
Financial Results for the Nine Months Ended December 31, 2022

Kurimoto Group



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

1. Financial Results for the Nine Months Ended December 31, 2022

1-1 Overview of Financial Results

(Millions of yen)

<Consolidated>

	Results for the Nine Months Ended December 31, 2021 (A)		Results for the Nine Months Ended December 31, 2022 (B)		YoY (B-A)	Latest Forecast Values* for FYE March 31, 2023 (C)	
Net Sales	76,581	-	91,481	-	14,899	118,000	-
Operating Income (Ratio)	2,452	(3.2%)	5,503	(6.0%)	3,050	6,000	(5.1%)
Ordinary Income (Ratio)	2,523	(3.3%)	5,531	(6.0%)	3,008	6,000	(5.1%)
Quarterly Net income (Ratio) for the Year	1,607	(2.1%)	3,827	(4.2%)	2,220	4,200	(3.6%)

*Latest Forecast Values (C): Values announced on February 7, 2023

Net Sales

All segments posted growth in sales, supported by steady public-sector demand and further recovery in private-sector demand from investment constraints amid the COVID-19 pandemic. Overall, net sales increased by 14,899 million yen year-on-year.

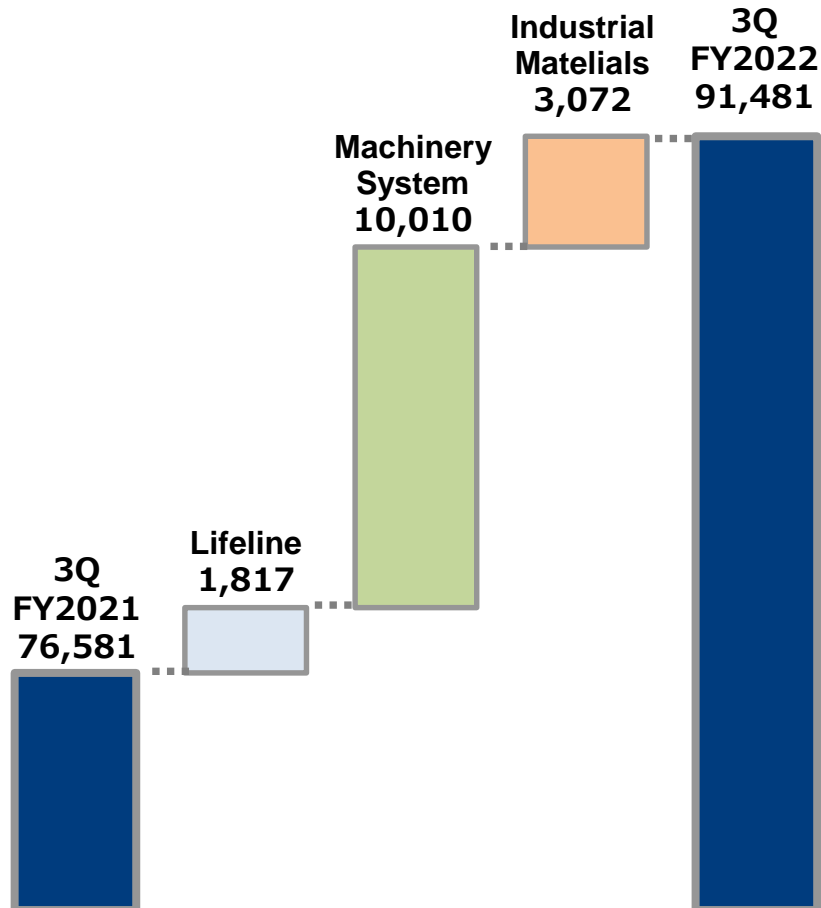
Operating Income

An increase in gross margin resulting from the increase in sales and other factors pushed up operating income by 3,050 million yen year-on-year.

