FRANCEBED HOLDINGS

Consolidated Business Results for the Fiscal Year Ended March 31, 2011 (J-GAAP)

May 13, 2011

Name of the listed company : **France Bed Holdings Co., Ltd.**

Listing Exchanges : Tokyo

Code No : 7840

Tel : +81-3-5338-1081

URL : http://www.francebed-hd.co.jp

Representative : Shigeru Ikeda, President

Contact Person : Kotaro Hoshikawa, Executive director (Accounting Group)

Scheduled date of Ordinary General Shareholders' Meeting : June 28, 2011

Scheduled date to submit Securities Report : June 28, 2011

Scheduled date to begin dividend payments : June 29, 2011

Supplementary materials to the financial statements have been prepared : Yes

Presentation will be held to explain the financial statements : Yes (for securities analysts and institutional investors)

Figures of less than ¥1 million have been omitted.

1.Consolidated results for the fiscal year ended March 2011 (April 1, 2010 ~ March 31, 2011)

(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 2011	48,311	Δ2.9	594	Δ17.5	545	Δ15.3	235	Δ10.6
Fiscal year ended March 2010	49,792	Δ8.0	720	873.6	644	—	263	—

Note: Comprehensive income : FY2011.3 ¥ 76 million (Δ72.7%)   FY2010.3 ¥ 282 million (—%)

	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 2011	1.03	–	0.6	0.9	1.2
Fiscal year ended March 2010	1.15	–	0.7	1.0	1.4

(For reference) Equity in earnings of non-consolidated subsidiaries and affiliates : FY2011.3 ¥ – million   FY2010.3 ¥ – million

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	yen
Fiscal year ended March 2011	60,739	36,958	60.8	162.16
Fiscal year ended March 2010	59,602	37,451	62.8	164.32

(For reference) Shareholders' equity : FY2011.3 ¥ 36.958 million   FY2010.3 ¥ 37,451 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 2011	4,935	Δ3,292	716	13,384
Fiscal year ended March 2010	4,191	Δ3,473	164	11,030

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 2010	1.25	1.25	2.50	569	217.3	1.5
Fiscal year ended March 2011	1.25	1.25	2.50	569	242.1	1.5
Fiscal year ended March 2012 (Outlook)	1.25	1.25	2.50		82.5	

3.Forecasts of results for the Fiscal Year Ending March 2012 (April 1, 2011 ~ March 31, 2012)

(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	24,170	1.4	750	140.5	670	146.9	330	161.3	1.44
Annual	49,180	1.7	1,590	167.5	1,440	163.8	690	193.2	3.02

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): None

(2) Changes in accounting principles, procedures, methods of presentation, etc.
(A) Changes related to revisions in accounting principles: Yes
(B) Changes other than those in (A) above: None
(Notes) For further details, refer to “ 7. Changes in significant Matters in Preparation of Consolidated Financial Statements” on page 22.

(3) Number of shares issued (common shares)

(A) Number of shares issued at the end of the period (including treasury stock)	FY2011.3	239,487,500 shares	FY2010.3	239,487,500 shares
(B) Number of treasury stock at theend of the period	FY2011.3	11,581,430 shares	FY2010.3	11,574,923 shares
(C) Average number of shares issued during the period	FY2011.3	227,908,695 shares	FY2010.3	227,915,796 shares

[Status of Performance of Review Procedures]
The financial summary does not need to undergo an audit of financial statements under the Financial Instruments and Exchange Act. The financial statements have not been audited in accordance with the Financial Instruments and Exchange Act as of the time of announcement of this summary.

[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.

[Method of obtaining supplementary information explaining financial results]
The Company plans to hold a briefing for institutional investors and analysts on May 31, 2011 (Tuesday), and to post the briefing materials and a webcast of the briefing to the Company’ s website shortly thereafter.

Contents

1.Business Results

(1) Analysis of Business Results

In the fiscal year under review, the Japanese economy was plunged into an even deeper level of uncertainty due to continuing weak employment conditions and private consumption as well as the effect of the Great Eastern Japan Earthquake, which offset signs of a recovery fuelled by improvement overseas and the effect of the government's stimulus packages.

In this economic environment, core subsidiary Francebed Co., Ltd. focused its management resources on its growing medical service business to ensure its further growth and began to overhaul its home furnishing and health business to restore its profitability, thereby improving the earnings of the entire Group. Also, although the Group did not sustain any major damage at its production facilities due to the Great Eastern Japan Earthquake, certain offices and other assets were affected, with damage to buildings and damage caused by falling products, and the Group recorded a loss on disaster of 107 million, including a loss on the disposal of inventories and provision of allowance for doubtful accounts, as an extraordinary loss

Other extraordinary items besides the extraordinary loss due to the Great Eastern Japan Earthquake included a gain of 582 million yen due to the transfer of assets by Francebed Co., Ltd. recorded as extraordinary income, and a loss on restructuring of 521 million yen due to the restructuring of the home furnishing and health business by Francebed Co., Ltd recorded as an extraordinary loss.

As a result of the initiatives described above, the sales of the Francebed Group for the fiscal year under review were 48,311 million yen (down 2.9% year on year). Operating income for the year was 594 million yen (down 17.5% year on year), while ordinary income was 545 million yen (down 15.3% year on year) and net income was 235 million yen (down 10.6% year on year).

① (Medical services business)

In the medical services business, the Group held training sessions and product briefings on electric nursing beds compliant with new Japanese industrial Standards (JIS) for agents and care managers and continued to call attention to accidents involving electric nursing beds and take other actions to promote their safe use. The Group also focused on sales of products such as handrails and walking frames, focusing on region inclusiveness support centers, and worked to expand rental transactions and sales of these products and increase customers.

Meanwhile, the Group also maintained efforts to win contracts for property transactions with hospitals and other welfare facilities that are stepping up their capital spending. It also put effort into the home improvement area, focusing on contracts such as the installation of handrails using care insurance.

Following the opening Yu Yu Iki Iki Club, an ambulatory nursing care facility (day service center) specializing in providing care for people requiring low levels of nursing care that was launched as a new business in Chofu City, Tokyo, in February 2010, the Group opened similar facilities in Nagoya City, Aichi in August 2010, Hirakata City, Osaka in October 2010, and Nagano City, Nagano in January 2011, as well as a franchise facility in Shiojiri City, Nagano.

In terms of the sales network, the Group established eight new sales offices mainly in Tokyo, Nagoya and Osaka (Nishitokyo City in Tokyo, Chitose City in Hokkaido, Adachi-ku in Tokyo, Midori-ku in Nagoya, Taisho-ku in Osaka, Asahi-ku in Yokohama, Tokorozawa City in Saitama, and Tosu City in Saga). The Group also opened a service center specializing in maintenance in Tosu City, Saga, in an effort to enhance the quality of its services. As a result of the initiatives described above, sales in the medical services business were 21,664 million yen (up 6.0% year on year), while operating income was 1,436 million yen (down 8.0% year on year).

② (Home furnishing and health business)

In the home furnishing and health business, operating conditions remained severe, with housing starts, which are an important indicator for this business, remaining weak despite upward momentum and the increase in housing starts failing to push up the level of furniture demand.

