奥村組
OKUMURA CORPORATION

Okumura Corporation

Annual Report 2015

奥村組
OKUMURA CORPORATION

Okumura was established in 1907 based on two key principles enshrined in the corporate mottos “steadfast management” and “sincere operation.” The steady growth achieved over the years has been made possible through the unflagging support of our customers.

Okumura’s main business activities include civil engineering projects for railways, roads, power station facilities, sewage and water works, and others. In the area of construction are projects such as houses, public facilities, medical facilities, and office buildings. The Company has developed technology at the highest level, with achievements including the seismic isolation system used to construct Japan’s first earthquake-absorbing building. In the area of environment-related technology, Okumura has developed techniques for 100% recycling of demolished concrete, and natural greening of concrete surfaces on buildings.

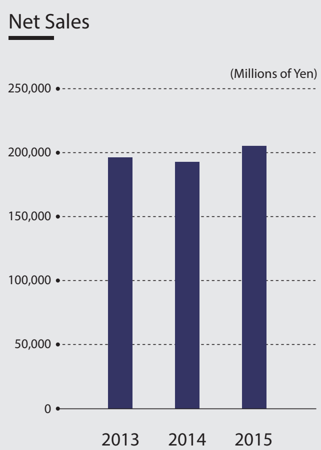
Okumura understands what an important mission it is to provide a better environment for the future. Accordingly, the Company is dedicated to contributing to meaningful social infrastructure investment and to always being a corporation regarded highly by society. It will achieve this by continuing to develop as an all-around construction company based on steadfast business management.

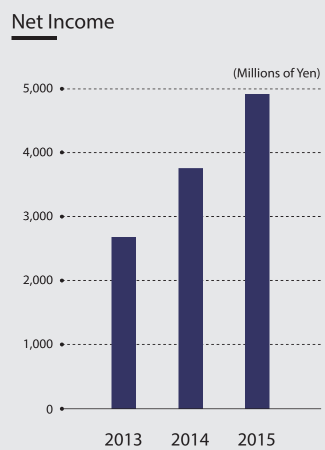
Contents

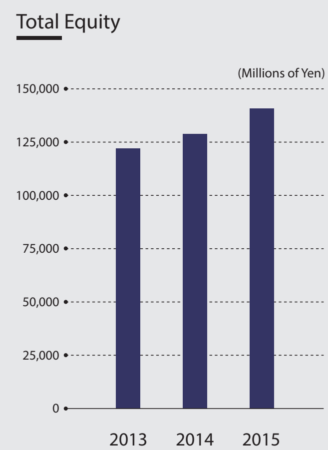
Financial Highlights

For the years ended March 31	2013	2014	**2015**	**2015**
Consolidated:	Millions of yen			Thousands of U.S. dollars
Net sales	¥196,554	¥193,025	**¥205,268**	**$1,706,728**
Operating income	1,339	2,318	**4,052**	**33,692**
Net income	2,684	3,755	**4,922**	**40,924**
Total assets	234,034	239,663	**260,303**	**2,164,318**
Total equity	121,924	128,792	**140,655**	**1,169,496**
Per Share:	Yen			U.S. dollars
Basic net income	¥13.43	¥18.80	**¥24.66**	**$0.20**
Cash dividends applicable to the year	9.00	9.00	**12.00**	**0.10**

Note: The U.S. dollar amounts included herein are presented solely for convenience of the reader. Such dollar amounts have been translated from yen at the approximate exchange rate in Tokyo on March 31, 2015, of ¥120.27=U.S.$1.







Disclaimer Regarding Forecasts and Projections

This Annual Report includes forecasts, projections and other predictive statements that represent Okumura's assumptions and expectations in light of currently available information. These forecasts, etc., are based on industry trends, circumstances involving clients and other factors, and involve risks, variables and uncertainties. The Okumura Group's actual performance results may differ from those projected in this Annual Report. Consequently, no guarantee is presented or implied as to the accuracy of specific forecasts, projections or predictive statements contained herein.

To Our Shareholders

We would like to thank our shareholders for their continuing support and encouragement, and wish each of them the greatest success in their endeavors.

A general overview of business performance for the period to March 2015 (April 1, 2014 to March 31, 2015) is provided in the following sections.

Fiscal 2015 Results

During the period under review, the Japanese economy continued on its path of moderate recovery, despite certain setbacks such as the backlash from the last-minute demand associated with the consumption tax hike. In the construction industry, while public investments and private-sector capital investments continued to perform strongly, the situation remained unpredictable in terms of cost due to the shortage of skilled construction workers and other factors.

In these circumstances, the Company's consolidated net sales increased 6.3% year on year to ¥205,268 million and consolidated gross profit increased 10.3% year on year to ¥17,521 million as a result of an improvement in gross profit from the civil engineering and real estate segments, among others, despite the decline in gross profit from construction work. Moreover, operating income increased 74.8% year on year to ¥4,052 million and net income increased 31.1% year on year to ¥4,922 million.

The Company decided to pay a dividend of ¥12.00 per share for the period ended March 31, 2015 based on its basic policy regarding profit sharing.

Looking Ahead and Key Strategies

The Japanese economy is expected to continue on its recovery trajectory underpinned by internal demand in the wake of the improved income environment, among other factors. In the construction industry, the business environment will continue to belie optimism, despite the ongoing recovery trend in private-sector investments, as public investments are expected to remain more or less on the same level and as there is still no solution in sight for the shortage in skilled construction workers.

Under these circumstances, the Okumura Group, based on its Three-Year Medium Term Business Plan, which commenced in fiscal 2013, has been engaged in initiatives to reinforce its customer-handling capabilities, technological strengths, and price competitiveness, and thanks to the momentum created by

strong construction investments, has been steadily producing results. The Group, on the other hand, is also fully aware that in order to meet the expectations of its stakeholders it will need to maintain sound management, as prescribed in its corporate philosophy, while pursuing further enhancement of its corporate value. To this end, the Okumura Group will deepen its efforts toward existing initiatives while at the same time successively promote medium- to long-term measures in anticipation of the future business environment.

Specifically, in building operations, the Company considers steadily securing profits while seeking opportunities to accumulate even greater profits as its highest priority, and accordingly, has been thoroughly enforcing selective receipt of orders based on competitive advantage in profitability and technological aspects, enhancing approaches in dealing with comprehensive evaluation biddings and private sector projects, reinforcing planning and proposal capabilities aimed at increasing special orders and integrated orders from design to construction, avoiding cutthroat price competition through business cooperation from the upstream stage, developing technology that will lead to the enhancement of construction efficiency and cost-cutting, and reinforcing its capabilities in preparation for capturing the demand for maintaining and renewing infrastructures, which is expected to gain momentum going forward.

In real estate operations, the Company is carefully selecting properties which can yield high returns, and aims to secure a long-term and stable source of income.

For the future, Okumura will apply all of its resources with the aim of responding quickly and flexibly to the changing operating environment, and thereby secure stable profits in accordance with its corporate philosophy, which has endured through the many years since the Company's founding. This will enable Okumura to maintain the trust and confidence of its shareholders.

In all its efforts, the Company looks forward to the continued support of its shareholders.

June 2015

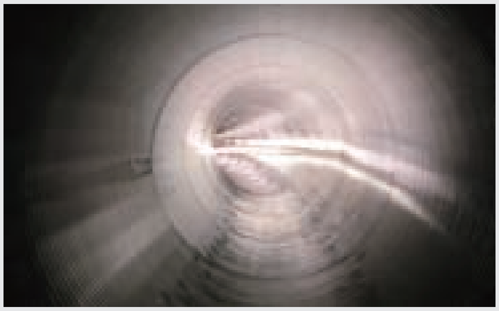
T. Okumura

Takanori Okumura
President and Representative Director

Review of Operations

Major Projects Completed

CIVIL ENGINEERING



The Kuzuryu River (Downstream Section): Second Stage of Agricultural Irrigation Project, Kawaiharuchika Irrigation Channel Construction Work

Work period: March 2010 to March 2015
Construction length: 7,192m
Tunnel length: 7,085m

Maeyama Tunnel Work on Ochi Shirotori Bypass, National Route 11

Work period: February 2013 to January 2015
Construction length: 747m
Tunnel length: 595m

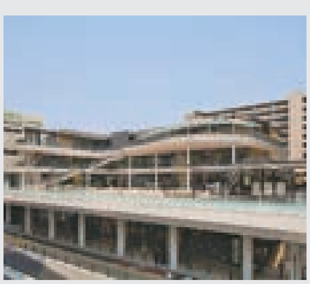
Takata West District Land Development for Reconstruction

Work period: September 2012 to March 2015
Development area: 93,120m^2
Cut: 971,490 m^3
Embankment: 55,110m^3
Removal of surplus soil: 923,500m^3

Oku Tsugaru Imabetsu Station of the Hokkaido Shinkansen, Oku Tsugaru Roadbed Work, Etc.

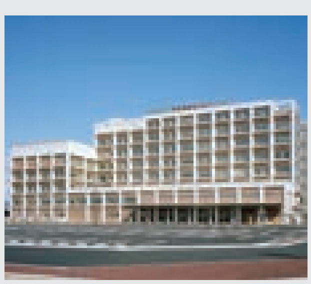
Work period: June 2011 to March 2015
Construction length: 15,300m
Shinkansen platform construction, snow shed work, railroad bed work, a 6-span rigid-frame elevated bridge with 2 abutments, 4 piers and 12 beams, etc.

