



## Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2009 (Consolidated)

October 31, 2008

**Okamura Corporation** Listing: Tokyo Stock Exchange, Osaka Securities Exchange

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

Representative Kazuyoshi Hisamatsu President and Representative Director

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Scheduled date of filing Quarterly Report: November 13, 2008

Scheduled date of commencement of dividend payments: December 10, 2008

Note: Amounts of less than one million yen have been rounded down.

1. Financial and Operational Review for the Second Quarter (Apr. 1, 2008 - Sep. 30, 2008) of FY March 2009 (Apr. 1, 2008 - Mar. 31, 2009)

(1) Progress in (consolidated) business results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Second quarter of FY March 2009	99,511	-	2,940	-	3,379	-	2,309	-
Second quarter of FY March 2008	104,427	1.3	4,978	(12.1)	5,435	(10.1)	2,911	(16.6)

	Net income per share		Diluted net income per share	
	yen	%	yen	%
Second quarter of FY March 2009	20	94	-	-
Second quarter of FY March 2008	26	26	-	-

(2) Changes in (consolidated) financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share	
	Millions of yen	Millions of yen	%	yen	
Second quarter of FY March 2009	169,891	80,235	46.8	721	36
FY March 2008	185,855	83,121	42.7	719	32

(Reference) Equity: Second quarter of FY March 2009: ¥79,547 million FY March 2008: ¥79,335 million

2. Dividend

(Record date)	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end dividend per share (in yen)	Full year dividend per share (in yen)
	yen	yen	yen	yen	yen
FY March 2008	-	7 50	-	7 50	15 00
FY March 2009	-	7 50	-	-	-
FY March 2009 (forecast)	-	-	-	7 50	15 00

(Note) Revision of dividend forecasts during quarter under review: Not revised

3. Forecast of consolidated performance for the fiscal year ending March 2009 (from April 1, 2008 to March 31, 2009)  
(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net assets per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen	
FY March 2009	205,000	(4.6)	5,800	(41.0)	6,500	(38.1)	4,200	(29.4)	38	08

(Note) Revision of consolidated performance forecasts during quarter under review: Not revised

4. Others

(1) Changes in the scope of consolidation during the accounting period: None

(2) Adoption of simplified accounting methods or special accounting methods applicable to preparation of quarterly consolidated financial statements: Adopted

Note: For details, please refer to “4. Others (2)” in “Qualitative information, Financial statements, Etc.” on page 4.

(3) Changes in accounting principles and procedures used in the preparation of quarterly consolidated financial statements or in the method of presentation of quarterly consolidated financial statements (Items contained in “Changes in the Basis of Presenting Quarterly Consolidated Financial Statements”)

i by new accounting standard: Yes

ii by others: Yes

Note: For details, please refer to “4. Others (3)” in “Qualitative information, Financial statements, Etc.” on page 4.

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

i Number of shares (including treasury shares) outstanding at end of period

Second quarter of FY March 2009: 112,391,530

FY March 2008: 112,391,530

ii Number of treasury shares at end of period

Second quarter of FY March 2009: 2,117,324

FY March 2008: 2,100,241

iii Average number of shares outstanding during period (cumulative quarters)

Second quarter of FY March 2009: 110,282,959

Second quarter of FY March 2008: 110,867,836

\* Explanation of Appropriate Use of Performance Forecasts and Other Issues Requiring Particular Mention

- Effective with the current fiscal year, the Company adopts Accounting Standard for Quarterly Financial Statements (ASBJ Statement No. 12, issued by the Accounting Standards Board of Japan on March 14, 2007) and Implementation Guidance for Accounting Standard for Quarterly Financial Statements (ASBJ Guidance No. 14, issued by the Accounting Standards Board of Japan on March 14, 2007). The Company prepares its quarterly consolidated financial statements in accordance with Regulations Concerning Quarterly Consolidated Financial Statements.
- 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 “3. Qualitative information concerning the performance forecast” in “Qualitative information, Financial statements, Etc.” on page 4.

## [Qualitative information, Financial statements, Etc.]

## 1. Qualitative information concerning the progress in (consolidated) business performance

During the first two quarters of the current fiscal year under review, the outlook for the Japanese economy became even bleaker as the financial crisis triggered by the United States spread throughout the world, and as the rises in the prices of crude oil and raw materials showed no signs of abating.

