Financial Results for FY March 2011

May 10, 2011
Listing: Tokyo Stock Exchange, Osaka Securities Exchange

Okamura Corporation
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Information session for the financial results: To be held (for corporate investors and analysts)

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

Consolidated Results for FY March 2011 (Apr. 1, 2010 – Mar. 31, 2011)

(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 2011	169,294	5.0	2,399	76.9	2,549	33.4	604	10.8
FY March 2010	161,223	(15.2)	1,357	(69.5)	1,910	(65.8)	545	(83.4)

(Note) Comprehensive income FY March 2011: (¥821 million) (-%), FY March 2010: (¥2,328 million) (-%)

	Net income per share	Fully diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	yen	yen	%	%	%
FY March 2011	5.48	–	0.8	1.6	1.4
FY March 2010	4.95	–	0.7	1.2	0.8

(Note) Gain from investment in subsidiaries and affiliates accounted for by the equity method:
FY March 2011: (¥70 million), FY March 2010: ¥42million

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY March 2011	161,845	76,638	47.3	694.28
FY March 2010	160,422	78,294	48.4	704.88

(Note) Total shareholder's equity: FY March 2011: ¥76,530 million, FY March 2010: ¥77,708 million

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at term-end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY March 2011	9,818	(3,422)	(2,903)	24,361
FY March 2010	7,285	(2,469)	(2,344)	20,902

2. Dividend

	Dividend					Total dividends amount	Dividend payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total			
	yen	yen	yen	yen	yen	Millions of yen	%	%
FY March 2010	–	3.75	–	3.75	7.50	827	151.6	1.1
FY March 2011	–	3.75	–	3.75	7.50	827	136.8	1.1
FY March 2012 (forecast)	–	3.75	–	3.75	7.50		26.7	

3. Consolidated Forecast for FY March 2012 (Apr. 1, 2011 – Mar. 31, 2012)

(% Figures indicate increase/decrease ratios from the previous year for FY March 2012, and year-on-year increase/decrease ratios for the total (accumulated) in 2Q)

	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
Total in 2Q (accumulated)	82,000	4.2	1,000	–	1,200	775.1	600	–	5.44
FY March 2011	175,000	3.4	5,000	108.3	5,500	115.7	3,100	412.8	28.12

4. Other

(1) Changes in the number of material subsidiaries during the fiscal year: None
New — company(ies) (Company name:)
Excluded — company(ies) (Company name:)

(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:
i by new accounting standard Yes
ii by others Yes
(Note) For details, please refer to “(7) Significant Changes for the Preparation of Consolidated Financial Statements” on pages 18 to 19.

(3) Number of shares issued (Common stock)

i Number of shares issued (including treasury stock)	FY March 2011: 112,391,530	FY March 2010: 112,391,530
ii Number of shares of treasury stock	FY March 2011: 2,162,714	FY March 2010: 2,148,354
iii Average number of shares in the year	FY March 2011: 110,236,564	FY March 2010: 110,250,062

(Note) Non-Consolidated Business Results

1. Non-Consolidated Results for FY March 2011 (Apr. 1, 2010 – Mar. 31, 2011)

(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 2011	155,141	4.1	1,417	421.5	1,978	98.2	644	(16.1)
FY March 2010	148,964	(19.8)	271	(90.9)	998	(76.8)	768	(62.8)

	Net income per share	Fully diluted net income per share
	yen	yen
FY March 2011	5.84	–
FY March 2010	6.96	–

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY March 2011	145,815	66,088	45.3	598.81
FY March 2010	144,731	67,251	46.5	609.29

(Note) Total shareholders’ equity: FY March 2011: ¥66,088 million, FY March 2010: ¥67,251 million

* Presentation of proceedings of the Audit Procedure

• Since this Financial Results are exempted from the Audit Procedure stipulated in the Financial Instruments and Exchange Act, the audit procedure based on the aforementioned act has not been completed as of the date when this report is issued.

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

• The performance forecasts and other forward-looking statements contained herein are based on the information available to the Company at the time, and contain certain assumptions that the Company considers to be reasonable. They are subject to diverse factors that may cause actual results of operations and other items to differ significantly from the statements and forecasts. For a description of the assumptions underlying the performance forecasts and points to note when using performance forecasts, please refer to “1. Operating Results and Financial Position (1) Operating Results” on pages 2 and 3 of the Financial Results of the accompanying material.

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1. Operating Results and Financial Position

(1) Operating Results

1-1) Overview of FY March 2010

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 2010	169,294	2,399	2,549	604	5.48
FY March 2009	161,223	1,357	1,910	545	4.95
Changes (%)	5.0%	76.9%	33.4%	10.8%	10.9%

During the fiscal year under review, the Japanese economy showed gradual recovery led by strong demand from newly developed countries while favorable signs were seen in some corporate performances. However, the business climate surrounding Okamura Corporation (hereinafter the "Company") proved to be by far the most difficult it had ever experienced due to slow facility investment in the private corporate sector affected by the economic slowdown overseas and the continuing trend of Japanese strong yen amid the backdrop of the economic standstill.

Under these circumstances, the Okamura Group (hereinafter the "Group") focused on developing new products to meet changing social conditions and on cultivating new customer bases, while accelerating the cutting of costs and expenses as well as further promoted orders for total solutions through proposals.

Consequently, the Group's current net sales were ¥169,924 million (an increase of 5.0% year-on-year).

From a profit and loss perspective, gross profit increased due to growth in sales in the store displays and other segments (incl. material handling systems). As a result of strengthened efforts for earnings improvement initiatives, selling, general and administrative expenses decreased, leading to the Group's ordinary income amounted to ¥2,549 million (a year-on-year increase of 33.4%).

As the 2011 off the Pacific coast of Tohoku Earthquake brought damages to the Group including factory buildings, production facilities and products at NS Okamura Corporation (Kamaishi City, Iwate Pref.) and the Company's Tsukuba office, the Group's net income was ¥604 million (an increase of 10.8% year-on-year) owing to the extraordinary losses posted due to the disaster.

② Segment Performance (FY March 2010)

(million yen)

	Reported Segment			Others (Material Handling Systems)	Total
	Office Furniture	Store Displays	Total		
Net Sales	93,191	59,144	152,335	8,888	161,223
Segment profit (loss)	1,151	522	1,674	(317)	1,357

Segment Performance (FY March 2011)

(million yen)

	Reported Segment			Others (Material Handling Systems)	Total
	Office Furniture	Store Displays	Total		
Net Sales	91,661	64,732	156,393	12,900	169,294
Segment profit (loss)	1,567	837	2,404	(4)	2,399

i) Office Furniture

As for the Office Furniture segment, the demand for office relocation and renovation continued to face a challenging climate, as businesses curbed investments and cut expenses in reaction to the heightened sense of uncertainty about the economic outlook. On the other hand, office-related demand remained solid among companies seeking greater office efficiency and cost savings. The Company aggressively responded to these needs with proposals to introduce "green workplace" concept aimed at reducing the impact of offices on the environment and more creative way of working. Emphasis was also placed on developing demand among educational facilities, local governments and other customer sectors in the periphery of the office furniture market. These efforts however fell short of making up for the negative effects of the shrinking aggregate demand.

As a result, net sales in this segment were ¥91,661 million (a decrease of 1.6% year-on-year), and segment profit was ¥1,567 million (an increase of 36.1% year-on-year).

ii) Store Displays

In the Store Displays segment's business environment, although a partial recovery in personal consumption was confirmed as a result of the economic policy, it continued to remain challenging as distributors/retailers curbed their investments and shifted to smaller store formats. In such circumstances, the Company aggressively promoted the total store solutions including environmentally friendly designs and security system while meeting consumers' shifting needs and improving energy efficiency. Consequently, both net sales and profit increased.

As a result, net sales in this segment were ¥64,732 million (an increase of 9.4% year-on-year), and segment profit was ¥837 million (an increase of 60.4% year-on-year).

iii) Others (incl. Material Handling Systems)

In the Material Handling Systems segment, the Company narrowed the target to the fields that enjoy active investment, such as outsourcing business for logistics management and operations, and production facilities of new energy. The Company sought expansion of orders for total solution proposal through new products with outstanding proposal ability and achieved a growth in net sales through competitiveness, and deployment of aggressive marketing targeting solutions tailored for different business by harnessing synergies with other business segments.

As a result, this segment reported net sales of ¥12,900 million (an increase of 45.1% year-on-year) and a segment loss of ¥4 million (loss of ¥317 million in FY March 2010).