BUILDINGS



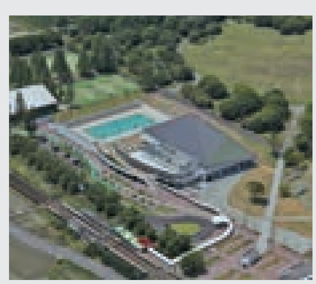
Belle Terrace Ikoma, Laurel Court Ikoma East Residence/ West Residence

Work period: March 2012 to March 2014
Structure: Steel and RC
Total floor space: 27,475m^2



Yonago Medical Center

Work period: June 2012 to March 2015
Structure: SRC
Total floor space: 19,994.49m^2



Mahoroba Athletic Park

Work period: May 2012 to May 2014
Structure: RC with Steel and Steel
Total floor space: 9,830.08m^2

Awa City Hall and Aeruwa (Community Disaster-Prevention Facilities)

Work period: March 2013 to December 2014
Structure: RC and SRC (seismic isolation structure)
Total floor space: 13,829m^2

Orders Received

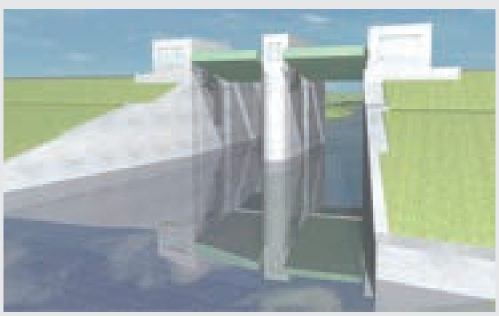
CIVIL ENGINEERING

Tsugaruishi Road Work, National Route 45

Work period: November 2014 to November 2016
Construction length: 2,496m
Tunnel length: 484m
7 box culverts, 2 abutments

Shin-Meishin Expressway Higashi-Uneno Tunnel Work

Work period: July 2012 to January 2017
Construction length: 2,418m
Tunnel length: 4,088m (up and down tracks)
4 abutments, 5 piers



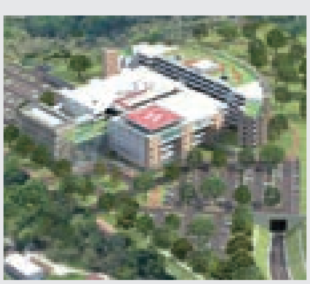
Nagashima Floodgate Construction in Ichinoseki Flood Control Basin

Work period: October 2014 to December 2017
Floodgate construction, bank protection work, etc.

Civil Engineering Works for Tsukabaru Power Station General Renovation

Work period: May 2014 to July 2019
Site preparation work, penstock construction, power station foundation work, discharge tunnel construction

BUILDINGS



New Nara Prefecture General Medical Center

Structure: Steel with SRC and RC (seismic isolation structure)
Total floor space: 67,155m^2

Takatsu Logistics Center of Mitsubishi Corporation Urban Development, Inc.

Work period: February 2015 to February 2016
Structure: Steel
Total floor space: 49,957.91m^2

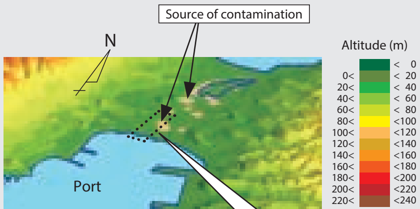
Kitakyushu Stadium

Work period: April 2015 to January 2017
Structure: RC with Steel
Total floor space: 26,367.55m^2

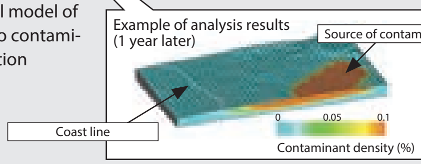
Japanese Red Cross Tokyo Metropolitan Blood Center

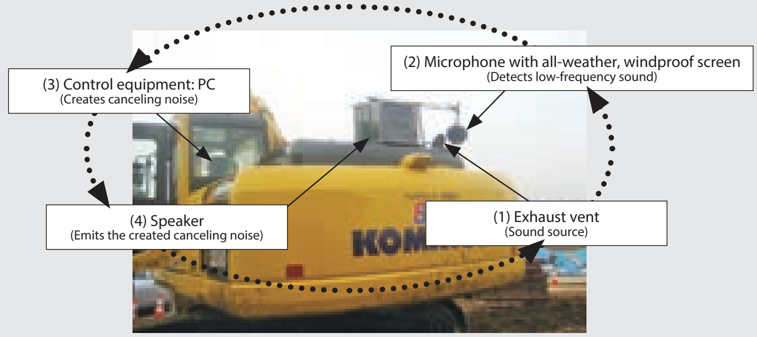
Work period: June 2014 to November 2015
Structure: RC
Total floor space: 8,287.60m^2

Topics



❶ Topographical model of area subject to contamination prediction





❷ Applied to a backhoe

❸ Inside the seminar hall

❸ Panel discussion

❶ Development of a Simulation System for the Prediction of Groundwater Contamination

To effectively prevent extensive contamination of the environment through groundwater in the event of toxic substances being released from factories and business sites penetrating the ground, we developed a system that can predict the flow and diffusion of the toxic substances with a high degree of accuracy.

By providing society with this System as well as a wide-range of other proprietary environmental technologies, including our "highly-efficient groundwater purification technology using ozone micro bubbles" and our "soil purification technology using microorganisms," we are contributing to the creation and preservation of an environment that is kind to people and the earth.

❷ Development and Practical Application of Technology to Reduce the Noise of Construction Machinery

To protect the living environment around construction sites, we developed an "Active Sound Absorption System" that will reduce low-frequency noise made by construction machinery.

Conventional noise reduction technology used on construction sites, such as general soundproof walls, has not been enough to reduce the noise of construction machinery, which produces low-frequency sounds that change constantly according to the work being done. With this System, the control program instantly identifies the attributes of the low-frequency sound and promptly emits the optimal canceling noise, which has been created artificially. Therefore, this System is particularly effective as a noise-controlling measure against construction machinery used in urban areas.

❸ Hosting of a Technical Seminar

On December 11, 2014, Okumura hosted the 26th Technical Seminar at the Tokyo International Forum in Tokyo's Chiyoda Ward. The seminar was attended by approximately 200 participants from various fields, including clients of Okumura.

Okumura began hosting the seminar in 1988 as part of the collaboration among the industrial, governmental and academic sectors related to the construction industry. This year's theme was "Creating the Future of the Infrastructure Industry: Discovering, Creating and Communicating Its Appeal," which was co-sponsored by the Association for Planning and Transportation Studies. Ms. Ayumi Han, Professor of Maebashi Institute of Technology and Mr. Eiji Hato, Professor of the Graduate School of Engineering, the University of Tokyo, delivered the keynote speeches. In addition, a panel discussion was held on the topic of the future direction of the infrastructure industry which plays a key role in the development, maintenance, and renewal of social capital from the perspectives of design, contributions to the international community, maintenance and diversity, among others.

❹ Work to Remove Old Shin-Kobe Tunnel Ceiling Panels Completed after 40 days of Night Work

Approximately 4,800 m of ceiling panels built in the Hanshin Expressway Route 32 Shin-Kobe tunnel which went into service nearly 40 years ago were removed during the 40-day night time

❹ Central part of the ceiling panel cut off longitudinally

❺ The President with the Nadeshiko Construction Team

❺ Rendering of the Kyushu Branch
(Mid-story seismic isolation structure)

road closures, which started from September 1, 2014.

The unprecedented and difficult work of removing the arch-shaped ceiling panels of reinforced concrete, which are extremely rare in Japan, was completed accident- and disaster-free with the minimum effect on the road-users and nearby roads by employing our technology and know-how. Additionally, in recognition of our efforts to successfully recycle every one of the approximately 16,000t of ceiling panels (concrete blocks), on March 16, 2015, we were awarded the "Encouragement Prize in the Construction Recycling and Building Division" of the Kinki Region Liaison Council for Construction Byproduct Measures comprising the seven prefectures and the four cities designated by government ordinance of the Kinki region.

❺ Construction of the Company's Kyushu Branch led by the "Nadeshiko Construction Team"

To support women in taking active roles at the workplace, the construction team, the "Yawata Himawari," comprising female engineers and technicians, was formed for the rebuilding of the old office building and dorms of Okumura's Kyushu Branch, and registered under the "Nadeshiko Construction Team" of the Japan Federation of Construction Contractors.

The "Yawata Himawari" is the first registered team headed by a female construction chief in the whole country . Okumura will make every effort to promote the recruitment and promotion of female employees while at the same time secure and nurture outstanding human resource who are capable of contributing to the development of its business in every line of work including civil engineering and construction.

❻ Recipients of the Okumura Environmental Construction Technology Foundation Grant for the Fiscal Year Ended March 31, 2015 Are Announced

In 2007, the Company established a charitable trust fund, the Okumura Environmental Construction Technology Foundation Grant, whose objective is to further promote the preservation and improvement of Japan's environment by providing funds to various research projects on construction technologies that reduce the environmental load.

The steering committee – comprising experts such as university professors – met on July 9, 2014 to select the recipients and determine the amount of the grant awarded for the fiscal year ended March 31, 2015. The foundation has ensured that all those chosen for the fiscal year have received the grant.

Research themes of the recipients are as follows.

