

**NOTIFICATION OF  
THE 90th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

**To be held on June 27, 2025**

**NICHICON CORPORATION  
Kyoto, Japan**

Notes:

1. This is a translation of the Japanese-language notification of the 90th ordinary general meeting of registered shareholders.
2. The financial statements of Nichicon Corporation are prepared in accordance with applicable laws and accounting principles generally accepted in Japan.

## 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" is a proprietary phrase created by the Company, meaning "Think and Work."

## 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.

\*Aim to be the highest in all aspects, such as quality, cost, delivery time, service, and technology.

Dear Shareholders:

(Securities Code: 6996)

June 6, 2025

551, Nijoden-cho Karasumadori Oike-agaru,  
Nakagyo-ku, Kyoto 604-0845, Japan

Katsuhiko Mori      President & COO

**Nichicon Corporation**

## **NOTIFICATION OF THE 90th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

We hereby inform you that the 90th Ordinary General Meeting of Shareholders of Nichicon Corporation will be held as set forth below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. (matters subject to measures for electronic provision) in electronic format, and has posted the information on websites on the Internet. Please visit either of the following websites to review the information.

**\*Please note that there is no ballot attached to this translation.**

**The Company's website:**

<https://www.nichicon.co.jp/ir/>



(Please access the material from "Reference Documents for General Meetings of Shareholders" within the website)

**Tokyo Stock Exchange's (TSE's) website (TSE Listed Company Information Service):**

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>



(Access the above TSE website, enter "Nichicon" in "stock name (company name)" or the Company's securities code "6996" in "Code," and click "Search." Then click "Basic information", select "Documents for public inspection/PR information," and download the information from "Notification of General Meetings of Shareholders/Reference Materials".)

**In the event that you are unable to attend the meeting, you are kindly requested to examine the attached reference material for the General Meeting of Shareholders and exercise your voting rights by post or via the Internet by no later than 5:15 p.m. on Thursday, June 26, 2025.**

**1. Time and Date:** June 27, 2025 (Friday) 10:00 a.m.

**2. Venue:** **ANA Crowne Plaza Kyoto, 2nd Floor**  
10 Tsuchibashi-cho Nijo-kudaru, Horikawa-dori, Nakagyo-ku, Kyoto

**3. Agenda:**

**Matters To Be Reported On:**

1. Business report, consolidated financial statements, and the reports of audits of consolidated financial statements conducted by the Accounting Auditor and the Audit & Supervisory Board, for the 90th fiscal year ended March 31, 2025.
2. Non-consolidated financial statements for the 90th fiscal year ended March 31, 2025.

**Proposals To Be Voted On:**

**Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Election of Eight Directors  
**Proposal 3:** Revision of Remuneration Amount, etc., for Audit & Supervisory Board Members

With regard to this General Meeting of Shareholders, as in the past, we are providing all of our shareholders with paper-based documents, regardless of whether a request for provision of physical documents has been made.

If revisions arise to the matters subject to measures for electronic provision, the revised versions will be posted on the Internet on the Company's website as well as the TSE's website.

## Information for Shareholders

### Proposals for Deliberations and Referential Information

#### **Proposal 1: Appropriation of Surplus**

As we regard sharing profits with shareholders as an important management issue, we aim to progressively increase dividends in line with sustainable profit growth by enhancing our corporate value and strengthening our corporate standing.

In order to further progress sharing of profits with shareholders and enhance capital utilization, we propose the following year-end dividend.

As a result, total dividends for the fiscal year will be ¥35.00 per share, an increase of ¥2.00 from the previous fiscal year.

#### **Matters concerning year-end dividend**

Type of dividend	Cash
Allocation of dividend assets to shareholders and total amount of dividends	<b>¥18.00</b> per common stock Total amount of <b>¥1,208,866,410</b>
Effective date of dividend	June 30, 2025

## Proposal 2: Election of Eight Directors

The terms of office of all eight (8) Directors will expire at the conclusion of the General Meeting of Shareholders.

We therefore wish to propose the election of eight Directors.

The Company has established the Nomination and Compensation Committee, the majority of whose members are Outside Directors. The committee serves as an advisory panel to the Board of Directors, for the purpose of ensuring the fairness, transparency, and objectivity of procedures relating to the nomination and compensation of directors, and of further enhancing the Company's corporate governance system. The selection of candidates for Directors is decided by the Board of Directors based on the advice of the Nomination and Compensation Committee.

The candidates for Directors are as follows:

Candidate No.	Name	Position in the Company	
1	Ippei Takeda	Chairman & CEO	Reelection
2	Katsuhiko Mori	President & COO	Reelection
3	Akihiro Yano	Director & Managing Executive Officer General Manager of Corporate Planning Headquarters and General Manager of Sustainability Office	Reelection
4	Kazumi Matsushige	Director	Reelection Outside Independent
5	Haruhiko Kato	Director	Reelection Outside Independent
6	Noriko Kurimoto	Director	Reelection Outside Independent
7	Muneya Taniguchi	—	New election Outside Independent
8	Senko Ikenobo	—	New election Outside Independent

New election Candidate for new election as Director
 Reelection Candidate for reelection as Director
 Outside Candidate for Outside Director
 Independent Independent Director as defined by Stock Exchange

Candidate  
No.

1

**Ippei Takeda**

(born January 11, 1941)

Reelection



Number of Company  
shares held  
15,000

#### Career profile, and important concurrent positions and responsibilities

March 1963 Joined the Company  
February 1978 Representative Director & President of Nichicon (America)  
June 1983 Director of the Company  
December 1983 General Manager of the International Division of the Company  
July 1995 General Manager of the Company's Ohno Factory and Overseas Sales Manager  
June 1997 Managing Director of the Company  
June 1998 President & COO of the Company  
June 2003 Representative Director & President, COO of the Company  
June 2007 Representative Director & Chairman, COO of the Company  
June 2013 Representative Director & Chairman, CEO (current)

#### Reason for candidacy as Director

Since joining the Company, he has engaged in domestic and overseas sales and business operations. From 1998, served as Representative Director and President and from 2007 served as Representative Director and Chairman. Due to his abundant experience and knowledge of all aspects of management, the Company considers him suitably equipped to improve the sustainability of the Company's value, and therefore proposes him for reelection.

Candidate  
No.

2

**Katsuhiko Mori**

(born January 6, 1968)

Reelection



Number of Company  
shares held  
7,000

#### Career profile, and important concurrent positions and responsibilities

April 1991 Joined the Company  
January 2003 Deputy General Manager, Tokyo Branch No. 1 Sales Department, Eastern Japan Business Division  
January 2004 General Manager, Overseas Business Department, Sales Division  
February 2004 General Manager of Nichicon (Taiwan) Co., Ltd.  
June 2011 President of Nichicon (Taiwan) Co., Ltd.  
January 2014 General Manager of the Company's Greater China Business  
President of Nichicon (Hong Kong) Ltd.  
July 2020 Operating Officer of the Company  
General Manager of Capacitor Business  
Headquarters  
June 2023 Representative Director & President, COO (current)

#### Reason for candidacy as Director

Since joining the Company, he has been engaged in domestic and overseas sales and business operations. Due to his abundant experience and knowledge of all aspects of management, the Company considers him suitably equipped to improve the sustainability of the Company's value, and therefore proposes him for reelection.

Candidate  
No.

3

**Akihiro Yano**

(born December 18, 1957)

Reelection



Number of Company  
shares held

3,000

#### Career profile, and important concurrent positions and responsibilities

April 1980	Joined Pioneer Corporation
April 2001	Managing Director of Planning Division of Pioneer Europe (NV)
May 2005	Representative Director and President of Pioneer Electronics Germany GmbH
December 2009	Joined the Company as Deputy General Manager of Production Headquarters
October 2010	Deputy General Manager of Corporate Planning Headquarters
May 2011	General Manager of the Corporate Planning Headquarters (current)
July 2011	Operating Officer of the Company
June 2013	Director of the Company (current)
July 2015	Managing Operating Officer of the Company
July 2017	Senior Managing Operating Officer of the Company
February 2022	General Manager of Sustainability Office (current)
July 2023	Managing Executive Officer of the Company (current)

#### Reason for candidacy as Director

Since joining the Company, he has engaged in production and planning operations. From 2013 he served as Director. Due to his abundant experience and knowledge of planning, the Company considers him suitably equipped to improve the sustainability of the Company's value, and therefore proposes him for reelection.

Candidate  
No.

4

**Kazumi Matsushige** (born August 15, 1947)

Reelection

Outside

Independent



Number of Company  
shares held

2,000

#### Career profile, and important concurrent positions and responsibilities

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

#### Reason for candidacy as Outside Director candidate and outline of expectations

The Company expects to continue leveraging the high level of insight and wealth of experience of this candidate, who has had an extensive career as a university professor, to obtain valuable guidance for its operation and management. Although the candidate does not have any experience of direct involvement in corporate management, except as an Outside Director, the Company judges that for the above-stated reasons, he will be able to suitably fulfill his duties as an Outside Director.



Candidate  
No.

5

**Haruhiko Kato** (born July 21, 1952)

Reelection

Outside

Independent



### Career profile, and important concurrent positions and responsibilities

April 1975	Joined The Ministry of Finance
July 2007	Director-General of the Tax Bureau
July 2009	Commissioner of the National Tax Agency
July 2010	Resigned from Commissioner of the National Tax Agency
January 2011	Senior Managing Director of Japan Securities Depository Center, Inc.
June 2011	Representative Director and President of same company
June 2013	Outside Director of Toyota Motor Corporation
March 2014	Outside Director of Canon Inc.
March 2015	Outside Director of SHIKI THEATRE COMPANY (current)
July 2015	Director and President of Japan Securities Depository Center, Inc.
June 2019	Standing Audit & Supervisory Board Member of Toyota Motor Corporation
June 2023	Outside Director of the Company (current)
June 2024	Outside Director (Audit and Supervisory Committee Member) of Asahi Broadcasting Group Holdings Corporation (current)

### Reason for candidacy as Outside Director candidate and outline of expectations

This candidate has held important positions in the Ministry of Finance for many years, accumulating a wealth of knowledge of finance, tax and accounting. The Company expects to receive appropriate advice on the management of the Company, leveraging the experience he has gained through working in management roles and as representative director of financial institutions and directors of other companies including automotive companies. For this reason, the Company proposes his reelection as an Outside Director.

Number of Company  
shares held

1,000

Candidate  
No.

6

**Noriko Kurimoto** (born February 6, 1981)  
(Name on the Family Register:  
Noriko Kano)

Reelection

Outside

Independent



### Career profile, and important concurrent positions and responsibilities

December 2007	Registered as attorney, Osaka Bar Association
January 2014	Joined Kansai Law and Patent Office
June 2023	Partner of same Office (current)
June 2024	Outside Director of the Company (current)
June 2024	Outside Audit & Supervisory Board Member of The Kinki Sharyo Co., Ltd. (current)

### Reason for candidacy as Outside Director candidate and outline of expectations

The Company expects to continue leveraging the high level of insight of this candidate, who is a lawyer, to obtain valuable guidance for its operation and management. Although the candidate does not have any experience of direct involvement in corporate management, except as an Outside Director, the Company judges that for the above-stated reasons, she will be able to suitably fulfill her duties as an Outside Director.

Number of Company  
shares held

1,000

Candidate  
No.

7

**Muneya Taniguchi** (born June 6, 1962)

New  
election

Outside

Independent



Number of Company  
shares held

0

### Career profile, and important concurrent positions and responsibilities

April 1985	Joined The Mitsubishi Bank, Limited. (now MUFG Bank, Ltd.)
June 2011	Executive Officer and General Manager of Corporate Banking Division No. 3, Corporate Banking Group No.1 (same bank)
May 2015	Managing Executive Officer and General Manager of Corporate Banking Group No. 3 (same bank)
April 2019	Senior Managing Executive Officer (same bank)
June 2019	Representative of the Board of Directors and Senior Managing Executive Officer (same bank)
April 2021	Representative of the Board of Directors and Deputy President (same bank)
April 2022	Deputy Chairman of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
April 2025	Senior Advisor of Mitsubishi UFJ Securities Holdings Co., Ltd. (current)

### Reason for candidacy as Outside Director candidate and outline of expectations

The candidate has engaged in financial work for many years and has considerable knowledge of finance and accounting. The Company expects to receive appropriate advice on the management of the Company, leveraging his experience and knowledge. For this reason, the Company proposes his election as an Outside Director.

Candidate  
No.

8

**Senko Ikenobo**

(born September 20, 1965)  
(Name on the Family Register:  
Yuki Ikenobo)

New  
election

Outside

Independent



Number of Company  
shares held

1,000

### Career profile, and important concurrent positions and responsibilities

November 1989	Headmaster Designate of Ikenobo
July 1995	Vice Head Priest of Shiunzan Chohoji (Rokkakudo) Temple (current)
January 2007	Vice Chairman of Japan Ikebana Art Association (current)
April 2012	Vice President of Ikenobo Society of Floral Art (current)
October 2019	Executive Board Member of the Japan Association for the 2025 World Exposition
December 2019	Executive Board Member and Senior Advisor of the Japan Association for the 2025 World Exposition
April 2021	Vice Chairman of the Kyoto Association of Corporate Executives (current)
June 2023	Outside Director of Asahi Broadcasting Group Holdings Corporation (current)
December 2023	Deputy Chairperson, Executive Board Member, and Senior Advisor of the Japan Association for the 2025 World Exposition (current)

### Reason for candidacy as Outside Director candidate and outline of expectations

This candidate has knowledge of sustainability, which she has gained through her long years of experience in managing culture and arts organizations, and knowledge of diversity, which she has gained through serving as a board member and a committee member. The Company expects to receive appropriate advice on the management of the Company, leveraging her experience and knowledge. For this reason, the Company proposes her election as an Outside Director. Although the candidate does not have any experience of direct involvement in corporate management, except as an Outside Director, the Company judges that for the above-stated reasons, she will be able to suitably fulfill her duties as an Outside Director.

- (Notes)
- There are no special interests between each candidate and the Company.
  - Mr. Kazumi Matsushige, Mr. Haruhiko Kato, Ms. Noriko Kurimoto, Mr. Muneya Taniguchi and Ms. Senko Ikenobo are all Outside Director candidates.
  - Mr. Kazumi Matsushige will have been in the position of Outside Director of the Company for 13 years at the conclusion of this Ordinary General Meeting of Shareholders. Mr. Haruhiko Kato will have been in the position of Outside Director of the Company for 2 years at the conclusion of this Ordinary General Meeting of Shareholders. Ms. Noriko Kurimoto will have been in the position of Outside Director of the Company for 2 years at the conclusion of this Ordinary General Meeting of Shareholders.
  - The Company has entered into contracts with Mr. Kazumi Matsushige, Mr. Haruhiko Kato and Ms. Noriko Kurimoto, pursuant to Article 427, Paragraph 1 of the Companies Act, to limit their liability for payment of damages as set forth in Article 423, Paragraph 1 of the Act. The limit on liability for payment of damages under the contracts is in accordance with prevailing laws and regulations, and in the event that they are reappointed, the Company intends to continue the contracts with them. Under the same principle, the Company intends to enter into similar agreements with Mr. Muneya Taniguchi and Ms. Senko Ikenobo to limit their liability, should they be elected as Audit & Supervisory Board Members.
  - The Company has designated Mr. Kazumi Matsushige, Mr. Haruhiko Kato and Ms. Noriko Kurimoto as Independent Directors in accordance with the rules established by the Tokyo Stock Exchange and has registered them accordingly with the same Stock Exchange.
  - Mr. Muneya Taniguchi and Ms. Senko Ikenobo satisfy the qualifications for Independent Directors in accordance with the rules established by the Tokyo Stock Exchange, and the Company intends to designate them as Independent Directors should they be elected as Audit & Supervisory Board Members.
  - The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to the provision of Article 430-3, Paragraph 1 of the Companies Act, to cover the amount of damages and litigation expenses that may be incurred by insured executives in the event of any claims for damages arising from the execution of their duties. Should the candidates be elected, they will be included as insured persons under the relevant insurance contract. The Company intends to renew the contract under the same terms upon the next contract renewal.

