QUARTERLY SECURITIES REPORT

(The first quarter of the 132nd fiscal year)

KROSAKI HARIMA CORPORATION

QUARTERLY SECURITIES REPORT

1. This report is a print-out of the data submitted via the Electronic Data Processing System for Disclosure (Electronic Disclosure for Investors' Network: "EDINET") as set forth in Article 27-30-2 of the Financial Instruments and Exchange Act of Japan, with the addition of a table of contents and pagination.
2. The Independent Auditor's Report on Quarterly Review of the Financial Statements ("*Shihanki Rebyu Hokokusho*") attached to the Quarterly Securities Report filed via the above method and the Document of Confirmation ("*Kakuninsho*") filed at the same time as the above Quarterly Securities Report have been appended to the back of this report.

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[Document Submitted]	Quarterly Securities Report ("*Shihanki Hokokusho*")
[Article of the Applicable Law Requiring Submission of This Document]	Article 24, Paragraph 4-7-1 of the Financial Instruments and Exchange Act of Japan
[Submitted to]	Director-General of the Kanto Local Finance Bureau
[Date of Submission]	August 5, 2022
[Accounting Period]	The first quarter of the 132nd fiscal year (from April 1, 2022 to June 30, 2022)
[Company Name]	KROSAKI HARIMA Kabushiki Kaisha
[Company Name in English]	KROSAKI HARIMA CORPORATION (the "Company")
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Part I. Information on the Company
I. Overview of the Company

1. Key Financial Data and Trends

(Millions of yen, unless otherwise stated)

Fiscal period	For the three months ended June 30, 2021 of 131st fiscal year	For the three months ended June 30, 2022 of 132nd fiscal year	131st fiscal year
Period of account	From April 1, 2021 To June 30, 2021	From April 1, 2022 To June 30, 2022	From April 1, 2021 To March 31, 2022
Net sales	31,721	40,292	133,778
Ordinary profit	2,344	3,429	8,679
Profit attributable to owners of parent	1,517	2,148	5,490
Comprehensive income	1,985	4,620	7,815
Net assets	64,134	72,772	69,084
Total assets	131,499	149,625	142,694
Profit per share (Yen)	180.15	255.06	651.91
Diluted profit per share (Yen)	—	—	—
Equity ratio (%)	46.3	45.8	45.8

(Notes) 1. Key financial data and trends of the filing company are not shown since the Company prepares quarterly consolidated financial statements.
2. “Diluted profit per share” is not shown since there was no dilutive stock.

2. Description of Business

The Group (the Company, consolidated subsidiaries, and companies accounted for by the equity-method) engages in business across the five categories stated in segment information, Refractories, Furnace, Ceramics, Real Estate, and Others.

There were no material changes to the description of business of each of the segments or changes in major subsidiaries and affiliates during the three months ended June 30, 2022.

II. Business Overview

1. Business and Other Risks
   During the three months ended June 30 2022, of the matters related to the status of business, accounting, and other information stated in this quarterly securities report, there were no incidences of the major risks recognized by management as potentially having a material impact on the financial condition, results of operations, and cash flows of consolidated companies. There were also no material changes to the “Business and Other Risks” stated in the annual securities report for the previous fiscal year.
   No significant events, etc. exist.

2. Management’s Analysis of Financial Position, Operating Results, and Cash Flows
   The forward-looking statements included in this section are based on assessments as of June 30, 2022.

   (1) Operating results
   During the first quarter of the fiscal year ending March 31, 2023, the domestic total crude steel output in the steel industry, the Group’s main customers, decreased by 5.6% year on year, to 22.99 million tons. The global crude steel output from January to June 2022 also decreased by 5.5% year on year, to 949.40 million tons.

Net sales

Net sales increased by ¥8,571 million from a year earlier to ¥40,292 million (a 27.0% increase year-on-year). This was primarily due to the result of passing the increases in the prices of raw materials, etc. onto sales prices in the Refractories business and the expansion of sales by overseas subsidiaries. By region, net sales were ¥21,781 million (a 15.7% increase year-on-year) in Japan, ¥8,089 million (a 62.8% increase year-on-year) in India, ¥2,734 million (a 41.3% increase year-on-year) in Asia, ¥4,834 million (a 32.6% increase year-on-year) in Europe, and ¥2,852 million (a 22.0% increase year-on-year) in Others. Overseas sales amounted to ¥18,511 million (a 43.6% increase year-on-year), and the ratio of overseas sales to total sales was 45.9% (up by 5.3 points year-on-year).