- Basic research regarding the development of non-shrinkage concrete that effectively utilizes industrial waste
- The effects of water reduction caused by small hydroelectric generation sites on the habitat structure and biological community of the mountains and mountain streams
- Highly sensitive fluorometric detection of toxic metals in the environment and its application to removal agents
- Research on the physical properties and the tolerance towards salt erosion of recycled, environment vitalizing concrete containing amino acids
- Proposal of comprehensive solutions to the trilemma of the Ariake Sea and its feasibility study

Consolidated Balance Sheet

Okumura Corporation and Consolidated Subsidiaries
March 31, 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
ASSETS	**2015**	2014	**2015**
Current assets:			
Cash and cash equivalents (Note 12)	**¥ 27,728**	¥ 26,245	**$ 230,544**
Time deposits (Notes 12 and 14)	**204**	47	**1,694**
Receivables:			
Trade notes (Note 12)	**2,251**	2,462	**18,718**
Trade accounts (Note 12)	**99,136**	91,585	**824,278**
Unconsolidated subsidiaries and associated companies (Note 12)	**453**	3,209	**3,764**
Other	**8,711**	8,100	**72,425**
Allowance for doubtful receivables	**(1,584)**	(4,262)	**(13,170)**
Inventories (Note 4)	**9,057**	11,856	**75,306**
Deferred tax assets (Note 9)	**46**	61	**384**
Prepaid expenses and other	**962**	561	**8,005**
Total current assets	**146,964**	139,864	**1,221,948**
Property, plant and equipment (Notes 5 and 6)**:**			
Land (Note 14)	**28,758**	27,670	**239,112**
Buildings and structures (Note 14)	**19,557**	19,966	**162,608**
Machinery and equipment	**2,897**	2,700	**24,089**
Furniture and fixtures	**1,936**	2,017	**16,094**
Lease assets (Note 11)	**141**	147	**1,175**
Construction in progress	**55**	133	**455**
Total	**53,344**	52,633	**443,533**
Accumulated depreciation	**(14,326)**	(15,159)	**(119,117)**
Net property, plant and equipment	**39,018**	37,474	**324,416**
Investments and other assets:			
Investment securities (Notes 3, 6, 12 and 14)	**71,496**	60,761	**594,457**
Investments in and advances to unconsolidated subsidiaries and associated companies (Notes 12 and 14)	**318**	272	**2,646**
Long-term loans receivable (Note 12)	**107**	125	**892**
Asset for retirement benefits (Notes 2. j and 7)	**1,710**	435	**14,219**
Deferred tax assets (Note 9)	**1**	1	**7**
Other assets	**3,235**	3,499	**26,901**
Allowance for doubtful receivables	**(2,546)**	(2,768)	**(21,168)**
Total investments and other assets	**74,321**	62,325	**617,954**
Total	**¥260,303**	¥239,663	**$2,164,318**

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of yen **2015**	2014	Thousands of U.S. dollars (Note 1) **2015**
Current liabilities:			
Short-term bank loans including current portion of long-term debt (Notes 6, 11 and 12)	**¥ 13,689**	¥ 7,561	**$ 113,816**
Payables:			
Trade notes (Note 12)	**6,571**	7,152	**54,636**
Trade accounts (Note 12)	**47,289**	48,396	**393,194**
Other	**405**	197	**3,362**
Advances received on construction projects in progress	**6,916**	10,610	**57,506**
Income taxes payable	**515**	291	**4,285**
Allowance for warranty work on construction projects	**1,120**	796	**9,308**
Allowance for losses on construction contracts	**4,878**	1,877	**40,562**
Other (Note 14)	**17,843**	16,365	**148,358**
Total current liabilities	**99,226**	93,245	**825,027**
Long-term liabilities:			
Long-term debt (Notes 6, 11, 12 and 13)	**5,224**	5,276	**43,435**
Deferred tax liabilities (Note 9)	**15,064**	12,235	**125,254**
Other	**134**	115	**1,106**
Total long-term liabilities	**20,422**	17,626	**169,795**
Total liabilities	**119,648**	110,871	**994,822**
Commitments and contingent liabilities (Notes 11 and 14)			
Equity (Notes 8, 15 and 16)**:**			
Common stock			
authorized, 480,376,000 shares; issued, 228,326,133 shares	**19,839**	19,839	**164,953**
Capital surplus	**25,328**	25,326	**210,592**
Retained earnings	**74,012**	72,094	**615,384**
Treasury stock—at cost			
28,951,110 shares in 2015 and 28,667,535 shares in 2014	**(12,547)**	(12,390)	**(104,320)**
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	**31,869**	22,754	**264,977**
Defined retirement benefit plans	**2,154**	1,169	**17,910**
Total	**34,023**	23,923	**282,887**
Total equity	**140,655**	128,792	**1,169,496**
Total	**¥260,303**	¥239,663	**$2,164,318**

Consolidated Statement of Income

Okumura Corporation and Consolidated Subsidiaries
Year ended March 31, 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	**2015**
Net sales	**¥205,268**	¥193,025	**$1,706,728**
Cost of sales	**187,747**	177,142	**1,561,044**
Gross profit	**17,521**	15,883	**145,684**
Selling, general and administrative expenses (Note 10)	**13,469**	13,565	**111,992**
Operating income	**4,052**	2,318	**33,692**
Other income (expenses):			
Interest and dividend income	**1,056**	1,000	**8,777**
Interest expense	**(163)**	(187)	**(1,350)**
Other—net	**426**	884	**3,538**
Other income —net	**1,319**	1,697	**10,965**
Income before income taxes and minority interests	**5,371**	4,015	**44,657**
Income taxes (Note 9)**:**			
Current	**628**	307	**5,224**
Deferred	**(179)**	(47)	**(1,491)**
Total income taxes	**449**	260	**3,733**
Net income before minority interests	**4,922**	3,755	**40,924**
Net income	**¥ 4,922**	¥ 3,755	**$ 40,924**

	Yen		U.S. dollars (Note 1)
Per share of common stock (Notes 2.o and 16)**:**			
Basic net income	**¥ 24.66**	¥ 18.80	**$ 0.20**
Cash dividends applicable to the year	**12.00**	9.00	**0.10**

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Okumura Corporation and Consolidated Subsidiaries
Year ended March 31, 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	**2015**
Net income before minority interests	**¥ 4,922**	¥ 3,755	**$ 40,924**
Other comprehensive income (Note 15)**:**			
Unrealized gain on available-for-sale securities	**9,115**	3,766	**75,788**
Remeasurements of defined benefit plans	**985**	—	**8,186**
Total other comprehensive income	**10,100**	3,766	**83,974**
Comprehensive income	**¥15,022**	¥ 7,521	**$124,898**
Total comprehensive income attributable to:			
Owners of the parent	**¥15,022**	¥ 7,521	**$124,898**
Minority interests	**—**	—	**—**

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

Okumura Corporation and Consolidated Subsidiaries
Year ended March 31, 2015

	Thousands	Millions of yen						
						Accumulated other comprehensive income		
	Number of shares of common stock outstanding	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gain on available-for-sale securities	Defined retirement benefit plans	Total equity
BALANCE, APRIL 1, 2013	199,717	¥19,839	¥25,327	¥70,136	¥(12,366)	¥18,988	¥ —	¥121,924
Net income	—	—	—	3,755	—	—	—	3,755
Cash dividends, ¥9 per share	—	—	—	(1,797)	—	—	—	(1,797)
Purchase of treasury stock	(59)	—	—	—	(25)	—	—	(25)
Disposal of treasury stock	1	—	(1)	—	1	—	—	0
Net change in the year	—	—	—	—	—	3,766	1,169	4,935
BALANCE, MARCH 31, 2014 (APRIL 1, 2014, as previously reported)	199,659	19,839	25,326	72,094	(12,390)	22,754	1,169	128,792
Cumulative effect of accounting change	—	—	—	(1,207)	—	—	—	(1,207)
BALANCE, APRIL 1, 2014 (as restarted)	**199,659**	**19,839**	**25,326**	**70,887**	**(12,390)**	**22,754**	**1,169**	**127,585**
Net income	**—**	**—**	**—**	**4,922**	**—**	**—**	**—**	**4,922**
Cash dividends, ¥9 per share	**—**	**—**	**—**	**(1,797)**	**—**	**—**	**—**	**(1,797)**
Purchase of treasury stock	**(300)**	**—**	**—**	**—**	**(164)**	**—**	**—**	**(164)**
Disposal of treasury stock	**16**	**—**	**2**	**—**	**7**	**—**	**—**	**9**
Net change in the year	**—**	**—**	**—**	**—**	**—**	**9,115**	**985**	**10,100**
BALANCE, MARCH 31, 2015	**199,375**	**¥19,839**	**¥25,328**	**¥74,012**	**¥(12,547)**	**¥31,869**	**¥2,154**	**¥140,655**

	Thousands of U.S. dollars (Note 1)						
					Accumulated other comprehensive income		
	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gain on available-for-sale securities	Defined retirement benefit plans	Total equity
BALANCE, MARCH 31, 2014 (APRIL 1, 2014, as previously reported)	$164,953	$210,578	$599,436	$(103,021)	$189,189	$ 9,724	$1,070,859
Cumulative effect of accounting change	—	—	(10,035)	—	—	—	(10,035)
BALANCE, APRIL 1, 2014 (as restarted)	**164,953**	**210,578**	**589,401**	**(103,021)**	**189,189**	**9,724**	**1,060,824**
Net income	**—**	**—**	**40,924**	**—**	**—**	**—**	**40,924**
Cash dividends, $0.10 per share	**—**	**—**	**(14,941)**	**—**	**—**	**—**	**(14,941)**
Purchase of treasury stock	**—**	**—**	**—**	**(1,359)**	**—**	**—**	**(1,359)**
Disposal of treasury stock	**—**	**14**	**—**	**60**	**—**	**—**	**74**
Net change in the year	**—**	**—**	**—**	**—**	**75,788**	**8,186**	**83,974**
BALANCE, MARCH 31, 2015	**$164,953**	**$210,592**	**$615,384**	**$(104,320)**	**$264,977**	**$17,910**	**$1,169,496**

