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All for the future of our planet

ANNUAL REPORT

Year ended March 31, 2010



KURIMOTO, LTD.

In 1909 Kurimoto, Ltd. began operations as manufacturer of cast iron pipes for water and gas mains. With determination and foresight, the company soon began to diversify into other fields, serving the industrial sector in a multitude of ways.

The major divisions of Kurimoto now provide ductile iron pipes, steel structures, plant equipment and engineering services, valves, and construction materials. Involvement with and commitment to large-scale projects has enabled Kurimoto to expand its areas of expertise, be it in land development, industrial modernization, or urban renewal and construction. 12 factories located throughout Japan comprise the company's industrial base which, together with 19 subsidiary companies, make up the Kurimoto group employing about 2,300 people. Today, Kurimoto plays a vital role in supplying basic industrial products, machines, and services domestically and abroad.

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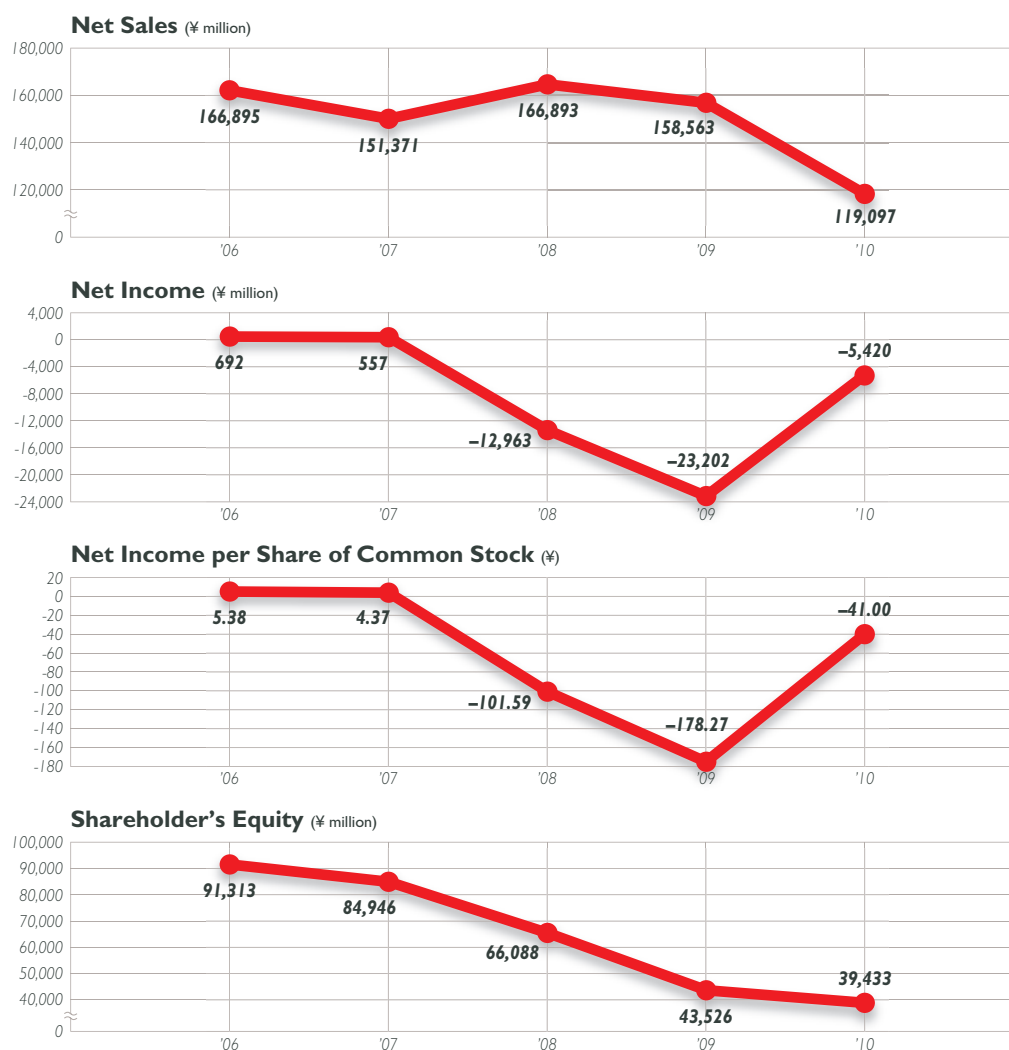
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Financial Highlights

Millions of yen (thousands of U.S. dollars) except per 1,000 share information

Years ended March 31	2010	2009	2008	2007	2006	2010
Net sales	¥ 119,097	¥ 158,563	¥ 166,893	¥ 151,371	¥ 166,895	\$ 1,280,067
Net income (loss)	(5,420)	(23,202)	(12,963)	557	692	(58,261)
Per 1,000 shares of common stock						
Net income (loss)	(40,997)	(178,270)	(101,590)	4,370	5,384	(440)
Cash dividends	—	—	2,000	4,000	4,000	—
Total assets	134,204	177,923	193,461	213,329	224,466	1,442,441
Total shareholders' equity	39,433	43,526	66,088	84,946	91,313	423,832

Notes: The U.S. dollar amounts are calculated at the exchange rate of ¥93.04 to \$1, the rate prevailing on March 31, 2010.



Message from the President

Now that we have settled our accounts for the 114th accounting period (April 1, 2009 to March 31, 2010), I would like to report on our financial position and provide an overview of our business activities.

While the Japanese economy still experienced rough going this last fiscal year, we have emerged from the worst and are heading into a recovery trend. Under such conditions, which resulted in a drop in the number of shipments in Ductile Iron Pipe Division and diminished demand for the Construction Materials Division, etc. together with Kurimoto Construction Industry, Ltd. being turned into an unconsolidated subsidiary at the end of the 2nd quarter and the progression of our business reorganization initiated from the previous period, etc., our group's sales for this consolidated accounting period totaled 119 billion yen (1.28 billion dollars), a 39.4 billion yen (424 million dollars) decrease compared with the previous term. Improved profits through cost reductions and the withdrawal from unprofitable projects, etc., brought operating income to 6.7 billion yen (72 billion 623 million dollars), an increase of 4.1 billion yen (44 million dollars) on the previous period. There was a net loss for this period, however, of 5.4 billion yen (58 million dollars), though it was 17.7 billion yen (19 million dollars) less the previous term due to the calculation of Restructuring loss, Compensation for damage, Loss on hedge trading, a special additional charge for voluntary retirees, etc., as extraordinary losses.

Based on the "business consolidation" and "selection and concentration" aims of our business model, our group raised operating income through its business reorganization, but the resolution of other pending issues resulted in a net loss

for fiscal 2009, the 3rd consecutive term. The Corporate Planning Division was established from fiscal 2010 and given planning and financial functions to promote improved value, inventory consolidation, and spending cuts in each production and business process. "Transformation of the business structure" and "Reinforcement of earnings strength" are being promoted as group-wide activities toward improving Free Cash Flow and a healthy state of financial affairs.

We are also aiming at further "transparency" in both management and work contents by strongly promoting internal control activities, and will be implementing even more thorough management that stresses compliance and quality control. With a focus from an on-site outlook, we will be implementing business reform, overall cost reductions, rationalization, and a strengthening of the autonomous human resource development and, in the future, we will be concentrating on the creation of further value by cultivating new markets and engaging in research and development that is useful to society and will be accelerating the start-up of new products and new markets. Furthermore, we will also be aggressive at overseas deployment in both resource and consuming countries.



