FRANCEBED HOLDINGS

Results for the First Quarter of the Fiscal Year Ending March 31, 2010

(April 1 ,2009 ~ June 30, 2009)

August 7, 2009

Company name : **France Bed Holdings Co., Ltd.**
Listing Exchanges : Tokyo
Code number : 7840
URL : http://www.francebed-hd.co.jp
Representative : Shigeru Ikeda, President and Representative Director
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Scheduled date to file quarterly report : August 11, 2009

(Figures of less than ¥1million have been omitted)

1. Consolidated results for the First quarter of the fiscal year ending March 2010 (April 1,2009 ~ June 30, 2009)

(1)Consolidated Operating Results (Percentage figures for the first quarter are changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter ended June 30, 2009	12,272	Δ10.2	121	100.0	91	16.8	53	20.8
First quarter ended June 30, 2008	13,678	—	60	—	78	—	44	—

	Earnings per share	Earnings per share, diluted
	yen	yen
First quarter ended June 30, 2009	0.23	—
First quarter ended June 30, 2008	0.19	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	yen
First quarter ended June 30, 2009	60,169	37,645	62.5	165.17
Fiscal year ended March 31, 2009	59,984	37,740	62.9	165.58

(Reference) Shareholder's equity : As of June 30, 2009 : ¥37,645million As of March 31, 2009 : ¥37,740million

2. Dividends

	Dividends per share				
Base date	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full fiscal year
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2009	—	2.50	—	1.25	3.75
Fiscal year ended March 31, 2010	—				
Fiscal year ended March 31, 2010 (Outlook)		1.25	—	—	—

Note : Whether the dividend forecast under review has been revised : Yes
The amount of the year-end dividend for fiscal year 2009, ending March 31, 2010, has yet to be determined.
(Please see "Request for appropriate use of the business outlook and other special remarks.")

3.Forecasts of results for the Fiscal Year Ending March 2010 (April 1, 2009 ~ March 31, 2010)

(Percentage figures for the full fiscal year are changes from the previous year, and those for the second quarter accumulation are changes from the same period of the previous fiscal year)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
second quarter	26,200	Δ5.4	430	500.8	350	—	70	—	0.30
Full Year	52,600	Δ2.9	1,250	—	1,100	—	350	—	1.53

Note : Whether the forecasts for consolidated figures under review have been revised : No

4.Others

(1) Changes in the state of material subsidiaries during the period
(Changes regarding specific companies accompanying changes in the scope of consolidation) : Yes
De novo -, Exclusion : 1 (France Bed Medical Service Co., Ltd.)
(Note) For details information, please refer to "4.Other " on page 5 in the section of "Commentary Information and Financial Statements. "

(2) Whether the Company has adopted simplified accounting methods and special accounting treatment for the quarterly consolidated financial statements : Yes
(Note) For details information, please refer to "4.Other " on page 5 in the section of "Commentary Information and Financial Statements. "

(3) Changes in principles, procedures, methods of presentation, etc., related to the quarterly consolidated financial statements (Changes in material items that form the basis for the preparation and presentation of the quarterly consolidated financial statements)
[1] Changes accompanying revisions in accounting principles: No
[2] Changes other than those in [1] above: Yes
Note : For details information, please refer to " 4.Others" on page 5 in the section of "Commentary Information and Financial Statements."

(4) Number of shares issued (common shares)
[1] Number of shares issued at the end of the period (including treasury stock)
First quarter ended June 30, 2009 : 239,487,500 shares Fiscal year ended March 31, 2009 : 239,487,500 shares
[2] Number of treasury stock at the end of the period
First quarter ended June 30, 2009 : 11,569,560 shares Fiscal year ended March 31, 2009 : 11,566,494 shares
[3] Average number of shares issued during the period (quarterly accumulation period)
First quarter ended June 30, 2009 : 227,918,754 shares First quarter ended June 30, 2008 : 229,443,830 shares

※ Request for appropriate use of the business outlook and other special remarks:
1. There is no change from the consolidated business forecasts previously announced on May 15, 2008. These forecasts are based on information that was available as of the date of this announcement. Actual performance may differ from the forecasts due to a variety of factors. Please refer to Qualitative Information on Consolidated Business Forecasts, Qualitative Information and Financial Statements on page 5 for matters related to the consolidated business forecasts.

