

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

February 3, 2009

Okamura Corporation

Listing: Tokyo Stock Exchange, Osaka Securities Exchange

Code Number: 7994

URL: <http://www.okamura.co.jp/>

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

### 1. Financial and Operational Review for the Third Quarter (Apr. 1, 2008 - Dec. 31, 2008) of FY March 2009 (Apr. 1, 2008 - Mar. 31, 2009)

#### (1) Progress in (consolidated) business results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Third quarter of FY March 2009	144,289	—	2,364	—	3,372	—	2,041	—
Third quarter of FY March 2008	155,425	1.5	5,333	(12.3)	5,951	(11.2)	3,189	(14.3)

	Net income per share	Diluted net income per share
	yen	yen
Third quarter of FY March 2009	18.51	—
Third quarter of FY March 2008	28.82	—

#### (2) Changes in (consolidated) financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	yen
Third quarter of FY March 2009	163,137	76,921	46.8	691.85
FY March 2008	185,855	83,121	42.7	719.32

(Reference) Equity: Third quarter of FY March 2009: ¥76,287 million FY March 2008: ¥79,335 million

### 2. Dividend

(Record date)	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end dividend per share (in yen)	Full year dividend per share (in yen)
	yen	yen	yen	yen	yen
FY March 2008	—	7.50	—	7.50	15.00
FY March 2009	—	7.50	—	—	—
FY March 2009 (forecast)	—	—	—	7.50	15.00

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

### 3. Forecast of consolidated performance for the fiscal year ending March 2009 (from April 1, 2008 to March 31, 2009) (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net assets per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
FY March 2009	205,000	(4.6)	5,800	(41.0)	6,500	(38.1)	4,200	(29.4)	38.08

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

4. Others

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

New: – company(ies) (Company name: )

Excluded: – company(ies) (Company name: )

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

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

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

i. by new accounting standard: Yes

ii. by others: Yes

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

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

i. Number of shares (including treasury shares) outstanding at end of period

Third quarter of FY March 2009:	112,391,530	FY March 2008:	112,391,530
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ii. Number of treasury shares at end of period

Third quarter of FY March 2009:	2,126,857	FY March 2008:	2,100,241
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iii. Average number of shares outstanding during period (cumulative quarters)

Third quarter of FY March 2009:	110,278,372	Third quarter of FY March 2008:	110,678,346
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\* Explanation of Appropriate Use of Performance Forecasts and Other Issues Requiring Particular Mention

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

· The performance forecasts and other forward-looking statements contained herein are based on the information available to the Company at the time, and contain certain assumptions that the Company considers to be reasonable. They are subject to diverse factors that may cause actual results of operations and other items to differ significantly from the statements and forecasts. For a description of the assumptions underlying the performance forecasts and points to note when using performance forecasts, please refer to “3. Qualitative information concerning the performance forecast” in “Qualitative information, Financial statements, Etc.” on page 2.

[Qualitative information, Financial statements, Etc.]

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

During the first three quarters of the current fiscal year under review, Japan's economy entered a slowdown as United States-triggered financial worries spread worldwide, and the uncertainty of the Japanese recovery added further impetus to the decline in business confidence.

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

In the Office Furniture segment, even though there was strong office-related demand owing to the efforts to improve work environments, reconsideration of work styles, and improve office efficiency, the business conditions remained particularly tough as financial institutions continued to cut down on investment amid the worsening prospects for the economy and corporate earnings, and as an increasing number of companies of all industries are becoming ever more cautious about investment. Under these circumstances, we aggressively pursued the solution-oriented business with the emphasis on the review of working practices and the development of intellectually creative working styles, but sales from the segment marked a decline after all.

As a result, net sales in this segment decreased to ¥85,552 million (Y-o-Y a decrease of 10.9%).

In the Store Displays segment, the business environment remained challenging as retailers curbed their investments and shifted to smaller store formats in the face of slowing personal consumption as a consequence of increasingly adverse employment and income conditions. Under these circumstances, the Company sought to expand sales by putting greater emphasis on marketing proposals, and winning orders, for total store solutions whose key concepts boiled down to "food safety and security," "energy efficiency enhancement," and "low-cost operation." Profitability of this segment is showing an improvement owing to the various efforts we made, including the reduction of the cost of display shelving.

As a result, net sales in this segment increased to ¥49,020 million (Y-o-Y an increase of 0.9%).

