



\* 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 consolidated quarterly 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 the end of the term

② Number of shares of treasury stock at the end of the term

③ Average number of shares during the term (cumulative quarters)

First half of FY ending March 2021	112,391,530	FY ended March 2020	112,391,530
First half of FY ending March 2021	2,253,935	FY ended March 2020	2,249,872
First half of FY ending March 2021	110,139,739	First half of FY ended March 2020	110,146,524

\* The Summary of Quarterly Financial Results is not subject to quarterly audit by a Certified Public Accountant or an audit firm.

\* 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, etc., please refer to (3) Explanation of the performance forecast in 1. Qualitative Information Concerning Consolidated Quarterly Financial Results on page 3 of the Appendix.

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## 1. Qualitative Information Concerning Consolidated Quarterly Financial Results

## (1) Explanation of the progress in (consolidated) operating results

During the first half of the consolidated fiscal year under review, the Japanese economy stagnated as the employment and income situation continued to deteriorate on the back of the global spread of novel coronavirus infections. Although the business climate for the Okamura Group continue to be highly challenging even after the lifting of the state of emergency declaration, as can be seen in capital expenditure restraint and cost savings due to worsening corporate business performance, business activities have been resumed on a step-by-step basis with infection prevention measures put in place, making us think that we are headed for a moderate recovery.

Under these circumstances, the Okamura Group disseminated information by leveraging our internal expertise in the form of releasing findings from a survey on environments for remote working as a novel coronavirus infection countermeasure, as well as the report, which provides guidance in developing a viable "new normal" workplace. We also actively experimented with new workstyles internally under the "new normal" environment. Moreover, we strove to develop new market potential by creating distinctive products and offering total solutions. In the latter half of the second quarter of the consolidated fiscal year under review, customer demand increased sharply and we responded in order to satisfy it.

As a result of the above, during the first half of the consolidated fiscal year under review, the Company posted net sales of ¥105,294 million (a year-over-year decrease of 11.1%), operating income of ¥2,859 million (a year-over-year decrease of 37.0%), ordinary income of ¥3,561 million (a year-over-year decrease of 31.8%), and profit attributable to owners of parent of ¥2,155 million (a year-over-year decrease of 37.0%). Although income for the first quarter of the consolidated fiscal year under review decreased significantly from the same period in the previous fiscal year, net sales decreased slightly and operating income increased in all segments for the second quarter of the consolidated fiscal year under review.

Performance results by segment are discussed below.

Starting from the previous consolidated fiscal year, the Material Handling Systems, which was previously included in the "Others" segment, began to be presented as an independent reporting segment due to its increased quantitative importance.

Segment name	Net sales (Millions of yen)			Segment income or loss (Millions of yen)		
	First half of FY ended March 2020	First half of FY ending March 2021	Increase/decrease	First half of FY ended March 2020	First half of FY ending March 2021	Increase/decrease
Office Furniture	61,428	54,667	(6,761)	2,878	1,797	(1,081)
Store Displays	47,225	41,272	(5,953)	928	355	(572)
Material Handling Systems	7,110	7,427	316	654	844	189
Others	2,664	1,927	(737)	80	(137)	(218)
Total	118,429	105,294	(13,134)	4,542	2,859	(1,682)

Note: The total of segment income or loss corresponds to the operating income on Consolidated Quarterly Statements of Income.

## Office Furniture

In the Office Furniture segment, although demand for office relocations remained more or less robust as predicted, investments in small-scale projects and renovation projects were greatly curbed as a wait-and-see stance took hold. Meanwhile, the trend to create new office environments, such as the work style reform, is expanding nationwide, reaching a broad base of companies, regardless of industry or scale. This trend is further intensifying due to rapid changes in the ways that people work amid the novel coronavirus pandemic. Under these circumstances, the Company made active efforts to popularize proposals on how to create new office environments, leveraging the results obtained from our proof-of-concept office "LABO Office" to put into practice and verify new ways of working, in addition to the experience and knowledge gained from various measures executed within the Company as part of our own work style reform. However, both net sales and income declined year-over-year partly due to voluntary business suspensions.

As a result, net sales in this segment amounted to ¥54,667 million (a year-over-year decrease of 11.0%), and the segment income amounted to ¥1,797 million (a year-over-year decrease of 37.6%).

## Store Displays

In the Store Displays segment, renovation demand increased sharply after stagnating markedly due to retailers such as supermarkets and drug stores being too busy to be renovated amid the novel coronavirus pandemic, which represent the Company's main customer base. Under these circumstances, the Company stepped up efforts to deliver total solutions for display fixtures, store carts, store security products, and the like by leveraging the organization's comprehensive capabilities. The Company also made efforts to cater to new demand for infection prevention measures. As a result, the Company was able to secure profits for the second quarter of the consolidated fiscal year under review as opposed to a loss for the first quarter, although both net sales and income for the first half of the consolidated fiscal year under review declined in comparison to the first half of the previous consolidated fiscal year.

