

Brief Non-consolidated Financial Report for the Fiscal Year Ended March 31, 2006

May 18, 2006

English translation from the original Japanese-language document

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

Listed Company Name: **OKUMURA CORPORATION**

Code No: 1833

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

Representative: President and Representative Director: Takanori Okumura

Contact: Administration Division, Finance and Accounting Department, General Manager: Atsushi Tanaka TEL: (06) 6621-1101

Date of Board Meeting: May 18, 2006

Interim Dividend System: No

Date of Commencement of Dividend Payment: June 30, 2006

Date of Ordinary General Meeting of Shareholders: June 29, 2006

Application of the Unit-Shares System: Applied (One lot: 1,000 shares)

Stock Exchange Listings:

Tokyo and Osaka

Head Office: Osaka

1. Results for the fiscal year ended March 31, 2006 (April 1, 2005 to March 31, 2006)

(1) Non-consolidated business results (Amounts less than one million yen have been omitted)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 3/06	266,836	18.3	3,952	3.8	5,562	16.8
FY 3/05	225,543	2.4	3,806	(34.9)	4,763	(20.5)

	Net income		Net income per share	Net income per share (diluted)	Return on equity	Ordinary income to total assets	Ordinary income to net sales
	Millions of yen	%	Yen	Yen	%	%	%
FY 3/06	4,109	9.3	20.02	-	2.4	1.3	2.1
FY 3/05	3,761	4.7	18.11	-	2.3	1.2	2.1

Notes: 1. Average number of shares outstanding: FY 3/06: 203,225,151 shares FY 3/05: 205,414,883 shares

2. Changes in the method of accounting procedure: Yes

3. Changes in net sales, operating income, ordinary income and net income from the previous period are shown in percentages on a year-on-year basis.

(2) Non-consolidated dividends

	Annual dividends per share			Annual dividend	Dividend payout ratio	Equity dividend rate for shareholders
	Interim	End of term	Yen			
FY 3/06	10.00	-	10.00	2,022	50.0	1.1
FY 3/05	9.00	-	9.00	1,839	49.7	1.1

(3) Non-consolidated financial position

	Total assets	Shareholders' equity	Shareholders' Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
FY 3/06	433,530	181,877	42.0	898.88
FY 3/05	423,430	162,834	38.5	796.30

Notes: 1. Number of shares outstanding at year end

FY 3/06 202,291,673 shares

FY 3/05 204,434,755 shares

2. Number of treasury shares

FY 3/06 26,034,460 shares

FY 3/05 23,891,378 shares

2. Non-consolidated forecast of business results for the fiscal year ending March 31, 2007 (April 1, 2006 to March 31, 2007)

	Net sales	Ordinary income	Net income	Annual dividends per share		
				Interim	End of term	
				Yen	Yen	Yen
First half of year	84,800	(1,450)	900	-	-	-
Full year	243,600	5,200	4,200	-	20.00	20.00

Note: The 100th anniversary commemorative dividend of 10 yen is included in the year-end dividend per share of 20 yen.

(Reference) Expected net income per share (full year) 20.76 Yen

Note: Since the forecasts described above have been made based on information available as of the announcement, actual results may differ from these forecasts due to various factors.

Non-consolidated Financial Statements for the Year Ended March 31, 2006 and 2005

Non-consolidated Balance Sheets

Item	2006 (As of March 31)		2005 (As of March 31)		Change	
	Millions of yen	%	Millions of yen	%	Millions of yen	
Assets						
Current assets:						
Cash and time deposits	53,690		70,181		(16,491)	
Trade notes receivable	20,466		5,730		14,735	
Trade accounts receivable	61,786		60,490		1,295	
Short-term investments	7,819		3,221		4,598	
Real estate for sale	3,657		2,274		1,383	
Accumulated costs of uncompleted contracts	114,051		122,564		(8,512)	
Payment for investments in real estate	4,135		4,648		(512)	
Deferred income taxes	13,381		16,786		(3,404)	
Other accounts receivable	24,369		28,325		(3,956)	
Trust beneficiary rights	2,366		3,510		(1,144)	
Others	4,769		4,584		184	
Allowance for doubtful accounts	(4,842)		(5,221)		379	
Total current assets	305,652	70.5	317,096	74.9	(11,444)	
Fixed assets:						
Property and equipment						
Buildings	4,035		5,170		(1,134)	
Machinery and equipment	469		564		(94)	
Tools, furniture and fixtures	382		341		41	
Land	11,725		13,357		(1,631)	
Construction in progress	113		69		43	
Total property and equipment		16,727		19,503	(2,776)	
Intangible fixed assets		1,063		600	462	
Investments and other assets						
Investments in securities	103,325		82,057		21,267	
Investments in subsidiaries and affiliates	245		244		0	
Long-term receivables	1,797		2,024		(227)	
Long-term loans to employees	700		704		(3)	
Other investments	4,058		2,971		1,087	
Allowance for doubtful accounts	(39)		(1,773)		1,734	
Total investments and other assets		110,087		86,229	23,858	
Total fixed assets		127,877	29.5	106,333	25.1	21,544
Total assets		433,530	100	423,430	100	10,099

