

KURIMOTO

KURIMOTO GROUP INTEGRATED REPORT 2024

**KURIMOTO GROUP
INTEGRATED REPORT
2024**

Value creation cycle

KURIMOTO

BEYOND THE BORDER!

Our Editorial Approach for 2024

The Kurimoto Group issued its *Corporate Report* in fiscal year 2023 to provide an integrated view of the company's financial and non-financial activities. Beginning with fiscal year 2024, we have decided to publish this *Integrated Report* as a means of systematically summarizing our Group's approach to value creation, which aims to balance our business activities with our social values. By disclosing such information in a more detailed manner, the Kurimoto Group is endeavoring to expand its relationship with all its stakeholders.

We have formulated our "2030 Company Vision," a policy that sets out to ensure what we call "four-way satisfaction" by incorporating a fourth concept, "good for the future," to the local historical concept of "three-way satisfaction" ("good for the seller," "good for the buyer" and "good for the society"). We have also established our "value creation cycle model" and have adopted a "backcasting" approach, also known as reverse forecasting, that systematically maps out a path for our business that will contribute to the emergence of the society we envision. Moreover, we have formulated a goal-oriented strategy that is being established throughout all our businesses as a "value creation story" that is being presented alongside discussion of our Group's business model and material issues. Our goal is to make this process readily understandable to our stakeholders. We have also included a message from the CFO about the implementation of our management strategy and are working to enhance the disclosure of strategic information alongside our new medium-term management plan.

We believe that maintaining an open dialogue with our stakeholders is essential to the sustainable growth of our Group. Toward that end, we welcome comments and invite the reader to submit a candid review of this report.

Editorial Policies

Target Period

Figures and Initiatives: April 1, 2023 to March 31, 2024
Note that some of the information presented may cover dates outside this target period.

Scope

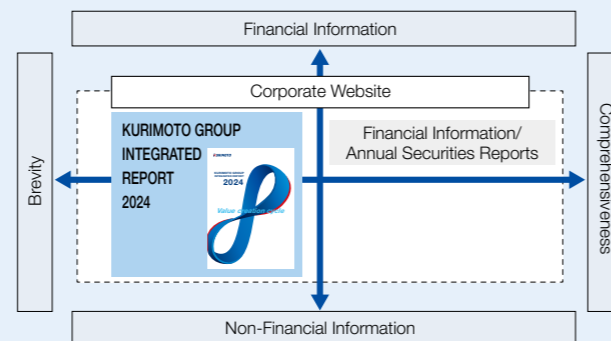
Figures: The parent company and its consolidated subsidiaries
Initiatives: The parent company and its group companies

Reference Guidelines

- *International Integrated Reporting Framework*, International Integrated Reporting Council (IIRC)
- *Guidance for Collaborative Value Creation*, Japan Ministry of Economy, Trade and Industry
- *GRI Sustainability Reporting Standards*, Global Reporting Initiative

Content of Our Primary Information Disclosure Tools

- This integrated 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.



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Toward a Future with Dreams

Our 2030 Company Vision, “Good for the Future,” serves as the standard from which the Kurimoto Group undertakes a backcasting effort intended to establish a “value creation circulation model” that will help us address various social issues in 2024. Our goal is to contribute to a “future with dreams” through our business activities.

2030 Our Vision

Good for the Future

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.

Company Credo

1. We strive to innovate both our technologies and business management.

We will keep up with the times and pursue creative improvements to grow stronger and tougher in all of our business segments.

2. We nurture and gather the wisdom of many.

We will grow personally and professionally, and enrich our wisdom. We will work collaboratively to ensure there will be numerous opportunities to achieve the company’s continued success and prosperity.

3. We focus on effectiveness.

To achieve excellent business results, we will put human, equipment, and material resources to effective use and eliminate “*muda*” (waste), “*muri*” (overburden), and “*mura*” (inconsistency) from the workplace.

We embrace these principles and encourage each other to develop a close affinity with their fellow Kurimoto personnel.

We seek to make a positive contribution to improving the welfare and happiness of mankind as we strive for corporate excellence.

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 human society 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.

Management Principle

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

— 2024 — Addressing Social Issues

- Deterioration of infrastructure
- Increase in natural disasters
- Climate change
- Depletion of resources
- Destruction of nature
- Accelerated digitization

1909
Our
Founding

Contributing to Human Happiness and Addressing Social Issues by Supporting the Introduction of Water Supply Systems



Our Founder's Vision

We are committed to providing clean, hygienic water to people the world over.

Yunosuke Kurimoto
Our Founder

When Yunosuke Kurimoto founded the company in 1909, the adoption of water supply systems had only just begun. In fact, only about 1.95 million Japanese, or about 4% of Japan's total population of 48.5 million at that time, were provided with water from a local water supply system. Mr. Kurimoto founded Kinokichi Iron Works in keeping with his belief that the future would be built on abundant water supply systems, asserting that "water is essential to human life, and the water supply sector will face huge demand in the future." Just as he predicted, demand for iron pipes rapidly increased, and within a few years Japan was supplying about three times as much water as it had at the company's founding. Clearly, the company's growth and development were built on Mr. Kurimoto's desire to provide a safe and adequate supply of clean water.

Contributing to a safe environment and a secure nation by manufacturing cast iron pipes in Japan

Mr. Kurimoto was one of the first to recognize the potential of the water and gas supply industries. As a lawyer, he developed the foresight to take over Kinokichi Casting Works, where he had worked as an advisor. Until around 1897, most cast-iron pipes used in Japan had to be imported. Beginning around 1907, Japanese manufacturing technology advanced rapidly, leading to a growing number of manufacturers and rapid progress in domestic production. Exports also began to boom, and manufacturers experienced strong demand for iron pipes from outside Japan.

At the time, Mr. Kurimoto had researched the centrifugal casting method invented outside Japan and had put it to practical use. He was able to develop high-quality cast iron pipes and export them to Europe, making great strides and steadily increasing the company's competitiveness.

Contributing to the development of social and industrial infrastructure with a wide range of high-quality products incorporating proprietary technologies

Mr. Kurimoto believed that the company could not expect to grow with the cast iron pipe business alone. So, at the beginning of the Showa Era (1926), he sought to expand the scope of the business. In 1933, the company partnered with the industrial machinery manufacturer Ashida Iron Works, and later merged with them to gain a foothold in the machinery industry. After receiving practical training in working with cast steel at the Naval Arsenal, he learned the technology for manufacturing high-quality castings and quickly got up to speed with the steel casting industry. In 1939, the company acquired Naruse Iron Works, which specialized in valves, and set up the Izuo Factory. After gaining the confidence of customers through the iron pipe and casting businesses, the company entered the valve industry as a full-fledged manufacturer.

In this way, the prototype for today's Kurimoto Group was established before the war. The 115-year history of the company can be said to reflect its passion for manufacturing as well as its tireless efforts to continue developing more advanced technology.

2024-

Meeting the Challenge to Create a "Future Full of Dreams"

Contributing to the emergence of a society committed to sustainability by supporting social and industrial infrastructure

Kurimoto's history mirrors the history of manufacturing. Even today, 115 years after the company's founding, it continues to create the future through manufacturing and has devoted itself to developing social infrastructure. At the same time, it pursues innovation in the industrial equipment that supports our industrial infrastructure. By building resilient lifelines for water, power, and gas to ensure that everyone can live their lives in safety, we support daily life while preparing to respond as needed during times of disaster. Moreover, by driving the evolution of the industrial foundation with innovative materials and technologies while supporting its customers through the development of high-quality products, the company continues to enhance its corporate value and contribute to the lasting development of society. Kurimoto remains committed to fulfilling its corporate responsibility to protect and support society for the next 50 to 100 years.

The origin of Kurimoto's founding: Protecting life by contributing to the development of water supply and sewerage systems

Kurimoto's origins lie in the manufacturing of cast iron pipes, which sprang from a desire to deliver water to people the world over. Water is the essential underpinning of all living things. Today, the company contributes to society by supporting the foundations of life in various ways, such as supplying drinking water and water for daily use, treating wastewater, growing livestock and crops, and supporting firefighting and disaster prevention.



Supporting manufacturing through industrial equipment

Advanced industrial equipment not only leads to improved product quality and productivity, but also generates a renewed impetus for manufacturing. Kurimoto's industrial machinery supports production processes for a wide variety of products and contributes to the development of the industrial world through comprehensive engineering.



Supporting life and industry by developing expertise in resources, energy, and communications

In the fields of resources, energy, and communications infrastructure, which also encompasses electricity, gas, oil and coal as well as primary materials, Kurimoto provides wide-ranging services that encompass transport, supply, adjustment, and protection. For example, the company's products are used today in power plants, resource and energy plants, power and communications transmission networks, and quarries.



Ensuring a safe and comfortable way of life by contributing to road, railway, and housing infrastructure

Kurimoto provides materials related to transportation equipment and the associated infrastructure to serve railways, road traffic, and marine transport operations. For example, the company provides brake discs for railway cars and machinery for manufacturing auto parts. For the road and railway infrastructure, it supplies materials to ensure safe and comfortable operation. And for the housing sector, Kurimoto ensures a more comfortable living environment by supplying air conditioning and soundproofing materials.



History of the Kurimoto Group

1909- Our Founding

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

In 1909, our founder Mr. Kurimoto founded Kinokichi 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.

1934- Period of Significant Growth

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.

1969- Period of Transition

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.

1981- Period of Expansion

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.

2001- Turning Point

Adapting to social 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.

2016- Challenging Period

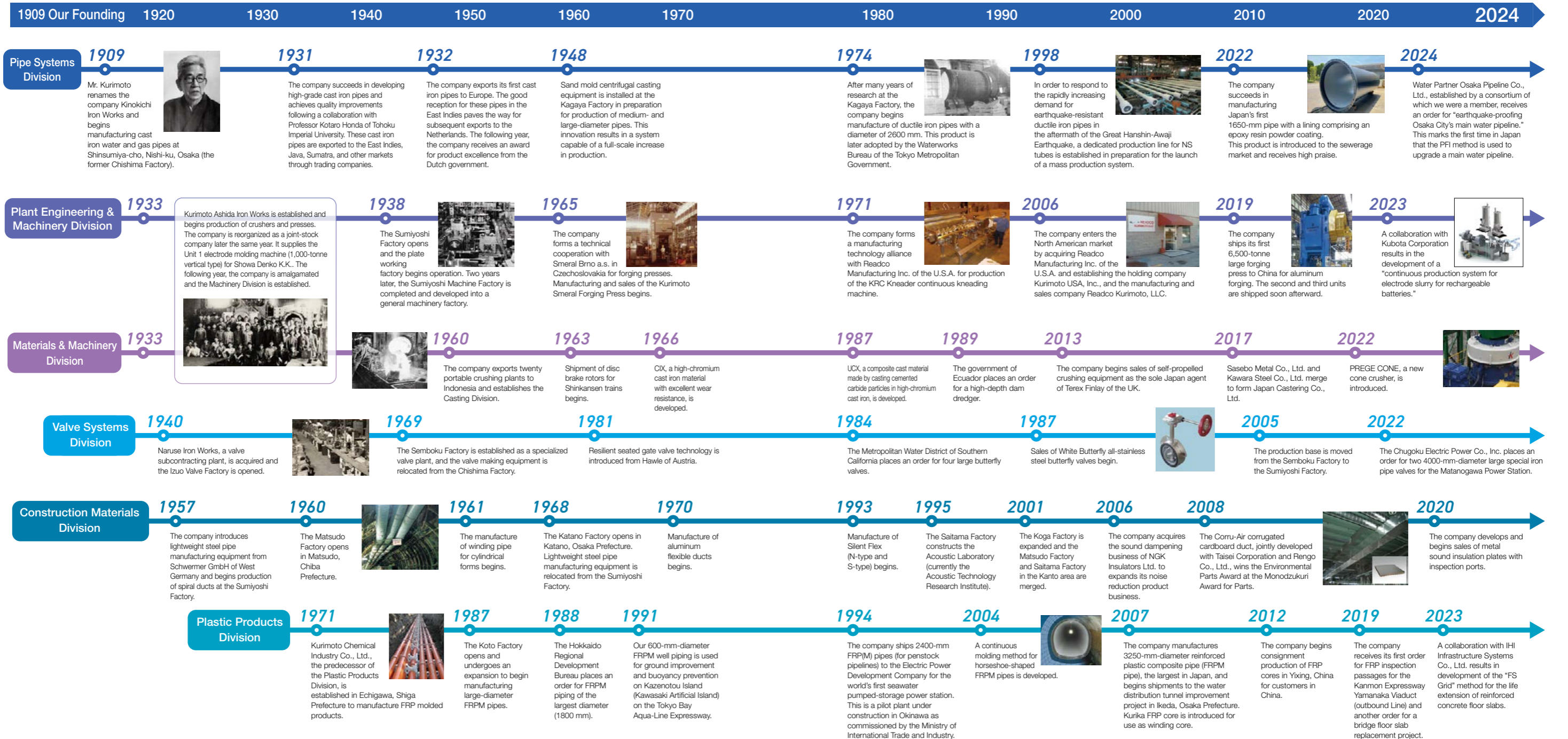
Stabilizing our existing business base; transitioning to a turnaround

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.

Business Diversification



Our Businesses

Industrial Equipment

Invigorating industry through focused development

Quality industrial equipment leads to increased productivity and enhanced product quality while serving to reinvigorate the manufacturing sector. The Kurimoto Group supports innovation in the manufacturing processes of a wide variety of products by applying the expertise and proprietary technology we have cultivated over our more than 100-year history. In short, we contribute to the ongoing development of the industrial world by providing comprehensive engineering services. This enables us to help manufacturers realize their full potential while also promoting protection of the global environment.



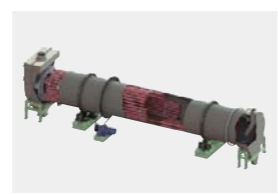
Butterfly Valves

This device is used as a turbine inlet valve and iron pipe valve for hydroelectric power generation facilities. It can be used as a pump discharge valve, connecting valve, and condenser inlet and outlet valve in the circulating water pipe systems of thermal power plants.



FRP(M) Pipes, Ductile Iron Pipes

Used as pipelines in hydroelectric power plants and many other facilities, these pipes are highly reliable and offer exceptional strength and easy workability.



Indirect Heating Dryers

We offer comprehensive solutions contributing to the utilization of unused energy sources such as incineration gas and other factory waste heat. This also helps to reduce energy costs.



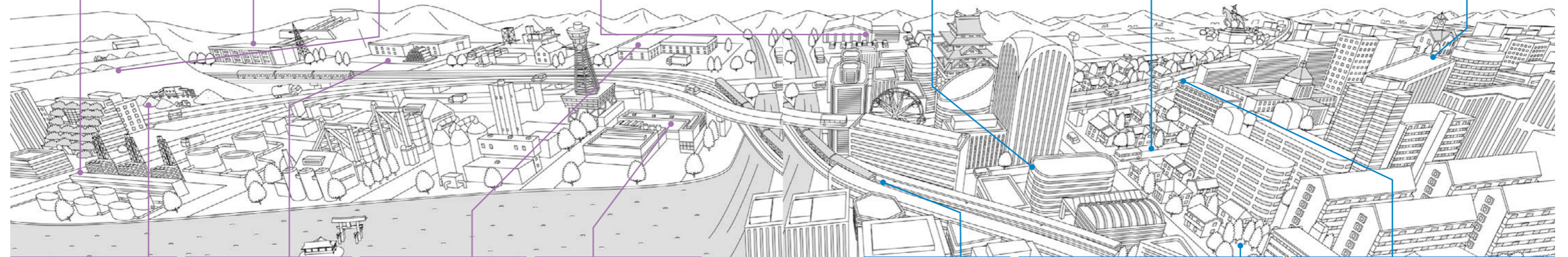
Hot and Warm Forging Presses

We employ our unique technology and maintenance services to support the production of forged parts, which are key components for automobiles and construction machinery.

Hydroelectric and Thermal Power Plants

Resource and Energy Plants

Auto Parts Manufacturing Plants



Mobile Crushers (TEREX FINLAY)

This series of machines flexibly meets the needs of crushing plants thanks to its excellent mobility and extensive product line.



Bending Rolls

This mobile bending roll is a top-roll horizontal movement model that forms excellent circularity with a wide range of materials from thin plates to thick plates.



FRP Cores

These products are used as winding cores for the optical films used in liquid crystal displays incorporated into televisions, computers, and smartphones.



Crushers, Sintering Machines, and Kneaders

These machines specialize in adjusting the particle size of materials, performing heat treatment, and kneading materials without contamination. We offer solutions for continuous processing and have confirmed the performance of these devices at our Sumiyoshi Factory's test center.

Quarries

Metal Processing Plants

Film Plants

Electronic Materials Plants and Battery Manufacturing Plants



PFP Pipes

Used in power transmission and distribution networks across the country, these pipes provide protection for buried high-voltage power cables.

Power Transmission Networks



Ductile Iron Pipes

Utilized as pipelines for water supply and public sewerage systems, our ductile iron pipes contribute to the longevity and seismic resistance of water distribution systems.



Soft Seal Valves

These valves are widely used in water pipelines to ensure a safe, stable, and secure supply of tap water.



FRP(M) Pipes

These outstanding pipes offer excellent workability, corrosion resistance, and abrasion resistance while remaining resistant to electrolysis and corrosion. They are highly resistant to earthquakes and can handle uneven subsidence.

Water Supply and Sewerage Systems, Agricultural Irrigation



Spiral Ducts

Our ducts are used for air conditioning in office buildings and other settings. They are custom-made in the factory to accommodate on-site conditions. This ensures easier installation and contributes to shortened construction times.

Office Buildings



Brake Discs

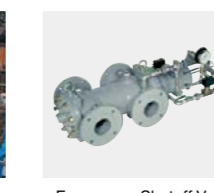
The excellent performance of these rotors has led to their wide adoption in railway cars both inside and outside Japan.

Railways



Water Tanks

In the event of a water outage caused by a broken pipeline during a disaster, these tanks can be used to maintain a reliable supply of drinking water and water for fire-fighting.



Emergency Shutoff Valves

These valves are designed to operate quickly in the event of a disaster to prevent leakage from water tanks. This function helps to ensure an adequate supply of drinking water and water for fire-fighting in the event of a disaster.

Emergency Water Storage Facilities



Viewzone Translucent Sound-absorbing Panels

These panels reduce traffic noise without blocking sunlight or impeding the view of appealing scenery. They are designed to improve the environments of expressways and other public roadways.



Integral-structured FRP Inspection Passages

Lightweight and highly corrosion-resistant, these tracks serve to afford access to bridge structures during inspections. As a result, they help to extend the service life of bridges while improving the efficiency of maintenance operations.

Roadmaking Materials

(Product examples)

Message from the President



Kazutaka Kikumoto

President

The Unique Business Opportunities Presented by Decarbonization and Improving National Resilience

Three years of demonstrating the spirit of *yonpo-yoshi*, or ensuring our business is “beneficial to all four parties”

In February 2024, we celebrated Kurimoto’s 115th anniversary. To all our stakeholders, who encompass our employees and the residents of the neighborhoods in which we operate, I would like to express my sincere gratitude for your unwavering support. Of course, this sentiment also extends to our customers and suppliers, shareholders and investors, and partnering financial institutions.

Our goal is to become known as the “outstanding Kurimoto Group” that has earned the trust of all its stakeholders in our novel spirit of “four-way satisfaction,” which builds on “three-way satisfaction” (the management philosophy of the old-world Omi merchants that means good for the seller, the buyer, and society) by adding a fourth element, “good for the future.”

The fiscal year ended March 31, 2024, was a year in which we felt the particular importance of establishing trust with one stakeholder group of note, our customers.

As the effects of the COVID-19 pandemic gradually began to recede, the rising cost of raw materials and fuel became a particularly negative factor and a major concern of management. However, we were able to implement a company-wide effort to improve productivity and reduce costs that enabled us to maintain our profitability.

In addition, we were able to gain the understanding of many customers regarding the need for price revisions, which also had a positive effect. As a result of these efforts, we achieved operating profit of approximately 7.5 billion yen and were able to increase our year-end dividend to 120 yen, which represents an increase of 70 yen compared to the previous year’s year-end dividend.

We recognize that these results spring from our pursuit of honest management under our motto of “Clean, Correct, and Beautiful,” and that our *raison d’être* has been acknowledged. However, we will not rest on our laurels as we continue to promote the sustainable development goals (SDGs) adopted by the United Nations General Assembly; the corporate social responsibility (CSR) initiatives promoted by society; and the environmental, social, and governance (ESG) management initiatives proposed by our stakeholders. We have renewed our awareness that corporate governance encompasses more than it appears to at first glance: it is also about steering the company, and it remains paramount that Kurimoto fulfill its social responsibilities and use them to increase its corporate value.

Accelerating value innovation and creating a virtuous cycle in society

With regard to the progress of the previous three-year medium-term management plan, in effect since 2021 when I was appointed president, we have strengthened our efforts to accelerate sustainable growth and further advance our existing businesses under our main theme, “Go Forward,” while maintaining our current business foundation.

In light of recent social demands and trends, we must consider our social responsibility to support the social infrastructure. In doing so, we must reflect on how we, as corporate management, can further increase our earning power; moreover, we must consider how we can contribute to addressing social issues such as national resilience and the emergence of a decarbonized society. I feel that there are many things we can still contribute, and that many business opportunities remain within our grasp.