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Okumura Corporation and Consolidated Subsidiaries
Year ended March 31, 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	**2015**
Cash flows from operating activities:			
Income before income taxes and minority interests	**¥ 5,371**	¥ 4,015	**$ 44,657**
Adjustments for:			
Income taxes—paid	**(394)**	(121)	**(3,277)**
Depreciation and amortization	**848**	824	**7,053**
Changes in assets and liabilities:			
Decrease (increase) in trade notes and accounts receivable	**(7,148)**	987	**(59,432)**
Decrease in accumulated costs of construction projects in progress	**2,757**	766	**22,921**
Decrease (increase) in other inventories	**278**	(23)	**2,308**
Increase (decrease) in trade notes and accounts payable	**(2,037)**	7,259	**(16,937)**
Increase (decrease) in advances received on construction projects in progress	**(3,694)**	1,465	**(30,712)**
Increase in asset for retirement benefits	**(1,101)**	(1,135)	**(9,157)**
Other—net	**3,526**	(3,842)	**29,321**
Total adjustments	**(6,965)**	6,180	**(57,912)**
Net cash provided by (used in) operating activities	**(1,594)**	10,195	**(13,255)**
Cash flows from investing activities:			
Net decrease (increase) in time deposits	**(150)**	59	**(1,247)**
Payments for purchases of securities	**(1,126)**	(1,163)	**(9,357)**
Proceeds from sales of securities	**2,685**	1,336	**22,329**
Purchases of property, plant and equipment	**(2,586)**	(2,579)	**(21,503)**
Proceeds from sales of property, plant and equipment	**1**	12	**7**
Investment in loans receivable	**(1,402)**	(308)	**(11,658)**
Collection of loans receivable	**1,652**	129	**13,736**
Other—net	**(140)**	(158)	**(1,166)**
Net cash used in investing activities	**(1,066)**	(2,672)	**(8,859)**
Cash flows from financing activities:			
Increase (decrease) in short-term bank loans—net	**6,135**	(8,889)	**51,011**
Proceeds from long-term debt	**—**	1,100	**—**
Repayments of long-term debt	**(29)**	(22)	**(244)**
Purchase of treasury stock	**(164)**	(25)	**(1,359)**
Disposal of treasury stock	**9**	0	**74**
Dividends paid	**(1,797)**	(1,796)	**(14,951)**
Other	**(38)**	(35)	**(312)**
Net cash provided by (used in) financing activities	**4,116**	(9,667)	**34,219**
Foreign currency translation adjustments on cash and cash equivalents	**27**	45	**221**
Net increase (decrease) in cash and cash equivalents	**1,483**	(2,099)	**12,326**
Cash and cash equivalents, beginning of year	**26,245**	28,344	**218,218**
Cash and cash equivalents, end of year	**¥27,728**	¥26,245	**$230,544**

See notes to consolidated financial statements.

1. Basis of Presentation of Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements 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. In addition, certain reclassifications have been made in the 2014 consolidated financial statements to conform to the classifications used in 2015.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Okumura Corporation (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥120.27 to $1, the rate of exchange at March 31, 2015. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. Summary of Significant Accounting Policies

a. Consolidation — The consolidated financial statements as of March 31, 2015 and 2014 include the accounts of the Company and its 2 (2 in 2014) significant subsidiaries (together, the "Group").

Under the control and influence concepts, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method.

Investments in 9 (9 in 2014) unconsolidated subsidiaries and 2 (1 in 2014) associated companies are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is also eliminated.

b. Cash Equivalents — Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

Cash equivalents include time deposits and certificate of deposits, all of which mature or become due within 3 months of the date of acquisition.

c. Inventories — Construction projects in progress are stated at cost determined by the specific identification method.

Real estate held for sale and development projects in progress are stated at the lower of cost determined by the specific identification method or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses.

d. Marketable and Investment Securities — Marketable and investment securities are classified and accounted for, depending on management's intent, as follows:
(1) held-to-maturity debt securities, for which there is a positive intent and ability to hold to maturity, are reported at amortized cost and
(2) available-for-sale securities, which are not classified as held-to-maturity, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

Nonmarketable available-for-sale securities are stated at cost determined by the moving-average method. For other-than-temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

e. Property, Plant and Equipment — Property, plant and equipment are stated at cost. Depreciation, except for lease assets, is computed by the declining-balance method based on the estimated useful lives of the assets, while the straight-line method is applied to buildings acquired on or after April 1, 1998, and lease assets. The range of useful lives is principally from 3 to 60 years for buildings and structures, from 4 to 17 years for machinery and equipment, and from 2 to 20 years for furniture and fixtures. Lease assets under finance lease arrangements are depreciated using the straight-line method over the terms of the respective leases without any salvage value.

f. Long-Lived Assets — The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

g. Allowance for Doubtful Receivables — The allowance for doubtful receivables is stated in amounts considered to be appropriate based on the Group's past credit loss experience and an evaluation of estimated losses in the receivables outstanding.

h. Allowance for Warranty Work on Construction Projects — The allowance for warranty costs for completed work is provided at the amount of warranty costs based on past loss experience.

i. Allowance for Losses on Construction Contracts — Allowance for losses on construction contracts is provided with respect to construction projects for which eventual losses are reasonably expected and estimated.

j. Employees' Retirement Benefits — The Company has a contributory funded pension plan covering substantially all of its employees.

Liability for employees' retirement benefits is recorded based on the estimated present value of projected benefit obligations and the fair value of plan assets at the end of the fiscal year.

The unrecognized transition amount, which arose from adopting the new standard during the year ended March 31, 2001, has been amortized on a straight-line basis over 15 years, and unrecognized actuarial gains and losses are amortized subsequent to the year in which they arise on a straight-line basis over a period of 10 years, which is within the employees' average remaining service years. Unrecognized past service costs have been amortized on a straight-line basis over a period of 10 years, which is within the employees' average remaining service years.

In May 2012, the Accounting Standards Board of Japan ("ASBJ") issued ASBJ Statement No. 26, "Accounting Standard for Retirement Benefits" and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits," which replaced the accounting standard for retirement benefits that had been issued by the Business Accounting Council in 1998 with an effective date of April 1, 2000, and the other related practical guidance, and were followed by partial amendments from time to time through 2009.

(a) Under the revised accounting standard, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are recognized within equity (accumulated other comprehensive income), after adjusting for tax effects, and any resulting deficit or surplus is recognized as liability (liability for retirement benefits) or asset (asset for retirement benefits).

(b) The revised accounting standard does not change how to recognize actuarial gains and losses and past service costs in profit or loss. Those amounts are recognized in profit or loss over a certain period no longer than the expected average remaining service period of the employees. However, actuarial gains and losses and past service costs that arose in the current period and have not yet been recognized in profit or loss are included in other comprehensive income, and actuarial gains and losses and past service costs that were recognized in other comprehensive income in prior periods and then recognized in profit or loss in the current period, are treated as reclassification adjustments (see Note 15).

(c) The revised accounting standard also made certain amendments relating to the method of attributing expected benefit to periods, the discount rate, and expected future salary increases.

This accounting standard and the guidance for (a) and (b) above are effective for the end of annual periods beginning on or after April 1, 2013, and for (c) above are effective for the beginning of annual periods beginning on or after April 1, 2014, or for the beginning of annual periods beginning on or after April 1, 2015, subject to certain disclosure in March 2015, all with earlier application being permitted from the beginning of annual periods beginning on or after April 1, 2013. However, no retrospective application of this accounting standard to consolidated financial statements in prior periods is required.

The Company applied the revised accounting standard and guidance for retirement benefits for (a) and (b) above, effective March 31, 2014, and for (c) above, effective April 1, 2014.

With respect to (c) above, the Company changed the method of attributing the expected benefit to periods from a straight-line basis to a benefit formula basis, the method of determining the discount rate from using the period which approximates the expected average remaining service period to using a single weighted average discount rate reflecting the estimated timing and amount of benefit payment, and recorded the effect of (c) above as of April 1, 2014, in retained earnings. As a result, asset for retirement benefits as of April 1, 2014, decreased by ¥436 million ($3,622 thousand), liability for retirement benefits as of April 1, 2014, increased by ¥771 million ($6,413 thousand), and retained earnings as of April 1, 2014, decreased by ¥1,207 million ($10,035 thousand). The effects on operating income and income before income taxes and minority interests for the year ended March 31, 2015 were immaterial. In addition, the effects on net assets per share and net income per share were immaterial.

k. Asset Retirement Obligations — In March 2008, the ASBJ issued ASBJ Statement No. 18, "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No. 21 "Guidance on Accounting Standard for Asset Retirement Obligations." Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of the asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an adjustment to the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

l. Construction Contracts — In December 2007, the ASBJ issued ASBJ Statement No. 15, "Accounting Standard for Construction Contracts" and ASBJ Guidance No. 18, "Guidance on Accounting Standard for Construction Contracts." Under this accounting standard, construction revenue and construction costs should be recognized by the percentage-of-completion method if the outcome of a construction contract can be estimated reliably. When total construction revenue, total construction costs and the stage of completion of the contract at the balance sheet date can be reliably measured, the outcome of a construction contract is deemed to be estimated reliably. If the outcome of a construction contract cannot be reliably estimated, the completed-contract method should be applied. When it is probable that the total construction costs will exceed total construction revenue, an estimated loss on the contract should be immediately recognized by providing for a loss on construction contracts.

The revenues recognized by the percentage-of-completion method for the years ended March 31, 2015 and 2014 were ¥189,458 million ($1,575,270 thousand) and ¥173,010 million, respectively.

m. Income Taxes — The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted income tax rates to the temporary differences.

n. Derivatives and Hedging Activities — The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange and interest rates. Currency and interest rate swaps are utilized by the Group to reduce foreign currency exchange and interest rate risks. The Group does not enter into derivatives for trading or speculative purposes.

Currency and interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not remeasured at market value, but the differential paid or received under the swap agreements is recognized and included in interest expense or income, and hedge items denominated in a foreign currency are translated at the contracted rates.

o. Per Share Information — Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

Diluted net income per share is not disclosed because there are no securities with a dilutive effect upon exercise or conversion into common stock.

Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective fiscal years, including dividends to be paid after the end of the year.

p. Accounting Changes and Error Corrections — In December 2009, the ASBJ issued ASBJ Statement No. 24, "Accounting Standard for Accounting Changes and Error Corrections" and ASBJ Guidance No. 24, "Guidance on Accounting Standard for Accounting Changes and Error Corrections." Accounting treatments under this standard and guidance are as follows:

(1) Changes in Accounting Policies:

When a new accounting policy is applied following revision of an accounting standard, the new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions, in which case the entity shall comply with the specific transitional provisions.

