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September 2, 2026

To whom it may concern,

Company Name: **NICHICON CORPORATION**
Name of Representative: Katsuhiko Mori, President and Representative Director
(Code: 6996, TSE Prime)
Inquiries: Shinji Iwami, Operating Officer, General Manager of
Financial & Accounting Headquarters
(TEL. +81-75-231-8461)

Notice Regarding Issuance of Zero-Coupon Convertible Bonds Due 2031

Nichicon Corporation (the “Company”) hereby announces that, at a board meeting held on September 2, 2026, it resolved to issue Zero-Coupon Convertible Bonds (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*) due 2031 (the “Bonds with Stock Acquisition Rights”), as described below.

Background to and Purpose of Issuance of Bonds with Stock Acquisition Rights

The Company Group has identified and is actively expanding its business in four key markets: “Energy, Ecology & Medical equipment,” “Automotive & Railway-car related appliances,” “Home appliances & Industrial inverters,” and “Information & Communications equipment.”

In the capacitor business, orders for conductive polymer aluminum solid electrolytic capacitors, conductive polymer hybrid aluminum electrolytic capacitors, and large-sized aluminum electrolytic capacitors (long L-type) have increased significantly, driven by expanding demand from generative AI servers and data centers. In addition, demand for conductive polymer hybrid aluminum electrolytic capacitors and film capacitors for xEVs is increasing in the automotive and transportation-related equipment sector due to the growing adoption of xEVs (BEVs, HEVs, and PHEVs), advances in advanced driver assistance systems (ADAS), and the transition toward software-defined vehicles (SDVs). The Company has designated the information and communications market and the automotive and railway-car market as key growth markets and is strengthening its technology development capabilities and expanding production capacity in order to increase orders and achieve sustainable business growth.

In the Nichicon Energy Control System Technology (NECST) business, the Company is expanding its product lineup, including its household energy storage system, the “Tribrid Energy Storage System®,” Vehicle-to-Home (V2H) systems, and EV quick chargers, in pursuit of a carbon-neutral society. At the same time, it is increasing production capacity in the applications equipment field, including special-purpose power supplies and accelerator power supplies for medical and academic use, and power supplies related to fusion energy, in order to respond to a phase of expanding demand.

Note: This press release has been prepared for the sole purpose of publicly announcing the issue and sale of the Bonds with Stock Acquisition Rights, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan. This press release is not an offer of the Bonds with Stock Acquisition Rights or any shares of the Company for sale in any jurisdiction, including the United States, and nothing in this press release shall constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer or sale would be unlawful. The Bonds with Stock Acquisition Rights and the shares of the Company have not been, and will not be registered under the Securities Act. The Bonds with Stock Acquisition Rights and any shares of the Company may not be offered or sold in the United States absent registration or an exemption from registration under United States Securities Act of 1933 (the “Securities Act”). Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer and that will contain detailed information about the company and management, as well as financial statements. No offering of the Bonds with Stock Acquisition Rights or any shares of the Company will be made in the United States.

Against this backdrop, as technological innovation and competition for market share intensify globally in growth sectors, the Company has determined that securing funds for capital expenditures aimed at strengthening the production infrastructure for products serving these growth markets is essential to further strengthen its earnings power and enhance its corporate value on a sustainable basis. To secure the required funds through low-cost debt financing, the Company has decided to issue the Bonds with Stock Acquisition Rights, which enable financing through zero-coupon bonds issued at a price above their principal amount. Through this financing, the Company intends to diversify its financing methods and maintain financing capacity so as not to miss investment opportunities in rapidly expanding growth markets.

In addition, in order to mitigate the short-term impact of the issuance of the Bonds with Stock Acquisition Rights on the supply and demand of the Company's shares, facilitate the smooth execution of the fundraising, enhance capital efficiency, and enhance shareholder returns, the Company has decided to repurchase its own shares using a portion of the proceeds raised.

Use of Proceeds

The net proceeds of the issue of the Bonds with Stock Acquisition Rights are estimated to be approximately 22 billion yen, and are expected to be used as follows:

1. Approximately 17 Billion Yen in Aggregate for the Following Capital Expenditures
 - Capacitor Business
 - (i) Approximately 5 billion yen by the end of March 2029, for capital expenditures at domestic and overseas manufacturing facilities and digital transformation-related investments, aimed at increasing production capacity for conductive polymer hybrid aluminum electrolytic capacitors, in order to respond to growing demand in the information and communications equipment sector and the automotive and transportation equipment sector, where continued growth is expected.
 - (ii) Approximately 7 billion yen by the end of March 2028, for capital expenditures at domestic and overseas manufacturing facilities aimed at increasing production capacity for large-sized aluminum electrolytic capacitors (long L-type), in order to respond to growing demand in the information and communications equipment sector, particularly for AI server power supply applications.
 - NECST Business