Gross profit

Gross profit increased by ¥1,288 million from a year earlier to ¥7,656 million (a 20.2% increase year-on-year) mainly due to the increase in net sales. The ratio of gross profit to net sales decreased by 1.1 points from a year earlier to 19.0%.

Operating profit

Operating profit increased by ¥665 million from a year earlier to ¥2,940 million (a 29.3% increase year-on-year), and the ratio of operating profit to net sales increased by 0.1 points from a year earlier to 7.3%. Selling, general and administrative expenses increased by ¥622 million from a year earlier to ¥4,715 million (a 15.2% increase year-on-year).

Ordinary profit

Ordinary profit increased by ¥1,084 million from a year earlier to ¥3,429 million (a 46.3% increase year-on-year) and the ratio of ordinary profit to net sales increased by 1.1 points from a year earlier to 8.5%. Non-operating income increased by ¥420 million from a year earlier to ¥632 million (a 199.2% increase year-on-year) due to the increase in foreign exchange gains, and non-operating expenses increased by ¥2 million from a year earlier to ¥143 million (a 1.6% increase year-on-year) due to the increase in interest expenses.

Profit attributable to owners of parent

Profit attributable to owners of parent increased by ¥630 million from a year earlier to ¥2,148 million (a 41.6% increase year-on-year). Extraordinary income decreased by ¥2 million from a year earlier to ¥0 million (a 78.7% decrease year-on-year) due to the decrease in gain on sales of non-current assets, and extraordinary losses decreased by ¥0 million from a year earlier to ¥5 million (a 2.2% decrease year-on-year) due to a decrease in loss on retirement of non-current assets.

Operating results by business segment are as follows.

The net sales of each segment represent sales to external customers and do not include inter-segment sales or transfers. The amounts of segment profit (loss) are based on operating profit (loss).

Refractories

Net sales in the Refractories segment increased by 31.5% from a year earlier to ¥34,502 million. This was mainly attributable to the efforts to pass increases in raw material and other costs on to selling prices and sales expansion by overseas subsidiaries, especially those in India and Europe. Primarily due to the net sales increase, segment profit increased by 41.1% from a year earlier to ¥2,298 million.

Furnace

Net sales in the Furnace segment increased by 10.8% from a year earlier to ¥3,437 million owing to orders received for large-scale construction projects. Primarily due to the net sales increase and cost reductions, segment profit increased by 39.2% from a year earlier to ¥208 million.

Ceramics

Net sales in the Ceramics segment decreased by 1.1% from a year earlier to ¥1,983 million. This was mainly because, although demand for ceramic materials for electronic components was strong, sales of thermal insulation materials for fuel cells declined owing to the impact of China’s COVID-19 lockdowns. Segment profit decreased by 11.0% from a year earlier to ¥300 million due to the decrease in net sales and a falling proportion of high value-added products in the sales mix.

Real estate

Net sales in the Real Estate segment remained unchanged from a year earlier at ¥184 million. Segment profit increased by 1.1% from a year earlier to ¥150 million.

Others

Net sales in Others segment decreased by 4.2% from a year earlier to ¥183 million. Segment loss was ¥21 million (compared with a segment profit of ¥15 million for the same period in the previous fiscal year).

(2) Financial position

1) Assets

The Group’s consolidated total assets increased by ¥6,931 million from the previous fiscal year end to ¥149,625 million. Current assets increased by ¥5,905 million to ¥97,234 million, and non-current assets increased by ¥1,026 million to ¥52,391 million.

The growth in current assets was primarily due to the increases in notes and accounts receivable - trade, and contract assets associated with the increase in net sales. The increase in non-current assets was primarily due to the increase in machinery, equipment and vehicles associated with the acquisition of machinery and equipment.

2) Liabilities

The Group’s consolidated total liabilities increased by ¥3,243 million from the previous fiscal year end to ¥76,853 million. Current liabilities increased by ¥3,638 million to ¥52,048 million and non-current liabilities decreased by ¥394 million to ¥24,804 million.

The increase in current liabilities was primarily due to the increases in short-term borrowings and commercial papers. The decrease in non-current liabilities was primarily due to a decrease in long-term borrowings due to the timing of refinancing those borrowings.