(2) Changes in Presentation:

When the presentation of financial statements is changed, prior-period financial statements are reclassified in accordance with the new presentation.

(3) Changes in Accounting Estimates:

A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.

(4) Corrections of Prior-Period Errors:

When an error in prior-period financial statements is discovered, those statements are restated.

3. Marketable and Investment Securities

Marketable and investment securities as of March 31, 2015 and 2014, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Non-current:			
Marketable equity securities	**¥70,138**	¥58,515	**$583,167**
Government and corporate bonds	**118**	117	**982**
Non-marketable equity securities and other	**1,240**	2,129	**10,308**
Total	**¥71,496**	¥60,761	**$594,457**

The costs and aggregate fair values of marketable and investment securities at March 31, 2015 and 2014, were as follows:

	Millions of yen			
March 31, 2015	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥25,451	¥44,761	¥74	¥70,138
Debt securities	—	—	—	—
Held-to-maturity:				
Debt securities	118	7	—	125
March 31, 2014				
Securities classified as:				
Available-for-sale:				
Equity securities	¥25,409	¥33,334	¥228	¥58,515
Debt securities	1,000	—	162	838
Held-to-maturity:				
Debt securities	117	5	—	122

	Thousands of U.S. dollars			
March 31, 2015	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	$211,619	$372,167	$619	$583,167
Debt securities	—	—	—	—
Held-to-maturity:				
Debt securities	982	54	—	1,036

The information for available-for-sale securities which were sold during the years ended March 31, 2015 and 2014, is as follows:

March 31, 2015	Millions of yen Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	¥263	¥159	¥—

March 31, 2014	Millions of yen Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	¥755	¥433	¥—

March 31, 2015	Thousands of U.S. dollars Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	$2,183	$1,318	$—

The impairment losses on available-for-sale equity securities for the year ended March 31, 2015, were ¥23 million ($187 thousand).
No impairment loss was recognized on securities for the year ended March 31, 2014.

4. Inventories
Inventories at March 31, 2015 and 2014, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Construction projects in progress	**¥4,962**	¥ 7,718	**$41,257**
Real estate held for sale	**1,318**	1,035	**10,957**
Development projects in progress	**2,283**	2,340	**18,982**
Other	**494**	763	**4,110**
Total	**¥9,057**	¥11,856	**$75,306**

5. Investment Property

In November 2008, the ASBJ issued ASBJ Statement No. 20, "Accounting Standard for Investment Property and Related Disclosures" and issued ASBJ Guidance No. 23, "Guidance on Accounting Standard for Investment Property and Related Disclosures."

The Group owns certain rental properties such as residential buildings, warehouses, and land in Osaka and other areas. Some rental warehouses, part of which the Company uses, are classified as rental properties in part.

The net of rental income and operating expenses for those rental properties was ¥2,635 million ($21,909 thousand) and ¥2,716 million for the years ended March 31, 2015 and 2014, respectively.

The carrying amounts, changes in such balances and market prices of such properties were as follows:

Millions of yen

	Carrying Amount			Fair Value
	April 1, 2014	Increase/ Decrease	March 31, 2015	March 31, 2015
Rental properties	¥28,910	¥1,890	¥30,800	¥50,150
Rental properties in part	1,112	(268)	844	6,560
Total	¥30,022	¥1,622	¥31,644	¥56,710

Millions of yen

	Carrying Amount			Fair Value
	April 1, 2013	Increase/ Decrease	March 31, 2014	March 31, 2014
Rental properties	¥27,003	¥1,907	¥28,910	¥43,974
Rental properties in part	1,193	(81)	1,112	7,507
Total	¥28,196	¥1,826	¥30,022	¥51,481

Thousands of U.S. dollars

	Carrying Amount			Fair Value
	April 1, 2014	Increase/ Decrease	March 31, 2015	March 31, 2015
Rental properties	$240,374	$15,717	$256,091	$416,977
Rental properties in part	9,245	(2,226)	7,019	54,543
Total	$249,619	$13,491	$263,110	$471,520

Notes:

(1) Carrying amount recognized in the consolidated balance sheets is net of accumulated depreciation and accumulated impairment losses, if any.

(2) Of the changes in balances and market prices of rental properties for the years ended March 31, 2015 and 2014, increases were recorded mainly in acquisition of real estate at ¥2,085 million ($17,338 thousand) and ¥2,357 million and decreases in depreciation at ¥311 million ($2,586 thousand) and ¥311 million, respectively.

(3) Fair value of properties as of March 31, 2015 and 2014, is measured in accordance with real-estate appraisal by real-estate appraisers for primary properties, and the amount measured by the Group is in accordance with its Real-Estate Appraisal Standard for other properties (including those measured using indicators).

6. Short-Term Bank Loans and Long-Term Debt

Short-term bank loans at March 31, 2015 and 2014, consisted of notes to banks and bank overdrafts. The annual interest rates applicable to the short-term bank loans ranged from 0.593% to 1.475% at March 31, 2015 and 0.609% to 1.475% at March 31, 2014.

Long-term debt at March 31, 2015 and 2014, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Loans from banks and other financial institutions, due serially to 2031 with interest rates ranging from 0.64% to 5.60%			
Collateralized	**¥2,009**	¥2,014	**$16,707**
Unsecured	**3,184**	3,208	**26,470**
Obligations under finance leases	**74**	104	**613**
Total	**5,267**	5,326	**43,790**
Less current portion	**(43)**	(50)	**(355)**
Long-term debt, less current portion	**¥5,224**	¥5,276	**$43,435**

Annual maturities of long-term debt, excluding finance leases (see Note 11), at March 31, 2015, were as follows:

Year Ending March 31	Millions of yen	Thousands of U.S. dollars
2016	¥ 11	$ 94
2017	1,112	9,241
2018	4,010	33,344
2019	9	77
2020	9	75
2021 and thereafter	42	346
Total	¥5,193	$43,177

The carrying amount of assets pledged as collateral for short-term bank loans of ¥5,000 million ($41,573 thousand) and the above collateralized long-term debt at March 31, 2015, was as follows:

	Millions of yen	Thousands of U.S. dollars
Property, plant and equipment—net of accumulated depreciation	¥ 101	$ 839
Investment securities	8,457	70,320
Total	¥8,558	$71,159

As is customary in Japan, the Company maintains substantial deposit balances with banks with which it has borrowings. Such deposit balances are not legally or contractually restricted as to withdrawal.

General agreements with respective banks provide, as is customary in Japan, that additional collateral must be provided under certain circumstances if requested by such banks and that certain banks have the right to offset cash deposited with them against any long-term or short-term debt or obligation that becomes due and, in case of default and certain other specified events, against all other debt payable to the banks. The Group has never been requested to provide any additional collateral.

7. Employees' Retirement Benefits

Most of the employees of the Company are covered by a contributory trusted pension plan.

The Company has a cash balance plan (pension plan linked to the market interest rates) based on the Defined Benefit Corporate Pension Law.

(1) The changes in defined benefit obligations for the years ended March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Balance at beginning of year (as previously reported)	**¥23,918**	¥25,272	**$198,867**
Cumulative effect of accounting change	**1,207**	—	**10,035**
Balance at beginning of year (as restated)	**25,125**	25,272	**208,902**
Current service cost	**1,124**	870	**9,345**
Interest cost	**125**	505	**1,044**
Actuarial gains	**(365)**	(332)	**(3,036)**
Benefits paid	**(2,342)**	(2,397)	**(19,474)**
Balance at end of year	**¥23,667**	¥23,918	**$196,781**

(2) The changes in plan assets for the years ended March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Balance at beginning of year	**¥24,353**	¥23,830	**$202,489**
Expected return on plan assets	**268**	286	**2,228**
Actuarial gains	**1,205**	756	**10,018**
Contributions from the employer	**1,893**	1,879	**15,738**
Benefits paid	**(2,342)**	(2,398)	**(19,473)**
Balance at end of year	**¥25,377**	¥24,353	**$211,000**

(3) Reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Funded defined benefit obligation	**¥23,667**	¥23,918	**$196,781**
Plan assets	**(25,377)**	(24,353)	**(211,000)**
	(1,710)	(435)	**(14,219)**
Unfunded projected benefit obligation	**—**	—	**—**
Net asset arising from defined benefit obligation	**¥ (1,710)**	¥ (435)	**$ (14,219)**

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Liability for retirement benefits	**¥ —**	¥ —	**$ —**
Asset for retirement benefits	**(1,710)**	(435)	**(14,219)**
Net asset arising from defined benefit obligation	**¥(1,710)**	¥(435)	**$(14,219)**

(4) The components of net periodic benefit costs for the years ended March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Service cost	**¥1,124**	¥870	**$9,345**
Interest cost	**125**	505	**1,044**
Expected return on plan assets	**(268)**	(286)	**(2,228)**
Recognized actuarial gains	**(113)**	(268)	**(946)**
Amortization of past service costs	**(21)**	(21)	**(176)**
Amortization of transitional obligation	**(55)**	(55)	**(458)**
Net periodic benefit costs	**¥ 792**	¥745	**$6,581**

(5) Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Actuarial gains	**¥1,456**	¥—	**$12,109**
Past service costs	**(21)**	—	**(176)**
Transitional obligation	**(55)**	—	**(458)**
Total	**¥1,380**	¥—	**$11,475**

(6) Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Unrecognized actuarial gains	**¥(2,641)**	¥(1,185)	**$(21,959)**
Unrecognized past service costs	**(64)**	(85)	**(529)**
Unrecognized transitional obligation	**—**	(55)	**—**
Total	**¥(2,705)**	¥(1,325)	**$(22,488)**

(7) Plan assets

a. Components of plan assets

Plan assets as of March 31, 2015 and 2014, consisted of the following:

	2015	2014
Debt investments	**41%**	38%
Equity investments	**13**	12
Life insurance general account assets	**32**	33
Others	**14**	17
Total	**100%**	100%

b. Method of determining the expected rate of return on plan assets

The expected rate of return on plan assets is determined considering allocation of plan assets which are expected currently and in the future and the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

(8) Assumptions used for the years ended March 31, 2015 and 2014, were set forth as follows:

	2015	2014
Discount rate	**0.5%**	2.0%
Expected rate of return on plan assets	**1.1%**	1.2%

8. Equity

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. For companies that meet certain criteria including (1) having a Board of Directors, (2) having independent auditors, (3) having an Audit & Supervisory Board, and (4) the term of service of the directors being prescribed as one year rather than the normal two-year term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the Company has prescribed so in its articles of incorporation. However, the Company cannot do so because it does not meet all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (noncash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the Company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

b. Increases / decreases and transfer of common stock, reserve and surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends, until the aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts within equity under certain conditions upon resolution of the shareholders.

c. Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

9. Income Taxes

The Group is subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 35.6% and 38.0% for the years ended March 31, 2015 and 2014, respectively.

