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All for the future of our planet

ANNUAL REPORT

Year ended March 31, 2007

20

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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. 11 factories located throughout Japan comprise the company's industrial base which, together with 30 subsidiary companies, make up the Kurimoto group employing about 3,400 people. Today, Kurimoto plays a vital role in supplying basic industrial products, machines, and services domestically and abroad.

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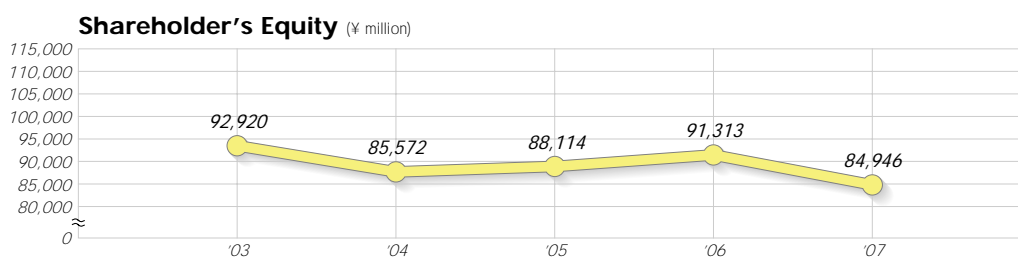
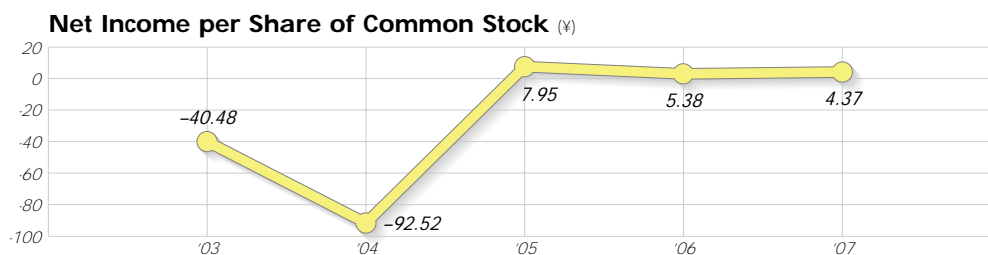
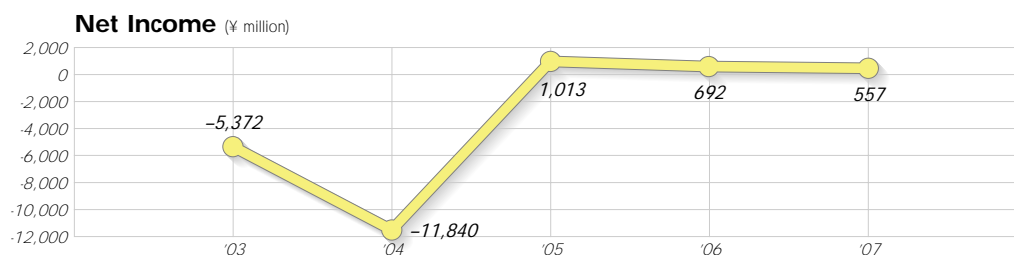
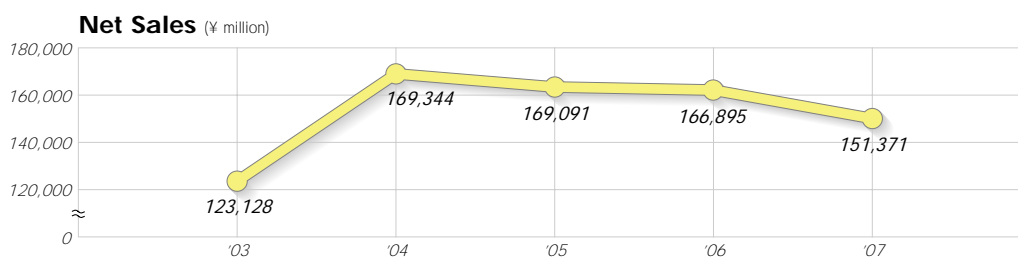
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Financial Highlights

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

Years ended March 31	2007	2006	2005	2004	2003	2007
Net sales	¥ 151,371	¥ 166,895	¥ 169,091	¥ 169,344	¥ 123,128	\$ 1,282,265
Net income (loss)	557	692	1,013	(11,840)	(5,372)	4,719
Per 1,000 shares of common stock						
Net income (loss)	4,370	5,384	7,950	(92,519)	(40,478)	37
Cash dividends	4,000	4,000	4,000	4,000	4,000	33
Total assets	213,329	224,466	216,638	214,966	181,275	1,807,110
Total shareholders' equity	84,946	91,313	88,114	85,572	92,920	719,582

Notes: The U.S. dollar amounts are calculated at the exchange rate of ¥118.05 to \$1, the rate prevailing on March 31, 2007.



President's Message

Since we have settled our accounts for our 111th accounting period, I would like to report on our finances while providing an overview of our business activities.

During the preceding consolidated accounting year, the Japanese economy moderately expanded due to steady domestic consumption and an increase in exports even though the rapid increase of oil prices and material costs was one source of concern. In addition, consumer spending showed signs of recovery amidst a backdrop in which the employment situation took a turn for the better, and the economy steadily recovered. However in the public works field, a major market of our company, demand continued to decrease due to the deteriorating financial condition of both the national and local governments which affected our results greatly.

In this business environment, our group accelerated reform of our management structures with thorough compliance management as the backbone of our business activities, and we worked to rebuild our profit structure.

With regard to sales, our iron, steel, and steel-casting related businesses, and other businesses steadily increased. On the other hand, iron structure, machinery related businesses and our construction and construction related businesses in particular contracted greatly, and our total sales contracted.

As a result, our total sales were 151.3 billion yen (1,282.2 million US dollars), a decrease of 9.3% from the previous year.

Regarding profits, although we had negative factors to deal with such as the increased cost of scrap, steel and other raw materials, decreased profits due to decreased sales of construction and construction related businesses, and the effect of low price bidding for public work projects, we managed an operating profit of 1.0 billion yen (9.0 million US dollars) and a net income of 0.5 billion yen (4.7 million US dollars) as a result of our active cost reduction activities.

