



Financial Results for First Half of Fiscal Year Ending March 31, 2013 [Japanese GAAP] (Consolidated)

November 2, 2012

Okamura Corporation

Listing: Tokyo Stock Exchange, Osaka Securities Exchange

Code Number: 7994

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Scheduled date for filing of quarterly report:

November 13, 2012

Scheduled date for commencement of dividend payments:

December 10, 2012

Preparation of supplementary materials 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 First Half (Apr. 1, 2012 to Sep. 30, 2012) of FY Ending March 2013 (Apr. 1, 2012 to Mar. 31, 2013)

(1) Business Results (cumulative)

(% Figures indicate year-over-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 2013	93,498	8.8	2,939	53.5	3,341	52.7	2,274	76.8
First half of FY ended March 2012	85,908	9.2	1,914	—	2,188	—	1,286	—

Note: Comprehensive income ¥1,560 million (214.3%) for the first half of FY ending March 2013
 ¥496 million (–%) for the first half of FY ended March 2012

	Net income per share	Diluted net income per share
	yen	yen
First half of FY ending March 2013	20.64	—
First half of FY ended March 2012	11.68	—

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
First half of FY ending March 2013	164,991	80,920	48.9
FY ended March 2012	172,678	79,918	46.2

Reference: Total shareholder's equity ¥80,664 million for the first half of FY ending March 2013
 ¥79,742 million for FY ended March 2012

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 2012	—	5.00	—	5.00	10.00
FY ending March 2013	—	6.00	—	—	—
FY ending March 2013 (forecast)	—	—	—	6.00	12.00

Note: Revision of the most recently released dividend forecasts: None

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

(% Figures indicate year-over-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
Full year	196,000	4.3	8,200	20.8	8,500	20.0	5,800	50.3	52.63

Note: Revision of the most recently released performance forecasts: None

Notes

(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) Adoption of 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: Yes
- ② Changes other than those in ① above in accounting policy: None
- ③ Changes in accounting estimates: Yes
- ④ Restatement: None

Notes: Effective for the first quarter of the current fiscal year, the Company has changed its depreciation method. This change falls under the category “changes in accounting policy that are difficult to distinguish from changes in accounting estimates.” For more details, please refer to (3) Changes in accounting policy or accounting estimates, or restatement in 2. Summary Information (Notes) on page 3 of the Appendix.

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

- ① Number of shares issued (including treasury stock) at the end of the term
- ② Number of shares of treasury stock at the end of the term
- ③ Average number of shares during the term (cumulative quarters)

1st half of FY ending March 2013	112,391,530	FY ended March 2012	112,391,530
1st half of FY ending March 2013	2,189,594	FY ended March 2012	2,183,237
1st half of FY ending March 2013	110,205,306	1st half of FY ended March 2012	110,225,455

* 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.

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1. Qualitative Information Concerning Quarterly Consolidated Financial Results

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

During the first half of the consolidated fiscal year under review, Japan's economy showed signs of partial gradual recovery due to demand stemming from the Great East Japan Earthquake, the policy effects of subsidies for the purchase of eco-friendly cars, etc. On the other hand, however, the future of the economy still remains unclear, due to factors such as the lingering yen appreciation, global financial turmoil caused by the debt crisis in Europe, and the slowdown in the Chinese economy.

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.

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 2012	First half of FY ending March 2013	Increase/decrease	First half of FY ended March 2012	First half of FY ending March 2013	Increase/decrease
Office Furniture	45,030	49,814	4,783	1,051	2,504	1,452
Store Displays	35,276	38,512	3,235	1,125	905	(220)
Others	5,600	5,171	(429)	(263)	(470)	(207)
Total	85,908	93,498	7,589	1,914	2,939	1,025

(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, responding to relocation needs generated by the large number of large new buildings that have been constructed in downtown Tokyo, as well as to the demand created by subsequent relocations, the Company aimed at attracting orders for large-scale projects by enhancing total solutions, which is a core Company strength. At the same time, the Company took on the office relocation demand arising from improvements in office efficiency, increasing attention to security and disaster-prevention measures in office environments, review of working procedures and corporate restructuring. Emphasis was also placed on developing demand among educational and research facilities, healthcare and welfare, government offices and local governments in the periphery of the office-related market. The results of the above efforts increased net sales and income year-over-year.

