FRANCEBED HOLDINGS

Consolidated Summary Report on Interim Closing for the Fiscal Year ended March 2007

November 9, 2006

Name of the listed company : **France Bed Holdings Co., Ltd.**

Listing Exchanges : Tokyo, Osaka
Head Office Location : Tokyo

Code No. 7840
(URL : http://www.francebed-hd.co.jp)
Representative : Shigeru Ikeda, President and Representative Director
Contact Person : Kotaro Hoshikawa, Senior Managing Director in Charge of Accounting Group Tel : +81-3-5338-1081
Date of Board of Directors Meeting for Financial Closing : November 9, 2006
Adoption of United States Financial Accounting Standards : None

1.Consolidated results for the six-month period ended September 2006 (April 1, 2006 ~ September 30, 2006)

(1) Consolidated Management Performance

(Figures presented have been rounded down to the nearest unit presented)

	Net Sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
Interim term ending September 2006	33,343	△2.9	2,049	16.7	2,081	13.5
Interim term ending September 2005	34,372	—	1,755	—	1,834	—
Fiscal year ended March 2006	70,248		4,011		4,140	

	Net Income		Earnings per Share	Fully Diluted Earnings per Share
	Million yen	%	yen	yen
Interim term ending September 2005	1,160	49.6	5.05	—
Interim term ending September 2005	744	—	3.37	—
Fiscal year ended March 2006	2,091		8.70	—

(Notes)
1. Investment Gains and Losses due to Equity Method : Interim term ending September 2006 - \ --, Fiscal Year ended September2005 - \ --, Fiscal Year ended March 2006 - \ --
2. Average Number of Shares Outstanding during the Fiscal Year (consolidated) : Interim term ending September 2006 - 229,458,864shares, Fiscal Year ended September 2005 - 229,467,058shares, Fiscal Year ended March 2006 - 229,464,160 shares
3. Changes in Accounting Treatment : Yes
4. Percentage figures for sales, operating profit, ordinary profit and net profit for the first half of the current business term show year-on-year changes. As an annual closing of accounts was adopted from the business year ended March 2006 (from April 1, 2005 to March 31, 2006), year-on-year changes were not presented for the first half ended September 30, 2005.

(2) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Equity Ratio	Equity per Share
	Million yen	Million yen	%	yen
Interim term ending September 2006	65,862	41,391	62.8	180.38
Interim term ending September 2005	65,266	40,173	61.5	175.07
Fiscal year ended March 2006	66,373	41,011	61.7	178.31

(Notes) Number of Shares Outstanding (Consolicated) as of Balance Sheet Date:
Interim term ending September 2006 - 229,457,045shares, Fiscal Year ended September 2005 - 229,463,687shares,
Fiscal Year ended March 2006 - 229,459,919 shares

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Ending Balance of Cash and Cash Equivalents
	Million yen	Million yen	Million yen	Million yen
Interim term ending September 2006	2,430	(-)1,220	(-)619	14,523
Interim term ending September 2005	2,736	(-)1,854	(-)632	14,511
Fiscal year ended March 2006	3,945	(-)3,043	(-)1,232	13,932

(4) Matters relating to Scope of Consolidation and the Application of the Equity Method
Number of Consolidated Subsidiaries: 6
Number of Unconsolidated Subsidiaries to which Equity Method is Applied: - ,
Number of Affiliated Companies to which the Equity Method is Applied: -

(5) Changes in the Scope of Consolidation and Application of the Equity Method
Consolidation (de novo) -, (exclusion) -, Equity Method (de novo) -, (exclusion) -

2. Projected Performance for the Fiscal Year Ending March 2007
(Commenced April 1, 2006 and ending March 31, 2007)

	Sales	Ordinary Income	Net Income
	Million yen	Million yen	Million yen
Full Year	72,600	4,290	2,400

(Reference) Projected Earnings per Share (full year) ¥10.45
* The above projections have been prepared based on available information as of the day of publication of this document and due to various factors, the actual performance may vary from the projections.
For matters relating to the above performance projections, see page 8 of the Attachment.

Corporate Group

The Corporate Group is comprised of the Company and nine subsidiary companies and are primarily engaged in furniture and interior business, nursing care equipment among other businesses.
The relationship between the positioning of the Group businesses and business segment is described below. The classification used in the business segment in the segment information is the same as one applied below.

.

Business Type	Principal Line of Business	Principal Companies
Home furnishing business	Manufacture, procurement and wholesaling of beds, furniture and bedding products	France Bed Co.,Ltd. Tokyo Bed Co.,Ltd. France Bed Furniture Co.,Ltd
Acute and long-term care business	Manufacture, procure, rental, retail and wholesale of acute care beds, nursing and medical equipment and hospital linens	France Bed Medical Service Co.,Ltd., France Bed Co.,Ltd.
Other	Procurement and retailing of bed furnishings, daily sundries, health appliances and the like,Real estate rental	France Bed Sales Co.,Ltd. FB Tomonokai Co.,Ltd. France Bed Co.,Ltd. France Bed Medical Service Co.,Ltd. Tokyo Bed Co.,Ltd.

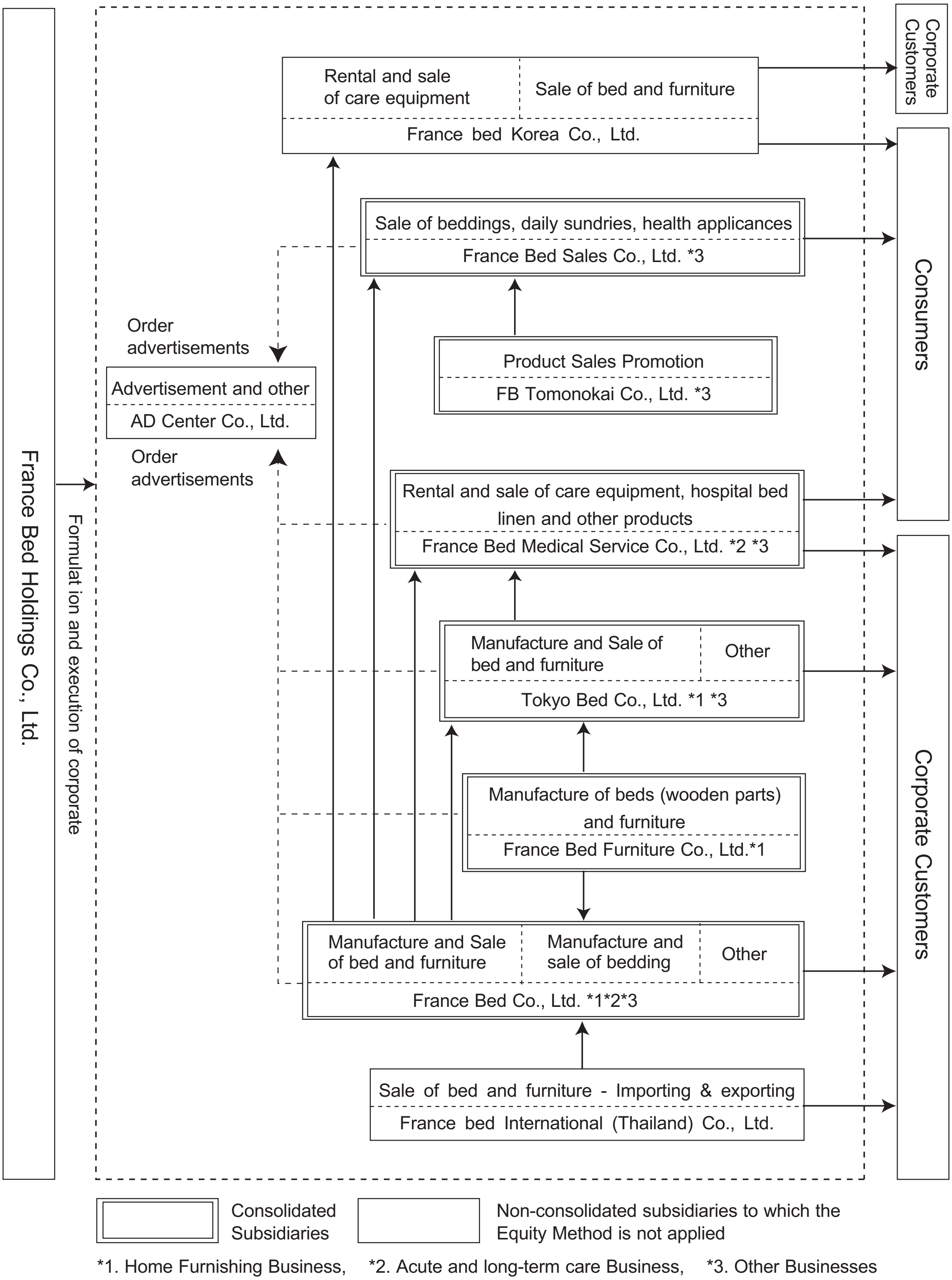
Non-consolidated subsidiaries

1. AD Center Co.,Ltd.
   Advertisements, operation of exhibits and other sales related activities of the Corporate Group are carried out by a subsidiary company, AD Center Co.,Ltd.
2. France bed International (Thailand) Co.,Ltd.
   This subsidiary exports furniture produced under contract by manufacturers in Thailand to France Bed Co.,Ltd. and overseas companies that do business with France Bed Co., Ltd.
3. France bed Korea Co.,Ltd.
   The mainstay operations of this subsidiary are the sale and rental of welfare equipment and the wholesaling and retailing of beds for home use in Korea.

(Note)
FB Tomonokai Co., Ltd. is a subsidiary of the subsidiary, France Bed Sales Co., Ltd, and is engaged in recruitment of members who engage in purchase of products marketed by France Bed Sales Co., Ltd. products through prepaid purchase agreements and in promotion of sales toward the members.

Schematic summary of the businesses is as shown below.

(Operating Structure)



Management Policies

1. Basic Management Policies of the Company

The Group holds as its group vision, "to become a human company contributing to the achievement of lifewith full and compassion through creation and innovation" and will endeavor to provide high value added new products and services that will provide satisfaction to our consumers.

Through the efficient utilization of the management resources of each of the Group Companies, enhance the overall strength of the group and enhance the corporate value.

2. Basic Policies Relating to Distribution of Profits

The Company, to maximize the shareholder value, has positioned return of profits to the shareholders as one of the priority management policies and it is the basic policy of the company to provide the shareholders with continuing and stable dividends.

In this interim accounting term, based on the above policy, the interim dividend is 2.50 yen per share.

With respect to retained earnings, it is the policy of the Company to utilize the funds not only to further enhance the financial position but also to make investments into strategic businesses that will lead to development of new products and services for further growth of the Company, thereby, strengthening the management foundation of the company for the future.

3. Target Management Indicators

The Group aims to bolster competitiveness by developing high value-added products and improving the service quality and increase consolidated net profit by advancing into overseas markets and new businesses.

The target for the first half of the current business term was to increase sales to 72,600 million yen, ordinary profit to 4,290 million yen, and net profit to 2,400 million yen on a consolidated basis.

After assessing the impact of the nursing-care insurance system, we will produce and announce a new medium-term management plan during this term.

4. Issues facing the Company

(1) Home furnishing business

The furniture and interior industry in recent years is characterized by the advances made by large stores based on the nationwide chain store operation of large furniture and interior retailers and the store opening of large foreign furniture shops. As such, community-oriented specialty furniture retailers face extremely difficult business conditions. These specialty furniture retailers are one of major customer categories of the Group, and we see it as a challenge to revitalize this sale channel and develop new distribution roots.

