

Financial Results for Fiscal Year Ended March 2021 [Japanese GAAP] (Consolidated)



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Listing: Tokyo Stock Exchange

Okamura Corporation

Code Number: 7994 URL: <http://www.okamura.co.jp/>

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Scheduled date for Board Meeting for Consolidated Settlement of Accounts: June 29, 2021

Scheduled date for filing Annual Security Report: June 29, 2021

Scheduled date for commencement of dividend payments: June 30, 2021

Preparation of supplementary material to explain financial results: Prepared.

Scheduling of meeting to explain financial results: Scheduled (for institutional investors and analysts).

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

1. Consolidated Operating Results for FY Ended March 2021 (April 1, 2020 to March 31, 2021)

(1) Operating Results

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended March 2021	244,454	(3.4)	14,175	5.9	15,377	4.5	11,971	21.5
FY ended March 2020	253,170	2.1	13,391	7.8	14,712	7.6	9,851	(3.7)

Note: Comprehensive income ¥16,337 million (108.4%) for FY ended March 2021, ¥7,839 million (0.5%) for FY ended March 2020

	Profit per share	Diluted profit per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	yen	yen	%	%	%
FY ended March 2021	112.51	—	8.8	6.4	5.8
FY ended March 2020	89.44	—	7.5	6.3	5.3

Reference: Equity in earnings of affiliates ¥193 million for FY ended March 2021, ¥360 million for FY ended March 2020

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY ended March 2021	245,473	139,776	56.5	1,381.61
FY ended March 2020	236,327	135,497	56.8	1,219.18

Reference: Total equity ¥138,757 million for FY ended March 2021, ¥134,282 million for FY ended March 2020

(3) Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of the fiscal year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY ended March 2021	26,921	(833)	(13,073)	44,419
FY ended March 2020	14,501	(5,661)	(4,388)	31,497

2. Dividend

	Annual dividend					Total dividends amount	Dividend payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total			
	yen	yen	yen	yen	yen	Millions of yen	%	%
FY ended March 2020	—	16.00	—	16.00	32.00	3,530	35.8	2.7
FY ended March 2021	—	12.00	—	20.00	32.00	3,336	28.4	2.5
FY ending March 2022 (forecast)	—	20.00	—	20.00	40.00		35.9	

3. Forecast of Consolidated Performance for FY Ending March 2022 (from April 1, 2021 to March 31, 2022)

(% figures indicate year-on-year increase/decrease for First half and Full year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
First half	116,000	10.2	4,800	67.9	5,500	54.4	3,800	76.3	37.84
Full year	245,000	0.2	15,000	5.8	16,000	4.0	11,200	(6.4)	111.52

* Notes

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

(3) Number of shares of stock (common stock)

- ① Number of shares issued (including treasury stock) at the end of the fiscal year
 ② Number of shares of treasury stock at the end of the fiscal year
 ③ Average number of shares during the period

FY ended March 2021	100,621,021	FY ended March 2020	112,391,530
FY ended March 2021	189,377	FY ended March 2020	2,249,872
FY ended March 2021	106,406,084	FY ended March 2020	110,144,987

Reference: Non-Consolidated Operating Results

1. Non-Consolidated Operating Results for FY Ended March 2021 (April 1, 2020 to March 31, 2021)

(1) Operating Results

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

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended March 2021	222,479	(2.6)	13,481	14.7	15,614	16.2	14,694	58.8
FY ended March 2020	228,392	2.2	11,755	6.6	13,433	4.3	9,251	(6.1)
	Profit per share		Diluted profit per share					
	yen		yen					
FY ended March 2021	137.86		—					
FY ended March 2020	83.85		—					

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY ended March 2021	225,441	129,728	57.5	1,289.28
FY ended March 2020	213,312	122,451	57.4	1,109.93

Note: Total equity ¥129,728 million for FY ended March 2021, ¥122,451 million for FY ended March 2020

* The Financial Results summary is not subject to audit by Certified Public Accountants 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 (4) Forecast Earnings for the Future in 1. Outline of the Operating Results on page 4 of the Appendix to this Financial Results summary.

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1. Outline of the Operating Results

(1) Outline of the Operating Results for the FY Ended March 2021

① Overall results

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Profit per share (Yen)	ROE (%)
FY ended March 2021	244,454	14,175	15,377	11,971	112.51	8.8
FY ended March 2020	253,170	13,391	14,712	9,851	89.44	7.5
Changes (%)	(3.4%)	5.9%	4.5%	21.5%	25.8%	-

During 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. Economic activities had been gradually resumed with measures to prevent the spread of infection in place after the lifting of the state of emergency in late May 2020. However, a second state of emergency was declared in January 2021, which slowed down the recovery of social and economic activities, causing an economic plight to stay.

Under these circumstances, the Okamura Group was among the first to release findings from a survey on environments for remote working in April 2020 and lost no time to provide society with reports, etc. that could be guidelines for considering workplaces in the new normal. Moreover, as countermeasures against novel coronavirus infections need to stay longer, we disseminated information by leveraging our internal expertise in the form of releasing findings from a survey that was conducted with and analyzed 3,000 people who had worked remotely, in March 2021. Through these activities, we challenged ourselves to experience workstyles in the age of a pandemic and strove to develop a new market by developing distinctive products and offering total solutions, whereby we have responded so as to meet customer requirements that were rapidly activated since the latter half of the second quarter of the consolidated fiscal year under review.

As a result of the above, during the consolidated fiscal year under review, the Company posted net sales of ¥244,454 million (a year-over-year decrease of 3.4%), operating income of ¥14,175 million (a year-over-year increase of 5.9%), ordinary income of ¥15,377 million (a year-over-year increase of 4.5%) and profit attributable to owners of parent of ¥11,971 million (a year-over-year increase of 21.5%). The Company posted record high operating income, ordinary income and profit for the fiscal year under review.

Return on equity (ROE) resulted in 8.8% (a year-over-year increase of 1.3 percentage points), ordinary income to total assets (ROA) was 6.4% (a year-over-year increase of 0.1 percentage points), and operating income to net sales was 5.8% (a year-over-year increase of 0.5 percentage points).

② Segment status

The understanding, analysis and review of the operating results by segment are as follows:

Segment name	Net sales (Millions of yen)			Segment income or loss (Millions of yen)		
	FY ended March 2020	FY ended March 2021	Increase/decrease	FY ended March 2020	FY ended March 2021	Increase/decrease
Office Furniture	137,074	130,783	(6,291)	9,734	10,059	324
Store Displays	95,186	94,329	(856)	1,816	2,968	1,151
Material Handling Systems	16,113	14,764	(1,349)	1,770	1,266	(503)
Others	4,796	4,577	(218)	69	(119)	(188)
Total	253,170	244,454	(8,716)	13,391	14,175	784

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

Office Furniture

In the Office Furniture segment, the trend to create new office environments, such as 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.

As a result, net sales of this segment amounted to ¥130,783 million (a year-over-year decrease of 4.6%), and the segment income amounted to ¥10,059 million (a year-over-year increase of 3.3%). Compared to the previous consolidated fiscal year, net sales decreased while income increased for the fiscal year under review.

