

**Financial Results for the First Half of the Fiscal Year  
Ending March 31, 2011 [Japanese GAAP] (Consolidated)**



November 5, 2010

Okamura Corporation  
Code Number: 7994      URL: <http://www.okamura.co.jp/>  
Representative      Kazuyoshi Hisamatsu      President and Representative Director  
Contact      Kiyoshi Sato      Managing Director      (TEL: 045-319-3445)  
Scheduled date of filing Quarterly Report:      November 12, 2010  
Scheduled date of commencement of dividend payments: December 10, 2010  
Preparation of supplementary material to explain quarterly financial results: Not prepared.  
Scheduling of meeting to explain quarterly financial results:      Scheduled for institutional investors and analysts.

Note: Amounts of less than one million yen have been rounded down.

1. Financial and Operational Review for the First Half (Apr. 1, 2010 – Sep. 30, 2010) of FY ending March 2011 (Apr. 1, 2010 – Mar. 31, 2011)

(1) Business Results (cumulative)

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First half of FY ending March 2011	78,665	(0.7)	38	(83.5)	137	(67.5)	(310)	–
First half of FY ended March 2010	79,224	(20.4)	234	(92.0)	421	(87.5)	231	(90.0)

	Net income per share	Diluted net income per share
	yen	yen
First half of FY ending March 2011	(2.82)	–
First half of FY ended March 2010	2.10	–

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
First half of FY ending March 2011	155,854	76,195	48.5	686.35
FY ended March 2010	160,422	78,294	48.4	704.88

(Note) Total shareholder's equity: First half of the fiscal year under review (ending March 2011): ¥75,661 million;  
The previous fiscal year (ended March 2010): ¥77,708 million

2. Dividend

	Annual dividend				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	yen	yen	yen	yen	yen
FY ended March 2010	–	3.75	–	3.75	7.50
FY ending March 2011	–	3.75	–	–	–
FY ending March 2011 (forecast)	–	–	–	3.75	7.50

(Note) Revision of dividend forecasts during the first half of the fiscal year under review: Not revised

3. Forecast of Consolidated Performance for the FY ending March 2011 (from April 1, 2010 to March 31, 2011)

(% Figures indicate increase/decrease ratios from the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net assets per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
FY ending March 2011	164,500	2.0	2,800	106.3	3,300	72.7	1,900	248.4	17.23

(Note) Revision of performance forecasts during the first half of the fiscal year under review: Not revised.

4. Others (For detailed descriptions, please refer to "Other Information" on page 3 of the Appendix attached hereto.)

(1) Changes in the scope of consolidation during the first half of the fiscal year under review: None

New: – company(ies) (Company name: )

Excluded: – company(ies) (Company name: )

(Note) This indicates whether there have been changes in the number of specified subsidiaries involving changes in the scope of consolidation during the first half of the fiscal year under review.

(2) Adoption of simplified accounting methods or special accounting methods: Adopted

(Note) This indicates whether the Company adopts simplified accounting methods or special accounting methods applicable to the preparation of quarterly consolidated financial statements.

(3) Changes in accounting principles and procedures or in the method of presentation

i. by new accounting standard: Yes

ii. by others: None

(Note) This indicates whether there are changes in the accounting principles and procedures or in the method of presentation used in the preparation of quarterly consolidated financial statements that needs to be stated in "Changes in the Basis of Presenting Quarterly Consolidated Financial Statements."

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

i. Number of shares issued (including treasury stock) at end of period

First half of FY ending March 2011: 112,391,530 FY ended March 2010 112,391,530

ii. Number of shares of treasury stock at end of period

First half of FY ending March 2011: 2,154,230 FY ended March 2010 2,148,354

iii. Average number of shares during period (cumulative quarters)

First half of FY ending March 2011: 110,240,452 2Q of FY ended March 2010: 110,253,119

\* Indication of Implementation Status of Quarterly Review Procedures

This quarterly Financial Results summary is not subject to the quarterly review procedures as provided for in the Financial Instruments and Exchange Act. The procedures for reviewing the Company's quarterly financial statements in accordance with the Financial Instruments and Exchange Act are yet to be completed at the time of publication of this quarterly Financial Results summary.

