
Financial Results for the Three Months Ended June 30, 2022

Kurimoto Group



Contents

- 1. Financial Results for the Three Months Ended June 30, 2022**
- 2. Earnings Forecast for the Year Ending March 31, 2023**
- 3. Shareholder Return**
- 4. Company Information**

Reference Materials

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

1. Financial Results for the Three Months Ended June 30, 2022

1-1 Overview of Financial Results

(Millions of yen)

<Consolidated>

	Results for the Three Months Ended June 30, 2021 (A)		Results for the Three Months Ended June 30, 2022 (B)		YoY (B-A)	Latest Forecast Values* for FYE March 31, 2023 (C)	
Net Sales	21,686	-	25,020	-	3,334	115,000	-
Operating Income (Ratio)	41	0.2%	773	3.1%	732	4,500	3.9%
Ordinary Income (Ratio)	12	0.1%	715	2.9%	702	4,500	3.9%
Quarterly Net income (Ratio) for the Year	10	0.0%	556	2.2%	545	3,200	2.8%

*Latest Forecast Values (C): Values announced on May 13, 2022

Net Sales

For public sector demand, sales subsidiaries posted growth in sales. For private-sector demand, shipments increased as investment constraints amid the pandemic of COVID-19 showed signs of bottoming out. Overall, net sales increased by 3,334 million yen year-on-year.

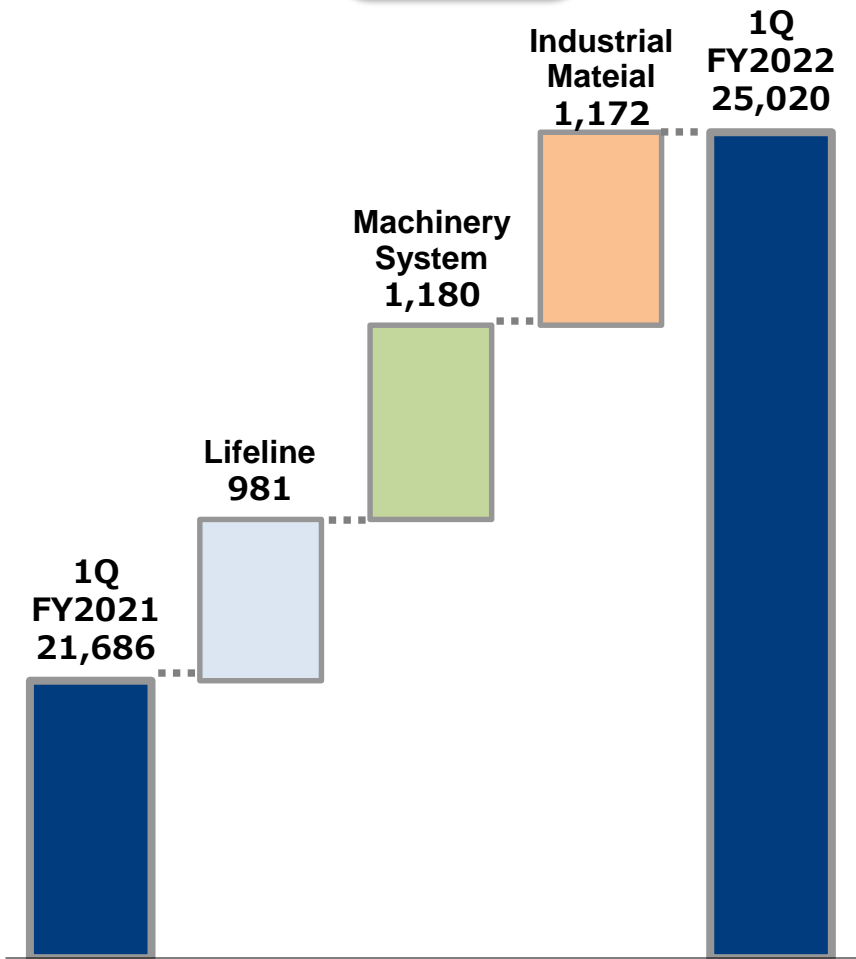
Operating Income

An increase in gross margin resulting from the increase in sales and other factors pushed up operating income by 732 million yen year-on-year.