Store Displays

In the Store Display segment, renovation demand increased sharply after stagnating markedly during the first quarter of the fiscal year ended March 31, 2021 as the request for continuation of operation issued by the authorities made it difficult for retailers such as supermarkets and drug stores, which represent the Company's main customer base, to temporarily close their operation amid the novel coronavirus pandemic. 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 posted record high quarterly net sales and income in the fourth quarter for two consecutive quarters since the third quarter of the fiscal year ended March 31, 2021.

As a result, net sales of this segment amounted to ¥94,329 million (a year-over-year decrease of 0.9%) and the segment income amounted to ¥2,968 million (a year-over-year increase of 63.4%). Compared to the previous consolidated fiscal year, net sales remained flat while income increased considerably for the fiscal year under review.

Material Handling Systems

In the Material Handling Systems segment, there was high, vigorous demand for automated storage systems 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. Despite these efforts, the number of completed projects declined in the second half of the fiscal year under review mainly due to stagnation in sales negotiations at the beginning of the fiscal year and customers' postponement of investment resulting from the spread of novel coronavirus infections.

As a result, the net sales of this segment amounted to ¥14,764 million (a year-over-year decrease of 8.4%) and the segment income amounted to ¥1,266 million (a year-over-year decrease of 28.4%). Compared to the previous consolidated fiscal year, both net sales and income decreased.

(2) Outline of the Financial Position for the FY Ended March 2021

	At the end of FY ended March 2020	At the end of FY ended March 2021
Total assets (Millions of yen)	236,327	245,473
Net assets (Millions of yen)	135,497	139,776
Equity ratio (%)	56.8	56.5
Net assets per share (Yen)	1,219.18	1,381.61

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

Total assets amounted to ¥245,473 million, up ¥9,146 million compared with the end of the previous consolidated fiscal year. Current assets increased by ¥4,511 million, mainly because of increases in cash and deposits and decreases in notes and accounts receivable-trade as well as inventories. Non-current assets increased by ¥4,635 million, primarily because of an increase in investment securities.

Liabilities amounted to ¥105,697 million, up ¥4,867 million on the end of the previous consolidated fiscal year, mainly as a result of increases in notes and accounts payable-trade and deferred tax liabilities.

Net assets amounted to ¥139,776 million, up ¥4,279 million over the end of the previous fiscal year, mainly because of an increase of valuation difference on available-for-sale securities, an increase caused by a decrease in treasury stocks, and a decrease in retained earnings.

As a result of the above, the equity ratio decreased by 0.3 percentage points to 56.5% compared with the end of the previous consolidated fiscal year, and the net assets per share increased from ¥1,219.18 at the end of the previous consolidated fiscal year to ¥1,381.61.

(3) Outline of Cash Flows for FY Ended March 2021

	FY ended March 2020 (Millions of yen)	FY ended March 2021 (Millions of yen)
Net cash provided by (used in) operating activities	14,501	26,921
Net cash provided by (used in) investing activities	(5,661)	(833)
Net cash provided by (used in) financing activities	(4,388)	(13,073)
Cash and cash equivalents at the end of the fiscal year	31,497	44,419
Borrowings and corporate bonds at the end of the fiscal year	22,140	21,721

The situation with regard to cash flows for the current consolidated fiscal year is as follows:

Operating activities generated a net cash increase of ¥26,921 million (an increase of ¥14,501 million in the previous fiscal year), reflecting: 1) inflows including profit before income taxes for the year of ¥18,007 million, depreciation and amortization of ¥6,005 million, a decrease of ¥4,747 million in notes and accounts receivable-trade, a decrease of ¥3,330 million in inventories and an increase of ¥1,802 million in notes and accounts payable-trade; and 2) outflows including ¥4,270 million of income taxes paid and ¥2,397 million in gain on sales of investment securities.

Investment activities resulted in a net cash outflow of ¥833 million (versus a net cash outflow of 5,661 million in the previous fiscal year), reflecting: 1) inflows including proceeds from sales and redemption of investment securities of ¥4,343 million; and 2) outflows including disbursements of ¥4,743 million for the purchase of property, plant and equipment and ¥1,031 million for the purchase of intangible assets.

Financing activities resulted in a net cash outflow of ¥13,073 million (versus a net cash outflow of ¥4,388 million in the previous fiscal year), reflecting outflows including acquisition of treasury stocks of ¥8,829 million and cash dividends paid of ¥3,088 million.

As a result, the balance of cash and cash equivalents at the end of the consolidated fiscal year under review increased by ¥12,921 million to ¥44,419 million.

The balance of interest-bearing debt (borrowings and corporate bonds) at the end of the consolidated fiscal year under review decreased by ¥418 million compared with the end of the previous fiscal year to ¥21,721 million.

(4) Forecast Earnings for the Future

The outlook of the Japanese economy looks highly uncertain as a third state of emergency was declared in April 2021 with no end of the pandemic in sight and the degree of the impact hard to fathom although there are rising expectations of the disappearance of COVID-19 infections through mass vaccinations and the ripple effects of an economic recovery by aggressive fiscal policies in countries in the world.

In such a business environment, the Okamura Group will further strengthen the ability to make proposals and the capacity to supply products that satisfy the requirements of customers in response to the way offices should be and change to the distribution business in the age of a pandemic. Accordingly, net sales and profits for the first quarter of the fiscal year ending March 2022 are expected to return to the level of the same quarter of the fiscal year ended March 2020 after a considerable decrease in the same quarter of the fiscal year ended March 2021.

With regard to the forecasts of consolidated performance for the fiscal year ending March 2022, the Company expects to post net sales of ¥245 billion, operating income of ¥15 billion, ordinary income of ¥16 billion and profit attributable to owners of parent of ¥11.2 billion.

2. Management Policy

(1) Basic policy of corporate management

The Okamura Group is expanding business activities pursuing the basic policy of enhancing the trusted relationship with society based on establishment of a stable management base for medium-to-long-term growth, implementation of efficient management with an emphasis on profits and attention to the environment, among others.

The Company had its beginning in 1945 as the Okamura Manufacturing Facility, an industrial manufacturing cooperative, when the founding members and people who embraced its founding purpose brought together funds, technology and labor. Okamura's founding spirit has taken root as a corporate culture through the five principles of the company's creativity, cooperation, frugality, savings and service, and the basic policy that incorporates these principles. The founding spirit has been passed down to the present management and business activities of the Okamura Group. Under the motto of "Quality pays off itself," we strive to provide society with high-quality products and services that precisely address customers' needs.

The Company changed its name in Japan to Okamura Corporation effective April 1, 2018 and documented Okamura's mission as "We serve society by creating environments for dynamic interaction through innovative ideas and proven quality." We will endeavor to further advance transformation to a total solution enterprise and globalization by unifying the company name and brand, and simultaneously strengthen initiatives to continue sustainable growth of corporate value.

(2) Target management indicators

With much importance attached to Return on assets (ROA), Return on equity (ROE) and operating income ratio as key management indicators, the Okamura Group is always cost-conscious and will make efforts to improve earnings and focus on enhancing investment efficiency through selection and concentration of management resources.

We have set quantitative targets for the fiscal year ending March 2025 in the Midterm Management Plan with the fiscal year ending March 2023 as its final fiscal year. The details are laid out in "(3) Medium-to-long-term corporate management strategy."

