

Financial Results for the Six Months Ended September 30, 2023

Kurimoto Group



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Reference Materials

This English presentation was translated from the original Japanese version. In the event of any inconsistency between the statements in the two versions, the statements in the Japanese version shall prevail.

1. Financial Results for the Six Months Ended September 30, 2023

1 – 1 Overview of Financial Results

<Consolidated>

(Millions of yen)

	Results for the Six Months Ended September 30, 2022 (A)		Results for the Six Months Ended September 30, 2023 (B)		YoY (B-A)	Initially Expected Values* for the Six Months Ended September 30, 2023 (C)	
Net Sales	54,054	-	59,951	-	5,897	54,000	-
Operating Income /Ratio	2,277	4.2%	3,693	6.2%	1,415	1,800	3.3%
Ordinary Income /Ratio	2,350	4.3%	4,032	6.7%	1,682	1,800	3.3%
Quarterly Net Income for the Year/Ratio	1,633	3.0%	2,883	4.8%	1,249	1,200	2.2%

*Initially Expected Values (C): Values announced on May 12, 2023

Net Sales

Net sales increased by 5,897 million yen year-on-year due to recovery from investment constraints caused by the COVID-19 pandemic.

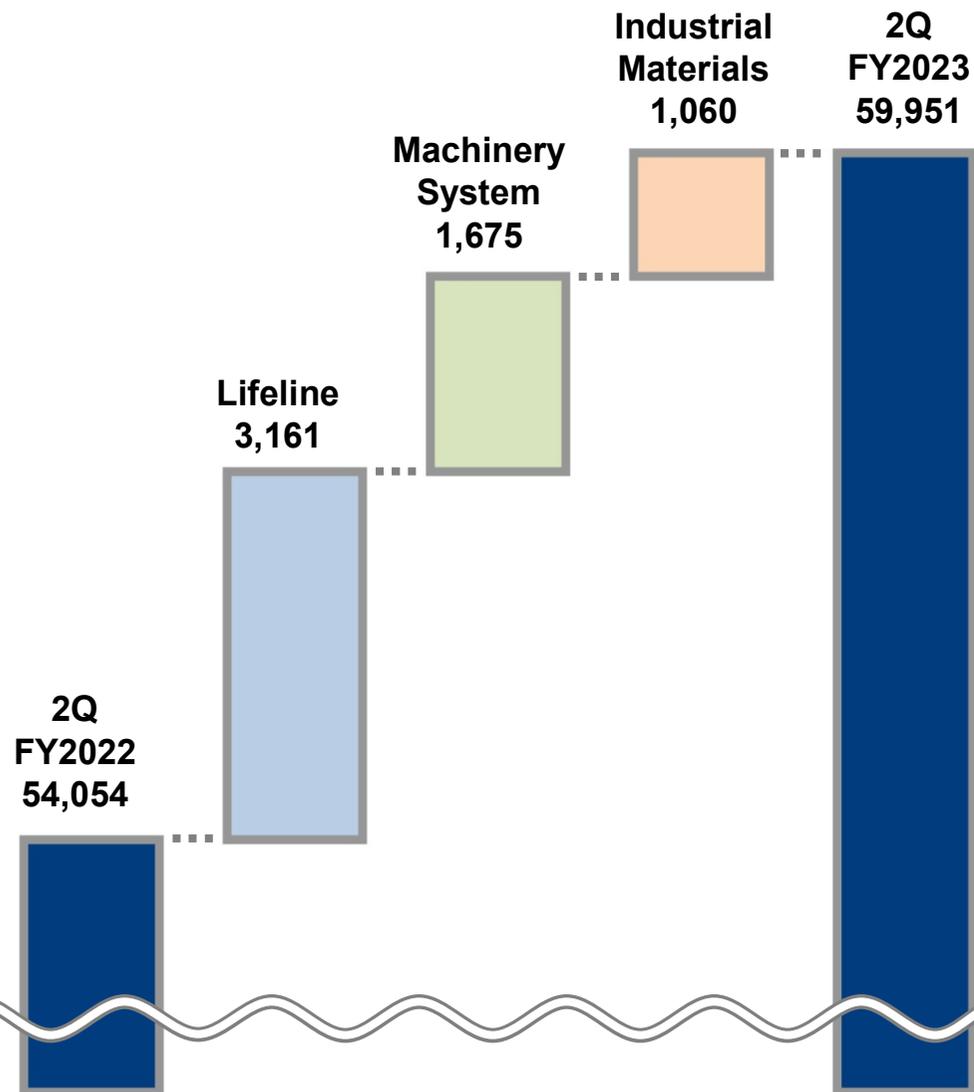
Operating Income

Operating income increased by 1,415 million yen year-on-year as a result of various cost reduction activities, as well as an increase in net sales and changes in sales composition.

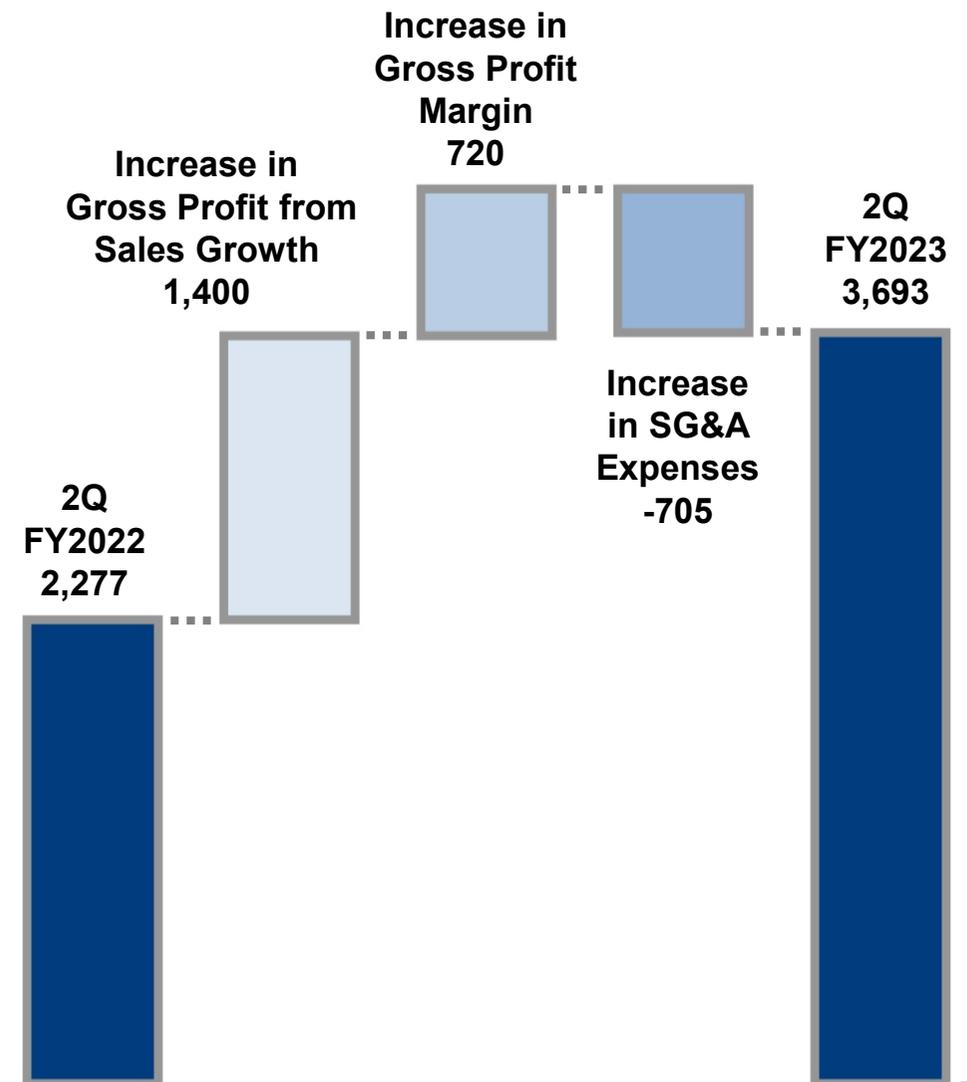
1 – 2 Comparison of Net Sales and Operating Income