Hideaki Fukui
President

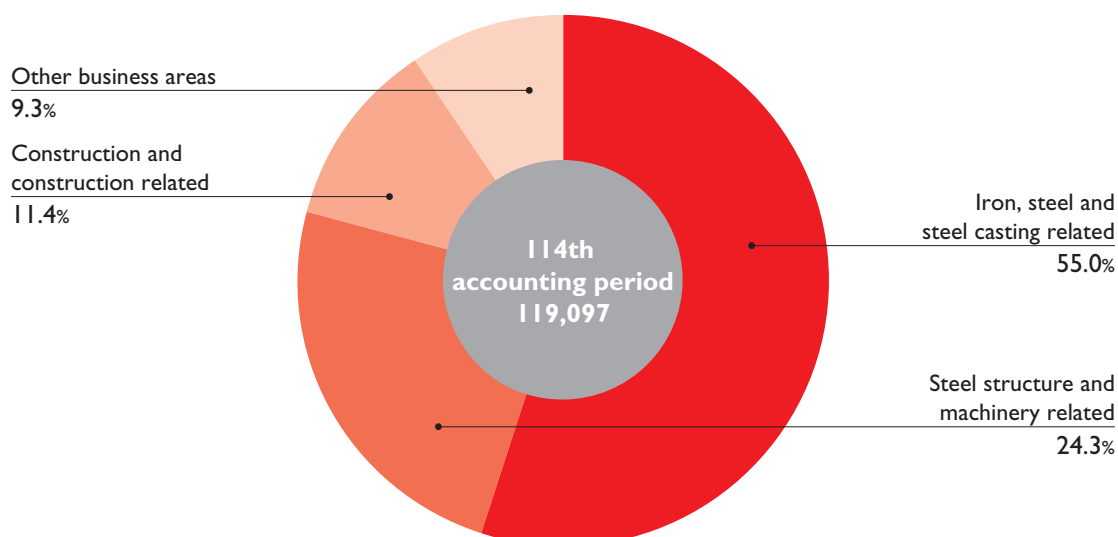
June 2010

A handwritten signature in dark ink, reading "H. Fukui".

Hideaki Fukui
President

Business Operations

Corporate group sales by business area (in millions of yen)



Iron, steel and steel casting related businesses

In the iron, steel, and steel casting business domain, net sales for our Ductile Iron Pipe Division was 65.5 billion yen, down 2.4 billion yen from the previous consolidated accounting period. This was the result of a drop in the number of shipments centered on small-diameter pipe as well as decreased sales in the Valve Division brought about by the effect of the suppression of overall capital investment, etc.

On the other hand, though the Valve Division showed a reduction in operating profit due to lower income, the concentration on cost reduction by the Ductile Iron Pipe Division resulted in an operating profit overall for our iron, steel, and steel casting related domain of 4.5 billion yen, a 61 million yen increase compared with the previous consolidated accounting period.



Construction and construction related businesses

In the construction and construction related businesses, sales of construction materials declining to 13.5 billion yen, a 28.1 billion yen decrease compared with the previous consolidated accounting period, as a consequence of Kurimoto Construction Industry, Ltd. being made into an unconsolidated subsidiary and our involvement in lower standard construction projects.

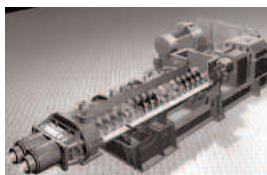
However, conversely, and also due to Kurimoto Construction becoming an unconsolidated subsidiary along with reductions in construction material costs, etc., this domain still experienced an operating profit of 0.3 billion yen, an increase of 1.9 billion yen compared with the previous consolidated accounting period.



Steel structure and machinery related businesses

In the steel structure and machinery related business field, overseas sales of powder equipment expanded, but sales fell 8.1 billion yen from the previous consolidated accounting period to 28.9 billion yen through stock transfers and the transfer of our bridge, sluice gate, and environment related businesses, as well as due to decreased sales in our forge rolling business brought about by the effect from the rapid control of capital investment centered on the automotive industry.

Withdrawal from unprofitable projects and cost reductions still improved operating profit for this domain to 600 million yen, a 1.2 billion yen profit increase from the previous consolidated accounting period.



Other business areas

In other business areas, while income rose due to increased orders of synthetic resin pipe received by our Electric Power and Agriculture and Fisheries divisions, income dropped in the Hume Pipe Sales Division, bringing net sales to 11 billion yen, a 700 million-yen reduction from the previous consolidated accounting period.

Operating profit reached 1.6 billion yen, a 500 million yen profit increase over the previous consolidated accounting period, due to custom orders and cost reductions centered on raw materials.



Topics

Kurimoto develops a “Super High Accuracy Fixed Quantity Powder Feeding System” for use in the mass production of rechargeable batteries

Kurimoto, Ltd. has developed a “Super High Accuracy Fixed Quantity Powder Feeding System” that greatly improves the feeding accuracy of raw powder in order to respond to needs in the mass production of rechargeable batteries that are currently the focus of environment-conscious vehicles such as hybrid and electric cars.

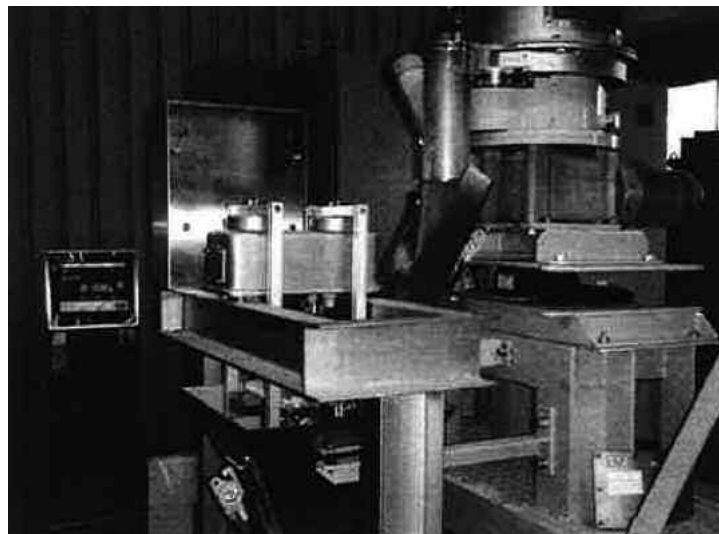
Based on the concern for quality and safety due to the different blending ratios of raw materials, we have turned paste kneading, the main stream of which conventionally used the batch method, into a continuous process.

Kurimoto is currently proposing mass production systems that combine our specialty, the “KRC Kneader” continuous kneading processor, and a “High Accuracy Feeder” in our aim to increase sales in the fields of lithium-ion and other rechargeable batteries, electronic materials, and medicine.

We introduced this system at the “International Rechargeable Battery Expo” (Battery Japan) held in Tokyo Big Sight in March of 2010, and received many inquiries from both domestic and foreign battery manufacturers.

Presently, the global lithium-ion market is said to be 1 trillion yen, with the market for vehicles equipped with lithium-ion batteries forecast to rapidly expand to 3 trillion yen by 2020.

The capacity of the lithium-ion batteries used per electric vehicle is about 10,000 times that of a cellular phone, and this is a developing market that will continue to grow in the future.



Consolidated Subsidiaries

Kurimoto, Ltd. produces and sells various kinds of products, such as iron pipes, valves, machinery, steel structures, light steel pipes, and stage pressure machines. Kurimoto's business affiliates are run as an enterprise group and the related companies are described below.

Kurimoto Trading Co., Ltd.

Director: Mitsuo Amagaya
 Operations: Marketing of cast iron pipes, valves, and synthetic resin products
 Capital: ¥200 million (US\$2,149,613)
 Stockholder: All stock is owned by Kurimoto, Ltd.
 Established: December 1952 as a subsidiary of Kurimoto, Ltd.
 Orders: ¥17,698 million (US\$190,225 thousand)
 (6.2% decrease)
 Sales: ¥17,931 million (US\$192,731 thousand)
 (2.4% decrease)

Kurimoto Technos Co., Ltd.

Director: Harutaka Ishise
 Operations: Construction and engineering of steel structures
 Capital: ¥100 million (US\$1,074,806)
 Stockholder: 94% of stock is owned by Kurimoto, Ltd. and 6% by Kurimoto Trading Co., Ltd.
 Established: November 1986 as a subsidiary of Kurimoto, Ltd.
 Orders: ¥850 million (US\$9,143 thousand)
 (92.6% decrease)
 Sales: ¥4,028 million (US\$43,298 thousand)
 (33.3% decrease)

Kurimoto Logistics Corporation

Director: Takanori Kuzuoka
 Operations: Truck carrier
 Capital: ¥90 million (US\$967,325)
 Stockholder: All stock is owned by Kurimoto, Ltd.
 Established: March 1960 and became a subsidiary in 2001.
 Orders: ¥8,634 million (US\$92,803 thousand)
 (197.2% increase)
 Sales: ¥8,634 million (US\$92,803 thousand)
 (197.2% increase)

Sasebo Metal, Co., Ltd.

