FRANCEBED HOLDINGS

Results for the Second Quarter of the Fiscal Year Ending March 31, 2011 (J-GAAP)

(April 1 ,2010 ~ September 30, 2010)

November 5, 2010

Company name : **France Bed Holdings Co., Ltd.**
Listing Exchanges : Tokyo
Code number : 7840
URL : http://www.francebed-hd.co.jp
Representative : Shigeru Ikeda, President and Representative Director
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Scheduled date to file quarterly report : November 12, 2010
Scheduled date of the start of dividend payments: December 3, 2010
Preparation of quarterly earnings presentation material: Yes
Holding of quarterly earnings announcement : Yes

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

1. Consolidated results for the Second quarter of the fiscal year ending March 2011 (April 1,2010 ~ September 30, 2010)

(1)Consolidated Operating Results

(% of change from the corresponding period of previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Second quarter ended Sept, 30. 2010	23,829	Δ4.3	311	Δ26.7	271	Δ25.7	126	Δ36.4
Second quarter ended Sept, 30. 2009	24,903	Δ10.0	425	495.0	365	—	198	—

	Earnings per share	Earnings per share, diluted
	yen	yen
Second quarter ended Sept, 30. 2010	0.55	—
Second quarter ended Sept, 30. 2009	0.87	—

(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. 2010	59,277	37,150	62.6	163.00
Fiscal year ended March 31, 2010	59,602	37,451	62.8	164.32

(Reference) Shareholder's equity : As of September 30, 2010: ¥37,150million As of March 31, 2010: ¥37,451million

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, 2010	—	1.25	—	1.25	2.50
Fiscal year ended March 31, 2011	—	1.25			
Fiscal year ended March 31, 2011 (Outlook)			—	1.25	2.50

Note : Revisions to the quarter's dividend forecast : None

3.Forecasts of results for the Fiscal Year Ending March 2011 (April 1, 2010 ~ March 31, 2011)

(% of change from the corresponding period of 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	48,600	∆2.3	970	34.6	800	24.0	300	13.9	1.31

Note : Revisions to the quarter's dividend forecast : None

4.Others

(1) Changes in significant consolidated subsidiaries: No

(Note) This refers to changes in specified subsidiaries resulting in change of scope of consolidation during the quarter.

(2) Application of simplified accounting treatment and special accounting treatment: Yes

(Note) This refers to simplified accounting treatment and accounting treatment peculiar to quarterly consolidated financial statement preparation.

(3) Changes in accounting treatment principles, procedures and expressions

[1] Changes accompanied by reform of accounting standards: Yes

[2] Changes other than those in [1] above: No

Note : This refers to changes in accounting treatment principles, procedures and expressions related to quarterly consolidated financial statement preparation (entries of changes in material matters that are basic to preparation of quarterly consolidated financial statements)

(4) Number of shares issued (common shares)

[1] Number of shares issued at the end of the period (including treasury stock)	September 30, 2010 239,487,500 shares	March 31, 2010 239,487,500 shares
[2] Number of treasury stock at the end of the period	September 30, 2010 11,578,383 shares	March 31, 2010 11,574,923 shares
[3] Average number of shares issued during the period (quarterly accumulation period)	September 30, 2010 227,910,314 shares	September 30, 2009 227,917,535 shares

※ Presentation of implementation status for quarterly review procedures

This financial summary does not need to undergo a quarterly review under the Financial Instruments and Exchange Act. The quarterly consolidated financial statements have been reviewed in accordance with the Financial Instruments and Exchange Act at the time of announcement of this summary.

※ Explanation related to appropriate use of results forecasts and other items warranting special mention

The forward-looking statements, such as results forecasts, included in this document are based on information available to the Company at the time of the announcement and certain assumptions considered reasonable. Actual results could differ materially, depending on a range of factors.Please refer to "1. Qualitative information on Second Quarter Results" of [Outlook for Consolidated Operating Result] on Page 6 for matters relating to the above forecast.

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1.Qualitative Information on first Quarter Results

(1) Consolidated Management Performance

During the first half of the consolidated fiscal year under review, the Japanese economy staged a modest recovery, mainly reflecting a gradual upturn in exports and the effects of the government's stimulus packages. Given the sharp appreciation of the yen and the continued deflationary conditions, however, the economic outlook remained uncertain. Meanwhile, consumers continued to take a cautious stance by focusing on value for money, reflecting their concerns over the future income and employment environment and the increasing price competition.

