

# KURIMOTO REPORT 2023

Corporate Report



For a Future with  
**Dreams**

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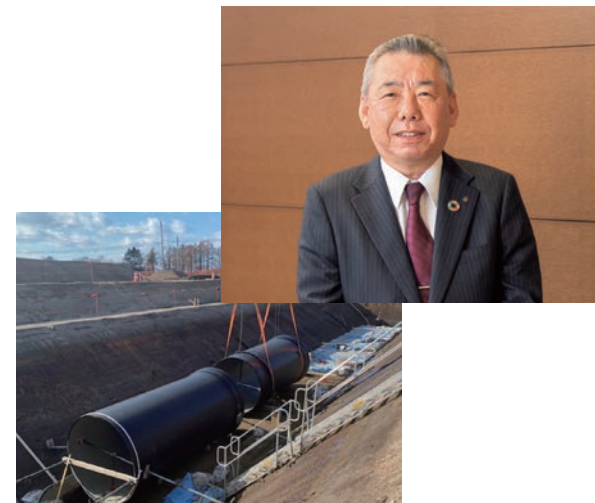


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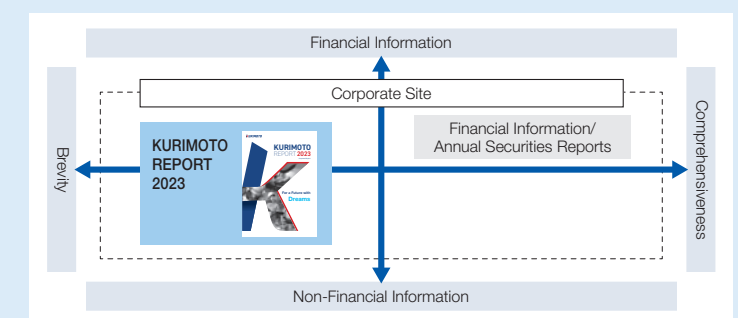
This edition represents the 10th anniversary of *KURIMOTO REPORT*, which integrates the content of our previous distinct publications known as the *Business Report* and the *CSR Report*. This edition offers easy-to-understand presentations of our strategy, management foundations, and sustainability initiatives for a wide range of stakeholders with interests in our management and business activities. In addition to providing information on specific initiatives, this report discloses detailed data on sustainability as required by government agencies and as requested by many elements of society. We are confident that presentation of this information will contribute to greater trust in our Group while enhancing our corporate value.

### Details of the 2023 edition and changes from the 2022 edition

Beginning with the next fiscal year, we aim to reintroduce this publication as our *Integrated Report*. As a result, the publication for the next fiscal year will serve as a tool to achieve quantitative sales targets, CO<sub>2</sub> emissions reduction targets in the interests of achieving carbon neutrality by 2050, disclosure of our long-term vision, and a deeper relationship with all our stakeholders. *KURIMOTO REPORT 2023* therefore represents a corporate report covering the transitional phase prior to the subsequent publication of our *Integrated Report* in 2024. Previously, we have disclosed both financial and non-financial information, but in the fiscal 2023 edition, we are disclosing information from a medium- and long-term perspective with the goal of providing integrated disclosures.

## Content of Our Primary Information Disclosure Tools

- This corporate report concisely summarizes the Kurimoto Group's approach and future prospects for improving our corporate value in a sustainable manner. This includes our business activities as well as our ESG initiatives in keeping with the business model we have adopted in accordance with our medium and long-term management strategies. (The relevant sections are as follows: Management Principle/Management Plan/Sustainability Data/Corporate Governance/Financial Summary)
- We also disclose financial and sustainability information on our corporate website.





# Protecting Humanity and Preserving Our Planet

## The future as envisioned by the Kurimoto Group

We have operated as a manufacturing entity for more than a century. We remain committed to fulfilling our corporate responsibility to build and protect social infrastructure while looking 50 to 100 years into the future without being preoccupied with the short-term pursuit of profit.

### Management Principle

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

### 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.

### A Spirit of Ensuring All Participants Are Beneficiaries

The age-old Japanese philosophy of “sanpo-yoshi,” a three-way satisfaction, says that business should be good for the seller, good for the buyer, and good for society. To this, we add a fourth element — good for the future. In the spirit of “yonpo-yoshi,” a four-way satisfaction, we strive to bring about a better future for all.



# History of the Kurimoto Group

Since our company was founded 114 years ago to apply our casting technology in the manufacture of cast iron water and gas pipes, we have dedicated ourselves to improving the social infrastructure and expanding lifelines as well as industrial facilities. The origins of our company can be traced to the corporate philosophy of our founder, Yunosuke Kurimoto, who overcame difficulties with a flexible and proactive approach to management while focusing on the latest technological advances.

## 1909– Our Founding | 1934– A Period of Significant Growth | 1969– A Period of Transition | 1981– A Period of Expansion | 2001– A Turning Point | 2016– A Challenging Period

### Origins of the Kurimoto Group; benefiting from the flourishing waterworks sector

In 1909, our founder Yunosuke Kurimoto founded Kinoyoshi Iron Works as a limited partnership company in Shinsumiya-cho, Nishi-ku (currently Taisho Ward), Osaka, and began manufacturing cast iron pipes for carrying water and gas. Building on the growth in demand for iron pipes, we later launched Kurimoto Iron Works as a limited partnership company and succeeded in developing high-grade cast iron pipes to increase our competitiveness. In 1933, we established Kurimoto Ashida Iron Works as a limited partnership company as part of our effort to expand into the machinery and steel casting sectors.

### Launch of the Plant Engineering & Machinery Division; spanning the period from war disruption to postwar reconstruction

In addition to the company's reorganization as a joint-stock company, the Machinery Department was established to begin industrial machinery, plate working, cast iron, and cast steel manufacturing. This was the beginning of our current Plant Engineering & Machinery Division. In 1935, we exported our first plant to China, which led to a large number of orders. After that, we established our main plant in the Kansai region. During the postwar period, as demand for cast-iron pipes for waterworks increased, we worked diligently as part of the reconstruction effort.

### Meeting government demand and surviving the recessionary period with export orders

In 1969, we constructed the new Kurimoto Building and moved our headquarters to the current location. In 1971, we launched our Plastic Products Division. We developed a new material, polycon fiberglass-reinforced plastic (FRP) pipe, built the current Shiga Factory, and started full-scale manufacturing of FRP products. Although private-sector demand remained sluggish due to the recession caused by the oil crisis, we focused on public-sector demand and export orders mainly for iron pipe, valves, bridges, and floodgates.

### Meeting the challenge of new industries; securing state-of-the-art casting facilities

Around this time, we began to take on the challenge of entering new fields by pursuing technological development. Our Technology Development Division was established for the purpose of what we called "deironization" — the development of products not found in Kurimoto's conventional product line. As a result, we undertook a renewed focus on innovation. In 1987, Shin-Japan Pipe Co., Ltd. was acquired to form the Sakai Factory, and we began manufacturing small-diameter ductile iron pipes. This greatly contributed to improved productivity and helped to rationalize the company's operations.

### Adapting to societal changes through a large-scale corporate restructuring effort

In 2001, we established the Koga Factory in Koga, Ibaraki Prefecture. This Factory was intended to serve as a manufacturing base for building materials in the Kanto area, and in 2007, we established the Kurimoto Center for Innovative Technology. From 2008 to 2010, we transferred or withdrew from businesses and subsidiaries that were posting losses as we implemented a large-scale restructuring of our operations. In 2009, the company proudly celebrated its centennial.

### Stabilizing our existing business base; transitioning to a turnaround

We are continuing to stabilize our business performance, repair our damaged financial foundation, enable investment as well as research and development in new business segments, and accelerate our growth strategy. In 2016, we opened the Kurimoto Composite Center within the Koto Factory to accelerate R&D in carbon-fiber reinforced plastic (CFRP), a new category of material. We remain committed to refining our technical expertise in order to make a greater contribution to society in the future.

**Pipe Systems Division**

- 1909**: Yunosuke Kurimoto renames the company Kinoyoshi Iron Works and begins manufacturing cast iron water and gas pipes at Shinsumiya-cho, Nishi-ku, Osaka (the former Chishima Factory).
- 1931**: The company succeeds in developing high-grade cast iron pipes and achieves quality improvements following a collaboration with Professor Kotaro Honda of Tohoku Imperial University. These cast iron pipes are exported to the East Indies, Java, Sumatra, and other markets through trading companies.
- 1932**: The company exports its first cast iron pipes to Europe. The good reception for these pipes in the East Indies paves the way for the subsequent exports to the Netherlands. The following year, the company receives an award for product excellence from the Dutch government.
- 1948**: Sand mold centrifugal casting equipment is installed at the Kagaya Factory in preparation for production of medium- and large-diameter pipes. This innovation results in a system capable of a full-scale increase in production.
- 1974**: After many years of research at the Kagaya Factory, the company begins manufacture of ductile iron pipes with a diameter of 2600 mm. This product is later adopted by the Waterworks Bureau of the Tokyo Metropolitan Government.
- 1998**: In order to respond to the rapidly increasing demand for earthquake-resistant ductile iron pipes in the aftermath of the Great Hanshin-Awaji Earthquake, a dedicated production line for NS tubes is established in preparation for the launch of a mass production system.
- 2022**: The company succeeds in manufacturing Japan's first 1650-mm pipe with a lining comprising an epoxy resin powder coating. This product is introduced to the sewerage market and receives high praise.

**Plant Engineering & Machinery Division**

- 1933**: Kurimoto Ashida Iron Works is established and begins production of crushers and presses. The company is reorganized as a joint-stock company later the same year. It supplies the Unit 1 electrode molding machine (1,000-tonne vertical type) for Showa Denko K.K.. The following year, the company is amalgamated and the Machinery Division is established.
- 1938**: The Sumiyoshi Factory opens and the plate working factory begins operation. Two years later, the Sumiyoshi Machine Factory is completed and developed into a general machinery factory.
- 1965**: The company forms a technical cooperation with Smeral Brno a.s. in Czechoslovakia for forging presses. Manufacturing and sales of the Kurimoto Smeral Forging Press begins.
- 1971**: The company forms a manufacturing technology alliance with Readco Manufacturing Inc. of the U.S.A. for production of the KRC Kneader continuous kneading machine.
- 2006**: The company enters the North American market by acquiring Readco Manufacturing Inc. of the U.S.A. and establishing the holding company Kurimoto USA, Inc., and the manufacturing and sales company Readco Kurimoto, LLC.
- 2019**: The company ships its first 6,500-tonne large forging press to China for aluminum forging. The second and third units are shipped soon afterward.

**Materials & Machinery Division**

- 1933**: The company exports twenty portable crushing plants to Indonesia and establishes the Casting Division.
- 1960**: Shipment of disc brake rotors for Shinkansen trains begins.
- 1963**: CIX, a high-chromium cast iron material with excellent wear resistance, is developed.
- 1966**: UCX, a composite cast material made by casting cemented carbide particles in high-chromium cast iron, is developed.
- 1987**: The government of Ecuador places an order for a high-depth dam dredger.
- 1989**: The company begins sales of self-propelled crushing equipment as the sole Japan agent of Terex Finlay of the UK.
- 2013**: Sasebo Metal Co., Ltd. and Kawara Steel Co., Ltd. merge to form Japan Castering Co., Ltd.
- 2017**: PREGO CONE, a new cone crusher, is introduced.
- 2022**: The production base is moved from the Semboku Factory to the Sumiyoshi Factory.

**Valve Systems Division**

- 1940**: Naruse Iron Works, a valve subcontracting plant, is acquired and the Izuo Valve Factory is opened.
- 1949**: The Semboku Factory is established as a specialized valve plant, and the valve making equipment is relocated from the Chishima Factory.
- 1969**: Resilient seated gate valve technology is introduced from Hawle of Austria.
- 1981**: The Metropolitan Water District of Southern California places an order for four large butterfly valves.
- 1984**: Sales of White Butterfly all-stainless steel butterfly valves begin.
- 1987**: The production base is moved from the Semboku Factory to the Sumiyoshi Factory.
- 2005**: The Chugoku Electric Power Co., Inc. places an order for two 4000-mm-diameter large special iron pipe valves for the Matanogawa Power Station.

**Construction Materials Division**

- 1957**: The company introduces lightweight steel pipe manufacturing equipment from Schwemmer GmbH of West Germany and begins production of spiral ducts at the Sumiyoshi Factory.
- 1960**: The Matsudo Factory opens in Matsudo, Chiba Prefecture.
- 1961**: The manufacture of winding pipe for cylindrical forms begins.
- 1968**: The Katano Factory opens in Katano, Osaka Prefecture. Lightweight steel pipe manufacturing equipment is relocated from the Sumiyoshi Factory.
- 1970**: Manufacture of aluminum flexible ducts begins.
- 1993**: Manufacture of Silent Flex (N-type and S-type) begins.
- 1995**: The Saitama Factory constructs the Acoustic Laboratory (currently the Acoustic Technology Research Institute).
- 2001**: The Koga Factory is expanded and the Matsudo Factory and Saitama Factory in the Kanto area are merged.
- 2006**: The company acquires the sound dampening business of NGK Insulators Ltd. to expand its noise reduction product business.
- 2008**: The Corru-Air corrugated cardboard duct, jointly developed with Taisei Corporation and Rengo Co., Ltd., wins the Environmental Parts Award at the Monodzukuri Award for Parts.
- 2020**: The company develops and begins sales of metal sound insulation plates with inspection ports.

**Plastic Products Division**

- 1971**: Kurimoto Chemical Industry Co., Ltd., the predecessor of the Plastic Products Division, is established in Echigawa, Shiga Prefecture to manufacture FRP molded products.
- 1987**: The Koto Factory opens and undergoes an expansion to begin manufacturing large-diameter FRP pipes.
- 1988**: The Hokkaido Regional Development Bureau places an order for the largest diameter (1800 mm).
- 1991**: Our 600-mm-diameter FRPM well piping is used for ground improvement and buoyancy prevention on Kazenotou Island (Kawasaki Artificial Island) on the Tokyo Bay Aqua-Line Expressway.
- 1994**: The company ships 2400-mm FRP(M) pipes (for penstock pipelines) to the Electric Power Development Company for the world's first seawater pumped-storage power station. This is a pilot plant under construction in Okinawa as commissioned by the Ministry of International Trade and Industry.
- 2004**: A continuous molding method for horseshoe-shaped FRPM pipes is developed.
- 2007**: The company manufactures 3250-mm-diameter reinforced plastic composite pipe (FRPM pipe), the largest in Japan, and begins shipments to the water distribution tunnel improvement project in Ikeda, Osaka Prefecture. Kurika FRP core is introduced for use as winding core.
- 2012**: The company begins consignment production of FRP cores in Yixing, China for customers in China.
- 2019**: The company receives its first order for FRP inspection passages for the Kanmon Expressway Yamana Viaduct (outbound Line) and another order for a bridge floor slab replacement project.



# Businesses of the Kurimoto Group

## Lifeline business

Our lifeline business segment is responsible for the development of social infrastructure.

Our Pipe Systems Division handles underground water and gas pipes that support infrastructure. 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.

Our Valve Systems Division handles a wide variety of valves to meet public sector needs, such as water purification plants, as well as private sector demand related to power plants, steel mills, and other plants both inside and outside Japan.

### Pipe Systems Division



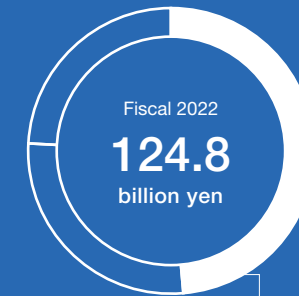
■ Product lines  
Ductile iron pipes (pipes, fittings, joint parts), pipeline design, installation, supervision of pipes installation and maintenance services such as pipeline survey and inspection

### Valve Systems Division

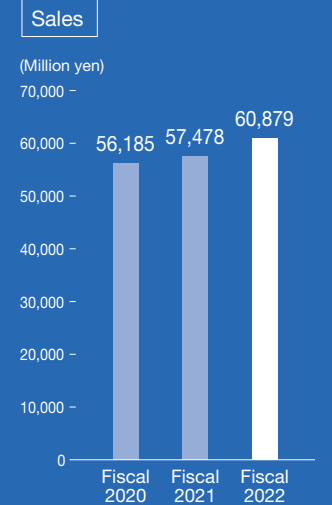


■ Product lines  
Butterfly valves, resilient seated gate valves, sleeve valves, valves for thermal and hydroelectric power plants, emergency shutoff valves for water tanks, various control valves, valves for blast furnaces, pre-actuated flow detection valves for sprinkler systems (negative pressure wet type/dry type)

Sales by business segment



Lifeline business  
**60.8 billion yen**  
(48.8%)



## Machinery system business

The machinery system business segment is responsible for helping to expand industrial facilities.

This segment handles industrial machinery and equipment that supports the production lines of a wide variety of industries. It also supports society in a wide range of areas, from stand-alone equipment to comprehensive engineering services.

The Materials & Machinery Division handles product groups that deal with crushing and material technologies. It serves a variety of industrial fields such as the aggregate resource industry, steel industry, electric power industry, cement industry, and rail transportation industry.

### Plant Engineering & Machinery Division



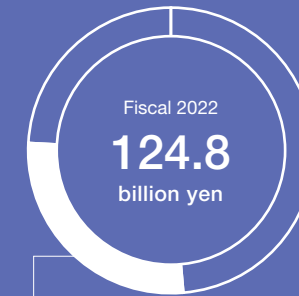
■ Products and services: Pulverizers, classifiers, granulators, dryers, calciners, mixers/kneaders/dispersers, reactors, solvent recovery equipment, secondary battery material manufacturing equipment, various industrial machines, testing machines, plant and system equipment, forging presses, bending rolls, peripheral equipment for forging presses, a plant engineering business, and the design, manufacture, procurement, construction, commissioning and maintenance of various plants

### Materials & Machinery Division

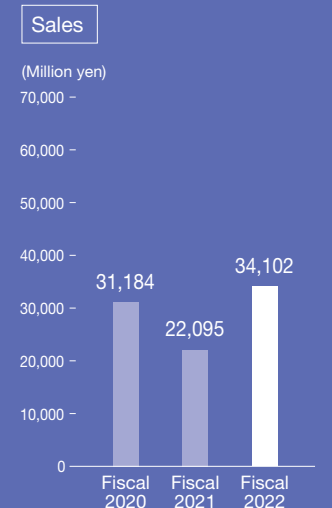


■ Product lines  
Crushers, pulverizers, classifiers, conveyors, wear- and heat-resistant castings, wear-resistant pumps, disc brake rotors and brake linings for railways, and products of Terex Finlay of the UK.

Sales by business segment



Machinery system business  
**34.1 billion yen**  
(27.3%)



## Industrial materials business

Our industrial materials business segment handles building materials and chemical products to serve both social infrastructure and industrial equipment.

The Construction Materials Division provides materials and methods used in the construction of buildings and condominiums, roads and other projects.

Our Plastic Products Division provides an array of composite products such as FRP pipes and panels that exploit the multifunctional and highly flexible characteristics of FRP, a fiberglass-reinforced plastic. By manufacturing reliable products, we are contributing to the development of a robust social infrastructure.

### Construction Materials Division



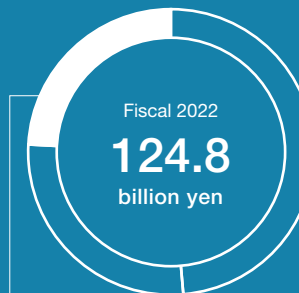
■ Product lines / Spiral ducts, flexible ducts, Silent Flex, noise-reduction products, stainless steel ducts, Super Spiral, premium spiral ducts, Corru-Air corrugated cardboard ducts, winding sheaths, polyethylene sheaths, winding pipes, through-hole reinforcing bar (Super Harry Z), voided slabs, various earthquake-resistant products, semi-precast products (Kaiser Slab, Kaiser Balcony), precast stair systems, noise reduction and soundproofing services (measurement, design, manufacture, installation, and verification), and translucent sound-absorbing screens (Viewsone)

### Plastic Products Division

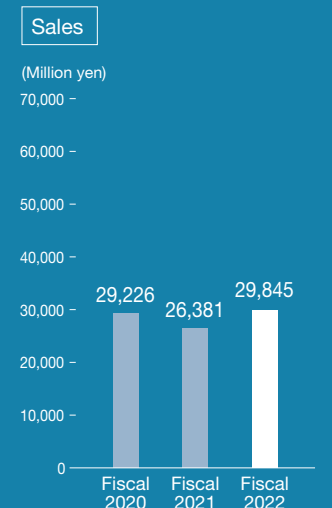


■ Product lines  
Fiberglass-reinforced plastic mortar (FRPM) pipes, fiberglass-reinforced plastic (FRP) pipes, fiberglass-reinforced plastic mortar (FRPM) panels, FRP cores, FRP pultrusion products, and various synthetic resin molded products

Sales by business segment



Industrial materials business  
**29.8 billion yen**  
(23.9%)





Message from  
the President



Kazutaka Kikumoto

Kurimoto, Ltd. President

# Moving forward with “Team Kurimoto” — Fostering an organizational culture through a unified group eager to take on challenges

## We remain committed to meeting all challenges as “Team Kurimoto” by creating value as we contribute to social infrastructure and the industrial equipment market.

