

# Full-Year Financial Results Briefing Materials for the Fiscal Year Ended March 31, 2025

Challenge to change.



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## 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. Business Summary

# 1-1 Business Summary (as of March 31, 2025)

**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

**Number of employees:**

2,182 employees (consolidated)

1,337 employees (non-consolidated)

**Group Companies:**

Composed of 21 domestic and overseas companies

菊本一高



## 1-2. Composition of Business Divisions and Main Products (Kurimoto, Ltd.) [1]

- ◆ 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%**












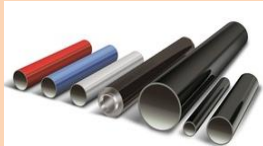
### Sales ratio

Approx.





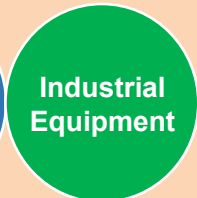
**50%**

### 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
 	 	 	 	 	 

## 1-2. Composition of Business Divisions and Main Products (Kurimoto, Ltd.) [2]

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

## **2. Financial Results for the Year Ended March 31, 2025**

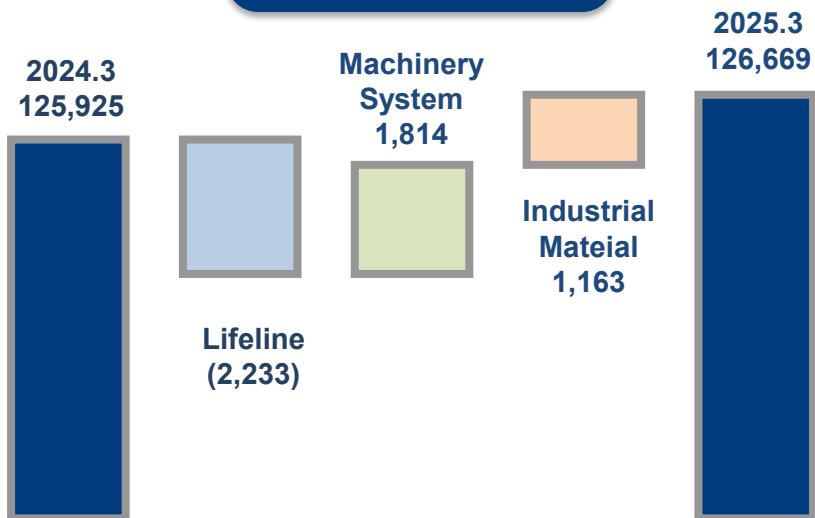
## 2-1 Overview of Financial Results

<Consolidated>

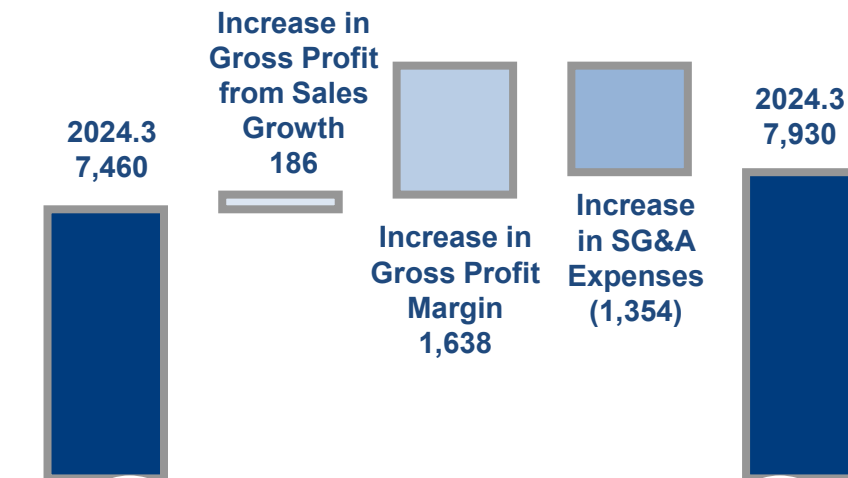
(Millions of yen)

	Results in FYE March 31, 2024		Results in FYE March 31, 2025		Y,o,Y	Initially expected values* for FYE March 31, 2025		vs Forecast
	(A)		(B)		(B-A)	(C)		(B-C)
Net sales	125,925	-	126,669	-	744	124,000	-	2,669
Operating income (ratio)	7,460	(5.9%)	7,930	(6.3%)	469	7,000	(5.6%)	930
Ordinary income (ratio)	7,816	(6.2%)	8,477	(6.7%)	660	7,200	(5.8%)	1,277
Quarterly net income (ratio) for the year	5,470	(4.3%)	6,905	(5.5%)	1,435	5,000	(4.0%)	1,905
ROE	7.1%	-	8.2%	-	(1.1pt)	7% and more	-	-

### Net sales



### Operating income



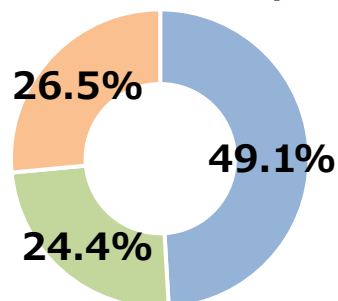


## 2-2 Segment Results

		Results in FYE March 31, 2024 (A)	Results in FYE March 31, 2025 (B)	Y,o,Y (B-A)	Initially expected values for FYE March 31, 2025 (C)	(Millions of yen) vs Forecast (B-C)
Lifeline	Net sales	64,439	62,206	▲2,233	62,000	206
	Operating income	4,494	4,029	▲465	4,400	▲371
	(Ratio)	(7.0%)	(6.5%)	(0.5 pts)	(7.1%)	(▲0.6pts)
Machinery System	Net sales	29,144	30,959	1,814	30,500	459
	Operating income	1,491	1,747	255	1,400	347
	(Ratio)	(5.1%)	(5.6%)	(0.5pts)	(4.6%)	(1.0%)
Industrial Materials	Net sales	32,340	33,504	1,163	31,500	2,004
	Operating income	2,255	2,585	329	1,900	685
	(Ratio)	(7.0%)	(7.7%)	(0.7pts)	(6.0%)	(1.7%)

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

Segment Sales Composition



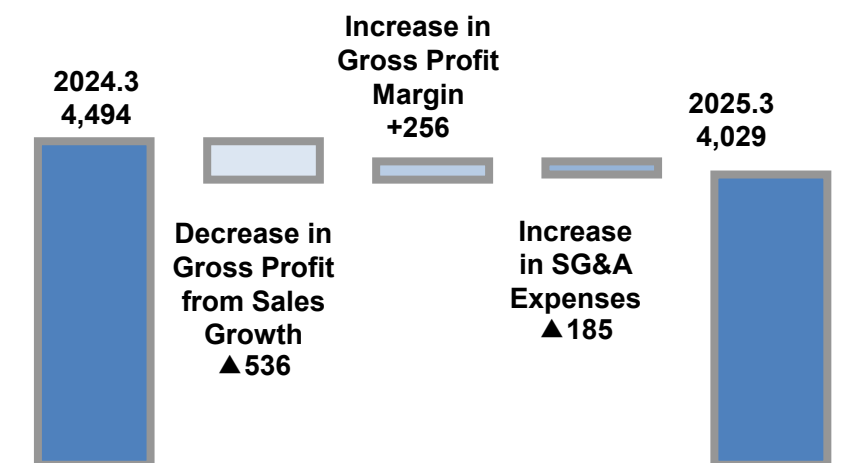
## 2-3 Overview by Business Segment

### Lifeline

(Millions of yen)

	Results in FYE March 31, 2024 (A)	Results in FYE March 31, 2025 (B)	Y,o,Y (B-A)	Initially expected values for FYE March 31, 2025 (C)	vs Forecast (B-C)
Net sales	64,439	62,206	▲2,233	62,000	206
Operating income	4,494	4,029	▲465	4,400	▲371
(Ratio)	(7.0%)	(6.5%)	(▲0.5pts)	(7.1%)	(▲0.6pts)

### Breakdown of increase/decrease in Operating Income (Consolidated)



### Net sales and Operating Income by Business Segment

#### Net sales

Net sales decreased by 2,233 million yen year-on-year, primarily due to lower sales at subsidiaries, despite stable and firm sales of products for electric power and steel-related industries as well as overseas in the Valve System Division.

