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NICHICON CORPORATION

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Notice of Differences between Forecast for the Six Months Ended September 30, 2018 and Actual Consolidated Financial Results and Notice of the Recording of Non-Operating Income and Extraordinary Income

NICHICON CORPORATION announces differences between its forecast for consolidated financial results for the six months ended September 30, 2018 (April 1 to September 30, 2018), announced on May 10, 2018, and actual results, as outlined below.

Furthermore, the Company announces the recording of non-operating income and extraordinary income, also described below.

1. Differences between Forecast for Consolidated Financial Results for the Six Months Ended September 30, 2018 (April 1 to September 30, 2018) and Actual Results

(Millions of yen, unless otherwise stated)

	Net sales	Operating income	Ordinary income	Net income (loss) attributable to owners of the parent	Net income (loss) per share (yen)
Previously announced forecast (A)	58,000	2,600	2,700	1,700	24.41
Actual results (B)	59,883	2,300	3,666	655	9.41
Change (B – A)	1,883	(299)	966	(1,044)	
Change rate (%)	3.2	(11.5)	35.8	(61.5)	
(Reference) Results for the six months ended September 30, 2017 (Same period of fiscal year ended March 31, 2018)	57,007	2,937	3,545	(2,149)	(30.87)

2. Reasons for Differences

During the six months ended September 30, 2018, ordinary income outpaced our previous forecast due to robust demand for capacitors for the automotive market and for inverter-related products. In addition, yen depreciation during the 2nd quarter business term and as of September 30, 2018 was more pronounced than we had anticipated at the beginning of the term, which resulted in the posting of foreign exchange gain of ¥891 million.

Although posting a ¥646 million gain on sales of investment securities in the six months ended September 30, 2018, the Company also recorded ¥2,648 million in losses related to antitrust law, as stated in a September 28, 2018 news release entitled “Regarding the Settlement of a Group Civil Lawsuit in the U.S. and the Recording of an Extraordinary Loss”. As a result, net income attributable to owners of the parent fell below the previously forecast figures.

3. Details of Non-Operating Income and Extraordinary Income

(1) Details of Non-Operating Income

Foreign exchange gain: ¥891 million

Due to recent exchange rate trends, the Company generated a foreign exchange gain of ¥891 million, and therefore posting non-operating income.

(2) Details of Extraordinary Income

Gain on sales of investment securities: ¥646 million

Reasons for sales of investment securities: To make effective use of assets and improve their efficiency

Period when sales of investment securities were generated: From September 14, 2018 to September 25, 2018

Details of sales of investment securities: Sales of investment securities held by NICHICON in one listed company