Results for the fiscal year ended March 2008

May 15, 2008

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 & C.E.O.
Contact Person : Kotaro Hoshikawa, Executive director & C.F.O. (Accounting Group)
Tel : +81-3-5338-1081
Scheduled date of Ordinary General Shareholders' Meeting : June 20, 2008
Scheduled date to submit Securities Report : June 20, 2008
Scheduled date to begin dividend payments : June 23, 2008
(Figures presented have been rounded down to the nearest unit presented)

1.Consolidated results for the fiscal year ended March 2008 (April 1, 2007 ~ March 31, 2008)

(1) Consolidated Management Performance

(% change from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2008	60,391	Δ8.7	1,699	Δ52.6	1,671	Δ54.0	439	Δ77.9
Fiscal year ended March 2007	66,205	Δ5.7	3,590	Δ10.5	3,636	Δ12.1	1,994	Δ4.6

	Net income per share	Fully diluted net income per share	Return on equity	Ratio of Ordinary income to total assets	Ratio of operating income to net sales
	yen	yen	%	%	%
Fiscal year ended March 2008	1.91	—	1.0	2.6	2.8
Fiscal year ended March 2007	8.69	—	4.8	5.5	5.4

(For reference) Investment Gains and Losses due to Equity Method : Fiscal year ended March 2008 - \ --,
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
Fiscal year ended March 2008	61,992	40,877	65.9	178.15
Fiscal year ended March 2007	65,501	41,669	63.6	181.60

(For reference) Shareholders' equity : Fiscal year ended March 2008 ¥40,877 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
Fiscal year ended March 2008	983	Δ2,778	Δ1,159	9,645
Fiscal year ended March 2007	2,736	Δ2,768	Δ1,371	12,605

2.Dividends

	Dividends per share			Total dividends (annual)	Dividend propensity (consolidated)	Ratio of dividends to net assets (Consolidated)
	Interim period-end	Second half	Full fiscal year			
	yen	yen	yen	Million yen	%	%
Fiscal year ended March 2007	2.50	2.50	5.00	1,147	57.5	2.7
Fiscal year ended March 2008	2.50	2.50	5.00	1,147	261.7	2.7
Fiscal year ended March 2009 (Outlook)	2.50	2.50	5.00		191.5	

3.Forecasts of results for the Fiscal Year Ending March 2009 (April 1, 2008 ~ March 31, 2009)

(Percentage figures for full fiscal years are changes from the previous fiscal year, and those for the interim period are changes from the previous interim period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Interim	29,100	Δ3.9	640	Δ16.8	640	Δ16.4	260	Δ46.4	1.13
Annual	58,900	Δ2.4	1,440	Δ15.2	1,330	Δ20.4	630	43.3	2.74

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 consolidated financial statements
(Changes in material items that form the basis for the preparation and presentation of the 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 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)
Fiscal year ended March 2008 : 239,487,500 shares Fiscal year ended March 2007 : 239,487,500 shares
(B) Number of treasury shares
Fiscal year ended March 2008 : 10,041,875 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 38.

(Reference) Outline of unconsolidated financial results

1.Unconsolidated results for the fiscal year ended March 2008 (April 1, 2007 ~ March 31, 2008)

(1) unconsolidated Management Performance

(% change from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2008	2,316	Δ10.0	1,380	Δ10.7	1,395	Δ9.9	1,305	Δ10.2
Fiscal year ended March 2007	2,573	Δ0.1	1,546	Δ4.3	1,549	Δ4.0	1,453	Δ6.6

	Net income per share	Fully diluted net income per share
	yen	yen
Fiscal year ended March 2008	5.68	—
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
Fiscal year ended March 2008	57,730	42,101	72.9	183.49
Fiscal year ended March 2007	59,611	41,945	70.3	182.80

(For reference) Shareholders' equity : Fiscal year ended March 2008 ¥42,101 million
Fiscal year ended March 2007 ¥41,945 million

2. Unconsolidated forecasts of results for the Fiscal Year Ending March 2009
(April 1, 2008 ~ March 31, 2009)

(Percentage figures for full fiscal years are changes from the previous fiscal year, and those for the interim period are changes from the previous interim period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Interim	1,220	3.1	660	Δ1.4	660	Δ2.4	610	Δ1.5	2.65
Annual	2,440	5.3	1,320	Δ4.3	1,320	Δ5.3	1,220	Δ6.5	5.31

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 of the Fiscal Year

During the first half of the fiscal year under review, the Japanese economy continued its recovery, albeit at a moderate pace, underpinned by improvement in corporate earnings and expansion in private-sector capital spending. From the middle of the year, however, there was growing uncertainty over the economic future wrought by the soaring cost of energy and raw materials, fears of an economic slowdown in the United States triggered by the sub-prime loan problem, and a slump in housing starts stemming from the amendment of the Building Standards Law. In this environment, the Group focused on developing and providing new and high value-added products and services. We also sought to build our presence in overseas markets.
Consequently, the consolidated sales of the Group stood at 60,391 million yen, slipping 8.7% from the previous fiscal year, for the fiscal year under review. Operating income declined 52.6% from the previous fiscal year, to 1,699 million yen. Recurring income decreased 54.0%, to 1,671 million yen, while net income stood at 439 million yen, down 77.9%.
The results of each business segment are as shown below.

(Home furnishing business)
In the home furnishing business, the impact of the amendment of the Building Standards Law enforced in June 2007 materialized as a major decrease in housing starts, and, as a result, demand for general household furniture was extremely slack. Also, with rising imports of low-priced furniture from Asian countries, sales competition with overseas manufacturers as well as domestic manufacturers grew increasingly fierce, and the operating environment in the home furnishing business remained extremely challenging.
In this environment, the Group developed high-quality, high value-added products as part of its manufacturing activities, while at the same time opening showrooms to establish a system enabling furniture retailers to sell high-end products. To use these showrooms more effectively by making them available as a “second exhibition space” not only to local furniture retailers but also to housing manufacturers, condominium developers and property renovators that do not have their own selling space, we established a marketing division and stepped up measures for contracted use. In the fiscal year under review, in addition to our existing showrooms, we opened new showrooms in Hiroshima, Asahikawa, Mito, Takamatsu, Sendai and Kobe cities, and refurbished and reopened showrooms in Tosu and Roppongi, Minato-ku, to run 18 showrooms nationwide. Additionally, to offset the decline in sales of beds and furniture, which are the primary products in this segment, we also put effort into the promotion of health-related products and feather futons.
As a result of these initiatives, in the home furnishing business, sales stood at 31,015 million yen, down 8.3% from the previous fiscal year. Meanwhile, despite efforts to improve distribution efficiency and cut labor costs to offset higher prices for raw materials following the surge in crude oil prices, operating losses amounted to 171 million yen (compared with profit of 634 million yen the previous fiscal year).

(Acute and long-term care business)
The welfare equipment rental market showed a tendency to recover from the major decline that resulted when insurance payments for people who require minor nursing care were restricted following the amendments to the Nursing-Care Insurance Law in April 2006. By rental product category, handrails and walkers registered significant increases both in terms of the number of rentals and amount of insurance payments. Special beds showed slower growth than prior to the amendments both in terms of the number of rentals and amount of insurance payments, reflecting the fact that although cases in which people who require minor nursing care take advantage of special measures are gradually emerging, on the other hand, in some cases, people certified as requiring care i.e Category 2 hesitate to take advantage of special measures.
In this environment, the Group worked to restore rental sales by strengthening ties with medical organizations, launching new products in categories such as handrails and walkers, improving the qualifications of employees, with marketing staff gaining welfare equipment planner qualifications, and also improving the quality of services by ensuring the comfort and safety of rental equipment.
To increase product sales, we pushed ahead with initiatives for business expansion in the area of health, sleep and home medical equipment, promoting business expansion in home medical equipment such as aspirators at all our marketing bases, and also opening a health, sleep and medical shop in Roppongi in December 2007. Products sold in this shop include health-related products, such as home massage equipment and elastic stockings to prevent swelling, products that facilitate a pleasant sleep, such as the utubuse bed (a bed for lying with face down), and products that support home care through home medical equipment.

In the home improvement area, we stepped up efforts in the area of general renovation not covered by nursing-care insurance. In Hiroshima and Sendai, we relocated our marketing bases to establish new offices and service centers attached to furniture and interior showrooms of France Bed Co., Ltd. with the aim of strengthening cooperation among companies in the France Bed Group and enhancing marketing capabilities, and in the meantime we continued to employ cost-cutting measures by streamlining marketing bases and reviewing selling, general and administrative expenses, principally advertising expenses.
As a result, in the nursing-care welfare equipment business, sales stood at 23,293 million yen, down 8.3% year on year, while operating income declined 39.0%, to 1,538 million yen.

(Real estate lease business)
lThe Group makes effective use of the real estate held by group companies in line with the business expansion of each company. This business segment's internal sales, which are revenues from the lease of real estate among group companies, amounted to 237 million yen. Meanwhile, transactions with non-group companies included a real estate lease transaction involving residential exhibition space in Kodaira City, and such sales to external customers totaled 180 million yen. As a result, in real estate lease business operating income was 262 million yen, up 17.6% from the previous year.
Previously real estate lease business was included in "Other businesses," but, starting from the fiscal year under review, this business will be recorded separately as "Real estate lease business" in accordance with Form 1 (Note 11) of the Regulation for Terminology, Forms and Preparation of Consolidated Financial Statements, as the absolute value of the operating income of this business represents at least 10% of the absolute value of the total operating income of the segment generating the operating income.

(Other businesses)
In the door-to-door sales business, excessive sales by some retailers using shopping loans became a social problem, and, as a result of measures to prevent excessive sales by credit sales companies, sales to existing door-to-door sales customers are in continued decline. In the light of this situation, the Group sold products in lower price brackets without using credit sales companies and employed sales techniques using the showrooms of France Bed Co., Ltd. that did not involve door-to-door sales. In January 2008 we also launched our own monthly instalment plan in place of credit sales transactions. This system is for the convenience of existing credit sales users and is likely to contribute to expansion in sales.
Meanwhile, in commodities and sundries sales business, we worked to achieve high sales, withdrawing from unprofitable businesses by maintained a scrap-and-build approach with our shops, and adopting products that meet customer needs.
Consequently, in other businesses sales stood at 5,902 million yen, down 12.1% year on year, Operating losses amounted to 23million yen, compared with a profit of 109million yen for the same period a year ago.

② Outlook for Fiscal year ended March 2009
The Japanese economy is expected to continue slowing due to the soaring cost of crude oil and raw materials and uncertainty over the future of global financial markets.
In this environment, the Group will aggressively expand the nursing-care welfare equipment business given the continuing expansion of Japan's elderly population, but the operating environment in the home furnishing business is expected to remain severe due to the intensification of competition fueled by rising imports and the soaring cost of raw materials.
As a result, in our forecasts for the next fiscal year, we expect disappointing results as in the fiscal year under review, with consolidated sales of 58,900 million yen, consolidated operating income of 1,440 million yen, consolidated recurring income of 1,330 million yen and net income of 630 million yen.

(2) Analysis of Financial Position
① Status of balance sheet
Total assets at the end of the fiscal year under review declined 3,508 million yen from the end of the previous fiscal year to 61,992 million yen. Current assets decreased 4,599 million yen to 34,013 million yen. This decline is mainly attributable to the fact that trade notes and accounts receivable fell 1,426 million yen owing to decreased sales, and cash and deposits dropped 2,942 million yen. Fixed assets increased 1,090 million yen to 27,978 million yen. This increase is mainly attributable to expansion in plant, property and equipment of 748 million yen partly due to the establishment of a Tohoku office.
Liabilities amounted to 21,115 billion yen, down 2,716 million yen compared with the end of the previous year. This decline is mainly attributable to the fact that trade notes and accounts payable fell 1,343 million yen and the reserve for employees' retirement benefits shrank by 481 million yen.
Net assets decreased 792 million yen to 40,877 million yen, reflecting the increase associated with net income of 439 million yen and a decrease with the payment of 1,147 million yen in dividends.
As a result, shareholders' equity ratio rose from 63.6% at the end of the previous fiscal year, to 65.9%.

