# Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2009 (Consolidated)

July 31, 2008

**Okamura Corporation** Listing: Tokyo Stock Exchange, Osaka Securities Exchange

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Note: Amounts of less than one million yen have been rounded down.

1. Financial and Operational Review for the First Quarter (Apr. 1, 2008 - Jun. 30, 2008) of FY March 2009 (Apr. 1, 2008 - Mar. 31, 2009)

(1) Progress in (consolidated) business results (cumulative)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|---|---|---|---|---|---|---|---|---|
| | Millionsof yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| First quarter of FY March 2009 | 50,939 | - | 2,067 | - | 2,551 | - | 1,909 | - |
| First quarter of FY March 2008 | 52,993 | 1.9 | 3,035 | (17.3) | 3,468 | (12.9) | 1,894 | (19.6) |

| | Net income per share | | Diluted net income per share |
|---|---|---|---|
| | yen | | yen |
| First quarter of FY March 2009 | 17 | 31 | - |
| First quarter of FY March 2008 | 17 | 00 | - |

(2) Changes in (consolidated) financial position

| | Total Assets | Net Assets | Equity Ratio | Net Assets per Share | |
|---|---|---|---|---|---|
| | Millions of yen | Millions of yen | % | yen | |
| First quarter of FY March 2009 | 179,259 | 82,314 | 45.5 | 739 | 86 |
| FY March 2008 | 185,855 | 83,121 | 42.7 | 719 | 32 |

(Reference) Equity: First quarter of FY March 2009: ¥81,597 million FY March 2008: ¥79,335 million

2. Dividend

| | Dividend per share | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| (Record date) | End of first quarter | End of second quarter | | End of third quarter | Year-end dividend per share (in yen) | | Full year dividend per share (in yen) | |
| | yen | yen | | yen | yen | | yen | |
| FY March 2008 | - | 7 | 50 | - | 7 | 50 | 15 | 00 |
| FY March 2009 | - | | | | | | - | |
| FY March 2009 (forecast) | | 7 | 50 | - | 7 | 50 | 15 | 00 |

(Note) Revision of dividend forecasts during quarter under review: Not revised

3. Forecast of consolidated performance for the fiscal year ending March 2009 (from April 1, 2008 to March 31, 2009)

(Percentages indicate year-on-year changes for first two quarters and for full year.)

| | Net sales | | Operating income | | Ordinary income | | Net income | | Net assets per share | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | yen | |
| First two quarters | 106,000 | - | 5,200 | - | 5,600 | - | 3,200 | - | 29 | 01 |
| FY March 2009 | 221,000 | 2.9 | 11,200 | 13.9 | 11,800 | 12.3 | 6,600 | 10.9 | 59 | 84 |

(Note) Revision of consolidated performance forecasts during quarter under review: Not revised

4. Others

(1) Changes in the scope of consolidation during the accounting period: None

(2) Adoption of simplified accounting methods or special accounting methods applicable to preparation of quarterly consolidated financial statements: Adopted

Note: For details, please refer to “4. Others (2)” in “Qualitative information, Financial statements, Etc.” on page 3.

(3) Changes in accounting principles and procedures used in the preparation of quarterly consolidated financial statements or in the method of presentation of quarterly consolidated financial statements (Items contained in “Changes in the Basis of Presenting Quarterly Consolidated Financial Statements”)

i by new accounting standard: Yes

ii by others: Yes

Note: For details, please refer to “4. Others (3)” in “Qualitative information, Financial statements, Etc.” on page 3.

(4) Number of shares of stock (common stock)

i Number of shares (including treasury shares) outstanding at end of period First quarter of FY March 2009: 112,391,530
FY March 2008: 112,391,530

ii Number of treasury shares at end of period First quarter of FY March 2009: 2,105,081
FY March 2008: 2,100,241

iii Average number of shares outstanding during period (cumulative quarters) First quarter of FY March 2009: 110,288,353
First quarter of FY March 2008: 111,430,557

<u>* Explanation of Appropriate Use of Performance Forecasts and Other Issues Requiring Particular Mention</u>

- Effective with the current fiscal year, the Company adopts Accounting Standard for Quarterly Financial Statements (ASBJ Statement No. 12, issued by the Accounting Standards Board of Japan on March 14, 2007) and Implementation Guidance for Accounting Standard for Quarterly Financial Statements (ASBJ Guidance No. 14, issued by the Accounting Standards Board of Japan on March 14, 2007). The Company prepares its quarterly consolidated financial statements in accordance with Regulations Concerning Quarterly Consolidated Financial Statements.

