



# Financial Results for the First Half of the Fiscal Year ending March 31, 2012 [Japanese GAAP] (Consolidated)

November 4, 2011

Okamura Corporation

Listing: Tokyo Stock Exchange, Osaka Securities Exchange

Code Number: 7994

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Scheduled date of commencement of dividend payments: December 9, 2011

Preparation of supplementary material to explain quarterly financial results: Prepared.

Scheduling of meeting to explain quarterly financial results: Scheduled for institutional investors and analysts.

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

## 1. Financial and Operational Review for the First Half (Apr. 1, 2011–Sep. 30, 2011) of FY ending March 2012 (Apr. 1, 2011–Mar. 31, 2012)

### (1) Business Results (cumulative)

(% 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	%
First half of FY ending March 2012	85,908	9.2	1,914	–	2,188	–	1,286	–
First half of FY ended March 2011	78,665	(0.7)	38	(83.5)	137	(67.5)	(310)	–

(Note) Comprehensive income: ¥496 million (–%) for the first half of FY ending March, 2012;

Comprehensive loss: ¥1,682 million (–%) for the first half of FY ended March, 2011.

	Net income per share	Diluted net income per share
	yen	yen
First half of FY ending March 2012	11.68	–
First half of FY ended March 2011	(2.82)	–

### (2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
First half of FY ending March 2012	157,425	76,718	48.7	695.28
FY ended March 2011	161,845	76,638	47.3	694.28

(Note) Total shareholder's equity: First half of FY ending March 2012: ¥76,634 million, FY ended March 2011: ¥76,530 million

## 2. Dividend

	Annual dividend				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	yen	yen	yen	yen	yen
FY ended March 2011	–	3.75	–	3.75	7.50
FY ending March 2012	–	5.00			
FY March ending 2012 (forecast)			–	5.00	10.00

(Note) Revision of the most recently released dividend forecasts: No revision.

### 3. Forecast of Consolidated Performance for the FY ending March 2012 (from April 1, 2011 to March 31, 2012)

(% 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
FY ending March 2012	180,000	6.3	6,000	150.0	6,500	155.0	3,800	528.6	34.47

(Note) Revision of the most recently released performance forecasts: No revision.

### 4. Others

(1) Changes in the number of material subsidiaries during the first half 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) This indicates whether the Company adopts a special accounting method applicable to the preparation of quarterly consolidated financial statements: None

(3) 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

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

① Number of shares issued (including treasury stock) at end of period

② Number of shares of treasury stock at end of period

③ Average number of shares during period (cumulative quarters)

1st half of FY ending March 2012	112,391,530	FY ended March 2011	112,391,530
1st half of FY ending March 2012	2,169,535	FY ended March 2011	2,162,714
1st half of FY ending March 2012	110,225,455	1st half of FY ended March 2011	110,240,452

#### \* Indication of Implementation Status of Quarterly Review Procedures

- This quarterly Financial Results summary is not subject to the quarterly review procedures as provided for in the Financial Instruments and Exchange Act. The procedures for reviewing the Company's quarterly financial statements in accordance with the Financial Instruments and Exchange Act are yet to be completed at the time of publication of this quarterly 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 (3) Qualitative information concerning the performance forecast in 1. Qualitative Information Concerning Quarterly Consolidated Financial Results, etc. on page 3 of the Appendix to this quarterly Financial Results summary.

○ Table of Contents of Appendix

1. Qualitative Information Concerning Quarterly Consolidated Financial Results, etc. ....	P. 2
(1) Qualitative information concerning the progress in (consolidated) business performance .....	P. 2
(2) Qualitative information concerning the changes in (consolidated) financial position .....	P. 2
(3) Qualitative information concerning the performance forecast .....	P. 3
2. Summary Information (Other) .....	P. 3
(1) Changes in the number of material subsidiaries during the first half under review .....	P. 3
(2) This indicates whether the Company adopts a special accounting method applicable to the preparation of quarterly consolidated financial statements .....	P. 3
(3) Changes in accounting policy or accounting estimates, or restatement .....	P. 3
(4) Additional information .....	P. 3
3. Quarterly Financial Statements .....	P. 4
(1) Quarterly Consolidated Balance Sheet .....	P. 4
(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income....	P. 6
(3) Quarterly Consolidated Cash Flow Statement .....	P. 7
(4) Note regarding the assumption of going concern .....	P. 8
(5) Segment information .....	P. 8
(6) Note regarding occurrence of significant change in amount of shareholders' equity .....	P. 9
(7) Important subsequent events .....	P. 9

