Okumura Corporation

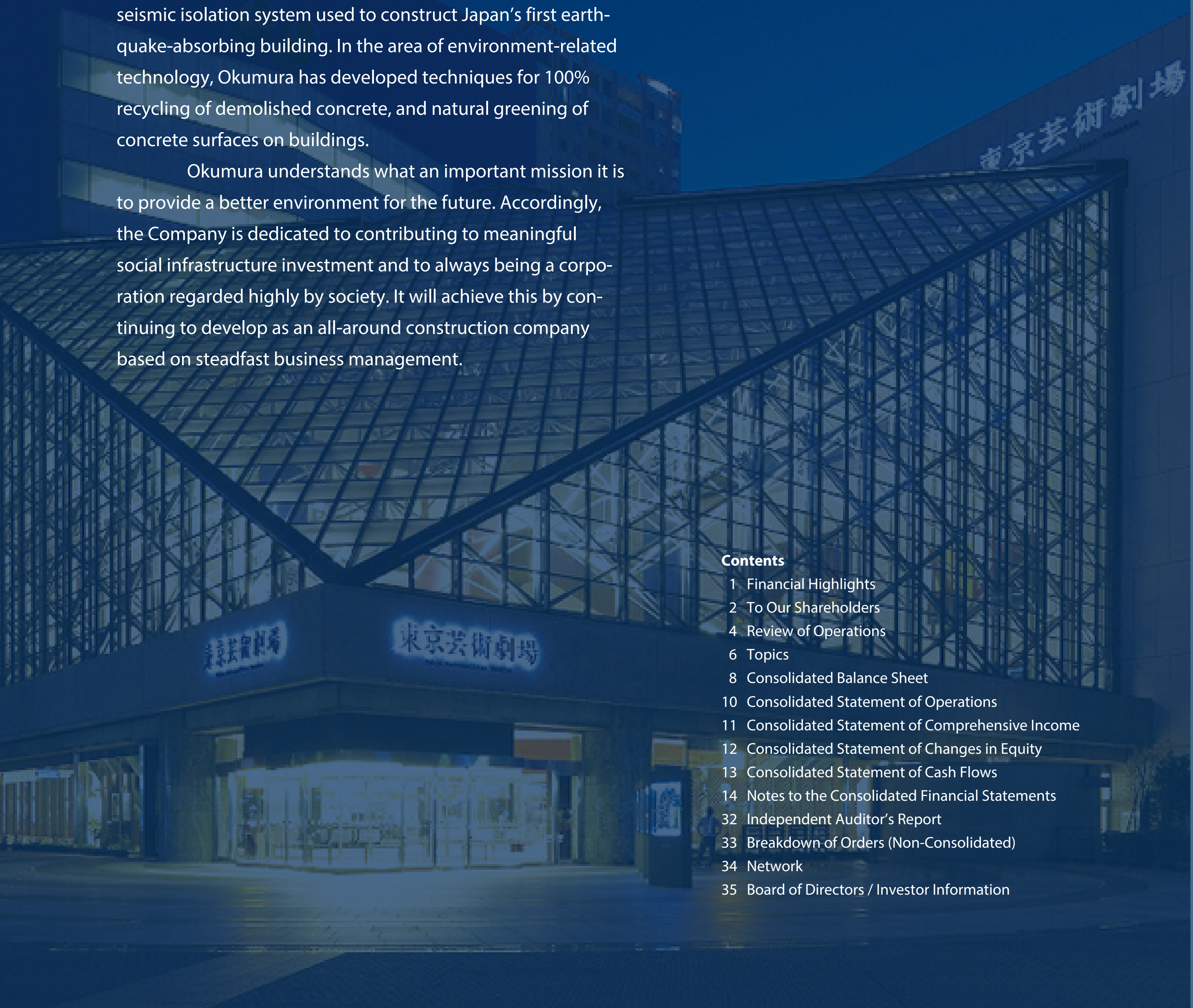
Annual Report 2013

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 construction projects for houses, public facilities, medical facilities, and office buildings. In the area of civil engineering are projects such as railways, roads, power station facilities, sewage and water works, and others. 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.



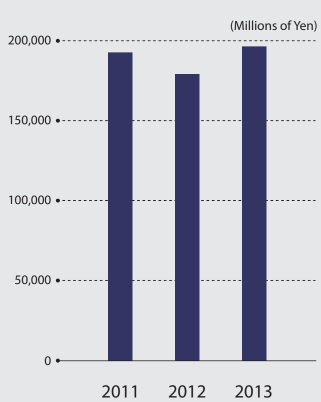
Contents

Financial Highlights

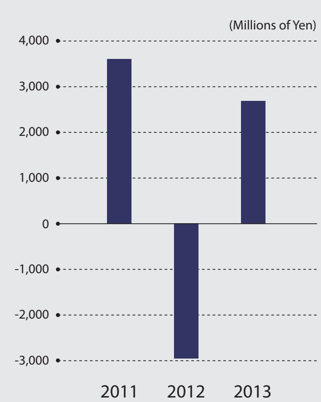
For the years ended March 31	2011	2012	**2013**	**2013**
Consolidated:		Millions of yen		Thousands of U.S. dollars
Net sales	¥192,617	¥179,285	**¥196,554**	**$2,091,225**
Operating income (loss)	3,380	(3,940)	**1,339**	**14,251**
Net income (loss)	3,605	(2,958)	**2,684**	**28,554**
Total assets	229,771	216,856	**234,034**	**2,489,986**
Total equity	114,387	111,714	**121,924**	**1,297,197**
Per Share:		Yen		U.S. dollars
Basic net income (loss)	¥18.04	¥(14.80)	**¥13.43**	**$0.14**
Cash dividends applicable to the year	9.00	9.00	**9.00**	**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 29, 2013, of ¥93.99=U.S.$1.

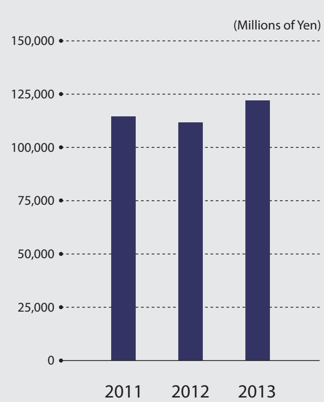
Net Sales



Net Income



Total Equity



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 2013 (April 1, 2012 to March 31, 2013) is provided in the following sections.

Fiscal 2013 Results

During the period under review, the Japanese economy, despite being affected by the global economic slowdown and other factors, began to show signs of recovery toward the end of the year. In the construction industry, while investments were generally on a recovery trajectory due to the full-scale implementation of restoration and reconstruction projects following the Great East Japan Earthquake, the operating environment remained harsh as revenues were adversely affected by the tight supply of skilled construction workers, among other factors.

In these circumstances, the Company's consolidated net sales rose 9.6% year on year to ¥196,554 million and consolidated gross profit increased 21.3% year on year to ¥14,840 million. In terms of operating income, thanks to the increase in consolidated gross profit and the decrease in selling, general and administrative expenses, the Company was able to report a profit of ¥1,339 million, as compared to the loss in the previous period, and a net income of ¥2,684 million, as a result of reporting a reversal of allowance for doubtful accounts and other factors.

