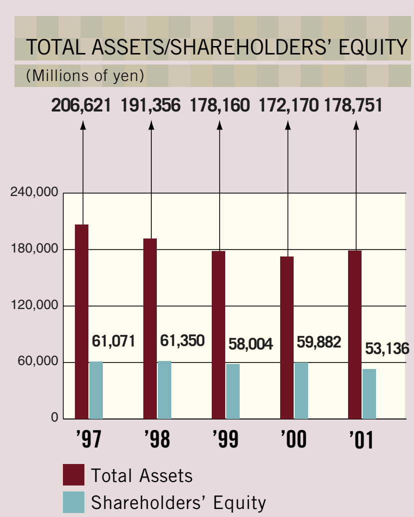
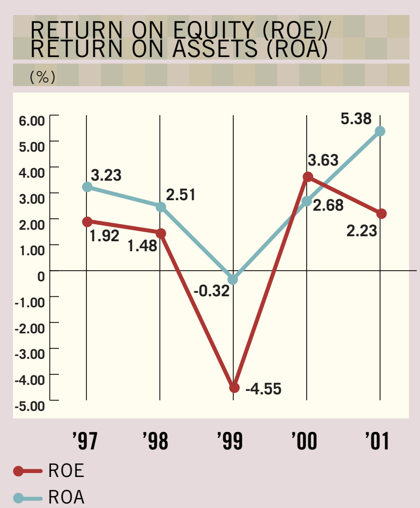
Aiming to enhance corporate value

Contents

Five-Year Summary of Selected Financial Data

For the years ended March 31 (CONSOLIDATED)	Millions of yen				
	1997	1998	1999	2000	**2001**
Operations:					
Net sales	¥190,316	¥190,482	¥169,960	¥165,323	**¥187,349**
Cost of sales and SG&A expenses	183,729	185,483	170,560	160,630	**177,917**
Operating income (loss)	6,587	4,999	(600)	4,693	**9,432**
Other income (expenses)	(2,943)	(2,269)	(1,550)	(304)	**(6,560)**
Income (loss) before income taxes	3,644	2,730	(2,150)	4,389	**2,872**
Income taxes and others	2,483	1,827	568	2,246	**1,612**
Net income (loss)	1,161	903	(2,718)	2,143	**1,260**
Financial Position:					
Current assets	112,657	99,590	90,374	87,651	**97,023**
Noncurrent assets	93,964	91,766	87,786	84,519	**81,728**
Total assets	206,621	191,356	178,160	172,170	**178,751**
Current liabilities	129,624	87,307	74,008	61,176	**86,006**
Long-term liabilities	12,616	39,009	42,361	47,207	**35,456**
Minority interests	3,310	3,690	3,787	3,905	**4,153**
Shareholders' equity	61,071	61,350	58,004	59,882	**53,136**
Total liabilities and shareholders' equity	206,621	191,356	178,160	172,170	**178,751**
Return on equity (ROE) (Net income/Shareholders' equity)	1.92	1.48	(4.55)	3.63	**2.23**
Return on assets (ROA) (Operating income (loss)/Total assets)	3.23	2.51	(0.32)	2.68	**5.38**
Number of employees	—	—	—	3,661	**3,502**





Operating Performance

Net Sales

For the fiscal year ended March 31, 2001, Okamura Corporation recorded consolidated net sales of ¥187,349 million, a year-on-year increase of 13.3%.

In the mainstay Office Furniture segment, inroads were made in both IT-related and foreign companies located chiefly in the Tokyo metropolitan area, and office relocation and renovations were brisk on the back of advancing office reorganization in central government and financial institutions. Okamura worked vigorously to develop office products suitable for the IT era. By region, while sales in the Tokyo area were brisk, conditions remained fierce in other regions. By market, in addition to receiving active orders from such customers as IT companies, financial institutions, foreign companies and government offices, the Company also aggressively developed the fields of cultural centers, libraries, educational facilities and medical and welfare facilities as promising markets. Consequently, net sales for the Office Furniture segment rose 8.2% to ¥116,507 million.

In Store Displays, Okamura was able to boost net sales for this segment 26.8% to ¥61,944 million as a result of bolstering sales for such "category killers" (specified specialty stores) as large-scale commercial facilities, convenience stores, mass-retailers of home appliances and home centers, as well as stepped-up demand in preparation for introduction of the Large-Scale Retail Store Location Law.

In the Material Handling System and Others segment, net sales edged up 1.5% to ¥8,898 million from the effects of sluggish capital investment in the Japanese distribution industry.

Operating Income

Operating income roughly doubled from the previous term to ¥9,432 million. The operating income ratio improved 2.2 percentage points to 5.0%. This was the result of a largely unchanged ratio of cost of sales relative to the previous fiscal year following considerable sales growth, a 13.0% increase in gross profit to ¥57,595 million owing to the effect of greater net sales, as well as selling, general and administrative (SG&A) expenses growth leveling off at 4.0%.

By segment, operating income for the Office Furniture segment rose 69.8% to ¥6,229 million due to an improved cost rate by a leveling off in the downward trend in unit selling prices, as well from curbed expansion in SG&A expenses. Despite a slight deterioration in the cost rate following intensified demands from customers for price reduction, operating income in Store Displays jumped 166.8% to ¥3,065 million as a result of considerable growth in sales and the curbing of SG&A expenses. The Material Handling System and Others segment recorded operating income of ¥138 million from having achieved profitability through an improved cost rate and reduced SG&A expenses.

SG&A Expenses

SG&A expenses rose 4.0% to ¥48,163 million, and the ratio of SG&A expenses to net sales improved 2.3 percentage points to 25.7%. While distribution expenses rose 12.1% following increased shipments, the ratio of distribution expenses to net sales improved. Despite personnel expenses rising 9.1% from increased retirement benefits, the ratio of personnel expenses to net sales improved 0.3 percentage point following efforts in personnel cutbacks. Rent expenses declined 7.1% as storage expenses declined through improved turnover rates in product inventories, enabling a 0.7 percentage point improvement in the ratio of rent expenses to net sales.

Other Income (Expenses)

In financial income and expenses, the repayment of debt resulted in a ¥172 million decrease in interest expenses.

An extraordinary gain of ¥2,886 million was recorded from the profit of a designated portion of listed stock allocated for a retirement benefit trust following the introduction of retirement benefit accounting. Conversely, an amortization of differences arising from changes in accounting standards for retirement benefits was recorded as an extraordinary loss of ¥8,817 million.

Net Income

Income before income taxes fell 34.6% to ¥2,872 million from the impact of an extraordinary loss accompanying the application of retirement benefit accounting. Excluding such costs as income taxes, net income decreased 41.2% to ¥1,260 million as a result of reassessing tax effects.

