



Financial Results for FY March 2010

May 11, 2010

Listing: Tokyo Stock Exchange, Osaka Securities Exchange

Okamura Corporation

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

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Date of Board Meeting for Consolidated Settlement of Accounts: June 29, 2010

Scheduled date of filing Annual Security Report: June 29, 2010

Scheduled date of commencement of dividend payments: June 30, 2010

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

Consolidated Results for FY March 2010 (Apr. 1, 2009 – Mar. 31, 2010)

(1) Business Results

(% Figures indicate year-on-year increase/decrease)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY March 2010	161,223	(15.2)	1,357	(69.5)	1,910	(65.8)	545	(83.4)
FY March 2009	190,108	(11.5)	4,455	(54.7)	5,582	(46.9)	3,293	(44.7)

	Net income per share	Fully diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	yen	yen	%	%	%
FY March 2010	4.95	–	0.7	1.2	0.8
FY March 2009	29.87	–	4.2	3.2	2.3

(Note) Gain from investment in subsidiaries and affiliates accounted for by the equity method:

FY March 2010: ¥42 million, FY March 2009: ¥97 million

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY March 2010	160,422	78,294	48.4	704.88
FY March 2009	167,894	76,939	45.5	692.34

(Note) Total shareholder's equity: FY March 2010: ¥77,708 million, FY March 2009: ¥76,335 million

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at term-end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY March 2010	7,285	(2,469)	(2,344)	20,902
FY March 2009	8,012	(10,194)	1,196	18,425

2. Dividend

	Dividend per share					Total dividends amount	Dividend payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total			
	yen	yen	yen	yen	yen	Millions of yen	%	%
FY March 2009	–	7.50	–	5.00	12.50	1,379	41.9	1.8
FY March 2010	–	3.75	–	3.75	7.50	827	151.6	1.1
FY March 2011 (forecast)	–	3.75	–	3.75	7.50		43.5	

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

(% Figures indicate increase/decrease ratios from the previous year for FY March 2011, and year-on-year increase/decrease ratios for the accumulated total in 2Q, consolidated)

	Net sales		Operating income		Ordinary income		Net income		Net Income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Accumulated total in 2Q, consolidated	77,300	(2.4)	700	198.6	900	113.6	500	115.6	4.54
FY March 2011	164,500	2.0	2,800	106.3	3,300	72.7	1,900	248.4	17.23

4. Other

(1) Changes in the number of material subsidiaries during the fiscal year: None

New — company(ies) (Company name:)
 Excluded — company(ies) (Company name:)

(2) Changes in accounting principles and procedures used in the preparation of Consolidated Financial Statements or in the method of presentation of Consolidated Financial Statements (Items contained in “Significant Changes for the Preparation of Consolidated Financial Statements”)

i by new accounting standard Yes
 ii by others None

(Note) For details, please refer to “(6) Significant Items for the Preparation of Consolidated Financial Statements” on pages 16 to 21.

(3) Number of shares issued (Common stock)

i Number of shares issued (including treasury stock) FY March 2010: 112,391,530 FY March 2009: 112,391,530
 ii Number of shares of treasury stock FY March 2010: 2,148,354 FY March 2009: 2,133,951

(Note) For the number of shares forming the basis for calculating (consolidated) net income per share, please refer to “Per Share Data” on page 37.

(Note) Non-Consolidated Business Results

1. Non-Consolidated Results for FY March 2010 (Apr. 1, 2009 – Mar. 31, 2010)

(1) Business Results

(% Figures indicate year-on-year increase/decrease)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY March 2010	148,964	(19.8)	271	(90.9)	998	(76.8)	768	(62.8)
FY March 2009	185,682	(12.1)	2,989	(63.1)	4,303	(52.3)	2,067	(59.9)

	Net income per share	Fully diluted net income per share
	yen	yen
FY March 2010	6.96	–
FY March 2009	18.73	–

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY March 2010	144,731	67,251	46.5	609.29
FY March 2009	149,751	65,684	43.9	595.04

(Note) Total shareholders’ equity: FY March 2010: ¥67,251 million, FY March 2009: ¥65,684 million

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

- The performance forecasts and other forward-looking statements contained herein are based on the information available to the Company at the time, and contain certain assumptions that the Company considers to be reasonable. They are subject to diverse factors that may cause actual results of operations and other items to differ significantly from the statements and forecasts. For a description of the assumptions underlying the performance forecasts and points to note when using performance forecasts, please refer to “1. Operating Results and Financial Position (1) Operating Results” on pages 3 and 4.

1. Operating Results and Financial Position

(1) Operating Results

1-1) Overview of FY March 2010

① Overview of Operating Results

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Net income per share (Yen)
FY March 2010	161,223	1,357	1,910	545	4.95
FY March 2009	190,108	4,455	5,582	3,293	29.87
Changes (%)	(15.2%)	(69.5%)	(65.8%)	(83.4%)	(83.4%)

During the fiscal year under review, Japan's economic doldrums persisted in the wake of the global financial system turmoil, which dealt an increasingly serious blow to the real economy, particularly affecting employment and income conditions together with personal consumption. The second half of the year saw the first signs of recovery appear in parts of the economy, yet especially with demand in the private corporate sector remaining low, the business climate surrounding Okamura Corporation (hereinafter the "Company") proved to be by far the most difficult it had ever experienced.

Under these circumstances, the Okamura Group (hereinafter the "Group") focused on developing new products to meet changing social conditions and on cultivating new customer bases, while accelerating the cutting of costs and expenses. However, the shrinkage in aggregate demand outpaced these efforts, as businesses curbed investments and cut expenses in response to declines in their earnings, and put a dent in the Group's sales revenues and earnings.

Consequently, the Group's current net sales were ¥161,223 million (a decrease of 15.2% year-on-year).

From a profit and loss perspective, strengthened earnings improvement initiatives produced some effect in reducing selling, general and administrative expenses. Nonetheless, as the decrease in net sales and gross profit had a greater impact than these reductions, the Group's ordinary income amounted to ¥1,910 million (a year-on-year decrease of 65.8%). Owing partly to a reversal of deferred tax assets, the Group's current net income amounted to ¥545 million (a year-on-year decrease of 83.4%).

② Segment Information

	Net sales (Millions of yen)			Operating income (loss) (Millions of yen)		
	FY March 2009	FY March 2010	Change	FY March 2009	FY March 2010	Change
Office Furniture	115,625	93,191	(22,434)	3,807	1,151	(2,655)
Store Displays	62,570	59,144	(3,426)	1,074	522	(552)
Material Handling Systems and Others	11,912	8,888	(3,023)	(426)	(317)	109

i) Office Furniture

The Office Furniture segment continued to face an extremely challenging climate, with aggregate demand shrinking substantially, as businesses curbed investments and cut expenses in reaction to the economic downturn.

In such circumstances, office-related demand remained solid among companies seeking greater office efficiency and cost savings. The Company responded to these needs with proposals to introduce the "creative office" concept involving the transformation of offices into "intellectually creative spaces," combined with solutions to reviewing work styles. Likewise, the Company aggressively promoted its "green workplace" concept aimed at reducing the impact of offices on the environment. Emphasis was also placed on developing demand among educational facilities, local governments and other customer sectors in the periphery of the office furniture market. These efforts however fell short of making up for the negative effects of the shrinking aggregate demand.

As a result, net sales in this segment were ¥93,191 million (a decrease of 19.4% year-on-year), and operating income was ¥1,151 million (a decrease of 69.7% year-on-year).

ii) Store Displays

The Store Displays segment's business environment continued to remain challenging as distributors/retailers curbed their investments and shifted to smaller store formats in the face of stagnant personal consumption reflecting increased consumer frugality as a consequence of worsening employment prospects and declining personal income. In such circumstances, the Company focused its efforts on marketing total store solutions designed to meet shifting consumer needs and to improve energy efficiency, and on expanding its business domain by harnessing synergies with SEC Co., Ltd., a consolidated subsidiary of the Company. The segment's gross profit to net sales ratio improved because the Company implemented various profit improvement initiatives, including the maintenance of higher selling prices, and cost reductions.

As a result, net sales in this segment were ¥59,144 million (a decrease of 5.5% year-on-year), and operating income was ¥522 million (a decrease of 51.4% year-on-year).

iii) Material Handling Systems and Others

In the Material Handling Systems segment, the Company aggressively pursued sales activities using solution-based proposals tailored to the needs of logistics centers, plants and other priority customers. The proposals also responded to the growing needs of companies seeking to reduce costs by outsourcing their logistics management and operations to specialist service providers. However, increasing numbers of customers in this business as well postponed or canceled new investment as their market conditions deteriorated, leading to a decline in the number of projects being launched. This put a dent in the segment's sales revenue.

As a result, this segment reported net sales of ¥8,888 million (a decrease of 25.4% year-on-year) and a net operating loss of ¥317 million.

1-2) Outlook for Fiscal 2011

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Net Income per share (Yen)
FY March 2011	164,500	2,800	3,300	1,900	17.23
FY March 2010	161,223	1,357	1,910	545	4.95
Change (%)	2.0%	106.3%	72.7%	248.4%	248.4%

During the current fiscal year, Japan's economy is expected to follow a path of gradual recovery on the strength of robust demand from emerging countries. Yet, especially with corporate capital investment still remaining low, personal consumption stagnating, and office vacancy rates remaining stubbornly high, the environment surrounding the Group will likely continue to be challenging.

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

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

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

In terms of initiatives to improve profitability, the Company will implement further reductions in production costs by pursuing continuous productivity improvement and cost reduction efforts by virtue of OPS (Okamura Production System) while also working on restructuring production systems for better optimization. All of these activities reflect the Company's commitment to consistent corporate reforms aiming for steady and highly profitable corporate structure through prioritized and efficient investment in managerial resources.

For fiscal 2011, the Company anticipates consolidated net sales of ¥164.5 billion, consolidated ordinary income of ¥3.3 billion, and consolidated net income of ¥1.9 billion.

(2) Financial Position

① Total Assets, Liabilities and Net Assets

	FY March 2009	FY March 2010
Total assets (Millions of yen)	167,894	160,422
Net assets (Millions of yen)	76,939	78,294
Equity ratio	45.5%	48.4%
Net assets per share (yen)	692.34	704.88

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

Total assets amounted to ¥160,422 million, a decrease of ¥7,471 million compared with the end of the previous fiscal year. Current assets decreased by ¥5,049 million as a result of decreases in trade notes and accounts receivable and inventories despite an increase in cash and time deposits, and fixed assets decreased by ¥2,422 million as a result of a decrease in tangible fixed assets despite an increase in investment securities.

Total liabilities amounted to ¥82,127 million, a decrease of ¥8,826 million over the end of the previous fiscal year, mainly because of a decrease in trade notes and accounts payable.

Total net assets amounted to ¥78,294 million, an increase of ¥1,355 million over the end of the previous fiscal year, primarily reflecting an increase in net unrealized holding gains on other securities. The equity ratio increased by 2.9 percentage points to 48.4%.

② Cash Flows

	FY March 2009 (Millions of yen)	FY March 2010 (Millions of yen)
Cash flows from operating activities	8,012	7,285
Cash flows from investing activities	(10,194)	(2,469)
Cash flows from financing activities	1,196	(2,344)
Cash and cash equivalents at the term (year) end	18,425	20,902
Borrowings and corporate bonds at the term (year) end	32,192	30,910

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

Operating activities generated a net cash increase of ¥7,285 million (versus a net cash increase of ¥8,012 million in the previous fiscal year), reflecting inflows including depreciation expenses of ¥5,450 million, a decrease in trade notes and accounts receivable of ¥4,520 million, and a decrease in inventories of ¥4,268 million. Outflows included a decrease in trade notes and accounts payable of ¥7,726 million.

Investing activities resulted in a net cash outflow of ¥2,469 million (versus a net cash outflow of ¥10,194 million in the previous fiscal year), reflecting outflows including an increase in time deposits of ¥798 million and disbursements of ¥1,921 million for the acquisition of tangible fixed assets. Inflows included proceeds of ¥1,030 million from the sale of investment securities.

Financing activities resulted in a net cash outflow of ¥2,344 million (versus a net cash increase of ¥1,196 million in the previous fiscal year), reflecting proceeds from an increase in long-term loans payable of ¥1,223 million and outlays including ¥967 million to pay cash dividends.

Consequently, cash and cash equivalents at the end of the fiscal year under review increased by ¥2,477 million to ¥20,902 million.

The balance of interest-bearing debt (borrowings and corporate bonds) at the end of the current term under review decreased by ¥1,281 million compared to the previous fiscal year to ¥30,910 million.

(Reference) Trends of cash flow indicators

	FY March 2006	FY March 2007	FY March 2008	FY March 2009	FY March 2010
Equity ratio (%)	41.5	42.9	42.7	45.5	48.4
Market value-based equity ratio (%)	69.8	76.4	40.9	29.5	41.0
Ratio of interest-bearing debt to cash flows (times)	3.3	6.3	2.4	4.0	4.2
Interest coverage ratio (times)	25.6	11.1	27.5	16.3	12.0

Equity ratio: Shareholders' equity/Total Assets

Market value-based equity ratio: Market capitalization/Total Assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt/Cash flows

Interest coverage ratio: Operating cash flow/Interest payments

(Note 1) All of the above cash flow indicators are calculated on a consolidated basis.

(Note 2) Market capitalization is calculated based on the total number of shares issued and outstanding adjusted for treasury stock.

(Note 3) Operating cash flow equals cash flows from operating activities stated in the Consolidated Statements of Cash Flows.

(Note 4) Interest-bearing debt equals all liabilities on which interests are paid, as stated in the Consolidated Balance Sheets. Interest payments are equal to interests paid as stated in the Consolidated Statements of Cash Flows.

(3) Basic Policies Regarding Allocation of Profits/Dividends in the Fiscal Year under Review and the Next Fiscal Year

We consider the return of profits to shareholders to be an important management priority. To maintain stable dividend payments while increasing enterprise value, we will take into account the needs to bolster internal reserves to provide for investments, as well as business performance and balance funding.

In accordance with these policies, we decided to target annual cash dividends of ¥3.75 per share. Therefore, including the interim dividends (¥3.75 per share), dividends applicable to the year will be ¥7.50 per share.

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

2. Group Companies

The Group comprises the Company, 15 consolidated subsidiaries and four affiliated companies. The Group's principal businesses are the manufacture and sale of office furniture, store displays, and material handling systems. In these business segments the Group offers logistics, installation, and other services.