Although the business climate surrounding the Company is harsh, the Company decided to pay a dividend of ¥9.00 per share for the period ended March 31, 2013 based on its basic policy regarding profit sharing.

Looking Ahead and Key Strategies

The Japanese economy is expected to head toward moderate recovery propped up by improvements in overseas economies and the effects of the government's economic measures. In the construction industry, public investments are expected to continue on an upward trend, while robust capital investments are also predicted in the private sector. However, given the industry's oversupply structure, and with no solution in sight for the shortage of skilled construction workers, the overall situation is expected to continue to remain unpredictable.

Under these circumstances, the Okumura Group formulated a new Three-Year Medium-Term Business Plan which starts from fiscal 2013. Building on the results, such as improved management efficiency, from the previous Five-Year Medium-Term Business Plan that had started in fiscal 2008, the new Plan aims at securing stable profits through reinforcement of the Company's customer-handling capabilities, technological strengths, and price-competitiveness, and strengthening the management base that ensures sustainable growth.

Specifically, in civil engineering operations, the Company will thoroughly enforce selective receipt of orders based on profitability and technological competitive advantages. In addition, the Company will implement measures including organized and enhanced approaches in dealing with comprehensive evaluation biddings and private sector projects, technological development that will enhance plan proposal capabilities, and further cost-cutting activities.

In building operations, the Company will implement measures including promotion of proposal-oriented marketing to potential needs of customers, refinement of proprietary technologies such as seismic isolation, super high-rise and environmental technologies, avoidance of cutthroat price competition through business cooperation from the upstream stage, focus on maintaining and utilizing construction stocks that are expected to increase in demand in the future, and improvement of quality through reinforcement of design and construction control systems.

In real estate operations, the Company intends to aggressively acquire properties for rent, which are expected to become 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 2013

Takanori Okumura

President and Representative Director

Review of Operations

Major Projects Completed

BUILDINGS

Lions Ichijo Residence Shonan C-X

Work period: April 2011 to January 2013
Structure: RC
Total floor space: 31,835 m^2

Senri Newtown Plaza

Work period: April 2010 to June 2012
Structure: RC and SRC (seismic isolation structure)
Total floor space: 10,721.88 m^2

Kansai No. 3 Plant of SANKO Co., Ltd.

Work period: February 2012 to January 2013
Structure: Steel
Total floor space: 41,000 m^2

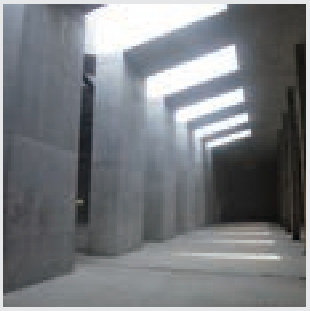
Tokyo Metropolitan Theater

Work period: February 2011 to June 2012
Renovation involving seismic reinforcement
Structure: SRC and Steel
Total floor space: 51,308.6 m^2

CIVIL ENGINEERING

Work in Taoyuan International Airport MRT System Construction Project (Contract CU02A)

Work period: May 2007 to October 2012
Construction length: 5,520 m
Tunnel length: 7,194 m (up and down tracks)
Shield machines: 8 units



Tajiri District Box Culvert Construction

Work period: February 2010 to March 2013
Box culvert length: 100 m (inside width: 22.5 m, height: 7.7 m)

Maizuru-Wakasa Expressway Tagami Tunnel Work

Work period: November 2009 to December 2012
Construction length: 1,932 m
Tunnel length: 1,269 m
2 bridges substructure (4 abutments, 2 piers)

Funagawa Dam Construction in Funagawa Comprehensive Development Project

Work period: December 2006 to September 2012
Concrete gravity dam
Dam height: 49.8 m
Dam crest length: 160.5 m
Dam crest width: 4 m
Volume of dam: 70,672 m^3
Total reservoir capacity: 600,000 m^3

Orders Received

BUILDINGS

Reconstruction of Suginami Incineration Plant

Work period: September 2012 to September 2017
Structure: Steel, RC and SRC
Total floor space: 30,501 m^2
Stoker-type incinerator: 2 units, 600 t/day

Yonago Medical Center

Work period: June 2012 to December 2014
Structure: SRC
Total floor space: 20,198.14 m^2

Awa City's New Government Building and Community Disaster-Prevention Facilities

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

Nitori Mall Sagamihara

Work period: October 2012 to July 2013
Structure: Steel
Total floor space: 52,162.35 m^2

CIVIL ENGINEERING

Decontamination and Other Work at Katsurao Village

Work period: March 2013 to March 2014
Radioactive decontamination work, creation of temporary storage space, etc.

Commissioned Work for Disaster Waste Crushing/Sorting, etc. in Yamada Region (Part 2)

Work period: March 2013 to March 2014
Crushing, sorting and removal of disaster waste

Construction of Water Purifying Facilities at Sueyama Water Purification Plant

Work period: December 2012 to March 2014
Construction of sedimentation basin, rapid filter basin, water pump house, etc.

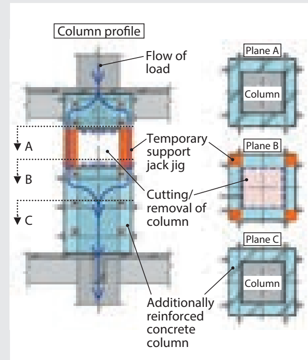
Takata West District Land Development for Reconstruction

Work period: September 2012 to March 2015
Development area: 93,120 m^2
Cut: 958,640 m^3
Embankment: 53,400 m^3
Removal of surplus soil: 833,120 m^3

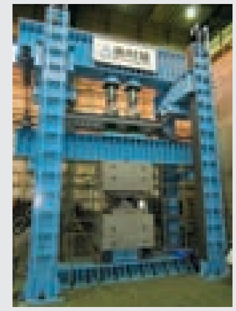
Topics

❶ Fluidity check

❶ Filling in a complicated cross-section (mounting area of emergency door in an evacuation connecting tunnel)



❷ Column profile and sectional diagrams to install seismic isolation device



❷ Installation status of seismic isolation device

❸ Inside the seminar hall

❸ Panel discussion

❶ Development and Practical Application of Medium-Fluidity Concrete (Fiber Reinforced Type)

To improve quality and durability of tunnel-lining concrete, we developed a medium-fluidity concrete (fiber reinforced type), and applied it to ongoing tunnel constructions after full-scale laboratory experimental constructions.

The medium-fluidity concrete achieves a higher degree of fluidity while maintaining the same material separation resistance as normal concrete, allowing easy and secure filling even in areas where filling concrete is difficult, such as areas where reinforcement bars have already been put in place and top areas, with small vibrations induced by formwork vibrators. Occurrence of cracks is decreased as well by mixing short fibers into the concrete, and we expect that this new technology will improve the quality and durability of tunnel-lining concrete, as well as saving construction labor.

❷ Upgrading Seismic Isolation Retrofitting Construction Method

We have abundant experience in the seismic isolation retrofitting construction method (a method which allows smooth seismic isolation refurbishment while the target building is in use). We have expanded its scope of applications and improved our cost competitiveness as well.

