
Financial Results for the Nine Months Ended December 31, 2023

Kurimoto Group



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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 Nine Months Ended December 31, 2023

1 – 1 Overview of Financial Results

<Consolidated>

(Millions of yen)

	Results for the Nine Months Ended December 31, 2022 (A)		Results for the Nine Months Ended December 31, 2023 (B)		YoY (B-A)	Latest Forecast Values* for FYE March 31, 2024 (C)	
Net Sales	91,481	-	95,268	-	3,787	124,000	-
Operating Income / Ratio	5,503	6.0%	6,900	7.2%	1,397	7,500	6.0%
Ordinary Income / Ratio	5,531	6.0%	7,030	7.4%	1,498	7,500	6.0%
Quarterly Net Income for the Year / Ratio	3,827	4.2%	4,988	5.2%	1,161	5,100	4.1%

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

Net Sales

Net sales increased by 3,787 million yen year-on-year supported by firm public-sector demand, along with steady shipments of large projects in the private sector, though sales did not reach the level of the previous year when investment demand recovered.

Operating Income

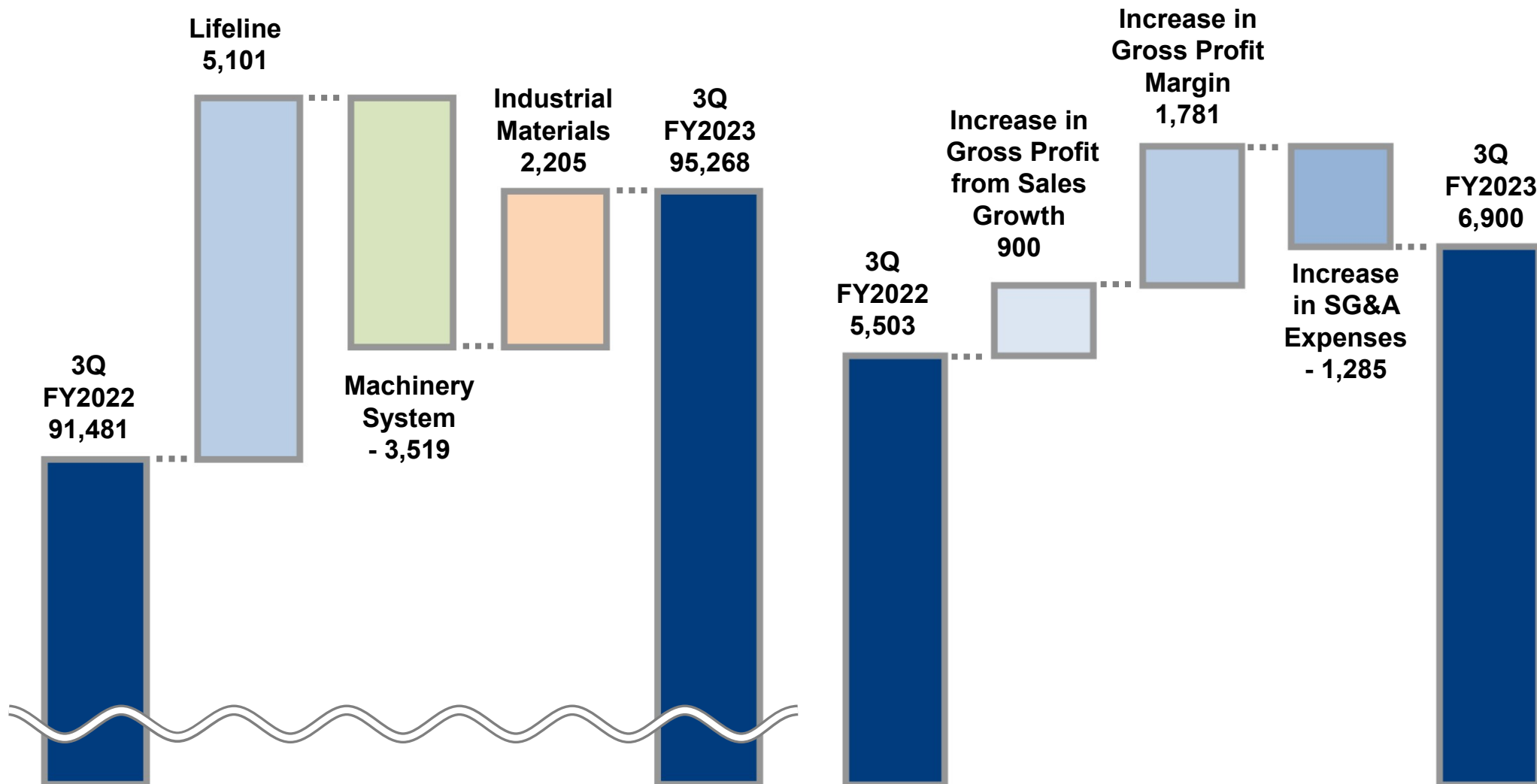
Operating income increased by 1,397 million yen year-on-year as a result of various cost reduction activities, as well as an increase in net sales and changes in sales composition.

1 – 2 Comparison of Net Sales and Operating Income

(Millions of yen)

Net Sales

Operating Income



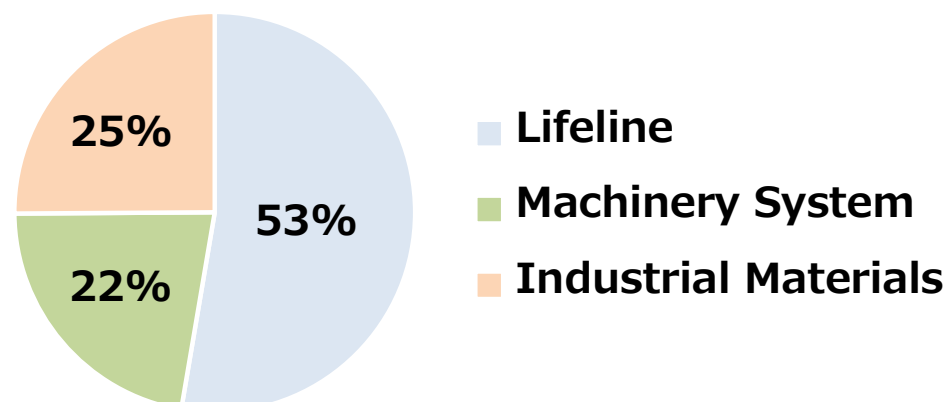
1 – 3 Segment Results

(Millions of yen)

