

# Financial Results for Fiscal Year Ended March 2019

## [Japanese GAAP] (Consolidated)



May 8, 2019

Listing: Tokyo Stock Exchange

Okamura Corporation

Code Number: 7994 URL: <http://www.okamura.co.jp/>

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Scheduled date for Board Meeting for Consolidated Settlement of Accounts: June 27, 2019

Scheduled date for filing Annual Security Report: June 27, 2019

Scheduled date for commencement of dividend payments: June 28, 2019

Preparation of supplementary material to explain financial results: Prepared.

Scheduling of meeting to explain financial results: Scheduled (for institutional investors and analysts).

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

### 1. Consolidated Operating Results for FY Ended March 2019 (April 1, 2018 to March 31, 2019)

#### (1) Operating Results

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended March 2019	247,925	2.6	12,418	(5.5)	13,677	(2.3)	10,234	(5.4)
FY ended March 2018	241,752	2.1	13,142	11.2	14,000	9.7	10,820	30.4

Note: Comprehensive income ¥7,801 million (-45.2%) for FY ended March 2019, ¥14,234 million (64.9%) for FY ended March 2018

	Profit per share	Diluted profit per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	yen	yen	%	%	%
FY ended March 2019	92.92	—	8.0	5.9	5.0
FY ended March 2018	98.23	—	9.1	6.2	5.4

Reference: Equity in earnings of affiliates ¥301 million for FY ended March 2019, ¥217 million for FY ended March 2018

#### (2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY ended March 2019	229,276	130,403	56.7	1,179.63
FY ended March 2018	233,110	125,585	53.7	1,136.82

Reference: Total equity ¥129,933 million for FY ended March 2019, ¥125,223 million for FY ended March 2018

#### (3) Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of the fiscal year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY ended March 2019	9,464	(5,436)	(3,860)	26,133
FY ended March 2018	12,059	(7,665)	(3,870)	26,122

### 2. Dividend

	Annual 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 ended March 2018	—	12.00	—	14.00	26.00	2,868	26.5	2.4
FY ended March 2019	—	14.00	—	14.00	28.00	3,089	30.1	2.4
FY ending March 2020 (forecast)	—	16.00	—	16.00	32.00		33.3	

### 3. Forecast of Consolidated Performance for FY Ending March 2020 (from April 1, 2019 to March 31, 2020)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
2Q (cumulative)	120,000	1.0	5,600	6.9	6,400	5.5	4,500	(6.8)	40.85
Full year	255,000	2.9	14,000	12.7	15,200	11.1	10,600	3.6	96.23

#### \* Notes

(1) Changes in the number of material subsidiaries during the fiscal year under review (This indicates whether there have been changes in the number of specified subsidiaries involving changes in the scope of consolidation): None

New — company(ies) ( — )

Excluded — company(ies) ( — )

(2) Changes in accounting policy or accounting estimates, or restatement

① Changes in accounting policy in accordance with revisions to accounting standards: None

② Changes other than those in ① above in accounting policy: None

③ Changes in accounting estimates: None

④ Restatement: None

(3) Number of shares of stock (common stock)

① Number of shares issued (including treasury stock) at the end of the fiscal year

FY ended March 2019	112,391,530	FY ended March 2018	112,391,530
FY ended March 2019	2,243,652	FY ended March 2018	2,238,845
FY ended March 2019	110,150,354	FY ended March 2018	110,155,135

② Number of shares of treasury stock at the end of the fiscal year

③ Average number of shares during the period

#### Reference: Non-Consolidated Operating Results

##### 1. Non-Consolidated Operating Results for FY Ended March 2019 (April 1, 2018 to March 31, 2019)

###### (1) Operating Results

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

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended March 2019	223,447	3.2	11,028	1.2	12,874	(6.1)	9,851	(12.7)
FY ended March 2018	216,575	1.7	10,896	23.8	13,708	30.8	11,290	56.2
	Profit per share		Diluted profit per share					
	yen		yen					
FY ended March 2019	89.29		—					
FY ended March 2018	102.33		—					

###### (2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY ended March 2019	207,572	118,484	57.1	1,073.96
FY ended March 2018	209,722	113,793	54.3	1,031.43

Note: Total equity ¥118,484 million for FY ended March 2019, ¥113,793 million for FY ended March 2018

\* The Financial Results summary is not subject to audit by Certified Public Accountants or an audit firm.

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

- The performance forecasts and other forward-looking statements contained herein are based on the information available to the Company at the time, and contain certain assumptions that the Company considers to be reasonable. They are subject to diverse factors that may cause actual results of operations and other items to differ significantly from the statements and forecasts. For a description of the assumptions underlying the performance forecasts and the points to note when using the performance forecasts in this document, etc., please refer to (4) Forecast Earnings for the Future in 1. Outline of the Operating Results on page 4 of the Appendix to this Financial Results summary.

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## 1. Outline of the Operating Results

## (1) Outline of the Operating Results for the FY Ended March 2019

## ① Overall results

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Profit per share (Yen)	ROE (%)
FY ended March 2019	247,925	12,418	13,677	10,234	92.92	8.0
FY ended March 2018	241,752	13,142	14,000	10,820	98.23	9.1
Changes (%)	2.6%	(5.5%)	(2.3%)	(5.4%)	(5.4%)	–

During the consolidated fiscal year under review, corporate profits and the employment situation in the country continued to improve, keeping the Japanese economy on a moderate recovery trend. Toward the fiscal year end, however, business sentiment deteriorated due to sluggish overseas demand and other factors, causing uncertainty about the economic outlook.

Under these circumstances, the Okamura Group strove to develop new market potential, increase our market share in each of our business segments, and cultivate new customer bases by creating distinctive products and offering total solutions. The Group also endeavored to improve productivity and accelerate the cost reduction.

As a result, net sales for the consolidated fiscal year under review stood at a record ¥247,925 million (a year-over-year increase of 2.6%).

From a profit-and-loss perspective, operating income amounted to ¥12,418 million (a year-over-year decrease of 5.5%) and ordinary income totaled ¥13,677 million (a year-over-year decrease of 2.3%). Profit attributable to owners of parent came to a record ¥10,234 million (a year-over-year decrease of 5.4%).

Return on equity (ROE) resulted in 8.0% (a year-over-year decrease of 1.1 percentage points), ordinary income to total assets (ROA) was 5.9% (a year-over-year decrease of 0.3 percentage points), and operating income to net sales was 5.0% (a year-over-year decrease of 0.4 percentage points).

## ② Segment status

Segment name	Net sales (Millions of yen)			Segment income (Millions of yen)		
	FY ended March 2018	FY ended March 2019	Increase/decrease	FY ended March 2018	FY ended March 2019	Increase/decrease
Office Furniture	128,515	134,504	5,989	9,782	10,288	506
Store Displays	95,956	95,363	(593)	2,487	792	(1,695)
Others	17,280	18,057	776	872	1,337	464
Total	241,752	247,925	6,172	13,142	12,418	(723)

Note: The total of segment income corresponds to the operating income in the Consolidated Statements of Income.

