



Financial Results for the Third Quarter of the Fiscal Year ending March 31, 2011 [Japanese GAAP] (Consolidated)

February 4, 2011

Okamura Corporation

Listing: Tokyo Stock Exchange, Osaka Securities Exchange

Code Number: 7994

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Scheduled date of filing Quarterly Report:

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Scheduled date of commencement of dividend payments:

Preparation of supplementary material to explain quarterly financial results: Not prepared.

Scheduling of meeting to explain quarterly financial results: Not scheduled.

(Amounts less than 1 million yen have been rounded down.)

1. Financial and Operational Review for the Third Quarter (Sept. 1, 2010–Dec 31, 2010) of FY ending March 2011 (Apr. 1, 2010–Mar. 31, 2011)

(1) Business Results (cumulative)

(% Figures indicate year-on-year increase/decrease.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Third quarter of FY ending March 2011	120,751	3.8	(245)	-	(66)	-	(404)	-
Third quarter of FY ended March 2010	116,295	(19.4)	(846)	-	(270)	-	(395)	-

	Net income per share	Diluted net income per share
	yen	yen
Third quarter of FY ending March 2011	(3.67)	-
Third quarter of FY ended March 2010	(3.58)	-

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
Third quarter of FY ending March 2011	159,910	76,263	47.4	687.25
FY ended March 2010	160,422	78,294	48.4	704.88

(Note) Total shareholder's equity: Third quarter of FY ending March 2011: ¥75,757 million, FY ended March 2010: ¥77,708 million

2. Dividend

	Annual dividend				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	yen	yen	yen	yen	yen
FY ended March 2010	-	3.75	-	3.75	7.50
FY ending March 2011	-	3.75	-		
FY March ending 2011 (forecast)				3.75	7.50

(Note) Revision of dividend forecasts during quarter under review: Not revised.

3. Forecast of Consolidated Performance for the FY ending March 2011 (from April 1, 2010 to March 31, 2011)

(% Figures indicate increase/decrease ratios from the previous year for FY ending March 2011)

	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
FY ending March 2011	164,500	2.0	2,800	106.3	3,300	72.7	1,900	248.4	17.23

(Note) Revision of performance forecasts during quarter under review: Not revised.

4. Others (For detailed descriptions, please refer to “Other Information” on page 3 of the Appendix attached hereto.)

(1) Changes in the number of material subsidiaries during quarter under review: None

New — company(ies) (—)

Excluded — company(ies) (—)

(Note) This indicates whether there have been changes in the number of specified subsidiaries involving changes in the scope of consolidation during the fiscal quarter under review.

(2) Adoption of simplified accounting methods or special accounting methods: Adopted

(Note) This indicates whether the Company adopts simplified accounting methods or special accounting methods applicable to the preparation of quarterly consolidated financial statements.

(3) Changes in accounting principles and procedures or in the method of presentation

① by new accounting standard: Yes

② by others: Yes

(Note) This indicates whether there are changes in the accounting principles and procedures or in the method of presentation used in the preparation of quarterly consolidated financial statements that needs to be stated in “Changes in the Basis of Presenting Quarterly Consolidated Financial Statements.”

(4) Number of shares of stock (common stock)

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

3Q of FY ending March 2011	112,391,530	FY ended March 2010	112,391,530
3Q of FY ending March 2011	2,159,573	FY ended March 2010	2,148,354
3Q of FY ending March 2011	110,238,601	3Q of FY ended March 2010	110,251,787

② Number of shares of treasury stock at end of period

③ Average number of shares during period (cumulative quarters)

* Indication of Implementation Status of Quarterly Review Procedures

This quarterly Financial Results summary is not subject to the quarterly review procedures as provided for in the Financial Instruments and Exchange Act. The procedures for reviewing the Company’s quarterly financial statements in accordance with the Financial Instruments and Exchange Act are yet to be completed at the time of publication of this quarterly Financial Results summary.

* Explanation of Appropriate Use of Performance Forecasts and Other Issues Requiring Particular Mention

The performance forecasts and other forward-looking statements contained herein are based on the information available to the Company at the time, and contain certain assumptions that the Company considers to be reasonable. They are subject to diverse factors that may cause actual results of operations and other items to differ significantly from the statements and forecasts. For a description of the assumptions underlying the performance forecasts and the points to note when using the performance forecasts in this document, please refer to “Qualitative information concerning the performance forecast” on page 3 of the Appendix to this quarterly Financial Results summary.

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1. Qualitative Information Concerning Quarterly Consolidated Financial Results, etc.

