

Overview of the Fiscal year 2025 Financial Results

(April 1, 2025 to March 31, 2026)

Jun 2, 2026

KROSAKI HARIMA CORPORATION

1. Overview of Consolidated Financial Results for Fiscal year 2025

2. Highlights

【Reference】 Overview of the Company

[Regarding figures presented in these materials]

Monetary amounts presented in these materials have been rounded down to the unit indicated, and percentages have been rounded off to one decimal place, except where otherwise indicated.

1. Overview of Consolidated Financial Results for Fiscal year 2025

Overview of Consolidated Financial Results for Fiscal year 2025

Overview of Business Results

Net sales, operating profit, ordinary profit, and profit all reached all-time highs.

- During the 135th fiscal year, the global economy remained highly uncertain due to factors such as U.S. tariff policies, stagnant demand in China, heightened geopolitical risks including the situation in the Middle East and Ukraine, and sharp fluctuations in foreign exchange rates.
- In the steel industry, the Group's main customers, we faced a challenging business environment, as crude steel output continued to decline in all but some regions against the backdrop of sluggish domestic and international demand for steel products and the normalization of deteriorating market conditions due to excessive production in China.
- Under these circumstances, despite the impact from factors such as declining demand in Europe and a decrease in overseas business profits due to the depreciation of the Indian rupee, the Company achieved increases in sales and profit compared to the previous fiscal year by promoting cost reductions through self-help efforts, making progress in passing on higher costs from the previous fiscal year to selling prices, securing orders for highly profitable projects in the Furnace business, and steadily capturing strong overseas demand, particularly in India. As a result, we achieved all-time highs in sales and profit, with net sales of ¥178.31 billion, operating profit of ¥15.42 billion, ordinary profit of ¥16.64 billion, and profit attributable to owners of parent of ¥16.35 billion.

Overview of Consolidated the Fiscal year 2025 Financial Results

Billions of yen

	FY2024	FY2025	Year-on-year change	
Net sales	177.92	178.31	+ 0.39	0.2%
Operating profit	14.08	15.42	+ 1.34	9.5%
Ordinary profit	15.31	16.64	+ 1.33	8.7%
Profit (*1)	12.53	16.35	+ 3.81	30.5%
ROS (*2)	8.6%	9.3%	0.7pt	

**Net sales, operating profit, ordinary profit and profit
all achieved record highs.**

Business Environment

- Domestic total crude steel output (FY2025): 80.33 million tons (down 3.2% year on year)
- Worldwide crude steel output (CY2025): 1,849.40 million tons (down 2.0% year on year)
- Total crude steel output in India (CY2025): 164.90 million tons (up 10.4% year on year)

*1: Profit attributable to owners of parent *2: Return on sales (ordinary profit to net sales ratio)

Performance by Segment(Consolidated)

(Billions of yen)

		FY2024	FY2025	Year-on-year change	
Refractories	Net sales	148.53	152.20	+ 3.66	+ 2.5%
	Segment profit	11.43	12.74	+ 1.30	+ 11.4%
Furnace	Net sales	19.72	17.59	(2.13)	(10.8%)
	Segment profit	1.51	2.08	+ 0.57	+ 37.6%
Ceramics	Net sales	7.8	8.31	+ 0.50	+ 6.5%
	Segment profit	0.48	0.46	(0.02)	(4.3%)
Real estate and others(*)	Net sales	1.84	0.20	(1.64)	(89.1%)
	Segment profit	0.64	0.13	(0.51)	(79.7%)
Total	Net sales	177.92	178.31	+ 0.39	+ 0.2%
	Segment profit	14.08	15.42	+ 1.34	+ 9.5%

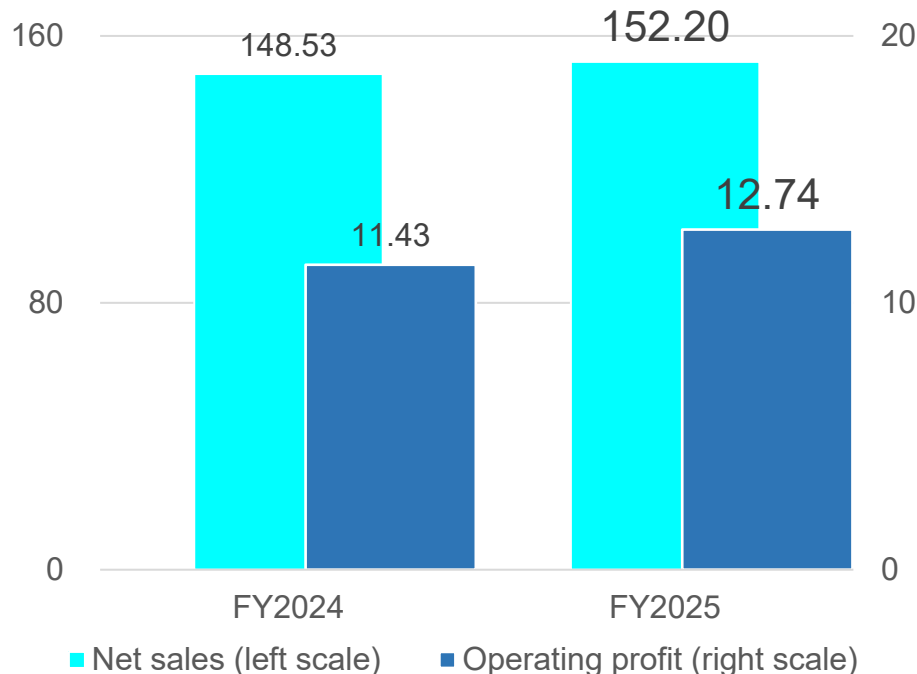
Note: The net sales of each segment represent sales to external customers and do not include inter-segment sales or transfers. The amounts of segment profit are based on operating profit.

(*) The rental property held as of July 1, 2025 was sold, resulting in a decrease in rental income.
In addition, we withdrew from the lime business as of the end of fiscal year 2024.

Refractories Segment

Business Results

	(Billions of yen)			
	FY2024	FY2025	Year-on-year change	
Net sales	148.53	152.20	+3.66	+2.5%
Operating profit	11.43	12.74	+1.30	+11.4%



Review

- Despite the decrease in domestic and overseas crude steel output, the Company advanced cost-reduction initiatives through self-help efforts to improve productivity and yield, made progress in passing on cost fluctuations from the previous fiscal year to selling prices, and expanded sales in India. As a result, both sales and profit increased.

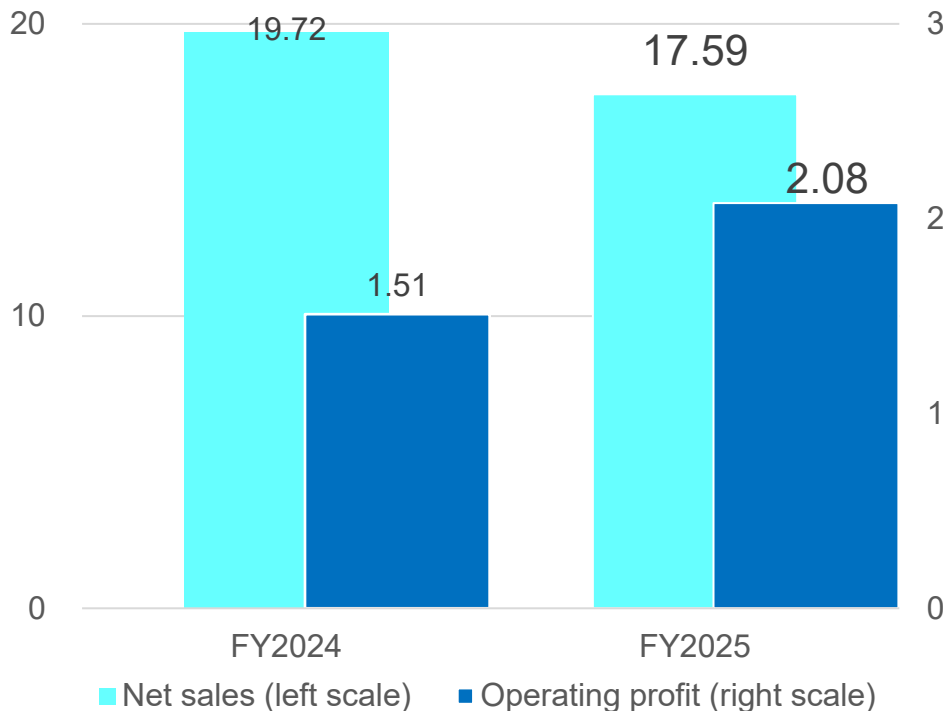
Initiatives for the Future

- 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 Americas, work to further expand business revenue through deepening collaboration between alliance partner companies and our manufacturing and sales bases.

