FRANCEBED HOLDINGS

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

(April 1 ,2009 ~ September 30, 2009)

November 6, 2009

Company name : **France Bed Holdings Co., Ltd.**
Listing Exchanges : Tokyo
Code number : 7840
URL : http://www.francebed-hd.co.jp
Representative : Shigeru Ikeda, President and Representative Director
Contact person : Kotaro Hoshikawa, Senior Managing Director in Charge of Accounting Group
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Scheduled date to file quarterly report : November 13, 2009
Scheduled date to begin dividend payments : December 4, 2009

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

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

(1)Consolidated Operating Results

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Second quarter ended Sept. 30, 2009	24,903	Δ10.0	425	495.0	365	—	198	—
Second quarter ended Sept. 30, 2008	27,696	—	71	—	9	—	Δ253	—

	Earnings per share	Earnings per share, diluted
	yen	yen
Second quarter ended Sept. 30, 2009	0.87	—
Second quarter ended Sept. 30, 2008	Δ1.10	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	yen
Second quarter ended Sept. 30, 2009	59,853	37,810	63.1	165.89
Fiscal year ended March 31, 2009	59,984	37,740	62.9	165.58

(Reference) Shareholder's equity : As of Sept. 30, 2009 : ¥37,810million As of March 31, 2009 : ¥37,740million

2. Dividends

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

Note : Whether the dividend forecast under review has been revised : No
The Company's Articles of Incorporation stipulate that the base date for the year-end dividends is March 31 each year, but the projection for the year-end dividend is "pending" as of the present time. Please refer to the section "Explanation regarding appropriate use of business forecasts and other special instructions."

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

(Percentage figures for the full fiscal year are changes from the previous year.)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Full Year	52,600	Δ2.9	1,250	—	1,100	—	350	—	1.53

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

4.Others

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

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

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

(4) Number of shares issued (common shares)
[1] Number of shares issued at the end of the period (including treasury stock)
Second quarter ended Sept. 30, 2009 : 239,487,500 shares Fiscal year ended March 31, 2009 : 239,487,500 shares
[2] Number of treasury stock at the end of the period
Second quarter ended Sept. 30, 2009 : 11,571,638 shares Fiscal year ended March 31, 2009 : 11,566,494 shares
[3] Average number of shares issued during the period (quarterly accumulation period)
Second quarter ended Sept. 30, 2009 : 227,917,536 shares Second quarter ended Sept. 30, 2008 : 229,442,877 shares

※ Request for appropriate use of the business outlook and other special remarks:

1. The forecasts regarding future performance in this report are based on information available to the Company at the time of publication, and actual results may differ from the forecasts for a variety of factors. Please refer to “3. Qualitative information on consolidated business forecast” of [Qualitative Information, Financial Statements, Etc.] on Page 5 for matters relating to the above forecast.

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

Commentary Information and Financial Statements

1. Consolidated Management Performance

In the first sixth months of the current consolidated fiscal year (hereinafter, "the period under review"), the Japanese economy showed some signs of pulling out of the slowdown caused by the financial crisis that originated in the United States last autumn. However, there was still no improvement in employment and income conditions, and domestic consumption remained anemic, as consumers showed a higher propensity to save and became more selective in their purchases.

In this economic environment, Francebed Co., Ltd., a consolidated subsidiary, merged with Francebed Medical Service Co., Ltd., which had been another consolidated subsidiary, effective April 1, 2009, and in the period under review, to accentuate the effects of the merger, the Group focused its management resources on the nursing-care welfare equipment business and worked to expand sales and bolster its earnings capabilities in this growth area, while ensuring effective expenditure and building an efficient business structure in the home furnishing and health business in a bid to generate earnings that are appropriate given the slowdown in this still difficult market. In addition, the Group also stepped up sales expansion in new business by sharing commodities and sales know-how in each business.

