

Disclaimer: This document is an English translation of the original document in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original in Japanese, the original shall prevail in all respects.

## Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]



February 7, 2023

Company name: Kurimoto, Ltd.

Code number: 5602

Representative: Kazutaka Kikumoto, President

Contact: Hiroshi Ono, General Manager of Corporate Planning Division

Phone: +81-6-6538-7719

Scheduled date of filing quarterly securities report: February 7, 2023

Scheduled date of commencing dividend payments: –

Availability of supplementary explanatory materials on quarterly financial results: Unavailable

Schedule of quarterly financial results briefing session: Not Scheduled

Stock exchange listing: Tokyo

URL: <https://www.kurimoto.co.jp>

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2022 (April 1, 2022 to December 31, 2022)

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

|                                     | Net sales   |        | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |        |
|-------------------------------------|-------------|--------|------------------|--------|-----------------|--------|---|--------|
|                                     | Million yen | %      | Million yen      | %      | Million yen     | %      | Million yen                             | %      |
| Nine months ended December 31, 2022 | 91,481      | 19.5   | 5,503            | 124.4  | 5,531           | 119.2  | 3,827                                   | 138.2  |
| December 31, 2021                   | 76,581      | (11.9) | 2,452            | (38.5) | 2,523           | (33.5) | 1,607                                   | (36.6) |

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥5,281 million [215.7%]

Nine months ended December 31, 2021: ¥1,673 million [(62.5)%]

|                   | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Nine months ended | Yen                      | Yen                        |
| December 31, 2022 | 313.58                   | –                          |
| December 31, 2021 | 131.75                   | –                          |

#### (2) Consolidated Financial Position

|                         | Total assets | Net assets  | Equity ratio |
|-------------------------|--------------|-------------|--------------|
|                         | Million yen  | Million yen | %            |
| As of December 31, 2022 | 149,165      | 71,976      | 47.4         |
| As of March 31, 2022    | 139,722      | 67,619      | 47.5         |

(Reference) Equity: As of December 31, 2022: ¥70,641 million

As of March 31, 2022: ¥66,342 million

### 2. Dividends

|  | Annual dividends |                 |                 |          |       |
|--|------------------|-----------------|-----------------|----------|-------|
|  | 1st quarter-end  | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
|  | Yen              | Yen             | Yen             | Yen      | Yen   |
| Fiscal year ended March 31, 2022             | –                | 35.00           | –               | 35.00    | 70.00 |
| Fiscal year ending March 31, 2023            | –                | 40.00           | –               | –        | –     |
| Fiscal year ending March 31, 2023 (Forecast) | –                | –               | –               | 40.00    | 80.00 |

(Note) Revision to the forecast for dividends announced most recently: None

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

|           | Net sales   |      | Operating profit |      | Ordinary profit |      | Profit attributable to owners of parent |      | Basic earnings per share |
|-----------|-------------|------|------------------|------|-----------------|------|---|------|--------------------------|
| Full year | Million yen | %    | Million yen      | %    | Million yen     | %    | Million yen                             | %    | Yen                      |
|           | 118,000     | 11.4 | 6,000            | 43.8 | 6,000           | 43.6 | 4,200                                   | 43.9 | 344.09                   |

(Note) Revision to the financial results forecast announced most recently: Yes

#### \* Notes:

(1) Changes in significant subsidiaries during the period under review: None

(Changes in specified subsidiaries resulting in changes in scope of consolidation)

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2022: 13,098,490 shares

March 31, 2022: 13,098,490 shares

2) Total number of treasury shares at the end of the period:

December 31, 2022: 889,445 shares

March 31, 2022: 896,195 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 12,205,268 shares

Nine months ended December 31, 2021: 12,197,919 shares

Note on the total number of issued shares

(Note) The number of treasury shares to be deducted for calculating the total number of treasury shares at the end of the period

and the average number of shares during the period includes the Company's shares held by Custody Bank of Japan, Ltd.

(Trust E Account) as trust assets under the Board Benefit Trust (BBT) (42,822 shares in the nine months ended December

31, 2022; 15,894 shares in the nine months ended December 31, 2021; 15,894 shares in the fiscal year ended March 31,

2022).