2. The projected amount of the year-end dividend for fiscal year 2009, ending March 31, 2010, has yet to be determined due to uncertainty over the operating environment. It will be disclosed at the earliest possible date with comprehensive consideration of the Group’s results in the future.

Commentary Information and Financial Statements

1. Consolidated Management Performance

The Japanese economy remained challenging in the first quarter of the current fiscal year (hereinafter “the period under review”). Low personal consumption accompanied factors such as weaker corporate performance and deteriorating employment and income conditions, influenced by the effects of global business downturn.
In this economic environment, Francebed Co., Ltd., a consolidated subsidiary, merged with Francebed Medical Service Co., Ltd., which had been another consolidated subsidiary, effective April 1, 2009. The aims of this merger are to focus the management resources of the Francebed Group on the nursing-care welfare equipment business, to bolster its earnings capabilities in this growth area, to build an efficient business structure in the home furnishing and health business, and to restore earnings capacity in a difficult market. The Group is taking a number of initiatives to achieve these objectives. It is also working on new businesses by sharing commodities, sales channels, sales knowhow, and other resources it owns in each business, while taking advantage of the effects of the merger.
Under the circumstances described above, consolidated sales for the period under review reached 12,272 million yen (down 10.2% from the first quarter of the previous fiscal year). Consolidated operating income for the period came to 121 million yen (up 100.0% from the first quarter of the previous fiscal year).

(Home furnishing and health business)

In the home furnishing and health business, demand for furniture generally continued to fall, partly due to a slump that began at the end of last year. Business conditions for furniture manufacturers in Japan have become severe in recent years, as demonstrated by greater mail-order sales attributable to wider use of the Internet, a rapid increase in the volume of mass-produced, inexpensive imported furniture, and a decline in the number of small and midsize shops caused by the arrival of large furniture stores. In addition, markdown sales of products centering on imports are intensifying among retailers such as large furniture stores and mass merchandise outlets. Given these circumstances, the Group must lower selling prices. The nature of the business continues to make it very difficult to achieve profitability.
In response, the Group placed an emphasis on “security, safety and production in Japan,” and offered domestically manufactured products with high added value, and which consumers can use safely. At the same time, the Group continued its sales promotion activities, aimed at differentiating its products from imports. The Group is taking powerful steps to promote sales of an increased number of items in its furniture catalog, including the “Life Mattress Treatment Series” of mattresses released last year, which allow customers to choose the type of mattress that suits them best, and bed frames in “F Four Stars” specifications in compliance with in-house, low-formaldehyde safety standards introduced to prevent the sick house syndrome. Moreover, the Group released the “System Faldo Series” of electric reclining beds, which are functional products. The Group is aggressively promoting sales of these new reclining beds, which offer safety functions and design qualities in addition to functions for ensuring a pleasant sleep.
Meanwhile, the rise in the sales weighting of low-priced products is expected to accelerate further given the discounting battle described above. Their increased sales ratio is likely to cause a substantial decline in income for the Group. To respond to this trend, the Group will reduce incidental costs for these products by changing sales methods and taking other steps, and will build a system capable of securing income with low gross margins, in addition to taking steps to develop more low-priced products.
The Group is also seeking to secure new revenues by sharing sales expertise in rental and recycling businesses through the merger and embarking on the development of new businesses and the acquisition of new sales channels in ways that take advantage of products in this segment.
The Group will continue its internal reforms, centering on measures to reduce costs, and will aim to recover earnings in the foreseeable future, based on its view that an income fall from the consumption slump will continue as a trend.
As a result of the initiatives described above, sales for the home furnishing and health business came to 5,384 million yen (down 19.8% from the first quarter of the previous fiscal year), while the operating loss totaled 330 million yen (compared with a loss of 254 million yen in the first quarter of the previous fiscal year).

(Acute and long-term care business)

In the nursing care and welfare equipment business, procedures required in connection with the merger, including a name change for the subsidiary in charge of the nursing care and welfare equipment business, the reappointment of home care service providers, and notifications to users and other parties, were completed without significant difficulty. The business made a good fresh start under its new organization.