(1) Qualitative information concerning the progress in (consolidated) business performance

During the third quarter of the current fiscal year under review, the business environment surrounding the Okamura Group (hereinafter the “Group”) continued to remain extremely challenging due to the sluggish capital spending of the private sector, in reaction of the standstills such as the deceleration of overseas economy, the appreciation of the yen, and the limitation of the economic policy.

Under such circumstances, by making maximum use of its superior product development capabilities and technological expertise, the Group worked on developing products that incorporated new technologies and products that cared for the environment. The Group also endeavoured to develop new market possibilities and cultivate new customer bases, while accelerating the cutting of costs and expenses.

Performance results by segment are discussed below.

Office Furniture

In the Office Furniture segment, as businesses remain conservative by curbing investment and cutting expenses in reaction to the uncertainty of economic prospect, demand arising from office relocations and from office renovations both weakened substantially.

Meanwhile, office-related demand remained solid among companies seeking greater office efficiency and cost savings. The Okamura Corporation (hereinafter the “Company”) responded to these needs with proposals that aggressively promoted its “Green Workplace” concept, which is aimed at reducing the impact of offices on the environment, combined with solutions involving the review of work styles. Emphasis was also placed on developing demand among educational facilities, local governments and other customer sectors in the periphery of the office furniture market. These efforts however fell short of making up for the negative effects of the shrinking aggregate demand.

As a result, net sales in this segment amounted to ¥62,712 million.

Store Displays

In the Store Displays segment, although the personal consumption has partially recovered due to the economic policy, it continued to remain challenging as distributors/retailers curbed their investments and shifted to smaller store formats.

In such circumstances, the Company sought to increase both sales and income by marketing total store solutions designed to meet shifting consumer needs and by aggressive proposals of environmental measures and securities of the store.

As a result, net sales in this segment amounted to ¥47,967 million.

Others (Material Handling Systems and Others)

In the Material Handling Systems segment, the Company set its sights on logistics management outsourcing services, renewable energy production facilities, and other fields where investments were growing strongly. The Company enhanced its proposals to attract more orders for total solutions by taking advantage of proposals using logistics engineering and new products distinguished by their superiority, and also undertook full-fledged action to promote sector-specific solutions by utilizing synergies with other business segments. The result of the above efforts was increased sales revenue and income.

As a result, net sales in this segment amounted to ¥10,071 million.

As the results of the above, the Company’s performance of the third quarter of the current fiscal year was as follows: net sales of ¥120,751 million (an increase of 3.8% year-on-year), operating loss of ¥245 million (year-on-year operating loss was ¥846 million), ordinary loss of ¥66 million (year-on-year ordinary loss was ¥270 million), and net loss of ¥404 million (year-on-year net loss was ¥395 million).

(2) Qualitative information concerning the changes in (consolidated) financial position

The Company’s consolidated financial position at the end of the third quarter of the current fiscal year under review is as follows:

Total assets amounted to ¥159,910 million, down ¥512 million compared with the end of the previous fiscal year. Current assets increased by ¥2,073 million as a result of increases in cash and time deposit, and decrease in sales credit. Fixed assets decreased by ¥2,586 million due to decreases in investment securities and tangible fixed assets.

Liabilities amounted to ¥83,647 million, up ¥1,519 million over the end of the previous fiscal year, mainly due to increase in accounts payable.

Net assets amounted to ¥76,263 million (a decrease of ¥2,031 million from the end of the previous fiscal year) due to a decrease in accumulated income, and the equity ratio amounted to 47.4%.

A review of cash flows for the third quarter of the current fiscal year is as follows:

Operating activities generated a net cash increase of ¥10,620 million (versus a net cash increase of ¥8,641 million in the same period of the previous fiscal year), reflecting inflows including depreciation expenses of ¥3,484 million and a decrease in sales credit of ¥6,931 million. Outflows included a decrease in inventory asset of ¥822 million.

Investing activities resulted in a net cash outflow of ¥1,747 million (versus a net cash outflow of ¥2,429 million in the same period of the previous fiscal year), reflecting outflows including disbursements of ¥1,215 million for the acquisition of tangible fixed assets and of ¥878 million for the acquisition of investment securities.

Financing activities resulted in a net cash outflow of ¥388 million (versus a net cash outflow of ¥705 million in the same period of the previous fiscal year), reflecting outlays including cash dividend payments of ¥784 million.

Consequently, consolidated cash and cash equivalents at the end of the current fiscal year's third quarter increased by ¥8,469 million from the end of the previous fiscal year (versus an increase of ¥5,502 million over the same period of the previous fiscal year) to ¥29,371 million.

