

# Brief Financial Report for the Fiscal Year Ended March 31, 2007

May 15, 2007

Listed Company Name: **OKUMURA CORPORATION**

Stock Exchange Listings: Tokyo and Osaka

Code No: 1833

URL: <http://www.okumuragumi.co.jp/>

Representative: President and Representative Director: Takanori Okumura

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Scheduled date for the ordinary general meeting of shareholders: June 28, 2007

Scheduled date for start of distribution dividends: June 29, 2007

Scheduled date for filing of Securities Report (Yuka shoken hokokusho): June 29, 2007

(Amounts less than one million yen have been omitted)

## 1. Consolidated results for the fiscal year ended March 31, 2007 (April 1, 2006 to March 31, 2007)

### (1) Consolidated operating results

(% indicates changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2007	227,769	(15.6)	1,415	(63.6)	2,710	(50.8)	4,123	(0.9)
FY2006	269,887	—	3,889	—	5,511	—	4,160	—

	Net income per share	Net income per share (diluted)	Return on equity	Ordinary income to total assets	Operating income to net sale
	Yen	Yen	%	%	%
FY2007	20.51	—	2.3	0.6	0.6
FY2006	20.27	—	2.3	1.3	1.4

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2007	415,647	182,903	43.6	905.75
FY2006	437,155	183,689	42.0	907.83

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2007	(6,999)	4,270	(3,698)	39,637
FY2006	(18,612)	23,215	(4,740)	46,084

## 2. Dividends

(Record date)	Cash dividends per share		Total cash dividends for the year	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	Year-end	Total for the year			
	Yen	Yen	Millions of yen	%	%
FY2006	10.00	10.00	2,022	49.3	1.1
FY2007	20.00	20.00	4,003	97.5	2.2
FY2008 (Forecast)	9.00	9.00	—	149.5	—

Note: The year-end dividends for FY2007 consist of ordinary dividends of 10.00 yen and the 100th anniversary commemorative dividends of 10.00 yen.

## 3. Forecast of consolidated operating results for FY2008 (April 1, 2007 to March 31, 2008)

(% indicates changes from the corresponding period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half of year	94,150	21.9	(4,200)	—	(3,450)	—	(1,000)	—	(5.00)
Full year	259,550	14.0	410	(71.0)	1,400	(48.4)	1,210	(70.7)	6.05

#### 4. Other

(1) Changes in significant subsidiaries for FY2007 (Changes in scope of consolidation):

Not applicable

(2) Changes in accounting principles, procedures, presentation method, etc. for the consolidated financial statements (Items indicated in "Changes in the basis of presenting consolidated financial statements")

1) Changes due to the revision of the accounting standards: Applicable

2) Changes other than 1): Applicable

(3) Number of shares of common stock issued and outstanding

1) Number of shares issued at end of year (including treasury stock):

FY2007: 228,326,133 shares                      FY2006: 228,326,133 shares

2) Number of treasury stock at end of year:

FY2007: 28,165,388 shares                      FY2006: 26,034,460 shares

#### (Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated financial results for the fiscal year ended March 31, 2007 (April 1, 2006 to March 31, 2007)

(1) Non-consolidated operating results

(% indicates changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2007	225,217	(15.6)	1,534	(61.2)	2,844	(48.9)	4,114	0.1
FY2006	266,836	18.3	3,952	3.8	5,562	16.8	4,109	9.3

	Net income per share	Net income per share (diluted)
	Yen	Yen
FY2007	20.47	—
FY2006	20.02	—

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2007	412,258	179,493	43.5	896.75
FY2006	433,530	181,877	42.0	898.88

2. Forecast of non-consolidated operating results for FY2008 (April 1, 2007 to March 31, 2008)

(% indicates changes from the corresponding period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half of year	92,500	21.1	(4,100)	—	(3,300)	—	(930)	—	(4.65)
Full year	255,000	13.2	300	(80.4)	1,400	(50.8)	1,200	(70.8)	6.00

#### \*Note to appropriate use of forecasts

Since the forecasts described above have been made based on information available as of the time of the release of this report, actual results may differ from these forecasts due to various factors such as economic conditions.