### (Reference) Skills Matrix of Directors and Audit & Supervisory Board Members

List of Experience and Expertise of Directors and Audit & Supervisory Board Members after Approval of Proposal No. 2

	Gender	Position in the Company	Company management	Production/ R&D	Sales/ Marketing	Finance/ Accounting	International Experience/ Diversity	Legal affairs/Risk management	Sustainability/ ESG	HR development
Ippei Takeda	Male	Chairman & CEO	○	○	○	○	○	○	○	○
Katsuhiko Mori	Male	President & COO	○		○		○		○	○
Akihiro Yano	Male	Director	○	○		○	○		○	
Kazumi Matsushige	Male	Director, Outside/Independent		○				○	○	○
Haruhiko Kato	Male	Director, Outside/Independent	○			○	○			○
Noriko Kurimoto	Female	Director, Outside/Independent					○	○	○	
Muneya Taniguchi	Male	Director, Outside/Independent	○		○	○	○			
Senko Ikenobo	Female	Director, Outside/Independent					○		○	○
Shigeo Yoshida	Male	Standing Audit & Supervisory Board Member	○	○	○	○	○			○
Seiya Ueno	Male	Standing Audit & Supervisory Board Member	○			○	○	○		
Yoshihiko Nakatani	Male	Standing Audit & Supervisory Board Member, Outside/Independent	○	○			○			○
Kan Tsutagawa	Male	Audit & Supervisory Board Member, Outside/Independent	○		○	○		○		○

(Note) The above List of Experience and Expertise of Directors and Audit & Supervisory Board Members does not represent all of their experience and expertise.

**Proposal 3:**

**Revision of Remuneration Amount, etc., for Audit & Supervisory Board Members**

The amount of remuneration, etc., for Audit & Supervisory Board Members has not changed since it was approved at an annual amount of ¥50 million or less at the 72nd Ordinary General Meeting of Shareholders held on June 28, 2007.

With the larger scale of the Group's business and the strengthening system of corporate governance, the range of duties assigned to Audit & Supervisory Board Members has grown, and their roles and responsibilities are expanding accordingly. By taking this into account, we have decided to revise the remuneration amount for Audit & Supervisory Board Members to achieve the appropriate level of remuneration in accordance with their roles and responsibilities.

Therefore, we hereby propose the revision of the remuneration, etc., amount for Audit & Supervisory Board Members from the current annual amount of ¥50 million or less to an annual amount of ¥80 million or less.

This proposal was determined by the Board of Directors after discussion with Audit & Supervisory Board Members, and the Company deems the amount to be appropriate.

The remuneration of each Audit & Supervisory Board Member remains the same, only composed of basic compensation.

The number of Audit & Supervisory Board Members is currently four (of which two are Outside Audit & Supervisory Board Members) and will not change even after this Ordinary General Meeting of Shareholders.

## Business Report for the Fiscal Year Ended March 31, 2025

( For the Consolidated Fiscal Year )  
Ended March 31, 2025

### **1** Matters Concerning the Current State of the Nichicon Group

#### (1) Review of Business Operations and Results

During the consolidated fiscal year under review, despite the rising energy costs and inflation, the Japanese economy showed a gradual recovery, supported by growth in personal consumption and inbound tourism demand, as well as strong corporate capital investment. Although being impacted by the change in monetary policy, the US economy maintained robust consumer spending, which was helped by a favorable employment situation. In China, domestic demand was stimulated by economic measures, but the economic slowdown continued due to the prolonged personal consumption slump and real estate recession. The European economy showed signs of recovery from the prolonged economic downturn due to the easing of inflationary pressures although the manufacturing industry was sluggish, mainly in Germany.

As a result of all these factors, the Group's net sales for the consolidated fiscal year under review were ¥175,751 million, down 3.2% from the previous year. The Group posted an operating profit of ¥5,203 million for the year, down 41.6% year-on-year; an ordinary profit of ¥7,511 million, down 34.2% year-on-year; and a profit attributable to owners of parent of ¥5,877 million, down 28.8% year-on-year.

Performance by segment was as follows.

#### (Capacitor business)

For the Capacitor business, both net sales and operating profit declined year on year, with net sales of ¥99,168 million (down 6.8% year on year), and segment operating profit of ¥1,551 million (down 78.8% year on year).

Amid a slowdown in growth expectations for BEVs with regard to sales for automotive and vehicle-mounted equipment, companies in each country, including manufacturers of finished automobiles, reduced their production volume or reviewed their production plans. Nevertheless, the overall market showed steady growth, such as an increasing demand for hybrid vehicles, and the movement toward vehicle electrification is also making steady progress. As for aluminum electrolytic capacitors for vehicle-mounted equipment, some customers, mainly in Europe, made inventory adjustments or reduced production volumes. Meanwhile, demand for conductive polymer aluminum solid electrolytic capacitors and conductive polymer hybrid aluminum electrolytic capacitors mounted in advanced driver-assistance systems (ADAS) or electrification units is growing, so we continue to set up systems to enable increased production. In the information and telecommunications equipment segment, our conductive polymer aluminum solid electrolytic capacitors and conductive polymer hybrid aluminum electrolytic capacitors for data center applications, including generative AI servers, enjoyed robust sales and are expected to grow further in the future. To respond to the demand, we aim to achieve growth by enhancing our sales structure and investing as many technical resources as possible. In addition, demand for inverter-related equipment for white goods and industrial equipment finally bottomed out, due to large-type aluminum electrolytic capacitors for use in industrial equipment, power conditioners, and air conditioners being used up by some customers, and is expected to recover in the future. We will continue our efforts to enhance orders received in key focused markets, through boosting production capacity and strengthening our technology development organization with regard to film capacitors for xEV equipment, as well as enhancing our lineup of conductive polymer aluminum solid electrolytic capacitors and conductive polymer hybrid aluminum electrolytic capacitors, for which increase in demand is expected.

#### (NECST business)

For the NECST business, both net sales and segment operating profit increased year on year, with net sales of ¥76,583 million (up 1.8% year on year), and segment operating profit of ¥3,648 million (up 130.5% year on year).

The sales of household energy storage systems increased significantly in the third quarter, driving the growth of the NECST business. As for new products launched last year, we offer a product lineup that meets the needs of customers, with the aim of installing in not only new but also existing buildings, by expanding or developing sales channels to promote the use of renewable energy. Regarding EV-related equipment, our quick chargers have been

chosen amid the promotion of EV-driving environment development based on the EV charging infrastructure network development policy of the Japanese government. Meanwhile, V2H systems have been impacted by the change in the grant conditions for subsidies and the sluggish EV sales. Under these circumstances, more EVs are being imported every year, and the number of V2H-compatible vehicles is also increasing accordingly. By taking these opportunities, we have made efforts to raise awareness about the superior features of our V2H for promotion. As for power supplies for office equipment, profitability was improved through sales activities and business restructuring. The sales of large special power supplies for medical and scientific use remained stable as planned. We strive to solve social issues and contribute to a brighter future for society through the value proposition of environment-related products and services, including household/public and industrial power storage systems, quick chargers, and V2H, which help to achieve a better global environment.

Category	89th Fiscal Year (Ended March 31, 2024)		90th Fiscal Year (Ended March 31, 2025)		Year-on-Year Change	
	Net Sales	Percentage to total	Net Sales	Percentage to total	Net Sales	Percentage to total
Capacitor business	(Millions of yen) 106,429	% 58.6	(Millions of yen) 99,168	% 56.4	(Millions of yen) (7,261)	% (6.8)
NECST business	75,214	41.4	76,583	43.6	1,369	1.8
Total	181,643	100.0	175,751	100.0	(5,892)	(3.2)

## (2) Capital Investment

We made a total capital investment of ¥11,129 million during the consolidated fiscal year under review. Investments were focused on technology and development aimed at growth of new businesses; on boosting production capacity for aluminum electrolytic capacitors for vehicle-mounted equipment and information and telecommunications equipment and film capacitors for xEVs, which are our core businesses; and enhancing new products in our NECST business.

Breakdown by segment was as follows.

Capacitor business	¥9,153 million
NECST business	¥1,976 million

## (3) Financing

Not applicable

## (4) Key Issues to be Addressed

The Group engages in (i) Capacitor business, centered on electronic devices such as aluminum electrolytic capacitors, conductive polymer aluminum solid electrolytic capacitors, conductive polymer hybrid aluminum electrolytic capacitors, film capacitors, and small lithium titanate rechargeable batteries (LTO), and (ii) NECST business, centered on circuit products such as household/public and industrial power storage systems, EV/PHV quick chargers, environment-related V2H system products, switching power supplies, functional modules, and specialty power supplies for research, medical, and industrial use. In these segments, we are focusing on four key markets—"energy, environment, and medical equipment"; "automobiles and vehicle-related equipment"; "white goods and industrial inverter equipment"; and "information and telecommunications equipment". In all these areas, we strive to resolve social issues through the development of competitive new products that embody high reliability, high safety, and high functionality, as well as to expand our existing businesses and create new businesses.

### i. Capturing business opportunities for the realization of a low-carbon society and advancement of key technologies

In our Capacitor business, we will leverage our cutting-edge technology of aluminum electrolytic capacitors and our production and sales organizations in Japan and overseas, and strengthen and expand our business foundation across quality, cost, delivery timing, and service, with a focus on the growth markets of mobility, information and telecommunications, and environment. In the field of film capacitors for xEVs, which we develop and produce ourselves from metallized film, recognizing the rising demand as a growth opportunity, we are

steadily making efforts to grow sales and enhance our production system. Continually building on the strengths we have cultivated since establishing ourselves in the Capacitor business, on the technology side, we are expanding from needs development to product development, as well as seeds development through industry-academia collaboration. On the production side, on top of promoting initiatives such as continuous quality improvement, we are implementing KPI target management based on common indicators to strengthen our processes.

In our NECST business, in response to the megatrend of decarbonization, we are further enhancing our value proposition by taking advantage of our broad range of energy and environment-related products and our circuit technologies, spanning from switching power supplies to specialty power supplies for research, medical, and industrial use. More specifically, in our environment-related business, we are strengthening our response to the growth of the renewable energy and energy storage markets, driven by the worldwide acceleration of decarbonization as well as continued high energy prices, and our roll-out of total zero-carbon systems featuring our energy storage and power control technologies. In addition, we are addressing the shift to EVs by enhancing public charging infrastructure with quick chargers, external power supplies (Power Mover<sup>®</sup>), and V2H systems. In the field of these environment-related products, we will strive not only to propose new value through enhancing energy performance in everyday life and create new demand but also to enhance our "brand power" to raise awareness among our customers (end consumers) with the new brand slogan "Kurashi ni, Enepa! (Energy performance for living!)" With regard to circuit products, in the switching power supplies segment, we are leveraging our power-saving control board technology to aim for further growth, particularly in air conditioning equipment, robots, and growth fields such as communications equipment. In addition, we are aiming to expand globally with large specialty power supplies and accelerator power supplies for medical and scientific use, thereby contributing to social infrastructure. Additionally, we are further accelerating product development efforts to help resolve social challenges, by improving our system for developing unique, market-leading, innovative products and technologies, such as our small lithium titanate rechargeable batteries (LTO), household energy storage systems, and V2H systems.

ii. Strengthening management to make business less affected by the external environment

In combination with advances in digital transformation (DX), the promotion of SDGs and carbon neutrality has transformed our industrial structure and social economy, creating significant business opportunities. In the future, we may see shifts to vehicle electrification and to EV adoption as well as remarkable advances in AI, IoT, and other digital technologies revolutionizing human lifestyles. Demand for automation and power-saving technology is therefore likely to grow, not only in developed countries, but also in emerging economies. To support this demand, we expect to see renewable energy become increasingly mainstream as the cost of renewable power generation drops. According to the Japio SDGs Patent Index business rankings—an SDGs evaluation index operated by the Japan Patent Information Organization (Japio)—the Nichicon Group was ranked second in the electronic components, devices, and electronic circuitry manufacturing category. By leveraging a wealth of technological potential, we will continue to create products and solutions that contribute to the sustainability of society going forward, focusing on the environmental and energy domains.

Given the current paradigm shift and increasing uncertainty, we believe that the key factor for achieving growth over the medium to long term will be delivering "values" using the keywords, "G: Green (Environment)" and "D: Digital (DX)."

In the case of G (Environment), as climate change has become a global challenge, related markets will grow further. As a result, we expect to see increasing opportunities for our environment-friendly products and businesses. We are committed to enhancing our competitive advantage by further upgrading our range of products, from energy storage systems to expand the application of renewable energy, to various products in our Capacitor business and NECST business for addressing climate change needs.

In the area of D (Digital), the promotion of DX has become a prerequisite in terms of strengthening corporate competitiveness. To achieve business growth, it is not enough to simply produce good products and technologies; we are also putting effort into capitalizing on DX to improve profitability by enhancing customer services, increasing productivity, and improving investment efficiency. By refining our "earning power" as above, we will create a virtuous cycle of capital investment, R&D investment, and securing outstanding human resources (including through sustainable wage increases), to pave the way for the next stage of growth. To contribute to a sustainable society, the Nichicon Group must first be profitable and sustainable. Then, with digital transformation as a growth driver, we can streamline and increase the efficiency of all departments of the Company, to create business potential and establish a sound basis for profitability.



iii. Setting up and promoting ESG management

With the aim of ensuring that the Nichicon Group is assessed positively in terms of ESG, we have formulated a "Sustainability Policy." To achieve sustainable growth and increase corporate value, the Group is striving to contribute to the global environment through its products, to strengthen its human resource base through greater workstyle diversity, and to strengthen its corporate governance and compliance systems.

As part of our efforts to address environmental issues, we aim to reduce CO<sub>2</sub> and other greenhouse gas emissions (Scope 1, 2, and 3) by 46% by fiscal 2030 (compared to fiscal 2021 levels) to contribute to efforts to mitigate global warming. For example, in addition to converting our core manufacturing plant of household energy storage systems, Nichicon (Wakasa), into a 100% renewable energy-based factory, we have installed a complex system that stores up the solar PV power generated at the Company's facilities and supplies it efficiently, without waste, to charge EVs and power production facilities. Similarly, we are cutting CO<sub>2</sub> emissions through new ways of utilizing renewable energy in production plants and other large-scale facilities. Furthermore, we will continue analyzing the business risks and opportunities arising from climate change and applying them to our medium to long term business development as well as CO<sub>2</sub> reduction initiatives, and disclosing information based on the CO<sub>2</sub> emission results (Scope 1, 2, and 3) and TCFD. In the CDP Climate Change 2024 Report, we were given an "A" assessment, representing the highest level, in the climate change field, and an "A- (A minus)" assessment, representing the leadership level, in the water security field. We have been granted SBT (Science Based Targets) certification from the SBT Initiative, an international organization on greenhouse gas emission reduction targets. We will continue to promote these initiatives.

Based on the Group's human resource philosophy that people are the source of Nichicon's vitality, we believe that people are the Group's most valuable asset. Accordingly, we strive to enhance our human resource systems and work environment, so that each and every employee can sensitively perceive the needs of our society and our times and think and work ("ko-do") with a high level of awareness of compliance, with the opportunity to demonstrate their abilities and realize true fulfillment and personal growth. In terms of our interactions with society, we continue to promote industry-academia collaboration. We will continue to actively promote joint R&D activities with university institutions to enhance our knowledge capital, for example, through joint research in various categories from materials to devices and design in comprehensive research and development collaborations with the Institute of Industrial Science at the University of Tokyo.

For improved corporate governance, 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, we have prepared a skill matrix, and half of the board members are Outside Directors. Furthermore, we established a Nomination and Compensation Committee, to serve as an advisory panel for the Board of Directors. A majority of the panel members are Outside Directors and Outside Audit & Supervisory Board Members. The panel's purpose is to ensure the fairness, transparency, and objectivity of procedures relating to the nomination and compensation of Directors. To strengthen compliance, we will continue to improve our systems for ensuring proper execution of business and for ensuring the reliability of financial reporting to promote further improvement and implementation of internal controls.