Under such circumstances, the Company endeavored to develop and explore new market possibilities by introducing new products differentiated by virtue of product creativity and design excellence and stepping up proposal-driven marketing approaches, with a view to ensuring continued growth in each segment the Company operates in.

In the Office Furniture segment, even though there was strong office-related demand owing to the efforts to improve work environments, reconsideration of work styles, and improve office efficiency, the business conditions remained particularly tough as financial institutions continued to cut down on investment amid the worsening prospects for the economy and corporate earnings, and as an increasing number of companies of all industries are becoming ever more cautious about investment. Under these circumstances, we aggressively pursued the solution-oriented business with the emphasis on the review of working practices and the development of intellectually creative working styles, but sales from the segment marked a decline after all. Meanwhile, high-grade seating lines, including *Contessa* and *Baron*, continued to record strong sales overseas and achieved steady progress in becoming global brands.

As a result, net sales in this segment decreased to ¥60,945 million (Y-o-Y a decrease of 5.5%).

In the Store Displays segment, the business environment remained challenging as retailers curbed their investments and shifted to smaller store formats in the face of slowing personal consumption particularly as a consequence of rising food prices. Under these circumstances, the Company sought to expand sales by putting greater emphasis on marketing proposals, and winning orders, for total store solutions whose key concepts boiled down to “food safety and security,” “energy efficiency enhancement,” and “low-cost operation.” Profitability of this segment is showing an improvement owing to the various efforts we made, including the reduction of the cost of showcases for stores.

As a result, net sales in this segment decreased to ¥32,341 million (Y-o-Y a decrease of 0.8%).

In the Material Handling Systems and Others segment, the Company aggressively stepped up the efforts in its material handling systems operation to market solution proposals among its focused industry sectors of logistics centers, production factories, and other facility operators. Nevertheless, as more and more customers moved to postpone or reduce investment, and as the number of deals decreased amid further market deterioration, sales from this operation marked a decline as well. On a more positive note, the torque converter operation is faring well with the increase in the orders for torque converter for forklift.

As a result, net sales in this segment decreased to ¥6,224 million (Y-o-Y a decrease of 15.2%).

As a result of the above, during the first two quarters of the current fiscal year, the Company posted net sales of ¥99,511 million (Y-o-Y a decrease of 4.7%), operating income of ¥2,940 million (Y-o-Y a decrease of 40.9%), ordinary income of ¥3,379 million (Y-o-Y 37.8%), and net income of ¥2,309 million (Y-o-Y a decrease of 20.7%).

Year-on-year changes as percentages are shown for your reference.

## 2. Qualitative information concerning the changes in (consolidated) financial position

The Company’s consolidated financial position at the end of the second quarter of the current fiscal year under review is as follows:

Total assets amounted to ¥169,891 million, down ¥15,964 million compared with the end of the previous fiscal year. Current assets decreased by ¥12,576 million as a result of the decrease in notes and accounts receivable, and fixed assets decreased by ¥3,387 million because of the decrease in investments and other assets caused primarily by the decline in the market value of investment securities.

Liabilities amounted to ¥89,655 million, down ¥13,078 million over the end of the previous fiscal year, mainly because of decreases in notes and accounts payable and allowance for bonuses payable.

Net assets amounted to ¥80,235 million, as retained earnings increased but net unrealized holding gains on securities declined. Reflecting the decrease in liabilities, the equity ratio rose to 46.8%.

A review of cash flows for the first two quarters of the current fiscal year shows that operating activities generated a net cash increase of ¥5,470 million, as a result of (1) inflows including net income before income taxes of ¥3,855 million, depreciation expenses of ¥2,901 million and the decrease in notes and accounts receivable of ¥10,909 million and of (2) outflows including the decrease in notes and accounts payable of ¥9,587 million, the decrease in allowance for bonus payable of ¥864 million and the payment of income taxes of ¥1,987 million.

Net cash used in investing activities was ¥4,722 million, which was mainly comprised of the purchase of property, plant and equipment amounting to ¥3,266 million and the acquisition of stock in subsidiary amounting to ¥2,089 million.

Net cash used in financial activities was ¥1,345 million, which was comprised of cash dividend paid by the Company of ¥828 million.

Consequently, consolidated cash and cash equivalents at the end of the current fiscal year's second quarter decreased by ¥593 million from the end of the previous fiscal year to ¥18,902 million.