		Results for the Nine Months Ended December 31, 2022 (A)	Results for the Nine Months Ended December 31, 2023 (B)	YoY (B–A)
Lifeline	Net Sales	45,111	50,212	5,101
	Operating Income	2,777	4,210	1,433
	Ratio	6.2%	8.4%	2.2pts
Machinery System	Net Sales	24,648	21,128	-3,519
	Operating Income	1,739	1,406	-332
	Ratio	7.1%	6.7%	-0.4pts
Industrial Materials	Net Sales	21,721	23,927	2,205
	Operating Income	1,056	1,775	718
	Ratio	4.9%	7.4%	2.5pts

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

Segment Sales Composition



* Results as of December 31, 2023(consolidated)

1 – 4 Overview by Business Segment

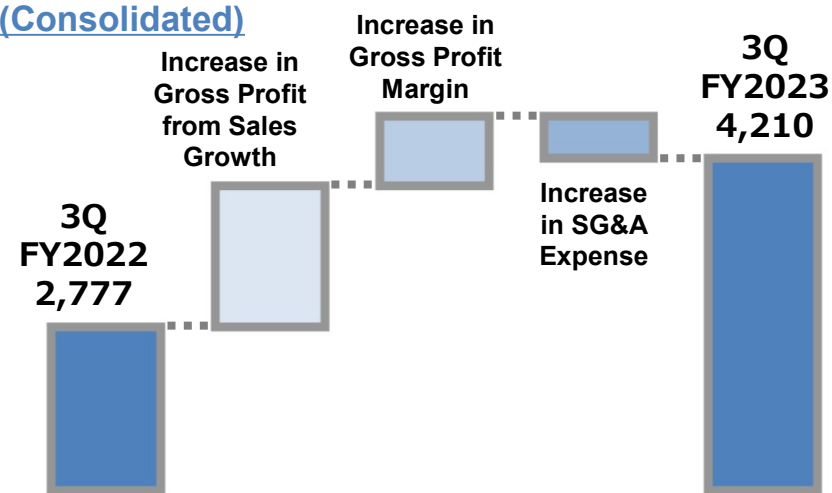
Lifeline

(Millions of yen)

	Results for the Nine Months Ended December 31, 2022 (A)	Results for the Nine Months Ended December 31, 2023 (B)	YoY (B—A)	Latest Forecast Values for FYE March 31, 2024* (C)
Net Sales	45,111	50,212	5,101	64,200
Operating Income	2,777	4,210	1,433	4,900
Ratio	6.2%	8.4%	2.2pts	7.6%

* Latest Forecast Values for FYE March 31, 2024 (C): Revised Forecast as on February 8, 2024

Breakdown of increase/decrease in Operating Income (Consolidated)



Net sales and Operating Income by Business Segment

Net Sales

Net sales increased by 5,101 million yen year-on-year due primarily to the strong sales in the Pipe Systems Division and sales growth with large projects in the Valve Systems Division.

Operating Income

Operating income increased by 1,433 million yen year-on-year mainly through cost improvement and sales growth.

1 – 4 Overview by Business Segment

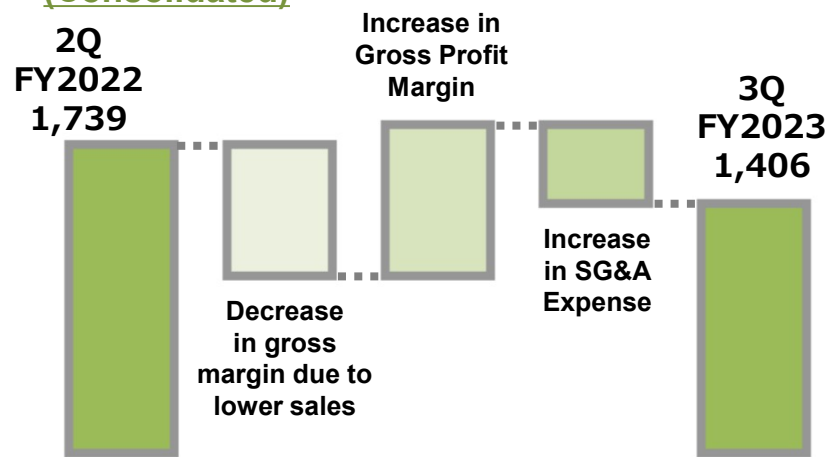
Machinery System

(Millions of yen)

	Results for the Nine Months Ended December 31, 2022 (A)	Results for the Nine Months Ended December 31, 2023 (B)	YoY (B—A)	Latest Forecast Values for FYE March 31, 2024* (C)
Net Sales	24,648	21,128	-3,519	29,800
Operating Income	1,739	1,406	-332	1,700
Ratio	7.1%	6.7%	-0.4pts	5.7%

* Latest Forecast Values for FYE March 31, 2024 (C): Revised Forecast as on February 8, 2024

Breakdown of increase/decrease in Operating Income (Consolidated)



Net Sales and Operating Income by Business Segment

Net Sales

Net sales decreased by 3,519 million yen year-on-year, mainly reflecting a reactionary decline in sales of press machines, plant projects, etc., most of which were accounted for in the previous year by the Plant Engineering and Machinery Division through higher sales in crushers and components in the Materials and Machinery Division.

Operating Income

Operating income decreased by 332 million yen year-on-year due mainly to lower sales recorded by the Plant Engineering and Machinery Division.