In this environment, the Group held its first new product show for two years, launched sales of new products such as products for the Slumberland series, a leading global brand of beds, and Eco-Mark certified RecoPlus mattresses, and concentrated on promoting sales of high value-added products that emphasize safety and are made in Japan. The Group also undertook the development and sale of products beyond the scope of furniture and beds, in a bid to drum up new demand, including establishing the new brand Rehatech targeted mainly at elderly customers and launching an electric assist three-wheel bicycle as its first product under this brand.

In addition, the Group continued to implement measures to improve earnings initiated the previous year, such as streamlining sales offices and reassigning personnel to the medical services business, adopting a more efficient operating structure to reap further benefit from the merger of the two businesses. The Group also undertook a review of its West Japan mattress supply structure and East Japan distribution structure as part of fundamental business restructuring.

As a result of these initiatives, sales in the home furnishing and health business were 16,322 million yen (down 11.0% year on year) and operating loss was 813 million (compared with an operating loss of 900 million yen the previous year).

③ **(Corporate facilities businesses)**

Corporate facilities business is divided into the medical and welfare facilities sub-segment, which sells to hospitals and welfare facilities for the elderly in the Tokyo Metropolitan area, and the hotel sub-segment, which sells to accommodation facilities also in the Tokyo Metropolitan area.

In the medical and welfare facilities sub-segment, the Group concentrated on selling fixtures such as electric beds, given improvement in the operating environment of medical institutions partly due to the upward revision of medical fees from April 2010 and the rise in the number of newly opened fee-paying homes for the elderly associated with growth in the elderly population. The Group also took steps to promote new products, participating in medical equipment exhibitions to promote products such as FB-IC, an inclining chair to combat symptoms of anemia during dialysis treatment, and FBP730α, a nursing care bed with a mattress that stretches to accommodate the back-raising mechanism of the electric bed, thereby reducing abdominal pressure caused by displacement of the body.

Meanwhile, in the hotel sub-segment, the Group sought to propose products and services that meet the needs of the hotel industry, focusing on sales of hotel beds under the Slumberland brand, which it also sells in home furnishing and health business, as well as introducing a new short-term rental system under which it rents extra beds for hotel rooms, welfare equipment, and other items to hotels and ryokan for up to one month. As a result of these initiatives, sales of the corporate facilities business reached 6,472 million yen (down 0.2% year on year) and operating income was 77 million yen (down 58.2% year on year).

④ **(Other businesses)**

In the door-to-door sales business, the Group continued to streamline its sales offices and reduce costs in face of continued decline in sales, largely because of tighter regulation under the Act on Specified Commercial Transactions and the Installment Sales Law. The Group also reviewed the reservation deposit business (friendship association business), given the decline in members.Also, in the sundries sales business, the Group reviewed its product lineup and closed unprofitable stores to improve earnings.

As a result of the initiatives described above, sales of other businesses totaled 3,851 million yen (down 14.8% year on year) and the operating loss for the business was 205 million yen (compared with an operating loss of 240 million yen the previous year).

Outlook for Fiscal year ended March 2012

With regard to the outlook for the next fiscal year, it is feared that the Japanese economy will be profoundly affected by the Great Eastern Earthquake and the ensuing events, and it is expected to take considerable time to recover from the disaster. The outlook is, therefore, extremely uncertain.

In this situation, the Group amalgamated its three business headquarters (Medical Service Business Headquarters, Home Furnishing and Health Business Headquarters, and Corporate Facilities Business Headquarters) into one business headquarters in April 2011 to oversee all operations at core subsidiary Francebed Co., Ltd. This will enable the Group to better focus its management resources on medical services business, which is expected to continue growing in the future due to the increasing elderly population, and expand this business area. Also, in home furnishing and health business, although the business environment is expected to remain challenging, the Group will continue with restructuring and work to expand sales of high value added products, develop products for the elderly and open up new sales channels to achieve recovery in earnings.

Accordingly, it is projected that the Group’s consolidated sales, consolidated operating income, consolidated ordinary income and consolidated net income for the next fiscal year will be 49,180 million yen, 1,590 million yen, 1,440 million yen, and 690 million yen, respectively.

(2) Analysis of Financial Position

① Status of balance sheet

Total assets at the end of the fiscal year under review increased 1,137 million yen from the end of the previous fiscal year, to 60,739 million yen. Current assets expanded 490 million yen from the end of the previous fiscal year, to 33,159 million yen. Major factors underlying this result include an increase of 2,661 million yen in cash and deposits, and a decrease of 999 million yen in securities and decline of 1,130 million yen in inventories. Fixed assets rose 614 million yen from the end of the previous fiscal year, to 27,532 million yen. Major contributors to the result included an increase due to the acquisition of tangible and intangible fixed assets and the transfer of time deposits.

Liabilities rose 1,630 million yen from the end of the previous year to 23,781 million yen. Major factors underlying the result included an increase of 4,485 million yen in fixed liabilities (including a rise of 2,375 million yen in bonds and 1,775 million yen in long-term loans payable) and a decrease of 2,854 million yen in current liabilities (including a fall of 3,150 million yen in short-term borrowings).

Net assets sank 493 million yen from the end of the previous fiscal year, to 36,958 million yen. The major contributors to this result were a valuation difference of 162 million due to decline in the fair value of portfolio securities and cash dividends paid of 569 million yen, which offset net income of 235 million yen.

As a result of the changes stated above, the shareholders' equity ratio declined from 62.8% to 60.8%.

② Status of cash flow

Cash flows for the fiscal year under review produced an increase in cash and cash equivalents of 2,354 million yen from the end of the previous fiscal year, to 13,384 million yen. Details of the individual cash flow items are as follows.

(Cash flow from operating activities)

Net cash provided by operating activities came to 4,935 million yen (compared with 4,191 million yen in the previous fiscal year). Major contributors were net income before income taxes and minority interests of 506 million yen, depreciation cost of 3,420 million yen (a non-cash item), and a fall in inventories of 1,129 million yen.

(Cash flow from investing activities)

Net cash used for investing activities totaled 3,292 million yen (compared with 3,473 million yen in the previous fiscal year). Major causes included a disbursement of 3,288 million yen to acquire tangible fixed assets, expenditure of 788 million yen to acquire intangible fixed assets, offsetting inflows such as a gain of 678 million yen on the sale of tangible fixed assets.

(Cash flow from financing activities)

Net cash provided by financing activities was 716 million yen (compared with 164 million yen in the previous fiscal year). The main factors behind the inflow were that, to cut financial expenses and achieve steady funding conditions, the Group (1) abolished commitment lines that had never been used on their expiry in December 2010, (2) 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 (3) raised funds (inflows of 2,000 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 behinds the inflows were gains on sale and leasebacks of 1,672 million yen, offsetting the repayment of long-term loans of 225 million yen, the redemption of bonds of 775 million yen, the repayment of finance lease liabilities of 1,338 million yen and dividends paid of 568 million yen.