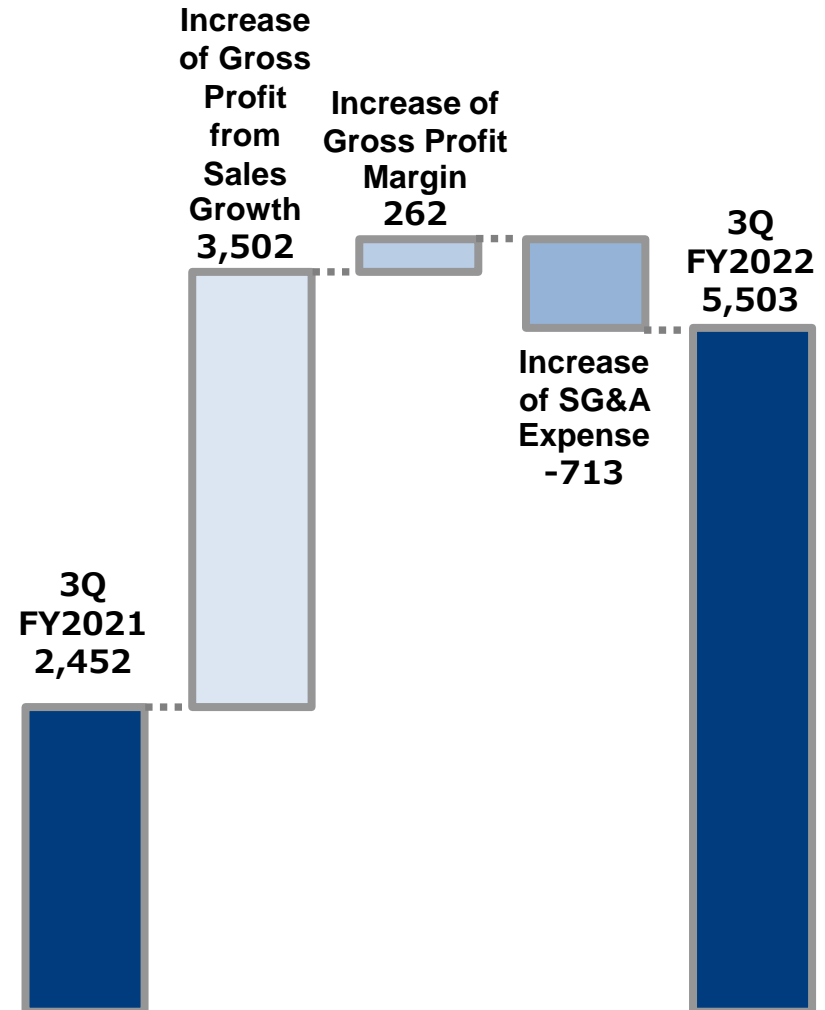
1-2 Comparison of Net Sales and Operating Income

(Millions of yen)

Net Sales



Operating Income



1-3 Segment Results

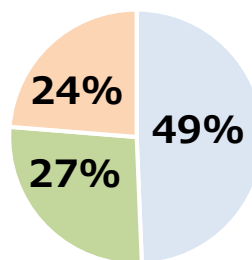
(Millions of yen)

Consolidated		Results for the Nine Months Ended December 31, 2021 (A)	Results for the Nine Months Ended December 31, 2022 (B)	YoY (B-A)
Lifeline	Net Sales	43,293	45,111	1,817
	Operating Income	2,090	2,777	687
	Ratio	4.8%	6.2%	1.4pts
Machinery System	Net Sales	14,638	24,648	10,010
	Operating Income	- 326	1,739	2,066
	Ratio	- 2.2%	7.1%	9.3pts
Industrial Materials	Net Sales	18,649	21,721	3,072
	Operating Income	648	1,056	407
	Ratio	3.5%	4.9%	1.4pts

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

Segment Sales Composition

* Results as of December 31, 2022 (consolidated)



- Lifeline
- Machinery System
- Industrial Materials

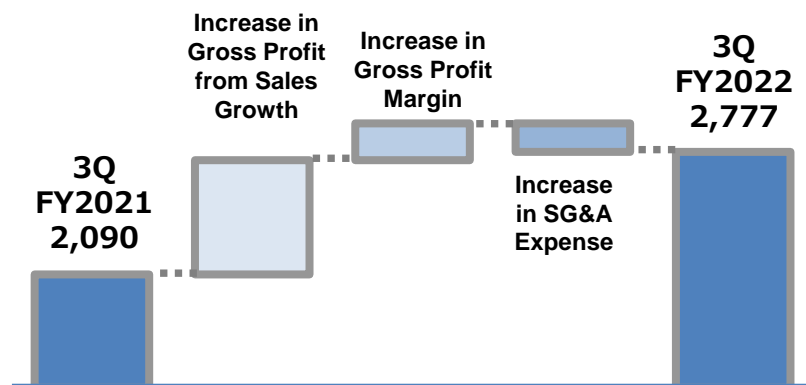
1-4 Overview by Business Segment

Lifeline

(Millions of yen)

	Results for the Nine Months Ended December 31, 2021 (A)	Results for the Nine Months Ended December 31, 2022 (B)	YoY (B-A)	Latest Forecast Values for FYE March 31, 2023 (C)
Net Sales	43,293	45,111	1,817	57,500
Operating Income	2,090	2,777	687	3,200
Ratio	4.8%	6.2%	1.4pts	5.6%

Breakdown of increase/decrease in Operating Income (Consolidated)



Net sales and Operating Income by Business Segment

Net Sales

An increase in sales posted by sales subsidiaries, the Pipe Systems Division, and the Valve Systems Division, along with solid demand for public-sector, lead to net sales to increase by 1,817million yen year-on-year.

Operating Income

Despite the impact of surging raw material prices, operating income increased by 687 million yen year-on-year due to higher sales and the impact of selling price revisions.

