



# Financial Results for the First Quarter of the Fiscal Year ending March 31, 2012 [Japanese GAAP] (Consolidated)

August 3, 2011

Okamura Corporation

Listing: Tokyo Stock Exchange, Osaka Securities Exchange

Code Number: 7994

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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 First Quarter (Apr. 1, 2011–Jun. 30, 2011) of FY ending March 2012 (Apr. 1, 2011–Mar. 31, 2012)

### (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	%
First quarter of FY ending March 2012	42,325	10.6	1,225	–	1,540	–	984	–
First quarter of FY ended March 2011	38,277	(6.3)	(82)	–	114	(85.4)	(219)	–

(Note) Comprehensive income: ¥782 million (–%) for the first quarter of FY ending March, 2012; a comprehensive loss of ¥1,465 million (–%) for the first quarter of FY ended March, 2011.

	Net income per share	Diluted net income per share
	yen	yen
First quarter of FY ending March 2012	8.93	–
First quarter of FY ended March 2011	(1.99)	–

### (2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
First quarter of FY ending March 2012	160,059	77,006	48.1	697.74
FY ended March 2011	161,845	76,638	47.3	694.28

(Note) Total shareholder's equity: First quarter of FY ending March 2012: ¥76,908 million, FY ended March 2011: ¥76,530 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 2011	–	3.75	–	3.75	7.50
FY ending March 2012	–				
FY March ending 2012 (forecast)		3.75	–	3.75	7.50

(Note) Revision of the most recently released dividend forecasts: No revision.

### 3. Forecast of Consolidated Performance for the FY ending March 2012 (from April 1, 2011 to March 31, 2012)

(% Figures indicate increase/decrease ratios from the previous year for FY ending March 2012, and year-on-year increase/decrease ratios for the accumulated total in 2Q.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
First two quarters	82,000	4.2	1,000	—	1,200	775.1	600	—	5.44
FY ending March 2012	175,000	3.4	5,000	108.3	5,500	115.7	3,100	412.8	28.12

(Note) Revision of the most recently released performance forecasts: No revision.

### 4. Others

(1) Changes in the number of material subsidiaries during quarter under review (This indicates whether there have been changes in the number of specified subsidiaries involving changes in the scope of consolidation): None

New — company(ies) ( —)

Excluded — company(ies) ( —)

(2) This indicates whether the Company adopts a special accounting method applicable to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policy or accounting estimates, or restatement

① Changes in accounting policy in accordance with revisions to accounting standards: None

② Changes other than those in ① above in accounting policy: None

③ Changes in accounting estimates: None

④ Restatement: None

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

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

② Number of shares of treasury stock at end of period

③ Average number of shares during period (cumulative quarters)

1Q of FY ending March 2012	112,391,530	FY ended March 2011	112,391,530
1Q of FY ending March 2012	2,165,895	FY ended March 2011	2,162,714
1Q of FY ending March 2012	110,227,261	1Q of FY ended March 2011	110,241,974

#### \* 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 (3) Qualitative information concerning the performance forecast in 1. Qualitative Information Concerning Quarterly Financial Results, etc. on page 3 of the Appendix to this quarterly Financial Results summary.

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

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

During the first quarter of the consolidated fiscal year under review, although the effects of the Great East Japan Earthquake remained, Japan's economy followed a path of gradual recovery due to the recovery in production as a result of the restoration of supply chains and due to a certain level of improvement in personal consumption. On the other hand, against a backdrop of the slowdown in the recovery of overseas economies, the appreciating yen, and electricity supply restrictions, the future of the economy is uncertain with capital investment activity in the private corporate sector still remaining sluggish. As a result, the business environment surrounding the Okamura Group (hereinafter the "Group") continued to remain extremely challenging.

Under such circumstances, by accelerating the cutting of costs and expenses, developing products that incorporate new technologies and environment-friendly products, and cultivating new customer bases, the Group developed new market possibilities. The Group also endeavored to increase orders for total solutions through proposals.

Performance results by segment are discussed below.

Segment name	Net sales (Millions of yen)			Segment income (loss) (Millions of yen)		
	First quarter of FY ended March 2011	First quarter of FY ending March 2012	Increase/decrease	First quarter of FY ended March 2011	First quarter of FY ending March 2012	Increase/decrease
Office Furniture	20,364	22,794	2,429	(349)	740	1,090
Store Displays	15,372	16,688	1,315	277	633	356
Others	2,540	2,842	302	(10)	(148)	(138)
Total	38,277	42,325	4,048	(82)	1,225	1,308

(Note) The total of segment income (loss) corresponds to the operating income (loss) in the quarterly consolidated income statement.

