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Financial Results for the Nine Months Ended December 31, 2025
(Japanese GAAP) (Consolidated)

February 5, 2026

Name of Listed Company: SHINAGAWA REFRA CO., LTD. Listed Exchanges: Tokyo, Sapporo
 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: +81-03-6265-1600
 Scheduled Start Date of Dividend Payments: -
 Supplementary documents to explain the financial results prepared: Yes
 Financial results briefing to be held: No

(rounded down to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(1) Consolidated Operating Results (Cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		EBITDA*		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended										
December 31, 2025	130,047	23.7	15,277	19.0	8,950	△10.0	10,893	0.6	29,985	278.4
December 31, 2024	105,094	△3.7	12,837	△6.0	9,942	△8.3	10,826	△6.3	7,924	△37.2

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

(Note) Comprehensive Income For the nine months ended December 31, 2025 34,186 Million yen (421.5%) For the nine months ended December 31, 2024 6,555 Million yen (△62.7%)

	Net income per share	Diluted net income per share
Nine months ended	Yen	Yen
December 31, 2025	657.29	-
December 31, 2024	173.83	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
December 31, 2025	237,513	127,429	50.2	2,615.29
March 31, 2025	195,214	93,828	45.6	1,951.55

(For reference) Equity capital As of December 31, 2025 119,343 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.)

	Net sales		EBITDA		Operating income		Ordinary income		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	21,500	19.8	13,000	Δ2.1	14,900	9.1	31,000	217.0	679.33

(Note) Revision to the earnings forecast most recently announced: Yes

* Notes

(1) Significant changes in the scope of consolidation during the nine months ended December 31, 2025: Yes

New Company: 1 (Name: Reframax Engenharia S.A.)

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

(2) Application of special accounting methods for preparing 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)

Nine months ended December 31, 2025	47,146,830Shares	Fiscal year ended March 31, 2025	47,146,830Shares
Nine months ended December 31, 2025	1,513,710Shares	Fiscal year ended March 31, 2025	1,543,492Shares
Nine months ended December 31, 2025	45,620,646Shares	Nine months ended December 31, 2024	45,586,273Shares

② Number of treasury shares at the end of the period

③ Average number of shares outstanding during the period

* Review by certified public accountants or an audit firm of the attached consolidated financial statements: None

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

(Caution regarding future statements)

The forward-looking statements such as result forecasts included in this document are based on the information available to the Company at the time of the announcement and on certain assumptions considered reasonable, and the Company makes no representations as to their achievability. Actual results may differ materially from the forecast depending on a range of factors. Please refer to the attached documents on page 3 for the assumptions on which the earnings forecast is based and cautionary notes on using the forecast, “1. Overview of Operating Results, etc. (3) Explanation of Consolidated Earnings Forecast and Other Forward-Looking Statements.”

(How to obtain the supplementary documents to explain the financial results)

The supplementary documents to explain the financial results will be available on our website on Thursday, February 5, 2026.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results

During the nine months ended December 31, 2025, the global economy was affected by factors such as U.S. trade policy trends, a slowdown in domestic demand in China, and heightened international tensions, mainly in the Middle East, resulting in continued instability. The Japanese economy also maintained a cautious stance due to exchange rate fluctuations, rising prices, and uncertainty in the international environment, although it followed a gradual recovery trend overall. Meanwhile, in the steel industry, a major end market for the Group, demand for steel in the domestic construction and automotive sectors, as well as for exports, remained sluggish. As a result, domestic crude steel production during the nine months ended December 31, 2025, decreased by 3.6% year-on-year to 60.28 million tons.

Under these business conditions, the Group's consolidated operating results by segment for the nine months ended December 31, 2025 were as follows.

<Refractory Segment>

In Japan, crude steel production volumes continued to decline, while overseas some customers continued to operate at low levels. In addition, intensified competition led to a decrease in refractory sales volumes. Meanwhile, reflecting the contribution from the performance of the Netherlands-based Gouda Refractories Group B.V. (hereinafter referred to as "Gouda"), which became a new consolidated subsidiary of the Group in October 2024, net sales for the nine months ended December 31, 2025 amounted to 82,985 million yen, up 19.4% year-on-year. As for segment income, despite an increase in amortization of goodwill, segment income amounted to 6,717 million yen, up 21.2% year-on-year, reflecting the contribution from the performance of Gouda, as well as continued efforts to optimize pricing, improve the sales mix, and reduce costs.