In addition, the Board of Directors conducts periodic evaluation of the appropriateness of continued cross-shareholdings, as well as effective use of management resources, from various aspects including the transaction volume and relationship with the invested company from a medium- to long-term viewpoint, as well as the financial soundness, share price, and dividends of the invested company. We will wind down cross-shareholdings for which the merit gained from owning such shares has diminished, through continued dialogue with related business partners, etc.

Total amount of cross-shareholdings recorded on the consolidated balance sheet (as of March 31, 2025)

Category	88th Fiscal Year (Ended March 31, 2023)	89th Fiscal Year (Ended March 31, 2024)	90th Fiscal Year (Ended March 31, 2025)
Number of stock names	42	38	33
Total consolidated balance sheet amount (Millions of yen)	23,581	26,722	21,719
Ratio to consolidated equity (%)	23.3	23.5	19.1

(Note) The Company does not own any deemed shareholdings.

(5) Financial and Profit/Loss Indicators

Category	87th Fiscal Year (Ended March 31, 2022)	88th Fiscal Year (Ended March 31, 2023)	89th Fiscal Year (Ended March 31, 2024)	90th Fiscal Year (Ended March 31, 2025)
Net sales (Millions of yen)	142,198	184,725	181,643	175,751
Ordinary profit (Millions of yen)	8,594	15,263	11,407	7,511
Profit attributable to owners of parent (Millions of yen)	7,902	7,814	8,253	5,877
Profit per share (yen)	115.50	114.22	120.64	86.04
Total assets (Millions of yen)	170,112	192,339	206,937	192,582
Equity (Millions of yen)	94,652	101,354	113,839	113,814
Equity per share (Yen)	1,350.76	1,444.66	1,620.98	1,644.33

(Note) Profit or loss per share is calculated based on the average number of issued shares less treasury shares during the period; and equity per share is calculated based on the number of issued shares less treasury shares at the end of the period.

(6) Important Status of Parent Company and Subsidiaries

i. Relationship with Parent Company

Not applicable

ii. Principal Consolidated Subsidiaries

Subsidiary	Share capital	Percentage of voting rights held by the Company (%)	Primary business
Nichicon Hi-Tech Foil Corporation	¥80 million	100.0	Manufacture of electrode foils for capacitors
Nichicon (Kusatsu) Corporation	¥80 million	100.0	Manufacture of capacitors for electric utilities and power apparatus, film capacitors, and capacitor-applied systems and equipment
Nichicon (Kameoka) Corporation	¥80 million	100.0	Manufacture of function modules, V2H systems, PTC thermistors, and household energy storage systems
Nichicon (Ohno) Corporation	¥80 million	100.0	Manufacture of aluminum electrolytic capacitors and small lithium titanate rechargeable batteries (LTO)
Nichicon (Iwate) Corporation	¥100 million	100.0	Manufacture of aluminum electrolytic capacitors
Nichicon (Wakasa) Corporation	¥84 million	100.0	Manufacture of power supplies and household energy storage systems
Torishima Electric Works, Ltd.	¥30 million	100.0	Manufacture and sale of transformers and reactors
Nippon Liniac Co., Ltd.	¥15 million	100.0	Manufacture and sale of pressure sensors and measuring instruments
Yutaka Electric Mfg. Co., Ltd.	¥330 million	100.0	Development, design, manufacture, and sale of power supply systems
Nichicon (America) Corporation	US\$ 3 million	100.0	Sale of capacitors
Nichicon (Austria) GmbH	EUR 1 million	100.0	Sale of capacitors
Nichicon (Hong Kong) Ltd.	HK\$ 5 million	100.0	Sale of capacitors
Nichicon (Singapore) Pte. Ltd.	S\$ 8 million	100.0	Sale of capacitors
Nichicon (Taiwan) Co., Ltd.	NT\$ 30 million	100.0	Sale of capacitors
Nichicon (Thailand) Co., Ltd.	THB 20 million	49.0	Sale of capacitors
Nichicon Electronics Trading (Shanghai) Co., Ltd.	US\$ 500,000	100.0	Sale of capacitors
Nichicon Electronics Trading (Shenzhen) Co., Ltd.	US\$ 300,000	100.0	Services associated with the sale of capacitors and circuit products
Nichicon (Malaysia) Sdn. Bhd.	RM 63 million	100.0	Manufacture and sale of aluminum electrolytic capacitors
Nichicon Electronics (Wuxi) Co., Ltd.	US\$ 75 million	100.0	Manufacture and sale of aluminum electrolytic capacitors and various power supplies
Nichicon Electronics (Suqian) Co., Ltd.	US\$ 55 million	100.0	Manufacture and sale of aluminum electrolytic capacitors and capacitors for electric apparatus
Wuxi Nichicon Electronics R&D Center Co., Ltd.	RMB 5 million	100.0	Development and design of power supplies and aluminum electrolytic capacitors

- (Notes) 1. The above percentages of voting rights held by the Company include voting rights held by the Company's subsidiaries.  
2. The Company has 21 consolidated subsidiaries and 2 companies accounted for under the equity method.

(7) Principal Businesses of the Nichicon Group (as of March 31, 2025)

The Nichicon Group engages in the manufacture and sale of various capacitors, applied systems and circuit products. Main products of each segment are as follows.

Segment	Principal products
Capacitor business	Aluminum electrolytic capacitors, film capacitors, small lithium titanate rechargeable batteries (LTO), film capacitors for power electronics, film capacitors for xEVs
NECST business	Household energy storage systems, V2H systems, Tribrid Energy Storage Systems™, quick chargers for EV/PHVs, external power feeders, switching power supplies, function modules, public and industrial power storage systems, large specialty power supplies, accelerator power supplies at medical and academic facilities

(8) Principal Offices and Plants of the Nichicon Group (as of March 31, 2025)

Nichicon Corporation	Head Office		Nakagyo-ku, Kyoto
	Sales offices and other facilities	Tokyo Sales Office	Chuo-ku, Tokyo
		Nagoya Sales Office	Naka-ku, Nagoya
		West Japan Sales Office	Nakagyo-ku, Kyoto
		Power Supply Center	Chuo-ku, Tokyo
Nichicon Hi-Tech Foil Corp.	Ohmachi, Nagano; Ohno, Fukui		
Nichicon (Kusatsu) Corp.	Kusatsu, Shiga		
Nichicon (Kameoka) Corp.	Kameoka, Kyoto		
Nichicon (Ohno) Corp.	Ohno, Fukui; Azumino, Nagano		
Nichicon (Iwate) Corp.	Iwate-machi, Iwate		
Nichicon (America) Corp.	Illinois, United States		
Nichicon (Austria) GmbH	Vienna, Austria		
Nichicon (Hong Kong) Ltd.	Hong Kong, China		
Nichicon (Taiwan) Co., Ltd.	Taipei, Taiwan		
Nichicon (Malaysia) Sdn. Bhd.	Selangor, Malaysia		
Nichicon Electronics (Wuxi) Co., Ltd.	Wuxi, China		
Nichicon Electronics (Suqian) Co., Ltd.	Suqian, China		

(9) Employees (as of March 31, 2025)

i. Employees of the Nichicon Group

Segment	Number of employees	Change from end of the previous consolidated fiscal year
Capacitor business	3,725	Down 186
NECST business	1,260	Up 51
Corporate (common)	257	Down 17
Total	5,242	Down 152

ii. Employees of the Company

Number of employees	Change from end of previous fiscal year	Average age	Average length of service
585	Up 4	45.6	9.7 years

(10) Major Lenders (as of March 31, 2025)

Lenders	Loan outstanding
Mizuho Bank, Ltd.	¥5,625 million
The Bank of Kyoto, Ltd.	¥5,625 million
Sumitomo Mitsui Banking Corporation	¥5,625 million
MUFG Bank, Ltd.	¥5,625 million
Nippon Life Insurance Company	¥2,450 million

(11) Other Important Matters Concerning the Current State of the Nichicon Group

The Company and some of its overseas sales subsidiaries have been under investigation by the Japan Fair Trade Commission (JFTC) and regulatory authorities of the European Union, the United States, and other bodies since March 2014 over alleged violations of applicable competition laws arising from the sale of aluminum electrolytic capacitors and tantalum electrolytic capacitors in respective regions and countries. In March 2016, the Company received from the JFTC a cease-and-desist order and an order to pay a surcharge for the investigation in Japan. We appealed against the assessments and judgments that the JFTC's orders were based upon and filed a legal action seeking cancellation of the order. We further made an appeal to a higher court, but in October 2021, the appeals court handed down a judgment to dismiss our appeal, and to not accept the Company's appeal. Accordingly, this action is now closed.

Outside of Japan, in December 2015, Nichicon (Hong Kong) Ltd., a Company subsidiary, was subjected to a penalty from the Taiwan Fair Trade Commission. In February 2016, the subsidiary appealed against the assessments and judgment on which the penalty was based and filed a legal action. The subsidiary further appealed to a higher court, and as a result, in November 2023, the Supreme Administrative Court handed down a judgment

to annul the penalty decision on the grounds that the calculation method of the penalty was unlawful. Accordingly, this action is now closed. Then, the Taiwan Fair Trade Commission conducted a reinvestigation based on the judgment, and our argument was generally accepted. With the penalty sanctioned against the subsidiary significantly reduced, the case was closed in December 2024. In March 2018, the Company was sanctioned by the European Commission with a fine, and in May of the same year it filed a lawsuit to appeal the finding and decision of the sanction. We further made an appeal to a higher court, but in July 2023, a judgment was handed down to dismiss our appeal. Accordingly, this action is now closed.

We have already paid the above surcharges and penalty in full by the due date in order to avoid the risk of having to pay delinquency charges. Class action lawsuits in relation to this matter have been filed against us in the United States and Canada. In the case of the U.S., in September 2018 we concluded a settlement with indirect customers involving the payment by us of US\$ 21.5 million, which received final approval from a US court in July 2020. We also concluded a settlement with direct customers in December 2018, involving the payment by us of US\$ 90 million, which received final approval from a US court in May 2019. In addition, we gradually reached settlements on the individual actions filed by capacitor buyers who had opted out of the class action, and in November 2022, concluded a settlement agreement with the remaining four plaintiffs including a payment by us of US\$ 34 million, closing all individual actions. With regard to the Canada class action, a settlement agreement was concluded in March 2023 with the plaintiffs, which includes a payment by us of C\$ 14.5 million, which received final approval from a Canadian court in November 2023. With regard to the class action in Israel, settlement agreements were concluded in March 2024 with the plaintiffs, which include a payment by us of US\$ 2.91 million, and approval of the settlement was granted by the court in November 2024.

These settlement agreements will also be officially confirmed through court approval procedures, which we will continue to follow appropriately. As stated earlier, we have stepped up our efforts to institute more stringent compliance with competition laws and to raise the awareness of legal compliance amongst employees, by updating internal rules, upgrading our internal compliance system, and training and educating employees on compliance. We will spare no effort to ensure that legal compliance is enforced to the letter throughout the organization.

## 2 Matters Concerning Company Shares

- (1) Authorized Number of Shares to Be Issued: 137,000,000 shares
- (2) Number of Shares Issued: 67,159,245 shares (excluding 2,840,755 treasury shares)
- (3) Number of Shareholders as of the End of the  
Fiscal Year under Review: 19,062
- (4) Ten Largest Shareholders:

Name of shareholder	Number of shares held (thousands)	Percentage of total shares issued (%)
The Master Trust Bank of Japan (Trust account)	7,924	11.8
Nichicon Suppliers' Stock Ownership Program	3,743	5.6
The Bank of Kyoto, Ltd.	3,409	5.1
Mizuho Bank, Ltd.	2,690	4.0
Nippon Life Insurance Company	2,670	4.0
Custody Bank of Japan, Ltd. (Trust account)	2,314	3.4
State Street Bank and Trust Company 505001	2,290	3.4
Sumitomo Mitsui Banking Corporation	2,200	3.3
MUFG Bank, Ltd.	2,000	3.0
HSBC Hong Kong—Treasury Services A/C Asian Equities Derivatives	1,717	2.6

- (Notes) 1. The Company holds 2,840,000 treasury shares, which are excluded from the above table.
2. The percentages of shareholdings (of total shares issued) are calculated after deduction of treasury shares.
3. The number of shares held is rounded down to the nearest thousand shares.

(5) Other Important Matters Concerning Shares

i. Purchase of treasury shares

The Company purchased treasury shares as follows based on a resolution at the meeting of the Board of Directors held on February 6, 2025.

Type of shares purchased	Common shares of the Company
Total number of shares purchased	1,255,100
Total amount of share purchase costs	¥1,599,735,300
Purchase period	February 7, 2025 to March 21, 2025 (on a trade basis)

ii. Cancellation of treasury shares

The Company canceled treasury shares as follows based on a resolution at the meeting of the Board of Directors held on February 6, 2025.

Type of shares canceled	Common shares of the Company
Total number of shares canceled	8,000,000
Total number of shares issued after cancellation	70,000,000
Date of cancellation	February 28, 2025

**3** Matters Concerning Stock Acquisition Rights, etc., of the Company

- (1) State of stock acquisition rights issued as compensation for the execution of duties by Company Directors and Audit & Supervisory Board Members  
Not applicable
- (2) State of stock acquisition rights issued to Employees, etc., as compensation for the execution of duties during the fiscal year under review  
Not applicable
- (3) Other important matters concerning stock acquisition rights, etc.  
Not applicable



#### 4 Matters Concerning Directors and Audit & Supervisory Board Members

##### (1) Directors and Audit & Supervisory Board Members (as of March 31, 2025)

Title	Name	Position in the Company and important concurrent positions held in other companies or organizations
Chairman and Chief Executive Officer	Ippei Takeda	CEO
Representative Director and President	Katsuhiko Mori	COO
Director Senior Managing Executive Officer	Hitoshi Chikano	General Manager of Financial & Accounting Headquarters
Director Senior Executive Operating Officer	Akihiro Yano	General Manager of Corporate Planning Headquarters and General Manager of Sustainability Office
Director	Kazumi Matsushige	Professor Emeritus at Kyoto University; President of Shikoku University and Shikoku University Junior College; Outside Director of Awa Paper Mtg. Co., Ltd.
Director	Shigenobu Aikyo	Outside Director of Hashimoto Sogyo Holdings Co., Ltd.; Outside Audit & Supervisory Board Member of Starts Corporation Inc.
Director	Haruhiko Kato	Outside Director of SHIKI THEATRE COMPANY Outside Director (Audit and Supervisory Committee Member) of Asahi Broadcasting Group Holdings Corporation
Director	Noriko Kurimoto	Partner and attorney, Kansai Law and Patent Office; Outside Audit & Supervisory Board Member of The Kinki Sharyo Co., Ltd.
Standing Audit & Supervisory Board Member	Shigeo Yoshida	
Standing Audit & Supervisory Board Member	Seiya Ueno	
Standing Audit & Supervisory Board Member	Yoshihiko Nakatani	
Audit & Supervisory Board Member	Kan Tsutagawa	

- (Notes)
1. Kazumi Matsushige, Shigenobu Aikyo, Haruhiko Kato, and Noriko Kurimoto are Outside Directors.  
The Company has designated Kazumi Matsushige, Shigenobu Aikyo, Haruhiko Kato, and Noriko Kurimoto as Independent Directors in accordance with the rules established by the Tokyo Stock Exchange, and has registered them accordingly with the Stock Exchange.
  2. Yoshihiko Nakatani and Kan Tsutagawa are Outside Audit & Supervisory Board Members.  
The Company has designated Audit & Supervisory Board Members Yoshihiko Nakatani and Kan Tsutagawa as Independent Directors in accordance with the rules established by the Tokyo Stock Exchange and has registered them accordingly with the Stock Exchange.
  3. Kan Tsutagawa, Audit & Supervisory Board Member, has held directorships at news organizations, and as such, has considerable knowledge and expertise in company management.
  4. Reassignments of Directors and Audit & Supervisory Board Members during the fiscal year under review were as follows:
    - At the 89th Ordinary General Meeting of Shareholders on June 27, 2024, Shigeo Yoshida and Seiya Ueno were newly elected and installed as Audit & Supervisory Board Members.
    - On the occasion of the 89th Ordinary General Meeting of Shareholders on June 27, 2024, Audit & Supervisory Board Member Masahiro Morise retired. Audit & Supervisory Board Member Sachihiko Araki also retired due to his death on May 31, 2024.