As a result of the measures described above, the Group reported increased profits despite decreased sales. Although consolidated sales for the period under review were less than in the same period a year ago, at 24,903 million yen (down 10.0% from the first six months of the previous year), consolidated operating period came to 425 million yen (up 495.0% from the first six months of the previous year), and consolidated ordinary income was 365 million yen (compared with ordinary income of 9 million yen in the first six months of the previous year), reflecting a simpler organization and lower costs through implementation of group-wide measures to improve earnings.

(Home furnishing and health business)

In home furnishing and health business, the diffusion index edged up but remained low, while all-important housing starts temporarily appeared to stop falling, but then resumed their decline at the end of last year and, given that, especially since April, monthly housing starts have been down around 30% year on year, market conditions are expected to remain difficult in the third quarter and beyond. Consequently, in the period under review, the Group concentrated on improving earnings and worked to achieve significant cost reductions by, for example, reassigning personnel to the nursing-care welfare equipment business, streamlining sales offices, and reducing outlays through a review of its promotional measures and its production structure.

To bolster sales, the Group developed new products to meet consumer requirements and included low-priced products in existing product groups, as well as developing and identifying new sales channels, focusing on different sectors such as consumer electronics retailers, mail-order companies, DIY stores and local hotels to compliment the shrinking existing market made up of channels like furniture specialty stores.

In product terms, the Group further expanded sales of the Life Treatment Series of mattresses, which is currently selling well, marketed functional products such as the System Fald Series by placing emphasis on "security, safety and Japan made," and sought to generate profits by strongly promoting sales in connection with the 60th anniversary of the Francebed.

Furthermore, in the period under review the Group worked to create new businesses capitalizing on the effects of the merger and established systems for "furniture rental" and "furniture sales to condominium developers." The Group will now begin renting furniture and selling furniture to condominium developers at branches throughout Japan.

As a result of the initiatives described above, sales for the home furnishing and health business fell sharply from a year ago to 10,937 million yen (down 20.0% from the first six months of the previous year) and, despite efforts to reduce costs through the implementation of measures to improve earnings, the Group recorded an operating loss for the home furnishing and health business of 629 million yen (compared with an operating loss of 581 million yen in the first six months of the previous year).

(Acute and long-term care business)

In the nursing care and welfare equipment business, the Group began selling special beds certified under the new JIS standards for reducing the risks of getting caught in handrails and other accidents and for improving safety in June this year, and organized training sessions and product briefings for care managers at each sales office and agents in a bid to focus its efforts on expanding rental and sales. Also, sustaining growth from the previous year, rental sales of equipment related to transportation, such as wheelchairs, handrails, and slopes, remained strong.

In the meantime, as large transactions in the fields of commodity sales to facilities and other corporate customers and housing repairs for individuals continued to decline under the effects of the capital investment reviews and expenditure controls that began in the second half of the third quarter of the previous year, the Group put effort into expanding "special bed" sales through cooperation with the manufacturing functions acquired through the merger.

The Group aims to enhance its services by expanding its sales and distribution network across major cities and has in recent years opened sales offices in Tokyo's Nerima Ward and Minato Ward (Roppongi), in Nagoya City, Aichi Prefecture, and in Nishinomiya, Hyogo Prefecture. It has also opened the Hanshin Service Center in Nishinomiya, Hyogo Prefecture and reconstructed its service center in Chiba City, Chiba Prefecture.
The Group has also continued with its efforts to enhance the quality of its services by improving the skills of its employees, providing training to enable sales and delivery staff to gain welfare equipment planner qualifications and to enhance their monitoring skills.
As a result of the initiatives described above, sales for the nursing care and welfare equipment business reached 11,735 million yen (up 3.7% from the first six months of the previous fiscal year), reflecting strong sales of special beds certified under the new JIS standards and strong rentals of special beds and other products.

(Real estate lease businesses)
The Group uses the real estate held by Group companies in accordance with their respective business development needs. The Group is leasing part of its real estate holdings to external parties. Sales to such external customers amounted to 71 million yen (down 5.7% from the first six months of the previous fiscal year). Operating income for the business totalled 59 million yen (down 53.3% from the first six months of the previous fiscal year), including gains on sales to internal segments.

