

Brief Financial Report for the Second Quarter of FY2009

November 13, 2008

Listed company name: **OKUMURA CORPORATION**

Stock exchange listings: Tokyo and Osaka

Code number: 1833

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

Representative: President and Representative Director: Takanori Okumura

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Scheduled date for filing of Quarterly Securities Report (Shihanki Hokokusho): November 14, 2008

(Amounts less than one million yen have been omitted)

1. Consolidated financial results for the second quarter of FY2009 (April 1, 2008 through September 30, 2008)

(1) Consolidated operating results for six-month period

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

	Net sales		Operating loss		Ordinary income (loss)		Net loss	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2 nd quarter of FY2009	78,944	—	(972)	—	217	—	(4,716)	—
2 nd quarter of FY2008	89,810	16.3	(9,490)	—	(8,601)	—	(26,667)	—

	Net loss per share	Net income per share (diluted)
	Yen	Yen
2 nd quarter of FY2009	(23.58)	—
2 nd quarter of FY2008	(133.26)	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2 nd quarter of FY2009	344,421	121,932	35.4	609.84
FY2008	332,711	128,819	38.7	644.04

2. Dividends

(Record date)	Cash dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Total for the year
	Yen	Yen	Yen	Yen	Yen
FY2008	—	—	—	9.00	9.00
FY2009	—	—	—	—	—
FY2009 (Forecast)	—	—	—	9.00	9.00

Note: Revisions to the forecast of cash dividends during the current quarter: Not applicable

3. Forecast of consolidated operating results for FY2009 (April 1, 2008 through March 31, 2009)

(% indicates changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY2009	230,530	(9.3)	1,670	—	3,620	—	900	—	4.50

Note: Revisions to the forecast of consolidated operating results during the current quarter: Applicable

4. Other

- (1) Changes in significant subsidiaries during the current six-month period (Changes in scope of consolidation): Not applicable
- (2) Adoption of simplified accounting procedures and accounting procedures specific to quarterly consolidated financial statements: Not applicable
- (3) Changes in accounting principles, procedures and presentation method, etc. for quarterly consolidated financial statements
 - 1) Changes due to the revision of the accounting standards: Applicable
 - 2) Changes other than 1): Applicable
- (4) Number of shares of common stock issued and outstanding
 - 1) Number of shares issued at the end of each period (including treasury stock):
2nd quarter of FY2009: 228,326,133 shares FY2008: 228,326,133 shares
 - 2) Number of treasury stock at the end of each period:
2nd quarter of FY2009: 28,384,060 shares FY2008: 28,308,113 shares
 - 3) Average number of shares outstanding during each six-month period ended September 30:
FY2009: 199,991,016 shares FY2008: 200,110,550 shares

***Note to appropriate use of forecasts**

1. The Company has revised the full fiscal year forecast for FY2009 which was announced on May 15, 2008.
2. This report contains forward-looking statements including performance forecasts. These forward-looking statements were made based on currently available information and on assumptions that the Company judges to be reasonable. Actual results may differ substantially from those stated in this report due to various factors.
3. Effective from the fiscal year ended March 31, 2009, the Company adopted the Accounting Standard for Quarterly Financial Statements (ASBJ Statement No. 12) and the Implementation Guidance for Accounting Standards for Quarterly Financial Statements (ASBJ Guidance No. 14). The consolidated financial statements of the Company are prepared in accordance with “Regulations for the Quarterly Consolidated Financial Statements.”

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	Current Second Quarter As of September 30, 2008	FY2008 As of March 31, 2008
Assets		
Current assets:		
Cash and deposits	22,499	10,668
Notes receivable, accounts receivable from completed construction contracts and other	48,496	85,998
Short-term investment securities	18,201	14,803
Real estate for sale	1,408	1,572
Costs on uncompleted construction contracts	140,147	102,591
Costs on real estate business	11,249	11,382
Work in process	1,138	826
Raw materials and supplies	221	143
Other	18,308	16,915
Allowance for doubtful accounts	(4,196)	(4,633)
Total current assets	257,474	240,268
Noncurrent assets:		
Property, plant and equipment	23,818	23,217
Intangible assets	759	853
Investments and other assets		
Investment securities	57,498	63,325
Other	5,064	5,207
Allowance for doubtful accounts	(194)	(161)
Total investments and other assets	62,369	68,371
Total noncurrent assets	86,947	92,442
Total assets	344,421	332,711

(Millions of yen)

