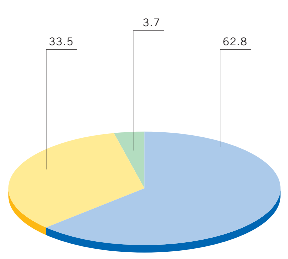
Financial Section

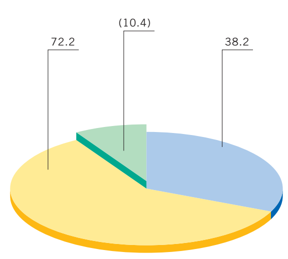
Selected Results by Segment

Sales
(%)



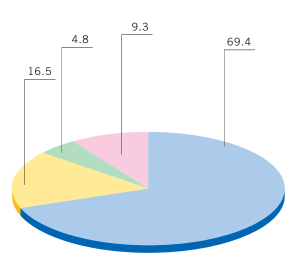
- Office furniture
- Store displays
- Material handling systems and others

Operating Income (Loss)
(%)



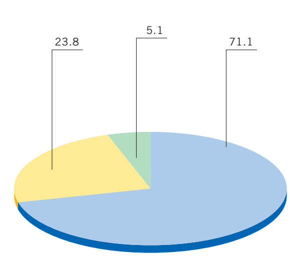
- Office furniture
- Store displays
- Material handling systems and others

Capital Expenditures
(%)



- Office furniture
- Store displays
- Material handling systems and others
- Corporate

Depreciation
(%)



- Office furniture
- Store displays
- Material handling systems and others

Management's Discussion and Analysis

Scope of Consolidation

The Okamura Group consists of Okamura Corporation, nine consolidated subsidiaries, and five affiliates accounted for by the equity holding method, for a total of fifteen member firms. The Okamura Group is engaged in manufacturing, sales, distribution and after-sales service.

Operating Performance

Net Sales

In the fiscal year ended March 31, 2003, consolidated net sales rose 4.4% to ¥165,278 million.

In the mainstay Office Furniture segment, new orders were received in connection with the construction of large office buildings in the Tokyo metropolitan area; however, repeat orders from private sector and foreign-owned firms remained weak. Despite the fact that we maintained a large and varied product lineup and practiced a proactive marketing style, a decline in orders was unavoidable.

Sales and profits were healthy in our new Security business, with particularly strong sales of automated deposit boxes and ATM booths for financial institutions, waterproofing for buildings, entrance control systems and observation camera systems. The synergies created in this field between our Office Furniture and Store Displays businesses have fueled its early growth. Despite the success of this new business, strong competition in the office furniture market resulted in a 3.2% decline in sales of the Office Furniture segment to ¥103,852 million.

In the Store Displays segment, demand showed substantial recovery during fiscal 2003. The Company fostered new demand for product displays from drug stores, home centers and 100-yen shops. Sales were also strong in the supermarket sector, both for refrigerated and freezer showcases and for product displays as part of our total solution business, as firms in that industry intensified renovation efforts to strengthen competitiveness. In addition, there was strong demand for refrigerated and freezer showcases for drinks, medicines and photo film from specialty stores. Net sales in the Store Displays segment increased 27.3% from the previous fiscal year to ¥55,399 million.

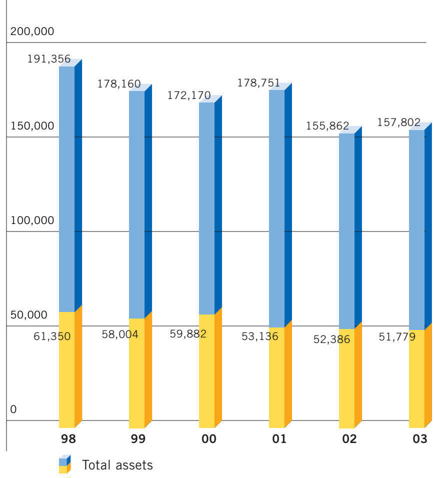
In the Material Handling Systems and Others segment, the System Equipment Division saw declining orders due to corporate streamlining, a freeze on capital expenditure and moves by the market to postpone investment. The Hydraulic Transmissions Division posted fewer orders for torque converters used in forklifts and bulldozers as exports by industrial vehicle manufacturers contracted. These and other factors caused sales in this segment to decline 19.0% to ¥6,027 million.

Operating Income

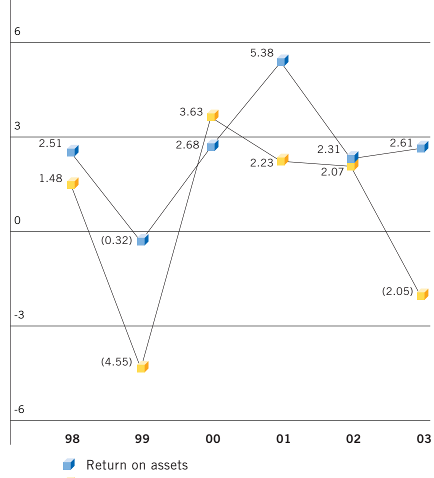
Operating income grew 5.7% to ¥4,092 million, and the operating income ratio edged up to 2.5% from 2.4% in the previous fiscal year. The Company worked to reduce costs across the spectrum of its operations and was successful in exceeding targets set at the beginning of the fiscal year. In this context, the Company worked diligently to curtail production costs, successfully implementing supply chain management (SCM) in its business operations with the aim of bolstering earnings. Despite these efforts, however, the cost of sales ratio rose from 68.7% to 69.4% due to the change in product mix, as sales in Store Displays increased while sales in Office Furniture decreased, as well as a decline in sales prices. The increase in net sales also carried with it an increase in selling, general and administrative (SG&A) expenses, but SG&A expressed as a percentage of gross profit declined slightly.

By segment, Office Furniture suffered a falloff in repeat orders from major domestic and foreign corporations, and operating income dropped 53.7% to ¥1,562 million. The Store Displays segment saw a strong recovery in demand, and operating income more than tripled, rising by 270.6% to ¥2,957 million. The persistent slump in private-sector capital investment had an adverse impact on the Material Handling Systems and Others segment, which resulted in an operating loss of ¥427 million, compared with a loss of ¥301 million in the previous fiscal year.

Total Assets/Shareholders' Equity
(Millions of yen)



Return on Assets/Return on Equity
(%)



SG&A Expenses

During fiscal 2003 the Company persevered in its effort to reduce SG&A expenses, and succeeded in bringing down rental expenses. However, as higher sales brought increases in distribution and transportation costs, and personnel expenses rose due to the increase in the sales staff of the Security business, SG&A expenses edged up 1.8% to ¥46,539 million. The ratio of SG&A to sales, however, fell 0.7 percentage point to 28.2%.

Other Income (Expenses)

Other expenses totaled ¥5,251 million, mainly due to a ¥3,584 million loss on devaluation of investment securities and a ¥1,548 million loss on sale of investment securities.

Net Income

Loss before income taxes was ¥1,159 million, compared with income before income taxes of ¥2,403 million in the previous fiscal year, which reflected the ¥5,251 million in other expenses. After accounting for current and deferred income taxes, and deducting minority interests, a net loss of ¥1,067 million was recorded for fiscal 2003.

Assets, Liabilities and Shareholders' Equity

Cash edged up 1.0% to ¥21,894 million, while trade notes and accounts receivable rose 14.4% to ¥48,146 million. The increase in sales was the primary factor in this increase, offsetting stricter controls on collection of receivables. Inventories also edged up 0.8% to ¥11,689 million, again mirroring the rise in net sales. Deferred income taxes more than doubled, rising to ¥1,037 million. Accordingly, total current assets increased 8.5% to ¥84,490 million.