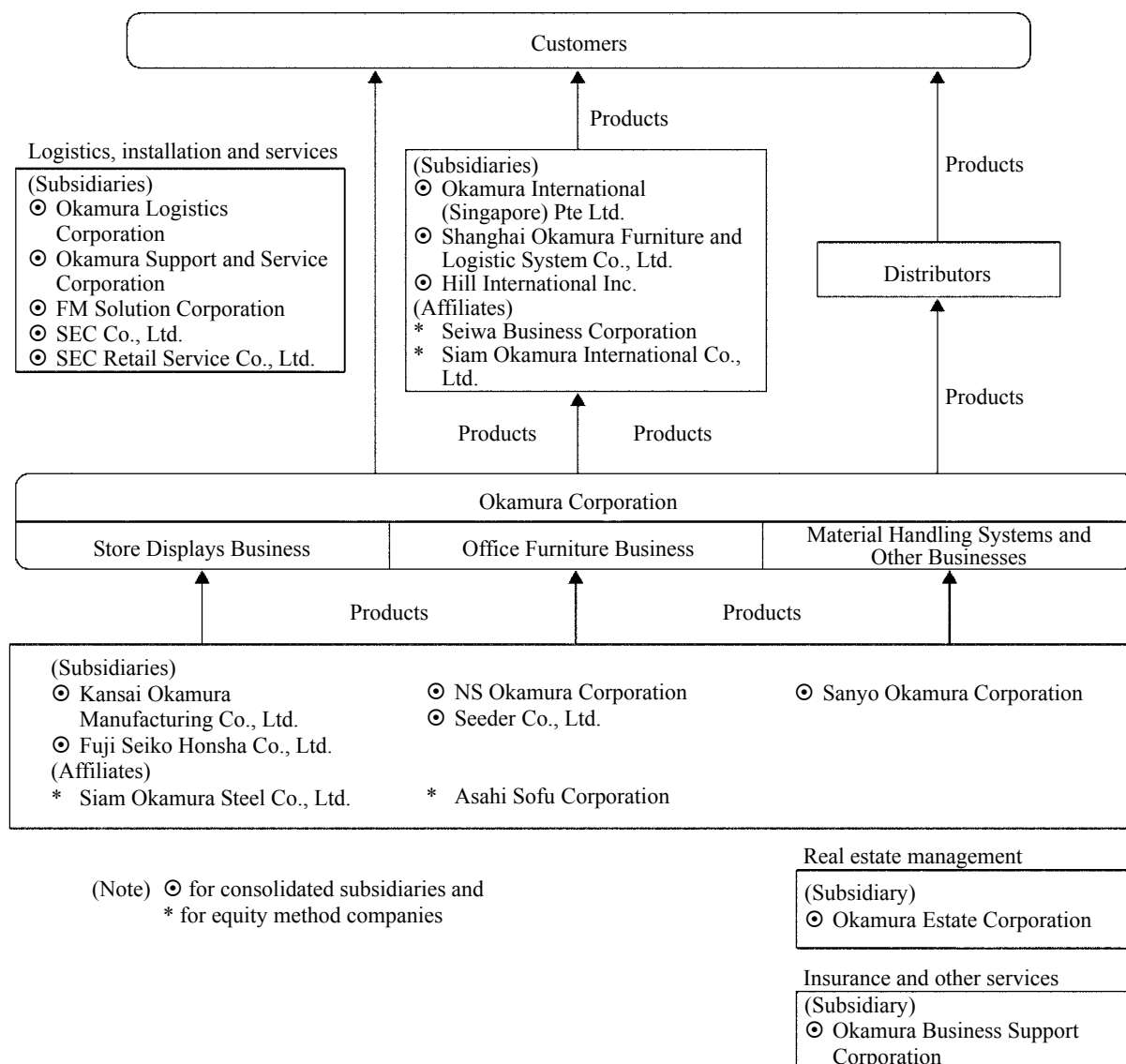
In the office furniture, store displays, and material handling systems business segments, the Company and consolidated subsidiaries including Kansai Okamura Manufacturing Co., Ltd., NS Okamura Corporation, Sanyo Okamura Corporation, Seeder Co., Ltd., and Fuji Seiko Honsha Co., Ltd. engage in manufacturing operations.

In the office furniture, store displays, and material handling systems business segments, the Company engages in sales operations primarily itself and also through its consolidated subsidiaries Okamura International (Singapore) Pte Ltd. and Shanghai Okamura Furniture and Logistic System Co., Ltd., and the Company's affiliates Seiwa Business Corporation and Siam Okamura International Co., Ltd., as well as through the Company's distributors.

In other related businesses, the consolidated subsidiary Okamura Logistics Corporation engages in the Group's logistics and installation for office furniture, store displays, and material handling systems operations, while Okamura Support and Service Corporation and SEC Co., Ltd. undertake the Group's installation and services. The Company established SEC Retail Service Co., Ltd. in the fiscal year under review.

Consolidated subsidiaries Okamura Business Support Corporation and Okamura Estate Corporation engage in insurance and real estate management operations for the Group.

The organization chart below depicts the business structure of the Group. Business segments in the chart correspond to those in the Segment Information section.



3. Management Policy

(1) Basic Management Policy

Guided by its watchwords for corporate reform—information technology, globalization, and specialization—the Group engages in business activities grounded in a basic policy of building and strengthening a relationship of trust with society by constructing a stable management base, engaging in efficient, profit-oriented management, and demonstrating concern for the natural environment.

The Company proclaimed itself “Cooperative Industry—Okamura Seisakusho” when in 1945, a company of engineers, led by its founder, made mutual contributions of funds, technical expertise, and labor to launch it into operation. Throughout its existence, human bonds of the technologically minded have formed the foundation of its operations, primarily in the lines of office furniture, store displays, material handling systems and others. True to its motto that “Quality pays for itself” are the integrated development, manufacture, and distribution of high-quality products that customers feel enrich their amenity environment, as well as turnkey offerings tailored to customers’ diverse space requirements. These comprise the Company’s approach to setting itself apart from its competition in its pursuit of ensuring and enhancing its corporate value and hence its common shareholder value.

(2) Target Performance Indicators

The Group places importance on return on assets (ROA), return on shareholders’ equity (ROE), and ratio of operating income to sales as key indicators of business performance. The Company strives at all times to improve profitability through cost consciousness and to focus on improving investment efficiency by exercising selectivity and concentration in the allocation of management resources.

(3) Medium- to Long-Term Business Strategy

1) Reducing Break-even Point

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

2) Office Furniture

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

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

3) Store Displays

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

4) Material Handling Systems and Others

The Company’s operating environment in this business segment is likely to continue to be difficult, as private-sector capital spending remains depressed. Despite this environment, the Company will seek to expand sales by stepping up sales activities using solution-based proposals tailored to the storage and sorting of small articles in distribution centers, an area which the Company counts as being among its strengths. The proposals will also respond to the growing needs of companies seeking to reduce their costs by outsourcing their logistics management and operations to specialist service providers. The Company will set its sights on renewable energy production facilities and other fields where investments are growing strongly, and step up efforts to attract orders for total solutions by taking advantage of our proposals and new products that are distinguished by their superiority. These efforts should achieve a turnaround in revenues and earnings.

5) Overseas Operations

The economic downturn in the wake of the global turmoil in financial systems has contributed to slower sales in the Company’s overseas operations. Meanwhile, in June 2008 the Company became the first Japanese office furniture manufacturer to open a permanent showroom in Chicago, and set up sales bases in London in July 2008 and in Dubai in December. Furthermore, new dealers have been distributed in emerging countries, including Russia and Brazil, and steady progress has been made in developing a network of resellers. Going forward, the Company will group its operations overseas around three pillars (North America, Europe and China/Asia) and build a stronger operating foundation as it seeks to expand and evolve into a global company.

(4) Issues Facing the Company

To cope with a social milieu characterized by diversification, globalization and other sweeping social transformations that are likely to continue to occur in the coming years, the Company has periodically convened the Business Process Improvement Committee, flexibly and rapidly responded to the changes, and implemented a series of profit improvement measures necessary to sustain and increase growth and profitability.

In future business development, the Company will aggressively invest management resources in growth business sectors on the basis of a medium-term management strategy grounded in selectivity and concentration, engage in continued restructuring across all businesses and organizations, work to increase capital efficiency, and promote management reform to establish a highly profitable corporate structure.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY March 2009 (As of Mar. 31, 2009)	FY March 2010 (As of Mar. 31, 2010)
Assets		
Current assets		
Cash and time deposits	19,488	23,719
Trade notes and accounts receivable	47,600	43,079
Marketable securities	172	122
Merchandise and finished products	12,254	8,369
Work in process	1,286	1,101
Raw material and supplies	2,248	2,050
Deferred tax assets	1,237	956
Others	1,577	1,382
Allowance for doubtful debt	(82)	(47)
Total current assets	85,784	80,735
Fixed assets		
Tangible fixed assets		
Buildings and structures (at net book value)	16,880	15,697
Machinery, equipment and vehicles (at net book value)	9,061	7,626
Land	22,771	22,562
Machinery, equipment and vehicles	48	33
Others (at net book value)	2,328	1,870
Total tangible fixed assets	*1 51,090	*1 47,790
Intangible fixed assets		
Goodwill	1,783	1,526
Others	2,347	2,246
Total intangible fixed assets	4,130	3,773
Investments and other assets		
Investment securities	*1, *2 16,120	*1, *2 18,975
Prepaid pension cost	2,517	2,485
Guarantee deposits	4,071	3,948
Deferred tax assets	2,165	1,614
Others	2,104	1,147
Allowance for doubtful debt	(91)	(48)
Total investments and other assets	26,888	28,123
Total fixed assets	82,109	79,687
Total assets	167,894	160,422

(Millions of yen)

	FY March 2009 (As of Mar. 31, 2009)	FY March 2010 (As of Mar. 31, 2010)
Liabilities		
Current liabilities		
Trade notes and accounts payable	37,432	29,529
Short-term bank loans	*1, *3 9,878	*1, *3 9,820
Long-term debts due within one year	*1 1,674	*1 2,355
Bonds redeemed within one year	5,000	5,000
Income taxes payable	793	660
Consumption taxes payable	132	389
Allowance for bonus payable	1,535	907
Others	2,924	2,731
Total current liabilities	59,370	51,393
Long-term liabilities		
Debenture bonds	5,000	5,000
Long-term loans payable	*1 10,639	*1 8,734
Deferred tax liabilities	668	1,592
Severance and employee retirement benefits	11,710	12,052
Others	3,565	3,354
Total long-term liabilities	31,583	30,734
Total liabilities	90,954	82,127
Net assets		
Owners' equity		
Capital stock	18,670	18,670
Capital surplus	16,759	16,759
Retained earnings	42,547	42,126
Treasury stock, at cost	(2,354)	(2,362)
Total owners' equity	75,622	75,194
Net unrealized gain and translation adjustments		
Unrealized holding gains (losses) on securities	1,057	2,811
Foreign currency translation adjustments	(345)	(297)
Total net unrealized gain and translation adjustments	712	2,513
Minority interests	604	586
Total net assets	76,939	78,294
Total liabilities and net assets	167,894	160,422

(2) Consolidated Statements of Income

(Millions of yen)

	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
Net sales	190,108	161,223
Cost of sales	*2 131,782	*2 111,481
Gross profit	58,326	49,742
Selling, general and administrative expenses	*1, *2 53,871	*1, *2 48,385
Operating income	4,455	1,357
Other income		
Interest income	48	36
Dividend income	431	305
Amortization of negative goodwill	198	198
Equity in earnings of affiliated companies	97	42
Refund of premium for cancelled insurance	457	–
Subsidy income	–	238
Others	685	603
Total other income	1,918	1,425
Other expenses		
Interest expense	508	625
Others	282	246
Total other expenses	790	871
Ordinary income	5,582	1,910
Extraordinary income		
Gain on sale of property, plant and equipment	*3 3	*3 0
Gain on sale of investment securities	83	388
Reversal of allowance for doubtful accounts	13	22
Reversal of allowance for bonuses payable	639	–
Others	0	1
Total extraordinary income	740	412
Extraordinary losses		
Loss on disposal of property, plant and equipment	*4 153	–
Loss on disposal/sale of property, plant and equipment	–	*5 166
Impairment loss on investment securities	428	97
Directors' retirement benefits	150	–
Loss on extinguishment of shares in merged company	99	–
Others	23	76
Total extraordinary losses	854	341
Income before income taxes for the term (fiscal year)	5,468	1,982
Income taxes	1,765	903
Adjustments on income taxes	501	551
Total income taxes	2,266	1,455
Minority interests in earnings (losses)	(91)	(18)
Net income	3,293	545

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
Owners' equity		
Capital stock		
Opening balance	18,670	18,670
Changes during period		
Total changes during period	–	–
Ending balance	18,670	18,670
Capital surplus		
Opening balance	16,759	16,759
Changes during period		
Total changes during period	–	–
Ending balance	16,759	16,759
Retained earnings		
Opening balance	40,909	42,547
Changes during period		
Dividends	(1,656)	(965)
Net income	3,293	545
Total changes during period	1,637	(420)
Ending balance	42,547	42,126
Treasury stock, at cost		
Opening balance	(2,333)	(2,354)
Changes during period		
Acquisition of treasury stock	(21)	(7)
Total changes during period	(21)	(7)
Ending balance	(2,354)	(2,362)
Total owners' equity		
Opening balance	74,006	75,622
Changes during period		
Dividends	(1,656)	(965)
Net income	3,293	545
Acquisition of treasury stock	(21)	(7)
Total changes during period	1,616	(428)
Ending balance	75,622	75,194

(Millions of yen)

	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
Net unrealized gain and translation adjustments		
Unrealized holding gains (losses) on securities		
Opening balance	5,262	1,057
Changes during period		
Net changes of net assets other than owners' equity during period	(4,204)	1,753
Total changes during period	(4,204)	1,753
Ending balance	1,057	2,811
Foreign currency translation adjustments		
Opening balance	66	(345)
Changes during period		
Net changes of net assets other than owners' equity during period	(411)	47
Total changes during period	(411)	47
Ending balance	(345)	(297)
Total net unrealized gain and translation adjustments		
Opening balance	5,328	712
Changes during period		
Net changes of net assets other than owners' equity during period	(4,615)	1,801
Total changes during period	(4,615)	1,801
Ending balance	712	2,513
Minority interests		
Opening balance	3,786	604
Changes during period		
Net changes of net assets other than owners' equity during period	(3,181)	(18)
Total changes during period	(3,181)	(18)
Ending balance	604	586
Total net assets		
Opening balance	83,121	76,939
Changes during period		
Dividends	(1,656)	(965)
Net income	3,293	545
Acquisition of treasury stock	(21)	(7)
Net changes of net assets other than owners' equity during period	(7,797)	1,782
Total changes during period	(6,181)	1,354
Ending balance	76,939	78,294