(Millions of yen)

Net Sales



Operating Income



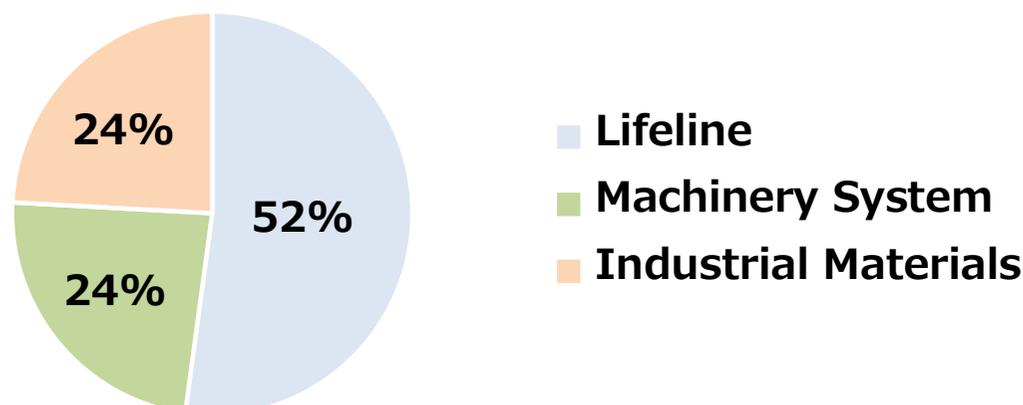
1 – 3 Segment Results

(Millions of yen)

		Results for the Six Months Ended September 30, 2022 (A)	Results for the Six Months Ended September 30, 2023 (B)	YoY (B–A)
Lifeline	Net Sales	27,932	31,093	3,161
	Operating Income	1,543	2,428	884
	Ratio	5.5%	7.8%	2.3pts
Machinery System	Net Sales	12,479	14,155	1,675
	Operating Income	260	617	357
	Ratio	2.1%	4.4%	2.3pts
Industrial Materials	Net Sales	13,642	14,702	1,060
	Operating Income	494	768	274
	Ratio	3.6%	5.2%	1.6pts

* The total operating income includes adjustments, and does not match the sum of segment profit.

Segment Sales Composition



* Results as of September 30, 2023(consolidated)

1 – 4 Overview by Business Segment

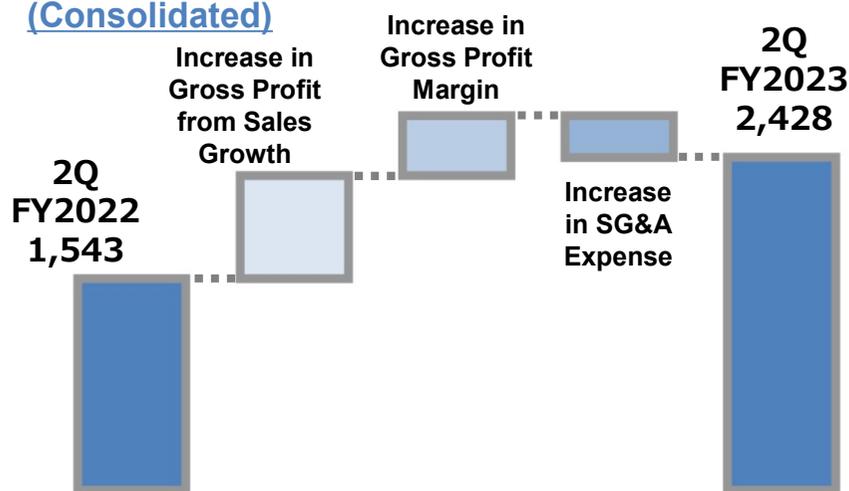
Lifeline

(Millions of yen)

	Results for the Six Months Ended September 30, 2022 (A)	Results for the Six Months Ended September 30, 2023 (B)	YoY (B—A)	Latest Forecast Values for FYE March 31, 2024* (C)
Net Sales	27,932	31,093	3,161	60,300
Operating Income	1,543	2,418	884	3,600
Ratio	5.5%	7.8%	2.3pts	6.0%

* Latest Forecast Values for FYE March 31, 2024 (C): Revised Forecast as on November 2, 2023

Breakdown of increase/decrease in Operating Income (Consolidated)



Net sales and Operating Income by Business Segment

Net Sales

Net sales increased by 3,161 million yen year-on-year, as a result of posting sales - Working Progress of some backlogs in Pipe Systems Division had been ahead of schedule.

Operating Income

Operating income increased by 884 million yen year-on-year, mainly due to increases in sales in both the Pipe Systems Division and Valve Systems Division.

1 – 4 Overview by Business Segment

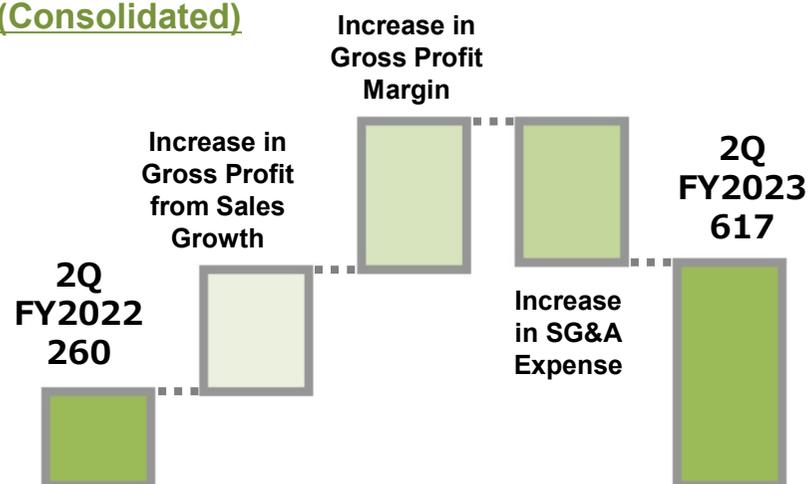
Machinery System

(Millions of yen)

	Results for the Six Months Ended September 30, 2022 (A)	Results for the Six Months Ended September 30, 2023 (B)	YoY (B—A)	Latest Forecast Values for FYE March 31, 2024* (C)
Net Sales	12,479	14,155	1,675	30,300
Operating Income	260	617	357	1,400
Ratio	2.1%	4.4%	2.3pts	4.6%

* Latest Forecast Values for FYE March 31, 2024 (C): Revised Forecast as on November 2, 2023

Breakdown of increase/decrease in Operating Income (Consolidated)



Net Sales and Operating Income by Business Segment

Net Sales

Net sales increased by 1,675 million yen year-on-year mainly due to higher sales in powdering equipment and press machines in the Plant Engineering and Machinery Division, as well as crushers and components in the Materials and Machinery Division.

Operating Income

Operating income increased by 357 million yen year-on-year mainly due to higher sales recorded by the Plant Engineering and Machinery Division and Materials and Machinery Division.