Our profit distribution for the term was 2,000 yen (16 US dollars) per 1000 shares, for an annual total, including midterm dividends, of 4,000 yen (33 US dollars) per 1000 shares.

The 2007 fiscal year is the last year of our medium term business plan which began from the 2005 fiscal year. In order to connect with our new medium term business plan beginning from the 2008 fiscal year, we will be actively promoting M&As and strategic alliances further while strengthening relationships between divisions, expanding existing businesses and developing existing businesses to peripheral businesses.

In particular, in order to further accelerate the reform of business areas such as redirecting our business focus from the government to private sector customers and from domestic to overseas markets, our Iron Division, in which the government is a major customer, and business divisions with low profits will be reformed, and our Environmental Division will redirect their business focus to private sector customers. In addition, we will continue to concentrate our management resources on our private sector customer-centered Machinery Division and Construction Materials Division. We will promote the expansion of private sector customers more firmly through those measures. Furthermore, in order to stop relying on sales in the latter term, we will place more importance on first half term accounts, and we will work to strengthen sales and profitability further with customer-oriented sales based on detailed marketing. In addition, we will continue to streamline various operations including updating factory equipment from last year to deal with the increased price of scrap, which is a raw material used in our Ductile Iron Pipe Division, one of our core businesses. In the future, we will position high function ductile cast iron pipes as a standard item, which are extremely earthquake resistant, strong and safe, in order to produce them more efficiently.

As far as our overseas strategy goes, we newly established an overseas head office in the 2007 fiscal year, and we will unify the management of our overseas sales organizations and overseas offices of each division to further establish them as a planning strategy and information collection base, sales base or manufacturing base. Additionally, we will concentrate our management resources effectively. Through these measures, we will further accelerate development in North America, Europe, China, East and Southeast Asia. In addition, we will seek to increase overseas sales by adding the ability of Motoyama Eng. Works, Ltd., which became a part of Kurimoto Group in February 2007, to develop overseas. In addition, due to the synergy effect with their valve related management resources, we will work to expand and establish our Valve Division by expanding sales of the private sector in the domestic market.

For group companies, three consolidated subsidiaries which have many similar business operations were merged to establish Kurimoto Technos Co., Ltd. Kurimoto Soil Bank, Ltd. was dissolved, and Satoukizai Co., Ltd. and Yamatogawa Co., Ltd. were merged. We will streamline our group management aiming to strengthen sales and profitability as a group.



Seizo Yokouchi
President

For new products and new business, the Kurimoto Center for Innovative Technology was established in March 2007 to deepen relationships between each division, to strengthen research for creating business, and to consolidate our various research bases into one center. Our Institute of Nanotechnology, which is the core of the Kurimoto Center for Innovative Technology, succeeded in the development of lead free copper alloy called Kurika bronze, which is superior in processing and has stronger pressure resistance than previous materials in July 2006. In addition, we succeeded in the development of a high strength magnesium alloy for lighter structures which is expected to have various uses, and the development of technology, which makes joining possible without decreasing quality, is also being promoted. In the future, we will continue to deepen the relationship between academia and the private sector to accelerate the development of products made from new materials and to expand demand in the private sector.

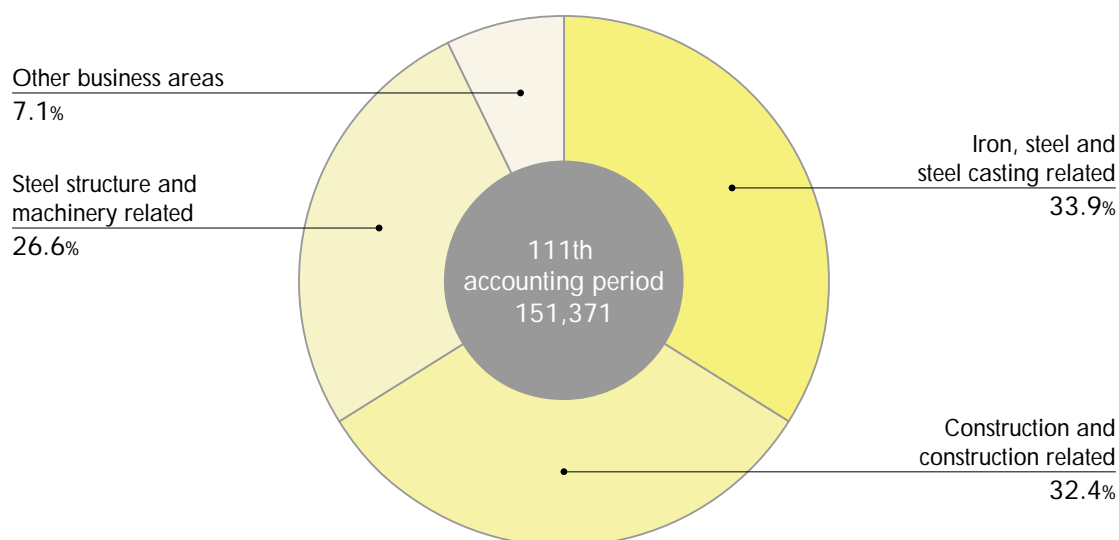
June 2007

A stylized handwritten signature of Seizo Yokouchi in dark ink.

Seizo Yokouchi
President

Business Operations

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



Iron, steel and steel casting related businesses

With regard to iron, steel and steel casting related businesses, in our Iron Division, due to domestic demand hitting bottom and the sales expansion of high function ductile iron pipes, the decrease in sales stopped, and both orders and sales increased under the affect of the continuous decrease in public work projects and the impact of an appreciation in raw material costs. Sales in our Valve Division decreased as a result of the difficult price competition that developed due to the severe environment surrounding the domestic market in both government and private sector demand. As a result, orders totaled 51.8 billion yen, a 16.3% increase from the previous consolidated accounting period and actual sales totaled 51.3 billion yen, a 10.1% increase from the previous consolidated accounting period.



