

Financial Results for Fiscal Year Ended March 2022 [Japanese GAAP] (Consolidated)



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Listing: Tokyo Stock Exchange

Okamura Corporation

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

Representative: Masayuki Nakamura, Representative Director, President and Chief Executive Officer

Contact: Sakae Fukuda, Director and Executive Officer, CFO

TEL: +81-(0)45-319-3445

Scheduled date of annual general meeting of shareholders: June 29, 2022

Scheduled date for filing Annual Security Report: June 29, 2022

Scheduled date for commencement of dividend payments: June 30, 2022

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 2022 (April 1, 2021 to March 31, 2022)

(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 2022	261,175	6.8	15,972	12.7	17,491	13.7	14,992	25.2
FY ended March 2021	244,454	(3.4)	14,175	5.9	15,377	4.5	11,971	21.5

Note: Comprehensive income ¥12,401 million (-24.1%) for FY ended March 2022, ¥16,337 million (108.4%) for FY ended March 2021

	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 2022	151.26	—	10.7	7.1	6.1
FY ended March 2021	112.51	—	8.8	6.4	5.8

Reference: Equity in earnings of affiliates ¥395 million for FY ended March 2022, ¥193 million for FY ended March 2021

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY ended March 2022	245,372	144,121	58.1	1,459.34
FY ended March 2021	245,473	139,776	56.5	1,381.61

Reference: Total equity ¥142,631 million for FY ended March 2022, ¥138,757 million for FY ended March 2021

(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 2022	5,328	(2,264)	(8,601)	39,186
FY ended March 2021	26,921	(833)	(13,073)	44,419

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 2021	—	12.00	—	20.00	32.00	3,336	28.4	2.5
FY ended March 2022	—	20.00	—	20.00	40.00	3,942	26.4	2.8
FY ending March 2023 (forecast)	—	22.00	—	22.00	44.00		33.6	

3. Forecast of Consolidated Performance for FY Ending March 2023 (from April 1, 2022 to March 31, 2023)

(% figures indicate year-on-year increase/decrease for First half and Full year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
First half	129,000	8.5	6,000	(8.4)	6,700	(8.9)	4,700	(7.1)	48.09
Full year	275,000	5.3	17,300	8.3	18,300	4.6	12,800	(14.6)	130.96

* 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 2022	100,621,021	FY ended March 2021	100,621,021
FY ended March 2022	2,883,895	FY ended March 2021	189,377
FY ended March 2022	99,120,707	FY ended March 2021	106,406,084

Reference: Non-Consolidated Operating Results

1. Non-Consolidated Operating Results for FY Ended March 2022 (April 1, 2021 to March 31, 2022)

(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 2022	233,611	5.0	15,217	12.9	17,133	9.7	15,116	2.9
FY ended March 2021	222,479	(2.6)	13,481	14.7	15,614	16.2	14,694	58.8
	Profit per share		Diluted profit per share					
	yen		yen					
FY ended March 2022	152.22		—					
FY ended March 2021	137.86		—					

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY ended March 2022	221,613	133,337	60.2	1,361.68
FY ended March 2021	225,441	129,728	57.5	1,289.28

Note: Total equity ¥133,337 million for FY ended March 2022, ¥129,728 million for FY ended March 2021

* 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.

○ Table of Contents for Appendix

1. Outline of the Operating Results	2
(1) Outline of the Operating Results for the FY Ended March 2022	2
(2) Outline of the Financial Position for the FY Ended March 2022	3
(3) Outline of Cash Flows for FY Ended March 2022	3
(4) Forecast Earnings for the Future	4
2. Management Policy	5
(1) Basic policy of corporate management	5
(2) Target management indicators.....	5
(3) Medium-to-long-term corporate management strategy	5
(4) Issues to be addressed by the Company	5
3. Basic Standpoint on Selection of Accounting Standards	7
4. Consolidated Financial Statements and Important Notes	8
(1) Consolidated Balance Sheets	8
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	10
(3) Consolidated Statement of Changes in Equity	12
(4) Consolidated Statements of Cash Flows	14
(5) Notes regarding Consolidated Financial Statements	16
(Note regarding the Assumption of Going Concern)	16
(Significant Items for the Preparation of Consolidated Financial Statements)	16
(Changes in accounting policies).....	17
(Changes in Presentation Methods)	17
(Consolidated Balance Sheet).....	18
(Consolidated Statements of Income).....	19
(Consolidated Statement of Changes in Equity)	20
(Consolidated Statements of Cash Flows)	21
(Segment Information and Others)	21
(Matters related to business combinations).....	25
(Per Share Data)	26
(Significant Subsequent Events).....	26
5. Non-Consolidated Financial Statements.....	27
(1) Non-Consolidated Balance Sheets	27
(2) Non-Consolidated Statements of Income	29
(3) Non-Consolidated Statement of Changes in Equity	30

1. Outline of the Operating Results

(1) Outline of the Operating Results for the FY Ended March 2022

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 2022	261,175	15,972	17,491	14,992	151.26	10.7
FY ended March 2021	244,454	14,175	15,377	11,971	112.51	8.8

During the consolidated fiscal year under review, amid the lingering effect of the COVID-19 pandemic, economic activities were on a recovery trend in Japan, but the Japanese economy continued to face a challenging situation particularly on the supply side due to rising geopolitical risks and procurement difficulties and rising prices of various materials and parts.

Under these circumstances, the Okamura Group disseminated information by leveraging our internal expertise in the form of, for example, releasing the report "Workplace Strategy toward a Post-COVID-19 Society," while challenging itself to try new pandemic-era workstyles. Through these activities, we focused on developing a new market by creating distinctive products and offering total solutions, while taking measures to absorb the effect of rising material prices, such as cost reduction and price revisions.

As a result of the above, during the consolidated fiscal year under review, the Company posted net sales of ¥261,175 million (¥244,454 million in the previous fiscal year), operating income of ¥15,972 million (¥14,175 million in the previous fiscal year), ordinary income of ¥17,491 million (¥15,377 million in the previous fiscal year) and profit attributable to owners of parent of ¥14,992 million (¥11,971 million in the previous fiscal year). The Company posted record high net sales, operating income, ordinary income and profit for the fiscal year under review.

Return on equity (ROE) resulted in 10.7% (8.8% in the previous fiscal year), ordinary income to total assets (ROA) was 7.1% (6.4% in the previous fiscal year), and operating income to net sales was 6.1% (5.8% in the previous fiscal year).

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. has been applied since the beginning of the consolidated fiscal year under review. As such, percentage changes from the previous consolidated fiscal year have been omitted in our explanation of the (consolidated) operating results for the consolidated fiscal year under review.

② Segment status

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

Segment name	Net sales (Millions of yen)			Segment income or loss (Millions of yen)		
	FY ended March 2021	FY ended March 2022	Increase/decrease	FY ended March 2021	FY ended March 2022	Increase/decrease
Office Furniture	130,783	140,599	9,816	10,059	13,782	3,722
Store Displays	94,329	102,674	8,345	2,968	2,740	(228)
Material Handling Systems	14,764	12,360	(2,403)	1,266	(590)	(1,857)
Others	4,577	5,540	962	(119)	40	159
Total	244,454	261,175	16,720	14,175	15,972	1,796

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

Office Furniture

In the Office Furniture segment, the trend to create new office environments, such as work style reform, is expanding nationwide, reaching a broad base of companies, regardless of industry or scale. In addition, this trend is further intensifying due to rapid changes in the ways that people work amid the COVID-19 pandemic. Investment in offices is now a high priority agenda for businesses seeking to improve productivity, and renovation demand for central offices is increasing. Under these circumstances, the Company engaged in proposal-based sales to meet customer needs, such as the rightsizing of office floor areas, and the expansion of new products to serve the change in workstyle, leveraging the results obtained from our proof-of-concept office "LABO Office" to put into practice and verify new ways and environment of working, in addition to the experience and knowledge gained from the Company's own work style reform. Owing to these efforts, both net sales and income increased significantly in comparison to the previous consolidated fiscal year and also to a record high.