(Reference) Trend of cash flow indicators

	Term ended March 2007	Term ended March 2008	Term ended March 2009	Term ended March 2010	Term ended March 2011
Equity Ratio (%)	63.6	65.9	62.9	62.8	60.8
Equity Ratio at Market Value (%)	83.7	49.5	49.7	51.6	39.3
Ratio of interest-bearing debt to cash flow(%)	1.9	5.4	4.7	2.2	2.2
Interest Coverage Ratio (times)	29.3	9.7	16.9	31.4	43.3

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 2011 and Fiscal 2012 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.

The dividend for the fiscal year under review is planned to be 2.50 yen per share . The same dividend is also planned for the next fiscal year.

(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 Medical services 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.

b) The market to which suppliers and customers of the Home furnishing and health 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.

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 (Japanese Industrial Standards) 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 8 subsidiary companies (consolidated subsidiary - 7, non-consolidated subsidiary - 1) and are primarily engaged in Medical services business, Home furnishing and health business, and Corporate facilities businesses.
The relationship between the positioning of the Group businesses and business segment is described below.
The classification used in the business segment in the segment information is the same as one applied below.

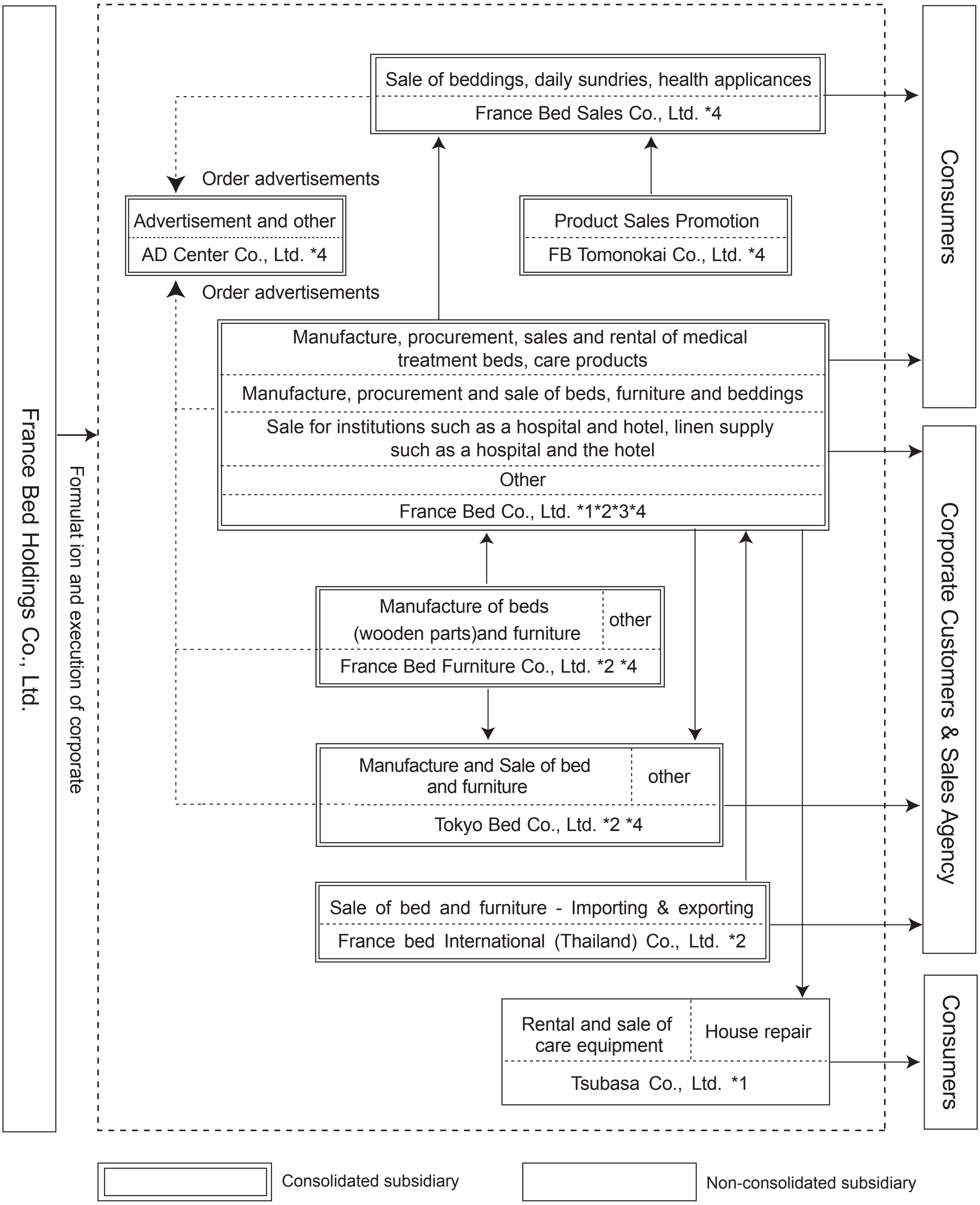
Business Type	Principal Line of Business	Principal Companies
Medical services business	manufacture, procurement, sales and rental of medical treatment beds, care products	France Bed Co.,Ltd. Tsubasa Co., Ltd.
Home furnishing and health business	Manufacture, procurement and sale of beds, furniture and beddings	France Bed Co.,Ltd. Tokyo Bed Co.,Ltd. France Bed Furniture Co.,Ltd France bed International (Thailand) Co., Ltd.
Corporate facilities business	Sale for institutions such as a hospital and hotel, linen supply such as a hospital and the hotel	France Bed Co.,Ltd.
Other	Door-to-door sales business, sundries sales business, advertising and exhibition business and real estate lease business	France Bed Co.,Ltd. France Bed Sales Co.,Ltd. FB Tomonokai Co.,Ltd. AD Center Co., Ltd. Tokyo Bed Co.,Ltd. France Bed Furniture Co.,Ltd

(Note)

1. 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.

2. TSUBASA Co., Ltd. has been excluded from the scope of consolidation because it is a small and its total assets, net sales, net income (in proportion to scale of equity ownership), retained earnings (in proportion to scale of equity ownership), etc. have no material influence on the consolidated financial statements.

[Operating Structure]
Schematic summary of the businesses is as shown below.



*1 : Medical services Business *2 : Home furnishing and health Business *3 : Corporate facilities Business *4 : Other

(Note)
AD Center Co., Ltd. transferred its advertising agency business, etc. to the Company' s subsidiary Francebed Sales Co., Ltd. and dissolved with effect May 1, 2011 and is currently undergoing liquidation.

3.Management Policies

(1) Basic Management Policies of the Company

The Group holds as its Corporate principles, "to become a human company contributing to the achievement of lifewith full and compassion through creation and innovation" and will endeavor to provide high value added new products and services that will provide satisfaction to our consumers.
Through the efficient utilization of the management resources of each of the Group Companies, enhance the overall strength of the group and enhance the corporate value.

(2) Issues facing the Company

The future prospects for the Japanese economy are still unpredictable, clouded by lingering concerns over the effect of deflation and deterioration in the employment situation as well as the impact of the Great Eastern Japan Earthquake, and it is expected to take some time for the domestic economy and private consumption to recover.