The Japanese philosophy of “sanpo-yoshi,” a three-way satisfaction, can be defined as management that ensures reciprocal benefits to what are considered the three intrinsic parties to a business transaction — the seller, the buyer, and society at large. Our unique management approach can be characterized as “yonpo-yoshi,” a four-way satisfaction, which includes benefits to an additional party in the transaction.

Kurimoto, Ltd. celebrated its 114th anniversary in February 2023. In 1909, our founder Yunosuke Kurimoto launched a business in Osaka City with the intention of delivering clean, pure water to the public. The company originally started out as a manufacturer of cast iron pipes to carry water and gas. Today, as we continue to build on a business that has greatly expanded in scope, we remain dedicated to upholding our founder’s viewpoint as an unchanging and deeply rooted element of our corporate spirit.

We believe that, for more than a century, our corporate value has been encompassed in our commitment to our founding spirit even as we sincerely and steadily pursue manufacturing and services that contribute to greater customer satisfaction. We continue to fulfill our responsibilities as a company that builds and protects the infrastructure of society. Rather than focusing only on immediate profits, we look 50 to 100 years into the future.

In fact, while iron pipes used for water supply have always been required to provide a longer service life, we are now working to

popularize long-life water pipes with an expected service life of 100 years. The fact that our products can be used for 100 years means that our company expects to survive for 100 years into the future; Kurimoto is thus dedicated to managing with an ultra-long-term perspective.

We value the spirit of “yonpo-yoshi,” a four-way satisfaction. This is an update to the long-renowned management philosophy of local Ohmi merchants, known as “sanpo-yoshi,” a three-way satisfaction, which holds that a business transaction should be of satisfactory to the seller, the buyer, and society at large. With “yonpo-yoshi,” we have added satisfaction for the people of the future. In the course of our more than a century of valuing people as part of our business development, we have been committed to developing Kurimoto as a technology-focused company and have pursued technological innovation as a means of addressing customer needs. We will continue to carry on this approach as we seek to enhance our corporate value.

**By fostering a corporate culture keen to take on new challenges,  
we are witnessing the emergence of a series of new opportunities.**

Kurimoto has fostered a corporate culture dedicated to nurturing people and taking on challenges. The foundation of this culture has been passed down from generation to generation. Benefiting from the advantages offered by that tradition, I will focus on establishing a corporate culture eager to take on even more challenges as we focus on strengthening our human resource foundation to the next level.

Many might believe that Kurimoto is mainly a producer of ductile iron pipe and other such ductile products. However, while we do produce a number of such products, we continue to take on the challenges of pioneering new areas. One example is a new technology we call “Soft MRF®.” This technology is based on haptics (a technology that incorporates human perception of the sense of touch); it creates new sensations that convey the presence of certain substances in the hand. In offering this new tactile experience, Kurimoto retains dedicated designers and developers responsible for everything from the development of elemental technologies to various liquids, devices, and units. Haptics is

becoming an important technology related to the future spread of robots throughout society, so we believe Soft MRF® technology holds great potential.

The key to creating value by taking on challenges and sharpening our competitive edge is to maintain a willingness to continue meeting challenges head-on. At the same time, “Team Kurimoto” is a concept inherent to the idea of creating value. This phrase simply represents the concept of responding to customer needs with a company-wide approach that entails our six business divisions as well as our Group companies. We believe that, instead of working within a vertically divided organization, we must work on solving issues from the customer’s point of view, and if necessary, look beyond the boundaries of the organization. In some cases, we form cross-organizational project teams to tackle certain issues. As we aim for sustainable growth through to 2030, the success of “Team Kurimoto” will be a decisive factor, so we remain focused on promoting this approach.

### Implementing a new movement to identify business opportunities across each business division

I would like to introduce some new trends that have arisen in our industry. First, regarding “social infrastructure,” as the number of long-life products available increases, such as our 100-year iron water pipes, demand for new and replacement products will likely diminish. At the same time, the management and operation of water supply systems as public entities is becoming more difficult due to aging populations in many countries. Thus, the trend toward “pipeline design build,” or the placing of a comprehensive order for water pipeline design, construction, maintenance and management, has become more apparent. In fact, Kurimoto has already received multiple such orders.

As well, the renewal of highways has been presenting yet another business opportunity in the realm of social infrastructure. At Kurimoto, we are focusing on gaining orders for the kinds of products that are required for such renewal work. I believe that much room exists for the Japanese government to accelerate this trend, as it has been promoting the National Resilience Plan.

On the other hand, new initiatives are also being implemented in the industrial equipment sector. For example, in our Plant

Engineering & Machinery Division, the need is arising for much lighter vehicle bodies due to the trend toward the electrification and automation of motor vehicles. In response to this trend, the Kurimoto Composite Center and others are working to introduce parts incorporating strong and light carbon-fiber-reinforced plastic (CFRP), which is a combination of carbon fiber and plastic.

As a means of capturing yet another business opportunity, we are addressing the battery market. At Kurimoto, we are developing a kneader necessary for the manufacture of electrodes for lithium-ion secondary batteries, taking advantage of our expertise in manufacturing kneaders since early in our history. In addition, we are focusing on proposing solutions that include crushers and calciners. As the electrification of motor vehicles progresses, the demand for batteries will increase worldwide, so we have great expectations for the future of this field. We believe we will be able to establish a competitive advantage by continuing to accelerate technological innovation and by demonstrating Kurimoto’s uniqueness in the process of accomplishing difficult and complex tasks.

With regard to devising solutions for a decarbonized society, since we use a cupola furnace in the manufacture of our iron pipes, we view the need to reduce CO<sub>2</sub> emissions as an essential issue. For this reason, we are working to transition to bio-coke and away from the coke currently used as fuel. We are also investigating further research and development with the goal of improving combustion efficiency and utilizing emissions from manufacturing. Furthermore, we will consider options for reusing iron pipes that have passed their service life.

In fiscal 2022, our six business divisions as well as all our Group companies took steps to identify areas in which they can contribute to the 17 sustainable development goals (SDGs). As a result, they have begun conducting annual surveys on the extent of their progress in this area. In addition to contributing to the SDGs, we

are considering the possibility of developing new businesses arising from this effort, and we expect that new businesses and products will emerge from this area in the future.

In April 2023, we launched a project targeting further growth. In order to accelerate efforts to achieve progress with the main theme of our three-year mid-term business plan, titled “Go Forward!,” our goal is to maintain our existing business foundation while promoting progress in fields that transcend existing boundaries. For each business, I am convinced that new potential will be unearthed as we take on challenges that surpass the scope of existing businesses, even if only slightly. Even in our indirect departments, we believe that efforts that go beyond current boundaries will broaden the potential of individuals and help improve our productivity.

### Promoting our interests by gathering our collective expertise and developing our business acumen

As economic activity continues to recover in the post-COVID-19 era, Kurimoto is maintaining a special focus on after-sales service and solving any issues that may arise with regard to the equipment we have provided both in Japan and around the globe. While we make every effort to eliminate causes of complaints, we cannot rightfully claim that none have arisen. The important point is to handle complaints quickly and appropriately, as they can actually be converted into business opportunities. I therefore repeatedly stress to front-line employees the importance of maintaining an agile customer response.

Fiscal 2022 marks the second year of our three-year mid-term business plan. In terms of performance, progress has been made

in price revisions; moreover, the temporary restriction on investment has been removed, and large-scale building projects have progressed. Sales have exceeded our forecasts, resulting in increased profits. Although it is difficult to predict the future in light of the market environment, we believe that our company-wide efforts to gather our collective expertise and develop our business acumen have borne fruit. Most notably, our front-line employees in the field are quickly gathering information, sharing it across the organization, and using that data to respond quickly, allowing us to respond with agility to an uncertain market. For “Team Kurimoto,” the hard work of our employees has brought forth considerable benefits.

In order to achieve sustainable growth over the medium and long terms, we believe it is important to not only expand our business in Japan, but also to develop our markets outside Japan. Toward this end, we remain focused on education and training — mainly for mid-career and young employees — as a means of driving our expansion outside Japan. Without committing to producing results in the short term, we intend to institute changes that compel our stakeholders to remark, in about three years’ time, that they notice Kurimoto has undergone a transformation. In the future, as we manage our human capital, we will also focus on strengthening our human resource base from the perspective of diversity and inclusion.

While we do not anticipate any major changes to our business portfolio, we acknowledge the possibility that it will fluctuate as new trends emerge. For example, with respect to the machinery system business, we plan to further strengthen sales of parts

manufacturing equipment in line with the shift to electric vehicles. In the field of non-ferrous metals, we are proceeding with research and development of composites and FRP, which have a bright future. In our lifeline business, we will strengthen sales to meet demand for updating of water supply facilities, as we have demonstrated our expertise in steel pipes as well as large valves. These initiatives will be specifically formulated in our next mid-term business plan scheduled for implementation in fiscal 2024.

Even if our current performance is solid, we will not remain complacent about the status quo; we intend to deal with all relevant management issues with appropriate diligence. In the process, we will become a company that is evaluated both internally and externally as “Team Kurimoto.” We look forward to the support of all of our stakeholders as we pursue these goals.

### Achieving steady progress in each aspect of our three-year mid-term business plan

According to our three-year mid-term business plan, we have adopted the management policy of adapting to the “new normal” through business reforms and building a system to support our long-term business operations. We intend to address several issues — promoting operational reforms, developing human resources for sustainable growth, and meeting our corporate social responsibility to society and the environment — through a steady approach.

Looking to the future, we will dedicate ourselves to improving overall corporate productivity by ensuring each employee is

capable of performing work of higher added value.

Looking to the general direction of our business, we are first accelerating our efforts with regard to disaster response and mitigation by providing solutions to augment national resilience. “Team Kurimoto” has demonstrated expertise at providing optimal solutions to social infrastructure issues such as water supply and sewerage, roads, bridges, and railways; moreover, we can address other issues such as seismic resistance and aging infrastructure. We believe that we can contribute across a wide range of fields, including design, construction, investigation, and maintenance.





The Kurimoto  
Group's  
Strengths and  
Values

Contributing to the development of  
infrastructure with expertise cultivated  
over more than 100 years

# Supporting Society's Lifelines

## Social Infrastructure

### Providing and securing lifelines

We are engaged in construction, maintenance, and management of essential infrastructure, including water supply and sewerage, energy infrastructure, communication infrastructure, roads, and railways.

### Creating comfortable spaces

We create clean and comfortable living spaces with products such as pipes, valves, and construction materials as well as construction methods that utilize these products.

### Building a resilient nation

We contribute to a resilient nation by developing highly functional and durable products.

## Commonalities

### Promoting safety and security

We promote safety and greater peace of mind through comprehensive disaster preparedness while providing total quality services.

### Preparing for earthquakes and other disasters

We provide earthquake-resistant lifelines and a variety of earthquake-resistant products such as emergency shut-off valves and emergency earthquake-resistant water tanks.

### Supporting energy efficiency and environmental conservation

We develop and design products that contribute to energy efficiency, reduced CO<sub>2</sub> emissions, and pollution control while reducing our overall environmental impact.

## Industrial Equipment

### Improving the quality of our end products

We provide high-precision mechanical presses for warm and hot forging and a wide range of other products that contribute to the quality of our end products.

### Increased productivity

We improve line productivity with highly efficient and reliable manufacturing equipment, comprehensive design and engineering services, and after-sales service.

### Cost reduction

We contribute to cost reduction by developing products focused on economy, portability, workability, durability, operational reliability, and maintenance and inspection.

Value provided through  our expertise

## Expertise of the Kurimoto Group

1

### Technology & Quality

A wide range of technologies and high quality incorporated in products used in social infrastructure and industrial equipment

2

### Human capital

A group of diverse personnel assigned to various locations in Japan and around the globe

3

### Total solution

Offering customer optimized solutions through a wide variety of products and technologies

4

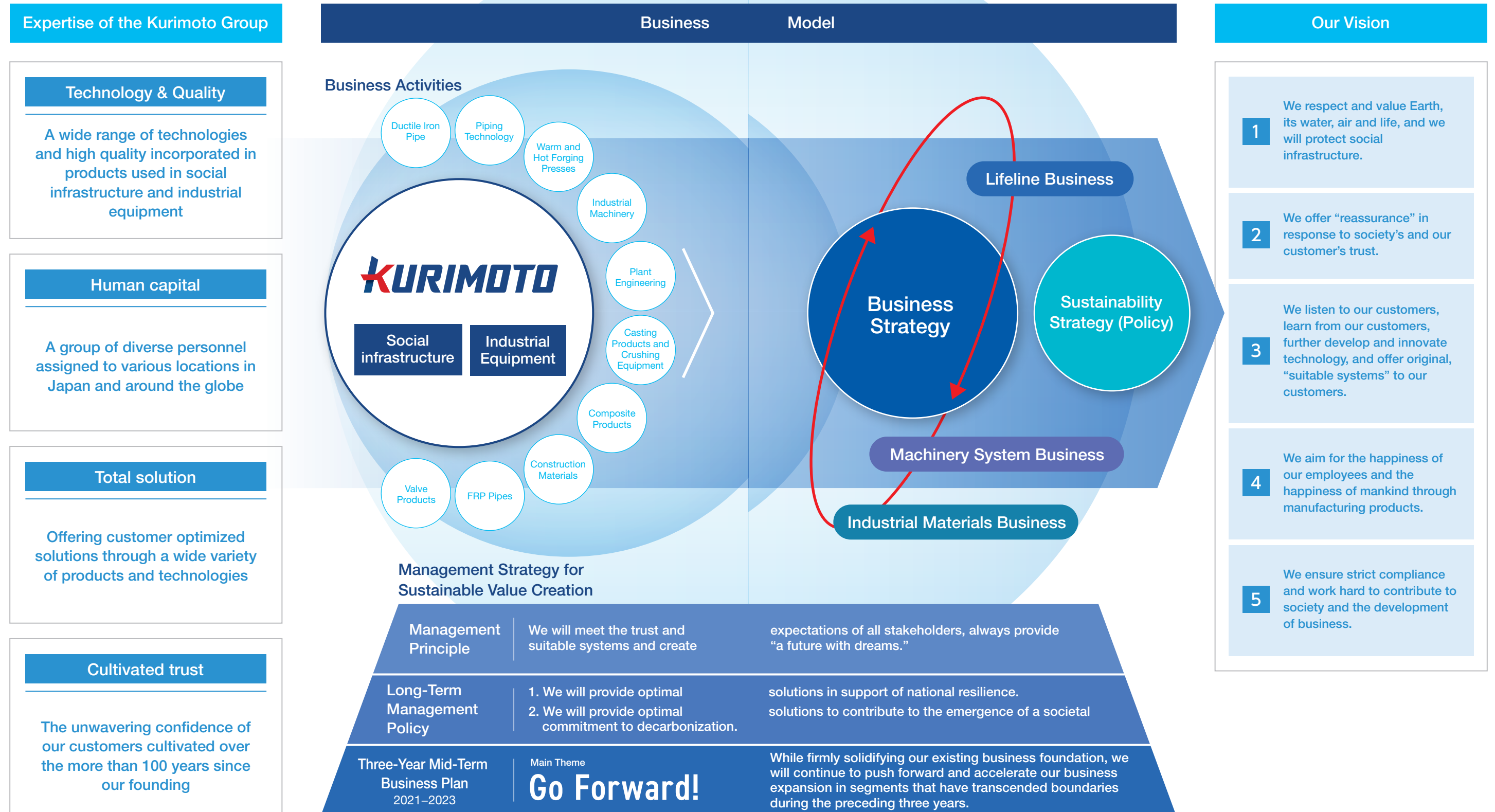
### Cultivated trust

The unwavering confidence of our customers cultivated over the more than 100 years since our founding



# The Kurimoto Group's Business Model

In the future, the Kurimoto Group will be required to operate its business in a manner that contributes even more to the sustainability of society. In order to support “a future with dreams,” we intend to remain a corporate group that society depends on by providing optimal systems for social infrastructure and industrial facilities while promoting a strategy committed to sustainability.





# Financial and Non-Financial Highlights

## Financial Highlights

During the consolidated fiscal year under review, amid the impact of COVID-19, the Japanese economy was on a path to recovery largely because of the government's easing of movement restrictions. The economic situation remains uncertain, however, due to the prolonged invasion of Ukraine by Russia, fluctuations in exchange rates, high resource prices, and rising commodity prices.

Under these circumstances, our Group ensured stable production and supply of products through measures to prevent the spread of COVID-19.

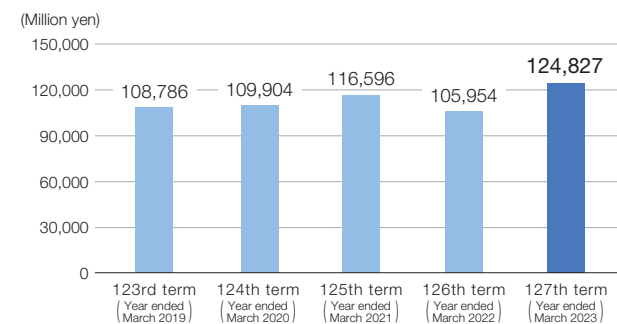
In addition, to further enhance corporate value and strengthen its management base, our Group has been striving to reduce costs and strengthen business activities.

In our Group's business performance for this consolidated fiscal year, net sales increased by 18,872 million yen from the previous

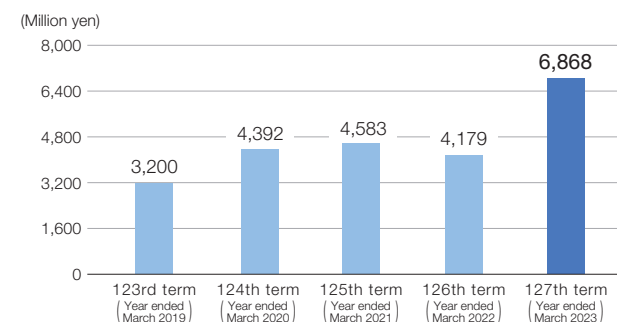
consolidated fiscal year to 124,827 million yen. With profit and loss, operating income increased by 2,668 million yen from the previous consolidated fiscal year to 6,840 million yen.

Current earnings increased by 2,688 million yen from the previous consolidated fiscal year to 6,868 million yen. Current net income attributable to equity holders of the parent rose by 1,809 million yen compared to the previous consolidated fiscal year to 4,727 million yen, due to factors including gain on sales of investment securities, loss on valuation of shares of subsidiaries and affiliates, and income taxes.

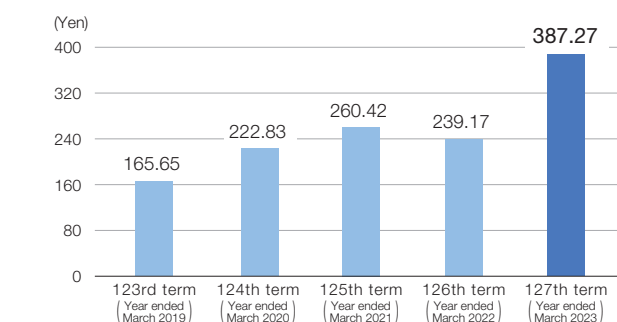
### Net sales



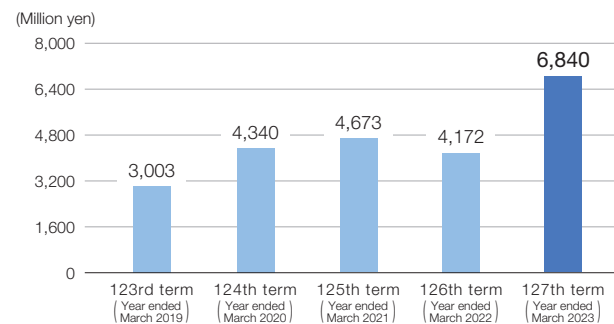
### Current earnings



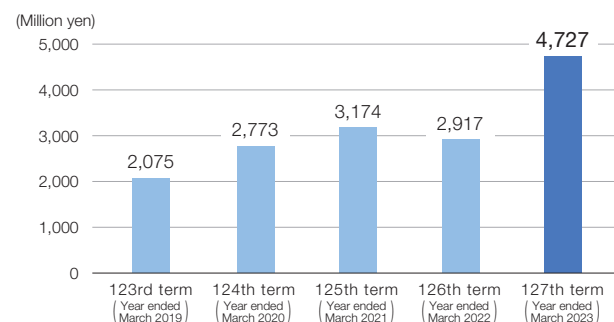
### Net income per share



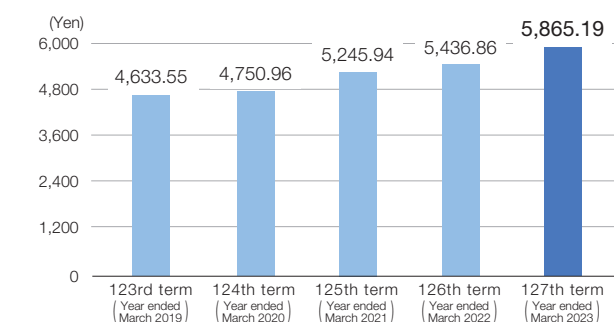
### Operating income



### Net income attributable to equity holders of the parent



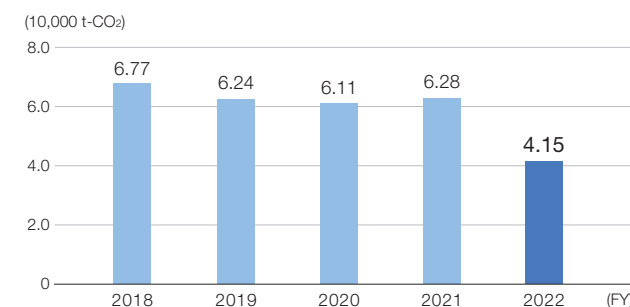
### Net assets per share



## Non-Financial Highlights (Non-consolidated)

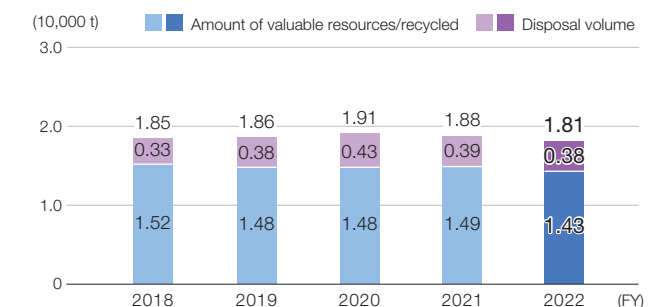
As an initiative to contribute to the realization of a sustainable society, we have established indexes for managing our progress in the environmental field, including decarbonization targets. We also present indexes related to a "pleasant and comfortable working environment" for our employees.

