are also working to comply with the China RoHS Directive.

Compliance with these directives and regulations as well as content labels can be confirmed on our website.

*1 RoHS Directive: Restrictions on the use of specific hazardous substances contained in electrical and electronic equipment

*2 REACH Regulations: Rules for chemical substance registration, evaluation, authorization, and restriction

*3 China RoHS Directive: Administrative measures for the control of hazardous substances in electrical and electronic products in China

Managing hazardous substances throughout the supply chain

The 12th edition of the NICHICON Group Green Procurement Guidelines defines 68 types of prohibited substances, four types of curtailed substances and 13 types of controlled substances based on various laws and regulations. We formulate and enforce these guidelines to protect the environment throughout the supply chain. The Group has also applied to the Ministry of Economy, Trade and Industry to participate in chemSHERPA, a scheme the ministry developed to share information on chemical substances contained in products throughout the supply chain. The chemSHERPA scheme complies with the laws and regulations and international standards of various countries, including Japan. Through this scheme, we hope to reduce the burden on customers, including business partners to whom we provide information.

Enhancing quality and customer satisfaction / Human resource cultivation and utilization

Boosting the reliability of products

Electronic components

We are a member of the Subcommittee on Electronic Component Safety under the Electronic Components Technology Standardization Strategy Committee of the Electronic Components Board in the Japan Electronics and Information Technology Industries Association (JEITA). Through this participation, we work to maintain or improve component reliability technologies and promote awareness of electronic component knowledge. In addition, participating in the committee enables us to obtain information quickly and accurately so that we can respond to issues related to electronic component reliability and trends in product safety legislation and safety standards as well as address social demand for safety and security.

Equipment

We sit on a number of Japan Electrical Manufacturers' Association (JEMA) committees, including those for distributed power supply technology, energy storage system technology, and smart energy among others. Along with working to solve technical and policy issues surrounding storage batteries, energy management systems (EMS), and other equipment, we are also involved in bringing together the industry with the aim to standardize performance labels for energy storage systems in line with Japanese industrial standards. Moreover, with international noise-related standards formulated by the International Electrotechnical Commission (IEC) and the International Special Committee on Radio Interference (CISPR), we hold discussions with related manufacturers, reflecting and improving compliance with such standards to improve product reliability and safety.

Customer-based response at the Customer Consultation Office

We have established a Customer Consultation Office to provide consultation and field requests regarding the BtoC products it develops, manufactures and sells, such as V2H and household energy storage systems.

For customers who wish to make consultations and inquiries, the Customer Consultation Office is their first point of contact with NICHICON. While of course providing information in a speedy and conscientious manner in response to inquiries, we also provide appropriate guidance based on the individual needs of each customer. We are working every day to improve the quality of our service and make more people into "NICHICON fans," being careful to always provide highly conscientious customer service.

Human resource development

We aim to train and support the growth of human resources capable of "ko-do (Think and Work)" with sincerity in order to maximize corporate value through the creation of valuable products. Therefore, we offer a wide range of personnel training, incorporating both

Internet-based and on-site programs, that include rank-based training, job-based training, compliance training, competition law training, and etiquette and manners seminars.

We have also dispatched young technical employees to the Institute of Industrial Science, the University of Tokyo, with which we have an industry-academia collaborative research cooperation agreement, to train engineers through joint research on cutting-edge technologies. In addition, we encourage each of our employees to obtain QM/QC Examination and take part in a variety of correspondence courses to boost their skills on multiple fronts.

Respect for fundamental human rights and human rights education

The NICHICON Group Code of Conduct states that "NICHICON shall respect the basic human rights and personal dignity of all employees." Through training and morning meetings after joining the company, new employees are told that it is absolutely unacceptable to discriminate against anyone based on nationality, race, ethnicity, sex or gender identity, age, religion, creed, social status, lineage, finances, physical characteristics, physical or mental disabilities, pregnancy, political views, membership in a labor union, marital status, or other such reason. They are also continuously reminded that it is prohibited to violate human rights by such means as sexual harassment, power harassment, and other acts of defamation, including bullying, insults, verbal abuse, etc.

Promotion of diversity

We employ a diverse range of personnel, including disabled persons, the elderly, women, and foreigners, and strives to allow each employee to reach their maximum potential. With regard to the employment of people with physical disabilities, we conduct ongoing recruiting activities to maintain employment above the statutory employment rate. As for the employment of seniors, those with motivation and ability who are to leave their jobs after reaching retirement age are re-employed, and we have instituted a post-retirement re-employment system in which they can utilize their skills and experience for the further growth of the company.

Realizing a work-life balance realization

Based on respect for people, we are creating a work environment where each individual can work with independence and creativity, and where they can fully demonstrate their abilities while balancing work and life. As a part of this, we have formulated an action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children. We are working to enhance our system of shorter working hours for maternal care and child/family care, as well as encouraging male employees to take childcare leave, to promote an environment that fosters a good work-life balance. We have also adopted a variety of work styles, such as staggered work schedules and working from home.

We have also put in place systems that allow employees to work with peace of mind. In addition to a system that allows employees to accumulate expired annual paid leave to be used in times of personal injury or illness, or when having to care for family members, we have introduced a group long-term disability income compensation insurance system that compensates employees for a portion of their income so that they can focus on treatment in the event that they are unable to work for an extended period due to injury or illness.

Ensuring occupational safety and health

The NICHICON Group provides periodic safety and health education programs to its employees. Each day, our employees recite the safety rules and identify any potential danger. Our operators also engage in danger prediction training to increase their safety and reduce the possibility of injury.

Regarding the safety of our new employees, they are thoroughly educated so that every task, including on-the-job training (OJT), is conducted safely at each workplace.

Making “safety instruction and training aimed at zero occupational/commuting accidents” a priority and sharing information on the situation in each facility Group-wide, as well as reducing temperature differences and variability in activities, we confirm problems that are addressed by the Head Office and various worksites. Meeting participants also incorporate each other’s best practices into their own activities.

Health care

For the sound growth of the company, it is important that each employee is healthy both mentally and physically. In addition to statutory health checkups, not only are we implementing lifestyle-related disease checkups and health screenings for early detection and treatment of diseases, but also, as a preventive measure against health problems, we are working to improve the working environment by restricting long working hours and encouraging employees to take paid leave by setting dates for when employees can take extended holidays.

We are also taking measures to prevent mental health problems from arising with, for example, stress checks conducted once a year. Should an employee be judged to be highly stressed, or if an employee so wishes, then they can be seen by an occupational health physician.

Supply chain management

Promoting CSR in the supply chain

The NICHICON Group asks its business partners for their understanding of its CSR philosophy, which incorporates the Responsible Business Alliance (RBA; the former Electronic Industry Citizenship Coalition®) Code of Conduct and ISO 26000, the international standard on organizational social responsibility. In this manner, we fulfill our responsibility throughout the supply chain.

The NICHICON Group sources materials from a variety of countries and regions. We also require our business partners to comply with the laws in each country in which they conduct their operations and act in accordance with social norms.

To instill awareness regarding our strict demand for the respect of human rights, we do not seek procurement from any business partners who do not understand and practice these values. We distributed the NICHICON Group Supply Chain CSR Procurement Promotion Guidebook to principal business partners, requesting that they understand the content of this guidebook and the RBA standards of conduct. At the same time, we asked them to complete self-assessment checklists, enabling us to confirm the status of individual companies’ initiatives. At the same time, we asked them to complete self-assessment checklists, enabling us to confirm the status of individual companies’ initiatives. Also, we have adopted a basic policy for non-use of conflict minerals in light of the U.S. Dodd–Frank Act and the Securities and Exchange Commission (SEC) disclosure rules in accordance with that act, and are working to improve transparency throughout the supply chain by sharing data with suppliers and other measures.

Thorough compliance and risk reduction in the supply chain

Our basic purchasing policies provide for ensuring that transactions are open, fair and lawful. We maintain thorough compliance, including with the Subcontracting Law. To reduce risk, we have established a business continuity plan (BCP) and respond appropriately to the issue of conflict minerals proactively and across the supply chain.

Corporate governance

Basic approach

Based on our Group Mission Statement, the strengthening of corporate governance is positioned as one of our most important priorities. We ensure transparency and fairness and promote speedy decision-making and other management efficiencies.

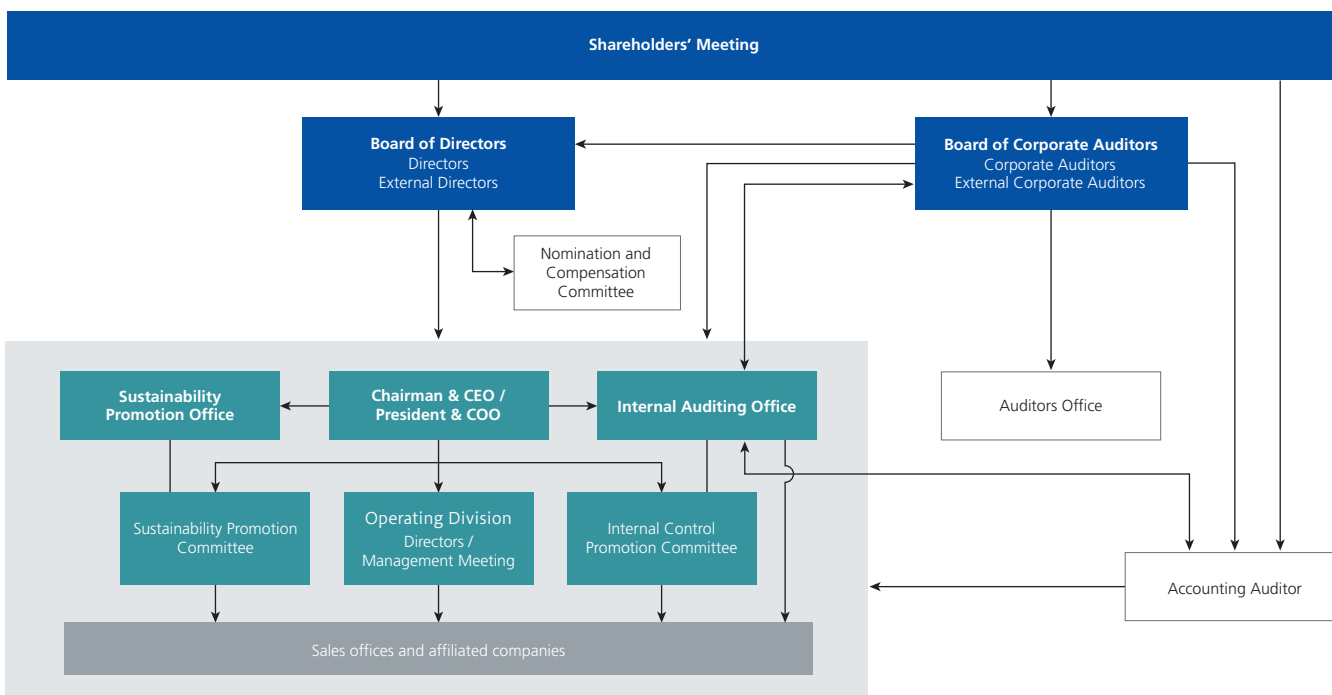
We are engaged in corporate governance enhancements in an effort to respond nimbly to business environment and market changes and improve performance while maintaining sound management through the creation, strengthening and practical management of internal control systems to continuously improve corporate value and meet our social responsibilities in accordance with the following basic approach.