3) Net assets

The Group’s net assets increased by ¥3,687 million from the previous fiscal year end to ¥72,772 million.

The increase in net assets was primarily due to the increase in retained earnings associated with the increase in profit attributable to owners of parent, and the increase in foreign currency translation adjustment.

(3) Information on capital resources and cash liquidity

Cash and cash equivalents as of June 30, 2022 decreased by ¥492 million from the previous fiscal year end to ¥4,519 million. The balance of interest-bearing liabilities as of June 30, 2022 was ¥36,494 million, an increase from the previous fiscal year end of ¥2,296 million.

(4) Objective financial data to determine the management policies, management strategies, etc., and achievement status of the management targets

Compared with the contents of the annual securities report already filed, there were no material changes or newly established objective financial data used to determine the management policies, management strategies, etc., and achievement status of the management targets (hereinafter, “management policies, etc.”) for the three months ended June 30, 2022 or for the period from the end of the three months ended June 30, 2022 to the date of submission of this quarterly securities report (August 5, 2022).

(5) Business and financial issues to be preferentially addressed

There were no material changes or new issues to be preferentially addressed in the three months ended June 30, 2022.

(6) Research and development activities

Research and development costs in the three months ended June 30, 2022 amounted to ¥223 million.

There were no material changes in the research and development activities of the Group in the three months ended June 30, 2022.

3. Material Business Agreements, etc.

No agreements, etc. that are material to management were decided or concluded during the three months ended June 30, 2022.

III. Information on the Filing Company

1. Information on the Company's Stocks

(1) Total number of stocks, etc.

1) Total number of stocks

Class	Total number of stocks authorized to be issued
Common stock	35,000,000
Total	35,000,000

2) Total number of stocks issued

Class	As of June 30, 2022 (Stocks)	As of the submission date (August 5, 2022) (Stocks)	Stock exchange on which the Company is listed	Description
Common stock	9,114,528	9,114,528	Prime Market of the Tokyo Stock Exchange The Fukuoka Stock Exchange	One unit of stock constitutes 100 stocks.
Total	9,114,528	9,114,528	—	—

(2) Status of subscription rights to shares

1) Stock option plans

Not applicable

2) Other status of subscription rights to shares

Not applicable

(3) Status in the exercise of bonds with subscription rights to shares with exercise price amendment

Not applicable

(4) Changes in the total number of stocks issued and the amount of capital stock and other

(Millions of yen, unless otherwise stated)

Date	Changes in the total number of stocks issued (Stocks)	Balance of the total number of stocks issued (Stocks)	Changes in capital stock	Balance of capital stock	Changes in legal capital surplus	Balance of legal capital surplus
June 30, 2022	—	9,114,528	—	5,537	—	5,138

(5) Major shareholders

There are no matters to report as the quarter under review is the first quarter of the consolidated fiscal year.

(6) Status of voting rights

As the status of voting rights as of June 30, 2022 cannot be shown due to the inability to confirm the contents of the register of shareholders, the information shown is the information in the register of shareholders based on the most recent record date (March 31, 2022).

1) Issued stocks

As of June 30, 2022

Classification	Number of stocks (Stocks)	Number of voting rights (Units)	Details
Stocks without voting rights	—	—	—
Stocks with limited voting rights (treasury shares, etc.)	—	—	—
Stocks with limited voting rights (others)	—	—	—
Stocks with full voting rights (treasury shares, etc.)	(Treasury shares) Common stock 692,800	—	—
Stocks with full voting rights (others)	Common stock 8,333,200	83,332	—
Stocks below one unit	Common stock 88,528	—	—
Total number of stocks issued	9,114,528	—	—
Total voting rights held by all shareholders	—	83,332	—

(Notes) 1. The number of stocks of common stock in the “Stocks with full voting rights (others)” box includes 600 stocks (6 units of voting rights) held by Japan Securities Depository Center, Inc.

2. The number of stocks of common stock in the “Stocks below one unit” box includes 5 shares of treasury shares held by the Company and 37 stocks held by Japan Securities Depository Center, Inc.

2) Treasury shares, etc.