- The performance forecasts and other forward-looking statements contained herein are based on the information available to the Company at the time, and contain certain assumptions that the Company considers to be reasonable. They are subject to diverse factors that may cause actual results of operations and other items to differ significantly from the statements and forecasts. For a description of the assumptions underlying the performance forecasts and points to note when using performance forecasts, please refer to “3. Qualitative information” concerning the performance forecast in “Qualitative information, Financial statements, Etc.” on page 3.

## [Qualitative information, Financial statements, Etc.]

1. Qualitative information concerning the progress in (consolidated) business performance

During the first quarter of the current fiscal year under review, Japan's economy showed increasing signs of weakening growth, with financial system worries triggered in the United States creating global ripples, compounded by ever-skyrocketing crude oil and raw material prices.

Under such circumstances, the Company endeavored to develop and explore new market possibilities by introducing new products differentiated by virtue of product creativity and design excellence and stepping up proposal-driven marketing approaches, with a view to ensuring continued growth in each segment the Company operates in.

In the Office Furniture segment, strong office-related demand persisted reflecting efforts to improve work environments and to reconsider work practices as well as moves to consolidate head-office functions and to regroup organizations. Meanwhile, however, an unfavorable trend was observed among a growing number of companies becoming circumspect about investing because of their wariness about the economy's future prospects. In such circumstances, the Company aggressively implemented its solution-based business model, focusing on proposals for "reviewing work practices" and developing "intellectually creative work styles" in order to promote interest in adding higher value to the office space. Yet, especially because the impact of slackening demand among financial institutions proved significant, the Company suffered a slight decrease in its sales results. High-grade seating lines, including *Contessa* and *Baron*, continued to record strong sales overseas and achieved steady progress in becoming global brands.

As a result, net sales in this segment decreased to ¥31,386 million (Y-o-Y a decrease of 4.1%).

In the Store Displays segment, the business environment remained challenging as retailers curbed their investments and shifted to smaller store formats in the face of slowing personal consumption particularly as a consequence of rising food prices. In such circumstances, the Company sought to expand sales by putting greater emphasis on marketing proposals, and winning orders, for total store solutions whose key concepts boiled down to "food safety and security," "energy efficiency enhancement," and "low-cost operation."

As a result, net sales in this segment decreased to ¥16,624 million (Y-o-Y a decrease of 0.9%).

In the Material Handling Systems and Others segment, the Company's material handling systems operation aggressively stepped up its efforts to market solution proposals among its focused industry sectors of logistics centers, production factories, and other facility operators. Since orders received in this business are designed mostly to supply the needs of projects, however, the Company suffered reduced sales revenues that reflected a decline in the number of large projects constructed versus the same period of the previous fiscal year. Meanwhile, the torque converter operation continued to enjoy strong orders especially for forklift torque converters tailored for overseas markets.

As a result, net sales in this segment decreased to ¥2,928 million (Y-o-Y a decrease of 16.1%).

As a result of all these, during the first quarter of the current fiscal year, on a consolidated basis the Company posted net sales of ¥50,939 million (Y-o-Y a decrease of 3.9%), operating income of ¥2,067 million (Y-o-Y a decrease of 31.9%), ordinary income of ¥2,551 million (Y-o-Y a decrease of 26.4%), and quarterly net income of ¥1,909 million (Y-o-Y an increase of 0.8%).

2. Qualitative information concerning the changes in (consolidated) financial position

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

Total assets amounted to ¥179,259 million, down ¥6,595 million compared with the end of the previous fiscal year. Current assets decreased by ¥7,250 million, despite an increase in cash and time deposits, as a result of a decrease in accounts receivable, whereas fixed assets increased by ¥655 million, despite a decrease in tangible fixed assets, particularly in buildings and structures, as a result of an increase in investments and other assets owing primarily to an increase in investment securities.

Liabilities amounted to ¥96,945 million, down ¥5,788 million over the end of the previous fiscal year, mainly because of decreases in accounts payable and allowance for bonuses payable.

Net assets amounted to ¥82,314 million, reflecting increases in retained earnings and net unrealized holding gains on securities. The equity ratio came to 45.5%.