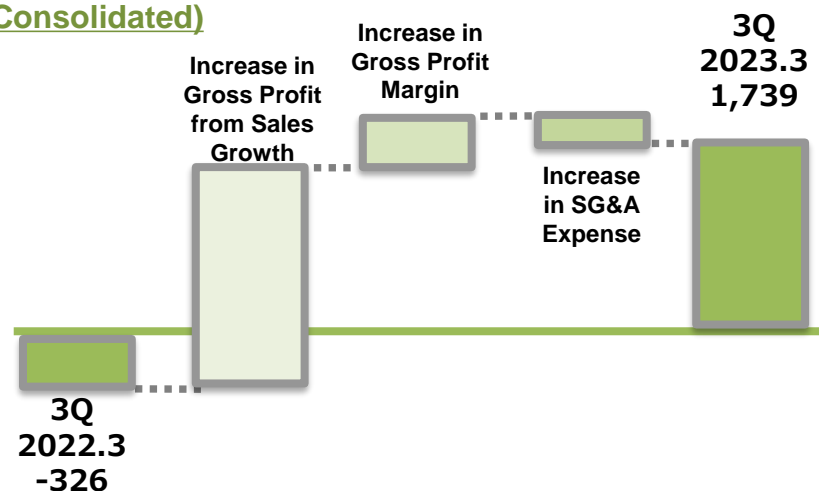
1-4 Overview by Business Segment

Machinery System

(Millions of yen)

	Results for the Nine Months Ended December 31, 2021 (A)	Results for the Nine Months Ended December 31, 2022 (B)	YoY (B-A)	Latest Forecast Values for FYE March 31, 2023 (C)
Net Sales	14,638	24,648	10,010	31,800
Operating Income	- 326	1,739	2,066	1,900
Ratio	- 2.2%	7.1%	9.3pts	6.0%

Breakdown of increase/decrease in Operating Income (Consolidated)



Net Sales and Operating Income by Business Segment

Net Sales

An increase of 10,010 million yen year-on-year mainly due to sales growth in powder systems and press machines in the Plant Engineering and Machinery Division, along with an increase in shipments of crushers and casting parts in the Materials and Machinery Division.

Operating Income

An increase of 2,066 million yen year-on-year mainly due to higher sales in both the Plant Engineering and Machinery Division and the Materials and Machinery Division.

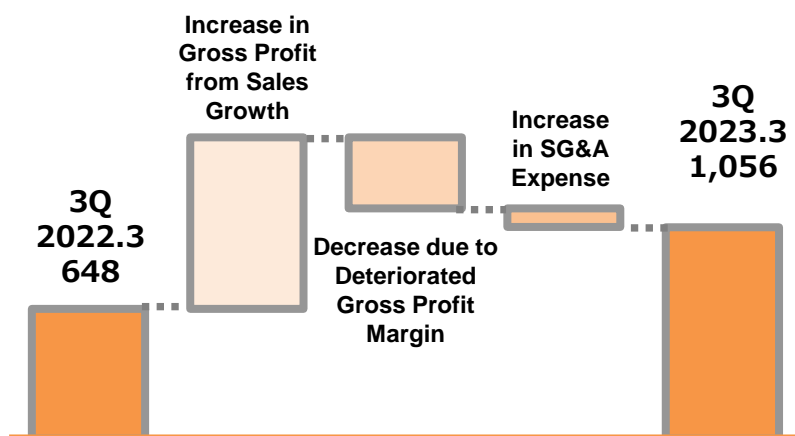
1-4 Overview by Business Segment

Industrial Materials

(Millions of yen)

	Results for the Nine Months Ended December 31, 2021 (A)	Results for the Nine Months Ended December 31, 2022 (B)	YoY (B-A)	Latest Forecast Values for FYE March 31, 2023 (C)
Net Sales	18,649	21,721	3,072	28,700
Operating Income	648	1,056	407	1,100
Ratio	3.5%	4.9%	1.4pts	3.8%

Breakdown of increase/decrease in Operating Income (Consolidated)



Net Sales and Operating Income by Business Segment

Net Sales

Net Sales increased by 3,072 million yen year-on-year primarily due to an increase in shipments of air-conditioning products and noise-reduction products in the Construction Materials Division, as well as an increase in shipments of products for sewage systems and FRP inspection passages in the Plastic Products Division.

Operating Income

Despite the impact of surging raw material prices, Operating Income increased by 407 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)		Previous Forecast for FYE March 31, 2023 (B)		Revised Forecast for FYE March 31, 2023 (C)		YoY (C-A)	
Net Sales	105,954	-	115,000	-	118,000	-	12,046	-
Operating Income (Ratio)	4,172	3.9%	5,000	4.3%	6,000	5.1%	1,828	1.2pts
Ordinary Income (Ratio)	4,179	3.9%	5,000	4.3%	6,000	5.1%	1,821	1.2pts
Net Income (Ratio) for the year	2,917	2.8%	3,700	3.2%	4,200	3.6%	1,283	0.8pts
Return on Equity (ROE)	-	4.5%	-	5.5%	-	6.1%	-	1.6pts

※ Previous Forecast October 31, 2022 Revised Forecast February 7, 2023

Given solid public-sector demand and signs of recovery in private-sector demand from temporary investment constraints amid the COVID-19 pandemic have been seen mainly in the Plant Engineering & Machinery Division, the Group's overall performance is expected to achieve year-on-year growth in both Sales and Profits. With the increase in net sales, operating income, ordinary income, and net income for the year are all expected to exceed the previously announced forecasts.