(3) Qualitative information concerning the performance forecast

During the third quarter of the current fiscal year under review, the Company's performance in terms of consolidated net sales made a slight recovery, while operating loss, and ordinary income turned out to be slower than in the same period of the previous fiscal year. While the business environment surrounding the Company is likely to remain challenging in the months ahead, we will continue to step up efforts to expand sales, improve productivity and reduce costs.

Accordingly, the consolidated performance forecasts for the current fiscal year ending March 2011, announced on May 11 2010, remain unchanged.

2. Other Information

(1) Summary of changes in the number of material subsidiaries

Nothing in particular.

(2) Summary of simplified accounting methods or special accounting methods

① Simplified accounting methods

1) Method for valuation of inventories

For the purpose of valuing inventories at the end of the third quarter of the current fiscal year, the Company has dispensed with physical inventorying and applies a rational valuation method on the basis of inventory value physically verified at the end of the second quarter of the current fiscal year.

2) Calculation of depreciation expenses on fixed assets

In respect of the assets that are depreciated on a declining-balance basis, the Company applies a calculation method that allocates the amount of depreciation attributable to a specific fiscal year appropriately to the quarterly periods.

② Special accounting methods

Nothing in particular.

(3) Summary of changes in accounting principles and procedures or in the method of presentation

① Changes in matters concerning accounting standards

1) Adoption of Accounting Standard for Equity Method of Accounting for Investments and Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method

Effective with the first quarter of the current fiscal year, the Company adopts the Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16, issued by the Accounting Standards Board of Japan on March 10, 2008) and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (ASBJ PITF No. 24, issued by the Accounting Standards Board of Japan on March 10, 2008).

This change has no material impact on corporate earnings.

2) Adoption of Accounting Standard for Asset Retirement Obligations, etc.

Effective with the first quarter of the current fiscal year, the Company adopts the Accounting Standard for Asset Retirement Obligations (ASBJ Statement No. 18, issued by the Accounting Standards Board of Japan on March 31, 2008) and the Implementation Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21, issued by the Accounting Standards Board of Japan on March 31, 2008).

The effect of this change on the third quarter of the current fiscal year is to increase both operating loss and ordinary loss by ¥8 million, and to increase loss before income taxes for the quarter term by ¥55 million.

② Changes in indication methods

(Consolidated quarterly profit and loss statement related)

"Sales of fixed assets" (¥0 million in the third quarter of previous fiscal year), which was classified into the category of "Others" in "Extraordinary profit" in the third quarter of previous fiscal year, is now independently categorized as "Sales of fixed assets" in "Extraordinary profit" in the third quarter of current fiscal year.

(4) Summary of significant events and conditions relating to the going concern assumption

Nothing in particular.

3. Quarterly Financial Statements
 (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	Third quarter of FY ending March 2011 (As of Dec. 31, 2010)	Condensed consolidated balance sheet concerning FY ended March 2010 (As of March 31, 2010)
Assets		
Current assets		
Cash and time deposits	31,820	23,719
Trade notes and accounts receivable	36,184	43,079
Marketable securities	323	122
Merchandise and finished products	8,711	8,369
Work in process	1,283	1,101
Raw material and supplies	2,349	2,050
Others	2,205	2,338
Allowance for doubtful debt	(31)	(47)
Total current assets	82,809	80,735
Fixed assets		
Tangible fixed assets		
Buildings and structures (at net book value)	15,081	15,697
Land	22,524	22,562
Others (at net book value)	8,482	9,530
Total tangible fixed assets	46,088	47,790
Intangible fixed assets		
Goodwill	1,510	1,526
Others	2,122	2,246
Total intangible fixed assets	3,632	3,773
Investments and other assets		
Investment securities	18,165	18,975
Others	9,255	9,196
Allowance for doubtful debt	(40)	(48)
Total investments and other assets	27,380	28,123
Total fixed assets	77,100	79,687
Total assets	159,910	160,422

(Millions of yen)