1-2) Outlook for Fiscal 2011

	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 2012	175,000	5,000	5,500	3,100	28.12
FY March 2011	169,294	2,399	2,549	604	5.48
Change (%)	3.4%	108.3%	115.7%	412.8%	412.8%

The Japanese economy in FY2011 is expected to face immeasurable aftermath of the 2011 Tohoku Earthquake and continuous challenging economic climates. While there are various demands for reconstruction after the disaster, the business circumstance surrounding the Group is expected to be continuously challenging due to low facility investment within private sector, maintained high rate of office vacancy and sluggish personal consumption.

Amid such circumstances, in the mainstay Office Furniture segment, responding to the needs of energy saving and security at office, the Company will aggressively expand the solution-based business model, its proven forte, by taking on the firm office demand arising from improvements in office efficiency, review of work styles and corporate restructuring. Particular emphasis will be put on proposals to introduce the "green workplace" concept. At the same time, the Company will step up the development of demand in the periphery of the office furniture market, specifically within a variety of public facilities, including educational facilities and local governments. Furthermore, in order to achieve cost reductions and higher quality, with the aim to strengthen international competitiveness from the mid to long-term perspectives, the Company will actively pursue developing its overseas business with a view to full-fledged entry into the global market. By making maximum use of its superior product development capabilities and technological expertise, the Company will work on developing products that incorporate new technologies and products that care for the environment through studies and office experimental laboratory.

In the Store Displays segment, with shrinking total demand, the difficult business environment is likely to continue. The Company will seek to increase sales by acquiring new customers by virtue of its strength in comprehensive offerings and by promoting total store solutions designed to meet shifting consumer needs and changing conditions in society. The Company will also seek to expand its business domain by developing the store maintenance and servicing business through SEC Co., Ltd., a consolidated subsidiary of the Company.

In others segment (incl. the Material Handling Systems), the Company will set its sights on logistics management outsourcing services, renewable energy production facilities, and other fields where investments are growing strongly. The Company will enhance its proposals to attract more orders for total solutions by taking advantage of proposals using logistics engineering and new products that are distinguished by their superiority. The Company will also undertake full-fledged action to promote sector-specific solutions by utilizing synergies with other business segments, in order to achieve a turnaround in revenues and earnings.

In terms of initiatives to improve profitability, the Company will implement further reductions in production costs by pursuing continuous productivity improvement and cost reduction efforts by virtue of OPS (Okamura Production System) while also working on restructuring production systems for better optimization. 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 2011, the Company anticipates consolidated net sales of ¥175 billion, consolidated ordinary income of ¥5.5 billion, and consolidated net income of ¥3.1 billion.

(2) Financial Position

① Total Assets, Liabilities and Net Assets

	FY March 2009	FY March 2010
Total assets (Millions of yen)	160,422	161,845
Net assets (Millions of yen)	78,294	76,638
Equity ratio	48.4%	47.3%
Net assets per share (yen)	704.88	694.28

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

Total assets amounted to ¥161,845 million, an increase of ¥1,422 million compared with the end of the previous fiscal year. Current assets increased by ¥4,666 million as a result of an increase in cash, time deposits and inventories, and fixed assets decreased by ¥3,244 million as a result of a decrease in tangible fixed assets.

Total liabilities amounted to ¥85,206 million, an increase of ¥3,078 million over the end of the previous fiscal year, as a result of a decrease in debts while there was an increase in trade notes and accounts payable.

Total net assets amounted to ¥76,638 million, a decrease of ¥1,656 million over the end of the previous fiscal year, primarily reflecting a decrease in net unrealized holding gains on other securities. The equity ratio decreased by 1.1 percentage points to 47.3%.

② Cash Flows

	FY March 2009 (Millions of yen)	FY March 2010 (Millions of yen)
Cash flows from operating activities	7,285	9,818
Cash flows from investing activities	(2,469)	(3,422)
Cash flows from financing activities	(2,344)	(2,903)
Cash and cash equivalents at the term (year) end	20,902	24,361
Borrowings and corporate bonds at the term (year) end	30,910	28,931

Below is a review of cash flows during the fiscal year under review:

Operating activities generated a net cash increase of ¥9,818 million (versus a net cash increase of ¥7,285 million in the previous fiscal year), reflecting inflows including depreciation expenses of ¥4,743 million, an increase in trade notes and accounts payable of ¥5,477 million, and outflows including an increase in inventories of ¥1,196 million.

Investing activities resulted in a net cash outflow of ¥3,422 million (versus a net cash outflow of ¥2,469 million in the previous fiscal year), reflecting outflows including disbursements of ¥1,830 million for the acquisition of tangible fixed assets and ¥2,072 million for the acquisition of investment securities. Inflows included a decrease of ¥798 million in time deposits.

Financing activities resulted in a net cash outflow of ¥2,903 million (versus a net cash outflow of ¥2,344 million in the previous fiscal year), reflecting proceeds from a decrease in long-term loans payable of ¥1,062 million and outlays including ¥829 million to pay cash dividends.

Consequently, cash and cash equivalents at the end of the fiscal year under review increased by ¥3,459 million to ¥24,361 million.

The balance of interest-bearing debt (borrowings and corporate bonds) at the end of the current term under review decreased by ¥1,978 million compared to the previous fiscal year to ¥28,931 million.

(Reference) Trends of cash flow indicators

	FY March 2007	FY March 2008	FY March 2009	FY March 2010	FY March 2011
Equity ratio (%)	42.9	42.7	45.5	48.4	47.3
Market value-based equity ratio (%)	76.4	40.9	29.5	41.0	31.9
Ratio of interest-bearing debt to cash flows (times)	6.3	2.4	4.0	4.2	2.9
Interest coverage ratio (times)	11.1	27.5	16.3	12.0	16.9

Equity ratio: Shareholders' equity/Total Assets

Market value-based equity ratio: Market capitalization/Total Assets
Ratio of interest-bearing debt to cash flows: Interest-bearing debt/Cash flows
Interest coverage ratio: Operating cash flow/Interest payments
(Note 1) All of the above cash flow indicators are calculated on a consolidated basis.
(Note 2) Market capitalization is calculated based on the total number of shares issued and outstanding adjusted for treasury stock.
(Note 3) Operating cash flow equals cash flows from operating activities stated in the Consolidated Statements of Cash Flows.
(Note 4) 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 ¥3.75 per share. Therefore, including the interim dividends (¥3.75 per share), dividends applicable to the year will be ¥7.50 per share.

Dividends for next fiscal year are forecast to be ¥7.50 per share.

(4) Possible Risks

Possible risks which may affect the Group's management performance, stock price and financial status are stated below. We strive to control and avoid them as much as possible. Please note that the risks listed below do not cover all the risks that may occur to the business in which the Group is engaged. All the assumptions about the future are based on the Group's decision as of the current fiscal year.

1) Risks in Financial Position, Management Performance and Cash Flow

(1) Competing conditions and price trends

Although the Group belongs to the intensely competitive industry, we try to excel others by making most of our unique products with outstanding technical capabilities. Even so, there are possibilities that competitors would model on our products' design and techniques and provide their products in the market at lower prices or take our market by their products with unique design and techniques. Moreover, due to the high pressure from the market for lower prices, the Group's profitability cannot be always guaranteed.

(2) Economic environments

Since the Group's share in Japan is over 90%, the demands for our products are highly susceptible to the domestic trends of facility investment. It is therefore possible that curbing facility investment due to declines in corporate revenues resulted from economic downturn may lead to diminished demands and adverse effect on the Group's performance or financial position.

(3) Risks in financing and interest-rate fluctuation

Due to the nature of manufacturing business, we must keep investing in purchasing and renewing the facilities needed for our current and future production. Despite the stable financing thanks to the fine relationship with the banks at present, sufficient financing may not always be guaranteed in the future. Although mostly fixed interest-rates in our long term loans and bonds allow little risks in the interest-rate fluctuation, later financial trends may affect the Group's performance in the future.

(4) Securities investment

The Group possesses long-held securities primarily of our main banks, subsidiaries and significant clients/suppliers. Possible price changes of those securities may affect the Group's performance.

2) Quality Control and Legal Restrictions

Maintaining product quality

Although the Group manufactures products in accordance with ISO 9001, the world-recognized quality standard, it is not assured that there will be no occurrence of unpredicted accidents or complaints in the future. The Group has insurance for Product Liability, but there are possibilities that the compensation may exceed the amount covered by it. Defects in our products may adversely affect the Group's evaluations, performance and financial position.

3) Matters arising from major lawsuits

Currently, the group is not under any ongoing lawsuit that may significantly affect the Group's future performance or no such case is filed. There are, however, possibilities that the Group may be prosecuted for various possible causes, including defective products, release of hazardous materials, breaches in intellectual property matters, arising from the Group's business activities. The result may have unfavorable effect on the Group's performance.

