
Financial Results for the Three Months Ended June 30, 2024

Kurimoto Group



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Ended June 30, 2024

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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 Three Months Ended June 30, 2024

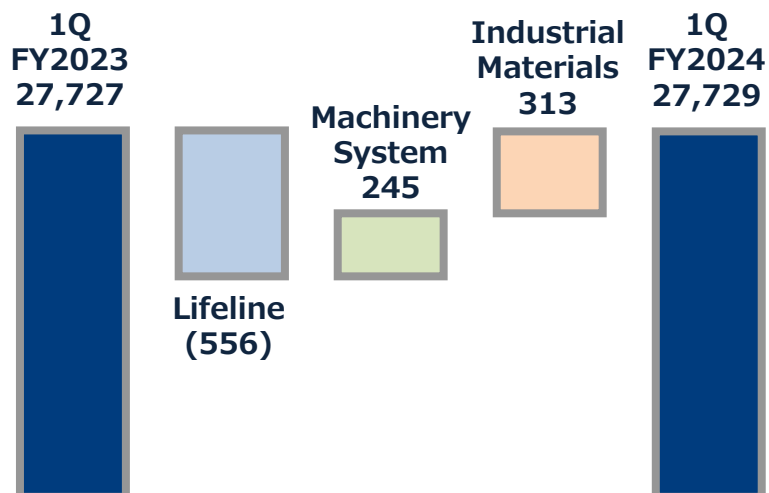
1-1 Overview of Financial Results

(Millions of yen)

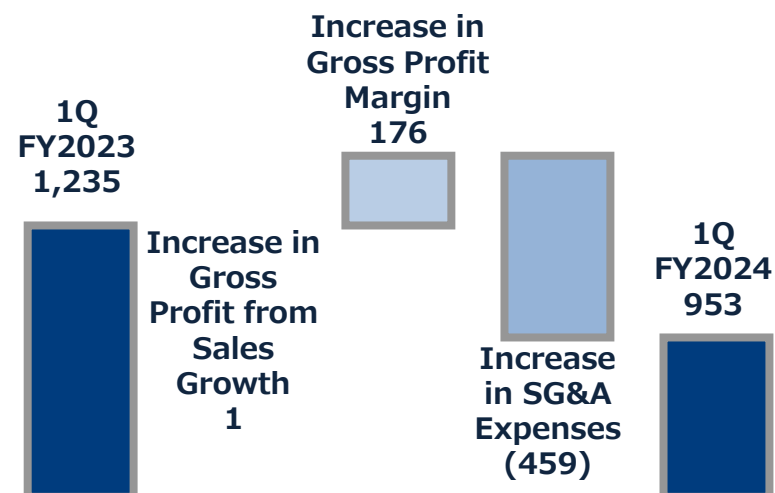
<Consolidated>

	Results for the Three Months Ended June 30, 2023(A)		Results for the Three Months Ended June 30, 2024(B)		Y,o,Y (B - A)	Latest Forecast Values* for FYE March 31, 2025 (Announced on May 14, 2024)	
Net sales	27,727	-	27,729	-	2	124,000	-
Operating income (ratio)	1,235	4.5%	953	3.4%	(282)	7,000	5.6%
Ordinary income (ratio)	1,252	4.5%	1,008	3.6%	(244)	7,200	5.8%
Quarterly net income (ratio) for the year	923	3.3%	961	3.5%	38	5,000	4.0%

Net sales

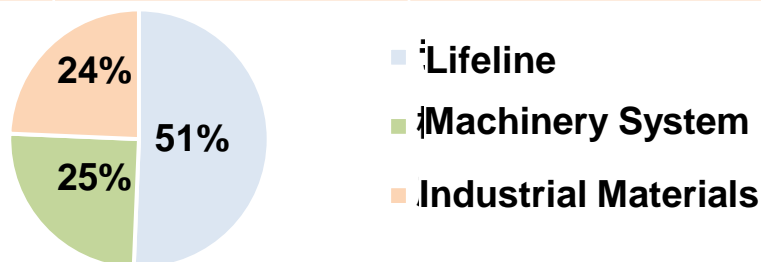


Operating Income



1-2 Segment Results

		Results for the Three Months Ended June 30, 2023(A)	Results for the Three Months Ended June 30, 2024(B)	Y,o,Y (B-A)
Lifeline	Net sales	14,052	13,496	(556)
	Operating Income	913	727	(186)
	Ratio	6.5%	5.4%	(1.1pts)
Machinery System	Net sales	6,921	7,166	245
	Operating Income	308	451	142
	Ratio	4.5%	6.3%	1.8pts
Industrial Materials	Net sales	6,753	7,067	314
	Operating Income	321	38	(283)
	Ratio	4.8%	0.5%	(4.3pts)



