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# Consolidated Financial Results for the Three Months Ended June 30, 2026 (Japanese GAAP) (Consolidated)

August 10, 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 JPY)

1. Consolidated Financial Results for 1Q of Fiscal Year Ending March 2027 (April 1, 2026 - June 30, 2026)

(1) Consolidated Operating Results (Cumulative)

(Percentages indicate year-on-year changes.)

| | Net Sales | | EBITDA* | | Operating Income | | Ordinary Income | | Net Income Attributable to Owners of Parent | |
|---|---|---|---|---|---|---|---|---|---|---|
| Three months ended | Million JPY | % | Million JPY | % | Million JPY | % | Million JPY | % | Million JPY | % |
| June 30, 2026 | 46,590 | 21.8 | 3,998 | -9.3 | 1,736 | -39.9 | 3,009 | -2.8 | 4,679 | 166.2 |
| June 30, 2025 | 38,266 | 13.0 | 4,408 | 11.5 | 2,890 | -5.3 | 3,095 | -14.3 | 1,757 | -39.7 |

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

| | | | | |
|---|---|---|---|---|
| (Note) Comprehensive income | For the three months ended June 30, 2026 | 5,795Million JPY (648.3%) | For the three months ended June 30, 2025 | 774Million JPY (-82.2%) |

| | Net Income per Share | Diluted Net Income per Share |
|---|---|---|
| Three months ended | JPY | JPY |
| June 30, 2026 | 102.55 | - |
| June 30, 2025 | 38.54 | - |

(2) Consolidated Financial Position

| | Total Assets | Net Assets | Equity Ratio | Net Assets per Share |
|---|---|---|---|---|
| As of | Million JPY | Million JPY | % | JPY |
| June 30, 2026 | 233,868 | 118,997 | 47.1 | 2,414.18 |
| June 30, 2025 | 231,818 | 115,925 | 46.1 | 2,343.45 |

| | | | | |
|---|---|---|---|---|
| (Reference) Shareholders' equity | As of June 30, 2026 | 110,166 Million JPY | As of March 31, 2026 | 106,939 Million JPY |

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 | JPY | JPY | JPY | JPY | JPY |
| June 30, 2026 | - | 45.00 | - | 45.00 | 90.00 |
| June 30, 2027 | - | | | | |
| June 30, 2027 (Forecast) | | 47.00 | - | 48.00 | 95.00 |

(Note) 1. Revision to the dividend forecast most recently announced: Yes

2. From fiscal year ending March 2027, we will change our policy from the previous policy based on dividend payout ratio to a progressive dividend policy based on a consolidated dividend on equity (DOE) of 4% or more.

3. Consolidated Earnings Forecast for Fiscal Year Ending March 31, 2027 (April 1, 2026 - March 31, 2027)

(Percentages indicate increase/decrease compared to the previous period)

| | Net sales | | EBITDA | | Operating Income | | Ordinary Income | | Net Income Attributable to Owners of Parent | | Net Income per Share |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Million JPY | % | Million JPY | % | Million JPY | % | Million JPY | % | Million JPY | % | JPY |
| Quarter2(cumulative) | 95,000 | 16.1 | 9,000 | -11.6 | 4,500 | -27.1 | 5,500 | -20.4 | 6,500 | 49.6 | 142.44 |
| Full year | 198,000 | 11.4 | 22,000 | -0.6 | 13,000 | -4.5 | 14,000 | -12.4 | 10,500 | -59.7 | 230.10 |

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

* Notes

(1) Significant changes in the scope of consolidation: None

Newly included: - companies (Company name) -, Excluded: - companies (Company name) -

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

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

(i) Changes in accounting policies due to factors such as revisions of accounting standards: None

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(4) Number of shares issued (Common stock)

| | | | | |
|---|---|---|---|---|
| (i) Number of shares issued at the end of the period (including treasury shares) | Three Months Ended June 30, 2026 | 47,146,830shares | Fiscal Year Ended March 31, 2026 | 47,146,830shares |
| (ii) Number of treasury shares at the end of the period | Three Months Ended June 30, 2026 | 1,513,710shares | Fiscal Year Ended March 31, 2026 | 1,513,710shares |
| (iii) Average number of shares during the period (quarterly cumulative) | Three Months Ended June 30, 2026 | 45,633,120shares | Three Months Ended June 30, 2025 | 45,603,283shares |

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

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

(Caution regarding future statements)

Forward-looking statements in this document, including earnings forecasts, are based on information currently available to the Company and certain assumptions deemed reasonable, and are not intended as a promise by the Company to achieve such results. Actual results may differ materially due to various factors. For the assumptions underlying the earnings forecasts and notes on using the earnings forecasts, please refer to "1. Overview of Operating Results, etc. (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Statements" on page 3 of the attached materials.

