

All for the future of our planet

2002 Annual Report

Year ended March 31, 2002



KURIMOTO, LTD.

In 1909 Kurimoto, Ltd. began operations as a 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, plastics, 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. Fourteen factories located throughout Japan comprise the company's industrial base which, together with 23 affiliated companies, make up the Kurimoto group employing about 3,000 people. Today, Kurimoto plays a vital role in supplying basic industrial products, machines, and services domestically and abroad.

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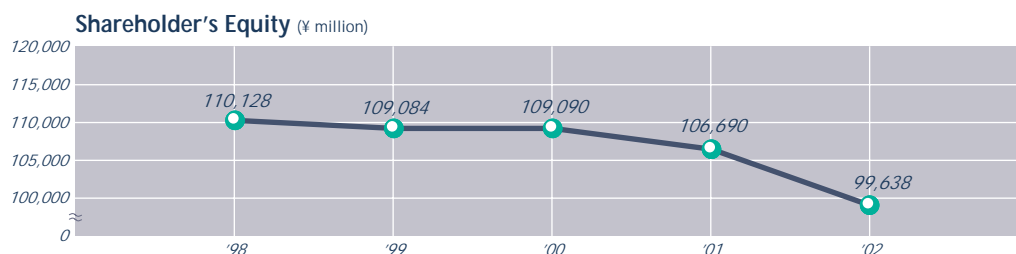
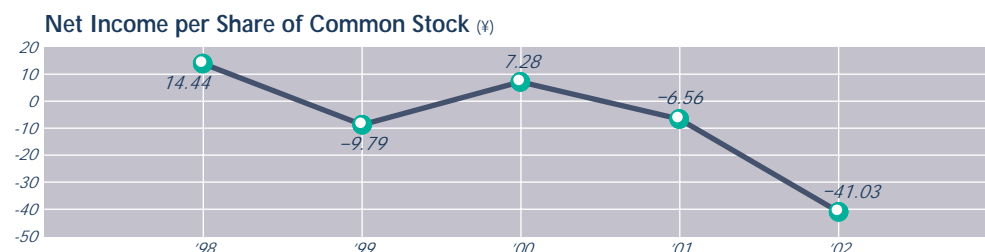
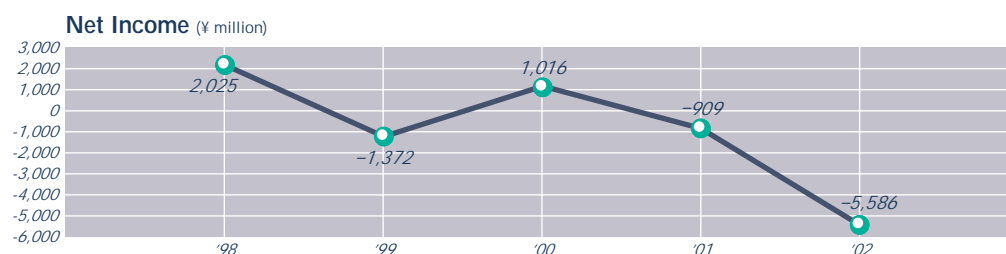
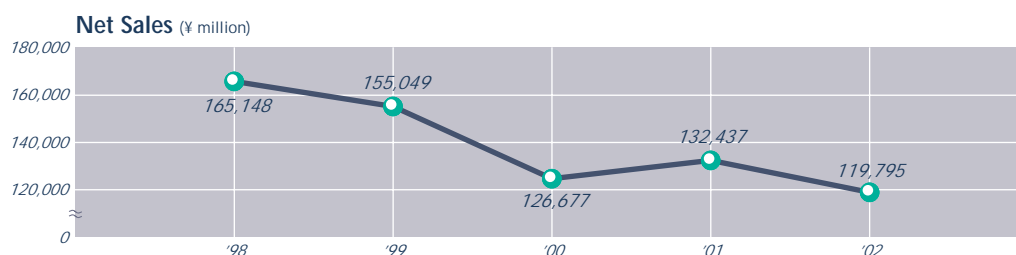


Financial Highlights

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

Years ended March 31	2002	2001	2000	1999	1998	2002
Net sales	¥ 119,795	¥ 132,437	¥ 126,677	¥ 155,049	¥ 165,148	\$ 899,031
Net income (loss)	(5,586)	(909)	1,016	(1,372)	2,025	(41,926)
Per 1,000 shares of common stock						
Net income (loss)	(41,030)	(6,560)	7,280	(9,791)	14,443	(307)
Cash dividends	4,000	8,000	8,000	8,000	8,000	30
Total assets	190,817	202,714	197,841	199,962	212,655	1,432,028
Total shareholders' equity	99,638	106,690	109,090	109,084	110,128	747,758

Notes: The U.S. dollar amounts are calculated at the exchange rate of ¥133.25 to \$1, the rate prevailing on March 31, 2002.





President's Message

During the period under review, the Japanese economy suffered from adverse effects felt worldwide of slackened exports caused by a slump in IT demand and the US terror attacks which followed soon thereafter, as well as domestic Japanese factors which included a decline in personal consumption due to shrinking public investment, reduced private facilities investment, and rising unemployment, in addition to stronger deflation pressure.

To deal with this situation, we pushed forward with a variety of results-oriented policies designed to improve and bolster our management structure and worked to ensure solid recovery of earnings from orders and sales, despite the numerous difficulties which we were facing.

In sales, orders remained elusive due to reduced public investment and increased competition, and while the Plant Engineering and Machinery division posted gains in environmental areas and the Construction Materials division showed similar successes in terms of private demand, public works-dependant areas such as our Ductile Iron Pipe and Steel Structures divisions suffered from decreases. In terms of overall sales, the Valves and Construction Materials divisions posted gains, while decreases posted by the Ductile Iron Pipes division were added to changes in construction schedules to create a significant decline for both of these divisions. As a result, sales decreased by 9.5% from the previous year to ¥119,795 million (US\$899,031 thousand).

As regards profits, we worked to keep costs down, focusing on fixed expenses, but the effects of reduced sales due to declining demand and lowered prices were significant and resulted in operating losses of ¥1,298 million (US\$9,742 thousand). Losses for the period under review reached ¥5,586 million (US\$41,926 thousand) as a result of retirement funds which went to cover the early retirement system, costly security valuation losses due to amortization of insufficient reserves for retirement benefit liabilities and stagnant stock markets, and special losses including corporate restructuring losses incurred by closure of our Chishima plant.

In April of 2001, in order to make the distribution, materials, and engineering sections of the Ductile Iron Pipes division more efficient, we set up Kurimoto Logistics Co., Ltd., Kurimoto Trading Co., Ltd., and Pipe Systems & Technology Ltd., as well as Kurimoto Hosono Corporation in July 2001 in order to restructure the specially shaped pipes section of the

Ductile Iron Pipes division, and FEC Ltd. in May 2001 with the goal of helping the Valves division procure parts and sell products in a global market.

In February 2002, we prepared our 2001 Environmental Report (the second environmental report we have prepared, the first being in 2000) to make sure our concern for global environmental problems and our continuing efforts towards resolving these problems are understood.