- (1) Respect the rights of shareholders, ensure equality.
- (2) Cooperate appropriately with stakeholders, taking into account the interests of shareholders and all other stakeholders.
- (3) Ensure transparency and the appropriate disclosure of Company information.
- (4) The Board of Directors attempts to establish an effective executive supervisory function from an objective standpoint emphasizing the role of independent external directors in light of fiduciary responsibilities and accountability to shareholders.
- (5) Strive to engage shareholders in constructive dialogue that contributes to sustainable growth and improvement of corporate value over the medium- to long-term.

Quick Reference Chart for Corporate Governance Structure

Form of institutional design	Company with Audit & Supervisory Board
Number of directors (of which, external directors)	7 (3)
Directors' terms of office	2 years
Chair of the Board of Directors	Chairman
Number of corporate auditors (of which, external corporate auditors)	4 (3)
Number of external directors designated as independent	3
Number of Board meetings in FY2021	11
Number of Audit & Supervisory Board meetings in FY2021	16
Voluntary committees	Nomination and Compensation Committee
Adoption of the executive officer system	Yes
Stock option system	None
Accounting Auditor	Deloitte Touche Tohmatsu LLC

Corporate Governance Structure



Corporate governance structure

Board of Directors

The Board of Directors consists of seven members, including three external directors. We believe this is an appropriate size for continuing to deliver prompt decision-making. In terms of operations, meetings are held periodically as necessary to make fair and appropriate decisions on business execution through sufficient discussion, and to supervise the status of business execution by the director in charge.

We have also introduced an executive officer system to clarify the roles of management oversight and business execution functions. By clarifying the division of duties and administrative authority, and making flexible decisions according to the characteristics of each department, we aim to speed up management and execute business appropriately and efficiently.

Nomination and Compensation Committee

The Nomination and Compensation Committee has been established as an advisory body to the Board of Directors for the purpose of ensuring the fairness, transparency, and objectivity of procedures related to the nomination and compensation of directors, and to further enhance the corporate governance system.

The majority of members of the Nomination and Compensation Committee are external officers. The committee consists of five members, including three independent external directors. We are working to improve the independence and objectivity of the processes related to decisions on nomination and compensation.

Board of Corporate Auditors

The Board of Corporate Auditors consists of four corporate auditors, including three external corporate auditors (two of whom are standing corporate auditors). In addition to attending Board meetings and other important meetings to express their opinions, the auditors conduct legal audits based on their review of the execution of business duties by the Board of Directors and the Company's operational and financial condition. They also conduct operating audits, ascertaining management conditions through site visits to divisional headquarters, business facilities and Group companies. In addition to these duties, standing corporate auditors attend the Management Meeting, the Internal Control Promotion Committee, the Sustainability Promotion Committee, and other important meetings to monitor the execution of business duties by the Board of Directors.

The auditors report on the status of reciprocal business duty execution at the Board of Corporate Auditors. Based on audit planning and implementation, they work in close cooperation with accounting auditors, exchange information and opinions on a quarterly basis in an effort to improve the efficacy and efficiency of auditing.

The Board of Corporate Auditors works closely with the Internal Auditing Office to exchange information and opinions, where necessary, in an effort to improve the efficacy and efficiency of audits related to checking the degree of penetration of the Company's management policies, including compliance with laws

and regulations, and the status of system development for crisis management. Additionally, the Auditors Office has been set up to which employees who are to assist the duties of the corporate auditors are appointed and assigned through consultation between the Directors and the Board of Corporate Auditors.

Internal Control Promotion Committee

Chaired by the president, the Internal Control Promotion Committee consists of executives from the Financial & Accounting Headquarters, Administration Headquarters, Corporate Planning Headquarters, and the Digitalization Promotion Office. To ensure the accuracy and reliability of financial reporting, the committee periodically evaluates the Company and its Group companies with respect to Company-wide Control, Financial Reporting Process Control, Work Process Control, General IT Control, and IT Work Process Control, reporting outcomes to the Board of Directors and the Board of Corporate Auditors.

Sustainability Promotion Committee

Its mission is to promote Group-wide related initiatives in order to accomplish the Group's sustainability policy. As well as selecting topics for Group-wide initiatives and considering and deciding on policies, the committee also oversees how the topics are progressing and gives instructions for improvement.

Board evaluation

To improve the functioning of the Board of Directors, self-evaluations are carried out by every director each year. Based on these evaluations, the effectiveness of the Board of Directors as a whole is verified and assessed by the Board to further enhance its performance.

Executive compensation

1. Basic policy

NICHICON's basic policy is to establish a compensation system linked to shareholder interests so that it functions sufficiently as an incentive to continuously increase corporate value. When determining compensation for each director, the policy is to set it at an appropriate level taking into account each director's respective responsibilities.

More specifically, compensation for executive directors consists of fixed, basic compensation and performance-linked compensation, whereas external directors who perform supervisory functions are paid only a fixed compensation from the viewpoint of their role and independence.

2. Basic compensation for directors

The basic compensation for directors of the Company is a fixed monthly compensation determined by a comprehensive look at individual duties and achievements, Company performance, trends in other companies, medium- to long-term business performance, and past payouts, etc. It is set within the amount of compensation for directors approved at the General Meeting of Shareholders.

3. Content and amount of performance-linked compensation

To focus attention on improving business performance every fiscal year, the Company's performance-linked compensation is determined within a certain range of net income attributable to owners of the parent. The compensation for directors according to their roles and the degree to which they have contributed to the Company over the short term and medium to long term is determined within the amount approved at the General Meeting of Shareholders based on the report of the Nomination and Compensation Committee.

Performance-linked compensation is paid at a set time each year.

4. Ratio of basic and performance-linked compensation for directors

The Company's performance-linked compensation is paid within the scope of net income attributable to owners of the parent. Since this fluctuates greatly depending on business performance, the ratio to

basic compensation also fluctuates significantly every year. As such, we do not lay down any rules for determining the ratio for each type of compensation.

5. Details of compensation for directors

Based on the decision of the Board of Directors, specific details on the amount of compensation for each director is entrusted to the representative directors. The content of such authority shall be determined through discussion by the representative directors regarding the evaluated allocation of performance-linked compensation and the amount of basic compensation for each director. The Board of Directors shall consult with the Nomination and Compensation Committee to obtain a report so that such authority is appropriately exercised by the representative director, and the representative directors receiving the above mandate must make decisions in accordance with the contents of the report.

Executive Compensation for FY2021

Executives	Total compensation (millions of yen)	Total by type of compensation (millions of yen)				Number of eligible officers
		Fixed compensation	Performance-linked compensation	Retirement benefits	Of the items listed on the left, non-monetary compensation, etc.	
Directors (excluding external directors)	175	140	35	–	–	4
Corporate Auditors (excluding external corporate auditors)	13	13	–	–	–	1
External officers	43	43	–	–	–	6

- Notes: 1. The total amount of compensation for directors as resolved by the General Meeting of Shareholders (June 28, 2007) is set at within 280 million yen per annum (the number of directors at the conclusion of this General Meeting of Shareholders was seven), and the total amount of compensation for corporate auditors is set at within 50 million yen per annum (the number of corporate auditors at the conclusion of this General Meeting of Shareholders was three).
2. The amount of compensation for directors does not include salaries and bonuses for those who concurrently serve as employees.
3. The Company resolved to abolish the executive retirement benefits scheme for directors and corporate auditors at the conclusion of the 72nd Ordinary General Meeting of Shareholders held on June 28, 2007. It has been resolved that directors and corporate auditors who continue to serve from the time after the conclusion of this meeting will be presented upon their retirement with executive retirement benefits corresponding to the period of their tenure until the abolition of said scheme.
4. Compensation for each corporate auditor is determined through discussions among all corporate auditors, but only fixed compensation is provided.

Training for directors and auditors

To ensure that officers can properly fulfill their responsibilities, NICHICON conducts training with the help of internal and external experts on the Company's mission statement, products, and governance policies, etc. Should an officer wish to participate in external seminars and it is deemed useful for the duties of the officer, then NICHICON will provide financial assistance as necessary.

Policies and procedures concerning appointment and dismissal

The policy for the appointment of senior management and director candidates is comprehensively considered from the perspective of the right person for the right job. We consider their overall balance and ability to cover every function and business field of the Company and monitoring of business execution, as well as accurate and prompt decision-making, a sense of responsibility and leadership, having the necessary knowledge and experience, and appropriate risk management.

In response to advice from the Board of Directors, the Nomination and Compensation Committee deliberates and reports to the Board on matters such as the appointment and dismissal of directors, the selection and dismissal of representative directors, and succession plans. The Board of Directors makes decisions regarding the nomination of director candidates based on reports from the Nomination and Compensation Committee.

With regard to the dismissal policy, procedures for dismissal will be conducted if any serious violation of laws and regulations, or of the Articles of Incorporation, are found in relation to duties, or if it is seen that there have been any significant departures from the selection policy.

The policy for the appointment of candidates for the Board of Corporate Auditors is also comprehensively considered from the perspective of the right person for the right job. We consider their wealth of experience in auditing the execution of director duties, knowledge of finance and accounting, and knowledge of the Company's business and corporate management.