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

The supplementary documents to explain the financial results will be posted on our website on Monday, August 10, 2026.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results

During the first quarter consolidated cumulative period, the global economy continued to face uncertain conditions due to factors such as the impact of the situation in the Middle East. In the Japanese economy, while the impact of rising prices continued, the economy maintained a moderate recovery trend, supported by a recovery in capital investment and solid public investment. On the other hand, it remained necessary to be mindful of downside risks to the economy, such as uncertainties in overseas economies and fluctuations in resource prices. In the steel industry, which is a major customer of the Group, although demand for exports and construction-related sectors remained sluggish, improvements were seen in demand from the manufacturing sector, particularly for automobiles and industrial machinery. As a result, domestic crude steel production in the first quarter cumulative period was 20.35 million tons, an increase of 1.0% year-on-year.

Under these business conditions, the operating results by segment of the Group for the first quarter consolidated cumulative period were as follows.

<Refractory Segment>

In addition to an increase in refractory sales volume on a non-consolidated basis, the revenue growth effect of overseas affiliates resulted in net sales of JPY 30,142 million (up 14.9% year-on-year) for the first quarter consolidated cumulative period. Segment income was JPY 2,292 million (up 1.5% year-on-year), as a result of efforts to expand sales centered on high-value-added products, optimize pricing, and achieve continuous cost reductions, despite the impact of rising raw material and fuel costs due to the situation in the Middle East and temporary production decline due to equipment trouble at some overseas affiliates.

<Insulation Segment>

In addition to the recovery in demand in the semiconductor-related field, progress was made in acquiring projects through sales expansion activities both domestically and overseas, resulting in net sales of JPY 4,157 million (up 6.9% year-on-year) for the first quarter consolidated cumulative period. On the other hand, segment income was JPY 421 million (down 18.7% year-on-year) due to a temporary change in the sales mix.

<Advanced Device & Material Segment>

In addition to the expansion of sales of fine ceramics products, demand expansion in the semiconductor manufacturing equipment-related business resulted in net sales of JPY 1,165 million (up 21.0% year-on-year) for the first quarter consolidated cumulative period. On the other hand, due to the impact of increased depreciation expenses associated with the operation of the Setouchi Plant, segment loss was JPY 33 million (segment loss of JPY 31 million in the same period of the previous year).

<Engineering Segment>

Due to sales contributions from Reframax Engenharia S.A. in Brazil (hereinafter referred to as "Reframax"), which became a consolidated subsidiary from 2Q of the previous fiscal year, Net sales for the cumulative 1Q of the current fiscal year were JPY 11,483 million (up 57.5% year-on-year). On the other hand, due to postponement of construction timing for major customers at Reframax and the impact of cost increases associated with progressing inflation, segment loss was JPY 988 million (segment loss of JPY 15 million in the same period of the previous year).

As a result of the above, the Group's business performance for the cumulative 1Q of the current fiscal year was net sales of JPY 46.59 thousand million (up 21.8% year-on-year). Regarding profit at each level, EBITDA was JPY 3,998 million (down 9.3% year-on-year), operating income was JPY 1,736 million (down 39.9% year-on-year), and ordinary income was JPY 3,009 million (down 2.8% year-on-year) due to the recording of foreign exchange gains. Net income attributable to owners of parent was JPY 4,679 million (up 166.2% year-on-year) due to the recording of gain on sale of fixed assets associated with land expropriation at the Kwinana Plant of Shinagawa Refractories Australasia Pty Ltd.

The real estate leasing business, which had been disclosed as the "Other" segment, has been discontinued from the current fiscal year as the main real estate leasing assets were sold in the previous fiscal year. As a result, real estate leasing income of JPY 21 million for the 1Q of the current fiscal year is recorded in "Other" under non-operating income, and real estate leasing costs of JPY 24 million are recorded in "Other" under non-operating expenses, and are not included in segment income or loss.