As a result, net sales in this segment amounted to ¥41,272 million (a year-over-year decrease of 12.6%), and the segment income amounted to ¥355 million (a year-over-year decrease of 61.7%).

#### Material Handling Systems

In the Material Handling Systems segment, demand for automated warehouse equipment was more or less as predicted mainly among major logistics facilities on the back of growing labor-saving needs arising from labor shortages. Under these circumstances, the Company actively engaged in promotion activities for proposals that maximize the strengths of its products, which stand out due to their superiority. It also worked to take infection prevention measures thoroughly at work sites as well as to strengthen the engineering platform. As a result, both sales and income increased.

As a result, net sales in this segment amounted to ¥7,427 million (a year-over-year increase of 4.5%), and the segment income amounted to ¥844 million (a year-over-year increase of 29.0%), both making record highs.

### (2) Explanation of the changes in (consolidated) financial position

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

Total assets amounted to ¥226,116 million, down ¥10,210 million compared with the end of the previous consolidated fiscal year. Current assets decreased by ¥15,786 million, mainly because of an increase in cash and deposits coupled with a decrease in notes and accounts receivable-trade. Non-current assets increased by ¥5,575 million, largely because of an increase in investment securities.

Liabilities amounted to ¥85,732 million, down ¥15,097 million compared with the end of the previous consolidated fiscal year, mainly as a result of an increase in deferred tax liabilities and decrease in notes and accounts payable-trade, income taxes payable and provision for bonuses.

Net assets amounted to ¥140,383 million, up ¥4,886 million from the end of the previous fiscal year, mainly because of an increase of the valuation difference on available-for-sale securities.

As a result, the equity ratio amounted to 61.6%, up 4.8 percentage points compared with the end of the previous fiscal year.

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

Operating activities generated a net cash increase of ¥11,990 million (an increase of ¥11,948 million in the same period of the previous fiscal year), reflecting inflows including profit before income taxes for the quarter of ¥2,799 million, depreciation and amortization of ¥3,001 million, and a decrease in notes and accounts receivable-trade of ¥21,875 million. Outflows included decreases in provision for bonuses of ¥1,832 million, notes and accounts payable-trade of ¥10,732 million and income taxes paid of ¥3,771 million.

Investment activities resulted in a net cash outflow of ¥2,324 million (a net cash outflow of ¥2,793 million in the same period of the previous fiscal year), reflecting outflows including disbursements of ¥2,046 million for the purchase of property, plant and equipment and ¥436 million for the purchase of intangible assets.

Financing activities resulted in a net cash outflow of ¥2,739 million yen (a net cash outflow of ¥2,100 million in the same period of the previous fiscal year), reflecting outflows including cash dividends paid of ¥1,763 million.

Consequently, consolidated cash and cash equivalents at the end of the current fiscal year's first half increased by ¥6,785 million from the end of the previous fiscal year (an increase of ¥6,993 million in the same period of the previous fiscal year) to ¥38,283 million.

### (3) Explanation of the performance forecast

In consideration of recent business performance, the Company has revised its previous forecasts of consolidated performance for the fiscal year ending March 2021 announced on August 4, 2020. For the details of the revision, please refer to the "Announcement of Revision of Performance Forecasts" released today (November 6, 2020).

The performance forecasts have been made based on the information available as of the day when the announcement was published; actual results may differ from the predicted figures due to various factors.

## 2. Consolidated Quarterly Financial Statements and Important Notes

## (1) Consolidated Quarterly Balance Sheet

(Millions of yen)

	Previous fiscal year (As of March 31, 2020)	First half of the current fiscal year (As of September 30, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits	32,594	39,168
Notes and accounts receivable-trade	71,581	49,706
Short-term investment securities	510	510
Merchandise and finished goods	11,921	11,084
Work in process	1,593	1,621
Raw materials and supplies	4,621	4,684
Other	2,007	2,261
Allowance for doubtful accounts	(28)	(22)
<b>Total current assets</b>	<b>124,801</b>	<b>109,015</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,249	14,880
Land	27,829	28,106
Other, net	15,018	15,043
<b>Total property, plant and equipment</b>	<b>58,097</b>	<b>58,030</b>
Intangible assets	3,762	3,432
Investments and other assets		
Investment securities	41,555	47,879
Other	8,136	7,786
Allowance for doubtful accounts	(27)	(27)
<b>Total investments and other assets</b>	<b>49,664</b>	<b>55,638</b>
<b>Total non-current assets</b>	<b>111,525</b>	<b>117,101</b>
<b>Total assets</b>	<b>236,327</b>	<b>226,116</b>

