May 10, 2007

Financial Results for FY March 2007

Okamura Corporation
Listing: Tokyo Stock Exchange, Osaka Securities Exchange
Code Number: 7994 (URL http://www.okamura.co.jp/)
Head Office: Tenri Bldg 18F, 4-1, Kitasaiwai 1-chome, Nishi-Ku, Yokohama, Kanagawa Pref., Japan
Representative: Kazuyoshi Hisamatsu, President and Representative Director
Contact: Kiyoshi Sato, Director and General Manager of Accounting Div. TEL: 045-319-3445
Date of Board Meeting for Consolidated Settlement of Accounts: June 28, 2007

1. Consolidated Results for FY March 2007 (Apr. 1, 2006 – Mar. 31, 2007)

* Amounts less than 1 million yen have been rounded down.

(1) Business Results

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY March 2007	213,813	5.7	10,912	19.8	11,539	18.2	6,132	(26.2)
FY March 2006	202,266	2.9	9,111	1.5	9,764	3.8	8,307	51.4

	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 2007	54.75	-	7.7%	6.1%	5.1%
FY March 2006	74.14	-	11.8%	5.4%	4.5%

Notes: Gain from investment in subsidiaries and affiliates accounted for by the equity method:
FY March 2007: ¥219 million, FY March 2006: ¥143 million

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
FY March 2007	189,754	84,971	42.9	726.44
FY March 2006	185,968	77,148	41.5	688.63

Note: Equity: 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 2007	4,389	(6,830)	(2,915)	16,697
FY March 2006	8,933	(5,284)	(2,068)	22,028

2. Dividend

	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 2006	5.00	7.00	12.00	1,345	16.2%	1.9%
FY March 2007	6.00	9.00	15.00	1,681	27.4%	2.1%
FY March 2008 (forecast)	7.50	7.50	15.00		22.7%	

3. Forecasts for FY March 2008 (Apr. 1, 2007 – Mar. 31, 2008)

	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
First Half of FY March 2008	107,000	3.8	6,200	9.4	6,600	9.4	3,600	3.2	32.15
FY March 2008	223,000	4.3	13,000	19.1	13,600	17.9	7,400	20.7	66.08

4. Others

(1) Changes in the number of material subsidiaries during the fiscal year: None

(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

(3) Number of shares of treasury stock
i Number of shares issued (Common stock) FY March 2007: 112,391,530 FY March 2006: 112,391,530
ii Number of shares of treasury stock FY March 2007: 400,990 FY March 2006: 360,159

(Note)

1. Non-Consolidated Results for FY March 2007 (Apr. 1, 2006 -Mar. 31, 2007)

(1) Business Results

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY March 2007	211,000	5.9	8,753	27.8	9,265	23.7	4,867	(27.0)
FY March 2006	199,153	2.4	6,850	(9.4)	7,487	(6.6)	6,668	42.9

	Net Income per Share (Yen)	Fully Diluted Net Income per Share(Yen)
FY March 2007	43.41	-
FY March 2006	59.45	-

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
FY March 2007	175,576	72,408	41.2	645.85
FY March 2006	169,293	69,531	41.1	619.97

(3) Forecasts for FY March 2008 (Apr. 1, 2007 -Mar. 31, 2008)

	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
First Half of FY March 2008	105,600	3.8	5,200	9.4	5,400	12.5	3,000	13.5	26.76
FY March 2008	220,000	4.3	10,800	23.4	11,400	23.0	6,300	29.4	56.19

*The aforementioned forecasts are forward-looking statements based on all information available to the management at the time of this document's release. Actual result may differ substantially from the anticipated results by any factors.
Please see p.4-p.5 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 2007

1) Overview of Operating Results

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	yen
FY March 2007	213,813	10,912	11,539	6,132	54.75
FY March 2006	202,266	9,111	9,764	8,307	74.14
Changes (%)	5.7	19.8	18.2	(26.2)	(26.2)

During the fiscal year under review, Japan's economy continued on its path of recovery, despite sluggish personal consumption, as improved corporate earnings led to increased capital investment.

In theses circumstances, the Company sought to develop new products, promote proposal-based sales, and attract orders for total solution in order to create and develop new markets, with a view to reinvigorating growth across all business segments. New Tsurumi plant construction has completed in December 2006 in order to increase supply capacity of office seating, and moving consolidated subsidiary Seeder Co.,Ltd., the manufacturer of conveyor system of clean rooms in the new plant aiming to expand production capacity.

As a result of these initiatives, current term net sales were ¥213,813 million (an increase of 5.7% year on year).

From the perspective of profit and loss, increased sales in the office furniture and material handling systems and others segments, contributed to stronger gross profit. As a result of reduction in selling, general and administrative expenses, the Company posted an ordinary income of ¥11,539 million (an increase of 18.2%),a net income of ¥6,132million (a decrease of 26.2%).

2) Segment Information

(Millions of yen)

	Net sales			Operating income		
	FY March 2006	FY March 2007	Change	FY March 2006	FY March 2007	Change
Office Furniture	122,228	131,245	9,017	7,267	9,063	1,796
Store Displays	66,836	66,325	(510)	879	848	(30)
Material Handling Systems and Others	13,201	16,242	3,040	965	1,000	35

① Office Furniture

In its mainstay office furniture segment, increased capital investment based on the improved corporate earnings, demand for accelerating relocation and redevelopment as well as increasing building sizes showed healthy growth. In these circumstances, by raising concentration and communication in working spaces, the Company aggressively developed solution-based proposals of intellectual creative offices which lead activation and imagination of workers resulted an increase in number of total orders. Moreover, the Company worked to securely obtain orders stemming from such demand as well as from demand for medium scale developments across the country succeeded in increasing sales.

While high-grade seating lines, including Contessa and Baron, continued to report strong sales, our efforts to create new markets included new product introductions to stimulate new demand in offices.
In the security sector, strong sales have been recorded in vault and safe deposit box facilities for financial institutions, sales in this sector developed favorably.

As a result of these developments, net sales in this segment were ¥131,245million (an increase of 7.4% year on year),and operating income was ¥9,063million (an increase of 24.7%).

② Store Displays

In the store displays segment, nevertheless facing the severe market environment, the Company centered its efforts on expanding customer base and high-grade specialty stores with growing industries as primary target, showed sign of recovery partially.

As a result, net sales in this segment were ¥66,325million (a decrease of 0.8% year on year),and operating income was ¥848million (a decrease of 3.5%).

③ Material Handling Systems and Others

In the material handling systems and others segment, active trend in strong corporate results and healthy investment in manufacturing as well as logistics facilities, sales of automated storage warehouse systems for distribution center, and conveyor systems for clean rooms and other specially controlled environments increased strongly by aggressive proposal sales which captured total orders.

As a result, net sales in this segment were ¥16,242million (an increase of 23.0% year on year),and operating income was ¥1,000million (an increase of3.6%).

2. <u>Outlook for Fiscal 2008</u>

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (Yen)
FY March 2008	223,000	13,000	13,600	7,400	66.08
FY March 2007	213,813	10,912	11,539	6,132	54.75
Change (%)	4.3	19.1	17.9	20.7	20.7

Japan's economy is likely to continue on its recovery path, despite remaining concerns about economic trend in overseas particularly the slowdown of U.S. economy and crude oil prices. The indications are stronger corporate performances will continue to stimulate capital investment, while improved employment and income conditions will lead to stronger personal consumption.

