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Financial Results for the Six Months Ended September 30, 2025 (Japanese GAAP) (Consolidated)

November 11, 2025

Name of Listed Company SHINAGAWA REFRA CO., LTD.
(Former company name: SHINAGAWA REFRACATORIES CO., LTD.)
Code Number 5351 URL <https://www.shinagawa.co.jp>
Representative (Job title) President and CEO (Name) Hiroyuki Fujiwara
Person in charge of inquiries (Job title) IR & Public Relations Department (Name) Tsutomu Kariyazaki TEL +81-3-6265-1600
Scheduled date to file semi-annual securities report: November 13, 2025 Scheduled Start Date of Dividend Payments: December 1, 2025
Supplementary documents to explain the financial results prepared: Yes
Financial results briefing to be held: Yes (for institutional investors)

(rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months Ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated Operating Results (Cumulative)

(Percentages indicate year-on-year changes.)

	Sales		EBITDA *		Operating profit		Ordinary profit		Interim net income attributable to owners of the parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2025	81,843	20.0	10,176	24.2	6,175	△2.5	6,908	3.7	4,343	△11.6
September 30, 2024	68,230	△6.2	8,191	△7.0	6,336	△9.0	6,663	△12.6	4,910	△47.5

*EBITDA = Operating profit + Depreciation and amortization + Amortization of goodwill

(Note)
Comprehensive income For the six months ended September 30, 2025 5,641 Million yen (△7.7%) For the six months ended September 30, 2024 6,113 Million yen (△58.5%)

	Net income per share	Diluted net income per share
Six months ended	Yen	Yen
September 30, 2025	95.22	-
September 30, 2024	107.75	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
September 30, 2025	221,563	100,967	41.7	2,024.96
March 31, 2025	195,214	93,828	45.6	1,951.55

(For reference) Equity capital As of September 30, 2025 92,405 Million yen As of March 31, 2025 88,997 Million yen

2. Dividend Status

	Annual dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of period	Total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2025	-	45.00	-	45.00	90.00
March 31, 2026	-	45.00			
March 31, 2026 (Forecast)			-	45.00	90.00

(Note) Revision to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecast for the Fiscal Year Ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Sales		EBITDA		Operating profit		Ordinary profit		Net income attributable to owners of the parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	176,000	22.2	23,000	28.1	14,500	9.2	14,900	9.1	13,000	33.0	284.88

(Note) 1. Revisions to the earnings forecast most recently announced: Yes

2. The forecasts for the fiscal year ended March 31, 2026 are revised from the most recently announced forecasts. For more information, please refer to the "Notice Concerning Transfer of Fixed Assets, Recording of Extraordinary Income, Revision of Consolidated Earnings Forecast, and Announcement of Non-Consolidated Earnings Forecast" announced today (November 11, 2025).

* Notes

- (1) Significant changes in the scope of consolidation: Yes

New Company: 1 (Name: Reframax Engenharia Ltda.)

Excluded Company: 1 (Name: Shinagawa Fine Ceramics Co., Ltd.)

- (2) Application of special accounting methods for preparing interim consolidated financial statements: None

- (3) Changes in accounting policies, changes in accounting estimates and restatements

- ① Changes in accounting policies due to factors such as revisions of accounting standards: None
 ② Changes in accounting policies other than ① : None
 ③ Changes in accounting estimates: None
 ④ Restatements: None

- (4) Number of shares issued (Common stock)

- ① Number of shares issued at the end of the period (including treasury shares)
 ② Number of treasury shares at the end of the period
 ③ Average number of shares during the period (interim cumulative)

Six months ended September 30, 2025	47,146,830Shares	Fiscal year ended March 31, 2025	47,146,830Shares
Six months ended September 30, 2025	1,513,710Shares	Fiscal year ended March 31, 2025	1,543,492Shares
Six months ended September 30, 2025	45,614,374Shares	Six months ended September 30, 2024	45,577,694Shares

※ The consolidated financial results for the first six months are not subject to review by certified public accountants or an audit firm.

※ Explanation regarding the appropriate use of earnings forecasts and other special notes

(Caution regarding future statements)

The earnings forecasts and other forward-looking statements in this document are based on information currently available to the Company and certain assumptions that we believe to be reasonable. They do not constitute a guarantee that these results will be achieved. Actual performance may differ materially from those projected due to various factors. For information on the conditions underlying the earnings forecasts and precautions to take when using the earnings forecasts, please refer to the attached document on page3 "1. Overview of Business Performance, etc. (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Statements.

(How to obtain the supplementary documents to explain the financial results and details of the financial results briefing)

The supplementary documents to explain the financial results will be available on our website on Tuesday, November 11, 2025. We also plan to hold a financial results briefing for institutional investors on Wednesday, November 26, 2025.