Furnace Segment

Business Results

	(Billions of yen)			
	FY2024	FY2025	Year-on-year change	
Net sales	19.72	17.59	(2.13)	(10.8)%
Operating profit	1.51	2.08	+0.57	+37.6%



Review

- Sales revenue decreased despite the steady pass through of higher materials and other input costs to selling prices, due to a temporary slowdown in orders for large scale construction projects. Meanwhile, profit increased as a result of difference in the composition of orders received and streamlining of personnel, among other efforts.

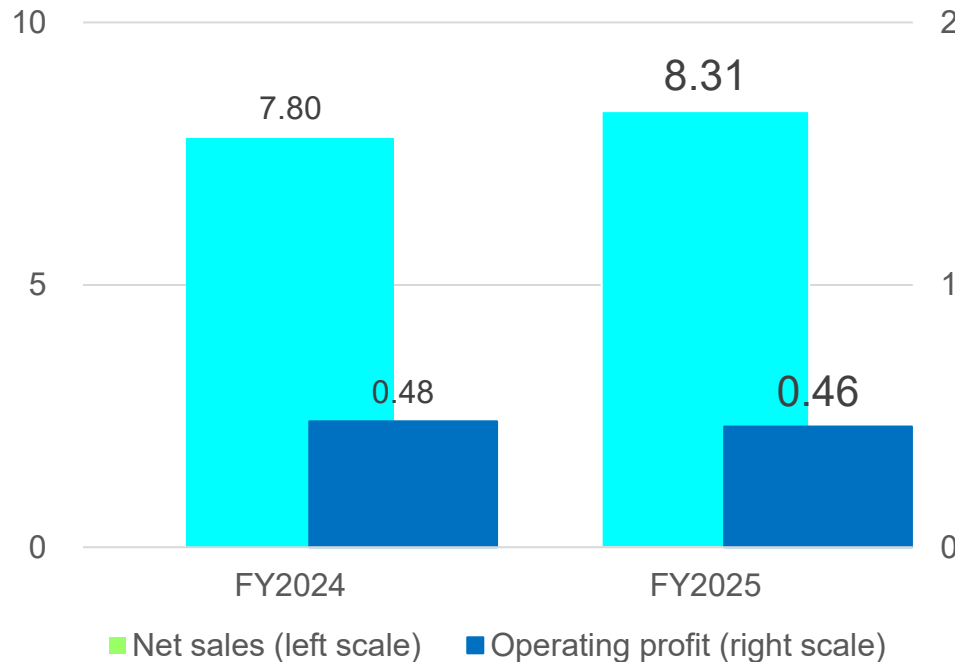
Initiatives for the Future

- Increase earning power by steadily capturing 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.

Ceramics Segment

Business Results

	(Billions of yen)			
	FY2024	FY2025	Year-on-year change	
Net sales	7.80	8.31	+0.50	+6.5%
Operating profit	0.48	0.46	(0.02)	(4.3)%



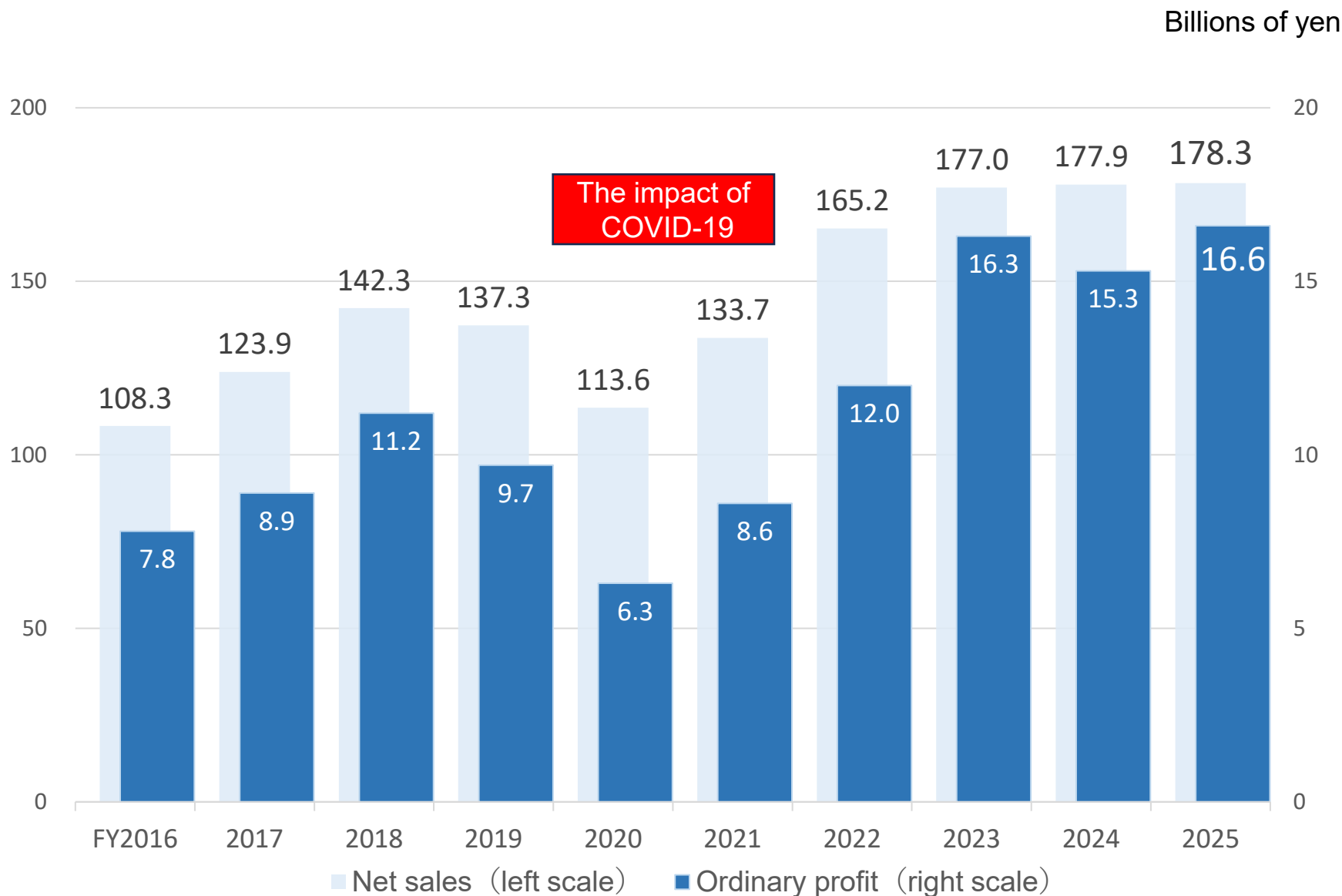
Review

- Although net sales increased due to the recovery of thermal insulation materials for residential fuel cells, profit decreased due to the delayed recovery of demand for semiconductor lithography equipment.