As of June 30, 2022

Shareholder	Address of shareholder	Number of stocks held under own name (Stocks)	Number of stocks held under the names of others (Stocks)	Total (Stocks)	Percentage of stocks held to the total number of issued stocks (%)
(Treasury shares) KROSAKI HARIMA CORPORATION	1-1, Higashihamamachi, Yahatanishi-ku, Kitakyushu City, Fukuoka	692,800	—	692,800	7.60
Total	—	692,800	—	692,800	7.60

(Note) In addition to the stocks above, there are 100 stocks (1 unit of voting right) under the name of the Company in the register of shareholders which are not actually held by the Company.
The aforementioned stocks are included as common stock in the “Stocks with full voting rights (others)” box in “Issued stocks” above.

2. Information on the Company’s Officers

Not applicable

IV. Financial Information

1. Preparation method of quarterly consolidated financial statements
   The Company's quarterly consolidated financial statements have been prepared pursuant to the Regulation on the Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements (Cabinet Office Order No. 64 of 2007).

2. Audit certification
   Pursuant to the first paragraph of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, the Company's quarterly consolidated financial statements for the three months ended June 30, 2022 (April 1, 2022 to June 30, 2022) were reviewed by KPMG AZSA LLC.

1. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 31, 2022 (As of March 31, 2022)	1Q, Fiscal Year Ending March 31, 2023 (As of June 30, 2022)
Assets		
Current assets		
Cash and deposits	5,012	4,519
Notes and accounts receivable - trade, and contract assets	44,666	49,368
Merchandise and finished goods	16,103	16,323
Work in process	3,293	3,763
Raw materials and supplies	13,772	13,599
Other	8,846	10,047
Allowance for doubtful accounts	(366)	(388)
Total current assets	91,328	97,234
Non-current assets		
Property, plant and equipment		
Buildings and structures	43,744	44,331
Accumulated depreciation	(30,231)	(30,624)
Buildings and structures, net	13,513	13,707
Machinery, equipment and vehicles	70,467	72,291
Accumulated depreciation	(57,023)	(58,179)
Machinery, equipment and vehicles, net	13,443	14,112
Tools, furniture and fixtures	5,319	5,422
Accumulated depreciation	(4,170)	(4,245)
Tools, furniture and fixtures, net	1,148	1,176
Land	6,646	6,682
Construction in progress	1,581	1,621
Total property, plant and equipment	36,333	37,300
Intangible assets		
Goodwill	4,270	4,412
Other	506	538
Total intangible assets	4,776	4,951
Investments and other assets		
Investment securities	6,328	6,281
Retirement benefit asset	2,108	2,083
Deferred tax assets	162	171
Other	1,893	1,852
Allowance for doubtful accounts	(236)	(249)
Total investments and other assets	10,255	10,139
Total non-current assets	51,365	52,391
Total assets	142,694	149,625

(Millions of yen)

	Fiscal Year Ended March 31, 2022 (As of March 31, 2022)	1Q, Fiscal Year Ending March 31, 2023 (As of June 30, 2022)
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	6,603	6,434
Accounts payable - trade	16,943	16,747
Short-term borrowings	8,863	10,306
Commercial papers	6,000	8,000
Income taxes payable	1,231	768
Provision for bonuses	2,785	1,523
Provision for loss on construction contracts	105	105
Other	5,877	8,162
Total current liabilities	48,410	52,048
Non-current liabilities		
Long-term borrowings	19,334	18,187
Deferred tax liabilities	1,170	1,772
Provision for retirement benefits for directors (and other officers)	492	470
Retirement benefit liability	473	474
Asset retirement obligations	25	25
Other	3,702	3,873
Total non-current liabilities	25,198	24,804
Total liabilities	73,609	76,853
Net assets		
Shareholders' equity		
Share capital	5,537	5,537
Capital surplus	2,000	2,000
Retained earnings	57,419	58,725
Treasury shares	(1,650)	(1,650)
Total shareholders' equity	63,308	64,613
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,833	1,678
Deferred gains or losses on hedges	199	385
Foreign currency translation adjustment	(797)	1,102
Remeasurements of defined benefit plans	801	766
Total accumulated other comprehensive income	2,036	3,932
Non-controlling interests	3,739	4,226
Total net assets	69,084	72,772
Total liabilities and net assets	142,694	149,625

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income

(Millions of yen)

