

# Financial Results for First Quarter of Fiscal Year Ending March 31, 2023 [Japanese GAAP] (Consolidated)



August 4, 2022

Listing: Tokyo Stock Exchange

Okamura Corporation

Code Number: 7994

URL: <https://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 for filing of quarterly report: August 10, 2022

Scheduled date for commencement of dividend payments: –

Preparation of supplementary materials to explain quarterly financial results: None

Scheduling of meeting to explain quarterly financial results: None

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

## 1. Consolidated Operating Results for First Quarter (April 1, 2022 to June 30, 2022) of FY Ending March 2023 (April 1, 2022 to March 31, 2023)

### (1) Operating Results (cumulative)

(% 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	%
First quarter of FY ending March 2023	63,722	5.7	3,065	(26.0)	3,915	(19.7)	2,563	(22.2)
First quarter of FY ended March 2022	60,264	22.8	4,142	–	4,873	465.5	3,294	–

Note: Comprehensive income                   ¥3,320 million (34.2%) for the first quarter of FY ending March 2023  
   ¥2,474 million (–16.8%) for the first quarter of FY ended March 2022

	Profit per share	Diluted profit per share
	yen	yen
First quarter of FY ending March 2023	26.23	–
First quarter of FY ended March 2022	33.04	–

### (2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
First quarter of FY ending March 2023	236,182	145,466	60.9
FY ended March 2022	245,372	144,121	58.1

Reference: Total equity                           ¥143,896 million for the first quarter of FY ending March 2023  
   ¥142,631 million for FY ended March 2022

## 2. Dividend

	Annual dividend				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	yen	yen	yen	yen	yen
FY ended March 2022	–	20.00	–	20.00	40.00
FY ending March 2023	–				
FY ending March 2023 (forecast)		22.00	–	22.00	44.00

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

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

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

	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
2Q (cumulative)	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

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

\* Notes

(1) Changes in the number of material subsidiaries during the quarter under review (This indicates whether there have been changes in the number of specified subsidiaries involving changes in the scope of consolidation): None

New — company(ies) ( —)  
 Excluded — company(ies) ( —)

(2) Adoption of a special accounting method applicable to the preparation of consolidated quarterly financial statements: None

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

- ① Changes in accounting policy in accordance with revisions to accounting standards: Yes
- ② Changes other than those in ① above in accounting policy: None
- ③ Changes in accounting estimates: None
- ④ Restatement: None

Note: For details, please refer to 2. Consolidated Quarterly Financial Statements and Important Notes (4) Notes regarding Consolidated Quarterly Financial Statements (Changes in accounting policies) on page 10 of the Appendix.

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

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

1Q of FY ending March 2023	100,621,021	FY ended March 2022	100,621,021
1Q of FY ending March 2023	2,884,624	FY ended March 2022	2,883,895
1Q of FY ending March 2023	97,736,768	1Q of FY ended March 2022	99,711,729

\* The Summary of Quarterly Financial Results is not subject to quarterly audit by a Certified Public Accountant 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 (3) Explanation of the performance forecast in 1. Qualitative Information Concerning Consolidated Quarterly Financial Results on page 4 of the Appendix.

○ Table of Contents for Appendix

1. Qualitative Information Concerning Consolidated Quarterly Financial Results .....	2
(1) Explanation of the progress in (consolidated) operating results.....	2
(2) Explanation of the changes in (consolidated) financial position .....	3
(3) Explanation of the performance forecast .....	4
2. Consolidated Quarterly Financial Statements and Important Notes .....	5
(1) Consolidated Quarterly Balance Sheet.....	5
(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income .....	7
(3) Consolidated Quarterly Statements of Cash Flows .....	9
(4) Notes regarding Consolidated Quarterly Financial Statements.....	10
Note regarding the assumption of going concern.....	10
Note regarding occurrence of significant change in amount of shareholders' equity .....	10
Changes in accounting policies.....	10
Segment information .....	10
Significant subsequent events.....	11

## 1. Qualitative Information Concerning Consolidated Quarterly Financial Results

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

During the first quarter of the consolidated fiscal year under review, the Japanese economy showed signs of recovery in economic activities due to the promulgation of vaccination and various measures, despite the continuing global impact of the COVID-19 pandemic. However, the outlook remains uncertain due to geopolitical risks surrounding the situation in Ukraine, soaring prices of various materials and parts, the re-expansion of the COVID-19 pandemic, etc.