## Office Furniture

In the Office Furniture segment, the number of large office relocation projects increased alongside the steady supply of large-scale office buildings in central Tokyo, and demand for office relocations and office renovation, mainly by companies with strong business results, remained robust. Under these circumstances, the Company made active efforts to popularize proposals on how to create new office environments in response to work style reform in offices and growing interest in health, which lead to an increase in the number of high-value added major projects, achieving year-over-year growth in both net sales and income.

As a result, net sales in this segment amounted to ¥134,504 million (a year-over-year increase of 4.7%) and the segment income amounted to a record ¥10,288 million (a year-over-year increase of 5.2%).

## Store Displays

In the Store Displays segment, on the back of labor shortages and the forthcoming consumption tax hike, retailers gave priority to ICT-related investment (e.g., replacement of cash registers) and revised their store opening plans in the face of declining store profitability, reducing investments in new stores. Under these circumstances, the Company stepped up efforts to deliver total solutions for display fixtures, refrigerated showcases, store carts, store security products, and the like to increase its market share and reduce costs. Despite these efforts, net sales were flat and income decreased compared to the previous consolidated fiscal year, unable to fully absorb increases in costs for materials, contract installation work and logistics.

As a result, net sales in this segment amounted to ¥95,363 million (a year-over-year decrease of 0.6%) and the segment income amounted to ¥792 million (a year-over-year decrease of 68.1%).

#### Others (including Material Handling Systems)

In the Material Handling Systems segment, demand for automated warehouse equipment remained at high levels on the back of growing labor-saving needs arising from labor shortages. Under these circumstances, the Company engaged in aggressive promotion activities by maximum utilization of its products, which stand out from others due to their superiority. The organization also worked to strengthen its engineering platform, thereby aiming to grow sales and secure steady income. As a result, net sales increased and income significantly improved.

As a result, net sales in this segment amounted to ¥18,057 million (a year-over-year increase of 4.5%) and the segment income amounted to ¥1,337 million (a year-over-year increase of 53.3%).

### (2) Outline of the Financial Position for the FY Ended March 2019

	At the end of FY ended March 2018	At the end of FY ended March 2019
Total assets (Millions of yen)	233,110	229,276
Net assets (Millions of yen)	125,585	130,403
Equity ratio (%)	53.7	56.7
Net assets per share (Yen)	1,136.82	1,179.63

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

Total assets amounted to ¥229,276 million, down ¥3,833 million compared with the end of the previous consolidated fiscal year. Current assets decreased by ¥1,252 million, mainly because of an increase in inventories and a decrease in notes and accounts receivable-trade, and non-current assets decreased by ¥2,581 million, mainly because of an increase in property, plant and equipment and a decrease in investment securities.

Liabilities amounted to ¥98,872 million, down ¥8,652 million compared with the end of the previous consolidated fiscal year, mainly as a result of an increase in short-term loans payable and decreases in notes and accounts payable-trade, bonds payable and deferred tax liabilities.

Net assets amounted to ¥130,403 million, up ¥4,818 million over the end of the previous fiscal year, mainly because of an increase in retained earnings and a decrease of valuation difference on available-for-sale securities.

As a result of the above, the equity ratio increased by 3.0 percentage points to 56.7% compared with the end of the previous consolidated fiscal year, and the net assets per share increased from ¥1,136.82 at the end of the previous consolidated fiscal year to ¥1,179.63.

### (3) Outline of Cash Flows for FY Ended March 2019

	FY ended March 2018 (Millions of yen)	FY ended March 2019 (Millions of yen)
Net cash provided by (used in) operating activities	12,059	9,464
Net cash provided by (used in) investing activities	(7,665)	(5,436)
Net cash provided by (used in) financing activities	(3,870)	(3,860)
Cash and cash equivalents at the end of the fiscal year	26,122	26,133
Borrowings and corporate bonds at the end of the fiscal year	23,001	22,530

The situation with regard to cash flows for the current consolidated fiscal year is as follows:

Operating activities generated a net cash increase of ¥9,464 million (an increase of ¥12,059 million in the previous fiscal year), reflecting: 1) inflows including profit before income taxes for the year of ¥14,803 million, depreciation and amortization of ¥5,537 million and a decrease in notes and accounts receivable-trade of ¥3,077 million; and 2) outflows including a gain of ¥1,242 million on sales of investment securities, a decrease of ¥7,722 million in notes and accounts payable-trade, an increase of ¥1,411 million in inventories and a decrease of ¥4,475 million in income taxes paid. The Company shortened the time to settlement for its notes and accounts payable-trade in the consolidated fiscal year under review. As a result of this change, decrease in notes and accounts payable-trade increased by ¥4,879 million and the net cash provided by operating activities decreased by ¥4,879 million.

Investment activities resulted in a net cash outflow of ¥5,436 million (versus a net cash outflow of ¥7,665 million in the previous fiscal year), reflecting: 1) inflows including proceeds from sales and redemption of investment securities of ¥1,892 million; and 2) outflows including disbursements of ¥5,426 million for the purchase of property, plant and equipment and ¥1,237 million for the purchase of intangible assets.

Financing activities resulted in a net cash outflow of ¥3,860 million (versus a net cash outflow of ¥3,870 million in the previous fiscal year), reflecting outflows including an increase in short-term loans payable of ¥4,998 million, redemption of bonds of ¥5,000 million, and cash dividends paid of ¥3,085 million.

As a result, the balance of cash and cash equivalents at the end of the consolidated fiscal year under review increased by ¥10 million to ¥26,133 million.

The balance of interest-bearing debt (borrowings and corporate bonds) at the end of the consolidated fiscal year under review decreased by ¥470 million compared with the end of the previous fiscal year to ¥22,530 million.

#### (4) Forecast Earnings for the Future

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Profit per share (Yen)
FY ending March 2020	255,000	14,000	15,200	10,600	96.23
FY ended March 2019	247,925	12,418	13,677	10,234	92.92
Change (%)	2.9	12.7	11.1	3.6	3.6

Going forward, corporate earnings and the employment situation in the country will likely continue to improve, keeping the Japanese economy on a moderate recovery path in spite of persisting future uncertainty as evidenced by U.S. government policy developments and a potential economic deceleration feared for China and other emerging countries.

In this business environment, the Okamura Group will aim at increasing business competitiveness, and thus net sales and income, by aggressively developing new competitive and distinctive products, and by pursuing solution-based business opportunities, taking the advantage of the Group's total strength.