(Millions of yen)

	Previous fiscal year (As of March 31, 2020)	First half of the current fiscal year (As of September 30, 2020)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	27,324	20,541
Electronically recorded obligations-operating	15,884	11,851
Short-term loans payable	6,244	6,112
Current portion of long-term loans payable	2,552	2,417
Income taxes payable	4,272	314
Provision for bonuses	4,419	2,587
Other	6,754	5,945
Total current liabilities	67,413	49,770
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	3,343	3,044
Net defined benefit liability	15,573	16,119
Other	4,500	6,798
Total non-current liabilities	33,416	35,961
Total liabilities	100,830	85,732
Net assets		
Shareholders' equity		
Capital stock	18,670	18,670
Capital surplus	16,766	16,766
Retained earnings	92,528	92,918
Treasury stock	(2,442)	(2,445)
Total shareholders' equity	125,522	125,909
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,614	14,387
Foreign currency translation adjustment	(23)	(187)
Remeasurements of defined benefit plans	(831)	(757)
Total accumulated other comprehensive income	8,759	13,442
Non-controlling interests	1,214	1,031
Total net assets	135,497	140,383
Total liabilities and net assets	236,327	226,116

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

Consolidated Quarterly Statements of Income  
[First Half of Current Fiscal Year]

(Millions of yen)

	First half of FY ended March 2020 (From April 1, 2019 to September 30, 2019)	First half of FY ending March 2021 (From April 1, 2020 to September 30, 2020)
Net sales	118,429	105,294
Cost of sales	80,709	71,606
Gross profit	37,680	33,687
Selling, general and administrative expenses		
Packing and transportation expenses	5,302	4,273
Salaries and allowances	10,345	10,362
Provision for bonuses	1,818	1,747
Rent expenses	4,387	4,313
Other	11,284	10,131
Total selling, general and administrative expenses	33,137	30,828
Operating income	4,542	2,859
Non-operating income		
Interest income	14	14
Dividends income	494	488
Equity in earnings of affiliates	107	62
Subsidy income	–	205
Other	415	283
Total non-operating income	1,031	1,053
Non-operating expenses		
Interest expenses	81	84
Foreign exchange losses	114	49
Loss on sales and retirement of non-current assets	39	55
Compensation expenses	–	67
Other	118	94
Total non-operating expenses	353	351
Ordinary income	5,220	3,561
Extraordinary income		
Gain on sales of investment securities	2	9
Subsidies for employment adjustment	–	96
Total extraordinary income	2	105
Extraordinary loss		
Impairment loss	7	6
Loss on valuation of investment securities	11	663
Loss on liquidation of subsidiaries	184	–
Utilization suspension expenses	–	197
Total extraordinary loss	203	867
Profit before income taxes	5,019	2,799
Income taxes-current	1,224	262
Income taxes-deferred	369	395
Total income taxes	1,594	658
Profit	3,425	2,141
Profit (loss) attributable to non-controlling interests	4	(13)
Profit attributable to owners of parent	3,420	2,155

Consolidated Quarterly Statements of Comprehensive Income  
[First Half of Current Fiscal Year]

(Millions of yen)

	First half of FY ended March 2020 (From April 1, 2019 to September 30, 2019)	First half of FY ending March 2021 (From April 1, 2020 to September 30, 2020)
Profit	3,425	2,141
Other comprehensive income		
Valuation difference on available-for-sale securities	(487)	4,797
Foreign currency translation adjustment	(70)	(165)
Remeasurements of defined benefit plans, net of tax	90	73
Share of other comprehensive income of entities accounted for using equity method	16	(63)
Total other comprehensive income	(451)	4,643
Comprehensive income	2,974	6,784
Details:		
Comprehensive income attributable to owners of parent	2,973	6,838
Comprehensive income attributable to non- controlling interests	0	(53)

