Member of the Financial Accounting Standards Foundation

Financial Results for FY March 2009

May 11, 2009
Listing: Tokyo Stock Exchange, Osaka Securities Exchange

Okamura Corporation
Code Number: 7994 (URL: http://www.okamura.co.jp/)
Representative: Kazuyoshi Hisamatsu, President and Representative Director
Contact: Kiyoshi Sato, Managing Director TEL: 045-319-3445
Date of Board Meeting for Consolidated Settlement of Accounts: June 26, 2009
Scheduled date of filing Annual Security Report: June 26, 2009
Scheduled date of commencement of dividend payments: June 29, 2009

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

1. Consolidated Results for FY March 2009 (Apr. 1, 2008 – Mar. 31, 2009)

(1) Business Results (% Figures indicate year-on-year increase/decrease)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY March 2009	190,108	(11.5)	4,455	(54.7)	5,582	(46.9)	3,293	(44.7)
FY March 2008	214,844	0.5	9,832	(9.9)	10,507	(8.9)	5,951	(3.0)

	Net Income per Share	Fully Diluted Net Income per Share	Return on Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
FY March 2009	29.87	—	4.2	3.2	2.3
FY March 2008	53.82	—	7.4	5.6	4.6

Notes: Gain from investment in subsidiaries and affiliates accounted for by the equity method:
FY March 2009: ¥97 million, FY March 2008: ¥141 million

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
FY March 2009	167,894	76,939	45.5	692.34
FY March 2008	185,855	83,121	42.7	719.32

Note: Equity: FY March 2009: ¥76,335 million FY March 2008: ¥79,335 million

(3) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at Term-End
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY March 2009	8,012	(10,194)	1,196	18,425
FY March 2008	11,951	(4,308)	(4,849)	19,496

2. Dividend

	Dividend per share					Total dividends amount	Dividend payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
(Record date)	End of first quarter	End of second quarter	End of third quarter	Year-end dividend per share	Full year dividend per share			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY March 2008	—	7.50	—	7.50	15.00	1,656	27.9	2.1
FY March 2009	—	7.50	—	5.00	12.50	1,379	41.9	1.8
FY March 2010 (forecast)	—	6.25	—	6.25	12.50		39.4	

3. Consolidated Forecast for FY March 2010 (Apr. 1, 2009 – Mar. 31, 2010)

(% Figures indicate increase/decrease ratios from the previous year for FY March 2010, and year-on-year increase/decrease ratios for the accumulated total in 2Q, consolidated)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Accumulated total in 2Q, consolidated	90,600	(9.0)	2,000	(32.0)	2,400	(29.0)	1,300	(43.7)	11.79
FY March 2010	187,000	(1.6)	5,400	21.2	6,200	11.1	3,500	6.3	31.74

4. Other

(1) Changes in the number of material subsidiaries during the fiscal year: None

New — company(ies) (Company name:)

Excluded — company(ies) (Company name:)

(2) Changes in accounting principles and procedures used in the preparation of consolidated financial statements or in the method of presentation of consolidated financial statements (Items contained in "Changes in the Basis of Presenting Consolidated Financial Statements")

i by new accounting standard Yes

ii by others None

(Note) For details, please refer to "(6) Significant Items for the Preparation of Consolidated Financial Statements" on pages 16 and 17 and "(7) Significant Changes for the Preparation of Consolidated Financial Statements" on page 22.

(3) Number of shares of treasury stock (Ordinary Shares)

i Number of shares issued (Common stock) FY March 2009: 112,391,530 FY March 2008: 112,391,530

ii Number of shares of treasury stock FY March 2009: 2,133,951 FY March 2008: 2,100,241

(Note) For the number of shares forming the basis for calculating (consolidated) net income per share, please refer to "Per Share Data" on page 33.

(Note) Non-Consolidated Business Results

1. Non-Consolidated Results for FY March 2009 (Apr. 1, 2008 – Mar. 31, 2009)

(1) Business Results

(% Figures indicate year-on-year increase/decrease)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY March 2009	185,682	(12.1)	2,989	(63.1)	4,303	(52.3)	2,067	(59.9)
FY March 2008	211,346	0.2	8,097	(7.5)	9,027	(2.6)	5,154	5.9

	Net Income per Share	Fully Diluted Net Income per Share
	Yen	Yen
FY March 2009	18.73	—
FY March 2008	46.56	—

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
FY March 2009	149,751	65,684	43.9	595.04
FY March 2008	167,990	69,462	41.3	629.09

(Note) Total shareholders' equity: FY March 2009: ¥65,684 million, FY March 2008: ¥69,462 million

2. Forecasts for FY March 2010 (Apr. 1, 2009 – Mar. 31, 2010)

(% Figures indicate increase/decrease ratios from the previous year for FY March 2010, and year-on-year increase/decrease ratios for the accumulated total in 2Q, consolidated)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Accumulated total in 2Q, consolidated	84,000	(13.5)	1,200	(40.1)	1,700	(35.5)	900	(54.8)	8.15
FY March 2010	174,000	(6.3)	4,000	33.8	4,900	13.8	2,700	30.6	24.46

* 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 points to note when using performance forecasts, please refer to "1. Operating Results and Financial Position (1) Operating Results" on pages 3 and 4.

1. Operating Results and Financial Position

(1) Operating Results

1-1) Overview of FY March 2009

① Overview of Operating Results

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Net income per share (Yen)
FY March 2009	190,108	4,455	5,582	3,293	29.87
FY March 2008	214,844	9,832	10,507	5,951	53.82
Changes (%)	(11.5%)	(54.7%)	(46.9%)	(44.7%)	(44.5%)

During the fiscal year under review, Japan's economy suffered due to persistent steep increases in the prices of crude oil and raw materials that continued from the previous fiscal year into the first half. In the latter half, as the global ramifications of the financial turmoil following the collapse of Lehman Brothers affected the real economy, demand slumped at an unprecedented rate, making for an extremely difficult business climate that persisted throughout the period.

Under these circumstances, the Okamura Group (hereinafter the "Group") focused on developing new markets and cultivating new customer bases to make up for the shrinking aggregate demand. However, the negative effects thereof prevailed particularly among companies that curbed investment and cut expenses in response to the downturn in business, and this contributed to a decline in the Group's sales revenues and earnings.

Consequently, the Group's current term net sales were ¥190,108 million (a decrease of 11.5% year on year).

From the perspective of profit and loss, despite reduced selling, general and administrative expenses, because the decrease in net sales and gross profit had a greater impact than these reductions, Okamura Corporation (hereinafter the "Company") on a consolidated basis posted an ordinary income of ¥5,582 million (a year-on-year decrease of 46.9%) and current net income of ¥3,293 million (a year-on-year decrease of 44.7%).

② Segment Information

(Millions of yen)

	Net sales			Operating income (loss)		
	FY March 2008	FY March 2009	Change	FY March 2008	FY March 2009	Change
Office Furniture	136,833	115,625	(21,208)	9,113	3,807	(5,306)
Store Displays	63,077	62,570	(507)	295	1,074	779
Material Handling Systems and Others	14,932	11,912	(3,020)	423	(426)	(850)

i) Office Furniture

The Office Furniture segment, the Company's mainstay line of business, slowed down substantially, hit directly by the effects of the slumping demand. The segment's net sales during the first half of the year under review trended 5% lower year-on-year but the year-on-year rate of decline accelerated to a substantial 25% during the latter half. As an increasing number of companies began downsizing their personnel base, in addition to curbing investment and cutting expenses, demand arising from office relocations and from office renovations both weakened substantially.

In such circumstances, office-related demand remained solid among companies seeking greater office efficiency and cost savings as a way of cutting expenses. In response to this, the Company aggressively pursued the solution-oriented business with particular emphasis on proposals to introduce the "creative office" concept involving the transformation of offices into "intellectually creative spaces," combined with solutions to reviewing work styles. These efforts to revive business however fell short of making up for the negative effects of the shrinking aggregate demand.

As a result of these developments, net sales in this segment were ¥115,625 million (a decrease of 15.5% year-on-year), and operating income was ¥3,807 million (a decrease of 58.2%).

ii) Store Displays

In the Store Displays segment, the business environment continued to remain challenging as retailers curved their investments and shifted to smaller store formats in the face of slowing personal consumption as a consequence of increasingly adverse employment and income conditions. In such circumstances, the Company focused its efforts on total store solutions and acquisition of new customers, driven by keywords: "food safety and reassurance," "higher energy efficiency" and "low cost operation." The segment's operating income rate improved as a result of reductions in the cost of manufacturing merchandise display shelving for retailers, as well as other various improvements implemented.

As a result, net sales in this segment were ¥62,570 million (a decrease of 0.8% year-on-year), and operating income was ¥1,074 million (a increase of 264.2%).

iii) Material Handling Systems and Others

In the material handling systems segment, the Company aggressively pursued sales activities using solution-based proposals tailored focusing on the logistics centers and plants. However, increasing numbers of customers in this business too began to postpone or curb new investment as their market conditions deteriorated, leading to a decline in the number of projects being launched. This, coupled with disappointing progress with regard to efforts to cultivate new customers, put a dent in the segment’s sales revenue.

As a result, this segment reported net sales of ¥11,912 million (a decrease of 20.2% year-on-year) and a net operating loss of ¥426 million.

1-2) Outlook for Fiscal 2010

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Net income per share (Yen)
FY March 2010	187,000	5,400	6,200	3,500	31.74
FY March 2009	190,108	4,455	5,582	3,293	29.87
Change (%)	(1.6%)	21.2%	11.1%	6.3%	6.3%

The global economic downturn is expected to continue for an extended period of time. Since this perpetuates a negative spiral of depressed corporate earnings leading to curbed business investment plans and aggravated employment and income conditions, further weakening personal consumption, the environment surrounding the Group will likely continue to be challenging.

Amid such circumstances, in the mainstay Office Furniture segment, the Company will aggressively expand the solution-based business model, its proven forte, by taking on firm office demands arising from improvements in office efficiency, review of work styles and corporate restructuring. At the same time, in order to minimize the effects of shrinking aggregate demand in the office related market, the Company will emphasize the marketing of solutions within a variety of public facilities, including educational and medical institutions. Furthermore, the Company will simultaneously implement cost reductions and higher quality, with the aim to strengthen international competitiveness from the mid to long-term perspectives. The Company will actively pursue developing the overseas business with a view to full-fledged entry into the global market. By making maximum use of its superior product development capabilities and technological expertise, the Company will continue to work on developing new products on a timely basis and exploring products designed to prepare for the next stage of growth.

In the Store Displays segment, with shrinking total demand, the difficult business environment is likely to continue. The Company will seek to increase sales from new customers acquired by taking advantage of our strength in comprehensive offerings and total store solution proposals. The Company will also seek to expand and put this operation on a more competitive footing by developing the Visplay business in new markets and by developing the store maintenance and servicing business at SEC Co., Ltd., a newly consolidated subsidiary.

In the Material Handling Systems and Others segment, customers, with their market conditions declining, continue to postpone or curb new investments. The Company will enhance its proposals to attract more orders for total solutions by taking advantage of proposals using logistics engineering and new products that are distinguished by their superiority. The Company will also undertake full-fledged action to promote sector-specific solutions by utilizing synergies with other business segments, in order to achieve a turnaround in revenues and earnings.

In terms of initiatives to improve profitability, the Company will implement further reductions in production costs primarily by pursuing continuous productivity improvement and cost reduction efforts by virtue of OPS (Okamura Production System) while also working on restructuring production capabilities for better optimization. All of these activities reflect the Company’s commitment to consistent corporate reforms aiming for steady and highly profitable corporate structure through prioritized and efficient investment in managerial resources.

For fiscal 2010 the Company anticipates consolidated net sales of ¥187 billion, consolidated ordinary income of ¥6.2 billion, and consolidated net income of ¥3.5 billion.

(2) Financial Position

① Total Assets, Liabilities and Net Assets

	FY March 2008 (Millions of yen)	FY March 2009 (Millions of yen)
Total assets	185,855	167,894
Net assets	83,121	76,939
Equity ratio	42.7%	45.5%
Net assets per share (Yen)	719.32	692.34

Total assets at the end of the year under review amounted to ¥167,894 million, a decrease of ¥17,960 million over the end of the previous fiscal year. Current assets decreased by ¥12,555 million, due primarily to decreases in trade receivables in spite of an increase in cash & time deposits and inventories, whereas fixed assets decreased by ¥5,404 million, due primarily to a decrease in investment securities.

Total liabilities at the end of the year under review amounted to ¥90,954 million, a decrease of ¥11,779 million from the end of the previous fiscal year. This reflected decreases in trade payables and income taxes payable, despite an increase in long-term loans payable.

Total net assets at the end of the year under review were ¥76,939 million, a decrease of ¥6,181 million over the end of the previous fiscal year. This primarily reflected a decrease in unrealized holding gains on other securities, despite an increase in retained earnings as a result of net income earned. The equity ratio increased by 2.8 percentage points to 45.5%.

② Cash Flows

	FY March 2008 (Millions of yen)	FY March 2009 (Millions of yen)
Cash flows from operating activities	11,951	8,012
Cash flows from investing activities	(4,308)	(10,194)
Cash flows from financing activities	(4,849)	1,196
Cash and cash equivalents at the interim-term (year) end	19,496	18,425
Borrowings and corporate bonds at the term (year) end	29,280	32,192

Operating activities generated a net cash increase of ¥8,012 million, reflecting inflows including net income before income taxes of ¥5,468 million, depreciation expenses of ¥6,107 million, and a decrease in trade receivables of ¥11,056 million. Outflows included a decrease in trade payables of ¥10,005 million, a decrease in allowance for bonus payable of ¥1,410 million, and income and other tax payments of ¥3,510 million.

Investing activities resulted in a net cash outflow of ¥10,194 million, primarily reflecting disbursements of ¥6,420 million to acquire tangible and intangible fixed assets and of ¥2,089 million to acquire subsidiary stock.

Financing activities resulted in a net cash increase of ¥1,196 million, primarily reflecting proceeds from an increase in long-term loans payable of ¥2,901 million, despite outlays of ¥1,655 million to pay cash dividends.

Consequently, cash and cash equivalents at the end of the fiscal year under review decreased by ¥1,071 million to ¥18,425 million.

The balance of interest-bearing debt (borrowings and corporate bonds) at the end of the current term under review increased by ¥2,912 million compared to the previous fiscal year to ¥32,192 million.