#### Operating income

Operating income decreased by 465 million yen year-on-year, affected by lower sales and higher SG&A expenses, despite an improvement in Gross Profit Margin.

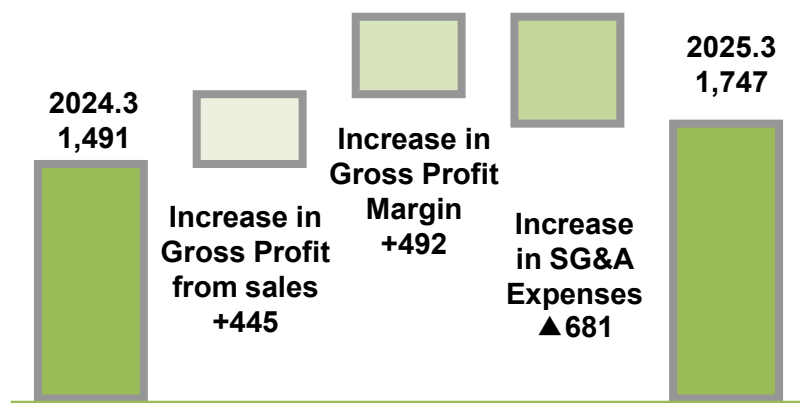
## 2-3 Overview by Business Segment

### Machinery System

(Millions of yen)

	Results in FYE March 31, 2024 (A)	Results in FYE March 31, 2025 (B)	Y,o,Y (B-A)	Initially expected values* for FYE March 31, 2025 (C)	vs Forecast (B-C)
Net sales	29,144	30,959	1,814	30,500	459
Operating income	1,491	1,747	255	1,400	347
(Ratio)	(5.1%)	(5.6%)	(0.5pts)	(4.6%)	(1.0%)

#### Breakdown of increase/decrease in Operating Income (Consolidated)



#### Net sales and Operating Income by Business Segment

##### Net sales

Net sales increased by 1,814 million yen year-on-year, thanks to firm sales of press machine maintenance and plant projects in Machinery System Division, as well as M&A in Materials & Machinery Division.

##### Operating income

Operating income increased by 255 million yen year-on-year, as a result of higher sales and improved gross margin, despite an increase in SG&A expenses.

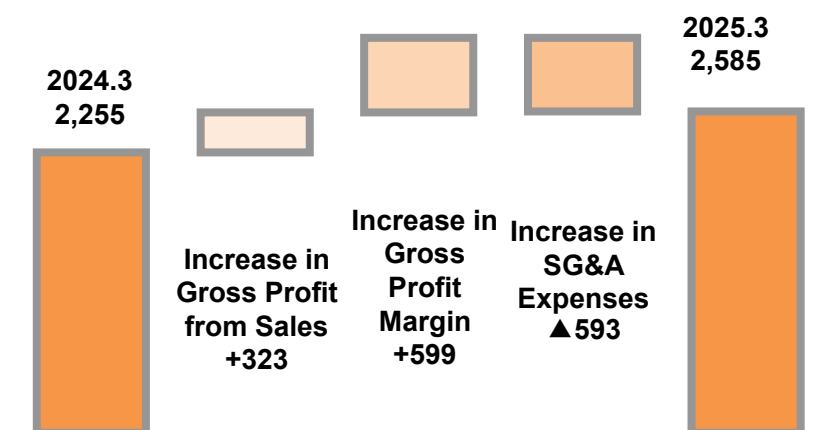
## 2-3 Overview by Business Segment

### Industrial Materials

(Millions of yen)

	Results in FYE March 31, 2024 (A)	Results in FYE March 31, 2025 (B)	Y,o,Y (B-A)	Initially expected values* for FYE March 31, 2025 (C)	vs Forecast (B-C)
Net sales	32,340	33,504	1,163	31,500	2,004
Operating income	2,255	2,585	329	1,900	685
(Ratio)	(7.0%)	(7.7%)	(0.7pts)	(6.0%)	(1.7%)

#### Breakdown of increase/decrease in Operating Income (Consolidated)



#### Net sales and Operating Income by Business Segment

##### Net sales

Net sales increased by 1,163 million yen year-on-year, reflecting the significant design changes occurred at subsidiaries in Construction Materials Division and steady shipments in Plastic Products Division.

##### Operating income

Operating income increased by 329 million yen year-on-year with an increase in Net sales and gross margin improved, despite an increase in SG&A expenses.

## 2-4 Overview of Financial Position

<Consolidated>

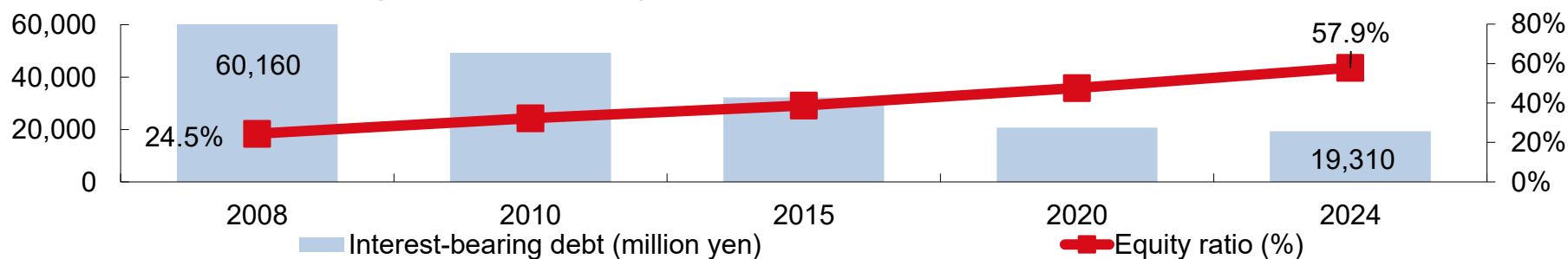
(Millions of yen)

	As of March 31, 2024	As of March 31, 2025	Increase/ Decrease
Cash and deposits	19,368	15,730	▲3,638
Other current assets	75,619	77,171	1,552
<b>Total current assets</b>	<b>94,987</b>	<b>92,901</b>	<b>▲2,086</b>
Total non-current assets	56,189	58,636	2,447
<b>Total assets</b>	<b>151,176</b>	<b>151,538</b>	<b>362</b>
Total current liabilities	59,442	57,236	▲2,206
Total non-current liabilities	9,003	5,622	▲3,381
<b>Total liabilities</b>	<b>68,446</b>	<b>62,859</b>	<b>▲5,587</b>
Total net assets	82,730	88,678	5,948
<b>Total liabilities and net assets</b>	<b>151,176</b>	<b>151,538</b>	<b>362</b>