In the Material Handling Systems and Others segment, the Company aggressively stepped up the efforts to market solution proposals among its focused industry sectors of logistics centers, production factories, and other facility operators. Nevertheless, as more and more customers moved to postpone or reduce investment, and as the number of deals decreased amid further market deterioration, sales from this operation marked a decline as well.

As a result, net sales in this segment decreased to ¥9,715 million (Y-o-Y a decrease of 10.4%).

As a result of the above, during the first three quarters of the current fiscal year, the Company posted net sales of ¥144,289 million (Y-o-Y a decrease of 7.2%), operating income of ¥2,364 million (Y-o-Y a decrease of 55.7%), ordinary income of ¥3,372 million (Y-o-Y a decrease of 43.3%), and net income of ¥2,041 million (Y-o-Y a decrease of 36.0%).

Year-on-year changes as percentages are shown for your reference.

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

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

Total assets amounted to ¥163,137 million, down ¥22,717 million compared with the end of the previous fiscal year. Current assets decreased by ¥15,031 million as a result of the decrease in notes and accounts receivable, and fixed assets decreased by ¥7,685 million because of the decrease in investments and other assets caused primarily by the decline in the market value of investment securities.

Liabilities amounted to ¥86,216 million, down ¥16,517 million over the end of the previous fiscal year, mainly because of decreases in notes and accounts payable and income taxes payable.

Net assets amounted to ¥76,921 million, as retained earnings increased but net unrealized holding gains on securities declined. Reflecting the decrease in liabilities, the equity ratio rose to 46.8%.

A review of cash flows for the first three quarters of the current fiscal year shows that operating activities generated a net cash increase of ¥4,672 million, as a result of (1) inflows including net income before income taxes of ¥3,649 million, depreciation expenses of ¥4,442 million and the decrease in notes and accounts receivable of ¥13,622 million and of (2) outflows including the decrease in notes and accounts payable of ¥10,722 million, the decrease in allowance for bonus payable of ¥2,050 million and the payment of income taxes of ¥3,482 million.

Net cash used in investing activities was ¥4,859 million, which was mainly comprised of the purchase of property, plant and equipment amounting to ¥4,046 million and the acquisition of stock in subsidiary amounting to ¥2,089 million.

Net cash used in financial activities was ¥1,262 million, which was comprised of cash dividend paid by the Company of ¥1,562 million.

Consequently, consolidated cash and cash equivalents at the end of the current fiscal year's third quarter decreased

by ¥1,468 million from the end of the previous fiscal year to ¥18,028 million.

3. Qualitative information concerning the performance forecast

A review of the performance for the first three quarters of the current fiscal year shows that the Company's net sales, operating income, ordinary income and net income all declined from the same period of the previous year. The tough business environment is expected to continue, so we will step up our efforts to expand sales, improve productivity and reduce costs.

Given the above, we have not made changes to the consolidated performance forecasts for the full fiscal year ending in March 2009, which we announced on October 15, 2008 when we made the last revision to the performance forecasts.

4. Others

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

Not applicable.

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

i. Simplified accounting methods

1) Method for valuation of inventories

For the purpose of valuing inventories at the end of the third quarter of the current fiscal year, the Company has dispensed with physical inventorying and applies a rational valuation method on the basis of inventory value physically verified at the end of the second quarter of the current fiscal year.

2) Calculation of depreciation expenses on fixed assets

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

ii. Special accounting methods applicable to preparation of quarterly consolidated financial statements

Nothing in particular

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

i. Adoption of accounting standards pertaining to quarterly financial statements

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

ii. Adoption of accounting standards pertaining to valuation of inventories

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

The effect of this change is to reduce the gross profit, operating income, ordinary income and income before income taxes for the first three quarters of the current fiscal year by ¥337 million each compared with the results using the previous method.

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

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

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

The effect of this change on the results of the first three quarters of the current fiscal year is nil.

iv. Adoption of accounting standards pertaining to lease transactions

Effective with the first quarter of the current fiscal year, the Company adopts the Accounting Standard for Lease Transactions (ASBJ Statement No. 13, issued by the Accounting Standards Board of Japan on June 17, 1993 and

last revised on March 30, 2007) and the Implementation Guidance for Accounting Standard for Lease Transactions (ASBJ Guidance No. 16, issued by the Accounting Standards Board of Japan on January 18, 1994 and last revised on March 30, 2007) and accounts for finance lease transactions other than those where ownership is transferred in the manner that applies to ordinary buying and selling transactions.