Buildings declined 0.2% to ¥47,409 million, construction in progress fell 76.4% to ¥26 million, and accumulated depreciation increased 4.0% to ¥73,934 million, resulting in a 3.2% decline in net property, plant and equipment, to ¥48,433 million.

Investments in unconsolidated subsidiaries and affiliated companies were reduced 5.0% to ¥1,145 million, investment securities decreased 14.9% to ¥12,276 million, and deferred income taxes contracted 9.5% to ¥3,330 million. Other non-current assets declined 6.2% to ¥8,128 million. Total investments and other assets, as a result, fell 11.1% to ¥24,879 million. Total assets at the end of the fiscal year were ¥157,802 million, up 1.2% from a year earlier.

Total current liabilities rose 0.2% to ¥65,208 million, as an increase in trade notes and accounts payable and other payables more than offset a significant drop in long-term debt due within one year.

Retained earnings decreased 8.7% to ¥17,175 million, while net unrealized holding losses on securities contracted to ¥560 million, in contrast to last year's ¥1,701 million. As a result, total shareholders' equity slipped 1.2% to ¥51,779 million, and the shareholders' equity ratio declined by 0.8 percentage point to 32.8%.

Cash Flows

Net cash provided by operating activities surged by 221.2% to ¥8,434 million. The main factors in this were the increase in accounts payable which exceeded the increase of trade notes, after the large decrease in fiscal 2002, and income tax payments amounting to less than 10% of the previous fiscal year's total.

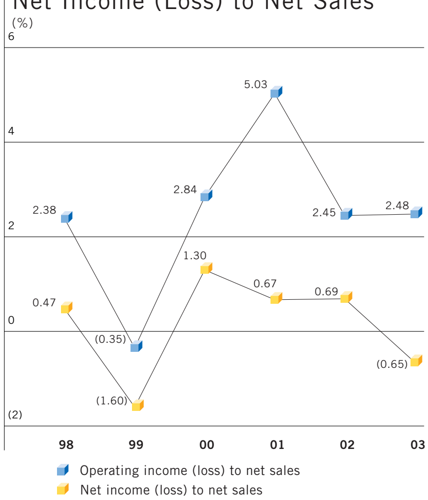
Net cash used in investing activities jumped 51.9% to ¥3,630 million, largely as a result of a 21.9% increase in payments for the purchase of property, plant and equipment to ¥2,632 million, which was due to the renewal of existing facilities and moves to upgrade the Company's information systems. Funds were also utilized to purchase investment securities, which increased 52.1% to ¥2,099 million.

As a result of the above, free cash flow improved significantly, to ¥4,804 million from ¥237 million in fiscal 2002.

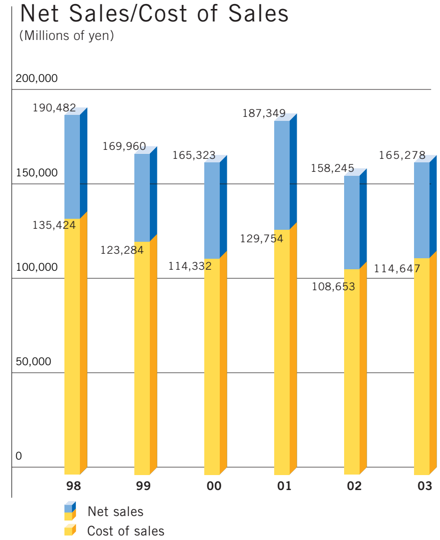
Net cash used in financing activities soared 88.3% to ¥4,714 million, including repayments of long-term debt, principally redemption of bonds, in the amount of ¥11, 625 million, and the payment of ¥586 million in dividends.

Cash and cash equivalents at the end of the year, therefore, increased ¥87 million to ¥20,342 million.

Operating Income (Loss) to Net Sales/
Net Income (Loss) to Net Sales



Net Sales/Cost of Sales



Okamura Corporation

Consolidated Balance Sheets

March 31, 2002 and 2003

ASSETS	Millions of yen 2002	Millions of yen 2003	Thousands of U.S. dollars (Note 1(1)) 2003
Current assets:			
Cash (Note 5)	¥ 21,687	**¥ 21,894**	**$ 182,147**
Marketable securities (Note 7)	223	**223**	**1,855**
Trade receivables:			
Notes	8,027	**8,108**	**67,454**
Accounts	34,047	**40,038**	**333,095**
Allowance for doubtful accounts	(418)	**(369)**	**(3,070)**
Inventories (Note 2)	11,593	**11,689**	**97,246**
Deferred income taxes (Note 10)	505	**1,037**	**8,627**
Other current assets	2,200	**1,870**	**15,558**
Total current assets	77,864	**84,490**	**702,912**
Property, plant and equipment (Note 3)			
Land	21,122	**21,112**	**175,640**
Buildings	47,504	**47,409**	**394,418**
Machinery and equipment	52,382	**53,820**	**447,754**
Construction in progress	110	**26**	**216**
	121,118	**122,367**	**1,018,028**
Less accumulated depreciation	71,101	**73,934**	**615,091**
	50,017	**48,433**	**402,937**
Investments and other assets:			
Investments in unconsolidated subsidiaries and affiliated companies	1,205	**1,145**	**9,526**
Investment securities (Note 7)	14,431	**12,276**	**102,130**
Deferred income taxes (Note 10)	3,680	**3,330**	**27,704**
Other non-current assets	8,665	**8,128**	**67,620**
	27,981	**24,879**	**206,980**
	¥155,862	**¥157,802**	**$1,312,829**

See accompanying notes.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen 2002	Millions of yen 2003	Thousands of U.S. dollars (Note 1(1)) 2003
Current liabilities:			
Short-term bank loans (Note 3)	¥ 14,400	**¥ 14,840**	**$ 123,461**
Long-term debt due within one year (Note 3)	11,565	**4,819**	**40,091**
Trade payables:			
Notes	16,666	**14,391**	**119,725**
Accounts	17,749	**25,777**	**214,451**
Income taxes payable	176	**756**	**6,290**
Other current liabilities	4,518	**4,625**	**38,478**
Total current liabilities	65,074	**65,208**	**542,496**
Long-term debt (Note 3)	18,119	**20,340**	**169,218**
Severance and retirement benefits (Note 9)	13,991	**14,214**	**118,253**
Deferred income taxes (Note 10)	0	**32**	**266**
Other long-term liabilities	2,186	**2,183**	**18,162**
Minority interests	4,106	**4,046**	**33,661**
Shareholders' equity (Note 4)**:**			
Common stock			
Authorized 200,000,000 shares			
Issued 112,391,530 shares	18,670	**18,670**	**155,324**
Capital surplus	16,760	**16,760**	**139,434**
Retained earnings	18,804	**17,175**	**142,887**
Net unrealized holding losses on securities (Note 1(5))	(1,701)	**(560)**	**(4,659)**
Foreign currency translation adjustment (Note 1(4))	(138)	**(170)**	**(1,414)**
Treasury stock, at cost	(9)	**(96)**	**(799)**
	52,386	**51,779**	**430,773**
	¥155,862	**¥157,802**	**$1,312,829**

Consolidated Statements of Operations

Years Ended March 31, 2002 and 2003

	Millions of yen		Thousands of U.S. dollars (Note 1(1))
	2002	2003	2003
Net sales (Note 11)	¥158,245	**¥165,278**	**$1,375,025**
Cost of sales	108,653	**114,647**	**953,802**
Gross profit	49,592	**50,631**	**421,223**
Selling, general and administrative expenses	45,722	**46,539**	**387,180**
Operating income (Note 11)	3,870	**4,092**	**34,043**
Other income (expenses):			
Interest and dividend income	166	**181**	**1,506**
Interest expense	(892)	**(692)**	**(5,757)**
Loss on devaluation of investment securities	(971)	**(3,584)**	**(29,817)**
Gain (Loss) on sale of investment securities	52	**(1,548)**	**(12,878)**
Gain on sale of property, plant and equipment	109	**103**	**857**
Loss on disposal of property, plant and equipment	(230)	**(171)**	**(1,423)**
Equity in earnings of affiliated companies	51	**29**	**241**
Other, net	248	**431**	**3,586**
	(1,467)	**(5,251)**	**(43,685)**
Income (Loss) before income taxes	2,403	**(1,159)**	**(9,642)**
Income taxes (Note 1(11))			
Current	475	**941**	**7,829**
Deferred	858	**(997)**	**(8,295)**
Income (Loss) before minority interests	1,070	**(1,103)**	**(9,176)**
Minority interests in net loss of consolidated subsidiaries	24	**36**	**299**
Net income (loss)	¥ 1,094	**¥ (1,067)**	**$ (8,877)**

	Yen		U.S. dollars (Note 1(1))
	2002	2003	2003
Amounts per share of common stock :			
Net income (loss)	¥ 9.74	**¥ (9.50)**	**$ (0.08)**
Cash dividends applicable to the year	5.00	**5.00**	**0.04**

See accompanying notes.

