Member of the Financial Accounting Standards Foundation

Financial Results for FY March 2008

May 9, 2008

Okamura Corporation Listing: Tokyo Stock Exchange, Osaka Securities Exchange
Code Number: 7994 (URL http://www.okamura.co.jp/)
Representative: Kazuyoshi Hisamatsu, President and Representative Director
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Date of Board Meeting for Consolidated Settlement of Accounts: June 27, 2008 Scheduled date of commencement of dividend payments: June 30, 2008
Scheduled date of filing Annual Security Report: June 27, 2008

1. Consolidated Results for FY March 2008 (Apr. 1, 2007 – Mar. 31, 2008)
   * Amounts less than 1 million yen have been rounded down.

(1) Business Results (% 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	%
FY March 2008	214,844	0.5	9,832	(9.9)	10,507	(8.9)	5,951	(3.0)
FY March 2007	213,813	5.7	10,912	19.8	11,539	18.2	6,132	(26.2)

	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)	Return on Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
			%	%	%
FY March 2008	53.82	—	7.4	5.6	4.6
FY March 2007	54.75	—	7.7	6.1	5.1

Notes: Gain from investment in subsidiaries and affiliates accounted for by the equity method:
FY March 2008: ¥141 million, FY March 2007: ¥219 million

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
FY March 2008	185,855	83,121	42.7	719.32
FY March 2007	189,754	84,971	42.9	726.44

Note: Equity: FY March 2008: ¥79,335 million FY March 2007: ¥81,354 million

(3) Cash Flows (Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at Term-End
FY March 2008	11,951	(4,308)	(4,849)	19,496
FY March 2007	4,389	(6,830)	(2,915)	16,697

2. Dividend

(Record date)	Interim dividend per share (in yen)	Year-end dividend per share (in yen)	Full year dividend per share (in yen)	Total dividends amount (Millions of yen)	Dividend payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
					%	%
FY March 2007	6.00	9.00	15.00	1,681	27.4	2.1
FY March 2008	7.50	7.50	15.00	1,656	27.9	2.1
FY March 2009 (forecast)	7.50	7.50	15.00		25.1	

3. Consolidated Forecast for FY March 2009 (Apr. 1, 2008 – Mar. 31, 2009)
(% Figures indicate increase/decrease ratios from the previous year for FY March 2008, and year-on-year increase/decrease ratios for the accumulated total in 2Q, consolidated)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Accumulated total in 2Q, consolidated	106,000	1.5	5,200	4.4	5,600	3.0	3,200	9.9	29.01
FY March 2008	221,000	2.9	11,200	13.9	11,800	12.3	6,600	10.9	59.84

4. Other

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

New 1 company (Fuji Seiko Honsha Co., Ltd.) excluded 0 companies

(Note) For details, please refer to page 7: "2. Group Companies."

(2) Changes in accounting principles and procedures used in the preparation of consolidated financial statements or in the method of presentation of consolidated financial statements (Items contained in "Changes in the Basis of Presenting Consolidated Financial Statements")

i by new accounting standard Yes

ii by others Yes

(Note) For details, please refer to page 14: "Significant Items for the Preparation of Consolidated Financial Statements."

(3) Number of shares of treasury stock (Ordinary Shares)

i Number of shares issued (Common stock) FY March 2008: 112,391,530 FY March 2007: 112,391,530

ii Number of shares of treasury stock FY March 2008: 2,100,241 FY March 2007: 400,990

(Note) For the number of shares forming the basis for calculating (consolidated) net income per share, please refer to "Per Share Data" on page 26.

(Note) Non-Consolidated Business Results

1. Non-Consolidated Results for FY March 2008 (Apr. 1, 2007 -Mar. 31, 2008)

(1) Business Results (% 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	%
FY March 2008	211,346	0.2	8,097	(7.5)	9,027	(2.6)	5,154	5.9
FY March 2007	211,000	5.9	8,753	27.8	9,265	23.7	4,867	(27.0)

	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
FY March 2008	46.56	—
FY March 2007	43.41	—

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
FY March 2008	167,990	69,462	41.3	629.09
FY March 2007	175,576	72,408	41.2	645.85

(Note) Total shareholders' equity: FY March 2008: ¥69,462 million, FY March 2007: ¥72,408 million

2. Forecasts for FY March 2009 (Apr. 1, 2008 -Mar. 31, 2009)

(% Figures indicate increase/decrease ratios from the previous year for FY March 2009, and year-on-year increase/decrease ratios for the accumulated total in 2Q, consolidated)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Accumulated total in 2Q, consolidated	104,000	0.9	4,200	2.8	4,800	0.7	2,730	0.7	24.72
FY March 2009	216,500	2.4	8,600	6.2	9,500	5.2	5,400	4.8	48.91

* <u>Explanation of Appropriate Use of Performance Forecasts and Other Issues Requiring Particular Mention</u>

The aforementioned forecasts are forward-looking statements based on all information available to the management at the time of this document's release. Actual results may differ substantially from the anticipated results by any factors.

Please see p.4 of the attached document for more information regarding the aforementioned forecasts.

1. Operating Results and Financial Position

(1) Operating Results

1. Overview of FY March 2008

1) Overview of Operating Results

	Net sales Millions of yen	Operating income Millions of yen	Ordinary income Millions of yen	Net income Millions of yen	Net income per share yen
FY March 2008	214,844	9,832	10,507	5,951	53.82
FY March 2007	213,813	10,912	11,539	6,132	54.75
Changes (%)	0.5%	(9.9%)	(8.9%)	(3.0%)	(1.7%)

During the fiscal year under review, Japan's economy continued to grow in the first half, driven by buoyant corporate earnings. In the latter half, however, the economic outlook grew increasingly uncertainty due to factors such as: the slowing U.S. economy triggered by the subprime loan problem, soaring crude oil and raw material prices, and movements in the foreign exchange markets.

Under these circumstances, the Okamura Group (hereinafter the "Group") sought to develop new products in timely manner, promote theme-based sales, and attract orders for total solutions in order to create and develop new markets, with a view to reinvigorating further growth across all business segments.

As a result of these initiatives, current term net sales were ¥214,844 million (an increase of 0.5% year on year).

From the perspective of profit and loss, increased sales in the office furniture segment contributed to stronger gross profit. As a result of increased selling, general and administrative expenses, Okamura Corporation (hereinafter the "Company") posted an ordinary income of ¥10,507 million (a year-on-year decrease of 8.9%) and current net income of ¥5,951 million (a year-on-year decrease of 3.0%).

2) Segment Information

(Millions of yen)

	Net sales			Operating income		
	FY March 2007	FY March 2008	Change	FY March 2007	FY March 2008	Change
Office Furniture	131,245	136,833	5,587	9,063	9,113	49
Store Displays	66,325	63,077	(3,247)	848	295	(553)
Material Handling Systems and Others	16,242	14,932	(1,309)	1,000	423	(576)

① Office Furniture

In the office furniture segment, due to buoyant corporate earnings capital investment and employment grew and demand bullish due to office relocations, expansion and renovations. Corporate investment to improve office efficiency and operations also grew in response to increases in office rents. In light of this, the Company aggressively promoted solutions-based proposals centering on "reviewing work styles" and "intellectually creative work styles," and promote enhanced value-adding for offices.
High-grade seating lines ("Contessa" and "Baron" etc), continued to record strong sales in domestic and global markets and are steadily moving towards becoming global brands.
In the security sector, demand from financial institutions slowed down somewhat in the latter half due to the subprime loan problem, but the needs for office security steadily developed.

As a result of these developments, net sales in this segment were ¥136,833 million (an increase of 4.3% year-on-year), and operating income was ¥9,113 million (an increase of 0.5%).

② Store Displays

In the store displays segment, the difficult business environment remained due to sluggish personal consumption as a result of factors such as: increases in food prices and growing concerns regarding foods imported from China, as well as restrained investment in the retailers. In such circumstances, the Company focused its efforts on total store solutions and acquisition of new customers, driven by keywords: "food safety and reassurance," "higher energy efficiency" and "low cost operation." However, primarily due to significant impact from shrinking total demand, this segment recorded decreased net sales.

As a result, net sales in this segment were ¥63,077 million (a decrease of 4.9% year-on-year), and operating income was ¥295 million (a decrease of 65.2%).

③ Material Handling Systems and Others

In the material handling systems segment, the Company aggressively pursued sales activities using solution-based proposals tailored focusing on the logistics centers and plants. However, the sales declined due to factors such as the structure of this business where many orders are received on project basis, a small decrease in large scale projects on year-on-year basis, insufficient cultivation of new customers due to time dedicated to internal reorganization to accommodate the sharp business growth in recent years. On the other hand, in the torque converter segment, torque converters including forklifts steadily attracted orders.

As a result, net sales in this segment were ¥14,932 million (a decrease of 8.1% year-on-year), and operating income was ¥423 million (a decrease of 57.6%).

2. Outlook for Fiscal 2009

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (Yen)
FY March 2009	221,000	11,200	11,800	6,600	59.84
FY March 2008	214,844	9,832	10,507	5,951	53.82
Change (%)	2.9%	13.9%	12.3%	10.9%	11.2%

There is a sense Japan's economy is likely to stagnate due to concerns about: soaring crude oil and raw material prices and movements in the foreign exchange market, which will cause capital investment plans in manufacturing companies to be downsized for the time being. Together with uncertainty over the global economy including the U.S. economy, attributable to the subprime loan problem, it is expected that corporations will continue to be wary and remain cautious.

Amid such circumstances, in the mainstay office furniture segment, the Company will aggressively expand the solution-based business model, its proven forte, aiming to grow sales and secure profit margins, by taking on firm office demands from improvement in work environment, review on work styles and corporate restructuring. Furthermore, the Company will simultaneously implement cost reductions and higher "quality" in all business processes with an aim to strengthen international competitiveness from mid to long-term perspectives. Furthermore, the Company will actively pursue developing the overseas business with a view to full-fledged entry into the global market.

Meanwhile, in the security segment, many companies and individuals are more concerned about security. In light of this and with the consolidation of a new subsidiary (Fuji Seiko Honsha Co., Ltd.), the Company will push for faster product development, streamlined operations achieved by collaboration between manufacturing and sales while aiming for additional growth.

In the store display segment, with shrinking total demand, the difficult business environment is likely to continue. The Company will seek to increase sales from new customers acquired by taking advantage of our strength in comprehensive offerings and total store solution proposals. The Company will also take measures to reduce fixed costs through streamlining manufacturing and sales activities with the aim of turning-around revenues and earnings.

In the material handling systems and others business, in view of booming investments in logistics centers and plants, the Company will enhance proposals to attract more orders for total solution by taking advantage of proposals using logistics engineering, while undertaking full-fledged actions to promote sector-specific solutions by utilizing synergies with other business segments to augment revenues and earnings.

In terms of initiatives to improve profitability, amongst concerns about influences from soaring raw material prices, the Company will implement further reductions in production costs, including promotion of productivity improvement through OPS (Okamura Production System) activities, commencement of factory expansion in suburbs of the Greater Tokyo and reorganization of the manufacturing factories, with a goal for the optimal production system. All of these activities reflect the Company's commitment to consistent corporate reforms aiming for steady and highly profitable corporate structure through prioritized and efficient investment in managerial resources.

For fiscal 2009 the Company anticipates consolidated net sales of ¥221 billion, consolidated ordinary income of ¥11.8 billion, and consolidated net income of ¥6.6 billion.

(2) Financial Position

1. Total Assets, Liabilities, Net Assets and Cash Flows

1) Total Assets, Liabilities and Net Assets

Millions of yen

	FY March 2007	FY March 2008
Total assets	189,754	185,855
Net assets	84,971	83,121
Equity ratio	42.9%	42.7%
Net assets per share (Yen)	726.44	719.32

Total assets at the end of the year under review amounted to ¥185,855 million, a decrease of ¥3,899 million over the end of the previous fiscal year. Current assets decreased by ¥1,210 million, due primarily to decreases in trade receivables in spite of an increase in cash & time deposits and inventories, whereas fixed assets decreased by ¥2,688 million, due primarily to a decrease in investment securities.