\* These quarterly financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

\* Explanation of the proper use of financial results forecasts and other notes

Financial results forecasts and other forward-looking statements provided in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and do not represent any guarantee that the Company will achieve these results. Actual financial results and other aspects of business performance may differ significantly from these forecasts owing to various factors. Please refer to "1. Qualitative Information on Quarterly Financial Results for the Period under Review (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 3 of the Attachments for conditions forming the basis for financial results forecasts, and notes regarding the use of financial results forecasts.

## Table of Contents - Attachments

|  |   |
|--|---|
| 1. Qualitative Information on Quarterly Financial Results for the Period under Review .....            | 2 |
| (1) Explanation of Operating Results .....   | 2 |
| (2) Explanation of Financial Position .....  | 3 |
| (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information ..... | 3 |
| 2. Quarterly Consolidated Financial Statements and Primary Notes .....                                 | 4 |
| (1) Quarterly Consolidated Balance Sheets .....  | 4 |
| (2) Quarterly Consolidated Statements of Income and Comprehensive Income .....                         | 6 |
| (3) Notes to Quarterly Consolidated Financial Statements .....   | 8 |
| (Notes on going concern assumption) .....  | 8 |
| (Notes in the case of significant changes in shareholders' equity) .....                               | 8 |
| (Changes in accounting policies) .....   | 8 |
| (Segment information, etc.) .....  | 8 |

## 1. Qualitative Information on Quarterly Financial Results for the Period under Review

### (1) Explanation of Operating Results

During the nine months ended December 31, 2022, amid the impact of COVID-19, the Japanese economy was expected to recover primarily due to the easing of restrictions on activity by the government. However, a sense of uncertainty remained regarding the economic situation due to Russia's prolonged invasion of Ukraine, exchange rate fluctuations, higher resource prices, and accelerating inflation.

Under these circumstances, the Group has engaged in business activities to further enhance its corporate value by strengthening cost reduction and sales activities, as well as ensuring stable production and supply of its products, while taking measures to prevent the spread of COVID-19.

For the Group's financial results for the nine months ended December 31, 2022, net sales increased by ¥14,899 million year on year to ¥91,481 million, as a result of increased sales in the Lifeline business, Machinery System business, and Industrial Materials business.

For profit and loss, operating profit increased by ¥3,050 million year on year to ¥5,503 million, and ordinary profit increased by ¥3,008 million year on year to ¥5,531 million reflecting mainly increased profit resulting from net sales growth. Profit attributable to owners of parent increased by ¥2,220 million year on year to ¥3,827 million primarily due to the recording of gain on sale of investment securities and income taxes.

Operating results by segment were as follows:

In the Lifeline business, net sales increased by ¥1,817 million year on year to ¥45,111 million, mainly due to increased sales in the Pipe Systems Division and Valve Systems Division.

Operating profit increased by ¥687 million year on year to ¥2,777 million, mainly reflecting increased revenue both in the Pipe Systems Division and Valve Systems Division, due in part to the revisions to selling prices to offset the rising raw material prices.

In the Machinery System business, net sales increased by ¥10,010 million year on year to ¥24,648 million, mainly due to an increase in sales of powder systems and presses in the Plant Engineering & Machinery Division, owing in part to a recovery from temporary investment restraint caused by the COVID-19 pandemic, as well as an increase in sales of crushers and casting parts in the Materials & Machinery Division.

Operating profit increased by ¥2,066 million year on year to ¥1,739 million, mainly reflecting significant revenue growth in the Plant Engineering & Machinery Division.

In the Industrial Materials business, net sales increased by ¥3,072 million year on year to ¥21,721 million, mainly due to increased sales of air conditioning equipment and noise-reduction products in the Construction Materials Division, as well as increased sales of products for sewage systems and FRP inspection passages in the Plastic Products Division.

Operating profit increased by ¥407 million year on year to ¥1,056 million, mainly reflecting revenue growth both in the Construction Materials Division and the Plastic Products Division in the face of the rising raw material prices.

## (2) Explanation of Financial Position

Total assets at the end of the third quarter of the consolidated fiscal year under review increased by ¥9,443 million from the end of the previous consolidated fiscal year to ¥149,165 million, mainly due to increases in notes and accounts receivable - trade, and contract assets, and electronically recorded monetary claims - operating.