(2) Remuneration of Directors and Audit & Supervisory Board Members

i. Policy for determining the details of compensation for Directors and Audit & Supervisory Board Members

1. Basic policy

The basic policy is to link remuneration of the Company's Directors to shareholder profit, so as to function effectively as an incentive for sustainably improving corporate value, and to determine the appropriate level of remuneration of individual Directors based on their particular responsibilities. More specifically, the remuneration of executive Directors shall consist of a fixed basic compensation and a performance-linked compensation, whereas Outside Directors, who serve a supervisory function, shall be paid only a fixed compensation, in line with their role and independence.

2. Policy for determining the basic remuneration of individuals

The basic compensation of the Company's Directors shall consist of a fixed monthly sum, within the limit for Directors decided at the general meeting of shareholders, comprehensively taking into account individual responsibilities and performance, Company performance and trends at other companies, medium to long-term performance, and past remuneration history.

3. Policy for determining the details and amount of performance-linked compensation

To raise awareness of the need to improve business performance in each fiscal year, the Company's performance-linked compensation shall be decided based on the recommendations of the Nomination and Compensation Committee, within the limit decided by the general meeting of shareholders. The amount of compensation shall be in accordance with the role and contribution of the individual over the short, medium, and long term within a specific range of net profit attributable to shareholders of the parent company. The compensation shall be paid yearly at a specific time.

4. Policy for determining the proportion of basic and performance-linked compensation in the remuneration of individual Directors

Since the Company's performance-linked compensation is paid within the range of the net profit attributable to the shareholders of the parent company, it will vary substantially depending on the corporate results. As a result, the value of performance-linked compensation as a percentage of basic compensation tends to vary widely from year to year. For this reason, the Company has not established any guidelines regarding the proportion of each component of remuneration.

5. Matters concerning the determination of remuneration of individual Directors

The details of the remuneration of individual Directors shall be entrusted to the Representative Directors under the approval of the Board of Directors. The authority of the Representative Directors extends to deciding on the basic compensation of individual Directors, as well as evaluating and apportioning the performance-linked compensation, in consultation among themselves.

To ensure that this authority is appropriately exercised by the Representative Directors, the Board of Directors shall consult with and receive guidance from the Nomination and Compensation Committee, and the Representative Directors who are entrusted with this responsibility must take decisions in accordance with the guidance received.

ii. Total amount of compensation for the fiscal year under review

Category	Amount of compensation (Millions of ¥)	Amount of compensation by type (millions of ¥)		Number of Directors and Audit & Supervisory Board Members
		Basic compensation	Bonus	
Directors (of which Outside Directors)	206 (37)	173 (37)	33 (—)	8 (4)
Audit & Supervisory Board Members (of which Outside Audit & Supervisory Board Members)	44 (21)	44 (21)	— (—)	6 (3)
Total (of which Outside Directors and Outside Audit & Supervisory Board Members)	251 (58)	218 (58)	33 (—)	14 (7)

- (Notes)
1. As per a resolution adopted at the general meeting of shareholders held on June 28, 2007, the total remuneration paid to Directors is limited to ¥280 million per year (there were 7 Directors as of the end of the fiscal year under review), and the total remuneration paid to Audit & Supervisory Board Members is limited to ¥50 million per year (there were 3 Audit & Supervisory Board Members as of the end of the fiscal year under review).
  2. The above amount of remuneration paid to Audit & Supervisory Board Members includes the remuneration paid to two Audit & Supervisory Board Members (of which one is an Outside Audit & Supervisory Board Member) who resigned during the fiscal year under review.
  3. The above amount of remuneration paid to Directors does not include employee salaries or bonuses paid to Directors who are also employees of the Company.
  4. The remuneration of each Audit & Supervisory Board Member is decided by consultation among the Audit & Supervisory Board Members, but due to the oversight nature of their auditor's role, they are only paid a fixed compensation.

(3) Outside Directors and Outside Audit & Supervisory Board Members

i. The Company's Relationship with the Companies or Organizations in which Outside Directors and Outside Audit & Supervisory Board Members Hold Important Concurrent Positions:

Important concurrent positions held by Outside Auditors are as described in (1) Directors and Audit & Supervisory Board Members, and there are no relationships between the Company and the relevant entities in which the Outside Directors hold concurrent positions.

ii. Main Activities during the Fiscal Year under Review

Category	Name	Attendance, remarks, and outline of duties performed in relation to the role expected of an Outside Director
Director	Kazumi Matsushige	He has attended 10 out of 10 meetings of the Board of Directors during the fiscal year under review. He has made statements at suitable times, offering expert insight based on his wealth of knowledge and experience as an academic, adequately fulfilling his role and responsibility of providing highly effective supervision of the Company's management.
Director	Shigenobu Aikyo	He has attended 10 out of 10 meetings of the Board of Directors during the fiscal year under review. He has worked in the financial industry for many years and made statements at suitable times, offering expert insight based on his wealth of knowledge and experience in the fields of finance and accounting, adequately fulfilling his role and responsibility of providing highly effective supervision of the Company's management.
Director	Haruhiko Kato	He has attended 10 out of 10 meetings of the Board of Directors during the fiscal year under review. He has worked in the financial industry for many years and made statements at suitable times, offering expert insight based on his wealth of knowledge and experience in the fields of finance and accounting, adequately fulfilling his role and responsibility of providing highly effective supervision of the Company's management.
Director	Noriko Kurimoto	She has attended 10 out of 10 meetings of the Board of Directors during the fiscal year under review. She has made statements at suitable times, offering expert insight based on her wealth of knowledge and experience as an attorney, adequately fulfilling her role and responsibility of providing highly effective supervision of the Company's management.
Audit & Supervisory Board Member	Yoshihiko Nakatani	He has attended 10 out of 10 meetings of the Board of Directors and 12 out of 12 meetings of the Audit & Supervisory Board during the fiscal year under review. He made statements at suitable times, offering expert insights based on his wealth of knowledge and experience as a technical manager in the private sector and as an academic.
Audit & Supervisory Board Member	Kan Tsutagawa	He has attended 10 out of 10 meetings of the Board of Directors and 12 out of 12 meetings of the Audit & Supervisory Board during the fiscal year under review. He has made statements at suitable times with expert insight, based on his wealth of experience and operational background.

(Note) Aside from the above-mentioned meetings of the Board of Directors, three resolutions made in writing were deemed to have been passed by the Board of Directors in accordance with Article 370 of the Companies Act of Japan and Article 26, paragraph 2 of the Articles of Incorporation of the Company.

iii. Overview of Agreements Limiting Liability into which the Company entered with Outside Directors and Outside Audit & Supervisory Board Members

In accordance with Article 427, Paragraph 1 of the Companies Act and Article 31, Paragraph 2 and Article 43, Paragraph 2 of the Articles of Incorporation of the Company, the Company has entered into limited liability contracts with its Outside Directors and Outside Audit & Supervisory Board Members, which limit the amount of liability for damage as described in Article 423, Paragraph 1 of the Companies Act to the total of the amounts described in each of the items in Article 425, paragraph 1 of the Act.

(4) Outline of directors and officers liability insurance contract

In accordance with Article 430-3, Paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance contract with an insurance company, to ensure that its Directors and Audit & Supervisory Board Members are able to freely fulfill their expected roles in executing their duties, and to enable the Company to secure outstanding human resources.

i. Persons insured and premiums

The insurance contract covers Directors, Audit & Supervisory Board Members, and executive officers of the Company and its subsidiaries (including persons appointed after conclusion of the contract). In the case of the Company and certain subsidiaries, a portion (determined in accordance with the covered person's role) of the insurance premium is borne by the covered individuals. Otherwise, the insurance premium is borne by the Company.

ii. Outline of insurance incidents covered by the policy

The insurance policy covers payable damages and litigation expenses incurred by an insured individual as a result of a damages claim arising from the execution of Company-related duties. However, we have taken measures to ensure that Directors and other officers perform their work duties with integrity, by excluding insurance coverage of any person who has engaged in bribery or criminal actions or in any kind of intentional misconduct.

## 5 Matters Concerning Accounting Auditor

(1) Name of Accounting Auditor: Deloitte Touche Tohmatsu LLC

(2) Amount of Compensation Paid to the Accounting Auditor

	Amount paid
Amount of compensation for the fiscal year under review	¥63 million
Total remuneration and fees to be paid to the Accounting Auditor by the Company and its subsidiaries	¥66 million

- (Notes) 1. In the audit contract between the Company and the Accounting Auditor, the amount of compensation is not separated into compensation for an audit conducted under the Companies Act of Japan and compensation for an audit conducted under the Financial Instruments and Exchange Act of Japan. Therefore, the above amount of compensation paid to the Accounting Auditor for the fiscal year under review is stated as a total amount.
2. The Company's Audit & Supervisory Board agreed on the amount of compensation to the Accounting Auditor in accordance with Article 399, Paragraph 1 of the Companies Act, after having reviewed the audit plan presented by the Accounting Auditor as well as the Auditor's performance of its auditing duties.

(3) Non-Audit Services Entrusted to the Accounting Auditor

The Company and its subsidiaries pay compensation to the Accounting Auditor for its non-audit services that are outside the services prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan.

(4) Policy on Decisions Concerning Dismissal or Non-Reappointment of the Accounting Auditor

The Audit & Supervisory Board shall determine the content of the proposal to be submitted to a general meeting of shareholders concerning the dismissal or non-reappointment of the Accounting Auditor when the Audit & Supervisory Board deems it necessary to do so, such as in the event that the Accounting Auditor is hindered from performing proper execution of duty.

Furthermore, if the Accounting Auditor is determined to fall under any of the items set forth in Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board, with the unanimous consent of its members, shall dismiss the Accounting Auditor. In such a case, an Audit & Supervisory Board Member selected by the Audit & Supervisory Board shall report the dismissal of the Accounting Auditor and reasons for the dismissal at the first general meeting of shareholders to be convened after the said dismissal.

(5) Agreement Limiting Liability Entered into with the Accounting Auditor

Not applicable

(6) Matters Concerning an Order to the Accounting Auditor to Suspend Business

Not applicable

(7) Audit of Financial Reports of the Company's Subsidiaries Conducted by a Certified Public Accountant or an Auditing Firm other than the Company's Accounting Auditor

Not applicable

(8) Matters Concerning the Accounting Auditor Who Resigned during the Fiscal Year under Review

Not applicable

## 6 Basic Policy on the Control over the Company

As stated in our mission statement, "we strive to attain a better global environment and to dedicate ourselves to creating valued products that will contribute to a brighter future for society." We also strive to live up to our ethical and social responsibilities and to diligently work to exceed the expectations of our shareholders and all other stakeholders, and aim to maximize our corporate value by means of "ko-do (Think and Work)".

Based on the mission statement above, our basic policy on the control over the Company should an acquisition offer be made to the Company, is that the final decision on whether to accept it or not should rest with the shareholders of the Company. Also, in such a case, in the interests of securing and enhancing the Company's value and the shareholders' common interest, we will ensure that all of our shareholders will have sufficient information and a reasonable review period to make an informed judgment through fair and transparent procedures for confirming shareholder intentions.

## 7 Systems for Ensuring Proper Execution of Business and Their Post-Implementation Status

The matters resolved by the Board of Directors with regard to the systems for the Company to ensure proper execution of business and the post-implementation status of those systems are as follows:

(1) System for Ensuring that Directors and Employees Comply with Laws and Regulations, as well as the Articles of Incorporation of the Company, in the Execution of their Duties

- i. In order to ensure the Directors and employees of the Company and Nichicon Group companies realize our Management Philosophy, we strive to comply not only with laws and regulations and the Articles of Incorporation and internal rules of the Company, but also with sound social norms and ethics, to manage our business in accordance with the Nichicon Group Code of Conduct (originally adopted in October 2002 and revised in April 2013 and April 2024), and to foster a corporate culture as well as promote training and raising of awareness based on the foregoing. The revised Code of Conduct incorporates the requirements outlined in the code of conduct set forth by the Responsible Business Alliance (former Electronic Industry Code of Conduct) with regard to labor, environment, health and safety, and ethics.

For the purpose of ensuring the effectiveness of internal control, we also have in place the Sustainability Promotion Committee, chaired by the Representative Director and President of the Company.

- ii. We seek to ensure compliance by conducting compliance awareness-raising activities and education activities held at conferences and all-hands meetings at the beginning of workdays on a regular basis. We also have in place an internal reporting system (Compliance Hotline). In addition, the Compliance/Competition Law Compliance and Risk Management Subcommittee, under the Sustainability Promotion Committee, is responsible for developing and implementing an internal system that ensures adherence to laws, regulations, and rules, and for regularly raising awareness by providing training and materials for compliance-training sessions.
- iii. The Internal Auditing Office verifies awareness of compliance issues and maintenance of a proper control environment through its regular internal audits of the Company and Nichicon Group companies.
- iv. We also have a system in place that enables Audit & Supervisory Board Members to present their opinions and request improvements whenever they identify a problem with respect to compliance by the Company and Nichicon Group companies with laws and regulations or the Articles of Incorporation.
- v. The Nichicon Group Code of Conduct stipulates that the Company takes a firm stance against, maintains no relationships with, and provides no support for the activities of any antisocial forces or bodies that pose a threat to the order and safety of society, and that the Company continues to be a fair and ethical company. We take an uncompromising stance in this matter by establishing a dedicated department to address any issues, collecting information, collaborating with external specialists, and conducting in-house educational activities.

(2) System for Preserving and Managing Information Concerning the Execution of Duties by Directors

In order to preserve and manage information concerning the execution of duties by directors of the Company and Nichicon Group companies, we have expanded and updated the regulations related to information, including the Information Management Provisions and the Document Management Regulations, based on the Basic Policy on Information Security. Execution of duties by directors is documented (including in electromagnetic format), and stored and managed in an appropriate and highly searchable manner in accordance with these regulations.

(3) Regulations and Systems for Loss Risk Management

- i. The Company and Nichicon Group companies have in place and practice the risk management regulations to avoid losses and risks and to mitigate damages in the event that risks materialize.
- ii. To protect the Company from losses and risks, and to continue to earn the trust of society, we have in place the Sustainability Promotion Committee, chaired by the Representative Director and President of the Company. The

Compliance/Competition Law Compliance and Risk Management Subcommittee established under the Committee, in liaison with the General Affairs Division, conducts a regular compilation and assessment of risks on a company-wide basis, and monitors the status of management of losses and risks. The subcommittee also provides employees with education and training in risk management.

Losses and risks associated with business operations include legal compliance, human rights and labor, health and safety, natural disasters, quality of products and services, environment, information security, export control, and trade credit administration. We have in place a system for eliminating or mitigating these risks, which might have a significant impact on business management.

- iii. We have established a system to protect human lives and ascertain the safety of employees and their families in the event of a disaster, and continuously review and upgrade our Business Continuity Planning (BCP) and Business Continuity Management (BCM) in an effort to provide uninterrupted business operations and to ensure a prompt resumption of operations should an interruption occur.
- iv. To ensure the accuracy and reliability of financial reporting, we ensure effective risk management by evaluating and confirming the execution of internal control activities in accordance with relevant laws and regulations. For the purpose of ensuring the above, we have in place the Internal Control Promotion Committee, chaired by the Representative Director and President of the Company.