## (2) Overview of Financial Position

Total assets at the end of the 1Q consolidated accounting period increased by JPY 2,050 million compared to the end of the previous consolidated fiscal year, mainly due to an increase in "Investment securities," to JPY 233,868 million.

Liabilities decreased by JPY 1,022 million compared to the end of the previous consolidated fiscal year, mainly due to a decrease in "Accrued corporate taxes," to JPY 114,870 million.

Net assets increased by JPY 3,072 million compared to the end of the previous consolidated fiscal year, mainly due to an increase in "Retained earnings," to JPY 118,997 million.

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

The consolidated earnings forecast for 2Q (cumulative) of the fiscal year ending March 31, 2027, which was not disclosed in the "Financial Results for the Fiscal Year Ended March 31, 2026" dated May 15, 2026, is announced today. For details, please refer to the "Notice Regarding Earnings Forecast and Dividend Forecast" announced today.

## 2. Consolidated Financial Statements and Major Notes

### (1) Consolidated Balance Sheets

(Unit: Million JPY)

| | As of March 31, 2026 | As of June 30, 2026 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 21,355 | 20,105 |
| Notes, accounts receivable and contract assets | 49,781 | 44,824 |
| Electronically recorded monetary claims | 4,598 | 4,688 |
| Securities | 5,243 | 5,384 |
| Goods and products | 15,206 | 14,720 |
| Products in progress | 4,958 | 5,388 |
| Raw materials and supplies | 13,471 | 13,468 |
| Other area | 2,817 | 6,798 |
| Allowance for doubtful accounts | (56) | (57) |
| Total current assets | 117,376 | 115,321 |
| Noncurrent assets | | |
| Tangible fixed assets | | |
| Buildings and structures (Net) | 10,936 | 10,871 |
| Machinery, equipment, and vehicles (Net) | 15,969 | 15,954 |
| Land | 8,781 | 8,885 |
| Other(Net) | 11,248 | 12,182 |
| Total tangible assets | 46,935 | 47,894 |
| Intangible fixed assets | | |
| Goodwill | 28,139 | 28,759 |
| Other area | 20,926 | 21,307 |
| Total intangible fixed assets | 49,065 | 50,066 |
| Investments and other assets | | |
| Investment securities | 12,983 | 14,468 |
| Deferred tax assets | 560 | 476 |
| Other area | 5,031 | 5,775 |
| Allowance for doubtful accounts | (135) | (135) |
| Total investments and other assets | 18,439 | 20,585 |
| Total noncurrent assets | 114,441 | 118,546 |
| Total assets | 231,818 | 233,868 |

(Unit: Million JPY)

| | As of March 31, 2026 | As of June 30, 2026 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes payable and accounts payable | 19,361 | 17,972 |
| Electronically record liabilities | 1,414 | 1,257 |
| Short-term borrowing | 16,622 | 26,041 |
| Accrued corporate taxes | 14,937 | 551 |
| Bonus reserves | 2,061 | 955 |
| Disaster loss reserves | 58 | 44 |
| Other reserves | 320 | 127 |
| Other | 11,969 | 13,245 |
| Total current liabilities | 66,746 | 60,196 |
| Non-current liabilities | | |
| Long-term borrowings | 22,391 | 24,266 |
| Retirement benefit liabilities | 817 | 835 |
| Other reserves | 221 | 207 |
| Other | 25,716 | 29,364 |
| Total non-current liabilities | 49,146 | 54,674 |
| Total liabilities | 115,892 | 114,870 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 3,300 | 3,300 |
| Retained earnings | 91,737 | 93,956 |
| Treasury stock | (2,385) | (2,385) |
| Total shareholders' equity | 92,652 | 94,870 |
| Total accumulated other comprehensive income | | |
| Unrealized gains on other securities | 6,220 | 7,156 |
| Deferred gains or losses on hedges | 283 | 285 |
| Foreign currency translation adjustments | 7,049 | 7,139 |
| Accumulated adjustments for retirement benefits | 734 | 714 |
| Total other comprehensive income | 14,287 | 15,295 |
| Non-controlling interests | 8,985 | 8,831 |
| Total net assets | 115,925 | 118,997 |
| Total liabilities and net assets | 231,818 | 233,868 |