	1Q, Fiscal Year Ended March 31, 2022 (April 1, 2021, to June 30, 2021)	1Q, Fiscal Year Ending March 31, 2023 (April 1, 2022, to June 30, 2022)
Net sales	31,721	40,292
Cost of sales	25,352	32,635
Gross profit	6,368	7,656
Selling, general and administrative expenses	4,093	4,715
Operating profit	2,274	2,940
Non-operating income		
Interest income	6	5
Dividend income	42	54
Share of profit of entities accounted for using equity method	0	119
Foreign exchange gains	93	373
Other	68	80
Total non-operating income	211	632
Non-operating expenses		
Interest expenses	65	103
Loss on removal of non-current assets	32	12
Other	43	27
Total non-operating expenses	141	143
Ordinary profit	2,344	3,429
Extraordinary income		
Gain on sale of non-current assets	2	0
Total extraordinary income	2	0
Extraordinary losses		
Loss on sale of non-current assets	—	0
Loss on retirement of non-current assets	5	5
Total extraordinary losses	5	5
Profit before income taxes	2,341	3,423
Income taxes - current	304	423
Income taxes - deferred	431	571
Total income taxes	736	995
Profit	1,605	2,428
Profit attributable to non-controlling interests	87	280
Profit attributable to owners of parent	1,517	2,148

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	1Q, Fiscal Year Ended March 31, 2022 (April 1, 2021, to June 30, 2021)	1Q, Fiscal Year Ending March 31, 2023 (April 1, 2022, to June 30, 2022)
Profit	1,605	2,428
Other comprehensive income		
Valuation difference on available-for-sale securities	(54)	(155)
Deferred gains or losses on hedges	11	185
Foreign currency translation adjustment	390	2,025
Remeasurements of defined benefit plans, net of tax	7	(34)
Share of other comprehensive income of entities accounted for using equity method	25	169
Total other comprehensive income	379	2,191
Comprehensive income	1,985	4,620
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,844	4,044
Comprehensive income attributable to non-controlling interests	140	576

[Notes]

(Notes to Quarterly Consolidated Balance Sheets)

1. Contingent liabilities

(i) Guarantee obligation (Millions of yen)

Previous fiscal year (As of March 31, 2022)		First quarter under review (As of June 30, 2022)	
HIBIKINADA DEVELOPMENT CO., LTD.		HIBIKINADA DEVELOPMENT CO., LTD.	
Loan from financial institution	1	Loan from financial institution	1
Employees		Employees	
Loan from financial institution for home loans	211	Loan from financial institution for home loans	210

(ii) Retrospective obligations due to liquidation of claims (Millions of yen)

	Previous fiscal year (As of March 31, 2022)	First quarter under review (As of June 30, 2022)
Transfer balance of notes	331	316
Transfer balance of accounts receivable	15	16

(Notes to Quarterly Consolidated Statements of Cash Flows)

Quarterly Consolidated Statements of Cash Flows have not been prepared for the three months ended June 30, 2022. The amounts of depreciation and amortization (including amortization of intangible assets except goodwill) and amortization of goodwill for the three months are as follows.

(Millions of yen)

	For the three months ended June 30, 2021 (From April 1, 2021 to June 30, 2021)	For the three months ended June 30, 2022 (From April 1, 2022 to June 30, 2022)
Depreciation and amortization	781	826
Amortization of goodwill	120	125

(Notes to shareholders' equity)

I For the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

1. Dividends paid

Resolution	Class of stocks	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Annual Shareholders' Meeting at June 29, 2021	Common stock	926	110.0	March 31, 2021	June 30, 2021	Retained earnings

2. Dividends whose record date fell in the three months ended June 30, 2021, but whose effective date comes after June 30, 2021.

Not applicable

3. Significant changes in shareholders' equity

Not applicable

II For the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

1. Dividends paid

Resolution	Class of stocks	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Annual Shareholders' Meeting at June 29, 2022	Common stock	842	100.0	March 31, 2022	June 30, 2022	Retained earnings

2. Dividends whose record date fell in the three months ended June 30, 2022, but whose effective date comes after June 30, 2022.

Not applicable

3. Significant changes in shareholders' equity

Not applicable

(Segments of an enterprise and related information)

[Segment information]

I For the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

1. Net sales and profit or loss by reportable segments

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjust-ments (Note 2)	Consolidated (Note 3)
	Refractories	Furnace	Ceramics	Real estate	Subtotal				
Net sales									
External customers	26,236	3,101	2,006	184	31,529	191	31,721	—	31,721
Inter-segment or transfer	1	74	—	—	76	—	76	(76)	—
Total	26,238	3,176	2,006	184	31,606	191	31,797	(76)	31,721
Segment profit	1,628	149	337	148	2,264	15	2,280	(5)	2,274

(Notes) 1 The “Others” category is a business segment which is not included in the reportable segments and includes production and sale of lime for steel mills.