To take on these tasks, Francebed Co., Ltd. presents high value-added products and high-ticket items that are rarely displayed by specialty furniture retailers in our 12 showrooms throughout Japan to increase sales by using these showrooms as the sales outlet for the specialty furniture retailers.

Also in recent years, opportunities to sell furniture have been increasing when houses are constructed, expanded, and remodeled by house manufacturers, condominium developers and interior coordinators. We consider these industries as new sales channels and endeavor to bolster sales by having them use our showrooms. To that end, we plan to establish showrooms in 20 locations around the country to further expand our sales network going forward.

We also opened a showroom in Akasaka, Minato-ku, Tokyo in July 2006 where products of Matteograssi, a high profile Italian interior maker, are displayed and another showroom in Roppongi, Minato-ku, Tokyo in October 2006 that displays furniture designed by Giorgio Saporiti, a famous Italian furniture designer, to sell high-end products of sophisticated design.

Not only in Japan, we also took steps to increase sales in overseas furniture markets as well. Our local subsidiary in Thailand has started to operate as an overseas export base, and the sales channel to overseas is being established as highlighted in the display of TOKI, Japanese-style design furniture, in Italian department stores. We are locking in these distribution channels and seeking for new sales opportunities by participating in furniture shows held in many parts of the world. In terms of exercising integrated power as a Group, we sell products of Tokyo Bed Inc. in areas outside the Kanto region to improve operating efficiency and enhance our product lineup for customers.

(2) Acute and long-term care business

In the nursing-care welfare equipment business, as a transitional measure for revised nursing-care benefits in the nursing-care insurance system ended at the end of September 2006, rental revenues are expected to decline significantly with the reduction in transactions with people whose required level of care is low. To sustain growth, we will develop a system to complement the reduction with greater rental transactions and strengthened sales activities.

In the rental business, we will work to recover rental revenues at an early stage through measures such as facilitating the use of our products by people who require a medium or high level (Level 2 or higher) of nursing-care, as well as enhancing the product lineup for users of minor nursing-care services, and developing health-related and other products that are not covered by nursing-care insurance. Given needs to improve the response to people who require nursing-care in combination with medical care, demand for services that link welfare equipment with medical equipment is expected to grow at a noticeable pace, associated with the promotion of home medical care. We will strengthen ties with medical organizations by such measures as using the Home Medical Care Support Showroom set up in October 2006 in the Medical Center of Japanese Red Cross Society to expand the welfare and medical equipment business.

In addition, along with the amendment of the Law Concerning Support for Self-Reliance of the Disabled, services to provide daily life equipment have been included in community life support services from October 2006, and municipal governments are now able to lease beds and other support equipment at their own discretion. Following this revision, we have strengthened our approach to municipalities around the country to encourage them to introduce a rental system with the aim of expanding the welfare equipment rental business for disabled children.

With respect to the enhancement of our sales capability, we will expand product sales by increasing sales of life support beds and beds for the sales system with product take-back service, primarily to users of minor nursing-care services who have become unable to use nursing-care insurance through the revitalization of the furniture store channel, which we have been promoting since the beginning of the current business year.

We will also increase retail sales of nursing-care and welfare equipment by vitalizing the function of Sukesan Takusan, a health and welfare plaza, that sells health and welfare goods and shifting the role of office showrooms nationwide to that of sales shops.

In addition, we will strengthen the renovation business by further promoting community-oriented sales activities and responding to demand for general renovations that are not covered by the nursing-care insurance.

In the overseas business, we will operate Gounson, a nursing-care outlet opened in Soul, Korea in August 2006, in earnest and strive to establish the rental business early.

(3) Other businesses

In the door-to-door sales business, we will expand and strengthen the sales structure with the goal of increasing sales. Specifically, we have continued to bolster sales bases and sales staff in the first half of the current business term.

In the commodities and sundries sales business, the Company not only aims to expand sales by opening more new stores and reviewing business categories, but is also taking steps to recover earnings, including scrapping and building, as we look to reform our profit structure.

5. Matters Related to Parent Company, etc

Not applicable

Business results and financial position

1. Business results

Thanks to increased capital spending stemming from an improvement in corporate earnings and moderate growth in consumer spending, the Japanese economy continued to follow a recovery path during the first half of the consolidated business term under review.

In this environment, the Group's sales in the first half of the current consolidated business term reached 33,343 million yen (down 2.9% from the same period a year ago), operating profit was 2,049 million yen (up 16.7%), ordinary profit was 2,081 million yen (up 13.5%), and net profit was 1,160 million yen (up 49.6%). The significant increase in net profit was attributable to a decline in losses on the impairment of fixed assets in the first half under review that was recorded as an extraordinary loss in the previous business term. An overview of operating results in each business segment is as follows.

(1) Home furnishing business

While the business environment of the furniture industry recovered moderately overall, domestic furniture producers still faced a difficult situation, experiencing intense competition with domestic competitors as well as large overseas furniture retailers that opened stores in Japan. To respond to such a business environment, the Group focused on strengthening sales of high-priced products at Francebed Co., Ltd., the core company in the furniture and interior business, as the main operating initiative. Specifically, we opened a brand shop in Akasaka, Minato-ku, Tokyo in July 2006 in an alliance with Matteograssi, a high profile Italian interior maker, and established new showrooms (PR studios) in Shirakawa in Fukushima Prefecture and Echizen in Fukui Prefecture in addition to the existing nine showrooms with the goal of increasing sales of high-ticket items.

In the area of product development, the Company developed and launched a new product called the Multilus Pocket Spring Mattress, which combines the advantages of pocket springs and that of continuous springs. This should bolster our competitiveness by differentiating our products from those of other companies in the mainstay bed mattress business.

However, since sales of products other than beds were sluggish, sales in the furniture and interior business in the first half of the current consolidated business term declined 3.9% year on year, to 16,796 million yen. On the profit front, as a result of working to reduce the cost ratio and selling, general and administrative expenses, operating profit rose 395.4% from a year ago, to 163 million yen.

(2) Acute and long-term care business

In the nursing-care welfare equipment business, given the revision of the nursing-care insurance system in April 2006, the lease of welfare equipment such as special beds and wheelchairs to people whose required level of care is low has become exempt from insurance payment, with some exceptions. Since a six-month transitional measure was set up for users of minor nursing-care services who had already leased such equipment as of the end of March 2006 to alleviate the effect of this dramatic change, we were able to avoid a significant decline in rental revenues for this first half of the consolidated business term. However, some decline in sales was unavoidable, and a significant drop is expected for the second half.

We have been taking action to offset the adverse repercussions of this development. Specifically, we aggressively increased new contracts with people whose required level of care is in the top two categories for the rental service of welfare equipment covered by the nursing-care insurance. For those who are unable to use nursing-care insurance because of a lower level of required care, we introduced a sales system with a product take-back service and services to lease and sell life support beds, which we have developed for these users.

The Company focused on expanding sales of nursing-care beds by positioning furniture stores throughout Japan as new sales channels. Also, among customers of minor nursing-care services who used our special beds, we conducted an opinion survey on those to whom the transitional measure was applied, to provide them with products that meet their needs and facilitate a smooth transition to the new system. As a result, we received a large number of responses from potential customers wishing to purchase products such as special beds which they currently used and therefore sold these products to satisfy their needs. We also held fairs of welfare equipment and used products at our sales offices nationwide mainly for users of minor care services to make an inventory adjustment, preparing for the return of welfare equipment after October 2006 due to the termination of contracts with these users.

At the same time, we worked to reduce costs to a large extent by consolidating operating bases, cutting expenses such as advertising costs, and freezing new businesses such as day service centers. As a results of these initiatives, the nursing-care welfare equipment business posted sales of 13,040 million yen (down 0.8% year on year) and operating profit of 1,580 million yen (up 14.0%).

(3) Other businesses

In the door-to-door sales business, while we planned to strengthen our sales structure and endeavored to increase sales bases and sales staff, sales in this business continued to face difficult conditions because of weak sales at existing operating bases and the fact that we did not meet our initial target for improving the sales structure.

In the commodity and sundries sales business, the Company continued to take steps to recover earnings, including scrapping and building. During the first half of the consolidated business term under review, we closed five stores in Sendai, Odawara, Kofu, Ogaki, and Fukuyama and opened six stores, namely Iwamizawa, Sendai-izumi, Sendai-kagitori, Tsurugashima, Gifu, and Chacha Town Kokura Stores. Also, as a measure to revitalize existing stores, we reviewed the business category of individual stores according to their characteristics to develop new customer bases.

As a result, sales stood at 3,506 million yen (down 6.0% year on year) and operating profit was 237 million yen (down 0.7%) for other businesses.

2. Financial position

(1) Status of balance sheet this interim accounting term

Total assets at the end of the first half of the current consolidated business term were 65,862 million yen, down 510 million yen from the end of the previous business term. This was mainly due to a 1,082 million yen decrease in accounts and notes receivable and a 438 million yen increase in inventories. Cash and deposits declined by 5,566 million yen, primarily because of a 5,996 million yen increase in securities.

Total liabilities were 24,471 million yen, down 890 million yen from the end of the previous business term. The main factors for the decrease were an increase in accounts and notes payable by 513 million yen due to the fact that the end of the first half under review was a non-business day for financial institutions, a 529 million yen decrease in factoring accrued liabilities which were a portion of purchasing liabilities, and a decline in accrued income taxes that were included in Others.

Net assets stood at 41,391 million yen mainly reflecting an increase in retained earnings of 491 million yen from the end of the previous business term. As a result, consolidated shareholders' equity ratio rose to 62.8%, from 61.7% at the end of the previous business term.

(2) Status of cash flow this accounting term

In terms of cash flow during the first half of the current business term, cash and cash equivalents increased by 591 million yen from the beginning of the term, to 14,523 million yen. Consolidated cash flows are as follows:

1) Cash flow from operating activities

Net cash provided by operating activities totaled 2,430 million yen during the first half under review, representing a decrease of 305 million yen compared with the first half of the previous business year. Income before income taxes and minority interests was 2,083 million yen, up 655 million yen from the same period a year ago, the result of a decline in impairment losses. Cash receipts increased because of a rise in accounts payable among other factors, while cash payments expanded, reflecting an increase in inventories and the payment of income taxes. As a result, net cash declined compared with the same period in the previous business term.

2) Cash flow from investing activities

Net cash used in investing activities during the first half under review amounted to 1,220 million yen, and was primarily attributable to the acquisition of tangible fixed assets.

3) Cash flow from financing activities

Net cash used in financing activities was 619 million yen, mainly because of the payment of dividends.