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

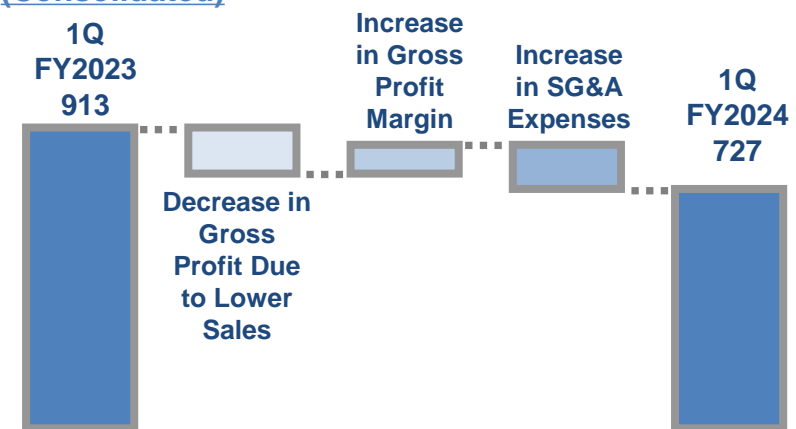
1-3 Overview by Business Segment

Lifeline

(Millions of yen)

	Results for the Three Months Ended June 30, 2023(A)	Results for the Three Months Ended June 30, 2024(B)	Y,o,Y (B-A)	2025.3 Initial forecast (Announced on May 14, 2024)
Net Sales	14,052	13,496	(556)	62,000
Operating Income	913	727	(186)	4,400
Ratio	6.5%	5.4%	(1.1pts)	7.1%

Breakdown of increase/decrease in Operating Income (Consolidated)



Net sales and Operating Income by Business Segment

Net sales

Net sales decreased by 556 million yen year-on-year as the Pipe Systems Division was adversely affected by lower sales at group companies and other factors, despite strong sales in overseas projects and products for electric power and steel industries posted by the Valve Systems Division.

Operating Income

Operating income decreased by 186 million yen year-on-year due primarily to the impact of lower sales and increased SG&A expenses despite improved gross profit margin.

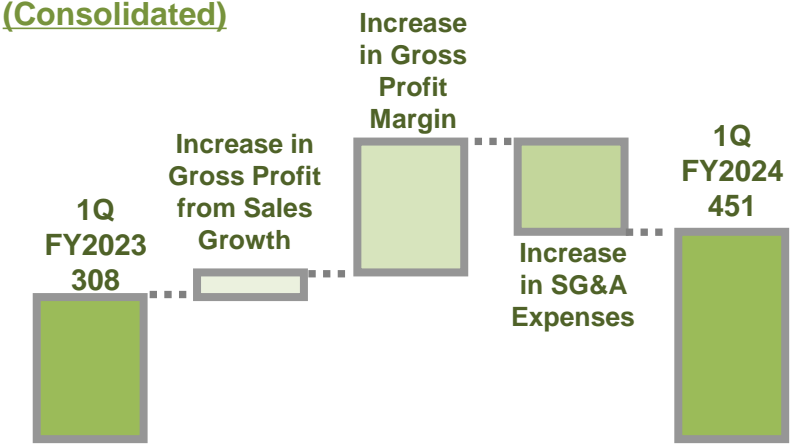
1-3 Overview by Business Segment

Machinery System

(Millions of yen)

	Results for the Three Months Ended June 30, 2023(A)	Results for the Three Months Ended June 30, 2024(B)	Y,o,Y (B-A)	2025.3 Initial forecast (Announced on May 14, 2024)
Net Sales	6,921	7,166	245	30,500
Operating Income	308	451	142	1,400
Ratio	4.5%	6.3%	1.8pts	4.6%

Breakdown of increase/decrease in Operating Income (Consolidated)



Net sales and Operating Income by Business Segment

Net sales

Net sales increased by 245 million yen year-on-year mainly driven by strong sales of press machines in the Plant Engineering & Machinery Division, along with the positive effects of M&A executed by the Materials & Machinery Division.

Operating income

Operating income increased by 142 million yen year-on-year thanks to higher sales of the Plant Engineering & Machinery Division.

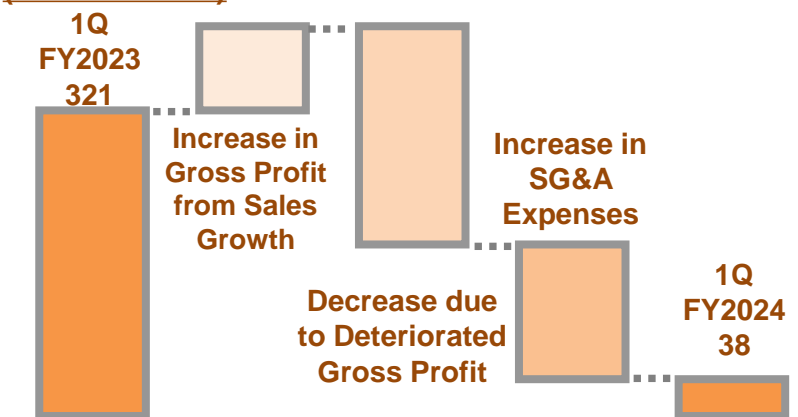
1-3 Overview by Business Segment

Industrial Material

(Millions of yen)

	Results for the Three Months Ended June 30, 2023(A)	Results for the Three Months Ended June 30, 2024(B)	Y,o,Y (B-A)	2025.3 Initial forecast (Announced on May 14, 2024)
Net Sales	6,753	7,067	314	31,500
Operating Income	321	38	(283)	1,900
Ratio	4.8%	0.5%	(4.3pts)	6.0%

Breakdown of increase/decrease in Operating Income (Consolidated)



Net sales and Operating Income by Business Segment

Net sales

Net sales increased by 314 million yen year-on-year due to the healthy increased sales of noise-reduction and civil engineering-related products in the Construction Materials Division, as well as products for electric power and telecommunications industries and FRP inspection passages in the Plastic Products Division.

