

## Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (Under Japanese GAAP)

Company name: Nippon Denko Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 5563  
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 Scheduled date of annual general meeting of shareholders: March 27, 2026  
 Scheduled date to commence dividend payments: March 30, 2026  
 Scheduled date to file annual securities report: March 26, 2026  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for securities analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

|                   | Net sales       |       | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |        |
|-------------------|-----------------|-------|------------------|--------|-----------------|--------|-----------------------------------------|--------|
| Fiscal year ended | Millions of yen | %     | Millions of yen  | %      | Millions of yen | %      | Millions of yen                         | %      |
| December 31, 2025 | 77,277          | (1.2) | 5,161            | (24.7) | 2,703           | (44.4) | 1,418                                   | (54.9) |
| December 31, 2024 | 78,235          | (0.2) | 6,856            | 46.0   | 4,859           | 100.8  | 3,144                                   | (27.4) |

Note: Comprehensive income

For the fiscal year ended December 31, 2025: ¥2,825 million [(21.3)%]

For the fiscal year ended December 31, 2024: ¥3,590 million [(29.8)%]

|                   | Basic earnings per share | Diluted earnings per share | Return on equity | Ratio of ordinary profit to total assets | Ratio of operating profit to net sales |
|-------------------|--------------------------|----------------------------|------------------|------------------------------------------|----------------------------------------|
| Fiscal year ended | Yen                      | Yen                        | %                | %                                        | %                                      |
| December 31, 2025 | 10.70                    | -                          | 2.0              | 2.8                                      | 6.7                                    |
| December 31, 2024 | 22.91                    | -                          | 4.3              | 4.8                                      | 8.8                                    |

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended December 31, 2025: ¥(1,392) million

For the fiscal year ended December 31, 2024: ¥(1,096) million

#### (2) Consolidated financial position

|                   | Total assets    | Net assets      | Equity-to-asset ratio | Net assets per share |
|-------------------|-----------------|-----------------|-----------------------|----------------------|
| As of             | Millions of yen | Millions of yen | %                     | Yen                  |
| December 31, 2025 | 93,414          | 71,025          | 76.0                  | 569.17               |
| December 31, 2024 | 102,200         | 73,677          | 72.1                  | 536.65               |

Reference: Equity

As of December 31, 2025: ¥71,025 million

As of December 31, 2024: ¥73,677 million

#### (3) Consolidated cash flows

|                   | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| Fiscal year ended | Millions of yen                      | Millions of yen                      | Millions of yen                      | Millions of yen                            |
| December 31, 2025 | 14,569                               | (5,583)                              | (8,914)                              | 6,008                                      |
| December 31, 2024 | 5,958                                | (4,848)                              | (3,058)                              | 5,931                                      |

2. Cash dividends

|                                                 | Annual dividends per share |                    |                   |                 |       | Total cash dividends (Total) | Payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|-------------------------------------------------|----------------------------|--------------------|-------------------|-----------------|-------|------------------------------|-----------------------------|-------------------------------------------------|
|                                                 | First quarter-end          | Second quarter-end | Third quarter-end | Fiscal year-end | Total |                              |                             |                                                 |
|                                                 | Yen                        | Yen                | Yen               | Yen             | Yen   | Millions of yen              | %                           | %                                               |
| Fiscal year ended December 31, 2024             | -                          | 4.00               | -                 | 7.00            | 11.00 | 1,510                        | 48.0                        | 2.1                                             |
| Fiscal year ended December 31, 2025             | -                          | 5.00               | -                 | 7.00            | 12.00 | 1,560                        | 112.1                       | 2.2                                             |
| Fiscal year ending December 31, 2026 (Forecast) | -                          | 5.50               | -                 | 7.50            | 13.00 |                              | -                           |                                                 |

Note: Breakdown of year-end dividends for the fiscal year ended December 31, 2025: Ordinary dividend of ¥6.00, commemorative dividend of ¥1.00 (100<sup>th</sup> anniversary commemorative dividend)  
From the fiscal year ending December 31, 2026, the minimum annual dividend per share will be changed to ¥11 (previously ¥10). For details regarding dividends, please refer to “(3) Basic policy for profit distributions and dividends for current and next fiscal years” in “1. Overview of operating results, etc.” on page 4 of the supplementary materials.

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

|                                      | Net sales       |       | Ordinary profit |       |
|--------------------------------------|-----------------|-------|-----------------|-------|
|                                      | Millions of yen | %     | Millions of yen | %     |
| Fiscal year ending December 31, 2026 | 75,000          | (2.9) | 6,000           | 121.9 |

Note: For details, please refer to “(1) Analysis of operating results (ii) Outlook for the next fiscal year” in “1. Overview of operating results, etc.” on page 2 of the supplementary materials.

\* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
  - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: Yes
  - (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

|                         |                    |
|-------------------------|--------------------|
| As of December 31, 2025 | 137,386,472 shares |
| As of December 31, 2024 | 137,295,472 shares |

(ii) Number of treasury shares at the end of the period

|                         |                   |
|-------------------------|-------------------|
| As of December 31, 2025 | 12,597,919 shares |
| As of December 31, 2024 | 4,281 shares      |

(iii) Average number of shares outstanding during the period

|                                     |                    |
|-------------------------------------|--------------------|
| Fiscal year ended December 31, 2025 | 132,612,496 shares |
| Fiscal year ended December 31, 2024 | 137,261,175 shares |

**[Reference] Overview of non-consolidated financial results**

**Non-consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

|                   | Net sales       |     | Operating profit |        | Ordinary profit |        | Profit          |        |
|-------------------|-----------------|-----|------------------|--------|-----------------|--------|-----------------|--------|
| Fiscal year ended | Millions of yen | %   | Millions of yen  | %      | Millions of yen | %      | Millions of yen | %      |
| December 31, 2025 | 74,910          | 3.5 | 4,696            | (16.5) | 4,098           | (17.7) | 2,975           | (48.5) |
| December 31, 2024 | 72,398          | 4.0 | 5,625            | 54.0   | 4,980           | 41.3   | 5,773           | (5.2)  |

|                   | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Fiscal year ended | Yen                      | Yen                        |
| December 31, 2025 | 22.44                    | -                          |
| December 31, 2024 | 42.06                    | -                          |

**(2) Non-consolidated financial position**

|                   | Total assets    | Net assets      | Equity-to-asset ratio | Net assets per share |
|-------------------|-----------------|-----------------|-----------------------|----------------------|
| As of             | Millions of yen | Millions of yen | %                     | Yen                  |
| December 31, 2025 | 93,429          | 70,969          | 76.0                  | 568.72               |
| December 31, 2024 | 100,890         | 72,184          | 71.5                  | 525.78               |

Reference: Equity  
 As of December 31, 2025: ¥70,969 million  
 As of December 31, 2024: ¥72,184 million

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

The Forecast of Consolidated Financial Results for the Fiscal Year Ending December 2026 is calculated based on information available at the present time, and since it contains considerable uncertain elements, actual results may differ significantly from the forecast figures.

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# 1. Overview of operating results, etc.

## (1) Analysis of operating results

### (i) Overview of operating results for fiscal 2025

During the fiscal year ended December 31, 2025 (January 1, 2025 to December 31, 2025), the global economy remained uncertain due to the economic slowdown in China and the impact of the U.S. administration's trade and commerce policies. In Japan, the yen has continued to be historically weak at around ¥150 per U.S. dollar while at the same time, the domestic manufacturing industry has been facing a tough business environment in which manufacturing costs rose due to the increasing labor costs resulting from labor shortages and ongoing increases in the prices of energy, food and other commodities.

