

KURIMOTO REPORT 2022

Business and CSR Report





Corporate Philosophy

We respect and value earth, its water, air and life, and we will protect social infrastructure.

We offer "reassurance" in response to the society and our customer's trust.

We listen to our customers, learn from our customers, further develop and innovate technology, and offer original, "suitable systems" to our customers.

We aim for the happiness of our employees and the happiness of mankind through manufacturing products.

For the implementation of the above, we ensure strict compliance, harmonize inheritance and changes, respect individuality and ingenuity, and work hard to contribute to society and the development of business.



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Our website is regularly updated with the latest information.

<http://www.kurimoto.co.jp/worldwide/en/>



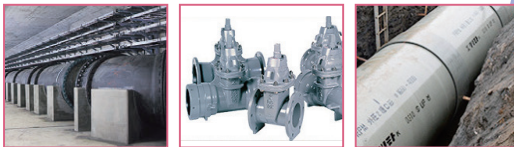
Photo on the cover:
Miyakojima, Okinawa
Photo on P1 and P2:
Higashi Hennazaki Cape, Miyakojima, Okinawa

Contribution to the development of society and industry

To establish infrastructure that underpins all activities in society in a better way, and to deliver products and services that support manufacturing in a wide range of industries, the Kurimoto Group has built up its foundation through the history of over 100 years. Now we are contributing to the development of society and industry through the creation of a wide range of values including the provision and securing of lifeline, the realization of safety and security and the improvement of the quality of final products of customers.

【 2 Pillars of Our Business 】

Social infrastructure



We establish infrastructure to underpin society with our reliable technology.

Industrial Equipment



We provide manufacturing support for a wide range of industries with our original technology.

【 Sources of Values 】

Technical and proposal abilities

We propose the best solutions to customers based on the technologies that we have accumulated through research and development and manufacturing for more than 100 years.

Investment in R&D
1,529 million yen
 (actual figure in fiscal 2021)

Human resources

We endeavor to develop human resources that have a keen awareness of problems and act proactively to solve them in order to meet requirements for quality based on customer needs.

Number of improvements proposed in a year
16,576
 (actual number in fiscal 2021)

Equipment

We constantly work for construction of new production equipment, expansion of existing equipment, strengthening of the functions, renewal and streamlining to ensure the quality of products and productivity.

Capital investment
2,460 million yen
 (actual figure in fiscal 2021)

【 Values Created Through Our Business 】

Social infrastructure

Provision and securing of infrastructure

We establish and maintain life-supporting infrastructure including water supply and sewage systems, energy, communications, roads and railroads from both medium- and long-term perspectives.

Creation of comfortable space

We help create clean and comfortable living spaces by providing products such as iron pipes, valves, pipes and construction and air conditioning materials and through construction methods that take advantage of the properties of these products.

Creation of a beautiful landscape

In developing and providing highly functional products, we also pay attention to esthetics in their usage to contribute to creation of beautiful landscapes.

Common

Realization of safety and security

While promoting total quality services (combination of high value, high quality and high services), we realize safety and security by being well prepared for the unexpected.

Preparation for earthquakes and disasters

Our products and services aid in preparation for earthquakes and disasters, and include earthquake resistance improvement of infrastructure, emergency shutdown valves, earthquake-resistant emergency water tanks and various other products with earthquake-resistant specifications.

Energy saving and environmental conservation

While promoting environmental management and reducing environmental impact of our own business activities, we develop and design products that contribute to energy saving, reduction of CO₂ emissions and prevention of environmental pollution.

Industrial Equipment

Quality improvement of end products

We supply a wide range of equipment that helps improve quality of end products, such as high-precision warm- and hot-forging press machines.

Productivity improvement

We offer high-efficiency and high-reliability manufacturing equipment and related products, total design and engineering based on know-how accumulated over many years and quality services after sales, to improve the productivity of manufacturing lines.

Cost reduction

We promote product development with focus not only on economic efficiency but also on transportability, workability, durability, reliability in operation and ease of maintenance and inspection to bring about overall cost reduction.

Business Areas

(As of April 1, 2022)

Lifeline business

Pipe Systems Division



We manufacture and supply ductile iron pipes and also provide comprehensive support for the maintenance and renewal of lifelines (infrastructure) through the design and supervision of pipes construction as well as our ICT-based construction management system.

Ductile iron pipes (pipes, fittings, joint parts)
Pipeline design, installation, supervision of pipes installation and maintenance services such as pipeline survey and inspection

Valve Systems Division



We handle a great number of valves for water purification and sewage treatment plants in the government sector, for power plants, ironworks and plants in the private sector, and overseas.

Butterfly valves, resilient seated gate valves, sleeve valves, emergency shutoff valves for water tanks, various control valves
Butterfly valves for power plants, discharge valves, various flow control valves, valves for ironworks, pre-action valves for sprinkler systems

Machinery system business

Plant Engineering & Machinery Division



Our industrial equipment supports production lines in various industries, and plays a part in bringing products to the world. We also make broad contributions to society by supplying from individual machinery to total engineering.

Crushers, pulverizers, classifiers, granulators, dryers, calciners, mixers/kneaders/dispersers, devolatilizers, reactors, solvent recovery equipment, plant engineering (binary cycle power plants, biomass power plants, metal mining), warm-/hot-forging press machines, peripheral devices for forging press machines, bending rolls

Materials & Machinery Division



With crushing technology and material technology, we offer products that play an active role in a wide range of industries, such as aggregates, iron and steel, power, cement and railway transportation.

Railroad car brake components
Crushers, pulverizers, conveyors, wear-/heat-resistant castings for industrial equipment, wear-resistant pumps, classifiers

Industrial materials business

Construction Materials Division



We offer a wide variety of products, along with quick delivery, to meet customer expectations.

Spiral ducts, various flexible ducts, Silent Flex, various noise-reduction products, winding sheaths, polyethylene sheaths, stainless steel drain pipes, winding pipes, voided slabs, various earthquake-proof products, through-hole reinforcing bar (Super Harry Z), main rebar through-hole sheaths, corrugated cardboard ducts (Corru-Air Duct), noise-reduction/soundproofing services (measurement, design, manufacture, installation, verification), translucent noise-absorbing screens (Viewstone), semi-precast products (Kaiser Slab, Kaiser Balcony), precast stair systems
Spiral ducts, stainless steel ducts, Super Spiral, Premium spiral ducts, winding pipes, noise-reduction/soundproofing services (measurement, design, manufacture, installation, verification)

Plastic Products Division



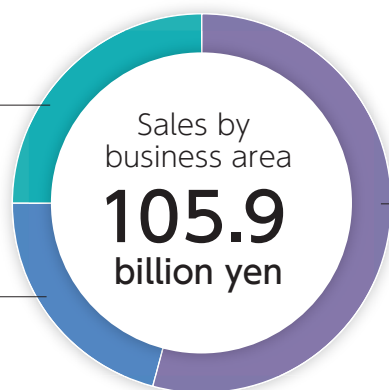
The Polycon FRP series offers a flexible and wide range of applications for efficient use of FRP functions. We aim to have truly reliable manufacturing processes, and we contribute to the installation of social infrastructures on a wide scale.

Fiberglass-reinforced plastic mortar (FRPM) pipes, fiberglass-reinforced plastic (FRP) pipes, FRPM panels, FRP pultrusion products, various synthetic resin molded products
FRP core; FRP parts for machinery, equipment, and vehicles

Overview of Business Operations

Industrial materials business
26.3 billion yen (24.9%)

Machinery system business
22.0 billion yen (20.9%)



Lifeline business
57.4 billion yen (54.2%)

Lifeline business

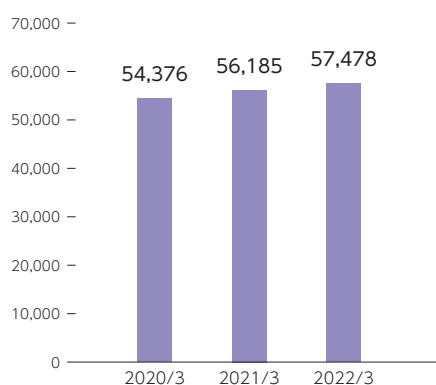
Sales **57.4 billion yen**

Sales from the lifeline business increased from the previous consolidated fiscal year by 1,292 million yen to 57,478 million yen due to reasons including growth in shipments of ductile iron pipes and related items, which are one of our flagship products from the Ductile Iron Pipe Division.

Although the revenue increased, operating income decreased from the previous consolidated fiscal year by 71 million yen to 3,016 million yen despite efforts to reduce various costs due to reasons including increases in the prices of raw materials.

■ Sales

(Million yen)



Machinery system business

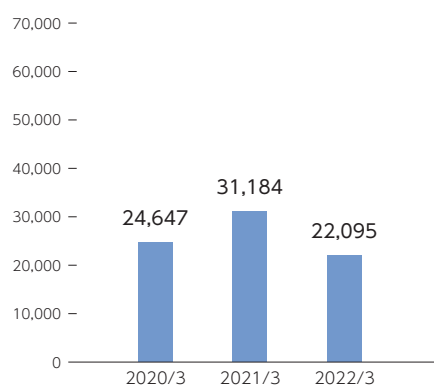
Sales **22.0 billion yen**

Sales from the machinery system business dropped from the previous consolidated fiscal year by 9,089 million yen to 22,095 million yen due to reasons including the significant revenue decline caused by a decrease in shipments for large projects in the Plant Engineering and Machinery Division.

Operating income decreased from the previous consolidated fiscal year by 173 million yen to 437 million yen. While the revenue dropped greatly in the Plant Engineering and Machinery Division as mentioned above, the decline in operating income was reduced due to reasons including a decrease in unprofitable construction work in plant projects.

■ Sales

(Million yen)



Industrial materials business

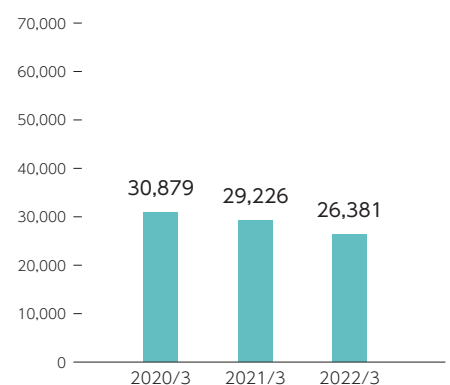
Sales **26.3 billion yen**

Sales from the industrial materials business decreased from the previous consolidated fiscal year by 2,844 million yen to 26,381 million yen due to reasons including a substantial sales decline as a result of fewer sales for subsidiaries of the Construction Materials Division during this term, as well as a decline in shipments, mainly those for the power industry, from the Plastic Products Division.

Operating income decreased from the previous consolidated fiscal year by 33 million yen to 1,040 million yen due to the large impact of increases in the prices of raw materials, as well as the revenue decline in the Construction Materials Division and the Plastic Products Division, despite efforts to reduce various costs.

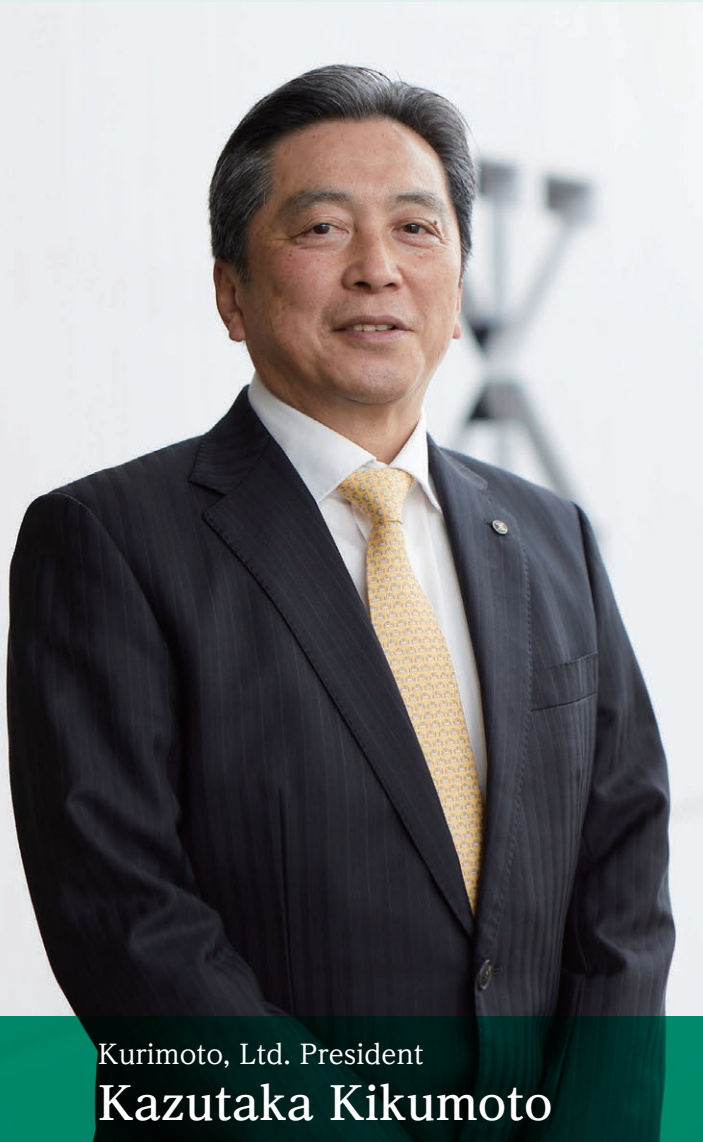
■ Sales

(Million yen)



To Stakeholders

We will work together to further develop a corporate culture of taking on challenges actively and bravely



Kurimoto, Ltd. President
Kazutaka Kikumoto

I would like to express my heartfelt gratitude for your continued support of the business operations of our Group.

Since its founding in February 1909 to manufacture cast iron pipes with casting technology for water supply systems, Kurimoto has worked to develop the social infrastructure and expand and improve industrial and infrastructural facilities for 113 years to establish a society where people can live safely and comfortably. I sincerely appreciate the support and patronage of the stakeholders for our Group.

The recent business environment surrounding Kurimoto has become even more chaotic. Although more than two years have passed since the COVID-19 outbreak was confirmed, the virus continues to mutate with the repeated rise and fall in the number of infections and shows no sign of abating yet. In the meantime, the situation for the global economy has become even more uncertain since the Russian invasion of Ukraine, which has also had negative impacts on the world economy including increases in the prices of crude oil, natural gas, etc.

Despite these circumstances, in our consolidated performance for fiscal 2021, which was the first fiscal year for our current three-year mid-term business plan, we achieved the target operating income although sales were lower than the target set at the beginning of the term.

Nevertheless, both sales and operating income decreased from the previous fiscal year and some segments had resulted severe outcome due to the uncertain business environment.

To achieve steady and sustainable growth when the future is so uncertain, it is necessary to enhance durability to uncertainty. It is especially important to avoid the risks of supply chain disruption and enhance its sustainability. In the meantime, the changes in the social environment caused by COVID-19, etc. also provide us with good opportunities to solve our challenges. Therefore, in our current three-year mid-term business plan, we will work to further strengthen the foundation of our existing businesses under the management policy to “Reorganize our businesses to adapt to the new normal and also establish a system with an eye to long-term business management” and aim to enhance our business base by promoting the human resources strategy as well as CSR management involving SDGs and ESG so that we can accelerate the growth of our new businesses, achieve sustainable business growth and increase profitability.