4) Natural Disasters and Others

Social turmoil caused by natural disasters, including earthquakes and floods, and fires may affect the Group's performance due to a halt of business activities, loss of opportunities, or expenses for reconstruction.

2. Group Companies

Since there was no significant change made to the Organization Chart or “Group Companies” in the previous financial report (filed on June 29, 2010), disclosure in this note has been omitted.

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. 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

1) Reducing Break-even Point

The Company will reduce its break-even point to sales ratio in the interest of ensuring growth in operating income. To this end, its manufacturing cost initiatives focus on reducing procurement costs and enhancing productivity by virtue of OPS, while its efforts to improve the structure of SG&A include reducing personnel members and overhauling overhead costs.

2) Office Furniture

The Company will aggressively expand its solution-based business model, its proven forte, with particular emphasis on promoting its “green workplace” solution, which seeks to minimize the environmental impact of the office while ensuring that it achieves its essential purpose and functions. It is based on the concept of caring for the environment from both office and worker standpoints. Furthermore, with private-sector demand for office space shrinking, the Company will step up the development of demand in the periphery of the office furniture market by enhancing dedicated marketing capabilities within a variety of public facilities, including educational facilities and local governments.

In developing new products, by making maximum use of its superior product development capabilities and technological expertise, the Company will emphasize the introduction of products incorporating new technologies and products featuring eco-friendly mechanisms.

3) Store Displays

The Company’s operating environment in the distribution/retail market is likely to continue to be difficult going forward, as retailers shift to smaller store formats in the face of stagnant personal consumption. Despite this environment, the Company will seek to increase sales by differentiating its offerings with total store solutions to create environmentally caring stores and energy efficient stores. The Company will also seek to expand its business domain by developing the store maintenance and servicing business.

4) Material Handling Systems

The Company will narrow the target to the fields that enjoy active investment, such as outsourcing business for logistics management and operations, and production facilities of new energy and process center. The Company will also seek expansion of orders for total solution proposal through new products with outstanding proposal ability and competitiveness, and deployment of aggressive marketing solutions tailored for different business by harnessing synergies with other business segments resulted in a growth in net sales.

5) Overseas Operations

In June 2008 the Company became the first Japanese office furniture manufacturer to open a permanent showroom in Chicago, and aggressively promoted Okamura Brand by participating various business shows overseas. Furthermore, effort will be made to expand resale network by developing new dealers in order to strengthen overseas business foundation. Going forward, in responding to major distributing/retailing companies’ development overseas, the Company will seek to expand and evolve into a global company by making most of capability of proposals for total solution and superior product quality.

(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)

	FY March 2010 (As of Mar. 31, 2010)	FY March 2011 (As of Mar. 31, 2011)
Assets		
Current assets		
Cash and time deposits	23,719	26,593
Trade notes and accounts receivable	43,079	43,542
Marketable securities	122	322
Merchandise and finished products	8,369	9,218
Work in process	1,101	1,163
Raw material and supplies	2,050	2,335
Deferred tax assets	956	792
Others	1,382	1,557
Allowance for doubtful debt	(47)	(34)
Total current assets	80,735	85,401
Fixed assets		
Tangible fixed assets		
Buildings and structures (at net book value)	15,697	14,565
Machinery, equipment and vehicles (at net book value)	7,626	6,231
Land	22,562	22,524
Construction in progress	33	43
Others (at net book value)	1,870	1,407
Total tangible fixed assets	*1 47,790	*1 44,773
Intangible fixed assets		
Goodwill	1,526	1,390
Others	2,246	2,087
Total intangible fixed assets	3,773	3,477
Investments and other assets		
Investment securities	*1, *2 18,975	*1, *2 18,967
Prepaid pension cost	2,485	2,723
Guarantee deposits	3,948	3,894
Deferred tax assets	1,614	1,650
Others	1,147	1,011
Allowance for doubtful debt	(48)	(54)
Total investments and other assets	28,123	28,192
Total fixed assets	79,687	76,443
Total assets	160,422	161,845

(Millions of yen)

	FY March 2010 (As of Mar. 31, 2010)	FY March 2011 (As of Mar. 31, 2011)
Liabilities		
Current liabilities		
Trade notes and accounts payable	29,529	34,083
Electronically recorded obligations	—	893
Short-term bank loans	*1, *3 9,820	*1, *3 8,904
Long-term debts due within one year	*1 2,355	*1 3,847
Bonds redeemed within one year	5,000	—
Income taxes payable	660	930
Consumption taxes payable	389	82
Allowance for bonus payable	907	899
Allowance for disaster loss	—	113
Others	2,731	2,654
Total current liabilities	51,393	52,410
Long-term liabilities		
Debenture bonds	5,000	10,000
Long-term loans payable	*1 8,734	*1 6,179
Deferred tax liabilities	1,592	732
Severance and employee retirement benefits	12,052	12,533
Others	3,354	3,350
Total long-term liabilities	30,734	32,796
Total liabilities	82,127	85,206
Net assets		
Owners' equity		
Capital stock	18,670	18,670
Capital surplus	16,759	16,759
Retained earnings	42,126	41,903
Treasury stock, at cost	(2,362)	(2,369)
Total owners' equity	75,194	74,964
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	2,811	1,903
Foreign currency translation adjustments	(297)	(337)
Total accumulated other comprehensive income	2,513	1,565
Minority interests	586	108
Total net assets	78,294	76,638
Total liabilities and net assets	160,422	161,845

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

Consolidated Statements of income

(Millions of yen)

	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)	FY March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)
Net sales	161,223	169,294
Cost of sales	*1 111,481	*1 118,932
Gross profit	49,742	50,362
Selling, general and administrative expenses		
Selling expenses	1,821	2,111
Packing and transportation expense	7,452	7,489
Salaries and allowances	16,590	16,397
Provision for allowance for bonus payable	644	563
Retirement benefits	1,256	1,056
Depreciation and amortization expenses	1,786	1,631
Rent	6,744	6,292
Others	12,089	12,422
Total selling, general and administrative expenses	*1 48,385	*1 47,962
Operating income	1,357	2,399
Other income		
Interest income	36	34
Dividend income	305	358
Amortization of negative goodwill	198	198
Equity in earnings of affiliated companies	42	—
Subsidy income	238	—
Others	603	443
Total other income	1,425	1,034
Other expenses		
Interest expense	625	574
Others	246	310
Total other expenses	871	884
Ordinary income	1,910	2,549
Extraordinary income		
Gain on sale of property, plant and equipment	*2 0	*2 175
Gain on sale of investment securities	388	2
Reversal of allowance for doubtful accounts	22	—
Others	1	—
Total extraordinary income	412	177
Extraordinary losses		
Loss on disposal of property, plant and equipment	*3 166	*3 144
Impairment loss on investment securities	97	81
Loss due to disaster	—	*4 1,192
Others	76	133
Total extraordinary losses	341	1,551
Income before income taxes for the term (fiscal year)	1,982	1,175
Income taxes	903	1,117
Adjustments on income taxes	551	(68)
Total income taxes	1,455	1,048
Net income before minority interests	—	126
Minority interests in earnings (losses)	(18)	(477)
Net income	545	604

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)	FY March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)
Net income before minority interests	—	126
Other comprehensive income		
Unrealized holding gains (losses) on securities	—	(967)
Foreign currency translation adjustments	—	(25)
Share in other comprehensive income of equity-method associates	—	45
Total other comprehensive income	—	*2 (948)
Comprehensive income	—	*1 (821)
(Details)		
Comprehensive income attributable to owners of the parent	—	(343)
Comprehensive income attributable to minority shareholders	—	(477)

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)	FY March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)
Owners' equity		
Capital stock		
Opening balance	18,670	18,670
Changes during period		
Total changes during period	–	–
Ending balance	18,670	18,670
Capital surplus		
Opening balance	16,759	16,759
Changes during period		
Total changes during period	–	–
Ending balance	16,759	16,759
Retained earnings		
Opening balance	42,547	42,216
Changes during period		
Dividends	(965)	(827)
Net income	545	604
Total changes during period	(420)	(223)
Ending balance	42,126	41,903
Treasury stock, at cost		
Opening balance	(2,354)	(2,362)
Changes during period		
Acquisition of treasury stock	(7)	(7)
Total changes during period	(7)	(7)
Ending balance	(2,362)	(2,369)
Total owners' equity		
Opening balance	75,622	75,194
Changes during period		
Dividends	(965)	(827)
Net income	545	604
Acquisition of treasury stock	(7)	(7)
Total changes during period	(428)	(230)
Ending balance	75,194	74,964