Consolidated Statements of Shareholders' Equity

Years Ended March 31, 2002 and 2003

	Thousands of shares	Millions of yen					
	Number of shares of common stock	Common stock	Capital surplus	Retained earnings	Net unrealized holding losses on securities	Foreign currency translation adjustment	Treasury stock
Balance at March 31, 2001	112,392	¥18,670	¥16,760	¥18,271	¥ (378)	¥(187)	¥ (0)
Net income	—	—	—	1,094	—	—	—
Adjustments from translation of foreign currency financial statements (Note 1(4))	—	—	—	—	—	49	—
Net unrealized holding losses on securities	—	—	—	—	(1,323)	—	—
Treasury stock	—	—	—	—	—	—	(9)
Cash dividends paid (¥5.00 per share)	—	—	—	(561)	—	—	—
Balance at March 31, 2002	112,392	18,670	16,760	18,804	(1,701)	(138)	(9)
Net loss	—	—	—	(1,067)	—	—	—
Adjustments from translation of foreign currency financial statements (Note 1(4))	—	—	—	—	—	(32)	—
Net decrease in unrealized holding losses on securities	—	—	—	—	1,141	—	—
Treasury stock	—	—	—	—	—	—	(87)
Cash dividends paid (¥5.00 per share)	—	—	—	(562)	—	—	—
Balance at March 31, 2003	**112,392**	**¥18,670**	**¥16,760**	**¥17,175**	**¥ (560)**	**¥(170)**	**¥(96)**

	Thousands of U.S. dollars (Note 1(1))					
	Common stock	Capital surplus	Retained earnings	Net unrealized holding losses on securities	Foreign currency translation adjustment	Treasury stock
Balance at March 31, 2002	$155,324	$139,434	$156,439	$(14,151)	$(1,148)	$ (75)
Net loss	—	—	(8,877)	—	—	—
Adjustments from translation of foreign currency financial statements (Note 1(4))	—	—	—	—	(266)	—
Net decrease in unrealized holding losses on securities	—	—	—	9,492	—	—
Treasury stock	—	—	—	—	—	(724)
Cash dividends paid ($0.04 per share)	—	—	(4,675)	—	—	—
Balance at March 31, 2003	**$155,324**	**$139,434**	**$142,887**	**$ (4,659)**	**$(1,414)**	**$(799)**

See accompanying notes.

Consolidated Statements of Cash Flows

Years Ended March 31, 2002 and 2003

	Millions of yen		Thousands of U.S. dollars (Note 1(1))
	2002	2003	2003
Cash flows from operating activities:			
Income (Loss) before income taxes	¥ 2,403	**¥ (1,159)**	**$ (9,642)**
Adjustments to reconcile income before income taxes to net cash provided by operating activities:			
Depreciation and amortization	4,603	**4,447**	**36,997**
Loss on devaluation of investment securities	971	**3,584**	**29,817**
Loss (Gain) on sale of investment securities	(52)	**1,548**	**12,878**
Gain on sale of property, plant and equipment	(109)	**(103)**	**(857)**
Loss on disposal of property, plant and equipment	230	**171**	**1,423**
Interest and dividends income	(166)	**(181)**	**(1,506)**
Interest expenses	892	**692**	**5,757**
Decrease (Increase) in notes and accounts receivable — trade	11,528	**(6,072)**	**(50,516)**
Decrease (Increase) in inventories	4,116	**(96)**	**(799)**
Increase (Decrease) in notes and accounts payable — trade	(14,134)	**5,772**	**48,020**
Increase in retirement benefits	375	**223**	**1,855**
Other, net	(2,721)	**52**	**433**
Subtotal	7,936	**8,878**	**73,860**
Interest and dividends received	185	**199**	**1,656**
Interest expenses paid	(898)	**(768)**	**(6,389)**
Income taxes paid	(4,597)	**(361)**	**(3,003)**
Income taxes refund	—	**486**	**4,043**
Net cash provided by operating activities	2,626	**8,434**	**70,167**
Cash flows from investing activities:			
Payments for purchase of property, plant and equipment	(2,159)	**(2,632)**	**(21,897)**
Proceeds from sale of property, plant and equipment	141	**137**	**1,140**
Payments for purchase of investment securities	(1,380)	**(2,099)**	**(17,463)**
Proceeds from sale of investment securities	923	**1,120**	**9,318**
Sales of investments by deduction of consolidated subsidiaries	(36)	**—**	**—**
Other, net	122	**(156)**	**(1,298)**
Net cash used in investing activities	(2,389)	**(3,630)**	**(30,200)**
Cash flows from financing activities:			
Proceeds from long-term debt	10,100	**7,100**	**59,068**
Repayments of long-term debt	(12,509)	**(11,625)**	**(96,714)**
Increase in short-term bank loans	500	**440**	**3,661**
Cash dividends paid	(586)	**(586)**	**(4,875)**
Other, net	(8)	**(43)**	**(358)**
Net cash used in financing activities	(2,503)	**(4,714)**	**(39,218)**
Effect of exchange rate changes on cash and cash equivalents	6	**(3)**	**(25)**
Net increase (decrease) in cash	(2,260)	**87**	**724**
Cash and cash equivalents at beginning of year	22,515	**20,255**	**168,511**
Cash and cash equivalents at end of year (Note 5)	¥ 20,255	**¥ 20,342**	**$169,235**

See accompanying notes.

Notes to Consolidated Financial Statements

March 31, 2002 and 2003

1. Summary of significant accounting policies

(1) Basis of presenting consolidated financial statements

OKAMURA CORPORATION (the "Company") and its consolidated domestic subsidiaries maintain their official accounting records in Japanese yen and in accordance with the provisions set forth in the Japanese Commercial Code and accounting principles and practices generally accepted in Japan ("Japanese GAAP"). The accounts of overseas subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles and practices prevailing in the respective countries of domicile. Certain accounting principles and practices generally accepted in Japan are different from International Accounting Standards and standards in other countries in certain respects as to application and disclosure requirements. Accordingly, the accompanying consolidated financial statements are intended for use by those who are informed about Japanese accounting principles and practices.

The accompanying consolidated financial statements have been restructured and translated into English (with some expanded descriptions and the inclusion of statements of shareholders' equity) from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Securities and Exchange Law. Some supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers, using the prevailing exchange rate at March 31, 2003, which was ¥120.20 to US $1.00. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

(2) Consolidated statements of cash flows

In preparing the consolidated statements of cash flows, cash on hand, readily available deposits and short-term highly liquid investments with maturities of not exceeding three months at the time of purchase are considered to be cash and cash equivalents.

