FRANCEBED HOLDINGS

Consolidated Summary Report on Interim Closing for the Fiscal Year ended March 2008

November 9, 2007

Name of the listed company : **France Bed Holdings Co., Ltd.**
Listing Exchanges : Tokyo, Osaka
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
Scheduled date to submit Securities Report : December 20, 2007
Scheduled date to begin dividend payments : December 7, 2007
(Figures presented have been rounded down to the nearest unit presented)

1.Consolidated results for the Interim term ending September 2007 (April 1, 2007 ~ September 30, 2007)

(1) Consolidated Management Performance

(% changes are increases/decreases from the previous period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Interim term ending September 2007	30,302	Δ9.1	769	Δ62.4	765	Δ63.2	485	Δ58.1
Interim term ending September 2006	33,343	Δ2.9	2,049	16.7	2,081	13.5	1,160	49.6
Fiscal year ended March 2007	66,205	—	3,590	—	3,636	—	1,994	—

	Net income per share	Fully diluted net income per share
	yen	yen
Interim term ending September 2007	2.11	—
Interim term ending September 2006	5.05	—
Fiscal year ended March 2007	8.69	—

(For reference) Investment Gains and Losses due to Equity Method : Interim term ending September 2007 - \ --,
Interim term ending September 2006 - \ --, Fiscal year ended March 2007 - \ --,

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	yen
Interim term ending September 2007	64,047	41,413	64.6	180.48
Interim term ending September 2006	65,862	41,391	62.8	180.38
Fiscal year ended March 2007	65,501	41,669	63.6	181.60

(For reference) Shareholders' equity : Interim term ending September 2007 ¥41,413 million
Interim term ending September 2006 ¥41,391 million, Fiscal year ended March 2007 ¥41,669 million

(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 2007	1,506	Δ1,843	Δ673	11,597
Interim term ending September 2006	2,430	Δ1,220	Δ619	14,523
Fiscal year ended March 2007	2,736	Δ2,768	Δ1,371	12,605

2.Dividends

	Dividends per share		
	Interim period-end	Second half	Full fiscal year
	yen	yen	yen
Fiscal year ended March 2007	2.50	2.50	5.00
Fiscal year ended March 2008	2.50	—	5.00
Fiscal year ended March 2008 (Outlook)	—	2.50	

3.Forecasts of results for the Fiscal Year Ending March 2008 (April 1, 2007 ~ March 31, 2008)

(% changes are increases/decreases from the previous period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Annual	63,300	Δ4.3	2,400	Δ33.1	2,400	Δ34.0	1,300	Δ34.8	5.66

4.Other matters

(1) Changes in the state of material subsidiaries during the period
(Changes regarding specific companies accompanying changes in the scope of consolidation) : No

(2) Changes in principles, procedures, methods of presentation, etc., related to the interim consolidated financial statements
(Changes in material items that form the basis for the preparation and presentation of the interim consolidated financial statements)

(A) Changes related to revisions in accounting principles : Yes

(B) Changes other than those in (A) above : Yes

(Notes) For further details, refer to “Significant Matters in Preparation of Interim Consolidated Financial Statements” (Accounting Changes) on page 18.

(3) Number of shares issued (common shares)

(A) Number of shares at the end of the period (including treasury stock)
Interim term ending September 2007: 239,487,500 shares Interim term ending September 2006 : 239,487,500 shares
Fiscal year ended March 2007 : 239,487,500 shares

(B) Number of treasury shares
Interim term ending September 2007: 10,038,896 shares Interim term ending September 2006: 10,030,455 shares
Fiscal year ended March 2007 : 10,033,747 shares

(Notes) For an explanation of the number of shares used for computing net income per share (consolidated), please refer to “Per Share Information” on page 35.

(Reference) Outline of unconsolidated financial results

1.Unconsolidated results for the Interim term ending September 2007 (April 1, 2007 ~ September 30, 2007)

(1) unconsolidated Management Performance

(% changes are increases/decreases from the previous period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Interim term ending September 2007	1,182	Δ7.6	669	Δ8.6	676	Δ7.6	619	Δ8.3
Interim term ending September 2006	1,280	6.1	733	0.0	732	Δ0.1	676	Δ4.1
Fiscal year ended March 2007	2,573	—	1,546	—	1,549	—	1,453	—

	Net income per share
	yen
Interim term ending September 2007	2.70
Interim term ending September 2006	2.94
Fiscal year ended March 2007	6.33

(2) Unconsolidated Financial Position

	Total Assets	Net Assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	yen
Interim term ending September 2007	59,494	41,990	70.5	183.00
Interim term ending September 2006	60,373	41,742	69.1	181.91
Fiscal year ended March 2007	59,611	41,945	70.3	182.80

(For reference) Shareholders' equity : Interim term ending September 2007 ¥41,990 million
Interim term ending September 2006 ¥41,742 million Fiscal year ended March 2007 ¥41,945 million

2. Unconsolidated forecasts of results for the Fiscal Year Ending March 2008
(April 1, 2007 ~ March 31, 2008)

(% changes are increases/decreases from the previous period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Annual	2,450	Δ4.8	1,400	Δ9.4	1,400	Δ9.6	1,300	Δ10.5	5.66

Explanation of the appropriate use of performance forecasts and other related items

(Notes on future forecasts and other matters)
The business forecasts presented in this document are made based on the information currently available and certain assumptions that were considered reasonable. Actual performance may differ materially from the forecasts due to a variety of factors. Please refer to 1. Business results, (1) Analysis of business results on page 4 for notes and other matters associated with the assumptions used for the business forecasts and the use of business forecasts.

1.Business results

1.Analysis of business results

(1) Business results Interim Period of the Fiscal Year

During the interim consolidated fiscal year under review, the Japanese economy continued to recover, thanks to improved corporate earnings and a rise in capital spending, underpinned by strong corporate earnings. Consumer spending also remained strong, reflecting an improved employment environment, which still remained difficult.

In this environment, the Group's sales in the first half of the consolidated fiscal year under review reached 30,302 million yen, slipping 9.1% from the same period a year ago. Operating income declined 62.4% year-on-year, to 769 million yen. Recurring income dropped 63.2% year-on-year, to 765 million yen, while net income stood at 485 million yen, down 58.1% year-on-year.

Since we made France bed Korea Co., Ltd., France bed International (Thailand) Co., Ltd. and AD Center Co., Ltd. consolidated subsidiaries from October 1, 2006, the results of these subsidiaries are not included in results for the same quarter of the previous year.

The results of each business segment are as shown below.

[i] Home furnishing business

The operating environment in the furniture and interior industry remained challenging as the furniture and interior market continued to contract. Domestic manufacturers once again experienced adverse factors, such as higher prices of raw materials following the surge in crude oil prices, in addition to the aggressive opening of new shops by large furniture chain stores, and an increase in furniture imported from China.

In this environment, the Group has launched the "showroom measure" focusing on the sale of high-end and value-added products. To promote this measure, France Bed Co., Ltd. has established a marketing division to develop new businesses with customers such as housing manufacturers and condominium developers, with whom the Company had previously almost no business relationships, while further bolstering the relationship with existing customers. We have also been endeavoring to expand sales channels beyond specialty furniture retailers by making our showrooms available for the above customers as their selling space.

During the consolidated interim fiscal year under review, in addition to the existing 14 showrooms, we opened new showrooms in Hiroshima, Asahikawa, and Mito cities, and reopened the showroom in the city of Tosu with an expanded floor area, as steps to increase sales opportunities.

In addition, we developed new products, such as snore reduction pillows and healthcare equipment storage sofas based on a product policy that focused on the expansion of sales channels.

On the profit front, we strove to improve the efficiency of logistics and reduce labor costs to counter higher crude oil prices and an increase in purchasing prices of imported products and raw materials. However, with increasing sales competition with both domestic and overseas manufacturers, sales declined, and failed to offset fixed costs.

As a result, in the furniture and interior business, sales stood at 15,748 million yen, down 6.2% year-on-year. Operating losses amounted to 109million yen, compared with a profit of 163million yen for the same period a year ago.

