July 29, 2022

Dear Shareholders,

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

Notice Regarding Performance and Dividend Forecasts

Krosaki Harima Corporation ("the Company") has revised the performance forecasts for the fiscal year ending March 2023, which was disclosed on May 13, 2022, in the Summary of Consolidated Financial Statements for the Fiscal Year Ended March 2022 [Japanese Standards].

In addition, the Company has determined the consolidated performance forecasts for the first half of the fiscal year ending March 2023, and the forecast of the interim dividends at the end of the second quarter of said year, which had not yet been determined when said summary was disclosed. Details are as follows.

● Revisions to Performance Forecasts

Revision to the consolidated performance forecasts for the first half of the fiscal year ending March 2023 (from April 1, 2022, to September 30, 2022)

	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)	79,000	4,500	5,000	3,250	385.91
Variance by amount (B – A)	—	—	—	—	
Variance by percentage (%)	—	—	—	—	
(Reference) Results for the first half of the fiscal year ended March 2022	65,112	4,209	4,557	3,017	358.28

Reasons for the Revisions

Consolidated net sales for the first half of the fiscal year ending March 2023 are forecast to be higher than for the same period of the previous fiscal year mainly due to progress in shifting the cost increase caused by higher material prices to product prices in the Refractories business and sales expansion in overseas subsidiaries. Due to the net sales increase, profits are also expected to improve from a year earlier.

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 the consolidated performance forecasts for the fiscal year ending March 2023 (from April 1, 2022, to March 30, 2023)

	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)	148,000	10,000	10,000	6,500	771.77
Revised estimate (B)	159,000	10,000	10,500	6,750	801.51

Variance by amount (B – A)	11,000	0	500	250	
Variance by percentage (%)	7.4	0	5	3.8	
(Reference) Results for the first half of the fiscal year ended March 2022	133,77	7,566	8,679	5,490	651.91

Reasons for the Revisions

The forecast of consolidated net sales for the full fiscal year ending March 2023 has been revised upward from the previous estimate, mainly due to progress in shifting the cost increase caused by higher material prices to product prices in the Refractories business and sales expansion in overseas subsidiaries. The forecast of profits for said year has also been revised upward from the previous estimate, reflecting improved non-operating income partly due to foreign exchange gains.

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 13, 2022)	—	—	—	—	—
Revised estimate	—	110.00	—	—	—
Actual results for the fiscal year ending March 2023	—	—	—		
Actual results for the fiscal year ended March 2022	—	100.00	—	100.00	200.00

Reasons for the Revision

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, 2022, at ¥110 per share.

The forecast for year-end dividends for the fiscal year ending March 2023 remains undetermined as we need to identify the performance trend before making any judgment. Disclosure of the forecast will be made as soon as it becomes possible to do so.