July 31, 2020

Dear Shareholders,

Listed company name: KROSAKI HARIMA CORPORATION
Representative: Kazuhiro Egawa, President
Securities Code: 5352

Notice Regarding Performance and Dividend Forecasts

This is to notify that Krosaki Harima Corporation ("the Company") has determined the interim and full-year forecasts of consolidated business results and the forecast of the interim dividend for the fiscal year ending March 2021 as follows. These projections were not yet determined when the Summary of Consolidated Financial Statements for the Fiscal Year Ending March 2020 [Japanese Standards] was released on May 11, 2020.

● Revisions to Performance Forecasts

Revision to the consolidated performance forecasts for the first half of the fiscal year ending March 2021 (from April 1, 2020, to September 30, 2020)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous estimate (A)	—	—	—	—	—
Revised estimate (B)	53,000	1,000	1,500	1,200	142.46
Variance by amount (B – A)	—	—	—	—	
Variance by percentage (%)	—	—	—	—	
(Reference) Results for the first half of the fiscal year ended March 2020	70,839	4,889	4,923	3,166	375.88

Revision to the consolidated performance forecasts for the fiscal year ending March 2021 (from April 1, 2020, to March 31, 2021)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous estimate (A)	—	—	—	—	—
Revised estimate (B)	110,000	—	4,000	—	—
Variance by amount (B – A)	—	—	—	—	
Variance by percentage (%)	—	—	—	—	
(Reference) Results for the fiscal year ended March 2018	137,395	9,387	9,764	6,444	765.04

Reasons for the Revisions

Because an end to the economic and social confusion due to the expansion of the new coronavirus disease remains unforeseeable on a global scale, Japanese and overseas steel industries—major customers of the Group—continued to reduce their steel output, declining the demand for refractories and construction projects significantly. As a result, the interim and full-year forecasts of consolidated net sales and income for the fiscal year ending March 31, 2021, are set lower than the previous year.

As the demand for refractories and constructions remains unforeseeable, the full-year forecast of consolidated net sales is set at around ¥110 billion and that of consolidated ordinary income around ¥4 billion.

The full-year forecasts of consolidated operating income and net income attributable to owners of the parent for the fiscal year ending March 31, 2021, remain to be determined because reasonable estimation thereof is currently difficult due to the unforeseeable demand situation and uncertain changes in material and procurement prices mainly due to exchange fluctuations. These forecasts will be disclosed as soon as they become available.

Forecasts of business results are subject to a significant change due to fluctuations in demand for refractories caused by crude steel output fluctuations as well as the market trend of refractory materials.

● **Revision to Dividend Forecasts**

	Dividend per share (Yen)				
	1Q end	2Q end	3Q end	Year-end	Annual
Previous estimate (announced on May 11, 2020)	—	—	—	—	—
Revised estimate	—	40.00	—	—	—
Actual results for the fiscal year ending March 2021	—	—	—		
Actual results for the fiscal year ended March 2020	—	100.00	—	120.00	220.00

Reasons for the Revision

Although the full-year business outlook is still uncertain, the Company has set its target payout ratio at around 30% on a consolidated basis as its policy of profit allocation, and the forecast of dividends at the end of the second quarter of the fiscal year ending March 31, 2021, at ¥40 per share.

Because the full-year forecast of net income attributable to owners of the parent remains to be determined, the forecast of year-end dividends for the fiscal year ending March 31, 2021, remains to be determined and will be estimated and disclosed when the business results for the second or third quarter of said fiscal year are disclosed.