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

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

The effect of this change is to increase the balance of the lease assets as of the end of the third quarter of the current fiscal year by ¥77 million in the tangible fixed assets section and by ¥3 million in the intangible fixed assets section. The effect on the results of the first three quarters of the current fiscal year is negligible.

## 5. Quarterly financial statements

## (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	Third quarter of FY March 2009 (As of Dec. 31, 2008)	Condensed consolidated balance sheet concerning FY March 2008 (As of March 31, 2008)
<b>Assets</b>		
Current assets:		
Cash and time deposits	19,021	20,514
Trade notes and accounts receivable	43,982	57,604
Marketable securities	172	122
Goods for sale	1,738	1,924
Manufactured goods	12,075	11,173
Raw materials	2,234	2,430
Work in process	1,472	1,320
Others	2,797	3,348
Allowance for doubtful debt	(186)	(98)
Total current assets	83,309	98,340
Fixed assets:		
Tangible fixed assets:		
Buildings and structures (at net book value)	15,120	15,579
Land	22,580	22,515
Others (at net book value)	12,595	13,023
Total tangible fixed assets	50,296	51,118
Intangible fixed assets:	2,300	2,690
Investments and other assets:		
Investment securities	16,594	22,781
Others	10,753	11,047
Allowance for doubtful accounts	(115)	(122)
Total investment and other assets	27,231	33,705
Total fixed assets	79,828	87,514
Total assets	163,137	185,855

(Millions of yen)

	Third quarter of FY March 2009 (As of Dec. 31, 2008)	Condensed consolidated balance sheet concerning FY March 2008 (As of March 31, 2008)
<b>Liabilities</b>		
Current liabilities:		
Trade notes and accounts payable	35,429	46,742
Short-term bank loans	11,122	9,867
Long-term debts due within one year	2,420	3,117
Bonds redeemed within one year	5,000	–
Income taxes payable	78	2,371
Allowance for bonus payable	894	2,945
Others	3,702	3,895
Total current liabilities	58,647	68,941
Long-term liabilities:		
Debenture bonds	5,000	10,000
Long-term loans payable	6,085	6,294
Severance and employee retirement benefits	11,990	11,459
Reserve for directors' retirement benefits	–	20
Others	4,492	6,017
Total long-term liabilities	27,569	33,792
Total liabilities	86,216	102,734
<b>Net assets</b>		
Owners' equity		
Capital stock	18,670	18,670
Capital surplus	16,759	16,759
Retained earnings	41,294	40,909
Treasury stock, at cost	(2,351)	(2,333)
Total owners' equity	74,373	74,006
Net unrealized gain and translation adjustments		
Unrealized holding gains (losses) on securities	2,083	5,262
Foreign currency translation adjustment	(170)	66
Total Net unrealized gain and translation adjustments	1,913	5,328
Minority interests	634	3,786
Total net assets	76,921	83,121
Total liabilities and net assets	163,137	185,855

(2) Quarterly Consolidated Income Statement  
[First Three Quarters of Current Fiscal Year]

	(Millions of yen)
	First three quarters of FY March 2009 (From Apr. 1, 2008 to Dec. 31, 2008)
Net sales	144,289
Cost of sales	100,611
Gross profit	43,677
Selling, general and administrative expenses	41,313
Operating income	2,364
Other income:	
Interest income	42
Dividend income	427
Equity in earnings of affiliated companies	151
Refund of premium for cancelled insurance	457
Others	567
Total other income	1,647
Other expenses:	
Interest expenses	391
Others	247
Total other expenses	638
Ordinary income	3,372
Extraordinary income:	
Gain on sale of investment securities	83
Reversal of allowance for bonuses payable	639
Others	3
Total extraordinary income	726
Extraordinary losses:	
Loss on disposal of property, plant and equipment	94
Impairment loss	218
Reversal of allowance for doubtful accounts regarding affiliated companies	99
Other losses	37
Total extraordinary losses	449
Income before income taxes for the quarter term	3,649
Income taxes	784
Adjustments on income taxes	884
Total income taxes	1,669
Minority interests in earnings (loss)	(61)
Net income for the quarter term	2,041