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1. Overview of Business Performance, etc.

(1) Overview of Business Performance for the Current Interim Period

During the first six months of the fiscal year under review, the global economy remained unstable due to trends in U.S. trade policies, sluggish domestic demand in the Chinese economy, and the turmoil in the Middle East. The Japanese economy as a whole remained on a moderate recovery trend, amid a cautious outlook that takes into account the effects of exchange rate fluctuations, rising prices, and unstable overseas conditions. Meanwhile, in the steel industry, the largest customer of refractory materials, domestic crude steel production for the first six months of the fiscal year under review decreased by 4.2% year on year to 40.08 million tons, mainly due to sluggish demand for steel for the domestic automotive and construction industries and for exports.

Under these circumstances, the Group's business performance by segment for the current interim consolidated accounting period were as follows.

< Refractory Segment >

In addition to a decrease in domestic crude steel production, the sales volume of refractories decreased overseas due to the continued low level of customer activity and the intensified competitive environment. However, the Gouda Refractories Group B. V. (hereinafter referred to as "Gouda"), a Dutch company that joined the Group in October 2024. As a result, sales for the first half of the fiscal year under review amounted to 52.971 billion yen (up 16.7% year on year). Segment profit increased by 26.7% year on year to 4.553 billion yen due to the contribution of Gouda's performance, as well as efforts to optimize pricing, improve sales mix, and reduce costs, despite an increase in amortization of goodwill and other intangible assets.

< Insulation Segment >

Despite efforts to expand orders in Japan and overseas, sales volume of insulation materials decreased due to sluggish domestic demand, and the overseas group companies' business performance deteriorated due to slowing demand in the European and Chinese markets. As a result, sales for the first half of the fiscal year under review were 8.667 billion yen (down 6.8% year on year) and segment profit was 1.195 billion yen (down 27.6% year on year).

< Advanced Device & Material Segment >

Although the Group promoted sales expansion of fine ceramics products, sales volume decreased due to the impact of inventory adjustments by customers in addition to the fact that demand for semiconductor manufacturing equipment-related products has not yet started to increase in earnest. As a result, sales for the first half of the fiscal year under review were 1.95 billion yen (down 9.8% year-on year) and segment loss was 94 million yen (segment profit was 127 million yen in the same period of the previous fiscal year).

< Engineering Segment >

Sales for the first six months of the fiscal year under review were 18.482 billion yen (up 57.5% year on year) due to the contribution from the second quarter of the results of Reframax Engenharia Ltda (hereinafter referred to as "Reframax"), a Brazilian company that newly joined the Group in May 2025. On the other hand, segment profit was 204 million yen (down 70.6%) ,due to recording one-time expenses of 400 million yen associated with the acquisition of Reframax.

As a result, the Group's operating results for the first six months of the fiscal year under review were as follows: sales of 81.843 billion yen (up 20.0% year on year); EBITDA of 10.176 billion yen (up 24.2%); operating profit of 6.175 billion yen (down 2.5%); ordinary profit of 6.98 billion yen (up 3.7%); and net income attributable to owners of the parent of 4.343 billion yen (down 11.6%), as there was no significant gain on sales of fixed assets in the first six months of the fiscal year under review, compared to the first six months of the previous fiscal year.

(2) Overview of Financial Position for the Current Interim Period

Total assets at the end of the first six months of the current fiscal year under review increased by 26.349 billion yen from the end of the previous fiscal year to 221.563 billion yen, mainly due to increases in "notes, accounts receivable and contract assets," "goodwill," and "other" of "intangible fixed assets."

Liabilities increased by 19.209 billion yen from the end of the previous fiscal year to 120.596 billion yen, mainly due to an increase in "short-term borrowing."

Net assets increased by 7.139 billion yen from the end of the previous fiscal year to 100.967 billion yen, mainly due to increases in "retained earnings" and "non-controlling interests."

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Statements

Consolidated earnings forecast of Full year announced in the "Financial Results for the Three Months Ended June 30, 2025" on August 8, 2025 has been revised as follows. For more information, please refer to the "Notice Concerning Transfer of Fixed Assets, Recording of Extraordinary Income, Revision of Consolidated Earnings Forecast, and Announcement of Non-Consolidated Earnings Forecast " announced today (November 11, 2025).

The annual dividend forecast announced on May 15, 2025 remains unchanged.