In the mainstay Office Furniture segment, the Company expects that demand for office furniture will remain strong as a result of a consistently high level supply of large-scale buildings, mainly in downtown Tokyo. In addition, the trend toward creating new office styles, such as the innovation in ways of working in offices is spreading across a wide range of businesses in Japan regardless of industry and size. Under these circumstances, the Company will aim to increase sales by enhancing total solutions, which is a core strength of the Group, with insights gained from experimental offices called Office Labos that practice and test new work styles and environments and from implementing our initiatives to innovate ways of working in the Company. Also, the Company will endeavor to establish superiority in the office-related furniture market, improve profitability, and take full-fledged measures to strengthen its human resource development.

In the Store Displays segment, the Company anticipates that although demand for new store openings is on a downward trend, demand for existing store renovation will remain strong, mainly in the retail industry. On the back of labor shortages, demands related to labor-saving efforts will likely grow further. Under these circumstances, the Company will strive to increase net sales by strengthening and expanding our product range to meet customer needs, and by strengthening our capabilities to make proposals for total solutions in the areas of display fixtures, refrigerated showcases, store carts and store security products. The Company will also work to improve profitability by reducing costs through standardizing operations and revising selling prices.

In the Others segment (including Material Handling Systems), demand for large-scale logistics facilities will likely remain at high levels on the back of growing Internet shopping for wholesalers and retailers while labor-saving needs are expected to rise further. Under these circumstances, the Company will actively work to develop differentiated products and further strengthen its engineering platform, thereby aiming to grow sales and secure steady income.

In its overseas business, with the aim of increasing net sales, the Company will acquire more distributors and strengthen its support for them, and will expand the market by increasing its brand recognition in the global market and by aggressively launching strategic products.

With regard to productivity and efficiency, the Company will seek to improve productivity and optimize its supply chain by engaging in effective capital investment and conducting continuous improvements in production and logistics. In addition, it will further bolster efforts to innovate the ways of working and streamline operations across the Company, thereby increasing competitiveness.

In March 2019, the Company established a Nomination Committee and a Compensation Committee as non-statutory advisory committees of the Board of Directors as part of corporate governance. The Company strives to ensure objective and transparent decision-making processes related to nomination of board members and compensations, and further enhance our corporate governance structure. In June 2019, the Company will introduce an executive officer system to clarify the authority and responsibilities for executing operations, accelerate speed of business operations and enhance monitoring of the Board of Directors.

As a result, the Company anticipates consolidated net sales of ¥255 billion, consolidated operating income of ¥14 billion, consolidated ordinary income of ¥15.2 billion and profit attributable to owners of parent of ¥10.6 billion for the year ending March 2020.

## 2. Basic Standpoint on Selection of Accounting Standards

The Okamura Group intends to prepare consolidated financial statements according to Japanese accounting standards for the moment, taking into account the comparability of financial statements over time and comparability with statements of other entities.

We will appropriately apply IFRS with consideration to internal and external circumstances.

## 3. Consolidated Financial Statements and Important Notes

## (1) Consolidated Balance Sheets

(Millions of yen)

	FY ended March 2018 (As of Mar. 31, 2018)	FY ended March 2019 (As of Mar. 31, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	27,452	27,279
Notes and accounts receivable-trade	*5 68,015	*5 64,938
Short-term investment securities	–	500
Merchandise and finished goods	11,579	12,169
Work in process	1,658	1,916
Raw materials and supplies	4,464	5,028
Other	2,579	2,664
Allowance for doubtful accounts	(78)	(76)
Total current assets	115,671	114,419
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,666	14,062
Machinery, equipment and vehicles, net	10,822	11,285
Land	27,892	27,883
Construction in progress	229	947
Other, net	2,732	2,993
Total property, plant and equipment	*1, *3 56,343	*1, *3 57,171
Intangible assets	4,045	3,978
Investments and other assets		
Investment securities	*2 49,414	*2 45,926
Net defined benefit asset	725	862
Lease deposits	4,387	4,530
Deferred tax assets	1,024	1,053
Other	1,533	1,379
Allowance for doubtful accounts	(35)	(47)
Total investments and other assets	57,049	53,706
Total non-current assets	117,438	114,857
Total assets	233,110	229,276



(Millions of yen)

	FY ended March 2018 (As of Mar. 31, 2018)	FY ended March 2019 (As of Mar. 31, 2019)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	*5 28,764	*5 25,115
Electronically recorded obligations-operating	*5 20,283	*5 15,921
Short-term loans payable	*3, *4 6,190	*3, *4 11,175
Current portion of long-term loans payable	1,503	660
Current portion of bonds	5,000	–
Income taxes payable	3,010	3,422
Accrued consumption taxes	886	638
Provision for bonuses	3,850	3,994
Other	5,369	6,024
<b>Total current liabilities</b>	<b>74,858</b>	<b>66,951</b>
<b>Non-current liabilities</b>		
Bonds payable	5,000	5,000
Long-term loans payable	*3 5,307	*3 5,695
Net defined benefit liability	15,502	15,665
Deferred tax liabilities	3,110	1,893
Other	3,746	3,665
<b>Total non-current liabilities</b>	<b>32,666</b>	<b>31,920</b>
<b>Total liabilities</b>	<b>107,525</b>	<b>98,872</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	18,670	18,670
Capital surplus	16,766	16,766
Retained earnings	78,991	86,137
Treasury stock	(2,429)	(2,436)
<b>Total shareholders' equity</b>	<b>111,999</b>	<b>119,138</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	14,103	11,785
Foreign currency translation adjustment	236	71
Remeasurements of defined benefit plans	(1,116)	(1,061)
<b>Total accumulated other comprehensive income</b>	<b>13,223</b>	<b>10,795</b>
<b>Non-controlling interests</b>	<b>362</b>	<b>470</b>
<b>Total net assets</b>	<b>125,585</b>	<b>130,403</b>
<b>Total liabilities and net assets</b>	<b>233,110</b>	<b>229,276</b>

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

## Consolidated Statements of Income

(Millions of yen)