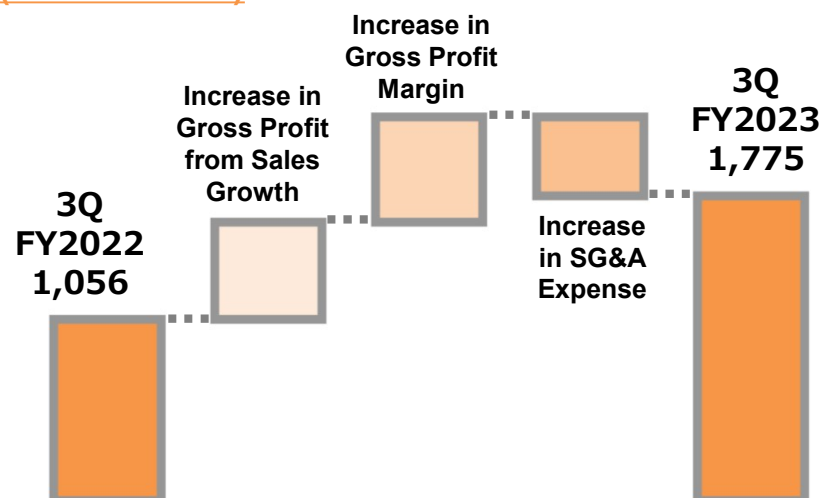
1 – 4 Overview by Business Segment

Industrial Materials

	(Millions of yen)			
	Results for the Nine Months Ended December 31, 2022 (A)	Results for the Nine Months Ended December 31, 2023 (B)	YoY (B–A)	Latest Forecast Values for FYE March 31, 2024* (C)
Net Sales	21,721	23,927	2,205	30,000
Operating Income	1,056	1,775	718	1,900
Ratio	4.9%	7.4%	2.5pts	6.3%

* Latest Forecast Values for FYE March 31, 2024 (C): Revised Forecast as on February 8, 2024

Breakdown of increase/decrease in Operating Income (Consolidated)



Net Sales and Operating Income by Business Segment

Net Sales

Net sales increased by 2,205 million yen year-on-year thanks mainly to increases in air-conditioning product sales for factory projects posted in the Construction Materials Division, and electric power industry products posted by the Plastic Products Division.

Operating Income

In addition to the sales increase, an increase in the sales ratio of high value-added products, and other factors pushed up operating income by 718 million yen from the previous year.

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)		Previous Forecast for FYE March 31, 2024 (B) ※1		Revised Forecast for FYE March 31, 2024 (C) ※2		YoY (C–A)	
Net Sales	124,827	-	120,000	-	124,000	-	-827	-
Operating Income / Ratio	6,840	5.5%	6,000	5.0%	7,500	6.0%	660	0.5pts
Ordinary Income / Ratio	6,868	5.5%	6,000	5.0%	7,500	6.0%	632	0.5pts
Net Income / Ratio for the year	4,727	3.8%	4,000	3.3%	5,100	4.1%	373	0.3pts
ROE	-	6.9%	-	5.5%	-	6.8%	-	-0.1pts

* 1 Forecast as of November 2, 2023 * 2 Forecast as of February 8, 2024

Net sales are expected to exceed the previously announced forecast backed by firm public-sector demand, which will encourage sales growth in the lifeline business. In addition to the increase in net sales and change in sales composition, the positive effects of cost reduction activities and other factors boosted operating income, ordinary income, and net income above the previously announced forecast, as well as the results of the previous year when net sales and all kinds of income were strong.

2 – 2 Earnings Forecast



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

(Millions of yen)

Consolidated		Results for FYE March 31, 2023 (A)	Previous 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	60,300	64,200	3,321	55,500	8,700
	Operating Income	3,679	3,600	4,900	1,221	2,800	2,100
	Ratio	6.0%	6.0%	7.6%	1.6pts	5.0%	2.6pts
Machinery System	Net Sales	34,102	30,300	29,800	-4,302	29,700	100
	Operating Income	2,208	1,400	1,700	-508	1,100	600
	Ratio	6.5%	4.6%	5.7%	-0.8pts	3.7%	2.0pts
Industrial Materials	Net Sales	29,845	29,400	30,000	155	34,800	-4,800
	Operating Income	1,404	1,400	1,900	496	1,600	300
	Ratio	4.7%	4.8%	6.3%	1.6pts	4.6%	1.7pts

Lifeline segment :

Considering the firm public-sector demand, solid sales trends, and positive effects of cost improvement, net sales and operating income are both expected to increase.

Machinery System segment :

Net sales and operating income are both expected to decrease due to concerns about market recovery caused by high raw material costs and other factors, as well as negative impacts coming from geopolitical risks and a reactionary decline from the significant sales increase recorded in fiscal 2022.

Industrial Materials segment :