As a result, net sales in this segment amounted to ¥49,814 million (an increase of 10.6% year-over-year), and the segment income amounted to ¥2,504 million (an increase of 138.1% year-over-year).

It is forecast that net sales for the full year will amount to ¥110,000 million and that the segment income will amount to ¥6,800 million.

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 store energy efficiency, and to provide store safety and security measures and systems. The Company also endeavored to increase its share in the refrigerated showcase market, benefiting from increasing demand for low energy consumption. The results of the above efforts increased net sales year-over-year.

As a result, net sales in this segment amounted to ¥38,512 million (an increase of 9.2% year-over-year), and the segment income amounted to ¥905 million (a decrease of 19.6% year-over-year).

It is forecast that net sales for the full year will amount to ¥74,000 million and that the segment income will amount to ¥1,700 million.

Others (including Material Handling Systems)

In the Material Handling Systems segment, the Company focused on logistics management outsourcing facilities with the objective of cutting costs, diverse promising fields including the healthcare wholesale industry, and process centers utilizing synergies with the Store Displays segment. The Company aggressively promoted its proposals to attract more orders for total solutions by taking advantage of its proposal capabilities and new products, which are distinguished by their superiority, and also undertook full-fledged action to promote sector-specific solutions. However, net sales and income decreased year-over-year.

As a result, net sales in this segment amounted to ¥5,171 million (a decrease of 7.7% year-over-year), and the segment loss amounted to ¥470 million (versus a segment loss of ¥263 million in the same period of the previous fiscal year).

It is forecast that net sales for the full year will amount to ¥12,000 million and that the segment loss will amount to ¥300 million.

As a result of the above, during the first half of the current fiscal year, the Company posted net sales of ¥93,498 million (an increase of 8.8% year-over-year), operating income of ¥2,939 million (an increase of 53.5% year-over-year), ordinary income of ¥3,341 million (an increase of 52.7% year-over-year), and net income of ¥2,274 million (an increase of 76.8% year-over-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 fiscal year under review is as follows.

Total assets amounted to ¥164,991 million, down ¥7,687 million compared with the end of the previous consolidated fiscal year. Current assets decreased by ¥9,421 million, mainly because of an increase in cash and deposits and decreases in notes and accounts receivable-trade, and noncurrent assets increased by ¥1,734 million, mainly because of increases in property, plant and equipment and decreases in investment securities.

Liabilities amounted to ¥84,070 million, down ¥8,689 million over the end of the previous year, mainly because of decreases in notes and accounts payable-trade and income taxes payable.

Net assets amounted to ¥80,920 million, up ¥1,001 million over the end of the previous fiscal year, mainly because of an increase in retained earnings and a decrease in valuation difference on available-for-sale securities. The equity ratio amounted to 48.9%, up 2.7%.

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 ¥5,947 million (an increase of ¥3,401 million in the same period of the previous fiscal year), reflecting inflows including income before income taxes and minority interests for the first half of ¥3,604 million, depreciation and amortization of ¥2,028 million and a decrease in notes and accounts receivable-trade of ¥10,664 million. Outflows included a decrease in notes and accounts payable-trade of ¥5,335 million, and income taxes paid of ¥3,777 million.

Investing activities resulted in a net cash outflow of ¥3,041 million (an increase of ¥543 million in the same period of the previous fiscal year), reflecting inflows including receipts of ¥418 million for the sales and redemption of investment securities, and outlays including disbursements of ¥2,758 million for the purchase of property, plant and equipment and of ¥465 million for the purchase of intangible assets.

Financing activities resulted in a net cash outflow of ¥1,186 million (an outflow of ¥952 million in the same period of the previous fiscal year), reflecting a decrease in short-term loans payable of ¥718 million and dividend payments of ¥551 million.

Consequently, consolidated cash and cash equivalents at the end of the current fiscal year's first half increased by ¥1,733 million from the end of the previous fiscal year (an increase of ¥3,009 million in the same period of the previous fiscal year) to ¥27,913 million.