Director: Seiji Makino
 Operations: Production and marketing of cast iron, cast iron products, and other cast metal products
 Capital: ¥100 million (US\$1,074,806)
 Stockholder: All stock is owned by Kurimoto, Ltd.
 Established: April 2000 as a subsidiary of Kurimoto, Ltd.
 Orders: ¥1,438 million (US\$15,459 thousand)
 (21.1% decrease)
 Sales: ¥1,421 million (US\$15,275 thousand)
 (32.3% decrease)

Yamatogawa Co., Ltd.

Director: Yosuke Matsumoto
 Operations: Marketing of cast iron pipes, valves, and synthetic resin products
 Capital: ¥60 million (US\$644,883)
 Stockholder: 95% of stock is owned by Kurimoto, Ltd. and 5% by Marubeni-Itochu Steel Inc.
 Established: December 1972 and became a subsidiary in 2004
 Orders: ¥20,300 million (US\$218,185 thousand)
 (4.0% decrease)
 Sales: ¥20,804 million (US\$223,607 thousand)
 (8.1% increase)

Motoyama. Eng. Works, Ltd.

Director: Toshiaki Shinpaku
 Operations: Manufacturing and sales of industrial
 Capital: ¥300 million (US\$3,224,419)
 Stockholder: All stock is owned by Kurimoto, Ltd.
 Established: December 2006 and became a subsidiary in 2007
 Orders: ¥5,082 million (US\$54,621 thousand)
 (13.6% decrease)
 Sales: ¥5,076 million (US\$54,563 thousand)
 (25.4% decrease)

Ks-Tech Co., Ltd.

Director: Kazuharu Kondo
 Operations: Manufacture and sales of forging machinery
 Capital: ¥300 million (US\$3,224,419)
 Stockholder: 67% of stock is owned by Kurimoto, Ltd. and 33% by Sato Tekko Co., Ltd.
 Established: April 2007 and became a subsidiary in 2007
 Orders: ¥439 million (US\$4,720 thousand)
 (52.9% decrease)
 Sales: ¥602 million (US\$6,472 thousand)
 (72.2% decrease)

Hokkaido Kanzai Co., Ltd.

Director: Kazuyoshi Yoshimura
 Operations: Marketing of cast iron pipes, valves, and synthetic resin products
 Capital: ¥30 million (US\$322,441)
 Stockholder: 80% of stock is owned by Kurimoto, Ltd. and 20% by Kuwazawa Trading Co., Ltd.
 Established: April 1992 and became a subsidiary in 2007
 Orders: ¥7,317 million (US\$78,651 thousand)
 (13.7% increase)
 Sales: ¥7,317 million (US\$78,651 thousand)
 (13.7% increase)

Yashima Chemical Engineering Co., Ltd.

Director: Yoshihiko Utsunomiya
 Operations: The sale and the construction of the king of the plumber machinery and materials such as the pipe, the valve
 Capital: ¥45 million (US\$483,662)
 Stockholder: 90.2% of stock is owned by Kurimoto, Ltd. and 9.8% by Mitsubishi Tanabe Pharma Corporation
 Established: July 1958 and became a subsidiary in 2004
 Orders: ¥359 million (US\$3,859 thousand)
 (28.7% decrease)
 Sales: ¥435 million (US\$4,684 thousand)
 (29.6% decrease)

Financial Section

Consolidated Balance Sheets

March 31, 2010 and 2009

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 2)</i>
Assets	2010	2009	2010
Current assets			
Cash and deposits	¥ 14,918	¥ 15,605	\$ 160,344
Notes and accounts receivable-trade	40,548	68,707	435,818
Notes and accounts receivable-trade — unconsolidated subsidiaries and affiliates	29	158	312
Merchandise and finished goods	8,780	13,562	94,375
Work in process	5,882	10,589	63,225
Raw materials and supplies	2,209	2,764	23,750
Deferred tax assets (Note 9)	262	533	2,820
Prepaid expenses and other current assets	2,514	3,832	27,024
Allowance for doubtful accounts	(418)	(2,470)	(4,492)
Total current assets	74,727	113,281	803,179
Property, plant and equipment			
Buildings and structures	22,970	25,816	246,886
Machinery, equipment and vehicles	48,424	50,170	520,465
Tools, furniture and fixtures	9,202	10,148	98,905
Land	25,201	25,782	270,867
Lease assets	128	70	1,385
Construction in progress	419	1,349	4,505
Accumulated depreciation	(63,030)	(65,802)	(677,457)
Total property, plant and equipment	43,315	47,536	465,558
Investments and other assets			
Investment securities — other	11,324	10,131	121,717
Investment securities — unconsolidated subsidiaries and affiliates	569	1,100	6,117
Long-term loans — other	153	392	1,646
Other investments	3,949	3,996	42,444
Allowance for doubtful accounts	(909)	(1,035)	(9,774)
Deferred tax assets (Note 9)	119	1,229	1,285
Long-term prepaid expenses and other	955	1,290	10,267
Total investments and other assets	16,161	17,105	173,703
Total assets	¥134,204	¥177,923	\$1,442,441

	Millions of yen		Thousands of U.S. dollars (Note 2)
Liabilities and Shareholders' Equity	2010	2009	2010
Current liabilities			
Notes and accounts payable-trade	¥ 23,589	¥ 44,336	\$ 253,545
Notes and accounts payable-trade — unconsolidated subsidiaries and affiliates	9	29	103
Short-term loans payable (Note 3)	34,967	37,239	375,832
Current portion of long-term debt (Note 3)	1,672	1,868	17,980
Lease obligations	23	12	252
Income taxes payable	454	883	4,885
Deferred tax liabilities (Note 9)	62	64	674
Accrued liabilities	3,784	3,199	40,672
Advances received	1,472	3,754	15,831
Employees' savings deposits	506	574	5,439
Other current liabilities	3,037	11,604	32,645
Total current liabilities	69,581	103,567	747,863
Long-term liabilities			
Retirement benefits (Note 4)	3,642	4,986	39,155
Long-term debt (Note 3)	19,377	21,053	208,273
Lease obligations	94	57	1,019
Deferred tax liabilities (Note 9)	822	207	8,843
Surcharge reserve	—	2,934	—
Other long-term liabilities	971	1,215	10,438
Total long-term liabilities	24,909	30,455	267,730
Total liabilities	94,490	134,022	1,015,593
Net assets			
Shareholders' Equity			
Capital stock	31,186	31,186	335,190
Authorized: 393,766,000 shares			
Issued: 133,984,908 shares in 2009			
133,984,908 shares in 2010			
Capital surplus	9,770	28,743	105,013
Retained earnings	(2,069)	(15,560)	(22,248)
Treasury stock	(385)	(384)	(4,138)
Total shareholders' equity	38,501	43,984	413,817
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	932	(164)	10,017
Deferred gains or losses on hedges	(0)	(293)	(3)
Total valuation and translation adjustments	931	(458)	10,014
Minority interests	¥ 280	¥ 374	\$ 3,015
Total net assets	39,713	43,900	426,848
Total liabilities and net assets	¥134,204	¥177,923	\$1,442,441

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Income

Years ended March 31, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2010	2009	2010
Net sales	¥ 119,097	¥ 158,563	\$ 1,280,067
Cost of sales	90,398	129,971	971,612
Gross profit	28,698	28,591	308,454
Selling, general and administrative expenses	21,941	26,002	235,831
Operating income	6,756	2,589	72,623
Other income and (expenses)			
Interest and dividend income	258	358	2,775
Interest expense	(876)	(804)	(9,423)
Reversal of allowance for doubtful accounts	299	332	3,223
Restructuring loss (Note 10)	(3,375)	(8,043)	(36,276)
Compensation for damage	(2,927)	—	(31,468)
Loss on hedge trading	(1,384)	—	(14,885)
Gain on sale of land	—	811	—
Loss on valuation of investment securities	—	(5,831)	—
Provision of allowance for doubtful accounts	—	(4,846)	—
Surcharge	—	(2,934)	—
Others, net	(2,215)	(3,596)	(23,807)
Loss before income taxes and minority interests	(3,464)	(21,965)	(37,239)
Income taxes (Note 9)			
Current	654	1,363	7,030
Deferred	1,292	(32)	13,888
Minority interests in net income (loss)	9	(93)	103
Net income (loss)	¥ (5,420)	¥ (23,202)	\$ (58,261)
	yen		U.S. dollars (Note 2)
	2010	2009	2010
Net income (loss) per 1,000 shares:			
Basic	¥ (40,997)	¥ (178,270)	\$ (440)
Diluted	(40,997)	(178,270)	(440)
Cash dividends per 1,000 shares	—	—	—