Total liabilities at the end of the year under review amounted to ¥102,734 million, a decrease of ¥2,048 million from the end of the previous fiscal year. This was due to decrease of trade payable and income taxes payable, increase of long-term loans payable.

Total net assets including minority interests, at the end of the year under review was ¥83,121 million, a decrease of ¥1,850 million over the previous fiscal year-end. This was due primary to increased retained earnings, reflecting net income posted for the year, and to decreased unrealized gains carried by other securities. The net assets ratio decreased by 0.2 percentage points to 42.7%.

2) Cash Flows

(Millions of yen)

	FY March 2007	FY March 2008
Cash flows from operating activities	4,389	11,951
Cash flows from investing activities	(6,830)	(4,308)
Cash flows from financing activities	(2,915)	(4,849)
Cash and cash equivalents at the interim-term (year) end	16,697	19,496
Borrowings and corporate bonds at the term (year) end	27,847	29,280

Operating activities increased cash flows primary as a result of net income before taxes of ¥10,829 million, depreciation and amortization of ¥5,773 million, and a decrease of ¥4,696 million in trade receivable. Operations decreased cash flows primary as a result of decrease of ¥1,394 million in trade payable and decrease of ¥6,136 million in the payment of corporate income taxes refund. All this resulted in a net cash increase of ¥11,951 million.

Investment activities netted a cash outflow of ¥4,308 million, owing mainly to payment of ¥5,127 million for purchase of property, plant and equipment and of intangible fixed assets.

Financing activities netted a cash outflow of ¥4,849 million, owing mainly to a payment of ¥2,060 million for the purchase of treasury stocks and the Parent Company’s dividend payments of ¥1,825 million.

Consequently, cash and cash equivalents at the end of the fiscal year under review increased by ¥2,799 million to ¥19,496 million.

The balance of interest-bearing debt (borrowings and corporate bonds) at the end of the current term under review increased by ¥1,432 million compared to the previous fiscal year to ¥29,280 million.

3) Trends of cash flow indicators

	FY March 2004	FY March 2005	FY March 2006	FY March 2007	FY March 2008
Equity ratio (%)	34.3	36.8	41.5	42.9	42.7
Market value-based equity ratio (%)	47.4	54.1	69.8	76.4	40.9
Ratio of interest-bearing debt to cash flows (times)	2.8	4.3	3.3	6.3	2.4
Interest coverage ratio (times)	21.5	15.2	25.6	11.1	27.5

Equity ratio: Shareholders’ equity/Total assets
Market value-based equity ratio: Market capitalization/Total assets
Ratio of interest-bearing debt to cash flows: Cash flows/Interest-bearing debt
Interest coverage ratio: Operating cash flow/Interest payments
1. All of the above cash flow indicators are calculated on a consolidated basis.

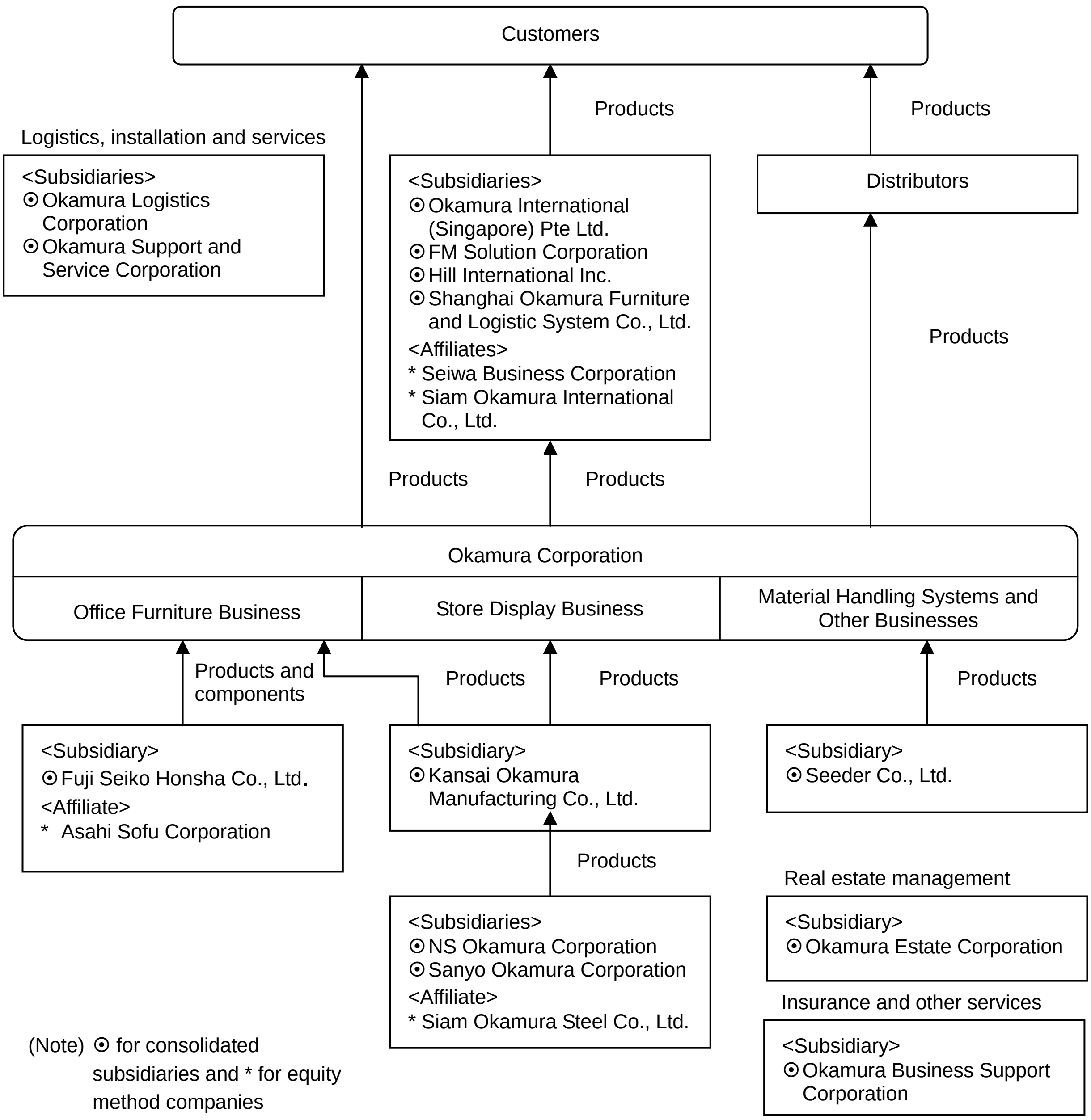
2. Market capitalization is calculated by multiplying the closing share price on the final trading day of the fiscal year by the total number of shares issued and outstanding as of the corresponding fiscal year-end (adjusted for treasury stocks).
3. Operating cash flow equals cash flows from operating activities stated in the Consolidated Statements of Cash Flows. Interest-bearing debt equals all liabilities on which interests are paid, as stated in the Consolidated Balance Sheets. Interest payments are equal to interests paid as stated in the Consolidated Statements of Cash Flows.

(3) Basic Policies Regarding Allocation of Profits/Dividends in the Fiscal Year Under Review and the Next Fiscal Year

We consider the return of profits to shareholders to be an important management priority. To maintain stable dividend payments while increasing enterprise value, we will take into account the needs to bolster internal reserves to provide for investments, as well as business performance and balance funding.
In accordance with these policies, we decided to target annual cash dividends of ¥7.50 per share. Therefore, including the interim dividends (¥7.50 per share), dividends applicable to the year will be ¥15.00 per share, the same amount as the previous year.
Dividends for next fiscal year are forecast to be ¥15.00 per share.

2. Group Companies

The Group comprises the Company, thirteen consolidated subsidiaries and four affiliated companies. The Group's principal businesses are: the manufacture and sale of office furniture, store displays, and material handling systems. In these business segments the Group offers logistics, installation, and other services.
In the office furniture, store displays, and material handling systems business segments, the Company and consolidated subsidiaries including Kansai Okamura Manufacturing Co., Ltd., NS Okamura Corporation, Sanyo Okamura Corporation, Seeder Co., Ltd., and Fuji Seiko Honsha Co., Ltd. engage in manufacturing operations.
In the office furniture, store displays, and material handling systems business segments, the Company, consolidated subsidiaries Okamura International (Singapore) Pte Ltd., FM Solution Corporation, Hill International Inc., and Shanghai Okamura Furniture and Logistic System Co., Ltd., as well as affiliates Seiwa Business Corporation, Siam Okamura International Co., Ltd., and the Company's distributors engage in sales operations.
In other related businesses, consolidated subsidiary Okamura Logistics Corporation engages in the Group's logistics and installation for office furniture, store displays, and material handling systems operations, while Okamura Support and Service Corporation undertakes the Group's installation and services.
Consolidated subsidiaries Okamura Business Support Corporation and Okamura Estate Corporation engage in insurance and real estate management operations.
During this financial year, Fuji Seiko Honsha Co., Ltd. and its subsidiary Kagaseiko Corporation became the Company's subsidiary pursuant to acquisition of their shares.
The organization chart below depicts the business structure of the Group. Business segments in the chart correspond to those in the Segment Information section.



3. Management Policy

(1) Basic Management Policy

Guided by its watchwords for corporate reform—information technology, globalization, and specialization—the Group engages in business activities grounded in a basic policy of building and strengthening a relationship of trust with society by constructing a stable management base, engaging in efficient, profit-oriented management, and demonstrating concern for the natural environment.

The Company proclaimed itself "Cooperative Industry—Okamura Seisakusho" when in 1945, a company of engineers, led by its founder, made mutual contributions of funds, technical expertise, and labor to launch it into operation. Throughout its existence, human bonds of the technologically minded have formed the foundation of its operations, primarily in the lines of office furniture, store displays, material handling systems and others. True to its motto that "Quality pays for itself" are the integrated development, manufacture, and distribution of high-quality products that customers feel enrich their amenity environment, as well as turnkey offerings tailored to customers' diverse space requirements. These comprise the Company's approach to setting itself apart from its competition in its pursuit of ensuring and enhancing its corporate value and hence its common shareholder value.

(2) Target Performance Indicators

The Group places importance on return on assets (ROA), return on shareholders' equity (ROE), and ratio of operating income to sales as key indicators of business performance. The Company strives at all times to improve profitability through cost consciousness and to focus on improving investment efficiency by exercising selectivity and concentration in the allocation of management resources.

(3) Medium- to Long-Term Business Strategy

On the basis of the Medium-Term Management Vision, the Group aims to further develop its mainstay office furniture and store display businesses and achieve stable growth, while making company-wide efforts to establish a more secure earnings base. To this end, as management efficiency measures, the Company aims to reduce costs and increase asset efficiency by proceeding further with the implementation of the Okamura Production System (OPS), the Company's own newly developed production method, and the Supply Chain Management System (SCM).

1) Office Furniture

In its mainstay office furniture business, responding to an increase in demands for relocation connected to urban redevelopment projects, the Company aims to increase orders for total solutions by offering new product lines suited to the diverse workstyles of the IT era and engaging actively in business development. The Company will also strive to develop new demands by proposing solutions based on the concept of offices of the near future. Moreover, the Company will fortify marketing activities on a global scale by launching new products. As regards the security business, the Company seeks to reinforce its development and sales system for office security products, to complement its safe deposit box facilities for financial institutions. The Company will leverage the marketing and solutions capabilities developed in the office furniture business to engage in full-scale operations in the public facilities sector, primarily regional areas, bolstering our sales & marketing structure to better serve the architectural products, educational facilities, and social services and medical institutions markets.

2) Store Displays

In the store display business, the Company's second mainstay operation, the Company aims to increase sales and profits by focusing management resources on growth sectors. In the market for category killers, the Company will develop original fixtures tailored to store characteristics and engage in aggressive proposal-based selling targeting the drugstore and discount store retail formats, where further expansion of new store openings is expected.