(Reference) Trends of cash flow indicators

	FY March 2005	FY March 2006	FY March 2007	FY March 2008	FY March 2009
Equity ratio (%)	36.8	41.5	42.9	42.7	45.5
Market value-based equity ratio (%)	54.1	69.8	76.4	40.9	29.5
Ratio of interest-bearing debt to cash flows (times)	4.3	3.3	6.3	2.4	4.0
Interest coverage ratio (times)	15.2	25.6	11.1	27.5	16.3

Equity ratio: Shareholders' equity/Total assets
Market value-based equity ratio: Market capitalization/Total assets
Ratio of interest-bearing debt to cash flows: Cash flows/Interest-bearing debt
Interest coverage ratio: Operating cash flow/Interest payments

(Note 1) All of the above cash flow indicators are calculated on a consolidated basis.
(Note 2) Market capitalization is calculated based on the total number of shares issued and outstanding adjusted for treasury stock.
(Note 3) Operating cash flow equals cash flows from operating activities stated in the Consolidated Statements of Cash Flows.
(Note 4) Interest-bearing debt equals all liabilities on which interests are paid, as stated in the Consolidated Balance Sheets. Interest payments are equal to interests paid as stated in the Consolidated Statements of Cash Flows.

(3) Basic Policies Regarding Allocation of Profits/Dividends in the Fiscal Year Under Review and the Next Fiscal Year

We consider the return of profits to shareholders to be an important management priority. To maintain stable dividend payments while increasing enterprise value, we will take into account the needs to bolster internal reserves to provide for investments, as well as business performance and balance funding.

In accordance with these policies, we decided to target annual cash dividends of ¥5.00 per share. Therefore, including the interim dividends (¥7.50 per share), dividends applicable to the year will be ¥12.50 per share, the same amount as the previous year.

Dividends for next fiscal year are forecast to be ¥12.50 per share.

2. Group Companies

The Group comprises the Company, fourteen consolidated subsidiaries and four affiliated companies. The Group's principal businesses are: the manufacture and sale of office furniture, store displays, and material handling systems. In these business segments the Group offers logistics, installation, and other services.

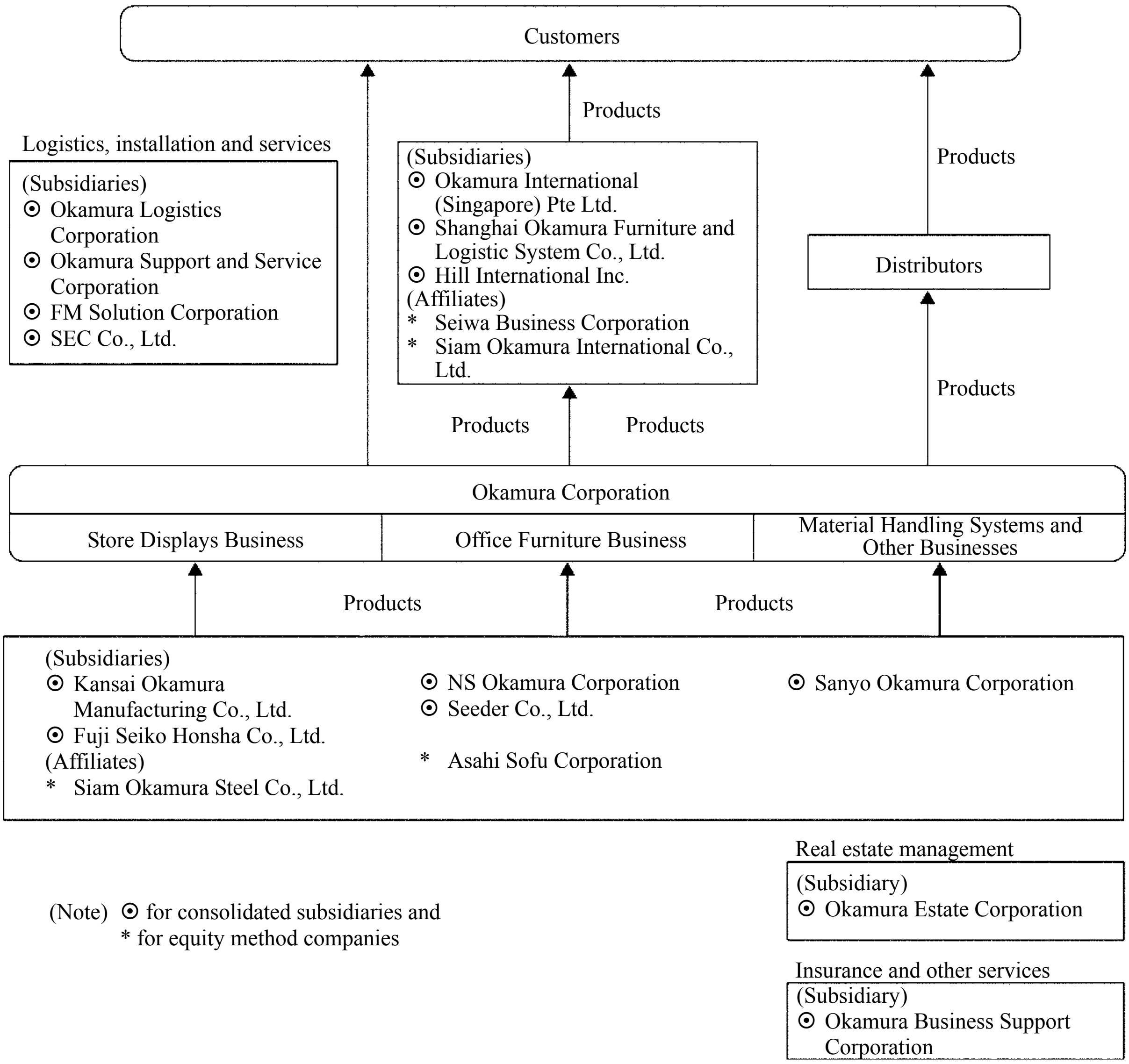
In the office furniture, store displays, and material handling systems business segments, the Company and consolidated subsidiaries including Kansai Okamura Manufacturing Co., Ltd., NS Okamura Corporation, Sanyo Okamura Corporation, Seeder Co., Ltd., and Fuji Seiko Honsha Co., Ltd. engage in manufacturing operations.

In the office furniture, store displays, and material handling systems business segments, the Company engages in sales operations primarily itself and also through its consolidated subsidiaries Okamura International (Singapore) Pte Ltd. and Shanghai Okamura Furniture and Logistic System Co., Ltd., and the Company's affiliates Seiwa Business Corporation and Siam Okamura International Co., Ltd., as well as through the Company's distributors.

In other related businesses, the consolidated subsidiary Okamura Logistics Corporation engages in the Group's logistics and installation for office furniture, store displays, and material handling systems operations, while Okamura Support and Service Corporation undertakes the Group's installation and services. SEC Co., Ltd., which became a consolidated subsidiary in the end of the current term, offers installation and services mainly in the Store Displays business.

Consolidated subsidiaries Okamura Business Support Corporation and Okamura Estate Corporation engage in insurance and real estate management operations for the Group.

The organization chart below depicts the business structure of the Group. Business segments in the chart correspond to those in the Segment Information section.



3. Management Policy

(1) Basic Management Policy

Guided by its watchwords for corporate reform—information technology, globalization, and specialization—the Group engages in business activities grounded in a basic policy of building and strengthening a relationship of trust with society by constructing a stable management base, engaging in efficient, profit-oriented management, and demonstrating concern for the natural environment.

The Company proclaimed itself "Cooperative Industry—Okamura Seisakusho" when in 1945, a company of engineers, led by its founder, made mutual contributions of funds, technical expertise, and labor to launch it into operation. Throughout its existence, human bonds of the technologically minded have formed the foundation of its operations, primarily in the lines of office furniture, store displays, material handling systems and others. True to its motto that "Quality pays for itself" are the integrated development, manufacture, and distribution of high-quality products that customers feel enrich their amenity environment, as well as turnkey offerings tailored to customers' diverse space requirements. These comprise the Company's approach to setting itself apart from its competition in its pursuit of ensuring and enhancing its corporate value and hence its common shareholder value.

(2) Target Performance Indicators

The Group places importance on return on assets (ROA), return on shareholders' equity (ROE), and ratio of operating income to sales as key indicators of business performance. The Company strives at all times to improve profitability through cost consciousness and to focus on improving investment efficiency by exercising selectivity and concentration in the allocation of management resources.

(3) Medium- to Long-Term Business Strategy

1) Reducing Break-even Point

The Company will reduce its break-even point to sales ratio in the interest of ensuring growth in operating income. To this end, its manufacturing cost initiatives focus on curtailing material expenses and enhancing productivity by virtue of OPS, while its efforts to improve the structure of selling and administrative expenses include reducing cost-center personnel and overhauling overhead costs.

2) Office Furniture

As private-sector demand for office space remains stagnant, the Company's marketing will continue to put greater emphasis on proposals based on the "creative office" concept as well as solutions to streamlining facility costs and to accommodating needs regarding the consolidation and relocation of offices. The Company seeks to enhance its capacity, such as by expanding dedicated teams, to win business from investment projects in the market segment of government and public agencies and educational institutions, which promises to be a stable source of demand.

Furthermore, by exploiting its robust sales and marketing network the Company expects to secure a substantial share of the market arising from large-scale redevelopment projects being undertaken in central Tokyo.

3) Store Displays

The Company's operating environment in the distribution/retail market is likely to continue to be difficult going forward, as consumer spending remains sluggish. Despite this environment, the Company will expand its business domain into the field of equipment maintenance and servicing by making SEC Co., Ltd. into a wholly owned subsidiary.

In the growing boutique market, the Company seeks to expand sales into the commercial interiors field via its partnership with Visplay, a major European manufacturer of store fixtures and equipment. Furthermore, by responding quickly to customer needs arising from external changes affecting the retailing sector, including the implementation of the revised Pharmaceutical Affairs Act and stricter environmental protection requirements, the Company will continue to work on maximizing sales and enhancing profit margins.

4) Material Handling Systems and Others

The Company's operating environment in this business segment is likely to continue to be difficult, as private-sector capital spending remains depressed. Despite this environment, the Company seeks to expand sales by stepping up efforts to offer solutions matching needs regarding the storage and sorting of small articles in distribution centers, an area which the Company counts as being among its strengths. The Company also seeks to expand sales of clean-room conveyor systems that take advantage of the unique expertise of its subsidiary Seeder Co., Ltd., particularly for use in photovoltaic power unit manufacturing facilities where customers' interest is increasing.

5) Overseas Operations

In keeping with global economic trends, the Company's overseas operations report flattening sales growth. Even under such circumstances, however, sales show growth in the Middle East, particularly in Dubai where the Company set up a new sales base last year, and in emerging countries, including Russia and Brazil where the Company has signed a new contract. The Company will exhibit its new product, "Leopard," at the NeoCon World's Trade Fair 2009 to be held in Chicago in June this year, with a view to facilitating a recovery in sales in the United States, the biggest market in the world. Furthermore, the Company will build a stronger capability to accommodate the needs of Japanese distributors/retailers expanding and opening outlets in China, in order to ensure sales revenue and earnings growth.

(4) Issues Facing the Company

To cope with a social milieu characterized by diversification, globalization and other sweeping social transformations that are likely to continue to occur in the coming years, the Company has periodically convened the Business Process Improvement Committee, flexibly and rapidly responded to the changes, and implemented a series of profit improvement measures necessary to sustain and increase growth and profitability.

In future business development, the Company will aggressively invest management resources in growth business sectors on the basis of a medium-term management strategy grounded in selectivity and concentration, engage in continued restructuring across all businesses and organizations, work to increase capital efficiency, and promote management reform to establish a highly profitable corporate structure.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY March 2008 (As of Mar. 31, 2008)	FY March 2009 (As of Mar. 31, 2009)
Assets		
Current assets		
Cash and time deposits	20,514	19,488
Trade notes and accounts receivable	57,604	47,600
Marketable securities	122	172
Inventories	16,848	—
Merchandise and finished products	—	12,254
Work in process	—	1,286
Raw material and supplies	—	2,248
Deferred income taxes	1,811	1,237
Other current assets	1,536	1,577
Allowance for doubtful debt	(98)	(82)
Total current assets	98,340	85,784
Fixed assets		
Tangible fixed assets		
Buildings and structures (at net book value)	15,579	16,880
Machinery, equipment and vehicles (at net book value)	10,016	9,061
Land	22,515	22,771
Construction in progress	86	48
Others (at net book value)	2,920	2,328
Total tangible fixed assets	*1 51,118	*1 51,090
Intangible fixed assets		
Goodwill	—	1,783
Others	2,690	2,347
Total intangible fixed assets	2,690	4,130
Investments and other assets		
Investment securities	*1, *2 22,781	*1, *2 16,120
Prepaid pension cost	2,133	2,517
Guarantee deposits	4,006	4,071
Deferred income taxes	2,095	2,165
Others	2,811	2,104
Allowance for doubtful accounts	(122)	(91)
Total investment and other assets	33,705	26,888
Total fixed assets	87,514	82,109
Total assets	185,855	167,894

(Millions of yen)

	FY March 2008 (As of Mar. 31, 2008)	FY March 2009 (As of Mar. 31, 2009)
Liabilities		
Current liabilities		
Trade notes and accounts payable	46,742	37,432
Short-term bank loans	*1, *3 9,867	*1, *3 9,878
Long-term debts due within one year	*1 3,117	*1 1,674
Bonds redeemed within one year	—	5,000
Income taxes payable	2,371	793
Consumption taxes payable	518	132
Allowance for bonus payable	2,945	1,535
Others	3,377	2,924
Total current liabilities	68,941	59,370
Long-term liabilities		
Bonds	10,000	5,000
Long-term loans payable	*1 6,294	*1 10,639
Deferred tax liabilities	3,451	668
Severance and employee retirement benefits	11,459	11,710
Reserve for directors' retirement benefits	20	—
Other liabilities	2,566	3,565
Total long-term liabilities	33,792	31,583
Total liabilities	102,734	90,954
Net assets		
Owners' equity		
Capital stock	18,670	18,670
Capital surplus	16,759	16,759
Retained earnings	40,909	42,547
Treasury stock, at cost	(2,333)	(2,354)
Total owners' equity	74,006	75,622
Net unrealized gain and translation adjustments		
Unrealized holding gains (losses) on securities	5,262	1,057
Foreign currency translation adjustment	66	(345)
Total Net unrealized gain and translation adjustments	5,328	712
Minority interests	3,786	604
Total net assets	83,121	76,939
Total liabilities and net assets	185,855	167,894

(2) Consolidated Statements of Income

(Millions of yen)