1 – 4 Overview by Business Segment

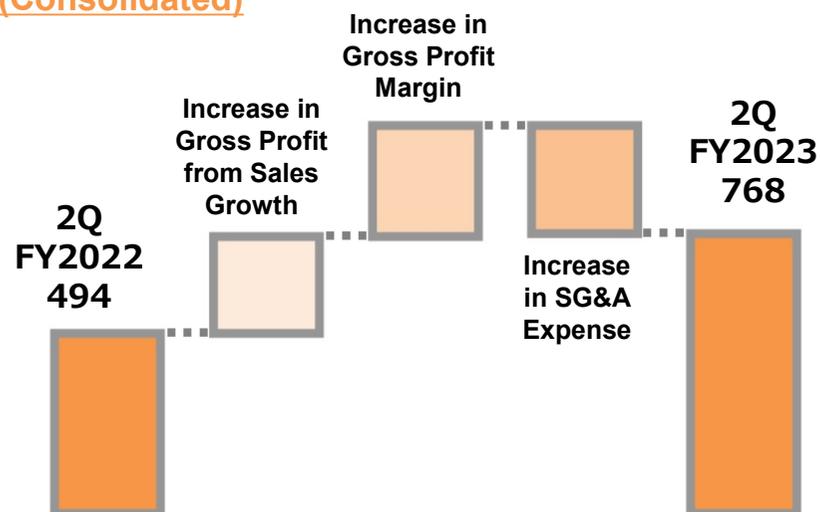
Industrial Materials

(Millions of yen)

	Results for the Six Months Ended September 30, 2022 (A)	Results for the Six Months Ended September 30, 2023 (B)	YoY (B–A)	Latest Forecast Values for FYE March 31, 2024* (C)
Net Sales	13,642	14,702	1,060	29,400
Operating Income	494	768	274	1,400
Ratio	3.6%	5.2%	1.6pts	4.8%

* Latest Forecast Values for FYE March 31, 2024 (C): Revised Forecast as on November 2, 2023

Breakdown of increase/decrease in Operating Income (Consolidated)



Net Sales and Operating Income by Business Segment

Net Sales

Net sales increased by 1,060 million yen year-on-year, mainly due to increased sales in air conditioning equipment and noise-reduction products in the Construction Materials Division forwarded from the second half of the fiscal year to the first half.

Operating Income

Operating income increased by 274 million yen year-on-year mainly due to higher sales recorded by the Construction Materials Division.

2. Earnings Forecast for the Year Ending March 31, 2024

2 – 1 Earnings Forecast for the Year Ending March 31, 2024

(Millions of yen)

Consolidated	Results for FYE March 31, 2023 (A)		Forecast for FYE March 31, 2024 (B)		Revised Forecast for FYE March 31, 2024 (C) ※		YoY (C—A)	
Net Sales	124,827	-	120,000	-	120,000	-	-4,827	-
Operating Income / Ratio	6,840	5.5%	6,000	5.0%	6,000	5.0%	-840	-0.5pts
Ordinary Income / Ratio	6,868	5.5%	6,000	5.0%	6,000	5.0%	-868	-0.5pts
Net Income / Ratio for the year	4,727	3.8%	4,000	3.3%	4,000	3.3%	-727	-0.5pts
ROE	-	6.9%	-	5.5%	-	5.5%	-	-1.4pts

Decline in sales and profits in this fiscal year are expected, comparing with the previous fiscal year when both sales and profits were strong.

* Forecast as of November 2, 2023

(The total value is the same as the initial forecast at beginning of this fiscal year, but the breakdown forecast for each segment has been changed. See page 12 for details.)

2 – 2 Earnings Forecast



for the Year Ending March 31, 2024 (by segment)

(Millions of yen)

Consolidated		Results for FYE March 31, 2023 (A)	Forecast for FYE March 31, 2024 (B) ※ 1	Revised Forecast for FYE March 31, 2024 (C) ※ 2	YoY (C-A)	Initial Mid-Term Plan FYE March 31 2024 (D) ※ 3	Revised Plan (C-D)
Lifeline	Net Sales	60,879	59,200	60,300	-579	55,500	4,800
	Operating Income	3,679	3,200	3,600	-79	2,800	800
	Ratio	6.0%	5.4%	6.0%	0.0pts	5.0%	1.0pts
Machinery System	Net Sales	34,102	31,800	30,300	-3,802	29,700	600
	Operating Income	2,208	1,600	1,400	-808	1,100	300
	Ratio	6.5%	5.0%	4.6%	-1.9pts	3.7%	0.9pts
Industrial Materials	Net Sales	29,845	29,000	29,400	-445	34,800	-5,400
	Operating Income	1,404	1,200	1,400	-4	1,600	-200
	Ratio	4.7%	4.1%	4.8%	0.1pts	4.6%	0.2pts

Lifeline segment :

Although latent demand will remain, sales and profits are expected to decline due to the decline in purchasing power in the market, caused by price hikes.

Machinery System segment :

Sales and profits are expected to decline due to concerns about market recovery, caused by a sudden rise in raw material expenses and other costs, as well as the impacts related to geopolitical risks and other risks, reactions to the significant increase in the net sales in FY2022, and other factors.

Industrial Materials segment :

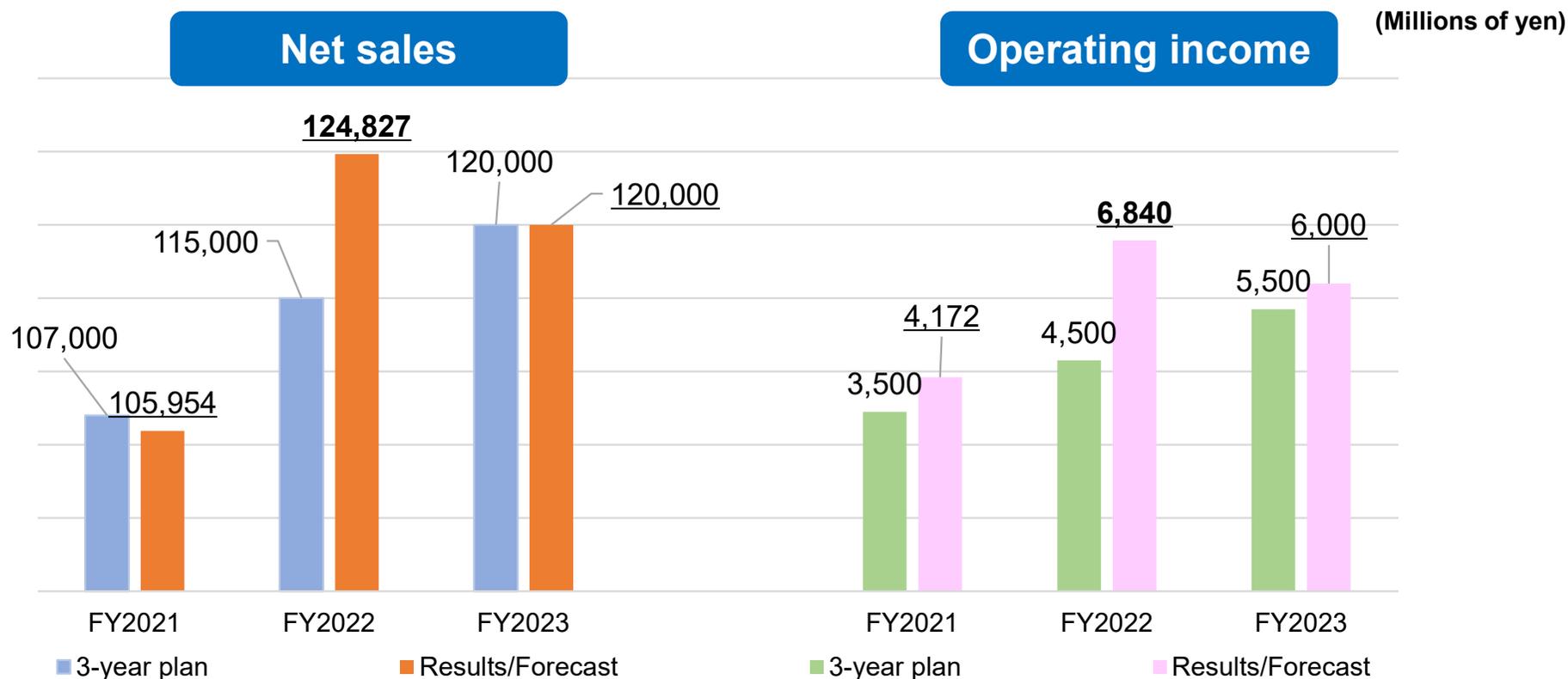
Sales and profits are expected to decline due to delays in return on construction investment in remote areas, as well as sudden rises in raw material expenses and other costs.