In the mainstay office furniture business, in the Tokyo area, firm demand for accelerating relocation and redevelopment, as well as increasing building sizes are expected. In such circumstances, the Company will securely obtain demand stemming from capital investment for offices, as well as from medium- and small- scale developments, and from redevelopment-triggered relocations. Furthermore, the Company will attract orders for total solutions by aggressively expanding the solution-based business model, its proven forte, in order to multiply sales and secure profit margins.

In the security sector, as many companies are becoming more concerned about safety, market needs are also expected to increase, centering on products such as vault and safe deposit box facilities for financial institutions and room access control systems.

In the store display business, the Company will seek to increase its share of installed store showcases by promoting total solutions that extend to the construction of peripheral and store décor fixtures. The Company will also work on developing products involving the participation of users, and on broadening its customer base particularly among promising new retail categories and growing customer sectors. In addition to this, the Company will continue to secure demand from new store openings and existing store renovations, in order to reinvigorate revenues and earnings in this business.

In the material handling systems and others business, in view of booming investments in logistics centers and production facilities, the Company will enhance its product portfolio by achieving synergy with other segments. The Company will also gear up the promotion of sector-specific solutions, in order to augment revenues and earnings.

Initiatives to improve profitability will include continued efforts to reduce selling, general and administrative expenses, enhance productivity by OPS(Okamura Production System) aimed to reducing manufacture costs, purchasing costs, and distribution costs. The broader goals will include the construction of a stable financial base that can flexibly accommodate changes in its economic environment, and the evolution of a solid, highly profitable corporate structure via focused, efficient investment of management resources. All these reflect the Company’s commitment to consistent corporate transformation for improved profitability.

For fiscal 2008 the Company anticipates consolidated net sales of ¥223billion, consolidated ordinary income of ¥13.6billion, and net income of ¥7.4billion.

(2) Financial Position

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

1)Total Assets, Liabilities and Net Assets

(Millions of yen)

	FY March 2006	FY March 2007
Total assets	185,968	189,754
Net assets	77,148	84,971
Equity ratio	41.5%	42.9%
Net assets per share (Yen)	688.63	726.44

Total assets at the end of the year under review amounted to ¥189,754million, an increase of ¥3,785million over the end of the previous fiscal year. Current assets increased by ¥992million, due primary to increases in trade receivable and inventories and decrease in cash & time deposits, whereas fixed assets increased by ¥2,793million, due primary to an increase in tangible fixed assets largely as construction of Tsurumi plant.

Total liabilities at the end of the year under review amounted to ¥104,782million, a decrease of ¥545million from the end of the previous fiscal year. This was due to decrease of trade payable and long-term loans payable, increase of income taxes payable.

Total net assets including minority interests, at the end of the year under review was ¥84,971million, an increase of ¥4,330million 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 increased by 1.4 percentage points to 42.9%.

2)Cash Flows

(Millions of yen)

	FY March 2006	FY March 2007
Cash flows from operating activities	8,933	4,389
Cash flows from investing activities	(5,284)	(6,830)
Cash flows from financing activities	(2,068)	(2,915)
Cash and cash equivalents at the interim-term (year) end	22,028	16,697
Borrowings and corporate bonds at the term (year) end	29,240	27,847

Operating activities increased cash flows primary as a result of net income before taxes of ¥11,163million and depreciation and amortization of ¥5,061million. Operations decreased cash flows primary as a result of an increase of ¥7,221million in trade receivable decrease of ¥2,823million in trade payable and decrease of ¥3,060million in the payment of corporate income taxes refund. All this resulted in a net cash increase of ¥4,389million.

Investment activities netted a cash outflow of ¥6,830million, owing mainly to payment for purchase of property, plant and equipment and of intangible fixed assets, including construction of Tsurumi plant.

Financing activities netted a cash outflow of ¥2,915million, owing mainly to a reduction of ¥1,392million in interest-bearing debt and the Parent Company’s dividend payments of ¥1,457million.

Consequently, cash and cash equivalents at the end of the fiscal year under review decreased by ¥5,331million to ¥16,697million.

The balance of interest-bearing debt (borrowings and corporate bonds) at the end of the current term under review decreased by ¥1,392million compared to the previous fiscal year to ¥27,847million.

3)Trends of cash flow indicators

	FY March 2003	FY March 2004	FY March 2005	FY March 2006	FY March 2007
Equity ratio (%)	32.8	34.3	36.8	41.5	42.9
Market value-based equity ratio (%)	31.3	47.4	54.1	69.8	76.4
Ratio of interest-bearing debt to cash flows (%)	4.7	2.8	4.3	3.3	6.3
Interest coverage ratio (times)	11.0	21.5	15.2	25.6	11.1

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 ¥9.00 per share, an increase of ¥2.00 compared to the previous year. Therefore, including the interim dividends, dividends applicable to the year will be ¥15.00 per share, an increase of ¥3.00 compared to the previous year.

2. Group Companies

The Okamura Group companies Okamura Corporation, have no big changes in structure of the Group and consolidated subsidiaries since the submission of financial statement report in June 29, 2006. Therefore disclosure of Group companies is omitted.

3. Management Policy

1. Basic Management Policy

Guided by its watchwords for corporate reform—information technology, globalization, and specialization—the Company 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 Company 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 Company 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 wholesales, manufacturing industry 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

(Millions of yen)

Accounts \ Term	FY March 2006 (As of Mar.31,2006) Amount	Ratio	FY March 2007 (As of Mar.31,2007) Amount	Ratio	Increase/ Decrease Amount
(Assets)		(%)		(%)	
Ⅰ.Current assets:					
Cash and time deposits	24,676		17,513		(7,163)
Trade notes and accounts receivable	54,965		62,186		7,221
Marketable securities	584		807		222
Inventories	14,935		15,326		391
Deferred income taxes	1,647		1,936		289
Other current assets	1,948		1,928		(20)
Allowance for doubtful debt	(198)		(148)		49
Total current assets	98,558	53.0	99,551	52.5	992
Ⅱ.Fixed assets:					
1.Tangible fixed assets:					
Buildings and structures	13,794		15,320		1,526
Machinery, equipment and vehicles	9,315		9,473		158
Land	21,471		21,744		272
Construction in progress	101		123		21
Others	2,894		3,113		219
Total tangible fixed assets	47,577	25.6	49,775	26.2	2,198
2.Intangible fixed assets:	2,718	1.5	2,989	1.6	271
3.Investments and other assets:					
Investment securities	29,832		29,090		(742)
Guarantee deposits	4,010		3,964		(45)
Deferred income taxes	2,013		2,074		60
Others	1,374		2,389		1,014
Allowance for doubtful accounts	(117)		(81)		36
Total investment and other assets	37,114	19.9	37,438	19.7	324
Total fixed assets	87,409	47.0	90,203	47.5	2,793
Total assets	185,968	100.0	189,754	100.0	3,785

(Millions of yen)