Item	2006 (As of March 31)		2005 (As of March 31)		Change	
	Millions of yen	%	Millions of yen	%	Millions of yen	
Liabilities and Shareholders' Equity						
Current liabilities:						
Trade notes payable	16,143		37,643			(21,499)
Trade accounts payable	81,288		74,775			6,513
Short-term borrowings	13,692		16,856			(3,163)
Accrued expenses	3,454		3,313			141
Accrued income taxes	240		380			(139)
Advances received on uncompleted contracts	88,441		95,412			(6,970)
Deposit payable	12,860		13,177			(317)
Allowance for repairs	236		221			14
Allowance for warranty work on construction projects	626		377			248
Allowance for construction loss	1,944		-			1,944
Others	4,951		2,358			2,593
Total current liabilities	223,880	51.6	244,516	57.7		(20,635)
Long-term liabilities:						
Long-term debt	566		573			(6)
Deferred income taxes	19,316		7,114			12,202
Accrued severance indemnities	7,874		8,377			(503)
Others	14		14			0
Total long-term liabilities	27,772	6.4	16,079	3.8		11,692
Total liabilities	251,652	58.0	260,596	61.5		(8,943)
Shareholders' equity:						
Common stock	19,838	4.6	19,838	4.7		0
Capital reserve						
Additional paid-in capital	25,322		25,322			0
Other capital reserve						
Gain on sales of treasury stock	4		2			1
Total capital reserve	25,326	5.8	25,324	6.0		1
Retained earnings						
Earned reserve	4,959		4,959			0
Voluntary reserve						
Extraordinary depreciation reserve	112		52			59
Reserve for accelerated depreciation	3,076		3,139			(62)
Special appropriation to the reserve for accelerated depreciation	178		-			178
Specific reserve for employees' retirement benefits	-		1			(1)
Reserve for various purposes	98,700		97,000			1,700
Unappropriated retained earnings for the year						
Total retained earnings	111,220	25.7	108,992	25.7		2,227
Net unrealized gains on securities	36,314	8.4	18,035	4.3		18,279
Treasury stock	(10,823)	(2.5)	(9,357)	(2.2)		(1,466)
Total shareholders' equity	181,877	42.0	162,834	38.5		19,043
Total liabilities and shareholders' equity	433,530	100	423,430	100		10,099

Non-consolidated Statements of Income

Item	2006 (For the year ended March 31)		2005 (For the year ended March 31)		Change		
	Millions of yen	%	Millions of yen	%	Millions of yen		
Net sales:							
Completed construction	261,043		222,135		38,908		
Real estate and other	5,793	266,836	3,408	225,543	2,384	41,292	
Cost of sales:							
Completed construction	236,992		196,981		40,011		
Real estate and other	3,535	240,527	1,935	198,916	1,600	41,611	
Gross profit							
Completed construction	24,050		25,153		(1,102)		
Real estate and other	2,257	26,308	1,473	26,626	784	(318)	
Selling, general and administrative expenses:							
Directors' remuneration	335		321		14		
Employee salary	11,910		12,078		(167)		
Retirement benefits	989		1,290		(301)		
Statutory welfare	1,421		1,439		(18)		
Fringe benefit	360		214		146		
Repair and maintenance	395		260		135		
Office supplies	362		351		10		
Communication and transportation	1,149		1,185		(35)		
Utilities	144		146		(1)		
Research	1,076		878		198		
Adverting	225		144		81		
Reversal of allowance for doubtful accounts	397		858		(461)		
Entertainment	425		463		(37)		
Donation	56		55		1		
Rent	302		321		(18)		
Depreciation	287		265		22		
Tax and dues	663		654		8		
Insurance	27		29		(1)		
Miscellaneous expenses	1,824	22,356	1,860	22,820	(36)	(464)	
Operating income		3,952		3,806		146	