<Insulation Segment>

Despite efforts to expand orders both domestically and internationally, delays in the recovery of demand for insulation materials in high-value-added product markets, such as semiconductor manufacturing equipment and lithium-ion batteries, resulted in sales amounting to 13,009 million yen, down 8.0% year-on-year, and segment income amounting to 1,806 million yen, down 29.6% year-on-year, for the nine months ended December 31, 2025.

<Advanced Device & Material Segment>

Despite efforts to expand sales of fine ceramics products, sales volumes of semiconductor manufacturing equipment-related products decreased due to changes in the timing of investments related to logic semiconductors and foundries, as well as inventory adjustments by customers. As a result, for the nine months ended December 31, 2025, net sales amounted to 3,083 million yen, down 7.4% year-on-year, and the segment loss amounted to 92 million yen, compared to segment income of 171 million yen in the same period of the previous year.

<Engineering Segment>

For the nine months ended December 31, 2025, net sales amounted to 31,257 million yen, up 66.3% year-on-year, reflecting contributions from the performance of Reframax Engenharia S.A. (hereinafter referred to as "Reframax") in Brazil, which joined the Group in May 2025, from the July–September period onward. On the other hand, segment income amounted to 558 million yen, down 55.8% year-on-year, due to the postponement of revenue recognition for certain Reframax projects until the consolidated accounting period for the three months ended March 31, 2026, as well as the recording of one-time acquisition-related expenses associated with the acquisition.

As a result, the Group's operating results for the nine months ended December 31, 2025 were net sales of 130,047 million yen, up 23.7% year-on-year. EBITDA amounted to 15,277 million yen, up 19.0% year-on-year; operating income was 8,950 million yen, down 10.0% year-on-year; and ordinary income amounted to 10,893 million yen, up 0.6% year-on-year, mainly due to foreign exchange gains. Net income attributable to owners of the parent totaled 29,985 million yen, up 278.4% year-on-year, reflecting the recognition of significant gains on the sale of fixed assets during the period.

(2) Overview of Financial Position

As of December 31, 2025, total assets increased by 42,299 million yen compared to the end of the previous fiscal year, amounting to 237,513 million yen. This increase was primarily due to rises in notes, accounts receivable and contract assets, securities, goodwill, and other intangible assets.

Liabilities increased by 8,697 million yen compared to the end of the previous fiscal year, amounting to 110,083 million yen, mainly due to an increase in income taxes payable.

Net assets increased by 33,601 million yen compared to the end of the previous fiscal year, amounting to 127,429 million yen, mainly as a result of an increase in retained earnings.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-Looking Statements

Regarding the consolidated earnings forecast, in addition to one-time expenses including acquisition-related costs for Dynamix Casting Fluxes, LLC, and business taxes (such as the enterprise tax based on the size of the business) arising from the sale of fixed assets, as well as deterioration in the sales mix within the Insulation Segment, the Group hereby revises the full-year consolidated earnings forecast announced on December 11, 2025, with respect to EBITDA and operating income as follows. Regarding ordinary income, there is no change from the previously announced forecast due to the impact of foreign exchange gains. Similarly, there are no changes in net sales and net income attributable to owners of the parent.

Furthermore, there is no change in the annual dividend forecast announced on May 15, 2025.

(Full-year Consolidated Earnings Forecasts)

	Net sales	EBITDA	Operating income	Ordinary income	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	14,900	13,000
Revised forecast (B)	176,000	21,500	13,000	14,900	31,000
Change (B-A)	-	△1,500	△1,500	-	-
Change (%)	-	△6.5	△10.3	-	-

2. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	23,024	18,226
Notes, accounts receivable and contract assets	39,208	48,300
Electronically recorded monetary claims	4,372	5,920
Securities	3,713	13,697
Goods and products	14,554	14,590
Products in progress	6,125	4,998
Raw materials and supplies	13,509	13,042
Other	2,496	3,405
Allowance for doubtful accounts	△40	△55
Total current assets	106,964	122,125
Noncurrent assets		
Tangible fixed assets		
Buildings and structures (Net)	13,568	12,081
Machinery, equipment, and vehicles (Net)	16,722	18,787
Land	9,449	9,415
Other (Net)	6,896	10,007
Total tangible assets	46,637	50,291
Intangible assets		
Goodwill	14,957	25,227
Other	13,125	22,806
Total intangible fixed assets	28,082	48,033
Investments and other assets		
Investment securities	9,222	12,477
Deferred tax assets	657	641
Other	3,772	4,055
Allowance for doubtful accounts	△123	△112
Total investments and other assets	13,529	17,061
Total noncurrent assets	88,249	115,387
Total assets	195,214	237,513