Under these circumstances, the Okamura Group has been striving to enhance our corporate value by providing society with high quality products and services that accurately meet customer needs, under the mission of "contributing to society by creating environments where people can thrive with rich ideas and reliable quality."

As a result of the above, during the first quarter of the consolidated fiscal year under review, the Company posted net sales of ¥63,722 million (up 5.7% from the same period of the previous fiscal year), operating income of ¥3,065 million (down 26.0% from the same period of the previous fiscal year), ordinary income of ¥3,915 million (down 19.7% from the same period of the previous fiscal year), and profit attributable to owners of parent of ¥2,563 million (down 22.2% from the same period of the previous fiscal year).

Performance results by segment are discussed below.

Segment name	Net sales (Millions of yen)			Segment income or loss (Millions of yen)		
	First quarter of FY ended March 2022	First quarter of FY ending March 2023	Increase/decrease	First quarter of FY ended March 2022	First quarter of FY ending March 2023	Increase/decrease
Office Furniture	31,038	33,963	2,924	2,881	2,523	(358)
Store Displays	25,235	25,290	54	1,297	838	(458)
Material Handling Systems	2,669	3,193	523	(31)	(256)	(224)
Others	1,320	1,275	(44)	(5)	(40)	(35)
Total	60,264	63,722	3,458	4,142	3,065	(1,077)

Note: The total of segment income or loss corresponds to the operating income on Consolidated Quarterly 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 work style, 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, net sales increased to a record high. However, income decreased due to the soaring prices of various materials and parts.

As a result, net sales in this segment amounted to ¥33,963 million (up 9.4% from the same period of the previous fiscal year), and the segment income amounted to ¥2,523 million (down 12.4% from the same period of the previous fiscal year).

### Store Displays

In the Store Displays 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 the soaring prices of various materials and parts.

As a result, net sales in this segment amounted to ¥25,290 million (up 0.2% from the same period of the previous fiscal year), and the segment income amounted to ¥838 million (down 35.4% from the same period of the previous fiscal year).

### Material Handling Systems

In the Material Handling Systems segment, demand for automated storage systems remains at high levels. This was mainly among major logistics facilities on the back of expanding stay-at-home demand and growing labor-saving needs arising from labor shortages. Under these circumstances, the Company actively engaged in promotion activities for proposals that maximize the strengths of its products, which stand out due to their superiority. New orders in the current period increased steadily and net sales increased in comparison to the previous consolidated fiscal year. However, income decreased due to the soaring prices of various materials and parts.

As a result, net sales in this segment amounted to ¥3,193 million (up 19.6% from the same period of the previous fiscal year), and the segment loss amounted to ¥256 million (a segment loss of ¥31 million in the same period of the previous fiscal year).

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

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

Total assets amounted to ¥236,182 million, down ¥9,189 million compared with the end of the previous consolidated fiscal year. Current assets decreased by ¥9,611 million, mainly because of an decrease in notes and accounts receivable-trade and contract assets, and non-current assets increased by ¥421 million, mainly due to an increase in investment securities.

Liabilities amounted to ¥90,715 million, down ¥10,534 million compared with the end of the previous consolidated fiscal year, mainly due to an increase in short-term loans payable and a decrease in notes and accounts payable-trade, income taxes payable, and provision for bonuses.

Net assets amounted to ¥145,466 million, up ¥1,345 million from the end of the previous fiscal year, mainly due to increases in retained earnings and valuation difference on available-for-sale securities.

As a result of the above, the equity ratio amounted to 60.9%, up 2.8 percentage points compared with the end of the previous fiscal year.

