FRANCEBED HOLDINGS

Results for the Fiscal Year Ended March 2009

May 15, 2009

Name of the listed company : **France Bed Holdings Co., Ltd.**
Listing Exchanges : Tokyo
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 25, 2009
Scheduled date to submit Securities Report : June 25, 2009
Scheduled date to begin dividend payments : June 26, 2009

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

1.Consolidated results for the fiscal year ended March 2009 (April 1, 2008 ~ March 31, 2009)

(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 2009	54,179	Δ10.2	74	Δ95.6	Δ110	—	Δ1,615	—
Fiscal year ended March 2008	60,391	Δ8.7	1,699	Δ52.6	1,671	Δ54.0	439	Δ77.9

	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 2009	Δ7.05	—	Δ4.1	Δ0.1	0.1
Fiscal year ended March 2008	1.91	—	1.0	2.6	2.8

(For reference) Investment Gains and Losses due to Equity Method : Fiscal year ended March 2009 - \ --,
Fiscal year ended March 2008 - \ --

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	yen
Fiscal year ended March 2009	59,984	37,740	62.9	165.58
Fiscal year ended March 2008	61,992	40,877	65.9	178.15

(For reference) Shareholders' equity : Fiscal year ended March 2009 ¥37,740 million
Fiscal year ended March 2008 ¥40,877 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 2009	1,808	Δ3,092	1,797	10,142
Fiscal year ended March 2008	983	Δ2,778	Δ1,159	9,645

2.Dividends

	Dividends per share			Total dividends (annual)	Dividend propensity (consolidated)	Ratio of dividends to net assets (Consolidated)
	Interim	Year-end	Annual			
	yen	yen	yen	Million yen	%	%
Fiscal year ended March 2008	2.50	2.50	5.00	1,147	261.7	2.7
Fiscal year ended March 2009	2.50	1.25	3.75	858	—	2.1
Fiscal year ended March 2010 (Outlook)	—	—	—		—	

(Notes) The amount of the year-end dividend for fiscal year 2009, ending March 31, 2010, has yet to be determined.
(Please see "Request for appropriate use of the business outlook and other special remarks.")

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

(Percentage figures for 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	26,200	Δ5.4	430	500.8	350	—	70	—	0.30
Annual	52,600	Δ2.9	1,250	—	1,100	—	350	—	1.53

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 : No
(Notes) For further details, refer to "Significant Matters in Preparation of Consolidated Financial Statements" on page 18. and "Changes in significant Matters in Preparation of Consolidated Financial Statements" on page 23.

(3) Number of shares issued (common shares)
(A) Number of shares at the end of the period (including treasury stock)
Fiscal year ended March 2009 : 239,487,500 shares Fiscal year ended March 2008 : 239,487,500 shares
(B) Number of treasury shares
Fiscal year ended March 2009 : 11,566,494 shares Fiscal year ended March 2008 : 10,041,875 shares
(Notes) For an explanation of the number of shares used for computing net income per share (consolidated), please refer to "Per Share Information" on page 35.

(Reference) Outline of unconsolidated financial results

1.Unconsolidated results for the fiscal year ended March 2009 (April 1, 2008 ~ March 31, 2009)

(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 2009	2,230	Δ3.7	1,279	Δ7.3	1,290	Δ7.4	949	Δ27.2
Fiscal year ended March 2008	2,316	Δ10.0	1,380	Δ10.7	1,395	Δ9.9	1,305	Δ10.2

	Net income per share	Fully diluted net income per share
	yen	yen
Fiscal year ended March 2009	4.15	—
Fiscal year ended March 2008	5.68	—

(2) Unconsolidated Financial Position

	Total Assets	Net Assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	yen
Fiscal year ended March 2009	58,547	41,705	71.2	182.98
Fiscal year ended March 2008	57,730	42,101	72.9	183.49

(For reference) Shareholders' equity : Fiscal year ended March 2009 ¥41,705 million
Fiscal year ended March 2008 ¥42,101 million

2. Unconsolidated forecasts of results for the Fiscal Year Ending March 2010
(April 1, 2009 ~ March 31, 2010)

(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	980	Δ18.3	600	Δ10.7	580	Δ14.7	540	Δ13.3	2.36
Annual	1,970	Δ11.6	1,210	Δ5.4	1,170	Δ9.3	1,090	14.7	4.78

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

1.Business results

(1) Analysis of business results

① Business results of the Fiscal Year

The Japanese economy in FY2008 faced extremely difficult conditions as corporate profits fell rapidly and the economic downturn accelerated dramatically following turmoil in the financial markets triggered by the subprime mortgage crisis, a sharp appreciation of the yen, a steep slide in the stock market and a decline in consumer spending and capital investments.

In this operating environment, the Company resolved that its consolidated subsidiary, Francebed Co., Ltd. would merge with another consolidated subsidiary, Francebed Medical Service Co., Ltd. on April 1, 2009. The merger allows us to focus our resources on the growing nursing-care welfare equipment business, aiming to develop this segment, as well as increasing the earnings capabilities of the entire Group, by moving forward with the structural reform of the home furnishing and health business.

In FY2008, we began to transfer personnel to the nursing-care welfare equipment business to establish a foundation that will enable the merger to quickly generate effects. We also sought to establish a new personnel system and prepare for post-merger personnel and organizational changes for the purpose of bringing two personnel systems into alignment and enhancing the Company's constitution, and to integrate systems to improve business efficiency. The Group companies were committed to securing sales and profit, as described in the Business Summary below, but were unable to overcome the severity of the operating environment.

As a result, the Group's consolidated financial results for FY2008 included sales of 54,179 million yen (down 10.2% on a year-on-year basis), operating profit of 74 million yen (down 95.6% on a year-on-year basis), an ordinary loss of 110 million yen (operating profit of 1,671 million yen in the previous fiscal year) and a net loss of 1,615 million yen (same term net profit of 439 million yen in the previous fiscal year). The Group posted as extraordinary losses a loss on the revaluation of investments in securities and a loss arising from the restructuring of business operations, and reduced the deferred tax assets of consolidated subsidiaries.

From the FY2008 under review, we are changing the name of home furnishing business to Furniture interior healthy business

(Furniture interior healthy business)

The home furnishing and health business continued to face a grim outlook for furniture demand, because new residential construction starts, which are of great relevance to the business, remained weak, while personal consumption slumped. We were also forced to lower prices of domestic products in response to the markdown sale of imported furniture aided by the sharp appreciation of the yen, creating an extremely severe profit environment for domestic manufacturers.

Amid these circumstances, the home furnishing and health business introduced the NEW _ MORNING series and NEW ESPRIT series, using bed frames with the F☆☆☆☆ (F Four Star) specification of the internal standards concerning formaldehyde-related safety, at a Release Exhibition held in August 2008. With internal standards that respond to living environment needs based on the "sick building syndrome" regulations in the amended Building Standards Act, we gradually shifted existing wooden bed frames to the F☆☆☆☆ (F Four Star) specification. We have also took steps to enhance the functionality of motorized reclining beds and other multi-functional products for comfortable sleep and safety. These product development efforts are designed to offer high added-value products that are safe for use by all consumers. The sales department conducted sales promotions highlighting "Secure, Safe and Made in Japan" to differentiate our products from imports.

While we are focusing on expanding the sales of luxury and high added-value products, we also launched the development and sales of inexpensive items, as in the development of RAKUNE SUPER, an industry-first foldable spring mattress, and sales of AIR FOOT PRO, an air-driven foot massager, enhancing sales promotions particularly at furniture retailers and mass merchandise outlets to respond to the rapid market changes from the second half of the year.

For hotels, facilities and other corporate clients, we could not deliver most of the orders received in FY2008 from late in the third quarter onward, due to a spate of revised orders and postponements of delivery date in conjunction with the economic downturn. This prevented us from recording the orders as sales.

As a result, the sales of the home furnishing and health business stood at 26,083 million yen (down 15.9% on a year-on-year basis) with operating loss reaching 1,271 million yen (same term operating loss of 171 million yen in the previous fiscal year).