### CO<sub>2</sub> emissions



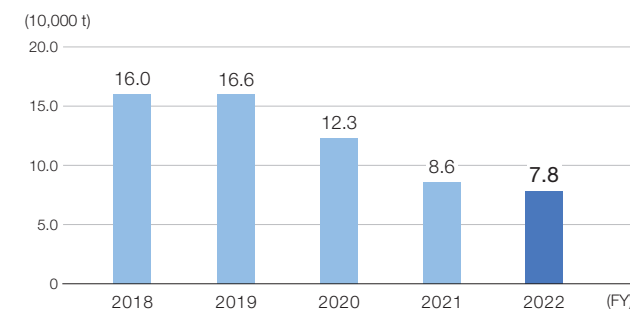
The graph shows CO<sub>2</sub> emissions (total of Scope 1 and Scope 2). The significant decrease in CO<sub>2</sub> emissions in fiscal 2022 is attributable to the introduction of CO<sub>2</sub>-free electricity at the head office and five factories (Kagaya, Sumiyoshi, Sakai, Koto, and Shiga).

### Waste discharge



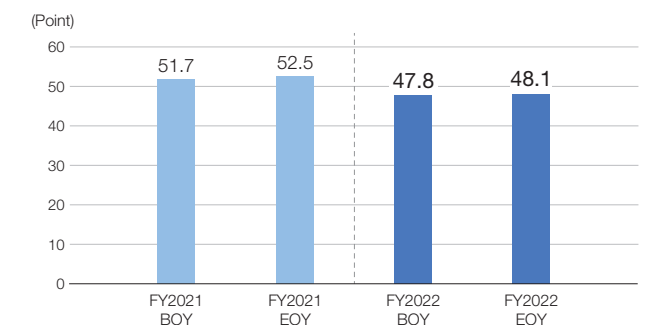
The graph shows trends in waste discharge. Disposal volume refers to the weight of waste ultimately disposed of (landfilled). The disposal volume mainly consists of non-recyclable plastic waste such as waste FRP. In addition to reducing such waste, we are also engaged in research and development of recycling.

### VOC emissions



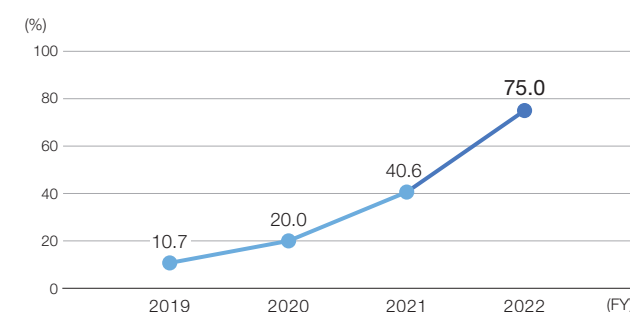
The graph illustrates trends in VOC (Volatile Organic Compounds) emissions. The significant decrease since fiscal 2020 is mainly due to the ongoing shift to water-based paint at our iron pipe-producing factories.

### Engagement survey score



In this era of investment to personnel, diversity, and mutual choice between organizations and individuals, we are quantitatively measuring the degree of employees' attachment to the company and their work through engagement surveys. The survey was started in fiscal 2021 and has since been conducted on a trial basis, with target departments replaced in turn.

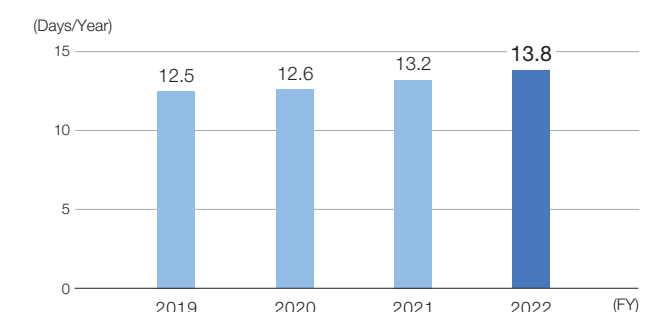
### Proportion of male workers who took childcare leave



**"Proportion of male workers who took childcare leave"** =  $\frac{\text{"Number of male workers who took childcare leave"} \times 100}{\text{"Number of male workers whose spouses have given birth"}}$

The graph shows trends in the "Proportion of male workers who took childcare leave" as defined above. Following the revision of the Child Care and Family Care Leave Act in April 2022, we prepared a "Guidebook for Balancing Childcare and Work" and conducted awareness-raising activities, resulting in a significant improvement in fiscal 2022.

### Number of annual paid holidays taken (per employee per year)



The graph shows trends in annual paid holidays taken per employee. The number of paid holidays taken has been increasing over the years as the "Working Hours Committee," which was established by labor and management, set annual targets and encouraged employees to take paid holidays through periodic monitoring.



# Three-Year Mid-Term Business Plan

In the ongoing three-year mid-term business plan developed by the Kurimoto Group, while firmly maintaining the existing business base, we will further accelerate the expansion of our business based on the previous three-year mid-term business plan.

## 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

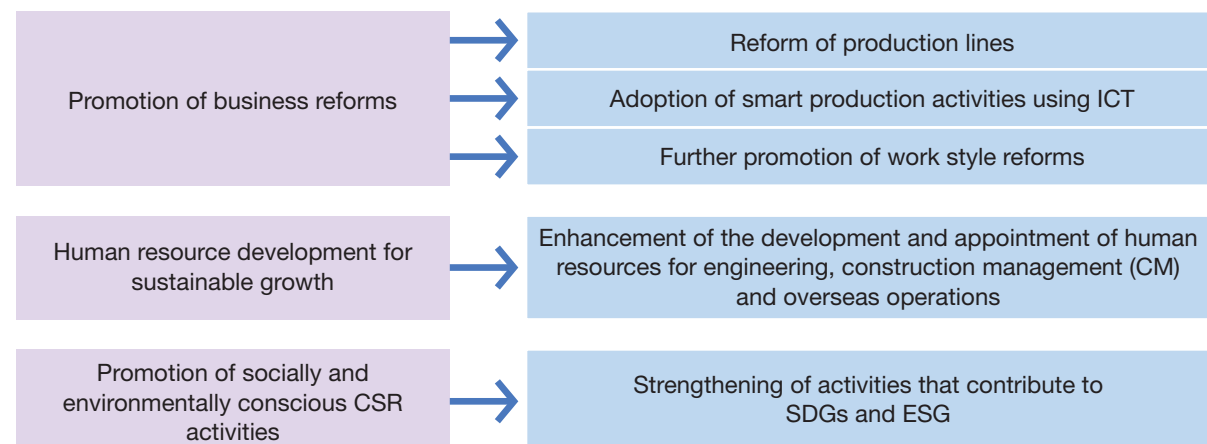
We will meet the trust and expectations of all stakeholders, always provide suitable systems and create “a future with dreams.”

## Three-year mid-term management policy

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 various domestic and international factors. We will adapt to social and environmental changes and establish a system that is sustainable in the medium to long term, thereby pursuing business expansion.



## Direction of the business

### ① Provision of optimal solutions toward the achievement of national resilience

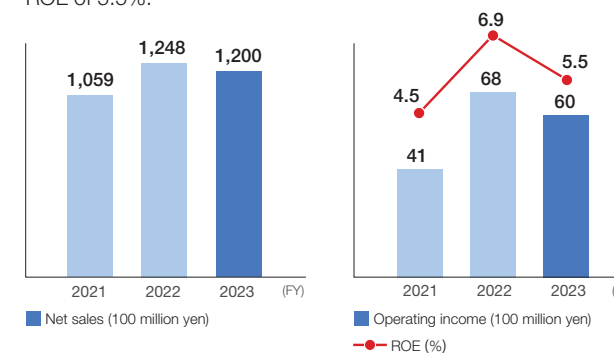
Values provided by Kurimoto	Social trends
Design, construction, survey, maintenance and other solutions for the pipelines that support social infrastructure	<b>Water supply and sewage systems</b> <ul style="list-style-type: none"> <li>Promotion of the five-year acceleration measures (to make them earthquake-proof)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

### 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.)	<b>Energy</b> <ul style="list-style-type: none"> <li>Expansion of renewable energy-related businesses</li> </ul>
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	<b>Moving devices</b> <ul style="list-style-type: none"> <li>Growth in demand for lightweight and high-strength materials to reduce the weight and improve fuel efficiency</li> <li>Acceleration of activities for the shift to EVs on a global scale</li> </ul>

## Performance targets

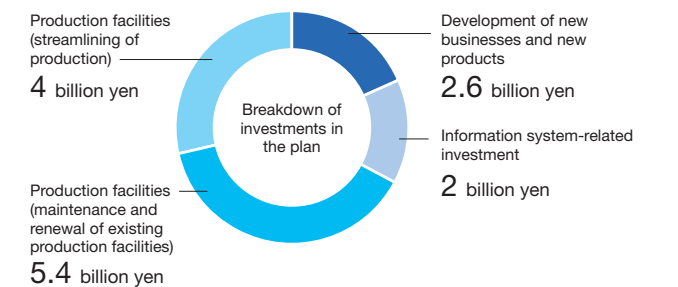
This plan initially aimed to achieve net sales of 120 billion yen, operating income of 5.5 billion yen (operating margin of 4.6%), and return on equity (ROE) of 5.4% in fiscal 2023. Considering the most recent business environment, however, we have revised our performance targets for fiscal 2023 to net sales of 120 billion yen, operating income of 6 billion yen (operating margin of 5.0%), and ROE of 5.5%.



## 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.



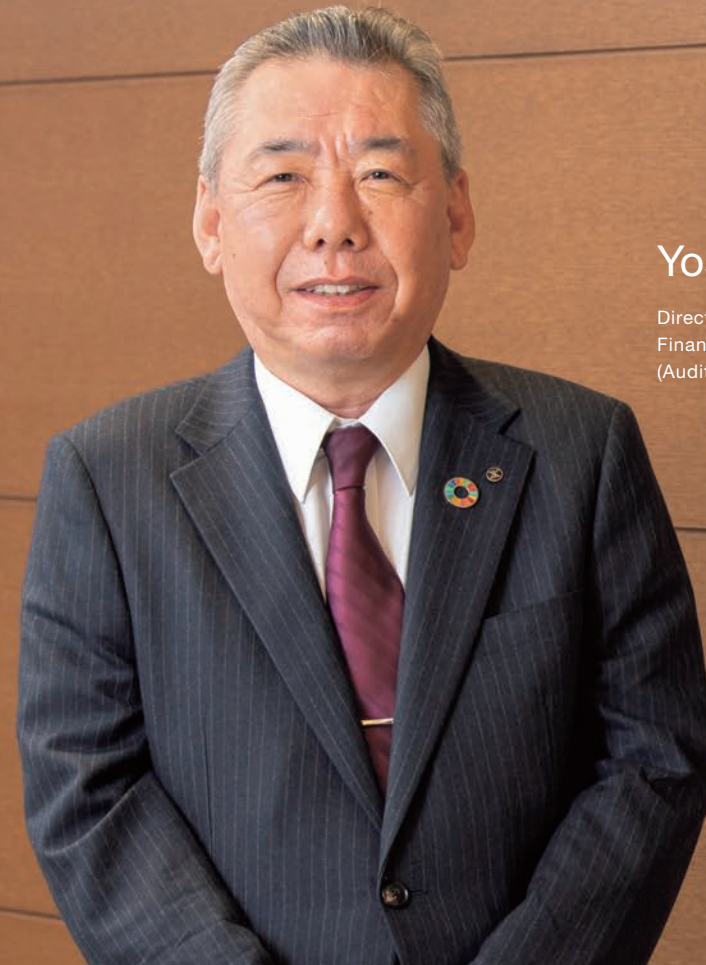
## Dividend

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.



Financial Strategy

# Message from Director of Finance



**Yoshiaki Shingu**

Director and Senior Executive Officer in charge of Finance and Group Governance (Auditing and Consolidated Affiliates)

## Supporting the creation of “a future with dreams,” our management principle, on the financial front

### Looking back on fiscal 2022

In the fiscal year ending March 31, 2023, the second year of the ongoing three-year mid-term business plan (2021–2023), the economic climate surrounding our business remained uncertain due to the prolonged Russian invasion of Ukraine, fluctuations in foreign exchange rates, surging resource prices, and rising commodity prices. Our Group nevertheless achieved results well above its initial plan due to factors such as the recovery in capital investment and the revision of selling prices.

For the fiscal year under review, net sales totaled 124.8 billion

yen, operating income was 6.8 billion yen, ROE was 6.9%, and net income attributable to equity holders of the parent amounted to 4.7 billion yen, representing year-on-year increases in both sales and income.

These results exceeded all the initial targets of the ongoing three-year mid-term business plan: net sales of 115 billion yen, operating income of 4.5 billion yen, and ROE of 4.8%. The equity ratio came to 49%.

Despite these positive results, we recognize that improving profitability and achieving sustainable growth by strengthening the competitiveness of our existing businesses remain key issues. We will continue to work toward improvement.

(Million yen)

	FY2020 (Results)	Three-year mid-term business plan							
		FY2021				FY2022			FY2023
		(Plan)	(Results)	(Difference)	(Plan)	(Results)	(Difference)	(Plan)	(Revised plan)
Net sales	116,596	107,000	105,954	(1,046)	115,000	124,827	9,827	120,000	120,000
Operating income	4,673	3,500	4,172	672	4,500	6,840	2,340	5,500	6,000
Operating profit margin	4.0%	3.3%	3.9%	0.6%	3.9%	5.5%	1.6%	4.6%	5.0%
ROE	5.2%	3.6%	4.5%	0.9%	4.8%	6.9%	2.1%	5.4%	5.5%

### Financial base and direction of investment for growth

With an equity ratio of 49%, liquidity on hand of 2.0 months, and a debt-to-equity ratio of 0.2 times for the fiscal year ending March 31, 2023, our financial base is getting stronger year by year and funds for business expansion activities have been secured.

With regard to capital investment in the ongoing three-year mid-term business plan, based on operating cash flow, we are accelerating investment for sustainable growth toward the future through a 14-billion-yen investment plan, which includes production rationalization and information systems, in addition to investment in maintenance and renewal.

	FY2018	FY2019	FY2020	FY2021	FY2022
Ratio of liquidity on hand (months)	2.4	2.2	2.1	2.4	2.0
Equity ratio	42.6%	43.1%	47.6%	47.5%	49.3%
D/E ratio (times)	0.43	0.40	0.35	0.36	0.28

### Direction of financial strategy

Since the previous three-year mid-term business plan, our Group has been committed to “Change and Earn.” In the ongoing three-year mid-term business plan, with an even greater awareness of improving growth potential and profitability, we have been working to strengthen our financial base and deliver stable and continuous dividends based on the policy of allocating acquired cash to growth investment and shareholder returns in a balanced manner.

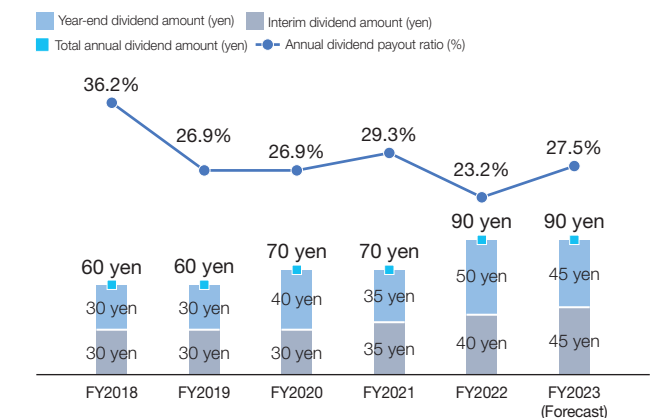
Our shareholder return policy is to provide stable returns while aiming for a dividend payout ratio of over 30% to meet the expectations of stakeholders while maintaining the balance with

investment for growth. In accordance with this policy, for the fiscal year ending March 31, 2023, we have decided to increase dividends distributed twice a year (a 20-yen increase per year), which will make an annual dividend of 90 yen, consisting of an interim dividend of 40 yen and a year-end dividend of 50 yen, based on a comprehensive assessment of our business performance and business environment. We will continue striving for stable shareholder returns in the next fiscal year and beyond, aiming for a dividend payout ratio of over 30% while also taking into consideration stock repurchase.

Moreover, we will seek further improvement of ROE to promote more efficient management with an emphasis on return on capital. As a means of achieving this end, we are also considering management development based on ROIC management for each business unit.

With the financial strategy mentioned above, the Kurimoto Group will create business value, achieve sustainable growth, and support the creation of “a future with dreams” by solving social issues through the provision of solutions for “building national resilience” and “decarbonization,” as stated in the three-year mid-term business plan.

### Trends of dividend per share and payout ratio (Consolidated)



# Intellectual Property Activities

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

In February 2023, this policy was clearly defined as the “Basic Policy on Intellectual Property” which stipulates as follows.

## Basic Policy on Intellectual Property

### 1. Creation and use of intellectual property

We create intellectual property with an eye to changes in the business environment and strive to secure business superiority through the strategic acquisition of rights and use of intellectual property.

### 2. Analysis and use of intellectual property information

We analyze intellectual property information from our own and other companies and actively use it as a resource for sustainable business development and enhancement of competitiveness.

### 3. Development of intellectual property talent

We provide our employees with training and raise their awareness of intellectual property to enhance the effectiveness of our intellectual property by steadily implementing strategic intellectual property activities.

### 4. Legitimate exercise of our own rights and respect for the rights of other companies

We exercise our own intellectual property rights in a legitimate manner and respect the intellectual property rights of other companies.

## 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

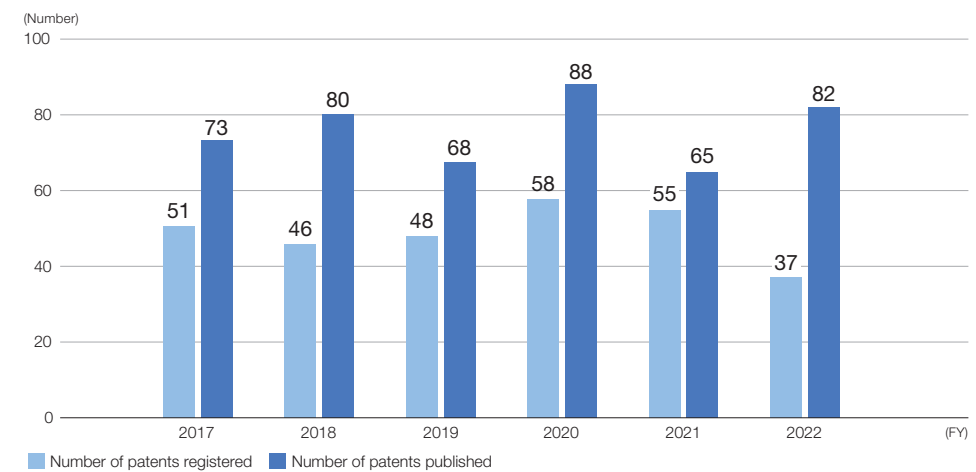
We take intellectual property measures linked to our business strategy, such as the proposal of a policy for the establishment of a patent portfolio in anticipation of future businesses and the support of the creation of a strategic alliance with external partners, through close communication between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

## TOPICS

### Internal Intellectual Property Training

To promote the use of intellectual property, we started an internal intellectual property training program with renewed content in fiscal 2021. With an aim to make the training “truly useful for engineers,” the new program is characterized by details customized for each business unit.