2 An adjustment of ¥(5) million in segment profit primarily consists of the elimination amount of unrealized gains.

3 Segment profit is adjusted for operating profit in the quarterly consolidated statements of income.

II For the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

1. Net sales and profit or loss by reportable segments

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjust-ments (Note 2)	Consolidated (Note 3)
	Refractories	Furnace	Ceramics	Real estate	Subtotal				
Net sales									
External customers	34,502	3,437	1,983	184	40,109	183	40,292	—	40,292
Inter-segment or transfer	0	64	—	—	64	—	64	(64)	—
Total	34,503	3,502	1,983	184	40,173	183	40,356	(64)	40,292
Segment profit (loss)	2,298	208	300	150	2,957	(21)	2,935	4	2,940

(Notes) 1 The “Others” category is a business segment which is not included in the reportable segments and includes production and sale of lime for steel mills.

2 An adjustment of ¥4 million in segment profit (loss) primarily consists of the elimination amount of unrealized gains.

3 Segment profit (loss) is adjusted for operating profit in the quarterly consolidated statements of income.

(Notes to revenue recognition)
For the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

(Millions of yen)

	Reportable segments					Others (Note)	Total
	Refractories	Furnace	Ceramics	Real estate	Subtotal		
Japan	13,696	3,101	1,658	—	18,457	191	18,648
India	4,966	—	2	—	4,968	—	4,968
Asia	1,745	0	189	—	1,935	—	1,935
Europe	3,503	—	143	—	3,646	—	3,646
Other	2,324	—	12	—	2,337	—	2,337
Revenue from contract(s) with customers	26,236	3,101	2,006	—	31,345	191	31,536
Other revenues	—	—	—	184	184	—	184
Sales to external customers	26,236	3,101	2,006	184	31,529	191	31,721

(Note) The "Others" category is a business segment which is not included in the reportable segments and includes production and sale of lime for steel mills.

For the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(Millions of yen)

	Reportable segments					Others (Note)	Total
	Refractories	Furnace	Ceramics	Real estate	Subtotal		
Japan	16,252	3,434	1,726	—	21,413	183	21,596
India	8,088	—	1	—	8,089	—	8,089
Asia	2,547	3	184	—	2,734	—	2,734
Europe	4,781	—	53	—	4,834	—	4,834
Other	2,833	—	18	—	2,852	—	2,852
Revenue from contract(s) with customers	34,502	3,437	1,983	—	39,924	183	40,107
Other revenues	—	—	—	184	184	—	184
Sales to external customers	34,502	3,437	1,983	184	40,109	183	40,292

(Note) The "Others" category is a business segment which is not included in the reportable segments and includes production and sale of lime for steel mills.

(Per share information)

Profit per share and the basis for calculation of profit per share are as follows.

(Millions of yen, unless otherwise stated)

Item	For the three months ended June 30, 2021 (From April 1, 2021 to June 30, 2021)	For the three months ended June 30, 2022 (From April 1, 2022 to June 30, 2022)
Profit per share (Yen)	180.15	255.06
(Basis for calculation)		
Profit attributable to owners of parent	1,517	2,148
Profit not attributable to common shareholders	—	—
Profit attributable to owners of parent related to common stock	1,517	2,148
Weighted average number of common stock during the first quarter (Thousands of stocks)	8,422	8,421

(Note) Diluted profit per share is not stated because there is no dilutive stock.

2. Others

Not applicable

Part II. Information on Guarantors for the Filing Company

Not applicable

<u>Independent Auditor's Report on Quarterly Review of the Financial Statements</u>

August 5, 2022

To the Board of Directors of KROSAKI HARIMA CORPORATION.

KPMG AZSA LLC
Fukuoka Office

Yoshinao Abe
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Takahiro Toyama
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Conclusion

We have conducted a quarterly review of the accompanying quarterly consolidated financial statements of KROSAKI HARIMA CORPORATION and its consolidated subsidiaries provided in the "Financial Information" section in the company's Quarterly Securities Report, which comprise the quarterly consolidated balance sheets as at June 30, 2022, and the quarterly consolidated statements of income and statements of comprehensive income for the quarter then ended, and explanatory information, in accordance with Article 193-2(1) of the Financial Instruments and Exchange Act of Japan.
In the quarterly review we have conducted, the quarterly consolidated financial statements are found to contain no matters, in all material respects, that would lead us to believe that the quarterly consolidated financial statements fail to present fairly the financial position of KROSAKI HARIMA CORPORATION and its consolidated subsidiaries as at June 30, 2022, and their financial performance for the quarter then ended in accordance with accounting principles for preparation of quarterly consolidated financial statements generally accepted in Japan.