3) Material Handling Systems and Others

In the material handling systems and others segment, the Company will engage in active selling activities. In addition to pursuing synergy with other businesses, the Company will target the pharmaceuticals, food products, automobiles, and other growth sectors, aiming to expand sales and secure stable income through development of products and proposal of solutions tailored to the specific needs of each of these markets. The Company will also aim to be active in opening up new sales, with a focus on the global market.

4) Promotion of Management Efficiency

The Company will further advance the development of the Okamura Production System (OPS), a new method of production aimed at reducing manufacturing costs, to its Group companies, through applications to Group companies. The secondary development of the Supply Chain Management System (SCM), aiming at efficient production by improving the accuracy of forecast for demands, has been achieving favorable results. The Company will aim to further enhance the efficiency of its inventory by increasing the products covered by this System. With respect to finance, the Company aims to establish a solid financial base through measures such as the reduction of interest-bearing debt.

5) Protection of the Environment

The Company regards protection of the natural environment as an important management priority, and the entire Okamura Group engages in environmental protection activities. The Company will continue to pursue business activities that contribute to recycle-oriented society, notably environmentally conscious new products development.

(4) Issues Facing the Company

To cope with a social milieu characterized by diversification, globalization and other sweeping social transformations that are likely to continue to occur in the coming years, the Company has periodically convened the Business Process Improvement Committee, flexibly and rapidly responded to the changes, and implemented a series of profit improvement measures necessary to sustain and increase growth and profitability.

In future business development, the Company will aggressively invest management resources in growth business sectors on the basis of a medium-term management strategy grounded in selectivity and concentration, engage in continued restructuring across all businesses and organizations, work to increase capital efficiency, and promote management reform to establish a highly profitable corporate structure.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Items	Ref. No.	FY March 2007 (As of Mar. 31, 2007) Amount (Millions of yen)	Ratio (%)	FY March 2008 (As of Mar. 31, 2008) Amount (Millions of yen)	Ratio (%)	Increase/Decrease Amount (Millions of yen)
(Assets)						
I. Current assets:						
Cash and time deposits		17,513		20,514		3,001
Trade notes and accounts receivable	*4	62,186		57,604		(4,582)
Marketable securities		807		122		(684)
Inventories		15,326		16,848		1,522
Deferred income taxes		1,936		1,811		(125)
Other current assets		1,928		1,536		(392)
Allowance for doubtful debt		(148)		(98)		50
Total current assets		99,551	52.5	98,340	52.9	(1,210)
II. Fixed assets:						
1. Tangible fixed assets:	*1, 2					
Buildings and structures		15,320		15,579		258
Machinery, equipment and vehicles		9,473		10,016		542
Land		21,744		22,515		770
Construction in progress		123		86		(36)
Others		3,113		2,920		(192)
Total tangible fixed assets		49,775	26.2	51,118	27.5	1,342
2. Intangible fixed assets:		2,989	1.6	2,690	1.5	(298)
3. Investments and other assets:						
Investment securities	*2, 3	29,090		22,781		(6,309)
Guarantee deposits		3,964		4,006		42
Prepaid pension cost		—		2,133		2,133
Deferred income taxes		2,074		2,095		20
Others		2,389		2,811		421
Allowance for doubtful accounts		(81)		(122)		(41)
Total investment and other assets		37,438	19.7	33,705	18.1	(3,732)
Total fixed assets		90,203	47.5	87,514	47.1	(2,688)
Total assets		189,754	100.0	185,855	100.0	(3,899)

		FY March 2007 (As of Mar. 31, 2007)		FY March 2008 (As of Mar. 31, 2008)		Increase/Decrease
Items	Ref. No.	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)
(Liabilities)						
I. Current liabilities:						
Trade notes and accounts payable	*4	47,856		46,742		(1,113)
Short-term bank loans	*2	9,600		9,867		267
Long-term debts due within one year	*2	3,446		3,117		(328)
Income taxes payable		3,767		2,371		(1,396)
Consumption taxes payable		454		518		63
Allowance for bonus payable		2,976		2,945		(30)
Others		3,494		3,377		(117)
Total current liabilities		71,595	37.7	68,941	37.1	(2,654)
II. Long-term liabilities:						
Bonds		10,000		10,000		—
Long-term loans payable	*2	4,801		6,294		1,492
Deferred tax liabilities		6,173		3,451		(2,722)
Severance and employee retirement benefits		9,638		11,459		1,821
Reserve for directors' retirement benefits		17		20		3
Other liabilities		2,555		2,566		10
Total long-term liabilities		33,186	17.5	33,792	18.2	605
Total liabilities		104,782	55.2	102,734	55.3	(2,048)
(Net assets)						
I. Owners' equity						
Capital stock		18,670	9.8	18,670	10.1	—
Capital surplus		16,759	8.8	16,759	9.0	—
Retained earnings		36,795	19.4	40,909	22.0	4,113
Treasury stock, at cost		(269)	(0.1)	(2,333)	(1.3)	(2,063)
Total owners' equity		71,956	37.9	74,006	39.8	2,050
II. Net unrealized gain and translation adjustments						
Unrealized holding gains (losses) on securities		9,467	5.0	5,262	2.8	(4,205)
Foreign currency translation adjustment		(69)	(0.0)	66	0.1	135
Total Net unrealized gain and translation adjustments		9,398	5.0	5,328	2.9	(4,069)
III. Minority interests		3,617	1.9	3,786	2.0	168
Total net assets		84,971	44.8	83,121	44.7	(1,850)
Total liabilities and net assets		189,754	100.0	185,855	100.0	(3,899)

(2) Consolidated Statements of Income

Items	Ref. No.	FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007) Amount (Millions of yen)	FY March 2007 Ratio (%)	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008) Amount (Millions of yen)	FY March 2008 Ratio (%)	Increase/Decrease Amount (Millions of yen)
I. Net sales		213,813	100.0	214,844	100.0	1,030
II. Cost of sales	*2	147,526	69.0	148,185	69.0	659
Gross profit		66,287	31.0	66,658	31.0	371
III. Selling, general and administrative expenses	*1, 2	55,374	25.9	56,826	26.4	1,451
Operating income		10,912	5.1	9,832	4.6	(1,080)
IV. Other income:		1,268	0.6	1,447	0.7	179
Interest and dividends income		373		442		69
Equity in earnings of affiliated companies		219		141		(78)
Others		675		864		188
V. Other expenses:		642	0.3	773	0.4	130
Interest expenses		390		432		42
Others		251		340		88
Ordinary income		11,539	5.4	10,507	4.9	(1,031)
VI. Extraordinary income:		55	0.0	585	0.2	529
Gain on sales of fixed assets	*3	—		405		405
Gain on sales of investment securities		5		152		147
Reversal of allowance for doubtful accounts		50		16		(34)
Others		—		10		10
VII. Extraordinary losses:		431	0.2	263	0.1	(168)
Loss on disposal of property, plant and equipment	*4	299		229		(70)
Loss on devaluation of investment securities		7		0		(7)
Impairment loss		47		34		(13)
Other losses		77		0		(76)
Income before income taxes for the quarter term (fiscal year)		11,163	5.2	10,829	5.0	(334)
Income taxes		5,236	2.4	4,423	2.0	(812)
Adjustments on income taxes		(347)	(0.2)	408	0.2	755
Minority interests in earnings		141	0.1	45	0.0	(95)
Other losses						
Net income for the current term (fiscal year)		6,132	2.9	5,951	2.8	(181)

(3) Consolidated statements of changes in Net assets

FY March 2007 (Apr. 1, 2006 to Mar. 31, 2007) (Millions of yen)

	Owners' equity					Net unrealized gain and translation adjustments			Minority Interests	Net assets (Total)
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total	Net unrealized gains on for-sale securities	Foreign currency translation adjustments	Total		
Balance as of Mar. 31, 2006	18,670	16,759	32,135	(218)	67,346	9,953	(152)	9,801	3,492	80,641
Changes of items during fiscal year										
Dividends			(1,457)		(1,457)					(1,457)
Directors' bonus			(14)		(14)					(14)
Net income			6,132		6,132					6,132
Acquisition of treasury stock				(51)	(51)					(51)
Net changes of Net assets other than owners' equity					—	(486)	83	(403)	124	(278)
Total of changes in the period	—	—	4,660	(51)	4,609	(486)	83	(403)	124	4,330
Balance as of Mar. 31, 2007	18,670	16,759	36,795	(269)	71,956	9,467	(69)	9,398	3,617	84,971

FY March 2008 (Apr. 1, 2007 to Mar. 31, 2008) (Millions of yen)

	Owners' equity					Net unrealized gain and translation adjustments			Minority Interests	Net assets (Total)
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total	Net unrealized gains on for-sale securities	Foreign currency translation adjustments	Total		
Balance as of Mar. 31, 2007	18,670	16,759	36,795	(269)	71,956	9,467	(69)	9,398	3,617	84,971
Changes of items during fiscal year										
Dividends			(1,837)		(1,837)					(1,837)
Net income			5,951		5,951					5,951
Acquisition of treasury stock				(2,063)	(2,063)					(2,063)
Net changes of Net assets other than owners' equity					—	(4,205)	135	(4,069)	168	(3,901)
Total of changes in the period	—	—	4,113	(2,063)	2,050	(4,205)	135	(4,069)	168	(1,850)
Balance as of Mar. 31, 2008	18,670	16,759	40,909	(2,333)	74,006	5,262	66	5,328	3,786	83,121

(4) Consolidated Statements of Cash Flows

		FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007)	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)
Items	Ref. No.	Amount (Millions of yen)	Amount (Millions of yen)
I. Cash flows from operating activities			
Income before income taxes for the first 9 months (fiscal year)		11,163	10,829
Depreciation and amortization		5,061	5,773
Gain on sales of fixed assets		—	(405)
Loss on disposal of property, plant and equipment		293	229
Equity in earnings of affiliated companies		(219)	(141)
Increase/decrease in allowance for doubtful accounts		(85)	(11)
Allowance for bonuses payable		266	(30)
Increase/decrease in allowance for employee retirement benefits		317	(512)
Increase/decrease in allowance for directors' retirement benefits		7	3
Interest and dividends income		(373)	(442)
Interest expense		390	432
Gain/loss on sale of investment securities		2	(152)
Loss on devaluation of investment securities		47	34
Increase/decrease in notes and accounts receivable		(7,221)	4,696
Increase/decrease in inventories		(393)	(718)
Increase/decrease in notes and accounts payable		(2,823)	(1,394)
Others		1,016	(151)
Sub-total		7,450	18,037
Interest and dividends received		393	483
Interest expenses paid		(394)	(434)
Income taxes paid		(3,060)	(6,136)
Net Cash provided by operating activities		4,389	11,951
II. Cash flows from investing activities			
Term deposits paid		(6,385)	(1,860)
Term deposits withdrawn		7,245	2,041
Payment for purchase of property, plant and equipment		(6,776)	(4,672)
Proceeds from sale of property, plant and equipment		11	447
Payment for purchase of intangible fixed assets		(893)	(454)
Payment for purchase of investment securities		(40)	(525)
Proceeds from sale of investment securities		13	320
Increase due to acquisition of stock in newly consolidated subsidiary	*2	—	476
Others		(4)	(82)
Net Cash used in investing activities		(6,830)	(4,308)
III. Cash flows from financing activities			
Increase/decrease in short-term bank loans		(300)	(950)
Proceeds from long-term debt		600	3,450
Repayments of long-term debt		(1,692)	(3,446)
Issuance of bonds		5,000	—
Bonds retirement		(5,000)	—
Purchase of treasury stock		(48)	(2,060)
Cash dividends paid by the Company		(1,457)	(1,825)
Cash dividends paid to minority shareholders		(16)	(16)
Net Cash used in financing activities equivalents		(2,915)	(4,849)
IV. Effect on exchange rate changes on cash and cash equivalents		23	5
V. Increase/decrease in cash and cash equivalents		(5,331)	2,799
VI. Cash and cash equivalents at beginning of year		22,028	16,697
VII. Cash and cash equivalents at the end of the year	*1	16,697	19,496