Steel structure and machinery related businesses

In our steel structure and machinery related businesses, orders and sales of forging presses in the machinery area have grown due to active facility investment in the auto industry. Meanwhile, sales in the areas of steel structures and environmental plant engineering decreased by order unit price due to greater than expected severe competition for orders in the public works field. As a result, orders totaled 36.3 billion yen, a 3.5% decrease from the previous consolidated accounting period and actual sales were 40.2 billion yen, a 6.3% decrease from the previous consolidated accounting period.



Construction and construction related businesses

For construction and construction related businesses, we worked on the sales expansion of new products and increasing production in the construction materials area by improving the production process in the social background of active investment. However sales in the construction area fell significantly within the difficult order environment surrounding the overall construction market which has been affected by earthquake resistance fraud cases. Consequently, orders in this area totaled 59.6 billion yen, a 10.0% increase from the previous consolidated accounting period and sales amounted to 49.0 billion yen, a 29.3% decrease from the previous consolidated accounting period.



Other business areas

As for other businesses areas, we focused on the sales expansion of new products within a severe market environment affected by an appreciation of raw material costs and increased competition with other pipe manufacturers for composite resin pipes and Hume pipes. As a result, orders were 10.7 billion yen, a 36.1% increase over the previous consolidated accounting period and sales were 10.7 billion yen, a 36.3% increase over the previous consolidated accounting period.



Topics

Expansion of Private Sector Demand and Valve Business Motoyama Eng. Works, Ltd.

As a part of our measures to expand private sector demand and our valve business, we purchased Motoyama Eng. Works, Ltd., a specialized manufacturer of automatic control valves for industrial use, on February 1, 2007, and we took over their manufacturing and sales of automatic control valves.

Motoyama Eng. Works, Ltd. is a fluid control device manufacturer in the process automation field, which manufactures control valves and safety valves for domestic and overseas plants mainly for the oil chemical and oil refinery markets in particular.

Their head office and factory are located in Ohhira-mura in Miyagi Prefecture, and they hold various authorizations and certifications necessary for valve manufacturing such as the High Pressure Gas Safety Law, ASME (American Society of Mechanical Engineers), and ISO9001, etc.

Since the required functions for these devices are numerous and differ according to the type of plant and usage, they are basically produced after the orders are received. Therefore, it is important to accurately understand the fluid conditions in plants of each customer and to select and recommend valves which have the most appropriate structure, material quality and control characteristics for each plant. Motoyama Eng. Works, Ltd. possesses an abundant amount of accumulated knowledge and technology, and they are able to recommend the most appropriate valves for the fluid conditions of our customers.

As a recent new trend, it is notable that they participated in the new energy/environment related field. Specifically, they have started to become involved in manufacturing multi-crystal silicon devices for solar cells, a PCB detoxification processing facility, a bio-ethanol manufacturing plant, etc.

In addition, oil chemical and oil refinery plants tend to become larger each year. Motoyama Eng. Works, Ltd. manufactures comparatively small and middle size valves, but will combine their technology with the manufacturing technology of Kurimoto Ltd. for large valves to expand their product lineup and to provide advanced services in the future to realize the expansion of private sector demand and the valve business.



Overhead view of Motoyama Eng. Works, Ltd.



Pilot type safety valve



Globe type control valve

Kurimoto Center for Innovative Technology Establishment

Purpose of establishment

As new technologies can lose value the very next day due to the appearance of technologies that exceed these new technologies by a wide margin, recently the environment surrounding us has been changing more rapidly and extremely than expected.

In order to deal with these kinds of situations and stay ahead of our competition, innovative performance improvement which changes the perspective from one of existing technologies and products to the creation of markets is more essential than anything else.

As a first step towards solving these tasks, we established the Institute of Nanotechnology in April 2005, and we have promoted technological development not only for large fields which our technology is suited for, but also for nanotechnology which changes our position and point of view.

To improve the speed of realizing a technology company further, we established the Kurimoto Center for Innovative Technology on March 12, 2007, with the Institute of Nanotechnology as the core, so that the center would become a base for strongly promoting the relationship between our divisions and the academic and private sectors.

Future development

The Kurimoto Center for Innovative Technology was established to plan the research strategy of the entire Kurimoto Group and to carry out its function as a place for nurturing human resources such as researchers and engineers. This center will promote project research in nanotechnology and material research, the environment and energy, and life sciences, with the Institute of Nanotechnology as the core, in collaboration with divisions and group companies for private sector demand.



Kurimoto Center for Innovative Technology

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 Construction Industry. Co., Ltd.

Director: Yoshihiro Tanaka
Operations: Contract for civil engineering works as a whole, and others
Capital: ¥1,400 million (US\$11,859,381)
Stockholder: All stock is owned by Kurimoto, Ltd.
Established: April 1946 and became a subsidiary in 2003
Orders: ¥46,602 million (US\$394,769 thousand) (11.2% increase)
Sales: ¥36,547 million (US\$309,594 thousand) (35.3% decrease)

Kurimoto Trading Co., Ltd.

Director: Yosuke Matsumoto
Operations: Marketing of cast iron pipes, valves, and synthetic resin products
Capital: ¥200 million (US\$1,694,197)
Stockholder: All stock is owned by Kurimoto, Ltd.
Established: December 1952 as a subsidiary of Kurimoto, Ltd.
Orders: ¥15,335 million (US\$129,907 thousand) (0.2% decrease)
Sales: ¥15,235 million (US\$129,058 thousand) (0.0% decrease)

Kurimoto Plastics Co., Ltd.

Director: Enji Hatanaka
Operations: Production and marketing of FRP pipes, synthetic resin products, and fiber-reinforced cement products
Capital: ¥300 million (US\$2,541,296)
Stockholder: All stock is owned by Kurimoto, Ltd.
Established: April 1971 as a subsidiary of Kurimoto, Ltd.
Orders: ¥5,711 million (US\$48,380 thousand) (4.8% increase)
Sales: ¥5,725 million (US\$48,501 thousand) (1.2% increase)

Kurimoto Technos Co., Ltd.