As a result of the reorganization of the Tokyo Stock Exchange on April 4 of this year, Kurimoto is now listed on the Prime Market. As a company listed on the Prime Market, we will be required not only to do our best for sustainable growth but also to enhance the governance system, make social contributions, consider the environment, etc. even more than before. In response, our Group will work together as “Team Kurimoto” to further develop a corporate culture of taking on challenges actively and bravely and always provide the most appropriate systems

Management Principle

We will meet the trust and expectations of all stakeholders, always provide suitable systems and create a "future with dreams."

(with a combination of products, structure, know-how, services, etc.) for customers without rushing, overexerting ourselves or giving up.

We will not be afraid of changing but continue to change for aiming to create a better future for people and society, as we did before.

Dividend

We regard the return of profits to shareholders as one of the most important policies and adopt a basic policy of making stable and continuous payment of dividends.

As a result of a comprehensive evaluation of our business results, business environment and other factors for the year ended March 2022, we paid a year-end dividend of 35 yen per share for the year ended March 2022.

February 2019 marked the 110th anniversary of Kurimoto. I am grateful for our stakeholders because we would not have been able to maintain our business activities for such a long period without their support and guidance.

I sincerely ask for your continued and enhanced support.

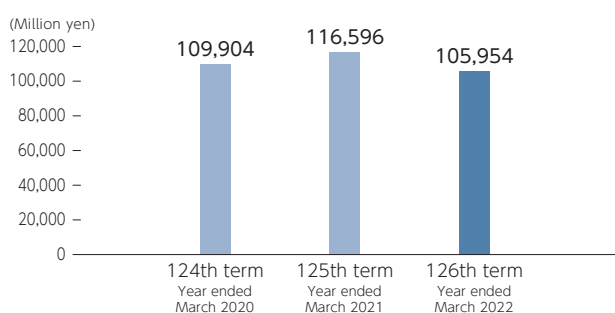
Financial Highlights

In our Group's business performance for this consolidated fiscal year, despite growth in the shipments of ductile iron pipes, which are one of our flagship products, in the lifeline business, net sales decreased from the previous consolidated fiscal year by 10,642 million yen to 105,954 million yen due to reasons including decreased shipments in the machinery system business and industrial materials business.

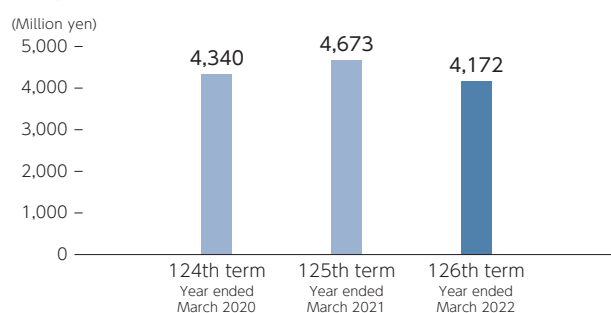
On the profit and loss, with the impact of a decrease in operating income as a result of the revenue decline in the machinery system business and industrial materials business, as well as a drop in the profit margin in the lifeline business, operating income stood at 4,172 million yen (a decrease of 501 million yen from the previous consolidated fiscal year) and current earnings were 4,179 million yen (a decrease of 404 million yen from the previous consolidated fiscal year). Current net income attributable to equity holders of the parent company was 2,917 million yen (a decrease of 256 million yen from the previous consolidated fiscal year) with the reversal of allowance, the payment of corporate income and other taxes, etc.

Current net income per share declined from 260.42 yen to 239.17 yen. Net assets per share grew from 5,245.94 yen to 5,436.86 yen.

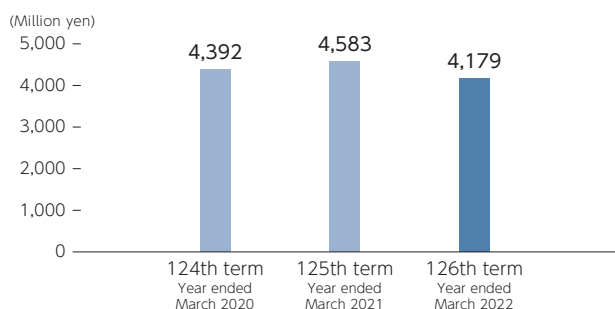
■ Sales



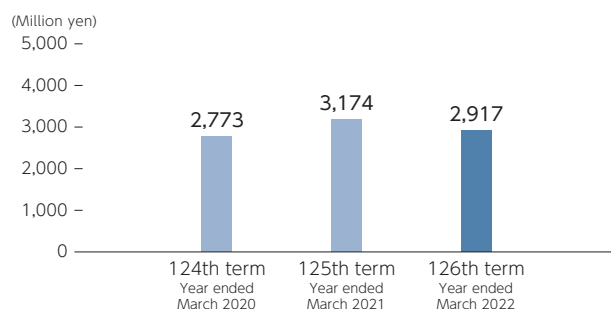
■ Operating income



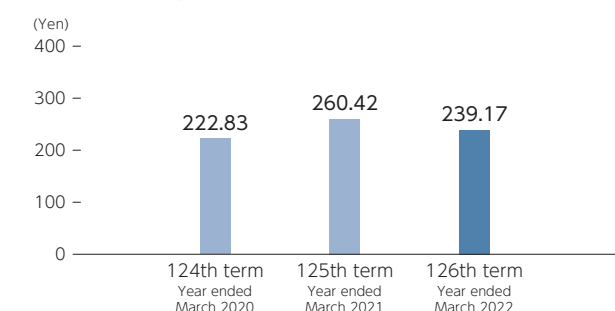
■ Current earnings



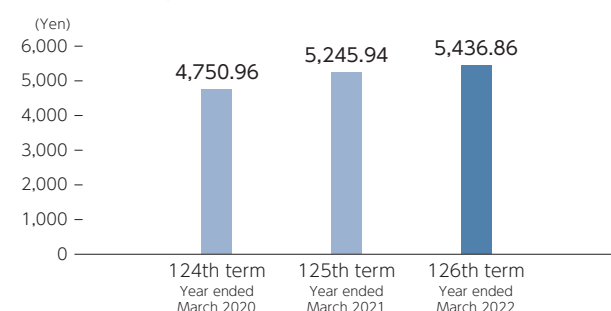
■ Net income



■ Net income per share



■ Net assets per share



Consolidated Financial Statements

■ Assets, liabilities and net assets

Gross assets at the end of this consolidated fiscal year grew by 5,245 million yen, to 139,722 million yen.

Current assets increased by 6,515 million yen, to 89,149 million yen, while fixed assets decreased by 1,270 million yen, to 50,573 million yen.

Liabilities grew by 2,736 million yen, to 72,102 million yen. While current liabilities increased by 4,302 million yen, to 61,846 million yen, fixed liabilities declined by 1,566 million yen, to 10,256 million yen.

Net assets grew by 2,508 million yen, to 67,619 million yen.

■ Cash flows

Cash and cash equivalents increased from the end of the previous consolidated fiscal year by 939 million yen, to 21,299 million yen. Net cash provided by operating activities was 2,813 million yen and net cash used in investment activities was 2,455 million yen, while net cash provided in financial activities was 482 million yen.

* For details, please see the earnings digest and securities report.

■ Consolidated Balance Sheets

(Million yen)

Item	This fiscal year	Previous fiscal year
	As of March 31, 2022	As of March 31, 2021
(Assets)		
Current assets	89,149	82,634
Fixed assets	50,573	51,843
Tangible fixed assets	32,525	32,886
Intangible fixed assets	1,773	1,852
Investments and other assets	16,274	17,103
Total assets	139,722	134,477
(Liabilities)		
Current liabilities	61,846	57,543
Fixed liabilities	10,256	11,822
Total liabilities	72,102	69,366
(Net assets)		
Shareholders' equity	63,287	61,271
Capital stock	31,186	31,186
Capital surplus	6,873	6,873
Retained earnings	27,029	25,028
Treasury stock	△ 1,802	△ 1,817
Total accumulated other comprehensive income	3,054	2,695
Valuation difference on available-for-sale securities	3,256	3,306
Deferred gains or losses on hedge	1	—
Foreign currency translation adjustment	44	△ 52
Remeasurements of defined benefit plans	△ 247	△ 558
Non-controlling interests	1,277	1,144
Total net assets	67,619	65,111
Total liabilities and net assets	139,722	134,477

■ Consolidated Statements of Income

(Million yen)

Item	This fiscal year	Previous fiscal year
	From April 1, 2021 to March 31, 2022	From April 1, 2020 to March 31, 2021
Net sales	105,954	116,596
Cost of sales	80,615	90,582
Gross profit	25,338	26,014
Selling, general and administrative expenses	21,166	21,341
Operating income	4,172	4,673
Non-operating income	662	622
Non-operating expenses	655	711
Current earnings	4,179	4,583
Extraordinary income	271	18
Extraordinary loss	69	63
Income before income taxes and minority interests	4,381	4,538
Income taxes - current	727	1,174
Income taxes - deferred	577	13
Total income taxes	1,304	1,188
Net income	3,077	3,350
Net income (loss) attributable to non-controlling interests	159	176
Net income attributable to equity holders of the parent	2,917	3,174

■ Consolidated Statements of Cash Flows

(Million yen)

Item	This fiscal year	Previous fiscal year
	From April 1, 2021 to March 31, 2022	From April 1, 2020 to March 31, 2021
Net cash provided by (used in) operating activities	2,813	5,907
Net cash provided by (used in) investing activities	△ 2,455	△ 4,034
Net cash provided by (used in) financing activities	482	△ 1,815
Effect of exchange rate changes on cash and cash equivalents	99	△ 28
Net increase (decrease) in cash and cash equivalents	939	28
Cash and cash equivalents at beginning of year	20,359	20,330
Cash and cash equivalents at end of year	21,299	20,359

Corporate Philosophy

The Kurimoto Group performs business activities in accordance with the principles specified in its Corporate Philosophy, such as conservation of the global environment and protection of social infrastructure.

Corporate Philosophy

1. We respect and value Earth, its water, air and life, and we will protect social infrastructure.

The Kurimoto Group is committed to environmentally responsible manufacturing. We seek to perform production activities in an environmentally friendly manner and make efforts to save energy and resources and to promote recycling. Mainly through creation of infrastructure that underpins people's life, we continue to make contributions in the business areas that support human society. (Infrastructure comprises vital lifelines including water supply and sewage systems, gas, electricity, communications, roads and railways.)

2. We offer “reassurance” in response to society and to our customer's trust.

The Kurimoto Group has been offering reassurance to society for 100 years, since its foundation. Without our customer's trust, we would not continue to exist. Based on the trust built over many years through concentration on solid business operations without involvement in risk-prone business activities, we offer “total quality services” (combination of high value, high quality and high level services) to further enhance the trust. We aim to maximize the trust we receive through the combination of quality, prices, delivery, maintenance and services so that we can provide reassurance at an even higher level.

3. We listen to our customers, learn from our customers, further develop and innovate technology, and offer original “optimal systems” to our customers.

In cooperation with customers, the Kurimoto Group demonstrates entrepreneurship based on the worksites. Kurimoto's original technology is enhanced and expanded with new technology to pursue manufacturing with commitment to customer satisfaction. We do not simply produce and sell goods but also offer the values appreciated by customers. The original technology we propose is also original to customers, and they can create original value by adopting our original technology.

4. We aim for the happiness of our employees and of mankind, through manufacturing products.

Corporate activities begin with pursuit of the happiness of people. We focus on manufacturing that truly supports human society, and realize improvement of working conditions and welfare of employees while contributing to society. Setting pursuit of people's happiness as a basic goal for business management, we work for business growth and social development.

5. For the implementation of the above, we ensure strict compliance, harmonize inheritance and changes, respect individuality and ingenuity, and work hard to contribute to society and to the development of business.

Inheriting history and tradition, we make efforts to ensure strict compliance in business operations, respond to changes of the times, implement continual improvement and innovation and pursue both development of the business and contribution to society (CSR activities) in a well-balanced manner.

Three-Year Mid-Term Business Plan

In the three-year mid-term business plan developed by the Kurimoto Group, while firmly maintaining the existing business base, we will go even further in the areas in which we went beyond the borders in the previous three-year mid-term business plan to accelerate the expansion of our business.

Three-year mid-term business plan (2021 to 2023)

While maintaining the existing business base, we are promoting our business based on the three-year mid-term business plan (2021-2023) to accelerate business expansion in areas that crossed borders in the previous three-year mid-term business plan, and to go even further.

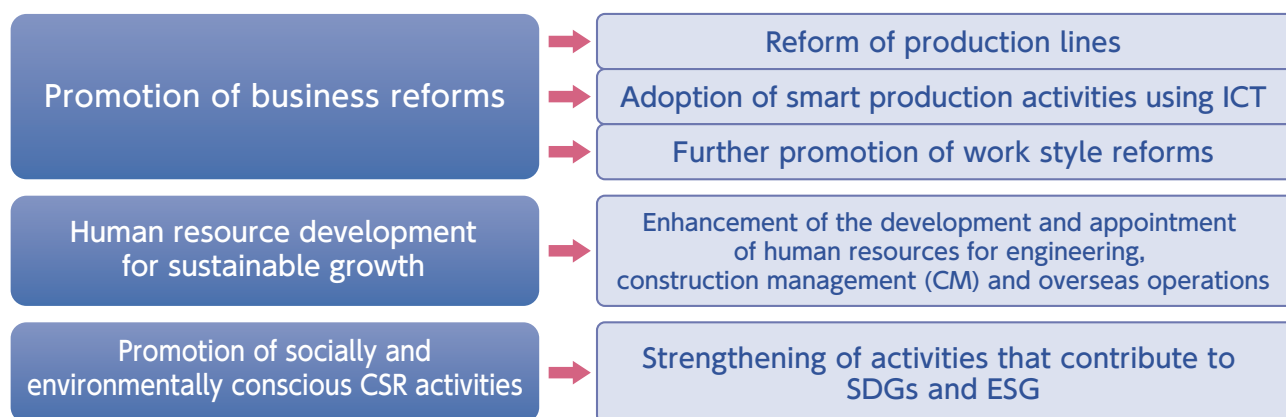
Management Principle

We will meet the trust and expectations of all stakeholders, always provide suitable systems and create a "future with dreams."

● Three-year mid-term management policy

Reorganize our businesses to adapt to the new normal and also establish a system with an eye to long-term business management

The business environment surrounding our Group has been changing dramatically due to the threat of the novel coronavirus. We will adapt to such social and environmental changes and establish a system that is sustainable in the medium to long term.



