Supplementary materials for Financial Results for the Fiscal Year Ending March 2025

May 14, 2025

KROSAKI HARIMA CORPORATION

(Securities Code: 5352)

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[Regarding figures presented in this document]
Monetary amounts presented in this document have been rounded down to the unit indicated, and percentages have been rounded off to one decimal place, except where otherwise indicated.

Overview of Financial Results for the Fiscal Year Ended March 2025

(Billions of yen)

	FY2023	FY2024	Year-on-year change	
Net sales	177.02	177.92	+ 0.89	+ 0.5%
Operating profit	14.69	14.08	(0.6)	(4.2%)
Ordinary profit	16.38	15.31	(1.07)	(6.5%)
Profit*1	12.41	12.53	+ 0.11	+ 1.0%
ROS*2	9.3%	8.6%	(0.7pt)	
ROE*3	15.5%	13.8%	(1.7pt)	
ROIC*4	9.7%	7.6%	(2.1pt)	

Business Environment

- Domestic total crude steel output (FY2024): 82.95 million tons (down 4.5% year on year)
- Worldwide crude steel output (CY2024): 1,882.60 million tons (down 0.8% year on year)
- Total crude steel output in India (CY2024): 149.60 million tons (up 6.3% year on year)

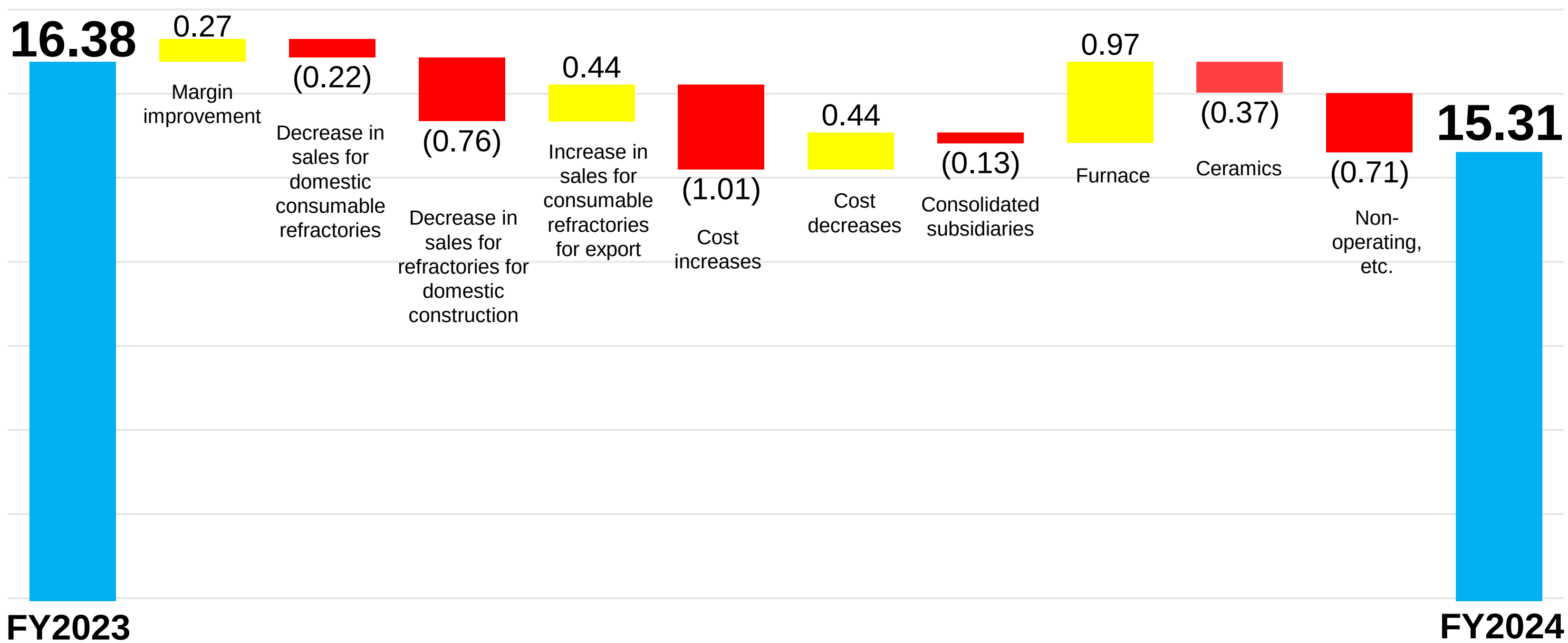
*1: Profit attributable to owners of parent *2: Return on sales (ordinary profit to net sales ratio) *3: Return on equity *4:Return on invested capital

