

Fiscal Year Ending December 2026

Consolidated Financial Report for the First Half

August 5, 2026



TSE Prime Market
5563

FY2026 1H Results

- Underlying ordinary profit : **¥4.5 billion** (+¥2.3 billion YoY)
Domestic businesses are generally performing well.
- Ordinary profit (accounting basis) : **-¥2.9 billion** (-¥4.1 billion YoY)
Recorded **¥7.2 billion** in investment loss related to Pertama Ferroalloys Sdn. Bhd. (“Pertama Ferroalloys” or “Pertama”)

FY2026 Projection

- Underlying ordinary profit : **¥7.5 billion** (+¥2.2 billion YoY / +¥1.5 billion vs. full-year projection)
- Ordinary profit (accounting basis) : **¥1.5 billion** (-¥1.2 billion YoY / -¥5.5 billion vs. full-year projection)
: Impact of recording the above investment loss, etc.)

Shareholder Return

- FY2026 : Annual dividend forecast of **¥17** (interim ¥5.5 + year-end ¥11.5) (increase of ¥5 YoY)

Regarding the Next Medium-Term Business Plan

- Significant changes in the environments surrounding each business.
→ To realize “Our Ideal State in 2030”, we will formulate a new Medium-Term Business Plan starting from FY2027 (**scheduled to be announced in this year**)

INDEX

1

Business Overview

2

FY2026 1H Financial Results

3

FY2026 Earnings Projection

4

Shareholder Return

5

**Progress of the Medium-Term
Business Plan**

6

Appendix

INDEX

1

Business Overview

2

FY2026 1H Financial Results

3

FY2026 Earnings Projection

4

Shareholder Return

5

Progress of the Medium-Term
Business Plan

6

Appendix

1-1. Business Overview

Business Overview

Based on the electric furnace and metallurgical technologies cultivated in our original Ferroalloys business, Nippon Denko Co., Ltd. (the “Company” or “we”) is developing numerous businesses that contribute to solving social issues in the fields of materials and environment.

Materials

Ferroalloys

Facility: Tokushima Plant

- **Top domestic manganese ferroalloy supplier**
Consistent supply of high-quality ferroalloys with outstanding global competitiveness

Main Products

High-carbon ferromanganese / SLP ferromanganese

Main Applications

Additives for steel to improve its hardness, tensile strength, and other properties
Desulfurization and deoxidation agent in steel



High-carbon ferromanganese

Functional Materials

Facility: Tokushima Plant, Myoko Plant, Toyama Plant (Imizu and Takaoka areas)

- A lineup of several domestically produced **one-of-a-kind products in the Japanese market**
- Providing materials for advanced components supporting a digitalization and carbon-neutral society

Main Products

Zirconium oxide, Boron oxide
Ferroboron / Metal hydride alloys
Manganese inorganic chemical products / Cathode materials for lithium-ion batteries

Main Applications

Ceramic capacitors / Glass substrates for displays
Neodymium magnets / Anode materials for HVs' nickel-hydride batteries
Additives for electronic components / Cathode materials for EVs' lithium-ion batteries, etc.



Boron oxide

Environment

Incineration Ash Recycling

Facility: Kashima Plant

- Contributing to a **recycling-oriented society** by **recovering resources** from incineration ash

- Extending the lifespan of landfill sites
- Development of urban mines (molten metals)
- Recycling slag as civil engineering materials (ECOLAROCK)

Main Services & Products

Collection and treatment of incineration ash
Molten metal
ECOLAROCK (civil engineering and construction materials)

Main Applications

Precious and nonferrous metals for industrial purposes
Construction materials such as roadbed materials



Molten metal



ECOLAROCK

Aqua Solutions

Facility: Koriyama Plant

- **Wastewater treatment equipment and pure water production system** using ion-exchange resins
- Consignment regeneration business model

Main Products

Wastewater treatment equipment
Pure water production system

Main Applications

Treatment of industrial wastewater
Production of pure water for hydrogen stations, etc.



Pure water production system

Electric Power

Facility: Hidaka Office

- Stable sale of electricity by utilizing renewable energy Feed-In Tariff system (FIT)
- **Green electricity**
- The largest dam in the private sector*

*Excluding electric power companies



Horomangawa river Hydroelectric power plants

INDEX

1

Business Overview

2

FY2026 1H Financial Results

3

FY2026 Earnings Projection

4

Shareholder Return

5

Progress of the Medium-Term
Business Plan

6

Appendix

2-1. FY2026 1H Financial Results

FY2026 1H
Results

- Underlying ordinary profit* increased two-fold YoY to **¥4.5 billion** larger-than-expected upward trend in ferroalloys market prices and continued depreciation of the yen, as well as an increased volume of incineration ash treated and the high and stable molten metal market prices.
- Ordinary profit (accounting basis) decreased by ¥4.1 billion to **-¥2.9 billion** due to the recording of an investment loss in Pertama Ferroalloys. (one-time factor, see pages 7-8)

	FY2025 1H	FY2026 1H	YoY
Net Sales	38.1	38.8	+0.7
Operating Profit	2.0	5.3	+3.3
Ordinary Profit	1.2	(2.9)	-4.1
Inventory Impact etc.	(1.0)	(0.2)	+0.8
Investment Loss in Pertama Ferroalloys	-	(7.2)	-7.2
Underlying Ordinary Profit*	2.2	4.5	+2.3
Profit Attributable to Owners of Parent			
Interim Net Profit	0.5	(2.7)	3.2
Exchange Rate (Yen / \$US)	149	159	

*Ordinary profit excluding inventory impact and one-time factors:

(see p. 24 for details) Since raw material prices are reflected with a delay of about six months to one year due to inventory impact, they cause a discrepancy in accounting-based periodic profit and loss. To correct this discrepancy, “underlying ordinary profit” is calculated by converting raw material prices into market prices. In addition, it is calculated by excluding unexpected and exceptional one-time factors that are not directly related to normal business activities.

2-2. Recording of Share of Loss of Entities Accounted for Using Equity Method:
Pertama Ferroalloys (1)

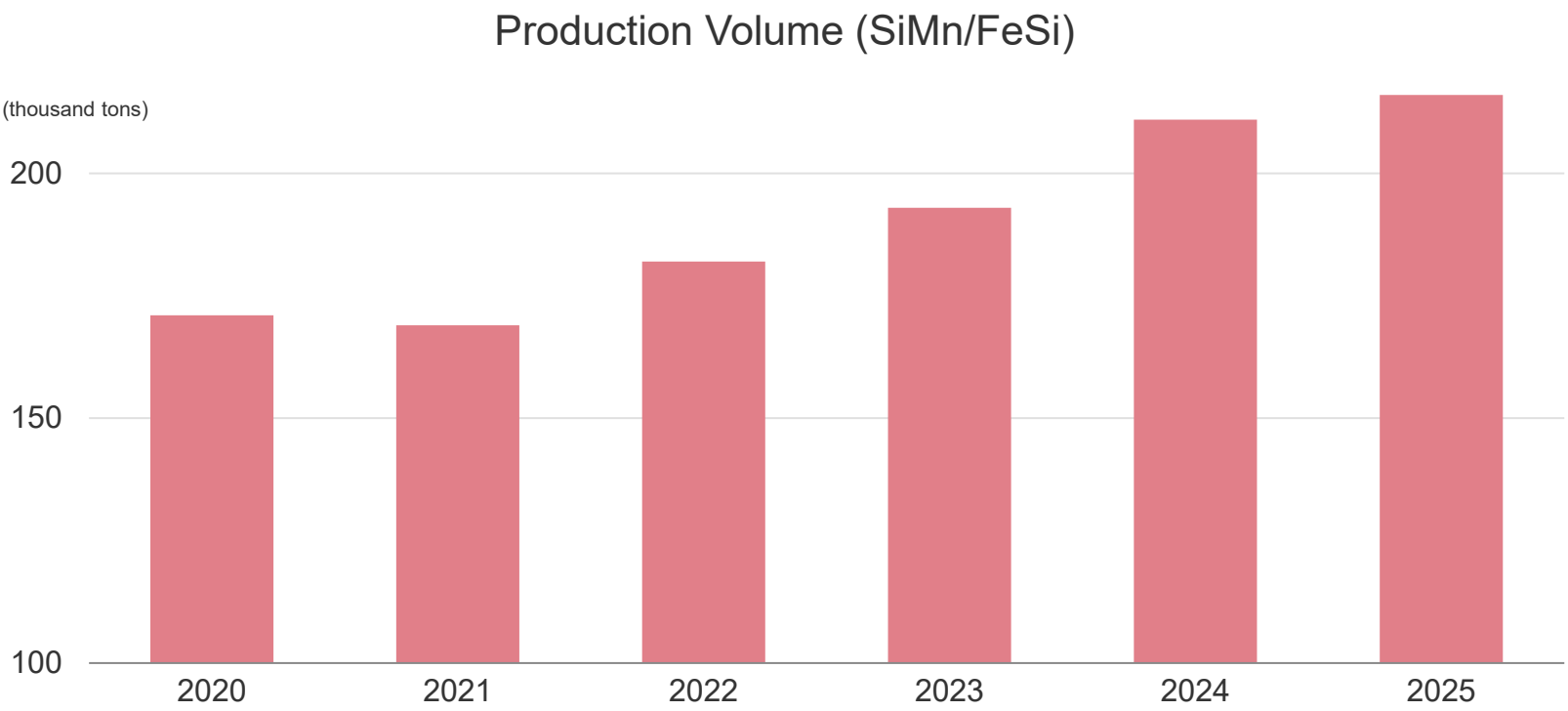
FY2026 1H
Results

Investment Background

- Investment in Pertama Ferroalloys in 2012 for the purpose of manufacturing and selling ferroalloys produced by using inexpensive and green electric power from a hydroelectric power plant in Sarawak, Malaysia, for the Asian market. (ownership ratio: 25%)