As a result, net sales of this segment amounted to ¥140,599 million (¥130,783 million in the previous fiscal year), and the segment income amounted to ¥13,782 million (a segment income of ¥10,059 million in the previous fiscal year).

Store Displays

In the Store Display segment, renovation demand remained strong particularly among retailers such as supermarkets and drugstores, which represent the Company's main customer base. 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. The Company also made efforts to cater to new demand, for example, for infection prevention measures such as self-checkout and for checkout counter fixtures and fittings that can accommodate increasingly diverse payment methods. Owing to these efforts, net sales increased to a record high. However, income decreased due to increases in costs associated mainly with the fire in the Nakai Plant and responses to procurement difficulty of refrigerators.

As a result, net sales of this segment amounted to ¥102,674 million (¥94,329 million in the previous fiscal year) and the segment income amounted to ¥2,740 million (a segment income of ¥2,968 million in the previous fiscal year).

Material Handling Systems

In the Material Handling Systems segment, demand for automated warehouse equipment remained at high levels mainly among major logistics facilities on the back of the expansion of stay-at-home demand and growing labor-saving needs arising from labor shortages. Under these circumstances, the Company has actively engaged in promotion activities for proposals that maximize the strengths of its products, which stand out due to their superiority. Despite these efforts, both net sales and income declined in comparison to the previous consolidated fiscal year, mainly due to stagnation in sales negotiations since the beginning of the previous fiscal year, customers' postponement of investment resulting from the spread of novel coronavirus infections, and procurement difficulty of parts. However, new orders are currently increasing steadily.

As a result, the net sales of this segment amounted to ¥12,360 million (¥14,764 million in the previous fiscal year) and the segment loss amounted to ¥590 million (a segment income of ¥1,266 million in the previous fiscal year).

(2) Outline of the Financial Position for the FY Ended March 2022

	At the end of FY ended March 2021	At the end of FY ended March 2022
Total assets (Millions of yen)	245,473	245,372
Net assets (Millions of yen)	139,776	144,121
Equity ratio (%)	56.5	58.1
Net assets per share (Yen)	1,381.61	1,459.34

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

Total assets amounted to ¥245,372 million, down ¥101 million compared with the end of the previous consolidated fiscal year. Current assets increased by ¥2,695 million, mainly because of a decrease in cash and deposits and increases in notes and accounts receivable-trade and inventories, and non-current assets decreased by ¥2,797 million, mainly because of a decrease in investment securities and an increase in goodwill.

Liabilities amounted to ¥101,250 million, down ¥4,447 million on the end of the previous consolidated fiscal year, mainly as a result of decreases in notes and accounts payable-trade and deferred tax liabilities.

Net assets amounted to ¥144,121 million, up ¥4,345 million over the end of the previous fiscal year, mainly because of a decrease caused by a decrease of valuation difference on available-for-sale securities and an increase in treasury stocks and an increase in retained earnings.

As a result of the above, the equity ratio increased by 1.6 percentage points to 58.1% compared with the end of the previous consolidated fiscal year, and the net assets per share increased from ¥1,381.61 at the end of the previous consolidated fiscal year to ¥1,459.34.

(3) Outline of Cash Flows for FY Ended March 2022

	FY ended March 2021 (Millions of yen)	FY ended March 2022 (Millions of yen)
Net cash provided by (used in) operating activities	26,921	5,328
Net cash provided by (used in) investing activities	(833)	(2,264)
Net cash provided by (used in) financing activities	(13,073)	(8,601)
Cash and cash equivalents at the end of the fiscal year	44,419	39,186
Borrowings and corporate bonds at the end of the fiscal year	21,721	21,594

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

Operating activities generated a net cash increase of ¥5,328 million (an increase of ¥26,921 million in the previous fiscal year), reflecting: 1) inflows including profit before income taxes for the year of ¥21,670 million and depreciation of ¥5,737 million and 2) outflows including an increase of ¥4,794 million in notes and accounts receivable-trade and contract assets, an increase of ¥3,266 million in inventories, a decrease of ¥5,853 million in notes and accounts payable-trade, ¥6,178 million of income taxes paid, and ¥3,907 million in gain on sales of investment securities.

Investment activities resulted in a net cash outflow of ¥2,264 million (a net cash outflow of ¥833 million in the previous fiscal year), reflecting 1) inflows including proceeds from sales and redemption of investment securities of ¥6,020 million and 2) outflows including disbursements of ¥5,237 million for the purchase of property, plant and equipment, ¥2,457 million for the purchase of shares of subsidiaries resulting in change in scope of consolidation, and ¥820 million for the purchase of intangible assets.

Financing activities resulted in a net cash outflow of ¥8,601 million (versus a net cash outflow of ¥13,073 million in the previous fiscal year), reflecting outflows including acquisition of treasury stocks of ¥3,527 million and cash dividends paid of ¥3,992 million.

As a result, the balance of cash and cash equivalents at the end of the consolidated fiscal year under review decreased by ¥5,232 million to ¥39,186 million.

The balance of interest-bearing debt (borrowings and corporate bonds) at the end of the consolidated fiscal year under review decreased by ¥127 million compared with the end of the previous fiscal year to ¥21,594 million.

(4) Forecast Earnings for the Future

The outlook for the Japanese economy looks highly uncertain mainly due to the Russia/Ukraine situation and the resurgence of COVID-19 cases. We expect that the business environment will remain unpredictable as the risk of hikes in material prices and procurement difficulty is rising higher.

In such a business environment, the Okamura Group will further strengthen the ability to make proposals and the capacity to supply products that satisfy the requirements of customers in response to the way new offices should be in the age of hybrid work and changes in store formats in the distribution business.

With regard to the forecasts of consolidated performance for the fiscal year ending March 2023, the Company expects to post net sales of ¥275 billion, operating income of ¥17.3 billion, ordinary income of ¥18.3 billion and profit attributable to owners of parent of ¥12.8 billion.

[Net sales by segment (consolidated)]

	FY ended March 2022	FY ending March 2023
Office Furniture	¥140,599 million	¥150,000 million
Store Displays	¥102,674 million	¥104,000 million
Material Handling Systems	¥12,360 million	¥15,000 million
Others	¥5,540 million	¥6,000 million
Total	¥261,175 million	¥275,000 million

[Operating income by segment (consolidated)]

	FY ended March 2022	FY ending March 2023
Office Furniture	¥13,782 million	¥13,800 million
Store Displays	¥2,740 million	¥3,300 million
Material Handling Systems	-¥590 million	¥0 million
Others	¥40 million	¥200 million
Total	¥15,972 million	¥17,300 million

2. Management Policy

(1) Basic policy of corporate management

In July 2021, the Okamura Group revised part of our existing management philosophy and systematically reorganized it into the "Okamura Way" to align with changing values that reflect the increasing importance of realizing a sustainable society.

The Company had its beginning in 1945 as the Okamura Manufacturing Facility, a cooperative industry, when engineers who embraced its founding purpose brought together funds, technology and labor. Okamura's founding spirit has taken root as a corporate culture through the corporate philosophy consisting of five principles innovative creation, cooperation, being cost conscious, saving for future and social responsibility, and the basic policy that incorporates these principles. Under the motto of "Quality pays for itself," we have strived to provide society with high-quality products and services that precisely address customers' needs. They have been passed down to the present management and business activities of the Okamura Group as "Okamura's DNA."