In this economic environment, to strengthen its overall profitability, the Francebed Group proceeded with structural reform, and continued to pursue a number of initiatives to realize the effects of the merger. Accordingly, the Group concentrated its resources on the medical service business, the growth area of Francebed Co., Ltd., the Group's core subsidiary. It also developed an efficient operating system in the home furnishing and health business, which continued to face severe market conditions.

Under the circumstances described above, consolidated sales for the first half of the fiscal year under review reached 23,829 million yen (down 4.3% from the first half of the previous year). Consolidated operating income came to 311 million yen (falling 26.7%). Consolidated ordinary income was 271 million yen (declining 25.7%), and consolidated net income for the period was 126 million yen (down 36.4%).

(Medical services business)

In the medical services business, the Francebed Group continued to focus on expanding rental transactions and sales of electric nursing care beds compliant with new Japanese Industrial Standards (JIS), which it began selling in June 2009. It also continued to take actions to raise the awareness of users of the beds to prevent accidents in which users are caught in the gap between the side rails and other parts. It did this mainly by holding training sessions and product briefings for agents and care managers. It also took steps to increase rental transactions of NOMOCA, a wheelchair compliant with JIS, and New Pedamo, a pedaling wheel chair that enables people with paralysis of one side of the body to easily move in any direction, by starting to offer these products nationwide.

The Group also sought to increase the number of users of the Yu Yu Iki Iki Club, which was opened as a new business in Chofu City, Tokyo in February 2010. The Yu Yu Iki Iki Club is an ambulatory nursing care facility that mainly provides motor function training and specializes in providing care for people requiring low levels of nursing care. The Group opened the second facility in Midori-ku, Nagoya City in August.

To improve the skills of its employees, the Group continued to provide training programs to all sales staff, through which they can enhance their monitoring skills to facilitate sharing of information about the purpose of using welfare equipment, and other matters with the users of rented equipment and carers. The Group also continued to provide programs in the same manner as the previous year to help employees obtain welfare equipment planner qualifications. Moreover, it strove to boost its services by improving the maintenance and logistics functions of the service centers.

In terms of its sales structure, as initiatives continued from the previous fiscal year, the Group increased its sales workforce by reassigning staff from the home furnishing and health business. In terms of the sales network, the Group established six new sales offices, mainly in Tokyo, Nagoya and Osaka, as a means of expanding its operations. As a result of these initiatives, sales in the medical services business were 10,512 million yen, while operating income amounted to 754 million yen.

(Home furnishing and health business)

In the home furnishing and health business, operating conditions remained severe, mainly reflecting falling selling prices due to the effect of a rise in the number of low-priced imported products, which in turn was attributable to the stronger yen. Consumer spending reluctance also had an impact.

In this environment, the home furnishing and health business headquarters of consolidated subsidiary Francebed Co, Ltd., which heads this division, held a trade show featuring new products for the first time in two years, and concentrated on promoting high-value added products that emphasize the safety and products of Japan. Accordingly, the Group introduced new bed frames designed for the Slumberland series, the leading global brand of beds that inherited the traditional elegance and classiness of the United Kingdom, RicoPlus, the first EcoMark-certified home-use spring mattress, all of whose materials were recyclable and can easily be separated and sorted at home, and the mainstay Life Treatment Mattress series, a mattress that creates a comfortable sleeping position for individual customers.

Moreover, as a measure to improve earnings that continued from the previous year, the Group took initiatives that included the integration of its sales offices and the reallocation of staff to the medical services business. In this way, the Group focused on adopting a more efficient operating structure that can create synergies between the two businesses. As a result of these efforts, sales of the home furnishing and health business were 8,165 million yen and the Group recorded an operating loss of 471 million yen.

(Corporate facilities businesses)

IIn the medical and welfare facilities sub-segment of the corporate facilities business, sales of fixtures, such as electric beds, remained strong, primarily reflecting a recovery in capital spending of medical institutions and an increase in the number of new fee-paying homes for the elderly. Moreover, the Group launched corporate rental services, in which supplied air mattresses and other products to nursing homes, and worked to expand linen supply operations that provided washing and leasing bed linen services, as well as hospital gowns, towels, and other linen to hospitals and other medical institutions. In the hotel sub-segment, the Group focused on bolstering sales and rentals of extra beds for hotel rooms and other products by proposing products that meet the needs of the hotel industry.

In the health equipment sales sub-segment, the Group increased the number of sales staff from July, and strove to achieve new transactions mainly with large-scale companies.

As a result of these initiatives, sales in the corporate facilities business reached 3,220 million yen, and the Group reported an operating income of 26 million yen.