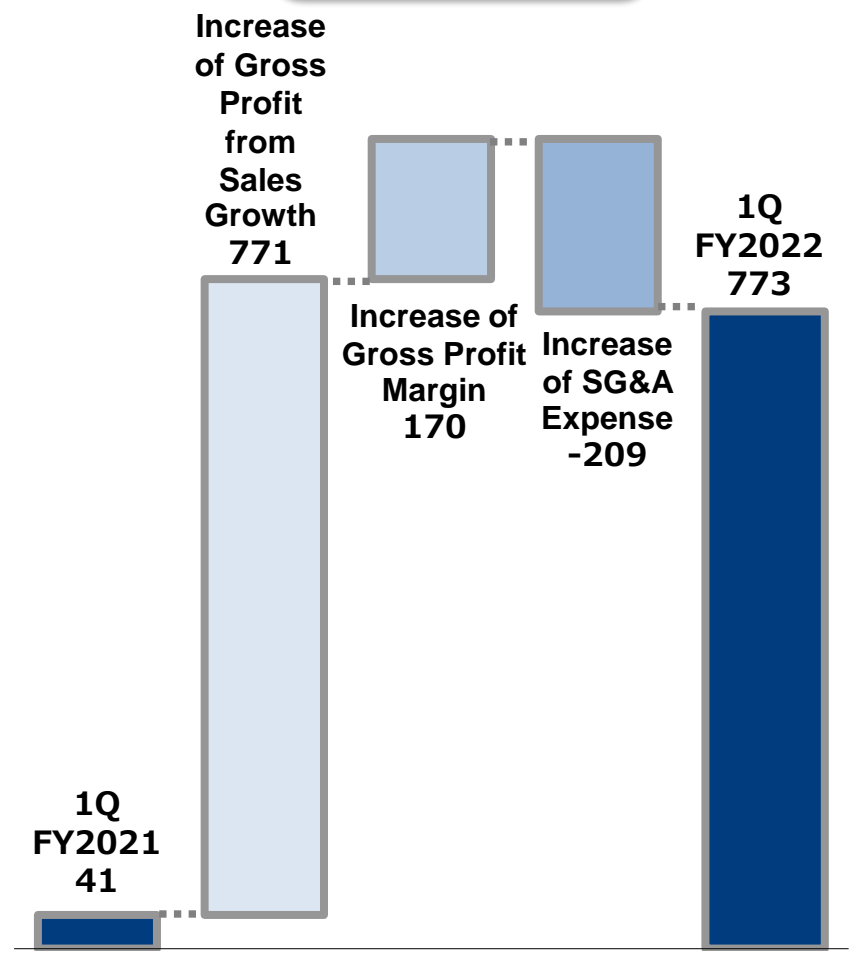
1-2 Comparison of Net Sales and Operating Income

(Millions of yen)

Net Sales



Operating Income



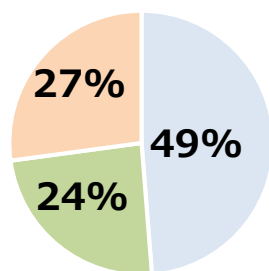
1-3 Segment Results

(Millions of yen)

Consolidated		Results for the Three Months Ended June 30, 2021 (A)	Results for the Three Months Ended June 30, 2022 (B)	YoY (B-A)
Lifeline	Net Sales	11,155	12,136	981
	Operating Income	274	447	172
	Ratio	2.5%	3.7%	1.2pts
Machinery System	Net Sales	4,822	6,002	1,180
	Operating Income	-179	108	288
	Ratio	-3.7%	1.8%	5.5pts
Industrial Materials	Net Sales	5,708	6,881	1,172
	Operating Income	69	234	164
	Ratio	1.2%	3.4%	2.2pts

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

Segment Sales Composition



- Lifeline
- Machinery System
- Industrial Materials

※Reference

P24 Reference Materials 1
Trends of Quarterly Segment Earnings

* Results as of June 30, 2022 (consolidated)

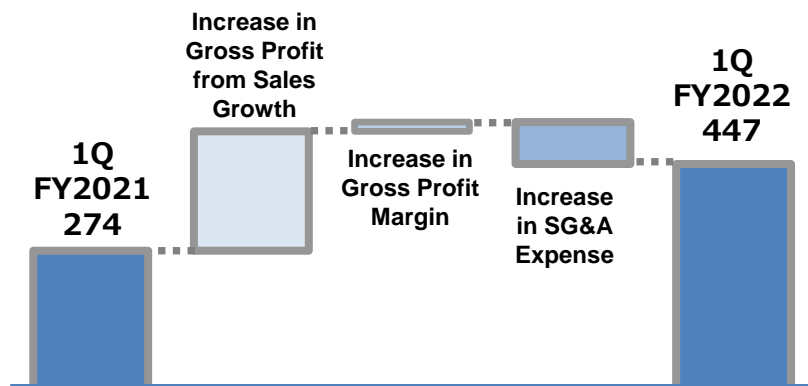
1-4 Overview by Business Segment

Lifeline

(Millions of yen)

	Results for the Three Months Ended June 30, 2021 (A)	Results for the Three Months Ended June 30, 2022 (B)	YoY (B-A)	Latest Forecast Values for FYE March 31, 2023 (C)
Net Sales	11,155	12,136	981	55,700
Operating Income	274	447	172	2,800
Ratio	2.5%	3.7%	1.2pts	5.0%

Breakdown of increase/decrease in Operating Income (Consolidated)



Net sales and Operating Income by Business Segment

Net Sales

The increase in sales posted by sales subsidiaries, along with solid demand for public-sector associated with the Pipe Systems Division and domestic public works, lead to net sales to increase by 981 million yen year-on-year.

Operating Income

Despite the impact of surging raw material prices, operating income increased by 172 million yen year-on-year largely due to the sales growth of the Pipe Systems Division.