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	57,500	22	54,300	3,200
	Operating income	3,016	3,200	184	2,500	700
	Ratio	5.2%	5.6%	0.4pts	4.6%	1.0pts
Machinery System	Net sales	22,095	31,800	9,705	28,600	3,200
	Operating income	437	1,900	1,463	700	1,200
	Ratio	2.0%	6.0%	4.0pts	2.4%	3.6pts
Industrial Materials	Net sales	26,381	28,700	2,319	32,100	- 3,400
	Operating income	1,040	1,100	60	1,300	- 200
	Ratio	3.9%	3.8%	- 0.1pts	4.0%	- 0.2pts

Lifeline segment:

Although the Hokkaido earthquake reconstruction project ended, the revision of selling prices will contribute to secure net sales of the same level as the previous fiscal year. Both net sales and operating income are expected to grow due partly to the effect of cost reduction activities.

Machinery System segment:

Both net sales and operating income are expected to increase as the Plant Engineering & Machinery Division and other divisions recover from temporary investment constraints resulting from the COVID-19 pandemic .

Industrial Materials segment:

Construction investment in urban areas is beginning to return to the previous level ,although raw material prices are soaring, and both net sales and operating income is likely to increase.

*1 Forecast figures as of February 7, 2023 *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)	(Forecast)	(Difference)	(Plan)
Net Sales	116,596	107,000	105,954	-1,046	115,000	118,000	3,000	120,000
Operating Income	4,673	3,500	4,172	672	4,500	6,000	1,500	5,500
Operating Income Ratio	4.0%	3.3%	3.9%	0.6%	3.9%	5.1%	1.2%	4.6%
ROE	5.2%	3.6%	4.5%	0.9%	4.8%	6.1%	1.3%	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 earnings forecast for FY2022, public-sector demand associated with public work in Japan, the Group's key business segment, remains solid. The private sector, especially the Machinery segment, expects recovery from temporary investment constraints during the COVID-19 pandemic. With the above in consideration, forecasted values were upwardly revised on October 31, 2022, and both net sales and operating income were upwardly revised again to 118.0 billion yen and 6.0 billion yen, respectively, on February 7, 2023. The planned values for FY2023 in our Three-Year Mid-Term Business Plan remain unchanged at this juncture.

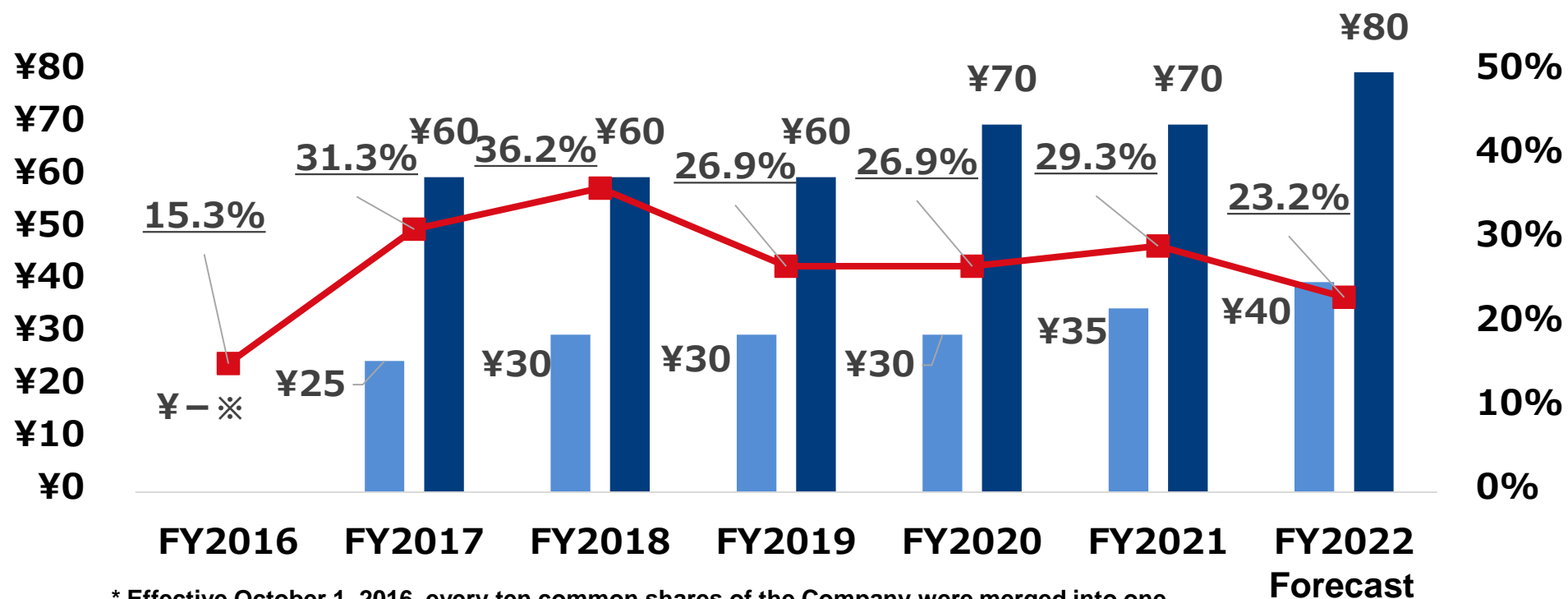
3. Shareholder Return

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 “-”.

