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Consolidated Financial Results for the Six Months Ended September 30, 2026 (Japanese GAAP)

November 10, 2026

Name of Listed Company	SHINAGAWA REFRA CO., LTD.			Stock Exchange Listings: 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) General Manager, IR & Public Relations Department		(Name) Tsutomu Kariyazaki	TEL +81-03-6265-1600
Scheduled date to file semi-annual securities report	November 11, 2026		Scheduled Start Date of Dividend Payments	December 1, 2026

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 JPY)

1. Consolidated Financial Results for the Six Months Ended September 30, 2026 (April 1, 2026 - September 30, 2026)

(1) Consolidated Operating Results (Cumulative) (Percentages indicate year-on-year changes)

	Net Sales		EBITDA*		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
Six months ended	Million JPY	%	Million JPY	%	Million JPY	%	Million JPY	%	Million JPY	%
September 30, 2026	94,158	15.0	8,559	-15.9	4,100	-34.0	5,530	-20.4	6,283	43.9
September 30, 2025	81,843	20.0	10,176	24.2	6,212	-2.0	6,945	4.2	4,366	-11.1

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

(Note) Comprehensive income: Six months ended September 30, 2026: 9,111 Million JPY (60.9%); Six months ended September 30, 2025: 5,661 Million JPY (−7.4%)

	Net Income per Share	Diluted Net Income per Share
Six months ended	JPY	JPY
September 30, 2026	137.66	-
September 30, 2025	95.73	-

(Note) The provisional accounting treatment for a business combination was finalized in the fiscal year ended March 31, 2026, and the figures for the six months ended September 30, 2025 reflect the finalized provisional accounting treatment.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity ratio	Net Assets per Share
As of	Million JPY	Million JPY	%	JPY
September 30, 2026	239,316	121,949	47.2	2,474.12
March 31, 2026	231,818	115,925	46.1	2,343.45

(Reference) Shareholders' Equity: As of September 30, 2026 112,984Million JPY; As of March 31, 2026 106,939Million JPY

2. Dividend Status

	Annual Dividends per Share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of period	Total
	JPY	JPY	JPY	JPY	JPY
Fiscal year ended March 31, 2026	-	45.00	-	45.00	90.00
Fiscal year ending March 31, 2027	-	47.00			
Fiscal year ending March 31, 2027 (Forecast)			-	48.00	95.00

(Note) Revision to the dividend forecast most recently announced: None

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

(Percentages indicate year-on-year changes)

	Net Sales		EBITDA		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Net Income per Share
	Million JPY	%	Million JPY	%	Million JPY	%	Million JPY	%	Million JPY	%	JPY
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: None

* 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 revisions of accounting standards, etc.: 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)	Six months ended September 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	Six months ended September 30, 2026	1,480,122Shares	Fiscal year ended March 31, 2026	1,513,710Shares
(iii) Average number of shares during the period	Six months ended September 30, 2026	45,645,784Shares	Six months ended September 30, 2025	45,614,374Shares

* 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 forward-looking 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 and details of the financial results briefing)

The supplementary documents will be posted on the Company's website on November 10, 2026. A financial results briefing for institutional investors is scheduled to be held on November 25, 2026.

Table of Contents of Attached Documents

1. Overview of Operating Results, etc. 2
(1) Overview of Operating Results 2
(2) Overview of Financial Position 3
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Statements 3
2. Interim Consolidated Financial Statements and Major Notes 4
(1) Interim Consolidated Balance Sheets 4
(2) Interim Consolidated Statements of Income and Interim Consolidated Statements of Comprehensive Income 6
Interim Consolidated Statements of Income 6
Interim Consolidated Statements of Comprehensive Income 7
(3) Notes on Consolidated Financial Statements 8
(Notes on Segment Information, etc.) 8
(Notes on Significant Changes in Shareholders' Equity) 10
(Notes on Going Concern Assumption) 10

1. Overview of Operating Results, etc.

With respect to the business combination with Reframax Engenharia S.A. ("Reframax") conducted on May 30, 2025 (deemed acquisition date: March 31, 2025), provisional accounting treatment was applied in the previous interim consolidated period and was finalized in the previous fiscal year. Accordingly, comparative analysis with the previous interim consolidated period is based on amounts revised upon finalization of the provisional accounting treatment.