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

Operating activities generated a net cash increase of ¥2,429 million (an increase of ¥1,952 million in the same period of the previous fiscal year), reflecting inflows including profit before income taxes for the quarter of ¥3,891 million, depreciation and amortization of ¥1,592 million, and a decrease in notes and accounts receivable-trade and contract assets of ¥11,761 million. Outflows included a decrease in provision for bonuses of ¥3,296 million and decreases in notes and accounts payable-trade of ¥4,999 million and income taxes paid of ¥4,854 million.

Investment activities resulted in a net cash outflow of ¥1,988 million (a net cash outflow of ¥1,093 million in the same period of the previous fiscal year), reflecting outflows including disbursements of ¥1,500 million for the purchase of property, plant and equipment, ¥276 million for the purchase of intangible assets, and ¥1,002 million for the purchase of investment securities, as well as inflows including reimbursements of ¥977 million for sales and redemption of investment securities.

Financing activities resulted in a net cash outflow of ¥998 million (a net cash outflow of ¥3,089 million in the same period of the previous fiscal year), reflecting inflows including an increase in short-term loans payable of ¥998 million and outflows including cash dividends paid of ¥1,736 million.

Consequently, consolidated cash and cash equivalents at the end of the current fiscal year's first quarter decreased by ¥180 million from the end of the previous fiscal year (a decrease of ¥2,043 million in the same period of the previous fiscal year) to ¥39,005 million.

(3) Explanation of the performance forecast

The forecast of consolidated performance for the fiscal year ending March 31, 2023 remains unchanged from figures announced on May 11, 2022.

The performance forecasts have been made based on the information available as of the day when the announcement was published; actual results may differ from the predicted figures due to various factors.

## 2. Consolidated Quarterly Financial Statements and Important Notes

## (1) Consolidated Quarterly Balance Sheet

(Millions of yen)

	Previous fiscal year (As of March 31, 2022)	First quarter of the current fiscal year (As of June 30, 2022)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	39,952	39,956
Notes and accounts receivable-trade and contract assets	68,927	57,208
Merchandise and finished goods	9,725	10,253
Work in process	5,828	6,180
Raw materials and supplies	5,095	5,524
Other	2,635	3,438
Allowance for doubtful accounts	(155)	(163)
<b>Total current assets</b>	<b>132,009</b>	<b>122,398</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	15,184	14,783
Land	27,823	27,823
Other, net	16,509	16,767
<b>Total property, plant and equipment</b>	<b>59,517</b>	<b>59,374</b>
<b>Intangible assets</b>		
Goodwill	2,408	2,347
Other	3,139	3,150
<b>Total intangible assets</b>	<b>5,548</b>	<b>5,497</b>
<b>Investments and other assets</b>		
Investment securities	41,225	41,873
Other	7,097	7,066
Allowance for doubtful accounts	(27)	(26)
<b>Total investments and other assets</b>	<b>48,295</b>	<b>48,912</b>
<b>Total non-current assets</b>	<b>113,362</b>	<b>113,784</b>
<b>Total assets</b>	<b>245,372</b>	<b>236,182</b>

(Millions of yen)

	Previous fiscal year (As of March 31, 2022)	First quarter of the current fiscal year (As of June 30, 2022)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	29,213	24,090
Electronically recorded obligations-operating	11,330	11,079
Short-term loans payable	6,072	7,095
Current portion of long-term loans payable	690	708
Current portion of bonds payable	5,000	–
Income taxes payable	5,597	149
Provision for bonuses	4,358	1,061
Other	8,011	8,865
Total current liabilities	70,274	53,051
Non-current liabilities		
Bonds payable	5,000	10,000
Long-term loans payable	4,830	4,762
Net defined benefit liability	15,942	16,257
Other	5,202	6,644
Total non-current liabilities	30,976	37,664
Total liabilities	101,250	90,715
<b>Net assets</b>		
Shareholders' equity		
Capital stock	18,670	18,670
Capital surplus	16,770	16,770
Retained earnings	100,367	100,973
Treasury stock	(3,634)	(3,636)
Total shareholders' equity	132,173	132,777
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,987	11,289
Foreign currency translation adjustment	160	490
Remeasurements of defined benefit plans	(690)	(661)
Total accumulated other comprehensive income	10,458	11,118
Non-controlling interests	1,489	1,570
Total net assets	144,121	145,466
Total liabilities and net assets	245,372	236,182