A review of cash flows shows that operating activities generated a net cash increase of ¥6,166 million, with inflows including net income before income taxes for the quarter term of ¥3,096 million, depreciation and amortization expenses of ¥1,413 million, and a decrease in accounts receivable of ¥8,379 million. Cash outflows included a decrease in accounts payable of ¥2,557 million, a decrease in allowance for bonus payable of ¥2,344 million, and corporate tax payments of ¥1,984 million.

Net cash used in investing activities was ¥2,757 million, which was mainly comprised of payment for purchase of property, plant and equipment fixed assets totaling ¥1,561 million and disbursement of ¥2,089 million for acquisition of subsidiary shares.

Net cash used in financial activities was ¥613 million, which was comprised of cash dividend paid by the Company of ¥734 million.

Consequently, consolidated cash and cash equivalents at the end of the current fiscal year's first quarter increased by ¥2,781 million from the end of the previous fiscal year to ¥22,277 million.

3. Qualitative information concerning the performance forecast

A performance review of the first quarter of the current fiscal year shows that, comparing with same period of year before, the Company's consolidated net sales, operating income, and ordinary income decreased despite the increase in net income. The Company will stimulate further efforts by expand sales, advance productivity and cost reduction to achieve the goal of performance forecast which has already been announced.

Because of this, as regards the first two quarters and all of the current fiscal year, the consolidated performance forecasts that the Company announced on May 9, 2008 remain unchanged.

4. Others

(1) Changes in the scope of consolidation during the accounting period

Not applicable.

(2) Adoption of simplified accounting methods and special accounting methods applicable to preparation of quarterly consolidated financial statements

i Method for valuation of inventories

For the purpose of valuing inventories at the end of the first quarter of the current fiscal year, the Company dispenses with physical inventorying and applies a reasonable valuation method on the basis of the value of inventories physically verified at the end of the previous fiscal year.

ii Method for calculation of depreciation on fixed assets

In respect of the assets that are depreciated on a declining-balance basis, the Company applies a calculation method that allocates the amount of depreciation attributable to a specific fiscal year appropriately to the interim periods.

(3) Changes in accounting principles and procedures used in the preparation of quarterly consolidated financial statements or in the method of presentation of quarterly consolidated financial statements

i Changes following revisions in accounting standards or others

1 Adoption of accounting standards pertaining to quarterly financial statements

Effective with the current fiscal year, the Company adopts Accounting Standard for Quarterly Financial Statements (ASBJ Statement No. 12, issued by the Accounting Standards Board of Japan on March 14, 2007) and Implementation Guidance for Accounting Standard for Quarterly Financial Statements (ASBJ Guidance No. 14, issued by the Accounting Standards Board of Japan on March 14, 2007). The Company prepares its quarterly consolidated financial statements in accordance with Regulations Concerning Quarterly Consolidated Financial Statements.

2 Adoption of accounting standards pertaining to valuation of inventories

Effective with the first quarter of the current fiscal year, the Company adopts the Accounting Standard for Valuation of Inventories (ASBJ Statement No. 9, issued by the Accounting Standards Board of Japan on July 5, 2006) and changes its valuation policy from the cost method to a cost basis (which reduces the book value of assets whose profitability is diminished.

The effect of this change is to reduce gross profit, operating income, ordinary income, and income before income taxes by ¥319 million each, compared with the results using the previous method.

The impact it causes on segment information is described where it is relevant.

3 Adoption of tentative treatments applicable to accounting for foreign subsidiaries in preparation of consolidated financial statements

Effective with the first quarter of the current fiscal year, the Company adopts the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ PITF No. 18, issued by the Accounting Standards Board of Japan on May 17, 2006) and performs required reconciliations in the consolidation accounting process.

The effect of this application on income is nil.

ii Changes not included in i

1 Adoption of accounting standards pertaining to lease transactions

Effective with the first quarter of the current fiscal year, the Company adopts the Accounting Standard for Lease Transactions (ASBJ Statement No. 13, issued by the Accounting Standards Board of Japan on June 17, 1993 and last revised on March 30, 2007) and the Implementation Guidance for Accounting Standard for Lease Transactions (ASBJ Guidance No. 16, issued by the Accounting Standards Board of Japan on January 18, 1994 and last revised on March 30, 2007) and accounts for finance lease transactions other than those where ownership is transferred in the manner that applies to ordinary buying and selling transactions.