As regards dividends at the end of the period under review, after serious consideration of our current and possible future corporate circumstances, we have felt it necessary to take the regrettable step of reducing the dividend payoff by ¥2,000 (US\$15) per 1,000 shares from the previous period (¥4,000 (US\$30) per 1,000 shares including the interim dividend) to ¥2,000 (US\$15) per 1,000 shares for this period. We hope that you will understand the difficult circumstances we are facing and will continue to support us through these trying times.

While forecasts for the Japanese economy indicate a recovery in IT sectors, worsening employment figures due to large-scale layoffs and long-term stagnation of personal consumption are expected, which, when added to continuing deflation, make for an unpredictable future situation.

We expect to continue having to work under these difficult conditions, but intend to pour all our efforts into management which focuses on profitability, strengthening our cost competitiveness with an eye on international competition, while at the same time actively moving forward with early development of new divisions and new technologies to meet our customers' needs and selection and centralization of our divisions (including overseas), in unrelenting pursuit of our management principle of customer satisfaction, which lies at the bottom of all our actions. At the same time, we will also actively promote policies to restructure our divisions through strategic M&A and alliances with the goal of weaning ourselves from our dependence on government demand, as a way of responding to changes in management brought on by a reduction in public works spending.

Future sales undertakings will include developing demand for waste carbonization technology (and relevant businesses) established by our Plant Engineering and Machinery division as an important next-generation environmental technology. In the Construction Materials division, we are pooling our company's strengths to raise



Yoshiaki Sakamoto,
Chairman and President

orders and sales to previous levels, injecting management resources such as building new plants and installing new equipment in order to expand nationwide sales of our new product, Kurimoto System Truss. At the same time, we are bolstering our cost competitiveness in our key Ductile Iron Pipe and Steel Structures divisions, aiming for rapid recovery of results. Our Ductile Iron Pipe division is also doing its best to reduce costs even further by considering a business alliance in production with Nippon Chutetsukan Co.

In order to improve earnings, we are dramatically cutting costs through reductions in external expenditures, including overseas procurement, and reducing fixed expenses by cutting remuneration and reducing personnel, while at the same time working to use our capital more efficiently, compressing assets lower by keeping facilities investment and inventory assets to a minimum.

Finally, as part of our strategy to improve our corporate health, we spun off part of our Plant Engineering and Machinery division and the machinery-related section in Kurimoto Shoji Co., Ltd., one of our affiliates, and established Kurimoto Co., Ltd. in April 2002. This will allow us to pursue customer satisfaction and deliver sales service bringing together our technical and sales strengths. We also merged our Plastic Products division with Kurimoto Kasei Kogyo Co., Ltd., another of our affiliates. This has brought together manufacturing and management and improved sales efficiency.

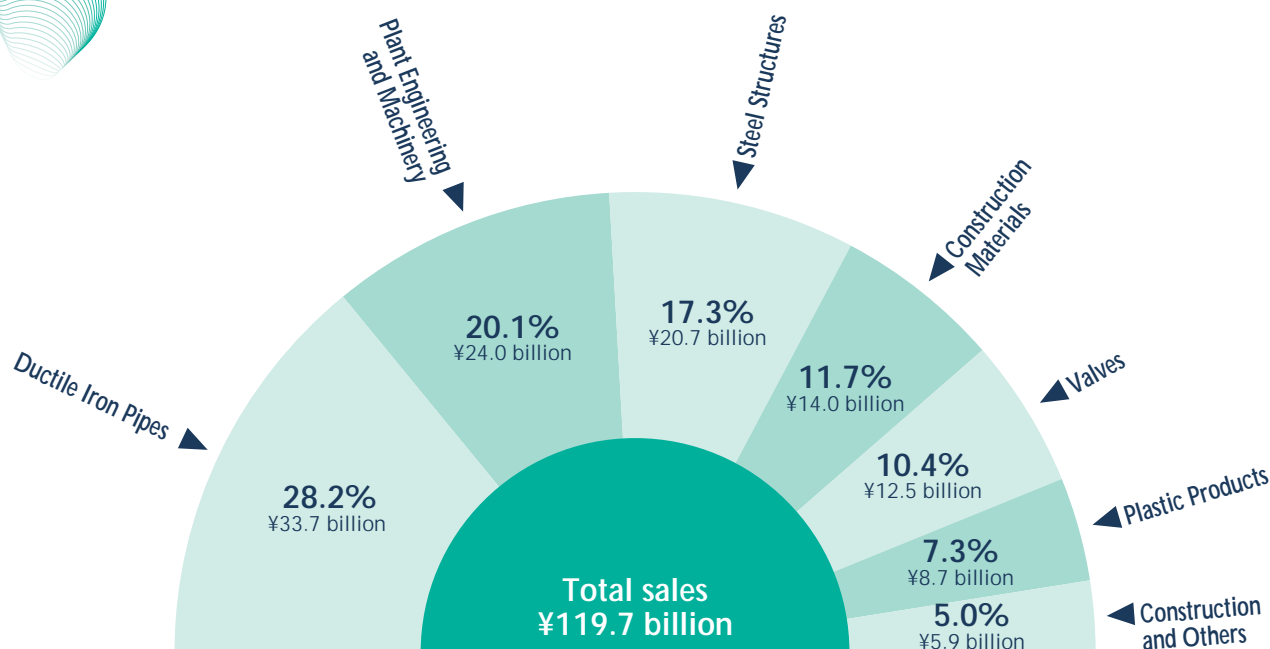
Thank you for your continuing support.

June 2002

Yoshiaki Sakamoto
Chairman and President



Business Operations



Ductile Iron Pipes

A significant drop in orders in the important waterworks and sewage markets was caused by a decline in public works spending. In order to respond to this severe market situation, we have shifted to a region-focused sales system and set up subsidiaries to streamline our distribution, materials, and engineering sections as part of the restructuring of our specially shaped pipes division. We will continue to pour effort into increasing orders by promoting further cost reductions and rapid development of new products and technologies.

Sales: ¥33.7 billion (23.2% decrease from the previous term)

Production:

Ductile iron pipes, specially shaped pipes, accessories, gas dehydration systems, wear-resistant pipes.



Plant Engineering and Machinery

We succeeded in getting our first gas fusion furnace and waste carbonization equipment order, despite the recent drop in environmentally related public works spending. The market is expected to continue in its current difficulties in the near future, but we will focus on positioning next-generation environmental technologies such as gas fusion furnaces, waste carbonization plants, and bio-gases as a growth market, while at the same time reorganizing our business and products geared towards industrial machinery, building a system linking us directly to the customer and placing emphasis on the plant floor, expanding sales through technologically solid proposals.

Sales: ¥24.0 billion (10.8% increase from the previous term)



Production:

Crushing machines, grinding machines, sorting machines, mixing and blending machines, kneading machines, double-axle extruders, crushing plants, chemical plants, dust collectors, electrostatic precipitators, solvent recovery systems, bulky waste-crushing and processing facilities, municipal waste incinerator facilities, recycling plants, vertical-parking garage systems, vertical automated warehousing systems, forging presses, trimming presses, billet-shearing machines, forging rollers, NC and CNC bending rollers, automated conveying equipment, hydraulic presses, wear-resistant castings, heat-resistant and corrosion-resistant steel castings, precision castings, dredging pumps, sand pumps, slurry pumps, hard-faced built-up products, ceramics.