Consolidated statements of changes in net assets

Years ended March 31, 2010 and 2009

Millions of yen

Thousands
of U.S. dollars
(Note 2)

	2010	2009	2010
Shareholders' equity			
Capital stock			
Balance at the end of previous period	¥ 31,186	¥ 31,186	\$ 335,190
Changes of items during the period			
Total changes of items during the period	—	—	—
Balance at the end of current period	31,186	31,186	335,190
Capital surplus			
Balance at the end of previous period	28,743	28,861	308,939
Changes of items during the period			
Disposal of treasury stock	—	(117)	—
Deficit disposition	(18,973)	—	(203,925)
Total changes of items during the period	(18,973)	(117)	(203,925)
Balance at the end of current period	9,770	28,743	105,013
Retained earnings			
Balance at the end of previous period	(15,560)	8,298	(167,247)
Changes of items during the period			
Net income (loss)	(5,420)	(23,202)	(58,261)
Disposal of treasury stock	—	(496)	—
Deficit disposition	18,973	—	203,925
Change of scope of consolidation	(61)	(160)	(665)
Total changes of items during the period	13,490	(23,859)	144,998
Balance at the end of current period	(2,069)	(15,560)	(22,248)
Treasury stock			
Balance at the end of previous period	(384)	(1,396)	(4,131)
Changes of items during the period			
Purchase of treasury stock	(0)	(1)	(6)
Disposal of treasury stock	—	1,013	—
Total changes of items during the period	(0)	1,012	(6)
Balance at the end of current period	(385)	(384)	(4,138)
Total shareholders' equity			
Balance at the end of previous period	43,984	66,949	472,750
Changes of items during the period			
Net income (loss)	(5,420)	(23,202)	(58,261)
Purchase of treasury stock	(0)	(1)	(6)
Disposal of treasury stock	—	399	—
Deficit disposition	—	—	—
Change of scope of consolidation	(61)	(160)	(665)
Total changes of items during the period	(5,483)	(22,964)	(58,933)
Balance at the end of current period	38,501	43,984	413,817

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2010	2009	2010
Valuation and translation adjustments			
Valuation difference on available-for-sale securities			
Balance at the end of previous period	(164)	(610)	(1,770)
Changes of items during the period			
Net changes of items other than shareholders' equity	1,096	445	11,788
Total changes of items during the period	1,096	445	11,788
Balance at the end of current period	932	(164)	10,017
Deferred gains or losses on hedges			
Balance at the end of previous period	(293)	(249)	(3,153)
Changes of items during the period			
Net changes of items other than shareholders' equity	293	(43)	3,150
Total changes of items during the period	293	(43)	3,150
Balance at the end of current period	(0)	(293)	(3)
Total valuation and translation adjustments			
Balance at the end of previous period	(458)	(860)	(4,924)
Changes of items during the period			
Net changes of items other than shareholders' equity	1,389	402	14,939
Total changes of items during the period	1,389	402	14,939
Balance at the end of current period	931	(458)	10,014
Minority interests			
Balance at the end of previous period	374	1,969	4,021
Changes of items during the period			
Net changes of items other than shareholders' equity	(93)	(1,595)	(1,005)
Total changes of items during the period	(93)	(1,595)	(1,005)
Balance at the end of current period	280	374	3,015
Total net assets			
Balance at the end of previous period	43,900	68,058	471,847
Changes of items during the period			
Net income (loss)	(5,420)	(23,202)	(58,261)
Purchase of treasury stock	(0)	(1)	(6)
Disposal of treasury stock	—	399	—
Deficit disposition	—	—	—
Change of scope of consolidation	(61)	(160)	(665)
Net changes of items other than shareholders' equity	1,296	(1,193)	13,934
Total changes of items during the period	(4,186)	(24,158)	(44,998)
Balance at the end of current period	¥ 39,713	¥ 43,900	\$ 426,848

Consolidated Statements of Cash Flows

Years ended March 31, 2010 and 2009

Millions of yen

Thousands
of U.S. dollars
(Note 2)

	2010	2009	2010
Net cash provided by (used in) operating activities			
Loss before income taxes and minority interests	¥ (3,464)	¥ (21,965)	\$ (37,239)
Depreciation and amortization	2,593	3,196	27,878
Impairment loss	0	312	2
Decrease (increase) in notes and accounts receivable-trade	15,555	(2,669)	167,189
Increase (decrease) in notes and accounts payable-trade	(7,670)	(4,205)	(82,445)
Decrease (increase) in inventories	3,815	(2,583)	41,014
Interest and dividends income	(258)	(358)	(2,775)
Interest expenses	876	804	9,423
Loss (gain) on sales of short-term and long term investment securities	(0)	(145)	(0)
Loss (gain) on valuation of short-term and long term investment securities	383	5,838	4,124
Loss (gain) on sales of property, plant and equipment and intangible assets	(18)	(792)	(195)
Loss on retirement of property, plant and equipment and intangible assets	86	384	926
Increase (decrease) in allowance for doubtful accounts	255	1,085	2,746
Increase (decrease) in provision for retirement benefits	(544)	(786)	(5,855)
Loss on business restructuring	3,375	8,043	36,276
Surcharge	—	2,934	—
Loss on compensation for damage	2,927	—	31,468
Postponement hedge loss	1,384	—	14,885
Other, net	(1,670)	(3,261)	(17,949)
Sub-total	17,628	(14,168)	189,475
Interest and dividends income received	264	464	2,838
Interest expenses paid	(897)	(761)	(9,648)
Payments for loss on litigation	(2,934)	—	(31,544)
Compensation for damage paid	(2,927)	—	(31,468)
Income taxes paid	(952)	(1,095)	(10,232)
Net cash provided by (used in) operating activities	10,180	(15,561)	109,420
Net cash provided by (used in) investing activities			
Decrease (increase) in time deposits	(0)	567	(0)
Purchase of short-term and long term investment securities	(7)	(6)	(80)
Proceeds from sales of short-term and long term investment securities	32	2,153	351
Purchase of property, plant and equipment and intangible assets	(2,963)	(3,515)	(31,857)
Proceeds from sales of property, plant and equipment and intangible assets	190	2,042	2,046
Purchase of stocks of subsidiaries and affiliates	(8)	(1,532)	(94)
Proceeds from sales of stocks of subsidiaries and affiliates	—	2	—
Proceeds from transfer of business	500	—	5,374
Proceeds from derivatives transaction	8,856	15,614	95,185
Purchase of derivatives transaction	(15,830)	(8,971)	(170,148)
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(69)	—	(744)
Payments of loans receivable	(25)	(68)	(271)
Collection of loans receivable	112	133	1,205
Payments for investments in capital	—	(104)	—
Collection of investments in capital	—	196	—
Other, net	247	(350)	2,657
Net cash provided by (used in) investing activities	(8,966)	6,162	(96,375)
Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	43	(5,380)	471
Repayments of lease obligations	(18)	(4)	(194)
Proceeds from long-term loans payable	—	21,855	—
Repayment of long-term loans payable	(1,848)	(8,578)	(19,871)
Proceeds from issuance of bonds with subscription rights to shares	—	4,000	—
Redemption of bonds with subscription rights to shares	—	(3,600)	—
Proceeds from issuance of bonds	—	110	—
Redemption of bonds	(22)	—	(236)
Cash dividends paid	(1)	(1)	(14)
Cash dividends paid to minority shareholders	(4)	(5)	(44)
Purchase of treasury stock	(0)	(1)	(6)
Net cash provided by (used in) financing activities	(1,851)	8,392	(19,897)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(49)	37	(535)
Net Increase (Decrease) in Cash and Cash Equivalents	(687)	(968)	(7,386)
Cash and Cash Equivalents at Beginning of Year	15,578	16,471	167,437
Increase in cash and cash equivalents from newly consolidated subsidiary	—	75	—
Cash and Cash Equivalents at End of Year	¥ 14,891	¥ 15,578	\$ 160,051

Note: Relation between the year-end balance of cash and cash equivalents and the items on the consolidated balance sheet:

Cash and deposits	¥ 14,918	¥ 15,605	\$ 160,344
Time deposits due over three months	(27)	(27)	(292)
Cash and cash equivalents	¥ 14,891	¥ 15,578	\$ 160,051

Notes to Financial Statements

Note 1. Significant Accounting Policies

Basis of Presenting Consolidated Financial Statements

Kurimoto, Ltd. (hereinafter referred to as "This Company") and its consolidated subsidiaries have presented their official accounting records in the currency of yen and in accordance with the Commercial Code and the regulations of Securities & Exchange Law, and in conformity with the generally accepted accounting principles & practices of Japan (hereinafter called "Japan Accounting Standard").

