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November 6, 2026

Consolidated Financial Results for the Nine Months Ended September 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 commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

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

1. Consolidated financial results for the nine months ended September 30, 2026 (from January 1, 2026 to September 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	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	58,907	1.8	7,315	131.6	(1,246)	-	(1,380)	-
September 30, 2025	57,864	2.5	3,159	(13.6)	1,368	(43.9)	439	(71.5)

Note: Comprehensive income For the nine months ended September 30, 2026: ¥615 million [(50.1)%]
For the nine months ended September 30, 2025: ¥1,234 million [(46.1)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2026	(11.06)	-
September 30, 2025	3.25	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	94,404	70,119	74.3
December 31, 2025	93,414	71,025	76.0

Reference: Equity As of September 30, 2026: ¥70,119 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: None
Details of year-end dividends for the fiscal year ending December 2025:
Ordinary dividends: ¥6.00; Commemorative dividends: ¥1.00 (100th Anniversary Commemorative Dividend)

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: None

Notes

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

(2) Adoption of accounting treatment specific to the preparation of quarterly 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 September 30, 2026	125,437,664 shares
As of December 31, 2025	137,386,472 shares

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

As of September 30, 2026	560,694 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)

Nine months ended September 30, 2026	124,829,829 shares
Nine months ended September 30, 2025	135,289,820 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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 the attached document on page 10 “3. Supplementary explanatory materials.”

(2) Overview of financial position

(Assets)

The total assets at the end of the third quarter of the fiscal year ending December 31, 2026 increased by ¥990 million from the end of the previous fiscal year to ¥94,404 million. Current assets increased by ¥418 million from the end of the previous fiscal year to ¥44,837 million. Non-current assets increased by ¥572 million from the end of the previous fiscal year to ¥49,566 million due to increases in property, plant and equipment and other factors, while investment securities and other factors decreased.

(Liabilities)

The total liabilities at the end of the third quarter of the fiscal year ending December 31, 2026 increased by ¥1,896 million from the end of the previous fiscal year to ¥24,285 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 ¥379 million to ¥14,205 million.

(Net assets)

The total net assets at the end of the third quarter of the fiscal year ending December 31, 2026 decreased by ¥906 million from the end of the previous fiscal year to ¥70,119 million.

(3) Future outlook

There are no changes to the earnings forecast for the fiscal year ending December 31, 2026, which was disclosed on August 5, 2026 in the “Consolidated Financial Results for the Six Months Ended June 30, 2026 (Under Japanese GAAP).”

For an overview of our future outlook, please refer to the attached document on page 10 “3. Supplementary explanatory materials.”

2. Quarterly consolidated balance sheet and primary notes

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of December 31, 2025	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	6,024	5,747
Notes and accounts receivable - trade	10,864	9,890
Merchandise and finished goods	15,351	13,297
Work in process	231	259
Raw materials and supplies	10,558	13,114
Other	1,389	2,528
Total current assets	44,419	44,837
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,393	9,068
Machinery, equipment and vehicles, net	10,474	10,455
Land	5,329	5,324
Leased assets, net	2,808	2,709
Construction in progress	691	3,447
Other, net	560	662
Total property, plant and equipment	27,257	31,668
Intangible assets	812	743
Investments and other assets		
Investment securities	19,154	14,526
Retirement benefit asset	1,147	960
Deferred tax assets	339	1,232
Other	282	434
Total investments and other assets	20,924	17,155
Total non-current assets	48,994	49,566
Total assets	93,414	94,404

(Millions of yen)

	As of December 31, 2025	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,436	3,501
Short-term borrowings	3,500	5,000
Current portion of long-term borrowings	2,100	1,550
Lease liabilities	183	206
Income taxes payable	394	1,813
Provision for bonuses	269	750
Provision for bonuses for directors (and other officers)	39	-
Notes payable - facilities	1	2
Other	4,055	3,628
Total current liabilities	13,981	16,452
Non-current liabilities		
Long-term borrowings	4,378	3,887
Lease liabilities	3,663	3,561
Other	364	383
Total non-current liabilities	8,407	7,833
Total liabilities	22,388	24,285
Net assets		
Shareholders' equity		
Share capital	11,120	11,120
Capital surplus	17,484	13,829
Retained earnings	40,228	37,287
Treasury shares	(3,865)	(172)
Total shareholders' equity	64,967	62,065
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,909	4,355
Foreign currency translation adjustment	1,839	2,485
Remeasurements of defined benefit plans	1,308	1,212
Total accumulated other comprehensive income	6,057	8,053
Total net assets	71,025	70,119
Total liabilities and net assets	93,414	94,404

