Financial Results for Fiscal Year ended March 2012 [Japanese GAAP] (Consolidated)

May 9, 2012

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

Code Number: 7994 URL: http://www.okamura.co.jp/
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Scheduled date for Board Meeting for Consolidated Settlement of Accounts: June 28, 2012
Scheduled date for filing Annual Security Report: June 28, 2012
Scheduled date for commencement of dividend payments: June 29, 2012
Preparation of supplementary material to explain financial results: Prepared.
Scheduling of meeting to explain financial results: Scheduled (for corporate investors and analysts).

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

1. Financial and Operational Review for FY ended March 2012 (Apr. 1, 2011–Mar. 31, 2012)

(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 ended March 2012	187,879	11.0	6,786	182.8	7,082	177.8	3,860	538.6
FY ended March 2011	169,294	5.0	2,399	76.9	2,549	33.4	604	10.8

(Note) Comprehensive income: ¥4,119 million (–%) for FY ended March 2012, -¥821 million (–%) for FY ended March 2011

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	yen	yen	%	%	%
FY ended March 2012	35.02	–	4.9	4.2	3.6
FY ended March 2011	5.48	–	0.8	1.6	1.4

(Reference) Equity in earnings of affiliates: ¥89 million for FY ended March 2012, -¥70 million for FY ended March 2011

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY ended March 2012	172,678	79,918	46.2	723.56
FY ended March 2011	161,845	76,638	47.3	694.28

(Reference) Total shareholder's equity: ¥79,742 million for FY ended March 2012, ¥76,530 million for FY ended March 2011

(3) Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of the fiscal year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY ended March 2012	7,020	(2,372)	(2,816)	26,179
FY ended March 2011	9,818	(3,422)	(2,903)	24,361

2. Dividend

	Annual dividend					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 ended March 2011	–	3.75	–	3.75	7.50	827	136.8	1.1
FY ended March 2012	–	5.00	–	5.00	10.00	1,103	28.6	1.4
FY March ending 2013 (forecast)	–	6.00	–	6.00	12.00		22.8	

3. Forecast of Consolidated Performance for the FY ending March 2013 (from April 1, 2012 to March 31, 2013)

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

	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
2Q (accumulated)	91,000	5.9	2,300	20.1	2,500	14.2	2,100	63.2	19.05
FY ending March 2013	196,000	4.3	8,200	20.8	8,500	20.0	5,800	50.3	52.63

* Notes

(1) Changes in the number of material subsidiaries during the fiscal year under review (This indicates whether there have been changes in the number of specified subsidiaries involving changes in the scope of consolidation): None

New — company(ies) (—)

Excluded — company(ies) (—)

(2) Changes in accounting policy or accounting estimates, or restatement

① Changes in accounting policy in accordance with revisions to accounting standards: None

② Changes other than those in ① above in accounting policy: None

③ Changes in accounting estimates: None

④ Restatement: None

(3) Number of shares of stock (common stock)

① Number of shares issued (including treasury stock) at the end of the fiscal year	FY ended March 2012	112,391,530	FY ended March 2011	112,391,530
② Number of shares of treasury stock at the end of the fiscal year	FY ended March 2012	2,183,237	FY ended March 2011	2,162,714
③ Average number of shares during period	FY ended March 2012	110,221,470	FY ended March 2011	110,236,564

(Reference) Non-Consolidated Business Results

Non-Consolidated Results for FY ended March 2012 (Apr. 1, 2011–Mar. 31, 2012)

(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 ended March 2012	173,811	12.0	5,374	279.2	6,061	206.3	3,401	427.7
FY ended March 2011	155,141	4.1	1,417	421.5	1,978	98.2	644	(16.1)

	Net income per share	Diluted net income per share
	yen	yen
FY ended March 2012	30.82	–
FY ended March 2011	5.84	–

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY ended March 2012	154,810	68,840	44.5	623.80
FY ended March 2011	145,815	66,088	45.3	598.81

(Note) Total shareholder’s equity: ¥68,840 million for FY ended March 2012, ¥66,088 million for FY ended March 2011

* Indication of Implementation Status of Audit Procedures

- This Financial Results summary is not subject to the audit procedures as provided for in the Financial Instruments and Exchange Act. The procedures for auditing the Company's Financial Statements in accordance with the Financial Instruments and Exchange Act are yet to be completed at the time of publication of this Financial Results summary.

* 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 the points to note when using the performance forecasts in this document, please refer to 1.-(1) Analysis of Operating Results on pages 2 to 3 of the Appendix to this Financial Results summary.

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1. Operating Results

(1) Analysis of Operating Results

1) Operating Results for FY ended March 2012

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 ended March 2012	187,879	6,786	7,082	3,860	35.02
FY ended March 2011	169,294	2,399	2,549	604	5.48
Changes (%)	11.0%	182.8%	177.8%	538.6%	538.6%

During the fiscal year under review, the Japanese economy experienced a slow recovery from the economic stagnation caused by the Great East Japan Earthquake. However, the future of the economy remains unclear and the business climate for Okamura Corporation (hereinafter the "Company") remained difficult. Due to factors such as the financial turmoil in Europe in addition to power supply shortages and soaring oil prices, the appreciation of the yen has become long term and stock markets have declined.

Under these circumstances, by developing products incorporating new technologies and that are environmentally friendly, and also by cultivating new customer bases, the Okamura Group (hereinafter the "Group") developed new market potential. The Group also endeavored to increase orders for its total solutions through new proposals, improved productivity, and accelerated the cutting of costs and expenses.

As a result of the above, the Group's current net sales amounted to ¥187,879 million (a year-over-year increase of 11.0%).

From a profit-and-loss perspective, gross profits increased due to growth in sales in the Office Furniture and Store Displays segments as well as improvement in the ratio of costs to sales. As a result of our efforts to reduce sales, general and administrative expenses, the Group's ordinary income amounted to ¥7,082 million (a year-over-year increase of 177.8%) and net income was ¥3,860 million (a year-over-year increase of 538.6%).

② Segment Performance (for FY ended March 2011)

(Millions of yen)

	Reportable Segment			Others (incl. Material Handling Systems)	Total
	Office Furniture	Store Displays	Total		
Net Sales	91,661	64,732	156,393	12,900	169,294
Segment profit (loss)	1,567	837	2,404	(4)	2,399

Segment Performance (for FY ended March 2012)

(Millions of yen)

	Reportable Segment			Others (incl. Material Handling Systems)	Total
	Office Furniture	Store Displays	Total		
Net Sales	104,848	70,801	175,649	12,229	187,879
Segment profit (loss)	5,657	1,675	7,333	(547)	6,786

i) Office Furniture

In the Office Furniture segment, office-related demand remained solid among companies seeking greater office efficiency and cost savings as well as reviewing working procedures, and there was increasing attention regarding office security measures due to the effects of the Great East Japan Earthquake. The Company responded to these needs with proposals that proactively promoted optimal office concepts. Emphasis was also placed on developing demand among educational, medical and research facilities, local governments and other customer sectors in the periphery of the office furniture market. The above efforts resulted in increased net sales and income year-over-year.

As a result, net sales in this segment amounted to ¥104,848 million (a year-over-year increase of 14.4%), and segment profit amounted to ¥5,657 million (a year-over-year increase of 260.9%).

ii) Store Displays

In the Store Displays segment, by leveraging its strength as the only manufacturer that can offer total solutions featuring display fixtures and refrigerated showcases, the Company aggressively promoted total store solutions designed to meet shifting consumer needs, to improve energy efficiency, and to provide store security systems. The

Company also endeavored to increase demand stemming from reconstruction projects, and to increase its number of new retail stores, which are steadily increasing, and to attract a larger number of remodeling orders. The above efforts resulted in increased net sales and income year-over-year.

As a result, net sales in this segment amounted to ¥70,801 million (a year-over-year increase of 9.4%), and segment profit amounted to ¥1,675 million (a year-over-year increase of 100.2%).

iii) Others (including Material Handling Systems)

In the Others (including Material Handling Systems) segment, the Company set its sights on fields including renewable energy production facilities, food processing centers, and logistics outsourcing facilities with the objective of optimal logistics management, and aggressively promoted its proposals to attract more orders for total solutions by taking advantage of its project proposal capabilities and its products, which are distinguished by their superiority. The Company also took full-fledged measures to promote sector-specific solutions by enhancing collaboration with other business segments. However, due to the effects the Great East Japan Earthquake and sluggish investment in the private sector, net sales decreased year-over-year.

As a result, net sales in this segment amounted to ¥12,229 million (a year-over-year decrease of 5.2%) and a segment loss of ¥547 million (a segment loss of ¥4 million for the previous fiscal year).