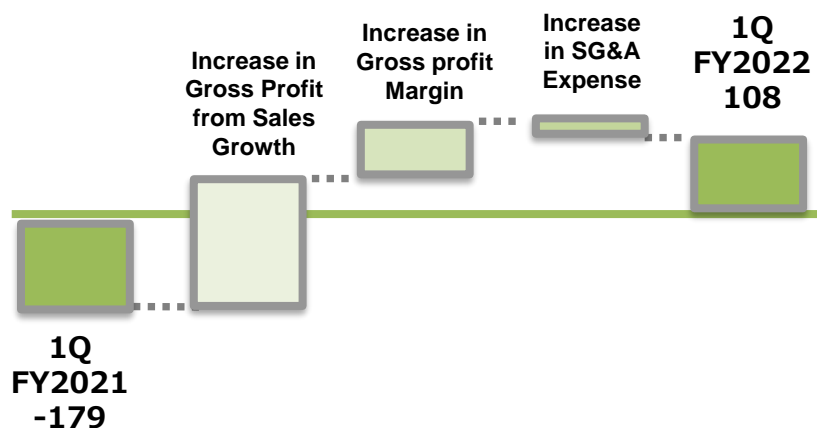
1-4 Overview by Business Segment

Machinery System

(Millions of yen)

	Results for the Three Months Ended June 30, 2021 (A)	Results for the Three Months Ended June 30, 2022 (B)	YoY (B-A)	Latest Forecast Values for FYE March 31, 2023 (C)
Net Sales	4,822	6,002	1,180	29,500
Operating Income	-179	108	288	1,000
Ratio	-3.7%	1.8%	5.5pts	3.4%

Breakdown of increase/decrease in Operating Income (Consolidated)



Net Sales and Operating Income by Business Segment

Net Sales

An increase of 1,180 million yen from the same period of the previous fiscal year due to an increase in sales of maintenance business in the Plant Engineering and Machinery Division and an increase in shipments of crushers and pumps in the Materials and Machinery Division.

Operating Income

Sales increased by 288 million yen year-on-year, mainly due to higher sales in both the Plant Engineering and Machinery Division and the Materials and Machinery Division.

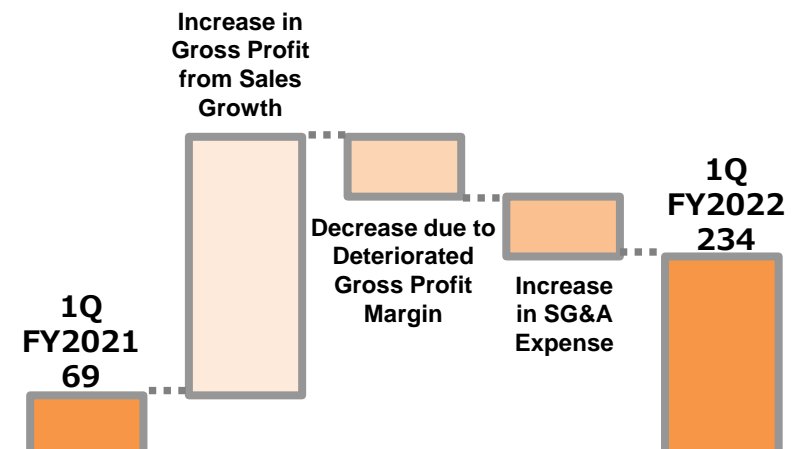
1-4 Overview by Business Segment

Industrial Materials

(Millions of yen)

	Results for the Three Months Ended June 30, 2021 (A)	Results for the Three Months Ended June 30, 2022 (B)	YoY (B-A)	Latest Forecast Values for FYE March 31, 2023 (C)
Net Sales	5,708	6,881	1,172	29,800
Operating Income	69	234	164	700
Ratio	1.2%	3.4%	2.2pts	2.3%

Breakdown of increase/decrease in Operating Income (Consolidated)



Net Sales and Operating Income by Business Segment

Net Sales

Net Sales increased by 1,172 million yen year-on-year due to an increase in shipments of air-conditioning products and civil engineering products in the Construction Materials Division, as well as an increase in shipments of products for sewage systems and FRP inspection passages, a prioritized area, in the Plastic Products Division.

Operating Income

Despite the impact of surging raw material prices, Operating Income increased by 164 million yen year-on-year mainly because both the Construction Materials Division and the Plastic Products Division posted growth in sales.

2. Earnings Forecast for the Year Ending March 31, 2023

2-1 Earnings Forecast for the Year Ending March 31, 2023

(Millions of yen)

Consolidated	Results for FYE March 31, 2022 (A)		Forecast for FYE March 31, 2023 (B)		YoY (B-A)	
Net Sales	105,954	-	115,000	-	9,046	-
Operating Income (Ratio)	4,172	3.9%	4,500	3.9%	328	-0.0pts
Ordinary Income (Ratio)	4,179	3.9%	4,500	3.9%	321	-0.0pts
Net Income (Ratio) for the year	2,917	2.8%	3,200	2.8%	283	0.0pts
Return on Equity (ROE)	-	4.5%	-	4.8%	-	0.3pts

The Group expects growth in both Sales and Profits on public-sector as its key business segments have solid demand, and on private-sector as Plants Engineering and Machinery Division and other sections have shown signs of recovery from temporary investment constraints resulting from the pandemic of COVID-19.