Director: Harutaka Ishise
Operations: Construction and engineering of steel structures
Capital: ¥100 million (US\$847,098)
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: ¥4,857 million (US\$41,148 thousand) (3.2% decrease)
Sales: ¥5,434 million (US\$46,036 thousand) (6.6% increase)

Kurimoto Trading Corporation

Director: Kenji Machida
Operations: Manufacture and sales of cast iron pipes, pipe fittings and pipe accessories
Capital: ¥50 million (US\$423,549)
Stockholder: All stock is owned by Kurimoto, Ltd.
Established: April 2001 as a subsidiary of Kurimoto, Ltd.
Orders: ¥13,118 million (US\$111,129 thousand) (10.8% increase)
Sales: ¥13,118 million (US\$111,129 thousand) (10.8% increase)

Pype Systems & Technology, Ltd.

Director: Kiyoshi Yoshino
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\$847,098)
Stockholder: All stock is owned by Kurimoto, Ltd.
Established: April 2001 as a subsidiary of Kurimoto, Ltd.
Orders: ¥1,099 million (US\$9,317 thousand) (13.1% decrease)
Sales: ¥1,069 million (US\$9,060 thousand) (26.5% decrease)

Kurimoto Logistics Co., Ltd.

Director: Masao Tomo
Operations: Truck carrier
Capital: ¥90 million (US\$762,388)
Stockholder: All stock is owned by Kurimoto, Ltd.
Established: March 1960 and became a subsidiary in 2001.
Orders: ¥2,847 million (US\$24,121 thousand) (3.2% increase)
Sales: ¥2,847 million (US\$24,121 thousand) (3.2% increase)

Kurimoto Mec, Ltd.

Director: Yoshiaki Shingu
Operations: Marketing of wear resistant castings, crushers
Capital: ¥90 million (US\$762,388)
Stockholder: All stock is owned by Kurimoto, Ltd.
Established: April 2002 as a subsidiary of Kurimoto, Ltd.
Orders: ¥9,121 million (US\$77,265 thousand) (9.3% increase)
Sales: ¥9,091 million (US\$77,010 thousand) (10.0% increase)

Kurimoto Finance Co., Ltd.

Director: Shizuka Arai
Operations: Consulting about financial strategy planning, fund procurement, and its management
Capital: ¥10 million (US\$84,709)
Stockholder: All stock is owned by Kurimoto, Ltd.
Established: July 2002 as a subsidiary of Kurimoto, Ltd.
Orders: ¥203 million (US\$1,725 thousand) (21.9% decrease)
Sales: ¥203 million (US\$1,725 thousand) (21.9% decrease)

Sasebo Metal, Ltd.

Director: Shiro Tachibana
Operations: Production and marketing of cast iron, cast iron products, and other cast metal products
Capital: ¥100 million (US\$847,098)
Stockholder: All stock is owned by Kurimoto, Ltd.
Established: April 2000 as a subsidiary of Kurimoto, Ltd.
Orders: ¥1,950 million (US\$16,522 thousand) (7.2% increase)
Sales: ¥1,749 million (US\$14,819 thousand) (4.8% decrease)

Yamatogawa Co., Ltd.

Director: Kazuo Kitamura
Operations: Marketing of cast iron pipes, valves, and synthetic resin products
Capital: ¥60 million (US\$508,259)
Stockholder: 92% of stock is owned by Kurimoto, Ltd. and 8% by Marubeni-Itochu Steel Inc.
Established: December 1972 and became a subsidiary in 2004
Orders: ¥13,289 million (US\$112,575 thousand) (5.3% increase)
Sales: ¥13,289 million (US\$112,575 thousand) (8.2% increase)

Kurimoto Concrete Industries, Ltd.

Director: Takumi Yasuda
Operations: Production of concrete pipes
Capital: ¥200 million (US\$1,694,197)
Stockholder: 85% of stock is owned by Kurimoto, Ltd. and 15% by Sumitomo Osaka Cement Co., Ltd.
Established: January 1961 as a subsidiary of Kurimoto, Ltd.
Orders: ¥2,017 million (US\$17,086 thousand) (4.8% increase)
Sales: ¥2,001 million (US\$16,958 thousand) (1.3% increase)

Kurimoto Enviro Co., Ltd.

Director: Taketoshi Mishimura
Operations: Disposing of useless articles
Capital: ¥50 million (US\$423,549)
Stockholder: All stock is owned by Kurimoto, Ltd.
Established: June 1967 as a subsidiary of Kurimoto, Ltd.
Orders: ¥1,064 million (US\$9,015 thousand) (69.6% increase)
Sales: ¥1,064 million (US\$9,015 thousand) (69.6% increase)

Sanko Kiko Co., Ltd.

Director: Shigeo Ishihara
Operations: Marketing of plumbing materials and castings, construction materials
Capital: ¥190 million (US\$1,616,696)
Stockholder: 89% of stock is owned by Kurimoto, Ltd. and 11% by Iwatani International Corporation
Established: September 1966 and became a subsidiary in 2000
Orders: ¥3,457 million (US\$29,291 thousand) (8.8% decrease)
Sales: ¥3,806 million (US\$32,242 thousand) (0.4% increase)

Kurimoto Hosono Corporation

Director: Seiji Yoshioka
Operations: Sales of cast iron and other types of piping
Capital: ¥90 million (US\$762,388)
Stockholder: 99% of stock is owned by Kurimoto, Ltd. 1% by other company
Established: July 2001 as a subsidiary of Kurimoto, Ltd.
Orders: ¥1,062 million (US\$8,997 thousand) (10.4% decrease)
Sales: ¥1,142 million (US\$9,676 thousand) (3.8% decrease)