Responding to revised JIS standards for electric nursing beds for home use (special beds), disclosed in March 2009 for reducing the risks of getting caught in handrails and other accidents and to improve safety, is a major issue for the Group during this fiscal year. To address this, the Group has stepped up the development of products compliant with the new JIS standards, acquired certification under the new standards for three models at the end of May, and started selling the models in June. In associated initiatives, the Group organized training sessions for care managers and product briefings for agents nationwide in a bid to focus its efforts on expanding rental and sales of new products. Sustaining initiatives from the previous fiscal year, the Group also focused on expanding rental sales of equipment related to transportation, such as wheelchairs, handrails, and slopes, and on increasing sales of products that take advantage of the manufacturing functions acquired through the merger.
In the meantime, large-scale transactions continued to decline in the fields of commodity sales to facilities and other corporate customers and housing repairs under the effects of capital investment reviews and expenditure controls that started in the second half of the third quarter of the previous fiscal year.
In additional steps, the Group opened the Nerima Sales Office (Tokyo), Roppongi Sales Office (Tokyo), Nishinomiya Sales Office (Hyogo Prefecture), and the Hanshin Service Center attached to the Nishinomiya Sales Office in April 2009. In opening these new facilities, the Group seeks to enhance the quality of its services through the establishment of marketing and logistics bases and to improve the skills of its employees.
As a result of the initiatives described above, sales for the nursing care and welfare equipment business totaled 5,793 million yen (up 2.8% from the first quarter of the previous fiscal year) and operating income for the business came to 389 million yen (up 45.6% from the first quarter of the previous fiscal year).

(Real estate lease businesses)
The Group uses the real estate held by Group companies in accordance with their respective business development needs. The Group is leasing part of its real estate holdings to external parties. Sales to such external customers amounted to 35 million yen (down 5.6% from the first quarter of the previous fiscal year). Operating income for this business totaled 31 million yen (down 51.1% from the first quarter of the previous fiscal year), including gains on sales to internal segments.

(Other businesses)
Other businesses for the Group consist primarily of the door-to-door sales business and the commodities and sundries sales business. Both of these two businesses are facing extremely severe conditions imposed by the business slowdown. Sales are continuing to fall, particularly for the door-to-door sales business, as a result of restrictions on retail installment purchases. In light of this and other factors, the Group sought to secure sales and reduce expenses in the period under review.
As a result of the initiatives described above, sales for other businesses totaled 1,059 million yen (down 17.9% from the first quarter of the previous fiscal year). The operating loss for the business was 9 million yen (compared with a loss of 45 million yen in the first quarter of the previous fiscal year).

2. Consolidated Financial Position

(1) Status of balance sheet
Total assets at the end of the first quarter of the current fiscal year rose 185 million yen from the end of the previous fiscal year, to 60,169 million yen. Current assets expanded 1,189 million yen from the end of the previous fiscal year, to 33,456 million yen. Major factors underlying this result were an increase of 2,865 million yen in cash and deposits, and a decrease of 770 million yen in trade notes and accounts receivable, a decline of 800 million yen in securities, and a drop of 324 million yen in inventories. Fixed assets decreased 1,002 million yen from the end of the previous fiscal year, to 26,693 million yen. Major contributors to the result included the transfer of time deposits to current assets under the one-year criterion (one-year rule), which became applicable in the period under review.
Liabilities rose 280 million yen from the end of the previous fiscal year, to 22,524 million yen. Major increases included trade notes and accounts payable of 148 million yen and lease obligations of 159 million yen.
Net assets declined 95 million yen from the end of the previous fiscal year, to 37,645 million yen. The major contributors to this result were net income of 53 million yen, unrealized gains on available-for-sale securities of 141 million yen reflecting the increased market value of portfolio securities, and dividends paid of 284 million yen.
As a result of changes stated above, shareholders' equity ratio fell from 62.9% at the end of the previous fiscal year, to 62.5%.

(2) Status of cash flow
Cash flows for the first quarter of the current fiscal year produced an increase in cash and cash equivalents of 1,161 million yen from the end of the previous fiscal year, to 11,304 million yen. Details of individual cash flow items are as follows.

Net cash provided by operating activities came to 1,742 million yen (compared with 1,244 million yen in the first quarter of the previous fiscal year). Major contributors were net income before income taxes and minority interests of 98 million yen, depreciation cost of 622 million yen (which is a non-cash item), a decrease in accounts receivable of 771 million yen, and a fall in inventories of 330 million yen, offsetting outflows such as tax payments of 429 million yen.