(Millions of yen)

	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)	FY March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)
Accumulated Other Comprehensive Income		
Unrealized holding gains (losses) on securities		
Opening balance	1,057	2,811
Changes during period		
Net changes of net assets other than owners' equity during period	1,753	(908)
Total changes during period	1,753	(908)
Ending balance	2,811	1,903
Foreign currency translation adjustments		
Opening balance	(345)	(297)
Changes during period		
Net changes of net assets other than owners' equity during period	47	(39)
Total changes during period	47	(39)
Ending balance	(297)	(337)
Total Accumulated Other Comprehensive Income		
Opening balance	712	2,513
Changes during period		
Net changes of net assets other than owners' equity during period	1,801	(948)
Total changes during period	1,801	(948)
Ending balance	2,513	1,565
Minority interests		
Opening balance	604	586
Changes during period		
Net changes of net assets other than owners' equity during period	(18)	(477)
Total changes during period	(18)	(477)
Ending balance	586	108
Total net assets		
Opening balance	76,939	78,294
Changes during period		
Dividends	(965)	(827)
Net income	545	604
Acquisition of treasury stock	(7)	(7)
Net changes of net assets other than owners' equity during period	1,782	1,425
Total changes during period	1,354	1,656
Ending balance	78,294	76,638

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)	FY March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)
Cash flows from operating activities		
Income before income taxes for the term (fiscal year)	1,982	1,175
Depreciation expense	5,450	4,743
Amortization of negative goodwill	(198)	(198)
Loss (gain) on sales of property, plant and equipment	166	(30)
Loss (gain) on equity in earnings of affiliated companies	(42)	70
Increase (decrease) in allowance for doubtful debt	(78)	(6)
Increase (decrease) in allowance for bonus payable	(628)	(7)
Increase (decrease) in allowance for employee retirement benefits	374	242
Interest and dividend income	(342)	(392)
Interest expense	625	574
Loss (gain) on sale of investment securities	(367)	6
Loss (gain) on devaluation of investment securities	97	81
Decrease (increase) in notes and accounts receivable	4,520	(372)
Decrease (increase) in inventories	4,268	(1,196)
Increase (decrease) in notes and accounts payable	(7,726)	5,477
Others	249	661
Sub-total	8,352	10,829
Interest and dividends received	364	399
Interest expenses paid	(609)	(582)
Income taxes paid	(821)	(829)
Cash flows from operating activities	7,285	9,818
Cash flows from investing activities		
Outlay for placement of time deposits	(4,233)	(1,775)
Proceeds from withdrawal of time deposits	3,434	2,573
Payment for purchase of property, plant and equipment	(1,921)	(1,830)
Proceeds from sale of property, plant and equipment	177	217
Payment for purchase of intangible fixed assets	(657)	(446)
Payment for purchase of investment securities	(546)	(2,072)
Proceeds from sale and redemption of investment securities	1,030	47
Others	245	(136)
Cash flows from investing activities	(2,469)	(3,422)

(Millions of yen)

	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)	FY March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)
Cash flows from financing activities		
Net increase (decrease) in short-term bank loans	(58)	(904)
Proceeds from long-term bank loans	600	1,350
Repayments of long-term debt	(1,823)	(2,412)
Proceeds from issuance of corporate bonds	5,000	5,000
Outlays for redemption of corporate bonds	(5,000)	(5,000)
Payment for purchase of treasury stock	(4)	(4)
Cash dividends	(967)	(829)
Others	(90)	(102)
Cash flows from financing activities	(2,344)	(2,903)
Effect on exchange rate changes on cash and cash equivalents	5	(31)
Increase (decrease) in cash and cash equivalents	2,477	3,459
Cash and cash equivalents at beginning of the year	18,425	20,902
Cash and cash equivalents at the end of the year	*1 20,902	*1 24,361

(5) Events or Conditions That May Cast Significant Doubt on the Going Concern Assumption

Not applicable

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

	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)	FY March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)
1. Scope of consolidation	(1) Consolidated subsidiaries The number of subsidiaries: 15 The names of the major consolidated subsidiaries: Kansai Okamura Manufacturing Co., Ltd. Okamura Logistics Corporation NS Okamura Corporation Sanyo Okamura Corporation Okamura Support and Service Corporation Shanghai Okamura Furniture and Logistic System Co., Ltd. Seeder Co., Ltd. Fuji Seiko Honsha Co., Ltd. SEC Co., Ltd. The Company established a new entity called SEC Retail Service Co., Ltd. on January 20, 2010, which is added to the scope of consolidation effective with this consolidated fiscal year. (2) Non-consolidated subsidiaries Not applicable.	(1) Consolidated subsidiaries The number of subsidiaries: 16 The names of the major consolidated subsidiaries: Kansai Okamura Manufacturing Co., Ltd. Okamura Logistics Corporation NS Okamura Corporation Sanyo Okamura Corporation Okamura Support and Service Corporation Shanghai Okamura Furniture and Logistic System Co., Ltd. Seeder Co., Ltd. Fuji Seiko Honsha Co., Ltd. SEC Co., Ltd. The Company established a new entity called Td Japan Co., Ltd. on September 17, 2010, which is added to the scope of consolidation effective with this consolidated fiscal year. (2) Non-consolidated subsidiaries Not applicable.
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 major equity method affiliates: Siam Okamura Steel Co., Ltd. Siam Okamura International Co., Ltd. (3) Non-consolidated subsidiaries not accounting for the equity method Not applicable. (4) Affiliates not accounting for the equity method Not applicable. (5) Those equity method companies whose date of yearly settlement of accounts differs from the date of yearly settlement of consolidated accounts are accounted for using their financial statements prepared according to their operating year.	(1) Equity method non-consolidated subsidiaries Same as left. (2) Equity method affiliates Number of equity method affiliates: 4 companies. The names of major equity method affiliates: Siam Okamura Steel Co., Ltd. Siam Okamura International Co., Ltd. Due to acquisition of stocks, Nihon Densan Setsubi Co., Ltd. and LexSol Co., Ltd. are added to the scope of equity method with this consolidated fiscal year. (3) Non-consolidated subsidiaries not accounting for the equity method Same as left. (4) Affiliates not accounting for the equity method Same as left. (5) 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., and September 30 for SEC Co., Ltd and SEC Retail Service 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. As for SEC Co., Ltd., its financial statements prepared as of the date of provisional settlement of accounts (December 31) were used for consolidation, and as for SEC Retail Service Co., Ltd., its balance sheet prepared as of its establishment was used for consolidation. 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. As for Fuji Seiko Honsha Co., Ltd., due to a change in its date of yearly settlement of accounts from December 31 to March 31, the subsidiary was consolidated for the period of 15 months from January 1, 2009 to March 31, 2010. The effect of this change on income was negligible.	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. As for SEC Co., Ltd. and SEC Retail Co., Ltd., due to a change in its date of yearly settlement of accounts from September 30 to March 31, the subsidiary was consolidated for the period of 15 months from January 1, 2010 to March 31, 2011. The effect of this change on income was negligible.

4. Standards of accounting allowances	—	(1) Allowance for disaster loss Due to the damage of facilities from the disaster, the estimated reconstruction expenses expected to incur from the consolidated fiscal year 2012 is included.

Except for the notes above, because there has been no major change made to the Significant Items for the Preparation of Consolidated Financial Statements in the last financial report (filed on June 29, 2010), other disclosure in this note has been omitted.

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

[Changes to Accounting Standards]

FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)	FY March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)
	(Application of "Accounting Standard for Equity Method" and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method") From the current consolidated fiscal year, "Accounting Standard for Equity Method" (ASBJ Statement No.16, Accounting Standards Board of Japan, March 10, 2008) and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (ASBJ Statement No.24, Accounting Standards Board of Japan, March 10, 2008) have been applied. The effect of this change on income was negligible. (Application of "Accounting Standard for Asset Retirement" and other standard) From the current consolidated fiscal year1, "Accounting Standard for Asset Retirement" (ASBJ Statement No. 18, Accounting Standards Board of Japan, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement" (ASBJ Statement No. 21, Accounting Standards Board of Japan, March 31, 2008) have been applied. Due to these changes, both operating income and ordinary income decreased by 10 million yen and income before income taxes for the term by 58 million yen in the current consolidated fiscal year compared to the case where the conventional method is applied.