Reasons for Appointing External Officers

Name	Independent officer	Supplementary information	Reason for appointment
Kazumi Matsushige	✓	<ul style="list-style-type: none"> Independent officer Professor Emeritus, Kyoto University President of Shikoku University and Shikoku University Junior College Director of Awa Paper & Technological Company, Inc. 	<p>Appointed as an external director to further strengthen the Company's management structure by leveraging his wealth of academic experience and deep insight as a university professor and university president to gain his advice and guidance from an objective standpoint.</p> <p>Reason for Appointment as Independent Officer Appointed as an independent officer because he has no special interest in the Company and there is no risk of conflict of interest with general shareholders.</p>
Yasuhisa Katsuta	✓	<ul style="list-style-type: none"> Independent officer From the private sector President of Osaka University of Economics 	<p>Appointed as an external director to further strengthen the Company's management structure by leveraging his experience as a director and auditor of other companies, and as a university professor, in addition to his deep insight on finance and accounting to gain his advice and guidance from an objective standpoint.</p> <p>Reason for Appointment as Independent Officer Appointed as an independent officer because he has no special interest in the Company and there is no risk of conflict of interest with general shareholders.</p>
Shigenobu Aikyo	✓	<ul style="list-style-type: none"> Independent officer From the private sector Director of Hashimoto Sogyo Holdings Ltd. Director of MODEC, Inc. Corporate Auditor of Starts Corporation Inc. 	<p>While having a history working at one of our main business partners, Sumitomo Mitsui Banking Corporation, it is judged that there is no special interest between NICHICON and the bank since we have dealings with multiple financial institutions, our borrowings from this bank are small compared to the total assets of the Company, and the bank's shareholding ratio in the Company is small at less than 5%.</p> <p>He has also been appointed as an external director to further strengthen the Company's management structure by leveraging his experience as a director of other companies, in addition to his deep insight on finance and accounting to gain his advice and guidance from an objective standpoint.</p> <p>Reason for Appointment as Independent Officer Appointed as an independent officer because he has no special interest in the Company and there is no risk of conflict of interest with general shareholders.</p>
Yoshihiko Nakatani		<ul style="list-style-type: none"> Academic Experience at other companies 	<p>Appointed as an external corporate auditor to ensure the soundness of the Company from an objective standpoint and to enhance and strengthen the highly transparent audit system by leveraging his deep insight and extensive experience as an academic, in addition to his experience with technology management at private companies.</p>
Hideki Ohnishi		<ul style="list-style-type: none"> Certified tax accountant 	<p>Appointed as an external corporate auditor to ensure the soundness of the Company from an objective standpoint and to enhance and strengthen the highly transparent audit system by leveraging his deep insight and extensive experience in finance and accounting in the Company's business.</p>
Masahiro Morise		<ul style="list-style-type: none"> Experience at other companies 	<p>While having a history working at one of our main business partners, The Bank of Kyoto, it is judged that there is no special interest between NICHICON and the bank, since we have dealings with multiple financial institutions, our borrowings from this bank are small compared to the total assets of the Company, and the bank's shareholding ratio in the Company is small at around 5%.</p> <p>Having been involved in the financial business for many years, he has also been appointed as an external corporate auditor to ensure the soundness of the Company from an objective standpoint and to enhance and strengthen the highly transparent audit system by leveraging his financial and accounting expertise at financial institutions, as well as his other specialist knowledge, in the Company's business.</p>

Board diversity

The current internal directors have experience and skills related to global affairs, production, sales and marketing, finance, and risk management. We strive to ensure that the diversity of the Board of Directors and the overall balance of knowledge, experience and skills are the best for the Company. For instance, we appoint external directors who have experience as representative directors of other companies, or who have a high level of expertise regardless of whether they are in the same industry as us or not.

Cross holding

With regard to the classification of investment shares held for purely investment purposes and those held for other purposes, the Company classifies investments for the purpose of dividends and capital gains as net investment shares, and classifies investment shares that are for purposes other than pure investment as specified investment shares. Specified investment shares are held when judged to contribute to the improvement of corporate value over the medium to long term, taking into account the necessity of business operations and maintaining and strengthening long-term, stable relationships with business partners. NICHICON does not hold any net investment shares.

We regularly verify the rationality for continuing to hold specified investment shares in terms of our dealings and relationship with the companies we hold shares in based on a medium- to long-term perspective, as well as the financial position, share price, dividends, and other conditions of the companies we hold shares in. With respect to those stocks which have become less relevant to hold, our policy is to reduce these holdings while engaging in dialogue and negotiations with our business partners and others. At the Board of Directors meeting held in November 2021, it was decided to reduce some stocks after examining the purpose of the shareholding, dividend yield, market value, and other risks and benefits for each individual stock.

Voting rights for specified investment shares are determined after examining from various perspectives, such as whether they will lead to medium- to long-term improvement in the corporate value of the companies we hold shares in.

Number of Stocks Held for Purposes other than Pure Investment and Total Amount on Balance Sheet

	Number of stocks	Total amount on balance sheet (million yen)
Listed stock	34	26,741
Unlisted stock	13	358

	Number of stocks increased	Number of stocks decreased	Total acquisition price (million yen)	Total sales price (million yen)
Listed stock	1	2	1	1,864
Unlisted stock	-	-	-	-

Anti-takeover measures

As a basic policy regarding control of the Company, we believe that if a takeover proposal is made to the Company, the final decision on whether or not to accept the offer should be left to the shareholders of the Company at that time. In such case, we believe that it is necessary to secure and enhance corporate value and the common interests of shareholders by enabling shareholders to make informed judgments based on sufficient information and a reasonable period of deliberation through fair and transparent procedures for confirming the intentions of the shareholders.

Information disclosure and dialogue with shareholders and investors

The Fiscal 2021 Ordinary General Meeting of Shareholders (June 29, 2022) was held, similarly to last year, amidst the novel coronavirus pandemic, in a meeting venue that avoided the “Three Cs” (confined and enclosed spaces, crowded places, and close-contact settings). In order to avoid the Three Cs, seats were carefully spaced apart from each other. A thermometer (thermography camera) and alcohol-based hand-sanitizer were placed at the entrances. A total of 55 shareholders attended the meeting.

At the meeting, against a visual backdrop of the four key markets of the NICHICON Group, we presented our key products under the slogan, “We will continue to take on the challenge of sustainable growth so that we can reap the rewards from new value creation.” We showcased to all shareholders our small Li-ion rechargeable batteries and inverter smoothing film capacitors for xEVs as well as our aluminum electrolytic capacitors for automobiles, industrial devices, and 5G, from our capacitor business. From our NECST business, we introduced our new Tribrid Energy Storage System™ as well as our special power supply for research, medical and industrial use. Before the meeting opened, we also showed a video introducing our booth at CEATEC, an exhibition of the world's most advanced technologies, products, and services, where we explained our key products in an easy-to-understand manner.

During the report of financial results, graphs and other visuals were screened to provide explanations in a manner that was easy to see and understand.



Shareholders' meeting venue



Product display

Compliance

Dissemination of the NICHICON Group Code of Conduct (revised)

In addition to the Company Credo, the Mission Statement defines the direction and social responsibility on which every employee should be focused. In October 2002, we established the NICHICON Group Code of Conduct as guidance for director and employee observance of laws and regulations and to spread shared ethics and values.

Since the NICHICON Group Code of Conduct was established in 2002, the Responsible Business Alliance (RBA; the former Electronic Industry Citizenship Coalition®) Code of Conduct was created and has been revised several times. In November 2010, ISO 26000 (guidance on social responsibility) was published. We have made adjustments concerning the social responsibilities called for by the EICC (now RBA) and ISO 26000, and in April 2013 we issued a revised version of the NICHICON Group Code of Conduct (with Japanese/English/Chinese/Malay editions) with extensive content enhancement.

After issuing the revised version, we are working to improve employees' understanding by way of a Code of Conduct Understanding Checklist while giving training and sharing information at each business facility, utilizing e-learning tools and other means for all employees in Japan and overseas.



NICHICON Group Code of Conduct (revised), (with Japanese/English/Chinese/Malay editions)

Provision of internal and external consultation services (Internal Reporting System)

Compliance plays a significant role in the promotion of sound corporate activities in conformity with all laws, ordinances, internal rules, policies, codes of ethics, etc.

The NICHICON Group has established an internal reporting rule as one of the mechanisms to ensure thorough compliance, and has established a "Compliance Hotline (Internal Reporting System)" based on this rule.

Specifically, points of contact and means of consultation are provided, and investigations are conducted when necessary, should reports be received. Furthermore, we thoroughly protect the personal information of the people who file reports so as to prevent them from suffering any negative effects. As such, efforts are being made for the prevention and early detection of misconduct by utilizing the Compliance Hotline.

In July 2016, the Competition Law Compliance External Reporting Hotline was established.

Enhanced structure for competition law compliance

The NICHICON Group has made an effort to engage in activities that thoroughly comply with social ethics and follow laws and rules to fulfill our social responsibility.

However, as we have been suspected of violating antitrust laws in Japan and competition laws in other countries in the past, we have been investigated by the Japan Fair Trade Commission and overseas competition authorities.

We sincerely apologize for the concern these events caused our shareholders and all other stakeholders.

The NICHICON Group takes these findings extremely seriously and strives to strengthen compliance structures and educational activities to more thoroughly comply with antitrust laws in Japan and competition laws in other countries. In an attempt to further enhance the NICHICON Group competition law compliance structure, the Competition Law Compliance Subcommittee was established under the Sustainability Promotion Committee in July 2016. In addition, competition law compliance regulations were formulated to prevent competition law violations before they occur and clarify basic items that must be observed when executing business duties. These regulations specify the establishment of a Competition Law Compliance External Reporting Hotline for reporting and consultation, the implementation of regular auditing by the Auditing Department related to competition law compliance, pre-approval and post-reporting procedures for the prevention and monitoring of contact with competitors to implement supervision and guidance of the status of compliance with competition laws. Furthermore, we are holding competition law compliance workshops mainly for sales divisions to ensure thorough compliance with competition laws in the workplace. These workshops provide detailed explanations of competition law compliance regulations, as well as numerous case studies taken from real incidents presented by lawyers. These activities have also been rolled out to production and overseas worksites in an effort to ensure thorough compliance and strengthen the Group-wide competition law compliance structure. Since in recent years it has been difficult to hold group trainings due to the impact of the pandemic, we have been using e-learning tools to conduct video lectures presented by lawyers and comprehension checks, not only for sales divisions, but also for production and overseas worksites. Through these measures, we are strengthening the Group-wide competition law compliance structure.