	Third quarter of FY ending March 2011 (As of Dec. 31, 2010)	Condensed consolidated balance sheet concerning FY ended March 2010 (As of March 31, 2010)
Liabilities		
Current liabilities		
Trade notes and accounts payable	31,241	29,529
Short-term bank loans	10,714	9,820
Long-term debts due within one year	1,793	2,355
Bonds redeemed within one year	5,000	5,000
Income taxes payable	307	660
Allowance for bonus payable	255	907
Others	3,435	3,121
Total current liabilities	52,748	51,393
Long-term liabilities		
Debenture bonds	5,000	5,000
Long-term loans payable	8,849	8,734
Severance and employee retirement benefits	12,836	12,052
Others	4,212	4,947
Total long-term liabilities	30,898	30,734
Total liabilities	83,647	82,127
Net assets		
Owners' equity		
Capital stock	18,670	18,670
Capital surplus	16,759	16,759
Retained earnings	40,894	42,126
Treasury stock, at cost	(2,367)	(2,362)
Total owners' equity	73,957	75,194
Net unrealized gain and translation adjustments		
Unrealized holding gains (losses) on securities	2,117	2,811
Foreign currency translation adjustments	(317)	(297)
Total net unrealized gain and translation adjustments	1,800	2,513
Minority interests	505	586
Total net assets	76,263	78,294
Total liabilities and net assets	159,910	160,422

(2) Quarterly Consolidated Income Statement
[Third Quarter of Current Fiscal Year]

(Millions of yen)

	Third quarter of FY ended March 2010 (From Apr. 1, 2009 to Dec. 31, 2009)	Third quarter of FY ending March 2011 (From Apr. 1, 2010 to Dec. 31, 2010)
Net sales	116,295	120,751
Cost of sales	80,396	85,577
Gross profit	35,898	35,174
Selling, general and administrative expenses	36,745	35,419
Operating loss	(846)	(245)
Other income		
Interest income	26	25
Dividend income	300	352
Equity in earnings of affiliated companies	35	–
Others	916	496
Total other income	1,279	873
Other expenses		
Interest expense	476	440
Others	226	253
Total other expenses	703	694
Ordinary loss	(270)	(66)
Extraordinary income		
Gain on sales of fixed assets	–	174
Reversal of allowance for doubtful accounts	12	17
Others	1	2
Total extraordinary income	14	194
Extraordinary losses		
Loss on disposal/sale of property, plant and equipment	143	118
Impairment loss on investment securities	88	82
Others	25	129
Total extraordinary losses	257	329
Loss before income taxes for the quarter term	(513)	(201)
Income taxes	244	509
Adjustments on income taxes	(299)	(226)
Total income taxes	(54)	282
Income (loss) before minority interests for the quarter term	–	(484)
Minority interests in earnings (losses)	(63)	(80)
Net loss for the quarter term	(395)	(404)

(3) Quarterly Consolidated Cash Flow Statement

(Millions of yen)

	Third quarter of FY ended March 2010 (From Apr. 1, 2009 to Dec. 31, 2009)	Third quarter of FY ending March 2011 (From Apr. 1, 2010 to Dec. 31, 2010)
Cash flows from operating activities		
Loss before income taxes for the quarter term	(513)	(201)
Depreciation expense	4,036	3,484
Loss (gain) on disposal/sale of property, plant and equipment	142	(56)
Loss (gain) on equity in earnings of affiliated companies	(35)	73
Increase (decrease) in allowance for doubtful debt	(65)	(22)
Increase (decrease) in allowance for bonus payable	(1,209)	(651)
Increase (decrease) in allowance for employee retirement benefits	713	604
Interest income and dividend income	(326)	(377)
Interest expense	476	440
Loss (gain) on sales of investment securities	21	7
Impairment loss (gain) on investment securities	88	82
Decrease (increase) in notes and accounts receivable	15,220	6,931
Decrease (increase) in inventories	1,949	(822)
Increase (decrease) in notes and accounts payable	(11,415)	1,653
Others	453	348
Sub-total	9,534	11,491
Interest and dividends received	342	378
Interest expenses paid	(443)	(434)
Income taxes paid	(792)	(816)
Cash flows from operating activities	8,641	10,620
Cash flows from investing activities		
Payment for placement of term deposits	(2,363)	(1,228)
Payment from withdrawal of term deposits	1,479	1,810
Payment for purchase of property, plant and equipment	(1,499)	(1,215)
Payment for purchase of intangible fixed assets	(311)	(321)
Payment for purchase of investment securities	(250)	(878)
Proceeds from sale and redemption of investment securities	136	37
Others	378	48
Cash flows from investing activities	(2,429)	(1,747)
Cash flows from financing activities		
Net increase (decrease) in short-term bank loans	1,146	893
Proceeds from long-term bank loans	600	1,050
Repayments of long-term debt	(1,498)	(1,495)
Proceeds from issuance of corporate bonds	5,000	–
Outlays for redemption of corporate bonds	(5,000)	–
Payment for purchase of treasury stock	(3)	(4)
Cash dividends	(918)	(784)
Others	(31)	(47)
Cash flows from financing activities	(705)	(388)
Effect on exchange rate changes on cash and cash equivalents	(3)	(14)
Increase (decrease) in cash and cash equivalents	5,502	8,469
Cash and cash equivalents at beginning of the year	18,425	20,902
Cash and cash equivalents at end of the quarter term	23,927	29,371

(4) Note regarding the assumption of going concern

Third quarter of FY ended March 2010 (from April 1, 2009 to December 31, 2009)

There is no information that needs to be disclosed herein.