2) Forecast Earnings for FY ending March 2013

	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 ending March 2013	196,000	8,200	8,500	5,800	52.63
FY ended March 2012	187,879	6,786	7,082	3,860	35.02
Change (%)	4.3%	20.8%	20.0%	50.3%	50.3%

The Japanese economy in fiscal year 2012 is expected to pick up thanks to a full-fledged increase in demand stemming from earthquake disaster reconstruction projects. However, the Group's business circumstances are expected to remain unstable, due to factors such as the prolonged appreciation of the yen, the resurgence of debt crisis in Europe, sluggish growth in emerging countries, and power-supply shortages.

Under such business circumstances, the Group will develop competitive new products and strengthen total solutions in each segment, differentiating the Group from other companies. The Group will strive to contribute to its customers by providing solutions that meet the needs of the times, such as energy-saving, earthquake resistance, and security measures.

In the mainstay Office Furniture segment, responding to the needs of relocation to large new buildings, a large number of which has been constructed in downtown Tokyo, as well as catering to the needs created by subsequent relocations, the Company will aim at attracting orders for large projects by enhancing total solutions, which is a core Company strength. At the same time, the Company will take on the firm office demand arising from improvements in office efficiency, review of working procedures and corporate restructuring, and step up the development of demand in the periphery of the office furniture market, specifically educational facilities, medical and research facilities, and local governments. Furthermore, responding to the increasing attention to energy-saving and security measures in office environments, the Company will aggressively expand the solution-based business model, which is its proven forte. By making maximum use of its superior product development capabilities and technological expertise, the Company will also work on developing new products.

In this segment, the Company anticipates net sales of ¥110 billion and a segment profit of ¥6.2 billion.

In the Store Displays segment, by leveraging its strength as the only manufacturer that can offer total solutions featuring display fixtures and refrigerated showcases, the Company will seek to increase the market share of its products, and expand its business domain by focusing on providing interior solutions for specialty stores. By promoting total solutions through providing store safety and security support services and meeting customers' energy saving needs, the Company will endeavor to increase net sales and profits.

Furthermore, the Company will follow Japanese distributors setting up operations overseas and will increase sales in operations overseas based on customers' trust in the Company, backed by its track record of business activities, mainly in China.

In this segment, the Company anticipates net sales of ¥73 billion and segment profits of ¥2.1 billion.

In the Others (including Material Handling Systems) segment, against a backdrop of expectations that investment in the private sector will grow gradually by meeting demand stemming from future disaster reconstruction projects, the Company will focus on process centers by utilizing synergies with production lines in various distribution warehouses, and will also focus on environmental energy fields and the Store Displays segment, which is a core Company strength. The Company will also improve its profit-and-loss ratio by attracting more orders for total solutions by taking advantage of its project proposal capabilities and its new products, which are distinguished by their superiority; the Company shall also take full-fledged measures to promote sector-specific solutions. However, the Company expects that improving its profit-and-loss ratio will be challenging due to its investment in approximately ¥2.4 billion of equipment associated with the commencement of operations of NS Okamura Corporation. This is the Company's core rack manufacturing plant, and was affected by the Great East Japan Earthquake tsunami. Operations will recommence at a new plant in May 2012.

In this segment, the Company anticipates net sales of ¥13 billion and a segment loss of ¥0.1 billion.

In terms of initiatives to improve profitability, the Company will implement productivity improvement, procurement and distribution cost reduction, and sales, general and administrative expense reduction efforts by further pursuing OPS (Okamura Production System) while also committing to consistent corporate reforms aiming for a stable and highly profitable corporate structure through the building of a stable managerial base that can flexibly respond to changes in the managerial environment as well as carrying out prioritized and efficient investment in managerial resources.

In terms of investment in equipment, the Company will invest approximately ¥9 billion, mainly in the development of new products, installation of advanced production equipment, and introduction of information and communication technologies that can lead to strengthened competitiveness.

As a result, the Company anticipates consolidated net sales of ¥196 billion, consolidated ordinary income of ¥8.5 billion, and consolidated net income of ¥5.8 billion for the year ending March 2013.

(2) Analysis of Financial Position

① Assets, Liabilities and Net Assets

	FY ended March 2011	FY ended March 2012
Total assets (Millions of yen)	161,845	172,678
Net assets (Millions of yen)	76,638	79,918
Equity ratio	47.3%	46.2%
Net assets per share (yen)	694.28	723.56

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

Total assets amounted to ¥172,678 million, an increase of ¥10,833 million compared with the end of the previous consolidated fiscal year. Current assets increased by ¥11,983 million as a result of an increase in cash and deposits, notes and accounts receivable-trade, and deferred tax assets; noncurrent assets decreased by ¥1,150 million as a result of a decrease in property, plant and equipment.

Total liabilities amounted to ¥92,759 million, an increase of ¥7,553 million over the end of the previous fiscal year, as a result of a decrease in debts, while there was an increase in notes and accounts payable-trade, income taxes payable, and provision for bonuses.

Total net assets amounted to ¥79,918 million, an increase of ¥3,279 million over the end of the previous fiscal year, reflecting an increase in retained earnings. The equity ratio decreased by 1.1 percentage points to 46.2%.

② Cash Flows

	FY ended March 2011 (Millions of yen)	FY ended March 2012 (Millions of yen)
Net cash provided by (used in) operating activities	9,818	7,020
Net cash provided by (used in) investing activities	(3,422)	(2,372)
Net cash provided by (used in) financing activities	(2,903)	(2,816)
Cash and cash equivalents at the end of the fiscal year	24,361	26,179
Borrowings and corporate bonds at the end of the fiscal year	28,931	27,038

A review of cash flows for the current fiscal year is as follows:

Operating activities generated a net cash increase of ¥7,020 million (versus a net cash increase of ¥9,818 million in the previous fiscal year), reflecting inflows including income before income taxes and minority interests of ¥6,984 million, depreciation and amortization of ¥4,400 million, an increase in notes and accounts payable-trade of ¥3,342 million, and outflows including an increase in notes and accounts receivable-trade of ¥9,444 million.

Investing activities resulted in a net cash outflow of ¥2,372 million (versus a net cash outflow of ¥3,422 million in the previous fiscal year), reflecting outflows including disbursements of ¥2,114 million for the acquisition of property, plant and equipment and ¥1,133 million for the acquisition of investment securities, and inflows including a decrease of ¥758 million in time deposits.

Financing activities resulted in a net cash outflow of ¥2,816 million (versus a net cash outflow of ¥2,903 million in the previous fiscal year), reflecting outflows including a decrease in short-term loans payable of ¥2,118 million and dividend payments of 966 million.

As a result, consolidated cash and cash equivalents at the end of the fiscal year under review increased by ¥1,817 million to ¥26,179 million.

The balance of interest-bearing debt (borrowings and corporate bonds) at the end of the fiscal year under review decreased by ¥1,892 million compared to the end of the previous fiscal year to ¥27,038 million.

(Reference) Trends of cash flow indicators

	FY ended March 2008	FY ended March 2009	FY ended March 2010	FY ended March 2011	FY ended March 2012
Equity ratio (%)	42.7	45.5	48.4	47.3	46.2
Market value-based equity ratio (%)	40.9	29.5	41.0	31.9	36.8
Ratio of interest-bearing debt to cash flows (times)	2.4	4.0	4.2	2.9	3.9
Interest coverage ratio (times)	27.5	16.3	12.0	16.9	13.9

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 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 net cash provided by (used in) 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) Fundamental Corporate Policy for Distributing Profits and Dividends for 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 need to bolster internal reserves to provide for investments, as well as business performance and balance funding.

In accordance with these policies, we have decided to target annual cash dividends of ¥5.00 per share. Therefore, including the interim dividends (¥5.00 per share), dividends applicable to the year will be ¥10.00 per share.

Dividends for next fiscal year are forecast to be ¥12.00 per share.

(4) Business Risks

Possible risks which may affect the Group's management performance, stock price and financial status are stated below, and we shall strive to control and avoid these risks as much as possible. Note, however, that the risks listed below do not cover all the risks related to the business in which the Group is engaged. All the assumptions about the future are based on the Group's decisions as of the end of the consolidated fiscal year under review.

1) Risks Related to Changes in Financial Position, Management Performance and Cash Flow Status

① Competitive conditions and price trends

Although the Group is in an intensely competitive industry, we endeavor to differentiate ourselves from others by virtue of products with advanced technology. However, there is the possibility that competitors will follow our design and technologies and distribute their products at lower prices than those of ours, or they may grab the market share of our products with products with even more unique design and technologies. Moreover, due to strong market pressure toward lower prices, there is no guarantee that Group will secure a sufficient level of profitability.

② Economic climate

Since the Group's sales in Japan account for over 90%, demand for our products is significantly affected by the domestic trends of equipment investment. It is therefore possible that curbing equipment investment due to declines in corporate profits reflecting the downturn of the domestic economy may decrease demand cause adverse effects on the Group's performance or financial position.