(1) Overview of Operating Results

During the interim consolidated period, uncertainty in the global economic outlook persisted amid heightened tensions in the Middle East and developments in monetary and economic policies in various countries. In Japan, despite continued price increases, the economy remained on a moderate recovery track, supported by improvements in employment conditions and a recovery in capital investment, although continued attention was required regarding downside risks arising from the situation in the Middle East and fluctuations in financial and capital markets. In the steel industry, a major customer industry of the Group, demand showed signs of recovery in certain automotive, industrial machinery and construction-related sectors. As a result, domestic crude steel production during the interim consolidated period increased 0.5% year on year to 40.27 million tons.

Under these business conditions, the Group's operating results by segment for the interim consolidated period were as follows.

<Refractory Segment>

Revenue growth on a non-consolidated basis and at overseas affiliates contributed to net sales of JPY 59,365 million, up 12.1% year on year. Segment profit was JPY 4,157 million, down 8.7% year on year. Although the Group expanded sales centered on high-value-added products, optimized pricing and continued cost-reduction initiatives, profit was affected by significant increases in raw material and fuel costs, as well as temporary production declines and repair expenses arising from equipment issues at Gouda Refractories Group B.V. in the Netherlands ("Gouda") and Shinagawa Advanced Materials Americas Inc. in the United States ("SAM").

<Insulation Segment>

Supported by a recovery in demand in major markets, including semiconductor-related fields, and progress in securing projects through sales expansion activities in Japan and overseas, net sales were JPY 9,145 million, up 5.5% year on year, and segment profit was JPY 1,289 million, up 7.9% year on year.

<Advanced Device & Material Segment>

Driven by increased sales of fine ceramics products for semiconductor manufacturing equipment, net sales were JPY 2,524 million, up 29.4% year on year. Despite higher depreciation associated with the start-up of the Setouchi Plant, increased sales volume significantly reduced the loss, resulting in a segment loss of JPY 6 million, compared with a segment loss of JPY 94 million in the same period of the previous year.

<Engineering Segment>

Net sales were JPY 23,846 million, up 29.0% year on year, reflecting the contribution from Reframax in Brazil, which has been included in the scope of consolidation since the second quarter of the previous fiscal year. Segment loss was JPY 1,375 million, compared with segment profit of JPY 241 million in the same period of the previous year, mainly because the timing of major construction projects for key customers at Reframax shifted to the second half and costs rose due to ongoing inflation.

As a result, the Group recorded net sales of JPY 94,158 million, up 15.0% year on year. EBITDA was JPY 8,559 million, down 15.9%; operating income was JPY 4,100 million, down 34.0%; and ordinary income was JPY 5,530 million, down 20.4%. Net income attributable to owners of parent was JPY 6,283 million, up 43.9%, due to the recording of a gain on sale of non-current assets associated with the compulsory acquisition of land at the Kwinana Plant of Shinagawa Refractories Australasia Pty Ltd.

The real estate leasing business, previously disclosed as the "Other" segment, was discontinued from the current fiscal year following the sale of the principal real estate leasing assets in the previous fiscal year. Accordingly, real estate rental income of JPY 46 million for the interim consolidated period was recorded in "Other" under non-operating income, while real estate rental costs of JPY 32 million were recorded in "Other" under non-operating expenses. These amounts are not included in segment profit or loss.

(2) Overview of Financial Position

Total assets at the end of the interim consolidated period increased by JPY 7,498 million from the end of the previous fiscal year to JPY 239,316 million, mainly due to increases in investment securities and work in process.

Total liabilities increased by JPY 1,473 million from the end of the previous fiscal year to JPY 117,366 million, mainly due to increases in short-term and long-term borrowings.