(3) Basis of consolidation and accounting for investments in affiliated companies

The consolidated financial statements comprise the accounts of the Company and all of its nine subsidiaries. All significant intercompany accounts and transactions have been eliminated in the consolidation. All companies are required to consolidate all significant investees which are controlled through substantial ownership of majority voting rights or existence of certain conditions.

The investments in affiliated companies are stated at their underlying equity value. All companies are required to account for investments in affiliated companies (all of 20% to 50% owned and certain others of 15% to 20% owned) by the equity method in principle. The excess of the cost over the underlying net assets of investments in consolidated subsidiaries and affiliated companies is amortized over a five-year period with the exception of minor differences which are charged or credited to income in the period of acquisition.

(4) Translation of foreign currencies

Short-term receivables and payables denominated in foreign currencies are translated into Japanese yen at the current exchange rate at the balance sheet date. Long-term receivables and payables denominated in foreign currencies are also translated into Japanese yen at the year-end rate. Bonds in foreign currencies were translated into Japanese yen at the contracted forward exchange rate, but the bonds in foreign currencies were repaid during the year ended March 31, 2002.

Financial statements of consolidated overseas subsidiaries are translated into Japanese yen at the year-end rate, except that shareholders' equity accounts are translated at historical rates and income statement items resulting from transactions with the Company at the rates used by the Company.

The Company and its domestic subsidiaries report foreign currency translation adjustments in the shareholders' equity.

(5) Securities

The Company and its consolidated subsidiaries examine the intent of holding each security and classify those securities as (a) securities held for trading purposes (hereafter, "trading securities"), (b) debt securities intended to be held to maturity (hereafter, "held-to-maturity debt securities"), (c) equity securities issued by subsidiaries and affiliated companies, and (d) all other securities that are not classified in any of the above categories (hereafter, "available-for-sale securities")

Trading securities are stated at fair market value. Gains and losses realized on disposal and unrealized gains and losses from market value fluctuations are recognized as gains or losses in the period of the change. Held-to-maturity debt securities are stated at amortized cost. Equity securities issued by subsidiaries and affiliated companies which are not consolidated or accounted for using the equity method are stated at moving-average cost.

Available-for-sale securities with available fair market values are stated at fair market value. Unrealized gains and unrealized losses on these securities are reported, net of applicable income taxes, as a separate component of shareholders' equity. Realized gains and losses on sale of such securities are computed using moving-average cost.

Debt securities with no available fair market value are stated at amortized cost, net of the amount considered not collectible. Other securities with no available fair market value are stated at moving-average cost.

If the market value of held-to-maturity debt securities and available-for-sale securities declines significantly, such securities are stated at fair market value and the difference between fair market value and the carrying amount is recognized as loss in the period of the decline. If the fair market value of securities is not readily available, such securities should be written down to net asset value with a corresponding charge in the income statement in the event net asset value declines significantly. In these cases, such fair market value or the net asset value will be the carrying amount of the securities at the beginning of the next year.

(6) **Inventories**

Inventories are stated at cost, which is determined by the moving-average method.

(7) **Depreciation and amortization**

Depreciation of property, plant and equipment is computed by the declining-balance method at rates based on the useful lives prescribed by the Japanese tax regulations, except that the straight-line method is applied to buildings acquired after March 31, 1998.

Amortization of intangible assets is computed by the straight-line method over periods prescribed by the Japanese Corporation Tax Law.

(8) **Deferred charges**

Research and development expenses including basic research and fundamental development costs which are for the improvement of existing products or development of new products are charged to income when paid. Bond issue expense is charged to income when bonds are issued.

(9) **Bonuses**

Bonuses to employees, which are paid semi-annually, are accrued based upon management's estimate of the amount thereof. Bonuses to directors and corporate auditors, which are subject to approval at the shareholders' meeting, are accounted for as an appropriation of retained earnings.

(10) **Severance and retirement benefits**

Severance and retirement benefits covering all employees are provided through two arrangements: an unfunded lump-sum benefit plan and a non-contributory funded pension plan. Upon retirement or termination of employment, employees are generally entitled to lump-sum or annuity payments based on their current rate of pay, length of service and cause of termination.

The liabilities and expenses for severance and retirement benefits are determined based on the amounts actuarially calculated using certain assumptions. The Company and its consolidated subsidiaries provide allowance for employees' severance and retirement benefits based on the estimated amounts of projected benefit obligation and the fair value of the plan assets. Prior service costs are recognized in expenses in equal amounts over the average of the estimated remaining service lives of the employees, and actuarial gains and losses are recognized in expenses using the straight-line method over the average of the estimated remaining service lives commencing with the following period.

The Company and major consolidated subsidiaries also provided for retirement allowances for directors and corporate auditors determined based on their internal rules at the estimated amount to be paid if all directors and corporate auditors retired at the balance sheet date.

(11) **Income taxes**

Current income taxes are provided at the amounts currently payable for the year ended. Tax effects of temporary differences between the financial statement carrying amounts and the tax basis of assets and liabilities are recognized as deferred income taxes. The provision for income taxes is computed based on the pretax income included in the consolidated statement of operation. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences.

(12) **Amounts per share of common stock**

Prior to the year ended March 31, 2003, net income per share is computed based upon the weighted-average number of shares of common stock outstanding during the year ended March 31 of each year, exclusive of the Company's treasury stock.

Effective from the year ended March 31, 2003, the Company and its consolidated subsidiaries adopted the new accounting standard for earning per share and related guidance (Accounting Standards Board Statement No. 2, "Accounting Standard for Earning Per Share" and Financial Standards Implementation Guidance No. 4, "Implementation Guidance for Accounting Standard for Earning Per Share," issued by the Accounting Standards Board of Japan on September 25, 2002).

Under the new accounting standard, net income per share is computed based upon the weighted-average number of shares of common stock outstanding during the year ended March 31 of each year, exclusive of the Company's treasury stock held by the Company and the Company's interest in its treasury stock held by the affiliated companies.

The effect of adopting the new accounting standard is immaterial.

The diluted net income per share of common stock is not presented, since any securities with dilutive effect such as bonds with warrants and convertible bonds were not outstanding through the periods.

Cash dividends per share represent the actual amount declared as applicable to the respective years.

(13) **Accounting for certain lease transactions**
Finance leases which do not transfer the ownership of the leased assets to the lessee are accounted for in the same manner as operating leases.

(14) **Derivatives and hedge accounting**
The Company and its consolidated subsidiaries state derivative financial instruments at fair value and recognize changes in the fair value as gains or losses unless derivative financial instruments are used for hedging purposes.

If derivative financial instruments are used as hedges and meet certain hedging criteria, the Company and its consolidated subsidiaries defer recognition of gains or losses resulting from changes in fair value of derivative financial instruments until the related losses or gains on the hedged items are recognized.

However, in cases where forward foreign exchange contracts are used as hedges and meet certain hedging criteria, forward foreign exchange contracts and hedged items are accounted for in the following manner:

(a) If a forward foreign exchange contract is executed to hedge an existing foreign currency receivable or payable,

(i) the difference, if any, between the Japanese yen amount of the hedged foreign currency receivable or payable translated using the spot rate at the inception date of the contract and the book value of the receivable or payable is recognized in the income statement in the period which includes the inception date, and

(ii) the discount or premium on the contract (that is, the difference between the Japanese yen amount of the contract translated using the contracted forward rate and that translated using the spot rate at the inception date of the contract) is recognized over the term of the contract

(b) If a forward foreign exchange contract is executed to hedge a future transaction denominated in a foreign currency, the future transaction will be recorded using the contracted forward rate, and no gains or losses on the forward foreign exchange contract are recognized.

Also, if interest rate swap contracts are used as a hedge and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract was executed.

(15) **Additional information**
Prior to the year ended March 31, 2003, only treasury stock held by the Company itself was shown on the consolidated balance sheets.

