



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

February 3, 2012

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 Third Quarter (Apr. 1, 2011–Dec. 31, 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	%
Third quarter of FY ending March 2012	132,175	9.5	2,743	–	3,049	–	1,439	–
Third quarter of FY ended March 2011	120,751	3.8	(245)	–	(66)	–	(404)	–

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

Comprehensive loss: –¥1,198 million (–%) for the third quarter of FY ended March 2011

	Net income per share	Diluted net income per share
	yen	yen
Third quarter of FY ending March 2012	13.06	–
Third quarter of FY ended March 2011	(3.67)	–

(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 2012	162,306	75,888	46.7	687.91
FY ended March 2011	161,845	76,638	47.3	694.28

(Note) Total shareholder's equity: Third quarter of FY ending March 2012: ¥75,820 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	–	5.00	–		
FY March ending 2012 (forecast)				5.00	10.00

(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 year-on-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
FY ending March 2012	180,000	6.3	6,000	150.0	6,500	155.0	3,800	528.6	34.47

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

4. Others

(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) 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)

3Q of FY ending March 2012	112,391,530	FY ended March 2011	112,391,530
3Q of FY ending March 2012	2,172,663	FY ended March 2011	2,162,714
3Q of FY ending March 2012	110,223,797	3Q of FY ended March 2011	110,238,601

* 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 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 consolidated fiscal year under review, Japan's economy followed a gradually recovery path away from the economic stagnation that was caused by the effects of the Great East Japan Earthquake. However, the future of the economy remains unclear. Due to factors such as the financial turmoil in Europe, the appreciation of the yen has become long term and stock markets have continued to decline. Moreover, the floods in Thailand have had an adverse impact on the Japanese economy.

Under these circumstances, by developing products incorporating new technologies and that are environmentally friendly, and 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 proposals, and accelerated the cutting of costs and expenses.

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 2011	Third quarter of FY ending March 2012	Increase/decrease	Third quarter of FY ended March 2011	Third quarter of FY ending March 2012	Increase/decrease
Office Furniture	62,712	68,821	6,109	(1,259)	1,523	2,782
Store Displays	47,967	53,966	5,998	914	1,573	659
Others	10,071	9,387	(684)	99	(354)	(454)
Total	120,751	132,175	11,423	(245)	2,743	2,988

(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, office-related demand remained solid among companies seeking greater office efficiency and cost savings as well as reviewing work styles, and there was increasing attention regarding office security measures. The Okamura Corporation (hereinafter the "Company") responded to these needs with proposals that proactively promoted optimal office concepts, focusing on specialty manufacturing and smarter working. Emphasis was also placed on developing demand among educational, medical and research facilities, local governments and other customer sectors in the periphery of the office furniture market. The results of the above efforts increased net sales and income year on year.

As a result, net sales in this segment amounted to ¥68,821 million (an increase of 9.7% year on year), and the segment income amounted to ¥1,523 million (versus a segment loss of ¥1,259 million in the same period of the previous fiscal year).

Store Displays

In the Store Displays segment, by leveraging its strength as the only manufacturer that can offer total solutions featuring store fixtures, freezer showcases, and refrigerator showcases, the Company aggressively promoted total store solutions designed to meet shifting consumer needs, to improve energy efficiency, and to provide store security systems. The Company also endeavored to increase demand from reconstruction projects, its number of new retail stores, which are steadily increasing, and remodeling orders. The results of the above efforts increased net sales and income year on year.

As a result, net sales in this segment amounted to ¥53,966 million (an increase of 12.5% year on year), and the segment income amounted to ¥1,573 million (an increase of 72.2% year on year).

Others (Material Handling Systems and Others)

In the Material Handling Systems segment, the Company set its sights on diverse promising fields, including renewable energy production facilities, food processing centers, and logistics management outsourcing services with the objective of cutting costs. 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. However, due to the effects the Great East Japan Earthquake and sluggish investment in the private sector, net sales slightly decreased year on year.

As a result, net sales in this segment amounted to ¥9,387 million (a decrease of 6.8% year on year), and the segment loss amounted to ¥354 million (versus a segment profit of ¥99 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 ¥132,175 million (an increase of 9.5% year on year), operating income of ¥2,743 million (versus an operating loss of ¥245 million in the same period of the previous fiscal year), ordinary income of ¥3,049 million (versus an ordinary loss of ¥66 million), and net income of ¥1,439 million (versus a net loss of ¥404 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 ¥162,306 million, up ¥460 million compared with the end of the previous consolidated fiscal year. Current assets increased by ¥4,076 million, mainly because of an increase in cash and time deposits and decreases in trade notes and accounts receivable, and fixed assets decreased by ¥3,615 million, mainly because of decreases in tangible fixed assets and investment securities.

Liabilities amounted to ¥86,417 million, up ¥1,211 million over the end of the previous fiscal year, mainly because of increases in short-term bank loans.