Analysis of Factors Causing Change in Ordinary Profit [FY2023 vs. FY2024] (Consolidated)

Amid the impact of decreased crude steel output in Japan and overseas excluding India, as well as the temporary increase in cost caused by the rising prices of imported raw materials reflecting the weak yen, the Group promoted the expansion of sales in the solid Indian steel market, implemented self-help efforts to improve productivity and yields, etc., and steadily passed the rising costs of raw materials, etc. on to selling prices. However, ordinary profit decreased year on year due in part to the differences in transient gains such as non-operating income from foreign exchange gains. Despite the year-on-year decrease, it achieved a level exceeding the ¥15,000 million target set under the 2025 Revised Management Plan.

(Billions of yen)

Profit decline of ¥1.07 billion



Performance by Segment (Consolidated)

(Billions of yen)

		FY2023	FY2024	Year-on-year change	
Refractories	Net sales	**151.86**	**148.53**	**(3.32)**	**(2.2%)**
	Segment profit	**12.67**	**11.43**	**(1.24)**	**(9.8%)**
Furnace	Net sales	**15.22**	**19.72**	**+ 4.50**	**+ 29.6%**
	Segment profit	**0.55**	**1.51**	**+ 0.96**	**+ 175.0%**
Ceramics	Net sales	**8.22**	**7.80**	**(0.41)**	**(5.1%)**
	Segment profit	**0.85**	**0.48**	**(0.36)**	**(43.3%)**
Real estate and others	Net sales	**1.70**	**1.84**	**+ 0.13**	**+ 8.1%**
	Segment profit	**0.61**	**0.64**	**+ 0.03**	**+ 5.0%**
Total	Net sales	**177.02**	**177.92**	**+ 0.89**	**+ 0.5%**
	Segment profit	**14.69**	**14.08**	**(0.60)**	**(4.2%)**

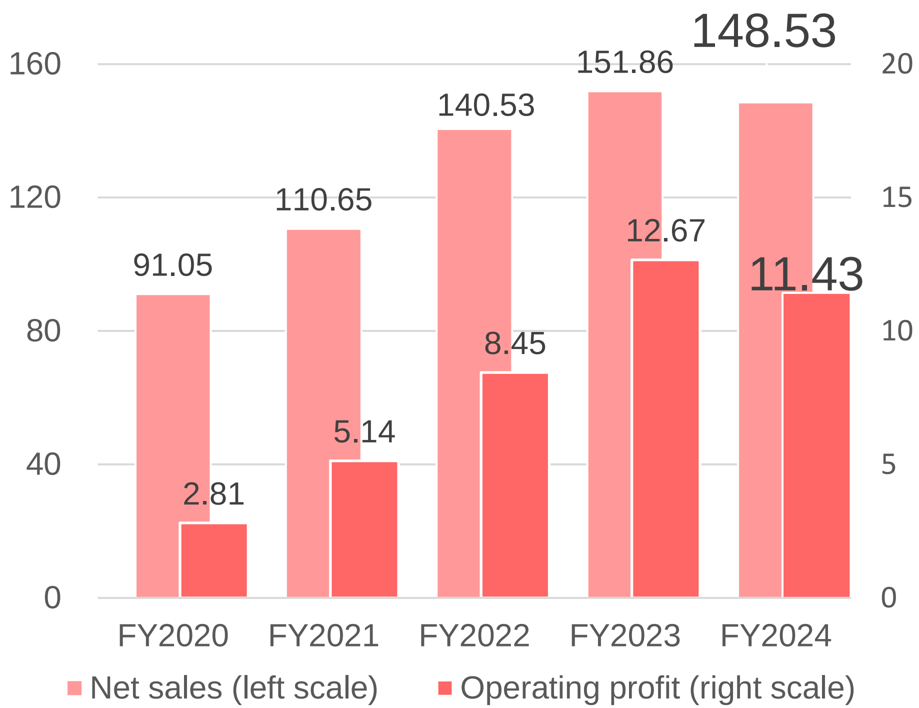
Note: The net sales of each segment represent sales to external customers and do not include inter-segment sales or transfers. The amounts of segment profit are based on operating profit.