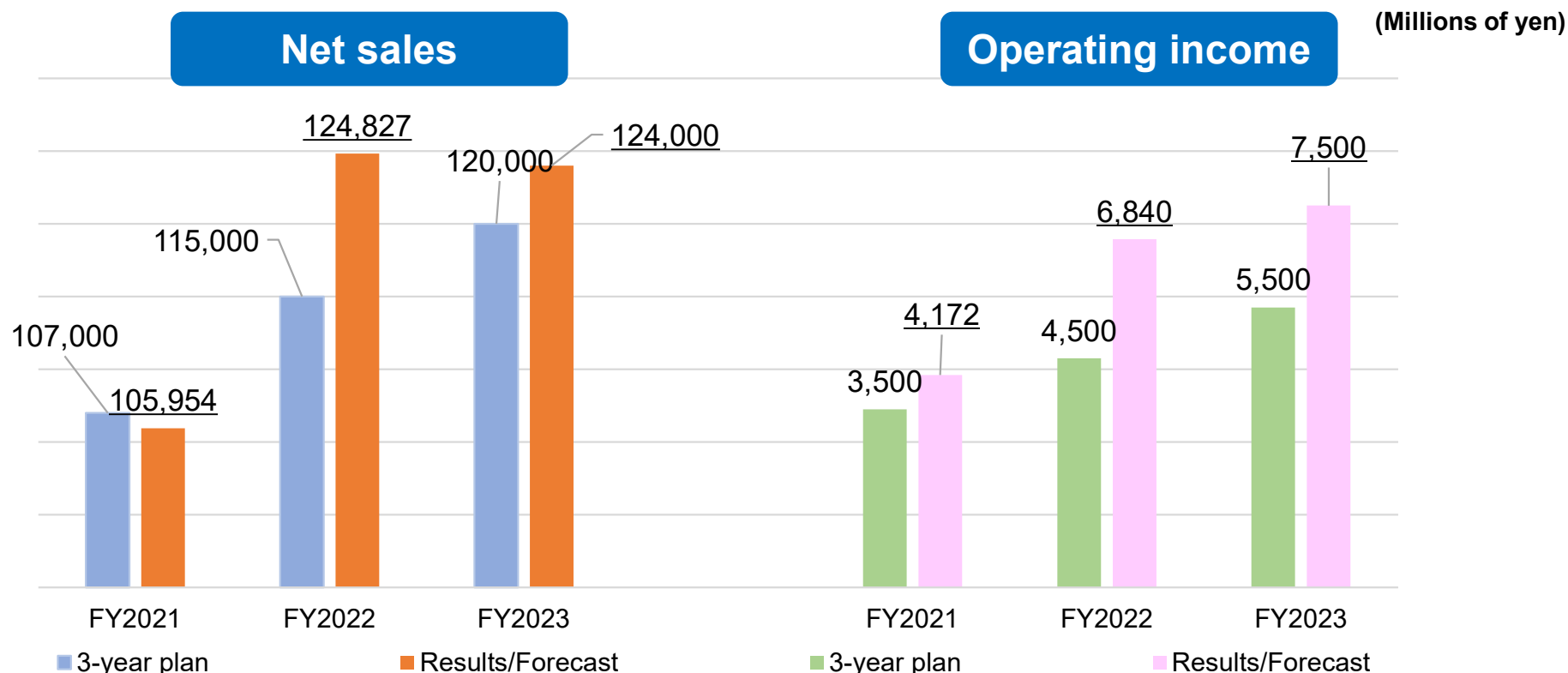
Net sales and operating income are both expected to grow, largely driven by higher sales in high value-added products.

* 1 Forecast as of November 2, 2023 * 2 Forecast as of February 8, 2024

* 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



- For fiscal 2023, net sales will decrease but operating income will increase in comparison with the previous year's results, while net sales and operating income are both expected to increase in comparison with the initial plan in the three-year mid-term business 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 104% for net sales and 137% for operating income.

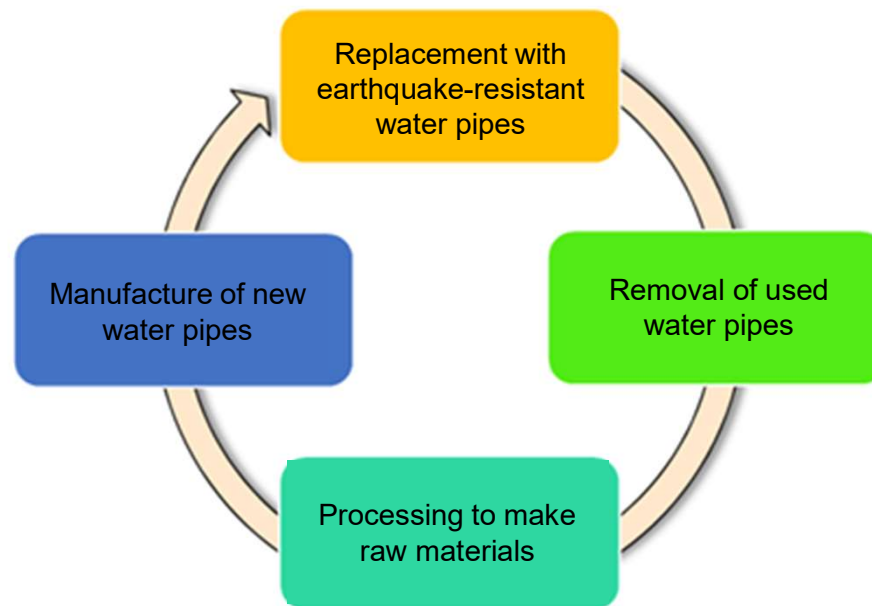
3. Topics

3 – 1 Topics

✓ Started joint research on building an appropriate recycling system for cast iron products

Kurimoto has started joint research with the Osaka City Waterworks Bureau on the effective utilization of used water pipes as raw materials for manufacturing new ductile iron pipes. The old pipes are replaced with Seismic-resilient pipes as part of measures against earthquakes.

→ Contribute to the realization of a recycling-oriented society in terms of environmental preservation by building an appropriate recycling system for cast iron products.



Recycling of used water pipes



Ductile iron pipe

3 – 2 Topics

✓ “SAWARERU”, Kurimoto’s haptic gaming device, wins CES® 2024 Innovation Awards

“SAWARERU”, a haptic gaming device adopting our proprietary magneto-rheological fluid (SoftMRF®), won the “CES® 2024 Innovation Awards” (Gaming & eSports category).

<Features>

By sending sensory data compiled by our proprietary feel collection and editing system to the "Tap Unit" and controlling the strength of the magnetic field applied to the on-board SoftMRF®, hard and soft sensations are transmitted to the index finger, enabling unprecedented sensory expression.



“SAWARERU” haptic gaming device



The character's reactions are linked to finger movements.