2-2 Earnings Forecast for the Year Ending March 31, 2023 (by segment)

(Millions of yen)

Consolidated		Results for FYE March 31, 2022 (A)	Forecast for FYE March 31, 2023 (B) *1	YoY (B-A)	Initial Mid-Term Plan FYE March 31 2023 (C)*2	Revised Plan (B-C)
Lifeline	Net sales	57,478	55,700	-1,778	54,300	1,400
	Operating income	3,016	2,800	-216	2,500	300
	Ratio	5.2%	5.0%	-0.2pts	4.6%	0.4pts
Machinery System	Net sales	22,095	29,500	7,405	28,600	900
	Operating income	437	1,000	563	700	300
	Ratio	2.0%	3.4%	1.4pts	2.4%	1.0pts
Industrial Materials	Net sales	26,381	29,800	3,419	32,100	-2,300
	Operating income	1,040	700	-340	1,300	-600
	Ratio	3.9%	2.3%	-1.6pts	4.0%	-1.7pts

Lifeline Segment:

Net Sales and Operating Oncome are expected to decrease due mainly to the end of the earthquake reconstruction project in Hokkaido and the impact of soaring raw material prices.

Machinery System Segment:

Net Sales and Operating Income are expected to increase backed by the recovery from temporary investment constraints resulting from the pandemic of COVID-19 and other factors.

Industrial Materials Segment:

Net sales are expected to increase but Operating Income will decrease. While sales are expected to increase in the Road/Bridge Field and the Soundproof Field, increasing raw material prices and a reaction to the previous year's strong performance in construction work projects are likely to exert a negative impact.

*1 Forecast figures as of May 13, 2022 *2 "New Three-Year Mid-Term Business Plan" announced on May 27, 2021

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

2-3 Three-Year Mid-Term Business Plan (Quantitative Targets)

(Millions of yen)

	FY2020 (Actual)	Three-Year Mid-Term Business Plan				
		FY2021			FY2022	FY2023
		(Plan)	(Actual)	(Difference)	(Plan)	(Plan)
Net Sales	116,596	107,000	105,954	-1,046	115,000	120,000
Operating Income	4,673	3,500	4,172	672	4,500	5,500
Operating Income Ratio	4.0%	3.3%	3.9%	0.6%	3.9%	4.6%
ROE	5.2%	3.6%	4.5%	0.9%	4.8%	5.4%

As for the FY2021 targets of "Net Sales of 107 billion yen" and "Operating Income of 3.5 billion yen," actual Net Sales fell below the target but Operating Income exceeded the target. The main factor of lower sales was the postponement of projects sales scheduled to be posted in the fourth quarter. Meanwhile, despite the impact of a decrease in gross margin due to the decrease in Net Sales and increasing raw material prices, review of selling prices, positive effects of reduced manufacturing costs, and improved profits from construction projects were the main factors of the growth of Operating Income.

Regarding the FY2022 Earnings Forecast, public-sector demand related to domestic public work, the Group's key business segment, remains solid. In the private sector, recovery from temporary investment constraints amid the pandemic of COVID-19 is expected, especially in the Machinery Sector. Given the above, we are maintaining our forecasted values in the Three-Year Mid-Term Business Plan: Net Sales of 115 billion yen and Operating Income of 4.5 billion yen.