In this construction method, additionally reinforced concrete structural sections are employed on other parts of existing columns in order to temporarily support the load of upper floors when cutting parts of the existing columns on the floor where the seismic isolation device is installed. This method completely eliminates the use of reinforcements on lower floors, which used to be required for certain buildings according to their conditions. Thus, as the construction area is now limited to the floor where the seismic isolation device is to be installed, this method can not only be applied to a wider range of buildings in various conditions but can also contribute to shorter construction periods and lower costs.

❸ Hosting of a Technical Seminar

On December 7, 2012, Okumura hosted the 24th 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 "Disaster-Resistant National Land Planning and System Advancement: the Past and the Future." Professor Hitoshi Ieda of the Graduate School of the University of Tokyo delivered the keynote speech. In addition, a panel discussion was held on topics including the direction of advancement of future technologies and societies from the viewpoint of "social systems" such as people, institutions, and organizations based on our experiences in the Great East Japan Earthquake.

❺ External view (connecting corridor)

❺ Permanent collection exhibition room

❻ Removal of fish nets and broken pieces of boats

❻ Sorting of recovered objects

❹ Recipients of the Okumura Environmental Construction Technology Foundation Grant for the Fiscal Year Ended March 31, 2013 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 10, 2012 to select the recipients and determine the amount of the grant awarded for the fiscal year ended March 31, 2013. The foundation has ensured that all those chosen for the fiscal year have received the grant.
Research themes of the recipients are as follows:

- Development of concrete containers for storing radiation-contaminated earth and sand and evaluation of their durability
- Design of sidewalk cooling/heating systems using heat from fire-protection water tanks and development of their control methods
- Evaluation of structural performance of traditional wooden buildings repaired to prolong life
- Investigation for adaptive management of the rare species Cicindela lewisi in response to shoreline mitigation
- Evaluation of the impact of dry dams on the environment and basic investigation of Nishinotani Dam regarding evaluation of environment functions

❺ Mie Prefecture Kumano Kodo Center was Awarded the "Public Building Award (Cultural Facility Division)" by the Minister of Land, Infrastructure, Transport and Tourism

In the 13th "Public Building Award" hosted by Public Buildings Association, Mie Prefecture Kumano Kodo Center, completed in 2006, won an Award in the Cultural Facility Division and was awarded by the Minister of Land, Infrastructure, Transport and Tourism. The facilities of this Center were constructed by assembling 135-mm square lumber without using any adhesives. Our utilization of lumber resources and attempts to contribute to rejuvenation of forest resources were evaluated highly.

❻ Dispatching Freshman Employees to Assist Areas Stricken by the Great East Japan Earthquake

Forty nine employees newly-recruited this fiscal year were sent to Yamada-cho, Iwate Prefecture, for three days from October 24 to 26 to engage in support activities, including cleaning of the beach, as a part of their training. The Company has been involved with these support activities since 2011. While hoping that affected areas can be restored quickly, we strive to cultivate human resources who understand the significance of the social roles and social contribution of the construction industry so that they can make use of such knowledge for their future work and social lives.

The Company will continue to make a concerted effort to assist in the recovery and restoration of the areas affected by the earthquake.

Consolidated Balance Sheet

Okumura Corporation and Consolidated Subsidiaries
March 31, 2013

ASSETS	Millions of yen 2013	Millions of yen 2012	Thousands of U.S. dollars (Note 1) 2013
Current assets:			
Cash and cash equivalents (Note 12)	**¥ 28,344**	¥ 24,521	**$ 301,562**
Time deposits (Notes 12 and 14)	**105**	1,104	**1,115**
Marketable securities (Notes 3 and 12)	**—**	999	**—**
Receivables:			
Trade notes (Note 12)	**5,263**	2,592	**56,001**
Trade accounts (Notes 12 and 13)	**92,165**	82,525	**980,588**
Unconsolidated subsidiaries and associated companies (Note 12)	**815**	3,377	**8,670**
Other	**6,463**	6,264	**68,759**
Allowance for doubtful receivables	**(4,393)**	(4,461)	**(46,744)**
Inventories (Note 4)	**12,458**	27,516	**132,552**
Deferred tax assets (Note 9)	**44**	58	**464**
Prepaid expenses and other	**432**	684	**4,598**
Total current assets	**141,696**	145,179	**1,507,565**
Property, plant and equipment (Notes 5 and 6)**:**			
Land (Note 14)	**26,362**	19,767	**280,481**
Buildings and structures	**19,383**	18,093	**206,219**
Machinery and equipment	**2,831**	2,693	**30,121**
Furniture and fixtures	**2,089**	2,127	**22,230**
Lease assets (Note 11)	**126**	58	**1,336**
Construction in progress	**210**	82	**2,234**
Total	**51,001**	42,820	**542,621**
Accumulated depreciation	**(15,161)**	(14,586)	**(161,307)**
Net property, plant and equipment	**35,840**	28,234	**381,314**
Investments and other assets:			
Investment securities (Notes 3, 6, 12 and 14)	**55,396**	42,058	**589,385**
Investments in and advances to unconsolidated subsidiaries and associated companies (Notes 12 and 14)	**259**	1,104	**2,748**
Long-term loans receivable (Note 12)	**160**	246	**1,701**
Other assets	**3,591**	4,128	**38,207**
Allowance for doubtful receivables	**(2,908)**	(4,093)	**(30,934)**
Total investments and other assets	**56,498**	43,443	**601,107**
Total	**¥234,034**	¥216,856	**$2,489,986**

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of yen 2013	2012	Thousands of U.S. dollars (Note 1) 2013
Current liabilities:			
Short-term bank loans including current portion of long-term debt (Notes 6, 11 and 12)	**¥ 16,448**	¥ 11,176	**$ 174,997**
Payables:			
Trade notes (Note 12)	**5,415**	7,130	**57,612**
Trade accounts (Note 12)	**42,074**	39,267	**447,643**
Other	**182**	207	**1,940**
Advances received on construction projects in progress	**9,145**	17,830	**97,302**
Income taxes payable	**227**	185	**2,411**
Allowance for warranty work on construction projects	**510**	446	**5,422**
Allowance for losses on construction contracts	**1,856**	4,360	**19,749**
Other (Note 14)	**19,567**	14,484	**208,177**
Total current liabilities	**95,424**	95,085	**1,015,253**
Long-term liabilities:			
Long-term debt (Notes 6, 11, 12 and 13)	**4,202**	194	**44,706**
Liability for retirement benefits (Note 7)	**2,023**	3,289	**21,531**
Deferred tax liabilities (Note 9)	**10,334**	6,151	**109,945**
Negative goodwill	**—**	284	**—**
Other	**127**	139	**1,354**
Total long-term liabilities	**16,686**	10,057	**177,536**
Total liabilities	**112,110**	105,142	**1,192,789**
Commitments and contingent liabilities (Note 14)			
Equity (Notes 8, 15 and 16)**:**			
Common stock			
authorized, 480,376,000 shares; issued, 228,326,133 shares	**19,839**	19,839	**211,074**
Capital surplus	**25,327**	25,327	**269,457**
Retained earnings	**70,136**	69,250	**746,213**
Treasury stock—at cost			
28,609,201 shares in 2013 and 28,579,984 shares in 2012	**(12,366)**	(12,358)	**(131,562)**
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	**18,988**	9,656	**202,015**
Total	**18,988**	9,656	**202,015**
Total equity	**121,924**	111,714	**1,297,197**
Total	**¥234,034**	¥216,856	**$2,489,986**