Reference Materials

Reference Materials 1 Company Information

Company Name	Kurimoto, Ltd.
Founded	February 2, 1909
Incorporated	May 10, 1934
Representative	President Kazutaka Kikumoto
Capital	31.1 billion yen (as of March 31, 2022)



Number of Employees	2,120 Employees (as of March 31, 2022, consolidated) 1,333 Employees (as of March 31, 2022, non-consolidated)
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Listed on the Prime Market of the Tokyo Stock Exchange (Securities code: 5602)

Reference Materials 1 Company Information

Offices and factories :

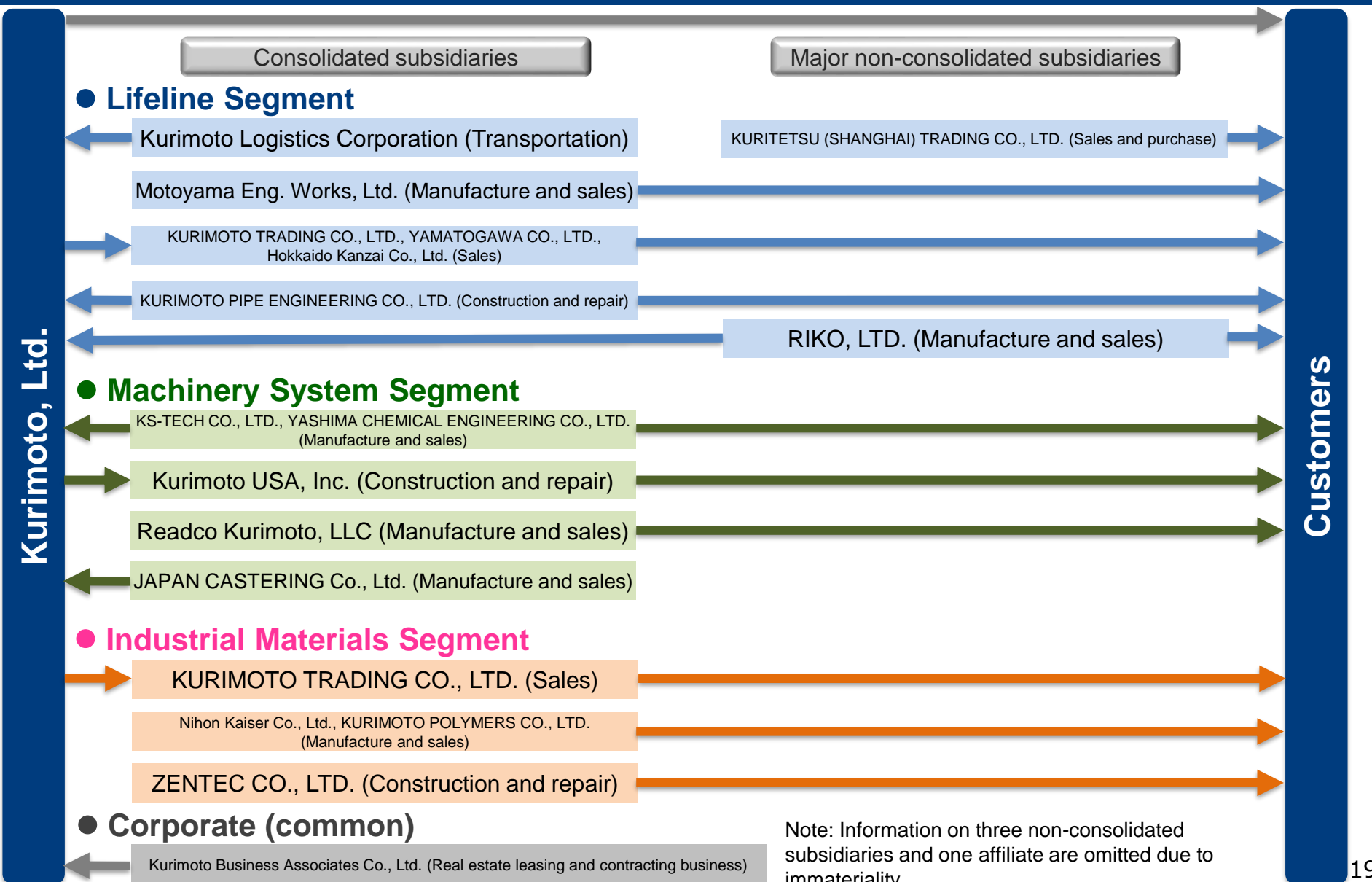
- **Factories (13 areas)**
Osaka: 4 factories
Shiga, Koga, etc.
- **Domestic Offices (8 areas)**
Head Office(Osaka), Tokyo,
Hokkaido, Tohoku, Nagoya,
Chugoku, Kyushu, Okinawa
- **Oversea Offices (2 areas)**
Europe Office (Germany)
Jakarta Office (Indonesia)



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.

Reference Materials 1 Company Information



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

Reference Materials 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."