(4) System for Ensuring the Efficient Execution of Duties by Directors

- i. To accelerate decision-making by Directors and ensure efficient business operations, we have streamlined the Board of Directors to a functional size and convene meetings as needed to facilitate prompt and appropriate decision-making.

The Board of Directors has established a structure to ensure efficient business execution on a company-wide basis, by regularly monitoring the progress status of business execution and formulating improvement measures thereon.

We have in place an executive officer system to separate the function of executing business operations from that of management oversight, which enables expedited management as well as effective and efficient business operations through a clearly defined division of duties and authority and through flexible decision-making that takes into consideration the nature of each operating division.

- ii. We have in place Regulations on Divisional Responsibilities, Office Regulations, and Regulations on Management of Affiliated Companies which define the duties and responsibilities that come with each job position and the responsibilities of each organizational unit with regard to directors and employees of the Company and Nichicon Group companies. We ensure management efficiency through these regulations, and conduct regular audits to confirm business and duties are carried out according to these regulations.

(5) Systems for Ensuring Proper Execution of Business by the Company Group Consisting of the Company and its Subsidiaries

We strive to ensure that the Company and Nichicon Group companies share common values, including compliance, fostering a law-abiding spirit, raising business ethics, increasing awareness of risk management, and commitment to social responsibility.



In addition, based on the Regulations on Management of Affiliated Companies and the Regulations on Internal Control over Financial Reporting, we enhance coordination between the Company and Nichicon Group companies, via directions, guidance, and reports, in promoting the internal control system. The Company has instructed Nichicon Group companies to report on their business conditions and financial results on a regular and continuous basis in order to achieve soundness and efficiency in business as a company group and to ensure reliability of the Group's financial reporting.

Audit & Supervisory Board Members and the Internal Auditing Office carry out audits and assessments of the Company and Nichicon Group companies, and report the results and findings to the Board of Directors.

- (6) Matters Concerning Employees Assigned to Assist Audit & Supervisory Board Members and the Assurance that Such Employees Remain Independent from Directors, and Matters Concerning the Effectiveness of the Instructions Provided to Such Employees

Directors, in consultation with the Audit & Supervisory Board, appoint and assign employees to the Auditors Office to assist Audit & Supervisory Board Members. These employees are under the direction of Audit & Supervisory Board Members, and personnel matters, including the appointment, transfer, appraisal, and remuneration of these employees, are determined upon advance consultation with and consent of the Audit & Supervisory Board to ensure their independence from directors.

- (7) Systems for Directors and Employees to Report to Audit & Supervisory Board Members, Other Systems to Report to Audit & Supervisory Board Members, and Systems to Ensure that Audits are Conducted Effectively by Audit & Supervisory Board Members

Upon occurrence of matters that may cause serious impact or damage to the company they belong to, directors and employees of the Company and Nichicon Group companies are to report such matters to the Audit & Supervisory Board Members without delay.

Audit & Supervisory Board Members may, at any time, request reports as needed from the directors and employees of the Company and Nichicon Group companies.

In addition, we have a system in place that allows Audit & Supervisory Board Members to attend meetings of the Board of Directors and other important meetings of the Company and Nichicon Group companies and express their opinions, and to request important documents, approval documents, and reports from directors or employees as necessary. Audit & Supervisory Board Members perform audits by investigating the execution of duties by directors as well as business operations and assets of the Company and Nichicon Group companies, and through reviewing approval documents on important matters.

To ensure greater effectiveness of audits, Audit & Supervisory Board Members receive, on a regular or as-needed basis, updates on internal audits from the Accounting Auditor and the Internal Auditing Office.

Directors and employees of the Company and Nichicon Group companies who report to Audit & Supervisory Board Members on important matters according to the above-mentioned policies are protected from any unfair treatment.

- (8) Post-Implementation Status of Systems for Ensuring Proper Execution of Business

i. During the fiscal year under review, the Company's Board of Directors, which comprises eight Directors, including

- four Outside Directors, met 10 times to make important management decisions and report on the execution of the Company's business, pursuant to relevant laws as well as the Company's Articles of Incorporation and Regulations Governing the Board of Directors. The Board also reviewed and revised important internal regulations.
- ii. The Company held Management Meetings every month, in which the implementation and progress of business plans were reviewed, and important business topics and issues were reported on and discussed.
  - iii. During the fiscal year under review, the Company's Audit & Supervisory Board, which comprises four Audit & Supervisory Board Members, including two Outside Audit & Supervisory Board Members, met 12 times to report and exchange ideas on audit plans and results. Audit & Supervisory Board Members attended meetings of the Board of Directors and other important meetings of the Company and advised the Company and Nichicon Group companies as needed on important management matters after having received reports from Directors and employees, reviewed approval documents, and conducted on-site audits to understand business issues and risks. The Company has in place three types of audits: audits by Audit & Supervisory Board Members; audits by the Accounting Auditor; and internal audits. The Audit & Supervisory Board Members, the Accounting Auditor, and the Internal Auditing Office (responsible for conducting internal audits) collaborated with each other through exchanges of information.
  - iv. The Internal Auditing Office, an organization unit independent of operating divisions of the Company, regularly conducted internal audits of the Company and Nichicon Group companies as part of efforts to enhance legal compliance, and reported the results and findings to the Board of Directors and the Audit & Supervisory Board.
  - v. To ensure the accuracy and reliability of financial reporting, the Internal Control Promotion Committee regularly evaluated the Company and Nichicon Group companies for their performance in company-level controls, financial reporting process controls, business process controls, company-level IT controls, and IT application controls, and reported the results and findings to the Board of Directors and the Audit & Supervisory Board.
  - vi. The Sustainability Promotion Committee, which comprises the Environment & Energy Subcommittee, the Compliance/Competition Law Compliance and Risk Management Subcommittee, and the Diversity Subcommittee, held joint sessions every month to promote the implementation of initiatives on sustainable growth and corporate social responsibilities of the Company and Nichicon Group companies, and provided progress reports to the Board of Directors and the Audit & Supervisory Board.

## Consolidated Balance Sheet

(As of March 31, 2025)

(Millions of yen)

Assets		Liabilities	
<b>Current Assets</b>	108,254	<b>Current Liabilities</b>	51,558
Cash and deposits	25,519	Notes and accounts payable – trade	14,894
Notes and accounts receivable – trade and contract assets	38,963	Electronically recorded obligations – operating	13,566
Electronically recorded monetary claims – operating	5,969	Short-term borrowings	6,700
Securities	100	Current portion of long-term borrowings	2,500
Merchandise and finished goods	14,766	Accounts payable – other	3,589
Work in process	6,184	Accrued expenses	3,685
Raw materials and supplies	12,265	Income taxes payable	1,298
Other	4,572	Contract liabilities	567
Allowance for doubtful accounts	(86)	Provision for bonuses	1,514
		Provision for bonuses for directors	33
		Other	3,208
<b>Non-Current Assets</b>	84,328	<b>Non-Current Liabilities</b>	27,209
<b>Property, plant and equipment</b>	53,086	Long-term borrowings	15,750
Buildings and structures	18,745	Lease obligations	913
Machinery, equipment and vehicles	18,771	Deferred tax liabilities	4,587
Land	6,073	Provision for product warranties	3,786
Leased assets	1,226	Retirement benefit liability	1,462
Construction in progress	5,641	Other	709
Other	2,628		
		<b>Total Liabilities</b>	78,768
<b>Intangible assets</b>	1,928	<b>Equity</b>	
		<b>Shareholders' equity</b>	88,471
<b>Investments and other assets</b>	29,312	Share capital	14,286
Investment securities	26,688	Capital surplus	16,856
Long-term loans receivable	2,845	Retained earnings	60,826
Deferred tax assets	84	Treasury shares	(3,497)
Retirement benefit asset	338	<b>Accumulated other comprehensive income</b>	21,960
Other	847	Valuation difference on available-for-sale securities	10,772
Allowance for doubtful accounts	(1,492)	Foreign currency translation adjustment	11,188
		<b>Non-controlling interests</b>	3,381
		<b>Total Equity</b>	113,814
<b>Total Assets</b>	192,582	<b>Total Liabilities and Equity</b>	192,582

## Consolidated Statement of Income

( For the Consolidated Fiscal  
Year Ended March 31, 2025 )

(Millions of yen)

Accounts	Amount
Net sales	175,751
Cost of sales	147,425
Gross profit	28,326
Selling, general and administrative expenses	23,122
Operating profit	5,203
Non-operating income	3,039
Interest and dividend income	990
Share of profit of entities accounted for using equity method	476
Foreign exchange gains	1,203
Other	369
Non-operating expenses	732
Interest expenses	167
Provision of allowance for doubtful accounts	284
Settlement expenses	78
Other	202
Ordinary profit	7,511
Extraordinary income	3,127
Gain on sale of non-current assets	24
Gain on sale of investment securities	2,645
Refund of surcharges	457
Extraordinary loss	2,173
Loss on disposal of non-current assets	85
Restructuring costs	2,087
Profit before income taxes	8,465
Income taxes-current	1,710
Income taxes-deferred	427
Profit	6,327
Profit attributable to non-controlling interests	450
Profit attributable to owners of parent	5,877

## Consolidated Statement of Changes in Shareholders' Equity

( From April 1, 2024 to  
March 31, 2025 )

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2024	14,286	16,860	67,002	(11,628)	86,521
Changes during period					
Dividends of surplus			(2,326)		(2,326)
Profit attributable to owners of parent			5,877		5,877
Purchase of treasury shares				(1,600)	(1,600)
Cancellation of treasury shares		(3)	(9,727)	9,731	—
Net changes in items other than shareholders' equity					
Total changes during period	—	(3)	(6,176)	8,130	1,950
Balance as of March 31, 2025	14,286	16,856	60,826	(3,497)	88,471

	Accumulated other comprehensive income			Non-controlling interests	Total equity
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance as of April 1, 2024	14,494	9,884	24,378	2,939	113,839
Changes during period					
Dividends of surplus					(2,326)
Profit attributable to owners of parent					5,877
Purchase of treasury shares					(1,600)
Cancellation of treasury shares					—
Net changes in items other than shareholders' equity	(3,721)	1,303	(2,418)	442	(1,975)
Total changes during period	(3,721)	1,303	(2,418)	442	(25)
Balance as of March 31, 2025	10,772	11,188	21,960	3,381	113,814

## Notes to Consolidated Financial Statements

### 1. Significant Accounting Policies Applied in the Preparation of the Consolidated Financial Statements

#### (1) Scope of Consolidation

##### i. Consolidated subsidiaries

- Number of consolidated subsidiaries: 21
- Names of consolidated subsidiaries: Nichicon Hi-Tech Foil Corp.; Nichicon (Kusatsu) Corp.; Nichicon (Kameoka) Corp.; Nichicon (Ohno) Corp.; Nichicon (Iwate) Corp.; Nichicon (Wakasa) Corp.; Torishima Electric Works, Ltd.; Nippon Liniac Co., Ltd.; Yutaka Electric Mfg. Co., Ltd.; Nichicon (America) Corp.; Nichicon (Austria) GmbH; Nichicon (Hong Kong) Ltd.; Nichicon (Singapore) Pte. Ltd.; Nichicon (Taiwan) Co., Ltd.; Nichicon (Thailand) Co., Ltd.; Nichicon Electronics Trading (Shanghai) Co., Ltd.; Nichicon Electronics Trading (Shenzhen) Co., Ltd.; Nichicon (Malaysia) Sdn. Bhd.; Nichicon Electronics (Wuxi) Co., Ltd.; Nichicon Electronics (Suqian) Co., Ltd.; Wuxi Nichicon Electronics R&D Center Co., Ltd.

##### ii. Non-consolidated subsidiaries

- Non-consolidated subsidiaries: Harbor Electronics Co., Ltd., and three other companies
- Reason for exclusion of these companies from the scope of consolidation: The assets, net sales, profit or loss (to the extent corresponding to NICHICON CORPORATION's (the "Company") shareholding), retained earnings (to the extent corresponding to the Company's shareholding), and other factors are insignificant.

#### (2) Application of Equity Method

##### i. Non-Consolidated Subsidiaries or Associates Accounted for under the Equity Method

- Number of non-consolidated subsidiaries and associates accounted for under the equity method: 2
- Names of non-consolidated subsidiaries and associates accounted for under the equity method: Samwha Electric Co., Ltd., and Taicon Corporation

##### ii. Non-Consolidated Subsidiaries or Associates Not Accounted for under the Equity Method

- Names of non-consolidated subsidiaries and associates not accounted for under the equity method: Harbor Electronics Co., Ltd., and four other companies.
- Reason these companies are not accounted for under the equity method: Their insignificance in light of their profit or loss (to the extent corresponding to the Company's shareholding), retained earnings (to the extent corresponding to the Company's shareholding), and other factors.

##### iii. Special Note on the Procedure of Equity Method Application

For those companies that are accounted for under the equity method and whose balance sheet dates are different from the consolidated balance sheet date, financial statements as of their balance sheet dates are used in preparing the consolidated financial statements.

#### (3) Balance Sheet Dates of Consolidated Subsidiaries

Five of the consolidated subsidiaries have balance sheet dates different from the consolidated balance sheet date.

The year-end closing date of Nichicon Electronics Trading (Shenzhen) Co., Ltd., is December 31. In preparing the consolidated financial statements, the Company used the pro-forma financial statements prepared by this subsidiary as of the consolidated balance sheet date.

The balance sheet dates of four subsidiaries, other than Nichicon Electronics Trading (Shenzhen) Co., Ltd., in China, also were December 31. The Company used the financial statements prepared by these four subsidiaries as of their balance sheet dates and made consolidating adjustments for significant transactions that occurred between their balance sheet dates and the consolidated balance sheet date in preparing the consolidated financial statements.

#### (4) Accounting Policies

##### i. Standards and Methods Used to Value Significant Assets

###### (a) Standards and methods used to value securities

Held-to-maturity debt securities:	Held-to-maturity debt securities are amortized in equal installments over the term held (straight-line method).
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Available-for-sale securities: Stocks or other securities other than those without market value:	Fair value method is applied (Unrealized gains and losses are all directly charged or credited to equity. Cost of sales is determined principally by the moving average method).
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|--|---|
| Stocks or other securities without market value: | Stated principally at cost determined by the moving average method. |
|--|---|
- (b) Standards and methods used to value inventories
- |  |  |
|--|--|
| Merchandise and finished goods, and work in process: | Merchandise and finished goods, as well as work in process, are in principle valued at cost as determined by the gross average method. (The amount disclosed on the balance sheet is based on the written-down book value to reflect lower profitability.) |
| Raw materials and supplies:                          | Raw materials and supplies are in principle valued at cost as determined by the moving average method. (The amount disclosed on the balance sheet is based on the written-down book value to reflect lower profitability.)                                 |
- ii. Depreciation and Amortization Methods for Non-Current Assets
- (a) Property, plant and equipment (excluding leased assets): Depreciation of property, plant and equipment is, in principle, calculated using the straight-line method.  
The useful life of major buildings and equipment is as follows:  
Buildings and structures: 3 to 50 years  
Machinery, equipment, and vehicles: 2 to 13 years
- (b) Intangible fixed assets (excluding leased assets): Amortization of intangible fixed assets is calculated using the straight-line method.  
Software for internal use is amortized using the straight-line method over an estimated useful life of five years.
- (c) Leased assets: Leased assets are depreciated using the straight-line method with their useful life being the lease period and with no residual value.
- iii. Standards Used to Account for Significant Allowances and Provisions
- (a) Allowance for doubtful accounts: To prepare for credit losses on accounts receivable, allowances for uncollectible receivables are provided for ordinary receivables based on a historical write-off ratio, and for specific bad debts based on a case-by-case determination of collectability by the management.
- (b) Provision for product warranties: The Company records a provision for product warranties based on historical experience and estimated costs of providing, during the warranty period, free-of-charge services for the products it sells.
- (c) Provision for bonuses: To record the potential future obligation, the Company records bonus payments to employees based on the estimated amount of payments for the portion corresponding to the current consolidated fiscal year.
- (d) Provision for bonuses for directors: To record the potential future obligation, the Company records bonus payments to directors based on the estimated amount of payments for the portion corresponding to the current consolidated fiscal year.
- iv. Standards Used to Recognize Revenue and Expenses
- (a) Sale of Products  
The Company and its subsidiaries (the "Group") mainly manufacture and sell capacitors and related products, and household energy storage systems. Considering indicators of the transfer of control, such as the transfer of physical possession, and the significant risks and rewards of ownership of the asset, the Group determines that performance obligations are satisfied at the time the products are delivered to customers and recognizes revenue from the sale of such products. The Company mainly receives consideration for the sale of products within six months.
- (b) Long-term Contract  
The Group enters into production long-term contracts for production of certain products of NECST business such as specialty power supplies for research and medical applications. When the Group's performance does not create an asset with an alternative use and has an enforceable right to payment for performance completed to date, the Group transfers control of assets arising from the Group's performance over time. The Group recognizes revenue based on the progress in satisfying the performance obligations over the contractual period, measuring progress at the end of each reporting period. In the case of the contracts with a very short term from the date of transaction commencement to the date when all performance obligations are expected to be satisfied, the Group recognizes revenue at the point in time when all performance obligations have been satisfied. The Group mainly receives consideration for the service contract within one year in accordance with terms and conditions.
- v. Standards Used to Convert Significant Assets and Liabilities Denominated in Foreign Currencies into Japanese Yen  
Assets and liabilities denominated in foreign currencies are converted into Japanese yen based on spot exchange rates in effect on the consolidated balance sheet date, and foreign exchange differences are recognized as income or loss. Assets and liabilities of our overseas consolidated subsidiaries are converted into Japanese yen based on spot exchange rates in effect on the consolidated balance sheet dates, and their revenues and expenses are converted into Japanese yen using the average rates during the periods concerned; foreign exchange differences are booked in foreign currency translation adjustment and non-controlling interests in the equity section of the consolidated balance sheet.