In this business environment, while businesses other than Ferroalloys continued to expand steadily, both sales and profit decreased due to the negative inventory impacts resulting from the sharp fall in manganese ore market prices from July 2024, as well as a decrease in sales and production following periodic repairs in the Ferroalloys business, and other factors. As a result, net sales during the fiscal year under review were ¥77,277 million (-1.2% year-on-year) and ordinary profit stood at ¥2,703 million (-44.4% year-on-year), respectively. Profit attributable to owners of the parent was ¥1,418 million (-54.9% year-on-year).

Additionally, the underlying ordinary profit excluding the impact of inventory and one-time factors, on which we place priority as a management indicator, was ¥5.3 billion (¥5.2 billion in previous fiscal year).

Net sales and ordinary profit by segment are as follows.

For details regarding the overview of operating results of each segment, please refer to “4. Supplementary information” on page 20.

| Segment                             | 125th fiscal year<br>(January 1, 2024 - December 31, 2024) |             |                 |             | 126th fiscal year<br>(January 1, 2025 - December 31, 2025) |             |                 |             | (Millions of yen, %)<br>Percentage of change |                 |
|-------------------------------------|------------------------------------------------------------|-------------|-----------------|-------------|------------------------------------------------------------|-------------|-----------------|-------------|----------------------------------------------|-----------------|
|                                     | Net sales                                                  |             | Ordinary profit |             | Net sales                                                  |             | Ordinary profit |             | Net sales                                    | Ordinary profit |
|                                     | Amount                                                     | Composition | Amount          | Composition | Amount                                                     | Composition | Amount          | Composition |                                              |                 |
| Ferroalloys business                | 51,756                                                     | 66.2        | 1,085           | 22.3        | 48,440                                                     | 62.7        | (2,127)         | (78.7)      | (6.4)                                        | -               |
| Functional Materials business       | 13,979                                                     | 17.9        | 1,656           | 34.1        | 14,819                                                     | 19.2        | 1,923           | 71.2        | 6.0                                          | 16.1            |
| Incineration Ash Recycling business | 7,744                                                      | 9.9         | 1,412           | 29.1        | 8,886                                                      | 11.5        | 2,074           | 76.7        | 14.7                                         | 46.9            |
| Aqua Solutions business             | 1,570                                                      | 2.0         | 115             | 2.4         | 1,656                                                      | 2.1         | 105             | 3.9         | 5.5                                          | (8.2)           |
| Electric Power business             | 1,409                                                      | 1.8         | 394             | 8.1         | 1,405                                                      | 1.8         | 409             | 15.2        | (0.3)                                        | 3.8             |
| Other                               | 1,775                                                      | 2.3         | 195             | 4.0         | 2,069                                                      | 2.7         | 316             | 11.7        | 16.6                                         | 62.5            |
| Total                               | 78,235                                                     | 100.0       | 4,859           | 100.0       | 77,277                                                     | 100.0       | 2,703           | 100.0       | (1.2)                                        | (44.4)          |

### (ii) Outlook for the next fiscal year

Regarding the outlook for the next fiscal year, Nippon Denko Co., Ltd. (the “Company” or “we”) expects increased profits thanks to the increased incineration ash collection volume, the thorough implementation of cost-minimization measures and the end of inventory adjustments in the Ferroalloys business, and other factors. On the other hand, considering the uncertain outlook for battery materials (cathode materials for lithium-ion batteries and metal hydride alloys), the Company makes the following assumptions.

The assumed exchange rate, which is a premise of the outlook for the next fiscal year, is ¥150/US\$.

Full-year

Net sales ¥75,000 million (-2.9% year-on-year)

Ordinary profit ¥6,000 million (+121.9% year-on-year)

Underlying ordinary profit ¥6.0 billion (¥5.3 billion in previous fiscal year)

## (2) Analysis of financial position

### (i) Assets, liabilities and net assets

#### (Assets)

The total assets at the end of the fiscal year under review decreased by ¥8,786 million from the end of the previous fiscal year to ¥93,414 million. Current assets decreased by ¥9,551 million from the end of the previous fiscal year to ¥44,419 million due to a decrease in inventories following an inventory reduction, and other factors. Non-current assets increased by ¥765 million from the end of the previous fiscal year to ¥48,994 million due to an increase in investment securities, while long-term loans receivable decreased.

#### (Liabilities)

The total liabilities at the end of the fiscal year under review decreased by ¥6,134 million from the end of the previous fiscal year to ¥22,388 million due to a decrease in notes and accounts payable-trade, long-term borrowings, etc. Interest-bearing debt (short-term borrowings, current portion of long-term borrowings, lease liabilities (current liabilities), long-term borrowings, and lease liabilities (non-current liabilities)) decreased by ¥3,250 million to ¥13,826 million.

#### (Net assets)

The total net assets at the end of the fiscal year under review decreased by ¥2,652 million from the end of the previous fiscal year to ¥71,025 million. This was primarily attributable to an increase in treasury shares.

### (ii) Cash flows

#### (Cash flows from operating activities)

Net cash provided by operating activities was ¥14,569 million (net cash of ¥5,958 million was provided in the previous fiscal year). Major factors for an increase were a decrease in inventories amounting to ¥7,840 million and depreciation amounting to ¥3,665 million. The major factors for a decrease were a decrease in trade payables amounting to ¥2,350 million and income taxes paid amounting to ¥1,103 million.

#### (Cash flows from investing activities)

Net cash used in investing activities was ¥5,583 million (net cash of ¥4,848 million was used in the previous fiscal year). The major factor was purchase of property, plant and equipment and intangible assets amounting to ¥4,828 million.

#### (Cash flows from financing activities)

Net cash outflow from financing activities was ¥8,914 million (net cash outflow was ¥3,058 million in the previous fiscal year). The major factor for an increase was proceeds from long-term borrowings amounting to ¥1,000 million. The major factors for a decrease were purchase of treasury shares amounting to ¥4,031 million and repayment of long-term borrowings amounting to ¥3,564 million.

As a result, cash and cash equivalents increased by ¥76 million from the end of the previous fiscal year to ¥6,008 million.

#### Cash flow-related indicators

|                                                   | FY2022 | FY2023 | FY2024 | FY2025 |
|---------------------------------------------------|--------|--------|--------|--------|
| Equity-to-asset ratio (%)                         | 65.9   | 70.9   | 72.1   | 76.0   |
| Equity-to-asset ratio on mark-to-market basis (%) | 46.9   | 37.6   | 38.3   | 47.8   |
| Interest-bearing debt to cash flow ratio (years)  | 3.4    | 2.1    | 2.9    | 0.9    |
| Interest coverage ratio (times)                   | 12.8   | 16.0   | 10.0   | 25.2   |

Notes:

Equity-to-asset ratio: Equity/Total assets

Equity-to-asset ratio on mark-to-market basis: Total market capitalization/Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt/Cash flows

Interest coverage ratio: Cash flows/Interest paid

\*The above indicators are calculated based on consolidated financial figures.

\*Total market capitalization is calculated based on the number of issued shares (excluding treasury shares).