Steel Structures

The effects of reductions in public works spending were felt. In order to respond to future reductions in demand and order price caused by less public works spending, we will increase our competitiveness by streamlining productions and revising our organizational structure, while at the same time expanding our maintenance of social capital, increasing the speed of technical development, and improving results.

Sales: ¥20.7 billion (0.4% decrease from the previous term)

Operations:

Bridges, steel frames, water gates, aqueducts, penstocks, branch pipes, water circulation pipes, welded steel pipes, dust collectors.





Construction Materials

In the midst of severe price competition in the construction material market, air-conditioning and related products saw improvements thanks to an upturn in construction of office buildings, one of our major markets, primarily in the Tokyo Metropolitan Area, as did civil engineering and construction-related materials, thanks to an increase in construction of apartment buildings. We are focusing on shortening developing times for new products while responding to market needs with reliability based on technological power.

Sales: ¥14.0 billion (16.8% increase from the previous term)

Production:

Winding pipes, spiral ducts, oval ducts, flexible ducts, winding sheathing, stainless ducts, soundproofing products.



Plastic Products

We poured effort into agricultural aqueducts in a difficult market.

Sales: ¥8.7 billion (19.1% decrease from the previous term)

Production:

Reinforced plastic duplex tubes (electrical conduits, sewerage pipes, agricultural water pipes), composite sheet materials, FRP pipes, synthetic resin molded products, FRC cable troughs, FRC sound-insulating panels.



Valves

A tough market environment required extra effort in sales for the water, sewage, and overseas businesses. While the future of the market remains unclear, we will improve results by developing products which meet customer needs, creating demand in China and other Asian markets, and cutting costs through increased overseas procurement and production.

Sales: ¥12.5 billion (11.1% increase from the previous term)

Production:

Butterfly valves, sluice valves, check valves, air valves, fire hydrants, mobile weirs, Hakucho all-stainless-steel butterfly valves, Monotight valves, backwash valves, resow auto valves, water quality monitors, Sleeve valves, blast furnace valves.



Construction

A tough market for public works required dedicated effort in water, simple waterworks, and agricultural aqueduct construction. We will increase orders in the future by intensifying our sales and engineering capabilities.

Sales: ¥5.3 billion (10.2% decrease from the previous term)

Operations:

All types of public water projects (water pipelines, small water-supply systems, agricultural water pipes, sewerage pipes), rural sewage treatment facilities, propulsion systems, all types of project analysis, design, and construction.





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: Yoshinori Shiomi
 Operations: Marketing of cast iron pipes, valves, and synthetic resin products
 Capital: ¥200 million (US\$1,500,938)
 Stockholder: All stock is owned by Kurimoto, Ltd.
 Established: Founded in December 1952 as a subsidiary of Kurimoto, Ltd.
 Orders: ¥19,338 million (US\$145,130 thousand) (7.4% decrease)
 Sales: ¥19,990 million (US\$150,018 thousand) (4.0% decrease)

Kurimoto Plastics Co., Ltd.

Director: Keiji Takahashi
 Operations: Production and marketing of FRP pipes, synthetic resin products, and fiber-reinforced cement products
 Capital: ¥300 million (US\$2,251,407)
 Stockholder: All stock is owned by Kurimoto, Ltd.
 Established: Founded in April 1971 as a subsidiary of Kurimoto, Ltd.
 Orders: ¥5,008 million (US\$37,589 thousand) (24.4% decrease)
 Sales: ¥5,782 million (US\$43,398 thousand) (11.3% decrease)

Kurimoto Construction & Engineering, Ltd.

Director: Takeo Aoki
 Operations: Construction and engineering of steel structures
 Capital: ¥300 million (US\$2,251,407)
 Stockholder: All stock is owned by Kurimoto, Ltd.
 Established: Founded in November 1986 as a subsidiary of Kurimoto, Ltd.
 Orders: ¥1,913 million (US\$14,356 thousand) (40.5% decrease)
 Sales: ¥2,201 million (US\$16,525 thousand) (58.2% decrease)

Kurimoto Construction Material, Ltd.

Director: Yoshinobu Ueshima
 Operations: Production of construction materials
 Capital: ¥100 million (US\$750,469)
 Stockholder: All stock is owned by Kurimoto, Ltd.
 Established: Founded in October 1962 as a subsidiary of Kurimoto, Ltd.
 Orders: ¥482 million (US\$3,617 thousand) (27.4% decrease)
 Sales: ¥482 million (US\$3,617 thousand) (27.4% decrease)

Kurimoto Maintenance & Service, Ltd.

Director: Tsutomu Taki
 Operations: Maintenance of various plants
 Capital: ¥100 million (US\$750,469)
 Stockholder: 80% of stock is owned by Kurimoto, Ltd. and 20% by Kurimoto Trading Co., Ltd.
 Established: Founded in October 1989 as a subsidiary of Kurimoto, Ltd.
 Orders: ¥908 million (US\$6,821 thousand) (80.2% decrease)
 Sales: ¥2,784 million (US\$20,896 thousand) (32.7% decrease)

Kurimoto Valve Engineering, Ltd.

Director: Satoshi Nagano
 Operations: Installation works and maintenance of valves
 Capital: ¥50 million (US\$375,234)
 Stockholder: All stock is owned by Kurimoto, Ltd.
 Established: Founded in June 1998 as a subsidiary of Kurimoto, Ltd.
 Orders: ¥1,010 million (US\$7,582 thousand) (7.8% decrease)
 Sales: ¥995 million (US\$7,469 thousand) (7.2% increase)

Kurimoto Trading Corporation

Director: Kenji Machida
 Operations: Manufacture and sales of cast iron pipes, pipe fittings and pipe accessories
 Capital: ¥50 million (US\$375,234)
 Stockholder: All stock is owned by Kurimoto, Ltd.
 Established: Founded in April 2001 as a subsidiary of Kurimoto, Ltd.
 Orders: ¥8,295 million (US\$62,257 thousand)
 Sales: ¥8,295 million (US\$62,257 thousand)

Pype Systems & Technology, Ltd.

Director: Yoshitake Niki
 Operations: Investigation, planning, design, engineering, maintenance and operating of pipelines and facilities, research & developments, sales and leases of piping materials and implements
 Capital: ¥100 million (US\$750,469)
 Stockholder: All stock is owned by Kurimoto, Ltd.
 Established: Founded in April 2001 as a subsidiary of Kurimoto, Ltd.
 Orders: ¥709 million (US\$5,326 thousand)
 Sales: ¥700 million (US\$5,256 thousand)

Kurimoto Logistics Co., Ltd.

