

Financial Results for Fiscal Year Ended March 2020 [Japanese GAAP] (Consolidated)



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Okamura Corporation

Code Number: 7994 URL: <http://www.okamura.co.jp/>

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Scheduled date for filing Annual Security Report: June 26, 2020

Scheduled date for commencement of dividend payments: June 29, 2020

Preparation of supplementary material to explain financial results: Prepared.

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

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

1. Consolidated Operating Results for FY Ended March 2020 (April 1, 2019 to March 31, 2020)

(1) Operating Results

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended March 2020	253,170	2.1	13,391	7.8	14,712	7.6	9,851	(3.7)
FY ended March 2019	247,925	2.6	12,418	(5.5)	13,677	(2.3)	10,234	(5.4)

Note: Comprehensive income ¥7,839 million (0.5%) for FY ended March 2020, ¥7,801 million (-45.2%) for FY ended March 2019

	Profit per share	Diluted profit per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	yen	yen	%	%	%
FY ended March 2020	89.44	—	7.5	6.3	5.3
FY ended March 2019	92.92	—	8.0	5.9	5.0

Reference: Equity in earnings of affiliates ¥360 million for FY ended March 2020, ¥301 million for FY ended March 2019

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY ended March 2020	236,327	135,497	56.8	1,219.18
FY ended March 2019	229,276	130,403	56.7	1,179.63

Reference: Total equity ¥134,282 million for FY ended March 2020, ¥129,933 million for FY ended March 2019

(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 2020	14,501	(5,661)	(4,388)	31,497
FY ended March 2019	9,464	(5,436)	(3,860)	26,133

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 2019	—	14.00	—	14.00	28.00	3,089	30.1	2.4
FY ended March 2020	—	16.00	—	16.00	32.00	3,530	35.8	2.7
FY ending March 2021 (forecast)	—	—	—	—	—	—	—	—

Note: At this time, the dividend for FY ending March 2021 has not yet been forecast.

3. Forecast of Consolidated Performance for FY Ending March 2021 (from April 1, 2020 to March 31, 2021)

The forecasts of the consolidated performance for FY ending March 2021 have not yet been prepared as it is difficult to reasonably assess the impact of the novel coronavirus pandemic at this point in time. We will announce the forecasts as soon as it becomes possible to reasonably estimate its impact.

* 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: Yes
 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
 ② Number of shares of treasury stock at the end of the fiscal year
 ③ Average number of shares during the period

FY ended March 2020	112,391,530	FY ended March 2019	112,391,530
FY ended March 2020	2,249,872	FY ended March 2019	2,243,652
FY ended March 2020	110,144,987	FY ended March 2019	110,150,354

Reference: Non-Consolidated Operating Results

1. Non-Consolidated Operating Results for FY Ended March 2020 (April 1, 2019 to March 31, 2020)

(1) Operating Results

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

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended March 2020	228,392	2.2	11,755	6.6	13,433	4.3	9,251	(6.1)
FY ended March 2019	223,447	3.2	11,028	1.2	12,874	(6.1)	9,851	(12.7)
	Profit per share		Diluted profit per share					
	yen		yen					
FY ended March 2020	83.85		—					
FY ended March 2019	89.29		—					

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY ended March 2020	213,312	122,451	57.4	1,109.93
FY ended March 2019	207,572	118,484	57.1	1,073.96

Note: Total equity ¥122,451 million for FY ended March 2020, ¥118,484 million for FY ended March 2019

* The Financial Results summary is not subject to audit by Certified Public Accountants or an audit firm.

* 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 (4) Forecast Earnings for the Future in 1. Outline of the Operating Results on page 4 of the Appendix to this Financial Results summary.

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1. Outline of the Operating Results

(1) Outline of the Operating Results for the FY Ended March 2020

① Overall results

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Profit per share (Yen)	ROE (%)
FY ended March 2020	253,170	13,391	14,712	9,851	89.44	7.5
FY ended March 2019	247,925	12,418	13,677	10,234	92.92	8.0
Changes (%)	2.1%	7.8%	7.6%	(3.7%)	(3.7%)	-

During the consolidated fiscal year under review, the employment and income situation in the country continued to improve, keeping the Japanese economy on a moderate recovery trend. However, business sentiment deteriorated due to sluggish overseas demand and other factors, causing uncertainty regarding the economic outlook. Moreover, at the end of the fiscal year, due to the impact of the novel coronavirus pandemic, business confidence significantly deteriorated and the economic outlook has become extremely uncertain.

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.

As a result, net sales for the consolidated fiscal year under review were a record high for the second fiscal year in a row, amounting to ¥253,170 million (a year-over-year increase of 2.1%).

In profit/loss, operating income amounted to ¥13,391 million (a year-over-year increase of 7.8%), ordinary income totaled ¥14,712 million (a year-over-year increase of 7.6%), and profit attributable to owners of parent stood at ¥9,851 million (a year-over-year decrease of 3.7%). Both operating income and ordinary income reached new record highs.

Return on equity (ROE) resulted in 7.5% (a year-over-year decrease of 0.5 percentage points), ordinary income to total assets (ROA) was 6.3% (a year-over-year increase of 0.4 percentage points), and operating income to net sales was 5.3% (a year-over-year increase of 0.3 percentage points).

② Segment status

The understanding, analysis and review of the operating results by segment are as follows:

The Material Handling Systems segment, which was previously included in Others, has become an independent segment from the consolidated fiscal year under review because its quantitative importance has increased.

Segment name	Net sales (Millions of yen)			Segment income (Millions of yen)		
	FY ended March 2019	FY ended March 2020	Increase/decrease	FY ended March 2019	FY ended March 2020	Increase/decrease
Office Furniture	134,504	137,074	1.9	10,288	9,734	(5.4)
Store Displays	95,363	95,186	(0.2)	792	1,816	129.2
Material Handling Systems	12,796	16,113	25.9	1,078	1,770	64.1
Others	5,260	4,796	(8.8)	258	69	(73.1)
Total	247,925	253,170	2.1	12,418	13,391	7.8

Note: Total of segment income corresponds to the operating income on Consolidated Statements of Income.

Office Furniture

In the Office Furniture segment, against the backdrop of a steady supply of large-scale office buildings, demand for office relocations and office renovation remained robust. The trend to create new office environments, such as the work style reform, is expanding nationwide, reaching a broad base of companies, regardless of industry or scale. Under these circumstances, the Company proactively worked to popularize proposals on how to create new office environments, leveraging the results obtained from our proof-of-concept office, "LABO Office," for the practice and verification of new ways of working, and the experience and knowledge gained from various measures executed within the Company as part of our own work style reform. As a result, net sales were a new record high, but income declined year-over-year due to increases in personnel expenses and distribution costs.