Financial Section

Consolidated Balance Sheets

March 31, 2007 and 2006

	Millions of yen		Thousands of U.S. dollars (Note 2)
Assets	2007	2006	2007
Current assets			
Cash and time deposits	¥ 22,146	¥ 24,598	\$ 187,601
Trade notes and accounts receivable	61,564	63,325	521,511
Trade notes and accounts receivable			
— unconsolidated subsidiaries and affiliates	1,128	2,814	9,563
Marketable securities	188	214	1,595
Inventories (Note 3)	29,942	27,944	253,639
Deferred income taxes (Note 10)	1,463	2,734	12,395
Prepaid expenses and other current assets	4,107	8,183	34,791
Allowance for doubtful accounts	(842)	(690)	(7,139)
Total current assets	119,697	129,125	1,013,958
Property, plant and equipment			
Buildings and structures	27,831	29,370	235,761
Machinery and equipment	63,992	61,936	542,082
Land	26,931	29,940	228,136
Construction in progress	1,209	746	10,242
Accumulated depreciation	(70,234)	(70,222)	(594,959)
Total property, plant and equipment	49,730	51,770	421,263
Investments and other assets			
Investment securities — other	34,979	35,719	296,306
Investment securities			
— unconsolidated subsidiaries and affiliates	3,571	2,832	30,254
Long-term loans — other	368	346	3,120
Long-term loans			
— unconsolidated subsidiaries and affiliates	—	1,418	—
Other investments	4,223	6,006	35,773
Allowance for doubtful accounts	(1,367)	(3,723)	(11,583)
Deferred income taxes (Note 10)	1,354	250	11,469
Long-term prepaid expenses and other	772	704	6,547
Total investments and other assets	43,901	43,555	371,888
Deferred assets			
Stock issue expenses	—	14	—
Total deferred assets	—	14	—
Total assets	¥213,329	¥224,466	\$1,807,110

	Millions of yen		Thousands of U.S. dollars (Note 2)
Liabilities and Shareholders' Equity	2007	2006	2007
Current liabilities			
Trade notes and accounts payable	¥ 52,340	¥ 53,570	\$ 443,372
Trade notes and accounts payable —— unconsolidated subsidiaries and affiliates	112	471	956
Short-term bank loans (Note 4)	38,188	41,462	323,497
Current portion of long-term debt	6,512	5,054	55,170
Accrued taxes on income	592	488	5,023
Accrued liabilities	3,841	3,559	32,537
Advances received	5,311	5,394	44,995
Employees' savings deposits	775	830	6,570
Other current liabilities	3,739	3,953	31,680
Total current liabilities	111,416	114,784	943,804
Long-term liabilities			
Retirement benefits (Note 5)	5,274	5,968	44,676
Long-term debt (Note 4)	9,536	8,468	80,780
Deferred tax liability	—	2,001	—
Other long-term liabilities	455	342	3,859
Total long-term liabilities	15,265	16,781	129,316
Total liabilities	126,681	131,565	1,073,120
Net assets			
Shareholders' Equity			
Common stock	31,186	31,186	264,177
Authorized: 393,766,000 shares			
Issued: 133,984,908 shares in 2006			
133,984,908 shares in 2007			
Capital surplus	28,861	28,861	244,484
Retained earnings	21,778	22,690	184,484
Treasury stock	(1,392)	(1,389)	(11,799)
Total shareholders' equity	80,432	81,347	681,345
Difference due to evaluation/conversion			
Unrealized gain (loss) on securities	4,524	9,965	38,329
Deferred hedge profit (loss)	(10)	—	(92)
Total difference due to evaluation/conversion	4,513	9,965	38,236
Minority interests in consolidated subsidiaries	¥ 1,700	¥ 1,587	\$ 14,407
Total net assets	86,647	92,900	733,990
Total liabilities and net assets	¥213,329	¥224,466	\$1,807,110

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

Consolidated Statements of Income

Years ended March 31, 2007 and 2006

Millions of yen

Thousands
of U.S. dollars
(Note 2)

	2007	2006	2007
Net sales	¥ 151,371	¥ 166,895	\$ 1,282,265
Cost of sales	126,281	144,063	1,069,726
Gross profit	25,090	22,832	212,538
Selling, general and administrative expenses	24,019	23,842	203,469
Operating income (loss)	1,070	(1,010)	9,069
Other income and (expenses)			
Interest and dividend income	530	986	4,495
Interest expense	(620)	(494)	(5,255)
Gain on adjustment of income/loss in the prior period	—	353	—
Gain on sale of land	2,877	1,483	24,373
Gain on sale of investment securities	5,325	6,335	45,115
Loss on disposal of fixed assets	(1,105)	(1,456)	(9,364)
Impairment loss (Note 11)	(760)	(715)	(6,443)
Transfer to allowance for bad debt	—	(700)	—
Charges, etc.	(772)	(472)	(6,539)
Affiliated company liquidation loss	(749)	—	(6,347)
Inventory assets disposal loss	(570)	—	(4,831)
Others, net	(1,381)	(1,346)	(11,706)
Income (loss) before income taxes	3,844	2,963	32,565
Income taxes (Note 10)			
Current	724	436	6,136
Deferred	2,587	1,816	21,914
Minority interests in net income (loss)	(24)	18	(205)
Net income (loss)	¥ 557	¥ 692	\$ 4,719

yen

U.S. dollars
(Note 2)

	2007	2006	2007
Net income (loss) per 1,000 shares:			
Basic	¥ 4,370	¥ 5,384	\$ 37
Diluted	4,370	5,384	37
Cash dividends per 1,000 shares	4,000	4,000	33

Consolidated Statements of Shareholders' Equity

Millions of yen

	Common stock	Capital surplus	Retained earnings
Balance at April 1, 2005	¥ 31,186	¥ 28,861	¥ 22,512
Net income (loss) for the year			692
Cash dividends			(514)
Balance at March 31, 2006	¥ 31,186	¥ 28,861	¥ 22,690
Net income (loss) for the year			557
Cash dividends			(510)
Increase due to the increase of consolidated subsidiaries			84
Decrease due to the increase of consolidated subsidiaries			(1,042)
Balance at March 31, 2007	¥ 31,186	¥ 28,861	¥ 21,778

Thousands of U.S. dollars (Note 2)

	Common stock	Capital surplus	Retained earnings
Balance at March 31, 2006	\$264,177	\$244,484	\$192,206
Net income (loss) for the year			4,719
Cash dividends			(4,324)
Increase due to the increase of consolidated subsidiaries			716
Decrease due to the increase of consolidated subsidiaries			(8,833)
Balance at March 31, 2007	\$264,177	\$244,484	\$184,484

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

Consolidated Statements of Cash Flows

Years ended March 31, 2007 and 2006

Millions of yen

Thousands
of U.S. dollars
(Note 2)