(3) Medium-to-long-term corporate management strategy

The Okamura Group has formulated a Midterm Management Plan (a three-year "Action Plan" for goals in five years later) for three years from the fiscal year ended March 2021 to the fiscal year ending March 2023. This Midterm Management Plan has set quantitative targets and qualitative issues with an eye on the fiscal year ending March 2025 and put together measures to be taken over the next three years to achieve those targets. It was determined through backcasting (starting from the future) rather than short-term orientation as the Okamura Group had done in the past.

Amidst drastic changes in our social environment, including the ongoing decrease in the working population, spread of work style reforms and progress of digital technology, the Okamura Group will push structural reforms to develop products and services that anticipate changes in social and market needs, promote and achieve the establishment of new business models, and ensure that our current operational systems can meet future challenges.

① Basic Policy

"Strive to improve corporate value through continuous growth by promoting the creation of new demand, efficient management and globalization, as well as conducting proactive initiatives for ESG."

② Quantitative Target (The fiscal year ending March 2025)

Operating income ratio: 7% or more

ROE: 10%

③ Qualitative issues

We will reform our business structure to respond to changes to the environment and at the same time, engage in the following three key issues as group-wide efforts.

- Supply chain reform
- Promotion of digital transformation
- Strengthening of overseas business

(4) Issues to be addressed by the Company

① Countermeasures against the novel coronavirus pandemic

The Okamura Group is taking measures to contain the novel coronavirus pandemic based on government policy, etc., and it will fulfill its social responsibilities. The Okamura Group's latest policies on measures to cope with the novel coronavirus pandemic are posted on the Group's website (URL <http://www.okamura.co.jp/>).

② ESG management

As the society pursues new values in order to preserve (or secure) its sustainability, the Okamura Group considers it important to focus on ESG in its business operations as it strives to achieve sustainable growth. In order to fulfill our mission, we have set the following four themes from the perspectives of the Group's businesses and various stakeholders including future generations: (1) Creating spaces for people to come together, (2) Pursuing employee satisfaction, (3) Implementing global environmental initiatives, and (4) Conducting responsible corporate activities. Through working on priority tasks set for each theme, we will aim to contribute to society and enhance our corporate value in a sustainable manner.

Regarding "Pursuing employee satisfaction" among the key issues above, we formulated the "Okamura Health Management Declaration" in September 2017 in order to pursue health management in a specific manner. We take the health of employees as an important management issue and advance each employee's good mental and physical conditions through a variety of programs including work style reforms, and we aim to become a corporation trusted by society through keeping providing customers with a healthy and comfortable environment. Moreover, the Company has been certified as a "White 500" company in "the Health and Productivity Outstanding Entity Recognition Program," elected jointly by the Ministry of Economy, Trade and Industry and *Nippon Kenko Kaigi* (Japan Health Conference) for four consecutive years from 2018 to 2021, which is one of the ways that the Company strives to enhance its corporate value.

As "Implementing global environmental initiatives," we hold up environmental long-term vision "GREEN WAVE 2030." As part of the program, the Company expressed support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in April 2021. Taking the support for TCFD as an opportunity, we will make effort to further strengthen analysis and response about risks and opportunities that climate change will bring our business and expand and reinforce disclosure of related information.

③ Segment status

In the mainstay Office Furniture segment, the Company expects that the supply of large-scale buildings, mainly in downtown Tokyo, will decrease temporarily, but that demand for office furniture will remain steady, centering on demand for office renovation following a contraction in office space in anticipation of post-pandemic years (rightsizing). In addition, the trend toward creating new office styles including work style reforms has sped up, raising demand for new products, such as work booths and office DX due to a growing need for teleworking. Under these circumstances, the Company will conduct demonstration experiments of Office Spaces of the Future through open innovation with other industries and "LABO Office" that implements and tests new work styles and environments, as well as conducting various initiatives to innovate the ways of working in the Company. With insights gained from these experiments and initiatives, the Company will aim to enhance total solutions, which is a core strength of the Group. Also, the Company will endeavor to establish superiority in the office-related furniture market, improve profitability, and take full-fledged measures to strengthen its human resource development.

In the Store Displays segment, the Company projects that demand for investment in stores will remain robust centering on supermarkets, drug stores and other well-performing industries, which are benefiting from stay-at-home demand. In addition, with the mounting need for labor-saving and energy-saving resulting from labor shortages, there is growing demand for sliding shelves that can considerably reduce the burden in displaying goods and for temperature control systems that will be required more than ever due to the mandatory application of HACCP to all operators concerned coming into effect in June 2021. Under

these circumstances, the Company will strive to increase net sales by expanding its product range to meet customer needs, and by strengthening its capabilities to provide proposals for total solutions in the areas of display fixtures, refrigerated showcases, store carts and store security products. The Company will also work to improve profitability by reducing costs through standardizing operations and revising selling prices.

In the Material Handling Systems segment, the Company anticipates that the number of completed projects will decrease in the first half of the fiscal year ending March 2022 due to stagnation in sales negotiations caused by the declaration of state of emergency in April 2020, but that demand for large-scale logistics facilities will likely trend at high levels against the backdrop of the growth of online shopping for wholesalers and retailers. Additionally, the Company expects demand related to labor-saving and energy-saving to expand primarily due to shortages of warehouse workers and a shift of maintenance service to IoT. Under these circumstances, the Company will actively work to develop differentiated products and further strengthen its engineering platform, thereby aiming to develop products that deploy advanced technology, expand services that employ digital technology and reinforce the internal system.

With regard to enhancement of productivity and efficiency, the Company endeavors to raise productivity by engaging in effective capital investment and conducting continuous improvement activities and further strengthen the risk management of the entire supply chain that responds to natural disaster, geopolitical risks, etc., thereby working to strike the right balance between efficiency and stable supply. In addition, it will further bolster efforts to innovate the ways of working and streamline operations across the Company, thereby increasing competitiveness.

3. Basic Standpoint on Selection of Accounting Standards

The Okamura Group intends to prepare consolidated financial statements according to Japanese accounting standards for the moment, taking into account the comparability of financial statements over time and comparability with statements of other entities.

We will appropriately apply IFRS with consideration to internal and external circumstances.

4. Consolidated Financial Statements and Important Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	FY ended March 2020 (As of Mar. 31, 2020)	FY ended March 2021 (As of Mar. 31, 2021)
Assets		
Current assets		
Cash and deposits	32,594	45,156
Notes and accounts receivable-trade	71,581	66,834
Short-term investment securities	510	10
Merchandise and finished goods	11,921	8,819
Work in process	1,593	1,512
Raw materials and supplies	4,621	4,466
Other	2,007	2,542
Allowance for doubtful accounts	(28)	(27)
Total current assets	124,801	129,313
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,249	15,356
Machinery, equipment and vehicles, net	11,414	11,519
Land	27,829	27,935
Construction in progress	455	44
Other, net	3,148	3,389
Total property, plant and equipment	*1, *3 58,097	*1, *3 58,245
Intangible assets	3,762	3,376
Investments and other assets		
Investment securities	*2 41,555	*2 47,293
Net defined benefit asset	765	928
Lease deposits	5,111	4,888
Deferred tax assets	1,095	184
Other	1,164	1,270
Allowance for doubtful accounts	(27)	(27)
Total investments and other assets	49,664	54,537
Total non-current assets	111,525	116,160
Total assets	236,327	245,473