- vi. Important Hedge Accounting Method
- |   |  |
|---|--|
| (a) Hedge accounting method:                    | The deferred hedge accounting method is principally applied. The appropriation method is applied for forward exchange contracts that fulfill the conditions for appropriation. |
| (b) Means of hedging and hedged Items:          | Means of hedging: Foreign exchange contracts<br>Hedged items: Foreign currency-denominated monetary claims   |
| (c) Hedging policy:                             | The Company enters into derivative transactions as a means of hedging foreign exchange risks. It does not engage in derivative trading for speculative purposes.               |
| (d) Method for assessing hedging effectiveness: | Effectiveness is judged based on the degree of market fluctuation of the hedged item during the period from hedge commencement to the time when the effectiveness is judged.   |
- vii. Other Important Considerations in Preparing Consolidated Financial Statements
- (a) Standards used to account for Retirement Benefit Liability  
Retirement benefit liability was booked based on the amount of benefit obligations projected at the end of the current consolidated fiscal year, net of the amount of pension assets, in order to prepare for payment of retirement benefits to employees. Actuarial differences and past service costs are booked as a lump-sum expense in the consolidated fiscal year of their incurrence.
- (b) Accounting treatment of corporate and local income taxes and related tax effect accounting  
The Company and its domestic consolidated subsidiaries have applied the Group Tax Sharing System, and implement and disclose their accounting treatment of corporate and local income taxes and related tax effect accounting in accordance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ, PITF No. 42, August 12, 2021).
2. Notes on Changes in Accounting Policy  
(Application of the "Accounting Standard for Current Income Taxes," etc.)  
The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; the "Revised Accounting Standard 2022"), etc., from the beginning of the first quarter of the current fiscal year.  
Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment in the proviso of paragraph 65-2 (2) of the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; the "Revised Implementation Guidance 2022"). This change in accounting policy has no impact on the consolidated financial statements.  
For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the first quarter of the consolidated fiscal year under review.
3. Notes on Changes in Presentation Method  
"Notes payable – facilities," which was separately presented under "Current Liabilities" until the previous consolidated fiscal year, is included in "Other" from the consolidated fiscal year under review due to its decreased significance in terms of amount.



#### 4. Notes on Accounting Estimates

##### (1) Impairment loss on property, plant and equipment

###### i. Amounts recorded on the consolidated financial statements for the fiscal year ended March 31, 2025

As of March 31, 2025, the Group has booked a total of ¥53,086 million of property, plant and equipment, including ¥18,745 million of buildings and structures and ¥18,771 million of machinery, equipment and vehicles. The Group also recorded impairment losses of ¥1,820 million in the consolidated current fiscal year, relating to assets deployed in operations and idle assets such as machinery, equipment and vehicles related to the Capacitor business.

###### ii. Information concerning the contents of significant accounting estimates on identified items

The Group owns various property, plant and equipment such as buildings and structures, machinery, equipment and vehicles related to the manufacture and sale of Capacitor business and NECST business products. The Group identifies its assets and asset groups based on the business segment used for performance management. The Group identified indications of impairment in certain asset groups in the Capacitor business in the current consolidated fiscal year. The Group compared the carrying amount of the asset or asset group with the asset or asset group's undiscounted future cash flows. As a result, the undiscounted future cash flow lowered the carrying amount, so impairment losses were recognized.

The undiscounted future cash flows were estimated based on the management approved business plan, including assumptions such as sales plans and production plans based on the market trends, and also by assuming a growth rate based on the expected business environment and applying it to the period after final year of business plan to cover the periods beyond the terms of business plan.

In the event that future business plans require a review for reasons such as deterioration in market environment compared with our assumptions, the Group may recognize impairment losses in the following consolidated fiscal year.

##### (2) Recoverability of Deferred Tax Assets

###### i. Amounts recorded on the consolidated financial statements for the consolidated fiscal year ended March 31, 2025

As of March 31, 2025, the Group recorded ¥84 million of deferred tax assets and ¥4,587 million of deferred tax liabilities (deferred tax assets and deferred tax liabilities are presented on a net basis per same taxable entity).

###### ii. Information concerning the contents of significant accounting estimates on identified items

The Group recorded important deferred tax assets relating to tax losses carried forward. The amount of tax losses carried forward that is deemed recoverable based on the estimated taxable income (before deducting tax losses carried forward) for the following fiscal year is recorded as deferred tax assets.

Estimated taxable income for the following fiscal year is calculated on the basis of the business plan, including anticipated sales plans and production plans based on the market trends, approved by management.

In the event that future business plans require a review for reasons such as deterioration in market environment compared with our assumptions, the Company may reverse the accounting for deferred tax assets in the following consolidated fiscal year to the extent deemed unrecoverable.

#### 5. Notes on the Consolidated Balance Sheet

##### (1) Receivables arising from contracts with customers

The amounts of receivables arising from contracts with customers included in notes and accounts receivable-trade and contract assets are as follows:

Notes receivable – trade:	¥812 million	Accounts receivable – trade:	¥37,687 million
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##### (2) Accumulated Depreciation on Property, Plant and Equipment ¥159,504 million

##### (3) Tax Purpose Reduction Entry deducted from Acquisition Costs for Non-Current Assets

Buildings and structures:	¥1,859 million	Machinery, equipment and vehicles:	¥3,265 million
Land:	¥1,181 million		

#### 6. Notes on the Consolidated Statement of Income

##### (Restructuring costs)

Restructuring costs include special retirement allowances of ¥267 million resulting from a workforce reduction and impairment losses of ¥1,820 million on non-current assets, both of which were conducted as a part of the structural reform in the Capacitor business.

7. Notes on the Consolidated Statement of Changes in Shareholders' Equity

(1) Matters Concerning the Total Number of Issued Shares

(Unit: Thousand shares)

Type of shares	Number of shares as of April 1, 2024	Number of shares increased in the current consolidated fiscal year	Number of shares decreased in the current consolidated fiscal year	Number of shares as of March 31, 2025
Common stock	78,000	—	8,000	70,000

Note: The decrease of 8,000 thousand issued shares resulted from the cancellation of treasury shares.

(2) Matters Concerning the Number of Treasury Shares

(Unit: Thousand shares)

Type of shares	Number of shares as of April 1, 2024	Number of shares increased in the current consolidated fiscal year	Number of shares decreased in the current consolidated fiscal year	Number of shares as of March 31, 2025
Common stock	9,584	1,256	8,000	2,840

Note: The increase of 1,256 thousand treasury shares resulted from the acquisition of 1,255 thousand treasury shares, which were purchased during the period from February 7, 2025, to March 21, 2025, based on a resolution at the meeting of the Board of Directors held on February 6, 2025, and the repurchase of 1 thousand fractional shares. The decrease of 8,000 thousand shares resulted from the cancellation of treasury shares based on a resolution at the meeting of the Board of Directors held on February 6, 2025.

(3) Matters Concerning Dividends of Surplus

i. Dividends Paid

- a. Matters concerning dividends in accordance with the resolution adopted at the 89th Ordinary General Meeting of Shareholders held on June 27, 2024:

• Aggregate amount of dividends	¥1,163 million
• Dividend per share	¥17.00
• Record date	March 31, 2024
• Effective date	June 28, 2024

- b. Matters concerning dividends in accordance with the resolution adopted at the meeting of the Board of Directors held on November 6, 2024

• Aggregate amount of dividends	¥1,163 million
• Dividend per share	¥17.00
• Record date	September 30, 2024
• Effective date	December 6, 2024

ii. Dividends whose dates of record fell during the current consolidated fiscal year and effective dates fell on or after April 1, 2025

A proposal will be made as follows at the 90th Ordinary General Meeting of Shareholders to be held on June 27, 2025:

• Aggregate amount of dividends	¥1,208 million
• Source of dividends	Retained earnings
• Dividend per share	¥18.00
• Record date	March 31, 2025
• Effective date	June 30, 2025

8. Notes on Financial Instruments

(1) Matters Concerning the Status of Financial Instruments

i. Policy on Financial Instruments

The Group raises funds to finance working capital and capital expenditure principally through bank borrowings (including green loans). The Group deposits temporary surplus funds in financial products with low risk. We use derivatives only to hedge currency risks associated with trade credits denominated in foreign currencies, and not for speculative purposes.

(2) Details of Financial Instruments, Their Risks and Risk Management System

Trade credits such as notes receivable, accounts receivable and electronically recorded monetary claims are subject to credit risks to our customers. To manage such credit risks, we keep track of due dates and account balances of each customer and perform a by-customer credit review annually, pursuant to our credit management regulations. Accounts receivable denominated in foreign currencies are subject to foreign exchange risks.

Pursuant to the Group's securities management regulations, the Group holds securities and held-to-maturity debt securities classified as investment securities only with high credit ratings to minimize their credit risks. Stocks the Group holds as investment securities are those issued by corporations with which the Group has business relationships, and are subject to market risks. The Group reviews, on an on-going basis, the risk of owning such stocks by monitoring their market prices and the issuers' (the Group's business partners') financial soundness regularly and by taking into consideration the relationships the Group has with them.

Short-term and long-term loans receivable are from our associates, whose financial soundness the Group monitors regularly.

Trade debts such as notes payable, accounts payable, and electronically recorded obligations in our possession have due dates within one year.

Short-term and long-term borrowings are for the purpose of procuring operating capital and funds for equipment. This financing is obtained from our banks.

The Group executes and manages derivative transactions in accordance with its derivative management regulations. To minimize credit risks associated with derivative transactions, the Group enters into transactions only with financial institutions with high credit ratings.

Trade debts and borrowings are subject to liquidity risks (risks of settling liabilities on due dates). Each company in the Group has devised a monthly cash management plan to manage its liquidity risks.

(2) Matters Concerning Fair Values of Financial Instruments

The following table shows the amounts of financial instruments recognized on the consolidated balance sheet, their fair values, and the differences between them as of March 31, 2025, which was the consolidated balance sheet date.

	Consolidated balance sheet amount (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
(1) Securities and investment securities			
i. Held-to-maturity debt securities	395	393	(2)
ii. Available-for-sale securities	20,860	20,860	—
iii. Shares of subsidiaries and associates	1,834	4,465	2,631
(2) Short-term and long-term loans receivable (*2)	3,096		
Allowance for doubtful accounts (*3)	(1,262)		
	1,833	1,833	—
Total assets	24,924	27,553	2,628
(1) Long-term borrowings (*4)	18,250	18,042	(207)
Total liabilities	18,250	18,042	(207)

\*1 The Company did not include or provide notes on cash, deposits, notes and accounts receivable-trade and contract assets, electronically recorded monetary claims, notes and accounts payable-trade, electronically recorded obligations, and short-term borrowings, since their fair value approximates book value due to their settlement within a short period of time.

\*2 Short-term and long-term loans receivable include short-term loans receivable and current portion of long-term loans included in "Other" under "Current Assets" on the consolidated balance sheet.

\*3 Deduction of allowance for doubtful accounts specifically provided for long-term loans receivable.

\*4 Long-term borrowings include current portion of long-term borrowings.

Note 1: Stocks or other securities without market value

Category	Consolidated balance sheet amount (Millions of yen)
Unlisted stocks	3,697

Stocks and other securities without market value are not included in "(1) Securities and investment securities."

Note 2: Amounts to be redeemed after the consolidated balance sheet date from monetary credits and securities with maturity

	Due in one year or less (Millions of yen)	Due in more than one but less than five years (Millions of yen)	Due in more than five but less than 10 years (Millions of yen)	Due in more than 10 years (Millions of yen)
Securities and investment securities				
Held-to-maturity debt securities	100	295	—	—
Short-term and long-term loans receivable	250	986	1,045	812
Total	350	1,282	1,045	812

Note 3: Amounts to be repaid on monetary liabilities after the consolidated balance sheet date

	Due in one year or less (Millions of yen)	Due in more than one and up to two years (Millions of yen)	Due in more than two and up to three years (Millions of yen)	Due in more than four but less than five years (Millions of yen)
Long-term borrowings	2,500	2,500	1,250	12,000
Total	2,500	2,500	1,250	12,000

(3) Matters Concerning the Breakdown of Fair Values of Financial Instruments by Suitable Category

Fair value of financial instruments is classified into the three levels below according to the observability and significance of the inputs used in calculating their fair value.

- Level 1: Fair value calculated based on inputs such as assets or liabilities whose value can be observed as quoted prices in active markets
- Level 2: Fair value calculated based on inputs other than quoted prices included within Level 1 that are observable for the assets and liabilities
- Level 3: Fair value calculated based on unobservable inputs for the assets or liabilities

When multiple inputs that have a significant influence on the calculation of fair value are used, the relevant financial instrument is classified in the level where the used input with the lowest priority belongs.

- i. Financial instruments recorded on the consolidated balance sheet at fair value

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Available-for-sale securities:	20,860	—	—	20,860
Total assets	20,860	—	—	20,860

ii. Financial instruments other than financial instruments recorded on the consolidated balance sheet at fair value

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Held-to-maturity debt securities	—	393	—	393
Shares of subsidiaries and associates	4,465	—	—	4,465
Short-term and long-term loans receivable	—	3,096	—	3,096
Allowance for doubtful accounts	—	(1,262)	—	(1,262)
	—	1,833	—	1,833
Total assets	4,465	2,226	—	6,692
Long-term borrowings	—	18,042	—	18,042
Total liabilities	—	18,042	—	18,042

Note: Explanation of evaluation method and inputs involved in calculating fair value

Short-term and long-term investment securities

Since the fair value of corporate bonds is based on the prices quoted by dealing financial institutions, fair value is classified as Level 2. The fair value of listed stocks is valued using quoted market prices. Since listed stocks are traded in robust markets, their fair value is classified as Level 1.

Short-term and long-term loans receivable

Fair value is calculated by discounting the total present value of principal and interest at the interest rate that would apply to provision of an equivalent new loan, which is classified as Level 2.