(3) Trend of Cash Flow Indicators

	Term ended September 2004	Term ended March 2005	Term ended March 2006		Term ended March 2007
			Interim	Full-term	Interim
Equity Ratio (%)	56.7	60.5	61.5	61.7	62.8
Equity Ratio at Market Value (%)	90.9	100.8	94.2	99.9	88.8
Number of Years to Amortize Debt (years)	—	—	0.9	1.3	1.0
Interest Coverage Ratio	14.1	7.7	68.3	50.9	61.0

(Calculation Methodology)
Equity Ratio : Shareholders' Equity / Total Assets
Equity Ratio at Market Value : Gross Market Capitalization of Shares / Total Assets
Number of Years to Amortize Debt : Interest Bearing Debt / Operating Cash Flow
Interest Coverage Ratio : Operating Cash Flow / Interest Payment

(Note)
1. All indicators are calculated based on the values from consolidated financial statements.
2. Gross market capitalization is derived by Closing Price of shares at balance sheet date multiplied by thenumber of shares outstanding on balance sheet date net of treasury shares.
3. Operating cash flow is taken from the "Cash Flows from Operating Activities" in the consolidated cashflow statement. Interest bearing debt includes all obligations recorded on the consolidated balance sheetto which interest is applied. With respect to interest payment, the "Interest Payment" contained in the consolidated cash flow statement is used.
4. To calculate the repayment schedule this interim accounting term (interim term ending September 2006), the cash flow from operating activities is doubled to find the annualized cash flow.
   There is no calculation for the first accounting term (ending September 2004) and the second accounting term (ending March 2005), as the first accounting term is an irregular accounting term from March 30, 2004 to September 30, 2004 and the second accounting term is an irregular accounting term from October 1, 2004 to March 31, 2005.

3. Full-term outlook

With respect to the future outlook, the moderate recovery in the Japanese economy is expected to continue. In this environment, we will improve our business structure by strongly promoting the expansion of sales and improvements in operating efficiency.

Full-term consolidated business forecasts are sales of ¥72,600 million, ordinary income of ¥4,290 million and net income of ¥2,400 million.

4. Business risks, etc.

Risks that may affect the business results, financial position, etc. of group companies include the following. Matters relating to the future in the text are judgments made by group companies as of the end of this interim accounting term.

(1) Business environment of group companies

1) The market to which suppliers and customers of the home furnishing business conducted by group companies belong tends to be comparatively easily affected by economic trends, price movements and the residential tax system, etc. Therefore, if demand on the home furnishing market declined due to factors such as a reduction in income resulting from economic slowdown, a rise in market interest rates, a rise in land prices or the strengthening of the residential tax system, not only may the profit margin be reduced because of falling sales, decline in the selling prices of products handled, etc. but the results and the financial position of group companies may also be affected due to deterioration in the business situation of suppliers and customers, the occurrence of bad debts, etc.

2) The acute and long-term care business conducted by group companies is heavily dependent on the nursing care insurance system. Should this nursing care insurance system be reformed, etc., as a result, sales may fall and the results and financial status of the group companies may be affected.

3) In the other businesses conducted by group companies, group companies are committed to clear product strategies and sales strategies to provide appealing products in a market where the sensibility and fashion sense of consumers, the price line and the shop environment is changing all the time. Therefore, if group companies are unable to forecast market changes adequately and are unable to provide appealing products, as a result of this sales may decline and the results and the financial position of group companies may be affected.

(2) Product faults

The group companies manufacture various products at their respective plants in accordance with JIS and their own quality standards that are more stringent than JIS known as FES (Francebed Engineering Standards).

However, there is no guarantee that faults will not occur in any of the products. Moreover, although group companies have taken out insurance in relation to product liability, there is no guarantee that this insurance will ultimately be able to adequately cover the amount of compensation to be borne and it is not necessarily true that group companies will be able to continue paying into such insurance.

If such product faults caused group companies to incur high costs as a result of their liability for compensation or seriously damaged their reputation, as a result of this sales may decline and the results and the financial position of the group companies may be affected.

(3) Unauthorized disclosure of personal information, etc.

The Group handles a large volume of personal information, including customer information, because of the nature of its business. It operates with full consideration to preventing the unauthorized disclosure of personal information. However, if personal information does leak, we could have a substantial liability and experience a major loss of credibility, which could have an impact on the business performance and financial position of the Group.

(4) With Respect to Credit

The Company Group has been engaged in various operational transactions and bears credit risk relatedto losses resulting from the deterioration in the credit standing and bankruptcy of business partners, etc. To control this risk, the Company stipulates the credit limit and payment method for each business partner and manages credit risk flexibly through the establishment of a committee for the protection of account receivables.

However, it is difficult to remove all such risk, so deterioration in the credit standing or bankruptcy of business partners is likely to impact the business results and financial standing of the Company Group.

(5) Exchange rate fluctuation, etc.

The group companies are engaged in import and export transactions of raw materials and the products they handle and, with respect to foreign-currency-denominated monetary claims and obligations in relation to this (includes foreign currency options) there is the risk of fluctuation in exchange rates. Therefore group companies are engaged in derivative transactions to hedge the risk of exchange rate fluctuations, but it is impossible to eliminate all such risk including the indirect impact of exchange rate fluctuations. Therefore, fluctuation in exchange rates may affect the results and financial status of group companies.

The export and import transactions of group companies take place with multiple countries particularly in Asia and Europe, and in the future the balance of such transactions is expected to increase. Therefore, deterioration in the export and import environment as a result of changes in the economic situation of each country, the occurrence of disasters, etc. may affect the results and financial position of group companies.

(6) Accounting

Group companies carry out accounting in according with accounting standards generally accepted in Japan and based on various factors considered reasonable in accordance with past results and the situation. Therefore, if accounting methods changed as a result of a change in the market environment, corporate environment, etc., this may affect the results and financial status of group companies.

Consolidated Financial Statements
Consolidated Balance Sheet

(In millions of yen)

Account	Interim term ending September 2005 (As of Sept.30, 2005)	Interim term ending September 2006 (As of Sept.30, 2006)	Fiscal term ended March 2006 (As of Mar. 31, 2006)	Increases and decreases
(Assets)				
1. Current Assets				
Cash and Deposits	14,671	8,526	14,092	(-)5,566
Notes and Account Receivable - Trade	12,801	12,681	13,763	(-)1,082
Marketable Securities	2	5,998	2	5,996
Inventory	9,884	10,273	9,835	438
Other	2,528	2,481	2,806	(-)324
Allowance for Doubtful Accounts	(-)169	(-)170	(-)171	0
Total Current Assets	39,718	39,790	40,328	(-)537
2. Fixed Assets				
Tangible Fixed Assets				
Buildings and Structures	4,072	4,417	3,974	443
Land	6,218	6,577	6,209	368
Other	2,923	2,707	3,376	(-)669
Total Tangible Assets	13,214	13,703	13,560	142
Intangible Fixed Assets	536	564	567	(-)3
Investments and Other Assets				
Prepaid Pension Expense	5,062	5,244	5,020	224
Other	6,942	6,727	7,087	(-)360
Allowance for Doubtful Accounts	(-)208	(-)168	(-)192	23
Total Investments and Other Assets	11,796	11,803	11,915	(-)112
Total Fixed Assets	25,547	26,071	26,044	27
Total Assets	65,266	65,862	66,373	(-)510

(In millions of yen)

Account	Interim term ending September 2005 (As of Sept.30, 2005)	Interim term ending September 2006 (As of Sept.30, 2006)	Fiscal term ended March 2006 (As of Mar. 31, 2006)	Increases and decreases
(Liabilities)				
1.Current Liabilities				
Notes and Account Payable - Trade	7,489	7,907	7,393	513
Accrued Factoring Liabilities	2,183	1,444	1,973	(-)529
Short Term Borrowings	4,765	4,965	4,905	60
Long Term Borrowings Coming Due within 1 Year	272	198	205	(-)7
Reserve for Bonuses	1,560	1,514	1,519	(-)5
Reserve for director’s Bonuses	—	51	—	51
Other	4,580	4,426	5,164	(-)738
Total Current Liabilities	20,852	20,506	21,161	(-)655
2.Fixed Liabilities				
Long Term Borrowings	328	129	228	(-)99
Reserve for Retirement Benefits	3,201	3,135	3,231	(-)95
Reserve for Directors Retirement Bonuses	378	386	401	(-)14
Other	332	313	339	(-)25
Total Fixed Liabilities	4,240	3,965	4,200	(-)235
Total Liabilities	25,092	24,471	25,362	(-)890
(Minority Interest)				
Minority Interest	—	—	—	—
(Shareholders' Equity)				
1.Common Stock	3,000	—	3,000	—
2.Capital Surplus	5,117	—	5,117	—
3.Retained Earnings	34,718	—	35,461	—
4.Unrealized Gains or Losses on Securities	285	—	381	—
5.Treasury Shares	(-)2,947	—	(-)2,949	—
Total Shareholders' Equity	40,173	—	41,011	—
Total Liabilities, Minority Interest and Shareholders' equity	65,266	—	66,373	—
(Net assets)				
1.Shareholders' equity				
Capital stock	—	3,000	—	—
Capital Surplus	—	5,117	—	—
Retained earnings	—	35,953	—	—
Treasury Shares	—	(-)2,949	—	—
Total Shareholders' equity	—	41,120	—	—
2.Valuation and translation gain and loss				
Valuation gain and loss on other securities	—	258	—	—
Gain and loss on deferred hedge	—	12	—	—
Total valuation and translation gain and loss	—	270	—	—
Total Net assets	—	41,391	—	—
Total liabilities and shareholders' equity	—	65,862	—	—

(Notes)
1.The figures that are shown above have been rounded off to the rearest unit displayed. (The same applies to the pages that follow hereinafter.)
2. Increases and decreases (for assets and liabilities only) are indicated based on a comparison between this consolidated accounting Interim term and the previous Interim term.

Consolidated Statement of Income

(In millions of yen)

Account	Interim term ending September 2005 (Six Months)	Interim term ending September 2006 (Six Months)	Increases and decreases		Fiscal term ended March 2006 (One Year)
1. Net Sales	34,372	33,343	(-)1,028	(-)2.9%	70,248
2. Cost of Sales	18,784	17,985	(-)799		38,652
Gross Income	15,587	15,358	(-)229	(-)1.4%	31,595
3. Selling, General and Administrative Expense	13,832	13,308	(-)523		27,583
Operating Income	1,755	2,049	294	16.7%	4,011
4. Other Income					
Interest Income	2	5	3		4
Dividend Income	43	19	(-)23		63
Insurance Income	38	23	(-)15		40
Life Insurance Dividend Income	54	39	(-)14		54
Compensation received for the business acquisition	—	30	30		—
Other	72	67	(-)4		238
Total Other Income	211	186	(-)25		401
5. Other Expenses					
Interest Expense	38	37	(-)1		75
Sales Discounts	38	35	(-)2		76
Commission paid	21	18	(-)2		41
Other	34	62	28		79
Total Other Expenses	132	154	21		272
Ordinary Income	1,834	2,081	247	13.5%	4,140
6. Extraordinary Income					
Gains on Prior Year Adjustment	59	46	(-)12		59
Gains form Sale of Fixed Assets	32	0	(-)32		86
Gains on sales of investment securities	363	2	(-)361		363
Other	—	0	0		—
Total Extraordinary Income	455	50	(-)404		509
7. Extraordinary Losses					
Loss from Prior Year Adjustment	7	3	(-)4		19
Losses from Sale of Fixed Assets	0	0	0		0
Loss from Removal of Fixed Assets	15	42	26		48
Loss on impairment of fixed assets	834	2	(-)832		834
Other	3	—	(-)3		23
Total Extraordinary Losses	861	48	(-)812		925
Net Income before Tax	1,427	2,083	655	45.9%	3,725
Corporate Income Tax, Resident Tax and Enterprise Tax	977	809	(-)168		1,903
Deferred Income Taxes	(-)324	113	438		(-)269
Net Income	774	1,160	385	49.6%	2,091

(Notes)

Increases and decreases are indicated based on a comparison between this consolidated accounting Interim term and the previous Interim term.