Item	2006 (For the year ended March 31)			2005 (For the year ended March 31)			Change	
	Millions of yen		%	Millions of yen		%	Millions of yen	
Other income:								
Interest income	179			82			97	
Interest on marketable securities	135			59			75	
Dividend income	1,358			991			367	
Others	287	1,960	0.7	262	1,396	0.6	24	564
Other expenses:								
Interest expenses	298			309			(11)	
Others	52	351	0.1	128	438	0.2	(76)	(87)
Ordinary income		5,562	2.1		4,763	2.1		798
Extraordinary gains:								
Prior-year adjustment	260			320			(59)	
Gain on sales of property and equipment	1,350			2,134			(783)	
Gain on sales of investments in securities	140			1,440			(1,299)	
Gain on redemption of investments in securities	825	2,576	1.0	-	3,894	1.7	825	(1,318)
Extraordinary losses:								
Prior-year adjustment	199			84			115	
Loss on sales of property and equipment	2			1			1	
Loss on disposal of property and equipment	73			30			42	
Devaluation of investments in securities	12			22			(9)	
Loss on deduction of carrying amounts of property and equipment	411	700	0.3	1,330	1,469	0.6	(918)	(769)
Income before income taxes		7,438	2.8		7,189	3.2		249
Current income taxes	216			180			36	
Deferred income taxes	3,112	3,328	1.3	3,248	3,428	1.5	(135)	(99)
Net income		4,109	1.5		3,761	1.7		348
Unappropriated retained earnings brought forward		83			78			5
Unappropriated retaining earnings at year-end		4,193			3,839			353

Breakdown of Orders (Nonconsolidated) for the Years Ended March 31, 2006 and 2005

(Millions of yen)

Item		2006			2005			Change	% change		
Construction orders awarded			%	%		%	%		%		
		Public sector	56,963	67.6	34.5	59,418	69.8	34.7	(2,454)	(4.1)	
Private sector	27,257	32.4	25,762	30.2		1,495	5.8				
Subtotal	84,220	100	85,180	100		(959)	(1.1)				
	Architectural construction	Public sector	18,078	11.3	65.5	17,456	10.9	65.3	622	3.6	
		Private sector	141,797	88.7		142,547	89.1		(749)	(0.5)	
		Subtotal	159,876	100		160,003	100		(127)	(0.1)	
	Total	Public sector	75,042	30.7	100	76,874	31.4	100	(1,832)	(2.4)	
		Private sector	169,054	69.3		168,309	68.6		745	0.4	
		Total	244,097	100		245,183	100		(1,086)	(0.4)	
Net sales	Projects completed	Civil engineering	Public sector	73,112	75.1	[37.3] 36.5	71,748	72.2	[44.7] 44.1	1,364	1.9
			Private sector	24,280	24.9		27,643	27.8		(3,362)	(12.2)
			Subtotal	97,393	100		99,392	100		(1,998)	(2.0)
		Architectural construction	Public sector	17,300	10.6	[62.7] 61.3	24,196	19.7	[55.3] 54.4	(6,895)	(28.5)
			Private sector	146,349	89.4		98,546	80.3		47,802	48.5
			Subtotal	163,649	100		122,742	100		40,906	33.3
		Subtotal	Public sector	90,413	34.6	[100] 97.8	95,944	43.2	[100] 98.5	(5,530)	(5.8)
			Private sector	170,629	65.4		126,190	56.8		44,439	35.2
			Subtotal	261,043	100		222,135	100		38,908	17.5
		Real estate and other		5,793	2.2		3,408	1.5		2,384	70.0
		Total		266,836	100		225,543	100		41,292	18.3
		Year-end backlog	Civil engineering	Public sector	132,843	70.0	48.9	148,993	73.4	50.2	(16,149)
Private sector	56,861			30.0	53,884	26.6		2,976	5.5		
Subtotal	189,705			100	202,877	100		(13,172)	(6.5)		
Architectural construction	Public sector		25,913	13.1	51.1	25,135	12.5	49.8	777	3.1	
	Private sector		171,950	86.9		176,501	87.5		(4,551)	(2.6)	
	Subtotal		197,863	100		201,637	100		(3,773)	(1.9)	
Total	Public sector		158,757	41.0	100	174,128	43.0	100	(15,371)	(8.8)	
	Private sector		228,811	59.0		230,386	57.0		(1,574)	(0.7)	
	Total		387,568	100		404,515	100		(16,946)	(4.2)	