Initiatives for the Future

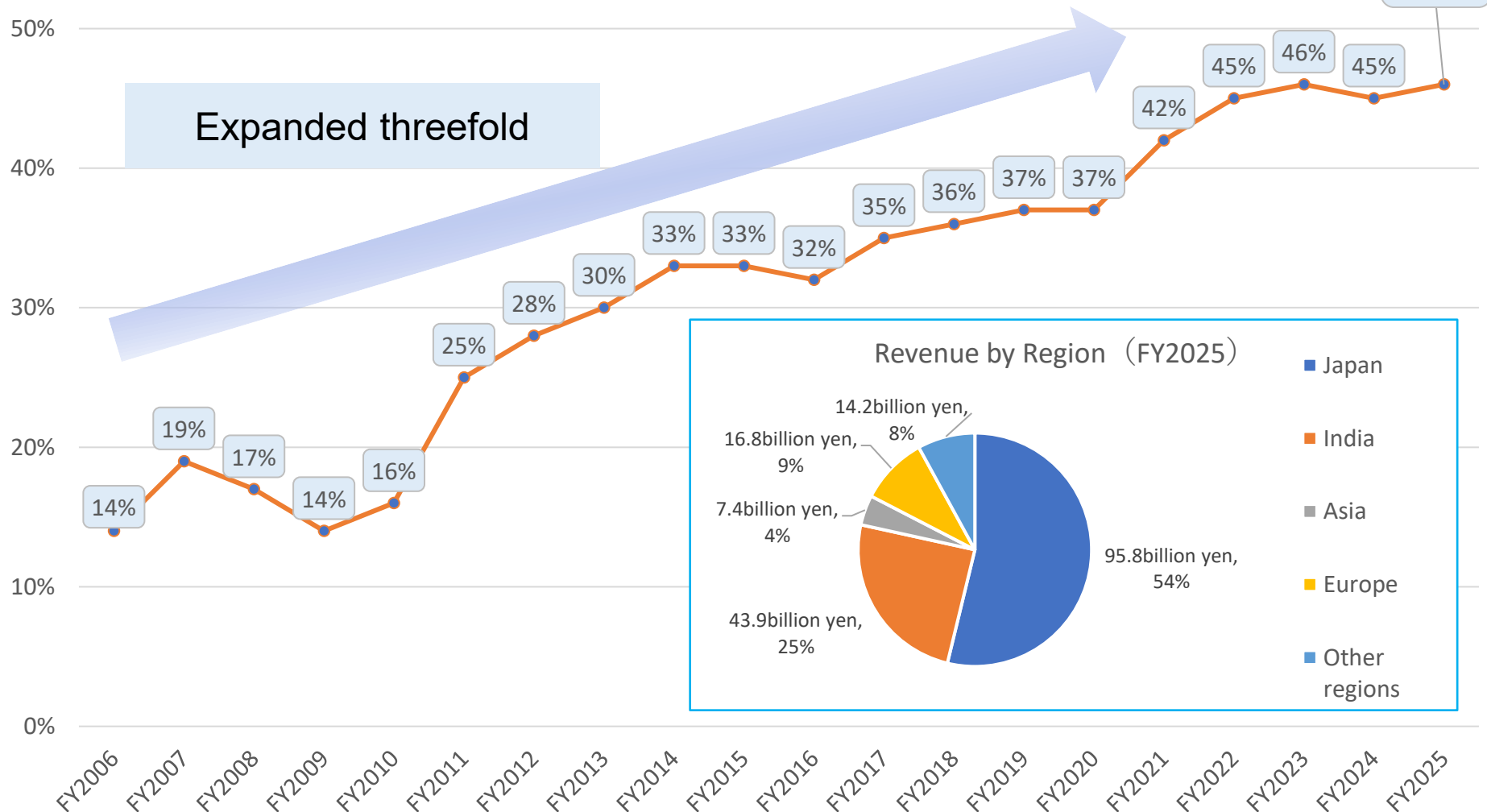
- Steadily capture the growing demand for ceramics in the semiconductor field, which is expected to recover going forward, primarily for semiconductor lithography equipment.
- Further grow revenue by driving sales expansion in each field, including thermal insulation materials for the environmental field, ceramic materials for electronic components, and products for new fields such as aerospace and health care.

10 Years -Trends in Consolidated Net Sales and Consolidated Ordinary Profites



Trend in Overseas Sales Ratio

Due to expansion of overseas businesses, including the India operations, the ratio of overseas sales has increased approximately threefold compared to 20 years ago. Neary half of total consolidated sales (46%) is now generated from overseas operations.



2. Highlights

Capital Investment of ¥50.0 Billion by FY2030

In light of declining domestic demand, we will flexibly implement capital investment, including for improvements to productivity at domestic plants and automation aimed at expanding the scale of electric arc furnaces and addressing growth areas, and strengthen our competitiveness in terms of cost and quality. At the same time, we will secure overseas production bases, to capture demand in growth markets, including India. Furthermore, we will ensure profitability and achieve sustainable growth by expanding facilities for semiconductor manufacturing equipment and electronic components manufacturing, and by promoting Digital Transformation (DX), decarbonization, and diversified procurement.

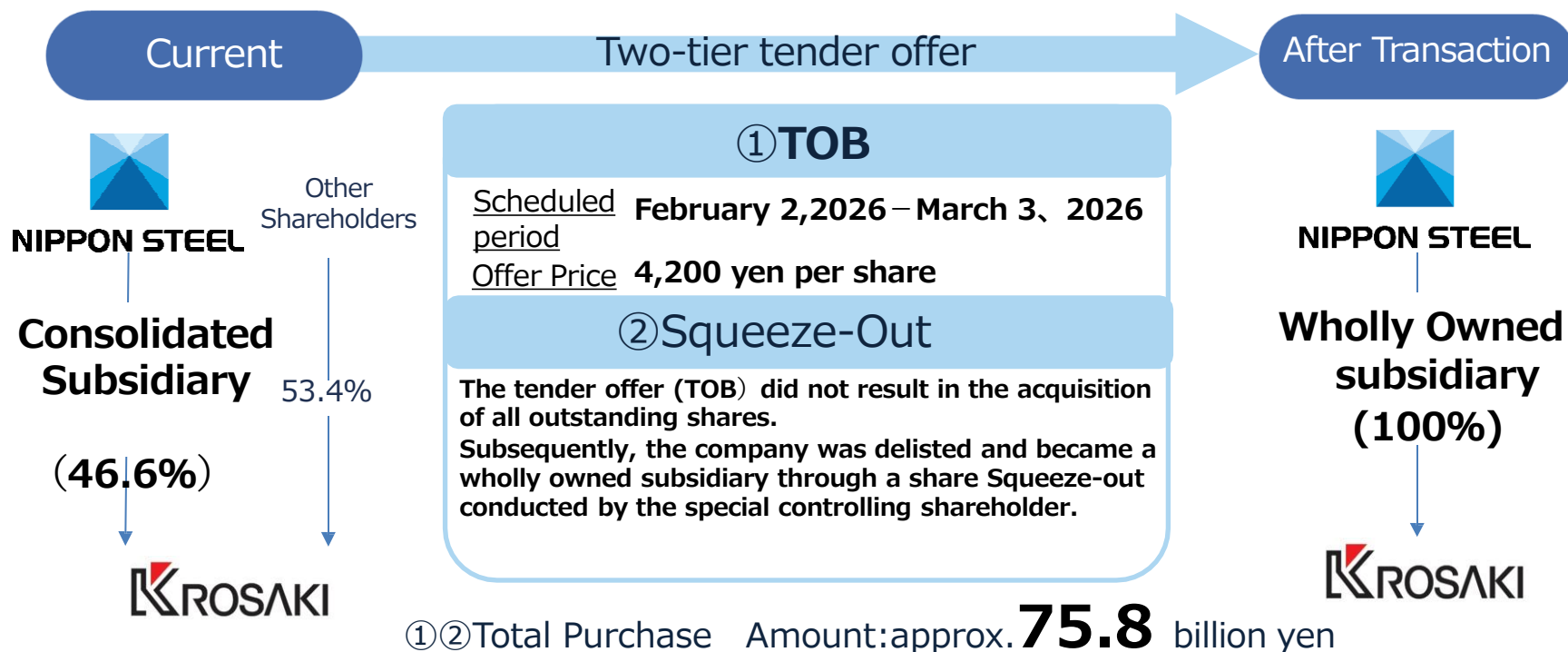


Wolly Owned Subsidiary of Nippon Steel Corporation (Effective April 1, 2026)

Nippon Steel Corporation, the parent company, acquired full ownership of the Company through a two-step transaction : a tender offer (TOB) followed by a squeeze-out.