(3) Qualitative information concerning the performance forecast

The consolidated performance forecasts for the current fiscal year ending March 2013, which we announced on May 9, 2012, remain unchanged.

2. Summary Information (Notes)

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

Nothing in particular.

(2) Adoption of 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

(Changes in accounting policy that are difficult to distinguish from changes in accounting estimates)

In accordance with the amendment to the Corporation Tax Act, effective from the first quarter of the consolidated fiscal year, the Company and its domestic consolidated subsidiaries have changed the depreciation method used for property, plant and equipment acquired on or after April 1, 2012.

This change has had an insignificant impact on the income for the first half of the consolidated fiscal year.

3. Quarterly Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	Previous fiscal year (As of March 31, 2012)	First half of the current fiscal year (As of September 30, 2012)
Assets		
Current assets		
Cash and deposits	27,652	29,388
Notes and accounts receivable-trade	52,897	42,232
Short-term investment securities	531	131
Merchandise and finished goods	8,855	8,717
Work in process	1,285	1,419
Raw materials and supplies	2,526	2,568
Other	3,659	3,519
Allowance for doubtful accounts	(22)	(14)
Total current assets	97,384	87,963
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	13,573	13,719
Land	22,510	22,510
Other, net	7,339	9,702
Total property, plant and equipment	43,423	45,932
Intangible assets		
Goodwill	1,103	967
Other	2,152	2,358
Total intangible assets	3,255	3,325
Investments and other assets		
Investment securities	19,566	18,362
Other	9,097	9,435
Allowance for doubtful accounts	(50)	(28)
Total investments and other assets	28,613	27,769
Total noncurrent assets	75,293	77,027
Total assets	172,678	164,991

(Millions of yen)

	Previous fiscal year (As of March 31, 2012)	First half of the current fiscal year (As of September 30, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	29,743	24,125
Electronically recorded obligations-operating	8,319	8,601
Short-term loans payable	6,786	6,068
Current portion of long-term loans payable	2,906	2,375
Current portion of bonds	–	5,000
Income taxes payable	4,051	842
Provision for bonuses	2,643	1,967
Notes payable-equipment	484	2,240
Other	4,342	3,753
Total current liabilities	59,277	54,976
Noncurrent liabilities		
Bonds payable	10,000	5,000
Long-term loans payable	7,345	8,013
Provision for retirement benefits	12,411	12,867
Other	3,724	3,213
Total noncurrent liabilities	33,482	29,094
Total liabilities	92,759	84,070
Net assets		
Shareholders' equity		
Capital stock	18,670	18,670
Capital surplus	16,759	16,759
Retained earnings	44,797	46,520
Treasury stock	(2,377)	(2,383)
Total shareholders' equity	77,851	79,567
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,299	1,476
Foreign currency translation adjustment	(407)	(380)
Total accumulated other comprehensive income	1,891	1,096
Minority interests	176	256
Total net assets	79,918	80,920
Total liabilities and net assets	172,678	164,991

(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 2012 (From April 1, 2011 to September 30, 2011)	First half of FY ending March 2013 (From April 1, 2012 to September 30, 2012)
Net sales	85,908	93,498
Cost of sales	59,891	65,755
Gross profit	26,017	27,742
Selling, general and administrative expenses		
Packing and transportation expenses	3,677	3,925
Salaries and allowances	7,328	7,905
Provision for bonuses	1,359	1,308
Rent expenses	3,072	2,916
Other	8,664	8,746
Total selling, general and administrative expenses	24,102	24,802
Operating income	1,914	2,939
Non-operating income		
Interest income	17	23
Dividends income	239	226
Equity in earnings of affiliates	92	202
Other	368	342
Total non-operating income	718	795
Non-operating expenses		
Interest expenses	256	234
Other	188	160
Total non-operating expenses	444	394
Ordinary income	2,188	3,341
Extraordinary income		
Gain on sales of investment securities	–	13
Subsidy	–	499
Total extraordinary income	–	513
Extraordinary loss		
Loss on valuation of investment securities	16	249
Other	3	0
Total extraordinary loss	19	250
Income before income taxes and minority interests	2,168	3,604
Income taxes-current	1,603	778
Income taxes-deferred	(696)	471
Total income taxes	906	1,250
Income before minority interests	1,261	2,354
Minority interests in income	(25)	79
Net income	1,286	2,274