Using the commercial products of each business division as the subject matter, it is designed to eliminate the nature of being “hard to start on” inherent to intellectual property. The synergistic effect of “visualization of intellectual property,” which is being conducted in parallel, is also expected to promote an understanding of the current status of intellectual property.

The training program was originally developed for engineers, but at the request of business divisions, targets were broadened to include the manufacturing and sales departments, regardless of position. The program has been positively received by participants, and we feel that it is contributing to an increase in awareness of intellectual property even more than initially expected.

We will continue to refine the details of the training program and visit divisions that have not yet participated in the program to promote the use of intellectual property across the Group.





# Research and Development Technological prowess

that connects Kurimoto's century-plus history  
and proven track record to a better future

# Go Forward!

By taking advantage of technological development strength and solutions capabilities built up over the years, Kurimoto's R&D departments collaborate and co-create with customers and other stakeholders in moving aggressively forward in R&D activities. Join us in developing a way to a better future.

## Using our advanced capabilities, we work with customers to deliver total solutions.

In addition to conducting R&D in each Kurimoto division, we have two corporate research divisions: the Technology Development Division based in the Kurimoto Center for Innovative Technology; and the Composite Project Division based in the Kurimoto Composite Center.

With the aim of being a technology-driven company and bringing the SDGs to fruition, these two divisions strive to build new businesses and maintain existing ones. Besides just developing technologies, we aim to build business models and supply chains, and we focus on molding employees into engineers

with advanced solutions capabilities and planners who can bring new products and businesses to market.

In the spirit of "yonpo-yoshi," a four-way satisfaction of good for the seller, good for the buyer, good for society, and good for the future, we will provide total solutions through collaboration and co-creation, thus solving society's problems by supporting customers and being a trusted partner dedicated to building a better future.



## Main research facilities

### Kurimoto Center for Innovative Technology (Technology Development Division)

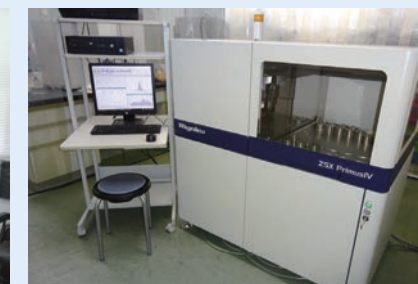
The Kurimoto Center for Innovative Technology—the company's hub of creativity and R&D—forms the backbone of our manufacturing.

Carrying on the DNA of Kurimoto's material technologies, the Center for Innovative Technology conducts R&D that spans areas such as nanotechnology and environmentally friendly materials.

Along with material technologies, we work on related technologies such as welding and corrosion prevention. We focus on developing parts and devices that maximize the functions of our materials.



Scanning electron microscope



X-ray fluorescence analyzer



Combined cycle test equipment

### Kurimoto Composite Center (Composite Project Division)

This facility excels at meeting the challenge of developing advanced materials incorporating Kurimoto's core technologies. We are now developing and commercializing next-generation FRP in collaboration with our customers and affiliated manufacturers.

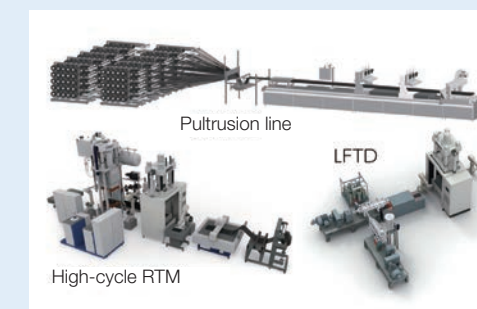
By exploiting our core technologies of kneading, pressing, and FRP molding, we are developing and commercializing our Long Fiber Thermoplastic Direct (LFTD) system, high-cycle Resin Transfer Molding (RTM) system, and pultrusion molding technology. These are all molding processes that combine excellent productivity and low cost. We continue to improve our equipment and systems by building on our technology and expertise as a machinery manufacturer, especially for LFTD systems that use thermoplastic resins offering excellent recyclability.

By taking advantage of the light weight, long service life and other features of FRP, we remain focused on developing and commercializing FRP materials that can be employed as structural members in the automobile, civil engineering, and construction sectors.

At the Kurimoto Composite Center, our state-of-the-art FRP technology development base, we have installed a demonstration line for LFTD systems, high-cycle RTMs, and pultrusion molding. Thus, the Center serves as a facility for co-creation with customers and partners as we develop prototypes with an eye to mass production.



Kurimoto Composite Center

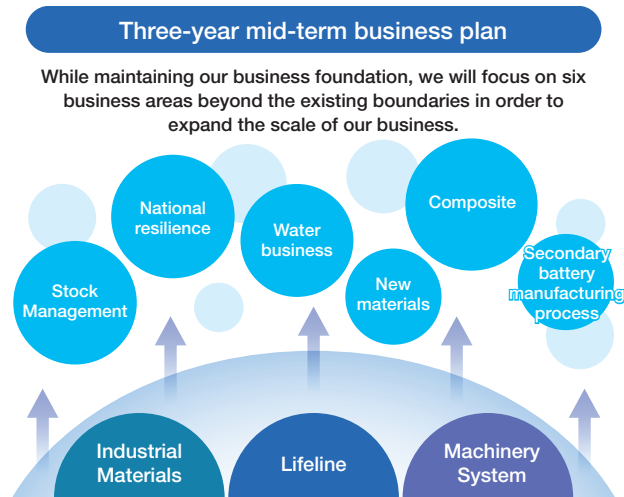


Molding systems



# Business Strategy

As stated in our three-year mid-term business plan, the Kurimoto Group will maintain its existing business foundation as it focuses on six business areas that transcend conventional business boundaries in order to expand the scale of our new businesses. In this section, we introduce our three core business segments, the focus of their constituent business divisions, and their respective areas of interest.



Business segment	Business Domain	Division	Main products	Major customer
Lifeline	Social Infrastructure, Industrial Equipment	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	Industrial Equipment	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	
Industrial Materials	Social Infrastructure, Industrial Equipment	Materials & Machinery	Abrasion resistant casting, crusher	Steel, cement, electric power, environment, crushed stone-related companies
		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

## Lifeline Business



### Divisions and main group companies of the lifeline business

#### Pipe Systems Division

In addition to manufacturing and selling ductile iron pipes primarily for use as water pipes, this division contributes to pipeline design, construction supervision, and pipeline surveys.

#### Valve Systems Division

This division handles a wide range of valves for markets outside Japan. These include valves for public sector applications such as water purification plants and sewage treatment plants as well as private sector applications such as power plants and steel mills.

#### Motoyama Eng. Works, Ltd.

This company offers a broad and varied product line to meet various needs. These include control valves, safety valves, relief valves, instrumentation accessories, and building equipment.

Our other affiliated companies include Kurimoto Trading Co., Ltd.; Yamatogawa Co., Ltd.; Hokkaido Kanzaï Co. Ltd.; Kurimoto Logistics Corporation; and Kurimoto Pipe Engineering Co., Ltd., etc.

### Initiatives of our three-year mid-term business plan

#### Expanding our solutions and maintenance business and rationalizing our production processes

##### Pipe Systems Division

Many of the water pipes in Japan have exceeded their legally designated service lives. These pipes are at risk of leakage due to aging as well as in danger of being seriously damaged in the event of an earthquake or severe weather. In addition, in both the public and private sectors, the water supply industry is facing a shortage of workers. To address these issues, we are promoting public-private partnerships with the aim of effecting efficient pipeline renewal even in the face of a worker shortage.

##### Valve Systems Division

We provide optimal solutions in the areas of maintenance and renewal through field surveys (diagnosis), design, and proposals for water purification plants and sewage treatment plants that support lifelines. We are also aiming to expand sales in the renewable energy market and strengthen our sales outside Japan.

#### Our primary focus

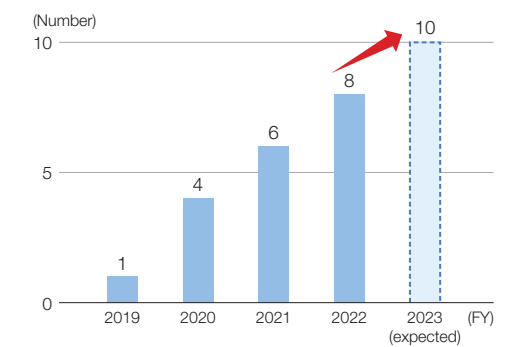
#### Expanding the number of integrated orders for the design-build construction method for pipelines

The water supply market is witnessing an increase in orders for the design-build construction method for pipelines. This approach overcomes the drawbacks of the conventional method of ordering the design and construction separately, as the design-build method streamlines the work of both parties.

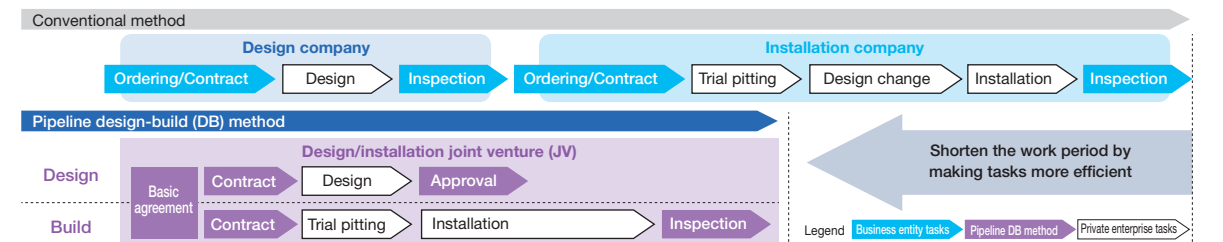
The number of orders we have received has been steadily increasing, with eight orders having been received so far, three of which have been completed. By posting a steady record of achievements, we are expanding our expertise and increasing our ability to offer a wide range of solutions encompassing surveying, design, and construction.

It should be noted that we do not assume all aspects of the design-build construction method alone; collaboration with other businesses and local contractors is essential. We aim to further increase our record of achievements and expand the trust we have earned to date as we continue to increase orders by leveraging our commitment to close communication.

#### Cumulative number of orders received



#### Ordering Procedure Ordering "design" and "installation" together makes tasks more efficient for both the purchaser and the contractor.



### Future policies and strategies

#### Pipe Systems Division

We are committed to providing ductile iron pipe to all segments of the water supply industry, including water supply utilities, sewerage, and industrial water. We will also respond to the needs of public-private partnerships, which contribute to the growth of our business. In addition, we intend to contribute to the emergence of a decarbonized society committed to recycling while creating a sustainable business. We will do so by introducing technologies to reduce CO<sub>2</sub> emissions during ductile iron pipe manufacturing, promoting research and development of paints that extend product life cycles, reducing CO<sub>2</sub> generated in manufacturing processes, and introducing innovations in our production lines that incorporate AI technology.

#### Valve Systems Division

Through an optimal public-private business structure that responds with flexibility to changes in the economic environment, we aim to be a business division that can grow sustainably while maintaining stable business performance. For pipeline valves, we will maximize our effectiveness through efficient production planning and by reconfiguring our production lines. Moreover, we will create demand for public projects such as water purification plants through large-scale renewal projects and by strengthening our ability to accommodate construction and maintenance tasks. In the private sector and outside Japan, we aim to expand our market share, mainly for large special valves, by leveraging Kurimoto's advanced technological capabilities and enhancing our manufacturing capabilities.



# Business Strategy

## Machinery System Business

### Divisions and main group companies of the machinery system business

#### Plant Engineering & Machinery Division

This division provides comprehensive customer support, including the supply of production machinery and equipment for various industries; the design, manufacture, and installation of production lines; provision of post-delivery maintenance work; and the management of renovation projects.

Our other affiliated companies include Kurimoto Trading Co., Ltd.; KS-Tech Co., Ltd.; Yashima Chemical Engineering Co., Ltd.; and Japan Castering Co., Ltd., etc.

#### Materials & Machinery Division

We provide heat- and wear-resistant castings, crushing equipment, dredging pumps, disc brake rotors for railway cars, and related engineering expertise utilizing casting material technology and crushing technology.

### Initiatives of our three-year mid-term business plan

#### Winning orders by fully implementing core technologies and improving profitability through smarter production

##### Plant Engineering & Machinery Division

We are focusing on adding value to individual models of equipment and machinery and offering systems that include pre- and post-processes, expanding our lineup of press machines and further increasing our sales territories in the global market. We are also providing kneading, reaction, and desolvent systems suitable for high-performance resins. Moreover, we will continue to provide raw material storage and transportation technologies as well as combustion technology for the renewable energy market.

##### Materials & Machinery Division

In our crushing business, we aim to improve customer satisfaction by adding value to existing products through the use of IoT and AI technologies and the like. Similarly, we intend to further reduce costs by optimizing production in our casting business.

### Our primary focus

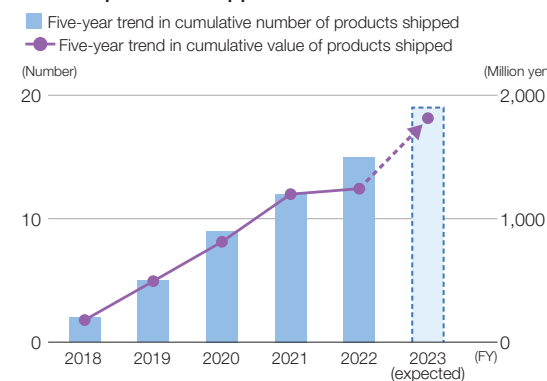
#### Expanding sales of Twin-Screw Continuous Kneaders in the secondary battery market

By employing continuous kneaders for the electrode slurry kneading process, we contribute to reduced environmental impacts, as this innovation reduces the kneading time and minimizes the volume of organic solvents consumed. In the production process for electrode slurries, our twin-screw continuous kneaders contribute to significantly reduced kneading time. What's more, the high kneading power produced reduces the volume of organic solvents used, thus contributing to lower impact on the environment.

In recent years, we have received many inquiries about this product from across Japan and from other parts of Asia. In line with the trend toward carbon neutrality, we intend to further strengthen our efforts at expanding the introduction of EVs.



#### Five-year trend in cumulative number and cumulative value of products shipped



### Future policies and strategies

#### Plant Engineering & Machinery Division

In order to contribute to the emergence of a society committed to decarbonization, we are providing optimized systems in the powder processing equipment field. These advanced systems contribute to the production of high-performance resins that facilitate weight reduction as well as the secondary batteries required for the transition of conventional automobiles to EVs. In the field of forging presses, we are upgrading our production facilities to contribute to weight reduction, the transition to EVs, and the maintenance of businesses that support LCA. In the plant business sector, we are developing a recycling business that will contribute to reduced environmental impacts.

#### Materials & Machinery Division

In order to strengthen our business foundation, we remain highly committed to improving the profitability of our existing businesses and implementing initiatives targeting new businesses. For our heat- and wear-resistant cast products, we are collaborating with our manufacturing subsidiary, Japan Castering Co., Ltd., to reduce costs and add value. In addition, we are addressing needs that lead to the resolution of societal issues such as decarbonization and carbon neutrality as we aim to contribute to society as a good corporate citizen.

## Industrial Materials Business

### Divisions and main group companies of the industrial materials business

#### Construction Materials Division

We provide a series of solutions for measurement, design, production, construction, and verification of road noise and other sources of noise generated in factory facilities. Our innovations include air conditioning products such as spiral ducts for air conditioning in office buildings; civil engineering products used in the construction of concrete structures; and construction products used in the hollow slab construction method that contributes to large living spaces with high sound insulation performance.

Our other affiliated companies include Kurimoto Trading Co., Ltd.; Nihon Kaiser Co., Ltd.; Zentec Co., Ltd.; and Kurimoto Polymers Co., Ltd., etc.

#### Plastic Products Division

We are developing FRP recycling systems that benefit the environment as we introduce production activities focused on recycling. We are also developing FRP products for a wide range of applications related to electric power generation and small hydropower applications as well as agricultural and sewage water, converting services, railways, and bridge repair.

### Initiatives of our three-year mid-term business plan

#### Rationalizing our production while expanding our business scale in the roadbuilding and industrial plant markets

##### Construction Materials Division

We intend to capture the growing renewal demand in the road building market as we also grow sales of strategic products in the industrial plant market.

##### Plastic Products Division

Our goal is to expand the scale of our business by concentrating our management resources in new markets and growth fields such as the bridge repair market. Moreover, we intend to improve our earning power by further reducing costs in the fields of electricity, sewage and converting services. We will also develop production sites that respond to Japan's declining population by automating our equipment and improving our work environments.

### Our primary focus

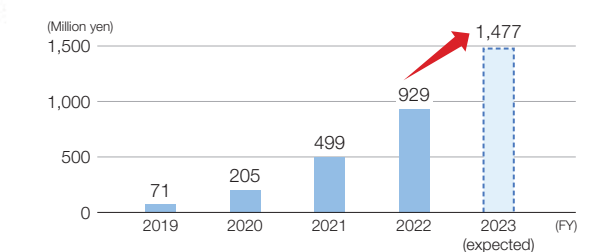
#### Growing adoption of FRP materials in the roadbuilding industry

Demand for maintenance and repair is rapidly increasing due to the aging of existing road infrastructure. Inspection passages of FRP (fiber-reinforced plastic) are maintenance access structures used for expressways and bridges. These are highly durable and unique structures with specifications that improve construction efficiency. Since launching these on the market as part of our previous three-year business plan, we have witnessed a steady improvement in our results. Our cumulative order value is expected to reach about 1.5 billion yen in fiscal 2023.

As we take steps to enhance our performance, we will continue to develop innovative technologies for maintenance and repair applications while strengthening our production system and sales activities.



#### Cumulative number of orders received



### Future policies and strategies

#### Construction Materials Division

Amid changes in the market and labor environment, we will continue to ensure consistent levels of quality and a stable supply of products and services. In addition, we will develop a solutions business that addresses customer problems by providing needed products and services while seeking to capture new demand.

#### Plastic Products Division

We intend to satisfy our customers and the public at large as a means of achieving sustainable growth in the plastic products business. We will achieve this by improving the earning power of existing and new businesses, building a sustainable business model, and implementing initiatives consistent with Vision 2030, our long-term vision.

# The Kurimoto Group's CSR Management



## Basic Sustainability Policy

# Creating a Future through “Inheritance and Innovation”!

Based on our corporate creed and philosophy, we, the Kurimoto Group, aim to enhance our long-term corporate value and contribute to the sustainable development of society and Earth through manufacturing that makes everyone happy, using the technology and experience we have cultivated since our founding (inheritance), and our creativity and the spirit to challenge ourselves to overcome huge obstacles (innovation).

### Explanation

Sustainability is a concept that aims to ensure that the natural environment, society, and economy will be able to continue into the future without losing their current quality. It is necessary to address sustainability in corporate activities in this era of increasingly serious global-scale social issues.

The Kurimoto Group has instituted this basic policy with the aim of communicating to its stakeholders that it is a “company of high social value” through its CSR and SDG initiatives, and to express the Group’s ideals as well as its corporate value.

Instituted on April 4, 2023

## Various committees to promote CSR management

To contribute to the realization of a sustainable society, the CSR Committee, which is chaired by the President and composed of directors, executive officers, general managers, and representatives from the labor union, has been established to discuss measures to address climate change and many other ESG issues, develop policies, and manage progress in various activities related to CSR management.

