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August 5, 2026

Consolidated Financial Results for the Six Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: Nippon Denko Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 5563
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Scheduled date to file semi-annual securities report: August 5, 2026
Scheduled date to commence dividend payments: September 11, 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 six months ended June 30, 2026 (from January 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	38,791	1.8	5,252	164.5	(2,913)	-	(2,689)	-
June 30, 2025	38,104	4.4	1,985	(10.3)	1,176	2.1	468	(12.2)

Note: Comprehensive income For the six months ended June 30, 2026: ¥(1,765) million [-%]
For the six months ended June 30, 2025: ¥914 million [10.1%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2026	(21.55)	-
June 30, 2025	3.42	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	93,610	68,424	73.1
December 31, 2025	93,414	71,025	76.0

Reference: Equity As of June 30, 2026: ¥68,424 million As of December 31, 2025: ¥71,025 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	-	5.00	-	7.00	12.00
Fiscal year ending December 31, 2026	-	5.50			
Fiscal year ending December 31, 2026 (Forecast)				11.50	17.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes
Breakdown of dividends for the fiscal year ending December 31, 2025: Ordinary dividend 11.00 yen, commemorative dividend 1.00 yen (100th anniversary commemorative dividend)
For details, please refer to the “Notice Regarding Revision to Consolidated Earnings and Dividend Forecasts” announced on August 5, 2026.

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2026	81,100	4.9	11,000	113.1	1,500	(44.5)	500	(64.8)	4.01

Note: Revisions to the earnings forecasts most recently announced: Yes
For details, please refer to the “Notice Regarding Revision to Consolidated Earnings and Dividend Forecasts” announced on August 5, 2026.

***Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2026	137,386,472 shares
As of December 31, 2025	137,386,472 shares

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

As of June 30, 2026	12,508,808 shares
As of December 31, 2025	12,597,919 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2026	124,805,737 shares
Six months ended June 30, 2025	137,310,122 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The consolidated earnings forecast for the fiscal year ending December 31, 2026 is calculated based on the information available at the time of the fiscal year and contains many uncertainties, so actual results may differ from the forecasts. For matters related to the consolidated earnings forecast for the fiscal year ending December 31, 2026, please refer to page 10. “3. Supplementary explanatory materials”.

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1. Overview of operating results

(1) Overview of operating results

For an overview of our operating results, please refer to our consolidated financial report for the first half of the fiscal year ending December 31, 2026, scheduled to be posted on TDnet and our website (https://www.nippondenko.co.jp/en/ir/library/), as well as in the attached document on page 10 “3. Supplementary explanatory materials”.

(2) Overview of financial position

Assets, liabilities and net assets

(Assets)

The total assets at the end of the first half of the fiscal year ending December 31, 2026 increased by ¥196 million from the end of the previous fiscal year to ¥93,610 million. Current assets increased by ¥1,796 million from the end of the previous fiscal year to ¥46,215 million due to increases in inventories and other factors. Non-current assets decreased by ¥1,600 million from the end of the previous fiscal year to ¥47,394 million due to decreases in investment securities and other factors.

(Liabilities)

The total liabilities at the end of the first half of the fiscal year ending December 31, 2026 increased by ¥2,796 million from the end of the previous fiscal year to ¥25,185 million due to increases in short-term borrowings and other factors. 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)) increased by ¥980 million to ¥14,806 million.

(Net assets)

The total net assets at the end of the first half of the fiscal year ending December 31, 2026, decreased by ¥2,600 million from the end of the previous fiscal year to ¥68,424 million.

(3) Future outlook

For an overview of our future outlook, please refer to our consolidated financial report for the first half of the fiscal year ending December 31, 2026, scheduled to be posted on TDnet and our website (https://www.nippondenko.co.jp/en/ir/library/), as well as in the attached document on page 10 “3. Supplementary explanatory materials”.

2. Semi-annual consolidated financial statements and primary notes

(1) Semi-annual consolidated balance sheet

(Millions of yen)

	As of December 31, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	6,024	4,888
Notes and accounts receivable - trade	10,864	9,802
Merchandise and finished goods	15,351	17,544
Work in process	231	228
Raw materials and supplies	10,558	10,093
Other	1,389	3,657
Total current assets	44,419	46,215
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,393	8,822
Machinery, equipment and vehicles, net	10,474	10,124
Land	5,329	5,329
Leased assets, net	2,808	2,748
Construction in progress	691	3,067
Other, net	560	667
Total property, plant and equipment	27,257	30,759
Intangible assets	812	771
Investments and other assets		
Investment securities	19,154	12,941
Retirement benefit asset	1,147	1,030
Deferred tax assets	339	1,506
Other	282	384
Total investments and other assets	20,924	15,863
Total non-current assets	48,994	47,394
Total assets	93,414	93,610

