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November 11, 2025

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	(Securities code: 3315, TSE Prime Market)
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Notice Regarding Optimization of Coke Production Structure and Recognition of Impairment Losses, etc.

Nippon Coke & Engineering Co., Ltd. ("the Company") hereby announces that at today's Board of Directors meeting, it was decided to suspend two aging coke oven batteries within the four complex at the Kitakyushu Coking Works and optimize the coke production structure, and in connection with this decision, the Company has resolved to record an impairment loss and other charges of approximately 5,000 million yen in the third quarter of the fiscal year ending March 31, 2026 as follows.

Details

1. Details of Coke Production Structure Optimization

Location: 1-3 Hibiki-cho, Wakamatsu-ku, Kitakyushu-shi, Fukuoka Prefecture

Name: Nippon Coke & Engineering Co., Ltd. Kitakyushu Coking Works

Production Capacity: Coke production capacity reduced to 1.1 million tons/year from 2 million tons/year

Current Status and Decided Policy of each Coke Oven Batteries

Coke Oven Name	1A	1B	2A	2B
Start-up Date	January 1973	January 1974	April 1980	July 1977
Renewal Date	May 2006	—	September 2024	—
Decided Policy	Continue Operation	Suspension within FY2025	Continue Operation	Suspension during first half of FY2026
Number of kilns	46	46	54	54
Production Capacity	450,000t/year	450,000t/year	650,000t/year	450,000t/year

FY2024 Production Actual: 870,000 t*

* Including production suspension due to 2A Coke Oven renewal work from December 2022 to September 2024

2. Reasons for Coke Oven Suspension

Coke production at our Kitakyushu Coking Works continues stable output from the 1A Coke Oven, which has been in operation since May 2006, and the 2A Coke Oven, whose renewal work has been completed in September 2024. However, the 1B and 2B Coke Oven Batteries, which have been in operation for over 50 years since the start-up, have experienced increasing deterioration and declining production. Despite ongoing efforts to extend their service life, factors diminishing the competitiveness of the coke business have intensified, including rising oven repair costs and deteriorating energy consumption efficiency.

Under these circumstances, considering future coke market conditions and the business environment necessitating energy conservation and CO2 emission reductions, the Company will restructure the coke business to enhance competitiveness and secure stable profitability by streamlining operations to a core structure of two coke oven batteries.

3. Future Outlook and Impact on Performance

In the third quarter of the fiscal year ending March 2026, the Company plans to record an impairment loss of approximately

5,000 million, including ancillary facilities, due to the suspension of the 1B and 2B furnace complexes. Concurrently, the Company plan to implement safety measures for the suspended furnaces and construction work to consolidate operations into a two-furnace complex structure.

The impact of this decision on the fiscal year ending March 2026 results is already reflected in the full-year consolidated earnings forecast disclosed in today's announcement regarding the second quarter results for the fiscal year ending March 2026 and the revision of the earnings forecast.

【Reference】 Full-Year Consolidated Earnings Forecast (Announced November 11, 2025) and Prior-Year Results

	Consolidated Net Sales	Consolidated Operating Profit (Loss)	Consolidated Ordinary Profit (Loss)	Profit (Loss) attributable to owners of parent
Forecasts of consolidated results for FY2025, ending March 31, 2026	Millions of Yen 99,000	Millions of Yen 2,700	Millions of Yen 1,700	Millions of Yen (5,200)
Actual consolidated results for FY2024, ended March 31, 2025	99,045	(8,562)	(10,269)	(13,908)