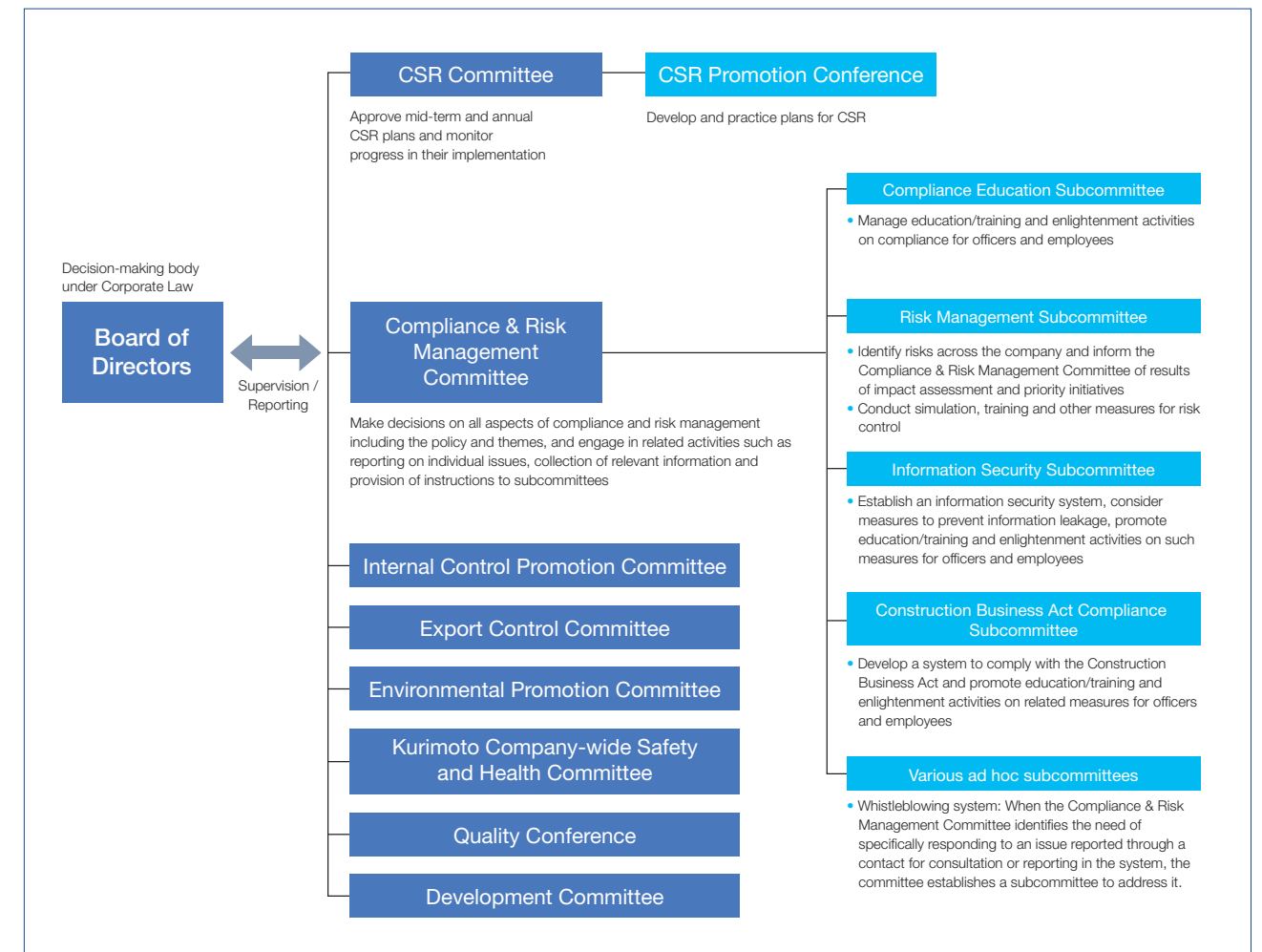
In addition, to maintain a system for compliance and risk management underlying our CSR management and to promote these activities, we have established the Compliance & Risk Management Committee chaired by the President; this committee makes decisions on all aspects of compliance and risk management including policies and other matters for the Kurimoto Group. Other committees have also been set up to address various challenges for the Group as a whole and carry out activities to solve respective challenges.

## Respect for the human rights of all people

The Kurimoto Group complies with applicable laws and regulations, supports relevant international norms, respects the human rights of all people affected by its business activities, and does not infringe on human rights for any reason, in accordance with its corporate philosophy that states it will conduct business activities with respect for human rights. In recognizing that respect for human rights is a responsibility that the Kurimoto Group must fulfill, we have established the “Kurimoto Group Human Rights Policy.”

We will present this policy to our business partners and supply chain, encourage them to support it, and collaborate to promote respect for human rights.

## Organization Chart of the Promotion of CSR Management





# The Kurimoto Group's ESG Materiality and SDGs

## [excerpts from major themes]

ISO 26000 core subjects	ESG		Materiality	Activities related to issues	Activity progress management indicators related to issues (KPIs)	Target value	Target achievement year	Measures implemented	Progress status in FY2022		SDGs		
	Classification	Item							Progress status	Summary	Goal	Target	
Environment	E	Conservation of the global environment	Measures to combat climate change	<ul style="list-style-type: none"> <li>CO<sub>2</sub> emission reduction at two iron pipe factories</li> <li>CO<sub>2</sub> emission reduction through energy conservation activities</li> </ul>	CO <sub>2</sub> emissions in Energy Saving Act (Law Concerning the Promotion of the Measures to Cope with Global Warming) Report	Reduce by 50% in FY2030 compared to FY2013	2030	<ul style="list-style-type: none"> <li>Promote energy conservation activities at factories, improve productivity, and promote waste heat recovery.</li> <li>Significant reduction of CO<sub>2</sub> emissions through factory integration</li> <li>Fuel conversion for cupolas and gas burners</li> <li>Consider using renewable energy.</li> </ul>	Yearly results (iron pipe factory estimate): 38,651 t-CO <sub>2</sub> (-42.8%) FY2021 result: 54,652 t-CO <sub>2</sub> (-19.1%) FY2013 result: 67,593 t-CO <sub>2</sub> (BM year)	CO <sub>2</sub> emissions were reduced as production volume decreased (26.2% reduction compared to BM, including CO <sub>2</sub> emissions from electricity). Bio-coke was tested in the cupola at Sakai Factory, with consideration given to increasing the amount of use going forward.		13-2	
			Contribution to a recycling-based society	<ul style="list-style-type: none"> <li>[Plant Engineering &amp; Machinery Division]</li> <li>Minimize the environmental impact of manufacturing (weight, materials).</li> <li>Consider circulation of recycled parts for replacement parts during maintenance.</li> </ul>	Select models and review existing components.	<ul style="list-style-type: none"> <li>Candidate part selection</li> <li>Form examination</li> <li>Material examination</li> </ul>	2025	<ul style="list-style-type: none"> <li>For large parts, consider weight reduction and change from casting to welding structure through analysis, simulation, etc.</li> <li>Review the forms of replacement parts and minimize the number of replacement parts.</li> <li>Circulate recycled parts and do not dispose of them carelessly.</li> </ul>	Will start in FY2023.	<ul style="list-style-type: none"> <li>In addition to cost and performance, consideration of environmental impact reduction will be recognized as a product value in the future.</li> <li>At present, replacement parts are new as a matter of course, but more and more customers will find value in recycled parts.</li> </ul>		12-4	
Human rights	S	Corporate culture that enables employees to work safely with satisfaction	Promotion of diversity and inclusion	<ul style="list-style-type: none"> <li>Diversity in recruitment</li> <li>Fair hiring practices</li> <li>Promoting women's empowerment</li> </ul>	[Women] Increase in applicants for regular recruitment [Mid-career recruitment] About the same number as regular hires [Individuals with disabilities] Compliance with legal standards (2.5% in 2024, 2.7% in 2026)	[Women] 30% or more [Mid-career recruitment] 50% of new hires [Individuals with disabilities] 2.6%	2025	<ul style="list-style-type: none"> <li>Review of the recruitment website</li> <li>Strengthening information dissemination on women's empowerment</li> <li>Strengthening follow-up in female applicant recruitment</li> <li>Employment of individuals with disabilities: Strengthening relationships with universities and special-needs schools</li> </ul>	<ul style="list-style-type: none"> <li>Female applicants for regular recruitment: 35.5%</li> <li>Mid-career recruitment: 48.8%</li> <li>Statutory employment rate: 2.56%</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with senior female employees were held for female applicants. The senior female employees were appointed as personnel recruiters to increase appeal.</li> <li>The need for mid-career recruitment increased, particularly in sales positions.</li> <li>At the request of a special-needs school for people with disabilities, a lecture was given on our efforts in the employment of people with disabilities. One new employee is to join our company in fiscal 2023.</li> </ul>		5-5	
Labor practices			Establishment of a productive and high value-added working environment	<ul style="list-style-type: none"> <li>Strengthen employee engagement in company areas, as direct supervisors, and with the work environment.</li> <li>Develop personnel and education systems to increase retention rates.</li> </ul>	Improvement of employee engagement value	Internal target: Overall score average of 60 or higher (External disclosure method will be considered separately).	2025	<ul style="list-style-type: none"> <li>Conducting periodic research and providing feedback</li> <li>Promotion and monitoring of activities in each department</li> <li>Implementing necessary measures for promotion support</li> <li>Information sharing and horizontal expansion</li> </ul>	Conducted for 459 respondents in specific departments The year-end overall score was 48.1 points. Up 0.3 points from the beginning of the year	<ul style="list-style-type: none"> <li>For two divisions, opportunities were created for department managers to exchange opinions with the President to disseminate supervisors' policies.</li> <li>Interviews were held with model divisions in the initiative, and examples of successful activities were shared with other divisions.</li> </ul>		8-2	
Fair operating practices			Fair transactions	Assessment and management of the supply chain	These activities are items to be monitored, and the main activity is to check compliance status, etc.	According to the activity plan formulated by each committee	According to the activity plan formulated by each committee	Continued	<ul style="list-style-type: none"> <li>Compliance with the Corporate Code of Conduct</li> <li>Confirmation of compliance status with the Basic Policy on Information Security</li> <li>Confirmation of compliance status with various laws and regulations (Construction Business Act, Anti-Monopoly Act, Act on the Protection of Personal Information, export control laws, Product Liability Act, Anti-Organized Crime Law, Subcontracting Act...etc.)</li> <li>Confirmation of compliance status with the Basic Procurement Policy</li> </ul>	Continued	<ul style="list-style-type: none"> <li>All employees are informed about the Corporate Code of Conduct.</li> <li>Information dissemination and awareness-raising activities concerning information security were implemented.</li> <li>Information dissemination, education and awareness-raising activities related to compliance with various laws and regulations were provided.</li> <li>We are considering putting more effort into information dissemination on green procurement and expanding its scope to include parts and product procurement.</li> </ul>		17-17
Consumer issues	S	Supply of safe and reliable products and services	Provision of proper information on products and services	Improvement of product quality	Elimination of complaints	According to the activity plan formulated by each committee	According to the activity plan formulated by each committee	Continued	Quality control activities and preventive/corrective actions at each worksite	Meetings related to quality are held in each division and worksite (once a month) to improve quality. Major factors in complaints are visualized to enhance improvements.	In departments that need further improvement, activities to improve products to better suit customers' operating environments were successful, resulting in a significant reduction of complaints (from 0.56% to 0.19% in sales ratio). The Group's overall complaints remained unchanged numerically from fiscal 2020, and countermeasures are in progress.		12-6
			Securing of quality, safety and reliability and establishment of a proper supply system	<ul style="list-style-type: none"> <li>Improvement of product quality</li> <li>Elimination of complaints</li> </ul>	According to the activity plan formulated by each committee	According to the activity plan formulated by each committee	Continued	Quality control activities and preventive/corrective actions at each worksite	Meetings related to quality are held in each division and worksite (once a month) to improve quality. Major factors in complaints are visualized to enhance improvements.	In departments that need further improvement, activities to improve products to better suit customers' operating environments were successful, resulting in a significant reduction of complaints (from 0.56% to 0.19% in sales ratio). The Group's overall complaints remained unchanged numerically from fiscal 2020, and countermeasures are in progress.		12-6	
Community involvement and development	S	Contribution to the local community	Proposal of optimal systems that lead to customer satisfaction	[Materials & Machinery Division] Provide automated operation systems to solve problems in the stone crushing industry, such as labor shortages and dependence on personal skills in plant operation.	Field test completion for automated plant operation	Launch of automated plant operation system	2024	<ul style="list-style-type: none"> <li>Improvement of accuracy of particle size distribution measurement technology</li> <li>PLC control technology verification</li> <li>Roughness determination system feasibility verification</li> <li>AI plant operation autonomous solutions feasibility verification</li> <li>Automated plant operation system field test</li> </ul>	Will start in FY2023.	In the stone crushing market, the labor shortage is expected to become increasingly distinct in the future, and more productive systems are needed. In view of this, in addition to the particle size distribution measurement technology using image processing, which is already being developed, we will develop automated plant operation technology and provide a high-value-added system for differentiation from our competitors.		9-4	
			Good relationship with the local community	Promotion of volunteer activities (Lineup expansion)	Lineup additions	Lineup expansion	2025	<ul style="list-style-type: none"> <li>Consider a social contribution shareholder benefit program.</li> <li>Promote volunteer leave.</li> </ul>	Case study on the social contribution shareholder benefit program (continued)	Case study on the social contribution shareholder benefit program (continued)		11-6	
Organizational governance	G	Fair and healthy business operations	Strengthening of governance and prevention of corruption	Prevention of corruption and inappropriate transfer of profits at overseas subsidiaries (China, U.S.A.)	Number of occurrences	Zero occurrences of corruption at overseas sites	Continued	<ul style="list-style-type: none"> <li>Data management (visualization and sharing)</li> <li>Compliance briefings (twice a year)</li> <li>Regular communication with local lawyers</li> <li>Ensure that approval must be received for important settlements and the conclusion of contracts.</li> <li>Promote understanding and keep everyone informed about the laws and regulations in each country.</li> <li>Resumption of periodic on-site visits</li> </ul>	Overseas bases are regularly communicated with through web conferences and visits. Gathering information on the status of overseas bases (twice a month) and sharing it with relevant personnel. Measures for Cookie in Europe were implemented. Individual cases have also been handled.	We will continue to communicate over the Internet. On the other hand, on-site visits will be made as necessary to understand operational aspects and verify information transmitted locally.		16-5	



Environmental Initiatives

# Environment

## A Balance of Manufacturing and the Environment Aiming at Coexistence with the Earth

### 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 Promotion Committee]

**Chairperson:** Manager of the section in charge of the environment management in the Head Office  
**Committee members:** Managers responsible for the environment management in factories

### Kurimoto Basic Environmental Policy

In all our business activities, we are committed to manufacturing products that are environmentally friendly for water, air, and life on planet Earth.

#### 1. Promotion of environmental management and continuous environmental conservation activities

We will work based on the concept of environmental management, which integrates environmental considerations into corporate management. By developing an environmental management system in the Kurimoto Group, we will continuously improve our environmental conservation activities. In addition, we will functionally operate the Environmental Promotion Committee to engage in global environmental conservation activities at the Kurimoto Group, and effectively operate the environmental management system.

#### 2. Compliance with laws, regulations, agreements, action plans, etc. and elimination of environmental risks

We will strive to prevent environmental pollution and eliminate environmental risks by strictly observing the Basic Act on the Environment, environment-related regulations, and agreements with relevant government agencies, various organizations and companies, voluntary action plans, and other groups.

#### 3. Energy saving, resource saving, reduction of waste and recycling to promote reduction of environmental impact

We will promote energy and resource conservation by eliminating defects and spoilage in our production activities and will also work to reduce environmental impact through reduction, effective use, and recycling of waste.

#### 4. Promotion of shifting to products with lower environmental impact and development of environmental conservation equipment

We will take care to minimize the environmental impact of all our products at each stage of raw material procurement, production, distribution, use, and disposal. We will also actively promote the development, dissemination, and introduction of equipment and facilities that contribute to environmental conservation.

#### 5. Environmental education and enlightenment of all employees

We will provide educational programs on the environment and conduct internal and external PR activities for better understanding of all employees, raising their awareness of environmental issues.

#### 6. Promotion of participation in social contribution activities

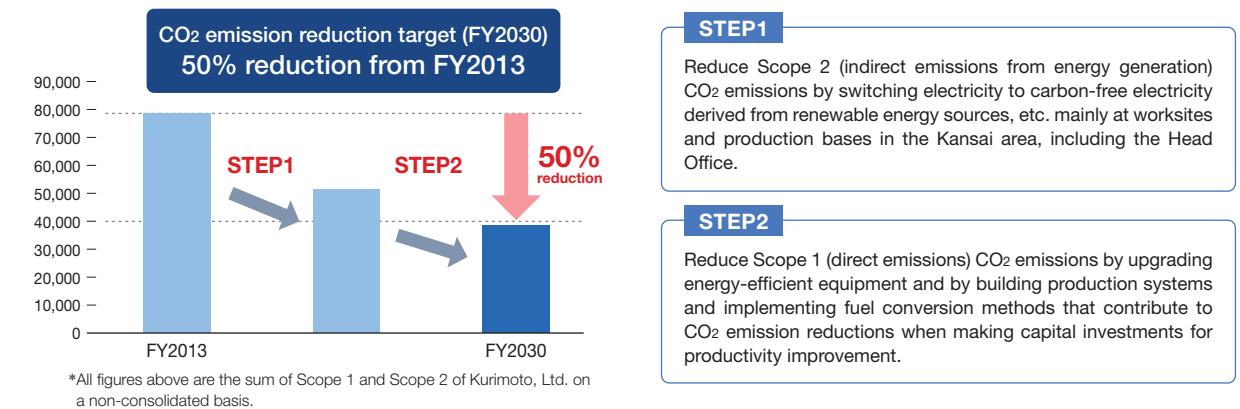
Aiming to realize a better global environment, we will actively participate in and support social contribution activities as a corporate citizen and communicate with our stakeholders on the environment.

## Environmentally Conscious Manufacturing in All Business Activities

### Promotion of CO2 emission reduction

We have set a CO2 emission reduction target for fiscal 2030 to achieve our goal of becoming carbon neutral by 2050. As an initiative to achieve this goal, we have been introducing CO2-free electricity derived from renewable energy sources mainly at our Head Office, the Kagaya Factory, and other worksites and production plants in the Kansai area since fiscal 2022. Through this initiative, we will reduce CO2 emissions particularly at our main factories.

Moreover, along with updating energy-efficient equipment, we are considering production systems and fuel conversion that contribute to CO2 emission reductions when making capital investments for productivity improvement, aiming to achieve a 50% reduction compared to the fiscal 2013 level, which exceeds the reduction target set by the Japanese government for fiscal 2030. In an effort to achieve carbon neutrality by 2050, we will look into all possibilities for continuous reduction of CO2 emissions.



### Efforts to reduce CO2 emissions including supply chain

In addition to its own CO2 emissions (Scope 1 and 2), the Kurimoto Group has been calculating the emissions of its entire supply chain since fiscal 2021. In the first year (fiscal 2021), we made a trial calculation to estimate the scale of the entire supply chain, and in fiscal 2022, we started official calculations.

Going forward, we will continue calculation, expanding the scope of calculation from a non-consolidated to consolidated basis and also improving accuracy, aiming to achieve carbon neutrality by 2050 through efficient CO2 reduction efforts throughout the supply chain.

### CO2 emissions throughout the supply chain (Kurimoto, Ltd. on a non-consolidated basis)

Emission Category	Scope of Calculation	Emissions (10,000 t-CO <sub>2</sub> )			
		FY2020	FY2021	FY2022	
Scope 1 [Direct emissions]	Direct emissions from the use of fuels and industrial processes in the company	4.63	4.46	4.02	
Scope 2 [Indirect emissions from energy generation]	Indirect emissions from the use of electricity and heat purchased by the company	1.47	1.82	0.13	
Scope 3 [Other indirect emissions]	Category 1	Products and services purchased by the company	—	(17.47)	25.50
	Category 2	Capital goods	—	0.69	0.43
	Category 3	Fuel and energy-related activities not included in Scope 1 and 2	—	1.55	1.40
	Category 4	Transportation and delivery (upstream)	—	Not calculated	0.85
	Category 5	Waste generated by business operations	—	0.37	0.35
	Category 6	Business trip	—	0.02	0.02
	Category 7	Employee commuting	—	0.07	0.07
	Category 8	Leased assets (upstream)	—	Not applicable	Not applicable
	Category 9	Transportation, delivery (downstream)	—	Not calculated	0.01
	Category 10	Processing of sold products	—	Not calculated	Under consideration
	Category 11	Use of sold products	—	(8.07)	17.47
	Category 12	Disposal of sold products	—	(1.21)	1.13
	Category 13	Leased assets (downstream)	—	Not applicable	Not applicable
	Category 14	Franchise	—	Not applicable	Not applicable
	Category 15	Investment	—	Not applicable	Not applicable
Total GHG emissions through the supply chain		—	(35.73)	51.38	

Not applicable: No applicable calculation items | Not calculated: Excluded due to low data reliability | Under consideration: Optimal calculation method under consideration | Figures in parentheses: Low data reliability due to estimation



Environmental Initiatives **Environment**

**Response to TCFD**

In support of the TCFD (Task Force on Climate-related Financial Disclosure) recommendations, Kurimoto is committed to disclosing information on the risks and opportunities posed by climate change to our business in terms of governance, strategy, risk management, and indexes and targets.

**Governance System**

The CSR Committee chaired by the President has been established to promote management from a sustainability perspective.

The committee meets twice a year to discuss climate change as an important agenda item. Decisions made at the meetings are reported to the Board of Directors and reflected in the management of the entire Group.

In fiscal 2021, the Board of Directors discussed the switch to carbon-free electricity, the use of biofuels, and a production system that contributes to reducing greenhouse gas (GHG) emissions, and resolved to reduce GHG emissions by 50% in fiscal 2030 compared to fiscal 2013.

**Strategy**

We are conducting a scenario analysis to understand the impact of risks and opportunities arising from climate change. For scenario analysis results, please refer to the table "Scenario Analysis Results" on the next page.

**Risk Management**

We have put a risk management system in place with the aim of enabling accurate management and implementation of measures against various risks surrounding our business. Risks posed by climate change are integrated into the company-wide risk management system in cooperation with the CSR Committee.