By combining the management resources of Nippon Steel and the Company and accelerating integration and optimization, we seek to further strengthen our competitiveness.

→ specific Synergies are outlined on the following pages.



※The ratio above is based on the number of shares excluding treasury share held by Krosaki Harima.

Expected synergies from becoming a wholly owned subsidiary

➤ Maximizing overseas business profits

- In an environment where domestic demand for refractories is expected to decline, further strengthening collaboration with Nippon Steel and expanding the utilization of its resources as we continue to focus on overseas business development will constitute a competitive advantage that is unmatched by other companies.
- In particular, by collaborating with Nippon Steel, which is actively expanding its business in North America, we will be able to accurately capture demand for high-performance refractories as well as demand arising from large-scale capital investments by the Nippon Steel Group.
- Furthermore, by flexibly leveraging Nippon Steel's financial capabilities, including its capacity for large-scale M&A and fundraising, we will be able to further expand our global earnings.

➤ Strengthening ability to propose solution regarding refractory products

- By becoming a wholly owned subsidiary and gaining access to more in-depth operational information, we will strengthen our solution-proposal capabilities-including the development of refractories – contributing to strengthening the competitiveness of iron making and steelmaking at Nippon Steel, while also driving the expansion of our own revenues.

➤ Stability of refractory maintenance work

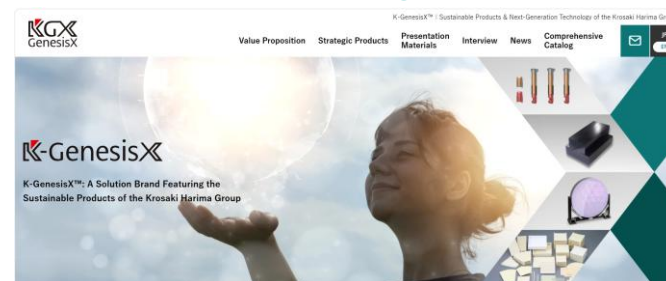
- Amid significant changes in the business environment, such as the growing shortage of furnace construction workers and the suspension of blast furnaces alongside the shift toward electric furnaces, structural measures from a medium-to-long-term perspective are required. By taking this transaction as an opportunity, our position as the core company in the refractory maintenance business will be clarified, contributing to the stability of our business, including securing human resources.

Launched the K-GenesisX website

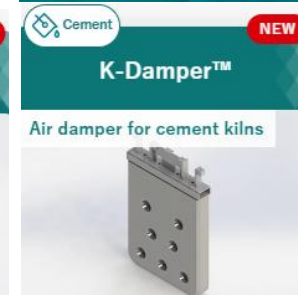
In April 2025, We launched the website for our environmental brand
“K-GenesisX™”. (<https://www.krosaki.co.jp/kgx/en>)

This website offers a wide range of contents, including the value and strategic products provided by K-GenesisX, interviews with team members, activity news, and downloadable catalogues of strategic products.

< Home page >



< Strategic product portfolio >



Strengthening the Foundation for Further Global Business Expansion

(1) Establishing KROSAKI VIETNAM COMPANY LIMITED, a local company in Vietnam

Crude steel output in Southeast Asia is continuing to expand steadily due to increasing demand for steel products in the region. Furthermore, with advancements in the quality of steel products produced in the region, demand for the high-performance refractories, in which the Company specializes, is expected to expand. Under these circumstances, in order to steadily capture this growing demand, we established a local company in Vietnam, which is the largest steel-producing country in Southeast Asia, to strengthen our business foundation in Vietnam and other Southeast Asian countries. Operations commenced in February 2025.



(2) Krosaki acquires shares in Cyprus-based company with the aim of strengthening sales bases for the Middle East and Africa

With the aim of expanding sales in the Middle East and Africa, where future growth is expected, the Company acquired a Cyprus-based refractory sales company through KROSAKI AMR REFRACTARIOS, S.A.U. (KAMR) based in Spain. The acquisition of shares took place in June 2025, with the Company acquiring a 70.02% equity stake. Following the acquisition, the company was renamed Krosaki Middle East and Africa Ltd. Cyprus offers an advantageous geographical and commercial access point to the Middle East and Africa, allowing for efficient business development. We aim to expand sales in the region not only through KAMR and REF in Spain, but also through the Group as a whole, including the Company.



Strengthening the Foundation for Further Global Business Expansion

Recent Capital Investments in TRLK(India Subsidiary)



Taphole clay plant No.4



RH snorkel plant



Refractory brick factory
for converters

Due to proactive growth investments in India, both sales and profits have been increasing steadily. We are currently expanding production capacity to capture growing demand in eastern India.

We have established a comprehensive production and sales system for steel refractories across six locations in India, promoting enhanced profitability and competitiveness. In addition, a seventh production base is scheduled to commence operations in August 2026 in Gujarat State, western India.

August 2024

Expansion of the 4th line at the taphole clay plant (Belpahar)

March 2025

Establishment of a new RH snorkel production plant (Belpahar)

September 2025

Establishment of a new MgO-C brick plant for converters (First in India, Belpahar)

August 2026(scheduled)

Commencement of operations for a high-alumina bricks and monolithic refractories plant (Gujarat)

Our 7th plant to be constructed in Western India (state of Gujarat) Scheduled start of operation: August 2026

Crude steel production in India has grown to approximately double Japan's level to capture growing, a large-scale investment of 2.4 billion yen was decided in October 2024

Details of the capital investment

Site area: 230,000m²

Investment amount: Approx. ¥2,400 million

Products: High alumina bricks and
monolithic refractories

Scheduled start of operation: August 2026

State of Gujarat

- Population: over 60 million
- Features:
 - ▷ Largest industrial production output in India
 - ▷ Many cement and steel companies concentrate
 - ▷ Major demand area for refractories