[Changes to Financial Statements Format]

FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)	FY March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)
(Consolidated Statements of Income) 1. "Refund of premium for cancelled insurance," subdivided and separately classified in the previous consolidated fiscal year (which amounts to ¥6 million in this consolidated fiscal year), is included in "others" in other income commencing with this consolidated fiscal year, because it is insignificant in value. 2. "Loss on disposal of property, plant and equipment," subdivided and separately classified in the previous consolidated fiscal year (which amounts to ¥107 million in this consolidated fiscal year), is included in "loss on disposal/sale of property, plant and equipment" commencing with this consolidated fiscal year. (Consolidated Statements of Cash Flows) "Loss on disposal of property, plant and equipment," subdivided and separately classified in the previous consolidated fiscal year (which amounts to ¥107 million in this consolidated fiscal year), is included in "loss (gain) on disposal/sale of property, plant and equipment" commencing with this consolidated fiscal year.	(Consolidated Statements of Income) 1. "Income before minority interests" is presented in accordance with the "Cabinet Office Ordinance for Partial Revision of the Regulations of Terminology, Forms and Preparation Methods of Financial Statements" (Cabinet Office Ordinance No.5 of March 24, 2009) based on the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, Accounting Standards Board of Japan, December 26, 2008). 2. Details of "Selling, general and administrative expenses", presented collectively in the previous consolidated fiscal year, are separately presented by items. (Consolidated Statements of Cash Flows) —

(Additional Information)

FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)	FY March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)
—	"Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No.25, Accounting Standards Board of Japan, June 30, 2010) has been applied from this consolidated fiscal year. However the amount of "Accumulated Other Comprehensive Income" and "Total Accumulated Other Comprehensive Income" is presented as the amount of "Valuation and Translation Adjustments" and "Total Valuation and Translation Adjustments" from the current consolidated fiscal year.

(8)Notes

(Consolidated Balance Sheet)

FY March 2010 (As of Mar. 31, 2010)	FY March 2011 (As of Mar. 31, 2011)
*1 (1) Accumulated depreciation of tangible fixed assets amounted to ¥94,488 million.	*1 (1) Accumulated depreciation of tangible fixed assets amounted to ¥92,510 million.
(2) Those of these assets that were hypothecated and liabilities corresponding to them are as follows: Amount of pledged assets (book value) Buildings and structures ¥3,179 million Land ¥7,847 million Investment securities ¥28 million Total ¥11,056 million Within the above, assets offered as mortgage for factory foundation Buildings and structures ¥281 million Land ¥282 million Total ¥563 million	(2) Those of these assets that were hypothecated and liabilities corresponding to them are as follows: Amount of pledged assets (book value) Buildings and structures ¥3,068 million Land ¥7,847 million Investment securities ¥23 million Total ¥10,939 million Within the above, assets offered as mortgage for factory foundation Buildings and structures ¥349 million Land ¥282 million Total ¥631 million
Liabilities relevant to the above Short-term bank loans ¥3,052 million Long-term debts due within one year ¥210 million Long-term loans payable ¥145 million Total ¥3,407 million Within the above, liabilities corresponding to mortgage for factory foundation Short-term bank debts ¥1,052 million Long-term debts due within one year ¥163 million Long-term debts ¥112 million Total ¥1,327 million	Liabilities relevant to the above Short-term bank loans ¥2,685 million Long-term debts due within one year ¥230 million Long-term loans payable ¥285 million Total ¥3,200 million Within the above, liabilities corresponding to mortgage for factory foundation Short-term bank loans ¥685 million Long-term debts due within one year ¥202 million Long-term loans payable ¥280 million Total ¥1,167 million
*2 Balances held in affiliates are as follows: Investment securities (equity shares) ¥1,328 million	*2 Balances held in affiliates are as follows: Investment securities (equity shares) ¥1,660 million
*3 For the purpose of raising working capital efficiently, the Company has entered into a specified commitment line agreement with the main financial institutions it transacts with. Total amount under specified commitment line agreements ¥12,000 million Outstanding loans borrowed ¥1,000 million Balance ¥11,000 million	*3 For the purpose of raising working capital efficiently, the Company has entered into a specified commitment line agreement with the main financial institutions it transacts with. Total amount under specified commitment line agreements ¥12,100 million Outstanding loans borrowed ¥1,000 million Balance ¥11,100 million

(Consolidated Statements of income)

FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)	FY March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)
*1 R&D cost included in selling, general and administrative expenses and cost of sales amounted to ¥755 million. *2 Details of gain on sales of property, plant and equipment are as follows: Machinery, equipment and vehicles ¥0 million Others ¥0 million Total ¥0 million *3 Details of loss on disposal/sale of property, plant and equipment are as follows: Buildings and structures ¥21 million Machinery, equipment and vehicles ¥40 million Land ¥41 million Others ¥62 million Total ¥166 million —	*1 R&D cost included in selling, general and administrative expenses and cost of sales amounted to ¥799 million. *2 Details of gain on sales of property, plant and equipment are as follows: Machinery, equipment and vehicles ¥0 million Land ¥174 million Others ¥0 million Total ¥175 million *3 Details of gain on sales of property, plant and equipment are as follows: Buildings and structures ¥60 million Machinery, equipment and vehicles ¥50 million Others ¥32 million Total ¥144 million — *4 Details of loss due to disaster are as follows: Loss on disposal of inventories ¥280 million Loss on retirement of fixed assets ¥748 million Repair cost ¥60 million Others ¥103 million Total ¥1,192 million

(Consolidated Statement of Comprehensive Income)

FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)	FY March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)
	*1 Comprehensive income of the consolidated fiscal year prior to the current consolidated fiscal year: Comprehensive income attributable to owners of the parent ¥2,346 million Comprehensive income attributable to minority shareholders (losses) (¥18 million) Total ¥2,328 million *2 Other comprehensive income of the consolidated fiscal year prior to the current consolidated fiscal year: Unrealized holding gains (losses) on securities ¥1,753 million Foreign currency translation adjustments ¥7 million Share in other comprehensive income of equity-method associates ¥40 million Total ¥1,801 million

(Consolidated Statements of Changes in Net Assets)

FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)

1. Types and numbers of shares issued

Type of stock	Number of shares at the end of the previous year	Increase	Decrease	Number of shares at the end of the term
Common stock (shares)	112,391,530	–	–	112,391,530

2. Treasury stock

Type of stock	Number of shares at the end of the previous year	Increase	Decrease	Number of shares at the end of the term
Common stock (shares)	2,133,951	14,403	–	2,148,354

(Outline of change factors)
The details of increase are as stated below:
Increase due to purchase of fractional shares 9,856 shares
Increase due to acquisition of treasury stock by equity-method affiliates which belong to us 4,547 shares

3.Stock acquisition rights and others

Not applicable.

4.Dividends

(1)Dividends paid during the fiscal year

Resolved	Type	Total amount (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders' held on June 26, 2009	Common stock	551	5.00	March 31, 2009	June 29, 2009
Board of Directors held on October 21, 2009	Common stock	413	3.75	September 30, 2009	December 10, 2009

(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 (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders' held on June 29, 2010	Common stock	Retained earnings	413	3.75	March 31, 2010	June 30, 2010

FY March 2011 (from Apr. 1, 2010 to Mar. 31, 2011)

1.Types and numbers of shares issued

Type of stock	Number of shares at the end of the previous year	Increase	Decrease	Number of shares at the end of the term
Common stock (shares)	112,391,530	–	–	112,391,530

2.Treasury stock

Type of stock	Number of shares at the end of the previous year	Increase	Decrease	Number of shares at the end of the term
Common stock (shares)	2,148,354	14,360	–	2,162,714

(Outline of change factors)
The details of increase are as stated below:
Increase due to purchase of fractional shares 9,823 shares
Increase due to acquisition of treasury stock by equity-method affiliates which belong to us 4,537 shares

3.Stock acquisition rights and others

Not applicable.