## Consolidated Financial Statements

### Consolidated Balance Sheets

Item	FY2006 As of March 31, 2006		FY2007 As of March 31, 2007		Change Increase (Decrease)
	Millions of yen	Composition ratio (%)	Millions of yen	Composition ratio (%)	Millions of yen
<b>Assets</b>					
<b>Current assets:</b>					
Cash and time deposits	53,760		45,523		(8,236)
Trade notes and accounts receivable	84,342		70,630		(13,712)
Short-term investments	7,819		6,211		(1,608)
Accumulated costs of uncompleted contracts	113,981		120,495		6,513
Other inventories	8,848		9,046		198
Deferred income taxes	13,352		11,309		(2,042)
Other accounts receivable	23,983		26,246		2,262
Others	4,038		3,141		(896)
Less: Allowance for doubtful accounts	(4,742)		(3,844)		898
Total current assets	305,383	69.9	288,760	69.5	(16,623)
<b>Fixed assets:</b>					
Property and equipment:					
Buildings	4,144		4,168		24
Machinery and equipment	930		882		(48)
Land	15,000		16,416		1,416
Construction in progress	113		829		715
Total property and equipment	20,188		22,297		2,108
Intangible fixed assets	1,065		1,038		(27)
Investments and other assets:					
Investments in securities	103,979		96,944		(7,034)
Long-term receivables	2,517		2,755		237
Others	4,060		3,890		(170)
Less: Allowance for doubtful accounts	(39)		(38)		1
Total investments and other assets	110,517		103,551		(6,966)
Total fixed assets	131,771	30.1	126,886	30.5	(4,884)
<b>Total assets</b>	<b>437,155</b>	<b>100</b>	<b>415,647</b>	<b>100</b>	<b>(21,508)</b>

Item	FY2006 As of March 31, 2006		FY2007 As of March 31, 2007		Change Increase (Decrease)
	Millions of yen	Composition ratio (%)	Millions of yen	Composition ratio (%)	Millions of yen
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Trade notes and accounts payable	98,267		93,595		(4,671)
Short-term loans including current portion of long-term debt	12,431		12,197		(233)
Accrued income taxes	241		490		248
Advances received on uncompleted contracts	88,490		79,136		(9,353)
Allowance for repairs	236		133		(102)
Allowance for warranty work on construction projects	695		454		(240)
Allowance for construction loss	1,944		2,150		205
Others	21,531		19,672		(1,858)
Total current liabilities	223,837	51.2	207,831	50.0	(16,006)
<b>Long-term liabilities:</b>					
Long-term debt	583		494		(88)
Deferred income taxes	19,429		17,875		(1,554)
Accrued severance indemnities	7,877		6,528		(1,348)
Others	14		14		0
Total long-term liabilities	27,903	6.4	24,912	6.0	(2,991)
Total liabilities	251,741	57.6	232,743	56.0	(18,997)
<b>Minority interests</b>					
Minority interests	1,724	0.4	—		—
<b>Shareholders' equity</b>					
Common stock	19,838	4.5	—		—
Additional paid-in capital	25,326	5.8	—		—
Retained earnings	112,973	25.9	—		—
Net unrealized gains on securities	36,374	8.3	—		—
Less: Treasury stock, at cost	(10,823)	(2.5)	—		—
Total shareholders' equity	183,689	42.0	—		—
<b>Total liabilities, minority interests and shareholders' equity</b>	437,155	100	—		—
<b>Net assets</b>					
<b>Shareholders' equity:</b>					
Common stock	—		19,838	4.8	—
Additional paid-in capital	—		25,328	6.1	—
Retained earnings	—		115,032	27.7	—
Less: Treasury stock, at cost	—		(12,171)	(3.0)	—
Total shareholders' equity	—		148,027	35.6	—
<b>Valuation and translation adjustments:</b>					
Net unrealized gains on securities	—		33,268	8.0	—
Total valuation and translation adjustments	—		33,268	8.0	—
<b>Minority interests</b>	—		1,607	0.4	—
Total net assets	—		182,903	44.0	—
<b>Total liabilities and net assets</b>	—		415,647	100	—