* 1 Forecast as of May 12, 2023 * 2 Forecast as of November 2, 2023

* 3 “Kurimoto Group Three-year Mid-term Business Plan 2021-2023” announced on May 27, 2021

* The total operating income includes adjustments, and does not match the sum of segment profit.

2 – 3 Comparison with the Three-year Mid-term Business Plan



- In FY2023, sales and profits are expected to decline in comparison with the previous year's results, but net sales are expected to be as initially planned in the three-year mid-term business plan and operating income is expected to exceed the plan.
- The mid-term plan is expected to achieve all goals, except sales results for FY2021.
- The cumulative achievement rate relative to the mid-term planned values is expected to be 103% for net sales and 126% for operating income.

3. Topics

3 – 1 Topics

✓ Design-Build Construction (DB) Method for water supply pipelines - Continue to build up steady orders.

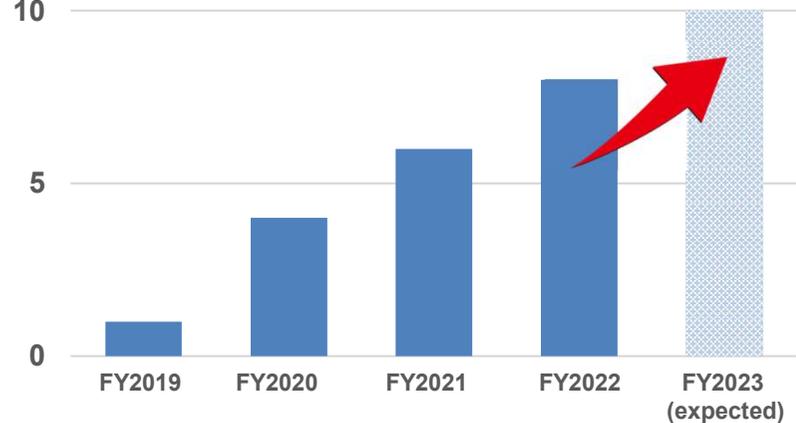
The Kurimoto Group has received a cumulative total of 10 orders. We aim to receive more orders by further gaining customers' trust and developing our skills and knowledge.

<Orders received>

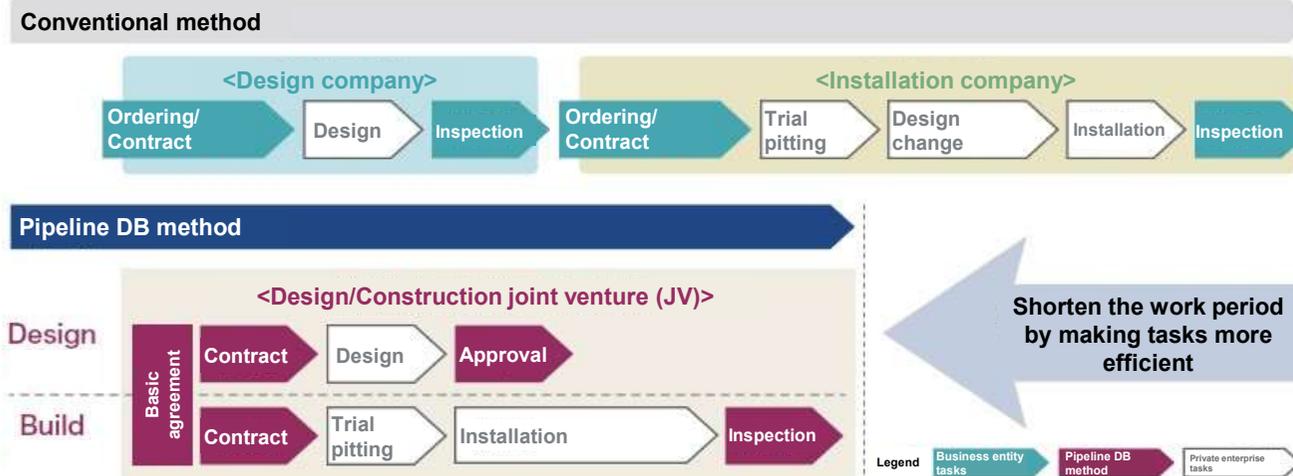
- Estimated contract amount of 1.38 billion yen with the City of Chitose, Hokkaido
- Estimated contract amount of 110 million yen with the City of Rumoi, Hokkaido

Reference: Difference between conventional methods and the pipeline DB method

(Projects) 10



■ **Ordering procedure** Ordering “design” and “installation” together makes tasks more efficient for both the purchaser and the contractor.



Cumulative number of orders received



- * Design-build construction method (method of ordering design and installation together)
- * For details on projects ordered, refer to the reference materials.

3 – 2 Topics

✓ Development of the FS Grid as a life extension technique for reinforced concrete floor slab

We have developed the FS Grid (FRP support grid) in cooperation with IHI Construction Service Co., Ltd., to extend the life of reinforced concrete floor slab that deteriorates due to repeated loads along with increased traffic from heavy vehicles.

→ This technique substantially reduces the duration of road closure or lane restriction during construction work that has been an issue in floor slab replacement, and improves construction efficiency with the use of lightweight FRP material.

Structure of FS Grid

- (1) Reliably strengthened with support from under girders
- (2) Lightweight FRP material that does not corrode
- (3) Applicable even to bridges where floor slab replacement has not been easy

*1 HB-FRP stands for hybrid FRP, which is reinforced with glass and carbon fiber.
 *2 GFRP is reinforced with glass fiber.

Stringer
GFRP*2

Cross beam
HB-FRP*1

Splice plate
(Attached with high-strength bolts)

4. Shareholder Return

4 – 1 Repurchase and Retirement of Treasury Stock

As one of our shareholder return measures, we repurchased and retired our own shares for the first time in four years.

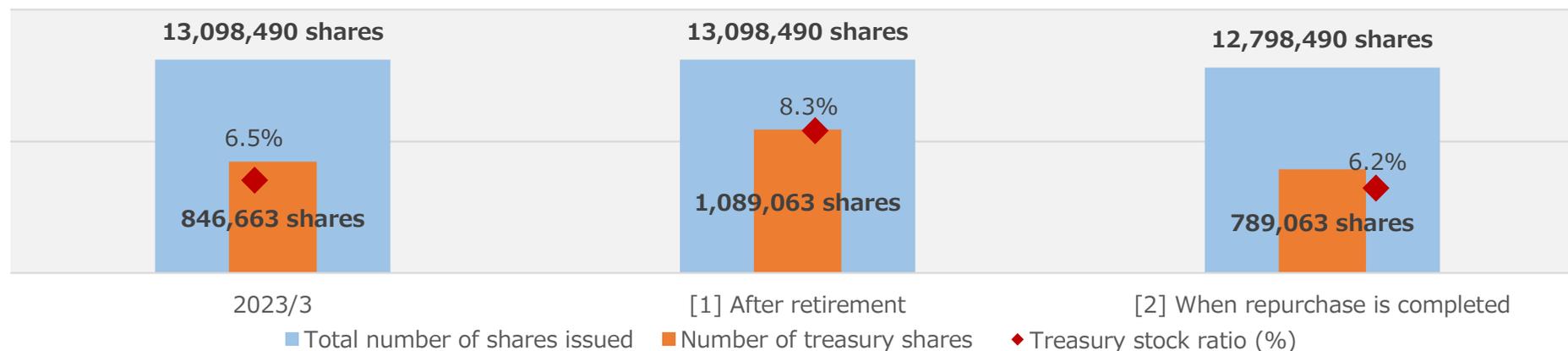
• Share repurchase details

Total number of shares repurchased	242,400 shares
Total share repurchase amount	699,809,100 yen
Repurchase period	From August 7 to 29, 2023