Our company-wide efforts over the past three years have given us a solid sense of accomplishment that we have cultivated a virtuous cycle in the form of a value chain that extends from procurement to manufacturing, sales, and profit distribution. We also believe that our ability to further strengthen our business foundation also springs from our implementation of the preceding three-year medium-term management plan.

Over the past three years, we have closely monitored our value chain, which includes our stakeholders, while we have aimed to accelerate value innovation by pursuing work that truly gratifies our customers.

To give one example, orders for our Pipeline Design Build (Pipeline DB*) method have been steadily increasing. This is an initiative to provide solutions encompassing everything from the design to construction of water pipelines in order to solve issues faced by the water supply industry by alleviating the shortage of personnel, shortening the construction period, and leveling the workload. This is an area that holds great promise for the future of the water pipe renewal industry.

At the same time, we are taking on the challenge of expanding the use of fiber-reinforced plastics (FRP) to include products other than steel. FRP exhibits high strength, excellent rigidity, and light weight. To take advantage of these characteristics, we have developed a GFRP (glass fiber) FRP inspection track, which has been installed on a 5,850-meter stretch of the Amorigawa Bridge on the Kyushu Expressway. GFRP is also available in a non-combustible certification, which will enable us to expand it into the railway industry, which has been very gratifying.

*1 Pipeline Design Build is an ordering method in which pipeline design, construction, material procurement, and other services that were previously contracted separately are all contracted together in one step. This is expected to reduce ordering work and minimize the tendency for contract work to become concentrated at the end of the fiscal year.

In the area of carbon fiber reinforced plastic (CFRP), in addition to developing applications in the automotive field, we have developed an FS Grid (FRP support grid) that uses an underdeck construction method to strengthen and extend the service life of reinforced concrete road slabs during the construction of elevated roadways. It is composed of HB-FRP (a hybrid of carbon fiber and glass fiber) and GFRP. Because it is light in weight, it significantly reduces the use of heavy machinery and reduces traffic regulations. This innovation is expected to contribute to reduced CO₂ emissions and social losses associated with repairs and renewals.

Looking to the energy industry, in anticipation of an increase in demand for lithium-ion batteries for EVs and other applications, we are collaborating with other companies to develop a continuous kneading

machine that can efficiently produce electrode materials (page 46).

In addition, one product we have been working on as a technological innovation is SoftMRF®, a magnetic rheological fluid that garnered an Innovation Award at CES 2024*2, the world's largest digital technology exhibition, for its tactile presentation device *Sawareru* ("Touchable"). SoftMRF makes use of a special material whose hardness changes with magnetism, and depending how successfully it is developed, it could become the "seventh pillar" of the company's business, with applications in the fields of amusement, fitness and elderly care equipment, switches in the industrial machinery field, and even medical equipment. We are now accelerating our efforts to narrow down potential applications and explore ways to commercialize this technology.

Committed to meeting the needs of future customers and society at large

In May 2024, following the release of the results of the previous three-year medium-term management plan, we announced the Kurimoto Group's New Three-Year Medium-Term Management Plan 2024–2026. In formulating this plan, we emphasized our effort to backcast from our Company Vision 2030 (pages 3–4) and adopt the goals of promoting capital cost management and sustainability management. Each individual business division put forward a series of groundbreaking viewpoints and initiatives that looked toward the future and asked questions about the nature of the current business portfolio.

At first glance, it may appear that we are involved in businesses in a wide range of different sectors; however, all share common social challenges requiring our approach of implementing business-specific growth strategies through clarification of our business portfolio strategy. We have also renewed our recognition that by coming together with synergies, the development potential of our business will be greatly expanded. In the future, we will incorporate

our determination as management to respond to the proposals of each division and provide solid support.

As a recent example, the Pipe Systems Division took the lead in launching a project involving multiple business divisions, including the Valve Systems and Plastic Products divisions. This effort has been well received for responding to customer challenges. As a result of our pursuit of customer value without being confined by the traditional concept of a vertically divided organization, we believe this has provided a template for increasing the number of situations in which Kurimoto, which operates a complex collection of businesses, can further demonstrate its strengths.

In the future, it will become increasingly important to undertake decision-making and develop systems that can flexibly respond to rapidly changing challenges faced by society. We will reform the way we manage our functions — including sales, production, technological development, and intellectual property strategies — as we focus on improving our corporate value as a united group.

Cultivating a sense of satisfaction in taking on new challenges

We believe that the mission of management is to develop a workplace that is comfortable to work in as well as a rewarding environment in which motivated people are encouraged to take on challenges. The most important prerequisite for nurturing this desire among employees is to ensure that each employee feels that "working at Kurimoto is enjoyable."

Since I became president of the company, I have continued to emphasize that I want to make Kurimoto an "outstanding company" in a manner that is unique to Team Kurimoto. Our true intention is to become a company where our cheerful and energetic employees can work with peace of mind. They should also feel that the work

they willingly take on with a positive attitude is both useful and appreciated by our customers. Furthermore, it is important that our employees feel that their hard work has value by highlighting how it benefits society. I believe that this will lead to further expansion of the business while continuing to increase our earning power as a company.

This mindset is the basis by which we always seek to inculcate the following attitude within the company: "We recognize that some failures are inevitable when taking on new challenges. Small failures will not cause the company to collapse. However, if we play it safe out of fear of failure, we will miss out on valuable opportunities

for growth."

We therefore make an effort to value and pass on the spirit of "working without rushing, without forcing, and without giving up."

To achieve this, it is most important to change the mindset of section managers who manage the company closer to the front lines, as we believe this will lead to reforms in our company's human resource base. Toward this end, we have initiated a dialogue with our section managers and are placing a greater focus on human resource development.

In order for Kurimoto to take on the challenge of businesses that are affected by social issues with even greater enthusiasm, it is essential that we strengthen investments in human capital and the digital transformation. We hold the conviction that people are a capital to be invested in, not a resource to be consumed. Consequently, we will provide opportunities for people who are willing to meet challenges head-on by incorporating diversity, equity, and inclusion, rather than a seniority-based approach, while

promoting personnel development through practical means. While we take on challenges with a positive mindset, I think we should aim for a culture in which we can say that we have done a good job, even if things don't always go well, rather than evaluating them negatively.

The concept of the "multi-stakeholder" has become particularly widespread in recent years, but I believe that sustainable business growth is impossible unless a company values its employees first and foremost. We aim to become a company that can earn fair profits by ensuring all employees value our customers, and from there provide appropriate returns to shareholders and investors. In that sense, we believe that the promotion of the digital transformation is also important in that it is essential to ensure this transformation remains in harmony with people in order to build a structure compatible with our company. We are therefore considering developments that focus on the roles that our employees should play.

Creating shared value that is "good for the future"

In order for Kurimoto to fulfill its purpose as a company that plays a role in the social infrastructure, it is essential that we identify issues and potential needs that customers themselves are not aware of. This is centered on social issues and initiatives targeting the circular economy and entails providing solutions grounded in the concept of creating shared value that is clearly "good for the future" (pages 17–20).

In this way, we will take on the challenge of a major transformation

to contribute to the emergence of a society committed to sustainability. Doing so will further strengthen our business foundation and enable us to overcome the hurdle of establishing a management structure that will achieve sustainable growth, no matter what changes are in store for the business environment.

We are encouraged by the continued support of our shareholders, investors, and other stakeholders as we continue to meet the challenges of the future.



*2 The Consumer Electronics Show in Las Vegas, U.S.A., commonly known as CES, is a global exhibition that showcases cutting-edge technology. CES 2024 featured more than 4,300 exhibiting companies from about 150 countries and attracted more than 135,000 visitors.

Financial and Non-Financial Highlights

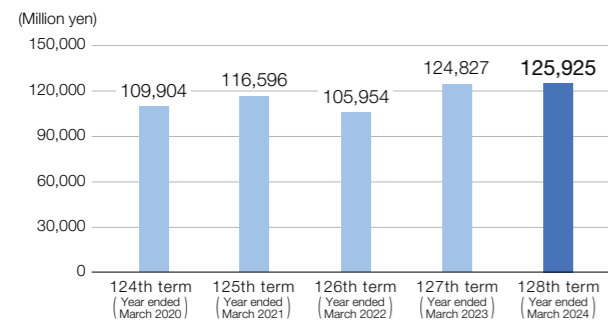
Financial Highlights

To further enhance corporate value and strengthen its management base, our Group has been striving to reduce costs and strengthen sales activities in its business operations.

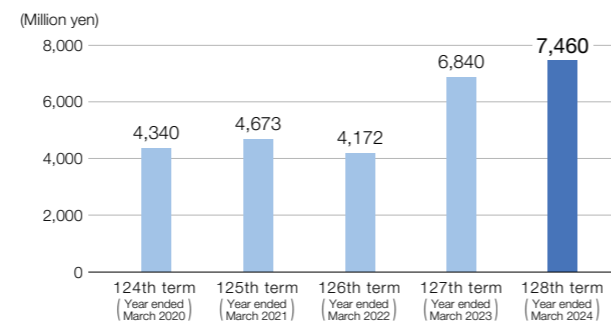
Regarding our Group's business performance for this consolidated fiscal year, net sales increased by 1,097 million yen from the previous consolidated fiscal year to 125,925 million yen. With profit and loss, operating income increased by 620 million yen from the previous consolidated fiscal year to 7,460 million yen, supported by higher sales and change in sales composition, as well as the effect of cost reduction measures.

Current earnings increased by 947 million yen from the previous consolidated fiscal year to 7,816 million yen. Current net income attributable to equity holders of the parent rose by 743 million yen compared to the previous consolidated fiscal year to 5,470 million yen, a new record high, mainly due to the gain on sales of investment securities and income taxes.

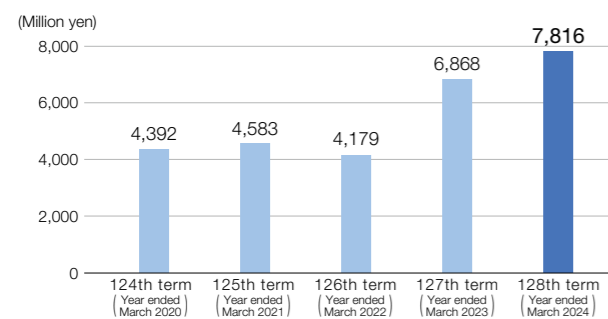
Net sales



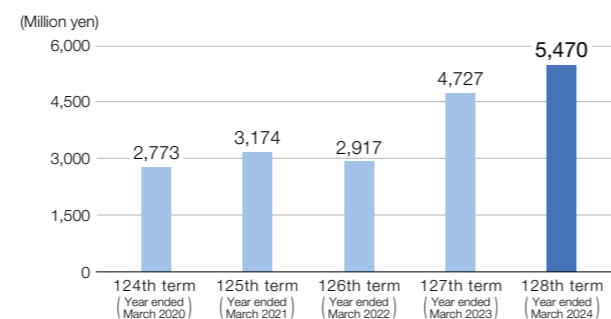
Operating income



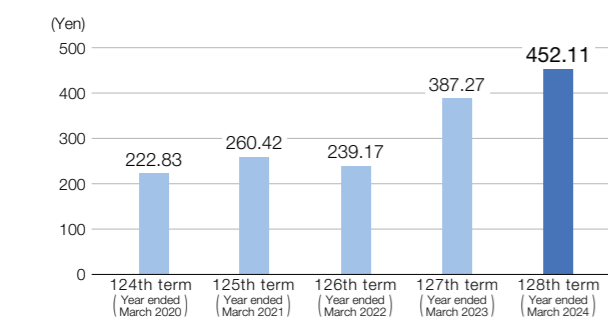
Ordinary profit



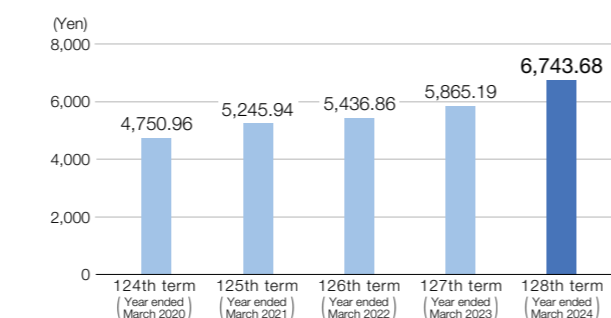
Profit attributable to owners of parent



Basic earnings per share



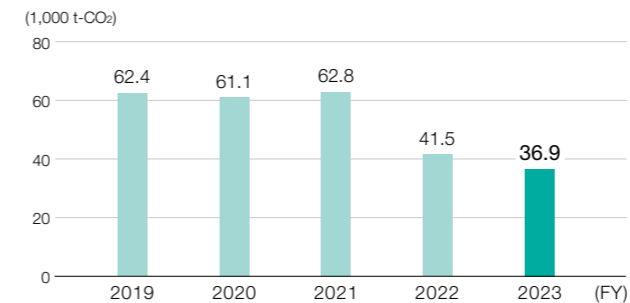
Net assets per share



Non-Financial Highlights (Non-consolidated)

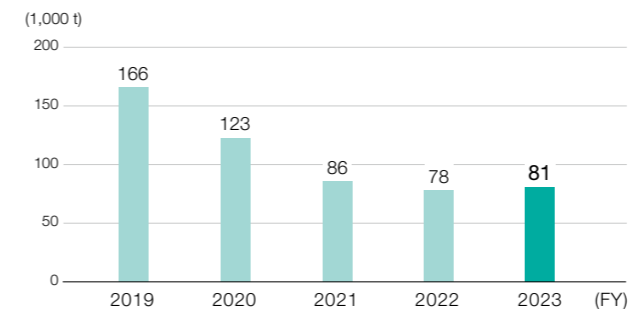
As an initiative to contribute to the realization of a sustainable society, we have established indexes for managing our progress in the environmental field, including decarbonization targets. We also present indexes related to a "pleasant and comfortable working environment" for our employees.

CO₂ emissions



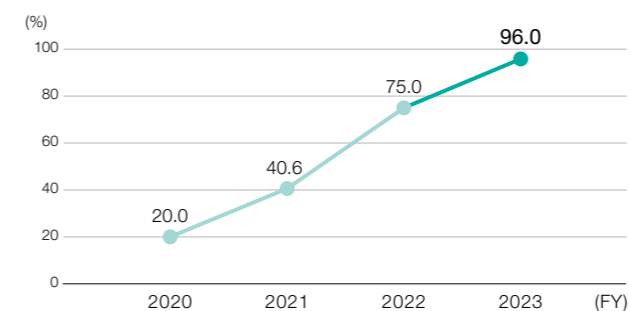
The graph shows CO₂ emissions (total of Scope 1 and Scope 2). The significant decrease in CO₂ emissions since fiscal 2022 is attributable to the introduction of CO₂-free electricity at the head office and five factories (Kagaya, Sumiyoshi, Sakai, Koto, and Shiga). The reduction in fiscal 2023 is due to lower production of iron pipes.

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. The increase in VOC emissions is attributable to an increase in the number of substances subject to the PRTR law following its revision. We will take measures to address these issues.

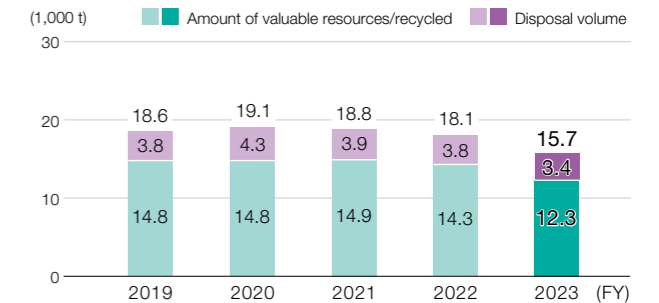
Proportion of male workers who took childcare leave



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

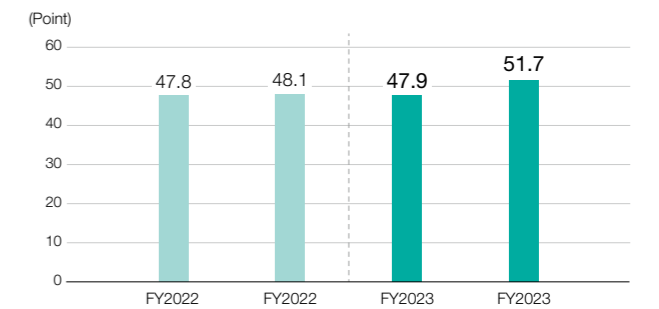
The graph shows trends in the "Proportion of male workers who took childcare leave" as defined above. Following the revision of the Childcare and Family Care Leave Act in April 2022, we prepared a "Guidebook for Balancing Childcare and Work" and conducted awareness-raising activities, resulting in a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

Waste discharge



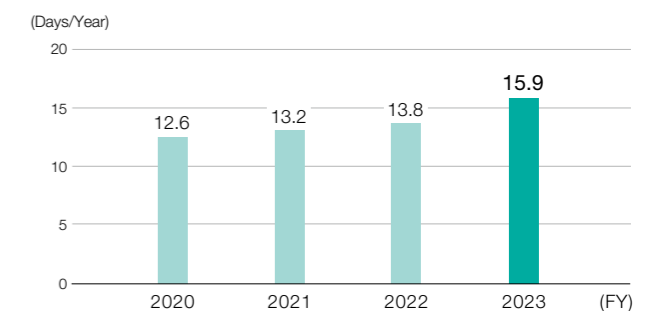
The graph shows trends in waste discharge. Disposal volume refers to the weight of waste ultimately disposed of (landfilled). The disposal volume mainly consists of non-recyclable plastic waste such as waste FRP. In addition to reducing such waste, we are also engaged in research and development of recycling. Although the total volume of waste discharge has decreased, a decline in the volume of valuable/recycled resources with lower production of iron pipes slightly pushed up the disposal volume percentage.

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. From fiscal 2024 onward, the survey will be conducted for the entire company without specifying target departments.

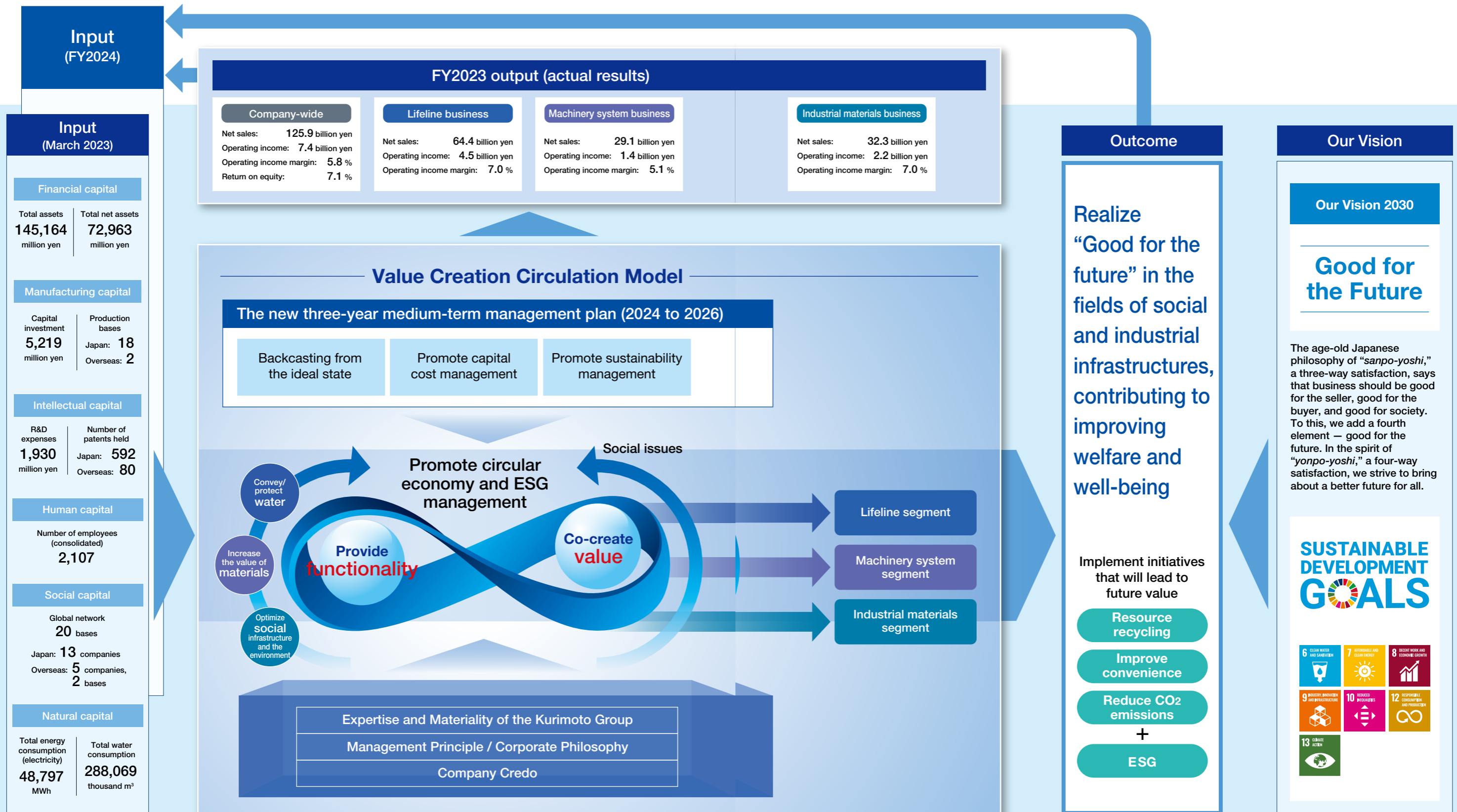
Number of annual paid holidays taken (per employee per year)



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.