Effective from the year ended March 31, 2003, the Company adopted the new Japanese accounting standard for treasury stock and reversal of statutory reserves (Accounting Standards Board Statement No. 1, "Accounting Standard for Treasury Stock and Reversal of Statutory Reserves," issued by the Accounting Standards Board of Japan on February 21, 2002). Due to the adoption of the new accounting standard, the Company's interest in its treasury stock held by its affiliated companies accounted for using the equity method is also included in treasury stock in the consolidated balance sheets.

(16) **Reclassifications**
Certain reclassifications have been made in the 2002 financial statements to conform to the presentation for 2003. These changes had no impact on previously reported results of operations or shareholders' equity.

2. Inventories

Inventories at March 31, 2002 and 2003 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2003	2003
Finished products	¥9,704	**¥9,725**	**$80,907**
Work-in-process	640	**615**	**5,116**
Raw materials and supplies	1,249	**1,349**	**11,223**
	¥11,593	**¥11,689**	**$97,246**

3. Short-term bank loans and long-term debt

Short-term bank loans are represented by short-term notes, principally of 90 days maturity, bearing interest at a weighted-average year-end rate of 0.83% and 0.80% at March 31, 2002 and 2003, respectively.

Long-term debt at March 31, 2002 and 2003 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2003	2003
Long-term bank loans principally 0.71%-4.60%, due through 2008	¥7,684	**¥8,159**	**$67,879**
3.00% unsecured bonds due 2003	3,000	**3,000**	**24,958**
2.79% unsecured bonds due 2002	2,000	—	—
2.80% unsecured bonds due 2004	4,000	**4,000**	**33,278**
1.29% unsecured bonds due 2005	5,000	**5,000**	**41,597**
2.06% unsecured bonds due 2007	5,000	**5,000**	**41,597**
2.14% Euro yen bonds due 2002	3,000	—	—
	29,684	**25,159**	**209,309**
Less amount due within one year	11,565	**4,819**	**40,091**
	¥18,119	**¥20,340**	**$169,218**

Property, plant and equipment at cost less accumulated depreciation of ¥18,453 million ($153,519 thousand) was pledged as collateral for short-term bank loans and long-term debt at March 31, 2003.

The aggregate annual maturities of long-term debt at March 31, 2003 are as follows:

Years ending March 31,	Millions of yen	Thousands of U.S. dollars
2004	¥4,819	$40,091
2005	10,100	84,027
2006	3,820	31,780
2007	5,740	47,754
2008	680	5,657
	¥25,159	$209,309

4. Shareholders' equity

Under the Commercial Code of Japan (the "Code"), at least 50% of the issue price of new shares is required to be designated as stated capital. The portion which is not transferred to stated capital is determined by resolution of the Board of Directors. Proceeds not transferred to stated capital are credited to additional paid-in capital of which "capital surplus" consists.

Effective October 1, 2001, under the Code, the Company is required to appropriate as a legal earnings reserve a portion of retained earnings equal to at least 10% of cash dividends and bonuses to directors and corporate auditors for each period until the total amount of the legal earnings reserve and additional paid-in capital equals 25% of the amount of common stock. This legal earnings reserve and additional paid-in capital may be used to eliminate or reduce a deficit by resolution of a shareholders' meeting or may be capitalized by resolution of the Board of Directors. On condition that the total amount of the legal earnings reserve and additional paid-in capital remains being equal to or exceeding 25% of the amount of common stock, they are available for distributions and certain other purposes by the resolution of shareholders' meeting. The legal reserve is included in retained earnings.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with the Code.

On June 27, 2002, shareholders approved a stock repurchase program, under which the Company could repurchase up to 10,000 thousand shares of common stock at the maximum amount of ¥6,000 million subject to authorization by the Board of Directors until the close of the annual general meeting held on June 27, 2003. But there was no repurchase under the repurchase program during the period. Also on June 27, 2003, shareholders approved a stock repurchase program, under which the Company could repurchase up to 6,800 thousand shares of common stock at the maximum amount of ¥3,000 million ($24,958 thousand) subject to authorization by the Board of Directors until the close of the next annual general meeting.

5. Cash and cash equivalents

Reconciliations of cash shown in the consolidated balance sheets and cash and cash equivalents shown in the consolidated statements of cash flows as of March 31, 2002 and 2003 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2003	2003
Cash	¥21,687	**¥21,894**	**$182,147**
Less: Time deposits with maturities exceeding three months	(1,655)	**(1,775)**	**(14,767)**
Add: Short-term highly liquid investments with maturities of not exceeding three months	223	**223**	**1,855**
Cash and cash equivalents	¥20,255	**¥20,342**	**$169,235**

6. Information for certain leases

Lease payments under finance leases which are accounted for in the same manner as operating leases for the years ended March 31, 2002 and 2003 were ¥708 million and ¥623 million ($5,183 thousand), respectively. Future lease payments as of March 31, 2003, exclusive of interest, under such leases were ¥1,398 million ($11,631 thousand), including ¥505 million ($4,201 thousand) due within one year.

7. Securities

(1) The following tables summarize acquisition costs, book values and fair value of securities with available fair values as of March 31, 2002 and 2003:

Available-for-sale securities:

Securities with book values exceeding acquisition costs

	Millions of yen		Thousands of U.S. dollars
	2002	2003	2003
Acquisition cost			
Equity securities	¥4,700	**¥1,981**	**$16,481**
Corporate bonds	44	—	—
Others	94	**97**	**807**
Total	4,838	**2,078**	**17,288**
Book value			
Equity securities	5,798	**2,845**	**23,669**
Corporate bonds	51	—	—
Others	97	**103**	**857**
Total	5,946	**2,948**	**24,526**
Difference			
Equity securities	1,098	**864**	**7,188**
Corporate bonds	7	—	—
Others	3	**6**	**50**
Total	¥1,108	**¥870**	**$7,238**

Other securities

	Millions of yen		Thousands of U.S. dollars
	2002	2003	2003
Acquisition cost			
Equity securities	¥12,032	**¥9,702**	**$80,716**
Others	379	**211**	**1,755**
Total	12,411	**9,913**	**82,471**
Book value			
Equity securities	8,066	**7,882**	**65,574**
Others	267	**197**	**1,639**
Total	8,333	**8,079**	**67,213**
Difference			
Equity securities	(3,966)	**(1,820)**	**(15,142)**
Others	(112)	**(14)**	**(116)**
Total	¥(4,078)	**¥(1,834)**	**$(15,258)**

(2) The following tables summarize book values of securities with no available fair values as of March 31, 2002 and 2003:

Available-for-sale securities:

	Millions of yen		Thousands of U.S. dollars
	2002	2003	2003
Book value			
Money market fund	¥21	**¥21**	**$175**
Medium-term government bond funds	202	**202**	**1,680**
Preference shares	—	**1,000**	**8,319**
Non-listed equity securities	152	**249**	**2,072**
Total	¥375	**¥1,472**	**$12,246**

(3) Maturities of held-to-maturity debt securities and available-for-sale securities with maturities at March 31, 2002 and 2003 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2003	2003
Corporate bonds			
Within one year	¥50	**¥—**	**$—**
Total	¥50	**¥—**	**$—**

(4) Total sales of available-for-sale securities sold in the year ended March 31, 2003 amounted to ¥1,120 million ($9,318 thousand) and the related gains and losses amounted to ¥18 million ($150 thousand) and ¥1,566 million ($13,028 thousand), respectively.

8. Derivative financial instruments and hedging transactions

The Company utilized currency swap and interest rate swap agreements, in order to hedge foreign currency risks arising from U.S. dollar bonds and to fix floating interest rate thereon, but the Company did not have such derivative transactions at March 31, 2003. The Company utilizes interest rate swap agreements in order to fix floating interest rate thereon, and currency option agreements for which hedge accounting has not been applied in order to fix floating rate of exchange for payment of foreign currency payable in the future at March 31, 2003.