In accordance with risk management regulations, risks related to each business division and our Group company are identified every three years, and a risk matrix is prepared by the Risk Management Subcommittee. Identified risks are assessed based on their type, severity, frequency or probability of occurrence, and impact on management.

Specifically, risks are classified into four categories: human, property, liability, and credit, and are rated on three levels of severity (including impact on management) and four levels of frequency or probability of occurrence.

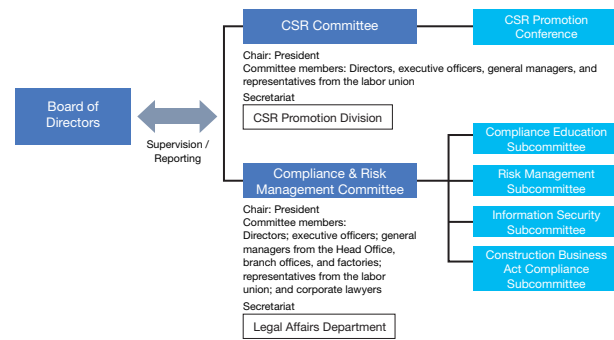
The risk matrix is reviewed once a year, and the results are examined and approved by the Compliance & Risk Management Committee.

For the management of assessed risks, we have established a specialized subcommittee to study and implement countermeasures. Matters discussed by the committee and specialized subcommittee are shared by employees to promote



Task Force on Climate-related Financial Disclosures

**Sustainability Promotion Organization Diagram**



**Climate change scenarios referenced in scenario analysis**

Worldview	A world where temperature rise is controlled by policies		A world undergoing temperature increases and climate change	
	1.5°C scenario		4°C scenario	
Overview	The increase in temperature by 2100 is limited to 1.5°C compared to levels in the late 19th century. Transition risks such as carbon taxes due to tighter regulations have an impact on the world. The influence of physical risks is relatively small compared to the 4°C scenario.		The temperature in 2100 rises by 4°C compared to temperatures in the late 19th century. Physical risks such as severe extreme weather exert impact on the world. The influence of transition risks is small, as there will be no strengthening of regulations on climate change.	
Scenario	Transition	IEA NZE-SDS-APS	IEA STEPS	
	Physics	IPCC RCP 2.6	IPCC RCP 8.5	

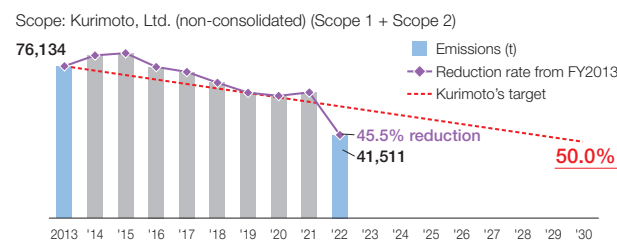
and implement initiatives. Through the risk management system described above, risks that could have a significant influence on our business are identified and reflected in our management plan.

**Indexes and Targets**

To assess and manage the progress of sustainability management and the effects of policies and other measures on climate change, we have set greenhouse gas emissions as an index.

Our target is to reduce greenhouse gas emissions by 50% or more in fiscal 2030 compared to fiscal 2013. To achieve this goal, we will continue moving forward with energy conservation at our plants and the introduction of renewable energy.

**Greenhouse gas (GHG) emissions reduction [t-CO<sub>2</sub>]**



**Scenario Analysis Results**

Effects of Climate-related Issues (Risks and Opportunities)	Potential Events	Severity Assessment		Internal Initiatives		
		1.5°C Scenario	4°C Scenario			
Effects of the transition to a decarbonized economy	Risks	Introduction of a carbon price	[Company-wide] The introduction of carbon taxes, emissions trading, and other carbon pricing mechanisms will incur costs, such as tax payments and purchases of emission allowances, depending on the amount of greenhouse gas (GHG) emissions in a company.	High	Low	<ul style="list-style-type: none"> <li>Introduction of carbon-free electricity</li> <li>Improving productivity by optimizing factory equipment</li> <li>Switch to low-carbon vehicles (commercial vehicles)</li> </ul>
		Regulations on the use of fossil fuels	[Lifeline] The use of fossil fuels in iron pipe production will be regulated, incurring costs in switching to alternative fuels.	Medium	Low	<ul style="list-style-type: none"> <li>Bio-coke introduction test</li> </ul>
		Regulation of plastics	[Machinery system] Sales from customers in the petrochemical and steel industries will slow down, and demand for related products will decline.	Medium	Low	
		Introduction of renewable energy and energy conservation policies	[Company-wide] <ul style="list-style-type: none"> <li>Renewable energy introduction will push up electricity costs.</li> <li>Equipment costs will increase due to the need for companies to save energy, which will necessitate equipment renewal, etc.</li> </ul>	High	Low	<ul style="list-style-type: none"> <li>Optimizing factory equipment to improve productivity</li> <li>Promoting equipment introduction through the introduction of ICP</li> </ul>
		Information disclosure requirements	[Machinery system] <ul style="list-style-type: none"> <li>CO<sub>2</sub> emission calculation per product (CFP calculation) is requested mainly by the automobile and battery industries, and costs will be incurred to deal with these requests.</li> <li>If CFP is not calculated, our products will be excluded from customers' choices.</li> </ul>	Low	Low	
	Opportunities	Changes in the energy mix	[Machinery system] Demand for products related to coal-fired power generation will decline.	Medium	Low	
		Changes in raw material costs	[Company-wide] <ul style="list-style-type: none"> <li>Prices of fossil fuels used in manufacturing will fluctuate.</li> <li>Prices of steel and metals used as raw materials will rise sharply.</li> </ul>	High	Low	<ul style="list-style-type: none"> <li>Diversification of raw material procurement routes</li> <li>Examination of alternative products</li> </ul>
		Recycling regulations	[Machinery system] Tighter recycling regulations will increase demand for recycling business-related products.	Medium	Low	
		Introduction of a renewable energy policy	[Machinery system / Lifeline] Sales of products related to renewable energy will increase with the spread of renewable energy.	Medium	Low	<ul style="list-style-type: none"> <li>Expanding sales in products related to renewable energy (Valves for power generation facilities, plant equipment for power generation, etc.)</li> </ul>
		Introduction of an energy conservation policy	[Machinery system] With the spread of EVs, demand for products related to secondary batteries will increase.	Medium	Low	<ul style="list-style-type: none"> <li>Expanding sales in energy-saving products (Secondary battery manufacturing process products, etc.)</li> </ul>
Physical effects of climate change	Risks	Changes in customer/investor reputations	[Company-wide] Disclosure of proactive environmental initiatives will increase opportunities to acquire new customers and make investments and loans.	Medium	Low	<ul style="list-style-type: none"> <li>Information disclosure based on TCFD recommendations</li> <li>Disclosure of environmental information through CSR reports</li> <li>Consideration given to green procurement</li> </ul>
		Intensification of extreme weather	[Company-wide] <ul style="list-style-type: none"> <li>Delays in delivery, securing substitute products, etc. will occur.</li> <li>Possibilities of damage to our equipment will increase.</li> <li>Reduced purchasing power with customers affected by disaster will push down our sales.</li> </ul>	Medium	High	<ul style="list-style-type: none"> <li>Ensuring readiness in line with our company's BCP</li> </ul>
		Rising average temperatures	[Company-wide] Rising temperatures will increase air conditioning costs during the summer months.	Low	Medium	<ul style="list-style-type: none"> <li>Appropriate temperature setting</li> </ul>
	Opportunities	Deteriorating working conditions Stricter labor laws	[Company-wide] <ul style="list-style-type: none"> <li>If outdoor work is involved, extreme summer heat will reduce labor productivity, resulting in lower profitability.</li> <li>If labor laws are tightened, the working environment needs to be improved.</li> </ul>	Low	Low	<ul style="list-style-type: none"> <li>Capital investment that contributes to improving the working environment</li> <li>Acquisition of Certified Health and Productivity Management Organization Recognition (Large Enterprise Category)</li> </ul>
		Intensification of extreme weather	[Lifeline] Extended water supply networks will increase demand for iron pipes.	Low	Medium	<ul style="list-style-type: none"> <li>Focus on sales for products related to disaster response</li> </ul>

## Green procurement activity promotion

To pursue environmental conservation in our supply chain, we promote green procurement activities. Kurimoto's basic ideas are presented to suppliers as guidelines to ask for their cooperation.

We also encourage suppliers to develop their environmental management structures in 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 in ductile iron pipe manufacturing

Ductile iron pipes play an important role in the main arteries of industry, such as underground water, underpinning people's lives 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, ductile pipes are used widely as parts for conduit lines in water supply, agricultural water supply, sewage systems, and industrial water supply. Ductile iron pipes are

made of iron, which is highly recyclable, and we are making efforts to use other materials efficiently, in addition to paint, water, and energy. In fiscal 2022, we substantially reduced CO<sub>2</sub> emissions by introducing CO<sub>2</sub>-free electricity. The material flow in the production of ductile iron pipes is presented below in relation to the environment in two of our factories responsible for manufacturing them.

### [ Input ]

\* Figures are data for FY2022 while those in parentheses are data for FY2021.

	Energy	Water	Raw materials and paint
Coke	8,700 t (9,800 t)	Industrial water	191,000 m <sup>3</sup> (201,000 m <sup>3</sup> )
City gas 13A	4,970,000 m <sup>3</sup> (5,280,000 m <sup>3</sup> )	Water supply	32,000 m <sup>3</sup> (33,000 m <sup>3</sup> )
Electricity	30.8 GWh (32.8 GWh)		
			Main raw materials 50,800 t (63,400 t)
			Cement, mortar materials 2,280 t (2,920 t)
			Other materials 5,350 t (5,850 t)
			Paint 970 t (1,060 t)

### [ Output ]

Ductile iron pipes	CO <sub>2</sub> emissions	Exhaust gas emissions	Volume of wastewater	Industrial waste	Noise and vibration
52,300 t (58,700 t)	CO <sub>2</sub> 38,900 t-CO <sub>2</sub> (54,600 t-CO <sub>2</sub> )	SOx 1.13 t (1.69 t)	Volume of process wastewater 160,000 m <sup>3</sup> (189,000 m <sup>3</sup> )	Industrial waste 13,100 t (13,700 t)	Less than the regulation values
		NOx 15.2 t (16.0 t)		Recycled quantity 12,900 t (13,500 t)	
		VOC 81 t (95 t)			

## TOPICS

### Full-scale demonstration of ductile iron pipe manufacturing using bio-coke

Before taking on the challenge of achieving carbon neutrality by 2050, we will be the first in the industry to undertake full-scale cupola fuel conversion from coal-derived coke to plant-derived bio-coke in the manufacturing process of ductile iron pipes, with the aim of reducing our CO<sub>2</sub> emissions by 10% or more.

This initiative is expected not only to reduce CO<sub>2</sub> emissions in the entire cupola industry, which uses coke, but also to promote zero emissions in each industry related to raw biomass materials, bringing the positive effects of environmental measures to the industry as a whole.

Looking toward the future, we are committed to realizing ductile iron pipe manufacturing that adapts to the circular economy era to create a sustainable society into the next generation.



Bio-coke

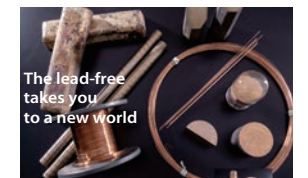


Cupola

### Lead-free bronze alloy "KURIKA BRONZE®LN"

"Lead-free takes you to a different world" is our main message. With a focus on the development of lead-free copper alloys, we have put brobea® (for sliding members) and KURIKA Series (for water supply equipment) on the market. We would now like to introduce one of the products comprising the KURIKA Series, "KURIKA BRONZE®LN" (JIS: CAC905). Lead-free bronzes have traditionally had issues with 1) material cost, 2) castability, and 3) corrosion resistance compared to conventional materials. KURIKA BRONZE®LN, however, has excellent castability and corrosion resistance at a cost close to that of conventional materials. It is also environmentally conscious in terms of energy saving and CO<sub>2</sub> emission reduction, as it can melt and cast at lower temperatures in a shorter period of time.

KURIKA BRONZE®LN, which is used in various water supply components, recently acquired US ASTM certification. Going forward, we will enter the North American market where lead regulations are strict, and aim to make it the industry standard for lead-free bronze for water supply components, thereby contributing to the realization of a sustainable society in terms of materials.



The lead-free takes you to a new world



KURIKA BRONZE®LN

### The "Comprehensive CFRP Circulation System," in which we participate as a partner, won the JEC Composites Innovation Awards

In March 2023, CFRP recycling technology and "Comprehensive CFRP Circulation System," in which Kurimoto participates as a partner company of the Toyota Industries Corporation (hereafter, Toyota Industries), received the JEC Composites Innovation Awards (in the Circularity & Recycling category).

In this system that recycles used CFRP carbon fibers, we participate as a partner for CFRP pultrusion using recycled fibers and succeeded for the first time in the world in continuous pultrusion using epoxy resin and newly developed recycled materials.

We will continue to work on further demonstration tests and improvement of molding and production technology for recycled FRP products, aiming to realize a sustainable society.



Conceptual diagram of the comprehensive CFRP recycling system (provided by Toyota Industries)





# Manufacturing and Cultivating Wisdom to Create a Work Environment Where Diverse Personnel Can Play Active Roles

## Human Resource Development Strategy

### Human resources policy for realizing sustainable growth

Based on the concept that people are the most important assets for companies, the Kurimoto Group respects the diversity of human resources and strives to create a work environment where employees can work with peace of mind according to their individual aptitudes and competencies.

#### 1. We will reform the corporate culture and the mindsets and behaviors of Kurimoto employees.

- We will develop a system that gives all employees opportunities to take on challenges voluntarily and that supports them.
- We will promote the creation of an organization where people take full responsibility for their actions and complete them by themselves.
- We aim to develop a corporate culture where all the abilities of those who belong to the organization are mobilized and demonstrated to foster creative and original values.

#### 2. We will create a workplace that motivates Kurimoto employees.

- We will promote work-life balance and develop a flexible mechanism that enables diverse personnel to work actively.
- With an aim to improve employee engagement, we will establish a system where those who have taken action and made achievements are rewarded fairly regardless of age and develop a system where employees are motivated and can feel happy.

#### 3. We will promote diversity initiatives.

- In line with our corporate creed of "cultivating wisdom and asking many people for advice," we create a work environment where a diverse range of Kurimoto personnel, including women, non-Japanese, people with disabilities, and mid-career hires with various professional backgrounds can play an active role, and create opportunities for them to build capacities required.
- By bringing together diverse values and making the most of them, we aim to respond to the rapidly changing market environment and achieve sustainable growth.



# Staying Aware of Problems and Acting Positively and Proactively

## Basic education policy and capacity-building support

Based on the corporate philosophy "We aim for the happiness of our employees and the happiness of mankind through manufacturing products," we strive to realize the basic policy stated below. As specific themes to work on, we develop training programs and other educational measures with a focus on the following five items, thereby promoting employee career development and improvement of organizational strength.

### Basic education policy

1. We will produce value-added products and services through capacity building for employees and revitalization of the organization to create customer value and make social contributions.
2. We will support employees in their career development and capacity building and foster abilities to make social contributions as well as foster rich humanity as members of society and as members of the organization.

### Five specific measure items

- Cultivation of an organizational culture that encourages employees to study
- Strengthening of the organizational management abilities of management staff who play pivotal roles in corporate management
- Strengthening of conceptual skills (abilities to think logically and solve problems) of young and mid-level employees
- Finding and fostering candidates as the next executives and innovative Kurimoto personnel
- CSR education for work style reform, promotion of diversity, and achievement of a sustainable society

## Improvement of employee engagement

As one of the activities to increase corporate value, we conduct employee engagement surveys that quantitatively show the strength of the ties between companies and their employees. Amid changes in social conditions such as needs of personnel and diversification of values and work styles, we continually strive to be a company that is chosen by its workers and to maximize the performance of each individual. We expect these activities to produce various effects such as "improving productivity," "securing excellent personnel," and "decreasing the turnover rate."



Opinion exchange meeting between the President and department executives based on survey results

### Education System Diagram of Kurimoto, Ltd. (FY2023)

	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
Directors/ Executive Officers	New director training New executive officer training									
Management staff (M Course*1)	Senior manager (newly appointed M2/division manager) training Current management staff training New management staff training Management staff promotion assessment training	Target management system training	Next-generation management leader development training KPC management school	Improvement cafeteria system (business school) Distance learning system Scheme to support the acquisition of public qualifications	Middle senior training (50 years old) New life training (58 years old)	Global personnel development program, TOEIC test, overseas on-site training, etc.	Compliance education, safety and health education, environmental education, quality education Human rights education, diversity promotion education, time management training, Various skill exams (casting, mechanical processing, finishing, mechanical maintenance, etc.)			Credit management training
Union members	Senior class	Target management system training								
	Mid-level									
	3rd year-	Mid-career employee training 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								New sales staff training
	C Course*2	P Course*3								

\*1: M Course (management course) \*2: C Course (creative course) \*3: P Course (professional course)



Social Initiatives Social

Internal Environment Improvement Policy

Creating a corporate culture that encourages change and reform

Evaluation of action-for-change process

We highly evaluate taking on challenges without fear of failure and revise the target management system to utilize results for capacity building.

Promotion of diversified work styles

To create an environment that facilitates change, we review our business processes to facilitate reform and diversification of our work styles.

Promotion of diversity

We bring forward an overall plan based on future business plans to promote diversity.

Creating a human resource management system that encourages individual development and growth and leverages employee strengths

Early development of core human resources (for managers, overseas reps, leaders, etc.)

Based on the future business concept, we formulate and analyze human resource portfolios and make efforts in early development of core human resources for the positions of manager, overseas representative, and leader.

Fostering spontaneous career orientation and creating a system for career development

In addition to establishing means for each employee to recognize their own strengths and for what they need to raise awareness, we enhance systems and tools to support voluntary and spontaneous capacity building and strengthening, including reskilling (training programs and educational materials).

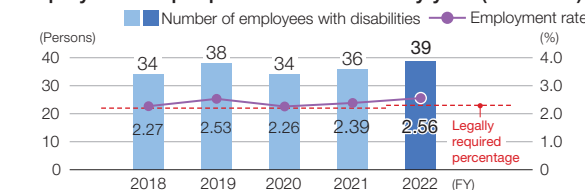
Developing an internal environment that respects diversity

The Kurimoto Group values the diversity of human resources in the workplace, including women, non-Japanese, people with disabilities, and mid-career hires with various professional backgrounds, striving to create a work environment where these employees can play an active role according to their individual aptitudes and competencies.

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 workplaces to accommodate their needs.

Employment of people with disabilities by year (Kurimoto)

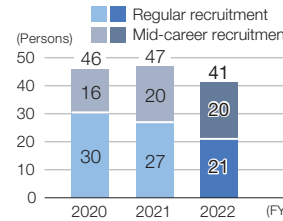


\* As of June 1 every year (according to the annual report on the employment of people with disabilities)  
\* Employing one person with severe disabilities is considered the same as employing two persons with disabilities.

Promotion of mid-career recruitment and women's empowerment measures

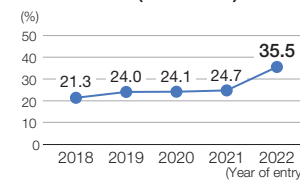
The Kurimoto Group promotes mid-career recruitment immediate forces who can be contributed to the company and enhance the diversity of human resources in the workplace to develop a culture of making reforms and taking on challenges. We have also formulated an action plan to promote activities to develop a work environment where female workers can play active roles.

Number of new employees by year (Kurimoto)



\* Excluding those hired as part-time employees

Ratio of women to the applicants for regular recruitment (Kurimoto)



Action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace (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%.

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.

"Platinum Kurumin" certification obtained

On August 15, 2022, based on the Next Generation Nurturing Support Measures Promotion Law, Kurimoto was awarded the "Platinum Kurumin certification" by the Osaka Labour Bureau of the Ministry of Health, Labour and Welfare, as a company that supports child-rearing as part of their high-level efforts with systems to support work-life balance introduced and used by its employees. In addition to achieving our action plan (fiscal 2018 to 2020), our efforts made for the actual proportion of male workers who took childcare leave, the increase in the number of paid holidays taken, and other achievements were highly evaluated.

Use of childcare-related programs (FY2022)

Proportion of female workers who took childcare leave	100.0%
Proportion of male workers who took childcare leave	75.0%
Number of workers who reduced working hours for childcare	4 persons
Number of days off taken for nursing care	24 days



Safety and Health

Progress in safety and health activities

The Kurimoto Group actively develops safety and health activities with the involvement of our Group companies and partner companies to attain the ultimate goal of zero occupational accidents and zero occupational illnesses.

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 activities that serve as the foundation of safety such as safety patrols, safety training, risk assessment, and risk prediction. We also address health-related issues such as the implementation of periodic health checkups, prevention of lifestyle-related diseases, avoidance of overwork, and strengthening of support for mental health through implementation of workshops, consultations with industrial physicians, specific health guidance, and stress checks in a planned manner.