(Other businesses)

In other businesses, the door-to-door sales sub-segment faced with a continued decline in sales, largely because of tighter regulations under the Act on Specified Commercial Transactions and the Instalment Sales Law, the Group streamlined its sales offices, reduced labor costs, and reviewed the gross profits of products. In the sundries sales business, the Group worked to develop a more efficient operating structure, and continued to apply a scrap-and-build approach to overcome declining sales of existing stores and secure sound earnings.

As a result of the initiatives described above, sales of other businesses totaled 1,930 million yen and the operating loss for the business was 55 million yen.

(2) Consolidated Financial Position

[1] Status of balance sheet

Total assets at the end of the first half of the current fiscal year fell 324 million yen from the end of the previous fiscal year, to 59,277 million yen. Current assets decreased 1,391 million yen from the end of the previous fiscal year, to 31,278 million yen. Major factors underlying this result were a decrease of 691 million yen in trade notes and accounts receivable, and a decline of 357 million yen in inventories.

Fixed assets expanded 1,021 million yen from the end of the previous fiscal year, to 27,940 million yen. Major contributors to the result included the acquisition of tangible and intangible fixed assets and the transfer of time deposits.

Liabilities fell 23 million yen, to 22,127 million yen from the end of the previous fiscal year. This decline mainly reflected a decline of 3,821 million yen in current liabilities (including a fall of 3,150 million yen in short-term borrowings), offsetting an increase of 3,797 million yen in noncurrent liabilities (including a rise of 2,762 million yen in bonds payable and 787 million yen in long-term loans payable).

Net assets declined 301 million yen from the end of the previous fiscal year, to 37,150 million yen. The main contributor to this result was a valuation loss on other securities of 106 million yen, reflecting a fall in the fair value of holding securities, and dividends paid of 284 million yen, which offset a net income of 126 million yen. As a result of the changes stated above, shareholders' equity ratio fell from 62.8% at the end of the previous fiscal year, to 62.6%.

[2] Status of cash flow

Cash flows for the first half of the current fiscal year produced an increase in cash and cash equivalents of 1,269 million yen from the end of the previous fiscal year, to 12,300 million yen. Details of individual cash flow items are as follows.

Net cash provided by operating activities came to 2,638 million yen (compared with 2,731 million yen in the first half of the previous fiscal year). Major contributors were net income before income taxes and minority interests of 264 million yen, a depreciation cost of 1,635 million yen (which is a non-cash item), and a decrease in accounts receivable of 690 million yen.

Net cash used for investing activities totaled 1,736 million yen (compared with 1,663 million yen in the first half of the previous fiscal year). Major causes included a disbursement of 1,814 million yen to acquire tangible fixed assets, an outlay of 529 million yen to acquire intangible fixed assets, and a payment of 606 billion into a time deposit, offsetting inflows such as the repayment of a time deposit of 1,200 million yen.

Net cash provided by financing activities was 373 million yen (compared with 74 million yen in the first half of the previous fiscal year). During the first half of the current fiscal year, on the premise that commitment lines (to be expired in December 2010) that have never been used are to be abolished to cut financial expenses and to achieve steady funding conditions, the Group (i) shifted some short-term borrowings to long-term debts (by repaying short-term borrowings of 3,150 million yen, and issuing bonds that resulted in inflows of 3,101 million yen), and (ii) raised funds (inflows of 900 million yen from long-term loans payable) through the Bank of Japan's Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth. The other factors behind the inflows were gains on sale and leasebacks of 893 million yen, offsetting the repayment of long-term loans payable of 112 million yen, the redemption of bonds of 387 million yen, and the repayment of finance lease liabilities of 587 million yen, and dividends paid of 283 million yen.

(3)Outlook for Consolidated Operating Results

Taking into account the progress in operating results for the first half of the fiscal year under review, among other factors, the Company has revised its consolidated full-year results forecasts for the fiscal year ending March 2011, which were announced on May 14, 2010. For details of the above revision to the consolidated full-year results forecasts, please refer to the "Notice of Revision of the Forecasts for the First Half and the Full-Year of the Fiscal Year Ending March 2011" announced on October 22, 2010.

2. Others information

(1) Changes in significant subsidiaries during the period

None applicable

(2) Application of simplified accounting treatment and special accounting treatment

1.Simplified accounting methods

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

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

[2] Method for assessing the value of inventories

We estimate net sale prices and adopt the book value reduction method only when profitability clearly declines.

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

(3) Overview of changes in accounting treatment principles and procedures, and methods of presentation

The Accounting Standards for Asset Retirement Obligations (Accounting Standards Board of Japan (ASBJ) Statement No. 18 on March 31, 2008) and the Guidance on Accounting Standards for Asset Retirement Obligations (ASBJ Guidance No. 21 on March 31, 2008) were applied from the first quarter under review.