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

(Consolidated Statement of Income)

(Unit: Million JPY)

| | Three months ended June 30, 2025 | Three months ended June 30, 2026 |
|---|---|---|
| Net sales | 38,266 | 46,590 |
| Cost of sales | 28,611 | 37,218 |
| Gross income | 9,655 | 9,371 |
| Selling, general and administrative expenses | 6,764 | 7,635 |
| Operating income | 2,890 | 1,736 |
| Non-operating income | | |
| Interest income | 125 | 168 |
| Dividend income | 182 | 193 |
| Equity method investment income | 31 | 43 |
| Foreign exchange gains | 62 | 1,175 |
| Other | 86 | 172 |
| Total non-operating income | 487 | 1,753 |
| Non-operating expenses | | |
| Interest expense | 245 | 340 |
| Other | 36 | 139 |
| Total non-operating expenses | 282 | 480 |
| Ordinary income | 3,095 | 3,009 |
| Extraordinary income | | |
| Gain on sale of fixed assets | - | 3,765 |
| Government subsidies | 180 | - |
| Other | - | 7 |
| Total extraordinary income | 180 | 3,772 |
| Extraordinary loss | | |
| Loss on disposal of fixed assets | 10 | 38 |
| Loss on reduction of fixed assets | 159 | - |
| Disaster losses | 14 | - |
| Total extraordinary losses | 184 | 38 |
| Net income before tax adjustments | 3,091 | 6,743 |
| Corporate tax, resident tax, and business tax | 870 | 538 |
| Corporate tax adjustments | 326 | 1,690 |
| Total corporate tax, etc. | 1,197 | 2,228 |
| Net income | 1,894 | 4,514 |
| Net income attributable to non-controlling interests or net loss attributable to non-controlling interests (-) | 136 | (164) |
| Net income attributable to owners of parent | 1,757 | 4,679 |

(Consolidated Statement of Comprehensive Income)

(Unit: Million JPY)

| | Three months ended June 30, 2025 | Three months ended June 30, 2026 |
|---|---|---|
| Net income | 1,894 | 4,514 |
| Other comprehensive income | | |
| Unrealized gains on other securities | (70) | 938 |
| Deferred gains or losses on hedges | (33) | 2 |
| Foreign currency translation adjustments | (991) | 358 |
| Adjustments for retirement benefits | (15) | (20) |
| Amount equivalent to equity method affiliates | (8) | 1 |
| Total other comprehensive income | (1,119) | 1,280 |
| Comprehensive income | 774 | 5,795 |
| (Breakdown) | | |
| Comprehensive income attributable to owners of parent | 817 | 5,688 |
| Comprehensive income attributable to non-controlling interests | (43) | 106 |

(3) Notes on Consolidated Financial Statements

(Notes on Segment Information, etc.)

I. Three Months Ended June 30, 2025

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

(Unit: Million JPY)

| | 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 | Subtotal | | | | |
| Net sales | | | | | | | | | |
| Sales to external customers | 26,217 | 3,609 | 963 | 7,246 | 38,036 | 229 | 38,266 | - | 38,266 |
| Internal sales or transfers | 23 | 280 | - | 45 | 348 | 0 | 349 | (349) | - |
| Subtotal | 26,241 | 3,889 | 963 | 7,291 | 38,385 | 230 | 38,616 | (349) | 38,266 |
| Segment income or segment loss | 2,259 | 518 | (31) | (15) | 2,730 | 147 | 2,878 | 11 | 2,890 |

(Note)

1. The "Other" category is a business segment not included in the reportable segments and consists of the real estate leasing business.
2. The adjustment of JPY 11 million for segment income or segment loss is the elimination of unrealized profits related to inter-segment transactions, etc.
3. Segment income or segment loss is adjusted with operating income in 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)

As a result of the inclusion of Reframax Engenharia S.A. in the scope of consolidation in the first quarter of the current fiscal year, goodwill in "Engineering" increased by JPY 9,131 million. The amount of goodwill is disclosed after reflecting the significant review of the initial allocation of the cost due to the finalization of the provisional accounting treatment.