(Unit: million yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes payable and accounts payable	20,671	20,174
Electronically record liabilities	1,332	1,836
Short-term borrowing	24,854	16,166
Income taxes payable	770	12,866
Bonus reserves	1,728	939
Environmental measures reserves	74	4
Disaster loss reserves	251	108
Other reserves	180	211
Other	8,093	13,146
Total current liabilities	57,957	65,455
Non-current liabilities		
Long-term borrowings	32,602	28,870
Retirement benefit liabilities	804	887
Other reserves	265	240
Other	9,756	14,629
Total non-current liabilities	43,429	44,627
Total liabilities	101,386	110,083
Net assets		
Shareholders' equity		
Capital stock	3,300	3,300
Capital surplus	466	468
Retained earnings	80,264	106,144
Treasury stock	△2,432	△2,385
Total shareholders' equity	81,597	107,526
Other comprehensive income		
Unrealized gains on other securities	3,827	5,869
Deferred gains or losses on hedges	42	153
Foreign currency translation adjustments	3,071	5,377
Adjustments for retirement benefits	458	417
Total other comprehensive income	7,399	11,817
Non-controlling interests	4,830	8,086
Total net assets	93,828	127,429
Total liabilities and net assets	195,214	237,513

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

(Unit: million yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net sales	105,094	130,047
Cost of sales	79,625	99,392
Gross income	25,468	30,654
Selling, general and administrative expenses	15,526	21,704
Operating income	9,942	8,950
Non-operating income		
Interest income	253	654
Dividend income	341	360
Equity method investment income	81	90
Foreign exchange gains	195	1,803
Insurance dividends	56	54
Subsidy income	9	4
Other	261	270
Total non-operating income	1,198	3,239
Non-operating expenses		
Interest expense	242	1,152
Other	72	143
Total non-operating expenses	314	1,296
Ordinary income	10,826	10,893
Extraordinary income		
Gain on sale of fixed assets	765	34,725
Gain on sales of investment securities	612	-
Government subsidies	-	240
Other	6	60
Total extraordinary income	1,383	35,025
Extraordinary loss		
Loss on disposal of fixed assets	61	110
Loss on reduction of fixed assets	-	205
Impairment loss	-	87
Disaster losses	23	15
Environmental expenses	-	34
Total extraordinary losses	85	453
Net income before tax adjustments	12,124	45,465
Corporate tax, resident tax, and business tax	3,189	14,518
Corporate tax adjustments	768	1,289
Total corporate tax, etc.	3,957	15,808
Net income	8,166	29,657
Net income attributable to non-controlling interests	242	△328
Net income attributable to owners of parent	7,924	29,985

(Consolidated Statement of Comprehensive Income)

(Unit: million yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net income	8,166	29,657
Other comprehensive income		
Unrealized gains on other securities	△545	2,048
Deferred gains or losses on hedges	4	110
Foreign currency translation adjustments	△1,069	2,408
Adjustments for retirement benefits	1	△42
Amount equivalent to equity method affiliates	△1	3
Total other comprehensive income	△1,611	4,528
Comprehensive income	6,555	34,186
(Breakdown)		
Comprehensive income attributable to owners of parent	6,314	34,403
Comprehensive income attributable to non-controlling interests	241	△217

(3) Notes on Consolidated Financial Statements

(Notes on Segment Information, etc.)

I. Nine Months Ended December 31, 2024

1. Information on Sales and Income or Loss by Reportable Segment

(Unit: million yen)

	Reportable segment					Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded in the consolidated statement of income (Note 3)
	Refractory	Insulation	Advanced Device & Material	Engineering	Total				
Net sales									
Sales to external customers	69,449	13,261	3,243	18,462	104,417	677	105,094	-	105,094
Internal sales or transfers	77	880	85	337	1,381	2	1,384	△1,384	-
Total	69,527	14,142	3,328	18,800	105,798	680	106,478	△1,384	105,094
Segment Income	5,544	2,564	171	1,264	9,543	408	9,952	△9	9,942

(Note)

1. The "Other" category is a business segment not included in the reportable segments and is the real estate leasing business.
2. The segment income adjustments of △9 million yen involve the elimination of unrealized gains from inter-segment transactions.
3. The segment income is adjusted with operating income from the consolidated statement of income.