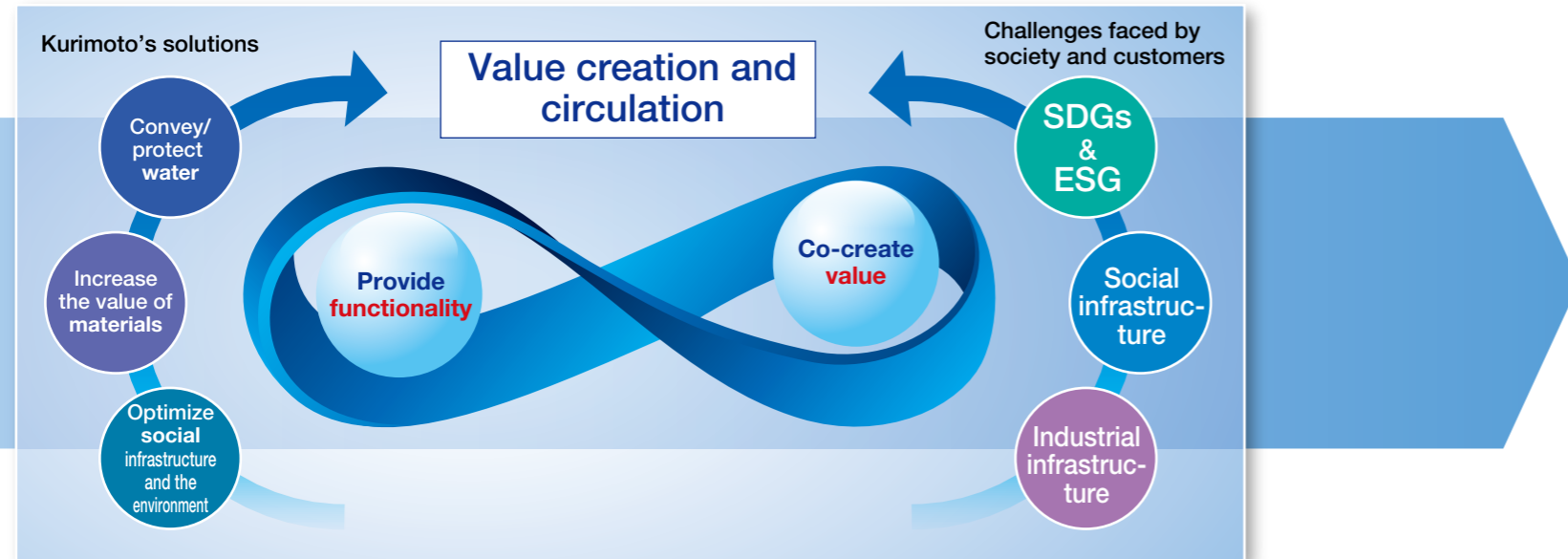
Process of Realizing “Good for the future”

From here on, the Kurimoto Group will be required to conduct business activities to achieve a sustainable society. In order to realize our Vision 2030, “Good for the future,” we aim to become a corporate group that society needs no matter how many years pass through the use of circular economy and sustainable management, and by building a recycling-oriented business model, the Value Creation Circulation Model.



Value Creation and Circulation Model for “creating a future through inheritance and innovation”

With 115 years of experience and technology, Kurimoto is now engaged in a business concept that enables both a circular economy and sustainable management. With the keyword “transition from manufacturing to value creation,” we aim to build a recycling-oriented business model, the “Value Creation and Circulation Model,” that solves social issues, creates value for customers, and achieves optimal sustainability.



The strengths that Kurimoto has developed thus far serve as the driving force behind the value creation and circulation model. Kurimoto's strengths lie in the following five points: the technology and quality that have supported public and industrial infrastructures for years, total solutions to quickly respond to customer needs and offer optimized solutions, human capital that develops and takes on new challenges, unwavering trust earned through its 115 years of experience in Japan's public infrastructure, and a business structure built on a stable foundation with a 50:50 balance between public and private demand and diversified business management. These strengths will boost our provision of functionality and value co-creation.

[Kurimoto] provides functionality	Convey/protect water	In water supply, which is our original business, we manufacture ductile iron pipes and valves in accordance with strict standards, providing the functionality to deliver clean, essential water, the source of life, infallibly to everyone who needs it.
	Increase the value of materials	To process a variety of different materials, we not only manufacture metal processing equipment, including forging equipment and crushers/pulverizers that are essential for producing various primary and secondary materials, but we also engage in in-house development and manufacture of parts for these devices as well as special alloy castings required by the industrial sector, providing functions tailored to our customers' needs.
	Optimize social infrastructure and the environment	Our spiral ducts and FRP(M) power cable protection pipes preserve and convey the important air and electricity used for air conditioning and electricity, which are essential to our daily lives and business activities. In the construction field, we provide functions that optimize social infrastructure and the environment, such as cylindrical forms that compose structures and FRP inspection passages.
Co-creating value with [customers]	Social infrastructure	Firmly establishing and improving lifelines lays the foundation for safe and secure urban development and society, a source of affluence in life. Toward a sustainable society, we seek to create circulation of value through co-creation with our customers by sharing the aspirations of our company's founder that have been handed down to us and handling new social issues based on user viewpoints.
	Industrial infrastructure	An excellent industrial infrastructure enables improved product quality and increased productivity, generating renewed vitality and creativity in manufacturing. While continuing with production process innovation, we will work to create sustainable value in consideration of the global environment together with our customers.

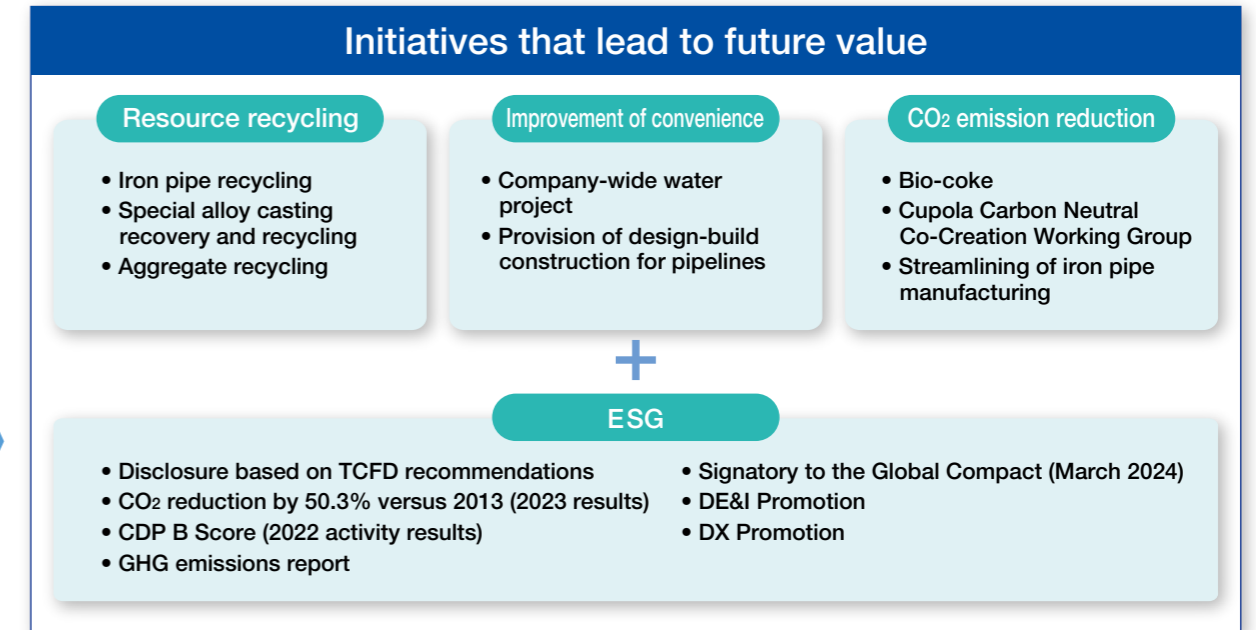
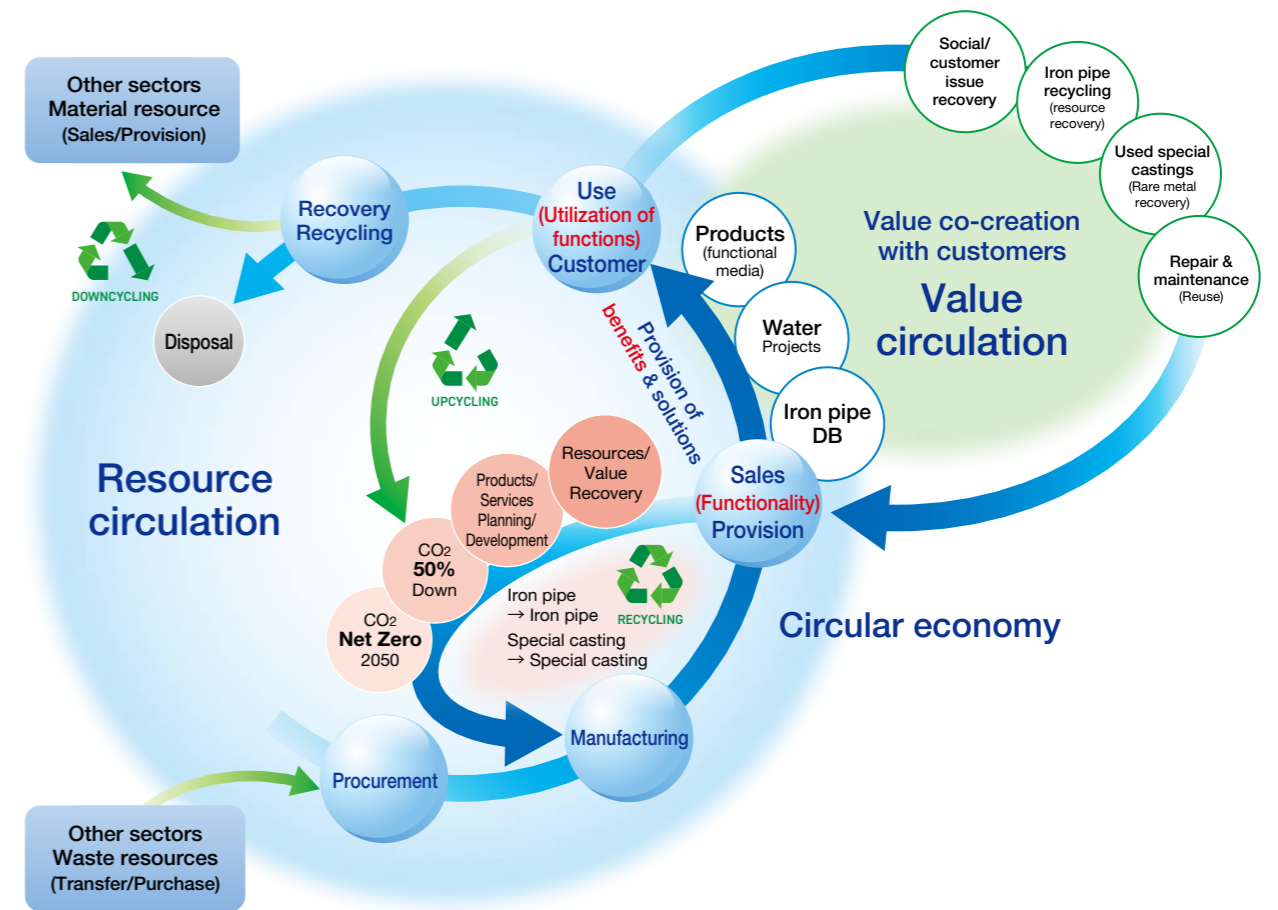


Image of approach to achieve sustainability

As a concrete circulation system in our business activities, Kurimoto will shift from manufacturing to a circulation model. We will move toward a circular economy not only through our internal mechanisms but also through co-creation with our customers.



Sustainability and Materiality

The age-old Japanese philosophy of “*sanpo-yoshi*,” three-way satisfaction, says that business should be good for the seller, good for the buyer, and good for society. We’ve added a fourth element: good for the future. In the spirit of “*yonpo-yoshi*,” four-way satisfaction, the Kurimoto Group will further strengthen its sustainability management comprising SDGs, ESG, CSR, and CSV, and aim to become a corporate group that can sustainably enhance its corporate value and contribute to solving social issues through its business activities.

Basic Sustainability Policy

Based on our Company Credo 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).

Initiatives to promote sustainability

Based on our Company Credo, philosophy, and basic sustainability policy, we once again asked ourselves, “What does the realization of a sustainable society mean to our company?” and are reviewing risks and opportunities associated with social demands.

Since fiscal 2022, we have identified the risks and opportunities in each organization from an ESG perspective and promoted materiality-based initiatives. In fiscal 2023, we worked to reorganize our approach to sustainability and create a mechanism that facilitates systematic initiatives. In fiscal 2024, in April, we renamed the CSR Promotion Division to the Sustainability Promotion Division, aiming for more effective communication and proliferation of our initiatives both inside and outside the company. With a focus on analyzing the impact of these risks and opportunities on our current business, we will identify the impact of our company on social demands and use the obtained materiality to develop implementation measures.

Various committees to promote sustainability

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 sustainability management. In addition, to maintain a system for compliance and risk management underlying our sustainability 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 were also set up to address various issues for the Group as a whole and have been carrying out initiatives to solve these issues.

Respect for the human rights of all

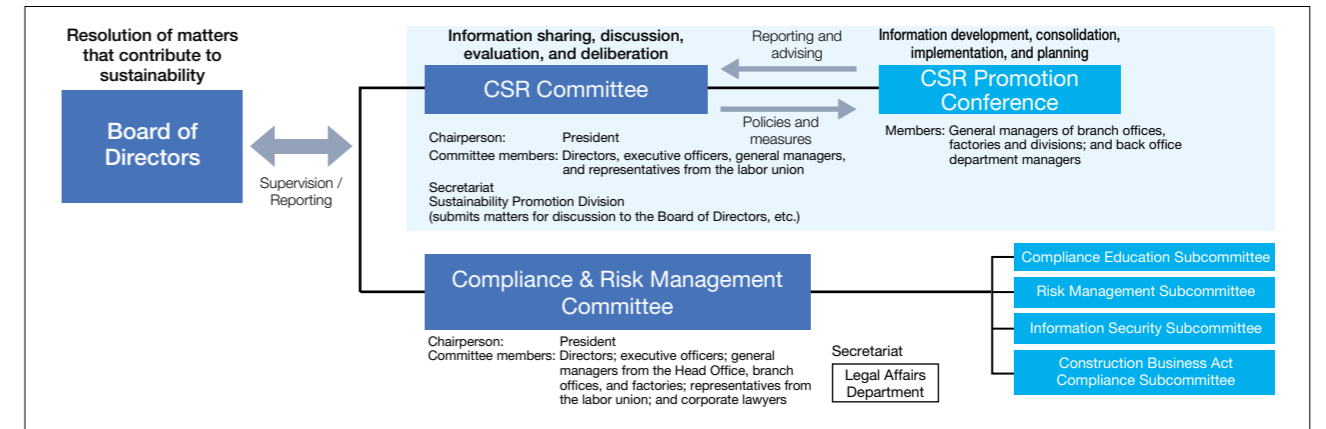
Guided by its philosophy of conducting business activities with respect for human rights, the Kurimoto Group complies with applicable laws and regulations, supports relevant international norms, respects the human rights of all people affected by its business activities, and does not infringe on human rights for any reason. Recognizing that respect for human rights is a responsibility that the Kurimoto Group must fulfill, in April 2023 we established the Kurimoto Group Human Rights Policy. In March 2024, we signed the United Nations Global Compact and were officially recognized as an official signatory member. We will remain committed to human rights initiatives while asking for agreement and support from our group’s human rights and business partners to work in accordance with Sustainable Development Goals (SDGs).

Towards the establishment of a sustainable procurement policy

The Group is working to strengthen supply chain management based on the Kurimoto Group Human Rights Policy. In fiscal 2023, we proceeded with plans to formulate a sustainable procurement policy and guidelines. In fiscal 2024, we will implement the policy and PDCA processes comprising assessment of impacts on human rights through due diligence, corrective measures, monitoring, and information disclosure.















Our human rights due diligence initiatives are not only aimed at respecting human rights, but also serve as an opportunity for the Group to communicate along the supply chain through dialogue. We will promote these initiatives to build sustainable relationships as co-creation partners to solve social issues.

Sustainability Promotion Organization Diagram



Classification	Social Issues	Risks	Opportunities	Materiality (material issues)
E	Global warming Realizing a sustainable society Promoting renewable energy Depletion of (natural) resources	<ul style="list-style-type: none"> Increase in costs incurred from carbon taxes and larger-scale emissions trading Restrictions on the use of fossil fuels Costs of switching to alternative fuels Fluctuations in the prices of steel and plastic raw materials Changes in demand in the steel and thermal power generation markets Divestment due to failure to take environmental measures 	<ul style="list-style-type: none"> Increase in demand for renewable energy-related products Increase in demand for industrial equipment aligned with energy conservation policies Increase in demand for maintenance of aging infrastructure Expansion of the ZEB market Increase in investment and financing opportunities arising from environmental information disclosure 	<ul style="list-style-type: none"> Climate change measures Resource circulation Nature conservation
		<ul style="list-style-type: none"> Decrease in demand for products related to plastic regulations Difficulty in obtaining primary resources due to increasing scarcity 	<ul style="list-style-type: none"> Increase in demand for equipment related to the promotion of circular recycling Creation of new products and services in response to circular economy 	<ul style="list-style-type: none"> Establishment of a recycling system (Promotion of a circular economy)
S	Low birthrate and aging population Declining workforce	<ul style="list-style-type: none"> Labor shortage due to declining workforce and declining hiring rate Increase in the number of retirees Outflow of talented personnel Uncomfortable working environment for diverse personnel 	<ul style="list-style-type: none"> Creating innovation and improving competitiveness through the active participation of diverse human resources Revitalizing in-house human resources through diversification Improving employee retention rates Advancement in DX, AI, and automation technology 	<ul style="list-style-type: none"> DE&I promotion
	From equality to equity and fairness	<ul style="list-style-type: none"> Rise in demands for physical, mental, and social satisfaction from employees Lower engagement and hindrance to creating innovation and growth strategies due to homogenized collective organizations Passing along skills and knowledge 	<ul style="list-style-type: none"> Improving productivity through higher employee engagement High added value brought by accumulated and increasing knowledge, the outcome of improved retention rates Promoting opportunities to foster corporate culture 	<ul style="list-style-type: none"> Creating a safe, rewarding corporate culture and environment in which everyone can play an active role (Promoting well-being)
	Human rights issues Labor issues Sustainable trade Fair trade	<ul style="list-style-type: none"> Negative impacts on CSR both inside and outside the company Boycott campaigns and divestments resulting from human rights and labor issues Disruption of supply chains and value chains Future increase in procurement costs 	<ul style="list-style-type: none"> Opportunities to monitor human rights issues and select sound suppliers by identifying potential risks Building a sustainable value chain A system that facilitates the creation of shared value Creating opportunities for communication with suppliers 	<ul style="list-style-type: none"> Employee risk management Value chain risk management
	Increasing natural disasters Disaster risk reduction Support for disaster-affected areas Prolonged disaster recovery and reconstruction Strengthening sustainable infrastructure Building national resilience	<ul style="list-style-type: none"> Increase in severe disasters Prolonged difficult living conditions for disaster victims Destabilization of resource supplies caused by man-made disasters Decrease in product manufacturing and supply capacity due to declining workforce Decline in quality due to dependence on individual skills 	<ul style="list-style-type: none"> Government guidelines for strengthening infrastructure, including national resilience Purchasing behavior that prioritizes products that solve social issues Increase in CSR that focuses on safe, secure products and services Demands for the realization of a sustainable society 	<ul style="list-style-type: none"> Proposals for optimal systems that lead to customer satisfaction Ensuring reliability through safety and quality management Sustainable infrastructure product supply
Harmonious coexistence with local communities From competition to co-creation Passing on to future talent	<ul style="list-style-type: none"> Decline in social trust due to damaged corporate brand Divestment and boycott campaigns caused by a decline in corporate morals Decline in corporate value resulting from non-disclosure of information 	<ul style="list-style-type: none"> Healthy communities through social contribution activities Increase in recognition through corporate branding Opportunities to disclose non-financial information Acquisition of future employees 	<ul style="list-style-type: none"> Co-creation with local communities Contribution to local communities 	
G	Sustainable corporate growth Increasing corporate value Preventing fraud	<ul style="list-style-type: none"> Demands for appropriate composition and independence of the Board of Directors Progressing ESG divestment due to lack of sustainability initiatives Impact of profitability decline attributable to discrepancies between corporate management and corporate initiatives Progressing corruption due to unestablished corporate culture and lack of ethics Loss of social trust caused by falsification and concealment Increase in legal action due to unlawful disclosure of information disclosure reports 	<ul style="list-style-type: none"> Demand for disclosing information on the director approval process for sustainability disclosure Mandatory corporate governance code Increase in corporate value by linking corporate management initiatives with governance Maintaining and improving social trust and brand power in local communities overseas Evolution of supervisory and check functions to directly connect business growth to enhanced corporate value 	<ul style="list-style-type: none"> Promoting corporate management (steering) Strengthening corporate governance Risk management through compliance activities Promoting sustainability management