	2007	2006	2007
Cash Flows from Operating Activities:			
Net income (loss) before income taxes	¥ 3,844	¥ 2,963	\$ 32,565
Depreciation and amortization	2,487	2,235	21,073
Impairment loss	760	715	6,443
(Increase) decrease in trade receivable	5,101	(14,919)	43,212
Increase (decrease) in accounts payable	(4,194)	1,032	(35,529)
(Increase) decrease in inventories	(1,048)	6,363	(8,885)
Interest and dividend receivable	(530)	(986)	(4,495)
Interest payable	620	494	5,255
Gain (loss) on sales of investment securities	(5,315)	(6,150)	(45,028)
Loss from security valuation	127	37	1,079
Gain (loss) on sales of tangible fixed assets	(2,711)	(898)	(22,971)
Loss on removal of tangible fixed assets	656	923	5,557
Increase (decrease) in allowance for doubtful accounts	(14)	278	(126)
Increase (decrease) in accrued retirement benefits for employees	(854)	(116)	(7,234)
(Increase) decrease in other assets	1,727	(339)	14,630
Increase (decrease) in other liabilities	(537)	774	4,557
Sub-total	116	(7,593)	988
Interests and dividend received	475	811	4,030
Interests paid	(630)	(482)	(5,344)
Payment of income taxes	(487)	(312)	(4,127)
Net cash (used in) provided by operating activities	(525)	(7,576)	(4,452)
Cash Flows from Investing Activities:			
Increase (decrease) in refund of time deposits	615	(1,299)	5,209
Payments for purchase of investment securities	(14,681)	(5,845)	(124,364)
Proceeds from sales of investment securities	11,553	11,044	97,867
Payments for acquisitions of property, plant, equipment and intangible assets	(2,991)	(2,807)	(25,342)
Proceeds from sales of property, plant, equipment and intangible assets	6,654	1,650	56,371
Expenditures on the acquisition of affiliated company stock	(1,884)	(937)	(15,966)
Expenditure on loans	(252)	(3,323)	(2,141)
Proceeds from collection of loans	312	2,442	2,646
Investment expenditures	(8)	(212)	(69)
Increase in other fixed assets	(638)	(306)	(5,409)
Decrease in other fixed assets	634	622	5,373
Net cash (used in) provided by investing activities	(687)	(1,027)	(5,826)
Cash Flows from Financing Activities:			
Increase (decrease) in short-term bank loans	(3,274)	11,933	(27,734)
Issuance of long-term debt	7,580	—	64,210
Repayments of long-term debt	(4,276)	(4,834)	(36,229)
Dividends paid	(509)	(514)	(4,318)
Redemption of treasury stock	(3)	(405)	(28)
Expenditure on redemption of straight bond	(800)	(150)	(6,776)
Net cash (used in) provided by financing activities	(1,284)	6,027	(10,877)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	0	5	8
Net Increase (Decrease) in Cash and Cash Equivalents	(2,496)	(515)	(21,148)
Cash and Cash Equivalents at Beginning of Year	22,058	22,574	186,860
Increase of cash and cash equivalents through new consolidation	573	—	4,862
Cash and Cash Equivalents at End of Year	¥20,136	¥22,058	\$170,547
Note: Relation between the year-end balance of cash and cash equivalents and the items on the consolidated balance sheet:			
Cash and deposits	¥ 22,146	¥ 24,598	\$ 187,601
Time deposits due over three months	(2,110)	(2,640)	(17,873)
Securities accounts	100	100	847
Cash and cash equivalents	¥ 20,136	¥ 22,058	\$ 170,547

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 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

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

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 60 years.

Machinery and automotive equipment; 2 to 17 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 2007, 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

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 & 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 127,626 thousand and 128,555 thousand for the years ended March 31, 2007 and 2006, respectively.

Recognition of Earning Cost

We recognize our revenue from construction works by the complete job method. But in case that the contract sum surpasses 0.5 billion yen and construction term is over one year, we adopt the percentage of completion method.

Marketable and Investments Securities

Other marketable securities as of March 31, 2007 are as follows.

	Millions of yen		
	2007		
	Carrying amounts	Market value	Unrealized gain (loss)
Other securities	¥ 23,580	¥ 31,441	¥ 7,861
	Thousands of U.S. dollars		
	2007		
	Carrying amounts	Market value	Unrealized gain (loss)
Other securities	\$ 199,747	\$ 266,342	\$ 66,594

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=¥118.05 as of March 31, 2007, 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:

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Finished products	¥ 14,128	¥ 12,496	\$ 119,681
Work in process	13,934	13,626	118,041
Raw materials and supplies	1,878	1,821	15,916
	¥ 29,942	¥ 27,944	\$ 253,639

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

The annual average interest rates applicable to short-term bank loans at March 31, 2007 and 2006 are 1.2% and 0.7%, 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
	2007	2006	2007
Unsecured bonds, due 2006, with interest rate of 2.90%.....	—	400	—
Unsecured bonds, due 2007, with interest rate of 2.50%.....	—	400	—
Unsecured bonds, due 2007, with interest rate of 2.73%.....	300	300	2,541
Unsecured bonds, due 2007, with interest rate of 2.33%.....	350	350	2,964
Unsecured bonds, due 2008, with interest rate of 1.95%.....	400	400	3,388
Loans from financial institution, due 2007 to 2021 with interest rates between 0.60% and 3.00%.....	14,998	11,672	127,056
Sub-total.....	16,048	13,522	135,950
Less current portion of loans	6,512	(5,054)	55,170
	¥ 9,536	¥ 8,468	\$ 80,780

The aggregate annual maturities of long-term financial debt at March 31, 2007 and 2006 respectively are as follows:

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
2007	¥ —	5,054	\$ —
2008	6,512	5,053	55,170
2009	4,830	3,079	40,914
2010	2,071	321	17,549
2011	1,751	1	14,838
2012 and thereafter	882	—	7,477
	¥ 16,048	¥ 13,510	\$ 135,950

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, 2007, assets pledged as collateral for short-term bank loans, and long-term debt, including the current portion of long-term debt, were as follows:

	Millions of yen	Thousands of U.S. dollars
	2007	2007
Land	¥ 1,851	\$ 15,683
Buildings and structures	1,651	13,985
Deposit	1,270	10,758
Notes receivable	752	6,372
Inventory	364	3,084
	¥ 5,888	\$ 49,884

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, 2007.