\*Cash flows here is “cash flows from operating activities.”

\*Interest-bearing debt is all debt subject to interest payments within liabilities shown on the consolidated balance sheet.

### **(3) Basic policy for profit distributions and dividends for current and next fiscal years**

The Company's shareholder returns policy is the following three items.

- Payout ratio of approximately 40% based on underlying profit\*
- Minimum dividend per share: ¥11
- Acquisition of treasury shares is positioned to supplement dividends

\* Underlying profit:

Underlying ordinary profit (ordinary profit excluding the impact of inventory and one-time factors)  $\times 0.7$  (income taxes, etc.)

As announced at the second-quarter financial results on August 5, 2025, we plan to propose a year-end dividend of ¥7 per share, ordinary dividend of ¥6 and 100<sup>th</sup> anniversary commemorative dividend of ¥1, for the fiscal year ended December 31, 2025 (interim dividend: ¥5) at the Annual General Meeting of Shareholders to be held on March 27, 2026.

In addition, as for dividends of surplus for the next fiscal year, we plan to pay annual dividends of ¥13 per share (interim dividend of ¥5.5 and year-end dividend of ¥7.5) based on our shareholder returns policy.

The Company will change the minimum annual dividend per share from current ¥10 to ¥11 from the fiscal year ending December 31, 2026. This is due to a decrease in the effective total number of outstanding shares following the repurchase of treasury shares, which was conducted during the period from August 6, 2025 to October 27, 2025.

## **2. Basic approach to selecting accounting standards**

The Nippon Denko group intends to prepare consolidated financial statements based on Japanese GAAP for the time being, taking into account the period comparability of consolidated financial statements and comparability between companies.

With regard to the adoption of IFRS, we will respond appropriately, taking into account various circumstances in Japan and overseas.



### 3. Consolidated financial statements

#### (1) Consolidated balance sheets

(Millions of yen)

|                                        | As of December 31, 2024 | As of December 31, 2025 |
|----------------------------------------|-------------------------|-------------------------|
| Assets                                 |                         |                         |
| Current assets                         |                         |                         |
| Cash and deposits                      | 5,947                   | 6,024                   |
| Notes and accounts receivable - trade  | 11,661                  | 10,864                  |
| Merchandise and finished goods         | 21,032                  | 15,351                  |
| Work in process                        | 319                     | 231                     |
| Raw materials and supplies             | 12,629                  | 10,558                  |
| Other                                  | 2,380                   | 1,389                   |
| Total current assets                   | 53,971                  | 44,419                  |
| Non-current assets                     |                         |                         |
| Property, plant and equipment          |                         |                         |
| Buildings and structures               | 19,135                  | 19,910                  |
| Accumulated depreciation               | (12,179)                | (12,517)                |
| Buildings and structures, net          | 6,955                   | 7,393                   |
| Machinery, equipment and vehicles      | 44,872                  | 46,576                  |
| Accumulated depreciation               | (33,865)                | (36,102)                |
| Machinery, equipment and vehicles, net | 11,007                  | 10,474                  |
| Land                                   | 5,329                   | 5,329                   |
| Leased assets                          | 4,141                   | 4,144                   |
| Accumulated depreciation               | (1,162)                 | (1,336)                 |
| Leased assets, net                     | 2,978                   | 2,808                   |
| Construction in progress               | 415                     | 691                     |
| Other                                  | 1,673                   | 1,812                   |
| Accumulated depreciation               | (1,160)                 | (1,251)                 |
| Other, net                             | 512                     | 560                     |
| Total property, plant and equipment    | 27,199                  | 27,257                  |
| Intangible assets                      | 543                     | 812                     |
| Investments and other assets           |                         |                         |
| Investment securities                  | 12,255                  | 19,154                  |
| Long-term loans receivable             | 5,367                   | -                       |
| Retirement benefit asset               | 1,267                   | 1,147                   |
| Deferred tax assets                    | 1,327                   | 339                     |
| Other                                  | 268                     | 282                     |
| Total investments and other assets     | 20,485                  | 20,924                  |
| Total non-current assets               | 48,228                  | 48,994                  |
| Total assets                           | 102,200                 | 93,414                  |

|                                                          | As of December 31, 2024 | As of December 31, 2025 |
|----------------------------------------------------------|-------------------------|-------------------------|
| <b>Liabilities</b>                                       |                         |                         |
| Current liabilities                                      |                         |                         |
| Notes and accounts payable - trade                       | 5,787                   | 3,436                   |
| Short-term borrowings                                    | 4,000                   | 3,500                   |
| Current portion of long-term borrowings                  | 3,564                   | 2,100                   |
| Lease liabilities                                        | 170                     | 183                     |
| Income taxes payable                                     | 814                     | 394                     |
| Provision for bonuses                                    | 268                     | 269                     |
| Provision for bonuses for directors (and other officers) | 40                      | 39                      |
| Notes payable - facilities                               | 1                       | 1                       |
| Other                                                    | 4,170                   | 4,055                   |
| Total current liabilities                                | 18,817                  | 13,981                  |
| Non-current liabilities                                  |                         |                         |
| Long-term borrowings                                     | 5,498                   | 4,378                   |
| Lease liabilities                                        | 3,843                   | 3,663                   |
| Other                                                    | 363                     | 364                     |
| Total non-current liabilities                            | 9,705                   | 8,407                   |
| Total liabilities                                        | 28,522                  | 22,388                  |
| <b>Net assets</b>                                        |                         |                         |
| Shareholders' equity                                     |                         |                         |
| Share capital                                            | 11,108                  | 11,120                  |
| Capital surplus                                          | 17,462                  | 17,484                  |
| Retained earnings                                        | 40,457                  | 40,228                  |
| Treasury shares                                          | (1)                     | (3,865)                 |
| Total shareholders' equity                               | 69,027                  | 64,967                  |
| Accumulated other comprehensive income                   |                         |                         |
| Valuation difference on available-for-sale securities    | 1,620                   | 2,909                   |
| Deferred gains or losses on hedges                       | 0                       | -                       |
| Foreign currency translation adjustment                  | 1,660                   | 1,839                   |
| Remeasurements of defined benefit plans                  | 1,369                   | 1,308                   |
| Total accumulated other comprehensive income             | 4,650                   | 6,057                   |
| Total net assets                                         | 73,677                  | 71,025                  |
| Total liabilities and net assets                         | 102,200                 | 93,414                  |

**(2) Consolidated statements of income and consolidated statements of comprehensive income**  
**(Consolidated statements of income)**