Liabilities increased by ¥5,086 million from the end of the previous consolidated fiscal year to ¥77,189 million, mainly owing to increases in notes and accounts payable - trade and electronically recorded obligations - operating.

Net assets increased by ¥4,356 million from the end of the previous consolidated fiscal year to ¥71,976 million. This is mainly attributable to changes in retained earnings after recording dividends payments and profit attributable to owners of parent.

## (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

Considering the recent performance trend, the Company has revised the full-year consolidated financial results forecast for the fiscal year ending March 31, 2023 released on October 31, 2022 as described below.

Net sales are expected to exceed the previous forecast, primarily due to an increase in sales in the Machinery System business.

On the profit front, operating profit, ordinary profit, and profit attributable to owners of parent are all expected to exceed the previous forecast following the net sales growth.

Revisions to the full-year consolidated financial results forecast for the fiscal year ending March 31, 2023  
(April 1, 2022–March 31, 2023)

|   | Net sales   | Operating profit | Ordinary profit | Profit attributable to owners of parent | Basic earnings per share |
|---|-------------|------------------|-----------------|---|--------------------------|
|   | Million yen | Million yen      | Million yen     | Million yen                             | Yen                      |
| Previous forecast (A)<br>(released on Oct. 31, 2022)                      | 115,000     | 5,000            | 5,000           | 3,700                                   | 303.12                   |
| Revised forecast (B)  | 118,000     | 6,000            | 6,000           | 4,200                                   | 344.09                   |
| Change (B–A)  | 3,000       | 1,000            | 1,000           | 500                                     | –                        |
| Percentage change (%)   | 2.6         | 20.0             | 20.0            | 13.5                                    | –                        |
| (Reference)<br>Actual results for the fiscal<br>year ended March 31, 2022 | 105,954     | 4,172            | 4,179           | 2,917                                   | 239.17                   |

2. Quarterly Consolidated Financial Statements and Primary Notes  
(1) Quarterly Consolidated Balance Sheets

(Million yen)

|  | As of March 31, 2022 | As of December 31, 2022 |
|--|----------------------|-------------------------|
| <b>Assets</b>  |                      |                         |
| Current assets   |                      |                         |
| Cash and deposits  | 21,358               | 22,054                  |
| Notes and accounts receivable - trade, and contract assets | 35,482               | 39,598                  |
| Electronically recorded monetary claims - operating        | 8,964                | 11,681                  |
| Merchandise and finished goods                             | 9,736                | 11,708                  |
| Work in process  | 8,575                | 7,909                   |
| Raw materials and supplies                                 | 3,650                | 3,888                   |
| Other  | 1,507                | 1,642                   |
| Allowance for doubtful accounts                            | (126)                | (144)                   |
| <b>Total current assets</b>                                | <b>89,149</b>        | <b>98,338</b>           |
| Non-current assets   |                      |                         |
| Property, plant and equipment                              |                      |                         |
| Land   | 13,787               | 13,787                  |
| Other, net   | 18,737               | 18,623                  |
| <b>Total property, plant and equipment</b>                 | <b>32,525</b>        | <b>32,410</b>           |
| Intangible assets  |                      |                         |
| Other  | 1,773                | 1,511                   |
| <b>Total intangible assets</b>                             | <b>1,773</b>         | <b>1,511</b>            |
| Investments and other assets                               |                      |                         |
| Investment securities                                      | 11,526               | 12,891                  |
| Other  | 4,831                | 4,094                   |
| Allowance for doubtful accounts                            | (83)                 | (79)                    |
| <b>Total investments and other assets</b>                  | <b>16,274</b>        | <b>16,905</b>           |
| <b>Total non-current assets</b>                            | <b>50,573</b>        | <b>50,827</b>           |
| <b>Total assets</b>  | <b>139,722</b>       | <b>149,165</b>          |