[ii] Acute and long-term care business

Rental sales declined significantly as insurance payments for welfare equipment rental services, such as the provision of special beds, for people who require minor nursing-care (Category 1: Support required, Category 2: Support required, and Category 1: Nursing-care required), were restricted following the amendments to the Nursing-Care Insurance Law in April 2006. In response, we took action to boost sales by acquiring new users who require rental services of severe-to-medium nursing-care equipment through cooperation with medical institutions, strengthening relationships with regional comprehensive support centers, and boosting sales of products, such as position bars and walkers, with people who require minor nursing-care services.

We also focused on bolstering businesses that do not rely on the nursing-care insurance by launching new products, such as low-floor reclining beds, beds for lying facedown, and the Touch Up FB, a handrail for people who require minor nursing-care services, developing new sales routes with department stores and mass retailers, bolstering primarily sales of nursing-care equipment with aggressive sales of home medical equipment such as aspirators, and expanding the general renovation business, such as the installation of stair lifts.

In addition, we sought to reduce expenses by reviewing sales bases, and selling, general, and administrative expenses, such as advertising expenses.

As a result, in the nursing-care welfare equipment business, sales stood at 11,288 million yen, down 13.4% year on year, while operating income fell 55.1%, to 708 million yen.

[iii] Other businesses

In the door-to-door sales business, although we endeavored to expand sales by introducing new products, given the severe business environment, the Company recorded a decline in sales and profits.
The performance of the products and sundries sales business improved as a result of the continued adoption of a scrap-and-build policy with our stores.
As a result, in other businesses, sales stood at 3,264 million yen, down 6.8% year on year, while operating income declined 37.8%, to 147 million.

(2) Outlook for Fiscal year ended March 2008

The Japanese economy is expected to achieve a moderate recovery on the strength of strong corporate earnings.
In this environment, with the expectation that the business environment will remain challenging, the Group will strive to improve its performance by introducing new products and services.
The Group anticipates consolidated full-year results for the fiscal year under review that include sales of 63,300 million yen, operating income of 2,400 million yen, recurring income of 2,400 million yen, and net income of 1,300 million yen.

2. Analysis of Financial Position

(1) Status of balance sheet

Total assets at the end of the fist half of the consolidated fiscal year under review declined 1,453 million yen from the end of the previous fiscal year, to 64,047 million yen. Current assets were down 2,502 million yen, to 36,110 million yen, primarily reflecting a decline of 1,445 million yen in notes receivable and trade accounts receivable, an increase of 1,998 million yen in securities, and a decline of 2,991 million yen in cash and deposits. Fixed assets increased 1,049 million yen, to 27,936 million yen, mainly attributable to an increase of 618 million yen in tangible fixed assets associated with the establishment of a new Tohoku office.
Total liabilities decreased 1,197 million yen from the end of the previous fiscal year, to 22,634 million yen, primarily because of a decline of 218 million yen in trade notes and accounts payable, a decline of 207 million yen in factoring payable, both of which are current liabilities, and a decline of 229 million yen in reserve for retirement benefits, fixed liabilities.
Net assets declined 256 million yen from the end of the previous fiscal year, to 41,413 million yen, attributable to a decline in the payment of 573 million yen in dividends, and a decline in unrealized gains of 186 million yen, despite posting an interim net profit of 485 million yen.
As a result, the shareholders' equity ratio rose from 63.6% at the end of the previous fiscal year, to 64.6%.

(2) Status of cash flow

[i] Cash flow from operating activities

Net cash provided from operating activities during the first half of the fiscal year under review (hereinafter referred to as the "current term") declined 924 million yen year on year, to 1,506 million yen. This year-on-year decline was primarily attributable to interim net income before taxes, which fell 777 million yen year on year, to 1,305 million yen.

[ii] Cash flow from investing activities

Net cash used in investing activities amounted to 1,843 million yen, rising 622 million yen from the same period a year ago. This year-on-year increase was attributable to a rise in an expenditure of 237 million, to 1,496 million yen, for the acquisition of tangible fixed assets, including an increase in outlays for the acquisition of assets for lease, and an expenditure of 586 million yen for the purchase of investment securities, despite proceeds of 617 million yen from sales of tangible fixed assets during the term under review.

[iii] Cash flow from financing activities

Net cash used in financing activities was 673 million yen, almost on a par with the year-ago figure, due mainly to the payment of 572 million yen in dividends.
As a result, the end balance of cash and cash equivalents for the current interim term declined 1,008 million yen from the end of the previous fiscal year, to 11,597 million yen.

(Reference) Trend of cash flow indicators

	Term ended September 2004	Term ended March 2005	Term ended March 2006		Term ended March 2007		Interim term ending September 2007
			Interim	Full-term	Interim	Full-term	
Equity Ratio (%)	56.7	60.5	61.5	61.7	62.8	63.6	64.6
Equity Ratio at Market Value (%)	90.9	100.8	94.2	99.9	88.8	83.7	59.4
Ratio of interest-bearing debt to cash flow (%)	—	—	0.9	1.3	1.0	1.9	1.7
Interest Coverage Ratio (times)	14.1	7.7	68.3	50.9	61.0	29.3	29.7

(Calculation Methodology)
Equity ratio : Shareholders' equity / Total assets
Equity ratio at market value : Gross market capitalization of shares / Total assets
Ratio of interest-bearing debt to cash flow : Interest bearing debt / Cash flow
(Figures for cash flows from operating activities for the interim term doubled to reach the amounts equivalent to the amount of the full-year results)
Interest coverage ratio : Cash flow / Interest payment

(Note)
1. All calculations were based on the financial figures on a consolidated basis.
2. Total market capitalization was calculated based on the number of shares outstanding, excluding treasury stocks.
3. Cash flows from operating activities were used for the cash flows.
4. All liabilities that were recorded in the (interim) consolidated balance sheet and were incurring interest were included in interest bearing liabilities.

(3) Fundamental policy for distribution of earnings, and Fiscal 2008 dividends

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.

(4) Business risks

Risks that may affect the business results, financial position, stock prices, 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.

[i] Business environment of group companies

a) 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.

b) 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.

c) In the other businesses conducted by Group companies, the door-to-door sales business is managed under the authority of law. As a result, should there be any amendments to related laws, sales of the door-to-door sales business may fall, potentially affecting the performance and financial status of the Group companies. The performance of the products and sundries sales business is influenced by the sensibility and fashion sense of consumers, the price line and the shop environment. As a result, if Group companies are unable to forecast market changes adequately and unable to provide appealing products, sales of the products and the sundries sales business may decline, potentially affecting the performance and financial status of the Group companies.

[ii] 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 there are faults in products that impose a liability for compensation on Group companies, or if Group companies carry out a major recall to ensure customer safety, heavy costs may be incurred by Group companies.
These product faults may seriously damage the reputation of the products and brands, potentially resulting in lower sales and affecting the performance and financial status of Group companies.