4.Dividends

(1) Dividends paid during the fiscal year

Resolved	Type	Total amount (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders' held on June 29, 2010	Common stock	413	3.75	March 31, 2010	June 30, 2010
Board of Directors held on October 22, 2010	Common stock	413	3.75	September 30, 2010	December 10, 2010

(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 (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders' held on June 29, 2011	Common stock	Retained earnings	413	3.75	March 31, 2011	June 30, 2011

(Consolidated Cash Flow Statement)

FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)	FY March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)
*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 ¥23,719 million Time deposits—over three months (¥2,940 million) Short-term investment securities—within three months ¥122 million Cash and cash equivalents ¥20,902 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 ¥26,593 million Time deposits—over three months (¥2,252 million) Short-term investment securities—within three months ¥21 million Cash and cash equivalents ¥24,361 million

(Securities)

Consolidated Fiscal Year March 2010

1. Held-to-maturity bonds (As of Mar. 31, 2010)

(Millions of yen)

Items	Consolidated Balance Sheet amount at consolidated settlement date	Fair value at consolidated settlement date	Difference
Held-to-maturity bonds with fair value exceeding Consolidated Balance Sheet amount	806	829	22
Held-to-maturity bonds with fair value not exceeding Consolidated Balance Sheet amount	10	9	(0)
Total	816	838	22

2. Other securities (As of Mar. 31, 2011)

(Millions of yen)

Items	Consolidated Balance Sheet amount at consolidated settlement date	Acquisition cost	Difference
Other securities with Consolidated Balance Sheet amount exceeding acquisition cost			
(1) Stocks	12,891	7,376	5,514
(2) Others	47	47	0
Sub-total	12,938	7,423	5,515
Other securities with Consolidated Balance Sheet amount not exceeding acquisition cost			
(1) Stocks	3,663	4,433	(770)
(2) Others	144	147	(3)
Sub-total	3,807	4,581	(773)
Total	16,746	12,004	4,741

(Note) Acquisition cost is the book value after impairment accounting. Impairment accounting is carried out in the current consolidated fiscal year and ¥97 million of impairment loss on investment securities is included in this report.
In case the term end cost decreases by over 50% compared to the acquisition cost, impairment accounting is applied to all. If the range of the decrease is 30-50%, impairment accounting is applied to the amount in which impairment is recognized to be necessary considering the possibility of recovery.

3. Other securities sold during the year (From Apr. 1, 2009 to Mar. 31, 2010)

(Millions of yen)

Items	Proceeds from sales	Gross gain on sales	Gross loss on sales
(1) Stocks	527	388	–
(2) Others	85	–	21
Total	612	388	21

(Securities)

Consolidated Fiscal Year March 2011

1. Held-to-maturity bonds (As of Mar. 31, 2011)

(Millions of yen)

Items	Consolidated Balance Sheet amount at consolidated settlement date	Fair value at consolidated settlement date	Difference
Held-to-maturity bonds with fair value exceeding Consolidated Balance Sheet amount	1,211	1,232	21
Held-to-maturity bonds with fair value not exceeding Consolidated Balance Sheet amount	326	323	(2)
Total	1,537	1,556	18

2. Other securities (As of Mar. 31, 2011)

(Millions of yen)

Items	Consolidated Balance Sheet amount at consolidated settlement date	Acquisition cost	Difference
Other securities with Consolidated Balance Sheet amount exceeding acquisition cost			
(1) Stocks	10,215	5,826	4,389
(2) Others	—	—	—
Sub-total	10,215	5,826	4,389
Other securities with Consolidated Balance Sheet amount not exceeding acquisition cost			
(1) Stocks	4,962	6,223	(1,260)
(2) Others	668	688	(19)
Sub-total	5,631	6,911	(1,279)
Total	15,847	12,737	3,109

(Note) Acquisition cost is the book value after impairment accounting. Impairment accounting is carried out in the current consolidated fiscal year and ¥97 million of impairment loss on investment securities is included in this report.
In case the term end cost decreases by over 50% compared to the acquisition cost, impairment accounting is applied to all. If the range of the decrease is 30-50%, impairment accounting is applied to the amount in which impairment is recognized to be necessary considering the possibility of recovery.

3. Other securities sold during the year (From Apr. 1, 2010 to Mar. 31, 2011)

(Millions of yen)

Items	Proceeds from sales	Gross gain on sales	Gross loss on sales
(1) Stocks	41	2	9
(2) Others	106	–	—
Total	148	2	9

(Retirement Benefits)

FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)	FY March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)
1 Established retirement benefit arrangements The Company and five domestic consolidated subsidiaries provided a retirement benefit program comprising a defined-contribution annuity plan and a defined-benefit lump-sum severance allowance. Some other domestic consolidated subsidiaries provided a retirement benefit program comprising a defined-benefit lump-sum severance allowance plan or qualified retirement plan.	1 Established retirement benefit arrangements The Company and five domestic consolidated subsidiaries provided a retirement benefit program comprising a defined-contribution annuity plan and a defined-benefit lump-sum severance allowance. Some other domestic consolidated subsidiaries provided a retirement benefit program comprising a defined-benefit lump-sum severance allowance plan or qualified retirement plan.
2 Retirement benefit obligation (As of March 31, 2010)	2 Retirement benefit obligation (As of March 31, 2011)

(Millions of yen)

	FY March 2010	FY March 2011
(1) Benefit obligation	(17,567)	(17,618)
(2) Pension assets	7,560	7,002
(3) Unfunded benefit obligation (1 +2)	(10,007)	(10,616)
(4) Unrecognized actuarial difference	2,518	2,646
(5) Unrecognized past service obligation	(2,078)	(1,840)
(6) Consolidated Balance Sheet net benefit liability (3+4+5)	(9,567)	(9,809)
(7) Prepaid pension cost	2,485	2,723
(8) Allowance for retirement benefits (6-7)	(12,052)	(12,533)

3 Retirement benefit expense (From April 1, 2009 to March 31, 2010) / (From April 1, 2010 to March 31, 2011)

(Millions of yen)

	FY March 2010	FY March 2011
(1) Service cost	899	856
(2) Interest cost	344	348
(3) Expected return on plan assets	(126)	(151)
(4) Amortization of past service obligation	(206)	(213)
(5) Amortization of actuarial difference	647	380
(6) Contributions to the defined contribution pension program	367	380
(7) Retirement benefit expense (1+2+3+4+5+6)	1,926	1,601

4 Basis for calculating retirement benefit obligation and others

FY March 2010:

(1) Method to periodically allocate projected benefit obligation	Allocated equally to each service year.
(2) Discount rate	2.0%
(3) Expected return on pension assets	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.)

(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.)

FY March 2011: Same as noted in the left column

(Accounting for Deferred tax assets)

FY March 2010 (As of Mar. 31, 2010)		FY March 2011 (As of Mar. 31, 2011)	
1 Significant components of deferred income tax assets and liabilities		1 Significant components of deferred income tax assets and liabilities	
(1) Current assets and liabilities		(1) Current assets and liabilities	
Deferred tax assets		Deferred tax assets	
Allowance for bonus payable	¥370 million	Allowance for bonus payable	¥368 million
Accrued enterprise taxes	¥76 million	Accrued enterprise taxes	¥107 million
Accrued property taxes	¥297 million	Accrued property taxes	¥115 million
Valuation loss on raw materials and finished products	¥54 million	Valuation loss on raw materials and finished products	¥54 million
Others	¥172 million	Others	¥223 million
Sub-total deferred tax assets	¥971 million	Sub-total deferred tax assets	¥869 million
Valuation allowance	(¥14 million)	Valuation allowance	(¥76million)
Total deferred tax assets	¥956 million	Total deferred tax assets	¥792 million
(2) Non-current assets and liabilities		(2) Non-current assets and liabilities	
Deferred tax assets		Deferred tax assets	
Severance and employee retirement benefits	¥5,099 million	Severance and employee retirement benefits	¥5,251 million
Unrealized gross profits from sales of property, plant and equipment	¥744 million	Unrealized gross profits from sales of property, plant and equipment	¥744 million
Loss carried forward	¥879 million	Loss carried forward	¥1,472 million
Unrealized loss on golf memberships	¥203 million	Unrealized loss on golf memberships	¥203 million
Others	¥410 million	Others	¥507 million
Sub-total deferred tax assets	¥7,338 million	Sub-total deferred tax assets	¥8,179 million
Valuation allowance	(¥1,771 million)	Valuation allowance	(¥2,386 million)
Total deferred tax assets	¥5,566 million	Total deferred tax assets	¥5,793 million
Offset against deferred tax liabilities	(¥3,952 million)	Offset against deferred tax liabilities	(¥4,142 million)
Net deferred tax assets	¥1,614 million	Net deferred tax assets	¥1,650 million
Deferred tax liabilities		Deferred tax liabilities	
Deferred gains on property, plant and equipment	¥3,446 million	Deferred gains on property, plant and equipment	¥3,393 million
Unrealized holding gains (losses) on securities	¥1,974 million	Unrealized holding gains (losses) on securities	¥1,310 million
Valuation difference based on the full fair value method	¥114 million	Valuation difference based on the full fair value method	¥114 million
Others	¥9 million	Others	¥56 million
Total deferred tax liabilities	¥5,545 million	Total deferred tax liabilities	¥4,874 million
Offset against deferred tax assets	(¥3,952 million)	Offset against deferred tax assets	(¥4,142million)
Net deferred tax liabilities	¥1,592 million	Net deferred tax liabilities	¥732 million
2 Significant components of difference between statutory tax rate and effective tax rate after adjustments for tax effect accounting		2 Significant components of difference between statutory tax rate and effective tax rate after adjustments for tax effect accounting	
Statutory tax rate	40.7%	Statutory tax rate	40.7%
(Reconciliation)		(Reconciliation)	
Non-deductible expenses	6.5	Non-deductible expenses	12.1
Non-taxable dividend income	(2.6)	Non-taxable dividend income	(6.4)
Per capita inhabitant tax	5.4	Per capita inhabitant tax	8.7
Special deduction of experimental and research expenses, others	(2.2)	Special deduction of experimental and research expenses, others	(4.0)
Valuation allowance	27.4	Valuation allowance	52.3
Others	(1.8)	Loss from revaluation of stocks of affiliated companies	(19.2)
Effective tax rate	73.4%	Amortization of consolidation adjustment account	3.5
		Income (loss) in earnings of affiliated companies	2.4
		Others	(0.9)
		Effective tax rate	89.2%