Approximately 5 billion yen by the end of March 2028, for capital expenditures relating to factory buildings and ancillary facilities, in order to respond to growing demand for application equipment businesses, including special-purpose power supplies and accelerator power supplies for medical and academic use.
2. Approximately 5 billion yen towards the share repurchase scheduled to be conducted on September 3, 2026, with a view to mitigating the impact of the issuance of the Bonds with Stock Acquisition Rights on the supply and demand of the Company's shares, while enhancing capital efficiency, enabling flexible capital management and strengthening shareholder returns.

With respect to the share repurchase, at a board meeting held today, simultaneously with the resolution approving the issuance of the Bonds with Stock Acquisition Rights, the Company resolved to conduct a share repurchase through the off-auction own share repurchase trading system (ToSTNeT-3), with a maximum aggregate repurchase cost of 5 billion yen and September 3, 2026 as the repurchase date. As the repurchase of own shares as described above is expected to take place prior to the payment date of the Bonds with Stock Acquisition Rights, the Company intends to apply a portion of the amount referred to above in respect of the proceeds from the issuance of the Bonds with Stock Acquisition Rights to, among others, the replenishment of the portion of its cash on hand utilized for the share repurchase.

As the amount for which the Company is able to repurchase its own shares is dependent on, among other things,

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market conditions, the aggregate repurchase cost may not reach the planned amount. To the extent that any such proceeds allocated for the purpose described in item 2 above remain after the implementation of such repurchase, such proceeds may be used as part of its funding of a portion of the repayment of the Company's long-term borrowings due by the end of March 2029.

Purpose of the Structure (Issuance of Bonds with Stock Acquisition Rights and Share Repurchase)

The Company intends to issue the Bonds with Stock Acquisition Rights through a structure combining the issuance of the Bonds with Stock Acquisition Rights and the acquisition of its own shares (the "Structure"). The Structure has the following features:

- (i) Because the Bonds with Stock Acquisition Rights are issued on a zero-coupon basis at a paid-in amount not less than the principal amount of the Bonds, financing costs can be minimized.
- (ii) By setting the conversion price above the market price at the time the terms and conditions are determined, conversion into shares is expected to occur primarily in circumstances involving future appreciation in the Company's share price and other similar developments, and is therefore expected to mitigate the dilution of earnings per share resulting from the conversion.
- (iii) The Bonds with Stock Acquisition Rights incorporate a 130% conversion restriction clause and an acquisition clause (par value cash settlement type), thereby minimizing, to the greatest extent possible, the likelihood of conversion into common shares and providing a highly debt-oriented structure that takes existing shareholders into consideration.
- (iv) Through the repurchase of its own shares funded by the net proceeds from the issuance of the Bonds with Stock Acquisition Rights, the Company expects not only to enhance shareholder returns but also to improve capital efficiency measures such as return on equity (ROE) and earnings per share (EPS).

As described in the "Notice Regarding Determination of Matters Relating to Repurchase of Own Shares (Repurchase of Own Shares Based on Articles of Incorporation Pursuant to Article 165, Paragraph (2) of Companies Act)" and the "Notice Regarding Repurchase of Own Shares Through Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) (Repurchase of Own Shares Based on Articles of Incorporation Pursuant to Article 165, Paragraph (2) of Companies Act)" each issued today, the Company, simultaneously with the resolution approving the issuance of the Bonds with Stock Acquisition Rights, resolved to establish a share repurchase program with a maximum aggregate repurchase cost of 5 billion yen. In addition, the Company resolved to conduct, on September 3, 2026, a pre-announced share repurchase through the off-auction own share repurchase trading system (ToSTNeT-3), with the aggregate repurchase cost of shares to be acquired set at the same amount as the repurchase program.

- 1. Name of Bonds
Nichicon Corporation Zero-Coupon Convertible Bonds (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*) due 2031 (the "Bonds with Stock Acquisition Rights"; the bonds constituting the Bonds with Stock Acquisition Rights, the "Bonds"; the stock acquisition rights attached thereto, the "Stock Acquisition Rights").
- 2. Paid-in Amount of Bonds
100.75% of the principal amount of the Bonds (the principal amount of each Bond shall be 10 million yen).
- 3. Payment Date and Issue Date of Bonds
September 18, 2026 (London time, unless otherwise specified herein).
- 4. Interest Rate
No interest will be payable on the Bonds.

End

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