Third quarter of FY ending March 2011 (from April 1, 2010 to December 31, 2010)

There is no information that needs to be disclosed herein.

(5) Segment information

[Segment information by business type]

Third quarter of FY ended March 2010 (from April 1, 2009 to December 31, 2009)

(Millions of yen)

	Office Furniture	Store Displays	Material Handling Systems and Others	Total	Unallocated and Eliminations	Consolidated
Net sales						
(1) Net sales to external customers	65,513	44,799	5,981	116,295	-	116,295
(2) Internal sales or transfers between segments	-	-	-	-	(-)	-
Total	65,513	44,799	5,981	116,295	(-)	116,295
Operating income (loss)	(675)	253	(424)	(846)	(-)	(846)

(Notes) 1. Business segmentation method

Business segmentation is based on considerations of similarities among types, characteristics and markets, etc. for products (inclusive of operations) delivered under business activities of consolidated companies.

2. Classification of main products by business segment

Business segment	Main products
Office Furniture	Office furniture, cultural and educational facilities, partitions, medical and research facilities, security systems, SOHO-related products
Store Displays	Showcases for stores, refrigerated showcases, counters for stores
Material Handling Systems and Others	Racks and stackers for factories and warehouses, automated material handling systems, torque converters for industrial and construction equipment, real estate leasing, insurance

[Geographically Segmented Information]

Third quarter of FY ended March 2010 (from April 1, 2009 to December 31, 2009)

Geographically segmented information is omitted, because Japan accounts for over 90% of the Company's total net sales across all segments.

[Overseas sales]

Third quarter of FY ended March 2010 (from April 1, 2009 to December 31, 2009)

Information on overseas sales is omitted, because they account for less than 10% of the Company's consolidated net sales.

[Segment information]

(Additional information)

Effective with the first quarter of the current fiscal year, the Company adopts the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17, issued by the Accounting Standards Board of Japan on March 27, 2009) and the Implementation Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20, issued by the Accounting Standards Board of Japan on March 21, 2008).

1. Overview of reportable segments

The Company defines its reportable segments as those components of the Company about which separate financial information is available that is evaluated regularly by the Board of Directors in deciding how to allocate resources and in assessing performance.

The Company has manufacturing and sales structures organized by product and service line under which it draws up comprehensive strategies according to product and service offerings, and undertakes business activities.

This means that the Company is composed of segments based on a manufacturing and sales framework along product and service lines, within which the Company identifies Office Furniture and Store Displays as its two reportable segments.

Office Furniture segment engages in the manufacture and sale of office furniture, cultural and educational facilities, and security systems, etc. Store Displays segment engages in the manufacture and sale of showcases for stores, refrigerated showcases, and counters for stores, etc.

2. Information concerning net sales and income or loss amounts by reportable segment

Third quarter of FY ending March 2011 (from April 1, 2010 to December 31, 2010)

(Millions of yen)

	Reportable segments			Others (Note 1)	Total	Adjustment	Consolidated quarterly statement of income (Note 2)
	Office Furniture	Store Displays	Total				
Net sales							
Net sales to external customers	62,712	47,967	110,679	10,071	120,751	–	120,751
Internal sales or transfers between segments	–	–	–	–	–	–	–
Total	62,712	47,967	110,679	10,071	120,751	–	120,751
Segment income (loss)	(1,259)	914	(344)	99	(245)	–	(245)

(Notes) 1. The category “Others” aggregates those business segments that do not meet the definition of reportable segments, and includes material handling systems, torque converters, and other business segments.

2. The total of segment income (loss) correspond to the operating loss of the consolidated quarterly income statement.

3. Information concerning impairment loss on fixed assets, goodwill, etc., by reportable segment

There is no information that needs to be disclosed herein.

(6) Note regarding occurrence of significant change in amount of shareholders' equity

Third quarter of FY ended March 2010 (from April 1, 2009 to December 31, 2009)

There is no information that needs to be disclosed herein.

Third quarter of FY ending March 2011 (from April 1, 2010 to December 31, 2010)

There is no information that needs to be disclosed herein.