(5) Significant Items for the Preparation of Consolidated Financial Statements

FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007)	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)
1. Scope of consolidation (1) Consolidated subsidiaries All the Company's subsidiaries are included in the scope of consolidation. Number of consolidated subsidiaries: 12 companies The names of the consolidated subsidiaries are not stated here since they appear in "2. Group Companies" on page 7. (2) Non-consolidated subsidiaries Not applicable.	1. Scope of consolidation (1) Consolidated subsidiaries Number of consolidated subsidiaries: 13 companies The names of the consolidated subsidiaries are not stated here since they appear in "2. Group Companies" on page 7. Pursuant to additional acquisition of shares dated Mar. 27, 2008, Fuji Seiko Honsha Co., Ltd. became the Company's consolidated subsidiary from this consolidated fiscal year. The deemed acquisition date is Dec. 31, 2007, the date of yearly settlement of accounts of this subsidiary, and only the balance sheet is subject to consolidation. (2) Non-consolidated subsidiaries Number of non-consolidated subsidiaries: 1 company Name of non-consolidated subsidiary: Kagaseiko Corporation Reason for excluding the subsidiary from the scope of consolidation This non-consolidated subsidiary is a small company and the Company's financial statements do not recognize significant influence from the subsidiary on net assets, net sales, net income, retained earnings (equivalent value in the equity method) and others.
2. Application of the equity method (1) Equity method non-consolidated subsidiaries Not applicable. (2) Equity method affiliates Number of equity method affiliates: 4 companies The names of the equity method affiliates are not stated here since they appear in "2. Group Companies" on page 7. (3) Non-consolidated subsidiaries not accounting for the equity method Not applicable. (4) Affiliates not accounting for the equity method Not applicable.	2. Application of the equity method (1) Equity method non-consolidated subsidiaries Same as left (2) Equity method affiliates Same as left (3) Non-consolidated subsidiaries not accounting for the equity method Number of non-consolidated subsidiaries not accounting for the equity method: 1 company Name of non-consolidated subsidiary not accounting for the equity method: Kagaseiko Corporation Reason for not accounting for the equity method This non-consolidated subsidiary is a small company and the Company's financial statements do not recognize significant influence from the subsidiary on net income, retained earnings (equivalent value in the equity method) and the like. (4) Affiliates not accounting for the equity method Same as left
3. Operating year of consolidated subsidiaries The date of yearly settlement of accounts is December 31 for Okamura International (Singapore) Pte Ltd. and Shanghai Okamura Furniture and Logistic System 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. The difference between the date of yearly settlement of accounts for Okamura International (Singapore) Pte Ltd. and Shanghai Okamura Furniture and Logistic System Co., Ltd. and the date of yearly settlement of consolidated accounts is three months or less, so that the financial statements of the two subsidiaries according to their operating year could be used as the basis for consolidating the two subsidiaries. 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 manners necessary for consolidation.	3. Operating year of consolidated subsidiaries The date of yearly settlement of accounts is December 31 for Okamura International (Singapore) Pte Ltd., Shanghai Okamura Furniture and Logistic System Co., Ltd., and Fuji Seiko Honsha 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. The difference between the date of yearly settlement of accounts for Okamura International (Singapore) Pte Ltd., Shanghai Okamura Furniture and Logistic System Co., Ltd., and Fuji Seiko Honsha Co., Ltd. and the date of yearly settlement of consolidated accounts is three months or less, so that the financial statements of the three subsidiaries according to their operating year could be used as the basis for consolidating the three subsidiaries. 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 manners necessary for consolidation.

FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007)	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)
4. Accounting standards Methods of depreciation of significant depreciable assets (1) Tangible fixed assets Fixed percentage method, except that buildings (excluding building equipment) acquired on or after April 1, 1998 are depreciated by the straight-line method. The duration of useful life and residual value were determined in accordance with the standards prescribed in the Japanese Corporation Tax Law. ―――――― ―――――― (2) Intangible fixed assets Straight-line method. The standard for the depreciation period is based on the same standard adopted in the method stipulated in the Corporate Tax Law. However, the depreciation of goodwill is accounted for over a period of five years in equal amounts, and the depreciation of software (for in-house use) is calculated using the straight-line method based on the duration of useful life determined by the Company (five years).	4. Accounting standards Methods of depreciation of significant depreciable assets (1) Tangible fixed assets Buildings (excluding building equipment) ① those acquired on or before Mar. 31, 1998 Former fixed percentage method ② those acquired between Apr. 1, 1998 and Mar. 31, 2007 Former straight-line method ③ those acquired on or after Apr. 1, 2007 The straight-line method Other tangible assets excluding buildings ① those acquired on or before Mar. 31, 2007 Former fixed percentage method ② those acquired on or after Apr. 1, 2007 The straight-line method (Change in accounting policy) Pursuant to revisions on the Corporate Tax Law ((Law concerning revision on part of Corporate Tax Law and others, dated Mar. 30, 2007, Law No. 6) and (Cabinet Order concerning revision on part of Order for Enforcement of Corporate Tax Law, dated Mar. 30, 2007, Cabinet Order No. 83)), presentation of acquisitions on or after April 1, 2007 were changed to comply with the revised Corporate Tax Law. Accordingly, comparing with the previous consolidated fiscal year in the same accounting standards, operating income, ordinary income and income before taxes decreased ¥231 million each. (Additional information) For tangible assets acquired on or before March 31, 2007, depreciation is accounted for up to the limit amount available for depreciation over a period of five years in equal amounts, starting from the next consolidated fiscal year after completion of the depreciation. Accordingly, comparing with the previous consolidated fiscal year in the same accounting standards, operating income, ordinary income and income before taxes each decreased by ¥296 million. (2) Intangible fixed assets Same as left

Apart from the aforementioned matters (scope of consolidation, application of the equity method, operating year of consolidated subsidiaries and methods of depreciation of significant depreciable assets), there is no significant change from the latest financial statement report (submitted on Jun. 28, 2007), hence the disclosure on other matters is omitted in this report.

(6) Significant Changes for the Preparation of Consolidated Financial Statements

FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007)	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)
(Accounting standards for presentation of net assets in the consolidated balance sheet) From this consolidated fiscal year, the consolidated financial statements take into account the "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board of Japan, Dec. 9, 2005, ASBJ Statement No. 5) and "Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board of Japan, Dec. 9, 2005, ASBJ Guidance No. 8). There is no significant impact on the profit and loss. The relevant portion in the shareholders' equity under the former regulation amounted to ¥81,354 million. Pursuant to the revisions on rules for consolidated financial statements, the net assets on the balance sheet in this consolidated fiscal year are prepared based on the revised rules for consolidated financial statements.	

(7) Accounting standards of business combination and others

FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007)	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)
(Consolidated Balance Sheets) 1. Consolidated goodwill is presented as negative goodwill (¥58 million) included in other liabilities in Long-term liabilities. Applied from April 1, 2006.	(Consolidated Balance Sheets)
	2. In the previous consolidated fiscal year, the amount of pension assets exceeding the liabilities for severance and retirement benefits was included in the presentation of "severance and employee retirement benefits," but from this consolidated fiscal year, the relevant amount is posted separately in "prepaid benefit cost" in investments and other assets (1,396 million yen in the previous consolidated fiscal year).
(Consolidated Statements of Income) Amortization of consolidated goodwill is presented as negative amortization goodwill (¥72 million) included in others in Other income.	
(Consolidated Statements of Cash Flows) Amortization of consolidation goodwill is presented as negative amortization goodwill (-72 million yen for this consolidated fiscal year) included in others in Cash flows from operating activities.	

(8) Notes

(Consolidated Balance Sheet)

FY March 2007 (As of Mar. 31, 2007)	FY March 2008 (As of Mar. 31, 2008)
*1. Accumulated depreciation of tangible fixed assets ¥83,606 million	*1. Accumulated depreciation of tangible fixed assets ¥87,900 million
*2. Hypothecated assets and secured liabilities Amount of pledged assets (book value) Other tangible fixed assets ¥2,908 million Land ¥7,269 million Total ¥10,177 million Liabilities relevant to the above Short-term debts ¥2,000 million	*2. Hypothecated assets and secured liabilities Amount of pledged assets (book value) Other tangible fixed assets ¥3,566 million Machinery, equipment and vehicles ¥69 million Land ¥8,026 million Investment securities ¥43 million Total ¥11,705 million Within the above, assets offered as mortgage for factory foundation Other tangible fixed assets ¥273 million Land ¥282 million Total ¥556 million Liabilities relevant to the above Short-term debts ¥3,034 million Long-term debts due within one year ¥369 million Long-term debts ¥601 million Total ¥4,004 million Within the above, liabilities corresponding to mortgage for factory foundation Short-term debts ¥1,034 million Long-term debts due within one year ¥251 million Long-term debts ¥294 million Total ¥1,580 million
*3. Equity shares in affiliated companies Investment securities (equity securities) ¥1,300 million	*3. Equity shares in affiliated companies Investment securities (equity securities) ¥1,525 million
*4. The notes at maturity are regarded as settled on the clearance date. Since the balance sheet date was a bank holiday, the following notes at maturity on the balance sheet date were excluded from the balance at the end of this consolidated fiscal year. Trade notes receivable ¥581 million Trade noted payable ¥1,648 million	

(Consolidated Income Statement)

FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007)		FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	
*1. Major items and amounts of selling, general and administrative expenses		*1. Major items and amounts of selling, general and administrative expenses	
Selling expense	¥3,226 million	Selling expense	¥3,295 million
Transportation and packing expense	¥11,363 million	Transportation and packing expense	¥11,274 million
Salaries and allowances	¥15,416 million	Salaries and allowances	¥16,314 million
Provision for allowance for bonus payable	¥1,961 million	Provision for allowance for bonus payable	¥1,945 million
Retirement benefits	¥933 million	Retirement benefits	¥586 million
Depreciation and amortization expenses	¥1,540 million	Depreciation and amortization expenses	¥1,828 million
Rent	¥6,671 million	Rent	¥6,828 million
*2. R&D cost included selling, general and administrative expenses and cost of sales during the year	¥995 million	*2. R&D cost included selling, general and administrative expenses and cost of sales during the year	¥994 million
―――――		*3. Details of gain on sales of fixed assets	
		Land	¥387 million
		Others	¥18 million
		Total	¥405 million
*4. Breakdown of loss on retirement of fixed assets		*4. Breakdown of loss on retirement of fixed assets	
Buildings and structures	¥53 million	Buildings and structures	¥16 million
Machinery, equipment and vehicles	¥155 million	Machinery, equipment and vehicles	¥156 million
Others	¥90 million	Others	¥55 million
Total	¥299 million	Total	¥229 million

(Consolidated Statements of Changes in Net Assets)

FY March 2007 (from Apr. 1, 2006 to Mar. 31, 2007)

1. Types and numbers of stocks issued and treasury

(thousand of stocks)

Type of stock	Number of stocks at the end of the previous year	Increase	Decrease	Number of stocks at the end of the term
Stocks issued Common stock	112,391	—	—	112,391

2. Treasury stock

(thousand of stocks)

Type of stock	Number of stocks at the end of the previous year	Increase	Decrease	Number of stocks at the end of the term
Stocks issued Common stock	360	40	—	400

(Outline of change factors)
The details of increase are as stated below:
Increase due to purchase of fractional shares 38,000 shares
Increase due to acquisition of treasury stocks by equity-method affiliates which belong to us 2,000 shares

3. Dividends
(1) Dividends paid during the fiscal year

Resolved	Type	Total amount (Millions of yen)	Cash dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders' held on June 29, 2006	Common stock	785	7.00	March 31, 2006	June 30, 2006
Board of Directors held on November 10, 2006	Common stock	672	6.00	September 30, 2006	December 8, 2006