Competition law compliance workshop

Risk management

Risk management system

The Group has established and operates risk management regulations in an attempt to avoid losses and risks beforehand, and to minimize damage in the unlikely event that a risk does occur.

The organization that plays a central role in risk management is the Compliance and Risk Management Committee established within the Sustainability Promotion Committee. The Compliance and Risk Management Committee confirms the details of activities and provides guidance based on monthly activity reports from each facility.

Material risks are also identified and managed at each facility with the actual progress of such efforts and their verification confirmed through the monthly reports, with guidance provided for ongoing improvement.

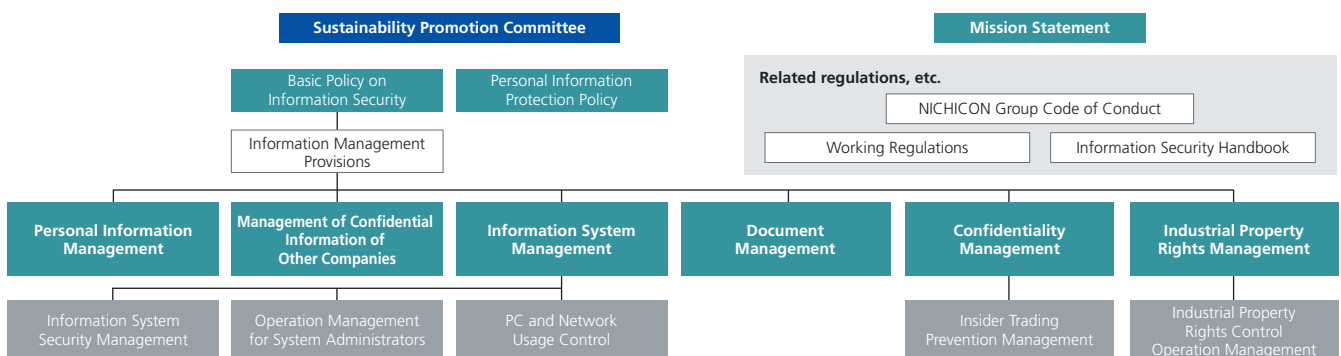
Ongoing improvements to the business continuity plan (BCP) and business continuity management (BCM) entrenchment efforts

The NICHICON Group makes an effort to take the appropriate responses and countermeasures to prevent risk and minimize damage from the perspective of employees, trading partners, customers, regional communities and all our stakeholders with respect to systems and countermeasures for risks with the potential to significantly impact business, such as natural disasters and accidents, management risks, and political, economic and social risks. In an effort to maintain safe and stable corporate management, operations and compliance are conducted thoroughly in accordance with disaster and crime prevention management regulations and risk management regulations.

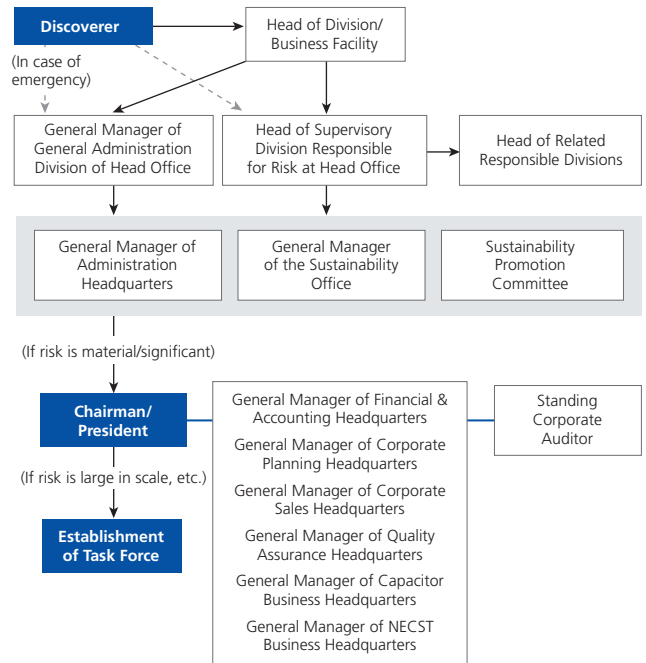
The NICHICON Group places importance on the establishment of business continuity management (BCM) for the quick resumption or continuation of business in the event of damage from a natural disaster or accident during the course of business activities.

The Great East Japan Earthquake, which occurred on March 11, 2011, provided the NICHICON Group with an opportunity to complete preparation of an outline for the NICHICON Group business continuity plan (BCP) formulation guidelines in 2012, and business continuity regulations incorporated the already-drafted business continuity plan and its management. Based on these activities, NICHICON is establishing BCM including continuous improvements via the PDCA cycle to further enhance its business continuity plan.

NICHICON Group Information Management Framework



Company-Wide Liaison System in the Event of Materialization of Risks



Strengthening of information security

In terms of information security measures, the NICHICON Group established the Information Security Basic Policy in February 2007. The Group is distributing the Information Security Handbook and the NICHICON Employees' Guide on "ko-do" (Think and Work) to thoroughly familiarize employees with the rules and other matters concerning the handling of information assets, in order to ensure recognition by all employees of the importance of protecting information assets, as well as the reflection thereof in their daily work.

At the same time, we believe that information assets can generate new business if our employees are able to utilize them strategically, although the information must be used correctly in performing business operations.

The NICHICON Group will work to establish a foundation for stable and sustainable growth by continuing to utilize information assets safely and accurately.

Directors and Corporate Auditors

Directors



Ipepei Takeda
Chief Executive Officer
Chairman and CEO

Mar. 1963 Joined the Company
Feb. 1978 Representative Director & President of Nichicon (America)
Jun. 1983 Director of the Company
Dec. 1983 Manager of the International Division of the Company
Jul. 1995 General Manager of the Company's Ohno Factory and Overseas Sales Manager
Jun. 1997 Managing Director of the Company
Jun. 1998 President & COO of the Company
Jun. 2003 Representative Director & President, COO of the Company
Jun. 2007 Representative Director & Chairman, COO of the Company
Jun. 2013 Representative Director & Chairman, CEO (current)



Shigeo Yoshida
Chief Operating Officer
President and COO

Apr. 1982 Joined the Company
Aug. 1988 Joined Nichicon (Singapore)
Jun. 2003 Acting Director for Overseas Sales in the Company's Sales Division
Nov. 2004 General Manager of the Company's Power Supply Center
Apr. 2007 Director and General Manager of Nichicon (Hong Kong) Ltd.
Nov. 2008 Overall responsibility for the Company's East Asian sales
Jun. 2009 Director of the Company Executive Officer and General Manager of the Company's Sales Headquarters
May 2011 General Manager of the Company's Production Headquarters
Jul. 2011 Senior Managing Executive Officer of the Company
Oct. 2012 Representative Director and President of Nichicon Hi-Tech Foil
Jun. 2013 Representative Director & President, COO (current)



Kazumi Matsushige
Director

Apr. 1981 Assistant Professor in the Research Institute for Applied Mechanics, Kyushu University
May 1990 Professor in the Faculty of Engineering, Kyushu University
Apr. 1993 Professor in Department of Electronic Science and Engineering, Graduate School of Engineering, Kyoto University
Jul. 1996 Director of Venture Business Laboratory, Kyoto University
Apr. 2001 Director of International Innovation Center, Kyoto University
Apr. 2004 Vice President of Kyoto University (responsible for industry-academia collaboration and intellectual property)
Apr. 2005 Director, International Innovation Organization, Kyoto University
Apr. 2012 Professor Emeritus, Kyoto University (current) Distinguished Visiting Professor, Ryukoku University
Jun. 2012 Director of the Company (current)
Apr. 2013 President of Shikoku University and Shikoku University Junior College (current)
Jun. 2016 Director of Awa Paper & Technological Company, Inc. (current)



Yasuhisa Katsuta
Director

Apr. 1965 Joined The Daiwa Bank Ltd. (currently Resona Bank Ltd.)
Jul. 1991 Director and Manager of Head Office Branch (same bank)
Jun. 2001 Representative Director and President (same bank)
Oct. 2002 Representative Director and President of Resona Holdings Inc.
Mar. 2003 Representative Director and President of Resona Bank Ltd.
Apr. 2005 Distinguished Visiting Professor at Faculty of Management Information, Osaka University of Economics
Jun. 2005 Director of Funai Electric Co., Ltd.
Jun. 2006 Corporate Auditor Otsuka Pharmaceutical Co., Ltd.
Jul. 2008 President of Osaka University of Economics
Jul. 2014 Trustee of Osaka University of Economics (current)
Jun. 2015 Director of the Company (current)

Corporate Auditors



Sachihiko Araki
Standing Corporate Auditor

Mar. 1965 Joined the Company
May 1999 General Manager of the Company's Kusatsu Factory
Jun. 2003 Director of the Company Executive Officer and General Manager of the Company's Administration Headquarters
Oct. 2004 General Manager of CSR Office
Jun. 2007 Representative Director and President, Chief Operating Officer of the Company
Jun. 2013 Special Advisor to the Company
Jun. 2016 Corporate Auditor of the Company (current)



Yoshihiko Nakatani
Standing Corporate Auditor

Apr. 1972 Joined Matsushita Electric Industrial Company (currently Panasonic Corporation)
Apr. 1995 General Manager of Multimedia Promotion Office
Apr. 1997 Executive Vice President of the European Laboratories, GmbH
Sep. 1999 Director of the Overseas R & D Promotion Center
Oct. 2004 Professor in COE Program Promotion organization at Ritsumeikan University
Apr. 2008 Professor in Ritsumeikan Global Innovation Research Organization at Ritsumeikan University
Apr. 2009 Director of the Research Department at Ritsumeikan University
Apr. 2012 Vice President of the Industry-Academia-Government Collaboration Strategy Board at Ritsumeikan University
Jun. 2018 Substitute Corporate Auditor of the Company
Apr. 2020 Senior Researcher, Center of Research for Science and Technology at Ritsumeikan University(current)
Jun. 2020 Corporate Auditor of the Company (current)