Currency swap and interest rate swap contracts are hardly subject to risks of foreign exchange rate changes and interest rate changes. Currency option is subject to risks of foreign exchange rate changes. The derivative transactions are solely made with highly rated financial institutions, and therefore, the Company considers there are little credit risks.

The derivative transactions are decided by the Board of Directors and managed by the Accounting Department in accordance with the established policies and within the decision of the Board of Directors. The Company does not evaluate hedge effectiveness particularly.

The following summarizes hedging derivative financial instruments used by the Company and items hedged:

Hedging instruments:	Hedged items:
Interest rate swap contracts	Interest on long-term debt

The following tables summarize market value information as of March 31, 2003 of derivative transactions for which hedge accounting has not been applied:

Currency related: (Millions of yen)

Type	Year ended March 31, 2003 Contracted amount	Market value	Recognized losses
Items not traded on exchanges			
Currency option	**¥2,501**	**¥(31)**	**¥(31)**
Total	**¥2,501**	**¥(31)**	**¥(31)**

Currency related: (Thousands of U.S. dollars)

Type	Year ended March 31, 2003 Contracted amount	Market value	Recognized losses
Items not traded on exchanges			
Currency option	**$20,807**	**$(258)**	**$(258)**
Total	**$20,807**	**$(258)**	**$(258)**

Market value information of derivative transactions as of March 31, 2002 was not shown since there was no derivative transactions for which hedge accounting was not applied.

9. Employees' severance and retirement benefits

The liabilities for severance and retirement benefits included in the liability section of the consolidated balance sheets as of March 31, 2002 and 2003 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2003	2003
Projected benefit obligation	¥49,523	**¥56,021**	**$466,065**
Unrecognized prior service costs	—	**909**	**7,562**
Unrecognized actuarial differences	(10,371)	**(19,972)**	**(166,156)**
Less fair value of pension assets	(25,161)	**(22,744)**	**(189,218)**
Liability for severance and retirement benefits	¥13,991	**¥14,214**	**$118,253**

Included in the consolidated statements of operations for the years ended March 31, 2002 and 2003 are severance and retirement benefit expenses comprised of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2003	2003
Service costs —benefits earned during the year	¥1,744	**¥1,738**	**$14,459**
Interest cost on projected benefit obligation	1,418	**1,484**	**12,346**
Expected return on plan assets	(762)	**(755)**	**(6,281)**
Amortization of prior service costs	—	**(65)**	**(541)**
Amortization of actuarial differences	554	**729**	**6,065**
Severance and retirement benefit expenses	¥2,954	**¥3,131**	**$26,048**

The discount rate and the rate of expected return on plan assets used by the Company and its consolidated subsidiaries are 3.0% in 2002, 2.5% and 3.0%, respectively, in 2003. The estimated amount of all retirement benefits to be paid at the future retirement date is allocated equally to each service year using the estimated number of total service years. Past service costs are recognized as an expense in equal amounts over 15 years. Actuarial losses are recognized in the consolidated statements of operations using the straight-line method over 15 years.

10. Income taxes

The aggregate statutory income tax rate used for calculation of deferred income tax assets and liabilities was 42.0% for the year ended March 31, 2002. Effective for years commencing on April 1, 2004 or later, according to the revised local tax law, income tax rates for enterprise taxes will be reduced as a result of introducing the assessment by estimation on the basis of the size of business. Based on the change of income tax rates, for calculation of deferred income tax assets and liabilities, the Company and its consolidated domestic subsidiaries used the aggregate statutory income tax rates of 42.0% and 40.7% for current items and non-current items, respectively, at March 31, 2003.

As a result of the change, in the year ended March 31, 2003, net deferred tax assets decreased by ¥105 million ($873 thousand), deferred tax liabilities decreased by ¥1 million ($8 thousand), provision for deferred income taxes increased by ¥92 million ($765 thousand) and net unrealized holding losses on securities increased by ¥12 million ($100 thousand).

The following table summarizes the significant differences between the statutory tax rate and the Company's effective tax rate for financial statement purposes for the year ended March 31, 2002:

	2002
Statutory tax rate	42.0%
Non-taxable dividend income	(2.7)
Non-deductible expenses	7.6
Per capita inhabitant tax	4.6
Tax loss carry-forward	(0.2)
Equity in earnings of affiliated companies	(0.6)
Unrecognized tax loss carry-forward	4.8
Other	0.0
Effective tax rate	55.5%

The significant differences between the statutory tax rate and the Company's effective tax rate for financial statement purposes for the year ended March 31, 2003 are not shown since loss before income taxes was recorded in the consolidated statement of operations.

Significant components of the Company and its consolidated subsidiaries' deferred income taxes as of March 31, 2002 and 2003 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2003	2003
Deferred income taxes (current liabilities):			
Enterprise taxes receivable	¥(35)	**¥(0)**	**$(0)**
Total deferred tax liabilities	(35)	**(0)**	**(0)**
Offset against deferred tax assets	35	**0**	**0**
Net deferred income taxes (current liabilities)	¥—	**¥—**	**$—**
Deferred income taxes (current assets):			
Excess bonuses accrued	¥224	**¥690**	**$5,740**
Accrued social insurance premiums	—	**69**	**574**
Accrued enterprise taxes	6	**61**	**508**
Valuation loss of finished products	89	**86**	**715**
Other	297	**231**	**1,922**
Sub-total deferred income taxes (current assets)	616	**1,137**	**9,459**
Valuation allowance	(76)	**(100)**	**(832)**
Total deferred income taxes (current assets)	540	**1,037**	**8,627**
Offset against deferred tax liabilities	(35)	**(0)**	**(0)**
Net deferred income taxes (current assets)	¥505	**¥1,037**	**$8,627**

	Millions of yen		Thousands of U.S. dollars
	2002	2003	2003
Deferred income taxes (long-term liabilities):			
Deferred gains on fixed assets	¥(4,151)	**¥(3,956)**	**$(32,912)**
Net unrealized holding gains on securities	(0)	**—**	**—**
Total deferred tax liabilities	(4,151)	**(3,956)**	**(32,912)**
Offset against deferred tax assets	4,151	**3,924**	**32,646**
Net deferred income taxes (long-term liabilities)	¥(0)	**¥(32)**	**$(266)**
Deferred income taxes (non-current assets):			
Retirement benefits	¥5,141	**¥5,558**	**$46,239**
Unrealized gross profits from sales of property, plant and equipment	768	**744**	**6,190**
Excess bad debt expenses	227	**141**	**1,173**
Net unrealized holding losses on securities	1,231	**384**	**3,195**
Other	464	**481**	**4,002**
Sub-total deferred income taxes (non-current assets)	7,831	**7,308**	**60,799**
Valuation allowance	—	**(54)**	**(449)**
Total deferred income taxes (non-current assets)	7,831	**7,254**	**60,350**
Offset against deferred tax liabilities	(4,151)	**(3,924)**	**(32,646)**
Net deferred income taxes (non-current assets)	¥3,680	**¥3,330**	**$27,704**

11. Segment information

The business operations of the Company and its consolidated subsidiaries are classified into three business segments: "Office Furniture," "Store Displays" and "Material Handling System and Others".