Consolidated Statement of Operations

Okumura Corporation and Consolidated Subsidiaries
Year ended March 31, 2013

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	**2013**
Net sales	**¥196,554**	¥179,285	**$2,091,225**
Cost of sales	**181,714**	167,053	**1,933,333**
Gross profit	**14,840**	12,232	**157,892**
Selling, general and administrative expenses (Note 10)	**13,501**	16,172	**143,641**
Operating income (loss)	**1,339**	(3,940)	**14,251**
Other income (expenses):			
Interest and dividend income	**1,031**	952	**10,976**
Interest expense	**(180)**	(177)	**(1,914)**
Amortization of negative goodwill	**284**	284	**3,017**
Reversal of allowance for doubtful accounts	**522**	—	**5,550**
Loss on construction contracts	**(407)**	—	**(4,329)**
Other—net	**247**	(294)	**2,624**
Other income —net	**1,497**	765	**15,924**
Income (loss) before income taxes and minority interests	**2,836**	(3,175)	**30,175**
Income taxes (Note 9)**:**			
Current	**164**	138	**1,742**
Deferred	**(12)**	(355)	**(121)**
Total income taxes	**152**	(217)	**1,621**
Net income (loss) before minority interests	**2,684**	(2,958)	**28,554**
Net income (loss)	**¥ 2,684**	¥ (2,958)	**$ 28,554**

	Yen		U.S. dollars (Note 1)
Per share of common stock (Notes 2.o and 16)**:**			
Basic net income (loss)	**¥ 13.43**	¥ (14.80)	**$ 0.14**
Cash dividends applicable to the year	**9.00**	9.00	**0.10**

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Okumura Corporation and Consolidated Subsidiaries
Year ended March 31, 2013

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	**2013**
Net income (loss) before minority interests	**¥ 2,684**	¥(2,958)	**$ 28,554**
Other comprehensive income (Note 15)**:**			
Unrealized gain on available-for-sale securities	**9,332**	2,093	**99,283**
Total other comprehensive income	**9,332**	2,093	**99,283**
Comprehensive income (loss)	**¥12,016**	¥ (865)	**$127,837**
Total comprehensive income (loss) attributable to:			
Owners of the parent	**¥12,016**	¥ (865)	**$127,837**
Minority interests	**—**	—	**—**

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

Okumura Corporation and Consolidated Subsidiaries
Year ended March 31, 2013

	Thousands	Millions of yen					
						Accumulated other comprehensive income	
	Outstanding number of shares of common stock	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gain on available for-sale securities	Total equity
BALANCE, APRIL 1, 2011	199,777	¥19,839	¥25,327	¥74,006	¥(12,348)	¥ 7,563	¥114,387
Net loss	—	—	—	(2,958)	—	—	(2,958)
Cash dividends, ¥9 per share	—	—	—	(1,798)	—	—	(1,798)
Purchase of treasury stock	(31)	—	—	—	(10)	—	(10)
Disposal of treasury stock	0	—	(0)	—	0	—	0
Net change in the year	—	—	—	—	—	2,093	2,093
BALANCE, MARCH 31, 2012	199,746	19,839	25,327	69,250	(12,358)	9,656	111,714
Net income	**—**	**—**	**—**	**2,684**	**—**	**—**	**2,684**
Cash dividends, ¥9 per share	**—**	**—**	**—**	**(1,798)**	**—**	**—**	**(1,798)**
Purchase of treasury stock	**(29)**	**—**	**—**	**—**	**(9)**	**—**	**(9)**
Disposal of treasury stock	**0**	**—**	**(0)**	**—**	**1**	**—**	**1**
Net change in the year	**—**	**—**	**—**	**—**	**—**	**9,332**	**9,332**
BALANCE, MARCH 31, 2013	**199,717**	**¥19,839**	**¥25,327**	**¥70,136**	**¥(12,366)**	**¥18,988**	**¥121,924**

	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	Total equity
BALANCE, MARCH 31, 2012	$211,074	$269,462	$736,786	$(131,477)	$102,732	$1,188,577
Net income	**—**	**—**	**28,554**	**—**	**—**	**28,554**
Cash dividends, $0.10 per share	**—**	**—**	**(19,127)**	**—**	**—**	**(19,127)**
Purchase of treasury stock	**—**	**—**	**—**	**(100)**	**—**	**(100)**
Disposal of treasury stock	**—**	**(5)**	**—**	**15**	**—**	**10**
Net change in the year	**—**	**—**	**—**	**—**	**99,283**	**99,283**
BALANCE, MARCH 31, 2013	**$211,074**	**$269,457**	**$746,213**	**$(131,562)**	**$202,015**	**$1,297,197**

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Okumura Corporation and Consolidated Subsidiaries
Year ended March 31, 2013

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	**2013**
Cash flows from operating activities:			
Income (loss) before income taxes and minority interests	**¥ 2,836**	¥ (3,175)	**$ 30,175**
Adjustments for:			
Income taxes—paid	**(218)**	(132)	**(2,315)**
Depreciation and amortization	**810**	777	**8,620**
Amortization of negative goodwill	**(284)**	(284)	**(3,017)**
Provision for (reversal of) doubtful receivables	**(522)**	2,910	**(5,550)**
Loss on construction contracts	**407**	—	**4,329**
Changes in assets and liabilities:			
Increase in trade notes and accounts receivable	**(9,764)**	(5,860)	**(103,886)**
Decrease in accumulated costs of construction projects in progress	**12,744**	6,053	**135,585**
Decrease in other inventories	**2,456**	6,464	**26,130**
Increase in trade notes and accounts payable	**880**	1,541	**9,357**
Decrease in advances received on construction projects in progress	**(8,685)**	(8,098)	**(92,400)**
Decrease in liability for retirement benefits	**(1,265)**	(1,395)	**(13,461)**
Other—net	**3,378**	485	**35,937**
Total adjustments	**(63)**	2,461	**(671)**
Net cash provided by (used in) operating activities	**2,773**	(714)	**29,504**
Cash flows from investing activities:			
Net decrease (increase) in time deposits	**1,000**	(872)	**10,639**
Payments for purchases of securities	**(1,015)**	(11,662)	**(10,804)**
Proceeds from sales of securities	**2,006**	8,205	**21,343**
Purchases of property, plant and equipment	**(8,503)**	(3,200)	**(90,462)**
Proceeds from sales of property, plant and equipment	**5**	8	**57**
Investment in loans receivable	**(39)**	(311)	**(411)**
Collection of loans receivable	**126**	374	**1,335**
Other—net	**33**	(36)	**352**
Net cash used in investing activities	**(6,387)**	(7,494)	**(67,951)**
Cash flows from financing activities:			
Increase (decrease) in short-term bank loans—net	**5,241**	(127)	**55,758**
Proceeds from long-term debt	**4,000**	—	**42,558**
Repayments of long-term debt	**(26)**	(30)	**(273)**
Purchase of treasury stock	**(9)**	(10)	**(100)**
Disposal of treasury stock	**1**	0	**10**
Dividends paid	**(1,805)**	(1,798)	**(19,202)**
Other	**(23)**	(12)	**(244)**
Net cash provided by (used in) financing activities	**7,379**	(1,977)	**78,507**
Foreign currency translation adjustments on cash and cash equivalents	**58**	(15)	**618**
Net increase (decrease) in cash and cash equivalents	**3,823**	(10,200)	**40,678**
Cash and cash equivalents, beginning of year	**24,521**	34,721	**260,884**
Cash and cash equivalents, end of year	**¥ 28,344**	¥ 24,521	**$301,562**

See notes to consolidated financial statements.