● Direction of the business

① Provision of optimal solutions toward the achievement of national resilience

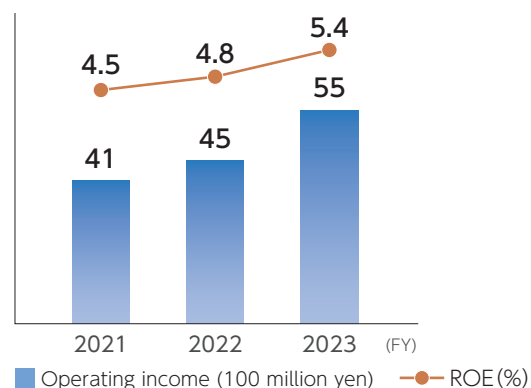
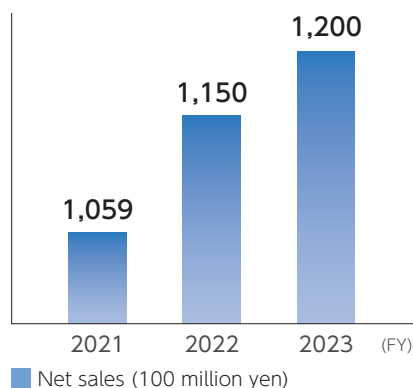
Values provided by Kurimoto	Social trends
Design, construction, survey, maintenance and other solutions for the pipelines that support social infrastructure	Water supply and sewage systems <ul style="list-style-type: none"> • Promotion of the five-year acceleration measures (to make them earthquake-proof) • Increase in the integrated ordering of design and construction Agricultural water and industrial water <ul style="list-style-type: none"> • Increase in aging pipelines
New technologies and construction work and other solutions that contribute to the management and maintenance of highways and bridges	Roads, bridges and railways <ul style="list-style-type: none"> • Aging of road structures • Rapid growth of demand for maintenance and repair

② Provision of optimal solutions to realize a carbon-free society

Values provided by Kurimoto	Social trends
Products and solutions for the renewable energy market (biomass power generation, small hydropower generation, hydropower generation, wind power generation, etc.)	Energy <ul style="list-style-type: none"> Expansion of renewable energy-related businesses
System for the continuous production of highly functional resins and composites that help reduce the weight of products, and composite materials Innovative technology for the continuous mass production process in the secondary battery market	Moving devices <ul style="list-style-type: none"> Growth in demand for lightweight and high-strength materials to reduce the weight and improve fuel efficiency Acceleration of activities for the shift to EVs on a global scale

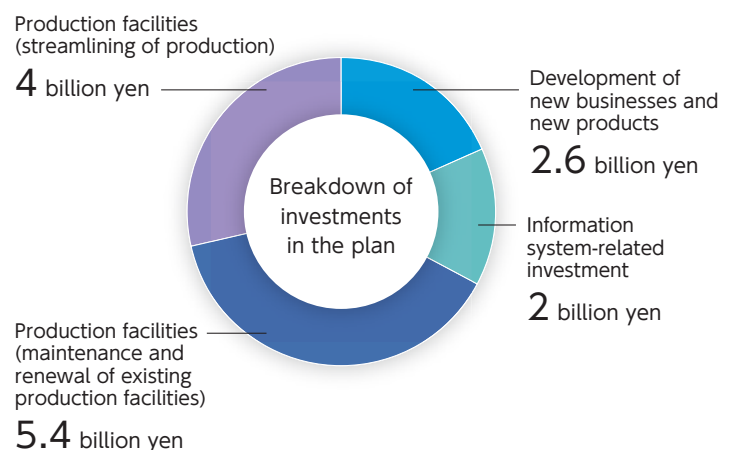
● Performance targets

This plan aims to achieve net sales of 120 billion yen, operating income of 5.5 billion yen (operating margin of 4.6%) and return on equity (ROE) of 5.4% in fiscal 2023.



● Investment plan

We plan to invest approximately 14 billion yen over the three years by using the cash flow from operations in the period of this three-year mid-term business plan. Specifically, investments will be made for sustainable growth, including 4 billion yen in the streamlining of production facilities, 2.6 billion yen in the development of new businesses and new products and 2 billion yen in IoT and other systems.

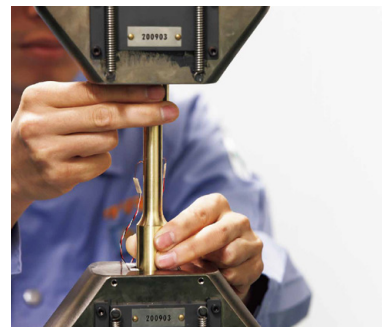


● Dividend

We have set the target of achieving the dividend ratio of more than 30% to ensure that the return to stockholders meets expectations in the financial market while also considering the balance between it and investments for growth.

Research and Development

With a research and development system to build the future, we will meet the needs of the times by technology and create new values.



Main R&D activities

The Kurimoto Group is earnestly committed to research and development activities in the underlying business domains of "Social Infrastructure" and "Industrial Equipment" under the corporate philosophy that we should contribute to the happiness of mankind through the provision of useful products and services.

We have further enhanced the coordination between the corporate R&D section (Kurimoto Center for Innovative Technology) and individual divisions in recent years with an aim to generate outcomes of R&D activities quickly for the creation of new businesses. While promoting technological development that is directly linked to the market, we are working to develop unique highly functional materials and their production processes.

Field	Subject	Outline
Social infrastructure	Development of products for making water pipelines earthquake-proof and improvement of the efficiency of water pipeline work management using ICT	<p>While it is an important task to make pipelines more earthquake-proof in Japan, in which earthquakes occur frequently, only 40.7% of the pipelines in the country are earthquake-proof at present. Nevertheless, progress in the renewal of pipelines has been slow while they are aging year by year. As a result, the ratio of the pipelines that have exceeded their service life has already increased above 19.1%. In this context, we are enhancing our lineup of GX type anti-seismic pipes (with the diameter ranging from 75 mm to 450 mm), which feature a long service life, and working to increase their sales to help promote the renewal and earthquake-proofing of pipelines. Ordinance-designated cities across Japan and many other entities have adopted them.</p> <p>We will also satisfy various requests from customers with the lineup of NS type E class pipes (with the diameter ranging from 75 mm to 150 mm), which are lower-cost and more lightweight, in addition to GX type pipes, as well as our original "hybrid system construction method" for projects to renew medium- and large-diameter pipes and a similar construction method called "DSW construction method," and aggressively work to increase their sales in the market.</p> <p>Moreover, we have worked to develop an ICT-based water pipeline work construction management system that helps improve work efficiency in response to issues caused by a decline in water demand due to the recent depopulation, the shortage of engineers in both public and private sectors and difficulty in passing down techniques. Specifically, the system aims to improve work efficiency through automatic preparation of construction documents and sharing of information on the cloud on a real-time basis by entering information on construction sites to mobile terminals such as smartphones and tablets. We thus strive to reduce the water supply operation cost to help promote the renewal and earthquake-proofing of aging pipelines.</p>
	Introduction of FRP(M) material recycling facilities and a new entry into the field of bridge repairing	<p>Using continuous FW molding technology* as the core technology, we have manufactured and sold FRP(M) pipes mainly for the infrastructure market including power cable protection pipes, sewage pipes and agricultural water pipes. However, in recent years, a number of piping for infrastructure are reaching the end of their service life and the quantity is increasing. Therefore, there is a growing need for technologies for recycling the used piping materials discarded at the time of their renewal.</p> <p>Accordingly, using our know-how in calcining and pulverizing equipment, as well as our technological capabilities on materials, we will develop technologies for the recycling of used piping materials, scrap materials and wood waste etc., discharged from production activities in plants and promote circular recycle FRPM materials with the introduction of new equipment. In addition, as to the field of bridge maintenance and repairing, we will use pultrusion technologies to promote the market launch of lightweight and corrosion-resistant new products. We will also accelerate the development of FRTP bolts, which are highly demanded in a corrosive environment, to launch them on the market.</p> <p>bolts, which are highly demanded in a corrosive environment, to launch them on the market.</p> <p>* FW (filament winding) molding is a type of FRP molding method.</p>

Field	Subject	Outline
Industrial equipment	Development of process facilities for secondary batteries	In anticipation of the global expansion of the secondary battery market including the shift of car manufacturers to EVs, we have promoted experimentation, research and sales activities to aggressively introduce devices, systems and plants into the market of secondary battery-related production equipment since 2011. In addition to the promotion of marketing and PR activities, we are committed to the acquisition and establishment of technological know-how on various battery materials, which are being developed with rapid evolution, as well as the improvement and cost reduction of devices, and their sales performance has been good. We also established a plant dedicated to the assembly of powdering equipment in fiscal 2021. Moreover, we will install equipment to knead slurry for batteries (dry room) using the technologies we cultivated in our powder device business over many years, as well as equipment to dry, calcine and crush battery materials, in the test center in Kurimoto's Sumiyoshi Factory, and implement research and development through demonstration experiments for customers, along with voluntary experiments, in the test center. We will further improve those products with creative ideas and efforts and promote sales activities in Japan and overseas.
	Development of application technology of servo presses	We have developed wet clutch brakes and servo presses in recent years and accumulated a track record in delivering them. We are also working on composite molding to combine servo presses with hydraulic systems and are pursuing the development of forging technology for it. In addition to the M2M (remote monitoring system) we developed several years ago, we are also developing visualization to grasp the conditions of the presses and enhance maintainability. We plan to enhance our marketing activities with a focus on these two technologies.
Composite project	Development of a high-cycle molding system of carbon fiber reinforced plastic (CFRP) and moldings	<p>Carbon fiber reinforced plastic is a lightweight and strong material and has been applied to various areas and products to replace metal products and parts in recent years. However, for more widespread use in car parts and other familiar products, the material has to solve various issues including the reduction of the manufacturing cost, the shortening of the production cycle and the enhancement of quality control.</p> <p>Based on the technologies to manufacture kneading machines, presses and other equipment, as well as a top-level track record in FRP molding in Japan, we promote the development of a unique CFRP mass production technology to solve those challenges. As main initiatives, we have introduced demonstration molding equipment for the Carbon-LFTD system*1, high-cycle RTM system*2 and CFRP pultrusion technology and promoted the development of total solutions covering the overall procedures from the design, trial production and mass production of specific CFRP parts to equipment.</p> <p>With the establishment of the Kurimoto Composite Center as a new development base facility in 2019, we have developed a system that can respond to various demands ranging from large-size parts trial production to small-quantity production. In addition, the development of large forming machines has enabled large-size trial production and verification of Carbon-LFTD and high-cycle RTM at the actual product level (1.5 m x 1.5 m). We will make effective use of the newly introduced equipment to develop businesses in the fields of forming equipment and parts forming.</p> <p>*1 Carbon-LFTD system: CFRTD molding system to directly knead carbon fiber roving and thermoplastic resin, which are raw materials, and press and mold them</p> <p>*2 High-cycle RTM system: molding system to impregnate laminated carbon fiber sheets with thermosetting resin by injecting it into the sheets and heating and hardening the resin</p>
Kurimoto Center for Innovative Technology	Development of magneto-rheological fluid (MRF)	<p>Magneto-rheological fluid is a functional fluid with fine iron particles dispersed in oil. This fluid becomes more viscous rapidly to be semi-solid when a magnetic force is applied while returning to a liquid state when the magnetic force is removed. Using this characteristic, the fluid is used practically in car dampers, etc. We have developed a new MRF with nano-sized fine iron particles (marketed under the trade name of SoftMRF®), which are smaller than conventional ones, and are working to apply it to rotating devices, in which MRF has rarely been used. The nano-sized fine iron particles improve the re-dispersibility and durability of the fluid. The devices using this fluid have excellent response performance to agile magnetic changes, enabling them to provide a realistic haptic sense.</p> <p>Using these features, SoftMRF® has been adopted in joint parts of lower limb orthosis and parts of virtual reality (VR) activity and gaming consoles. Based on the track record in the adoption, while promoting the expansion of the adoption in the entertainment industry, we will pursue the diversification of fluids and the development of stable production technology that realizes both cost reduction and quality improvement with the aims of expanding the scope of application through the practical use in industrial sectors and other activities, as well as gaining a competitive advantage and increasing our brand power in the haptics market, which is expected to expand. We also plan to promote the standardization and sales of haptic devices* using SoftMRF®.</p> <p>* Haptic devices: The academic discipline where tactile sense and kinesthetic sense obtained by people with hands, etc. are treated as information is called haptics. Here, haptic devices are the devices that can mainly give kinesthetic sense artificially using nano-MRF.</p>

Main Research Facilities

• Kurimoto Center for Innovative Technology

Playing a core role in manufacturing, the Kurimoto Center for Innovative Technology is an R&D division that combines the creative abilities of the whole company.

While inheriting the DNA of Kurimoto's material technology, this research institute practices "boundary-crossing" initiatives such as the development of nanotechnology and environmentally friendly materials.

The center is also committed to the development of parts and devices that make the best use of the functions of materials while using joining, anti-corrosion, and other peripheral technologies in addition to material technology.



• Additional Research Facilities and Equipment



Acoustic experiment building



Hydraulic test site



Composite cycle testing equipment



Electronic microanalyzer



Scanning electron microscope

* For other R&D information, see the "Technology Development" pages of our website. Also published is "Kurimoto Technical Report," a collection of papers that introduce the results of our R&D activities as well as new products and new technologies.

Composite Project

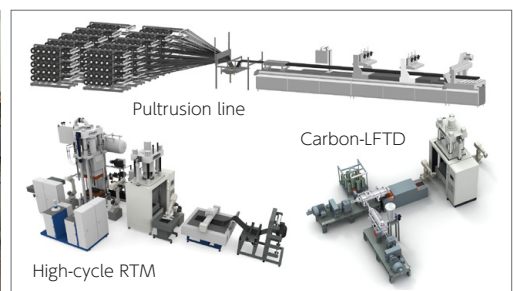
Creating new advanced materials using Kurimoto's core technologies—
Developing and commercializing CFRP in collaboration with customers and affiliated manufacturers.

• Kurimoto Composite Center

The Kurimoto Composite Center was established in November 2019 as a development base for CFRP (carbon fiber reinforced plastic) and related technologies. The Center has demonstration lines for Carbon-LFTD (long fiber thermoplastic direct molding), high-cycle RTM (resin transfer molding), and FRP pultrusion, which can be used for development and prototyping towards eventual mass production. It also has an in-house developed FRP molding press (capacity: 10 MN) that can manufacture large parts.



HR4-10SP FRP molding press



Manufacturing systems

Intellectual Property Initiatives

Considering intellectual property as an essential component of management resources, the Kurimoto Group promotes the active acquisition and use of intellectual property and respects intellectual property of other companies for the sustainable development of its business activities.

In fiscal 2021, to further promote the use of intellectual property, we launched intellectual property strategy activities that are much more innovative than conventional activities.

Representative activities are presented below.

Specific Activities

Creation and Use of Intellectual Property

We are committed to the following activities to promote the creation and use of strong intellectual property rights that support our business and R&D activities.

● Visualization of intellectual property

We sort out our intellectual property, as well as that of other companies, by product and by technology and analyze the strengths and weaknesses to reflect the results in our business and development strategies.

● Improvement of internal training

We have further improved the training program for divisions to create more valuable intellectual property and strengthen our abilities to use the property.

Strengthening and Promotion of the Intellectual Property Strategy

We have established the Intellectual Property Strategy Group, which is responsible for supporting the development and execution of the intellectual property strategy, as the core section for the strengthening and promotion of the strategy.

● Promotion of the intellectual property strategy

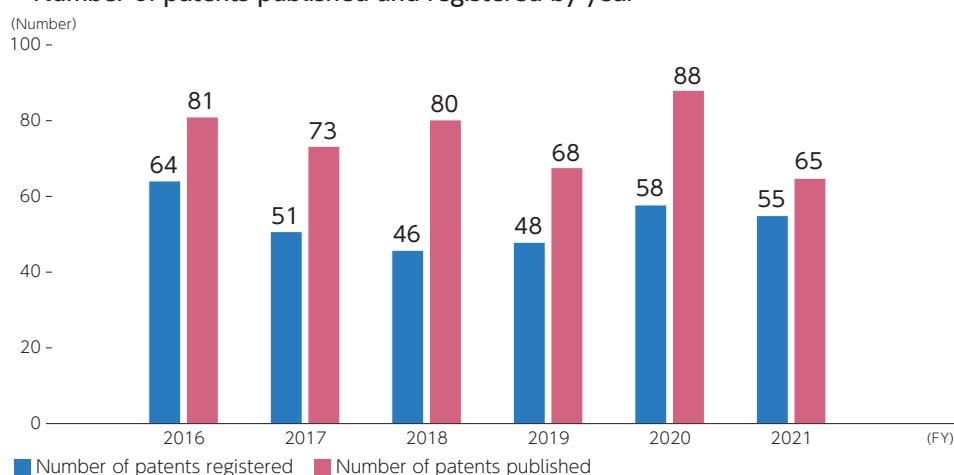
We take intellectual property measures linked to our business strategy, such as the proposal of a policy for the establishment of a patent portfolio in anticipation of future businesses and the support of the creation of a strategic alliance with external partners, through close communication between the Intellectual Property Strategy Group and divisions.