As a result, net sales in this segment amounted to ¥137,074 million (a year-over-year increase of 1.9%) and the segment income amounted to ¥9,734 million (a year-over-year decrease of 5.4%).

Store Displays

In the Store Displays segment, although demand from new store openings are on a declining trend, especially in the smaller retail segment, combined with the growing demand related to labor-saving needs driven by labor shortages, investments in reforms with the purpose to enhance existing stores' competitiveness remained robust. Under these circumstances, the Company stepped up efforts to deliver total solutions for display fixtures, store carts, store security products, and the like by leveraging the organization's comprehensive capabilities, while meeting growing demand for labor-saving solutions, such as through the deployment of countertop products compatible with sliding shelves and self-service checkouts. Due to these efforts, net sales remained flat, while income increased compared to the previous consolidated fiscal year.

As a result, net sales in this segment amounted to ¥95,186 million (a year-over-year decrease of 0.2%) and the segment income amounted to ¥1,816 million (a year-over-year increase of 129.2%).

Material Handling Systems

In the Material Handling Systems segment, demand for automated warehouse equipment remained at high levels on the back of growing labor-saving needs arising from labor shortages and expanding Internet shopping in the wholesale and retail sectors. Under these circumstances, the Company actively conducted promotion activities for proposals that maximize the utilization of its products, which stand out from others due to their superiority. It also worked to strengthen the engineering platform, thereby aiming to grow sales and steadily secure income. As a result, both net sales and income significantly increased year-over-year.

As a result, net sales in this segment amounted to ¥16,113 million (a year-over-year increase of 25.9%) and the segment income amounted to ¥1,770 million (a year-over-year increase of 64.1%).

(2) Outline of the Financial Position for the FY Ended March 2020

	At the end of FY ended March 2019	At the end of FY ended March 2020
Total assets (Millions of yen)	229,276	236,327
Net assets (Millions of yen)	130,403	135,497
Equity ratio (%)	56.7	56.8
Net assets per share (Yen)	1,179.63	1,219.18

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

Total assets amounted to ¥236,327 million, up ¥7,050 million compared with the end of the previous consolidated fiscal year. Current assets increased by ¥10,382 million, mainly because of increases in cash and deposits as well as notes and accounts receivable-trade and a decrease in inventories. Non-current assets decreased by ¥3,331 million, primarily because of an increase in property, plant and equipment and a decrease in investment securities.

Liabilities amounted to ¥100,830 million, up ¥1,957 million on the end of the previous consolidated fiscal year, mainly as a result of increases in notes and accounts payable-trade as well as bonds payable, and decreases in short-term loans payable and deferred tax liabilities.

Net assets amounted to ¥135,497 million, up ¥5,093 million over the end of the previous fiscal year, mainly because of an increase in retained earnings and a decrease of valuation difference on available-for-sale securities.

As a result of the above, the equity ratio increased by 0.1 percentage points to 56.8% compared with the end of the previous consolidated fiscal year, and the net assets per share increased from ¥1,179.63 at the end of the previous consolidated fiscal year to ¥1,219.18.

(3) Outline of Cash Flows for FY Ended March 2020

	FY ended March 2019 (Millions of yen)	FY ended March 2020 (Millions of yen)
Net cash provided by (used in) operating activities	9,464	14,501
Net cash provided by (used in) investing activities	(5,436)	(5,661)
Net cash provided by (used in) financing activities	(3,860)	(4,388)
Cash and cash equivalents at the end of the fiscal year	26,133	31,497
Borrowings and corporate bonds at the end of the fiscal year	22,530	22,140

The situation with regard to cash flows for the current consolidated fiscal year is as follows:

Operating activities generated a net cash increase of ¥14,501 million (an increase of ¥9,464 million on the previous fiscal year), reflecting: 1) inflows including profit before income taxes for the year of ¥14,483 million, depreciation and amortization of ¥5,934 million, a decrease of ¥1,124 million in inventories and an increase of ¥2,095 million in notes and

accounts payable-trade; and 2) outflows including an increase in notes and accounts receivable-trade of ¥6,258 and a decrease of ¥4,363 million in income taxes paid.

Investment activities resulted in a net cash outflow of ¥5,661 million (versus a net cash outflow of 5,436 million in the previous fiscal year), reflecting: 1) inflows including proceeds from sales and redemption of investment securities of ¥1,441 million; and 2) outflows including disbursements of ¥5,081 million for the purchase of property, plant and equipment and ¥1,219 million for the purchase of intangible assets.

Financing activities resulted in a net cash outflow of ¥4,388 million (versus a net cash outflow of ¥3,860 million in the previous fiscal year), reflecting inflows including an increase of proceeds from issuance of bonds of ¥5,000 million and outflows including decreases in short-term loans payable of ¥4,923 million and cash dividends paid of ¥3,309 million.

As a result, the balance of cash and cash equivalents at the end of the consolidated fiscal year under review increased by ¥5,364 million to ¥31,497 million.

The balance of interest-bearing debt (borrowings and corporate bonds) at the end of the consolidated fiscal year under review decreased by ¥390 million compared with the end of the previous fiscal year to ¥22,140 million.

(4) Forecast Earnings for the Future

Due to the impact of the novel coronavirus pandemic, going forward, the Japanese economy is expected to shrink sharply. However, it is not possible to estimate the timing of the disappearance of the coronavirus or the magnitude of its impact; therefore, the economic outlook has become extremely uncertain. With regard to the current situation of the Okamura Group's businesses, some activities are being postponed due to voluntary restraint on visiting sales, deliveries of goods and installation work, but the impact of this has not yet been assessed. In this context, the forecasts of consolidated performance for fiscal year ending March 2021 have not yet been prepared as it is difficult to reasonably assess the impact of the novel coronavirus pandemic at this point in time.

In such a business environment, the Okamura Group is taking measures to contain the novel coronavirus pandemic based on government policy, etc., and it will fulfill its social responsibilities. The Okamura Group's latest policies on measures to cope with the novel coronavirus pandemic are posted on the Group's website (URL <http://www.okamura.co.jp/>).