2. Information on Impairment Losses on Fixed Assets and Goodwill by Reportable Segment

(Significant Changes in the Amount of Goodwill)

During the nine months ended December 31, 2024, the inclusion of Gouda Refractories Group B.V. in the scope of consolidation resulted in an increase of 13,662 million yen in goodwill in Refractory segment. This goodwill amount reflects significant revisions to the initial allocation of acquisition cost following the finalization of provisional accounting.

II. Nine Months Ended December 31, 2025

1. Information on Sales and Income or Loss by Reportable Segment

(Unit: million yen)

	Reportable segment					Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded in the consolidated statement of income (Note 3)
	Refractory	Insulation	Advanced Device & Material	Engineering	Total				
Net sales									
Sales to external customers	82,912	12,274	3,083	31,116	129,387	659	130,047	-	130,047
Internal sales or transfers	72	734	-	141	948	2	951	△951	-
Total	82,985	13,009	3,083	31,257	130,336	662	130,998	△951	130,047
Segment Income or Segment loss	6,717	1,806	△92	558	8,990	△69	8,920	29	8,950

(Note)

1. The "Other" category is a business segment not included in the reportable segments and is the real estate leasing business.
2. The adjustments to segment income or loss amounting to 29 million yen are related to the elimination of unrealized gains from inter-segment transactions.
3. The segment income or loss is adjusted with operating income from the consolidated statement of income.

2. Information on Impairment Losses on Fixed Assets and Goodwill by Reportable Segment

(Significant Impairment Losses on Fixed Assets)

Omitted due to immateriality.

(Significant Changes in the Amount of Goodwill)

In the three months ended June 30, 2025 (the first quarter of the fiscal year), the inclusion of Reframax Engenharia S.A. in the scope of consolidation resulted in an increase of 9,801 million yen in goodwill in the Engineering segment. This goodwill amount is provisional because the purchase price allocation has not yet been completed as of December 31, 2025.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Consolidated Cash Flow Statements)

The consolidated cash flow statement for the nine months ended December 31, 2025, has not been prepared. Depreciation for the period, including amortization of intangible assets (excluding goodwill), and amortization of goodwill are as follows.

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Depreciation and amortization	2,715 million yen	5,297 million yen
Amortization amount of goodwill	179	1,030

(Notes on Significant Subsequent Events)

Business Combination through Acquisition

At the Board of Directors meeting held on January 22, 2026, the Company agreed with Michael Kiss, the founder, together with two other founders, and resolved to enter into a share purchase agreement for the acquisition of a 51% equity interest in Dynamix Casting Fluxes (hereinafter referred to as "Dynamix") through a newly established U.S. subsidiary (the "Equity Acquisition").

(1) Overview of the Business Combination

① Name and Business Content of the Acquired Company

Name of the Acquired Company: Dynamix Casting Fluxes, LLC

Business Content: Manufacture and sale of mold flux products

② Main Reasons for the Business Combination

The Group has set "Accelerating Global Expansion" as one of the key policies in the 6th Mid-Term Management Plan (FY2024–FY2026) and is actively working to strengthen and expand its overseas operations. By acquiring a stake in Dynamix, we aim to further strengthen our business foundation in the Americas region and enhance the Group's presence.

Dynamix has advanced technology and a solid customer base in the field of mold flux products. Furthermore, steady demand for these products is expected, particularly in the North American market. By incorporating their business into our Group, we intend to leverage the complementary relationship with our existing refractory and insulation businesses, expand our product lineup, and generate technological synergies. This will accelerate the provision of comprehensive solutions to customers and further strengthen our competitiveness.

Moreover, by incorporating Dynamix's stable revenue base, we will enhance the cash flow generation capability of our Group as a whole, enabling sustainable growth investments while maintaining a sound financial foundation. Following the Equity Acquisition, the current management team will continue to manage the business, and our Group will provide full support to their efforts to establish a collaborative framework that maximizes the strengths of both companies.

③ Date of the Business Combination

The closing is scheduled during fiscal year 2025, following the necessary internal and external procedures.

④ Legal Form of the Business Combination

Share Acquisition

⑤ Company Name After Combination

Unchanged.

⑥ Percentage of Voting Rights to be Acquired

51.0%

(2) Acquisition Cost of the Acquired Company and Breakdown of Consideration by Type

Consideration for the Acquisition	Cash	38.3 million USD
Acquisition Cost		38.3