### Increase/decrease in major items

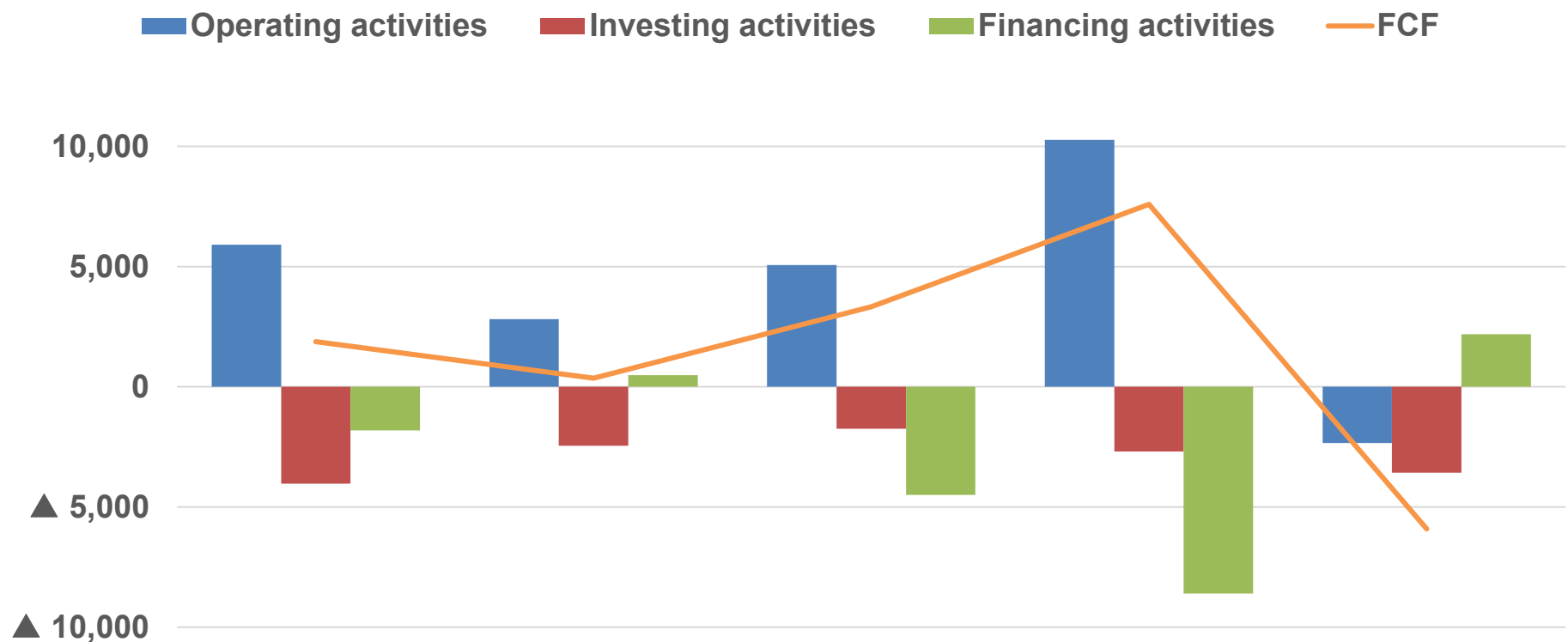
■ Current assets	
• Cash and deposits	▲3,638
■ Non-current assets	
• Total property, plant and equipment	1,628
• Investment securities	1,281
■ Current liabilities	
• Borrowings	5,772
• Notes and accounts payable – trade	▲3,618
• Electronically recorded obligations	▲5,836
■ Non-current liabilities	
• Long-term borrowings	▲561
• Retirement benefit liability	▲4,742

### Trends in interest-bearing debts and equity ratios



## 2-5 Cash Flow Trends

(Millions of yen)



	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023	As of March 31, 2024	As of March 31, 2025
Operating activities	5,907	2,813	5,064	10,278	▲ 2,338
Investing activities	▲ 4,034	▲ 2,455	▲ 1,741	▲ 2,690	▲ 3,574
Financing activities	▲ 1,815	482	▲ 4,495	▲ 8,604	2,189
FCF	1,873	358	3,323	7,588	▲ 5,912

### **3. Full-year Earnings Forecast for the Fiscal Year Ending March 31, 2026**

# 3-1 Full-year Earnings Forecast for the Fiscal Year Ending March 31, 2026



<Consolidated>

(Millions of yen)

	Results in FYE March 31, 2025 (A)		Earnings Forecast for the Year Ending March 31, 2026 (B) (Announced on May 14, 2025)		Y,o,Y (B – A)
Net sales	126,669	-	125,000	-	▲1,669
Operating income (ratio)	7,930	(6.3%)	7,500	(6.0%)	▲430
Ordinary income (ratio)	8,477	(8.5%)	7,400	(5.9%)	▲1,077
Quarterly net income (ratio) for the year	6,905	(5.5%)	7,000	(5.6%)	95
ROE	-	(8.2%)	-	(7.0% and higher)	-

Although demand in the public sector related to public work projects such as Lifeline business is expected to be on par with the previous year, Net sales and Operating income are expected to decline, affected by an order cancellation and delay of projects in the private sector such as Machinery Systems business.

On the other hand, Net income is expected to be at the same level as the previous year due to posting of Extraordinary income coming from the reduction of cross-shareholdings.



## 3-2 Earnings Forecast for the Year Ending March 31, 2026 (by Segment)

		2025.3 Actual (A)	2026.3 Forecast (B)	Y,o,Y (B-A)
Lifeline	Net sales	62,206	63,000	794
	Operating income	4,029	4,300	271
	(Ratio)	(6.5%)	(6.8%)	(0.3pts)
Machinery System	Net sales	30,959	28,000	▲2,959
	Operating income	1,747	1,500	▲247
	(Ratio)	(5.6%)	(5.4%)	(▲0.2pts)
Industrial Materials	Net sales	33,504	34,000	496
	Operating income	2,586	2,200	▲386
	(Ratio)	(7.7%)	(6.5%)	(▲1.2pts)

### Lifeline

Net sales and Operating income are expected to increase, driven by the Ministry of Land, Infrastructure, Transport and Tourism's plan to make water and sewage systems more resistant to earthquakes, etc. despite continuing high prices and a shortage of human resources.

### Machinery System

Net sales and Operating income are expected to decrease, affected by soaring raw materials, energy, and transportation costs, as well as an order cancellation and delay of projects planned in previous year due to customer issues.