As the society pursues new values in order to preserve (or secure) its sustainability, the Okamura Group considers it important to focus on ESG in its business operations as it strives to achieve sustainable growth. In order to fulfill its mission, the Group has set four themes and priority tasks to work on in its business activities from the viewpoint of its businesses and diverse stakeholders, including future ones: "Creating spaces for people to come together," "Pursuing employee satisfaction," "Implementing global environmental initiatives" and "Conducting responsible corporate activities." For these purposes, the Okamura Group has established a priority issue for each theme and is promoting activities for them. Furthermore, it has established a basic policy in the Midterm Management Plan, of which fiscal year ending March 2021 is the first fiscal year, stating that it will "Strive to improve corporate value through continuous growth by promoting the creation of new demand, efficient management and globalization, as well as conducting proactive initiatives for ESG." Through these efforts, the Okamura Group is aiming to further strengthen its initiatives for ESG, to contribute to society and to continuously improve its corporate value.

In the mainstay Office Furniture segment, the Company expects that the supply of large-scale buildings, mainly in downtown Tokyo, will decrease temporarily, but that the rate of office vacancies will trend at a low level and the demand for office furniture will continue to remain steady, centering on second and third office relocations. In addition, the trend toward creating new office styles, such as the innovation in ways of working in offices is spreading across a wide range of businesses in Japan regardless of industry and size. Under these circumstances, the Company will conduct demonstration experiments of Office Spaces of the Future through open innovation with other industries and "LABO Office" that implements and tests new work styles and environments, as well as conducting various initiatives to innovate the ways of working in the Company. With insights gained from these experiments and initiatives, the Company will aim to enhance total solutions, which is a core strength of the Group. Also, the Company will endeavor to establish superiority in the office-related furniture market, improve profitability, and take full-fledged measures to strengthen its human resource development.

In the Store Displays segment, the Company anticipates that new store openings, mainly in the retail industry, will trend downward, but that against the backdrop of the labor shortages, demand related to labor-saving efforts will further increase. Under these circumstances, the Company will strive to increase net sales by expanding its product range to meet customer needs, and by strengthening its capabilities to provide proposals for total solutions in the areas of display fixtures, refrigerated showcases, store carts and store security products. The Company will also work to improve profitability by reducing costs through standardizing operations and revising selling prices.

In the Material Handling Systems segment, the Company anticipates that demand for large-scale logistics facilities will likely trend at high levels against the backdrop of the growth of Internet shopping for wholesalers and retailers, and that demand related to labor-saving efforts will likely grow further. Under these circumstances, the Company will actively work to develop differentiated products and further strengthen its engineering platform, thereby aiming to grow sales and secure steady income.

With regard to productivity and efficiency, the Company will seek to improve productivity and optimize its supply chain by engaging in effective capital investment and conducting continuous improvements. In addition, it will further bolster efforts to innovate the ways of working and streamline operations across the Company, thereby increasing competitiveness.

2. Basic Standpoint on Selection of Accounting Standards

The Okamura Group intends to prepare consolidated financial statements according to Japanese accounting standards for the moment, taking into account the comparability of financial statements over time and comparability with statements of other entities.

We will appropriately apply IFRS with consideration to internal and external circumstances.

3. Consolidated Financial Statements and Important Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	FY ended March 2019 (As of Mar. 31, 2019)	FY ended March 2020 (As of Mar. 31, 2020)
Assets		
Current assets		
Cash and deposits	27,279	32,594
Notes and accounts receivable-trade	*5 64,938	71,581
Short-term investment securities	500	510
Merchandise and finished goods	12,169	11,921
Work in process	1,916	1,593
Raw materials and supplies	5,028	4,621
Other	2,664	2,007
Allowance for doubtful accounts	(76)	(28)
Total current assets	114,419	124,801
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,062	15,249
Machinery, equipment and vehicles, net	11,285	11,414
Land	27,883	27,829
Construction in progress	947	455
Other, net	2,993	3,148
Total property, plant and equipment	*1, *3 57,171	*1, *3 58,097
Intangible assets	3,978	3,762
Investments and other assets		
Investment securities	*2 45,926	*2 41,555
Net defined benefit asset	862	765
Lease deposits	4,530	5,111
Deferred tax assets	1,053	1,095
Other	1,379	1,164
Allowance for doubtful accounts	(47)	(27)
Total investments and other assets	53,706	49,664
Total non-current assets	114,857	111,525
Total assets	229,276	236,327

(Millions of yen)

	FY ended March 2019 (As of Mar. 31, 2019)	FY ended March 2020 (As of Mar. 31, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	*5 25,115	27,324
Electronically recorded obligations-operating	*5 15,921	15,844
Short-term loans payable	*3, *4 11,175	*3, *4 6,244
Current portion of long-term loans payable	660	2,552
Income taxes payable	3,422	4,272
Accrued consumption taxes	638	1,753
Provision for bonuses	3,994	4,419
Other	6,024	5,001
Total current liabilities	66,951	67,413
Non-current liabilities		
Bonds payable	5,000	10,000
Long-term loans payable	*3 5,695	*3 3,343
Net defined benefit liability	15,665	15,573
Deferred tax liabilities	1,893	408
Other	3,665	4,092
Total non-current liabilities	31,920	33,416
Total liabilities	98,872	100,830
Net assets		
Shareholders' equity		
Capital stock	18,670	18,670
Capital surplus	16,766	16,766
Retained earnings	86,137	92,528
Treasury stock	(2,436)	(2,442)
Total shareholders' equity	119,138	125,522
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,785	9,614
Foreign currency translation adjustment	71	(23)
Remeasurements of defined benefit plans	(1,061)	(831)
Total accumulated other comprehensive income	10,795	8,759
Non-controlling interests	470	1,214
Total net assets	130,403	135,497
Total liabilities and net assets	229,276	236,327

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

Consolidated Statements of Income

(Millions of yen)

	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)
Net sales	247,925	253,170
Cost of sales	*1 169,000	*1 171,422
Gross profit	78,924	81,748
Selling, general and administrative expenses		
Selling expenses	3,217	3,093
Packing and transportation expenses	10,725	11,102
Salaries and allowances	21,130	21,528
Provision for bonuses	2,806	3,057
Retirement benefit expenses	1,204	1,479
Depreciation	2,043	2,275
Rent expenses	8,841	9,042
Other	16,537	16,778
Total selling, general and administrative expenses	*1 66,506	*1 68,357
Operating income	12,418	13,391
Non-operating income		
Interest income	29	30
Dividends income	877	893
Equity in earnings of affiliates	301	360
Other	671	688
Total non-operating income	1,879	1,972
Non-operating expenses		
Interest expenses	176	163
Foreign exchange losses	58	115
Loss on sales and retirement of non-current assets	210	95
Commission fee	48	123
Other	126	152
Total non-operating expenses	620	650
Ordinary income	13,677	14,712
Extraordinary income		
Gain on sales of non-current assets	–	*3 276
Gain on sales of investment securities	1,242	180
Compensation received	*4 332	–
Total extraordinary income	1,574	456
Extraordinary loss		
Impairment loss	*2 45	*2 205
Loss on disaster	*5 297	–
Loss on valuation of investment securities	81	310
Loss on liquidation of subsidiaries	20	167
Loss on valuation of golf club memberships	3	1
Total extraordinary loss	448	685
Profit before income taxes	14,803	14,483
Income taxes-current	4,824	5,278
Income taxes-deferred	(267)	(677)
Total income taxes	4,556	4,600
Profit	10,246	9,882
Profit attributable to non-controlling interests	11	31
Profit attributable to owners of parent	10,234	9,851