Net cash used for investing activities totaled 511 million yen (compared with 559 million yen in the first quarter of the previous fiscal year). Major causes included a disbursement of 792 million yen to acquire tangible fixed assets and the repayment of a time deposit of 309 million yen.

Net cash used for financing activities was 71 million yen (compared with 630 million yen in the first quarter of the previous fiscal year). The main factors behind the outflow were the repayment of finance lease liabilities of 138 million yen, dividends paid of 249 million yen, and gains on leasebacks of 317 million yen.

3.Outlook for Consolidated Operating Results

The business forecasts for the second quarter of the fiscal year and the full year are unchanged from those previously announced on May 15, 2009.

4. Others

(1) Francebed Medical Service Co., Ltd., a consolidated subsidiary in the previous fiscal year, was excluded from the scope of consolidation as a result of its absorption by Francebed Co., Ltd., another consolidated subsidiary, effective April 1, 2009.

(2) Adoption of simplified accounting methods and accounting methods particular to the preparation of quarterly financial statements.
1.Simplified accounting methods
[1] Calculation method for estimating amount of losses from general debt
The actual percentage of credit losses recorded at the end of the current quarter was not proved to be significantly different from the percentage estimated at the previous fiscal year end. Therefore, the estimated bad debt is computed based on the actual percentage of credit losses at the previous fiscal year end.
[2] Method for assessing the value of inventories
We eliminated the process of taking physical stock inventory at the end of the current quarter, and instead adopted a rational computation method which uses actual ending inventory of the previous year as a base. As for the devaluating the book value of inventory assets, the devaluation is applied only to those inventories whose profitability clearly decreased. The devaluation is based on the estimated net sale value of such inventories.
[3] Method for calculating income taxes and the deferred tax assets and liabilities
As for judging the ability to collect deferred taxes, we confirmed that there has been no significant change in the business environments or in the generation of temporary difference since the previous fiscal year end. Therefore, we are applying the method that is based on the business forecasts and tax planning used in the previous fiscal year.
2. Special accounting treatment used in preparation of the quarterly consolidated financial statements: None

(3) Changes in principles, procedures, and methods of presentation, etc., in the preparation of the quarterly
Changes in Accounting Methods Pertaining to Income and Loss from Prior Year Adjustments
The Group had traditionally posted estimation errors, such as the differences that arise between the bonus allowance registered in the previous year and the actual bonus amount paid in the current year, as gains or losses from prior year adjustments under the category of extraordinary items. Starting in the first quarter of the current fiscal year, however, the Group switched to a method in which such errors are accounted for through calculations of ordinary gains and losses.
The Group made the switch based on its view that adopting the new accounting method for the estimation errors would enhance the clarity of financial statements and make the statements easier to compare with those of other companies. The Group formed this view as a result of reviews it performed on various accounting methods on the occasion of the merger of its important consolidated subsidiaries, Francebed Co., Ltd. and Francebed Medical Service Co., Ltd., on April 1, 2009.
The switch caused the consolidated gross margin, consolidated operating income, and consolidated ordinary income for the first quarter of the current fiscal year to increase 20 million yen, 146 million yen, and 144 million yen, respectively, from the figures calculated using the previous method. The accounting change, however, produced no effect on net income before income taxes and minority interests. The effects of the change on segment information are stated in the corresponding sections of this document.

Consolidated Financial Statements

(1) Consolidated balance sheets for the First quarter ended June 30,2009

(In millions of yen)