Operating income

Operating income decreased by 283 million yen year-on-year due mainly to additional construction work at group companies.

2. Earnings Forecast for the Year Ending March 31, 2025

2-1 Earnings Forecast for the Year Ending March 31, 2025

<Consolidated>

(Millions of yen)

	Results in FYE March 31, 2024 (A)		Earnings Forecast for the Year Ending March 31, 2025		Y,o,Y (B-A)
Net sales	125,925	-	124,000	-	(1,925)
Operating income (ratio)	7,460	5.9%	7,000	5.6%	(460)
Ordinary income (ratio)	7,816	4.5%	7,200	5.8%	(616)
Quarterly net income (ratio) for the year	5,470	3.3%	5,000	4.0%	(470)
ROE	-	7.1%	-	7.0% or higher	-

Lower sales and profits are expected in the current fiscal year, given the fact that, in previous fiscal year, we recognized sales that were to be recorded in the subsequent year and high-margin products sold well.

2-2 Earnings Forecast for the Year Ending March 31, 2025 (by segment)

		2024.3 Actual (A)	2025.3 Forecast (B)	Y,o,Y (B-A)
Lifeline	Net sales	64,439	62,000	(2,439)
	Operating income	4,494	4,400	(94)
	Ratio	7.0%	7.1%	0.1pts
Machinery System	Net sales	29,144	30,500	1,356
	Operating income	1,491	1,400	(91)
	Ratio	5.1%)	4.6%	(0.5pts)
Industrial Material	Net sales	32,340	31,500	(840)
	Operating income	2,255	1,900	(355)
	Ratio	7.0%	6.0%	(1.0pts)

Lifeline

Despite latent demand, sales and profits are expected to decline due to decreasing purchasing power in the market caused by rising prices.

Machinery System

Expected recovery from investment restraint and M&A will boost sales, but profits are expected to decrease mainly due to increasing raw material, energy, and transportation costs.

Industrial Material

Both sales and profits are expected to decrease due to delays in the recovery of construction investment, high raw material costs, and other factors.

3. Topics

3. Topics

● Expanding business domain into recycled aggregate recycling field (M&A)

In April 2024, our company acquired all shares of Sankyo Machinery, Ltd. (Kawaguchi City, Saitama), which has high affinity with our crushing engineering business focused on crushed aggregates, to further strengthen our crusher business foundation.

Business details of Sankyo Machinery, Ltd.

- Asphalt and concrete crushing plants
- Crushing plants, environment-related equipment, soil improvement facilities, conveyors
- Design, manufacturing, and installation of various types of plants and machines



Recycling equipment that contributes to the resource recovery from asphalt and concrete waste

Reference Materials

Reference Materials 1

Business Summary (as of March 31, 2024)

Location:
1-12-19, Kitahorie, Nishi-ku, Osaka 550-8580

Founded:
February 2, 1909

Incorporated:
May 10, 1934

Major Business Areas:
Social infrastructure business, industrial equipment business

Representative:
President Kazutaka Kikumoto

Capital:
31.1 billion yen (as of March 31, 2024)

Number of employees:
2,121 employees (as of March 31, 2024, consolidated)
1,316 employees (as of March 31, 2024, non-consolidated)

Group Companies:
Composed of 22 domestic and overseas companies



Reference Materials 2

Business Summary (as of March 31, 2024)

Offices and factories:

○Factories (13 areas)

Osaka: 4 factories,
Shiga Pref., Ibaraki Pref., etc.