(Full year Consolidated Earnings Forecast)

	Sales	EBITDA	Operating profit	Ordinary profit	Net income attributable to owners of the parent
	Million yen	Million yen	Million Yen	Million Yen	Million Yen
Previous forecast (A)	176,000	23,000	14,500	14,500	8,500
Revised forecast (B)	176,000	23,000	14,500	14,900	13,000
Change (B-A)	-	-	-	400	4,500
Change (%)	-	-	-	2.8	52.9

2. Interim Consolidated Financial Statements and Major Notes

(1) Interim Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	23,024	18,948
Notes, accounts receivable and contract assets	39,208	45,447
Electronically recorded monetary claims	4,372	4,393
Securities	3,713	4,678
Goods and products	14,554	15,469
Products in progress	6,125	4,676
Raw materials and supplies	13,509	13,316
Other	2,496	3,659
Allowance for doubtful accounts	△40	△54
Total current assets	106,964	110,533
Fixed assets		
Tangible fixed assets		
Buildings and structures (Net)	13,568	13,290
Machinery, equipment, and vehicles (Net)	16,722	18,461
Land	9,449	9,495
Other (Net)	6,896	7,452
Total tangible assets	46,637	48,700
Intangible fixed assets		
Goodwill	14,957	24,614
Other	13,125	22,323
Total intangible fixed assets	28,082	46,937
Investments and other assets		
Investment securities	9,222	11,045
Deferred tax assets	657	607
Other	3,772	3,863
Allowance for doubtful accounts	△123	△124
Total investments and other assets	13,529	15,392
Total fixed assets	88,249	111,030
Total assets	195,214	221,563

(Unit: million yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes payable and accounts payable	20,671	20,199
Electronically record liabilities	1,332	1,987
Short-term borrowing	24,854	40,169
Accrued corporate taxes	770	2,112
Bonus reserves	1,728	1,746
Environmental measures reserves	74	69
Disaster loss reserves	251	164
Other reserves	180	149
Others	8,093	10,276
Total current liabilities	57,957	76,876
Non-current liabilities		
Long-term borrowings	32,602	30,197
Retirement benefit liabilities	804	872
Other reserves	265	242
Other	9,756	12,408
Total non-current liabilities	43,429	43,720
Total liabilities	101,386	120,596
Net assets		
Shareholders' equity		
Capital stock	3,300	3,300
Capital surplus	466	468
Retained earnings	80,264	82,555
Treasury stock	△2,432	△2,385
Total shareholders' equity	81,597	83,937
Other comprehensive income		
Unrealized gains on other securities	3,827	4,819
Deferred gains or losses on hedges	42	△20
Foreign currency translation adjustments	3,071	3,236
Adjustments for retirement benefits	458	431
Total other comprehensive income	7,399	8,467
Non-controlling interests	4,830	8,562
Total net assets	93,828	100,967
Total liabilities and net assets	195,214	221,563

(2) Interim Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Interim Consolidated Statement of Income)

(Unit: million yen)

	Interim of the previous consolidated fiscal year (From April 1, 2024 To September 30, 2024)	Interim of the current consolidated fiscal year (From April 1, 2025 To September 30, 2025)
Sales	68,230	81,843
Cost of sales	52,062	61,630
Gross profit	16,167	20,212
Selling, general and administrative expenses	9,830	14,036
Operating profit	6,336	6,175
Non-operating income		
Interest income	151	409
Dividend income	166	191
Equity method investment income	66	59
Foreign exchange gains	-	651
Insurance premium received	56	54
Subsidy income	4	2
Other	163	168
Total non-operating income	607	1,536
Non-operating expenses		
Interest expense	131	696
Foreign exchange losses	98	-
Other	50	107
Total non-operating expenses	281	804
Ordinary profit	6,663	6,908
Extraordinary income		
Gain on sale of fixed assets	760	-
Government subsidies	-	240
Other	3	-
Total extraordinary income	763	240
Extraordinary loss		
Loss on disposal of fixed assets	54	11
Loss on reduction of fixed assets	-	205
Disaster losses	17	13
Environmental expenses	-	34
Total extraordinary losses	72	265
Net income before tax adjustments	7,355	6,883
Corporate tax, resident tax, and business tax	1,938	2,308
Corporate tax adjustments	354	△73
Total corporate tax, etc.	2,293	2,234
Net income	5,062	4,648
Net income attributable to non-controlling interests	151	304
Profit attributable to owners of parent	4,910	4,343

(Interim Consolidated Statement of Comprehensive Income)

(Unit: million yen)

	Interim of the previous consolidated fiscal year (From April 1, 2024 To September 30, 2024)	Interim of the current consolidated fiscal year (From April 1, 2025 To September 30, 2025)
Net income	5,062	4,648
Other comprehensive income		
Unrealized gains on other securities	△532	993
Deferred gains or losses on hedges	1	△62
Foreign currency translation adjustments	1,568	83
Adjustments for retirement benefits	1	△27
Amount equivalent to equity method affiliates	11	5
Total other comprehensive income	1,050	992
Comprehensive income	6,113	5,641
(Breakdown)		
Comprehensive income attributable to owners of parent	5,780	5,411
Comprehensive income attributable to non-controlling interests	332	229

(3) Notes Regarding Interim Consolidated Financial Statements

(Notes on Segment Information, etc.)