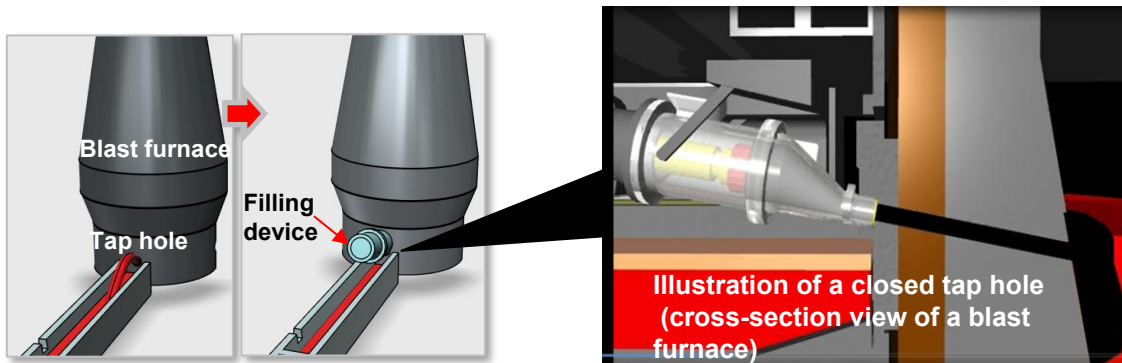
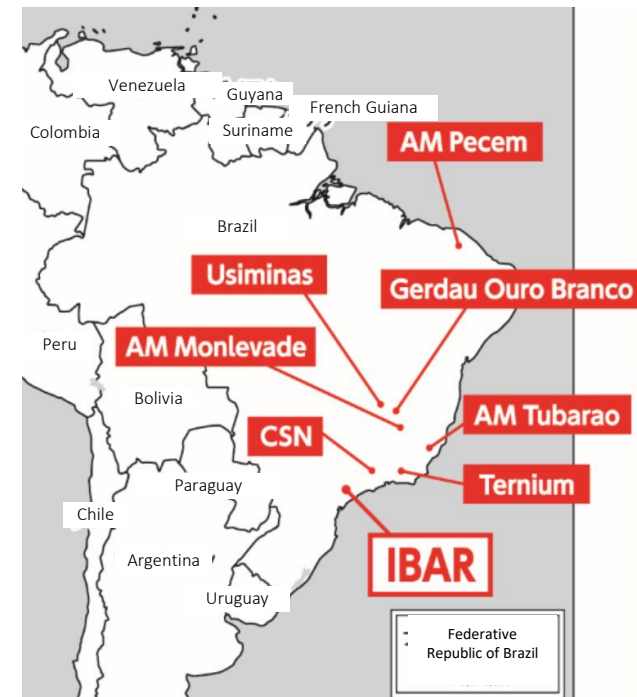
Strengthening the Foundation for Further Global Business Expansion

A joint venture was established in Poá, São Paulo State, Brazil—where IBAR, the second-largest refractory manufacturer and distributor in the country, is headquartered. The venture is a 50:50 partnership with IBAR and focuses on the local production and sales of high-quality blast furnace taphole clay, a product in which our company has strong expertise.

Scheduled to commence operations in November 2026.

By establishing a manufacturing base in South America that leverages our technologies, and in combination with our existing sales activities and technical partnerships, we will build a system capable of reliably capturing local demand and enhancing customer support for South American steel manufacturers.

Major Brazilian steel manufacturers and IBAR / joint venture



Achievement of the track and Field Team

< Major Achievement Since Last Year >

- January 2025 New Year Ekiden(All-Japan Corporate Team Ekiden championships)
:14th place overall
- February 2025 Kyohei Hosoya competed in the Osaka Marathon
Achieved 4th place overall with an outstanding time of 2:05:58
- November 2025 62nd Kyushu Industrial Teams Mainichi Ekiden :3rd place overall
**Secured qualification for the New Year Ekiden for the 38th time,
marking 15 consecutive appearances.**
- January 2026 New Year Ekiden(All-Japan Industrial Teams Ekiden championships)
:**7th place overall**



Osaka Marathon 2025
Kyohei Hosoya



**62nd Kyushu Industrial
Team Ekiden (2025)**
Yusuke Tamura

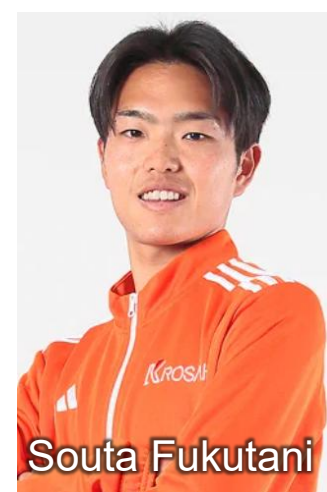


**New Year Ekiden
2026**
Ide Kakeru

MGC Qualified Athletes (Finalists)



Kyohei Hosoya



Souta Fukutani

【Reference】 Overview of the Company

Corporate Profiles(As of the end of March, 2026)

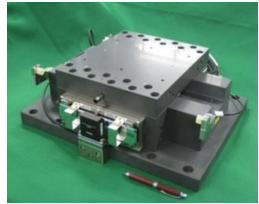
Company name	KROSAKI HARIMA CORPORATION
Share capital	5,537million yen
Establishment	October 14, 1918
Founding	June 1, 1919
Main business	Refractories、Furnace、Ceramics
Number of employees	Consolidated 5,061
Consolidated subsidiaries and equity-method affiliates	15 (3 in Japan, 12 overseas)

Overview of the Company(Our History)

1919	Established as KUROSAKI REFRACTORIES CO., LTD. (in what is now Yahatanishi-ku, Kitakyushu City, Fukuoka)
1949	Listed on the Tokyo Stock Exchange
1956	Capital participation from Yawata Iron & Steel Co., Ltd (presently NIPPON STEEL CORPORATION)
1989	Acquired shares from the Spanish corporation ARISTEGUI MATERIAL REFRACTARIO, S. A., and made it the Company's subsidiary. Said subsidiary changed its name into AMR Refractarios, S. A. (presently KROSAKI AMR REFRACTARIOS, S. A.U., a consolidated subsidiary)
2000	Merged with Harima Ceramic Co., Ltd. and changed the name to KROSAKI HARIMA CORPORATION
2002	Made Kyushu Refractories Co., Ltd. a subsidiary (merged in 2012)
2011	Made TATA REFRACTORIES LIMITED (presently TRL KROSAKI REFRACTORIES LIMITED) in India a subsidiary
2019	Became a consolidated subsidiary of NIPPON STEEL CORPORATION (March) 100th anniversary of establishment (June 1)
2026	Became a privately held company following Nippon steel's tender offer and subsequent procedures (March 30) Became a wholly owned subsidiary of NIPPON STEEL CORPORATION (April 1)

Our Business Segments

Refractories-related businesses (refractories + furnaces) account for at least 90%



Fine ceramics for semiconductor manufacturing equipment



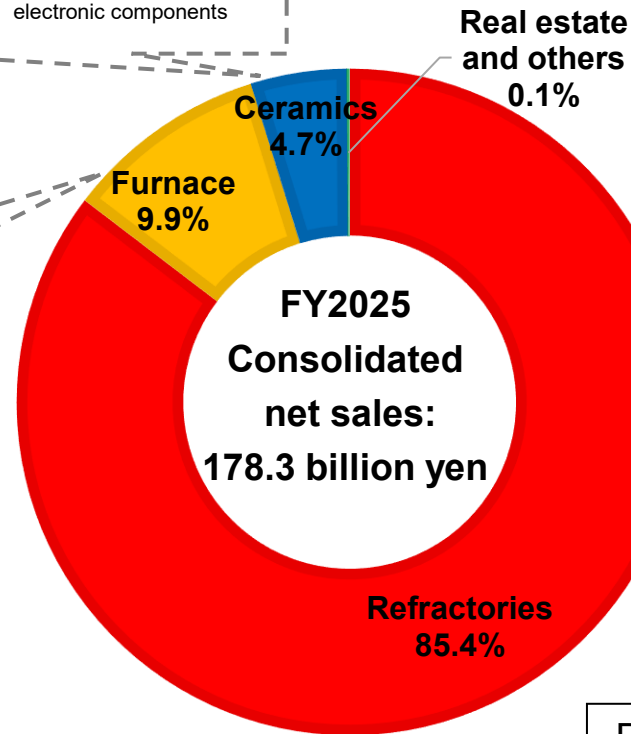
High-performance thermal insulation materials



ceramics materials for electronic components



Example of construction work: pusher type billet continuous hot rolling reheating furnace