## 1. Qualitative Information Concerning Quarterly Consolidated Financial Results, etc.

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

During the first half of the consolidated fiscal year under review, Japan's economy followed a path of gradual recovery due to recoveries in domestic production and also due to a certain level of improvement in personal consumption as a result of the restoration of supply chains that were affected by the Great East Japan Earthquake. On the other hand, due to the financial turmoil in Europe and the slowdown in the U.S. economy, the yen continued to appreciate, stock markets continued to decline and the future of the economy remained to be uncertain.

Under these circumstances, by developing products incorporating new technologies and that are environmentally friendly, and 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 proposals, and accelerated the cutting of costs and expenses.

Performance results by segment are discussed below.

Segment name	Net sales (Millions of yen)			Segment income (loss) (Millions of yen)		
	First half of FY ended March 2011	First half of FY ending March 2012	Increase/decrease	First half of FY ended March 2011	First half of FY ending March 2012	Increase/decrease
Office Furniture	41,506	45,030	3,524	(595)	1,051	1,647
Store Displays	31,480	35,276	3,796	668	1,125	457
Others	5,677	5,600	(77)	(33)	(263)	(229)
Total	78,665	85,908	7,243	38	1,914	1,875

(Note) The total of segment income (loss) corresponds to the operating income in the quarterly consolidated income statement.

## 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 work styles, and there was increasing attention regarding office security measures. The Okamura Corporation (hereinafter the "Company") responded to these needs with proposals that proactively promoted optimal office concepts, focusing on specialty manufacturing and smarter working. Emphasis was also placed on developing demand among educational and research facilities, local governments and other customer sectors in the periphery of the office furniture market. The result of the above efforts was increased net sales and income year-on-year.

As a result, net sales in this segment amounted to ¥45,030 million (an increase of 8.5% year-on-year), and the segment income amounted to ¥1,051 million (versus a segment loss of ¥595 million in the same period of the previous fiscal year).

## Store Displays

In the Store Displays segment, by leveraging its strength as the only manufacturer that can offer total solutions featuring store fixtures, freezer showcases, and refrigerator 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 from reconstruction projects, its number of new retail stores, which are steadily increasing, and remodeling orders. The results of the above efforts increased net sales and income year-on-year.

As a result, net sales in this segment amounted to ¥35,276 million (an increase of 12.1% year-on-year), and the segment income amounted to ¥1,125 million (an increase of 68.5% year-on-year).

## Others (Material Handling Systems and Others)

In the Material Handling Systems segment, the Company set its sights on diverse promising fields, including renewable energy production facilities, food processing centers, and logistics management outsourcing services with the objective of cutting costs. The Company aggressively promoted its proposals to attract more orders for total solutions by taking advantage of its proposals and new products, which are distinguished by their superiority, and also undertook full-fledged action 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 slightly decreased year-on-year.

As a result, net sales in this segment amounted to ¥5,600 million (a decrease of 1.4% year-on-year), and the segment loss amounted to ¥263 million (versus a segment loss of ¥33 million in the same period of the previous fiscal year).

As a result of the above, during the first half of the current fiscal year, the Company posted net sales of ¥85,908 million (an increase of 9.2% year-on-year), operating income of ¥1,914 million (versus an operating income of ¥38 million in the same period of the previous fiscal year), ordinary income of ¥2,188 million (versus an ordinary income of ¥137 million in the same period of the previous fiscal year), and net income of ¥1,286 million (versus a net loss of ¥310 million in the same period of the previous fiscal year).

