



Financial Results for Third Quarter of Fiscal Year Ending March 31, 2013 [Japanese GAAP] (Consolidated)

February 4, 2013

Okamura Corporation

Listing: Tokyo Stock Exchange, Osaka Securities Exchange

Code Number: 7994

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

Representative: Masayuki Nakamura, President and Representative Director

Contact: Kiyoshi Sato, Senior Managing Director and Senior General Manager, Administration Division TEL: +81-(0)45-319-3445

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Scheduled date for commencement of dividend payments: –

Preparation of supplementary materials 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 Third Quarter (Apr. 1, 2012 to Dec. 31, 2012) of FY Ending March 2013 (Apr. 1, 2012 to Mar. 31, 2013)

(1) Business Results (cumulative)

(% figures indicate year-over-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 2013	139,113	5.2	3,164	15.4	3,903	28.0	2,676	85.9
Third quarter of FY ended March 2012	132,175	9.5	2,743	–	3,049	–	1,439	–

Note: Comprehensive income ¥2,970 million (–%) for the third quarter of FY ending March 2013
¥220 million (–%) for the third quarter of FY ended March 2012

	Net income per share	Diluted net income per share
	yen	yen
Third quarter of FY ending March 2013	24.29	–
Third quarter of FY ended March 2012	13.06	–

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Third quarter of FY ending March 2013	169,490	81,667	48.1
FY ended March 2012	172,678	79,918	46.2

Reference: Total shareholder's equity ¥81,440 million for the third quarter of FY ending March 2013
¥79,742 million for FY ended March 2012

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 2012	–	5.00	–	5.00	10.00
FY ending March 2013	–	6.00	–		
FY ending March 2013 (forecast)				6.00	12.00

Note: Revision of the most recently released dividend forecasts: None

3. Forecast of Consolidated Performance for FY Ending March 2013 (April 1, 2012 to March 31, 2013)

(% figures indicate year-over-year increase/decrease.)

	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
Full year	196,000	4.3	8,200	20.8	8,500	20.0	5,800	50.3	52.63

Note: Revision of the most recently released performance forecasts: None

Notes

(1) Changes in the number of material subsidiaries during the 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) Adoption of 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: Yes
- ② Changes other than those in ① above in accounting policy: None
- ③ Changes in accounting estimates: Yes
- ④ Restatement: None

Notes: Effective for the first quarter of the current fiscal year, the Company has changed its depreciation method. This change falls under the category “changes in accounting policy that are difficult to distinguish from changes in accounting estimates.” For more details, please refer to (3) Changes in accounting policy or accounting estimates, or restatement in 2. Summary Information (Notes) on page 3 of the Appendix.

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

① Number of shares issued (including treasury stock) at the end of the term	3Q of FY ending March 2013	112,391,530	FY ended March 2012	112,391,530
② Number of shares of treasury stock at the end of the term	3Q of FY ending March 2013	2,192,036	FY ended March 2012	2,183,237
③ Average number of shares during the term (cumulative quarters)	3Q of FY ending March 2013	110,203,899	3Q of FY ended March 2012	110,223,797

* 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 Consolidated Financial Results, etc. on page 3 of the Appendix.

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1. Qualitative Information Concerning Quarterly Consolidated Financial Results

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

During the third quarter of the consolidated fiscal year under review, Japan's economy showed signs of gradual recovery, supported by demand stemming from restoration work following the Great East Japan Earthquake. But in the second half of the quarter, conditions deteriorated due to the end of subsidies for the purchase of eco-friendly cars and the decline in exports caused by cooling of relations between Japan and China. The future of the Japanese economy also remains uncertain, due to such factors as the global financial turmoil caused by the debt crisis in Europe and the slowdown of the Chinese economy.

Under these circumstances, by developing products incorporating new technologies and that are environmentally friendly, and also by cultivating new customer bases, the Okamura Group (hereinafter the "Group") developed new market potential. The Group also endeavored to increase orders for its total solutions through new proposals, improved productivity, and accelerated the cutting of costs.

Performance results by segment are discussed below.

Segment name	Net sales (Millions of yen)			Segment income (loss) (Millions of yen)		
	Third quarter of FY ended March 2012	Third quarter of FY ending March 2013	Increase/decrease	Third quarter of FY ended March 2012	Third quarter of FY ending March 2013	Increase/decrease
Office Furniture	68,821	72,840	4,018	1,523	2,191	668
Store Displays	53,966	57,984	4,018	1,573	1,469	(104)
Others	9,387	8,288	(1,099)	(354)	(496)	(141)
Total	132,175	139,113	6,938	2,743	3,164	421

(Note) The total of segment income (loss) corresponds to the operating income in the Quarterly Consolidated Income Statement.