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)
Profit	10,246	9,882
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,274)	(2,162)
Foreign currency translation adjustment	(169)	(80)
Remeasurements of defined benefit plans, net of tax	54	230
Share of other comprehensive income of entities accounted for using equity method	(55)	(31)
Total other comprehensive income	*1 (2,445)	*1 (2,043)
Comprehensive income	7,801	7,839
Details:		
Comprehensive income attributable to owners of parent	7,806	7,815
Comprehensive income attributable to non-controlling interests	(5)	23

(3) Consolidated Statement of Changes in Equity

FY ended March 2019 (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Opening balance	18,670	16,766	78,991	(2,429)	111,999
Cumulative effects of changes in accounting policies					–
Restated balance	18,670	16,766	78,991	(2,429)	111,999
Changes of items during the period					
Dividends from surplus			(3,089)		(3,089)
Profit attributable to owners of parent			10,234		10,234
Purchase of treasury stock				(7)	(7)
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	–	7,145	(7)	7,138
Ending balance	18,670	16,766	86,137	(2,436)	119,138

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Opening balance	14,103	236	(1,116)	13,223	362	125,585
Cumulative effects of changes in accounting policies						–
Restated balance	14,103	236	(1,116)	13,223	362	125,585
Changes of items during the period						
Dividends from surplus						(3,089)
Profit attributable to owners of parent						10,234
Purchase of treasury stock						(7)
Net changes of items other than shareholders' equity	(2,318)	(164)	54	(2,428)	108	(2,320)
Total changes of items during the period	(2,318)	(164)	54	(2,428)	108	4,818
Ending balance	11,785	71	(1,061)	10,795	470	130,403

FY ended March 2020 (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Opening balance	18,670	16,766	86,137	(2,436)	119,138
Cumulative effects of changes in accounting policies			(150)		(150)
Restated balance	18,670	16,766	85,986	(2,436)	118,987
Changes of items during the period					
Dividends from surplus			(3,309)		(3,309)
Profit attributable to owners of parent			9,851		9,851
Purchase of treasury stock				(6)	(6)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	6,541	(6)	6,535
Ending balance	18,670	16,766	92,528	(2,442)	125,522

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Opening balance	11,785	71	(1,061)	10,795	470	130,403
Cumulative effects of changes in accounting policies						(150)
Restated balance	11,785	71	(1,061)	10,795	470	130,253
Changes of items during the period						
Dividends from surplus						(3,309)
Profit attributable to owners of parent						9,851
Purchase of treasury stock						(6)
Net changes of items other than shareholders' equity	(2,171)	(95)	230	(2,035)	744	(1,291)
Total changes of items during the period	(2,171)	(95)	230	(2,035)	744	5,243
Ending balance	9,614	(23)	(831)	8,759	1,214	135,497

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)
Net cash provided by (used in) operating activities		
Profit before income taxes	14,803	14,483
Depreciation and amortization	5,537	5,934
Impairment loss	45	205
Loss (gain) on liquidation of subsidiaries	20	167
Loss (gain) on sales and retirement of non-current assets	182	(188)
Equity in (earnings) losses of affiliates	(301)	(360)
Increase (decrease) in allowance for doubtful accounts	10	(71)
Increase (decrease) in provision for bonuses	143	396
Increase (decrease) in net defined benefit liability	105	323
Interest and dividends income	(906)	(923)
Interest expenses	176	163
Loss (gain) on sales of investment securities	(1,242)	(180)
Loss (gain) on valuation of investment securities	81	310
Decrease (increase) in notes and accounts receivable-trade	3,077	(6,258)
Decrease (increase) in inventories	(1,411)	1,124
Increase (decrease) in notes and accounts payable-trade	(7,722)	2,095
Increase (decrease) in accrued consumption taxes	(179)	1,122
Other, net	763	(286)
Subtotal	13,183	18,059
Interest and dividends income received	937	967
Interest expenses paid	(180)	(162)
Income taxes paid	(4,475)	(4,363)
Net cash provided by (used in) operating activities	9,464	14,501
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,328)	(1,212)
Proceeds from withdrawal of time deposits	1,508	1,262
Purchase of property, plant and equipment	(5,426)	(5,081)
Proceeds from sales of property, plant and equipment	36	444
Purchase of intangible assets	(1,237)	(1,219)
Purchase of investment securities	(816)	(728)
Proceeds from sales and redemption of investment securities	1,892	1,441
Other, net	(65)	(567)
Net cash provided by (used in) investing activities	(5,436)	(5,661)

(Millions of yen)

	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	4,998	(4,923)
Proceeds from long-term loans payable	1,000	200
Repayment of long-term loans payable	(1,456)	(663)
Proceeds from issuance of bonds	–	5,000
Redemption of bonds	(5,000)	–
Purchase of treasury stock	(1)	(0)
Cash dividends paid	(3,085)	(3,309)
Other, net	(315)	(692)
Net cash provided by (used in) financing activities	(3,860)	(4,388)
Effect of exchange rate change on cash and cash equivalents	(156)	(46)
Net increase (decrease) in cash and cash equivalents	10	4,404
Cash and cash equivalents at beginning of the fiscal year	26,122	26,133
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	–	959
Cash and cash equivalents at the end of the fiscal year	*1 26,133	*1 31,497

(5) Notes regarding Consolidated Financial Statements

(Note regarding the Assumption of Going Concern)

There is no information that needs to be disclosed herein.

(Significant Items for the Preparation of Consolidated Financial Statements)

1. Scope of consolidation

(1) Consolidated subsidiaries

Number of consolidated subsidiaries: 27

Names of the major consolidated subsidiaries:

Kansai Okamura Corporation, Okamura Logistics Corporation, NS Okamura Corporation, Sanyo Okamura Corporation, Okamura Support and Service Corporation, Okamura (China) Co., Ltd., Seeder Co., Ltd., Fuji Seiko Co., Ltd., SEC Co., Ltd., Okamura Salotto Hong Kong Limited, Hangzhou Okamura Transmission Co., Ltd., Siam Okamura International Co., Ltd.