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
Cash flows from operating activities		
Income before income taxes for the term (fiscal year)	5,468	1,982
Depreciation expense	6,107	5,450
Amortization of negative goodwill	(198)	(198)
Loss (gain) on sales of property, plant and equipment	(3)	–
Loss on disposal of property, plant and equipment	153	–
Loss (gain) on disposal/sale of property, plant and equipment	–	166
Loss (gain) on equity in earnings of affiliated companies	(97)	(42)
Increase (decrease) in allowance for doubtful debt	(59)	(78)
Increase (decrease) in allowance for bonus payable	(1,410)	(628)
Increase (decrease) in allowance for employee retirement benefits	(133)	374
Increase (decrease) in reserve for directors' retirement benefits	(20)	–
Interest and dividend income	(479)	(342)
Interest expense	508	625
Loss (gain) on sale of investment securities	(70)	(367)
Loss (gain) on devaluation of investment securities	428	97
Decrease (increase) in notes and accounts receivable	11,056	4,520
Decrease (increase) in inventories	1,142	4,268
Increase (decrease) in notes and accounts payable	(10,005)	(7,726)
Others	(886)	249
Sub-total	11,500	8,352
Interest and dividends received	513	364
Interest expenses paid	(491)	(609)
Income taxes paid	(3,510)	(821)
Cash flows from operating activities	8,012	7,285
Cash flows from investing activities		
Outlay for placement of time deposits	(1,225)	(4,233)
Proceeds from withdrawal of time deposits	1,168	3,434
Payment for purchase of property, plant and equipment	(6,041)	(1,921)
Proceeds from sale of property, plant and equipment	14	177
Payment for purchase of intangible fixed assets	(379)	(657)
Payment for purchase of investment securities	(1,947)	(546)
Proceeds from sale and redemption of investment securities	1,216	1,030
Outlay for acquisition of stock in subsidiary	(2,089)	–
Payment for purchase of stock in subsidiary affecting the scope of consolidation	*2 (1,957)	–
Others	1,045	245
Cash flows from investing activities	(10,194)	(2,469)

(Millions of yen)

	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
Cash flows from financing activities		
Net increase (decrease) in short-term bank loans	11	(58)
Proceeds from long-term bank loans	6,050	600
Repayments of long-term debt	(3,148)	(1,823)
Proceeds from issuance of corporate bonds	–	5,000
Outlays for redemption of corporate bonds	–	(5,000)
Payment for purchase of treasury stock	(18)	(4)
Cash dividends	(1,655)	(967)
Cash dividends paid to minority shareholders	(24)	–
Others	(15)	(90)
Cash flows from financing activities	1,196	(2,344)
Effect on exchange rate changes on cash and cash equivalents	(85)	5
Increase (decrease) in cash and cash equivalents	(1,071)	2,477
Cash and cash equivalents at beginning of the year	19,496	18,425
Cash and cash equivalents at the end of the year	*1 18,425	*1 20,902

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

Not applicable.

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

	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
1. Scope of consolidation	<p>(1) Consolidated subsidiaries Number of consolidated subsidiaries: 14 companies. The names of the consolidated subsidiaries are not stated here since they appear in "2. Group Companies" on page 7. Pursuant to the acquisition of shares dated Mar. 6, 2009, SEC Co., Ltd. became the Company's consolidated subsidiary from this consolidated fiscal year. The deemed acquisition date is Mar. 31, 2009, and only the balance sheet is subject to consolidation.</p> <p>(2) Non-consolidated subsidiaries Not applicable. Kagaseiko Corporation, which in the previous consolidated fiscal year had been classified as a non-consolidated subsidiary, was absorbed and merged into Fuji Seiko Honsha Co., Ltd., a consolidated subsidiary of the Company, as of Oct. 1, 2008.</p>	<p>(1) Consolidated subsidiaries Number of consolidated subsidiaries: 15 companies. The names of the consolidated subsidiaries are not stated here since they appear in "2. Group Companies" on page 7. The Company established a new entity called SEC Retail Service Co., Ltd. on January 20, 2010, which is added to the scope of consolidation effective with this consolidated fiscal year.</p> <p>(2) Non-consolidated subsidiaries Not applicable.</p>
2. Application of the equity method	<p>(1) Equity method non-consolidated subsidiaries Not applicable.</p> <p>(2) Equity method affiliates Number of equity method affiliates: 4 companies. The names of the equity method affiliates are not stated here since they appear in "2. Group Companies" on page 7.</p> <p>(3) Non-consolidated subsidiaries not accounting for the equity method Not applicable.</p> <p>(4) Affiliates not accounting for the equity method Not applicable.</p> <p>(5) Those equity method companies whose date of yearly settlement of accounts differs from the date of yearly settlement of consolidated accounts are accounted for using their financial statements prepared according to their operating year.</p>	<p>(1) Equity method non-consolidated subsidiaries Same as left.</p> <p>(2) Equity method affiliates Same as left.</p> <p>(3) Non-consolidated subsidiaries not accounting for the equity method Same as left.</p> <p>(4) Affiliates not accounting for the equity method Same as left.</p> <p>(5) Same as left.</p>
3. Operating year of consolidated subsidiaries	<p>The date of yearly settlement of accounts is December 31 for Okamura International (Singapore) Pte Ltd., Shanghai Okamura Furniture and Logistic System Co., Ltd., and Fuji Seiko Honsha Co., Ltd., and September 30 for SEC Co., Ltd. For all other consolidated subsidiaries, the date of yearly settlement of accounts is March 31, which is the same date the Company files Consolidated Financial Statements. The difference between the date of yearly settlement of accounts for Okamura International (Singapore) Pte Ltd., Shanghai Okamura Furniture and Logistic System Co., Ltd., and Fuji Seiko Honsha Co., Ltd. and the date of yearly settlement of consolidated accounts is three months or less, so that the financial statements of the three subsidiaries according to their operating year could be used as the basis for consolidating the three subsidiaries. As for SEC Co., Ltd., its financial statements prepared as of the date of provisional settlement of accounts (December 31) undertaken due to the acquisition of shares were used for consolidation. However, any significant transactions that occurred following the end of such operating year through the date of yearly settlement of consolidated accounts were adjusted in manners necessary for consolidation.</p>	<p>The date of yearly settlement of accounts is December 31 for Okamura International (Singapore) Pte Ltd. and Shanghai Okamura Furniture and Logistic System Co., Ltd., and September 30 for SEC Co., Ltd. and SEC Retail Service Co., Ltd. For all other consolidated subsidiaries, the date of yearly settlement of accounts is March 31, which is the same date the Company files Consolidated Financial Statements. The difference between the date of yearly settlement of accounts for Okamura International (Singapore) Pte Ltd. and Shanghai Okamura Furniture and Logistic System Co., Ltd. and the date of yearly settlement of consolidated accounts is three months or less, so that the financial statements of the two subsidiaries according to their operating year could be used as the basis for consolidating the two subsidiaries. As for SEC Co., Ltd., its financial statements prepared as of the date of provisional settlement of accounts (December 31) were used for consolidation, and as for SEC Retail Service Co., Ltd., its balance sheet prepared as of its establishment was used for consolidation. However, any significant transactions that occurred following the end of such operating year through the date of yearly settlement of consolidated accounts were adjusted in manners necessary for consolidation. As for Fuji Seiko Honsha Co., Ltd., due to a change in its date of yearly settlement of accounts from December 31 to March 31, the subsidiary was consolidated for the period of 15 months from January 1, 2009 to March 31, 2010. The effect of this change on income was negligible.</p>

	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
4. Accounting standards	<p>(1) Standards and methods for valuation of significant assets</p> <p>① Securities</p> <p>a. Held-to-maturity bonds Amortized cost method (straight-line method).</p> <p>b. Other securities Securities with market value Market value method based on values such as the market price at the end of the settlement year. (All valuation differences were accounted for as a separate component of net assets, and the cost of selling was calculated on the moving average method.) Securities without market value Cost method based on the moving average method.</p> <p>② Derivatives Market value method.</p> <p>③ Inventories Inventories held for sale in the ordinary course of business. Cost method (which reduces the book value of assets whose profitability is diminished) based on the moving average method.</p> <p>(Change in accounting policy) Effective with this consolidated fiscal year, the Company adopted 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 was to reduce gross profit, operating income, ordinary income and income before income taxes by ¥455 million each compared with the results based on the same method used in the previous consolidated fiscal year. The impact this caused on segment information is described where it is relevant.</p> <p>(2) Methods of depreciation of significant depreciable assets</p> <p>① Tangible fixed assets (excluding lease assets) Buildings (excluding building equipment)</p> <p>a. those acquired on or before Mar. 31, 1998 Former fixed percentage method.</p> <p>b. those acquired between Apr. 1, 1998 and Mar. 31, 2007 Former straight-line method.</p> <p>c. those acquired on or after Apr. 1, 2007 The straight-line method.</p> <p>Other tangible assets excluding buildings</p> <p>a. those acquired on or before Mar. 31, 2007 Former fixed percentage method.</p> <p>b. those acquired on or after Apr. 1, 2007 The straight-line method.</p> <p>The duration of useful life and residual value were determined in accordance with the standards prescribed in the Japanese Corporation Tax Law. For tangible assets acquired on or before March 31, 2007, depreciation is accounted for up to the limit amount available for depreciation over a period of five years in equal amounts, starting from the next consolidated fiscal year after completion of the depreciation.</p> <p>(Additional information) Following the revision of the Corporate Tax Law in the 2008 fiscal year, effective with this consolidated fiscal year the Company changed 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 change was to reduce operating income, ordinary income and net income before income taxes by ¥148 million each compared with the results based on the same method used in the previous consolidated fiscal year. The impact this caused on segment information is described where it is relevant.</p>	<p>(1) Standards and methods for valuation of significant assets</p> <p>① Securities</p> <p>a. Held-to-maturity bonds Same as left.</p> <p>b. Other securities Same as left.</p> <p>② Derivatives Same as left.</p> <p>③ Inventories Same as left.</p> <p>—</p> <p>(2) Methods of depreciation of significant depreciable assets</p> <p>① Tangible fixed assets (excluding lease assets) Buildings (excluding building equipment)</p> <p>a. those acquired on or before Mar. 31, 1998 Same as left.</p> <p>b. those acquired between Apr. 1, 1998 and Mar. 31, 2007 Same as left.</p> <p>c. those acquired on or after Apr. 1, 2007 Same as left.</p> <p>Other tangible assets excluding buildings</p> <p>a. those acquired on or before Mar. 31, 2007 Same as left.</p> <p>b. those acquired on or after Apr. 1, 2007 Same as left.</p> <p>—</p>

	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
4. Accounting standards	<p>② Intangible fixed assets (excluding lease assets) Straight-line method. The standard for the depreciation period is based on the same standard adopted in the method stipulated in the Corporate Tax Law. However, the depreciation of goodwill is accounted for over a period of five or eight years in equal amounts, and the depreciation of software (for in-house use) is calculated using the straight-line method based on the duration of useful life determined by the Company (five years).</p> <p>③ Lease assets Lease assets involved in finance lease transactions other than those where ownership is transferred. Straight-line method that assumes the lease period to be the useful life and the residual value to be zero.</p> <p>(Change in accounting policy) Effective with this consolidated fiscal year, the Company adopted 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). With regard to non-ownership-transferred finance lease transactions whose effective date precedes the commencement of the initial fiscal year of adoption of the revised standard for lease transactions, the Company continues to apply mutatis mutandis the same method used to account for ordinary lease transactions. The effect of this change on income was negligible.</p> <p>(3) Method of accounting for significant deferred assets —</p> <p>(4) Standards for providing for significant allowances</p> <p>① Allowance for doubtful accounts In order to provide against loss arising from bad debts, the Company has provided for estimated uncollectable amounts.</p> <p>a. General receivables Based on the method of actual bad debt rates.</p> <p>b. Receivables from doubtful, bankrupt or reorganized debtors Based on the method of valuating financial positions.</p> <p>② Allowance for bonuses payable To prepare for the payment of bonuses to employees, the amount expected to be payable to all employees for this consolidated fiscal year was determined based on the portion of total amount expected to be payable corresponding to this consolidated fiscal year.</p> <p>③ Severance and employee retirement benefits To prepare for payment of severance and retirement benefits to employees, the Company and major domestic consolidated subsidiaries provided for the amount considered to have been accrued as of the end of this consolidated fiscal year based on the estimated amount of liabilities for severance and retirement benefits and pension assets at year end. Past service liabilities were accounted for as an expense by the amount prorated over a certain number of years (14 years) not exceeding the average remaining service period of employees in the year in which the liabilities are recognized. Actuarial differences were accounted for as expenses effective the consolidated fiscal year following their accrual on a declining balance basis over a certain number of years (14 years) not exceeding the average remaining service period of employees in each year of accrual. Some domestic consolidated subsidiaries adopted simplified methods.</p>	<p>② Intangible fixed assets (excluding lease assets) Same as left.</p> <p>③ Lease assets Lease assets involved in finance lease transactions other than those where ownership is transferred. Same as left.</p> <p>—</p> <p>(3) Method of accounting for significant deferred assets The expense incurred for issuing bonds was charged in full to income as disbursed.</p> <p>(4) Standards for providing for significant allowances</p> <p>① Allowance for doubtful debt Same as left.</p> <p>a. General receivables Same as left.</p> <p>b. Receivables from doubtful, bankrupt or reorganized debtors Same as left.</p> <p>② Allowance for bonus payable Same as left.</p> <p>③ Severance and employee retirement benefits Same as left.</p>