### 3. Qualitative information concerning the performance forecast

A review of the performance for the first two quarters of the current fiscal year shows that the Company's net sales, operating income, ordinary income and net income all declined from the same period of the previous year. The tough business environment is expected to continue, so we will step up our efforts to expand sales, improve productivity and reduce costs.

Given the above, we have not made changes to the consolidated performance forecasts for the full fiscal year ending in March 2009, which we announced on October 15, 2008 when we made the last revision to the performance forecasts.

### 4. Others

#### (1) Changes in the scope of consolidation during the accounting period

Not applicable.

#### (2) Adoption of simplified accounting methods and special accounting methods applicable to preparation of quarterly consolidated financial statements

##### i Simplified accounting methods

Calculation of depreciation expenses on fixed assets

In respect of the assets that are depreciated on a declining-balance basis, the Company applies a calculation method that allocates the amount of depreciation attributable to a specific fiscal year appropriately to the interim periods.

##### ii Special accounting methods applicable to preparation of quarterly consolidated financial statements

Nothing in particular

#### (3) Changes in accounting principles and procedures used in the preparation of quarterly consolidated financial statements or in the method of presentation of quarterly consolidated financial statements

##### i Adoption of accounting standards pertaining to quarterly financial statements

Effective with the current fiscal year, the Company adopts Accounting Standard for Quarterly Financial Statements (ASBJ Statement No. 12, issued by the Accounting Standards Board of Japan on March 14, 2007) and Implementation Guidance for Accounting Standard for Quarterly Financial Statements (ASBJ Guidance No. 14, issued by the Accounting Standards Board of Japan on March 14, 2007). The Company prepares its quarterly consolidated financial statements in accordance with Regulations Concerning Quarterly Consolidated Financial Statements.

##### ii Adoption of accounting standards pertaining to valuation of inventories

Effective with the first quarter of the fiscal year, the Company adopts the Accounting Standard for Valuation of Inventories (ASBJ Statement No. 9, issued by the Accounting Standards Board of Japan on July 5, 2006) and changes its valuation policy from the cost method to a cost basis (which reduces the book value of assets whose profitability is diminished).

The effect of this change is to reduce the gross profit, operating income, ordinary income and income before income taxes for the first two quarters of the current fiscal year by ¥324 million each compared with the results using the previous method.

The impact it causes on segment information is described where it is relevant.

##### iii Adoption of tentative treatments applicable to accounting for foreign subsidiaries in preparation of consolidated financial statements

Effective with the first quarter of the fiscal year, the Company adopts 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) and performs required reconciliations in the consolidation accounting process.

The effect of this change on the results of the first two quarters of the current fiscal year is nil.

##### iv Adoption of accounting standards pertaining to lease transactions

Effective with the first quarter of the current fiscal year, the Company adopts 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) and accounts for finance lease transactions other than those where ownership is transferred in the manner that applies to ordinary buying and selling transactions.

The Company depreciates the cost of lease assets involved in non-ownership-transferred finance transactions, by applying the straight-line method that assumes the lease period to be the useful life and the residual value to be zero.

With regard to non-ownership-transferred finance lease transactions whose effective date precedes the commencement of the initial fiscal year that the standard is adopted, the Company continues to apply the same method that it uses to account for ordinary lease transactions.

The effect of this change is to increase the balance of the lease assets as of the end of the second quarter of the current fiscal year by ¥55 million in the tangible fixed assets section and by ¥3 million in the intangible fixed assets section. The effect on the results of the first two quarters of the current fiscal year is negligible.

## 5. Quarterly financial statements

## (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	Second quarter of FY March 2009 (As of Sep. 30, 2008)	Condensed consolidated balance sheet concerning FY March 2008 (As of March 31, 2008)
<b>Assets</b>		
Current assets:		
Cash and time deposits	19,867	20,514
Trade notes and accounts receivable	46,695	57,604
Marketable securities	122	122
Goods for sale	1,882	1,924
Manufactured goods	10,698	11,173
Raw materials	2,225	2,430
Work in process	1,417	1,320
Others	3,055	3,348
Allowance for doubtful debt	(199)	(98)
Total current assets	85,763	98,340
Fixed assets:		
Tangible fixed assets:		
Buildings and structures (at net book value)	15,216	15,579
Land	22,556	22,515
Others (at net book value)	13,081	13,023
Total tangible fixed assets	50,855	51,118
Intangible fixed assets:		
Total intangible fixed assets	2,419	2,690
Investments and other assets:		
Investment securities	19,712	22,781
Others	11,248	11,047
Allowance for doubtful accounts	(108)	(122)
Total investment and other assets	30,852	33,705
Total fixed assets	84,127	87,514
Total assets	169,891	185,855