(Million yen)

|   | As of March 31, 2022 | As of December 31, 2022 |
|---|----------------------|-------------------------|
| <b>Liabilities</b>                                    |                      |                         |
| Current liabilities                                   |                      |                         |
| Notes and accounts payable - trade                    | 15,104               | 18,359                  |
| Electronically recorded obligations - operating       | 13,556               | 17,444                  |
| Short-term borrowings                                 | 22,250               | 21,160                  |
| Current portion of long-term borrowings               | 1,222                | 667                     |
| Income taxes payable                                  | 426                  | 1,051                   |
| Provisions  | 2,482                | 1,456                   |
| Other   | 6,804                | 7,269                   |
| Total current liabilities                             | 61,846               | 67,409                  |
| Non-current liabilities                               |                      |                         |
| Long-term borrowings                                  | 714                  | 399                     |
| Provisions  | 20                   | 13                      |
| Retirement benefit liability                          | 8,830                | 8,714                   |
| Other   | 690                  | 652                     |
| Total non-current liabilities                         | 10,256               | 9,780                   |
| <b>Total liabilities</b>                              | <b>72,102</b>        | <b>77,189</b>           |
| <b>Net assets</b>                                     |                      |                         |
| Shareholders' equity                                  |                      |                         |
| Share capital   | 31,186               | 31,186                  |
| Capital surplus                                       | 6,873                | 6,873                   |
| Retained earnings                                     | 27,029               | 29,928                  |
| Treasury shares                                       | (1,802)              | (1,778)                 |
| Total shareholders' equity                            | 63,287               | 66,209                  |
| Accumulated other comprehensive income                |                      |                         |
| Valuation difference on available-for-sale securities | 3,256                | 4,265                   |
| Deferred gains or losses on hedges                    | 1                    | (2)                     |
| Foreign currency translation adjustment               | 44                   | 330                     |
| Remeasurements of defined benefit plans               | (247)                | (161)                   |
| Total accumulated other comprehensive income          | 3,054                | 4,431                   |
| Non-controlling interests                             | 1,277                | 1,335                   |
| <b>Total net assets</b>                               | <b>67,619</b>        | <b>71,976</b>           |
| <b>Total liabilities and net assets</b>               | <b>139,722</b>       | <b>149,165</b>          |

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Nine Months Ended December 31

(Million yen)

|  | For the nine months<br>ended December 31, 2021 | For the nine months<br>ended December 31, 2022 |
|--|--|--|
| Net sales  | 76,581   | 91,481   |
| Cost of sales                                    | 58,583   | 69,720   |
| Gross profit                                     | 17,997   | 21,761   |
| Selling, general and administrative expenses     | 15,544   | 16,257   |
| Operating profit                                 | 2,452  | 5,503  |
| Non-operating income                             |  |  |
| Dividend income                                  | 168  | 197  |
| Other  | 222  | 236  |
| Total non-operating income                       | 391  | 434  |
| Non-operating expenses                           |  |  |
| Interest expenses                                | 114  | 115  |
| Fixed asset retirement expenses                  | 69   | 114  |
| Other  | 135  | 176  |
| Total non-operating expenses                     | 320  | 406  |
| Ordinary profit                                  | 2,523  | 5,531  |
| Extraordinary income                             |  |  |
| Gain on sale of investment securities            | –  | 70   |
| Reversal of provision for loss on disaster       | 0  | –  |
| Other  | –  | 1  |
| Total extraordinary income                       | 0  | 71   |
| Extraordinary losses                             |  |  |
| Loss on valuation of golf club membership        | –  | 2  |
| Impairment losses                                | 41   | –  |
| Other  | 14   | –  |
| Total extraordinary losses                       | 56   | 2  |
| Profit before income taxes                       | 2,467  | 5,601  |
| Income taxes - current                           | 233  | 1,374  |
| Income taxes - deferred                          | 476  | 321  |
| Total income taxes                               | 710  | 1,696  |
| Profit   | 1,756  | 3,904  |
| Profit attributable to non-controlling interests | 149  | 77   |
| Profit attributable to owners of parent          | 1,607  | 3,827  |



Quarterly Consolidated Statements of Comprehensive Income  
 Nine Months Ended December 31

(Million yen)

|  | For the nine months<br>ended December 31, 2021 | For the nine months<br>ended December 31, 2022 |
|--|--|--|
| Profit   | 1,756  | 3,904  |
| Other comprehensive income                                     |  |  |
| Valuation difference on available-for-sale securities          | (240)  | 1,008  |
| Deferred gains or losses on hedges                             | (0)  | (3)  |
| Foreign currency translation adjustment                        | 70   | 285  |
| Remeasurements of defined benefit plans, net of tax            | 87   | 86   |
| Total other comprehensive income                               | (83)   | 1,376  |
| Comprehensive income   | 1,673  | 5,281  |
| Comprehensive income attributable to                           |  |  |
| Comprehensive income attributable to owners of parent          | 1,523  | 5,204  |
| Comprehensive income attributable to non-controlling interests | 149  | 77   |

### (3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Notes in the case of significant changes in shareholders' equity)

There is no relevant information.