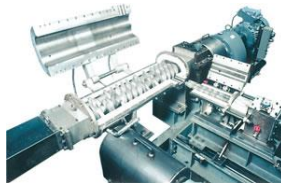
Reference Materials 2 Business Domains

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

Reference Materials 3

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

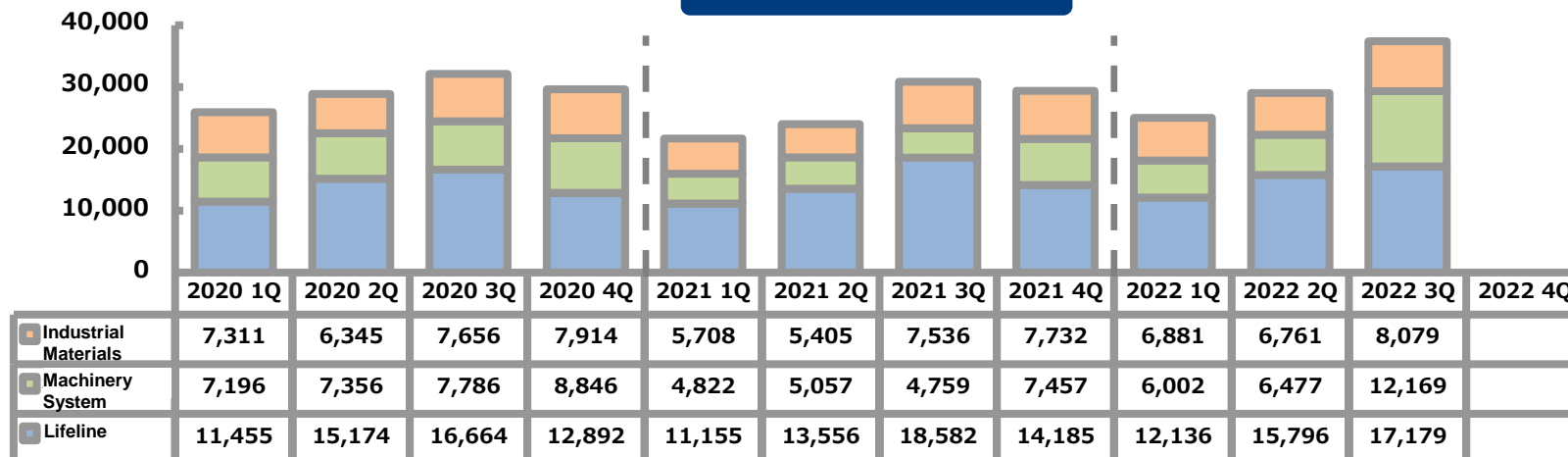
Business segment	Business Domains	Division	Product examples	Major customers
Lifeline	Social Infrastructure	Pipe Systems	Ductile iron pipes	Water utility
		Valve Systems	Water valves, industrial valves	Water utility, various plants such as ironmaking and electric power, pump manufacturers
Machinery System	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 4

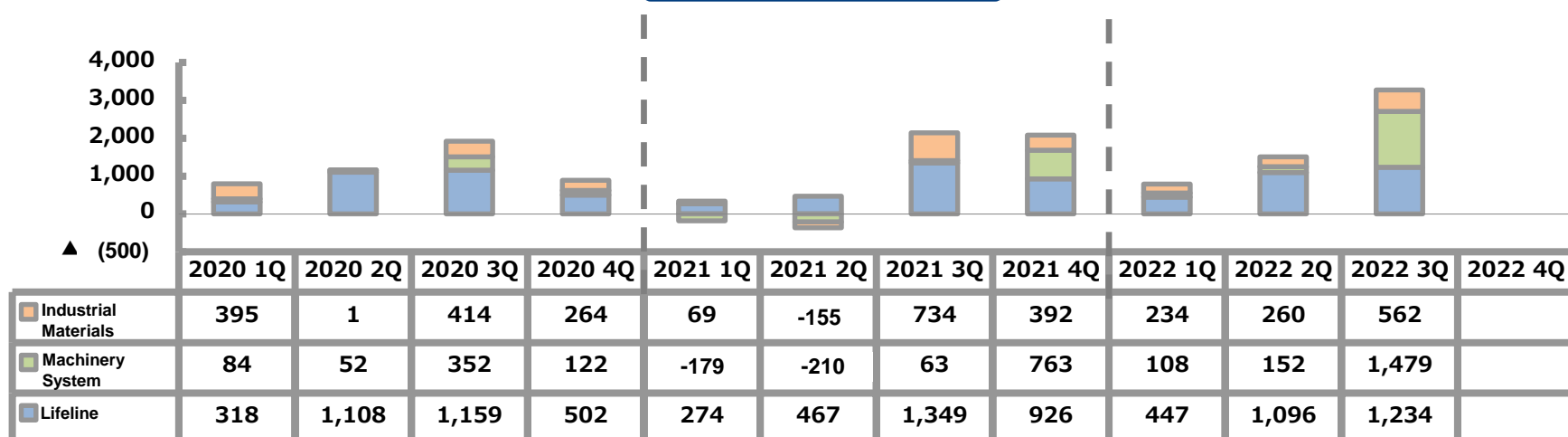
Trends of Quarterly Segment Earnings (Consolidated)

(Millions of yen)

