

(TSE Prime Securities Code: 6996)



Supplementary Brief on Issuance of Euro-yen CBs and Repurchase of Own Shares

NICHICON CORPORATION

September 2, 2026

Overview of This Matter



Issuer	NICHICON CORPORATION
Type of Issuance	Euro-yen Convertible Bonds with stock acquisition rights, <i>tenkanshasaigata shinkabu yoyakuken-tsuki shasai</i>
Offering Market	Overseas markets, with a focus on Europe and Asia (excluding the United States)
Governing Law	English law
Issue Amount	22 billion yen
Term	5 years
Offering Price	103.25 yen
Issue Price	100.75 yen
Redemption Price	100.0 yen
Interest on Bonds	0.0%
Issuance Resolution Date/ Terms Determination Date	September 2, 2026 (Wednesday) (scheduled)
Payment Date	September 18, 2026 (Friday)
Incidental Provisions	Conversion restriction clause (130%, applicable until three months before maturity); acquisition clause (par value cash settlement type)
Use of Proceeds	Capacitor business: approx. 5 billion yen to enhance production system for conductive polymer hybrid aluminum electrolytic capacitors / Approx. 7 billion yen to enhance production system for large-sized aluminum electrolytic capacitors (long L-type) / NECST business: approx. 5 billion yen for capital expenditures relating to factory buildings and ancillary facilities / Approx. 5 billion yen for repurchase of own shares
Repurchase of Own Shares	Scheduled to purchase up to a maximum of approx. 5 billion yen via ToSTNeT-3 on the day following the issuance resolution date
Lock-up	The Company / the period from the date of execution of the subscription agreement until 180 days after the payment date
Bookrunner and Lead Manager	Daiwa Capital Markets Europe Limited

Background to Issuance of CBs

- Securing Capital Expenditure Funding to Strengthen Production Capacity for Growth-Market Products
 - In recognition of the fact that competition for market share in growth markets is becoming increasingly intense on a global scale.
 - In the Capacitor business, intended to strengthen technology development framework and invest in expanded production capacity to increase order intake and achieve sustainable business growth in the rapidly growing information and communications market and the automotive/vehicle market.
 - In the NECST business, intended to expand product lineup, including residential energy storage systems, V2H systems, and EV fast chargers, while also increasing production capacity in applied equipment fields such as specialized medical power supplies, academic accelerator power supplies, and fusion energy-related power supplies, to respond to the phase of expanding demand.

Proceeds: Approximately 22 billion yen

Funds for growth investments in the capacitor business and the NECST business

Enhancing capital efficiency /
mitigation of impact on supply-demand
balance of shares

Capacitor business: enhancement of
production system for conductive
polymer hybrid aluminum electrolytic
capacitors
Approx. 5 billion yen

Capacitor business: enhancement of
production system for large sized
aluminum electrolytic capacitors
(long L-type)
Approx. 7 billion yen

NECST business: Capital expenditures
relating to factory buildings and ancillary
facilities in applied equipment fields
Approx. 5 billion yen

Repurchase of own shares
Approx. 5 billion yen

- Make 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 automotive and transportation equipment sector, where continued growth is expected (by the end of March 2029).
- Make 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 (by the end of March 2028).
- Make capital expenditures relating to factory buildings and ancillary facilities in order to respond to increasing demand for application equipment businesses, including special-purpose power supplies and accelerator power supplies for medical and academic use (by the end of March 2028).
- Repurchase own shares to mitigate the impact of issuance of the CBs on the supply and demand of the Company's shares, enhance capital efficiency, maintain flexibility in capital management, and enhance shareholder returns (September 3, 2026).

Reasons for and Purposes of Choosing CBs

- Structure Designed to Minimize Financing Costs while Taking Existing Shareholders into Consideration
 - Because the CBs are issued on a zero-coupon basis and at a paid-in amount not less than the principal amount of the bonds, financing costs can be minimized.
 - Conducting a share repurchase in parallel using net proceeds from issuance of the CBs as the source of funds, with the aim of enhancing shareholder returns and capital efficiency while mitigating the short-term adverse impact on the supply and demand of the Company's shares resulting from issuance of the CBs.
 - By setting the conversion price above the market price, 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. In addition, the inclusion of a 130% conversion restriction clause and an acquisition clause (par value cash settlement type) enables a structure designed with due consideration for existing shareholders.

This document has been prepared as a supplementary brief to the press releases issued by Nichicon Corporation (the “Company”) on September 2, 2026 titled “Notice Regarding Issuance of Zero-Coupon Convertible Bonds Due 2031,” “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 “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).” This document does not constitute a solicitation for the purchase of shares or any other securities issued by the Company, whether in Japan or in any other jurisdiction.

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