Materiality

Classification	Social issues	Materiality (material issues)	Activities related to issues	Progress management indicators and targets (KPIs)	Target value	FY2023 status and topics	SDGs	
							Goal	Target
E	Global warming Realizing a sustainable society Promoting renewable energy Depletion of (natural) resources	Climate change measures Resource circulation Nature conservation	<ul style="list-style-type: none"> Switching from fossil fuels to non-fossil fuels (plant-based fuels) Energy conservation Improving production efficiency through production integration Promoting the use of eco-materials and product resource conservation Environmental Promotion Committee Product supply to the renewable energy market 	<ul style="list-style-type: none"> Scope 1, 2, and 3 emissions based on GHG protocols 	<ul style="list-style-type: none"> Scope 1, 2 Reduce by 50% compared to FY2013 by FY2030. Become carbon neutral by FY2050. Scope 3 Targets will be disclosed through external collaboration, including the supply chain. 	[Company-wide Scope 1 and 2 results] FY2023: 36,860 t-CO ₂ (-51.6%) FY2022: 41,512 t-CO ₂ (-45.5%) FY2013: 76,134 t-CO ₂ (Benchmark year)	 	7.2 13.2
		Establishment of a recycling system (Promotion of a circular economy)	<ul style="list-style-type: none"> Minimizing resources used for industrial equipment (reducing materials, shapes, weight, and number of parts) Waste reduction and recycling Reuse of parts and units through maintenance 	<ul style="list-style-type: none"> Selection of target industrial equipment products Quantitative target level for minimizing resource use Annual comparison of waste volume Number of reused items 	<ul style="list-style-type: none"> Joint research with the Osaka City Water Bureau started in November 2023, aiming to build an effective recycling system for used water pipes. Weight reduction analysis of our largest forging press was conducted, reducing weight by 33% compared to the previous data, and comparative tests for design change were also conducted. 		12.5	
S	Low birthrate and aging population Declining workforce From equality to equity and fairness	DE&I promotion	<ul style="list-style-type: none"> Recruiting diverse human resources Fair promotion of employees Promoting the active participation of women Collaboration with related parties 	<ul style="list-style-type: none"> [Women] Increase in applicants for regular recruitment [Mid-career recruitment] Equivalent to regular hires [Individuals with disabilities] Compliance with legal standards (2.5% in 2024, 2.7% in 2026) 	<ul style="list-style-type: none"> [Women] 30% or more of regular recruitment applicants [Mid-career recruitment] 50% of new hires [Individuals with disabilities] Employment rate: 2.6% 	<ul style="list-style-type: none"> Female applicants for regular recruitment: 32.5% Mid-career recruitment: 50% Statutory employment rate: 2.76% (6 employees hired) Employment webpage updated in August 2024 		5.5
		Creating a safe, rewarding corporate culture and environment in which everyone can play an active role (Promoting well-being)	<ul style="list-style-type: none"> Strengthening the engagement of people working at Kurimoto Establishing personnel and training systems to increase retention rates 	<ul style="list-style-type: none"> Employee engagement value 	<ul style="list-style-type: none"> Internal target: Overall score average of 60 or higher (external disclosure method to be considered separately) 	<ul style="list-style-type: none"> Conducted for 641 respondents in specific departments The year-end overall score was 51.7 points. Up 3.8 points from 47.9% at the beginning of the year 		8.2 8.5
	Human rights issues Labor issues Sustainable trade Fair trade	<ul style="list-style-type: none"> Employee risk management Value chain risk management 	<ul style="list-style-type: none"> Due diligence associated with employee risks Due diligence associated with value chain risks Compliance & Risk Management Committee Safety and Health Committee 	<ul style="list-style-type: none"> Risk identification and remedy Due diligence coverage 	<ul style="list-style-type: none"> 100% due diligence coverage for both employees and the value chain 	<ul style="list-style-type: none"> Joined and endorsed the United Nations Global Compact Implementation plans for due diligence regarding employees and the supply chain are currently being developed. 	 	8.2 8.5 10.2
	Increasing natural disasters Disaster risk reduction Support for disaster-affected areas Prolonged disaster recovery and reconstruction Strengthening sustainable infrastructure Building national resilience	<ul style="list-style-type: none"> Proposals for optimal systems that lead to customer satisfaction Ensuring reliability through safety and quality management Sustainable infrastructure product supply 	<ul style="list-style-type: none"> Providing optimal systems for business Sustainable product supply to social/industrial infrastructure Safety Conference / Quality Conference DX promotion Enhancing basic functions for disaster preparedness 	<ul style="list-style-type: none"> Number of products contributing to social/industrial infrastructure Number of improvement proposals 	<ul style="list-style-type: none"> Target values will be disclosed later. 	<ul style="list-style-type: none"> [Product supply to social and industrial infrastructure sectors] Anti-seismic reinforcement of water pipelines Product supply to the renewable energy sector (Power cable protection pipes, supply of products to sectors related to hydroelectric/solar/wind power/storage batteries) Launch of new products in the infrastructure maintenance sector (FRP inspection passages, FS grid) 	     	6.1 7.2 7.a 9.1 9.4 11.2 12.4 12.5 12.7 13.1 13.2
			Harmonious coexistence with local communities From competition to co-creation Passing on to future talent	<ul style="list-style-type: none"> Co-creation with local communities Contribution to local communities 	<ul style="list-style-type: none"> Investment in future human resources Promoting community contribution activities aligned with SDG goals and upgrading our lineup 	<ul style="list-style-type: none"> Continuity of social contribution activities Formulation of activity guidelines "Good for the future" of local communities 	<ul style="list-style-type: none"> Continuity of contribution activities and number of contributions 	<ul style="list-style-type: none"> Introduction of a social contribution shareholder benefit program (continued) Participation in the Shiki Theatre Company's "Theater of the Heart" project for elementary school students (continued) Participation in the forestation forum Clean-up activities around branch offices (continued) Clean-up activities along riverbanks (continued)
G	Sustainable corporate growth Increasing corporate value Preventing fraud	<ul style="list-style-type: none"> Promoting corporate management (steering) Strengthening corporate governance Risk management through compliance activities Promoting sustainability management 	<ul style="list-style-type: none"> Preventing corruption and inappropriate transfer of benefits (domestic and overseas bases) Compliance & Risk Management Committee Discussion on proposed initiative at the CSR Committee, Board of Directors, etc. Appropriate disclosure of ESG information 	<ul style="list-style-type: none"> Number of audits conducted Zero occurrence of fraud Compliance training provided (twice a year) Wider use and better understanding of systems Setting sustainability indicators Response to disclosure of information on TCFD/CDP, etc. 	<ul style="list-style-type: none"> Zero occurrence of corruption at overseas bases Increase in the penetration rate of the compliance system Implementation of scoring and evaluation of information disclosure on climate change 	<ul style="list-style-type: none"> Internal audits and internal control audits at each worksite and affiliated companies for FY2023 were fully completed. Communication through strengthened dialogue with overseas bases continued in FY2023. Worked with the Legal Affairs Department to comply with the EU General Data Protection Regulation. 		16.5

Human Capital



Akitoshi Oda

Director & Senior Executive Officer

Kurimoto Group's human capital

Basic approach

In line with our corporate philosophy, “We aim for the happiness of our employees and the human society through manufacturing products,” the Kurimoto Group’s basic approach is to create valuable products and services by building capacity in employees and energizing organizations, thereby realizing customer value creation and contributing to society, supporting employees’ career and skill development, and building their abilities as well-rounded individuals in ways necessary for contribution participating in social organizations.

To this end, in the belief that the company cannot grow without the growth of its employees and positioning our employees as important stakeholders in management, we strategically invest in skill development and recruitment activities to achieve sustainable growth. We also intend to develop a human resource system and work environment that allows every employee to play an active role in the organization.

Specifically, our three-year medium-term management plan (fiscal 2024–2026) stipulates that we will focus on creating a corporate culture that encourages taking on challenges, creating a rewarding workplace and promoting diversity as a personnel policy, and creating a learning organizational culture, strengthening organizational management capabilities and developing

senior executives as a human resource development policy. To promote these policies, we have laid out the Internal Environmental Improvement Policy for: mobility and systematic development of human resources (creation of growth opportunities for each individual and early and systematic development of leaders), raising recruiting capabilities and enhancing diversity (securing employees aligned with business plans and enhanced diversity as organizational strengths), and creating a work environment in which employees can demonstrate their abilities while feeling job satisfaction (improving engagement and building a voluntary career development system).

To cite an example of our initiatives, we place particular emphasis on diversity, which has been promoted starting this fiscal year through a project team. It is our conviction that the Kurimoto Group can achieve sustainable growth by creating a system where everyone can work with peace of mind and be appraised fairly, allowing diverse employees to work to the best of their abilities with enthusiasm every day and freely exchange opinions regarding business growth. As the first step, we have adopted a policy of promoting women’s participation and set and announced numerical targets. We will put forth steady effort to achieve our goal for the year 2030 (proportion of female managers: 3%).

Human resource policy for realizing sustainable growth

Based on the concept that employees 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 give all employees opportunities to take on challenges voluntarily and create a system to support them.
- We will promote the creation of an organization where people take full responsibility for their actions and complete tasks 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 Company Credo of “Nurture wisdom and gather multitude sapience,” 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.

Basic education policy and capacity-building support

Based on the corporate philosophy “We aim for the happiness of our employees and the human society 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 and skill development, striving to help them develop abilities that will enable them to contribute to society and the richness of their humanity as members of organizations and society itself.

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

Education System Diagram of Kurimoto, Ltd. (FY2024)

	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*) (T Course**)	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 C2 promoted supervisor training	Next-generation management leader development training KFC management school	Improvement cafeteria system (business school) Distance learning system Scheme to support the acquisition of public qualifications	Career design 50 training (age 50) New life training (age 58)	Global mindset (global communication, language training, TOEIC, overseas on-site training)	Human rights education, diversity promotion education, time management training, compliance education, safety and health education, environmental education, quality education			
Union members	Senior class	Management training C1 training								
	Mid-level	Promoted mid-level staff training (P5 and C2) Mid-career employee training	Production leader development training (section chiefs) Selective training (internal/external dispatch)							
	3rd year–	Training for 3rd-year employees hired for regular employment								
	2nd year	Training for 2nd-year employees hired for regular employment								
	New employee	New employee follow-up training New employee introductory training	Brother & Sister system					Various skill exams (casting, mechanical processing, finishing, mechanical maintenance, etc.) Intellectual property training		
	C Course*2	P Course*3								

*1: M Course (management course) *2: C Course (creative course) *3: P Course (professional course) *4: T Course (technology course)

Human Capital

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.

We are also putting effort into employee development through awareness-raising, with opportunities provided for the president himself to have dialogue with section managers who are close to the front lines.



Exchange of opinions between the president and section managers

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 business management (executive, overseas business personnel, and leader candidates)

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 voluntary career orientation and creating a system for career development

In steps at the senior level, in addition to establishing means for each employee to recognize their own strengths and areas where they need self-improvement, we will enhance systems and tools to support autonomous and voluntary capacity building and improvement, including reskilling (training programs and educational materials).

Improvement of employee engagement

As one of the activities to increase corporate value, we conduct employee engagement surveys that quantitatively evaluate the strength of the ties between companies and their employees. By understanding changes such as the diversified values and work styles of our employees, we will realize the maximum performance of individuals and sustainable improvement of employee motivation, in expectation of various benefits such as improved productivity and decreased turnover rates. This also helps build a corporate culture for the Group that will be chosen by future employees who will want to work with us.

Characteristics of each domain in the employee engagement survey

(Comparison of expectations and satisfaction based on survey results at the end of FY2023)

Domain	Score	Item	Degree of expectation	Degree of satisfaction	
Company domain	3.5	Strengths	Social significance and sense of contribution	3.8	3.8
		Issues	Physical comfort	4.0	2.8
Supervisor domain	3.3	Strengths	Open and frank attitude	3.6	3.6
		Issues	Showing a resolute attitude	3.3	3.1
Workplace domain	3.4	Strengths	Sharing of work goals and plans	3.7	3.5
		Issues	Generalization and standardization of knowledge	3.6	3.1

(Rated on a scale of 1 to 5 each)

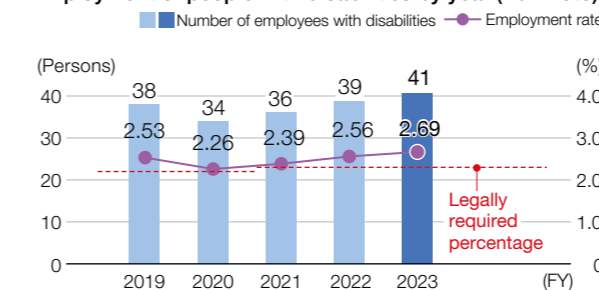
Developing an internal environment that respects diversity

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)

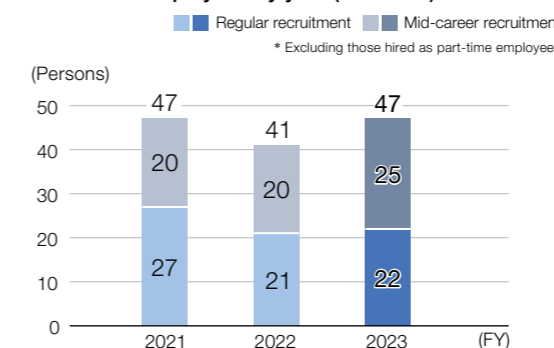


* As of June 1 every year (according to the annual report on the employment of people with disabilities)
 * Employing one person with severe disabilities is considered the same as employing two persons with disabilities.

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 provide more opportunities for women.

Number of new employees by year (Kurimoto)



* Excluding those hired as part-time employees

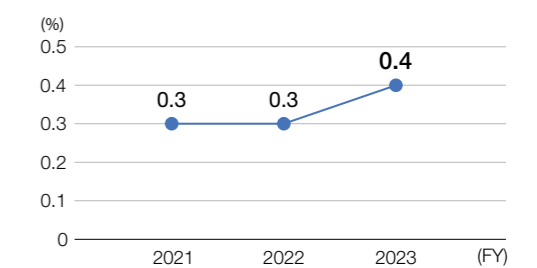
Action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace and the Next Generation Act

(3 years from April 1, 2024 to March 31, 2027)

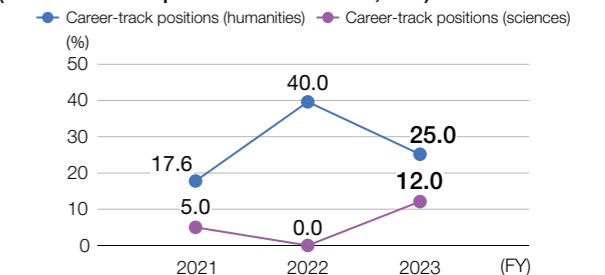
Goal	
1	Increase the percentage of women in key positions to at least 0.9% by the end of FY2026 (to at least 3% by the end of FY2030).
2	Increase the percentage of women hired for career-track positions (humanities) to at least 50% and career-track positions (sciences) to at least 30%.
3	Achieve a continuous employment percentage*1 of at least 65% for regular hires working for 10 years.

*1: Continued employment rate of employees hired on a regular basis during the fiscal year and fiscal years before and after

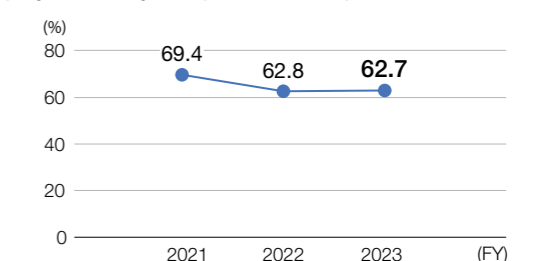
Percentage of women in key positions (Kurimoto, Ltd.)



Percentage of women employed for career-track positions at Kurimoto, Ltd.



Percentage of regular hires who have been continuously employed for 10 years (Kurimoto, Ltd.)



Use of childcare-related programs (FY2023)

Proportion of female workers who took childcare leave	100%
Proportion of male workers who took childcare leave	96.0%
Number of workers who reduced working hours for childcare	5 persons
Number of days off taken for nursing care	39 days

Human Capital

The key person is the “boss” / For moms and dads to continue working for the long-term —Career Development Balancing Work and Childcare—

Initiative Background

Our diversity initiatives started from the support for balancing childcare and work, and following the revision of the Childcare and Family Care Leave Act in 2005, we developed a leave system mainly for women who give birth and raise children. Kurimoto, however, is a company with primarily male employees.

With more dad employees than mom employees, we wanted to broaden our support. In addition, changes in social circumstances, coupled with proliferation of the idea of male involvement in childrearing made us decide to revise our work-life balance support system to cover all employees, and to change the system designed for employees who want to take a long period of leave to “a system for those who want to keep working for many years.”

1 Preparation of a guidebook for balancing childcare and work

We started by preparing a guidebook on balancing childcare and work with two objectives: the first was to dispel the stereotype that “only women receive support for balancing work and childcare,” and the second objective was to help more people understand the details of the system. In fact, we had a similar booklet before, but it underwent extensive renewal as we reviewed our approach in providing support.

With “moms, dads, and bosses” as keywords, the guidebook specifically explains support systems for balancing work and childcare and benefits, provides to-do lists for moms, dads, and bosses during each period from pregnancy and childbirth to after returning to work from childcare leave, columns on the difficulties for dual-income families with a first grader child, and the advantages and disadvantages of shorter working hours, with stories based on the experiences of senior moms, dads, and bosses.

In this guidebook, we have focused especially on enriching the content for bosses, who are the supervisors of moms and dads. The content for moms and dads and that for bosses are arranged side by side on the same page, so readers can spontaneously learn about the others' situations.

This is because we believe that balancing childcare and

work is dependent on the management of the boss in addition to the efforts of the moms and dads. The guidebook is used by employees as a tool for mutual understanding, and there are some male employees who reported the pregnancy of their spouse, so-called “pre-dads,” who were told by their bosses that they were entitled to take childcare leave. We will continue to gradually accumulate successful case examples of balancing work and family life.

2 妊娠から出産まで(1)

<p>プレママ・プレパパ</p> <p>上司へ報告する 妊娠がわかったら、上司へ報告が第一です。報告のタイミングは、自分の体調や仕事の内容によって決まるとは限りません。報告のタイミングは、自分の体調や仕事の内容によって決まるとは限りません。</p>	<p>ボス</p> <p>妊娠の報告をしっかりと受け止める 上司は、妊娠の報告を受け止めることが大切です。上司は、妊娠の報告を受け止めることが大切です。</p>
<p>産前産後休暇を上手に活用する 産前産後休暇は、産前産後休暇を上手に活用することが大切です。産前産後休暇は、産前産後休暇を上手に活用することが大切です。</p>	<p>仕事復帰後のサポート 仕事復帰後は、上司からのサポートが大切です。上司からのサポートが大切です。</p>

小1の壁？

小1の壁とは、子どもが小学校に入るタイミングで仕事と育児の両立に立ちどかるといわれていることで、主に以下の3つが挙げられます。

壁①: 学童の運営時間は保育園より短い
壁②: 親の参加・フォローが必要な物事が増える
壁③: 子同士のコミュニケーションが複雑化、子どもが見えにくくなる

対策のひとつとして、短時間勤務を(再度)利用し、適宜フルタイム勤務に戻すような方法も可能です。制度を柔軟に活用しましょう！

取組例 一旦フルタイム勤務に戻した後、小1で再度短時間勤務に戻す

先輩ママの声
先輩ボスの声

2 Initiatives to increase flexibility of paternity leave

At our company, a variety of systems are in place, not limited to statutory systems. For example, we grant 10-day special leave with pay to employees who give birth or whose spouses give birth, and this leave system is used by the majority of eligible employees. We also allow partial employment during childcare leave (limited to temporary and occasional employment based on labor-management agreement), which has been used by some employees to participate in annual training programs and for other purposes.

These systems have helped alleviate the financial problems and negative consequences in work and career development that could be barriers to taking childcare leave, and have especially led to marked increases in the percentage and number of days of childcare leave taken by men.

In some cases, system introduction is led by the Company (Human Resources Department), while in other cases, it is proposed by the labor union. Labor and management are now working toward the same goal, which is creating a company where it is comfortable to work. We will continue our efforts to introduce and improve systems based on needs in the workplace.

3 Seminars for departments with employees eligible for work-life balancing support

We hold one- to two-hour seminars at workplaces with employees who are expecting a child. The seminars provide information on changes in the external environment surrounding work-life balance, the achievements of our company, and the environment in which employees aiming to balance work and life are in, as well as mindset advice and tips for support.

We are sometimes told that department members understand the issue very well, so there is no need to hold the seminar. However, when a check for unconscious bias is conducted during the seminar, some participants realize, for example, that they had personal opinions about employees with small children

or those who go home on time, and participants admit that they actually didn't understand as well as they thought.

We will continue to develop an environment that facilitates childrearing and work at the same time by creating opportunities for promoting understanding for support involving not only employees but also their departments.



Employee communication

Results of initiatives

A series of initiatives have produced tangible results, such as an increased percentage of employees taking childcare leave and reduced working hours. In particular, we have established a track record of male employees taking childcare leave, which has lowered the hurdle for taking leave, with this trend expected to continue.

Another notable result in terms of recruitment is that our company is looking to be chosen because of ease of work. We now believe that a system is in place to attract talented people who want to realize both ease of work and job satisfaction.

Looking to the future

We have designated this fiscal year as the “first year of diversity,” which expresses our determination to move one step forward our initiatives previously led by the Human Resources Department as company-wide initiatives.