Under the mission of "contributing to society by creating environments where people can thrive with rich ideas and reliable quality," the Group aims to enhance its corporate value further and resolve social issues.

We will conduct our business activities under the basic policy of improving the relationship of trust with the society, including creating a stable business foundation aiming for medium- to long-term growth, practicing efficient management focusing on profit, and consideration for the environment.

For the details of our activities and initiatives through the Okamura Way, please visit our website (URL:<https://live.okamura.co.jp/>).

(2) Target management indicators

With much importance attached to Return on assets (ROA), Return on equity (ROE) and operating income ratio as key management indicators, the Okamura Group is always cost-conscious and will make efforts to improve earnings and focus on enhancing investment efficiency through selection and concentration of management resources.

We have set quantitative targets for the fiscal year ending March 2025 in the Midterm Management Plan with the fiscal year ending March 2023 as its final fiscal year. The details are laid out in "(3) Medium-to-long-term corporate management strategy."

(3) Medium-to-long-term corporate management strategy

The Okamura Group has formulated a Midterm Management Plan (a three-year "Action Plan" for goals in five years later) for three years from the fiscal year ended March 2021 to the fiscal year ending March 2023. This Midterm Management Plan has set quantitative targets and qualitative issues with an eye on the fiscal year ending March 2025 and put together measures to be taken over the next three years to achieve those targets. It was determined through backcasting (starting from the future) rather than short-term orientation as the Okamura Group had done in the past.

Amidst drastic changes in our social environment, including the ongoing decline in the working population, spread of work style reforms and progress of digital technology, the Okamura Group will push structural reforms to develop products and services that anticipate changes in social and market needs, promote and achieve the establishment of new business models, and ensure that our current operational systems can meet future challenges.

Driven by strategic investments, we are making steady progress toward the targets for the consolidated fiscal year ending March 2025. Operating income to net sales was 6.1%, and ROE was 10.7% for the consolidated fiscal year ended March 31, 2022.

① Basic Policy

"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."

② Quantitative Target (The fiscal year ending March 2025)

Operating income ratio: 7% or more

ROE: 10%

③ Qualitative issues

We will reform our business structure to respond to changes to the environment and at the same time, engage in the following three key issues as group-wide efforts.

- Supply chain reform
- Promotion of digital transformation
- Strengthening of overseas business

(4) Issues to be addressed by the Company

① ESG management

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 our mission, we have set the following four themes from the perspectives of the Group's businesses and various stakeholders including future generations: (1) Creating an environment in which people can thrive, (2) Pursuing employee satisfaction, (3) Implementing global environmental initiatives, and (4) Conducting responsible corporate activities. Through working on priority tasks set for each theme, we will aim to contribute to society and enhance our corporate value in a sustainable manner.

Regarding "Pursuing employee satisfaction" among the key themes above, we formulated the "Okamura Health Management Declaration" in September 2017 in order to pursue health management in a specific manner. We take the health of employees as an important management issue and advance each employee's healthy mental and physical conditions and maintain a healthy work environment through nine health promotion measures, including the amelioration of lifestyle related diseases and the prevention of passive smoking, and we aim to become a corporation trusted by society by keeping providing customers with a healthy and comfortable environment. Moreover, the Company has been certified as a "White 500" company in "the Health and Productivity Outstanding Entity Recognition Program," elected jointly by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi (Japan Health Conference) for five consecutive years since 2018, which is one of the ways that the Company strives to enhance its corporate value.

As for "implementing global environmental initiatives," in view of the Science Based Targets (SBT), which are the reduction targets for greenhouse gas emissions based on the Paris Agreement, the Group has set its targets for Scope 1 and Scope 2 emissions to reduce them by 50% by FY2030 compared with the levels in FY2020 and to substantially zero by FY2050 and is promoting environmental initiatives throughout its business activities.

The Group is increasing the use of renewable energy in order to accelerate activities further toward the achievement of the targets and has participated in RE100, a global initiative committed to 100% use of renewable electricity in business activities. Switching to hydraulic power generation and the introduction of photovoltaic power generation facilities are already underway at some of our production facilities and other facilities, and the Group will systematically promote the introduction of renewable energy and switching to energy-saving facilities toward the realization of carbon neutral operation in 2050.

By referencing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we will evaluate and appropriately disclose the impact of risks and opportunities arising from climate change on management, and will reflect it in our management strategy from the medium- to long-term perspective.

② Countermeasures against the novel coronavirus pandemic

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: <https://www.okamura.co.jp/>).

③ Supply chain management (SCM)

We will continue to take countermeasures against procurement difficulties and hikes in material prices. At the same time, we will further strengthen risk management for the entire supply chain in response to the resurgence of COVID-19 cases, natural disasters, geopolitical risks, etc.

④ Segment status

In the mainstay Office Furniture segment, office renovation demand is expected to remain firm as the way new offices should be changes in the age of hybrid work. The trend of new office creation, such as work style reform, is gaining momentum, and demand is rising for new products and services such as work booths and office DX that support the revision of central office functions and new work styles.

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 projects that demand for investment in stores will remain robust, particularly for food sections, driven by the escalation of competition between business formats, such as supermarkets and drugstores. In addition, with the mounting need for labor-saving and energy-saving resulting from labor shortages, there is growing demand for products around cash registers, arising from increases in digital investment in stores, and for sliding shelves that can considerably reduce the burden in displaying goods.

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 expects demand for large-scale logistics facilities to remain at high levels and demand related to labor-saving and energy-saving to expand primarily due to shortages of warehouse workers and a shift of maintenance service to IoT. Although new orders are currently increasing at a healthy pace, we are likely to continue to face a challenging situation on the supply side, such as procurement difficulty of parts.

Under these circumstances, the Company will work on business reinforcement aiming to secure stable sales and thorough cost management. In addition, the Company will actively work to develop differentiated products, develop products that deploy advanced technology, expand services that employ digital technology, and reinforce the maintenance system.

With regard to enhancement of productivity and efficiency, the Company will strengthen its production system by constructing a new plant building at the Tsukuba Plant so that the Company can respond flexibly to changing demand. The Company will also endeavor to raise productivity by engaging in effective capital investment and conducting continuous improvement activities, while working to strike the right balance between efficiency and stable supply. In addition, it will further bolster efforts to innovate the ways of working and streamline operations across the Company, thereby increasing competitiveness.

3. 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.

