

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

May 9, 2024

To Whom It May Concern:

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(Securities code: 5563
TSE Prime Market)
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Notice Concerning Consolidated Earnings and Dividend Forecasts

Nippon Denko Co., Ltd. (the "Company") hereby announces the consolidated earnings forecasts for the fiscal year ending December 31, 2024 (January 1, 2024 to December 31, 2024) as described below.

In addition, the Company announces its dividend forecasts.

1. Announcement of full-year consolidated earnings forecasts

(1) Consolidated earnings forecasts for fiscal 2024 (from January 1, 2024 to December 31, 2024)

	Net sales	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	TBD	TBD	TBD	TBD
Revised forecasts (B)	76,000	3,000	TBD	TBD
Change (B-A)	—	—	—	—
% change	—	—	—	—
Reference: Results for the previous fiscal year ended December 31, 2023	78,390	2,420	4,330	31.50

Note: Results for the same period of the previous fiscal year are shown as the retroactively adjusted figures due to a change in accounting policy.

(2) Reason for the announcement

For the fiscal year ending December 31, 2024, it was difficult to make a reasonable calculation because the business environment remains uncertain due to factors such as the possibility that the ferroalloys product market may remain bearish due to sluggish steel demand, and concerns about a decline in demand for electronic components and other products caused by the economic downturn in China. In addition, there are uncertain factors such as price increases due to high electricity costs and pay hikes, and the impacts of the Noto Peninsula Earthquake 2024. However, based on the business results for the first quarter of the fiscal year ending December 31, 2024, announced today, and taking into account the assumptions made regarding demand, selling prices projections, and information available at present, the Company has determined that it is possible to calculate the forecasts.

Profit attributable to owners of parent is scheduled to be disclosed at the time of announcement of financial results for the second quarter of the fiscal year ending December 31, 2024.

Our exchange rate assumption, which is a premise of the outlook for the next fiscal year, is ¥146/US\$. Based on this exchange rate assumption, the Group's financial results forecast for the fiscal 2024 is shown above.

2. Revision of dividend forecasts

(1) Details of revision

	Annual dividend				
	1Q-End	2Q-End	3Q-End	Year-End	Total
Previous forecasts (February 8, 2024)	–	TBD	–	TBD	TBD
Revised forecasts		¥4.00	–	TBD	TBD
Actual for the current fiscal year ending December 31, 2024	–				
Actual for the previous fiscal year ended December 31, 2023	–	¥3.00	–	¥6.00	¥9.00

(2) Reason for the revision

The Company's dividend policy is to distribute profit in line with the consolidated business results for each fiscal year. In determining the amount of the dividends, we take into account the trends in business performance, the business development in the future, and the amount of the reserves necessary for keeping the financial condition. Based on this policy, the interim dividend forecast for the fiscal year ending December 31, 2024, has been set to 4 yen per share.

The annual dividend forecast is scheduled to be disclosed at the time of announcement of financial results for the second quarter of the fiscal year ending December 31, 2024.

Note: The aforementioned financial results forecasts have been prepared based on information available to the Company as of the date on which this document was released. Consequently, actual results may vary with respect to the forecast amounts due to various unforeseen factors.