### Industrial Materials

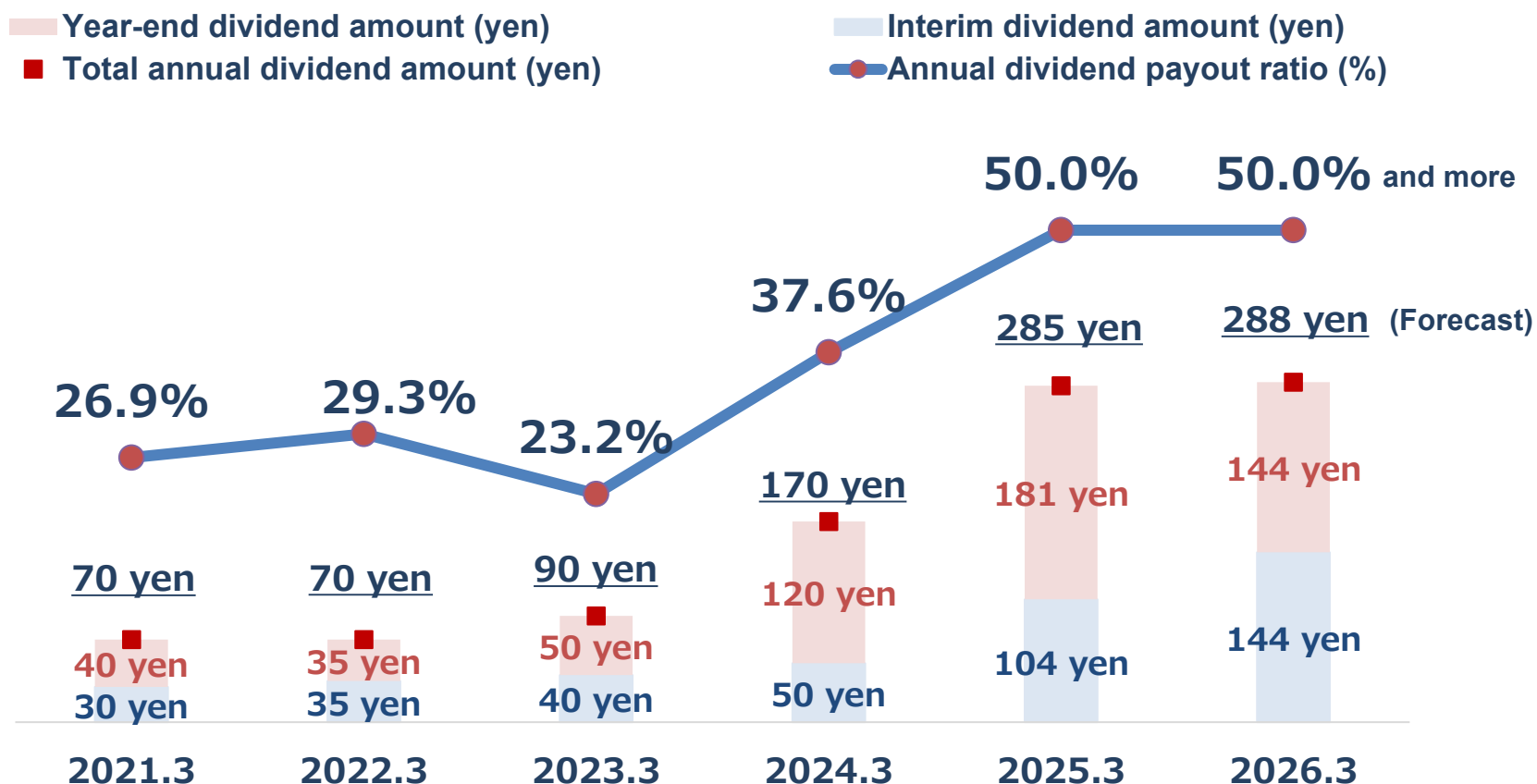
Net sales is expected to increase, reflecting capturing demands for infrastructure. Adversely, Operating income are expected to decrease, affected by high prices and soaring raw material costs, as well as the impact of additional high-margin projects at subsidiaries occurred temporarily in the previous fiscal year.

## 4. Topics

# 4-1 Shareholder Return

The year-end dividend amount **increases by 77 yen**, and the total dividend amount for the year changes to **285 yen**.

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

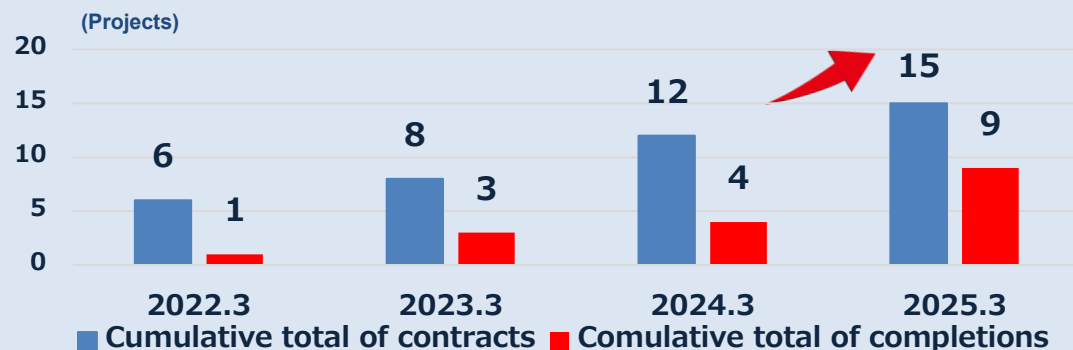


## 4-2 Water Pipelines Based on the Design-Build Construction (DB) Method

### Lifeline

Number of orders received during FY2024: **3**

- Omihachiman City, Shiga Prefecture
- Koryo-cho, Nara Prefecture
- Nakatsugawa City, Gifu Prefecture



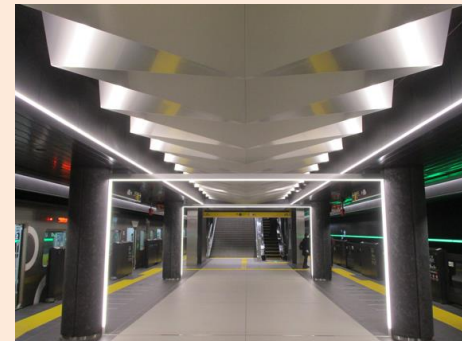
● List of ongoing projects for water pipelines (ordered for design and installation both together) based on the DB method

Purchaser	Order received	Completion	Project name	Contactor	Business scale
Nara Prefecture	FY2022	(Plan) FY2027	Connecting Pipe Section 1 Development Project	Kurimoto Ltd., Muramoto, and Ushio Consultants Company, Ltd. Joint venture for specific construction work	—
Chitose City, Hokkaido	FY2023	(Plan) FY2025	(5) Bibi District sewage system improvement project	Kurimoto-Maizuru-Shinyei-Nihon Suido Consultants Specified Joint Venture	1,380 million yen
Tsugaru Wide-area Waterworks Consortium, Aomori	FY2023	(Plan) FY2030	Water supply pipeline earthquake proofing (duplexing) project	Kurimoto-Marukan Kensetsu-Nihon Suiko Sekkei Specified Joint Venture	4,800 million yen
Omihachiman City, Shiga Prefecture	FY2024	(Plan) FY2027	Water supply main pipelines renewal in Omihachiman City (Part 1)	Kurimoto Ltd., Hiyoshi Corporation, and Kyokuto Giko Consultant Co., Ltd. Joint venture	1,060 million yen
Koryo-cho, Nara Prefecture	FY2024	(Plan) FY2027	Distribution mains installation in Koryo-cho Earthquake-resistant design and installation renewal work	Kurimoto Ltd. and Ushio Consultants Company, Ltd. Joint venture	880 million yen
Nakatsugawa City, Gifu Prefecture	FY2024	(Plan) FY2027	Nakatsugawa Station Area Pipe renewal project (Part 2)	Kurimoto Pipe Engineering Co. Homo Kosan and Taiyo Construction Consultant Group	750 million yen

## 4-3. Contributing to the environment around Osaka/Kansai Expo **KURIMOTO**

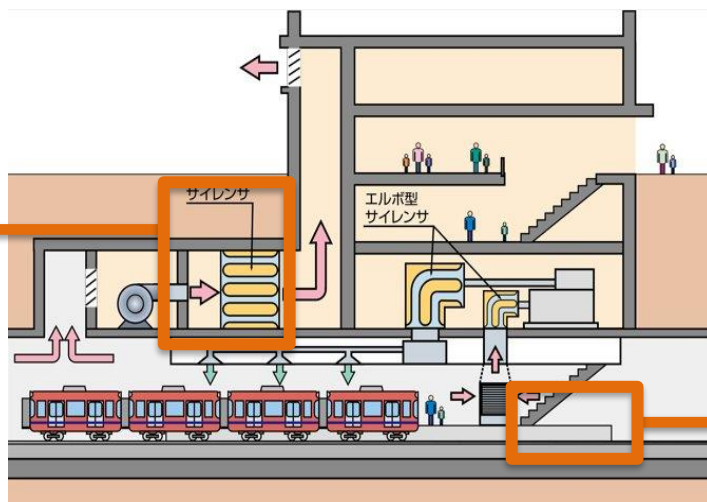
### Industrial Materials Segment

- Our silencer and protective cover for third rail\* are installed at Yumeshima Station, the closest station to the Osaka Expo '70 Kansai \*Rails for power supply
- Contributing to reducing air conditioning noise and ensuring the safety of workers and passengers by protecting the power feed rails at the station and maintaining a comfortable environment in the Yumeshima area