Assets, Liabilities and Shareholders' Equity

Total assets rose 3.8% to ¥178,751 million. Annual asset turnover ratio improved 0.1 time to 1.1 times as a result of sales growth. In current assets, trade receivables rose 13.3% in line with increased net sales, and the trade receivables turnover ratio improved. Inventories increased 13.7%, and the inventory turnover ratio improved 1.5 times to 12.7 times. Consequently, total current assets increased 10.7% to ¥97,023 million, and the current asset turnover ratio improved 0.2 time to 2.0 times.

In fixed assets, property, plant and equipment declined 4.2% to ¥52,408 million amid restrained capital expenditures, and the assets turnover ratio improved 0.6 time to 3.5 times.

In current liabilities, notes and accounts payable rose 29.2% to ¥48,748 million from such factors as increased purchases associated with higher sales. Interest-bearing debt decreased 6.3% following ¥3,070 million in repayment of debts. In fixed liabilities, the application of retirement benefit accounting resulted in a 22.1% decrease in severance and retirement benefits to ¥13,621 million, compared with the severance and retirement benefits in the previous term. Accordingly, total current liabilities climbed 40.6% to ¥86,006 million.

In shareholders' equity, the Company bought back ¥6,944 million in shares of common stock with the aim of raising return on investment for shareholders. The buy-back involved roughly 12.4 million shares accounting for approximately 10% of issued stock, and resulted in an 11.3% decline in total shareholders' equity to ¥53,136 million.

Cash Flows

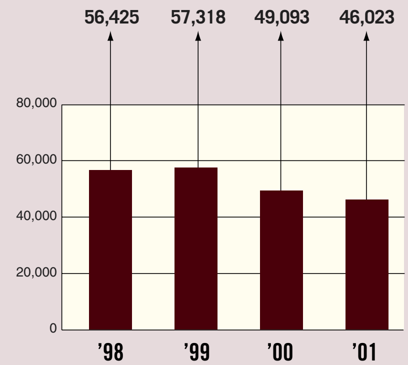
Cash and cash equivalents at end of year rose 2.7% to ¥22,515 million.

Net cash provided by operating activities climbed 25.7% to ¥15,595 million as a result of a ¥523 million decrease in depreciation and amortization to ¥4,902 million. Net cash provided by operating activities was applied toward self-funded investment activities, repayment of loans and such financing activities as the retirement of treasury stock using profits.

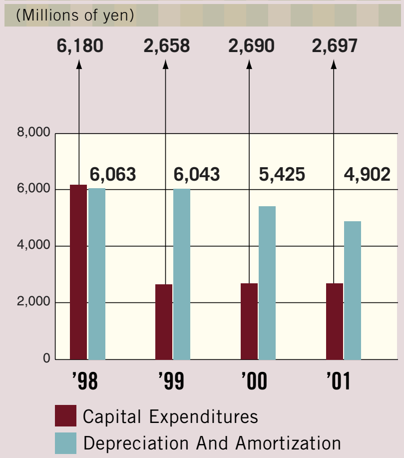
Net cash used in investing activities increased ¥4,667 million to ¥4,484 million. Major expenses were payments for the purchase of property, plant and equipment of ¥2,479 million for machines, equipment and molds for the manufacture of new products, and payments for the purchase of investment securities and marketable securities of ¥2,287 million.

Net cash used in financing activities increased 22.1% to ¥10,532 million. A total of ¥3,070 million in interest-bearing debt was repaid, comprising ¥520 million in short-term debt and ¥2,550 million in payments of long-term debt. Payments for purchase of treasury stock for redemption of ¥6,944 million were recorded, using cash from profits in the fiscal year under review.

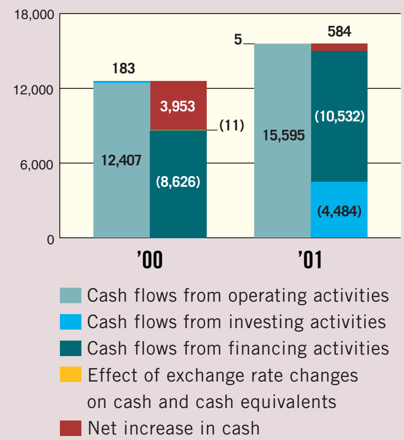
INTEREST-BEARING DEBT
(Millions of yen)



CAPITAL EXPENDITURES/
DEPRECIATION AND AMORTIZATION
(Millions of yen)



CASH FLOWS
(Millions of yen)



Consolidated Statements of Income

YEARS ENDED MARCH 31, 2000 AND 2001

	Millions of yen		Thousands of U.S. dollars (Note 1 (1))
	2000	2001	2001
Net sales (Note 11)	¥165,323	**¥187,349**	**$1,512,098**
Cost of sales	114,332	**129,754**	**1,047,248**
Gross profit	50,991	**57,595**	**464,850**
Selling, general and administrative expenses	46,298	**48,163**	**388,725**
Operating income (Note 11)	4,693	**9,432**	**76,125**
Other income (expenses):			
Interest and dividend income	281	**211**	**1,703**
Interest expense	(1,137)	**(965)**	**(7,789)**
Loss on devaluation of investment securities	(660)	**(226)**	**(1,824)**
Gain on sale of property, plant and equipment	2,479	**1**	**8**
Loss on disposal of property, plant and equipment	(423)	**(279)**	**(2,252)**
Gain (Loss) on sale of marketable securities and investment securities	39	**(4)**	**(32)**
Equity in earnings of affiliated companies	61	**154**	**1,243**
Gain on securities contribution to employee retirement benefit trust	—	**2,886**	**23,293**
Severance and retirement benefit expense for amortization of net transition obligation	—	**(8,817)**	**(71,162)**
Other, net	(944)	**479**	**3,866**
	(304)	**(6,560)**	**(52,946)**
Income before income taxes	4,389	**2,872**	**23,179**
Income taxes (Note 1 (11))			
Current	2,047	**5,054**	**40,791**
Deferred	73	**(3,756)**	**(30,315)**
Income before minority interests	2,269	**1,574**	**12,703**
Minority interests in net income of consolidated subsidiaries	(126)	**(314)**	**(2,534)**
Net income	¥ 2,143	**¥ 1,260**	**$ 10,169**

	Yen		U.S. dollars (Note 1 (1))
	2000	2001	2001
Amounts per share of common stock:			
Net income	¥17.17	**¥10.19**	**$0.08**
Cash dividends applicable to the year	3.00	**4.00**	**0.03**

See accompanying notes.