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

Resolved	Type	Resource of the dividends to be paid	Total amount (Millions of yen)	Cash dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders' held on June 28, 2007	Common stock	Retained earnings	1,009	9.00	March 31, 2007	June 29, 2007

Financial Year under Review (from Apr. 1, 2007 to Mar. 31, 2008)

1. Types and numbers of stocks issued and treasury

(thousand of stocks)

Type of stock	Number of stocks at the end of the previous year	Increase	Decrease	Number of stocks at the end of the term
Stocks issued Common stock	112,391	—	—	112,391

2. Treasury stock

(thousand of stocks)

Type of stock	Number of stocks at the end of the previous year	Increase	Decrease	Number of stocks at the end of the term
Stocks issued Common stock	400	1,699	—	2,100

(Outline of change factors)
The details of increase are as stated below:

Increase by acquisition based on a Board resolution	1,667,000 shares
Increase due to purchase of fractional shares	29,000 shares
Increase due to acquisition of treasury stocks by equity-method affiliates which belong to us	2,000 shares

3. Dividends
(1) Dividends paid during the fiscal year

Resolved	Type	Total amount (Millions of yen)	Cash dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders' held on June 28, 2007	Common stock	1,009	9.00	March 31, 2007	June 29, 2007
Board of Directors held on November 12, 2007	Common stock	828	7.50	September 30, 2007	December 10, 2007

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

Resolved	Type	Resource of the dividends to be paid	Total amount (Millions of yen)	Cash dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders' held on June 27, 2008	Common stock	Retained earnings	828	7.50	March 31, 2008	June 30, 2008

(Consolidated Cash Flow Statement)

FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007)	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)
*1. Relations between the balance of cash and cash equivalents at the end of the term (fiscal year) and the amount of the item posted in the consolidated balance sheet Cash and deposit accounts ¥17,513 million Time deposits - over 3 months (¥1,471 million) Short-term investment securities - within 3 months ¥655 million Cash and cash equivalents ¥16,697 million	*1. Relations between the balance of cash and cash equivalents at the end of the term (fiscal year) and the amount of the item posted in the consolidated balance sheet Cash and deposit accounts ¥20,514 million Time deposits - over 3 months (¥1,140 million) Short-term investment securities - within 3 months 122 million Cash and cash equivalents ¥19,496 million *2. Major assets and liabilities of the newly consolidated company following the acquisition of shares Due to the new consolidation of Fuji Seiko Honsha Co., Ltd. after acquisition of its shares, following are details of the situation at the start of the consolidation including: details of assets and liabilities, the acquisition price of Fuji Seiko Honsha Co., Ltd. and the relevant expenditure for the acquisition: Current assets ¥2,134 million Fixed assets ¥2,386 million Current liabilities (¥3,031 million) Long-term liabilities (¥926 million) Minority interests (¥139 million) Consolidated adjustment account (¥29 million) Acquisition price of the shares of Fuji Seiko Honsha Co., Ltd. (¥393 million) Cash and cash equivalents (¥869 million) Deduction: Increase due to acquisition of the subsidiary shares ¥476 million

(Segment Information)

1. Business Segment Information
FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007)

(Millions of yen)

Item \ Segment	Office Furniture	Store Displays	Material Handling Systems and Others	Total	Unallocated and Eliminations	Consolidated
I. Net sales and operating income (loss)						
Net sales						
(1) Net sales to external customers	131,245	66,325	16,242	213,813	—	213,813
(2) Internal sales or transfers between segments	—	—	—	—	(—)	—
Total	131,245	66,325	16,242	213,813	(—)	213,813
Operating expenses	122,182	65,477	15,241	202,900	(—)	202,900
Operating income	9,063	848	1,000	10,912	(—)	10,912
II. Net asset, depreciation and capital expenditure						
Total assets	86,067	40,651	11,560	138,280	51,474	189,754
Depreciation expenses	3,505	1,095	460	5,061	(—)	5,061
Capital expenditure	6,424	876	596	7,897	(—)	7,897

FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)

(Millions of yen)

Item \ Segment	Office Furniture	Store Displays	Material Handling Systems and Others	Total	Unallocated and Eliminations	Consolidated
I. Net sales and operating income (loss) Net sales (1) Net sales to external customers	136,833	63,077	14,932	214,844	—	214,844
(2) Internal sales or transfers between segments	—	—	—	—	(—)	—
Total	136,833	63,077	14,932	214,844	(—)	214,844
Operating expenses	127,720	62,782	14,509	205,011	(—)	205,011
Operating income	9,113	295	423	9,832	(—)	9,832
II. Net asset, depreciation and capital expenditure Total assets	89,594	35,661	11,289	136,544	49,310	185,855
Depreciation expenses	4,113	1,149	511	5,773	(—)	5,773
Capital expenditure	4,210	463	515	5,188	(—)	5,188

Notes: 1. Business segmentation method

Business segmentation is based on considerations of similarities among product types (inclusive of operations) and markets.

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

3. Of assets, major corporate assets included in the corporate and eliminations item are cash equivalent and investment securities, and their amounts are as follows:

FY March 2006 ¥51,474 million
FY March 2007 ¥49,310 million

2. Geographically Segmented Information

Because net sales and assets for Japan exceed 90% of aggregate net sales and assets for all segments, geographically segmented information is omitted.

3. Overseas sales

Overseas sales were omitted since they accounted for less than 10% of total consolidated sales.

(Lease Transactions)

FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007)	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)
1. Non-ownership-transfer finance lease transactions (Lessee's side) ① Amounts equivalent to the cost of acquisition, accumulated depreciation, and balance as at the end of the consolidated fiscal year for lease properties Amount equivalent to acquisition cost ¥740 million Amount equivalent to accumulated depreciation ¥500 million Amount equivalent to the balance as at the end of the consolidated fiscal year ¥239 million ② Amount equivalent to the balance of prepaid rent as at the end of the consolidated fiscal year One year or less ¥174 million More than one year ¥227 million Total ¥401 million ③ Amount equivalent to lease payment, accumulated depreciation and interest expense Lease payment ¥203 million Amount equivalent to depreciation expense ¥218 million Amount equivalent to interest expense ¥8 million ④ Method of calculating the amounts equivalent to depreciation expense and interest Method of calculating the amounts equivalent to depreciation expense • The amount equivalent to depreciation expense was calculated by multiplying the depreciation expense by 9/10 (0.9) calculated using the fixed percentage method considering the lease period to be the usable life in years and residual value to be 10%. Method of calculating the amounts equivalent to interest • The amount equivalent to interest was calculated considering the difference between the total lease payment and the amount equivalent to the cost of acquisition of the lease property to be the amount equivalent to interest. The difference was distributed to each term using the interest method.	1. Non-ownership-transfer finance lease transactions (Lessee's side) ① Amounts equivalent to the cost of acquisition, accumulated depreciation, and balance as at the end of the consolidated fiscal year for lease properties Amount equivalent to acquisition cost ¥691 million Amount equivalent to accumulated depreciation ¥509 million Amount equivalent to the balance as at the end of the consolidated fiscal year ¥182 million ② Amount equivalent to the balance of prepaid rent as at the end of the consolidated fiscal year One year or less ¥130 million More than one year ¥181 million Total ¥312 million ③ Amount equivalent to lease payment, accumulated depreciation and interest expense Lease payment ¥187 million Amount equivalent to depreciation expense ¥144 million Amount equivalent to interest expense ¥6 million ④ Method of calculating the amounts equivalent to depreciation expense and interest Method of calculating the amounts equivalent to depreciation expense Same as left Method of calculating the amounts equivalent to interest Same as left

(Transaction with Related Parties)

During previous year (from Apr. 1, 2006 to Mar. 31, 2007)

Directors, major individual shareholders, others

Type of party	Name	Address of residence	Capital or other contribution to the Company (million of yen)	Line of business or occupation	Voting share ownership (%) in the Company	Relationship		Trading details	Trading volume (million of yen)	Line item	Balance at year-end
						Concurrent directorship	Business partnership				
Director	Mutsumi Kotsuka	—	—	The Company's director, Mitsubishi Corporation's Representative Director	None	—	—	Sales of products to Mitsubishi Corporation	20,393	Trade receivables	3,989

Note: 1. In the table above, the trading volume is net of, and the balance at year-end is gross of, consumption taxes.
2. The selling price and other trading terms were determined on an arm's length basis.

During current year (from Apr. 1, 2007 to Mar. 31, 2008)

Directors, major individual shareholders, others

Type of party	Name	Address of residence	Capital or other contribution to the Company (million of yen)	Line of business or occupation	Voting share ownership (%) in the Company	Relationship		Trading details	Trading volume (million of yen)	Line item	Balance at year-end
						Concurrent directorship	Business partnership				
Director	Mutsumi Kotsuka	—	—	The Company's director, Mitsubishi Corporation's Representative Director	None	—	—	Sales of products to Mitsubishi Corporation	22,011	Trade receivables	4,161

Note: 1. In the table above, the trading volume is net of, and the balance at year-end is gross of, consumption taxes.
2. The selling price and other trading terms were determined on an arm's length basis.

(Accounting for Deferred Income Taxes)

FY March 2007 (As of Mar. 31, 2007)

1. Significant components of deferred income tax assets and liabilities

(1) Current assets and liabilities

Deferred tax assets	
Excess bonuses accrued	¥1,211 million
Accrued enterprise taxes	¥311 million
Valuation loss of finished products	¥99 million
Accrued social insurance premiums	¥132 million
Others	¥195 million
Sub-total deferred tax assets	¥1,950 million
Valuation allowance	(¥13 million)
Total deferred tax assets	¥1,936 million

(2) Non-current assets and liabilities

Deferred tax liabilities	
Deferred gains on fixed assets	¥3,631 million
Net unrealized holding gains on securities	¥6,500 million
Total deferred tax liabilities	¥10,131 million
Offset against deferred tax assets	(¥3,958 million)
Net deferred tax liabilities	¥6,173 million

Deferred tax assets	
Excess on amount available as allowance for retirement benefits	¥4,920 million
Unrealized gross profits from sales of property, plant and equipment	¥744 million
Unpaid director's retirement benefits	¥217 million
Unrealized loss on golf memberships	¥162 million
Others	¥466 million
Sub-total deferred tax assets	¥6,512 million
Valuation allowance	(¥479 million)
Total deferred tax assets	¥6,032 million
Offset against deferred tax liabilities	(¥3,958 million)
Net deferred tax assets	¥2,074 million

2. Significant components of difference between statutory tax rate and effective tax rate after adjustments for tax effect accounting

Statutory tax rate	40.7%
(Reconciliation)	
Non-deductible expenses	2.0
Non-taxable dividend income	(0.8)
Per capital inhabitant tax etc	0.9
Special deduction of experimental and research expenses, others	(0.3)
Tax loss carryforwards	3.2
Others	(1.9)
Effective tax rate	43.8%

FY March 2008 (As of Mar. 31, 2008)

1. Significant components of deferred income tax assets and liabilities

(1) Current assets and liabilities

Deferred tax assets	
Excess bonuses accrued	¥1,204 million
Accrued enterprise taxes	¥212 million
Valuation loss of finished products	¥124 million
Accrued social insurance premiums	¥136 million
Others	¥170 million
Sub-total deferred tax assets	¥1,847 million
Valuation allowance	(¥36 million)
Total deferred tax assets	¥1,811 million

(2) Non-current assets and liabilities

Deferred tax liabilities	
Deferred gains on fixed assets	¥3,564 million
Net unrealized holding gains on securities	¥3,611 million
Others	¥3 million
Total deferred tax liabilities	¥7,179 million
Offset against deferred tax assets	(¥3,728 million)
Net deferred tax liabilities	¥3,451 million

Deferred tax assets	
Excess on amount available as allowance for retirement benefits	¥4,870 million
Unrealized gross profits from sales of property, plant and equipment	¥744 million
Unpaid director's retirement benefits	¥8 million
Unpaid director's retirement benefits	¥199 million
Unrealized loss on golf memberships	¥209 million
Others	¥763 million
Sub-total deferred tax assets	¥6,795 million
Valuation allowance	(¥971 million)
Total deferred tax assets	¥5,823 million
Offset against deferred tax liabilities	(¥3,728 million)
Net deferred tax assets	¥2,095 million