	FY ended March 2018 (From Apr. 1, 2017 to Mar. 31, 2018)	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)
Net sales	241,752	247,925
Cost of sales	*1 165,957	*1 169,000
Gross profit	75,794	78,924
Selling, general and administrative expenses		
Selling expenses	3,022	3,217
Packing and transportation expenses	10,500	10,725
Salaries and allowances	20,410	21,130
Provision for bonuses	2,620	2,806
Retirement benefit expenses	374	1,204
Depreciation	2,064	2,043
Rent expenses	8,014	8,841
Other	15,643	16,537
Total selling, general and administrative expenses	*1 62,651	*1 66,506
Operating income	13,142	12,418
Non-operating income		
Interest income	20	29
Dividends income	624	877
Equity in earnings of affiliates	217	301
Other	607	671
Total non-operating income	1,469	1,879
Non-operating expenses		
Interest expenses	196	176
Foreign exchange losses	59	58
Loss on sales and retirement of non-current assets	116	210
Other	238	174
Total non-operating expenses	611	620
Ordinary income	14,000	13,677
Extraordinary income		
Gain on sales of investment securities	–	1,242
Gain on revision of retirement benefit plan	1,976	–
Gain on forgiveness of debts	123	–
Compensation received	–	*3 332
Total extraordinary income	2,100	1,574
Extraordinary loss		
Impairment loss	*2 5	*2 45
Loss on disaster	–	*4 297
Loss on valuation of investment securities	14	81
Loss on liquidation of subsidiaries	–	20
Loss on valuation of golf club memberships	2	3
Total extraordinary loss	22	448
Profit before income taxes	16,078	14,803
Income taxes-current	3,809	4,824
Income taxes-deferred	1,404	(267)
Total income taxes	5,213	4,556
Profit	10,865	10,246
Profit attributable to non-controlling interests	44	11
Profit attributable to owners of parent	10,820	10,234

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY ended March 2018 (From Apr. 1, 2017 to Mar. 31, 2018)	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)
Profit	10,865	10,246
Other comprehensive income		
Valuation difference on available-for-sale securities	3,833	(2,274)
Foreign currency translation adjustment	123	(169)
Remeasurements of defined benefit plans, net of tax	(664)	54
Share of other comprehensive income of entities accounted for using equity method	77	(55)
Total other comprehensive income	*1 3,369	*1 (2,445)
Comprehensive income	14,234	7,801
Details:		
Comprehensive income attributable to owners of parent	14,192	7,806
Comprehensive income attributable to non-controlling interests	42	(5)

## (3) Consolidated Statement of Changes in Equity

FY ended March 2018 (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Opening balance	18,670	16,762	70,819	(2,422)	103,829
Changes of items during the period					
Dividends from surplus			(2,647)		(2,647)
Profit attributable to owners of parent			10,820		10,820
Purchase of treasury stock				(6)	(6)
Change of equity interests due to the additional acquisition of shares of consolidated subsidiaries		3			3
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	3	8,172	(6)	8,169
Ending balance	18,670	16,766	78,991	(2,429)	111,999

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Opening balance	10,256	56	(452)	9,860	559	114,249
Changes of items during the period						
Dividends from surplus						(2,647)
Profit attributable to owners of parent						10,820
Purchase of treasury stock						(6)
Change of equity interests due to the additional acquisition of shares of consolidated subsidiaries						3
Net changes of items other than shareholders' equity	3,847	180	(664)	3,363	(197)	3,165
Total changes of items during the period	3,847	180	(664)	3,363	(197)	11,335
Ending balance	14,103	236	(1,116)	13,223	362	125,585

FY ended March 2019 (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Opening balance	18,670	16,766	78,991	(2,429)	111,999
Changes of items during the period					
Dividends from surplus			(3,089)		(3,089)
Profit attributable to owners of parent			10,234		10,234
Purchase of treasury stock				(7)	(7)
Change of equity interests due to the additional acquisition of shares of consolidated subsidiaries					-
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	7,145	(7)	7,138
Ending balance	18,670	16,766	86,137	(2,436)	119,138

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Opening balance	14,103	236	(1,116)	13,223	362	125,585
Changes of items during the period						
Dividends from surplus						(3,089)
Profit attributable to owners of parent						10,234
Purchase of treasury stock						(7)
Change of equity interests due to the additional acquisition of shares of consolidated subsidiaries						-
Net changes of items other than shareholders' equity	(2,318)	(164)	54	(2,428)	108	(2,320)
Total changes of items during the period	(2,318)	(164)	54	(2,428)	108	4,818
Ending balance	11,785	71	(1,061)	10,795	470	130,403

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY ended March 2018 (From Apr. 1, 2017 to Mar. 31, 2018)	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)
Net cash provided by (used in) operating activities		
Profit before income taxes	16,078	14,803
Depreciation and amortization	5,405	5,537
Impairment loss	5	45
Loss (gain) on liquidation of subsidiaries	–	20
Gain on revision of retirement benefit plan	(1,976)	–
Gain on forgiveness of debts	(123)	–
Loss (gain) on sales and retirement of non-current assets	84	182
Equity in (earnings) losses of affiliates	(217)	(301)
Increase (decrease) in allowance for doubtful accounts	(57)	10
Increase (decrease) in provision for bonuses	165	143
Increase (decrease) in net defined benefit liability	(1,599)	105
Interest and dividends income	(644)	(906)
Interest expenses	196	176
Loss (gain) on sales of investment securities	–	(1,242)
Loss (gain) on valuation of investment securities	14	81
Decrease (increase) in notes and accounts receivable-trade	(3,450)	3,077
Decrease (increase) in inventories	(1,737)	(1,411)
Increase (decrease) in notes and accounts payable-trade	2,647	(7,722)
Increase (decrease) in accrued consumption taxes	131	(179)
Other, net	550	763
Subtotal	15,472	13,183
Interest and dividends income received	666	937
Interest expenses paid	(206)	(180)
Income taxes paid	(3,873)	(4,475)
Net cash provided by (used in) operating activities	12,059	9,464
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,514)	(1,328)
Proceeds from withdrawal of time deposits	1,363	1,508
Purchase of property, plant and equipment	(4,241)	(5,426)
Proceeds from sales of property, plant and equipment	316	36
Purchase of intangible assets	(875)	(1,237)
Purchase of investment securities	(2,578)	(816)
Proceeds from sales and redemption of investment securities	11	1,892
Other, net	(146)	(65)
Net cash provided by (used in) investing activities	(7,665)	(5,436)

(Millions of yen)

	FY ended March 2018 (From Apr. 1, 2017 to Mar. 31, 2018)	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	47	4,998
Proceeds from long-term loans payable	1,230	1,000
Repayment of long-term loans payable	(1,773)	(1,456)
Proceeds from issuance of bonds	5,000	–
Redemption of bonds	(5,000)	(5,000)
Purchase of treasury stock	(1)	(1)
Cash dividends paid	(2,647)	(3,085)
Payments due to such acquisition of shares in subsidiary as does not involve a change in the scope of consolidation	(236)	–
Other, net	(490)	(315)
Net cash provided by (used in) financing activities	(3,870)	(3,860)
Effect of exchange rate change on cash and cash equivalents	137	(156)
Net increase (decrease) in cash and cash equivalents	660	10
Cash and cash equivalents at beginning of the fiscal year	25,461	26,122
Cash and cash equivalents at the end of the fiscal year	*1 26,122	*1 26,133

(5) Notes regarding Consolidated Financial Statements

(Note regarding the Assumption of Going Concern)

There is no information that needs to be disclosed herein.

