



\* Notes

(1) Changes in the number of material subsidiaries during the quarter 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 consolidated quarterly 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 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)

|                               |             |                              |             |
|-------------------------------|-------------|------------------------------|-------------|
| 1Q of FY ending<br>March 2018 | 112,391,530 | FY ended<br>March 2017       | 112,391,530 |
| 1Q of FY ending<br>March 2018 | 2,234,633   | FY ended<br>March 2017       | 2,233,725   |
| 1Q of FY ending<br>March 2018 | 110,157,344 | 1Q of FY ended<br>March 2017 | 110,163,862 |

\* The quarterly Financial Results summary is not subject to quarterly review procedures.

\* 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, etc., please refer to (3) Explanation of the performance forecast in 1. Qualitative Information Concerning Consolidated Quarterly Financial Results on page 3 of the Appendix.

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## 1. Qualitative Information Concerning Consolidated Quarterly Financial Results

## (1) Explanation of the progress in (consolidated) operating results

During the first quarter of the consolidated fiscal year under review, corporate earnings and the employment situation continued to improve, keeping the Japanese economy on a moderate recovery trend despite a persisting mood of uncertainty about US government policies and future performance of China and other emerging market economies, a segment seen with concerns.

Under these circumstances, the Okamura Group strove to develop new market potential, increase our market share in each of our business segments, and cultivate new customer bases by creating distinctive products and offering total solutions. The Group also endeavored to improve productivity and accelerate the cost reduction.

Performance results by segment are discussed below.

| Segment name     | Net sales (Millions of yen)          |                                       |                   | Segment income (loss) (Millions of yen) |                                       |                   |
|------------------|--------------------------------------|---------------------------------------|-------------------|---|---------------------------------------|-------------------|
|                  | First quarter of FY ended March 2017 | First quarter of FY ending March 2018 | Increase/decrease | First quarter of FY ended March 2017    | First quarter of FY ending March 2018 | Increase/decrease |
| Office Furniture | 28,355                               | 27,756                                | (599)             | 1,789                                   | 1,158                                 | (630)             |
| Store Displays   | 23,476                               | 23,747                                | 271               | 1,025                                   | 920                                   | (104)             |
| Others           | 3,919                                | 3,381                                 | (538)             | 27                                      | (20)                                  | (47)              |
| Total            | 55,751                               | 54,885                                | (866)             | 2,841                                   | 2,058                                 | (783)             |

Note: The total of segment income (loss) corresponds to the operating income on Consolidated Quarterly Statements of Income.

## Office Furniture

In the Office Furniture segment, although demand for office furniture remained strong, large office relocation projects declined in number since the supply of large-scale office buildings was in a brief off-demand period. Under these circumstances, the Company proactively made proposals on how to create a new office environment in response to work style innovation in offices and the growing interest in health. The Company also engaged in aggressive sales activities targeting companies with strong performance and the furniture market for office-related facilities including school and library facilities as well as municipal offices. Despite these efforts however, both net sales and income decreased year-over-year or compared to the previous year partly due to increased prices for materials.

As a result, net sales in this segment amounted to ¥27,756 million (a year-over-year decrease of 2.1%), and the segment income amounted to ¥1,158 million (a year-over-year decrease of 35.2%).

## Store Displays

In the Store Displays segment, the Company stepped up efforts to deliver total solutions mainly to strongly performing retailers, such as food supermarkets and drugstores concerning display fixtures, store carts, security products, and the like by leveraging the organization's comprehensive capabilities. In addition, the Company focused on increasing its market share in refrigerated showcases and on cost reductions. These efforts however, failed to offset the effects from higher prices of materials with the result that income declined year-over-year although net sales grew year-over-year.

As a result, net sales in this segment amounted to ¥23,747 million (a year-over-year increase of 1.2%), and the segment income amounted to ¥920 million (a year-over-year decrease of 10.2%).

## Others (including Material Handling Systems)

In the Materials Handling Systems segment, the Company focused its efforts on promising areas such as food, healthcare, and Internet shopping, and on increasing sales of automated warehousing equipment. The organization also strengthened collaboration with other segments and engaged in aggressive sales activities by maximum utilization of its solution-proposal capabilities and its products, which stand out from among others due to their superiority. Despite these efforts however, both net sales and income decreased year-over-year.