	Millions of yen		Thousands of U.S. dollars
	2002	2003	2003
Sales:			
Office Furniture	¥107,273	**¥103,852**	**$863,994**
Store Displays	43,529	**55,399**	**460,890**
Material Handling System and Others	7,443	**6,027**	**50,141**
Consolidated	¥158,245	**¥165,278**	**$1,375,025**
Operating expenses:			
Office Furniture	¥103,900	**¥102,290**	**$850,999**
Store Displays	42,731	**52,442**	**436,289**
Material Handling System and Others	7,744	**6,454**	**53,694**
Consolidated	¥154,375	**¥161,186**	**$1,340,982**
Operating income (loss):			
Office Furniture	¥3,373	**¥1,562**	**$12,995**
Store Displays	798	**2,957**	**24,601**
Material Handling System and Others	(301)	**(427)**	**(3,553)**
Consolidated	¥3,870	**¥4,092**	**$34,043**

	Millions of yen		Thousands of U.S. dollars
	2002	2003	2003
Identifiable assets:			
Office Furniture	¥76,000	**¥79,747**	**$663,453**
Store Displays	32,486	**34,371**	**285,948**
Material Handling System and Others	5,785	**5,558**	**46,240**
	114,271	**119,676**	**995,641**
Corporate assets	41,591	**38,126**	**317,188**
Consolidated	¥155,862	**¥157,802**	**$1,312,829**
Depreciation:			
Office Furniture	¥3,444	**¥3,160**	**$26,290**
Store Displays	962	**1,059**	**8,810**
Material Handling System and Others	197	**228**	**1,897**
Consolidated	¥4,603	**¥4,447**	**$36,997**
Capital expenditures:			
Office Furniture	¥1,650	**¥2,023**	**$16,830**
Store Displays	411	**482**	**4,010**
Material Handling System and Others	82	**140**	**1,165**
	2,143	**2,645**	**22,005**
Corporate	337	**270**	**2,246**
Consolidated	¥2,480	**¥2,915**	**$24,251**

Geographic segment information was not shown since aggregate sales of overseas consolidated subsidiaries were less than 10% of the consolidated net sales for the years ended March 31, 2002 and 2003, and assets of overseas consolidated subsidiaries were less than 10% of the consolidated assets at March 31, 2002 and 2003.

Overseas sales were not shown, since overseas sales were less than 10% of the Company's consolidated net sales for the years ended March 31, 2002 and 2003.

12. Subsequent event

At the annual general meeting held on June 27, 2003, the Company's shareholders approved the appropriations of retained earnings at March 31, 2003 as follows:

	Millions of yen	Thousands of U.S. dollars
Cash dividends, ¥2.50 ($0.021) per share	**¥281**	**$2,338**

Independent Auditors’ Report

To the Shareholders and Board of Directors of
OKAMURA CORPORATION:

We have audited the accompanying consolidated balance sheets of OKAMURA CORPORATION and its consolidated subsidiaries as of March 31, 2002 and 2003, and the related consolidated statements of operations, shareholders’ equity and cash flows for the years then ended, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of OKAMURA CORPORATION and its consolidated subsidiaries as of March 31, 2002 and 2003, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan as described in Note 1(1) to the consolidated financial statements.

The consolidated financial statements as of and for the year ended March 31, 2003 have been translated into United States dollars solely for the convenience of the reader. We have recomputed the translation and, in our opinion, the consolidated financial statements expressed in Japanese yen have been translated into United States dollars on the basis set forth in Note 1(1) to the consolidated financial statements.

Asahi & Co

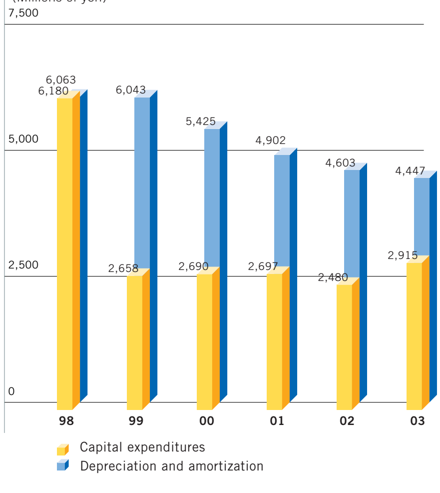
Yokohama, Japan
June 27, 2003

Six-Year Summary of Selected Financial Data

	Millions of yen						Thousands of U.S. dollars
Years Ended March 31	1998	1999	2000	2001	2002	2003	2003
Sales and Income:							
Net sales	¥190,482	¥169,960	¥165,323	¥187,349	¥158,245	**¥165,278**	**$1,375,025**
Cost of sales	135,424	123,284	114,332	129,754	108,653	**114,647**	**953,802**
SG&A expenses	50,533	47,276	46,298	48,163	45,722	**46,539**	**387,180**
Operating income (loss)	4,525	(600)	4,693	9,432	3,870	**4,092**	**34,043**
Income (loss) before income taxes	2,230	(2,150)	4,389	2,872	2,403	**(1,159)**	**(9,642)**
Net income (loss)	903	(2,718)	2,143	1,260	1,094	**(1,067)**	**(8,877)**
Capital Expenditures, Depreciation and Amortization:							
Capital expenditures	6,180	2,658	2,690	2,697	2,480	**2,915**	**24,251**
Depreciation and amortization	6,063	6,043	5,425	4,902	4,603	**4,447**	**36,997**
Profitability:							
Operating income (loss) to net sales (%) (Operating income (loss)/Net sales)	2.38	(0.35)	2.84	5.03	2.45	**2.48**	—
Net income (loss) to net sales (%) (Net income (loss)/Net sales)	0.47	(1.60)	1.30	0.67	0.69	**(0.65)**	—
Cost of sales to net sales (%) (Cost of sales/Net sales)	71.10	72.54	69.16	69.26	68.66	**69.37**	—
Return on equity [ROE] (%) (Net income (loss)/Shareholders' equity)	1.48	(4.55)	3.63	2.23	2.07	**(2.05)**	—
Return on assets [ROA] (%) (Operating income (loss)/Total assets)	2.51	(0.32)	2.68	5.38	2.31	**2.61**	—

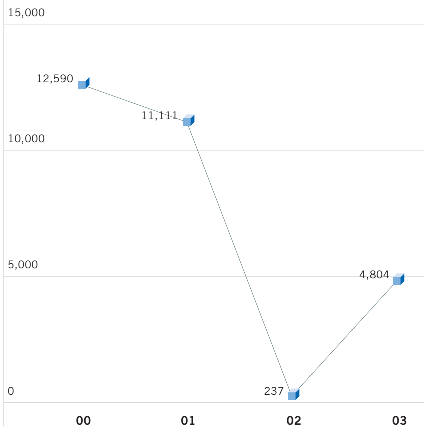
Capital Expenditures/ Depreciation and Amortization

(Millions of yen)



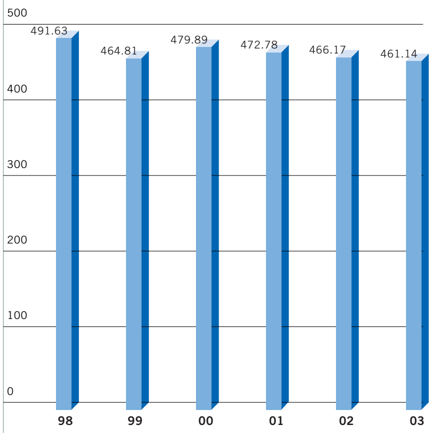
Free Cash Flows

(Millions of yen)