(Acute and long-term care business)

In the nursing-care welfare equipment business, we released new products including a low-floor bed equipped with an emergency release function motor and a function for maintaining a seated position, and a high-performance wheelchair. We also sought to expand rental sales of handrails, slopes and other locomotion aids through an expansion of trade. To ensure safety, we raised caution about operating nursing beds so that the user's body does not get caught in the gap along the handrails, and focused on enhancing service quality by improving employees' skills through training programs for sales representatives to improve their monitoring skills, and by encouraging the acquisition of welfare equipment planner qualifications.

In product sales, we focused on the trade of a suctioning device and other home health care equipment as well as sales of new products, including a low-floor bed, to distributers and conducted a review of less profitable trades as in the previous fiscal year. A significant impact from the revised capital investments emerged in the sales of facilities for corporate clients from the latter half of the third quarter onward.

In home renovations, we sought to expand general renovations not covered by nursing care insurance as well as improve profit margins, which however resulted in a reduced number of large orders owing to the retrenchment of expenditures, as with product sales.

We also reviewed our sales offices with the aim of expanding trades in metropolitan markets and opened the Setagaya Sales Office (Metropolitan Tokyo) in September 2008, while closing and integrating the Tsukuba Sales Office (Ibaraki prefecture) and Iga Sales Office (Mie prefecture). We also carried forward enhancement and improvement of the sales and distribution offices, including new establishment of the Nerima Sales Office, Roppongi Sales Office (Metropolitan Tokyo), Nishinomiya Sales Office (Hyogo prefecture) and the annexed Hanshin Service Center in April 2009.

For the smooth merger of Francebed Co., Ltd. and Francebed Medical Service Co., Ltd. set for April 1, 2009, we gave advance notice to rental users and clients, conducted the application procedure for providing nursing care services at Sales Offices and made other arrangements necessary for post-merger transitions, while proceeding with preparations for the release set for June 2009 of a new motorized bed for home nursing care that meets the revised Japanese Industrial Standards (JIS) announced March 20, 2009.

As a result, in the nursing-care welfare equipment business, sales stood at 22,977 million yen, down 1.3% year on year, while operating income declined 18.9%, to 1,247 million yen.

(Real estate lease business)

The Group makes effective use of the real estate held by group companies depending on their business development. In FY2008, the internal sales or revenues from leasing real estate among group companies amounted to 258 million yen (up 9.0% on a year-on-year basis). The Group also leased some real estate to external parties, with sales totaling 146 million yen (down 18.6% on a year-on-year basis).

As a result, the operating income for the real estate lease business amounted to 252 million yen (down 3.8% on a year-on-year basis).

(Other businesses)

Door-to-door sales business earnings declined due to the influence of slumping consumption of medium- to high-quality goods and regulations concerning per-item installment loans offered by credit loan companies. Meanwhile, in the commodities and sundries sales business, we worked to improve earnings by taking a scrap-and-build approach for stores and accelerating withdrawal of less profitable stores.

As a result, other business sales stood at 4,971 million yen (down 15.7% on a year-on-year basis) with operating loss of 262 million yen (operating loss of 23 million yen in the previous fiscal year).

② Outlook for Fiscal year ended March 2010

For the outlook for the next fiscal year, ending March 2010, we are expecting continued slowing of the Japanese economy as the future of the global financial market is still unclear.

Amid such circumstances, the Group has aggressively expanded the nursing-care welfare equipment business to accommodate the continually rising proportion of the elderly, while the home furnishing business operating environment is expected to remain severe based on predictions that imported products benefiting from the strong yen will be continually brought into the domestic markets, followed by further intensified price competition.

As a result, we expect consolidated sales of 52,600 million yen, consolidated operating income of 1,250 million yen, consolidated ordinary income of 1,100 million yen and consolidated net income of 350 million yen for the next fiscal year, ending March 2010.

(2) Analysis of Financial Position

① Status of balance sheet

Total consolidated assets at the end of FY2008 stood at 59,984 million yen, down 2,008 million yen from the end of the previous fiscal year. Current assets stood at 32,266 million yen, a 1,747 million yen decrease from the end of the previous fiscal year, reflecting the decrease associated with trade notes and accounts receivable of 1,674 million yen, securities of 998 million yen, inventory assets of 665 million yen, attributable to decreased sales, and a 1,802 million yen increase associated with cash and deposits.

Fixed assets stood at 27,696 million yen, a 282 million yen decrease from the end of the previous fiscal year, reflecting the 956 million yen decrease in investment and other assets and 618 million yen increase in tangible fixed assets.

Liabilities stood at 22,243 million yen, a 1,128 million yen increase from the end of the previous fiscal year, reflecting a 1,333 million yen decrease in current liabilities, attributable to decreased trade notes and accounts payable, and a 2,461 million yen increase in long-term liabilities, attributable to increased bonds and long-term borrowings.

Net assets stood at 37,740 million yen, a 3,136 million yen decrease from the end of the previous fiscal year, which is mainly attributable to a 1,615 million yen net loss for the term, distribution of retained earnings of 1,147 million yen and acquisition of treasury stock of 199 million yen.

As a result, the return on equity decreased from 65.9% at the end of the previous fiscal year to 62.9%.

② Status of cash flow

In cash flow on a consolidated basis, cash and cash equivalents for FY2008 stood at 10,142 million yen, a 497 million yen increase from the beginning of FY2008. Details of each cash flow item are given below.

(Cash flow from operating activities)

In FY2008, net cash inflow from operating activities totaled 1,808 million yen, primarily attributable to the following: 1,666 million yen income for decreased accounts receivable, 626 million yen for decreased inventory assets, 2,054 million yen for non-fund depreciation and 314 million yen for loss on revaluation of investments in securities, against expenditure of 683 million yen for net loss before income taxes and minority interests, 1,692 million yen for decreased accounts payable and 646 million yen for income tax payment.

(Cash flow from investing activities)

Net cash outflow from investing activities totaled 3,092 million yen, which is primarily attributable to expenditure on tangible fixed assets of 2,790 million yen.

(Cash flow from financing activities)

Net cash inflow from financing activities of 1,797 million yen was primarily attributable to the following: 1,528 million yen income for bond issue, 450 million yen for long-term borrowings and 1,431 million yen for the gain in sale and lease back transactions, against 1,146 million yen expenditure for the payment for dividends and 199 million yen for the acquisition of treasury stock.

(Reference) Trend of cash flow indicators

	Term ended March 2006	Term ended March 2007	Term ended March 2008	Term ended March 2009
Equity Ratio (%)	61.7	63.6	65.9	62.9
Equity Ratio at Market Value (%)	99.9	83.7	49.5	49.7
Ratio of interest-bearing debt to cash flow(%)	1.3	1.9	5.4	4.7
Interest Coverage Ratio (times)	50.9	29.3	9.7	16.9

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 2009 and Fiscal 2010 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.
As a decline in the Group' s performance and a continuing severe market climate are expected, we plan to make a 3.75 yen per share dividend for FY2008 (5.00 yen per share for the previous fiscal year).
The projected amount of the year-end dividend for fiscal year 2009, ending March 31, 2010, has yet to be determined due to uncertainty over the operating environment. It will be disclosed at the earliest possible date with comprehensive consideration of the Group' s results in the future.