(Millions of yen)

|                                                             | Fiscal year ended<br>December 31, 2024 | Fiscal year ended<br>December 31, 2025 |
|-------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Net sales                                                   | 78,235                                 | 77,277                                 |
| Cost of sales                                               | 64,626                                 | 64,789                                 |
| Gross profit                                                | 13,608                                 | 12,487                                 |
| Selling, general and administrative expenses                |                                        |                                        |
| Packing and transportation costs                            | 1,814                                  | 1,886                                  |
| Other selling expenses                                      | 163                                    | 157                                    |
| Salaries and allowances                                     | 1,460                                  | 1,611                                  |
| Provision for bonuses                                       | 106                                    | 102                                    |
| Provision for bonuses for directors (and other officers)    | 40                                     | 39                                     |
| Retirement benefit expenses                                 | 71                                     | 50                                     |
| Research and development expenses                           | 588                                    | 683                                    |
| Other                                                       | 2,506                                  | 2,795                                  |
| Total selling, general and administrative expenses          | 6,751                                  | 7,326                                  |
| Operating profit                                            | 6,856                                  | 5,161                                  |
| Non-operating income                                        |                                        |                                        |
| Interest income                                             | 224                                    | 53                                     |
| Dividend income                                             | 134                                    | 155                                    |
| Dividend income of insurance                                | 57                                     | 57                                     |
| Gain on sale of goods                                       | 187                                    | 84                                     |
| Other                                                       | 134                                    | 84                                     |
| Total non-operating income                                  | 738                                    | 436                                    |
| Non-operating expenses                                      |                                        |                                        |
| Interest expenses                                           | 592                                    | 575                                    |
| Share of loss of entities accounted for using equity method | 1,096                                  | 1,392                                  |
| Loss on retirement of non-current assets                    | 546                                    | 458                                    |
| Commission expenses                                         | 166                                    | 297                                    |
| Other                                                       | 333                                    | 171                                    |
| Total non-operating expenses                                | 2,735                                  | 2,894                                  |
| Ordinary profit                                             | 4,859                                  | 2,703                                  |

|                                         | Fiscal year ended<br>December 31, 2024 | Fiscal year ended<br>December 31, 2025 |
|-----------------------------------------|----------------------------------------|----------------------------------------|
| Extraordinary losses                    |                                        |                                        |
| Loss on disaster                        | 112                                    | -                                      |
| Environmental expenses                  | -                                      | 180                                    |
| Other                                   | -                                      | 7                                      |
| Total extraordinary losses              | 112                                    | 187                                    |
| Profit before income taxes              | 4,747                                  | 2,515                                  |
| Income taxes - current                  | 785                                    | 729                                    |
| Income taxes - deferred                 | 816                                    | 367                                    |
| Total income taxes                      | 1,602                                  | 1,097                                  |
| Profit                                  | 3,144                                  | 1,418                                  |
| Profit attributable to owners of parent | 3,144                                  | 1,418                                  |

**(Consolidated statements of comprehensive income)**

(Millions of yen)

|                                                                                   | Fiscal year ended<br>December 31, 2024 | Fiscal year ended<br>December 31, 2025 |
|-----------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Profit                                                                            | 3,144                                  | 1,418                                  |
| Other comprehensive income                                                        |                                        |                                        |
| Valuation difference on available-for-sale securities                             | 132                                    | 1,288                                  |
| Deferred gains or losses on hedges                                                | (0)                                    | (0)                                    |
| Remeasurements of defined benefit plans, net of tax                               | 477                                    | (60)                                   |
| Share of other comprehensive income of entities accounted for using equity method | (164)                                  | 179                                    |
| Total other comprehensive income                                                  | 445                                    | 1,407                                  |
| Comprehensive income                                                              | 3,590                                  | 2,825                                  |
| Comprehensive income attributable to                                              |                                        |                                        |
| Comprehensive income attributable to owners of parent                             | 3,590                                  | 2,825                                  |

### (3) Consolidated statements of changes in equity

Fiscal year ended December 31, 2024

(Millions of yen)

|                                                      | Shareholders' equity |                 |                   |                 |                            |
|------------------------------------------------------|----------------------|-----------------|-------------------|-----------------|----------------------------|
|                                                      | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period                       | 11,096               | 17,450          | 38,685            | (0)             | 67,231                     |
| Changes during period                                |                      |                 |                   |                 |                            |
| Issuance of new shares                               | 11                   | 11              |                   |                 | 23                         |
| Dividends of surplus                                 |                      |                 | (1,372)           |                 | (1,372)                    |
| Profit attributable to owners of parent              |                      |                 | 3,144             |                 | 3,144                      |
| Purchase of treasury shares                          |                      |                 |                   | (0)             | (0)                        |
| Disposal of treasury shares                          |                      | 0               |                   | 0               | 0                          |
| Net changes in items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes during period                          | 11                   | 11              | 1,772             | (0)             | 1,795                      |
| Balance at end of period                             | 11,108               | 17,462          | 40,457            | (1)             | 69,027                     |

|                                                      | Accumulated other comprehensive income                |                                    |                                         |                                         |                                              | Total net assets |
|------------------------------------------------------|-------------------------------------------------------|------------------------------------|-----------------------------------------|-----------------------------------------|----------------------------------------------|------------------|
|                                                      | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                  |
| Balance at beginning of period                       | 1,488                                                 | 0                                  | 1,824                                   | 891                                     | 4,204                                        | 71,436           |
| Changes during period                                |                                                       |                                    |                                         |                                         |                                              |                  |
| Issuance of new shares                               |                                                       |                                    |                                         |                                         |                                              | 23               |
| Dividends of surplus                                 |                                                       |                                    |                                         |                                         |                                              | (1,372)          |
| Profit attributable to owners of parent              |                                                       |                                    |                                         |                                         |                                              | 3,144            |
| Purchase of treasury shares                          |                                                       |                                    |                                         |                                         |                                              | (0)              |
| Disposal of treasury shares                          |                                                       |                                    |                                         |                                         |                                              | 0                |
| Net changes in items other than shareholders' equity | 132                                                   | (0)                                | (164)                                   | 477                                     | 445                                          | 445              |
| Total changes during period                          | 132                                                   | (0)                                | (164)                                   | 477                                     | 445                                          | 2,241            |
| Balance at end of period                             | 1,620                                                 | 0                                  | 1,660                                   | 1,369                                   | 4,650                                        | 73,677           |

**Fiscal year ended December 31, 2025**

(Millions of yen)

|                                                      | Shareholders' equity |                 |                   |                 |                            |
|------------------------------------------------------|----------------------|-----------------|-------------------|-----------------|----------------------------|
|                                                      | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period                       | 11,108               | 17,462          | 40,457            | (1)             | 69,027                     |
| Changes during period                                |                      |                 |                   |                 |                            |
| Issuance of new shares                               | 12                   | 12              |                   |                 | 24                         |
| Dividends of surplus                                 |                      |                 | (1,647)           |                 | (1,647)                    |
| Profit attributable to owners of parent              |                      |                 | 1,418             |                 | 1,418                      |
| Purchase of treasury shares                          |                      |                 |                   | (4,000)         | (4,000)                    |
| Disposal of treasury shares                          |                      | 10              |                   | 135             | 145                        |
| Net changes in items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes during period                          | 12                   | 22              | (229)             | (3,864)         | (4,059)                    |
| Balance at end of period                             | 11,120               | 17,484          | 40,228            | (3,865)         | 64,967                     |

|                                                      | Accumulated other comprehensive income                |                                    |                                         |                                         |                                              | Total net assets |
|------------------------------------------------------|-------------------------------------------------------|------------------------------------|-----------------------------------------|-----------------------------------------|----------------------------------------------|------------------|
|                                                      | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                  |
| Balance at beginning of period                       | 1,620                                                 | 0                                  | 1,660                                   | 1,369                                   | 4,650                                        | 73,677           |
| Changes during period                                |                                                       |                                    |                                         |                                         |                                              |                  |
| Issuance of new shares                               |                                                       |                                    |                                         |                                         |                                              | 24               |
| Dividends of surplus                                 |                                                       |                                    |                                         |                                         |                                              | (1,647)          |
| Profit attributable to owners of parent              |                                                       |                                    |                                         |                                         |                                              | 1,418            |
| Purchase of treasury shares                          |                                                       |                                    |                                         |                                         |                                              | (4,000)          |
| Disposal of treasury shares                          |                                                       |                                    |                                         |                                         |                                              | 145              |
| Net changes in items other than shareholders' equity | 1,288                                                 | (0)                                | 179                                     | (60)                                    | 1,407                                        | 1,407            |
| Total changes during period                          | 1,288                                                 | (0)                                | 179                                     | (60)                                    | 1,407                                        | (2,652)          |
| Balance at end of period                             | 2,909                                                 | -                                  | 1,839                                   | 1,308                                   | 6,057                                        | 71,025           |