Our Initiatives

- Have achieved high and stable production since the Covid-19 pandemic through on-site operational guidance by our engineers.



External Environment

- Stagnation in product market prices in Asia due to increasing supply from India, China, and Russia.

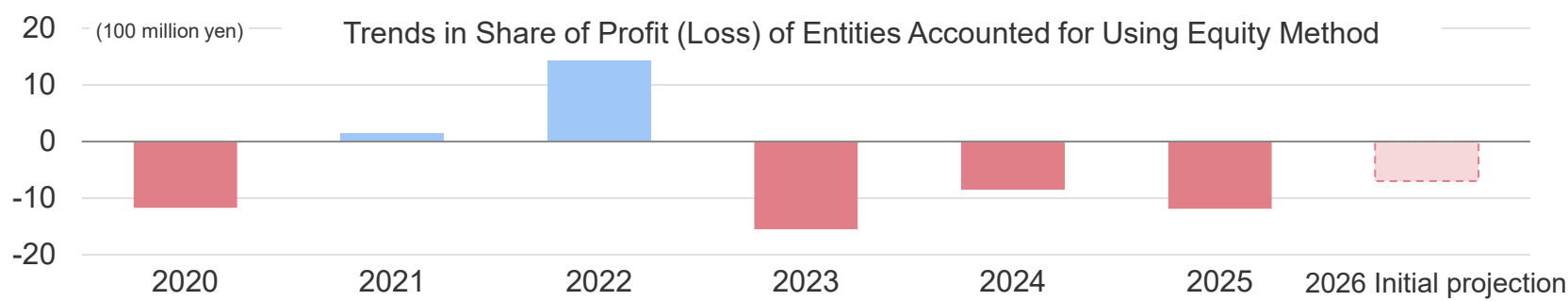


2-3. Recording of Share of Loss of Entities Accounted for Using Equity Method:
Pertama Ferroalloys (2)

FY2026 1H
Results

Operating Status

- **Posted losses for 3 consecutive years since projected to remain in the red also in FY2026.**
- **Product market prices are expected to remain sluggish.**
- **Difficult to forecast a return to profitability at this time.**



Review unprofitable businesses and accelerate the optimal allocation of management resources (selection and concentration)

Recorded an investment loss of ¥7.2 billion on this business in the 1H of FY2026. Considering a complete withdrawal through the sale of our shares in the future.

Evaluation

- Complete elimination of any additional risks to the Company.
- This recording of loss treatment is expected to improve earnings from the second half onward.
→ Consolidated earnings from the next fiscal year onward are expected to improve by approximately ¥1 billion annually.
- The improvement in consolidated earnings is expected to lead to an expansion of shareholder returns.

**As this is a one-time factor, there is no impact on the underlying ordinary profit.
Furthermore, it does not affect cash flows.**

INDEX

1

Business Overview

2

FY2026 1H Financial Results

3

FY2026 Earnings Projection

4

Shareholder Return

5

Progress of the Medium-Term
Business Plan

6

Appendix

Business Environment

Continuing historical depreciation of the yen.

Safeguard measures on ferroalloys implemented in the EU have led to an upward trend in European ferromanganese market prices.

Sluggish growth in the EV market and stagnated demand in battery materials.

Impact of the situation in the Middle East.
(limited impact for the Company)



Our Initiatives

Proactive Profit Improvement

- Implemented price optimization and cost reductions in each business.

Review of Unprofitable Businesses

- Due to the recording of an investment loss related to Pertama Ferroalloys, earnings are expected to improve from the second half of this fiscal year onwards.

Demand Expansion in the Incineration Ash Recycling

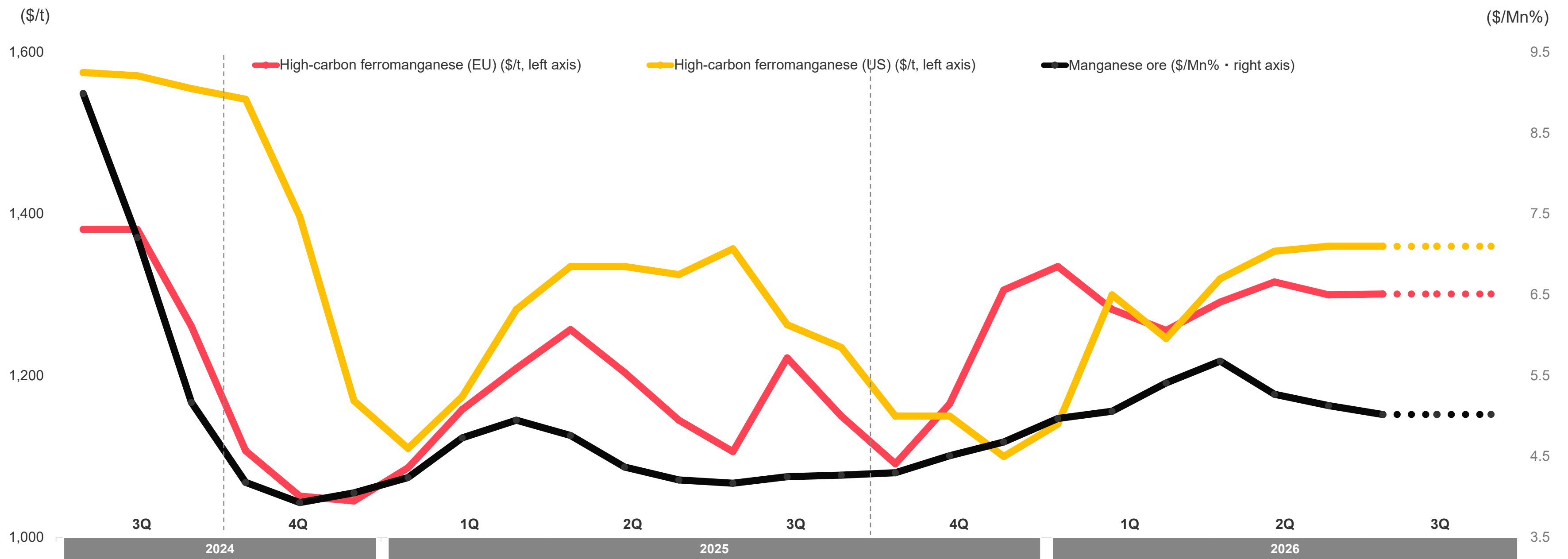
- Commenced construction of No. 5 and No. 6 furnaces.
- Established a sales office in the Kyushu region to expand collection volumes in Western Japan.

3-2. High-Carbon Ferromanganese & Manganese Ore Market Prices

FY2026
Projection

- European ferromanganese market prices are on an upward trend against the backdrop of continued safeguard measures in the EU.
- Due to factors such as a decrease in demand in China, the largest consumer, manganese ore market prices are on a gradual downward trend.
- Margins have improved since the beginning of 2026, resulting in performance at the same level as the previous fiscal year.

High-Carbon Ferromanganese (products) & Manganese Ore Market Prices (raw materials)



*Source: High-carbon ferromanganese (Fastmarkets, METALS WEEK), Manganese ore (Fastmarkets)
*Market conditions affecting revenue generally reflect those of the previous quarter

3-3. FY2026 Consolidated Earnings Projection

FY2026
Projection

- Underlying ordinary profit : **¥7.5 billion** (+¥2.2 billion YoY)
Projected the stable ferroalloys market prices, effect of yen depreciation, increased volume in incineration ash treated, and high and stable molten metal market prices from the second half onward.
- Ordinary profit (accounting basis) : **¥1.5 billion** (-¥1.2 billion YoY)
Projected profit decline due to the recording of investment loss in Pertama Ferroalloys (¥7.2 billion, one-time factor).
- Secures profit for the current period.