Net assets amounted to ¥75,888 million, down ¥750 million over the end of the previous fiscal year, mainly because of a decrease in unrealized holding gains on securities. The equity ratio amounted to 46.7%, down 0.6%.

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 ¥5,287 million (versus a net cash increase of ¥10,620 million in the same period of the previous fiscal year), reflecting inflows including income before income taxes for the quarter of ¥2,931 million, depreciation expenses of ¥3,211 million, and a decrease in trade notes and accounts receivable of ¥1,804 million. Outflows included a decrease in trade notes and accounts payable of ¥1,675 million.

Investing activities resulted in a net cash outflow of ¥57 million (versus a net cash outflow of ¥1,747 million in the same period of the previous fiscal year), reflecting inflows including a decrease of ¥1,295 million in time deposits and receipts of ¥804 million for the sales and redemption of investment securities, and outlays including disbursements of ¥1,368 million for the acquisition of tangible fixed assets and of ¥416 million for the acquisition of investment securities.

Financing activities resulted in a net cash increase of ¥511 million (versus a net cash outflow of ¥388 million in the same period of the previous fiscal year), reflecting inflows including an increase in short-term bank loans of ¥1,826 million and outflows including dividend payments of ¥907 million and a decrease in long-term bank loans of ¥343 million.

Consequently, consolidated cash and cash equivalents at the end of the current fiscal year's third quarter increased by ¥5,717 million from the end of the previous fiscal year (versus an increase of ¥8,469 million over the same period of the previous fiscal year) to ¥30,079 million.

(3) Qualitative information concerning the performance forecast

The consolidated performance forecasts for the current fiscal year ending March 2012, which we announced on October 21, 2011, remain unchanged.

2. Summary Information (Other)

(1) Changes in the number of material subsidiaries during the 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

① 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).

② The Act on the Partial Revision of the Income Tax Act in Order to Establish a Tax System in Response to Structural Changes in Economic Society (Act No. 114 of 2011) and the Act on Special Measures to Secure Financial Resources Needed to Implement Measures for Recovery from the Great East Japan Earthquake (Act No. 117 of 2011) were promulgated on December 2, 2011, and the corporate tax rate will change from the fiscal year beginning on April 1, 2012.

Due to this change, in accordance with the period when the temporary difference is reversed, the normal effective statutory tax rate used to calculate deferred tax asset and deferred tax liability will be as follows.

To March 31, 2012	40.7%
From April 1, 2012, to March 31, 2015	38.0%
From April 1, 2015	35.6%

Due to these changes in the tax rate, a net decrease of ¥213 million in deferred tax asset was recorded and the income taxes posted as expense in the third quarter of the consolidated fiscal year increased by ¥277 million.

3. Quarterly Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	Previous fiscal year (As of March 31, 2011)	Third quarter of the current fiscal year (As of December 31, 2011)
Assets		
Current assets		
Cash and time deposits	26,593	31,014
Trade notes and accounts receivable	43,452	41,647
Marketable securities	322	630
Merchandise and finished products	9,218	9,659
Work in process	1,163	1,374
Raw material and supplies	2,335	2,626
Others	2,350	2,557
Allowance for doubtful accounts	(34)	(31)
Total current assets	85,401	89,478
Fixed assets		
Tangible fixed assets		
Buildings and structures (at net book value)	14,565	13,821
Land	22,524	22,524
Others (at net book value)	7,683	7,360
Total tangible fixed assets	44,773	43,706
Intangible fixed assets		
Goodwill	1,390	1,175
Others	2,087	2,005
Total intangible fixed assets	3,477	3,180
Investments and other assets		
Investment securities	18,967	16,408
Others	9,279	9,586
Allowance for doubtful accounts	(54)	(54)
Total investments and other assets	28,192	25,940
Total fixed assets	76,443	72,827
Total assets	161,845	162,306

(Millions of yen)

	Previous fiscal year (As of March 31, 2011)	Third quarter of the current fiscal year (As of December 31, 2011)
Liabilities		
Current liabilities		
Trade notes and accounts payable	34,083	27,520
Electronically recorded obligations	893	5,935
Short-term bank loans	8,904	10,724
Long-term debts due within one year	3,847	5,066
Income taxes payable	930	1,389
Allowance for bonus payable	899	1,083
Allowance for disaster loss	113	15
Others	2,736	4,458
Total current liabilities	52,410	56,193
Long-term liabilities		
Debenture bonds	10,000	10,000
Long-term loans payable	6,179	4,616
Severance and employee retirement benefits	12,533	12,241
Others	4,082	3,366
Total long-term liabilities	32,796	30,224
Total liabilities	85,206	86,417
Net assets		
Owners' equity		
Capital stock	18,670	18,670
Capital surplus	16,759	16,759
Retained earnings	41,903	42,377
Treasury stock, at cost	(2,369)	(2,374)
Total owners' equity	74,964	75,433
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	1,903	798
Foreign currency translation adjustments	(337)	(411)
Total accumulated other comprehensive income	1,565	386
Minority interests	108	67
Total net assets	76,638	75,888
Total liabilities and net assets	161,845	162,306