(Millions of yen)

	Second quarter of FY March 2009 (As of Sep. 30, 2008)	Condensed consolidated balance sheet concerning FY March 2008 (As of March 31, 2008)
<b>Liabilities</b>		
Current liabilities:		
Trade notes and accounts payable	36,557	46,742
Short-term bank loans	10,155	9,867
Long-term debts due within one year	3,429	3,117
Bonds redeemed within one year	5,000	-
Income taxes payable	1,548	2,371
Allowance for bonus payable	2,081	2,945
Others	2,821	3,895
Total current liabilities	61,592	68,941
Long-term liabilities:		
Debenture bonds	5,000	10,000
Long-term loans payable	5,216	6,294
Severance and employee retirement benefits	11,779	11,459
Reserve for directors' retirement benefits	-	20
Others	6,066	6,017
Total long-term liabilities	28,063	33,792
Total liabilities	89,655	102,734
<b>Net assets</b>		
Owners' equity		
Capital stock	18,670	18,670
Capital surplus	16,759	16,759
Retained earnings	42,391	40,909
Treasury stock, at cost	(2,346)	(2,333)
Total owners' equity	75,475	74,006
Net unrealized gain and translation adjustments		
Unrealized holding gains (losses) on securities	4,182	5,262
Foreign currency translation adjustment	(110)	66
Total Net unrealized gain and translation adjustments	4,071	5,328
Minority interests	687	3,786
Total net assets	80,235	83,121
Total liabilities and net assets	169,891	185,855

## (2) Quarterly Consolidated Income Statement

(Millions of yen)

	First two quarters of FY March 2009 (From Apr. 1, 2008 to Sep. 30, 2008)
Net sales	99,511
Cost of sales	68,905
Gross profit	30,605
Selling, general and administrative expenses	27,664
Operating income	2,940
Other income:	
Interest income	33
Dividend income	254
Equity in earnings of affiliated companies	116
Others	406
Total other income	810
Other expenses:	
Interest expenses	253
Others	118
Total other expenses	371
Ordinary income	3,379
Extraordinary income:	
Gain on sale of investment securities	73
Reversal of allowance for bonuses payable	639
Others	3
Total extraordinary income	716
Extraordinary losses:	
Loss on disposal of property, plant and equipment	44
Impairment loss	78
Reversal of allowance for doubtful accounts regarding affiliated companies	99
Other losses	17
Total extraordinary losses	239
Income before income taxes for the quarter term	3,855
Income taxes	1,304
Adjustments on income taxes	249
Total income taxes	1,553
Minority interests in earnings (loss)	(7)
Net income for the quarter term	2,309



## (3) Quarterly Consolidated Cash Flow Statement

(Millions of yen)