### Subway Ventilation Image

Silencer



Protective cover for third rail



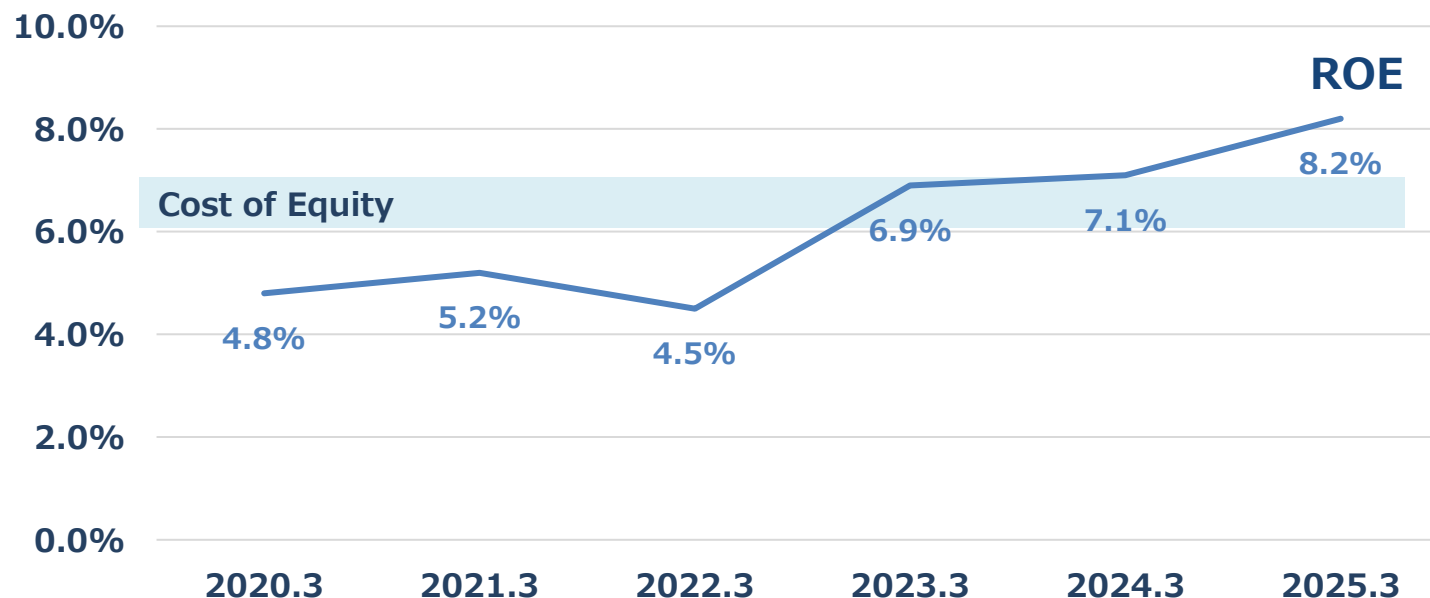
## **5. Approach to Achieve Management Conscious of Capital Cost and Stock Price**

## 5-1. Current situation analysis and Cost of Equity

◆ We recognize Cost of Equity (CAPM) is **6.0% to 7.0%**

$$\begin{array}{ccccccc}
 \text{1.0\%} & & \text{0.8~1.0} & & \text{6.0\%} & & \text{6.0\%~7.0\%} \\
 \boxed{\text{Risk free rate ※}} & + & \boxed{\beta} & \times & \boxed{\text{Market Risk premium}} & = & \boxed{\text{Cost of Equity}}
 \end{array}$$

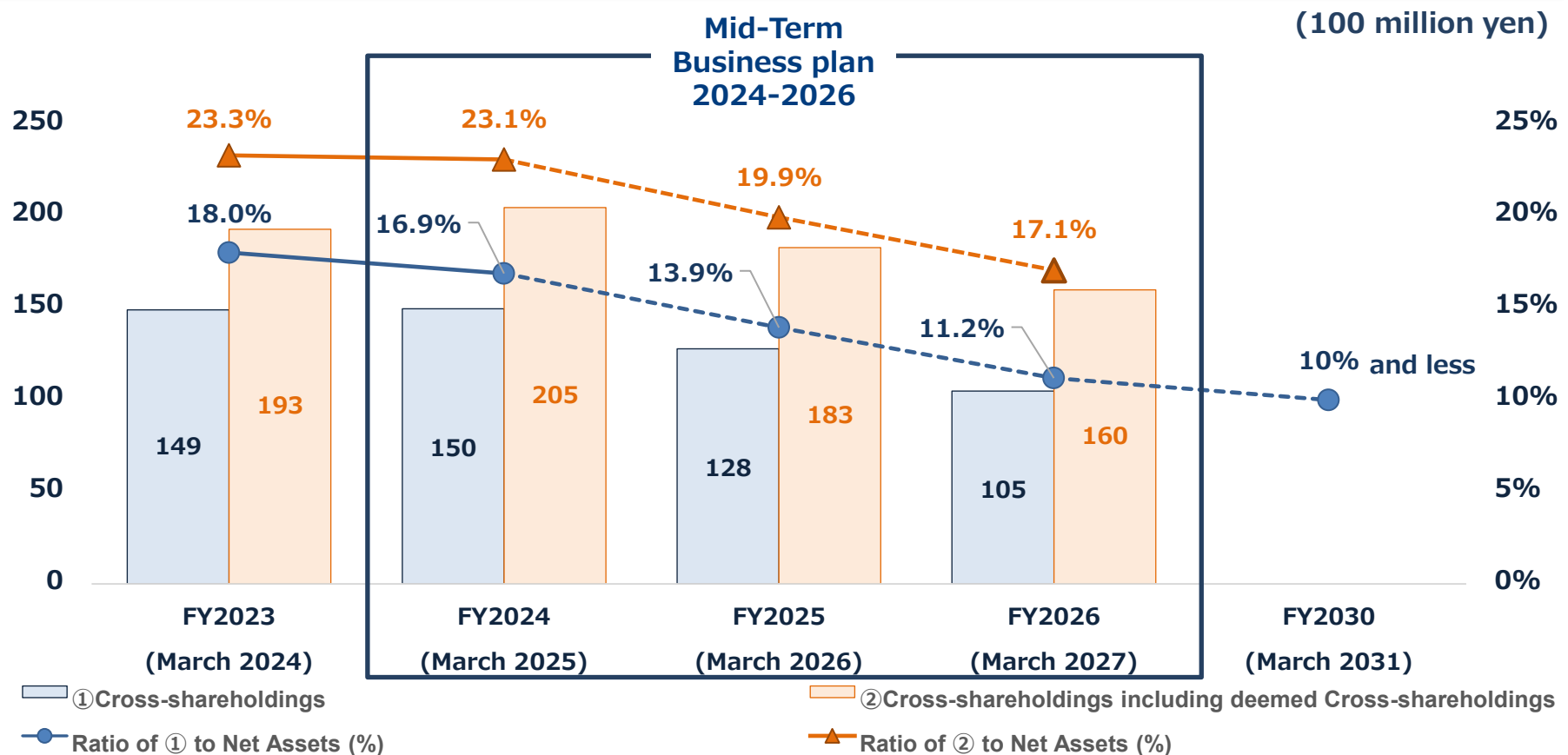
\*Yield on long-term government bonds (10 years)



## 5-2. Achievement in Reduction of Cross-Shareholdings and Future Reduction Plan

- ◆ Aim to reduce market value of cross-shareholdings by 30 - 40% compared to FY2023 (the end of March 2024) in this Mid-Term Business plan.
- ◆ Aim to reduce the percentage of cross-shareholdings to consolidated net assets to less than 10% within FY 2030 (the end of March 2031).