Specifically, we will declare a Diversity Policy, set up a project organization, and engage in dialogue with management on a regular basis. In particular, toward the goal of increasing the percentage of female managers to at least 3% by the end of fiscal 2030, as announced in our annual securities report, etc., we plan to introduce initiatives involving frontline workplaces.

Comments from diversity promoter

Our initiatives to promote diversity have placed primary emphasis on the empowerment of women and support for employees' balancing of work and childcare. We are working to improve the environment for employees (moms and dads), who aim to balance work and childcare, and their supervisors (bosses) by providing a guidebook containing ideas and tips on how to strike a balance, and by holding seminars on support for work-life balance in departments with employees taking childcare leave. In recent years, the percentage of male employees taking childcare leave has improved remarkably, and we feel that our efforts have paid off and that the times are changing.

We have named fiscal 2024 the “first year of diversity promotion” and have developed it into a company-wide initiative as a management strategy. We will accelerate our efforts to achieve the action plan stated above.



Masami Suto
Manager
Human Resources Development Group,
Human Resource Development Department

Intellectual Capital

Contribution to management through intellectual property activities

Seeing intellectual property as an essential component of management resources, the Kurimoto Group promotes active investment in intellectual property and works on the sustainable development of its business activities by respecting the intellectual property of other companies.

Based on the Basic Policy on Intellectual Property, which was clearly defined in 2023, we have been promoting intellectual property activities.

Basic Policy on Intellectual Property

- **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.
- **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.
- **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.
- **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 continue and further develop the following initiatives to promote the creation and use of strong intellectual property rights that support our business and R&D activities.

Visualization of intellectual property

By creating a database of intellectual property of ours and other companies on a product-by-product basis, we analyze the strengths and weaknesses in business to reflect the results in our development strategies.

Improvement of internal training

We have enhanced training programs for business divisions and expanded the participant base 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 and expanding the scope of its activities.

Promotion of the intellectual property strategy

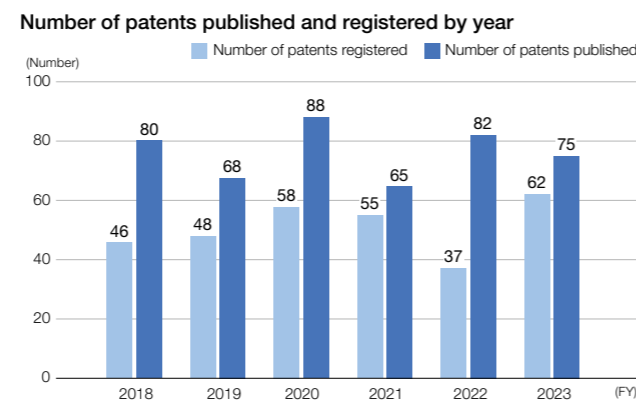
We take intellectual property measures linked to our business strategy, such as the proposal of a policy for the establishment of a patent portfolio in anticipation of future businesses and the support of the creation of a strategic alliance with external partners, through close communication between 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 business divisions and the intellectual property department. This supports the prompt and comprehensive creation of intellectual property rights that are essential for the achievement of our business and development strategies.

Although the number of patent applications (publications) has not changed significantly, we are promoting selection and concentration of intellectual property activities with return on investment in mind by, for example, increasing the percentage of applications targeting areas where market expansion is highly expected.

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



* The number of publications refers to the number of patents for which the content of the application was published approximately 18 months after application.
 * The number of registrations refers to the number of patents to which a patent right was established through examination of the application.

Research and development initiatives

In addition to conducting research and development in each business 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 SDGs to life, these two divisions strive to build new businesses and maintain existing businesses.

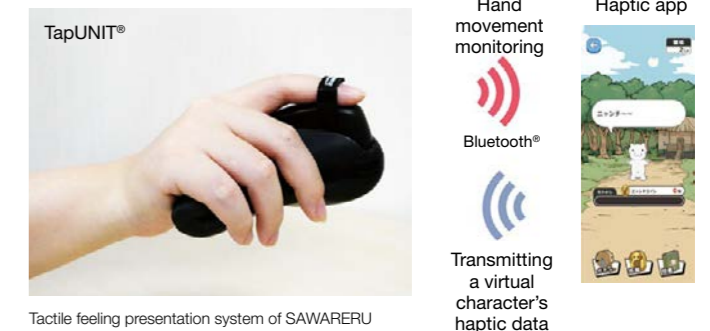
Technology Development Division

Carrying on the DNA of Kurimoto's material technologies, the Technology Development Division conducts research and development that spans areas such as nanotechnology and environmentally friendly materials.

As an example, we have developed SoftMRF®, a magneto-rheological fluid using nano-sized iron particles, which is applicable to a device that uses changes in viscosity caused by the strength of a magnetic field to present a tactile sensation. Starting with adoption in amusement such as game machines, we aim to apply this technology to a wide range of fields, such as industrial equipment and home appliances.

Kurimoto's SAWARERU® haptic content has won the CES® 2024 Innovation Awards in the Gaming & eSports category. The award is the world's largest-class competition recognizing innovative design and engineering in consumer technology products. SAWARERU received a high score that exceeded evaluation criteria for its ergonomic design of the TapUNIT, which fits naturally in the hand, as well as for its ability to produce an active tactile sensation that could not be expressed with conventional technology.

In recent years, haptics technology, a technology that expresses the touch feeling among the five human senses, including sight and hearing, has been attracting attention around the world. Taking this award as an opportunity, we will expand the application of haptics to welfare, medical fields, and other areas.



Tactile feeling presentation system of SAWARERU



Kurimoto Center for Innovative Technology



CES 2024 Innovation Awards Logo

Composite Project Division

The Composites Project Division is commercializing both equipment and components by developing advanced FRP mass production technology based on our core competencies: design and manufacturing for industrial equipment and FRP molding. The Kurimoto Composite Center, which opened in 2019, is equipped with mass production demonstration facilities such as an LFTD system, high-cycle RTM system, and pultrusion molding system for structural materials, being ready to respond to the development phase through the initial production phase toward commercialization.

In recent years, infrastructure maintenance has been rapidly gaining in importance against the backdrop of corporate efforts toward carbon neutrality as well as the improved stock effect of social capital. In collaboration with IHI Infrastructure Construction Service Co., Ltd. we have developed the FS grid, which extends the life of damaged road slabs with the high reinforcement effect of FRP component. Compared to conventional slab replacement work, the FS grid significantly reduces traffic restrictions, along with streamlined installation and transportation enabled with lightweight FRP. It also contributes to reducing CO2 emissions, shortening construction periods, and lowering construction costs. We will remain committed to contributing to the realization of a sustainable society through the early social implementation of the FS grid.



Kurimoto Composite Center



FS grid

Financial Strategy

Message from the Director of Finance



Yoshiaki Shingu

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

Increasing PBR through strategic investments for future earnings growth and by strengthening shareholder returns

Looking back on fiscal 2023

In the fiscal year ended March 31, 2024, the final year of the previous Medium-Term Management Plan (fiscal 2021–2023), the economic outlook remained uncertain due to exchange rate fluctuations, surging resource prices, and geopolitical risks, despite expectations for COVID-19 post-pandemic economic recovery. Nevertheless, thanks mainly to recoveries in capital investment, selling price revisions, and cost reduction activities, we achieved annual increases in sales by 1.1 billion yen and in income by 0.6 billion yen for the fiscal year under review. Net sales totaled 125.9 billion yen, operating income was 7.4 billion yen, ROE was 7.1%, and profit attributable to owners of parent amounted to 5.4 billion yen (a new record high).

At the time the previous medium-term management plan was formulated, our initial forecasts were net sales of 120 billion yen, operating income of 5.5 billion yen, and ROE of 5.4%, all of which were surpassed by the latest results. With regard to the investment plan, the amount of orders placed was lower than planned due to postponement of the timing for investment, price negotiations, and other factors.

As for shareholder returns, we achieved our three-year average dividend payout ratio target of over 30%.

Financial strategy for our new three-year medium-term management plan

Our new medium-term management plan period (fiscal 2024–2026) is positioned as a preparation period for “transformation toward growth” to realize our 2030 Company Vision (a corporate group that can contribute to society now and in the future). During this period, we will promote growth by bolstering the earning power of businesses that generate consistent revenue and making aggressive investment in growth-driving businesses. At the same time, we will shift to a recycling-oriented business model and practice management with an awareness of the cost of capital (≠ expectations of investors and shareholders).

Our main financial strategies are explained in the investment plan, capital allocation, and shareholder return measures stated below.

Our investment plans (see page 36)

With an equity ratio of 54%, liquidity on hand of 1.8 months, and a debt-to-equity ratio (D/E ratio) of 0.2 times for the fiscal year ended March 31, 2024, our financial base remains stable and funds for business expansion activities have been secured.

Looking back on fiscal 2023

(Million yen)

	Three-year medium-term management plan									FY2024 (Forecast)
	FY2021			FY2022			FY2023			
	(Plan)	(Results)	(Difference)	(Plan)	(Results)	(Difference)	(Plan)	(Results)	(Difference)	
Net sales	107,000	105,954	(1,046)	115,000	124,827	9,827	120,000	125,925	5,925	124,000
Operating income	3,500	4,172	672	4,500	6,840	2,340	5,500	7,460	1,960	7,000
Operating profit margin	3.3%	3.9%	0.6 pt	3.9%	5.5%	1.6 pt	4.6%	5.9%	1.3 pt	5.6%
ROE	3.6%	4.5%	0.9 pt	4.8%	6.9%	2.1 pt	5.4%	7.1%	1.7 pt	7% or higher

In addition to increasing investments in production rationalization aimed at cost reduction and profitability improvement, we are making aggressive investments (including M&A investments) in growth-driving businesses based on our business portfolio analysis. We will also strive for steady execution of system and DX investments that have been postponed since the previous medium-term management plan period.

Under our new medium-term management plan, we are going to make the largest investment in recent years, totaling 18 billion yen (in terms of orders placed), including 6.5 billion yen for production rationalization, 3 billion yen for growth investment, and 2.5 billion yen for information systems.

We will faithfully implement these investment plans to achieve business growth.

Financial base and direction of investment for growth

	FY2021	FY2022	FY2023
Ratio of liquidity on hand (months)	2.4	2.0	1.8
Equity ratio	47.5%	49.3%	54.1%
D/E ratio (times)	0.36	0.28	0.17

Capital allocation and shareholder return policy (see page 36)

During our new medium-term management plan period, we forecast operating activities, providing the major part of cash inflow (approx. 22.0 billion yen) with “businesses generating consistent revenues” as the basis, and the sale of shares for the purpose of “reducing cross-shareholdings” along with the use of interest-bearing debt (approx. 6.0 billion yen in total) will make up for the remainder.

We aim to reduce 30 to 40% of our cross-shareholdings and to make cross-shareholdings less than 10% of our net assets over the medium to long term.

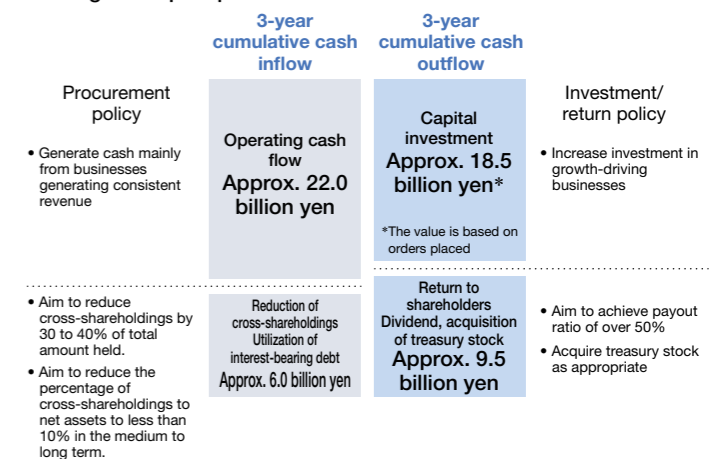
As for cash outflow, we plan to optimize capital efficiency through expanded investment in growth-driving businesses and capital expenditures (approx. 18.5 billion yen on an expenditure basis), including M&A and DX investment and to return profits appropriately to shareholders (approx. 9.5 billion yen).

With stable and continuous dividend payments in mind, we have been returning profits to shareholders that meet market expectations and maintaining a balance with growth investment, achieving the target set for the previous medium-term management plan, a three-year average dividend payout percentage exceeding 30%. In our new medium-term management plan period, we put forth a policy of further increasing shareholder returns with a new target: a dividend payout ratio of 50% or more for each fiscal year (payments of annual dividend of 208 yen per share are planned for fiscal 2024).

We also intend to flexibly implement share buybacks as appropriate, taking into consideration capital structure, capital efficiency, and cash flow.

In addition to “focusing on growth-driving businesses” as stated above, our initiatives to enhance corporate value include improving return on capital and reducing cost of capital. We will endeavor to consistently maintain an ROE of 7% or more and to achieve ROE of 8% or more on an early basis, our management efficiency targets for our new medium-term management plan period, as a means to improve PBR.

Capital allocation policy for our new three-year medium-term management plan period



New Three-Year Medium-Term Management Plan 2024–2026

With the aim of realizing the Kurimoto Group’s 2030 Company Vision as “a corporate group that can contribute to society now and in the future,” we have formulated a new three-year medium-term management plan with fiscal 2024 as the first year, which is designed to promote capital cost management and sustainability management.

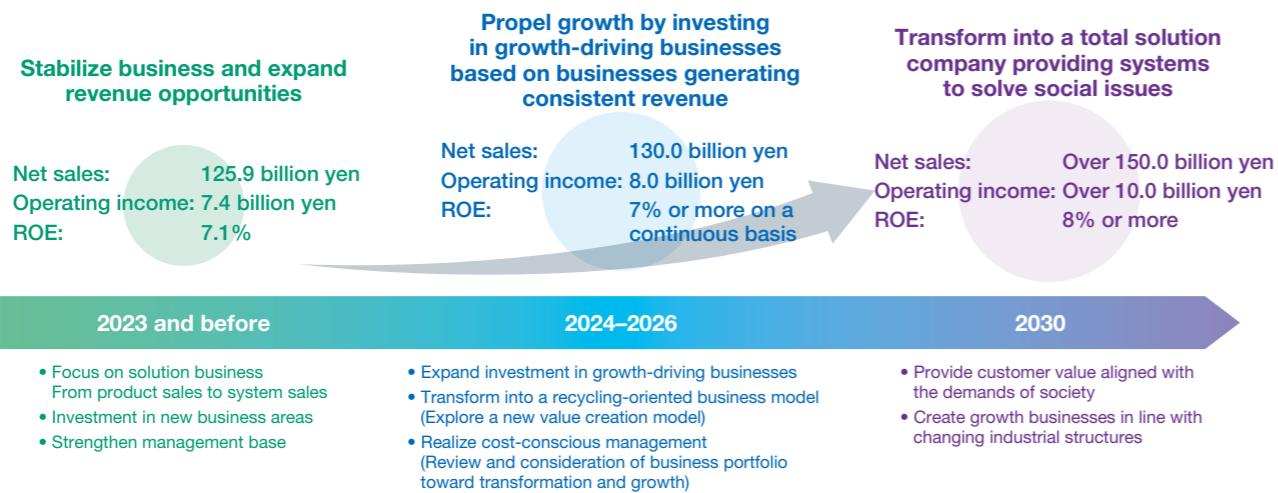
Themes and concepts in the new three-year medium-term management plan 2024–2026

Backcasting from our Vision	<ul style="list-style-type: none"> Abolish conventional forecast planning and formulate a plan from a backcast perspective based on “2030 Company Vision”
Promoting capital cost management	<ul style="list-style-type: none"> Formulate a management plan with an awareness of capital cost (≒ expectations of investors and shareholders) Promote initiatives on a business/corporate divisional basis aiming to improve return on capital
Promoting sustainability management	<ul style="list-style-type: none"> Formulate a management plan with the spirit of “yonpo-yoshi (four-way satisfaction)” (≒ expectations of stakeholders). Specifically, develop businesses in line with the mega-trend of decarbonization (ESG). Establish a supportive governance system to carry through fundamental reform of business structures.

New three-year medium-term management policy

Our new Three-Year Medium-Term Management Plan period (fiscal 2024–2026) is positioned as a preparation period for transformation toward growth in realizing our 2030 Company Vision. During this period, we will strive to: ① drive growth by increasing the earning power of businesses that generate consistent revenue and making aggressive investment in growth-driving businesses, ② take proactive steps to achieve conscious management of capital costs and stock prices, and ③ continue to promote ESG management.

Image of growth toward 2030



Direction of business (Growth strategy for each business segment)

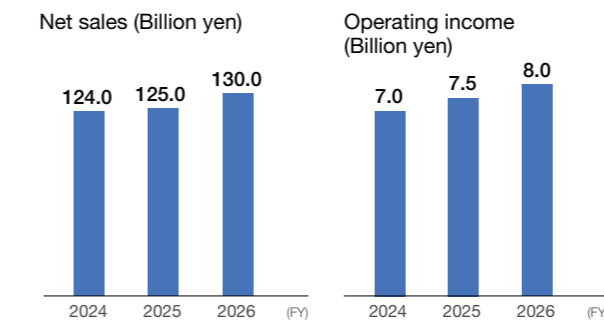
We will promote priority measures for each business segment, aiming to achieve growth by enhancing the earning power of businesses generating consistent revenue and aggressively investing in growth-driving businesses.

Priority measures for each business segment for the new three-year medium-term management plan period

Lifeline Segment	Pipe Systems	Foster and augment DBM (Design Build Maintenance) personnel and implement strategic structural reforms to further increase earning power.
	Valve Systems	In addition to review of marketing for the domestic market and expansion into overseas markets, review production lines and make effective use of digital information to increase productivity.
Machinery System Segment	Plant Engineering & Machinery	Aiming to become an essential manufacturer in the continuous manufacturing process for secondary batteries, improve the performance and size of our kneaders for powder mixing and establish a global large-scale production system.
	Materials & Machinery	Review existing businesses, including those for coal-fired power plants, and develop new markets, including renewable energy and recycling, to solidify our revenue base through business portfolio restructuring.
Industrial Materials Segment	Construction Materials	Promote commercialization in new business areas, increase productivity through DX to improve profitability, and reallocate resources according to profitability.
	Plastic Products	Expand sales and achieve a highly profitable structure through aggressive investment in growth areas such as FRP inspection passage and FS grids, as well as introducing new products such as CFRP and GFRP.

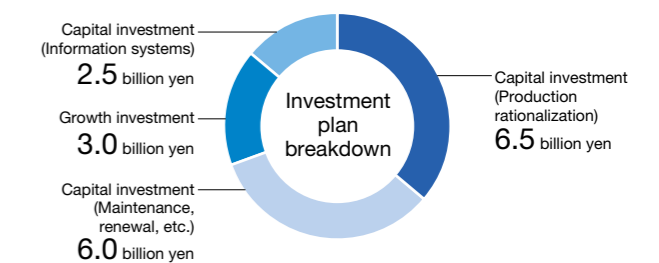
Performance targets

Toward the achievement of 150 billion yen in net sales, 10 billion yen in operating income, and ROE of 8% or more by 2030, we aim to achieve ROE of 7% or more for three consecutive years during the new medium-term management plan period, which is defined as a preparation period for transformation toward growth. Quantitative targets for each year are as follows.



Investment plan

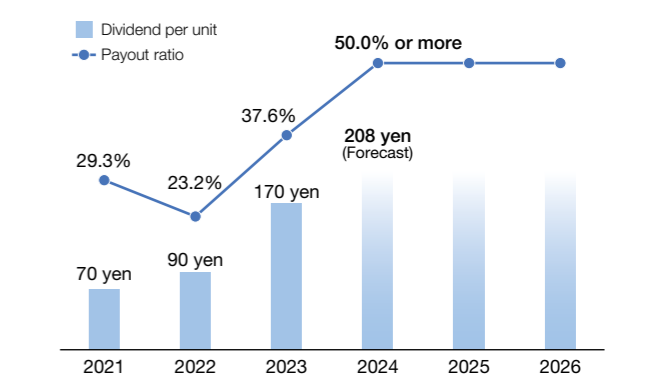
Based on operating cash flow, we plan to invest approx. 18.0 billion yen over the three years, including 3.0 billion yen as growth investment in growth-driving businesses and 2.5 billion yen for establishing our system and DX strategies.



Shareholder return policy

During the previous medium-term management plan period, we achieved a three-year average dividend payout ratio exceeding 30%. Our new medium-term management plan aims to achieve a dividend payout ratio of 50% or more while maintaining a balance with growth investment, allowing us to return more profits to our shareholders and meet market expectations.

We also intend to implement share buybacks as appropriate, taking into consideration capital structure and efficiency.



Lifeline Business

In our lifeline business, where national resilience against serious disasters is necessary, we pass down knowledge about manufacturing developed since our company's founding and contribute to the enrichment of people's lives by firmly supporting the foundations of safe cities, lives, and industries.

Major business divisions

Pipe Systems Division

We contribute to manufacturing and sales of ductile iron pipes mainly for water supply and sewer systems as well as supporting pipeline design, supervision of construction, and investigation services.