(Other businesses)
The door-to-door sales business recorded a sharp decline in sales compared with a year ago, as consumption of higher end products nosedived, reflecting the economic downturn and the impact of regulation associated with the amendment of the Specified Commercial Transactions Law and the Installment Sales Law, but the Group sought to minimize losses by cutting costs. Similarly, in the sundries sales business the Group continued to apply a scrap-and-build approach, closing unprofitable stores and taking other steps in a bid to improve profitability.
As a result of the initiatives described above, sales of other businesses totalled 2,158 million yen (down 17.5% from the first six months of the previous fiscal year). The operating loss for the business was 59 million yen (compared with an operating loss of 121 million yen in the first six months of the previous fiscal year).

2. Consolidated Financial Position

(1) Status of balance sheet
Total assets at the end of the first six months of the current consolidated fiscal year decreased 131 million yen from the end of the previous fiscal year, to 59,853 million yen. Current assets expanded 262 million yen from the end of the previous fiscal year, to 32,528 million yen. Major factors underlying this result were an increase of 2,045 million yen in cash and deposits, and a decrease of 1,066 million yen in trade notes and accounts receivable, and a decline of 511 million yen in inventories. Fixed assets decreased 389 million yen from the end of the previous fiscal year, to 27,306 million yen. Major contributors to the result included an increase due to the acquisition of tangible and intangible fixed assets and a decrease due to the transfer of time deposits to current assets under the one-year criterion (one-year rule), which became applicable in the period under review.
Liabilities fell 200 million yen from the end of the previous fiscal year, to 22,043 million yen. Major factors underlying this result were an increase of 310 million yen in trade notes and accounts payable and a decrease of 245 million yen in income taxes payable and a decline of 222 million yen in other allowances that come under current liabilities (allowance for loss on replacement parts, etc.)
Net assets rose 69 million yen from the end of the previous fiscal year, to 37,810 million yen. The major contributors to this result were net income of 198 million yen, unrealized gains on available-for-sale securities of 183 million yen reflecting the increased market value of portfolio securities, and dividends paid of 284 million yen.
As a result of the changes stated above, shareholders' equity ratio climbed from 62.9% to 63.1%.

(2) Status of cash flow
Cash flows for the first six months of the current fiscal year produced an increase in cash and cash equivalents of 1,140 million yen from the end of the previous fiscal year, to 11,282 million yen. Details of individual cash flow items are as follows.

Net cash provided by operating activities came to 2,731 million yen (compared with 1,375 million yen in the first six months of the previous fiscal year). Major contributors were net income before income taxes and minority interests of 437 million yen, depreciation cost of 1,250 million yen (which is a non-cash item), a decrease in accounts receivable of 1,066 million yen, and a fall in inventories of 517 million yen, offsetting outflows such as a decrease in other allowances of 222 million yen and tax payments of 218 million yen.
Net cash used for investing activities totaled 1,663 million yen (compared with 1,711 million yen in the first six months of the previous fiscal year). Major causes included a disbursement of 1,796 million yen to acquire tangible fixed assets and an outlay of 197 million yen to acquire intangible fixed assets, and the repayment of a time deposit of 312 million yen.
Net cash provided by financing activities was 74 million yen (compared with a net outflow of 44 million yen in the first six months of the previous fiscal year). The main factors behind the inflow were the repayment of lease liabilities of 304 million yen, dividends paid of 283 million yen and gains on leasebacks of 674 million yen.

3.Outlook for Consolidated Operating Results

In the first six months of the consolidated fiscal year ending March 31, 2010, the Group implemented company-wide measures to improve earnings and, as a result, although consolidated sales declined, consolidated operating income and consolidated ordinary income were more or less in line with expectations thanks to the reduction of SG&A expenses and other costs. Consolidated net income for the first six months also exceeded the forecast announced on May 15, 2009 because the Group recorded a reversal of allowance for loss on replacement parts under extraordinary gains.
The Group has decided not to revise its previously announced consolidated forecasts for the fiscal year ending March 31, 2009, as, among other factors, the future of the Japanese economy is expected to remain unclear, and it is not known how the Group's performance will be affected by the offers of voluntary redundancies currently being made.
The forecasts described above are based on information available to the Company at the time of publication, and actual results may differ from the forecasts for a variety of factors.