(Segment Information)

[Business Segment Information]

FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)

Item	Office Furniture (Millions of yen)	Store Displays (Millions of yen)	Material Handling Systems (Millions of yen)	Total (Millions of yen)	Unallocated and Eliminations (Millions of yen)	Consolidated (Millions of yen)
I. Net sales and operating income (loss)						
Net sales						
(1) Net sales to external customers	93,191	59,144	8,888	161,223	–	161,223
(2) Internal sales or transfers between segments	–	–	–	–	(–)	–
Total	93,191	59,144	8,888	161,223	–	161,223
Operating expenses	92,039	58,621	9,205	159,866	(–)	159,866
Operating income (loss)	1,151	522	(317)	1,357	(–)	1,357
II. Net asset, depreciation and capital expenditure						
Total assets	76,455	34,931	9,704	121,091	39,330	160,422
Depreciation expenses	3,886	1,008	554	5,450	(–)	5,450
Capital expenditure	1,963	333	170	2,467	(–)	2,467

(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	Racks and stackers for factories and warehouses, Automated material handling systems, Torque converters for industrial and construction equipment, Real estate leasing, Insurance

3 Out of total assets, corporate assets included in the unallocated and eliminations item amounted to ¥39,330 million at the end of this year, and consisted primarily of cash and time deposits and investment securities and others.

[Geographically Segmented Information]

FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)

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

[Overseas Sales]

FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)

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

[Segment Information]

(Additional Information)

Accounting Standard for Disclosures about Segments of an Enterprise and Related information (ASBJ Statement No. 17, Accounting Standards Board of Japan, March 27, 2009) and Accounting Standard for Disclosures about Fair Value of Investment and Rental Property (ASBJ Statement No. 20, Accounting Standards Board of Japan, March 21, 2008) are applied from the current consolidated fiscal year.

1. Overview of Reporting Segments

The segments included in this report are; the segments of which separated financial information is available, and the Board Meeting regularly review to decide on allocation of management resources and evaluate the performance. We develop comprehensive product and service strategies under the system, where manufacturing and sales are individually operated, and put them into execution.

We, therefore, have segments according to Product and Service based on manufacturing/sales system, and there are two reporting segments of “Office Furniture” and “Store Display.”

“Office Furniture” includes manufacturing and sales of furniture of private offices and public facilities as well as security systems while “Store Display” includes showcases for stores, refrigerated showcases, counters for stores.

2. Calculation method for income, profit/loss, property, liabilities and other according to segments

The accounting method is generally identical to the details of “Significant Items for the Preparation of Consolidated Financial Statements.”

3. Information about income, profit (loss), property, liabilities and others according to segments

FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)

Millions of yen

	Reporting Segments						
	Office Furniture	Store Displays	Total	Others (Note 1)	Total	Adjusted amount (Note 2)	Amount reported in the consolidated financial statements (Note 3)
Net sales							
Net sales to external customers	93,191	59,144	152,335	8,888	161,223		161,223
Internal sales or transfers between segments	–	–		–	–		–
Total	93,191	59,144	152,335	8,888	161,223		161,223
Segment income (loss)	1,151	522	1,674	(317)	1,357		1,357
Segment property	76,455	34,931	111,387	9,704	121,091	39,330	160,422
Other items							
Depreciation expenses	3,886	1,008	4,895	554	5,450		5,450
Increase in tangible fixed assets and intangible fixed assets	1,963	333	2,296	170	2,467		2,467

Note 1. “Others” are business segments that are not included in the reporting segments, and include Material Handling Systems and Torque Converter Systems.

2. The adjusted amount of ¥39,330 million of Segment assets includes corporate assets that are not allocated to each reporting segment. Corporate assets consist primarily of cash and time deposits and investment securities not attributing to the reporting segments.

3. Total of Segment income (loss) conforms with Operating income on Consolidated Statements of Income.

FY March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)

Millions of yen

	Report Segments						
	Office Furniture	Store Displays	Total	Others (Note 1)	Total	Adjusted amount (Note 2)	Amount reported in the consolidated financial statements (Note 3)
Net sales Net sales to external customers	91,661	64,732	156,393	12,900	169,294	–	169,294
Internal sales or transfers between segments	–	–		–	–	–	–
Total	91,661	64,732	156,393	12,900	169,294	–	169,294
Segment income (loss)	1,567	837	2,404	(4)	2,399	–	2,399
Segment property	75,787	35,266	111,054	10,216	121,270	40,574	161,845
Other items Depreciation expenses	3,397	908	4,306	437	4,743	–	4,743
Increase in tangible fixed assets and intangible fixed assets	1,798	449	2,248	242	2,490	–	2,490

Note 1. "Others" are business segments that are not included in the reporting segments, and include Material Handling Systems and Torque Converter Systems.

2. The adjusted amount of ¥40,574 million of Segment assets includes corporate assets that are not allocated to each reporting segment. Corporate assets consist primarily of cash and time deposits and investment securities not attributing to the reporting segments.

3. Total of Segment income (loss) conforms with Operating income on Consolidated Statements of Income.

[Related information]
FY March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)

1. Information by Products and Service
Because no net sales to external customers exceed 10% of net sales on consolidated cash flow statement, information by Products and Service is omitted.

2. Information by Location
(1) Net sales
Because net sales to external customers in Japan exceed 90% of Net sales of Consolidated Statements of income, information of net sales by locations is omitted.

(2) Tangible fixed assets
Because tangible fixed assets in Japan exceed 90% of Tangible fixed assets of Consolidated Balance Sheet, information of tangible assets by locations is omitted.

3. Information by Primary Customers
Because there is no customer whose sales accounting for 10% of Net Sales of Consolidated Statements of income, information by primary customers is omitted.

(Transaction with Related Parties)

During previous year (From Apr. 1, 2009 to Mar. 31, 2010)
Not applicable.

During current year (From Apr. 1, 2010 to Mar. 31, 2011)
Not applicable.

(Per Share Data)

Items	Consolidated FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)	Consolidated FY March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)
Net assets per share of common stock	704.88 yen	694.28 yen
Net income per share of common stock	4.95 yen	5.48 yen

(Note) 1. The diluted net income per share of common stock is not presented, since there were no securities with dilutive effect outstanding through the period.

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

1. Net assets per share of common stock

Items	Consolidated FY March 2010 (As of Mar. 31, 2010)	Consolidated FY March 2011 (As of Mar. 31, 2011)
Net assets in Non-Consolidated Balance Sheet (in million yen)	78,294	76,638
Net assets attributable to common stock (in million yen)	77,708	76,530
Details of primary adjustments (in million yen) Minority interests	586	108
Number of common stock issued (in thousand shares)	112,391	112,391
Number of treasury common stock (in thousand shares)	2,148	2,162
Number of common stock calculated for net assets per share of common stock (in thousand shares)	110,243	110,228

2. Net income per share of common stock

Items	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)	FY March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)
Net income in Consolidated Statements of Income (in million yen)	545	604
Amount not reverting to common shareholders (in million yen)	–	–
Net profit relating to common stock (in million yen)	545	604
Average number of shares of common stock during the period (in thousand shares)	110,250	110,236

(Important Subsequent Events)

During previous year (From Apr. 1, 2009 to Mar. 31, 2010)

Not applicable.

During current year (From Apr. 1, 2010 to Mar. 31, 2011)

Not applicable.

(Omission of Disclosure)

Because the necessity of disclosure is considered to be low, information regarding lease transactions, financial instruments, derivatives transactions, asset retirement obligation, and investment and rental property is omitted.