As a result, net sales in this segment amounted to ¥3,381 million (a year-over-year decrease of 13.7%), and the segment loss amounted to ¥20 million (versus a segment income of ¥27 million in the same period of the previous fiscal year).

As a result of the above, during the first quarter of the consolidated fiscal year under review, the Company posted net sales of ¥54,885 million (a year-over-year decrease of 1.6%), operating income of ¥2,058 million (a year-over-year decrease of 27.6%), ordinary income of ¥2,606 million (a year-over-year decrease of 19.9%), and profit attributable to owners of parent of ¥1,793 million (a year-over-year decrease of 23.2%).

(2) Explanation of the changes in (consolidated) financial position

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

Total assets amounted to ¥215,292 million, down ¥3,449 million compared with the end of the previous consolidated fiscal year. Current assets decreased by ¥6,812 million, mainly because of an increase in cash and deposits and a decrease in notes and accounts receivable-trade, and non-current assets increased by ¥3,363 million, mainly because of an increase in investment securities.

Liabilities amounted to ¥99,066 million, down ¥5,425 million over the end of the previous fiscal year, mainly because of an increase in short-term loans payable and decreases in notes and accounts payable-trade as well as income taxes payable and provision for bonuses.

Net assets amounted to ¥116,225 million, up ¥1,976 million over the end of the previous fiscal year, mainly because of an increase in retained earnings and valuation difference on available-for-sale securities. The equity ratio amounted to 53.8%, up 1.8 percentage point.

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

Operating activities generated a net cash increase of ¥6,842 million (an increase of ¥5,744 million in the same period of the previous fiscal year), reflecting inflows including profit before income taxes for the quarter of ¥2,604 million, depreciation and amortization of ¥1,344 million, and a decrease in notes and accounts receivable-trade of ¥13,997 million. Outflows included a decrease in provision for bonuses of ¥2,894 million and decreases in notes and accounts payable-trade of ¥5,320 million and income taxes paid of ¥2,944 million.

Investment activities resulted in a net cash outflow of ¥2,499 million (versus a net cash outflow of ¥1,359 million in the same period of the previous fiscal year), reflecting outflows including disbursements of ¥978 million for the purchase of property, plant and equipment and ¥1,023 million for the purchase of investment securities.

Financing activities resulted in a net cash increase of ¥2,549 million (an increase of ¥3,664 million over the same period of the previous fiscal year), reflecting inflows including an increase in short-term loans payable of ¥4,202 million and outflows including cash dividends paid of ¥1,152 million.

Consequently, consolidated cash and cash equivalents at the end of the current fiscal year's first quarter increased by ¥6,901 million from the end of the previous fiscal year (an increase of ¥7,924 million in the same period of the previous fiscal year) to ¥32,363 million.

(3) Explanation of the performance forecast

The consolidated performance forecasts for the fiscal year ending March 2018 remain the same as those that were announced on May 10, 2017.

## 2. Consolidated Quarterly Financial Statements and Important Notes

## (1) Consolidated Quarterly Balance Sheet

(Millions of yen)

|  | Previous fiscal year<br>(As of March 31, 2017) | First quarter of the current fiscal year<br>(As of June 30, 2017) |
|--|--|---|
| <b>Assets</b>                              |  |   |
| Current assets                             |  |   |
| Cash and deposits                          | 26,536   | 33,645  |
| Notes and accounts receivable-trade        | 64,565   | 50,567  |
| Short-term investment securities           | 10   | 10  |
| Merchandise and finished goods             | 10,113   | 10,305  |
| Work in process                            | 1,467  | 1,856   |
| Raw materials and supplies                 | 4,384  | 4,402   |
| Other                                      | 4,383  | 3,838   |
| Allowance for doubtful accounts            | (137)  | (116)   |
| <b>Total current assets</b>                | <b>111,322</b>                                 | <b>104,509</b>  |
| Non-current assets                         |  |   |
| Property, plant and equipment              |  |   |
| Buildings and structures, net              | 15,268   | 15,103  |
| Land                                       | 28,072   | 28,072  |
| Other, net                                 | 12,931   | 12,700  |
| <b>Total property, plant and equipment</b> | <b>56,273</b>                                  | <b>55,876</b>   |
| Intangible assets                          |  |   |
| Goodwill                                   | 18   | 14  |
| Other                                      | 4,505  | 4,372   |
| <b>Total intangible assets</b>             | <b>4,523</b>                                   | <b>4,386</b>  |
| Investments and other assets               |  |   |
| Investment securities                      | 32,632   | 36,341  |
| Other                                      | 14,023   | 14,211  |
| Allowance for doubtful accounts            | (33)   | (32)  |
| <b>Total investments and other assets</b>  | <b>46,622</b>                                  | <b>50,519</b>   |
| <b>Total non-current assets</b>            | <b>107,419</b>                                 | <b>110,782</b>  |
| <b>Total assets</b>                        | <b>218,741</b>                                 | <b>215,292</b>  |