③ Funding risks and effects of interest-rate fluctuations

Due to the nature of the manufacturing business, the Group must continuously invest in required equipment through acquisition of new equipment or updating existing equipment in the future years. Although we maintain good relations with the banks and ensure required funding, there is no guarantee that sufficient funding will continue to be secured in future. Most of the interest rates for our existing long-term loans and bonds have been fixed, which poses minor risks regarding interest-rate fluctuations. As for future funding, however, interest rate trends may affect the Group's performance.

④ Effects of securities investment

The Group has long-held shares primarily in our main banks, affiliates, and major clients. Possible price fluctuations in each stock held by the Group may affect the Group's performance.

2) Quality Control and Legal Restrictions

Maintaining product quality

The Group manufactures products in accordance with the internationally-recognized ISO 9001 standards. However, there is no guarantee that there will be no unpredicted accidents or complaints about all our products in the future years. Although all our products are covered by Product Liability insurance, there is no guarantee that the insurance will sufficiently cover any compensation costs for which the Group may be liable. Defects in our products may adversely affect the evaluations, performance and financial position of the Group.

3) Risks Related to Major Lawsuits

Currently, the Group is not faced with any ongoing damage claim or lawsuit that may significantly affect the Group's future performance. There is, however, the possibility that in relation with the Group's business activity the Group may be filed with a lawsuit or claimed against for damages for defective products, release of hazardous materials, violation of an intellectual property right, and other various reasons. The consequence of such cases may have an adverse effect on the Group's performance.

4) Natural Disasters and Other Accidents

If social turmoil is caused by natural disasters, including earthquakes and floods, or accidents, such as fire, the Group's performance may be affected due to the suspension of business activities, loss of opportunities, or expenses for reconstruction.

2. Group Companies

The Group comprises the Company, 16 consolidated subsidiaries and seven affiliated companies. The Group's principal businesses are the manufacture and sale of office furniture and store displays. In these business segments the Group offers logistics, installation, and other services.

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

Office Furniture business segment:

In this business segment, the Company manufactures and sells office furniture, furniture for public and educational facilities, office security systems, and other products.

[Primary related companies]

(Engaging in manufacturing operations)

The Company, Kansai Okamura Manufacturing Co., Ltd., NS Okamura Corporation, Sanyo Okamura Corporation, Fuji Seiko Honsha Co., Ltd., and other companies

(Engaging in sales, logistics, installation, and other service operations)

The Company, Okamura Logistics Corporation, Okamura Support and Service Corporation, Shanghai Okamura Furniture, Logistic System Co., Ltd., and other companies

Store Displays business segment:

In this business segment, the Company manufactures and sells display fixtures, refrigerated showcases, store counters, etc.

[Primary related companies]

(Engaging in manufacturing operations)

The Company, Kansai Okamura Manufacturing Co., Ltd., Sanyo Okamura Corporation, and other companies

(Engaging in sales, logistics, installation, and other service operations)

The Company, Okamura Logistics Corporation, Shanghai Okamura Furniture and Logistic System Co., Ltd., SEC Co., Ltd., and other companies

Others (including Material Handling Systems) segment:

In this business segment, the Company manufactures and sells storage shelves for factories and warehouses and automated warehousing equipment.

[Primary related companies]

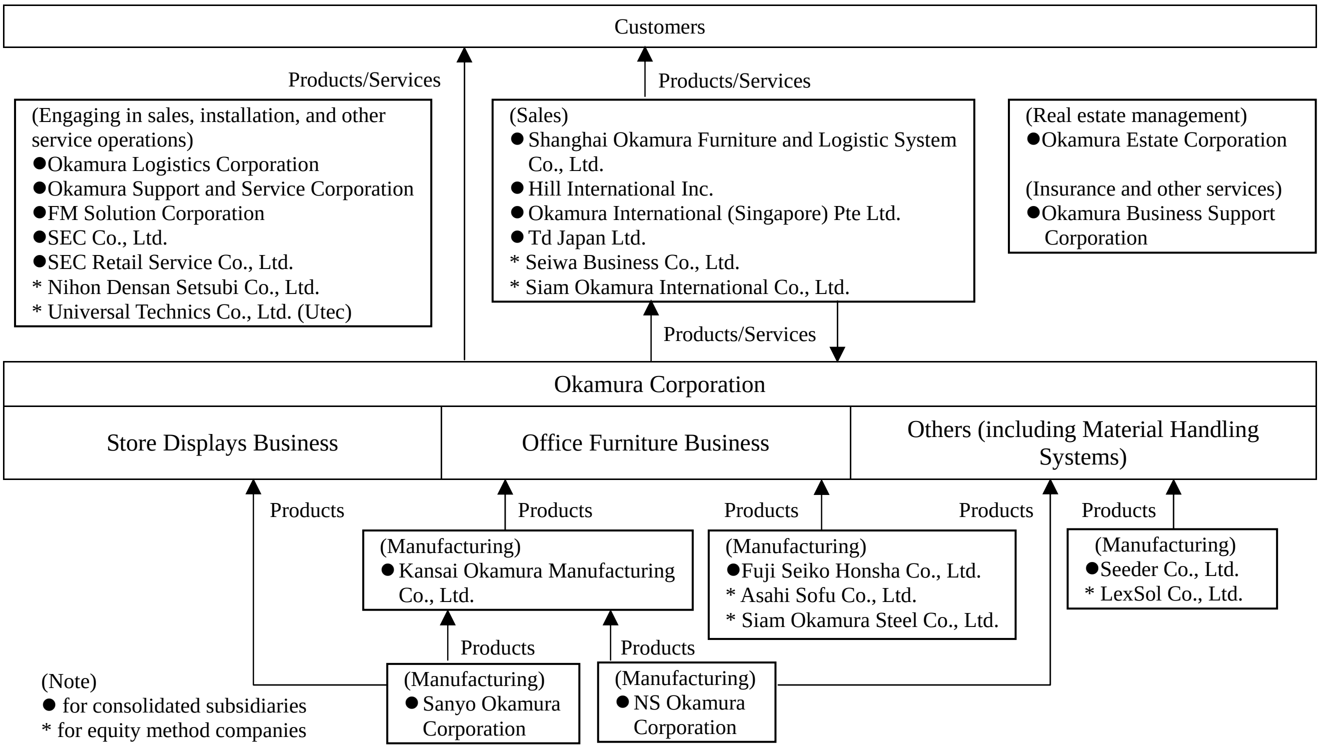
(Engaging in manufacturing operations)

The Company, NS Okamura Corporation, Seeder Co., Ltd., and other companies

(Engaging in sales, logistics, installation, and other service operations)

The Company, Okamura Logistics Corporation, Shanghai Okamura Furniture and Logistic System Co., Ltd., and other companies

The following Organization Chart shows the above-stated overall conditions:



3. Management Policy

(1) Basic Management Policy

Guided by its watchwords for corporate reform—information technology, internationalization, and specialization—the Group engages in business activities grounded in a basic policy of building and strengthening a relationship of trust with society as a whole by constructing a stable management base, engaging in efficient, profit-oriented management, and demonstrating concern for the 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 between the technologically-minded have formed the foundation of its operations, primarily in the lines of office furniture, store displays and material handling systems. 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 environment as amenities, 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 the 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 (Okamura Production System), while its efforts to improve the structure of selling, general and administrative expenses including overhauling overhead costs.

2) Office Furniture

The Company will take on the firm office relocation demand arising from improvements in office efficiency, review of working procedures and corporate restructuring, and will step up the development of demand in the periphery of the office furniture market, specifically educational facilities, medical and research facilities, and local governments. Furthermore, responding to the increasing attention to energy-saving and security measures in office environments, the Company will aggressively expand the solution-based business model, its proven forte. By making maximum use of its superior product development capabilities and technological expertise, the Company will also work on developing new products that demonstrate originality and price competitiveness, and that are ahead of market changes.

3) Store Displays

The Company will seek to expand its business by virtue of its strength in comprehensive project offerings and by promoting total store solutions designed to meet customer needs in business categories where aggressive opening up of stores is planned, while providing store safety and security measures and crime prevention support services, and also through meeting energy-saving needs.

4) Others (including Material Handling Systems)

The Company will set its sights on diverse promising fields, including logistics management outsourcing services with the objective of optimal logistics management, renewable energy production facilities, and food-processing centers. The Company will also promote its proposals to attract more orders for total solutions by taking maximum advantage of its project proposal capabilities and its products, which are distinguished by their superiority; and the Company will also promote sector-specific solutions by enhancing collaboration with other business segments, in order to achieve a turnaround in revenues and earnings.

5) Overseas Operations

The Company aggressively promoted the Okamura Brand by participating in various business shows overseas, endeavored to expand sales bases and develop new dealers, and made progress in developing a network of resellers, in order to establish a firm foundation for overseas business. Going forward, the Company will seek to evolve into a global company by expanding market-specific target products, improving production and supply systems, restructuring reseller channels, and implementing other actions.