## Consolidated Statements of Income

Item	FY2006 April 1, 2005 to March 31, 2006		FY2007 April 1, 2006 to March 31, 2007		Change Increase (Decrease)
	Millions of yen	Composition ratio (%)	Millions of yen	Composition ratio (%)	Millions of yen
<b>Net sales:</b>					
Completed construction	261,041		217,663		(43,377)
Others	8,846		10,106		1,259
Total net sales	269,887	100	227,769	100	(42,117)
<b>Cost of sales:</b>					
Completed construction	236,952		198,270		(38,682)
Others	6,236		5,780		(455)
Total cost of sales	243,188	90.1	204,050	89.6	(39,137)
Gross profit:					
Completed construction	24,088		19,393		(4,695)
Others	2,610		4,325		1,715
Total gross profit	26,699	9.9	23,719	10.4	(2,979)
<b>Selling, general and administrative expenses</b>	22,809	8.5	22,303	9.8	(506)
Operating income	3,889	1.4	1,415	0.6	(2,473)
<b>Non-operating income:</b>					
Interest income	277		421		143
Dividends	1,363		963		(400)
Amortization of negative goodwill	—		13		13
Amortization of consolidation differences	14		—		(14)
Others	298		208		(90)
Total non-operating income	1,954	0.7	1,605	0.7	(348)
<b>Non-operating expenses:</b>					
Interest expenses	269		213		(56)
Others	62		97		35
Total non-operating expenses	332	0.1	310	0.1	(21)
Ordinary income	5,511	2.0	2,710	1.2	(2,800)
<b>Extraordinary gains:</b>					
Prior-year adjustment	341		414		73
Gain on sales of property and equipment	1,389		1,008		(380)
Reversal of allowance for doubtful accounts	—		899		899
Gain on sales of investments in securities	140		2,925		2,784
Gain on redemption of investments in securities	825		—		(825)
Total extraordinary gains	2,696	1.0	5,248	2.3	2,551
<b>Extraordinary losses:</b>					
Prior-year adjustment	200		60		(140)
Loss on sales of property and equipment	2		2		0
Loss on disposal of property and equipment	74		44		(30)
Devaluation of investments in securities	12		15		2
Loss on deduction of carrying amounts of property and equipment	411		—		(411)
Loss on violation of the antitrust laws	—		714		714
Total extraordinary losses	702	0.2	838	0.4	136
Income before income taxes and minority interests	7,506	2.8	7,121	3.1	(385)
Current income taxes	216	0.1	449	0.2	232
Deferred income taxes	3,120	1.2	2,623	1.1	(496)
Minority interests in income of consolidated subsidiaries	8	0.0	—		(8)
Minority interests in loss of consolidated subsidiaries	—		76	0.0	76
<b>Net income</b>	4,160	1.5	4,123	1.8	(37)

## Consolidated Statements of Change in Net Assets

For FY2007 (April 1, 2006 to March 31, 2007)

(Millions of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity
<b>Balance—March 31, 2006</b>	19,838	25,326	112,973	(10,823)	147,315
Changes during the year:					
Dividends from retained earnings (Note)			(2,022)		(2,022)
Bonus for directors and statutory auditors (Note)			(42)		(42)
Net income			4,123		4,123
Purchase of treasury stock				(1,351)	(1,351)
Sales of treasury stock		1		3	5
Total changes during the year	—	1	2,058	(1,347)	712
<b>Balance—March 31, 2007</b>	19,838	25,328	115,032	(12,171)	148,027

	Valuation and translation adjustments		Minority interests	Total net assets
	Net unrealized gains on securities	Total valuation and translation adjustments		
<b>Balance—March 31, 2006</b>	36,374	36,374	1,724	185,414
Changes during the year:				
Dividends from retained earnings (Note)				(2,022)
Bonus for directors and statutory auditors (Note)				(42)
Net income				4,123
Purchase of treasury stock				(1,351)
Sales of treasury stock				5
Changes in items other than shareholders' equity during the year, net	(3,105)	(3,105)	(117)	(3,223)
Total changes during the year	(3,105)	(3,105)	(117)	(2,510)
<b>Balance—March 31, 2007</b>	33,268	33,268	1,607	182,903

Note: Appropriation of retained earnings which was approved by the ordinary general meeting of shareholders held in June 2006.