Director: Yasuhisa Furukawa
 Operations: Truck carrier
 Capital: ¥100 million (US\$750,469)
 Stockholder: All stock is owned by Kurimoto, Ltd.
 Established: Established in March 1960 and became a subsidiary in 2001.
 Orders: ¥4,288 million (US\$32,184 thousand)
 Sales: ¥4,288 million (US\$32,184 thousand)



Financial Section

Consolidated Balance Sheets

March 31, 2002 and 2001

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 2)</i>
Assets	2002	2001	2002
Current assets			
Cash and time deposits	¥ 20,709	¥ 17,603	\$ 155,420
Trade notes and accounts receivable	51,658	59,867	387,680
Trade notes and accounts receivable —— unconsolidated subsidiaries and affiliates	1,852	1,414	13,900
Marketable securities	1,657	10,520	12,438
Inventories (Note 3)	28,971	29,866	217,422
Deferred income taxes (Note 11)	629	633	4,722
Prepaid expenses and other current assets	4,749	2,091	35,645
Allowance for doubtful accounts	(121)	(205)	(912)
Total current assets	110,106	121,791	826,318
Property, plant and equipment			
Buildings and structures	28,904	29,020	216,920
Machinery and equipment	65,532	70,416	491,801
Land	28,716	28,567	215,509
Construction in progress	440	1,214	3,303
Accumulated depreciation	(69,693)	(73,368)	(523,030)
Total property, plant and equipment	53,900	55,850	404,504
Investments and other assets			
Investment securities —— other	13,296	14,724	99,783
Investment securities —— unconsolidated subsidiaries and affiliates	2,233	2,393	16,759
Long-term loans —— other	697	605	5,233
Long-term loans —— unconsolidated subsidiaries and affiliates	244	276	1,831
Other investments	3,165	3,212	23,755
Allowance for doubtful accounts	(384)	(186)	(2,887)
Deferred income taxes (Note 11)	7,038	3,390	52,821
Deferred charges and other assets	520	655	3,907
Total investments and other assets	26,810	25,071	201,205
Total Assets	¥190,817	¥202,714	\$1,432,028

	Millions of yen		Thousands of U.S. dollars (Note 2)
Liabilities and Shareholders' Equity	2002	2001	2002
Current liabilities			
Trade notes and accounts payable	¥ 33,408	¥ 34,240	\$ 250,717
Trade notes and accounts payable —— unconsolidated subsidiaries and affiliates	1,019	1,223	7,653
Short-term bank loans (Note 4)	7,180	7,620	53,883
Current portion of long-term debt	4,261	2,230	31,978
Accrued taxes on income	226	1,012	1,702
Accrued liabilities	5,034	5,129	37,778
Advances received	10,622	9,783	79,716
Employees' savings deposits	1,134	1,310	8,515
Other current liabilities	3,068	3,198	23,027
Total current liabilities	65,955	65,748	494,973
Long-term liabilities			
Retirement benefits (Note 5)	8,627	9,392	64,749
Long-term debt (Note 4)	16,595	20,883	124,546
Total long-term liabilities	25,223	30,275	189,296
Total liabilities	91,178	96,024	684,269
Shareholders' Equity			
Common stock, par value ¥50	31,186	31,186	234,042
Authorized: 397,266,000 shares			
Issued: 137,484,611 shares in 2001			
135,070,165 shares in 2002			
Capital surplus	28,950	29,564	217,265
Retained earnings	39,516	45,939	296,558
Other valuation difference on securities	(13)	—	(98)
Treasury stock	(1)	—	(8)
Total shareholders' equity	99,638	106,690	747,758
Total Liabilities and Shareholders' Equity	¥190,817	¥202,714	\$1,432,028

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

Consolidated Statements of Income

Years ended March 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2002	2001	2002
Net sales	¥119,795	¥132,437	\$899,031
Cost of sales	94,799	101,965	711,444
Gross profit	24,995	30,471	187,587
Selling, general and administrative expenses	26,294	26,951	197,330
Operating income (loss)	(1,298)	3,519	(9,742)
Other income and (expenses)			
Interest expense	(656)	(627)	(4,924)
Interest and dividend income	343	609	2,579
Other net	(7,279)	(4,948)	(54,631)
Income (loss) before income taxes	(8,890)	(1,446)	(66,718)
Income Taxes (Note 11)			
Current	396	1,204	2,974
Deferred	(3,699)	(1,742)	(27,766)
Net income (loss)	(5,586)	(909)	(41,926)
	yen		U.S. dollars (Note 2)
	2002	2001	2002
Net income (loss) per 1,000 shares:			
Basic	¥ (41,030)	¥ (6,560)	\$ (307)
Diluted	(41,030)	(6,560)	(307)
Cash dividends per 1,000 shares	4,000	8,000	30

Consolidated Statements of Shareholders' Equity

	Millions of yen		
	Common stock	Capital surplus	Retained earnings
Balance at April 1, 2000	¥ 31,186	¥ 29,931	¥ 47,973
Net income (loss) for the year			(909)
Redemption of treasury stock		(366)	—
Cash dividends			(1,110)
Bonuses to directors and statutory auditors			(14)
Balance at March 31, 2001	31,186	29,564	45,939
Net income (loss) for the year			(5,586)
Redemption of treasury stock		(614)	—
Cash dividends			(821)
Bonuses to directors and statutory auditors			(14)
Balance at March 31, 2002	¥ 31,186	¥ 28,950	¥ 39,516
	Thousands of U.S. dollars (Note 2)		
	Common stock	Capital surplus	Retained earnings
Balance at March 31, 2001	\$234,042	\$221,875	\$ 344,758
Net income (loss) for the year			(41,926)
Redemption of treasury stock		(4,610)	—
Cash dividends			(6,167)
Bonuses to directors and statutory auditors			(106)
Balance at March 31, 2002	\$234,042	\$217,265	\$ 296,558

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

Consolidated Statements of Cash Flows

Year ended March 31, 2002

Millions of yen

Thousands
of U.S. dollars
(Note 2)

	2002	2001	2002
Cash Flows from Operating Activities:			
Net income (loss) before income taxes	¥ (8,890)	¥ (1,446)	\$ (66,718)
Depreciation and amortization	4,420	5,030	33,172
(Increase) decrease in trade receivable	8,524	(13,472)	63,973
Increase (decrease) in accounts payable	(1,645)	3,896	(12,347)
Loss from security valuation	2,840	—	21,319
Additions for early retirement allowance	1,458	—	10,944
Expenses for retirement allowance	—	4,094	—
(Increase) decrease in inventories	892	3,939	6,695
Interest and dividend receivable	(344)	(609)	(2,581)
Interest payable	656	627	4,926
Gain (loss) on sales of investment securities	(577)	(171)	(4,334)
Gain (loss) on sales of tangible fixed assets	(1,517)	(2,509)	(11,385)
(Increase) decrease in other assets	825	823	6,196
Increase (decrease) in other liabilities	(1,845)	944	(13,850)
Sub-total	4,798	1,147	36,011
Interests and dividend received	310	440	2,331
Interests paid	(627)	(596)	(4,706)
Special additional payment to early retirement	(1,458)	—	(10,944)
Payment of income taxes	(1,191)	(1,097)	(8,938)
Net cash (used in) provided by operating activities	1,832	(105)	13,752
Cash Flows from Investing Activities:			
Proceeds from refund of time deposits	1,936	599	14,534
Payments for purchase of investment securities	(2,081)	(4,292)	(15,619)
Proceeds from sales of investment securities	1,518	4,237	11,399
Payments for acquisitions of property, plant, equipment and intangible assets	(3,362)	(6,945)	(25,237)
Proceeds from sales of property, plant, equipment and intangible assets	3,233	2,894	24,262
Expenditures from long-term loans	(233)	(913)	(1,748)
Revenue from recovery of long-term loans	131	859	987
Recovery of accounts receivable for equipment	(2,314)	—	(17,369)
Increase in other fixed assets	(1,227)	(625)	(9,214)
Decrease in other fixed assets	319	299	2,395
Net cash (used in) provided by investing activities	(2,080)	(3,885)	(15,610)
Cash Flows from Financing Activities:			
Decrease in short-term bank loans	22	(40)	165
Issuance of long-term debt	—	2,730	—
Repayments of long-term debt	(619)	(770)	(4,648)
Dividends paid	(821)	(1,109)	(6,167)
Redemption of treasury stock	(614)	(366)	(4,610)
Payments for the redemption of convertible bonds	(1,658)	—	(12,442)
Revenue from issue of bonds with warrants	—	2,745	—
Net cash (used in) provided by financing activities	(3,691)	3,189	(27,703)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1	6	7
Net Increase (Decrease) in Cash and Cash Equivalents	(3,937)	(795)	(29,553)
Cash and Cash Equivalents at Beginning of Year	25,857	26,653	194,056
Increase of cash and cash equivalents through new consolidation	6	—	48
Cash and Cash Equivalents at End of Year	¥21,926	¥25,857	\$164,551