\* Explanation of Appropriate Use of Performance Forecasts and Other Issues Requiring Particular Mention

The performance forecasts and other forward-looking statements contained herein are based on the information available to the Company at the time, and contain certain assumptions that the Company considers to be reasonable. They are subject to diverse factors that may cause actual results of operations and other items to differ significantly from the statements and forecasts. For a description of the assumptions underlying the performance forecasts and the points to note when using the performance forecasts in this document, please refer to "Qualitative information concerning the performance forecast" on page 2 of the Appendix to this quarterly Financial Results summary.

○ Table of Contents of Appendix

1. Qualitative Information Concerning Quarterly Consolidated Financial Results, etc.....	2
(1) Qualitative information concerning the progress in (consolidated) business performance .....	2
(2) Qualitative information concerning the changes in (consolidated) financial position.....	2
(3) Qualitative information concerning the performance forecast .....	3
2. Other Information .....	3
(1) Summary of changes in the number of material subsidiaries .....	3
(2) Summary of simplified accounting methods or special accounting methods.....	3
(3) Summary of changes in accounting principles and procedures or in the method of presentation .....	3
(4) Summary of significant events and conditions relating to the going concern assumption .....	3
3. Quarterly Financial Statements.....	4
(1) Quarterly Consolidated Balance Sheet.....	4
(2) Quarterly Consolidated Income Statement.....	6
(3) Quarterly Consolidated Cash Flow Statement .....	7
(4) Note regarding the assumption of going concern.....	8
(5) Segment information .....	8
(6) Note regarding occurrence of significant change in amount of shareholders' equity .....	9

## 1. Qualitative Information Concerning Quarterly Consolidated Financial Results, etc.

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

During the first half of the fiscal year under review, the gradual recovery of the Japanese economy came to a standstill due to the global economic slowdown, the impact of the strong yen, and the fading effects of economic measures. With capital investment activity in the private sector still sluggish, the business environment surrounding the Okamura Group remained extremely challenging.

Under such circumstances, by making maximum use of its superior product development capabilities and technological expertise, the Okamura Group worked on developing products that incorporated new technologies and products that cared for the environment. The Group also endeavored to develop new market possibilities and cultivate new customer bases, while accelerating the cutting of costs and expenses.

Performance results by segment are discussed below.

#### Office Furniture

In the Office Furniture segment, as businesses curbed investment and cut expenses to reflect their more cautious stance over the economy, demand for both office relocations and office renovations remained weak. Meanwhile, office-related demand remained solid among companies seeking greater office efficiency and cost savings. The Okamura Corporation (hereinafter the "Company") responded to these needs with proposals that aggressively promoted its "green workplace" concept, which is aimed at reducing the impact of offices on the environment, combined with solutions involving the review of work styles. Emphasis was also placed on developing demand among educational facilities, local governments and other customer sectors in the periphery of the office furniture market. These efforts however fell short of making up for the negative effects of the shrinking aggregate demand.

As a result, net sales in this segment amounted to ¥41,506 million.

#### Store Displays

The Store Display segment's business environment remained challenging as distributors and retailers curbed their investments and shifted to smaller store formats, despite a modest increase in personal consumption owing to the economic stimulus measures. In such circumstances, the Company engaged in vigorous marketing of store solutions designed to meet shifting consumer needs and aggressively promoted environmental measures and security systems for stores. The above efforts resulted in increased sales revenue and profits.

As a result, net sales in this segment amounted to ¥31,480 million.

#### Others (Material Handling Systems and Others)

In the Material Handling Systems segment, the Company set its sights on logistics management outsourcing services, renewable energy production facilities, and other fields where investments were growing strongly. The Company enhanced its proposals to attract more orders for total solutions by taking advantage of proposals using logistics engineering and new products distinguished by their superiority, and also undertook full-fledged action to promote sector-specific solutions by utilizing synergies with other business segments. The result of the above efforts was increased sales revenues.