I. Interim of the previous fiscal year (from April 1, 2024 to September 30, 2024)

1. Information on sales and profit or loss by reportable segment

(Unit: million yen)

	Reportable Segment					Other (NOTE 1)	Total	Adjustment Amount (NOTE 2)	Amount recorded in the Interim consolidated statement of income (NOTE 3)
	Refractory	Insulation	Advanced Device & Material	Engineering	Total				
Sales									
Sales to external customers	45,338	8,733	2,101	11,606	67,779	451	68,230	-	68,230
Internal sales or transfers	51	563	60	131	807	1	809	△809	-
Total	45,390	9,296	2,161	11,738	68,587	453	69,040	△809	68,230
Segment profit	3,594	1,650	127	697	6,069	269	6,338	△1	6,336

(NOTE)

1. The "Other" category consists of business segments not included in the reportable segments and consists of the real estate rental business.
2. The negative adjustment of △1 million yen in Segment profit represents the elimination of unrealized inter-segment profits, etc.
3. Segment profit is adjusted with operating profit in the interim consolidated statement of income.

2. Information on impairment loss fixed assets and goodwill, etc. by reportable segment

Not applicable.

II. Interim of the current fiscal year (from April 1, 2025 to September 30, 2025)

1. Information on sales and profit or loss by reportable segment

(Unit: million yen)

	Reportable Segment					Other (NOTE 1)	Total	Adjustment Amount (NOTE 2)	Amount recorded in the interim consolidated statement of income (NOTE 3)
	Refractory	Insulation	Advanced Device & Material	Engineering	Total				
Sales									
Sales to external customers	52,921	8,120	1,950	18,388	81,380	462	81,843	-	81,843
Internal sales or transfers	50	546	0	94	691	1	693	△693	-
Total	52,971	8,667	1,950	18,482	82,071	464	82,536	△693	81,843
Segment profit	4,553	1,195	△94	204	5,859	284	6,144	31	6,175
Segment loss									

(NOTE)

1. The "Other" category consists of business segments not included in the reportable segments and consists of the real estate rental business.
2. The adjustment amount of 31 million yen for Segment profit (loss) is the eliminations of unrealized profit related to inter-segment transactions.
3. Segment profit or loss is adjusted with operating profit in the interim consolidated statement of income.

2. Information on impairment loss on fixed assets and goodwill, etc. by reportable segment

(Material Changes in the Amount of Goodwill)

In "Engineering," the amount of goodwill was calculated on a provisional basis because the allocation of the acquisition cost had not been completed with respect to the inclusion in the scope of consolidation of the equity interest in Reframax Engenharia Ltda. made in the first quarter of the current fiscal year under review. However, the allocation of the acquisition cost was revised in the interim of the current fiscal year and changed from 13.861 billion yen to 9.753 billion yen. The amount of goodwill is calculated provisionally because the allocation of acquisition costs was not completed.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Significant Subsequent Events)

(Transfer of fixed assets)

At the Board of Directors meeting held on November 11, 2025, the Company resolved the transfer of fixed assets.

1. Reason for the transfer

After closing the Company's Sagami Plant, it used the transferred property as a rental Land, but it decided to transfer it in order to strengthen its financial position by repaying interest-bearing debt and to secure investment funds for sustainable growth.

2. Details of the assets to be transferred

Name of the subject asset	Land owned in Zama, Kanagawa
Address	5245-1, Komatsubara 2-chome, Zama-shi, Kanagawa, etc.
Area	Land 21,868 m ²
Current status	Leasing Land

※ Transfer price and book value are not disclosed in the agreement with the transferee, but are transferred at an appropriate price reflecting the markets price.

3. Overview of the transferee

The transfer partner will not be disclosed in accordance with the arrangement with the other party. There is no notable capital, personal or business relationship between the transferee and the Company, and it does not fall under the category of a related party.

4. Date of transfer

Date of decision: November 11, 2025

Date of conclusion of transfer agreement (scheduled): December 19, 2025

Date of handover of the asset to be transferred (scheduled): December 19, 2025

5. Impact on income

As a result of this transfer of fixed assets, the Company expects to record approximately 4,657 million yen of gain on sale of fixed assets to be included in extraordinary income in the consolidated and non-consolidated financial statements for the fiscal year ended March 31, 2026.