Some part of the Japan Accounting Standard, in its method of application and disclosure requirements, is different from the International Accounting Standard and some other countries' accounting standards. Accordingly, the consolidated financial statements attached hereto are prepared for readers who are well acquainted with the Japan Accounting Standard.

The consolidated financial statements attached hereto have been prepared in accordance with the Japan Accounting Standard pursuant to the Securities & Exchange Law. Such consolidated financial statements of This Company as were submitted to our district's Local Finance Bureau of the Ministry of Finance have been re-edited and translated into English.

Consolidation Policies

These consolidated financial statements include the accounting records of This Company and the companies over which This Company either holds majority voting power or for which certain other conditions verify This Company's control over them. The investment account of This Company in non-consolidated subsidiaries or affiliates which are largely influenced by This Company in their operational and financial policies have been computed on the basis of equity-method investment balance.

The important credit & liability, trade, and unrealized profit between and among consolidated companies have been obliterated on a consolidation basis.

Translation of Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies have been translated into Japanese yen at the rate as of the date of each balance sheet presentation, and their resulting conversion profit or loss has been appropriated as their profit or loss in the current business term.

A Range of Funds in a Statement of Consolidated Cash Flow

A fund in a statement of consolidated cash flow (cash and its equivalent) consists of cash in hand, ordinary deposits, and short-term investments which have a term of redemption under three months, carry low risk for value fluctuation and can be withdrawn easily.

Marketable and Investment Securities

This Company & its consolidated subsidiaries have specified the purposes of their respective securities holdings, and classified those securities into securities for buying & selling, stocks of their affiliates, and other securities.

Securities for buying & selling have been evaluated at market value.

The stocks of their affiliates have been evaluated at book value.

Those other securities that have market value have been evaluated at market value, and the unrealized profit or loss has been reported as an independent item in Part of Capital after taxation.

Those other securities that do not have market value have been evaluated at book value.

For the cases in which the value of those other securities with market value fell sharply, the relevant securities have been placed in the balance sheet according to their market value, and the difference between the book value and the market value has been recognized as a loss for the business term. For the cases in which the virtual value of those other securities without market value fell markedly, the relevant securities have been depreciated down to the virtual value, and the corresponding difference has been recognized as a loss.

Profit or loss in selling securities has been calculated based upon the selling price by the moving average method, and included in profit or loss.

Inventories

Inventories are principally stated at the cost determined by the average method or the specific cost method.

Fixed Assets (excluding lease assets)

Fixed assets are indicated by book value. Method of depreciation is mainly the straight line method by estimated useful life. Main estimated useful lives are as follows.

Building and construction; 2 to 55 years.

Machinery and automotive equipment; 2 to 22 years.

The cost of repair or small amount reformation is charged in book at their occurrences, but any large scale repair or reformation is classified as assets.

Retirement Benefits

In order to prepare for the employees' retirement benefits, This Company & its consolidated subsidiaries have reserved retirement pay allowances as of the end of March 2010, based upon prospective retirement pay obligations and annuity assets at the term end of the consolidated accounting.

The difference in numerical computation has been dealt with as expenses by the amount divided by a straight line method for certain years (mainly ten years) within the employees' average remaining work years upon its accrual in each consolidated accounting year, with each handled from the consolidated accounting term next to the accrual.

Leases

The straight-line method is adopted with a residual value of zero, with the lease period deemed equal to the service life of the asset. For such transactions originating before the 31st of March, 2008, accounting methods suitable for ordinary lease transactions are applied.

Research and Development and Computer Software

Research & development expenses have been dealt with as expenses upon their accrual.

Software expenses have been included mainly in long-term prepaid expenses and other expenses, and depreciated by a straight line method chiefly for five-year service life.

Income Taxes

As to the temporary difference in the book value of assets and liabilities for the purpose of financial accounting and taxation, the net worth method has been used to figure deferred tax assets and liabilities.

Per Share Information

The computation of basic net income per share is based on the weighted average number of shares of common stock outstanding during each period. The average number of shares used in the computation was 132,221 thousand and 130,155 thousand for the years ended March 31, 2010 and 2009, respectively.

Recognition of earning cost

The applicable criterion of the percentage-of-completion method that Kurimoto and a number of our subsidiaries conventionally adopted was “contract sum surpasses 100 million yen and construction term is over one year” but, from this consolidated accounting period, we are applying the “Accounting standard for construction contracts” and “Application guideline of accounting standards for construction contracts”. For construction work that was initiated this consolidated accounting period, we will still use the percentage-of-completion method for those ongoing projects with assured revenue by the end of the period (the cost-to-cost method will be used to estimate the progress rate of construction), and the complete job method to other projects.

Marketable and Investments Securities

Other marketable securities as of March 31, 2010 are as follows.

	Millions of yen		
	2010		
	Carrying amounts	Market value	Unrealized gain (loss)
Other securities	¥ 9,319	¥ 10,921	¥ 1,602

	Thousands of U.S. dollars		
	2010		
	Carrying amounts	Market value	Unrealized gain (loss)
Other securities	\$ 100,161	\$ 117,383	\$ 17,221

Note 2. U.S. Dollar Amounts

The dollar amounts are included solely for convenience: they should not be construed as exact translations of current yen figures, nor are they the dollar amounts into which yen amounts have been or could be converted.

The approximate exchange rate of US\$1=¥93.04 as of March 31, 2010, has been used for the purpose of presenting the dollar amounts in the accompanying consolidated financial statements.

Note 3. Short-term Bank Loans and Long-term Debt

The annual average interest rates applicable to short-term bank loans at March 31, 2010 and 2009 are 1.3% and 1.5%, respectively.

Short-term bank loans and long-term debt at March 31 was comprised of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Unsecured bonds, due 2013, with interest rate of 1.00%	88	110	945
Loans from financial institution, due 2010 to 2021 with interest rates between 1.50% and 6.00%	20,962	22,811	225,307
Sub-total	21,050	22,921	226,253
Less current portion of loans	1,672	1,868	17,980
	¥ 19,377	¥ 21,053	\$ 208,273

The aggregate annual maturities of long-term financial debt at March 31, 2010 and 2009 respectively are as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
2010	¥ —	1,868	\$ —
2011	1,672	1,673	17,980
2012	18,547	18,548	199,353
2013	422	423	4,545
2014	402	408	4,329
2015 and thereafter	4	—	44
	¥ 21,050	¥ 22,921	\$ 226,253

As is customary in Japan, short-term and long-term bank loans are made under general agreements which provide that security and guarantees for future and present indebtedness will be given upon request of the bank, and that the bank shall have the right, as the obligations become due, or in the event of their default, to offset cash deposits against such obligations due to the bank.

As of March 31, 2010, assets pledged as collateral for short-term bank loans, and long-term debt, including the current portion of long-term debt, were as follows:

	Thousands of U.S. dollars	
	Millions of yen	2010
Deposit	¥ 322	\$ 3,460
Notes receivable	6,864	73,780
Buildings and structures	5,608	60,278
Machinery, equipment	4,144	44,544
Land	10,879	116,932
Investment securities	5,637	60,590
	¥ 33,455	\$ 359,586

Note 4. Retirement Benefits

The following tables sets forth the changes in benefit obligation, plan assets and funded status of the Company and its subsidiaries at March 31, 2010.