	Current Second Quarter As of September 30, 2008	FY2008 As of March 31, 2008
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	86,432	86,914
Short-term loans payable	11,831	10,995
Income taxes payable	158	147
Advances received on uncompleted construction contracts	89,323	68,171
Provision	1,487	1,797
Provision for loss on construction contracts	5,021	6,904
Other	9,089	9,506
Total current liabilities	203,345	184,438
Noncurrent liabilities:		
Long-term loans payable	286	404
Provision for retirement benefits	5,508	5,525
Negative goodwill	1,276	1,417
Other	12,073	12,105
Total noncurrent liabilities	19,143	19,452
Total liabilities	222,489	203,891
Net assets		
Shareholders' equity:		
Capital stock	19,838	19,838
Capital surplus	25,328	25,329
Retained earnings	72,036	78,553
Treasury stock	(12,291)	(12,260)
Total shareholders' equity	104,912	111,460
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	17,019	17,359
Total valuation and translation adjustments	17,019	17,359
Total net assets	121,932	128,819
Total liabilities and net assets	344,421	332,711

Note: Certain account titles for the previous year have been restated to conform to the current quarter's presentation.

Consolidated Statements of Income
(Six-month Period Ended September 30)

(Millions of yen)

	Six-month Ended September 30, 2007 April 1, 2007 through September 30, 2007	Six-month Ended September 30, 2008 April 1, 2008 through September 30, 2008
Net sales	89,810	78,944
Cost of sales	88,392	71,239
Gross profit	1,417	7,704
Selling, general and administrative expenses	10,908	8,677
Operating loss	(9,490)	(972)
Non-operating income		
Interest income	341	224
Dividends income	603	783
Amortization of negative goodwill	—	141
Other	73	141
Total non-operating income	1,017	1,291
Non-operating expenses		
Interest expenses	120	84
Other	8	16
Total non-operating expenses	129	100
Ordinary income (loss)	(8,601)	217
Extraordinary income		
Gain on prior period adjustment	210	298
Gain on sales of noncurrent assets	163	409
Gain on sales of investment securities	21	0
Reversal of allowance for doubtful accounts	61	394
Total extraordinary income	457	1,103
Extraordinary loss		
Loss on prior period adjustment	24	26
Loss on sales of noncurrent assets	9	5
Loss on retirement of noncurrent assets	188	87
Loss on sales of investment securities	—	500
Loss on valuation of investment securities	179	1,040
Loss on reduction of noncurrent assets	3	—
Loss on valuation of membership	27	—
Special extra retirement payments	—	4,166
Total extraordinary loss	432	5,825
Loss before income taxes	(8,576)	(4,504)
Income taxes-current	108	107
Refund of income taxes for prior periods	(199)	—
Income taxes-deferred	18,240	104
Total income taxes	18,148	212
Minority interests in loss	58	—
Net loss	(26,667)	(4,716)

Note: Certain account titles for the previous six-month period have been restated to conform to the current period presentation.

Consolidated Statements of Cash Flows
(Six-month Period Ended September 30)

(Millions of yen)

	Six-month Ended September 30, 2007 April 1, 2007 through September 30, 2007	Six-month Ended September 30, 2008 April 1, 2008 through September 30, 2008
Cash flows from operating activities:		
Loss before income taxes	(8,576)	(4,504)
Depreciation and amortization	433	458
Amortization of negative goodwill	—	(141)
Decrease in allowance for doubtful accounts	(63)	(404)
Decrease in provision for retirement benefits	(528)	(17)
Increase (decrease) in provision for loss on construction contracts	2,159	(1,882)
Interest and dividends income	(944)	(1,008)
Interest expenses	120	84
Gain on sales of noncurrent assets	(154)	(404)
Loss (gain) on sales of short-term and long term investment securities	(21)	499
Loss on valuation of short-term and long term investment securities	179	1,040
Special extra retirement payments	—	4,166
Decrease in notes and accounts receivable-trade	24,466	37,502
Increase in costs on uncompleted construction contracts	(21,044)	(37,556)
Increase in inventories	(3,788)	(116)
Decrease in notes and accounts payable-trade	(4,322)	(1,694)
Increase in advances received on uncompleted construction contracts	13,892	21,151
Decrease in accrued consumption taxes	(910)	—
Increase in consumption taxes refund receivable	(1,489)	(1,700)
Other, net	(4,271)	460
Subtotal	(4,865)	15,932
Interest and dividends income received	957	1,010
Interest expenses paid	(119)	(84)
Income taxes paid	(278)	(90)
Payments for special extra retirement payments	—	(4,072)
Net cash provided by (used in) operating activities	(4,305)	12,695

(Millions of yen)