(Millions of yen)

	FY ended March 2020 (As of Mar. 31, 2020)	FY ended March 2021 (As of Mar. 31, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	27,324	27,850
Electronically recorded obligations-operating	15,844	17,013
Short-term loans payable	*3, *4 6,244	*3, *4 6,108
Current portion of long-term loans payable	2,552	1,674
Income taxes payable	4,272	4,930
Accrued consumption taxes	1,753	1,794
Provision for bonuses	4,419	3,926
Other	5,001	5,672
Total current liabilities	67,413	68,971
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	*3 3,343	*3 3,938
Net defined benefit liability	15,573	15,909
Deferred tax liabilities	408	2,735
Other	4,092	4,142
Total non-current liabilities	33,416	36,726
Total liabilities	100,830	105,697
Net assets		
Shareholders' equity		
Capital stock	18,670	18,670
Capital surplus	16,766	16,766
Retained earnings	92,528	90,242
Treasury stock	(2,442)	(110)
Total shareholders' equity	125,522	125,568
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,614	14,198
Foreign currency translation adjustment	(23)	(132)
Remeasurements of defined benefit plans	(831)	(876)
Total accumulated other comprehensive income	8,759	13,188
Non-controlling interests	1,214	1,019
Total net assets	135,497	139,776
Total liabilities and net assets	236,327	245,473

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

Consolidated Statements of Income

(Millions of yen)

	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)	FY ended March 2021 (From Apr. 1, 2020 to Mar. 31, 2021)
Net sales	253,170	244,454
Cost of sales	*1 171,422	*1 164,341
Gross profit	81,748	80,113
Selling, general and administrative expenses		
Selling expenses	3,093	2,627
Packing and transportation expenses	11,102	9,764
Salaries and allowances	21,528	22,429
Provision for bonuses	3,057	2,760
Retirement benefit expenses	1,479	1,146
Depreciation	2,275	2,400
Rent expenses	9,042	8,761
Other	16,778	16,045
Total selling, general and administrative expenses	*1 68,357	*1 65,937
Operating income	13,391	14,175
Non-operating income		
Interest income	30	27
Dividends income	893	880
Equity in earnings of affiliates	360	193
Subsidy income	–	302
Other	688	515
Total non-operating income	1,972	1,920
Non-operating expenses		
Interest expenses	163	163
Foreign exchange losses	115	–
Loss on sales and retirement of non-current assets	95	279
Compensation expenses	–	74
Other	276	201
Total non-operating expenses	650	718
Ordinary income	14,712	15,377
Extraordinary income		
Gain on sales of non-current assets	*2 276	*2 433
Gain on sales of investment securities	180	2,463
Subsidies for employment adjustment	–	*3 96
Total extraordinary income	456	2,992
Extraordinary loss		
Impairment loss	*4 205	*4 41
Loss on sales of investment securities	–	65
Loss on valuation of investment securities	310	58
Loss on liquidation of subsidiaries	167	–
Loss on valuation of golf club memberships	1	–
Utilization suspension expenses	–	*5 197
Total extraordinary loss	685	362
Profit before income taxes	14,483	18,007
Income taxes-current	5,278	4,884
Income taxes-deferred	(677)	1,173
Total income taxes	4,600	6,057
Profit	9,882	11,949
Profit (loss) attributable to non-controlling interests	31	(21)
Profit attributable to owners of parent	9,851	11,971

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)	FY ended March 2021 (From Apr. 1, 2020 to Mar. 31, 2021)
Profit	9,882	11,949
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,162)	4,606
Foreign currency translation adjustment	(80)	(104)
Remeasurements of defined benefit plans, net of tax	230	(45)
Share of other comprehensive income of entities accounted for using equity method	(31)	(68)
Total other comprehensive income	*1 (2,043)	*1 4,388
Comprehensive income	7,839	16,337
Details:		
Comprehensive income attributable to owners of parent	7,815	16,399
Comprehensive income attributable to non-controlling interests	23	(62)

(3) Consolidated Statement of Changes in Equity

FY ended March 2020 (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Opening balance	18,670	16,766	86,137	(2,436)	119,138
Cumulative effects of changes in accounting policies			(150)		(150)
Restated balance	18,670	16,766	85,986	(2,436)	118,987
Changes of items during the period					
Dividends from surplus			(3,309)		(3,309)
Profit attributable to owners of parent			9,851		9,851
Purchase of treasury stock				(6)	(6)
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	–	6,541	(6)	6,535
Ending balance	18,670	16,766	92,528	(2,442)	125,522

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Opening balance	11,785	71	(1,061)	10,795	470	130,403
Cumulative effects of changes in accounting policies						(150)
Restated balance	11,785	71	(1,061)	10,795	470	130,253
Changes of items during the period						
Dividends from surplus						(3,309)
Profit attributable to owners of parent						9,851
Purchase of treasury stock						(6)
Net changes of items other than shareholders' equity	(2,171)	(95)	230	(2,035)	744	(1,291)
Total changes of items during the period	(2,171)	(95)	230	(2,035)	744	5,243
Ending balance	9,614	(23)	(831)	8,759	1,214	135,497

FY ended March 2021 (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Opening balance	18,670	16,766	92,528	(2,442)	125,522
Changes of items during the period					
Dividends from surplus			(3,089)		(3,089)
Profit attributable to owners of parent			11,971		11,971
Purchase of treasury stock				(8,835)	(8,835)
Retirement of treasury stock			(11,168)	11,168	-
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	(2,286)	2,332	46
Ending balance	18,670	16,766	90,242	(110)	125,568

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Opening balance	9,614	(23)	(831)	8,759	1,214	135,497
Changes of items during the period						
Dividends from surplus						(3,089)
Profit attributable to owners of parent						11,971
Purchase of treasury stock						(8,835)
Retirement of treasury stock						-
Net changes of items other than shareholders' equity	4,584	(109)	(45)	4,428	(195)	4,233
Total changes of items during the period	4,584	(109)	(45)	4,428	(195)	4,279
Ending balance	14,198	(132)	(876)	13,188	1,019	139,776

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)	FY ended March 2021 (From Apr. 1, 2020 to Mar. 31, 2021)
Net cash provided by (used in) operating activities		
Profit before income taxes	14,483	18,007
Depreciation and amortization	5,934	6,005
Impairment loss	205	41
Loss (gain) on liquidation of subsidiaries	167	–
Utilization suspension expenses	–	197
Loss (gain) on sales and retirement of non-current assets	(188)	(153)
Equity in (earnings) losses of affiliates	(360)	(193)
Increase (decrease) in allowance for doubtful accounts	(71)	(0)
Increase (decrease) in provision for bonuses	396	(493)
Increase (decrease) in net defined benefit liability	323	143
Interest and dividends income	(923)	(908)
Interest expenses	163	163
Compensation expenses	–	74
Loss (gain) on sales of investment securities	(180)	(2,397)
Loss (gain) on valuation of investment securities	310	58
Subsidies for employment adjustment	–	(96)
Decrease (increase) in notes and accounts receivable-trade	(6,258)	4,747
Decrease (increase) in inventories	1,124	3,330
Increase (decrease) in notes and accounts payable-trade	2,095	1,802
Increase (decrease) in accrued consumption taxes	1,122	48
Other, net	(286)	124
Subtotal	18,059	30,502
Interest and dividends income received	967	946
Interest expenses paid	(162)	(163)
Compensation expenses paid	–	(74)
Subsidies for employment adjustment received	–	96
Utilization suspension expenses paid	–	(116)
Income taxes paid	(4,363)	(4,270)
Net cash provided by (used in) operating activities	14,501	26,921
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,212)	(917)
Proceeds from withdrawal of time deposits	1,262	1,271
Purchase of property, plant and equipment	(5,081)	(4,743)
Proceeds from sales of property, plant and equipment	444	651
Purchase of intangible assets	(1,219)	(1,031)
Purchase of investment securities	(728)	(608)
Proceeds from sales and redemption of investment securities	1,441	4,343
Other, net	(567)	200
Net cash provided by (used in) investing activities	(5,661)	(833)