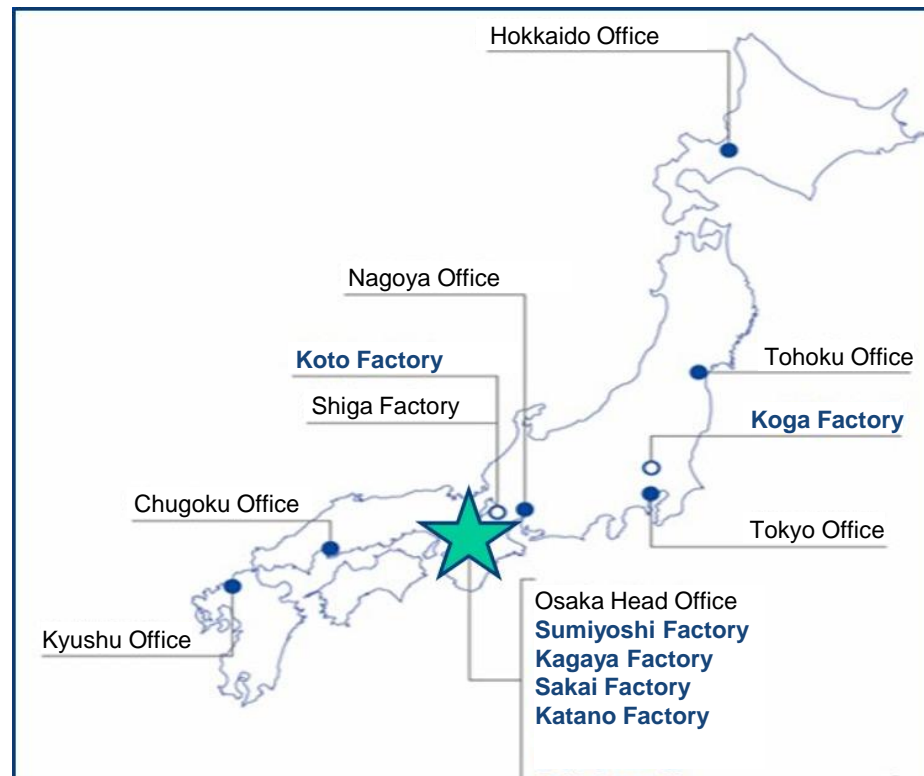
(Pref. = Prefecture)

○Domestic offices (8 areas)

Head Office (Osaka), Tokyo, Sapporo,
Sendai, Nagoya, Hiroshima, Fukuoka,
Okinawa

○Oversea Offices(2 areas)

Europe Office (Germany)
Jakarta Office (Indonesia)

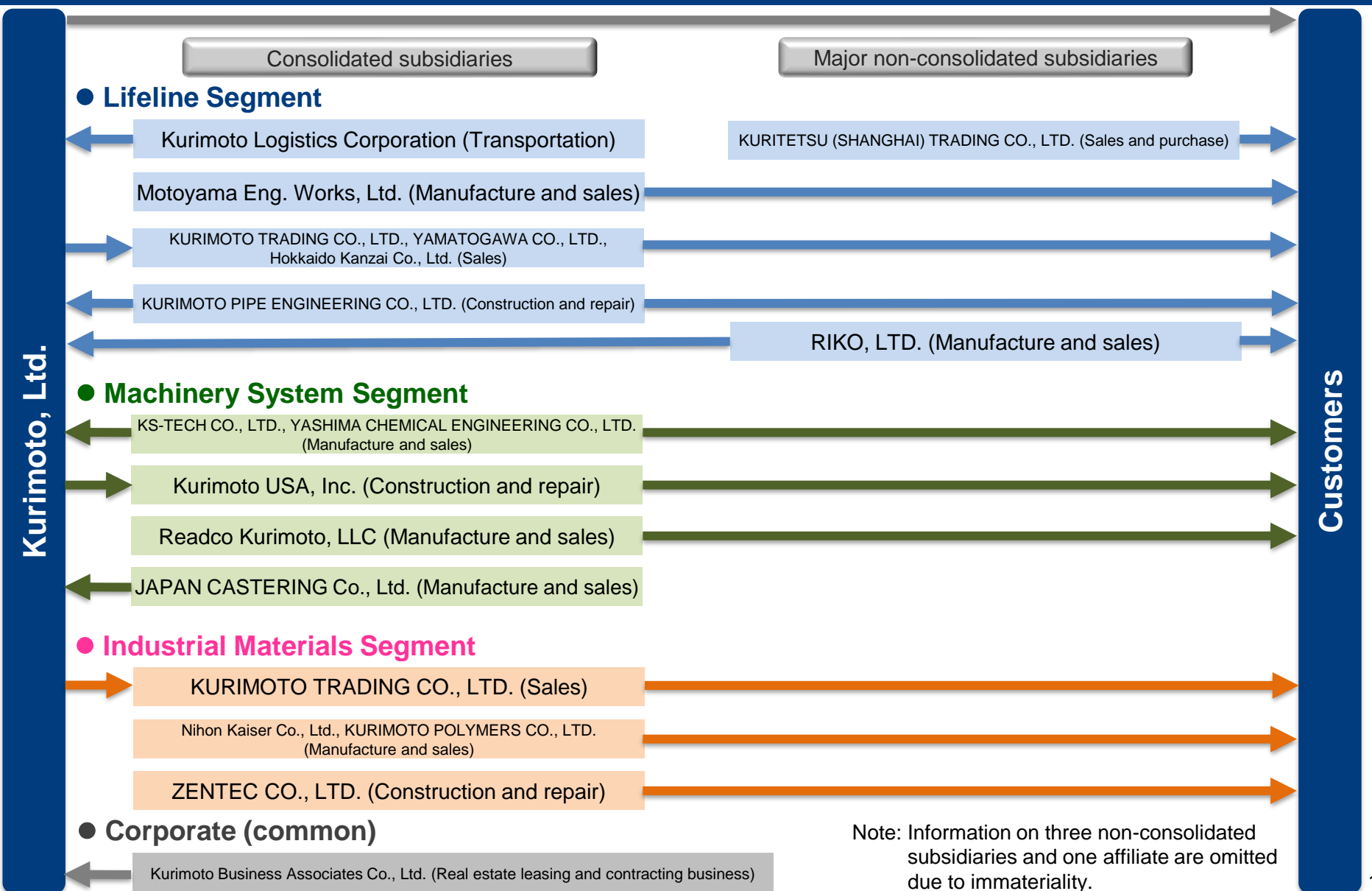


Affiliated Companies:

KURIMOTO TRADING CO., LTD., YAMATOGAWA CO., LTD., Motoyama Eng. Works, Ltd., KS-TECH CO., LTD., JAPAN CASTERING Co., Ltd., Readco Kurimoto, Kurimoto USA, Inc. (USA), KURITETSU (SHANGHAI) TRADING CO., LTD. (China), etc.

Reference Materials 3

Kurimoto Group (as of March 31, 2024)



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

Management Principle

**We will meet the trust and expectations of all stakeholders, always provide suitable systems and create “ a future with dreams.”
—Providing optimal systems for social and industrial infrastructures—**

Our Vision

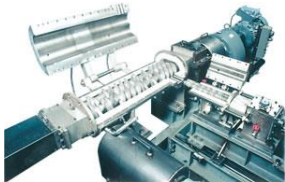
In the spirit of “yonpo-yoshi” or “four-way satisfaction:” : good for the seller, good for the buyer, good for society, and good for the future, we aim to become a corporate group that can contribute to society now and in the future.

Social Infrastructure

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



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



Industrial Equipment

Reference Materials 6

Composition of Business Divisions and Main Products (Kurimoto, Ltd.)①

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

Reference Materials 7

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

- ◆ Kurimoto's business divisions have stable social infrastructures and industrial equipment businesses with a balance of public and private demand, with business bases resistant to boom-and-bust cycles.

Social infrastructure = Stability

Facilities that are fundamental to people and their lives, such as water supply and sewage systems, roads, communications, and transportation

Sales ratio

Approx.
50%








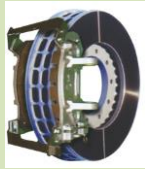



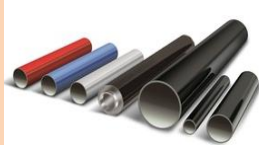
Sales ratio

Approx.
50%

Industrial equipment =

Growth potential

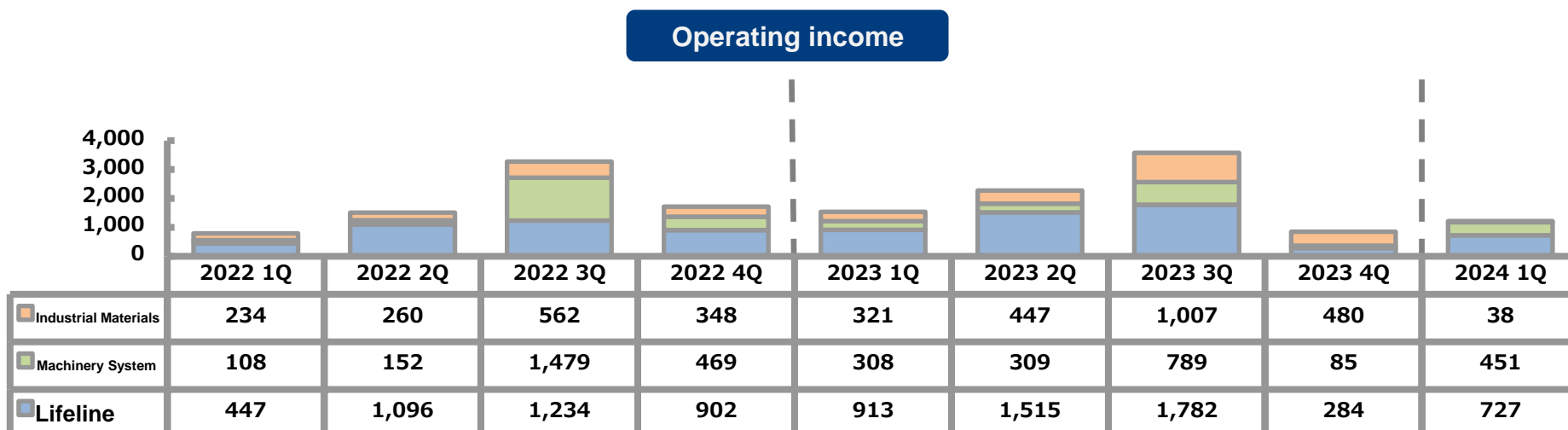
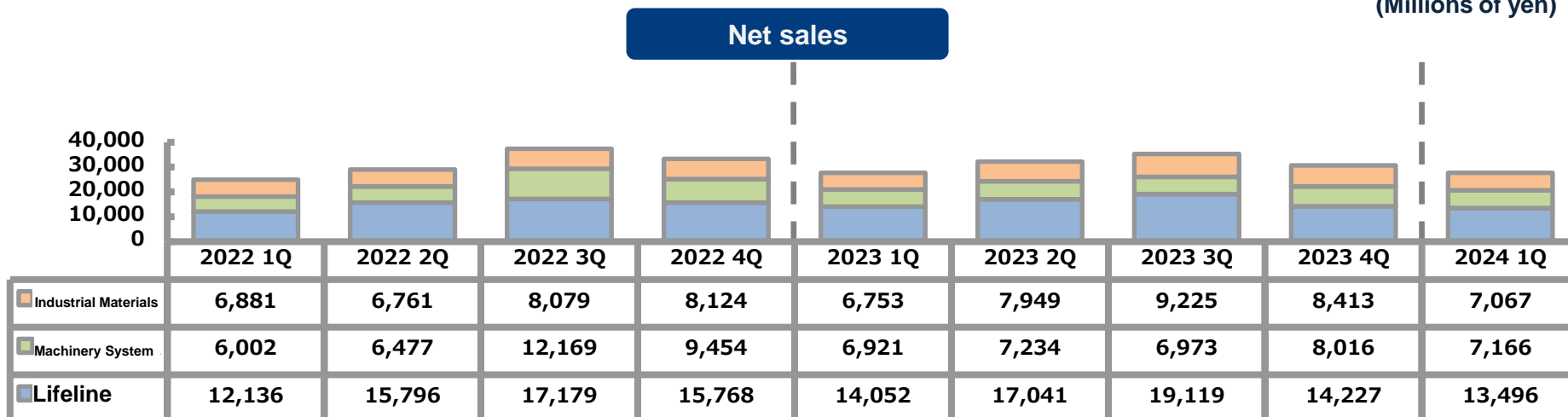
Machinery, plant, and other manufacturing equipment required for manufacturers' production activities

