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To Whom It May Concern

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With Regard to the Midterm Management Plan

The Okamura Group engages in business activities grounded in a basic policy of building and strengthening a relationship of trust with society as a whole by constructing a stable management base with the aim of achieving medium- and long-term growth, engaging in efficient and profit-oriented management, and demonstrating concern for the natural environment.

In consideration of the business results for the previous year and the current business environment, we hereby announce that we have formulated the Midterm Management Plan ending March 31, 2018.

1. Targets of the Midterm Management Plan

This year, uncertainty over the prospects for the Japanese economy has increased owing to turmoil in financial markets, the negative effect on corporate performance of the stronger yen, falling stock prices and a drop in resource prices, and the slowdown in the U.S. economy and the Chinese economy. However, the economy showed some positive signs, such as record corporate performance and continuous proactive recruitment by companies to solve staffing shortages. We expect that the Japanese economy will grow slowly but steadily.

Under these circumstances, in order to achieve the management targets given below, we will strive to improve our business performance by implementing the prioritized plans included in the basic strategy.

Management Targets (Consolidated)

	FY March 2017	FY March 2018
Net sales	¥250.0 billion	¥260.0 billion
Operating income	¥14.0 billion	¥16.0 billion
Ordinary income	¥14.7 billion	¥16.8 billion
Profit	¥9.8 billion	¥11.2 billion
Operating income margin	5.6%	6.2%

2. Basic Strategy for Achieving the Targets of the Midterm Management Plan

(1) Improvements in competitiveness

We will strive to differentiate the Company from our competitors by making proposals for solutions based on excellent research results in segments and by developing distinctive high-value-added products. We also aim to improve market competitiveness, sales prices and profitability ratio by further evolving an advanced production system in response to small-lot production and by promoting automation toward improvement in productivity.

(2) Strengthening of the domestic business base

We will expand business domains by promoting the strengthening of our sales capabilities by strengthening inter-segment cooperation and promoting M&A. In the Office Furniture segment, we will focus on seeking out demand not only in the corporate office furniture market as a core market but also in the office-related furniture market, such as the furniture market for educational facilities, R&D facilities, government agencies and municipal facilities. We will commit to the healthcare market, in particular, by strengthening product development and sales channels in light of the growth potential of that market. In the Store Displays segment, we will work aggressively to strengthen our development of total solution products to meet our customers' changing needs.

(3) Global market expansion

For the purpose of establishing an overseas business base, we will expand our sales networks by improving sales bases and acquiring distributors overseas, especially in Southeast Asia, as well as further spreading awareness of the Okamura brand by actively participating in all kinds of trade shows.

(Reference)

Net Sales by Business Segment (Consolidated)

	FY March 2017	FY March 2018
Office Furniture	¥131.0 billion	¥137.5 billion
Store Displays	¥102.0 billion	¥105.0 billion
Material Handling Systems and others	¥17.0 billion	¥17.5 billion
Total	¥250.0 billion	¥260.0 billion