### Actual and Planned Reduction of Cross-Shareholdings



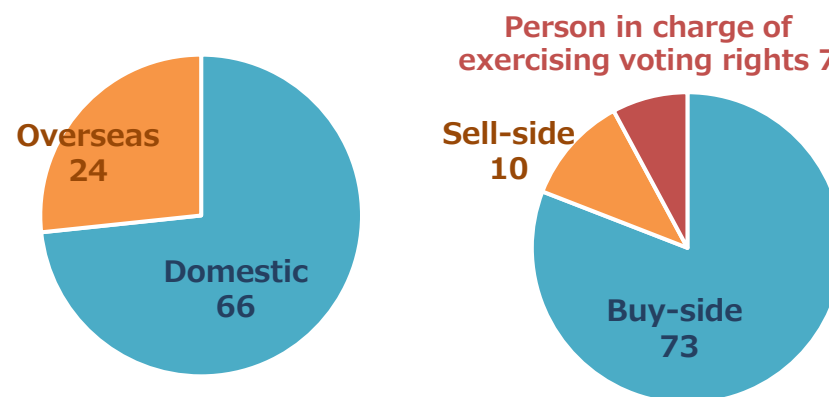
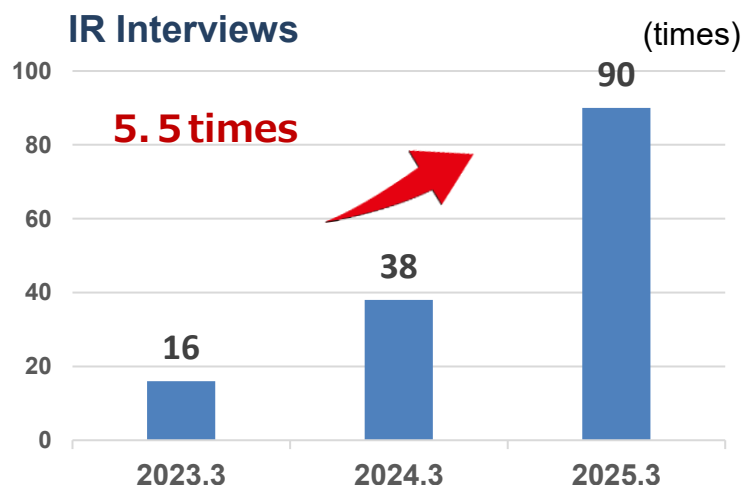
\*Planning figures are estimates based on the market value of shares at the end of March 2025.



## 5-3. Dialogue with investors and shareholders

### Achievement

- ◆ Feedback to the board and directors to eliminate information asymmetry (Continued)
- ◆ Disclosed **Equity of cost** and **schedule for future reduction plan of cross-shareholdings**
- ◆ Discussing to visualize **specific growing strategies, ROIC, and management based on Optimal Balance Sheet** as a next step. (In progress)
- ◆ Launched IR E-mail Magazine service to accelerate timely disclosure  
( <https://corp.kurimoto.co.jp/ir/mail/> ) ※Japanese language only
- ◆ Joined IR events to increase opportunities for dialogue with individual investors



Buy-side: the side that buys stocks and bonds (e.g., investment managers)  
 Sell-side: the side that sells stocks and bonds (e.g., brokerage firms)

## Reference Materials

# Business Summary

## 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—**

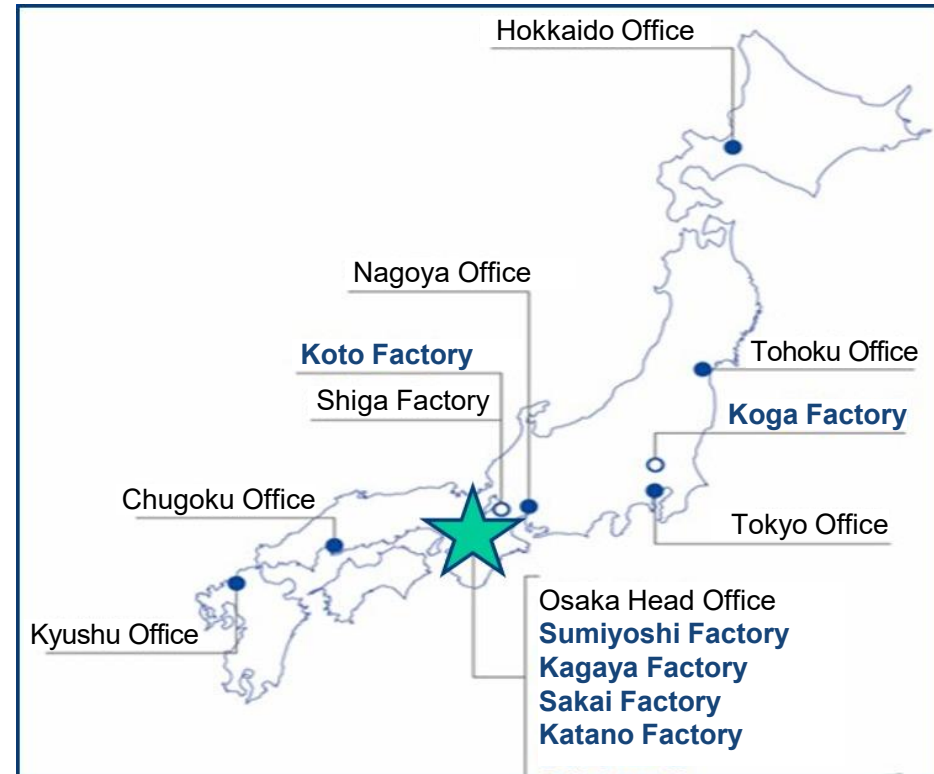
## Our Vision

**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.**

# Business Summary (as of March 2025)

## Offices and factories

- **Factories (13 areas)**  
Osaka: 4 factories,  
Shiga Pref., Ibaraki Pref., etc.
- **Domestic offices (8 areas)**  
Head Office (Osaka), Tokyo,  
Sapporo, Sendai, Nagoya,  
Hiroshima, Fukuoka, Okinawa
- **Overseas Offices (2 areas)**  
Europe Office (Germany)  
Jakarta Office (Indonesia)



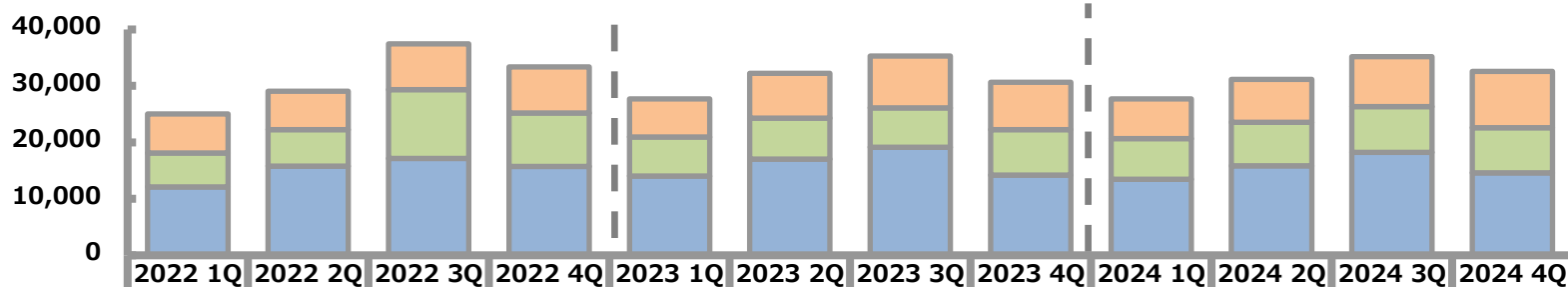
## Affiliated Companies:

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.