Overview of haptic feedback system



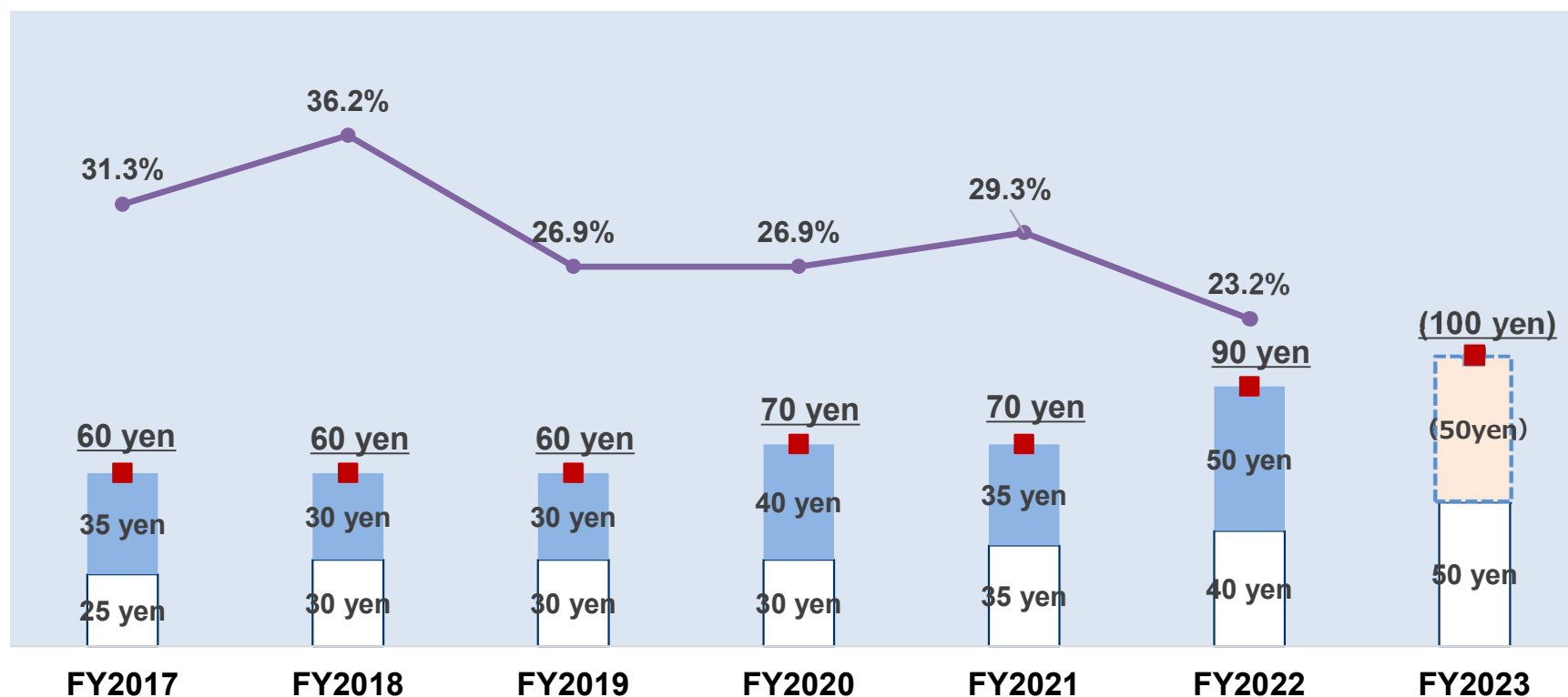
4. Shareholder Return

4 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. Although we have not revised the forecast for our fiscal 2023 year-end dividend, we will continue to evaluate the appropriate amount to be returned to shareholders, taking trends in our business performance and other factors into account.

Trends of dividend per share and payout ratio (Consolidated)

- Year-end dividend amount (yen)
- Interim dividend amount (yen)
- Total annual dividend amount (yen)
- Annual dividend payout ratio (%)



*Forecast as of February 8, 2024

Reference Materials

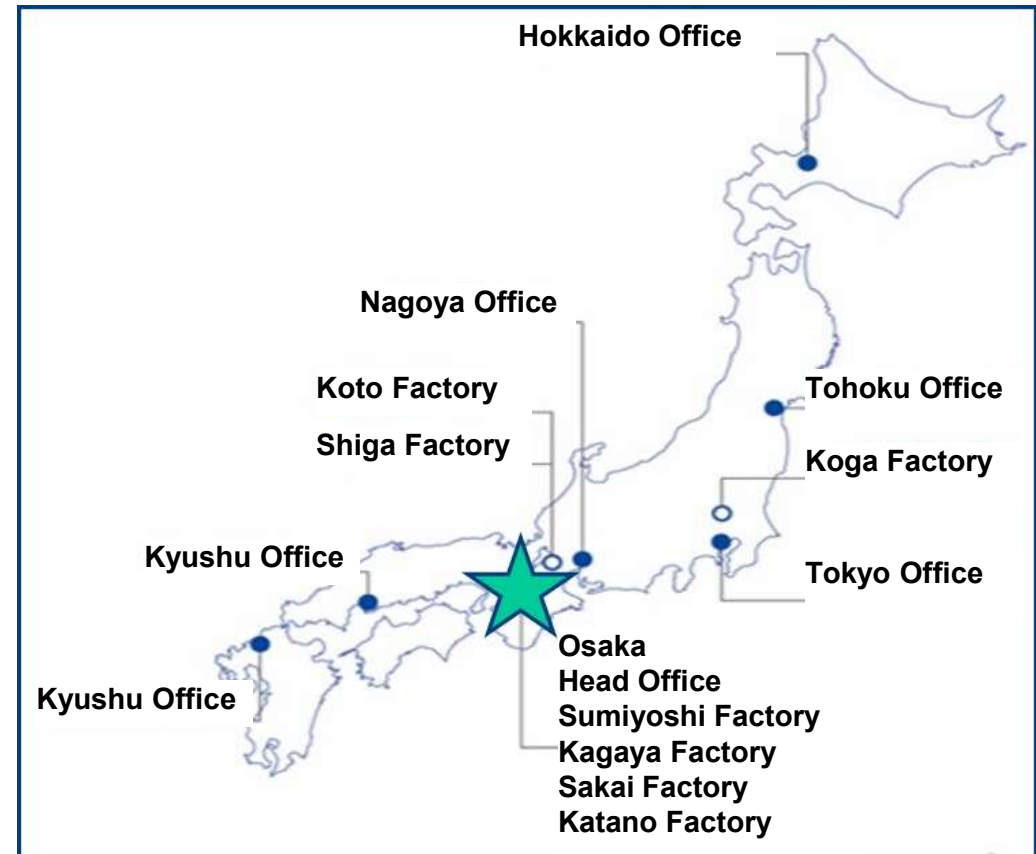
Reference Materials 1 Company Information