Consolidated Statement of Surplus

(In millions of yen)

Account	Interim term ending September 2005 (Six Months)	Fiscal term ended March 2006 (One Year)
(Capital Surplus)		
1. Beginning Balance of Capital Surplus	5,117	5,117
2. Ending Balance of Capital Surplus	5,117	5,117
(Retained Earnings)		
1. Beginning Balance of Retained Earnings	34,617	34,617
2. Increase in Retained Earnings		
Interim net Income	774	2,091
3. Reductions in Retained Earnings		
Dividends	573	1,147
Directors' Bonuses	100	100
4. Ending Balance of Retained Earnings	34,718	35,461

Consolidated Statement of Changes in Net Assets

Interim term ending September 2006 (Apr.1, 2006 - Sept.30, 2006)

(In millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' Equity
Balance as of March 31, 2006	3,000	5,117	35,461	(-)2,949	40,629
Changes during the interim period					
Cash dividends paid*			(-)573		(-)573
Bonuses to directors*			(-)94		(-)94
Net income			1,160		1,160
Treasury stock purchased				(-)0	(-)0
Others					
Total change during the interim period	—	—	491	(-)0	491
Balance at September 30, 2006	3,000	5,117	35,953	(-)2,949	41,120

	Valuation and translation differences			Total net assets
	Valuation differences and other marketable securities	Deferred gains on hedges	Total valuation and translation differences	
Balance as of March 31, 2006	381	—	381	41,011
Changes during the interim period				
Cash dividends paid*				(-)573
Bonuses to directors*				(-)94
Net income				1,160
Treasury stock purchased				(-)0
Others	(-)123	12	(-)111	(-)111
Total change during the interim period	(-)123	12	(-)111	379
Balance at September 30, 2006	258	12	270	41,391

*This was an item for the appropriation of profits resolved at the ordinary general meeting of shareholders held in June 2006.

Consolidated Statement of Cash Flow

(In millions of yen)

Account	Interim term ending September 2005 (Six Months)	Interim term ending September 2006 (Six Months)	Fiscal term ended March 2006 (One Year)
1. Cash Flows from Operating Activities			
Net Income before Tax and Minority Interests	1,427	2,083	3,725
Depreciation	934	914	1,883
Loss on impairment of fixed assets	834	2	834
Gains from Sale of Tangible Fixed Assets	(-)32	(-)0	(-)86
Losses on Sale and Removal of Tangible Fixed Assets	11	35	32
Gains on sales of investment securities	(-)363	(-)2	(-)363
Change in Allowance for Doubtful Accounts	(-)225	(-)24	(-)239
Changes in Reserve for Bonuses	80	(-)5	38
Changes in Reserve for director’s Bonuses	—	51	—
Changes in Reserve for Retirement Benefits and Prepaid Pension Expense	56	(-)320	128
Change in Reserve for Directors Retirement Bonuses	(-)246	(-)14	(-)224
Interest Income and Dividend Income	(-)45	(-)25	(-)68
Interest Expense	38	37	75
Change in Account Receivables	1,076	1,082	114
Change in Inventory	224	(-)438	273
Change in Procurement Obligations	(-)134	513	(-)231
Change in Accrued Factoring Liabilities	(-)736	(-)529	(-)947
Change in Accrued Expenses	(-)175	(-)94	(-)15
Change in Accrued Consumption Tax	70	46	37
Directors Bonuses Paid	(-)100	(-)94	(-)100
Other	491	285	378
Sub-Total	3,184	3,502	5,244
Interest and Dividends Received	45	25	68
Interest Paid	(-)40	(-)39	(-)77
Corporate Taxes Paid	(-)453	(-)1,057	(-)1,289
Cash Flows from Operating Activities	2,736	2,430	3,945
2. Cash Flows from Investing Activities			
Investments in Time Deposits	(-)1,360	—	(-)1,360
Decrease in Term Deposits	—	160	—
Proceeds from Sale of Marketable Securities	1	1	2
Expenditures for Acquisition of Tangible Fixed Assets	(-)1,138	(-)1,258	(-)2,077
Proceeds form Sale of Tangible Fixed Assets	32	13	95
Expenditures for Acquisition of Investment Securities	(-)24	(-)11	(-)243
Proceeds from Sale of Investment Securities	649	26	649
Expenditure for Loans	(-)11	(-)32	(-)20
Proceeds from Recovery of Loans	18	11	29
Other	(-)20	(-)131	(-)119
Cash Flows from Investing Activities	(-)1,854	(-)1,220	(-)3,043
3.Cash Flows from Financing Activities			
Proceeds from Increase in Short Term Borrowings	455	60	595
Expenditure for Repayment of Short Term Borrowings	(-)200	—	(-)200
Expenditure for Repayment of Long Term Borrowings	(-)315	(-)106	(-)481
Expenditure for Acquisition of Treasury Shares	(-)1	(-)0	(-)2
Payment of Dividends	(-)570	(-)572	(-)1,143
Other	(-)0	(-)0	(-)0
Cash Flows from Financing Activities	(-)632	(-)619	(-)1,232
4. Exchange Gains or Losses relating to Cash and Cash Equivalents	(-)0	1	—
5. Change in Cash and Cash Equivalents	248	591	(-)330
6. Beginning Balance of Cash and Cash Equivalents	14,263	13,932	14,263
7. Ending Balance of Cash and Cash Equivalents	14,511	14,523	13,932

Significant Matters in Preparation of Consolidated Financial Statements

Interim term ending September 2005 (Six Months)	Interim term ending September 2006 (Six Months)	Fiscal term ended March 2006 (One Year)
1. Matters Relating to Scope of Consolidation (1) Number of consolidated Subsidiaries: 6 Names of consolidated subsidiaries France Bed Co., Ltd., France Bed Medical Service Co., Ltd., France Bed Furniture Co., Ltd., France Bed Sales Co., Ltd., FB Tomonokai Co., Ltd., and Tokyo Bed Co.,Ltd.	1. Matters Relating to Scope of Consolidation (1) Number of consolidated Subsidiaries: 6 Names of consolidated subsidiaries Same as the left	1. Matters Relating to Scope of Consolidation (1) Number of consolidated Subsidiaries: 6 Names of consolidated subsidiaries Same as the left
(2) Names of Unconsolidated Subsidiaries AD Center Co., Ltd. France bed International (Thailand) Co., Ltd. The reason for exclusion from consolidation. The two unconsolidated subsidiaries are both small-scale companies and are excluded from the scope of consolidation since the sum of total assets, net sales, interim net income (amount commensurate to holding), profit surplus, etc. does not have a major impact on interim consolidated financial statements in either case.	(2) Names of Unconsolidated Subsidiaries AD Center Co., Ltd. France bed International (Thailand) Co., Ltd. France bed Korea Co., Ltd. The reason for exclusion from consolidation. The three unconsolidated subsidiaries are both small-scale companies and are excluded from the scope of consolidation since the sum of total assets, net sales, interim net income (amount commensurate to holding), profit surplus, etc. does not have a major impact on interim consolidated financial statements in either case.	(2) Names of Unconsolidated Subsidiaries Same as the left The reason for exclusion from consolidation. The three unconsolidated subsidiaries are both small-scale companies and are excluded from the scope of consolidation since the sum of total assets, net sales, net income (amount commensurate to holding), profit surplus, etc. does not have a major impact on consolidated financial statements in either case.
2. Matters relating to the application of the equity method Unconsolidated subsidiaries not subject to theapplication of the equity method. AD Center Co., Ltd. France bed International (Thailand) Co., Ltd. The reason for not applying the equity method: The two unconsolidated subsidiary to which the equity method is not applied has been excluded fromthe application as the effect of the total assets, sales and interim net income (portion corresponding to holdings) and profit surplus (portion corresponding to holdings) to the interim consolidated financial statements are not significant and overall is not material.	2. Matters relating to the application of the equity method Unconsolidated subsidiaries not subject to theapplication of the equity method. AD Center Co., Ltd. France bed International (Thailand) Co., Ltd. France bed Korea Co., Ltd. The reason for not applying the equity method: The three unconsolidated subsidiary to which the equity method is not applied has been excluded fromthe application as the effect of the total assets, sales and interim net income (portion corresponding to holdings) and profit surplus (portion corresponding to holdings) to the interim consolidated financial statements are not significant and overall is not material.	2. Matters relating to the application of the equity method Unconsolidated subsidiaries not subject to theapplication of the equity method. Same as the left The reason for not applying the equity method: The three unconsolidated subsidiary to which the equity method is not applied has been excluded fromthe application as the effect of the total assets, sales and net income (portion corresponding to holdings) and profit surplus (portion corresponding to holdings) to the consolidated financial statements are not significant and overall is not material.
3. Matters relating to the Interim closing date of the consolidated subsidiaries. The interim closing date of consolidated subsidiaries coincides with the interim consolidated closing date.	3. Matters relating to the Interim closing date of the consolidated subsidiaries. Same as the left	3. Matters relating to the Business fiscal year of the consolidated subsidiaries. The final day of the business year for all consolidated subsidiaries corresponds to the consolidated account settlement date.

Interim term ending September 2005 (Six Months)	Interim term ending September 2006 (Six Months)	Fiscal term ended March 2006 (One Year)
4. Matters relating to the accounting standards (1) Valuation basis and method for significant assets (i) Marketable Securities a. Bonds intended to be held to maturity Amortizing cost method (straight line method) b. Other marketable securities Those with readily determinable market value Stated at market value as of the Interim consolidated balance sheet date.(Valuation gains and losses resulting are calculated by the full capital costing method; cost of disposal is calculated by the moving average method.) Those without readily determinable market value Stated at cost determined by the moving-average method (ii)Derivatives Stated at market value (iii)Inventory a. Merchandise, product, and work-in-progress Stated at cost principally based on first in first out method b. Materials and stored goods Stated at cost using most recent purchase method	4. Matters relating to the accounting standards (1) Valuation basis and method for significant assets (i) Marketable Securities a. Bonds intended to be held to maturity Amortizing cost Same as the left b. Other marketable securities Those with readily determinable market value Stated at market value as of the Interim consolidated balance sheet date.(Valuation gains and losses resulting are calculated by the full net capital costing method; cost of disposal is calculated by the moving average method.) Those without readily Same as the left (ii)Derivatives Same as the left (iii)Inventory a. Merchandise, product, and work-in-progress Same as the left b. Materials and stored goods Same as the left	4. Matters relating to the accounting standards (1) Valuation basis and method for significant assets (i) Marketable Securities a. Bonds intended to be held to maturity Amortizing cost Same as the left b. Other marketable securities Those with readily determinable market value Stated at market value as of the the consolidated account settlement date.(Valuation gains and losses resulting are calculated by the full capital costing method; cost of disposal is calculated by the moving average method.) Those without readily Same as the left (ii)Derivatives Same as the left (iii)Inventory a. Merchandise, product, and work-in-progress Same as the left b. Materials and stored goods Same as the left
(2) Method of Depreciation of Significant Depreciable Assets (i).Tangible Fixed Assets The declining balance method is applied. However, for buildings (excluding attached equipment) acquired after April 1, 1998, the straightline method is applied. Useful lives are as follows: Assets for Lease 3~10 years Buildings & structure 3~50 Equipment and Vehicles 3~15 Tools, Furniture &Fixtures 2~20 For small-ticket assets for lease whose acquisition price is less than 200,000yen, they are depreciated in one lot equally over 3 years.	(2) Method of Depreciation of Significant Depreciable Assets (i)Tangible Fixed Assets Same as the left	(2) Method of Depreciation of Significant Depreciable Assets (i)Tangible Fixed Assets Same as the left