With the Group's operating environment expected to become even more difficult, in April 2011, the Group amalgamated the Medical Services Business Headquarters, the Home Furnishing and Health Business Headquarters and the Corporate Facilities Business Headquarters into one business headquarters to oversee all operations at core operating company Francebed Co., Ltd. The aim of this restructuring is to break down the barriers separating each business headquarters, reap further benefits from the business merger and improve the efficiency of business operations, so that, in the future, the Company will be able to focus management resources on growth areas more quickly and improve earnings. Especially in the medical services business, the Company has, until now, provided welfare equipment and care services mainly to people certified as requiring a moderate or high level of care, but, moving forward, the Company aims to expand services for people certified as requiring a low level of support, as well as fit and healthy elderly and middle-aged customers, and plans to strengthen business in the senior market.

(3) Other Important Matters Related to Management

Not applicable.

Consolidated Financial Statements

(1) Consolidated balance sheets

(In millions of yen)

	Fiscal year ended Mar. 2010 (As of Mar.31, 2010)	Fiscal year ended Mar. 2011 (As of Mar.31, 2011)
ASSET		
Current assets		
Cash and deposits	9,280	11,942
Notes and accounts receivable, trade	9,156	9,398
Marketable securities	2,999	1,999
Merchandise and finished goods	6,733	5,623
Work in process	148	283
Raw materials and supplies	1,793	1,637
Deferred income tax assets	1,018	992
Other	1,599	1,345
Allowance for doubtful accounts	Δ59	Δ63
Total current assets	32,669	33,159
Fixed assets		
Tangible fixed assets		
Assets for rent	4,680	4,873
Accumulated depreciation	Δ2,946	Δ3,072
Assets for rent, net	1,734	1,801
Buildings and structures	14,991	14,546
Accumulated depreciation	Δ10,044	Δ9,793
Buildings and structures, net	4,947	4,752
Machinery and transport equipment	6,897	6,481
Accumulated depreciation	Δ6,052	Δ5,686
Equipment and vehicles, net	845	794
Tools, furniture and fixtures	1,973	2,016
Accumulated depreciation	Δ1,595	Δ1,676
Tools, furniture and fixtures, net	377	340
Land	6,454	6,413
Lease assets	2,938	4,568
Accumulated depreciation	Δ980	Δ2,261
Lease assets, net	1,957	2,306
Construction in progress	62	42
Total tangible assets	16,379	16,451
Intangible fixed assets		
Lease assets	3	76
Software	237	1,293
Other	661	22
Total intangible fixed assets	902	1,392
Investments and other assets		
Investment securities	1,479	1,291
Long term loans receivable	21	18
Deferred income tax assets	2,001	1,888
Prepaid pension expense	5,286	5,130
Other	1,023	1,494
Allowance for doubtful accounts	Δ176	Δ134
Total investments and other assets	9,636	9,688
Total fixed assets	26,918	27,532
Deferred assets		
Bond issue expenses	14	47
Total deferred assets	14	47
Total Assets	59,602	60,739

(In millions of yen)

	Fiscal year ended Mar. 2010 (As of Mar.31, 2010)	Fiscal year ended Mar. 2011 (As of Mar.31, 2011)
LIABILITIES		
Current liabilities		
Notes payable-trade and accounts payable	5,202	4,007
Factoring of accrued liability	1,169	2,138
Short-term loans payable	5,275	2,125
Current portion of bonds	775	775
Long-term loans payable within one year	225	225
Lease obligations	1,050	1,427
Income taxes payable	114	157
Accrued consumption tax	46	18
Deferred tax liability	0	–
Reserve for bonuses	1,048	1,084
Reserve for director’s bonuses	1	–
Reserve for loss on restructuring	14	58
Reserve for loss due to disaste	–	20
Other	2,249	2,281
Total current liabilities	17,173	14,319
Fixed Liabilities		
Bonds	775	3,150
Long-term loans payable	225	2,000
Lease obligations	1,136	1,357
Deferred tax liability	0	0
Reserve for retirement benefits	2,212	2,348
Reserve for directors retirement bonuses	438	418
Reserve for contingent loss	8	8
Other	180	179
Total fixed liabilities	4,977	9,462
Total liabilities	22,150	23,781
NET ASSETS		
Shareholders' equity		
Capital stock	3,000	3,000
Capital surplus	5,116	5,116
Retained earnings	32,516	32,182
Treasury stock	Δ3,151	Δ3,152
Total shareholders' equity	37,481	37,146
Accumulated Other Comprehensive Income		
Valuation gain and loss on other securities	Δ3	Δ166
Deferred gains or losses on hedges	6	16
Foreign currency translation adjustment	Δ32	Δ38
Total accumulated other comprehensive income	Δ29	Δ188
Total net assets	37,451	36,958
Total liabilities and shareholders' equity	59,602	60,739

(2) Consolidated Statements of Income

(In millions of yen)

	Fiscal year ended March 2010 (Apr. 1, 2009 ~ Mar. 31, 2010)	Fiscal year ended March 2011 (Apr. 1, 2010 ~ Mar. 31, 2011)
Net sales	49,792	48,311
Cost of sales	27,772	27,035
Gross income	22,019	21,275
Selling, general and administrative expense	21,299	20,681
Operating income	720	594
Other income		
Interest income	12	13
Dividend income	37	28
Foreign exchange gains	29	–
Gain on new stocks allotted	–	22
Other	164	151
Total other income	243	216
Other expenses		
Interest expense	132	125
Sales discounts	42	33
Commission paid	44	28
Other	100	77
Total other expenses	319	264
Ordinary income	644	545
Extraordinary Income		
Gains on Prior Year Adjustment	8	–
Gains form Sale of Fixed Assets	242	636
Gain on sales of investment securities	–	12
Reversal of reserve for loss on Component replacement	100	–
Total extraordinary income	351	648
Extraordinary Losses		
Loss from Prior Year Adjustment	17	1
Losses from Sale of Fixed Assets	0	–
Loss from Removal of Fixed Assets	59	56
Loss on impairment of fixed assets	53	–
Loss on sales of stocks of affiliates	14	–
Early extra retirement payments	221	–
Loss on restructuring	–	521
Loss on disaster	–	107
Total extraordinary losses	367	688
Pretax profit of the current term	629	506
Income taxes - current	98	115
Income taxes - deferred	267	155
Total income before income taxes	365	271
Income before minority interests	–	235
Net Income	263	235

Consolidated Statements of comprehensive income

(In millions of yen)

	Fiscal year ended March 2011 (Apr. 1, 2010 ~ Mar. 31, 2011)
Income before minority interests	235
Other comprehensive income	
Valuation difference on available-for-sale securities	△162
Deferred gains or losses on hedges	10
Foreign currency translation adjustment	△5
Other comprehensive income	△158
Comprehensive income	76
(Comprehensive income attributable to)	
Comprehensive income attributable to owners of the parent	76
Comprehensive income attributable to minority interests	–

(3) Consolidated Statement of Changes in Net Assets

(In millions of yen)