4. Others

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

(2) Adoption of simplified accounting methods and accounting methods particular to the preparation of quarterly financial statements.

1.Simplified accounting methods

[1] Calculation method for estimating amount of losses from general debt

The actual percentage of credit losses recorded at the end of the current quarter was not proved to be significantly different from the percentage estimated at the previous fiscal year end. Therefore, the estimated bad debt is computed based on the actual percentage of credit losses at the previous fiscal year end.

[2] Method for assessing the value of inventories

As for the devaluating the book value of inventory assets, the devaluation is applied only to those inventories whose profitability clearly decreased. The devaluation is based on the estimated net sale value of such inventories.

[3] Method for calculating income taxes and the deferred tax assets and liabilities

As for judging the ability to collect deferred taxes, we confirmed that there has been no significant change in the business environments or in the generation of temporary difference since the previous fiscal year end. Therefore, we are applying the method that is based on the business forecasts and tax planning used in the previous fiscal year.

2. Special accounting treatment used in preparation of the quarterly consolidated financial statements: None

(3) Changes in principles, procedures, and methods of presentation, etc., in the preparation of the quarterly

(Changes in Accounting Methods Pertaining to Income and Loss from Prior Year Adjustments)

The Group had traditionally posted estimation errors, such as the differences that arise between the bonus allowance registered in the previous year and the actual bonus amount paid in the current year, as gains or losses from prior year adjustments under the category of extraordinary items. Starting in the first quarter of the current consolidated fiscal year, however, the Group switched to a method in which such errors are accounted for through calculations of ordinary gains and losses.

The Group made the switch based on its view that adopting the new accounting method for the estimation errors would enhance the clarity of financial statements and make the statements easier to compare with those of other companies. The Group formed this view as a result of reviews it performed on various accounting methods on the occasion of the merger of its important consolidated subsidiaries, Francebed Co., Ltd. and Francebed Medical Service Co., Ltd., on April 1, 2009.

The switch caused the consolidated gross margin, consolidated operating income, and consolidated ordinary income for the first six months of the current fiscal year to increase 26 million yen, 160 million yen, and 161 million yen, respectively, from the figures calculated using the previous method. The accounting change, however, produced no effect on net income before income taxes and minority interests. The effects of the change on segment information are stated in the corresponding sections of this document.

Consolidated Financial Statements

(1) Consolidated balance sheets for the Second quarter ended September 30,2009

(In millions of yen)

	Second quarter of FY2010 (As of September 30, 2009)	FY2009 (As of March 31,2009)
ASSET		
Current assets		
Cash and deposits	10,028	7,983
Notes and accounts receivable, trade	9,037	10,103
Short-term investment securities	2,498	2,499
Merchandise and Finished goods	7,223	7,673
Work in process	170	173
Raw materials and supplies	1,789	1,847
Other	1,833	2,039
Allowance for doubtful accounts	∆52	∆53
Total current assets	32,528	32,266
Fixed assets		
Property, plant and equipment		
Land	6,512	6,523
Other (net)	9,721	9,077
Total property, plant and equipment	16,233	15,600
Intangible fixed assets	664	472
Investments and other assets	10,408	11,623
Total fixed assets	27,306	27,696
Deferred assets	18	21
Total assets	59,853	59,984
LIABILITIES		
Current liabilities		
Notes and accounts payable, trade	5,307	4,996
Factoring of accrued liability	1,220	1,262
Short-term borrowings	5,276	5,283
Current portion of long-term loans payable	112	–
Current portion of bonds	387	–
Income taxes payable	107	353
Reserve for bonuses	1,095	1,159
Reserve for other	20	242
Other	3,134	3,227
Total current liabilities	16,662	16,526
Noncurrent liabilities		
Bonds payable	1,162	1,550
Long-term loans payable	337	450
Provision for retirement benefits	2,263	2,250
Reserve for Other	420	411
Other	1,196	1,055
Total noncurrent liabilities	5,380	5,717
Total liabilities	22,043	22,243
NET ASSETS		
Shareholders' equity		
Capital stock	3,000	3,000
Capital surplus	5,116	5,116
Retained earnings	32,737	32,823
Treasury stock	∆3,151	∆3,150
Total shareholders' equity	37,702	37,789
Valuation and translation adjustments		
Valuation gain and loss on other securities	71	∆112
Deferred gains or losses on hedges	∆3	∆0
Foreign currency translation adjustment	40	63
Total valuation and translation adjustments	107	∆48
Total net assets	37,810	37,740
Total liabilities and net assets	59,853	59,984