Siam Okamura International Co., Ltd., which was an equity method affiliate at the end of the previous consolidated fiscal year, has entered the scope of consolidation in the consolidated fiscal year under review because the substantial control over this company has increased.

(2) Unconsolidated subsidiaries

Number of unconsolidated subsidiaries: 1

Name of the unconsolidated subsidiary

SINCO Co., Ltd.

Reason for exclusion from the scope of consolidation

The reason is that SINCO Co., Ltd. is a small company and its total assets, net sales, profit (in proportion to equity) and retained earnings (in proportion to equity) in total do not significantly affect consolidated financial statements.

2. Application of the equity method

(1) Equity method unconsolidated subsidiaries

Number of equity method unconsolidated subsidiaries: 1

Name of equity method unconsolidated subsidiary

SINCO Co., Ltd.

(2) Equity method affiliates

Number of equity method affiliates: 8

Names of major equity method affiliates:

Siam Okamura Steel Co., Ltd., Seiwa Business Co., Ltd.

(3) Unconsolidated subsidiaries not accounting for the equity method

There is no information that needs to be disclosed herein.

(4) Affiliates not accounting for the equity method

There is no information that needs to be disclosed herein.

(5) Those equity method affiliates 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, or financial statements based on the provisional settlement of accounts.

3. Operating year of consolidated subsidiaries

The date of yearly settlement of accounts is December 31 for Okamura (China) Co., Ltd., Okamura Salotto Hong Kong Limited, its one subsidiary, Hangzhou Okamura Transmission Co., Ltd., Okamura Trading (Shanghai) Co., Ltd., Shanghai Okamura Architecture Co., Ltd., Okamura International (Singapore) Pte Ltd., PT. Okamura Chitose Indonesia, Okamura International (Malaysia) Sdn.Bhd., Siam Okamura International Co., Ltd. and Okamura International (Vietnam) Co., Ltd. The date of yearly settlement of accounts is August 31 for Sunahata Co., Ltd. and Ichie 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. Because there is an interval of not more than three months between the date of yearly consolidated settlement of accounts and the date of yearly settlement of accounts of consolidated subsidiaries closing their books on December 31, consolidation is conducted using the financial statements for their fiscal year as the basis. The financial statements of Sunahata Co., Ltd. and Ichie Co., Ltd. with their assumed settling day, which is February 29, are used as the basis for consolidating them. 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.

(Changes in Accounting Policy)

With respect to certain consolidated overseas subsidiaries, IFRS 16 (Leases) has been reflected in the accounts, starting from the beginning of the consolidated fiscal year under review. As a result, in principle as the lessee's accounting method, all lease expenses have been included in the assets and liabilities sections in the Consolidated Balance Sheet.

In reflecting the subject accounting standard, the Company adopted the method to recognize the cumulative impact from application of the accounting standard on the first day of the adoption of the standard, a recognized transitional measure.

The effect of this change on the consolidated financial statements for the consolidated fiscal year under review is immaterial.

(Consolidated Balance Sheet)

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

	FY ended March 2019 (As of Mar. 31, 2019)	FY ended March 2020 (As of Mar. 31, 2020)
Accumulated depreciation of property, plant and equipment	¥106,483 million	¥107,372 million

- *2 Balances held in unconsolidated subsidiaries and affiliates are as follows:

	FY ended March 2019 (As of Mar. 31, 2019)	FY ended March 2020 (As of Mar. 31, 2020)
Investment securities (equity shares)	¥3,740 million	¥3,533 million

- *3 Pledged assets and secured obligations

Pledged assets and secured obligations are as follows:

Pledged assets

	FY ended March 2019 (As of Mar. 31, 2019)	FY ended March 2020 (As of Mar. 31, 2020)
Buildings and structures	¥1,942 million	¥1,938 million
Land	¥7,732 million	¥7,732 million
Total	¥9,675 million	¥9,671 million

Within the above, assets offered as mortgage for factory foundation

	FY ended March 2019 (As of Mar. 31, 2019)	FY ended March 2020 (As of Mar. 31, 2020)
Buildings and structures	¥298 million	¥278 million
Land	¥282 million	¥282 million
Total	¥580 million	¥560 million

Secured obligations

	FY ended March 2019 (As of Mar. 31, 2019)	FY ended March 2020 (As of Mar. 31, 2020)
Short-term loans payable	¥2,800 million	¥1,600 million
Long-term loans payable	¥500 million	¥500 million
Total	¥3,300 million	¥2,100 million

Within the above, obligations corresponding to mortgage for factory foundation

	FY ended March 2019 (As of Mar. 31, 2019)	FY ended March 2020 (As of Mar. 31, 2020)
Short-term loans payable	¥200 million	¥200 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 2019 (As of Mar. 31, 2019)	FY ended March 2020 (As of Mar. 31, 2020)
Total amount under specified commitment line agreements	¥14,000 million	¥14,000 million
Outstanding loans borrowed	¥5,000 million	–
Balance	¥9,000 million	¥14,000 million

- *5 Notes and electronically recorded obligations-operating becoming due on the last day of the consolidated fiscal year under review were accounted for by deeming them as having been settled on their due dates. As the last day of the previous consolidated fiscal year was a bank holiday, the notes, etc., due on the last day of the fiscal year shown below were accounted for by deeming them as having been settled on their due dates.

	FY ended March 2019 (As of Mar. 31, 2019)	FY ended March 2020 (As of Mar. 31, 2020)
Notes receivable	¥842 million	–
Notes payable	¥868 million	–
Electronically recorded obligations-operating	¥2,874 million	–

(Consolidated Statements of Income)

- *1 Total research and development expenses included in selling, general and administrative expenses and manufacturing cost incurred for the current term are as follows:

	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)
Research and development expenses	¥1,159 million	¥1,156 million

- *2 Impairment loss

The Okamura Group recorded impairment losses for the following asset groups:

FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)

Purpose	Location	Type
Assets used for business	Shanghai, in the People's Republic of China.	Other property, plant and equipment
Assets used for business	Beijing, in the People's Republic of China.	Other property, plant and equipment
Assets used for business	Hong Kong Special Administrative Region of the People's Republic of China	Other property, plant and equipment Intangible assets
Idle assets	Fujiidera-shi, Osaka, Japan	Land, buildings and structures

The Okamura Group groups assets put into business for each managerial accounting category. Idle assets not directly used for business are grouped on an individual basis.

Of the above assets, those used for business continued to generate negative cash flows from operating activities and their book value was unlikely to be recovered. Accordingly, the book value of such assets was lowered to a recoverable value.