Kurimoto's Company-wide Target and Basic Policy for Safety and Health in FY2023

Target

Zero occupational accidents and zero occupational illnesses

Safety Declaration

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

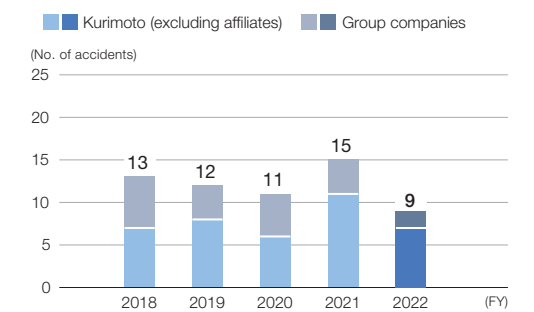
Basic Policy

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.

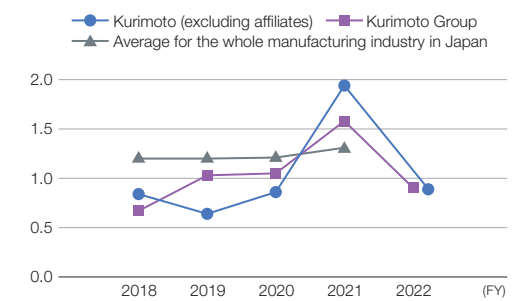
Results of health and safety activities

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.

Number of occupational accidents (including accidents with no lost workdays)



Frequency rate



	2018	2019	2020	2021	2022
Kurimoto (excluding affiliates)	0.84	0.64	0.86	1.94	0.89
Kurimoto Group	0.67	1.03	1.05	1.58	0.91
Average for the whole manufacturing industry in Japan	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) × 1,000,000



## Safety and health initiatives

### Certified as Health & Productivity Management Outstanding Organization 2023 (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 2023. 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.



### Commitment to mental health support

Kurimoto considers mental health care an important issue and has made efforts to encourage employees to be aware of stress levels since even before it was made mandatory to introduce a stress check system in 2015.

We have conducted stress checks every October, and the high level of interest in this is reflected in a staggering upper 90% range of employees undergoing the checks across the company every year. In this year's stress check, we changed it from a paper test to an online test, increased the number of questions, adding indicators to measure the strengths and weaknesses of the workplace itself. We will continue to proceed with mental health measures by making effective use of analysis results that incorporate new perspectives to improve the workplace environment.



### Efforts against smoking and passive smoking

In accordance with the revised Health Promotion Act that came into force on April 1, 2020, at Kurimoto smoking is prohibited indoors except in limited smoking areas established at all worksites as an initiative to prevent passive smoking.

In addition, we have set a smoking rate target of less than 25% in the ongoing "Health and Productivity Management Roadmap" and a major issue for the future is to encourage all employees to reduce or quit smoking.

In November 2022, the Head Office held a health lecture by its industrial physician on the theme of "Recommendation to quit smoking - Let's learn about chronic obstructive pulmonary disease (COPD)." Many of us have come to think of lung cancer as a smoking-related disease, but COPD is a lifestyle-related disease associated with long-term smoking habits that smokers may already have without realizing it. It was a meaningful lecture as some of the participants who smoke regularly said afterwards that they wanted to quit smoking.

We will continue to keep everyone informed about the health hazards of smoking and promote initiatives to reduce the smoking rate, which is an important risk factor for lifestyle-related diseases.



## Quality Control

### Securing "safety and security in manufacturing" through quality management

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

#### Declaration of Quality Assurance Activities

In accordance with a principle in the Kurimoto Group's Corporate Philosophy, "We offer 'reassurance' in response to the society and 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.

### Promoting continuous improvement activities using our 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 in 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, 2023)

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 Casting 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)

Social Initiatives Social

Revitalizing quality improvement activities with the participation of all employees

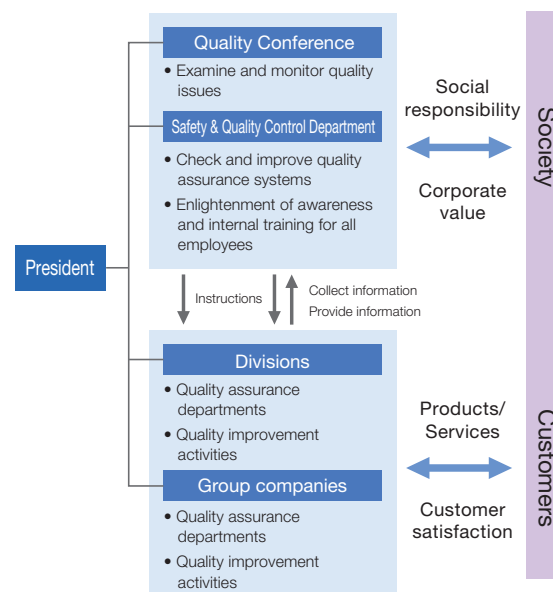
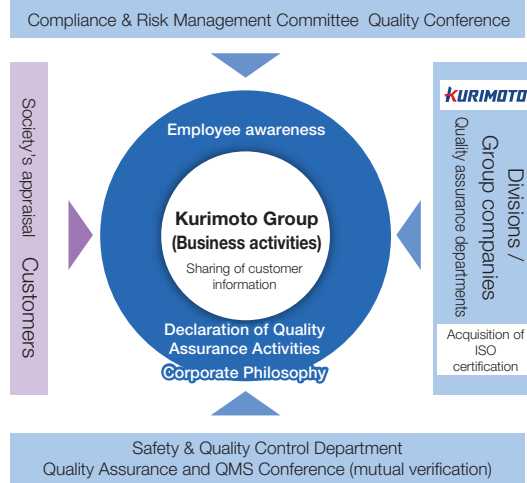
Quality assurance system

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 input from customers.

- At the Quality Conference, individual divisions are monitored from managerial perspectives, 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, collecting quality-related information and providing internal training based on the collected information.

Business review system that meets the needs of the times and society

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

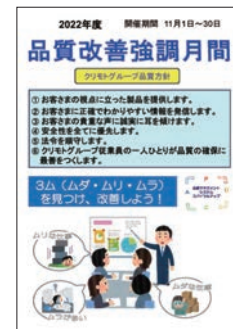


\* Quality Conference is mainly comprised of directors and executive officers.

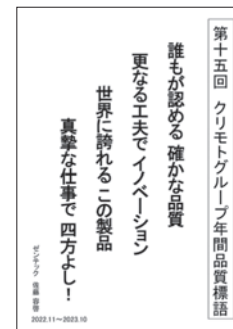
Raising the quality level of employees during Quality Improvement Emphasis Month

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 requested 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.



Poster (displayed in November 2022)



Slogan (displayed from November 2022 to October 2023)

Activities to make proposals for improvement

Activities to make improvement proposals are carried out with the participation of employees at our factories, Head Office, and branch offices. Many proposals for improvement are submitted every year, leading to improvement in the workplace and higher productivity.

	Number of employees	Annual number of proposals
Total	1,534	14,149



Poster (displayed in November 2022)

Building Relationships with Suppliers, Shareholders, and Investors

With suppliers

Basic approach

The Kurimoto Group’s business activities rely on the cooperation and support of many companies and people including the suppliers that provide raw materials and parts necessary for production.

In procurement, the Kurimoto Group respects internationally

proclaimed principles of human rights. In full awareness of quality and cost reduction, we 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.

securities reports, and annual reports are available on our website to ensure that information is provided in a timely and appropriate manner. We also believe that general meetings of shareholders are significant opportunities for our executives to communicate with shareholders. In the annual meetings, the President himself explains our management policy and corporate activities to shareholders in an easy-to-understand way.

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 for bid 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 issues 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 with confidence.

With shareholders and investors

Transparent business management

Kurimoto believes that timely and appropriate disclosure of information to shareholders and investors leads to long-term and stable trust and support. We deliver information on business activities and make efforts to maintain good relationships 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 and hold financial results briefings in an effort to transmit information on our business activities. IR materials such as earnings briefings,



## With Local Communities

## Co-existence with local communities

## Cleanup campaigns

As part of its CSR activities, the Kurimoto Group conducts cleanup campaigns to promote communication with neighboring companies and residents. Through continuous participation, we will contribute to activities to protect river environments to the best of our ability.



Participated in the "Yamato River Cleanup Campaign"  
(Head Office; Kagaya, Sumiyoshi, and Sakai Factories; Kurimoto Trading, Co., Ltd.;  
Yamatogawa Co., Ltd.)



Participated in the cleanup event "Hirose River 10,000 People Project" (Tohoku Office)



Participated in "Clean Ota River" (Chugoku Office)

## Supporting children in developing countries

## Participation in the Eco-Cap Campaign

As part of our environmental 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 to deliver vaccines to children in developing countries and for reducing CO<sub>2</sub> emissions.



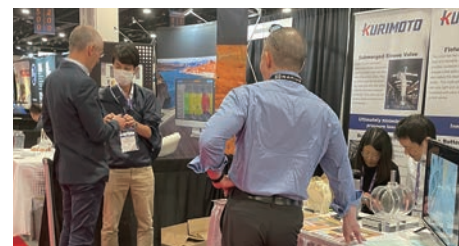
## Engagement with society

## Participated in various trade shows at home and abroad

Business divisions and the Technology Development Division of Kurimoto and our Group companies participated in various trade shows held in Japan and overseas. Many visitors were able to see new technology and new products from the Kurimoto Group in the shows.



May 25–27, 2022 "The 31st New Environmental Exposition 2022"  
(Tokyo Big Sight)



July 12–14, 2022 "Hydro Vision 2022"  
(Colorado, USA)



August 2–5, 2022 "Sewage Works Exhibition 2022" (Tokyo Big Sight)



December 7–9, 2022 "POWTEX TOKYO 2022"  
(Tokyo Big Sight)



February 10–11, 2023 "JAEPO 2023"  
Makuhari Messe International Exhibition Hall



## We Are Enhancing Our System to Promote Corporate Governance.

Based on our corporate and management philosophy, Kurimoto aims to maximize shareholder value, customer value, employee value, and corporate value.

To turn these ideals into reality, management must be efficient, transparent, and legitimate, and we regard the enhancement of corporate governance and compliance as our top priority.

## Basic Corporate Governance Policy

We are enhancing our 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; the partial delegation of authority to execute business to executive officers; and the activities at the Audit & Supervisory Board.

## Governance system and promotion framework

Under Kurimoto's governance system, the President and directors in charge have authority and responsibility for execution of duties with the Board of Directors, which is composed of directors including outside directors elected at the general meeting of shareholders, as the supreme decision-making and supervisory body. Additionally, we have introduced an executive officer system, under which part of the directors' business execution functions are delegated to executive officers, thereby relatively strengthening the supervisory function of the directors.

Directors regularly report on the execution of their duties at the Board of Directors meetings and supervise the execution of duties by other directors from the perspective of total optimization.

The Audit & Supervisory Board members, including outside Audit & Supervisory Board members elected at the general meeting of shareholders, collaborate and share information with the accounting auditor through the Audit & Supervisory Board as appropriate, and audit the legality and appropriateness of the directors' execution of duties from an independent and objective standpoint.

## 1) Directors and the Board of Directors

The President appoints candidates for director. The Nomination and Remuneration Committee chaired by an outside director is asked for opinions and advice on these candidates, and the Board of Directors finally determines candidates for director through a resolution. In addition to the criteria for selecting candidates for director, candidates for outside director are appointed using the following criteria for independence: Neither the candidate nor any relative within the second degree of kinship falls under any of the following items at present or within the past three years.

- ① A person who does not conform to the independence standards for independent directors/auditors established by the Tokyo Stock Exchange
- ② An executive executor of the company or its subsidiary
- ③ A major shareholder of the company or an executive executor of a major shareholder of the company
- ④ An executive executor of a business partner of the company or a person from such a business partner  
\*Those who are not likely to cause conflicts of interest with general shareholders shall be appointed.
- ⑤ An executive executor of a financial institution with which the company does transactions or a person from such an institution  
\*Those who are not likely to cause conflicts of interest with general shareholders shall be appointed.
- ⑥ Consultants, accounting experts, legal experts, and others who receive remuneration, etc. exceeding 10 million yen from the company apart from officers' remuneration.



Corporate Governance  
**Governance**

The Board of Directors holds regular meetings once a month and extraordinary meetings on an ad hoc basis with the attendance of Audit & Supervisory Board members (in fiscal 2022, the Board of Directors held 17 regular and extraordinary meetings in total). The Board of Directors makes decisions regarding basic policies and important matters concerning the execution of the company's business operations and supervises the execution of duties by directors and internal controls.

**2) The Audit & Supervisory Board and its members**

The Audit & Supervisory Board members verify the legality and appropriateness of the Board of Directors and express their opinions proactively.

To facilitate audits of legality and appropriateness, a full-time staff member in charge of the Audit & Supervisory Board Member's Office is assigned to respond to operational instructions from the Board members and assist them in their duties. In addition, to ensure appropriate information sharing between the Board members and the accounting auditor, the Finance Department provides support upon request from the Audit & Supervisory Board Member's Office.

For outside directors to fulfill their roles and responsibilities, the Audit & Supervisory Board and its members closely cooperate with outside directors by exchanging opinions as appropriate.

Candidates for the Audit & Supervisory Board member are appointed through deliberations by the Board of Directors, taking into consideration the opinions of outside directors, etc. At least one candidate for the audit & supervisory board member shall have

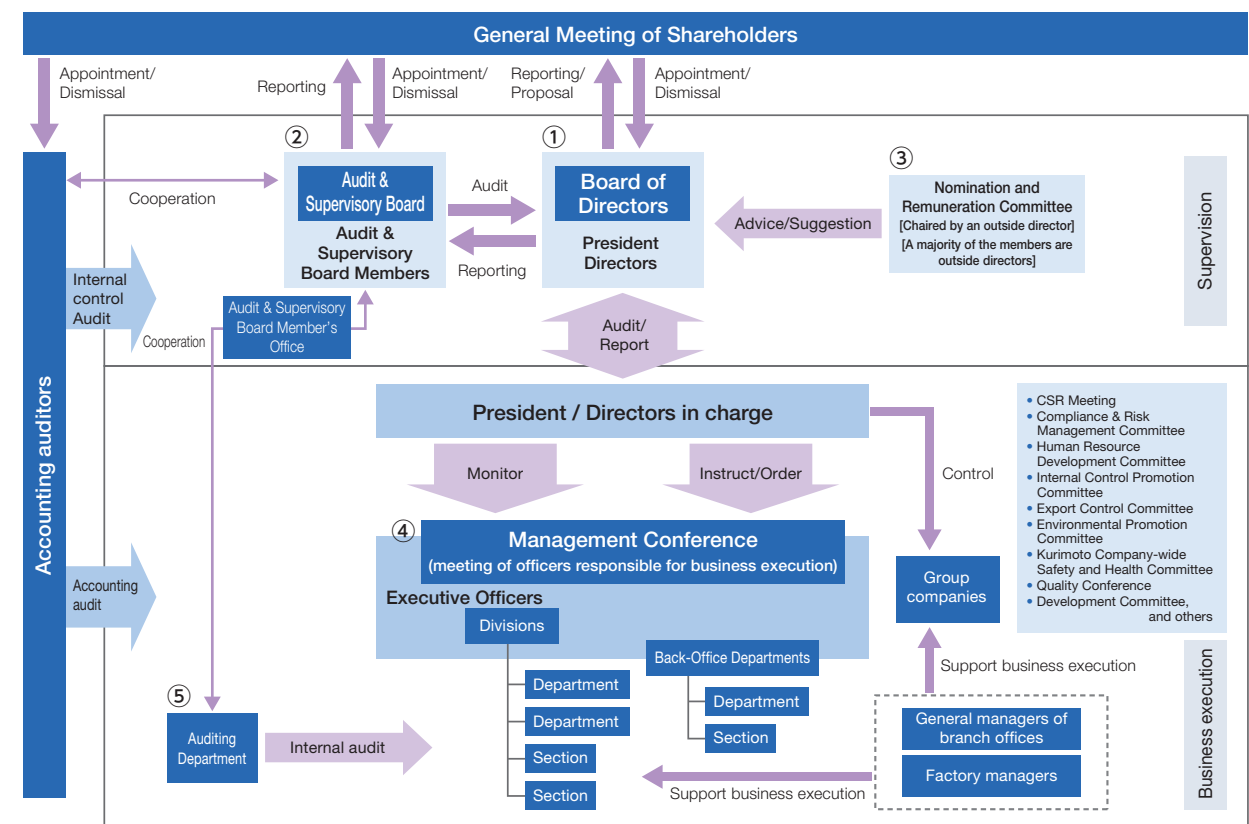
sufficient knowledge of finance and accounting. Prior to the deliberation by the Board of Directors, the consent of the Audit & Supervisory Board shall be obtained.

The Audit & Supervisory Board, which is composed of three auditors and holds a meeting once a month in principle, discusses or resolves important matters concerning auditing. 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 held on an ad hoc basis, and other important meetings to check the operation of internal control and business execution, and state views to the Board of Directors when necessary to audit business execution by directors.

**3) The Nomination and Remuneration Committee**

The Nomination and Compensation Committee has been established with the aim of enhancing the independence, objectivity, and accountability of the functions of the Board of Directors in relation to the nomination of directors, compensation for them, etc. Composed of four directors: outside directors and a director in charge of human resources, the Committee deliberates on matters concerning the selection of candidates for directors and executive officers, the dismissal of directors and executive officers, the compensation of directors and executive officers, etc., and the basic policies necessary for deliberating these matters, and provides advice and recommendations to the Board of Directors or the President.

**Organizational Chart of the Corporate Governance System**



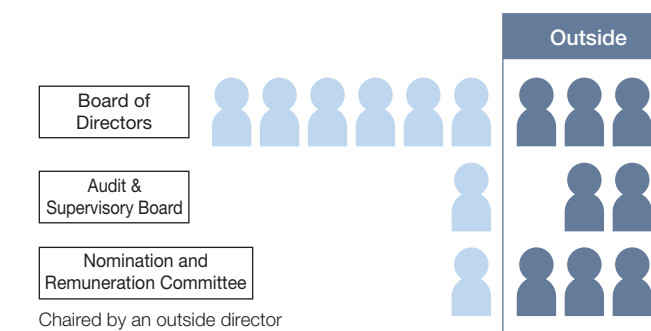
**Skills matrix of Directors and Audit & Supervisory Board Members**

To increase its corporate value over the long term, Kurimoto ensures diversity and balance by identifying the following skills that the Board of Directors should possess according to its management strategy. In addition, the Board of Directors appoints candidates for directors and the Audit & Supervisory Board members after deliberation by the Nomination and Remuneration Committee, taking into consideration the composition of inside/outside membership (directors and auditors), independence, specific experience, and areas of expertise of the candidates, depending on the business environment.

(as of June 28, 2023)

	Name	Duties	Corporate management	Technology/Development	Manufacturing quality	Finance	Human resource management	CSR Sustainability
Directors	Kazutaka Kikumoto	—	●	●	●	●	●	●
	Yoshiaki Shingu	Finance and group governance (auditing and consolidated affiliates)	●		●		●	●
	Akitoshi Oda	Human resources, general affairs and legal affairs	●			●	●	
	Yasuharu Yoshinaga	Facilities, production, logistics, CSR (safety, quality control and environment)	●		●		●	
	Yoshihiro Uraji	Overseas, procurement and composite project	●				●	
	Hitoshi Marutani	Technology development and intellectual property	●		●		●	
	Keiko Kondo	—	●	●			●	●
Audit & Supervisory Board Members	Tomohiko Sato	—	●				●	●
	Kiyoshi Sawai	—	●	●	●		●	●
	Yukitaka Fujimoto	—	●				●	●
	Maki Arita	—	●			●		●
	Osamu Honda	—	●			●	●	●

- As the supreme decision-making and supervisory body, the Board of Directors consists of nine directors and three of them, at least one-third, are independent outside directors.
- The Audit & Supervisory Board consists of three auditors, two of whom are outside auditors. The function of the Board is strengthened by appointing dedicated staff of the Board who are not subject to the direction and orders of directors and other officers.
- The Committee is comprised by majority of independent outside directors and chaired by an independent outside director to ensure independence.
- A "Management Conference" chaired by the President and composed of members of senior management shall be established to supplement the functions of the Board of Directors, including the sharing of management information and progress management at Kurimoto and its Group companies, and to make prompt decisions and execute operations in a flexible and efficient manner.
- The Auditing Department shall be established as an internal audit department independent of the business execution divisions to audit the business processes of each division and evaluate and verify the appropriateness of such processes, etc.







## Executive remuneration system

### Overview of the executive remuneration system

Kurimoto's executive remuneration policy has been resolved by the Board of Directors to ① raise awareness of contributing to sustainable improvement in corporate performance and increase corporate value, ② be closely linked to corporate performance and results, and the roles and responsibilities of directors, and ③ ensure that the remuneration decision process is objective and highly transparent.