Consolidated Balance Sheets

MARCH 31, 2000 AND 2001

ASSETS	Millions of yen 2000	Millions of yen 2001	Thousands of U.S. dollars (Note 1 (1)) 2001
Current assets:			
Cash (Note 5)	¥ 23,808	**¥ 23,536**	**$ 189,960**
Marketable securities (Note 7)	694	**1,127**	**9,096**
Trade receivables:			
Notes	8,047	**13,230**	**106,780**
Accounts	39,354	**40,458**	**326,538**
Allowance for doubtful accounts	(317)	**(387)**	**(3,123)**
Inventories (Note 2)	13,796	**15,690**	**126,634**
Deferred income taxes (Note 10)	789	**1,797**	**14,504**
Other current assets	1,480	**1,572**	**12,688**
Total current assets	87,651	**97,023**	**783,077**
Property, plant and equipment (Note 3)			
Land	21,128	**21,131**	**170,549**
Buildings	47,741	**47,732**	**385,246**
Machinery and equipment	53,781	**53,595**	**432,567**
Construction in progress	20	**104**	**839**
	122,670	**122,562**	**989,201**
Less accumulated depreciation	67,958	**70,154**	**566,215**
	54,712	**52,408**	**422,986**
Investments and other assets:			
Investments in unconsolidated subsidiaries and affiliated companies	1,128	**1,150**	**9,282**
Investment securities (Note 7)	17,907	**17,186**	**138,709**
Deferred income taxes (Note 10)	1,566	**2,288**	**18,467**
Other non-current assets	9,206	**8,696**	**70,184**
	29,807	**29,320**	**236,642**
	¥172,170	**¥178,751**	**$1,442,705**

See accompanying notes.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen		Thousands of U.S. dollars (Note 1 (1))
	2000	**2001**	**2001**
Current liabilities:			
Short-term bank loans (Note 3)	¥ 14,450	**¥ 13,930**	**$ 112,430**
Long-term debt due within one year (Note 3)	2,565	**12,509**	**100,960**
Trade payables:			
Notes	20,379	**31,742**	**256,190**
Accounts	17,341	**17,006**	**137,256**
Income taxes payable	1,884	**4,298**	**34,689**
Other current liabilities	4,557	**6,521**	**52,632**
Total current liabilities	61,176	**86,006**	**694,157**
Long-term debt (Note 3)	32,078	**19,584**	**158,063**
Severance and retirement benefits (Note 9)	11,155	**13,621**	**109,935**
Deferred income taxes (Note 10)	2,299	**—**	**—**
Other long-term liabilities	1,675	**2,251**	**18,168**
Minority interests	3,905	**4,153**	**33,520**
Shareholders' equity (Note 4)**:**			
Common stock, par value ¥50 per share			
Authorized—200,000,000 shares in 2000			
—187,600,000 shares in 2001			
Issued—124,791,530 shares in 2000			
—112,391,530 shares in 2001	18,670	**18,670**	**150,686**
Additional paid-in capital	16,760	**16,760**	**135,270**
Retained earnings	24,454	**18,271**	**147,466**
Net unrealized holding losses on securities (Note 1 (5))	—	**(378)**	**(3,051)**
Foreign currency translation adjustment (Note 1 (4))	—	**(187)**	**(1,509)**
Treasury stock, at cost	(2)	**(0)**	**(0)**
	59,882	**53,136**	**428,862**
	¥172,170	**¥178,751**	**$1,442,705**

Consolidated Statements of Shareholders' Equity

YEARS ENDED MARCH 31, 2000 AND 2001

	Thousands of shares	Millions of yen					
	Shares of common stock	Common stock	Additional paid-in capital	Retained earnings	Net unrealized holding gains on securities	Foreign currency translation adjustment	Treasury stock
Balance at March 31, 1999	124,792	¥18,670	¥16,760	¥22,574	¥ —	¥ —	¥(0)
Cumulative effect of adopting deferred income tax accounting	—	—	—	111	—	—	—
Net income	—	—	—	2,143	—	—	—
Treasury stock	—	—	—	—	—	—	(2)
Cash dividends paid (¥3.00 per share)	—	—	—	(374)	—	—	—
Balance at March 31, 2000	124,792	18,670	16,760	24,454	—	—	(2)
Net income	—	—	—	1,260	—	—	—
Adjustments from translation of foreign currency financial statements (Note 1 (4))	—	—	—	—	—	(187)	—
Adoption of new accounting standard for financial instruments (Note 1 (5))	—	—	—	—	(378)	—	—
Treasury stock	—	—	—	—	—	—	2
Cash dividends paid (¥4.00 per share)	—	—	—	(499)	—	—	—
Purchase and redemption of treasury stock	(12,400)	—	—	(6,944)	—	—	—
Balance at March 31, 2001	**112,392**	**¥18,670**	**¥16,760**	**¥18,271**	**¥(378)**	**¥(187)**	**¥(0)**

	Thousands of U.S. dollars (Note 1 (1))					
	Common stock	Additional paid-in capital	Retained earnings	Net unrealized holding gains on securities	Foreign currency translation adjustment	Treasury stock
Balance at March 31, 2000	$150,686	$135,270	$197,369	$ —	$ —	$(16)
Net income	—	—	10,169	—	—	—
Adjustments from translation of foreign currency financial statements (Note 1 (4))	—	—	—	—	(1,509)	—
Adoption of new accounting standard for financial instruments (Note 1 (5))	—	—	—	(3,051)	—	—
Treasury stock	—	—	—	—	—	16
Cash dividends paid ($0.03 per share)	—	—	(4,027)	—	—	—
Purchase and redemption of treasury stock	—	—	(56,045)	—	—	—
Balance at March 31, 2001	**$150,686**	**$135,270**	**$147,466**	**$(3,051)**	**$(1,509)**	**$ (0)**

See accompanying notes.