The change had no impact on earnings.

Consolidated Financial Statements

(1) Consolidated balance sheets for the Second quarter ended September 30,2010

(In millions of yen)

	Second quarter of FY2011 (As of September 30, 2010)	FY2010 (As of March 31,2010)
ASSET		
Current assets		
Cash and deposits	8,356	9,280
Notes and accounts receivable, trade	8,465	9,156
Short-term investment securities	3,998	2,999
Merchandise and Finished goods	6,334	6,733
Work in process	178	148
Raw materials and supplies	1,804	1,793
Other	2,190	2,617
Allowance for doubtful accounts	Δ50	Δ59
Total current assets	31,278	32,669
Fixed assets		
Property, plant and equipment		
Land	6,454	6,454
Other (net)	10,160	9,925
Total property, plant and equipment	16,614	16,379
Intangible fixed assets	1,306	902
Investments and other assets	10,019	9,636
Total fixed assets	27,940	26,918
Deferred assets	59	14
Total assets	59,277	59,602
LIABILITIES		
Current liabilities		
Notes and accounts payable, trade	3,716	5,202
Factoring of accrued liability	1,783	1,169
Short-term borrowings	2,125	5,275
Current portion of bonds	775	775
Current portion of long-term loans payable	225	225
Accrued income taxes	91	114
Reserve for bonuses	1,070	1,048
Reserve for Other	15	16
Other	3,549	3,346
Total current liabilities	13,352	17,173
Noncurrent liabilities		
Bonds payable	3,537	775
Long-term loans payable	1,012	225
Provision for retirement benefits	2,316	2,212
Reserve for Other	405	447
Other	1,502	1,317
Total noncurrent liabilities	8,775	4,977
Total liabilities	22,127	22,150
NET ASSETS		
Shareholders' equity		
Capital stock	3,000	3,000
Capital surplus	5,116	5,116
Retained earnings	32,358	32,516
Treasury stock	Δ3,152	Δ3,151
Total shareholders' equity	37,322	37,481
Valuation and translation adjustments		
Valuation gain and loss on other securities	Δ109	Δ3
Deferred gains or losses on hedges	Δ23	6
Foreign currency translation adjustment	Δ38	Δ32
Total valuation and translation adjustments	Δ171	Δ29
Total net assets	37,150	37,451
Total liabilities and net assets	59,277	59,602

(2) Consolidated Statements of Income

(In millions of yen)

	Second quarter of FY2010 (From April 1, 2009 to September 30, 2009)	Second quarter of FY2011 (From April 1, 2010 to September 30, 2010)
Net Sales	24,903	23,829
Cost of Sales	13,732	13,110
Gross profit	11,171	10,719
Selling, general and administrative expense	10,745	10,407
Operating income	425	311
Non-operating income		
Interest income	6	5
Foreign exchange gains	14	11
Dividend Income	25	–
Profit of share allotment	-	22
Other	58	54
Total non-operating income	104	94
Non-operating expenses		
Interest expense	65	66
Other	98	67
Total non-operating expenses	164	134
Ordinary income	365	271
Extraordinary income		
Gain on prior period adjustment	0	–
Gain on sales of fixed assets	9	1
Gain on sales of investment securities	–	12
Reversal of reserve for loss on Component replacement	100	–
Total extraordinary income	110	13
Extraordinary losses		
Loss on prior period adjustment	3	0
Loss on sales of fixed assets	0	–
Loss on retirement of fixed assets	34	20
Total extraordinary losses	38	20
Income before income taxes	437	264
Income taxes-current	80	58
Income taxes-deferred	158	79
Total income taxes	239	138
Income before minority interests	–	126
Minority interests in income	–	–
Net Income	198	126

(3) Consolidated Statements of Cash Flows

(In millions of yen)