## (3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	First half of FY ended March 2020 (From April 1, 2019 to September 30, 2019)	First half of FY ending March 2021 (From April 1, 2020 to September 30, 2020)
<b>Net cash provided by (used in) operating activities</b>		
Profit before income taxes	5,019	2,799
Depreciation and amortization	2,908	3,001
Impairment loss	7	6
Loss (gain) on liquidation of subsidiaries	184	–
Utilization suspension expenses	–	197
Equity in (earnings) losses of affiliates	(107)	(62)
Increase (decrease) in allowance for doubtful accounts	(67)	(5)
Increase (decrease) in provision for bonuses	(1,300)	(1,832)
Increase (decrease) in net defined benefit liability	570	665
Interest and dividends income	(508)	(502)
Interest expenses	81	84
Compensation expenses	–	67
Loss (gain) on sales of investment securities	(2)	(9)
Loss (gain) on valuation of investment securities	11	663
Subsidies for employment adjustment	–	(96)
Decrease (increase) in notes and accounts receivable-trade	13,497	21,875
Decrease (increase) in inventories	(928)	733
Increase (decrease) in notes and accounts payable-trade	(3,909)	(10,732)
Increase (decrease) in accrued consumption taxes	35	(931)
Other, net	(1,206)	(513)
Subtotal	14,285	15,409
Interest and dividends income received	533	521
Interest expenses paid	(74)	(82)
Compensation expenses paid	–	(67)
Subsidies for employment adjustment received	–	96
Utilization suspension expenses paid	–	(116)
Income taxes paid	(2,795)	(3,771)
Net cash provided by (used in) operating activities	11,948	11,990
<b>Net cash provided by (used in) investing activities</b>		
Payments into time deposits	(696)	(451)
Proceeds from withdrawal of time deposits	487	657
Purchase of property, plant and equipment	(2,512)	(2,046)
Purchase of intangible assets	(805)	(436)
Purchase of investment securities	(104)	(103)
Proceeds from sales and redemption of investment securities	676	29
Other, net	160	26
Net cash provided by (used in) investing activities	(2,793)	(2,324)
<b>Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	(4,924)	(123)
Proceeds from long-term loans payable	–	440
Repayment of long-term loans payable	(243)	(873)
Proceeds from issuance of bonds	5,000	–
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(1,544)	(1,763)
Other, net	(388)	(418)

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Net cash provided by (used in) financing activities	(2,100)	(2,739)
Effect of exchange rate change on cash and cash equivalents	(61)	(140)
Net increase (decrease) in cash and cash equivalents	6,993	6,785
Cash and cash equivalents at the beginning of the fiscal year	26,133	31,497
Cash and cash equivalents at the end of the quarter term	33,126	38,283

## (4) Notes regarding Consolidated Quarterly Financial Statements

Note regarding the assumption of going concern

There is no information that needs to be disclosed herein.

Note regarding occurrence of significant change in amount of shareholders' equity

There is no information that needs to be disclosed herein.

Segment information

First half of FY ended March 2020 (from April 1, 2019 to September 30, 2019)

## 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 Consolidated Quarterly Statements of Income (Note 2)
	Office Furniture	Store Displays	Material Handling Systems	Total				
Net sales								
Net sales to external customers	61,428	47,225	7,110	115,764	2,664	118,429	—	118,429
Internal sales or transfers between segments	—	—	—	—	—	—	—	—
Total	61,428	47,225	7,110	115,764	2,664	118,429	—	118,429
Segment income	2,878	928	654	4,461	80	4,542	—	4,542

Notes: 1. The category "Others" aggregates those business segments that do not meet the definition of reportable segments, and includes Powertrain and Others.

2. The total of segment income corresponds to the operating income on Consolidated Quarterly Statements of Income.

## 2. Information about impairment loss on non-current assets by segment

Significant impairment loss on non-current assets

An impairment loss on non-current assets has been included in the "Office Furniture," "Store Displays," "Material Handling Systems" and "Others" segments. For the first half of the previous fiscal year, the recorded impairment loss on non-current assets amounted to ¥2 million for the "Office Furniture" segment, ¥0 million for the "Store Displays" segment, ¥4 million for "Material Handling Systems" segment and ¥0 million for the "Others" segment.

First half of FY ending March 2021 (from April 1, 2020 to September 30, 2020)

## 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 Consolidated Quarterly Statements of Income (Note 2)
	Office Furniture	Store Displays	Material Handling Systems	Total				
Net sales								
Net sales to external customers	54,667	41,272	7,427	103,366	1,927	105,294	—	105,294
Internal sales or transfers between segments	—	—	—	—	—	—	—	—
Total	54,667	41,272	7,427	103,366	1,927	105,294	—	105,294
Segment income or loss	1,797	355	844	2,997	(137)	2,859	—	2,859

Notes: 1. The category "Others" aggregates those business segments that do not meet the definition of reportable segments, and includes Powertrain and Others.

2. The total of Segment income or loss corresponds to the operating income on Consolidated Quarterly Statements of Income.

2. Information about impairment loss on non-current assets by segment

Significant impairment loss on non-current assets

For the first half of the current fiscal year, the recorded impairment loss on non-current assets amounted to ¥4 million for the "Office Furniture" segment, ¥0 million for the "Store Displays" segment and ¥1 million for "Material Handling Systems" segment.