#### (4) Consolidated statements of cash flows

(Millions of yen)

|                                                                                 | Fiscal year ended<br>December 31, 2024 | Fiscal year ended<br>December 31, 2025 |
|---------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Cash flows from operating activities                                            |                                        |                                        |
| Profit before income taxes                                                      | 4,747                                  | 2,515                                  |
| Depreciation                                                                    | 3,245                                  | 3,665                                  |
| Decrease (increase) in retirement benefit asset                                 | 145                                    | 57                                     |
| Increase (decrease) in provision for bonuses                                    | 46                                     | 0                                      |
| Increase (decrease) in provision for bonuses for directors (and other officers) | 16                                     | (0)                                    |
| Interest and dividend income                                                    | (359)                                  | (208)                                  |
| Interest expenses                                                               | 592                                    | 575                                    |
| Foreign exchange losses (gains)                                                 | 1                                      | 5                                      |
| Share of loss (profit) of entities accounted for using equity method            | 1,096                                  | 1,392                                  |
| Environmental expenses                                                          | -                                      | 180                                    |
| Loss on retirement of non-current assets                                        | 546                                    | 458                                    |
| Loss on disaster                                                                | 112                                    | -                                      |
| Decrease (increase) in trade receivables                                        | (688)                                  | 797                                    |
| Decrease (increase) in inventories                                              | (3,360)                                | 7,840                                  |
| Decrease (increase) in advance payments to suppliers                            | (27)                                   | (45)                                   |
| Decrease (increase) in accounts receivable - other                              | (169)                                  | 74                                     |
| Increase (decrease) in trade payables                                           | 1,556                                  | (2,350)                                |
| Increase (decrease) in deposits received                                        | (55)                                   | 15                                     |
| Increase (decrease) in accounts payable - other                                 | 291                                    | (562)                                  |
| Increase (decrease) in accrued expenses                                         | (203)                                  | (150)                                  |
| Increase (decrease) in accrued consumption taxes                                | (1,435)                                | 1,369                                  |
| Other, net                                                                      | 133                                    | 87                                     |
| Subtotal                                                                        | 6,233                                  | 15,716                                 |
| Interest and dividends received                                                 | 134                                    | 538                                    |
| Interest paid                                                                   | (594)                                  | (576)                                  |
| Income taxes refund (paid)                                                      | 257                                    | (1,103)                                |
| Payments associated with disaster loss                                          | (72)                                   | (5)                                    |
| Net cash provided by (used in) operating activities                             | 5,958                                  | 14,569                                 |
| Cash flows from investing activities                                            |                                        |                                        |
| Purchase of property, plant and equipment and intangible assets                 | (4,299)                                | (4,828)                                |
| Proceeds from sale of property, plant and equipment                             | 14                                     | 1                                      |
| Purchase of investment securities                                               | (110)                                  | (361)                                  |
| Other, net                                                                      | (453)                                  | (394)                                  |
| Net cash provided by (used in) investing activities                             | (4,848)                                | (5,583)                                |
| Cash flows from financing activities                                            |                                        |                                        |
| Net increase (decrease) in short-term borrowings                                | 2,000                                  | (500)                                  |
| Proceeds from long-term borrowings                                              | -                                      | 1,000                                  |
| Repayments of long-term borrowings                                              | (3,528)                                | (3,564)                                |
| Purchase of treasury shares                                                     | (0)                                    | (4,031)                                |
| Dividends paid                                                                  | (1,372)                                | (1,647)                                |
| Other, net                                                                      | (157)                                  | (170)                                  |
| Net cash provided by (used in) financing activities                             | (3,058)                                | (8,914)                                |
| Effect of exchange rate change on cash and cash equivalents                     | 29                                     | 5                                      |
| Net increase (decrease) in cash and cash equivalents                            | (1,919)                                | 76                                     |
| Cash and cash equivalents at beginning of period                                | 7,851                                  | 5,931                                  |
| Cash and cash equivalents at end of period                                      | 5,931                                  | 6,008                                  |



## **(5) Notes relating to consolidated financial statements**

(Note on premise of going concern)

Not applicable

(Notes on the revision to the accounting policy)

(Application of the “Accounting Standard for Current Income Taxes,” etc.)

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27; October 28, 2022; hereinafter referred to as “the accounting standard revised in 2022”), etc. have been applied since the beginning of the consolidated fiscal year ended December 31, 2025.

Previously, the legally calculated amount of the current income taxes imposed on income, etc. (hereinafter referred to as “income taxes”) was posted as profit or loss, but we have decided to post the income taxes on income as profit or loss, shareholders’ equity, or other comprehensive income according to transactions, etc. Regarding the income taxes posted as accumulated other comprehensive income, we have decided to post the tax amount as profit or loss when transactions, etc. that have led to the imposing of said income taxes are posted as profit or loss. If the transactions, etc. subject to taxation are related to not only profit or loss, but also shareholders’ equity or other comprehensive income, and it is difficult to calculate the amount of income taxes imposed on shareholders’ equity or other comprehensive income, said tax amount will be posted as profit or loss.

The revision to the classification of income taxes for posting (taxation on other comprehensive income) follows the transitional handling specified in the proviso to Section 20-3 of the accounting standard revised in 2022 and the transitional handling specified in the proviso to Section 65-2-(2) of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28; October 28, 2022; hereinafter referred to as “the implementation guidance revised in 2022”). Said revision to the accounting policy will not produce any effects on the fiscal year ended December 31, 2025 consolidated financial statements.

Regarding the amendment related to the revision to the handling in consolidated financial statements in the case where profit or loss from sale of shares of subsidiaries between consolidated group companies is deferred for tax reasons, the implementation guidance revised in 2022 has been applied since the beginning of the consolidated fiscal year ended December 31, 2025. Said revision to the accounting policy has been applied retroactively, so the consolidated financial statements for the previous fiscal year have been revised in accordance with the new policy. Said revision to the accounting policy will not produce any effects on the consolidated financial statements for the previous fiscal year.

(Notes on changes in accounting estimates)

(Change in useful life)

Due to the partial termination of an OEM contract for the manufacturing of cathode materials for lithium-ion batteries at the Toyama Plant (Takaoka area) in March 2026, the useful life of the OEM equipment, which is not expected to be used after the contract is terminated, has been shortened to the estimated remaining usage period and changed prospectively.

Consequently, compared with conventional methods, each of gross profit, operating profit, ordinary profit, and profit before income taxes for the fiscal year ended December 31, 2025 decreased by ¥169 million, respectively.

(Notes on segment information, etc.)

## 1. Description of reportable segments

The Company's reportable segments have separate financial information available from constituent units of the Company and are subject to regular review by the Board of Directors to make decisions on management resource allocation and assess performance.