(Millions of yen)

	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)	FY ended March 2021 (From Apr. 1, 2020 to Mar. 31, 2021)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(4,923)	(131)
Proceeds from long-term loans payable	200	2,110
Repayment of long-term loans payable	(663)	(2,393)
Proceeds from issuance of bonds	5,000	–
Purchase of treasury stock	(0)	(8,829)
Cash dividends paid	(3,309)	(3,088)
Other, net	(692)	(741)
Net cash provided by (used in) financing activities	(4,388)	(13,073)
Effect of exchange rate change on cash and cash equivalents	(46)	(91)
Net increase (decrease) in cash and cash equivalents	4,404	12,921
Cash and cash equivalents at beginning of the fiscal year	26,133	31,497
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	959	–
Cash and cash equivalents at the end of the fiscal year	*1 31,497	*1 44,419

(5) Notes regarding Consolidated Financial Statements

(Note regarding the Assumption of Going Concern)

There is no information that needs to be disclosed herein.

(Significant Items for the Preparation of Consolidated Financial Statements)

1. Scope of consolidation

(1) Consolidated subsidiaries

Number of consolidated subsidiaries: 23

Names of the major consolidated subsidiaries:

KANSAI OKAMURA CORPORATION, NS OKAMURA CORPORATION, SANYO OKAMURA CORPORATION, OKAMURA SUPPORT AND SERVICE CORPORATION, Okamura (China) Co., Ltd., Fuji Seiko Co., Ltd., SEC Co., Ltd., Okamura Salotto Hong Kong Limited, Hangzhou Okamura Transmission Co., Ltd., Siam Okamura International Co., Ltd.

The Company absorbed its wholly-owned subsidiaries, OKAMURA LOGISTICS CORPORATION and SEEDER CO., LTD. through an absorption-type merger on July 1, 2020.

(2) Unconsolidated subsidiaries

Number of unconsolidated subsidiaries: 1

Name of the unconsolidated subsidiary

SINCO Co., Ltd.

Reason for exclusion from the scope of consolidation

The reason is that SINCO Co., Ltd. is a small company and its total assets, net sales, profit (in proportion to equity) and retained earnings (in proportion to equity) in total do not significantly affect consolidated financial statements.

2. Application of the equity method

(1) Equity method unconsolidated subsidiaries

Number of equity method unconsolidated subsidiaries: 1

Name of equity method unconsolidated subsidiary

SINCO Co., Ltd.

(2) Equity method affiliates

Number of equity method affiliates: 8

Names of major equity method affiliates:

Siam Okamura Steel Co., Ltd., Seiwa Business Co., Ltd.

(3) Unconsolidated subsidiaries not accounting for the equity method

There is no information that needs to be disclosed herein.

(4) Affiliates not accounting for the equity method

There is no information that needs to be disclosed herein.

(5) Those equity method affiliates whose date of yearly settlement of accounts differs from the date of yearly settlement of consolidated accounts are accounted for using their financial statements prepared according to their operating year, or financial statements based on the provisional settlement of accounts.

3. Operating year of consolidated subsidiaries

The date of yearly settlement of accounts is December 31 for Okamura (China) Co., Ltd., Okamura Salotto Hong Kong Limited, Hangzhou Okamura Transmission Co., Ltd., Okamura Trading (Shanghai) Co., Ltd., Shanghai Okamura Architecture Co., Ltd., Okamura International (Singapore) Pte Ltd., PT. Okamura Chitose Indonesia, Okamura International (Malaysia) Sdn.Bhd., Siam Okamura International Co., Ltd. and Okamura International (Vietnam) Co., Ltd. The date of yearly settlement of accounts is August 31 for Sunahata Co., Ltd. and Ichie Co., Ltd. For all other consolidated subsidiaries, the date of yearly settlement of accounts is March 31, which is the same date the Company files Consolidated Financial Statements. Because there is an interval of not more than three months between the date of yearly consolidated settlement of accounts and the date of yearly settlement of accounts of consolidated subsidiaries closing their books on December 31, consolidation is conducted using the financial statements for their fiscal year as the basis. The financial statements of Sunahata Co., Ltd. and Ichie Co., Ltd. with their assumed settling day, which is February 28, are used as the basis for consolidating them. However, any significant transactions that occurred following the end of such operating year through the date of yearly settlement of consolidated accounts were adjusted in a manner required for consolidation.

(Changes in Presentation Methods)

(Consolidated Statements of Income)

Commission fee in Non-operating expenses, which was presented independently in the previous consolidated fiscal year, is included in Other in the consolidated fiscal year under review as the Commission fee fell below 10% of the total of Non-operating expenses. To reflect the change in presentation methods, Commission fee of ¥123 million and Other of ¥152 million, presented

in Non-operating in Consolidated Statements of Income in the previous consolidated fiscal year, are reclassified into Other of ¥276 million.

(Consolidated Balance Sheet)

*1 Accumulated depreciation of property, plant and equipment is as follows.

	FY ended March 2020 (As of Mar. 31, 2020)	FY ended March 2021 (As of Mar. 31, 2021)
Accumulated depreciation of property, plant and equipment	¥107,372 million	¥109,828 million

*2 Balances held in unconsolidated subsidiaries and affiliates are as follows:

	FY ended March 2020 (As of Mar. 31, 2020)	FY ended March 2021 (As of Mar. 31, 2021)
Investment securities (equity shares)	¥3,533 million	¥3,734 million

*3 Pledged assets and secured obligations

Pledged assets and secured obligations are as follows:

Pledged assets

	FY ended March 2020 (As of Mar. 31, 2020)	FY ended March 2021 (As of Mar. 31, 2021)
Buildings and structures	¥1,938 million	¥1,898 million
Land	¥7,732 million	¥7,732 million
Total	¥9,671 million	¥9,631 million

Within the above, assets offered as mortgage for factory foundation

	FY ended March 2020 (As of Mar. 31, 2020)	FY ended March 2021 (As of Mar. 31, 2021)
Buildings and structures	¥278 million	¥257 million
Land	¥282 million	¥282 million
Total	¥560 million	¥539 million

Secured obligations

	FY ended March 2020 (As of Mar. 31, 2020)	FY ended March 2021 (As of Mar. 31, 2021)
Short-term loans payable	¥1,600 million	¥1,600 million
Long-term loans payable	¥500 million	¥500 million
Total	¥2,100 million	¥2,100 million

Within the above, obligations corresponding to mortgage for factory foundation

	FY ended March 2020 (As of Mar. 31, 2020)	FY ended March 2021 (As of Mar. 31, 2021)
Short-term loans payable	¥200 million	¥200 million

*4 For the purpose of raising working capital efficiently, the Company has entered into a specified commitment line agreement with the main financial institutions it transacts with.