(4) Issues Facing the Company

To cope with a social arena characterized by diversification, globalization and other sweeping social transformations that are likely to continue in the coming years, the Company has periodically convened the Business Process Improvement Committee, flexibly and rapidly responded to change, 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 ended March 2011 (As of Mar. 31, 2011)	FY ended March 2012 (As of Mar. 31, 2012)
Assets		
Current assets		
Cash and deposits	26,593	27,652
Notes and accounts receivable-trade	43,452	*5 52,897
Short-term investment securities	322	531
Merchandise and finished goods	9,218	8,855
Work in process	1,163	1,285
Raw materials and supplies	2,335	2,526
Deferred tax assets	792	1,864
Other	1,557	1,795
Allowance for doubtful accounts	(34)	(22)
Total current assets	85,401	97,384
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	14,565	13,573
Machinery, equipment and vehicles, net	6,231	5,649
Land	22,524	22,510
Construction in progress	43	348
Other, net	1,407	1,341
Total property, plant and equipment	*1, *2 44,773	*1, *2 43,423
Intangible assets		
Goodwill	1,390	1,103
Other	2,087	2,152
Total intangible assets	3,477	3,255
Investments and other assets		
Investment securities	*2, *3 18,967	*2, *3 19,566
Prepaid pension cost	2,723	2,892
Lease deposits	3,894	3,765
Deferred tax assets	1,650	1,548
Other	1,011	891
Allowance for doubtful accounts	(54)	(50)
Total investments and other assets	28,192	28,613
Total noncurrent assets	76,443	75,293
Total assets	161,845	172,678

(Millions of yen)

	FY ended March 2011 (As of Mar. 31, 2011)	FY ended March 2012 (As of Mar. 31, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	34,083	*5 30,143
Electronically recorded obligations-operating	893	8,403
Short-term loans payable	*2, *4 8,904	*2, *4 6,786
Current portion of long-term loans payable	*2 3,847	*2 2,906
Income taxes payable	930	4,051
Accrued consumption taxes	82	642
Provision for bonuses	899	2,643
Provision for loss on disaster	113	—
Deferred tax liabilities	—	2
Other	2,654	3,697
Total current liabilities	52,410	59,277
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	*2 6,179	*2 7,345
Deferred tax liabilities	732	514
Provision for retirement benefits	12,533	12,411
Other	3,350	3,210
Total noncurrent liabilities	32,796	33,482
Total liabilities	85,206	92,759
Net assets		
Shareholders’ equity		
Capital stock	18,670	18,670
Capital surplus	16,759	16,759
Retained earnings	41,903	44,797
Treasury stock	(2,369)	(2,377)
Total shareholders’ equity	74,964	77,851
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,903	2,299
Foreign currency translation adjustment	(337)	(407)
Total accumulated other comprehensive income	1,565	1,891
Minority interests	108	176
Total net assets	76,638	79,918
Total liabilities and net assets	161,845	172,678

(2) Consolidated Statements of Income and Consolidated Statement of Comprehensive Income

Consolidated Statements of income

(Millions of yen)

	FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)	FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)
Net sales	169,294	187,879
Cost of sales	*1 118,932	*1 130,331
Gross profit	50,362	57,548
Selling, general and administrative expenses		
Selling expenses	2,111	2,102
Packing and transportation expenses	7,489	8,676
Salaries and allowances	16,397	16,216
Provision for bonuses	563	1,781
Retirement benefit expenses	1,056	1,084
Depreciation	1,631	1,585
Rent expenses	6,292	6,195
Other	12,422	13,119
Total selling, general and administrative expenses	*1 47,962	*1 50,761
Operating income	2,399	6,786
Non-operating income		
Interest income	34	40
Dividends income	358	419
Amortization of negative goodwill	198	198
Equity in earnings of affiliates	—	89
Other	443	502
Total non-operating income	1,034	1,249
Non-operating expenses		
Interest expenses	574	504
Loss on sales and retirement of noncurrent assets	—	129
Other	310	319
Total non-operating expenses	884	953
Ordinary income	2,549	7,082
Extraordinary income		
Gain on sales of noncurrent assets	*2 175	—
Gain on sales of investment securities	2	—
Total extraordinary income	177	—
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	*3 144	—
Loss on valuation of investment securities	81	89
Loss on disaster	*4 1,192	—
Other	133	7
Total extraordinary loss	1,551	97
Income before income taxes and minority interests	1,175	6,984
Income taxes-current	1,117	4,342
Income taxes-deferred	(68)	(1,151)
Total income taxes	1,048	3,190
Income before minority interests	126	3,794
Minority interests in income	(477)	(65)
Net income	604	3,860

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)	FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)
Income before minority interests	126	3,794
Other comprehensive income		
Valuation difference on available-for-sale securities	(967)	401
Foreign currency translation adjustment	(25)	(14)
Share of other comprehensive income of associates accounted for using equity method	45	(60)
Total other comprehensive income	(948)	*1 325
Comprehensive income	(821)	4,119
Details:		
Comprehensive income attributable to owners of the parent	(343)	4,185
Comprehensive income attributable to minority interests	(477)	(65)

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)	FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)
Shareholders’ equity		
Capital stock		
Opening balance	18,670	18,670
Changes of items during the period		
Total changes of items during the period	–	–
Ending balance	18,670	18,670
Capital surplus		
Opening balance	16,759	16,759
Changes of items during the period		
Total changes of items during the period	–	–
Ending balance	16,759	16,759
Retained earnings		
Opening balance	42,126	41,903
Changes of items during the period		
Dividends from surplus	(827)	(965)
Net income	604	3,860
Total changes of items during the period	(223)	2,894
Ending balance	41,903	44,797
Treasury stock		
Opening balance	(2,362)	(2,369)
Changes of items during the period		
Purchase of treasury stock	(7)	(7)
Total changes of items during the period	(7)	(7)
Ending balance	(2,369)	(2,377)
Total shareholders’ equity		
Opening balance	75,194	74,964
Changes of items during the period		
Dividends from surplus	(827)	(965)
Net income	604	3,860
Purchase of treasury stock	(7)	(7)
Total changes of items during the period	(230)	2,886
Ending balance	74,964	77,851

(Millions of yen)

	FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)	FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Opening balance	2,811	1,903
Changes of items during the period		
Net changes of items other than shareholders' equity	(908)	395
Total changes of items during the period	(908)	395
Ending balance	1,903	2,299
Foreign currency translation adjustment		
Opening balance	(297)	(337)
Changes of items during the period		
Net changes of items other than shareholders' equity	(39)	(70)
Total changes of items during the period	(39)	(70)
Ending balance	(337)	(407)
Total accumulated other comprehensive income		
Opening balance	2,513	1,565
Changes of items during the period		
Net changes of items other than shareholders' equity	(948)	325
Total changes of items during the period	(948)	325
Ending balance	1,565	1,891
Minority interests		
Opening balance	586	108
Changes of items during the period		
Net changes of items other than shareholders' equity	(477)	67
Total changes of items during the period	(477)	67
Ending balance	108	176
Total net assets		
Opening balance	78,294	76,638
Changes of items during the period		
Dividends from surplus	(827)	(965)
Net income	604	3,860
Purchase of treasury stock	(7)	(7)
Net changes of items other than shareholders' equity	(1,425)	393
Total changes of items during the period	(1,656)	3,279
Ending balance	76,638	79,918

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)	FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,175	6,984
Depreciation and amortization	4,743	4,400
Amortization of negative goodwill	(198)	(198)
Loss (gain) on sales and retirement of noncurrent assets	(30)	125
Equity in (earnings) losses of affiliates	70	(89)
Increase (decrease) in allowance for doubtful accounts	(6)	(16)
Increase (decrease) in provision for bonuses	(7)	1,743
Increase (decrease) in provision for retirement benefits	242	(291)
Interest and dividends income	(392)	(459)
Interest expenses	574	504
Loss (gain) on sales of investment securities	6	1
Loss (gain) on valuation of investment securities	81	89
Decrease (increase) in notes and accounts receivable-trade	(372)	(9,444)
Decrease (increase) in inventories	(1,196)	50
Increase (decrease) in notes and accounts payable-trade	5,477	3,342
Other	661	1,646
Subtotal	10,829	8,390
Interest and dividends income received	399	477
Interest expenses paid	(582)	(505)
Income taxes paid	(829)	(1,342)
Net cash provided by (used in) operating activities	9,818	7,020
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,775)	(1,923)
Proceeds from withdrawal of time deposits	2,573	2,682
Purchase of property, plant and equipment	(1,830)	(2,114)
Proceeds from sales of property, plant and equipment	217	11
Purchase of intangible assets	(446)	(714)
Purchase of investment securities	(2,072)	(1,133)
Proceeds from sales and redemption of investment securities	47	807
Other	(136)	13
Net cash provided by (used in) investing activities	(3,422)	(2,372)

(Millions of yen)

	FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)	FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(904)	(2,118)
Proceeds from long-term loans payable	1,350	4,070
Repayment of long-term loans payable	(2,412)	(3,844)
Proceeds from issuance of bonds	5,000	–
Redemption of bonds	(5,000)	–
Purchase of treasury stock	(4)	(5)
Cash dividends paid	(829)	(966)
Other	(102)	47
Net cash provided by (used in) financing activities	(2,903)	(2,816)
Effect of exchange rate change on cash and cash equivalents	(31)	(14)
Net increase (decrease) in cash and cash equivalents	3,459	1,817
Cash and cash equivalents at beginning of the fiscal year	20,902	24,361
Cash and cash equivalents at the end of the fiscal year	*1 24,361	*1 26,179

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

Not applicable.