Accounts \ Term	FY March 2006 (As of Mar.31,2006) Amount	Ratio	FY March 2007 (As of Mar.31,2007) Amount	Ratio	Increase/ Decrease Amount
(Liabilities)		(%)		(%)	
Ⅰ.Current liabilities:					
Trade notes and accounts payable	50,490		47,856		(2,633)
Short-term bank loans	9,900		9,600		(300)
Long-term debts due within one year	1,670		3,446		1,776
Bonds redeemed within one year	5,000		—		(5,000)
Income taxes payable	1,578		3,767		2,189
Consumption taxes payable	339		454		114
Allowance for bonus payable	2,709		2,976		266
Others	2,578		3,494		915
Total current liabilities	74,267	39.9	71,595	37.3	(2,671)
Ⅱ.Long-term liabilities:					
Bonds	5,000		10,000		5,000
Long-term loans payable	7,670		4,801		(2,868)
Deffered tax liabilities	6,504		6,173		(330)
Severance and employee retirement benefits	9,321		9,638		317
Reserve for directors' retirement benefits	544		17		(527)
Consolidated adjustment account	130		—		(130)
Other liabilities	1,889		2,555		666
Total long-term liabilities	31,060	16.7	33,186	19.5	2,126
Total liabilities	105,327	56.6	104,782	56.8	(545)
Minority interests	3,492	1.9	—	—	—
(Shareholders' equity)					
Ⅰ.Capital stock	18,670	10.0	—	—	—
Ⅱ.Capital surplus	16,759	9.0	—	—	—
Ⅲ.Retailed earnings	32,135	17.3	—	—	—
Ⅳ.Unrealized holding gains(loss) on securities	9,953	5.4	—	—	—
Ⅴ.Foreign currency translation adjustment	(152)	(0.1)	—	—	—
Ⅵ.Treasury stock, at cost	(218)	(0.1)	—	—	—
Total shareholders' equity	77,148	41.5	—	—	—
Total liabilities, minority interests and shareholders' equity	185,968	100.0	—	—	—
(Net assets)					
Ⅰ.Owners' equity					
Capital stock	—	—	18,670	9.8	—
Capital surplus	—	—	16,759	8.8	—
Retained earnings	—	—	36,795	19.4	—
Treasury stock, at cost	—	—	(269)	(0.1)	—
Total owners' equity	—	—	71,956	37.9	—
Ⅱ.Net unrealized gain and translation adjustments					
Unrealized holding gains (losses) on securities	—	—	9,467	5.0	—
Foreign currency translation adjustment	—	—	(69)	(0.0)	—
Total Net unrealized gain and translation adjustments	—	—	9,398	5.0	—
Ⅲ.Minority interests	—	—	3,617	1.9	—
Total net assets	—	—	84,971	44.8	—
Total liabilities and net assets	—	—	189,754	100.0	—

2. Consolidated Statements of Income

(Millions of yen)

Accounts \ Term	FY March 2006 (From Apr.1,2005 to Mar.31,2006)		FY March 2007 (From Apr.1,2006 to Mar.31,2007)		Increase/ Decrease
	Amount	Ratio	Amount	Ratio	Amount
		(%)		(%)	
Ⅰ.Net sales	202,266	100.0	213,813	100.0	11,547
Ⅱ.Cost of sales	139,642	69.0	147,526	69.0	7,884
Gross profit	62,624	31.0	66,287	31.0	3,663
Ⅲ.Selling, general and administrative expenses	53,512	26.5	55,374	25.9	1,862
Operating income	9,111	4.5	10,912	5.1	1,801
Ⅳ.Other income:	1,215	0.6	1,268	0.6	53
Interest and divideds income	282		373		90
Amortization of consolidated adujsutment account	72		–		(72)
Equity in earnings of affiliated companies	143		219		76
Others	717		675		(41)
Ⅴ.Other expenses:	562	0.3	642	0.3	79
Interest expenses	369		390		21
Others	192		251		58
Ordinary income	9,764	4.8	11,539	5.4	1,774
Ⅵ.Extraordinary income:	5,054	2.5	55	0.0	(4,998)
Gain on sales of investment securities	82		5		(77)
Reversal of allowance for doubtful accounts	120		50		(69)
Gain from the transfer of the substitutional portion of the government's WelfarePension Insurance Scheme	3,493		—		(3,493)
Gain from termination of the tax-qualified defined benefit plan	1,357		—		(1,357)
Ⅶ.Extraordinary losses:	355	0.1	431	0.2	76
Loss on disposal of property, plant and equipment	238		299		60
Loss on devaluation of investment securities	5		7		1
Impairment loss	55		47		(8)
Evaluation losses of golf memberships	11		—		(11)
Other losses	43		77		34
Income before income taxes for the quarter term(fiscal year)	14,463	7.2	11,163	5.2	(3,300)
Income taxes	3,568	1.8	5,236	2.4	1,667
Adjustments on income taxes	2,330	1.2	(347)	(0.2)	(2,677)
Minority intersts in earnings	256	0.1	141	0.1	(114)
Net income for the current term (fiscal year)	8,307	4.1	6,132	2.9	(2,175)

3. Consolidated Statements of Retained Earnings

1. Appropriation of consolidated retained earnings

(Millions of yen)

Accounts \ Term	FY March 2007 (From Apr.1,2006 to Mar.31,2007) Amount
(Capital Surplus)	
Ⅰ. Capital surplus at beginning of year	16,759
Ⅱ. Capital surplus at term (year) end	16,759
(Retained Earnings)	
Ⅰ. Retained Earnings at beginning of year	25,089
Ⅱ. Increase in retained earnings:	8,307
Net income	8,307
Ⅲ. Decrease in retained earnings:	1,262
Cash dividends	1,262
Ⅳ. Retained earnings at term (year) end	32,135

2. Consolidated statement of changes in Net assets

Fiscal year under review(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 Mar31,2006	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)
Directros' 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					—	(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 Mar31,2007	18,670	16,759	36,795	(269)	71,956	9,467	(69)	9,398	3,617	84,971

4. Consolidated Statements of Cash Flows (Millions of yen)

Term / Accounts	FY March 2006 (From Apr.1,2005 to Mar.31,2006)	FY March 2007 (From Apr.1,2006 to Mar.31,2007)
Ⅰ.Cash flows from operating activities		
Income before income taxes for the first 9 months (fiscal year)	14,463	11,163
Depreciation and amortization	4,885	5,061
Loss on disposal of property, plant and equipment	230	293
Equity in earnings of affiliated companies	(143)	(219)
Amortization of consolidated adjustment accounts	(72)	−
Increase/decrease in allowance for doubtful accounts	(218)	(85)
Allowance for bonuses payable	(145)	266
Increase/decrease in allowance for employee retirement benefits	(1,934)	317
Gain from the transfer of the substitutional portion of the government's WelfarePension Insurance Scheme	(3,493)	−
Gain from termination of the tax-qualified defined benefit plan	(1,357)	−
Increase/decrease in allowance for directors' retirement benefits	25	7
Interest and dividends income	(282)	(373)
Interest expense	369	390
Gain/loss on sale of investment securities	(77)	2
Loss on devaluation of investment securities	55	47
Increase/decrease in notes and accounts receivable	1,113	(7,221)
Increase/decrease in inventories	(1,155)	(393)
Increase/decrease in notes and accounts payable	1,082	(2,823)
Others	(31)	1,016
Sub-total	13,313	7,450
Interest and dividends received	322	393
Interest expenses paid	(348)	(394)
Income taxes paid	(4,353)	(3,060)
Net Cash provided by operating activities	8,933	4,389
Ⅱ.Cash flows from investing activities		
Term deposits paid	(5,085)	(6,385)
Term deposits withdrawn	5,136	7,245
Payment for purchase of property, plant and equipment	(3,934)	(6,776)
Proceeds from sale of property, plant and equipment	59	11
Payment for purchase of intangible fixed assets	(1,392)	(893)
Payment for purchase of investment securities	(484)	(40)
Proceeds from sale of investment securities	415	13
Payment for acquisition of stock in newly consolidated subusidiary	(74)	−
Others	75	(4)
Net Cash used in investing activities	(5,284)	(6,830)
Ⅲ.Cash flows from financing activities		
Increase/decrease in short-term bank loans	(7,000)	(300)
Proceeds from long-term debt	5,200	600
Repayments of long-term debt	(3,940)	(1,692)
Issuance of bonds	5,000	5,000
Bonds retirement	−	(5,000)
Purchase of treasury stock	(50)	(48)
Cash dividends paid by the Company	(1,262)	(1,457)
Cash dividends paid to minority shareholders	(16)	(16)
Net Cash used in financing activities equivalents	(2,068)	(2,915)
Ⅳ.Effect on exchange rate changes on cash and cash equivalents	21	23
Ⅴ.Increase/decrease in cash and cash equivalents	1,602	(5,331)
Ⅵ.Cash and cash equivalents at beginning of year	20,426	22,028
Ⅶ.Cash and cash equivalents at the end of the year	22,028	16,697