Long-term borrowings (including current portion of long-term borrowings)

Fair value is calculated by discounting the total present value of principal and interest at the interest rate that would apply to an equivalent new borrowing, which is classified as Level 2.

9. Notes on Real Property Held for Rental or Investment

Notes are not provided as the gross amount of the real property held for rental or investment is immaterial.

10. Notes on Revenue Recognition

(1) Information on breakdown of revenues arising from contracts with customers

(Millions of yen)

	Reportable segment		
	Capacitor business	NECST business	Total
Net sales			
(Location)			
Japan	31,241	58,421	89,662
U.S.A.	13,849	2	13,852
Asia	44,073	18,159	62,232
Europe and other regions	10,003	—	10,003
Total	99,168	76,583	175,751
(Timing of revenue recognition)			
Goods transferred at a specific point in time	99,168	75,028	174,196
Goods transferred over a specific period of time	—	1,555	1,555
Total	99,168	76,583	175,751

(2) Basic information for understanding revenues arising from contracts with customers

The information that serves as the basis for understanding revenues arising from contracts with customers is described under 1. Significant Accounting Policies Applied in the Preparation of the Consolidated Financial Statements, (4) Accounting Policies, iv. Standards Used to Recognize Revenue and Expenses.

(3) Information for understanding amounts of revenue in current and subsequent consolidated fiscal years

Contract assets principally reflect the Group's rights to consideration for fulfilling performance obligations over a specific period of time, and, at the point in time when such rights to payment become unconditional, are transferred to receivables. Receivables arising from contracts with customers are usually received within one year, in accordance with separately defined transaction terms.

Contract liabilities are primary considerations received from customers before delivery of products.

i. Balance of contract assets and contract liabilities

	Current consolidated fiscal year
Contract assets	¥462 million
Contract liabilities	¥567 million

Of the revenue recognized during the current consolidated fiscal year, ¥2,902 million was included in the opening balance of contract liabilities. In the current consolidated fiscal year, there was no recognized revenue from performance obligations satisfied in prior fiscal years.

ii. Transaction value allocated to unsatisfied performance obligations

The total transaction value allocated to unsatisfied performance obligations in contracts with customers and the period over which the revenue is expected to be recognized are as follows:

	Current consolidated fiscal year
Due in one year or less	¥1,294 million
Due in more than one year	—
Total	¥1,294 million

Since the Group has no transactions with specific contract periods longer than one year, except for the above, information on unsatisfied performance obligations is omitted for contracts with an initial expected contract period of one year or less by application of the practical expedient. There are also no significant amounts of consideration arising from contracts with customers that are not included in the transaction price.

11. Notes on Impairment Losses

In the consolidated fiscal year under review, the Group recorded impairment losses on the following assets.

Purpose of Asset	Location	Type	Impairment loss
Assets deployed in operations	Malaysia	Machinery, equipment and vehicles:	¥1,358 million
Idle assets	China	Machinery, equipment and vehicles:	¥297 million
Idle assets	Japan	Machinery, equipment and vehicles:	¥164 million

As a rule, the Group groups assets deployed in operations by business segment and idle assets by individual assets.

In the consolidated fiscal year under review, we identified indications of impairment in some of the non-current assets related to manufacturing facilities for the Capacitor business, owned by consolidated subsidiary Nichicon (Malaysia) Sdn. Bhd. After a review of their recoverability, the relevant assets were reduced to their recoverable value. The reductions in value were recorded as restructuring costs. In addition, the book values of some of the idle assets owned by consolidated subsidiaries Nichicon (Ohno) Corp., Nichicon (Iwate) Corp. and Nichicon Electronics (Suqian) Co., Ltd. were reduced to their recoverable value, and the reductions in value were recorded as restructuring costs. The recoverable value relating to idle assets was calculated based on the net realizable value that was set as zero.

12. Notes on Income Taxes for Global Minimum Tax

Not applicable

13. Notes on Per-Share Information

- (1) Equity per share: ¥1,644.33  
(2) Profit per share: ¥86.04

14. Notes on Significant Subsequent Events

Not applicable

15. Other Notes

Japanese yen accounts are presented in millions of yen and are rounded down to the nearest million yen.

## Balance Sheet

(As of March 31, 2025)

(Millions of yen)

Assets		Liabilities	
		<b>Current Liabilities</b>	39,085
		Electronically recorded obligations - operating	1,360
		Accounts payable – trade	23,213
		Short-term borrowings	6,700
		Current portion of long-term borrowings	2,500
		Accounts payable – other	2,576
		Accrued expenses	629
		Income taxes payable	533
		Contract liabilities	123
		Provision for bonuses	441
		Provision for bonuses for directors	33
		Other	974
		<b>Non-Current Liabilities</b>	24,643
		Long-term borrowings	15,750
		Deferred tax liabilities	4,228
		Provision for retirement benefits	632
		Provision for product warranties	3,466
		Other	565
		<b>Total Liabilities</b>	63,729
		<b>Equity</b>	
		<b>Shareholders' equity</b>	66,426
		Share capital	14,286
		Capital surplus	17,065
		Legal capital surplus	17,065
		<b>Retained earnings</b>	38,573
		Legal retained earnings	2,141
		Other retained earnings	36,431
		Reserve for tax purpose reduction entry of non-current assets	55
		General reserve	16,517
		Retained earnings brought forward	19,858
		<b>Treasury shares</b>	(3,497)
		<b>Valuation and translation adjustments</b>	10,689
		Valuation difference on available-for-sale securities	10,689
		<b>Total Equity</b>	77,116
<b>Total Assets</b>	140,845	<b>Total Liabilities and Equity</b>	140,845

## Statement of Income

( For the Fiscal Year Ended  
March 31, 2025 )

(Millions of yen)

Accounts	Amount
Net sales	140,670
Cost of sales	125,517
Gross profit	15,153
Selling, general and administrative expenses	11,820
Operating profit	3,333
Non-operating income	5,663
Interest and dividend income	4,093
Foreign exchange gains	777
Reversal of allowance for doubtful accounts	634
Other	158
Non-operating expenses	255
Interest expenses	119
Settlement expenses	78
Other	57
Ordinary profit	8,741
Extraordinary income	2,642
Gain on sale of non-current assets	2
Gain on sale of investment securities	2,640
Extraordinary loss	0
Loss on disposal of non-current assets	0
Profit before income taxes	11,383
Income taxes-current	842
Income taxes-deferred	270
Profit	10,269



## Statement of Changes in Shareholders' Equity

( From April 1, 2024 to  
March 31, 2025 )

(Millions of yen)

	Shareholders' equity										
	Share capital	Capital surplus			Legal retained earnings	Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings			Total retained earnings		
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward			
Balance as of April 1, 2024	14,286	17,065	3	17,068	2,141	55	16,517	21,642	40,357	(11,628)	60,083
Changes during period											
Dividends of surplus								(2,326)	(2,326)		(2,326)
Reversal of reserve for tax purpose reduction entry of non-current assets						(0)		0	—		—
Profit								10,269	10,269		10,269
Purchase of treasury shares										(1,600)	(1,600)
Cancellation of treasury shares			(3)	(3)				(9,727)	(9,727)	9,731	—
Net changes in items other than shareholders' equity											
Total changes during period	—	—	(3)	(3)	—	(0)	—	(1,783)	(1,783)	8,130	6,342
Balance as of March 31, 2025	14,286	17,065	—	17,065	2,141	55	16,517	19,858	38,573	(3,497)	66,426

	Valuation and translation adjustments		Total equity
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance as of April 1, 2024	14,310	14,310	74,394
Changes during period			
Dividends of surplus			(2,326)
Reversal of reserve for tax purpose reduction entry of non-current assets			—
Profit			10,269
Purchase of treasury shares			(1,600)
Cancellation of treasury shares			—
Net changes in items other than shareholders' equity	(3,620)	(3,620)	(3,620)
Total changes during period	(3,620)	(3,620)	2,722
Balance as of March 31, 2025	10,689	10,689	77,116

## Notes to Non-Consolidated Financial Statements

### 1. Significant Accounting Policies Applied in the Preparation of the Non-Consolidated Financial Statements

#### (1) Standards and Methods Used to Value Assets

i. Held-to-maturity Debt Securities: Held-to-maturity debt securities are amortized in equal installments over the term held (straight-line method).

ii. Shares of Subsidiaries and Associates: Shares of subsidiaries and associates are valued at cost as determined by the moving average method.

#### iii. Available-for-Sale Securities

• Stocks or other securities other than those without market value: Fair value method is applied (Unrealized gains and losses are all directly charged or credited to equity. Cost of sales is determined by the moving average method).

• Stocks or other securities without market value: Stated at cost determined by the moving average method.

#### iv. Standards and methods used to value inventories

• Merchandise and finished goods, and work in process: Merchandise and finished goods, as well as work in process, are valued by the individual cost method. (The amount on the balance sheet is based on the book value devaluation method based on lower profitability).

• Raw materials and supplies: Raw materials and supplies are valued at cost as determined by the moving average method. (The amount on the balance sheet is based on the book value devaluation method based on lower profitability).

#### (2) Depreciation and Amortization Methods for Non-Current Assets

i. Property, plant and equipment: (excluding leased assets) Depreciation of property, plant and equipment is computed using the straight-line method.

The useful life of major buildings and equipment is as follows:

Buildings: 7 to 50 years

Machinery and equipment: 4 to 10 years

ii. Intangible Assets: (excluding leased assets) Intangible assets are amortized using the straight-line method. Software for internal use is amortized using the straight-line method over an estimated useful life of five years.

iii. Leased Assets: Leased assets are depreciated using the straight-line method with their useful life being the lease period and with no residual value.

#### (3) Standards Used to Account for Allowances and Provisions

##### i. Allowance for Doubtful Accounts:

To prepare for credit losses on accounts receivable, allowances equal to the estimated amount of uncollectible receivables are provided for ordinary receivables based on a historical write-off ratio, and for specific bad debts based on a case-by-case determination of collectability by the management.

##### ii. Provision for Product Warranties:

NICHICON CORPORATION (the "Company") records a provision for product warranties based on historical experience and estimated costs of providing, during a warranty period, free-of-charge services for the products it sells.

##### iii. Provision for Bonuses:

To provide bonus payments to employees, the Company books provisions based on the estimated amount of payments for the portion corresponding to the current fiscal year.

##### iv. Provision for Directors' Bonuses:

To provide for bonus payments to directors, the Company books provisions based on the estimated amount of payments for the portion corresponding to the current fiscal year.

##### v. Provision for Retirement Benefits:

This provision is booked based on the amounts of both benefit obligations and pension assets projected at the end of the current fiscal year, in order to prepare for payment of retirement benefits to employees.

Actuarial differences are booked as a lump-sum expense in the current fiscal year.

#### (4) Standards Used to Recognize Revenue and Expenses

##### i. Sale of Products

The Company mainly manufactures and sells capacitors and related products, and household energy storage systems. Considering indicators of the transfer of control, such as the transfer of physical possession, and the significant risks and rewards of ownership of the asset, the Company determines that performance obligations are satisfied at the time the products are delivered to customers and recognizes revenue from the sale of such products. The Company mainly receives consideration for the sale of products within six months.

- ii. Long-term Contracts
 

The Company enters into production long-term contracts for production of certain products of NECST business such as specialty power supplies for research and medical applications. Of such contracts, the Company deems that control of assets created through the performance of the contract will be transferred to the customer for a certain period of time, if the product cannot be used for any other purpose, and where the Company has an enforceable right to payment for the portion completed to date. The Group recognizes revenue based on the progress in satisfying the performance obligations over the contractual period, measuring progress at the end of each reporting period. In the case of the contracts with a very short term from the date of transaction commencement to the date when all performance obligations are expected to be satisfied, the Company recognizes revenue at the point in time when all performance obligations have been satisfied. The Company mainly receives consideration for the service contract within one year in accordance with terms and conditions.
- (5) Standards Used to Translate Significant Assets and Liabilities Denominated in Foreign Currencies into Japanese Yen
 

Assets and liabilities denominated in foreign currencies are translated into Japanese yen according to spot exchange rates on the balance sheet date, and foreign exchange gains or losses are recognized as non-operating income or expenses.
- (6) Important Hedge Accounting Method
  - i. Hedge Accounting Method
 

The deferred hedge accounting method is principally applied. The appropriation method is applied for forward exchange contracts that fulfill the conditions for appropriation.
  - ii. Means of Hedging and Hedged Items
 

Means of hedging: Foreign exchange contracts  
Hedged items: Foreign currency-denominated monetary claims
  - iii. Hedge Method
 

The Company enters into derivative transactions as a means of hedging foreign exchange risks. It does not engage in derivative trading for speculative purposes.
  - iv. Method for Assessing Hedging Effectiveness
 

Effectiveness is judged based on the degree of market fluctuation of the hedged item during the period from hedge commencement to the time when the effectiveness is judged.
- (7) Adoption of Group Tax Sharing System
 

The Company has adopted the Group Tax Sharing System.
- 2. Notes on Changes in Accounting Policy
 

(Application of the "Accounting Standard for Current Income Taxes," etc.)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; the "Revised Accounting Standard 2022"), etc., from the beginning of the first quarter of the fiscal year under review.

Revisions to categories for recording current income taxes conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022. This change in accounting policy has no impact on our financial statements.
- 3. Notes on Changes in Presentation Method
 

"Technical advisory fee income" and "Donations," which were separately presented under "Non-operating income" and "Non-operating expenses" until the previous fiscal year, are included in "Other" under "Non-operating income" and "Non-operating expenses" respectively from the current fiscal year due to its decreased significance in terms of amount.
- 4. Notes on Accounting Estimates
 

Recoverability of Deferred Tax Assets

  - (1) Amounts recorded on the non-consolidated financial statements for the fiscal year ended March 31, 2025
 

As of March 31, 2025, the Company recorded ¥4,228 million of deferred tax liabilities (deferred tax assets before netting with deferred tax liabilities was ¥688 million).
  - (2) Information concerning the contents of significant accounting estimates on identified asset items
 

Method used to calculate the amounts stated in (1) is the same as described in "4. Notes on Accounting Estimates (2) Recoverability of Deferred Tax Assets" in the Notes to Consolidated Financial Statements.

5. Notes on the Balance Sheet

- (1) Receivables from and Payables to Subsidiaries and Associates  
 Short-term receivables ¥20,277 million  
 Long-term receivables ¥24,913 million  
 Short-term payables ¥17,763 million

- (2) Payables to Directors and Audit & Supervisory Board Members ¥253 million

- (3) Accumulated Depreciation on Property, Plant and Equipment ¥36,330 million

- (4) Guarantee obligations  
 Joint guarantee obligations corresponding to electronically recorded obligations (including facility-related electronically recorded obligations) of subsidiaries and associates

Nichicon (Kusatsu) Corp.	¥2,309 million
Nichicon (Ohno) Corp.	¥2,124 million
Nichicon (Wakasa) Corp.	¥1,863 million
Nichicon (Iwate) Corp.	¥1,251 million
Nichicon (Kameoka) Corp.	¥944 million
Other	¥1,770 million

Total ¥10,263 million

- (5) Tax Purpose Reduction Entry deducted from Acquisition Costs for Non-Current Assets  
 Buildings ¥1,263 million Land ¥1,048 million

6. Notes on the Non-consolidated Statement of Income

Transactions with Subsidiaries and Associates

- i. Sales ¥55,645 million  
 ii. Purchases ¥81,156 million  
 iii. Non-sales transactions ¥3,466 million

7. Notes on Statement of Changes in Shareholders' Equity

Matters concerning the number of treasury shares

(Unit: Thousand shares)

Type of shares	Number of shares as of April 1, 2024	Number of shares increased in the current fiscal year	Number of shares decreased in the current fiscal year	Number of shares as of March 31, 2025
Common stock	9,584	1,256	8,000	2,840

Note: The increase of 1,256 thousand treasury shares resulted from the acquisition of 1,255 thousand treasury shares, which were purchased during the period from February 7, 2025, to March 21, 2025, based on a resolution at the meeting of the Board of Directors held on February 6, 2025, and the repurchase of 1 thousand fractional shares. The decrease of 8,000 thousand shares resulted from the cancellation of treasury shares based on a resolution at the meeting of the Board of Directors held on February 6, 2025.