The Company has business divisions, etc. by product and service at its head office, and each business division, etc. formulates comprehensive strategies for products and services handled in Japan and overseas, and develops business activities.

Therefore, the Company consists of segments by product and service based on business divisions, etc., and has five reportable segments of "Ferroalloys business," "Functional Materials business," "Incineration Ash Recycling business," "Aqua Solutions business," and "Electric Power business".

The main products and services in each reportable segment are as follows.

| Reportable segments                 | Overview                                                                                                                                                                                                                                                                 |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ferroalloys business                | Manufacture and sale of ferromanganese, silicomanganese, ferrosilicon, sale of ferrochromium, ferrovanadium and other special metal products, warehousing, port cargo handling and on-site work contracts, manganese mine interests, etc.                                |
| Functional Materials business       | Manufacture and sale of zirconium oxide, boron oxide, ferroboron, metal hydride alloys, cathode material for lithium-ion batteries, manganese inorganic chemical products, etc.                                                                                          |
| Incineration Ash Recycling business | Melting and solidification of incineration ash by electric furnaces, etc.                                                                                                                                                                                                |
| Aqua Solutions business             | Wastewater treatment equipment: Manufacture and sale of the ion exchange towers (boron recovery, recovery of heavy metals such as nickel)<br>Pure water production system: Manufacture and sale of the ion-exchange resin tower and reverse osmosis (RO) membrane system |
| Electric Power business             | Electric power supply                                                                                                                                                                                                                                                    |
| Other                               | Manufacture and sale of analytical and measurement equipment for steel, such as samplers<br>Processing and sales of plastics                                                                                                                                             |

## 2. Method for calculating amounts of net sales, profit (loss), assets, liabilities, and other items by reportable segment

The accounting method for reported business segments is the same as the accounting method employed to prepare consolidated financial statements. Profit of reportable segments is ordinary profit. Internal revenue and transfers between segments are based on prevailing market prices.

3. Information on the amount of sales, profits or losses, assets, liabilities, and other items for each reported segment, as well as information on the breakdown of earnings

The previous fiscal year (January 1, 2024 to December 31, 2024)

(Millions of yen)

|                                                                 | Reportable segments     |                                     |                                              |                               |                               |         | Other<br>(Note) 1 | Total   | Adjustment<br>amount<br>(Note) 2 | Amount<br>recorded in<br>consolidated<br>financial<br>statements<br>(Note)3 |
|-----------------------------------------------------------------|-------------------------|-------------------------------------|----------------------------------------------|-------------------------------|-------------------------------|---------|-------------------|---------|----------------------------------|-----------------------------------------------------------------------------|
|                                                                 | Ferroalloys<br>business | Functional<br>Materials<br>business | Incineration<br>Ash<br>Recycling<br>business | Aqua<br>Solutions<br>business | Electric<br>Power<br>business | Total   |                   |         |                                  |                                                                             |
| Net sales                                                       |                         |                                     |                                              |                               |                               |         |                   |         |                                  |                                                                             |
| Revenue from contracts with customers                           | 51,756                  | 13,979                              | 7,744                                        | 1,570                         | 1,409                         | 76,459  | 1,775             | 78,235  | -                                | 78,235                                                                      |
| Net sales from external customers                               | 51,756                  | 13,979                              | 7,744                                        | 1,570                         | 1,409                         | 76,459  | 1,775             | 78,235  | -                                | 78,235                                                                      |
| Intersegment sales or transfers                                 | 75                      | -                                   | 4                                            | -                             | -                             | 80      | 16                | 96      | (96)                             | -                                                                           |
| Total                                                           | 51,831                  | 13,979                              | 7,749                                        | 1,570                         | 1,409                         | 76,539  | 1,791             | 78,331  | (96)                             | 78,235                                                                      |
| Segment profit or loss                                          | 1,085                   | 1,656                               | 1,412                                        | 115                           | 394                           | 4,664   | 195               | 4,859   | -                                | 4,859                                                                       |
| Segment Assets                                                  | 58,655                  | 17,255                              | 7,840                                        | 1,557                         | 4,871                         | 90,179  | 2,154             | 92,333  | 9,866                            | 102,200                                                                     |
| Other items                                                     |                         |                                     |                                              |                               |                               |         |                   |         |                                  |                                                                             |
| Depreciation                                                    | 799                     | 1,029                               | 928                                          | 127                           | 217                           | 3,103   | 33                | 3,136   | 109                              | 3,245                                                                       |
| Interest income                                                 | 224                     | 0                                   | 0                                            | 0                             | 0                             | 224     | 0                 | 224     | -                                | 224                                                                         |
| Interest expenses                                               | 173                     | 27                                  | 6                                            | 5                             | 379                           | 592     | 0                 | 592     | -                                | 592                                                                         |
| Share of loss of entities accounted for using equity method     | (1,096)                 | -                                   | -                                            | -                             | -                             | (1,096) | -                 | (1,096) | -                                | (1,096)                                                                     |
| Investments in entities accounted for using equity method       | 8,487                   | -                                   | -                                            | -                             | -                             | 8,487   | -                 | 8,487   | -                                | 8,487                                                                       |
| Increase in property, plant and equipment and intangible assets | 1,178                   | 987                                 | 866                                          | 268                           | 204                           | 3,505   | 23                | 3,528   | 322                              | 3,851                                                                       |

Notes: 1. The “Other” classification is business segments that are not included in reportable segments, and is mainly sales of other subsidiary businesses.

2. Adjustments are as follows.

(1) Adjustments to segment assets were ¥9,866 million, including company-wide assets of ¥10,824 million, which are not allocated to each reportable segment, and elimination of internal transactions between segments of ¥ (957) million. The main items of company-wide assets are surplus assets under management (cash and deposits) and long-term investment funds (investment securities, etc.) and deferred tax assets.

(2) Adjustments to depreciation totaling ¥109 million are depreciation related to company-wide assets.

(3) The ¥322 million adjustments to increase in property, plant and equipment and intangible assets represent an increase in company-wide property, plant and equipment and intangible assets.

3. The total of segment profit matches ordinary profit or loss in the consolidated statement of income.

The current fiscal year (January 1, 2025 to December 31, 2025)

