Financial Results Briefing for the Second Quarter of the Fiscal Year Ending March 2026

November 7, 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 the Financial Results for the First 2Qs of the Fiscal Year Ending March 2026 (Consolidated)

(Billions of yen)

	First 2Qs of FY2024	First 2Qs of FY2025	Year-on-year change	
Net sales	88.09	88.40	+ 0.31	+ 0.4%
Operating profit	6.28	7.42	+ 1.13	+ 18.1%
Ordinary profit	6.54	8.00	+ 1.46	+ 22.4%
Profit*1	4.16	10.74	+ 6.58	+ 158.1%
ROS*2	7.4%	9.1%	+ 1.6pt	
ROE*3	9.4%	21.8%	+ 12.4pt	
ROIC*4	7.3%	8.3%	+ 1.0pt	

Business Environment

- Domestic total crude steel output (first 2Qs of FY2025): 40.08 million tons (down 4.2% year on year)
- Worldwide crude steel output (January to September 2025): 1,373.80 million tons (down 1.6% year on year)
- Total crude steel output in India (January to September 2025): 122.40 million tons (up 10.5% year on year)

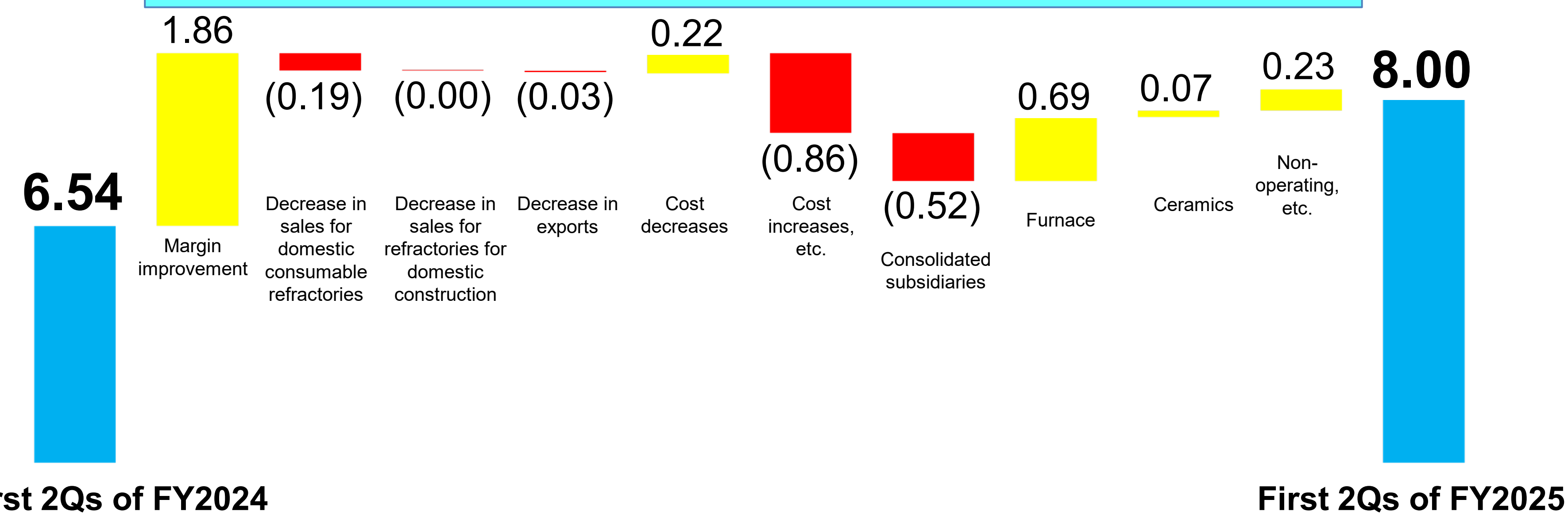
*1: Profit attributable to owners of parent *2: Return on sales (ordinary profit to net sales ratio) *3: Return on equity *4: Return on invested capital

Analysis of Factors Causing Change in Ordinary Profit [First 2Qs of FY2024 vs. First 2Qs of FY2025] (Consolidated)

Despite the decrease in domestic and overseas crude steel output and the impact of the decline in yen-converted profit reflecting the appreciation of the yen, ordinary profit in the Refractories business increased year on year, owing to cost reduction measures through self-help efforts to improve productivity and yields, as well as the steady passing on of higher costs, including raw materials and energy prices, to selling prices in the Refractories business and sales expansion in India. Ordinary profit in the Furnace business also increased year on year due to cost reductions through streamlining of personnel, among other efforts, the steady passing on of higher material and other costs to selling prices, and an increase in orders received for construction projects. Overall, ordinary profit increased year on year by ¥1.46 billion.