Valve Systems Division

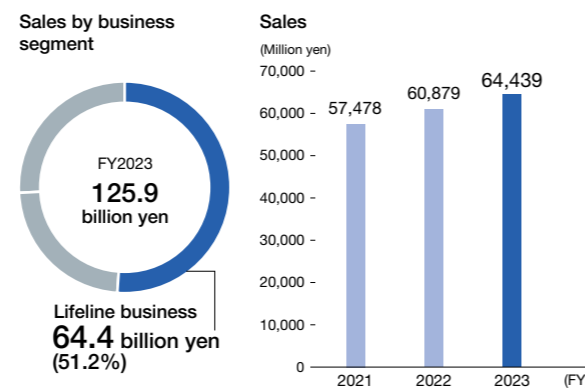
We handle a wide range of valves to meet public sector needs, such as water purification plants and sewage treatment plants, as well as private sector demand related to power plants, steel mills, and other plants, both inside and outside Japan.



Business overview for fiscal 2023

In the lifeline business, net sales of ductile iron pipes, etc. mainly for water supply and sewer systems, grew steadily in our Pipe System Division. In our Valve Systems Division as well, net sales increased by 3,560 million yen from the previous consolidated fiscal year to 64,439 million yen due to the increase in net sales of large projects, etc.

Operating income increased by 815 million yen from the previous consolidated fiscal year to 4,494 million yen due to progress in cost improvement in addition to growth in revenue.



Strengths

- Abundant track record and trust achieved through the continuous support of domestic water supplies and sewer systems since the founding of modern water supply systems
- Strong commercialization ability to continuously provide uninterrupted water supplies even during major disasters in the past
- Business foundation with a good balance between public and private sectors, resistant to economic fluctuation
- Technical ability and manufacturing knowledge with the capacity to provide a stable supply of high-quality products ranging in size from small scale to large scale

Risks

- Increasing energy prices and raw material costs associated with carbon neutral measures
- Slowing demand in the existing electric power market with a large amount of CO₂ emissions
- Decreases in the labor force associated with population decline, and loss of opportunities to pass on skills
- Risks of business stagnation and risks to stable water supply due to lack of public/private engineers related to lifelines

Opportunities

- Increases in demand for the renewal of old pipes to provide stable water supply
- Increases in demand for lifeline markets through national resilience and disaster prevention/reduction initiatives
- Increases in demand for renewable energy such as conventional hydropower and small hydropower
- Increases in public-private partnership business due to labor shortages in the market

Initiatives of our three-year medium-term management plan

Pipe Systems Division

Many of the water pipes in Japan have reached the end of their service life and we need to prepare for risks of water leakage due to aging pipes as well as water outages resulting from natural disasters such as earthquakes and climate change. Aiming at constructing water pipes resistant to disasters, we have provided solutions for optimization of production systems for ductile iron pipes as well as design, construction, and maintenance management both domestically and internationally. In addition, the water supply industry is facing a shortage of engineers in both public and private sectors due to decreases in the labor population. To address these issues, we are promoting initiatives to achieve efficient pipeline renewal even in the face of a shortage of human resources by further evolving public-private partnerships.

Valve Systems Division

In addition to public sectors such as water purification plants and sewage treatment plants for supporting lifelines, we have provided optimal solutions ranging from design to construction in private sector fields related to electric power and steel manufacturing.

With the growing demand for a decarbonized society, we are looking ahead with market changes in the fields of thermal power generation and iron manufacturing to flexibly respond to circumstances. We are also reviewing our business portfolio, including sales expansion to the renewable energy market and reinforcement of our sales abilities outside Japan. In the future, we will proceed with the market launch of products that contribute to solving issues in a decarbonized society.

Future policies and strategies

Pipe Systems Division

While continuing to maintain water supply pipelines in Japan, we will create overseas markets in addition to the private markets such as agricultural water, sewerage, and industrial water and the fields of defense, etc., which leads to the growth of our business. In addition, we intend to work on changing fossil fuel into plant-derived non-fossil fuel in order to reduce CO₂ emissions occurred during ductile iron pipe manufacturing as well as on realization of a decarbonized/recycling-oriented society by promoting recycling of water pipes that have reached the end of their service life and efficiency/rationalization of production by AI technologies. Moreover, for the social issues such as aging infrastructure in society and decrease in workforce, we are committed to expanding solutions including design, construction, and maintenance of water pipelines through public-private partnership as well as to building sustainable lifelines.

Valve Systems Division

Through a business structure that can flexibly respond to changes in the external environment as well as the domestic public/private demand and overseas demand, we aim to strengthen our efforts toward business expansion while maintaining a stable foundation. For domestic public demand, we intend to work on further cost-down through efficient production planning of pipeline valves and reconfiguring our production lines and promote to reinforce construction/maintenance ability to cope with large-scale renewals including water purification plant. For private and overseas demand, we aim to expand our market share mainly for large special valves by leveraging our unique, advanced technological and manufacturing capabilities.

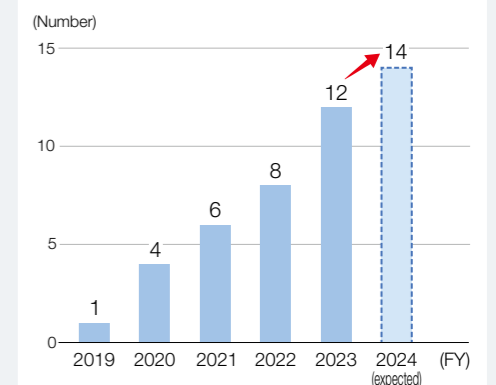
Topics

Extension of our track record of the "Pipeline DB," a design/construction batch order method, through public-private partnership

In the water supply and sewer system market, sustainable water lifelines need to be constructed in response to the issues such as increasing natural disasters due to earthquakes and climate change, which have recently drawn attention as social issues, and a decline in the workforce caused by declining birthrate and aging population. The pipeline DB (Design Build) method is increasingly proposed as a solution for these issues, which enables both the purchaser and the contractor to make tasks more efficient by integrating the conventionally separate ordering of "design" and "building" into a single order. Our Group has steadily built up its track record in this area since 2019 and has received 12 orders to date (3 of which have been completed). We intend to continue to work on further accumulating the investigation/design/construction capabilities to propose a wide range of solutions.

Moreover, the pipeline DB method is not to be completed by our company alone. We aim to promote co-creation with business entities and local contractors for the future of sustainable water lifelines.

Cumulative number of orders received



Machinery System Business

In manufacturing sites where further increases in functionality are necessary, we are committed to the realization of carbon neutrality and circular economy by providing industrial facilities that contribute to decarbonization and manpower saving.

Major business divisions

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.

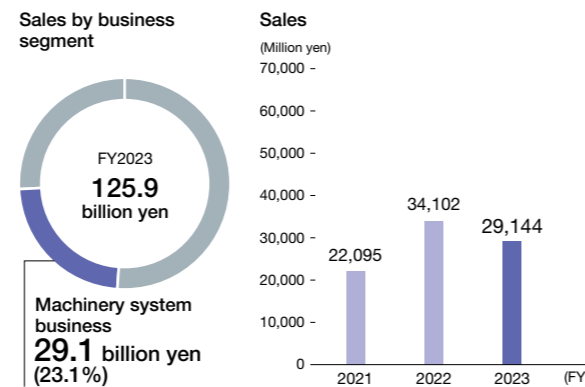
Materials & Machinery Division

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.



Business overview for fiscal 2023

In "Plant Engineering & Machinery," net sales of stationary/mobile crushers and wear-resistant parts grew steadily in the materials sector. In the machinery sector, however, as net sales of press equipment, plant projects, etc. declined in reaction to the concentration of net sales in the previous consolidated fiscal year, net sales decreased by 4,957 million yen from the previous consolidated fiscal year to 29,144 million yen. Operating income decreased by 717 million yen from the previous consolidated fiscal year to 1,491 million yen due to lower sales in the machinery sector.



Strengths

- Proposal ability to understand customer needs precisely and derive optimal solutions with our unique products and techniques
- Quick response to emergencies with well-developed maintenance systems to support stable operation for customers
- Proposal of solutions that reduce environmental impact and achieve cost advantages in the secondary battery production process
- High quality human capital with extensive experience in supporting social and industrial infrastructure, capable of taking on a variety of challenges in and trusted throughout the industry

Risks

- Shrinking of the market for engine vehicle parts, etc. due to the EV shift in the automobile industry and decreases in demand for forging press equipment
- Decreases in demand for powder processing equipment and kneaders due to the cancellation or postponement of high-performance resin production facility plans caused by geopolitical risks
- High raw material prices, the continued depreciation of yen, and increased energy and logistics costs
- Increases in demand for energy-saving machinery products associated with CO₂ emission reduction measures

Opportunities

- Increases in demand for continuous manufacturing process-related equipment associated with the rising demand for secondary batteries due to an accelerated shift to EVs
- An increase in demand for press machines suitable for lightweighting needs for EV-related parts and nonferrous parts
- Increases in demand in the field of recycling due to growing recycling-oriented needs caused by decarbonization
- Increases in demand for manufacturing facilities incorporating manpower- and labor-saving associated with reduced working hours and decreases in the workforce

Initiatives of our three-year medium-term management plan

Plant Engineering & Machinery Division

We are working on the expansion of our forging press equipment lineup to meet needs related to the EV shift and weight reduction of automobiles, and we are also working on sales expansion to overseas markets. We are promoting the extension of our track record in forging presses for aluminum and the development of forging press equipment suitable for EVs.

In addition, we have been providing total solutions for kneading, reaction, and desolventing process system equipment in the fields of high-performance resin and secondary batteries. In the secondary batteries field, we have been building and expanding sales of a twin-screw continuous kneader system. Furthermore, in the expanding renewable energy market, we are expanding sales of raw material storage/conveying equipment and combustion power plants.

Materials & Machinery Division

Based on our existing business, we aim to be a utility player that will continue to respond to various social issues such as climate change, declines in the workforce, depletion of resources, aging social infrastructure, etc. Particularly, being acutely aware of market changes in the fields of electric power and iron manufacturing involving climate change measures, we have begun to reconstruct our business portfolio.

In the crushing business, we are committed to customer operability and labor saving by introducing IoT, AI technology, etc. to crushers to increase value. We intend to introduce new products to the recycling field with a view to accelerating toward a recycling-oriented society and leading to CO₂ emission reduction.

In the future, we will expand our business not only to existing markets but also to environmentally friendly businesses for a sustainable society.

Future policies and strategies

Plant Engineering & Machinery Division

We intend to expand manufacturing press lines for EV-related and nonferrous parts for carbon neutrality and to promote maintenance proposals that take LCA into account.

We will also promote initiatives to solve issues in a decarbonized society through technical development of kneaders and peripherals, establishing a position as an essential manufacturer in the secondary battery production process.

Moreover, we are committed to maintaining a clean global environment through reduction and effective utilization of waste through development of a recycling business that contributes to further cultivation of industrial waste disposal technology and reduction of environmental impact.

Materials & Machinery Division

To respond to increasing social demands in a variety of fields, we plan to reconstruct our existing businesses and work to develop new markets to strengthen our earnings base and rebuild our business portfolio.

We will specifically expand sales of crushers called 'PREGE cone crushers' and TEREX brand machines as well as enter the recycling market.

To respond to market changes associated with carbon neutrality in the fields of iron manufacturing, electric power, and cement in the existing markets, we will develop crusher applications and new materials.

We aim to foster an organizational culture that takes on challenges to promote our initiatives, developing future-oriented and reform-oriented human resources.

Topics

Acquisition of Sankyo Machinery Co., Ltd. (subsidiary acquisition) for recycling of asphalt and concrete in a recycling-oriented society

Demand for asphalt and concrete aggregate materials in Japan has been gradually declining since their peak in the 1990s due to decreases in infrastructure demand associated with a shrinking population and the transition to infrastructure stock management. On the other hand, concrete buildings constructed during Japan's period of rapid economic growth are aging and the demolition has been increasing, mainly in large cities, which causes the social problem of a large amount of concrete waste material. Therefore, the utilization of concrete construction waste for concrete aggregate is expected to increase in the future.

Sankyo Machinery Co., Ltd. owns asphalt/concrete recycling plants and related facility equipment as well as the elemental technologies required for the recycled aggregate field, which are essential in achieving a recycling-oriented society.

Our company has been developing crushing engineering business focusing on crushed stone aggregate for a long time, and based on our complementary relationship with Sankyo Machinery, we expect to be able to create synergy through co-creation using the strengths of both companies.

In addition, by expanding business to the recycled aggregate field, we expect transformation in our business portfolio, which has been heavily focused on the crushed stone field so far, and further enforcement of business foundations in the crusher business, which we believe will lead to an increase in our Group's corporate value.

We will continue to contribute to CO₂ emission reduction through promotion of recycling in the future.



Industrial Materials Business

Industrial materials business is a segment that handles construction materials and plastic products as well as approaches to both social infrastructure and industrial facilities. By providing products and services that take the environment where people live and work into account and through our experience to date, we are contributing to the creation of a safe and affluent social infrastructure.

Major business divisions

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 in office buildings; civil engineering products used in the construction of concrete structures; and construction products used in the voided slab construction method that contributes to large living spaces with high sound insulation performance.

Plastic Products Division

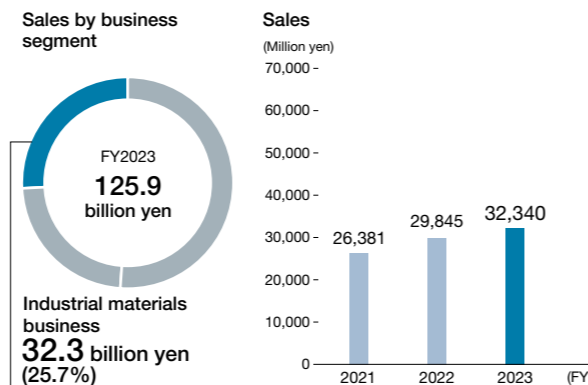
We are developing FRP recycling systems that benefit the environment as we introduce production activities focused on recycling. We are also developing FRP products for a wide range of applications related to electric power generation and small hydropower applications as well as agricultural and sewage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



Business overview for fiscal 2023

In our industrial materials business, net sales increased due to rising sales of noise reduction products in the construction materials sector as well as air conditioning products as a result of the completion of large factory construction. In the plastic products sector, net sales increased by 2,495 million yen from the previous consolidated fiscal year to 32,340 million yen due to increases in net sales of products for electric power and small hydropower generation.

Operating income increased by 851 million yen from the previous consolidated fiscal year to 2,255 million yen due to growth in revenue as well as in the sales ratio of high value-added products.



Strengths

- Diverse target markets including construction, sewerage, electric power, and railroad
- Seven production sites across Japan with a system that can mutually complement the product supply system and manufacturing load close to the community
- A product lineup and production technology applicable to the maintenance market, increasingly important for purposes related to national resilience.
- Providing solutions through services in design, construction, maintenance, etc. in addition to manufacturing, as well as sales of materials and facilities

Risks

- Increasing prices of raw materials such as steel plates and plastic materials
- Delays in construction schedules due to shortages of construction workers caused by decreases in the workforce
- Delivery delays, increases in freight rates, restriction of waiting time for cargo and loading times due to 2024 problems in logistics
- Tightening of regulations for fiber reinforced plastic products/waste due to the rise of a recycling-oriented society

Opportunities

- Increase in demand for maintenance in the interest of national resilience
- Contribution to a decarbonized society through light-weight FRP and CFRP products
- Increases in demand due to expansion of the ZEB (zero emissions building) market

Initiatives of our three-year medium-term management plan (Rewritten to the three-year initiative of 2021–2023)

Construction Materials Division

We have been reinforcing business foundations for construction/civil engineering products that meet maintenance demands in the road infrastructure market in the interest of national resilience against disasters and expanding our track record in air conditioning products for large factory properties in the industrial plant market as a new sector.

We intend to transform business through human resource development while increasing profitability in the construction material business.

Plastic Products Division

We aim to reinforce business foundations in existing fields such as electric power and the agriculture sewerage market and improve profitability by positioning road/bridge infrastructure and composite-related markets where market growth is expected in the future as a new sector/new business. Particularly, our track record in FRP inspection passages, which are related to maintenance demands for roads and bridges, has been expanding, and we are working to provide new products and services with FRP characteristics.

Future policies and strategies

Construction Materials Division

In addition to expanding the business area based on existing businesses, we intend to reinforce the concrete civil engineering infrastructure structure-related sector in the increase of maintenance demand for the road infrastructure market to promote the provision of total solutions. In the industrial plants sector, we are committed to creating a new market for factory facility piping, etc.

Moreover, as a countermeasure to the declining workforce, we aim to promote DX and IoT technology to improve abilities in production technology and standardization/efficiency of business processes, intending to create high value-added products through proposal-based approaches toward new market creation.

Plastic Products Division

Keeping in mind of the 2030 Company Vision, "Achieving sustainable growth in the plastic products business through customer/society satisfaction," we are making it our first priority in all sections to provide products and services that satisfy customers.

Also important is increasing satisfaction with existing sectors/products such as agricultural sewerage, electric power, etc. We will work for sustainable growth, creating value with our customers in new fields/products through further work with FRP inspection passages and the development of new materials to meet maintenance demands in the road infrastructure field.

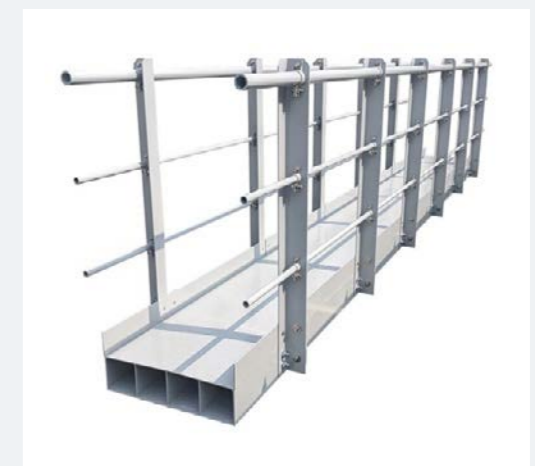
Topics

FRP inspection passages for bridges

The Ministry of Land, Infrastructure, Transport and Tourism has made it mandatory for bridges, including road bridges, to have close visual inspection at a higher frequency than before, once every five years. As the number of items to inspect and frequency of inspections increase, opportunities to add to our experience in inspection passages on existing bridges increase as well.

Our Plastic Products Division develops "FRP inspection passages" made of FRP materials instead of conventional iron materials. This solves issues including the difficulty of construction expansion due to weight restrictions and corrosion of the inspection passage due to antifreeze or location in a coastal area.

We will continue to focus on customer expansion and conduct research and development toward improvement of construction performance, working to maintain a safe and secure road environment.



Special Feature
Circular Economy

Toward a sustainable recycling-oriented society leading to the next generation Circular Economy in Practice

1 Starting joint research on the construction of a recycling system for ductile iron pipes for water supplies to build a recycling-oriented society

From the standpoint of the “stable supply of tap water,” it is imperative to construct lifelines resistant to large-scale disasters resulting from earthquakes and climate change. Each municipality is actively promoting seismic resistance through renewal of water distribution facilities and core water pipelines.

In addition, since a large volume of used water pipes is generated in the renewal of water pipelines, the idea of a circular economy becomes important for addressing social issues such as resource circulation and decarbonization.

The Osaka Municipal Waterworks Bureau and our Group have therefore started joint research since November 2023 with the aim of establishment of an effective recycling system of used water pipes.

Cast iron and ductile cast iron with superior recyclability have been used in many of the used water pipes, and now they are widely distributed as iron scrap materials both inside and outside Japan. However, it remains unclear what kinds of products they are eventually being recycled into. From the perspective of a circular economy, if a system can be established to recycle these used water pipes horizontally as raw materials to be used again for manufacturing water pipes, more efficient resource circulation will be possible.

Moreover, most water pipes are buried underground, causing many different impurities such as sand and soil to adhere on the surface of used water pipes. Removal processes for these impurities will thus be an issue.

A cast iron melting furnace called “Cupola,” which we have used in the manufacturing process for water pipes, possesses a refining function that is able to remove these impurities and has fewer restrictions on raw materials used. For this reason, it allows us to utilize used water pipes as raw materials with minimal processing required.

Through research related to this, we intend to establish a horizontal recycling system for used water pipes and contribute to building sustainable water lifelines by promoting initiatives to achieve a recycling-oriented society through a circular economy.

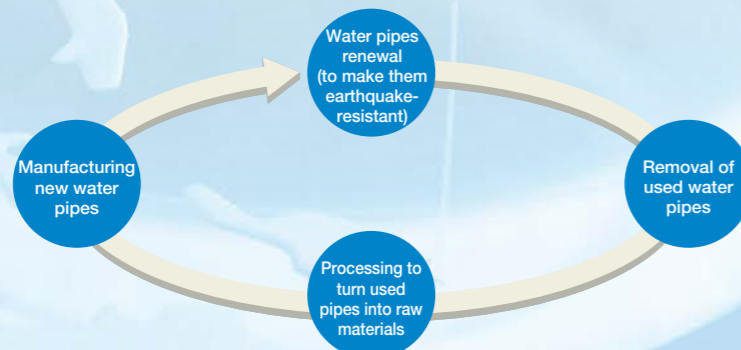


Used water pipes



Cast iron melting furnace “Cupola”

Conceptual diagram of the horizontal recycling system for used water pipes



2 Conversion from fossil fuel coke to carbon neutral fuel

Toward the challenge of achieving a carbon neutral society by 2050, we are seriously committed to converting cupola fuel used in the manufacturing process for ductile iron pipes for water supply from coal-derived coke to carbon-neutral biomass fuel.