Situation of Patent Application

We promote a series of intellectual property activities from preceding investigation to the identification of inventions and acquisition of rights to them in parallel with research and development activities through close cooperation between divisions and the intellectual property department to support the prompt and comprehensive creation of intellectual property rights that are essential for the achievement of our business and development strategies.

While further enhancing the cooperation between divisions and the intellectual property department, we will continue to perform intellectual property activities integrated with our business strategy.

■ Number of patents published and registered by year



* The number of patents published refers to the number of patents for which the content of the application was published approximately 18 months after the application based on the application publication system.

* The number of patents registered refers to the number of patents to which a patent right was established through the examination of the application.

CSR Management

To further accelerate the CSR management of the Kurimoto Group, the CSR Committee, the Compliance & Risk Management Committee and other committees have been established.

Organization to Promote CSR Management

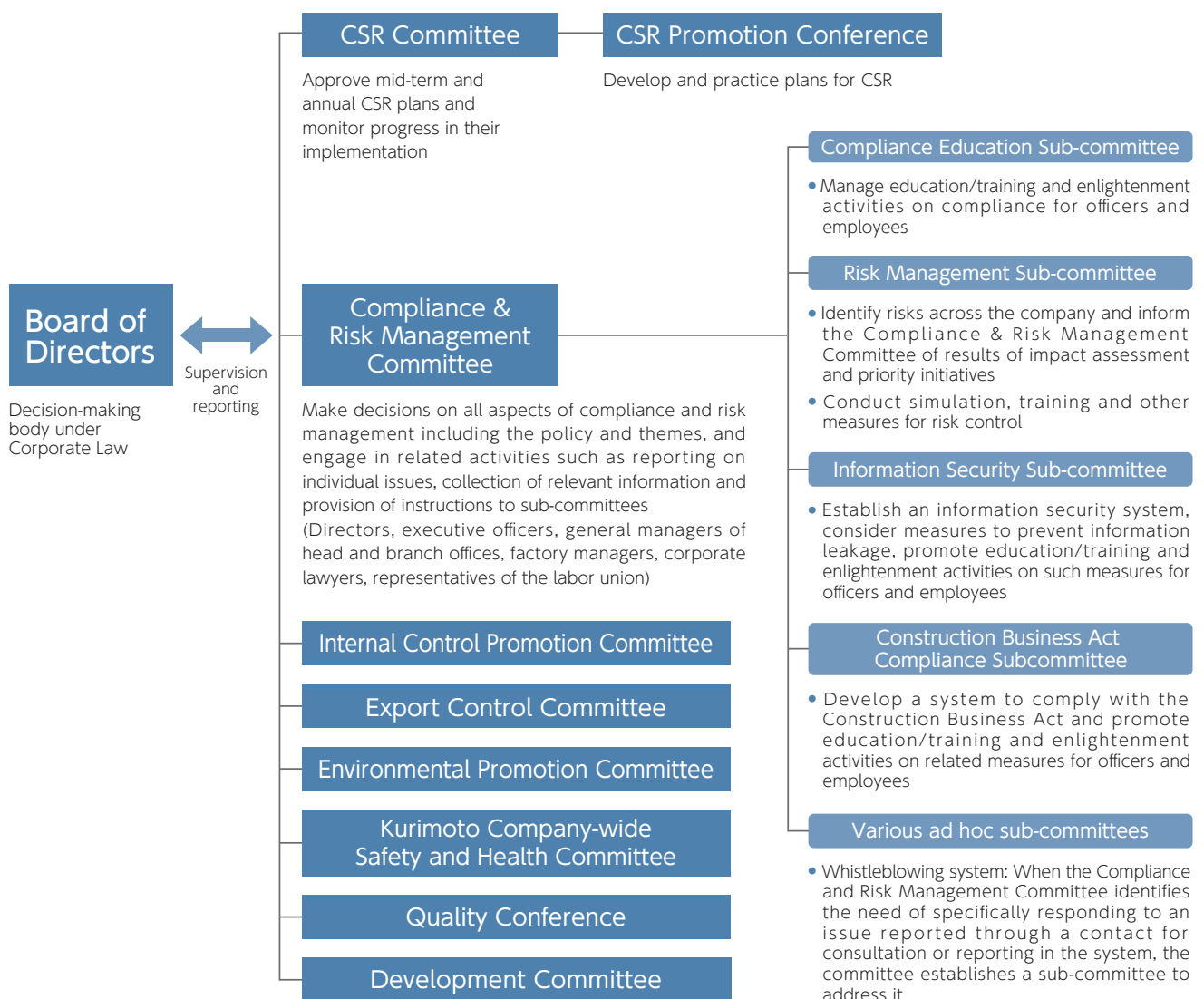
We have set our corporate creed as the starting point for our business management and have been practicing CSR management to pursue the achievement of the management principle "We will meet the trust and expectations of all stakeholders, always provide suitable systems and create a 'future with dreams' ". We will continue to work for the realization of the sustainable growth of the Kurimoto Group by contributing to the achievement of a sustainable society.

To further accelerate those efforts, the CSR Committee, which is chaired by the President and composed of directors, executive officers, general managers and representatives of the labor union, has been established to

discuss measures to address climate change and various other ESG issues, develop policies for them and manage progress in various activities related to CSR management.

In addition, to maintain a system for compliance and risk management that underlies our CSR management, and to promote the activities, we have established the Compliance and Risk Management Committee chaired by the President, this committee makes decisions on all aspects of compliance and risk management including the policy and themes for the Kurimoto Group. Other committees have also been set up to address various challenges for the Group as a whole and perform activities to solve their respective challenges.

Organization Chart of the Promotion of CSR Management



Corporate Governance

We are enhancing the system to promote corporate governance mainly through the establishment of the Nomination and Remuneration Committee, which aims to enhance the independence and objectivity of the functions of the Board of Directors, as well as its accountability, the establishment of the Management Conference, which complements the Board of Directors, transfer of part of the authority for business execution to executive officers and the activities of the Audit & Supervisory Board.

Corporate Governance System

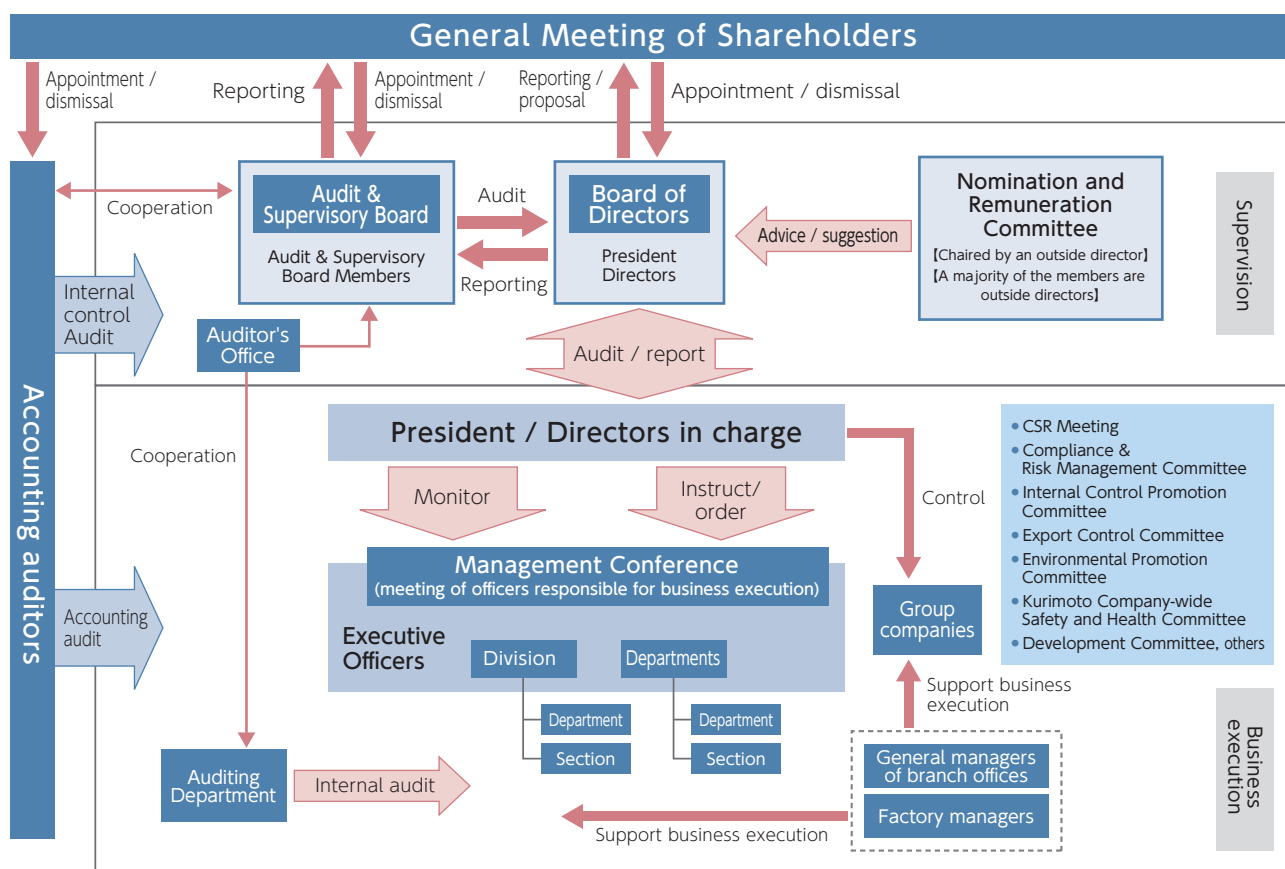
We adopt a corporate governance system based on the execution of duties by a Board of Directors composed of nine directors including three outside director as the supreme decision-making and supervisory body.

We have established the Nomination and Remuneration Committee chaired by an outside director to enhance the independence and objectivity of the functions of the Board of Directors, as well as its accountability, in relation to the nomination of directors, compensation for them, etc. In our system for business execution, the Management Conference, which is chaired by the President and composed of other executives as the members, has been established to complement the functions of the Board of Directors, such as sharing of management information of Kurimoto and other Group companies and progress management, and to facilitate speedy decision making and flexible and efficient business execution. We have also introduced an executive officer system to transfer part of the authority for business execution, which is a function of directors, to executive officers to relatively enhance the

management and supervisory function of directors.

We have in place the Audit & Supervisory Board as a corporate auditing organization. The board is currently composed of three audit & supervisory board members including two outside audit & supervisory board members. The audit & supervisory board members attend regular meetings of the Board of Directors, which are held on a monthly basis, extraordinary meetings of the Board of Directors and other important meetings to check the operation of the internal control and business execution, and state views to the Board of Directors when necessary to audit business execution of directors. We are strengthening the functions of the Board of Corporate Auditors by appointing dedicated staff to the Board of Corporate Auditors who are not subject to the direction and orders of directors and other management. In addition, the Auditing Department has been founded as an internal auditing section independent from the business execution sections to audit the business processes of the divisions and assess and verify their appropriateness.

Organizational Chart of the Corporate Governance System



Internal Control System

We seek to maintain and update the internal control system by formulating Corporate Standards of Conduct and Basic Policy for Establishment of the Internal Control System as the basic guidelines, and by implementing healthy and transparent management and enhancing internal audits and auditor's audits in accordance with the Regulations of the Board of Directors, Rules for Organization, Basic Rules on Risk Management, Rules on Compliance and Risk Management, Rules on Information Security Management and other regulations.

In addition, the Internal Control Promotion Committee has been established as a permanent organization to respond to the internal control reporting system based on the Financial Instruments and Exchange Act, which focuses on ensuring the appropriateness of financial reporting. This committee is also responsible for leading the internal control in the Kurimoto Group as a whole, and promotes improvement of the internal management system to prevent violation of laws and accounting errors and irregularities in a continuous manner.

Compliance and Risk Management System

We have established the Compliance and Risk Management Committee, which is chaired by the President and composed of directors, executive officers, general managers of branch offices and factories, as well as labor union representatives and corporate lawyers. This committee makes decisions on all aspects of compliance and risk management, including the policy and themes, and engages in related activities, such as reporting on individual issues,

collection of relevant information and provision of instructions to sub-committees. Its meeting is held once a month in principle. Four full-time sub-committees have been formed in the committee, and are in charge of planning and management of specific activities related to issues such as compliance education and risk management.

Whistleblowing system

To promote compliance and ensure fair business practices in the Kurimoto Group, we have established a whistleblowing system. Through this system, we aim to have the company promptly recognize any organizational or personal acts of dishonesty, violation or immorality and acts of harassment and detect and solve them early to further

enhance the self-cleaning actions of the Kurimoto Group. We have set up contacts for consultation and reporting on compliance as well as contacts for consultation on harassment. No one will be treated unfavorably and face any negative consequences for having had a consultation or made a report under this system.



Compliance Day

We have designated February 4 and May 23 of each year as Compliance Days; these are the days on which the Fair Trade Commission filed a criminal complaint against Kurimoto for violation of the antimonopoly law. To prevent recurrence of such misconduct, we have set up a Compliance Emphasis Week, which includes either of the

two dates, to implement activities to raise awareness of legal compliance across the Kurimoto Group.

Board of Directors

(as of June 28, 2022)

Directors

President	Kazutaka Kikumoto	
Chairman	Moriyoshi Kushida	
Director & Managing Executive Officer	Yoshiaki Shingu	In charge of group governance (safety, quality control, environment, auditing and consolidated affiliates), CSR, general affairs and legal affairs
Director & Senior Executive Officer	Akitoshi Oda	In charge of finance and human resources
Director & Senior Executive Officer	Yasuharu Yoshinaga	In charge of facilities and production
Director & Senior Executive Officer	Yoshihiro Uraji	In charge of overseas and composite project
Outside Director	Keiko Kondo	
Outside Director	Tomohiko Sato	
Outside Director	Kiyoshi Sawai	

Audit & Supervisory Board Members

Full-Time Audit & Supervisory Board Member	Minoru Murata	
Audit & Supervisory Board Member	Maki Arita	(Part-time)
Audit & Supervisory Board Member	Osamu Honta	(Part-time)

Executive Officers

























Senior Executive Officer	Shinya Kojima	General Manager, Corporate Strategy Division
Executive Officer	Takao Ueda	General Manager, Plastic Products Division
Executive Officer	Yasuji Noguchi	In charge of finance, internal control
Executive Officer	Hitoshi Marutani	Chief Executive Officer, Motoyama Eng. Works, Ltd.
Executive Officer	Liao Jinsun	General Manager, Technology Development Division
Executive Officer	Masanobu Mino	General Manager, Plant Engineering & Machinery Division
Executive Officer	Yasuo Sano	General Manager, Construction Materials Division
Executive Officer	Yasusi Tabuchi	General Manager, Valve Systems Division
Executive Officer	Hiroshi Fujimoto	General Manager, Materials & Machinery Division
Executive Officer	Soichiro Nakanishi	General Manager, Pipe Systems Division

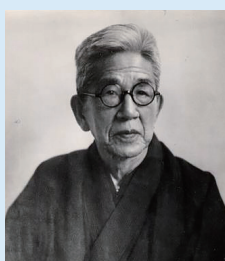
Contribution to the SDGs

The Kurimoto Group supports the sustainable development goals (SDGs), which are tackled by international society in a coordinated manner toward 2030, and contributes to the achievement of the goals through business activities in Japan and overseas.