(2) Consolidated Statements of Income

(In millions of yen)

	Second quarter of FY2008 (From Apr. 1, 2008 to Sept. 30, 2008)	Second quarter of FY2009 (From Apr. 1, 2009 to Sept. 30, 2009)
Net Sales	27,696	24,903
Cost of Sales	15,601	13,732
Gross profit	12,094	11,171
Selling, general and administrative expense	12,023	10,745
Operating income	71	425
Non-operating income		
Interest income	22	6
Foreign exchange gains	13	14
Dividend Income	–	25
Life Insurance dividend income	34	–
Other	65	58
Total non-operating income	135	104
Non-operating expenses		
Interest expense	53	65
Foreign exchange losses	57	–
Other	87	98
Total non-operating expenses	198	164
Ordinary income	9	365
Extraordinary income		
Gain on prior period adjustment	45	0
Gain on sales of fixed assets	67	9
Compensation income	111	–
Reversal of reserve for loss on Component replacement	–	100
Total extraordinary income	225	110
Extraordinary losses		
Loss on prior period adjustment	5	3
Loss on sales of fixed assets	1	0
Loss on retirement of fixed assets	23	34
Loss on valuation of investment securities	8	–
Loss on valuation of inventories	31	–
Other	7	–
Total extraordinary losses	79	38
Income before income taxes	155	437
Income taxes-current	393	80
Income taxes-deferred	15	158
Total income taxes	408	239
Net Income or Net loss(Δ)	Δ253	198

(3) Consolidated Statements of Cash Flows

(In millions of yen)

	Second quarter of FY2008 (From Apr. 1, 2008 to Sept. 30, 2008)	Second quarter of FY2009 (From Apr. 1, 2009 to Sept. 30, 2009)
Cash flows from operating activities		
Income before income taxes	155	437
Depreciation and amortization	965	1,250
Loss (gain) on sale of fixed assets	Δ66	Δ9
Loss on retirement of fixed assets	23	34
Loss (gain) on valuation of investment securities	8	–
Increase (decrease) in allowance for doubtful accounts	Δ10	0
Increase (decrease) in reserve for bonuses	Δ95	Δ63
Increase (decrease) in reserve for retirement benefits	Δ178	12
Decrease (increase) in prepaid pension costs	–	154
Increase (decrease) in reserve for directors' retirement benefits	Δ80	9
Increase (decrease) in other reserves	Δ46	Δ222
Interest income and dividend income	Δ36	Δ20
Interest expense	53	65
Change in account receivables	1,525	1,066
Change in inventory	Δ76	517
Change in procurement obligations	Δ474	304
Change in accrued factoring liabilities	Δ62	Δ42
Increase (decrease) in accrued expenses	Δ126	Δ299
Other	30	Δ201
Sub-Total	1,507	2,996
Interest and dividends received	36	21
Interest paid	Δ52	Δ67
Corporate taxes paid	Δ116	Δ218
Cash flows from operating activities	1,375	2,731
Cash flows from investing activities		
Investments in time deposits	Δ30	Δ17
Decrease in term deposits	30	312
Expenditures for acquisition of tangible fixed assets	Δ1,466	Δ1,796
Proceeds form sale of tangible fixed assets	92	23
Expenditures for acquisition of investment securities	Δ274	Δ0
Expenditure for loans	Δ4	Δ0
Proceeds from recovery of loans	6	9
Purchase of intangible fixed assets	–	Δ197
Other	Δ64	3
Cash flows from investing activities	Δ1,711	Δ1,663
Cash flows from financing activities		
Increase in short-term loans payable	100	–
Expenditure for repayment of short term borrowings	Δ100	Δ11
Expenditure for repayment of long term borrowings	Δ34	–
Proceeds from sale and lease back	610	674
Repayments of lease obligations	Δ43	Δ304
Proceeds from sales of treasury stock	0	–
Purchase of treasury stock	Δ0	Δ0
Cash dividends paid	Δ575	Δ283
Other	Δ0	Δ0
Cash flows from financing activities	Δ44	74
Effect of exchange rate changes on cash and cash equivalents	Δ3	Δ2
Net increase in cash and cash equivalents	Δ384	1,140
Cash and cash equivalents at beginning of period	9,645	10,142
Cash and cash equivalents at end of period	9,261	11,282