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

Cash and deposits	¥ 20,709	¥ 17,603	\$ 155,420
Time deposits due over three months	(440)	(2,265)	(3,307)
Securities accounts	1,657	10,520	12,438
Cash and cash equivalents	¥ 21,926	¥ 25,857	\$ 164,551



Notes to Financial Statements

Note 1. Significant Accounting Policies

Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan, and from the consolidated financial statements filed with the Ministry of Finance in Japan as required by the Securities and Exchange Law.

In preparing these consolidated financial statements, however, certain reclassifications have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

Consolidation Policies

The consolidated financial statements include the accounts of the Company and the following significant subsidiaries:

Kurimoto Trading Co., Ltd.
Kurimoto Plastics Co., Ltd.
Kurimoto Construction & Engineering, Ltd.
Kurimoto Construction Material, Ltd.
Kurimoto Maintenance & Service, Ltd.
Kurimoto Valve Engineering, Ltd.
Kurimoto Trading Corporation
Pype Systems & Technology, Ltd.
Kurimoto Logistics Co., Ltd.

Fourteen additional majority-owned subsidiaries were not consolidated because the aggregate sales, total assets, and net income of these subsidiaries were not material to the consolidated results of operations and total consolidated assets.

Investments in significant affiliates (20%-50% owned) are accounted for by the equity method. Investments in unconsolidated subsidiaries and affiliates not accounted for by the equity method are normally carried at cost.

All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash dividends and bonuses to directors and statutory auditors are recorded in the fiscal year when the proposed appropriation of retained earnings is approved at the general meeting of shareholders.

Provision is made currently for income taxes applicable to all items of revenue and expense included in the statement of income regardless of when such items are taxable or deductible.

Translation of Foreign Currencies

Current monetary assets and liabilities denominated in foreign currencies are translated into yen at the rate of exchange in effect on the balance sheet date. Long-term monetary assets and liabilities denominated in foreign currencies are translated at the historical exchange rate. However, the foreign currency receivables and payables covered by forward exchange contracts are translated at the contracted rates. Revenues and expenses are translated at the rates of exchange prevailing when transactions occur.

A Range of Fund 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

Based on the new accounting standards, securities are classified into four categories: trading securities, held-to-maturity debt securities, equity investments in non-consolidated and associated companies, and other securities. As of March 31, 2002, neither our company nor our affiliated subsidiaries possessed either trading securities or held-to-maturity debt securities.

Equity investments in non-consolidated and associated companies were carried at cost determined by the moving average method.

Other securities with a fair value are stated at fair value, while for differences of valuation the net amount was calculated under shareholders' equity as "other security valuation differences" after considering tax effects. Other securities without a fair value are valued at their cost of acquisition. For realized gains and losses and declines in value judged to be other than temporary, losses are written down and the amount of the devaluation is included in gains and losses.

Profit and loss on sales of other securities are calculated using the selling cost which is calculated using the moving average method, and are included in gains and losses.

Inventories

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

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is computed at rates based on the estimated useful lives of assets using the declining-balance method except for buildings for which the straight-line method is applied. The principal estimated useful lives are as follows:

Buildings and structures 2 to 60 years

Machinery and equipment 2 to 17 years

Costs of maintenance, repairs and minor renewals are charged to expenses in the year incurred, although major renewals and improvements are capitalized.

When assets are sold or otherwise disposed of, the profits or losses thereon, computed on the basis of the difference between depreciated cost and proceeds, are credited or charged to income in the year of disposal, and cost and accumulated depreciation are removed from the respective accounts.

Retirement Benefits

Employees who terminate their services with the Company and certain subsidiaries are, under most circumstances, entitled to lump-sum severance indemnities determined by reference to current basic rates of pay, length of service, and the conditions under which the terminations occur.

Employees' retirement benefits are calculated by deducting the defined benefit pensions assets at the end of the fiscal year from the actuarial present value of severance allowance for voluntary termination of employment, which includes the Company's contribution to pensions paid at the end of the fiscal year.

Directors and statutory auditors are not covered by the retirement and termination plan described above. However, liabilities for retirement benefits include amounts equal to management's estimates of the amounts payable to them at the balance sheet date if they retired on those days. Amounts payable to them upon retirement are subject to the approval of shareholders.

Leases

In Japan finance leases other than those that are deemed to transfer the ownership of the leased assets to lessees are accounted for by a method similar to that applicable to ordinary operation leases.

Research and Development and Computer Software

Research and development expenditure is charged to income when incurred.

Expenditure relation to computer software developed for internal use is charged to income when incurred, except if it contributes to the generation of income or to future cost savings. Such expenditure is capitalized as an asset and is amortized using the straight-line method over its estimated useful life which is in the range of 3 to 5 years.

Income Taxes

Income taxes are accounted for under the asset and liability method.

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 136,149 thousand and 138,581 thousand for the years ended March 31, 2002 and 2001, respectively.

Standard of Appropriate Income and Expenditures

Recognized gain of construction contracts is according to Construction Completed-Contract Method but adopting Percentage of Construction Method if the construction work will take longer than two years and the contract amount exceeds ¥1 billion.

Marketable and Investments Securities

Other marketable securities as of March 31, 2002 are as follows.

<i>Millions of yen</i>			
March 31, 2002			
	<i>Carrying amounts</i>	<i>Market value</i>	<i>Unrealized gain (loss)</i>
Other securities	¥ 11,778	¥ 11,795	¥ 16

<i>Thousands of U.S. dollars</i>			
March 31, 2002			
	<i>Carrying amounts</i>	<i>Market value</i>	<i>Unrealized gain (loss)</i>
Other securities	\$ 88,394	\$ 88,519	\$ 125

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=¥133.25 as of March 31, 2002, has been used for the purpose of presenting the dollar amounts in the accompanying consolidated financial statements.