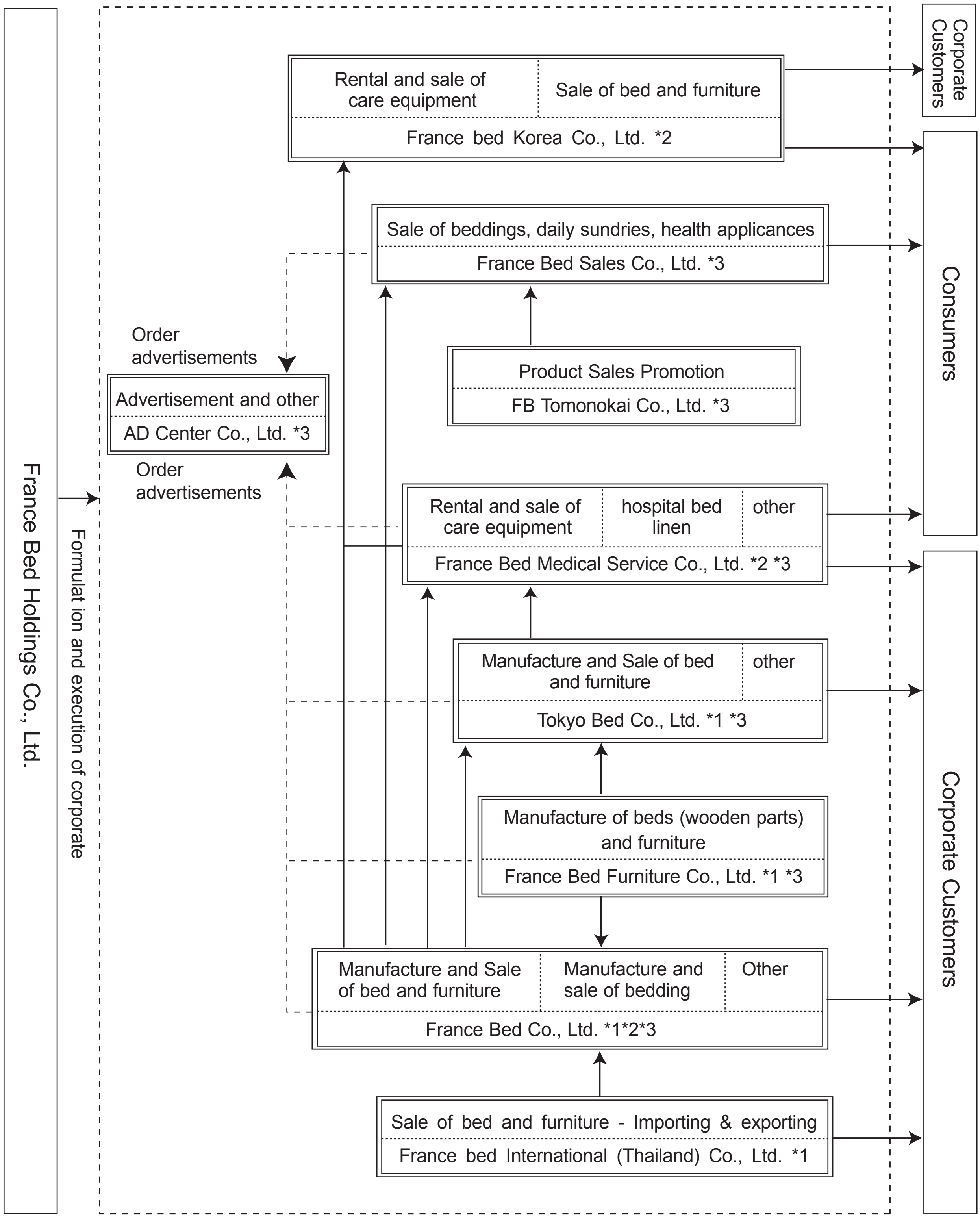
[iii] Unauthorized disclosure of personal information, etc.
The Group handles a large volume of personal information, including customer information, because of the nature of its business. It operates with full consideration to preventing the unauthorized disclosure of personal information. However, 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.

[iv] 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.

[v] 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.

2.THE FRANCEBED HOLDINGS GROUP

(Operating Structure)



*1 : Home Furnishing Business *2 : Acute and long-term care Business *3 : Other Business

The disclosure of the “Status of the Group companies” was omitted as there were no major changes from the status described in the latest financial reports (submitted on June 20, 2007).

3. Management Policies

(1) Basic Management Policies of the Company

The Group holds as its Corporate principles, "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) Target Management Indicators

The Group developed a medium-term business plan during the interim consolidated fiscal year under review, covering the three-year period from April1, 2007 to March 31, 2010. The goals to be attained in the final year of the plan include a consolidated sales target of 74,900 million yen, a consolidated operating income target of 5,100 million yen, a consolidated recurring income target of 5,000 million yen and a consolidated net income target of 2,700 million yen.

(3) Medium and Long-Term Corporate Strategy

Under this medium-term business plan, we aim to develop the corporate characteristics that will enable us to generate solid profits irrespective of the external environment, by adopting new growth strategies in all businesses and achieving further progress in the integration of the Group.
As a basic policy for this medium-term business plan, we will strive to achieve ongoing growth and strengthen our management base. Our themes will be boosting our business in response to the aging society, developing and expanding sales of high value-added products, and expanding our export business.

(4) Issues facing the Company

The Group will put each business on a growth track through its medium-term business plan, and at the same time pursue synergies in all divisions including purchase, production, sales and personnel divisions, to strengthen its management base.
Challenges to be addressed by individual business segments are as follows:

(Home furnishing business)
In the furniture and interior business, operating conditions will be highly susceptible to external factors, such as a reduction in the size of the domestic furniture market, intensifying international competition, the diversification and sophistication of consumer needs, the diversification of sales channels and the rising costs of raw materials. Business conditions in this segment are expected to remain difficult for the Group.
In this environment, the Group will aim to establish and improve the systems needed to continue to sell high-end products. Among the most important measures, we will work to aggressively develop high value-added products to respond to the aging society, exhibit more high-end products by opening more showrooms, enhance the capability to respond to contract use, and expand our export business with a focus on Japanese-style furniture and massage machines.

(Acute and long-term care business)

Although the total amount of nursing care benefits provided in welfare equipment rental dropped more than 10% year on year, benefits provided to people needing medium-to-acute nursing care, with the above Category 2: Nursing-Care Required, rose approximately 10%. Obtaining these users of new rental services for people who need medium-to-acute nursing care will be key to the recovery of sales of the rental business.

In response, the Group will strive to provide user-focused services by monitoring users, and will hold meetings with staff in charge of providing services. The Group will also continue to improve the quality of services by strengthening the structures for maintenance and delivery, as well as the quality of staff in charge of providing services, such as their product knowledge.

In September 2007, a panel was established to examine the status of insurance benefits for welfare equipment. This indicates the possibility of a partial review of insurance benefits. In this environment, in addition to its efforts to enhance sales routes, the Group will seek to promote products through the showrooms of its sales offices, including the Hiroshima Sales Office constructed in May 2007, and a Tohoku office to be constructed in January 2008, and through collaboration with local department stores. The Group will also look to bolster the house renovation business to create safe and comfortable living spaces for elderly people. Through these initiatives, the Group will aim to expand businesses that do not rely on nursing care insurance, to strengthen its profit base.

(Other businesses)

In other business, we will seek to increase sales of the door-to-door sales business by improving trading materials. In the products and sundries sales business, we will continue to take steps to improve profitability by scrapping and building stores.

Consolidated Financial Statements
Consolidated Balance Sheet

(In millions of yen)

Account	Interim term ending September 2006 (As of Sept.30, 2006)	Interim term ending September 2007 (As of Sept.30, 2007)	Fiscal year ended March 2007 (As of Mar. 31, 2007)	Increases and decreases
(Assets)				
1. Current Assets				
Cash and Deposits	8,526	6,132	9,123	(-)2,991
Notes and Account Receivable - Trade	12,681	11,759	13,204	(-)1,445
Marketable Securities	5,998	5,495	3,497	1,998
Inventory	10,273	10,480	10,385	95
Other	2,481	2,298	2,465	(-)167
Allowance for Doubtful Accounts	(-)170	(-)55	(-)63	7
Total Current Assets	39,790	36,110	38,613	(-)2,502
2. Fixed Assets				
Tangible Fixed Assets				
Buildings and Structures	4,417	4,937	4,948	(-)11
Land	6,577	6,779	6,577	201
Other	2,707	3,134	2,706	428
Total Tangible Assets	13,703	14,851	14,233	618
Intangible Fixed Assets	564	473	573	(-)99
Investments and Other Assets				
Prepaid Pension Expense	5,244	5,637	5,455	181
Other	6,727	7,117	6,768	348
Allowance for Doubtful Accounts	(-)168	(-)144	(-)143	(-)0
Total Investments and Other Assets	11,803	12,611	12,080	530
Total Fixed Assets	26,071	27,936	26,887	1,049
Total Assets	65,862	64,047	65,501	(-)1,453

(In millions of yen)