	First two quarters of FY March 2009 (From Apr. 1, 2008 to Sep. 30, 2008)
<b>Cash flows from operating activities</b>	
Income before income taxes for the quarter term	3,855
Depreciation expense	2,901
Loss on disposal of property, plant and equipment	44
Equity in earnings of affiliated companies (parentheses indicate a gain in earnings)	(116)
Increase/decrease in allowance for doubtful accounts (parentheses indicate a decrease)	86
Allowance for bonuses payable (parentheses indicate a decrease)	(864)
Increase/decrease in allowance for employee retirement benefits (parentheses indicate a decrease)	320
Increase/decrease in reserve for directors' retirement benefits (parentheses indicate a decrease)	(20)
Interest and dividends income	(287)
Interest expense	253
Gain on the sale of investment securities (parentheses indicate a gain)	(64)
Loss on devaluation of investment securities (parentheses indicate a revaluation gain)	78
Increase/decrease in notes and accounts receivable (parentheses indicate an increase)	10,909
Increase/decrease in inventories (parentheses indicate an increase)	624
Increase/decrease in notes and accounts payable (parentheses indicate a decrease)	(9,587)
Others	(740)
Sub-total	7,395
Interest and dividends received	318
Interest expenses paid	(255)
Income taxes paid	(1,987)
Net Cash provided by operating activities	5,470
<b>Cash flows from investing activities</b>	
Term deposits paid	(469)
Term deposits withdrawn	518
Payment for purchase of property, plant and equipment	(3,266)
Payment for purchase of intangible fixed assets	(114)
Payment for purchase of investment securities	(13)
Proceeds from sale and redemption of investment securities	1,194
Outlay for acquisition of stock in subsidiary	(2,089)
Others	(483)
Net Cash used in investing activities	(4,722)
<b>Cash flows from financing activities</b>	
Net increase/decrease in short-term bank loans (parentheses indicate a decrease)	288
Repayments of long-term debt	(766)
Payment for purchase of treasury stock	(11)
Cash dividends	(828)
Cash dividends paid to minority shareholders	(24)
Other	(2)
Net Cash used in financing activities	(1,345)
Effect on exchange rate changes on cash and cash equivalents	4
Increase/decrease in cash and cash equivalents (parentheses indicate a decrease)	(593)
Cash and cash equivalents at beginning of year	19,496
Cash and cash equivalents at term end	18,902

Effective with the current fiscal year, the Company adopts Accounting Standard for Quarterly Financial Statements (ASBJ Statement No. 12, issued by the Accounting Standards Board of Japan on March 14, 2007) and Implementation Guidance for Accounting Standard for Quarterly Financial Statements (ASBJ Guidance No. 14, issued by the Accounting Standards Board of Japan on March 14, 2007). The Company prepares its quarterly consolidated financial statements in accordance with Regulations Concerning Quarterly Consolidated Financial Statements.

(4) Note regarding the assumption of going concern

First two quarters of the current fiscal year (from April 1, 2008 to September 30, 2008)  
There is no information that needs to be disclosed herein.

(5) Segment information

[Segment information by business type]

First two quarters of the current fiscal year (from April 1, 2008 to September 30, 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)
Net sales						
(1) Net sales to external customers	60,945	32,341	6,224	99,511	-	99,511
(2) Internal sales or transfers between segments	-	-	-	-	(-)	-
Total	60,945	32,341	6,224	99,511	(-)	99,511
Operating income or (operating loss)	2,203	987	(249)	2,940	(-)	2,940

Notes: 1. Business segmentation method

Business segmentation is based on considerations of similarities among types, characteristics and markets, etc. for products (inclusive of operations) delivered under business activities of consolidated companies.

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. As described under "4. Others (3) Changes in accounting principles and procedures used in the preparation of quarterly consolidated financial statements or in the method of presentation of quarterly consolidated financial statements" in "Qualitative information, Financial statements, Etc." on page 3, effective with the first quarter of the current fiscal year, the Company adopts 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 is to reduce the segment operating income for the first two quarters of the current fiscal year by ¥239 million for the Office Furniture segment and by ¥48 million for the Store Displays segment, and to increase the segment operating loss by ¥35 million for the Material Handling Systems and Others segment respectively.

[Geographically Segmented Information]

First two quarters of the current fiscal year (from April 1, 2008 to September 30, 2008)

Geographically segmented information is omitted. This is because Japan accounts for over 90% of the Company's total net sales across all segments.

[Overseas sales]

First two quarters of the current fiscal year (from April 1, 2008 to September 30, 2008)

Information on overseas sales is omitted, because they account for less than 10% of the Company's consolidated net sales.

(6) Note regarding occurrence of significant change in amount of shareholders' equity

First two quarters of the current fiscal year (from April 1, 2008 to September 30, 2008)  
There is no information that needs to be disclosed herein.

6. Other information

Additional information

(Revision of useful lives of tangible fixed assets)

Following the revision of the Corporate Tax Law in the 2008 fiscal year, effective with the first quarter of the fiscal year the Company changes 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 is to reduce the operating income, ordinary income and net income before income taxes for the first two quarters of the current fiscal year by ¥67 million each compared with the results using the previous method.