Office Furniture

In the Office Furniture segment, responding to relocation needs generated by the large number of large new buildings that have been constructed in downtown Tokyo, as well as to the demand created by subsequent relocations, the Company aimed at attracting orders for large-scale projects by enhancing total solutions, which is a core Company strength. At the same time, the Company took on the office relocation demand arising from improvements in office efficiency, increasing attention to security and disaster-prevention measures in office environments, review of working procedures and corporate restructuring. Emphasis was also placed on developing demand among educational and research facilities, healthcare and welfare, government offices and local governments in the periphery of the office-related market. The results of the above efforts increased net sales and income year-over-year.

As a result, net sales in this segment amounted to ¥72,840 million (an increase of 5.8% year-over-year), and the segment income amounted to ¥2,191 million (an increase of 43.8% year-over-year).

Store Displays

In the Store Displays segment, by leveraging its strength as the only manufacturer that can offer total solutions featuring display fixtures and refrigerated showcases, the Company aggressively promoted total store solutions designed to meet shifting consumer needs, to improve store energy efficiency, and to provide store safety and security measures and systems. The Company also endeavored to increase its share in the refrigerated showcase market, benefiting from increasing demand for low energy consumption. The results of the above efforts increased net sales year-over-year.

As a result, net sales in this segment amounted to ¥57,984 million (an increase of 7.4% year-over-year), and the segment income amounted to ¥1,469 million (a decrease of 6.6% year-over-year).

Others (including Material Handling Systems)

In the Material Handling Systems segment, the Company focused on logistics management outsourcing facilities with the objective of cutting costs, diverse promising fields including the healthcare wholesale industry, and process centers utilizing synergies with the Store Displays segment. The Company aggressively promoted its proposals to attract more orders for total solutions by taking advantage of its proposal capabilities and new products, which are distinguished by their superiority, and also undertook full-fledged action to promote sector-specific solutions. However, net sales and income decreased year-over-year.

As a result, net sales in this segment amounted to ¥8,288 million (a decrease of 11.7% year-over-year), and the segment loss amounted to ¥496 million (versus a segment loss of ¥354 million in the same period of the previous fiscal year).

As a result of the above, during the third quarter of the current fiscal year, the Company posted net sales of ¥139,113 million (an increase of 5.2% year-over-year), operating income of ¥3,164 million (an increase of 15.4% year-over-year), ordinary income of ¥3,903 million (an increase of 28.0% year-over-year), and net income of ¥2,676 million (an increase of 85.9% year-over-year).

(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 fiscal year under review is as follows.

Total assets amounted to ¥169,490 million, down ¥3,187 million compared with the end of the previous consolidated fiscal year. Current assets decreased by ¥6,881 million, mainly because of an increase in cash and deposits and decreases in notes and accounts receivable-trade, and noncurrent assets increased by ¥3,694 million, mainly because of increases in property, plant and equipment and increases in investment securities.

Liabilities amounted to ¥87,823 million, down ¥4,935 million over the end of the previous year, mainly because an increase in short-term loans payable was not sufficient to offset the decreases in notes and accounts payable-trade and income taxes payable.

Net assets amounted to ¥81,667 million, up ¥1,748 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 1.9%.

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 ¥8,765 million (an increase of ¥5,287 million in the same period of the previous fiscal year), reflecting inflows including income before income taxes and minority interests for the quarter of ¥4,359 million, depreciation and amortization of ¥3,223 million and a decrease in notes and accounts receivable-trade of ¥13,757 million. Outflows included a decrease in notes and accounts payable-trade of ¥5,066 million, and income taxes paid of ¥4,554 million.

Investing activities resulted in a net cash outflow of ¥5,800 million (an outflow of ¥57 million in the same period of the previous fiscal year), reflecting inflows including receipts of ¥528 million for the sale and redemption of investment securities, and outlays, including disbursements of ¥5,455 million for the purchase of property, plant and equipment and of ¥721 million for the purchase of intangible assets.

Financing activities resulted in a net cash increase of ¥3,573 million (an increase of ¥511 million in the same period of the previous fiscal year), reflecting increases in short-term loans payable of ¥3,571 million and long-term loans payable of ¥1,226 million and dividend payments of ¥1,142 million.

Consequently, consolidated cash and cash equivalents at the end of the current fiscal year's third quarter increased by ¥6,561 million from the end of the previous fiscal year (an increase of ¥5,717 million in the same period of the previous fiscal year) to ¥32,740 million.