# Trends of Quarterly Segment Earnings (Consolidated)

(Millions of yen)

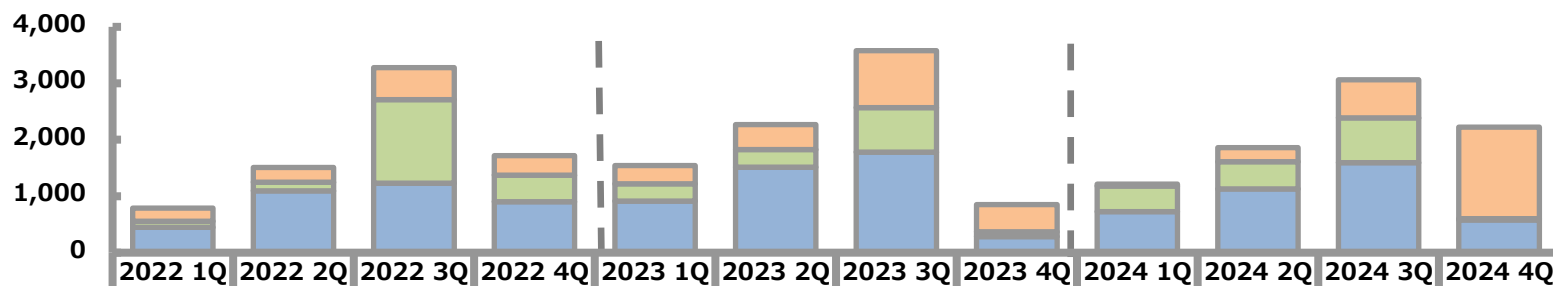
## Net sales



	2022 1Q	2022 2Q	2022 3Q	2022 4Q	2023 1Q	2023 2Q	2023 3Q	2023 4Q	2024 1Q	2024 2Q	2024 3Q	2024 4Q
Industrial Materials Segment	6,881	6,761	8,079	8,124	6,753	7,949	9,225	8,413	7,067	7,620	8,829	9,988
Machinery System Segment	6,002	6,477	12,169	9,454	6,921	7,234	6,973	8,016	7,166	7,702	8,143	7,948
Lifeline Segment	12,136	15,796	17,179	15,768	14,052	17,041	19,119	14,227	13,496	15,858	18,220	14,633

## Operating income

(Millions of yen)

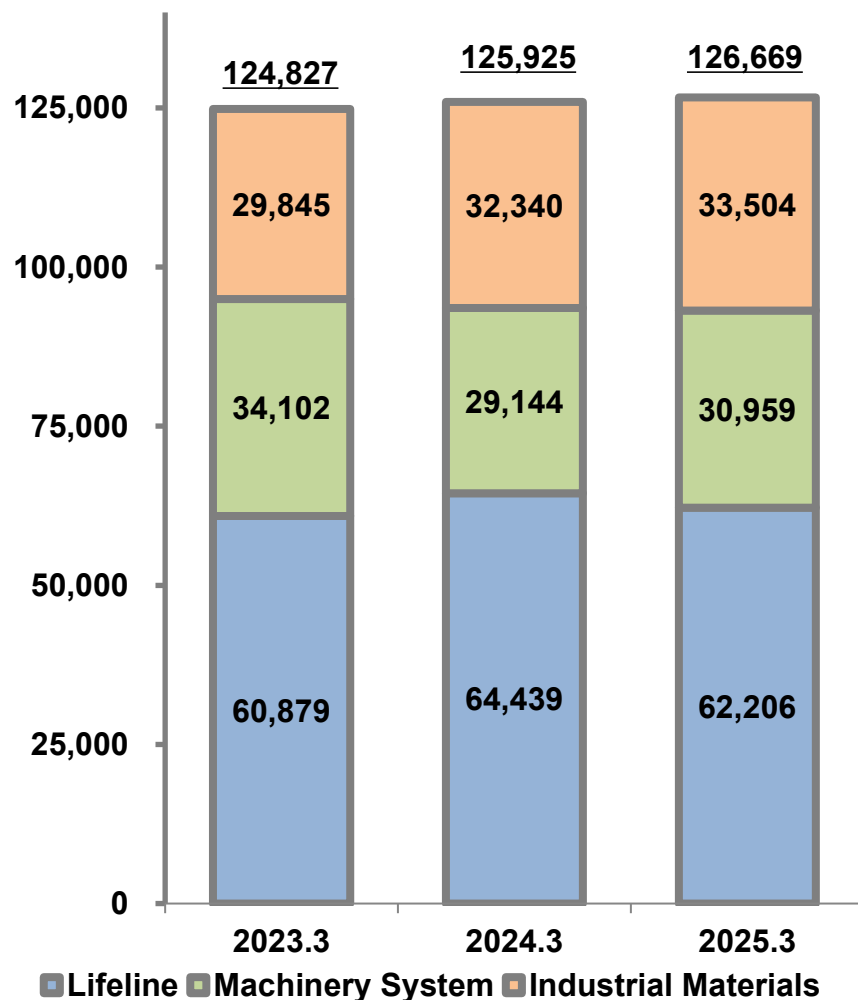


	2022 1Q	2022 2Q	2022 3Q	2022 4Q	2023 1Q	2023 2Q	2023 3Q	2023 4Q	2024 1Q	2024 2Q	2024 3Q	2024 4Q
Industrial Materials Segment	234	260	562	348	321	447	1,007	480	38	248	676	1,624
Machinery System Segment	108	152	1,479	469	308	309	789	85	451	479	794	23
Lifeline Segment	447	1,096	1,234	902	913	1,515	1,782	284	727	1,132	1,592	578