	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
Net sales	214,844	190,108
Cost of sales	*2 148,185	*2 131,782
Gross profit	66,658	58,326
Selling, general and administrative expenses	*1, *2 56,826	*1, *2 53,871
Operating income	9,832	4,455
Other income		
Interest income	57	48
Dividends income	384	431
Amortization of negative goodwill	—	198
Equity in earnings of affiliated companies	141	97
Refund of premium for cancelled insurance	—	457
Others	864	685
Total other income	1,447	1,918
Other expenses		
Interest expenses	432	508
Others	340	282
Total other expenses	773	790
Ordinary income	10,507	5,582
Extraordinary income		
Gain on sales of fixed assets	*3 405	*3 3
Gain on sales of investment securities	152	83
Reversal of allowance for doubtful accounts	16	13
Reversal of allowance for bonus payable	—	639
Others	10	0
Total extraordinary income	585	740
Extraordinary losses		
Loss on disposal of property, plant and equipment	*4 229	*4 153
Impairment loss	34	428
Directors' retirement benefits	—	150
Loss on extinguishment of shares in merged company	—	99
Other losses	0	23
Total extraordinary losses	263	854
Income before income taxes for the quarter term (fiscal year)	10,829	5,468
Income taxes	4,423	1,765
Adjustments on income taxes	408	501
Total income taxes	4,832	2,266
Minority interests in earnings	45	(91)
Net income for the current term (fiscal year)	5,951	3,293

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
Owners' equity		
Capital stock		
Opening balance	18,670	18,670
Changes during period		
Total changes during period	—	—
Ending balance	18,670	18,670
Capital surplus		
Opening balance	16,759	16,759
Changes during period		
Total changes during period	—	—
Ending balance	16,759	16,759
Retained earnings		
Opening balance	36,795	40,909
Changes during period		
Dividends	(1,837)	(1,656)
Net income	5,951	3,293
Total changes during period	4,113	1,637
Ending balance	40,909	42,547
Treasury stock		
Opening balance	(269)	(2,333)
Changes during period		
Acquisition of treasury stock	(2,063)	(21)
Total changes during period	(2,063)	(21)
Ending balance	(2,333)	(2,354)
Total Owner's Equity		
Opening balance	71,956	74,006
Changes during period		
Dividends	(1,837)	(1,656)
Net income	5,951	3,293
Acquisition of treasury stock	(2,063)	(21)
Total changes during period	2,050	1,616
Ending balance	74,006	75,622

(Millions of yen)

	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
Net unrealized gain and translation adjustments		
Net unrealized gains on for-sale securities		
Opening balance	9,467	5,262
Changes during period		
Net changes of Net assets other than owners' equity during period	(4,205)	(4,204)
Total changes during period	(4,205)	(4,204)
Ending balance	5,262	1,057
Foreign currency translation adjustments		
Opening balance	(69)	66
Changes during period		
Net changes of Net assets other than owners' equity during period	135	(411)
Total changes during period	135	(411)
Ending balance	66	(345)
Total net unrealized gain and translation adjustments		
Opening balance	9,398	5,328
Changes during period		
Net changes of Net assets other than owners' equity during period	(4,069)	(4,615)
Total changes during period	(4,069)	(4,615)
Ending balance	5,328	712
Minority Interests		
Opening balance	3,617	3,786
Changes during period		
Net changes of Net assets other than owners' equity during period	168	(3,181)
Total changes during period	168	(3,181)
Ending balance	3,786	604
Total net assets		
Opening balance	84,971	83,121
Changes during period		
Dividends	(1,837)	(1,656)
Net income	5,951	3,293
Acquisition of treasury stock	(2,063)	(21)
Net changes of Net assets other than owners' equity during period	(3,901)	(7,797)
Total changes during period	(1,850)	(6,181)
Ending balance	83,121	76,939

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
Cash flows from operating activities		
Income before income taxes for the first 9 months (fiscal year)	10,829	5,468
Depreciation and amortization	5,773	6,107
Gain on sales of fixed assets (parentheses indicate a gain)	(405)	(3)
Loss on disposal of property, plant and equipment	229	153
Equity in earnings of affiliated companies (parentheses indicate a gain)	(141)	(97)
Increase/decrease in allowance for doubtful accounts (parentheses indicate a decrease)	(11)	(59)
Allowance for bonuses payable (parentheses indicate a decrease)	(30)	(1,410)
Increase/decrease in allowance for employee retirement benefits (parentheses indicate a decrease)	(512)	(133)
Increase/decrease in allowance for directors' retirement benefits (parentheses indicate a decrease)	3	(20)
Interest and dividends income	(442)	(479)
Interest expense	432	508
Gain/loss on sale of investment securities (parentheses indicate a gain)	(152)	(70)
Loss on devaluation of investment securities (parentheses indicate a gain)	34	428
Increase/decrease in notes and accounts receivable (parentheses indicate an increase)	4,696	11,056
Increase/decrease in inventories (parentheses indicate an increase)	(718)	1,142
Increase/decrease in notes and accounts payable (parentheses indicate a decrease)	(1,394)	(10,005)
Others	(151)	(1,084)
Sub-total	18,037	11,500
Interest and dividends received	483	513
Interest expenses paid	(434)	(491)
Income taxes paid	(6,136)	(3,510)
Net Cash provided by operating activities	11,951	8,012
Cash flows from investing activities		
Payment for placement of term deposits	(1,860)	(1,225)
Proceeds from withdrawal of term deposits	2,041	1,168
Payment for purchase of property, plant and equipment	(4,672)	(6,041)
Proceeds from sale of property, plant and equipment	447	14
Payment for purchase of intangible fixed assets	(454)	(379)
Payment for purchase of investment securities	(525)	(1,947)
Proceeds from sale and redemption of investment securities	320	1,216
Payment for purchase of stock in subsidiary	—	(2,089)
Proceeds from purchase of stock in subsidiary affecting the scope of consolidation	*2 476	—
Payment for purchase of stock in subsidiary affecting the scope of consolidation	—	*2 (1,957)
Others	(82)	1,045
Net Cash used in investing activities	(4,308)	(10,194)

(Millions of yen)

	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
Cash flows from financing activities		
Net increase/decrease in short-term bank loans (parentheses indicate a decrease)	(950)	11
Proceeds from long-term debt	3,450	6,050
Payment for repayment of long-term debt	(3,446)	(3,148)
Payment for purchase of treasury stock	(2,060)	(18)
Cash dividends paid	(1,825)	(1,655)
Cash dividends paid to minority shareholders	(16)	(24)
Others	—	(15)
Net Cash used in financing activities equivalents	(4,849)	1,196
Effect on exchange rate changes on cash and cash equivalents	5	(85)
Increase/decrease in cash and cash equivalents (parentheses indicate a decrease)	2,799	(1,071)
Cash and cash equivalents at beginning of year	16,697	19,496
Cash and cash equivalents at the end of the year	*1 19,496	*1 18,425

(5) Events or Conditions That May Cast Significant Doubt on the Going Concern Assumption
Not applicable.

(6) Significant Items for the Preparation of Consolidated Financial Statements

	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
1 Scope of consolidation	(1) Consolidated subsidiaries Number of consolidated subsidiaries: 13 companies The names of the consolidated subsidiaries are not stated here since they appear in "2. Group Companies" on page 7. Pursuant to additional acquisition of shares dated Mar. 27, 2008, Fuji Seiko Honsha Co., Ltd. became the Company's consolidated subsidiary from this consolidated fiscal year. The deemed acquisition date is Dec. 31, 2007, the date of yearly settlement of accounts of this subsidiary, and only the balance sheet is subject to consolidation. (2) Non-consolidated subsidiaries Number of non-consolidated subsidiaries: 1 company Name of non-consolidated subsidiary: Kagaseiko Corporation Reason for excluding the subsidiary from the scope of consolidation This non-consolidated subsidiary is a small company and the Company's financial statements do not recognize significant influence from the subsidiary on net assets, net sales, net income, retained earnings (equivalent value in the equity method) and others.	(1) Consolidated subsidiaries Number of consolidated subsidiaries: 14 companies The names of the consolidated subsidiaries are not stated here since they appear in "2. Group Companies" on page 7. Pursuant to the acquisition of shares dated Mar. 6, 2009, SEC Co., Ltd. became the Company's consolidated subsidiary from this consolidated fiscal year. The deemed acquisition date is Mar. 31, 2009, and only the balance sheet is subject to consolidation. (2) Non-consolidated subsidiaries Not applicable. Kagaseiko Corporation, which in the previous consolidated fiscal year had been classified as a non-consolidated subsidiary, was absorbed and merged into Fuji Seiko Honsha Co., Ltd., a consolidated subsidiary of the Company, as of Oct. 1, 2008.
2 Application of the equity method	(1) Equity method non-consolidated subsidiaries Not applicable. (2) Equity method affiliates Number of equity method affiliates: 4 companies The names of the equity method affiliates are not stated here since they appear in "2. Group Companies" on page 7. (3) Non-consolidated subsidiaries not accounting for the equity method Number of non-consolidated subsidiaries not accounting for the equity method: 1 company Name of non-consolidated subsidiary not accounting for the equity method: Kagaseiko Corporation Reason for not accounting for the equity method This non-consolidated subsidiary is a small company and the Company's financial statements do not recognize significant influence from the subsidiary on net income, retained earnings (equivalent value in the equity method) and the like. (4) Affiliates not accounting for the equity method Not applicable.	(1) Equity method non-consolidated subsidiaries Same as left (2) Equity method affiliates Same as left (3) Non-consolidated subsidiaries not accounting for the equity method Not applicable. (4) Affiliates not accounting for the equity method Same as left
3 Operating year of consolidated subsidiaries	The date of yearly settlement of accounts is December 31 for Okamura International (Singapore) Pte Ltd., Shanghai Okamura Furniture and Logistic System Co., Ltd., and Fuji Seiko Honsha Co., Ltd. For all other consolidated subsidiaries, the date of yearly settlement of accounts is March 31, which is the same date the Company files consolidated financial statements. The difference between the date of yearly settlement of accounts for Okamura International (Singapore) Pte Ltd., Shanghai Okamura Furniture and Logistic System Co., Ltd., and Fuji Seiko Honsha Co., Ltd. and the date of yearly settlement of consolidated accounts is three months or less, so that the financial statements of the three subsidiaries according to their operating year could be used as the basis for consolidating the three subsidiaries. However, any significant transactions that occurred following the end of such operating year through the date of yearly settlement of consolidated accounts were adjusted in manners necessary for consolidation.	The date of yearly settlement of accounts is December 31 for Okamura International (Singapore) Pte Ltd., Shanghai Okamura Furniture and Logistic System Co., Ltd., and Fuji Seiko Honsha Co., Ltd., and September 30 for SEC Co., Ltd. For all other consolidated subsidiaries, the date of yearly settlement of accounts is March 31, which is the same date the Company files consolidated financial statements. The difference between the date of yearly settlement of accounts for Okamura International (Singapore) Pte Ltd., Shanghai Okamura Furniture and Logistic System Co., Ltd., and Fuji Seiko Honsha Co., Ltd. and the date of yearly settlement of consolidated accounts is three months or less, so that the financial statements of the three subsidiaries according to their operating year could be used as the basis for consolidating the three subsidiaries. As for SEC Co., Ltd., its financial statements prepared as of the date of provisional settlement of accounts (December 31) undertaken due to the acquisition of shares were used for consolidation. However, any significant transactions that occurred following the end of such operating year through the date of yearly settlement of consolidated accounts were adjusted in manners necessary for consolidation.

	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
4 Accounting standards	(1) Standards and methods for valuation of significant assets ① Securities Other securities Securities with market value Market value method based on values such as the market price at the end of the settlement year (All valuation differences were accounted for as a separate component of net assets, and the cost of selling was calculated on the moving average method.) Securities without market value Cost method based on the moving average method ② Derivatives Market value method ③ Inventories Cost method based on the moving average method	(1) Standards and methods for valuation of significant assets ① Securities a. Held-to-maturity bonds Amortized cost method (straight-line method) b. Other securities Securities with market value Market value method based on values such as the market price at the end of the settlement year (All valuation differences were accounted for as a separate component of net assets, and the cost of selling was calculated on the moving average method.) Securities without market value Cost method based on the moving average method ② Derivatives Same as left ③ Inventories Inventories held for sale in the ordinary course of business Cost method (which reduces the book value of assets whose profitability is diminished) based on the moving average method (Change in accounting policy) Effective with this consolidated fiscal year, the Company adopted the Accounting Standard for Valuation of Inventories (ASBJ Statement No. 9, issued by the Accounting Standards Board of Japan on July 5, 2006). The effect of this change was to reduce gross profit, operating income, ordinary income and income before income taxes by ¥455 million each compared with the results based on the same method used in the previous consolidated fiscal year. The impact this caused on segment information is described where it is relevant.
	(2) Methods of depreciation of significant depreciable assets ① Tangible fixed assets Buildings (excluding building equipment) a. those acquired on or before Mar. 31, 1998 Former fixed percentage method b. those acquired between Apr. 1, 1998 and Mar. 31, 2007 Former straight-line method c. those acquired on or after Apr. 1, 2007 The straight-line method Other tangible assets excluding buildings a. those acquired on or before Mar. 31, 2007 Former fixed percentage method b. those acquired on or after Apr. 1, 2007 The straight-line method The duration of useful life and residual value were determined in accordance with the standards prescribed in the Japanese Corporation Tax Law.	(2) Methods of depreciation of significant depreciable assets ① Tangible fixed assets (excluding lease assets) Buildings (excluding building equipment) a. those acquired on or before Mar. 31, 1998 Same as left b. those acquired between Apr. 1, 1998 and Mar. 31, 2007 Same as left c. those acquired on or after Apr. 1, 2007 Same as left Other tangible assets excluding buildings a. those acquired on or before Mar. 31, 2007 Same as left b. those acquired on or after Apr. 1, 2007 Same as left For tangible assets acquired on or before March 31, 2007, depreciation is accounted for up to the limit amount available for depreciation over a period of five years in equal amounts, starting from the next consolidated fiscal year after completion of the depreciation.