1. Basis of Presenting 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 2012 consolidated financial statements to conform to the classifications used in 2013.

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 ¥93.99 to $1, the rate of exchange at March 31, 2013. 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, 2013 and 2012 include the accounts of the Company and its 2 significant subsidiaries (together, the "Group").

Under the control or influence concept, 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 8 (8 in 2012) unconsolidated subsidiaries and 1 (1 in 2012) associated company 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.

The differences between the cost of investments and the fair value of net assets of consolidated subsidiaries and associated companies at the date of acquisition are amortized on a straight-line basis over 5 years.

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 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 the positive intent and ability to hold to maturity are reported at amortized cost and
(2) available-for-sale securities, which are not classified as the 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 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.

Pursuant to the amendments to the Corporate Income Tax Act, the Group changed the depreciation method for property, plant and equipment acquired on or after April 1, 2012, to the depreciation method provided by the amended Corporate Income Tax Act. The effect of this change on net income is immaterial.

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 their employees.

Liability for employees' retirement benefits is recorded based on the estimated present value of projected benefit obligations and the fair value of the 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 differences are amortized subsequent to the year in which they arise on a straight-line basis over the period of 10 years which is within the employees' average remaining service years. Unrecognized prior service costs have been amortized on straight-line over the period of 10 years which is within the employees' average remaining service years.

k. Asset Retirement Obligations — In March 2008, the Accounting Standards Board of Japan (the "ASBJ") published 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 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, 2013 and 2012, were ¥161,602 million ($1,719,350 thousand) and ¥139,853 million, respectively.

m. Income Taxes — The provision for income taxes is computed based on the pretax income included in the consolidated statements of operations. 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 tax laws 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. Foreign exchange forward contracts and 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.

Trade receivables denominated in foreign currencies, for which foreign currency forward contracts are used to hedge the foreign currency fluctuations, are translated at the contracted rate, if the forward contracts qualify for hedge accounting.

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 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 (loss) 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 dilutive effect upon exercise or conversion into common stock.

Cash dividends per share presented in the accompanying consolidated statement of operations are dividends applicable to the respective 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 Presentations:

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.

q. New Accounting Pronouncements

Accounting Standard for Retirement Benefits — On May 17, 2012, the 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 effective date of April 1, 2000, and the other related practical guidance, and followed by partial amendments from time to time through 2009.

Major changes are as follows:

(a) Treatment in the consolidated balance sheet

Under the current requirements, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are not recognized in the balance sheet, and the difference between retirement benefit obligations and plan assets (hereinafter, "deficit or surplus"), adjusted by such unrecognized amounts, are recognized as a liability or asset.

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

(b) Treatment in the consolidated statement of operations and the consolidated statement of comprehensive income

The revised accounting standard does not change how to recognize actuarial gains and losses and past service costs in profit or loss. Those amounts would be recognized in profit or loss over a certain period no longer than the expected average remaining working lives 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 shall be 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 shall be treated as reclassification adjustments.

(c) Amendments relating to the method of attributing expected benefit to periods and relating to the discount rate and expected future salary increases

The revised accounting standard also made certain amendments relating to the method of attributing expected benefit to periods and relating to 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, both 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 Group expects to apply the revised accounting standard for (a) and (b) above from the end of the annual period beginning on April 1, 2013, and for (c) above from the beginning of the annual period beginning on April 1, 2014, and is in the process of measuring the effects of applying the revised accounting standard in future applicable periods.

3. Marketable and Investment Securities

Marketable and investment securities as of March 31, 2013 and 2012, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Current:			
Short-term bonds payable	**¥ —**	¥ 999	**$ —**
Non-current:			
Marketable equity securities	**¥53,186**	¥39,699	**$565,876**
Government and corporate bonds	**116**	113	**1,232**
Trust fund investments and other	**2,094**	2,246	**22,277**
Total	**¥55,396**	¥42,058	**$589,385**

The costs and aggregate fair values of marketable and investment securities at March 31, 2013 and 2012, were as follows:

	Millions of yen			
March 31, 2013	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥25,595	¥27,803	¥212	¥53,186
Debt securities	1,000	—	189	811
Held-to-maturity:				
Debt securities	116	5	—	121
March 31, 2012				
Securities classified as:				
Available-for-sale:				
Equity securities	¥25,596	¥14,653	¥550	¥39,699
Debt securities	1,000	—	241	759
Held-to-maturity:				
Debt securities	1,112	0	0	1,112

	Thousands of U.S. dollars			
March 31, 2013	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	$272,320	$295,804	$2,248	$565,876
Debt securities	10,639	—	2,015	8,624
Held-to-maturity:				
Debt securities	1,232	52	—	1,284

The information for available-for-sale securities which were sold during the years ended March 31, 2013 and 2012, is as follows:

	Millions of yen		
March 31, 2013	Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	¥2	¥2	¥—

	Millions of yen		
March 31, 2012	Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	¥3	¥0	¥—

	Thousands of U.S. dollars		
March 31, 2013	Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	$21	$21	$—

The impairment losses on available-for-sale equity securities for the years ended March 31, 2013 and 2012, were ¥220 million ($2,338 thousand) and ¥112 million, respectively.

4. Inventories

Inventories at March 31, 2013 and 2012, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Construction projects in progress	**¥ 8,485**	¥21,228	**$ 90,272**
Real estate held for sale	**679**	2,058	**7,221**
Development projects in progress	**2,785**	3,087	**29,637**
Other	**509**	1,143	**5,422**
Total	**¥12,458**	¥27,516	**$132,552**

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 office 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 ¥2,627 million ($27,954 thousand) and ¥2,277 million for the fiscal years ended March 31, 2013 and 2012, 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, 2012	Increase/ Decrease	March 31, 2013	March 31, 2013
Rental properties	¥19,195	¥7,808	¥27,003	¥42,095
Rental properties in part	1,431	(238)	1,193	7,738
Total	¥20,626	¥7,570	¥28,196	¥49,833

Millions of yen

	Carrying Amount			Fair Value
	April 1, 2011	Increase/ Decrease	March 31, 2012	March 31, 2012
Rental properties	¥16,587	¥2,608	¥19,195	¥36,436
Rental properties in part	1,482	(51)	1,431	9,366
Total	¥18,069	¥2,557	¥20,626	¥45,802

Thousands of U.S. dollars

	Carrying Amount			Fair Value
	April 1, 2012	Increase/ Decrease	March 31, 2013	March 31, 2013
Rental properties	$204,222	$83,078	$287,300	$447,868
Rental properties in part	15,226	(2,532)	(12,694)	82,322
Total	$219,448	$80,546	$299,994	$530,190

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 year ended March 31, 2013, an increase was recorded mainly in acquisition of real estate at ¥8,120 million ($86,394 thousand) and decrease in depreciation at ¥269 million ($2,857 thousand).