Hitoshi Chikano
 Director and Senior
 Managing Executive Officer
 General Manager of
 Financial & Accounting
 Headquarters and General
 Manager of PR & Investor
 Relations Office

Apr. 1983 Joined the Company
 Mar. 1990 Manager of Nichicon (Hong Kong) Ltd.
 Jun. 2003 General Manager of the Company's Investor
 Relations Office
 Aug. 2004 General Manager of the Company's Financial and
 Accounting
 Headquarters and General Manager of Investor
 Relations Office
 Dec. 2004 General Manager of the Company's Financial and
 Accounting Headquarters
 Jun. 2006 Executive Officer of the Company
 Jun. 2007 Director of the Company (current)
 General Manager of the Company's Administration
 Headquarters
 Jul. 2008 Senior Executive Operating Officer of the Company
 Feb. 2010 General Manager of the Company's Investor
 Relations Office
 Oct. 2013 General Manager of the Company's Financial and
 Accounting Headquarters (current)
 Jul. 2015 Senior Executive Operating Officer of the Company
 Jul. 2017 Senior Managing Executive Officer of the Company
 (current)
 Sep. 2018 General Manager of the Company's PR & Investor
 Relations Office (current)



Akihiro Yano
 Director and Senior
 Executive Operating Officer
 General Manager of
 Corporate Planning
 Headquarters and General
 Manager of Sustainability
 Office

Apr. 1980 Joined Pioneer Corporation
 Apr. 2001 Managing Director of Planning Division of
 Pioneer Europe (NV)
 May 2005 Representative Director and President of
 Pioneer Electronics
 Germany (GmbH)
 Dec. 2009 Joined the Company as Deputy General
 Manager of the Production Headquarters
 Oct. 2010 Deputy General Manager of the Company's
 Corporate Planning Headquarters
 May 2011 General Manager of the Company's Corporate
 Planning Headquarters (current)
 Jul. 2011 Executive Officer of the Company
 Jun. 2013 Director of the Company (current)
 Jul. 2015 Executive Operating Officer of the Company
 Jul. 2017 Senior Executive Operating Officer (current)
 Feb. 2022 General Manager of Sustainability Office
 (current)



Shigenobu Aikyo
 Director

Apr. 1972 Joined The Sumitomo Bank (currently Sumitomo
 Mitsui Banking Corporation)
 Jun. 2005 Managing Director and Managing Executive
 Officer (same bank)
 Apr. 2006 Director and Senior Managing Executive Officer
 (same bank)
 Senior Managing Executive Officer of the
 Sumitomo Mitsui Financial Group
 Apr. 2007 Director and Vice President Executive Officer of
 Corporate Banking Division (same bank)
 Apr. 2010 Representative Director and Chairman of Nikko
 Cordial Securities Inc.
 Apr. 2011 Representative Director and Chairman of SMBC
 Nikko Securities Inc.
 Jun. 2015 Director of Hashimoto Sogyo Holdings Ltd.
 (current)
 Mar. 2016 Director of MODEC Inc. (current)
 Jun. 2016 Director of the Company (current)
 Jun. 2019 Corporate Auditor of Starts Corporation Inc.
 (current)



Hideki Ohnishi
 Corporate Auditor

Apr. 1962 Appointed to General Affairs Section, General
 Affairs Department, Osaka Regional Taxation
 Bureau
 Jul. 1995 Chief of Wadayama Regional Taxation Bureau
 Jul. 1996 Manager of Welfare Section in General Affairs
 Department, Osaka Regional Taxation Bureau
 Jul. 1998 Manager of Inspection, Inspection Division 1,
 Osaka Regional Taxation Bureau
 Jul. 2000 Examiner-in-chief at Tax Tribunal of Osaka
 Regional Taxation Bureau
 Jul. 2001 Chief of Shimogyo Regional Taxation Bureau
 Jul. 2002 Retired
 Aug. 2002 Registered as certified tax accountant (current)
 Jun. 2007 Corporate Auditor of the Company (current)



Masahiro Morise
 Corporate Auditor

Apr. 1970 Joined the Bank of Kyoto, Ltd.
 Jun. 1994 General Manager of International Affairs
 Division of Bank of Kyoto, Ltd.
 Jun. 2000 Director of Bank of Kyoto, Ltd.
 Jun. 2003 Managing Director of Bank of Kyoto, Ltd.
 Jun. 2008 Senior Managing Director of Bank of Kyoto, Ltd.
 Jun. 2010 Representative Director/ Senior Managing
 Director of Bank of Kyoto, Ltd.
 Jun. 2012 Corporate Auditor of the Company (current)

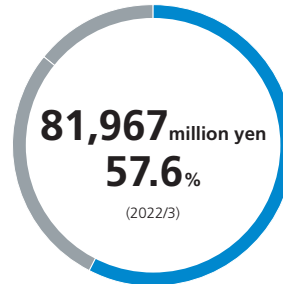
Segment information

Capacitors for electronics

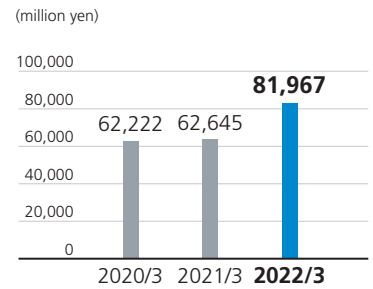
- Aluminum electrolytic capacitors
- Film capacitors
- Positive thermistors Posi-R®
- Small Li-ion rechargeable batteries



Sales Ratio



Net Sales

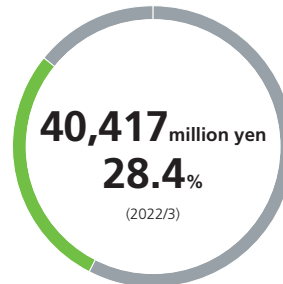


Circuit products

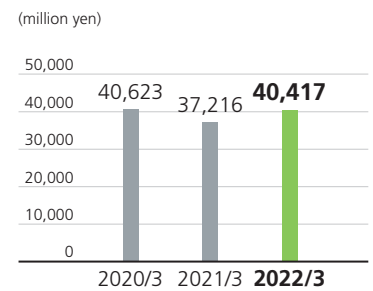
- Power Oasis household energy storage system
- EVPower Station V2H systems
- EV and PHV quick charger
- Portable energy storage system
- External power feeder Power Mover Power Mover Light
- Tribrid Energy Storage System™
- Switching power supplies
- Function modules



Sales Ratio

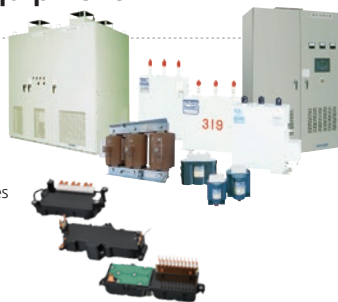


Net Sales

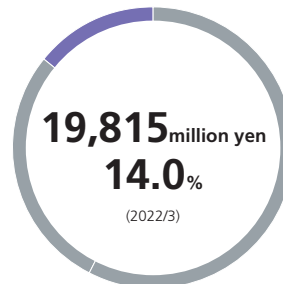


Capacitors for electric apparatus and power utilities & capacitor applied systems and equipment

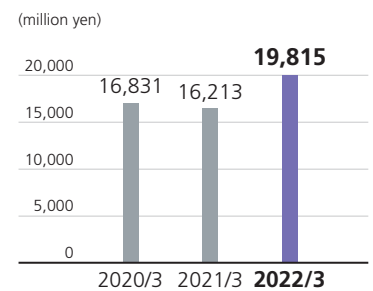
- Film capacitors for xEVs
- Public and industrial power storage systems
- Accelerator power supplies at medical facilities
- Accelerator power supplies for academic study
- Momentary voltage sag compensator / power outage compensator



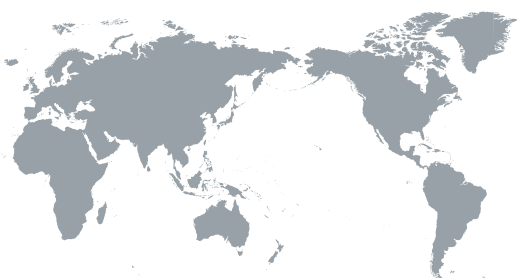
Sales Ratio



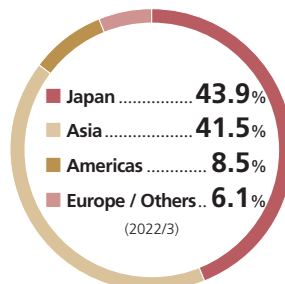
Net Sales



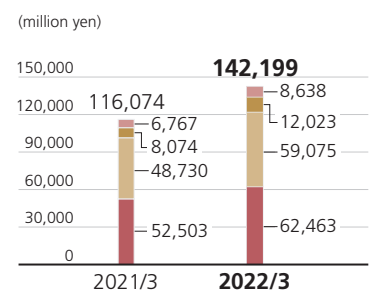
Global operations



Sales Ratio by Region



Net Sales by Region



Overview of fiscal year ended March 31, 2022

Sales of aluminum electrolytic capacitors for industrial equipment and inverter-related equipment such as white goods, in addition to automotive equipment in Japan, Europe, the United States, and Greater China, surged resulting in a significant 30.8% year-on-year increase in revenue.

About future developments

We will promote product development and sales expansion of aluminum electrolytic capacitors to meet the increasing demand brought about by the rise of electrification in the automotive sector, as well as for the development of 5G substations in the information and communications sector, the shift to factory automation in the industrial equipment sector, and for air-conditioners, where the use of inverters is progressing worldwide. Small Li-ion rechargeable batteries have created high hopes for not only wearable devices and information communication terminals, but also other applications such as smart homes and disaster detection. We are accelerating the development of these applications with high specifications.

Overview of fiscal year ended March 31, 2022

Despite sluggish sales of switching power supplies owing to difficulties in procuring parts, revenue increased by 8.6% year-on-year thanks to new products for household energy storage systems and growing sales of vehicle-to-home (V2H) systems with more widespread use of electric vehicles.

About future developments

When it comes to household energy storage systems and V2H systems, we are thinking not just of household electricity consumption; rather, in order to contribute to the coming distributed-power society (local production of electricity for local consumption), we are providing these systems for various virtual power plant (VPP) demonstration experiments, as well as continuing to participate in demonstrations using public and industrial power storage systems. We are striving to expand our business in a way that, by developing complex systems that combine these devices in an organic way, contributes to sustainability and to the achievement of a decarbonized society.