Account	Interim term ending September 2006 (As of Sept.30, 2006)	Interim term ending September 2007 (As of Sept.30, 2007)	Fiscal term ended March 2007 (As of Mar. 31, 2007)	Increases and decreases
(Liabilities)				
1.Current Liabilities				
Notes and Account Payable - Trade	7,907	7,834	8,052	(-)218
Accrued Factoring Liabilities	1,444	1,125	1,333	(-)207
Short Term Borrowings	4,965	5,108	5,108	0
Long Term Borrowings Coming Due within 1 Year	198	115	180	(-)64
Reserve for Bonuses	1,514	1,314	1,400	(-)85
Reserve for director’s Bonuses	51	38	87	(-)49
Other	4,426	3,580	3,860	(-)279
Total Current Liabilities	20,506	19,118	20,023	(-)905
2.Fixed Liabilities				
Long Term Borrowings	129	14	48	(-)34
Reserve for Retirement Benefits	3,135	2,802	3,032	(-)229
Reserve for Directors Retirement Bonuses	386	436	448	(-)12
Other	313	263	279	(-)16
Total Fixed Liabilities	3,965	3,516	3,808	(-)292
Total Liabilities	24,471	22,634	23,832	(-)1,197
(Net assets)				
1.Shareholders' equity				
Capital stock	3,000	3,000	3,000	--
Capital Surplus	5,117	5,117	5,117	(-)0
Retained earnings	35,953	36,205	36,293	(-)88
Treasury Shares	(-)2,949	(-)2,951	(-)2,950	(-)1
Total Shareholders' equity	41,120	41,371	41,460	(-)89
2.Valuation and translation gain and loss				
Valuation gain and loss on other securities	258	11	198	(-)186
Gain and loss on deferred hedge	12	16	(-)2	18
Translation adjustments	--	13	12	1
Total valuation and translation gain and loss	270	41	208	(-)166
Total Net assets	41,391	41,413	41,669	(-)256
Total liabilities and shareholders' equity	65,862	64,047	65,501	(-)1,453

(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 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 2006 (Apr. 1, 2006 – Sept. 30, 2006)	Interim term ending September 2007 (Apr. 1, 2007 – Sept. 30, 2007)	Increases and decreases		Fiscal year ended March 2007 (Apr. 1, 2006 – Mar. 31, 2007)
1.Net Sales	33,343	30,302	(-)3,041	(-)9.1%	66,205
2.Cost of Sales	17,985	17,022	(-)963		36,397
Gross Income	15,358	13,280	(-)2,078	(-)13.5%	29,808
3.Selling, General and Administrative Expense	13,308	12,510	(-)798		26,218
Operating Income	2,049	769	(-)1,279	(-)62.4%	3,590
4.Other Income					
Interest Income	5	27	21		23
Dividend Income	19	13	(-)6		34
Insurance Income	23	--	(-)23		66
Life Insurance Dividend Income	39	30	(-)8		39
Compensation received for the business acquisition	30	--	(-)30		30
Purchase Discounts	--	15	15		21
Other	67	54	(-)13		133
Total Other Income	186	141	(-)44		349
5.Other Expenses					
Interest Expense	37	50	13		84
Sales Discounts	35	32	(-)2		70
Commission paid	18	19	1		39
Other	62	42	(-)19		109
Total Other Expenses	154	145	(-)8		303
Ordinary Income	2,081	765	(-)1,316	(-)63.2%	3,636
6.Extraordinary Income					
Gains on Prior Year Adjustment	46	59	12		94
Gains form Sale of Fixed Assets	0	569	569		66
Gains on sales of investment securities	2	--	(-)2		2
Other	0	1	0		--
Total Extraordinary Income	50	630	580		163
7.Extraordinary Losses					
Loss from Prior Year Adjustment	3	18	15		6
Losses from Sale of Fixed Assets	0	0	0		0
Loss from Removal of Fixed Assets	42	53	10		89
Loss on impairment of fixed assets	--	--	(-)2		2
Loss on sales of investment securities	--	0	0		0
Loss on revaluation of investment securities	--	0	0		--
Early retirement surcharge money	--	10	10		--
Other	--	7	7		3
Total Extraordinary Losses	48	90	42		102
Net Income before Tax	2,083	1,305	(-)777	(-)37.3%	3,697
Corporate Income Tax, Resident Tax	809	606	(-)202		1,635
and Enterprise Tax	113	213	99		72
Minority interests	--	--	--		(-)4
Net Income	1,160	485	(-)674	(-)58.1%	1,994

(3) Consolidated Statement of Changes in Shareholders' Equity

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.

Interim term ending September 2007 (Apr.1, 2007 - Sept.30, 2007)

(In millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' Equity
Balance as of March 31, 2007	3,000	5,117	36,293	(-)2,950	41,460
Changes during the interim period					
Cash dividends paid			(-)573		(-)573
Net income			485		485
Treasury stock purchased				(-)1	(-)1
Disposal of treasury stock		(-)0		0	0
Others					
Total change during the interim period	—	(-)0	(-)88	(-)1	(-)89
Balance at September 30, 2007	3,000	5,117	36,205	(-)2,951	41,371

	Valuation and translation differences				Total net assets
	Valuation differences and other marketable securities	Deferred gains on hedges	Foreign exchange translation adjustment account	Total valuation and translation differences	
Balance as of March 31, 2007	198	(-)2	12	208	41,669
Changes during the interim period					
Cash dividends paid					(-)573
Net income					485
Treasury stock purchased					(-)1
Disposal of treasury stock					0
Others	(-)186	18	1	(-)166	(-)166
Total change during the interim period	(-)186	18	1	(-)166	(-)256
Balance at September 30, 2007	11	16	13	41	41,413

Consolidated Statement of Changes in Shareholders' Equity

Fiscal year ended March 2007 (Apr. 1, 2006 – Mar. 31, 2007)

(In millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' Equity
Balance at March 31, 2006	3,000	5,117	35,461	(-)2,949	40,629
Changes during the period					
Cash dividends paid*			(-)573		(-)573
Cash dividends paid			(-)573		(-)573
Bonuses to directors*			(-)94		(-)94
Net income			1,994		1,994
Purchases of treasury stock				(-)1	(-)1
Disposal of treasury stock		(-)0		0	0
Changes in the scope of consolidation			79		79
Changes, net, in items other than shareholders' equity					
Total change during the period	—	(-)0	832	(-)1	830
Balance at March 31, 2007	3,000	5,117	36,293	(-)2,950	41,460

	Valuation and translation differences				Total net assets
	Valuation differences and other marketable securities	Deferred gains on hedges	Translation adjustments	Total valuation and translation differences	
Balance at March 31, 2006	381	—	—	381	41,011
Changes during the period					
Cash dividends paid*					(-)573
Cash dividends paid					(-)573
Bonuses to directors*					(-)94
Net income					1,994
Purchases of treasury stock					(-)1
Disposal of treasury stock					0
Changes in the scope of consolidation					79
Changes, net, in items other than shareholders' equity	(-)183	(-)2	12	(-)172	(-)172
Total change during the period	(-)183	(-)2	12	(-)172	658
Balance at March 31, 2007	198	(-)2	12	208	41,669