(Significant Items for the Preparation of Consolidated Financial Statements)

1. Scope of consolidation

(1) Consolidated subsidiaries

Number of consolidated subsidiaries: 26

Names of the major consolidated subsidiaries:

Kansai Okamura Corporation (former Kansai Okamura Manufacturing Co., Ltd.), Okamura Logistics Corporation, NS Okamura Corporation, Sanyo Okamura Corporation, Okamura Support and Service Corporation, Okamura (China) Co., Ltd. (former Shanghai Okamura Furniture and Logistic System Co., Ltd.), Seeder Co., Ltd., Fuji Seiko Co., Ltd., SEC Co., Ltd., Okamura Salotto Hong Kong Limited (former Salotto (China) Limited.), Hangzhou Okamura Transmission Co., Ltd.

(2) Unconsolidated subsidiaries

Number of unconsolidated subsidiaries: 1

Name of the unconsolidated subsidiary

SINCO Co., Ltd.

Reason for exclusion from the scope of consolidation

The reason is that SINCO Co., Ltd. is a small company and its total assets, net sales, profit (in proportion to equity) and retained earnings (in proportion to equity) in total do not significantly affect consolidated financial statements.

2. Application of the equity method

(1) Equity method unconsolidated subsidiaries

Number of equity method unconsolidated subsidiaries: 1

Name of equity method unconsolidated subsidiary

SINCO Co., Ltd.

(2) Equity method affiliates

Number of equity method affiliates: 8

Names of major equity method affiliates:

Siam Okamura Steel Co., Ltd., Siam Okamura International Co., Ltd.

(3) Unconsolidated subsidiaries not accounting for the equity method

There is no information that needs to be disclosed herein.

(4) Affiliates not accounting for the equity method

There is no information that needs to be disclosed herein.

(5) Those equity method affiliates 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, or financial statements based on the provisional settlement of accounts.

3. Operating year of consolidated subsidiaries

The date of yearly settlement of accounts is December 31 for Okamura (China) Co., Ltd., Okamura Salotto Hong Kong Limited, its two subsidiaries, Hangzhou Okamura Transmission Co., Ltd., Okamura Trading (Shanghai) Co., Ltd., Shanghai Okamura Architecture Co., Ltd., Okamura International (Singapore) Pte Ltd, PT. Okamura Chitose Indonesia and Okamura International (Malaysia) Sdn.Bhd. The date of yearly settlement of accounts is August 31 for Sunahata Co., Ltd. and Ichie 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. Because there is an interval of not more than three months between the date of yearly consolidated settlement of accounts and the date of yearly settlement of accounts of consolidated subsidiaries closing their books on December 31, consolidation is conducted using the financial statements for their fiscal year as the basis. The financial statements of Sunahata Co., Ltd. and Ichie Co., Ltd. with their assumed settling day, which is February 28, are used as the basis for consolidating them. 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 a manner required for consolidation.

(Changes in Presentation Methods)

The Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) has been adopted from the beginning of the consolidated fiscal year under review, whereby deferred tax assets are presented under investments and other assets, while deferred tax liabilities are presented under non-current liabilities.

As a result, in the consolidated balance sheet for the previous fiscal year, ¥0 million of "deferred tax liabilities" under "current liabilities" is included in "deferred tax liabilities" under "non-current liabilities," while ¥2,124 million of "deferred tax assets" under "current assets" and ¥530 million of "deferred tax assets" under "investments and other assets" are deducted from ¥5,765



million of "deferred tax liabilities" under "non-current liabilities" and "deferred tax liabilities" under "non-current liabilities" is presented as ¥3,110 million.

## (Consolidated Balance Sheet)

- \*1 Accumulated depreciation of property, plant and equipment is as follows.

	FY ended March 2018 (As of Mar. 31, 2018)	FY ended March 2019 (As of Mar. 31, 2019)
Accumulated depreciation of property, plant and equipment	¥104,519 million	¥106,483 million

- \*2 Balances held in unconsolidated subsidiaries and affiliates are as follows:

	FY ended March 2018 (As of Mar. 31, 2018)	FY ended March 2019 (As of Mar. 31, 2019)
Investment securities (equity shares)	¥3,326 million	¥3,740 million

- \*3 Pledged assets and secured obligations

Pledged assets and secured obligations are as follows:

## Pledged assets

	FY ended March 2018 (As of Mar. 31, 2018)	FY ended March 2019 (As of Mar. 31, 2019)
Buildings and structures	¥2,012 million	¥1,942 million
Land	¥7,732 million	¥7,732 million
Total	¥9,744 million	¥9,675 million

Within the above, assets offered as mortgage for factory foundation

	FY ended March 2018 (As of Mar. 31, 2018)	FY ended March 2019 (As of Mar. 31, 2019)
Buildings and structures	¥319 million	¥298 million
Land	¥282 million	¥282 million
Total	¥601 million	¥580 million

## Secured obligations

	FY ended March 2018 (As of Mar. 31, 2018)	FY ended March 2019 (As of Mar. 31, 2019)
Short-term loans payable	¥1,600 million	¥2,800 million
Long-term loans payable	¥500 million	¥500 million
Total	¥2,100 million	¥3,300 million

Within the above, obligations corresponding to mortgage for factory foundation

	FY ended March 2018 (As of Mar. 31, 2018)	FY ended March 2019 (As of Mar. 31, 2019)
Short-term loans payable	¥200 million	¥200 million

- \*4 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.

	FY ended March 2018 (As of Mar. 31, 2018)	FY ended March 2019 (As of Mar. 31, 2019)
Total amount under specified commitment line agreements	¥14,000 million	¥14,000 million
Outstanding loans borrowed	—	¥5,000 million
Balance	¥14,000 million	¥9,000 million

- \*5 Notes becoming due on the last day of the consolidated fiscal year under review were accounted for by deeming them as having been settled on their due dates.

Because the last day of the consolidated fiscal year under review was a bank holiday, the following notes, etc. due on the last day of the fiscal year shown below were accounted for by deeming them as having been settled on their due dates.

Electronically recorded obligations-operating becoming due had been accounted for on their settlement dates. As this item has increased in significance, they were accounted for by deeming them as having been settled on their due dates starting from the consolidated fiscal year under review. (Electronically recorded obligations-operating becoming due on the last day of the previous consolidated fiscal year is ¥1,097 million.)

	FY ended March 2018 (As of Mar. 31, 2018)	FY ended March 2019 (As of Mar. 31, 2019)
Notes receivable	¥628 million	¥842 million
Notes payable	¥680 million	¥868 million
Electronically recorded obligations-operating	–	¥2,874 million

(Consolidated Statements of Income)

- \*1 Total research and development expenses included in selling, general and administrative expenses and manufacturing cost incurred for the current term are as follows:

	FY ended March 2018 (From Apr. 1, 2017 to Mar. 31, 2018)	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)
Research and development expenses	¥1,162 million	¥1,159 million

- \*2 Impairment loss

The Okamura Group recorded impairment losses for the following asset groups:

FY ended March 2018 (From Apr. 1, 2017 to Mar. 31, 2018)

Purpose	Location	Type
Assets used for business	Yokohama-shi, Kanagawa, Japan	Other property, plant and equipment

The Okamura Group groups assets put into business for each managerial accounting category.