	FY ended March 2020 (As of Mar. 31, 2020)	FY ended March 2021 (As of Mar. 31, 2021)
Total amount under specified commitment line agreements	¥14,000 million	¥14,000 million
Outstanding loans borrowed	—	—
Balance	¥14,000 million	¥14,000 million

(Consolidated Statements of Income)

- *1 Total research and development expenses included in selling, general and administrative expenses and manufacturing cost incurred for the current term are as follows:

	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)	FY ended March 2021 (From Apr. 1, 2020 to Mar. 31, 2021)
Research and development expenses	¥1,156 million	¥1,228 million

- *2 The details of the gains on sales of non-current assets are as follows:

	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)	FY ended March 2021 (From Apr. 1, 2020 to Mar. 31, 2021)
Buildings and structures	¥78 million	–
Land	¥197 million	¥433 million
Total	¥276 million	¥433 million

- *3 Subsidies for employment adjustment

Subsidies that corresponded to the period under the declared state of emergency were recorded in Extraordinary income as a special measure accompanying the spread of novel coronavirus infections.

- *4 Impairment loss

The Okamura Group recorded impairment losses for the following asset groups:

FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)

Purpose	Location	Type
Assets used for business	Shanghai, in the People's Republic of China.	Buildings and structures Other property, plant and equipment
Assets used for business	Hong Kong Special Administrative Region of the People's Republic of China	Other property, plant and equipment

The Okamura Group groups assets put into business for each managerial accounting category.

As a result, the book value of operating assets for which cash flows from operating activities continued to be negative and for which the book value thereof was unlikely to be recovered was lowered to a recoverable value.

The details of the impairment loss are ¥4 million for buildings and structures and ¥201 million for other property, plant and equipment.

The recoverable value is measured based on value in use, and the value in use is estimated as zero.

FY ended March 2021 (From Apr. 1, 2020 to Mar. 31, 2021)

Purpose	Location	Type
Assets used for business	Shanghai, in the People's Republic of China.	Other property, plant and equipment
Assets used for business	Yokohama, Kanagawa Prefecture	Other property, plant and equipment
Idle assets	Nomi, Ishikawa Prefecture	Land, buildings and structures

The Okamura Group groups assets put into business for each managerial accounting category. Idle assets not directly used for business are grouped on an individual basis.

Of the above assets, the book value of operating assets for which cash flows from operating activities continued to be negative and for which the book value thereof was unlikely to be recovered was lowered to a recoverable value.

For idle assets, the book value was lowered to a recoverable value, as they are unlikely to generate profits in the future.

The details of the impairment loss are ¥4 million for buildings and structures, ¥1 million for land, ¥35 million for other property, plant and equipment.

The recoverable value of assets used for business is measured based on value in use, and the value in use is estimated as zero. For idle land, buildings and structures, the recoverable value is measured at the net sale price, which is generally computed based on real estate appraisal value.

*5 Utilization suspension expenses

Personnel costs and depreciation related to the period during which production bases of the Company and some of consolidated subsidiaries suspended operations due to the declaration of state of emergency resulting from the spread of novel coronavirus infections

(Consolidated Statements of Comprehensive Income)

*1 Amount of recycling and amount of income tax effect associated with other comprehensive income

	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)	FY ended March 2021 (From Apr. 1, 2020 to Mar. 31, 2021)
Valuation difference on available-for-sale securities		
Amount recognized in the period under review	-¥3,205 million	¥8,988 million
Amount of recycling	¥108 million	-¥2,339 million
Before income tax effect adjustment	-¥3,097 million	¥6,648 million
Amount of income tax effect	¥934 million	-¥2,041 million
Valuation difference on available-for-sale securities	-¥2,162 million	¥4,606 million
Foreign currency exchange adjustments		
Amount recognized in the period under review	-¥47 million	-¥105 million
Amount of recycling	-¥32 million	¥1 million
Foreign currency exchange adjustments	-¥80 million	-¥104 million
Remeasurements of defined benefit plans		
Amount recognized in the period under review	-¥71 million	-¥28 million
Amount of recycling	¥406 million	-¥2 million
Before income tax effect adjustment	¥334 million	-¥30 million
Amount of income tax effect	-¥104 million	-¥15 million
Remeasurements of defined benefit plans	¥230 million	-¥45 million
Share of other comprehensive income of entities accounted for using equity method		
Amount recognized in the period under review	¥57 million	-¥68 million
Amount of recycling	-¥88 million	-
Share of other comprehensive income of entities accounted for using equity method	-¥31 million	-¥68 million
Total other comprehensive income	-¥2,043 million	¥4,388 million

(Consolidated Statement of Changes in Equity)

FY ended March 2020 (From April 1, 2019 to March 31, 2020)

1. Types and numbers of shares issued

Type of stock	Number of shares at the beginning of the year	Increase	Decrease	Number of shares at the end of the fiscal year
Common stock (shares)	112,391,530	-	-	112,391,530

2. Treasury stock

Type of stock	Number of shares at the beginning of the year	Increase	Decrease	Number of shares at the end of the fiscal year
Common stock (shares)	2,243,652	6,220	-	2,249,872

(Outline of change factors)

The details of increase are as stated below:

Increase due to purchase of fractional shares	636 shares
Increase due to purchase of treasury stock by equity method affiliates which belongs to us	5,584 shares

3. Stock acquisition rights and others

There is no information that needs to be disclosed herein.

4. Dividends

(1) Dividends paid during the fiscal year

Resolved	Type	Total amount (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 27, 2019	Common stock	1,544	14.00	March 31, 2019	June 28, 2019
Board of Directors held on October 16, 2019	Common stock	1,765	16.00	September 30, 2019	December 10, 2019

(2) Dividends to be paid after the fiscal year balance sheet date, but the record date for the payment of dividends belongs to the fiscal year

Resolved	Type	Resource of the dividends to be paid	Total amount (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2020	Common stock	Retained earnings	1,765	16.00	March 31, 2020	June 29, 2020

FY ended March 2021 (From April 1, 2020 to March 31, 2021)

1. Types and numbers of shares issued

Type of stock	Number of shares at the beginning of the year	Increase	Decrease	Number of shares at the end of the fiscal year
Common stock (shares)	112,391,530	–	11,770,509	100,621,021

2. Treasury stock

Type of stock	Number of shares at the beginning of the year	Increase	Decrease	Number of shares at the end of the fiscal year
Common stock (shares)	2,249,872	9,710,014	11,770,509	189,377

(Outline of change factors)

The details of increase are as stated below:

Increase due to purchase of fractional shares	503 shares
Increase due to purchase of treasury stock by equity method affiliates which belongs to us	6,811 shares
Increase due to purchase of treasury stock pursuant to the resolution at a Board of Directors meeting	9,702,700 shares

The breakdown of the decreased number is as below:

Decrease due to retirement of treasury stock pursuant to the resolution at a Board of Directors meeting	11,770,509 shares
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3. Stock acquisition rights and others

There is no information that needs to be disclosed herein.