	Millions of yen	Thousands of U.S. dollars
	2007	2007
Benefit obligation	¥(16,653)	\$(141,070)
Pension liability	12,761	108,105
Unaccrued retirement benefit obligation	(3,891)	(32,964)
Unrecognized actuarial loss	(1,344)	(11,390)
Accrued retirement benefit	¥ (5,236)	\$ (44,354)

Besides the above, the balance sheet lists Retirement Benefits including ¥37 million (US\$321 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, 2007.

	Millions of yen	Thousands of U.S. dollars
	2007	2007
Service cost	¥ 765	\$ 6,485
Interest cost	403	3,419
Expected return on plan assets	(71)	(609)
Amortization:		
Actuarial losses	(25)	(219)
Benefit cost	¥ 1,071	\$ 9,075

Assumption used in the accounting for the defined benefit plans for the year ended March 31, 2007 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	0.4% ~ 1.2%
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, 2007 and 2006, the company was contingently liable as follows:

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
As guarantor of indebtedness of unconsolidated subsidiaries and others	¥ 2,979	¥ 3,293	\$ 25,238
Transfer of bills receivable for securitization	¥ 10,355	¥ 7,038	\$ 87,721
Discount of notes and bills	¥ 3,626	¥ 3,577	\$ 30,723

Note 7. Leases

The Group leases certain, machinery and equipment, and other assets. Total lease payments under these leases were ¥187 million (\$1,588 thousand) and ¥181 million for the years ended March 31, 2007 and 2006, respectively. Pro forma information on leased property, such as acquisition costs, accumulated depreciation, and future minimum leases 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, 2007 and 2006, was as follows:

	Millions of yen		
	2007		
	Machinery and equipment	Others	Total
Acquisition costs	¥ 383	¥ 426	¥ 810
Accumulated depreciation	263	253	516
Net leased property	¥ 119	¥ 173	¥ 293

	Millions of yen		
	2006		
	Machinery and equipment	Others	Total
Acquisition costs	¥ 473	¥ 298	¥ 772
Accumulated depreciation	290	141	432
Net leased property	¥ 182	¥ 157	¥ 339

	Thousands of U.S. dollars		
	2007		
	Machinery and equipment	Others	Total
Acquisition costs	\$ 3,248	\$ 3,614	\$ 6,862
Accumulated depreciation	2,232	2,143	4,376
Net leased property	\$ 1,015	\$ 1,470	\$ 2,486

Future minimum lease payments under finance leases as of March 31, 2007 and 2006 were as follows:

	Millions of yen	Thousands of U.S. dollars
	2007	2006
Due within one year	¥ 152	¥ 147
Due after one year	140	191
Total	¥ 293	¥ 339

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 ¥187 million (\$1,588 thousand) for the year ended March 31, 2007.

Note 8. 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 9. Research and Development Expenses

Research and development expenditures charged to income were ¥1,535 million (\$13,003 thousand) for the year ended March 31, 2007.

Note 10. 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, 2007 and 2006, 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, 2007 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, 2007 and 2006 are presented below:

	Millions of yen	Thousands of U.S. dollars
	2007	2006
Deferred tax assets		
Accrued retirement benefit.....	¥ 4,065	¥ 4,325
Accrued bonus indemnities	648	582
Allowance for uncollectable receivables.....	735	1,209
Operating loss carry-forwards.....	7,091	7,464
Elimination of inter-company profits	844	826
Other	2,366	1,512
Total gross deferred tax assets	15,751	15,919
Less valuation allowance	(9,309)	(7,842)
Net deferred tax assets	¥ 6,442	¥ 8,077

Deferred tax liability		
Evaluated difference of other securities	(3,223)	(7,003)
Special account reserve for fixed assets compression	(290)	—
Dividends receivable	(109)	(86)
Other	(1)	(3)
Total deferred tax liabilities	(3,625)	(7,093)
Net deferred tax assets	¥ 2,817	¥ 983

Note 11. Impairment Loss

Our group establishes categories to check income and loss consistently as a general rule. However, we group idle property according to the individual property type. Due to profits which were worse than previous profits in aluminum recycling, the book price of the concerned production facility decreased to the collectable monetary amount and is recorded as a special loss.

In addition, for idle properties with values lower than the book value due to the continuous drop in the price of land, the prices of concerned idle properties decreased to the collectable monetary amount and are recorded as a special loss.

The collectable amount of concerned assets was measured based on the net disposal price, and important assets are calculated based on real estate appraisal evaluations etc. Other assets are calculated based on a fixed asset tax evaluation price etc.

	Millions of yen	Thousands of U.S. dollars
	2007	2007
Aluminum recycling business	¥ 653	\$ 5,536
Idle asset land	61	521
Idle assets buildings/structures etc.	45	386
	¥ 760	\$ 6,443

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 2007 and 2006.

(1) Industry Segments

a. Sales and Operating Income

Millions of yen						
2007						
	Industry A	Industry B	Industry C	Industry D	Eliminations/ Corporate	Consolidated
Sales to customers	¥51,372	40,254	49,021	10,722	—	¥151,371
Intersegment	¥ 2,788	150	2,140	232	(5,313)	¥ —
Total sales	¥54,161	40,405	51,162	10,955	(5,313)	¥151,371
Operating expenses	¥52,316	40,969	50,814	10,578	(4,377)	¥150,300
Operating income (loss)	¥ 1,844	(564)	348	377	(935)	¥ 1,070

Millions of yen						
2006						
	Industry A	Industry B	Industry C	Industry D	Eliminations/ Corporate	Consolidated
Sales to customers	¥46,665	42,977	69,384	7,866	—	¥166,895
Intersegment	¥ 2,381	48	905	292	(3,628)	¥ —
Total sales	¥49,047	43,025	70,290	8,159	(3,628)	¥166,895
Operating expenses	¥47,705	46,354	69,046	7,847	(3,048)	¥167,905
Operating income (loss)	¥ 1,341	(3,328)	1,244	312	(579)	¥ -1,010