(3) Fair value of properties as of March 31, 2012, is measured by the Group in accordance with its Real-Estate Appraisal Standard (including those measured using indicators). Fair value of properties as of March 31, 2013, is measured in accordance with real-estate appraisal by real-estate appraisers for primary properties, and amount measured by the Group 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, 2013 and 2012, consisted of notes to banks and bank overdrafts. The annual interest rate applicable to the short-term bank loans ranged from 1.050% to 1.475% and 1.475% at March 31, 2013 and 2012, respectively.

Long-term debt at March 31, 2013 and 2012, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Loans from banks and other financial institutions, due serially to 2031 with interest rates ranging from 0.67% to 5.60%			
Collateralized	**¥2,023**	¥ 30	**$21,519**
Unsecured	**2,122**	140	**22,576**
Obligations under finance leases	**105**	56	**1,121**
Total	**4,250**	226	**45,216**
Less current portion	**(48)**	(32)	**(510)**
Long-term debt, less current portion	**¥4,202**	¥194	**$44,706**

Annual maturities of long-term debt, excluding finance leases (see Note 11), at March 31, 2013, were as follows:

Year Ending March 31	Millions of yen	Thousands of U.S. dollars
2014	¥ 17	$ 175
2015	14	152
2016	14	152
2017	14	149
2018	4,013	42,690
2019 and thereafter	73	777
Total	¥4,145	$44,095

The carrying amount of assets pledged as collateral for the above collateralized long-term debt at March 31, 2013, was as follows:

	Millions of yen	Thousands of U.S. dollars
Property, plant and equipment—net of accumulated depreciation	¥ 126	$ 1,342
Investment securities	2,391	25,434
Total	¥2,517	$26,776

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 lump-sum retirement benefit plans and a cash balance plan (pension plan linked to the market interest rates) based on the Defined Benefit Corporate Pension Law.

The liability for employees' retirement benefits at March 31, 2013 and 2012, consisted of the following:

	Millions of yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Projected benefit obligation	**¥25,271**	¥27,336	**$268,875**
Fair value of plan assets	**(23,830)**	(23,914)	**(253,535)**
Unrecognized actuarial differences	**366**	(425)	**3,893**
Unrecognized transitional obligation	**110**	165	**1,171**
Unrecognized prior service cost	**106**	127	**1,127**
Net liability	**¥ 2,023**	¥ 3,289	**$ 21,531**

The components of net periodic benefit costs for the years ended March 2013 and 2012, are as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Service cost	**¥922**	¥963	**$9,812**
Interest cost	**547**	583	**5,814**
Expected return on plan assets	**(335)**	(373)	**(3,562)**
Recognized actuarial differences	**(401)**	(488)	**(4,267)**
Amortization of transitional obligation	**(55)**	(55)	**(585)**
Amortization of prior service cost	**(21)**	(21)	**(225)**
Net periodic benefit costs	**¥657**	¥609	**$6,987**

Assumptions used for the years ended March 31, 2013 and 2012, are set forth as follows:

	2013	2012
Discount rate	**2.0%**	2.0%
Expected rate of return on plan assets	**1.4%**	1.5%
Amortization period of prior service cost	**10 years**	10 years
Recognition period of actuarial differences	**10 years**	10 years
Amortization period of transitional obligation	**15 years**	15 years

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 such as (1) having the Board of Directors, (2) having independent auditors, (3) having an Audit & Supervisory Board, and (4) the term of service of the directors is prescribed as one year rather than two years of normal 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 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 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 are subject to Japanese national and local income taxes which, in the aggregate, resulted in normal effective statutory tax rates of approximately 38.0% for the year ended March 31, 2013, and 40.6% for the year ended March 31, 2012.

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2013 and 2012, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Deferred tax assets:			
Tax loss carryforwards	**¥ 12,886**	¥11,923	**$ 137,104**
Impairment losses on securities	**2,644**	2,570	**28,130**
Allowance for doubtful accounts	**2,334**	2,925	**24,828**
Write-down of inventories	**1,786**	2,271	**18,999**
Liability for retirement benefits	**720**	1,171	**7,665**
Allowance for bonuses	**717**	278	**7,626**
Allowance for losses on construction contracts	**703**	1,656	**7,478**
Accrued expenses	**558**	485	**5,931**
Write-off of bad debt	**66**	72	**704**
Other	**334**	340	**3,554**
Less valuation allowances	**(22,704)**	(23,633)	**(241,555)**
Total	**44**	58	**464**
Deferred tax liabilities:			
Net unrealized gains on available-for-sale securities	**(8,400)**	(4,191)	**(89,371)**
Retained earnings appropriated for special allowance	**(1,934)**	(1,960)	**(20,574)**
Total	**(10,334)**	(6,151)	**(109,945)**
Net deferred tax liabilities	**¥(10,290)**	¥ (6,093)	**$(109,481)**

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statement of operations for the year ended March 31, 2013, was as follows (2012 was omitted because of the net loss for the period):

	2013
Normal effective statutory tax rate	38.0%
Expenses not deductible for income tax purposes	3.4
Non-taxable income	(6.7)
Inhabitant tax per capita	5.1
Valuation allowance	(31.4)
Other—net	(3.0)
Actual effective tax rate	5.4%

On December 2, 2011, new tax reform laws were enacted in Japan, which changed the normal effective statutory tax rate from approximately 40.6% to 38.0% effective for the fiscal years beginning on or after April 1, 2012 through March 31, 2015, and to 35.6% afterwards.

10. Research and Development Costs

Research and development costs charged to income were ¥690 million ($7,339 thousand) and ¥614 million for the years ended March 31, 2013 and 2012, 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, 2013 and 2012, were ¥18 million ($193 thousand) and ¥20 million, respectively.

Obligations under finance leases were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Due within one year	**¥ 31**	¥16	**$ 335**
Due after one year	**74**	40	**786**
Total	**¥105**	¥56	**$1,121**

(2) Operating leases

Future minimum lease receivables or payments under noncancelable operating leases at March 31, 2013 and 2012, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
As a lessor:			
Due within one year	**¥ 1,729**	¥ 1,889	**$ 18,397**
Due after one year	**17,056**	18,828	**181,470**
Total	**¥18,785**	¥20,717	**$199,867**
As a lessee:			
Due within one year	**¥ 31**	¥ 26	**$ 331**
Due after one year	**59**	69	**623**
Total	**¥ 90**	¥ 95	**$ 954**

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 grasping the 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.

Monetary assets (trade receivables) denominated in foreign currencies are exposed to the fluctuations in foreign exchange rates and long-term debt denominated in foreign currencies is exposed to the fluctuations in the market interest rates and foreign exchange rates. The Group utilizes derivative instruments (foreign exchange forward contracts and currency and interest rate swaps contracts) as hedging instruments to manage these market risks. Hedge accounting method is described in Note 2 n.

