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To Whom It May Concern

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With Regard to the Midterm Management Plan (for fiscal year 2017 to 2019)

The Okamura Group engages in business activities based on the basic policy of building and strengthening a relationship of trust with the society as a whole by constructing a stable management base with the aim of achieving medium- and long-term growth, engaging in efficient and profit-oriented management, and giving consideration for the natural environment.

In consideration of past business results and the current business environment, we hereby announce that we have formulated the Midterm Management Plan ending March 31, 2020.

1. Targets of the Midterm Management Plan

Uncertainty over the immediate prospects for the Japanese economy still remains owing to the U.K.'s separation from the European Union, the establishment of a new government in the U.S., and concerns about the slowdown in the Chinese and emerging economies. However, the economy showed some positive signs, such as steady corporate performance and active labor-saving and productivity improvement initiatives, and we expect the Japanese economy to grow slowly but steadily.

Under these circumstances, we will strive to improve our business performance by implementing the prioritized plans included in the basic strategy and achieve the management targets given below.

Management Targets (Consolidated)

	FY March 2020
Net sales	¥265.0 billion
Operating income	¥16.0 billion
Ordinary income	¥16.8 billion
Profit	¥11.4 billion
Operating income margin	6.0%

2. Basic Strategy for Achieving the Targets of the Midterm Management Plan

(1) Improvements in competitiveness

We will strive to improve sales prices and profitability ratio and differentiate our Company from competitors by making distinctive proposals for solutions that incorporate market changes and diversifying customer needs and by marketing high-added-value products. Regarding production, we will promote automation to further improve productivity and simultaneously pursue the enhancement of procurement capability and review the supply chain. We also aim to improve market competitiveness by reviewing all operations supporting the above to increase efficiency and by establishing a more sophisticated system and information infrastructure.

(2) Strengthening of the domestic business base

We will focus on labor-saving and productivity improvement activities in customer markets for each business segment, and strengthen our capabilities to propose solutions as well as product development that contribute to those activities. We will also make efforts to expand business domains by strengthening cooperation between segments, developing alliances and promoting M&A. In the Office Furniture segment, we will focus on seeking out demand not only in the corporate office furniture market as a core market but also in the office-related furniture market, such as the furniture market for hospitals, welfare facilities, educational facilities, R&D facilities, government agencies and municipal facilities. In the Store Displays segment, we will endeavor to develop and strengthen products "one step ahead" to accommodate the evolving retail stores. In the Material Handling Systems segment, we will shift to a product integration type model to improve competitiveness in response to a higher and diversified market need for automation.

(3) Global market expansion

For the purpose of establishing an overseas business base, we will expand our sales networks by improving sales bases and acquiring distributors overseas, especially in Southeast Asia, as well as further spreading awareness of the Okamura brand by actively participating in all kinds of trade shows. We will also promote the development of fast-growing emerging markets in addition to a deeper cultivation of the high-end market on which we have been focusing on.

(Reference)

Net Sales by Business Segment (Consolidated)

	FY March 2020
Office Furniture	¥141.0 billion
Store Displays	¥105.5 billion
Material Handling Systems and others	¥18.5 billion
Total	¥265.0 billion