Net Sales



Operating Income

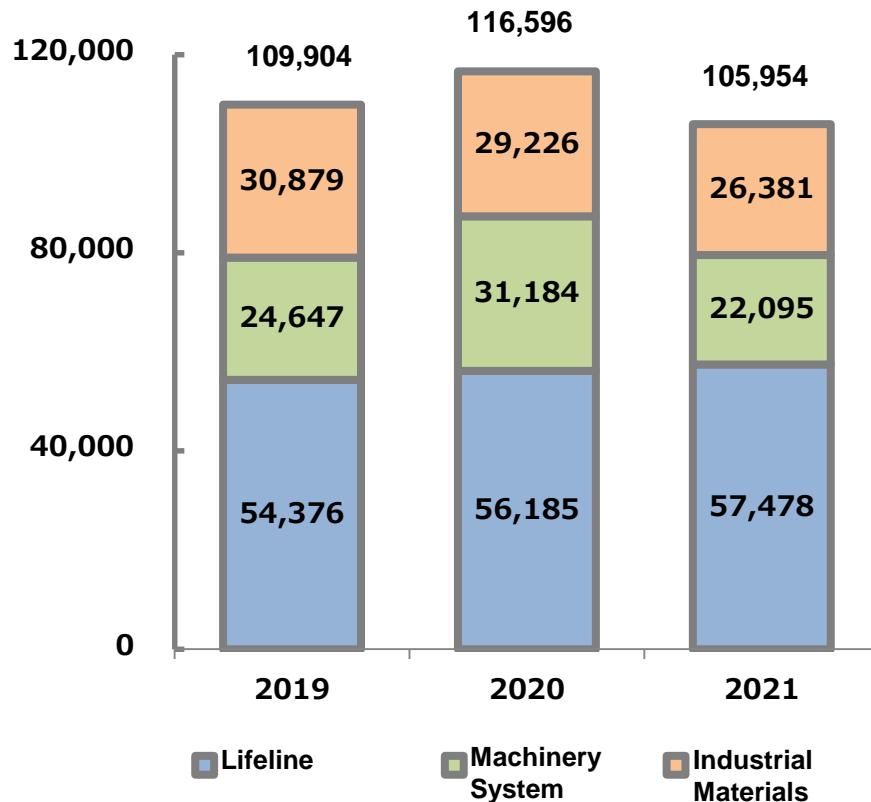


* The total operating income includes adjustments, and does not match the sum of segment profit.

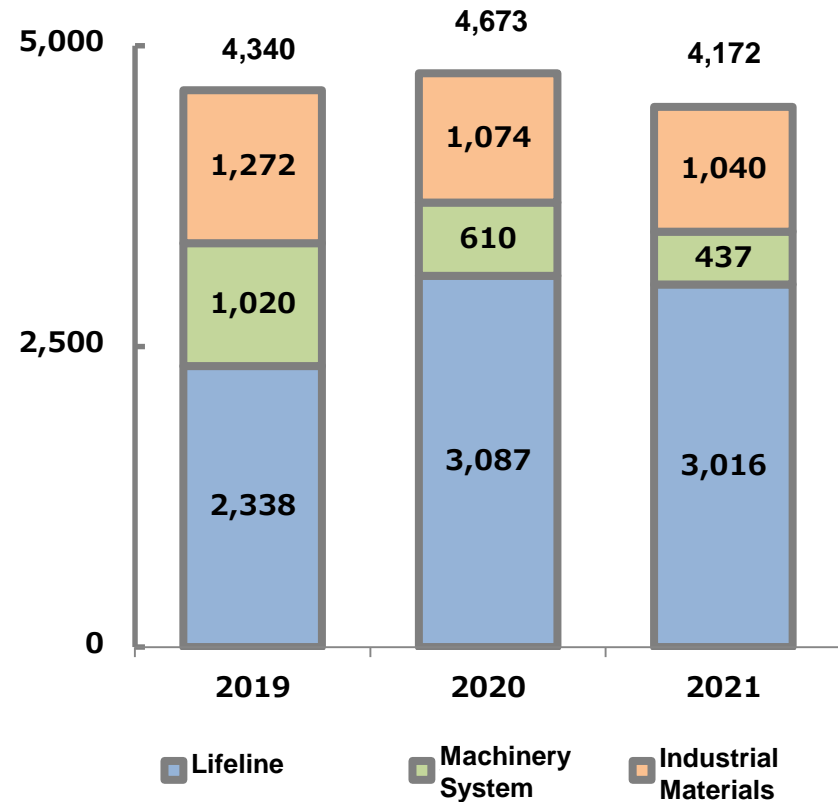
Reference Materials 5 Trends of Segment Earnings

(Millions of yen)