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

1. Scope of consolidation

(1) Consolidated subsidiaries

Number of subsidiaries: 16

The names of the major consolidated subsidiaries:

Kansai Okamura Manufacturing Co., Ltd., Okamura Logistics Corporation, NS Okamura Corporation, Sanyo Okamura Corporation, Okamura Support and Service Corporation, Shanghai Okamura Furniture and Logistic System Co., Ltd., Seeder Co., Ltd., Fuji Seiko Honsha Co., Ltd., SEC Co., Ltd.

(2) Non-consolidated subsidiaries

Not applicable.

2. Application of the equity method

(1) Equity method non-consolidated subsidiaries

Not applicable.

(2) Equity method affiliates

Number of equity method affiliates: 7 companies.

The names of major equity method affiliates:

Siam Okamura Steel Co., Ltd.

Siam Okamura International Co., Ltd.

Universal Technics Co., Ltd. (Utec) was included in the scope of equity method affiliates from this consolidated fiscal year.

(3) Non-consolidated subsidiaries not accounting for the equity method

Not applicable.

(4) Affiliates not accounting for the equity method

Not applicable.

(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.

3. Operating year of consolidated subsidiaries

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. 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. 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 a manner required for consolidation.

Except for the notes above, disclosure regarding other items is omitted because there have been no major changes made to the Significant Items for the Preparation of Consolidated Financial Statements stated in the latest Annual Security Report (filed on June 29, 2011).

(7) Additional Information

For accounting changes and corrections of past errors made at the beginning of the current consolidated fiscal year onward, the Company has adopted ASBJ Statement No. 24 Accounting Standard for Accounting Changes and Error Corrections (Accounting Standards Board of Japan, December 4, 2009) and ASBJ Guidance No. 24 Guidance on Accounting Standard for Accounting Changes and Error Corrections (Accounting Standards Board of Japan, December 4, 2009).

(8) Notes on Consolidated Financial Statements

(Consolidated Balance Sheet)

*1 Accumulated depreciation of property, plant and equipment is as follows.

	FY ended March 2011 (As of Mar. 31, 2011)	FY ended March 2012 (As of Mar. 31, 2012)
Accumulated depreciation of property, plant and equipment	¥92,510 million	¥94,504 million

*2 Assets that are hypothecated and liabilities corresponding to them are as follows:

	FY ended March 2011 (As of Mar. 31, 2011)	FY ended March 2012 (As of Mar. 31, 2012)
Buildings and structures	¥3,068 million	¥2,824 million
Land	¥7,847 million	¥7,830 million
Investment securities	¥23 million	¥24 million
Total	¥10,939 million	¥10,679 million

Within the above, assets offered as mortgage for factory foundation

	FY ended March 2011 (As of Mar. 31, 2011)	FY ended March 2012 (As of Mar. 31, 2012)
Buildings and structures	¥349 million	¥329 million
Land	¥282 million	¥282 million
Total	¥631 million	¥611 million

Liabilities relevant to the above

	FY ended March 2011 (As of Mar. 31, 2011)	FY ended March 2012 (As of Mar. 31, 2012)
Short-term loans payable	¥2,685 million	¥2,013 million
Current portion of long-term loans payable	¥230 million	¥264 million
Long-term loans payable	¥285 million	¥620 million
Total	¥3,200 million	¥2,898 million

Within the above, liabilities corresponding to mortgage for factory foundation

	FY ended March 2011 (As of Mar. 31, 2011)	FY ended March 2012 (As of Mar. 31, 2012)
Short-term loans payable	¥685 million	¥613 million
Current portion of long-term loans payable	¥202 million	¥159 million
Long-term loans payable	¥280 million	¥120 million
Total	¥1,167 million	¥893 million

*3 Balances held in affiliates are as follows:

	FY ended March 2011 (As of Mar. 31, 2011)	FY ended March 2012 (As of Mar. 31, 2012)
Investment securities (equity shares)	¥1,660 million	¥1,720 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.

	FY ended March 2011 (As of Mar. 31, 2011)	FY ended March 2012 (As of Mar. 31, 2012)
Total amount under specified commitment line agreements	¥12,100 million	¥14,100 million
Outstanding loans borrowed	¥1,000 million	–
Balance	¥11,100 million	¥14,100 million

*5 For accounting purposes, notes maturing at the end of the fiscal year under review are processed as settled on the dates of maturation. Note that due to the end of the consolidated fiscal year under review being a financial institution holiday, the following notes maturing at the end of the fiscal year under review were accounted for as settled on the dates of maturation:

	FY ended March 2011 (As of Mar. 31, 2011)	FY ended March 2012 (As of Mar. 31, 2012)
Notes receivable-trade	–	¥488 million
Notes payable-trade	–	¥618 million

(Consolidated Statements of income)

*1 Details of research and development expenses included in selling, general and administrative expenses and cost of sales are as follows.

	FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)	FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)
Research and development expenses	¥799 million	¥927 million

*2 Details of gain on sales of noncurrent assets included in extraordinary income are as follows:

	FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)	FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)
Machinery, equipment and vehicles	¥0 million	¥– million
Land	¥174 million	
Other	¥0 million	
Total	¥175 million	¥– million

*3 Details of loss on sales and retirement of noncurrent assets included in extraordinary loss are as follows:

	FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)	FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)
Buildings and structures	¥60 million	¥– million
Machinery, equipment and vehicles	¥50 million	
Other	¥32 million	
Total	¥144 million	¥– million

*4 Details of loss on disaster are as follows:

	FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)	FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)
Loss on disposal of inventories	¥280 million	¥– million
Loss on retirement of noncurrent assets	¥748 million	
Repair cost	¥60 million	
Other	¥103 million	
Total	¥1,192 million	¥– million

(Consolidated Statement of Comprehensive Income)

FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)

*1 Amount of recycling and amount of income tax effect associated with other comprehensive income

Valuation difference on available-for-sale securities	
Amount recognized in the period under review	¥276 million
Amount of recycling	¥91 million
Before income tax effect adjustment	¥367 million
Amount of income tax effect	¥33 million
Valuation difference on available-for-sale securities	¥401 million
Foreign currency exchange adjustments	
Amount recognized in the period under review	-¥14 million
Share of other comprehensive income of associates accounted for using equity method	
Amount recognized in the period under review	-¥60 million
Total other comprehensive income	¥325 million

(Consolidated Statements of Changes in Net Assets)

FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)

1. Types and numbers of shares issued

Type of stock	Number of shares at the beginning of the year	Increase	Decrease	Number of shares at the end of the fiscal year
Common stock (shares)	112,391,530	–	–	112,391,530

2. Treasury stock

Type of stock	Number of shares at the beginning of the year	Increase	Decrease	Number of shares at the end of the fiscal year
Common stock (shares)	2,148,354	14,360	–	2,162,714

(Outline of change factors)
The details of increase are as stated below:
Increase due to purchase of fractional shares 9,823 shares
Increase due to purchase of treasury stock by equity-method affiliates which belong to us 4,537 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 29, 2010	Common stock	413	3.75	March 31, 2010	June 30, 2010
Board of Directors held on October 22, 2010	Common stock	413	3.75	September 30, 2010	December 10, 2010

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

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, 2011	Common stock	Retained earnings	413	3.75	March 31, 2011	June 30, 2011

FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)

1 Types and numbers of shares issued

Type of stock	Number of shares at the beginning of the year	Increase	Decrease	Number of shares at the end of the fiscal year
Common stock (shares)	112,391,530	–	–	112,391,530

2 Treasury stock

Type of stock	Number of shares at the beginning of the year	Increase	Decrease	Number of shares at the end of the fiscal year
Common stock (shares)	2,162,714	20,523	–	2,183,237