Significant Matters in Preparation of Consolidated Financial Statements

Interim term ending September 2005 (Six Months)	Interim term ending September 2006 (Six Months)	Fiscal term ended March 2006 (One Year)
1. Matters Relating to Scope of Consolidation (1) Number of consolidated Subsidiaries: 6 Names of consolidated subsidiaries France Bed Co., Ltd., France Bed Medical Service Co., Ltd., France Bed Furniture Co., Ltd., France Bed Sales Co., Ltd., FB Tomonokai Co., Ltd., and Tokyo Bed Co.,Ltd. (2) Names of Unconsolidated Subsidiaries AD Center Co., Ltd. France bed International (Thailand) Co., Ltd. The reason for exclusion from consolidation. The two unconsolidated subsidiaries are both small-scale companies and are excluded from the scope of consolidation since the sum of total assets, net sales, interim net income (amount commensurate to holding), profit surplus, etc. does not have a major impact on interim consolidated financial statements in either case.	1. Matters Relating to Scope of Consolidation (1) Number of consolidated Subsidiaries: 6 Names of consolidated subsidiaries Same as the left (2) Names of Unconsolidated Subsidiaries AD Center Co., Ltd. France bed International (Thailand) Co., Ltd. France bed Korea Co., Ltd. The reason for exclusion from consolidation. The three unconsolidated subsidiaries are both small-scale companies and are excluded from the scope of consolidation since the sum of total assets, net sales, interim net income (amount commensurate to holding), profit surplus, etc. does not have a major impact on interim consolidated financial statements in either case.	1. Matters Relating to Scope of Consolidation (1) Number of consolidated Subsidiaries: 6 Names of consolidated subsidiaries Same as the left (2) Names of Unconsolidated Subsidiaries Same as the left The reason for exclusion from consolidation. The three unconsolidated subsidiaries are both small-scale companies and are excluded from the scope of consolidation since the sum of total assets, net sales, net income (amount commensurate to holding), profit surplus, etc. does not have a major impact on consolidated financial statements in either case.
2. Matters relating to the application of the equity method Unconsolidated subsidiaries not subject to theapplication of the equity method. AD Center Co., Ltd. France bed International (Thailand) Co., Ltd. The reason for not applying the equity method: The two unconsolidated subsidiary to which the equity method is not applied has been excluded fromthe application as the effect of the total assets, sales and interim net income (portion corresponding to holdings) and profit surplus (portion corresponding to holdings) to the interim consolidated financial statements are not significant and overall is not material.	2. Matters relating to the application of the equity method Unconsolidated subsidiaries not subject to theapplication of the equity method. AD Center Co., Ltd. France bed International (Thailand) Co., Ltd. France bed Korea Co., Ltd. The reason for not applying the equity method: The three unconsolidated subsidiary to which the equity method is not applied has been excluded fromthe application as the effect of the total assets, sales and interim net income (portion corresponding to holdings) and profit surplus (portion corresponding to holdings) to the interim consolidated financial statements are not significant and overall is not material.	2. Matters relating to the application of the equity method Unconsolidated subsidiaries not subject to theapplication of the equity method. Same as the left The reason for not applying the equity method: The three unconsolidated subsidiary to which the equity method is not applied has been excluded fromthe application as the effect of the total assets, sales and net income (portion corresponding to holdings) and profit surplus (portion corresponding to holdings) to the consolidated financial statements are not significant and overall is not material.
3. Matters relating to the Interim closing date of the consolidated subsidiaries. The interim closing date of consolidated subsidiaries coincides with the interim consolidated closing date.	3. Matters relating to the Interim closing date of the consolidated subsidiaries. Same as the left	3. Matters relating to the Business fiscal year of the consolidated subsidiaries. The final day of the business year for all consolidated subsidiaries corresponds to the consolidated account settlement date.

Interim term ending September 2005 (Six Months)	Interim term ending September 2006 (Six Months)	Fiscal term ended March 2006 (One Year)
(ii).Intangible Fixed Assets Straight-line method is applied. Software for internal office use is depreciated using straight line method over their useful lives (5 years).	(ii).Intangible Fixed Assets Same as the left	(ii).Intangible Fixed Assets Same as the left
(iii).LongTerm Prepaid Expenses Equal amortization is applied.	(iii).LongTerm Prepaid Expenses Same as the left	(iii).LongTerm Prepaid Expenses Same as the left
(3) Accounting for Significant Reserves (i) Allowance for Doubtful Accounts To provide for losses arising from bad loans, Allowance for Doubtful Receivables is provided at an amount of possible losses from uncollectible receivables based on the actual historical rate of losses from bad debt for ordinary receivables, and on estimated recoverability for specific doubtful receivables.	(3) Accounting for Significant Reserves (i) Allowance for Doubtful Accounts Same as the left	(3) Accounting for Significant Reserves (i) Allowance for Doubtful Accounts Same as the left
(ii) Reserve for Bonuses To provided for payment of bonuses to employees, the amount expected to be paid are recorded.	(ii) Reserve for Bonuses Same as the left	(ii) Reserve for Bonuses Same as the left
(iii) ――――	(iii) Reserve for director's Bonuses To prepare for the payment of bonuses to directors and corporate auditors, we recorded the amount of expected payment for the current business term to be incurred in the first half under review.	(iii) ――――
(iv) Reserve for Retirement Benefits To provide for payments of employees' retirement benefits, an amount deemed to have accrued at the balance sheet date of the current Interim consolidated fiscal year is provided based on the estimated Severance and Retirement Benefit Obligations and Pension Assets as of the balance sheet date. The actuarial differences are expensed using a straight-line method over a period equaling less than the employees average remaining service years at the time of its occurrence (principally 10 years) commencing the succeeding consolidated fiscal year.	(iv) Reserve for Retirement Benefits Same as the left	(iv) Reserve for Retirement Benefits To provide for payments of employees' retirement benefits, an amount deemed to have accrued at the balance sheet date of the current consolidated fiscal year is provided based on the estimated Severance and Retirement Benefit Obligations and Pension Assets as of the balance sheet date. The actuarial differences are expensed using a straight-line method over a period equaling less than the employees average remaining service years at the time of its occurrence (principally 10 years) commencing the succeeding consolidated fiscal year.

Interim term ending September 2005 (Six Months)	Interim term ending September 2006 (Six Months)	Fiscal term ended March 2006 (One Year)
(v) Reserve for Directors' Retirement Bonuses To provide for payment of retirement bonuses to directors, the amount required to be paid at the current balance sheet date based on internal regulations is recorded.	(v) Reserve for Directors' Retirement Bonuses Same as the left	(v) Reserve for Directors' Retirement Bonuses To provide for payment of retirement bonuses to directors, the amount required to be paid at the consolidated balance sheet date based on internal regulations is recorded.
(4) Accounting for Significant Leases With respect to financing leases, excepting those in which the title to the leased assets is deemed to transfer to the lessee, are accounted for as normal rental transactions.	(4) Accounting for Significant Leases Same as the left	(4) Accounting for Significant Leases Same as the left
(5) Hedge Accounting 1. Method of Hedge Accounting Deferred hedge accounting is applied. With respect to foreign currency denominated obligations with forward foreign exchange contracts, these are accounted for using the allocation method.	(5) Hedge Accounting 1. Method of Hedge Accounting Same as the left	(5) Hedge Accounting 1. Method of Hedge Accounting Same as the left
2. Hedging Tools and Hedge Targets a.Hedging Tools Derivative transactions (currency options and forward foreign exchange contracts)	2. Hedging Tools and Hedge Targets a.Hedging Tools Same as the left	2. Hedging Tools and Hedge Targets a.Hedging Tools Same as the left
b.Hedge Targets Foreign currency denominated monetary obligations subject to foreign exchange volatility risk (including foreign currency denominated planned transactions).	b.Hedge Targets Same as the left	b.Hedge Targets Same as the left
3. Hedging Policy Derivative transactions are entered into for the purpose of hedging the foreign exchange fluctuation risks associated with the imports of raw materials and merchandise. In undertaking derivative transactions, transactions are managed so as to maintain a steady hedging ratio with the planned transaction amount as the maximum limit.	3. Hedging Policy Same as the left	3. Hedging Policy Same as the left

Interim term ending September 2005 (Six Months)	Interim term ending September 2006 (Six Months)	Fiscal term ended March 2006 (One Year)
4. Method of Evaluating Hedge Effectiveness a.Test in Advance Verifies that it is consistent with "Market Risk Management Rules" and"Risk Management Outlines" b.Ex Post Facto Test Examination is made whether the market and cash flow fluctuation were avoided vis a vis foreign exchange volatility risk in foreign currency denominated transactions.	4. Method of Evaluating Hedge Effectiveness a.Test in Advance Same as the left b.Ex Post Facto Test Same as the left	4. Method of Evaluating Hedge Effectiveness a.Test in Advance Same as the left b.Ex Post Facto Test Same as the left
(6) Other Matters in Preparation of Interim consolidated Financial Statements 1.Accounting for the Consumption Tax Consumption Tax and Municipal Consumption Tax are accounted for using the tax exclusion method. Non-deductible Consumption Tax relating to fixed assets are treated as periodic expense to be borne during the Interim consolidated fiscal term under review.	(6) Other Matters in Preparation of Interim consolidated Financial Statements 1.Accounting for the Consumption Tax Same as the left	(6) Other Matters in Preparation of Consolidated Financial Statements 1.Accounting for the Consumption Tax Consumption Tax and Municipal Consumption Tax are accounted for using the tax exclusion method. Non-deductible Consumption Tax relating to fixed assets are treated as periodic expense to be borne during the consolidated fiscal year under review.
5. Scope of Cash in the Interim Consolidated Statement of Cash Flow This is comprised of cash on hand, deposits that can be readily withdrawn, short term investments that are readily convertible into cash and with minimal amount of price fluctuation risk whose maturity is within 3 months from the day of acquisition.	5. Scope of Cash in the Interim Consolidated Statement of Cash Flow Same as the left	5. Scope of Cash in the Consolidated Statement of Cash Flow Same as the left

(Accounting Changes)