② Status of cash flow

Cash flow for the fiscal year under review showed a decline in cash and cash equivalents of 2,960 million yen from the beginning of the current term, to 9,645 million yen.
Details of each cash flow item are given below.

(Cash flow from operating activities)
In the fiscal year under review there was a net cash outflow from operating activities of 983 million yen, 1,752 million yen less than the net cash inflow of the previous year. This is largely attributable to the fact that although depreciation cost was more or less the same as in the previous fiscal year and income tax payments decreased sharply compared with the previous year, net income before income taxes and minority interests was 1,704 million yen, 1,993 million yen less than the previous year.

(Cash flow from investing activities)
There was a net cash outflow from investing activities of 2,778 million yen, showing an increase in expenditure of 900 million yen compared with the previous year. This principally reflects expenditure on the acquisition of plant, property and equipment of 2,924 million yen.

(Cash flow from financing activities)
There was a net cash outflow from financing activities of 1,159 million yen, which represents a decrease in expenditure of 212 million yen compared with the previous year. This is largely attributable to dividend payments of 1,144 million yen.

(Reference) Trend of cash flow indicators

	(Reference) Term ended September 2004 (6 months)	(Reference) Term ended March 2005 (6 months)	Term ended March 2006	Term ended March 2007	Term ended March 2008
Equity Ratio (%)	56.7	60.5	61.7	63.6	65.9
Equity Ratio at Market Value (%)	90.9	100.8	99.9	83.7	49.5
Ratio of interest-bearing debt to cash flow(%)	—	—	1.3	1.9	5.4
Interest Coverage Ratio (times)	14.1	7.7	50.9	29.3	9.7

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
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 consolidated balance sheet and were incurring interest were included in interest bearing liabilities.

(3) Fundamental policy for distribution of earnings, and Fiscal 2008 and Fiscal 2009 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 line with the above policy, the Company plans to make a 5.00yen per share dividend for the current consolidated fiscal year under review. We plan to pay dividends of 5.00yen per share for the next term.

(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 accounting term.

① 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.

② Product faults

The group companies manufacture various products at their respective plants in accordance with JIS and their own quality standards that are more stringent than JIS known as FES (Francebed Engineering Standards).
However, there is no guarantee that faults will not occur in any of the products. Moreover, although group companies have taken out insurance in relation to product liability, there is no guarantee that this insurance will ultimately be able to adequately cover the amount of compensation to be borne and it is not necessarily true that group companies will be able to continue paying into such insurance.
If 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.

③ Unauthorized disclosure of personal information, etc.

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

④ With Respect to Credit

The Company Group has been engaged in various operational transactions and bears credit risk relatedto losses resulting from the deterioration in the credit standing and bankruptcy of business partners, etc. To control this risk, the Company stipulates the credit limit and payment method for each business partner and manages credit risk flexibly through the establishment of a committee for the protection of account receivables.
However, it is difficult to remove all such risk, so deterioration in the credit standing or bankruptcy of business partners is likely to impact the business results and financial standing of the Company Group.

⑤ Exchange rate fluctuation, etc.

The group companies are engaged in import and export transactions of raw materials and the products they handle and, with respect to foreign-currency-denominated monetary claims and obligations in relation to this (includes foreign currency options) there is the risk of fluctuation in exchange rates. Therefore group companies are engaged in derivative transactions to hedge the risk of exchange rate fluctuations, but it is impossible to eliminate all such risk including the indirect impact of exchange rate fluctuations.Therefore, fluctuation in exchange rates may affect the results and financial status of group companies. The export and import transactions of group companies take place with multiple countries particularly in Asia and Europe, and in the future the balance of such transactions is expected to increase.
Therefore, deterioration in the export and import environment as a result of changes in the economic situation of each country, the occurrence of disasters, etc. may affect the results and financial position of group companies.

2.Corporate Group

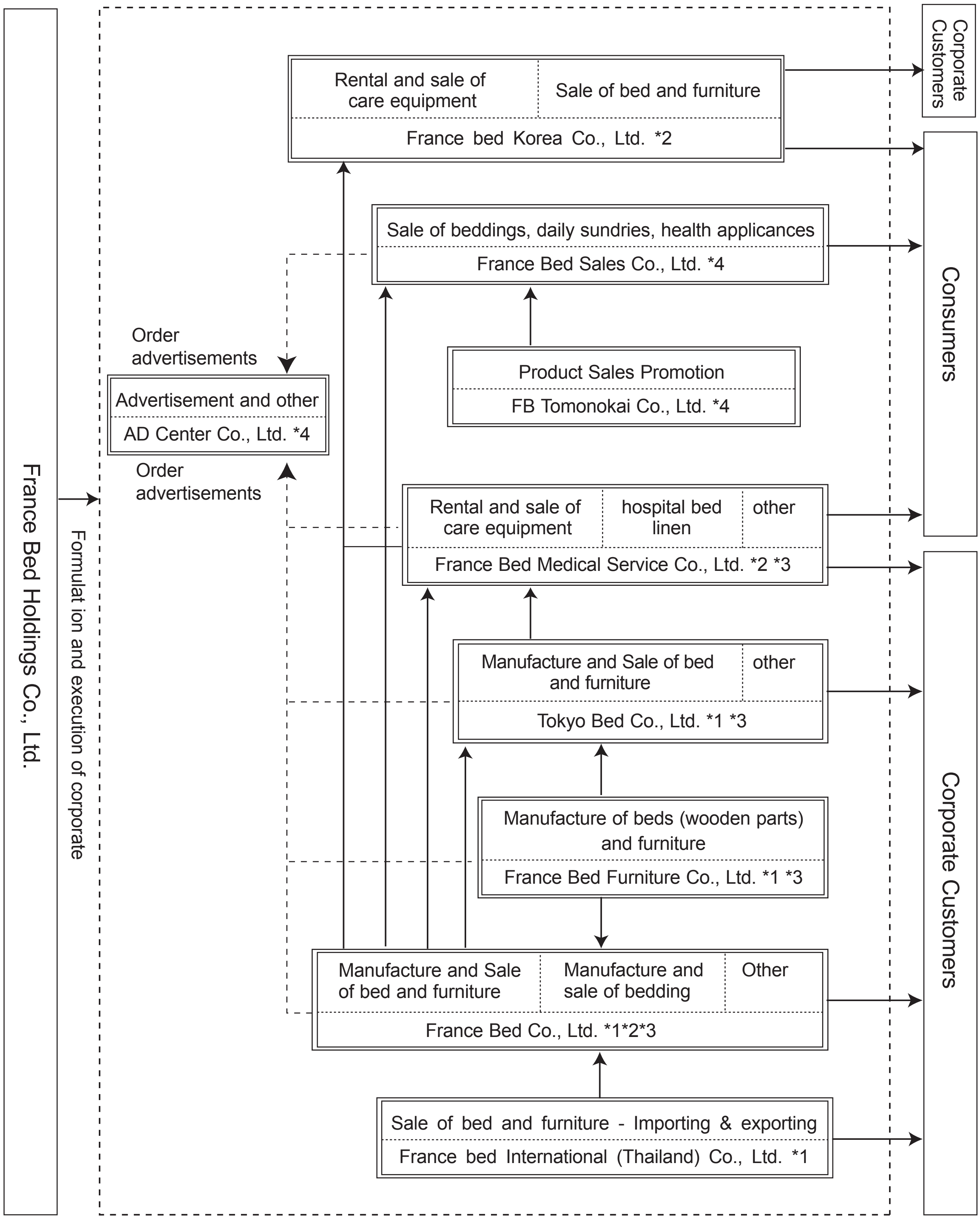
The Corporate Group is comprised of the Company and nine subsidiary companies and are primarily engaged in Home furnishing business, Acute and long-term care business, Real estate lease business and other businesses. The relationship between the positioning of the Group businesses and business segment is described below. The classification used in the business segment in the segment information is the same as one applied below.

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

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

Schematic summary of the businesses is as shown below.

(Operating Structure)



*1 : Home Furnishing Business

*2 : Acute and long-term care Business

*3 : Real estate lease business

*3 : Other Business

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) Issues facing the Company

The operating environments of the home furnishing business and the nursing-care welfare equipment business, the Groups core businesses, are both challenging, given the successive amendments to laws that affect the earnings of each business in addition to the stagnation of domestic demand and the intensification of sales competition.
In the light of these conditions, the Group has resolved to merge France Bed Co., Ltd. and France Bed Medical Service Co., Ltd., core subsidiaries in the home furnishing business and the nursing-care welfare equipment business respectively, with effect April 1, 2009. Since their management integration, both companies have sought to improve their managerial efficiency and integrity and bolster their corporate position while maintaining their respective independence, but with this merger the two companies will be completely unified with the aim of early actualization of the effects of integration and optimization of the Group's corporate value.
To achieve these aims, we will undertake initiatives such as the following.
① Realize efficient, speedy decision-making by simplifying the management structure.
② Promote the integration of indirect businesses and the integration of offices nationwide to improve business efficiency.
③ Speed up the shift of personnel from the home furnishing business to the nursing-care welfare equipment business, promote the effective utilization of management resources, and aim for growth and improvement of the operating margin in the nursing-care welfare equipment business.
④ Promote the market-linked development of products that score high marks in customer satisfaction and provide products and services that rank among the best in the industry by unifying manufacturing capabilities in the nursing-care welfare equipment business.
⑤ Seek to restore earning capacity in home furnishing business by conducting a review of staff assignment, establishing efficient production and marketing structures, putting effort into product development compatible with Japan's aged society, and expanding exports and other overseas business.
Moving forward, we will draw up plans and make preparations for the merger, and after the merger we will continue to refine structures to enable smooth business execution.

(3) Other Important Matters Related to Management

Not applicable.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(In millions of yen)

Account	Fiscal year ended Mar. 2007 (As of Mar.31, 2007)	Fiscal year ended Mar. 2008 (As of Mar.31, 2008)	Increase (decrease)
(Assets)			
1. Current Assets			
Cash and Deposits	9,123	6,181	(-)2,942
Notes and Account Receivable - Trade	13,204	11,777	(-)1,426
Marketable Securities	3,497	3,498	0
Inventory	10,385	10,360	(-)25
Deferred Income Tax Assets	1,062	884	(-)178
Other	1,402	1,362	(-)40
Allowance for Doubtful Accounts	(-)63	(-)50	12
Total Current Assets	38,613	34,013	(-)4,599
2. Fixed Assets			
Tangible Fixed Assets			
Assets for Lease	1,192	1,446	253
Buildings and Structures	4,948	5,520	572
Equipment and Vehicles	1,077	1,065	(-)12
Tools, Furniture and Fixtures	348	379	31
Land	6,577	6,522	(-)55
Construction in Progress	88	48	(-)40
Total Tangible Assets	14,233	14,982	748
Intangible Fixed Assets			
Software	551	387	(-)164
Other	22	29	7
Total Intangible Fixed Assets	573	417	(-)156
Investments and Other Assets			
Investment Securities	1,791	1,658	(-)132
Long Term Loans	33	48	15
Deferred Income Tax Assets	2,536	2,527	(-)9
Prepaid Pension Expense	5,455	5,820	364
Other	2,407	2,703	296
Allowance for Doubtful Accounts	(-)143	(-)178	(-)34
Total Investments and Other Assets	12,080	12,579	498
Total Fixed Assets	26,887	27,978	1,090
Total Assets	65,501	61,992	(-)3,508

(In millions of yen)