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

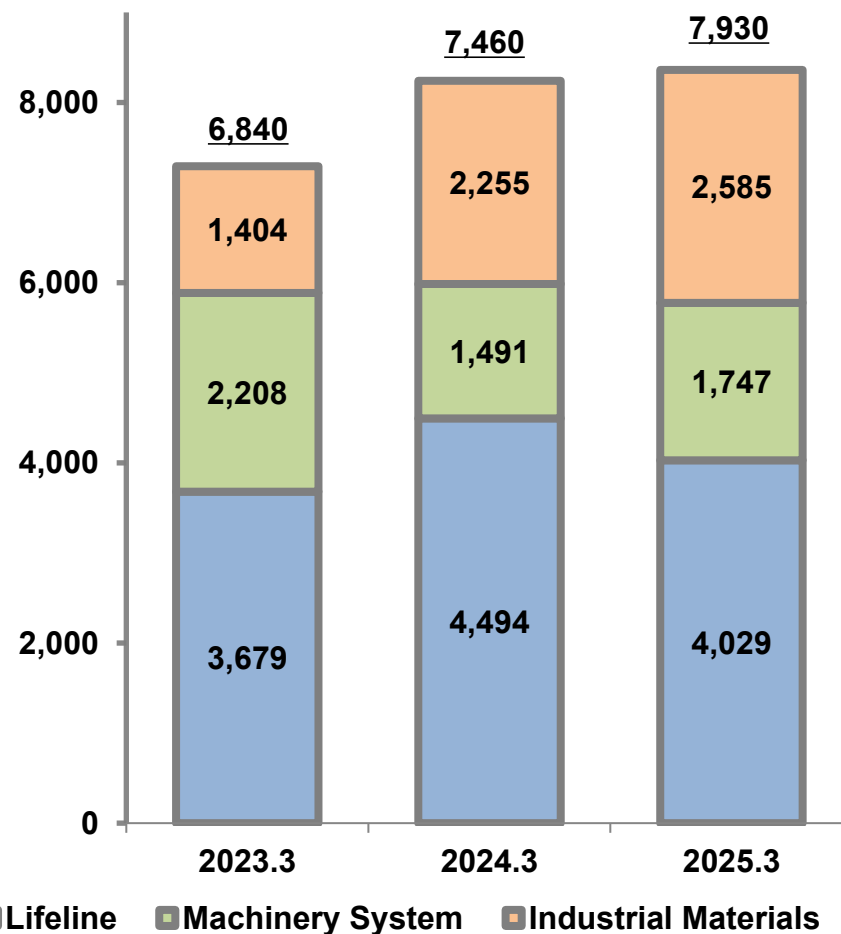
# Trends of Segment Earnings

Net sales



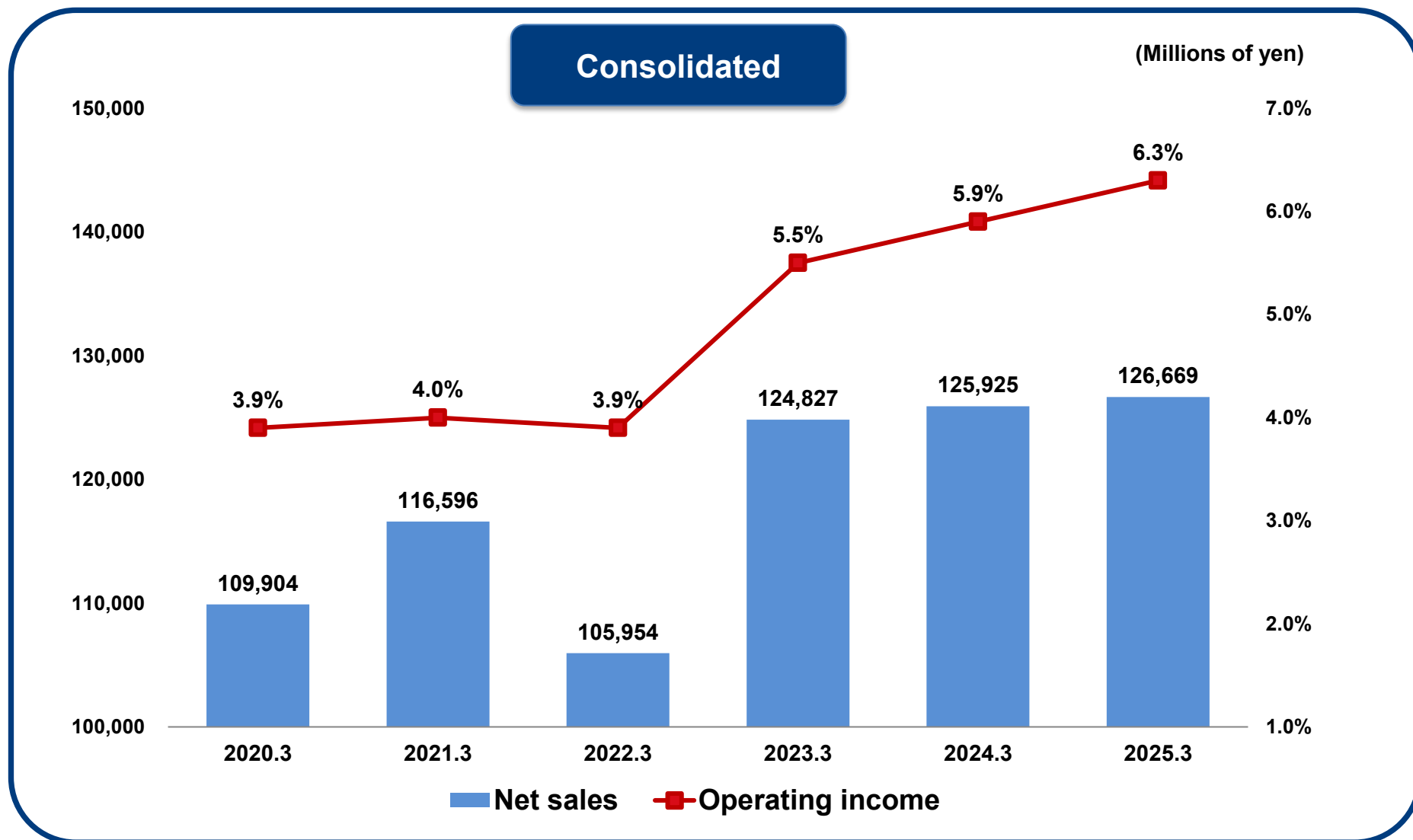
Operating income

(Millions of yen)



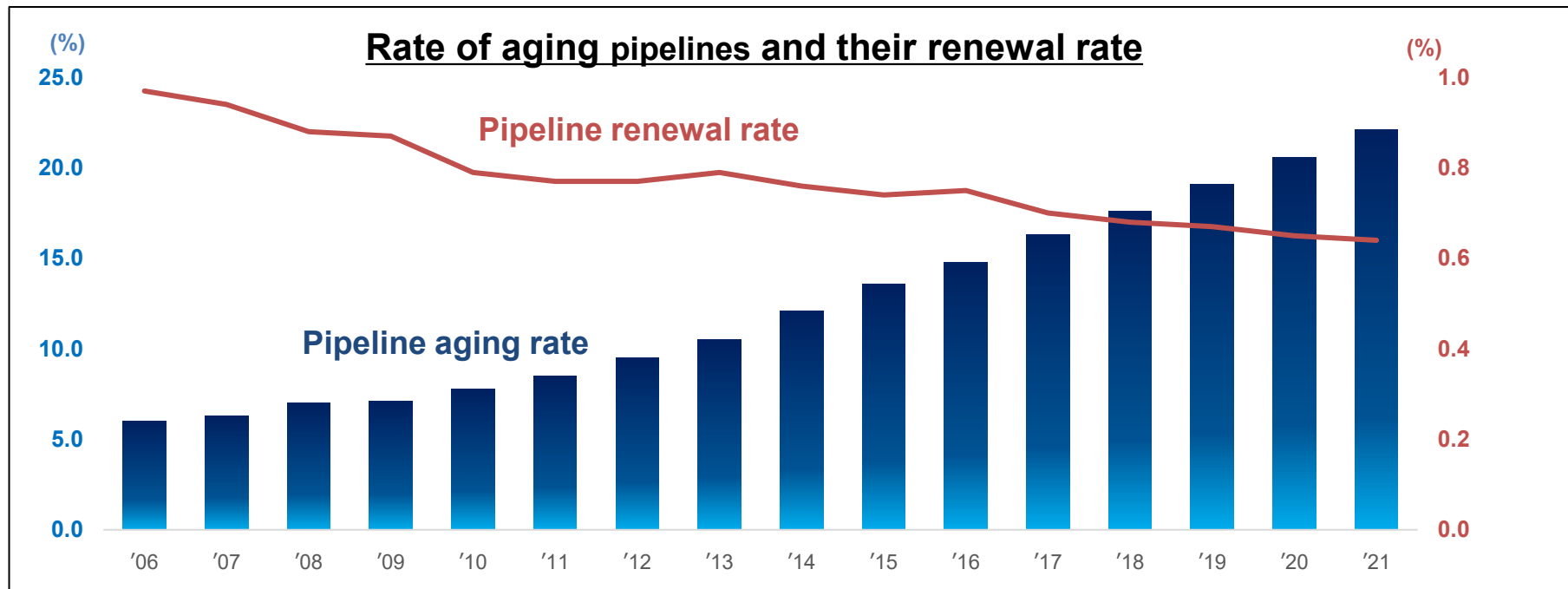
\* The total operating income includes adjustments, and does not match the sum of segment profit.

# Trends of Sales and Operating Income (Consolidated)



# Market Size of Water Supply Business in Japan

- The total length of water mains in Japan is approx. **740,000** km (approx. 18 times around the earth)
- Of these mains, the length of ductile iron pipes extends approx. **400,000** km (54%)
- While the rate of aging pipelines is on the rise, the renewal rate is declining every year (less than **1**%)





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.

Contact:  
Kurimoto, Ltd.  
IR & SR Dept., Planning Division  
TEL: 06-6538-7719  
E-mail: [ir@kurimoto.co.jp](mailto:ir@kurimoto.co.jp)  
Website: <https://www.kurimoto.co.jp>

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