Interim term ending September 2005 (Six Months)	Interim term ending September 2006 (Six Months)	Fiscal term ended March 2006 (One Year)
(Method of booking real estate rental income and expenses) Real estate rental income and expenses used to be booked in non-operating profit and non-operating expenses, but since real estate rental income is expected to increase in the future, by changing the purpose of business in the Articles of Incorporation, from this interim accounting term the Company changed to a method of recording them in net sales and cost of sales respectively. As a result, compared with before, sales increased by ¥107 million, the cost of sales rose by ¥30 million, and gross profit on sales and operating income increased by ¥76 million. Also, "Other" in non-operating income decreased by ¥107 million and "Other" in non-operating expenses declined by ¥30 million, but there is no impact on ordinary income and interim net income before tax. Furthermore, not only did property and structures increase by ¥143 million, land increase by ¥812 million and Other increase by ¥0 million, but "Other" in Investments and Other Assets decreased by ¥956 million. Effects on segments are stated in the part concerned.	--	(Method of booking real estate rental income and expenses) Real estate rental income and expenses used to be booked in non-operating profit and non-operating expenses, but since real estate rental income is expected to increase in the future, by changing the purpose of business in the Articles of Incorporation,from this accounting term the Company changed to a method of recording them in net sales and cost of sales respectively. As a result, compared with before, sales increased by ¥218 million, the cost of sales rose by ¥65 million, and gross profit on sales and operating income increased by ¥152 million. Also, "Other " in non-operat ing income decreased by ¥218 million and "Other" in non-operating expenses declined by ¥65 million, but there is no impact on ordinary income and interim net income before tax. Furthermore, not only did property and structures increase by ¥141 million, land increase by ¥812 million and Tools, Furni ture and Fixtures by ¥0 million, but "Other" in Investments and Other As sets decreased by ¥953 million. Effects on segments are stated in the part concerned.
(Accounting standards for the impairment of fixed assets) Starting this interim accounting term, the Company has applied the accounting standards for the impairment of fixed assets (the opinion on the establishment of accounting standards for the asset impairment of fixed assets (by the Business Accounting Council on August 9, 2002) and the guidelines for the application of the accounting standards for the asset impairment of fixed assets (No. 6 guideline for the application of the accounting standards dated October 31, 2003). As a result, interim net income before tax declined by ¥834 million. The cumulative amount of impairment losses has been deducted directly from the amount of land in monetary terms.	--	(Accounting standards for the impairment of fixed assets) Starting this accounting term, the Company has applied the accounting standards for the impairment of fixed assets (the opinion on the establishment of accounting standards for the asset impairment of fixed assets (by the Business Accounting Council on August 9, 2002) and the guidelines for the appl icat ion of the account ing standards for the asset impairment of fixed assets (No. 6 guideline for the application of the accounting standards dated October 31, 2003). As a result, interim net income before tax declined by ¥834 million. Effects on segments are stated in the part concerned. The cumulative amount of impairment losses has been deducted directly from the amount of land in monetary terms.

Interim term ending September 2005 (Six Months)	Interim term ending September 2006 (Six Months)	Fiscal term ended March 2006 (One Year)
--	(Accounting method of sales revenues from lease assets) In the nursing-care welfare equipment business, sales revenues from lease assets such as nursing-care beds were recorded in non-operating profit. However, given the growing importance of sales revenues from lease assets along with an increase in the termination of rental contracts due to the revision of the nursing-care insurance system, the accounting method was changed in this first half of the consolidated business term, so that sales revenues from lease assets were recorded as sales. As a result, sales, gross profit, and operating profit increased 465 million yen compared with the figures under the previous accounting method, while non-operating income decreased by the same amount. The impact on segment information is described in the relevant section.	--
--	(Accounting standard for bonuses to directors and corporate auditors) The "Accounting Standard for Directors' Bonus" (Accounting Standards Board of Japan Statement No. 4 on November 29, 2005) was applied from this first half of the consolidated business term. As a result of this application, operating profit, ordinary profit and income before income taxes and minority interests decreased by 51 million yen. Impact on the segment information was minimal.	--
--	(Accounting standard for presentation of net assets in the balance sheet) The "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board of Japan Statement No. 5 on December 9, 2005) and the "Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board of Japan Guidance No. 8 on December 9, 2005) were applied from this first half of the consolidated business term. The amount that corresponds to traditional Shareholders' Equity was 41,378 million yen. Net Assets in the consolidated interim balance sheet for this first half of the consolidated business term were prepared in accordance with the revised Consolidated Interim Financial Statements Regulations associated with the amendment of Consolidated Interim Financial Statements Regulations.	--

(Additional Information)

Interim term ending September 2005 (Six Months)	Interim term ending September 2006 (Six Months)	Fiscal term ended March 2006 (One Year)
---	---	(Return of the Portion of the Employee Pension Fund Managed on Behalf of the Government) Two funds established by the respective subsidiaries of the company that submit consolidated financial statements, Francebed Employees Pension Fund and Francebed Medical Service Employees Pension Fund,were authorized to return the pension funds to the government by the Minister of Health, Labor and Welfare as of March 1, 2005 accompanying the enforcement of the defined-benefit pension plan. These subsidiaries paid the amount (minimum actuarial liability) to the government on December 5, 2005 and December 28 , 2005 ,respectively. This had no impact on profit or loss.

Notes (Relating to the Consolidated Balance Sheet)

Interim term ending September 2005 (As of Sept.30, 2005)	Interim term ending September 2006 (As of Sept.30, 2006)	Fiscal term ended March 2006 (As of Mar. 31, 2006)
1. Accumulated Depreciation of Tangible Fixed Assets ¥18,890 million	1. Accumulated Depreciation of Tangible Fixed Assets ¥19,292 million	1. Accumulated Depreciation of Tangible Fixed Assets ¥18,621 million
2. Assets Pledged as Collateral Buildings & Structures ¥155 million Land ¥29 million Investment Securities ¥177 million Total ¥362 million Obligations to the above LongTerm Debt ¥70 million LongTerm Debt Maturing within 1 Year ¥28 million Accounts Payable of Unconsolidated Subsidiary ¥13 million	2. Assets Pledged as Collateral Buildings & Structures ¥148 million Land ¥29 million Investment Securities ¥149 million Total ¥326 million Obligations to the above LongTerm Debt ¥42 million LongTerm Debt Maturing within 1 Year ¥28 million	2. Assets Pledged as Collateral Buildings & Structures ¥151 million Land ¥29 million Investment Securities ¥210 million Total ¥391 million Obligations to the above LongTerm Debt ¥56 million LongTerm Debt Maturing within 1 Year ¥28 million Accounts Payable of Unconsolidated Subsidiary ¥25 million
3. Contingent Liabilities The Company has made debt guarantees (includes guarantee-like activities) for the borrowings, etc. of the following companies, etc. France bed International (Thailand) Co., Ltd. ¥72 million (26 million Thai baht) Employees ¥118 million	3. Contingent Liabilities The Company has made debt guarantees (includes guarantee-like activities) for the borrowings, etc. of the following companies, etc. France bed International (Thailand) Co., Ltd. ¥217 million (69 million Thai baht) France bed Korea Co., Ltd. ¥12 million (100 million Won) Employees ¥109 million	3. Contingent Liabilities The Company has made debt guarantees (includes guarantee-like activities) for the borrowings, etc. of the following companies, etc. France bed International (Thailand) Co., Ltd. ¥156 million (51 million Thai baht) Employees ¥107 million
4. ------------------------------	4. With respect to the accounting treatment of bills maturing at the end of this first half of the consolidated business term, they were settled on the date of clearance. As the end of this first half under review was a non-business day for financial institutions, the following matured bills are included in the outstanding balance at the end of the first half of the consolidated business term: Bills receivable (current assets) ¥265 million Bills payable (current liabilities) ¥1,238 million Other bills ¥2 million	4. ------------------------------
5. The Interim consolidated financial statement submitting company, in order to achieve an efficient investment and raising of funds for the overall group has introduced from the consolidated fiscal year under review, France Bed Holdings Group Cash Management Service (CMS). The funds deposited (¥154 million) are included in "Other" in Current Liabilities.	5. The Interim consolidated financial statement submitting company, in order to achieve an efficient investment and raising of funds for the overall group has introduced from the consolidated fiscal year under review, France Bed Holdings Group Cash Management Service (CMS). The funds deposited (¥172 million) are included in "Other" in Current Liabilities.	5. The consolidated financial statement submitting company, in order to achieve an efficient investment and raising of funds for the overall group has introduced from the consolidated fiscal year under review, France Bed Holdings Group Cash Management Service (CMS). The funds deposited (¥127 million) are included in "Other" in Current Liabilities.

Interim term ending September 2005 (As of Sept.30, 2005)	Interim term ending September 2006 (As of Sept.30, 2006)	Fiscal term ended March 2006 (As of Mar. 31, 2006)
6. The Interim consolidated financial statement submitting company, in order to achieve an efficient investment and raising of funds for the overall group has introduced from the Interim consolidated fiscal year under review, France Bed Holdings Group Cash Management Service (CMS). The Interim consolidated financial statement submitting company has entered into a Basic Agreement for CMS Operation Contracting with the 6 group companies and has established a lending limit under the CMS. The undrawn loan balance in the Interim consolidated fiscal year under review based on the on the agreement is as follows (does not include the portion for consolidated subsidiaries). Total Loan Limit under the CMS ¥300 million Loans Outstanding -- million Net Undrawn Loan Balance ¥300 million In the Basic Agreement for CMS Operation Contracting, as there are loans that restrict the use of funds, not all funds will necessarily be lent.	6. The Interim consolidated financial statement submitting company, in order to achieve an efficient investment and raising of funds for the overall group has introduced from the Interim consolidated fiscal year under review, France Bed Holdings Group Cash Management Service (CMS). The Interim consolidated financial statement submitting company has entered into a Basic Agreement for CMS Operation Contracting with the 6 group companies and has established a lending limit under the CMS. The undrawn loan balance in the Interim consolidated fiscal year under review based on the on the agreement is as follows (does not include the portion for consolidated subsidiaries). Total Loan Limit under the CMS ¥300 million Loans Outstanding -- million Net Undrawn Loan Balance ¥300 million In the Basic Agreement for CMS Operation Contracting, as there are loans that restrict the use of funds, not all funds will necessarily be lent.	6. The consolidated financial statement submitting company, in order to achieve an efficient investment and raising of funds for the overall group has introduced from the consolidated fiscal year under review, France Bed Holdings Group Cash Management Service (CMS). The consolidated financial statement submitting company has entered into a Basic Agreement for CMS Operation Contracting with the 6 group companies and has established a lending limit under the CMS. The undrawn loan balance in the consolidated fiscal year under review based on the on the agreement is as follows (does not include the portion for consolidated subsidiaries). Total Loan Limit under the CMS ¥300 million Loans Outstanding -- million Net Undrawn Loan Balance ¥300 million In the Basic Agreement for CMS Operation Contracting, as there are loans that restrict the use of funds, not all funds will necessarily be lent.
7. The Interim consolidated financial statement submitting company, for flexible and stable financing and increase in fund efficiency, as a measure to reduce the interest bearing debt to strengthen the financial position, has entered into a syndicated commitment line agreement with 11 relationship banks. The undrawn portion of the commitment line as of the end of the Interim consolidated fiscal year under review is as follows. Gross Loan Commitment Amount ¥5,000 million Amount Drawn Down -- million Net ¥5,000 million	7. The Interim consolidated financial statement submitting company, for flexible and stable financing and increase in fund efficiency, as a measure to reduce the interest bearing debt to strengthen the financial position, has entered into a syndicated commitment line agreement with 11 relationship banks. The undrawn portion of the commitment line as of the end of the Interim consolidated fiscal year under review is as follows. Gross Loan Commitment Amount ¥5,000 million Amount Drawn Down -- million Net ¥5,000 million	7. The consolidated financial statement submitting company, for flexible and stable financing and increase in fund efficiency, as a measure to reduce the interest bearing debt to strengthen the financial position, has entered into a syndicated commitment line agreement with 11 relationship banks. The undrawn portion of the commitment line as of the end of the consolidated fiscal year under review is as follows. Gross Loan Commitment Amount ¥5,000 million Amount Drawn Down -- million Net ¥5,000 million