	First quarter of FY2010 (As of June 30, 2009)	FY2009 (As of March 31,2009)
ASSET		
Current assets		
Cash and deposits	10,848	7,983
Notes and accounts receivable, trade	9,333	10,103
Short-term investment securities	1,698	2,499
Merchandise and Finished goods	7,401	7,673
Work in process	172	173
Raw materials and supplies	1,795	1,847
Other	2,258	2,039
Allowance for doubtful accounts	Δ52	Δ53
Total current assets	33,456	32,266
Fixed assets		
Property, plant and equipment		
Land	6,512	6,523
Other (net)	9,356	9,077
Total property, plant and equipment	15,869	15,600
Intangible fixed assets	436	472
Investments and other assets	10,387	11,623
Total fixed assets	26,693	27,696
Deferred assets	19	21
Total assets	60,169	59,984
LIABILITIES		
Current liabilities		
Notes and accounts payable, trade	5,145	4,996
Factoring of accrued liability	1,177	1,262
Short-term borrowings	5,286	5,283
Income taxes payable	46	353
Reserves	735	1,402
Other	4,372	3,227
Total current liabilities	16,764	16,526
Noncurrent liabilities		
Bonds payable	1,550	1,550
Long-term loans payable	450	450
Provision for retirement benefits	2,235	2,250
Reserve for Other	415	411
Other	1,108	1,055
Total noncurrent liabilities	5,759	5,717
Total liabilities	22,524	22,243
NET ASSETS		
Shareholders' equity		
Capital stock	3,000	3,000
Capital surplus	5,116	5,116
Retained earnings	32,591	32,823
Treasury stock	Δ3,151	Δ3,150
Total shareholders' equity	37,557	37,789
Valuation and translation adjustments		
Valuation gain and loss on other securities	29	Δ112
Deferred gains or losses on hedges	8	Δ0
Foreign currency translation adjustment	50	63
Total valuation and translation adjustments	88	Δ48
Total net assets	37,645	37,740
Total liabilities and net assets	60,169	59,984

(2) Consolidated Statements of Income

(In millions of yen)

	First quarter of FY2009 (From April 1, 2008 to June 30, 2008)	First quarter of FY2010 (From April 1, 2009 to June 30, 2009)
Net Sales	13,678	12,272
Cost of Sales	7,705	6,815
Gross profit	5,972	5,457
Selling, general and administrative expense	5,911	5,335
Operating income	60	121
Non-operating income		
Interest income	10	2
Foreign exchange gains	8	10
Dividend Income	--	21
Life Insurance dividend income	33	--
Other	28	22
Total non-operating income	81	56
Non-operating expenses		
Interest expense	25	32
Sales discounts	15	--
Other	23	55
Total non-operating expenses	64	87
Ordinary income	78	91
Extraordinary income		
Gain on prior period adjustment	36	3
Gain on sales of fixed assets	5	9
Compensation income	111	--
Total extraordinary income	154	12
Extraordinary losses		
Loss on prior period adjustment	3	0
Loss on sales of fixed assets	--	0
Loss on retirement of fixed assets	7	4
Loss on valuation of investment securities	2	--
Loss on valuation of inventories	31	--
Total extraordinary losses	45	4
Income before income taxes	187	98
Income taxes-current	13	25
Income taxes-deferred	129	19
Total income taxes	142	45
Net Income	44	53

(3) Consolidated Statements of Cash Flows

(In millions of yen)

	First quarter of FY2009 (From April 1, 2008 to June 30, 2008)	First quarter of FY2010 (From April 1, 2009 to June 30, 2009)
Cash flows from operating activities		
Income before income taxes	187	98
Depreciation and amortization	460	622
Loss (gain) on sale of fixed assets	Δ5	Δ9
Loss on retirement of fixed assets	7	4
Loss (gain) on valuation of investment securities	2	--
Increase (decrease) in allowance for doubtful accounts	Δ12	Δ0
Increase (decrease) in reserve for bonuses	Δ650	Δ584
Increase (decrease) in reserve for retirement benefits	Δ132	Δ15
Decrease (increase) in prepaid pension costs	--	65
Increase (decrease) in reserve for directors' retirement benefits	Δ96	4
Increase (decrease) in other reserves	Δ41	Δ81
Interest income and dividend income	Δ18	Δ13
Interest expense	25	32
Change in account receivables	970	771
Change in inventory	Δ264	330
Change in procurement obligations	Δ138	144
Change in accrued factoring liabilities	133	Δ85
Increase (decrease) in accrued expenses	1,296	872
Other	Δ14	30
Sub-Total	1,708	2,185
Interest and dividends received	20	14
Interest paid	Δ25	Δ27
Corporate taxes paid	Δ458	Δ429
Cash flows from operating activities	1,244	1,742
Cash flows from investing activities		
Investments in time deposits	Δ3	Δ12
Decrease in term deposits	6	309
Expenditures for acquisition of tangible fixed assets	Δ340	Δ792
Proceeds form sale of tangible fixed assets	6	21
Expenditures for acquisition of investment securities	Δ199	Δ0
Expenditure for loans	Δ4	Δ0
Proceeds from recovery of loans	3	1
Other	Δ27	Δ37
Cash flows from investing activities	Δ559	Δ511
Cash flows from financing activities		
Expenditure for repayment of short term borrowings	Δ100	--
Expenditure for repayment of long term borrowings	Δ23	--
Proceeds from sale and lease back	--	317
Repayments of lease obligations	--	Δ138
Proceeds from sales of treasury stock	0	--
Purchase of treasury stock	Δ0	Δ0
Cash dividends paid	Δ500	Δ249
Other	Δ6	Δ0
Cash flows from financing activities	Δ630	Δ71
Effect of exchange rate changes on cash and cash equivalents	0	1
Net increase in cash and cash equivalents	53	1,161
Cash and cash equivalents at beginning of period	9,645	10,142
Cash and cash equivalents at end of period	9,698	11,304