## Consolidated Statements of Cash Flows

	<b>FY2006</b> April 1, 2005 to March 31, 2006	<b>FY2007</b> April 1, 2006 to March 31, 2007	Change Increase (Decrease)
Item	Millions of yen	Millions of yen	Millions of yen
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests	7,506	7,121	(385)
Depreciation	558	709	151
Amortization of negative goodwill	—	(13)	(13)
Amortization of consolidation differences	(14)	—	14
Decrease in allowance for doubtful accounts	(513)	(899)	(386)
Decrease in accrued severance indemnities	(624)	(1,348)	(724)
Increase in allowance for construction loss	1,944	205	(1,738)
Dividends and interest income	(1,641)	(1,384)	256
Interest expenses	269	213	(56)
Gain on sales of property and equipment	(1,386)	(1,005)	380
Loss on deduction of carrying amounts of property and equipment	411	—	(411)
Gain on sales of securities	(140)	(2,925)	(2,784)
Gain on redemption of investments in securities	(825)	—	825
Devaluation of securities	12	15	2
Loss on violation of the antitrust laws	—	706	706
Decrease (increase) in trade notes and accounts receivable	(16,864)	13,712	30,577
Decrease (increase) in accumulated costs of uncompleted contracts	8,511	(6,513)	(15,025)
Decrease (increase) in other inventories	1,136	(198)	(1,334)
Decrease in trade notes and accounts payable	(12,424)	(5,362)	7,062
Decrease in advances received on uncompleted contracts	(6,949)	(9,353)	(2,404)
Increase (decrease) in accrued consumption taxes	912	(721)	(1,633)
Bonus paid to directors and statutory auditors	(42)	(42)	0
Other, net	213	(686)	(899)
Subtotal	(19,950)	(7,770)	12,179
Dividends and interest received	1,763	1,430	(333)
Interest paid	(264)	(212)	52
Income taxes paid	(160)	(447)	(286)
Net cash used in operating activities	(18,612)	(6,999)	11,612

	<b>FY2006</b> April 1, 2005 to March 31, 2006	<b>FY2007</b> April 1, 2006 to March 31, 2007	Change Increase (Decrease)
Item	Millions of yen	Millions of yen	Millions of yen
<b>Cash flows from investing activities:</b>			
Net decrease in time deposits	13,204	791	(12,412)
Payments for purchases of securities	(8,907)	(5,772)	3,135
Proceeds from sales of securities	18,144	9,947	(8,196)
Payments for purchases of tangible and intangible fixed assets	(799)	(2,879)	(2,079)
Proceeds from sales of tangible and intangible fixed assets	1,672	1,031	(641)
Issuance of loans receivable	(1,517)	(390)	1,127
Collection of loans receivable	176	193	17
Other, net	1,243	1,347	104
Net cash provided by investing activities	23,215	4,270	(18,945)
<b>Cash flows from financing activities:</b>			
Net decrease in short-term borrowings	(1,428)	(226)	1,202
Proceeds from long-term debt	67	—	(67)
Repayments of long-term debt	(74)	(95)	(21)
Payments for purchases of treasury stock	(1,468)	(1,351)	117
Proceeds from sales of treasury stock	4	5	0
Dividends paid	(1,840)	(2,021)	(181)
Dividends paid to minority shareholders	—	(8)	(8)
Net cash used in financing activities	(4,740)	(3,698)	1,041
<b>Effect of exchange rate changes on cash and cash equivalents</b>	40	(18)	(59)
<b>Net decrease in cash and cash equivalents</b>	(95)	(6,447)	(6,351)
<b>Cash and cash equivalents at beginning of year</b>	46,180	46,084	(95)
<b>Cash and cash equivalents at end of year</b>	46,084	39,637	(6,447)