Key ESG issues (materialities) of Kurimoto and SDGs

ISO 26000 core subjects	ESG items	Key ESG issues (materialities)	Initiatives of Kurimoto	
			Contribution to SDGs	Page
Organizational governance	G	Fair and healthy business operations	Strengthening of governance and prevention of corruption 	P.19~21
Human rights	S	Promotion of diversity and inclusion	  	P.30
Labor practices		Establishment of a productive and high value-added working environment	 	P.29~32
Fair operating practices		Fair transactions	Assessment and management in the supply chain  	P.23 P.26 P.34
Consumer issues		Supply of proper information on products and services	Supply of safe and reliable products and services	P.24~25
		Ensuring of quality, safety and reliability and establishment of a proper supply system	  	
		Proposal of optimal systems that lead to customer satisfaction	 	
Community involvement and development		Contribution to the local community	Good relationship with the local community  	P.28
The environment	E	Conservation of the global environment	Measures to combat climate change      	P.33~36
		Contribution to a recycling-based society	  	



Yunosuke Kurimoto

Desire of the founder

Kurimoto was founded approximately 110 years ago out of the desire of Yunosuke Kurimoto to deliver clean and sanitary water to all people in the world. This is exactly consistent with the Sustainable Development Goal 6 "Ensure availability and sustainable management of water and sanitation for all." In short, we have operated business activities aimed at ensuring that people in Japan and the world can have a safe and secure life since 110 years ago. The SDGs are nothing special for Kurimoto. As we did in the past, we will continue to provide products, services and optimal systems that are even more useful for international society.

A Lecture Session on CSR

While Kurimoto aims to promote “aggressive CSR management,” we invited Mr. Hidemitsu Sasaya, a CSR/SDGs consultant, as the lecturer and organized a lecture session titled “SDGs management in the era of ESG – SDGs are essential common knowledge for business” (Reference English title of Japanese) for the members of the CSR Committee on August 27, 2021 to deepen their understanding of the current situation of CSR and SDGs.

In the session, Mr. Sasaya explained the trends of CSR/SDGs management, the ESG/SDGs matrix he invented, as well as the addition of outgoing “Sanpo-yoshi” (three-way satisfaction of the buyer, the seller and society) to SDGs proposed by him, and also introduced examples of companies that are advanced in SDGs management.

While the session was presented online only due to the COVID-19 pandemic, participants improved their understanding through an active Q&A session after the lecture.

The lecture was also significant for Kurimoto because we aim at the sustainable growth of the company and society with the spirit of “Yonpo-yoshi” (four-way satisfaction), which makes it a goal to also satisfy “the future” in addition to the three-way satisfaction.



The lecture session improved our understanding of SDGs

CSR Training Sessions

We held three training sessions respectively titled “Strategic CSR basic training,” “Strategic CSR practical training” and “Workshop training” (Reference English title of Japanese) for the members of the CSR Promotion Conference, who play a key role in the promotion of CSR/SDGs management, and the support members elected from among the divisions, etc. Mr. Masaru Nakagawa, who is a chief instructor of the Japan Management Association, was invited as the lecturer.

In the basic training session, the participants learned the significance of working for CSR and SDGs, the relationships between them, the importance of considering strategic CSR as their own issue, etc. In the practical training session, they learned cases on materiality (material issues) and key performance indicators (KPIs) in other companies and then examined the revision of the Kurimoto CSR Activity Roadmap that we adopt at present.

The activities of the divisions and departments connected to the “draft materiality issues” were discussed in groups to establish strategic CSR activities.

In the workshop training session, the strategic CSR activities of each division identified in the practical training were discussed in groups to set KPIs.

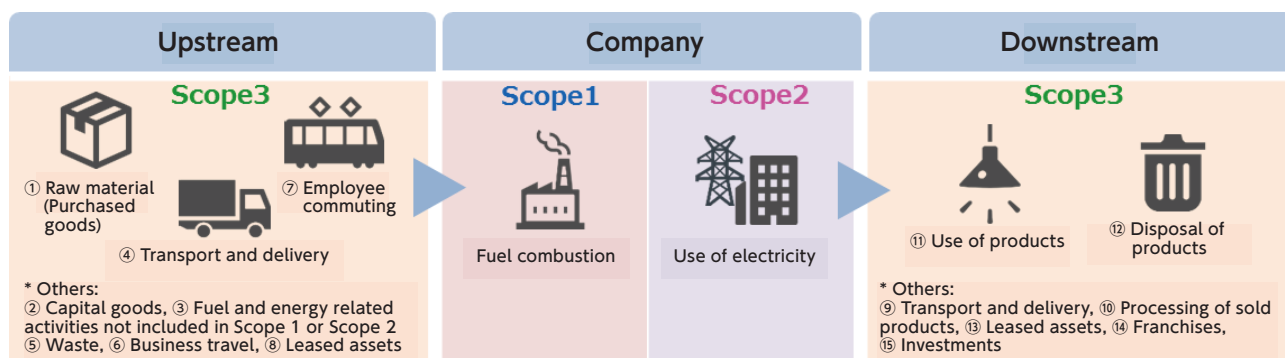
The methods learned in the training sessions will be reflected in the business plans of divisions and the action plans of departments to contribute to the solution of social problems through our business activities and achieve the sustainable growth of both society and Kurimoto.



Three sessions of basic training, practical training and workshop training were organized.

Efforts to Reduce GHG Emissions in the Supply Chain

Kurimoto is committed to the identification and reduction of GHG emissions in the supply chain, which is one of the information disclosure items to address the risks of climate change according to the TCFD recommendations. For the calculation of emissions from Scopes 1, 2 and 3 of the GHG protocol, which is an international standard, we are now working to examine how to calculate emissions properly and develop criteria and a system for the collection of the activity data, on which the calculation is based, with the Environmental Promotion Committee playing a central part.



The numbers in circles refer to the categories of Scope 3

Scope 1: Direct greenhouse gas emissions by own company (fuel combustion, industrial process)

Scope 2: Indirect emissions from the use of electricity, heat or steam supplied by others

Scope 3: Indirect emissions other than Scope 1 and Scope 2 (Emissions by other companies related to the company's activities)

Excerpts from “Overview of supply-chain emissions” (Ministry of the Environment) with some additional comments

Quality Control

As a company that can contribute to society through manufacturing, we make continuous efforts to improve our quality management level in our business activities to provide various lines of products and services for creating infrastructure.

Initiatives in Manufacturing

The Kurimoto Group makes all employees thoroughly aware of its policy of dedication to manufacturing, which is represented by the corporate message "Kurimoto - Manufacturing the future" as well as by the principle of giving top priority to safety and security, in order to achieve customer satisfaction.

Declaration of Quality Assurance Activities

In accordance with a principle in the Kurimoto Group's Corporate Philosophy, "We offer 'reassurance' in response to society and to our customer's trust," we aim for quality assurance from the perspective of customers and perform activities based on the quality assurance system established to meet the needs of the times as well as social demand.

Kurimoto Group Quality Policy

1. We provide products from the perspective of customers.
2. We provide customers with accurate and comprehensible information.
3. We listen sincerely to the precious opinions of customers.
4. We give top priority to safety.
5. We comply with laws.
6. Each and every employee of the Kurimoto Group makes best efforts to ensure quality.

Quality Management System

- We work to improve mechanisms for quality control based on the quality management system to ensure that customers recognize safety and security of the Kurimoto brand.
- We work to obtain ISO 9001 certification on a Group-wide scale for reliable operation and maintenance of the quality management system.

ISO 9001 Certification Registrations in the Kurimoto Group

(as of April 1, 2022)

Registered organization	Date of registration	Registration No.	Main product lines, etc.
Kurimoto, Ltd. Pipe Systems Division (Production and Technology Departments)	January 20, 1995	JQA-0766	Ductile iron pipes
Kurimoto, Ltd. Sumiyoshi Factory • Plant Engineering & Machinery Division • Valve Systems Division • Materials & Machinery Division	May 17, 1996	JQA-1281	Pulverization, kneading, drying and crushing systems, forging and bending roll systems, valves for industrial and public uses, various heat-resistant/wear-resistant metal castings, products related to brakes for railway vehicles
Kurimoto, Ltd. Plant Engineering & Machinery Division (plant-related)	March 13, 2015	JQA-QMA15184	Design, procurement, construction, commissioning, maintenance, and supply of parts for resource plants, power plants, energy plants and other similar plants
Kurimoto, Ltd. Construction Materials Division	September 30, 1996	Q4193	Products related to ducts for equipment, building material products for construction and civil engineering, noise reduction equipment
Kurimoto, Ltd. Plastic Products Division	May 28, 1999	JQA-QM3393	Fiber-reinforced plastic mortar pipes, various fiber-reinforced plastic moldings
Japan Castering Co., Ltd. kawara Factory	March 23, 2018	JQA-QMA15776	Heat-resistant and wear-resistant casting for industrial devices
Motoyama Eng. Works, Ltd.	May 15, 1994	UKAS No.3449752	Control valves, safety valves, industrial equipment
KS-Tech Co., Ltd.	July 30, 2010	UKAS No.06546	Roll forging machines, cutting machines, forging machines, bending rolls
Yashima Chemical Engineering Co., Ltd.	December 19, 2016	ISAQ1119	Tanks, heat exchangers
Kurimoto Polymers Co., Ltd.	December 24, 2003	JCQA-1355	Molded plastic products (pipe materials and construction materials)
Zentec Co., Ltd.	November 10, 2000	JQA-QM5518	Road management (maintenance and repair) and construction of road environment equipment (e.g. sound insulation walls)

Quality Improvement Activities with Participation of All Employees

Quality assurance system

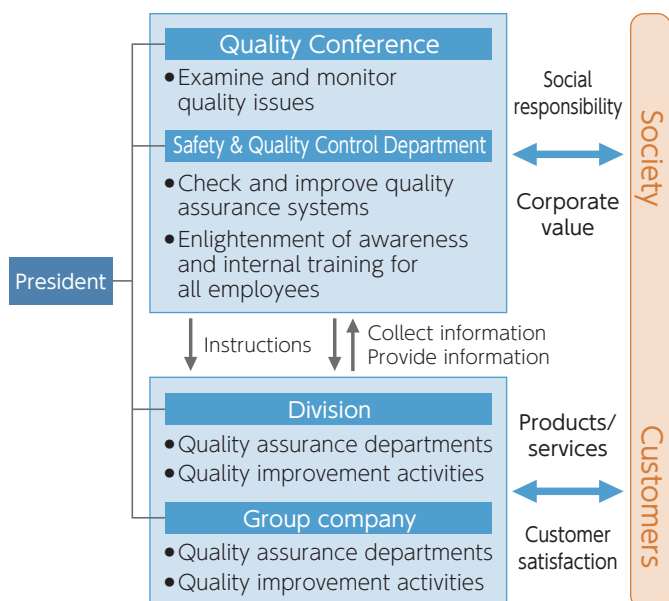
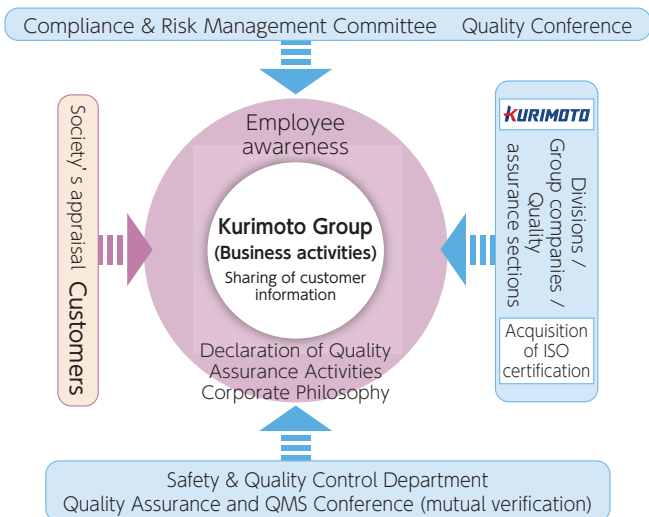
To respond to quality requirements based on existing and potential customer needs, the Kurimoto Group endeavors to enhance customer satisfaction by sincerely listening to valuable inputs from customers.

- At the Quality Conference, individual divisions are monitored from the managerial perspective, with respect to quality assurance that responds to trust from society and customers, and instructions for correction are rendered as necessary.
- The Safety & Quality Control Department checks and improves quality assurance systems in individual divisions, while collecting quality-related information and providing internal training based on the collected information.

We will further enhance our technical skills, which have been cultivated since our establishment, and improve our quality assurance system and activities to continuously contribute to society with our proprietary technologies, products and services.

Business Review System That Meets the Needs of the Times and Society

As a company that meets the needs of the times and society



Quality Improvement Emphasis Month

The Kurimoto Group has designated November as Quality Improvement Emphasis Month to promote various quality improvement activities with participation of all employees.

- Top management sends a "quality-related message" to all employees.
- Quality slogans for the Kurimoto Group are invited and posters are displayed to raise the awareness of participation.
- Daily operations are reviewed to intensively verify that customers receive accurate information on the products and services we provide for them.
- All employees participate in efforts to enhance and promote proposals for improvement.



Slogan (displayed from November 2021 to October 2022)

Poster (displayed in November 2021)

Activities to Make Proposals for Improvement

Many proposals for improvement are submitted every year, leading to an enhanced sense of participation among employees, to improvement of the workplace and to higher productivity.

	Number of employees	Annual number of proposals
Total	1,533	16,576



Poster (displayed in November 2021)

* Quality Conference mainly comprised of directors and executive officers.

With Suppliers

The Kurimoto Group places high value on relationships of trust with suppliers, and focuses on customer satisfaction and environmental conservation in its procurement activities.

Basic Approach

The Kurimoto Group's business activities rely on cooperation and support of many companies and people including the suppliers that provide raw materials and parts necessary for production. With deep recognition of this fact, our Group places a high value on relationships of trust with suppliers and develops procurement activities in a way to work and flourish together. We are fully conscious of quality and cost reduction, and also consider environmental issues such as prevention of pollution, resource saving and energy saving, in our procurement activities.

Corporate Standards of Conduct [Procurement]

1. Policy of "customer satisfaction comes first," and procurement in consideration of environmental conservation

In our procurement activities, we are always conscious of the principle in the Corporate Philosophy that we offer "total quality services" (combination of high value, high quality and high level services) to enhance trust, as well as the idea that environmental conservation is a social mission for companies.

2. Fair, equitable and transparent procurement activities

We promote fair, equitable and transparent procurement activities in a rational manner in terms of quality, price, delivery period, safety and environmental conservation.

3. Mutual prosperity based on trust and improvement efforts

In our procurement activities, we aim to realize mutual prosperity by placing high value on relationships of trust with suppliers and seeking long-term growth and maintenance and strengthening of competitiveness through high quality, thorough cost reduction and other efforts.

4. Compliance with laws

We promote procurement activities in compliance with all relevant laws, including the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Antimonopoly Act) and the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (Subcontractor Payment Act), as well as with their intent.