	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
4. Accounting standards	<p style="text-align: center;">—</p> <p>④ Reserve for directors' retirement benefits (Additional information) Until now, to prepare for payment of retirement benefits to directors, certain consolidated subsidiaries had provided for the amount considered necessary at the end of each consolidated fiscal year under the internal rules. However, such consolidated subsidiaries through their board of directors resolved the abolishment of retirement allowance system of directors effective as of the conclusion of the general meeting of shareholders to be held in June 2008. According to the abolishment, serving directors shall be furnished upon their retirement with the amount appropriate to their service time to the date of abolishment in accordance with the system before abolishment. This subject was resolved at the same ordinary general meeting of shareholders and the amount involved with this abolishment, ¥21 million, was recognized as Other liabilities in Long-term liabilities.</p> <p>(5) Accounting standard for recognizing significant revenues and expenses —</p>	<p>(Change in accounting policy) Effective with this consolidated fiscal year, the Company adopted the Partial Amendments to Accounting Standard for Retirement Benefits (Part 3) (ASBJ Statement No. 19, issued by the Accounting Standards Board of Japan on July 31, 2008). This change had no impact on income. —</p> <p>(5) Accounting standard for recognizing significant revenues and expenses Accounting standard for recognizing revenues related to completed construction work Beginning with the construction contracts initiated during this consolidated fiscal year, those contracts whose outcome can be estimated with certainty are accounted for on the percentage-of-completion method (the progress toward completion of construction work is estimated based on the proportion of costs incurred) in respect to the portion of work completed up to the end of this consolidated fiscal year. The other contracts are accounted for on the completed-contract method.</p> <p>(Change in accounting policy) For the purpose of accounting for contract construction work, previously the Company has applied a policy that recognizes related revenues upon the completion of the contract. Effective with this consolidated fiscal year, the Company adopted the Accounting Standard for Construction Contracts (ASBJ Statement No. 15, issued by the Accounting Standards Board of Japan on December 27, 2007) and the Implementation Guidance for Accounting Standard for Construction Contracts (ASBJ Guidance No. 18, issued by the Accounting Standards Board of Japan on December 27, 2007). Accordingly, beginning with the construction contracts initiated during this consolidated fiscal year, those contracts whose outcome can be estimated with certainty are accounted for on the percentage-of-completion method (the progress toward completion of construction work is estimated based on the proportion of costs incurred) in respect to the portion of work completed. The other contracts are accounted for on the completed-contract method. This change has no effect on income.</p>

	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
4. Accounting standards	<p>(6) Significant hedge accounting method</p> <p>① Hedge accounting method The Company has adopted an exceptional treatment for interest rate swap transactions since the requirements for the treatment have been met. Foreign currency-denominated receivables that are hedged by forward foreign exchange contracts are accounted for using the contracted forward rates.</p> <p>② Hedge method and transactions to be hedged (Hedge method)</p> <ul style="list-style-type: none"> • Interest rate swap transactions • Forward exchange transactions (Transactions to be hedged) • Interest on borrowings (with the risk of loss that may arise due to fluctuations in the interest rate market and will consequently change cash flows) • Foreign currency receivables (with the risk of loss that may arise due to fluctuations in the foreign exchange market and will consequently change cash flows) <p>③ Hedging policy The Company will engage in derivatives transactions in order to avoid risk of interest rate fluctuations or reduce the burden of interest payment, not in those with a speculative purpose or high leverage effect. The Company will also engage in currency derivatives transactions within the volume of contracts for assets, liabilities, or transactions in foreign currency, since the purpose of derivatives transactions is to hedge transactions in foreign currency against the risk of exchange rate fluctuations. The Company will therefore not conduct derivatives transactions for speculative purposes.</p> <p>④ Method for valuating the effectiveness of hedge transactions The Company has adopted an exceptional treatment for interest rate swap transactions since the notional principal, conditions for receipt and payment of interest (such as the interest rate and dates of receipt and payment of interest) and contract terms are the same as those for transactions being hedged. The Company has not therefore conducted post tests to evaluate the effectiveness of interest rate transactions. Forward exchange contracts are used to hedge foreign currency exposures under a risk management policy of designing the contract, as it is concluded, to have the same amount and maturity in order to establish a relationship that cancels out any subsequent change in the exchange rate. This allows the Company to dispense with evaluation of the effectiveness of such hedges at the settlement of accounts.</p> <p>⑤ Other risk control methods concerned with hedge accounting Since the issuance of corporate bonds to be hedged, borrowing of a large amount of money, and similar acts are subject to resolutions by the board of directors, the conclusion of currency swap or interest rate swap contracts as a means of hedging such bond issuances, borrowings, and the like are to be resolved at the time of the act by the board of directors. Currency and interest derivatives transactions are conducted and managed by the Accounting Department subject to the Corporate Management Rules.</p> <p>(7) Other significant items for the preparation of Consolidated Financial Statements Accounting for consumption taxes National and local consumption taxes are accounted for using the tax exclusion method.</p>	<p>(6) Significant hedge accounting method</p> <p>① Hedge accounting method Same as left.</p> <p>② Hedge method and transactions to be hedged Same as left.</p> <p>③ Hedging policy Same as left.</p> <p>④ Method for valuating the effectiveness of hedge transactions Same as left.</p> <p>⑤ Other risk control methods concerned with hedge accounting Same as left.</p> <p>(7) Other significant items for the preparation of Consolidated Financial Statements Accounting for consumption taxes Same as left.</p>

	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
5. Appraising consolidated subsidiaries' assets and liabilities	Consolidated subsidiaries' assets and liabilities are revalued as acquired by the Company to their fair market value, inclusive of minority interests.	Same as left.
6. Amortizing goodwill and negative goodwill	Goodwill is amortized in equal amounts over five or eight years, and negative goodwill is amortized in equal amounts over five years.	Same as left.
7. Scope of funds in consolidated cash flow statement	Cash and cash equivalents in the consolidated cash flow statement are comprised of items such as cash on hand, demand deposits, time deposits due within three months of the date of acquisition, and beneficiary certificates of trust that are due within three months of the date of acquisition, are easily converted into money, and have a small risk of price fluctuation.	Same as left.

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

[Changes to Accounting Standards]

FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
(Tentative treatments applicable to accounting for foreign subsidiaries in preparation of Consolidated Financial Statements) Effective with this consolidated fiscal year, the Company adopted 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). This change had no impact on income.	—

[Changes to Financial Statements Format]

FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
<p>(Consolidated Balance Sheets)</p> <p>1. In accordance with the newly effective Cabinet Order for Partial Revision of Regulations, Etc., Concerning the Terminology, Formats and Methods of Preparation of Financial Statements, Etc. (Cabinet Order No. 50 of August 7, 2008), what would have been classified as "inventories" in the previous consolidated fiscal year are subdivided and classified separately as "merchandise and finished products," "work in process," and "raw material and supplies" commencing with this consolidated fiscal year. "Inventories" at the end of the previous consolidated fiscal year included "merchandise and finished products," "work in process," and "raw material and supplies" amounting to ¥13,098 million, ¥1,320 million, and ¥2,430 million, respectively.</p> <p>2. The "goodwill" that in the previous consolidated fiscal year was included (to the amount of ¥13 million at the end of the previous consolidated fiscal year) in other liabilities in Long-term liabilities is separated and classified as "goodwill" in intangible fixed assets commencing with this consolidated fiscal year.</p> <p>(Consolidated Statements of Income) The "amortization of negative goodwill" that in the previous consolidated fiscal year was included (to the amount of ¥72 million for the previous consolidated fiscal year) in others in Other income is separated and classified as "amortization of negative goodwill" in Other income commencing with this consolidated fiscal year.</p> <p>—</p>	<p>—</p> <p>(Consolidated Statements of Income)</p> <p>1. "Refund of premium for cancelled insurance," subdivided and separately classified in the previous consolidated fiscal year (which amounts to ¥6 million in this consolidated fiscal year), is included in "others" in other income commencing with this consolidated fiscal year, because it is insignificant in value.</p> <p>2. "Loss on disposal of property, plant and equipment," subdivided and separately classified in the previous consolidated fiscal year (which amounts to ¥107 million in this consolidated fiscal year), is included in "loss on disposal/sale of property, plant and equipment" commencing with this consolidated fiscal year.</p> <p>(Consolidated Statements of Cash Flows) "Loss on disposal of property, plant and equipment," subdivided and separately classified in the previous consolidated fiscal year (which amounts to ¥107 million in this consolidated fiscal year), is included in "loss (gain) on disposal/sale of property, plant and equipment" commencing with this consolidated fiscal year.</p>

(8) Notes

(Consolidated Balance Sheet)

FY March 2009 (As of Mar. 31, 2009)	FY March 2010 (As of Mar. 31, 2010)																																																												
<p>*1 (1) Accumulated depreciation of tangible fixed assets amounted to ¥91,585 million.</p> <p>(2) Those of these assets that were hypothecated and liabilities corresponding to them are as follows: Amount of pledged assets (book value)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Other tangible fixed assets</td> <td style="text-align: right;">¥3,384 million</td> </tr> <tr> <td style="padding-left: 20px;">Land</td> <td style="text-align: right;">¥8,033 million</td> </tr> <tr> <td style="padding-left: 20px;">Investment securities</td> <td style="text-align: right;">¥27 million</td> </tr> <tr> <td style="padding-left: 20px;"><u>Total</u></td> <td style="text-align: right;"><u>¥11,445 million</u></td> </tr> </table> <p>Within the above, assets offered as mortgage for factory foundation</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Other tangible fixed assets</td> <td style="text-align: right;">¥283 million</td> </tr> <tr> <td style="padding-left: 20px;">Land</td> <td style="text-align: right;">¥282 million</td> </tr> <tr> <td style="padding-left: 20px;"><u>Total</u></td> <td style="text-align: right;"><u>¥565 million</u></td> </tr> </table> <p>Liabilities relevant to the above</p> <table style="width: 100%; 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(Consolidated Balance Sheet)

FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)																												
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(Consolidated Statements of Changes in Net Assets)
FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)

1. Types and numbers of shares issued

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

2. Treasury stock

Type of stock	Number of shares at the end of the previous year	Increase	Decrease	Number of shares at the end of the term
Common stock (shares)	2,100,241	33,710	-	2,133,951

(Outline of change factors)

The details of increase are as stated below:

Increase due to purchase of fractional shares	29,608 shares
Increase due to acquisition of treasury stock by equity-method affiliates which belong to us	4,102 shares

3. Stock acquisition rights and others

Not applicable.

4. Dividends

(1) Dividends paid during the fiscal year

Resolved	Type	Total amount (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders' held on June 27, 2008	Common stock	828	7.50	March 31, 2008	June 30, 2008
Board of Directors held on October 15, 2008	Common stock	828	7.50	September 30, 2008	December 10, 2008

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

Resolved	Type	Resource of the dividends to be paid	Total amount (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders' held on June 26, 2009	Common stock	Retained earnings	551	5.00	March 31, 2009	June 29, 2009

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

1. Types and numbers of shares issued

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

2. Treasury stock

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

(Outline of change factors)

The details of increase are as stated below:

Increase due to purchase of fractional shares	9,856 shares
Increase due to acquisition of treasury stock by equity-method affiliates which belong to us	4,547 shares

3. Stock acquisition rights and others

Not applicable.

4. Dividends

(1) Dividends paid during the fiscal year

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

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

Resolved	Type	Resource of the dividends to be paid	Total amount (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders' held on June 29, 2010	Common stock	Retained earnings	413	3.75	March 31, 2010	June 30, 2010

(Consolidated Cash Flow Statement)

FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)																
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<p>*2 Major assets and liabilities of the newly consolidated company following the acquisition of shares Due to the new consolidation of SEC Co., Ltd. after acquisition of its shares, following are details of the situation at the start of the consolidation including: details of assets and liabilities, the acquisition price of SEC Co., Ltd. and the relevant expenditure for the acquisition.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Current assets</td> <td style="text-align: right;">¥3,417 million</td> </tr> <tr> <td>Fixed assets</td> <td style="text-align: right;">¥768 million</td> </tr> <tr> <td>Current liabilities</td> <td style="text-align: right;">(¥1,465 million)</td> </tr> <tr> <td>Long-term liabilities</td> <td style="text-align: right;">(¥46 million)</td> </tr> <tr> <td>Goodwill</td> <td style="text-align: right;"><u>¥1,551 million</u></td> </tr> <tr> <td>Acquisition price of the shares of SEC Co., Ltd.</td> <td style="text-align: right;">¥4,224 million</td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right;"><u>(¥2,267 million)</u></td> </tr> <tr> <td>Deduction: Decrease due to acquisition of the subsidiary shares</td> <td style="text-align: right;">(¥1,957 million)</td> </tr> </table>	Current assets	¥3,417 million	Fixed assets	¥768 million	Current liabilities	(¥1,465 million)	Long-term liabilities	(¥46 million)	Goodwill	<u>¥1,551 million</u>	Acquisition price of the shares of SEC Co., Ltd.	¥4,224 million	Cash and cash equivalents	<u>(¥2,267 million)</u>	Deduction: Decrease due to acquisition of the subsidiary shares	(¥1,957 million)	—
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(Segment Information)

[Business Segment Information]

FY March 2009 (From Apr. 1, 2008 to 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)
I. Net sales and operating income (loss)						
Net sales						
(1) Net sales to external customers	115,625	62,570	11,912	190,108	-	190,108
(2) Internal sales or transfers between segments	-	-	-	-	(-)	-
Total	115,625	62,570	11,912	190,108	(-)	190,108
Operating expenses	111,818	61,495	12,339	185,653	(-)	185,653
Operating income (loss)	3,807	1,074	(426)	4,455	(-)	4,455
II. Net asset, depreciation and capital expenditure						
Total assets	86,017	39,986	9,505	135,510	32,384	167,894
Depreciation expenses	4,367	1,130	608	6,107	(-)	6,107
Capital expenditure	4,678	453	450	5,582	(-)	5,582

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

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

(Notes) 1 Business segmentation method

Business segmentation is based on considerations of similarities among product types (inclusive of operations) and markets.

2 Classification of main products by business segment

Business segment	Main products
Office Furniture	Office furniture, Cultural and educational facilities, Partitions, Medical and research facilities, Security systems, SOHO-related products
Store Displays	Showcases for stores, Refrigerated showcases, Counters for stores
Material Handling Systems 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 Out of total assets, corporate assets included in the unallocated and eliminations item amounted to ¥32,384 million at the end of the previous year and ¥39,330 million at the end of this year, and consisted primarily of cash and time deposits and investment securities and others.