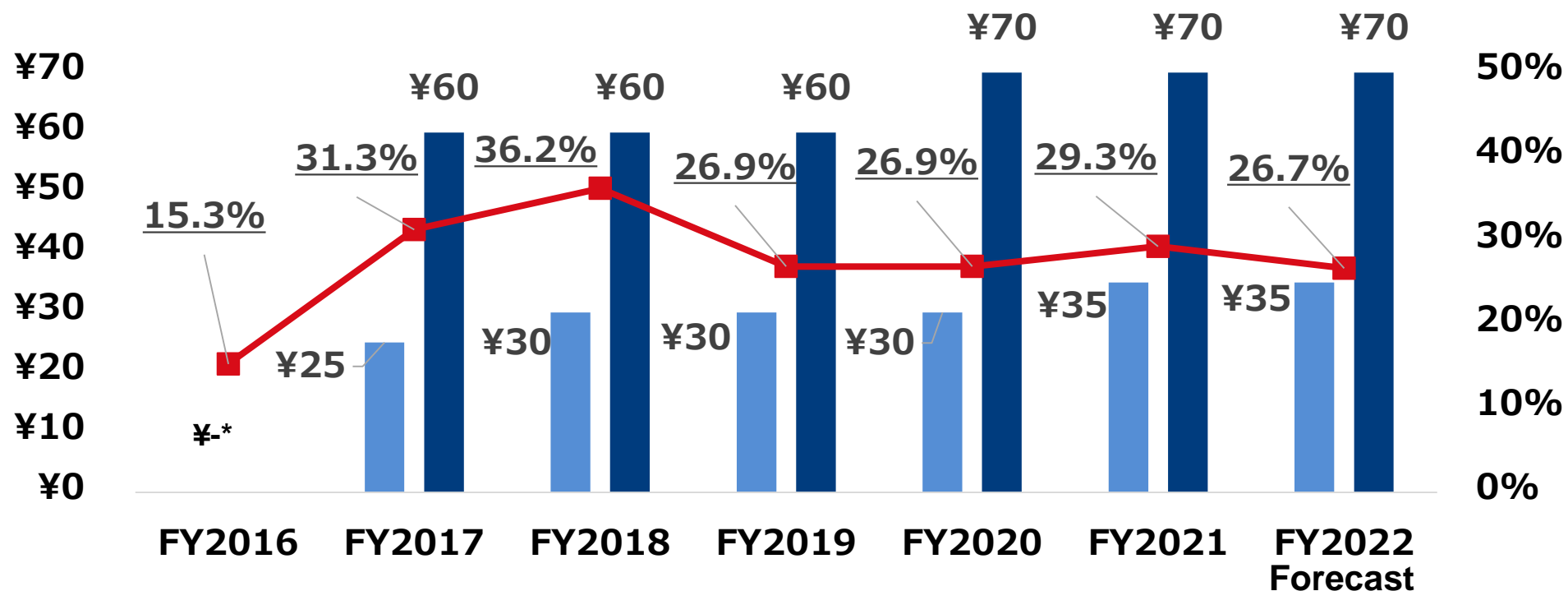
3. Shareholder Return

3 Indicators Related to Shareholder Return

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

Trends of Dividend per Share and Payout Ratio (Consolidated)

- Interim Dividend Amount (yen)
- Dividend Amount (yen)
- Payout Ratio (%)



* Effective October 1, 2016, every ten common shares of the Company were merged into one. As the total annual dividend for fiscal 2016 cannot be simply added up, it is represented as “-”.

4. Company Information

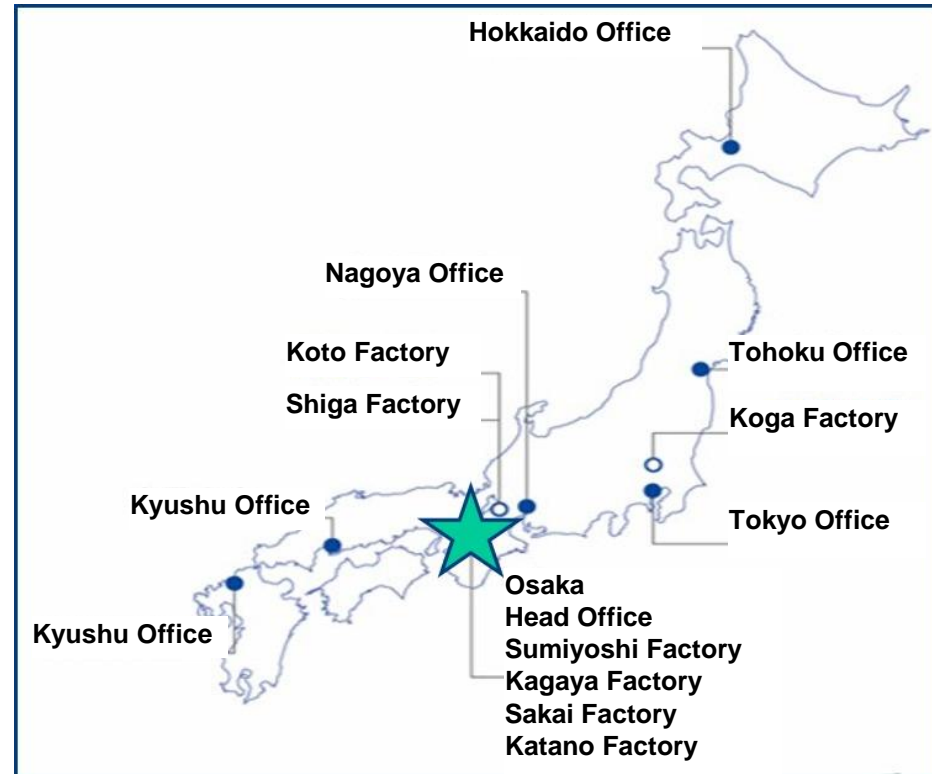
4-1 Company Information

Company Name	Kurimoto, Ltd.	
Founded	February 2, 1909	
Incorporated	May 10, 1934	
Representative	President Kazutaka Kikumoto	
Capital	31.1 billion yen (as of March 31, 2022)	
Number of Employees	2,120 Employees (as of March 31, 2022, consolidated) 1,333 Employees (as of March 31, 2022, non-consolidated)	
Listed on the Prime Market of the Tokyo Stock Exchange (Securities code: 5602)		

4-1 Company Information

Offices and factories :

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



Kurimoto Group (21 companies) :

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

4-1 Company Information

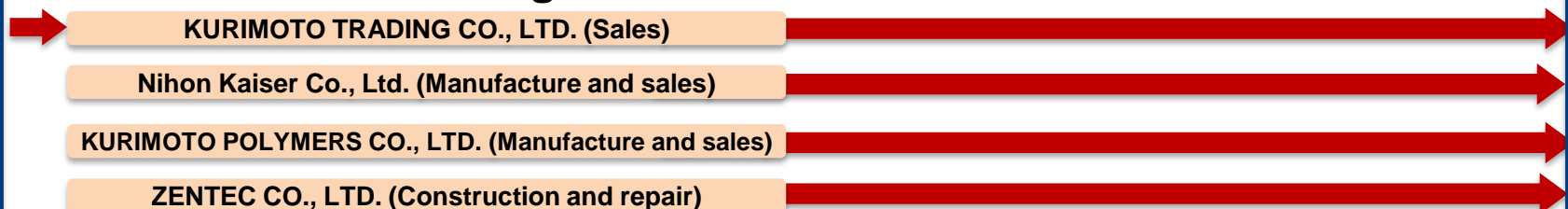
● Lifeline Segment



● Machinery System Segment



● Industrial Materials Segment



4-1 Company Information

Management Principle

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

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

Management Policy

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

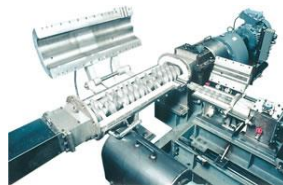
4-2 : Business Domains

Social Infrastructure

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



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



Industrial Equipment

4-2 Composition of Business Divisions and Main Products (Kurimoto, Ltd.)