(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 Furniture interior healthy 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

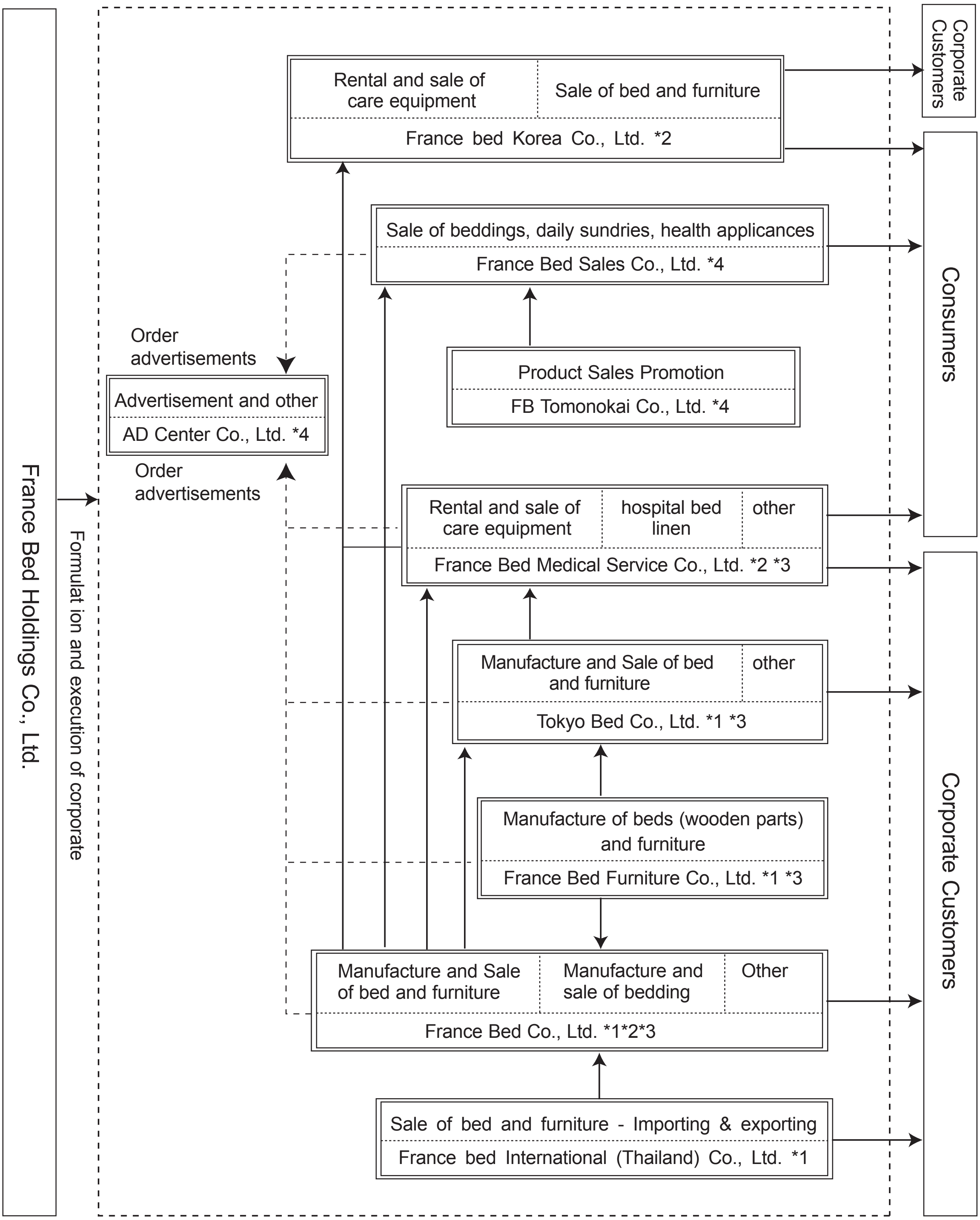
The Corporate Group is comprised of the Company and nine subsidiary companies and are primarily engaged in Furniture interior healthy business, Acute and long-term care business, Real estate lease business and other businesses.
The relationship between the positioning of the Group businesses and business segment is described below.
The classification used in the business segment in the segment information is the same as one applied below.
From the FY2008 under review, we are changing the name of home furnishing business to Furniture interior healthy business

Business Type	Principal Line of Business	Principal Companies
Furniture interior healthy 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

*4 : Other Business

The schematic summary of the businesses is as shown above as of March 31, 2009. Please note that Francebed Medical Service Co., Ltd. has ceased to exist as a result of the merger with Francebed Co., Ltd. on April 1, 2009.

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

Given the drop in capital investments attributable to declined corporate profits, and slumping consumer spending attributable to the worsened employment and income environment, a prolonged economic slowdown is expected in Japan, further aggravating the situation surrounding the Group.
In response to the changes in the operating environment, the Group’s core subsidiaries, Francebed Co., Ltd. and Francebed Medical Service Co., Ltd. have been merged on April 1, 2009.
Francebed Co., Ltd. will undertake the following initiatives after the merger.

① Development of Rental + Reuse Business
We will be transitioning from the product manufacturing and selling business to business where goods are manufactured, rented and collected for quick reuse. In response to the consumption value shifting from “possession” to “use,” the Group will develop the Rental + Reuse Business as our new business model.
With this new business model, we will develop the rental business by applying the knowhow cultivated by Francebed Medical Service Co., Ltd. to the home furnishing and health business, which engages in the wholesale trade of beds and other home furnishing products. The target customer segment of the furniture rental business is not only general consumers but also corporate users, particularly condominium developers and housing manufacturers to which we will offer bed and furniture rental services for showrooms, and rental condominium companies to which we will propose beds and furniture appropriately coordinated with the leased property in order to offer furniture rental services.
The corporate facilities services business, which engages in corporate sales for hotels and hospitals, will develop new products tailored to the needs of customers staying at accommodations in order to offer them for rental, without limiting the products available for rental to welfare equipment. Additionally, we will maintain and repair the welfare equipment collected from rental users to sell it as reusable products to special elderly nursing homes and hospitals.
The medical services business, which provides nursing services, will proactively develop products and services not covered by nursing care insurance, in addition to traditionally predominant products that do receive coverage.

② Development of products and services for the elderly along with new sales channels, responding to an aging society
We will proactively develop new value-creating products and services for the elderly in response to the aging society. We will also facilitate sales and rental of products for the elderly to special elderly nursing homes and hospitals. We will reach out to local electric appliance stores as a new sales channel. Many of our products for the elderly are closely related to electric appliances, which may be of interest to local electric appliance stores. As such stores are characterized by providing community-based, fine-tuned services to local customers, including the elderly, we will positively call on them to cooperate.
A significant number of accidents occurred in the use of motorized beds for home nursing care, including multiple serious incidents where injury or death resulted from the head or neck becoming trapped in the narrow gap between the bedside rails or handrails, as reported to the Ministry of Economy, Trade and Industry. In response to the accident reports, in the revised Japanese Industry Standards (JIS) relating to motorized beds for home nursing care, announced March 20, 2009, the Ministry has imposed new requirements on bedside rails or handrails to ensure safety.
Our group has been preparing for the June 2009 release of new products compliant with the new standards in order to keep up with replacement demand for new JIS-compliant products. We will improve sales to rental service providers, aiming to expand the sales of such products.

(3) Other Important Matters Related to Management

Not applicable.

Consolidated Financial Statements

(1) Consolidated balance sheets

(In millions of yen)

	Fiscal year ended Mar. 2008 (As of Mar.31, 2008)	Fiscal year ended Mar. 2009 (As of Mar.31, 2009)
ASSET		
Current assets		
Cash and deposits	6,181	7,983
Notes and accounts receivable, trade	11,777	10,103
Marketable securities	3,498	2,499
Inventory	10,360	—
Merchandise and finished goods	—	7,673
Work in process	—	173
Raw materials and supplies	—	1,847
Deferred income tax assets	884	853
Other	1,362	1,186
Allowance for doubtful accounts	Δ50	Δ53
Total current assets	34,013	32,266
Fixed assets		
Tangible fixed assets		
Assets for rent	3,664	3,645
Accumulated depreciation	Δ2,218	Δ2,116
Assets for rent, net	1,446	1,528
Buildings and structures	15,557	15,567
Accumulated depreciation	Δ10,036	Δ10,493
Buildings and structures, net	5,520	5,073
Machinery and transport equipment	7,159	7,045
Accumulated depreciation	Δ6,093	Δ6,128
Equipment and vehicles, net	1,065	917
Tools, furniture and fixtures	1,881	1,940
Accumulated depreciation	Δ1,501	Δ1,590
Tools, furniture and fixtures, net	379	349
Land	6,522	6,523
Lease assets	—	1,418
Accumulated depreciation	—	Δ253
Lease assets, net	—	1,164
Construction in progress	48	43
Total tangible assets	14,982	15,600
Intangible fixed assets		
Software	387	339
Other	29	132
Total intangible fixed assets	417	472
Investments and other assets		
Investment securities	1,658	1.346
Long term loans receivable	48	47
Deferred income tax assets	2,527	2,461
Prepaid pension expense	5,820	5,590
Other	2,703	2,356
Allowance for doubtful accounts	Δ178	Δ179
Total investments and other assets	12,579	11,623
Total fixed assets	27,978	27,696
Deferred assets		
Bond issue expenses	—	21
Total deferred assets	—	21
Total Assets	61,992	59,984