Lifeline Segment		Machinery System Segment		Industrial Materials Segment	
Pipe Systems	Valve Systems	Plant Engineering & Machinery	Materials & Machinery	Construction Materials	Plastic Products
Water ductile iron pipes	Water valves, industrial valves	Forging press, kneader	Heat/abrasion resistant casting, crusher	Construction materials such as air conditioning ducts	FRP(M) products such as inspection passage
 	 	 	 	 	 

Reference Materials 8

Trends of Quarterly Segment Earnings (Consolidated)

(Millions of yen)



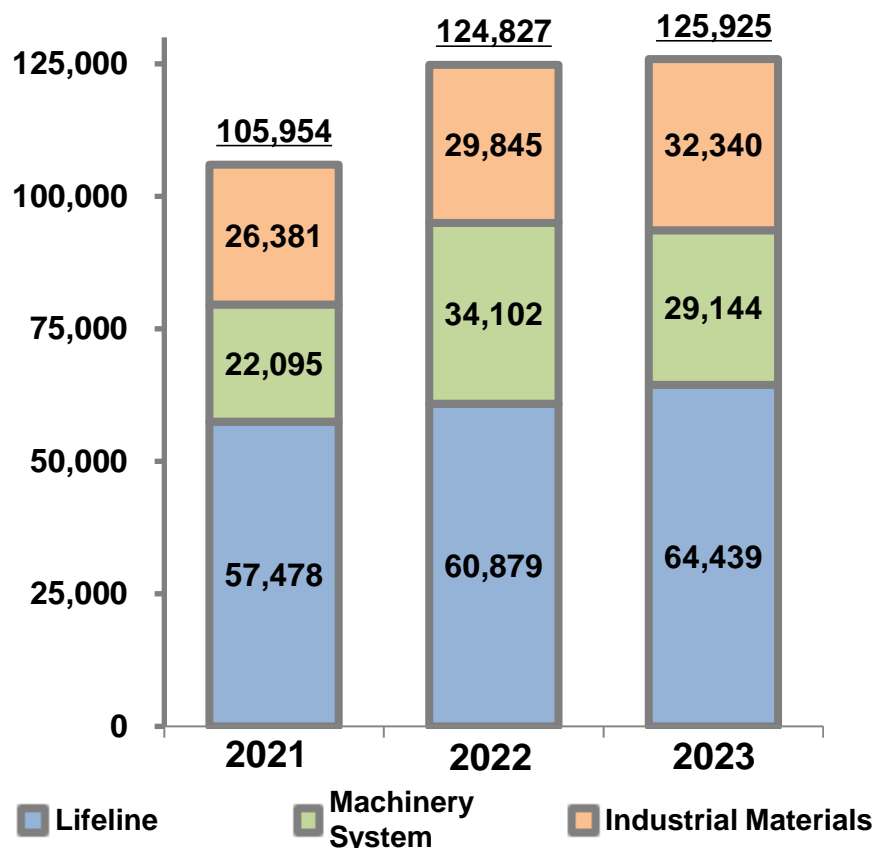
※営業利益合計額は調整額を含んでいるため、セグメント利益の合算値とは合致しません。