The Company depreciates the cost of lease assets involved in non-ownership-transferred finance transactions, by applying the straight-line method that assumes the lease period to be the useful life and the residual value to be zero.

With regard to non-ownership-transferred finance lease transactions whose effective date precedes the commencement of the initial fiscal year that the standard is adopted, the Company continues to apply the same method that it uses to account for ordinary lease transactions.

The effect of this adoption on income is nil.

## 5. Quarterly financial statements

### (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

| | First quarter of FY March 2009 (As of Jun. 30, 2008) | Condensed consolidated balance sheet concerning FY March 2008 (As of March 31, 2008) |
|---|---|---|
| Assets | | |
| Current assets: | | |
| Cash and time deposits | 23,321 | 20,514 |
| Trade notes and accounts receivable | 49,225 | 57,604 |
| Marketable securities | 122 | 122 |
| Goods for sale | 1,715 | 1,924 |
| Manufactured goods | 10,802 | 11,173 |
| Raw materials | 2,442 | 2,430 |
| Work in process | 1,332 | 1,320 |
| Others | 2,233 | 3,348 |
| Allowance for doubtful debt | (105) | (98) |
| Total current assets | 91,090 | 98,340 |
| Fixed assets: | | |
| Tangible fixed assets: | | |
| Buildings and structures (at net book value) | 15,327 | 15,579 |
| Land | 22,556 | 22,515 |
| Others (at net book value) | 12,730 | 13,023 |
| Total tangible fixed assets | 50,614 | 51,118 |
| Intangible fixed assets: | | |
| Total intangible fixed assets | 2,549 | 2,690 |
| Investments and other assets: | | |
| Investment securities | 23,939 | 22,781 |
| Others | 11,187 | 11,047 |
| Allowance for doubtful accounts | (121) | (122) |
| Total investment and other assets | 35,005 | 33,705 |
| Total fixed assets | 88,169 | 87,514 |
| Total assets | 179,259 | 185,855 |

(Millions of yen)

| | First quarter of FY March 2009 (As of Jun. 30, 2008) | Condensed consolidated balance sheet concerning FY March 2008 (As of March 31, 2008) |
|---|---|---|
| Liabilities | | |
| Current liabilities: | | |
| Trade notes and accounts payable | 43,689 | 46,742 |
| Short-term bank loans | 10,384 | 9,867 |
| Long-term debts due within one year | 3,030 | 3,117 |
| Bonds redeemed within one year | 5,000 | - |
| Income taxes payable | 328 | 2,371 |
| Allowance for bonus payable | 601 | 2,945 |
| Others | 3,367 | 3,895 |
| Total current liabilities | 66,401 | 68,941 |
| Long-term liabilities: | | |
| Debenture bonds | 5,000 | 10,000 |
| Long-term loans payable | 6,015 | 6,294 |
| Severance and employee retirement benefits | 11,623 | 11,459 |
| Reserve for directors' retirement benefits | 22 | 20 |
| Others | 7,882 | 6,017 |
| Total long-term liabilities | 30,544 | 33,792 |
| Total liabilities | 96,945 | 102,734 |
| Net assets | | |
| Owners' equity | | |
| Capital stock | 18,670 | 18,670 |
| Capital surplus | 16,759 | 16,759 |
| Retained earnings | 41,990 | 40,909 |
| Treasury stock, at cost | (2,337) | (2,333) |
| Total owners' equity | 75,083 | 74,006 |
| Net unrealized gain and translation adjustments | | |
| Unrealized holding gains (losses) on securities | 6,644 | 5,262 |
| Foreign currency translation adjustment | (131) | 66 |
| Total Net unrealized gain and translation adjustments | 6,513 | 5,328 |
| Minority interests | 717 | 3,786 |
| Total net assets | 82,314 | 83,121 |
| Total liabilities and net assets | 179,259 | 185,855 |