4. Consolidated Financial Statements and Important Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	FY ended March 2021 (As of Mar. 31, 2021)	FY ended March 2022 (As of Mar. 31, 2022)
Assets		
Current assets		
Cash and deposits	45,156	39,952
Notes and accounts receivable-trade	66,834	–
Notes and accounts receivable-trade and contract assets	–	68,927
Short-term investment securities	10	–
Merchandise and finished goods	8,819	9,725
Work in process	1,512	5,828
Raw materials and supplies	4,466	5,095
Other	2,542	2,635
Allowance for doubtful accounts	(27)	(155)
Total current assets	129,313	132,009
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,356	15,184
Machinery, equipment and vehicles, net	11,519	12,169
Land	27,935	27,823
Construction in progress	44	838
Other, net	3,389	3,502
Total property, plant and equipment	*1, *3 58,245	*1, *3 59,517
Intangible assets		
Goodwill	–	2,408
Other	3,376	3,139
Total intangible assets	3,376	5,548
Investments and other assets		
Investment securities	*2 47,293	*2 41,225
Net defined benefit asset	928	985
Lease deposits	4,888	4,812
Deferred tax assets	184	216
Other	1,270	1,083
Allowance for doubtful accounts	(27)	(27)
Total investments and other assets	54,537	48,295
Total non-current assets	116,160	113,362
Total assets	245,473	245,372

(Millions of yen)

	FY ended March 2021 (As of Mar. 31, 2021)	FY ended March 2022 (As of Mar. 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	27,850	29,213
Electronically recorded obligations-operating	17,013	11,330
Short-term loans payable	*3, *4 6,108	*3, *4 6,072
Current portion of long-term loans payable	1,674	690
Current portion of bonds payable	-	5,000
Income taxes payable	4,930	5,597
Accrued consumption taxes	1,794	902
Contract liabilities	-	1,700
Provision for bonuses	3,926	4,358
Other	5,672	5,407
Total current liabilities	68,971	70,274
Non-current liabilities		
Bonds payable	10,000	5,000
Long-term loans payable	*3 3,938	*3 4,830
Net defined benefit liability	15,909	15,942
Deferred tax liabilities	2,735	887
Other	4,142	4,315
Total non-current liabilities	36,726	30,976
Total liabilities	105,697	101,250
Net assets		
Shareholders' equity		
Capital stock	18,670	18,670
Capital surplus	16,766	16,770
Retained earnings	90,242	100,367
Treasury stock	(110)	(3,634)
Total shareholders' equity	125,568	132,173
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,198	10,987
Foreign currency translation adjustment	(132)	160
Remeasurements of defined benefit plans	(876)	(690)
Total accumulated other comprehensive income	13,188	10,458
Non-controlling interests	1,019	1,489
Total net assets	139,776	144,121
Total liabilities and net assets	245,473	245,372

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

Consolidated Statements of Income

(Millions of yen)

	FY ended March 2021 (From Apr. 1, 2020 to Mar. 31, 2021)	FY ended March 2022 (From Apr. 1, 2021 to Mar. 31, 2022)
Net sales	244,454	261,175
Cost of sales	*1 164,341	*1 177,588
Gross profit	80,113	83,587
Selling, general and administrative expenses		
Selling expenses	2,627	2,077
Packing and transportation expenses	9,764	10,346
Salaries and allowances	22,429	23,415
Provision for bonuses	2,760	3,068
Retirement benefit expenses	1,146	1,329
Depreciation	2,400	2,183
Rent expenses	8,761	7,864
Other	16,045	17,329
Total selling, general and administrative expenses	*1 65,937	*1 67,614
Operating income	14,175	15,972
Non-operating income		
Interest income	27	22
Dividends income	880	866
Equity in earnings of affiliates	193	395
Foreign exchange gains	30	374
Other	788	464
Total non-operating income	1,920	2,123
Non-operating expenses		
Interest expenses	163	151
Loss on sales and retirement of non-current assets	279	283
Compensation expenses	74	-
Other	201	169
Total non-operating expenses	718	604
Ordinary income	15,377	17,491
Extraordinary income		
Gain on sales of non-current assets	*2 433	-
Gain on sales of investment securities	2,463	3,920
Subsidies for employment adjustment	96	-
Insurance claim income	-	*4 1,118
Total extraordinary income	2,992	5,038
Extraordinary loss		
Impairment loss	*3 41	*3 76
Loss on disaster	-	*5 759
Loss on sales of investment securities	65	12
Loss on valuation of investment securities	58	10
Utilization suspension expenses	197	-
Total extraordinary loss	362	859
Profit before income taxes	18,007	21,670
Income taxes-current	4,884	6,741
Income taxes-deferred	1,173	(147)
Total income taxes	6,057	6,594
Profit	11,949	15,075
Profit (loss) attributable to non-controlling interests	(21)	82
Profit attributable to owners of parent	11,971	14,992

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY ended March 2021 (From Apr. 1, 2020 to Mar. 31, 2021)	FY ended March 2022 (From Apr. 1, 2021 to Mar. 31, 2022)
Profit	11,949	15,075
Other comprehensive income		
Valuation difference on available-for-sale securities	4,606	(3,250)
Foreign currency translation adjustment	(104)	351
Remeasurements of defined benefit plans, net of tax	(45)	186
Share of other comprehensive income of entities accounted for using equity method	(68)	38
Total other comprehensive income	4,388	(2,673)
Comprehensive income	16,337	12,401
Details:		
Comprehensive income attributable to owners of parent	16,399	12,262
Comprehensive income attributable to non-controlling interests	(62)	139

(3) Consolidated Statement of Changes in Equity

FY ended March 2021 (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Opening balance	18,670	16,766	92,528	(2,442)	125,522
Changes of items during the period					
Dividends from surplus			(3,089)		(3,089)
Profit attributable to owners of parent			11,971		11,971
Purchase of treasury stock				(8,835)	(8,835)
Retirement of treasury stock			(11,168)	11,168	–
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	–	(2,286)	2,332	46
Ending balance	18,670	16,766	90,242	(110)	125,568

	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	9,614	(23)	(831)	8,759	1,214	135,497
Changes of items during the period						
Dividends from surplus						(3,089)
Profit attributable to owners of parent						11,971
Purchase of treasury stock						(8,835)
Retirement of treasury stock						–
Net changes of items other than shareholders' equity	4,584	(109)	(45)	4,428	(195)	4,233
Total changes of items during the period	4,584	(109)	(45)	4,428	(195)	4,279
Ending balance	14,198	(132)	(876)	13,188	1,019	139,776

FY ended March 2022 (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Opening balance	18,670	16,766	90,242	(110)	125,568
Cumulative effects of changes in accounting policies			(870)		(870)
Restated balance	18,670	16,766	89,371	(110)	124,698
Changes of items during the period					
Dividends from surplus			(3,996)		(3,996)
Profit attributable to owners of parent			14,992		14,992
Purchase of treasury stock				(3,534)	(3,534)
Disposal of treasury stock		3		9	13
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	3	10,996	(3,524)	7,475
Ending balance	18,670	16,770	100,367	(3,634)	132,173

	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	14,198	(132)	(876)	13,188	1,019	139,776
Cumulative effects of changes in accounting policies						(870)
Restated balance	14,198	(132)	(876)	13,188	1,019	138,905
Changes of items during the period						
Dividends from surplus						(3,996)
Profit attributable to owners of parent						14,992
Purchase of treasury stock						(3,534)
Disposal of treasury stock						3
Net changes of items other than shareholders' equity	(3,210)	293	186	(2,730)	470	(2,259)
Total changes of items during the period	(3,210)	293	186	(2,730)	470	5,216
Ending balance	10,987	160	(690)	10,458	1,489	144,121