Consolidated Statements of Cash Flows

YEARS ENDED MARCH 31, 2000 AND 2001

	Millions of yen		Thousands of U.S. dollars (Note 1 (1))
	2000	2001	2001
Cash flows from operating activities:			
Income before income taxes	¥ 4,389	**¥ 2,872**	**$ 23,179**
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	5,425	**4,902**	**39,564**
Loss on devaluation of investment securities	660	**226**	**1,824**
Loss (Gain) on sale of investment securities	(39)	**4**	**32**
Gain on sale of property, plant and equipment	(2,479)	**(1)**	**(8)**
Loss on disposal of property, plant and equipment	423	**279**	**2,252**
Interest and dividends income	(282)	**(211)**	**(1,703)**
Interest expenses	1,137	**965**	**7,789**
Gain on securities contribution to employee retirement benefit trust	—	**(2,886)**	**(23,293)**
The amount of securities contribution to employee retirement benefit trust	—	**5,349**	**43,172**
Decrease (Increase) in notes and accounts receivable—trade	5,446	**(6,287)**	**(50,742)**
Decrease (Increase) in inventories	1,872	**(1,894)**	**(15,287)**
Increase (Decrease) in notes and accounts payable—trade	(5,829)	**11,029**	**89,015**
Increase in retirement benefits	2,108	**2,977**	**24,028**
Other, net	801	**1,676**	**13,527**
Subtotal	13,632	**19,000**	**153,349**
Interest and dividends received	283	**217**	**1,751**
Interest expenses paid	(1,079)	**(983)**	**(7,934)**
Income taxes paid	(429)	**(2,639)**	**(21,299)**
Net cash provided by operating activities	12,407	**15,595**	**125,867**
Cash flows from investing activities:			
Payments for purchase of property, plant and equipment	(1,851)	**(2,479)**	**(20,008)**
Proceeds from sale of property, plant and equipment	2,629	**5**	**40**
Payments for purchase of investment securities and marketable securities	(398)	**(2,287)**	**(18,458)**
Proceeds from sale of investment securities and marketable securities	847	**49**	**395**
Other, net	(1,044)	**228**	**1,840**
Net cash provided by (used in) investing activities	183	**(4,484)**	**(36,191)**
Cash flows from financing activities:			
Proceeds from long-term debt	3,000	**—**	**—**
Payments of long-term debt	(2,525)	**(2,550)**	**(20,581)**
Decrease in short-term bank loans	(8,700)	**(520)**	**(4,197)**
Cash dividends paid	(399)	**(523)**	**(4,221)**
Payments for purchase of treasury stock for redemption	—	**(6,944)**	**(56,045)**
Other, net	(2)	**5**	**40**
Net cash used in financing activities	(8,626)	**(10,532)**	**(85,004)**
Effect of exchange rate changes on cash and cash equivalents	(11)	**5**	**40**
Net increase in cash	3,953	**584**	**4,712**
Cash and cash equivalents at beginning of year	17,978	**21,931**	**177,006**
Cash and cash equivalents at end of year (Note 5)	¥21,931	**¥ 22,515**	**$181,718**

See accompanying notes.

Notes to Consolidated Financial Statements
MARCH 31, 2000 AND 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Basis of presenting financial statements

OKAMURA CORPORATION (the "Company"), a Japanese corporation, and its consolidated domestic subsidiaries maintain their accounts and records in conformity with accounting principles and practices generally accepted in Japan, which are different from the accounting and disclosure requirements of International Accounting Standards. The accounts of overseas consolidated subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles and practices prevailing in the respective countries of domicile.

The accompanying consolidated financial statements have been translated from the consolidated financial statements that are prepared for Japanese domestic purposes in accordance with the provisions of the Securities and Exchange Law of Japan and filed with appropriate Local Finance Bureau of the Ministry of Finance of Japan.

In preparing the accompanying consolidated financial statements, certain reclassifications have been made in the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. The consolidated statements of shareholders' equity have been prepared for the purpose of inclusion in the accompanying consolidated financial statements, although such statements were not required for domestic purposes and were not filed with the regulatory authorities.

The financial statements are stated in Japanese yen. The translations of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers, using the prevailing exchange rate at March 31, 2001, which was ¥123.90 to U.S.$1.00. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

(2) Consolidated statements of cash flows

In preparing the consolidated statement of cash flows, cash on hand, readily-available deposits and short-term highly liquid investments with maturities of not exceeding three months at the time of purchase are considered to be cash and cash equivalents.

(3) Basis of consolidation and accounting for investments in affiliated companies

The consolidated financial statements comprise the accounts of the Company and its nine significant subsidiaries in 2000 and 10 significant subsidiaries in 2001. All significant intercompany accounts and transactions have been eliminated in the consolidation. All companies are required to consolidate all significant investees which are controlled through substantial ownership of majority voting rights or existence of certain conditions.

The investments in affiliated companies are stated at their underlying equity value. All companies are required to account for investments in affiliated companies (all 20% to 50% owned and certain others 15% to 20% owned) by the equity method. The excess of the cost over the underlying net assets of investments in consolidated subsidiaries and affiliated companies is amortized over a five-year period with the exception of minor differences which are charged or credited to income in the period of acquisition.

(4) Translation of foreign currencies

Short-term receivables and payables denominated in foreign currencies are translated into Japanese yen at the current exchange rate at the balance sheet date. Prior to April 1, 2000, long-term receivables and payables denominated in foreign currencies were translated at historical exchange rates except for those hedged by forward exchange contracts. The bonds in foreign currencies are translated into Japanese yen at the contracted forward exchange rate.

Effective April 1, 2000, the Company and its consolidated subsidiaries adopted the revised accounting standard for foreign currency translation, "Opinion Concerning Revision of Accounting Standard for Foreign Currency Translation," issued by the Business Accounting Deliberation Council on October 22, 1999 (the "Revised Accounting Standard"). Under the Revised Accounting Standard, long-term receivables and payables denominated in foreign currencies are also translated into Japanese yen at the year-end rate.

There was no effect of adopting the Revised Accounting Standard.

Financial statements of consolidated overseas subsidiaries are translated into Japanese yen at the year-end rate, except that shareholders' equity accounts are translated at historical rates and income statement items resulting from transactions with the Company at the rates used by the Company.

Due to the adoption of the Revised Accounting Standard, the Company and its domestic subsidiaries are required to report foreign currency translation adjustments in the shareholders' equity. The prior year's amount, which was included in assets, has not been reclassified to conform to the 2001 presentation.

(5) Securities

Prior to April 1, 2000, securities that have quoted market prices were stated at the lower of moving-average cost or quoted market price. Other securities were stated at cost based on the moving-average method adjusted for any substantial and non-recoverable decline in value.

Effective April 1, 2000, the Company and its consolidated subsidiaries adopted the new Japanese accounting standard for financial instruments ("Opinion Concerning Establishment of Accounting Standard for Financial Instruments" issued by the Business Accounting Deliberation Council on January 22, 1999).

Upon applying the new accounting standard, all companies are required to examine the intent of holding each security and classified those securities as (a) securities held for trading purposes (hereafter, "trading securities"), (b) debt securities intended to be held to maturity (hereafter, "held-to-maturity debt securities"), (c) equity securities issued by subsidiaries and affiliated companies, and (d) for all other securities that are not classified in any of the above categories (hereafter, "available-for-sale securities").

Trading securities are stated at fair market value. Gains and losses realized on disposal and unrealized gains and losses from market value fluctuations are recognized as gains or losses in the period of the change. Held-to-maturity debt securities are stated at amortized cost. Equity securities issued by subsidiaries and affiliated companies which are not consolidated or accounted for using the equity method are stated at moving-average cost. Available-for-sale securities with available fair market values are stated at fair market value. Unrealized gains and unrealized losses on these securities are reported, net of applicable income taxes, as a separate component of shareholders' equity. Realized gains on sale of such securities are computed using moving-average cost.

Debt securities with no available fair market value are stated at amortized cost, net of the amount considered not collectible. Other securities with no available fair market value are stated at moving-average cost.