Overview of fiscal year ended March 31, 2022

Sales of film capacitors for equipment grew significantly in response to increased production of film capacitors for electrified vehicles (xEVs) which are rapidly on the rise around the world, resulting in a 22.2% year-on-year increase in revenue.

About future developments

We are focusing on not only meeting the ever-increasing demand for inverter smoothing film capacitors for EVs and HVs, but also manufacturing methods and production technologies that will enable our products to handle higher voltages and higher temperatures. We are doing this with miniaturization and next generation power devices. Between 2020 and 2022, we are working on the design and production of the latest accelerator power supplies for academic research use as a high-brilliance 3-GeV synchrotron radiation source for soft X-rays (at next generation synchrotron radiation facilities), which we are aiming to have ready by 2023 when the facility will be operational. The development of next generation systems for particle beam therapy is also flourishing, and we are developing medical facility accelerator power supplies to support this area.

Overview of fiscal year ended March 31, 2022

In Japan, net sales increased 19.0% year on year to ¥62,463 million thanks to growth in sales of household energy storage systems and vehicle-to-home (V2H) systems, as well as increased sales of aluminum electrolytic capacitors for automotive-related and inverter-related equipment. In terms of overseas sales, net sales were ¥59,075 million, up 21.2% year on year, due to increased sales for automotive-related and inverter-related equipment in the Asian market. In the Americas, sales increased 48.9% year-on-year to ¥12,023 million, mainly due to a significant increase in demand for electric vehicles. In Europe and other regions, net sales were ¥8,638 million, up 27.7% year on year, due in part to increased demand for automotive-related and industrial equipment, with overseas markets as a whole up 25.4% year on year to ¥79,736 million. As a result, the ratio of overseas sales to consolidated net sales increased by 1.3 percentage points from the previous fiscal year to 56.1%.

Financial and non-financial highlights

Financial Information

	Millions of Yen					Thousands of U.S. Dollars
	2022/3	2021/3	2020/3	2019/3	2018/3	2022/3
For the year						
Net sales	¥ 142,199	¥ 116,074	¥ 119,676	¥ 122,860	¥ 114,768	\$ 1,161,659
Operating income	6,427	1,574	2,549	5,473	6,197	52,505
Income before income taxes	9,588	2,753	3,666	(5,962)	(9,118)	78,325
Net income attributable to owners of the parent	7,902	1,703	2,812	(7,953)	(10,905)	64,554
Capital expenditures	10,127	6,542	7,079	8,551	6,803	82,733
Depreciation and amortization	6,055	5,245	5,336	4,491	3,142	49,468
At year-end						
Total assets	170,112	156,009	139,427	139,770	154,792	1,389,692
Shareholders' equity	92,416	87,187	75,594	79,179	93,703	754,968
Per share of common stock						
	Millions of Yen					U.S. Dollars
Net income	¥ 115.50	¥ 24.90	¥ 40.59	¥ (114.21)	¥ (156.60)	\$ 0.94
Cash dividends	27.00	25.00	24.00	23.00	22.00	0.22
Shareholders' equity	1,350.76	1,274.33	1,104.87	1,137.02	1,345.57	11.03
Shareholders' equity ratio	54.3%	55.9%	54.2%	56.6%	60.5%	
Ratio of net income to shareholders' equity	8.8%	2.1%	3.6%	(9.2)%	(11.3)%	

Notes: 1. Amounts less than 1 million yen have been rounded off.

2. The U.S. dollar amounts are provided solely for convenience at the rate of ¥122.41 to U.S. \$1, the approximate exchange rate at March 31, 2022.

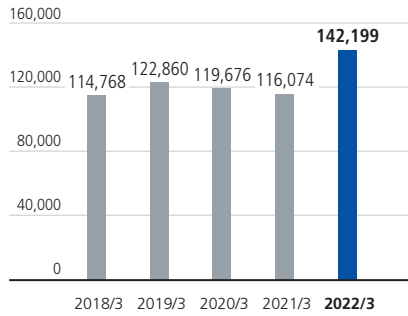
3. Certain reclassifications of previously reported amounts have been made to conform with current classifications.

Non-Financial Information

	2022/3	2021/3	2020/3	2019/3	2018/3
At year-end					
No. of employees	5,587	5,209	5,409	5,169	5,284
Frequency rate	0.527	0.527	0.206	0.000	0.210
Severity rate	0.079	0.079	0.013	0.000	0.011
Fuel oil consumption (kl)	436	475	497	829	1,110
LPG (Liquefied petroleum gas) consumption (kg)	336,428	283,868	308,878	369,663	347,100
Electricity consumption (kWh 1,000's)	501,379	525,931	565,504	762,150	676,202
Water consumption (t 10,000's)	25	26	28	35	36
Underground water consumption (t 10,000's)	684	632	644	748	677
CO ₂ emissions (t-CO ₂)	254,452	273,522	299,679	418,305	387,193
Waste water emissions (t 10,000's)	528	511	461	553	526
Transaction volume of chemical substances (t)	555.78	380.27	162.25	194.73	197.66
Emissions of chemical substances (t)	54.47	36.31	16.69	16.12	16.86

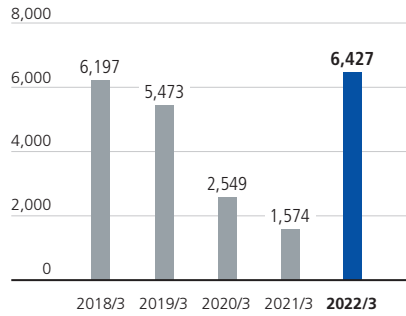
Net Sales

(million yen)



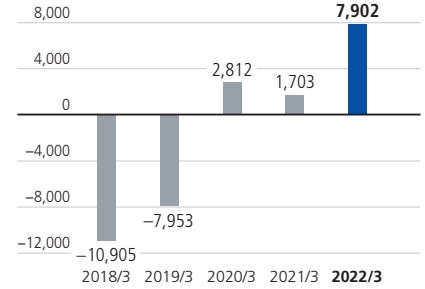
Operating Income

(million yen)



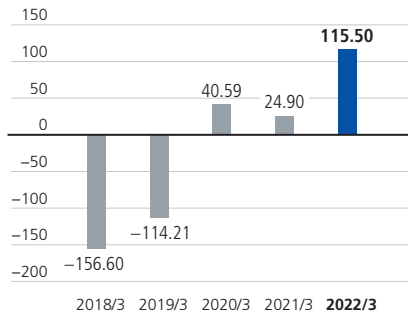
Net Income Attributable to Owners of the Parent

(million yen)



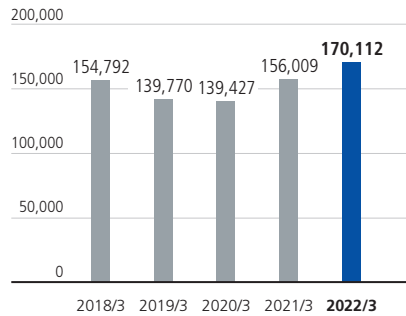
Net Income per Share

(yen)



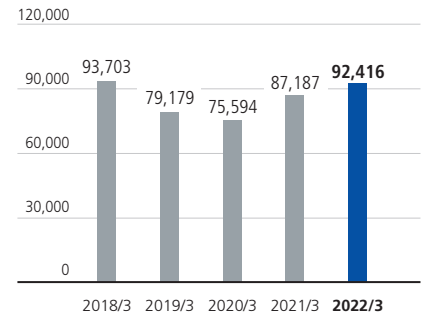
Total Assets

(million yen)



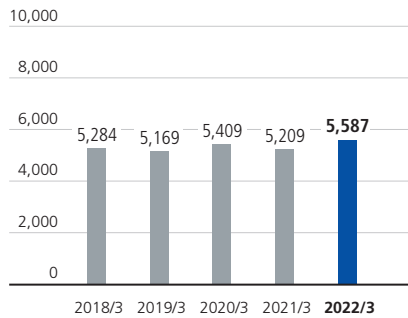
Shareholders' Equity

(million yen)



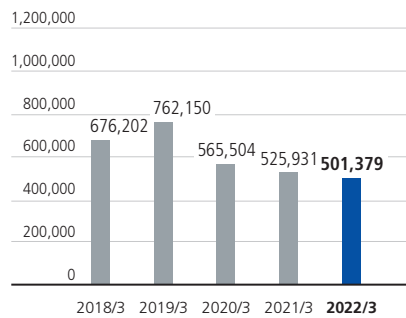
No. of Employees

(No.)



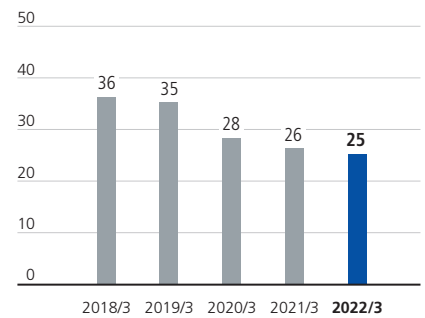
Electricity Consumption

(kWh 1,000's)



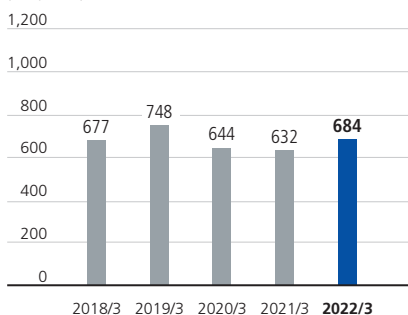
Water Consumption

(t 10,000's)



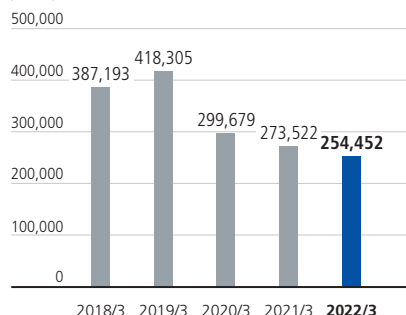
Underground Water Consumption

(t 10,000's)