(Billions of yen)

Profit increase of ¥1.46 billion

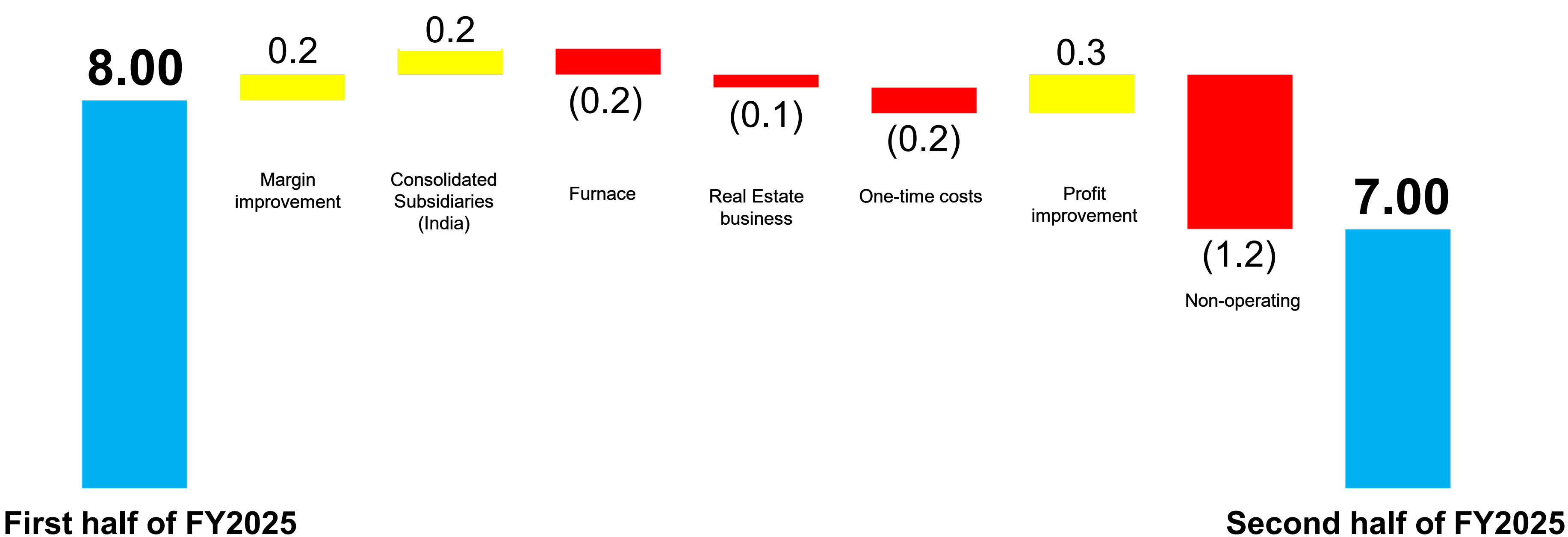


Analysis of Factors Causing Change in Ordinary Profit [First Half of FY2025 vs. Second Half of FY2025] (Consolidated)

In addition to margin improvement, profit improvement is expected, mainly driven by the expansion of overseas operations centered on India and the further pursuit of self-help efforts to improve productivity and yields. However, due to the absence of transient gains such as foreign exchange gains that were recorded in the first half, overall ordinary profit is expected to decrease by ¥1.0 billion.

Profit decline of ¥1.0 billion

(Billions of yen)



Performance by Segment (Consolidated)

(Billions of yen)

		First 2Qs of FY2024	First 2Qs of FY2025	Year-on-year change	
Refractories	Net sales	**75.27**	**75.01**	**(0.26)**	**(0.4)%**
	Segment profit	**5.55**	**6.11**	**+ 0.56**	**+ 10.2%**
Furnace	Net sales	**8.18**	**9.08**	**+ 0.89**	**+ 11.0%**
	Segment profit	**0.29**	**0.98**	**+ 0.68**	**+ 228.0%**
Ceramics	Net sales	**3.75**	**4.12**	**+ 0.36**	**+ 9.8%**
	Segment profit	**0.11**	**0.19**	**+ 0.07**	**+ 61.9%**
Real estate and others	Net sales	**0.86**	**0.19**	**(0.67)**	**(78.1)%**
	Segment profit	**0.30**	**0.13**	**(0.17)**	**(56.8)%**
Total	Net sales	**88.09**	**88.40**	**+ 0.31**	**+ 0.4%**
	Segment profit	**6.28**	**7.41**	**+ 1.13**	**+ 18.0%**