Overview of Refractories Segment

Business Results

(Billions of yen)

	FY2023	FY2024	Year-on-year change	
Net sales	151.86	**148.53**	(3.32)	(2.2%)
Operating profit	12.67	**11.43**	(1.24)	(9.8%)



Review

- Despite efforts to expand business in the strong Indian steel market, among others, to offset the impact of a decrease in domestic and overseas crude steel output and a drop in one-time orders, both sales and profits decreased.

Initiatives for the Future

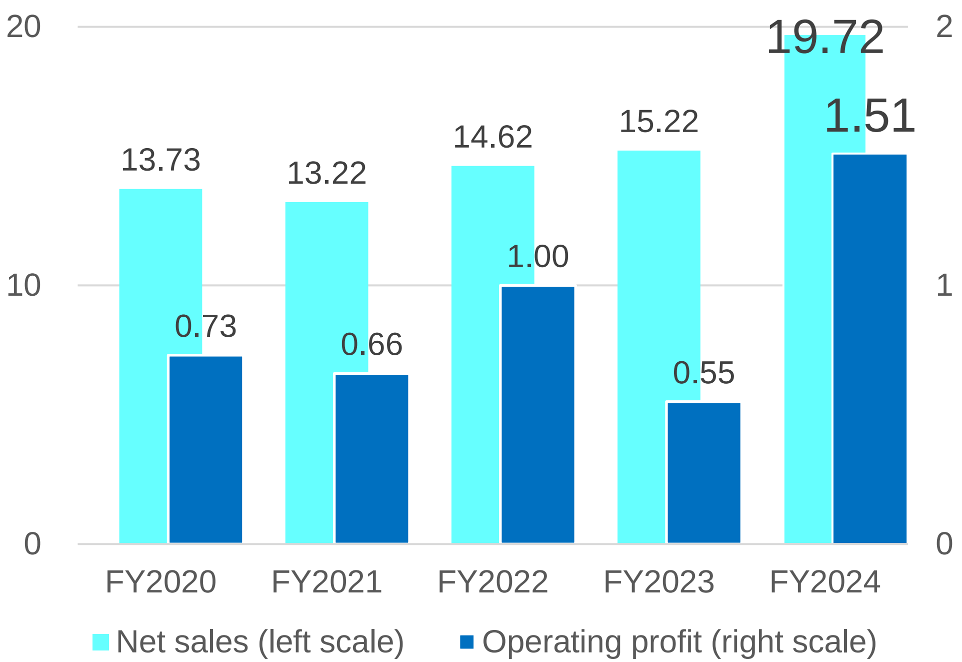
- In Japan, further enhance competitiveness through the promotion of automation, labor-saving, and digital transformation, as well as market launch of new products by using our technological strength, and strengthen revenue base.
- In India, strengthen production capacity to capture growing demand.
- In Europe and the Americas, work to further expand business revenue through deepening collaboration between alliance partner companies and our manufacturing and sales bases.