	Fiscal year ended March 2010 (Apr. 1, 2009 ~ Mar. 31, 2010)	Fiscal year ended March 2011 (Apr. 1, 2010 ~ Mar. 31, 2011)
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	5,116	5,116
Changes of items during the period		
Total	–	–
Balance at end of current fiscal year	5,116	5,116
Retained earnings		
Balance at end of previous fiscal year	32,823	32,516
Changes of items during the period		
Cash dividends paid	Δ569	Δ569
Net income	263	235
Total	Δ306	Δ334
Balance at end of current fiscal year	32,516	32,182
Treasury stock		
Balance at end of previous fiscal year	Δ3,150	Δ3,151
Changes of items during the period		
Treasury stock purchased	Δ1	Δ0
Total	Δ1	Δ0
Balance at end of current fiscal year	Δ3,151	Δ3,152
Shareholders' equity total		
Balance at end of previous fiscal year	37,789	37,481
Changes of items during the period		
Cash dividends paid	Δ569	Δ569
Net income	263	235
Treasury stock purchased	Δ1	Δ0
Total	Δ307	Δ335
Balance at end of current fiscal year	37,481	37,146

(In millions of yen)

	Fiscal year ended March 2010 (Apr. 1, 2009 ~ Mar. 31, 2010)	Fiscal year ended March 2011 (Apr. 1, 2010 ~ Mar. 31, 2011)
Accumulated other comprehensive income		
Valuation differences and other marketable securities		
Balance at end of previous fiscal year	△112	△3
Changes of items during the period		
Net changes of items other than shareholders' equity	109	△162
Total	109	△162
Balance at end of current fiscal year	△3	△166
Deferred gains on hedges		
Balance at end of previous fiscal year	△0	6
Changes of items during the period		
Net changes of items other than shareholders' equity	6	10
Total	6	10
Balance at end of current fiscal year	6	16
Foreign currency translation adjustments		
Balance at end of previous fiscal year	63	△32
Changes of items during the period		
Net changes of items other than shareholders' equity	△96	△5
Total	△96	△5
Balance at end of current fiscal year	△32	△38
Total accumulated other comprehensive income		
Balance at end of previous fiscal year	△48	△29
Changes of items during the period		
Net changes of items other than shareholders' equity	18	△158
Total	18	△158
Balance at end of current fiscal year	△29	△188
Net assets Total		
Balance at end of previous fiscal year	37,740	37,451
Changes of items during the period		
Cash dividends paid	△569	△569
Net income	263	235
Treasury stock purchased	△1	△0
Net changes of items other than shareholders' equity	18	△158
Total	△288	△493
Balance at end of current fiscal year	37,451	36,958

(4) Consolidated Statement of Cash Flow

(In millions of yen)

	Fiscal year ended March 2010 (Apr. 1, 2009 ~ Mar. 31, 2010)	Fiscal year ended March 2011 (Apr. 1, 2010 ~ Mar. 31, 2011)
Cash flows from operating activities		
Pretax profit (loss) of the current term	629	506
Depreciation	2,650	3,420
Impairment loss	53	–
Loss (gain) on sale of fixed assets	Δ242	Δ636
Loss on retirement of fixed assets	57	40
Loss (gain) on sales of investment securities	–	Δ12
Increase (decrease) in allowance for doubtful accounts	3	Δ37
Increase (decrease) in reserve for bonuses	Δ110	35
Increase (decrease) in reserve for director's bonuses	Δ10	Δ1
Increase (decrease) in reserve for part exchange loss	Δ102	–
Increase (decrease) in reserve for retirement benefits	Δ38	136
Increase (decrease) in reserve for prepaid pension expense	303	156
Increase (decrease) in reserve for directors retirement bonuses	35	Δ19
Interest income and dividend income	Δ49	Δ41
Interest expense	132	125
Decrease (increase) in account receivables	947	Δ242
Decrease (increase) in inventories	1,025	1,129
Decrease (increase) in procurement obligations	199	Δ1,194
Decrease (increase) in accrued factoring liabilities	Δ92	968
Increase (decrease) in accrued expenses	Δ168	95
Other	Δ258	347
Sub-Total	4,965	4,775
Interest and dividends received	50	40
Interest paid	Δ133	Δ113
Income taxes (paid) refund	Δ691	233
Cash flows from operating activities	4,191	4,935
Cash flows from investing activities		
Investments in time deposits	Δ21	Δ1,108
Decrease in term deposits	312	1,200
Expenditures for acquisition of tangible fixed assets	Δ3,536	Δ3,288
Proceeds form sale of tangible fixed assets	388	678
Expenditures for acquisition of investment securities	Δ0	Δ298
Proceeds from sales of investment securities	–	312
Expenditure for loans	Δ76	Δ17
Proceeds from recovery of loans	14	18
Purchase of intangible fixed assets	Δ543	Δ788
Other	Δ10	0
Cash flows from investing activities	Δ3,473	Δ3,292
Cash flows from financing activities		
Expenditure for repayment of short term borrowings	Δ11	Δ3,150
Proceeds from long-term loans payable	–	2,000
Expenditure for repayment of long term borrowings	–	Δ225
Proceeds from issuance of bonds	–	3,101
Redemption of bonds	–	Δ775
Expenditure for acquisition of treasury shares	Δ1	Δ0
Proceeds from sale-and-Leaseback	1,490	1,672
Repayment of obligation under capital leases	Δ742	Δ1,338
Payment of dividends	Δ570	Δ568
Other	Δ0	–
Cash flows from financing activities	164	716
Effect of exchange rate changes on cash and cash equivalents	5	Δ4
Net (decrease) increase in cash and cash equivalents	888	2,354
Cash and cash equivalents at beginning of period	10,142	11,030
Cash and cash equivalents at end of period	11,030	13,384

(5) Items related to the business as a going concern

No applicable items.

(6) Significant Matters in Preparation of Consolidated Financial Statements

Fiscal year ended March 2010 (Commenced Apr. 1,2009 and ended Mar.31, 2010)	Fiscal year ended March 2011 (Commenced Apr. 1,2010 and ended Mar.31, 2011)
1. Matters Relating to Scope of Consolidation (1) Number of consolidated Subsidiaries: 7 Names of consolidated subsidiaries France Bed Co., Ltd., France Bed Furniture Co., Ltd., France Bed SalesCo., Ltd., FB Tomonokai Co., Ltd., Tokyo Bed Co.,Ltd. France bed International (Thailand) Co., Ltd. AD Center Co., Ltd. Francebed Medical Service Co., Ltd., which was a consolidated subsidiary in the previous fiscal year, was excluded from the scope of consolidation because it was absorbed into another consolidated subsidiary, Francebed Co., Ltd., as of April 1, 2009. Francebed Korea Co., Ltd., which was a consolidated subsidiary in the previous fiscal year, was also excluded from the scope of consolidation because the Group sold all the shares it held in the company.	1. Matters Relating to Scope of Consolidation (1) Number of consolidated Subsidiaries: 7 Names of consolidated subsidiaries France Bed Co., Ltd., France Bed Furniture Co., Ltd., France Bed SalesCo., Ltd., FB Tomonokai Co., Ltd., Tokyo Bed Co.,Ltd. France bed International (Thailand) Co., Ltd. AD Center Co., Ltd.
(2) Number of Non-consolidated Subsidiary Number of Non-consolidated Subsidiary TSUBASA Co., Ltd. Reason for exclusion from the scope of consolidation The non-consolidated subsidiaries have been excluded from the scope of consolidation because they are small in size and none of their total assets, sales, net income and loss (amount comparable to equity) or retained earnings (amount comparable to equity) has any material impact on the consolidated financial statements.	(2) Number of Non-consolidated Subsidiary Same as the left
2. Matters relating to the application of the equity method Names of Non-Consolidated Subsidiaries not Accounted for by the Equity Method Reasons for not Accounting for the Companies by the Equity Method The non-consolidated subsidiaries are not accounted for by the equity method because their exclusion has only a minor impact on the consolidated financial statements in terms of net income and loss (amount comparable to equity) and retained earnings (amount comparable to equity), and they are considered immaterial from an overall perspective.	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