## Office Furniture

In the Office Furniture segment, as businesses maintained a cautious stance against the future of the economy, curbing investment and cutting expenses, the situations regarding demand arising from office relocations and from office renovations both continued to remain extremely challenging. Meanwhile, office-related demand remained solid among companies seeking greater office efficiency and cost savings, and there was increasing attention regarding security measures for offices. The Okamura Corporation (hereinafter the "Company") responded to these needs with proposals that aggressively promoted its "Green Workplace" concept, which is aimed at focusing on specialty manufacturing, proposing office concepts, and reducing the impact of offices on the environment. Emphasis was also placed on developing demand among educational facilities, local governments and other customer sectors in the periphery of the office furniture market. The result of the above efforts was increased net sales and income year-on-year.

As a result, net sales in this segment amounted to ¥22,794 million (an increase of 11.9% year-on-year), and the segment income amounted to ¥740 million (versus a segment loss of ¥349 million in the same period of the previous fiscal year).

## Store Displays

The Store Displays segment's business environment continued to remain challenging as distributors/retailers curbed their investments and shifted to smaller store formats, despite some improvement in personal consumption reflecting the effects of economic measures implemented by the government. In such circumstances, the Company aggressively promoted total store solutions designed to meet shifting consumer needs, to improve energy efficiency, and to provide store security systems. The result of the above efforts increased net sales and income year-on-year.

As a result, net sales in this segment amounted to ¥16,688 million (an increase of 8.6% year-on-year), and the segment income amounted to ¥633 million (an increase of 128.5% year-on-year).

## Others (Material Handling Systems and Others)

In the Material Handling Systems segment, the Company set its sights on logistics management outsourcing services with the objective of cutting costs, renewable energy production facilities, food processing centers, and other promising fields. The Company aggressively promoted its proposals to attract more orders for total solutions by taking advantage of its proposals and new products, which are distinguished by their superiority, and also undertook full-fledged action to promote sector-specific solutions by enhancing collaboration with other business segments. The result of the above efforts increased net sales year-on-year.

As a result, net sales in this segment amounted to ¥2,842 million (an increase of 11.9% year-on-year), and the segment loss amounted to ¥148 million (versus a segment loss of ¥10 million in the same period of the previous fiscal year).

As a result of the above, during the first quarter of the current fiscal year, the Company posted net sales of ¥42,325 million (an increase of 10.6% year-on-year), operating income of ¥1,225 million (versus an operating loss of ¥82 million in the same period of the previous fiscal year), ordinary income of ¥1,540 million (an increase of 1,245.9% year-on-year), and net income of ¥984 million (versus a net loss of ¥219 million in the same period of the previous fiscal year).

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

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

Total assets amounted to ¥160,059 million, down ¥1,785 million compared with the end of the previous consolidated fiscal year. Current assets decreased by ¥785 million, mainly because of an increase in cash and time deposits and decreases in trade notes and accounts receivable, and fixed assets decreased by ¥1,000 million, mainly because of decreases in tangible fixed assets and investment securities.

Liabilities amounted to ¥83,053 million, down ¥2,153 million over the end of the previous fiscal year, mainly because of decreases in notes and accounts payable.

Net assets amounted to ¥77,006 million, up ¥367 million over the end of the previous fiscal year, mainly because of an increase in retained earnings. The equity ratio amounted to 48.1%, up 0.8%.

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

Operating activities generated a net cash increase of ¥3,848 million (versus a net cash increase of ¥7,091 million in the same period of the previous fiscal year), reflecting inflows including depreciation expenses of ¥1,005 million and a decrease in trade notes and accounts receivable of ¥5,656 million. Outflows included a decrease in trade notes and accounts payable of ¥4,166 million.

Investing activities resulted in a net cash increase of ¥335 million (versus a net cash outflow of ¥576 million in the same period of the previous fiscal year), reflecting inflows including receipts of ¥407 million for the sales and redemption of investment securities, and outlays including disbursements of ¥360 million for the acquisition of tangible fixed assets and of ¥301 million for the acquisition of investment securities.

Financing activities resulted in a net cash increase of ¥1,939 million (versus a net cash increase of ¥837 million in the same period of the previous fiscal year), reflecting inflows including a net change in short-term bank loans of ¥2,408 million and outlays including cash dividend payments of ¥369 million.

Consequently, consolidated cash and cash equivalents at the end of the current fiscal year's first quarter increased by ¥6,148 million from the end of the previous fiscal year (versus an increase of ¥7,357 million over the same period of the previous fiscal year) to ¥30,510 million.

(3) Qualitative information concerning the performance forecast

The consolidated performance forecasts for the current fiscal year ending March 2012, which we announced on May 10, 2011, remain unchanged.

2. Summary Information (Other)

(1) Changes in the number of material subsidiaries during quarter under review

Nothing in particular.