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

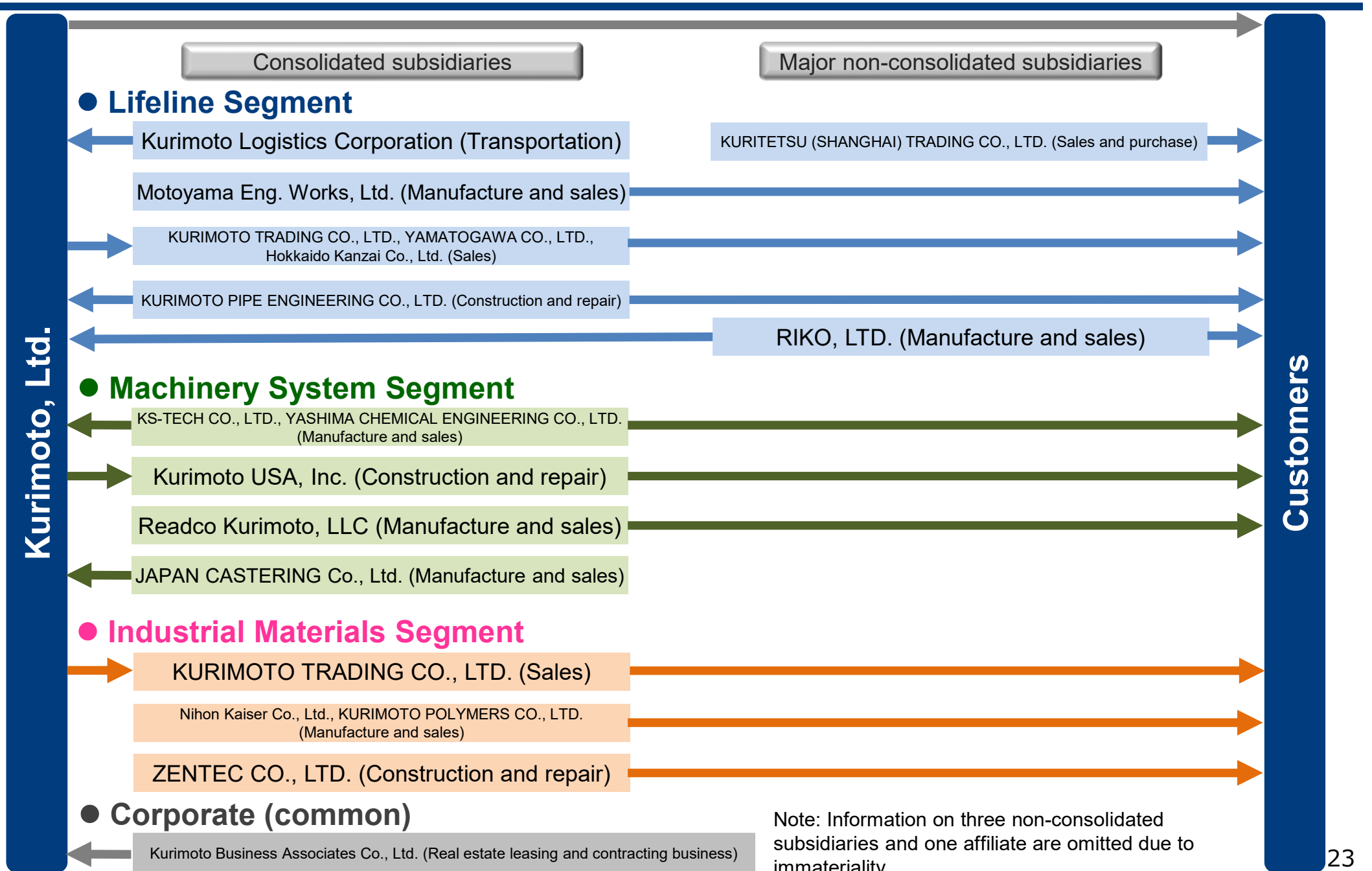
We will meet the expectations and trust of all stakeholders, always provide optimal systems, and create a "future that fulfills the dreams of people."

- 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



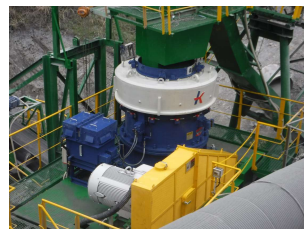
Reference Materials 5 Business Domains

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.)

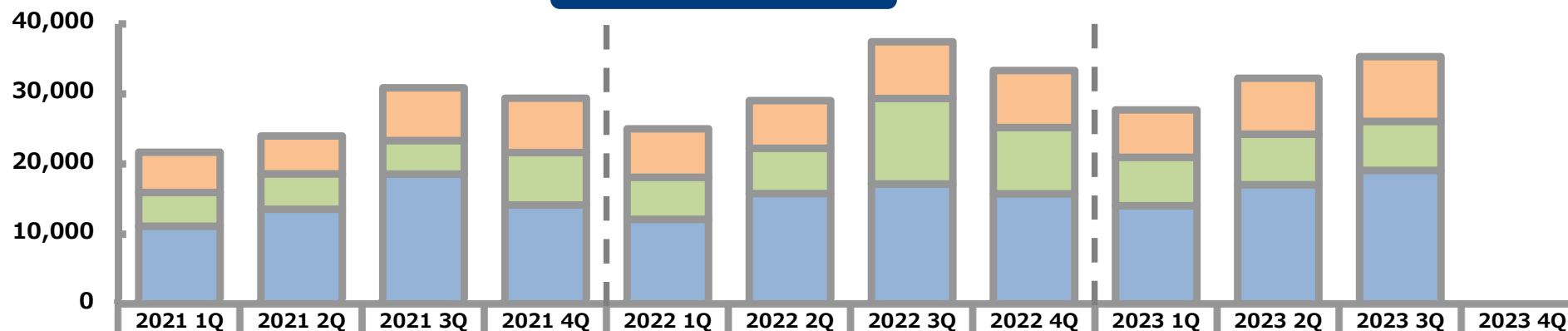
Business segment	Business Domains	Division	Product examples	Major customers
Lifeline	 	Pipe Systems	Ductile iron pipes	Water utility
		Valve Systems	Water valves, industrial valves	Water utility, various plants such as ironmaking and electric power, pump manufacturers
Machinery System		Plant Engineering & 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