Fiscal year ended March 2010 (Commenced Apr. 1,2009 and ended Mar.31, 2010)	Fiscal year ended March 2011 (Commenced Apr. 1,2010 and ended Mar.31, 2011)
4. Matters relating to the accounting standards (1) Valuation basis and method for significant assets	4. Matters relating to the accounting standards (1) Valuation basis and method for significant assets
(i) Marketable Securities 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.)	(i) Marketable Securities Other marketable securities With market value: Same as the left
Without market value: Stated at cost determined by the moving-average method	Without market value: Same as the left
(ii)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	(ii)Inventory a. Merchandise, product, and work-in-progress Same as the left
b. Materials and stored goods Stated at cost using most recent purchase method Last-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 Same as the left
(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 2~13 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.	(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 3~55 years Equipment and Vehicles 4~13 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.
(ii)Intangible Fixed Assets(lease asset is excluded) 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) 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.	(iii) Lease asset Same as the left
(iv)Long term prepaid expenses Equal amortization is applied.	(iv)Long term prepaid expenses Same as the left

Fiscal year ended March 2010 (Commenced Apr. 1,2009 and ended Mar.31, 2010)	Fiscal year ended March 2011 (Commenced Apr. 1,2010 and ended Mar.31, 2011)
(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.	(3) Accounting for significant reserves (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 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) ―――――――――――――――― .
(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 (Changes in Accounting Policy) From the fiscal year under review, the Group applied the "Partial Amendment to Accounting Standards for Retirement Benefits (Part 3)" (ASBJ Standards No. 19 announced on July 31, 2008). This had no effect on the income and loss and unappropriated balance of differences in retirement benefits payable.	(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 To provide against replacement costs incurred for defective parts, estimated expenses for future replacement volume as of FY2008 is recorded.	(vi) ――――――――――――――――
(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.	(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.

Fiscal year ended March 2010 (Commenced Apr. 1,2009 and ended Mar.31, 2010)	Fiscal year ended March 2011 (Commenced Apr. 1,2010 and ended Mar.31, 2011)
(viii) Reserve for contingent loss To provide against contingencies that may occur in the future, estimated loss is reasonably calculated and recorded for that deemed necessary.	(viii) Reserve for contingent loss Same as the left
(ix) ————	(ix) Reserve for loss due to disaste To prepare for expenses necessary to restore assets affected by the Great Eastern Japan Earthquake, the Company made a provision for anticipated expenses at the end of the fiscal year under review.
(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) 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.	(5) 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

Fiscal year ended March 2010 (Commenced Apr. 1,2009 and ended Mar.31, 2010)	Fiscal year ended March 2011 (Commenced Apr. 1,2010 and ended Mar.31, 2011)
(iv) Method of evaluating hedge effectiveness a.Test in advance Verifies that it is consistent with "Market Risk Management Rules" and"Risk Management Outlines" b.Test after the fact Examination is made whether the market and cash flow fluctuation were avoided vis a vis foreign exchange volatility risk in foreign currency denominated transactions.	(iv) Method of evaluating hedge effectiveness a.Test in advance Same as the left b.Test after the fact Same as the left
(6) ———	(6) Scope of Cash and Cash Equivalents in Consolidated Cash Flow Statement Cash and cash equivalents are composed of cash on hand, deposits that can be withdrawn at any time, and readily convertible and price change insensitive short-term advances whose maturity comes generally within three months.
(7) Treatment of deferred assets Depreciation of bond issue expenses is based on the straight-line method over the bond redemption period.	(7) Treatment of deferred assets Same as the left
(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.	———
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.	———

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

Fiscal year ended March 2010 (Commenced Apr. 1,2009 and ended Mar.31, 2010)	Fiscal year ended March 2011 (Commenced Apr. 1,2010 and ended Mar.31, 2011)
(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. From the fiscal year under review, however, the Group switched to a method whereby 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 them 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 fiscal year under review to increase by 26 million yen, 160 million yen, and 162 million yen, respectively, from the figures calculated using the previous method. However, the accounting change 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.	(Application of Accounting Standards for Asset Retirement Obligations) The Accounting Standards for Asset Retirement Obligations (Accounting Standards Board of Japan (ASBJ) Statement No. 18, issued on March 31, 2008) and the Guidance on Accounting Standards for Asset Retirement Obligations (ASBJ Guidance No. 21, issued on March 31, 2008) were applied from the fiscal year under review. The change had no impact on earnings.

(8) Changes in Presentation

Fiscal year ended March 2010 (Commenced Apr. 1,2009 and ended Mar.31, 2010)	Fiscal year ended March 2011 (Commenced Apr. 1,2010 and ended Mar.31, 2011)
(Consolidated statement of income) 1. “Purchase discount” (16 million yen in the fiscal year under review) and “Life insurance bonus” (14 million yen in the fiscal year under review) were shown separately up to and including the previous fiscal year, but are included in “Others” under “Non-operating income” in the fiscal year under review because their amounts are each 10% or less of the total amount of “Non-operating income.” 2. “Commission paid” was included in “Others” under “Non-operating expenses” up to and including the previous fiscal year, but is shown separately in the fiscal year under review because its amount has exceeded 10% of the total amount of “Non-operating expenses.” The amount of “Commission paid” that was included in “Others” under “Non-operating expenses” in the previous fiscal year was 38 million yen.	(Consolidated statement of income) 1. Foreign exchange gains (700 million yen in the fiscal year under review) under “Other income,” shown separately in the previous fiscal year, are now included in “Other” because they amounted to less than 10% of total other income. 2. From the fiscal year under review, the Company has been applying the “Cabinet Ordinance for Partial Revision of the Regulation for Terminology, Forms and Preparation of Financial Statements (Cabinet Office Ordinance No. 5, issued March 24, 2009)” based on the “Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, issued on December 26, 2008), and “Income before minority interests” is included in the income statements.