(Millions of yen)

	As of December 31, 2025	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,436	3,026
Short-term borrowings	3,500	5,500
Current portion of long-term borrowings	2,100	1,550
Lease liabilities	183	195
Income taxes payable	394	1,464
Provision for bonuses	269	232
Provision for bonuses for directors (and other officers)	39	-
Notes payable - facilities	1	3
Other	4,055	5,267
Total current liabilities	13,981	17,240
Non-current liabilities		
Long-term borrowings	4,378	3,949
Lease liabilities	3,663	3,611
Other	364	384
Total non-current liabilities	8,407	7,945
Total liabilities	22,388	25,185
Net assets		
Shareholders' equity		
Share capital	11,120	11,120
Capital surplus	17,484	17,495
Retained earnings	40,228	36,665
Treasury shares	(3,865)	(3,837)
Total shareholders' equity	64,967	61,443
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,909	3,458
Foreign currency translation adjustment	1,839	2,278
Remeasurements of defined benefit plans	1,308	1,243
Total accumulated other comprehensive income	6,057	6,981
Total net assets	71,025	68,424
Total liabilities and net assets	93,414	93,610

(2) Semi-annual consolidated statement of income and semi-annual consolidated statement of comprehensive income

(Semi-annual consolidated statement of income)

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Net sales	38,104	38,791
Cost of sales	32,538	29,730
Gross profit	5,566	9,061
Selling, general and administrative expenses	3,580	3,808
Operating profit	1,985	5,252
Non-operating income		
Interest income	52	1
Dividend income	81	93
Compensation income	2	85
Dividend income of insurance	57	63
Other	63	79
Total non-operating income	256	322
Non-operating expenses		
Interest expenses	291	287
Share of loss of entities accounted for using equity method	352	7,733
Loss on retirement of non-current assets	197	237
Other	225	229
Total non-operating expenses	1,066	8,488
Ordinary profit (loss)	1,176	(2,913)
Extraordinary losses		
Loss on retirement of non-current assets	-	39
Loss on valuation of investment securities	1	134
Environmental expenses	180	-
Other	6	-
Total extraordinary losses	187	173
Profit (loss) before income taxes	988	(3,086)
Income taxes - current	200	1,331
Income taxes - deferred	318	(1,729)
Total income taxes	519	(397)
Profit (loss)	468	(2,689)
Profit (loss) attributable to owners of parent	468	(2,689)

(Semi-annual consolidated statement of comprehensive income)

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Profit (loss)	468	(2,689)
Other comprehensive income		
Valuation difference on available-for-sale securities	262	549
Deferred gains or losses on hedges	(0)	-
Remeasurements of defined benefit plans, net of tax	(76)	(64)
Share of other comprehensive income of entities accounted for using equity method	260	438
Total other comprehensive income	446	923
Comprehensive income	914	(1,765)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	914	(1,765)

(3) Notes relating to semi-annual consolidated financial statements

(Notes on segment information, etc.)

[Segment Information]

I. Previous interim consolidated accounting period (January 1, 2025 to June 30, 2025)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Millions of yen)

	Reportable segments						Other (Note) 1	Total	Reconciling items	Semi-annual consolidated statements of income (Note)2
	Ferroalloys Business	Functional Materials Business	Incineration Ash Recycling Business	Aqua Solutions Business	Electric Power Business	Total				
Net sales										
Revenue generated from customer contracts	24,540	7,332	3,885	816	656	37,231	873	38,104	-	38,104
Net sales from external customers	24,540	7,332	3,885	816	656	37,231	873	38,104	-	38,104
Transactions with other segments	43	-	-	-	-	43	7	50	(50)	-
Total	24,583	7,332	3,885	816	656	37,274	881	38,155	(50)	38,104
Segment profit (loss)	(812)	1,034	638	49	164	1,073	102	1,176	-	1,176

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

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

2. Information on impairment losses or goodwill on fixed assets by reporting segment

Not applicable.

II. Semi-annual consolidated accounting period (January 1, 2026 to June 30, 2026)

1. Information on net sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Millions of yen)

	Reportable segments						Other (Note) 1	Total	Reconciling items	Semi-annual consolidated statements of income (Note)2
	Ferroalloys Business	Functional Materials Business	Incineration Ash Recycling Business	Aqua Solutions Business	Electric Power Business	Total				
Net sales										
Revenue generated from customer contracts	23,720	6,745	6,069	786	570	37,892	898	38,791	-	38,791
Net sales from external customers	23,720	6,745	6,069	786	570	37,892	898	38,791	-	38,791
Transactions with other segments	44	-	-	-	-	44	8	53	(53)	-
Total	23,765	6,745	6,069	786	570	37,937	907	38,844	(53)	38,791
Segment profit (loss)	(6,270)	898	2,217	48	97	(3,008)	95	(2,913)	-	(2,913)

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

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

2. Information on impairment losses or goodwill on fixed assets by reporting segment

Not applicable.