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY ended March 2021 (From Apr. 1, 2020 to Mar. 31, 2021)	FY ended March 2022 (From Apr. 1, 2021 to Mar. 31, 2022)
Net cash provided by (used in) operating activities		
Profit before income taxes	18,007	21,670
Depreciation and amortization	6,005	5,737
Impairment loss	41	76
Loss on disaster	–	759
Utilization suspension expenses	197	–
Insurance claim income	–	(1,118)
Loss (gain) on sales and retirement of non-current assets	(153)	277
Equity in (earnings) losses of affiliates	(193)	(395)
Increase (decrease) in allowance for doubtful accounts	(0)	126
Increase (decrease) in provision for bonuses	(493)	432
Increase (decrease) in net defined benefit liability	143	232
Interest and dividends income	(908)	(889)
Interest expenses	163	151
Compensation expenses	74	–
Loss (gain) on sales of investment securities	(2,397)	(3,907)
Loss (gain) on valuation of investment securities	58	10
Subsidies for employment adjustment	(96)	–
Decrease (increase) in notes and accounts receivable-trade	4,747	–
Decrease (increase) in notes and accounts receivable-trade and contract assets	–	(4,794)
Decrease (increase) in inventories	3,330	(3,266)
Increase (decrease) in notes and accounts payable-trade	1,802	(5,853)
Increase (decrease) in contract liabilities	–	162
Increase (decrease) in accrued consumption taxes	48	(936)
Other, net	124	1,152
Subtotal	30,502	9,629
Interest and dividends income received	946	939
Interest expenses paid	(163)	(156)
Compensation expenses paid	(74)	–
Subsidies for employment adjustment received	96	–
Utilization suspension expenses paid	(116)	–
Payments associated with disaster loss	–	(23)
Proceeds from insurance income	–	1,118
Income taxes paid	(4,270)	(6,178)
Net cash provided by (used in) operating activities	26,921	5,328
Net cash provided by (used in) investing activities		
Payments into time deposits	(917)	(1,237)
Proceeds from withdrawal of time deposits	1,271	1,217
Purchase of property, plant and equipment	(4,743)	(5,237)
Proceeds from sales of property, plant and equipment	651	329
Purchase of intangible assets	(1,031)	(820)
Purchase of investment securities	(608)	(334)
Proceeds from sales and redemption of investment securities	4,343	6,020
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(2,457)
Other, net	200	255
Net cash provided by (used in) investing activities	(833)	(2,264)

(Millions of yen)

	FY ended March 2021 (From Apr. 1, 2020 to Mar. 31, 2021)	FY ended March 2022 (From Apr. 1, 2021 to Mar. 31, 2022)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(131)	(87)
Proceeds from long-term loans payable	2,110	1,300
Repayment of long-term loans payable	(2,393)	(1,703)
Purchase of treasury stock	(8,829)	(3,527)
Cash dividends paid	(3,088)	(3,992)
Proceeds from share issuance to non-controlling shareholders	–	7
Other, net	(741)	(597)
Net cash provided by (used in) financing activities	(13,073)	(8,601)
Effect of exchange rate change on cash and cash equivalents	(91)	305
Net increase (decrease) in cash and cash equivalents	12,921	(5,232)
Cash and cash equivalents at beginning of the fiscal year	31,497	44,419
Cash and cash equivalents at the end of the fiscal year	44,419	39,186

(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: 33

Names of the major consolidated subsidiaries:

KANSAI OKAMURA CORPORATION, NS OKAMURA CORPORATION, SANYO OKAMURA CORPORATION, OKAMURA SUPPORT AND SERVICE CORPORATION, Okamura (China) Co., Ltd., FujiSeiko Co., Ltd., SEC Co., Ltd., Hangzhou Okamura Transmission Co., Ltd., Siam Okamura International Co., Ltd.

DB&B Holdings Pte. Ltd. has become a consolidated subsidiary following the acquisition of its shares by the Company.

(2) Unconsolidated subsidiaries

Number of unconsolidated subsidiaries: 2

Name of the major unconsolidated subsidiary

SINCO Co., Ltd.

Reason for exclusion from the scope of consolidation

The reason is that the unconsolidated subsidiary 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: 2

Name of the major 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

Because there is an interval of not more than three months between the date of yearly consolidated settlement of accounts of the Company and the date of yearly settlement of accounts of 19 overseas consolidated subsidiaries closing their books on December 31, consolidation is conducted using the financial statements for their fiscal year as the basis. Adjustments were made for the purpose of consolidation as necessary for the material transactions that occurred between such dates and the date of yearly consolidated settlement of accounts of the Company.

In the current consolidated fiscal year, the date of yearly settlement of accounts of Sunahata Co., Ltd. and Ichie Co., Ltd. was changed to March 31, which is the same date as the date of yearly consolidated settlement of accounts of the Company.

In the current consolidated fiscal year, their accounting period is a period of 13 months.

(Changes in accounting policies)

(Application of the Accounting Standard for Revenue Recognition, etc.)

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter the "Accounting Standard for Revenue Recognition"), etc. has been applied since the beginning of the consolidated fiscal year under review. Under this accounting standard, the Company recognizes revenue at the time of the transfer of control of promised goods or services to the customer at the price expected to be received in exchange for those goods or services.

In the past, the Company recognized revenue for product installation services upon completion of each work category included in the installation services. Under the Accounting Standard for Revenue Recognition, however, the entire work of product installation services is regarded as a single performance obligation and progress toward the fulfillment of the performance obligation is estimated. Revenue is recognized based on the progress, except for contracts to be completed within a very short period. In the past, the Company also recognized revenue for a performance obligation with a fixed contract period within which the obligation is fulfilled on a straight-line basis over the contract period. However, under the new revenue recognition method, the Company estimates progress toward the fulfillment of performance obligations and recognizes revenue based on the progress.

Progress toward the fulfillment of performance obligations is measured based on the proportion of the actual cost incurred through the last day of each reporting period against the total estimated cost. When progress toward the fulfillment of performance obligations cannot be reasonably estimated, but the incurred cost is expected to be recovered, revenue is recognized by the cost recovery method.

In the past, the Company accounted for consideration paid to customers as selling, general and administrative expenses. Under the new method, it is deducted from the transaction price.

Pursuant to the transitional provisions of the proviso of paragraph 84 of the Accounting Standard for Revenue Recognition, for the first-time application of the Accounting Standard for Revenue Recognition, etc., the cumulative effect of the retrospective application of the new accounting policy to periods prior to the beginning of the consolidated fiscal year under review was added to or deducted from the balance of retained earnings at the beginning of the consolidated fiscal year under review, and the new accounting policy has been applied to that beginning balance. However, by applying the method prescribed in paragraph 86 of the Accounting Standard for Revenue Recognition, the Company has not applied the new accounting policy retrospectively to those contracts for which most of revenue had been recognized in accordance with the old accounting method before the beginning of the current consolidated fiscal year under review. In addition, by applying the method prescribed in (1) of the second sentence of paragraph 86 of the Accounting Standard for Revenue Recognition, the Company has accounted for all contracts that had been modified before the beginning of the consolidated fiscal year under review based on the contractual terms that reflect all contract modifications. Their cumulative effect was added to or deducted from the balance of retained earnings at the beginning of the consolidated fiscal year under review.

As a result, net sales for the consolidated fiscal year under review decreased by ¥2,215 million; the cost of sales decreased by ¥1,451 million; selling, general and administrative expenses decreased by ¥296 million; and operating income, ordinary income, and profit before income taxes each decreased by ¥467 million. The balance of retained earnings at the beginning of the current consolidated fiscal year decreased by ¥870 million.

In conjunction with the application of the Accounting Standard for Revenue Recognition, etc., "Notes and accounts receivable-trade," which was presented in "Current assets" in the consolidated balance sheet for the previous consolidated fiscal year, is included in "Notes and accounts receivable-trade and contract assets" from the current consolidated fiscal year onwards. In addition, advances received, which were included in "Other" under "Current liabilities," are separately presented as "Contract liabilities." Pursuant to the transitional provisions of paragraph 89-2 of the Accounting Standard for Revenue Recognition, financial statements for the previous consolidated fiscal year are not restated in accordance with the new presentation method.

(Application of the Accounting Standard for Fair Value Measurement, etc.)

The Company applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ guidance (hereinafter the "Accounting Standard for Fair Value Measurement, etc.") from the beginning of the consolidated fiscal year ended March 31, 2022, and it applied the new accounting policy provided for by the Accounting Standard for Fair Value Measurement, etc. prospectively in accordance with the transitional measures provided for in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). In the past, corporate bonds and other bonds (and, potentially, securities other than corporate bonds and other bonds and derivative transactions) were stated at acquisition cost (or amortized cost) in consolidated balance sheets if they fell under financial instruments whose fair value is extremely difficult to determine. However, as a result of the application of the new accounting standard and guidance mentioned above, such financial instruments are stated in consolidated balance sheets at fair value calculated using the best unobservable inputs available if observable inputs are not available.