(Millions of yen)

|                                                                 | Reportable segments     |                                     |                                              |                               |                               |         | Other<br>(Note) 1 | Total   | Adjustment<br>amount<br>(Note) 2 | Amount<br>recorded in<br>consolidated<br>financial<br>statements<br>(Note)3 |
|-----------------------------------------------------------------|-------------------------|-------------------------------------|----------------------------------------------|-------------------------------|-------------------------------|---------|-------------------|---------|----------------------------------|-----------------------------------------------------------------------------|
|                                                                 | Ferroalloys<br>business | Functional<br>Materials<br>business | Incineration<br>Ash<br>Recycling<br>business | Aqua<br>Solutions<br>business | Electric<br>Power<br>business | Total   |                   |         |                                  |                                                                             |
| Net sales                                                       |                         |                                     |                                              |                               |                               |         |                   |         |                                  |                                                                             |
| Revenue from contracts with customers                           | 48,440                  | 14,819                              | 8,886                                        | 1,656                         | 1,405                         | 75,208  | 2,069             | 77,277  | -                                | 77,277                                                                      |
| Net sales from external customers                               | 48,440                  | 14,819                              | 8,886                                        | 1,656                         | 1,405                         | 75,208  | 2,069             | 77,277  | -                                | 77,277                                                                      |
| Intersegment sales or transfers                                 | 92                      | -                                   | -                                            | -                             | -                             | 92      | 22                | 114     | (114)                            | -                                                                           |
| Total                                                           | 48,533                  | 14,819                              | 8,886                                        | 1,656                         | 1,405                         | 75,301  | 2,091             | 77,392  | (114)                            | 77,277                                                                      |
| Segment profit or loss                                          | (2,127)                 | 1,923                               | 2,074                                        | 105                           | 409                           | 2,386   | 316               | 2,703   | -                                | 2,703                                                                       |
| Segment Assets                                                  | 50,076                  | 17,087                              | 7,937                                        | 1,580                         | 4,699                         | 81,381  | 2,668             | 84,049  | 9,364                            | 93,414                                                                      |
| Other items                                                     |                         |                                     |                                              |                               |                               |         |                   |         |                                  |                                                                             |
| Depreciation                                                    | 897                     | 1,302                               | 934                                          | 138                           | 218                           | 3,492   | 30                | 3,522   | 142                              | 3,665                                                                       |
| Interest income                                                 | 53                      | 0                                   | 0                                            | 0                             | 0                             | 53      | 0                 | 53      | -                                | 53                                                                          |
| Interest expenses                                               | 154                     | 31                                  | 16                                           | 5                             | 367                           | 574     | 0                 | 575     | -                                | 575                                                                         |
| Share of loss of entities accounted for using equity method     | (1,392)                 | -                                   | -                                            | -                             | -                             | (1,392) | -                 | (1,392) | -                                | (1,392)                                                                     |
| Investments in entities accounted for using equity method       | 13,129                  | -                                   | -                                            | -                             | -                             | 13,129  | -                 | 13,129  | -                                | 13,129                                                                      |
| Increase in property, plant and equipment and intangible assets | 1,346                   | 1,095                               | 1,025                                        | 120                           | 36                            | 3,624   | 20                | 3,645   | 441                              | 4,086                                                                       |

- Notes:
- The “Other” classification is business segments that are not included in reportable segments, and is mainly sales of other subsidiary businesses.
  - Adjustments are as follows.
    - Adjustments to segment assets were ¥9,364 million, including company-wide assets of ¥10,481 million, which are not allocated to each reportable segment, and elimination of internal transactions between segments of ¥ (1,117) million. The main items of company-wide assets are surplus assets under management (cash and deposits) and long-term investment funds (investment securities, etc.) and deferred tax assets.
    - Adjustments to depreciation totaling ¥142 million are depreciation related to company-wide assets.
    - The ¥441 million adjustments to increase in property, plant and equipment and intangible assets represent an increase in company-wide property, plant and equipment and intangible assets.
  - The total of segment profit matches ordinary profit or loss in the consolidated statement of income.

## (Notes on per-share information)

(Yen)

|                          | Fiscal year<br>ended December 31, 2024 | Fiscal year<br>ended December 31, 2025 |
|--------------------------|----------------------------------------|----------------------------------------|
| Net assets per share     | 536.65                                 | 569.17                                 |
| Basic earnings per share | 22.91                                  | 10.70                                  |

(Note) 1. Diluted earnings per share is not stated because there are no dilutive shares.

(Note) 2. The basis for calculating net assets per share is as follows.

|                                                                                                  | As of<br>December 31, 2024 | As of<br>December 31, 2025 |
|--------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| Total net assets (million yen)                                                                   | 73,677                     | 71,025                     |
| Amount deducted from the total amount of net assets (million yen)                                | —                          | —                          |
| Net assets at the end of the period pertaining to common shares (million yen)                    | 73,677                     | 71,025                     |
| Number of common shares at the end of the period used to calculate net assets per share (shares) | 137,291,191                | 124,788,553                |

(Note) 3. The basis for calculating basic earnings per share is as follows.

|                                                                                   | Fiscal year<br>ended December 31, 2024 | Fiscal year<br>ended December 31, 2025 |
|-----------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Profit attributable to owners of parent (million yen)                             | 3,144                                  | 1,418                                  |
| Amount not attributable to common shareholders (million yen)                      | —                                      | —                                      |
| Profit attributable to owners of parent pertaining to common shares (million yen) | 3,144                                  | 1,418                                  |
| Average number of common shares outstanding during the period (shares)            | 137,261,175                            | 132,612,496                            |

## (Note on significant subsequent events)

Not applicable

## 4. Supplementary information

### (1) Consolidated financial results

(Billions of yen/Rounded to the nearest 100 million of yen)

|                                         | FY2024    | FY2025 |        |           | YoY       | FY2025     | FY2026     |
|-----------------------------------------|-----------|--------|--------|-----------|-----------|------------|------------|
|                                         | Full Year | 1 Half | 2 Half | Full Year | Full Year | Projection | Projection |
| Net sales                               | 78.2      | 38.1   | 39.2   | 77.3      | -1.0      | 78.2       | 75.0       |
| Ordinary profit                         | 4.9       | 1.2    | 1.5    | 2.7       | -2.2      | 3.0        | 6.0        |
| Underlying Ordinary Profit*             | 5.2       | 2.2    | 3.1    | 5.3       | 0.1       | 5.0        | 6.0        |
| Profit attributable to owners of parent | 3.1       | 0.5    | 0.9    | 1.4       | -1.7      | 1.6        | —          |
| Earnings per share (yen)                | 22.9      | 3.4    | 7.3    | 10.7      | -12.2     | 11.7       | —          |

\*Underlying Ordinary Profit: Ordinary profit excluding the impact of inventory and one-time factors

During the fiscal year under review, while ordinary profit in businesses other than Ferroalloys continued to expand steadily, that in the Ferroalloys business decreased due to negative inventory impact and other factors.

The underlying ordinary profit excluding inventory impact remained almost at the same level as in the previous fiscal year at ¥5.3 billion.

For the fiscal year ending December 31, 2026, despite an increase in profit thanks to the increased incineration ash collection volume, the thorough implementation of cost-minimization measures in the Ferroalloys business, and other initiatives, we assume that the underlying ordinary profit is expected be ¥6.0 billion, taking into account the uncertain future outlook for battery materials (cathode materials for lithium-ion batteries and metal hydride alloys).