Total net assets increased by JPY 6,024 million from the end of the previous fiscal year to JPY 121,949 million, mainly due to increases in the valuation difference on available-for-sale securities and retained earnings.

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

During the interim consolidated period, the Refractory Segment was affected by higher raw material and fuel costs and equipment issues at Gouda in the Netherlands and SAM in the United States. In addition, profitability in the Engineering Segment declined at Reframax in Brazil due to substantial cost increases and the postponement of major construction projects for key customers to the second half.

The full-year consolidated earnings forecast remains unchanged from that announced in the "Notice Regarding Earnings Forecast and Dividend Forecast" dated August 10, 2026, as the factors that reduced profit in the first half are expected to be resolved in the second half through progress in passing on higher costs to selling prices, the dissipation of the impact of equipment issues, the recognition of sales from construction projects that were postponed, and sales expansion in each segment.

There has also been no change to the annual dividend forecast announced on the same date.

2. Interim Consolidated Financial Statements and Major Notes

(1) Interim Consolidated Balance Sheets

(Unit: Million JPY)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	21,355	21,819
Notes, accounts receivable and contract assets	49,781	46,452
Electronically recorded monetary claims	4,598	4,965
Securities	5,243	4,940
Merchandise and finished goods	15,206	15,333
Work in process	4,958	5,304
Raw materials and supplies	13,471	14,303
Other	2,817	3,609
Allowance for doubtful accounts	(56)	(56)
Total current assets	117,376	116,671
Non-current assets		
Property, plant and equipment		
Buildings and structures(Net)	10,936	11,277
Machinery, equipment, and vehicles(Net)	15,969	16,209
Land	8,781	9,515
Other(Net)	11,248	13,160
Total property, plant and equipment	46,935	50,163
Intangible assets		
Goodwill	28,139	28,972
Other	20,926	21,116
Total intangible assets	49,065	50,088
Investments and other assets		
Investment securities	12,983	16,073
Deferred tax assets	560	564
Other	5,031	5,891
Allowance for doubtful accounts	(135)	(136)
Total investments and other assets	18,439	22,392
Total non-current assets	114,441	122,644
Total assets	231,818	239,316

(Unit: Million JPY)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes payable and accounts payable	19,361	17,853
Electronically recorded obligations	1,414	1,314
Short-term borrowings	16,622	25,155
Income taxes payable	14,937	947
Provision for bonuses	2,061	1,777
Provision for disaster losses	58	44
Other provisions	320	240
Other	11,969	12,841
Total current liabilities	66,746	60,175
Non-current liabilities		
Long-term borrowings	22,391	24,508
Retirement benefit liabilities	817	847
Other provisions	221	230
Other	25,716	31,604
Total non-current liabilities	49,146	57,191
Total liabilities	115,892	117,366
Net assets		
Shareholders' equity		
Capital stock	3,300	3,300
Retained earnings	91,737	95,124
Treasury shares	(2,385)	(2,332)
Total shareholders' equity	92,652	96,092
Total accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,220	8,107
Deferred gains or losses on hedges	283	436
Foreign currency translation adjustments	7,049	7,654
Remeasurements of defined benefit plans	734	694
Total other comprehensive income	14,287	16,892
Non-controlling interests	8,985	8,964
Total net assets	115,925	121,949
Total liabilities and net assets	231,818	239,316

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

(Interim Consolidated Statements of Income)

(Unit: Million JPY)