If the market value of held-to-maturity debt and available-for-sale securities declines significantly, such securities are stated at fair market value and the difference between fair market value and the carrying amount is recognized as loss in the period of the decline. If the fair market value of securities is not readily available, such securities should be written down to net asset value with a corresponding charge in the income statement in the event net asset value declines significantly. In these cases, such fair market value or the net asset value will be the carrying amount of the securities at the beginning of the next year.

As a result of adopting the new accounting standard for financial instruments, income before income taxes decreased by ¥1,642 million ($13,253 thousand). Also, based on the examination of the intent of holding each security upon application of the new accounting standard on April 1, 2000, securities maturing within one year from the balance sheet date are included in current assets, and other securities are included in investments and other assets. As a result, at April 1, 2000, securities in current assets decreased by ¥400 million ($3,228 thousand) and investment securities increased by the same amount compared with what would have been reported under the previous accounting policy.

(6) Inventories

Inventories are stated at cost, which is determined by the moving-average method.

(7) Depreciation and amortization

Depreciation of property, plant and equipment is computed by the declining-balance method at rates based on the useful lives prescribed by the Japanese tax regulations, except that the straight-line method is applied to buildings acquired after March 31, 1998.

Amortization of intangible assets and long-term prepaid expenses are computed by the straight-line method over periods prescribed by the Japanese Corporation Tax Law.

(8) Deferred charges

Research and development expenses including basic research and fundamental development costs which are for the improvement of existing products or development of new products are charged to income when paid.

(9) Bonuses

Bonuses to employees, which are paid semi-annually, are accrued based upon management's estimate of the amount thereof. Bonuses to directors and corporate auditors, which are subject to approval at the shareholders' meeting, are accounted for as an appropriation of retained earnings.

(10) Severance and retirement benefits

Severance and retirement benefits covering all employees are provided through two arrangements: an unfunded lump-sum benefit plan and a non-contributory funded pension plan. Upon retirement or termination of employment, employees are generally entitled to lump-sum or annuity payments based on their current rate of pay, length of service and cause of termination.

At March 31, 2000, the liability for severance and retirement benefits was stated at full amount which would be required to be paid if all eligible employees voluntarily retired as of the balance sheet date less the estimated amount of the trusted pension assets. Annual contributions for the funded pension plan, which consist of normal cost and amortization of the prior service costs over approximately fifteen years, were charged to income when paid.

Effective April 1, 2000, the Companies adopted the new accounting standard, “Opinion on Setting Accounting Standard for Employees’ Severance and Retirement Benefits,” issued by the Business Accounting Deliberation Council on June 16, 1998 (the “New Accounting Standard”).

Under the New Accounting Standard, the liabilities and expenses for severance and retirement benefits are determined based on the amounts actuarially calculated using certain assumptions.

The Company and its subsidiaries provided allowance for employees’ severance and retirement benefits at March 31, 2001 based on the estimated amounts of projected benefit obligation and the fair value of the plan assets at that date.

The excess of the projected benefit obligation over the total of the fair value of pension assets as of April 1, 2000 and the liabilities for severance and retirement benefits recorded as of April 1, 2000 (the “net transition obligation”) amounted to ¥8,817 million ($71,162 thousand), of which ¥5,349 million ($43,172 thousand) was recognized as an expense as a result of the contribution of investment securities worth ¥5,349 million ($43,172 thousand) to the employee retirement benefit trust in September 2000. The remaining net transition obligation amounting to ¥3,468 million ($27,990 thousand) was recognized in expenses in the year ended March 31, 2001. Prior service costs are recognized in expenses in equal amounts over the average of the estimated remaining service lives of the employees, and actuarial gains and losses are recognized in expenses using the straight-line method over the average of the estimated remaining service lives commencing with the following period.

As a result of the adoption of the new accounting standard, in the year ended March 31, 2001, retirement benefit expenses increased by ¥9,509 million ($76,747 thousand), operating income decreased by ¥673 million ($5,432 thousand) and income before income taxes decreased by ¥9,511 million ($76,764 thousand) compared with what would have been recorded under the previous accounting standard.

The Company and major consolidated subsidiaries also provided for retirement allowances for directors and corporate auditors determined based on their internal rules at the estimated amount to be paid if all directors and corporate auditors retired at the balance sheet date.

(11) Income taxes

Current income taxes are provided at the amounts currently payable for the year ended. Tax effects of temporary differences between the financial statement carrying amounts and the tax basis of assets and liabilities are recognized as deferred income taxes. The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences.

The amount of deferred income taxes attributable to the net tax effects of the temporary differences at April 1, 1999 is reflected as an adjustment of ¥111 million to the retained earnings brought forward from the previous year.

(12) Amounts per share of common stock

Net income per share is computed based upon the weighted average number of shares of common stock outstanding during each year, exclusive of treasury shares.

The diluted net income per share of common stock is not presented, since the Company has not issued any securities with dilutive effect, such as bonds with warrants and convertible bonds in 2000 and 2001.

Cash dividends per share represent the actual amount declared as applicable to the respective years.

(13) Accounting for certain lease transactions

Finance leases which do not transfer the ownership of the leased assets to the lessee are accounted for in the same manner as operating leases.

(14) Derivatives and hedge accounting

The new accounting standard for financial instruments, effective from the year ended March 31, 2001, requires companies to state derivative financial instruments at fair value and to recognize changes in the fair value as gains or losses unless derivative financial instruments are used for hedging purposes.

If derivative financial instruments are used as hedges and meet certain hedging criteria, the Company and its subsidiaries defer recognition of gains or losses resulting from changes in fair value of derivative financial instruments until the related losses or gains on the hedged items are recognized.

However, in cases where forward foreign exchange contracts are used as hedges and meet certain hedging criteria, forward foreign exchange contracts and hedged items are accounted for in the following manner:

1. If a forward foreign exchange contract is executed to hedge an existing foreign currency receivable or payable,
(1) the difference, if any, between the Japanese yen amount of the hedged foreign currency receivable or payable translated using the spot rate at the inception date of the contract and the book value of the receivable or payable is recognized in the income statement in the period which includes the inception date, and
(2) the discount or premium on the contract (that is, the difference between the Japanese yen amount of the contract translated using the contracted forward rate and that translated using the spot rate at the inception date of the contract) is recognized over the term of the contract.
2. If a forward foreign exchange contract is executed to hedge a future transaction denominated in a foreign currency, the future transaction will be recorded using the contracted forward rate, and no gains or losses on the forward foreign exchange contract are recognized.

Also, if interest rate swap contracts are used as hedge and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract was executed.