	FY2025	FY2026 (Announced on May 12)		YoY	(bil. yen)
Net Sales	77.3	80.0	81.1	+3.8	
Operating Profit	5.2	-	11.0	+5.8	
Ordinary Profit	2.7	7.0	1.5	-1.2	
Inventory impact etc.	(2.6)	+1.0	+1.2	+3.8	
Investment loss in Pertama Ferroalloys	-	-	(7.2)	-7.2	
Underlying Ordinary Profit*1	5.3	6.0	7.5	+2.2	
Profit Attributable to Owners of Parent	1.4	-	0.5	-1.9	
Underlying Profit*2	3.7	4.2	5.3	+1.6	
Exchange rate (Yen / \$US)	150	155	157		

*1 Ordinary profit excluding inventory impact and one-time factors

*2 Underlying ordinary profit × 0.7 (income taxes, etc.)

3-4. FY2026 Earnings Projection (by Segments: Underlying Profit Basis*)

FY2026
Projection

- Ferroatloys (Domestic) : Profit increase thanks to improved profitability and the effect of the weak yen.
 - Functional Materials : Profit decrease due to the sluggish demand for battery materials.
(the partial termination of an OEM contract in March 2026)
 - Incineration Ash Recycling : Profit increase thanks to the increased volume of incineration ash treated and the high and stable molten metal market.
- (bil. yen)

		FY2025		FY2026 Projection		YoY	
		Net Sales	Underlying Ordinary Profit*	Net Sales	Underlying Ordinary Profit*	Net Sales	Underlying Ordinary Profit*
Ferroatloys		48.4	0.2	51.1	1.9	+2.7	+1.7
	Domestic	48.4	1.2	51.1	2.3	+2.7	+1.1
	Overseas	-	(1.0)	-	(0.4)	-	+0.6
Functional Materials		14.8	2.2	13.6	1.5	-1.2	-0.7
Incineration Ash Recycling		8.9	2.1	11.8	3.5	+2.9	+1.4
Aqua Solutions		1.7	0.1	1.8	0.1	+0.1	0.0
Electric Power		1.4	0.4	1.3	0.3	-0.1	-0.1
Others		2.1	0.3	1.6	0.3	-0.5	0.0
Total		77.3	5.3	81.1	7.5	+3.8	+2.2

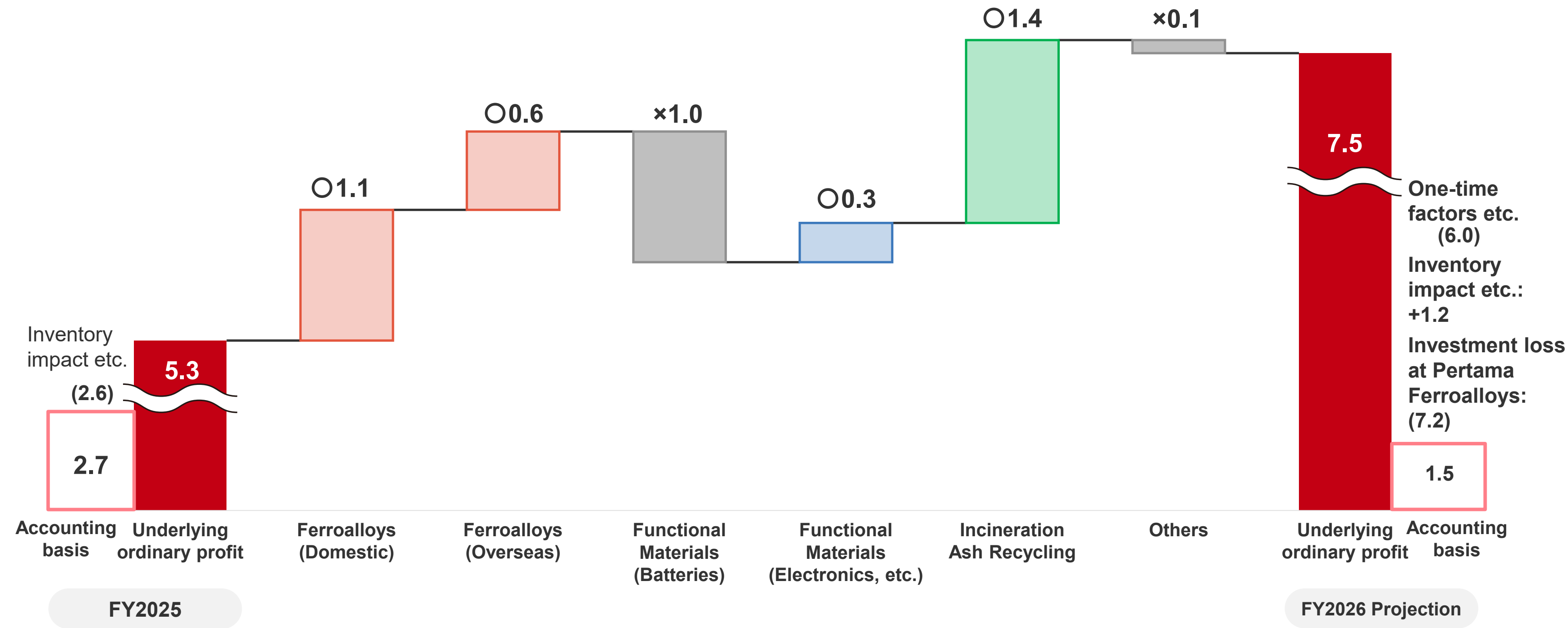
*Ordinary profit excluding inventory impact and one-time factors

3-5. FY2026 Earnings Projection (Underlying Profit Analysis)

FY2026
Projection

Underlying Ordinary Profit Variance Analysis

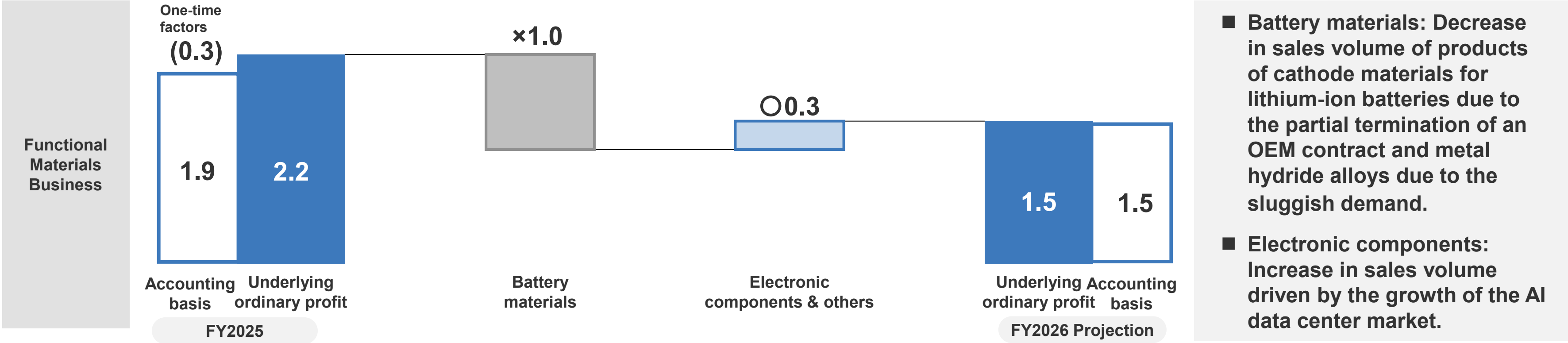
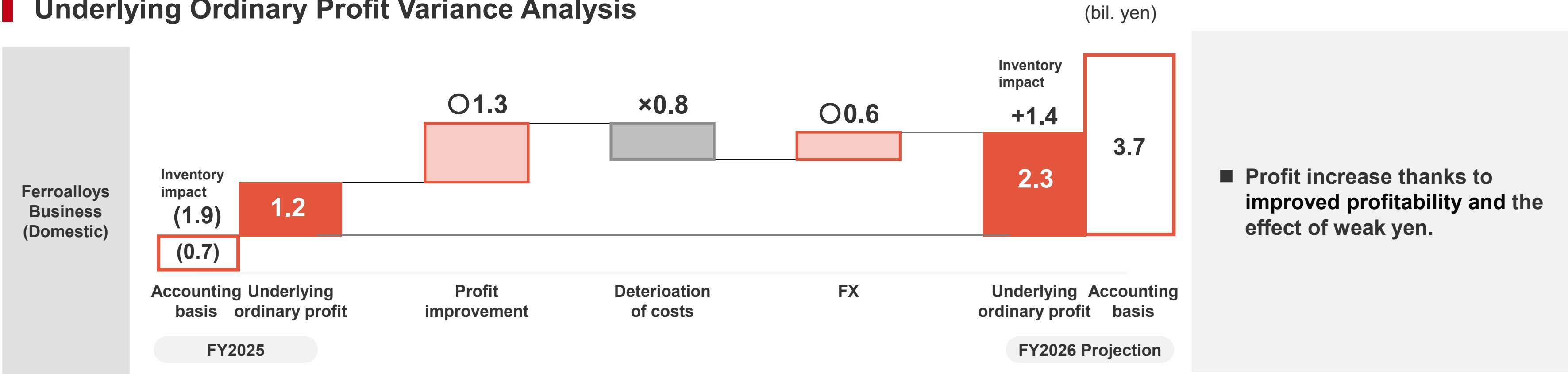
(bil. yen)