Overview of Furnace Segment

Business Results

(Billions of yen)

	FY2023	FY2024	Year-on-year change	
Net sales	15.22	**19.72**	+4.50	+29.6%
Operating profit	0.55	**1.51**	+0.96	+175.0%



Review

- Both sales and profit increased due to an upward revision in maintenance unit prices and orders received for large-scale construction projects

Initiatives for the Future

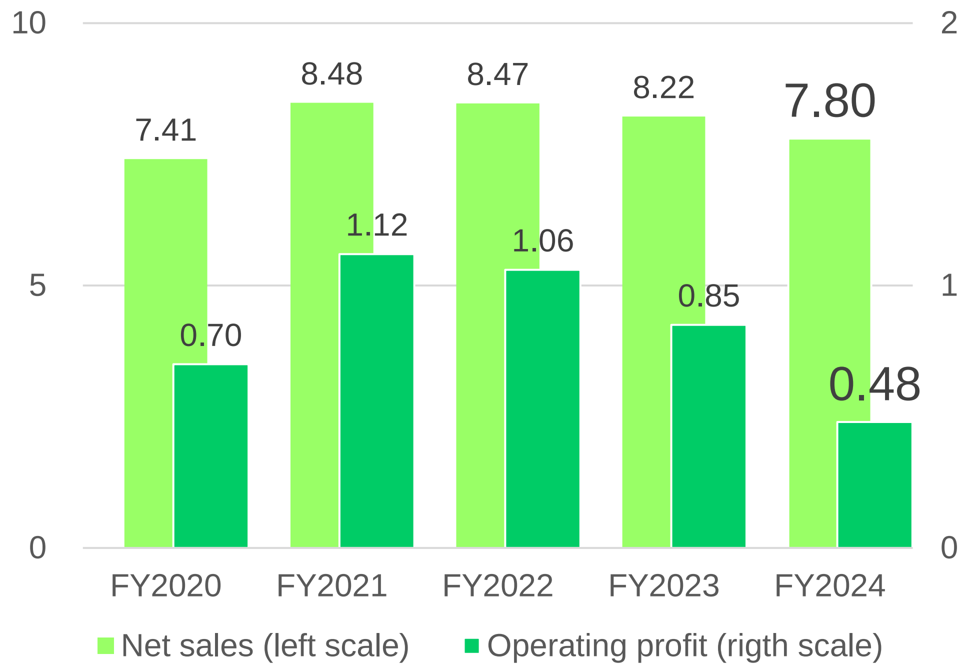
- Increase earning power by steadily capturing large-scale construction projects, continuing to receive orders for maintenance work for steel facilities, and reducing costs through personnel optimization, etc.
- Expand revenue through orders received for maintenance and new projects for non-ferrous materials users such as biomass and other power generation boilers and incinerators, in addition to the design and construction of energy-saving industrial furnaces.

Overview of Ceramics Segment

Business Results

(Billions of yen)

	FY2023	FY2024	Year-on-year change	
Net sales	8.22	**7.80**	(0.41)	(5.1%)
Operating profit	0.85	**0.48**	(0.36)	(43.3%)



Review

- Both sales and profits declined due to a trough in orders received for ceramic materials for semiconductor manufacturing equipment and for thermal insulation materials for household fuel cells.

Initiatives for the Future

- The US Semiconductor Equipment and Materials International (SEMI*) announced in December its forecast that net sales of semiconductor manufacturing equipment would grow to an all-time high of 136.0 billion dollars (over 20 trillion yen) in 2026.
  We will steadily capture the growing demand for ceramics primarily for semiconductor lithography equipment.
- We will further grow revenue by driving sales expansion in each field, including thermal insulation materials for the environmental field, ceramic materials for electronic components, and products for new fields such as aerospace and health care.

*SEMI: Semiconductor Equipment and Materials International https://www.krosaki.co.jp/en

These materials are not disclosure materials designated under the Financial Instruments and Exchange Act, and we do not guarantee the accuracy or completeness of the information presented herein. Moreover, the forward-looking statements presented in these materials represent the views of the Company based on the information available at the time when the materials were prepared, and involve uncertainties. Therefore, we request that users refrain from depending solely on these materials when making investment decisions. The Company shall take no responsibility for any losses that may occur as a result of using these materials.