5. Significant Items for the Preparation of Consolidated Financial Statements

(1)Severance and employee retirement benefits

To prepare for payment of severance and retirement benefits to employees, the amount considered to have been accrued as of the end of the fiscal year was given based on the estimated amount of liabilities for severance and retirement benefits and pension assets at year end.

Past service liabilities were accounted for as an expense by the amount prorated over a certain number of years (14 years) not exceeding the average remaining service period of employees in the year in which the liabilities are recognized. Actuarial differences were accounted for as expenses effective the year following their accrual by the amount prorated over a certain number of years (14 years) not exceeding the average remaining service period of employees in each year of accrual.

(Change in accounting method)

The differences caused by mathematical calculation had been amortized by the straight-line method heretofore. However, the Company has announced the change of structure of the retirement benefits provided from the current regime of tax qualified pension plan to newly instituted defined contribution pension plan, from this fiscal year calculation method has changed to fixed percentage method in order to contribute to healthy financial standing.

As this change of method, comparing with the method before, operating income, ordinary income and net income have decreased 95million yen.

(2)Reserve for directors' retirement benefits

To prepare for payment of retirement benefits to directors of the Company and major consolidated subsidiaries, the Company has provided for the amount considered necessary at the end of the fiscal year end under the internal rules.

(Additional information)

Heretofore, to prepare for payment of retirement benefits to directors of the Company and major consolidated subsidiaries, the Company had provided for the amount considered necessary under the internal rules, though the Company has announced the abolishment of retirement allowance system of directors effective as of the general meeting of shareholders held on June. According to the abolishment, directors who are in continuing services, shall be furnished with the amount of retirement appropriate to their service time to the date of abolishment and will be calculated based on the system before abolishment. This subject has resolved at the ordinary general meeting of shareholders and the amount involved by this abolishment which was 535million yen recognized as Other liabilities in Long –term liabilities.

Beside changes in Severance and employee retirement benefits and Reserve for directors' retirement benefits, no big changes in significant items for the preparation of consolidated financial statements since the submission of financial statement report in June 29, 2006. Therefore disclosure is omitted.

6. Significant Changes for the Preparation of Consolidated Financial Statements

(Presentation on Net assets)

On December 9,2005, the Accounting Standards Board of Japan(the "ASBJ") published a new accounting standard and related guidance for presentation of net assets (the ASBJ Statement No.5) and related guidance (the ASBJ Guidance No.8) are applied from April 1,2006.The shareholders' equity amounted to 81,354 million based on the former regulation.

7. Accounting standards of business combination and others

Accounting Standards Board of Japan(the "ASBJ") published a new accounting standard and related guidance for business combination, business separation(the ASBJ Statement No.7), and the application guideline of accounting standard of business combination and business separation(the ASBJ Statement No.10) are applied from April 1,2006.

The application of the new standards did not affect the amount of profit.

Changes in presentation which caused by the modification of the Regulations Concerning Consolidated Financial Statement are as follows:

①Consolidated Balance Sheets

Consolidated goodwill is presented as negative goodwill(¥58million) included in other liabilities in Long-term liabilities. Applied from April,12006.

②Consolidated Statements of Income

Amortization of consolidated goodwill is presented as negative amortization goodwill(¥72million) included in others in Other income.

③Consolidated Statements of Cash Flows
Amortization of consolidation goodwill is presented as negative amortization goodwill(¥72million) included in others in Cash flows from operating activities.

8. **Notes**

(Consolidated Balance Sheet)

(Millions of yen)

	FY March 2006	FY March 2007
1. Accumulated depreciation of tangible fixed assets	82,366	83,606
2.Equity sheras in affiliated companies		
Investment securities (equity securities)	1,046	1,300
3. Hypothecated assets and secured liabilities		
Amount of pledged assets (book value)		
Other tangible fixed assets	3,165	2,908
Land	7,269	7,269
Total	10,434	10,177
Liabilities relevant to the above		
Short-term debts	2,000	2,000
4.Total number of shares of stock issued by the Company		
Common stock (thousand shares)	112,391	—
5.Number of shares of stock in the Company held by consolidated subsidiaries and equity-method affiliates		
Common stock (thousand shares)	360	—

6.The notes at maturity are regarded as settled on the clearance date. Since the balance sheet date was a bank holiday, the notes at maturity on the balance sheet date was included into the balance of the related account as follows:

	FY March 2006	FY March 2007
Trade notes receivable	—	581
Trade noted payable	—	1,648

(Consolidated Income Statement)

(Millions of yen)

	FY March 2006	FY March 2007
1. Major items and amounts of selling, general and administrative expenses		
Selling expense	2,882	3,226
Transportation and packing expense	10,749	11,363
Salaries and allowances	14,657	15,416
Provision for allowance for bonus payable	1,789	1,961
Retirement benefits	1,460	933
Depreciation and amortization expenses	1,575	1,540
Rent	6,493	6,671

		FY March 2006	FY March 2007
			(Millions of yen)
2. R&D cost included selling, general and administrative expenses and manufacturing costs during the year		957	996
3. Breakdown of loss on retirement of fixed assets			
Buildings and structures		15	53
Machinery, equipment and vehicles		143	155
Others		79	90
	Total	238	299

(Consolidated Statement of Change in Net Assets)

Financial Year under Review (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
Total	112,391	—	—	112,391
Treasury stocks Common stock	360	40	—	400
Total	360	40	—	400

(Factors of increase of treasury stocks)
Purchase of 38 thousand of fractional shares.
Purchase of 2 thousand treasury stocks.