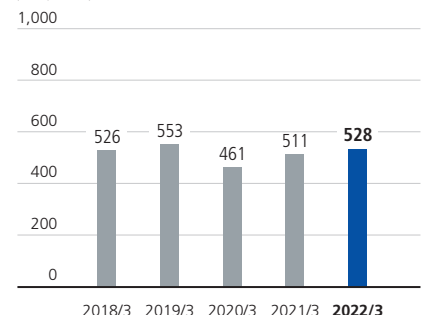
CO₂ Emissions

(t-CO₂)



Waste Water Emissions

(t 10,000's)



Corporate data

Corporate Information

Corporate name	NICHICON CORPORATION
Head office	Karasumadori Oike-agaru, Nakagyo-ku, Kyoto, 604-0845 Japan TEL. 81-75-231-8461 FAX. 81-75-256-4158
Establishment	August 1, 1950
Capital stock	14,286 million yen (As of March 31, 2022)
Number of employees	5,587 (Consolidated) (As of March 31, 2022)

Offices

TOKYO SALES OFFICE	14-9, Nihonbashi Kabutocho, Chuo-ku, Tokyo, 103-0026 Japan TEL. 81-3-3666-7811 FAX. 81-3-3666-7831
NAGOYA SALES OFFICE	18F Nishiki-Park Bldg. 4-3, Nishiki 2-chome, Naka-ku, Nagoya, 460-0003 Japan TEL. 81-52-223-5581 FAX. 81-52-220-1839
WEST JAPAN SALES OFFICE	Karasumadori Oike-agaru, Nakagyo-ku, Kyoto, 604-0845 Japan TEL. 81-75-241-5370 FAX. 81-75-231-8467
Sales Branches	Iwate, Sendai, Koriyama, Northern Kanto, Okayama, Fukuoka
POWER SUPPLY CENTER	14-9, Nihonbashi Kabutocho, Chuo-ku, Tokyo, 103-0026 Japan TEL. 81-3-3666-7861 FAX. 81-3-3666-7881 Development & design for various types of power supplies

List of Business Facilities That Received ISO 9001: 2015 Certification

Business facility		Registered certification no.	Date of registration	Examination and registration body
Related Business Facilities	NICHICON CORPORATION HEAD OFFICE TOKYO SALES OFFICE, NAGOYA SALES OFFICE, WEST JAPAN SALES OFFICE NICHICON HI-TECH FOIL CORPORATION OHMACHI FACTORY NICHICON HI-TECH FOIL CORPORATION TOMITA FACTORY POWER SUPPLY CENTER, NICHICON (KUSATSU) CORPORATION, NICHICON (KAMEOKA) CORPORATION, NICHICON (OHNO) CORPORATION, NICHICON (IWATE) CORPORATION, NICHICON (WAKASA) CORPORATION	JMI-0007	September 1991	JQA
	TORISHIMA ELECTRIC WORKS LTD.	00-245	November 2000	ClassNK
	NIPPON LINIAX CO., LTD.	03237	December 2005 (renewed) July 2017	INTERTEK
	YUTAKA ELECTRIC MFG. CO., LTD.	JP93/001832	May 1993	SGS
	NICHICON (MALAYSIA) SDN. BHD.	AR4005 (renewed) QMS 01567	May 2006 (renewed) May 2021	SIRIM
	NICHICON ELECTRONICS (WUXI) CO., LTD.	15/03Q0572R00 (renewed) 15/21Q6693R60	June 2003 (renewed) May 2021	WIT
	WUXI NICHICON ELECTRONICS R&D CENTER CO., LTD.	15/13Q0483R00 (renewed) 15/22Q5658R30	June 2013 (renewed) June 2022	WIT
	NICHICON ELECTRONICS (SUQIAN) CO., LTD.	15/13Q0538R00 (renewed) 15/22Q6567R30	July 2013 (renewed) July 2022	WIT

List of Business Facilities That Received IATF 16949 Certification

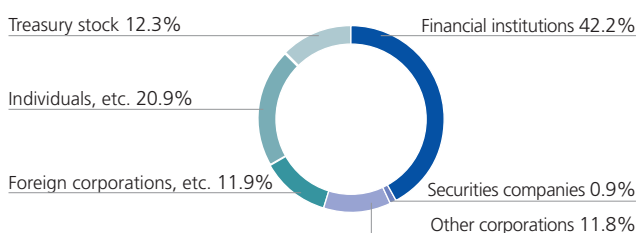
Business facility		Registered certification no.	Date of registration	Examination and registration body
NICHICON (OHNO) CORPORATION	Main Factory	JQA-AU0031-1	April 2004	JQA
	Site II Factory	JQA-AU0031-2	February 2010	
	Site III Factory	JQA-AU0013	January 2004	
NICHICON (IWATE) CORPORATION		JQA-AU0037	May 2004	JQA
NICHICON (KUSATSU) CORPORATION		JQA-AU0406	February 2021	JQA
NICHICON (MALAYSIA) SDN. BHD.		AR3641 (renewed) QMS-AUTO 00121	May 2005 (renewed) May 2021	SIRIM
NICHICON ELECTRONICS (WUXI) CO., LTD.		No.161012148/1 (renewed) No.161012148/3	October 2012 (renewed) September 2021	DEKRA
NICHICON ELECTRONICS (SUQIAN) CO., LTD.		No.160817103 (renewed) Letter of conformity	August 2017 (renewed) November 2021	SGS

Investor information

Stock Overview

Authorized number of shares	137,000,000 shares
Issued number of shares	68,417,328 shares (excluding 9,582,672 shares of treasury stock)
Number of shareholders	20,860
Listings	Tokyo Stock Exchange Prime Market

Stockholder distribution (Number of shares)

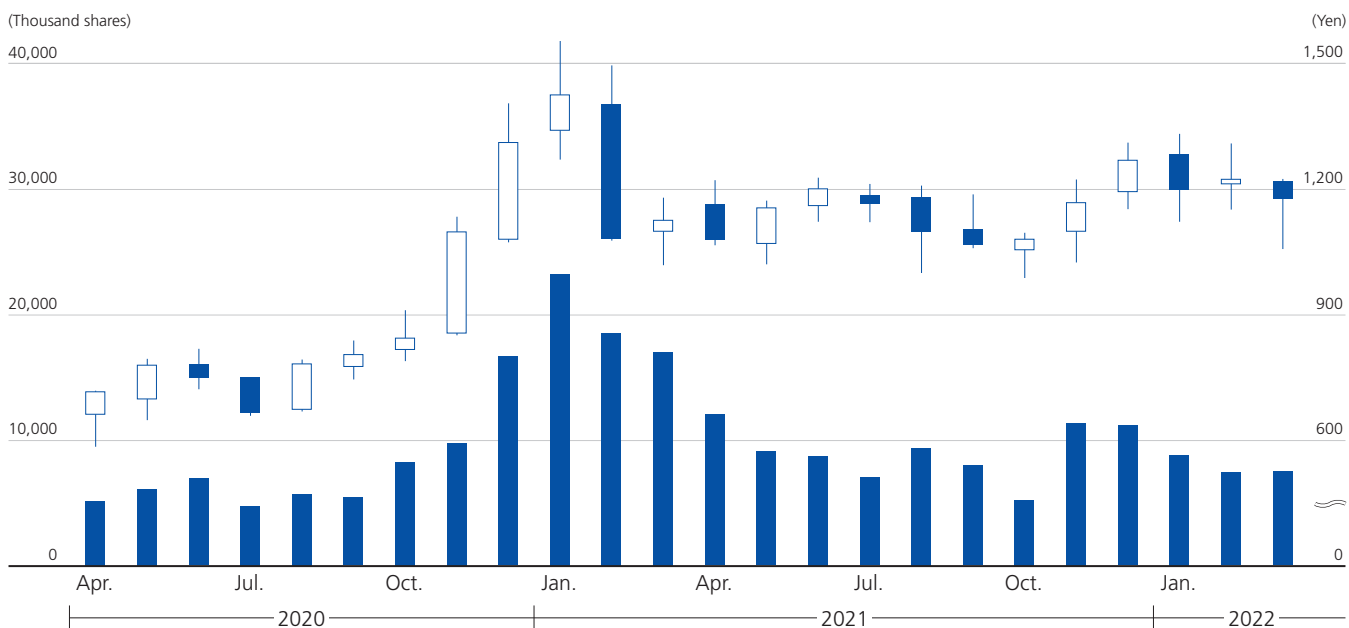


Major Stockholders As of March 31, 2021

Major stockholders	Number of shares held (thousand)	Percentage of shares held (%)
The Master Trust Bank of Japan (Trust account)	10,122	14.8
Custody Bank of Japan, Ltd.	4,598	6.7
The Bank of Kyoto, Ltd.	3,409	5.0
Nichicon suppliers' stock ownership program	3,390	5.0
Mizuho Bank, Ltd.	2,690	3.9
Nippon Life Insurance Company	2,670	3.9
Sumitomo Mitsui Banking Corporation	2,200	3.2
MUFG Bank, Ltd.	2,000	2.9
Nichicon employees' stock ownership program	1,635	2.4
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,419	2.1

Notes: 1. NICHICON holds 9,582,000 shares of treasury stock which are not included in the above table.
2. The percentage of shares held is calculated after deducting treasury stock.
3. The number of shares held is rounded down to the nearest thousand shares.

Stock Price and Trading Volume



Five-Year Trend of Stock Price and Volume

	Fiscal year ended 2018	Fiscal year ended 2019	Fiscal year ended 2020	Fiscal year ended 2021	Fiscal year ended 2022
Stock price (end of period)	1,203	1,013	676	1,121	1,175
High	1,635	1,467	1,238	1,556	1,335
Low	941	720	559	585	987
Trading Volume	7,159,900	5,652,000	11,308,500	16,947,600	7,464,500

Consolidated subsidiaries

Japan

NICHICON HI-TECH FOIL CORPORATION

8224-1, Yashiro, Ohmachi-shi, Nagano Pref., 398-0003 Japan
TEL. 81-261-21-3200 FAX. 81-261-21-3206
Capital stock: 80 million yen
Product line: Electrode foil for aluminum electrolytic capacitors
ISO 9001 & ISO 14001 certified

NICHICON (KUSATSU) CORPORATION

3-1, Yagura 2-chome, Kusatsu-shi, Shiga Pref., 525-0053 Japan
TEL. 81-77-563-1181 FAX. 81-77-563-1208
Capital stock: 80 million yen
Product line: Capacitors for electric apparatus and power utilities, plastic film capacitors, and capacitor applied systems and equipment
ISO 9001, IATF 16949 & ISO 14001 certified

NICHICON (KAMEOKA) CORPORATION

15-1, 2-chome, Kitakose-cho, Kameoka-shi, Kyoto Pref., 621-0811 Japan
TEL. 81-771-22-5541 FAX. 81-771-29-2010
Capital stock: 80 million yen
Product line: Function modules, V2H systems, positive thermistors, EV quick chargers, and household energy storage systems
ISO 9001 & ISO 14001 certified

NICHICON (OHNO) CORPORATION

1-11-2 Shimoyoro, Ohno-shi, Fukui Pref., 912-0095 Japan
TEL. 81-779-66-0333 FAX. 81-779-66-0312
Capital stock: 80 million yen
Product line: Aluminum electrolytic capacitors (chip type, lead type), conductive polymer aluminum solid electrolytic capacitors, electric double layer capacitors, and new small Li-ion rechargeable batteries
ISO 9001, IATF 16949 & ISO 14001 certified

Overseas

NICHICON (AMERICA) CORP.