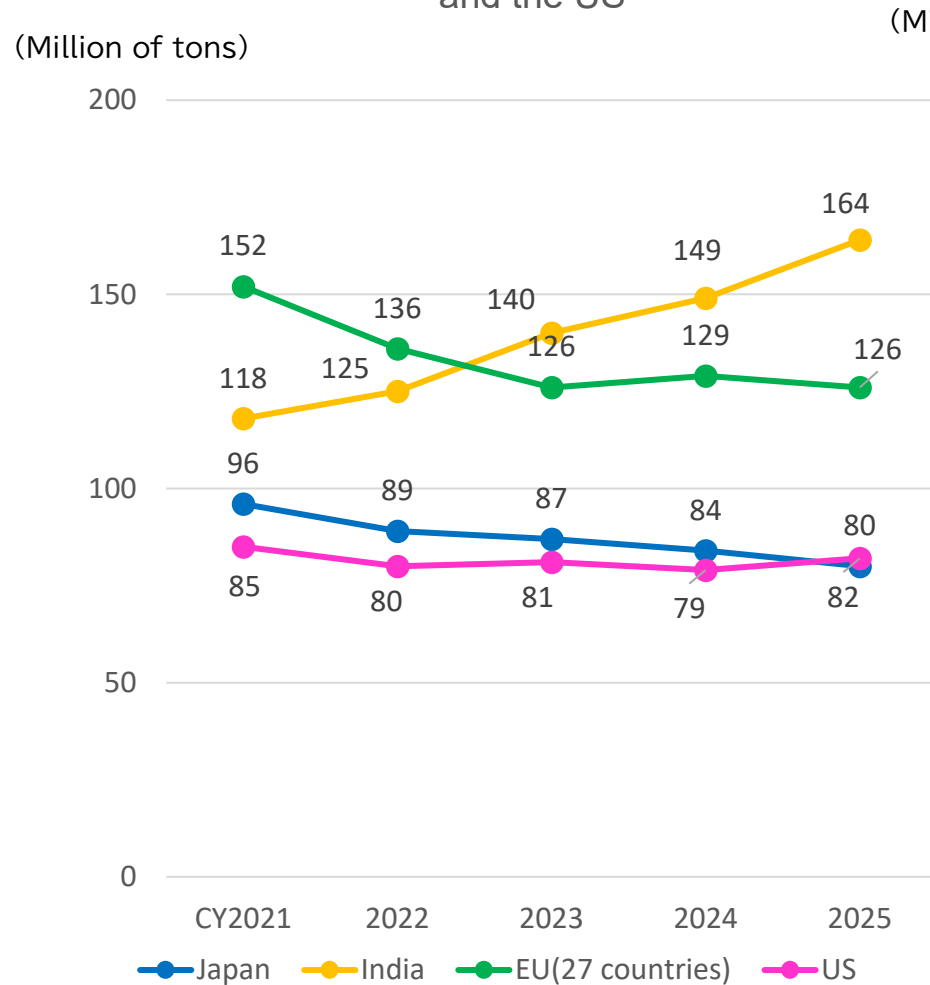


Refractories

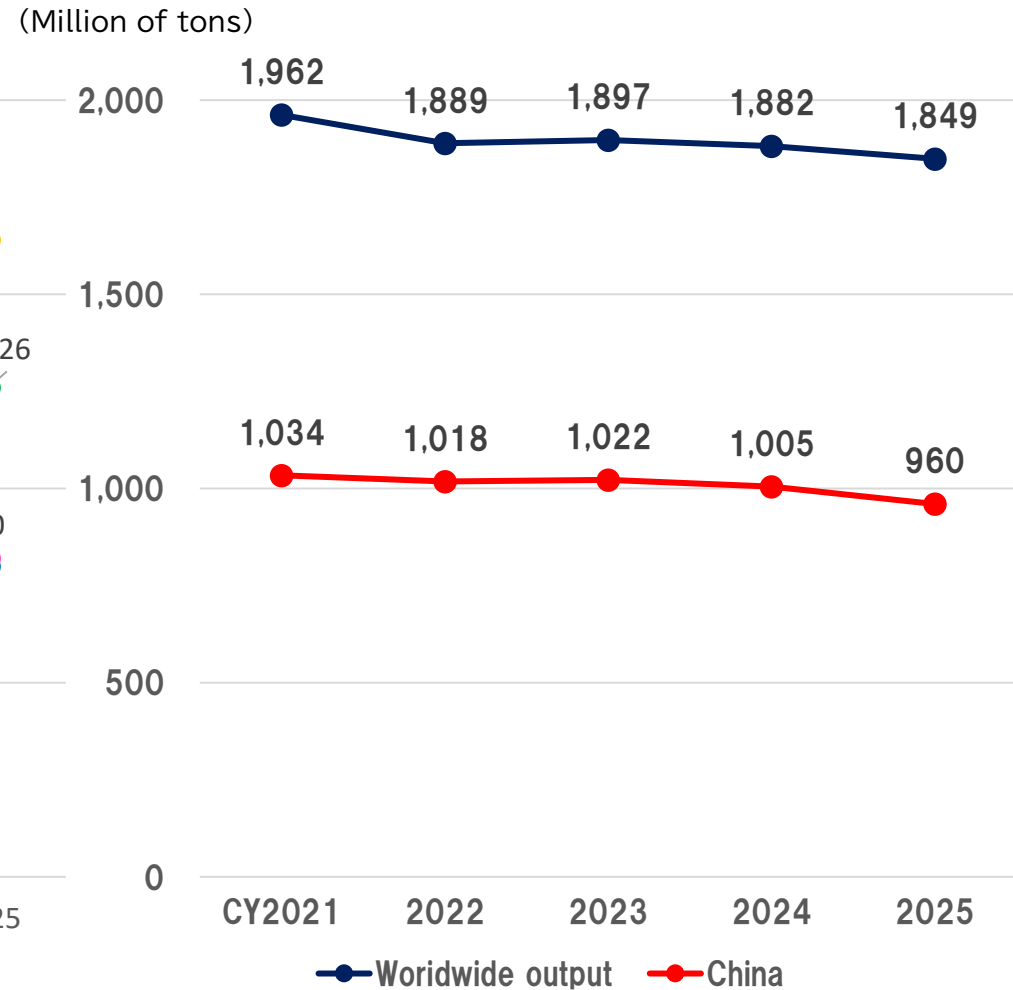
Percentage of sales

Crude steel Output in the Steel Industry

Crude steel output in Japan, India, the EU and the US

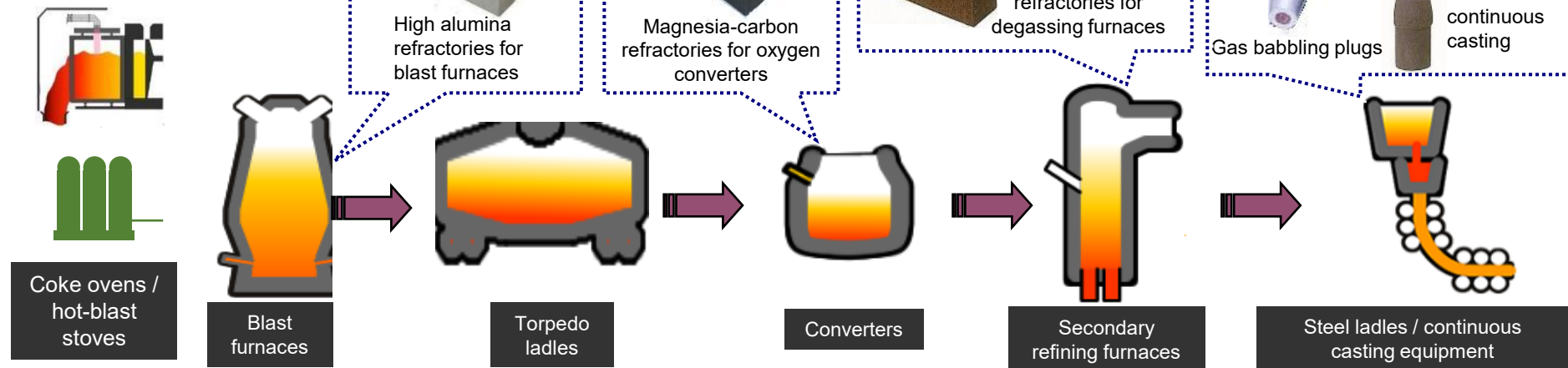


Crude steel output worldwide and in China



Our Business Areas (Refractories Business)