2. INVENTORIES

Inventories at March 31, 2000 and 2001 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
Finished products	¥11,013	**¥13,115**	**$105,852**
Work-in-process	1,207	**922**	**7,441**
Raw materials and supplies	1,576	**1,653**	**13,341**
	¥13,796	**¥15,690**	**$126,634**

3. SHORT-TERM BANK LOANS AND LONG-TERM DEBT

Short-term bank loans are represented by short-term notes, principally of 90 days' maturity, bearing interest at a weighted average year-end rate of 0.90% at March 31, 2000 and 2001.

Long-term debt at March 31, 2000 and 2001 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
Long-term bank loans principally 1.57%-4.60%, due through 2003	¥12,619	**¥10,069**	**$ 81,267**
3.0% unsecured bonds due 2003	3,000	**3,000**	**24,213**
2.79% unsecured bonds due 2002	2,000	**2,000**	**16,142**
2.80% unsecured bonds due 2004	4,000	**4,000**	**32,284**
2.67% Euro yen bonds due 2002	5,000	**5,000**	**40,355**
2.14% Euro yen bonds due 2002	3,000	**3,000**	**24,213**
Floating rate U.S. dollars guaranteed bonds due 2002	5,024	**5,024**	**40,549**
	34,643	**32,093**	**259,023**
Less amount due within one year	2,565	**12,509**	**100,960**
	¥32,078	**¥19,584**	**$158,063**

Property, plant and equipment at cost less accumulated depreciation of ¥20,848 million ($168,265 thousand) was pledged as collateral for short-term bank loans and long-term debt at March 31, 2001.

The aggregate annual maturities of long-term debt at March 31, 2001 are as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2002	¥12,509	$100,960
2003	11,565	93,341
2004	4,019	32,438
2005	4,000	32,284
	¥32,093	$259,023

4. SHAREHOLDERS' EQUITY

Under the Commercial Code of Japan (the "Code"), at least 50% of the issue price of new shares with a minimum equal to par value thereof, is required to be designated as stated capital. The portion which is not transferred to stated capital is determined by resolution of the Board of Directors. Proceeds not transferred to stated capital are credited to additional paid-in capital.

Under the Code, the Company is required to appropriate as a legal reserve a portion of retained earnings equal to at least 10% of cash dividends and bonuses to directors and corporate auditors for each period until the reserve equals 25% of the amount of common stock. This reserve is not available for dividends, but may be used to reduce a deficit by resolution of a shareholders' meeting or may be capitalized by resolution of the Board of directors. The legal reserve is included in retained earnings.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with the Code.

On June 26, 1998, shareholders approved a stock repurchase program, under which the Company can repurchase and retire up to 12,479 thousand shares of common stock subject to authorization by the Board of Directors. The Company repurchased 12,400 thousand shares of common stock during the year ended March 31, 2001 at an aggregate cost of ¥6,944 million in accordance with the resolution of the Board of Directors on March 7, 2001.

5. CASH AND CASH EQUIVALENTS

Reconciliations of cash and time deposits shown in the consolidated balance sheets and cash and cash equivalents shown in the consolidated statements of cash flows as of March 31, 2000 and 2001 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
Cash and time deposits	¥23,808	**¥23,536**	**$189,960**
Less: Time deposits with maturities exceeding three months	(2,239)	**(2,148)**	**(17,338)**
Add: Short-term highly liquid investments with maturities of not exceeding three months	362	**1,127**	**9,096**
Cash and cash equivalents	¥21,931	**¥22,515**	**$181,718**

6. INFORMATION FOR CERTAIN LEASES

Lease payments under finance leases which are accounted for in the same manner as operating leases for the years ended March 31, 2000 and 2001 were ¥602 million and ¥729 million ($5,884 thousand), respectively. Future lease payments as of March 31, 2001 exclusive of interest, under such leases were ¥1,895 million ($15,295 thousand), including ¥626 million ($5,052 thousand) due within one year.

7. SECURITIES

A. The following tables summarize acquisition costs, book values and fair value of securities with available fair values as of March 31, 2001:

Available-for-sale securities:

Securities with book values exceeding acquisition costs

	Millions of yen	Thousands of U.S. dollars
	2001	**2001**
Acquisition cost		
Equity securities	**¥5,800**	**$46,812**
Bonds	**44**	**355**
Others	**214**	**1,727**
Total	**6,058**	**48,894**
Book value		
Equity securities	**7,276**	**58,725**
Bonds	**52**	**420**
Others	**220**	**1,775**
Total	**7,548**	**60,920**
Difference		
Equity securities	**1,476**	**11,913**
Bonds	**8**	**65**
Others	**6**	**48**
Total	**¥1,490**	**$12,026**

Other securities:

	Millions of yen 2001	Thousands of U.S. dollars 2001
Acquisition cost		
Equity securities	¥11,202	$ 90,411
Others	333	2,688
Total	11,535	93,099
Book value		
Equity securities	9,136	73,737
Others	258	2,082
Total	9,394	75,819
Difference		
Equity securities	(2,066)	(16,674)
Others	(75)	(606)
Total	¥ (2,141)	$(17,280)

B. The following tables summarize book values of securities with no fair values as of March 31, 2001:

Available-for-sale securities:

	Millions of yen 2001	Thousands of U.S. dollars 2001
Book value		
Money market fund	¥ 224	$ 1,808
Medium-term government bonds fund	603	4,867
Free financial fund	300	2,421
Non-listed equity securities	244	1,970
Total	¥1,371	$11,066

C. Maturities of held-to-maturity debt securities and available-for-sale securities with maturities at March 31, 2001:

	Millions of yen 2001	Thousands of U.S. dollars 2001
Bonds		
Over one year but within five years	¥50	$404
Total	¥50	$404

D. Total sales of available-for-sale securities sold in the year ended March 31, 2001 amounted to ¥5,398 million ($43,567 thousand) and the gains and losses amounted to ¥2,887 million ($23,301 thousand) and ¥6 million ($48 thousand).

E. In September 2000, the Company contributed, receiving no cash, certain investment securities to its employee retirement benefit trust as explained in Note 1. Significant Accounting Policies. The market value of the contributed securities at the time of contribution was ¥5,349 million. Upon contribution of these securities, a "gain on securities contributed to employee retirement benefit trust" amounting to ¥2,886 million was recognized.

8. DERIVATIVE FINANCIAL INSTRUMENT AND HEDGING TRANSACTIONS

The Company utilizes currency swap and interest rate swap agreements, in order to hedge foreign currency risks arising from U.S. dollar bonds and to fix floating interest rate thereon.

Currency swap and interest rate swap contracts are hardly subject to risks of foreign exchange rate changes and interest rate changes. The derivative transactions are solely made with highly rated financial institutions, and therefore, the Company considers there is little credit risk.

The derivative transactions are decided by the Board of Directors and managed by the Accounting Department in accordance with the established policies and within the decision of the Board of Directors. The Company does not evaluate hedge effectiveness particularly.