As a result, cash flows from operating activities continued to be negative. The book value of operating assets the book value of which was unlikely to be recovered was lowered to a recoverable value. The details of the impairment loss is ¥5 million for other property, plant and equipment.

The recoverable value is measured based on value in use, and the value in use is estimated as zero.

FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)

Purpose	Location	Type
Assets used for business	Shanghai, in the People's Republic of China.	Other property, plant and equipment
Assets used for business	Beijing, in the People's Republic of China.	Other property, plant and equipment
Assets used for business	Hong Kong Special Administrative Region of the People's Republic of China	Other property, plant and equipment Intangible assets
Idle assets	Fujiidera-shi, Osaka, Japan	Land, buildings and structures

The Okamura Group groups assets put into business for each managerial accounting category. Idle assets not directly used for business are grouped on an individual basis.

Of the above assets, those used for business continued to generate negative cash flows from operating activities and their book value was unlikely to be recovered. Accordingly, the book value of such assets was lowered to a recoverable value.

For idle assets, the book value was lowered to a recoverable value, as they are unlikely to generate profits in the future.

The details of the impairment loss is ¥8 million for buildings and structures, ¥9 million for land, ¥26 million for other property, plant and equipment and ¥0 million for intangible assets.

The recoverable value of assets used for business is measured based on value in use, and the value in use is estimated as zero. For idle land, buildings and structures, the recoverable value is measured at the net sale price, which is generally computed based on real estate appraisal value.

\*3 Compensation received is as follows:

	FY ended March 2018 (From Apr. 1, 2017 to Mar. 31, 2018)	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)
Compensation received	-	¥332 million
This is a compensation received mainly for the loss on inventories.		

\*4 Loss on disaster is as follows:

	FY ended March 2018 (From Apr. 1, 2017 to Mar. 31, 2018)	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)
Loss on disaster	-	¥297 million
This is related to the fire accident in Yokosuka and the Typhoon No. 21 in September 2018.		

(Consolidated Statements of Comprehensive Income)

\*1 Amount of recycling and amount of income tax effect associated with other comprehensive income

	FY ended March 2018 (From Apr. 1, 2017 to Mar. 31, 2018)	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)
Valuation difference on available-for-sale securities		
Amount recognized in the period under review	¥5,509 million	-¥2,034 million
Amount of recycling	¥12 million	-¥1,242 million
Before income tax effect adjustment	¥5,521 million	-¥3,277 million
Amount of income tax effect	-¥1,687 million	¥1,002 million
Valuation difference on available-for-sale securities	¥3,833 million	-¥2,274 million
Foreign currency exchange adjustments		
Amount recognized in the period under review	¥123 million	-¥186 million
Amount of recycling	-	¥16 million
Foreign currency exchange adjustments	¥123 million	-¥169 million
Remeasurements of defined benefit plans		
Amount recognized in the period under review	¥818 million	-¥134 million
Amount of recycling	-¥1,775 million	¥213 million
Before income tax effect adjustment	-¥957 million	¥79 million
Amount of income tax effect	¥293 million	-¥24 million
Remeasurements of defined benefit plans	-¥664 million	¥54 million
Share of other comprehensive income of entities accounted for using equity method		
Amount recognized in the period under review	¥77 million	-¥55 million
Total other comprehensive income	¥3,369 million	-¥2,445 million

## (Consolidated Statement of Changes in Equity)

FY ended March 2018 (From April 1, 2017 to March 31, 2018)

## 1. Types and numbers of shares issued

Type of stock	Number of shares at the beginning of the year	Increase	Decrease	Number of shares at the end of the fiscal year
Common stock (shares)	112,391,530	-	-	112,391,530

## 2. Treasury stock

Type of stock	Number of shares at the beginning of the year	Increase	Decrease	Number of shares at the end of the fiscal year
Common stock (shares)	2,233,725	5,120	-	2,238,845

## (Outline of change factors)

The details of increase are as stated below:

Increase due to purchase of fractional shares	855 shares
Increase due to purchase of treasury stock by equity method affiliates which belongs to us	4,265 shares

## 3. Stock acquisition rights and others

There is no information that needs to be disclosed herein.

## 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, 2017	Common stock	1,323	12.00	March 31, 2017	June 30, 2017
Board of Directors held on October 18, 2017	Common stock	1,323	12.00	September 30, 2017	December 8, 2017

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

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 28, 2018	Common stock	Retained earnings	1,544	14.00	March 31, 2018	June 29, 2018

FY ended March 2019 (From April 1, 2018 to March 31, 2019)

## 1. Types and numbers of shares issued

Type of stock	Number of shares at the beginning of the year	Increase	Decrease	Number of shares at the end of the fiscal year
Common stock (shares)	112,391,530	-	-	112,391,530

## 2. Treasury stock

Type of stock	Number of shares at the beginning of the year	Increase	Decrease	Number of shares at the end of the fiscal year
Common stock (shares)	2,238,845	4,807	-	2,243,652

## (Outline of change factors)

The details of increase are as stated below:

Increase due to purchase of fractional shares	973 shares
Increase due to purchase of treasury stock by equity method affiliates which belongs to us	3,834 shares

## 3. Stock acquisition rights and others

There is no information that needs to be disclosed herein.

## 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 28, 2018	Common stock	1,544	14.00	March 31, 2018	June 29, 2018
Board of Directors held on October 17, 2018	Common stock	1,544	14.00	September 30, 2018	December 10, 2018

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

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 27, 2019	Common stock	Retained earnings	1,544	14.00	March 31, 2019	June 28, 2019

## (Consolidated Statements of Cash Flows)

## \*1 Relations between the balance of cash and cash equivalents at the end of the fiscal year and the amount of the item posted in the consolidated balance sheet

	FY ended March 2018 (From Apr. 1, 2017 to Mar. 31, 2018)	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)
Cash and deposit accounts	¥27,452 million	¥27,279 million
Time deposits—over three months	-¥1,329 million	-¥1,145 million
Cash and cash equivalents	¥26,122 million	¥26,133 million

## 2 Significant non-cash transactions

## FY ended March 2018 (From April 1, 2017 to March 31, 2018)

The increase in investment securities resulting from the termination of the retirement benefit trust in the current consolidated fiscal year amounted to ¥8,348 million.

## FY ended March 2019 (From April 1, 2018 to March 31, 2019)

There is no information that needs to be disclosed herein.