(2) Quarterly consolidated statements of income (cumulative) and quarterly consolidated statements of comprehensive income (cumulative)

(Quarterly consolidated statements of income)

(Millions of yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Net sales	57,864	58,907
Cost of sales	49,290	45,775
Gross profit	8,574	13,132
Selling, general and administrative expenses	5,414	5,816
Operating profit	3,159	7,315
Non-operating income		
Interest income	53	2
Dividend income	86	98
Compensation income	2	86
Other	211	158
Total non-operating income	354	345
Non-operating expenses		
Interest expenses	435	439
Share of loss of entities accounted for using equity method	1,036	7,743
Loss on retirement of non-current assets	335	451
Other	338	272
Total non-operating expenses	2,145	8,907
Ordinary profit (loss)	1,368	(1,246)
Extraordinary income		
Gain on sale of non-current assets	-	285
Total extraordinary income	-	285
Extraordinary losses		
Loss on retirement of non-current assets	-	74
Loss on valuation of investment securities	1	134
Environmental expenses	180	-
Other	6	-
Total extraordinary losses	187	209
Profit (loss) before income taxes	1,180	(1,169)
Income taxes - current	655	2,065
Income taxes - deferred	85	(1,854)
Total income taxes	740	211
Profit (loss)	439	(1,380)
Profit (loss) attributable to owners of parent	439	(1,380)

(Quarterly consolidated statements of comprehensive income)

(Millions of yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Profit (loss)	439	(1,380)
Other comprehensive income		
Valuation difference on available-for-sale securities	888	1,445
Deferred gains or losses on hedges	(0)	-
Remeasurements of defined benefit plans, net of tax	(102)	(95)
Share of other comprehensive income of entities accounted for using equity method	9	646
Total other comprehensive income	794	1,996
Comprehensive income	1,234	615
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,234	615

(3) Notes relating to quarterly consolidated financial statements

(Notes on segment information, etc.)

I. The nine months of the previous fiscal year (January 1, 2025 to September 30, 2025)

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	Quarterly 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	36,527	10,924	6,581	1,227	1,007	56,268	1,596	57,864	-	57,864
Net sales from external customers	36,527	10,924	6,581	1,227	1,007	56,268	1,596	57,864	-	57,864
Transactions with other segments	68	-	-	-	-	68	14	83	(83)	-
Total	36,596	10,924	6,581	1,227	1,007	56,336	1,611	57,948	(83)	57,864
Segment profit (loss)	(1,883)	1,102	1,517	59	267	1,063	305	1,368	-	1,368

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 quarterly consolidated statement of income.

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

Not applicable.

II. The nine months of the current fiscal year (January 1, 2026 to September 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	Quarterly 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	36,621	9,939	8,532	1,159	888	57,140	1,766	58,907	-	58,907
Net sales from external customers	36,621	9,939	8,532	1,159	888	57,140	1,766	58,907	-	58,907
Transactions with other segments	71	-	-	-	-	71	17	88	(88)	-
Total	36,692	9,939	8,532	1,159	888	57,212	1,784	58,996	(88)	58,907
Segment profit (loss)	(5,356)	966	2,589	47	172	(1,580)	334	(1,246)	-	(1,246)

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 quarterly 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 consolidated statements of cash flows)
No quarterly consolidated statement of cash flows for the cumulative third quarter of the fiscal year ending December 31, 2026 has been prepared. The depreciation during the corresponding quarter (including amortization for intangible assets excluding goodwill) is as follows.

	For the nine months ended September 30, 2025 (From January 1, 2025 to September 30, 2025)	For the nine months ended September 30, 2026 (From January 1, 2026 to September 30, 2026)
Depreciation	¥2,644 million	¥2,960 million

3. Supplementary explanatory materials

(1) Consolidated financial results

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

	FY2025		FY2026		YoY	
	Cumulative 3Q	Full Year	Cumulative 3Q	Full Year Projection	Cumulative 3Q	Full Year
Net sales	57.9	77.3	58.9	81.1	1.0	3.8
Ordinary profit	1.4	2.7	(1.2)	1.5	-2.6	-1.2
Underlying ordinary profit*	3.2	5.3	5.1	7.5	1.9	2.2
Profit attributable to owners of parent	0.4	1.4	(1.4)	0.5	-1.8	-0.9
Earnings per share (yen)	3.3	10.7	(11.1)	4.0	-14.3	-6.7