4. Dividends

(1) Dividends paid during the fiscal year

Resolved	Type	Total amount (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2020	Common stock	1,765	16.00	March 31, 2020	June 29, 2020
Board of Directors held on October 21, 2020	Common stock	1,323	12.00	September 30, 2020	December 10, 2020

- (2) Dividends to be paid after the fiscal year balance sheet date, but the record date for the payment of dividends belongs to the fiscal year

Resolved	Type	Resource of the dividends to be paid	Total amount (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 29, 2021	Common stock	Retained earnings	2,012	20.00	March 31, 2021	June 30, 2021

(Consolidated Statements of Cash Flows)

- *1 Relations between the balance of cash and cash equivalents at the end of the fiscal year and the amount of the item posted in the consolidated balance sheet

	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)	FY ended March 2021 (From Apr. 1, 2020 to Mar. 31, 2021)
Cash and deposit accounts	¥32,594 million	¥45,156 million
Time deposits—over three months	¥1,096 million	¥737 million
Cash and cash equivalents	¥31,497 million	¥44,419 million

(Segment Information and Others)

(Segment Information)

1. Overview of reporting segments

The Group's reporting segments are those segments of the Group's organizations for which separate financial information is available, and subject to the Board of Directors' regular review carried out to make decisions on the allocation of management resources and evaluate their performance.

The Group engages in business activities by developing comprehensive product and service strategies under product- and service-specific manufacturing and sales systems.

Consequently, the Group comprises product- and service-specific segments based on manufacturing and sales systems, and there are specifically three reporting segments, "Office Furniture," "Store Displays" and "Material Handling Systems."

In the Office Furniture segment, we manufacture and sell office furniture, furniture for public and educational facilities, office security systems, healthcare-related furniture and other products. In the Store Displays segment, we manufacture and sell display fixtures, refrigerated showcases, store counters, etc. In the Material Handling Systems segment, we manufacture and sell goods-storage shelves for factories and warehouses, and logistics automated equipment and instruments.

2. Calculation methods for net sales, profit/loss, assets, liabilities and other items by reporting segment

The accounting methods used for reported business segments are generally to the same as the description of "Significant Items for the Preparation of Consolidated Financial Statements."

3. Information about net sales, profit/loss, assets, liabilities and other items by segment
 FY ended March 2020 (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reporting Segments				Others (Note 1)	Total	Adjusted amount (Note 2)	Amount reported in the Consolidated Financial Statements (Note 3)
	Office Furniture	Store Displays	Material Handling Systems	Total				
Net sales								
Net sales to external customers	137,074	95,186	16,113	248,374	4,796	253,170	-	253,170
Internal sales or transfers between segments	-	-	-	-	-	-	-	-
Total	137,074	95,186	16,113	248,374	4,796	253,170	-	253,170
Segment income	9,734	1,816	1,770	13,321	69	13,391	-	13,391
Segment property	104,514	47,756	11,000	163,271	8,561	171,832	64,494	236,327
Other items								
Depreciation	3,852	1,428	258	5,540	382	5,922	-	5,922
Increase in property, plant and equipment and intangible assets	4,254	1,710	402	6,367	461	6,829	-	6,829

- 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 adjusted amount of ¥64,494 million of segment property includes corporate assets that are not allocated to each reporting segment. Corporate assets consist primarily of cash and deposits and investment securities not attributing to the reporting segments.
3. Total of segment income corresponds to the operating income on Consolidated Statements of Income.

FY ended March 2021 (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Report Segments				Others (Note 1)	Total	Adjusted amount (Note 2)	Amount reported in the Consolidated Financial Statements (Note 3)
	Office Furniture	Store Displays	Material Handling Systems	Total				
Net sales								
Net sales to external customers	130,783	94,329	14,764	239,876	4,577	244,454	–	244,454
Internal sales or transfers between segments	–	–	–	–	–	–	–	–
Total	130,783	94,329	14,764	239,876	4,577	244,454	–	244,454
Segment income or loss	10,059	2,968	1,266	14,295	(119)	14,175	–	14,175
Segment property	97,960	47,904	8,992	154,857	8,886	163,743	81,730	245,473
Other items								
Depreciation	3,781	1,529	269	5,580	413	5,993	–	5,993
Increase in property, plant and equipment and intangible assets	4,626	1,110	242	5,979	353	6,333	–	6,333

- 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 adjusted amount of ¥81,730 million of segment property includes corporate assets that are not allocated to each reporting segment. Corporate assets consist primarily of cash and deposits and investment securities not attributing to the reporting segments.
3. Total of segment income or loss corresponds to the operating income on Consolidated Statements of Income.

(Related Information)

1. Product and service segmented information

Because no net sales from external customers account for 10% or more of aggregate net sales in the Consolidated Statements of Income, product and service segmented information is omitted.

2. Geographically segmented information

(1) Net sales

Because net sales from external customers based in Japan account for more than 90% of aggregated net sales in the Consolidated Statements of Income, geographically segmented net sales information is omitted.

(2) Property, plant and equipment

Because property, plant and equipment located in Japan exceed 90% of aggregated property, plant and equipment in the Consolidated Balance Sheet, geographically segmented tangible fixed asset information is omitted.

3. Primary customer segmented information

Because there is no customer with net sales accounting for 10% or more of aggregated net sales in the Consolidated Statements of Income, primary customer segmented information is omitted.

(Information about Impairment Loss on Non-current Assets by Segment)

FY ended March 2020 (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Report Segments				Others	Total	Adjusted amount	Amount reported in the Consolidated Statements of Income
	Office Furniture	Store Displays	Material Handling Systems	Total				
Impairment loss	140	15	50	205	0	205	-	205

FY ended March 2021 (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Report Segments				Others	Total	Adjusted amount	Amount reported in the Consolidated Statements of Income
	Office Furniture	Store Displays	Material Handling Systems	Total				
Impairment loss	25	7	8	41	-	41	-	41

(Information about Amortization and Unamortized Balance of Goodwill by Segment)

There is no information that needs to be disclosed herein.

(Information about Gain on Bargain Purchase by Segment)

There is no information that needs to be disclosed herein.

(Per Share Data)

	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)	FY ended March 2021 (From Apr. 1, 2020 to Mar. 31, 2021)
Net assets per share of common stock	1,219.18 yen	1,381.61 yen
Profit per share	89.44 yen	112.51 yen

Notes: 1. The diluted profit per share of common stock is not presented, since there were no securities with dilutive effect outstanding through the period.

2. The basis for calculating profit per share of common stock was as follows:

	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)	FY ended March 2021 (From Apr. 1, 2020 to Mar. 31, 2021)
Profit attributable to owners of parent (in million yen)	9,851	11,971
Amount not reverting to common shareholders (in million yen)	-	-
Profit relating to common stock attributable to owners of parent (in million yen)	9,851	11,971
Average number of shares of common stock during the period (in thousand shares)	110,144	106,406

(Significant Subsequent Events)

There is no information that needs to be disclosed herein.