## Non-consolidated Financial Statements

### Non-consolidated Balance Sheets

Item	FY2006 As of March 31, 2006		FY2007 As of March 31, 2007		Change Increase (Decrease)
	Millions of yen	Composition ratio (%)	Millions of yen	Composition ratio (%)	Millions of yen
<b>Assets</b>					
<b>Current assets:</b>					
Cash and time deposits	53,690		45,485		(8,204)
Trade notes receivable	20,466		14,453		(6,012)
Trade accounts receivable	61,786		54,615		(7,171)
Short-term investments	7,819		6,211		(1,608)
Real estate for sale	3,657		953		(2,704)
Accumulated costs of uncompleted contracts	114,051		120,393		6,341
Payment for investments in real estate	4,135		4,166		30
Short-term receivables	—		7,117		7,117
Deferred income taxes	13,381		11,388		(1,993)
Other accounts receivable	24,369		26,590		2,220
Trust beneficiary rights	2,366		1,222		(1,144)
Others	4,769		1,849		(2,919)
Less: Allowance for doubtful accounts	(4,842)		(4,055)		787
Total current assets	305,652	70.5	290,392	70.4	(15,260)
<b>Fixed assets:</b>					
Property and equipment:					
Buildings	4,035		4,065		30
Machinery and vehicles	469		413		(56)
Tools, furniture and fixtures	382		395		12
Land	11,725		11,951		225
Construction in progress	113		822		709
Total property and equipment	16,727		17,648		921
Intangible fixed assets	1,063		1,032		(30)
Investments and other assets:					
Investments in securities	103,325		96,331		(6,994)
Investments in subsidiaries and affiliates, at cost	245		266		21
Long-term receivables	1,797		2,145		347
Long-term loans to employees	700		592		(108)
Others	4,058		3,887		(170)
Less: Allowance for doubtful accounts	(39)		(38)		1
Total investments and other assets	110,087		103,184		(6,902)
Total fixed assets	127,877	29.5	121,866	29.6	(6,011)
<b>Total assets</b>	<b>433,530</b>	<b>100</b>	<b>412,258</b>	<b>100</b>	<b>(21,271)</b>

Item	FY2006 As of March 31, 2006		FY2007 As of March 31, 2007		Change Increase (Decrease)
	Millions of yen	Composition ratio (%)	Millions of yen	Composition ratio (%)	Millions of yen
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Trade notes payable	16,143		11,021		(5,121)
Trade accounts payable	81,288		81,507		218
Short-term loans including current portion of long-term debt	13,692		13,884		191
Accrued expenses	3,454		3,186		(268)
Accrued income taxes	240		465		225
Advances received on uncompleted contracts	88,441		79,086		(9,354)
Deposit payable	12,860		13,693		833
Allowance for repairs	236		133		(102)
Allowance for warranty work on construction projects	626		413		(212)
Allowance for construction loss	1,944		2,148		203
Others	4,951		2,414		(2,536)
Total current liabilities	223,880	51.6	207,955	50.5	(15,925)
<b>Long-term liabilities:</b>					
Long-term debt	566		479		(87)
Deferred income taxes	19,316		17,786		(1,530)
Accrued severance indemnities	7,874		6,528		(1,345)
Others	14		14		0
Total long-term liabilities	27,772	6.4	24,809	6.0	(2,963)
Total liabilities	251,652	58.0	232,764	56.5	(18,888)