Basic Procurement Policy

Philosophy	To purchase materials that satisfy our demand in terms of quality, cost and delivery time, we make efforts to build good relationships with suppliers and to pursue mutual prosperity through mutual trust and cooperation.
Fairness and equity	We make decisions on adoption of materials based on fair and equitable assessment of quality, delivery time, prices and services.
Open door	We open the door wide for suppliers in Japan and overseas and work to seek new suppliers on a continuous basis.
Green procurement	We make efforts to procure environmentally-friendly parts and products.

Compliance with the Subcontractor Payment Act

To ensure dissemination of, and compliance with, Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (Subcontractor Payment Act), the Kurimoto Group has prepared a compliance manual on transactions with subcontractors. A briefing session to study the Subcontractor Payment Act is held at each worksite during the Compliance Emphasis Week, and seminars by external lecturers are also organized, to enhance understanding of the manual.

Response to Anti-social Forces

Anti-social forces pose a threat to the order and safety of civil society and obstruct economic activities, and the activities of

these forces are becoming increasingly intellectual and sophisticated.

The Kurimoto Group declares in the Corporate Standards of Conduct that it is aware of social responsibility in responding to anti-social forces and will take the initiative to strictly forbid submission to, or collusion with, such forces and maintain a resolute attitude to eliminate them.

We will cooperate closely with relevant administrative bodies to develop an organization to respond to anti-social forces. In addition, we will consider this issue not as a passive risk, but as a serious issue concerning compliance, and establish procedures to solve it on an organizational scale. We will also develop systems for responding to anti-social forces and ensure related contractual provisions so that persons in charge can respond to such forces with confidence.

With Shareholders/Investors

We are committed to timely and appropriate information disclosure in order to gain stable long-term trust and support from shareholders and investors.

Transparent Business Management

Kurimoto believes that timely and appropriate disclosure of information to shareholders and investors leads to their long-term and stable trust and support. We transmit information on business activities and make efforts to maintain good relationships with society in order to promote the growth of the company and to contribute to society.

Communication with Shareholders and Investors

We visit institutional investors and security analysts in an effort to transmit information on our business activities.

IR materials such as earnings briefings, securities reports and annual reports are available on our website so that the information is provided in a timely and appropriate manner. Annual reports and interim reports are also delivered to shareholders.

We consider that general meetings of shareholders offer significant opportunities to our management personnel to have communication with shareholders. In the annual meetings, the President himself explains our management policy and corporate activities to shareholders in an easy-to-understand way.

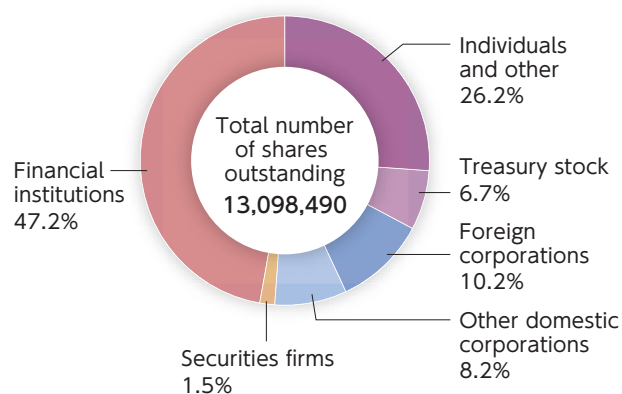
Data on Shareholders

The total number of shares outstanding as of the end of March 2022 is 13,098,490. The breakdown of the shareholders is presented below.

■ Composition of Shareholders and Their Shareholding Ratio

Category	Ratio (%)
Individuals and other	26.2
Treasury stock	6.7
Foreign corporations	10.2
Other domestic corporations	8.2
Securities firms	1.5
Financial institutions	47.2

(as of March 31, 2022)



With Local Community/Society

The Kurimoto Group actively engages in social contribution activities and promotes regional development and communication with local communities.

Co-existence with Local Communities

• Cleanup campaigns

As part of its CSR activities, the Kurimoto Group conducts cleanup campaigns while trying to activate communication with neighboring companies and residents. On the day of the web conference of the Executive Committee, we engaged in beautification and volunteer activities while measures were taken to prevent the spread of COVID-19 infection.



Participated in "Clean Ota River" (Chugoku Office)



The Hirose River 10,000 People Project (Tohoku Office)

• Support of children in developing countries Participation in the Eco-Cap Campaign

As part of the community activities, we recycle plastic bottle caps. The caps collected from used plastic bottles are sent to the Ecocap Movement and other organizations for recycling. This program helps raise funds for delivering vaccines to children in developing countries and also for reducing CO₂ emissions.



Efforts for the recycling of caps of used plastic bottles

Engagement with society

• Organization of a remote factory tour for the first time

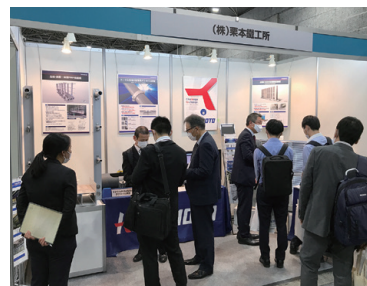
We organized a factory tour using an online conference system for the first time for students from the Department of Mechanical Engineering, Doshisha University. This remote factory tour was held to meet a request from the university that it wants students to learn about the manufacturing scene while it is difficult to organize factory tours due to the COVID-19 pandemic.



A manufacturing site of valves was introduced

• Participation in various trade shows

We participated in various trade shows. Visitors watched new technologies and new products of the Kurimoto Group in the shows, which were organized during the COVID-19 pandemic with measures taken to prevent the spread of the virus including body temperature checks and restriction of entry to avoid the 3Cs (crowded places, closed spaces and close contact settings).



On October 27 and 28, Pipe Systems Division, Plastic Products Division and Construction Materials Division participated in "Construction Technology Exhibition 2021 Kinki"



From July 27 to 30, Plant Engineering & Machinery Division participated in "MetalForm China 2021" in Shanghai



From August 17 to 20, Pipe Systems Division, Plastic Products Division and Re-Pipe System Association participated in "Sewage Works Exhibition '21 Osaka"

Fair Personnel Management, Support for Capacity Building

Based on the concept that people are the most important assets for companies, the Kurimoto Group seeks to maximize the contribution of each employee to its business management and takes measures that respect their diversity and individuality.

What the Human Resource System aims to achieve

For the Kurimoto Group to achieve sustainable growth, we believe that it is important to maximize the abilities and motivation of human resources, who are “people” who grow to generate and upgrade their value. We operate various personnel programs and measures to help all employees feel proud and motivated to work and achieve self-fulfillment through their work.

【Target of the Personnel System】

- 1. We will reform the corporate culture and the mindsets and behaviors of employees**
 - We will develop a system that gives all employees opportunities to take on challenges voluntarily and supports them.
 - We will promote the creation of an organization where people take full responsibility for their actions and complete them by themselves to support the strengthening of the division management system.
 - We aim to develop a corporate culture where all abilities of those who belong to the organization are mobilized and demonstrated to create creative and original values.
- 2. We will create a workplace that motivates employees**
 - We will promote work-life balance and develop a flexible mechanism that enables diverse human resources to work actively.
 - We will establish a system where those who have taken an action and made an achievement are rewarded fairly regardless of age and develop a mechanism where employees are motivated and can feel happy.

Support for Capacity Building toward Self-fulfillment

In accordance with a sentence in the Corporate Philosophy “We aim for the happiness of our employees and the happiness of mankind through manufacturing products,” we will strive to implement the following policy.

In addition, with position-based training, training for selected employees and support of personal development as the pillars, we will develop career development and educational measures while focusing on the following five items.

Basic Education Policy

1. We will produce value-added products and services through capacity building of employees and revitalization of the organization in order to create customer value and make a social contribution.
2. We assist employees in career development and capacity building and aim to help them foster abilities to make a social contribution and a rich humanity both as members of society and as members of an organization.

- Cultivation of organizational culture that encourages employees to study
- Strengthening of the organizational management abilities of management staff who will play a pivotal role in corporate management
- Strengthening of conceptual skills (abilities to think logically and solve problems) of young and mid-level employees
- Recruitment and development of candidates for executives in the next generation and innovative human resources
- CSR education for work style reforms, the promotion of diversity and the achievement of a sustainable society

■ Education System Diagram

Position-based training		Personnel system-related	Training for selected employees	Support of personal development	Life design	Global education	CSR-related	Job type/department-based education		
								Skills	Technical	Sales
Union members	Directors/Executive Officers	New director training	New executive officer training							
	Management staff (M Course*1) (T Course*2)	Senior manager (newly appointed M2/division manager) training	Current management staff training	Management staff promotion assessment training						
	Senior class	Basic management training	Production leader development training (section chiefs)	Target management system training	Training for superiors of C2 promoted staff	Next-generation management leader development training	KPC management school	Improvement cafeteria system (business school)	Distant learning system	Scheme to support the acquisition of public qualifications
	Mid-level	Promoted mid-level staff training (P5 and C2)	Mid-career employee training	C2 rotation system						
	3rd year -	Training for 3rd-year employees hired for regular employment								
	2nd year	Training for 2nd-year employees hired for regular employment								
	New employee	New employee follow-up training	New employee introductory training	“brother & sister” system						
C Course *3		P Course *4								

*1: M Course (management course) *2: T Course (advanced technician course)

*3: C Course (creative course) *4: P Course (professional course)

Improvement in Employee Engagement

We conducted an employee engagement survey in some divisions and departments in 2021 to understand and increase employee engagement (the level of empathy of employees for the company) and develop a corporate culture that encourages employees to work together as a team. Each division has

formulated an action plan in response to the survey results to perform related activities.

We plan to widen the scope of the survey in the future with the expectation that the “empathy index” of employees as a whole will increase to have a positive effect on our business results.

Work Environment

The Kurimoto Group values the diversity of human resources, including women, non-Japanese, persons with disabilities and mid-career employees with a wide range of professional backgrounds, in the workplace and aims to create a working environment where employees can play an active role according to their respective abilities and aptitudes.

Respect for Diversity

Respect for human rights

Kurimoto considers the development of a company with respect for human rights as one of the important management challenges and organizes various campaigns to promote awareness of human rights including position-specific, office-specific and theme-specific human rights workshops in a regular and continuous manner throughout the Group.

April 2021: "New employee introductory training" – Recognizing diversity (Reference English title of Japanese)

May 2021: "New management staff training" – Aiming to create a pleasant workplace with no discrimination or harassment

January 2022: "Workshop on human rights issues for officers and management staff" – Risks related to human rights issues in a company and how to avoid/solve them

February 2022: "Mid-career employee training" – Recognizing diversity (Reference English title of Japanese)

We continue to further strengthen cooperation with "The Corporate Federation for Dowa and Human Rights Issues, Osaka" and other related external organizations to sincerely address a wide range of human rights issues and raise the awareness of each and every employee.

Initiatives for the Practice of "Strategic CSR"

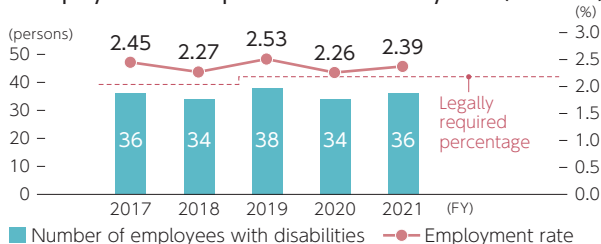
We organized the following training programs to take a step forward from the conventional activities based on reactive ethics (compliance-oriented activities) and practice "proactive CSR" linked to our business strategy.

Subjects	Content and objective
Top management	Study session on initiatives for CSR, SDGs and ESG as a whole
Section managers (members of the CSR Promotion Conference, etc.)	Strategic CSR practical training (Basic lecture, practical exercise, workshop) ● Proactive CSR in accordance with the Kurimoto CSR Activity Roadmap ● Social issues to be solved with SDGs as the starting point ● A way of thinking to reform the company and transform the business into a sustainable one ● A way of thinking to consider the activities as their own issues and reflect them in their business to integrate them with the business ● How to set KPIs (business KPIs and social KPIs), which are a key to the activities

Promotion of employment of people with disabilities

The Kurimoto Group continues to make various efforts to create a comfortable work environment for people with disabilities and to adapt the workplace to accommodate their needs.

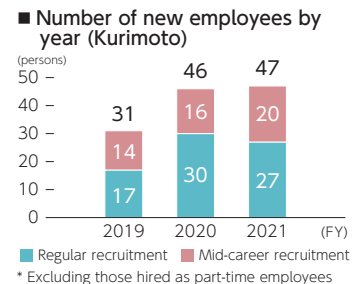
■ Employment of People with Disabilities by Year (Kurimoto)



* As of June 1 every year (according to the annual report on the employment of people with disabilities)
 * Employing one person with severe disabilities is considered the same as employing two persons with disabilities.

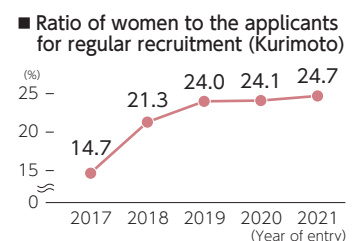
Promotion of the Mid-career recruitment

The Kurimoto Group promotes mid-career recruitment to secure human resources who can contribute to the company immediately and also enhance the diversity of human resources in the workplace so that a culture of making reforms and taking challenges is developed.



Promotion of measures to support female workers to play more active roles

We have formulated the action plan below to promote activities to develop a work environment where female workers can play active roles.



Action plan based on the Act to Advance Women's Success in their Working Life

(Three years, from April 1, 2021 to March 31, 2024)

Target 1: Increase the ratio of female workers among the new employees hired at the time of regular employment to 30%

Target 2: Increase the ratio of male workers who take childcare leave to 13%

● Selected as a Nadeshiko Brand

The Ministry of Economy, Trade and Industry and The Tokyo Stock Exchange jointly introduce listed companies that actively recruit women as "Nadeshiko Brand" and Kurimoto was selected as Nadeshiko Brand in fiscal 2021. We have been committed to related initiatives such as the diversification of the members of the Board of Directors, diversity management training for new management staff, the establishment of systems that help employees work flexibly including teleworking and activities to reduce working hours and encourage employees to take annual paid holidays.



Promotion of support for balancing work and life

Kurimoto works to ensure that employees can keep working actively while balancing work and life through the development and improvement of programs that help them "work-life balance", as well as other initiatives.

Action plan based on the Next Generation Nurturing Support Measures Promotion Law

(Three years, from April 1, 2021 to March 31, 2024)

Target 1: Take measures to encourage employees to use the programs that help them balance work and life

Target 2: Improve the personnel systems applicable during childcare leave

In recognition of our efforts to support the development of the next generation, the Ministry of Health, Labour and Welfare certified Kurimoto as a company that supports child-rearing, and we obtained the next generation accreditation mark, "KURUMIN" and have maintained it since then.



■ Use of Childcare-related Programs (FY2021)

Proportion of female workers who took childcare leave	100%
Proportion of male workers who took childcare leave	48.4%
Number of workers who reduced working hours for childcare	3 persons
Number of days off taken for nursing care	35.5 days

Safety and Health

The Kurimoto Group actively develops safety and health activities with the involvement of partner companies to attain the goal of zero occupational accident and zero occupational illness.

Progress in Safety and Health Activities

Since 1962, the Kurimoto Company-wide Safety and Health Committee has held meetings with the participation of the whole Kurimoto Group, including partner companies, in health and safety activities to meet the target of zero occupational accidents and zero occupational illnesses. Our safety initiatives include steady implementation of the activities that serve as the foundation of safety such as safety patrol, safety training, risk assessment and risk prediction. We also address health-related issues such as prevention of lifestyle-related diseases, avoidance of overwork and strengthening of support for mental health, through organization of workshops, consultations with industrial physicians and stress checks in a planned manner.