(Changes in accounting policies)

The Company has adopted the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as the "Fair Value Measurement Guidance") from the beginning of the first quarter of the consolidated fiscal year under review, and will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Guidance in accordance with the transitional treatment provided in Paragraph 27-2 of the Fair Value Measurement Guidance. This has no impact on quarterly consolidated financial statements.

(Segment information, etc.)

[Segment Information]

#### I For the nine months ended December 31, 2021

##### 1. Information on net sales and income (loss) by reportable segment

(Million yen)

|   | Reportable segment   |                                 |                                     | Total  | Adjustment<br>(Note 1) | Amount<br>recorded in<br>Quarterly<br>Consolidated<br>Statements of<br>Income<br>(Note 2) |
|---|----------------------|---------------------------------|-------------------------------------|--------|------------------------|---|
|   | Lifeline<br>business | Machinery<br>System<br>business | Industrial<br>Materials<br>business |        |                        |   |
| Net sales                               |                      |                                 |                                     |        |                        |   |
| Net sales to outside customers          | 43,293               | 14,638                          | 18,649                              | 76,581 | –                      | 76,581  |
| Inter-segment net sales<br>or transfers | 77                   | 83                              | 12                                  | 173    | (173)                  | –   |
| Total                                   | 43,370               | 14,721                          | 18,662                              | 76,754 | (173)                  | 76,581  |
| Segment income (loss)                   | 2,090                | (326)                           | 648                                 | 2,412  | 40                     | 2,452   |

(Notes) 1. Adjustment of segment income (loss) of ¥40 million includes ¥13 million for inter-segment transaction eliminations, ¥130 million for allocation difference of selling, general and administrative expenses and experimentation and research expenses borne by each reportable segment, and ¥(103) million for inventory adjustments.

2. Adjustments are made to reconcile segment income (loss) to operating profit reported on the quarterly consolidated statements of income.

##### 2. Information on impairment losses on non-current assets and goodwill by reportable segment

(Significant impairment losses related to non-current assets)

Impairment losses on assets for rent were recorded as "Adjustment."

The amount of such impairment losses was ¥41 million for the nine months ended December 31, 2021.

(Significant changes in goodwill)

There is no relevant information.

(Significant gain on negative goodwill)

There is no relevant information.

II For the nine months ended December 31, 2022

1. Information on net sales and income (loss) by reportable segment

(Million yen)

|   | Reportable segment   |                                 |                                     | Total  | Adjustment<br>(Note 1) | Amount<br>recorded in<br>Quarterly<br>Consolidated<br>Statements of<br>Income<br>(Note 2) |
|---|----------------------|---------------------------------|-------------------------------------|--------|------------------------|---|
|   | Lifeline<br>business | Machinery<br>System<br>business | Industrial<br>Materials<br>business |        |                        |   |
| Net sales                               |                      |                                 |                                     |        |                        |   |
| Net sales to outside customers          | 45,111               | 24,648                          | 21,721                              | 91,481 | –                      | 91,481  |
| Inter-segment net sales<br>or transfers | 86                   | 66                              | 33                                  | 186    | (186)                  | –   |
| Total                                   | 45,197               | 24,714                          | 21,755                              | 91,667 | (186)                  | 91,481  |
| Segment income                          | 2,777                | 1,739                           | 1,056                               | 5,573  | (70)                   | 5,503   |

(Notes) 1. Adjustment of segment income of ¥(70) million includes ¥16 million for inter-segment transaction eliminations, ¥(61) million for allocation difference of selling, general and administrative expenses and experimentation and research expenses borne by each reportable segment, and ¥(25) million for inventory adjustments.

2. Adjustments are made to reconcile segment income to operating profit reported on the quarterly consolidated statements of income.

2. Information on impairment losses on non-current assets and goodwill by reportable segment

(Significant impairment losses related to non-current assets)

There is no relevant information.

(Significant changes in goodwill)

There is no relevant information.

(Significant gain on negative goodwill)

There is no relevant information.