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, 2013	Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents and time deposits	¥ 28,449	¥ 28,449	¥ —
Receivables—trade notes and accounts	98,240		
Allowance for doubtful receivables	(4,034)		
Net	94,206	94,195	(11)
Investment securities	54,113	54,118	5
Long-term loans receivable	75		
Allowance for doubtful long-term loans receivable	(1)		
Net	74	76	2
Total	¥176,842	¥176,838	¥ (4)
Short-term bank loans	¥ 16,400	¥ 16,400	¥ —
Long-term bank loans	4,000	4,010	10
Payables—trade notes and accounts	47,489	47,489	—
Long-term debt—lease obligation including current portion	106	101	(5)
Total	¥ 67,995	¥ 68,000	¥ 5
Derivatives	¥ —	¥ —	¥ —

			Millions of yen
March 31, 2012	Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents and time deposits	¥ 25,625	¥ 25,625	¥ —
Marketable securities	999	999	0
Receivables—trade notes and accounts	88,492		
Allowance for doubtful receivables	(1,938)		
Net	86,554	86,524	(30)
Investment securities	40,570	40,570	(0)
Long-term loans receivable	878		
Allowance for doubtful long-term loans receivable	(742)		
Net	136	136	0
Total	¥153,884	¥153,854	¥(30)
Short-term bank loans	¥ 11,145	¥ 11,145	¥ —
Payables—trade notes and accounts	46,397	46,397	—
Long-term debt—lease obligation including current portion	56	54	(2)
Total	¥ 57,598	¥ 57,596	¥ (2)

March 31, 2013	Thousands of U.S. dollars Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents and time deposits	$ 302,677	$ 302,677	$ —
Receivables—trade notes and accounts	1,045,221		
Allowance for doubtful receivables	(42,927)		
Net	1,002,294	1,002,180	(114)
Investment securities	575,732	575,784	52
Long-term loans receivable	802		
Allowance for doubtful long-term loans receivable	(6)		
Net	796	815	19
Total	$1,881,499	$1,881,456	$(43)
Short-term bank loans	$ 174,487	$ 174,487	$ —
Long-term bank loans	42,557	42,665	108
Payables—trade notes and accounts	505,255	505,255	—
Long-term debt—lease obligation including current portion	1,121	1,070	(51)
Total	$ 723,420	$ 723,477	$ 57
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 the equity instruments and at the quoted price obtained from the financial institution for certain debt instruments. The information of the fair value for the marketable securities and the 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, discounted at the Group's assumed corporate discount rate, such as the rate of national bonds to the 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 does not change 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 **2013**	 2012	 Thousands of U.S. dollars **2013**
Investments in equity instruments that do not have a quoted market price in an active market	**¥1,479**	¥1,787	**$15,732**

(5) Maturity Analysis for Financial Assets and Securities with Contractual Maturities

	Millions of yen			
March 31, 2013	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Cash and cash equivalents and time deposits	¥ 28,449	¥ —	¥ —	¥ —
Receivables—trade notes and accounts	92,213	6,027	—	—
Investment securities				
Available-for-sale securities with contractual maturities	—	2	124	1,000
Long-term loans receivable	—	21	13	41
Total	¥120,662	¥6,050	¥137	¥1,041

	Thousands of U.S. dollars			
March 31, 2013	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Cash and cash equivalents and time deposits	$ 302,677	$ —	$ —	$ —
Receivables—trade notes and accounts	981,094	64,127	—	—
Investment securities				
Available-for-sale securities with contractual maturities	—	21	1,320	10,639
Long-term loans receivable	—	229	137	436
Total	$1,283,771	$64,377	$1,457	$11,075

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, 2013 and 2012.

Derivative transactions to which hedge accounting is applied:
There were no derivative transactions to which hedge accounting is applied at March 31, 2012.

				Millions of yen
March 31, 2013	Hedged item	Contract amount	Contract amount due after one year	Fair value
Foreign currency forward contracts: Selling U.S. dollars	Receivables—trade notes and accounts	¥ 384	¥ —	Note 1
Currency and interest rate swaps Floating-rate receipt, fixed-rate payment Receipt in U.S. dollars, payment in yen	Long-term debt	¥2,000	¥2,000	Note 2

				Thousands of U.S. dollars
March 31, 2013	Hedged item	Contract amount	Contract amount due after one year	Fair value
Foreign currency forward contracts: Selling U.S. dollars	Receivables—trade notes and accounts	$ 4,090	¥ —	Note 1
Currency and interest rate swaps Floating-rate receipt, fixed-rate payment Receipt in U.S. dollars, payment in yen	Long-term debt	$21,279	$21,279	Note 2

Notes:

1. With respect to foreign currency forward contracts which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value. The fair value of such foreign currency forward contracts is included in those of the hedged items (i.e., receivables-trade notes and accounts) in Note 12.
2. With respect to 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

Investments in securities in the amounts of ¥114 million ($1,211 thousand), ¥74 million ($789 thousand), and ¥1 million ($11 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, 2013, and time deposit in the amount of ¥5 million ($51 thousand) is pledged for lease arrangements of construction materials at March 31, 2013. Land in the amount of ¥21 million ($221 thousand) is pledged for the deposit received from lessee related to the fixed-term land leasehold at March 31, 2013.

15. Comprehensive Income

The components of other comprehensive income for the years ended March 31, 2013 and 2012, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Unrealized gain on available-for-sale securities			
Gains arising during the year	**¥13,525**	¥2,186	**$143,902**
Reclassification adjustments to profit or loss	**16**	112	**163**
Amount before tax effect	**13,541**	2,298	**144,065**
Income tax effect	**(4,209)**	(205)	**(44,782)**
Total	**¥ 9,332**	¥2,093	**$ 99,283**
Total other comprehensive income	**¥ 9,332**	¥2,093	**$ 99,283**

16. Subsequent Event

Appropriation of Retained Earnings

The following appropriation of retained earnings at March 31, 2013, was approved at the Company's shareholders' meeting held on June 27, 2013.

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividends, ¥9 ($0.10) per share	¥1,797	$19,124

17. Segment Information

1. Description of Reportable Segments

   The Group's reportable segments are those for which separately 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 to 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

	2013							
	Reportable segment							
	Civil engineering	Architectural construction	Real estate	Total	Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
Sales								
Sales to external customers	¥72,927	¥111,841	¥7,132	¥191,900	¥4,654	¥196,554	¥ —	¥196,554
Intersegment sales or transfers	—	191	18	209	780	989	(989)	—
Total	72,927	112,032	7,150	192,109	5,434	197,543	(989)	196,554
Segment profit (loss)	599	(3,039)	3,696	1,256	47	1,303	36	1,339
Other:								
Depreciation	¥ 206	¥ 262	¥ 344	¥ 812	¥ 5	¥ 817	¥ (7)	¥ 810

Millions of yen

	2012							
	Reportable segment							
	Civil engineering	Architectural construction	Real estate	Total	Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
Sales								
Sales to external customers	¥58,814	¥105,051	¥10,568	¥174,433	¥4,852	¥179,285	¥ —	¥179,285
Intersegment sales or transfers	—	—	26	26	362	388	(388)	—
Total	58,814	105,051	10,594	174,459	5,214	179,673	(388)	179,285
Segment profit (loss)	(1,187)	(4,584)	2,096	(3,675)	(304)	(3,979)	39	(3,940)
Other:								
Depreciation	¥ 176	¥ 270	¥ 294	¥ 740	¥ 45	¥ 785	¥ (7)	¥ 778

Thousands of U.S. dollars

	2013							
	Reportable segment							
	Civil engineering	Architectural construction	Real estate	Total	Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
Sales								
Sales to external customers	$775,906	$1,189,928	$75,875	$2,041,709	$49,516	$2,091,225	$ —	$2,091,225
Intersegment sales or transfers	—	2,026	196	2,222	8,297	10,519	(10,519)	—
Total	775,906	1,191,954	76,071	2,043,931	57,813	2,101,744	(10,519)	2,091,225
Segment profit (loss)	6,379	(32,335)	39,321	13,365	496	13,861	390	14,251
Other:								
Depreciation	$ 2,196	$ 2,785	$ 3,662	$ 8,643	$ 52	$ 8,695	$ (75)	$ 8,620

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 machineries and materials.
2. Reconciliations to segment profit (loss) in the amount of ¥36 million ($390 thousand) and ¥39 million for the years ended March 31, 2013 and 2012, 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 operations.