	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
4 Accounting standards	(Change in accounting policy) Pursuant to revisions on the Corporate Tax Law ((Law concerning revision on part of Corporate Tax Law and others, dated Mar. 30, 2007, Law No. 6) and (Cabinet Order concerning revision on part of Order for Enforcement of Corporate Tax Law, dated Mar. 30, 2007, Cabinet Order No. 83)), presentation of acquisitions on or after April 1, 2007 were changed to comply with the revised Corporate Tax Law. Accordingly, comparing with the previous consolidated fiscal year in the same accounting standards, operating income, ordinary income and income before taxes decreased ¥231 million each. The impact this caused on segment information is described where it is relevant.	—
	(Additional information) For tangible assets acquired on or before March 31, 2007, depreciation is accounted for up to the limit amount available for depreciation over a period of five years in equal amounts, starting from the next consolidated fiscal year after completion of the depreciation. Accordingly, comparing with the previous consolidated fiscal year in the same accounting standards, operating income, ordinary income and income before taxes each decreased by ¥296 million. The impact this caused on segment information is described where it is relevant.	(Additional information) Following the revision of the Corporate Tax Law in the 2008 fiscal year, effective with this consolidated fiscal year the Company changed the numbers of useful life years it uses in respect of machinery and equipment to conform to the same criteria as prescribed in the revised Corporate Tax Law. The effect of this change was to reduce operating income, ordinary income and net income before income taxes by ¥148 million each compared with the results based on the same method used in the previous consolidated fiscal year. The impact this caused on segment information is described where it is relevant.
	② Intangible fixed assets Straight-line method. The standard for the depreciation period is based on the same standard adopted in the method stipulated in the Corporate Tax Law. However, the depreciation of goodwill is accounted for over a period of five years in equal amounts, and the depreciation of software (for in-house use) is calculated using the straight-line method based on the duration of useful life determined by the Company (five years).	② Intangible fixed assets (excluding lease assets) Straight-line method. The standard for the depreciation period is based on the same standard adopted in the method stipulated in the Corporate Tax Law. However, the depreciation of goodwill is accounted for over a period of five or eight years in equal amounts, and the depreciation of software (for in-house use) is calculated using the straight-line method based on the duration of useful life determined by the Company (five years). ③ Lease assets Lease assets involved in finance lease transactions other than those where ownership is transferred Straight-line method that assumes the lease period to be the useful life and the residual value to be zero. (Change in accounting policy) Effective with this consolidated fiscal year, the Company adopted the Accounting Standard for Lease Transactions (ASBJ Statement No. 13, issued by the Accounting Standards Board of Japan on June 17, 1993 and last revised on March 30, 2007) and the Implementation Guidance for Accounting Standard for Lease Transactions (ASBJ Guidance No. 16, issued by the Accounting Standards Board of Japan on January 18, 1994 and last revised on March 30, 2007). With regard to non-ownership-transferred finance lease transactions whose effective date precedes the commencement of the initial fiscal year of adoption of the revised standard for lease transactions, the Company continues to apply mutatis mutandis the same method used to account for ordinary lease transactions. The effect of this change on income was negligible.

	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
4 Accounting standards	(3) Standards for providing for significant allowances ① Allowance for doubtful accounts In order to provide against loss arising from bad debts, the Company has provided for estimated uncollectable amounts. a. General receivables Based on the method of actual bad debt rates. b. Receivables from doubtful, bankrupt or reorganized debtors Based on the method of valuating financial positions. ② Allowance for bonuses payable To prepare for the payment of bonuses to employees, the amount expected to be payable to all employees for this consolidated fiscal year was determined based on the portion of total amount expected to be payable corresponding to this consolidated fiscal year. ③ Severance and employee retirement benefits To prepare for payment of severance and retirement benefits to employees, the Company and major domestic consolidated subsidiaries provided for the amount considered to have been accrued as of the end of this consolidated fiscal year based on the estimated amount of liabilities for severance and retirement benefits and pension assets at year end. Past service liabilities were accounted for as an expense by the amount prorated over a certain number of years (14 years) not exceeding the average remaining service period of employees in the year in which the liabilities are recognized. Actuarial differences were accounted for as expenses effective the consolidated fiscal year following their accrual on a declining balance basis over a certain number of years (14 years) not exceeding the average remaining service period of employees in each year of accrual. Some domestic consolidated subsidiaries adopted simplified methods. ④ Reserve for directors' retirement benefits To prepare for payment of retirement benefits to directors, some consolidated subsidiaries have provided for the amount considered necessary at the end of the consolidated fiscal year under the internal rules. — (4) Method of accounting for significant lease transactions Excluding transactions where the ownership of the leasehold asset is transferred to the lessee, finance lease transactions were accounted for in accordance with the normal lease transaction method.	(3) Standards for providing for significant allowances ① Allowance for doubtful accounts Same as left a. General receivables Same as left b. Receivables from doubtful, bankrupt or reorganized debtors Same as left ② Allowance for bonuses payable Same as left ③ Severance and employee retirement benefits Same as left ④ Reserve for directors' retirement benefits — (Additional information) Until now, to prepare for payment of retirement benefits to directors, certain consolidated subsidiaries had provided for the amount considered necessary at the end of each consolidated fiscal year under the internal rules. However, such consolidated subsidiaries through their board of directors resolved the abolishment of retirement allowance system of directors effective as of the conclusion of the general meeting of shareholders to be held in June 2008. According to the abolishment, serving directors shall be furnished upon their retirement with the amount appropriate to their service time to the date of abolishment in accordance with the system before abolishment. This subject was resolved at the same ordinary general meeting of shareholders and the amount involved with this abolishment, ¥21 million, was recognized as Other liabilities in Long-term liabilities. —

	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
4 Accounting standards	(5) Significant hedge accounting method ① Hedge accounting method The Company has adopted an exceptional treatment for interest rate swap transactions since the requirements for the treatment have been met. Foreign currency-denominated receivables that are hedged by forward foreign exchange contracts are accounted for using the contracted forward rates. ② Hedge method and transactions to be hedged (Hedge method) • Interest rate swap transactions • Forward exchange transactions (Transactions to be hedged) • Interest on borrowings (with the risk of loss that may arise due to fluctuations in the interest rate market and will consequently change cash flows) • Foreign currency receivables (with the risk of loss that may arise due to fluctuations in the foreign exchange market and will consequently change cash flows) ③ Hedging policy The Company will engage in derivatives transactions in order to avoid risk of interest rate fluctuations or reduce the burden of interest payment, not in those with a speculative purpose or high leverage effect. The Company will also engage in currency derivatives transactions within the volume of contracts for assets, liabilities, or transactions in foreign currency, since the purpose of derivatives transactions is to hedge transactions in foreign currency against the risk of exchange rate fluctuations. The Company will therefore not conduct derivatives transactions for speculative purposes. ④ Method for valuating the effectiveness of hedge transactions The Company has adopted an exceptional treatment for interest rate swap transactions since the notional principal, conditions for receipt and payment of interest (such as the interest rate and dates of receipt and payment of interest) and contract terms are the same as those for transactions being hedged. The Company has not therefore conducted post tests to evaluate the effectiveness of interest rate transactions. Forward exchange contracts are used to hedge foreign currency exposures under a risk management policy of designing the contract, as it is concluded, to have the same amount and maturity in order to establish a relationship that cancels out any subsequent change in the exchange rate. This allows the Company to dispense with evaluation of the effectiveness of such hedges at the settlement of accounts. ⑤ Other risk control methods concerned with hedge accounting Since the issuance of corporate bonds to be hedged, borrowing of a large amount of money, and similar acts are subject to resolutions by the board of directors, the conclusion of currency swap or interest rate swap contracts as a means of hedging such bond issuances, borrowings, and the like are to be resolved at the time of the act by the board of directors. Currency and interest derivatives transactions are conducted and managed by the Accounting Department subject to the Corporate Management Rules.	(5) Significant hedge accounting method ① Hedge accounting method Same as left ② Hedge method and transactions to be hedged Same as left ③ Hedging policy Same as left ④ Method for valuating the effectiveness of hedge transactions Same as left ⑤ Other risk control methods concerned with hedge accounting Same as left

	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
4 Accounting standards	(6) Other significant items for the preparation of Consolidated Financial Statements Accounting for consumption taxes National and local consumption taxes are accounted for using the tax exclusion method.	(6) Other significant items for the preparation of Consolidated Financial Statements Accounting for consumption taxes Same as left
5 Appraising consolidated subsidiaries' assets and liabilities	Consolidated subsidiaries' assets and liabilities are revalued as acquired by the Company to their fair market value, inclusive of minority interests.	Same as left
6 Amortizing goodwill and negative goodwill	Goodwill and negative goodwill are amortized in equal amounts over five years.	Goodwill is amortized in equal amounts over five or eight years, and negative goodwill is amortized in equal amounts over five years.
7 Scope of funds in consolidated cash flow statement	Cash and cash equivalents in the consolidated cash flow statement are comprised of items such as cash on hand, demand deposits, time deposits due within three months of the date of acquisition, and beneficiary certificates of trust that are due within three months of the date of acquisition, are easily converted into money, and have a small risk of price fluctuation.	Same as left

(7) Significant Changes for the Preparation of Consolidated Financial Statements

[Changes in accounting standards]

FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
—	(Tentative treatments applicable to accounting for foreign subsidiaries in preparation of consolidated financial statements) Effective with this consolidated fiscal year, the Company adopted the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ PITF No. 18, issued by the Accounting Standards Board of Japan on May 17, 2006). This change had no impact on income.

[Accounting standards of business combination and others]

FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
(Consolidated Balance Sheets) In the previous consolidated fiscal year, the amount of pension assets exceeding the liabilities for severance and retirement benefits was included in the presentation of “severance and employee retirement benefits,” but from this consolidated fiscal year, the relevant amount is posted separately in “prepaid benefit cost” in investments and other assets (1,396 million yen in the previous consolidated fiscal year).	(Consolidated Balance Sheets) 1. In accordance with the newly effective Cabinet Order for Partial Revision of Regulations, Etc., Concerning the Terminology, Formats and Methods of Preparation of Financial Statements, Etc. (Cabinet Order No. 50 of August 7, 2008), what would have been classified as “inventories” in the previous consolidated fiscal year are subdivided and classified separately as “merchandise and finished products,” “work in process,” and “raw material and supplies” commencing with this consolidated fiscal year. “Inventories” at the end of the previous consolidated fiscal year included “merchandise and finished products,” “work in process,” and “raw material and supplies” amounting to ¥13,098 million, ¥1,320 million, and ¥2,430 million, respectively. 2. The “goodwill” that in the previous consolidated fiscal year was included (to the amount of ¥13 million at the end of the previous consolidated fiscal year) in other liabilities in Long-term liabilities is separated and classified as “goodwill” in intangible fixed assets commencing with this consolidated fiscal year. (Consolidated Statements of Income) The “amortization of negative goodwill” that in the previous consolidated fiscal year was included (to the amount of ¥72 million for the previous consolidated fiscal year) in others in Other income is separated and classified as “amortization of negative goodwill” in Other income commencing with this consolidated fiscal year.

(8) Notes

(Consolidated Balance Sheet)

FY March 2008 (As of Mar. 31, 2008)	FY March 2009 (As of Mar. 31, 2009)
*1 (1) Accumulated depreciation of tangible fixed assets amounted to ¥87,900 million.	*1 (1) Accumulated depreciation of tangible fixed assets amounted to ¥91,585 million.
(2) Those of these assets that were hypothecated and liabilities corresponding to them are as follows:	(2) Those of these assets that were hypothecated and liabilities corresponding to them are as follows:
Amount of pledged assets (book value)	Amount of pledged assets (book value)
Other tangible fixed assets ¥3,566 million	Other tangible fixed assets ¥3,384 million
Machinery, equipment and vehicles ¥69 million	Land ¥8,033 million
Land ¥8,026 million	Investment securities ¥27 million
Investment securities ¥43 million	Total ¥11,445 million
Total ¥11,705 million	
Within the above, assets offered as mortgage for factory foundation	Within the above, assets offered as mortgage for factory foundation
Other tangible fixed assets ¥273 million	Other tangible fixed assets ¥283 million
Land ¥282 million	Land ¥282 million
Total ¥556 million	Total ¥565 million
Liabilities relevant to the above	Liabilities relevant to the above
Short-term debts ¥3,034 million	Short-term debts ¥3,187 million
Long-term debts due within one year ¥369 million	Long-term debts due within one year ¥255 million
Long-term debts ¥601 million	Long-term debts ¥465 million
Total ¥4,004 million	Total ¥3,907 million
Within the above, liabilities corresponding to mortgage for factory foundation	Within the above, liabilities corresponding to mortgage for factory foundation
Short-term debts ¥1,034 million	Short-term debts ¥1,187 million
Long-term debts due within one year ¥251 million	Long-term debts due within one year ¥175 million
Long-term debts ¥294 million	Long-term debts ¥329 million
Total ¥1,580 million	Total ¥1,691 million
*2 Balances held in affiliates are as follows:	*2 Balances held in affiliates are as follows:
Investment securities (equity shares) ¥1,525 million	Investment securities (equity shares) ¥1,266 million
*3 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.	*3 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.
Total amount under specified commitment line agreements ¥12,000 million	Total amount under specified commitment line agreements ¥12,000 million
Outstanding loans borrowed ¥1,000 million	Outstanding loans borrowed ¥1,000 million
Balance ¥11,000 million	Balance ¥11,000 million

(Consolidated Balance Sheet)

FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
*1 Major items and amounts of selling, general and administrative expenses are as follows:	*1 Major items and amounts of selling, general and administrative expenses are as follows:
Selling expense ¥3,295 million	Selling expense ¥2,960 million
Packing and transportation expense ¥11,274 million	Packing and transportation expense ¥9,693 million
Salaries and allowances ¥16,314 million	Salaries and allowances ¥16,680 million
Provision for allowance for bonus payable ¥1,945 million	Provision for allowance for bonus payable ¥984 million
Retirement benefits ¥586 million	Retirement benefits ¥883 million
Depreciation and amortization expenses ¥1,828 million	Depreciation and amortization expenses ¥1,855 million
Rent ¥6,828 million	Rent ¥7,208 million
*2 R&D cost included in selling, general and administrative expenses and cost of sales amounted to ¥994 million.	*2 R&D cost included in selling, general and administrative expenses and cost of sales amounted to ¥1,016 million.
*3 Details of gain on sales of fixed assets are as follows:	*3 Details of gain on sales of fixed assets are as follows:
Land ¥387 million	Machinery, equipment and vehicles ¥3 million
Others ¥18 million	Others ¥0 million
Total ¥405 million	Total ¥3 million
*4 Details of loss on retirement of fixed assets are as follows:	*4 Details of loss on retirement of fixed assets are as follows:
Other tangible fixed assets ¥16 million	Other tangible fixed assets ¥23 million
Machinery, equipment and vehicles ¥156 million	Machinery, equipment and vehicles ¥78 million
Others ¥55 million	Others ¥50 million
Total ¥229 million	Total ¥153 million

(Consolidated Statements of Changes in Net Assets)

FY March 2008 (from Apr. 1, 2007 to Mar. 31, 2008)

1. Types and numbers of stocks issued and treasury

Type of stock	Number of stocks at the end of the previous year	Increase	Decrease	Number of stocks at the end of the term
Stocks issued Common stock (stocks)	112,391,530	—	—	112,391,530

2. Treasury stock

Type of stock	Number of stocks at the end of the previous year	Increase	Decrease	Number of stocks at the end of the term
Stocks issued Common stock (stocks)	400,990	1,699,251	—	2,100,241

(Outline of change factors)

The details of increase are as stated below:

Increase by acquisition based on a Board resolution 1,667,000 shares
Increase due to purchase of fractional shares 29,718 shares
Increase due to acquisition of treasury stocks by equity-method affiliates which belong to us 2,533 shares

3. Stock acquisition rights and others

Not applicable.