For idle assets, the book value was lowered to a recoverable value, as they are unlikely to generate profits in the future.

The details of the impairment loss are ¥8 million for buildings and structures, ¥9 million for land, ¥26 million for other property, plant and equipment and ¥0 million for intangible assets.

The recoverable value of assets used for business is measured based on value in use, and the value in use is estimated as zero. For idle land, buildings and structures, the recoverable value is measured at the net sale price, which is generally computed based on real estate appraisal value.

FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)

Purpose	Location	Type
Assets used for business	Shanghai, in the People's Republic of China.	Buildings and structures Other property, plant and equipment
Assets used for business	Hong Kong Special Administrative Region of the People's Republic of China	Other property, plant and equipment

The Okamura Group groups assets put into business for each managerial accounting category.

As a result, cash flows from operating activities continued to be negative. The book value of operating assets the book value of which was unlikely to be recovered was lowered to a recoverable value.

The details of the impairment loss are ¥4 million for buildings and structures and ¥201 million for other property, plant and equipment.

The recoverable value is measured based on value in use, and the value in use is estimated as zero.

*3 The details of the gains on sales of non-current assets are as follows:

	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)
Buildings and structures	–	¥78 million
Land	–	¥197 million
Total	–	¥276 million

*4 Compensation received is as follows:

	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)
Compensation received	¥332 million	–

This is a compensation received mainly for the loss on inventories.

*5 Loss on disaster is as follows:

	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)
Loss on disaster	¥297 million	–

This is related to the fire accident in Yokosuka and the Typhoon No. 21 in September 2018.

(Consolidated Statements of Comprehensive Income)

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

	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)
Valuation difference on available-for-sale securities		
Amount recognized in the period under review	-¥2,034 million	-¥2,917 million
Amount of recycling	-¥1,242 million	-¥180 million
Before income tax effect adjustment	-¥3,277 million	-¥3,097 million
Amount of income tax effect	¥1,002 million	¥934 million
Valuation difference on available-for-sale securities	-¥2,274 million	-¥2,162 million
Foreign currency exchange adjustments		
Amount recognized in the period under review	-¥186 million	-¥47 million
Amount of recycling	¥16 million	-¥32 million
Foreign currency exchange adjustments	-¥169 million	-¥80 million
Remeasurements of defined benefit plans		
Amount recognized in the period under review	-¥134 million	-¥76 million
Amount of recycling	¥213 million	¥411 million
Before income tax effect adjustment	¥79 million	¥334 million
Amount of income tax effect	-¥24 million	-¥104 million
Remeasurements of defined benefit plans	¥54 million	¥230 million
Share of other comprehensive income of entities accounted for using equity method		
Amount recognized in the period under review	-¥55 million	¥57 million
Amount of recycling	–	-¥88 million
Share of other comprehensive income of entities accounted for using equity method	-¥55 million	-¥31 million
Total other comprehensive income	-¥2,445 million	-¥2,043 million

(Consolidated Statement of Changes in Equity)

FY ended March 2019 (From April 1, 2018 to March 31, 2019)

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)	2,238,845	4,807	-	2,243,652

(Outline of change factors)

The details of increase are as stated below:

Increase due to purchase of fractional shares

973 shares

Increase due to purchase of treasury stock by equity method affiliates which belongs to us

3,834 shares

3. Stock acquisition rights and others

There is no information that needs to be disclosed herein.

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 28, 2018	Common stock	1,544	14.00	March 31, 2018	June 29, 2018
Board of Directors held on October 17, 2018	Common stock	1,544	14.00	September 30, 2018	December 10, 2018

(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 27, 2019	Common stock	Retained earnings	1,544	14.00	March 31, 2019	June 28, 2019

FY ended March 2020 (From April 1, 2019 to March 31, 2020)

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)	2,243,652	6,220	-	2,249,872

(Outline of change factors)

The details of increase are as stated below:

Increase due to purchase of fractional shares

636 shares

Increase due to purchase of treasury stock by equity method affiliates which belongs to us

5,584 shares

3. Stock acquisition rights and others

There is no information that needs to be disclosed herein.

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	Common stock	1,544	14.00	March 31, 2019	June 28, 2019

Shareholders held on June 27, 2019					
Board of Directors held on October 16, 2019	Common stock	1,765	16.00	September 30, 2019	December 10, 2019

- (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 26, 2020	Common stock	Retained earnings	1,765	16.00	March 31, 2020	June 29, 2020

(Consolidated Statements of Cash Flows)

- *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 2019 (From Apr. 1, 2018 to Mar. 31, 2019)	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)
Cash and deposit accounts	¥27,279 million	¥32,594 million
Time deposits—over three months	-¥1,145 million	-¥1,096 million
Cash and cash equivalents	¥26,133 million	¥31,497 million

(Segment Information and Others)

(Segment Information)

1. Overview of reporting segments

The Group's reporting segments are those segments of the Group'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.

The Group engages in business activities by developing comprehensive product and service strategies under product- and service-specific manufacturing and sales systems.

Consequently, the Group comprises product- and service-specific segments based on manufacturing and sales systems, and there are specifically three reporting segments, "Office Furniture," "Store Displays" and "Material Handling Systems."

In the Office Furniture segment, we manufacture and sell office furniture, furniture for public and educational facilities, office security systems, healthcare-related furniture and other products. In the Store Displays segment, we manufacture and sell display fixtures, refrigerated showcases, store counters, etc. In the Material Handling Systems segment, we manufacture and sell goods-storage shelves for factories and warehouses, and logistics automated equipment and instruments.

2. Matters regarding changes to the reporting segments

The Material Handling Systems segment, which was previously included in Others, has become an independent segment from the consolidated fiscal year under review because its quantitative importance has increased.

The segment information for the previous consolidated fiscal year is stated using the new classifications after the above change.

3. 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."

4. Information about net sales, profit/loss, assets, liabilities and other items by segment
FY ended March 2019 (From April 1, 2018 to March 31, 2019)

(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	Material Handling Systems	Total				
Net sales								
Net sales to external customers	134,504	95,363	12,796	242,664	5,260	247,925	-	247,925
Internal sales or transfers between segments	-	-	-	-	-	-	-	-
Total	134,504	95,363	12,796	242,664	5,260	247,925	-	247,925
Segment income	10,288	792	1,078	12,160	258	12,418	-	12,418
Segment property	98,541	49,011	8,692	156,246	8,636	164,883	64,393	229,276
Other items								
Depreciation	3,688	1,296	231	5,216	309	5,525	-	5,525
Increase in property, plant and equipment and intangible assets	3,883	2,018	329	6,231	333	6,564	-	6,564

- Notes: 1. The category "Others" aggregates those business segments that do not meet the definition of reportable segments, and includes Powertrain and Others.
2. The adjusted amount of ¥64,393 million of segment property 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 corresponds to the operating income on Consolidated Statements of Income.