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

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

(Millions of yen)

	First quarter of FY ended March 2022 (From April 1, 2021 to June 30, 2021)	First quarter of FY ending March 2023 (From April 1, 2022 to June 30, 2022)
Net sales	60,264	63,722
Cost of sales	40,357	43,608
Gross profit	19,906	20,114
Selling, general and administrative expenses		
Packing and transportation expenses	2,376	2,342
Salaries and allowances	5,771	6,130
Provision for bonuses	560	619
Rent expenses	2,172	2,322
Other	4,881	5,634
Total selling, general and administrative expenses	15,763	17,049
Operating income	4,142	3,065
Non-operating income		
Interest income	5	5
Dividends income	414	438
Equity in earnings of affiliates	217	275
Foreign exchange gains	34	243
Other	147	143
Total non-operating income	818	1,106
Non-operating expenses		
Interest expenses	35	37
Loss on sales and retirement of non-current assets	28	146
Other	22	72
Total non-operating expenses	87	256
Ordinary income	4,873	3,915
Extraordinary loss		
Impairment loss	12	0
Loss on sales of investment securities	–	22
Loss on valuation of investment securities	44	1
Total extraordinary loss	57	24
Profit before income taxes	4,816	3,891
Income taxes-current	75	90
Income taxes-deferred	1,463	1,231
Total income taxes	1,539	1,321
Profit	3,277	2,569
Profit (loss) attributable to non-controlling interests	(16)	5
Profit attributable to owners of parent	3,294	2,563

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

(Millions of yen)

	First quarter of FY ended March 2022 (From April 1, 2021 to June 30, 2021)	First quarter of FY ending March 2023 (From April 1, 2022 to June 30, 2022)
Profit	3,277	2,569
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,088)	286
Foreign currency translation adjustment	215	385
Remeasurements of defined benefit plans, net of tax	35	28
Share of other comprehensive income of entities accounted for using equity method	34	49
Total other comprehensive income	(802)	751
Comprehensive income	2,474	3,320
Details:		
Comprehensive income attributable to owners of parent	2,453	3,224
Comprehensive income attributable to non- controlling interests	21	96

## (3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	First quarter of FY ended March 2022 (From April 1, 2021 to June 30, 2021)	First quarter of FY ending March 2023 (From April 1, 2022 to June 30, 2022)
Net cash provided by (used in) operating activities		
Profit before income taxes	4,816	3,891
Depreciation and amortization	1,398	1,592
Impairment loss	12	0
Loss (gain) on sales and retirement of non-current assets	28	144
Equity in (earnings) losses of affiliates	(217)	(275)
Increase (decrease) in allowance for doubtful accounts	(11)	7
Increase (decrease) in provision for bonuses	(2,972)	(3,296)
Increase (decrease) in net defined benefit liability	306	350
Interest and dividends income	(420)	(443)
Interest expenses	35	37
Loss (gain) on sales of investment securities	–	22
Loss (gain) on valuation of investment securities	44	1
Decrease (increase) in notes and accounts receivable-trade and contract assets	11,924	11,761
Decrease (increase) in inventories	(1,978)	(1,302)
Increase (decrease) in notes and accounts payable-trade	(7,316)	(4,999)
Increase (decrease) in accrued consumption taxes	(535)	327
Other, net	788	(949)
Subtotal	5,903	6,869
Interest and dividends income received	428	456
Interest expenses paid	(41)	(41)
Income taxes paid	(4,338)	(4,854)
Net cash provided by (used in) operating activities	1,952	2,429
Net cash provided by (used in) investing activities		
Payments into time deposits	(385)	(802)
Proceeds from withdrawal of time deposits	507	624
Purchase of property, plant and equipment	(903)	(1,500)
Purchase of intangible assets	(173)	(276)
Purchase of investment securities	(302)	(1,002)
Proceeds from sales and redemption of investment securities	0	977
Other, net	163	(9)
Net cash provided by (used in) investing activities	(1,093)	(1,988)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,253	998
Proceeds from long-term loans payable	–	18
Repayment of long-term loans payable	(135)	(86)
Proceeds from issuance of bonds	–	5,000
Redemption of bonds	–	(5,000)
Purchase of treasury stock	(2,037)	–
Cash dividends paid	(2,012)	(1,736)
Other, net	(158)	(192)
Net cash provided by (used in) financing activities	(3,089)	(998)
Effect of exchange rate change on cash and cash equivalents	188	315
Net increase (decrease) in cash and cash equivalents	(2,043)	(242)
Cash and cash equivalents at the beginning of the fiscal year	44,419	39,186
Increase in cash and cash equivalents resulting from merger of consolidated subsidiaries with unconsolidated subsidiaries	–	61
Cash and cash equivalents at the end of the quarter term	42,375	39,005