Item	FY2006 As of March 31, 2006		FY2007 As of March 31, 2007		Change Increase (Decrease)
	Millions of yen	Composition ratio (%)	Millions of yen	Composition ratio (%)	Millions of yen
<b>Shareholders' equity</b>					
<b>Common stock</b>	19,838	4.6	—		—
<b>Additional paid-in capital:</b>					
Capital reserve	25,322		—		—
Other additional paid-in capital:					
Gain on sales of treasury stock	4		—		—
Total other additional paid-in capital	4		—		—
Total additional paid-in capital	25,326	5.8	—		—
<b>Retained earnings:</b>					
Earned reserve	4,959		—		—
Voluntary reserve:					
Extraordinary depreciation reserve	112		—		—
Reserve for accelerated depreciation	3,076		—		—
Special appropriation to the reserve for accelerated depreciation	178		—		—
Reserve for various purposes	98,700		—		—
Total voluntary reserve	102,067		—		—
Unappropriated retained earnings at end of year	4,193		—		—
Total retained earnings	111,220	25.7	—		—
<b>Net unrealized gains on securities</b>	36,314	8.4	—		—
<b>Less: Treasury stock, at cost</b>	(10,823)	(2.5)	—		—
Total shareholders' equity	181,877	42.0	—		—
<b>Total liabilities and shareholders' equity</b>	433,530	100	—		—
<b>Net assets</b>					
<b>Shareholders' equity:</b>					
Common stock	—		19,838	4.8	—
Additional paid-in capital:					
Capital reserve	—		25,322		—
Other additional paid-in capital	—		6		—
Total additional paid-in capital	—		25,328	6.1	—
Retained earnings:					
Earned reserve	—		4,959		—
Other retained earnings:					
Extraordinary depreciation reserve	—		59		—
Reserve for accelerated depreciation	—		2,494		—
Special appropriation to the reserve for accelerated depreciation	—		340		—
Reserve for various purposes	—		100,500		—
Retained earnings brought forward	—		4,916		—
Total other retained earnings	—		108,310		—
Total retained earnings	—		113,270	27.5	—
Less: Treasury stock, at cost	—		(12,171)	(2.9)	—
Total shareholders' equity	—		146,266	35.5	—
<b>Valuation and translation adjustments:</b>					
Net unrealized gains on securities	—		33,227	8.0	—
Total valuation and translation adjustments	—		33,227	8.0	—
Total net assets	—		179,493	43.5	—
<b>Total liabilities and net assets</b>	—		412,258	100	—

## Non-consolidated Statements of Income

Item	FY2006 April 1, 2005 to March 31, 2006		FY2007 April 1, 2006 to March 31, 2007		Change Increase (Decrease)
	Millions of yen	Composition ratio (%)	Millions of yen	Composition ratio (%)	Millions of yen
<b>Net sales:</b>					
Completed construction	261,043		217,665		(43,378)
Real estate and other	5,793		7,552		1,759
Total net sales	266,836	100	225,217	100	(41,619)
<b>Cost of sales:</b>					
Completed construction	236,992		198,234		(38,758)
Real estate and other	3,535		3,595		59
Total cost of sales	240,527	90.1	201,829	89.6	(38,698)
Gross profit:					
Completed construction	24,050		19,430		(4,620)
Real estate and other	2,257		3,957		1,699
Total gross profit	26,308	9.9	23,387	10.4	(2,920)
<b>Selling, general and administrative expenses:</b>					
Directors' remuneration	335		284		(51)
Employee salary	11,910		12,289		379
Retirement benefits	989		850		(139)
Statutory welfare	1,421		1,466		44
Fringe benefit	360		367		6
Repair and maintenance	395		307		(88)
Office supplies	362		344		(17)
Communication and transportation	1,149		1,107		(42)
Utilities	144		144		0
Research	1,076		998		(78)
Adverting	225		225		0
Reversal of allowance for doubtful accounts	397		—		(397)
Entertainment	425		324		(101)
Donation	56		146		90
Rent	302		342		39
Depreciation	287		403		115
Tax and dues	663		493		(169)
Insurance	27		26		(0)
Miscellaneous expenses	1,824		1,732		(91)
Total selling, general and administrative expenses	22,356	8.4	21,853	9.7	(502)
Operating income	3,952	1.5	1,534	0.7	(2,418)

Item	FY2006 April 1, 2005 to March 31, 2006		FY2007 April 1, 2006 to March 31, 2007		Change Increase (Decrease)
	Millions of yen	Composition ratio (%)	Millions of yen	Composition ratio (%)	Millions of yen
<b>Non-operating income:</b>					
Interest income	179		262		82
Interest on marketable securities	135		213		78
Dividends	1,358		965		(393)
Others	287		197		(90)
Total non-operating income	1,960	0.7	1,638	0.7	(322)
<b>Non-operating expenses:</b>					
Interest expenses	298		237		(61)
Others	52		91		38
Total non-operating expenses	351	0.1	328	0.1	(22)
Ordinary income	5,562	2.1	2,844	1.3	(2,717)
<b>Extraordinary gains:</b>					
Prior-year adjustment	260		412		151
Gain on sales of property and equipment	1,350		978		(371)
Reversal of allowance for doubtful accounts	—		787		787
Gain on sales of investments in securities	140		2,925		2,784
Gain on redemption of investments in securities	825		—		(825)
Total extraordinary gains	2,576	1.0	5,104	2.3	2,527
<b>Extraordinary losses:</b>					
Prior-year adjustment	199		59		(140)
Loss on sales of property and equipment	2		1		(1)
Loss on disposal of property and equipment	73		43		(29)
Devaluation of investments in securities	12		15		2
Loss on deduction of carrying amounts of property and equipment	411		—		(411)
Loss on violation of the antitrust laws	—		714		714
Total extraordinary losses	700	0.3	835	0.4	135
Income before income taxes	7,438	2.8	7,113	3.2	(325)
Current income taxes	216	0.1	426	0.2	210
Deferred income taxes	3,112	1.2	2,572	1.2	(540)
Net income	4,109	1.5	4,114	1.8	4
Unappropriated retained earnings brought forward	83		—		—
Unappropriated retaining earnings at end of year	4,193		—		—