Account	Fiscal year ended March 2007 (As of Mar. 31, 2007)	Fiscal year ended March 2008 (As of Mar. 31, 2008)	Increases and decreases
(Liabilities)			
1.Current Liabilities			
Notes and account payable - trade	8,052	6,709	(-)1,343
Accrued factoring liabilities	1,333	1,305	(-)27
Short term borrowings	5,108	5,277	168
Long term borrowings coming due within 1 year	180	48	(-)131
Accrued corporate taxes	671	362	(-)308
Accrued consumption tax	114	54	(-)59
Deferred tax liability	-	0	0
Reserve for bonuses	1,400	1,278	(-)122
Reserve for director's bonuses	87	35	(-)52
Reserve for part exchange loss	-	143	143
Other	3,075	2,644	(-)431
Total Current Liabilities	20,023	17,860	(-)2,163
2.Fixed Liabilities			
Long Term Borrowings	48	-	(-)48
Deferred tax liability	-	2	2
Reserve for Retirement Benefits	3,032	2,550	(-)481
Reserve for Directors Retirement Bonuses	448	465	17
Other	279	236	(-)43
Total Fixed Liabilities	3,808	3,255	(-)553
Total Liabilities	23,832	21,115	(-)2,716
(Net assets)			
1.Shareholders' equity			
Capital stock	3,000	3,000	-
Capital Surplus	5,117	5,117	(-)0
Retained earnings	36,293	35,585	(-)707
Treasury Shares	(-)2,950	(-)2,952	(-)1
Total Shareholders' equity	41,460	40,751	(-)709
2.Valuation and translation gain and loss			
Valuation gain and loss on other securities	198	95	(-)103
Gain and loss on deferred hedge	(-)2	15	18
Translation adjustments	12	15	2
Total valuation and translation gain and loss	208	126	(-)82
Total Net assets	41,669	40,877	(-)792
Total liabilities and shareholders' equity	65,501	61,992	(-)3,508

(Notes)
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) Consolidated Statement of Income

(In millions of yen)

Account	Fiscal year ended March 2007 (Apr. 1, 2006 - Mar. 31, 2007)	Fiscal year ended March 2008 (Apr. 1, 2007 - Mar. 31, 2008)	Increases and decreases	
1. Net Sales	66,205	60,391	(-)5,813	(-)8.7%
2. Cost of Sales	36,397	34,107	(-)2,289	
Gross Income	29,808	26,284	(-)3,524	(-)11.8%
3. Selling, General and Administrative Expense	26,218	24,584	(-)1,633	
Operating Income	3,590	1,699	(-)1,891	(-)52.6%
4. Other Income				
Interest Income	23	50	27	
Dividend Income	34	32	(-)2	
Insurance Income	66	-	(-)66	
Life Insurance Dividend Income	39	-	(-)39	
Member reserve fund adjustment profit	-	51	51	
Other	185	181	(-)4	
Total Other Income	349	315	(-)33	
5. Other Expenses				
Interest Expense	84	100	15	
Sales Discounts	70	62	(-)7	
Commission paid	39	39	0	
Exchange loss	-	64	64	
Other	109	76	(-)33	
Total Other Expenses	303	343	39	
Ordinary Income	3,636	1,671	(-)1,964	(-)54.0%
6. Extraordinary Income				
Gains on Prior Year Adjustment	94	65	(-)29	
Gains form Sale of Fixed Assets	66	803	737	
Gains on sales of investment securities	2	-	(-)2	
Other	-	3	3	
Total Extraordinary Income	163	872	709	
7. Extraordinary Losses				
Loss from Prior Year Adjustment	6	21	14	
Losses from Sale of Fixed Assets	0	2	1	
Loss from Removal of Fixed Assets	89	85	(-)3	
Loss on impairment of fixed assets	2	-	(-)2	
Loss on sales of investment securities	0	0	(-)0	
Loss on revaluation of investment securities	-	539	539	
Part exchange loss	-	151	151	
Other	3	39	35	
Total Extraordinary Losses	102	840	737	
Net Income before Tax	3,697	1,704	(-)1,993	(-)53.9%
Corporate Income Tax, Resident Tax	1,635	1,015	(-)619	
and Enterprise Tax	72	249	176	
Minority interests	(-)4	-	4	
Net Income	1,994	439	(-)1,555	(-)77.9%

(3) 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.

Fiscal year ended March 2008 (Apr. 1, 2007 – Mar. 31, 2008)

(In millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' Equity
Balance at March 31, 2007	3,000	5,117	36,293	(-)2,950	41,460
Changes during the period					
Cash dividends paid			(-)1,147		(-)1,147
Net income			439		439
Purchases of treasury stock				(-)1	(-)1
Disposal of treasury stock		(-)0		0	0
Changes, net, in items other than shareholders' equity					
Total change during the period	-	(-)0	(-)707	(-)1	(-)709
Balance at March 31, 2008	3,000	5,117	35,585	(-)2,952	40,751

	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, 2007	198	(-)2	12	208	41,669
Changes during the period					
Cash dividends paid					(-)1,147
Net income					439
Purchases of treasury stock					(-)1
Disposal of treasury stock					0
Changes, net, in items other than shareholders' equity	(-)103	18	2	(-)82	(-)82
Total change during the period	(-)103	18	2	(-)82	(-)792
Balance at March 31, 2008	95	15	15	126	40,877

(4) Consolidated Statement of Cash Flow

(In millions of yen)

Account	Fiscal year ended March 2007 (Apr. 1, 2006 – Mar. 31, 2007)	Fiscal year ended March 2008 (Apr. 1, 2007 – Mar. 31, 2008)
1. Cash flows from operating activities		
Net income before tax and minority interests	3,697	1,704
Depreciation	1,876	1,810
Loss on impairment of fixed assets	2	-
Gains from sale of fixed assets	(-)66	(-)803
Losses on sale and removal of fixed assets	77	70
Gains on sales of investment securities	(-)2	-
Loss on sales of investment securities	0	0
Loss on revaluation of investment securities	-	539
Change in allowance for doubtful accounts	(-)157	21
Changes in reserve for bonuses	(-)139	(-)122
Changes in reserve for director's bonuses	85	(-)52
Changes in reserve for part exchange loss	-	143
Changes in reserve for retirement benefits and prepaid pension expense	(-)664	(-)845
Change in reserve for directors retirement bonuses	25	17
Interest income and dividend income	(-)57	(-)82
Interest expense	84	100
Exchange loss	-	60
Change in account receivables	623	1,415
Change in inventory	(-)329	(-)6
Change in procurement obligations	476	(-)1,333
Change in accrued factoring liabilities	(-)640	(-)27
Change in accrued expenses	(-)134	(-)83
Change in accrued consumption tax	(-)6	(-)5
Directors bonuses paid	(-)94	-
Other	286	(-)113
Sub-Total	4,944	2,409
Interest and dividends received	57	81
Interest paid	(-)93	(-)101
Corporate taxes paid	(-)2,172	(-)1,405
Cash flows from operating activities	2,736	983
2. Cash flows from investing activities		
Investments in time deposits	(-)0	(-)319
Decrease in term deposits	160	-
Proceeds from sale of marketable securities	2	1
Expenditures for acquisition of tangible fixed assets	(-)2,584	(-)2,924
Proceeds form sale of tangible fixed assets	14	1,151
Expenditures for acquisition of investment securities	(-)287	(-)586
Proceeds from sale of investment securities	127	0
Expenditure for loans	(-)38	(-)22
Proceeds from recovery of loans	21	21
Other	(-)183	(-)99
Cash flows from investing activities	(-)2,768	(-)2,778
3.Cash flows from financing activities		
Proceeds from Increase in short term borrowings	166	245
Expenditure for repayment of short term borrowings	(-)184	(-)77
Expenditure for repayment of long term borrowings	(-)205	(-)180
Proceeds from the sale of treasury shares	0	0
Expenditure for acquisition of treasury shares	(-)1	(-)1
Payment of dividends	(-)1,146	(-)1,144
Other	(-)0	(-)0
Cash flows from financing activities	(-)1,371	(-)1,159
4. Effect of exchange rate changes on cash and cash equivalents	(-)6	(-)6
5. Net increase(decrease) in cash and cash equivalents	(-)1,410	(-)2,960
6. Beginning balance of cash and cash equivalents	13,932	12,605
7. Cash and cash equivalents of newly consolidated subsidiaries	83	-
8. Cash and cash equivalents at end of period	12,605	9,645

Significant Matters in Preparation of Consolidated Financial Statements

Fiscal year ended March 2007 (Commenced Apr. 1,2006 and ended Mar.31, 2007)	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)
1. Matters Relating to Scope of Consolidation All subsidiaries are included in the scope of consolidation (1) Number of consolidated Subsidiaries: 9 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.	1. Matters Relating to Scope of Consolidation All subsidiaries are included in the scope of consolidation (1) Number of consolidated Subsidiaries: 9 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.
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
3. Matters relating to the fiscal year of the consolidated subsidiaries. The final day of the business year for all consolidated subsidiaries corresponds to the consolidated account settlement date.	3. Matters relating to the fiscal year of the consolidated subsidiaries. Same as the left
4. Matters relating to the accounting standards (1) Valuation basis and method for significant assets (i) Marketable Securities a. Bonds intended to be held to maturity Amortizing cost method (straight line method) b. Other marketable securities With market value: Stated at market value as of the consolidated balance sheet date（with unrealized gains and losses, net of applicable taxes, reported in a separate component of shareholders' equity. The cost of securities sold is determined based on the moving-average. Without market value: Stated at cost determined by the moving-average method (ii)Derivatives Stated at market value (iii)Inventory a. Merchandise, product, and work-in-progress Stated at cost principally based on first in first out method b. Materials and stored goods Stated at cost using most recent purchase method	4. Matters relating to the accounting standards (1) Valuation basis and method for significant assets (i) Marketable Securities a. Bonds intended to be held to maturity Same as the left b. Other marketable securities With market value: Same as the left Without market value: Same as the left (ii)Derivatives Same as the left (iii)Inventory a. Merchandise, product, and work-in-progress Same as the left b. Materials and stored goods Same as the left

Fiscal year ended March 2007 (Commenced Apr. 1,2006 and ended Mar.31, 2007)	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)
(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 3~50 years Equipment and Vehicles 3~15 years Tools, Furniture &Fixtures 2~20 years For small-ticket assets for lease whose acquisition price is less than 200,000yen, they are depreciated in one lot equally over 3 years.	(2) Method of depreciation of significant depreciable assets (i)Tangible Fixed Assets The declining balance method is applied. Useful lives are as follows: Assets for Lease 3~10 years Buildings & structure 3~50 years Equipment and Vehicles 3~15 years Tools, Furniture &Fixtures 2~20 years For small-ticket assets for lease whose acquisition price is less than 200,000yen, they are depreciated in one lot equally over 3 years. (Changes in Accounting Policy) The declining-balance was previously adopted as a method for depreciating tangible fixed assets for companies that submit 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 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 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 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 292 million yen, compared with that based on previous methods, and the gross profit on sales rose 173 million yen. Operating income, recurring income, and net income before taxes increased 281 million yen each. The impact of changes on the segment information is given in the relevant items.

Fiscal year ended March 2007 (Commenced Apr. 1,2006 and ended Mar.31, 2007)	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)
	(Additional Information) In line with the revision on the Corporation Tax Law, companies that submit 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 65 million yen, compared with that based on the previous methods, and gross profit on sales declined 45 million yen. Operating income, recurring income, and net income before taxes fell 59 million yen each. The impact of changes on segment information is given in the relevant items.
(ii)Intangible Fixed Assets Straight-line method is applied. Software for internal office use is depreciated using straight line method over their useful lives (5 years).	(ii)Intangible Fixed Assets Same as the left
(iii)Long term prepaid expenses Equal amortization is applied.	(iii)Long term prepaid expenses Same as the left
(3) Accounting for significant reserves	(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.	(i) Allowance for doubtful accounts Same as the left
(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.	(ii) Reserve for bonuses Same as the left
(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.	(iii) Reserve for director's bonuses Same as the left .
(iv) Reserve for retirement benefits To provide for payments of employees' retirement benefits, an amount deemed to have accrued at the balance sheet date of the current consolidated fiscal year is provided based on the estimated severance and retirement benefit obligations and pension assets as of the balance sheet date. The actuarial differences are expensed using a straight-line method over a period equaling less than the employees average remaining service years at the time of its occurrence (principally 10 years) commencing the succeeding consolidated fiscal year.	(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 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.