[Reference data]

Financial statements for the same period of the previous year

## (1) Income Statement for the Previous Consolidated Interim Period

(Millions of yen)

Accounts	Previous consolidated interim period (from April 1, 2007 to September 30, 2007)
I Net sales	104,427
II Cost of sales	71,880
Gross profit	32,547
III Selling, general and administrative expenses	27,568
Operating income	4,978
IV Other income:	739
1 Interest income	32
2 Dividend income	230
3 Equity in earnings of affiliated companies	81
4 Others	394
V Other expenses:	282
1 Interest expenses	207
2 Others	74
Ordinary income	5,435
VI Extraordinary income:	45
1 Gain on sale of property, plant and equipment	15
2 Gain on sale of investment securities	0
3 Reversal of allowance for doubtful accounts	29
VII Extraordinary losses:	143
1 Loss on disposal of property, plant and equipment	100
2 Impairment loss on investment securities	42
3 Impairment loss on golf membership	0
Interim income before income taxes	5,336
Income taxes	1,771
Adjustments on income taxes	630
Minority interests in earnings	23
Interim net income	2,911

## (2) Cash Flow Statement for the Previous Consolidated Interim Period

(Millions of yen)

Components	Previous consolidated interim period (from April 1, 2007 to September 30, 2007)
<b>I Cash flows from operating activities</b>	
1 Interim income before income taxes	5,336
2 Depreciation expense	2,621
3 Gain on sale of property, plant and equipment (parentheses indicate a gain)	(15)
4 Loss on disposal of property, plant and equipment	92
5 Equity in earnings of affiliated companies (parentheses indicate a gain in earnings)	(81)
6 Increase/decrease in allowances (parentheses indicate a decrease)	(760)
7 Interest and dividend income	(263)
8 Interest expense	207
9 Impairment loss (parentheses indicate a gain)	42
10 Increase/decrease in notes and accounts receivable (parentheses indicate an increase)	10,001
11 Increase/decrease in inventories (parentheses indicate an increase)	157
12 Increase/decrease in notes and accounts payable (parentheses indicate a decrease)	(8,440)
13 Others	(601)
Sub-total	8,296
14 Interest and dividends received	302
15 Interest expenses paid	(205)
16 Income taxes paid	(3,492)
Net Cash provided by operating activities	4,901
<b>II Cash flows from investing activities</b>	
1 Term deposits paid	(622)
2 Term deposits withdrawn	871
3 Payment for purchase of property, plant and equipment	(2,012)
4 Proceeds from sale of property, plant and equipment	45
5 Payment for purchase of intangible fixed assets	(136)
6 Payment for purchase of investment securities	(113)
7 Proceeds from sale and redemption of investment securities	169
8 Others	(169)
Net Cash used in investing activities	(1,967)
<b>III Cash flows from financing activities</b>	
1 Net increase/decrease in short-term bank loans (parentheses indicate a decrease)	200
2 Proceeds from long-term bank loans	200
3 Repayments of long-term debt	(901)
4 Payment for purchase of treasury stock	(2,051)
5 Cash dividends	(1,009)
6 Cash dividends paid to minority shareholders	(16)
Net Cash used in financing activities	(3,578)
<b>IV Effect on exchange rate changes on cash and cash equivalents</b>	10
<b>V Increase/decrease in cash and cash equivalents (parentheses indicate a decrease)</b>	(634)
<b>VI Cash and cash equivalents at beginning of year</b>	16,697
<b>VII Cash and cash equivalents at the end of the interim period</b>	16,062

## (3) Segment information

## [Segment information by business type]

Previous consolidated interim period (from April 1, 2007 to September 30, 2007)

	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)
Net sales						
(1) Net sales to external customers	64,483	32,602	7,340	104,427	-	104,427
(2) Internal sales or transfers between segments	-	-	-	-	(-)	-
Total	64,483	32,602	7,340	104,427	(-)	104,427
Operating income	4,308	471	198	4,978	(-)	4,978

## Notes: 1. Business segmentation method

Business segmentation is based on considerations of similarities among types, characteristics and markets, etc. for products (inclusive of operations) delivered under business activities of consolidated companies.

## 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

## [Geographically Segmented Information]

Previous consolidated interim period (from April 1, 2007 to September 30, 2007)

Geographically segmented information is omitted. This is because Japan accounts for over 90% of the Company's total net sales across all segments.

## [Overseas sales]

Previous consolidated interim period (from April 1, 2007 to September 30, 2007)

Information on overseas sales is omitted, because they account for less than 10% of the Company's consolidated net sales.