As a result, net sales in this segment amounted to ¥5,677 million.

As a result of the above, during the first half of the fiscal year under review, the Company posted net sales of ¥78,665 million (a decrease of 0.7% year-on-year), operating income of ¥38 million (a decrease of 83.5% year-on-year), ordinary income of ¥137 million (a decrease of 67.5% year-on-year), and net loss of ¥310 million (versus a net profit of ¥231 million in the same period of the previous fiscal year).

### (2) Qualitative information concerning the changes in (consolidated) financial position

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

Total assets amounted to ¥155,854 million, down ¥4,568 million compared with the end of the previous fiscal year. Current assets decreased by ¥1,119 million as a result of a decrease in trade notes and accounts receivable despite an increase in cash and time deposits, and fixed assets decreased by ¥3,448 million primarily as a result of decreases in tangible fixed assets and investment securities.

Liabilities amounted to ¥79,658 million, down ¥2,469 million over the end of the previous fiscal year, mainly because of decreases in notes and accounts payable.

Net assets amounted to ¥76,195 million, primarily reflecting a decrease in net unrealized holding gains on other securities. The equity ratio amounted to 48.5%.

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

Operating activities generated a net cash increase of ¥9,564 million (versus a net cash increase of ¥7,380 million in the same period of the previous fiscal year), reflecting inflows including depreciation expenses of ¥2,279 million and a decrease in trade notes and accounts receivable of ¥8,152 million. Outflows included a decrease in trade notes and accounts payable of ¥1,345 million.

Investing activities resulted in a net cash outflow of ¥1,042 million (versus a net cash outflow of ¥2,258 million in the same period of the previous fiscal year), reflecting outflows including disbursements of ¥792 million for the acquisition of tangible fixed assets and of ¥539 million for the acquisition of investment securities.

Financing activities generated a net cash outflow of ¥1,353 million (versus a net cash outflow of ¥1,212 million in the same period of the previous fiscal year) as a result of outlays primarily reflecting a net change in short-term bank loans of ¥702 million and cash dividend payments of ¥414 million.

Consequently, consolidated cash and cash equivalents at the end of the first half of the current fiscal year increased by ¥7,155 million from the end of the previous fiscal year (versus an increase of ¥3,922 million over the same period of the previous fiscal year) to ¥28,057 million.

(3) Qualitative information concerning the performance forecast

During the first half of the fiscal year under review, the Company's performance in terms of consolidated net sales, operating income, ordinary income, and net income turned out to be slower than in the same period of the previous fiscal year. While the business environment surrounding the Company is likely to remain challenging in the months ahead, we will continue to step up efforts to expand sales, improve productivity and reduce costs on a continuous basis.

Accordingly, the consolidated performance forecasts for the current fiscal year ending March 2011, which we announced on May 11, 2010, remain unchanged.

## 2. Other Information

(1) Summary of changes in the number of material subsidiaries

Nothing in particular.

(2) Summary of simplified accounting methods or special accounting methods

i. Simplified accounting methods

1) Calculation of depreciation expenses on fixed assets

In respect of the assets that are depreciated on a declining-balance basis, the Company applies a calculation method that allocates the amount of depreciation attributable to a specific fiscal year appropriately to the quarterly periods.

ii. Special accounting methods

Nothing in particular.

(3) Summary of changes in accounting principles and procedures or in the method of presentation

i. Changes in matters concerning accounting standards

1) Adoption of Accounting Standard for Equity Method of Accounting for Investments and Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method

Effective with the first quarter of the current fiscal year, the Company adopts the Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16, issued by the Accounting Standards Board of Japan on March 10, 2008) and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (ASBJ PITF No. 24, issued by the Accounting Standards Board of Japan on March 10, 2008).

This change has no material impact on corporate earnings.