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	FY ended March 2020 (As of Mar. 31, 2020)	FY ended March 2021 (As of Mar. 31, 2021)
Assets		
Current assets		
Cash and deposits	18,555	32,558
Notes receivable-trade	8,427	8,255
Accounts receivable-trade	58,927	54,697
Short-term investment securities	510	10
Merchandise and finished goods	10,885	8,156
Work in process	951	875
Raw materials and supplies	3,738	3,402
Prepaid expenses	643	655
Other	1,193	1,325
Allowance for doubtful accounts	(7)	(6)
Total current assets	103,826	109,930
Non-current assets		
Property, plant and equipment		
Buildings	12,591	12,959
Structures	702	642
Machinery and equipment	7,852	8,200
Vehicles	90	184
Tools, furniture and fixtures	2,079	2,412
Land	25,253	25,253
Construction in progress	406	34
Total property, plant and equipment	48,977	49,687
Intangible assets		
Patent right	5	5
Leasehold right	560	560
Software	3,053	2,799
Other	104	102
Total intangible assets	3,723	3,467
Investments and other assets		
Investment securities	37,521	42,892
Stocks of subsidiaries and associates	11,846	11,856
Long-term loans receivable from subsidiaries and associates	2,240	1,585
Claims provable in bankruptcy, claims provable in rehabilitation and other	27	27
Prepaid pension cost	765	928
Lease deposits	4,565	4,530
Other	950	1,086
Allowance for doubtful accounts	(1,132)	(552)
Total investments and other assets	56,785	62,354
Total non-current assets	109,486	115,510
Total assets	213,312	225,441

(Millions of yen)

	FY ended March 2020 (As of Mar. 31, 2020)	FY ended March 2021 (As of Mar. 31, 2021)
Liabilities		
Current liabilities		
Notes payable-trade	4,089	4,533
Electronically recorded obligations-operating	15,844	17,013
Accounts payable-trade	21,268	21,146
Short-term loans payable	5,200	5,200
Short-term loans payable to subsidiaries and associates	100	100
Current portion of long-term loans payable	2,150	1,300
Lease obligations	121	145
Accounts payable-other	499	621
Accrued expenses	2,160	2,218
Income taxes payable	3,870	4,698
Accrued consumption taxes	1,468	1,570
Advances received	568	914
Deposits received	176	211
Provision for bonuses	3,623	3,367
Other	242	–
Total current liabilities	61,384	63,041
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	2,800	3,350
Lease obligations	396	433
Provision for retirement benefits	11,928	13,015
Provision for loss on business of subsidiaries and associates	32	–
Long-term deposits received	2,693	2,706
Deferred tax liabilities	1,279	2,828
Other	346	337
Total non-current liabilities	29,476	32,671
Total liabilities	90,861	95,712
Net assets		
Shareholders' equity		
Capital stock	18,670	18,670
Capital surplus		
Legal capital surplus	16,759	16,759
Total capital surplus	16,759	16,759
Retained earnings		
Legal retained earnings	1,874	1,874
Other retained earnings		
Reserve for reduction entry	4,436	4,395
Reserve for special account	–	17
General reserve	4,180	4,180
Retained earnings brought forward	69,545	70,005
Total retained earnings	80,036	80,473
Treasury stock	(2,338)	(0)
Total shareholders' equity	113,127	115,903
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	9,323	13,824
Total valuation and translation adjustments	9,323	13,824
Total net assets	122,451	129,728
Total liabilities and net assets	213,312	225,441

(2) Non-Consolidated Statements of Income

(Millions of yen)

	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)	FY ended March 2021 (From Apr. 1, 2020 to Mar. 31, 2021)
Net sales	228,392	222,479
Cost of sales	154,182	148,706
Gross profit	74,209	73,772
Selling, general and administrative expenses	62,453	60,290
Operating income	11,755	13,481
Non-operating income		
Interest income	34	28
Dividend income	1,682	1,959
Other	676	742
Total non-operating income	2,393	2,730
Non-operating expenses		
Interest expenses	105	102
Interest on bonds	16	17
Loss on sales and retirement of non-current assets	79	257
Provision of allowance for doubtful accounts for subsidiaries and associates	208	30
Foreign exchange losses	71	–
Compensation expenses	–	74
Other	234	116
Total non-operating expenses	716	598
Ordinary income	13,433	15,614
Extraordinary income		
Gain on sales of investment securities	180	2,463
Gain on extinguishment of tie-in shares	–	1,599
Subsidies for employment adjustment	–	64
Total extraordinary income	180	4,127
Extraordinary loss		
Loss on sales of investment securities	–	65
Loss on valuation of investment securities	310	58
Loss on valuation of shares of subsidiaries and associates	50	–
Loss on valuation of golf club membership	1	–
Utilization suspension expenses	–	129
Loss on forgiveness of debt	–	210
Total extraordinary loss	362	463
Profit before income taxes	13,251	19,277
Income taxes-current	4,629	4,630
Income taxes-deferred	(629)	(47)
Total income taxes	4,000	4,583
Profit	9,251	14,694

(3) Non-Consolidated Statement of Changes in Equity

FY ended March 2020 (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings				Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings				
					Reserve for reduction entry	Reserve for special account	General reserve	Retained earnings brought forward	
Opening balance	18,670	16,759	16,759	1,874	4,476	–	4,180	63,564	74,095
Changes of items during the period									
Dividends from surplus								(3,309)	(3,309)
Reversal of reserve for reduction entry					(40)			40	–
Profit								9,251	9,251
Purchase of treasury stock									
Net changes of items other than shareholders' equity									
Total changes of items during the period	–	–	–	–	(40)	–	–	5,981	5,941
Ending balance	18,670	16,759	16,759	1,874	4,436	–	4,180	69,545	80,036

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Opening balance	(2,338)	107,187	11,297	11,297	118,484
Changes of items during the period					
Dividends from surplus		(3,309)			(3,309)
Reversal of reserve for reduction entry		–			–
Profit		9,251			9,251
Purchase of treasury stock	(0)	(0)			(0)
Net changes of items other than shareholders' equity			(1,973)	(1,973)	(1,973)
Total changes of items during the period	(0)	5,940	(1,973)	(1,973)	3,967
Ending balance	(2,338)	113,127	9,323	9,323	122,451

FY ended March 2021 (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings				Total retained earnings
		Legal capital surplus	Total capital surplus		Reserve for reduction entry	Reserve for special account	General reserve	Retained earnings brought forward	
Opening balance	18,670	16,759	16,759	1,874	4,436	–	4,180	69,545	80,036
Changes of items during the period									
Dividends from surplus								(3,089)	(3,089)
Reversal of reserve for reduction entry					(40)			40	–
Provision of reserve for special account						17		(17)	–
Profit								14,694	14,694
Purchase of treasury stock									
Retirement of treasury stock								(11,168)	(11,168)
Net changes of items other than shareholders' equity									
Total changes of items during the period	–	–	–	–	(40)	17	–	460	437
Ending balance	18,670	16,759	16,759	1,874	4,395	17	4,180	70,005	80,473

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Opening balance	(2,338)	113,127	9,323	9,323	122,451
Changes of items during the period					
Dividends from surplus		(3,089)			(3,089)
Reversal of reserve for reduction entry		–			–
Provision of reserve for special account		–			–
Profit		14,694			14,694
Purchase of treasury stock	(8,829)	(8,829)			(8,829)
Retirement of treasury stock	11,168	–			–
Net changes of items other than shareholders' equity			4,500	4,500	4,500
Total changes of items during the period	2,338	2,775	4,500	4,500	7,276
Ending balance	(0)	115,903	13,824	13,824	129,728