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Deferred tax assets:			
Tax loss carryforwards	**¥ 5,515**	¥ 12,033	**$ 45,853**
Impairment losses on securities	**2,356**	2,619	**19,587**
Allowance for losses on construction contracts	**1,586**	668	**13,189**
Write-down of inventories	**1,417**	1,525	**11,783**
Allowance for doubtful accounts	**1,158**	2,233	**9,627**
Write-off of bad debt	**836**	10	**6,950**
Allowance for bonuses	**830**	759	**6,907**
Accrued expenses	**596**	621	**4,955**
Other	**570**	401	**4,737**
Less valuation allowances	**(14,817)**	(20,807)	**(123,197)**
Total	**47**	62	**391**
Deferred tax liabilities:			
Net unrealized gains on available-for-sale securities	**(12,802)**	(10,175)	**(106,449)**
Retained earnings appropriated for special allowance	**(1,711)**	(1,905)	**(14,227)**
Asset for retirement benefits	**(551)**	(155)	**(4,578)**
Total	**(15,064)**	(12,235)	**(125,254)**
Net deferred tax liabilities	**¥(15,017)**	¥(12,173)	**$(124,863)**

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statement of income for the years ended March 31, 2015 and 2014, was as follows:

	2015	2014
Normal effective statutory tax rate	**35.6%**	38.0%
Expenses not deductible for income tax purposes	**1.0**	1.8
Non-taxable income	**(3.0)**	(3.9)
Inhabitant tax per capita	**2.5**	3.4
Special income tax credits	**(1.7)**	(1.3)
Valuation allowance	**(23.0)**	(34.1)
Effect of tax rate reduction	**(3.3)**	0.1
Other—net	**0.3**	2.5
Actual effective tax rate	**8.4%**	6.5%

New tax reform laws enacted in 2015 in Japan changed the normal effective statutory tax rate for the fiscal year beginning on or after April 1, 2015, to 33.0% and for the fiscal year beginning on or after April 1, 2016, to 32.2%. The effect of these changes was to decrease deferred tax liabilities, net of deferred tax assets, by ¥1,586 million ($13,191 thousand) and increase accumulated other comprehensive income for unrealized gain on available-for-sale securities by ¥1,352 million ($11,240 thousand), and defined retirement benefit plan by ¥58 million ($483 thousand), in the consolidated balance sheet as of March 31, 2015, and to decrease income taxes—deferred in the consolidated statement of income for the year then ended by ¥176 million ($1,467 thousand).

10. Research and Development Costs

Research and development costs charged to income were ¥651 million ($5,411 thousand) and ¥682 million for the years ended March 31, 2015 and 2014, respectively.

11. Leases

(1) Finance leases

The Group leases certain machinery and equipment, office space and other assets.

Total rental expenses including lease payments under finance leases for the years ended March 31, 2015 and 2014, were ¥31 million ($258 thousand) and ¥27 million, respectively.

Obligations under finance leases were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Due within one year	**¥32**	¥ 37	**$261**
Due after one year	**42**	67	**352**
Total	**¥74**	¥104	**$613**

(2) Operating leases

Future minimum lease receivables or payments under noncancelable operating leases at March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
As a lessor:			
Due within one year	**¥ 2,100**	¥ 1,957	**$ 17,455**
Due after one year	**18,303**	18,335	**152,185**
Total	**¥20,403**	¥20,292	**$169,640**
As a lessee:			
Due within one year	**¥ 94**	¥ 101	**$ 784**
Due after one year	**928**	1,022	**7,711**
Total	**¥ 1,022**	¥ 1,123	**$ 8,495**

12. Financial Instruments and Related Disclosures

(1) Group policy for financial instruments

At the Group level, cash surpluses, if any, are invested in low-risk and capital-safe financial assets. Short-term bank loans are used to fund its ongoing operations. Derivatives are used, not for speculative purposes, but to manage its exposure to fluctuations in foreign currency exchange and interest rates.

(2) Nature and extent of risks arising from financial instruments

Receivables, such as trade notes and trade accounts, are exposed to customer credit risk. Marketable and investment securities, mainly held-to-maturity securities and equity instruments of customers and suppliers of the Group, are exposed to the risk of market price fluctuations.

Payment terms of payables, such as trade notes and trade accounts, are mostly less than one year.

(3) Risk management for financial instruments

Credit risk management

Credit risk is the risk of economic loss arising from a counterparty's failure to repay or service debt according to the contractual terms. The Group manages its credit risk from receivables on the basis of internal guidelines, which include continuously determining customers' circumstances from the phase of accepting orders to that of collection of the receivables, along with monitoring of payment term and balances of each transaction.

Market risk management (foreign exchange risk and interest rate risk)

Marketable and investment securities are managed by monitoring market values and financial position of issuers on a regular basis. Also, the Group continuously reviews its possession of those securities except for held-to-maturity securities.

Long-term debt denominated in foreign currencies is exposed to fluctuations in market interest rates and foreign exchange rates. The Group utilizes derivative instruments (currency and interest rate swaps contracts) as hedging instruments to manage these market risks. The hedge accounting method is described in Note 2n.

Please see Note 13 for more details about derivatives.

Liquidity risk management

Liquidity risk comprises the risk that the Group cannot meet its contractual obligations in full on maturity dates. The Group manages its liquidity risk by making the appropriate cash schedule on a monthly basis.

(4) Fair values of financial instruments

Fair values of financial instruments are based on quoted prices in active markets. If quoted price is not available, other rational valuation techniques are used instead.

(a) Fair values of financial instruments

	Millions of yen		
March 31, 2015	Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents and time deposits	¥ 27,932	¥ 27,932	¥ —
Receivables—trade notes and accounts	101,836		
Allowance for doubtful receivables	(1,491)		
Net	100,345	100,330	(15)
Investment securities	70,255	70,262	7
Long-term loans receivable	112		
Allowance for doubtful long-term loans receivable	(1)		
Net	111	114	3
Total	¥198,643	¥198,638	¥ (5)
Short-term bank loans	¥ 13,646	¥ 13,646	¥ —
Long-term bank loans	5,100	5,106	6
Payables—trade notes and accounts	53,860	53,860	—
Long-term debt—lease obligation including current portion	74	72	(2)
Total	¥ 72,680	¥ 72,684	¥ 4
Derivatives	¥ —	¥ —	¥ —

	Millions of yen		
March 31, 2014	Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents and time deposits	¥ 26,292	¥ 26,292	¥ —
Receivables—trade notes and accounts	97,254		
Allowance for doubtful receivables	(3,972)		
Net	93,282	93,254	(28)
Investment securities	59,470	59,475	5
Long-term loans receivable	61		
Allowance for doubtful long-term loans receivable	(0)		
Net	61	61	0
Total	¥179,105	¥179,082	¥(23)
Short-term bank loans	¥ 7,511	¥ 7,511	¥ —
Long-term bank loans	5,100	5,103	3
Payables—trade notes and accounts	55,548	55,548	—
Long-term debt—lease obligation including current portion	104	99	(5)
Total	¥ 68,263	¥ 68,261	¥ (2)
Derivatives	¥ —	¥ —	¥ —

March 31, 2015	Thousands of U.S. dollars Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents and time deposits	$ 232,238	$ 232,238	$ —
Receivables—trade notes and accounts	846,734		
Allowance for doubtful receivables	(12,394)		
Net	834,340	834,214	(126)
Investment securities	584,149	584,204	55
Long-term loans receivable	930		
Allowance for doubtful long-term loans receivable	(11)		
Net	919	947	28
Total	$1,651,646	$1,651,603	$ (43)
Short-term bank loans	$ 113,461	$ 113,461	$ —
Long-term bank loans	42,404	42,457	53
Payables—trade notes and accounts	447,830	447,830	—
Long-term debt—lease obligation including current portion	614	594	(20)
Total	$ 604,309	$ 604,342	$ 33
Derivatives	$ —	$ —	$ —

Amounts due from unconsolidated subsidiaries and associated companies are included in receivables-trade notes and accounts and long-term loans receivable.

Cash and cash equivalents and time deposits

The carrying values of cash and cash equivalents and time deposits approximate fair value because of their short maturities.

Marketable securities and investment securities

The fair values of marketable securities and investment securities are measured at the quoted market price of the stock exchange for equity instruments and at the quoted price obtained from the financial institution for certain debt instruments. Fair value information for marketable securities and investment securities by classification is included in Note 3.

Receivables—trade notes and accounts and long-term loans receivable

The fair values of receivables—trade notes and accounts and long-term loans receivable are measured at the amount to be received at maturity, and discounted at the Group's assumed corporate discount rate, such as the rate of national bonds, to maturity. Also, the amounts of the allowance for doubtful receivables are deducted from the fair values.

Payables—trade notes and accounts and short-term bank loans

The carrying values of payables—trade notes and accounts and short-term bank loans approximate fair value because of their short maturities.

Long-term debt—lease obligation

The fair values of long-term debt—lease obligation are determined by discounting the cash flows related to the debt at the Group's assumed corporate borrowing rate.