The following summarizes hedging derivative financial instruments used by the Company and items hedged:

Hedging instruments:	Hedged items:
Currency swap contracts	Foreign currency bonds
Interest rate swap contracts	Interest on foreign currency bonds

Market value information of derivative transactions was not shown since there were no derivative transactions for which hedge accounting has not been applied.

9. EMPLOYEES' SEVERANCE AND RETIREMENT BENEFITS

As explained in Note 1, Summary of Significant Accounting Policies, effective April 1, 2000, the Company and its subsidiaries adopted the new accounting standard for employees' severance and retirement benefits, under which the liabilities and expenses for severance and retirement benefits are determined based on the amounts obtained by actuarial calculations.

The liabilities for severance and retirement benefits included in the liability section of the consolidated balance sheet as of March 31, 2001 consists of the following:

	Millions of yen 2001	Thousands of U.S. dollars 2001
Projected benefit obligation	¥ 47,326	$ 381,969
Unrecognized actuarial differences	(8,302)	(67,006)
Less fair value of pension assets	(25,403)	(205,028)
Liability for severance and retirement benefits	¥ 13,621	$ 109,935

Included in the consolidated statement of income for the year ended March 31, 2001 are severance and retirement benefit expenses, which comprised the following:

	Millions of yen	Thousands of U.S. dollars
	2001	**2001**
Service costs—benefits earned during the year	**¥ 1,573**	**$12,696**
Interest cost on projected benefit obligation	**1,455**	**11,743**
Expected return on plan assets	**(868)**	**(7,005)**
Amortization of net transition obligation	**8,817**	**71,162**
Severance and retirement benefit expenses	**¥10,977**	**$88,596**

The discount rate and the rate of expected return on plan assets used by the Company are 3.0 % and 3.5 %, respectively. The estimated amount of all retirement benefits to be paid at the future retirement date is allocated equally to each service year using the estimated number of total service years. Actuarial losses are recognized in income statement using the straight-line method over 15 years.

10. INCOME TAXES

The Company and subsidiaries are subject to a number of taxes based on income, which, in the aggregate, indicate statutory rates in Japan of approximately 42% for the years ended March 31, 2000 and 2001, respectively.

The following table summarizes the significant differences between the statutory tax rate and the Company's effective tax rate for financial statement purposes for the years ended March 31, 2000 and 2001:

	2000	**2001**
Statutory tax rate	42.0%	**42.0%**
Non-taxable dividend income	(1.4)	**(3.1)**
Non-deductible expenses	4.7	**8.5**
Per capita inhabitant tax	2.0	**3.4**
Tax loss carry-forward	—	**(2.1)**
Equity in earnings of affiliated companies	—	**(2.2)**
Other	1.0	**(1.3)**
Effective tax rate	48.3%	**45.2%**

Significant components of the Company's and subsidiaries' deferred income taxes as of March 31, 2000 and 2001 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	**2001**	**2001**
Deferred income taxes (current assets):			
Excess bonuses accrued	¥ 338	**¥ 1,131**	**$ 9,129**
Accrued enterprise taxes	160	**371**	**2,994**
Valuation loss of finished products	96	**86**	**94**
Other	195	**209**	**1,687**
Net deferred income taxes (current assets)	¥ 789	**¥ 1,797**	**$ 14,504**
Deferred income taxes (long-term liabilities):			
Deferred gains on fixed assets	¥(4,438)	**¥(4,223)**	**$(34,083)**
Total deferred tax liabilities	(4,438)	**(4,223)**	**(34,083)**
Amount offset against deferred tax assets	2,139	**4,223**	**34,083**
Net deferred income taxes (long-term liabilities)	¥(2,299)	**¥ —**	**$ —**
Deferred income taxes (non-current assets):			
Retirement benefits	¥ 2,571	**¥ 5,046**	**$ 40,726**
Unrealized gross profits from sales of property, plant and equipment	769	**768**	**6,199**
Excess bad debt expenses	205	**186**	**1,501**
Net unrealized losses on securities	—	**274**	**2,211**
Other	160	**237**	**1,913**
Total deferred income taxes (non-current assets)	3,705	**6,511**	**52,550**
Amount offset against deferred tax liabilities	(2,139)	**(4,223)**	**(34,083)**
Net deferred income taxes (non-current assets)	¥ 1,566	**¥ 2,288**	**$ 18,467**

11. SEGMENT INFORMATION

The operations of the Company and its subsidiaries are classified into three segments: "Office Furniture," "Store Displays" and "Material Handling System and Others."

Prior to April 1, 2000, the Company and its subsidiaries were presented as "Furniture," "Store displays, industrial racks and shelving," "Hydraulic transmissions" and "Others."

Effective April 1, 2000, the Company and its subsidiaries changed the method of segmenting their business operations in order to more clearly associate their business operations with their management and administrative activities in light of the increased diversification in the products of the Company and its subsidiaries and the installation in 2001 of the new computer system. As a result, in 2001, the business operations of the Company and its subsidiaries were grouped into three business segments: "Office Furniture," "Store Displays" and "Material Handling System and

Others." In 2000, the Company and its subsidiaries operated in four business segments: "Furniture," "Store displays, industrial racks and shelving," "Hydraulic transmissions" and "Others."

The segment information for 2000 has been presented for information purposes.

	Millions of yen		Thousands of U.S. dollars
	2000	2001	2001
Sales:			
Office Furniture	¥107,714	¥116,507	$ 940,331
Store Displays	48,839	61,944	499,951
Material Handling System and Others	8,770	8,898	71,816
Consolidated	¥165,323	¥187,349	$1,512,098
Operating expenses:			
Office Furniture	¥104,047	¥110,278	$ 890,057
Store Displays	47,689	58,879	475,214
Material Handling System and Others	8,894	8,760	70,702
Consolidated	¥160,630	¥177,917	$1,435,973
Operating income (loss):			
Office Furniture	¥ 3,668	¥ 6,229	$ 50,274
Store Displays	1,149	3,065	24,737
Material Handling System and Others	(124)	138	1,114
Consolidated	¥ 4,693	¥ 9,432	$ 76,125
Identifiable assets:			
Office Furniture	¥ 84,092	¥ 89,434	$ 721,824
Store Displays	36,116	38,798	313,140
Material Handling System and Others	5,034	6,649	53,665
	125,242	134,881	1,088,629
Corporate assets	46,928	43,870	354,076
Consolidated	¥172,170	¥178,751	$1,442,705
Depreciation:			
Office Furniture	¥ 3,816	¥ 3,544	$ 28,604
Store Displays	1,423	1,141	9,209
Material Handling System and Others	186	217	1,751
Consolidated	¥ 5,425	¥ 4,902	$ 39,564

	Millions of yen		Thousands of U.S. dollars
	2000	2001	2001
Capital expenditures:			
Office Furniture	¥1,013	¥1,966	$15,868
Store Displays	466	476	3,842
Material Handling System and Others	898	115	928
	2,377	2,557	20,638
Corporate	313	140	1,130
Consolidated	¥2,690	¥2,697	$21,768

Geographic segment information was not shown since aggregate sales of overseas consolidated subsidiaries were less than 10% of the consolidated net sales for the years ended March 31, 2000 and 2001 and assets of overseas consolidated subsidiaries were less than 10% of the consolidated assets at March 31, 2000 and 2001.