(Outline of change factors)
The details of increase are as stated below:
Increase due to purchase of fractional shares 10,398 shares
Increase due to purchase of treasury stock by equity-method affiliates which belong to us 10,125 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 29, 2011	Common stock	413	3.75	March 31, 2011	June 30, 2011
Board of Directors held on October 21, 2011	Common stock	551	5.00	September 30, 2011	December 9, 2011

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

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 28, 2012	Common stock	Retained earnings	551	5.00	March 31, 2012	June 29, 2012

(Consolidated Cash Flow Statement)

*1 Relations between the balance of cash and cash equivalents at the end of the fiscal year and the amount of the item posted in the consolidated balance sheet

	FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)	FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)
Cash and deposit accounts	¥26,593 million	¥27,652 million
Time deposits—over three months	-¥2,252 million	-¥1,493 million
Short-term investment securities—within three months	¥21 million	¥21 million
Cash and cash equivalents	¥24,361 million	¥26,179 million

(Investment securities)

Consolidated Fiscal Year ended March 2011

1. Held-to-maturity bonds (As of Mar. 31, 2011)

(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	1,211	1,232	21
Held-to-maturity bonds with fair value not exceeding Consolidated Balance Sheet amount	326	323	(2)
Total	1,537	1,556	18

2. Other investment securities (As of Mar. 31, 2011)

(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			
(1) Stocks	10,215	5,826	4,389
(2) Other	–	–	–
Subtotal	10,215	5,826	4,389
Other securities with Consolidated Balance Sheet amount not exceeding acquisition cost			
(1) Stocks	4,962	6,223	(1,260)
(2) Other	668	688	(19)
Subtotal	5,631	6,911	(1,279)
Total	15,847	12,737	3,109

(Note) Acquisition cost is the book value after impairment accounting. Impairment accounting is carried out in the current consolidated fiscal year and ¥81 million of loss on valuation of investment securities is included in this report.
In case the term end cost decreases by over 50% compared to the acquisition cost, impairment accounting is applied to all. If the range of the decrease is 30-50%, impairment accounting is applied to the amount in which impairment is recognized to be necessary considering the possibility of recovery.

3. Other investment securities sold during the consolidated fiscal year (From Apr. 1, 2010 to Mar. 31, 2011)

(Millions of yen)

Items	Proceeds from sales	Gross gain on sales	Gross loss on sales
(1) Stocks	42	2	9
(2) Other	106	–	–
Total	148	2	9

Consolidated Fiscal Year ended March 2012

1. Held-to-maturity bonds (As of Mar. 31, 2012)

(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	1,305	1,317	12
Held-to-maturity bonds with fair value not exceeding Consolidated Balance Sheet amount	774	765	(8)
Total	2,079	2,083	3

2. Other investment securities (As of Mar. 31, 2012)

(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			
(1) Stocks	11,759	7,317	4,441
(2) Other	48	46	1
Subtotal	11,807	7,364	4,442
Other securities with Consolidated Balance Sheet amount not exceeding acquisition cost			
(1) Stocks	4,013	4,974	(960)
(2) Other	235	240	(5)
Subtotal	4,249	5,214	(965)
Total	16,056	12,579	3,477

(Note) Acquisition cost is the book value after impairment accounting. Impairment accounting is carried out in the current consolidated fiscal year and ¥89 million of loss on valuation of investment securities is included in this report.
In case the term end cost decreases by over 50% compared to the acquisition cost, impairment accounting is applied to all. If the range of the decrease is 30-50%, impairment accounting is applied to the amount in which impairment is recognized to be necessary considering the possibility of recovery.

3. Other investment securities sold during the consolidated fiscal year (From Apr. 1, 2011 to Mar. 31, 2012)

(Millions of yen)

Items	Proceeds from sales	Gross gain on sales	Gross loss on sales
(1) Stocks	4	–	0
(2) Other	507	–	0
Total	511	–	1

(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 or defined-contribution annuity plan.

2. Retirement benefit obligation

(Millions of yen)

		FY ended March 2011 (As of Mar. 31, 2011)	FY ended March 2012 (As of Mar. 31, 2012)
①	Retirement benefit obligation	(17,618)	(18,860)
②	Pension assets	7,002	8,078
③	Unfunded benefit obligation (①+②)	(10,616)	(10,782)
④	Unrecognized actuarial difference	2,646	2,865
⑤	Unrecognized past service obligation	(1,840)	(1,601)
⑥	Consolidated Balance Sheet net benefit liability (③+④+⑤)	(9,809)	(9,518)
⑦	Prepaid pension cost	2,723	2,892
⑧	Provision for retirement benefits (⑥-⑦)	(12,533)	(12,411)

3 Retirement benefit expenses

(Millions of yen)

		FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)	FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)
①	Service cost	856	857
②	Interest cost	348	348
③	Expected return on plan assets	(151)	(140)
④	Amortization of past service obligation	(213)	(238)
⑤	Amortization of actuarial difference	380	399
⑥	Contributions to the defined contribution pension program	380	380
⑦	Retirement benefit expenses (①+②+③+④+⑤+⑥)	1,601	1,607

4. Basis for calculating retirement benefit obligation and others

(1) Method to periodically allocate projected benefit obligation

Allocated equally to each service year.

(2) Discount rate

FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)	FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)
2.0%	1.5%

(3) Expected return on pension assets

FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)	FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)
2.0%	2.0%

(4) Number of years to amortize past service obligation

14 years (Past service obligations are prorated and recognized in expenses over a constant number of years (14 years) that is within the average remaining service period of employees as they arise.)

(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 expenses the following year.)

(Accounting for Deferred tax assets)

1. Significant components of deferred tax assets and liabilities

(1) Current assets and liabilities

(Millions of yen)

	FY ended March 2011 (As of Mar. 31, 2011)	FY ended March 2012 (As of Mar. 31, 2012)
Deferred tax assets		
Provision for bonuses	368	1,005
Enterprise taxes payable	107	314
Valuation loss on raw materials and finished products	115	262
Accrued property taxes	54	49
Other	223	363
Subtotal deferred tax assets	869	1,995
Valuation allowance	(76)	(126)
Total deferred tax assets	792	1,868
Offset against deferred tax liabilities	–	(3)
Net deferred tax assets	–	1,864
Deferred tax liabilities		
Enterprise taxes receivable	–	6
Total deferred tax liabilities	–	6
Offset against deferred tax assets	–	(3)
Net deferred tax liabilities	–	2

(2) Non-current assets and liabilities

(Millions of yen)

	FY ended March 2011 (As of Mar. 31, 2011)	FY ended March 2012 (As of Mar. 31, 2012)
Deferred tax assets		
Provision for retirement benefits	5,251	4,847
Unrealized gross profits from sales of property, plant and equipment	744	744
Loss carried forward	1,472	1,201
Loss on valuation of golf memberships	203	167
Other	507	413
Subtotal deferred tax assets	8,179	7,375
Valuation allowance	(2,386)	(1,986)
Total deferred tax assets	5,793	5,388
Offset against deferred tax liabilities	(4,142)	(3,840)
Net deferred tax assets	1,650	1,548
Deferred tax liabilities		
Reserve for reduction entry	3,393	2,930
Valuation difference on available-for-sale securities	1,310	1,276
Valuation difference based on the full fair value method	114	100
Other	56	47
Total deferred tax liabilities	4,874	4,355
Offset against deferred tax assets	(4,142)	(3,840)
Net deferred tax liabilities	732	514

2 Significant components of difference between statutory tax rate and effective tax rate after adjustments for tax effect accounting

FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)

	(%)
Statutory tax rate	40.7
(Reconciliation)	
Non-deductible expenses	12.1
Non-taxable dividend income	(6.4)
Per capita inhabitant tax	8.7
Special deduction of experimental and research expenses, etc.	(4.0)
Valuation allowance	52.3
Loss from revaluation of stocks of affiliated companies	(19.2)
Amortization of goodwill	3.5
Income (loss) in earnings of affiliated companies	2.4
Other	(0.9)
Effective tax rate	89.2

FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)

	(%)
Statutory tax rate	40.7
(Reconciliation)	
Non-deductible expenses	2.2
Reduction of deferred tax asset amount due to change in tax rate	4.0
Other	(1.2)
Effective tax rate	45.7

3. Amendment of deferred tax assets and liabilities due to change in statutory tax rate

FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)

Not applicable.

FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)

In accordance with the promulgation of the Act on the Partial Revision of the Income Tax Act in Order to Establish a Tax System in Response to Structural Changes in Economic Society, and the Act on Special Measures to Secure Financial Resources

Needed to Implement Measures for Recovery from the Great East Japan Earthquake (which acts were passed on December 2, 2011), the statutory tax rate used for the calculation of deferred tax assets and liabilities for the fiscal year 2011 (excluding those deferred tax assets and liabilities to be eliminated on April 1, 2012 onward) has been changed from 40.7% for fiscal year 2010 to 38.0% for those deferred tax assets and liabilities that are expected to be collected or paid during the period from April 1, 2012 to March 31, 2015 or 35.6% for those deferred tax assets and liabilities that are expected to be collected or paid on April 1, 2015 or later.