2) Adoption of Accounting Standard for Asset Retirement Obligations, etc.

Effective with the first quarter of the current fiscal year, the Company adopts the Accounting Standard for Asset Retirement Obligations (ASBJ Statement No. 18, issued by the Accounting Standards Board of Japan on March 31, 2008) and the Implementation Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21, issued by the Accounting Standards Board of Japan on March 31, 2008).

The effect of this change was to reduce operating income and ordinary income by ¥5 million each and to increase losses before income taxes for the quarter by ¥53 million, as compared to the results based on the same method used in the previous fiscal year.

(4) Summary of significant events and conditions relating to the going concern assumption

Nothing in particular.

## 3. Quarterly Financial Statements

## (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	First half of FY ending March 2011 (As of Sep. 30, 2010)	Condensed consolidated balance sheet concerning FY ended March 2010 (As of March 31, 2010)
<b>Assets</b>		
Current assets		
Cash and time deposits	30,552	23,719
Trade notes and accounts receivable	34,927	43,079
Marketable securities	426	122
Merchandise and finished products	7,899	8,369
Work in process	1,296	1,101
Raw material and supplies	2,186	2,050
Others	2,356	2,338
Allowance for doubtful debt	(29)	(47)
<b>Total current assets</b>	<b>79,615</b>	<b>80,735</b>
Fixed assets		
Tangible fixed assets		
Buildings and structures (at net book value)	15,341	15,697
Land	22,564	22,562
Others (at net book value)	8,851	9,530
<b>Total tangible fixed assets</b>	<b>46,757</b>	<b>47,790</b>
Intangible fixed assets		
Goodwill	1,401	1,526
Others	2,097	2,246
<b>Total intangible fixed assets</b>	<b>3,499</b>	<b>3,773</b>
Investments and other assets		
Investment securities	16,775	18,975
Others	9,247	9,196
Allowance for doubtful debt	(40)	(48)
<b>Total investments and other assets</b>	<b>25,981</b>	<b>28,123</b>
<b>Total fixed assets</b>	<b>76,238</b>	<b>79,687</b>
<b>Total assets</b>	<b>155,854</b>	<b>160,422</b>

(Millions of yen)

	First half of FY ending March 2011 (As of Sep. 30, 2010)	Condensed consolidated balance sheet concerning FY ended March 2010 (As of March 31, 2010)
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	28,138	29,529
Short-term bank loans	9,119	9,820
Long-term debts due within one year	1,991	2,355
Bonds redeemed within one year	5,000	5,000
Income taxes payable	547	660
Allowance for bonus payable	1,718	907
Others	2,776	3,121
Total current liabilities	49,290	51,393
Long-term liabilities		
Debenture bonds	5,000	5,000
Long-term loans payable	8,893	8,734
Severance and employee retirement benefits	12,573	12,052
Others	3,901	4,947
Total long-term liabilities	30,368	30,734
Total liabilities	79,658	82,127
<b>Net assets</b>		
Owners' equity		
Capital stock	18,670	18,670
Capital surplus	16,759	16,759
Retained earnings	41,402	42,126
Treasury stock, at cost	(2,365)	(2,362)
Total owners' equity	74,467	75,194
Net unrealized gain and translation adjustments		
Unrealized holding gains (losses) on securities	1,517	2,811
Foreign currency translation adjustments	(323)	(297)
Total net unrealized gain and translation adjustments	1,193	2,513
Minority interests	534	586
Total net assets	76,195	78,294
<b>Total liabilities and net assets</b>	<b>155,854</b>	<b>160,422</b>

(2) Quarterly Consolidated Income Statement  
[First Half of Current Fiscal Year]

(Millions of yen)