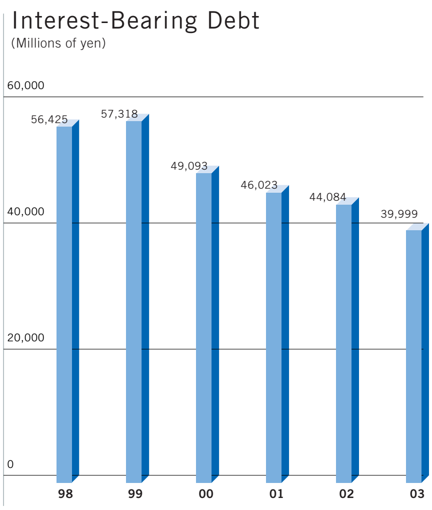


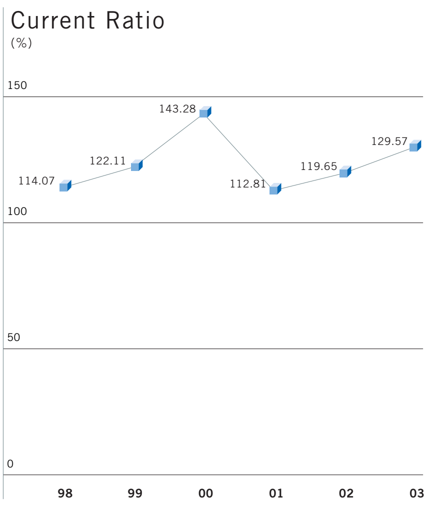
Shareholders' Equity per Share

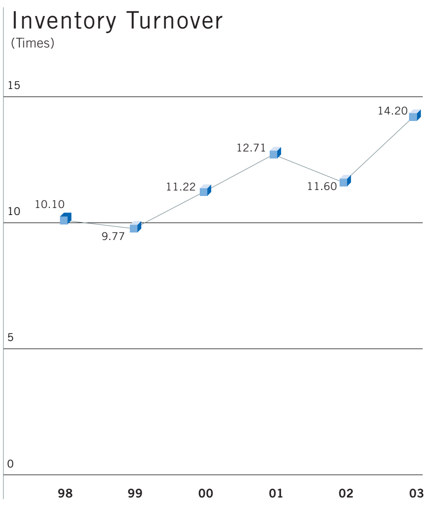
(Yen)



As of March 31	1998	1999	2000	2001	2002	2003	2003
						Millions of yen, except per share figures	Thousands of U.S. dollars, except per share figures
Assets, Liabilities and Shareholders' Equity:							
Total assets	¥191,356	¥178,160	¥172,170	¥178,751	¥155,862	**¥157,802**	**$1,312,829**
Total shareholders' equity	61,350	58,004	59,882	53,136	52,386	**51,779**	**430,773**
Interest-bearing debt	56,425	57,318	49,093	46,023	44,084	**39,999**	**332,770**
Equity ratio (%) (Shareholders' equity/total liabilities and shareholders' equity)	32.06	32.56	34.78	29.73	33.61	**32.81**	—
Shareholders' equity per share (Shareholders' equity/total number of shares issued)	491.63	464.81	479.89	472.78	466.17	**461.14**	—
Current assets	99,590	90,374	87,651	97,023	77,864	**84,490**	**702,912**
Current liabilities	87,307	74,008	61,176	86,006	65,074	**65,208**	**542,496**
Current ratio (%) (Current assets/Current liabilities)	114.07	122.11	143.28	112.81	119.65	**129.57**	—
Efficiency:							
Inventory turnover (times) (Net sales/Average inventories)	10.10	9.77	11.22	12.71	11.60	**14.20**	—
Asset turnover (times) (Net sales/Average total assets)	0.96	0.92	0.94	1.07	0.95	**1.05**	—
Number of employees	—	—	3,661	3,502	3,492	**3,444**	—







Corporate Profile

CORPORATE DATA

(As of June 27, 2003)

Head Office
Tenri Bldg., 1-4-1, Kitasaiwai, Nishi-ku,
Yokohama 220-0004, Japan
Telephone: +81-45-319-3401
Facsimile: +81-45-319-3515
http://www.okamura.co.jp/

Tokyo Office
Kokusai Shin-Akasaka Bldg. West
6-1-20, Akasaka, Minato-ku,
Tokyo 107-0052, Japan
Telephone: +81-3-5561-4085
Facsimile: +81-3-5561-4086

Foundation
1945

Stock Exchange Listings
Tokyo, Osaka

Japanese Security Code No.
7994

SEDOL No.
6657842

ISIN Code
JP3192400004

Paid-in Capital
¥18,670 million

Number of Employees
Consolidated: 3,444
(As of March 31, 2003)

Subsidiaries
Kansai Okamura Manufacturing Co., Ltd.
NS Okamura Corporation
Okamura Logistics Corporation
Okamura Estate Corporation
Okamura International (Singapore) Pte Ltd.
Okamura Business Support Corporation
FM Solution Corporation
Okamura Support and Service Corporation
Hill International Inc.

Affiliates
JT Okamura Corporation
Siam Okamura Steel Co., Ltd.
Siam Okamura International Co., Ltd.
Asahi Sofu Corporation
SEIWA BUSINESS Corporation

INTERNATIONAL COLLABORATION

Technical Tie-ups
CIL International Ltd., U.K. — Clothing display rack systems
DORMA Hüppe Raumtrennsysteme GmbH+Co KG, Germany
— Ferrowall (sliding partitions)
Ermanco Inc., U.S.A. — XenoROL® conveyors
König+Neurath AG Office Furniture Systems, Germany
— Office furniture
L.A. Darling Company, U.S.A. — Store display systems
O.C.S., Sweden — Overhead conveyor systems
Pro-Cord S.p.A. (Piretti), Italy — Furniture
Tyler Refrigeration Corp., U.S.A. — Refrigerated showcases
wiesner hager Möbel GmbH, Austria — Public-use furniture

Sales Tie-ups
Arrben snc., Italy — Seating
A/S Modulex, Denmark — Sign systems
Ateliers Reunis Caddie S.A., France — Shopping trolleys
Axmann Fördertechnik GmbH, Germany — Cross-belt sorters
DESTRO S.P.A., Italy — Theater seating
Fisher Hamilton L.L.C., U.S.A. — Laboratory furniture
Fora Form, Norway — System tables
Gruppo Industriale Busnelli s.p.a., Italy — Pubic-use furniture
NKI GROUP B.V., The Netherlands — Airport interiors & equipment
Sebel Furniture Ltd., Australia — Public-use furniture
Sitag Sitzmöbel GmbH, Germany — Office furniture
WOGG A.G., Switzerland — Folding tables

Technology Exports
Ridge P&C, Korea — Display showcases
Siam Steel International Public Co., Ltd., Thailand
— Office storage units, low partitions
Teknion Corporation, Canada — Office seating

STOCK INFORMATION

(As of March 31, 2003)

Number of Shares of Common Stock

Authorized: 200,000,000
Issued: 112,391,530

Number of Shareholders

6,444

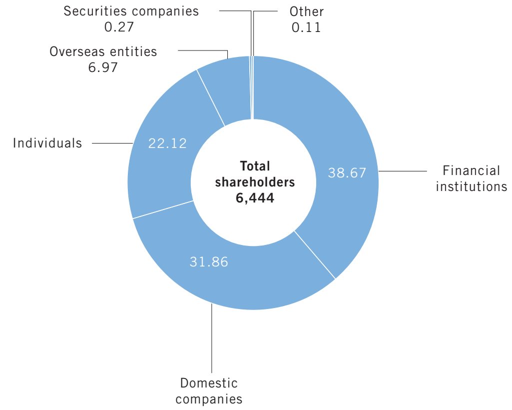
Major Shareholders

	(Thousand)
Mitsubishi Corporation	9,163
Okamura Group Employees Stock Ownership Plan	6,159
Mitsui Sumitomo Insurance Co., Ltd.	5,895
Meiji Life Insurance Company	5,437
Nippon Steel Corporation	5,313
The Bank of Tokyo-Mitsubishi, Ltd.	5,235
The Bank of Yokohama, Ltd.	4,076

Note: The list of major shareholders is prepared from the register of shareholders. According to the Notice of Change in Large Scale Holdings submitted on February 7, 2003, Schroder Investment Management (Japan) Limited holds 7,882,000 shares of Okamura.

Distribution of Stock by Shareholder Type

(%)



Stock Price