## (2) Quarterly Consolidated Income Statement

(Millions of yen)

| | First quarter of FY March 2009 (From Apr. 1, 2008 to Jun. 30, 2008) |
|---|---|
| Net sales | 50,939 |
| Cost of sales | 34,997 |
| Gross profit | 15,941 |
| Selling, general and administrative expenses | 13,873 |
| Operating income | 2,067 |
| Other income: | |
| Interest income | 20 |
| Dividend income | 236 |
| Equity in earnings of affiliated companies | 101 |
| Others | 291 |
| Total other income | 649 |
| Other expenses: | |
| Interest expenses | 124 |
| Others | 40 |
| Total other expenses | 165 |
| Ordinary income | 2,551 |
| Extraordinary income: | |
| Reversal of allowance for bonuses payable | 639 |
| Others | 0 |
| Total extraordinary income | 640 |
| Extraordinary losses: | |
| Loss on disposal of property, plant and equipment | 26 |
| Impairment loss | 50 |
| Other losses | 17 |
| Total extraordinary losses | 94 |
| Income before income taxes for the quarter term | 3,096 |
| Income taxes | 141 |
| Adjustments on income taxes | 1,024 |
| Total income taxes | 1,166 |
| Minority interests in earnings | 21 |
| Net income for the quarter term | 1,909 |

## (3) Quarterly Consolidated Cash Flow Statement

(Millions of yen)

| | First quarter of FY March 2009 (From Apr. 1, 2008 to Jun. 30, 2008) |
|---|---|
| Cash flows from operating activities | |
| Income before income taxes for the quarter term | 3,096 |
| Depreciation expense | 1,413 |
| Loss on disposal of property, plant and equipment | 26 |
| Equity in earnings of affiliated companies (Parenthesis indicates gain in earnings.) | (101) |
| Increase/decrease in allowance for doubtful accounts (Parenthesis indicates decrease.) | 6 |
| Allowance for bonuses payable (Parenthesis indicates decrease.) | (2,344) |
| Increase/decrease in allowance for employee retirement benefits (Parenthesis indicates decrease.) | 164 |
| Interest and dividends income | (257) |
| Interest expense | 124 |
| Loss on devaluation of investment securities (Parenthesis indicates revaluation gain.) | 50 |
| Increase/decrease in notes and accounts receivable (Parenthesis indicates increase.) | 8,379 |
| Increase/decrease in inventories (Parenthesis indicates increase.) | 555 |
| Increase/decrease in notes and accounts payable (Parenthesis indicates decrease.) | (2,557) |
| Others | (547) |
| Sub-total | 8,010 |
| Interest and dividends received | 259 |
| Interest expenses paid | (119) |
| Income taxes paid | (1,984) |
| Net Cash provided by operating activities | 6,166 |
| Cash flows from investing activities | |
| Payment for purchase of property, plant and equipment | (1,561) |
| Payment for purchase of intangible fixed assets | (54) |
| Payment for purchase of investment securities | (11) |
| Proceeds from sale and redemption of investment securities | 1,096 |
| Outlay for acquisition of stock in subsidiary | (2,089) |
| Others | (138) |
| Net Cash used in investing activities | (2,757) |
| Cash flows from financing activities | |
| Net increase/decrease in short-term bank loans (Parenthesis indicates decrease.) | 516 |
| Repayments of long-term debt | (367) |
| Payment for purchase of treasury stock | (3) |
| Cash dividends | (734) |
| Cash dividends paid to minority shareholders | (24) |
| Net Cash used in financing activities | (613) |
| Effect on exchange rate changes on cash and cash equivalents | (13) |
| Increase/decrease in cash and cash equivalents (Parenthesis indicates decrease.) | 2,781 |
| Cash and cash equivalents at beginning of year | 19,496 |
| Cash and cash equivalents at term end | 22,277 |

Effective with the current fiscal year, the Company adopts Accounting Standard for Quarterly Financial Statements (ASBJ Statement No. 12, issued by the Accounting Standards Board of Japan on March 14, 2007) and Implementation Guidance for Accounting Standard for Quarterly Financial Statements (ASBJ Guidance No. 14, issued by the Accounting Standards Board of Japan on March 14, 2007). The Company prepares its quarterly consolidated financial statements in accordance with Regulations Concerning Quarterly Consolidated Financial Statements.

(4) Note regarding assumption of going concern

First quarter of current fiscal year (from April 1, 2008 to June 30, 2008)
There is no information that needs to be disclosed herein.