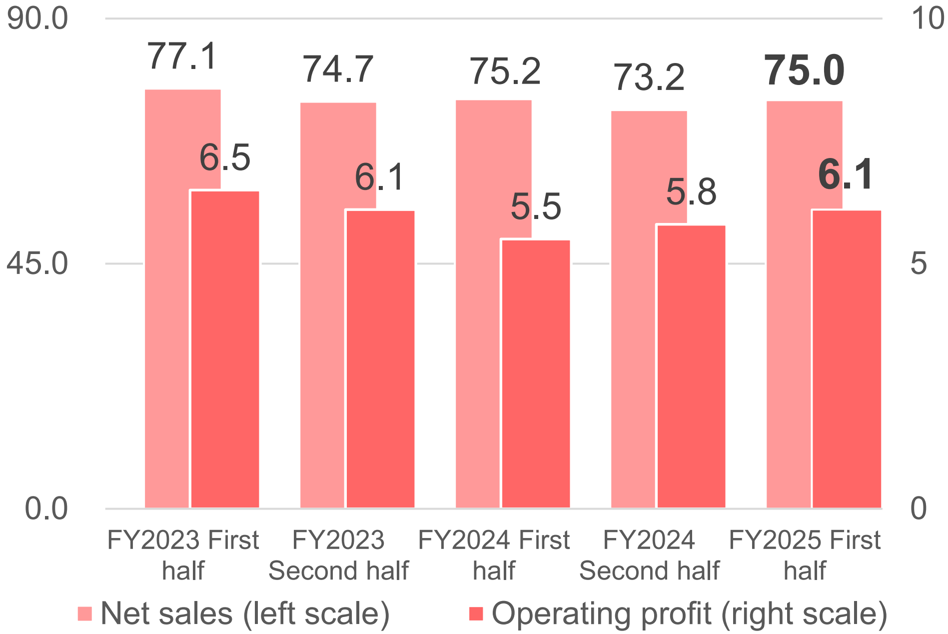
Note: The net sales of each segment represent sales to external customers and do not include inter-segment sales or transfers. The amounts of segment profit are based on operating profit

Overview of Refractories Segment

Business Results

(Billions of yen)

	First 2Qs of FY2024	First 2Qs of FY2025	Year-on-year change	
Net sales	75.27	**75.01**	(0.26)	(0.4)%
Operating profit	5.55	**6.11**	+0.56	+10.2%



Review

- Despite the decrease in domestic and overseas crude steel output, underlying sales increased due to the steady passing on of higher costs, including raw materials and energy prices, to selling prices and sales expansion in India. However, net sales decreased due to the decline in yen-converted sales reflecting the appreciation of the yen. Segment profit increased due to margin improvement and cost reduction measures through the self-help efforts to improve productivity and yields.

Initiatives for the Future

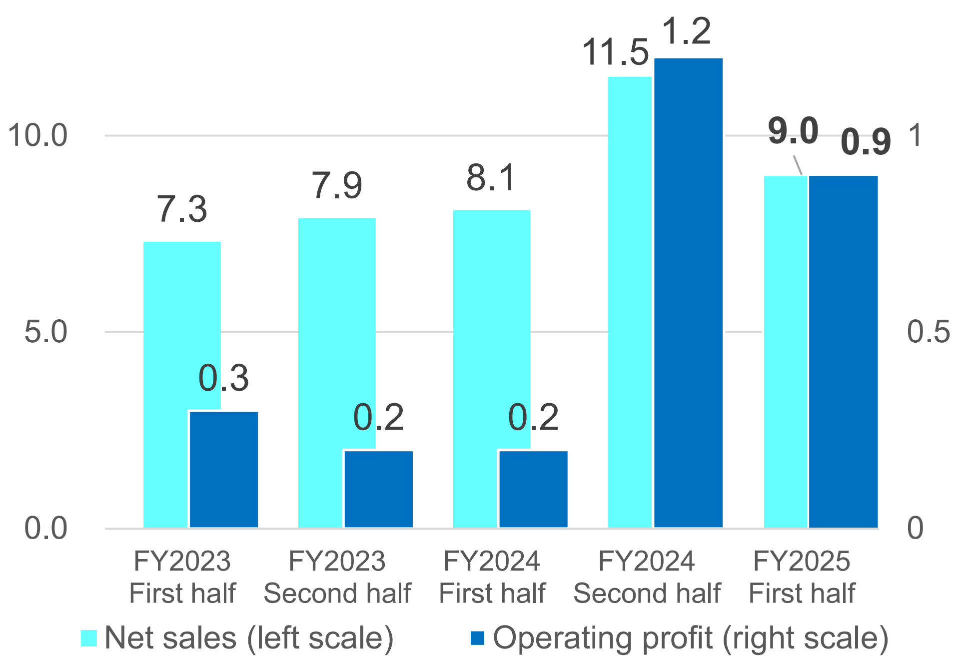
- In Japan, further enhance competitiveness through the promotion of automation, laborsaving, and digital transformation, as well as market launch of new products by using our technological strength, and strengthen revenue base.
- In India, strengthen production capacity to capture growing demand.
- 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)