3-6. FY2026 Earnings Projection by Segments (Underlying Profit Analysis)

FY2026
Projection

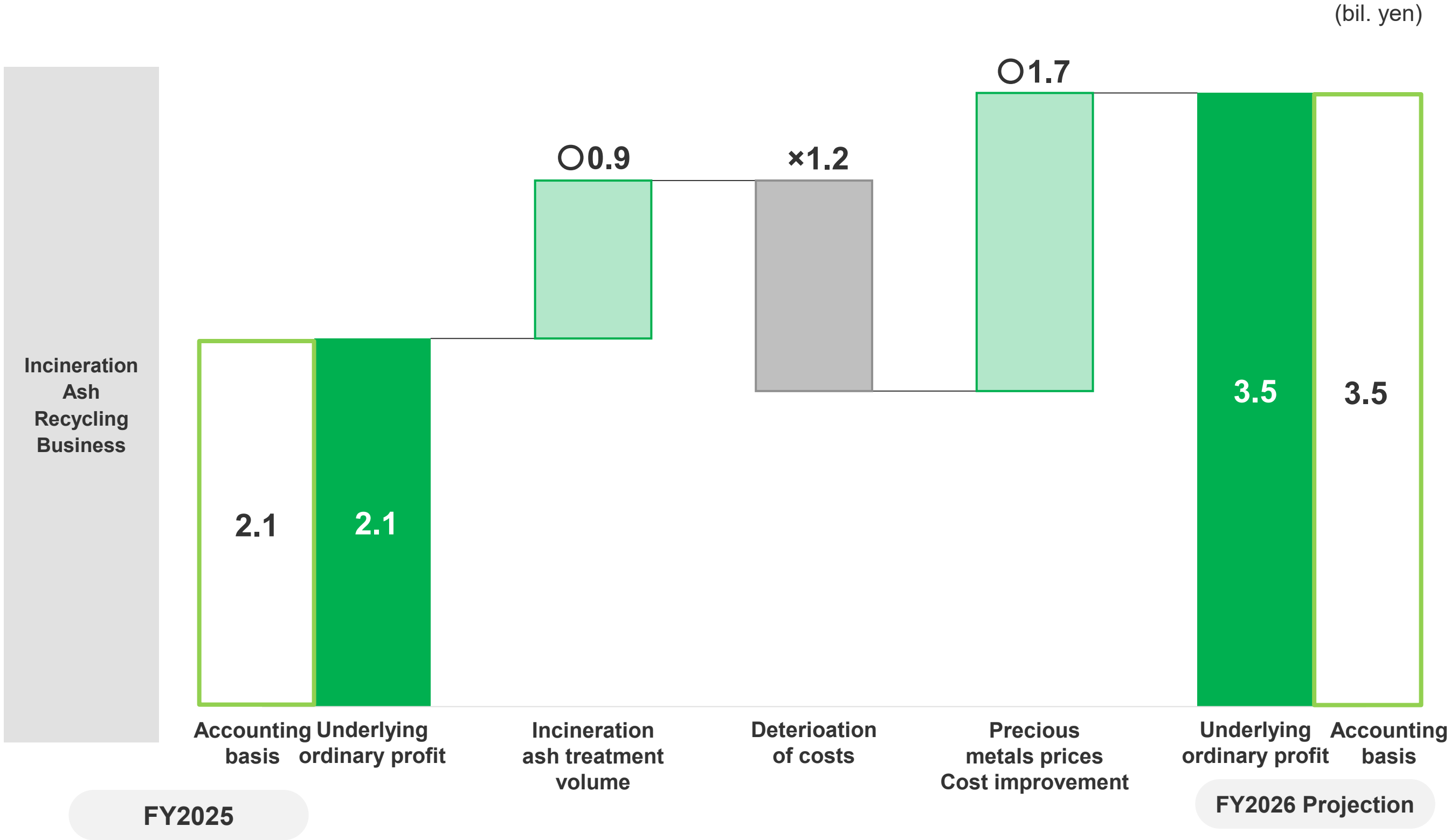
Underlying Ordinary Profit Variance Analysis



3-7. FY2026 Earnings Projection by Segments (Underlying Profit Analysis)

FY2026
Projection

Underlying Ordinary Profit Variance Analysis



- Expansion of collection volume by acquiring new contracts targeting municipalities and industrial waste business partners.
- Established the Kyushu Office in April 2026 to respond to an expansion of collection area.
- Cost increase due to rising commodity prices and business expansion.
- High and stable market prices of molten metals.

B/S (consolidated)

- In addition to a shorter inventory turnover period resulting from inventory reduction, the fixed ratio increased due to the effort to strengthen non-current assets through proactive strategic investment in growing fields.

(bil. yen)	FY2025	FY2026
Total current assets	44.4	43.6
(incl. cash and deposits)	6.0	5.5
(incl. inventories)	26.1	24.6
Total non-current assets	49.0	51.4
(incl. tangible and intangible assets)	28.1	37.1
Total assets	93.4	95.0
Total liabilities	22.4	25.0
(incl. interest-bearing debt)	13.8	13.2
Total net assets	71.0	70.0
Total liabilities and net assets	93.4	95.0
Net D/E ratio	0.11	0.11
Inventory turnover period (month)	5.6	4.9
Fixed ratio (%)	69.0	73.4

C/F (consolidated)

- Expanded investment CF due to growth investment in the Incineration Ash Recycling business.
- Secured FCF as a source of dividends through significant increase in ordinary profit. (excluding impairment of Pertama Ferroalloys)

(bil. yen)	FY2025	FY2026
Cash flows from operating activities	14.6	14.4
(incl. ordinary profit [excl. investment losses])	2.7	8.7
(incl. depreciation)	2.7	4.0
(incl. changes in working capital)	6.3	0.4
Cash flows from investing activities	(5.6)	(10.3)
Free cash flows (FCF)	9.0	4.1
Cash flows from financing activities	(8.9)	(4.1)
(incl. changes in interest-bearing debt)	(3.1)	(2.2)
(incl. dividend)	(1.6)	(1.9)
(incl. aquisition of treasury shares)	(4.0)	0.0
Cash and cash equivalents at end of period	6.0	6.0

INDEX

1

Business Overview

2

FY2026 1H Financial Results

3

FY2026 Earnings Projection

4

Shareholder Return

5

Progress of the Medium-Term
Business Plan

6

Appendix

4-1. Shareholder Return Policy and Dividend Forecast

- Achieving stable and proactive shareholder returns through the promotion of growth strategies.
- Underlying ordinary profit for FY2026 is projected at **¥7.5 billion**. → Underlying profit is **¥5.3 billion**.
→ Annual dividend of **¥17 per share** (¥5 increase YoY, ¥4 increase from initial projection) is expected.

Dividend Policy

- Based on underlying profit*
- Dividend payout ratio : Approx. **40 %**
- Minimum dividend per share : **¥11**

*Underlying profit = Underlying ordinary profit × (1- (income taxes, etc.))
¥7.5 billion **70%** = **¥5.3 billion**

[Objective]

Achieving stable dividends by using underlying profit as a benchmark.

Dividend Forecast

	FY2025	FY2026
Annual dividends (share/yen) (Initial projection)	12	17 (13)
Incl. commemorative dividends (share/yen)	1	-
Total amount of dividends (bil. yen)	1.6	2.1
Total amount of share acquisition costs (bil. yen)	4.0	-
Dividend payout ratio: Underlying profit (%)	42	40
Dividend payout ratio: Net profit (%)	112	424

Acquisition of Treasury Shares

Positioned to supplement dividends and implemented flexibly.

Acquisition of treasury shares amounting to approximately ¥4 billion (13 million shares) in 2025.
12 million shares are scheduled to be disposed of on August 21.