Fiscal year ended March 2010 (Commenced Apr. 1,2009 and ended Mar.31, 2010)	Fiscal year ended March 2011 (Commenced Apr. 1,2010 and ended Mar.31, 2011)
(Consolidated Statement of Cash Flow) 1.“Exchange gain or loss (△ means gain)” (△34 million yen in the fiscal year under review) under “Net cash provided by operating activities” was shown separately up to and including the previous fiscal year, but is included in “Others” under “Net cash provided by operating activities” in the fiscal year under review because the importance of its amount has decreased. 2.“Payments for acquisition of intangible fixed assets” was included in “Others” under “Net cash used for investing activities” up to and including the previous fiscal year, but is shown separately in the fiscal year under review because the importance of its amount has increased. The amount of “Payments for acquisition of intangible fixed assets that was included in “Others” under “Net cash used for investing activities” in the previous fiscal year was 189 million yen.	

(9) Supplementary Information

Fiscal year ended March 2010 (Commenced Apr. 1,2009 and ended Mar.31, 2010)	Fiscal year ended March 2011 (Commenced Apr. 1,2010 and ended Mar.31, 2011)
	From the fiscal year under review, the Company has been applying the “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, issued on June 30, 2010). However, the amounts of “Accumulated other comprehensive income” and “Total accumulated other comprehensive income” of the previous fiscal year are shown as the amounts of “Valuation and translation adjustments” and “Total valuation and translation adjustments.”

(10) Notes to the Consolidated Financial Statements

(Consolidated Balance Sheets)

Fiscal year ended March 31. 2010	Fiscal year ended March 31. 2011
1. Assets Pledged as Collateral Investment Securities ¥65 million Obligations to the above Account Payable ¥ - million 2. Contingent Liabilities The Group provides guarantees for the loan such as the following companies. Tsubasa Co., Ltd. ¥198 million Employees ¥47 million	1. Assets Pledged as Collateral Investment Securities ¥54 million Obligations to the above Account Payable ¥ - million 2. Contingent Liabilities The Group provides guarantees for the loan such as the following companies. Tsubasa Co., Ltd. ¥192 million Employees ¥35 million The Company provides a debt guarantee in relation to the following company's deposit service guarantee agreement. FB Tomonokai Co., Ltd. ¥320 million
3. 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 7 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 ¥4,450 million Amount Drawn Down -- million Net ¥4,450 million (Financial covenants) The Commitment Line Agreement mentioned above includes the following financial covenants. 1.Ordinary income/loss shall not be a "loss" in the profit and loss statements at the end of a fiscal year or at the end of the first six months of a fiscal year. 2.Consolidated equity capital at the end of a fiscal year and at the end of the first six months of a fiscal year shall be maintained at 70% of the consolidated equity capital at the end of the previous fiscal year and at the end of the first six months of the previous fiscal year.	3. ――――

(Consolidated Statements of Income)

Fiscal year ended March 2010
(Commenced Apr. 1,2009 and ended Mar.31, 2010)

1. 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. ¥166 million

2. ―――――――――――

3. Impairment losses
The following group of assets records impairment loss for FY2010 on a consolidated basis.

(In millions of yen)

Location	Facility	Type	Amount
Koufu-shi Yamanashi	Idle assets	Land	53
Total			53

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 stated above, impairment loss recorded in the fiscal year under review is a loss concerning idle assets.
Idle assets are unutilized and are not expected to be used in the future, so their book value was reduced to a recoverable value and the amount of reduction is recorded as “Impairment loss” (53 million yen) under “Extraordinary loss.”
The recoverable value was measured based on the net sale value and evaluated based on the assessed value of fixed assets.

4. ―――――――――――

Fiscal year ended March 2011
(Commenced Apr. 1,2010 and ended Mar.31, 2011)

1. 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. ¥40 million

2. Loss on restructuring
This is a loss associated with the restructuring of home furnishing and health business and is broken down as follows.

Loss on retirement of noncurrent assets	¥22 million
Impairment loss	¥42 million
Loss on disposal of inventories	¥371 million
Other	¥84 million
Total	¥521 million

Loss on restructuring of 521 million yen includes a provision of reserve for loss on restructuring of 58 million yen.

3. Impairment losses
The following group of assets records impairment loss for FY2011 on a consolidated basis.

(In millions of yen)

Location	Facility	Type	Amount
Tosu-shi Saga	Idle assets	Buildings & Structures Machinery & Automotive equipment Equipment & Fixtures	42
Total			42

The business assets of the Group are grouped in accordance with classification for management accounting, but idle assets and lease assets are grouped individually as an independent cash-generating unit. The above assets are idle as of the end of the fiscal year under review and are not expected to be used in the future. Their book value has, therefore, been written down to the recoverable value and the relevant impairment loss (42 million yen) is included in “Loss on business restructuring,” and is broken down as follows: Buildings and structures 2 million yen, Machinery, equipment and vehicles 38 million yen, Tools, furniture and fixtures 1 million yen. The recoverable value of such idle assets is measured by their use value.

4.Loss on disaster
These are expenses necessary to dispose of inventories destroyed in the Great Eastern Japan Earthquake and to restore equipment to its original condition, and they include a provision of reserve for disaster losses of 20 million yen and a provision of reserve for doubtful accounts due to disaster of 20 million yen.

(Consolidated Statements of Comprehensive Income)

Fiscal year ended March 2011 (Commenced Apr. 1,2010 and ended Mar.31, 2011)

1. Comprehensive income

Comprehensive income attributable to owners of the parent	¥282 million
Comprehensive income attributable to minority interests	¥ - million
Total	¥282 million

2. Other comprehensive income

Valuation difference on available-for-sale securities	¥109 million
Deferred gains or losses on hedges	¥ 6 million
Foreign currency translation adjustment	Δ¥96 million
Total	¥18 million

(Consolidated Statement of Changes in Net Assets)

Fiscal year ended March 2010 (Apr.1, 2009 - Mar.31, 2010)

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 2009	Increase of shares during fiscal year ending March 2010	Decrease of shares during fiscal year ending March 2010	Number of shares as of fiscal year ended March 2010
Shares issued				
Common shares	239,487	—	—	239,487
Total	239,487	—	—	239,487
Treasury stock				
Common shares (note)	11,566	8	—	11,574
Total	11,566	8	—	11,574

(Note)

1. The increase in the number of treasury stocks of 8,000 shares reflects requests for the purchase of 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 25, 2009 Shareholders' meeting	Common shares	¥ 284 million	¥ 1.25	March 31, 2009	June 26, 2009
November 6, 2009 Board of directors' meeting	Common shares	¥ 284 million	¥ 1.25	September 30, 2009	December 4, 2009

(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, 2010 Shareholders' meeting	Common shares	¥ 284 million	Accumulated income	¥ 1.25	March 31, 2010	June 28, 2010

Fiscal year ended March 2011 (Apr.1, 2010 - Mar.31, 2011)

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 2010	Increase of shares during fiscal year ending March 2011	Decrease of shares during fiscal year ending March 2011	Number of shares as of fiscal year ended March 2011
Shares issued				
Common shares	239,487	—	—	239,487
Total	239,487	—	—	239,487
Treasury stock				
Common shares (note)	11,574	6	—	11,581
Total	11,574	6	—	11,581