(In millions of yen)

	Fiscal year ended Mar. 2008 (As of Mar.31, 2008)	Fiscal year ended Mar. 2009 (As of Mar.31, 2009)
LIABILITIES		
Current liabilities		
Notes payable-trade and accounts payable	6,709	4,996
Factoring of accrued liability	1,305	1,262
Short-term loans payable	5,277	5,283
Long-term loans payable within one year	48	—
Lease obligations	—	526
Income taxes payable	362	353
Accrued consumption tax	54	58
Deferred tax liability	0	0
Reserve for bonuses	1,278	1,159
Reserve for director’s bonuses	35	12
Reserve for part exchange loss	143	102
Reserve for loss on restructuring	—	128
Other	2,644	2,641
Total current liabilities	17,860	16,526
Fixed Liabilities		
Bonds	—	1,550
Long-term loans payable	—	450
Lease obligations	—	846
Deferred tax liability	2	0
Reserve for retirement benefits	2,550	2,250
Reserve for directors retirement bonuses	465	403
Reserve for contingent loss	—	7
Other	236	204
Total fixed liabilities	3,255	5,717
Total liabilities	21,115	22,243
NET ASSETS		
Shareholders' equity		
Capital stock	3,000	3,000
Capital surplus	5,117	5,116
Retained earnings	35,585	32,823
Treasury stock	∆2,952	∆3,150
Total shareholders' equity	40,751	37,789
Valuation and translation adjustments		
Valuation gain and loss on other securities	95	∆112
Deferred gains or losses on hedges	15	∆0
Foreign currency translation adjustment	15	63
Total valuation and translation adjustments	126	∆48
Total net assets	40,877	37,740
Total liabilities and shareholders' equity	61,992	59,984

(2) Consolidated Statements of Income

(In millions of yen)

	Fiscal year ended March 2008 (Apr. 1, 2007 ~ Mar. 31, 2008)	Fiscal year ended March 2009 (Apr. 1, 2008 ~ Mar. 31, 2009)
Net sales	60,391	54,179
Cost of sales	34,107	30,683
Gross income	26,284	23,495
Selling, general and administrative expense	24,584	23,421
Operating income	1,699	74
Other income		
Interest income	50	39
Dividend income	32	39
Purchase discount	—	25
Life Insurance dividend income	—	34
Member reserve fund adjustment profit	51	—
Other	181	100
Total other income	315	239
Other expenses		
Interest expense	100	112
Sales discounts	62	53
Commission paid	39	—
Exchange loss	64	147
Other	76	110
Total other expenses	343	424
Ordinary income or Ordinary loss	1,671	△110
Extraordinary Income		
Gains on Prior Year Adjustment	65	49
Gains form Sale of Fixed Assets	803	130
Compensation payments received	—	111
Other	3	—
Total extraordinary income	872	291
Extraordinary Losses		
Loss from Prior Year Adjustment	21	19
Losses from Sale of Fixed Assets	2	1
Loss from Removal of Fixed Assets	85	51
Loss on impairment of fixed assets	—	205
Loss on sales of investment securities	0	—
Loss on revaluation of investment securities	539	314
Part exchange loss	151	—
Loss on revaluation of inventories	—	31
Loss on restructuring	—	220
Provision of reserve for contingent loss	—	7
Other	39	12
Total extraordinary losses	840	864
Pretax profit(loss) of the current term	1,704	△683
Income taxes - current	1,015	761
Income taxes - deferred	249	169
Total income before income taxes	1,265	931
Net Income or Net loss	439	△1,615

(3) Consolidated Statement of Changes in Net Assets

(In millions of yen)

	Fiscal year ended March 2008 (Apr. 1, 2007 ~ Mar. 31, 2008)	Fiscal year ended March 2009 (Apr. 1, 2008 ~ Mar. 31, 2009)
Shareholders' equity		
Common stock		
Balance at end of previous fiscal year	3,000	3,000
Changes of items during the period		
Total	—	—
Balance at end of current fiscal year	3,000	3,000
Capital surplus		
Balance at end of previous fiscal year	5,117	5,117
Changes of items during the period		
Disposal of treasury stock	Δ0	Δ0
Total	Δ0	Δ0
Balance at end of current fiscal year	5,117	5,116
Retained earnings		
Balance at end of previous fiscal year	36,293	35,585
Changes of items during the period		
Cash dividends paid	Δ1,147	Δ1,147
Net income (loss)	439	Δ1,615
Total	Δ707	Δ2,762
Balance at end of current fiscal year	35,585	32,823
Treasury stock at cost		
Balance at end of previous fiscal year	Δ2,950	Δ2,952
Changes of items during the period		
Treasury stock purchased	Δ1	Δ199
Disposal of treasury stock	0	1
Total	Δ1	Δ198
Balance at end of current fiscal year	Δ2,952	Δ3,150
Shareholders' equity total		
Balance at end of previous fiscal year	41,460	40,751
Changes of items during the period		
Cash dividends paid	Δ1,147	Δ1,147
Net income (loss)	439	Δ1,615
Treasury stock purchased	Δ1	Δ199
Disposal of treasury stock	0	0
Total	Δ709	Δ2,961
Balance at end of current fiscal year	40,751	37,789

(In millions of yen)

	Fiscal year ended March 2008 (Apr. 1, 2007 ~ Mar. 31, 2008)	Fiscal year ended March 2009 (Apr. 1, 2008 ~ Mar. 31, 2009)
Valuation and translation differences		
Valuation differences and other marketable securities		
Balance at end of previous fiscal year	198	95
Changes of items during the period		
Net changes of items other than shareholders' equity	Δ103	Δ207
Total	Δ103	Δ207
Balance at end of current fiscal year	95	Δ112
Deferred gains on hedges		
Balance at end of previous fiscal year	Δ2	15
Changes of items during the period		
Net changes of items other than shareholders' equity	18	Δ15
Total	18	Δ15
Balance at end of current fiscal year	15	Δ0
Foreign currency translation adjustments		
Balance at end of previous fiscal year	12	15
Changes of items during the period		
Net changes of items other than shareholders' equity	2	48
Total	2	48
Balance at end of current fiscal year	15	63
Valuation and translation differences Total		
Balance at end of previous fiscal year	208	126
Changes of items during the period		
Net changes of items other than shareholders' equity	Δ82	Δ174
Total	Δ82	Δ174
Balance at end of current fiscal year	126	Δ48
Net assets Total		
Balance at end of previous fiscal year	41,669	40,877
Changes of items during the period		
Cash dividends paid	Δ1,147	Δ1,147
Net income (loss)	439	Δ1,615
Treasury stock purchased	Δ1	Δ199
Disposal of treasury stock	0	0
Net changes of items other than shareholders' equity	Δ82	Δ174
Total	Δ792	Δ3,136
Balance at end of current fiscal year	40,877	37,740

(4) Consolidated Statement of Cash Flow

(In millions of yen)