4-2. Shareholder Return: Variations in Dividends

Variations in Dividends

■ Shareholder return policy was changed in FY2024.

Payout ratio (underlying profit basis) : Maintaining the **40%** level

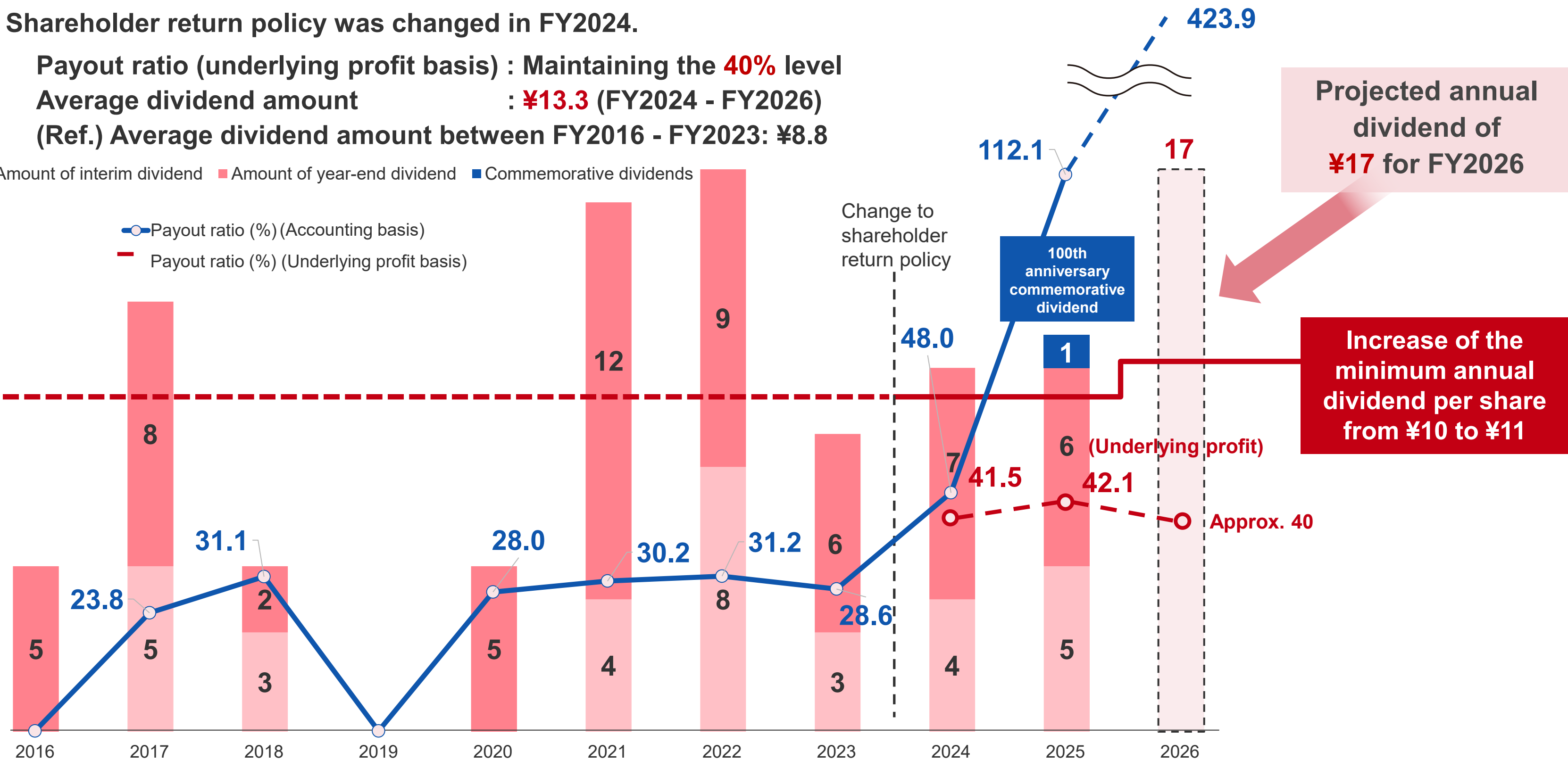
Average dividend amount : **¥13.3** (FY2024 - FY2026)

(Ref.) Average dividend amount between FY2016 - FY2023: ¥8.8

■ Amount of interim dividend ■ Amount of year-end dividend ■ Commemorative dividends

○ Payout ratio (%) (Accounting basis)

— Payout ratio (%) (Underlying profit basis)



INDEX

1

Business Overview

2

FY2026 1H Financial Results

3

FY2026 Earnings Projection

4

Shareholder Returns

5

**Progress of the Medium-Term
Business Plan**

6

Appendix

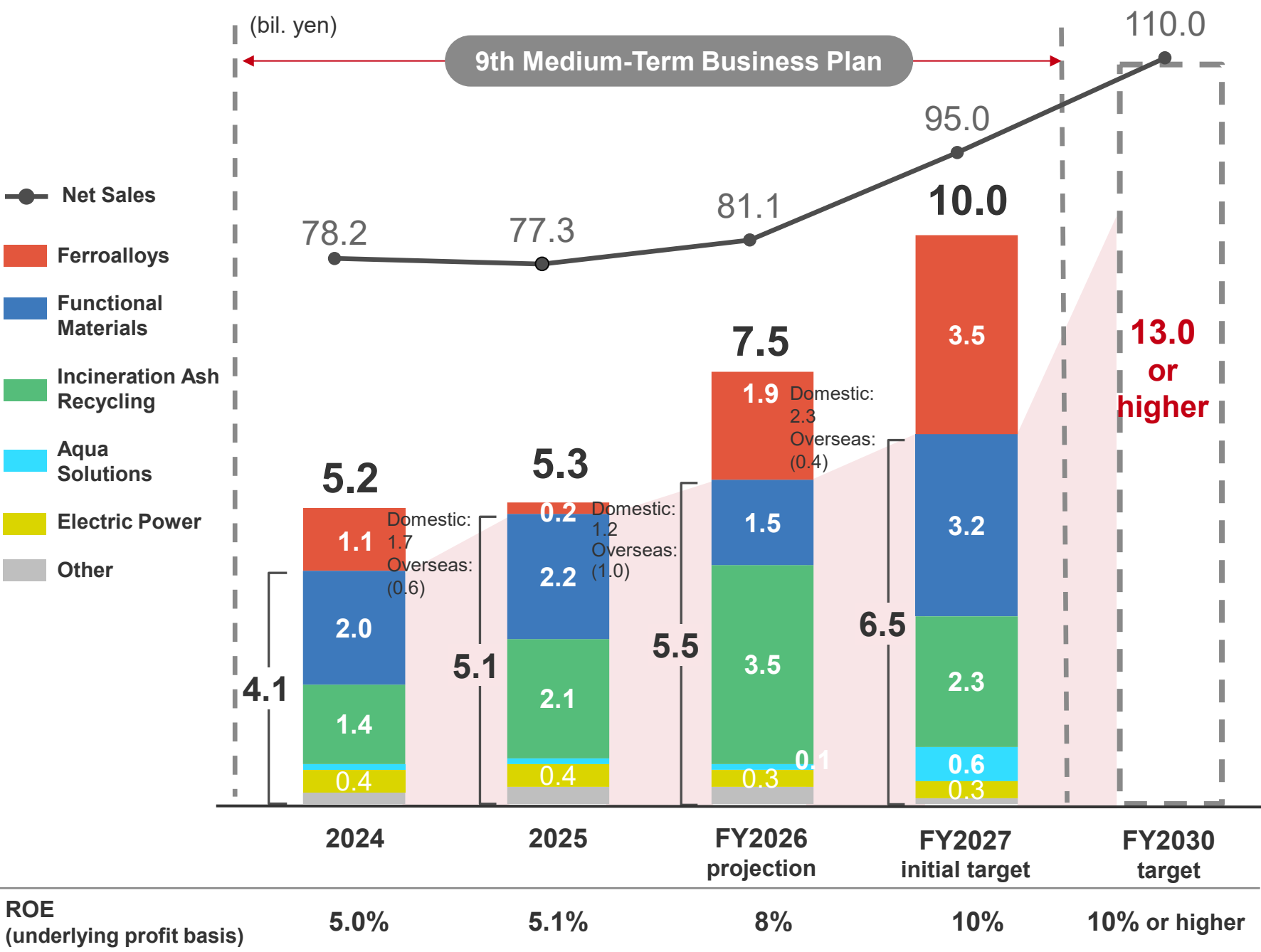
5-1. Progress of the 9th Medium-Term Business Plan

Progress of
MTBP

- Underlying ordinary profit target for FY2027 : ¥10 billion
Vs. Projection for FY2026 : **¥7.5 billion**
- Forecasts **¥8 billion** in the underlying ordinary profit excluding the overseas Ferroalloys business.