(Note on significant change in the amount of shareholders' equity)
Not applicable.

(Note on premise of going concern)
Not applicable.

(Notes on significant subsequent events)
(Cancellation of own shares)
Nippon Denko Co., Ltd. (the "Company") has resolved at the meeting of the Board of Directors held on August 5, 2026, matters related to the cancellation of own shares pursuant to the provisions of Article 178 of the Companies Act.

1. Class of shares to be cancelled
   Common shares of the Company

2. Total number of shares to be cancelled
   11,948,808 shares
   (8.69% of the total outstanding shares prior to cancellation)

3. Scheduled date of cancellation
   August 21, 2026

4. Total number of issued shares after cancellation
   125,437,664 shares

3. Supplementary explanatory materials

(1) Consolidated financial results

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

	FY2025		FY2026		YoY	
	1H	Full Year	1H	Full Year Projection	1H	Full Year
Net sales	38.1	77.3	38.8	81.1	0.7	3.8
Ordinary profit	1.2	2.7	(2.9)	1.5	-4.1	-1.2
Underlying ordinary profit*	2.2	5.3	4.5	7.5	2.3	2.2
Profit attributable to owners of parent	0.5	1.4	(2.7)	0.5	-3.2	-0.9
Earnings per share (yen)	3.4	10.7	(21.6)	4.0	-25.0	-6.7

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

During the first half of the fiscal year under review, the underlying ordinary profit increased by ¥2.3 billion year-on-year to ¥4.5 billion, due to the upward trend in ferroalloys market prices in the Ferroalloys business, the impact of the weak yen, an increase in the volume of incineration ash treated, and the high and stable market prices for molten metals. On the other hand, due to the recording of an investment loss related to Pertama Ferroalloys Sdn. Bhd. in the overseas Ferroalloys business, ordinary profit decreased by ¥4.1 billion year-on-year, resulting in an ordinary loss of ¥2.9 billion. (For details, please refer to the "Notice Regarding the Recording of Loss on Valuation of Shares of Affiliated Company and Share of Loss of Entities Accounted for Using Equity Method" released on August 5, 2026.)

For the fiscal year ending December 31, 2026, in addition to the stable ferroalloys market prices and the effect of the weak yen, the increase in the volume of incineration ash treated and the high and stable molten metal market prices will contribute significantly, so we assume that the underlying ordinary profit is expected to increase by ¥2.2 billion year-on-year to ¥7.5 billion. Ordinary profit is expected to be ¥1.5 billion, a decrease of ¥1.2 billion year-on-year, due to the significant impact of the share of loss of entities accounted for using equity method recorded in the second quarter.

(2) Business results by segment

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

Net sales	FY2025		FY2026		YoY	
	1H	Full Year	1H	Full Year Projection	1H	Full Year
Ferroalloys	24.5	48.4	23.7	51.1	-0.8	2.7
Functional Materials	7.3	14.8	6.7	13.6	-0.6	-1.2
Incineration Ash Recycling	3.9	8.9	6.1	11.8	2.2	2.9
Aqua Solutions	0.8	1.7	0.8	1.8	-0.0	0.1
Electric Power	0.7	1.4	0.6	1.3	-0.1	-0.1
Other	0.9	2.1	0.9	1.6	0.0	-0.5
Total	38.1	77.3	38.8	81.1	0.7	3.8

Ordinary profit		FY2025		FY2026		YoY	
		1H	Full Year	1H	Full Year Projection	1H	Full Year
Ferroalloys		(0.8)	(2.1)	(6.3)	(4.0)	-5.5	-1.9
	Domestic	(0.5)	(0.7)	1.5	3.7	2.0	4.4
	Overseas	(0.3)	(1.4)	(7.7)	(7.7)	-7.4	-6.3
Functional Materials		1.0	1.9	0.9	1.5	-0.1	-0.4
Incineration Ash Recycling		0.6	2.1	2.2	3.5	1.6	1.4
Aqua Solutions		0.0	0.1	0.0	0.1	-0.0	0.0
Electric Power		0.2	0.4	0.1	0.2	-0.1	-0.2
Other		0.1	0.3	0.1	0.3	-0.0	0.0
Total		1.2	2.7	(2.9)	1.5	-4.1	-1.2