• Share retirement details

Total number of shares to be retired	300,000 shares
Percentage of shares to be retired to the total number of shares issued prior to retirement	2.29%
Date of retirement	August 31, 2023
Total number of shares issued after retirement	12,798,490 shares

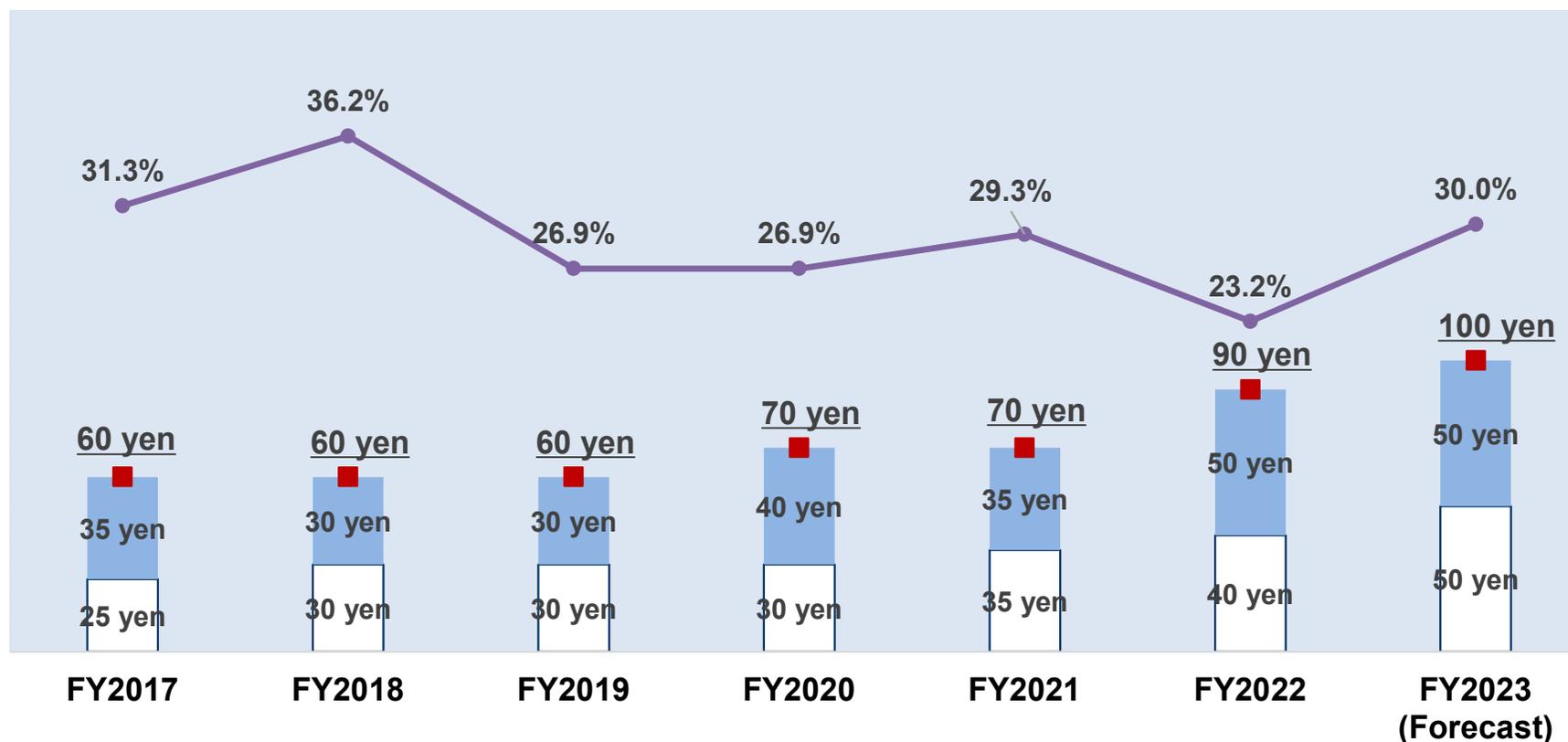
Reference: Total number of shares issued and total number of treasury shares



4 – 2 Indicators Related to Shareholder Return

While considering balance with growth investment, we will aim for a dividend payout ratio of over 30% in order to ensure shareholder returns that meet financial market expectations.

Trends of dividend per share and payout ratio (Consolidated)



Reference Materials

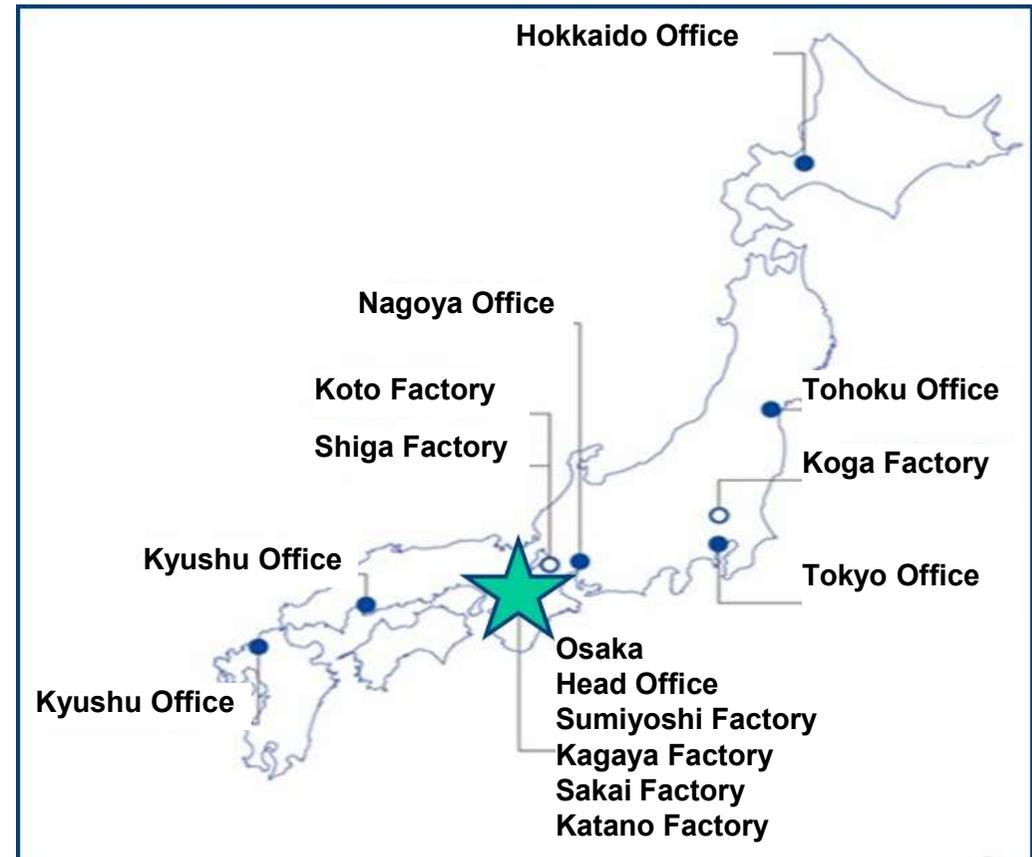
Reference Materials 1 Company Information

Company Name	Kurimoto, Ltd.	
Founded	February 2, 1909	
Incorporated	May 10, 1934	
Representative	President Kazutaka Kikumoto	
Capital	31.1 billion yen (as of March 31, 2023)	
Number of Employees	2,107 Employees (as of March 31, 2023, consolidated) 1,327 Employees (as of March 31, 2023, non-consolidated)	
Listed on the Prime Market of the Tokyo Stock Exchange (Securities code: 5602)		