4 Change in accounting policy
(FY March 2009)

The Company adopted the Accounting Standard for Valuation of Inventories (ASBJ Statement No. 9, issued by the Accounting Standards Board of Japan on July 5, 2006) and changed its valuation policy from the cost method to a cost basis (which reduces the book value of assets whose profitability has diminished). Compared with the results based on the same method used in the previous consolidated fiscal year, the effect of this change for this consolidated fiscal year was to reduce operating income in Office Furniture and in Store Displays by ¥282 million and by ¥110 million, respectively, and to increase operating loss in Material Handling Systems and Others by ¥63 million.

5 Additional information
(FY March 2009)

Following the revision of the Corporate Tax Law in the 2008 fiscal year, effective with this consolidated fiscal year the Company changed the number 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. Compared with the results based on the same method used in the previous consolidated fiscal year, the effect of this change for this consolidated fiscal year was to reduce operating income in Office Furniture and in Store Displays by ¥67 million and by ¥47 million, respectively, and to increase operating loss in Material Handling Systems and Others by ¥32 million.

[Geographically Segmented Information]

FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)

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

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

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

[Overseas Sales]

FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)

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

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

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

(Lease Transactions)

FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)				FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)																																			
Finance lease transactions (Lessee's side) Non-ownership-transfer finance lease transactions (1) Details of lease assets <ul style="list-style-type: none"> • Tangible fixed assets Comprised primarily of information and telecommunications equipment (tools & fittings). • Intangible fixed assets Comprised of software. (2) Method of depreciation/amortization of lease assets Depreciated/amortized using the calculation method that assumes the lease period to be the useful life and the residual value to be zero. Those non-ownership-transferred finance lease transactions whose effective date occurred on or before March 31, 2008, were accounted for by applying mutatis mutandis the same method used to account for ordinary lease transactions. The details of these assets are as follows: <p>① Amounts equivalent to the cost of acquisition, accumulated depreciation, and balance as of the end of the term (fiscal year) for lease properties</p> <table border="1"> <thead> <tr> <th></th> <th>Amount equivalent to acquisition cost (Millions of yen)</th> <th>Amount equivalent to accumulated depreciation (Millions of yen)</th> <th>Balance as of the end of the term (fiscal year) (Millions of yen)</th> </tr> </thead> <tbody> <tr> <td>Machinery, equipment and vehicles</td> <td>76</td> <td>62</td> <td>14</td> </tr> <tr> <td>Others</td> <td>372</td> <td>296</td> <td>75</td> </tr> <tr> <td>Total</td> <td>449</td> <td>358</td> <td>90</td> </tr> </tbody> </table>					Amount equivalent to acquisition cost (Millions of yen)	Amount equivalent to accumulated depreciation (Millions of yen)	Balance as of the end of the term (fiscal year) (Millions of yen)	Machinery, equipment and vehicles	76	62	14	Others	372	296	75	Total	449	358	90	Finance lease transactions (Lessee's side) Non-ownership-transfer finance lease transactions (1) Details of lease assets Same as left. (2) Method of depreciation/amortization of lease assets Same as left. Same as left. ① Amounts equivalent to the cost of acquisition, accumulated depreciation, and balance as of the end of the term (fiscal year) for lease properties																			
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(Transaction with Related Parties)

During previous year (From Apr. 1, 2008 to Mar. 31, 2009)

Not applicable.

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

Not applicable.

(Accounting for Deferred tax assets)

FY March 2009 (As of Mar. 31, 2009)		FY March 2010 (As of Mar. 31, 2010)	
1	Significant components of deferred income tax assets and liabilities	1	Significant components of deferred income tax assets and liabilities
(1)	Current assets and liabilities	(1)	Current assets and liabilities
	Deferred tax assets		Deferred tax assets
	Allowance for bonus payable		Allowance for bonus payable
	¥625 million		¥370 million
	Accrued enterprise taxes		Accrued enterprise taxes
	¥84 million		¥76 million
	Valuation loss on raw materials and finished products		Accrued property taxes
	¥292 million		¥54 million
	Accrued social insurance premiums		Valuation loss on raw materials and finished products
	¥71 million		¥297 million
	Others		Others
	¥256 million		¥172 million
	Sub-total deferred tax assets		Sub-total deferred tax assets
	¥1,329 million		¥971 million
	Valuation allowance		Valuation allowance
	(¥92 million)		(¥14 million)
	Total deferred tax assets		Total deferred tax assets
	¥1,237 million		¥956 million
	Offset against deferred tax liabilities		
	(¥0 million)		
	Net deferred tax assets		
	¥1,237 million		
	Deferred tax liabilities		
	Unrealized holding gains (losses) on securities		
	¥0 million		
	Total deferred tax liabilities		
	¥0 million		
	Offset against deferred tax assets		
	(¥0 million)		
	Net deferred tax liabilities		
	-		
(2)	Non-current assets and liabilities	(2)	Non-current assets and liabilities
	Deferred tax assets		Deferred tax assets
	Severance and employee retirement benefits		Severance and employee retirement benefits
	¥4,899 million		¥5,099 million
	Unrealized gross profits from sales of property, plant and equipment		Unrealized gross profits from sales of property, plant and equipment
	¥744 million		¥744 million
	Unpaid directors' retirement benefits		Loss carried forward
	¥182 million		¥879 million
	Unrealized loss on golf memberships		Unrealized loss on golf memberships
	¥208 million		¥203 million
	Others		Others
	¥919 million		¥410 million
	Sub-total deferred tax assets		Sub-total deferred tax assets
	¥6,955 million		¥7,338 million
	Valuation allowance		Valuation allowance
	(¥1,052 million)		(¥1,771 million)
	Total deferred tax assets		Total deferred tax assets
	¥5,903 million		¥5,566 million
	Offset against deferred tax liabilities		Offset against deferred tax liabilities
	(¥3,737 million)		(¥3,952 million)
	Net deferred tax assets		Net deferred tax assets
	¥2,165 million		¥1,614 million
	Deferred tax liabilities		Deferred tax liabilities
	Deferred gains on property, plant and equipment		Deferred gains on property, plant and equipment
	¥3,503 million		¥3,446 million
	Unrealized holding gains (losses) on securities		Unrealized holding gains (losses) on securities
	¥787 million		¥1,974 million
	Valuation difference based on the full fair value method		Valuation difference based on the full fair value method
	114 million		¥114 million
	Others		Others
	¥1 million		¥9 million
	Total deferred tax liabilities		Total deferred tax liabilities
	¥4,406 million		¥5,545 million
	Offset against deferred tax assets		Offset against deferred tax assets
	(¥3,737 million)		(¥3,952 million)
	Net deferred tax liabilities		Net deferred tax liabilities
	¥668 million		¥1,592 million
2	Significant components of difference between statutory tax rate and effective tax rate after adjustments for tax effect accounting	2	Significant components of difference between statutory tax rate and effective tax rate after adjustments for tax effect accounting
	There is no note regarding this item because the difference between statutory tax rate and effective tax rate after adjustments for tax effect accounting is less than 5/100 of the statutory tax rate.		Statutory tax rate
			40.7%
			(Reconciliation)
			Non-deductible expenses
			6.5
			Non-taxable dividend income
			(2.6)
			Per capita inhabitant tax
			5.4
			Special deduction of experimental and research expenses, others
			(2.2)
			Valuation allowance
			27.4
			Others
			(1.8)
			Effective tax rate
			73.4%

(Financial Instruments)

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

(Additional information)

Effective with this consolidated fiscal year, the Company adopts the revised Accounting Standard for Financial Instruments (ASBJ Statement No. 10, issued by the Accounting Standards Board of Japan on March 10, 2008) and the Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, issued by the Accounting Standards Board of Japan on March 10, 2008).

1. Matters regarding status of financial instruments

(1) Policy governing use of financial instruments

The Group raises necessary funds by means of bank loans, bond issues and the like principally in accordance with its manufacturing and sales plans in the Office Furniture, Store Displays and Material Handling Systems and Others segments. The Group manages temporary surplus funds in highly secure financial assets, and meets its short-term working capital needs by borrowing from banks. The Group uses derivatives to avoid the risks described below, but as a matter of policy does not engage in derivatives transactions for speculative purposes.

(2) Description of financial instruments and related risks

Trade notes and accounts receivable, classified as trade receivables, are exposed to the credit risk of customers. Trade receivables denominated in foreign currencies, which arise from the Group's global development of business operations, are exposed to the risk of changes in foreign exchange rates. Marketable securities and investment securities, which consist primarily of held-to-maturity bonds and stocks held for the purpose of facilitating trading relationships and others with companies the Group transacts business with, are exposed to the risk of changes in market prices.

Trade notes and accounts payable, classified as trade payables, have a due date of one year or less. Some of these that arise from imports and are denominated in foreign currencies are exposed to the risk of changes in foreign exchange rates. Loans, bonds and finance lease obligations are arranged primarily to meet working capital and capital expenditure needs, and almost all have a redemption date of five years or less. Some of these that carry variable interest rates are exposed to the risk of changes in interest rates, but the exposure is hedged using derivatives transactions (interest rate swap transactions).

Derivatives transactions comprise forward foreign exchange transactions designed to hedge trade receivables and payables denominated in foreign currencies against the risk of changes in foreign exchange rates, and interest rate swap transactions designed to hedge loans payable against the risk of changes in interest payable. For a description of hedge accounting with regard to hedging instruments and hedged items, hedging policy, method to evaluate hedge effectiveness, and others, refer above to "(6) Significant hedge accounting method" in "4. Accounting standards" in "Significant Items for the Preparation of Consolidated Financial Statements."

(3) Arrangements in place for managing risks arising from financial instruments

① Managing credit risk (the risk of customers defaulting on contractual obligations)

The Group manages the credit risk exposure of trade receivables pursuant to the Corporate Management Rules. By periodically monitoring the affairs of principal customers and by tracking due dates and outstanding balances customer-by-customer, the Group ensures the early identification and minimization of doubtful collections that may arise in the event of customer financial distress or in other cases.

② Managing market risk (the risk of changes in foreign exchange rates, interest rates, etc.)

The Group manages the market risk exposure of foreign currency-denominated trade receivables and payables pursuant to the Corporate Management Rules. In addition to tracking their due dates and outstanding balances, the Group hedges certain trade receivables and payables denominated in foreign currencies using foreign exchange forward contracts. The Group uses interest rate swap transactions to limit the exposure of loans payable to the risk of changes in interest payable.

The Group manages the market risk exposure of marketable securities and investment securities by keeping periodic track of their current fair values, the issuers' financial condition and other factors. Unless they are held-to-maturity bonds, the Group reviews the status of its holdings on an ongoing basis to take account of its relationships with the issuers, who do business with the Group.

It is the Accounting Department's responsibility to execute and manage derivatives transactions pursuant to the Corporate Management Rules.

③ Managing funding liquidity risk (the risk of becoming unable to meet payment obligations when due)

The Group manages liquidity risk by ensuring that each constituent company prepares its plan for funding its operations on a timely basis and has in place arrangements including retaining a certain level of liquidity on hand.

(4) Supplementary explanation of fair values of financial instruments and related disclosures

The fair values of financial instruments may be those based on quoted market prices and in the absence of quoted market prices may be reasonable estimates of fair value. Because the estimation of fair value takes account of variable factors, the application of different assumptions or others could result in different estimates of fair value. In "2. Matters regarding fair values of financial instruments and related disclosures," under the "Derivatives transactions" heading, the contractual amounts do not directly represent the market risk exposure relating to derivatives transactions.

2. Matters regarding fair values of financial instruments and related disclosures

The Consolidated Balance Sheet amounts and fair values, and the differences if any between them, of financial instruments held by the Group as of March 31, 2010, are tabulated below. It should be noted that the table below does not include those financial instruments for which it is considered extremely difficult to determine the fair value.

(Millions of yen)

	Consolidated Balance Sheet amount	Fair value	Difference
(1) Cash and time deposits	23,719	23,719	—
(2) Trade notes and accounts receivable	43,079	43,079	—
(3) Marketable securities and investment securities			
① Held-to-maturity bonds	816	845	29
② Other securities	16,746	16,746	—
Total assets	84,362	84,391	29
(1) Trade notes and accounts payable	29,529	29,529	—
(2) Short-term bank loans	9,820	9,820	—
(3) Debenture bonds	10,000	10,216	216
(4) Long-term loans payable	11,089	11,222	132
Total liabilities	60,439	60,788	348
Derivatives transactions	—	—	—

(Note 1) Methods used for determining fair values of financial instruments and matters regarding marketable securities and derivatives transactions

Assets

(1) Cash and time deposits and (2) Trade notes and accounts receivable

Because of the short term to settlement of these assets, their fair values approximate their carrying values, so their fair values are determined based on their carrying values.

(3) Marketable securities and investment securities

Fair values for stocks are determined based on exchange-quoted prices. Fair values for bonds and investment trusts are derived from exchange-quoted prices, prices quoted by counterparty financial institutions, or the present values of future cash flows, grouped according to terms to maturity, that are discounted using interest rates adjusted for credit risk.

For a description of marketable securities categorized according to the purposes for which they are held, refer to the notes in the "Securities" section.

Liabilities

(1) Trade notes and accounts payable and (2) Short-term bank loans

Because of the short term to settlement of these liabilities, their fair values approximate their carrying values, so their fair values are determined based on their carrying values.

(3) Debenture bonds

The fair values of bonds issued by the Company are determined based on quoted market prices.

(4) Long-term loans payable

The fair values of long-term loans payable are derived from the present values of the total sums of principal and interest obligations, grouped according to terms to maturity, that are discounted using the assumed interest rates that may be applicable if new similar loans are issued.

Derivatives transactions

(1) Derivatives transactions for which hedge accounting is not applied

None exist that fall under this category.

(2) Derivatives transactions for which hedge accounting is applied

(Millions of yen)

Method of hedge accounting	Type, etc., of derivatives transactions	Main item to be hedged	Contractual amount	The portion of contractual amount whose term to maturity exceeds 1 year	Fair value
Exceptional treatment for interest rate swaps	Interest rate swap transactions (pay fixed/ receive floating)	Long-term loans payable	8,350	6,750	(*)

(*) Because the interest rate swaps receiving the exceptional treatment are treated en bloc with the long-term loans payable being hedged, their fair values are included in the stated fair values of such long-term loans payable.

(Note 2) Financial instruments for which it is considered extremely difficult to determine fair value

(Millions of yen)

Category	Consolidated Balance Sheet amount
Unlisted stocks	1,525
Unlisted bonds	10

Those listed above have no quoted market price, and it is considered extremely difficult to determine fair values for them, so they are not included in the Assets category of (3) marketable securities and investment securities.