#### Directors

Remuneration for directors, excluding outside directors, consists of a "base compensation portion" which is determined in accordance with the director's position (70% of the total), a "stock compensation portion" (5% of the total), and a "performance-linked compensation portion" (25% of the total). The performance-linked portion varies

between 0% and 200%, and 50% of the portion exceeding 100% is paid in shares.

#### Audit & Supervisory Board members

Remuneration for the Audit & Supervisory Board members is only "base compensation."

#### Outside directors

Remuneration for outside directors is only "base compensation."

#### Matters concerning performance-linked compensation, etc.

The "performance-linked compensation portion" is calculated based on the "achievement rate of the operating income plan (initial plan)," "year-on-year change of operating income," "achievement rate of ROE plan (mid-term business plan)," and "achievement level of individual missions," and varies between 0% and 200%.

## Assessment of the Board of Directors' effectiveness

We assess the effectiveness of the Board of Directors to establish a PDCA cycle of actions to be taken by the Board of Directors, based on the Board's self-check (self-review) of the mechanisms and procedures to realize the best and most appropriate decision-making and supervision to enhance corporate value, and whether the actual discussions and decision-making meet such roles and expectations for recognizing future issues. The following is an overview of the results of the effectiveness assessment conducted in fiscal 2022.

### Method of effectiveness assessment

- Assessment period: April 1, 2022 to March 31, 2023  
Assessors: All directors and all auditors (12 individuals)  
Main items of the questionnaire: 20 questions in total
1. Composition of the Board of Directors
  2. Role of the Board of Directors
  3. Operation of the Board of Directors
  4. Compliance with the corporate governance code
  5. General comments

### ② Capital cost management

With regard to our long-term direction, such as capital cost management, the Board of Directors deepened discussions at complementary meetings in addition to the Board meetings and proceeded to look into specific initiatives and measures.

The Board of Directors is acting in accordance with corporate governance guidelines, appropriately fulfilling its role, and effectively functioning to contribute to the corporate governance goals of sustainable growth and medium- to long-term enhancement of corporate value.

### Results of effectiveness analysis and assessment

The Board of Directors exchanges opinions and discusses proposed agenda items without regard as to internal and external, making decisions after receiving confirmation from the Audit & Supervisory Board members and also considering their opinions.

In fiscal 2022, the Board of Directors addressed two main issues: ESG and SDG management and capital cost management.

#### ① ESG and SDG management

The CSR Committee, composed of directors and senior management, held discussions and formulated a sustainability policy and human rights policy, reviewing specific initiatives and schedules for issues such as TCFD and CDP requirements and GHG emissions calculations, and took necessary action.

### Future issues and policy on initiatives

The Board of Directors will continue to identify issues through effectiveness assessment questionnaires and will continue to work on improvements.

- Regarding the succession plan, the Board of Directors will provide appropriate oversight and support, taking into consideration the diversity and skills matrix of senior management members.
- ESG and SDGs will be discussed at the CSR Committee and specific initiatives will be studied as part of management strategy.
- More discussions will be held on management issues from medium- to long-term perspectives. With particular emphasis placed on capital cost management and human capital management, quantitative targets will be set and KPIs will be discussed.

Through these measures, we will strive to enhance our corporate governance system.

## Compliance and Risk Management

We have established and are operating the following compliance and risk management system, which is the basis of our CSR management.

### Compliance and risk management system

We have established the Compliance & 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 subcommittees. Its meeting is held once a month in principle. Four full-time subcommittees 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.

We have designated February 4 and May 23 of each year as Compliance Days and implement activities to raise awareness of compliance across the Kurimoto Group.

### 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.

### 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.



## Management Members (as of June 28, 2023)

### Directors



### Kazutaka Kikumoto

President

Born April 14, 1956  
Number of the company's shares owned:  
12,366 shares



### Yoshiaki Shingu

Director & Senior Managing Executive Officer

Born July 21, 1957  
Number of the company's shares owned:  
12,430 shares

In charge of finance and group governance  
(auditing and consolidated affiliates)

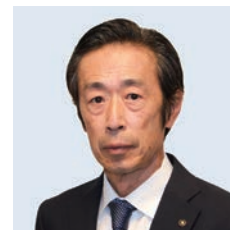


### Akitoshi Oda

Director & Senior Executive Officer

Born July 24, 1961  
Number of the company's shares owned:  
4,754 shares

In charge of human resources, general affairs  
and legal affairs



### Yasuharu Yoshinaga

Director & Senior Executive Officer

Born October 25, 1959  
Number of the company's shares owned:  
9,976 shares

In charge of facilities, production, logistics,  
CSR (safety, quality control and environment)



### Yoshihiro Uraji

Director & Senior Executive Officer

Born April 10, 1962  
Number of the company's shares owned:  
1,276 shares

In charge of overseas, procurement and  
composite project



### Hitoshi Marutani

Director & Senior Executive Officer

Born January 19, 1962  
Number of the company's shares owned:  
1,619 shares

In charge of technology development and  
intellectual property



### Keiko Kondo

Outside Director

Born January 5, 1963  
Number of the company's shares owned:  
1,217 shares

Served in various positions such as Chief Organizer Head  
of Secretariat and visiting professor at a university  
research institute, and as manager at the Japan Science  
and Technology Agency.



### Tomohiko Sato

Outside Director

Born June 22, 1955  
Number of the company's shares owned:  
1,138 shares

Held key positions, including director, in a trading  
company specializing in living environments, synthetic  
resins, chemical products, etc.



### Kiyoshi Sawai

Outside Director

Born June 6, 1954  
Number of the company's shares owned:  
438 shares

Held key positions, including director, in a general  
construction company, primarily in the civil engineering  
business field.

### Audit & Supervisory Board Members

### Yukitaka Fujimoto

Full-Time Audit & Supervisory Board Member

Born May 15, 1960  
Number of the company's shares owned:  
3,271 shares

### Maki Arita

Outside Audit & Supervisory Board Member

Born July 10, 1968  
Number of the company's shares owned:  
2,840 shares

With expertise and experience in finance, accounting, and  
auditing as a certified public accountant and tax  
accountant, she has served as Director of Maki Arita  
Certified Public Accountant Office, Outside Director of  
Japan PC Service Co., Ltd, and Outside Director of Daiken  
Co., Ltd. (to present).

### Osamu Honda

Outside Audit & Supervisory Board Member

Born March 4, 1958  
Number of the company's shares owned:  
758 shares

With abundant experience at the Industrial Bank of Japan  
(currently Mizuho Bank, Ltd.) and Mizuho Securities Co.,  
Ltd., he served as outside director (audit and supervisory  
board member) of Riken Corporation (to present).

### Executive Officers, etc.

### Moriyoshi Kushida

Chairman

### Shinya Kojima

Senior Executive Officer

General Manager, Corporate Strategy Division

### Yasuji Noguchi

Executive Officer

In charge of finance, internal control

### Liao Jinsun

Executive Officer

General Manager, Technology Development Division

### Masanobu Mino

Executive Officer

General Manager, Plant Engineering & Machinery  
Division

### Yasuo Sano

Executive Officer

General Manager, Construction Materials Division

### Yasushi Tabuchi

Executive Officer

General Manager, Valve Systems Division

### Hiroshi Fujimoto

Executive Officer

General Manager, Materials & Machinery Division

### Soichiro Nakanishi

Executive Officer

General Manager, Pipe Systems Division

### Takanori Kuzuoka

Executive Officer

President  
Kurimoto Trading Co., Ltd.

### Ken Kurimoto

Executive Officer

Assistant General Manager, Pipe Systems Division and  
General Manager, Business Development Management  
Headquarters

### Shin Matsumura

Executive Officer

General Manager, Plastic Products Division

\*The numbers of the company's shares held are as of March 2023.  
The numbers also include shares in the Kurimoto Officer Shareholding Association and the Kurimoto Employee Shareholding Association.



## Financial Summary (11-Year Summary)

	FYE March 31, 2013	FYE March 31, 2014	FYE March 31, 2015	FYE March 31, 2016	FYE March 31, 2017	FYE March 31, 2018	FYE March 31, 2019	FYE March 31, 2020	FYE March 31, 2021	FYE March 31, 2022	FYE March 31, 2023
<b>Consolidated fiscal year</b> (millions of yen)											
Net sales	98,175	103,664	98,394	101,964	101,647	107,122	108,786	109,904	116,596	105,954	124,827
Operating income	5,888	5,402	2,925	3,330	3,421	3,409	3,003	4,340	4,673	4,172	6,840
Current earnings	5,525	4,691	2,553	2,889	3,023	3,077	3,200	4,392	4,583	4,179	6,868
Net income attributable to equity holders of the parent	2,898	3,747	1,598	2,194	4,103	2,400	2,075	2,773	3,174	2,917	4,727
Capital investments	2,267	3,880	2,421	2,944	1,944	1,950	2,915	4,960	3,401	2,460	3,444
Depreciation	2,264	2,199	2,355	2,463	2,434	2,468	2,409	2,401	2,520	2,711	2,930
Net cash provided by (used in) operating activities	5,117	7,433	3,438	2,675	6,883	9,522	4,141	5,552	5,907	2,813	5,064
Net cash provided by (used in) investing activities	(1,468)	2,365	(4,701)	(767)	(2,328)	(745)	(1,918)	(3,951)	(4,034)	(2,455)	(1,741)
Net cash provided by (used in) financing activities	(4,260)	(4,324)	(4,834)	(3,610)	(3,341)	(4,349)	(4,211)	(2,769)	(1,815)	482	(4,495)
<b>Consolidated fiscal year-end</b> (millions of yen)											
Total assets	129,934	129,021	127,884	124,382	129,212	135,122	136,469	134,216	134,477	139,722	145,164
Total liabilities	84,028	83,713	78,300	75,633	73,084	76,022	77,602	75,339	69,366	72,102	72,200
Interest-bearing debt	43,023	39,400	35,851	32,786	30,620	28,878	25,707	24,246	23,242	24,692	21,967
Net assets	45,905	45,307	49,584	48,749	56,128	59,100	58,867	58,876	65,111	67,619	72,963
<b>Per share data</b> (yen)											
Net income per share	21.93	28.35	12.34	16.98	326.05	191.67	165.65	222.83	260.42	239.17	387.27
Dividend per share (annual)	4.00	4.00	4.00	4.00	32.00	60.00	60.00	60.00	70.00	70.00	90.00
Net Assets per share	344.83	339.83	380.30	373.43	4,440.72	4,658.26	4,633.55	4,750.96	5,245.94	5,436.86	5,865.19
<b>Financial ratios</b> (%)											
Operating income to net sales	6.0	5.2	3.0	3.3	3.4	3.2	2.8	3.9	4.0	3.9	5.5
ROE (Return on equity)	6.6	8.3	3.3	4.5	7.9	4.2	3.6	4.8	5.2	4.5	6.9
ROA (Return on assets)	4.3	3.6	2.0	2.3	2.4	2.3	2.4	3.2	3.4	3.0	4.8
Equity ratio (%)	35.1	34.8	38.4	38.8	43.0	43.2	42.6	43.1	47.6	47.5	49.3
Dividend payout ratio	18.2	14.1	32.4	23.6	15.3	31.3	36.2	26.9	26.9	29.3	23.2

A reverse stock split was implemented at a ratio of 1 share for every 10 shares of common stock effective October 1, 2016.

## Consolidated Balance Sheets

(Million yen)

Item	Previous fiscal year As of March 31, 2022	This fiscal year As of March 31, 2023
<b>(Assets)</b>		
Current assets	89,149	93,466
Fixed assets	50,573	51,697
Tangible fixed assets	32,525	33,295
Intangible fixed assets	1,773	1,443
Investments and other assets	16,274	16,958
Total assets	139,722	145,164
<b>(Liabilities)</b>		
Current liabilities	61,846	62,311
Fixed liabilities	10,256	9,889
Total liabilities	72,102	72,200
<b>(Net assets)</b>		
Shareholders' equity	63,287	67,109
Capital stock	31,186	31,186
Capital surplus	6,873	6,873
Retained earnings	27,029	30,828
Treasury stock	(1,802)	(1,778)
Total accumulated other comprehensive income	3,054	4,498
Valuation difference on available-for-sale securities	3,256	4,212
Deferred gains or losses on hedge	1	0
Foreign currency translation adjustment	44	198
Remeasurements of defined benefit plans	(247)	87
Non-controlling interests	1,277	1,355
Total net assets	67,619	72,963
Total liabilities and net assets	139,722	145,164

## Consolidated Statements of Income

(Million yen)

Item	Previous fiscal year From April 1, 2021 to March 31, 2022	This fiscal year From April 1, 2022 to March 31, 2023
Net sales	105,954	124,827
Cost of sales	80,615	95,477
Gross profit	25,338	29,349
Selling, general and administrative expenses	21,166	22,509
Operating income	4,172	6,840
Non-operating income	662	754
Non-operating expenses	655	727
Current earnings	4,179	6,868
Extraordinary income	271	96
Extraordinary loss	69	86
Income before income taxes and minority interests	4,381	6,879
Income taxes - current	727	2,490
Income taxes - deferred	577	(436)
Total income taxes	1,304	2,054
Net income	3,077	4,824
Net income (loss) attributable to non-controlling interests	159	97
Net income attributable to equity holders of the parent	2,917	4,727

## Consolidated Statements of Cash Flows

(Million yen)

Item	Previous fiscal year From April 1, 2021 to March 31, 2022	This fiscal year From April 1, 2022 to March 31, 2023
Net cash provided by (used in) operating activities	2,813	5,064
Net cash provided by (used in) investing activities	(2,455)	(1,741)
Net cash provided by (used in) financing activities	482	(4,495)
Effect of exchange rate changes on cash and cash equivalents	99	147
Net increase (decrease) in cash and cash equivalents	939	(1,024)
Cash and cash equivalents at beginning of year	20,359	21,299
Cash and cash equivalents at end of year	21,299	20,275

## Stock Information

Stock Information (as of March 31, 2023)

Total number of shares authorized	39,376,600
Total number of shares outstanding	13,098,490
Share unit	100
Number of shareholders	7,788

Major Shareholders (Top 10) (as of March 31, 2023)

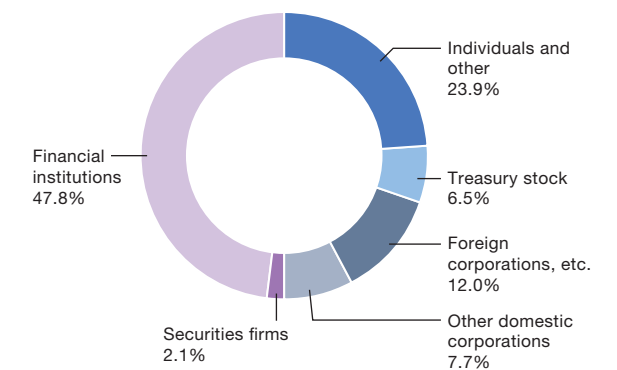
Name	Number of shares held (1,000)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	1,215	9.9
Taiyo Life Insurance Company	1,209	9.8
Custody Bank of Japan, Ltd. (Trust Account)	951	7.7
Nippon Life Insurance Company	678	5.5
Resona Bank, Ltd.	444	3.6
Mizuho Bank, Ltd.	362	2.9
Custody Bank of Japan, Ltd. as trustee for Mizuho Bank Retirement Benefit Trust Account re-trusted by Mizuho Trust & Banking Co., Ltd.	320	2.6
Iwatani Corporation	289	2.3
Sumitomo Mitsui Banking Corporation	204	1.6
Okumura Corporation	203	1.6

\*1 We hold treasury stock (846,663 shares), which is not included in the table above.

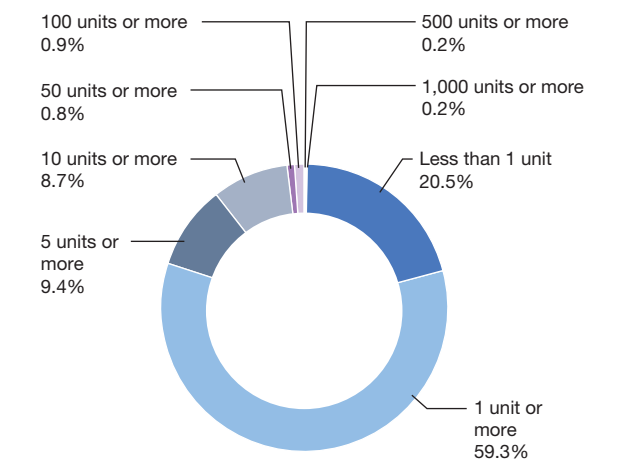
\*2 Treasury stock is excluded from the calculation of the percentage of shares held.

\*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) (42,822 shares).

Breakdown of Shareholding by Investor Type (as of March 31, 2023)



Breakdown of Shareholding by Number of Shares Held (as of March 31, 2023)





## Company Profile

### Company Profile (as of March 31, 2023)

Company Name	Kurimoto, Ltd.
Founded	February 2, 1909
Incorporated	May 10, 1934
Capital	31,186,098,159 yen
Number of employees	1,327 (non-consolidated) 2,107 (consolidated)

### Kurimoto Group

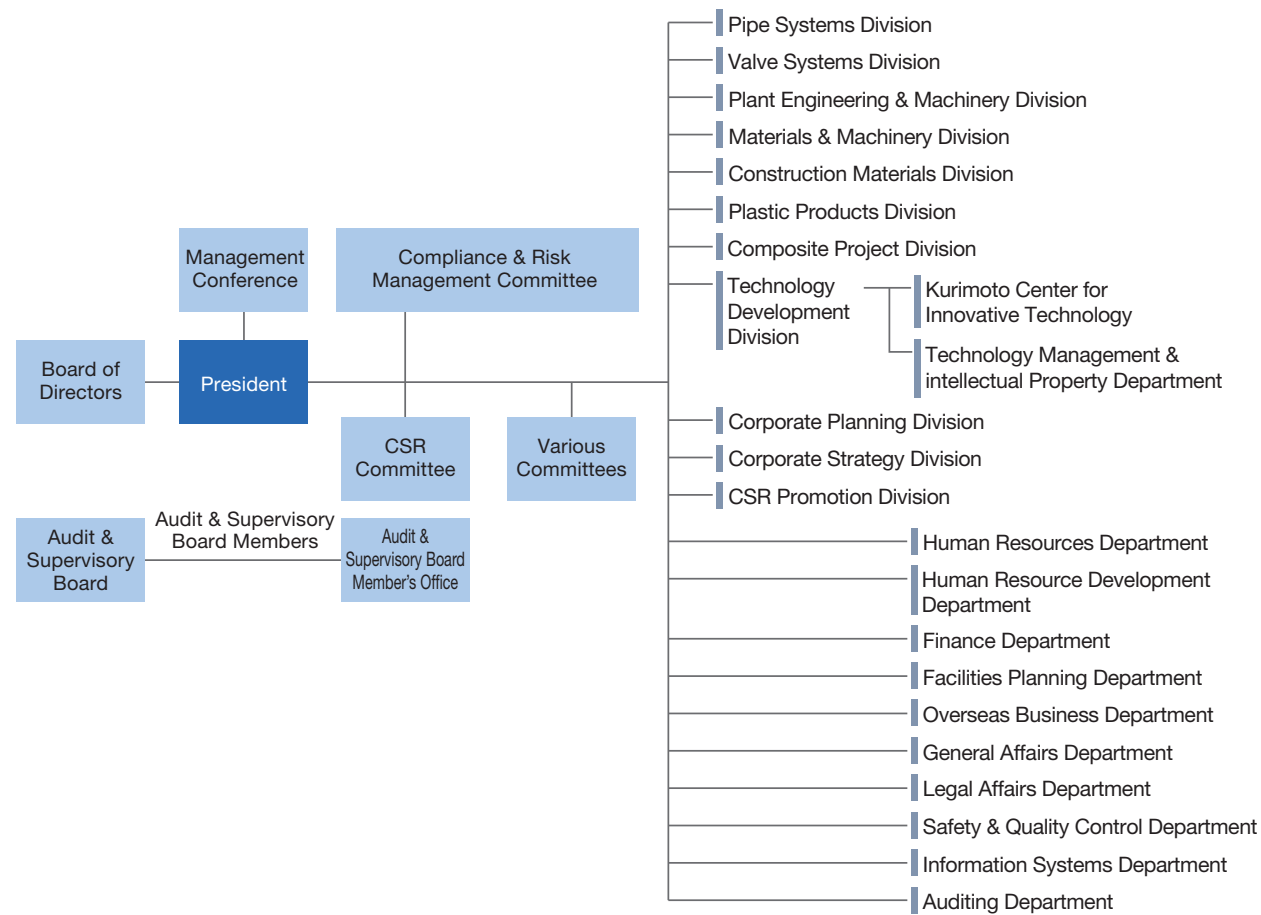
#### Affiliates in Japan

- 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.
- Zentec 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 April 1, 2023)



The Kurimoto Group contributes to society and environmental preservation and creates “a future with dreams” through manufacturing.

**KURIMOTO**  
<http://www.kurimoto.co.jp/>