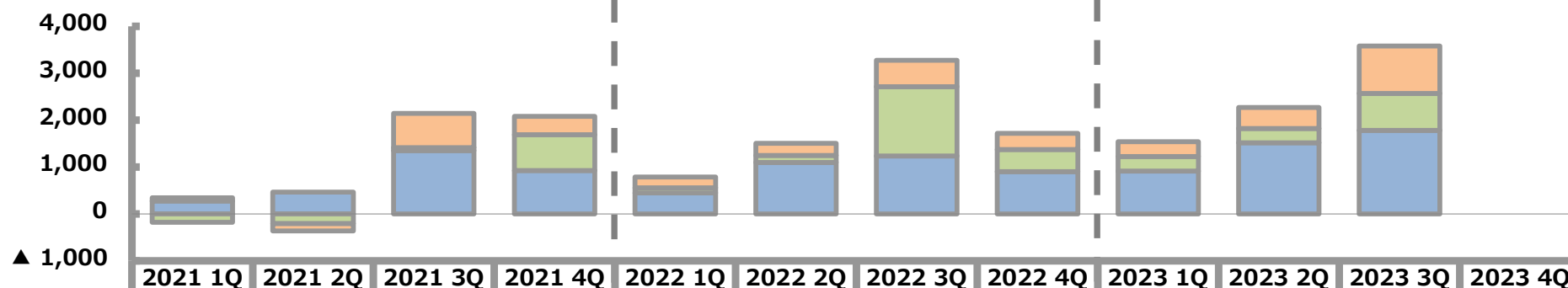
Trends of Quarterly Segment Earnings (Consolidated)

Net Sales

(Millions of yen)



Operating Income

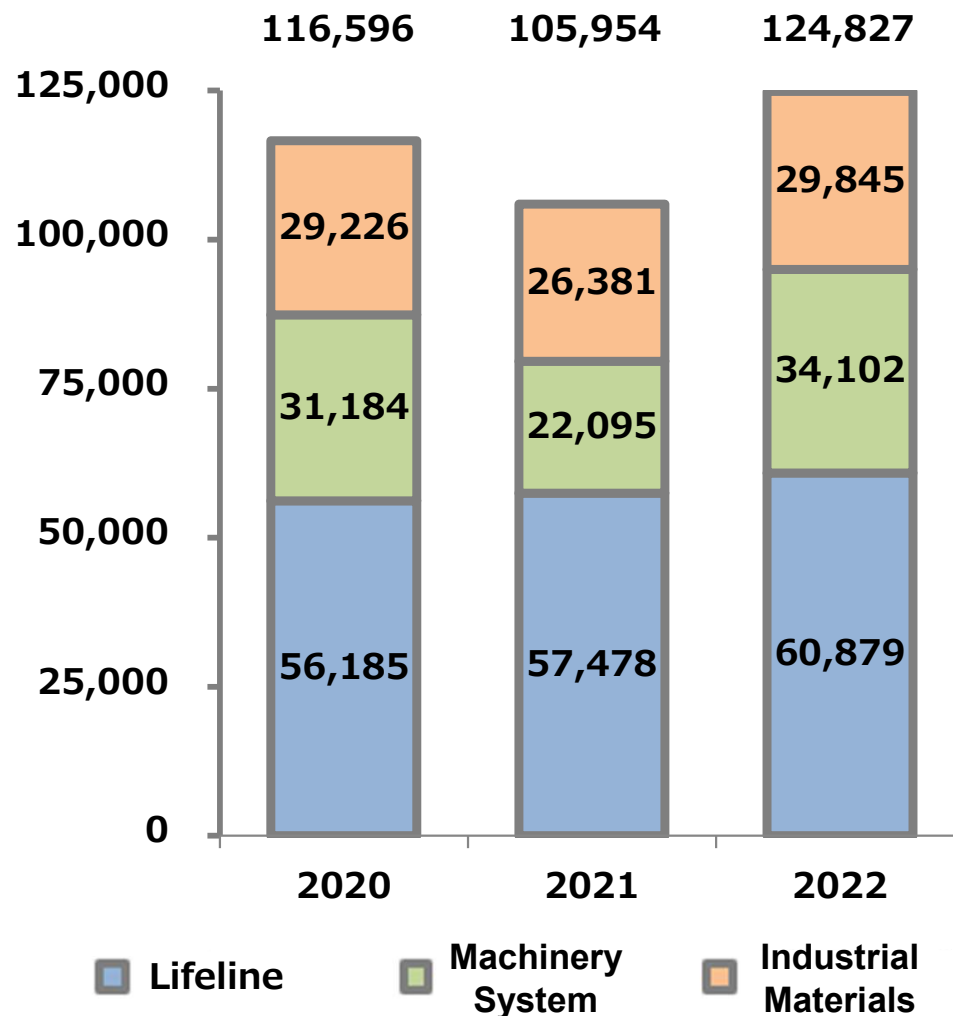


* The total operating income includes adjustments, and does not match the sum of segment profit.