The environment surrounding each business has changed significantly from the initial assumptions.
Initiated development of a new Medium-Term Business Plan for 2030.
(The plan will be formulated one year ahead of the target date and is scheduled to be announced by the end of this year.)

Underlying Ordinary Profit / ROE



Ferroalloys (Domestic)

- Ferromanganese market prices are expected to remain stable for the time being due to the continuation of EU safeguard measures.
- Meanwhile, domestic crude steel production is decreasing at a pace exceeding initial assumptions.

Ferroalloys (Overseas)

- Policy change from business expansion to withdrawal regarding investment in Pertama Ferroalloys.
- Consideration of new investments in growing fields.

Functional Materials

- Demand for domestically produced one-of-a-kind products in the Japanese market is expanding due to rising geopolitical risks (electronic materials, ferroboron, etc.)
- On the other hand, demand for the battery materials is sluggish due to the slowdown in EV demand and intensifying competition. (partial termination of an OEM contract in March 2026)

Incineration Ash Recycling

- Growth exceeded our expectations, partly due to favorable conditions in the molten metal market prices.
*Investment decision made for capacity enhancement (No. 5 and No.6 furnaces) <Nov. 2025>
- Expectations are also growing in Western Japan for initiatives that contribute to solving social issues such as the extension of the lifespan of landfill sites.

INDEX

1

Business Overview

2

FY2026 1H Financial Results

3

FY2026 Earnings Projection

4

Shareholder Returns

5

Progress of the Medium-Term
Business Plan

6

Appendix

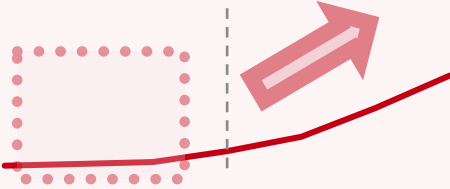
6-1. Definition of Underlying Ordinary Profit

- Introduced **underlying ordinary profit** which excludes inventory impacts and one-time factors **to grasp the inherent earning power**.
- Adopted as one of the management indicators for shareholder returns and employee bonuses.

Calculation of Underlying Ordinary Profit

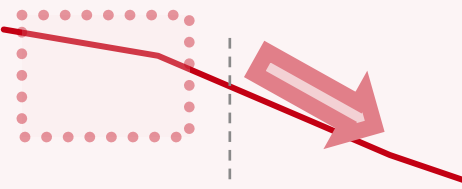
- (1) Eliminate inventory impacts to resolve discrepancy in periodic profit and loss.
- The raw material costs used for the underlying ordinary profit are based on raw material market prices for the period linked to product market prices.
(Accounting-basis raw material costs are reflected with a delay of approximately six months to one year due to inventory impacts.)

Raw Material Market Upturn



Utilize low-cost inventory materials purchased in the previous year.
⇒ Lower cost compared to current raw material market prices
⇒ **Accounting-basis profit turnaround**

Raw Material Market Downturn



Utilize costly inventory materials purchased in the previous year
⇒ Higher cost compared to current raw material market prices
⇒ **Accounting-basis profit downturn**

- (2) Exclude one-time factors caused by unexpected and exceptional events not directly related to normal business activities.

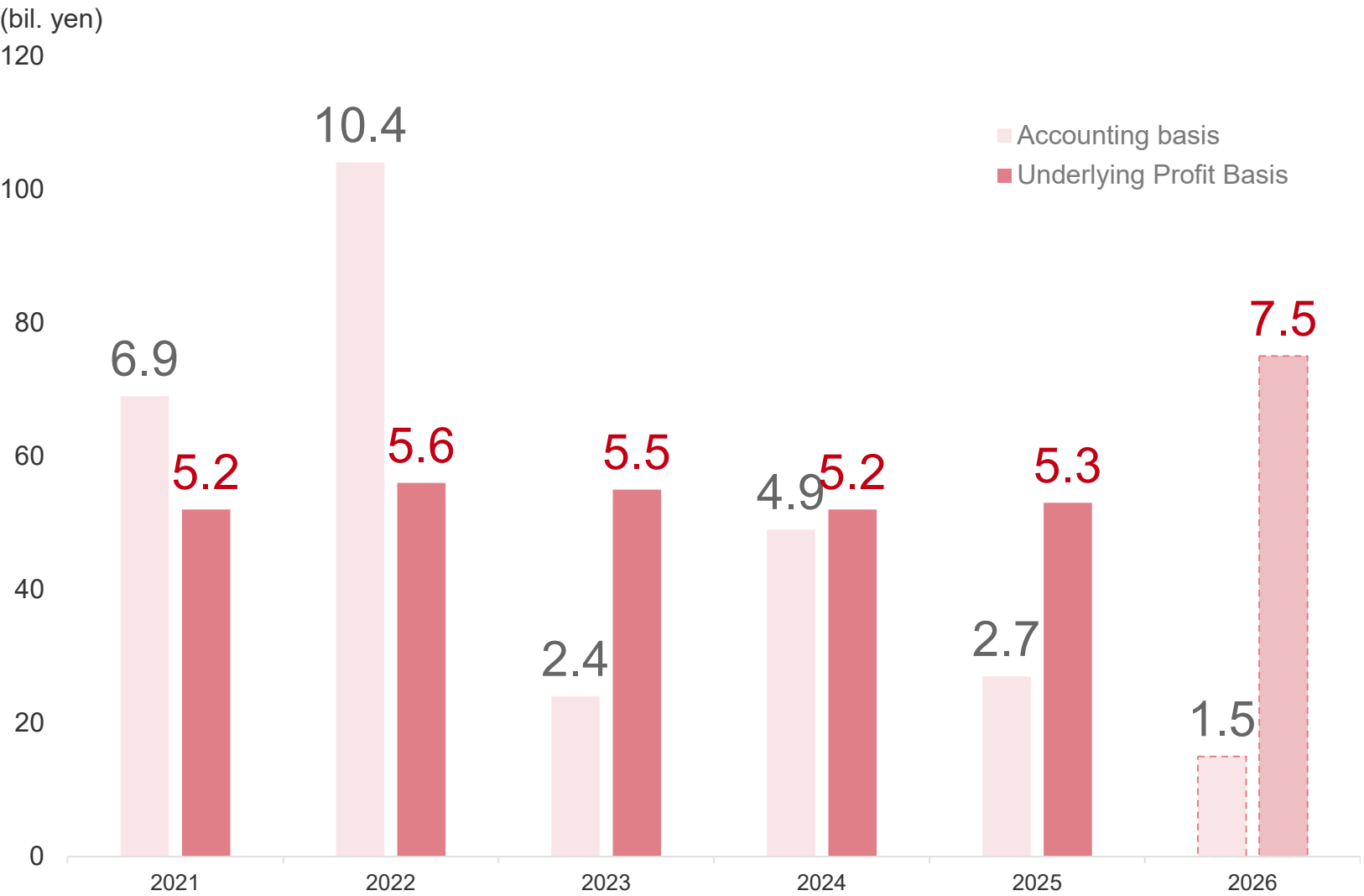
Investment loss related to Pertama Ferroalloys in this FY falls into a one-time factor.

Other examples:

Losses from disasters, business restructuring-related expenses, valuation losses due to declining profitability, FX gains/losses

Company-Wide Ordinary Profit Trend

- By excluding inventory impact and one-time factors, profit/loss volatility is significantly reduced.
- Enables stable dividends based on stable business performance.