Reference Materials 2 Company Information

Offices and factories :

- **Factories (13 areas)**
Osaka: 4 factories
Shiga, Koga, etc.
- **Domestic Offices (8 areas)**
Head Office(Osaka), Tokyo,
Hokkaido, Tohoku, Nagoya,
Chugoku, Kyushu, Okinawa
- **Oversea Offices (2 areas)**
Europe Office (Germany)
Jakarta Office (Indonesia)



Kurimoto Group (21 companies) :

**KURIMOTO TRADING CO., LTD. , Motoyama Eng. Works, Ltd.,
KS-TECH CO., LTD.<Domestic> Readco Kurimoto, LLC. , Kurimoto- USA, Inc.<USA>,
KURITETSU (SHANGHAI) TRADING CO., LTD. <China>, RIKO, LTD.<Taiwan> etc.**

Reference Materials 3 Company Information

Management Principle

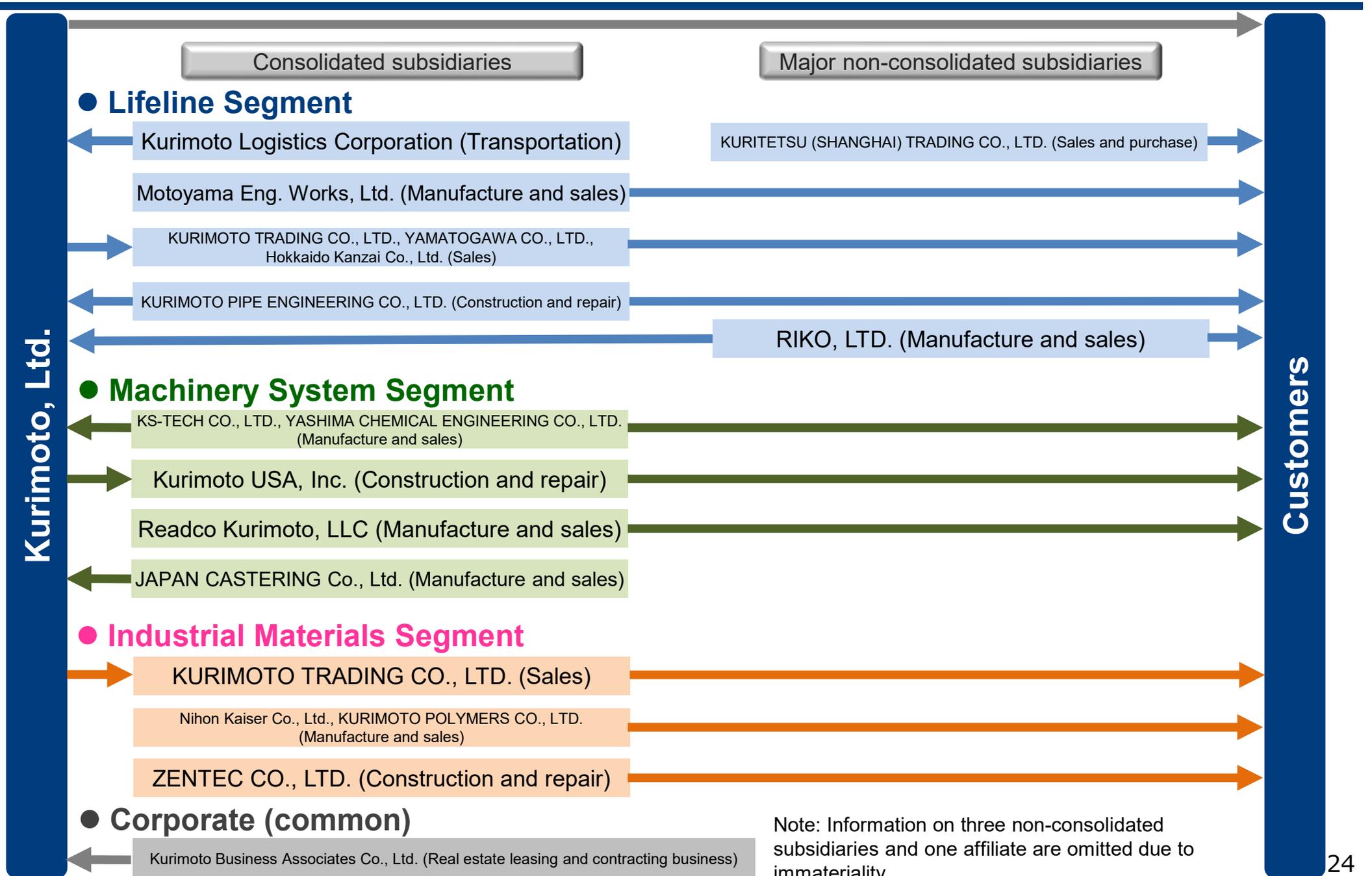
We will meet the expectations and trust of all stakeholders, always provide optimal systems, and create a "future that fulfills the dreams of people."

- Providing optimal systems for social and industrial infrastructures -**

Management Policy

We aim to be a corporate group that can contribute to society toward the future with the spirit of "Four-Way Satisfaction; Good for Seller, Good for Buyer, Good for Society, and Good for Future."

Reference Materials 4 Kurimoto Group



Note: Information on three non-consolidated subsidiaries and one affiliate are omitted due to immateriality.

Reference Materials 5 Business Domains

Social Infrastructure

Facilities that serve as a foundation for people and their daily lives such as water supply and sewage systems, roads, communications, and transportation



Machinery, plant and other manufacturing equipment necessary for manufacturers' production activities



Industrial Equipment

Reference Materials 6

Composition of Business Divisions and Main Products (Kurimoto, Ltd.)

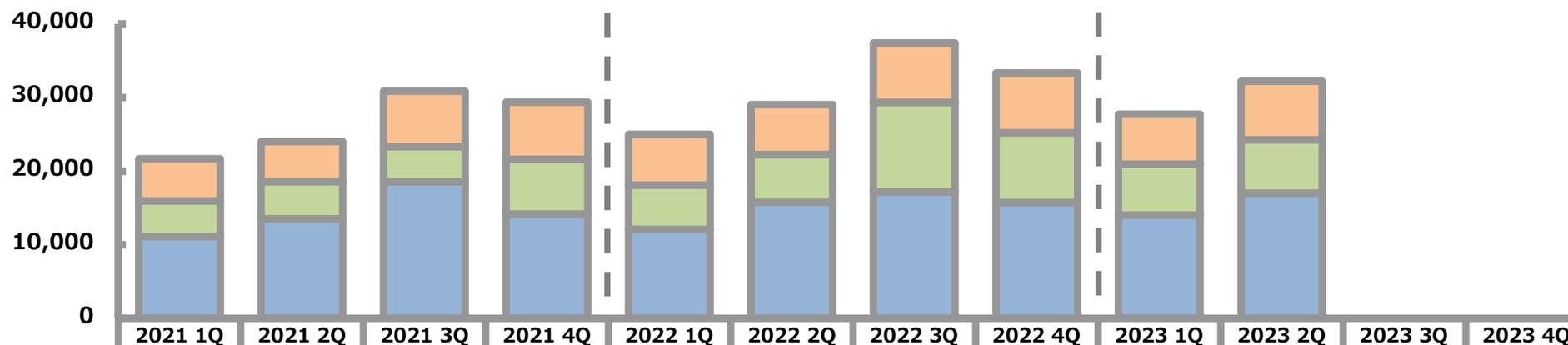
Business segment	Business Domains	Division	Product examples	Major customers
Lifeline	 	Pipe Systems	Ductile iron pipes	Water utility
		Valve Systems	Water valves, industrial valves	Water utility, various plants such as ironmaking and electric power, pump manufacturers
Machinery System		Plant Engineering & Machinery	Forging press	Automobile-related manufacturers
			Powder processor	Carbon, engineering plastic, rechargeable battery-related manufacturers, etc.
			Plant engineering	Resource development enterprises in various countries, plant engineering companies
		Materials & Machinery	Abrasion resistant casting, crusher	Steel, cement, electric power, environment, crushed stone-related companies
Industrial Materials	 	Construction Materials	Construction materials	Pipe material trading firms, air conditioning equipment suppliers, general contractors, etc.
		Plastic Products	FRP (M) products	National/local governments, electric power companies, general contractors, film manufacturers