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

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

Total assets amounted to ¥157,425 million, down ¥4,419 million compared with the end of the previous consolidated fiscal year. Current assets decreased by ¥1,590 million, mainly because of an increase in cash and time deposits and decreases in trade notes and accounts receivable, and fixed assets decreased by ¥2,829 million, mainly because of decreases in tangible fixed assets and investment securities.

Liabilities amounted to ¥80,707 million, down ¥4,499 million over the end of the previous fiscal year, mainly because of decreases in notes and accounts payable.

Net assets amounted to ¥76,718 million, up ¥79 million over the end of the previous fiscal year, mainly because of an increase in retained earnings and a decrease in unrealized holding gains on securities. The equity ratio amounted to 48.7%, up 1.4%.

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

Operating activities generated a net cash increase of ¥3,401 million (versus a net cash increase of ¥9,564 million in the same period of the previous fiscal year), reflecting inflows including depreciation expenses of ¥2,075 million and a decrease in trade notes and accounts receivable of ¥4,106 million. Outflows included a decrease in trade notes and accounts payable of ¥4,933 million.

Investing activities resulted in a net cash increase of ¥543 million (versus a net cash outflow of ¥1,042 million in the same period of the previous fiscal year), reflecting inflows including receipts of ¥803 million for the sales and redemption of investment securities and a decrease of ¥749 million in time deposits, and outlays, including disbursements of ¥699 million for the acquisition of tangible fixed assets and of ¥312 million for the acquisition of investment securities.

Financing activities resulted in a net cash outflow of ¥952 million (versus a net cash outflow of ¥1,353 million in the same period of the previous fiscal year), reflecting a decrease in long-term bank loans of ¥382 million and dividend payments of ¥414 million.

Consequently, consolidated cash and cash equivalents at the end of the current fiscal year's first half increased by ¥3,009 million from the end of the previous fiscal year (versus an increase of ¥7,155 million over the same period of the previous fiscal year) to ¥27,370 million.

(3) Qualitative information concerning the performance forecast

The consolidated performance forecasts for the current fiscal year ending March 2012, which we announced on October 21, 2011, remain unchanged.

2. Summary Information (Other)

(1) Changes in the number of material subsidiaries during the first half under review

Nothing in particular.

(2) This indicates whether the Company adopts a special accounting method applicable to the preparation of quarterly consolidated financial statements

Nothing in particular.

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

Nothing in particular.

(4) Additional information

Adoption of accounting standards, etc. in relation to accounting changes and error corrections

For accounting changes and corrections of past errors made at the beginning of the current fiscal year's first quarter 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).

## 3. Quarterly Financial Statements

## (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	Previous fiscal year (As of March 31, 2011)	First half of the current fiscal year (As of September 30, 2011)
<b>Assets</b>		
Current assets		
Cash and time deposits	26,593	28,852
Trade notes and accounts receivable	43,452	39,345
Marketable securities	322	319
Merchandise and finished products	9,218	8,893
Work in process	1,163	1,281
Raw material and supplies	2,335	2,351
Others	2,350	2,799
Allowance for doubtful debt	(34)	(32)
Total current assets	85,401	83,811
Fixed assets		
Tangible fixed assets		
Buildings and structures (at net book value)	14,565	14,032
Land	22,524	22,524
Others (at net book value)	7,683	7,358
Total tangible fixed assets	44,773	43,915
Intangible fixed assets		
Goodwill	1,390	1,246
Others	2,087	2,054
Total intangible fixed assets	3,477	3,301
Investments and other assets		
Investment securities	18,967	17,278
Others	9,279	9,174
Allowance for doubtful debt	(54)	(56)
Total investments and other assets	28,192	26,396
Total fixed assets	76,443	73,613
Total assets	161,845	157,425

(Millions of yen)