Overseas sales was not shown, since overseas sales were less than 10% of the Company's consolidated net sales for the years ended March 31, 2000 and 2001.

12. SUBSEQUENT EVENT

At the annual general meeting held on June 28, 2001, the Company's shareholders approved the appropriations of retained earnings at March 31, 2001 as follows:

	Millions of yen	Thousands of U.S. dollars
Cash dividends, ¥2.50 ($0.020) per share	¥281	$2,268

Report of Independent Public Accountants

To the Shareholders and the Board of Directors
of OKAMURA CORPORATION:

We have audited the accompanying consolidated balance sheets of OKAMURA CORPORATION (a Japanese corporation) and subsidiaries as of March 31, 2000 and 2001, and the related consolidated statements of income, shareholders' equity and cash flows for the years then ended, all expressed in Japanese yen. Our audits were made in accordance with generally accepted auditing standards in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the consolidated financial position of OKAMURA CORPORATION and subsidiaries as of March 31, 2000 and 2001, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan applied on a consistent basis during the periods, except as noted in the following paragraph.

As explained in Notes 1 (4), 1 (5), 1 (10), and 1 (14), in the year ended March 31, 2001, OKAMURA CORPORATION and subsidiaries prospectively adopted new Japanese accounting standards for translation of foreign currencies, securities, severance and retirement benefits, and derivatives and hedge accounting. Also, OKAMURA CORPORATION and subsidiaries changed the methods of business segmentation, effective April 1, 2000, as referred to in Note 11, with which we concur.

Also, in our opinion, the U.S. dollar amounts in the accompanying consolidated financial statements have been translated from Japanese yen on the basis set forth in Note 1 (1).

Asahi & Co.

Yokohama, Japan
June 28, 2001

Statement on Accounting Principles and Auditing Standards

This statement is to remind users that accounting principles and auditing standards and their application in practice may vary among nations and therefore could affect, possibly materially, the reported financial position and results of operations. The accompanying consolidated financial statements are prepared based on accounting principles generally accepted in Japan, and the auditing standards and their application in practice are those generally accepted in Japan. Accordingly, the accompanying consolidated financial statements and the auditors' report presented above are for users familiar with Japanese accounting principles, auditing standards and their application in practice.

Corporate Profile

Corporate Data

Executive Office

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Yokohama 220-0004, Japan
Telephone: 81-45-319-3401
Facsimile: 81-45-319-3515
http://www.okamura.co.jp/

Registered Head Office

2-7-18, Kitasaiwai, Nishi-ku, Yokohama 220-0004, Japan

Tokyo Office

Kokusai Shin-Akasaka Bldg. West
6-1-20, Akasaka, Minato-ku, Tokyo 107-0052, Japan
Telephone: 81-3-5561-4085
Facsimile: 81-3-5561-4086

Establishment

1945

Stock Exchange Listing

Tokyo, Osaka

Japanese Security Code No.

7994

SEDOL No.

6657842

ISIN Code

JP3192400004

Paid-in Capital

¥18,670 million

Number of Employees

2,632 (As of March 31, 2001)

Significant Subsidiaries

Kansai Okamura Manufacturing Co., Ltd.
NS Okamura Corporation
Okamura Logistics Corporation
Okamura Estate Corporation
Okamura International (Singapore) Pte Ltd.
Okamura Business Support Corporation
FM Solution Corporation
DIA Steel Furniture Corporation
Okamura Support and Service Corporation
HILL INTERNATIONAL INC.

Principal Affiliates

JT Okamura Corporation
Siam Okamura Steel Co., Ltd.
Siam Okamura International Co., Ltd.
Asahi Sofu Corporation
SEIWA BUSINESS Corporation

(As of June 28, 2001)

International Collaboration

Technical Tie-ups

L.A. Darling Company, U.S.A. - Store display fixtures
Ermanco Inc., U.S.A. - XenoROL conveyors
Haworth Inc., U.S.A. - Panel Systems
Howe Furniture Corp., U.S.A. - Tables
Hüppe Form Raumtrennsystems GmbH, Germany
- Ferro-Wall (sliding partitions)
Jayson Concepts Inc., U.S.A. - Vertique Storage System
Martela Oy, Finland - Seating
O.C.S., Sweden - Overhead conveyor system
Pro-cord S.p.A. (Piretti), Italy - Seating
Tyler Refrigeration Corp., U.S.A. - Refrigerated showcases
wiesner hager Möbel GmbH, Austria - Public seating

Technology Exports

Siam Steel International Public Co., Ltd., Thailand
- Office storage units, low partitions
U-BIX Corporaiton, the Philippines - N-8 low partitions

Sales Tie-ups

Arrben snc., Italy - Seating
Gruppo Industriale Busnelli s.p.a., Italy - Seating
Ateliers Reunis Caddie S.A., France - Caddie shopping trolley
CIL International Ltd., England - Store display systems
Comforto Systems S.A., Germany - Seating
DESTRO S.P.A., Italy - Theater seating
Fora Form, Norway - System tables
Fisher Hamilton Scientific Inc., U.S.A. - Laboratory furniture
JEKA industriële efficiency bv, the Netherlands
- Picking systems
A/S Modulex, Denmark - Sign systems
Newell International, U.S.A. - Computer accessories
Plastics Research Corp., U.S.A.
- Power Shelf display furnishings
SMED International Inc., Canada - Kyo office furniture
Sebel Furniture Ltd., Australia - Public furniture
WOGG A.G., Switzerland - Folding tables
Axmann Fördertechnik GmbH, Germany - Cross belt sorter

Stock Information (As of March 31, 2001)

Number of Shares of Common Stock

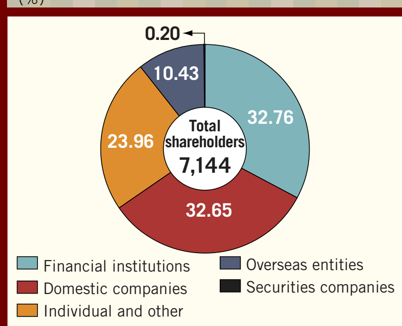
Authorized: 187,600,000
Issued: 112,391,530

Number of Shareholders

7,144

DISTRIBUTION OF STOCK BY SHAREHOLDER

(%)



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