	First half of FY ended March 2010 (From Apr. 1, 2009 to Sep. 30, 2009)	First half of FY ending March 2011 (From Apr. 1, 2010 to Sep. 30, 2010)
Net sales	79,224	78,665
Cost of sales	54,284	55,418
Gross profit	24,939	23,246
Selling, general and administrative expenses	24,705	23,208
Operating income	234	38
Other income		
Interest income	16	18
Dividend income	163	200
Equity in earnings of affiliated companies	17	-
Others	523	337
Total other income	721	556
Other expenses		
Interest expense	319	295
Others	214	162
Total other expenses	534	457
Ordinary income	421	137
Extraordinary income		
Reversal of allowance for doubtful accounts	43	19
Others	1	2
Total extraordinary income	44	21
Extraordinary losses		
Loss on disposal/sale of property, plant and equipment	80	87
Impairment loss	36	-
Impairment loss on investment securities	61	142
Others	3	129
Total extraordinary losses	182	359
Income (loss) before income taxes for the quarter term	283	(200)
Income taxes	397	506
Adjustments on income taxes	(299)	(344)
Total income taxes	98	161
Income (loss) before minority interests for the quarter term	-	(361)
Minority interests in earnings (losses)	(46)	(51)
Net income (loss) for the quarter term	231	(310)

## (3) Quarterly Consolidated Cash Flow Statement

(Millions of yen)

	First half of FY ended March 2010 (From Apr. 1, 2009 to Sep. 30, 2009)	First half of FY ending March 2011 (From Apr. 1, 2010 to Sep. 30, 2010)
<b>Cash flows from operating activities</b>		
Income (loss) before income taxes for the quarter term	283	(200)
Depreciation expense	2,664	2,279
Loss (gain) on disposal/sale of property, plant and equipment	80	87
Loss (gain) on equity in earnings of affiliated companies	(17)	48
Increase (decrease) in allowance for doubtful debt	(81)	(24)
Increase (decrease) in allowance for bonus payable	224	811
Increase (decrease) in allowance for employee retirement benefits	451	400
Interest income and dividend income	(180)	(218)
Interest expense	319	295
Impairment loss (gain) on investment securities	-	7
Loss on devaluation of investment securities (parentheses indicate a revaluation gain)	61	142
Decrease (increase) in notes and accounts receivable	14,197	8,152
Decrease (increase) in inventories	1,823	139
Increase (decrease) in notes and accounts payable	(11,720)	(1,345)
Others	(192)	(431)
<b>Sub-total</b>	<b>7,914</b>	<b>10,144</b>
Interest and dividends received	195	215
Interest expenses paid	(299)	(296)
Income taxes paid	(430)	(498)
<b>Cash flows from operating activities</b>	<b>7,380</b>	<b>9,564</b>
<b>Cash flows from investing activities</b>		
Outlay for placement of time deposits	(1,897)	(1,077)
Proceeds from withdrawal of time deposits	1,046	1,510
Payment for purchase of property, plant and equipment	(1,203)	(792)
Payment for purchase of intangible fixed assets	(236)	(146)
Payment for purchase of investment securities	(130)	(539)
Proceeds from sale and redemption of investment securities	74	33
Others	87	(31)
<b>Cash flows from investing activities</b>	<b>(2,258)</b>	<b>(1,042)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term bank loans	(10)	(702)
Proceeds from long-term bank loans	600	1,050
Repayments of long-term debt	(1,227)	(1,254)
Proceeds from issuance of corporate bonds	5,000	-
Outlays for redemption of corporate bonds	(5,000)	-
Payment for purchase of treasury stock	(2)	(1)
Cash dividends	(552)	(414)
Others	(18)	(30)
<b>Cash flows from financing activities</b>	<b>(1,212)</b>	<b>(1,353)</b>
<b>Effect on exchange rate changes on cash and cash equivalents</b>	<b>13</b>	<b>(13)</b>
Increase (decrease) in cash and cash equivalents	3,922	7,155
Cash and cash equivalents at beginning of the year	18,425	20,902
Cash and cash equivalents at end of the quarter term	22,347	28,057

(4) Note regarding the assumption of going concern

First half of FY ended March 2010 (from April 1, 2009 to September 30, 2009)

There is no information that needs to be disclosed herein.