4. Dividends

(1) Dividends paid during the fiscal year

Resolved	Type	Total amount (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders' held on June 28, 2007	Common stock	1,009	9.00	March 31, 2007	June 29, 2007
Board of Directors held on November 12, 2007	Common stock	828	7.50	September 30, 2007	December 10, 2007

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

Resolved	Type	Resource of the dividends to be paid	Total amount (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders' held on June 27, 2008	Common stock	Retained earnings	828	7.50	March 31, 2008	June 30, 2008

FY March 2009 (from Apr. 1, 2008 to Mar. 31, 2009)

1. Types and numbers of stocks issued and treasury

Type of stock	Number of stocks at the end of the previous year	Increase	Decrease	Number of stocks at the end of the term
Stocks issued Common stock (stocks)	112,391,530	—	—	112,391,530

2. Treasury stock

Type of stock	Number of stocks at the end of the previous year	Increase	Decrease	Number of stocks at the end of the term
Stocks issued Common stock (stocks)	2,100,241	33,710	—	2,133,951

(Outline of change factors)

The details of increase are as stated below:

Increase due to purchase of fractional shares 29,608 shares
Increase due to acquisition of treasury stocks by equity-method affiliates which belong to us 4,102 shares

3. Stock acquisition rights and others

Not applicable.

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 27, 2008	Common stock	828	7.50	March 31, 2008	June 30, 2008
Board of Directors held on October 15, 2008	Common stock	828	7.50	September 30, 2008	December 10, 2008

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

Resolved	Type	Resource of the dividends to be paid	Total amount (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders' held on June 26, 2009	Common stock	Retained earnings	551	5.00	March 31, 2009	June 29, 2009

(Consolidated Cash Flow Statement)

<table>
<tr><th>FY March 2008
(From Apr. 1, 2007
to Mar. 31, 2008)</th><th>FY March 2009
(From Apr. 1, 2008
to Mar. 31, 2009)</th></tr>
<tr><td>*1 Relations between the balance of cash and cash equivalents at the end of the term (fiscal year) and the amount of the item posted in the consolidated balance sheet

Cash and deposit accounts ¥20,514 million
Time deposits - over 3 months (¥1,140 million)
Short-term investment securities
- within 3 months ¥122 million
Cash and cash equivalents ¥19,496 million

*2 Major assets and liabilities of the newly consolidated company following the acquisition of shares
Due to the new consolidation of Fuji Seiko Honsha Co., Ltd. after acquisition of its shares, following are details of the situation at the start of the consolidation including: details of assets and liabilities, the acquisition price of Fuji Seiko Honsha Co., Ltd. and the relevant expenditure for the acquisition:

Current assets ¥2,134 million
Fixed assets ¥2,386 million
Current liabilities (¥3,031 million)
Long-term liabilities (¥926 million)
Minority interests (¥139 million)
Negative goodwill (¥29 million)
Acquisition price of the shares of
Fuji Seiko Honsha Co., Ltd. ¥393 million
Cash and cash equivalents (¥869 million)
Deduction: Increase due to acquisition
of the subsidiary shares ¥476 million</td><td>*1 Relations between the balance of cash and cash equivalents at the end of the term (fiscal year) and the amount of the item posted in the consolidated balance sheet

Cash and deposit accounts ¥19,488 million
Time deposits - over 3 months (¥1,186 million)
Short-term investment securities
- within 3 months ¥122 million
Cash and cash equivalents ¥18,425 million

*2 Major assets and liabilities of the newly consolidated company following the acquisition of shares
Due to the new consolidation of SEC Co., Ltd. after acquisition of its shares, following are details of the situation at the start of the consolidation including: details of assets and liabilities, the acquisition price of SEC Co., Ltd. and the relevant expenditure for the acquisition:

Current assets ¥3,417 million
Fixed assets ¥768 million
Current liabilities (¥1,465 million)
Long-term liabilities (¥46 million)
Goodwill ¥1,551 million
Acquisition price of the shares of
SEC Co., Ltd. ¥4,224 million
Cash and cash equivalents (¥2,267 million)
Deduction: Decrease due to acquisition
of the subsidiary shares (¥1,957 million)</td></tr>
</table>

(Segment Information)

[Business Segment Information]

FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)

	Office Furniture (Millions of yen)	Store Displays (Millions of yen)	Material Handling Systems and Others (Millions of yen)	Total (Millions of yen)	Unallocated and Eliminations (Millions of yen)	Consolidated (Millions of yen)
I. Net sales and operating income (loss) Net sales (1) Net sales to external customers	136,833	63,077	14,932	214,844	—	214,844
(2) Internal sales or transfers between segments	—	—	—	—	(—)	—
Total	136,833	63,077	14,932	214,844	(—)	214,844
Operating expenses	127,720	62,782	14,509	205,011	(—)	205,011
Operating income	9,113	295	423	9,832	(—)	9,832
II. Net asset, depreciation and capital expenditure Total assets	89,594	35,661	11,289	136,544	49,310	185,855
Depreciation expenses	4,113	1,149	511	5,773	(—)	5,773
Capital expenditure	4,210	463	515	5,188	(—)	5,188

Notes: 1. Business segmentation method

Business segmentation is based on considerations of similarities among product types (inclusive of operations) and markets.

2. Classification of main products by business segment

Business segment	Main Products
Office Furniture	Office furniture, Cultural and educational facilities, Partitions, Medical and research facilities, Security systems, SOHO-related products
Store Displays	Showcases for stores, Refrigerated showcases, Counters for stores
Material Handling Systems and Others	Racks and stackers for factories and warehouses, Automated material handling systems, Torque converters for industrial and construction equipment, Real estate leasing, Insurance

3. Of assets at the end of the consolidated fiscal year, corporate assets included in the corporate and eliminations item amounted to ¥49,310 million and consisted primarily of cash and time deposits and investment securities and others.

4. As stated in (6) Significant Items for the Preparation of Consolidated Financial Statements 4(2)① on page 18, effective with this consolidated fiscal year the Company adopted the accounting methods described below.

(Change in accounting policy)

Pursuant to revisions on the Corporate Tax Law ((Law concerning revision on part of Corporate Tax Law and others, dated Mar. 30, 2007, Law No. 6) and (Cabinet Order concerning revision on part of Order for Enforcement of Corporate Tax Law, dated Mar. 30, 2007, Cabinet Order No. 83)), presentation of acquisitions on or after April 1, 2007 were changed to comply with the revised Corporate Tax Law. Compared with the results based on the same method used in the previous consolidated fiscal year, the effect of this change was to increase segmental operating expenses by the amount indicated below for each segment and to reduce segmental operating income by the same amount indicated for each segment.

(Office Furniture: ¥168 million; Store Displays: ¥48 million and; Material Handling Systems and Others: ¥13 million)

(Additional information)

For tangible assets acquired on or before March 31, 2007, depreciation is accounted for up to the limit amount available for depreciation over a period of five years in equal amounts, starting from the next consolidated fiscal year after completion of the depreciation. Compared with the results based on the same method used in the previous consolidated fiscal year, the effect of this change was to increase segmental operating expenses by the amount indicated below for each segment and to reduce segmental operating income by the same amount indicated for each segment.

(Office Furniture: ¥204 million; Store Displays: ¥73 million and; Material Handling Systems and Others: ¥19 million)

FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)

	Office Furniture (Millions of yen)	Store Displays (Millions of yen)	Material Handling Systems and Others (Millions of yen)	Total (Millions of yen)	Unallocated and Eliminations (Millions of yen)	Consolidated (Millions of yen)
I. Net sales and operating income (loss)						
Net sales						
(1) Net sales to external customers	115,625	62,570	11,912	190,108	—	190,108
(2) Internal sales or transfers between segments	—	—	—	—	(—)	—
Total	115,625	62,570	11,912	190,108	(—)	190,108
Operating expenses	111,818	61,495	12,339	185,653	(—)	185,653
Operating income (loss)	3,807	1,074	(426)	4,455	(—)	4,455
II. Net asset, depreciation and capital expenditure						
Total assets	86,017	39,986	9,505	135,510	32,384	167,894
Depreciation expenses	4,367	1,130	608	6,107	(—)	6,107
Capital expenditure	4,678	453	450	5,582	(—)	5,582

Notes: 1. Business segmentation method
Business segmentation is based on considerations of similarities among product types (inclusive of operations) and markets.

2. Classification of main products by business segment

Business segment	Main Products
Office Furniture	Office furniture, Cultural and educational facilities, Partitions, Medical and research facilities, Security systems, SOHO-related products
Store Displays	Showcases for stores, Refrigerated showcases, Counters for stores
Material Handling Systems and Others	Racks and stackers for factories and warehouses, Automated material handling systems, Torque converters for industrial and construction equipment, Real estate leasing, Insurance

3. Out of assets at the end of the consolidated fiscal year, corporate assets included in the corporate and eliminations item amounted to ¥32,384 million and consisted primarily of cash and time deposits and investment securities and others.

4. As stated in (6) Significant Items for the Preparation of Consolidated Financial Statements 4 (1)② and (2)① on pages 17 and 18, effective with this consolidated fiscal year the Company adopted the accounting methods described below.
(Change in accounting policy)
The Company adopted the Accounting Standard for Valuation of Inventories (ASBJ Statement No. 9, issued by the Accounting Standards Board of Japan on July 5, 2006) and changed its valuation policy from the cost method to a cost basis (which reduces the book value of assets whose profitability has diminished). Compared with the results based on the same method used in the previous consolidated fiscal year, the effect of this change for this consolidated fiscal year was to reduce operating income in Office Furniture and in Store Displays by ¥282 million and by ¥110 million, respectively, and to increase operating loss in Material Handling Systems and Others by ¥63 million.
(Additional information)
Following the revision of the Corporate Tax Law in the 2008 fiscal year, effective with this consolidated fiscal year the Company changed the number of useful life years it uses in respect of machinery and equipment to conform to the same criteria as prescribed in the revised Corporate Tax Law.
Compared with the results based on the same method used in the previous consolidated fiscal year, the effect of this change for this consolidated fiscal year was to reduce operating income in Office Furniture and in Store Displays by ¥67 million and by ¥47 million, respectively, and to increase operating loss in Material Handling Systems and Others by ¥32 million.

[Geographically Segmented Information]
FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)
Because net sales and assets for Japan exceed 90% of aggregate net sales and assets for all segments, geographically segmented information is omitted.

FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
Because net sales and assets for Japan exceed 90% of aggregate net sales and assets for all segments, geographically segmented information is omitted.

[Overseas sales]
FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)
Overseas sales were omitted since they accounted for less than 10% of total consolidated sales.

FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
Overseas sales were omitted since they accounted for less than 10% of total consolidated sales.

(Lease Transactions)

<table>
<tr><th>FY March 2008
(From Apr. 1, 2007
to Mar. 31, 2008)</th><th>FY March 2009
(From Apr. 1, 2008
to Mar. 31, 2009)</th></tr>
<tr><td>

Finance lease transactions other than those where the ownership of the leasehold asset is transferred to the lessee
(Lessee's side)
① Amounts equivalent to the cost of acquisition, accumulated depreciation, and balance as of the end of the term (fiscal year) for lease properties

	Amount equivalent to acquisition cost (Millions of yen)	Amount equivalent to accumulated depreciation (Millions of yen)	Balance as of the end of the term (fiscal year) (Millions of yen)
Machinery, equipment and vehicles	143	109	34
Others	548	400	148
Total	691	509	182

② Amount equivalent to the balance of prepaid rent as at the end of the consolidated fiscal year
One year or less ¥130 million
More than one year ¥181 million
Total ¥312 million
③ Amount equivalent to lease payment, accumulated depreciation and interest expense
Lease payment ¥187 million
Amount equivalent to depreciation expense ¥144 million
Amount equivalent to interest expense ¥6 million
④ Method of calculating the amounts equivalent to depreciation expense and interest
Method of calculating the amounts equivalent to depreciation expense
• The amount equivalent to depreciation expense was calculated by multiplying the depreciation expense by 9/10 (0.9) calculated using the fixed percentage method considering the lease period to be the usable life in years and residual value to be 10%.
Method of calculating the amounts equivalent to interest
• The amount equivalent to interest was calculated considering the difference between the total lease payment and the amount equivalent to the cost of acquisition of the lease property to be the amount equivalent to interest. The difference was distributed to each term using the interest method.

</td><td>

Finance lease transactions
(Lessee's side)
Non-ownership-transfer finance lease transactions
(1) Details of lease assets
• Tangible fixed assets
Comprised primarily of information and telecommunications equipment (tools & fittings).
• Intangible fixed assets
Comprised of software.
(2) Method of depreciation/amortization of lease assets
Depreciated/amortized using the calculation method that assumes the lease period to be the useful life and the residual value to be zero.

Those non-ownership-transferred finance lease transactions whose effective date occurred on or before March 31, 2008, were accounted for by applying mutatis mutandis the same method used to account for ordinary lease transactions. The details of these assets are as follows:
① Amounts equivalent to the cost of acquisition, accumulated depreciation, and balance as of the end of the term (fiscal year) for lease properties

	Amount equivalent to acquisition cost (Millions of yen)	Amount equivalent to accumulated depreciation (Millions of yen)	Balance as of the end of the term (fiscal year) (Millions of yen)
Machinery, equipment and vehicles	76	62	14
Others	372	296	75
Total	449	358	90

② Amount equivalent to the balance of prepaid rent as at the end of the consolidated fiscal year
One year or less ¥65 million
More than one year ¥104 million
Total ¥170 million
③ Amount equivalent to lease payment, accumulated depreciation and interest expense
Lease payment ¥127 million
Amount equivalent to depreciation expense ¥91 million
Amount equivalent to interest expense ¥5 million
④ Method of calculating the amounts equivalent to depreciation expense and interest
Method of calculating the amounts equivalent to depreciation expense
• The amount equivalent to depreciation expense was calculated by multiplying the depreciation expense by 9/10 (0.9) calculated using the fixed percentage method considering the lease period to be the usable life in years and residual value to be 10%.
Method of calculating the amounts equivalent to interest
• The amount equivalent to interest was calculated considering the difference between the total lease payment and the amount equivalent to the cost of acquisition of the lease property to be the amount equivalent to interest. The difference was distributed to each term using the interest method.