As a result of this change in the tax rate, the net book value of deferred tax assets decreased by ¥99 million, and the income taxes-deferred, valuation difference on available-for-sale securities, and investment securities increased by ¥281 million, ¥178 million, and ¥4 million, respectively.

(Segment Information and Others)

(Segment Information)

1. Overview of Reporting Segments

   The Company's reporting segments are those segments of the Company's organizations for which separate financial information is available, and subject to the Board of Directors' regular review carried out to make decisions on the allocation of management resources and evaluate their performance.

   We engage in business activities by developing comprehensive product and service strategies under product- and service-specific manufacturing and sales systems.

   Consequently, the Company comprises product- and service-specific segments based on manufacturing and sales systems, and there are specifically two reporting segments, "Office Furniture" and "Store Display."

   In the Office Furniture segment, we manufacture and sell office furniture, furniture for public and educational facilities, office security systems, and other products. In the Store Displays segment, we manufacture and sell display fixtures, refrigerated showcases, store counters, etc.

2. Calculation methods for net sales, profit/loss, assets, liabilities and other items by reporting segment

   The accounting methods used for reported business segments are generally to the same as the description of "Significant Items for the Preparation of Consolidated Financial Statements."

3. Information about net sales, profit/loss, assets, liabilities and other items by segment

   FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)

(Millions of yen)

	Reporting Segments			Others (Note 1)	Total	Adjusted amount (Note 2)	Amount reported in the Consolidated Financial Statements (Note 3)
	Office Furniture	Store Displays	Total				
Net sales							
Net sales to external customers	91,661	64,732	156,393	12,900	169,294	–	169,294
Internal sales or transfers between segments	–	–	–	–	–	–	–
Total	91,661	64,732	156,393	12,900	169,294	–	169,294
Segment income (loss)	1,567	837	2,404	(4)	2,399	–	2,399
Segment property	75,787	35,266	111,054	10,216	121,270	40,574	161,845
Other items							
Depreciation	3,397	908	4,306	437	4,743	–	4,743
Increase in property, plant and equipment and intangible assets	1,798	449	2,248	242	2,490	–	2,490

Note
1. "Others" are business segments that are not included in the reporting segments, and include Material Handling Systems and Torque Converter Systems.
2. The adjusted amount of ¥40,574 million of segment assets includes corporate assets that are not allocated to each reporting segment. Corporate assets consist primarily of cash and deposits and investment securities not attributing to the reporting segments.
3. Total of segment income (loss) conforms with operating income on Consolidated Statements of Income.

FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)

(Millions of yen)

	Report Segments			Others (Note 1)	Total	Adjusted amount (Note 2)	Amount reported in the Consolidated Financial Statements (Note 3)
	Office Furniture	Store Displays	Total				
Net sales							
Net sales to external customers	104,848	70,801	175,649	12,229	187,879	–	187,879
Internal sales or transfers between segments	–	–	–	–	–	–	–
Total	104,848	70,801	175,649	12,229	187,879	–	187,879
Segment income (loss)	5,657	1,675	7,333	(547)	6,786	–	6,786
Segment property	83,966	36,488	120,454	10,712	131,167	41,510	172,678
Other items							
Depreciation	3,122	852	3,974	425	4,400	–	4,400
Increase in property, plant and equipment and intangible assets	2,216	579	2,795	465	3,261	–	3,261

Note 1. “Others” are business segments that are not included in the reporting segments, and include Material Handling Systems and Torque Converter Systems.
2. The adjusted amount of ¥41,510 million of segment assets includes corporate assets that are not allocated to each reporting segment. Corporate assets consist primarily of cash and deposits and investment securities not attributing to the reporting segments.
3. Total of segment income (loss) conforms with operating income on Consolidated Statements of Income.

(Related information)

FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)

1. Product and Service Segmented Information

Because no net sales from external customers account for 10% or more of aggregate net sales in the Consolidated Statement of Income, product and service segmented information is omitted.

2. Geographically Segmented Information

(1) Net sales

Because net sales from external customers based in Japan account for more than 90% of aggregated net sales in the Consolidated Statements of Income, geographically segmented net sales information is omitted.

(2) Property, plant and equipment

Because property, plant and equipment located in Japan exceed 90% of aggregated property, plant and equipment in the consolidated balance sheet, geographically segmented tangible fixed asset information is omitted.

3. Primary Customer Segmented Information

Because there is no customer with net sales accounting for 10% or more of aggregated net sales in the Consolidated Statements of Income, primary customer segmented information is omitted.

FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)

1. Product and Service Segmented Information

Because no net sales from external customers account for 10% or more of aggregate net sales in the Consolidated Income Statement, product and service segmented information is omitted.

2. Geographically Segmented Information

(1) Net sales

Because net sales from external customers based in Japan account for more than 90% of aggregated net sales in the Consolidated Statements of Income, geographically segmented net sales information is omitted.

(2) Property, plant and equipment

Because property, plant and equipment located in Japan exceed 90% of aggregated property, plant and equipment in the consolidated balance sheet, geographically segmented tangible fixed asset information is omitted.

3. Primary Customer Segmented Information

Because there is no customer with net sales accounting for 10% or more of aggregated net sales in the Consolidated Statements of Income, primary customer segmented information is omitted.

(Information on Related Parties)

FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)

Not applicable.

FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)

Not applicable.

(Per Share Data)

Items	FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)	FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)
Net assets per share of common stock	694.28 yen	723.56 yen
Net income per share of common stock	5.48 yen	35.02 yen

(Note) 1. The diluted net income per share of common stock is not presented, since there were no securities with dilutive effect outstanding through the period.

2. The basis for calculating net income per share of common stock was as follows:

(1) Net assets per share of common stock

Items	FY ended March 2011 (As of Mar. 31, 2011)	FY ended March 2012 (As of Mar. 31, 2012)
Net assets in Consolidated Balance Sheet (in million yen)	76,638	79,918
Net assets attributable to common stock (in million yen)	76,530	79,742
Details of primary adjustments (in million yen)		
Minority interests	108	176
Number of shares of common stock issued (in thousand shares)	112,391	112,391
Number of shares of treasury stock (in thousand shares)	2,162	2,183
Number of shares of common stock calculated for net assets per share of common stock (in thousand shares)	110,228	110,208

2. Net income per share of common stock

Items	FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)	FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)
Net income in Consolidated Statements of Income (in million yen)	604	3,860
Amount not reverting to common shareholders (in million yen)	–	–
Net profit relating to common stock (in million yen)	604	3,860
Average number of shares of common stock during the period (in thousand shares)	110,236	110,221

(Important Subsequent Events)

Not applicable.

(Omission of Disclosure)

Because the necessity of disclosure is considered to be low, information regarding lease transactions, financial instruments, derivatives transactions, asset retirement obligation, and investment and rental property is omitted.

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	FY ended March 2011 (As of Mar. 31, 2011)	FY ended March 2012 (As of Mar. 31, 2012)
Assets		
Current assets		
Cash and deposits	16,007	15,159
Notes receivable-trade	5,873	6,275
Accounts receivable-trade	35,996	44,759
Short-term investment securities	322	531
Merchandise and finished goods	8,507	8,127
Work in process	520	641
Raw materials and supplies	1,860	2,078
Prepaid expenses	588	583
Deferred tax assets	625	1,575
Other	1,338	1,487
Allowance for doubtful accounts	(23)	(12)
Total current assets	71,618	81,204
Noncurrent assets		
Property, plant and equipment		
Buildings, net	12,140	11,308
Structures, net	485	413
Machinery and equipment, net	4,483	4,083
Vehicles, net	93	102
Tools, furniture and fixtures, net	1,037	882
Land	21,051	21,040
Construction in progress	37	61
Total property, plant and equipment	39,329	37,892
Intangible assets		
Patent right	1	0
Leasehold right	725	725
Software	1,302	1,424
Other	144	128
Total intangible assets	2,172	2,277
Investments and other assets		
Investment securities	16,877	17,391
Stocks of subsidiaries and affiliates	8,409	8,652
Long-term loans receivable from subsidiaries and affiliates	690	690
Claims provable in bankruptcy, claims provable in rehabilitation and other	53	49
Prepaid pension cost	2,723	2,892
Lease deposits	3,652	3,479
Other	691	678
Allowance for doubtful accounts	(403)	(399)
Total investments and other assets	32,694	33,435
Total noncurrent assets	74,196	73,606
Total assets	145,815	154,810

(Millions of yen)