*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 2006 (Apr. 1, 2006 ~Sept. 30, 2006)	Interim term ending September 2007 (Apr. 1, 2007 ~Sept. 30, 2007)	Fiscal year ended March 2007 (Apr. 1, 2006 ~ Mar. 31, 2007)
1. Cash flows from operating activities			
Net income before tax and minority interests	2,083	1,305	3,697
Depreciation	914	881	1,876
Loss on impairment of fixed assets	2	--	2
Gains from sale of fixed assets	(-)0	(-)569	(-)66
Losses on sale and removal of fixed assets	35	38	77
Gains on sales of investment securities	(-)2	--	(-)2
Loss on sales of investment securities	--	0	0
Loss on revaluation of investment securities	--	0	--
Change in allowance for doubtful accounts	(-)24	(-)7	(-)157
Changes in reserve for bonuses	(-)5	(-)85	(-)139
Changes in reserve for director's bonuses	51	(-)49	85
Changes in reserve for retirement benefits and prepaid pension expense	(-)320	(-)411	(-)664
Change in reserve for directors retirement bonuses	(-)14	(-)12	25
Interest income and dividend income	(-)25	(-)40	(-)57
Interest expense	37	50	84
Change in account receivables	1,082	1,445	623
Change in inventory	(-)438	(-)94	(-)329
Change in procurement obligations	513	(-)219	476
Change in accrued factoring liabilities	(-)529	(-)207	(-)640
Change in accrued expenses	(-)94	(-)104	(-)134
Change in accrued consumption tax	46	41	(-)6
Directors bonuses paid	(-)94	--	(-)94
Other	285	67	286
Sub-Total	3,502	2,027	4,944
Interest and dividends received	25	39	57
Interest paid	(-)39	(-)50	(-)93
Corporate taxes paid	(-)1,057	(-)509	(-)2,172
Cash flows from operating activities	2,430	1,506	2,736
2. Cash flows from investing activities			
Investments in time deposits	--	(-)312	(-)0
Decrease in term deposits	160	--	160
Proceeds from sale of marketable securities	1	--	2
Expenditures for acquisition of tangible fixed assets	(-)1,258	(-)1,496	(-)2,584
Proceeds form sale of tangible fixed assets	13	617	14
Expenditures for acquisition of investment securities	(-)11	(-)586	(-)287
Proceeds from sale of investment securities	26	0	127
Expenditure for loans	(-)32	(-)2	(-)38
Proceeds from recovery of loans	11	13	21
Other	(-)131	(-)76	(-)183
Cash flows from investing activities	(-)1,220	(-)1,843	(-)2,768
3.Cash flows from financing activities			
Proceeds from Increase in short term borrowings	60	60	166
Expenditure for repayment of short term borrowings	--	(-)61	(-)184
Expenditure for repayment of long term borrowings	(-)106	(-)99	(-)205
Proceeds from the sale of treasury shares	--	0	0
Expenditure for acquisition of treasury shares	(-)0	(-)1	(-)1
Payment of dividends	(-)572	(-)572	(-)1,146
Other	(-)0	(-)0	(-)0
Cash flows from financing activities	(-)619	(-)673	(-)1,371
4. Effect of exchange rate changes on cash and cash equivalents	1	2	(-)6
5. Net increase(decrease) in cash and cash equivalents	591	(-)1,008	(-)1,410
6. Beginning balance of cash and cash equivalents	13,932	12,605	13,932
7. Cash and cash equivalents of newly consolidated subsidiaries	--	--	83
8. Ending balance of cash and cash equivalents	14,523	11,597	12,605

Significant Matters in Preparation of Consolidated Financial Statements

Interim term ending September 2006 (Six Months)	Interim term ending September 2007 (Six Months)	Fiscal term ended March 2007 (One Year)
1. Matters Relating to Scope of Consolidation	1. Matters Relating to Scope of Consolidation All subsidiaries are included in the scope of consolidation	1. Matters Relating to Scope of Consolidation All subsidiaries are included in the 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) 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 SalesCo., Ltd., FB Tomonokai Co., Ltd., Tokyo Bed Co.,Ltd. France bed Korea Co., Ltd. France bed International (Thailand) Co., Ltd. AD Center Co., Ltd.	(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 SalesCo., Ltd., FB Tomonokai Co., Ltd., Tokyo Bed Co.,Ltd. France bed Korea Co., Ltd. France bed International (Thailand) Co., Ltd. AD Center Co., Ltd. France bed Korea Co., Ltd. was included in the scope of consolidation in the second half of the fiscal year under review, reflecting an increase in its importance in our business strategy. Also in the second half, we included France bed International (Thailand) Co., Ltd., and AD Center Inc. in the scope of consolidation, to improve the disclosure of financial results.
(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) ――――――――	(2) ――――――――
2. Matters relating to the application of the equity method Unconsolidated subsidiaries not subject to theapplication of theequity 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 None issued.	2. Matters relating to the application of the equity method Same as the left

Interim term ending September 2006 (Six Months)	Interim term ending September 2007 (Six Months)	Fiscal term ended March 2007 (One Year)
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. The interim closing date of all consolidated subsidiaries coincides with the interim consolidated closing date	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.
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 Amortization cost method (straight line 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 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 Same as the left
b. Other marketable securities With market value: Stated at market value as of the Interim consolidated balance sheet date (changes in fair value areaccounted for under the direct addition to the shareholders' equity method. The cost of securities sold is determined basedon the moving-average. Without market value: Stated at cost determined by the moving-average method	b. Other marketable securities With market value: Same as the left Without market value: Same as the left	b. Other marketable securities With market value: Stated at market value as of the consolidated balance sheet date (changes in fair value areaccounted for under the direct addition to the shareholders' equity method. The cost of securities sold is determined basedon the moving-average. Without market value: Same as the left
(ii)Derivatives Stated at market value	(ii)Derivatives Same as the left	(ii)Derivatives Same as the left
(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	(iii)Inventory a. Merchandise, product, and work-in-progress Same as the left b. Materials and stored goods 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:	(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 Companies submitting consolidated financial statements and domestic consolidated subsidiaries adopt the declining balance method. However, for buildings (excluding attached equipment) acquired after April 1, 1998, the straightline method is applied. Consolidated foreign subsidiaries adopt the straight line method based on the accounting standards of their country. Useful lives are as follows:.
Assets for Lease : 3~10 years Buildings & structure : 3~50years Equipment and Vehicles : 3~15years Tools, Furniture&Fixtures : 2~20years For small-ticket assets for lease whose acquisition price is less than 200,000yen, they are depreciated in one lot equally over 3 years.	Assets for Lease : 3~10 years Buildings & structure : 3~50years Equipment and Vehicles : 3~15years Tools, Furniture&Fixtures : 2~20years For small-ticket assets for lease whose acquisition price is less than 200,000yen, they are depreciated in one lot equally over 3 years.	Assets for Lease : 3~10 years Buildings & structure : 3~50years Equipment and Vehicles : 3~15years Tools, Furniture&Fixtures : 2~20years For small-ticket assets for lease whose acquisition price is less than 200,000yen, they are depreciated in one lot equally over 3 years.

Interim term ending September 2006 (Six Months)	Interim term ending September 2007 (Six Months)	Fiscal term ended March 2007 (One Year)
	(Changes in Accounting Policy) The declining-balance was previously adopted as a method for depreciating tangible fixed assets for companies that submit interim consolidated financial statements and domestic consolidated subsidiaries. (The straight-line method was adopted for the depreciation of buildings (excluding building fixtures) acquired after April 1, 1998. Immaterial assets whose acquisition costs were less than 200,000 yen were depreciated evenly for three years as lump-sum depreciable assets.) From the interim consolidated fiscal year under review, the depreciation method for all tangible fixed assets, excluding the immaterial assets described above, has been changed to the straight-line method. The Group has examined its recent aggressive capital spending on showrooms and nursing care stores to change its business to one that focuses on markets, in an effort to achieve the medium-term business plan developed during the interim consolidated fiscal year under review. The Group has also examined the use of other tangible fixed assets. The above examinations showed that, generally speaking, the rate of use was likely to remain steady for a long period, and that the impact of capital spending and its contribution to earnings were likely to remain similarly unchanged over the long term. As a result of these examinations, the depreciation methods have changed as described above to achieve a more appropriate balance between expenses and income and to reflect the management status more accurately, by evenly depreciating acquisition costs over the estimated useful life. In line with the above changes, from the interim consolidated fiscal year under review, the depreciation method for all tangible fixed assets, excluding immaterial lease assets acquired after April 1, 2007 has changed to a depreciation method (straight-line method) based on the revised Corporation Tax Law. As a result, depreciation declined 131 million yen, compared with that based on previous methods, and the gross profit on sales rose 77 million yen. Operating income, recurring income, and net income before taxes increased 123 million yen each. The impact of changes on the segment information is given in the relevant items. (Additional Information) In line with the revision on the Corporation Tax Law, companies that submit interim consolidated financial statements and domestic consolidated subsidiaries report depreciation, including assets acquired, before March 31, 2007 by evenly depreciating the difference between the amount equivalent to 5% of the acquisition costs and memorandum value over five years, from the consolidated fiscal year following the consolidated fiscal year in which depreciation reached 5% of acquisition costs, in accordance with a depreciation method based on the Corporation Tax Law before the revision. As a result, depreciation increased 33 million yen, compared with that based on the previous methods, and gross profit on sales declined 20 million yen. Operating income, recurring income, and net income before taxes fell 28 million yen each. The impact of changes on segment information is given in the relevant items.	