</td></tr>
</table>

(Transaction with Related Parties)

During previous year (from Apr. 1, 2007 to Mar. 31, 2008)

Directors, major individual shareholders, others

Type of party	Name	Address of residence	Capital or other contribution to the Company (Millions of yen)	Line of business or occupation	Voting share ownership (%) in the Company	Relationship: Concurrent directorship	Relationship: Business partnership	Trading details	Trading volume (Millions of yen)	Line item	Balance at year-end
Director	Mutsumi Kotsuka	—	—	The Company's director, Mitsubishi Corporation's Representative Director	None	—	—	Sales of products to Mitsubishi Corporation (Note 2)	22,011	Trade receivables	4,161

Note: 1. In the table above, the trading volume is net of, and the balance at year-end is gross of, consumption taxes.

2. The selling price and other trading terms were determined on an arm's length basis.

During current year (from Apr. 1, 2008 to Mar. 31, 2009)

Not applicable.

(Accounting for Deferred Income Taxes)

FY March 2008 (As of Mar. 31, 2008)

1 Significant components of deferred income tax assets and liabilities

(1) Current assets and liabilities

Deferred tax assets	
Excess bonuses accrued	¥1,204 million
Accrued enterprise taxes	¥212 million
Valuation loss of finished products	¥124 million
Accrued social insurance premiums	¥136 million
Others	¥170 million
Sub-total deferred tax assets	¥1,847 million
Valuation allowance	(¥36 million)
Total deferred tax assets	¥1,811 million

(2) Non-current assets and liabilities

Deferred tax assets	
Excess on amount available as allowance for retirement benefits	¥4,870 million
Unrealized gross profits from sales of property, plant and equipment	¥744 million
Unpaid director's retirement benefits	¥199 million
Unrealized loss on golf memberships	¥209 million
Others	¥771 million
Sub-total deferred tax assets	¥6,795 million
Valuation allowance	(¥971 million)
Total deferred tax assets	¥5,823 million
Offset against deferred tax liabilities	(¥3,728 million)
Net deferred tax assets	¥2,095 million
Deferred tax liabilities	
Deferred gains on fixed assets	¥3,564 million
Net unrealized holding gains on securities	¥3,611 million
Others	¥3 million
Total deferred tax liabilities	¥7,179 million
Offset against deferred tax assets	(¥3,728 million)
Net deferred tax liabilities	¥3,451 million

2 Significant components of difference between statutory tax rate and effective tax rate after adjustments for tax effect accounting

Statutory tax rate	40.7%
(Reconciliation)	
Non-deductible expenses	2.0
Non-taxable dividend income	(0.6)
Per capital inhabitant tax etc	0.9
Special deduction of experimental and research expenses, others	(0.5)
Tax loss carryforwards	2.4
Others	(0.3)
Effective tax rate	44.6%

FY March 2009 (As of Mar. 31, 2009)

1 Significant components of deferred income tax assets and liabilities

(1) Current assets and liabilities

Deferred tax assets	
Excess bonuses accrued	¥625 million
Accrued enterprise taxes	¥84 million
Valuation loss of materials and finished products	¥292 million
Accrued social insurance premiums	¥71 million
Others	¥256 million
Sub-total deferred tax assets	¥1,329 million
Valuation allowance	(¥92 million)
Total deferred tax assets	¥1,237 million
Offset against deferred tax liabilities	(¥0 million)
Net deferred tax assets	¥1,237 million
Deferred tax liabilities	
Net unrealized holding gains on securities	¥0 million
Total deferred tax liabilities	¥0 million
Offset against deferred tax assets	(¥0 million)
Net deferred tax liabilities	—

(2) Non-current assets and liabilities

Deferred tax assets	
Excess on amount available as allowance for retirement benefits	¥4,899 million
Unrealized gross profits from sales of property, plant and equipment	¥744 million
Unpaid director's retirement benefits	¥182 million
Unrealized loss on golf memberships	¥208 million
Others	¥919 million
Sub-total deferred tax assets	¥6,955 million
Valuation allowance	(¥1,052 million)
Total deferred tax assets	¥5,903 million
Offset against deferred tax liabilities	(¥3,737 million)
Net deferred tax assets	¥2,165 million
Deferred tax liabilities	
Deferred gains on fixed assets	¥3,503 million
Net unrealized holding gains on securities	¥787 million
Valuation difference based on the full fair value method	¥114 million
Others	¥1 million
Total deferred tax liabilities	¥4,406 million
Offset against deferred tax assets	(¥3,737 million)
Net deferred tax liabilities	¥668 million

2 Significant components of difference between statutory tax rate and effective tax rate after adjustments for tax effect accounting

There is no note regarding this item because the difference between statutory tax rate and effective tax rate after adjustments for tax effect accounting is less than 5/100 of the statutory tax rate.

(Securities)

1. Other securities with market value

(Millions of yen)

Items	FY March 2008 (As of Mar. 31, 2008)			FY March 2009 (As of Mar. 31, 2009)		
	Acquisition cost	Consolidated Balance Sheet Amount at Consolidated Settlement Date	Difference	Acquisition cost	Consolidated Balance Sheet Amount at Consolidated Settlement Date	Difference
Other securities with consolidated balance sheet amount exceeding acquisition cost						
① Stocks	9,406	18,736	9,329	7,481	10,287	2,806
② Bonds						
Government bonds	50	50	0	50	50	0
Sub-total	9,456	18,786	9,329	7,531	10,337	2,806
Other securities with consolidated balance sheet amount not exceeding acquisition cost						
① Stocks	1,514	1,077	(436)	4,528	3,555	(973)
② Others	202	153	(49)	157	108	(48)
Sub-total	1,716	1,230	(486)	4,686	3,663	(1,022)
Total	11,173	20,016	8,842	12,217	14,001	1,783

2. Other securities sold during the year

(Millions of yen)

Items	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)			FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)		
	Proceeds from Sales	Gross Gain on Sales	Gross Loss on Sales	Proceeds from Sales	Gross Gain on Sales	Gross Loss on Sales
① Stocks	260	152	0	139	83	12
② Others	1	—	—	2	—	—
Total	261	152	0	141	83	12

3. Securities not marked to market

(Millions of yen)

Items	FY March 2008 (As of Mar. 31, 2008)	FY March 2009 (As of Mar. 31, 2009)
	Consolidated Balance Sheet Amount	Consolidated Balance Sheet Amount
(1) Held-to-maturity bonds		
Corporate bonds	—	707
Total	—	707
(2) Other securities		
Unlisted stocks	239	196
MMF	21	21
Medium-term government securities fund	101	101
Preferred subscription certificate	1,000	—
Total	1,361	318

4. Scheduled redemptions of other securities having maturity and held-to-maturity bonds subsequent to balance sheet date

End of Previous Fiscal Year (Mar. 31, 2008) (Millions of yen)

Items	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due after 10 years
Held-to-maturity bonds Corporate bonds	—	—	—	—
Sub-total	—	—	—	—
Other securities Bonds Government bonds	—	50	—	—
Sub-total	—	50	—	—
Total	—	50	—	—

End of Current Fiscal Year (Mar. 31, 2009) (Millions of yen)

Items	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due after 10 years
Held-to-maturity bonds Corporate bonds	—	—	700	—
Sub-total	—	—	700	—
Other securities Bonds Government bonds	50	—	—	—
Sub-total	50	—	—	—
Total	50	—	700	—

(Derivative Transactions)

Disclosure in this note regarding derivative transactions has been omitted, because the necessity of disclosing their information in this financial report is not considered significant.

(Retirement Benefits)

1. Established retirement benefit arrangements
The Company and five domestic consolidated subsidiaries provided a retirement benefit program comprising a defined-contribution annuity plan and a defined-benefit lump-sum severance allowance. Some other domestic consolidated subsidiaries provided a retirement benefit program comprising a defined-benefit lump-sum severance allowance or a tax-qualified retirement annuity plan.

2. Retirement benefit obligation

(Millions of yen)

		FY March 2008 (As of Mar. 31, 2008)	FY March 2009 (As of Mar. 31, 2009)
①	Benefit obligation	(16,993)	(17,784)
②	Pension assets	8,937	6,619
③	Unfunded benefit obligation (① + ②)	(8,056)	(11,164)
④	Unrecognized actuarial difference	1,559	4,289
⑤	Unrecognized past service obligation	(2,828)	(2,317)
⑥	Consolidated balance-sheet net benefit liability (③ + ④ + ⑤)	(9,326)	(9,193)
⑦	Prepaid benefit cost	2,133	2,517
	Allowance for retirement benefits (⑥−⑦)	(11,459)	(11,710)

3. Retirement benefit expense

(Millions of yen)

		FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
①	Service cost	795	837
②	Interest cost	327	327
③	Expected return on plan assets	(211)	(173)
④	Amortization of past service obligation	(257)	(215)
⑤	Amortization of actuarial difference	(92)	235
⑥	Contributions to the defined contribution pension program	351	364
	Retirement benefit expense	913	1,375

4. Basis for calculating retirement benefit obligation and others

		FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
①	Method to periodically allocate projected benefit obligation	Allocated equally to each service year.	Same as noted in the left column.
②	Discount rate	2.0%	2.0%
③	Expected return on pension assets	2.0%	2.0%
④	Number of years to amortize past service obligation	14 years (Past service obligations are prorated and recognized in expense over a constant number of years (14 years) that is within the average remaining service period of employees as they arise.)	Same as noted in the left column.
⑤	Number of years to amortize actuarial difference	14 years (Actuarial differences are prorated over a constant number of years (14 years) that is within the average remaining service period of employees in an accounting year as they arise, and recognized in expense the following years.)	Same as noted in the left column.

(Business combinations and others)

Disclosure in this note regarding business combinations and others has been omitted, because the necessity of disclosing their information in this financial report is not considered significant.

(Per Share Data)

Items	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
Net Assets per share of common stock	¥719.32	¥692.34
Net income per share of common stock	¥53.82	¥29.87
	The diluted net income per share of common stock is not presented, since there were no securities with dilutive effect outstanding through the period.	The diluted net income per share of common stock is not presented, since there were no securities with dilutive effect outstanding through the period.

(Note) The basis for calculating net income per share of common stock was as follows:

1. Net Assets per share of common stock

Items	End of FY 2008 (Mar. 31, 2008)	End of FY 2009 (Mar. 31, 2009)
Net Assets in Consolidated Balance Sheet (in million yen)	83,121	76,939
Net Assets attributable to common stock (in million yen)	79,335	76,335
Breakdown of difference (in million yen) Minority interests	3,786	604
Number of common stock issued (thousand)	112,391	112,391
Number of Treasury common stock (thousand)	2,100	2,133
Number of common stock calculated for Net Assets per share of common stock (thousand)	110,291	110,257

2. Net Income per share

Items	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
Net income in Consolidated Statements of Income (in million yen)	5,951	3,293
Amounts not reverting to common shareholders (in million yen)	—	—
Net income attributable to common stock (in million yen)	5,951	3,293
Average number of shares of common stock during the period (thousand)	110,581	110,273

(Important subsequent events)

FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
	Pursuant to the resolution of a Board of Directors meeting held on March 18, 2009, the Company issued its 10th Series Unsecured Straight Bonds as outlined below: • Total amount of issue: ¥5,000 million • Issue price: ¥100 per ¥100 of par value • Payment due date: April 27, 2009 • Redemption at maturity: April 26, 2013 • Coupon rate: 2.52% per annum • Intended use of proceeds: Funding for bond redemptions • Security: No collateral or guarantee is pledged.

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	FY March 2008 (As of Mar. 31, 2008)	FY March 2009 (As of Mar. 31, 2009)
Assets		
Current assets		
Cash and time deposits	14,305	11,452
Trade notes	9,186	8,920
Accounts receivable	47,596	36,796
Marketable securities	122	172
Merchandise and finished products	12,568	11,603
Work in process	708	686
Raw material	1,448	—
Supplies	264	—
Raw material and supplies	—	1,661
Prepaid expenses	600	643
Accounts receivable	800	—
Deferred income taxes	1,402	983
Other current assets	661	1,106
Allowance for doubtful debt	(88)	(60)
Total current assets	89,578	73,965
Fixed assets		
Tangible fixed assets		
Buildings (at net book value)	12,578	13,821
Structures (at net book value)	642	648
Machinery & equipment (at net book value)	6,536	5,905
Vehicles (at net book value)	195	147
Tools & Fittings (at net book value)	1,845	1,610
Land	20,986	21,051
Construction in progress	81	44
Total tangible fixed assets	*1 42,867	*1 43,229
Intangible fixed assets		
Goodwill	141	73
Patent property	7	4
Land leaseholds	725	725
Software	1,554	1,342
Other intangible fixed assets	167	139
Total intangible fixed assets	2,596	2,285
Investments and other assets		
Investment securities	21,074	14,452
Investment in affiliates	4,240	8,440
Long-term loans receivable from affiliates	570	570
Receivables from bankrupt or reorganized debtors and others	122	89
Prepaid pension cost	2,133	2,517
Long-term prepaid expenses	—	11
Guarantee deposits	3,847	3,834
Others	1,401	795
Allowance for doubtful accounts	(442)	(439)
Total investment and other assets	32,947	30,271
Total fixed assets	78,411	75,786
Total assets	167,990	149,751

(Millions of yen)

	FY March 2008 (As of Mar. 31, 2008)	FY March 2009 (As of Mar. 31, 2009)
Liabilities		
Current liabilities		
Trade notes	*2 14,560	*2 9,090
Accounts payable	*2 32,043	*2 26,717
Short-term bank loans	*1, *3 8,450	*1, *3 8,350
Short-term loan in affiliates	1,000	—
Long-term debts due within one year	2,650	4,410
Bonds redeemed within one year	—	5,000
Lease obligations	—	30
Accounts payable-other	753	479
Income taxes payable	1,634	1,242
Consumption taxes payable	1,921	584
Accrued expenses	388	15
Advances received	113	29
Deposit received	135	272
Allowance for bonus payable	2,249	1,134
Total current liabilities	65,899	57,356
Long-term liabilities		
Bonds	10,000	5,000
Long-term loans payable	5,560	10,150
Affiliate Company Long-term loans payable	3,100	—
Lease obligations	—	90
Deferred tax liabilities	3,414	485
Severance and employee retirement benefits	8,078	8,465
Long-term deposit received	2,061	2,148
Other liabilities	414	371
Total long-term liabilities	32,628	26,711
Total liabilities	98,527	84,067
Net assets		
Owners' equity		
Capital stock	18,670	18,670
Capital surplus		
Additional paid-in capital	16,759	16,759
Total capital surplus	16,759	16,759
Retained earnings		
Legal reserve of retained	1,874	1,874
Other retained earnings		
Deferred income reserve	5,136	5,049
Other reserves	4,180	4,180
Earned surplus carried forward	19,859	20,357
Total retained earnings	31,050	31,462
Treasury stock, at cost	(2,276)	(2,295)
Total owners' equity	64,203	64,596
Net unrealized gain and translation adjustments		
Unrealized holding gains (losses) on securities	5,258	1,088
Total Net unrealized gain and translation adjustments	5,258	1,088
Total net assets	69,462	65,684
Total liabilities and net assets	167,990	149,751