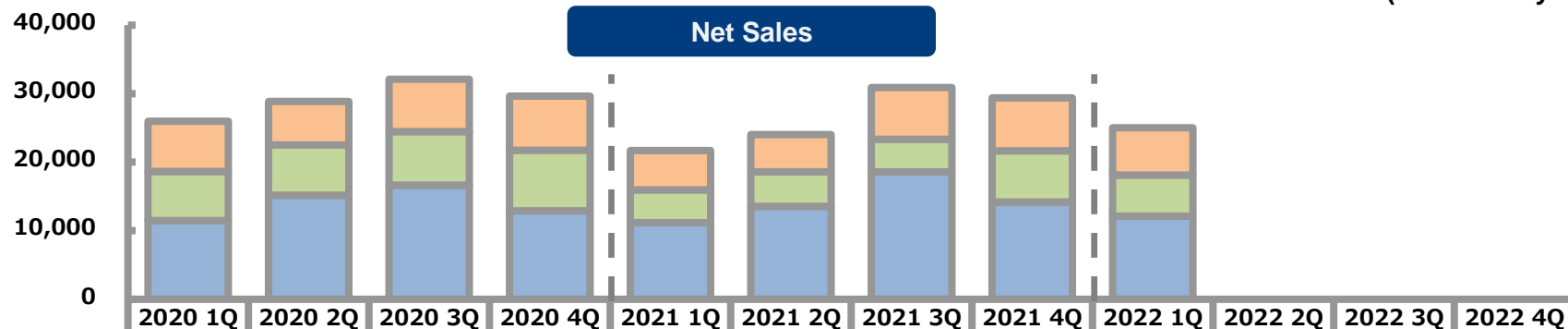
Business segment	Business Domains	Division	Product examples	Major customers
Lifeline	Social Infrastructure	Pipe Systems	Ductile iron pipes	Water utility
		Valve Systems	Water valves, industrial valves	Water utility, various plants such as ironmaking and electric power, pump manufacturers
Machinery System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

Reference Materials

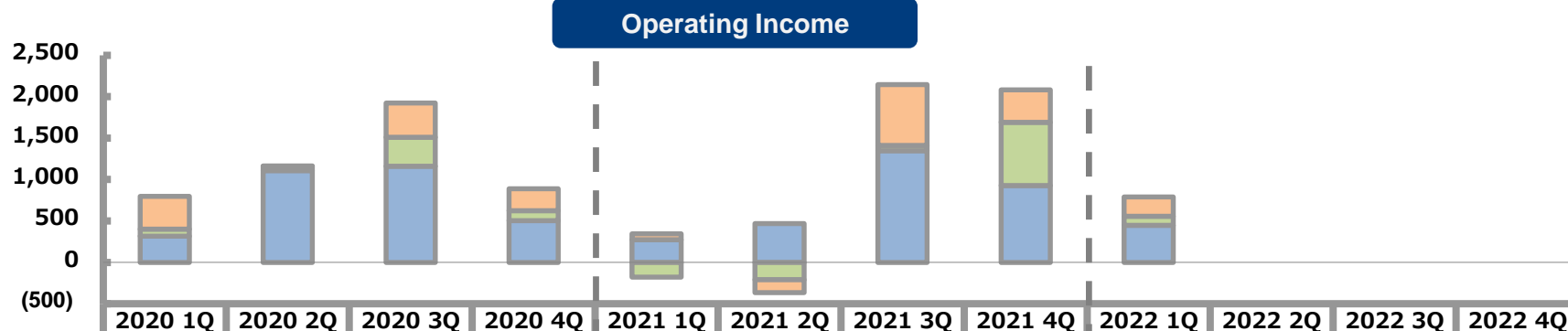
Reference Materials 1

Trends of Quarterly Segment Earnings (Consolidated)

(Millions of yen)



	2020 1Q	2020 2Q	2020 3Q	2020 4Q	2021 1Q	2021 2Q	2021 3Q	2021 4Q	2022 1Q	2022 2Q	2022 3Q	2022 4Q
Industrial Materials	7,311	6,345	7,656	7,914	5,708	5,405	7,536	7,732	6,881			
Machinery System	7,196	7,356	7,786	8,846	4,822	5,057	4,759	7,457	6,002			
Lifeline	11,455	15,174	16,664	12,892	11,155	13,556	18,582	14,185	12,136			