Underlying ordinary profit		FY2025		FY2026		YoY	
		1H	Full Year	1H	Full Year Projection	1H	Full Year
Ferroalloys		0.2	0.2	1.2	1.9	1.0	1.7
	Domestic	0.4	1.2	1.6	2.3	1.2	1.1
	Overseas	(0.2)	(1.0)	(0.4)	(0.4)	-0.2	0.6
Functional Materials		1.0	2.2	0.9	1.5	-0.1	-0.7
Incineration Ash Recycling		0.6	2.1	2.2	3.5	1.6	1.4
Aqua Solutions		0.0	0.1	0.0	0.1	0.0	0.0
Electric Power		0.2	0.4	0.1	0.3	-0.1	-0.1
Other		0.1	0.3	0.1	0.3	0.0	0.0
Total		2.2	5.3	4.5	7.5	2.3	2.2

(Ferroalloys business)
During the first half of the fiscal year under review, in the domestic Ferroalloys business, the underlying ordinary profit increased by ¥1.2 billion year-on-year to ¥1.6 billion, due to the upward trend in ferroalloys product market prices following the safeguard measures on the ferroalloys implemented in Europe, as well as the impact of exchange rates.
For the fiscal year ending December 31, 2026, we expect that the underlying ordinary profit will increase by ¥1.1 billion year-on-year to ¥2.3 billion.
During the first half of the fiscal year under review, in the overseas Ferroalloys business, the underlying ordinary loss amounted to ¥0.4 billion due to the sluggish performance of Pertama Ferroalloys Sdn. Bhd.
For the fiscal year ending December 31, 2026, we expect an improvement in the underlying ordinary loss in the second half of the fiscal year thanks to the recording of share of loss of entities accounted for using equity method for Pertama Ferroalloys Sdn. Bhd. As a result, ordinary loss is expected to be ¥0.4 billion, an improvement of ¥0.6 billion year-on-year.

(Functional Materials business)
During the first half of the fiscal year under review, in the battery materials-related products, sales volume of products decreased due to the partial termination of an OEM contract for cathode materials for lithium-ion batteries and the sluggish demand for metal hydride alloys. On the other hand, in the electronic components-related products, sales volume of products was solid against the backdrop of growth in the AI data center market. In addition, sales volume of other products remained firm. As a result, the underlying ordinary profit remained almost unchanged year-on-year at ¥0.9 billion.
For the fiscal year ending December 31, 2026, we expect that the underlying ordinary profit will decrease by ¥0.7 billion year-on-year to ¥1.5 billion, due to the significant impact of sluggish demand for battery materials.

(Incineration Ash Recycling business)
During the first half of 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 ¥1.6 billion year-on-year to ¥2.2 billion.
For the fiscal year ending December 31, 2026, we expect that the underlying ordinary profit will increase by ¥1.4 billion year-on-year to ¥3.5 billion.

(Aqua Solutions business)
During the first half of the fiscal year under review, sales for both of the wastewater treatment equipment and the pure water production system were solid. As a result, the underlying ordinary profit remained almost unchanged year-on-year.
For the fiscal year ending December 31, 2026, we assume that the underlying ordinary profit will remain almost flat year-on-year at ¥0.1 billion.

(Electric Power business)
During the first half of the fiscal year under review, the hydroelectric power plants operated smoothly. However, the underlying ordinary profit decreased slightly year-on-year due to a lack of rainfall.
For the fiscal year ending December 31, 2026, too, we expect that the underlying ordinary profit will decrease slightly.

<Reference Indicators>

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

	1Q	2Q	3Q	4Q	Average
FY2024	1,153	1,348	1,341	1,068	1,227
FY2025	1,151	1,202	1,159	1,187	1,175
FY2026	1,291	1,302			

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

	1Q	2Q	3Q	4Q	Average
FY2024	1,217	1,423	1,567	1,369	1,394
FY2025	1,189	1,332	1,285	1,133	1,235
FY2026	1,229	1,345			

Manganese ore market (Fastmarkets) ($/Mn%)

	1Q	2Q	3Q	4Q	Average
FY2024	4.3	6.7	7.1	4.1	5.6
FY2025	4.6	4.5	4.2	4.5	4.5
FY2026	5.2	5.4			

Exchange rate (Yen/$)

	1Q	2Q	3Q	4Q	Average
FY2025	153	145	148	154	150
FY2026	157	160			

Our exchange rate assumption, which is a premise of the earnings forecasts, is ¥155/$ for the second half and ¥157/$ for the full year, respectively.