(Millions of yen)

|   | Previous fiscal year<br>(As of March 31, 2017) | First quarter of the current fiscal year<br>(As of June 30, 2017) |
|---|--|---|
| <b>Liabilities</b>                                    |  |   |
| Current liabilities                                   |  |   |
| Notes and accounts payable-trade                      | 30,007   | 24,080  |
| Electronically recorded obligations-operating         | 16,398   | 16,636  |
| Short-term loans payable                              | 6,147  | 10,339  |
| Current portion of long-term loans payable            | 1,115  | 1,099   |
| Current portion of bonds                              | 5,000  | –   |
| Income taxes payable                                  | 2,988  | 39  |
| Provision for bonuses                                 | 3,685  | 790   |
| Other   | 5,018  | 6,238   |
| <b>Total current liabilities</b>                      | <b>70,362</b>                                  | <b>59,225</b>   |
| Non-current liabilities                               |  |   |
| Bonds payable   | 5,000  | 10,000  |
| Long-term loans payable                               | 6,227  | 6,066   |
| Net defined benefit liability                         | 15,674   | 15,953  |
| Other   | 7,227  | 7,821   |
| <b>Total non-current liabilities</b>                  | <b>34,129</b>                                  | <b>39,841</b>   |
| <b>Total liabilities</b>                              | <b>104,491</b>                                 | <b>99,066</b>   |
| <b>Net assets</b>                                     |  |   |
| Shareholders' equity                                  |  |   |
| Capital stock   | 18,670   | 18,670  |
| Capital surplus                                       | 16,762   | 16,762  |
| Retained earnings                                     | 70,819   | 71,288  |
| Treasury stock  | (2,422)  | (2,423)   |
| <b>Total shareholders' equity</b>                     | <b>103,829</b>                                 | <b>104,297</b>  |
| Accumulated other comprehensive income                |  |   |
| Valuation difference on available-for-sale securities | 10,256   | 11,971  |
| Foreign currency translation adjustment               | 56   | 57  |
| Remeasurement of defined benefit plans                | (452)  | (470)   |
| <b>Total accumulated other comprehensive income</b>   | <b>9,860</b>                                   | <b>11,558</b>   |
| <b>Non-controlling interests</b>                      | <b>559</b>                                     | <b>369</b>  |
| <b>Total net assets</b>                               | <b>114,249</b>                                 | <b>116,225</b>  |
| <b>Total liabilities and net assets</b>               | <b>218,741</b>                                 | <b>215,292</b>  |

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

Consolidated Quarterly Statements of Income  
[First Quarter of Current Fiscal Year]

(Millions of yen)