2. 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	cash	785	7.00	March 31,2006	June 30,2006
Board of Directors held on November 10,2006	cash	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	Cash	Retained earnings	1,009	9.00	March 31,2007	June29,2007

(Consolidated Cash Flow Statement)

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

(Millions of yen)

	FY March 2006	FY March 2007
Cash and deposit accounts	24,676	17,513
Time deposits - over 3 months	(3,231)	(1,471)
Securites account	584	655
Cash and cash equivalents	22,028	16,697

(Segment Information)

1. Business Segment Information
FY March 2006 (From Apr.1,2005,to Mar.31,2006)

(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	122,228	66,836	13,201	202,266	—	202,266
(2) Internal sales or transfers between segments	—	—	—	—	(—)	—
Total	122,228	66,836	13,201	202,266	(—)	202,266
Operating expenses	114,961	65,957	12,235	193,154	(—)	193,154
Operating income	7,267	879	965	9,111	(—)	9,111
Ⅱ.Net asset, depreciation and capital expenditure Total assets	85,465	38,439	10,058	133,963	52,004	185,968
Depreciation expenses	3,405	1,147	332	4,885	(—)	4,885
Capital expenditure	3,734	849	671	5,255	1	5,257

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

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 marketable securities, and their amounts are as follows:
   FY March 2006 ¥52,004 million
   FY March 2007 ¥51,474 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)

Non-ownership-transfer finance lease transactions

1. Amounts equivalent to the cost of acquisition, accumulated depreciation, and balance as of the end of the term (fiscal year) for lease properties

(Millions of yen)

	FY March 2006	FY March 2007
Amount equivalent to acquisition cost	850	740
Amount equivalent to accumulated depreciation	566	500
Amount equivalent to the balance as of the end of the term (fiscal year)	284	239

2. Amount equivalent to the balance of prepaid rent at the end of the term (fiscal year)

One year or less	172	174
More than one year	287	227
Total	459	401

3. Amount equivalent to lease payment, accumulated depreciation and interest expense

Lease payment	377	203
Amount equivalent to depreciation expense	287	218
Amount equivalent to interest expense	27	8

4. Method of calculating the amounts equivalent to depreciation expense and interest
   The amount equivalent to depreciation expense was computed by multiplying the depreciation expense by 9/10 (0.9) calculated on the straight-line method considering the lease period to be the durable years and residual value to be 10%.
   The amount equivalent to interest was computed considering the difference between the total lease payment and the amount equivalent to the cost of acquisition to be the amount equivalent to interest. The difference was distributed to each term using the interest method.

(Transaction with Related Parties)

During previous year (from Apr. 1,2005 to Mar.31,2006)

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 derector,Mitsubishi Corporation's Representative Director	None	—		Sales of products to Mitsubishi Corporation (Note 2)	20,918	Trade receivables	4,585

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. 1,2006 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 derector,Mitsubishi Corporation's Representative Director	None	—		Sales of products to Mitsubishi Corporation (Note 2)	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.

(Accounting for Deferred Income Taxes)

1. Significant components of deferred income tax assets and liabilities

(Millions of yen)

	FY March 2006	FY March 2007
① Curnent assets and liabilities		
Deferred tax assets		
Excess bonuses accrued	1,094	1,211
Accrued social insurance premiums	119	132
Accrued enterprise taxes	151	311
Valuation loss of finished products	109	99
Others	335	195
Sub-total deferred tax assets	1,810	1,950
Valuation allowance	(163)	(13)
Total deferred tax assets	1,647	1,936
② Non-current assets and liabilities		
Deferred tax liabilities		
Deferred gains on fixed assets	3,702	3,631
Net unrealized holding gains on securities	6,832	6,500
Total deferred tax liabilities	10,534	10,131
Offset against deferred tax assets	(4,030)	(3,958)
Net deferred tax liabilities	6,504	6,173
Deferred tax assets		
Retirement benefits	4,727	4,920
Unrealized gross profits from sales of property, plant and equipment	744	744
Director's retirement benefits	221	—
Unpaied directore's retirement benefits	—	224
Unrealized loss on golf memberships	159	162
Others	189	459
Sub-total deferred tax assets	6,043	6,512
Valuation allowance	—	(479)
Total deferred tax assets	6,043	6,032
Offset against deferred tax liabilities	(4,030)	(3,958)
Net deferred tax assets	2,013	2,074

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

	FY March 2006	FY March 2007
Statutory tax rate	40.7%	40.7%
(Reconsiliation)		
Non-deductible expenses	1.6	2.0
Non-taxable dividend income	(0.4)	(0.8)
Per capital inhabitant tax	0.7	0.9
Special deduction of experimental and research expenses, others	(0.6)	(0.3)
Tax loss carryforwards	(0.0)	3.2
Others	(1.2)	(1.9)
Effective tax rate	40.8%	43.8%

(Securities)

1. Other securities with market value (Million of yen)

	FY March 2006 (As of Mar..31, 2006)			FY March 2007 (As of Mar..31, 2007)		
	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	9,721	26,574	16,852	9,413	25,598	16,185
② Bonds	149	155	5	149	151	1
Sub-total	9,871	26,729	16,858	9,562	25,750	16,187
Other securities with consolidated balance sheet amount not exceeding acquisition cost						
① Stocks	766	697	(69)	1,082	863	(219)
② Others	48	46	(1)	48	45	(2)
Sub-total	814	743	(70)	1,131	909	(221)
Total	10,686	27,473	16,787	10,694	26,569	15,965

2. Other securities sold during the year (Millions of yen)

	FY March 2006 (As of Mar..31, 2006)			FY March 2007 (As of Mar..31, 2007)		
	Proceeds from Sales	Gross Gain on Sales	Gross Loss on Sales	Proceeds from Sales	Gross Gain on Sales	Gross Loss on Sales
① Stocks	39	1	2	13	5	7
② Others	375	81	3	0	—	—
Total	415	82	5	13	5	7

3. Securities not marked to market (Millions of yen)

	FY March 2006 (As of Mar..31, 2006)	FY March 2007 (As of Mar..31, 2007)
	Consolidated Balance Sheet Amount	Consolidated Balance Sheet Amount
Other securities		
①MMF	483	554
②Medium-term government securities fund	100	100
③Unlisted stocks (except OTC stocks)	313	282
④Preferred subscription certificate	1,000	1,000
Total	1,897	1,938

4. Scheduled redemptions of other securities having maturity (Millions of yen)

	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	-	-	-

(Derivative Transactions)

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

Classification	Types of transactions	FY March 2006 (As of Mar. 31, 2006)			FY March 2007 (As of Mar. 31, 2007)		
		Contract amount etc.	Market value	Valuation profit/loss	Contract amount etc.	Market value	Valuation profit/loss
Currency	Exchange options	390	1	1	82	9	9
Total		390	1	1	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.

(Retirement Benefits)

1. Established retirement benefit arrangements

The Company and five domestic consolidated subsidiaries provided a range of defined-benefit programs, comprising Employees' Pension Fund plans, tax-qualified retirement annuity, and lump-sum severance allowance grants. The Employees' Pension Fund was authorized by the Minister of Health, Labor and Welfare on October 1, 2005, to return to the government the fund's government-subcontracted obligation as it related to past employee service. This followed the enforcement of the Defined Benefit Corporate Pension Law. The payment of the transfer (minimum actuarial liability) to the government was completed in cash on March 17, 2006. The defined-benefit pension plans that remain following the return of obligation are covered with trust arrangements to provide for retirement benefits.

The tax-qualified retirement pension program of which Okamura Corporation and its major consolidated subsidiaries in Japan were the sponsors terminated on March 20, 2006, to switch over to a retirement benefits structure that comprises a newly instituted defined contribution pension program and a remolded program of lump-sum severance allowances.