## (3) Quarterly Consolidated Cash Flow Statement

	(Millions of yen)
	First three quarters of FY March 2009 (From Apr. 1, 2008 to Dec. 31, 2008)
<b>Cash flows from operating activities</b>	
Income before income taxes for the quarter term	3,649
Depreciation expense	4,442
Loss on disposal of property, plant and equipment	94
Equity in earnings of affiliated companies (parentheses indicate a gain in earnings)	(151)
Increase/decrease in allowance for doubtful accounts (parentheses indicate a decrease)	81
Allowance for bonuses payable (parentheses indicate a decrease)	(2,050)
Increase/decrease in allowance for employee retirement benefits (parentheses indicate a decrease)	530
Increase/decrease in reserve for directors' retirement benefits (parentheses indicate a decrease)	(20)
Interest and dividends income	(469)
Interest expense	391
Gain on the sale of investment securities (parentheses indicate a gain)	(73)
Loss on devaluation of investment securities (parentheses indicate a revaluation gain)	218
Increase/decrease in notes and accounts receivable (parentheses indicate an increase)	13,622
Increase/decrease in inventories (parentheses indicate an increase)	(671)
Increase/decrease in notes and accounts payable (parentheses indicate a decrease)	(10,722)
Others	(849)
Sub-total	8,019
Interest and dividends received	505
Interest expenses paid	(370)
Income taxes paid	(3,482)
Net Cash provided by operating activities	4,672
<b>Cash flows from investing activities</b>	
Term deposits paid	(602)
Term deposits withdrawn	618
Payment for purchase of property, plant and equipment	(4,046)
Payment for purchase of intangible fixed assets	(180)
Payment for purchase of investment securities	(636)
Proceeds from sale and redemption of investment securities	1,215
Outlay for acquisition of stock in subsidiary	(2,089)
Others	861
Net Cash used in investing activities	(4,859)
<b>Cash flows from financing activities</b>	
Net increase/decrease in short-term bank loans (parentheses indicate a decrease)	1,254
Proceeds from long-term bank loans	1,150
Repayments of long-term debt	(2,056)
Payment for purchase of treasury stock	(16)
Cash dividends	(1,562)
Cash dividends paid to minority shareholders	(24)
Other	(6)
Net Cash used in financing activities	(1,262)
Effect on exchange rate changes on cash and cash equivalents	(18)
Increase/decrease in cash and cash equivalents (parentheses indicate a decrease)	(1,468)
Cash and cash equivalents at beginning of year	19,496
Cash and cash equivalents at term end	18,028

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

## (4) Note regarding the assumption of going concern

First three quarters of the current fiscal year (from April 1, 2008 to December 31, 2008)

There is no information that needs to be disclosed herein.

## (5) Segment information

[Segment information by business type]

First three quarters of the current fiscal year (from April 1, 2008 to December 31, 2008)

	Office Furniture (Millions of yen)	Store Displays (Millions of yen)	Material Handling Systems and Others (Millions of yen)	Total (Millions of yen)	Unallocated and Eliminations (Millions of yen)	Consolidated (Millions of yen)
Net sales						
(1) Net sales to external customers	85,552	49,020	9,715	144,289	–	144,289
(2) Internal sales or transfers between segments	–	–	–	–	(–)	–
Total	85,552	49,020	9,715	144,289	(–)	144,289
Operating income or (operating loss)	1,509	1,129	(274)	2,364	(–)	2,364

## Notes: 1. Business segmentation method

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

## 2. Classification of main products by business segment

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

3. As described under “4. Others (3) Changes in accounting principles and procedures used in the preparation of quarterly consolidated financial statements or in the method of presentation of quarterly consolidated financial statements” in “Qualitative information, Financial statements, Etc.” on page 3, effective with the first quarter of the current fiscal year, the Company adopts the Accounting Standard for Valuation of Inventories (ASBJ Statement No. 9, issued by the Accounting Standards Board of Japan on July 5, 2006). The effect of this change is to reduce the segment operating income for the first three quarters of the current fiscal year by ¥240 million for the Office Furniture segment and by ¥56 million for the Store Displays segment, and to increase the segment operating loss by ¥40 million for the Material Handling Systems and Others segment respectively.

## [Geographically Segmented Information]

First three quarters of the current fiscal year (from April 1, 2008 to December 31, 2008)

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

## [Overseas sales]

First three quarters of the current fiscal year (from April 1, 2008 to December 31, 2008)

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

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

First three quarters of the current fiscal year (from April 1, 2008 to December 31, 2008)

There is no information that needs to be disclosed herein.

6. Other information

Additional information

(Revision of useful lives of tangible fixed assets)

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

The effect of this change is to reduce the operating income, ordinary income and net income before income taxes for the first three quarters of the current fiscal year by ¥106 million each compared with the results using the previous method.