(3) Qualitative information concerning the performance forecast

The consolidated performance forecasts for the current fiscal year ending March 2013, which we announced on May 9, 2012, remain unchanged.

2. Summary Information (Notes)

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

Nothing in particular.

(2) Adoption of 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

(Changes in accounting policy that are difficult to distinguish from changes in accounting estimates)

In accordance with the amendment to the Corporation Tax Act, effective from the first quarter of the consolidated fiscal year, the Company and its domestic consolidated subsidiaries have changed the depreciation method used for property, plant and equipment acquired on or after April 1, 2012.

This change has had an insignificant impact on the income for the third quarter of the consolidated fiscal year.

3. Quarterly Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	Previous fiscal year (As of March 31, 2012)	Third quarter of the current fiscal year (As of December 31, 2012)
Assets		
Current assets		
Cash and deposits	27,652	34,166
Notes and accounts receivable-trade	52,897	39,139
Short-term investment securities	531	21
Merchandise and finished goods	8,855	10,021
Work in process	1,285	1,608
Raw materials and supplies	2,526	2,805
Other	3,659	2,753
Allowance for doubtful accounts	(22)	(12)
Total current assets	97,384	90,503
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	13,573	13,840
Land	22,510	22,673
Other, net	7,339	9,467
Total property, plant and equipment	43,423	45,981
Intangible assets		
Goodwill	1,103	895
Other	2,152	2,461
Total intangible assets	3,255	3,356
Investments and other assets		
Investment securities	19,566	20,416
Other	9,097	9,264
Allowance for doubtful accounts	(50)	(32)
Total investments and other assets	28,613	29,648
Total noncurrent assets	75,293	78,987
Total assets	172,678	169,490

(Millions of yen)

	Previous fiscal year (As of March 31, 2012)	Third quarter of the current fiscal year (As of December 31, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	30,143	23,952
Electronically recorded obligations-operating	8,403	9,667
Short-term loans payable	6,786	10,360
Current portion of long-term loans payable	2,906	3,004
Current portion of bonds	—	5,000
Income taxes payable	4,051	371
Provision for bonuses	2,643	1,406
Other	4,342	4,114
Total current liabilities	59,277	57,877
Noncurrent liabilities		
Bonds payable	10,000	5,000
Long-term loans payable	7,345	8,473
Provision for retirement benefits	12,411	13,153
Other	3,724	3,319
Total noncurrent liabilities	33,482	29,946
Total liabilities	92,759	87,823
Net assets		
Shareholders' equity		
Capital stock	18,670	18,670
Capital surplus	16,759	16,759
Retained earnings	44,797	46,260
Treasury stock	(2,377)	(2,385)
Total shareholders' equity	77,851	79,305
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,299	2,456
Deferred gains or losses on hedges	—	48
Foreign currency translation adjustment	(407)	(370)
Total accumulated other comprehensive income	1,891	2,135
Minority interests	176	226
Total net assets	79,918	81,667
Total liabilities and net assets	172,678	169,490

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

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

(Millions of yen)

	Third quarter of FY ended March 2012 (From April 1, 2011 to December 31, 2011)	Third quarter of FY ending March 2013 (From April 1, 2012 to December 31, 2012)
Net sales	132,175	139,113
Cost of sales	92,540	98,233
Gross profit	39,634	40,880
Selling, general and administrative expenses		
Packing and transportation expenses	5,795	5,858
Salaries and allowances	12,573	12,823
Provision for bonuses	737	960
Rent expenses	4,566	4,379
Other	13,218	13,694
Total selling, general and administrative expenses	36,891	37,715
Operating income	2,743	3,164
Non-operating income		
Interest income	28	32
Dividends income	414	396
Equity in earnings of affiliates	81	229
Other	523	637
Total non-operating income	1,048	1,297
Non-operating expenses		
Interest expenses	382	347
Other	359	210
Total non-operating expenses	741	558
Ordinary income	3,049	3,903
Extraordinary income		
Gain on sales of investment securities	–	13
Subsidy	–	499
Total extraordinary income	–	513
Extraordinary loss		
Loss on valuation of investment securities	114	57
Other	4	–
Total extraordinary loss	118	57
Income before income taxes and minority interests	2,931	4,359
Income taxes-current	1,669	974
Income taxes-deferred	(137)	658
Total income taxes	1,532	1,632
Income before minority interests	1,399	2,726
Minority interests in income	(40)	50
Net income	1,439	2,676