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

2.Dividends

(1) Amounts paid

Date confirmed	Type of stock	Total dividends paid	Dividends per share	Dividend record date	Effective date
June 25, 2010 Shareholders' meeting	Common shares	¥284 million	¥1.25	March 31, 2010	June 28, 2010
November 5, 2010 Board of directors' meeting	Common shares	¥284 million	¥1.25	September 30, 2010	December 3, 2010

(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 28, 2011 Shareholders' meeting	Common shares	¥284 million	Accumulated income	¥1.25	March 31, 2011	June 29, 2011

(Segment Information)

a. Segment Information by Business

Fiscal year ended Mar. 2010 (Commenced Apr 1, 2009 and ended Mar 31, 2010)

(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	21,704	23,894	139	4,053	49,792	--	49,792
(2) Internal Sales among Segments or Transfers	624	19	30	466	1,140	(1,140)	--
Total	22,328	23,914	169	4,519	50,932	(1,140)	49,792
Operating Expenses	23,485	22,055	48	4,732	50,322	(1,251)	49,071
Operating Income (loss)	Δ1,156	1,858	121	Δ212	610	110	720
2. Assets, Depreciation, impairment loss and Capital Expenditures							
Assets	31,080	22,431	996	3,076	57,584	2,018	59,602
Depreciation	380	2,240	8	17	2,647	3	2,650
Impairment loss	−	53	−	--	53	--	53
Capital Expenditures	380	3,766	1	4	4,152	6	4,159

(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. Of operating expenses, unclassifiable operating expenses (615 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.
4. Of assets, corporate assets (11,993 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.
5. Change of accounting policies
   (Changes in Accounting Methods Pertaining to Income and Loss from Prior Year Adjustments)
   The Group had 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. As stated in “Important Matters That Become the Basis for Creating the Consolidated Financial Statements,” however, from the fiscal year under review the Group switched to a method in which the abovementioned errors are accounted for through the calculation of ordinary gains and losses.
   This change caused the operating loss for the home furnishing and health business to decrease by 79 million yen, the operating income for the nursing care and welfare equipment business to increase by 61 million yen, the operating loss for other business to decline by 14 million yen, and the elimination or corporate operating income to rise by 4 million yen, compared with the figures calculated using the previous method.

b. Segments by Location

Fiscal year ended Mar. 2010 (Commenced April 1, 2009 and ended March 31, 2010)
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

Fiscal year ended Mar. 2010 (Commenced April 1, 2009 and ended March 31, 2010)
As the Overseas Sales comprise less than 10% of the Consolidated Sales, the item has been omitted.

b. Segment Information

Fiscal year ended Mar. 2011 (Commenced Apr 1, 2010 and ended Mar 31, 2011)

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.Calculation of Net sales, Profit or Loss, Assets, etc. by Segment

Accounting methods applied to reporting segments are the same as those described in Significant Matters in Preparation of Consolidated Financial Statements.

Profit or loss of reporting segment is operating income basis.

Intersegment sales and transfers are calculated based on actual market value.

3.Information on the amounts of sales, income (loss), assets, and other items for reporting segments

Fiscal year ended Mar. 2010 (Commenced Apr 1, 2009 and ended Mar 31, 2010)

(In millions of yen)

	Reporting Segment				Other (Note 1)	Total	Adjustments (Note 2)	Consolidated total (Note 3)
	Medical Services	Home Fumishing and Health	Corporate Facilities	Total				
Sales								
Sales to External Customers	20,438	18,343	6,486	45,267	4,524	49,792	−	49,792
Internal Sales among Segments or Transfers	17	624	6	647	471	1,119	Δ1,119	−
Total	20,455	18,967	6,492	45,915	4,995	50,911	Δ1,119	49,792
Segment Income / Loss	1,562	Δ900	186	848	Δ240	607	113	720
Segment asset	23,330	26,133	4,276	53,740	3,646	57,386	2,215	59,602
Other items								
Depreciation	2,204	364	48	2,617	29	2,647	3	2,650
Increase in tangible and intangible fixed assets	3,661	352	114	4,128	24	4,152	6	4,159

Fiscal year ended Mar. 2011 (Commenced Apr 1, 2010 and ended Mar 31, 2011) (In millions of yen)

	Reporting Segment				Other (Note 1)	Total	Adjustments (Note 2)	Consolidated total (Note 3)
	Medical Services	Home Furnishing and Health	Corporate Facilities	Total				
Sales								
Sales to External Customers	21,664	16,322	6,472	44,460	3,851	48,311	−	48,311
Internal Sales among Segments or Transfers	36	499	3	539	432	971	Δ971	−
Total	21,700	16,822	6,476	44,999	4,283	49,282	Δ971	48,311
Segment Income / Loss	1,436	Δ813	77	700	Δ205	495	98	594
Segment asset	24,843	26,006	4,902	55,751	3,412	59,163	1,576	60,739
Other items								
Depreciation	2,898	422	79	3,399	17	3,417	3	3,420
Increase in tangible and intangible fixed assets	3,406	505	138	4,050	70	4,121	−	4,121

(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. The item “Adjustments” contains the following:

Segment income

	FY2010	FY2011
Elimination of intersegment transactions	803	739
Corporate expenses	Δ689	Δ640
	113	98

General corporate expenses are expenses relating to the general affairs division and other administrative divisions of the company submitting the consolidated financial statements that cannot be attributed to any particular reporting segment.

Segment asset

	FY2010	FY2011
Elimination of intersegment transactions	Δ14,083	Δ17,271
Corporate expenses	16,298	18,847
	2,215	1,576

General corporate assets are surplus working capital (cash and deposits) and assets relating to the general affairs division or other administrative division of the company submitting the consolidated financial statements that cannot be attributed to any particular reporting segment.

3. Segment profit and loss is adjusted with operating income reported in the consolidated financial statements.

(Supplementary information)

Fiscal year ended Mar. 2011 (Commenced Apr 1, 2010 and ended Mar 31, 2011)

Beginning with the fiscal year ended March 31, 2011, 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) have been applied.

(Per Share Information)

Fiscal year ended Mar. 2010 (Commenced Apr. 1,2009 and ended Mar.31, 2010)	Fiscal year ended Mar. 2011 (Commenced Apr. 1,2010 and ended Mar.31, 2011)
Net Assets per Share ¥164.32 Earnings per share ¥1.15 As there are no latent shares existing, presentation of fully diluted earnings per share has been omitted.	Net Assets per Share ¥162.16 Earnings per share ¥1.03 As there are no latent shares existing, presentation of fully diluted earnings per share has been omitted.

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

	Fiscal year ended Mar. 2010 (Commenced Apr. 1,2009 and ended Mar.31, 2010)	Fiscal year ended Mar. 2011 (Commenced Apr. 1,2010 and ended Mar.31, 2011)
Net Income(¥ million)	263	235
Amount not attributable to Common Stock(¥ million)	–	–
Net Incomeattributable to Common Stock(¥ million)	263	235
Average Number of Outstanding Common Shares during the Period (thousand shares)	227,915	227,908

(Material Subsequent Events)

FY2010.3 (Apr. 1, 2009–Mar. 31, 2010)
None applicable

FY2011.3 (Apr. 1, 2010–Mar. 31, 2011)
None applicable