	Millions of yen	Thousands of U.S. dollars
	2010	2010
Benefit obligation	(¥ 13,079)	(\$ 140,582)
Fair value of plan assets	4,972	53,440
Unaccrued retirement benefit obligation	(8,107)	(87,141)
Unrecognized actuarial loss	4,495	48,321
Accrued retirement benefit	(¥ 3,611)	(\$ 38,820)

Besides the above, the balance sheet lists Retirement Benefits including ¥31 million (US\$334 thousand) in Directors' Retirement and Bonus Reserves.

Severance and pension costs of the Company and its subsidiaries included the following components for the year ended March 31, 2010.

	Millions of yen	Thousands of U.S. dollars
	2010	2010
Service cost	¥ 748	\$ 8,048
Interest cost	315	3,388
Expected return on plan assets	(84)	(907)
Amortization:		
Actuarial losses	902	9,699
Benefit cost	¥ 1,882	\$ 20,228

Assumption used in the accounting for the defined benefit plans for the year ended March 31, 2010 is as follows:

Method of attributing benefit to periods of service	Straight-line basis
Discount rate	2.5%
Rate of expected return on plan assets	0.0% ~ 2.4%
Amortization period for prior service cost	—
Amortization period for actuarial losses	10 years
Amortization period for transition obligation at date of adoption	3 years

Note 5. Contingent Liabilities

At March 31, 2010 and 2009, the company was contingently liable as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
As guarantor of indebtedness of unconsolidated subsidiaries and others	¥ 459	¥ 912	\$ 4,938
Transfer of bills receivable for securitization	—	¥ 92	—
Discount of notes and bills	¥ 1,293	¥ 1,129	\$ 13,905
Transfer of notes and bills endorsed for payment	¥ 255	¥ 288	\$ 2,749

Note 6. Leases

The Group leases certain, machinery and equipment, and other assets. Total lease payments under these leases were ¥53 million (\$573 thousand) and ¥130 million for the years ended March 31, 2010 and 2009, respectively.

Pro forma information on leased property, such as acquisition costs, accumulated depreciation, and future minimum lease payments under finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis, for the years ended March 31, 2010 and 2009, was as follows:

	Millions of yen		
	2010		
	Machinery and equipment	Others	Total
Acquisition costs	¥ 69	¥ 95	¥ 165
Accumulated depreciation	44	61	105
Net leased property	¥ 24	¥ 34	¥ 59

	Millions of yen		
	2009		
	Machinery and equipment	Others	Total
Acquisition costs	¥ 202	¥ 299	¥ 502
Accumulated depreciation	114	228	342
Net leased property	¥ 88	¥ 71	¥ 159

	Thousands of U.S. dollars		
	2010		
	Machinery and equipment	Others	Total
Acquisition costs	\$ 743	\$ 1,031	\$ 1,774
Accumulated depreciation	477	656	1,133
Net leased property	\$ 265	\$ 375	\$ 640

Future minimum lease payments under finance leases as of March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Due within one year	¥ 26	¥ 62	\$ 288
Due after one year	32	97	352
Total	¥ 59	¥ 159	\$ 640

The amounts of acquisition costs and future minimum lease payments under finance leases include the imputed interest expense portion.

Depreciation expenses which are not reflected in the accompanying consolidated statement of income, computed by the straight-line method, were ¥53 million (\$573 thousand) for the year ended March 31, 2010.

Note 7. Derivatives and Hedging Activities

Some consolidated subsidiaries utilize derivatives of forward exchange contract and interest-rate swap in order to hedge exchange-rate fluctuation risk concerning foreign currency assets and liabilities and hedge against interest-rate fluctuation risk regarding securities and debts.

As they trade these with major financial institutions, we assume that the credit risks of these derivatives are low. The Accounting Department implements and controls these forward exchange contracts for our own company by way of in-house consultation and decision.

As to the derivative trades by our consolidated subsidiaries, their Business Management Department or General Affairs Department implement and control them after their internal consultation and decision and also notification to our company.

Note 8. Research and Development Expenses

Research and development expenditures charged to income were ¥1,283 million (\$13,792 thousand) for the year ended March 31, 2010.

Note 9. Income Taxes

The Company and its domestic subsidiaries are subject to several taxes based on income, which in the aggregate resulted in statutory tax rates of approximately 41.0% and 41.0% for the year ended March 31, 2010 and 2009, respectively.

The effective rates of income taxes reflected in the consolidated statements of income differed from the statutory tax rates referred to above for the year ended March 31, 2010 due principally to expenses not deductible for income tax purposes, and temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements.

The difference between the burden rate of corporate tax after application of tax effect accounting and the statutory tax rate is not listed as it was recorded as a net loss for the period under review before adjustments for taxes, etc.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets as of March 31, 2010 and 2009 are presented below:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Deferred tax assets			
Accrued retirement benefit	¥ 3,187	¥ 3,656	\$ 34,261
Accrued bonus indemnities	489	509	5,263
Allowance for doubtful accounts	294	1,187	3,160
Allowance for loss on construction work	273	689	2,943
Loss on revaluation of investment securities	512	509	5,507
Amalgamated received property	731	—	7,860
Difference of affiliates' equity on corporate split	—	1,546	—
Operating loss carry-forwards	21,815	17,929	234,479
Elimination of inter-company profits	20	775	217
Other	1,155	1,739	12,418
Total gross deferred tax assets	28,480	28,542	306,112
Less valuation allowance	(27,987)	(26,676)	(300,814)
Net deferred tax assets	¥ 492	¥ 1,866	\$ 5,297

Deferred tax liability			
Evaluated difference of other securities	(659)	(20)	(7,084)
Negative goodwill	(274)	(290)	(2,951)
Dividends receivable	(61)	(63)	(660)
Other	(1)	(1)	(13)
Total deferred tax liabilities	(996)	(375)	(10,710)
Net deferred tax assets	¥ (503)	¥ 1,490	\$ 5,412

Note 10. The details of the restructuring loss are as follows:

	Millions of yen	Thousands of U.S. dollars
Provision of allowance for doubtful accounts	¥ 16,342	\$ 175,647
Assets appraisal loss by the civil affair reproduction statement	3,258	35,023
Provision for loss on construction contracts	90	977
Gain on sales of subsidiaries and affiliates' stocks	(17,145)	(184,278)
Gain on forgiveness of debts	(529)	(5,689)
Other	1,358	14,596
	¥ 3,375	\$ 36,276

Note 11. Financial Instruments and Related Disclosures

(1) Policy for Financial Instruments

This Group raises funds needed to implement financial and capital investment plans (mainly through loans from banks). Its temporary surpluses are mainly invested in highly liquid financial assets, while short-term working capital is financed by loans from banks. This Group employs derivative financial instruments for the purpose of avoiding risks described later, and does not undertake speculative transactions.

(2) Nature and Extent of Risks Arising from Financial Instruments

Notes and accounts receivable-trade, or operating receivables, involve credit risk on the part of customers. Operating receivables generated by overseas operations denominated in foreign currencies, which involve exchange-rate fluctuation risk, are hedged using exchange forward contract as the need arises. Marketable and investment securities, which are mainly equity securities of affiliates, involve market fluctuation risk.

For notes and accounts payable-trade, or operating payables, most of which are due within five months: Part of operating payables denominated in foreign currencies, which involve exchange-rate fluctuation risk, are hedged using exchange forward contract as the need arises.

The primary purpose of loans is raising funds for capital investment and business structure reform. Of these, syndicate loans and many other loans involve interest-rate fluctuation risk. Derivative transactions are exchange-forward contracts aiming at hedging exchange-rate fluctuation risk related to operating receivables/payables denominated in foreign currencies.

(3) Risk Management for Financial Instruments

Credit Risk Management

For operating receivables and long-term debt, the operations department of respective business segment of This Company employs credit management regulations in order to periodically monitor the status of its major business partners, manage due dates and balances of each business partner, and furthermore, identify business partners with doubtful collectability and mitigate risks arising from their deteriorated financial position at an early date. Similar credit management is conducted with its consolidated subsidiaries pursuant to the credit management regulations of This Company.