Interim term ending September 2006 (Six Months)	Interim term ending September 2007 (Six Months)	Fiscal term ended March 2007 (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). (iii).LongTerm Prepaid Expenses Equal amortization is applied.	(ii).Intangible Fixed Assets Same as the left (iii).LongTerm Prepaid Expenses Same as the left	(ii).Intangible Fixed Assets 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 Domestic consolidated subsidiaries 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. Certain consolidated foreign subsidiaries record an estimated amount for losses from bad debts.	(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 Companies submitting interim consolidated financial statements and domestic consolidated subsidiaries recorded the expected amount for the interim consolidated fiscal year under review needed to provide for the payment of bonuses to their employees.	(ii) Reserve for bonuses Companies submitting consolidated financial statements and domestic consolidated subsidiaries recorded the expected amount for the fiscal year under review needed to provide for the payment of bonuses to their employees.
(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) Reserve for director’s bonuses Companies submitting interim consolidated financial statements and domestic consolidated subsidiaries recorded the expected amount for the interim consolidated fiscal year under review needed to provide for the payment of bonuses to their directors and officers.	(iii) Reserve for director’s bonuses Companies submitting consolidated financial statements and domestic consolidated subsidiaries recorded the expected amount for the fiscal year under review needed to provide for the payment of bonuses to their directors and officers.
(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 In preparation for the payments of retirement benefits to employees, domestic consolidated subsidiaries recorded the amount deemed to have been incurred at the end of the interim consolidated fiscal year under review, based on the estimated retirement benefits liabilities and pension assets at the end of the current fiscal year. 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 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 2006 (Six Months)	Interim term ending September 2007 (Six Months)	Fiscal term ended March 2007 (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 In preparation for the payments of retirement benefits for directors, companies that submit interim consolidated financial statements and domestic consolidated subsidiaries recorded the payments required at the end of the interim consolidate fiscal year under review in accordance with internal rules	(v) Reserve for Directors' Retirement Bonuses Companies submitting consolidated financial statements, domestic consolidated subsidiaries and certain consolidated foreign subsidiaries recorded the expected amount of payment which shall be required as of the end of the fiscal year under review, based on an internal regulation to provide for the payment of retirement allowances to their directors and officers.
(4) ———————	(4) Foreign Currency Transactions Monetary assets and liabilities of the Company and its domestic subsidiaries denominated in foreign currencies are translated at the current exchange rates in effect at each balance sheet date. The resulting foreign exchange gains or losses are recognized as other income or expenses. Assets and liabilities of the foreign consolidated subsidiaries are translated at the current exchange rates in effect at each balance sheet date and revenue and expense accounts are translated at the average rate of exchange in effect during the year. Foreign currency translation adjustments are included in the translation adjustments and minority interests item under net assets.	(4) Foreign Currency Transactions For the translation of important assets or liabilities denominated in foreign currencies into yen, monetary credits and liabilities denominated in basic foreign currencies are translated using the spot exchange rate on the closing date, and exchange gains and losses are treated as profits and losses. The assets and liabilities of the consolidated foreign subsidiaries are translated into yen using the spot exchange rate on the closing date. Revenues and costs and expenses are translated using an average exchange rate for a fiscal year. Exchange gains and losses are recorded by including them in the exchange translation adjustment account of net assets.
(5) 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.	(5) Accounting for Significant Leases Same as the left	(5) Accounting for Significant Leases Same as the left
(6) 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.	(6) Hedge Accounting 1. Method of Hedge Accounting Same as the left	(6) 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

Interim term ending September 2006 (Six Months)	Interim term ending September 2007 (Six Months)	Fiscal term ended March 2007 (One Year)
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. 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. (7) Other Matters in Preparation of Interim consolidated Financial Statements 1.Accounting for the consumption tax Consumption tax and municipal Consumption taxare 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. 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.	3. Hedging Policy 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 (7) Other Matters in Preparation of Interim consolidated Financial Statements 1.Accounting for the consumption tax Same as the left 5. Scope of Cash in the Interim Consolidated Statement of Cash Flow Same as the left	3. Hedging Policy 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 (7) 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 consolidated fiscal year under review. 5. Scope of Cash in the Consolidated Statement of Cash Flow Same as the left

Interim term ending September 2006 (Six Months)	Interim term ending September 2007 (Six Months)	Fiscal term ended March 2007 (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 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 consolidated business term, so that sales revenues from lease assets were recorded as sales. As a result, sales, gross profit, and operating profit increased 1,038 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 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 consolidated business term. As a result of this application, operating profit, ordinary profit and income before income taxes and minority interests decreased by 85 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.	--	(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 consolidated business term. The amount that corresponds to traditional Shareholders' Equity was 41,671 million yen. Net Assets in the consolidated balance sheet for this first half of the consolidated business term were prepared in accordance with the revised Consolidated Financial Statements Regulations associated with the amendment of Consolidated Financial Statements Regulations.

(Changes in Presentation)

Interim term ending September 2006 (Six Months)	Interim term ending September 2007 (Six Months)
―――――――――――――――――――――	(Interim consolidated statement of income) Insurance money received was listed as an independent item on the income statement for the previous interim consolidated fiscal year. As insurance money received was 11 million yen for the interim consolidated fiscal year, falling within 10/100 of the total amount of non-operating income, it changed to be included under Others in non-operating income. The purchase discount was listed as an independent item as it exceeded 10/100 of the total amount of non-operating income. A purchase discount of 6 million yen was included under Others in non-operating income for the previous interim consolidated fiscal year.

Notes (Relating to the Consolidated Balance Sheet)

Interim term ending September 2006 (As of Sept.30, 2006)	Interim term ending September 2007 (As of Sept.30, 2007)	Fiscal year ended March 2007 (As of Mar. 31, 2007)
1.Accumulated Depreciation of Tangible Fixed Assets ¥19,292 million	1.Accumulated Depreciation of Tangible Fixed Assets ¥19,441 million	1.Accumulated Depreciation of Tangible Fixed Assets ¥18,946 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 ¥142 million Land ¥29 million Investment Securities ¥112 million Total ¥284 million Obligations to the above LongTerm Debt ¥14 million LongTerm Debt Maturing within 1 Year ¥28 million	2. Assets Pledged as Collateral Buildings & Structures ¥144 million Land ¥29 million Investment Securities ¥126 million Total ¥300 million Obligations to the above LongTerm Debt ¥28 million LongTerm Debt Maturing within 1 Year ¥28 million
3. ------------------------------	3. Discounted notes for exports Discounted notes for exports ¥4 million ($35 thousand)	3. ------------------------------
4. 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	4. Contingent Liabilities The Group provides guarantees for financial institution borrowings by employees. ¥81 million	4. Contingent Liabilities The Group provides guarantees for financial institution borrowings by employees. ¥92 million
5. 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	5. 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) ¥168 million Bills payable (current liabilities) ¥1,152 million Other bills ¥8 million	5. With respect to the accounting treatment of bills maturing at the end of this consolidated business term, they were settled on the date of clearance. As the end of this fconsolidated business term 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 consolidated business term: Bills receivable (current assets) ¥196 million Bills payable (current liabilities) ¥1,044 million Other bills ¥12 million
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 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.	6. ------------------------------	6. ------------------------------