Reference Materials 9

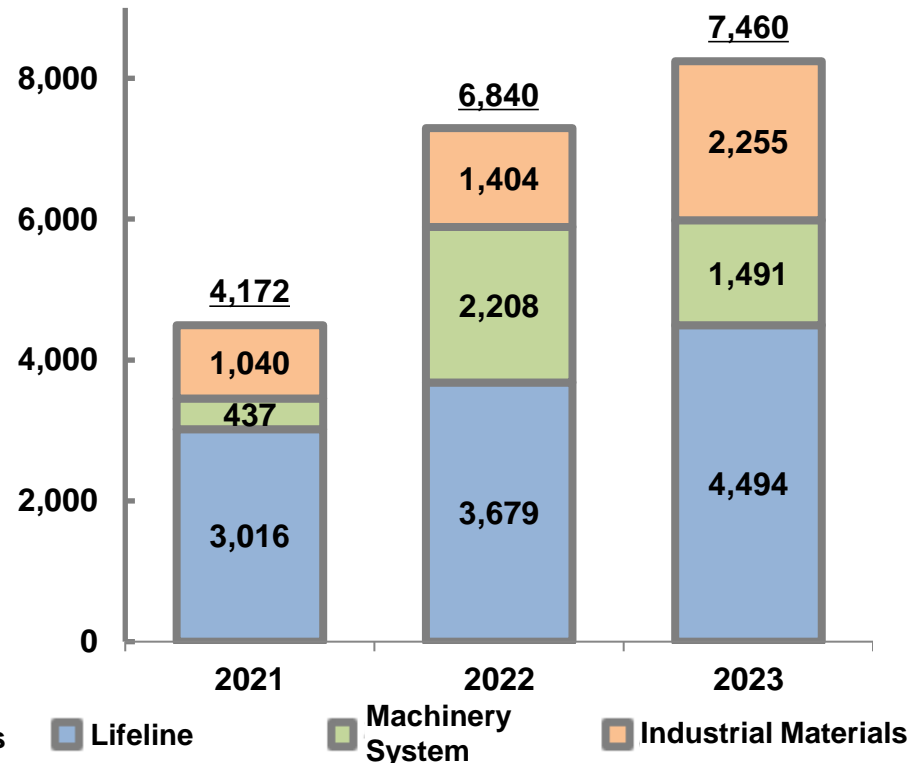
Trends of Segment Earnings

(Millions of yen)