Reference Materials 7

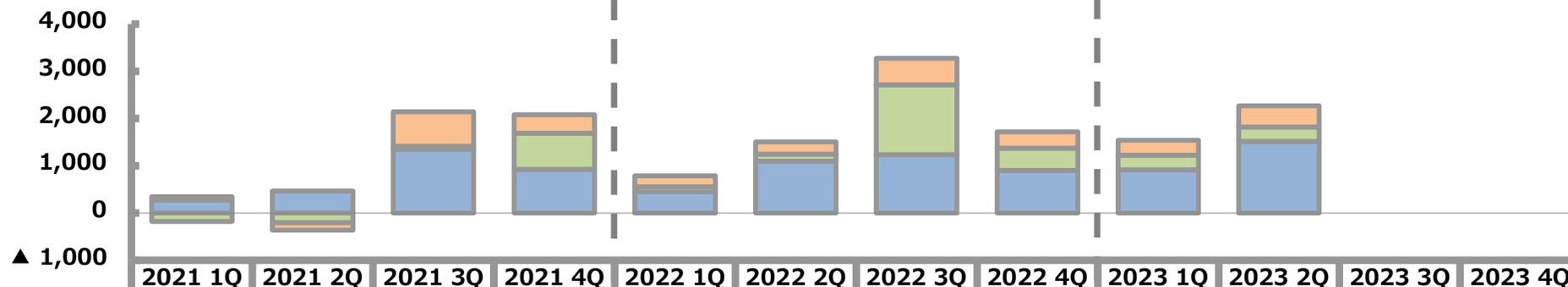
Trends of Quarterly Segment Earnings (Consolidated)

Net Sales

(Millions of yen)



Operating Income

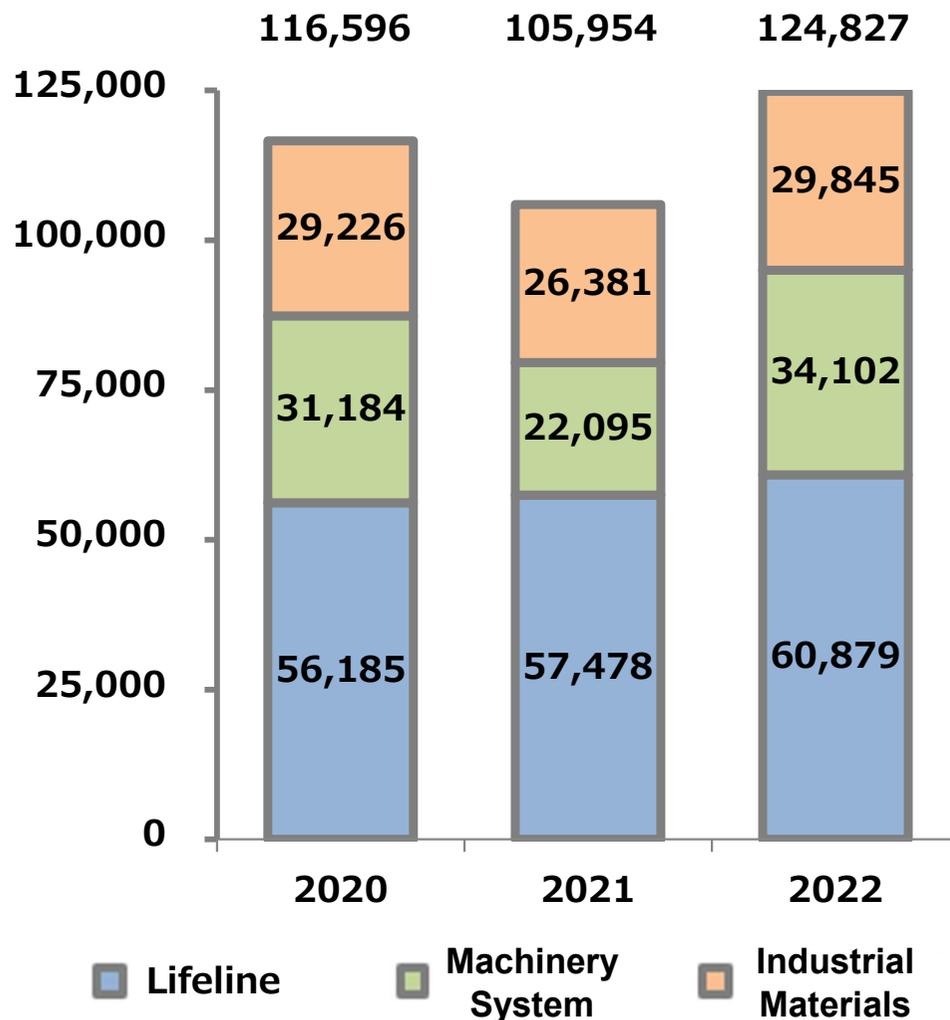


* The total operating income includes adjustments, and does not match the sum of segment profit.

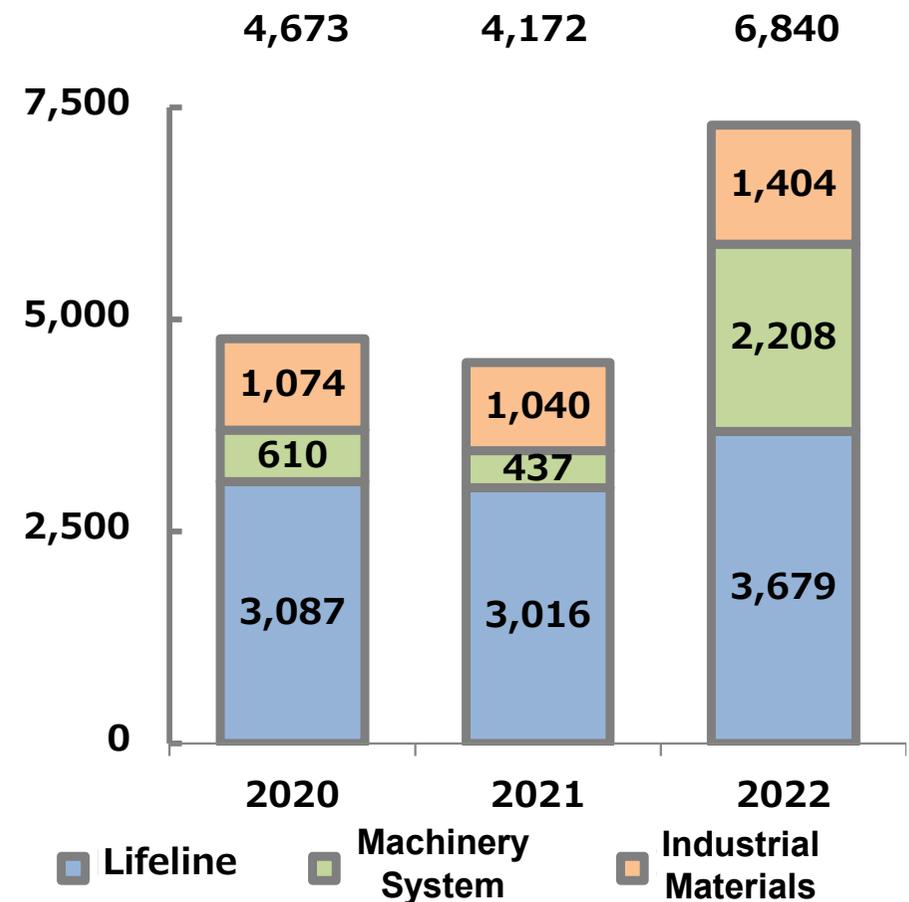
Reference Materials 8 Trends of Segment Earnings