Interim term ending September 2006 (As of Sept.30, 2006)	Interim term ending September 2007 (As of Sept.30, 2007)	Fiscal year ended March 2007 (As of Mar. 31, 2007)
7. 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.	7. ————	7. ————
8. 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	8. Same as the left	8. 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 2006 (Six Months)	Interim term ending September 2007 (Six Months)	Fiscal year ended March 2007 (One Year)
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 ¥1,304 million Provisions to Allowance for Doubtful Accounts ¥16 million Employees Salary and Bonuses ¥4,685 million Provision to Reserve for Bonuses ¥1,033 million Provision to Reserve for Directors' Bonuses ¥38 million Retirement Benefits Expense ¥210 million Provision to Reserve for Directors' Retirement Bonuses ¥38 million	1.Summary Breakdown of Selling, General and Administrative Expenses Transport and storage fees ¥2,760 million Provisions to allowance for doubtful accounts ¥7 million Employees salary and bonuses ¥10,734 million Provision to reserve for bonuses ¥1,104 million Accrued directors' retirement benefits ¥85 million Retirement benefits expense ¥319 million Provision to reserve for directors' retirement bonuses ¥78 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 PriorYears' Excessive Provisions for Reserve for Bonuses ¥39 million Accrued legal welfare expenses in excess of last year's allowance ¥9 million Other ¥9 million Total ¥59 million	2. Details of Gains from Prior Period Adjustment Reversals of Allowance for Doubtful Accounts ¥35 million PriorYears' Excessive Provisions for Reserve for Bonuses ¥34 million Accrued legal welfare expenses in excess of last year's allowance ¥4million Other ¥20 million Total ¥94 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 ¥5 million Tools, Furniture and Furnishings ¥1 million Land ¥544 million (Intangible fixed assets)Other ¥19 million Total ¥569 million	3. Details of Gains from Sale of Fixed Assets Buildings and structures ¥1 million Equipment and vehicles ¥0 million Tools, furniture and furnishings ¥0 million (Intangible fixed assets)Other ¥64 million Total ¥66 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 Sales correction in the previous fiscal year ¥12 million Other ¥6 million Total ¥18 million	4. ――――
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 Buildings and Structures ¥0 million Equipment and Vehicles ¥0 million Tools, Furniture and Furnishings ¥0 million Total ¥0 million	5. Details of the Loss from Sale of Fixed Assets Equipment and Vehicles ¥0 million Tools, Furniture and Furnishings ¥0 million Total ¥0 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 ¥34 million Equipment and Vehicles ¥13 million Tools, Furniture and Furnishings ¥5 million Total ¥53 million	6. Details of Losses from Removal of Fixed Assets Buildings and Structures ¥55 million Equipment and Vehicles ¥17 million Tools, Furniture and Furnishings ¥16 million Total ¥89 million
7. Impairment losses Although we recorded losses on the impairment of fixed assets for this Interim consolidated business term, we have omitted a description as it was immaterial.	7. ――――	7. Impairment losses Although we recorded losses on the impairment of fixed assets for this consolidated business term, we have omitted a description as it was immaterial.

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

Interim term ending September 2007 (Apr.1, 2007 - Sept.30, 2007)

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)	10,033	5	0	10,038
Total	10,033	5	0	10,038

1. The increase in the number of treasury stocks of 5,000 shares reflects requests for the purchase of shares, the number of which is less than one stock trade unit.
2. The decrease in the number of treasury common shares of 0 shares reflects requests for the purchase of additional shares, the number of which is less than one stock trade unit.

2.Dividends

(1) Amounts paid

Date confirmed	Type of stock	Total dividends paid	Dividends per share	Dividend record date	Effective date
June 20, 2007 Shareholders' meeting	Common shares	573 million	¥ 2.50	March 31, 2007	June 21, 2007

(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, 2007 Board of directors' meeting	Common shares	573 million	Accumulated income	¥ 2.50	September 30, 2007	December 7, 2007

(Consolidated Statement of Changes in Net Assets)

Fiscal year ended March 2007 (Apr.1, 2006 - Mar.31, 2007)

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

	Number of shares as of fiscal year ended March 2006	Increase of shares during fiscal year ending March 2007	Decrease of shares during fiscal year ending March 2007	Number of shares as of fiscal year ended March 2007
Shares issued				
Common shares	239,487	—	—	239,487
Total	239,487	—	—	239,487
Treasury stock				
Common shares (note)	10,027	6	0	10,033
Total	10,027	6	0	10,033

(Note)

1.The increase in the number of treasury stocks of 6,000 shares reflects requests for the purchase of shares, the number of which is less than one stock trade unit.

2.The decrease in the number of treasury common shares of 0 shares reflects requests for the purchase of additional shares, the number of which is less than one stock trade 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
November 9, 2006 Board of directors' meeting	Common shares	¥ 573 million	¥ 2.50	September 30, 2006	December 8, 2006

(2) Among dividends, the base date of which is within the fiscal year under review, dividends with an effective date within the following fiscal year : The following resolution is planned.

Date confirmed	Type of stock	Total dividends paid	Source of dividends	Dividends per share	Dividend record date	Effective date
June 20, 2007 Shareholders' meeting	Common shares	¥ 573 million	Accumulated income	¥ 2.50	March 31, 2007	June 21, 2007

Relating to Consolidated Interim Statements of Cash Flows

Interim term ending September 2006 (Six Months)	Interim term ending September 2007 (Six Months)	Fiscal year ended March 2007 (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 ¥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 September 30,2007) Cash and Deposits ¥6,132 million Marketable Securities ¥5,495 million Total ¥11,628 million Time deposits whose maturities exceed 3months ¥ (-)30 million Bonds with Maturities Longer than 3 months and Government and Corporate Bond InvestmentTrust ¥ (-)1 million Cash and Cash Equivalents ¥11,597million	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 31,2007) Cash and Deposits ¥9,123 million Marketable Securities ¥3,497 million Total ¥12,621 million Time deposits whose maturities exceed 3months ¥ (-)15 million Bonds with Maturities Longer than 3 months and Government and Corporate Bond InvestmentTrust ¥ (-)1 million Cash and Cash Equivalents ¥12,605 million

(Leases)

Interim term ending September 2006 (Six Months)

1.Finance leases in which the right of ownership is not transferred to the lessee

(1) Purchase cost, accumulated depreciation, impairment losses and balance at end of period (In millions of yen)

	Purchase cost	Accumulated depreciation	balance at end of period
Assets for Lease	2,584	1,415	1,168
Equipment and Vehicles	24	8	16
Tools, Furniture and Fixtures	557	341	216
Software	185	79	105
Total	3,352	1,845	1,506

(2) Amount equivalent to the closing balance of the unearned lease fees

Within one year	¥785 million
More than one year	¥770 million
Total	¥1,555 million

(3) Lease payments,impairment loss account write-off,depreciation expenses, interest expenses and impairment losses

Lease payments	¥585 million
Depreciation expenses	¥561 million
Interest expenses	¥17 million

(4) Method of calculating depreciation expenses

Depreciation expenses is calculated by the straight-line method over the lease term of the lease asset assuming no residual value.

(5) Method of calculating interest expense

Interest expense calculated by the interest method, whereby the difference between total lease payment and purchase cost is distributed in equal installments over the term of the lease.

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2. Operating lease transaction

Outstanding lease amounts

Within one year	¥4 million
More than one year	¥10 million
Total	¥15 million

(Impairment losses)

No asset impairment loss is allocated to assets for lease.

Interim term ending September 2007 (Six Months)

1.Finance leases in which the right of ownership is not transferred to the lessee

(1) Purchase cost, accumulated depreciation, impairment losses and balance at end of period (In millions of yen)

	Purchase cost	Accumulated depreciation	balance at end of period
Assets for Lease	2,079	1,152	926
Equipment and Vehicles	24	12	11
Tools, Furniture and Fixtures	425	216	209
Software	232	86	146
Total	2,762	1,468	1,293

(2) Amount equivalent to the closing balance of the unearned lease fees

Within one year	¥679 million
More than one year	¥661 million
Total	¥1,340 million

(3) Lease payments,impairment loss account write-off,depreciation expenses, interest expenses and impairment losses

Lease payments	¥438 million
Depreciation expenses	¥420 million
Interest expenses	¥16 million

(4) Method of calculating depreciation expenses

Same as the left

(5) Method of calculating interest expense

Same as the left

Future lease payments

Within one year	¥0 million
More than one year	¥1 million
Total	¥1 million

(Notes) All of the foregoing is the amount equivalent to the closing balance of unearned lease fees for sub-lease transactions for the lessor.
The amount equivalent to the balance for the lessee is the same.