Basis for Conclusion

We conducted our quarterly review in accordance with standards for quarterly review generally accepted in Japan. Our responsibilities under those standards are further described in the Independent Auditor's Responsibility for the Quarterly Review of the Quarterly Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with provisions related to professional ethics in Japan, and we have fulfilled our other ethical responsibilities as an independent auditor. We believe that we have obtained the evidence to provide a basis for our conclusion.

Responsibilities of Management and Auditors and the Board of Auditors for the Quarterly Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these quarterly consolidated financial statements in accordance with accounting principles for preparation of quarterly consolidated financial statements generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and presentation of quarterly consolidated financial statements that are free from material misstatements, whether due to fraud or error.
In preparing the quarterly consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the quarterly consolidated financial statements in accordance with the premise of going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles for preparation of quarterly consolidated financial statements generally accepted in Japan.
Auditors and the Board of Auditors are responsible for overseeing the Directors' performance of their duties related to designing and operating the financial reporting process.

Independent Auditor's Responsibility for the Quarterly Review of the Quarterly Consolidated Financial Statements

The independent auditor's responsibility is to express a conclusion on the quarterly consolidated financial statements from an independent standpoint in a report on quarterly review based on the quarterly review.
In accordance with standards for quarterly review generally accepted in Japan, the independent auditor exercises professional judgment in the quarterly review process and performs the following while maintaining professional skepticism.

・Conduct questioning procedures primarily to management and those who are responsible for financial and accounting matters, analytical procedures, and any other quarterly review procedures. Quarterly review procedures are limited procedures compared to audit of the annual financial statements that is conducted in accordance with auditing standards generally accepted in Japan.
・If the independent auditor determines that there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern, he or she concludes whether the quarterly consolidated financial statements are found to contain no matters that would lead him or her to believe that the quarterly consolidated financial statements fail to present fairly those events or conditions in accordance with accounting principles for preparation of quarterly consolidated financial statements generally accepted in Japan, based on the evidence obtained. If there is a significant uncertainty, the independent auditor is required to draw attention in its report on quarterly review to the notes to the quarterly consolidated financial statements or, if the notes pertaining to the significant uncertainty are inadequate, issue a qualified conclusion or negative conclusion on the quarterly consolidated financial statements. While the conclusions of the independent auditor are based on the evidence obtained up to the date of its report on quarterly review, depending on future events or conditions, an entity may be unable to continue as a going concern.
・Besides assessing whether the presentation and notes to the quarterly consolidated financial statements are found to contain no matters that would lead the independent auditor to believe that the presentation and notes to the quarterly consolidated financial statements fail to be in accordance with accounting principles for preparation of quarterly consolidated financial statements generally accepted in Japan, assess the overall presentation, structure, and content of the quarterly consolidated financial statements, including related notes, and whether the quarterly consolidated financial statements are found to contain no matters that would lead him or her to believe that the quarterly consolidated financial statements fail to fairly present the underlying transactions and accounting events.
・Obtain evidence regarding the financial information of the Company and its consolidated subsidiaries to express a conclusion on the quarterly consolidated financial statements. The independent auditor is responsible for instructing, supervising, and implementing the quarterly review of the quarterly consolidated financial statements. The independent auditor is solely responsible for its conclusion.

The independent auditor reports to Auditors and the Board of Auditors regarding the scope and timing of implementation of the planned quarterly review, and significant findings on quarterly review.
The independent auditor also reports to Auditors and the Board of Auditors regarding its observance of provisions relevant to professional ethics in Japan and matters that may reasonably be thought to bear on its independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Other Matter

Our firm and engagement partners have no interest in the Company and its consolidated subsidiaries which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

<u>Notes to the reader of the quarterly review report</u>:
The Independent Auditor's Report on Quarterly Review herein is the English translation of the Independent Auditor's Report on Quarterly Review as required by the Financial Instruments and Exchange Act of Japan.