|  | First quarter of FY ended March 2017<br>(From April 1, 2016 to<br>June 30, 2016) | First quarter of FY ending March 2018<br>(From April 1, 2017 to<br>June 30, 2017) |
|--|--|---|
| Net sales  | 55,751   | 54,885  |
| Cost of sales                                      | 37,998   | 37,676  |
| Gross profit                                       | 17,753   | 17,209  |
| Selling, general and administrative expenses       |  |   |
| Packing and transportation expenses                | 2,528  | 2,392   |
| Salaries and allowances                            | 5,045  | 5,186   |
| Provision for bonuses                              | 456  | 453   |
| Rent expenses                                      | 1,840  | 2,058   |
| Other  | 5,040  | 5,058   |
| Total selling, general and administrative expenses | 14,911   | 15,150  |
| Operating income                                   | 2,841  | 2,058   |
| Non-operating income                               |  |   |
| Interest income                                    | 5  | 3   |
| Dividends income                                   | 258  | 310   |
| Equity in earnings of affiliates                   | 365  | 214   |
| Other  | 144  | 210   |
| Total non-operating income                         | 773  | 738   |
| Non-operating expenses                             |  |   |
| Interest expenses                                  | 63   | 50  |
| Bond issue costs                                   | -  | 39  |
| Foreign exchange losses                            | 223  | 57  |
| Other  | 75   | 44  |
| Total non-operating expenses                       | 362  | 191   |
| Ordinary income                                    | 3,253  | 2,606   |
| Extraordinary loss                                 |  |   |
| Loss on valuation of investment securities         | 9  | -   |
| Loss on valuation of golf club membership          | -  | 1   |
| Total extraordinary loss                           | 9  | 1   |
| Profit before income taxes                         | 3,244  | 2,604   |
| Income taxes-current                               | 134  | 59  |
| Income taxes-deferred                              | 750  | 748   |
| Total income taxes                                 | 885  | 808   |
| Profit   | 2,358  | 1,796   |
| Profit attributable to non-controlling interests   | 24   | 2   |
| Profit attributable to owners of parent            | 2,334  | 1,793   |



Consolidated Quarterly Statements of Comprehensive Income  
[First Quarter of Current Fiscal Year]

(Millions of yen)

|  | First quarter of FY ended March 2017<br>(From April 1, 2016 to<br>June 30, 2016) | First quarter of FY ending March 2018<br>(From April 1, 2017 to<br>June 30, 2017) |
|--|--|---|
| Profit   | 2,358  | 1,796   |
| Other comprehensive income   |  |   |
| Valuation difference on available-for-sale securities                                | (1,695)  | 1,726   |
| Foreign currency translation adjustment  | (145)  | (14)  |
| Remeasurement of defined benefit plans, net of tax                                   | (2)  | (17)  |
| Share of other comprehensive income of<br>entities accounted for using equity method | (58)   | (5)   |
| Total other comprehensive income   | (1,900)  | 1,689   |
| Comprehensive income   | 457  | 3,485   |
| Details:   |  |   |
| Comprehensive income attributable to<br>owners of parent                             | 443  | 3,491   |
| Comprehensive income attributable to non-<br>controlling interests                   | 14   | (5)   |

## (3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

|   | First quarter of FY ended March 2017<br>(From April 1, 2016 to<br>June 30, 2016) | First quarter of FY ending March 2018<br>(From April 1, 2017 to<br>June 30, 2017) |
|---|--|---|
| Net cash provided by (used in) operating activities   |  |   |
| Profit before income taxes  | 3,244  | 2,604   |
| Depreciation and amortization   | 1,242  | 1,344   |
| Equity in (earnings) losses of affiliates   | (365)  | (214)   |
| Increase (decrease) in allowance for doubtful accounts  | 6  | (21)  |
| Increase (decrease) in provision for bonuses  | (2,954)  | (2,894)   |
| Increase (decrease) in net defined benefit liability  | 204  | 165   |
| Interest and dividends income   | (263)  | (314)   |
| Interest expenses   | 63   | 50  |
| Loss (gain) on valuation of investment securities   | 9  | –   |
| Decrease (increase) in notes and accounts receivable-trade  | 12,455   | 13,997  |
| Decrease (increase) in inventories  | (1,015)  | (600)   |
| Increase (decrease) in notes and accounts payable-trade   | (4,231)  | (5,320)   |
| Increase (decrease) in accrued consumption taxes  | (194)  | 257   |
| Other, net  | 820  | 472   |
| Subtotal  | 9,021  | 9,528   |
| Interest and dividends income received  | 269  | 318   |
| Interest expenses paid  | (78)   | (60)  |
| Income taxes paid   | (3,467)  | (2,944)   |
| Net cash provided by (used in) operating activities   | 5,744  | 6,842   |
| Net cash provided by (used in) investing activities   |  |   |
| Payments into time deposits   | (452)  | (510)   |
| Proceeds from withdrawal of time deposits   | 548  | 303   |
| Purchase of property, plant and equipment   | (732)  | (978)   |
| Purchase of intangible assets   | (74)   | (227)   |
| Purchase of investment securities   | (636)  | (1,023)   |
| Proceeds from sales and redemption of investment securities   | 190  | 0   |
| Other, net  | (201)  | (63)  |
| Net cash provided by (used in) investing activities   | (1,359)  | (2,499)   |
| Net cash provided by (used in) financing activities   |  |   |
| Net increase (decrease) in short-term loans payable   | 5,274  | 4,202   |
| Repayment of long-term loans payable  | (171)  | (176)   |
| Proceeds from issuance of bonds   | –  | 5,000   |
| Redemption of bonds   | –  | (5,000)   |
| Purchase of treasury stock  | (0)  | (0)   |
| Cash dividends paid   | (1,345)  | (1,152)   |
| Payments due to such acquisition of shares in subsidiary as does not involve a change in the scope of consolidation | –  | (184)   |
| Other, net  | (93)   | (139)   |
| Net cash provided by (used in) financing activities   | 3,664  | 2,549   |
| Effect of exchange rate change on cash and cash equivalents   | (124)  | 10  |
| Net increase (decrease) in cash and cash equivalents  | 7,924  | 6,901   |
| Cash and cash equivalents at the beginning of the fiscal year   | 27,547   | 25,461  |
| Cash and cash equivalents at the end of the quarter term  | 35,472   | 32,363  |