8. Notes on Tax Effect Accounting

(1) Breakdown of significant reasons for the recording of deferred tax assets and deferred tax liabilities

Deferred tax assets	
Tax losses carried forward	¥2,712 million
Amount in excess of deductible expense limit for tax purposes (allowance for doubtful accounts)	¥2,043 million
Amount in excess of deductible expense limit for tax purposes (provision for bonuses)	¥134 million
Amount in excess of deductible expense limit for tax purposes (provision for retirement benefits)	¥198 million
Amount in excess of deductible expense limit for tax purposes (provision for product warranties)	¥1,082 million
Loss on valuation of shares of subsidiaries and associates	¥4,067 million
Other	¥355 million
Subtotal of deferred tax assets	¥10,594 million
Valuation-related reserves concerning loss carried forward	(¥2,023 million)
Valuation-related reserves concerning the sum of deductible and temporary difference	(¥7,882 million)
Total of valuation reserves	(¥9,905 million)
Total of deferred tax assets	¥688 million
Deferred tax liabilities	
Valuation difference on available-for-sale securities	¥4,893 million
Reserve for tax reduction entry of land	¥23 million
Other	¥0 million
Total deferred tax liabilities	¥4,917 million
Net deferred tax liabilities	¥4,228 million

(2) Accounting treatment of corporate and local income taxes and related tax effect accounting

The Company has applied the Group Tax Sharing System, and implements and discloses its accounting treatment of corporate and local income taxes and related tax effect accounting in accordance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ, PITF No. 42, August 12, 2021).

(3) Revisions of deferred tax assets and deferred tax liabilities due to change in corporate income tax rate, etc.

Following the enactment of the "Act for Partial Amendment to the Income Tax Act, etc." (Act No. 13 of 2025) by the Diet on March 31, 2025, a "Special Defense Corporate Tax" will be imposed starting from the fiscal year beginning on or after April 1, 2026.

Accordingly, the statutory effective tax rate used to calculate deferred tax assets and deferred tax liabilities arising from temporary differences expected to be eliminated in or after the fiscal year beginning on April 1, 2026, has been changed from 30.6% to 31.4%.

As a result, deferred tax assets (after deducting deferred tax liabilities) for this fiscal year increased by ¥124 million, and valuation difference on available-for-sale securities decreased by ¥124 million.

9. Notes on Related-Party Transactions  
Transactions with Subsidiaries and Associates

(Millions of yen)

Type	Name of company	Percentage of voting rights owned by (held of) the Company	The Company's relationship with related party	Nature of transaction	Transaction amount	Accounts	Balance at year end
Subsidiaries	Nichicon Hi-Tech Foil Corp.	Directly Owned 100%	Financial support Concurrent directorships Lease of land and buildings, etc.	Sale of raw materials (*3) Purchase of raw materials (*3) Receipt of interest (*1)	23 7,307 19	Accounts receivable – trade Accounts payable – trade Long-term loans receivable (*2)	3,624 3,240 1,650
	Nichicon (Kusatsu) Corp.	Directly Owned 100%	Financial support Concurrent directorships Lease of land and buildings, etc.	Purchase of products (*3) Receipt of interest (*1) Guarantee for electronically recorded obligations (*4)	18,634 40 2,309	Accounts payable – trade Long-term loans receivable (*2)	567 2,200 —
	Nichicon (Kameoka) Corp.	Directly Owned 100%	Financial support Concurrent directorships Lease of land and buildings, etc.	Purchase of products (*3) Receipt of interest (*1)	10,741 46	Accounts payable – trade Long-term loans receivable (*2)	2,675 4,143
	Nichicon (Ohno) Corp.	Directly Owned 100%	Financial support Concurrent directorships Lease of land and buildings, etc.	Sale of raw materials (*3) Purchase of products (*3) Receipt of interest (*1) Guarantee for electronically recorded obligations (*4)	93 15,049 45 2,124	Accounts receivable – trade Accounts payable – trade Long-term loans receivable (*2)	1,317 1,837 5,920 —
	Nichicon (Iwate) Corp.	Directly Owned 100%	Concurrent directorships Lease of land and buildings, etc.	Purchase of products (*3) Receipt of interest (*1)	10,004 35	Accounts payable – trade Long-term loans receivable (*2)	1,575 5,500
	Nichicon (Wakasa) Corp.	Directly Owned 100%	—	Sale of raw materials (*3) Purchase of products (*3) Guarantee for electronically recorded obligations (*4)	90 11,186 1,863	Accounts receivable – trade Accounts payable – trade	3,138 5,344 —
	Yutaka Electric Mfg. Co., Ltd.	Directly Owned 100%	Financial support Concurrent directorships	Receipt of interest (*1)	29	Long-term loans receivable (*2)	2,737
	Nichicon (Austria) GmbH	Directly Owned 100%	Concurrent directorships	Sale of products (*3)	6,111	Accounts receivable – trade	1,644
	Nichicon (Hong Kong) Ltd.	Directly Owned 100%	—	Sale of products (*3)	19,870	Accounts receivable – trade	2,767
	Nichicon Electronics Trading (Shanghai) Co., Ltd.	Owned Directly Owned 80% Indirectly 20%	—	Sale of products (*3)	8,305	Accounts receivable – trade	1,686
	Nichicon (Malaysia) Sdn. Bhd.	Owned Directly Owned 55.5% Indirectly 44.5%	Financial support Concurrent directorships	Receipt of interest (*1)	90	Long-term loans receivable (*2)	2,170
	Harbor Electric Co., Ltd.	Owned Directly Owned 47.5% Indirectly 31.5%	Financial support	Receipt of interest (*1)	37	Long-term loans receivable (*2)	2,644

- (Notes) 1. Interest rates on the loans were determined rationally with due consideration of market interest rates. No collateral was received.  
2. A total allowance for doubtful accounts of ¥6,226 million has been reserved for long-term loans receivable from subsidiaries. A total of ¥634 million of allowance for doubtful accounts was posted in the current fiscal year. Long-term loans receivable include current portion of long-term loans receivable.  
3. Purchase and sale prices of products and raw materials were determined by reference to their market prices.  
4. The Company provides guarantees for electronically recorded obligations (including facility-related electronically recorded obligations) of subsidiaries.

10. Notes on Revenue Recognition

(Basic information for understanding revenues arising from contracts with customers)

Basic information for understanding revenues arising from contracts with customers is omitted as the same information is provided in "10. Notes on Revenue Recognition" in "Notes to Consolidated Financial Statements."

11. Notes on Income Taxes for Global Minimum Tax

Not applicable

12. Notes on Per-Share Information

- |                       |           |
|-----------------------|-----------|
| (1) Equity per share: | ¥1,148.27 |
| (2) Profit per share: | ¥150.34   |

13. Notes on Significant Subsequent Events

Not applicable

14. Other Notes

Japanese yen accounts are presented in millions of yen and are rounded down to the nearest million yen.

(TRANSLATION)

## INDEPENDENT AUDITOR'S REPORT

May 19, 2025

To the Board of Directors of  
NICHICON CORPORATION:

Deloitte Touche Tohmatsu LLC  
Kyoto Office

Designated Engagement Partner,  
Certified Public Accountant:

Keiko Hishimoto

Designated Engagement Partner,  
Certified Public Accountant:

Hiromi Ueda

### **Opinion**

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of NICHICON CORPORATION and its consolidated subsidiaries (the "Group"), namely, the consolidated balance sheet as of March 31, 2025, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2024 to March 31, 2025, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025, and its consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

**Notes to the Readers of Independent Auditor's Report**

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. The other information in "the Business Report and the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.

(TRANSLATION)

## INDEPENDENT AUDITOR'S REPORT

May 19, 2025

To the Board of Directors of  
NICHICON CORPORATION:

Deloitte Touche Tohmatsu LLC  
Kyoto Office

Designated Engagement Partner,  
Certified Public Accountant:

Keiko Hishimoto

Designated Engagement Partner,  
Certified Public Accountant:

Hiromi Ueda

### **Opinion**

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of NICHICON CORPORATION (the "Company"), namely, the nonconsolidated balance sheet as of March 31, 2025, and the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 89th fiscal year from April 1, 2024 to March 31, 2025, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2025, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Nonconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

**Notes to the Readers of Independent Auditor's Report**

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "The accompanying supplemental schedules" referred to in the "Opinion" section of this English translation are not included in the attached financial documents. In addition, the other information in "the Business Report and the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.

## Copy of the Audit Report of the Audit & Supervisory Board (Translation)

### AUDIT REPORT

The Audit & Supervisory Board received audit reports prepared by Audit & Supervisory Board Members concerning the Directors' execution of their duties during the 90th fiscal year ended March 31, 2025. After discussing the audit results on the basis of those reports, we have prepared this Audit Report and hereby report as follows.

#### 1. Methods and details of audits conducted by Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board determined its auditing policies and division of duties, and received from each Audit & Supervisory Board Member a report on audit execution status and results thereof. The Board also received reports from the Directors and Accounting Auditor on the status of the execution of their duties, requesting additional explanation as necessary.
- (2) Each Audit & Supervisory Board Member, in accordance with the standards for conducting audits established by the Audit & Supervisory Board and pursuant to its auditing policies and division of duties, communicated with the Directors, the Internal Audit Department and other employees, etc., to collect information and to improve the environment for the audits, and conducted the audits in the following manner:
  - i. Audit & Supervisory Board Members attended meetings of the Board of Directors and other important meetings, received reports on the status of the execution of duties from the Directors and employees, requested additional explanation as necessary, reviewed important internal approval documents, and examined the status of business operations and assets at the Head Office and principal offices and factories. As for subsidiaries, Audit & Supervisory Board Members communicated and exchanged information with the Directors and Audit & Supervisory Board Members of the subsidiaries and received reports on their business as needed.
  - ii. On the details of the Board of Directors' resolution described in the Business Report regarding (i) the development of systems necessary to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation, and (ii) other systems necessary to ensure the properness of operations of the Company and operations of group of enterprises consisting of the Company and its subsidiaries (required pursuant to Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act), as well as the system that is established in accordance with such resolution (Internal Control System), Audit & Supervisory Board Members received regular reports from Directors and employees, etc., regarding the status of the development and implementation of the Internal Control System, asked them for explanations as necessary, and stated opinions.
  - iii. Audit & Supervisory Board Members reviewed the contents of the basic policies (required under Article 118, item (iii)-(a) of the Ordinance for Enforcement of the Companies Act) described in the Business Report, based on the deliberations in the meetings of the Board of Directors and other meetings.
  - iv. Audit & Supervisory Board Members monitored and verified whether the Accounting Auditor maintained independence and conducted audits properly, received reports from the Accounting Auditor on the status of the execution of its duties, and requested explanations as necessary. Furthermore, Audit & Supervisory Board Members received reports from the Accounting Auditor that it had a system in place for ensuring that it executes its duties (as described in each item under Article 131 of the Regulations on Corporate Accounting) pursuant to the Standards for Quality Control of Audits (Business Accounting Council, October 28, 2005), and requested additional explanations as necessary.

Based on the methods described above, we reviewed the Business Report and Supplementary Schedules; the non-consolidated financial statements, namely, the Balance Sheet, Statement of Income, Statement of Changes in Shareholders' Equity, and Notes on Nonconsolidated Financial Statements and Supplemental Schedules; and the consolidated financial statements, namely, the Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Shareholders' Equity, and Notes to Consolidated Financial Statements, for the fiscal year under review.

#### 2. Results of the Audit

##### (1) Audit results of the Business Report

- i. We have confirmed that the Business Report and the Supplemental Schedules accurately represent the state of the Company as of March 31, 2025, pursuant to the applicable laws and regulations, and the Articles of Incorporation of the Company.
- ii. We have not discovered any misconduct concerning the execution of duties by the Directors or serious violations of applicable laws and regulations or the Articles of Incorporation of the Company.

iii. We have confirmed that resolutions adopted by the Board of Directors concerning the internal control system were reasonable. Moreover, we have found nothing that needs to be pointed out concerning the description of the internal control system in the Business Report or the execution of duties by the Directors.

The Company and some of its overseas sales subsidiaries have been under investigation by the Japan Fair Trade Commission (JFTC) and regulatory authorities of the European Union, the United States, and other bodies since March 2014 over alleged violations of applicable competition laws arising from the sale of aluminum electrolytic capacitors and tantalum electrolytic capacitors in respective regions and countries.

In March 2016, the Company received from the JFTC a cease-and-desist order and an order to pay a surcharge for the investigation in Japan. We appealed against the assessments and judgments that the JFTC's orders were based upon and filed a legal action seeking cancellation of the order. We further made an appeal to a higher court, but in October 2021, the appeals court handed down a judgment to dismiss our appeal, and to not accept the Company's appeal. Accordingly, this action is now closed.

Outside of Japan, in December 2015, Nichicon (Hong Kong) Ltd., a Company subsidiary, was subjected to a penalty from the Taiwan Fair Trade Commission. In February 2016, the subsidiary appealed against the assessments and judgment on which the penalty was based and filed a legal action. The subsidiary further appealed to a higher court, and as a result, in November 2023, the Supreme Administrative Court handed down a judgment to annul the penalty decision on the grounds that the calculation method of the penalty was unlawful. Accordingly, this action is now closed. Then, the Taiwan Fair Trade Commission conducted a reinvestigation based on the judgment, and our argument was generally accepted. With the penalty sanctioned against the subsidiary significantly reduced, the case was closed in December 2024. In March 2018, the Company was sanctioned by the European Commission with a fine, and in May of the same year it filed a lawsuit to appeal the finding and decision of the sanction. We further made an appeal to a higher court, but in July 2023, a judgment was handed down to dismiss the appeal. Accordingly, this action is now closed.

We have already paid the above surcharges and penalty in full by the due date in order to avoid the risk of having to pay delinquency charges. Class action lawsuits in relation to this matter have been filed against us in the United States and Canada. In the case of the U.S., in September 2018 we concluded a settlement with indirect customers involving the payment by us of US\$ 21.5 million, which received final approval from a US court in July 2020. We also concluded a settlement with direct customers in December 2018, involving the payment by us of US\$ 90 million, which received final approval from a US court in May 2019. In addition, we gradually reached settlements on the individual actions filed by capacitor buyers who had opted out of the class action, and, in November 2022, concluded a settlement agreement with the remaining four plaintiffs, including a payment by us of US\$ 34 million, closing all individual actions. With regard to the Canada class action, a settlement agreement was concluded in March 2023 with the plaintiffs, which includes a payment by us of C\$ 14.5 million, which received final approval from a Canadian court in November 2023. With regard to the class action in Israel, settlement agreements were concluded in March 2024 with the plaintiffs, which include a payment by us of US\$ 2.91 million, and approval of the settlement was granted by the court in November 2024.

As the Audit & Supervisory Board, we confirmed that the Group has ensured compliance with all laws and ordinances, and thus we continue to strive to further enhance our auditing capacities in order to strengthen and reinforce the Company's compliance systems and corporate ethics.

iv. We have found nothing that needs to be pointed out with regard to the Basic Policy on the Control over the Company, described in the Business Report.

(2) Audit Results of the Non-consolidated Financial Statements, the Supplemental Schedules, and the Consolidated Financial Statements

We have confirmed that the methods of audits used by, and their results produced by, the Accounting Auditor Deloitte Touche Tohmatsu LLC were appropriate.

May 19, 2025

The Audit & Supervisory Board, Nichicon Corporation

Standing Audit & Supervisory Board  
Member

Shigeo Yoshida

Standing Audit & Supervisory Board  
Member

Seiya Ueno

Standing Audit & Supervisory Board  
Member (Outside)

Yoshihiko Nakatani

Outside Audit & Supervisory Board  
Member

Kan Tsutagawa

-End-