## Non-consolidated Statements of Change in Net Assets

For FY2007 (April 1, 2006 to March 31, 2007)

(Millions of yen)

	Shareholders' equity			
	Common stock	Additional paid-in capital		
		Capital reserve	Other additional paid-in capital	Total additional paid-in capital
<b>Balance—March 31, 2006</b>	19,838	25,322	4	25,326
Changes during the year:				
Sales of treasury stock			1	1
Total changes during the year	—	—	1	1
<b>Balance—March 31, 2007</b>	19,838	25,322	6	25,328

	Shareholders' equity								
	Retained earnings						Treasury stock, at cost	Total Shareholders' equity	
	Earned reserve	Other retained earnings							Total retained earnings
		Extra-ordinary depreciation reserve	Reserve for accelerated depreciation	Special appropriation to the reserve for accelerated depreciation	Reserve for various purposes	Retained earnings brought forward			
<b>Balance—March 31, 2006</b>	4,959	112	3,076	178	98,700	4,193	111,220	(10,823)	145,562
Changes during the year:									
Transfer to extraordinary depreciation reserve (Note)		3				(3)	—		—
Reversal of extraordinary depreciation reserve (Note)		(33)				33	—		—
Transfer to reserve for accelerated depreciation (Note)			507			(507)	—		—
Reversal of reserve for accelerated depreciation (Note)			(56)			56	—		—
Reversal of special appropriation to the reserve for accelerated depreciation (Note)				(178)		178	—		—
Transfer to reserve for various purposes (Note)					1,800	(1,800)	—		—
Dividends from retained earnings (Note)						(2,022)	(2,022)		(2,022)
Bonus for directors and statutory auditors (Note)						(42)	(42)		(42)
Net income						4,114	4,114		4,114
Purchase of treasury stock								(1,351)	(1,351)
Sales of treasury stock								3	5
Transfer to extraordinary depreciation reserve		5				(5)	—		—
Reversal of extraordinary depreciation reserve		(28)				28	—		—
Transfer to reserve for accelerated depreciation			123			(123)	—		—
Reversal of reserve for accelerated depreciation			(1,156)			1,156	—		—
Transfer to special appropriation to the reserve for accelerated depreciation				340		(340)	—		—
Total changes during the year	—	(52)	(582)	162	1,800	722	2,049	(1,347)	703
<b>Balance—March 31, 2007</b>	4,959	59	2,494	340	100,500	4,916	113,270	(12,171)	146,266

(Millions of yen)

	Valuation and translation adjustments		Total net assets
	Net unrealized gains on securities	Total valuation and translation adjustments	
<b>Balance—March 31, 2006</b>	36,314	36,314	181,877
Changes during the year:			
Transfer to extraordinary depreciation reserve (Note)			—
Reversal of extraordinary depreciation reserve (Note)			—
Transfer to reserve for accelerated depreciation (Note)			—
Reversal of reserve for accelerated depreciation (Note)			—
Reversal of special appropriation to the reserve for accelerated depreciation (Note)			—
Transfer to reserve for various purposes (Note)			—
Dividends from retained earnings (Note)			(2,022)
Bonus for directors and statutory auditors (Note)			(42)
Net income			4,114
Purchase of treasury stock			(1,351)
Sales of treasury stock			5
Transfer to extraordinary depreciation reserve			—
Reversal of extraordinary depreciation reserve			—
Transfer to reserve for accelerated depreciation			—
Reversal of reserve for accelerated depreciation			—
Transfer to special appropriation to the reserve for accelerated depreciation			—
Changes in items other than shareholders' equity during the year, net	(3,087)	(3,087)	(3,087)
Total changes during the year	(3,087)	(3,087)	(2,383)
<b>Balance—March 31, 2007</b>	33,227	33,227	179,493

Note: Appropriation of retained earnings which was approved by the ordinary general meeting of shareholders held in June 2006.