	Fiscal year ended March 2008 (Apr. 1, 2007 ~ Mar. 31, 2008)	Fiscal year ended March 2009 (Apr. 1, 2008 ~ Mar. 31, 2009)
Cash flows from operating activities		
Pretax profit (loss) of the current term	1,704	(683)
Depreciation	1,810	2,054
Impairment loss	—	205
Gain on sale of fixed assets	(803)	(128)
Loss on disposal of fixed assets	—	50
Loss on sale and disposal of fixed assets	70	—
Loss on sales of investment securities	0	—
Loss on valuation of investment securities	539	314
Increase (decrease) in allowance for doubtful accounts	21	3
Increase (decrease) in reserve for bonuses	(122)	(119)
Increase (decrease) in reserve for director's bonuses	(52)	(23)
Increase (decrease) in reserve for part exchange loss	143	(41)
Increase (decrease) in reserve for retirement benefits	—	(299)
Increase (decrease) in reserve for prepaid pension expense	—	229
Increase (decrease) in reserve for retirement benefits and prepaid pension expense	(845)	—
Increase (decrease) in reserve for directors retirement bonuses	17	(62)
Interest income and dividend income	(82)	(79)
Interest expense	100	112
Exchange loss	60	103
Decrease (increase) in account receivables	1,415	1,666
Decrease (increase) in inventories	(6)	626
Decrease (increase) in procurement obligations	(1,333)	(1,692)
Decrease (increase) in accrued factoring liabilities	(27)	(42)
Decrease (increase) in accrued expenses	(83)	69
Decrease (increase) in accrued consumption tax	(5)	—
Other	(113)	217
Sub-Total	2,409	2,482
Interest and dividends received	81	79
Interest paid	(101)	(106)
Corporate taxes paid	(1,405)	(646)
Cash flows from operating activities	983	1,808

(In millions of yen)

	Fiscal year ended March 2008 (Apr. 1, 2007 ~ Mar. 31, 2008)	Fiscal year ended March 2009 (Apr. 1, 2008 ~ Mar. 31, 2009)
Cash flows from investing activities		
Investments in time deposits	(319)	(54)
Decrease in term deposits	—	48
Proceeds from sale of marketable securities	1	—
Expenditures for acquisition of tangible fixed assets	(2,924)	(2,790)
Proceeds form sale of tangible fixed assets	1,151	158
Expenditures for acquisition of investment securities	(586)	(274)
Proceeds from sale of investment securities	0	—
Expenditure for loans	(22)	(8)
Proceeds from recovery of loans	21	12
Other	(99)	(182)
Cash flows from investing activities	(2,778)	(3,092)
Cash flows from financing activities		
Proceeds from Increase in short term borrowings	245	112
Expenditure for repayment of short term borrowings	(77)	(100)
Proceeds from long-term loans payable	—	450
Expenditure for repayment of long term borrowings	(180)	(48)
Proceeds from issuance of bonds	—	1,528
Proceeds from the sale of treasury shares	0	0
Expenditure for acquisition of treasury shares	(1)	(199)
Proceeds from sale-and-Leaseback	—	1,431
Repayment of obligation under capital leases	—	(231)
Payment of dividends	(1,144)	(1,146)
Other	(0)	(0)
Cash flows from financing activities	(1,159)	1,797
Effect of exchange rate changes on cash and cash equivalents	(6)	(15)
Net (decrease) increase in cash and cash equivalents	(2,960)	497
Cash and cash equivalents at beginning of period	12,605	9,645
Cash and cash equivalents at end of period	9,645	10,142

An event or situation that may cast material doubt related to the premise of going concern

No corresponding items.

Significant Matters in Preparation of Consolidated Financial Statements

Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)	Fiscal year ended March 2009 (Commenced Apr. 1,2008 and ended Mar.31, 2009)
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.	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 Same as the left
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. ―――――― b. Other marketable securities With market value: Same as the left Without market value: Same as the left (ii) ―――――― (iii)Inventory a. Merchandise, product, and work-in-progress First-in, first-out inventory valuation method: a book value, write-down method based on decreased profitability used for the balance sheet value b. Materials and stored goods Last-in, first-out inventory valuation method: a book value, write-down method based on decreased profitability used for the balance sheet value

Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)	Fiscal year ended March 2009 (Commenced Apr. 1,2008 and ended Mar.31, 2009)
	(Changes in Accounting Policy) Previously the Company used the first-in, first-out inventory valuation method for merchandise, products and works-in-progress possessed for ordinary sales transactions and last-in, first-out inventory valuation method for materials and stored goods. Starting from FY2008, we have applied the first-in, first-out inventory valuation method (a book value, write-down method based on decreased profitability used for the balance sheet value) for merchandise, products and works-in-progress, and the last-in, first-out inventory valuation method (a book value, write-down method based on decreased profitability used for the balance sheet value) for materials and stored goods, in accordance with the Accounting Standard for Measurement of Inventories (ASB Standard No. 9, issued July 5, 2006). As a result, gross income and operating income decreased by 68 million yen, ordinary loss increased by 68 million yen and net loss before income tax and minority interests increased by 100 million yen. The impact of the changes on the segment information is stated in the relevant items. .
(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.	(2) Method of depreciation of significant depreciable assets (i)Tangible Fixed Assets(lease asset is excluded) 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 3~13 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.

Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)	Fiscal year ended March 2009 (Commenced Apr. 1,2008 and ended Mar.31, 2009)
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.	
(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.	(Additional Information) Previously, the Company noted the useful lives of equipment for domestic consolidated subsidiaries as 3-15 years. Starting from FY2008, we have changed this to 2-13 years as a result of our review of useful lives following the tax system revisions in FY2008. The impact of the change on profit and loss is immaterial.
(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(lease asset is excluded) Same as the left
(iii) ――――――――――	(iii) Lease asset Depreciation is based on the straight-line method over the lease term of the leased assets, assuming no residual value. Of non-ownership transfer financial lease transactions, those with inception on or before March 31, 2008, are treated by the same method as ordinary lease transactions.
(iv)Long term prepaid expenses Equal amortization is applied.	(iv)Long term prepaid expenses Same as the left

Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)	Fiscal year ended March 2009 (Commenced Apr. 1,2008 and ended Mar.31, 2009)
(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 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	(iv) Reserve for retirement benefits Same as the left
(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.	(v) Reserve for directors' retirement bonuses Same as the left
(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.	(vi) Reserve for parts replacement loss To provide against replacement costs incurred for defective parts, estimated expenses for future replacement volume as of FY2008 is recorded.
(vii) ―――	(vii) Reserve for loss on business restructuring To provide against loss related to the Group' s business restructuring which has been decided in FY2008, estimated loss that is reasonably expected to occur at the end of FY2008 is recorded.
(viii) ―――	(viii) Contingent reserve To provide against contingencies that may occur in the future, estimated loss is reasonably calculated and recorded for that deemed necessary.

Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)	Fiscal year ended March 2009 (Commenced Apr. 1,2008 and ended Mar.31, 2009)
(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) ――――
(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 Derivative transactions (currency options and forward foreign exchange contracts) b.Hedge targets Foreign-currency denominated claims and 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. (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.	(6) Hedge Accounting (i) Method of Hedge Accounting Same as the left (ii) Hedging tools and hedge targets a.Hedging tools Same as the left b.Hedge targets Same as the left (iii) Hedging policy Same as the left (iv) Method of evaluating hedge effectiveness a.Test in advance Same as the left b.Test after the fact Same as the left
(7) ――――	(7) Treatment of deferred assets Depreciation of bond issue expenses is based on the straight-line method over the bond redemption period.

Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)	Fiscal year ended March 2009 (Commenced Apr. 1,2008 and ended Mar.31, 2009)
(8) 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.	(8) 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. 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.	6. 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 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)	Fiscal year ended March 2009 (Commenced Apr. 1,2008 and ended Mar.31, 2009)
――――――	(Accounting standards for lease transactions) Previously, the Company used the same method as ordinary lease transactions for non-ownership transfer financial lease transactions. Starting from FY2008, these are treated as ordinary purchase and sale transactions, in accordance with the Accounting Standard for Lease Transactions (ASB Standard No. 13, [First Committee of Business Accounting Council on June 17, 1993], revised March 30, 2007) and Guidance on Accounting Standard for Lease Transactions (ASB Guidance no. 16 (January 18, 1994 [Accounting System Committee at the Japanese Institute of Certified Public Accountants], revised March 30, 2007). Non-ownership transfer financial lease transactions with inception on or before March 31, 2008 are treated by the same method as ordinary lease transactions. The impact of the change on profit and loss is immaterial.
――――――	(Tentative Treatment for Unification of Accounting Policies of Foreign Subsidiaries in Preparing the Consolidated Financial Statements) The Company has adopted the Tentative Treatment for Unification of Accounting Policies of Foreign Subsidiaries in Preparing the Consolidated Financial Statements (PITF No. 18, May 17, 2006) starting from FY2008. There is no impact from the change on profit and loss.