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

(Millions of yen)

	FY March 2010 (As of Mar. 31, 2010)	FY March 2011 (As of Mar. 31, 2011)
Assets		
Current assets		
Cash and time deposits	14,321	16,007
Trade notes	6,579	5,873
Accounts receivable	34,921	35,996
Marketable securities	122	322
Merchandise and finished products	7,977	8,507
Work in process	564	520
Raw material and supplies	1,523	1,860
Prepaid expense	659	588
Deferred tax assets	787	625
Others	1,073	1,338
Allowance for doubtful debt	(40)	(23)
Total current assets	68,490	71,618
Fixed assets		
Tangible fixed assets		
Buildings (at net book value)	12,890	12,140
Structures (at net book value)	564	485
Machinery & equipment (at net book value)	5,171	4,483
Vehicles (at net book value)	114	93
Tools & Fittings (at net book value)	1,290	1,037
Land	21,051	21,051
Construction in progress	30	37
Total tangible fixed assets	41,113	39,329
Intangible fixed assets		
Goodwill	5	–
Patent property	2	1
Land leaseholds	725	725
Software	1,380	1,302
Others	161	144
Total intangible fixed assets	2,275	2,172
Investments and other assets		
Investment securities	17,342	16,877
Investment in affiliates	8,440	8,409
Long-term loans receivable from affiliates	510	690
Receivables from bankrupt or reorganized debtors and others	46	53
Prepaid pension cost	2,485	2,723
Guarantee deposits	3,715	3,652
Others	708	691
Allowance for doubtful debt	(396)	(403)
Total investments and other assets	32,852	32,694
Total fixed assets	76,241	74,196
Total assets	144,731	145,815

(Millions of yen)

	FY March 2010 (As of Mar. 31, 2010)	FY March 2011 (As of Mar. 31, 2011)
Liabilities		
Current liabilities		
Trade notes	6,327	8,002
Electronically recorded obligations	–	893
Accounts receivable	22,039	24,489
Short-term bank loans	8,350	7,600
Short-term loan in affiliates	500	500
Long-term debts due within one year	5,200	6,550
Bonds redeemed within one year	5,000	–
Lease obligations	55	64
Accounts payable-other	428	457
Accrued expenses	1,100	1049
Income taxes payable	562	437
Consumption taxes payable	332	–
Advances received	236	119
Deposit received	141	183
Allowance for bonus payable	633	637
Allowance for disaster loss	–	98
Total current liabilities	50,908	51,084
Long-term liabilities		
Bonds	5,000	10,000
Long-term loans payable	8,550	5,850
Lease obligations	137	101
Deferred tax liabilities	1,431	564
Severance and employee retirement benefits	8,961	9,407
Long-term deposit received	2,123	2,119
Other liabilities	367	599
Total long-term liabilities	26,572	28,642
Total liabilities	77,480	79,726
Net assets		
Owners' equity		
Capital stock	18,670	18,670
Capital surplus		
Additional paid-in capital	16,759	16,759
Total capital surplus	16,759	16,759
Retained earnings		
Legal reserve of retained	1,874	1,874
Other retained earnings		
Deferred income reserve	4,968	4,893
Other reserves	4,180	4,180
Earned surplus carried forward	20,241	20,133
Total retained earnings	31,264	31,081
Treasury stock, at cost	(2,300)	(2,305)
Total owners' equity	64,394	64,206
Net unrealized gain and translation adjustments		
Unrealized holding gains (losses) on securities	2,857	1,882
Total Net unrealized gain and translation adjustments	2,857	1,882
Total net assets	67,251	66,088
Total liabilities and net assets	144,731	145,815

(2) Non-Consolidated Statements of Income

(Millions of yen)

	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)	FY March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)
Net sales	148,964	155,141
Cost of sales	108,177	113,837
Gross profit	40,786	41,303
Selling, general and administrative expenses		
Selling expenses	1,804	2,088
Packing and transportation expense	7,903	7,976
Salaries and allowances	11,565	11,146
Provision for allowance for bonus payable	425	428
Retirement benefits	1,095	901
Depreciation and amortization expenses	1,536	1,421
Rent	5,994	5,581
Others	10,189	10,341
Total selling, general and administrative expenses	40,515	39,886
Operating income	271	1,417
Other income		
Interest income	36	39
Dividend income	601	664
Subsidy income	238	–
Others	675	603
Total other income	1,553	1,308
Other expenses		
Interest expense	403	367
Bond interest expense	189	193
Others	233	186
Total other expenses	826	746
Ordinary income	998	1,978
Extraordinary income		
Gain on sale of investment securities	388	2
Reversal of allowance for doubtful accounts	18	1
Others	–	0
Total extraordinary income	407	4
Extraordinary losses		
Loss on disposal/sale of property, plant and equipment	59	118
Impairment loss on investment securities	97	72
Appraised loss in investments in affiliates	–	455
Disaster loss	–	191
Others	13	57
Total extraordinary losses	171	895
Income before income taxes	1,234	1,088
Income taxes	538	480
Adjustments on income taxes	(72)	(36)
Total income taxes	465	443
Net income	768	644

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

(Millions of yen)

	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)	FY March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)
Owners' equity		
Capital stock		
Opening balance	18,670	18,670
Changes during period		
Total changes during period	–	–
Ending balance	18,670	18,670
Capital surplus		
Additional paid-in capital		
Opening balance	16,759	16,759
Changes during period		
Total changes during period	–	–
Ending balance	16,759	16,759
Total capital surplus		
Opening balance	16,759	16,759
Changes during period		
Total changes during period	–	–
Ending balance	16,759	16,759
Retained earnings		
Legal reserve of retained		
Opening balance	1,874	1,874
Changes during period		
Total changes during period	–	–
Ending balance	1,874	1,874
Other retained earnings		
Deferred income reserve		
Opening balance	5,049	4,968
Changes during period		
Used deferred income reserve	(80)	(75)
Total changes during period	(80)	(75)
Ending balance	4,968	4,893
Other reserves		
Opening balance	4,180	4,180
Changes during period		
Total changes during period	–	–
Ending balance	4,180	4,180
Earned surplus carried forward		
Opening balance	20,357	20,241
Changes during period		
Dividends	(965)	(827)
Used deferred income reserve	80	75
Net income	768	644
Total changes during period	(116)	(107)
Ending balance	20,241	20,133

(Millions of yen)

	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)	FY March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)
Total retained earnings		
Opening balance	31,462	31,264
Changes during period		
Dividends	(965)	(827)
Used deferred income reserve	–	–
Net income	768	644
Total changes during period	(197)	(183)
Ending balance	31,264	31,081
Treasury stock, at cost		
Opening balance	(2,295)	(2,300)
Changes during period		
Acquisition of treasury stock	(4)	(4)
Total changes during period	(4)	(4)
Ending balance	(2,300)	(2,305)
Total owners’ equity		
Opening balance	64,596	64,394
Changes during period		
Dividends	(965)	(827)
Net income	768	644
Acquisition of treasury stock	(4)	(4)
Total changes during period	(202)	(188)
Ending balance	64,394	64,206
Net unrealized gain and translation adjustments		
Unrealized holding gains (losses) on securities		
Opening balance	1,088	2,857
Changes during period		
Net changes of Net assets other than owners’ equity during period	1,769	(974)
Total changes during period	1,769	(974)
Ending balance	2,857	1,882
Total Net unrealized gain and translation adjustments		
Opening balance	1,088	2,857
Changes during period		
Net changes of Net assets other than owners’ equity during period	1,769	(974)
Total changes during period	1,769	(974)
Ending balance	2,857	1,882
Total net assets		
Opening balance	65,684	67,251
Changes during period		
Dividends	(965)	(827)
Net income	768	644
Acquisition of treasury stock	(4)	(4)
Net changes of Net assets other than owners’ equity during period	1,769	(974)
Total changes during period	1,566	(1,162)
Ending balance	67,251	66,088

(4) Events or Conditions That May Cast Significant Doubt on the Going Concern Assumption

Not applicable.

6. Others

(1) Changes in Board Members

1. Change of Representative Director

Not applicable.

2. Change of other board members (scheduled for June 29, 2011)

(1) Candidates for new Directors

Director	Ken Ebina	(Currently Standing Corporate Auditor)

(2) Resigning board members

Director	Mutsuo Hayashi	(To be appointed as Standing Corporate Auditor)
Director and Telecom Sales Division Manager	Norio Karasawa	(To be appointed as Corporate Advisor)

(3) Candidate for new Standing Corporate Auditor

Standing Corporate Auditor	Mutsuo Hayashi	(Currently the Company's external director)
Standing Corporate Auditor	Shigeru Iwamoto	(Currently certified public accountant)

(4) Resigning Standing Corporate Auditor

Standing Corporate Auditor	Ken Ebina	(To be appointed as Corporate Director)