(4) Notes concerning conditions of “going concern”

Not applicable

(5) Segment information

[Business segments]

Second quarter of FY2008 (From April 1, 2008 to September 30, 2008)

(In millions of yen)

	Home Furnishing and health	Acute and Long Term Care	Real estate lease	Other	Total	Elimination of Corporate Wide	Consolidated
Sales							
(1) Sales to External Customers	13,687	11,314	76	2,618	27,696	−	27,696
(2) Internal Sales among Segments or Transfers	454	7	130	345	938	(938)	−
Total	14,142	11,322	206	2,963	28,635	(938)	27,696
Operating Income / Loss	∆581	585	126	∆121	10	61	71

Second quarter of FY2009 (From April 1, 2009 to September 30, 2009)

(In millions of yen)

	Home Furnishing and health	Acute and Long Term Care	Real estate lease	Other	Total	Elimination of Corporate Wide	Consolidated
Sales							
(1) Sales to External Customers	10,937	11,735	71	2,158	24,903	−	24,903
(2) Internal Sales among Segments or Transfers	376	13	12	250	652	(652)	−
Total	11,313	11,749	84	2,409	25,556	(652)	24,903
Operating Income / Loss	∆629	1,003	59	∆59	372	52	425

(Note)

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

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

3. Change in segment name
   Second quarter of FY2008
   From the first quarter of the fiscal year under review, we are changing the name of home furnishing business to home furnishing and health business. This change does not affect segment information, as it is a change of name only.

4. As stated in “Changes in Principles,
   Second quarter of FY2008

(Changes in Accounting Methods Pertaining to Income and Loss from Prior Year Adjustments)

As stated in “Changes in Principles, Procedures and Presentation Methods for Accounting Treatment in Connection with the Production of Quarterly Consolidated Financial Statements,” the Group changed its method of posting estimation errors, such as the difference between the bonus allowance recorded in the previous year and the actual bonus amount paid in the current year, switching from their posting as a gain or loss from the prior year's adjustment under the category of extraordinary items, to processing through calculations of ordinary gains and losses, starting in the first quarter of the current fiscal year.

The change caused operating loss for the home furnishing and heath business to decrease 70 million yen, operating income for the nursing care and welfare equipment business to increase 70 million yen, operating loss for other business to decline 14 million yen, and the elimination or corporate operating income to rise 4 million yen, respectively, compared with the figures calculated using the previous method.

[Segment information by location]

From April 1, 2008 to September 30, 2008 and From April 1, 2009 to September 30, 2009

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

[Overseas sales]

From April 1, 2008 to September 30, 2008 and From April 1, 2009 to September 30, 2009

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

(6) Special changes to shareholders equity

Not applicable