## (Segment Information and Others)

## (Segment Information)

## 1. Overview of reporting segments

The Group's reporting segments are those segments of the Group's organizations for which separate financial information is available, and subject to the Board of Directors' regular review carried out to make decisions on the allocation of management resources and evaluate their performance.

The Group engages in business activities by developing comprehensive product and service strategies under product- and service-specific manufacturing and sales systems.

Consequently, the Group comprises product- and service-specific segments based on manufacturing and sales systems, and there are specifically two reporting segments, "Office Furniture" and "Store Displays."

In the Office Furniture segment, we manufacture and sell office furniture, furniture for public and educational facilities, office security systems, healthcare-related furniture and other products. In the Store Displays segment, we manufacture and sell display fixtures, refrigerated showcases, store counters, etc.

## 2. Calculation methods for net sales, profit/loss, assets, liabilities and other items by reporting segment

The accounting methods used for reported business segments are generally to the same as the description of "Significant Items for the Preparation of Consolidated Financial Statements."

3. Information about net sales, profit/loss, assets, liabilities and other items by segment  
FY ended March 2018 (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Reporting Segments			Others (Note 1)	Total	Adjusted amount (Note 2)	Amount reported in the Consolidated Financial Statements (Note 3)
	Office Furniture	Store Displays	Total				
Net sales							
Net sales to external customers	128,515	95,956	224,471	17,280	241,752	–	241,752
Internal sales or transfers between segments	–	–	–	–	–	–	–
Total	128,515	95,956	224,471	17,280	241,752	–	241,752
Segment income	9,782	2,487	12,269	872	13,142	–	13,142
Segment property	98,802	49,436	148,238	18,609	166,848	66,262	233,110
Other items							
Depreciation	3,640	1,260	4,900	492	5,393	–	5,393
Increase in property, plant and equipment and intangible assets	3,673	1,387	5,061	329	5,390	–	5,390

- Notes: 1. The category "Others" aggregates those business segments that do not meet the definition of reportable segments, and includes Material Handling Systems, Powertrain (former Industrial Machinery) and Others.  
2. The adjusted amount of ¥67,977 million of segment property includes corporate assets that are not allocated to each reporting segment. Corporate assets consist primarily of cash and deposits and investment securities not attributing to the reporting segments.  
3. Total of segment income corresponds to the operating income on Consolidated Statements of Income.

FY ended March 2019 (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Report Segments			Others (Note 1)	Total	Adjusted amount (Note 2)	Amount reported in the Consolidated Financial Statements (Note 3)
	Office Furniture	Store Displays	Total				
Net sales							
Net sales to external customers	134,504	95,363	229,867	18,057	247,925	–	247,925
Internal sales or transfers between segments	–	–	–	–	–	–	–
Total	134,504	95,363	229,867	18,057	247,925	–	247,925
Segment income	10,288	792	11,081	1,337	12,418	–	12,418
Segment property	98,541	49,011	147,553	19,058	166,612	62,664	229,276
Other items							
Depreciation	3,688	1,296	4,984	540	5,525	–	5,525
Increase in property, plant and equipment and intangible assets	3,883	2,018	5,901	662	6,564	–	6,564

- Notes: 1. The category "Others" aggregates those business segments that do not meet the definition of reportable segments, and includes Material Handling Systems, Powertrain (former Industrial Machinery) and Others.  
2. The adjusted amount of ¥62,664 million of segment property includes corporate assets that are not allocated to each reporting segment. Corporate assets consist primarily of cash and deposits and investment securities not attributing to the reporting segments.  
3. Total of segment income corresponds to the operating income on Consolidated Statements of Income.

## (Related Information)

## 1. Product and service segmented information

Because no net sales from external customers account for 10% or more of aggregate net sales in the Consolidated Statements of Income, product and service segmented information is omitted.

## 2. Geographically segmented information

## (1) Net sales

Because net sales from external customers based in Japan account for more than 90% of aggregated net sales in the Consolidated Statements of Income, geographically segmented net sales information is omitted.

## (2) Property, plant and equipment

Because property, plant and equipment located in Japan exceed 90% of aggregated property, plant and equipment in the Consolidated Balance Sheet, geographically segmented tangible fixed asset information is omitted.

## 3. Primary customer segmented information

Because there is no customer with net sales accounting for 10% or more of aggregated net sales in the Consolidated Statements of Income, primary customer segmented information is omitted.

## (Information about Impairment Loss on Non-current Assets by Segment)

FY ended March 2018 (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Report Segments			Others	Total	Adjusted amount	Amount reported in the Consolidated Statements of Income
	Office Furniture	Store Displays	Total				
Impairment loss	-	-	-	5	5	-	5

FY ended March 2019 (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Report Segments			Others	Total	Adjusted amount (Note)	Amount reported in the Consolidated Statements of Income
	Office Furniture	Store Displays	Total				
Impairment loss	21	19	40	4	45	-	45

## (Information about Amortization and Unamortized Balance of Goodwill by Segment)

Description is omitted due to lack of significance.

## (Information about Gain on Bargain Purchase by Segment)

There is no information that needs to be disclosed herein.

## (Per Share Data)

	FY ended March 2018 (From Apr. 1, 2017 to Mar. 31, 2018)	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)
Net assets per share of common stock	1,136.82 yen	1,179.63 yen
Profit per share	98.23 yen	92.92 yen

Notes: 1. The diluted profit 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 profit per share of common stock was as follows:

	FY ended March 2018 (From Apr. 1, 2017 to Mar. 31, 2018)	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)
Profit attributable to owners of parent (in million yen)	10,820	10,234
Amount not reverting to common shareholders (in million yen)	–	–
Profit relating to common stock attributable to owners of parent (in million yen)	10,820	10,234
Average number of shares of common stock during the period (in thousand shares)	110,155	110,150



## 4. Non-Consolidated Financial Statements

## (1) Non-Consolidated Balance Sheets

(Millions of yen)

	FY ended March 2018 (As of Mar. 31, 2018)	FY ended March 2019 (As of Mar. 31, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	15,108	15,243
Notes receivable-trade	7,290	7,874
Accounts receivable-trade	55,382	52,466
Short-term investment securities	–	500
Merchandise and finished goods	10,909	11,550
Work in process	996	1,193
Raw materials and supplies	3,507	3,982
Prepaid expenses	933	943
Other	1,415	1,990
Allowance for doubtful accounts	(26)	(19)
Total current assets	95,517	95,725
Non-current assets		
Property, plant and equipment		
Buildings	11,695	11,183
Structures	760	720
Machinery and equipment	7,070	7,655
Vehicles	72	62
Tools, furniture and fixtures	1,777	2,174
Land	25,253	25,253
Construction in progress	179	933
Total property, plant and equipment	46,809	47,982
Intangible assets		
Patent right	6	6
Leasehold right	560	560
Software	3,324	3,259
Other	109	106
Total intangible assets	4,001	3,933
Investments and other assets		
Investment securities	45,038	41,432
Stocks of subsidiaries and associates	11,151	11,487
Long-term loans receivable from subsidiaries and associates	1,943	1,721
Claims provable in bankruptcy, claims provable in rehabilitation and other	35	47
Prepaid pension cost	725	862
Lease deposits	4,111	4,131
Other	1,193	1,192
Allowance for doubtful accounts	(805)	(944)
Total investments and other assets	63,394	59,930
Total non-current assets	114,205	111,847
<b>Total assets</b>	<b>209,722</b>	<b>207,572</b>