Long-term bank loans

The fair values of long-term bank loans are determined by the present value calculated by discounting the total amount of the principal and interest expense at the interest rate considering the remaining maturities of the loans and credit risk of the Company. The carrying values of bank loans with floating interest rates approximate fair value because they reflect market interest rates and the credit position of the Company has not changed significantly after the execution.

Derivatives

Fair value information for derivatives is included in Note 13.

(b) Financial instruments whose fair value cannot be reliably determined

	Carrying Amount		
	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Investments in equity instruments that do not have a quoted market price in an active market	**¥1,460**	¥1,502	**$12,136**

(5) Maturity analysis for financial assets and securities with contractual maturities

March 31, 2015	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
	Millions of yen			
Cash and cash equivalents and time deposits	¥ 27,932	¥ —	¥ —	¥ —
Receivables—trade notes and accounts	93,719	8,117	—	—
Investment securities				
Available-for-sale securities with contractual maturities	—	2	124	—
Long-term loans receivable	—	31	61	20
Total	¥121,651	¥8,150	¥185	¥20

March 31, 2015	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
	Thousands of U.S. dollars			
Cash and cash equivalents and time deposits	$ 232,238	$ —	$ —	$ —
Receivables—trade notes and accounts	779,238	67,496	—	—
Investment securities				
Available-for-sale securities with contractual maturities	—	17	1,032	—
Long-term loans receivable	—	259	503	168
Total	$1,011,476	$67,772	$1,535	$168

Please see Note 6 for annual maturities of long-term debt and Note 11 for obligations under finance leases.

13. Derivatives

The Group enters into derivatives, in the normal course of business, to reduce the exposure to fluctuations in foreign exchange rates and interest rates. The primary classes of derivatives used by the Group are foreign currency forward contracts, currency and interest rate swaps.

The Group does not hold or issue derivatives for trading purposes.

Because the counterparties to these derivatives are limited to major financial institutions, the Group does not anticipate any losses arising from credit risk.

Derivative transactions entered into by the Group have been made in accordance with internal policies which regulate the authorization and credit limit amount.

Derivative transactions to which hedge accounting is not applied:
There were no derivative transactions to which hedge accounting is not applied at March 31, 2015 and 2014.

Derivative transactions to which hedge accounting is applied:

				Millions of yen
March 31, 2015	Hedged item	Contract amount	Contract amount due after one year	Fair value
Currency and interest rate swaps	Long-term			
Floating-rate receipt, fixed-rate payment	debt	¥2,000	¥2,000	Note
Receipt in U.S. dollars, payment in yen				

				Millions of yen
March 31, 2014	Hedged item	Contract amount	Contract amount due after one year	Fair value
Currency and interest rate swaps	Long-term			
Floating-rate receipt, fixed-rate payment	debt	¥2,000	¥2,000	Note
Receipt in U.S. dollars, payment in yen				

				Thousands of U.S. dollars
March 31, 2015	Hedged item	Contract amount	Contract amount due after one year	Fair value
Currency and interest rate swaps	Long-term			
Floating-rate receipt, fixed-rate payment	debt	$16,629	$16,629	Note
Receipt in U.S. dollars, payment in yen				

Note:
Currency and interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreement is recognized and included in interest expense or income. The fair value of such currency and interest rate swaps is included in those of the hedged items (i.e., long-term debt) in Note 12.

14. Commitments and Contingent Liabilities

Land in the amount of ¥21 million ($173 thousand) is pledged for the deposit received from lessee related to the fixed-term land leasehold at March 31, 2015. Land in the amount of ¥1,461 million ($12,150 thousand) and buildings in the amount of ¥1,423 million ($11,832 thousand) are pledged as construction assistance funds pursuant to building lease contracts at March 31, 2015. Investments securities in the amounts of ¥116 million ($965 thousand), ¥100 million ($832 thousand), and ¥8 million ($67 thousand) are pledged as collateral for the guarantee against defect of construction, the loans of an affiliate, and contract performance obligation of PFI business, respectively, at March 31, 2015, and time deposits in the amount of ¥54 million ($446 thousand) are pledged for the guarantee against defect of construction contracts at March 31, 2015.

15. Other Comprehensive Income

The components of other comprehensive income for the years ended March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Unrealized gain on available-for-sale securities			
Gains arising during the year	**¥11,878**	¥5,974	**$98,764**
Reclassification adjustments to profit or loss	**(136)**	(432)	**(1,131)**
Amount before tax effect	**11,742**	5,542	**97,633**
Income tax effect	**(2,627)**	(1,776)	**(21,845)**
Total	**¥ 9,115**	¥3,766	**$75,788**
Defined retirement benefit plans			
Adjustments arising during the year	**¥ 1,570**	¥ —	**$13,055**
Reclassification adjustments to profit or loss	**(190)**	—	**(1,580)**
Amount before income tax effect	**1,380**	—	**11,475**
Income tax effect	**(395)**	—	**(3,289)**
Total	**¥ 985**	¥ —	**$ 8,186**
Total other comprehensive income	**¥10,100**	¥3,766	**$83,974**

16. Subsequent Event

Appropriation of retained earnings

The following appropriation of retained earnings at March 31, 2015, was approved at the Company's shareholders' meeting held on June 26, 2015.

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividends, ¥12 ($0.10) per share	¥2,393	$19,893

17. Segment Information

1. Description of reportable segments

   The Group's reportable segments are those for which separate financial information is available and regular evaluation by the Company's management is being performed in order to decide how resources are allocated among the Group. Therefore, the Group's reportable segments consist of "Civil engineering," "Architectural construction," and "Real estate."

2. Methods of measurement for the amounts of sales, profit (loss), assets, liabilities and other items for each reportable segment

   The accounting policies of each reportable segment are consistent with those disclosed in Note 2, "Summary of Significant Accounting Policies."

3. Information about sales, profit (loss), assets, liabilities and other items is as follows:

Millions of yen

2015	Reportable segment: Civil engineering	Architectural construction	Real estate	Total	Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
Sales								
Sales to external customers	¥82,514	¥112,238	¥4,967	¥199,719	¥5,549	¥205,268	¥ —	¥205,268
Intersegment sales or transfers	—	—	22	22	329	351	(351)	—
Total	82,514	112,238	4,989	199,741	5,878	205,619	(351)	205,268
Segment profit (loss)	4,725	(3,787)	2,878	3,816	225	4,041	11	4,052
Other:								
Depreciation	¥ 243	¥ 236	¥ 368	¥ 847	¥ 8	¥ 855	¥ (7)	¥ 848

Millions of yen

2014	Reportable segment: Civil engineering	Architectural construction	Real estate	Total	Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
Sales								
Sales to external customers	¥72,093	¥111,604	¥4,641	¥188,338	¥4,687	¥193,025	¥ —	¥193,025
Intersegment sales or transfers	—	490	19	509	630	1,139	(1,139)	—
Total	72,093	112,094	4,660	188,847	5,317	194,164	(1,139)	193,025
Segment profit (loss)	2,617	(2,766)	2,422	2,273	35	2,308	10	2,318
Other:								
Depreciation	¥ 199	¥ 246	¥ 377	¥ 822	¥ 9	¥ 831	¥ (7)	¥ 824

Thousands of U.S. dollars

2015	Reportable segment: Civil engineering	Architectural construction	Real estate	Total	Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
Sales								
Sales to external customers	$686,077	$933,219	$41,292	$1,660,588	$46,140	$1,706,728	$ —	$1,706,728
Intersegment sales or transfers	—	—	185	185	2,731	2,916	(2,916)	—
Total	686,077	933,219	41,477	1,660,773	48,871	1,709,644	(2,916)	1,706,728
Segment profit (loss)	39,290	(31,489)	23,925	31,726	1,870	33,596	96	33,692
Other:								
Depreciation	$ 2,021	$ 1,960	$ 3,059	$ 7,040	$ 71	$ 7,111	$ (58)	$ 7,053

Notes:
1. Other is a business segment which is not included in any reportable segment and includes business related to manufacturing and sales of construction machinery and materials.
2. Reconciliations to segment profit (loss) in the amount of ¥11 million ($96 thousand) and ¥10 million for the years ended March 31, 2015 and 2014, respectively, include eliminations of intersegment transactions.
3. Consolidated amounts of segment profit (loss) above correspond to the amounts of operating income in the consolidated statements of income.

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Okumura Corporation:

We have audited the accompanying consolidated balance sheet of Okumura Corporation and its consolidated subsidiaries as of March 31, 2015, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Okumura Corporation and its consolidated subsidiaries as of March 31, 2015, and the consolidated results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation
Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 26, 2015

Member of
Deloitte Touche Tohmatsu Limited

Breakdown of Orders (Non-Consolidated)

Okumura Corporation
Year ended March 31, 2015

Construction Orders Awarded

	2015		2014		2015
	Millions of yen	Composition ratio	Millions of yen	Composition ratio	Thousands of U.S. dollars
Civil engineering:					
Domestic:					
Public sector	**¥ 57,339**		¥ 87,401		**$ 476,749**
Private sector	**25,201**		14,833		**209,541**
Overseas	**1,034**		403		**8,600**
Subtotal	**83,574**	**42.2%**	102,637	46.6%	**694,890**
Architectural construction:					
Domestic:					
Public sector	**41,427**		40,512		**344,449**
Private sector	**72,775**		76,867		**605,094**
Overseas	**53**		100		**444**
Subtotal	**114,255**	**57.8**	117,479	53.4	**949,987**
Total:					
Domestic:					
Public sector	**98,766**		127,913		**821,198**
Private sector	**97,976**		91,700		**814,635**
Overseas	**1,087**		503		**9,044**
Total	**¥197,829**	**100 %**	¥220,116	100 %	**$1,644,877**