(Changes in Presentation Methods)

(Consolidated Statements of Income)

Subsidy income in "Non-operating income," which was presented independently in the previous consolidated fiscal year, is included in "Other" in the consolidated fiscal year under review as subsidy income fell below 10% of the total of non-operating income.

The amount of "Foreign exchange gains," which had been included in "Other" in "Non-operating income" until the previous consolidated fiscal year, is presented separately for the current consolidated fiscal year as it exceeded 10% of the total amount of non-operating income.

To reflect the change in presentation methods, Subsidy income of ¥302 million and Other of ¥515 million, presented in Non-operating income in Consolidated Statements of Income in the previous consolidated fiscal year, are reclassified into Foreign exchange gains of ¥30 million and Other of ¥788 million.

(Consolidated Balance Sheet)

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

	FY ended March 2021 (As of Mar. 31, 2021)	FY ended March 2022 (As of Mar. 31, 2022)
Accumulated depreciation of property, plant and equipment	¥109,828 million	¥111,871 million

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

	FY ended March 2021 (As of Mar. 31, 2021)	FY ended March 2022 (As of Mar. 31, 2022)
Investment securities (equity shares)	¥3,734 million	¥4,297 million

*3 Pledged assets and secured obligations

Pledged assets and secured obligations are as follows:

Pledged assets

	FY ended March 2021 (As of Mar. 31, 2021)	FY ended March 2022 (As of Mar. 31, 2022)
Buildings and structures	¥1,898 million	¥1,880 million
Land	¥7,732 million	¥7,732 million
Total	¥9,631 million	¥9,613 million

Within the above, assets offered as mortgage for factory foundation

	FY ended March 2021 (As of Mar. 31, 2021)	FY ended March 2022 (As of Mar. 31, 2022)
Buildings and structures	¥257 million	¥234 million
Land	¥282 million	¥282 million
Total	¥539 million	¥516 million

Secured obligations

	FY ended March 2021 (As of Mar. 31, 2021)	FY ended March 2022 (As of Mar. 31, 2022)
Short-term loans payable	¥1,600 million	¥1,600 million
Long-term loans payable	¥500 million	¥500 million
Total	¥2,100 million	¥2,100 million

Within the above, obligations corresponding to mortgage for factory foundation

	FY ended March 2021 (As of Mar. 31, 2021)	FY ended March 2022 (As of Mar. 31, 2022)
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 2021 (As of Mar. 31, 2021)	FY ended March 2022 (As of Mar. 31, 2022)
Total amount under specified commitment line agreements	¥14,000 million	¥14,000 million
Outstanding loans borrowed	—	—
Balance	¥14,000 million	¥14,000 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 2021 (From Apr. 1, 2020 to Mar. 31, 2021)	FY ended March 2022 (From Apr. 1, 2021 to Mar. 31, 2022)
Research and development expenses	¥1,228 million	¥1,261 million

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

	FY ended March 2021 (From Apr. 1, 2020 to Mar. 31, 2021)	FY ended March 2022 (From Apr. 1, 2021 to Mar. 31, 2022)
Land	¥433 million	¥- million

- *3 Impairment loss

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

FY ended March 2021 (From Apr. 1, 2020 to Mar. 31, 2021)

Purpose	Location	Type
Assets used for business	Shanghai, in the People's Republic of China.	Other property, plant and equipment
Assets used for business	Yokohama, Kanagawa Prefecture	Other property, plant and equipment
Idle assets	Nomi, Ishikawa Prefecture	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, the book value of operating assets for which cash flows from operating activities continued to be negative and for which the book value thereof was unlikely to be recovered 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 ¥4 million for buildings and structures, ¥1 million for land, ¥35 million for other property, plant and equipment.

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 2022 (From Apr. 1, 2021 to Mar. 31, 2022)

Purpose	Location	Type
Assets used for business	Shanghai, in the People's Republic of China	Buildings and structures
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, the book value of operating assets for which cash flows from operating activities continued to be negative and for which the book value thereof was unlikely to be recovered was lowered to a recoverable value.

The details of the impairment loss are ¥9 million for buildings and structures, ¥15 million for tools, furniture and fixtures, ¥47 million for other property, plant and equipment, and ¥4 million for intangible assets.

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

- *4 Insurance claim income

This represents the insurance claims paid in relation to the fire accident that occurred in the Company's Nakai Plant (Nakaimachi, Ashigarakami-gun, Kanagawa Prefecture) on October 25, 2021.

*5 Loss on disaster

This represents the loss caused by a fire accident that occurred in the Company's Nakai Plant on October 25, 2021, comprising the amount of impairment losses on inventories and non-current assets, restoration cost and other related costs.

(Consolidated Statement of Changes in Equity)

FY ended March 2021 (From April 1, 2020 to March 31, 2021)

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	–	11,770,509	100,621,021

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)	2,249,872	9,710,014	11,770,509	189,377

(Outline of change factors)

The details of increase are as stated below:

Increase due to purchase of fractional shares	503 shares
Increase due to purchase of treasury stock by equity method affiliates which belongs to us	6,811 shares
Increase due to purchase of treasury stock pursuant to the resolution at a Board of Directors meeting	9,702,700 shares

The breakdown of the decreased number is as below:

Decrease due to retirement of treasury stock pursuant to the resolution at a Board of Directors meeting	11,770,509 shares
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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 26, 2020	Common stock	1,765	16.00	March 31, 2020	June 29, 2020
Board of Directors held on October 21, 2020	Common stock	1,323	12.00	September 30, 2020	December 10, 2020

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

Resolved	Type	Resource of the dividends to be paid	Total amount (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 29, 2021	Common stock	Retained earnings	2,012	20.00	March 31, 2021	June 30, 2021

FY ended March 2022 (From April 1, 2021 to March 31, 2022)

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)	100,621,021	–	–	100,621,021

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)	189,377	2,704,518	10,000	2,883,895

(Outline of change factors)

The details of increase are as stated below:

Increase due to purchase of fractional shares	857 shares
Increase due to purchase of treasury stock by equity method affiliates which belongs to us	5,061 shares
Increase due to purchase of treasury stock pursuant to the resolution at a Board of Directors meeting	2,698,600 shares

The breakdown of the decreased number is as below:

Decrease due to sale of treasury stock by equity method affiliates which belongs to us	10,000 shares
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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 29, 2021	Common stock	2,012	20.00	March 31, 2021	June 30, 2021
Board of Directors held on October 20, 2021	Common stock	1,983	20.00	September 30, 2021	December 10, 2021

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

Resolved	Type	Resource of the dividends to be paid	Total amount (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 29, 2022	Common stock	Retained earnings	1,958	20.00	March 31, 2022	June 30, 2022

(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 2021 (From Apr. 1, 2020 to Mar. 31, 2021)	FY ended March 2022 (From Apr. 1, 2021 to Mar. 31, 2022)
Cash and deposit accounts	¥45,156 million	¥39,952 million
Time deposits—over three months	-¥737 million	-¥765 million
Cash and cash equivalents	¥44,419 million	¥39,186 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. 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."

As noted in the "Changes in accounting policies" section, the Company changed the accounting method of revenue recognition by applying the Accounting Standard for Revenue Recognition, etc. since the beginning of the consolidated fiscal year under review. As a result, the Company also changed the calculation method of operating segment income or loss.