	FY ended March 2011 (As of Mar. 31, 2011)	FY ended March 2012 (As of Mar. 31, 2012)
Liabilities		
Current liabilities		
Notes payable-trade	8,002	6,153
Electronically recorded obligations-operating	893	8,403
Accounts payable-trade	24,489	21,899
Short-term loans payable	7,600	5,550
Short-term loans payable to subsidiaries and affiliates	500	500
Current portion of long-term loans payable	6,550	5,700
Lease obligations	64	78
Accounts payable-other	457	348
Accrued expenses	1,049	1,624
Income taxes payable	437	3,523
Accrued consumption taxes	–	481
Advances received	119	421
Deposits received	183	277
Provision for bonuses	637	2,125
Provision for loss on disaster	98	–
Total current liabilities	51,084	57,086
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	5,850	6,400
Lease obligations	101	114
Deferred tax liabilities	564	324
Provision for retirement benefits	9,407	9,274
Long-term deposits received	2,119	2,170
Other	599	598
Total noncurrent liabilities	28,642	28,883
Total liabilities	79,726	85,970
Net assets		
Shareholders' equity		
Capital stock	18,670	18,670
Capital surplus		
Legal capital surplus	16,759	16,759
Total capital surplus	16,759	16,759
Retained earnings		
Legal retained earnings	1,874	1,874
Other retained earnings		
Reserve for reduction entry	4,893	4,822
General reserve	4,180	4,180
Retained earnings brought forward	20,133	22,640
Total retained earnings	31,081	33,517
Treasury stock	(2,305)	(2,311)
Total shareholders' equity	64,206	66,636
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,882	2,204
Total valuation and translation adjustments	1,882	2,204
Total net assets	66,088	68,840
Total liabilities and net assets	145,815	154,810

(2) Non-Consolidated Statements of Income

(Millions of yen)

	FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)	FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)
Net sales	155,141	173,811
Cost of sales		
Beginning merchandise and finished goods	7,977	8,507
Cost of products manufactured	42,970	49,298
Cost of purchased merchandise and finished goods	71,397	75,575
Total	122,344	133,381
Ending merchandise and finished goods	8,507	8,127
Cost of merchandise and finished goods sold	113,837	125,253
Gross profit	41,303	48,557
Selling, general and administrative expenses		
Advertising expenses	128	145
Sales commission	586	706
Promotion expenses	1,372	1,223
Packing and transportation expenses	7,976	9,033
Salaries and allowances	11,146	11,273
Provision for bonuses	428	1,444
Retirement benefit expenses	901	935
Welfare expenses	2,171	2,354
Traveling and transportation expenses	1,052	1,125
Depreciation	1,421	1,394
Research and development expenses	810	946
Rent expenses	5,581	5,576
Other	6,306	7,021
Total selling, general and administrative expenses	39,886	43,182
Operating income	1,417	5,374
Non-operating income		
Interest income	39	49
Dividend income	664	694
Other	603	658
Total non-operating income	1,308	1,402
Non-operating expenses		
Interest expenses	367	330
Interest on bonds	193	166
Loss on sales and retirement of noncurrent assets	–	101
Other	186	117
Total non-operating expenses	746	716
Ordinary income	1,978	6,061

(Millions of yen)

	FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)	FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)
Extraordinary income		
Gain on sales of investment securities	2	–
Reversal of allowance for doubtful accounts	1	–
Other	0	–
Total extraordinary income	4	–
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	118	–
Loss on valuation of investment securities	72	89
Loss on valuation of stocks of subsidiaries and affiliates	455	–
Loss on disaster	191	–
Other	57	3
Total extraordinary loss	895	93
Income before income taxes	1,088	5,967
Income taxes-current	480	3,680
Income taxes-deferred	(36)	(1,114)
Total income taxes	443	2,565
Net income	644	3,401

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

(Millions of yen)

	FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)	FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)
Shareholders' equity		
Capital stock		
Opening balance	18,670	18,670
Changes of items during the period		
Total changes of items during the period	–	–
Ending balance	18,670	18,670
Capital surplus		
Legal capital surplus		
Opening balance	16,759	16,759
Changes of items during the period		
Total changes of items during the period	–	–
Ending balance	16,759	16,759
Total capital surplus		
Opening balance	16,759	16,759
Changes of items during the period		
Total changes of items during the period	–	–
Ending balance	16,759	16,759
Retained earnings		
Legal retained earnings		
Opening balance	1,874	1,874
Changes of items during the period		
Total changes of items during the period	–	–
Ending balance	1,874	1,874
Other retained earnings		
Reserve for reduction entry		
Opening balance	4,968	4,893
Changes of items during the period		
Reversal of reserve for reduction entry	(75)	(71)
Total changes of items during the period	(75)	(71)
Ending balance	4,893	4,822
General reserve		
Opening balance	4,180	4,180
Changes of items during the period		
Total changes of items during the period	–	–
Ending balance	4,180	4,180
Retained earnings brought forward		
Opening balance	20,241	20,133
Changes of items during the period		
Dividends from surplus	(827)	(965)
Reversal of reserve for reduction entry	75	71
Net income	644	3,401
Total changes of items during the period	(107)	2,507
Ending balance	20,133	22,640

(Millions of yen)

	FY ended March 2011 (From Apr. 1, 2010 to Mar. 31, 2011)	FY ended March 2012 (From Apr. 1, 2011 to Mar. 31, 2012)
Total retained earnings		
Opening balance	31,264	31,081
Changes of items during the period		
Dividends from surplus	(827)	(965)
Reversal of reserve for reduction entry	–	–
Net income	644	3,401
Total changes of items during the period	(183)	2,436
Ending balance	31,081	33,517
Treasury stock		
Opening balance	(2,300)	(2,305)
Changes of items during the period		
Purchase of treasury stock	(4)	(5)
Total changes of items during the period	(4)	(5)
Ending balance	(2,305)	(2,311)
Total shareholders’ equity		
Opening balance	64,394	64,206
Changes of items during the period		
Dividends from surplus	(827)	(965)
Net income	644	3,401
Purchase of treasury stock	(4)	(5)
Total changes of items during the period	(188)	2,430
Ending balance	64,206	66,636
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Opening balance	2,857	1,882
Changes of items during the period		
Net changes of net assets other than shareholders’ equity	(974)	321
Total changes of items during the period	(974)	321
Ending balance	1,882	2,204
Total valuation and translation adjustments		
Opening balance	2,857	1,882
Changes of items during the period		
Net changes of items other than shareholders' equity	(974)	321
Total changes of items during the period	(974)	321
Ending balance	1,882	2,204
Total net assets		
Opening balance	67,251	66,088
Changes of items during the period		
Dividends from surplus	(827)	(965)
Net income	644	3,401
Purchase of treasury stock	(4)	(5)
Net changes of items other than shareholders' equity	(974)	321
Total changes of items during the period	(1,162)	2,751
Ending balance	66,088	68,840

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

Not applicable.

6. Other

Change of Board Members

1. Change of Representative Director (scheduled on June 28, 2012)

President and Representative Director:	Masayuki Nakamura (Currently Senior Managing Director and Senior General Manager, Production Division)
Special Advisor:	Kazuyoshi Hisamatsu (Currently President and Representative Director)

2. Change of other board members (scheduled on June 28, 2012)

(1) Candidate Directors to be Promoted

Senior Managing Director and Senior General Manager, Administration Division:	Kiyoshi Sato	(Currently Managing Director and Senior General Manager, Administration Division)
Senior Managing Director and Senior General Manager, Marketing Division:	Hiroki Iwashita	(Currently Managing Director and Senior General Manager, Marketing Division)
Managing Director and Senior General Manager, Store Displays Division:	Takao Suzuki	(Currently Director and Senior General Manager, Store Displays Division)
Managing Director and Senior General Manager, East Tokyo Regional Sales Office, Office Sales Division:	Shigeji Kikuchi	(Currently Director and Senior General Manager, East Tokyo Regional Sales Office, Office Sales Division)
Managing Director and Senior General Manager, West Tokyo Regional Sales Office, Office Sales Division:	Toshikazu Iwata	(Currently Director and Senior General Manager, West Tokyo Regional Sales Office, Office Sales Division)

(2) Candidates for new Directors

Director and Senior General Manager, Telecom Sales Division:	Katsunori Araya	(Currently Senior General Manager, Telecom Sales Division)
Director and Senior General Manager, Kansai Regional Sales Office, Office Sales Division:	Akio Nakajima	(Currently Osaka Branch Manager, Kansai Regional Sales Office, Office Sales Division)
Director and Senior General Manager, International Sales & Marketing Division:	Hajime Kaneko	(Currently General Manager, Sales Department, International Sales & Marketing Division)
Director and Senior General Manager, Production Division:	Kenichi Yamaki	(Currently General Manager, Oppama Plant, Production Division)

(3) Resigning Directors

Managing Director:	Onoyuki Kondo	(To be appointed as President and Representative Director of SEC Co., Ltd.)
Director:	Hideharu Sekino	(To be appointed as Advisor to the Company)