

(NOTE) This document has been translated from the Japanese original for reference purposes only. In all cases, the Japanese original shall take precedence.

March 27, 2024

To Whom It May Concern:

Company name: Nippon Denko Co., Ltd.  
Representative: Yasushi Aoki, President & CEO  
(Securities code: 5563  
TSE Prime Market)  
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**Notice Regarding an Absorption-Type Merger  
(Simplified Merger/Short-Form Merger) of a Consolidated Subsidiary**

Nippon Denko Co., Ltd. (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held on March 27, 2024, the Company has resolved to conduct an absorption-type merger (the "Merger") with the Company's consolidated subsidiary Chuo Denki Kogyo Co., Ltd. (the "CDK"), effective on July 1, 2024, as stated below.

As the Merger is a simplified merger/short-form merger with a wholly owned consolidated subsidiary, some disclosure items and details have been omitted.

1. Purpose of the Merger

The Company has decided to integrate an operation of the Incineration Ash Recycling business of CDK, which is a growth area, to realize "Our Ideal State" in 2030. From this implementation, the Company takes the lead in promoting the Incineration Ash Recycling business, which is gaining increasing importance, and facilitates the acceleration and expansion of our business strategies.

2. Overview of the Merger

(1) Schedule of the Merger

Date of the resolution of the Board of Directors:	March 27, 2024
Date of the conclusion of the Merger agreement:	March 27, 2024
Effective date of the Merger:	July 1, 2024 (scheduled)

(NOTE) For the Company, the Merger is a simplified merger pursuant to the provisions of Article 796, paragraph (2) of the Companies Act. For CDK, the Merger is a short-form merger pursuant to the provisions of Article 784, paragraph (1) of the Companies Act. Therefore, neither company will hold a general meeting of shareholders concerning the approval of the merger agreement.

(2) Method of the Merger

This is an absorption-type merger, the Company will be the surviving company and CDK will be dissolved as of the effective date.

(3) Details of the allotment pertaining to the Merger

Since this is an absorption-type merger with our wholly owned consolidated subsidiary, there is no allocation of shares, cash, or the like will occur.

(4) Treatment of share acquisition rights and bonds with share acquisition rights associated with the Merger

Not applicable.

## 3. Overview of the companies involved in the Merger

(as of December 31, 2023)

		Surviving company	Disappearing company
(1)	Name	Nippon Denko Co., Ltd.	Chuo Denki Kogyo Co., Ltd.
(2)	Location	1-4-16, Yaesu, Chuo-ku, Tokyo	4, Hikari, Kashima-shi, Ibaraki
(3)	Name and title of representative	Yasushi Aoki, President & CEO	Atsushi Hirata, General Director
(4)	Businesses description	Ferroalloys Functional Materials Aqua Solutions Electric Power	Incineration Ash Recycling
(5)	Share capital	11,096 million yen	480 million yen
(6)	Date of establishment	December 31, 1934	February 20, 1934
(7)	Number of issued shares	137,217,772 shares	9,026,617 shares
(8)	Fiscal year end	December 31	December 31
(9)	Major shareholders and equity ratio	NIPPON STEEL CORPORATION 22.09% The Master Trust Bank of Japan, Ltd. (Trust Account) 8.61% Mizuho Bank, Ltd. 2.92% Custody Bank of Japan, Ltd. (Trust Account) 1.97% Nippon Denko Business Partner Stock Ownership Association 1.64%	Nippon Denko Co., Ltd. 100.0%
(10)	Financial position and operating results for the most recent fiscal year		
	Fiscal year end	FYE December 2023 (consolidated)	FYE December 2023 (non-consolidated)
	Net assets	71,701 million yen	3,728 million yen
	Total assets	101,015 million yen	7,514 million yen
	Net assets per share	522.55 yen	413.03 yen
	Net sales	76,406 million yen	4,782 million yen
	Operating profit	4,741 million yen	868 million yen
	Ordinary profit	2,465 million yen	835 million yen
	Profit attributable to owners of parent	4,375 million yen	1,004 million yen
	Basic earnings per share	31.83 yen	111.25 yen

#### 4. Status after the Merger

		Surviving company
(1)	Name	Nippon Denko Co., Ltd.
(2)	Location	1-4-16, Yaesu, Chuo-ku, Tokyo
(3)	Name and title of representative	Yasushi Aoki, President & CEO
(4)	Businesses description	Ferroalloys Functional Materials Incineration Ash Recycling Aqua Solutions Electric Power
(5)	Share capital	11,096 million yen
(6)	Fiscal year end	December 31

#### 5. Future outlook

Since this is an absorption-type merger with our wholly owned consolidated subsidiary, its impact on the Company's consolidated financial results will be immaterial.