Note 3. Inventories

Inventories at March 31 were comprised of the following:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2002	2001	2002
Finished products	¥ 9,923	¥10,830	\$ 74,473
Work in process	17,397	17,233	130,565
Raw materials and supplies	1,650	1,802	12,383
	¥28,971	¥29,866	\$217,422

Note 4. Short-term Bank Loans and Long-term Debt

The annual average interest rates applicable to short-term bank loans at March 31, 2002 and 2001 are 1.38% and 1.47%, 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
	2002	2001	2002
Unsecured bonds, due 2002, with interest rates of 1.52%	¥ 3,500	¥ 3,500	\$ 26,266
Unsecured bonds, due 2003, with interest rates of 1.78%	6,500	6,500	48,780
Convertible bonds, due 2002, with interest rates of 2.30%	301	301	2,258
Convertible bonds, due 2005, with interest rates of 1.90%	5,148	5,148	38,634
Convertible bonds, due 2002, with interest rates of 1.90%	—	1,658	—
Warrant-bearing bonds due 2003, with interest rates of 1.40%	2,734	2,734	20,518
Loans from financial institutions, due 2002 to 2025, with interest rates between 1.00% and 2.90%	2,673	3,273	20,067
Sub-total	20,857	23,114	156,525
Less portion due within one year	(4,261)	(2,230)	(31,978)
	¥16,595	¥20,883	\$124,546

The aggregate annual maturities of long-term financial debt at March 31, 2002 and 2001 respectively are as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
2002	¥ —	¥ 2,230	\$ —
2003	4,261	4,263	31,978
2004	9,656	9,671	72,470
2005	5,503	5,510	41,299
2006	334	1,439	2,513
2007 and thereafter	1,101	—	8,263
	¥20,857	¥23,114	\$156,525

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, 2002, assets pledged as collateral for short-term bank loans, notes and accounts payable, and long-term debt, including the current portion of long-term debt, were as follows:

	Millions of yen	Thousands of U.S. dollars
Land	¥ 770	\$ 5,781
Buildings and structures	1,054	7,915
Machinery and equipment	2,811	21,095
Notes receivable	2,091	15,695

Note 5. 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, 2002.

	Millions of yen	Thousands of U.S. dollars
	2002	2002
Benefit obligation	¥ (15,770)	\$ (118,349)
Pension liability	1,094	8,213
Unaccrued retirement benefit obligation	(14,675)	(110,135)
Unprocessed transition obligation at date of adoption	1,386	10,408
Unrecognized actuarial loss	5,095	38,242
Accrued retirement benefit	(8,192)	(61,484)

Besides the above, the balance sheet lists Retirement Benefits including ¥435 million (US\$3,264 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, 2002.

	Millions of yen	Thousands of U.S. dollars
	2002	2002
Service cost	¥ 779	\$ 5,849
Interest cost	678	5,090
Expected return on plan assets	(18)	(140)
Amortization:		
Transition obligation at date of adoption	1,401	10,515
Actuarial losses	123	928
Benefit cost	2,963	22,243

Assumption used in the accounting for the defined benefit plans for the year ended March 31, 2002 is as follows:

Method of attributing benefit to periods of service	Straight-line basis
Discount rate	3.5%
Rate of expected return on plan assets	3.5%
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 6. Contingent liabilities

At March 31, 2002 and 2001, the company was contingently liable as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
As guarantor of indebtedness of unconsolidated subsidiaries and others	¥1,987	¥2,128	\$14,914

Note 7. Leases

The Group leases certain, machinery and equipment, and other assets. Total lease payments under these leases were ¥169 million (\$1,269 thousand) and ¥213 million for the years ended March 31, 2002 and 2001, 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, 2002 and 2001, was as follows:

<i>Millions of yen</i>			
2002			
	<i>Machinery and equipment</i>	<i>Others</i>	<i>Total</i>
Acquisition costs	¥472	¥ 9	¥482
Accumulated depreciation	221	1	222
Net leased property	251	7	259
<i>Millions of yen</i>			
2001			
	<i>Machinery and equipment</i>	<i>Others</i>	<i>Total</i>
Acquisition costs	¥1,004	¥ 8	¥1,013
Accumulated depreciation	669	7	677
Net leased property	334	0	335
<i>Thousands of U.S. dollars</i>			
2002			
	<i>Machinery and equipment</i>	<i>Others</i>	<i>Total</i>
Acquisition costs	\$3,548	\$69	\$3,618
Accumulated depreciation	1,659	12	1,672
Net leased property	1,889	56	1,946

Future minimum lease payments under finance leases as of March 31, 2001 and 2000 were as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2002	2001	2002
Due within one year	¥ 95	¥163	\$ 715
Due after one year	163	172	1,230
Total	259	335	1,946

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 ¥169 million (\$1,269 thousand) for the year ended March 31, 2002.

Note 8. Derivatives and Hedging Activities

The Group has a basic policy that derivative financial instruments are not used for investing or for short-term sales profit gain, and none were used at the end of the period under review, although exchange reserve transaction were engaged in during the period. Some of our affiliated subsidiaries engaged in interest rate-related transactions involving derivative financial instruments with the purpose of diminishing risks arising from interest rate fluctuation as well as of reducing financial expenses, although no such transactions were engaged in as of the end of the period under review. Exchange reserve transactions by the Group are discussed and decided upon and then executed and managed by the Accounting Department. Swap and cap agreements by our affiliated subsidiaries are discussed and decided upon by them and then reported to us, after which they are executed and managed by our General Affairs Department.

Note 9. Shareholders' Equity

Total shares diminished by 2.4 million shares and capital surplus diminished ¥614 million (US\$4,610,003) resulting from implementation of extinguishment of treasury stock using capital reserves.

Note 10. Research and Development Expenses

Research and development expenditures charged to income were ¥1,978 million (\$14,850 thousand) for the year ended March 31, 2002.

Note 11. 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 42.0% for the years ended March 31, 2002 and 2001, 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, 2002 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, 2002 and 2001 are presented below:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2002	2001	2002
Deferred tax assets			
Accrued retirement benefit	¥4,717	¥4,245	\$35,401
Accrued bonus indemnities	520	449	3,907
Accrued directors' retirement benefit	182	230	1,370
Operating loss carry-forwards	3,075	394	23,082
Elimination of inter-company profits	1,014	912	7,610
Other	567	134	4,259
Total gross deferred tax assets	10,077	6,366	75,630
Less valuation allowance	(383)	(408)	(2,881)
Net deferred tax assets	9,693	5,957	72,749
Deferred tax liability			
Reserve for advanced depreciation of propertys	(1,832)	(1,933)	(13,752)
Dividends receivable	(179)	—	(1,344)
Other	(14)	—	(108)
Total deferred tax liabilities	(2,026)	(1,933)	(15,205)
Net deferred tax assets	7,667	4,024	57,543

Note 12. Segment Information

Information about operations in different industry segments, geographic segments and sales to foreign customers of the Group for the years ended March 31, 2002 and 2001, is as follows:

(1) Industry Segments

a. Sales and Operating Income

Millions of yen					
2002					
	Industry A	Industry B	Industry C	Eliminations/ Corporate	Consolidated
Sales to customers	¥ 54,943	¥ 55,398	¥ 9,453	¥ —	¥ 119,795
Intersegment	1,956	632	402	(2,991)	
Total sales	56,899	56,031	9,856	(2,991)	119,795
Operating expenses	56,884	56,649	10,551	(2,991)	121,094
Operating income (loss)	14	(618)	(694)	—	(1,298)