(Changes in Presentation)

Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)	Fiscal year ended March 2009 (Commenced Apr. 1,2008 and ended Mar.31, 2009)
	(Consolidated statement of Balance sheet) Pursuant to the "Partial Amendment of Regulations for Terminology, Forms and Preparation Methods of Financial Statements" (Cabinet Office Ordinance No. 50, August 7, 2008), the items classified as "Inventory assets" in the previous fiscal year have been subdivided into "merchandise and products," "works-in-progress" and "material and stored goods" from FY2008. "Merchandise and products," "works-in-progress" and "material and stored goods" included in "Inventory assets" in the previous fiscal year stood at 8,228 million yen, 232 million yen and 1,898 million yen, respectively.
(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 income) Since "Gain on the disposition of reserve for members," which was separately recorded in the previous fiscal year, fell below 10% of non-operating income, it has been included in "Other non-operating income" from FY2008 (12 million yen for FY2008). Since "Commission expenses," which was separately recorded in the previous fiscal year, fell below 10% of non-operating expenses, it has been included in "Other non-operating expenses" from FY2008 (38 million yen for FY2008). Since "purchase discount" and "life insurance bonus," which was included in "Other non-operating income" in the previous fiscal year, exceeded 10% of non-operating income, it has been separately recorded from FY2008. "Purchase discount" and "life insurance bonus" included in "Other non-operating income" in the previous fiscal year stood at 31 million yen and 30 million yen, respectively.
(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.	(Consolidated Statement of Cash Flow) Cash flows from operating activities, which were classified as "Changes in reserve for retirement benefits and prepaid pension expenses" in the previous fiscal year, have been separately recorded as "Changes in reserve for retirement benefits (Å¢ indicates a decrease)" and "Changes in reserve for prepaid pension expenses (Å¢ indicates increase)" from FY2008, to improve the comparability of consolidated financial statements with the XBRL introduction to EDINET. "Changes in reserve for retirement benefits (Å¢ indicates a decrease)" and "Changes in reserve for prepaid pension expenses (Å¢ indicates an increase)" in the previous fiscal year stood at Å¢481 million yen and Å¢364 million yen, respectively. Since the cash flows from operating activities, which have been classified as "Change in accrued consumption tax," (Å¢4 million yen for FY2008) have decreased in importance they have been included in "Other" under "Cash flows from operating activities" from FY2008.

Notes

(Relating to the Consolidated Balance Sheet)

Fiscal year ended March 31. 2008	Fiscal year ended March 31. 2009
1. ___	1. Accumulated depreciation includes accumulated impairment loss.
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	2. Assets Pledged as Collateral Investment Securities ¥53 million Obligations to the above Account Payable ¥ - million
3. Contingent Liabilities The Group provides guarantees for financial institution borrowings by employees. ¥81 million	3. Contingent Liabilities The Group provides guarantees for financial institution borrowings by employees. ¥66 million
4. 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	4. 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 8 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 ¥4,700 million Amount Drawn Down -- million Net ¥4,700 million (Financial covenants) The commitment line agreements listed above are subjected to the following financial covenants, conflicting with Clause I for FY2008. No borrowing is performed, as stated above, but additional expense may be incurred. 1. The operating loss at the end of the current fiscal year in the consolidated statement of income will not be recorded as a loss. 2. The consolidated return on equity at the end of the current fiscal year will be maintained at or above 70% of the consolidated return on equity at the end of the previous fiscal year.

(Relating to the Consolidated Statement of Income)

Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)	Fiscal year ended March 2009 (Commenced Apr. 1,2008 and ended Mar.31, 2009)
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	1. Summary breakdown of selling, general and administrative expenses Transport and storage fees ¥2,473 million Provisions to allowance for doubtful accounts ¥36 million Employees salary and bonuses ¥9,804 million Provision to reserve for bonuses ¥932 million Accrued directors' retirement benefits ¥12 million Retirement benefits expense ¥664 million Provision to reserve for directors' retirement bonuses ¥64 million
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	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 ¥28 million In cost of manufacturing for the term under review ¥185 million Total ¥213 million
3. ――――	3. Details of gains from prior period adjustment Reversals of allowance for doubtful accounts Prior years' excessive provisions for reserve for bonuses ¥36 million Other ¥12 million Total ¥49 million
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	4. Details of gains from sale of fixed assets Buildings and structures ¥0 million Tools, furniture and furnishings ¥0 million Land ¥0 million (Intangible fixed assets)Other ¥129 million Total ¥130 million
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	5. Details of the loss from sale of fixed assets Equipment and vehicles ¥0 million Tools, furniture and furnishings ¥1 million Total ¥1 million
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	6. Details of losses from removal of fixed assets Buildings and structures ¥27 million Equipment and vehicles ¥14 million Tools, furniture and furnishings ¥9 million Total ¥51 million
7. Parts replacement loss of 151 million yen includes a transfer to the reserve for parts replacement loss of 143 million yen	7. ――――
8. ――――	8. The loss on business restructuring of 220 million yen includes the provision of the reserve for loss on business restructuring of 128 million yen.

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

9. ―

10. ―

Fiscal year ended March 2009
(Commenced Apr. 1,2008 and ended Mar.31, 2009)

9. Impairment losses
The following group of assets records impairment loss for FY2008 on a consolidated basis.

(In millions of yen)

Location	Facility	Type	Amount
Oota-shi Gunma	Idle assets	Buildings & Structures Machinery & Automotive equipment Equipment & Fixtures	192
Wakaba-ku Chiba	Idle assets	Land	5
Hirakata-shi Osaka	Lease assets	Land	8
Total			205

The Group classifies assets into groups based on business segment, with the exception of rent and idle assets, which are treated separately as independent assets of bear cash flow.
As seen from the above, the impairment loss recorded in FY2008 is related to rent and idle assets.
Since idle assets are in an idle state and not expected for future use, and rent assets are deemed difficult to recover investments due to decreased profitability, carrying amounts of both assets are reduced to their recoverable amounts, with the amount of the reduction recognized in extraordinary loss as impairment loss (205 million yen).
The recoverable amount of real estate is calculated by discounting future cash flows and valuated based on the assessed value of fixed assets.
The recoverable amount of that other than real estate is calculated by value in use.

10. Ending inventory is the amount after book value write-down based on decreased profitability, and the following loss of write-down of inventory assets is included in the cost of sales.
179 million yen

(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

Fiscal year ended March 2009 (Apr.1, 2008 - Mar.31, 2009)

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)	10,041	1,529	4	11,566
Total	10,041	1,529	4	11,566

(Note)

1. The increase in the amount of treasury stock of 1,529,000 shares reflects the acquisition of 1,519,000 shares resolved by the Board of Directors and 10,000 shares demanded to redeem odd-lot shares.
2. The decrease in the number of treasury common shares of 4,000 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, 2008 Shareholders' meeting	Common shares	¥ 573 million	¥ 2.50	March 31, 2008	June 23, 2008
November 7, 2008 Board of directors' meeting	Common shares	¥ 573 million	¥ 2.50	September 30, 2008	December 5, 2008

(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 25, 2009 Shareholders' meeting	Common shares	¥ 284 million	Accumulated income	¥ 1.25	March 31, 2009	June 26, 2009

(Relating to the consolidated cash flows)

Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)	Fiscal year ended March 2009 (Commenced Apr. 1,2008 and ended Mar.31, 2009)
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	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 ¥7,983 million Marketable securities ¥2,499 million Total ¥10,482 million Time deposits whose maturities exceed 3 months ¥ (-)340 million Cash and cash equivalents ¥10,142million

(Leases)

Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)	Fiscal year ended March 2009 (Commenced Apr. 1,2008 and ended Mar.31, 2009)

Fiscal year ended March 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
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	¥4 million
More than one year	¥8 million
Total	¥12 million

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

Fiscal year ended March 2009

1. Transferred to the lessee
Non-ownership transfer financial lease transactions
1. Details of leased assets : Tangible fixed assets
These are primarily rental assets (assets for lease) in the nursing-care welfare equipment business.
2. Depreciation method for leased assets
Significant Matters in Preparation of Consolidated Financial Statements : This is as described in “4. Matters relating to the accounting standards (2) Method of depreciation of significant depreciable assets.”
Of non-ownership transfer financial lease transactions, those with inception on or before March 31, 2008 are treated by the same method as ordinary lease transactions and the details are shown below.