As a result of this change, in comparison to the figures calculated in accordance with the old method, net sales decreased by ¥1,083 million and segment income decreased by ¥213 million in the Office Furniture segment, net sales decreased by ¥767 million and segment income decreased by ¥181 million in the Store Displays segment, and net sales decreased by ¥363 million and segment income decreased by ¥72 million in the Material Handling Systems segment for the current consolidated fiscal year.

3. Information about net sales, profit/loss, assets, liabilities and other items by segment
FY ended March 2021 (From April 1, 2020 to March 31, 2021)

(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	130,783	94,329	14,764	239,876	4,577	244,454	–	244,454
Internal sales or transfers between segments	–	–	–	–	–	–	–	–
Total	130,783	94,329	14,764	239,876	4,577	244,454	–	244,454
Segment income or loss	10,059	2,968	1,266	14,295	(119)	14,175	–	14,175
Segment property	97,960	47,904	8,992	154,857	8,886	163,743	81,730	245,473
Other items								
Depreciation	3,781	1,529	269	5,580	413	5,993	–	5,993
Increase in property, plant and equipment and intangible assets	4,626	1,110	242	5,979	353	6,333	–	6,333

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 ¥81,730 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 or loss corresponds to the operating income on Consolidated Statements of Income.

FY ended March 2022 (From April 1, 2021 to March 31, 2022)

(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	140,599	102,674	12,360	255,635	5,540	261,175	–	261,175
Internal sales or transfers between segments	–	–	–	–	–	–	–	–
Total	140,599	102,674	12,360	255,635	5,540	261,175	–	261,175
Segment income or loss	13,782	2,740	(590)	15,931	40	15,972	–	15,972
Segment property	108,884	49,524	7,485	165,895	10,156	176,051	69,320	245,372
Other items								
Depreciation	3,504	1,454	301	5,259	465	5,725	–	5,725
Increase in property, plant and equipment and intangible assets	4,706	1,187	259	6,153	511	6,665	–	6,665

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 ¥69,320 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 or loss 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 2021 (From April 1, 2020 to March 31, 2021)

(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	25	7	8	41	–	41	–	41

FY ended March 2022 (From April 1, 2021 to March 31, 2022)

(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	63	2	10	76	–	76	–	76

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

FY ended March 2021 (From April 1, 2020 to March 31, 2021)

There is no information that needs to be disclosed herein.

FY ended March 2022 (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Report Segments				Others	Company-wide/ elimination	Total
	Office Furniture	Store Displays	Material Handling Systems	Total			
Depreciation during the period	61	–	–	61	–	–	61
Balance at the end of the current fiscal year	2,408	–	–	2,408	–	–	2,408

(Information about Gain on Bargain Purchase by Segment)

There is no information that needs to be disclosed herein.

(Matters related to business combinations)

(Business combination by acquisition)

The Board of Directors of the Company passed a resolution at its meeting held on September 2, 2021 to acquire 70% of issued shares of DB&B Holdings Pte. Ltd. (headquartered in Singapore; hereinafter "DB&B"), following which DB&B will become a subsidiary of the Company, as outlined below. Based on this resolution, the Company completed the acquisition of shares on October 1, 2021.

The Company plans to acquire the remaining 30% of issued shares of DB&B upon the finalization of its consolidated financial statements for FY2023 subject to the satisfaction of certain conditions prescribed in the share transfer agreement.

(1) Outline of the business combination

(i) Name of the acquired company and its business

Name of the acquired company:	DB&B Holdings Pte. Ltd.
Business description:	Office design and interior construction work

(ii) Main reason for the business combination

In its Midterm Management Plan, the Okamura Group identified strengthening of overseas business as one of key issues on which it will make group-wide efforts and the China and ASEAN markets as priority markets for those efforts. DB&B is a middle-ranking office design and interior construction company headquartered in Singapore and operating also in China and the Philippines. Its high competence has been demonstrated by many international awards it has received for its projects. It also has a quality customer base consisting mainly of many global companies and large local companies.

Through the acquisition of shares of DB&B, following which it will become a subsidiary of the Company, the Okamura Group will be able to acquire an excellent business platform in the area of design and interior construction in the China and ASEAN markets. In addition, the Okamura Group will be able to understand the office furniture needs in these markets through the subsidiary to apply the local knowledge to the development, production, and sales of strategic products targeting these markets. The Okamura Group will thereby aim to achieve the goal of strengthening its overseas business.

(iii) Date of business combination

October 1, 2021

(iv) Legal form of business combination

Acquisition of shares

(v) Name of the combined company

No change in the name.

(vi) Percentage of voting rights acquired

70%

(vii) Main basis for determining the acquiring company

Because the Company has acquired shares of the acquired company in exchange for cash.

(2) Period of financial results of the acquired entity included in the consolidated statements of income

From October 1, 2021 to December 31, 2021

(3) Acquisition cost of the acquired company and its breakdown by type of consideration

Consideration for acquisition	¥3,263 million in cash
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Acquisition cost	¥3,263 million
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(4) Major acquisition-related costs and their amounts

Remuneration, fees, etc., to advisors	¥94 million
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(5) Amount, cause, and amortization method and period of the goodwill that has arisen

(i) Amount of the goodwill that has arisen

¥2,470 million

(ii) Cause of goodwill

It has arisen from the excess earnings power expected from the future business expansion of the acquired company.

(iii) Amortization method and period

Amortized over 10 years on a straight-line basis.

(6) Amount and breakdown into major categories of assets acquired and liabilities assumed on the date of business combination

Current assets	¥2,172 million
Non-current assets	¥847 million
Total assets	¥3,019 million
Current liabilities	¥1,347 million
Non-current liabilities	¥539 million
Total liabilities	¥1,887 million

(7) Approximate amount and calculation method of impact on consolidated statements of income for the current consolidated fiscal year calculated as if the business combinations had been completed at the beginning of the consolidated fiscal year

The description is omitted as they are quantitatively immaterial.

(8) Terms of contingent consideration prescribed by business combination agreement and accounting policy to be applied from the third quarter of the current consolidated fiscal year onwards

(i) Terms of the contingent consideration

Contingent consideration will be payable in addition subject to the satisfaction of certain conditions including the achievement levels in the actual financial performance of the acquired company for a certain period (through the fiscal year ending December 2023).

(ii) Accounting policy to be applied from the third quarter of the current consolidated fiscal year onwards

If the amount of purchase consideration changes, the acquisition cost will be adjusted as if the change had occurred at the time of acquisition, and the amount of goodwill and the amortization amount of goodwill will also be adjusted accordingly.

(Per Share Data)

	FY ended March 2021 (From Apr. 1, 2020 to Mar. 31, 2021)	FY ended March 2022 (From Apr. 1, 2021 to Mar. 31, 2022)
Net assets per share of common stock	1,381.61 yen	1,459.34 yen
Profit per share	112.51 yen	151.26 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 2021 (From Apr. 1, 2020 to Mar. 31, 2021)	FY ended March 2022 (From Apr. 1, 2021 to Mar. 31, 2022)
Profit attributable to owners of parent (in million yen)	11,971	14,992
Amount not reverting to common shareholders (in million yen)	–	–
Profit relating to common stock attributable to owners of parent (in million yen)	11,971	14,992
Average number of shares of common stock during the period (in thousand shares)	106,406	99,120

(Significant Subsequent Events)

There is no information that needs to be disclosed herein.