Fiscal year ended March 2007 (Commenced Apr. 1,2006 and ended Mar.31, 2007)	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)
(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. (vi) ――――	(v) Reserve for directors' retirement bonuses Companies submitting consolidated financial statements, domestic consolidated 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. (vi) Reserve for parts replacement loss Given that in the period under review parts were replaced due to defects, the Group booked the estimated expense of replacements expected in the future as of the end of the fiscal year under review, to guard against such loss.
(4) Foreign currency-denominated assets and liabilities 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.	(4) Foreign currency-denominated assets and liabilities Same as the left
(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
(6) Hedge Accounting (i) 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. (ii) Hedging tools and hedge targets a.Hedging tools Derivative transactions (currency options and forward foreign exchange contracts) b.Hedge targets Foreign currency denominated monetary obligations subject to foreign exchange volatility risk (including foreign currency denominated planned transactions). (iii) 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.	(6) Hedge Accounting (i) Method of Hedge Accounting Deferred hedge accounting is applied. Foreign-currency denominated claims and obligations with forward foreign exchange contracts are accounted for under deferral hedge accounting. (ii) Hedging tools and hedge targets a.Hedging tools Same as the left b.Hedge targets Foreign-currency denominated claims and obligations subject to foreign exchange volatility risk (including foreign currency denominated planned transactions). (iii) Hedging policy Same as the left

Fiscal year ended March 2007 (Commenced Apr. 1,2006 and ended Mar.31, 2007)	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)
(iv) Method of evaluating hedge effectiveness a.Test in advance Verifies that it is consistent with "Market Risk Management Rules" and"Risk Management Outlines" b.Test after the fact Examination is made whether the market and cash flow fluctuation were avoided vis a vis foreign exchange volatility risk in foreign currency denominated transactions.	(iv) Method of evaluating hedge effectiveness a.Test in advance Same as the left b.Test after the fact Same as the left
(7) Other matters in preparation of consolidated financial statements (i) 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.	(7) Other matters in preparation of consolidated financial statements (i) Accounting for the consumption tax Same as the left
5. Matters relating to the valuation of assets and liabilities of consolidated subsidiaries Assets and liabilities of consolidated subsidiaries are stated at fair market value.	5. Matters relating to the valuation of assets and liabilities of consolidated subsidiaries Same as the left
6. Amortization of goodwill and negative goodwill Given the comparatively insignificant nature of the amount, amortization of goodwill is treated as a cost at the time of accrual	6. ――――――――――
7. Scope of cash in the 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.	7. Scope of cash in the consolidated statement of cash flow Same as the left

(Changes in significant Matters in Preparation of Consolidated Financial Statements)

Fiscal year ended March 2007 (Commenced Apr. 1,2006 and ended Mar.31, 2007)	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)
(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 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 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)

Fiscal year ended March 2007 (Commenced Apr. 1,2006 and ended Mar.31, 2007)	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)
――――――――――	(Consolidated statement of income) Insurance income (21 million yen in the fiscal year under review) and life insurance dividend income (30 million yen) were recorded separately in the previous fiscal year but are now recorded in other non-operating income as they account for no more than 10/100 of non-operating income. Gain on disposition of reserve for members is recorded separately as it exceeds 10/100 of non-operating income. In the previous fiscal year, a gain of 23 million yen was included in other non-operating income. Foreign exchange loss is recorded separately as it exceeds 10/100 of non-operating expense. In the previous fiscal year a loss of 4 million was included in other non-operating expense.
――――――――――	(Consolidated Statement of Cash Flow) Foreign exchange gain/loss was recorded under the heading “Other” in “Cash flows from operating activities” in the previous fiscal year, but it is now recorded separately as it is a more significant amount. The foreign exchange loss included in “Other” in the previous fiscal year was 1 million yen.

Notes

(Relating to the Consolidated Balance Sheet)

<table>
<tr><th>Fiscal year ended March 2007
(Commenced Apr. 1,2006 and ended Mar.31, 2007)</th><th>Fiscal year ended March 2008
(Commenced Apr. 1,2007 and ended Mar.31, 2008)</th></tr>
<tr><td>1. Accumulated depreciation of tangible fixed assets ¥18,946 million

2. Assets Pledged as Collateral
Buildings & Structures ¥144 million
Land ¥29 million
Investment Securities ¥126 million
Total ¥300 million
Obligations to the above
Long term debt ¥28 million
Long term debt maturing within 1 year ¥28 million

3. Contingent Liabilities
The Group provides guarantees for financial institution borrowings by employees. ¥92 million

4. 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

5. 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</td><td>1. Accumulated depreciation of tangible fixed assets ¥19,850 million

2. Assets Pledged as Collateral
Buildings & Structures ¥142 million
Land ¥29 million
Investment Securities ¥96 million
Total ¥268 million
Obligations to the above
Long term debt maturing within 1 year ¥28 million

3. Contingent Liabilities
The Group provides guarantees for financial institution borrowings by employees. ¥81 million

4. ―――――

5. Same as the left</td></tr>
</table>

(Relating to the Consolidated Statement of Income)

<table>
<tr><th>Fiscal year ended March 2007
(Commenced Apr. 1,2006 and ended Mar.31, 2007)</th><th>Fiscal year ended March 2008
(Commenced Apr. 1,2007 and ended Mar.31, 2008)</th></tr>
<tr><td>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</td><td>1. Summary breakdown of selling, general and administrative expenses
Transport and storage fees ¥2,576 million
Provisions to allowance for doubtful accounts ¥61 million
Employees salary and bonuses ¥10,176 million
Provision to reserve for bonuses ¥1,000 million
Accrued directors’ retirement benefits ¥35 million
Retirement benefits expense ¥438 million
Provision to reserve for directors' retirement bonuses ¥79 million</td></tr>
<tr><td>2. Research and development expense included in the selling, general and administrative expenses and the cost of manufacturing for the term under review
In selling, general and administrative ¥27 million
In cost of manufacturing for the term under review ¥222 million
Total ¥249 million</td><td>2. Research and development expense included in the selling, general and administrative expenses and the cost of manufacturing for the term under review
In selling, general and administrative ¥25 million
In cost of manufacturing for the term under review ¥221 million
Total ¥247 million</td></tr>
<tr><td>3. Details of gains from prior period adjustment
Reversals of allowance for doubtful accounts ¥35 million
Prior years' excessive provisions for reserve for bonuses ¥34 million
Accrued legal welfare expenses in excess of last year’s allowance ¥4 million
Other ¥20 million
Total ¥94 million</td><td>3. ―</td></tr>
<tr><td>4. 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</td><td>4. Details of gains from sale of fixed assets
Buildings and structures ¥81 million
Tools, furniture and furnishings ¥1 million
Land ¥702 million
(Intangible fixed assets)Other ¥18 million
Total ¥803 million</td></tr>
<tr><td>5. Details of the loss from sale of fixed assets
Equipment and vehicles ¥0 million
Tools, furniture and furnishings ¥0 million
Total ¥0 million</td><td>5. Details of the loss from sale of fixed assets
Buildings and structures ¥0 million
Equipment and vehicles ¥1 million
Tools, furniture and furnishings ¥0 million
Total ¥2 million</td></tr>
<tr><td>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</td><td>6. Details of losses from removal of fixed assets
Buildings and structures ¥54 million
Equipment and vehicles ¥19 million
Tools, furniture and furnishings ¥10 million
Software ¥0 million
Total ¥85 million</td></tr>
<tr><td>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.</td><td>7. ―</td></tr>
<tr><td>8. ―</td><td>8. Parts replacement loss of 151 million yen includes a transfer to the reserve for parts replacement loss of 143 million yen</td></tr>
</table>

(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 .

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

(Consolidated Statement of Changes in Net Assets)

Fiscal year ended March 2008 (Apr.1, 2007 - Mar.31, 2008)

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)	10,033	9	0	10,041
Total	10,033	9	0	10,041

(Note)
1. The increase in the number of treasury stocks of 9,000 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
November 9, 2007 Board of directors' meeting	Common shares	¥ 573 million	¥ 2.50	September 30, 2007	December 7, 2007

(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 .

Date confirmed	Type of stock	Total dividends paid	Source of dividends	Dividends per share	Dividend record date	Effective date
June 20, 2008 Shareholders' meeting	Common shares	¥ 573 million	Accumulated income	¥ 2.50	March 31, 2008	June 23, 2008

(Relating to the consolidated cash flows)

Fiscal year ended March 2007 (Commenced Apr. 1,2006 and ended Mar.31, 2007)	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)
1. Relationship between the ending balance of cash and cash equivalents and the amounts recorded in the accounts in the consolidated balance sheet Cash and deposits ¥9,123 million Marketable securities ¥3,497 million Total ¥12,621 million Time deposits whose maturities exceed 3 months ¥ (-)15 million Bonds with maturities longer than 3 months and government and corporate bond investment trust ¥ (-)1 million Cash and cash equivalents ¥12,605million	1. Relationship between the ending balance of cash and cash equivalents and the amounts recorded in the accounts in the consolidated balance sheet Cash and deposits ¥6,181 million Marketable securities ¥3,498 million Total ¥9,679 million Time deposits whose maturities exceed 3 months ¥ (-)34 million Cash and cash equivalents ¥9,645million

(Leases)

Fiscal year ended March 2007 (Commenced Apr. 1,2006 and ended Mar.31, 2007)	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)

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

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

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.

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)

No asset impairment loss is allocated to assets for lease.

Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)

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	1,990	1,139	851
Equipment and Vehicles	24	15	9
Tools, Furniture and Fixtures	362	180	182
Software	255	107	148
Total	2,633	1,442	1,190

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

Within one year	¥624 million
More than one year	¥612 million
Total	¥1,237 million

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

Lease payments	¥876 million
Depreciation expenses	¥841 million
Interest expenses	¥33 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	¥4 million
More than one year	¥8 million
Total	¥12 million

(Impairment losses)

Same as the left

(Relating to Marketable Securities)

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. Other Marketable Securities Sold during the Consolidated Fiscal Year Under Review (Commenced Apr 1, 2006 and ended Mar 31, 2007)

(In millions of yen)

Value of Sales	Aggregate Gains from Sales	Aggregate Losses from Sales
32,119	2	0

3. 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

4. Planned Redemptions after the Consolidated Financial Closing Day of Other Marketable Securities with Maturity and Bonds Intended to be Held Until Maturity

(In millions of yen)

Classification	Within 1Year	Exceeding 1 Year but Within 5 Years	Exceeding 5 Years but Within 10 Years Bonds	Exceeding 10 Years
(i) Bonds				
National Municipal	1,500	11	0	--
Corporate Bonds	1	--	--	--
Other	2,000	--	--	--
(ii) Other	--	300	--	--
Total	3,501	311	0	--

Fiscal year ended Mar. 2008 (March 31, 2008)

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	763	919	156
(ii) Bonds			
National Municipal	999	999	0
Corporate Bonds	--	--	--
Other	999	999	0
(iii) Other	330	334	4
Sub-Total	3,092	3,253	161
Those whose values recorded on the consolidated balance sheet does not exceed the acquisition price			
(i) Stocks	303	302	(-)0
(ii) Bonds			
National Municipal	11	11	(-)0
Corporate Bonds	--	--	--
Other	1,499	1,499	(-)0
(iii) Other	--	--	--
Sub-Total	1,813	1,812	(-)0
Total	4,906	5,066	160

(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 fiscal year under review the Group recorded an impairment loss on available-for-sale securities with an observable market price of 534 million yen.

2. Other Marketable Securities Sold during the Consolidated Fiscal Year Under Review (Commenced Apr 1, 2007 and ended Mar 31, 2008)

(In millions of yen)

Value of Sales	Aggregate Gains from Sales	Aggregate Losses from Sales
42,977	--	0

3. Marketable Securities not Valued at Market

(In millions of yen)

Details	Amounts booked on consolidated balance sheet
(i) Other Marketable Securities	
Unlisted Stocks	90
Total	90

(Note)
In the fiscal year under review, the Group recorded an impairment loss on available-for-sale securities with no observable market price of 4 million yen.