## (5) Segment information

[Segment information by business type]

First quarter (from April 1, 2008 to June 30, 2008) of FY March 2009 (from Apr. 1, 2008 - Mar. 31, 2009)

| | Office Furniture (Millions of yen) | Store Displays (Millions of yen) | Material Handling Systems and Others (Millions of yen) | Total (Millions of yen) | Unallocated and Eliminations (Millions of yen) | Consolidated (Millions of yen) |
|---|---|---|---|---|---|---|
| Net sales | | | | | | |
| (1) Net sales to external customers | 31,386 | 16,624 | 2,928 | 50,939 | - | 50,939 |
| (2) Internal sales or transfers between segments | - | - | - | - | (-) | - |
| Total | 31,386 | 16,624 | 2,928 | 50,939 | (-) | 50,939 |
| Operating income or (operating loss) | 1,566 | 720 | (219) | 2,067 | (-) | 2,067 |

Notes: 1. Business segmentation method
Business segmentation is based on considerations of similarities among types, characteristics and markets, etc. for products (inclusive of operations) delivered under business activities of consolidated companies.

2. Classification of main products by business segment

| Business segment | Main products |
|---|---|
| Office Furniture | Office furniture, cultural and educational facilities, partitions, medical and research facilities, security systems, SOHO-related products |
| Store Displays | Showcases for stores, refrigerated showcases, counters for stores |
| Material Handling Systems and Others | Racks and stackers for factories and warehouses, automated material handling systems, torque converters for industrial and construction equipment, real estate leasing, insurance |

3. As described under “4. Others (3) Changes in accounting principles and procedures used in the preparation of quarterly consolidated financial statements or in the method of presentation of quarterly consolidated financial statements” in “Qualitative information, Financial statements, Etc.” on page 3, effective with the first quarter of the current fiscal year, the Company adopts the Accounting Standard for Valuation of Inventories (ASBJ Statement No. 9, issued by the Accounting Standards Board of Japan on July 5, 2006). The effect of this change is to reduce first-quarter operating income by ¥238 million in the Office Furniture segment and the same by ¥47 million in the Store Displays segment and to increase first-quarter operating loss by ¥33 million in the Material Handling Systems and Others segment, all compared with the results using the previous method.

[Geographically Segmented Information]

First quarter of current fiscal year (from April 1, 2008 to June 30, 2008)

Geographically segmented information is omitted. This is because Japan accounts for over 90% of the Company’s total net sales across all segments.

[Overseas sales]

First quarter of current fiscal year (from April 1, 2008 to June 30, 2008)

Information on overseas sales is omitted, because they account for less than 10% of the Company’s consolidated net sales.

## (6) Note regarding occurrence of significant change in amount of shareholders’ equity

First quarter of current fiscal year (from April 1, 2008 to June 30, 2008)

There is no information that needs to be disclosed herein.

## 6. Other information

Additional information

(Revision of useful lives of tangible fixed assets)

Following the revision of the Corporate Tax Law in the 2008 fiscal year, effective with the first quarter of the current fiscal year the Company changes the numbers of useful life years it uses in respect of machinery and equipment to conform to the same criteria as prescribed in the revised Corporate Tax Law.

The effect of this application was to reduce operating income, ordinary income, and net income before income taxes for the quarter term by ¥32 million each, compared with the results using the previous method.

[Reference data]
Financial statements and others concerning first quarter of previous fiscal year

(1) (Condensed) Quarterly Consolidated Income Statement

(Millions of yen)

| Accounts | First quarter of previous fiscal year (from April 1, 2007 to June 30, 2007) |
|---|---|
| I Net sales | 52,993 |
| II Cost of sales | 36,121 |
| Gross profit | 16,871 |
| III Selling, general and administrative expenses | 13,836 |
| Operating income | 3,035 |
| IV Other income: | 564 |
| 1 Interest and dividend income | 232 |
| 2 Equity in earnings of affiliated companies | 62 |
| 3 Others | 269 |
| V Other expenses: | 130 |
| 1 Interest expenses | 108 |
| 2 Others | 22 |
| Ordinary income | 3,468 |
| VI Extraordinary income: | 38 |
| 1 Reversal of allowance for doubtful accounts | 38 |
| 2 Others | 0 |
| VII Extraordinary losses: | 30 |
| 1 Loss on disposal of property, plant and equipment | 30 |
| 2 Others | 0 |
| Income before income taxes for the quarter term | 3,476 |
| Income taxes | 91 |
| Adjustments on income taxes | 1,445 |
| Minority interests in earnings | 45 |
| Net income for the quarter term | 1,894 |