(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	1,175	789	385
Equipment and Vehicles	18	14	3
Tools, Furniture and Fixtures	297	173	123
Software	234	139	95
Total	1,725	1,115	609

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

Within one year	¥394 million
More than one year	¥250 million
Total	¥645 million

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

Lease payments	¥677 million
Depreciation expenses	¥637 million
Interest expenses	¥26 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.

Omitted mention

2. Operating lease transaction
Outstanding lease amounts

Within one year	¥4 million
More than one year	¥5 million
Total	¥9 million

(Impairment losses)
Same as the left

(Relating toTax Effect Accounting)

Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
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 (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%	1. Breakdown of factors giving rise to deferred tax assets and deferred tax liabilities. (Deferred tax assets) Reserve for bonuses ¥472 million Reserve for retirement benefits ¥1,779 million Reserve for directors retirement bonuses ¥165 million Loss on impairment of fixed assets ¥318 million Amount of loss carried forward ¥1,518 million Valuation loss on inventories ¥194 million Other ¥748 million Subtotal deferred assets ¥5,197 million Valuation allowances (¥1,465 million) Total ¥3,731 million (Deferred tax liabilities) Reserve for advanced depreciation of fixed assets (¥416 million) Unrealized gains or losses on other marketable securities (¥1 million) Other (¥0 million) Total deferred liabilities (¥417 million) Net deferred tax assets ¥3,313 million (Note) The net deferred tax asset is included in the following items in the consolidated balance sheet Current Assets - Deferred Tax Assets ¥853 million Fixed Assets - Deferred Tax Assets ¥2,461 million Current Liability - Deferred Tax Liability (¥0 million) Fixed Liability - Deferred Tax Liability (¥0 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 4.1% Amounts such as entertainment expense not deductible as expense (8.2%) Equal installments of residents tax (16.2%) Valuation allowance (160.1%) Tax effect account adjustment for elimination of unrealized profits (5.1%) Tax effect account adjustment for Inter-company elimination 6.3% Other 2.4% Corporate tax rate after application of tax effect accounting (136.2%)

(Segment Information)

a. Segment Information by Business

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	1,259	(1,259)	--
Total	34,462	25,451	399	7,151	67,464	(1,259)	66,205
Operating Expenses	33,828	22,924	176	7,041	63,971	(1,356)	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

Fiscal year ended Mar. 2009 (Commenced Apr 1, 2008 and ended Mar 31, 2009)

(In millions of yen)

Classification	Furniture interior healthy	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	26,083	22,977	146	4,971	54,179	--	54,179
(2) Internal Sales among Segments or Transfers	760	27	258	664	1,711	(1,711)	--
Total	26,843	23,005	405	5,635	55,890	(1,711)	54,179
Operating Expenses	28,115	21,757	153	5,898	55,924	(1,819)	54,105
Operating Income (loss)	(1,271)	1,247	252	(262)	(34)	108	74
2. Assets, Depreciation, impairment loss and Capital Expenditures							
Assets	33,509	19,336	2,202	3,648	58,696	1,287	59,984
Depreciation	371	1,581	75	28	2,056	(2)	2,054
Impairment loss	192	5	8	--	205	--	205
Capital Expenditures	262	2,737	10	12	3,022	0	3,022

(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) Furniture interior healthy ---------- manufacture, procurement and sale of beds, furniture and beddings
   (2) Acute and Long Term Care ------- manufacture, procurement, sales and rental of medical treatment beds, care products, hospital bed linens
   (3) Real estate lease -------real estate lease
   (4) Other ------- procurement and retailing of accessories, daily sundry goods, health equipment, advertisement and exhibition equipment.
3. Change of business segment name
   The home furnishing business has been changed to the home furnishing and health business from FY2008.
   The change is only made to the name and has no impact on the segment information.
4. Of operating expenses, unclassifiable operating expenses (873 million yen) included in eliminations or corporate Items are primarily related to the general affairs department and administrative divisions of the Company submitting a consolidated financial statement.
5. Of assets, corporate assets (10,936 million yen) included in eliminations or corporate items are assets related to surplus investable funds (cash and deposits) and the general affairs department and administrative divisions of the Company submitting a consolidated financial statement.
6. Change of accounting policies
   Accounting standards for valuation of inventory assets
   As stated in 4 (1) of “Significant Matters in Preparation of Consolidated Financial Statements,” the Accounting Standard for Measurement of Inventories (ASB Standard No. 9, issued July 5, 2006) have been adopted from FY2008.
   As a result of this change, the operating loss has increased by 4 million yen for the home furnishing and health business and operating profit has decreased by 64 million yen for the nursing-care welfare equipment business, compared to the previous method.

b. Segments by Location

(1) 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.

(2) Fiscal year ended Mar. 2009 (Commenced April 1, 2008 and ended March 31, 2009)
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. 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.

(2) Fiscal year ended Mar. 2009 (Commenced April 1, 2008 and ended March 31, 2009)
As the Overseas Sales comprise less than 10% of the Consolidated Sales, the item has been omitted.

(Per Share Information)

Fiscal year ended Mar. 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)	Fiscal year ended Mar. 2009 (Commenced Apr. 1,2008 and ended Mar.31, 2009)
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.	Net Assets per Share ¥165.58 Earnings per share ¥7.05 Fully diluted earnings per share are net loss per share and not recorded for the period because no latent shares exist.

(Note) The basis for calculation of Net income（Net loss） per Share is as follows.

	Fiscal year ended Mar. 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)	Fiscal year ended Mar. 2009 (Commenced Apr. 1,2008 and ended Mar.31, 2009)
Net Income(loss) (¥ million)	439	(1,615)
Amount not attributable to Common Stock(¥ million)	--	--
Net Income(loss) attributable to Common Stock(¥ million)	439	(1,615)
Average Number of Outstanding Common Shares during the Period (thousand shares)	229,448	228,869

(Material Subsequent Events)

Fiscal year ended March 2008 (Commenced Apr. 1,2007 and ended Mar.31, 2008)	Fiscal year ended March 2009 (Commenced Apr. 1,2008 and ended Mar.31, 2009)
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.	Matters concerning the business combination of subsidiaries not completed by the consolidated closing date despite the principal terms have been agreed on 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 Furniture interior healthy 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.

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

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. (continue)	France Bed Medical Service Co., Ltd. (disappear)
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

(March. 31, 2008)

Fiscal year ended March 2009
(Commenced Apr. 1,2008 and ended Mar.31, 2009)

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.

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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	29,528 million yen	20,427 million yen
9) Net Income / Loss	∆1,711 million yen	545 million yen
10) Net Assets	27,935 million yen	9,444 million yen
11) Total Assets	34,817 million yen	18,440 million yen
12) Settlement period	March 31	March 31
13) Number of employees	840	653

(March. 31, 2009)

Omitted disclosure
Securities, derivatives transactions, retirement benefits, stock options, business combinations and other information related to concerned parties are omitted due to low materiality in the financial results.