4. Planned Redemptions after the Consolidated Financial Closing Day of Other Marketable Securities with Maturity and Bonds Intended to be Held Until Maturity

(In millions of yen)

Classification	Within 1Year	Exceeding 1 Year but Within 5 Years	Exceeding 5 Years but Within 10 Years Bonds	Exceeding 10 Years
(i) Bonds				
National Municipal	1,000	11	--	--
Corporate Bonds	--	--	--	--
Other	2,500	--	--	--
(ii) Other	300	--	--	--
Total	3,800	11	--	--

(Relating to Derivative Transactions)

1. Status of transactions

Fiscal year ended March 2007 (Commenced Apr. 1,2006 and ended Mar.31, 2007)	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)
(1) Details of transactions and the purpose of use, etc The Group uses derivatives trading (currency option contracts and forward exchange contracts) chiefly for the purpose of hedging exchange risk related to the import of raw materials and commodities. We employ hedge accounting using derivatives trading.	(1) Details of transactions and the purpose of use, etc Same as the left
(i) Hedging tools and hedge targets a.Hedging tools Derivative transactions (currency options and forward foreign exchange contracts) b.Hedge targets Foreign currency denominated monetary obligations subject to foreign exchange volatility risk (including foreign currency denominated planned transactions).	(i) Hedging tools and hedge targets a.Hedging tools Same as the left b.Hedge targets Foreign-currency-denominated claims and obligations (including scheduled foreign-currency-denominated transactions) with currency risk exposure
(ii) 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.	(ii) Hedging policy Same as the left
(iii) Method of evaluating hedge effectiveness a.Test in advance Verifies that it is consistent with "Market Risk Management Rules" and"Risk Management Outlines" b.Test after the fact Examination is made whether the market and cash flow fluctuation were avoided vis a vis foreign exchange volatility risk in foreign currency denominated transactions.	(iii) Method of evaluating hedge effectiveness a.Test in advance Same as the left b.Test after the fact Same as the left
(2) Policy for transactions Derivatives trading used to hedge exchange risk is chiefly for the purpose of hedging exchange risk associated with payments for import transactions denominated in dollars and euro, and is carried out within the range of the settlement amount expected for each currency. Our policy is not to use derivatives trading for speculation.	(2) Policy for transactions Same as the left

Fiscal year ended March 2007 (Commenced Apr. 1,2006 and ended Mar.31, 2007)	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)
(3) Details of risk associated with transactions Currency option contracts and forward exchange contracts involve the risk of exchange rate fluctuations. We use no-cost option contracts as currency option contracts. In this event, if exchange rates for the selling contract deviated markedly from expectations, there is a possibility that we will incur unexpected losses. All contracting parties for the derivatives trading of the Group are domestic banks, etc. with high creditworthiness. We therefore believe that there is almost no credit risk arising from the default of the contracting parties.	(3) Details of risk associated with transactions Same as the left
(4) Risk management system for transactions The Group has entered into currency option contracts and forward exchange contracts in accordance with its internal control regulations. The regulations clearly provide for a definition of risks, control method and audit method, and other aspects. When carrying out a transaction, different independent organizations are responsible for implementation and audits, respectively. An internal system is established to serve a mutual-checking function.	(4) Risk management system for transactions Same as the left
(5) Others Currency option contracts and forward exchange contracts used by the Group are exposed to the risk of exchange rate fluctuation. However, offset by exchange risk involved in import transactions helps to reduce risks overall.	(5) Others Same as the left

2. Market value of transactions

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

As hedge accounting is applied, there are no derivative transactions subject to disclosure.

Fiscal year ended March 2008 (March.31, 2008)

As hedge accounting is applied, there are no derivative transactions subject to disclosure.

(Relating to Retirement Benefits)

Fiscal year ended March 2007 (Commenced Apr. 1,2006 and ended Mar.31, 2007)	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)
1.Summary of the Retirement Benefit System Adopted The consolidated financial statement submitting company and Consolidated subsidiaries have established as defined benefit type systems, Corporate Pension system, one-time retirement pay system and qualified retirement pension system. In addition, there are occasions when additional retirement pay is provided in addition to the normal retirement pay. Some consolidated subsidiaries have established retirement benefit trusts.	1.Summary of the Retirement Benefit System Adopted Domestic consolidated subsidiaries have established as defined benefit type systems, Corporate Pension system, one-time retirement pay system and qualified retirement pension system. In addition, there are occasions when additional retirement pay is provided in addition to the normal retirement pay. Some domestic consolidated subsidiaries have established retirement benefit trusts.

Fiscal year ended March 2007

2. Matters Relating to Retirement Benefit Obligations

(In millions of yen)

(i) Retirement Benefit Obligation	(-)14,677
(ii) Pension Assets (including retirement benefit trust)	20,793
(iii) Sub-Total ((i)+(ii))	6,116
(iv) Unrecognized Actuarial Difference	(-)3,692
(v) Total ((iii)+(iv))	2,423
(vi) Prepaid Pension Expense	5,455
(vii) Reserve for Retirement Benefits ((v)-(vi))	(-)3,032

(Note)
The consolidated financial statement submitting company and some consolidated subsidiaries have adopted the simplified method in calculating the retirement benefit obligations.

3. Matters Relating to the Retirement Benefit Expense

(In millions of yen)

(i) Service Expense	634
(ii) Interest Expense	365
(iii) Expected Investment Income	(-)252
(iv) Amount of Actuarial Differences Expensed	(-)295
(v) Supplemental Retirement Pay Paid	3
(vi) Retirement Benefit Expense ((i)+(ii)+(iii)+(iv)+(v))	455

(Note)
Retirement Benefit Expense for The consolidated financial statement submitting company and domestic consolidated subsidiaries adopting the simplified method has beenincluded in (i) Service.

4. Matter relating to the basis for the calculation of retirement benefit obligations and the like.

(i) Method of period allocation of expected retirement
Constant Periodic Amount Basis
(ii) Discount rate 2.5%
(iii) Expected investment rate of return 2.5%
(iv) Number of years to amortize actuarial difference
Principally 10 years (Each amount expensed in a straight line over fixed number of years within the average remaining service year of the employee at thetime of incidence).

Fiscal year ended March 2008

2. Matters Relating to Retirement Benefit Obligations

(In millions of yen)

(i) Retirement Benefit Obligation	(-)13,692
(ii) Pension Assets (including retirement benefit trust)	16,871
(iii) Sub-Total ((i)+(ii))	3,179
(iv) Unrecognized Actuarial Difference	90
(v) Total ((iii)+(iv))	3,269
(vi) Prepaid Pension Expense	5,820
(vii) Reserve for Retirement Benefits ((v)-(vi))	(-)2,550

(Note)
Some domestic consolidated subsidiaries have adopted the simplified method in calculating the retirement benefit obligations.

3. Matters Relating to the Retirement Benefit Expense

(In millions of yen)

(i) Service Expense	619
(ii) Interest Expense	345
(iii) Expected Investment Income	(-)245
(iv) Amount of Actuarial Differences Expensed	(-)132
(v) Supplemental Retirement Pay Paid	50
(vi) Retirement Benefit Expense ((i)+(ii)+(iii)+(iv)+(v))	637

(Note)
Retirement Benefit Expense for The consolidated financial statement submitting company and domestic consolidated subsidiaries adopting the simplified method has beenincluded in (i) Service.

4. Matter relating to the basis for the calculation of retirement benefit obligations and the like.

(i) Method of period allocation of expected retirement
Constant Periodic Amount Basis
(ii) Discount rate 2.5%
(iii) Expected investment rate of return 2.5%
(iv) Number of years to amortize actuarial difference
Principally 10 years (Each amount expensed in a straight line over fixed number of years within the average remaining service year of the employee at thetime of incidence).

(Stock Option)

Fiscal year ended March 2007 (Commenced Apr. 1,2006 and ended Mar.31, 2007)
No corresponding items.

Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)
No corresponding items.

(Relating toTax Effect Accounting)

Fiscal year ended March 2007 (March.31, 2007)	Fiscal year ended March 2008 (March.31, 2008)
1. Breakdown of factors giving rise to deferred tax assets and deferred tax liabilities. (Deferred tax assets) Reserve for bonuses ¥572 million Reserve for retirement benefits ¥2,205 million Reserve for directors retirement bonuses ¥183 million Loss on impairment of fixed assets ¥332 million Unrealized loss on investment securities ¥94 million Valuation loss on inventories ¥159 million Other ¥646 million Subtotal deferred assets ¥4,193 million Valuation allowances ¥(-)213 million Total ¥3,980 million (Deferred tax liabilities) Reserve for advanced depreciation of fixed assets ¥(-)243 million Unrealized gains or losses on other marketable securities ¥(-)137 million Other ¥(-)0 million Total deferred liabilities ¥(-)380 million Net deferred tax assets ¥3,599 million (Note) The net deferred tax asset is included in the following items in the consolidated balance sheet Current assets - deferred tax assets ¥1,062 million Fixed Assets - DeferredTax Assets ¥2,536 million	1. Breakdown of factors giving rise to deferred tax assets and deferred tax liabilities. (Deferred tax assets) Reserve for bonuses ¥518 million Reserve for retirement benefits ¥1,913 million Reserve for directors retirement bonuses ¥191 million Loss on impairment of fixed assets ¥332 million Amount of loss carried forward ¥616 million Valuation loss on inventories ¥147 million Other ¥572 million Subtotal deferred assets ¥4,291 million Valuation allowances ¥(-)371 million Total ¥3,919 million (Deferred tax liabilities) Reserve for advanced depreciation of fixed assets ¥(-)435 million Unrealized gains or losses on other marketable securities ¥(-)65 million Other ¥(-)9 million Total deferred liabilities ¥(-)510 million Net deferred tax assets ¥3,409 million (Note) The net deferred tax asset is included in the following items in the consolidated balance sheet Current Assets - Deferred Tax Assets ¥884 million Fixed Assets - Deferred Tax Assets ¥2,527 million Current Liability - Deferred Tax Liability ¥(-)0 million Fixed Liability - Deferred Tax Liability ¥(-)2 million
2. Breakdown of principal factors giving rise to differences between statutory effective tax rate and the corporate tax rate after application of tax effect accounting. Statutory effective tax rate 40.6% (Adjustments) Amounts such as dividends not included in income (-)0.7% Amounts such as entertainment expense not deductible as expense 2.1% Equal installments of residents tax 3.3% Reserve for director's Bonuses 0.9% Other (-)0.1% Corporate tax rate after application of tax effect accounting 46.1%	2. Breakdown of principal factors giving rise to differences between statutory effective tax rate and the corporate tax rate after application of tax effect accounting. Statutory effective tax rate 40.6% (Adjustments) Amounts such as dividends not included in income (-)1.3% Amounts such as entertainment expense not deductible as expense 4.5% Equal installments of residents tax 6.4% Unrecognized tax effect of a loss-making company 4.7% Valuation allowance 9.3% Tax effect account adjustment for elimination of unrealized profits 10.4% Other (-)0.6% Corporate tax rate after application of tax effect accounting 74.2%

(Segment Information)

a. Segment Information by Business

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
2. Assets, Depreciation, Loss on impairment of fixed assets and Capital Expenditures						
Assets	40,089	19,511	6,730	66,331	(829)	65,501
Depreciation	377	1,397	118	1,893	(17)	1,876
Loss on impairment of fixed assets	--	2	--	2	--	2
Capital Expenditures	327	2,244	65	2,637	(7)	2,630

(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. Of the Assets, corporate-wide assets (¥11,786 million) included in the Elimination or Corporate Wide column are assets related to the surplus investable funds(Cash and Deposit) and administrative areas of the consolidated financial statement submitting company including the General Affairs division.
5. 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.