2. Retirement benefit obligation (Millions of yen)

	FY March 2006 (As of Mar. 31, 2006)	FY March 2007 (As of Mar. 31, 2007)
Benefit obligation	(18,056)	(16,519)
Pension assets	9,730	10,582
Unfunded benefit obligation (a + b)	(8,325)	(5,936)
Unrecognized actuarial difference	2,348	(615)
Unrecognized past service obligation	(3,344)	(3,086)
Consolidated balance-sheet net benefit liability (c + d + e)	(9,321)	(9,638)
Prepaid benefit cost	-	-
Allowance for retirement benefits (f – g)	(9,321)	(9,638)
	Notes: 1. "Allowance for retirement benefits" is stated net of the "prepaid benefit cost" of ¥820 million as it appears on the Company's non-consolidated balance sheet.	1. "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

(Millions of yen)

		FY March 2006 (From Apr. 1, 2005 to Mar. 31, 2006)	FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007)
a.	Service cost (Note)	1,489	835
b.	Interest cost	1,037	358
c.	Expected return on plan assets	(654)	(194)
d.	Amortization of actuarial difference	716	354
e.	Amortization of past service obligation	(412)	(257)
f.	Contributions to the defined contribution pension program	28	342
g.	Retirement benefit expense	2,205	1,438
h.	Gain on Employees' Pension Fund's return of obligation	(3,493)	—
i.	Gain on termination of tax-qualified pension program	(1,357)	—
	Total	(2,645)	1,438
		Note: Net of employee contributions to the employees' pension fund.	Note: Same as noted in the left column.

4. Basis for calculating retirement benefit obligation and others

	FY March 2006 (From Apr. 1, 2005 to Mar. 31, 2006)	FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007)
a. Method to periodically allocate projected benefit obligation	Allocated equally to each service year.	Same as noted in the left column.
b. Discount rate	2.0%	2.0%
c. Expected return on pension assets	2.5%	2.5%
d. Number of years to amortize actuarial difference	14 years and 15 years (Past service obligations are prorated and recognized in expense over a constant number of years (14 or 15 years) that is within the average remaining service period of employees as they arise.)	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.)
e. Number of years to amortize past service obligation	14 years and 15 years (Past service obligations are prorated and recognized in expense over a constant number of years (14 or 15 years) that is within the average remaining service period of employees as they arise.)	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.)

(Per Share Data)

	FY March 2006 (From Apr. 1, 2005 to Mar. 31, 2006)	FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007)
Net Assets per share of common stock	¥688.63	¥726.44
Net income per share of common stock	¥74.14	¥54.75
	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.

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

1. Net Assets per share of common stock

	FY March 2006 (From Apr. 1, 2005 to Mar. 31, 2006)	FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007)
Net Assets	—	¥84,971 million
Net Assets attributable to common stock		¥81,354 million
Breakdown of difference		
Minority interests	—	¥3,617 million
Number of common stock issued(thousand)	—	112,391 shares
Number of Treasury common stock(thousand)	—	400 shares
Number of common stock calculated for Net Assets per share of common stock(thousand)	—	111,990 shares

	FY March 2006 (From Apr. 1, 2005 to Mar. 31, 2006)	FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007)
Net income	¥8,307 million	¥6,132 million
Net income attributable to common stock	¥8,307 million	¥6,132 million
Average number of shares of common stock during the period(thousand)	112,059 shares	112,008 shares

(Important subsequent events)

Not applicable.

5. Non-Consolidated Financial Statements

1. Non-Consolidated Balance Sheets

(Millions of yen)

Accounts / Term	FY March 2006 (As of Mar.31,2006) Amount	Ratio	FY March 2007 (As of Mar.31,2007) Amount	Ratio	Increase/ Decrease Amount
(Assets)		(%)		(%)	
Ⅰ.Current assets:					
Cash and time deposits	15,501		12,511		(2,990)
Trade notes	7,115		10,355		3,240
Accounts receivable	47,362		51,271		3,909
Marketable securities	121		121		0
Products	11,526		11,983		456
Products in process	603		701		98
Raw material	1,385		1,436		50
Supplies	178		199		20
Prepaied expenses	739		665		(74)
Accounts receivable	544		611		67
Deferred income taxes	1,281		1,614		333
Other current assets	1,022		1,013		(8)
Allowance for doubtful debt	(192)		(433)		(241)
Total current assets	87,191	51.5	92,054	52.4	4,862
Ⅱ.Fixed assets:					
1.Tangible fixed assets:					
Buildings	11,512		13,110		1,598
Structures	751		713		(38)
Machinery, equipment and vehicles	6,621		6,620		(1)
Vehicles	201		212		10
Equipment	1,972		2,116		143
Land	20,714		20,987		272
Construction in progress	99		37		(61)
Total tangible fixed assets	41,873	24.8	43,798	24.9	1,925
2.Intangible fixed assets:					
Goodwill	277		—		(277)
Patent property	15		—		(15)
Software	1,561		1,747		186
Other intangible fixed assets	917		1,151		234
Total intangible fixed assets	2,772	1.6	2,899	1.7	127
3.Investments and other assets:					
Investment securities	28,613		27,762		(851)
Investment in affiliates	3,853		3,847		(6)
Guarantee deposits	3,809		3,785		(24)
Others	1,296		1,508		212
Allowance for doubtful accounts	(117)		(80)		36
Total investment and other assets	37,456	22.1	36,823	21.0	(633)
Total fixed assets	82,101	48.5	83,521	47.6	1,419
Total assets	169,293	100.0	175,576	100.0	6,282

(Millions of yen)

Accounts \ Term	FY March 2006 (As of Mar.31,2006)		FY March 2007 (As of Mar.31,2007)		Increase/ Decrease
	Amount	Ratio	Amount	Ratio	Amount
(Liabilities)		(%)		(%)	
Ⅰ.Current liabilities:					
Trade notes	16,854		16,610		(244)
Accounts payable	33,794		31,673		(2,120)
Short-term bank loans	9,400		9,400		—
Short-term loan in affiliates	—		4,000		4,000
Long-term debts due within one year	1,670		3,410		1,740
Bonds redeemed within one year	5,000		—		(5,000)
Accounts payable-other	464		732		268
Income taxes payable	1,162		3,088		1,925
Consumption taxes payable	205		347		141
Accrued expenses	1,350		1,633		283
Advances received	95		294		199
Deposit received	109		110		1
Allowance for bonus payable	2,068		2,264		196
Total current liabilities	72,175	42.6	73,565	41.9	1,389
Ⅱ.Long-term liabilities:					
Bonds	5,000		10,000		5,000
Long-term loans payable	7,670		4,760		(2,910)
Deffered tax liabilities	6,465		6,134		(331)
Severance and employee retirement benefits	6,117		6,298		180
Reserve for directors' retirement benefits	443		—		(443)
Long-term deposit received	1,889		1,961		72
Other liabilities	—		447		447
Total long-term liabilities	27,586	16.3	29,602	16.9	2,015
Total liabilities	99,762	58.9	103,167	58.8	3,405

(Millions of yen)