(2) (Condensed) Quarterly Consolidated Cash Flow Statement

(Millions of yen)

| Components | First quarter of previous fiscal year (from April 1, 2007 to June 30, 2007) |
|---|---|
| I Cash flows from operating activities | |
| 1 Income before income taxes for the quarter term | 3,476 |
| 2 Depreciation expense | 1,271 |
| 3 Loss on disposal of property, plant and equipment | 30 |
| 4 Equity in earnings of affiliated companies (Parenthesis indicates gain in earnings.) | (62) |
| 5 Increase/decrease in allowances (Parenthesis indicates decrease.) | (2,407) |
| 6 Interest and dividend income | (232) |
| 7 Interest expense | 108 |
| 8 Increase/decrease in notes and accounts receivable (Parenthesis indicates increase.) | 9,288 |
| 9 Increase/decrease in inventories (Parenthesis indicates increase.) | 177 |
| 10 Increase/decrease in notes and accounts payable (Parenthesis indicates decrease.) | (1,366) |
| 11 Others | 356 |
| Sub-total | 10,639 |
| 12 Interest and dividends received | 231 |
| 13 Interest expenses paid | (91) |
| 14 Income taxes paid | (3,427) |
| Net Cash provided by operating activities | 7,351 |
| II Cash flows from investing activities | |
| 1 Term deposits paid | (200) |
| 2 Term deposits withdrawn | 369 |
| 3 Payment for purchase of property, plant and equipment | (766) |
| 4 Proceeds from sale of property, plant and equipment | 13 |
| 5 Payment for purchase of intangible fixed assets | (65) |
| 6 Payment for purchase of investment securities | (22) |
| 7 Proceeds from sale and redemption of investment securities | 19 |
| 8 Others | (46) |
| Net Cash used in investing activities | (698) |
| III Cash flows from financing activities | |
| 1 Net increase/decrease in short-term bank loans (Parenthesis indicates decrease.) | 300 |
| 2 Repayments of long-term debt | (198) |
| 3 Payment for purchase of treasury stock | (2,036) |
| 4 Cash dividends | (1,009) |
| 5 Cash dividends paid to minority shareholders | (16) |
| Net Cash used in financing activities | (2,959) |
| IV Effect on exchange rate changes on cash and cash equivalents | 2 |
| V Increase/decrease in cash and cash equivalents (Parenthesis indicates decrease.) | 3,695 |
| VI Cash and cash equivalents at beginning of year | 16,697 |
| VII Cash and cash equivalents at term end | 20,392 |

## (3) Segment information

[Segment information by business type]

First quarter of previous fiscal year (from April 1, 2007 to June 30, 2007)

| | Office Furniture (Millions of yen) | Store Displays (Millions of yen) | Material Handling Systems and Others (Millions of yen) | Total (Millions of yen) | Unallocated and Eliminations (Millions of yen) | Consolidated (Millions of yen) |
|---|---|---|---|---|---|---|
| Net sales | | | | | | |
| (1) Net sales to external customers | 32,734 | 16,768 | 3,490 | 52,993 | - | 52,993 |
| (2) Internal sales or transfers between segments | - | - | - | - | (-) | - |
| Total | 32,734 | 16,768 | 3,490 | 52,993 | (-) | 52,993 |
| Operating income | 2,626 | 397 | 11 | 3,035 | (-) | 3,035 |

Notes: 1. Business segmentation method

Business segmentation is based on considerations of similarities among types, characteristics and markets, etc. for products (inclusive of operations) delivered under business activities of consolidated companies.

2. Classification of main products by business segment

| Business segment | Main products |
|---|---|
| Office Furniture | Office furniture, cultural and educational facilities, partitions, medical and research facilities, security systems, SOHO-related products |
| Store Displays | Showcases for stores, refrigerated showcases, counters for stores |
| Material Handling Systems and Others | Racks and stackers for factories and warehouses, automated material handling systems, torque converters for industrial and construction equipment, real estate leasing, insurance |

[Geographically Segmented Information]

First quarter of previous fiscal year (from April 1, 2007 to June 30, 2007)

Geographically segmented information is omitted. This is because Japan accounts for over 90% of the Company’s total net sales across all segments.

[Overseas sales]

First quarter of previous fiscal year (from April 1, 2007 to June 30, 2007)

Information on overseas sales is omitted, because they account for less than 10% of the Company’s consolidated net sales.