2. Significant components of difference between statutory tax rate and effective tax rate after adjustments for tax effect accounting

Statutory tax rate	40.7%
(Reconciliation)	
Non-deductible expenses	2.0
Non-taxable dividend income	(0.6)
Per capital inhabitant tax etc	0.9
Special deduction of experimental and research expenses, others	(0.5)
Tax loss carryforwards	2.4
Others	(0.3)
Effective tax rate	44.6%

(Securities)

1. Other securities with market value

(Millions of yen)

Items	FY March 2007 (As of Mar. 31, 2007)			FY March 2008 (As of Mar. 31, 2008)		
	Acquisition cost	Consolidated Balance Sheet Amount at Consolidated Settlement Date	Difference	Acquisition cost	Consolidated Balance Sheet Amount at Consolidated Settlement Date	Difference
Other securities with consolidated balance sheet amount exceeding acquisition cost						
① Stocks	9,413	25,598	16,185	9,406	18,736	9,329
② Bonds						
Government bonds	—	—	—	50	50	0
Bonds	149	151	1	—	—	—
Sub-total	9,562	25,750	16,187	9,456	18,786	9,329
Other securities with consolidated balance sheet amount not exceeding acquisition cost						
① Stocks	1,082	863	(219)	1,514	1,077	(436)
② Others	48	45	(2)	202	153	(49)
Sub-total	1,131	909	(221)	1,716	1,230	(486)
Total	10,694	26,659	15,965	11,173	20,016	8,842

2. Other securities sold during the year

(Million of yen)

Items	FY March 2007 (As of Mar. 31, 2007)			FY March 2008 (As of Mar. 31, 2008)		
	Proceeds from Sales	Gross Gain on Sales	Gross Loss on Sales	Proceeds from Sales	Gross Gain on Sales	Gross Loss on Sales
① Stocks	13	5	7	260	152	0
② Others	0	—	—	1	—	—
Total	13	5	7	261	152	0

3. Securities not marked to market

(Millions of yen)

Items	FY March 2007 (As of Mar. 31, 2007)	FY March 2008 (As of Mar. 31, 2008)
	Consolidated Balance Sheet Amount	Consolidated Balance Sheet Amount
Other securities		
Unlisted stocks (except OTC stocks)	282	239
MMF	554	21
Medium-term government securities fund	100	101
Preferred subscription certificate	1,000	1,000
Total	1,938	1,361

4. Scheduled redemptions of other securities having maturity

End of Previous Fiscal Year (Mar. 31, 2007) (Millions of yen)

Items	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due after 10 years
Held-to-maturity bonds				
Corporate bonds	150	—	—	—
Total	150	—	—	—

End of Current Fiscal Year (Mar. 31, 2008) (Million of yen)

Items	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due after 10 years
Held-to-maturity bonds				
Government bonds	—	50	—	—
Total	—	50	—	—

(Derivative Transactions)

FY March 2007 (As of Mar. 31, 2007)

Amount of contracts on derivatives transactions, market value and valuation income (loss)

(Millions of yen)

Classification	Types of transactions	Contract amount etc.	Market value	Valuation profit/loss
Currency	Exchange options	82	9	9
Total		82	9	9

Notes: 1. The above transactions are collar transactions, which have the effect of limiting exchange risk by combining the long open position of call options and the short open position of put options.
2. Contract amounts and the like were posted by translating the balance of unsettled amount into foreign currency as of the end of the consolidated accounting year by the spot exchange rate.
3. Market values were based on the price presented by the transaction companies.
4. Items subjected to hedge accounting were excluded from the scope of disclosure.

FY March 2008 (As of Mar. 31, 2008)

Not applicable.

(Retirement Benefits)

1. Established retirement benefit arrangements

The Company and six domestic consolidated subsidiaries provided a range of defined-benefit programs, comprising Employees' Pension Fund plans, tax-qualified retirement annuities, and lump-sum severance allowance grants.

2. Retirement benefit obligation

		FY March 2007 (As of Mar. 31, 2007)	FY March 2008 (As of Mar. 31, 2008)
①	Benefit obligation	(¥16,519 million)	(¥16,993 million)
②	Pension assets	¥10,582 million	¥8,937 million
③	Unfunded benefit obligation (① + ②)	(¥5,936 million)	(¥8,056 million)
④	Unrecognized actuarial difference	(¥615 million)	¥1,559 million
⑤	Unrecognized past service obligation	(¥3,086 million)	(¥2,828 million)
⑥	Consolidated balance-sheet net benefit liability (③ + ④ + ⑤)	(¥9,638 million)	(¥9,326 million)
⑦	Prepaid benefit cost	—	¥2,133 million
	Allowance for retirement benefits (⑥−⑦)	(¥9,638 million)	(¥11,459 million)

Notes: "Allowance for retirement benefits" is stated net of the "prepaid benefit cost" of ¥1,396 million as it appears on the Company's non-consolidated balance sheet.

3. Retirement benefit expense

		FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007)	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)
①	Service cost	¥835 million	¥795 million
②	Interest cost	¥358 million	¥327 million
③	Expected return on plan assets	(¥194 million)	(¥211 million)
④	Amortization of past service obligation	(¥257 million)	(¥257 million)
⑤	Amortization of actuarial difference	¥354 million	(¥92 million)
⑥	Contributions to the defined contribution pension program	¥342 million	¥351 million
	Retirement benefit expense	¥1,438 million	¥913 million

4. Basis for calculating retirement benefit obligation and others

		FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007)	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)
①	Method to periodically allocate projected benefit obligation	Allocated equally to each service year.	Same as noted in the left column.
②	Discount rate	2.0%	2.0%
③	Expected return on pension assets	2.0%	2.0%
④	Number of years to amortize past service obligation	14 years (Past service obligations are prorated and recognized in expense over a constant number of years (14 years) that is within the average remaining service period of employees as they arise.)	Same as noted in the left column.
⑤	Number of years to amortize actuarial difference	14 years (Actuarial differences are prorated over a constant number of years (14 years) that is within the average remaining service period of employees in an accounting year as they arise, and recognized in expense the following years.)	Same as noted in the left column.

(Per Share Data)

Items	FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007)	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)
Net Assets per share of common stock	¥726.44	¥719.32
Net income per share of common stock	¥54.75	¥53.82
	The diluted net income per share of common stock is not presented, since there were no securities with dilutive effect outstanding through the period.	The diluted net income per share of common stock is not presented, since there were no securities with dilutive effect outstanding through the period.

(Note) The basis for calculating net income per share of common stock was as follows:

1. Net Assets per share of common stock

Items	End of FY 2007 (Mar. 31, 2007)	End of FY 2008 (Mar. 31, 2008)
Net Assets	¥84,971 million	¥83,121 million
Net Assets attributable to common stock	¥81,354 million	¥79,335 million
Breakdown of difference		
Minority interests	¥3,617 million	¥3,786 million
Number of common stock issued (thousand)	112,391 shares	112,391 shares
Number of Treasury common stock (thousand)	400 shares	2,100 shares
Number of common stock calculated for Net Assets per share of common stock (thousand)	111,990 shares	110,291 shares

2. Net Income per share

Items	FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007)	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)
Net income	¥6,132 million	¥5,951 million
Amounts not reverting to common shareholders	—	—
Net income attributable to common stock	¥6,132 million	¥5,951 million
Average number of shares of common stock during the period (thousand)	112,008 shares	110,581 shares

(Important subsequent events)

FY March 2007 (From Apr. 1, 2006 To Mar. 31, 2007)	FY March 2008 (From Apr. 1, 2007 To Mar. 31, 2008)
The Company resolved to acquire treasury stock at the board meeting held on May 25, 2007, based on the regulations stipulated in Article 156 of the Companies Act which was applied after interpretation of the regulations in Article 165-3 of the Companies Act. 1. Reason for acquisition: To enable implementation of dynamic capital policies in response to changes in the management environment 2. Details of the acquisition: (1) Class of shares to be acquired Common shares of the Company (2) Total number of shares to be acquired 1,800 thousand shares (maximum) (3) Total acquisition cost ¥2,520 million (maximum) Based on the aforementioned resolution, the Company acquired 1,667,000 shares at a cost of ¥2,028 million on May 30, 2007 using the Tokyo Stock Exchange's ToSTNet-2 system (closing price trading).	——

5. Non-Consolidated Financial Statements
(1) Non-Consolidated Balance Sheets

Items	Ref. No.	FY March 2007 (As of Mar. 31, 2007) Amount (Millions of yen)	Ratio (%)	FY March 2008 (As of Mar. 31, 2008) Amount (Millions of yen)	Ratio (%)	Increase/Decrease Amount (Millions of yen)
(Assets)						
I. Current assets:						
Cash and time deposits		12,511		14,305		1,794
Trade notes	*4	10,355		9,186		(1,168)
Accounts receivable	*3	51,271		47,596		(3,675)
Marketable securities		121		122		0
Products		11,983		12,568		585
Products in process		701		708		6
Raw material		1,436		1,448		12
Supplies		199		264		65
Prepaid expenses		665		600		(65)
Accounts receivable	*3	611		800		188
Deferred income taxes		1,614		1,402		(211)
Other current assets	*3	1,013		661		(352)
Allowance for doubtful debt		(433)		(88)		344
Total current assets		92,054	52.4	89,578	53.3	(2,476)
II. Fixed assets:						
1. Tangible fixed assets:	*1, 2					
Buildings		13,110		12,578		(532)
Structures		713		642		(70)
Machinery & equipment		6,620		6,536		(84)
Vehicles		212		195		(16)
Tools & Fittings		2,116		1,845		(271)
Land		20,987		20,986		(0)
Construction in progress		37		81		43
Total tangible fixed assets		43,798	24.9	42,867	25.5	(931)
2. Intangible fixed assets:						
Software		1,747		1,554		(193)
Other intangible fixed assets		1,151		1,042		(109)
Total intangible fixed assets		2,899	1.7	2,596	1.6	(303)
3. Investments and other assets:						
Investment securities		27,762		21,074		(6,688)
Investment in affiliates		3,847		4,240		393
Guarantee deposits		3,785		3,847		62
Prepaid pension cost		—		2,133		2,133
Others	*3	1,508		2,093		585
Allowance for doubtful accounts		(80)		(442)		(361)
Total investment and other assets		36,823	21.0	32,947	19.6	(3,875)
Total fixed assets		83,521	47.6	78,411	46.7	(5,109)
Total assets		175,576	100.0	167,990	100.0	(7,585)