6-2. FY2026 1H Consolidated Financial Results

	(bil. yen)								
	FY2025			FY2026			YoY		
	1Q	2Q	1H	1Q	2Q	1H	1Q	2Q	1H
Net Sales	19.4	18.7	38.1	19.4	19.4	38.8	0.0	+0.6	+0.7
Ordinary Profit	0.4	0.8	1.2	1.1	(4.0)	(2.9)	+0.7	-4.8	-4.1
Inventory impact etc.	(0.1)	(0.9)	(1.0)	(0.5)	+0.7	+0.2	-0.4	+1.6	+0.8
Share of loss of entities accounted for using equity method (Pertama)	0.0	0.0	0.0	0.0	(7.2)	(7.2)	0.0	-7.2	-7.2
Underlying Ordinary Profit*	0.5	1.7	2.2	1.6	2.9	4.5	+1.1	+1.2	+2.3
Profit Attributable to Owners of Parent (semi-annual)	0.0	0.4	0.5	0.6	(3.3)	(2.7)	+0.5	-3.7	-3.2
Exchange rate (Yen / \$US)	153	145	149	157	160	159	-	-	-

* Earnings excluding inventory impact and one-time factors

6-3. FY2026 Financial Results by Segments (Underlying profit base*)

(bil. yen)

		FY2025						FY2026						YoY					
		Net Sales			Underlying Ordinary Profit			Net Sales			Underlying Ordinary Profit			Net Sales			Underlying Ordinary Profit		
		1Q	2Q	1H	1Q	2Q	1H	1Q	2Q	1H	1Q	2Q	1H	1Q	2Q	1H	1Q	2Q	1H
Ferroalloys		13.3	11.2	24.5	(0.2)	0.4	0.2	12.3	11.4	23.7	0.1	1.1	1.2	-1.0	+0.1	-0.8	+0.3	+0.7	+1.0
	Domestic	13.3	11.2	24.5	0.1	0.3	0.4	12.3	11.4	23.7	0.5	1.1	1.6	-1.0	+0.1	-0.8	+0.4	+0.8	+1.2
	Overseas	-	-	-	(0.3)	0.1	(0.2)	-	-	-	(0.4)	0.0	(0.4)	-	-	-	-0.1	-0.1	-0.2
Functional Materials		3.4	3.9	7.3	0.5	0.5	1.0	3.5	3.2	6.7	0.7	0.2	0.9	+0.1	-0.7	-0.6	+0.2	-0.3	-0.1
Incineration Ash Recycling		1.8	2.0	3.9	0.3	0.3	0.6	2.7	3.4	6.1	0.9	1.3	2.2	+0.9	+1.3	+2.2	+0.6	+1.0	+1.6
Aqua Solutions		0.4	0.4	0.8	0.0	0.0	0.0	0.4	0.4	0.8	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	0.0	0.0
Electric Power		0.2	0.5	0.7	(0.1)	0.3	0.2	0.1	0.4	0.6	(0.1)	0.2	0.1	-0.0	-0.1	-0.1	0.0	-0.1	-0.1
Others		0.3	0.6	0.9	0.0	0.1	0.1	0.3	0.6	0.9	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Total		19.4	18.7	38.1	0.5	1.7	2.2	19.4	19.4	38.8	1.6	2.9	4.5	0.0	+0.6	+0.7	+1.1	+1.2	+2.3

* Earnings excluding inventory impact and one-time factors

6-4. FY2026 Earnings Projection

(bil. yen)									
	FY2025			FY2026 Projection			YoY		
	1H	2H	Full Year	1H Results	2H	Full Year	1H	2H	Full Year
Net Sales	38.1	39.2	77.3	38.8	42.3	81.1	+0.7	+3.1	+3.8
Ordinary Profit	1.2	1.5	2.7	(2.9)	4.4	1.5	-4.1	+2.9	-1.2
Inventory impact etc.	(1.0)	(1.6)	(2.6)	+0.2	+1.4	+1.6	+0.8	+3.0	+4.2
Share of loss of entities accounted for using equity method (Pertama)	0.0	0.0	0.0	(7.2)	0.0	(7.2)	-7.2	0.0	-7.2
Underlying Ordinary Profit*1	2.2	3.1	5.3	4.5	3.0	7.5	+2.3	-0.1	+2.2
Profit Attributable to Owners of Parent	0.5	0.9	1.4	(2.7)	3.2	0.5	-3.2	+2.2	-0.9
Underlying Profit*2	1.5	2.2	3.7	3.2	2.1	5.3	+1.6	-0.1	+1.6
Exchange rate (Yen / \$US)	149	151	150	159	155	157	-	-	-

*1 Earnings excluding inventory impact and one-time factors
*2 Underlying ordinary profit × 0.7 (income taxes, etc.)

6-5. FY2026 Earnings Projection by Segments (Underlying profit basis*)

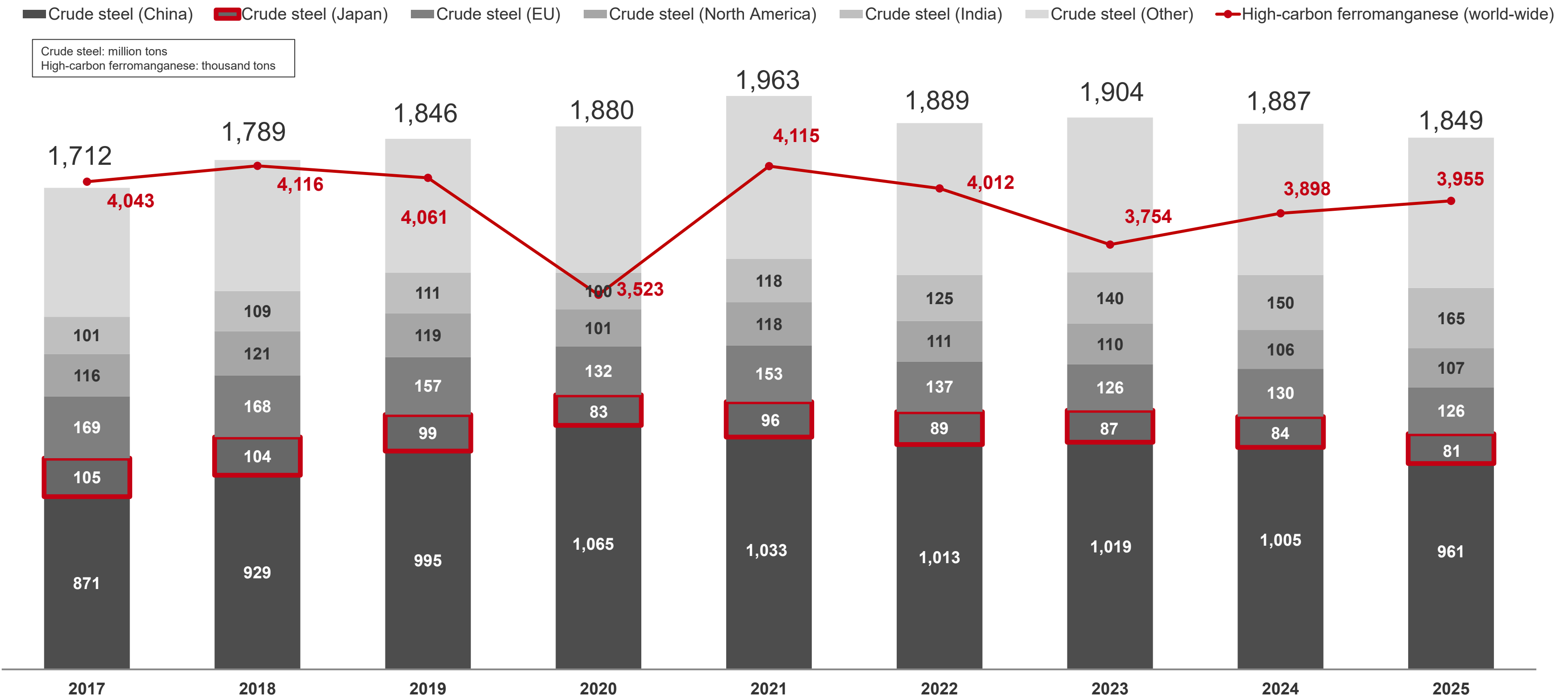
Appendix

(bil. yen)

		FY2025						FY2026 Projection						YoY					
		Net Sales			Underlying Ordinary Profit			Net Sales			Underlying Ordinary Profit			Net Sales			Underlying Ordinary Profit		
		1H	2H	Full Year	1H	2H	Full Year	1H	2H	Full Year	1H	2H	Full Year	1H	2H	Full Year	1H	2H	Full Year
Ferroalloys		24.5	23.9	48.4	0.2	0.0	0.2	23.7	27.4	51.1	1.2	0.7	1.9	-0.8	+3.5	+2.7	+1.0	+0.7	+1.7
	Domestic	24.5	23.9	48.4	0.4	0.8	1.2	23.7	27.4	51.1	1.6	0.7	2.3	-0.8	+3.5	+2.7	+1.2	-0.1	+1.1
	Overseas	-	-	-	(0.2)	(0.8)	(1.0)	-	-	-	(0.4)	0.0	(0.4)	-	-	-	-0.2	+0.8	+0.6
Functional Materials		7.3	7.5	14.8	1.0	1.2	2.2	6.7	6.9	13.6	0.9	0.6	1.5	-0.6	-0.6	-1.2	-0.1	-0.6	-0.7
Incineration Ash Recycling		3.9	5.0	8.9	0.6	1.5	2.1	6.1	5.7	11.8	2.2	1.3	3.5	+2.2	+0.7	+2.9	+1.6	-0.2	+1.4
Aqua Solutions		0.8	0.8	1.7	0.0	0.1	0.1	0.8	1.0	1.8	0.0	0.1	0.1	-0.0	+0.2	+0.1	0.0	0.0	0.0
Electric Power		0.7	0.7	1.4	0.2	0.2	0.4	0.6	0.7	1.3	0.1	0.2	0.3	-0.1	0.0	-0.1	-0.1	0.0	-0.1
Others		0.9	1.2	2.1	0.1	0.2	0.3	0.9	0.7	1.6	0.1	0.2	0.3	0.0	-0.5	-0.5	0.0	0.0	0.0
Total		38.1	39.2	77.3	2.2	3.1	5.3	38.8	42.3	81.1	4.5	3.0	7.5	+0.7	+3.1	+3.8	+2.3	-0.1	+2.2