	First 2Qs of FY2024	First 2Qs of FY2025	Year-on-year change	
Net sales	8.18	**9.08**	+0.89	+11.0%
Operating profit	0.29	**0.98**	+0.68	+228.0%



Review

- Both sales and profit increased, not only due to an increase in orders received for construction projects but also due to cost reductions through streamlining of personnel, among other efforts, and the steady passing on of higher material and other costs to selling prices.

Initiatives for the Future

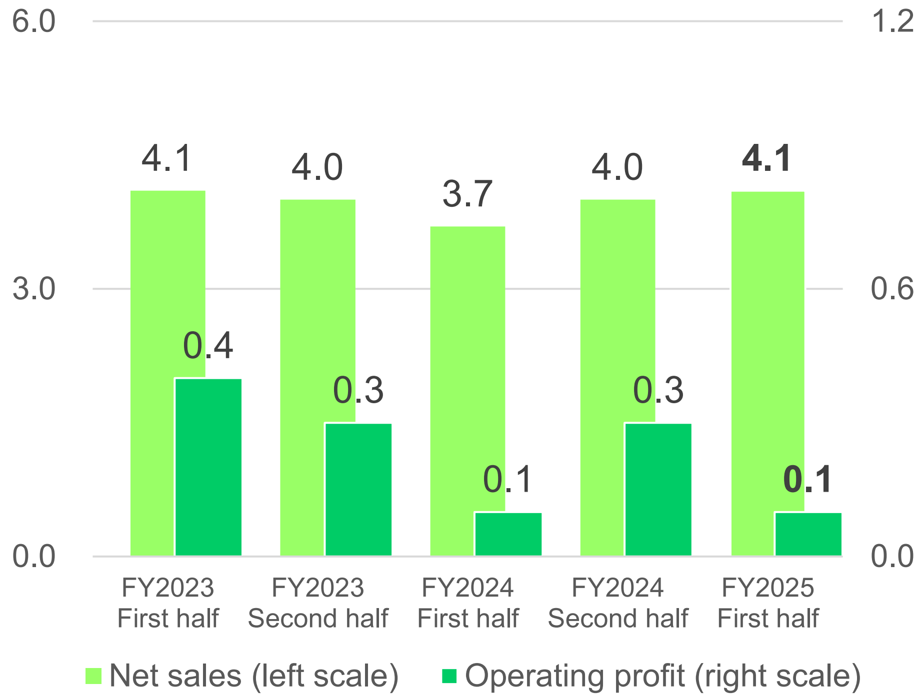
- Increase earning power by steadily capturing large-scale construction projects, continuing to receive orders for maintenance work for steel facilities, and reducing costs through streamlining of personnel, among other efforts.
- Expand revenue through orders received for maintenance and new projects 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)

	First 2Qs of FY2024	First 2Qs of FY2025	Year-on-year change	
Net sales	3.75	**4.12**	+0.36	+9.8%
Operatin g profit	0.11	**0.19**	+0.07	+61.9%



Review

- Both sales and profit increased mainly due to a recovery in orders for materials for electronic components.

Initiatives for the Future

- The US Semiconductor Equipment and Materials International (SEMI*) announced in July its forecast that net sales of semiconductor manufacturing equipment would grow to an all time high of 138.1 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

THANK YOU

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