Fiscal year ended Mar. 2008 (Commenced Apr 1, 2007 and ended Mar 31, 2008) (In millions of yen)

Classification	Home Furnishing	Acute and Long Term Care	Real estate lease	Other	Total	Elimination of Corporate Wide	Consolidated
1. Sales and Operation Income and Expenses Sales							
(1) Sales to External Customers	31,015	23,293	180	5,902	60,391	--	60,391
(2) Internal Sales among Segments or Transfers	808	25	237	988	2,059	(2,059)	--
Total	31,823	23,319	417	6,890	62,451	(2,059)	60,391
Operating Expenses	31,995	21,780	155	6,914	60,846	(2,153)	58,692
Operating Income / Loss	(-)171	1,538	262	(-)23	1,605	93	1,699
2. Assets, Depreciation, and Capital expenditures							
Assets	37,276	18,853	2,285	4,234	62,650	(657)	61,992
Depreciation	299	1,403	68	24	1,795	15	1,810
Capital Expenditures	346	2,414	11	32	2,805	5	2,811

(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) Real estate lease -------real estate lease
   (4) Other ------- procurement and retailing of accessories, daily sundry goods, health equipment, advertisement and exhibition equipment.
3. Of the Operating Expenses, principal unallocable operating expenses (¥855 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. Of the Assets, corporate-wide assets (¥9,814 million) included in the Elimination or Corporate Wide column are assets related to the surplus investable funds(Cash and Deposit) and administrative areas of the consolidated financial statement submitting company including the General Affairs division.
5. As described in Significant Matters in Preparation of Consolidated Statements (Changes in Accounting Policy), companies submitting consolidated financial statements and domestic consolidated subsidiaries now depreciate tangible fixed assets by the straight-line method instead of the declining balance method. As a result of this change, in the home furnishing business, operating expenses and operating loss have decreased by 103 million yen each, in the nursing-care welfare equipment business, operating expenses have declined by 137 million yen and operating income has increased by the same amount, in the real estate lease business, operating expenses have decreased by 31 million yen and operating income has increased by the same amount, in other businesses, operating expenses and operating loss have decreased by 7 million yen each, and in eliminations and corporate, operating expenses have decreased by 1 million yen and operating income has increased by the same amount, compared with those calculated by the previous method. Also depreciation cost is 114 million yen less in the home furnishing business, 137 million yen less in the nursing-care welfare equipment business, 31 million yen less in the real estate lease business, 7 million yen less in other businesses and 1 million yen less in elimination or corporate.
6. As described in Significant Matters in Preparation of Consolidated Statements (Additional Information), we record assets acquired on or before March 31, 2007 as follows. The difference between an amount equivalent to 5% of the acquisition cost and the memorandum value is to be depreciated equally over five years from the fiscal year following the year in which the undepreciated value reached 5% of the acquisition cost in accordance with the depreciation method under the previous Corporation Tax Law, and the result is to be included in depreciation cost.
   As a result, in the home furnishing business, operating expenses and operating loss increased by 45 million yen each, in the nursing-care welfare equipment business, operating expenses increased by 11 million yen and operating income decreased by the same amount, in the real estate lease business, operating expenses increased by 2 million yen and operating income decreased by the same amount, in other businesses, operating expenses and operating loss increased by 0 million yen each, compared with those calculated by the previous method. Also depreciation cost was 51 million more in the home furnishing business, 11 million more in the nursing-care welfare equipment business, 2 million yen more in the real estate lease business and 0 million more in other businesses.

7. Change in business division

Previously real estate lease business was recorded in other businesses, but starting from the period under review it will be recorded separately under the heading "Real estate lease business," as the absolute value of the operating income of this business represents at least 10% of the absolute value of the total operating income of the segment generating the operating income.

As a result, in other businesses sales decreased by 417 million yen (of which sales to external customers are 180 million yen), operating income decreased by 262 million, assets decreased by 2,285 million yen, depreciation cost decreased by 68 million yen and capital expenditure decreased by 11 million yen, compared with those calculated by the previous method, and the Company recorded results in the same amounts respectively under the heading "Real estate lease business."

Segment information for the previous fiscal year, separated by the method used in the fiscal year under review, is as follows.

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	Real estate lease	Other	Total	Elimination of Corporate Wide	Consolidated
1. Sales and Operation Income and Expenses Sales							
(1) Sales to External Customers	33,846	25,428	214	6,716	66,205	--	66,205
(2) Internal Sales among Segments or Transfers	616	22	184	435	1,253	(1,253)	--
Total	34,462	25,451	399	7,151	67,459	(1,253)	66,205
Operating Expenses	33,828	22,924	176	7,041	63,965	(1,350)	62,615
Operating Income	634	2,526	222	109	3,493	96	3,590
2. Assets, Depreciation, Loss on impairment of fixed assets and Capital Expenditures							
Assets	40,089	19,511	2,045	4,684	66,331	(829)	65,501
Depreciation	377	1,397	84	33	1,893	(17)	1,876
Loss on impairment of fixed assets	--	2	--	--	2	--	2
Capital Expenditures	327	2,244	7	57	2,637	(7)	2,630

b. Segments by Location

(1) Fiscal year ended Mar. 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.

(2) Fiscal year ended Mar. 2008 (Commenced April 1, 2007 and ended March 31, 2008)

Sales in Japan accounted for more than 90% of total sales of all segments. Consequently, a breakdown of sales by region is omitted.

c. Overseas Sales

(1) Fiscal year ended Mar. 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.

(2) Fiscal year ended Mar. 2008 (Commenced April 1, 2007 and ended March 31, 2008)

As the Overseas Sales comprise less than 10% of the Consolidated Sales, the item has been omitted.

(Related Party Transactions)

1. Fiscal year ended Mar. 2007 (Commenced April 1, 2006 and ended March 31, 2007)
   Subsidiaries
   The statement of transactions with France bed Korea Co., Ltd., France bed International (Thailand) Co., Ltd., and AD Center Inc. was omitted starting the first half of the fiscal year under review, reflecting the insignificance of the amount.
   The above three companies are included in the scope of consolidation starting the second half of the fiscal year under review.

2. Fiscal year ended Mar. 2008 (Commenced April 1, 2007 and ended March 31, 2008)
   No corresponding items.

(Per Share Information)

Fiscal year ended Mar. 2007 (Commenced Apr. 1,2006 and ended Mar.31, 2007)	Fiscal year ended Mar. 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)
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.	Net Assets per Share ¥178.15 Earnings per share ¥1.91 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.

	Fiscal year ended Mar. 2007 (Commenced Apr. 1,2006 and ended Mar.31, 2007)	Fiscal year ended Mar. 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)
Net Income (¥ million)	1,994	439
Amount not attributable to Common Stock(¥ million)	--	--
Net Income attributable to Common Stock(¥ million)	1,994	439
Average Number of Outstanding Common Shares during the Period (thousand shares)	229,456	229,448

(Material Subsequent Events)

Merger of subsidiaries

At a meeting held on April 25, 2008, the Company’ s Board of Directors resolved that the Company’ s consolidated subsidiary France Bed Co., Ltd. would merge with consolidated subsidiary France Bed Medical Service Co., Ltd., and on the same date France Bed Co., Ltd. and France Bed Medical Service Co., Ltd. signed a merger agreement.

1. Purpose of the merger

Within the Group, France Bed Co., Ltd. is the main operating company in the home furnishing business and is principally involved in the manufacture and wholesale of beds for home use, while France Bed Medical Service Co., Ltd. is the core company in the nursing-care welfare equipment business and is primarily involved in the business of renting beds for nursing care applications and other welfare equipment.

Both companies have hitherto sought to unify Group business operations with the aim of improving management efficiency and integrity and bolstering corporate position, while at the same time maintaining their own independence. To enable the Group to develop further moving forward, we have now decided to merge the two companies, given that it is necessary for the Group to:

(1) focus its management resources on the nursing-care welfare equipment business field, which shows potential for future growth, and to seek their effective utilization in this field;

(2) simplify its management structure for speedy decision-making; and

(3) establish an efficient business execution structure.

In the nursing-care welfare equipment business, this merger will unify our manufacturing capabilities, enabling us to push ahead with the market-linked development of products that score high on customer satisfaction and to provide products and services that rank among the best in the industry. Also, in the home furnishing business we will aim to restore earnings capacity by reviewing staff assignments, establishing efficient production and marketing structures, focusing on product development compatible with Japan’ s aged society, and expanding exports and other overseas business.

2. Date of merger
April 1, 2009

3. Method of merger
Absorption type merger in which France Bed Co., Ltd. is the surviving company and France Bed Medical Service Co., Ltd. is the dissolving company.

4. Share allocation for the merger
There will be no issue of new shares or cash payment for the merger, as France Bed Co., Ltd. and France Bed Medical Service Co., Ltd. are both wholly-owned subsidiaries of the Company.

5. Paid-in capital following the merger will be 5,604 million yen.

6. Takeover of assets
On the date of the merger, France Bed Co., Ltd. will take over all the assets, liabilities and rights and obligations of France Bed Medical Service Co., Ltd.

7. Overview of the companies that are party to the merger

1) Trade name	France Bed Co., Ltd.	France Bed Medical Service Co., Ltd.
2) Business Activitiy	manufacture, procurement and sale of beds, furniture and beddings	manufacture, procurement, sales and rental of medical treatment beds, care products, hospital bed linens
3) Date of Incorporation	June 5, 1946	April 25, 1963
4) Address	1148-5 nakagami-cho Akishima-shi Tokyo	1-25-1 Hyakunin-cho Shinjuku-ku Tokyo
5) Representative	Shigeru Ikeda	Kotaro Hoshikawa
6) Common stock	5,604 million yen	108 million yen
7) Shares Issue	91,580,000 shares	360,000 shares
8) Sales	34,156 million yen	20,428 million yen
9) Net Income / Loss	∆409 million yen	1,362 million yen
10) Net Assets	30,345 million yen	9,676 million yen
11) Total Assets	38,865 million yen	17,442 million yen
12) Settlement period	March 31	March 31
13) Number of employees	913	616

5.Unconsolidated Financial Statements

(1) Balance Sheet

(In millions of yen)

Account	Fiscal year ended Mar. 2007 (As of Mar.31, 2007)	Fiscal year ended Mar. 2008 (As of Mar.31, 2008)	Increase (decrease)
(Assets)			
1. Current Assets			
Cash and Deposits	6,585	4,316	(-)2,268
Marketable Securities	3,496	3,498	1
Prepaid Expenses	44	43	(-)0
Deferred Income Tax Assets	25	23	(-)1
Short Term Loans to Affiliates	4,534	4,650	116
Other	245	217	(-)27
Total Current Assets	14,931	12,749	(-)2,182
2. Fixed Assets			
Tangible Fixed Assets			
Buildings	6	6	(-)0
Vehicles andTransport Equipment	3	2	(-)0
Tools, Furniture and Fixtures	0	0	(-)0
Total Tangible Fixed Assets	10	9	(-)1
Intangible Fixed Assets			
Software	2	5	3
Total Intangible Fixed Assets	2	5	3
Investments and Other Assets			
Shares of Affiliates	43,279	43,279	--
Total Intangible Fixed Assets	0	0	(-)0
Deferred Taxes	38	47	9
Long-term deposit	1,200	1,500	300
Othe	148	138	(-)10
Total Investments and Other Assets	44,666	44,965	299
Total Fixed Assets	44,679	44,981	301
Total Asset	59,611	57,730	(-)1,880

(In millions of yen)

Account	Fiscal year ended March 2007 (As of Mar. 31, 2007)	Fiscal year ended March 2008 (As of Mar. 31, 2008)	Increases and decreases
(Liabilities)			
1.Current liabilities			
Short term borrowings	5,030	5,275	245
Accrued liabilities	62	70	8
Accrued expenses	61	64	2
Accrued corporate taxes	38	29	(-)9
Accrued consumption tax	11	5	(-)6
Advances received	0	0	(-)0
Deposits from affiliates	12,276	10,017	(-)2,258
Reserve for bonuses	33	27	(-)6
Reserve for directors bonuses	53	17	(-)35
Other	4	4	(-)0
Total current liabilities	17,572	15,512	(-)2,060
2.Fixed liabilities			
Reserve for retirement benefits	1	--	(-)1
Reserve for directors retirement bonuses	91	116	25
Total fixed liabilities	93	116	23
Total liabilities	17,665	15,628	(-)2,036
(Net assets)			
1.Shareholders' equity			
Common stock	3,000	3,000	--
Capital surplus			
Capital reserve	750	750	--
Other capital surplus	38,892	38,892	(-)0
Total capital surplus	39,642	39,642	(-)0
Retained earnings			
Other retained earnings			
Surplus brought forward	2,253	2,410	157
Total retained earnings	2,253	2,410	157
Treasury shares	(-)2,950	(-)2,952	(-)1
Total shareholders' equity	41,945	42,101	156
2.Valuation and translation gain and loss			
Valuation gain and loss on other securities	(-)0	0	0
Total valuation and translation gain and loss	(-)0	0	0
Total net assets	41,945	42,101	156
Total liabilities and net assets	59,611	57,730	(-)1,880