Accounts \ Term	FY March 2006 (As of Mar.31,2006)		FY March 2007 (As of Mar.31,2007)		Increase/ Decreace
	Amount	Ratio	Amount	Ratio	Amount
(Shareholders' equity)					
Ⅰ.Capital stock	18,670	11.0	—	—	—
Ⅱ.Capital surplus			—	—	—
Capital reserve	16,759				
Total capital surplus	16,759	9.9	—	—	—
Ⅲ.Retailed earnings					
Legal reserve of retained	1,874		—		—
Reserve for deffed income tax	5,434		—		—
Other reserve	4,180		—		—
Total voluntary reserve	9,614		—		—
Unappropriated retained earnings	12,834		—		—
Total retained earnings	24,323	14.4	—	—	—
Ⅳ.Unrealized holding gains(loss) on securities	9,944	5.9	—	—	—
Ⅴ.Treasury stock, at cost	(167)	(0.1)	—	—	—
Total shareholders' equity	69,531	41.1	—	—	—
Total liabilities, minority interests and shareholders' equity	169,293	100.0	—	—	—
(Net assets)					
Ⅰ.Owners' equity					
1.Capital stock	—	—	18,670	10.6	—
2.Capital surplus					—
(1)Additional paied-in capital	—	—	16,759		
Total capital surplus	—	—	16,759	9.5	—
3.Retained earinigs					
(1)Legal reserve of retained	—		1,874		
(2)Other retained earinings					
Voluntary reserve	—		9,409		
Earned surplus carried forward	—		16,449		
Total retained earinigs	—	—	27,732	15.8	
4.Treasury stock, at cost	—	—	(216)	(0.1)	—
Total owners' equity	—	—	62,947	35.8	—
Ⅱ.Net unrealized gain and translation adjustments					
Unrealized holding gains (losses) on securities	—	—	9,467		—
Total Net unrealized gain and translation adjustments	—	—	9,461	5.4	—
Total net assets	—	—	72,408	41.2	—
Total liabilities and net assets	—	—	175,576	100.0	—

2. Non-Consolidated Statement of Income

(Millions of yen)

Accounts \ Term	FY March 2006 (From Apr.1,2005 to Mar.31,2006)		FY March 2007 (From Apr.1,2006 to Mar.31,2007)		Increase/ Decrease
	Amount	Ratio	Amount	Ratio	Amount
		(%)		(%)	
Ⅰ.Net sales	199,153	100.0	211,000	100.0	11,846
Ⅱ.Cost of sales	142,253	72.9	153,751	72.9	8,498
Gross profit	53,899	27.1	57,248	27.1	3,348
Ⅲ.Selling, general and administrative expenses	47,049	23.7	48,494	23.0	1,445
Operating income	6,850	3.4	8,753	4.1	1,902
Ⅳ.Other income:	1,153	0.6	1,137	0.6	(15)
Interest and divideds income	334		417		83
Others	818		719		(99)
Ⅴ.Other expenses:	516	0.2	625	0.3	109
Interest expenses	364		396		32
Others	151		228		77
Ordinary income	7,487	3.8	9,265	4.4	1,777
Ⅵ.Extraordinary income:	4,130	2.1	55	0.0	(4,074)
Gain on sales of investment securities	82		5		(77)
Reversal of allowance for doubtful accounts	120		50		(69)
Gain from the transfer of the substitutional portion of the government's WelfarePension Insurance Scheme	2,762		—		(2,762)
Gain from termination of the tax-qualified defined benefit plan	1,165		—		(1,165)
Ⅶ.Extraordinary losses:	148	0.1	585	0.3	437
Loss on disposal of property, plant and equipment	81		234		152
Loss on devaluation of investment securities	5		7		1
Impairment loss	55		47		(8)
Appraised loss in investments in affiliates	—		6		6
Evaluation losses of golf memberships	5		—		(5)
Reversal of allowance for doubtful accounts in affiliates	—		290		290
Income before income taxes for the quarter term(fiscal year)	11,469	5.8	8,735	4.1	(2,734)
Income taxes	2,820	1.4	4,200	2.0	1,380
Adjustments on income taxes	1,980	1.0	(332)	(0.2)	(2,312)
Net income for the current term	6,668	3.4	4,867	2.3	(1,801)
Profit brought forward from the previous term	6,726		—		—
Mid-term cash deividend	560		—		—
Unappropriated retained earnings	12,834		—		—

1. Non-Consolidated Statement of Profit appropriation

(Millions of yen)

Accounts / Term	FY March 2006 (From Apr.1,2006 to Mar.31,2007)	
Ⅰ. Unappropriated retained earnings		12,834
Ⅱ. Used voluntary reserve		
Used deferred income tax	106	106
Total		12,941
Ⅲ. Appropriated retained earinigs	785	785
Cash dividends		
Ⅳ. Retained earnings carried forward		12,156

2. Non-Consolidated Statement of Net assets

Fiscal year under review(Apr.1,2006 to Mar.31,2007) (Millions of yen)

	Owners' equity							
		Capital surplus		Retained earnings				
					Other retained earnings			
	Capital stock	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 Mar31,2006	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)	—	3614	3,409
Balance as of Mar31,2007	18,670	16,759	16,759	1,874	5,229	4,180	16,449	27,732

	Net assets		Net unrealized gain and translation adjustments		Net assets (Total)
	Treasury stock	Total	Retained earnings	Treasury stock	
Balance as of Mar31,2006	(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 Mar31,2007	(216)	62,947	9,461	9,461	72,408

4. Significant Changes for the Preparation of Non-Consolidated Financial Statements

(Severance and employee retirement benefits)
The differences caused by mathematical calculation had been amortized by the straight-line method heretofore. However, the Company has announced the change of structure of the retirement benefits provided from the current regime of tax qualified pension plan to newly instituted defined contribution pension plan, from this fiscal year calculation method has changed to fixed percentage method in order to contribute to healthy financial standing.
As this change of method, comparing with the method before, operating income, ordinary income and net income have decreased 57million yen.

(Presentation on Net assets)
On December 9,2005, the Accounting Standards Board of Japan(the "ASBJ") published a new accounting standard and related guidance for presentation of net assets (the ASBJ Statement No.5) and related guidance (the ASBJ Guidance No.8) are applied from April 1,2006.The shareholders' equity amounted to 72,408 million based on the former regulation.

5. Accounting standards of business combination and others

Non-Consolidated Balance Sheets
・Goodwill is presented in other intangible fixed assets in Intangible fixed assets(209million yen).
・Patent property is presented in other intangible fixed assets in Intangible fixed assets (11million yen).

6. Supplementary Information

Previous fiscal year
(Return of the employees' pension funds managed on behalf of the government)

The Okamura Corporation Employees' Pension Fund, of which Okamura Corporation and its major consolidated subsidiaries in Japan are the sponsors, was authorized by the Minister of Health, Labor and Welfare on October 1,2005, to return to the government the fund's government-subcontracted obligation as it related to past employee service. This followed the enforcement of the Defined Benefit Corporate Pension Law. The payment of the transfer (minimum actuarial liability) to the government was completed in cash on March 17,2006. This resulted in the recognition of a gain of ¥2,762million in extraordinary income.

(Restructuring of tax-qualified pension program)

The tax-qualified retirement pension program of which Okamura Corporation and its major consolidated subsidiaries in Japan were the sponsors terminated on March 20,2006, to switch over to a retirement benefits structure that comprises a newly instituted defined contribution pension program and a remolded program of lump-sum severance allowances. This resulted in the recognition of a gain of ¥1,165million in extraordinary income.