Kurimoto's Company-wide Target and Basic Policy for Safety and Health in FY2022

Target

Zero occupational accident and zero occupational illness

Safety Declaration

We will adhere to the rules decided by us or others.

Basic Policy

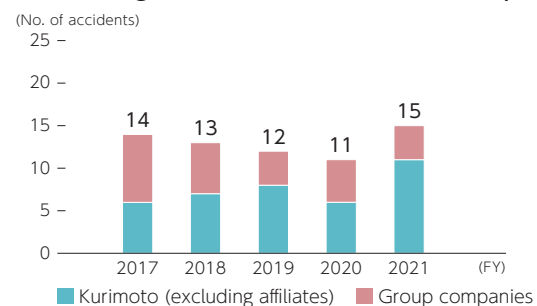
1. We return to the origin that safety should be put before everything else, and everyone from top management to each employee acts with the top priority on safety.
2. We aim to establish workplace groups of people who individually understand and comply with the determined rules and always follow the basics in their operations.
3. We help each employee to grow, and work to create a comfortable work environment as well as a corporate culture that focuses on safety and health with the participation of all employees.
4. We improve safety and health activities in a continuous manner to secure the safety and health of all people involved in the business activities of the Kurimoto Group, and to contribute to the realization of a safe, secure and comfortable society.

Results of Health and Safety Activities

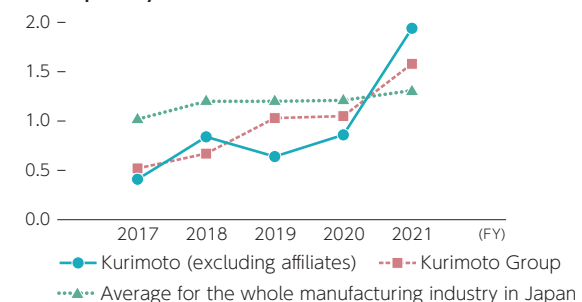
The Kurimoto Group follows the PDCA cycle of safety activities by ensuring, in case of an occupational accident, that the cause is ascertained and that measures are taken to prevent recurrence, in order to eliminate occupational accidents.

Occupational accident data

■ Number of occupational accidents (Including accidents with no lost workdays)



■ Frequency Rate



	2017	2018	2019	2020	2021
Kurimoto (excluding affiliates)	0.41	0.84	0.64	0.86	1.94
Kurimoto Group	0.52	0.67	1.03	1.05	1.58
Average for the whole manufacturing industry in Japan	1.02	1.20	1.20	1.21	1.31

Frequency rate is the number of injury accidents per million work hours, and indicates the frequency of accidents that cause a worker to miss one or more days of work.

Frequency rate =
(number of injury accidents / total working hours) x 1,000,000

Safety and Health Initiatives

Certified as Health & Productivity Management Outstanding Organization 2022 (large enterprise category)

Health and productivity management refers to considering the health management of employees and other people from the perspective of business management. Based on the idea that the commitment of a company to the maintenance and improvement of the health of its employees based on its management philosophy, etc. will lead to vibrant production activities of the employees and activation of the organization and eventually improve the business results and corporate value, the Ministry of Economy, Trade and Industry certifies and rewards the organizations that actively promote health and productivity management. Kurimoto was certified for the first time in fiscal 2021 and again in fiscal 2022. We believe that it was because we worked for the maintenance of the physical and mental health of each employee and developed and established a comfortable working environment as well as many personnel and welfare programs. We will continue to recognize the maintenance of the health of employees and the improvement of the working environment as priority issues and promote health and productivity management from the viewpoint of employees.



Certificate of Health & Productivity Management Outstanding Organization 2022 (large enterprise category)

Initiatives for safety driving (expansion of the duties of a safety driving supervisor)

Initiatives to eradicate drunk driving in company-owned cars are reinforced. The Ordinance for Enforcement of the Revised Road Traffic Act took effect starting from April 1, 2022 to expand the duties of a safety driving supervisor, who must be appointed in business establishments including those which use five or more company-owned cars. Specifically, it made it mandatory to check whether a driver is under the influence of alcohol before and after driving through visual checks, etc. and keep records from April 2022. It also requires that an alcohol detector be used from October to check whether the driver is under the influence of alcohol. With the recognition that it is a corporate social responsibility to not only eradicate drunk driving but also eliminate traffic accidents during business activities and improve driving manners, we will continuously make steady efforts to achieve zero accidents and zero violations.



From the website of the National Police Agency

Commitment to support for mental health

Kurimoto has considered mental health care as an important issue and made efforts to encourage employees to be aware of their stress since even before it was made mandatory to introduce a stress check system in 2015. While we implement stress checks in October each year, the percentage of employees undergoing the checks in the Kurimoto Group was high again (98.4%) in fiscal 2021. In addition, with industrial physicians and nurses (or mental health counselors in some worksites) appointed to provide consultation on mental health to employees on a routine basis, we have established a system where employees can ask for advice on their problems and concerns with a sense of security while considering their privacy. In fiscal 2021, a nurse working for our Head Office gave a lecture under the theme of "Mental self-care – Awareness of stress and measures to deal with it" (Reference English title of Japanese) to teach the participants how to interpret the results of their stress checks and how to do self-care. We received many comments from the participants about their "thinking habits" they noticed in comparison with their ways of thinking. As the theme showed, the lecture helped the participants become "aware of stress".

We will continue to strive to create an environment where employees can ask for advice casually at any time while working to take mental health measures actively.



Lecture on health given by Ms. Utatsu, a nurse working in the Head Office

Environmental Conservation Activities

To be committed to protecting the global environment, including the water, air and life of the Earth, in our manufacturing and other business activities, we have established the Kurimoto Basic Environmental Policy and promote activities to show our commitment.

Measures for Environmental Management

Basic Environmental Policy

Based on the Basic Environmental Policy, we consider environmental conservation to be a core management task and promote environmental conservation activities in a continuous manner.

Kurimoto Basic Environmental Policy

1. Promotion of environmental management and continuous environmental conservation activities
2. Compliance with laws, regulations, agreements, action plans, etc. and elimination of environmental risks
3. Energy saving, resource saving, reduction of waste and recycling to promote reduction of environmental impact
4. Promotion of shifting to products with lower environmental impact and development of environmental conservation equipment
5. Environmental education and enlightenment of all employees
6. Promotion of participation in social contribution activities

Environmental Management Structure

Chaired by the manager of the section in charge of environment management in the Head Office, the Environmental Promotion Committee cross-connects different divisions and worksites and promotes the introduction and operation of an environmental management system and environmental impact reduction activities.

Environmental Management Structure

We regard consideration of the environment as a crucial management task in business activities, and accordingly founded the Environmental Promotion Committee. This committee cross-connects different divisions and worksites to reduce environmental impact and thereby ensure that we can contribute to the establishment of a sustainable society.

[Environmental Promotion Committee]

Chairperson

Manager of the section in charge of the environment management in the Head Office

Committee members

Manager responsible for the environment management in factories

■ Kurimoto Group of ISO 14001 (Environmental Management System) Certification

(as of April 1, 2022)

Registered organization (related division/department)		Date of registration	Registration No.	Main product lines, etc.
Kurimoto, Ltd. Kagaya Factory	Pipe Systems Division	February 10, 2000	JQA-EM0710	Ductile iron pipes
Kurimoto, Ltd. Sakai Factory	Pipe Systems Division	December 3, 1999	JQA-EM0613	Ductile iron pipes
Kurimoto, Ltd. Sumiyoshi Factory	Valve Systems Division Plant Engineering & Machinery Division Materials & Machinery Division Technology Development Division	March 27, 1998	JQA-E-90144	Valves for industrial and public uses, Pulverization, kneading and drying systems, forging and bending roll systems, crushing, and heat-resistant/wear-resistant metal castings
Kurimoto, Ltd. Katano Factory Koga Factory	Construction Materials Division	July 10, 2009	E1916	Products related to ducts for construction, building material products for construction and civil engineering, noise reduction equipment
Kurimoto, Ltd. Koto Factory Shiga Factory	Plastic Products Division	November 30, 2001	JQA-EM1947	Reinforced plastic mortar pipes, various reinforced plastic moldings
Zentec Co., Ltd.		June 30, 2017	JQA-EM7341	Road management (maintenance and repair) and construction of road environment equipment (e.g. sound insulation walls)

Green Purchasing

To pursue environmental conservation in our supply chain, we promote green purchasing activities. The basic ideas of Kurimoto are presented to suppliers as guidelines to ask for their

cooperation. We also encourage suppliers to develop their environmental management structures by reference to ISO 14001/JIS Q14001 (environmental management system).

Guidelines

In purchasing, we will select the products with less environmental impact in consideration of the following aspects.

1. Materials

The materials to be used in products and parts shall be easily recyclable.

The kinds of the materials to be used in products and parts shall be uniform whenever possible.

2. Recycling

A large quantity of recycled materials shall be used in the materials to be used in products and parts.

3. Resource saving

The raw materials shall offer a high yield to enable effective use of resources.

The products and parts shall be smaller and lighter and have a low failure rate.

4. Chemicals

Less amount of hazardous substances shall be used (legally banned substances shall not be used).

5. Energy saving

Energy saving (power, fuel, etc.) shall be considered in the production process.

6. Easiness of disassembly

The products and parts shall be able to be easily disassembled into reusable units.

7. Packaging materials

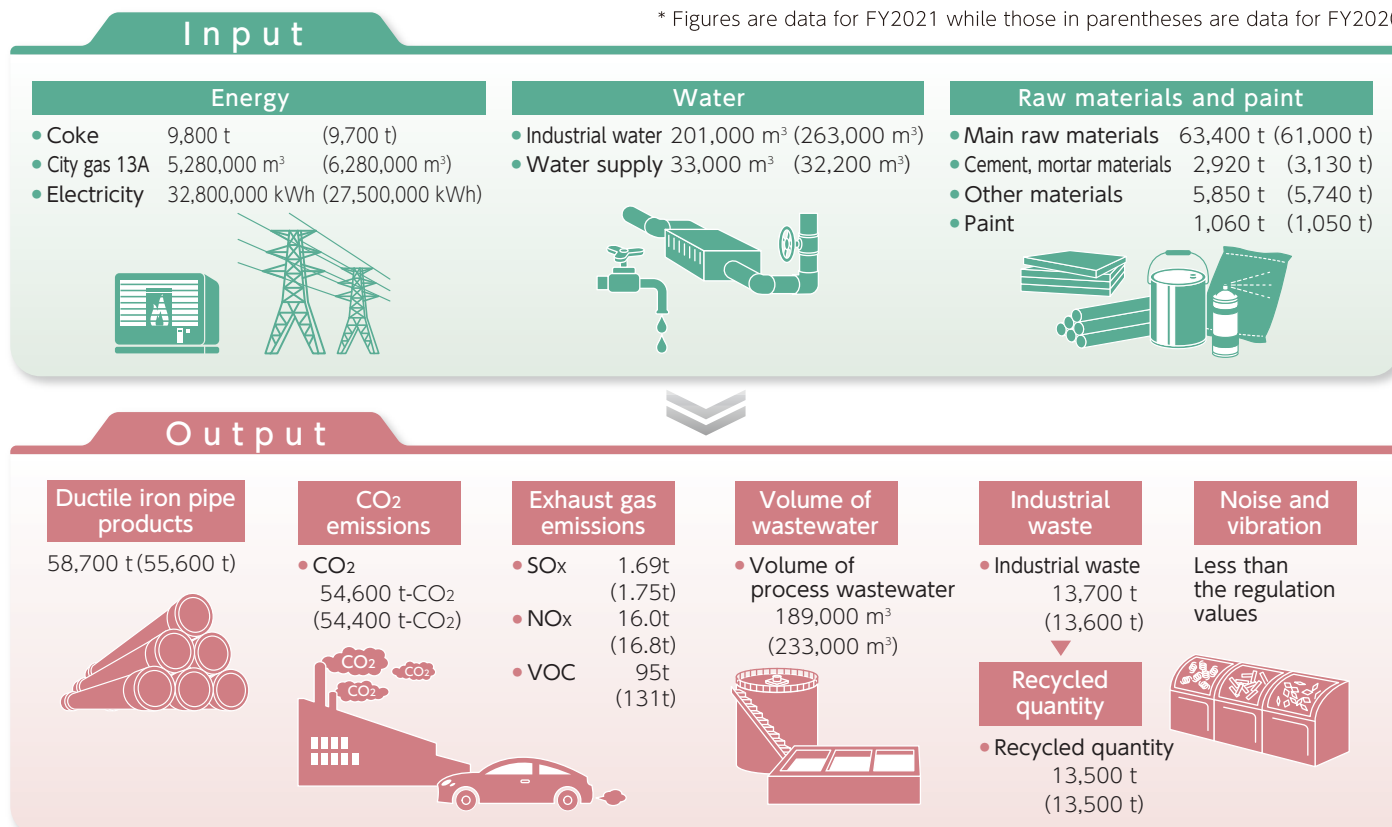
The packaging materials (containers, packaging materials, etc.) shall be recyclable and able to be reused or used as recycled materials.

Material Flow from an Environmental Perspective

Ductile iron pipes play an important role in the main artery of industry, such as underground water and sewage pipes, to underpin people's life in every corner of society including urban, suburban and rural areas. With high adaptability to severe laying conditions, as well as high durability and easy applicability, the pipes are used widely as parts of conduit lines for water supply, agricultural water supply, sewage system and industrial water supply. The products are made of iron, which is highly recyclable.

The raw materials, paint, water and energy necessary for the manufacturing of the pipes are used efficiently in an effort to reduce emissions. The material flow in the production of ductile iron pipes is presented below from the perspective of the environment in two of our factories that manufacture them.

* Figures are data for FY2021 while those in parentheses are data for FY2020



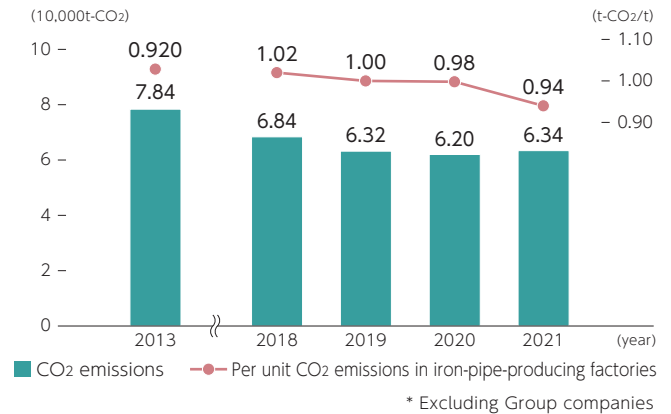
Energy Saving to Reduce CO₂ Emissions

Kurimoto's facilities are mainly composed of iron-pipe-producing factories which have melting, casting and thermal processing sections, and mechanical factories which have machining and assembly sections. The iron-pipe-producing factories account for 86.8% of the CO₂ emissions from the whole company.

Our main initiatives to reduce CO₂ emissions include reduction of coke use through improvement of the production method, reduction of power consumption by introducing energy-saving devices at the time of their renewal, and reduction of gas consumption by using waste heat.

In 2013, the base year for Japan, our CO₂ emissions were 78,400 t-CO₂. Our emissions in 2021 were 63,400 t-CO₂, showing a decrease of 19.1% from the base year.