(2) This indicates whether the Company adopts a special accounting method applicable to the preparation of quarterly consolidated financial statements

Nothing in particular.

(3) Changes in accounting policy or accounting estimates, or restatement

Nothing in particular.

(4) Additional information

Adoption of accounting standards, etc. in relation to accounting changes and error corrections

For accounting changes and corrections of past errors made at the beginning of the current fiscal year's first quarter onward, the Company has adopted ASBJ Statement No. 24 Accounting Standard for Accounting Changes and Error Corrections (Accounting Standards Board of Japan, December 4, 2009) and ASBJ Guidance No. 24 Guidance on Accounting Standard for Accounting Changes and Error Corrections (Accounting Standards Board of Japan, December 4, 2009).

## 3. Quarterly Financial Statements

## (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	Previous fiscal year (As of March 31, 2011)	First quarter of the current fiscal year (As of June 30, 2011)
<b>Assets</b>		
Current assets		
Cash and time deposits	26,593	32,141
Trade notes and accounts receivable	43,452	37,795
Marketable securities	322	318
Merchandise and finished products	9,218	8,743
Work in process	1,163	1,194
Raw material and supplies	2,335	2,433
Others	2,350	2,023
Allowance for doubtful debt	(34)	(34)
Total current assets	85,401	84,616
Fixed assets		
Tangible fixed assets		
Buildings and structures (at net book value)	14,565	14,304
Land	22,524	22,524
Others (at net book value)	7,683	7,518
Total tangible fixed assets	44,773	44,347
Intangible fixed assets		
Goodwill	1,390	1,318
Others	2,087	2,071
Total intangible fixed assets	3,477	3,390
Investments and other assets		
Investment securities	18,967	18,597
Others	9,279	9,161
Allowance for doubtful debt	(54)	(53)
Total investments and other assets	28,192	27,705
Total fixed assets	76,443	75,442
Total assets	161,845	160,059

(Millions of yen)

	Previous fiscal year (As of March 31, 2011)	First quarter of the current fiscal year (As of June 30, 2011)
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	34,083	27,138
Electronically recorded obligations	893	3,745
Short-term bank loans	8,904	11,322
Long-term debts due within one year	3,847	3,841
Income taxes payable	930	445
Allowance for bonus payable	899	532
Allowance for disaster loss	113	17
Others	2,736	3,347
<b>Total current liabilities</b>	<b>52,410</b>	<b>50,392</b>
Long-term liabilities		
Debenture bonds	10,000	10,000
Long-term loans payable	6,179	6,105
Severance and employee retirement benefits	12,533	12,774
Others	4,082	3,780
<b>Total long-term liabilities</b>	<b>32,796</b>	<b>32,661</b>
<b>Total liabilities</b>	<b>85,206</b>	<b>83,053</b>
<b>Net assets</b>		
Owners' equity		
Capital stock	18,670	18,670
Capital surplus	16,759	16,759
Retained earnings	41,903	42,473
Treasury stock, at cost	(2,369)	(2,370)
<b>Total owners' equity</b>	<b>74,964</b>	<b>75,533</b>
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	1,903	1,683
Foreign currency translation adjustments	(337)	(307)
<b>Total accumulated other comprehensive income</b>	<b>1,565</b>	<b>1,375</b>
Minority interests	108	97
<b>Total net assets</b>	<b>76,638</b>	<b>77,006</b>
<b>Total liabilities and net assets</b>	<b>161,845</b>	<b>160,059</b>

## (2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Income Statement  
[First Quarter of Current Fiscal Year]

(Millions of yen)

	First quarter of FY ended March 2011 (From Apr. 1, 2010 to Jun. 30, 2010)	First quarter of FY ending March 2012 (From Apr. 1, 2011 to Jun. 30, 2011)
Net sales	38,277	42,325
Cost of sales	26,895	29,281
Gross profit	11,382	13,044
Selling, general and administrative expenses		
Packing and transportation expenses	1,741	1,838
Salaries and allowances	3,811	3,800
Provision of reserve for bonus payable	293	318
Rent	1,569	1,547
Other	4,049	4,313
Total selling, general and administrative expenses	11,464	11,818
Operating income (loss)	(82)	1,225
Other income		
Interest income	9	8
Dividend income	179	215
Equity in earnings of affiliated companies	15	107
Others	203	193
Total other income	407	525
Other expenses		
Interest expense	150	128
Others	59	82
Total other expenses	210	211
Ordinary income	114	1,540
Extraordinary loss		
Loss on disposal/sale of property, plant and equipment	81	-
Impairment loss on investment securities	78	15
Others	128	-
Total extraordinary loss	288	15
Income (loss) before income taxes for the quarter term	(173)	1,524
Income taxes	185	450
Adjustments on income taxes	(113)	99
Total income taxes	72	550
Income (loss) before minority interests	(245)	973
Minority interests in earnings (losses)	(26)	(10)
Net income (loss) for the quarter term	(219)	984