Relating to the Consolidated Statement of Income

Interim term ending September 2005 (Six Months)	Interim term ending September 2006 (Six Months)	Fiscal term ended March 2006 (One Year)
1. Summary Breakdown of Selling, General and Administrative Expenses Transport and Storage Fees ¥1,392 million Provisions to Allowance for Doubtful Accounts ¥7 million Employees Salary and Bonuses ¥4,844 million Provision to Reserve for Bonuses ¥1,216 million Retirement Benefits Expense ¥387 million Provision to Reserve for Directors' Retirement Bonuses ¥42 million	1. Summary Breakdown of Selling, General and Administrative Expenses Transport and Storage Fees ¥1,381 million Provisions to Allowance for Doubtful Accounts ¥14 million Employees Salary and Bonuses ¥4,851 million Provision to Reserve for Bonuses ¥1,165 million Provision to Reserve for Directors' Bonuses ¥51 million Retirement Benefits Expense ¥116 million Provision to Reserve for Directors' Retirement Bonuses ¥36 million	1. Summary Breakdown of Selling, General and Administrative Expenses Transport and Storage Fees ¥2,845 million Provisions to Allowance for Doubtful Accounts ¥23 million Employees Salary and Bonuses ¥10,829 million Provision to Reserve for Bonuses ¥1,174 million Retirement Benefits Expense ¥810 million Provision to Reserve for Directors' Retirement Bonuses ¥82 million
2. Details of Gains from Prior Period Adjustment Reversals of Allowance for Doubtful Accounts ¥17 million PriorYears' Excessive Provisions for Reserve for Bonuses ¥1 million Accrued legal welfare expenses in excess of last year's allowance ¥11million Other ¥27 million Total ¥59 million	2. Details of Gains from Prior Period Adjustment PriorYears' Excessive Provisions for Reserve for Bonuses ¥34 million Accrued legal welfare expenses in excess of last year's allowance ¥4 million Other ¥7 million Total ¥46 million	2. Details of Gains from Prior Period Adjustment Reversals of Allowance for Doubtful Accounts ¥9 million PriorYears' Excessive Provisions for Reserve for Bonuses ¥1 million Accrued legal welfare expenses in excess of last year's allowance ¥11million Other ¥36 million Total ¥59 million
3. Details of Gains from Sale of Fixed Assets Land ¥32 million	3. Details of Gains from Sale of Fixed Assets Equipment and Vehicles ¥0 million Tools, Furniture and Furnishings ¥0 million Total ¥0 million	3. Details of Gains from Sale of Fixed Assets Buildings and Structures ¥11 million Land ¥75 million Total ¥86 million
4. Details of Losses from Prior Period Adjustment Shortfall in appropriation for business tax ¥7 million Other ¥0 million Total ¥7 million	4. Details of Losses from Prior Period Adjustment Shortfall in appropriation for Consumption tax ¥1 million Other ¥2 million Total ¥3 million	4. Details of Losses from Prior Period Adjustment Shortfall in appropriation for business tax ¥8 million Other ¥10 million Total ¥19 million
5. Details of the Loss from Sale of Fixed Assets Tools, Furniture and Furnishings ¥0 million	5. Details of the Loss from Sale of Fixed Assets Tools, Furniture and Furnishings ¥0 million	5. Details of the Loss from Sale of Fixed Assets Tools, Furniture and Furnishings ¥0 million
6. Details of Losses from Removal of Fixed Assets Buildings and Structures ¥2 million Equipment and Vehicles ¥5 million Tools, Furniture and Furnishings ¥7 million Total ¥15 million	6. Details of Losses from Removal of Fixed Assets Buildings and Structures ¥25 million Equipment and Vehicles 7 million Tools, Furniture and Furnishings ¥10 million Total ¥42 million	6. Details of Losses from Removal of Fixed Assets Buildings and Structures ¥19 million Equipment and Vehicles ¥12 million Tools, Furniture and Furnishings ¥16 million Total ¥48 million

Interim term ending September 2005 (Six Months)

7. Impairment losses
This interim accounting term the group companies booked impairment losses for the following asset groups.

(In millions of yen)

Region	Use	Type	Impairment Loss
North Japan	6 idle assets	Land	348
East Japan	7 idle assets 1 lease assets	Land	274
West Japan (inc. Okinawa)	3 idle assets	Land	211
Total			834

The group companies group assets based on business segments, but idle assets and lease assets are grouped as independent cash-flow-generating units. As explained above, the impairment losses booked this interim accounting term relate to idle assets and lease assets.
Since idle assets are in an idle state and are not expected to be used in the future and since it is expected to be difficult to recover the amount invested in lease assets due to decline in profitability, etc., the book value of both idle assets and lease assets is reduced to a recoverable value, and the amount of this reduction is booked in extraordinary expense as an impairment loss (¥834 million).
Recoverable value is measured based on the net selling price and is evaluated based on the real estate appraisal value or the valuation of fixed assets for tax purposes.

Interim term ending September 2006 (Six Months)

7. Impairment losses
Although we recorded losses on the impairment of fixed assets for this first half of the consolidated business term, we have omitted a description as it was immaterial.

Fiscal term ended March 2006 (One Year)

7. Impairment losses
This accounting term the group companies booked impairment losses for the following asset groups.

(In millions of yen)

Region	Use	Type	Impairment Loss
North Japan	6 idle assets	Land	348
East Japan	7 idle assets 1 lease assets	Land	274
West Japan (inc. Okinawa)	3 idle assets	Land	211
Total			834

The group companies group assets based on business segments, but idle assets and lease assets are grouped as independent cash-flow-generating units. As explained above, the impairment losses booked this accounting term relate to idle assets and lease assets.
Since idle assets are in an idle state and are not expected to be used in the future and since it is expected to be difficult to recover the amount invested in lease assets due to decline in profitability, etc., the book value of both idle assets and lease assets is reduced to a recoverable value, and the amount of this reduction is booked in extraordinary expense as an impairment loss (¥834 million).
Recoverable value is measured based on the net selling price and is evaluated based on the real estate appraisal value or the valuation of fixed assets for tax purposes.

Consolidated Statement of Changes in Net Assets

Interim term ending September 2006 (Apr.1, 2006 - Sept.30, 2006)

1.Matters related to the type and the total number of shares issued and treasury stocks (thousand shares)

	Number of shares as of Fiscal term ended March 2006	Increase of shares during Interim term ending September 2006	Decrease of shares during Interim term ending September 2006	Number of shares as of Interim term ended September 2006
Shares issued				
Common shares	239,487	—	—	239,487
Total	239,487	—	—	239,487
Treasury stock				
Common shares(note)	10,027	2	—	10,030
Total	10,027	2	—	10,030

(Note) An increase of 2,000 common shares in treasury shares was due to the purchase of shares constituting less than one unit.

2.Dividends

(1) Amounts paid

Date confirmed	Type of stock	Total dividends paid	Dividends per share	Dividend record date	Effective date
June 22, 2006 Shareholders' meeting	Common shares	573 million	¥ 2.50	March 31, 2006	June 22, 2006

(2)Of dividends the record dates of which belonged to this first half of the consolidated business term, those whose effective dates will come after the end of this first half of the consolidated business term.

Date confirmed	Type of stock	Total dividends paid	Source of dividends	Dividends per share	Dividend record date	Effective date
November 9, 2006 Board of directors' meeting	Common shares	573 million	Accumulated income	¥ 2.50	September 30, 2006	December 8, 2006

Relating to Consolidated Interim Statements of Cash Flows

Interim term ending September 2005 (Six Months)	Interim term ending September 2006 (Six Months)	Fiscal term ended March 2006 (One Year)
1. Relationship Between the ending balance of cash and cash equivalents and the amounts recorded in the accounts in the consolidated balance sheet (As of September 30,2006) Cash and Deposits ¥14,671 million Marketable Securities ¥2 million Total ¥14,673 million Time deposits whose maturities exceed 3months ¥ (-)160 million Bonds with Maturities Longer than 3 months and Government and Corporate Bond InvestmentTrust ¥ (-)2 million Cash and Cash Equivalents ¥14,511million	1. Relationship Between the ending balance of cash and cash equivalents and the amounts recorded in the accounts in the consolidated balance sheet (As of September 30,2006) Cash and Deposits ¥8,526 million Marketable Securities ¥5,998 million Total ¥14,524 million Bonds with Maturities Longer than 3 months and Government and Corporate Bond Investment Trust ¥ (-)1 million Cash and Cash Equivalents ¥14,523 million	1. Relationship Between the ending balance of cash and cash equivalents and the amounts recorded in the accounts in the consolidated balance sheet (As of March 31,2006) Cash and Deposits ¥14,092 million Marketable Securities ¥2 million Total ¥14,094 million Time deposits whose maturities exceed 3months ¥ (-)160 million Bonds with Maturities Longer than 3 months and Government and Corporate Bond InvestmentTrust ¥ (-)2 million Cash and Cash Equivalents ¥13,932 million

Leases

Interim term ending September 2005 (Six Months)	Interim term ending September 2006 (Six Months)	Fiscal term ended March 2006 (One Year)
Disclosures have been made via EDINET thus the item has been omitted.	Disclosures have been made via EDINET thus the item has been omitted.	Disclosures have been made via EDINET thus the item has been omitted.

Relating to Marketable Securities

1.Interim consolidated accounting period (September 30, 2005)

(1) Marketable Securities with Readily Determinable Market Value (In millions of yen)

Classification	Acquisition Price	Amounts booked on interim consolidated balance sheet	Difference
(i) Stocks	770	1,230	460
(ii) Bonds			
National Municipal	21	24	2
Corporate Bonds	--	--	--
Other	--	--	--
(iii) Other	330	349	19
Total	1,122	1,604	482

(Note)
In writing down marketable securities, for each issue if the market value at the balance sheet date has declined by 30% or more from the level prevailing at the beginning of the consolidated fiscal term under review, taking into consideration of the movements of the market value during the consolidated fiscal term under review, excepting those issues where possibility of recovery exists, such issues are written down. In the consolidated fiscal term under review, of the Other Marketable Securities with readily determinable market value, there were no issues to which a write down was applied.

(2) Marketable Securities not Valued at Market (In millions of yen)

Details	Amounts booked on interim consolidated balance sheet
(i) Bonds Intended to be Held to Maturity	
Corporate Bonds	4
(ii) Other Marketable Securities	
Unlisted Stocks (excluding OTC Stocks)	104
Total	108

2.Interim consolidated accounting period (September 30, 2006)

(1) Marketable Securities with Readily Determinable Market Value (In millions of yen)

Classification	Acquisition Price	Amounts booked on interim consolidated balance sheet	Difference
(i) Stocks	770	1,220	450
(ii) Bonds			
National Municipal	4,010	4,010	(-)0
Corporate Bonds	--	--	--
Other	1,998	1,998	(-)0
(iii) Other	330	314	(-)15
Total	7,109	7,544	434

(Note)
In writing down marketable securities, for each issue if the market value at the balance sheet date has declined by 30% or more from the level prevailing at the beginning of the consolidated fiscal term under review, taking into consideration of the movements of the market value during the consolidated fiscal term under review, excepting those issues where possibility of recovery exists, such issues are written down. In the consolidated fiscal term under review, of the Other Marketable Securities with readily determinable market value, there were no issues to which a write down was applied.