(4) Notes concerning conditions of "going concern"

Not applicable

(5) Segment information

[Business segments]

First quarter of FY2009 (From April 1, 2008 to June 30, 2008)

(In millions of yen)

	Home Furnishing and health	Acute and Long Term Care	Real estate lease	Other	Total	Elimination of Corporate Wide	Consolidated
Sales							
(1) Sales to External Customers	6,717	5,630	38	1,291	13,678	--	13,678
(2) Internal Sales among Segments or Transfers	176	2	65	158	403	(403)	--
Total	6,894	5,632	104	1,450	14,081	(403)	13,678
Operating Income / Loss	Δ254	267	63	Δ45	31	29	60

(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 and Health ---------- 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) Real Estate Lease -------real estate lease
   (4) Other ------- procurement and retailing of accessories, daily sundry goods, health equipment, advertisement and exhibition equipment.
3. Change in segment name
   From the first quarter of the fiscal year under review, we are changing the name of home furnishing business to home furnishing and health business. This change does not affect segment information, as it is a change of name only.

First quarter of FY2010 (From April 1, 2009 to June 30, 2009)

(In millions of yen)

	Home Furnishing and health	Acute and Long Term Care	Real estate lease	Other	Total	Elimination of Corporate Wide	Consolidated
Sales							
(1) Sales to External Customers	5,384	5,793	35	1,059	12,272	--	12,272
(2) Internal Sales among Segments or Transfers	135	4	6	138	285	(285)	--
Total	5,519	5,797	42	1,197	12,557	(285)	12,272
Operating Income / Loss	Δ330	389	31	Δ9	80	41	121

(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 and Health ---------- 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) Real Estate Lease -------real estate lease
   (4) Other ------- procurement and retailing of accessories, daily sundry goods, health equipment, advertisement and exhibition equipment.
3. As stated in "Changes in Principles,
Procedures and Presentation Methods for Accounting Treatment in Connection with the Production of Quarterly Consolidated Financial Statements," the Group changed its method of posting estimation errors, such as the difference between the bonus allowance recorded in the previous year and the actual bonus amount paid in the current year, switching from their posting as a gain or loss from the prior year's adjustment under the category of extraordinary items, to processing through calculations of ordinary gains and losses, starting in the first quarter of the current fiscal year.
The change caused operating loss for the home furnishing and health business to decrease 61 million yen, operating income for the nursing care and welfare equipment business to increase 69 million yen, operating loss for other businesses to decline 10 million yen, and the elimination or corporate operating income to rise 4 million yen, respectively, compared with the figures calculated using the previous method.

[Segment information by location]

From April 1, 2008 to June 30, 2008

The entry of “sales in Japan” is omitted, as it accounts for more than 90% of the total sales of all business segments.

From April 1, 2009 to June 30, 2009

The entry of “sales in Japan” is omitted, as it accounts for more than 90% of the total sales of all business segments.

[Overseas sales]

From April 1, 2008 to June 30, 2008

No information is presented in this report as overseas sales account for less than 10% of the consolidated net sales.

From April 1, 2009 to June 30, 2009

No information is presented in this report as overseas sales account for less than 10% of the consolidated net sales.

(6) Special changes to shareholders equity

Not applicable