August 5, 2026

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 the Recording of Loss on Valuation of Shares of Affiliated Company and Share of Loss of Entities Accounted for Using Equity Method

Nippon Denko Co., Ltd. (the "Company") hereby announces that it has recorded a loss on valuation of shares of affiliated company and share of entities accounted for using equity method, for the cumulative first half of the fiscal year ending December 31, 2026 (January 1, 2026 to June 30, 2026), as described below.

1. Recording of a loss on valuation of shares of affiliated company (non-consolidated)
   The Company fully impaired the value of its shares in Pertama Ferroalloys Sdn. Bhd., an equity-method affiliate, in light of the current business environment, and recorded an extraordinary loss of 7,877 million yen on the loss on valuation of shares of affiliated company.
   This extraordinary loss will be eliminated in the consolidated financial statements and will be recorded as share of loss of entities accounted for using equity method.

2. Recording of share of loss of entities accounted for using equity method (consolidated)
   In connection with item 1 above, the Company has decided to record share of loss of entities accounted for using equity method of 7,180 million yen (excluding the share of loss for the cumulative first half consolidated period) as non-operating expenses.

3. Impact on consolidated business results and outlook
   The losses described above are reflected in the "Consolidated Financial Results for the Six Months Ended June 30, 2026" announced today. Regarding the outlook, please also refer to the "Notice Concerning Consolidated Earnings and Dividend Forecasts" announced today.