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	FY ended March 2021 (As of Mar. 31, 2021)	FY ended March 2022 (As of Mar. 31, 2022)
Assets		
Current assets		
Cash and deposits	32,558	26,674
Notes receivable-trade	8,255	10,205
Accounts receivable-trade	54,697	44,004
Contract assets	–	7,920
Short-term investment securities	10	–
Merchandise and finished goods	8,156	9,081
Work in process	875	5,121
Raw materials and supplies	3,402	3,864
Prepaid expenses	655	733
Other	1,325	1,707
Allowance for doubtful accounts	(6)	(6)
Total current assets	109,930	109,307
Non-current assets		
Property, plant and equipment		
Buildings	12,959	12,644
Structures	642	609
Machinery and equipment	8,200	8,618
Vehicles	184	119
Tools, furniture and fixtures	2,412	2,403
Land	25,253	25,253
Construction in progress	34	708
Total property, plant and equipment	49,687	50,357
Intangible assets		
Patent right	5	5
Leasehold right	560	560
Software	2,799	2,580
Other	102	99
Total intangible assets	3,467	3,246
Investments and other assets		
Investment securities	42,892	36,500
Stocks of subsidiaries and associates	11,856	15,320
Long-term loans receivable from subsidiaries and associates	1,585	1,001
Claims provable in bankruptcy, claims provable in rehabilitation and other	27	26
Prepaid pension cost	928	985
Lease deposits	4,530	4,488
Other	1,086	896
Allowance for doubtful accounts	(552)	(517)
Total investments and other assets	62,354	58,702
Total non-current assets	115,510	112,306
Total assets	225,441	221,613

(Millions of yen)

	FY ended March 2021 (As of Mar. 31, 2021)	FY ended March 2022 (As of Mar. 31, 2022)
Liabilities		
Current liabilities		
Notes payable-trade	4,533	3,888
Electronically recorded obligations-operating	17,013	11,330
Accounts payable-trade	21,146	20,698
Short-term loans payable	5,200	5,200
Short-term loans payable to subsidiaries and associates	100	100
Current portion of long-term loans payable	1,300	300
Current portion of bonds payable	–	5,000
Lease obligations	145	139
Accounts payable-other	621	602
Accrued expenses	2,218	3,033
Income taxes payable	4,698	5,205
Accrued consumption taxes	1,570	585
Advances received	914	–
Contract liabilities	–	995
Deposits received	211	219
Provision for bonuses	3,367	3,638
Total current liabilities	63,041	60,935
Non-current liabilities		
Bonds payable	10,000	5,000
Long-term loans payable	3,350	4,350
Lease obligations	433	327
Provision for retirement benefits	13,015	13,258
Long-term deposits received	2,706	3,060
Deferred tax liabilities	2,828	1,047
Other	337	297
Total non-current liabilities	32,671	27,341
Total liabilities	95,712	88,276
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	4,395	4,355
Reserve for special account	17	52
General reserve	4,180	4,180
Retained earnings brought forward	70,005	80,260
Total retained earnings	80,473	90,723
Treasury stock	(0)	(3,528)
Total shareholders' equity	115,903	122,625
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	13,824	10,711
Total valuation and translation adjustments	13,824	10,711
Total net assets	129,728	133,337
Total liabilities and net assets	225,441	221,613

(2) Non-Consolidated Statements of Income

(Millions of yen)

	FY ended March 2021 (From Apr. 1, 2020 to Mar. 31, 2021)	FY ended March 2022 (From Apr. 1, 2021 to Mar. 31, 2022)
Net sales	222,479	233,611
Cost of sales	148,706	157,469
Gross profit	73,772	76,141
Selling, general and administrative expenses	60,290	60,923
Operating income	13,481	15,217
Non-operating income		
Interest income	28	26
Dividend income	1,959	1,635
Foreign exchange gains	74	271
Other	667	447
Total non-operating income	2,730	2,380
Non-operating expenses		
Interest expenses	102	99
Interest on bonds	17	18
Loss on sales and retirement of non-current assets	257	235
Provision of allowance for doubtful accounts for subsidiaries and associates	30	–
Compensation expenses	74	–
Other	116	111
Total non-operating expenses	598	464
Ordinary income	15,614	17,133
Extraordinary income		
Gain on sales of investment securities	2,463	3,877
Gain on extinguishment of tie-in shares	1,599	–
Subsidies for employment adjustment	64	–
Insurance claim income	–	1,118
Total extraordinary income	4,127	4,995
Extraordinary loss		
Loss on disaster	–	759
Loss on sales of investment securities	65	12
Loss on valuation of investment securities	58	10
Utilization suspension expenses	129	–
Loss on forgiveness of debt	210	–
Total extraordinary loss	463	782
Profit before income taxes	19,277	21,347
Income taxes-current	4,630	6,256
Income taxes-deferred	(47)	(25)
Total income taxes	4,583	6,230
Profit	14,694	15,116

(3) Non-Consolidated Statement of Changes in Equity

FY ended March 2021 (From April 1, 2020 to March 31, 2021)

(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	Reserve for special account	General reserve	Retained earnings brought forward	
Opening balance	18,670	16,759	16,759	1,874	4,436	–	4,180	69,545	80,036
Changes of items during the period									
Dividends from surplus								(3,089)	(3,089)
Reversal of reserve for reduction entry					(40)			40	–
Provision of reserve for special account						17		(17)	–
Profit								14,694	14,694
Purchase of treasury stock									
Retirement of treasury stock								(11,168)	(11,168)
Net changes of items other than shareholders' equity									
Total changes of items during the period	–	–	–	–	(40)	17	–	460	437
Ending balance	18,670	16,759	16,759	1,874	4,395	17	4,180	70,005	80,473

	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)	113,127	9,323	9,323	122,451
Changes of items during the period					
Dividends from surplus		(3,089)			(3,089)
Reversal of reserve for reduction entry		–			–
Provision of reserve for special account		–			–
Profit		14,694			14,694
Purchase of treasury stock	(8,829)	(8,829)			(8,829)
Retirement of treasury stock	11,168	–			–
Net changes of items other than shareholders' equity			4,500	4,500	4,500
Total changes of items during the period	2,338	2,775	4,500	4,500	7,276
Ending balance	(0)	115,903	13,824	13,824	129,728

FY ended March 2022 (From April 1, 2021 to March 31, 2022)

(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			Retained earnings brought forward	
					Reserve for reduction entry	Reserve for special account	General reserve		
Opening balance	18,670	16,759	16,759	1,874	4,395	17	4,180	70,005	80,473
Cumulative effects of changes in accounting policies								(870)	(870)
Restated balance	18,670	16,759	16,759	1,874	4,395	17	4,180	69,135	79,602
Changes of items during the period									
Dividends from surplus								(3,996)	(3,996)
Reversal of reserve for reduction entry					(40)			40	-
Provision of reserve for special account						34		(34)	-
Profit								15,116	15,116
Purchase of treasury stock									
Net changes of items other than shareholders' equity									
Total changes of items during the period	-	-	-	-	(40)	34	-	11,125	11,120
Ending balance	18,670	16,759	16,759	1,874	4,355	52	4,180	80,260	90,723

	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	(0)	115,903	13,824	13,824	129,728
Cumulative effects of changes in accounting policies		(870)			(870)
Restated balance	(0)	115,032	13,824	13,824	128,857
Changes of items during the period					
Dividends from surplus		(3,996)			(3,996)
Reversal of reserve for reduction entry		-			-
Provision of reserve for special account		-			-
Profit		15,116			15,116
Purchase of treasury stock	(3,527)	(3,527)			(3,527)
Net changes of items other than shareholders' equity			(3,112)	(3,112)	(3,112)
Total changes of items during the period	(3,527)	7,592	(3,112)	(3,112)	4,479
Ending balance	(3,528)	122,625	10,711	10,711	133,337