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

During the cumulative third quarter of the fiscal year under review, the underlying ordinary profit increased by ¥1.9 billion year-on-year to ¥5.1 billion, driven by continued profitability improvement in the Ferroalloys business and the positive impact of the weak yen, as well as 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 ¥2.6 billion year-on-year, resulting in an ordinary loss of ¥1.2 billion. (For details, please refer to "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 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	
	Cumulative 3Q	Full Year	Cumulative 3Q	Full Year Projection	Cumulative 3Q	Full Year
Ferroalloys	36.5	48.4	36.6	51.1	0.1	2.7
Functional Materials	10.9	14.8	9.9	13.6	-1.0	-1.2
Incineration Ash Recycling	6.6	8.9	8.5	11.8	2.0	2.9
Aqua Solutions	1.2	1.7	1.2	1.8	-0.1	0.1
Electric Power	1.0	1.4	0.9	1.3	-0.1	-0.1
Other	1.6	2.1	1.8	1.6	0.2	-0.5
Total	57.9	77.3	58.9	81.1	1.0	3.8

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

Ordinary profit		FY2025		FY2026		YoY	
		Cumulative 3Q	Full Year	Cumulative 3Q	Full Year Projection	Cumulative 3Q	Full Year
Ferroalloys		(1.9)	(2.1)	(5.4)	(4.0)	-3.5	-1.9
	Domestic	(0.8)	(0.7)	2.4	3.7	3.2	4.4
	Overseas	(1.0)	(1.4)	(7.8)	(7.7)	-6.8	-6.3
Functional Materials		1.1	1.9	1.0	1.5	-0.1	-0.4
Incineration Ash Recycling		1.5	2.1	2.6	3.5	1.1	1.4
Aqua Solutions		0.1	0.1	0.0	0.1	-0.0	0.0
Electric Power		0.3	0.4	0.2	0.2	-0.1	-0.2
Other		0.3	0.3	0.3	0.3	0.0	0.0
Total		1.4	2.7	(1.2)	1.5	-2.6	-1.2

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

Underlying ordinary profit		FY2025		FY2026		YoY	
		Cumulative 3Q	Full Year	Cumulative 3Q	Full Year Projection	Cumulative 3Q	Full Year
Ferroalloys		(0.2)	0.2	0.9	1.9	1.1	1.7
	Domestic	0.5	1.2	1.4	2.3	0.9	1.1
	Overseas	(0.7)	(1.0)	(0.5)	(0.4)	0.2	0.6
Functional Materials		1.2	2.2	1.0	1.5	-0.2	-0.7
Incineration Ash Recycling		1.5	2.1	2.6	3.5	1.1	1.4
Aqua Solutions		0.1	0.1	0.0	0.1	-0.1	0.0
Electric Power		0.3	0.4	0.2	0.3	-0.1	-0.1
Other		0.3	0.3	0.3	0.3	0.0	0.0
Total		3.2	5.3	51	7.5	1.9	2.2

(Ferroalloys business)
During the cumulative third quarter of the fiscal year under review, in the domestic Ferroalloys business, the underlying ordinary profit increased by ¥0.9 billion year-on-year to ¥1.4 billion due to profitability improvement, the impact of exchange rates, and other factors. 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 cumulative third quarter of the fiscal year under review, in the overseas Ferroalloys business, the underlying ordinary loss amounted to ¥0.5 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 cumulative third quarter of the fiscal year under review, in the battery materials-related products, sales volume 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 was solid, driven by strong demand amid growth in the AI data center market. In addition, sales volume of other products remained firm. As a result, the underlying ordinary profit decreased by ¥0.2 billion year-on-year to ¥1.0 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 cumulative third quarter 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 ¥1.1 billion year-on-year to ¥2.6 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 cumulative third quarter 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 cumulative third quarter of the fiscal year under review, the hydroelectric power plants operated smoothly. However, the underlying ordinary profit decreased by ¥0.1 billion year-on-year to ¥0.2 billion due to a lack of rainfall.
For the fiscal year ending December 31, 2026, we expect that the underlying ordinary profit will decrease by ¥0.1 billion year-on-year to ¥0.3 billion.

<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	1,335		

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	1,361		

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	4.8		

Exchange rate (Yen/$)

	1Q	2Q	3Q	4Q	Average
FY2025	153	145	148	154	150
FY2026	157	160	159		