In fiscal 2023, we conducted long-term demonstration tests for the purpose of converting the fuel to plant-derived buckwheat chaff bio-coke. As a result, 10–15% of coke was converted, achieving a 7% reduction in CO₂ emissions. In fiscal 2024 as well, we will continue to work on demonstration tests to improve the conversion rate of biomass fuel for further reduction of CO₂ emissions.

Bio-coke has a lower amount of fixed carbon compared to coke and the calorific value during combustion is 60–70% that of coke. Therefore, it is not possible to convert the whole quantity of fuel from only coke. It is necessary to develop new forms of carbon-neutral fuel to convert to non-fossil, carbon-neutral fuel.

In parallel with the long-term demonstration tests of buckwheat chaff bio-coke in fiscal 2023, we participated in the Cupola Carbon-Neutral Co-Creation Working Group (WG) established mainly by Mazda Motor Corporation to start developing a new carbon-neutral fuel.

This WG is an initiative designed to achieve carbon neutrality using the cupola by creating biomass fuel from waste arising from domestic factories and local communities as a modern model of local energy production and consumption.

Through research and development conducted by this WG, we will further convert to carbon-free fuels and contribute not only to the reduction of CO₂ emissions in each company but also to the realization of zero emissions in local communities, developing a circular economy in Japan.



Bio-coke developed by Kindai University

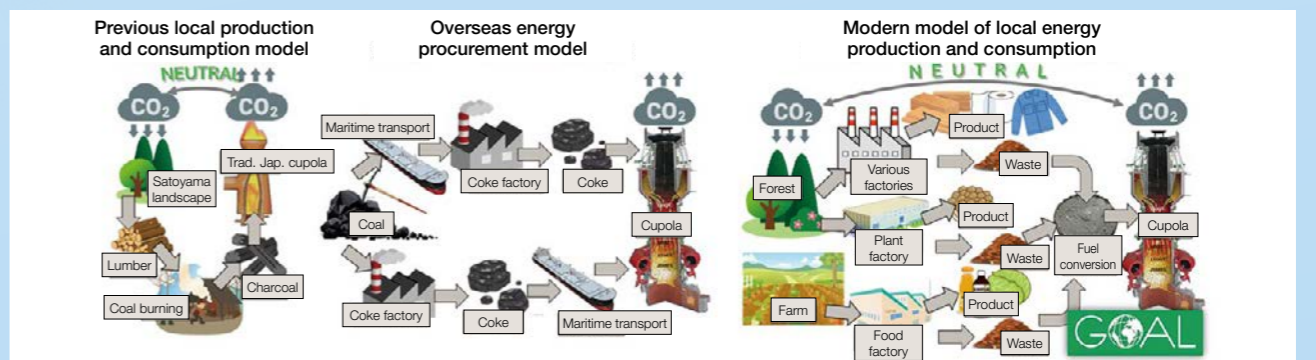


Buckwheat chaff bio-coke

Cupola Carbon-Neutral Co-Creation WG



Vision of Cupola Carbon-Neutral Co-Creation WG



E Environmental Initiatives

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.

- **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.

- **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.

- **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.

- **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.

- **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.

- **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.

Environmental Management Structure

Chaired by the environmental section manager at the Head Office, the Environmental Promotion Committee cross-connects different divisions and worksites to share environment-related information and promotes compliance with environmental Laws and Regulations, as well as initiatives to reduce environmental impact through the operation of an environmental management system.

Environmental Promotion Committee

Chairperson: General Manager in charge of the environment management at the Head Office

Committee members: General Managers responsible for the environment management in factories

ISO14001 certification registration status in the Kurimoto Group

Registered organization	Date of registration	Registration No.	Scope of registration activities
Kurimoto, Ltd. Kagaya Factory / Sakai Factory	February 10, 2000 (Integrated on January 20, 2023)	JQA-EM0710	Design/development and manufacturing of ductile iron pipes, as well as provision of technical services Storage management and delivery of ductile iron pipes including pipes, fittings, and joint parts
Kurimoto, Ltd. Sumiyoshi Factory	March 27, 1998	JQA-E-90144	Design/development, manufacturing, installation, and ancillary services for pulverization, kneading, drying/calcing, solvent recovery, forging, and bending roll systems Design/development, manufacturing, installation, and ancillary services for valves for industrial and public uses and water treatment facilities Manufacturing of crushers, pumps for industrial use, opening/closing apparatuses, and gates for floodgates Engineering support service combining kneaders, dryers, crushers, etc. Design/development, procurement, installation, and ancillary services for crushing systems, various heat-resistant/wear-resistant metal castings, railway vehicle parts, dredging plants, and related products
Kurimoto, Ltd. Construction Materials Division Katano Factory / Koga Factory	July 10, 2009	E1916	Design/development and manufacturing of duct-related products for facilities Design/development, manufacturing, and construction of building material products for construction and civil engineering Design/development of equipment and devices to reduce air conditioning noise, industrial noise, and traffic noise
Kurimoto, Ltd. Koto Factory / Shiga Factory	November 30, 2001	JQA-EM1947	Design/development and manufacturing of fiber-reinforced plastic mortar pipes (FRPM and FRP pipes) and various fiber-reinforced plastic moldings
Zentec Co., Ltd.	June 30, 2017	JQA-EM7341	Road management (maintenance and repair) and design/construction of road environment equipment (e.g. sound insulation walls)

Topics

Plant engineering & machinery: Secondary batteries

In May, 2021, International Energy Agency (IEA) presented a net-zero scenario for CO₂ emissions in 2050, and the road map has been a key indicator for each country's policies and industry.

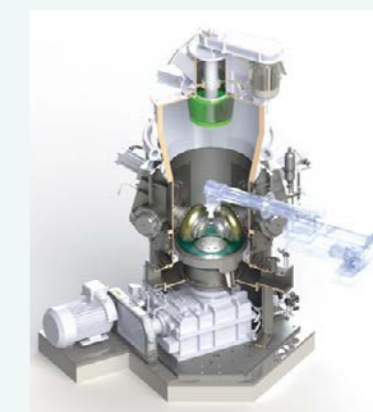
Approximately 20% of global CO₂ emissions are emitted from the transportation sector, 75% of which are said to come from road transportation. The IEA has therefore stated that "in order to achieve virtually net zero CO₂ emissions by 2050, internal combustion engines fueled by gasoline and other fuels must be abolished by 2035," and countries across the world have been promoting measures for prohibition of sales of automobiles with internal combustion engines as well as promoting the popularization of electric vehicles.

Furthermore, to maximize CO₂ emission reduction through the introduction of electric vehicles, promotion of renewable energy use is crucial, and the use of secondary batteries is essential for a stable supply.

In the manufacturing process for secondary batteries including lithium-ion secondary batteries, powders are handled in many processes, and our powder processing technology is applied in these processes.

For example, we propose our twin-screw continuous kneaders for the manufacturing process of electrode slurries. Compared to the current situation where electrode slurries are manufactured in a batch method, the use of continuous kneaders will shorten the kneading time and reduce the CO₂ emissions generated in the battery manufacturing process. The compact size of the equipment also contributes to the reduction of carbon dioxide emissions related to building construction. Moreover, we are working with KUBOTA Corporation on joint research of a continuous production system for electrode slurries of secondary batteries to enhance the reliability of the continuous production system.

We offer equipment for secondary battery materials, including crushers, dryers, calciners, etc. By utilizing this equipment in the battery manufacturing process, we strive to ensure a stable supply of secondary batteries as well as to contribute to reducing CO₂ emissions and expanding the use of renewable energy in the automobile industry.



Vertical roller mill (for metal resource separation and collection)



Continuous kneader (for the electrode slurry manufacturing process)

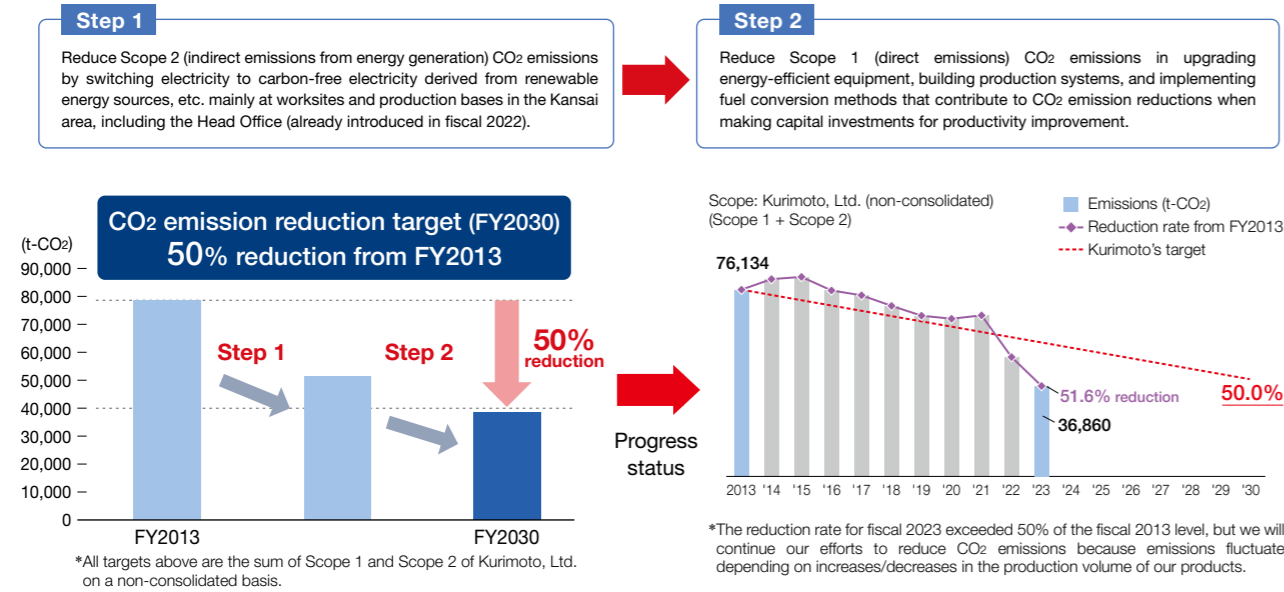


External heating type rotary kiln (ceramic retort)

E Environmental Initiatives

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. We are 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 emissions throughout its entire supply chain since fiscal 2021. In the first year (fiscal 2021), we made a trial calculation to estimate the scale through the entire supply chain, and we started official calculations in fiscal 2022. Going forward, we will continue calculation, expanding the scope from a non-consolidated to consolidated basis to further confirm the conformity of the calculated values 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 (1,000 t-CO2)			
		FY2021	FY2022	FY2023	
Scope 1 [Direct emissions]	Direct emissions from the use of fuels and industrial processes in the company	44.6	40.2	35.3	
Scope 2 [Indirect emissions from energy generation]	Indirect emissions from the use of electricity and heat purchased by the company	18.2	1.3	1.6	
Scope 3 [Other indirect emissions]	Category 1	Products and services purchased by the company	(174.7)	276.3	239.4
	Category 2	Capital goods	6.9	4.4	6.0
	Category 3	Fuel and energy-related activities not included in Scope 1 and 2	15.5	14.0	12.8
	Category 4	Transportation and delivery (upstream)	Not calculated	11.5	15.2
	Category 5	Waste generated by business operations	3.7	3.5	3.2
	Category 6	Business trips	0.2	0.2	0.2
	Category 7	Employee commuting	0.7	0.8	0.7
	Category 8	Leased assets (upstream)	Not applicable	Not applicable	Not applicable
	Category 9	Transportation, delivery (downstream)	Not calculated	0.1	0.1
	Category 10	Processing of sold products	Not calculated	Under consideration	Under consideration
	Category 11	Use of sold products	(80.7)	116.1	65.7
	Category 12	Disposal of sold products	(12.1)	11.3	11.4
	Category 13	Leased assets (downstream)	Not applicable	Not applicable	Not applicable
	Category 14	Franchise	Not applicable	Not applicable	Not applicable
	Category 15	Investment	Not applicable	Not applicable	Not applicable
Total GHG emissions through the supply chain		(357.3)	479.6	391.6	

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

*For Scope 3 calculations, some figures have been revised after the results of the FY2022 calculations were reviewed at the time of the FY2023 calculations.



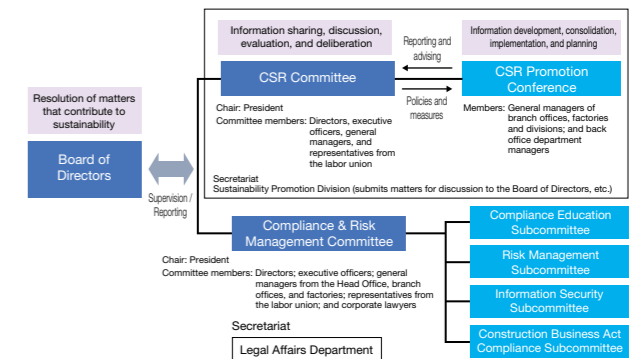
Response to TCFD

In support of TCFD (Task Force on Climate-related Financial Disclosures) recommendations, we have been implementing initiatives since fiscal 2022 to disclose information regarding risks and opportunities that climate change presents to our businesses in terms of governance, strategy, risk management, and indicators/targets. We added the two segments of Lifeline Business and Machinery System Business in fiscal 2023, with a segment of Industrial Materials Business introduced in fiscal 2024, and have been disclosing information on the results of our analysis of the risks and opportunities that climate change presents to each of our business segments in terms of governance, strategy, risk management, and indicators/targets.

Governance system

To contribute to the realization of a sustainable society, we hold CSR committee meetings twice a year and CSR promotion conferences four times a year, with the Sustainability Promotion Division serving as the secretariat. First, in CSR promotion conferences, we share information to help resolve ESG issues including climate change, review new policies, propose specific activities, and develop plans to put them into practice. In CSR committee meetings, we hold discussions and deliberations on the results of practice, plans, and practice details regarding sustainability suggested from the opinions collected in the CSR promotion conferences. Matters decided upon are resolved by the Board of Directors to reflect in management of the entire Group.

Sustainability promotion organization diagram



Strategy

We are conducting scenario analysis to understand the impact of risks and opportunities arising from climate change. Please refer to the scenario analysis results on the next page for the analysis results.

In fiscal 2021, the Board of Directors discussed issues regarding the conversion to carbon-free electricity, the use of biofuels, and a production system contributing to reducing greenhouse gas (GHG) emissions and set a target of reducing GHG emissions by 50% in fiscal 2030 compared to fiscal 2013. We are thus promoting initiatives toward the challenge of carbon neutrality by 2050.

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
	Physics	IPCC RCP 2.6
		IPCC RCP 8.5

Risk management

In accordance with our risk management regulations, risks related to each business division and our Group companies are identified every three years, and a risk matrix is prepared by the Risk Management Subcommittee. Identified risks are classified into four categories: human, property, liability, and credit. These are rated on three levels of severity (including impact on management) and at four levels of frequency or probability of occurrence.

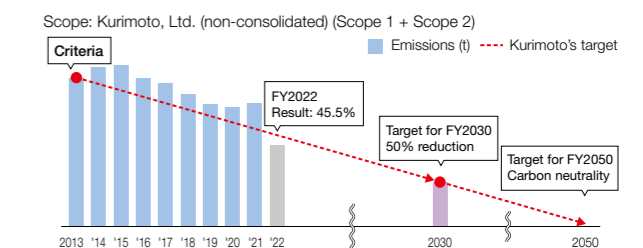
Specifically, the risk matrix is reviewed once a year, and the results are examined and approved by the Compliance & Risk Management Committee.

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 and implement initiatives towards. Risks that could have a significant impact on our business are identified and reflected in our management plan through the risk management system described above.

Indexes and targets

We started Scope 3 calculation in fiscal 2023 for understanding and reduction of CO2 emissions through the entire supply chain. The actual results for fiscal 2022 included a CO2 emissions reduction by 45.5% compared to fiscal 2013 due to influences such as introduction of electricity derived from renewable energy sources. In fiscal 2024, we will promote initiatives to reduce CO2 emissions through understanding the CO2 emissions of Scope 1, 2, and 3 throughout our entire Group and taking the countermeasures shown in the scenario analysis results (see page 49).

Actual results of CO2 emissions in FY2022 and reduction targets (Scope 1+2) [t-CO2]



E Environmental Initiatives

Scenario analysis results

Effects of Climate-related Issues (Risks and Opportunities)		Potential events by business segment	Severity Assessment		Our major countermeasures	
			1.5°C Scenario	4°C Scenario		
Impact associated with the shift to decarbonized society	Risks	Carbon tax and emissions trading	[All segments] Tax payments and emissions trading costs will be incurred in accordance with the amount of greenhouse gas (GHG) emissions.	High	Low	<ul style="list-style-type: none"> Visualization of GHG emissions and reduction of Scope 1 and 2 emissions Introduction of renewable electricity and internal carbon pricing (ICP) Improving energy efficiency of production facilities and optimizing production
		Regulations on the use of fossil fuels	[Lifeline] Increased costs in iron pipe (water pipe) production due to the switch from fossil fuels to alternative fuels [Machinery system] Decrease in sales due to sluggish demand in the petrochemical and steel markets [Industrial materials] Rise in costs due to the switch from fossil fuels to alternative fuels used to improve the worksite environment	Medium	Low	<ul style="list-style-type: none"> Switching from fossil fuels to non-fossil fuels such as biomass solid fuels and electric energy Reducing fossil fuel consumption Identifying market trends through decarbonization
		Plastics regulations Recycling regulations	[Machinery system] Decrease in sales of plastic-manufacturing machinery due to slowdown in plastic usage [Industrial materials] Decrease in sales due to sluggish demand for FRP pipes, etc.	Medium	Low	<ul style="list-style-type: none"> Promoting recycling of plastics and the circular economy
		Introduction of renewable energy and energy conservation policies	[All segments] Increase in electricity costs due to the introduction of renewable energy [All segments] Increase in equipment costs due to replacement with energy-saving equipment	High	Low	<ul style="list-style-type: none"> Improving production efficiency through the optimization of production facilities Introducing a power purchase agreement (PPA)
		Changes in the energy mix	[Machinery system] Decrease in sales due to sluggish demand for products related to coal-fired power generation	Medium	Low	<ul style="list-style-type: none"> Assessing climate change measures and market changes
		Changes in raw material costs	[Lifeline] Fluctuations in the price of fossil fuels used for iron pipe (water pipe) production and steep rises in the price of steel and alloys used as raw materials [Machinery system] Steep rises in the price of steel and alloys used as raw materials [Industrial materials] Steep rises in the price of steel plates used for metal ducts and the price of raw materials for plastics	High	Low	<ul style="list-style-type: none"> Reducing raw material usage Diversifying raw material procurement routes Considering alternatives
		Changes in demand for products	[All segments] Higher raw material costs and equipment-switching costs due to a shift in demand to decarbonized products	Medium	Low	<ul style="list-style-type: none"> Strengthening value chain management Improving the energy efficiency of products
	Opportunities	Changes in customer/investor reputations	[All segments] If reluctant to promote environmental initiatives, a decrease in sales from being excluded as a possible business partner, and a decrease in capital procurement due to divestment	High	Low	<ul style="list-style-type: none"> Promoting a shift to carbon-neutral products Generating customer demand with a focus on social issues
		Recycling regulations	[Machinery system] Increase in sales due to higher demand for products related to the recycling business	Medium	Low	<ul style="list-style-type: none"> Shifting to products that can contribute to recycling
		Introduction of renewable energy and energy conservation policies	[All segments] Increase in sales due to higher demand for products related to renewable energy	Medium	Low	<ul style="list-style-type: none"> Expanding sales of energy-saving products and products related to renewable energy (products for biomass, wind power, EVs, rechargeable batteries, hydroelectric power, nuclear power and solar power)
		Information disclosure response	[All segments] New customer acquisition and expanded investment opportunities due to the promotion of proactive environmental initiatives	Medium	Low	<ul style="list-style-type: none"> TCFD and CDP information disclosure and improving disclosure content Disclosure of information through integrated reports Disclosing sustainability information
		Changes in demand for commodities	[All segments] Improved corporate image and increased sales if proactive environmental initiatives are promoted	High	Low	<ul style="list-style-type: none"> (Industrial materials) Exploring the zero emissions building (ZEB) market and transitioning to low-carbon ductile iron pipes (Company-wide) Developing and expanding sales of environment-related products
		Changes in customer/investor reputations	[All segments] New customer acquisition and expanded investment opportunities due to the promotion of proactive environmental initiatives	High	Low	<ul style="list-style-type: none"> Promoting a shift to carbon-neutral products Generating customer demand with a focus on social issues Identifying issues through the introduction of ESG assessments
		Physical effects of climate change	Risks	Intensification of extreme weather	[All segments] Delays in deliveries and construction schedules, costs incurred in securing substitute products due to damage to our facilities and facilities in the supply chain, and a decrease in sales as customers are affected by disasters	Medium
Rising average temperatures	[All segments] Increased summer air-conditioning costs and increased costs for employees to deal with extreme summer heat			Low	Medium	<ul style="list-style-type: none"> Further implementing energy-saving air conditioning equipment and setting appropriate temperatures
Deteriorating working conditions Stricter labor laws	[All segments] Lower labor productivity caused by extreme summer heat, resulting in reduced profitability and the need to improve the working environment due to strengthened labor laws			Low	Low	<ul style="list-style-type: none"> Capital investment that contributes to improving the working environment Ongoing acquisition of Certified Health and Productivity Management Organization recognition (large enterprise category) Automation, AI, and designing for minimum maintenance
Opportunities	Intensification of extreme weather		[Lifeline] Increased demand for iron pipes due to the extension of water supply networks [Industrial materials] Increase in demand for products related to disaster prevention and renovation work as disaster response measures; increased demand for the repair and reinforcement of concrete structures in line with national resilience policies	Low	High	<ul style="list-style-type: none"> Expanding sales of products related to disaster response and national resilience

Disclosure of climate change initiatives by answering the CDP questionnaire

Significance of initiatives for CDP responses

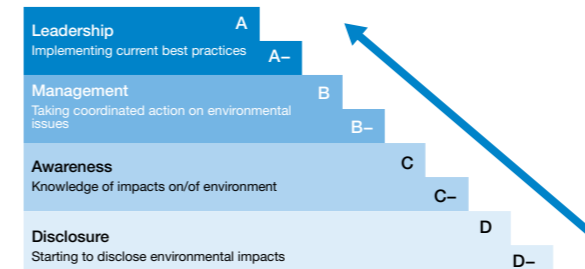
CDP (Carbon Disclosure Project), an international NGO in the environmental field, surveys municipalities and companies on their environmental initiatives through questionnaires to promote disclosure of information on the impact of organizations on the environment and current/ future prospects on their environmental efforts. We started answering CDP questionnaires in fiscal 2023. In addition to responding to stakeholder's demands for disclosure of environmental initiatives through answering the questionnaire, we would like to promote decarbonization management by visualizing the status of climate change initiatives from an objective point of view based on evaluations with CDP scores.