4. Information concerning amortization of goodwill and unamortized balance of goodwill by reportable segment
   The Group records negative goodwill not allocated to any reportable segment. Amortization of negative goodwill was ¥284 million ($3,017 thousand) and ¥284 million for the years ended March 2013 and 2012, respectively, and unamortized balance at the year-end was ¥0 million ($0 thousand) and ¥284 million at March 31, 2013 and 2012, respectively. The negative goodwill was incurred when the Company acquired additional shares in Okumura Machinery Corporation.

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, 2013, and the related consolidated statements of operations, 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, 2013, 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 27, 2013

Member of
Deloitte Touche Tohmatsu Limited

Breakdown of Orders (Non-Consolidated)

Okumura Corporation
Year ended March 31, 2013

Construction Orders Awarded

	2013 Millions of yen	2013 Composition ratio	2012 Millions of yen	2012 Composition ratio	2013 Thousands of U.S. dollars
Civil engineering:					
Domestic:					
Public sector	**¥ 61,044**		¥ 29,943		**$ 649,467**
Private sector	**7,397**		14,970		**78,703**
Overseas	**634**		3,748		**6,744**
Subtotal	**69,075**	**39.7%**	48,661	34.7%	**734,914**
Architectural construction:					
Domestic:					
Public sector	**40,457**		18,564		**430,436**
Private sector	**62,749**		72,814		**667,621**
Overseas	**1,741**		—		**18,522**
Subtotal	**104,947**	**60.3**	91,378	65.3	**1,116,579**
Total:					
Domestic:					
Public sector	**101,501**		48,507		**1,079,903**
Private sector	**70,146**		87,784		**746,324**
Overseas	**2,375**		3,748		**25,266**
Total	**¥174,022**	**100 %**	¥140,039	100 %	**$1,851,493**

Net Sales

	2013 Millions of yen	2013 Composition ratio	2012 Millions of yen	2012 Composition ratio	2013 Thousands of U.S. dollars
Projects completed:					
Civil engineering:					
Domestic:					
Public sector	**¥ 54,276**		¥ 39,818		**$ 577,473**
Private sector	**15,534**		16,484		**165,272**
Overseas	**3,117**		2,512		**33,161**
Subtotal	**72,927**	**37.8%**	58,814	34.6%	**775,906**
Architectural construction:					
Domestic:					
Public sector	**19,788**		15,567		**210,536**
Private sector	**91,905**		89,484		**977,809**
Overseas	**339**		—		**3,609**
Subtotal	**112,032**	**58.1**	105,051	61.8	**1,191,954**
Subtotal:					
Domestic:					
Public sector	**74,064**		55,385		**788,009**
Private sector	**107,439**		105,968		**1,143,081**
Overseas	**3,456**		2,512		**36,770**
Subtotal	**184,959**	**95.9**	163,865	96.4	**1,967,860**
Real estate and other	**7,982**	**4.1**	6,169	3.6	**84,924**
Total	**¥192,941**	**100 %**	¥170,034	100 %	**$2,052,784**

Year-end Backlog

	2013 Millions of yen	2013 Composition ratio	2012 Millions of yen	2012 Composition ratio	2013 Thousands of U.S. dollars
Civil engineering:					
Domestic:					
Public sector	**¥ 56,766**		¥ 50,000		**$ 603,961**
Private sector	**13,283**		21,419		**141,321**
Overseas	**3,345**		5,828		**35,593**
Subtotal	**73,394**	**39.5%**	77,247	39.3%	**780,875**
Architectural construction:					
Domestic:					
Public sector	**50,874**		30,205		**541,268**
Private sector	**60,031**		89,187		**638,703**
Overseas	**1,402**		—		**14,913**
Subtotal	**112,307**	**60.5**	119,392	60.7	**1,194,884**
Total:					
Domestic:					
Public sector	**107,640**		80,205		**1,145,229**
Private sector	**73,314**		110,606		**780,024**
Overseas	**4,747**		5,828		**50,506**
Total	**¥185,701**	**100 %**	¥196,639	100 %	**$1,975,759**

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(As of June 27, 2013)

Directors and Auditors

President & Representative Director
Takanori Okumura

Representative Director
Takaiku Hirako

Directors
Toshio Yamaguchi
Kozo Aoki
Makoto Tsuchiya
Kazuo Takami
Seiichi Fujioka
Toshio Kobayashi
Yuichi Mizuno
Kiyoshi Saito

Standing Statutory Auditors
Yuji Takemura
Koichi Yamauchi

Auditors
Yoshio Takahashi
Yoshihiro Ban
Kazuo Tsuji

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

Executive Officers

Senior Managing Officers
Takaiku Hirako*
Toshio Yamaguchi*
Masamichi Shirahase
Kozo Aoki*
Makoto Tsuchiya*

Managing Officers
Kazuo Takami*
Seiichi Fujioka*
Hiroomi Iida
Keiji Yamaguchi
Hirokazu Oishi

Executive Officers
Toshio Kobayashi*
Takeshi Kurita
Yuichi Mizuno*
Yutaka Maruyama
Takanori Hayashi
Noriyuki Machida
Kenji Kotera

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

Investor Information

(As of March 31, 2013)

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
1,855

Stock Information

Stock Exchange Listings
Tokyo and Osaka

Transfer Agent
Sumitomo Mitsui Trust Bank, Limited

Major Shareholders

Shareholder	Shares held (thousands)	Percentage of total
Okumura Corporation (Treasury stock)	28,609	12.53%
Northern Trust Co. (AVFC) Sub A/C American Clients	18,920	8.29
Northern Trust Co. AVFC Re U.S. Tax Exempted Pension Funds	7,736	3.39
Okumura Employees' Shareholding Association	7,555	3.31
BBH/Blackrock Global Allocation Fund, Inc.	6,712	2.94
Resona Bank, Limited.	6,074	2.66
Sumitomo Realty & Development Co., Ltd.	6,050	2.65
Japan Trustee Services Bank, Ltd. (Trust Account)	5,661	2.48
Sumitomo Mitsui Banking Corporation	5,568	2.44
Nippon Life Insurance Company	4,593	2.01
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,516	1.54

奥村組
OKUMURA CORPORATION

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http://www.okumuragumi.co.jp

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