

Steely resolve: Krosaki Harima focused on ESG best practices

Having supplied the steel industry for more than a century, today Krosaki Harima Corporation is focused on expanding its global operations in line with Environmental, Social, and Governance (ESG) best practices.

Since it was established in 1918, Krosaki Harima Corporation has played a vital role supplying quality materials to Japan's main industries, especially the steel sector. Today, the company is mainly engaged in the manufacture of refractory materials, operating through its three main business segments: Refractories, Furnaces, and Ceramics.

"There is a close relationship between the refractories and furnace segments in particular. In order to install an energy saving furnace, appropriate refractories are essential," explains Kazuhiro Egawa, President of Krosaki Harima Corporation. "In addition to this, in our traditional business segment, we are strengthening our advanced ceramics business to supply the semiconductor industry primarily, but also the aerospace and medical industries. We have unique advanced ceramics technology which shows high performance and function and we are expanding this business area not only in Japan, but also overseas."

Alongside the global expansion of its ceramics business, the company already has several refractory companies worldwide, mainly driven by the significant demand in China and India for steel production.

"In Europe we are supplying not only the steel industry, but also to the cement market," says Mr. Egawa. "The refractories for cement kilns in Europe are selling strongly and can be exported to Latin America and Eastern Europe. Very recently, we entered into a technological and distribution agreement with ArcelorMittal Poland. This means we can now supply all types of refractories to all of the European steel manufacturers through a combination of our worldwide Krosaki Harima Group products."

As part of this global expansion strategy, Krosaki Harima is seeking further joint ventures with other reliable partners worldwide, having also recently entered into a distribution agree-



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Functional refractories

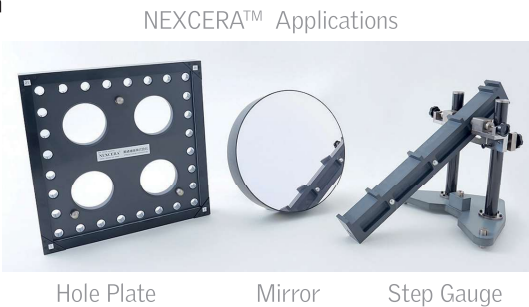
Refractories for furnaces

ment with a Brazilian company, and is currently focusing on the United States as a priority market. Implementing the company's core corporate policy to "produce locally and supply locally", the Group is now supplying refractories to almost all the steel manufacturers in the United States.

One product proving particularly popular in the Group's core global markets is NEXCERA™ zero thermal expansion ceramics, which minimizes the thermal expansion of the material when under heat. "This is valuable not only in the semiconductor industry to make finer semiconductors, but it is also needed in the production of satellites and measuring reference instruments," explains Mr. Egawa. "Our advanced ceramics

are also a part of instruments that are being used in the effort to test and prevent the spread of COVID-19, so I think there are great opportunities to expand our business here."

This is not the only valuable contribution Krosaki Harima Corporation is making towards an environmentally-friendly society in its role as a socially-responsible business, says the company president.



NEXCERA™ Applications

Hole Plate

Mirror

Step Gauge

"We are today helping to produce very clean steel. For example, in the continuous steel casting line, with our Alumina Graphite material refractory, steel manu-

facturers can produce very high-quality steel for ultra-lightweight automobiles as well as electric vehicles (EVs). We now have the biggest market share for this type of product which can produce ultimate clean steel."

Another way Krosaki Harima is helping the environment is in the development of energy saving furnaces which can recover 50-70% of the energy emitted in exhaust gases. "In the case of a 1,200 degrees celsius furnace that represents a deduction of heat storage of 64% as well as a reduction of radiant heat by 45%, this contributes greatly to energy saving," says Mr. Egawa. "We additionally have cooperated with partners to install 35 biomass power generators, not only in Japan but also in other Asian countries, and I see this as another big opportunity for us to expand our business worldwide."

Besides its clear environmental focus, the business is increasingly determined on improving the diversity and inclusion of its workforce in line with international corporate governance best practices. "We are increasing the number of non-Japanese as well as female employees and delegating a lot of work to younger generations. As a business, we're not concerned with which generation, gender or nationality somebody is. We're more concerned about who can take responsibility and fulfil their duties best," says Mr. Egawa.

"We respect each person and the culture and traditions in which they work, but at the same time, in order to produce high-quality materials we request them to follow our company policies. As long as our employees do that, we believe they can contribute to society and gain respect among their community, which will lead to a prosperous future for everyone."