Millions of yen					
2001					
	Industry A	Industry B	Industry C	Eliminations/ Corporate	Consolidated
Sales to customers	¥ 63,944	¥ 58,449	¥ 10,043	—	¥ 132,437
Intersegment	1,255	241	228	¥ (1,724)	
Total sales	65,200	58,690	10,271	(1,724)	132,437
Operating expenses	62,313	57,606	10,721	(1,724)	128,917
Operating income (loss)	2,886	1,084	(450)	—	3,519

Thousands of U.S. dollars					
2002					
	Industry A	Industry B	Industry C	Eliminations/ Corporate	Consolidated
Sales to customers	\$412,333	\$415,749	\$70,948	\$ —	\$899,031
Intersegment	14,679	4,749	3,021	(22,450)	
Total sales	427,013	420,499	73,969	(22,450)	899,031
Operating expenses	426,903	425,138	79,183	(22,450)	908,774
Operating income (loss)	110	(4,638)	(5,214)	—	(9,742)

b. Assets, depreciation and Capital Expenditures

Millions of yen					
2002					
	Industry A	Industry B	Industry C	Eliminations/ Corporate	Consolidated
Assets	¥ 71,842	¥ 60,468	¥ 9,088	¥ 49,417	¥ 190,817
Depreciation	2,457	1,379	377	205	4,419
Capital expenditure	1,501	2,389	249	117	4,258

Millions of yen					
2001					
	Industry A	Industry B	Industry C	Eliminations/ Corporate	Consolidated
Assets	¥ 78,130	¥ 60,803	¥ 9,945	¥ 53,834	¥ 202,714
Depreciation	2,869	1,544	316	299	5,030
Capital expenditure	3,232	2,851	1,137	579	7,801

Thousands of U.S. dollars					
2002					
	Industry A	Industry B	Industry C	Eliminations/ Corporate	Consolidated
Assets	\$539,155	\$453,799	\$68,207	\$370,866	\$1,432,028
Depreciation	18,440	10,352	2,832	1,543	33,169
Capital expenditure	11,267	17,930	1,875	883	31,957

Notes: Industry A consists of steel products, cast iron products, and other related products.

Ductile iron pipes, shaped pipes, accessories, adjustment valves, special cast iron and cast steel, water system construction, surveying, design, and construction of public works projects

Industry B consists of steel structures, machine products, and related products.

Bridges, sluice gates, water pipe bridges, industrial machines and plants, industrial waste processing facilities, presses, ducts

Industry C consists of other products.

FRC products, polycon FRP pipes, synthetic resin molds

Corporate assets consist primarily of cash and cash equivalents, investment in and advances to affiliates, investments in securities and the corporate headquarters assets.

(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. Significant Subsidiaries

The Company's significant subsidiaries are as follows:

Name	Ownership Interest	Country of Incorporation
Kurimoto Trading Co., Ltd.	100%	Japan
Kurimoto Plastics Co., Ltd.	100%	Japan
Kurimoto Construction & Engineering, Ltd.	100%	Japan
Kurimoto Construction Material, Ltd.	100%	Japan
Kurimoto Maintenance & Service, Ltd.	80%	Japan
Kurimoto Valve Engineering, Ltd.	100%	Japan
Kurimoto Trading Corporation	100%	Japan
Pipe Systems & Technology, Ltd.	100%	Japan
Kurimoto Logistics Co., Ltd.	100%	Japan

Note 14. Subsequent Events

Cash dividends of the Company's retained earnings for the year ended March 31, 2002 were proposed by the Board of Directors and approved by the shareholders at the annual general meeting held on June 27, 2002, as follows:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥2.0 per share)	¥270	\$2,027



Report of Independent Public Accountants

NANIWA COMPANY CERTIFIED PUBLIC ACCOUNTANTS (JAPAN)

2-10, Awaza 1-chome, Nishi-ku,
Osaka, Japan

To the President of Kurimoto, Ltd.

We have audited the consolidated balance sheets of Kurimoto, Ltd. and consolidated subsidiaries, as of March 31, 2002 and 2001, and the related consolidated statements of income and shareholders' equity, and cash flows for the years then ended, all expressed in Japanese yen. Our audits were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned consolidated financial statements present fairly the financial position of Kurimoto, Ltd. and consolidated subsidiaries as of March 31, 2002 and 2001, and the result of their operations and their cash flows for the years then ended, in conformity with accounting principles and practices generally accepted in Japan applied on a consistent basis during the period.

Osaka, Japan
June 27, 2002

Naniwa Company



Corporate Information

Kurimoto, Ltd.

Outline

Founded	1909
Incorporated	1934
Common stock	¥31,186 million*
Total assets	¥178,006 million*
Employees	2,276*

*as of March 31, 2002

Board of Directors (as of June 27, 2002)

Chairman and President	Yoshiaki Sakamoto
Vice-Chairman	Shiro Mino
Senior Managing Director and Officer	Minoru Koshida
Senior Managing Director	Seizo Yokouchi
Managing Director	Takehiro Ueshima
Director	Masakatsu Ishikura
Director and Officer	Harutake Ishise Toshitsugu Emura
Corporate Auditor	Fujiyoshi Mori Masatoshi Hiraumi Yoshiharu Kawazoe Hiromichi Ichida

An operating officer system was introduced on June 27, 2002. The other operating officers are as follows.

Officer	Yasuo Kawabata Haruo Ozaki Meiji Iwatani Nobuo Kanamori
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Stock (as of March 31, 2002)

Common Stock	
Number of authorized shares	397,266,000
Number of issued shares	135,074,908
Number of shareholders	9,770

Principal Shareholders (as of March 31, 2002)

	Number of shares held (in thousands)	Percentage of total issued shares
The Taiyo Mutual Life Insurance Co.	12,090	9.0
Nippon Life Insurance Company	8,720	6.5
The Daiwa Bank, Ltd.	6,665	4.9
The Yasuda Trust & Banking Co., Ltd.	6,101	4.5
Sumitomo Mitsui Banking Co.	5,902	4.4
The Mitsubishi Trust & Banking Co.	4,968	3.7

Offices

Head Office

12-19, Kitahorie 1-chome, Nishi-ku, Osaka 550-8580, Japan
Telephone: (06) 6538-7721 Fax: (06) 6538-7756

Tokyo Office

1-9, Shimbashi 4-chome, Minato-ku, Tokyo 105-0004, Japan
Telephone: (03) 3436-8181 Fax: (03) 3436-8024

Hokkaido Office

2, Nishi 4-chome, Kitanijo, Chuo-ku, Sapporo 060-0002, Japan
Telephone: (011) 281-3301 Fax: (011) 271-7860

Tohoku Office

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

Kitakantou Office

7-5, 1-chome Sakuragi-cho, Saitama, Saitama 331-0852, Japan
Telephone: (048)657-3800 Fax: (048)657-3806

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

Manila Office

11th floor, 6788 Ayala Avenue, Oledan Square, Makati City, Philippines
Telephone: Manila (2) 886-7188 Fax: Manila (2) 886-7189

New York Office

122 Southgate Circle, Massapequa Park, New York, N.Y. 11762, U.S.A.
Telephone: NY (516) 797-5578 Fax: NY (516) 799-9012

Banking References

Head Office

The Fuji Bank, Ltd. (Osaka Branch)
The Daiwa Bank, Ltd. (Semba Branch)
Sumitomo Mitsui Banking Corporation (Midosuji Branch)
The Bank of Tokyo-Mitsubishi, Ltd. (Osaka Branch)

Tokyo Office

The Fuji Bank, Ltd. (Shimbashi Branch)
Sumitomo Mitsui Banking Corporation (Hibiya Branch)
The Bank of Tokyo-Mitsubishi, Ltd. (Shimbashi Branch)

Kurimoto Group

(as of June 27, 2002)

Kurimoto Trading Co., Ltd.