	Second quarter of FY2010 (From April 1, 2009 to September 30, 2009)	Second quarter of FY2011 (From April 1, 2010 to September 30, 2010)
Cash flows from operating activities		
Income before income taxes	437	264
Depreciation and amortization	1,250	1,635
Loss (gain) on sale of fixed assets	Δ9	Δ1
Loss on retirement of fixed assets	34	16
Loss (gain) on sales of investment securities	–	Δ12
Increase (decrease) in allowance for doubtful accounts	0	Δ28
Increase (decrease) in reserve for bonuses	Δ63	21
Increase (decrease) in reserve for retirement benefits	12	104
Decrease (increase) in prepaid pension costs	154	72
Increase (decrease) in reserve for directors' retirement benefits	9	Δ41
Increase (decrease) in other reserves	Δ222	Δ0
Interest income and dividend income	Δ20	Δ16
Interest expense	65	66
Change in account receivables	1,066	690
Change in inventory	517	357
Change in procurement obligations	304	Δ1,485
Change in accrued factoring liabilities	Δ42	614
Increase (decrease) in accrued expenses	Δ299	Δ98
Other	Δ201	157
Sub-Total	2,996	2,316
Interest and dividends received	21	16
Interest paid	Δ67	Δ57
Income tax (paid) refund	Δ218	362
Cash flows from operating activities	2,731	2,638
Cash flows from investing activities		
Investments in time deposits	Δ17	Δ606
Decrease in term deposits	312	1,200
Expenditures for acquisition of tangible fixed assets	Δ1,796	Δ1,814
Proceeds form sale of tangible fixed assets	23	2
Purchase of investment securities	Δ0	Δ298
Proceeds from sales of investment securities	–	312
Payments of loans receivable	Δ0	Δ8
Collection of loans receivable	9	5
Purchase of intangible fixed assets	Δ197	Δ529
Other	3	0
Cash flows from investing activities	Δ1,663	Δ1,736
Cash flows from financing activities		
Decrease in short-term loans payable	Δ11	Δ3,150
Proceeds from long-term loans payable	–	900
Repayment of long-term loans payable	–	Δ112
Proceeds from issuance of bonds	–	3,101
Redemption of bonds	–	Δ387
Proceeds from sale and lease back	674	893
Repayments of lease obligations	Δ304	Δ587
Purchase of treasury stock	Δ0	Δ0
Cash dividends paid	Δ283	Δ283
Other	Δ0	–
Cash flows from financing activities	74	373
Effect of exchange rate changes on cash and cash equivalents	Δ2	Δ5
Net increase in cash and cash equivalents	1,140	1,269
Cash and cash equivalents at beginning of period	10,142	11,030
Cash and cash equivalents at end of period	11,282	12,300

(4) Notes concerning conditions of “going concern”

Not applicable

(5) Segment information

[Business segments]

Second quarter of FY2010 (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. As stated in “Changes in Principles,
   Procedures and Presentation Methods for Accounting Treatment in Connection with the Production of Quarterly

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, 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, 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.

[Segment Information]

1.Overview of reporting segments

The reported segments of the Group are those units for which separate financial information can be obtained among the constituent units of the Group and for which the Board of Directors assesses the business performance and regularly examines the allocation of management resources.

The Group sets up business headquarters that are organized according to products and services, and each business headquarters develops comprehensive strategies for its operations in Japan and overseas. Therefore, the Group comprises segments by product and service with the business headquarters as the basis. It has three reported segments: Medical Services, Home Furnishing and Health, and Corporate Facilities.

The main products and services of each reporting segment are as follows:

Medical Services : manufacture, procurement, sales and rental of medical treatment beds, care products
Home Furnishing and Health : manufacture, procurement and sale of beds, furniture and beddings
Corporate Facilities : Sale for institutions such as a hospital and hotel, linen supply such as a hospital and the hotel

2.Information related to sales and profit and loss amounts by reporting segment

Second quarter of FY2011 (From April 1, 2010 to September 30, 2010)

(In millions of yen)

	Reporting Segment				Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded on consolidated income statement (Note 3)
	Medical Services	Home Furnishing and Health	Corporate Facilities	Total				
Sales								
Sales to External Customers	10,512	8,165	3,220	21,899	1,930	23,829	–	23,829
Internal Sales among Segments or Transfers	14	286	3	304	227	532	Δ532	–
Total	10,527	8,452	3,223	22,203	2,158	24,361	Δ532	23,829
Segment Income / Loss	754	Δ471	26	309	Δ55	254	57	311

(Note)

1. The Other Businesses segment is a business segment that is not included in the reported segments and includes businesses such as door-to-door sales business, sundries sales business, advertising and exhibition business and real estate lease business.
2. Adjustments of segment profit and loss of 57 million yen include intersegment eliminations of 377 million yen and enterprise expenses of 320 million yen that are not distributed to any reported segment. Enterprise expenses are mostly expenses relating to the General Affairs Group and other administrative divisions of the Group which do not belong to reported segments.
3. Segment profit and loss is adjusted with operating income reported in the quarterly consolidated financial statements.

(Additional information) The Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information (Accounting Standards Board of Japan Statement No.17; March 27, 2009) and the Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related information (Accounting Standards Board of Japan Guidance No.20; March 21, 2008) are being applied from the first quarter.

(6) Special changes to shareholders equity

Not applicable