[Reference data]

Financial statements for the same period of the previous year

## (1) Consolidated Income Statement for the First Three Quarters of Previous Fiscal Year

(Millions of yen)

Accounts	First three quarters of previous fiscal year (from April 1, 2007 to December 31, 2007)
I Net sales	155,425
II Cost of sales	107,817
Gross profit	47,607
III Selling, general and administrative expenses	42,274
Operating income	5,333
IV Other income:	1,085
1 Interest income	42
2 Dividend income	379
3 Equity in earnings of affiliated companies	91
4 Others	570
V Other expenses:	466
1 Interest expenses	325
2 Others	140
Ordinary income	5,951
VI Extraordinary income:	167
1 Gain on sale of property, plant and equipment	18
2 Gain on sale of investment securities	116
3 Reversal of allowance for doubtful accounts	33
VII Extraordinary losses:	163
1 Loss on disposal of property, plant and equipment	158
2 Impairment loss on investment securities	5
3 Others	0
Income before income taxes for the quarter term	5,955
Income taxes	1,894
Adjustments on income taxes	842
Minority interests in earnings	28
Net income for the quarter term	3,189

## (2) (Condensed) Consolidated Cash Flow Statement for First Three Quarters of Previous Fiscal Year

(Millions of yen)

Components	First three quarters of previous fiscal year (from April 1, 2007 to December 31, 2007)
I Cash flows from operating activities	
1 Income before income taxes for the quarter term	5,955
2 Depreciation expense	4,109
3 Gain on sale of property, plant and equipment (parentheses indicate a gain)	(18)
4 Loss on disposal of property, plant and equipment	158
5 Equity in earnings of affiliated companies (parentheses indicate a gain in earnings)	(91)
6 Increase/decrease in allowances (parentheses indicate a decrease)	(1,286)
7 Interest and dividend income	(422)
8 Interest expense	325
9 Gain on sale of investment securities (parentheses indicate a gain)	(116)
10 Increase/decrease in notes and accounts receivable (parentheses indicate an increase)	12,198
11 Increase/decrease in inventories (parentheses indicate an increase)	(1,455)
12 Increase/decrease in notes and accounts payable (parentheses indicate a decrease)	(4,521)
13 Others	(343)
Sub-total	14,490
14 Interest and dividends received	462
15 Interest expenses paid	(309)
16 Income taxes paid	(5,567)
Net Cash provided by operating activities	9,076
II Cash flows from investing activities	
1 Term deposits paid	(1,027)
2 Term deposits withdrawn	1,371
3 Payment for purchase of property, plant and equipment	(3,046)
4 Proceeds from sale of property, plant and equipment	42
5 Payment for purchase of intangible fixed assets	(236)
6 Payment for purchase of investment securities	(510)
7 Proceeds from sale and redemption of investment securities	316
8 Others	(257)
Net Cash used in investing activities	(3,348)
III Cash flows from financing activities	
1 Net increase/decrease in short-term bank loans (parentheses indicate a decrease)	(150)
2 Proceeds from long-term bank loans	1,650
3 Repayments of long-term debt	(1,099)
4 Payment for purchase of treasury stock	(2,057)
5 Cash dividends	(1,837)
6 Cash dividends paid to minority shareholders	(16)
Net Cash used in financing activities	(3,510)
IV Effect on exchange rate changes on cash and cash equivalents	1
V Increase/decrease in cash and cash equivalents (parentheses indicate a decrease)	2,218
VI Cash and cash equivalents at beginning of year	16,697
VII Cash and cash equivalents at term end	18,915

## (3) Segment information

[Segment information by business type]

First three quarters of previous fiscal year (from April 1, 2007 to December 31, 2007)

	Office Furniture (Millions of yen)	Store Displays (Millions of yen)	Material Handling Systems and Others (Millions of yen)	Total (Millions of yen)	Unallocated and Eliminations (Millions of yen)	Consolidated (Millions of yen)
Net sales						
(1) Net sales to external customers	95,994	48,583	10,847	155,425	-	155,425
(2) Internal sales or transfers between segments	-	-	-	-	(-)	-
Total	95,994	48,583	10,847	155,425	(-)	155,425
Operating income	4,927	248	157	5,333	(-)	5,333

Notes: 1. Business segmentation method

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

2. Classification of main products by business segment

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

[Geographically Segmented Information]

First three quarters of previous fiscal year (from April 1, 2007 to December 31, 2007)

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

[Overseas sales]

First three quarters of previous fiscal year (from April 1, 2007 to December 31, 2007)

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