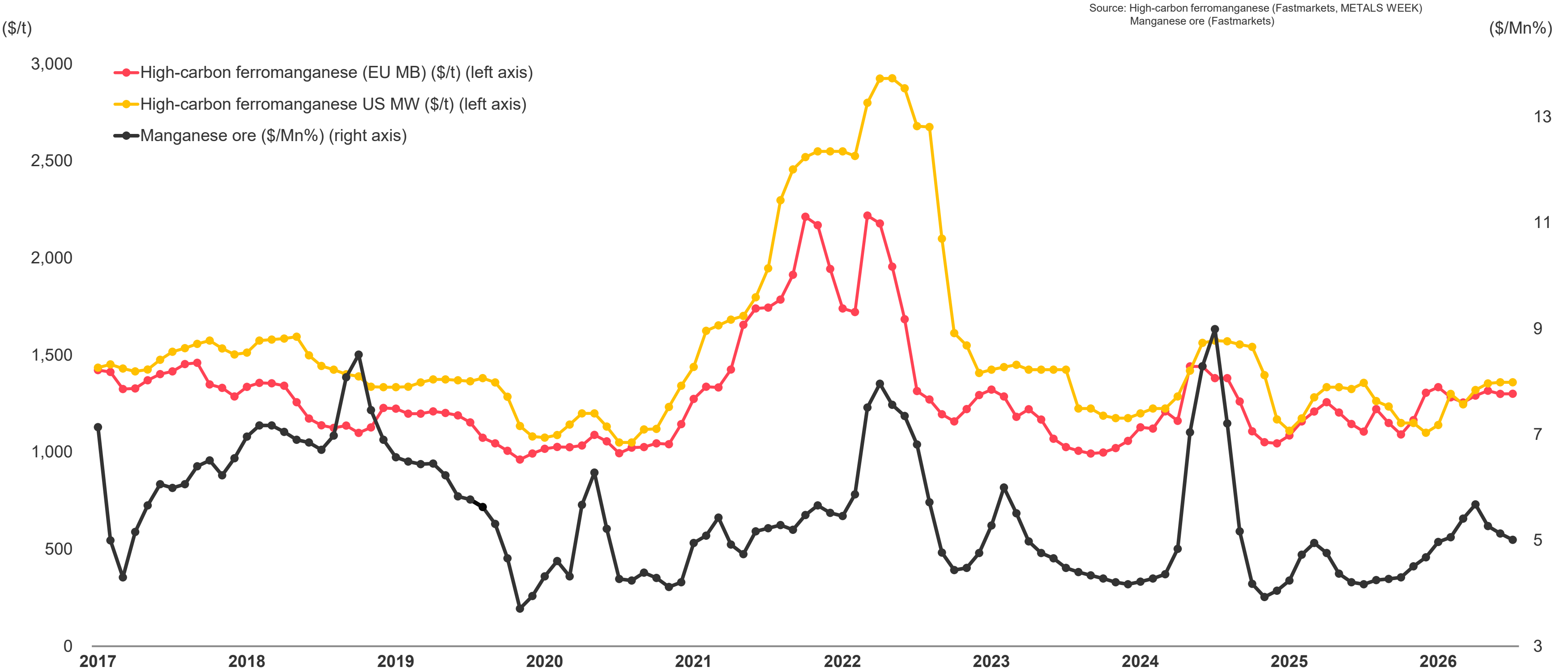
* Earnings excluding inventory impact and one-time factors

6-6. Crude Steel & High-Carbon Ferromanganese Production Trend



6-7. High-carbon Ferromanganese / Manganese Ore Market Prices

Market Trends



6-8. Management Indicators

	(million yen)							
	2018	2019	2020	2021	2022	2023	2024	2025
Net Sales	73,944	70,477	54,004	65,978	79,341	78,390	78,235	77,277
Underlying Ordinary Profit* (bil. yen)	-	-	-	52	56	55	52	53
Inventory Impact etc. (bil. yen)	-	-	-	+17	+48	(31)	(3)	(26)
Ordinary Profit	1,947	(6,426)	3,063	6,870	10,367	2,420	4,859	2,703
Profit Attributable to Owners of Parent	2,352	(14,240)	2,615	7,768	7,949	4,330	3,144	1,418
Capital Investment	7,356	6,902	3,205	3,716	5,555	3,826	3,851	4,086
Depreciation	1,721	2,437	1,824	2,124	2,463	2,945	3,245	3,665
R&D Expenses	452	423	345	353	559	631	588	683
Total Assets (end of FY)	99,786	85,224	86,171	95,888	104,943	100,750	102,200	93,414
Equity-to-Asset Ratio (end of FY) (%)	69.2	63.6	65.4	67.0	65.9	70.9	72.1	76.0
Net D/E Ratio	0.06	0.20	0.17	0.12	0.18	0.15	0.15	0.11
Fixed Ratio (%)	58.1	65.6	67.8	66.0	69.4	68.8	65.5	69.0
Inventory Turnover Period (month)	5.3	4.8	6.4	5.3	5.4	5.8	6.1	5.6
Dividends Per Share (yen)	5.00	0	5.00	16.00	17.00	9.00	11.00	12
Return on Equity (ROE) (%)	3.4	(23.1)	4.7	12.9	11.9	6.2	4.3	2.0
Underlying Ordinary Profit Basis ROE (%)	-	-	-	6.0	5.9	5.5	5.0	5.1
Highest Share Price during the Period (yen)	528	249	320	410	459	394	331	368
Lowest Share Price during the Period (yen)	193	148	108	263	272	259	225	228

*Ordinary profit excluding inventory impact and one-time factors

Shareholders and Investors Communication

Strengthening information disclosure regarding our initiatives, earnings status, and growth strategy.

Disclosure for Individual Investors

Nomura IR joint individual investor seminar: Since FY2025
Nikkei IR Fair : Scheduled to participate in August 2026

Activities to Promote Understanding Among Existing Shareholders

Plant tour : Held at the Kashima Plant in November 2025
Scheduled to be held in 2026 as well

Disclosure for Institutional Investors

Financial Results briefing sessions : Interim and full-year
Individual meetings (January–June) :
26 meetings (FY2025: 11 meetings)

Online publication of the Shared Research Report

Integrated Report

Publish annually from 2023 to deepen understanding of Nippon Denko

Ripple effect

Media Exposure

As a result of the activities described on the left, the Company has been featured in various media platforms, with the main theme being its rapidly growing Incineration Ash Recyclin.

TV TOKYO

Appearance on
“**Shirarezaru Gulliver**”
(April 4, 2026)



TBS RADIO

Appearance on
“**Migoto na Oshigoto**”
(July 7, 2025)



Newspapers, books, etc.

**The Mainichi Shimbun (Newspapers),
Ibaraki Shimbun (Newspapers), Monthly Project Design, etc.**

Other media exposure is planned

IR Information Disclosure

Third-Party Report

<https://sharedresearch.jp/en/companies/5563>



Read our company-sponsored
research report at no cost.

Research Coverage 

Email Distribution Service

<https://www.nippondenko.co.jp/en/ir/mailnews/>



e-mail

We will deliver our timely
disclosure information
to you via email

Integrated Report

<https://www.nippondenko.co.jp/en/ir/library/annual/> (coming soon for the 2026 Ver.)



Information Session Video &Transcription

<https://www.nippondenko.co.jp/en/ir/library/presentation/>



(For individual investors) *Japanese only
https://www.nippondenko.co.jp/ir/individual_investors/



<https://finance.logmi.jp/companies/2565>



General Affairs Department, Nippon Denko Co., Ltd.

TEL

03-6860-6800

Website

<https://www.nippondenko.co.jp/en/>

Disclaimer

This material is provided solely for informational purposes and does not constitute an offer to buy or sell our shares. Forecasts of performance and other information published in this material are based on current information. No guarantee is presented or implied as to the accuracy of the information, which may contain various uncertainties. Actual performance results may differ from those projected in this document. We will not be held liable for any losses incurred as a result of using this material.

This document has been translated from the Japanese original solely for the purpose of reference. If there is a discrepancy between this translated document and the Japanese original, the original shall take precedence.