### (2) Business results by segment

(Billions of yen/Rounded to the nearest 100 million of yen)

|                            | FY2024    | FY2025 |        |           | YoY       | FY2025     | FY2026     |
|----------------------------|-----------|--------|--------|-----------|-----------|------------|------------|
|                            | Full Year | 1 Half | 2 Half | Full Year | Full Year | Projection | Projection |
| Net sales                  | 78.2      | 38.1   | 39.2   | 77.3      | -1.0      | 78.2       | 75.0       |
| Ferroalloys                | 51.8      | 24.5   | 23.9   | 48.4      | -3.3      | 49.5       | —          |
| Functional Materials       | 14.0      | 7.3    | 7.5    | 14.8      | 0.8       | 14.8       | —          |
| Incineration Ash Recycling | 7.7       | 3.9    | 5.0    | 8.9       | 1.1       | 8.7        | —          |
| Aqua Solutions             | 1.6       | 0.8    | 0.8    | 1.7       | 0.1       | 1.7        | —          |
| Electric Power             | 1.4       | 0.7    | 0.7    | 1.4       | 0.0       | 1.4        | —          |
| Other                      | 1.8       | 0.9    | 1.2    | 2.1       | 0.3       | 2.1        | —          |
| Total                      | 78.2      | 38.1   | 39.2   | 77.3      | -1.0      | 78.2       | 75.0       |

(Billions of yen/Rounded to the nearest 100 million of yen)

|                            | FY2024    | FY2025 |        |           | YoY       | FY2025     | FY2026     |
|----------------------------|-----------|--------|--------|-----------|-----------|------------|------------|
|                            | Full Year | 1 Half | 2 Half | Full Year | Full Year | Projection | Projection |
| Ordinary profit            | 4.9       | 1.2    | 1.5    | 2.7       | -2.2      | 3.0        | 6.0        |
| Ferroalloys                | 1.1       | (0.8)  | (1.3)  | (2.1)     | -3.2      | (1.5)      | —          |
| Domestic                   | 2.2       | (0.5)  | (0.2)  | (0.7)     | -2.9      | (0.7)      | —          |
| Overseas                   | (1.1)     | (0.3)  | (1.1)  | (1.4)     | -0.3      | (0.8)      | —          |
| Functional Materials       | 1.7       | 1.0    | 0.9    | 1.9       | 0.3       | 2.2        | —          |
| Incineration Ash Recycling | 1.4       | 0.6    | 1.4    | 2.1       | 0.7       | 1.7        | —          |
| Aqua Solutions             | 0.1       | 0.0    | 0.1    | 0.1       | 0.0       | 0.1        | —          |
| Electric Power             | 0.4       | 0.2    | 0.2    | 0.4       | 0.0       | 0.3        | —          |
| Other                      | 0.2       | 0.1    | 0.2    | 0.3       | 0.1       | 0.2        | —          |
| Total                      | 4.9       | 1.2    | 1.5    | 2.7       | -2.2      | 3.0        | 6.0        |

(Billions of yen/Rounded to the nearest 100 million of yen)

|                            | FY2024    | FY2025 |        |           | YoY       | FY2025     | FY2026     |
|----------------------------|-----------|--------|--------|-----------|-----------|------------|------------|
|                            | Full Year | 1 Half | 2 Half | Full Year | Full Year | Projection | Projection |
| Underlying ordinary profit | 5.2       | 2.2    | 3.1    | 5.3       | 0.1       | 5.0        | 6.0        |
| Ferroalloys                | 1.1       | 0.2    | 0.0    | 0.2       | -0.9      | 0.5        | —          |
| Domestic                   | 1.7       | 0.4    | 0.8    | 1.2       | -0.5      | 1.3        | —          |
| Overseas                   | (0.6)     | (0.2)  | (0.8)  | (1.0)     | -0.4      | (0.8)      | —          |
| Functional Materials       | 2.0       | 1.0    | 1.2    | 2.2       | 0.2       | 2.2        | —          |
| Incineration Ash Recycling | 1.4       | 0.6    | 1.5    | 2.1       | 0.7       | 1.7        | —          |
| Aqua Solutions             | 0.1       | 0.0    | 0.1    | 0.1       | 0.0       | 0.1        | —          |
| Electric Power             | 0.4       | 0.2    | 0.2    | 0.4       | 0.0       | 0.3        | —          |
| Other                      | 0.2       | 0.1    | 0.2    | 0.3       | 0.1       | 0.2        | —          |
| Total                      | 5.2       | 2.2    | 3.1    | 5.3       | 0.1       | 5.0        | 6.0        |

**(Ferroalloys Business)**

During the fiscal year under review, the underlying ordinary profit in the domestic Ferroalloys business decreased by ¥0.5 billion year-on-year to ¥1.2 billion due to a decrease in production volume following periodic repairs etc., although increased costs were offset by improved profitability.

In the overseas Ferroalloys business, the underlying ordinary loss increased by ¥0.4 billion year-on-year to ¥1.0 billion due to deterioration in product market prices of ferrosilicon, etc.

**(Functional Materials Business)**

During the fiscal year under review, the sales volume of zirconium oxide and boron oxide for the electronic components increased year-on-year thanks to the end of inventory adjustments by our customers. In terms of in-vehicle battery materials, the sales volume of cathode materials for lithium-ion batteries decreased year-on-year due to equipment repairs, while that of metal hydride alloys increased. The sales volume of manganese inorganic chemical products decreased. However, the demand for ferroboration remained strong and its sales volume increased.

As a result, the underlying ordinary profit increased by ¥0.2 billion year-on-year to ¥2.2 billion.

**(Incineration Ash Recycling Business)**

During the fiscal year under review, both sales and profit increased year-on-year thanks to the increased volume of incineration ash collected and treated, and the continuing high and stable precious metal market prices related to molten metals.

As a result, the underlying ordinary profit increased by ¥0.7 billion year-on-year to ¥2.1 billion.

**(Aqua Solutions Business)**

During the fiscal year under review, sales of the pure water production system for boiler power generation maintenance increased, and sales of wastewater treatment equipment were also solid.

As a result, the underlying ordinary profit remained almost unchanged year-on-year at ¥0.1 billion.

**(Electric Power Business)**

During the fiscal year under review, hydroelectric power plants operated stably as a power sales business utilizing Feed-in Tariff (FIT) system for renewable energy.

As a result, the underlying ordinary profit remained almost unchanged year-on-year at ¥0.4 billion.

## &lt;Reference Indicators&gt;

EU High-carbon ferromanganese market (Source: Fastmarkets) (\$/t)

|        | Q1    | Q2    | Q3    | Q4    | Full Year |
|--------|-------|-------|-------|-------|-----------|
| FY2023 | 1,264 | 1,153 | 1,009 | 1,026 | 1,113     |
| FY2024 | 1,153 | 1,348 | 1,341 | 1,068 | 1,227     |
| FY2025 | 1,151 | 1,202 | 1,159 | 1,187 | 1,175     |

US High-carbon ferromanganese market (Source: METALS WEEK) (\$/t)

|        | Q1    | Q2    | Q3    | Q4    | Full Year |
|--------|-------|-------|-------|-------|-----------|
| FY2023 | 1,438 | 1,425 | 1,292 | 1,179 | 1,333     |
| FY2024 | 1,217 | 1,423 | 1,567 | 1,369 | 1,394     |
| FY2025 | 1,189 | 1,332 | 1,285 | 1,133 | 1,235     |

Manganese ore market (Source: Fastmarkets) (\$/Mn %)

|        | Q1  | Q2  | Q3  | Q4  | Full Year |
|--------|-----|-----|-----|-----|-----------|
| FY2023 | 5.6 | 4.8 | 4.4 | 4.2 | 4.8       |
| FY2024 | 4.3 | 6.7 | 7.1 | 4.1 | 5.6       |
| FY2025 | 4.6 | 4.5 | 4.2 | 4.5 | 4.5       |

Exchange rate (Yen/\$ US)

|        | Q1  | Q2  | Q3  | Q4  | Full Year |
|--------|-----|-----|-----|-----|-----------|
| FY2023 | 132 | 137 | 145 | 148 | 141       |
| FY2024 | 149 | 156 | 149 | 153 | 151       |
| FY2025 | 153 | 145 | 148 | 154 | 150       |