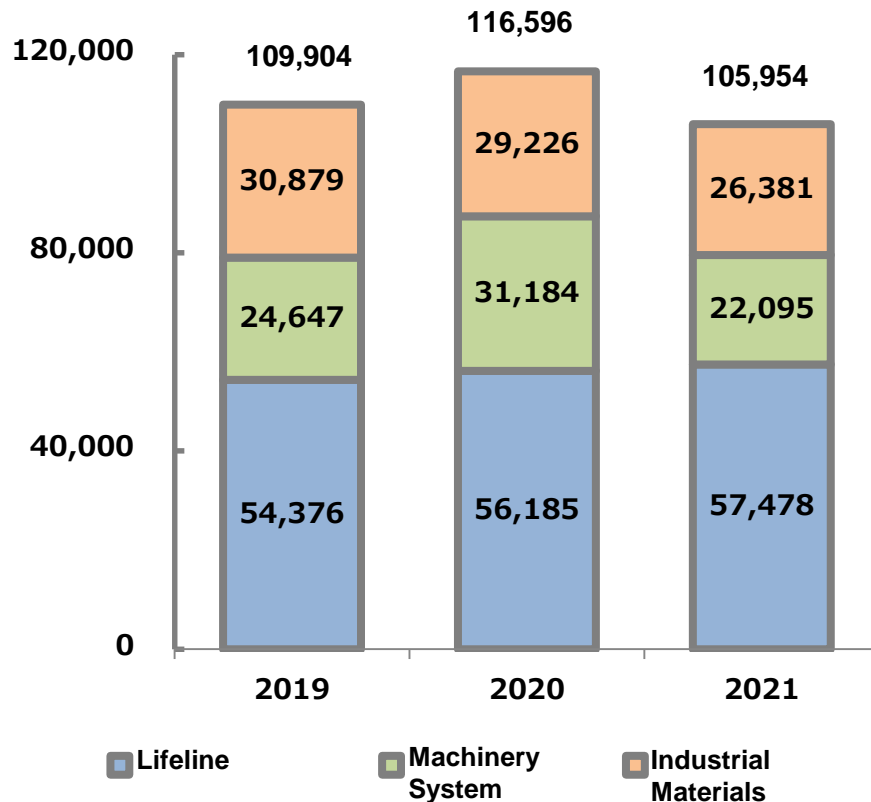
	2020 1Q	2020 2Q	2020 3Q	2020 4Q	2021 1Q	2021 2Q	2021 3Q	2021 4Q	2022 1Q	2022 2Q	2022 3Q	2022 4Q
Industrial Materials	395	1	414	264	69	-155	734	392	234			
Machinery System	84	52	352	122	-179	-210	63	763	108			
Lifeline	318	1,108	1,159	502	-274	467	1,349	926	447			

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

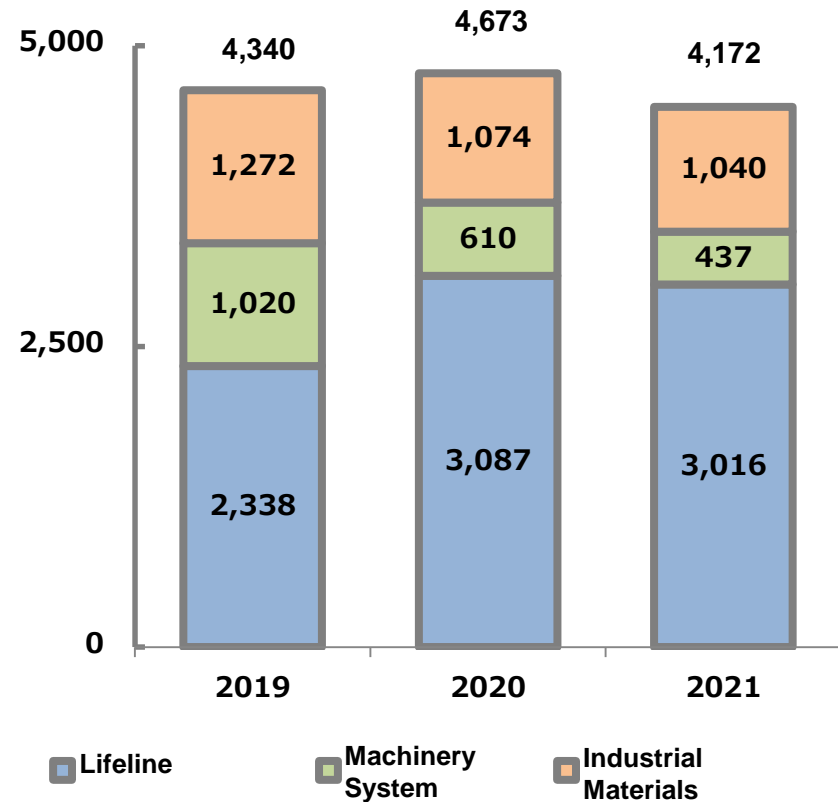
Reference Materials 2 Trends of Segment Earnings

(Millions of yen)