927 East State Parkway, Schaumburg, Illinois 60173, U.S.A.
TEL. 1-847-843-7500 FAX. 1-847-843-2798
Capital stock: 3 million US\$
Business line: Sales of company's products

NICHICON (AUSTRIA) GmbH

Businesspark Marximum, Modecertrasse 17, Unit 2-7-A, 1110 Vienna, Austria
TEL. 43-1-706-7932 FAX. 43-1-706-7933
Capital stock: 1 million EUR
Business line: Sales of company's products

NICHICON (HONG KONG) LTD.

Unit 308, Harbour Centre Tower 1, 1 Hok Cheung Street, Hunghom, Kowloon, Hong Kong
TEL. 852-2363-4331 FAX. 852-2764-1867
Capital stock: 5 million HK\$
Business line: Sales of company's products

NICHICON (SINGAPORE) PTE. LTD.

60 Paya Lebar Road, #11-17/18, Paya Lebar Square, Singapore 409051
TEL. 65-6481-5641 FAX. 65-6481-6485
Capital stock: 8 million SG\$
Business line: Sales of company's products

NICHICON (TAIWAN) CO., LTD.

23F, No.68, Sec.5, Zhongxiao East. Road, Xinyi District, Taipei City 110, Taiwan, R.O.C.
TEL. 886-2-2722-2100 FAX. 886-2-2722-2016
Capital stock: 30 million NT\$
Business line: Sales of company's products

NICHICON (THAILAND) CO., LTD.

1 Empire Tower, 15th Floor, Unit 1506, River Wing West, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Thailand
TEL. 66-2-670-0150 FAX. 66-2-670-0153
Capital stock: 20 million BAHT
Business line: Sales of company's products

NICHICON ELECTRONICS TRADING (SHANGHAI) CO., LTD.

Room 1206, Aetna Tower, 107 Zunyi Road, Shanghai, China 200051
TEL. 86-21-6237-5538 FAX. 86-21-6237-5537
Capital stock: 0.5 million US\$
Business line: Sales of company's products

NICHICON ELECTRONICS TRADING (SHENZHEN) CO., LTD.

Room A, 16/F, KK100 No.5016, Shen Nan Road East, Luo Hu District, Shenzhen, China 518001
TEL. 86-755-2294-1800 FAX. 86-755-8294-5716
Capital stock: 0.3 million US\$
Business line: Service business regarding sales of company's products

NICHICON (MALAYSIA) SDN. BHD.

No.4 Jalan P/10, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan, Malaysia
TEL. 60-3-8925-0678 FAX. 60-3-8925-0858
Capital stock: 63 million MYR
Product and Business line: Manufacture and sales of aluminum electrolytic capacitors
ISO 9001, IATF 16949 & ISO 14001 certified

NICHICON (IWATE) CORPORATION

8-17-1, Kubo, Iwate-machi Iwate-gun, Iwate Pref., 028-4305 Japan
TEL. 81-195-62-5311 FAX. 81-195-62-3400
Capital stock: 100 million yen
Product line: Aluminum electrolytic capacitors (chip type) and conductive polymer hybrid aluminum electrolytic capacitors
ISO 9001, IATF 16949 & ISO 14001 certified

NICHICON (WAKASA) CORPORATION

35-1-1 Tada, Obama-shi, Fukui Pref., 917-0026 Japan
TEL. 81-770-56-2111 FAX. 81-770-56-2116
Capital stock: 84 million yen
Product line: Various types of power supplies and household energy storage systems
ISO 9001 & ISO 14001 certified

TORISHIMA ELECTRIC WORKS LTD.

3-1, Yagura 2-chome, Kusatsu-shi, Shiga Pref., 525-0053 Japan
TEL. 81-77-562-0891 FAX. 81-77-562-0809
Capital stock: 30 million yen
Product and Business line: Manufacture and sales of various kinds of power transformers and reactors
ISO 9001 certified

NIPPON LINIAX CO., LTD.

3-2, Sugahara-cho, Kita-ku, Osaka, 530-0046 Japan
TEL. 81-6-6362-6470 FAX. 81-6-6362-6473
Capital stock: 15 million yen
Product and Business line: Manufacture and sales of pressure sensors and various kinds of instruments
ISO 9001 certified

YUTAKA ELECTRIC MFG. CO., LTD.

14-9, Nihonbashi Kabutocho, Chuo-ku, Tokyo, 103-0026 Japan
TEL. 81-3-3666-7971 FAX. 81-3-3666-7977
Capital stock: 330 million yen
Product and Business line: Design, development, manufacture and sales of power supply equipment
ISO 9001 & ISO 14001 certified

NICHICON ELECTRONICS (WUXI) CO., LTD.

Block 51-B, Wuxi National High & New Technology Industrial Development Zone, Wuxi, Jiangsu, China 214028
TEL. 86-510-8521-8222 FAX. 86-510-8522-1170
Capital stock: 75 million US\$
Product and Business line: Manufacture and sales of aluminum electrolytic capacitors and various types of power supplies
ISO 9001, IATF 16949 & ISO 14001 certified

WUXI NICHICON ELECTRONICS R&D CENTER CO., LTD.

Block 51-B, Wuxi National High & New Technology Industrial Development Zone, Wuxi, Jiangsu, China 214028
TEL. 86-510-8521-8222 FAX. 86-510-8522-1170
Capital stock: 5 million RMB
Business line: The design and development of various types of power supplies and aluminum electrolytic capacitors
ISO 9001 certified

NICHICON ELECTRONICS (SUQIAN) CO., LTD.

NO.18, Yangmingshan Avenue, Suzhou Suqian Industrial Park, Suqian, China 223800
TEL. 86-527-8097-8855 FAX. 86-527-8286-8966
Capital stock: 55 million US\$
Product and Business line: Manufacture and sales of conductive polymer aluminum solid electrolytic capacitors and film capacitors
ISO 9001, IATF 16949 & ISO 14001 certified

1 NICHICON (AMERICA) CORP.

2 NICHICON (AUSTRIA) GmbH

3 NICHICON (HONG KONG) LTD.

4 THE REPRESENTATIVE OFFICE OF NICHICON (HONG KONG) LIMITED IN HANOI CITY

5 NICHICON (SINGAPORE) PTE. LTD.

6 NICHICON (THAILAND) CO., LTD.

7 NICHICON (TAIWAN) CO., LTD.

8 NICHICON ELECTRONICS TRADING (SHANGHAI) CO., LTD.

9 NICHICON ELECTRONICS TRADING (SHANGHAI) CO., LTD. DALIAN BRANCH

10 NICHICON ELECTRONICS TRADING (SHENZHEN) CO., LTD.

11 NICHICON ELECTRONICS TRADING (SHENZHEN) CO., LTD. CHONGQING BRANCH

12 NICHICON ELECTRONICS TRADING (SHENZHEN) CO., LTD. CHENGDU BRANCH

13 NICHICON ELECTRONICS (INDIA) PVT. LTD.

14 NICHICON ELECTRONICS (INDIA) PVT. LTD. DELHI OFFICE

15 NICHICON ELECTRONICS (INDIA) PVT. LTD. PUNE OFFICE

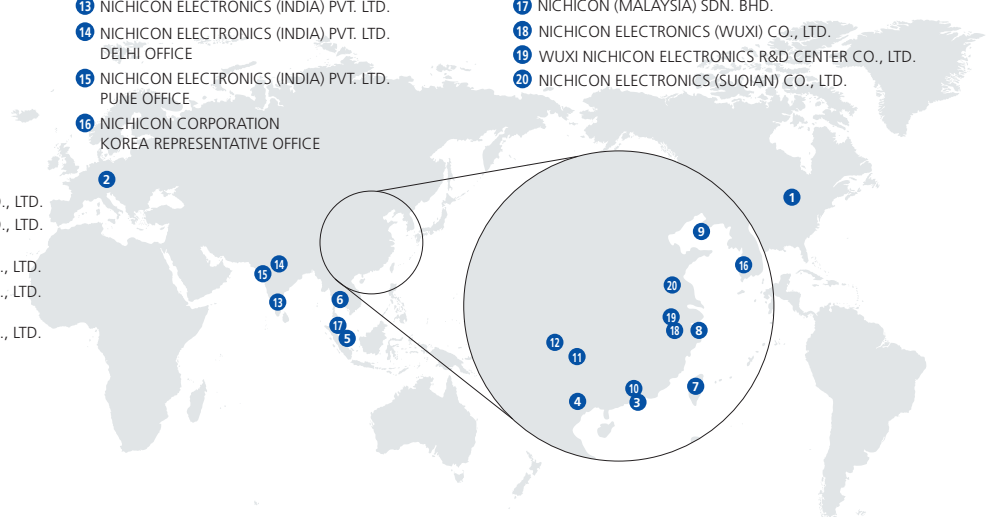
16 NICHICON CORPORATION KOREA REPRESENTATIVE OFFICE

17 NICHICON (MALAYSIA) SDN. BHD.

18 NICHICON ELECTRONICS (WUXI) CO., LTD.

19 WUXI NICHICON ELECTRONICS R&D CENTER CO., LTD.

20 NICHICON ELECTRONICS (SUQIAN) CO., LTD.



NICHICON CORPORATION

Karasumadori Oike-agaru, Nakagyo-ku, Kyoto
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