Quarterly Consolidated Statement of Comprehensive Income  
 [First Quarter of Current Fiscal Year]

(Millions of yen)

	First quarter of FY ended March 2011 (From Apr. 1, 2010 to Jun. 30, 2010)	First quarter of FY ending March 2012 (From Apr. 1, 2011 to Jun. 30, 2011)
Income (loss) before minority interests	(245)	973
Other comprehensive income		
Unrealized holding gains (losses) on securities	(1,316)	(215)
Foreign currency translation adjustment	6	18
Share of other comprehensive income of equity-method associates	90	6
Total other comprehensive income	(1,219)	(190)
Comprehensive income	(1,465)	782
(Details)		
Comprehensive income attributable to owners of the parent	(1,438)	793
Comprehensive income attributable to minority shareholders	(26)	(10)

## (3) Quarterly Consolidated Cash Flow Statement

(Millions of yen)

	First quarter of FY ended March 2011 (From Apr. 1, 2010 to Jun. 30, 2010)	First quarter of FY ending March 2012 (From Apr. 1, 2011 to Jun. 30, 2011)
<b>Cash flows from operating activities</b>		
Income (loss) before income taxes for the quarter term	(173)	1,524
Depreciation expense	1,122	1,005
Loss (gain) on disposal/sale of property, plant and equipment	81	9
Loss (gain) on equity in earnings of affiliated companies	(15)	(107)
Increase (decrease) in allowance for doubtful debt	0	(0)
Increase (decrease) in allowance for bonus payable	(392)	(366)
Increase (decrease) in allowance for employee retirement benefits	222	198
Interest income and dividend income	(188)	(224)
Interest expense	150	128
Impairment loss (gain) on investment securities	78	15
Decrease (increase) in notes and accounts receivable	8,483	5,656
Decrease (increase) in inventories	(283)	344
Increase (decrease) in notes and accounts payable	(1,254)	(4,166)
Others	(274)	573
Sub-total	7,556	4,591
Interest and dividends received	184	222
Interest expenses paid	(142)	(135)
Income taxes paid	(507)	(831)
Cash flows from operating activities	7,091	3,848
<b>Cash flows from investing activities</b>		
Payment for purchase of property, plant and equipment	(447)	(360)
Payment for purchase of intangible fixed assets	(102)	(141)
Payment for purchase of investment securities	(316)	(301)
Proceeds from sale and redemption of investment securities	26	407
Others	262	731
Cash flows from investing activities	(576)	335
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term bank loans	1,376	2,408
Proceeds from long-term bank loans	100	-
Repayments of long-term debt	(254)	(78)
Payment for purchase of treasury stock	(0)	(1)
Cash dividends	(369)	(369)
Others	(15)	(19)
Cash flows from financing activities	837	1,939
Effect on exchange rate changes on cash and cash equivalents	6	25
Increase (decrease) in cash and cash equivalents	7,357	6,148
Cash and cash equivalents at beginning of the year	20,902	24,361
Cash and cash equivalents at end of the quarter term	28,260	30,510

## (4) Note regarding the assumption of going concern

There is no information that needs to be disclosed herein.

## (5) Segment information

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

First quarter of FY ended March 2011 (from April 1, 2010 to June 30, 2010)

(Millions of yen)

	Reportable segments			Others (Note 1)	Total	Adjustment	Amount recorded on quarterly consolidated income statement (Note 2)
	Office Furniture	Store Displays	Total				
Net sales							
Net sales to external customers	20,364	15,372	35,737	2,540	38,277	–	38,277
Internal sales or transfers between segments	–	–	–	–	–	–	–
Total	20,364	15,372	35,737	2,540	38,277	–	38,277
Segment income (loss)	(349)	277	(72)	(10)	(82)	–	(82)

(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) corresponds to the operating loss in the quarterly consolidated income statement.

First quarter of FY ending March 2012 (from April 1, 2011 to June 30, 2011)

(Millions of yen)

	Reportable segments			Others (Note 1)	Total	Adjustment	Amount recorded on quarterly consolidated income statement (Note 2)
	Office Furniture	Store Displays	Total				
Net sales							
Net sales to external customers	22,794	16,688	39,482	2,842	42,325	–	42,325
Internal sales or transfers between segments	–	–	–	–	–	–	–
Total	22,794	16,688	39,482	2,842	42,325	–	42,325
Segment income (loss)	740	633	1,374	(148)	1,225	–	1,225

(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) corresponds to the operating income in the quarterly consolidated income statement.

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

There is no information that needs to be disclosed herein.

## (7) Important subsequent events

There is no information that needs to be disclosed herein.