	Six-month Ended September 30, 2007 April 1, 2007 through September 30, 2007	Six-month Ended September 30, 2008 April 1, 2008 through September 30, 2008
Cash flows from investment activities:		
Decrease in time deposits	9,357	205
Purchase of short-term and long term investment securities	(766)	(203)
Proceeds from sales and redemption of short-term and long term investment securities	3,309	5,616
Purchase of property, plant and equipment and intangible assets	(1,840)	(827)
Proceeds from sales of property, plant and equipment and intangible assets	166	432
Payments of loans receivable	(13)	(104)
Collection of loans receivable	54	195
Other, net	565	78
Net cash provided by investment activities	10,832	5,391
Cash flows from financing activities:		
Net increase in short-term loans payable	15	902
Repayment of long-term loans payable	(32)	(129)
Purchase of treasury stock	(73)	(39)
Proceeds from sales of treasury stock	3	7
Cash dividends paid	(3,982)	(1,792)
Cash dividends paid to minority shareholders	(8)	—
Other, net	—	(0)
Net cash used in financing activities	(4,078)	(1,051)
Effect of exchange rate change on cash and cash equivalents	(8)	0
Net increase in cash and cash equivalents	2,440	17,035
Cash and cash equivalents at beginning of period	39,637	21,445
Cash and cash equivalents at end of period	42,077	38,481

Note: Certain account titles for the previous six-month period have been restated to conform to the current period presentation.

Breakdown of Orders (Non-consolidated)

(Millions of yen)

			Six-month Ended September 30, 2007 April 1, 2007 through September 30, 2007			Six-month Ended September 30, 2008 April 1, 2008 through September 30, 2008			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%	%		%	
			Construction orders awarded								
Construction orders awarded	Civil engineering	Domestic public sector	7,677	50.3	24.3	39,587	84.8	51.2	31,909	415.6	
		Domestic private sector	7,726	50.6		7,038	15.1		(688)	(8.9)	
		Overseas	(129)	(0.9)		59	0.1		189	—	
		Subtotal	15,274	100		46,685	100		31,411	205.6	
	Architectural construction	Domestic public sector	2,898	6.1	75.7	6,083	13.7	48.8	3,184	109.9	
		Domestic private sector	44,584	93.9		38,345	86.3		(6,238)	(14.0)	
		Subtotal	47,482	100		44,429	100		(3,053)	(6.4)	
	Total	Domestic public sector	10,576	16.8	100	45,670	50.1	100	35,094	331.8	
		Domestic private sector	52,310	83.4		45,384	49.8		(6,926)	(13.2)	
		Overseas	(129)	(0.2)		59	0.1		189	—	
		Total	62,757	100		91,114	100		28,357	45.2	
	Net sales										
Net sales	Projects completed	Civil engineering	Domestic public sector	15,032	62.9	[27.7]	4,109	20.6	[26.9]	(10,922)	(72.7)
			Domestic private sector	8,876	37.1	27.2	12,522	62.7	26.3	3,646	41.1
			Overseas	—	—		3,330	16.7		3,330	—
			Subtotal	23,908	100		19,963	100		(3,945)	(16.5)
	Architectural construction	Domestic public sector	3,415	5.5	[72.3]		5,129	9.5		[73.1]	1,713
		Domestic private sector	58,921	94.5	71.1	49,033	90.5	71.4	(9,887)	(16.8)	
		Subtotal	62,336	100		54,163	100		(8,173)	(13.1)	
	Subtotal	Domestic public sector	18,447	21.4		[100]	9,238		12.5	[100]	(9,209)
		Domestic private sector	67,797	78.6	98.3	61,556	83.0	97.7	(6,241)	(9.2)	
		Overseas	—	—		3,330	4.5		3,330	—	
		Subtotal	86,245	100		74,126	100		(12,119)	(14.1)	
	Side line business	1,488	1.7	1,781		2.3	292		19.6		
	Total			87,734	100	75,907	100	(11,827)	(13.5)		
	Period-end backlog										
Period-end backlog	Civil engineering	Domestic public sector	90,793	51.6	45.0	122,336	65.3	52.0	31,543	34.7	
		Domestic private sector	50,872	28.9		42,989	23.0		(7,883)	(15.5)	
		Overseas	34,336	19.5		21,997	11.7		(12,339)	(35.9)	
		Subtotal	176,002	100		187,322	100		11,320	6.4	
	Architectural construction	Domestic public sector	23,440	10.9	55.0	25,467	14.7	48.0	2,026	8.6	
		Domestic private sector	191,848	89.1		147,571	85.3		(44,276)	(23.1)	
		Subtotal	215,288	100		173,038	100		(42,249)	(19.6)	
	Total	Domestic public sector	114,233	29.2	100	147,803	41.0	100	33,569	29.4	
		Domestic private sector	242,720	62.0		190,560	52.9		(52,159)	(21.5)	
		Overseas	34,336	8.8		21,997	6.1		(12,339)	(35.9)	
		Total	391,291	100		360,361	100		(30,929)	(7.9)	