(Note 3) Scheduled redemptions of monetary receivables and securities having maturity subsequent to balance sheet date

(Millions of yen)

	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due after 10 years
Cash and time deposits	4,120	-	-	-
Trade notes and accounts receivable	43,079	-	-	-
Marketable securities and investment securities				
Held-to-maturity bonds	-	10	800	-
Other securities having maturity	-	10	-	-
Total	47,200	20	800	-

(Note 4) Scheduled repayments of bonds and long-term loans payable subsequent to balance sheet date

(Millions of yen)

	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due after 5 years
Debenture bonds	5,000	-	-	5,000	-	-
Long-term loans payable	2,355	3,671	2,549	2,012	-	500
Total	7,355	3,671	2,549	7,012	-	500

(Securities)

FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)

1. Other securities with market value

(Millions of yen)

Items	Acquisition cost	Consolidated Balance Sheet amount at consolidated settlement date	Difference
Other securities with Consolidated Balance Sheet amount exceeding acquisition			
① Stocks	7,481	10,287	2,806
② Bonds			
Government bonds	50	50	(0)
Sub-total	7,531	10,337	2,806
Other securities with Consolidated Balance Sheet amount not exceeding acquisition cost			
① Stocks	4,528	3,555	(973)
② Others	157	108	(48)
Sub-total	4,686	3,663	(1,022)
Total	12,217	14,001	1,783

2. Other securities sold during the year

(Millions of yen)

Items	Proceeds from sales	Gross gain on sales	Gross loss on sales
① Stocks	139	83	12
② Others	2	-	-
Total	141	83	12

3. Securities not marked to market

(Millions of yen)

Items	Consolidated Balance Sheet amount
(1) Held-to-maturity bonds	
Debenture bonds	707
Total	707
(2) Other securities	
Unlisted stocks	196
MMF	21
Medium-term government securities fund	101
Total	318

4. Scheduled redemptions of other securities having maturity and held-to-maturity bonds subsequent to balance sheet date
End of Previous Fiscal Year (Mar. 31, 2009)

(Millions of yen)

Items	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due after 10 years
Held-to-maturity bonds				
Debenture bonds	-	-	700	-
Sub-total	-	-	700	-
Other securities				
Bonds				
Government bonds	50	-	-	-
Sub-total	50	-	-	-
Total	50	-	700	-

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

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

(Millions of yen)

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

2. Other securities (As of Mar. 31, 2010)

(Millions of yen)

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

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

(Millions of yen)

Items	Proceeds from sales	Gross gain on sales	Gross loss on sales
Stocks	527	388	-
Others	85	-	21
Total	612	388	21

(Derivative Transactions)

Disclosure in this note regarding derivative transactions has been omitted, because the necessity of disclosing their information in this financial report is not considered significant.

(Retirement Benefits)

1. Established retirement benefit arrangements

The Company and five domestic consolidated subsidiaries provided a retirement benefit program comprising a defined-contribution annuity plan and a defined-benefit lump-sum severance allowance. Some other domestic consolidated subsidiaries provided a retirement benefit program comprising a defined-benefit lump-sum severance allowance plan.

2. Retirement benefit obligation

(Millions of yen)

	FY March 2009 (As of Mar. 31, 2009)	FY March 2010 (As of Mar. 31, 2010)
① Benefit obligation	(17,784)	(17,567)
② Pension assets	6,619	7,560
③ Unfunded benefit obligation (① + ②)	(11,164)	(10,007)
④ Unrecognized actuarial difference	4,289	2,518
⑤ Unrecognized past service obligation	(2,317)	(2,078)
⑥ Consolidated Balance Sheet net benefit liability (③ + ④ + ⑤)	(9,193)	(9,567)
⑦ Prepaid pension cost	2,517	2,485
Allowance for retirement benefits (⑥ - ⑦)	(11,710)	(12,052)

3. Retirement benefit expense

(Millions of yen)

	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
① Service cost	837	899
② Interest cost	327	344
③ Expected return on plan assets	(173)	(126)
④ Amortization of past service obligation	(215)	(206)
⑤ Amortization of actuarial difference	235	647
⑥ Contributions to the defined contribution pension program	364	367
Retirement benefit expense	1,375	1,926

4. Basis for calculating retirement benefit obligation and others

	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
① Method to periodically allocate projected benefit obligation	Allocated equally to each service year.	Same as noted in the left column.
② Discount rate	2.0%	Same as noted in the left column.
③ Expected return on pension assets	2.0%	Same as noted in the left column.
④ Number of years to amortize past service obligation	14 years (Past service obligations are prorated and recognized in expense over a constant number of years (14 years) that is within the average remaining service period of employees as they arise.)	Same as noted in the left column.
⑤ Number of years to amortize actuarial difference	14 years (Actuarial differences are prorated over a constant number of years (14 years) that is within the average remaining service period of employees in an accounting year as they arise, and recognized in expense the following years.)	Same as noted in the left column.

(Business Combinations and Others)

Disclosure in this note regarding business combinations and others has been omitted, because the necessity of disclosing their information in this financial report is not considered significant.

(Investment and Rental Property)

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

(Additional information)

Effective with this consolidated fiscal year, the Company adopts the Accounting Standard for Disclosures about Fair Value of Investment and Rental Property (ASBJ Statement No. 20, issued by the Accounting Standards Board of Japan on November 28, 2008) and the Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property (ASBJ Guidance No. 23, issued by the Accounting Standards Board of Japan on November 28, 2008).

The Company and some subsidiaries maintain ownership of parking lots and other properties available for lease in Kanagawa Prefecture and other regions. The Group's rental income accrued from such rental properties during the fiscal year ended March 2010 amounted to ¥142 million (rental revenues were included in net sales; major rental expenses were included in operating expenses).

The Consolidated Balance Sheet amount and fair value of investment and rental property as of the balance sheet date, as well as the method used for determining the fair value, are described below.

(Millions of yen)

Consolidated Balance Sheet amount			Fair value at balance sheet date
Opening balance	Increase (decrease) during fiscal year	Closing balance	
991	(5)	985	7,703

(Notes) 1 The Consolidated Balance Sheet amount indicates the cost of acquisition minus accumulated depreciation.

2 Method used for determining fair value

The fair value is estimated primarily by reference to the Real Estate Appraisal Standards.

(Per Share Data)

Items	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
Net assets per share of common stock	¥692.34	¥704.88
Net income per share of common stock	¥29.87	¥4.95

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

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

(Note) The basis for calculating net income per share of common stock was as follows:

1. Net Assets per share of common stock

Items	FY March 2009 (As of Mar. 31, 2009)	FY March 2010 (As of Mar. 31, 2010)
Net assets in Consolidated Balance Sheet (in million yen)	76,939	78,294
Net assets attributable to common stock (in million yen)	76,335	77,708
Breakdown of difference (in million yen)		
Minority interests	604	586
Number of common stock issued (thousand)	112,391	112,391
Number of Treasury common stock (thousand)	2,133	2,148
Number of common stock calculated for Net Assets per share of common stock (thousand)	110,257	110,243

2. Net Income per share

Items	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
Net income in Consolidated Statements of Income (in million yen)	3,293	545
Amounts not reverting to common shareholders (in million yen)	—	—
Net income attributable to common stock (in million yen)	3,293	545
Average number of shares of common stock during the period (thousand)	110,273	110,250

(Important Subsequent Events)

FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
<p>Pursuant to the resolution of a Board of Directors meeting held on March 18, 2009, the Company issued its 10th Series Unsecured Straight Bonds as outlined below:</p> <ul style="list-style-type: none"> • Total amount of issue: ¥5,000 million • Issue price: ¥100 per ¥100 of par value • Payment due date: April 27, 2009 • Redemption at maturity: April 26, 2013 • Coupon rate: 2.52% per annum • Intended use of proceeds: Funding for bond redemptions • Security: No collateral or guarantee is pledged. 	—

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	FY March 2009 (As of Mar. 31, 2009)	FY March 2010 (As of Mar. 31, 2010)
Assets		
Current assets		
Cash and time deposits	11,452	14,321
Trade notes	8,920	6,579
Accounts receivable	36,796	34,921
Marketable securities	172	122
Merchandise and finished products	11,603	7,977
Work in process	686	564
Raw material and supplies	1,661	1,523
Prepaid expense	643	659
Deferred tax assets	983	787
Others	1,106	1,073
Allowance for doubtful debt	(60)	(40)
Total current assets	73,965	68,490
Fixed assets		
Tangible fixed assets		
Buildings (at net book value)	13,821	12,890
Structures (at net book value)	648	564
Machinery & equipment (at net book value)	5,905	5,171
Vehicles (at net book value)	147	114
Tools & Fittings (at net book value)	1,610	1,290
Land	21,051	21,051
Machinery, equipment and vehicles	44	30
Total tangible fixed assets	*1 43,229	*1 41,113
Intangible fixed assets		
Goodwill	73	5
Patent property	4	2
Land leaseholds	725	725
Software	1,342	1,380
Others	139	161
Total intangible fixed assets	2,285	2,275
Investments and other assets		
Investment securities	14,452	17,342
Investment in affiliates	8,440	8,440
Long-term loans receivable from affiliates	570	510
Receivables from bankrupt or reorganized debtors and others	89	46
Prepaid pension cost	2,517	2,485
Long-term prepaid expenses	11	–
Guarantee deposits	3,834	3,715
Others	795	708
Allowance for doubtful debt	(439)	(396)
Total investments and other assets	30,271	32,852
Total fixed assets	75,786	76,241
Total assets	149,751	144,731

(Millions of yen)

	FY March 2009 (As of Mar. 31, 2009)	FY March 2010 (As of Mar. 31, 2010)
Liabilities		
Current liabilities		
Trade notes	*2 9,090	*2 6,327
Accounts receivable	*2 26,717	*2 22,039
Short-term bank loans	*1, *4 8,350	*1, *4 8,350
Short-term loan in affiliates	–	500
Long-term debts due within one year	4,410	*2 5,200
Bonds redeemed within one year	5,000	5,000
Lease obligations	30	55
Accounts payable-other	479	428
Accrued expenses	1,242	1,100
Income taxes payable	584	562
Consumption taxes payable	15	332
Advances received	29	236
Deposit received	272	141
Allowance for bonus payable	1,134	633
Total current liabilities	57,356	50,908
Long-term liabilities		
Bonds	5,000	5,000
Long-term loans payable	10,150	8,550
Lease obligations	90	137
Deferred tax liabilities	485	1,431
Severance and employee retirement benefits	8,465	8,961
Long-term deposit received	2,148	2,123
Other liabilities	371	367
Total long-term liabilities	26,711	26,572
Total liabilities	84,067	77,480
Net assets		
Owners' equity		
Capital stock	18,670	18,670
Capital surplus		
Additional paid-in capital	16,759	16,759
Total capital surplus	16,759	16,759
Retained earnings		
Legal reserve of retained	1,874	1,874
Other retained earnings		
Deferred income reserve	5,049	4,968
Other reserves	4,180	4,180
Earned surplus carried forward	20,357	20,241
Total retained earnings	31,462	31,264
Treasury stock, at cost	(2,295)	(2,300)
Total owners' equity	64,596	64,394
Net unrealized gain and translation adjustments		
Unrealized holding gains (losses) on securities	1,088	2,857
Total Net unrealized gain and translation adjustments	1,088	2,857
Total net assets	65,684	67,251
Total liabilities and net assets	149,751	144,731

(2) Non-Consolidated Statements of Income

(Millions of yen)

	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
Net sales	185,682	148,964
Cost of sales	*1, *3 135,141	*1, *3 108,177
Gross profit	50,541	40,786
Selling, general and administrative expenses	*2, *3 47,551	*2, *3 40,515
Operating income	2,989	271
Other income		
Interest income	38	36
Dividend income	721	601
Refund of premium for cancelled insurance	457	–
Subsidy income	–	238
Others	816	675
Total other income	*1 2,034	*1 1,553
Other expenses		
Interest expense	372	403
Bond interest expense	100	189
Others	246	233
Total other expenses	720	826
Ordinary income	4,303	998
Extraordinary income		
Gain on sales of property, plant and equipment	*4 3	–
Gain on sale of investment securities	83	388
Reversal of allowance for doubtful accounts	13	18
Reversal of allowance for bonuses payable	521	–
Total extraordinary income	621	407
Extraordinary losses		
Loss on disposal of property, plant and equipment	*5 112	–
Loss on disposal/sale of property, plant and equipment	–	*6 59
Impairment loss on investment securities	415	97
Appraised loss in investments in affiliates	580	–
Reversal of allowance for doubtful accounts in affiliates	30	–
Others	16	13
Total extraordinary losses	1,154	171
Income before income taxes	3,770	1,234
Income taxes	1,350	538
Adjustments on income taxes	353	(72)
Total income taxes	1,703	465
Net income	2,067	768

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

(Millions of yen)

	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
Owners' equity		
Capital stock		
Opening balance	18,670	18,670
Changes during period		
Total changes during period	–	–
Ending balance	18,670	18,670
Capital surplus		
Additional paid-in capital		
Opening balance	16,759	16,759
Changes during period		
Total changes during period	–	–
Ending balance	16,759	16,759
Total capital surplus		
Opening balance	16,759	16,759
Changes during period		
Total changes during period	–	–
Ending balance	16,759	16,759
Retained earnings		
Legal reserve of retained		
Opening balance	1,874	1,874
Changes during period		
Total changes during period	–	–
Ending balance	1,874	1,874
Other retained earnings		
Deferred income reserve		
Opening balance	5,136	5,049
Changes during period		
Used deferred income reserve	(86)	(80)
Total changes during period	(86)	(80)
Ending balance	5,049	4,968
Other reserves		
Opening balance	4,180	4,180
Changes during period		
Total changes during period	–	–
Ending balance	4,180	4,180
Earned surplus carried forward		
Opening balance	19,859	20,357
Changes during period		
Dividends	(1,656)	(965)
Used deferred income reserve	86	80
Net income	2,067	768
Total changes during period	498	(116)
Ending balance	20,357	20,241

(Millions of yen)

	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
Total retained earnings		
Opening balance	31,050	31,462
Changes during period		
Dividends	(1,656)	(965)
Used deferred income reserve	–	–
Net income	2,067	768
Total changes during period	411	(197)
Ending balance	31,462	31,264
Treasury stock, at cost		
Opening balance	(2,276)	(2,295)
Changes during period		
Acquisition of treasury stock	(18)	(4)
Total changes during period	(18)	(4)
Ending balance	(2,295)	(2,300)
Total owners' equity		
Opening balance	64,203	64,596
Changes during period		
Dividends	(1,656)	(965)
Net income	2,067	768
Acquisition of treasury stock	(18)	(4)
Total changes during period	392	(202)
Ending balance	64,596	64,394
Net unrealized gain and translation adjustments		
Unrealized holding gains (losses) on securities		
Opening balance	5,258	1,088
Changes during period		
Net changes of Net assets other than owners' equity during period	(4,170)	1,769
Total changes during period	(4,170)	1,769
Ending balance	1,088	2,857
Total Net unrealized gain and translation adjustments		
Opening balance	5,258	1,088
Changes during period		
Net changes of Net assets other than owners' equity during period	(4,170)	1,769
Total changes during period	(4,170)	1,769
Ending balance	1,088	2,857
Total net assets		
Opening balance	69,462	65,684
Changes during period		
Dividends	(1,656)	(965)
Net income	2,067	768
Acquisition of treasury stock	(18)	(4)
Net changes of Net assets other than owners' equity during period	(4,170)	1,769
Total changes during period	(3,777)	1,566
Ending balance	65,684	67,251

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

Not applicable.