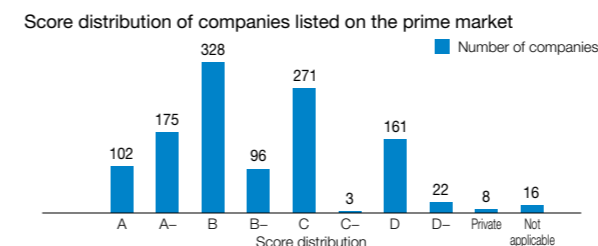
Evaluation results on initiatives

We received rank "B" on the CDP score for climate change, which is a management rank.

This rating shows that "the company recognizes its own risks to climate change and their impact and acts accordingly," which demonstrates that we are advancing initiatives by evaluating the risks and opportunities and setting specific targets.



However, relatively evaluated from the score distribution disclosed by CDP, score B is an average rating in the companies belonging to the Tokyo Stock Exchange (TSE) prime market and indicates that while certain initiatives have been implemented, they have not reached the level of leadership.



Identification of issues based on result analysis

While our company has been able to establish a governance system and analyze risks and opportunities, there are still some issues with plans to put initiatives into action. Furthermore, the GHG calculation has been successful in calculating emissions, including Scope 3, but the initiatives are still limited in that the scope of coverage is non-consolidated and does not include our Group companies.

Moreover, the current calculation does not have sufficient evidence of verification, given that third-party certification has not yet been obtained.

In addition, as the supply chain and value chain have not been sufficiently engaged, we need to improve engagement in the future.

Strength (points of growth and enhancement)	Points of issue (points to be improved)
<ul style="list-style-type: none"> Establishment of governance structure Risk analysis Opportunity analysis GHG emissions calculation, including value chain 	<ul style="list-style-type: none"> Value chain engagement Target setting based on scientific evidence Third-party certification of GHG emissions calculation data

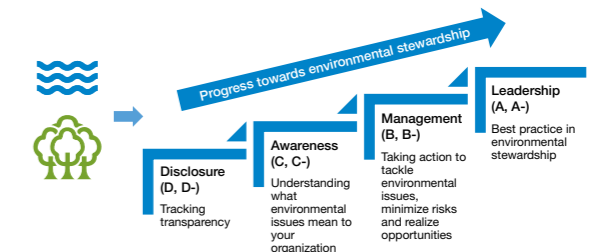
Future prospects

We intend to revise the initiatives policy and improve the level of response by using the CDP as an indicator to view our company objectively through multi-source evaluation and preferentially improving low-rated items based on the questions as a guideline.

Although in fiscal 2023, we answered only questions related to climate change, we recognize that water security is important in our company responsibility for water-related lifelines, and we are planning to answer questions related to water security in the fiscal 2024 questionnaire onward.

We are also involved in businesses to transport water, the source of life, and therefore we think that biodiversity initiatives are also important because loss of natural capital such as forests, producing water, and biodiversity, preserving forests, will be a risk to our business activities.

Based on this, we will first proceed with our efforts to assess the impact of our supply chain activities on biodiversity using the CDP framework and will take the Taskforce on Nature-related Financial Disclosures (TNFD) into consideration in the future.



S Social Initiatives

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.

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 check-ups, 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 FY2024

Target

Zero occupational accidents and zero occupational illnesses

Safety Declaration

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

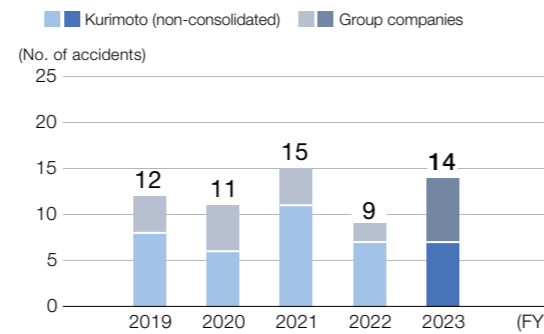
Basic Policy

- 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.
- 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.
- 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.

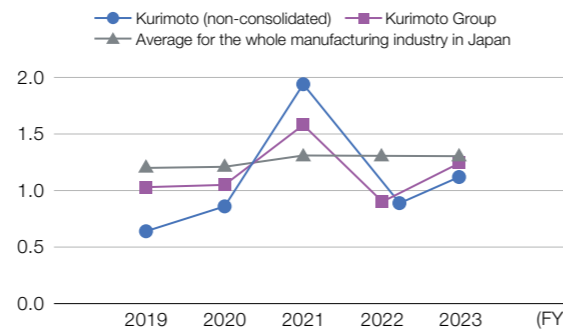
Results of health and safety activities

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



	2019	2020	2021	2022	2023
Kurimoto (non-consolidated)	0.64	0.86	1.94	0.89	1.12
Kurimoto Group	1.03	1.05	1.58	0.91	1.25
Average for the whole manufacturing industry in Japan	1.20	1.21	1.31	1.25	1.29

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 casualties and injuries / Total working hours) × 1,000,000

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

- We provide products from the perspective of customers.
- We provide customers with accurate and comprehensible information.
- We listen sincerely to the precious opinions of customers.
- We give top priority to safety.
- We comply with laws.
- 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 March 31, 2024)

Registered organization	Date of registration	Registration No.	Main product lines, etc.
Kurimoto, Ltd. Pipe Systems Division (Production Department)	January 20, 1995	JQA-0766	Ductile iron pipes
Kurimoto, Ltd. Sumiyoshi Factory • Plant Engineering & Machinery Division • Valve Systems Division • Materials & Machinery Division	May 17, 1996	JQA-1281	Pulverization, kneading, drying and crushing systems; forging and bending roll systems; valves for industrial and public uses; various heat-resistant/wear-resistant metal castings; products related to brakes for railway vehicles
Kurimoto, Ltd. Plant Engineering & Machinery Division (plant-related)	March 13, 2015	JQA-QMA15184	Design, procurement, construction, commissioning, maintenance, and supply of parts for resource plants, power plants, energy plants and other similar plants
Kurimoto, Ltd. Construction Materials Division	September 30, 1996	Q4193	Products related to ducts for equipment, building material products for construction and civil engineering, noise reduction equipment
Kurimoto, Ltd. Plastic Products Division	May 28, 1999	JQA-QM3393	Fiber-reinforced plastic mortar pipes, various fiber-reinforced plastic moldings
Japan Castering Co., Ltd. Kawara Factory	March 23, 2018	JQA-QMA15776	Heat-resistant and wear-resistant casting for industrial devices
Motoyama Eng. Works, Ltd.	May 15, 1994	UKAS No.3449752	Control valves, safety valves, industrial equipment
KS-Tech Co., Ltd.	July 30, 2010	UKAS No.06546	Roll forging machines, cutting machines, forging machines, bending rolls
Yashima Chemical Engineering Co., Ltd.	December 19, 2016	ISQA1119	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)

S Social Initiatives

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.

<p>Corporate Standards of Conduct [Procurement]</p> <ul style="list-style-type: none"> 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. 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. 	<ul style="list-style-type: none"> 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. 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.
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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.

reports (Japanese only), 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 financial results, securities

Signed the United Nations Global Compact and participated in Global Compact Network Japan



The Kurimoto Group has signed the United Nations Global Compact (hereinafter, "UNGC"), the world's largest sustainability initiative, whereby the United Nations and private enterprises and organizations unite to build a healthy global society. As of March 31, 2024, we were recognized as an official signatory member.

The UNGC asks signatory enterprises and organizations to act in manners that correspond with Sustainable Development Goals (SDGs) in accordance with the UNGC's Ten Principles in four areas: protection of human rights, elimination of unfair labor practices, environmental responsibility, and anti-corruption.

Shiki Theatre Company's "Theater of the Heart"



Since fiscal 2022, Kurimoto has been sponsoring the "Kokoro no Gekijo" (Theater of the Heart) performance in Osaka, a project in which the Shiki Theatre Company and the Performing Arts Center invite elementary school students throughout Japan to enjoy a musical show free of charge. Kokoro no Gekijo aims to use musical theater to convey important life lessons such as the preciousness of life, consideration for others, and the joy of mutual trust.

Evacuation drill with local residents



Our Sumiyoshi Factory conducted an evacuation drill jointly with the neighboring GLP Japan Inc. with participation from local residents (about 70 people including elementary school students) for preparation in the event of a tsunami caused by a Nankai Trough earthquake or the like.

The participants checked the evacuation route to the rooftop of the factory's main building, which is also a designated disaster evacuation shelter, to ensure safe evacuation in case of emergency. A loudspeaker is installed on the rooftop of the main building to disseminate evacuation information at the time of disaster.



Raising awareness of water environment issues



Riverbed cleanup

As part of our activities to protect sea and land creatures, the Group conducts clean-up activities, mainly along riverbanks. Through ongoing participation in such activities and communication with neighboring companies and local residents at our operating sites, we will make every effort to contribute to environmental preservation for organisms living in rivers flowing into the sea and in the surrounding areas.

Cleanup areas: [Tohoku]: Hirose River, [Kansai]: Yamato River, Ishi River, roads in Osaka City, [Chubu]: Fujimae Higata (tidal flat) at the mouth of the Shonai River (Toki River), [Chugoku]: Miyajima Tsutsumigaura Beach (organized by Ricoh Japan), Ota River, roads in Hiroshima City



Encouraging taking on challenges



Professional golfer Rikako Morita returned to touring after five years and eight months since 2018, when she last played at the forefront of tournaments. We intend to conclude a sponsorship agreement with Ms. Morita and support her career because her attitude of challenging herself to reach beyond her past resonates with the spirit of our catchphrase, "Challenge to change."

In addition, for a donation made to the World Aquatics Championships held in Fukuoka City last year, we received a letter of appreciation from the city for being part of contributions to sustainable development in the region. We will continue to contribute to society through sports.



G 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.

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 2023, 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, extraordinary meetings of the Board of Directors, 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.

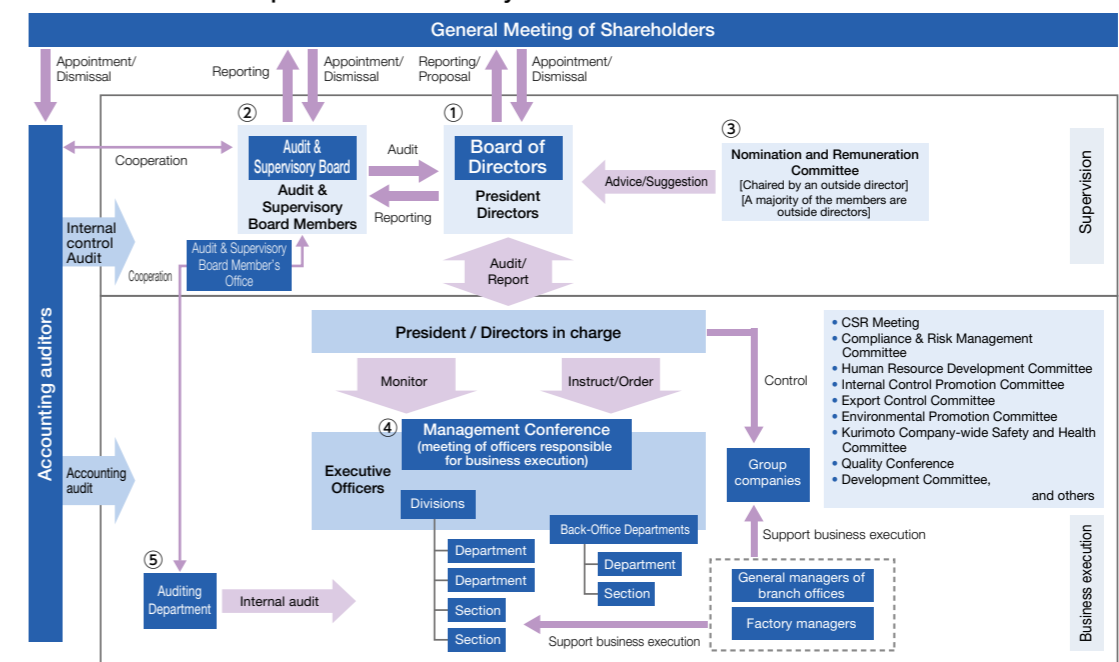
Skills matrix of Directors and Audit & Supervisory Board Members

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 26, 2024)

	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	—	●	●			●	●
	Tomohiko Sato	—	●				●	●
	Kiyoshi Sawai	—	●	●	●		●	●
Audit & Supervisory Board Members	Yukitaka Fujimoto	—	●				●	●
	Maki Arita	—	●			●		
	Osamu Honda	—	●			●	●	●

Organizational chart of the Corporate Governance system



- ① 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.
- ② 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.
- ③ The Committee is comprised by majority of independent outside directors and chaired by an independent outside director to ensure independence.
- ④ 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.
- ⑤ 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.

G Corporate Governance

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 (65% of the total), a "stock compensation portion" (10% 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 (medium-term management 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 2023.

Method of effectiveness assessment

Assessment period: April 1, 2023 to March 31, 2024

Assessors: All directors and all auditors (12 individuals)

Main items of the questionnaire: 24 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. Response to the corporate governance code and other issues
5. General comments

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 2023, the Board of Directors addressed two main issues: examination of the composition and role of the Board of Directors and ESG and SDG management.

① Examination of the composition and role of the Board of Directors

With regard to the consideration of specific measures to ensure a balanced composition in the Board in terms of experience, knowledge, and expertise, as well as the Board's role, we confirmed the need for specific measures and discussions along the time axis regarding the direction our company should take based on a long-term perspective.

② ESG and SDG management

The CSR Committee, comprising directors and senior management, held repeated discussions, the details of which are regularly

reported to and deliberated at Board of Directors and other meetings and subsequently incorporated into specific measures in our new three-year medium-term management plan that started in fiscal 2024.

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.

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.

- To ensure that the Board of Directors fulfills its functions, the Board and the Nominating and Remuneration Committee will examine a better composition for the Board that has a better balance in terms of experience, knowledge, and expertise. Regarding the succession plan for the CEO and other senior management members, the Board will provide appropriate oversight and support, taking the skill matrix into consideration.
- To increase opportunities to discuss management issues from a medium- to long-term perspective, a director (or executive officer) will be assigned to each specific issue to be addressed, and steady progress will be made under the leadership of the respective officer in charge. In particular, regarding improvement of the efficiency and profitability of business with emphasis placed on capital cost, we will set quantitative targets and examine KPIs, applying them to relevant business divisions.

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

G 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

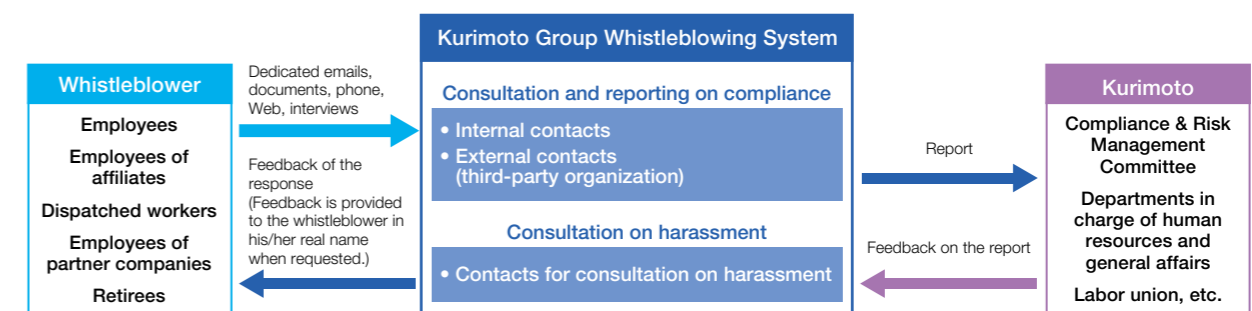
We seek to maintain and update the internal control system by formulating Corporate Standards of Conduct and Basic Policy for Establishment of the Internal Control System as the basic guidelines, and by implementing healthy and transparent management and enhancing internal audits and auditor's audits 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 26, 2024)

Directors



Kazutaka Kikumoto

President

Born April 14, 1956

Number of the company's shares owned:
17,047 shares



Yoshiaki Shingu

Director & Senior Managing Executive Officer

Born July 21, 1957

Number of the company's shares owned:
14,262 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:
6,762 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:
11,770 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:
3,070 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:
2,178 shares

In charge of technology development and
intellectual property



Keiko Kondo

Outside Director

Born January 5, 1963

Number of the company's shares owned:
1,571 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:
1,603 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:
985 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:
4,740 shares

Maki Arita

Outside Audit & Supervisory Board Member

Born July 10, 1968

Number of the company's shares owned:
3,355 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:
1,211 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 NPR-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

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

Masaya Hazama

Executive Officer

General Manager, Technology Development Division

Hiroshi Ono

Executive Officer

General Manager, Corporate Planning Division

*The numbers of the company's shares held are as of March 2024.
The numbers also include shares in the Kurimoto Officer Shareholding Association and the Kurimoto Employee Shareholding Association.

Stock Information

Stock Information (as of March 31, 2024)

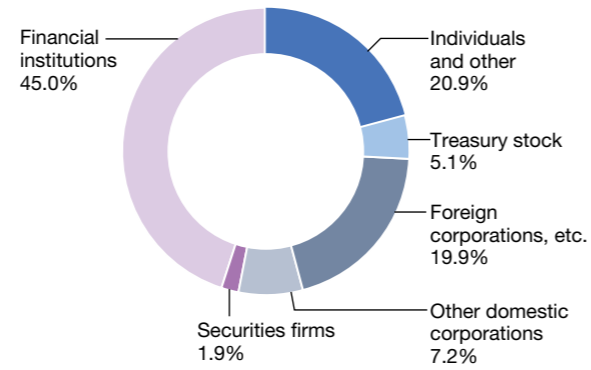
Total number of shares authorized	39,376,600
Total number of shares outstanding	12,798,490
Share unit	100
Number of shareholders	6,446

Major Shareholders (Top 10) (as of March 31, 2024)

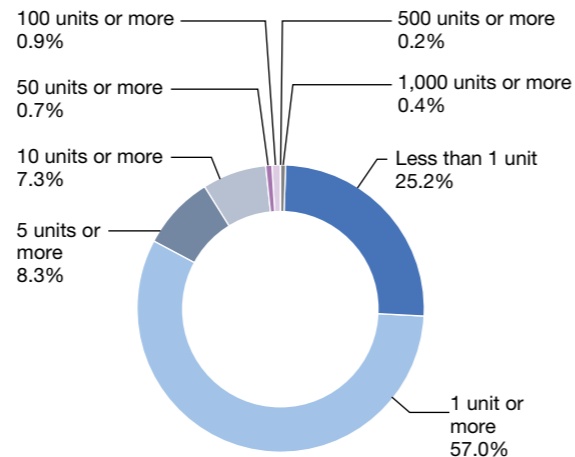
Name	Number of shares held (1,000)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	1,130	9.2
Taiyo Life Insurance Company	1,088	8.9
Nippon Life Insurance Company	678	5.5
Custody Bank of Japan, Ltd. (Trust Account)	660	5.4
CEPLUX- THE INDEPENDENT UCITS PLATFORM 2	588	4.8
Resona Bank, Ltd.	444	3.6
Mizuho Bank, Ltd.	362	2.9
Custody Bank of Japan, Ltd. as trustee for Mizuho Bank Retirement Benefit Trust Account re-entrusted by Mizuho Trust & Banking Co., Ltd.	320	2.6
Iwatani Corporation	289	2.3
Kurimoto Employee Shareholding Association	272	2.2

*1 We hold treasury stock (645,181 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) (32,475 shares).

Breakdown of Shareholding by Investor Type (as of March 31, 2024)



Breakdown of Shareholding by Number of Shares Held (as of March 31, 2024)



Company Profile

Company Profile (as of March 31, 2024)

Company Name	Kurimoto, Ltd.
Founded	February 2, 1909
Incorporated	May 10, 1934
Capital	31,186,098,159 yen
Number of employees	1,316 (non-consolidated) 2,121 (consolidated)

Kurimoto Group (as of April 2, 2024)

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.
 Sankyo Machinery, 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, 2024)