(Notes)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) Statement of Income

(In millions of yen)

Account	Fiscal year ended March 2007 (Apr. 1, 2006 – Mar. 31, 2007)	Fiscal year ended March 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Increases and decreases	
1. Operating Revenues				
Dividend Income	1,517	1,359	(-)157	
Management Fees	876	781	(-)95	
Business Agency Fees	180	174	(-)5	
Total Operating Revenues	2,573	2,316	(-)257	(-)10.0%
2. General Administrative Expenses	1,027	935	(-)92	
Operating Income	1,546	1,380	(-)165	(-)10.7%
3. Non-Operating Income				
Interest Income	72	102	30	
Securities interest	14	29	15	
Commission Income	37	37	0	
Othe	1	3	1	
Total Non-Operating Expenses	126	173	47	
4. Non-Operating Expenses				
Interest Expense	85	121	36	
Commission Expenses	37	37	0	
Other	0	0	(-)0	
Total Non-Operating Expenses	122	159	36	
Ordinary Income	1,549	1,395	(-)154	(-)9.9%
5. Extraordinary Income				
Gains on Prior Year Adjustment	0	5	4	
Total Extraordinary Income	0	5	4	
6. Extraordinary Losses				
Loss from Prior Year Adjustment	2	0	(-)2	
Total Extraordinary Losses	2	0	(-)2	
Net Income before Taxes	1,547	1,400	(-)147	(-)9.5%
Corporate Income Tax, Resident Tax and Enterprise Tax	109	102	(-)6	
Adjustment for income taxes	(-)15	(-)7	7	
Net Income	1,453	1,305	(-)148	(-)10.2%

(3) Statement of Changes in Shareholders' equity

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

(In millions of yen)

	Shareholders' Equity							
		Capital surplus			Retained earnings			
	Common stock	Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings: Unappropriated retained earnings	Total retained earnings	Treasury stock	Total Shareholders' Equity
Balance as of March 31, 2006	3,000	750	38,892	39,642	2,004	2,004	(-)2,949	41,698
Changes during the period								
Cash dividends paid*					(-)573	(-)573		(-)573
Cash dividends paid					(-)573	(-)573		(-)573
Bonuses to directors*					(-)58	(-)58		(-)58
Net income					1,453	1,453		1,453
Purchases of treasury stock							(-)1	(-)1
Disposal of treasury stock			(-)0	(-)0			0	0
Net changes of items other than shareholders' equity								
Total change during the period	—	—	(-)0	(-)0	248	248	(-)1	246
Balance at March 31, 2007	3,000	750	38,892	39,642	2,253	2,253	(-)2,950	41,945

	Valuation and translation differences		
	Valuation differences and other marketable securities	Total valuation and translation differences	Total net assets
Balance as of March 31, 2006	—	—	41,698
Changes during the period			
Cash dividends paid*			(-)573
Cash dividends paid			(-)573
Bonuses to directors*			(-)58
Net income			1,453
Purchases of treasury stock			(-)1
Disposal of treasury stock			0
Net changes of items other than shareholders' equity	(-)0	(-)0	(-)0
Total change during the period	(-)0	(-)0	246
Balance at March 31, 2007	(-)0	(-)0	41,945

*Appropriation approved at the annual meeting of shareholders held in June 2006.

Fiscal year ended March 2008 (Apr. 1, 2007 – Mar. 31, 2008)

(In millions of yen)

	Shareholders' Equity							
	Common stock	Capital surplus			Retained earnings		Treasury stock	Total Shareholders' Equity
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings Unappropriated retained earnings	Total retained earnings		
Balance as of March 31, 2007	3,000	750	38,892	39,642	2,253	2,253	(-)2,950	41,945
Changes during the period								
Cash dividends paid					(-)1,147	(-)1,147		(-)1,147
Net income					1,305	1,305		1,305
Purchases of treasury stock							(-)1	(-)1
Disposal of treasury stock			(-)0	(-)0			0	0
Net changes of items other than shareholders' equity								
Total change during the period	—	—	(-)0	(-)0	157	157	(-)1	156
Balance at March 31, 2008	3,000	750	38,892	39,642	2,410	2,410	(-)2,952	42,101

	Valuation and translation differences		
	Valuation differences and other marketable securities	Total valuation and translation differences	Total net assets
Balance as of March 31, 2007	(-)0	(-)0	41,945
Changes during the period			
Cash dividends paid			(-)1,147
Net income			1,305
Purchases of treasury stock			(-)1
Disposal of treasury stock			0
Net changes of items other than shareholders' equity	0	0	0
Total change during the period	0	0	156
Balance at March 31, 2008	0	0	42,101

Significant Accounting Policies

Fiscal year ended March 2007 (Commenced Apr. 1,2006 and ended Mar.31, 2007)	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)
1. Valuation Basis and Method for Securities (1)Shares of Subsidiaries Stated at cost using the moving average method (2) Other marketable Securities Assets with market value The market value method based on market prices, etc. on the closing date (all appraisal gains and losses are processed using the method of direct entry into net assets, and the cost of sales is calculated based on the moving average cost method.)	1. Valuation Basis and Method for Securities (1)Shares of Subsidiaries Same as left (2) Other marketable Securities Assets with market value Same as left
2. Depreciation Method for Fixed Assets (1)Tangible Fixed Assets Declining balance method is applied. However, the straight line method is adopted for buildings (excluding equipment attached to building) acquired on and after April 1, 1998. Useful life is as follows: Buildings 5~13 years Vehicles andTransport Equipment 6 years Tools, Furniture and Furnishing 2~18 years	2. Depreciation Method for Fixed Assets (1)Tangible Fixed Assets Declining balance method is applied. Useful life is as follows: Buildings 5~13 years Vehicles andTransport Equipment 6 years Tools, Furniture and Furnishing 2~18 years (Changes in Accounting Policy) Previously the Company depreciated tangible fixed assets using the declining balance method (straight line method for buildings acquired on or after April 1, 1998 (excludes attached facilities)), but starting from the fiscal year under review the Company is switching 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 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 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. This change has no impact on profit and loss.

Fiscal year ended March 2007 (Commenced Apr. 1,2006 and ended Mar.31, 2007)	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)
	(Additional Information) Pursuant to amendments of the Corporation Tax Law, we record assets acquired on of before March 31, 2007 as follows. The difference between an amount equivalent to 5% of the acquisition cost and the memorandum value is to be depreciated equally over five years from the fiscal year following the year in which the undepreciated value reached 5% of the acquisition cost in accordance with the depreciation method under the previous Corporation Tax Law, and the result is included in depreciation cost. This change has no impact on profit and loss.
(2) Intangible Fixed Assets Straight-line method is applied. With respect to software for internal use, it is being depreciated using a straight line method over its internally useful life (5 years).	(2) Intangible Fixed Assets Same as left
3. Accounting for Reserves (1) Reserve for Bonuses The expected amount for the fiscal year under review is recorded to provide for the payment of bonuses to employees.	3. Accounting for Reserves (1) Reserve for Bonuses Same as left
(2) Reserve for director's Bonuses The expected amount for the fiscal year under review is recorded to provide for the payment of bonuses to directors and officers.	(2) Reserve for director's Bonuses Same as left
(3) Reserve for Retirement Benefits To prepare for payment of employee's retirement benefits, based on the expected amount of retirement payment obligations at the end of the business year under review, the Company recorded an amount that is recognized to have been incurred at the end of the business year under review. Further, we calculate retirement pay obligations by the facile method.	(3) ―――――
(4) Reserve for Directors' Retirement Bonuses To provide for the payment of retirement bonuses to directors, the amount expected to be paid on the balance sheet date based on internal regulations has been provided.	(4) Reserve for Directors' Retirement Bonuses Same as left
4. Accounting for Leases Finance leases other than those in which the title is not deemed to transfer to the lessee are accounted for as ordinary rental transactions.	4. Accounting for Leases Same as left
5. Other Material Items in Preparing the Financial Statements (1) Accounting for Consumption Tax The Consumption Tax and Municipal Tax are accounted for net of taxation.	5. Other Material Items in Preparing the Financial Statements (1) Accounting for Consumption Tax Same as left

Accounting Changes

Fiscal year ended March 2007 (Commenced Apr. 1,2006 and ended Mar.31, 2007)	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)
(Accounting standards for directorls bonus) We have applied the Accounting Standard for Directors' Bonuses (ASB Accounting Standard No.4,, November 29, 2005) beginning the fiscal year under review. As a result, operating income, recurring income and net income before tax declined 53 million yen.	
(Accounting standards for the indication of net assets on balance sheet) We have applied the Accounting Standard for Presentation of Net Assets on the Balance Sheet (ASB Accounting Standard No. 5, December 9, 2005) and the Guidance on Accounting Standard for Presentation of Net Assets on the Balance Sheet (ASB Guidance No.8, December 9, 2005) beginning the fiscal year under review. An amount equivalent to the total of past shareholdersl equity is the same as the amount of net assets. The net assets on the balance sheet for the fiscal year under review were prepared based on the revised financial statements regulation following the revision of the financial statements regulation.	

Notes

(Related to the Balance Sheet)

<table>
<tr><th>Fiscal year ended Mar. 2007
(As of Mar 31, 2007)</th><th>Fiscal year ended Mar. 2008
(As of Mar 31, 2008)</th></tr>
<tr><td>1. Accumulated Depreciation of Tangible Fixed Assets
¥ 7 million</td><td>1. Accumulated Depreciation of Tangible Fixed Assets
¥ 9 million</td></tr>
<tr><td>2.Contingent Liabilities
We provided a guarantee for the following debts from financial institutions.
France bed International (Thailand) Co., Ltd.
¥47 million (12 million Thai baht)
France bed Korea Co., Ltd.
¥31 million (250 million Won)</td><td>2. ―――――</td></tr>
<tr><td>3. The Company has implemented France Bed Holdings Group Cash Management Service (CMS) to enable efficient funds investment and financing for the overall group. “Deposits from Affiliates” represents funds deposited under such cash management programs.</td><td>3. Same as the left</td></tr>
<tr><td>4. The Company has implemented France Bed Holdings Group Cash Management Service to enable efficient funds investment and financing for the overall group (hereinafter the “CMS”).
The Company has entered into a Basic Agreement for CMS Investment Agency with the 6 group companies and has established the maximum loan limits under the CMS. The undisbursed loans for the business year under review under the agreement are as follows.
Gross Loan Limit under CMS ¥17,100 million
Loans Disbursed ¥ 4,400 million
Net Undisbursed Amount ¥ 12,700 million
In the above Basic Agreement for CMS Investment Agency, there are some with restrictions on the use of funds, thus, not all amount is necessarily available to be lent.</td><td>4. Same as the left</td></tr>
<tr><td>5. The Company, to enhance the funding efficiency through dynamic and stable financing and to strengthen the financial position through reduction of interest-bearing debt, has entered into a commitment line agreement with syndicate of banks comprising of 11 relationship banks. As of the end of the business year under review, the undrawn commitments under the facility are as follows.
Gross Commitment Amount ¥5,000 million
Amount Drawn -- million
Net Amount ¥ 5,000 million</td><td>5. Same as the left</td></tr>
</table>

(Relating to the Statement of Income)

Fiscal year ended March 2007 (Commenced Apr. 1,2006 and ended Mar.31, 2007)	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)
1. Related PartyTransactions Major items included in respective headings are as follows. Dividend Income ¥1,517 million Management Guidance Fees ¥876 million Business Agency Fees ¥179 million General Administrative Expenses ¥450 million Non-Operating Income ¥104 million 2.The major expense items and the amount of selling, general and administrative expenses are as shown below. Employee Salary and Bonuse ¥292 million Directors` Remuneration ¥160 million Provision to Reserve for Bonuses ¥33 million Provision to Reserve for Directors`Bonuses ¥53 million Retirement supply Expense ¥1 million Provisions to Reserve for Directors` Retirement Bonuses ¥35 million Welfare and Benefits ¥58 million Shareholder Benefit Expense ¥64 million Depreciation ¥5 million Rent ¥62 million	1. Related PartyTransactions Major items included in respective headings are as follows. Dividend Income ¥1,359 million Management Guidance Fees ¥781 million Business Agency Fees ¥174 million General Administrative Expenses ¥459 million Non-Operating Income ¥124 million Non-Operating Expense ¥26 million 2.The major expense items and the amount of selling, general and administrative expenses are as shown below. Employee Salary and Bonuse ¥267 million Directors` Remuneration ¥150 million Provision to Reserve for Bonuses ¥27 million Provision to Reserve for Directors`Bonuses ¥17 million Retirement supply Expense ¥0 million Provisions to Reserve for Directors` Retirement Bonuses ¥32 million Welfare and Benefits ¥48 million Shareholder Benefit Expense ¥78 million Depreciation ¥3 million Rent ¥61 million Agency commission ¥52 million

(Statement of Changes in Net Assets)

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

Type of treasury stock and common shares issued (thousand shares)

	Number of shares as of Fiscal term ended March 2006	Increase of shares Fiscal year ended March 2007	Decrease of shares Fiscal year ended March 2007	Number of shares as of Fiscal term ended March 2007
Common shares(note)	10,027	6	—	10,033
Total	10,027	6	—	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.

Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)

Type of treasury stock and common shares issued (thousand shares)

	Number of shares as of Fiscal term ended March 2006	Increase of shares Fiscal year ended March 2007	Decrease of shares Fiscal year ended March 2007	Number of shares as of Fiscal term ended March 2007
Common shares(note)	10,033	9	—	10,041
Total	10,033	9	—	10,041

(Note)

1.The increase in the number of treasury stocks of 9,000 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.

(Relating to Leases)

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

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
Cars and Vehicles	4	1	2

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

Within one year ¥0 million
More than one year ¥2 million
Total ¥3 million

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

Lease payments ¥0 million
Depreciation expenses ¥0 million
Interest expenses ¥0 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.

(Impairment losses)
No asset impairment loss is allocated to assets for lease.

Fiscal year ended March 2008
(Commenced Apr. 1,2007 and ended Mar.31, 2008)

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
Cars and Vehicles	4	2	2

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

Within one year ¥0 million
More than one year ¥1 million
Total ¥2 million

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

Lease payments ¥0 million
Depreciation expenses ¥0 million
Interest expenses ¥0 million

(4) Method of calculating depreciation expenses
Same as the left

(5) Method of calculating interest expense
Same as the left

(Impairment losses)
Same as the left

(Relating to Securities)

Fiscal year ended March 2007(Commenced Apr. 1, 2006 and ended Mar.31, 2007)
There are no shares of subsidiaries with readily determinable market values.

Fiscal year ended March 2008(Commenced Apr. 1, 2007 and ended Mar.31, 2008)
There are no shares of subsidiaries with readily determinable market values.

(Relating toTax Effect Accounting)

Fiscal year ended Mar. 2007 (As of Mar 31, 2007)	Fiscal year ended Mar. 2008 (As of Mar 31, 2008)
1. Major components of deferred tax assets and deferred liabilities are as follows. (Deferred tax assets) Reserve for bonuses ¥13 million Reserve for directors` retirement bonuses ¥37 million Other ¥12 million Total deferred tax assets ¥63 million (Deferred Tax liabilities) Appraisal loss for other marketable securities ¥(-)0 million Total deferred tax liabilities ¥(-)0 million Net deferred tax assets ¥63 million 2. Breakdown of the principal causes for the difference in effective tax rate and the corporate tax rate after application of tax effect accounting. Effective tax rate 40.6 % (Adjustments) Income not included such as dividend Income (-)38.2 % Amounts excluded from deductible expenses such as entertainment expenses 1.7 % Other 1.9 % Corporate tax rate after application of tax effect accounting 6.0 %	1. Major components of deferred tax assets and deferred liabilities are as follows. (Deferred tax assets) Reserve for bonuses ¥11 million Reserve for directors` retirement bonuses ¥47 million Other ¥12 million Total deferred tax assets ¥ 71 million (Deferred Tax liabilities) Appraisal loss for other marketable securities ¥(-)0 million Total deferred tax liabilities ¥(-)0 million Net deferred tax assets ¥ 71 million 2. Breakdown of the principal causes for the difference in effective tax rate and the corporate tax rate after application of tax effect accounting. Effective tax rate 40.6 % (Adjustments) Income not included such as dividend Income (-)36.9 % Amounts excluded from deductible expenses such as entertainment expenses 2.2 % Other 0.7 % Corporate tax rate after application of tax effect accounting 6.7 %

(Per Share Information)

Fiscal year ended March 2007 (Commenced Apr. 1,2006 and ended Mar.31, 2007)	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)
Net assets per share ¥182.80 Earnings per share ¥6.33 As there are no latent shares in existence, information on fully diluted earnings per share has not been presented.	Net assets per share ¥183.49 Earnings per share ¥ 5.68 As there are no latent shares in existence, information on fully diluted earnings per share has not been presented.

(Note) Basis for the calculation of Earnings per Share is as follows.

Account	Fiscal year ended March 2007 (Commenced Apr. 1,2006 and ended Mar.31, 2007)	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)
Net Income (¥ million)	1,453	1,305
Amount not attributable to Common Shares(¥ million)	--	--
Net Income Attributable to Common Shares(¥ million)	1,453	1,305
Average Number of Shares Outstanding during the Term (thousand shares)	229,456	229,448

(Material Subsequent Events)

Merger of subsidiaries

At a meeting held on April 25, 2008, the Company’ s Board of Directors resolved that the Company’ s consolidated subsidiary France Bed Co., Ltd. would merge with consolidated subsidiary France Bed Medical Service Co., Ltd., and on the same date France Bed Co., Ltd. and France Bed Medical Service Co., Ltd. signed a merger agreement.

1. Purpose of the merger

Within the Group, France Bed Co., Ltd. is the main operating company in the home furnishing business and is principally involved in the manufacture and wholesale of beds for home use, while France Bed Medical Service Co., Ltd. is the core company in the nursing-care welfare equipment business and is primarily involved in the business of renting beds for nursing care applications and other welfare equipment.

Both companies have hitherto sought to unify Group business operations with the aim of improving management efficiency and integrity and bolstering corporate position, while at the same time maintaining their own independence. To enable the Group to develop further moving forward, we have now decided to merge the two companies, given that it is necessary for the Group to:

(1) focus its management resources on the nursing-care welfare equipment business field, which shows potential for future growth, and to seek their effective utilization in this field;

(2) simplify its management structure for speedy decision-making; and

(3) establish an efficient business execution structure.

In the nursing-care welfare equipment business, this merger will unify our manufacturing capabilities, enabling us to push ahead with the market-linked development of products that score high on customer satisfaction and to provide products and services that rank among the best in the industry. Also, in the home furnishing business we will aim to restore earnings capacity by reviewing staff assignments, establishing efficient production and marketing structures, focusing on product development compatible with Japan’ s aged society, and expanding exports and other overseas business.

2. Date of merger : April 1, 2009

3. Method of merger

Absorption type merger in which France Bed Co., Ltd. is the surviving company and France Bed Medical Service Co., Ltd. is the dissolving company.

4. Share allocation for the merger

There will be no issue of new shares or cash payment for the merger, as France Bed Co., Ltd. and France Bed Medical Service Co., Ltd. are both wholly-owned subsidiaries of the Company.

5. Paid-in capital following the merger will be 5,604 million yen.

6. Takeover of assets

On the date of the merger, France Bed Co., Ltd. will take over all the assets, liabilities and rights and obligations of France Bed Medical Service Co., Ltd.

7. Overview of the companies that are party to the merger

1) Trade name	France Bed Co., Ltd.	France Bed Medical Service Co., Ltd.
2) Business Activitiy	manufacture, procurement and sale of beds, furniture and beddings	manufacture, procurement, sales and rental of medical treatment beds, care products, hospital bed linens
3) Date of Incorporation	June 5, 1946	April 25, 1963
4) Address	1148-5 nakagami-cho Akishima-shi Tokyo	1-25-1 Hyakunin-cho Shinjuku-ku Tokyo
5) Representative	Shigeru Ikeda	Kotaro Hoshikawa
6) Common stock	5,604 million yen	108 million yen
7) Shares Issue	91,580,000 shares	360,000 shares
8) Sales	34,156 million yen	20,428 million yen
9) Net Income / Loss	∆409 million yen	1,362 million yen
10) Net Assets	30,345 million yen	9,676 million yen
11) Total Assets	38,865 million yen	17,442 million yen
12) Settlement period	March 31	March 31
13) Number of employees	913	616

6. Changes in Directors

(1) Changes of Directors

① Change in Representative (effective June 20, 2008)

• Scheduled to retire as Representative Director

Hiroshi Noguchi (currently Representative Director (in charge of General Affairs Group))

② Changes of Other Directors (effective June 20, 2008)

• Candidates for new directors

Director : Kazuo Momohara (currently Director, General Manager of Production Headquarters, Production Planning Division Manager and Hokkaido Plant Manager of France Bed Co., Ltd.)

Director : Tsutomu Shimada (currently Operating Officer (for Accounting Group) of France Bed Holdings Co., Ltd.)
(currently Director and General Manager of Administration Headquarters of France Bed Co., Ltd.)

Director : Satoru Higashijima (currently Operating Officer, General Manager for Planning Group, and Manager of General Affairs Office of France Bed Holdings Co., Ltd.)
(currently Director of France Bed Co. Ltd.)

• Directors Scheduled to Retire

Director : Hiroyuki Suzuki (currently Director for Overseas Activities Group)

• Candidates for new Auditor

Auditor : Katsunori Negi (currently General Manager of Administration Headquarters of France Bed Co., Ltd.)
Auditor : Susumu Sugano (currently Senior Manager of Accounting Group)

• Auditor Scheduled to Retire

Auditor : Toshikazu Takeshita
Auditor : Keiichi Shindo

The appointment of Mr. Tadashi Otsuka, who was appointed statutory auditor to fill a vacancy at the ordinary general meeting of shareholders held on June 20, 2007, will be valid to the close of the fifth ordinary general meeting of shareholders scheduled for June 20, 2008. Therefore, the appointment of a new statutory auditor to fill a vacancy is planned.

The candidate for the statutory auditor to fill the vacancy is shown below:

Tadashi Otsuka : President and Director of Tokio Marine & Nichido Corporation Co., Ltd. (current)
President and Director of Japan Funeral Assistance Network Co., Ltd. (current)

(2) Other

No corresponding items.

7. Production, Orders and Sales

(1) Production

a. Production

Production breakdown by business segment during the this consolidated accounting period under review is as follows.

(In millions of yen)

Name of Business Segment	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)	Corresponding ratio to the previous year
Home Furnishings	11,485	(-)7.5%
Acute and Long Term Care	2,266	(-)3.9%
Real estate lease	--	--
Other	--	--
Total	13,751	(-)6.9%

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

b. Subcontracting

Subcontracting record by each business segment during the this consolidated accounting period under review is as follows.

(In millions of yen)

Name of Business Segment	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)	Corresponding ratio to the previous year
Home Furnishings	1,607	(-)21.0%
Acute and Long Term Care	506	(-)26.6%
Real estate lease	--	--
Other	1,102	126.7%
Total	3,216	0.1%

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

c. Procurement

Procurement record for each business segment during the this consolidated accounting period under review is as follows.

(In millions of yen)

Name of Business Segment	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)	Corresponding ratio to the previous year
Home Furnishings	5,704	(-)12.9%
Acute and Long Term Care	5,832	14.8%
Real estate lease	--	--
Other	2,023	(-)23.8%
Total	13,560	(-)5.1%

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

(2) Orders

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

(3) Sales

Sales by business segment during the this consolidated accounting period under review are as follows.

(In millions of yen)

Name of Business Segment	Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)	Corresponding ratio to the previous year
Home Furnishings	31,015	(-)8.3%
Acute and Long Term Care	23,293	(-)8.3%
Real estate lease	180	(-)15.9%
Other	5,902	(-)12.1%
Total	60,391	(-)8.7%

(Note)
1. Inter-segmental transactions have been offset and eliminated.
2. Above figures do not include consumption tax.
3. Starting from this fiscal year, we have changed the business segments, and when comparing results with the previous fiscal year we have, therefore, rearranged results for the previous fiscal year into the amended segments.