(2) Marketable Securities not Valued at Market (In millions of yen)

Details	Amounts booked on interim consolidated balance sheet
(i) Bonds Intended to be Held to Maturity	
Corporate Bonds	2
(ii) Other Marketable Securities	
Unlisted Stocks (excluding OTC Stocks)	96
Anonymous association investment	98
Total	197

3.Consolidated Fiscal Year ended March 2006 (March 31, 2006)

(1) Other marketable Securities with Readily Determinable Market Value

(In millions of yen)

Classification	Acquisition Price	Amounts booked on consolidated balance sheet	Difference
(i) Stocks	770	1,416	645
(ii) Bonds			
National Municipal	21	24	2
Corporate Bonds	--	--	--
Other	--	--	--
(iii) Other	330	326	(-)3
Total	1,122	1,767	645

(Note)

In writing down marketable securities, for each issue if the market value at the balance sheet date has declined by 30% or more from the level prevailing at the beginning of the consolidated fiscal year under review, taking into consideration of the movements of the market value during the consolidated fiscal year under review, excepting those issues where possibility of recovery exists, such issues are written down. In the consolidated fiscal year under review, of the Other Marketable Securities with readily determinable market value, there were no issues to which a write down was applied.

(2) Marketable Securities not Valued at Market (In millions of yen)

Details	Amounts booked on consolidated balance sheet
(i) Bonds Intended to be Held to Maturity	
Corporate Bonds	3
(ii) Other Marketable Securities	
Unlisted Stocks (excluding OTC Stocks)	97
Anonymous association investment	100
Total	200

(Relating to Derivative Transactions)

Interim term ending September 2005 (As of Sept.30, 2005)	Interim term ending September 2006 (As of Sept.30, 2006)	Fiscal year ended March 2006 (As of Mar. 31, 2006)
As hedge accounting is applied, there are no derivative transactions subject to disclosure.	As hedge accounting is applied, there are no derivative transactions subject to disclosure.	As hedge accounting is applied, there are no derivative transactions subject to disclosure.

(Segment Information)

1. Segment Information by Business

(1) Interim Consolidated accounting period (April 1, 2005 ~ September 30, 2005) (In millions of yen)

Classification	Home Furnishing	Acute and Long Term Care	Other	Total	Elimination of Corporate Wide	Consolidated
Sales (1) Sales to External Customers	17,493	13,148	3,730	34,372	--	34,372
(2) Internal Sales among Segments or Transfers	297	6	51	356	(356)	--
Total	17,791	13,155	3,781	34,728	(356)	34,372
Operating Expenses	17,758	11,769	3,542	33,070	(453)	32,617
Operating Income	32	1,385	239	1,658	97	1,755

(Note) 1. Method of business classification
Businesses are classified giving consideration to the similarity in the type and nature of products and the selling markets and selling mode.

2. Principal products and business in each segment.
(1) Home Furnishing ---------- manufacture, procurement and sale of beds, furniture and beddings
(2) Acute and Long Term Care ------- manufacture, procurement, sales and rental of medical treatment beds, care products, hospital bed linens
(3) Other ------- procurement and retailing of accessories, daily sundry goods, health maintenance equipment and the like,real estate rental.

3. Of the Operating Expenses, principal unallocable operating expenses (¥445 million) items included in the Elimination or Corporate Wide are expenses related to the administrative areas of the consolidated financial statement submitting company including the General Affairs division.

4. As stated in changes in accounting methods, the accounting method for real estate rental income and expenses that were recorded in non-operating income and non-operating expense was changed to a method of recording them in net sales and cost of sales. Real estate rental business is shown included in “Other businesses.” As a result of this change, net sales increased by ¥159 million, and operating profit increase by ¥100 million compared with the previous method.

(2) Interim Consolidated accounting period (April 1, 2006 ~ September 30, 2006) (In millions of yen)

Classification	Home Furnishing	Acute and Long Term Care	Other	Total	Elimination of Corporate Wide	Consolidated
Sales (1) Sales to External Customers	16,796	13,040	3,506	33,343	--	33,343
(2) Internal Sales among Segments or Transfers	285	6	84	375	(375)	--
Total	17,082	13,046	3,590	33,719	(375)	33,343
Operating Expenses	16,919	11,466	3,353	31,739	(444)	31,294
Operating Income	163	1,580	237	1,980	68	2,049

(Note) 1. Method of business classification
Businesses are classified giving consideration to the similarity in the type and nature of products and the selling markets and selling mode.

2. Principal products and business in each segment.
(1) Home Furnishing ---------- manufacture, procurement and sale of beds, furniture and beddings
(2) Acute and Long Term Care ------- manufacture, procurement, sales and rental of medical treatment beds, care products, hospital bed linens
(3) Other ------- procurement and retailing of accessories, daily sundry goods, health maintenance equipment and the like,real estate rental.

3. Of the Operating Expenses, principal unallocable operating expenses (¥501 million) items included in the Elimination or Corporate Wide are expenses related to the administrative areas of the consolidated financial statement submitting company including the General Affairs division.

4. As described in the “Changes in Accounting Treatment,” we have changed the accounting method for sales revenues from lease assets. Instead of recording them under non-operating profit we now post them as sales. Sales revenues from lease assets are presented in the “nursing-care welfare equipment business.” Along with this change, sales and operating profit recorded in the “nursing-care welfare equipment business” were 465 million yen more than they would have been had the former accounting method been used.

(3) Fiscal year ended 2006 (April 1, 2005 ~ March 31, 2006)

(In millions of yen)

Classification	Home Furnishing	Acute and Long Term Care	Other	Total	Elimination of Corporate Wide	Consolidated
Sales						
(1) Sales to External Customers	36,039	26,922	7,286	70,248	--	70,248
(2) Internal Sales among Segments or Transfers	534	93	105	733	(733)	--
Total	36,573	27,016	7,392	70,982	(733)	70,248
Operating Expenses	36,173	23,981	7,000	67,155	(919)	66,236
Operating Income	400	3,034	391	3,826	185	4,011

(Note) 1. Method of business classification
Businesses are classified giving consideration to the similarity in the type and nature of products and the selling markets and selling mode.

2. Principal products and business in each segment.
   (1) Home Furnishing ---------- manufacture, procurement and sale of beds, furniture and beddings
   (2) Acute and Long Term Care ------- manufacture, procurement, sales and rental of medical treatment beds, care products, hospital bed linens
   (3) Other ------- procurement and retailing of accessories, daily sundry goods, health maintenance equipment and the like,real estate rental.

3. Of the Operating Expenses, principal unallocable operating expenses (¥871 million) items included in the Elimination or Corporate Wide are expenses related to the administrative areas of the consolidated financial statement submitting company including the General Affairs division.

4. As stated in changes in accounting methods, the accounting method for real estate rental income and expenses that were recorded in non-operating income and non-operating expense was changed to a method of recording them in net sales and cost of sales. Real estate rental business is shown included in “Other businesses.”
As a result of this change, net sales increased by ¥325 million, and operating profit increase by ¥202 million compared with the previous method.The

2. Segments by Location

(1) Interim consolidated accounting period (Commenced April 1, 2005 and ended September 30, 2005)
As there are no subsidiaries or branches located overseas, this item has been omitted.

(2) Interim consolidated accounting period (Commenced April 1, 2006 and ended September 30, 2006)
As there are no subsidiaries or branches located overseas, this item has been omitted.

(3) Fiscal year ended March 2006 (Commenced April 1, 2005 and ended March 31, 2006)
As there are no subsidiaries or branches located overseas, this item has been omitted.

3. Overseas Sales

(1) Interim consolidated accounting period (Commenced April 1, 2005 and ended September 30, 2005)
As the Overseas Sales comprise less than 10% of the Consolidated Sales, the item has been omitted.

(2) Interim consolidated accounting period (Commenced April 1, 2006 and ended September 30, 2006)
As the Overseas Sales comprise less than 10% of the Consolidated Sales, the item has been omitted.

(3) Fiscal year ended March 2006 (Commenced April 1, 2005 and ended March 31, 2006)
As the Overseas Sales comprise less than 10% of the Consolidated Sales, the item has been omitted.

(Per Share Information)

Interim term ending September 2005 (Six Months)	Interim term ending September 2006 (Six Months)	Fiscal year ended March 2006 (One Year)
Net Assets per Share ¥175.07 Earnings per share ¥3.37 As there are no latent shares existing, presentation of fully diluted earnings per share has been omitted.	Net Assets per Share ¥180.38 Earnings per share ¥5.05 As there are no latent shares existing, presentation of fully diluted earnings per share has been omitted.	Net Assets per Share ¥178.31 Earnings per share ¥8.70 As there are no latent shares existing, presentation of fully diluted earnings per share has been omitted.

(Note) The basis for calculation of Earnings per Share is as follows.

	Interim term ending September 2005 (Six Months)	Interim term ending September 2006 (Six Months)	Fiscal year ended March 2006 (One Year)
Net Income (¥ million)	774	1,160	2,091
Amount not attributable to Common Stock(¥ million)	--	--	94
(Of which Directors' Bonuses (¥ million)	--	--	(94)
Net Income attributable to Common Stock(¥ million)	774	1,160	1,997
Average Number of Outstanding Common Shares during the Period (thousand shares)	229,467	229,458	229,464

(Material Subsequent Events)

No corresponding items.

Production, Orders and Sales

1. Production

(1) Production

(In millions of yen)

Name of Business Segment	Interim term ending September 2005 (Six Months)	Interim term ending September 2006 (Six Months)	Fiscal year ended March 2006 (One Year)
Home Furnishings	6,335	6,157	12,914
Acute and Long Term Care	1,379	1,079	3,089
Other	--	--	--
Total	7,714	7,236	16,004

(Note) 1. Values are according to the manufacturing cost.
2. Above figures do not include Consumption Tax.

(2) Subcontracting

(In millions of yen)

Name of Business Segment	Interim term ending September 2005 (Six Months)	Interim term ending September 2006 (Six Months)	Fiscal year ended March 2006 (One Year)
Home Furnishings	1,211	1,035	2,392
Acute and Long Term Care	357	336	878
Other	--	--	--
Total	1,568	1,372	3,271

(Note) 1. Inter-segmental transactions have been offset and eliminated.
2. Above figures do not include Consumption Tax.

(3) Procurement

(In millions of yen)

Name of Business Segment	Interim term ending September 2005 (Six Months)	Interim term ending September 2006 (Six Months)	Fiscal year ended March 2006 (One Year)
Home Furnishings	3,399	3,508	6,773
Acute and Long Term Care	2,737	2,425	5,371
Other	1,340	1,444	2,721
Total	7,476	7,378	14,865

(Note) 1. Values are based on procurement price and inter-segment transactions have been offset and eliminated.
2. Above figures do not include Consumption Tax.

2. Orders

Given that products of the Group are manufactured in a relatively short period in general and that it is difficult to calculate the mark-to-stock production and the built-to-order manufacturing separately as we apply both to the same products, we have omitted the separate description.

3. Sales

(In millions of yen)

Name of Business Segment	Interim term ending September 2005 (Six Months)	Interim term ending September 2006 (Six Months)	Fiscal year ended March 2006 (One Year)
Home Furnishings	17,493	16,796	36,039
Acute and Long Term Care	13,148	13,040	26,922
Other	3,730	3,506	7,286
Total	34,372	33,343	70,248

(Note) 1. Inter-segmental transactions have been offset and eliminated.
2. Above figures do not include Consumption Tax.