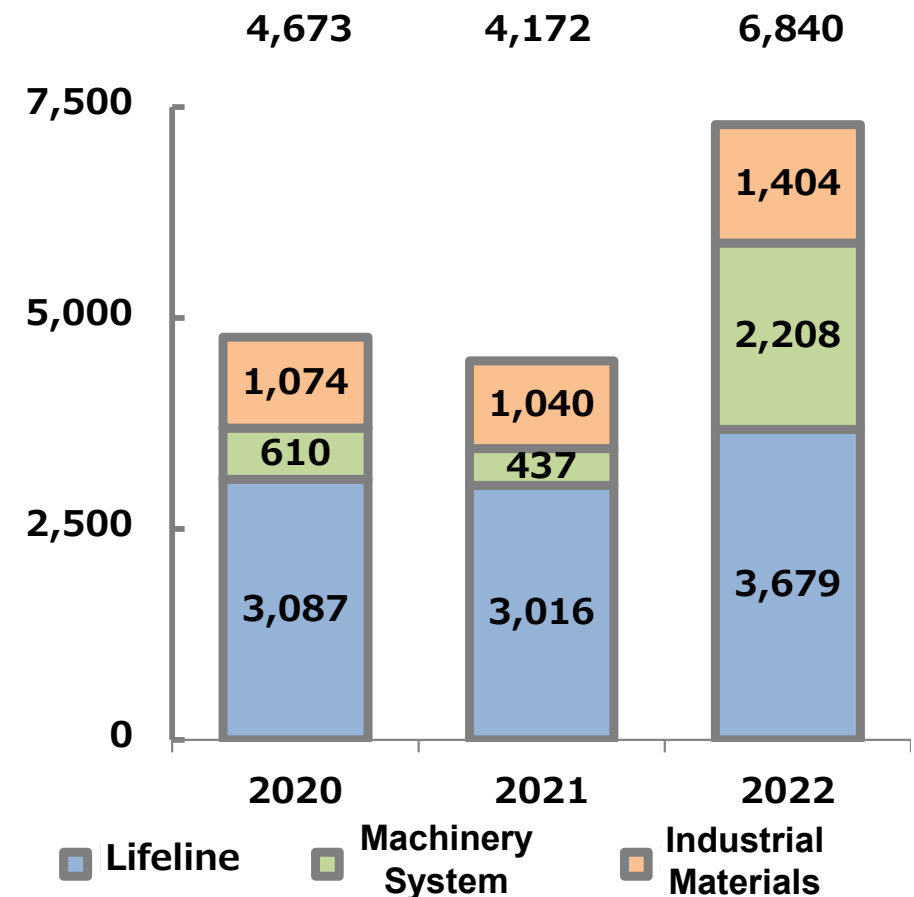
Reference Materials 8 Trends of Segment Earnings

(Millions of yen)

Net Sales



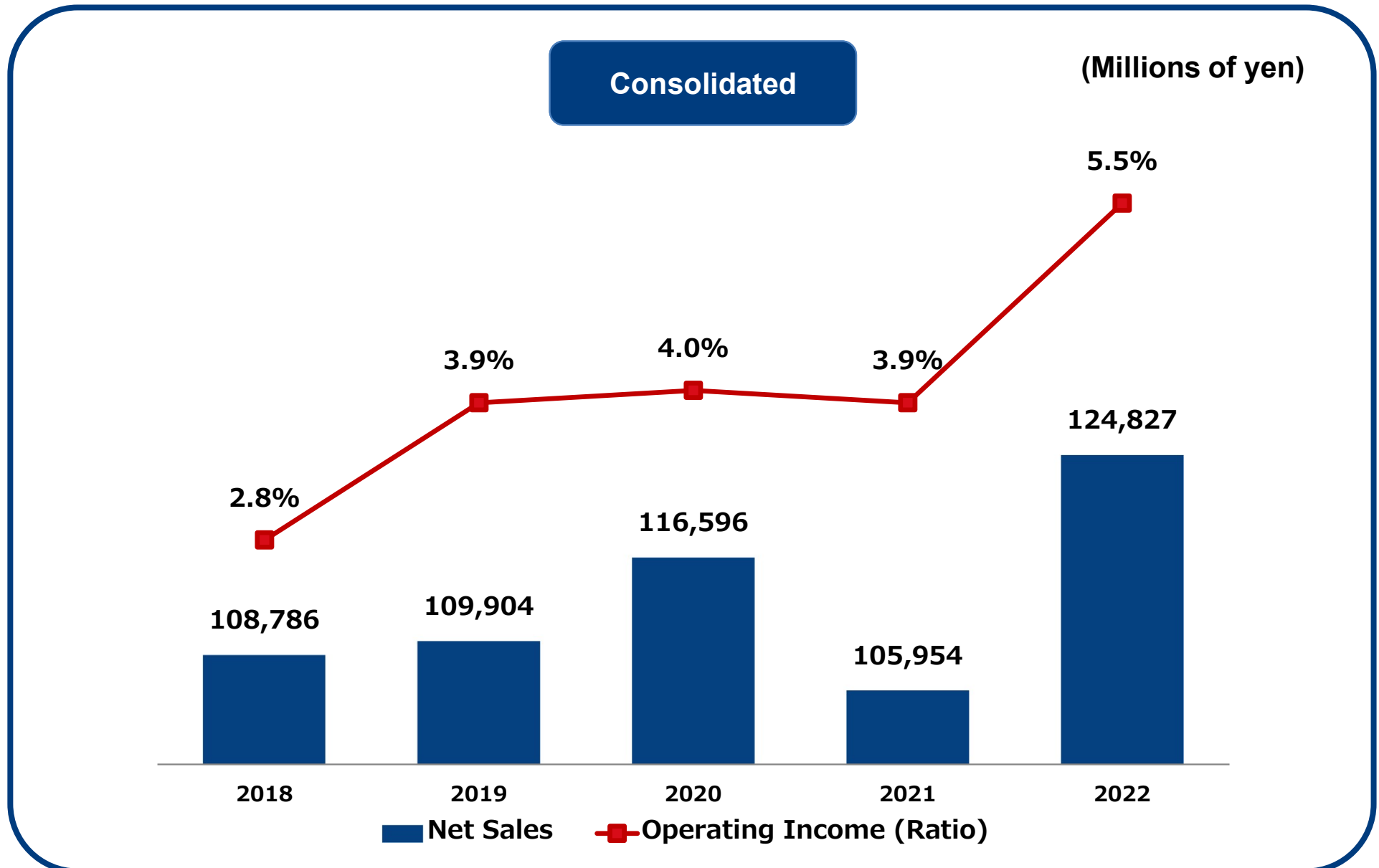
Operating Income



* 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)



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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