(5) Significant Accounting Policies

	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
1 Standards and methods for valuation of securities	(1) Held-to-maturity bonds Amortized cost method (straight-line method) (2) Equity shares in subsidiaries and related companies Cost method based on the moving average method (3) Other securities Securities with market value Market value method based on values such as the market price at the end of the settlement year (All valuation differences were accounted for as separate components of net assets, and the cost of selling was calculated on the moving average method.) Securities without market value Cost method based on the moving average method	(1) Held-to-maturity bonds Same as left. (2) Equity shares in subsidiaries and related companies Same as left. (3) Other securities Securities with market value Same as left. Securities without market value Same as left.
2 Standards and methods for valuation of derivatives	Market value method	Same as left.
3 Standards and methods for valuation of inventories	Inventories held for sale in the ordinary course of business Cost method (which reduces the book value of assets whose profitability is diminished) based on the moving average method (Change in accounting policy) Effective with this fiscal year, the Company adopted 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 was to reduce gross profit, operating income, ordinary income and income before income taxes by ¥448 million each compared with the results based on the same method used in the previous fiscal year.	Inventories held for sale in the ordinary course of business Same as left. —
4 Methods of depreciation of fixed assets	(1) Tangible fixed assets (excluding lease assets) Buildings (excluding building equipment) ① Those acquired on or before Mar. 31, 1998 Former fixed percentage method ② Those acquired between Apr. 1, 1998 and Mar. 31, 2007 Former straight-line method ③ Those acquired on or after Apr. 1, 2007 The straight-line method Other tangible assets excluding buildings ① Those acquired on or before Mar. 31, 2007 Former fixed percentage method ② Those acquired on or after Apr. 1, 2007 The fixed percentage method The duration of useful lives and residual value were determined subject to the standards prescribed in the Japanese Corporation Tax Law. For tangible assets acquired on or before March 31, 2007, depreciation is accounted for up to the limit amount available for depreciation over a period of five years in equal amounts, starting from the next fiscal year after completion of the depreciation.	(1) Tangible fixed assets (excluding lease assets) Buildings (excluding building equipment) ① Those acquired on or before Mar. 31, 1998 Same as left. ② Those acquired between Apr. 1, 1998 and Mar. 31, 2007 Same as left. ③ Those acquired on or after Apr. 1, 2007 Same as left. Other tangible assets excluding buildings ① Those acquired on or before Mar. 31, 2007 Same as left. ② Those acquired on or after Apr. 1, 2007 Same as left.

	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
4 Methods of depreciation of fixed assets	<p>(Additional information)</p> <p>Following the revision of the Corporate Tax Law in the 2008 fiscal year, effective with this fiscal year the Company changed the number 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.</p> <p>The effect of this change was to reduce operating income, ordinary income and net income before income taxes by ¥119 million each compared with the results based on the same method used in the previous fiscal year.</p> <p>(2) Intangible fixed assets (excluding lease assets) Straight-line method. The standard for the depreciation period is based on the same standard adopted in the method stipulated in the Corporate Tax Law. However, the depreciation of goodwill is accounted for over a period of five years in equal amounts, and the depreciation of software (for in-house use) is calculated in the straight-line method based on the duration of useful lives set in the Company (five years).</p> <p>(3) Lease assets Lease assets involved in finance lease transactions other than those where ownership is transferred Straight-line method that assumes the lease period to be the useful life and the residual value to be zero.</p> <p>(Change in accounting policy) Effective with this fiscal year, the Company adopted 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). With regard to non-ownership-transferred finance lease transactions whose effective date precedes the commencement of the initial fiscal year of adoption of the revised standard for lease transactions, the Company continues to apply mutatis mutandis the same method used to account for ordinary lease transactions. The effect of this change on income was negligible.</p>	<p>—</p> <p>(2) Intangible fixed assets (excluding lease assets) Same as left.</p> <p>(3) Lease assets Lease assets involved in finance lease transactions other than those where ownership is transferred Same as left.</p> <p>—</p>
5 Method of accounting for deferred assets	—	The expense incurred for issuing bonds was charged in full to income as disbursed.

	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
6 Standards for providing for allowances	<p>(1) Allowance for doubtful accounts In order to provide against loss arising from bad debts, the Company has provided for estimated uncollectable amounts.</p> <p>① General receivables Based on the method of actual bad debt rates.</p> <p>② Receivables from doubtful, bankrupt, or reorganized debtors Based on the method of valuating financial positions.</p> <p>(2) Allowance for bonus payable To prepare for the payment of bonuses to employees, the amount expected to be payable to all employees for this fiscal year was determined based on the portion of total amount expected to be payable corresponding to this fiscal year.</p> <p>(3) Severance and employee retirement benefits To prepare for payment of severance and retirement benefits to employees, the Company provided for the amount considered to have been accrued as of the end of this fiscal year based on the estimated amount of liabilities for severance and retirement benefits and pension assets at year end. Past service liabilities were accounted for as an expense by the amount prorated over a certain number of years (14 years) not exceeding the average remaining service period of employees in the year in which the liabilities are recognized. Actuarial differences were accounted for as expenses effective the fiscal year following their accrual on a declining balance basis over a certain number of years (14 years) not exceeding the average remaining service period of employees in each year of accrual.</p> <p style="text-align: center;">—</p>	<p>(1) Allowance for doubtful accounts Same as left.</p> <p>① General receivables Same as left.</p> <p>② Receivables from doubtful, bankrupt, or reorganized debtors Same as left.</p> <p>(2) Allowance for bonus payable Same as left.</p> <p>(3) Severance and employee retirement benefits Same as left.</p> <p>(Change in accounting policy) Effective with this fiscal year, the Company adopted the Partial Amendments to Accounting Standard for Retirement Benefits (Part 3) (ASBJ Statement No. 19, issued by the Accounting Standards Board of Japan on July 31, 2008). This change had no impact on income.</p>
7 Accounting standard for recognizing revenues and expenses	—	<p>Accounting standard for recognizing revenues related to completed construction work Beginning with the construction contracts initiated during this fiscal year, those contracts whose outcome can be estimated with certainty are accounted for on the percentage-of-completion method (the progress toward completion of construction work is estimated based on the proportion of costs incurred) in respect to the portion of work completed up to the end of this fiscal year. The other contracts are accounted for on the completed-contract method.</p> <p>(Change in accounting policy) For the purpose of accounting for contract construction work, previously the Company has applied a policy that recognizes related revenues upon the completion of the contract. Effective with this fiscal year, the Company adopted the Accounting Standard for Construction Contracts (ASBJ Statement No. 15, issued by the Accounting Standards Board of Japan on December 27, 2007) and the Implementation Guidance for Accounting Standard for Construction Contracts (ASBJ Guidance No. 18, issued by the Accounting Standards Board of Japan on December 27, 2007). Accordingly, beginning with the construction contracts initiated during this fiscal year, those contracts whose outcome can be estimated with certainty are accounted for on the percentage-of-completion method (the progress toward completion of construction work is estimated based on the proportion of costs incurred) in respect to the portion of work completed. The other contracts are accounted for on the completed-contract method. This change has no impact on income.</p>

	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
8 Hedge accounting method	<p>(1) Hedge accounting method The Company has adopted an exceptional treatment for interest rate swap transactions since the requirements for the treatment have been met. Foreign currency-denominated receivables that are hedged by forward foreign exchange contracts are accounted for using the contracted forward rates.</p> <p>(2) Hedge method and transactions to be hedged (Hedge method)</p> <ul style="list-style-type: none"> • Interest rate swap transactions • Forward exchange transactions (Transactions to be hedged) • Interest on borrowings (with the risk of loss that may arise due to fluctuations in the interest rate market and will consequently change cash flows) • Foreign currency receivables (with the risk of loss that may arise due to fluctuations in the foreign exchange market that will consequently change cash flows) <p>(3) Hedging policy The Company will engage in derivatives transactions in order to avoid risk of interest rate fluctuations or reduce the burden of interest payment, not in those with a speculative purpose or high leverage effect. The Company will also engage in currency derivatives transactions within the volume of contracts for assets, liabilities, or transactions in foreign currency, since the purpose of derivatives transactions is to hedge transactions in foreign currency against the risk of exchange rate fluctuations. The Company will therefore not conduct derivatives transactions for speculative purposes.</p> <p>(4) Method for valuating the effectiveness of hedge transactions The Company has adopted an exceptional treatment for interest rate swap transactions since the notional principal, conditions for receipt and payment of interest (such as the interest rate and dates of receipt and payment of interest) and contract terms are the same as those for transactions being hedged. The Company has not therefore conducted post tests to evaluate the effectiveness of interest rate transactions. Forward exchange contracts are used to hedge foreign currency exposures under a risk management policy of designing the contract, as it is concluded, to have the same amount and maturity in order to establish a relationship that cancels out any subsequent change in the exchange rate. This allows the Company to dispense with evaluation of the effectiveness of such hedges at the settlement of accounts.</p> <p>(5) Other risk control methods concerned with hedge accounting Since the issuance of corporate bonds to be hedged, borrowing of a large amount of money, and similar acts are subject to resolutions by the board of directors, the conclusion of currency swap or interest rate swap contracts as a means of hedging such bond issuances, borrowings, and the like are to be resolved at the time of the act by the board of directors. Currency and interest derivatives transactions are conducted and managed by the Accounting Department subject to the Corporate Management Rules.</p>	<p>(1) Hedge accounting method Same as left.</p> <p>(2) Hedge method and transactions to be hedged Same as left.</p> <p>(3) Hedging policy Same as left.</p> <p>(4) Method for valuating the effectiveness of hedge transactions Same as left.</p> <p>(5) Other risk control methods concerned with hedge accounting Same as left.</p>
9 Other significant items for the preparation of Financial Statements	<p>Accounting for consumption taxes National and local consumption taxes are accounted for using the tax exclusion method.</p>	<p>Accounting for consumption taxes Same as left.</p>

(6) Significant Changes in Accounting Policies

[Changes to Financial Statements Format]

FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
(Balance Sheet) “Other accounts receivable,” which had been stated as a separate item in the previous operating year, was included (to the amount of ¥596 million) in Other current assets in Current assets at the end of this fiscal year, because it was insignificant in value. —	— (Statements of Income) “Loss on disposal of property, plant and equipment,” subdivided and separately classified in the previous fiscal year (which amounts to ¥57 million in this fiscal year), is included in “loss on disposal/sale of property, plant and equipment” commencing with this fiscal year.

(7) Notes

(Non-Consolidated Balance Sheet)

FY March 2009 (As of Mar. 31, 2009)	FY March 2010 (As of Mar. 31, 2010)
*1 (1) Accumulated depreciation of tangible fixed assets amounted to ¥71,743 million. (2) Those out of these assets that were hypothecated and the corresponding liabilities are as follows: Amount of pledged assets (book value) Other tangible fixed assets ¥2,497 million Land ¥7,269 million Total ¥9,766 million Liabilities relevant to the above Short-term bank loans ¥2,000 million	*1 (1) Accumulated depreciation of tangible fixed assets amounted to ¥74,476 million. (2) Those out of these assets that were hypothecated and the corresponding liabilities are as follows: Amount of pledged assets (book value) Other tangible fixed assets ¥2,287 million Land ¥7,269 million Total ¥9,556 million Liabilities relevant to the above Short-term bank loans ¥2,000 million
*2 Major assets and liabilities held with regard to related companies are as follows: Trade notes ¥2,133 million Accounts receivable ¥5,801 million —	*2 Major assets and liabilities held with regard to related companies are as follows: Trade notes ¥1,345 million Accounts receivable ¥5,467 million Loans payable ¥3,100 million
	*3 The Company provides debt guarantees with respect to loans that the company listed below owes to financial institutions. Shanghai Okamura Furniture and Logistic System Co., Ltd. ¥130 million
*4 For the purpose of raising working capital efficiently, the Company has entered into a specified commitment line agreement with the main financial institutions it transacts with. Total amount under specified commitment line agreements ¥12,000 million Outstanding loans borrowed ¥1,000 million Balance ¥11,000 million	*4 For the purpose of raising working capital efficiently, the Company has entered into a specified commitment line agreement with the main financial institutions it transacts with. Total amount under specified commitment line agreements ¥12,000 million Outstanding loans borrowed ¥1,000 million Balance ¥11,000 million

(Non-Consolidated Statements of Income)

FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
<p>*1 The component associated with transactions with related companies is as follows: Products purchased ¥54,434 million In addition to the above, transactions with related companies were reflected also in Other income items to a total amount of ¥223 million.</p>	<p>*1 The component associated with transactions with related companies is as follows: Products purchased ¥41,390 million In addition to the above, transactions with related companies were reflected also in Other income items to a total amount of ¥224 million.</p>
<p>*2 Major items and amounts of selling, general and administrative expenses are as follows: Selling expense ¥2,940 million Packing and transportation expense ¥9,931 million Salaries and allowances ¥13,033 million Provision for allowance for bonus payable ¥768 million Retirement benefits ¥750 million Depreciation and amortization expenses ¥1,604 million Rent ¥6,574 million</p>	<p>*2 Major items and amounts of selling, general and administrative expenses are as follows: Selling expense ¥1,804 million Packing and transportation expense ¥7,903 million Salaries and allowances ¥11,565 million Provision for allowance for bonus payable ¥425 million Retirement benefits ¥1,095 million Depreciation and amortization expenses ¥1,536 million Rent ¥5,994 million</p>
<p>*3 R&D cost included in selling, general and administrative expenses and cost of sales amounted to ¥1,000 million.</p>	<p>*3 R&D cost included in selling, general and administrative expenses and cost of sales amounted to ¥744 million.</p>
<p>*4 Details of gain on sales of property, plant and equipment are as follows: Machinery & equipment ¥3 million Others ¥0 million Total ¥3 million</p>	—
<p>*5 Details of loss on disposal of property, plant and equipment are as follows: Buildings ¥10 million Structures ¥11 million Machinery & equipment ¥40 million Tools & Fittings ¥45 million Others ¥4 million Total ¥112 million</p>	—
—	<p>*6 Details of loss on disposal/sale of property, plant and equipment are as follows: Buildings ¥2 million Structures ¥4 million Machinery & equipment ¥21 million Tools & Fittings ¥29 million Others ¥2 million Total ¥59 million</p>

(Non-Consolidated Statements of Changes in Net Assets)

FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)

1. Matters relating to treasury stock

Type of stock	Number of shares at the end of the previous year	Increase	Decrease	Number of shares at the end of the term
Stocks issued Common stock (stocks)	1,974,836	29,608	—	2,004,444

(Outline of change factors)

The major factor for the increase is as follows:

Increase due to purchase of fractional shares 29,608 shares

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

1. Matters relating to treasury stock

Type of stock	Number of shares at the end of the previous year	Increase	Decrease	Number of shares at the end of the term
Stocks issued Common stock (stocks)	2,004,444	9,856	—	2,014,300

(Outline of change factors)

The details of increase are as stated below:

Increase due to purchase of fractional shares 9,856 shares

(Lease Transactions)

FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)																																
Finance lease transactions (Lessee's side) Non-ownership-transfer finance lease transactions (1) Details of lease assets <ul style="list-style-type: none"> • Tangible fixed assets Comprised primarily of information and telecommunications equipment. • Intangible fixed assets Comprised of software. (2) Method of depreciation/amortization of lease assets Depreciated/amortized using a calculation method that assumes the lease period to be the useful life and the residual value to be zero. Those non-ownership-transferred finance lease transactions whose effective date occurred on or before March 31, 2008, were accounted for by applying mutatis mutandis the same method used to account for ordinary lease transactions. The details of these assets are as follows: ① Amounts equivalent to the cost of acquisition, accumulated depreciation, and balance as of the end of the term (fiscal year) for lease properties	Finance lease transactions (Lessee's side) Non-ownership-transfer finance lease transactions (1) Details of lease assets Same as left. (2) Method of depreciation/amortization of lease assets Same as left. Same as left. ① Amounts equivalent to the cost of acquisition, accumulated depreciation, and balance as of the end of the term (fiscal year) for lease properties																																
<table border="1"> <thead> <tr> <th></th> <th style="text-align: center;">Amount equivalent to acquisition cost (Millions of yen)</th> <th style="text-align: center;">Amount equivalent to accumulated depreciation (Millions of yen)</th> <th style="text-align: center;">Amount equivalent to the balance as of the end of the term (Millions of yen)</th> </tr> </thead> <tbody> <tr> <td>Tools & fittings</td> <td style="text-align: center;">224</td> <td style="text-align: center;">180</td> <td style="text-align: center;">43</td> </tr> <tr> <td>Others</td> <td style="text-align: center;">91</td> <td style="text-align: center;">65</td> <td style="text-align: center;">25</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">315</td> <td style="text-align: center;">246</td> <td style="text-align: center;">69</td> </tr> </tbody> </table>		Amount equivalent to acquisition cost (Millions of yen)	Amount equivalent to accumulated depreciation (Millions of yen)	Amount equivalent to the balance as of the end of the term (Millions of yen)	Tools & fittings	224	180	43	Others	91	65	25	Total	315	246	69	<table border="1"> <thead> <tr> <th></th> <th style="text-align: center;">Amount equivalent to acquisition cost (Millions of yen)</th> <th style="text-align: center;">Amount equivalent to accumulated depreciation (Millions of yen)</th> <th style="text-align: center;">Amount equivalent to the balance as of the end of the term (Millions of yen)</th> </tr> </thead> <tbody> <tr> <td>Tools & fittings</td> <td style="text-align: center;">85</td> <td style="text-align: center;">63</td> <td style="text-align: center;">21</td> </tr> <tr> <td>Others</td> <td style="text-align: center;">91</td> <td style="text-align: center;">74</td> <td style="text-align: center;">16</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">176</td> <td style="text-align: center;">138</td> <td style="text-align: center;">38</td> </tr> </tbody> </table>		Amount equivalent to acquisition cost (Millions of yen)	Amount equivalent to accumulated depreciation (Millions of yen)	Amount equivalent to the balance as of the end of the term (Millions of yen)	Tools & fittings	85	63	21	Others	91	74	16	Total	176	138	38
	Amount equivalent to acquisition cost (Millions of yen)	Amount equivalent to accumulated depreciation (Millions of yen)	Amount equivalent to the balance as of the end of the term (Millions of yen)																														
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② Amount equivalent to the balance of prepaid rent as at the end of the consolidated fiscal year <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">One year or less</td> <td style="text-align: right;">¥44 million</td> </tr> <tr> <td>More than one year</td> <td style="text-align: right;">¥83 million</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">¥127 million</td> </tr> </table>	One year or less	¥44 million	More than one year	¥83 million	Total	¥127 million	② Amount equivalent to the balance of prepaid rent as at the end of the consolidated fiscal year <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">One year or less</td> <td style="text-align: right;">¥27 million</td> </tr> <tr> <td>More than one year</td> <td style="text-align: right;">¥54 million</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">¥82 million</td> </tr> </table>	One year or less	¥27 million	More than one year	¥54 million	Total	¥82 million																				
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③ Amount equivalent to lease payment, accumulated depreciation and interest expense <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Lease payment</td> <td style="text-align: right;">¥96 million</td> </tr> <tr> <td>Amount equivalent to depreciation expense</td> <td style="text-align: right;">¥69 million</td> </tr> <tr> <td>Amount equivalent to interest expense</td> <td style="text-align: right;">¥4 million</td> </tr> </table>	Lease payment	¥96 million	Amount equivalent to depreciation expense	¥69 million	Amount equivalent to interest expense	¥4 million	③ Amount equivalent to lease payment, accumulated depreciation and interest expense <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Lease payment</td> <td style="text-align: right;">¥46 million</td> </tr> <tr> <td>Amount equivalent to depreciation expense</td> <td style="text-align: right;">¥30 million</td> </tr> <tr> <td>Amount equivalent to interest expense</td> <td style="text-align: right;">¥2 million</td> </tr> </table>	Lease payment	¥46 million	Amount equivalent to depreciation expense	¥30 million	Amount equivalent to interest expense	¥2 million																				
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④ Method of calculating the amounts equivalent to depreciation expense The amount equivalent to depreciation expense was calculated by multiplying the depreciation expense by 9/10 (0.9) calculated using the fixed percentage method considering the lease period to be the usable life in years and residual value to be 10%.	④ Method of calculating the amounts equivalent to depreciation expense Same as left.																																
⑤ Method of calculating the amounts equivalent to interest The amount equivalent to interest was calculated considering the difference between the total lease payment and the amount equivalent to the cost of acquisition of the lease property to be the amount equivalent to interest. The difference was distributed to each term using the interest method.	⑤ Method of calculating the amounts equivalent to interest Same as left.																																

(Securities)

FY March 2009 (as of Mar. 31, 2009)

No equity shares held by the Company in subsidiaries or affiliates have market value.

FY March 2010 (as of Mar. 31, 2010)

(Additional information)

Effective with this fiscal year, the Company adopts the revised Accounting Standard for Financial Instruments (ASBJ Statement No. 10, issued by the Accounting Standards Board of Japan on March 10, 2008) and the Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, issued by the Accounting Standards Board of Japan on March 10, 2008).

Equity shares in subsidiaries and affiliates

(Note) Equity shares in subsidiaries and affiliates regarding which it is considered extremely difficult to determine their fair value

(Millions of yen)

Items	Balance Sheet amount
1. Equity shares in subsidiaries	8,293
2. Equity shares in affiliates	146
Total	8,440

Those securities listed above have no quoted market price. Therefore, it is considered extremely difficult to determine their fair values.

(Accounting for Deferred Income Taxes)

FY March 2009 (As of Mar. 31, 2009)		FY March 2010 (As of Mar. 31, 2010)	
1 Significant components of deferred income tax assets and liabilities		1 Significant components of deferred income tax assets and liabilities	
(1) Current assets and liabilities		(1) Current assets and liabilities	
Deferred tax assets		Deferred tax assets	
Allowance for bonus payable	¥461 million	Allowance for bonus payable	¥257 million
Accrued enterprise taxes	¥70 million	Accrued enterprise taxes	¥69 million
Valuation loss on raw materials and finished products	¥264 million	Valuation loss on raw materials and finished products	¥280 million
Accrued social insurance premiums	¥55 million	Accrued social insurance premiums	¥32 million
Accrued property taxes	¥53 million	Accrued property taxes	¥53 million
Others	¥77 million	Others	¥95 million
Total deferred tax assets	¥983 million	Total deferred tax assets	¥787 million
Offset against deferred tax liabilities	(¥0 million)		
Net deferred tax assets	¥983 million		
Deferred tax liabilities		Deferred tax liabilities	
Unrealized holding gains (losses) on securities	¥0 million		
Total deferred tax liabilities	¥0 million		
Offset against deferred tax assets	(¥0 million)		
Net deferred tax liabilities	—		
(2) Non-current assets and liabilities		(2) Non-current assets and liabilities	
Deferred tax assets		Deferred tax assets	
Severance and employee retirement benefits	¥3,590 million	Severance and employee retirement benefits	¥3,830 million
Appraised loss in investments in affiliates	¥236 million	Appraised loss in investments in affiliates	¥236 million
Unpaid director's retirement benefits	¥151 million	Unpaid director's retirement benefits	¥149 million
Allowance for doubtful accounts	¥155 million	Allowance for doubtful accounts	¥146 million
Unrealized loss on golf memberships	¥146 million	Unrealized loss on golf memberships	¥146 million
Others	¥135 million	Others	¥124 million
Sub-total deferred tax assets	¥4,414 million	Sub-total deferred tax assets	¥4,634 million
Valuation allowance	(¥687 million)	Valuation allowance	(¥686 million)
Total deferred tax assets	¥3,727 million	Total deferred tax assets	¥3,947 million
Offset against deferred tax liabilities	(¥3,727 million)	Offset against deferred tax liabilities	(¥3,947 million)
Net deferred tax assets	—	Net deferred tax assets	—
Deferred tax liabilities		Deferred tax liabilities	
Deferred income reserve	¥3,465 million	Deferred income reserve	¥3,410 million
Unrealized holding gains (losses) on securities	¥746 million	Unrealized holding gains (losses) on securities	¥1,961 million
Total deferred tax liabilities	¥4,212 million	Others	¥8 million
Offset against deferred tax assets	(¥3,727 million)	Total deferred tax liabilities	¥5,379 million
Net deferred tax liabilities	¥485 million	Offset against deferred tax assets	(¥3,947 million)
		Net deferred tax liabilities	¥1,431 million
2 Significant components of difference between statutory tax rate and effective tax rate after adjustments for tax effect accounting		2 Significant components of difference between statutory tax rate and effective tax rate after adjustments for tax effect accounting	
Statutory tax rate (Reconciliation)	40.7%	Statutory tax rate (Reconciliation)	40.7%
Non-deductible expenses	4.6	Non-deductible expenses	10.1
Non-taxable dividend income	(5.0)	Non-taxable dividend income	(13.2)
Per capital inhabitant tax	2.4	Per capital inhabitant tax	7.3
Special deduction of experimental and research expenses, others	(1.2)	Special deduction of experimental and research expenses, others	(3.2)
Valuation allowance	6.2	Others	(4.0)
Others	(2.5)	Effective tax rate	37.7%
Effective tax rate	45.2%		

(Per Share Data)

Items	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
Net assets per share of common stock	595.04 yen	609.29 yen
Net income per share of common stock	18.73 yen	6.96 yen

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

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

(Note) The basis for calculating net income per share of common stock was as follows:

1. Net assets per share of common stock

Items	FY March 2009 (As of Mar. 31, 2009)	FY March 2010 (As of Mar. 31, 2010)
Net assets in Non-Consolidated Balance Sheet (in million yen)	65,684	67,251
Net assets attributable to common stock (in million yen)	65,684	67,251
Number of common stock issued (in thousand shares)	112,391	112,391
Number of treasury common stock (in thousand shares)	2,004	2,014
Number of common stock calculated for net assets per share of common stock (in thousand shares)	110,387	110,377

2. Net income per share of common stock

Items	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
Net income in Non-Consolidated Statements of Income (in million yen)	2,067	768
Amount not reverting to common shareholders (in million yen)	—	—
Net profit relating to common stock (in million yen)	2,067	768
Average number of shares of common stock during the period (in thousand shares)	110,401	110,381

(Important Subsequent Events)

FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)	FY March 2010 (From Apr. 1, 2009 to Mar. 31, 2010)
<p>Pursuant to the resolution of a Board of Directors meeting held on March 18, 2009, the Company issued its 10th Series Unsecured Straight Bonds as outlined below:</p> <ul style="list-style-type: none"> • Total amount of issue: ¥5,000 million • Issue price: ¥100 per ¥100 of par value • Payment due date: April 27, 2009 • Redemption at maturity: April 26, 2013 • Coupon rate: 2.52% per annum • Intended use of proceeds: Funding for bond redemptions • Security: No collateral or guarantee is pledged. 	—

6. Others

(1) Changes in Board Members

1. Change of Representative Director

Not applicable.

2. Change of other board members (scheduled for June 29, 2010)

(1) Candidates for new Directors

Director	Toshikazu Iwata
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(2) Resigning board members

Director	Hiroshi Moriwake
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(3) Candidate for new Assistant Auditing Officer

Standing Corporate Auditor	Hiroshi Moriwake
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(4) Resigning Auditing Officer

Standing Corporate Auditor	Kiyoshi Noji
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