(2) Non-Consolidated Statements of Income

(Millions of yen)

	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
Net sales	211,346	185,682
Cost of sales	*1, *3 153,200	*1, *3 135,141
Gross profit	58,145	50,541
Selling, general and administrative expenses	*2, *3 50,048	*2, *3 47,551
Operating income	8,097	2,989
Other income		
Interest income	39	38
Dividends income	656	721
Refund of premium for cancelled insurance	—	457
Others	1,021	816
Total other income	*1 1,717	*1 2,034
Other expenses		
Interest expenses	359	372
Bond interest expense	101	100
Others	326	246
Total other expenses	787	720
Ordinary income	9,027	4,303
Extraordinary income		
Gain on sales of fixed assets	*4 387	*4 3
Gain on sales of investment securities	152	83
Reversal of allowance for doubtful accounts	3	13
Reversal of allowance for bonus payable	—	521
Total extraordinary income	544	621
Extraordinary losses		
Loss on disposal of property, plant and equipment	*5 127	*5 112
Impairment loss	34	415
Appraised loss in investments in affiliates	—	580
Reversal of allowance for doubtful accounts in affiliates	30	30
Others	0	16
Total extraordinary losses	191	1,154
Income before income taxes for the quarter term (fiscal year)	9,379	3,770
Income taxes	3,850	1,350
Adjustments on income taxes	375	353
Total income taxes	4,225	1,703
Net income for the current term	5,154	2,067

(3) Non-Consolidated Statements of Changes in Net Assets

(Millions of yen)

	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
Owners' equity		
Capital stock		
Opening balance	18,670	18,670
Changes during period		
Total changes during period	—	—
Ending balance	18,670	18,670
Capital surplus		
Capital surplus		
Opening balance	16,759	16,759
Changes during period		
Total changes during period	—	—
Ending balance	16,759	16,759
Total capital surplus		
Opening balance	16,759	16,759
Changes during period		
Total changes during period	—	—
Ending balance	16,759	16,759
Retained earnings		
Legal reserve of retained		
Opening balance	1,874	1,874
Changes during period		
Total changes during period	—	—
Ending balance	1,874	1,874
Other retained earnings		
Reserve for deferred income tax		
Opening balance	5,229	5,136
Changes during period		
Used deferred income tax	(93)	(86)
Total changes during period	(93)	(86)
Ending balance	5,136	5,049
Other reserve		
Opening balance	4,180	4,180
Changes during period		
Total changes during period	—	—
Ending balance	4,180	4,180
Earned surplus carried forward		
Opening balance	16,449	19,859
Changes during period		
Dividends	(1,837)	(1,656)
Used deferred income tax	93	86
Net income	5,154	2,067
Total changes during period	3,410	498
Ending balance	19,859	20,357

(Millions of yen)

	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
Retained earnings		
Opening balance	27,732	31,050
Changes during period		
Dividends	(1,837)	(1,656)
Net income	5,154	2,067
Total changes during period	3,317	411
Ending balance	31,050	31,462
Treasury stock		
Opening balance	(216)	(2,276)
Changes during period		
Acquisition of treasury stock	(2,060)	(18)
Total changes during period	(2,060)	(18)
Ending balance	(2,276)	(2,295)
Total Owner's Equity		
Opening balance	62,947	64,203
Changes during period		
Dividends	(1,837)	(1,656)
Net income	5,154	2,067
Acquisition of treasury stock	(2,060)	(18)
Total changes during period	1,256	392
Ending balance	64,203	64,596
Net unrealized gain and translation adjustments		
Unrealized holding gains (loss) on securities		
Opening balance	9,461	5,258
Changes during period		
Net changes of Net assets other than owners' equity during period	(4,202)	(4,170)
Total changes during period	(4,202)	(4,170)
Ending balance	5,258	1,088
Total Net unrealized gain and translation adjustments		
Opening balance	9,461	5,258
Changes during period		
Net changes of Net assets other than owners' equity during period	(4,202)	(4,170)
Total changes during period	(4,202)	(4,170)
Ending balance	5,258	1,088
Net assets (Total)		
Opening balance	72,408	69,462
Changes during period		
Dividends	(1,837)	(1,656)
Net income	5,154	2,067
Acquisition of treasury stock	(2,060)	(18)
Net changes of Net assets other than owners' equity during period	(4,202)	(4,170)
Total changes during period	(2,946)	(3,777)
Ending balance	69,462	65,684

(4) Events or Conditions That May Cast Significant Doubt on the Going Concern Assumption
Not applicable.

(5) Significant Accounting Policies

	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
1 Standards and methods for valuation of securities	(1) Equity shares in subsidiaries and related companies Cost method based on the moving average method (2) Other securities Securities with market value Market value method based on values such as the market price at the end of the settlement year (All valuation differences were accounted for as a separate component of net assets, and the cost of selling was calculated on the moving average method.) Securities without market value Cost method based on the moving average method	(1) Held-to-maturity bonds Amortized cost method (straight-line method) (2) Equity shares in subsidiaries and related companies Cost method based on the moving average method (3) Other securities Securities with market value Market value method based on values such as the market price at the end of the settlement year (All valuation differences were accounted for as separate components of net assets, and the cost of selling was calculated on the moving average method.) Securities without market value Cost method based on the moving average method
2 Standards and methods for valuation of derivatives	Market value method	Same as left
3 Standards and methods for valuation of inventories	Cost method based on the moving average method	Inventories held for sale in the ordinary course of business Cost method (which reduces the book value of assets whose profitability is diminished) based on the moving average method (Change in accounting policy) Effective with this fiscal year, the Company adopted the Accounting Standard for Valuation of Inventories (ASBJ Statement No. 9, issued by the Accounting Standards Board of Japan on July 5, 2006). The effect of this change was to reduce gross profit, operating income, ordinary income and income before income taxes by ¥448 million each compared with the results based on the same method used in the previous fiscal year.
4 Methods of depreciation of fixed assets	(1) Tangible fixed assets Buildings (excluding building equipment) a. those acquired on or before Mar. 31, 1998 Former fixed percentage method b. those acquired between Apr. 1, 1998 and Mar. 31, 2007 Former straight-line method c. those acquired on or after Apr. 1, 2007 The straight-line method Other tangible assets excluding buildings a. those acquired on or before Mar. 31, 2007 Former fixed percentage method b. those acquired on or after Apr. 1, 2007 The straight-line method The duration of useful lives and residual value were determined subject to the standards prescribed in the Japanese Corporation Tax Law.	(1) Tangible fixed assets (excluding lease assets) Buildings (excluding building equipment) a. Those acquired on or before Mar. 31, 1998 Same as left b. Those acquired between Apr. 1, 1998 and Mar. 31, 2007 Same as left c. Those acquired on or after Apr. 1, 2007 Same as left Other tangible assets excluding buildings a. Those acquired on or before Mar. 31, 2007 Same as left b. Those acquired on or after Apr. 1, 2007 Same as left For tangible assets acquired on or before March 31, 2007, depreciation is accounted for up to the limit amount available for depreciation over a period of five years in equal amounts, starting from the next fiscal year after completion of the depreciation.

	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
4 Methods of depreciation of fixed assets	(Change in accounting policy) Pursuant to revisions on the Corporate Tax Law ((Law concerning revision on part of Corporate Tax Law and others, dated Mar. 30, 2007, Law No. 6) and (Cabinet Order concerning revision on part of Order for Enforcement of Corporate Tax Law, dated Mar. 30, 2007, Cabinet Order No. 83)), presentation of acquisitions on or after April 1, 2007 were changed to comply with the revised Corporate Tax Law. Accordingly, comparing with the previous fiscal year in the same accounting standards, operating income, ordinary income and income before taxes decreased ¥138 million each. (Additional information) For tangible assets acquired on or before March 31, 2007, depreciation is accounted for up to the limit amount available for depreciation over a period of five years in equal amounts, starting from the next fiscal year after completion of the depreciation. Accordingly, comparing with the previous fiscal year in the same accounting standards, operating income, ordinary income and income before taxes decreased ¥222 million each. (2) Intangible fixed assets Straight-line method. The standard for the depreciation period is based on the same standard adopted in the method stipulated in the Corporate Tax Law. However, the depreciation of goodwill is accounted for over a period of five years in equal amounts, and the depreciation of software (for in-house use) is calculated in the straight-line method based on the duration of useful lives set in the Company (five years).	— (Additional information) Following the revision of the Corporate Tax Law in the 2008 fiscal year, effective with this fiscal year the Company changed the number of useful life years it uses in respect of machinery and equipment to conform to the same criteria as prescribed in the revised Corporate Tax Law. The effect of this change was to reduce operating income, ordinary income and net income before income taxes by ¥119 million each compared with the results based on the same method used in the previous fiscal year. (2) Intangible fixed assets (excluding lease assets) Straight-line method. The standard for the depreciation period is based on the same standard adopted in the method stipulated in the Corporate Tax Law. However, the depreciation of goodwill is accounted for over a period of five years in equal amounts, and the depreciation of software (for in-house use) is calculated in the straight-line method based on the duration of useful lives set in the Company (five years). (3) Lease assets Lease assets involved in finance lease transactions other than those where ownership is transferred Straight-line method that assumes the lease period to be the useful life and the residual value to be zero. (Change in accounting policy) Effective with this fiscal year, the Company adopted the Accounting Standard for Lease Transactions (ASBJ Statement No. 13, issued by the Accounting Standards Board of Japan on June 17, 1993 and last revised on March 30, 2007) and the Implementation Guidance for Accounting Standard for Lease Transactions (ASBJ Guidance No. 16, issued by the Accounting Standards Board of Japan on January 18, 1994 and last revised on March 30, 2007). With regard to non-ownership-transferred finance lease transactions whose effective date precedes the commencement of the initial fiscal year of adoption of the revised standard for lease transactions, the Company continues to apply mutatis mutandis the same method used to account for ordinary lease transactions. The effect of this change on income was negligible.

	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
5 Standards for providing for allowances	(1) Allowance for doubtful accounts In order to provide against loss arising from bad debts, the Company has provided for estimated uncollectable amounts. a. General receivables Based on the method of actual bad debt rates. b. Receivables from doubtful, bankrupt, or reorganized debtors Based on the method of valuating financial positions. (2) Allowance for bonuses payable To prepare for the payment of bonuses to employees, the amount expected to be payable to all employees for this fiscal year was determined based on the portion of total amount expected to be payable corresponding to this fiscal year. (3) Severance and employee retirement benefits To prepare for payment of severance and retirement benefits to employees, the Company provided for the amount considered to have been accrued as of the end of this fiscal year based on the estimated amount of liabilities for severance and retirement benefits and pension assets at year end. Past service liabilities were accounted for as an expense by the amount prorated over a certain number of years (14 years) not exceeding the average remaining service period of employees in the year in which the liabilities are recognized. Actuarial differences were accounted for as expenses effective the fiscal year following their accrual on a declining balance basis over a certain number of years (14 years) not exceeding the average remaining service period of employees in each year of accrual.	(1) Allowance for doubtful accounts Same as left (2) Allowance for bonuses payable Same as left (3) Severance and employee retirement benefits Same as left
6 Method of accounting for lease transactions	Excluding transactions where the ownership of the leasehold asset is transferred to the lessee, finance lease transactions were accounted for in accordance with the normal lease transaction method.	—
7 Hedge accounting method	(1) Hedge accounting method The Company has adopted an exceptional treatment for interest rate swap transactions since the requirements for the treatment have been met. Foreign currency-denominated receivables that are hedged by forward foreign exchange contracts are accounted for using the contracted forward rates. (2) Hedge method and transactions to be hedged (Hedge method) • Interest rate swap transactions • Forward exchange transactions (Transactions to be hedged) • Interest on borrowings (with the risk of loss that may arise due to fluctuations in the interest rate market and will consequently change cash flows) • Foreign currency receivables (with the risk of loss that may arise due to fluctuations in the foreign exchange market that will consequently change cash flows)	(1) Hedge accounting method Same as left (2) Hedge method and transactions to be hedged Same as left

	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
7 Hedge accounting method	(3) Hedging policy The Company will engage in derivatives transactions in order to avoid risk of interest rate fluctuations or reduce the burden of interest payment, not in those with a speculative purpose or high leverage effect. The Company will also engage in currency derivatives transactions within the volume of contracts for assets, liabilities, or transactions in foreign currency, since the purpose of derivatives transactions is to hedge transactions in foreign currency against the risk of exchange rate fluctuations. The Company will therefore not conduct derivatives transactions for speculative purposes. (4) Method for valuating the effectiveness of hedge transactions The Company has adopted an exceptional treatment for interest rate swap transactions since the notional principal, conditions for receipt and payment of interest (such as the interest rate and dates of receipt and payment of interest) and contract terms are the same as those for transactions being hedged. The Company has not therefore conducted post tests to evaluate the effectiveness of interest rate transactions. Forward exchange contracts are used to hedge foreign currency exposures under a risk management policy of designing the contract, as it is concluded, to have the same amount and maturity in order to establish a relationship that cancels out any subsequent change in the exchange rate. This allows the Company to dispense with evaluation of the effectiveness of such hedges at the settlement of accounts. (5) Other risk control methods concerned with hedge accounting Since the issuance of corporate bonds to be hedged, borrowing of a large amount of money, and similar acts are subject to resolutions by the board of directors, the conclusion of currency swap or interest rate swap contracts as a means of hedging such bond issuances, borrowings, and the like are to be resolved at the time of the act by the board of directors. Currency and interest derivatives transactions are conducted and managed by the Accounting Department subject to the Corporate Management Rules.	(3) Hedging policy Same as left (4) Method for valuating the effectiveness of hedge transactions Same as left (5) Other risk control methods concerned with hedge accounting Same as left
8 Other significant items for the preparation of Financial Statements	Accounting for consumption taxes National and local consumption taxes are accounted for using the tax exclusion method.	Accounting for consumption taxes Same as left

(6) Significant Changes in Accounting Policies

[Accounting standards of business combination and others]

FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
(Balance sheet) In the previous operating year, the amount of pension assets exceeding liabilities for severance and retirement benefits was included in the presentation of “severance and employee retirement benefits” in long-term liabilities. However, from this operating year, the relevant amount is posted separately in “prepaid benefit cost” in investments and other assets (1,396 million yen in the previous operating year).	(Balance sheet) “Other accounts receivable,” which had been stated as a separate item in the previous operating year, was included (to the amount of ¥596 million) in Other current assets in Current assets at the end of this fiscal year, because it was insignificant in value.