<Steelmaking process>



Demand linked to Capital investment

Consumables

Service Life of refractories
Approx. 40 to 50 years

Service Life of refractories
Approx. 20 years

Service Life of refractories
Approx. 3 to 4 months

Service Life of refractories
Approx. 3 to 4 months

Service Life of refractories
<Upper part> Approx. 1 year
<Lower part> Approx. 1 month

Service Life of refractories
Replaced every day or every few hours



Coke oven refractories



Taphole clay for blast furnaces



Al₂O₃-SiC-C refractories for torpedo ladles



Gunning materials for converters (The blowing is shown in the photograph above)



Slide gate plate operating device

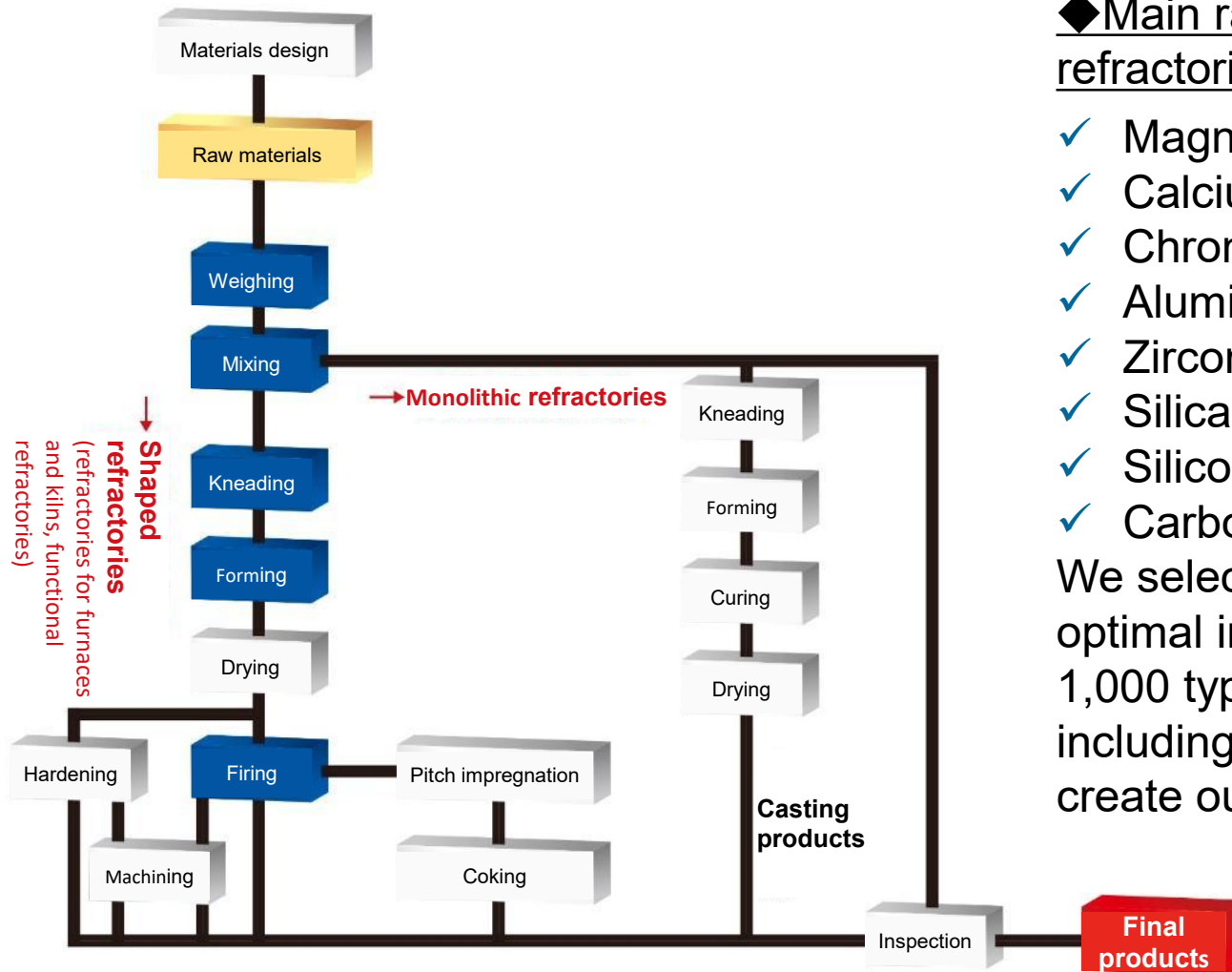


Slide gate plates for continuous casting

Main Markets and Production Bases for Refractories Products

Type of refractory	Refractories for furnaces and kilns 	Functional refractories			Monolithic refractories	
		AG nozzles 	SN nozzles and plates for continuous casting 	Gas babbling plugs 	Repair materials / casting materials 	Taphole clay 
Main steelmaking equipment and facilities	Blast furnaces, hot-blast stoves, coke ovens, torpedo ladles, converters, secondary refining furnaces	Continuous casting equipment	Continuous casting equipment	Steel ladles	Blast furnaces, converters, steel ladles	Blast furnaces
Applications (functions)	Inner lining of equipment	Regulating the flow of molten steel	Controlling the flow of molten steel	Agitating the molten steel	Repairs and inner lining of equipment	Blocking blast furnace tap holes
The KROSAKI HARIMA Group's main production bases	•Japan •China •Spain •India	•Japan •China •India	•Japan •Spain •India •China	•Japan •India •China	•Japan •China •India •Spain	•Japan •India
The KROSAKI HARIMA Group's main markets	•Japan •Asia •Europe •North America •India •South America •China	•Japan •Asia •Europe •North America •Australia •China •India	•Japan •Asia •Europe •North America •Australia •China •India	•Japan •Europe •North America •Asia	•Japan •India •Asia •Australia •North America •Europe	•Japan •Asia •North America •Australia •India

Refractories Manufacturing Process



◆ Main raw materials used in refractories ◆

- ✓ Magnesium oxide (MgO)
- ✓ Calcium oxide (CaO)
- ✓ Chromium oxide (Cr_2O_3)
- ✓ Alumina (Al_2O_3)
- ✓ Zirconia (ZrO_2)
- ✓ Silica (SiO_2)
- ✓ Silicon carbide (SiC)
- ✓ Carbon (C), etc.

We select and combine the optimal ingredients from over 1,000 types of ingredients, including particle size, to create our own recipes.

Our Business Areas(Furnace Business)

Upkeep and maintenance

We undertake the construction, repair and maintenance of refractories in equipment at steel works, cement plants, and other facilities.



Refractories work in a coke oven



Refractories work inside a rotary cement kiln

Design and construction of industrial furnaces (heating furnaces, environmental industry furnaces, etc.)

We mainly engage in the design and construction of industrial furnaces (heating furnaces, incinerators, power generation boilers, etc.). We also design and construct only the locations where refractories are used, and provide engineering for ancillary machinery and equipment. We also contribute to addressing energy and environmental problems by achieving energy savings.