	Previous fiscal year (As of March 31, 2011)	First half of the current fiscal year (As of September 30, 2011)
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	34,083	26,757
Electronically recorded obligations	893	3,320
Short-term bank loans	8,904	8,794
Long-term debts due within one year	3,847	4,686
Income taxes payable	930	1,648
Allowance for bonus payable	899	2,036
Allowance for disaster loss	113	15
Others	2,736	3,076
<b>Total current liabilities</b>	<b>52,410</b>	<b>50,335</b>
Long-term liabilities		
Debenture bonds	10,000	10,000
Long-term loans payable	6,179	4,957
Severance and employee retirement benefits	12,533	11,994
Others	4,082	3,419
<b>Total long-term liabilities</b>	<b>32,796</b>	<b>30,371</b>
<b>Total liabilities</b>	<b>85,206</b>	<b>80,707</b>
<b>Net assets</b>		
Owners' equity		
Capital stock	18,670	18,670
Capital surplus	16,759	16,759
Retained earnings	41,903	42,776
Treasury stock, at cost	(2,369)	(2,372)
<b>Total owners' equity</b>	<b>74,964</b>	<b>75,834</b>
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	1,903	1,142
Foreign currency translation adjustments	(337)	(341)
<b>Total accumulated other comprehensive income</b>	<b>1,565</b>	<b>800</b>
Minority interests	108	83
<b>Total net assets</b>	<b>76,638</b>	<b>76,718</b>
<b>Total liabilities and net assets</b>	<b>161,845</b>	<b>157,425</b>

## (2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Income Statement  
[First Half of Current Fiscal Year]

(Millions of yen)

	First half of FY ended March 2011 (From April 1, 2010 to September 30, 2010)	First half of FY ending March 2012 (From April 1, 2011 to September 30, 2011)
Net sales	78,665	85,908
Cost of sales	55,418	59,891
Gross profit	23,246	26,017
Selling, general and administrative expenses		
Packing and transportation expenses	3,434	3,677
Salaries and allowances	7,332	7,328
Provision of reserve for bonus payable	1,122	1,359
Rent	3,140	3,072
Other	8,178	8,664
Total selling, general and administrative expenses	23,208	24,102
Operating income	38	1,914
Other income		
Interest income	18	17
Dividend income	200	239
Equity in earnings of affiliated companies	–	92
Others	337	368
Total other income	556	718
Other expenses		
Interest expense	295	256
Others	162	188
Total other expenses	457	444
Ordinary income	137	2,188
Extraordinary income		
Reversal of allowance for doubtful accounts	19	–
Others	2	–
Total extraordinary income	21	–
Extraordinary loss		
Loss on disposal/sale of property, plant and equipment	87	–
Impairment loss on investment securities	142	16
Others	129	3
Total extraordinary loss	359	19
Income (loss) before income taxes for the quarter term	(200)	2,168
Income taxes	506	1,603
Adjustments on income taxes	(344)	(696)
Total income taxes	161	906
Income (loss) before minority interests	(361)	1,261
Minority interests in earnings (losses)	(51)	(25)
Net income (loss) for the quarter term	(310)	1,286



Quarterly Consolidated Statement of Comprehensive Income  
 [First Half of Current Fiscal Year]

(Millions of yen)

	First half of FY ended March 2011 (From April 1, 2010 to September 30, 2010)	First half of FY ending March 2012 (From April 1, 2011 to September 30, 2011)
Income (loss) before minority interests	(361)	1,261
Other comprehensive income		
Unrealized holding gains (losses) on securities	(1,337)	(757)
Foreign currency translation adjustment	(16)	13
Share of other comprehensive income of equity-method associates	34	(21)
Total other comprehensive income	(1,320)	(765)
Comprehensive income	(1,682)	496
(Details)		
Comprehensive income attributable to owners of the parent	(1,630)	521
Comprehensive income attributable to minority shareholders	(51)	(25)

## (3) Quarterly Consolidated Cash Flow Statement

(Millions of yen)