## (4) Notes regarding Consolidated Quarterly Financial Statements

Note regarding the assumption of going concern

There is no information that needs to be disclosed herein.

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

There is no information that needs to be disclosed herein.

Changes in accounting policies

The "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021, hereinafter the "Implementation Guidance on Accounting Standard for Fair Value Measurement") has been applied since the beginning of the first quarter of the consolidated fiscal year under review. The Company will apply the new accounting policy prescribed by the Implementation Guidance on Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional provisions of paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. The application has no impact on consolidated quarterly financial statements.

Segment information

First quarter of FY ended March 2022 (from April 1, 2021 to June 30, 2021)

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

(Millions of yen)

	Reportable segments				Others (Note 1)	Total	Adjustment	Amount recorded on Consolidated Quarterly Financial Statements (Note 2)
	Office Furniture	Store Displays	Material Handling Systems	Total				
Net sales								
Net sales to external customers	31,038	25,235	2,669	58,943	1,320	60,264	–	60,264
Internal sales or transfers between segments	–	–	–	–	–	–	–	–
Total	31,038	25,235	2,669	58,943	1,320	60,264	–	60,264
Segment income or loss	2,881	1,297	(31)	4,147	(5)	4,142	–	4,142

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 total of segment income or loss corresponds to the operating income on Consolidated Quarterly Statements of Income.

## 2. Information about impairment loss on non-current assets by segment

Significant impairment loss on non-current assets

An impairment loss on non-current assets has been recognized in the Office Furniture segment. The amount of the impairment loss was ¥12 million for the first quarter of the current consolidated fiscal year.

First quarter of FY ending March 2023 (from April 1, 2022 to June 30, 2022)

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

(Millions of yen)

	Reportable segments				Others (Note 1)	Total	Adjustment	Amount recorded on Consolidated Quarterly Financial Statements (Note 2)
	Office Furniture	Store Displays	Material Handling Systems	Total				
Net sales								
Net sales to external customers	33,963	25,290	3,193	62,446	1,275	63,722	–	63,722
Internal sales or transfers between segments	–	–	–	–	–	–	–	–
Total	33,963	25,290	3,193	62,446	1,275	63,722	–	63,722
Segment income or loss	2,523	838	(256)	3,105	(40)	3,065	–	3,065

- 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 total of segment income or loss corresponds to the operating income on Consolidated Quarterly Statements of Income.

2. Information about impairment loss on non-current assets by segment

Significant impairment loss on non-current assets

An impairment loss on non-current assets has been included in the "Office Furniture," "Store Displays" and "Material Handling Systems" segments. The amount of the impairment loss was ¥0 million for the first quarter of the current consolidated fiscal year.

Significant subsequent events

There is no information that needs to be disclosed herein.