As This Company's transaction partners on derivative financial instruments are highly reliable Japanese financial institutions, credit risk is judged to be immaterial.

Market Risk Management

This Company has entered into exchange-forward contract to hedge part of risks arising from exchange-rate fluctuations for operating receivables/payables denominated in foreign currencies. With regard to floating rate borrowings, This Company closely monitors economic and interest-rate outlooks and conducts fund raising suited to each situation. As for marketable and investment securities, This Company periodically seizes the trend of fair value and financial position of the issuers (business partners) to continuously review the possession situation, taking into account the market conditions and its relationship with the business partners.

Derivative financial transactions are executed and managed by departments handling such transactions with approval of authorized personnel, in accordance with the regulations specifying transaction authority and transaction limit.

Similar management is conducted with its consolidated subsidiaries pursuant to the regulations of This Company.

Management of Liquidity Risk Related to Financing

Based on reports from each department, the financial department of This Company formulates and updates the financial plan in a timely manner, and manages liquidity risk by way of maintaining short-term liquidity. Financial plans of its consolidated subsidiaries are reported to the financial department of This Company every month in a timely manner, thereby controlling liquidity risk across This Group.

(4) Fair Values of Financial Instruments

With regard to the fair value of financial instruments, in addition to basing fair value on market value, the fair value of financial instruments that have no available market value is determined by using a rational method of calculation. However, as variables are inherent in these value calculations, the resulting values may differ if different assumptions are used.

Millions of yen			
2010			
	Carrying amounts	Fair value	Unrecognized gain (loss)
Cash and deposits	¥ 14,918	¥ 14,918	¥ —
Notes and accounts receivable-trade	40,577		
Allowance for doubtful accounts*1	(115)		
Subtotal	40,461	40,461	—
Investment securities	10,921	10,921	—
Total	66,301	66,301	—
Notes and accounts payable-trade*2 ..	23,775	23,775	—
Short-term loans payable*2	34,967	34,967	—
Current portion of long-term debt ..	1,650	20,970	7
Long-term debt	19,311		
Total	79,705	79,713	7
Derivatives*3	(0)	(0)	—

Thousands of U.S. dollars			
2010			
	Carrying amounts	Fair value	Unrecognized gain (loss)
Cash and deposits	\$ 160,344	\$ 160,344	\$ —
Notes and accounts receivable-trade	436,130		
Allowance for doubtful accounts*1	(1,244)		
Subtotal	434,885	434,885	—
Investment securities	117,383	117,383	—
Total	712,612	712,612	—
Notes and accounts payable-trade*2 ..	255,543	255,543	—
Short-term loans payable*2	375,832	375,832	—
Current portion of long-term debt ..	17,743	225,390	83
Long-term debt	207,563		
Total	856,684	856,767	83
Derivatives*3	(3)	(3)	—

*1 Allowances for doubtful accounts individually recorded as notes and accounts receivable-trade are deducted.

*2 Long-term debts recorded as short-term loans payable because they became due within one year are stated as long-term debt in this table.

*3 Stated values are the net amounts of receivables and payables arising from derivative financial transactions.

Note 1. Method of calculating the fair value of financial instruments and matters related to marketable securities and derivatives

Assets

Cash and deposits, and notes and accounts receivable-trade
As these instruments are settled within a short term and their fair values and book values are nearly identical, their book values are taken to be their fair values.

Investment securities

The fair values of investment securities are determined by their prices on stock exchanges.

Liabilities

Notes and accounts payable-trade, and short-term loans payable

As these instruments are settled within a short term and their fair values and book values are nearly identical, their book values are taken to be their fair values.

Long-term debt and current portion of long-term debt.

The fair value is determined by discounting the total amount of principal and interest with the assumed interest rate on new loans of the same type.

Derivative transactions

The fair value is calculated based on the prices presented by the corresponding financial institution and others.

Note 2. Financial instruments whose fair values are not readily determinable

	Millions of yen	Thousands of U.S. dollars
Unlisted equity securities	¥ 1,125	\$ 12,098

Unlisted equity securities

These instruments are not included in investment securities as they have no market value and their fair values are not readily determinable.

Note 12. Segment Information

The followings are the information about the business segments by each kind and by each region, and the overseas sales at the end of March in 2010 and 2009.

(1) Industry Segments

a. Sales and Operating Income

Millions of yen						
2010						
	Industry A	Industry B	Industry C	Industry D	Eliminations/ Corporate	Consolidated
Sales to customers	¥65,571	28,922	13,559	11,044	—	¥119,097
Intersegment	¥ 1,720	335	952	2,526	(5,534)	¥ —
Total sales	¥67,291	29,258	14,511	13,570	(5,534)	¥119,097
Operating expenses	¥62,734	28,653	14,174	11,930	(5,152)	¥112,340
Operating income (loss)	¥ 4,557	604	336	1,640	(382)	¥ 6,756

Millions of yen						
2009						
	Industry A	Industry B	Industry C	Industry D	Eliminations/ Corporate	Consolidated
Sales to customers	¥67,974	37,099	41,710	11,779	—	¥158,563
Intersegment	¥ 2,697	42	1,497	1,987	(6,224)	¥ —
Total sales	¥70,671	37,141	43,207	13,767	(6,224)	¥158,563
Operating expenses	¥66,176	37,739	44,797	12,681	(5,420)	¥155,974
Operating income (loss)	¥ 4,495	(597)	(1,590)	1,086	(804)	¥ 2,589

Thousands of U.S. dollars						
2010						
	Industry A	Industry B	Industry C	Industry D	Eliminations/ Corporate	Consolidated
Sales to customers	\$704,766	310,859	145,735	118,706	—	\$1,280,067
Intersegment	\$ 18,490	3,610	10,236	27,150	(59,488)	\$ —
Total sales	\$723,256	314,469	155,972	145,857	(59,488)	\$1,280,067
Operating expenses	\$674,273	307,974	152,350	128,225	(55,379)	\$1,207,444
Operating income (loss)	\$ 48,983	6,495	3,621	17,631	(4,109)	\$ 72,623

b. Assets, Depreciation and Capital Expenditures

Millions of yen						
2010						
	Industry A	Industry B	Industry C	Industry D	Eliminations/ Corporate	Consolidated
Assets	¥60,113	14,569	11,654	9,465	38,401	¥134,204
Depreciation	¥ 1,317	448	334	372	120	¥ 2,593
Impairment loss	—	—	—	—	0	¥ 0
Capital expenditure	¥ 1,741	286	94	676	30,611	¥ 2,829

Millions of yen						
2009						
	Industry A	Industry B	Industry C	Industry D	Eliminations/ Corporate	Consolidated
Assets	¥71,171	29,622	10,777	13,661	52,689	¥177,923
Depreciation	¥ 1,526	676	489	389	100	¥ 3,181
Impairment loss	—	—	1,067	—	312	¥ 1,379
Capital expenditure	¥ 2,228	384	136	919	42	¥ 3,711

Thousands of U.S. dollars						
2010						
	Industry A	Industry B	Industry C	Industry D	Eliminations/ Corporate	Consolidated
Assets	\$646,107	156,591	125,259	101,740	412,743	\$1,442,441
Depreciation	\$ 14,158	4,820	3,594	4,006	1,298	\$ 27,878
Impairment loss	\$ —	—	—	—	2	\$ 2
Capital expenditure	\$ 18,718	3,074	1,019	7,266	329	\$ 30,408

(Main products in each segment)

Industry A

Iron, steel and steel casting related businesses;

Ductile steel pipe, specially shaped pipe, accessories, various controlling valves, special cast iron and cast steel, various water works construction, investigation/design/construction of civil engineering works.

Industry B

Steel structure and machinery related businesses;

Bridge, water gate, water tube bridge, various industrial machinery and plant, disposal facility for bulky waste, various press.

Industry C

Construction and construction related businesses;

Construction, various ducts.

Industry D

Other business areas;

Various FRC products, polymer concrete FRP pipe, various plastic molded products.

(2) Geographic Segments

Geographic segment information has been omitted, as the percentage of "national" exceeded 90% in both sales and assets in all segments.