2. Operating lease transaction

Outstanding lease amounts

Within one year	¥5 million
More than one year	¥10 million
Total	¥15 million

(Impairment losses)

Same as the left

Fiscal year ended March 2007 (One Year)

1.Finance leases in which the right of ownership is not transferred to the lessee

(1) Purchase cost, accumulated depreciation, impairment losses and balance at end of period (In millions of yen)

	Purchase cost	Accumulated depreciation	balance at end of period
Assets for Lease	2,219	1,235	984
Equipment and Vehicles	24	10	13
Tools, Furniture and Fixtures	436	213	223
Software	223	61	161
Total	2,903	1,521	1,382

(2) Amount equivalent to the closing balance of the unearned lease fees

Within one year	¥712 million
More than one year	¥717 million
Total	¥1,430 million

(3) Lease payments,impairment loss account write-off,depreciation expenses, interest expenses and impairment losses

Lease payments	¥1,098 million
Depreciation expenses	¥1,057 million
Interest expenses	¥34 million

(4) Method of calculating depreciation expenses

Same as the left

(5) Method of calculating interest expense

Same as the left

Future lease payments

Within one year	¥0 million
More than one year	¥1 million
Total	¥1 million

(Notes) All of the foregoing is the amount equivalent to the closing balance of unearned lease fees for sub-lease transactions for the lessor.
The amount equivalent to the balance for the lessee is the same.

2. Operating lease transaction

Outstanding lease amounts

Within one year	¥5 million
More than one year	¥12 million
Total	¥18 million

(Impairment losses)

Same as the left

Relating to Marketable Securities

1.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

2.Interim consolidated accounting period (September 30, 2007)

(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	1,600	1,620	19
(ii) Bonds			
National Municipal	2,510	2,510	0
Corporate Bonds	--	--	--
Other	2,996	2,995	∆0
(iii) Other	330	330	0
Total	7,437	7,457	19

(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	1
(ii) Other Marketable Securities	
Unlisted Stocks (excluding OTC Stocks)	95
Total	96

1. Fiscal year ended Mar. 2007 (March 31, 2007)

(1) Marketable Securities with Readily Determinable Market Value

(In millions of yen)

Classification	Acquisition Price	Amounts booked on consolidated balance sheet	Difference
Those whose values recorded on the consolidated balance sheet exceed the acquisition price			
(i) Stocks	1,014	1,360	346
(ii) Bonds			
National Municipal	999	999	0
Corporate Bonds	--	--	--
Other	--	--	--
(iii) Other	30	30	0
Sub-Total	2,043	2,389	346
Those whose values recorded on the consolidated balance sheet does not exceed the acquisition price			
(i) Stocks	--	--	--
(ii) Bonds			
National Municipal	511	511	(-)0
Corporate Bonds	--	--	--
Other	1,997	1,997	(-)0
(iii) Other	306	293	(-)12
Sub-Total	2,815	2,802	(-)12
Total	4,858	5,192	334

(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	1
(ii) Other Marketable Securities	
Unlisted Stocks	95
Total	96

(Relating to Derivative Transactions)

Interim term ending September 2006 (As of Sept.30, 2006)	Interim term ending September 2007 (As of Sept.30, 2007)	Fiscal year ended March 2007 (As of Mar. 31, 2007)
As hedge accounting is applied, there are no derivative transactions subject to disclosure.	Same as the left	Same as the left

(Segment Information)

1. Segment Information by Business

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 “Significant Matters in Preparation of Consolidated Financial Statements” 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.

Interim Consolidated accounting period (April 1, 2007 ~ September 30, 2007)

(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	15,748	11,288	3,264	30,302	--	30,302
(2) Internal Sales among Segments or Transfers	453	29	622	1,105	(1,105)	--
Total	16,202	11,318	3,887	31,408	(1,105)	30,302
Operating Expenses	16,311	10,609	3,739	30,661	(1,128)	29,532
Operating Income	∆109	708	147	747	22	769

(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, advertisement and exhibition equipment.

3. As described in the “Significant matters in preparation of interim consolidated financial statements” (Changes in accounting policies), the companies that submit interim consolidated financial statements and domestic consolidated subsidiaries changed the depreciation method of tangible fixed assets from the declining-balance method to the straight-line method.
   As a result of this change, compared with figures based on the previous method, operating expenses and operating losses of the furniture and interior business fell 49 million yen each. In the nursing-care welfare equipment business, operating expenses declined 55 million yen while operating income rose by the same amount. In the other business, operating expenses declined 18 million yen while operating income rose by the same amount. Operating expenses of the elimination of corporate wide declined 0 million yen while operating income rose by the same amount.

4. As described in the “Significant matters in preparation of interim consolidated financial statements” (Additional information), assets acquired before March 31, 2007 are included in depreciation by evenly depreciating the difference between the amount equivalent to 5% of the acquisition costs and memorandum value over five years, from the consolidated fiscal year following a consolidated fiscal year when depreciation reached 5% of acquisition costs, in accordance with a depreciation method based on the Corporation Tax Law before the revision.
   As a result, compared with figures based on the previous method, operating expenses and operating losses of the furniture and interior business each increased 20 million yen. In the nursing-care welfare equipment business, operating expenses increased 6 million yen while operating income declined by the same amount. In the other business, operating expenses rose 1 million yen while operating income declined by the same amount.

Fiscal year ended Mar. 2007 (Commenced Apr 1, 2006 and ended Mar 31, 2007)

(In millions of yen)

Classification	Home Furnishing	Acute and Long Term Care	Other	Total	Elimination of Corporate Wide	Consolidated
1. Sales and Operation Income and Expenses Sales						
(1) Sales to External Customers	33,846	25,428	6,930	66,205	--	66,205
(2) Internal Sales among Segments or Transfers	616	22	613	1,253	(1,253)	--
Total	34,462	25,451	7,544	67,459	(1,253)	66,205
Operating Expenses	33,828	22,924	7,212	63,965	(1,350)	62,615
Operating Income	634	2,526	332	3,493	96	3,590

(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 equipment, real estate rental, advertisement and exhibition equipment.

3. Of the Operating Expenses, principal unallocable operating expenses (¥973 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 “Change in important matters as the basis for the preparation of consolidated financial statements,” the method to record sales revenue from assets for lease was changed from recording in non-operating income to recording in sales. Sales revenue from assets for lease is included in the nursing care welfare equipment business for indication. Because of this change, compared with the past method, sales and operating income of the nursing care welfare equipment business increased 1,038 million yen each.

2. Segments by Location

(1) 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.

(2) Interim consolidated accounting period (Commenced April 1, 2007 and ended September 30, 2007)
Sales in Japan accounted for more than 90% of total sales of all segments. Consequently, a breakdown of sales by region is omitted.

(3) Fiscal year ended March 2007 (Commenced April 1, 2006 and ended March 31, 2007)
Sales in Japan accounted for more than 90% of total sales of all segments. Consequently, a breakdown of sales by region is omitted.

3. Overseas Sales

(1) 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.

(2) Interim consolidated accounting period (Commenced April 1, 2007 and ended September 30, 2007)
As the Overseas Sales comprise less than 10% of the Consolidated Sales, the item has been omitted.

(3) Fiscal year ended March 2007 (Commenced April 1, 2006 and ended March 31, 2007)
As the Overseas Sales comprise less than 10% of the Consolidated Sales, the item has been omitted.

(Per Share Information)

Interim term ending September 2006 (Six Months)	Interim term ending September 2007 (Six Months)	Fiscal year ended March 2007 (One Year)
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 ¥180.48 Earnings per share ¥2.11 Same as the left	Net Assets per Share ¥181.60 Earnings per share ¥8.69 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 2006 (Six Months)	Interim term ending September 2007 (Six Months)	Fiscal year ended March 2007 (One Year)
Net Income (¥ million)	1,160	485	1,994
Amount not attributable to Common Stock(¥ million)	--	--	--
Net Income attributable to Common Stock(¥ million)	1,160	485	1,994
Average Number of Outstanding Common Shares during the Period (thousand shares)	229,458	229,450	229,456

(Material Subsequent Events)

No corresponding items.