Net Sales

	2015		2014		2015
	Millions of yen	Composition ratio	Millions of yen	Composition ratio	Thousands of U.S. dollars
Projects completed:					
Civil engineering:					
Domestic:					
Public sector	**¥ 62,781**		¥ 54,512		**$ 522,004**
Private sector	**16,964**		15,594		**141,047**
Overseas	**2,769**		1,987		**23,026**
Subtotal	**82,514**	**41.2%**	72,093	38.0%	**686,077**
Architectural construction:					
Domestic:					
Public sector	**47,382**		26,487		**393,964**
Private sector	**64,218**		85,251		**533,950**
Overseas	**638**		356		**5,305**
Subtotal	**112,238**	**56.1**	112,094	59.1	**933,219**
Subtotal:					
Domestic:					
Public sector	**110,163**		80,999		**915,968**
Private sector	**81,182**		100,845		**674,997**
Overseas	**3,407**		2,343		**28,331**
Subtotal	**194,752**	**97.3**	184,187	97.1	**1,619,296**
Real estate and other	**5,426**	**2.7**	5,551	2.9	**45,109**
Total	**¥200,178**	**100 %**	¥189,738	100 %	**$1,664,405**

Year-end Backlog

	2015		2014		2015
	Millions of yen	Composition ratio	Millions of yen	Composition ratio	Thousands of U.S. dollars
Civil engineering:					
Domestic:					
Public sector	**¥ 84,212**		¥ 89,655		**$ 700,194**
Private sector	**20,761**		12,523		**172,616**
Overseas	**26**		1,761		**217**
Subtotal	**104,999**	**46.7%**	103,939	46.9%	**873,027**
Architectural construction:					
Domestic:					
Public sector	**58,945**		64,899		**490,100**
Private sector	**60,203**		51,647		**500,569**
Overseas	**561**		1,146		**4,666**
Subtotal	**119,709**	**53.3**	117,692	53.1	**995,335**
Total:					
Domestic:					
Public sector	**143,157**		154,554		**1,190,294**
Private sector	**80,964**		64,170		**673,185**
Overseas	**587**		2,907		**4,883**
Total	**¥224,708**	**100 %**	¥221,631	100 %	**$1,868,362**

Head and Branch Offices

Head Office
2-2-2, Matsuzaki-cho, Abeno-ku,
Osaka 545-8555, Japan
TEL: +81-6-6621-1101 FAX: +81-6-6627-5295

Tokyo Head Office
5-6-1, Shiba, Minato-ku,
Tokyo 108-8381, Japan
TEL: +81-3-3454-8111 FAX: +81-3-5427-8103

Technical Research Institute
387, Ohsuna, Tsukuba 300-2612, Japan
TEL: +81-29-865-1521 FAX: +81-29-865-1522

East Japan Branch
5-6-1, Shiba, Minato-ku,
Tokyo 108-8381, Japan
TEL: +81-3-3454-8111 FAX: +81-3-5427-8111

West Japan Branch
2-2-2, Matsuzaki-cho, Abeno-ku,
Osaka 545-8555, Japan
TEL: +81-6-6621-1101 FAX: +81-6-6623-7692

West Japan Branch (HARUKAS Office)
26F ABENO HARUKAS,1-1-43 Abenosuji,
Abeno-ku, Osaka 545-6026, Japan
TEL: +81-6-6621-1101 FAX: +81-6-6621-1921

Sapporo Branch
2-1-18, Kita Shijo Nishi,
Chuo-ku, Sapporo 060-0004, Japan
TEL: +81-11-261-9261 FAX: +81-11-251-5345

Tohoku Branch
2-25, Tsutsumi dori, Amamiya-machi,
Aoba-ku, Sendai 981-8525, Japan
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Tokyo Branch
5-6-1, Shiba, Minato-ku,
Tokyo 108-8381, Japan
TEL: +81-3-3454-8111 FAX: +81-3-5427-8116

Kitakanto Office
4-26-15, Kishi-cho, Urawa-ku,
Saitama 330-0064, Japan
TEL: +81-48-827-0188 FAX: +81-48-827-0268

Higashikanto Office
18-14, Shinmachi, Chuo-ku,
Chiba 260-0028, Japan
TEL: +81-43-241-2255 FAX: +81-43-244-5911

Yokohama Office
60, Nihon Ohdori, Naka-ku,
Yokohama 231-0021, Japan
TEL: +81-45-662-1361 FAX: +81-45-641-3502

Hokuriku Office
2-3-26, Higashi Ohdori, Chuo-ku,
Niigata 950-0087, Japan
TEL: +81-25-241-6160 FAX: +81-25-241-6364

Nagoya Branch
29-8, Takebashi-cho, Nakamura-ku,
Nagoya 453-8555, Japan
TEL: +81-52-451-1101 FAX: +81-52-452-4331

Kansai Branch
26F ABENO HARUKAS,1-1-43 Abenosuji,
Abeno-ku, Osaka 545-6026, Japan
TEL: +81-6-6621-1101 FAX: +81-6-6621-1921

Nara Office
38-3 Takama-cho, Nara 630-8241, Japan
TEL: +81-742-22-5001 FAX: +81-742-27-0192

Kobe Office
2-2-16, Isobe dori, Chuo-ku,
Kobe 651-0084, Japan
TEL: +81-78-221-9355 FAX: +81-78-251-3374

Hiroshima Branch
1-7-22, Kokutaiji-machi, Naka-ku,
Hiroshima 730-0042, Japan
TEL: +81-82-241-2246 FAX: +81-82-243-1416

Shikoku Branch
1-8-41, Nishiki-machi,
Takamatsu 760-0020, Japan
TEL: +81-87-851-9008 FAX: +81-87-822-9286

Kyushu Branch
2-19-1, Sanno, Yahata Higashi-ku,
Kitakyushu 805-8531, Japan
TEL: +81-93-671-3131 FAX: +81-93-661-1543

Fukuoka Office
1-13-8, Yakuin, Chuo-ku,
Fukuoka 810-0022, Japan
TEL: +81-92-741-4431 FAX: +81-92-741-4740

Taiwan Branch
7F., No.82, Sungchiang.Rd.,
Zhongshan Dist., Taipei City 104, Taiwan
(R.O.C.)
TEL: +886-2-2567-5010 FAX: +886-2-2567-5171

Singapore Rep. Office
175A Bencoolen Street, #05-06 Burlington
Square, Singapore 189650
TEL: +65-6884-6830 FAX: +65-6884-6831

Consolidated Subsidiaries

Okumura Machinery Corporation
3-5-26, Himejima, Nishiyodogawa-ku,
Osaka 555-0033, Japan
TEL: +81-6-6472-3461 FAX: +81-6-6477-6801
Business line:Design, manufacture, sales, and repair of construction/industrial machines and devices

Taihei Real Estate Corporation
[Head Office]
5-6-1, Shiba, Minato-ku,
Tokyo 108-8381, Japan
TEL: +81-3-5439-5401 FAX: +81-3-5439-5402
[Osaka Branch]
2-2-2, Matsuzaki-cho, Abeno-ku,
Osaka 545-8555, Japan
TEL: +81-6-6625-3959 FAX: +81-6-6629-3938
Business line: Real estate, land and building management

Board of Directors

(As of July 1, 2015)

Directors and Auditors

President & Representative Director
Takanori Okumura

Representative Director
Takaiku Hirako

Directors
Makoto Tsuchiya
Seiichi Fujioka
Yuichi Mizuno
Kazuo Takami
Keiji Yamaguchi
Kiyoshi Saito
Kenji Kotera
Atsushi Tanaka

Standing Statutory Auditors
Koichi Yamauchi
Hironobu Kozai

Auditors
Yoshihiro Ban
Kazuo Tsuji
Shuji Abe

Notes:1. Kiyoshi Saito is outside director.
2. Yoshihiro Ban, Kazuo Tsuji and Shuji Abe are outside auditors.

Executive Officers

Executive Vice Presidents
Takaiku Hirako*
Makoto Tsuchiya*
Wataru Watanabe

Senior Managing Officer
Hiroomi Iida
Seiichi Fujioka*
Yuichi Mizuno*

Managing Officers
Kazuo Takami*
Keiji Yamaguchi*
Hirokazu Oishi
Toshio Kobayashi

Executive Officers
Takeshi Kurita
Yutaka Maruyama
Takanori Hayashi
Noriyuki Machida
Kenji Kotera*
Osamu Harada
Atsushi Tanaka*
Syunso Iijima
Kazuyoshi Ito
Hiromu Miyazaki
Hitoshi Miyamoto
Akira Tanaka

Note: Those officers marked with an asterisk (*) work as directors.

Investor Information

(As of March 31, 2015)

Corporate Data

Head Office
OKUMURA CORPORATION
2-2-2, Matsuzaki-cho, Abeno-ku, Osaka 545-8555, Japan
TEL: +81-6-6621-1101 FAX: +81-6-6627-5295

Established
February 22, 1907

Capital
¥19.8 billion

Group Employees
1,970

Stock Information

Stock Exchange Listings
Tokyo

Transfer Agent
Sumitomo Mitsui Trust Bank, Limited

Major Shareholders

Shareholder	Shares held (thousands)	Percentage of total
Okumura Corporation (Treasury stock)	28,951	12.68%
Northern Trust Co. (AVFC) Re Silchester International Investors International Value Equity Trust	12,180	5.33
Okumura Employees' Shareholding Association	7,344	3.22
Northern Trust Co. (AVFC) Re U.S. Tax Exempted Pension Funds	7,114	3.12
Resona Bank, Limited.	6,074	2.66
Sumitomo Realty & Development Co., Ltd.	6,050	2.65
BBH Boston Custodian For Blackrock Global Allocation Fund, Inc. 620313	5,569	2.44
Sumitomo Mitsui Banking Corporation	5,568	2.44
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,448	2.39
Japan Trustee Services Bank, Ltd. (Trust Account)	4,984	2.18
Northern Trust Co. (AVFC) Sub A/C Non Treaty	4,208	1.84

OKUMURA CORPORATION

2-2-2, Matsuzaki-cho, Abeno-ku, Osaka 545-8555, Japan
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