(Millions of yen)

Net Sales



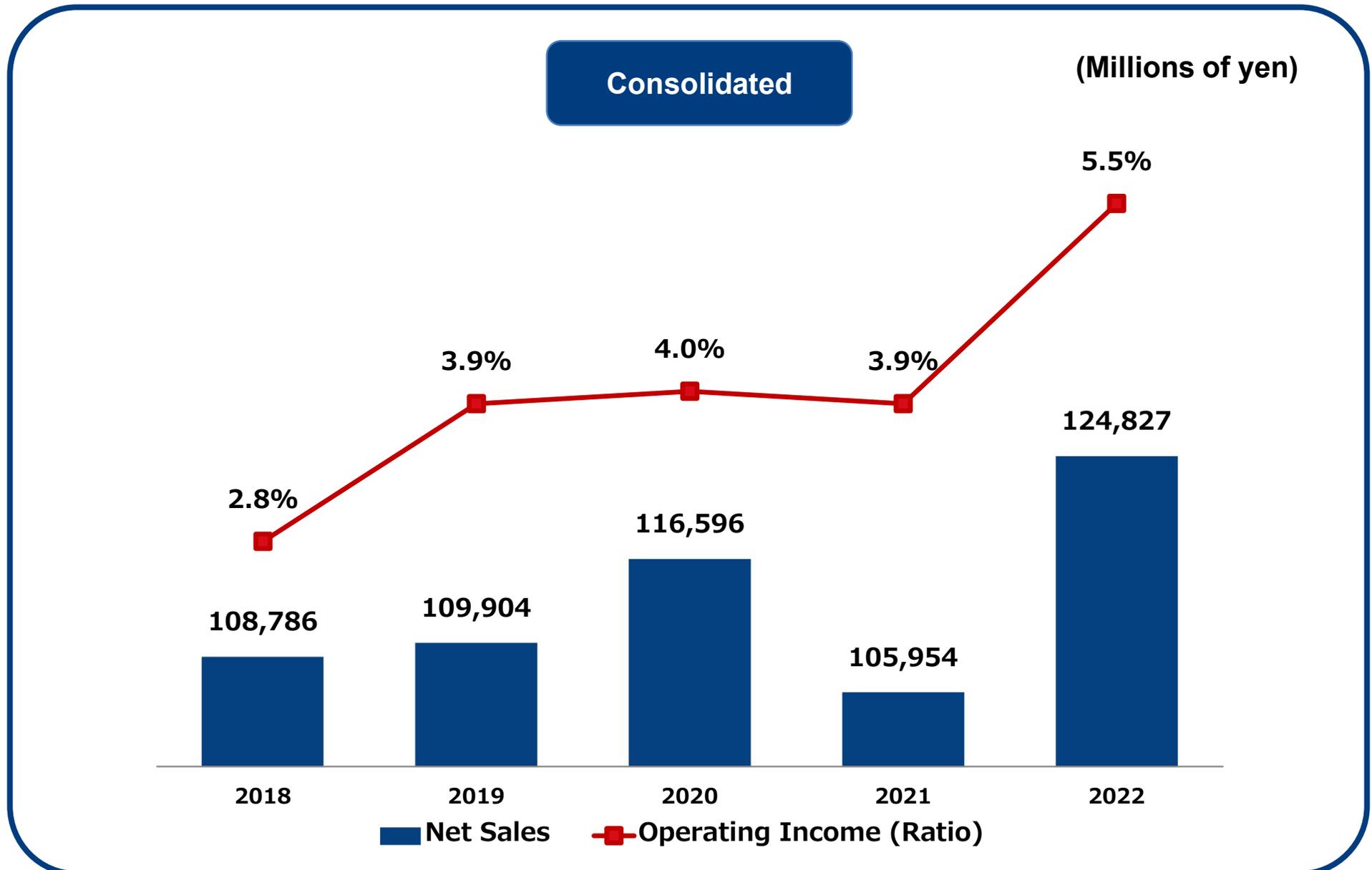
Operating Income



* The total operating income includes adjustments, and does not match the sum of segment profit.

Reference Materials 9

Trends of Sales and Operating Income (Consolidated)



Reference Materials 10

Orders Received for Water Pipelines, Based on the DB Method

- Main orders received for water pipelines (ordered for design and installation both together) based on the DB method

No.	Purchaser	Order received	Completion	Project name	Contractor	Business scale
1	Komoro City, Nagano Prefecture	FY2019	FY2022	Water pipeline upgrade work (Maruyama wastewater reservoir to Sakanoue distribution reservoir)	Kurimoto, Ltd.	390 million yen
2	Izumisano City, Osaka Prefecture	FY2020	FY2022	Water pipeline upgrade work for the Hineno water purification plant, etc. in Izumisano City	Kurimoto, Ltd. and Izumisano City Water Supply Association Joint venture for specific construction work	310 million yen
3	Kobe City, Hyogo Prefecture	FY2020	FY2023 (Plan)	Distribution mains replacement work in Chuo-ku (Higashi Machi, etc.)	Kurimoto, Ltd., Minato Construction Corporation, and Ando Kensetsu Co., Ltd. Joint venture for specific construction work	620 million yen
4	Koryo-cho, Nara Prefecture	FY2020	FY2021	Distribution mains installation in Mami-minami in Koryo-cho Earthquake-resistant design and installation work	Kurimoto Ltd. and Ushio Consultants Company, Ltd. Joint venture	250 million yen
5	Koryo-cho, Nara Prefecture	FY2021	FY2024 (Plan)	Distribution mains installation in Koryo-cho Earthquake-resistant design and installation work	Muramoto, Kurimoto Ltd., and Ushio Consultants Company, Ltd. Joint venture	540 million yen
6	Nakatsugawa City, Gifu Prefecture	FY2021	FY2024 (Plan)	Water pipeline upgrade work around Nakatsugawa Station	Kurimoto Pipe Engineering Co., Ltd., Hobo Kousan, and Shin-Nippon Design Group	440 million yen
7	Nara Prefecture	FY2022	FY2025 (Plan)	Maintenance work in No. 1 segment of Ando connecting pipeline	Kurimoto Ltd., Muramoto, and Ushio Consultants Company, Ltd. Joint venture for specific construction work	–
8	Harima-cho, Hyogo Prefecture	FY2022	FY2024 (Plan)	Trunk water mains installation work in Higashi Honjo and Nijima areas	Kurimoto Ltd. and Ushio Consultants Company, Ltd. Joint venture	440 million yen
9	Chitose City, Hokkaido	FY2023	FY2025 (Plan)	(5) Bibi extramural water supply improvement work	Kurimoto, Ltd, Maizuru, Shin'ei, and Nihon Suido Consultants Co., Ltd. Joint venture for specific construction work	1.38 billion yen
10	Rumoi City, Hokkaido	<u>FY2023</u>	FY2024 (Plan)	Water conduit upgrade work for Shin-Nobusha water purification plant	Kurimoto Pipe Engineering Co., Ltd., Nihon Suido Consultants Co., Ltd. Joint venture for specific construction work	110 million yen

Earnings forecast and other forward-looking statements described in this document are based on currently available information and certain assumptions that the Company believes are reasonable, and do not represent a commitment by the Company that they will be achieved.

In addition, actual business performance may differ significantly due to a number of factors.

Contact:
Corporate Planning Division
Kurimoto, Ltd.
info@kurimoto.co.jp
<https://www.kurimoto.co.jp>

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