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

(Millions of yen)

	Third quarter of FY ended March 2012 (From April 1, 2011 to December 31, 2011)	Third quarter of FY ending March 2013 (From April 1, 2012 to December 31, 2012)
Income before minority interests	1,399	2,726
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,089)	148
Deferred gains or losses on hedges	—	48
Foreign currency translation adjustment	(20)	21
Share of other comprehensive income of associates accounted for using equity method	(69)	26
Total other comprehensive income	(1,178)	244
Comprehensive income	220	2,970
(Details)		
Comprehensive income attributable to owners of the parent	261	2,920
Comprehensive income attributable to minority interests	(40)	50

(3) Quarterly Consolidated Cash Flow Statement

(Millions of yen)

	Third quarter of FY ended March 2012 (From April 1, 2011 to December 31, 2011)	Third quarter of FY ending March 2013 (From April 1, 2012 to December 31, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes	2,931	4,359
Depreciation and amortization	3,211	3,223
Loss (gain) on sales and retirement of noncurrent assets	61	96
Equity in (earnings) losses of affiliates	(81)	(229)
Increase (decrease) in allowance for doubtful accounts	(2)	(26)
Increase (decrease) in provision for bonuses	183	(1,237)
Increase (decrease) in provision for retirement benefits	(419)	567
Interest and dividends income	(443)	(429)
Interest expenses	382	347
Loss (gain) on sales of investment securities	0	(13)
Loss (gain) on valuation of investment securities	114	57
Decrease (increase) in notes and accounts receivable-trade	1,804	13,757
Decrease (increase) in inventories	(942)	(1,768)
Increase (decrease) in notes and accounts payable-trade	(1,675)	(5,066)
Subsidy income	—	(499)
Other	1,436	83
Subtotal	6,562	13,221
Interest and dividends income received	447	449
Interest expenses paid	(387)	(350)
Income taxes paid	(1,334)	(4,554)
Net cash provided by (used in) operating activities	5,287	8,765
Net cash provided by (used in) investing activities		
Payments into time deposits	(893)	(1,397)
Proceeds from withdrawal of time deposits	2,188	1,443
Purchase of property, plant and equipment	(1,368)	(5,455)
Purchase of intangible assets	(402)	(721)
Purchase of investment securities	(416)	(665)
Proceeds from sales and redemption of investment securities	804	528
Subsidies received	47	497
Other	(18)	(31)
Net cash provided by (used in) investing activities	(57)	(5,800)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,826	3,571
Proceeds from long-term loans payable	600	3,605
Repayment of long-term loans payable	(943)	(2,378)
Purchase of treasury stock	(3)	(2)
Cash dividends paid	(907)	(1,142)
Other	(61)	(79)
Net cash provided by (used in) financing activities	511	3,573
Effect of exchange rate change on cash and cash equivalents	(24)	22
Net increase (decrease) in cash and cash equivalents	5,717	6,561
Cash and cash equivalents at the beginning of the fiscal year	24,361	26,179
Cash and cash equivalents at the end of the quarter term	30,079	32,740

(4) Note regarding the assumption of going concern

There is no information that needs to be disclosed herein.

(5) Segment information

Third quarter of FY ended March 2012 (from April 1, 2011 to December 31, 2011)

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

(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	68,821	53,966	122,787	9,387	132,175	–	132,175
Internal sales or transfers between segments	–	–	–	–	–	–	–
Total	68,821	53,966	122,787	9,387	132,175	–	132,175
Segment income (loss)	1,523	1,573	3,097	(354)	2,743	–	2,743

(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.

Third quarter of FY ending March 2013 (from April 1, 2012 to December 31, 2012)

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

(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	72,840	57,984	130,825	8,288	139,113	–	139,113
Internal sales or transfers between segments	–	–	–	–	–	–	–
Total	72,840	57,984	130,825	8,288	139,113	–	139,113
Segment income (loss)	2,191	1,469	3,661	(496)	3,164	–	3,164

(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.

2. Disclosure of changes, etc. in reportable segments

In accordance with the amendment to the Corporation Tax Act, effective from the first quarter of the consolidated fiscal year, the Company and its domestic consolidated subsidiaries have changed the depreciation method used for property, plant and equipment acquired on or after April 1, 2012. The Company and its domestic consolidated subsidiaries have also changed the depreciation method used for reportable segments accordingly.

This change has had an insignificant impact on the segment income for the third quarter of the consolidated fiscal year.

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

Nothing in particular.

- (7) Important subsequent events

Nothing in particular.