Current fiscal year
(Reserve for directors' retirement benefits)

Heretofore, to prepare for payment of retirement benefits to directors of the Company and major consolidated subsidiaries, the Company had provided for the amount considered necessary under the internal rules, though the Company has announced the abolishment of retirement allowance system of directors effective as of the general meeting of shareholders held on June. According to the abolishment, directors who are in continuing services, shall be furnished with the amount of retirement appropriate to their service time to the date of abolishment and will be calculated based on the system before abolishment. This subject has resolved at the ordinary general meeting of shareholders and the amount involved by this abolishment which was 447million yen recognized as Other liabilities in Long –term liabilities.

7. Notes

(Non-Consolidated Balance Sheet)

(Millions of yen)

	FY March 2006	FY March 2007
1. Accumulated depreciation of tangible fixed assets	66,171	67,130
2. Hypothecated assets and secured liabilities		
Amount of pledged assets (book value)		
Other tangible fixed assets	3,165	2,908
Land	7,269	7,269
Total	10,434	10,177
Liabilities relevant to the above		
Short-term debts	2,000	2,000
3.Short-term pecuniary claim on affiliates	651	697
Long-term pecuniary claim on affiliates	60	60
Long-term pecuniary obligation on affiliates	10,901	15,555

4.The notes at maturity are regarded as settled on the clearance date. Since the balance sheet date was a bank holiday, the notes at maturity on the balance sheet date was included into the balance of the related account as follows:

	FY March 2006	FY March 2007
Trade notes receivable	—	576
Trade noted payable	—	1,432

(Non-Consolidated Income Statement)

(Millions of yen)

	FY March 2006	FY March 2007
1. Towards affiliates		
Operating transaction	55,788	60,382
Other transaction	190	231
2. Major items and amounts of selling, general and administrative expenses		
Selling expense	2,882	3,191
Transportation and packing expense	10,645	11,216
Salaries and allowances	11,282	11,913
Provision for allowance for bonus payable	1,375	1,511
Retirement benefits	1,180	770
Depreciation and amortization expenses	1,412	1,351
Rent	5,868	6,064
3. R&D cost included selling, general and administrative expenses and manufacturing costs during the year	938	986
4. Breakdown of loss on retirement of fixed assets		
Buildings and structures	4	47
Machinery, equipment and vehicles	45	115
Others	31	70
Total	81	234

(Non-Consolidated Statement of Change in Net Assets)

Financial Year under Review (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	239	38	—	278

Purchase of 38 thousand of fractional shares.

(Lease Transactions)

Non-ownership-transfer finance lease transactions

1. Amounts equivalent to the cost of acquisition, accumulated depreciation, and balance as of the end of the term (fiscal year) for lease properties

(Millions of yen)

	FY March 2006	FY March 2007
Amount equivalent to acquisition cost	741	620
Amount equivalent to accumulated depreciation	505	427
Amount equivalent to the balance as of the end of the term (fiscal year)	236	192

2. Amount equivalent to the balance of prepaid rent at the end of the term (fiscal year)

	FY March 2006	FY March 2007
One year or less	150	147
More than one year	245	178
Total	395	325

3. Amount equivalent to lease payment, accumulated depreciation and interest expense

	FY March 2006	FY March 2007
Lease payment	354	170
Amount equivalent to depreciation expense	263	183
Amount equivalent to interest expense	26	6

4. Method of calculating the amounts equivalent to depreciation expense and interest

The amount equivalent to depreciation expense was computed by multiplying the depreciation expense by 9/10 (0.9) calculated on the straight-line method considering the lease period to be the durable years and residual value to be 10%.

The amount equivalent to interest was computed considering the difference between the total lease payment and the amount equivalent to the cost of acquisition to be the amount equivalent to interest. The difference was distributed to each term using the interest method.

(Securities)

Previous fiscal year

No securities with market value in affiliates.

Current fiscal year

No securities with market value in affiliates.

(Accounting for Deferred Income Taxes)

1. Significant components of deferred income tax assets and liabilities

(Millions of yen)

	FY March 2006	FY March 2007
① Current assets and liabilities		
Deferred tax assets		
Excess bonuses accrued	841	921
Accrued enterprise taxes	114	249
Valuation loss of finished products	109	99
Accrued social insurance premiums	95	106
Accrued property tax	52	48
Others	66	188
Total deferred tax assets	1,281	1,614
② Non-current assets and liabilities		
Deferred tax liabilities		
Deferred gains on fixed assets	3,656	3,589
Net unrealized holding gains on securities	6,825	6,493
Total deferred tax liabilities	10,482	10,082
Offset against deferred tax assets	(4,016)	(3,947)
Net deferred tax liabilities	6,465	6,134
Deferred tax assets		
Retirement benefits	3,560	3,659
Director's retirement benefits	180	—
Unpaied directore's retirement benefits	—	182
Unrealized loss on golf memberships	141	143
Others	134	118
Sub-total deferred tax assets	4,016	4,103
Valuation allowance	—	(156)
Total deferred tax assets	4,016	3,947
Offset against deferred tax liabilities	(4,016)	(3,947)
Net deferred tax assets	—	—

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

(Millions of yen)

	FY March 2006	FY March 2007
Statutory tax rate	40.7%	40.7%
(Reconsiliation)		
Non-deductible expenses	2.0	2.0
Non-taxable dividend income	(0.5)	(1.0)
Per capital inhabitant tax	0.8	1.0
Special deduction of experimental and research expenses, others	(0.7)	(0.3)
Tax loss carryforwards	—	1.8
Others	(0.4)	(0.4)
Effective tax rate	41.9%	44.3%

(Per Share Data)

	FY March 2006 (From Apr. 1, 2005 to Mar. 31, 2006)	FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007)
Net Assets per share of common stock	¥619.97	¥645.85
Net income per share of common stock	¥59.45 The diluted net income per share of common stock is not presented, since there were no securities with dilutive effect outstanding through the period.	¥43.41 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 basis for calculating net income per share of common stock was as follows:

1. Net Assets per share of common stock

	FY March 2006 (From Apr. 1, 2005 to Mar. 31, 2006)	FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007)
Net Assets	—	¥72,408 million
Net Assets attributable to common stock		¥72,408 million
Number of common stock issued(thousand)	—	112,391 shares
Number of Treasury common stock(thousand)	—	278 shares
Number of common stock calculated for Net Assets per share of common stock(thousand)	—	112,113 shares

	FY March 2006 (From Apr. 1, 2005 to Mar. 31, 2006)	FY March 2007 (From Apr. 1, 2006 to Mar. 31, 2007)
Net income	¥6,668 million	¥4,867 million
Net income attributable to common stock	¥6,668 million	¥4,867 million
Average number of shares of common stock during the period(thousand)	112,178 shares	112,130 shares

6. Others

1. Changes in board members

1. Change of Representative Director
   Not applicable.

2. Change of other board members

   1.Resigning board member
   Managing Director Koichi Kurasaki

   2.Incoming Auditing Officer
   Standing Corporate Auditor Koichi Kurasaki

   3.Resigning Auditing Officer
   Standing Corporate Auditor Masao Sakurai

   4.Promoted board members
   Executive Managing Director Masayuki Nakamura

   Executive Managing Director Hiroshi Makino

   Managing Director Kiyoshi Sato

   Managing Director Onoyuki Kondo