	Previous interim period (From April 1, 2025 To September 30, 2025)	Current interim period (From April 1, 2026 To September 30, 2026)
Net sales	81,843	94,158
Cost of sales	61,628	74,477
Gross profit	20,215	19,680
Selling, general and administrative expenses	14,002	15,579
Operating profit	6,212	4,100
Non-operating income		
Interest income	409	422
Dividend income	191	193
Equity method investment income	59	80
Foreign exchange gains	651	1,381
Other	224	373
Total non-operating income	1,536	2,452
Non-operating expenses		
Interest expense	696	798
Other	107	224
Total non-operating expenses	804	1,022
Ordinary profit	6,945	5,530
Extraordinary gains		
Gain on sale of non-current assets	-	3,851
Government subsidy income	240	-
Total extraordinary gains	240	3,851
Extraordinary loss		
Loss on disposal of non-current assets	11	47
Loss on reduction of non-current assets	205	-
Disaster losses	13	-
Environmental expenses	34	-
Loss on business restructuring	-	213
Total extraordinary losses	265	260
Profit before income taxes	6,919	9,120
Income taxes - current	2,308	1,358
Income taxes - deferred	(69)	1,641
Total income taxes	2,238	2,999
Profit	4,680	6,120
Profit attributable to non-controlling interests or net loss attributable to non-controlling interests	314	(162)
Profit attributable to owners of parent	4,366	6,283

(Interim Consolidated Statements of Comprehensive Income)

(Unit: Million JPY)

	Previous interim period (From April 1, 2025 To September 30, 2025)	Current interim period (From April 1, 2026 To September 30, 2026)
Profit	4,680	6,120
Other comprehensive income		
Valuation difference on available-for-sale securities	993	1,894
Deferred gains or losses on hedges	(62)	153
Foreign currency translation adjustments	70	980
Remeasurements of defined benefit plans	(27)	(41)
Share of other comprehensive income of entities accounted for using equity method	5	4
Total other comprehensive income	980	2,990
Comprehensive income	5,661	9,111
(Breakdown)		
Comprehensive income attributable to owners of parent	5,427	8,889
Comprehensive income attributable to non-controlling interests	233	222

(3) Notes on Interim Consolidated Financial Statements

(Notes on Segment Information, etc.)

I. Six Months Ended September 30, 2025

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

(Unit: Million JPY)

	Reportable segments					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	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)	-
Subtotal	52,971	8,667	1,950	18,482	82,071	464	82,536	(693)	81,843
Segment profit or segment loss	4,553	1,195	(94)	241	5,895	284	6,180	31	6,212

(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 to segment profit or segment loss of JPY 31 million mainly consists of the elimination of unrealized profits on inter-segment transactions.

3. Segment profit or segment loss is reconciled with operating profit in the consolidated statements of income.

2. Information on Impairment Losses on Non-Current Assets and Goodwill by Reportable Segment

(Significant Changes in the Amount of Goodwill)

As a result of including Reframax Engenharia S.A. in the scope of consolidation during the interim consolidated period, goodwill in the Engineering segment increased by JPY 9,131 million. The amount of goodwill presented reflects the significant revision to the initial allocation of the acquisition cost following finalization of the provisional accounting treatment.

II Six Months Ended September 30, 2026

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

(Unit: Million JPY)

	Reportable segments					Total	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	59,301	8,600	2,521	23,734	94,158	94,158	-	94,158
Internal sales or transfers	64	545	2	111	723	723	(723)	-
Subtotal	59,365	9,145	2,524	23,846	94,882	94,882	(723)	94,158
Segment profit or segment loss	4,157	1,289	(6)	(1,375)	4,063	4,063	36	4,100

(Note) 1. The adjustment to segment profit or segment loss of JPY 36 million mainly consists of the elimination of unrealized profits on inter-segment transactions.

2. Segment profit or segment loss is reconciled with operating profit in the consolidated statements of income.

3. The real estate leasing business, previously disclosed as the "Other" segment, was discontinued from the current fiscal year following the sale of the principal real estate leasing assets in the previous fiscal year. Accordingly, real estate rental income of JPY 46 million was included in "Other" under non-operating income, and real estate rental costs of JPY 32 million were included in "Other" under non-operating expenses. These amounts are not included in segment profit or loss.

4. Segment Information for the Six Months Ended September 30, 2025 is presented using amounts that reflect the significant revision to the initial allocation of the acquisition cost following finalization of the provisional accounting treatment.

2. Information on Impairment Losses on Non-Current Assets and Goodwill by Reportable Segment

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Notes on Going Concern Assumption)

Not applicable.