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

(Millions of yen)

	First half of FY ended March 2012 (From April 1, 2011 to September 30, 2011)	First half of FY ending March 2013 (From April 1, 2012 to September 30, 2012)
Income before minority interests	1,261	2,354
Other comprehensive income		
Valuation difference on available-for-sale securities	(757)	(826)
Foreign currency translation adjustment	13	18
Share of other comprehensive income of associates accounted for using equity method	(21)	14
Total other comprehensive income	(765)	(794)
Comprehensive income	496	1,560
(Details)		
Comprehensive income attributable to owners of the parent	521	1,480
Comprehensive income attributable to minority interests	(25)	79

(3) Quarterly Consolidated Cash Flow Statement

(Millions of yen)

	First half of FY ended March 2012 (From April 1, 2011 to September 30, 2011)	First half of FY ending March 2013 (From April 1, 2012 to September 30, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes	2,168	3,604
Depreciation and amortization	2,075	2,028
Loss (gain) on sales and retirement of noncurrent assets	16	50
Equity in (earnings) losses of affiliates	(92)	(202)
Increase (decrease) in allowance for doubtful accounts	0	(29)
Increase (decrease) in provision for bonuses	1,137	(675)
Increase (decrease) in provision for retirement benefits	(623)	339
Interest and dividends income	(257)	(250)
Interest expenses	256	234
Loss (gain) on sale of investment securities	0	(13)
Loss (gain) on valuation of investment securities	16	249
Decrease (increase) in notes and accounts receivable-trade	4,106	10,664
Decrease (increase) in inventories	190	(39)
Increase (decrease) in notes and accounts payable-trade	(4,933)	(5,335)
Other	122	(949)
Subtotal	4,184	9,676
Interest and dividends income received	268	276
Interest expenses paid	(253)	(228)
Income taxes paid	(798)	(3,777)
Net cash provided by (used in) operating activities	3,401	5,947
Net cash provided by (used in) investing activities		
Payments into time deposits	(734)	(1,034)
Proceeds from withdrawal of time deposits	1,484	1,034
Purchase of property, plant and equipment	(699)	(2,758)
Purchase of intangible assets	(286)	(465)
Purchase of investment securities	(312)	(352)
Proceeds from sales and redemption of investment securities	803	418
Other	288	117
Net cash provided by (used in) investing activities	543	(3,041)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(115)	(718)
Proceeds from long-term loans payable	500	1,975
Repayment of long-term loans payable	(882)	(1,838)
Purchase of treasury stock	(2)	(1)
Cash dividends paid	(414)	(551)
Other	(37)	(52)
Net cash provided by (used in) financing activities	(952)	(1,186)
Effect of exchange rate change on cash and cash equivalents	16	14
Net increase (decrease) in cash and cash equivalents	3,009	1,733
Cash and cash equivalents at the beginning of the fiscal year	24,361	26,179
Cash and cash equivalents at the end of the quarter term	27,370	27,913

(4) Note regarding the assumption of going concern

There is no information that needs to be disclosed herein.

(5) Segment information

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

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

(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.

First half of FY ending March 2013 (from April 1, 2012 to September 30, 2012)

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

(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	49,814	38,512	88,326	5,171	93,498	–	93,498
Internal sales or transfers between segments	–	–	–	–	–	–	–
Total	49,814	38,512	88,326	5,171	93,498	–	93,498
Segment income (loss)	2,504	905	3,410	(470)	2,939	–	2,939

(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.

2. Disclosure of changes, etc. in reportable segments

In accordance with the amendment to the Corporation Tax Act, effective from the first quarter of the consolidated fiscal year, the Company and its domestic consolidated subsidiaries have changed the depreciation method used for property, plant and equipment acquired on or after April 1, 2012. The Company and its domestic consolidated subsidiaries have also changed the depreciation method used for reportable segments accordingly.

This change has had an insignificant impact on the segment income for the first half of the consolidated fiscal year.

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

Nothing in particular.

- (7) Important subsequent events

Nothing in particular.