Net Sales



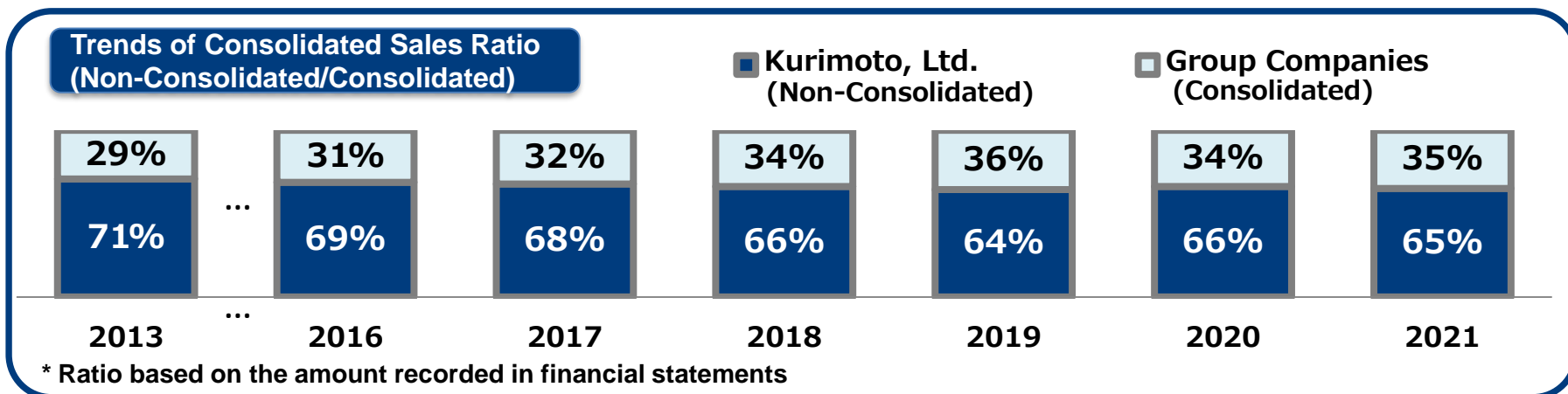
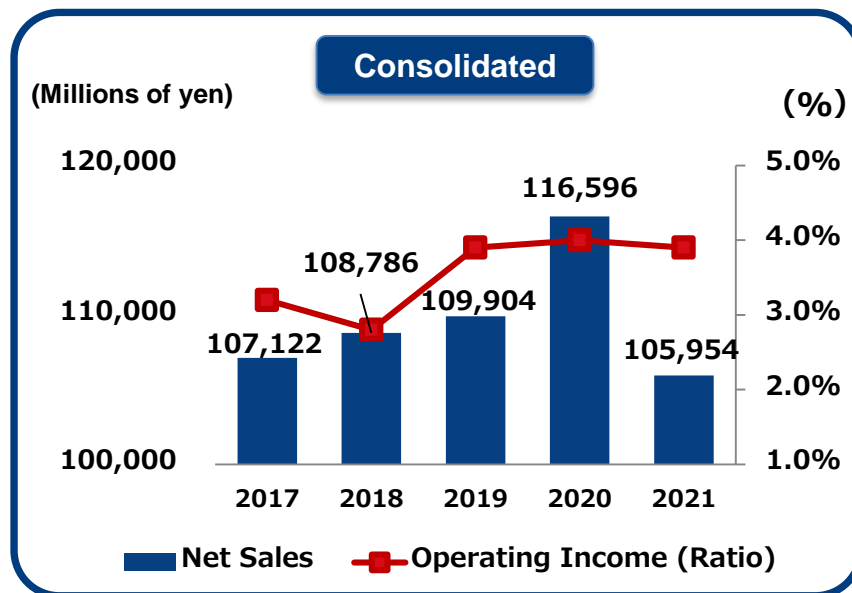
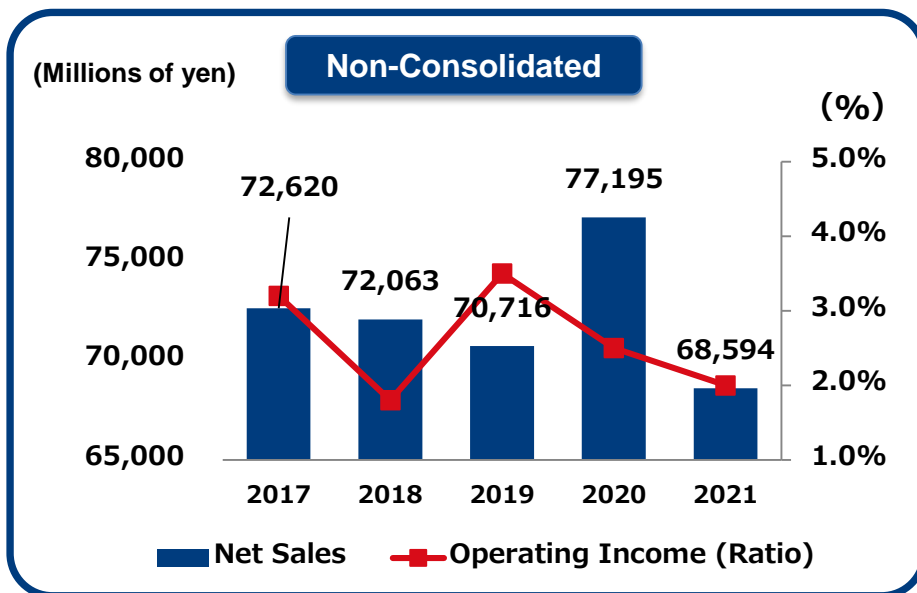
Operating Income



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

Reference Materials 6

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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