II. Three Months Ended June 30, 2026)

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

(Unit: Million JPY)

| | Reportable segment | | | | | Adjustments (Note 1) | Amount recorded in the consolidated statement of income (Note 2) |
|---|---|---|---|---|---|---|---|
| | Refractory | Insulation | Advanced Device & Material | Engineering | Subtotal | | |
| Net sales | | | | | | | |
| Sales to external customers | 30,108 | 3,886 | 1,164 | 11,431 | 46,590 | - | 46,590 |
| Internal sales or transfers | 34 | 271 | 0 | 52 | 358 | (358) | - |
| Subtotal | 30,142 | 4,157 | 1,165 | 11,483 | 46,948 | (358) | 46,590 |
| Segment income or segment loss | 2,292 | 421 | (33) | (988) | 1,692 | 43 | 1,736 |

(Note)

1. The adjustment of JPY 43 million for segment income or segment loss is the elimination of unrealized profits related to inter-segment transactions, etc.
2. Segment income or segment loss is adjusted with operating income in the consolidated statement of income.
3. The real estate leasing business, which was previously disclosed as the "Other" segment, was discontinued from the current fiscal year due to the sale of major real estate leasing assets in the previous fiscal year. Consequently, real estate leasing income of JPY 21 million for the first quarter of the current fiscal year is included in "Others" in non-operating income, and real estate leasing cost of JPY 24 million is included in "Other" in non-operating expenses and is not included in segment income or loss.

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

Not applicable.

(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 three months ended June 30, 2026, has not been prepared. Depreciation expenses (including amortization of intangible fixed assets excluding goodwill) and amortization of goodwill for the period are as follows.

| | Three months ended June 30, 2025 | Three months ended June 30, 2026 |
|---|---|---|
| Depreciation | JPY 1,271 million | JPY 1,813 million |
| Amortization of goodwill | 246 | 448 |

(Notes on Significant Subsequent Events)

(Disposal of treasury stock as restricted stock compensation)

At the Board of Directors meeting held on June 25, 2026, the Company resolved to conduct a disposal of treasury shares (the "Disposal of Treasury Shares") as restricted stock compensation and implemented the Disposal of Treasury Shares as follows.

1. Overview of the Disposal

| | |
|---|---|
| (1) Payment Date | July 24, 2026 |
| (2) Class and Number of Shares for Disposal | 33,588 shares of the Company's common stock |
| (3) Disposal Price | JPY 1,873 per share |
| (4) Total Disposal Price | JPY 62,910,324 |
| (5) Disposal Recipients | 5 directors of the Company (*): 33,588 shares<br>* Excluding directors who are Audit and Supervisory Committee Members and Outside Directors and including 1 retiring director. |

2. Purpose and Reasons for the Disposal

At a meeting of the Board of Directors held on May 11, 2023, the Company resolved to introduce a performance share unit plan as a post-delivery-type performance-linked share compensation plan (the “Plan”) for directors of the Company (excluding directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter, the “Eligible Directors”), with the aim of providing incentives to enhance the Company’s corporate value and further aligning the interests of the Eligible Directors with those of shareholders.

Furthermore, at the 189th Ordinary General Meeting of Shareholders held on June 29, 2023, approval was obtained for the following matters:

(i) under the Plan, shares of the Company’s common stock shall be issued or disposed of to Eligible Directors, the number of which shall be determined based on the degree of achievement of performance targets established by the Company’s Board of Directors during a period specified by the Board of Directors (the “Evaluation Period”; the Evaluation Period for the Disposal of Treasury Shares shall be one fiscal year from April 1, 2025 to March 31, 2026);

(ii) the total number of shares of the Company’s common stock to be issued or disposed of under the Plan shall not exceed 40 thousand shares per year (*), and the amount of monetary compensation receivable to be granted shall not exceed JPY 80 million per year; and

(iii) the transfer restriction period for restricted shares shall be from the date of delivery of such shares until the date on which the relevant Eligible Director ceases to hold the position of director of the Company or any other position designated by the Company’s Board of Directors.

As the Evaluation Period for this Disposal of Treasury Shares has now ended, the Company conducted, based on the resolution of the Board of Directors meeting held on June 25, 2026, to grant a total of 33,588 shares of the Company's common stock to 5 Eligible Directors based on the performance results during the Evaluation Period as compensation for the execution of their duties as directors.

(*) No more than 200 thousand shares per year after the stock split on October 1, 2023