	First half of FY ended March 2011 (From April 1, 2010 to September 30, 2010)	First half of FY ending March 2012 (From April 1, 2011 to September 30, 2011)
<b>Cash flows from operating activities</b>		
Income (loss) before income taxes for the quarter term	(200)	2,168
Depreciation expense	2,279	2,075
Loss (gain) on disposal/sale of property, plant and equipment	87	16
Loss (gain) on equity in earnings of affiliated companies	48	(92)
Increase (decrease) in allowance for doubtful debt	(24)	0
Increase (decrease) in allowance for bonus payable	811	1,137
Increase (decrease) in allowance for employee retirement benefits	400	(623)
Interest income and dividend income	(218)	(257)
Interest expense	295	256
Loss (gain) on sale of investment securities	7	0
Impairment loss (gain) on investment securities	142	16
Decrease (increase) in notes and accounts receivable	8,152	4,106
Decrease (increase) in inventories	139	190
Increase (decrease) in notes and accounts payable	(1,345)	(4,933)
Others	(431)	122
<b>Sub-total</b>	<b>10,144</b>	<b>4,184</b>
Interest and dividends received	215	268
Interest expenses paid	(296)	(253)
Income taxes paid	(498)	(798)
<b>Cash flows from operating activities</b>	<b>9,564</b>	<b>3,401</b>
<b>Cash flows from investing activities</b>		
Outlay for placement of time deposits	(1,077)	(734)
Proceeds from withdrawal of time deposits	1,510	1,484
Payment for purchase of property, plant and equipment	(792)	(699)
Payment for purchase of intangible fixed assets	(146)	(286)
Payment for purchase of investment securities	(539)	(312)
Proceeds from sale and redemption of investment securities	33	803
Others	(31)	288
<b>Cash flows from investing activities</b>	<b>(1,042)</b>	<b>543</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term bank loans	(702)	(115)
Proceeds from long-term bank loans	1,050	500
Repayments of long-term debt	(1,254)	(882)
Payment for purchase of treasury stock	(1)	(2)
Cash dividends	(414)	(414)
Others	(30)	(37)
<b>Cash flows from financing activities</b>	<b>(1,353)</b>	<b>(952)</b>
Effect on exchange rate changes on cash and cash equivalents	(13)	16
<b>Increase (decrease) in cash and cash equivalents</b>	<b>7,155</b>	<b>3,009</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>20,902</b>	<b>24,361</b>
<b>Cash and cash equivalents at end of the quarter term</b>	<b>28,057</b>	<b>27,370</b>

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

There is no information that needs to be disclosed herein.

## (5) Segment information

Information concerning net sales and income or loss amounts by reportable segment

First half of FY ended March 2011 (from April 1, 2010 to September 30, 2010)

(Millions of yen)

	Reportable segments			Others (Note 1)	Total	Adjustment	Amount recorded on quarterly consolidated income statement (Note 2)
	Office Furniture	Store Displays	Total				
Net sales							
Net sales to external customers	41,506	31,480	72,987	5,677	78,665	–	78,665
Internal sales or transfers between segments	–	–	–	–	–	–	–
Total	41,506	31,480	72,987	5,677	78,665	–	78,665
Segment income (loss)	(595)	668	72	(33)	38	–	38

(Notes) 1. The category “Others” aggregates those business segments that do not meet the definition of reportable segments, and includes material handling systems, torque converters, and other business segments.

2. The total of segment income (loss) corresponds to the operating income in the quarterly consolidated income statement.

First half of FY ending March 2012 (from April 1, 2011 to September 30, 2011)

(Millions of yen)

	Reportable segments			Others (Note 1)	Total	Adjustment	Amount recorded on quarterly consolidated income statement (Note 2)
	Office Furniture	Store Displays	Total				
Net sales							
Net sales to external customers	45,030	35,276	80,307	5,600	85,908	–	85,908
Internal sales or transfers between segments	–	–	–	–	–	–	–
Total	45,030	35,276	80,307	5,600	85,908	–	85,908
Segment income (loss)	1,051	1,125	2,177	(263)	1,914	–	1,914

(Notes) 1. The category “Others” aggregates those business segments that do not meet the definition of reportable segments, and includes material handling systems, torque converters, and other business segments.

2. The total of segment income (loss) corresponds to the operating income in the quarterly consolidated income statement.

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

There is no information that needs to be disclosed herein.

## (7) Important subsequent events

There is no information that needs to be disclosed herein.