(3) Sales to Foreign Customers

Foreign sales have been omitted, as they did not reach 10% of consolidated sales.

Note 13. Business Divestitures

This Company has split its following three businesses: hydraulic gate business, business of the sound absorbing panel for the underside of elevated roads operated by Kurimoto Technos Co., Ltd., a consolidated subsidiary of This Company, and maintenance business of Kurimoto Technos Co., Ltd.

1) Names of the Transferees

IHI Infrastructure Systems Co.,Ltd.
ISMIC Co.,Ltd.

2) Business Description of the Separated Businesses

IHI Infrastructure Systems Co.,Ltd.

Hydraulic gate business operated by This Company
Business of the sound absorbing panel for the underside of elevated roads operated by Kurimoto Technos Co., Ltd.

ISMIC Co.,Ltd.

Hydraulic gate maintenance business operated by Kurimoto Technos Co., Ltd.
Bridge maintenance business operated by Kurimoto Technos Co., Ltd.

3) Principal Reasons for Carrying Out the Business Divestitures

Aiming at achieving a top-class position in the bridge and hydraulic gate businesses as well as further growth strategies, through synergy effects such as improved technological development capability and expanded order receipt opportunity, which are generated by gathering experienced engineers from each company.

4) Date of the Business Divestitures

Hydraulic gate business; Hydraulic gate maintenance business
January 1,2010

Business of the sound absorbing panel for the underside of elevated roads; Bridge maintenance business March 31,2010

5) Overview of the Business Divestitures including their Legal Form

Business divestitures limited to cash consideration

Note 14. Subsequent Events**Cash Dividends**

Cash dividends of the Company's retained earnings for the year ended March 31, 2010 were proposed by the Board of Directors and approved by the shareholders at the annual general meeting held on June 29, 2010, as follows:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥0.0 per share)	¥ —	\$ —

Report of Independent Auditors

Report of Independent Auditors

OSAKA AUDIT CORPORATION
3-6, Kitahama 2-chome, Chuo-ku,
Osaka, Japan

To the Board of Directors of Kurimoto, Ltd.

We have audited the accompanying consolidated balance sheets of Kurimoto, Ltd. and consolidated subsidiaries, as of March 31, 2010 and 2009, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these financial statements based on our auditors.

We conducted our audits in accordance with auditing standards, procedures and practices generally accepted and applied in Japan. Those standards, procedures and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Kurimoto, Ltd. and consolidated subsidiaries as of March 31, 2010 and 2009, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles and practices generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and in our opinion, such translation has been made in conformity with the basis stated in Note 2. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Osaka, Japan
June 29, 2010

Osaka Audit Corporation

Corporate Information

Kurimoto, Ltd.

Outline

Founded	1909
Incorporated	1934
Common stock	¥31,186 million*
Total assets	¥117,950 million*
Employees	1,452

*as of March 31, 2010

Board of Directors

(as of June 29, 2010)

President	Hideaki Fukui
Senior Managing Director	Takehiro Ueshima
Managing Director	Moriyoshi Kushida
Director	Shozo Izumi Kenji Oki Hirobumi Okada
Corporate Auditor	Toshitsugu Emura Isamu Tanaka Hiroo Oi Yoshinori Tamade
Managing Officer	Motohito Sawai
Officer	Minoru Murata Hisato Sato Shinya Kojima Masakazu Nishio Shin Ikuta Naohumi Saito Masaaki Washio Minoru Fukuda Yoshiaki Shingu Osamu Kusume

Stock

(as of March 31, 2010)

Common Stock	
Number of authorized shares	393,766,000
Number of issued shares	133,984,908
Number of shareholders	9,970

Principal Shareholders

(as of March 31, 2010)

	Number of shares held (in thousands)	Percentage of voting rights
Taiyo Life Insurance Company	12,090	9.1%
Nippon Life Insurance Company	8,482	6.4%
Japan Trustee Services Bank, Ltd.	7,882	5.9%
Mizuho Trust & Banking Co., Ltd.	4,601	3.4%
Resona Bank, Limited	4,440	3.3%
Cbny Dfa Intl Small Cap Value Portfolio	4,060	3.0%

Offices

Head Office

12-19, Kitahorie 1-chome, Nishi-ku, Osaka 550-8580, Japan
Telephone: (06) 6538-7724 Fax: (06) 6538-7756

Tokyo Office

1-9, Shimbashi 4-chome, Minato-ku, Tokyo 105-0004, Japan
Telephone: (03) 3436-8001 Fax: (03) 3436-8024

Hokkaido Office

3, Nishi 3-chome, Kitaichijo, Chuo-ku, Sapporo 060-0001, Japan
Telephone: (011) 281-3301 Fax: (011) 281-3369

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12-30, 1-chome Honcho, Aoba-ku, Sendai 980-0014, Japan
Telephone: (022) 227-1872 Fax: (022) 227-8417

Nagoya Office

27-2, Meiekiminami, 1-chome, Nakamura-ku, Nagoya 450-0003, Japan
Telephone: (052) 551-6930 Fax: (052) 551-6940

Chugoku Office

16-11, Hachobori, Naka-ku, Hiroshima 730-0013, Japan
Telephone: (082) 227-5605 Fax: (082) 227-5056

Kyushu Office

3-11, Hakataeki-minami 1-chome, Hakata-ku, Fukuoka 812-0016, Japan
Telephone: (092) 451-6622 Fax: (092) 471-7696

Europe Office

Address: Berliner Allee 40 40212 Dusseldorf, Germany
Telephone: +49-211-550-46411 Fax: +49-211-550-46420

Banking References

Head Office

Mizuho Corporate Bank, Ltd. (Osaka Branch)
Resona Bank, Limited. (Semba Branch)
Sumitomo Mitsui Banking Corporation (Midosuji Branch)
The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Osaka-chuo Branch)

Tokyo Office

Mizuho Corporate Bank, Ltd. (Utisaiwai-cho Branch)
The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Shimbashi Branch)
Resona Bank, Limited. (Shimbashi Branch)
Sumitomo Mitsui Banking Corporation (Hibiya Branch)

Kurimoto Group

(as of June 29, 2010)

Kurimoto Trading Co., Ltd.

Operations: Marketing of ductile iron pipes, valves, and synthetic resin products

Kurimoto Technos Co., Ltd.

Operations: Construction and engineering of steel structures
Maintenance of various plants
Installation works and maintenance of valves

Krimoto Logistics Corporation

Operations: Truck carrier
fund procurement, and its management.
Manufacture and sales of cast iron pipes, pipe fittings and pipe accessories

Sasebo Metal, Co., Ltd.

Operations: Manufacture and sales of castings

Yamatogawa Co., Ltd.

Operations: The sale and the construction of the king of the plumber machinery and materials such as the pipe, the valve

Motoyama Eng. Works, Ltd.

Operations: Manufacturing and sales of industrial valves

Ks-Tech Co., Ltd.

Operations: Manufacture, sales and construction of forging machinery, forming machinery and related products

Hokkaido Kanzai Co., Ltd.

Operations: Marketing of cast iron pipes, valves, and Synthetic resin products

Yashima Chemical Engineering Co., Ltd.

Operations: Design, manufacturing, sale, and maintenance of machines relating to varied chemicals and drugs

Kurimoto Business Associates Co., Ltd.

Operations: · Rent of real estate, nonlife insurance agency, and contract for other businesses
· Planning, design, development, maintenance, and management of any information system

Riko, Ltd.

Operations: Production of valves

FEC, Ltd.

Operations: Marketing valves and water treatment equipment

Jiangsu Kurimoto Rixin Environment Co., Ltd.

Operations: Manufacture and sales of environmental equipment

Kurimoto USA, Inc.

Operations: Holding company

Readco Kurimoto, LLC

Operations: Manufacture and sales of industrial machinery

Ningbo Tongkwang Industrial Co., Ltd.

Operations: Production of valves

Jinan Kurimoto Tianli Chemical Equipment Co., Ltd.

Operations: Manufacturing and sales of indirect heat drying, powder plant equipment

Kurimoto (Shanghai) Trading, Ltd.

Operations: Wholesale of machinery equipment, steel, and nonmetallic products

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