## Breakdown of Orders (Non-consolidated)

(Millions of yen)

			FY2006 April 1, 2005 to March 31, 2006			FY2007 April 1, 2006 to March 31, 2007			Change Increase (Decrease)	% Change Increase (Decrease)	
Construction orders awarded	Civil engineering	Domestic public sector	55,776	66.2	34.5	36,327	41.1	36.1	(19,448)	(34.9)	
		Domestic private sector	27,257	32.4		30,246	34.2		2,988	11.0	
Overseas	1,187	1.4	21,821	24.7		20,634	1,738.2				
Subtotal	84,220	100	88,395	100		4,175	5.0				
Architectural construction	Architectural construction	Domestic public sector	18,078	11.3	65.5	13,448	8.6	63.9	(4,629)	(25.6)	
		Domestic private sector	141,797	88.7		143,031	91.4		1,233	0.9	
		Subtotal	159,876	100		156,480	100		(3,396)	(2.1)	
Total	Total	Domestic public sector	73,855	30.2	100	49,776	20.3	100	(24,078)	(32.6)	
		Domestic private sector	169,054	69.3		173,277	70.8		4,222	2.5	
		Overseas	1,187	0.5		21,821	8.9		20,634	1,738.2	
		Total	244,097	100		244,876	100		778	0.3	
Net sales	Civil engineering	Domestic public sector	70,634	72.5	[37.3]	58,379	62.5	[42.9]	(12,255)	(17.4)	
		Domestic private sector	24,280	24.9		35,084	37.5		10,804	44.5	
		Overseas	2,478	2.6		—	—		(2,478)	—	
		Subtotal	97,393	100	36.5	93,464	100	41.5	(3,929)	(4.0)	
	Architectural construction	Architectural construction	Domestic public sector	17,300	10.6	[62.7]	15,404	12.4	[57.1]	(1,896)	(11.0)
			Domestic private sector	146,349	89.4		108,796	87.6		(37,552)	(25.7)
			Subtotal	163,649	100	61.3	124,200	100	55.1	(39,448)	(24.1)
	Subtotal	Subtotal	Domestic public sector	87,935	33.7	[100]	73,784	33.9	[100]	(14,151)	(16.1)
			Domestic private sector	170,629	65.4		143,881	66.1		(26,748)	(15.7)
			Overseas	2,478	0.9		—	—		(2,478)	—
			Subtotal	261,043	100	97.8	217,665	100	96.6	(43,378)	(16.6)
	Real estate and other		5,793	2.2		7,552	3.4		1,759	30.4	
	Total		266,836	100		225,217	100		(41,619)	(15.6)	
Year-end backlog	Civil engineering	Domestic public sector	120,199	63.3	48.9	98,148	53.1	44.5	(22,051)	(18.3)	
		Domestic private sector	56,861	30.0		52,022	28.2		(4,838)	(8.5)	
		Overseas	12,644	6.7		34,465	18.7		21,821	172.6	
		Subtotal	189,705	100		184,636	100		(5,068)	(2.7)	
	Architectural construction	Architectural construction	Domestic public sector	25,913	13.1	51.1	23,957	10.4	55.5	(1,955)	(7.5)
			Domestic private sector	171,950	86.9		206,185	89.6		34,235	19.9
			Subtotal	197,863	100		230,143	100		32,279	16.3
	Total	Total	Domestic public sector	146,112	37.7	100	122,105	29.4	100	(24,007)	(16.4)
			Domestic private sector	228,811	59.0		258,208	62.3		29,396	12.8
			Overseas	12,644	3.3		34,465	8.3		21,821	172.6
			Total	387,568	100		414,779	100		27,210	7.0