Items	Ref. No.	FY March 2007 (As of Mar. 31, 2007) Amount (Millions of yen)	Ratio (%)	FY March 2008 (As of Mar. 31, 2008) Amount (Millions of yen)	Ratio (%)	Increase/Decrease Amount (Millions of yen)
(Liabilities)						
I. Current liabilities:						
Trade notes	*3, 4	16,610		14,560		(2,049)
Accounts payable	*3	31,673		32,043		369
Short-term bank loans		9,400		8,450		(950)
Short-term loan in affiliates	*3	4,000		1,000		(3,000)
Long-term debts due within one year		3,410		2,650		(760)
Accounts payable-other		732		753		20
Income taxes payable		3,088		1,921		(1,166)
Consumption taxes payable		347		388		40
Accrued expenses		1,633		1,634		0
Advances received		294		113		(181)
Deposit received		110		135		24
Allowance for bonus payable		2,264		2,249		(15)
Total current liabilities		73,565	41.9	65,899	39.2	(7,665)
II. Long-term liabilities:						
Bonds		10,000		10,000		—
Long-term loans payable	*3	4,760		5,560		800
Affiliate Company Long-term loans payable		—		3,100		3,100
Deferred tax liabilities		6,134		3,414		(2,720)
Severance and employee retirement benefits		6,298		8,078		1,779
Long-term deposit received		1,961		2,061		99
Other liabilities		447		414		(33)
Total long-term liabilities		29,602	16.9	32,628	19.5	3,025
Total liabilities		103,167	58.8	98,527	58.7	(4,639)
(Net assets)						
I. Owners' equity						
1. Capital stock		18,670	10.6	18,670	11.1	—
2. Capital surplus						
(1) Additional paid-in capital		16,759		16,759		—
Total capital surplus		16,759	9.5	16,759	10.0	—
3. Retained earnings						
(1) Legal reserve of retained		1,874		1,874		—
(2) Other retained earnings						
Deferred income reserve		5,229		5,136		(93)
Other reserves		4,180		4,180		—
Earned surplus carried forward		16,449		19,859		3,410
Total retained earnings		27,732	15.8	31,050	18.5	3,317
4. Treasury stock, at cost		(216)	(0.1)	(2,276)	(1.4)	(2,060)
Total owners' equity		62,947	35.8	64,203	38.2	1,256
II. Net unrealized gain and translation adjustments						
1. Unrealized holding gains (losses) on securities		9,461		5,258		(4,202)
Total Net unrealized gain and translation adjustments		9,461	5.4	5,258	3.1	(4,202)
Total net assets		72,408	41.2	69,462	41.3	(2,946)
Total liabilities and net assets		175,576	100.0	167,990	100.0	(7,585)

(2) Non-Consolidated Statement of Income

Items	Ref. No.	FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007) Amount (Millions of yen)	Ratio (%)	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008) Amount (Millions of yen)	Ratio (%)	Increase/Decrease Amount (Millions of yen)
I. Net sales	*1	211,000	100.0	211,346	100.0	345
II. Cost of sales	*1, 3	153,751	72.9	153,200	72.5	(551)
Gross profit		57,248	27.1	58,145	27.5	897
III. Selling, general and administrative expenses	*1, 2, 3	48,494	23.0	50,048	23.7	1,553
Operating income		8,753	4.1	8,097	3.8	(655)
IV. Other income:		1,137	0.6	1,717	0.8	579
Interest and dividends income	*1	417		695		278
Others	*1	719		1,021		301
V. Other expenses:		625	0.3	787	0.3	161
Interest expenses	*1	396		460		63
Others	*1	228		326		97
Ordinary income		9,265	4.4	9,027	4.3	(237)
VI. Extraordinary income:		55	0.0	544	0.2	488
Gain on sales of fixed assets	*4	—		387		387
Gain on sales of investment securities		5		152		147
Reversal of allowance for doubtful accounts		50		3		(46)
VII. Extraordinary losses:		585	0.3	191	0.1	(393)
Loss on disposal of property, plant and equipment	*5	234		127		(106)
Loss on devaluation of investment securities		7		0		(7)
Impairment loss		47		34		(13)
Appraised loss in investments in affiliates		6		—		(6)
Reversal of allowance for doubtful accounts in affiliates		290		30		(260)
Income before income taxes for the quarter term (fiscal year)		8,735	4.1	9,379	4.4	644
Income taxes		4,200	2.0	3,850	1.8	(350)
Adjustments on income taxes		(332)	(0.2)	375	0.2	707
Net income for the current term		4,867	2.3	5,154	2.4	287

(3) Non-Consolidated Statements of Changes in Net Assets

Previous Fiscal Year (From Apr. 1, 2006 to Mar. 31, 2007) (Millions of yen)

	Owners' equity							
	Capital stock	Capital surplus		Retained earnings				
					Other retained earnings			
		Capital surplus	Total capital surplus	Legal reserve of retained	Reserve for deferred income tax	Other reserve	Earned surplus carried forward	Retained earnings
Balance as of Mar. 31, 2006	18,670	16,759	16,759	1,874	5,434	4,180	12,834	24,323
Changes of items during fiscal year								
Dividends							(1,457)	(1,457)
Used deferred income tax					(204)		204	—
Net income							4,867	4,867
Acquisition of treasury stock								
Net changes of Net assets other than owners' equity								
Total of changes in the period	—	—	—	—	(204)	—	3,614	3,409
Balance as of Mar. 31, 2007	18,670	16,759	16,759	1,874	5,229	4,180	16,449	27,732

	Owners' Equity		Net unrealized gain and translation adjustments		Net assets (Total)
	Treasury stock	Total	Unrealized holding gains (loss) on securities	Total Net unrealized gain and translation adjustments	
Balance as of Mar. 31, 2006	(167)	59,586	9,944	9,944	69,531
Changes of items during fiscal year					
Dividends		(1,457)			(1,457)
Used deferred income tax		—			—
Net income		4,867			4,867
Acquisition of treasury stock	(48)	(48)			(48)
Net changes of Net assets other than owners' equity		—	(483)	(483)	(483)
Total of changes in the period	(48)	3,360	(483)	(483)	2,876
Balance as of Mar. 31, 2007	(216)	62,947	9,461	9,461	72,408

Fiscal year under review (Apr. 1, 2007 to Mar. 31, 2008) (Millions of yen)

	Owners' equity							
	Capital stock	Capital surplus		Retained earnings				
					Other retained earnings			
		Capital surplus	Total capital surplus	Legal reserve of retained	Reserve for deferred income tax	Other reserve	Earned surplus carried forward	Retained earnings
Balance as of Mar. 31, 2007	18,670	16,759	16,759	1,874	5,229	4,180	16,449	27,732
Changes of items during fiscal year								
Dividends							(1,837)	(1,837)
Used deferred income tax					(93)		93	—
Net income							5,154	5,154
Acquisition of treasury stock								
Net changes of Net assets other than owners' equity								
Total of changes in the period	—	—	—	—	(93)	—	3,410	3,317
Balance as of Mar. 31, 2008	18,670	16,759	16,759	1,874	5,136	4,180	19,859	31,050

	Owners' Equity		Net unrealized gain and translation adjustments		Net assets (Total)
	Treasury stock	Total	Unrealized holding gains (loss) on securities	Total Net unrealized gain and translation adjustments	
Balance as of Mar. 31, 2007	(216)	62,947	9,461	9,461	72,408
Changes of items during fiscal year					
Dividends		(1,837)			(1,837)
Used deferred income tax		—			—
Net income		5,154			5,154
Acquisition of treasury stock	(2,060)	(2,060)			(2,060)
Net changes of Net assets other than owners' equity		—	(4,202)	(4,202)	(4,202)
Total of changes in the period	(2,060)	1,256	(4,202)	(4,202)	(2,946)
Balance as of Mar. 31, 2008	(2,276)	64,203	5,258	5,258	69,462

(4) Significant Items for the Preparation of Financial Statements

FY March 2007 (from Apr. 1, 2006 to Mar. 31, 2007)	FY March 2008 (from Apr. 1, 2007 to Mar. 31, 2008)
1. Accounting standards Methods of depreciation of significant depreciable assets (1) Tangible fixed assets Fixed percentage method, except that buildings (excluding building equipment) acquired on or after April 1, 1998 were depreciated by the straight-line method. The duration of useful lives and residual value were determined subject to the standards prescribed in the Japanese Corporation Tax Law. ――――― ――――― (2) Intangible fixed assets Straight-line method. The standard for the depreciation period is based on the same standard adopted in the method stipulated in the Corporate Tax Law. However, the depreciation of goodwill is accounted for over a period of five years in equal amounts, and the depreciation of software (for in-house use) is calculated in the straight-line method based on the duration of useful lives set in the Company (five years).	1. Accounting standards Methods of depreciation of significant depreciable assets (1) Tangible fixed assets Buildings (excluding building equipment) ① those acquired on or before Mar. 31, 1998 Former fixed percentage method ② those acquired between Apr. 1, 1998 and Mar. 31, 2007 Former straight-line method ③ those acquired on or after Apr. 1, 2007 The straight-line method Other tangible assets excluding buildings ① those acquired on or before Mar. 31, 2007 Former fixed percentage method ② those acquired on or after Apr. 1, 2007 The straight-line method (Change in accounting policy) Pursuant to revisions on the Corporate Tax Law ((Law concerning revision on part of Corporate Tax Law and others, dated Mar. 30, 2007, Law No. 6) and (Cabinet Order concerning revision on part of Order for Enforcement of Corporate Tax Law, dated Mar. 30, 2007, Cabinet Order No. 83)), presentation of acquisitions on or after April 1, 2007 were changed to comply with the revised Corporate Tax Law. Accordingly, comparing with the previous fiscal year in the same accounting standards, operating income, ordinary income and income before taxes decreased ¥138 million each. (Additional information) For tangible assets acquired on or before March 31, 2007, depreciation is accounted for up to the limit amount available for depreciation over a period of five years in equal amounts, starting from the next fiscal year after completion of the depreciation. Accordingly, comparing with the previous fiscal year in the same accounting standards, operating income, ordinary income and income before taxes decreased ¥222 million each. (2) Intangible fixed assets Same as left

Apart from the aforementioned matters on the methods of depreciation of significant depreciable fixed assets, there is no significant change from the latest financial statement report (submitted on Jun. 28, 2007), hence the disclosure on other matters is omitted in this report.

(5) Significant Changes for the Preparation of Financial Statements

FY March 2007 (From Apr. 1, 2006 To Mar. 31, 2007)	FY March 2008 (From Apr. 1, 2007 To Mar. 31, 2008)
(Accounting standards for presentation of net assets in the balance sheet) From this fiscal year, the financial statements take into account the “Accounting Standard for Presentation of Net Assets in the Balance Sheet” (Accounting Standards Board of Japan, Dec. 9, 2005, ASBJ Statement No. 5) and “Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet” (Accounting Standards Board of Japan, Dec. 9, 2005, ASBJ Guidance No. 8). There is no significant impact on profit and loss. The shareholders’ equity amounted to 72,408 million yen based on the former regulation. Pursuant to the revisions of rules for financial statements, the net assets on the balance sheet in this fiscal year are prepared based on the revised rules for financial statements.	

(6) Accounting standards of business combination and others

FY March 2007 (From Apr. 1, 2006 To Mar. 31, 2007)	FY March 2008 (From Apr. 1, 2007 To Mar. 31, 2008)
(Balance sheet) 1. Values presented as “goodwill” until the previous fiscal year was presented as “goodwill” from this period (the balance at the end of this period was ¥209 million). 2. “Telephone subscription right” (end of period balance was ¥90 million) was presented separately until the previous operating year, however, this item was included in intangible fixed asset “others” in this period as the amount was not significant.	(Balance sheet) 3. In the previous operating year, the amount of pension assets exceeding liabilities for severance and retirement benefits was included in the presentation of “severance and employee retirement benefits” in long-term liabilities. However, from this operating year, the relevant amount is posted separately in “prepaid benefit cost” in investments and other assets (1,396 million yen in the previous operating year).