Net sales

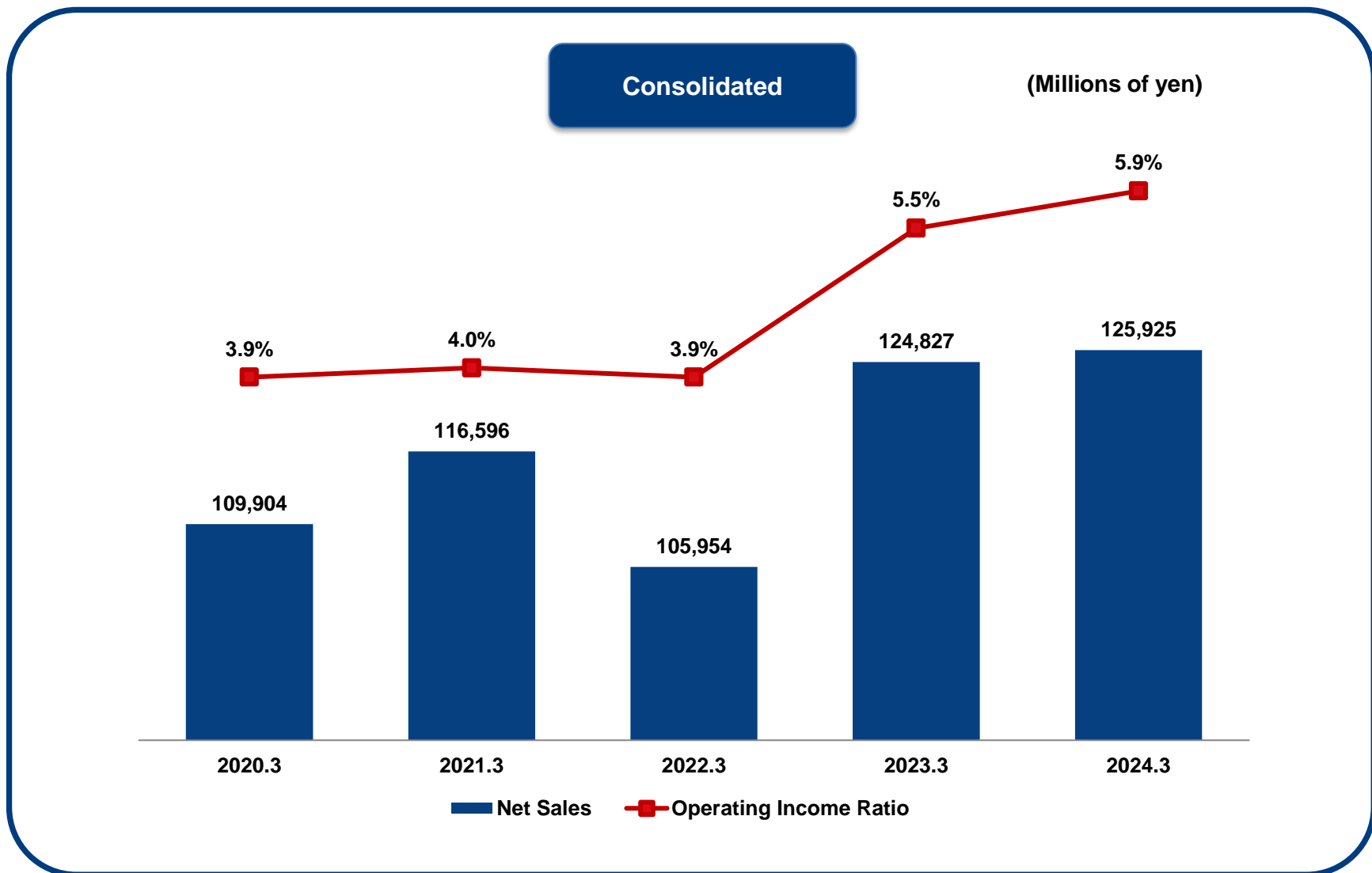


Operating income



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

Trends of Sales and Operating Income (Consolidated)



Reference 11

Orders Received for Water Pipelines, Based on the DB Method

- Main orders received for water pipelines (ordered for design and installation both together) based on the DB method

No.	Purchaser	Order received	Completion	Project name	Contractor	Business scale
1	Komoro City, Nagano Prefecture	FY2019	FY2022	Water pipeline upgrade work (Maruyama wastewater reservoir to Sakanoue distribution reservoir)	Kurimoto, Ltd.	390 million yen
2	Izumisano City, Osaka Prefecture	FY2020	FY2022	Water pipeline upgrade work for the Hineno water purification plant, etc. in Izumisano City	Kurimoto, Ltd. and Izumisano City Water Supply Association Joint venture for specific construction work	310 million yen
3	Kobe City, Hyogo Prefecture	FY2020	FY2023	Distribution mains replacement work in Chuo-ku (Higashi Machi, etc.)	Kurimoto, Ltd., Minato Construction Corporation, and Ando Kensetsu Co., Ltd. Joint venture for specific construction work	620 million yen
4	Koryo-cho, Nara Prefecture	FY2020	FY2021	Distribution mains installation in Mami-minami in Koryo-cho Earthquake-resistant design and installation work	Kurimoto Ltd. and Ushio Consultants Company, Ltd. Joint venture	250 million yen
5	Koryo-cho, Nara Prefecture	FY2021	FY2024 (Plan)	Distribution mains installation in Koryo-cho Earthquake-resistant design and installation work	Muramoto, Kurimoto Ltd., and Ushio Consultants Company, Ltd. Joint venture	540 million yen
6	Nakatsugawa City, Gifu Prefecture	FY2021	FY2024 (Plan)	Water pipeline upgrade work around Nakatsugawa Station	Kurimoto Pipe Engineering Co., Ltd., Hobo Kousan, and Shin-Nippon Design Group	440 million yen
7	Nara Prefecture	<u>FY2022</u>	FY2027 (Plan)	Connecting Pipe Section 1 Development Project	Kurimoto Ltd., Muramoto, and Ushio Consultants Company, Ltd. Joint venture for specific construction work	–
8	Harima-cho, Hyogo Prefecture	<u>FY2022</u>	FY2026 (Plan)	Trunk water mains installation work in Higashi Honjo and Niijima areas	Kurimoto Ltd. and Ushio Consultants Company, Ltd. Joint venture	440 million yen
9	Chitose City, Hokkaido	<u>FY2023</u>	FY2025 (Plan)	(5) Bibi District sewage system improvement project	Kurimoto-Maizuru-Shinyei-Nihon Suido Consultants Specified Joint Venture	1,380 million yen
10	Rumoi City, Hokkaido	<u>FY2023</u>	FY2024 (Plan)	Water supply pipeline renewal at Shinnobusha Water Filtration Plant	Kurimoto Pipe Engineering-Nihon Suido Consultants Specified Construction Joint Venture	110 million yen
11	Tsugaru Wide-area Waterworks Consortium, Aomori	<u>FY2023</u>	FY2030 (Plan)	Water supply pipeline earthquake proofing (duplexing) project	Kurimoto-Marukan Kensetsu-Nihon Suiko Sekkei Specified Joint Venture	4,800 million yen
12	Izumisano City, Osaka Prefecture	<u>FY2023</u>	FY2024 (Plan)	Water pipeline upgrade work for the Hineno water purification plant, etc. in Izumisano City (Part 2)	Kurimoto-Izumisano City Waterworks Cooperative Specific Construction Joint Venture	90 million yen

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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