FY ended March 2020 (From April 1, 2019 to March 31, 2020)

(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	Material Handling Systems	Total				
Net sales								
Net sales to external customers	137,074	95,186	16,113	248,374	4,796	253,170	-	253,170
Internal sales or transfers between segments	-	-	-	-	-	-	-	-
Total	137,074	95,186	16,113	248,374	4,796	253,170	-	253,170
Segment income	9,734	1,816	1,770	13,321	69	13,391	-	13,391
Segment property	104,514	47,756	11,000	163,271	8,561	171,832	64,494	236,327
Other items								
Depreciation	3,852	1,428	258	5,540	382	5,922	-	5,922
Increase in property, plant and equipment and intangible assets	4,254	1,710	402	6,367	461	6,829	-	6,829

- Notes: 1. The category "Others" aggregates those business segments that do not meet the definition of reportable segments, and includes Powertrain and Others.
2. The adjusted amount of ¥64,494 million of segment property 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 corresponds to the operating income on Consolidated Statements of Income.

(Related Information)

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 Statements 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.

(Information about Impairment Loss on Non-current Assets by Segment)

FY ended March 2019 (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Report Segments				Others	Total	Adjusted amount	Amount reported in the Consolidated Statements of Income
	Office Furniture	Store Displays	Material Handling Systems	Total				
Impairment loss	21	19	2	43	1	45	–	45

FY ended March 2020 (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Report Segments				Others	Total	Adjusted amount	Amount reported in the Consolidated Statements of Income
	Office Furniture	Store Displays	Material Handling Systems	Total				
Impairment loss	140	15	50	205	0	205	–	205

(Information about Amortization and Unamortized Balance of Goodwill by Segment)

Description is omitted due to lack of significance.

(Information about Gain on Bargain Purchase by Segment)

There is no information that needs to be disclosed herein.

(Per Share Data)

	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)
Net assets per share of common stock	1,179.63 yen	1,219.18 yen
Profit per share	92.92 yen	89.44 yen

Notes: 1. The diluted profit 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 profit per share of common stock was as follows:

	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)
Profit attributable to owners of parent (in million yen)	10,234	9,851
Amount not reverting to common shareholders (in million yen)	–	–
Profit relating to common stock attributable to owners of parent (in million yen)	10,234	9,851
Average number of shares of common stock during the period (in thousand shares)	110,150	110,144

(Significant Subsequent Events)

(Purchase of treasury stock)

At the Board of Directors' meeting held on May 13, 2020, the Company passed a resolution to acquire its treasury shares in accordance with the provisions of Article 156 of the Companies Act as applied by replacing certain terms under the provisions of Paragraph 3 of Article 165 of the said Act.

1. Reason for purchase of treasury stock

To enable the Company to implement an agile capital policy to respond to changes in its business environment.

2. Details of matters concerning the acquisition

(1) Class of shares to be acquired: Common stock

(2) Total number of shares to be acquired: 3,000,000 shares (maximum)

Percentage compared to the total number of shares outstanding (excluding treasury shares): 2.72%

(3) Aggregate amount of acquisition cost: 3,600,000,000 yen (maximum)

(4) Period of acquisition: From May 14, 2020, to March 31, 2021

(5) Method of acquisition: Market purchases on the Tokyo Stock Exchange

(Absorption-type merger of consolidated subsidiaries)

At the Board of Directors' meeting held on May 13, 2020, the Company passed a resolution to conduct absorption mergers of Okamura Logistics Corporation and Seeder Co., Ltd., which are consolidated subsidiaries of the Company, with an effective date of July 1, 2020, and they entered into a merger agreement on the same date.

1. Purpose of the merger

(1) Okamura Logistics Corporation

Through merging with the Company, Okamura Logistics Corporation will aim to accelerate the efforts to optimize the entire supply chain and improve the logistics services in which production, sales and logistics are integrated, as well as to further strengthen business competitiveness and to improve management efficiency.

(2) Seeder Co., Ltd.

In an environment in which demand for automated warehouse equipment is increasing against the backdrop of the labor shortages, through merging with the Company, Seeder Co., Ltd., is aiming to improve its overall capabilities by taking advantage of Seeder's technological strengths as a manufacturer specializing in transfer equipment.

2. Summary of the mergers

(1) Name of the company involved in combination	Okamura Logistics Corporation	Seeder Co., Ltd.
(2) Description of business of the company involved in combination	<ul style="list-style-type: none"> • Motor truck transportation • Freight forwarding • Industrial waste collection and transport • Storage of furniture, fixtures, architectural products, etc., cargo handling, assembly and repair, contracting and managing installation work, sales and lease, etc. 	<ul style="list-style-type: none"> • Assembly, manufacturing, import and sale of carrier devices • Installation work, electrical work, maintenance, etc., of machinery and appliances
(3) Date of business combination	July 1, 2020 (scheduled)	
(4) Legal form of business combination	Absorption-type merger in which Okamura Corporation is the merging company and Okamura Logistics Corporation is the merged company	Absorption-type merger in which Okamura Corporation is the merging company and Seeder Co., Ltd. is the merged company
(5) Name of the company after combination	Okamura Corporation	

3. Overview of accounting treatment

Accounting treatment for transactions under common control shall be applied based on the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and the Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, January

16, 2019).

4. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	FY ended March 2019 (As of Mar. 31, 2019)	FY ended March 2020 (As of Mar. 31, 2020)
Assets		
Current assets		
Cash and deposits	15,243	18,555
Notes receivable-trade	7,874	8,427
Accounts receivable-trade	52,466	58,927
Short-term investment securities	500	510
Merchandise and finished goods	11,550	10,885
Work in process	1,193	951
Raw materials and supplies	3,982	3,738
Prepaid expenses	943	643
Other	1,990	1,193
Allowance for doubtful accounts	(19)	(7)
Total current assets	95,725	103,826
Non-current assets		
Property, plant and equipment		
Buildings	11,183	12,591
Structures	720	702
Machinery and equipment	7,655	7,852
Vehicles	62	90
Tools, furniture and fixtures	2,174	2,079
Land	25,253	25,253
Construction in progress	933	406
Total property, plant and equipment	47,982	48,977
Intangible assets		
Patent right	6	5
Leasehold right	560	560
Software	3,259	3,053
Other	106	104
Total intangible assets	3,933	3,723
Investments and other assets		
Investment securities	41,432	37,521
Stocks of subsidiaries and associates	11,487	11,846
Long-term loans receivable from subsidiaries and associates	1,721	2,240
Claims provable in bankruptcy, claims provable in rehabilitation and other	47	27
Prepaid pension cost	862	765
Lease deposits	4,131	4,565
Other	1,192	950
Allowance for doubtful accounts	(944)	(1,132)
Total investments and other assets	59,930	56,785
Total non-current assets	111,847	109,486
Total assets	207,572	213,312