Thousands of U.S. dollars						
2007						
	Industry A	Industry B	Industry C	Industry D	Eliminations/ Corporate	Consolidated
Sales to customers	\$435,177	340,994	415,261	90,831	—	\$1,282,265
Intersegment	\$ 23,624	1,277	18,132	1,973	(45,007)	\$ —
Total sales	\$458,802	342,271	433,394	92,804	(45,007)	\$1,282,265
Operating expenses	\$433,173	347,053	430,444	89,606	(37,082)	\$1,273,195
Operating income (loss)	\$ 15,628	(4,782)	2,949	3,197	(7,924)	\$ 9,069

b. Assets, Depreciation and Capital Expenditures

Millions of yen						
2007						
	Industry A	Industry B	Industry C	Industry D	Eliminations/ Corporate	Consolidated
Assets	¥59,620	36,767	35,067	25,146	56,726	¥213,329
Depreciation	¥ 1,215	321	400	262	287	¥ 2,487
Impairment loss	—	—	—	653	107	¥ 760
Capital expenditure	¥ 1,225	608	493	279	610	¥ 3,217

Millions of yen						
2006						
	Industry A	Industry B	Industry C	Industry D	Eliminations/ Corporate	Consolidated
Assets	¥55,272	37,295	43,013	23,200	65,684	¥224,466
Depreciation	¥ 1,142	378	410	202	102	¥ 2,235
Impairment loss	—	—	6	—	709	¥ 715
Capital expenditure	¥ 828	416	373	170	98	¥ 1,888

Thousands of U.S. dollars						
2007						
	Industry A	Industry B	Industry C	Industry D	Eliminations/ Corporate	Consolidated
Assets	\$505,045	311,459	297,054	213,019	480,532	\$1,807,110
Depreciation	\$ 10,297	2,727	3,389	2,225	2,434	\$ 21,073
Impairment loss	\$ —	—	—	5,536	907	\$ 6,443
Capital expenditure	\$ 10,377	5,156	4,183	2,364	5,170	\$ 27,252

(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. Subsequent Events

Cash dividends of the Company's retained earnings for the year ended March 31, 2007 were proposed by the Board of Directors and approved by the shareholders at the annual general meeting held on June 27, 2007, as follows:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥2.0 per share)	¥ 255	\$ 2,162

Report of Independent Auditors

Report of Independent Auditors

Naniwa Company
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, 2007 and 2006, 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 audits.

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, 2007 and 2006, 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.

Naniwa Company

Osaka, Japan
June 27, 2007

Corporate Information

Kurimoto, Ltd.

Outline

Founded	1909
Incorporated	1934
Common stock	¥31,186 million*
Total assets	¥149,566 million*
Employees	1,610

*as of March 31, 2007

Board of Directors

(as of June 27, 2007)

President	Seizo Yokouchi
Senior Managing Director	Takehiro Ueshima Hirotsugu Kuramoto
Managing Director	Hideaki Fukui
Director	Moriyoshi Kushida Mitsuo Amagaya Enji Hatanaka Shozo Izumi Kenji Oki Takayuki Fujimoto
Corporate Auditor	Toshitsugu Emura Isamu Tanaka Akio Tenmei Eiji Nakatani
Managing Officer	Nobuo Kanamori
Officer	Takanobu Tokuyama Noboru Tajima

Stock

(as of March 31, 2007)

Common Stock	
Number of authorized shares	393,766,000
Number of issued shares	133,984,908
Number of shareholders	9,582

Principal Shareholders

(as of March 31, 2007)

	Number of shares held (in thousands)	Percentage of voting rights
Taiyo Life Insurance Company	12,090	9.0%
Japan Trustee Services Bank, Ltd.	11,534	8.6%
Nippon Life Insurance Company	8,482	6.3%
Mizuho Trust & Banking Co., Ltd.	4,601	3.4%
Resona Bank, Limited	4,440	3.3%
The Fuji Fire And Marine Insurance Company, Limited	3,817	2.9%

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Banking References

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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 27, 2007)

Kurimoto Construction Industry Co., Ltd.

Operations: Contract for civil engineering works as a whole, and others

Kurimoto Trading Co., Ltd.

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

Kurimoto Plastics Co., Ltd.

Operations: Production and marketing of FRP pipes, synthetic resin products, and fiber-reinforced cement products

Kurimoto Technos Co., Ltd.

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

Kurimoto Trading Corporation

Operations: Manufacture and sales of cast iron pipes, pipe fittings and pipe accessories

Pipe Systems & Technology, Ltd.

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.

Operations: Truck carrier

Kurimoto Concrete Industries, Ltd.

Operations: Production of concrete pipes

Kurimoto Enviro Co., Ltd.

Operations: Disposing of useless articles

Sasebo Metal, Ltd.

Operations: Manufacture and sales of castings

Sanko Kiko Co., Ltd.

Operations: Marketing of plumbing materials and castings, construction materials

FEC, Ltd.

Operations: Marketing valves and water treatment equipment

Riko, Ltd.

Operations: Production of valves

Kurimoto Mec, Ltd.

Operations: Marketing of wear resistant castings, crushers

Kurimoto Hosono Corporation

Operations: Sales of cast iron and other types of piping

Kurimoto Finance Co., Ltd.

Operations: Consulting about financial strategy planning, fund procurement, and its management.

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

Kurimoto Regional Medical Development Office Co., Ltd.

Operations: · Contract for civil engineering works
· Consultation for establishment of medical institutions

Yashima Chemical Engineering Co., Ltd.

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

Jiangsu Kurimoto Rixin Environment Co., Ltd.

Operations: Manufacture and sales of environmental equipment

Yamatogawa Co., Ltd.

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

Sunrise Co., Ltd.

Operations: marketing of construction materials

Ningbo Tongkwang Industrial Co., Ltd.

Operations: Production of valves

Kurimoto USA, Inc.

Operations: Holding company

Readco Kurimoto, LLC

Operations: Manufacture and sales of industrial machinery

Jinan Kurimoto Tianli Chemical Equipment Co., Ltd.

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

Motoyama Eng. Works, Ltd.

Operations: Manufacturing and sales of industrial valves

Motoyama Corporation

Operations: Maintenance and sales of industrial valves

Ks-Tech Co., Ltd.

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