(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 2011 (From April 1, 2010 to December 31, 2010)	Third quarter of FY ending March 2012 (From April 1, 2011 to December 31, 2011)
Net sales	120,751	132,175
Cost of sales	85,577	92,540
Gross profit	35,174	39,634
Selling, general and administrative expenses		
Packing and transportation expenses	5,261	5,795
Salaries and allowances	12,514	12,573
Provision of reserve for bonus payable	157	737
Rent	4,667	4,566
Other	12,817	13,218
Total selling, general and administrative expenses	35,419	36,891
Operating income (loss)	(245)	2,743
Other income		
Interest income	25	28
Dividend income	352	414
Equity in earnings of affiliated companies	–	81
Others	496	523
Total other income	873	1,048
Other expenses		
Interest expense	440	382
Others	253	359
Total other expenses	694	741
Ordinary income (loss)	(66)	3,049
Extraordinary income		
Gain on disposal/sale of property, plant and equipment	174	–
Reversal of allowance for doubtful accounts	17	–
Others	2	–
Total extraordinary income	194	–
Extraordinary loss		
Loss on disposal/sale of property, plant and equipment	118	–
Impairment loss on investment securities	82	114
Others	129	4
Total extraordinary loss	329	118
Income (loss) before income taxes for the quarter term	(201)	2,931
Income taxes	509	1,669
Adjustments on income taxes	(226)	(137)
Total income taxes	282	1,532
Income (loss) before minority interests	(484)	1,399
Minority interests in earnings (losses)	(80)	(40)
Net income (loss) for the quarter term	(404)	1,439

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

(Millions of yen)

	Third quarter of FY ended March 2011 (From April 1, 2010 to December 31, 2010)	Third quarter of FY ending March 2012 (From April 1, 2011 to December 31, 2011)
Income (loss) before minority interests	(484)	1,399
Other comprehensive income		
Unrealized holding gains (losses) on securities	(739)	(1,089)
Foreign currency translation adjustment	(19)	(20)
Share of other comprehensive income of equity-method associates	45	(69)
Total other comprehensive income	(713)	(1,178)
Comprehensive income	(1,198)	220
(Details)		
Comprehensive income attributable to owners of the parent	(1,117)	261
Comprehensive income attributable to minority shareholders	(80)	(40)

(3) Quarterly Consolidated Cash Flow Statement

(Millions of yen)

	Third quarter of FY ended March 2011 (From April 1, 2010 to December 31, 2010)	Third quarter of FY ending March 2012 (From April 1, 2011 to December 31, 2011)
Cash flows from operating activities		
Income (loss) before income taxes for the quarter term	(201)	2,931
Depreciation expense	3,484	3,211
Loss (gain) on disposal/sale of property, plant and equipment	(56)	61
Loss (gain) on equity in earnings of affiliated companies	73	(81)
Increase (decrease) in allowance for doubtful accounts	(22)	(2)
Increase (decrease) in allowance for bonus payable	(651)	183
Increase (decrease) in allowance for employee retirement benefits	604	(419)
Interest income and dividend income	(377)	(443)
Interest expense	440	382
Loss (gain) on sale of investment securities	7	0
Impairment loss (gain) on investment securities	82	114
Decrease (increase) in notes and accounts receivable	6,931	1,804
Decrease (increase) in inventories	(822)	(942)
Increase (decrease) in notes and accounts payable	1,653	(1,675)
Others	348	1,436
Sub-total	11,491	6,562
Interest and dividends received	378	447
Interest expenses paid	(434)	(387)
Income taxes paid	(816)	(1,334)
Cash flows from operating activities	10,620	5,287
Cash flows from investing activities		
Outlay for placement of time deposits	(1,228)	(893)
Proceeds from withdrawal of time deposits	1,810	2,188
Payment for purchase of property, plant and equipment	(1,215)	(1,368)
Payment for purchase of intangible fixed assets	(321)	(402)
Payment for purchase of investment securities	(878)	(416)
Proceeds from sale and redemption of investment securities	37	804
Others	48	28
Cash flows from investing activities	(1,747)	(57)
Cash flows from financing activities		
Net increase (decrease) in short-term bank loans	893	1,826
Proceeds from long-term bank loans	1,050	600
Repayments of long-term debt	(1,495)	(943)
Payment for purchase of treasury stock	(4)	(3)
Cash dividends	(784)	(907)
Others	(47)	(61)
Cash flows from financing activities	(388)	511
Effect on exchange rate changes on cash and cash equivalents	(14)	(24)
Increase (decrease) in cash and cash equivalents	8,469	5,717
Cash and cash equivalents at beginning of the year	20,902	24,361
Cash and cash equivalents at end of the quarter term	29,371	30,079

(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

Third quarter of FY ended March 2011 (from April 1, 2010 to December 31, 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	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) corresponds to the operating income in the quarterly consolidated income statement.

Third quarter of FY ending March 2012 (from April 1, 2011 to December 31, 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	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.

(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.