(7) Notes

(Non-Consolidated Balance Sheet)

End of Previous FY (Mar. 31, 2008)	End of Current FY (Mar. 31, 2009)
*1 (1) Accumulated depreciation of tangible fixed assets amounted to ¥69,368 million. (2) Those out of these assets that were hypothecated and the corresponding liabilities are as follows: Amount of pledged assets (book value) Other tangible fixed assets ¥2,682 million Land ¥7,269 million Total ¥9,951 million Liabilities relevant to the above Short-term debts ¥2,000 million	*1 (1) Accumulated depreciation of tangible fixed assets amounted to ¥71,743 million. (2) Those out of these assets that were hypothecated and the corresponding liabilities are as follows: Amount of pledged assets (book value) Other tangible fixed assets ¥2,497 million Land ¥7,269 million Total ¥9,766 million Liabilities relevant to the above Short-term debts ¥2,000 million
*2 Major assets and liabilities held with regard to related companies are as follows: Trade notes payable ¥3,396 million Accounts payable ¥8,558 million	*2 Major assets and liabilities held with regard to related companies are as follows: Trade notes payable ¥2,133 million Accounts payable ¥5,801 million
*3 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. Total amount under specified commitment line agreements ¥12,000 million Outstanding loans borrowed ¥1,000 million Balance ¥11,000 million	*3 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. Total amount under specified commitment line agreements ¥12,000 million Outstanding loans borrowed ¥1,000 million Balance ¥11,000 million

(Non-Consolidated Income Statement)

FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
*1 The component associated with transactions with related companies is as follows: Products purchased ¥60,254 million In addition to the above, transactions with related companies were reflected also in Other income items to a total amount of ¥253 million.	*1 The component associated with transactions with related companies is as follows: Products purchased ¥54,434 million In addition to the above, transactions with related companies were reflected also in Other income items to a total amount of ¥223 million.
*2 Major items and amounts of selling, general and administrative expenses are as follows: Selling expense ¥3,256 million Packing and transportation expense ¥11,351 million Salaries and allowances ¥12,756 million Provision for allowance for bonus payable ¥1,506 million Retirement benefits ¥486 million Depreciation and amortization expenses ¥1,587 million Rent ¥6,221 million	*2 Major items and amounts of selling, general and administrative expenses are as follows: Selling expense ¥2,940 million Packing and transportation expense ¥9,931 million Salaries and allowances ¥13,033 million Provision for allowance for bonus payable ¥768 million Retirement benefits ¥750 million Depreciation and amortization expenses ¥1,604 million Rent ¥6,574 million
*3 R&D cost included in selling, general and administrative expenses and cost of sales amounted to ¥985 million.	*3 R&D cost included in selling, general and administrative expenses and cost of sales amounted to ¥1,000 million.
*4 Details of gain on sales of fixed assets are as follows: Land ¥387 million Others ¥0 million Total ¥387 million	*4 Details of gain on sales of fixed assets are as follows: Machinery & equipment ¥3 million Others ¥0 million Total ¥3 million
*5 Details of loss on retirement of fixed assets are as follows: Buildings ¥5 million Structures ¥9 million Machinery & equipment ¥71 million Tools & Fittings ¥38 million Others ¥3 million Total ¥127 million	*5 Details of loss on retirement of fixed assets are as follows: Buildings ¥10 million Structures ¥11 million Machinery & equipment ¥40 million Tools & Fittings ¥45 million Others ¥4 million Total ¥112 million

(Non-Consolidated Statements of Changes in Net Assets)

FY March 2008 (from Apr. 1, 2007 to Mar. 31, 2008)

1. Matters relating to Treasury Stock

Type of stock	Number of stocks at the end of the previous year	Increase	Decrease	Number of stocks at the end of the term
Stocks issued Common stock (stocks)	278,118	1,696,718	—	1,974,836

(Outline of change factors)
The major factor for the increase is as follows:
Increase by acquisition based on a Board resolution 1,667,000 shares
Increase due to purchase of fractional shares 29,718 shares

FY March 2009 (from Apr. 1, 2008 to Mar. 31, 2009)

1. Matters relating to Treasury Stock

Type of stock	Number of stocks at the end of the previous year	Increase	Decrease	Number of stocks at the end of the term
Stocks issued Common stock (stocks)	1,974,836	29,608	—	2,004,444

(Outline of change factors)
The details of increase are as stated below:
Increase due to purchase of fractional shares 29,608 shares

(Lease Transactions)

FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)

Finance lease transactions other than those where the ownership of the leasehold asset is transferred to the lessee

(Lessee's side)

① Amounts equivalent to the cost of acquisition, accumulated depreciation, and balance as of the end of the term (fiscal year) for lease properties

	Amount equivalent to acquisition cost (Millions of yen)	Amount equivalent to accumulated depreciation (Millions of yen)	Amount equivalent to the balance as of the end of the term (fiscal year) (Millions of yen)
Tools & fittings	387	292	94
Others	158	114	44
Total	545	406	138

② Amount equivalent to the balance of prepaid rent as at the end of the term (fiscal year)

One year or less	¥100 million
More than one year	¥138 million
Total	¥238 million

③ Amount equivalent to lease payment, accumulated depreciation and interest expense

Lease payment	¥157 million
Amount equivalent to depreciation expense	¥119 million
Amount equivalent to interest expense	¥5 million

④ Method of calculating the amounts equivalent to depreciation expense and interest

Method of calculating the amounts equivalent to depreciation expense

- The amount equivalent to depreciation expense was calculated by multiplying the depreciation expense by 9/10 (0.9) calculated using the fixed percentage method considering the lease period to be the usable life in years and residual value to be 10%.

Method of calculating the amounts equivalent to interest

- The amount equivalent to interest was computed considering the difference between the total lease payment and the amount equivalent to the cost of acquisition of the lease property to be the amount equivalent to interest. The difference was distributed to each term using the interest method.

FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)

Finance lease transactions

(Lessee's side)

Non-ownership-transfer finance lease transactions

(1) Details of lease assets

- Tangible fixed assets
  Comprised primarily of information and telecommunications equipment (tools & fittings).
- Intangible fixed assets
  Comprised of software.

(2) Method of depreciation/amortization of lease assets
Depreciated/amortized using a calculation method that assumes the lease period to be the useful life and the residual value to be zero.

Those non-ownership-transferred finance lease transactions whose effective date occurred on or before March 31, 2008, were accounted for by applying mutatis mutandis the same method used to account for ordinary lease transactions. The details of these assets are as follows:

① Amounts equivalent to the cost of acquisition, accumulated depreciation, and balance as of the end of the term (fiscal year) for lease properties

	Amount equivalent to acquisition cost (Millions of yen)	Amount equivalent to accumulated depreciation (Millions of yen)	Amount equivalent to the balance as of the end of the term (fiscal year) (Millions of yen)
Tools & fittings	224	180	43
Others	91	65	25
Total	315	246	69

② Amount equivalent to the balance of prepaid rent as at the end of the consolidated fiscal year

One year or less	¥44 million
More than one year	¥83 million
Total	¥127 million

③ Amount equivalent to lease payment, accumulated depreciation and interest expense

Lease payment	¥96 million
Amount equivalent to depreciation expense	¥69 million
Amount equivalent to interest expense	¥4 million

④ Method of calculating the amounts equivalent to depreciation expense and interest

Method of calculating the amounts equivalent to depreciation expense

- The amount equivalent to depreciation expense was calculated by multiplying the depreciation expense by 9/10 (0.9) calculated using the fixed percentage method considering the lease period to be the usable life in years and residual value to be 10%.

Method of calculating the amounts equivalent to interest

- The amount equivalent to interest was calculated considering the difference between the total lease payment and the amount equivalent to the cost of acquisition of the lease property to be the amount equivalent to interest. The difference was distributed to each term using the interest method.

(Securities)

FY March 2008 (as of Mar. 31, 2008)

No equity shares held by the Company in subsidiaries or affiliates have market value.

FY March 2009 (as of Mar. 31, 2009)

No equity shares held by the Company in subsidiaries or affiliates have market value.

(Accounting for Deferred Income Taxes)

End of Previous FY (Mar. 31, 2008)

1 Significant components of deferred income tax assets and liabilities

(1) Current assets and liabilities

Deferred tax assets	
Excess bonuses accrued	¥915 million
Accrued enterprise taxes	¥170 million
Valuation loss of finished products	¥91 million
Accrued social insurance premiums	¥106 million
Accrued property tax	¥53 million
Others	¥64 million
Total deferred tax assets	¥1,402 million

(2) Non-current assets and liabilities

Deferred tax assets	
Excess on amount available as allowance for retirement benefits	¥3,549 million
Unpaid director’s retirement benefits	¥168 million
Excess on amount available as allowance for doubtful debt	¥149 million
Unrealized loss on golf memberships	¥144 million
Others	¥163 million
Sub-total deferred tax assets	¥4,175 million
Valuation allowance	(¥455 million)
Total deferred tax assets	¥3,719 million
Offset against deferred tax liabilities	(¥3,719 million)
Net deferred tax assets	—
Deferred tax liabilities	
Deferred gains on fixed assets	¥3,525 million
Net unrealized holding gains on securities	¥3,609 million
Total deferred tax liabilities	¥7,134 million
Offset against deferred tax assets	(¥3,719 million)
Net deferred tax liabilities	¥3,414 million

2 Significant components of difference between statutory tax rate and effective tax rate after adjustments for tax effect accounting

Statutory tax rate	40.7%
(Reconciliation)	
Non-deductible expenses	2.3
Non-taxable dividend income	(1.8)
Per capital inhabitant tax	1.0
Special deduction of experimental and research expenses, others	(0.5)
Tax loss carryforwards	3.2
Others	0.1
Effective tax rate	45.0%

End of Previous FY (Mar. 31, 2009)

1 Significant components of deferred income tax assets and liabilities

(1) Current assets and liabilities

Deferred tax assets	
Excess bonuses accrued	¥461 million
Accrued enterprise taxes	¥70 million
Valuation loss of materials and finished products	¥264 million
Accrued social insurance premiums	¥55 million
Accrued property tax	¥53 million
Others	¥77 million
Total deferred tax assets	¥983 million
Offset against deferred tax liabilities	(¥0 million)
Net deferred tax assets	¥983 million
Deferred tax liabilities	
Net unrealized holding gains on securities	¥0 million
Total deferred tax liabilities	¥0 million
Offset against deferred tax assets	(¥0 million)
Net deferred tax liabilities	—

(2) Non-current assets and liabilities

Deferred tax assets	
Excess on amount available as allowance for retirement benefits	¥3,590 million
Unrealized loss on equity shares in related companies	¥236 million
Unpaid director’s retirement benefits	¥151 million
Excess on amount available as allowance for doubtful debt	¥155 million
Unrealized loss on golf memberships	¥146 million
Others	¥135 million
Sub-total deferred tax assets	¥4,414 million
Valuation allowance	(¥687 million)
Total deferred tax assets	¥3,727 million
Offset against deferred tax liabilities	(¥3,727 million)
Net deferred tax assets	—
Deferred tax liabilities	
Deferred gains on fixed assets	¥3,465 million
Net unrealized holding gains on securities	¥746 million
Total deferred tax liabilities	¥4,212 million
Offset against deferred tax assets	(¥3,727 million)
Net deferred tax liabilities	¥485 million

2 Significant components of difference between statutory tax rate and effective tax rate after adjustments for tax effect accounting

Statutory tax rate	40.7%
(Reconciliation)	
Non-deductible expenses	4.6
Non-taxable dividend income	(5.0)
Per capital inhabitant tax	2.4
Special deduction of experimental and research expenses, others	(1.2)
Tax loss carryforwards	6.2
Others	(2.5)
Effective tax rate	45.2%

(Per Share Data)

Items	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
Net Assets per share of common stock	¥629.09	¥595.04
Net income per share of common stock	¥46.56	¥18.73

	The diluted net income per share of common stock is not presented, since there were no securities with dilutive effect outstanding through the period.	The diluted net income per share of common stock is not presented, since there were no securities with dilutive effect outstanding through the period.

(Note) The basis for calculating net income per share of common stock was as follows:

1. Net Assets per share of common stock

Items	End of Previous FY (Mar. 31, 2008)	End of Current FY (Mar. 31, 2009)
Net Assets in Non-Consolidated Balance Sheet (in million yen)	69,462	65,684
Net Assets attributable to common stock (in million yen)	69,462	65,684
Number of common stock issued (in thousand shares)	112,391	112,391
Number of Treasury common stock (in thousand shares)	1,974	2,004
Number of common stock calculated for Net Assets per share of common stock (in thousand shares)	110,416	110,387

2. Net Income per share of common stock

Items	FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
Net income in Non-Consolidated Statements of Income (in million yen)	5,154	2,067
Amount not reverting to common shareholders (in million yen)	—	—
Net profit relating to common stock (in million yen)	5,154	2,067
Average number of shares of common stock during the period (in thousand shares)	110,706	110,401

(Important subsequent events)

FY March 2008 (From Apr. 1, 2007 to Mar. 31, 2008)	FY March 2009 (From Apr. 1, 2008 to Mar. 31, 2009)
—	Pursuant to the resolution of a Board of Directors meeting held on March 18, 2009, the Company issued its 10th Series Unsecured Straight Bonds as outlined below: • Total amount of issue: ¥5,000 million • Issue price: ¥100 per ¥100 of par value • Payment due date: April 27, 2009 • Redemption at maturity: April 26, 2013 • Coupon rate: 2.52% per annum • Intended use of proceeds: Funding for bond redemptions • Security: No collateral or guarantee is pledged.

6. Others

(1) Changes in board members

1. Change of Representative Director
   Not applicable.

2. Change of other board members (scheduled for June 26, 2009)

(1) Candidates for new Directors

Outside Director (Non-standing)	Jun Kinukawa
Director	Shigeji Kikuchi

(2) Resigning board members

Outside Director (Non-standing)	Mutsumi Kotsuka
Director	Shigeru Goto

(3) Candidate for new Assistant Auditing Officer

Standing Corporate Auditor	Shigeru Goto

(4) Resigning Auditing Officer

Standing Corporate Auditor	Koichi Kurasaki