5.Unconsolidated Financial Statements

(1) Balance Sheet

(In millions of yen)

Bankruptcy reclamation, etc	Fiscal year ended Mar. 2008 (As of Mar.31, 2008)	Fiscal year ended Mar. 2009 (As of Mar.31, 2009)
ASSET		
Current assets		
Cash and deposits	4,316	6,628
Marketable securities	3,498	2,499
Prepaid expenses	43	42
Deferred income tax assets	23	17
Short term loans to affiliates	4,650	4,400
Other	217	217
Total current assets	12,749	13,805
Fixed assets		
Tangible fixed assets		
Buildings	9	9
Accumulated depreciation	Δ3	Δ4
Buildings, net	6	5
Vehicles and transport equipment	8	8
Accumulated depreciation	Δ5	Δ6
Vehicles and transport equipment, net	2	1
Tools, furniture and fixtures	1	1
Accumulated depreciation	Δ0	Δ1
Tools, furniture and fixtures, net	0	0
Total tangible fixed assets	9	7
Intangible fixed assets		
Software	5	3
Total intangible fixed assets	5	3
Investments and other assets		
Shares of affiliates	43,279	43,161
Bankruptcy reclamation, etc	—	306
Long-term prepaid expenses	0	0
Deferred income tax assets	47	221
Long-term deposit	1,500	1,200
Other	138	127
Allowance for doubtful accounts	—	Δ306
Total investments and other assets	44,965	44,709
Total Fixed Assets	44,981	44,721
Deferred assets		
Bond issue expenses	—	21
Total deferred assets	—	21
Total Assets	57,730	58,547

(In millions of yen)

	Fiscal year ended Mar. 2008 (As of Mar.31, 2008)	Fiscal year ended Mar. 2009 (As of Mar.31, 2009)
LIABILITIES		
Current liabilities		
Short term borrowings	5,275	5,275
Accrued liabilities	70	86
Accrued expenses	64	64
Accrued corporate taxes	29	25
Accrued consumption tax	5	7
Advances received	0	0
Deposits from affiliates	10,017	9,237
Reserve for bonuses	27	23
Reserve for directors bonuses	17	—
Reserve for loss on liabilities for guarantee	—	10
Other	4	4
Total current liabilities	15,512	14,735
Fixed Liabilities		
Bonds	—	1,550
Long-term loans payable	—	450
Reserve for directors retirement bonuses	116	107
Total fixed liabilities	116	2,107
Total liabilities	15,628	16,842
NET ASSETS		
Shareholders' equity		
Capital stock	3,000	3,000
Capital surplus		
Capital reserve	750	750
Other capital surplus	38,892	38,891
Total capital surplus	39,642	39,641
Retained earnings		
Other retained earnings		
Surplus brought forward	2,410	2,213
Total retained earnings	2,410	2,213
Treasury stock	Δ2,952	Δ3,150
Total shareholders' equity	42,101	41,705
Valuation and translation adjustments		
Valuation gain and loss on other securities	0	0
Total valuation and translation adjustments	0	0
Total net assets	42,101	41,705
Total liabilities and shareholders' equity	57,730	58,547

(2) Statement of Income

(In millions of yen)

	Fiscal year ended March 2008 (Apr. 1, 2007 ~ Mar. 31, 2008)	Fiscal year ended March 2009 (Apr. 1, 2008 ~ Mar. 31, 2009)
Operating Revenues		
Dividend Income	1,359	1,257
Management Fees	781	826
Business Agency Fees	174	146
Total Operating Revenues	2,316	2,230
General Administrative Expenses	935	950
Operating Incomee	1,380	1,279
Non-Operating Income		
Interest Income	102	99
Securities interest	29	23
Commission Income	37	36
Othe	3	5
Total Non-Operating Expensesv	173	164
Non-Operating Expenses		
Interest expense	121	114
Interest on bonds	—	0
Amortization of bond issuance expenses	—	0
Commission paid	37	36
Other	0	1
Total non-operating expenses	159	153
Ordinary income	1,395	1,290
Extraordinary Income		
Gains on Prior Year Adjustment	5	3
Total extraordinary income	5	3
Extraordinary Losses		
Loss from Prior Year Adjustment	0	0
Provision of allowance for doubtful accounts of affiliates	—	306
Loss on valuation of stocks of affiliates	—	118
Provision of reserve for loss on liabilities for guarantee	—	10
Total extraordinary losses	0	436
Net Income before Taxes	1,400	857
Income taxes - current	102	75
Income taxes - deferred	△7	△167
Total income taxe	95	△92
Net Income	1,305	949

(3) Statement of Changes in Net Assets

(In millions of yen)

	Fiscal year ended March 2008 (Apr. 1, 2007 ~ Mar. 31, 2008)	Fiscal year ended March 2009 (Apr. 1, 2008 ~ Mar. 31, 2009)
Shareholders' equity		
Capital stock		
Balance at end of previous fiscal year	3,000	3,000
Changes of items during the period		
Total	—	—
Balance at end of current fiscal year	3,000	3,000
Capital surplus		
Legal capital surplus		
Balance at end of previous fiscal year	750	750
Changes of items during the period		
Total	—	—
Balance at end of current fiscal year	750	750
Other capital surplus		
Balance at end of previous fiscal year	38,892	38,892
Changes of items during the period		
Disposal of treasury stock	Δ0	Δ0
Total	Δ0	Δ0
Balance at end of current fiscal year	38,892	38,891
Total capital surplus		
Balance at end of previous fiscal year	39,642	39,642
Changes of items during the period		
Disposal of treasury stock	Δ0	Δ0
Total	Δ0	Δ0
Balance at end of current fiscal year	39,642	39,641
Retained earnings		
Other retained earnings		
Retained earnings brought forward		
Balance at end of previous fiscal year	2,253	2,410
Changes of items during the period		
Dividends from surplus	Δ1,147	Δ1,147
Net income	1,305	949
Total	157	Δ197
Balance at end of current fiscal year	2,410	2,213
Total retained earnings		
Balance at end of previous fiscal year	2,253	2,410
Changes of items during the period		
Dividends from surplus	Δ1,147	Δ1,147
Net income	1,305	949
Total	157	Δ197
Balance at end of current fiscal year	2,410	2,213

(In millions of yen)

	Fiscal year ended March 2008 (Apr. 1, 2007 ~ Mar. 31, 2008)	Fiscal year ended March 2009 (Apr. 1, 2008 ~ Mar. 31, 2009)
Treasury stock at cost		
Balance at end of previous fiscal year	Δ2,950	Δ2,952
Changes of items during the period		
Purchase of treasury stock	Δ1	Δ199
Disposal of treasury stock	0	1
Total	Δ1	Δ198
Balance at end of current fiscal year	Δ2,952	Δ3,150
Shareholders' equity total		
Balance at end of previous fiscal year	41,945	42,101
Changes of items during the period		
Dividends from surplus	Δ1,147	Δ1,147
Net income	1,305	949
Purchase of treasury stock	Δ1	Δ199
Disposal of treasury stock	0	0
Total	156	Δ396
Balance at end of current fiscal year	42,101	41,705
Valuation and translation adjustments		
Valuation difference on available for sale securities		
Balance at end of previous fiscal year	Δ0	0
Changes of items during the period		
Net changes of items other than owners' equity	0	0
Total	0	0
Balance at end of current fiscal year	0	0
Valuation and translation adjustments Total		
Balance at end of previous fiscal year	Δ0	0
Changes of items during the period		
Net changes of items other than owners' equity	0	0
Total	0	0
Balance at end of current fiscal year	0	0
Net assets Total		
Balance at end of previous fiscal year	41,945	42,101
Changes of items during the period		
Dividends from surplus	Δ1,147	Δ1,147
Net income	1,305	949
Purchase of treasury stock	Δ1	Δ199
Disposal of treasury stock	0	0
Net changes of items other than owners' equity	0	0
Total	156	Δ396
Balance at end of current fiscal year	42,101	41,705

6. Changes in Directors

(1) Changes of Directors

① Charge of Director (effective April 1, 2009)

Director for Planning Group : Masafumi Takenaka (currently Director for Overseas Activities Group)

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, 2008, will be valid to the close of the sixth ordinary general meeting of shareholders scheduled for June 25, 2009. 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.