First half of FY ending March 2011 (from April 1, 2010 to September 30, 2010)

There is no information that needs to be disclosed herein.

(5) Segment information

[Segment information by business type]

First half of FY ended March 2010 (from April 1, 2009 to September 30, 2009)

	Office Furniture (Millions of yen)	Store Displays (Millions of yen)	Material Handling Systems and Others (Millions of yen)	Total (Millions of yen)	Unallocated and Eliminations (Millions of yen)	Consolidated (Millions of yen)
Net sales						
(1) Net sales to external customers	45,695	29,957	3,571	79,224	–	79,224
(2) Internal sales or transfers between segments	–	–	–	–	(–)	–
Total	45,695	29,957	3,571	79,224	(–)	79,224
Operating income (loss)	263	352	(381)	234	(–)	234

Notes: 1. Business segmentation method

Business segmentation is based on considerations of similarities among types, characteristics and markets, etc. for products (inclusive of operations) delivered under business activities of consolidated companies.

2. Classification of main products by business segment

Business segment	Main products
Office Furniture	Office furniture, cultural and educational facilities, partitions, medical and research facilities, security systems, SOHO-related products
Store Displays	Showcases for stores, refrigerated showcases, counters for stores
Material Handling Systems and Others	Racks and stackers for factories and warehouses, automated material handling systems, torque converters for industrial and construction equipment, real estate leasing, insurance

[Geographically Segmented Information]

First half of FY ended March 2010 (from April 1, 2009 to September 30, 2009)

Geographically segmented information is omitted. This is because Japan accounts for over 90% of the Company's total net sales across all segments.

[Overseas sales]

First half of FY ended March 2010 (from April 1, 2009 to September 30, 2009)

Information on overseas sales is omitted, because they account for less than 10% of the Company's consolidated net sales.

[Segment information]

(Additional information)

Effective with the first quarter of the current fiscal year, the Company adopts the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17, issued by the Accounting Standards Board of Japan on March 27, 2009) and the Implementation Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20, issued by the Accounting Standards Board of Japan on March 21, 2008).

### 1. Overview of reportable segments

The Company defines its reportable segments as those components of the Company about which separate financial information is available that is evaluated regularly by the Board of Directors in deciding how to allocate resources and in assessing performance.

The Company has manufacturing and sales structures organized by product and service line under which it draws up comprehensive strategies according to product and service offerings, and undertakes business activities.

This means that the Company is composed of segments based on a manufacturing and sales framework along product and service lines, within which the Company identifies Office Furniture and Store Displays as its two reportable segments.

Office Furniture segment engages in the manufacture and sale of office furniture, cultural and educational facilities, and security systems, etc. Store Displays segment engages in the manufacture and sale of showcases for stores, refrigerated showcases, and counters for stores, etc.

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

First half of FY ending March 2011 (from April 1, 2010 to September 30, 2010)

(Millions of yen)

	Reportable segments			Others (Note 1)	Total	Adjustment Amount	Amount reported on quarterly consolidated income statement (Note 2)
	Office Furniture	Store Displays	Total				
Net sales							
Net sales to external customers	41,506	31,480	72,987	5,677	78,665	—	78,665
Internal sales or transfers between segments	—	—	—	—	—	—	—
Total	41,506	31,480	72,987	5,677	78,665	—	78,665
Segment income (loss)	(595)	668	72	(33)	38	—	38

Notes: 1. The category "Others" aggregates those business segments that do not meet the definition of reportable segments, and includes material handling systems, torque converters, and other business segments.  
2. The segment income or loss totals correspond to the operating income reported in the quarterly consolidated income statement.

### 3. Information concerning impairment loss on fixed assets, goodwill, etc., by reportable segment

There is no information that needs to be disclosed herein.

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

First half of FY ended March 2010 (from April 1, 2009 to September 30, 2009)

There is no information that needs to be disclosed herein.

First half of FY ending March 2011 (from April 1, 2010 to September 30, 2010)

There is no information that needs to be disclosed herein.