## (4) Notes regarding Consolidated Quarterly Financial Statements

Note regarding the assumption of going concern

There is no information that needs to be disclosed herein.

Note regarding occurrence of significant change in amount of shareholders' equity

There is no information that needs to be disclosed herein.

Segment information

First quarter of FY ended March 2017 (from April 1, 2016 to June 30, 2016)

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

(Millions of yen)

|   | Reportable segments |                   |        | Others<br>(Note 1) | Total  | Adjustment | Amount recorded<br>on Consolidated<br>Quarterly<br>Statements of<br>Income<br>(Note 2) |
|---|---------------------|-------------------|--------|--------------------|--------|------------|--|
|   | Office<br>Furniture | Store<br>Displays | Total  |                    |        |            |  |
| Net sales                                       |                     |                   |        |                    |        |            |  |
| Net sales to external customers                 | 28,355              | 23,476            | 51,832 | 3,919              | 55,751 | –          | 55,751   |
| Internal sales or transfers<br>between segments | –                   | –                 | –      | –                  | –      | –          | –  |
| Total   | 28,355              | 23,476            | 51,832 | 3,919              | 55,751 | –          | 55,751   |
| Segment income                                  | 1,789               | 1,025             | 2,814  | 27                 | 2,841  | –          | 2,841  |

Notes: 1. The category "Others" aggregates those business segments that do not meet the definition of reportable segments, and includes Material Handling Systems, Industrial Machinery and Others.

2. The total of segment income corresponds to the operating income on Consolidated Quarterly Statements of Income.

First quarter of FY ending March 2018 (from April 1, 2017 to June 30, 2017)

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

(Millions of yen)

|   | Reportable segments |                   |        | Others<br>(Note 1) | Total  | Adjustment | Amount recorded<br>on Consolidated<br>Quarterly<br>Statements of<br>Income<br>(Note 2) |
|---|---------------------|-------------------|--------|--------------------|--------|------------|--|
|   | Office<br>Furniture | Store<br>Displays | Total  |                    |        |            |  |
| Net sales                                       |                     |                   |        |                    |        |            |  |
| Net sales to external customers                 | 27,756              | 23,747            | 51,504 | 3,381              | 54,885 | –          | 54,885   |
| Internal sales or transfers<br>between segments | –                   | –                 | –      | –                  | –      | –          | –  |
| Total   | 27,756              | 23,747            | 51,504 | 3,381              | 54,885 | –          | 54,885   |
| Segment income (loss)                           | 1,158               | 920               | 2,078  | (20)               | 2,058  | –          | 2,058  |

Notes: 1. The category "Others" aggregates those business segments that do not meet the definition of reportable segments, and includes Material Handling Systems, Industrial Machinery and Others.

2. The total of segment income (loss) corresponds to the operating income on Consolidated Quarterly Statements of Income.