(Millions of yen)

	FY ended March 2018 (As of Mar. 31, 2018)	FY ended March 2019 (As of Mar. 31, 2019)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable-trade	4,820	3,763
Electronically recorded obligations-operating	20,283	15,921
Accounts payable-trade	21,713	19,582
Short-term loans payable	5,200	10,200
Short-term loans payable to subsidiaries and associates	100	100
Current portion of long-term loans payable	1,000	200
Current portion of bonds	5,000	–
Lease obligations	78	103
Accounts payable-other	715	524
Accrued expenses	2,205	2,280
Income taxes payable	2,616	3,188
Accrued consumption taxes	723	491
Advances received	565	1,582
Deposits received	217	187
Provision for bonuses	3,121	3,289
<b>Total current liabilities</b>	<b>68,360</b>	<b>61,414</b>
<b>Non-current liabilities</b>		
Bonds payable	5,000	5,000
Long-term loans payable	3,950	4,750
Lease obligations	202	331
Provision for retirement benefits	11,532	11,785
Provision for loss on business of subsidiaries and associates	23	44
Long-term deposits received	2,591	2,679
Deferred tax liabilities	3,961	2,778
Other	308	305
<b>Total non-current liabilities</b>	<b>27,569</b>	<b>27,673</b>
<b>Total liabilities</b>	<b>95,929</b>	<b>89,087</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	18,670	18,670
<b>Capital surplus</b>		
Legal capital surplus	16,759	16,759
<b>Total capital surplus</b>	<b>16,759</b>	<b>16,759</b>
<b>Retained earnings</b>		
Legal retained earnings	1,874	1,874
Other retained earnings		
Reserve for reduction entry	4,516	4,476
General reserve	4,180	4,180
Retained earnings brought forward	56,761	63,564
<b>Total retained earnings</b>	<b>67,332</b>	<b>74,095</b>
Treasury stock	(2,336)	(2,338)
<b>Total shareholders' equity</b>	<b>100,426</b>	<b>107,187</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	13,367	11,297
<b>Total valuation and translation adjustments</b>	<b>13,367</b>	<b>11,297</b>
<b>Total net assets</b>	<b>113,793</b>	<b>118,484</b>
<b>Total liabilities and net assets</b>	<b>209,722</b>	<b>207,572</b>

## (2) Non-Consolidated Statements of Income

(Millions of yen)

	FY ended March 2018 (From Apr. 1, 2017 to Mar. 31, 2018)	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)
Net sales	216,575	223,447
Cost of sales	149,058	152,082
Gross profit	67,517	71,365
Selling, general and administrative expenses	56,621	60,336
Operating income	10,896	11,028
Non-operating income		
Interest income	36	35
Dividend income	3,021	1,812
Other	592	586
Total non-operating income	3,650	2,434
Non-operating expenses		
Interest expenses	119	120
Interest on bonds	29	26
Loss on sales and retirement of non-current assets	89	152
Provision of allowance for doubtful accounts for subsidiaries and associates	372	127
Provision for loss on business of subsidiaries and associates	23	21
Foreign exchange losses	–	9
Other	204	131
Total non-operating expenses	838	588
Ordinary income	13,708	12,874
Extraordinary income		
Gain on sales of investment securities	–	1,242
Gain on revision of retirement benefit plan	1,812	–
Compensation received	–	316
Total extraordinary income	1,812	1,558
Extraordinary loss		
Loss on disaster	–	284
Loss on valuation of investment securities	14	81
Loss on valuation of shares of subsidiaries and associates	45	168
Loss on valuation of golf club membership	2	3
Total extraordinary loss	61	537
Profit before income taxes	15,459	13,895
Income taxes-current	3,060	4,315
Income taxes-deferred	1,108	(271)
Total income taxes	4,169	4,044
Profit	11,290	9,851

## (3) Non-Consolidated Statement of Changes in Equity

FY ended March 2018 (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings			
					Reserve for reduction entry	General reserve	Retained earnings brought forward	
Opening balance	18,670	16,759	16,759	1,874	4,556	4,180	48,079	58,690
Changes of items during the period								
Dividends from surplus							(2,647)	(2,647)
Reversal of reserve for reduction entry					(40)		40	-
Profit							11,290	11,290
Purchase of treasury stock								
Net changes of items other than shareholders' equity								
Total changes of items during the period	-	-	-	-	(40)	-	8,682	8,642
Ending balance	18,670	16,759	16,759	1,874	4,516	4,180	56,761	67,332

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Opening balance	(2,335)	91,785	9,747	9,747	101,532
Changes of items during the period					
Dividends from surplus		(2,647)			(2,647)
Reversal of reserve for reduction entry		-			-
Profit		11,290			11,290
Purchase of treasury stock	(1)	(1)			(1)
Net changes of items other than shareholders' equity			3,619	3,619	3,619
Total changes of items during the period	(1)	8,641	3,619	3,619	12,260
Ending balance	(2,336)	100,426	13,367	13,367	113,793

FY ended March 2019 (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Total capital surplus		Reserve for reduction entry	General reserve	Retained earnings brought forward	
Opening balance	18,670	16,759	16,759	1,874	4,516	4,180	56,761	67,332
Changes of items during the period								
Dividends from surplus							(3,089)	(3,089)
Reversal of reserve for reduction entry					(40)		40	-
Profit							9,851	9,851
Purchase of treasury stock								
Net changes of items other than shareholders' equity								
Total changes of items during the period	-	-	-	-	(40)	-	6,802	6,762
Ending balance	18,670	16,759	16,759	1,874	4,476	4,180	63,564	74,095

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Opening balance	(2,336)	100,426	13,367	13,367	113,793
Changes of items during the period					
Dividends from surplus		(3,089)			(3,089)
Reversal of reserve for reduction entry		-			-
Profit		9,851			9,851
Purchase of treasury stock	(1)	(1)			(1)
Net changes of items other than shareholders' equity			(2,069)	(2,069)	(2,069)
Total changes of items during the period	(1)	6,760	(2,069)	(2,069)	4,690
Ending balance	(2,338)	107,187	11,297	11,297	118,484