(Millions of yen)

	FY ended March 2019 (As of Mar. 31, 2019)	FY ended March 2020 (As of Mar. 31, 2020)
Liabilities		
Current liabilities		
Notes payable-trade	3,763	4,089
Electronically recorded obligations-operating	15,921	15,844
Accounts payable-trade	19,582	21,268
Short-term loans payable	10,200	5,200
Short-term loans payable to subsidiaries and associates	100	100
Current portion of long-term loans payable	200	2,150
Lease obligations	103	121
Accounts payable-other	524	499
Accrued expenses	2,280	2,160
Income taxes payable	3,188	3,870
Accrued consumption taxes	491	1,468
Advances received	1,582	568
Deposits received	187	176
Provision for bonuses	3,289	3,623
Other	242	242
Total current liabilities	61,414	61,384
Non-current liabilities		
Bonds payable	5,000	10,000
Long-term loans payable	4,750	2,800
Lease obligations	331	396
Provision for retirement benefits	11,785	11,928
Provision for loss on business of subsidiaries and associates	44	32
Long-term deposits received	2,679	2,693
Deferred tax liabilities	2,778	1,279
Other	305	346
Total non-current liabilities	27,673	29,476
Total liabilities	89,087	90,861
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	4,476	4,436
General reserve	4,180	4,180
Retained earnings brought forward	63,564	69,545
Total retained earnings	74,095	80,036
Treasury stock	(2,338)	(2,338)
Total shareholders' equity	107,187	113,127
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	11,297	9,323
Total valuation and translation adjustments	11,297	9,323
Total net assets	118,484	122,451
Total liabilities and net assets	207,572	213,312

(2) Non-Consolidated Statements of Income

(Millions of yen)

	FY ended March 2019 (From Apr. 1, 2018 to Mar. 31, 2019)	FY ended March 2020 (From Apr. 1, 2019 to Mar. 31, 2020)
Net sales	223,447	228,392
Cost of sales	152,082	154,182
Gross profit	71,365	74,209
Selling, general and administrative expenses	60,336	62,453
Operating income	11,028	11,755
Non-operating income		
Interest income	35	34
Dividend income	1,812	1,682
Other	586	676
Total non-operating income	2,434	2,393
Non-operating expenses		
Interest expenses	120	105
Interest on bonds	26	16
Loss on sales and retirement of non-current assets	152	79
Provision of allowance for doubtful accounts for subsidiaries and associates	127	208
Provision for loss on business of subsidiaries and associates	21	-
Foreign exchange losses	9	71
Commission fee	48	123
Other	83	111
Total non-operating expenses	588	716
Ordinary income	12,874	13,433
Extraordinary income		
Gain on sales of investment securities	1,242	180
Compensation received	316	-
Total extraordinary income	1,558	180
Extraordinary loss		
Loss on disaster	284	-
Loss on valuation of investment securities	81	310
Loss on valuation of shares of subsidiaries and associates	168	50
Loss on valuation of golf club membership	3	1
Total extraordinary loss	537	362
Profit before income taxes	13,895	13,251
Income taxes-current	4,315	4,629
Income taxes-deferred	(271)	(629)
Total income taxes	4,044	4,000
Profit	9,851	9,251

(3) Non-Consolidated Statement of Changes in Equity

FY ended March 2019 (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings			
					Reserve for reduction entry	General reserve	Retained earnings brought forward	
Opening balance	18,670	16,759	16,759	1,874	4,516	4,180	56,761	67,332
Changes of items during the period								
Dividends from surplus							(3,089)	(3,089)
Reversal of reserve for reduction entry					(40)		40	-
Profit							9,851	9,851
Purchase of treasury stock								
Net changes of items other than shareholders' equity								
Total changes of items during the period	-	-	-	-	(40)	-	6,802	6,762
Ending balance	18,670	16,759	16,759	1,874	4,476	4,180	63,564	74,095

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Opening balance	(2,336)	100,426	13,367	13,367	113,793
Changes of items during the period					
Dividends from surplus		(3,089)			(3,089)
Reversal of reserve for reduction entry		-			-
Profit		9,851			9,851
Purchase of treasury stock	(1)	(1)			(1)
Net changes of items other than shareholders' equity			(2,069)	(2,069)	(2,069)
Total changes of items during the period	(1)	6,760	(2,069)	(2,069)	4,690
Ending balance	(2,338)	107,187	11,297	11,297	118,484

FY ended March 2020 (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Total capital surplus		Reserve for reduction entry	General reserve	Retained earnings brought forward	
Opening balance	18,670	16,759	16,759	1,874	4,476	4,180	63,564	74,095
Changes of items during the period								
Dividends from surplus							(3,309)	(3,309)
Reversal of reserve for reduction entry					(40)		40	-
Profit							9,251	9,251
Purchase of treasury stock								
Net changes of items other than shareholders' equity								
Total changes of items during the period	-	-	-	-	(40)	-	5,981	5,941
Ending balance	18,670	16,759	16,759	1,874	4,436	4,180	69,545	80,036

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Opening balance	(2,338)	107,187	11,297	11,297	118,484
Changes of items during the period					
Dividends from surplus		(3,309)			(3,309)
Reversal of reserve for reduction entry		-			-
Profit		9,251			9,251
Purchase of treasury stock	(0)	(0)			(0)
Net changes of items other than shareholders' equity			(1,973)	(1,973)	(1,973)
Total changes of items during the period	(0)	5,940	(1,973)	(1,973)	3,967
Ending balance	(2,338)	113,127	9,323	9,323	122,451

5. Other matters

Changes in Board Members

(1) Changes in Representatives

There is no information that needs to be disclosed herein.

(2) Changes in other Board Members (scheduled for June 26, 2020)

(i) Candidate for Director

Outside Director	Mari Kano:	Managing Director, Center for International Exchange and Specially Appointed Professor, Center for General Education of Showa Women's University
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(ii) Candidate for Corporate Auditor

Standing Corporate Auditor	Noriyuki Nagai:	General Manager, Planning and Research Department Office Sales Division of the Company
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(iii) Corporate Auditor to retire

Corporate Auditor	Katsunori Aratani
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