(7) Notes

(Non-Consolidated Balance Sheet)

End of Previous FY (Mar. 31, 2007)		End of Current FY (Mar. 31, 2008)	
*1. Accumulated depreciation of tangible fixed assets	¥67,130 million	*1. Accumulated depreciation of tangible fixed assets	¥69,368 million
*2. Hypothecated assets and secured liabilities		*2. Hypothecated assets and secured liabilities	
Amount of pledged assets (book value)		Amount of pledged assets (book value)	
Other tangible fixed assets	¥2,908 million	Other tangible fixed assets	¥2,682 million
Land	¥7,269 million	Land	¥7,269 million
Total	¥10,177 million	Total	¥9,951 million
Liabilities relevant to the above		Liabilities relevant to the above	
Short-term debts	¥2,000 million	Short-term debts	¥2,000 million
*3. Pecuniary claims and obligation on affiliates		*3. Pecuniary claims and obligation on affiliates	
Short-term pecuniary claims	¥697 million	Short-term pecuniary claims	¥822 million
Long-term pecuniary claims	¥60 million	Long-term pecuniary claims	¥570 million
Short-term pecuniary obligations	¥15,555 million	Short-term pecuniary obligations	¥12,955 million
		Long-term pecuniary obligations	¥3,100 million
*4. The notes maturing at the end of the operating year were regarded as settled on the maturity date. Since the end of this operating year was a bank holiday, the following notes to mature at the end of the operating year were excluded from the balance at the end of this consolidated fiscal year.		―――	
Trade notes receivable	¥576 million		
Trade notes payable	¥1,432 million		

(Non-Consolidated Income Statement)

FY March 2007 (From Apr. 1, 2006 To Mar. 31, 2007)		FY March 2008 (From Apr. 1, 2007 To Mar. 31, 2008)	
*1. Transaction balances with affiliates		*1. Transaction balances with affiliates	
Operating transactions	¥60,382 million	Operating transactions	¥61,049 million
Other transactions	¥231 million	Other transactions	¥274 million
*2. Major items and amounts of selling, general and administrative expenses		*2. Major items and amounts of selling, general and administrative expenses	
Selling expense	¥3,191 million	Selling expense	¥3,256 million
Transportation and packing expense	¥11,216 million	Transportation and packing expense	¥11,351 million
Salaries and allowances	¥11,913 million	Salaries and allowances	¥12,756 million
Provision for allowance for bonus payable	¥1,511 million	Provision for allowance for bonus payable	¥1,506 million
Retirement benefits	¥770 million	Retirement benefits	¥486 million
Depreciation and amortization expenses	¥1,351 million	Depreciation and amortization expenses	¥1,587 million
Rent	¥6,064 million	Rent	¥6,221 million
*3. R&D cost included selling, general and administrative expenses and cost of sales during the year	¥986 million	*3. R&D cost included selling, general and administrative expenses and cost of sales during the year	¥985 million
―――		*4. Details on gain on sales of fixed assets	
		Land	¥387 million
		Others	¥0 million
		Total	¥387 million

FY March 2007 (from Apr. 1, 2006 to Mar. 31, 2007)		FY March 2008 (from Apr. 1, 2007 to Mar. 31, 2008)	
*5. Breakdown of loss on disposal of fixed assets		*5. Breakdown of loss on disposal of fixed assets	
Buildings	¥19 million	Buildings	¥5 million
Structures	¥28 million	Structures	¥9 million
Machinery & equipment	¥109 million	Machinery & equipment	¥71 million
Tools & Fittings	¥71 million	Tools & Fittings	¥38 million
Others	¥5 million	Others	¥3 million
Total	¥234 million	Total	¥127 million

(Non-Consolidated Statements of Changes in Net Assets)

FY March 2007 (from Apr. 1, 2006 to Mar. 31, 2007)

Matters relating to Treasury Stock

(thousand of stocks)

Type of stock	Number of stocks at the end of the previous year	Increase	Decrease	Number of stocks at the end of the term
Stocks issued Common stock	239	38	—	278

(Outline of change factors)
The major factor for the increase is as follows:
Increase due to purchase of fractional shares 38,000 shares

Financial Year under Review (from Apr. 1, 2007 to Mar. 31, 2008)

Matters relating to Treasury Stock:

(thousand of stocks)

Type of stock	Number of stocks at the end of the previous year	Increase	Decrease	Number of stocks at the end of the term
Stocks issued Common stock	278	1,696	—	1,974

(Outline of change factors)
The details of increase are as stated below:
Increase by acquisition based on a Board resolution 1,667,000 shares
Increase due to purchase of fractional shares 29,000 shares

(Lease Transactions)

FY March 2007 (From Apr. 1, 2006 To Mar. 31, 2007)	FY March 2008 (From Apr. 1, 2007 To Mar. 31, 2008)
*1. Non-ownership-transfer finance lease transactions (Lessee's side) ① Amounts equivalent to the cost of acquisition, accumulated depreciation, and balance as at the end of the operating year for lease properties Amount equivalent to acquisition cost ¥620 million Amount equivalent to accumulated depreciation ¥427 million Amount equivalent to the balance as at the end of the operating year ¥192 million ② Amount equivalent to the balance of prepaid rent as at the end of the operating year One year or less ¥147 million More than one year ¥178 million Total ¥325 million ③ Amount equivalent to lease payment, accumulated depreciation and interest expense Lease payment ¥170 million Amount equivalent to depreciation expense ¥183 million Amount equivalent to interest expense ¥6 million ④ Method of calculating the amounts equivalent to depreciation expense and interest Method of calculating the amounts equivalent to depreciation expense • The amount equivalent to depreciation expense was calculated by multiplying the depreciation expense by 9/10 (0.9) calculated using the fixed percentage method considering the lease period to be the usable life in years and residual value to be 10%. Method of calculating the amounts equivalent to interest • The amount equivalent to interest was computed considering the difference between the total lease payment and the amount equivalent to the cost of acquisition of the lease property to be the amount equivalent to interest. The difference was distributed to each term using the interest method.	*1. Non-ownership-transfer finance lease transactions (Lessee's side) ① Amounts equivalent to the cost of acquisition, accumulated depreciation, and balance as at the end of the operating year for lease properties Amount equivalent to acquisition cost ¥545 million Amount equivalent to accumulated depreciation ¥406 million Amount equivalent to the balance as at the end of the operating year ¥138 million ② Amount equivalent to the balance of prepaid rent as at the end of the operating year One year or less ¥100 million More than one year ¥138 million Total ¥238 million ③ Amount equivalent to lease payment, accumulated depreciation and interest expense Lease payment ¥157 million Amount equivalent to depreciation expense ¥119 million Amount equivalent to interest expense ¥5 million ④ Method of calculating the amounts equivalent to depreciation expense and interest Method of calculating the amounts equivalent to depreciation expense Same as left Method of calculating the amounts equivalent to interest Same as left

(Securities)

No securities with market value in subsidiaries and affiliates.

(Accounting for Deferred Income Taxes)

End of Previous FY (Mar. 31, 2007)

1. Significant components of deferred income tax assets and liabilities

(1) Current assets and liabilities

Deferred tax assets	
Excess bonuses accrued	¥921 million
Accrued enterprise taxes	¥249 million
Valuation loss of finished products	¥99 million
Accrued social insurance premiums	¥106 million
Accrued property tax	¥48 million
Others	¥188 million
Total deferred tax assets	¥1,614 million

(2) Non-current assets and liabilities

Deferred tax liabilities	
Deferred gains on fixed assets	¥3,589 million
Net unrealized holding gains on securities	¥6,493 million
Total deferred tax liabilities	¥10,082 million
Offset against deferred tax assets	(¥3,947 million)
Net deferred tax liabilities	¥6,134 million
Deferred tax assets	
Excess on amount available as allowance for retirement benefits	¥3,659 million
Unpaid director's retirement benefits	¥182 million
Unrealized loss on golf memberships	¥143 million
Others	¥118 million
Sub-total deferred tax assets	¥4,103 million
Valuation allowance	(¥156 million)
Total deferred tax assets	¥3,947 million
Offset against deferred tax liabilities	(¥3,947 million)
Net deferred tax assets	—

2. Significant components of difference between statutory tax rate and effective tax rate after adjustments for tax effect accounting

Statutory tax rate	40.7%
(Reconciliation)	
Non-deductible expenses	2.5
Non-taxable dividend income	(1.0)
Per capital inhabitant tax	1.0
Special deduction of experimental and research expenses, others	(0.3)
Tax loss carryforwards	1.8
Others	(0.4)
Effective tax rate	44.3%

End of Previous FY (Mar. 31, 2008)

1. Significant components of deferred income tax assets and liabilities

(1) Current assets and liabilities

Deferred tax assets	
Excess bonuses accrued	¥915 million
Accrued enterprise taxes	¥170 million
Valuation loss of finished products	¥91 million
Accrued social insurance premiums	¥106 million
Accrued property tax	¥53 million
Others	¥64 million
Total deferred tax assets	¥1,402 million

(2) Non-current assets and liabilities

Deferred tax liabilities	
Deferred gains on fixed assets	¥3,525 million
Net unrealized holding gains on securities	¥3,609 million
Total deferred tax liabilities	¥7,134 million
Offset against deferred tax assets	(¥3,719 million)
Net deferred tax liabilities	¥3,414 million
Deferred tax assets	
Excess on amount available as allowance for retirement benefits	¥3,549 million
Unpaid director's retirement benefits	¥168 million
Excess on amount available as allowance for doubtful debt	¥149 million
Unrealized loss on golf memberships	¥144 million
Others	¥163 million
Sub-total deferred tax assets	¥4,175 million
Valuation allowance	(¥455 million)
Total deferred tax assets	¥3,719 million
Offset against deferred tax liabilities	(¥3,719 million)
Net deferred tax assets	—

2. Significant components of difference between statutory tax rate and effective tax rate after adjustments for tax effect accounting

Statutory tax rate	40.7%
(Reconciliation)	
Non-deductible expenses	2.3
Non-taxable dividend income	(1.8)
Per capital inhabitant tax	1.0
Special deduction of experimental and research expenses, others	(0.5)
Tax loss carryforwards	3.2
Others	0.1
Effective tax rate	45.0%

(Per Share Data)

Items	FY March 2007 From Apr. 1, 2006 To Mar. 31, 2007	FY March 2008 From Apr. 1, 2007 To Mar. 31, 2008
Net Assets per share of common stock	¥645.85	¥629.09
Net income per share of common stock	¥43.41	¥46.56
	The diluted net income per share of common stock is not presented, since there were no securities with dilutive effect outstanding through the period.	The diluted net income per share of common stock is not presented, since there were no securities with dilutive effect outstanding through the period.

(Note) The basis for calculating net income per share of common stock was as follows:

1. Net Assets per share of common stock

Items	End of Previous FY (Mar. 31, 2007)	End of Current FY (Mar. 31, 2008)
Net Assets	¥72,408 million	¥69,462 million
Net Assets attributable to common stock	¥72,408 million	¥69,462 million
Number of common stock issued (thousand)	112,391 shares	112,391 shares
Number of Treasury common stock (thousand)	278 shares	1,974 shares
Number of common stock calculated for Net Assets per share of common stock (thousand)	112,113 shares	110,416 shares

2. Net Income per share of common stock

Items	FY March 2007 From Apr. 1, 2006 To Mar. 31, 2007	FY March 2008 From Apr. 1, 2007 To Mar. 31, 2008
Net income	¥4,867 million	¥5,154 million
Amount not reverting to common shareholders	—	—
Net profit relating to common stock	¥4,867 million	¥5,154 million
Average number of shares of common stock during the period (thousand)	112,130 shares	110,706 shares

(Important subsequent events)

FY March 2007 (From Apr. 1, 2006 To Mar. 31, 2007)	FY March 2008 (From Apr. 1, 2007 To Mar. 31, 2008)
The Company resolved to acquire treasury stock at the board meeting held on May 25, 2007, based on the regulations stipulated in Article 156 of the Companies Act which was applied after interpretation of the regulations in Article 165-3 of the Companies Act. 1. Reason for acquisition: To enable implementation of dynamic capital policies in response to changes in the management environment 2. Details of the acquisition: (1) Class of shares to be acquired Common shares of the Company (2) Total number of shares to be acquired 1,800 thousand shares (maximum) (3) Total acquisition cost ¥2,520 million (maximum) Based on the aforementioned resolution, the Company acquired 1,667,000 shares at cost of ¥2,028 million on May 30, 2007 using the Tokyo Stock Exchange's ToSTNet-2 system (closing price trading).	―――――

6. Others

(1) Changes in board members

1. Change of Representative Director

Not applicable.

2. Change of other board members (scheduled for June 27, 2008)

(1) Candidates for new Directors

Director	Seiji Koguma
Director	Fumio Yamamoto
Director	Koichi Osada

(2) Resigning board members

Managing Director	Tamotsu Muroya
Director	Tsutomu Hirako
Director	Masaki Tsuchiya

(3) Candidate for new Assistant Auditing Officer

Assistant Auditing Officer	Ken Ebina

(4) Promoted board members

Managing Director	Hiroki Iwashita

(5) Change of title

Director General Manager of Store Displays Business Headquarters	Takao Suzuki