CO₂ emissions



Waste Reduction Activities

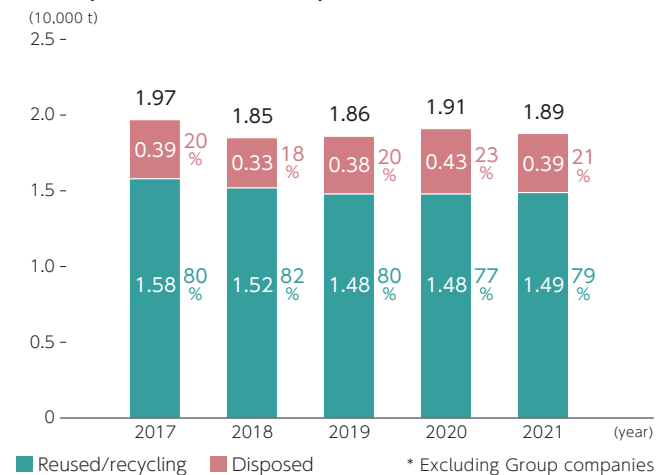
As part of the implementation of the ISO 14001 environmental management system, we aim to reduce industrial waste, promote appropriate recycling and ensure proper disposal of waste, in order to minimize environmental impact.

Approach to waste reduction

We reduce the amount of waste generated in our worksites and transported out of the sites as industrial waste.

- ① Consider usage of the waste as valuable materials
- ② Consider reduction in waste generation
- ③ Consider recycling of the waste at the worksite
- ④ Mutually share the information between worksites
- ⑤ Share various information on waste collection

Composition of Waste by Year



Activities to reduce environmental impact

Utilization of a transportation mode with less environmental impact

Kurimoto Logistics Corporation, a logistics subsidiary of Kurimoto, promotes a modal shift by using railway containers, which have less environmental impact.

The company actively uses Eco Liner, which transports 31-foot containers by railway and is more environmentally friendly than truck transportation as it emits less CO₂, for delivery to the Kanto, Tohoku and Kyushu regions. In particular, when using Eco Liner for delivery to Kanto, it cooperates with other companies in the same industry for "round use," which uses the empty containers after delivery to transport other cargo on the return trip, to reduce CO₂ emissions in the industry as a whole.

In addition, "Fold Deck," which allows two-layer stacking of pallets in containers, is used to increase the loading efficiency and further reduce environmental impact.

For these efforts, Kurimoto Logistics received the Logistics Environmental Enlightenment Award from the Japan Federation of Freight Industries in 2020. We will continue to strive for activities that help make society carbon neutral.



TOPICS

TOPICS 1

Tokyo Stock Exchange introduced new market segments in April 2022 Kurimoto moved to the Prime Market

Tokyo Stock Exchange reorganized its market segments and Kurimoto moved to the Prime Market in April 2022. As a company listed in the Prime Market, we will endeavor to achieve sustainable growth so as both our domestic and overseas stakeholders to find us valuable. We will also enhance our efforts to fulfill social responsibility such as consideration of the environment in business activities.

TOPICS 2

Promotion of CO₂ emissions reduction to become carbon neutral The target of reducing CO₂ emissions in fiscal 2030 is aiming to be by 50% from the FY2013 level

To contribute to carbon neutral in 2050, we have set the target of reducing CO₂ emissions in fiscal 2030. As one of the initiatives for the achievement, we introduced CO₂-free electric power derived from renewable energy mainly in our worksites and production plants in the Kansai area, such as the Head Office and Kagaya Factory, in fiscal 2022. Through this initiative, we will reduce CO₂ emissions mainly in our main factories. We will also take other initiatives including the replacement of devices with energy-saving types, the establishment of a production system that helps reduce CO₂ emissions at the time of capital investments for the improvement of productivity and the consideration of fuel conversion so that we can meet the target of 50% reduction from the FY2013 level in fiscal 2030, which surpasses the target set by the Japanese Government. To challenge to become carbon neutral in 2050, we will examine every option for the continuous reduction of CO₂ emissions.

TOPICS 3

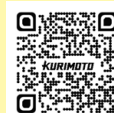
Development of the Kurimoto brand

Our promotional video with the title of "Kurimoto-san" depicts a heroine working hard while overlapping her with our challenging attitude, to send a message that Kurimoto continues to challenge new things. We have produced the third episode and are introducing it on various media including YouTube.



The promotional video "Kurimoto-san" and theme song "Challenge to change" are published on the 110th-anniversary special website.

<https://www.kurimoto.co.jp/110th/movie/>



Stock Information

■ Stock Information

(as of March 31, 2022)

Total number of shares authorized	39,376,600
Total number of shares outstanding	13,098,490
Share unit	100
Number of shareholders	7,928

■ Major Shareholders (Top 10)

(as of March 31, 2022)

Name	Number of shares held (1,000)	Percentage of shares held (%)
Taiyo Life Insurance Company	1,209	9.8
The Master Trust Bank of Japan, Ltd. (Trust account)	1,148	9.4
Custody Bank of Japan, Ltd. (Trust Account)	823	6.7
Nippon Life Insurance Company	678	5.5
Resona Bank, Ltd.	444	3.6
Mizuho Bank, Ltd.	362	2.9
Custody Bank of Japan, Ltd. as trustee for Mizuho Bank Retirement Benefit Trust Account re-entrusted by Mizuho Trust & Banking Co., Ltd.	320	2.6
Iwatani Corporation	289	2.3
Sumitomo Mitsui Banking Corporation	272	2.2
DFA International Small Cap Value Portfolio	220	1.8

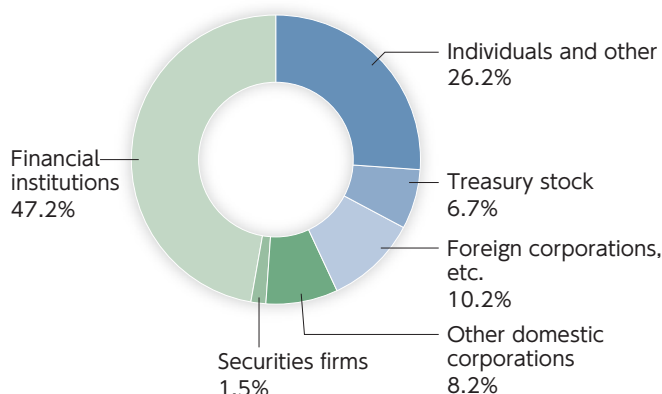
*1 We hold treasury stock (880,301 shares), which is not included in the table above.

*2 Treasury stock is excluded from the calculation of the percentage of shares held.

*3 Treasury stock does not include our shares held by Custody Bank of Japan, Ltd. (Trust E Account) as trust assets for board benefit trust (BBT) (15,894 shares).

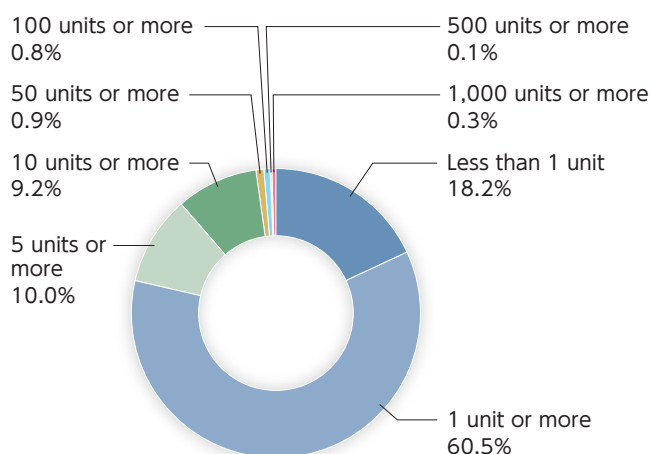
■ Breakdown of Shareholding by Investor Type

(as of March 31, 2022)



■ Breakdown of Shareholding by Number of Shares Held

(as of March 31, 2022)



Shareholder Information

Fiscal year	April 1 through March 31 of the following year	Inquiry phone number	0120-288-324 (toll free in Japan) Open from 9 a.m. to 5 p.m. (except Saturdays, Sundays and public holidays)
Annual Meeting of Shareholders	Held in June every year	Managing agency for special accounts	Mizuho Trust & Banking Co., Ltd. Head Office and branch offices across Japan
Record date of dividend		Method of public notices	Electronic public notices on Kurimoto's website. However, if an electronic public notice is impracticable due to unavoidable reasons, the public notice will be published in the Sankei Shimbun newspaper distributed in Osaka City. Website: http://www.kurimoto.co.jp
Year-end dividend	March 31	Number of shares per unit	1,000
Interim dividend	September 30	Stock exchange listing	Tokyo Stock Exchange
Record date of annual meeting of shareholders	March 31 Other record dates are established as necessary with prior public notice.	Securities code	5602
Transfer agent and special accounts management institution	Stock Transfer Agency Department of the Head Office of Mizuho Trust & Banking Co., Ltd.		
Location of transfer agent	1-2-1, Marunouchi, Chiyoda-ku, Tokyo, Japan		
Mailing address	Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd. 2-8-4 Izumi, Suginami-ku, Tokyo 168-8507, Japan		

■ For shareholders holding less than 100 shares

The number of shares per unit (trading unit) for Kurimoto is 100.

You cannot trade odd-lot shares (1 to 99 shares) on a securities exchange, but we have a system to purchase your odd-lot shares upon request.

For details on the procedures, please consult the securities company you deal with or Mizuho Trust & Banking mentioned above.

■ Inquiries related to shares

- If your shares are currently deposited with a securities company, please inquire of that company about stock-related procedures such as change of address, request for purchase of odd-lot shares and change of the dividend receiving method.
- If your shares are not deposited with any securities company, your shares are managed through a special account opened by Kurimoto at Mizuho Trust & Banking. As shares in a special account cannot be traded unless a request for purchase of odd-lot shares is made, we recommend that you open an account under your name at a securities company to transfer the shares to that account. For details on the procedures, please contact Mizuho Trust & Banking mentioned above, which is the special accounts management institution.
- Only the payment of unpaid dividends is handled at Mizuho Bank, Ltd. Head Office and branch offices across Japan.

Company Profile / Editorial Policy

■ Company Profile

Company Name	Kurimoto, Ltd.
Founded	February 2, 1909
Incorporated	May 10, 1934
Capital	31,186,098,159 yen
Number of employees	1,333 (non-consolidated) 2,120 (consolidated) (as of March 31, 2022)

■ Kurimoto Group

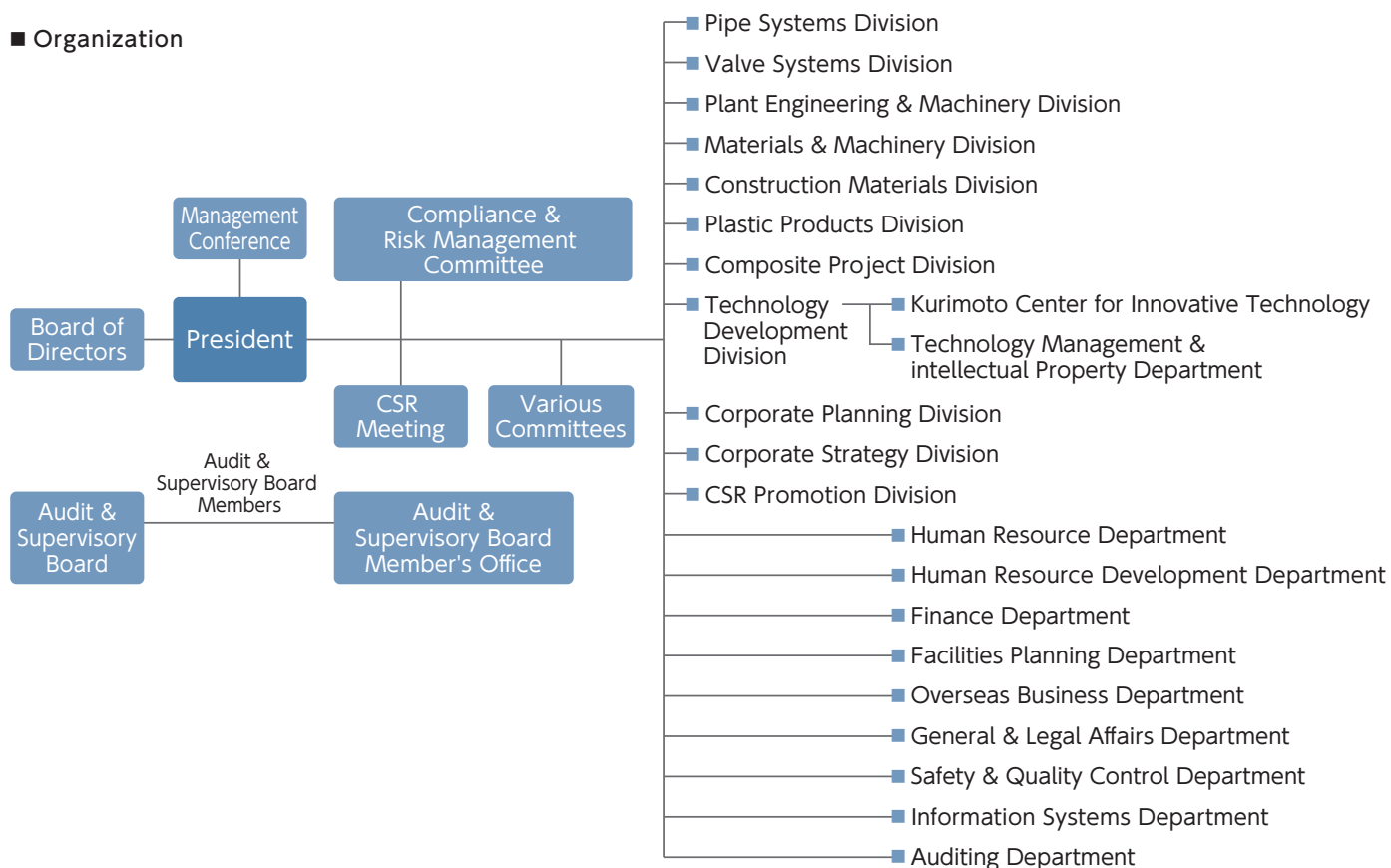
Affiliates in Japan

Kurimoto Trading Co., Ltd.
 Yamatogawa Co., Ltd.
 Hokkaido Kanzai Co. Ltd.
 Kurimoto Logistics Corporation
 Kurimoto Pipe Engineering Co., Ltd.
 Motoyama Eng. Works, Ltd.
 KS-Tech Co., Ltd.
 Yashima Chemical Engineering Co., Ltd.
 Japan Castering Co., Ltd.
 Nihon Kaiser Co., Ltd.
 Zentecr Co., Ltd.
 Kurimoto Polymers Co., Ltd.
 Kurimoto Business Associates Co., Ltd.

Affiliates in Other Countries

Riko, Ltd.
 Kuritetsu (Shanghai) Trading Co., Ltd.
 Readco Kurimoto, LLC.
 Kurimoto USA, Inc.

■ Organization



(as of July 1, 2022)

Editorial Policy

- Our financial information and non-financial information, which used to be disclosed separately, are now presented in a single publication to show the whole picture of the Kurimoto Group, including its business activities, future strategies and plans, management system and CSR activities in a balanced manner.
- This report has been prepared for stakeholders who are interested in our Group's value creation activities on a short-, mid- and long-term basis, including shareholders and other investors, customers, suppliers, employees and their families, students and jobseekers, and citizens and consumers with high interest in environmental issues.
- We also included the latest information at the time of the publication of the report to the greatest extent possible. When the target period or area is different between items, it is accordingly mentioned for each case.