Exterior of a walking beam furnace (heating furnace)



Refractories work inside a heating furnace

■ Locations where refractories are used

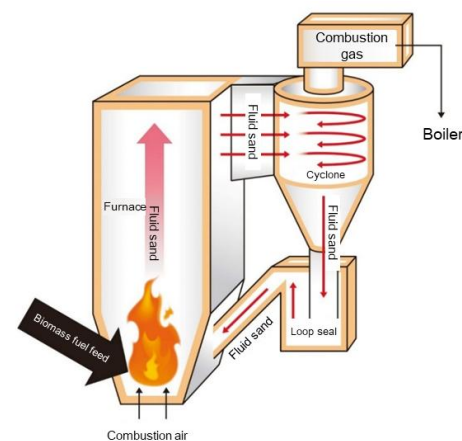
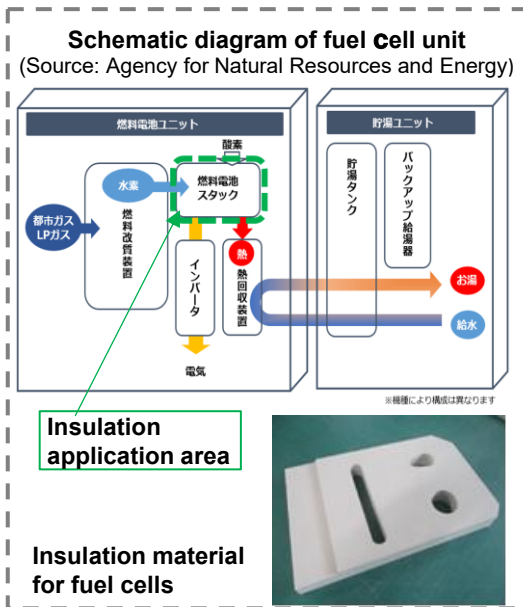


Illustration of a biomass power generation boiler

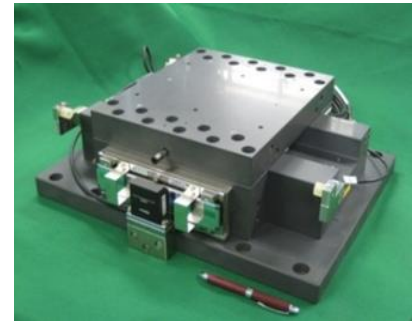
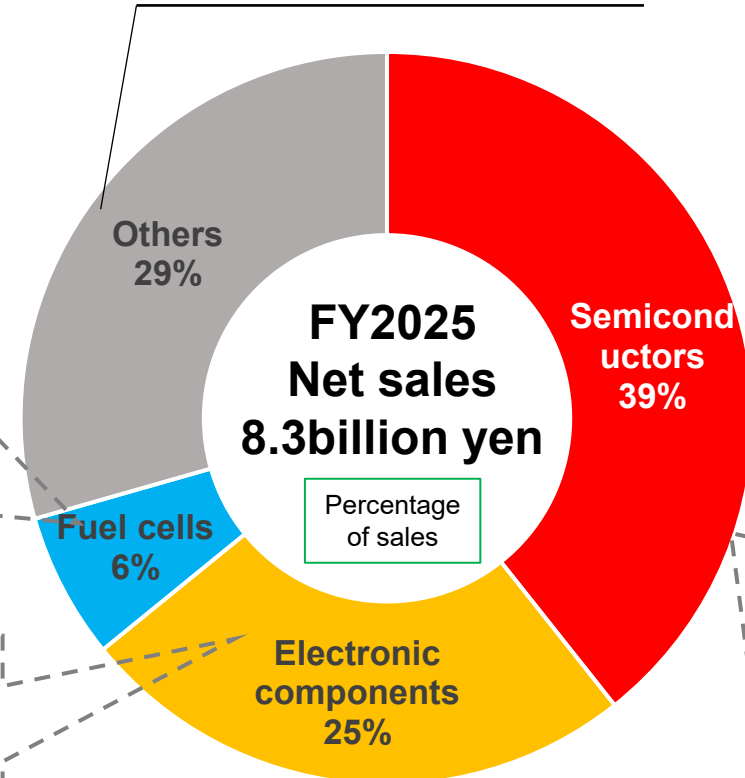
Our Business Areas (Ceramics Business)

Making full use of our advanced technologies and expertise in the Ceramics business,
we contribute broadly to a wide range of industries,
With a focus on semiconductors and electronic components.

Medical, aerospace, precision machinery, etc.



ceramics materials for electronic components



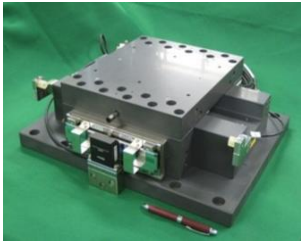
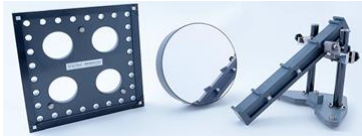
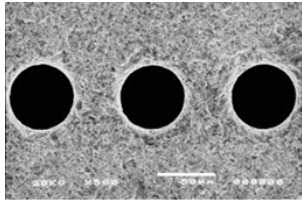
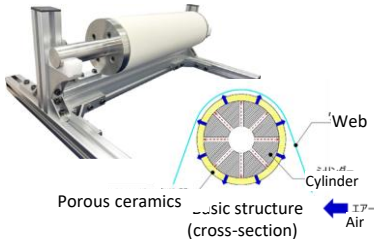
Ceramic component for semiconductor manufacturing equipment



Heaters for semiconductor manufacturing facilities

Ceramics Product Lineup (1)

Contributing to industrial advancement with high-performance fine ceramics

Product category	Ceramics for precision components		Machinable ceramics	Ceramic rollers for floating transporters
Product examples				
Main applications	Semiconductor manufacturing equipment	Measurement devices and optical devices	Electronic component, industrial machinery, and semiconductor manufacturing	Web handling (transportation of functional films and other materials)
Features and characteristics	Applied in semiconductor manufacturing equipment and precision machinery, utilizing our strengths in large-sized shapes and precision processing, as well as assembly techniques	Utilizing the outstanding dimensional stability and environmental robustness of NEXCERA® zero-expansion ceramics, we apply them in reference devices for measurement instruments and optical mirrors.	- Machinable ceramics that can be processed in the same way as metals - Enables precision processing on the scale of microns - The photograph shows a Macerite HSP probe card (an IC chip inspection jig formed on a silicon wafer) drilled with tiny holes (60μm in diameter).	- Web materials such as films are kept floating and contactless through a uniform and stable supply of air from porous ceramics, which prevent the formation of creases. - Excellent wear resistance and electrical insulation

Ceramics Product Lineup (2)

Contributing to semiconductors, electronic components, fuel cells, etc.
with thermal control technologies

Product category	High-performance thermal insulation materials	Heaters	ceramics materials for electronic components
Product examples			
Main applications	Residential fuel cells, steel and non-ferrous materials, industrial furnaces, aircrafts, automobiles	Semiconductor-related equipment	Electronic component manufacturing
Features and characteristics	• Provide better thermal insulation than still air and deliver significantly superior insulation performance, especially at high temperatures, compared with conventional insulation materials such as rock wool and ceramic wool • Contribute to energy savings and improved productivity through thinner, smaller, and lighter components	• Used mainly for exhaust piping, vacuum pumps, and excluding units of semiconductor-related equipment • Detachable, maintenance-friendly pipe heaters that delivers energy savings by efficiently heating and maintaining the temperature of factory piping and other industrial piping systems.	• Indispensable components, mainly for ceramic electronic component firing • We boast the No. 1 market share globally for use in multi-layer ceramic capacitors (MLCC).

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