Net Sales



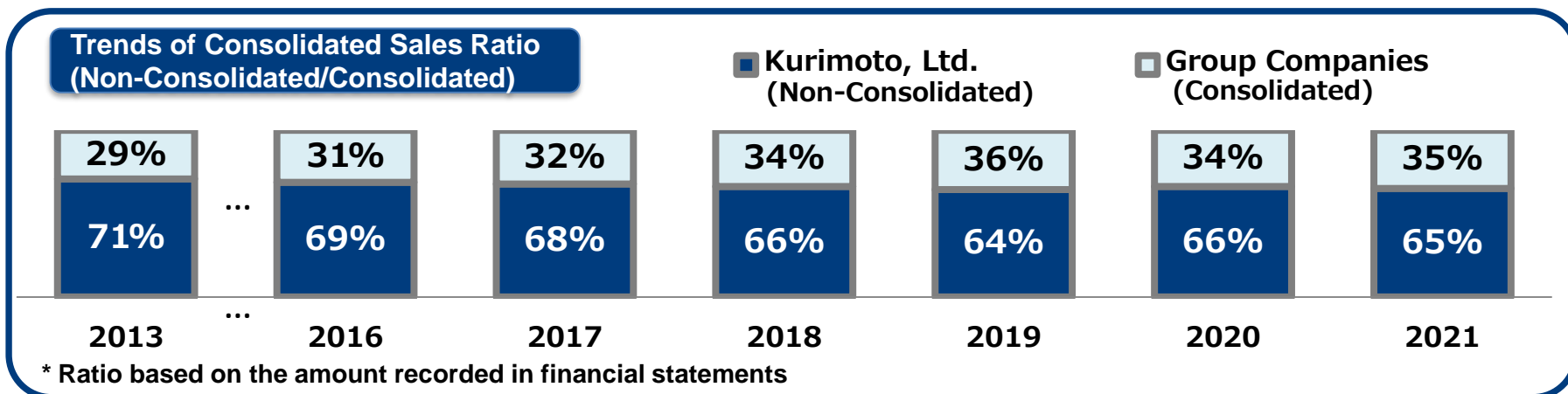
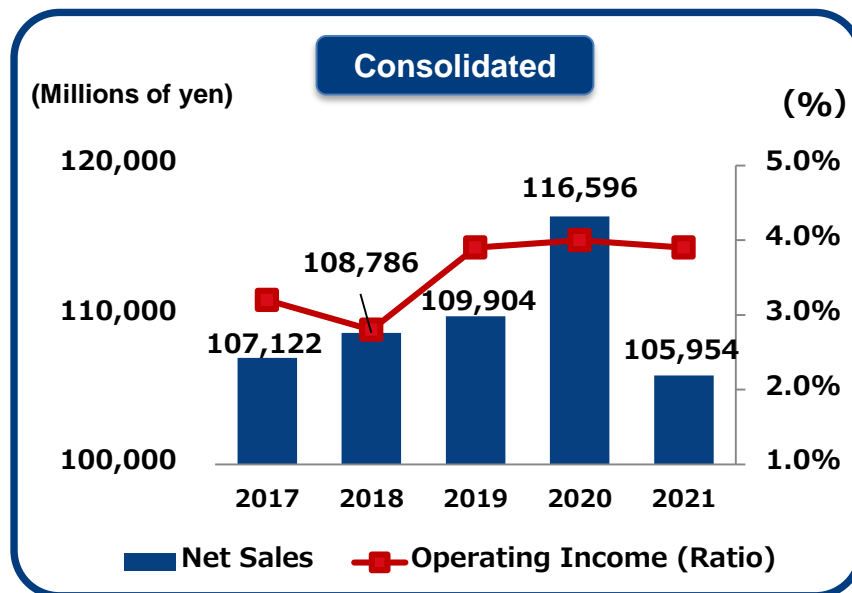
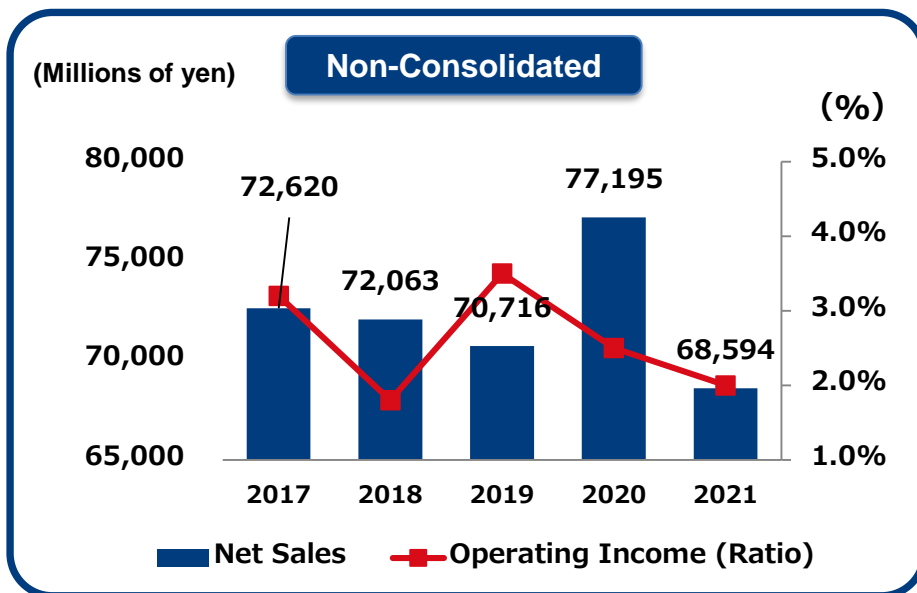
Operating Income



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

Reference Materials 3

Trends of Sales and Operating Income (Non-Consolidated/Consolidated)



Earnings forecast and other forward-looking statements described in this document are based on currently available information and certain assumptions that the Company believes are reasonable, and do not represent a commitment by the Company that they will be achieved. In addition, actual business performance may differ significantly due to a number of factors.

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