152, 4-chome, Midori-machi, Sakai, Osaka 590-0907, Japan
Capital: ¥200 million *Director:* Yosuke Matsumoto
Operations: Marketing of ductile iron pipes, valves, and synthetic resin products

Kurimoto Plastics Co., Ltd.

12-19, Kitahorie 1-chome, Nishi-ku, Osaka 550-8580, Japan
Capital: ¥300 million *Director:* Etsuo Araki
Operations: Production and marketing of FRP pipes, synthetic resin products, and fiber-reinforced cement products
Factory: 1, Koyagi, Koto-cho, Echi-gun, Shiga 527-0180, Japan

Kurimoto Construction & Engineering, Ltd.

11-8, Kitakagaya 2-chome, Suminoe-ku, Osaka 559-0011, Japan
Capital: ¥300 million *Director:* Tateki Oyoshi
Operations: Construction and engineering of steel structures

Kurimoto Construction Material, Ltd.

10-6, Okazato, Sowa-cho, Sashima-gun, Ibaraki 306-0206, Japan
Capital: ¥100 million *Director:* Kunio Ishifuku
Operations: Production of construction materials

Kurimoto Maintenance & Service, Ltd.

11-1, Minamihorie 1-chome, Nishi-ku, Osaka 550-0015, Japan
Capital: ¥100 million *Director:* Tsutomu Taki
Operations: Maintenance of various plants

Kurimoto Valve Engineering, Ltd.

12-19 Kitahorie 1-chome, Nishi-ku, Osaka 550-8580, Japan
Capital: ¥50 million *Director:* Katsumi Horii
Operations: Installation works and maintenance of valves

Kurimoto Trading Corporation

15-1, Ishizunishi-machi, Sakai, Osaka 592-8332, Japan
Capital: ¥50 million *Director:* Kenji Machida
Operations: Manufacture and sales of cast iron pipes, pipe fittings and pipe accessories

Pipe Systems & Technology, Ltd.

1-64 Izumi 2-chome, Suminoe-ku, Osaka 559-0023, Japan
Capital: ¥100 million *Director:* Masayoshi Kitagawa
Operations: Investigation, planning, design, engineering, maintenance and operating of pipelines and facilities, research & developments, sales and leases of piping materials and implements

Kurimoto Logistics Co., Ltd.

15-1, Ishizunishi-machi, Sakai, Osaka 592-8332, Japan
Capital: ¥100 million *Director:* Masao Tomo
Operations: Truck carrier

Kurimoto Concrete Industries, Ltd.

961, Toendo, Echigawa-cho, Echi-gun, Shiga 529-1383, Japan
Capital: ¥200 million *Director:* Hideyuki Tomi
Operations: Production of concrete pipes

Kurimoto Enviro Co., Ltd.

3, 10-banchi, Okazato, Sowa-cho, Sashima-gun, Ibaraki 306-0206, Japan
Capital: ¥200 million *Director:* Junichi Kayano
Operations: Disposing of useless articles

Kurimoto Real Estate Co., Ltd.

12-19, Kitahorie 1-chome, Nishi-ku, Osaka 550-8580, Japan
Capital: ¥100 million *Director:* Yoshio Suzuki
Operations: Control and lease of real estate, life and casualty insurance

Kurimoto Jinzai Center, Ltd.

12-19, Kitahorie 1-chome, Nishi-ku, Osaka 550-8580, Japan
Capital: ¥30 million *Director:* Kunihiko Fukuhara
Operations: Temporary help business, educational training and consulting business, providing service support

K-TEC Co., Ltd.

760-5, Sesenaki, Numaguchi, Wakamiya-cho, Kurate-gun, Fukuoka 822-0152, Japan
Capital: ¥20 million *Director:* Yoshihisa Ishizuka
Operations: Marketing and installation works and maintenance of construction materials

AGR Japan Co., Ltd.

3-3, Kitahorie 1-chome, Nishi-ku, Osaka 550-0014, Japan
Capital: ¥120 million *Director:* Torata Sonoda
Operations: Solid waste management business

Sasebo Metal, Ltd.

50-19, Siratake-cho, Sasebo, Nagasaki 857-1164, Japan
Capital: ¥100 million *Director:* Shiro Tachibana
Operations: Manufacture and sales of castings

Sanko Kiko Co., Ltd.

1-5-2, Kitahorie, Nishi-ku, Osaka 550-0014, Japan
Capital: ¥37,276 thousand *Director:* Itsuo Okumura
Operations: Marketing of plumbing materials and castings, construction materials

FEC, Ltd.

1-1 Shimbashi 1-chome, Minato-ku, Tokyo 105-0004, Japan
Capital: ¥30 million *Director:* Hiroyuki Nasu
Operations: Marketing valves and water treatment equipment

Kurimoto Sowa Co., Ltd.

3, 10-banchi, Okazato, Sowa-cho, Sashima-gun, Ibaraki 306-0206, Japan
Capital: ¥100 million *Director:* Junichi Kayano
Operations: Gather and disposing of useless articles

Riko, Ltd.

1-3, Ming Chuan RD., Ming-sheng Li, Tansui Taipei Hsien, Taiwan R.O.C
Capital: NT\$ 90 million *Director:* Yasuo Kawabata
Operations: Production of valves

Kurimoto Mec, Ltd.

11-8, Kitakagaya 2-chome, Suminoe-ku, Osaka 559-0011, Japan
Capital: ¥90 million *Director:* Enji Hatanaka
Operations: Marketing of wear resistant castings, crushers

Kurimoto Information Systems, Ltd.

12-19, Kitahorie 1-chome, Nishi-ku, Osaka 550-8580, Japan
Capital: ¥50 million *Director:* Masayuki Hirota
Operations: System consulting

Satoukizai Co., Ltd.

3-2-15, Kamata, Setagayaku, Tokyo 157-0077, Japan
Capital: ¥87,413 thousand *Director:* Mikio Satou
Operations: Marketing of plumbing materials and castings, construction materials

Kurimoto Hosono Corporation

1-24 Iizuka 2-chome, Kawaguchi, Saitama 332-0023, Japan
Capital: ¥30 million *Director:* Yoshitaka Ota
Operations: Sales of cast iron and other types of piping

Ta Chang Tsuo Machinery Industrial Co., Ltd.

8F-2, No. 241, Wen-Hsin Rd., Sec. 3, Taichung, Taiwan R.O.C.
Capital: NT\$200.5 million *Director:* Yu-Man Chien
Operations: Design, production, and installation of structural and other types of steelworks

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