

## Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2015 (J-GAAP)

January 30, 2015

Company name: **France Bed Holdings Co., Ltd.**

Code number: 7840

Listing exchanges: Tokyo

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Representative: Shigeru Ikeda, President

Contact person: Tsutomu Shimada, Director (Accounting Group)

Scheduled date to submit quarterly report: February 12, 2015

Scheduled date of the start of dividend payments: —

Preparation of supplementary explanation materials for 3Q financial results: None

3Q earnings announcement: None

(Amounts less than one million yen have been truncated)

### 1. Consolidated Results for the Nine Months Ended December 31, 2014

(April 1, 2014 – December 31, 2014)

#### (1) Consolidated Operating Results

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2014	37,733	-3.7	1,296	-32.4	1,297	-32.1	658	-37.3
Nine months ended December 31, 2013	39,202	5.1	1,919	32.9	1,910	35.4	1,051	17.6

Note: Comprehensive income

Nine months ended December 31, 2014: ¥818 million (-27.6%)

Nine months ended December 31, 2013: ¥1,131 million (28.0%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Nine months ended December 31, 2014	3.07	—
Nine months ended December 31, 2013	4.83	—

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2014	56,284	34,669	61.5	161.87
As of March 31, 2014	59,443	35,522	59.7	165.85

Reference: Shareholders' equity

As of December 31, 2014: ¥34,669 million

As of March 31, 2014: ¥35,522 million

## 2. Dividends

	Cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total
Fiscal year ended March 31, 2014	Yen —	Yen 2.25	Yen —	Yen 2.75	Yen 5.00
Fiscal year ending March 31, 2015	—	2.25	—		
Fiscal year ending March 31, 2015 (Outlook)				2.25	4.50

Note: Revisions to the dividends outlook since most recent announcement: None

The dividend at the end of the fiscal year ended March 31, 2014 includes payments of an ordinary dividend of 2.25 yen per share and a commemorative dividend of 0.50 yen per share.

## 3. Forecasts of Results for the Fiscal Year Ending March 31, 2015 (April 1, 2014 – March 31, 2015)

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	53,600	-2.3	2,200	-21.4	2,200	-20.9	1,000	-28.4	4.66

Note: Revisions to the forecasts of results since most recent announcement: None

### Footnote items

- (1) Changes in significant subsidiaries during the period  
(Changes in specified subsidiaries accompanying changes in the scope of consolidation): None
- (2) Application of special accounting treatments for the preparation of the consolidated financial statement: None
- (3) Changes in accounting principles, changes in accounting estimates, and changes in presentations due to revisions
  - 1) Changes in accounting principles accompanying revisions in accounting standards: Yes
  - 2) Changes other than those in [1] above: None
  - 3) Changes in accounting estimates: None
  - 4) Changes in presentation due to revisions: None
- (4) Number of shares issued (common shares)
  - 1) Number of shares issued at the end of the period (including treasury shares)
    - As of December 31, 2014: 224,487,500 shares
    - As of March 31, 2014: 224,487,500 shares
  - 2) Number of treasury shares at the end of the period
    - As of December 31, 2014: 10,316,490 shares
    - As of March 31, 2014: 10,313,385 shares
  - 3) Average number of shares issued during the period
    - April 2014 – December 2014: 214,172,536 shares
    - April 2013 – December 2013: 217,444,149 shares

[Implementation status of quarterly review procedures]

These consolidated results are not subject to the review procedures of the Financial Instruments and Exchange Act. As of the release date of this financial report, the review procedures for the consolidated financial statements had not been completed.

[Note concerning the appropriate use of performance forecasts and other related items]

(Caution concerning forward-looking statements, etc.)

This document contains forward-looking statements including performance forecasts based on information available to the Company at the time of disclosure and certain assumptions that the Company believes to be reasonable. The Company makes no assurances as to their outcomes. Actual performance may differ substantially from these forecasts owing to a wide range of factors.

**3. Consolidated Financial Statements**  
**(1) Consolidated Balance Sheets**

(Million yen)

	FY2014 (as of March 31, 2014)	3Q of FY2015 (as of December 31, 2014)
<b>Assets</b>		
Current assets		
Cash and deposits	8,125	6,363
Notes and accounts receivable – trade	11,857	9,443
Electronically recorded monetary claims – operating	493	670
Securities	2,498	2,498
Merchandise and finished goods	5,335	6,064
Work in process	465	499
Raw materials and supplies	1,859	2,213
Other	2,362	2,340
Allowance for doubtful accounts	(10)	(8)
Total current assets	32,988	30,086
Non-current assets		
Property, plant and equipment		
Land	6,481	6,474
Others, net	9,763	9,920
Total property, plant and equipment	16,244	16,395
Intangible assets	1,055	943
Investments and other assets	9,087	8,792
Total non-current assets	26,387	26,131
Deferred assets	66	65
Total assets	59,443	56,284
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable – trade	4,237	3,683
Accounts payable for factoring	2,392	1,913
Short-term loans payable	1,550	1,550
Current portion of bonds	—	400
Current portion of long-term loans payable	2,000	—
Income taxes payable	208	47
Provision for bonuses	1,261	623
Other provision	103	50
Other	4,785	5,009
Total current liabilities	16,539	13,278
Non-current liabilities		
Bonds payable	3,550	3,950
Long-term loans payable	—	1,200
Provision	521	516
Net defined benefit liability	646	665
Asset retirement obligations	25	25
Other	2,638	1,978
Total non-current liabilities	7,381	8,335
Total liabilities	23,921	21,614

(Million yen)

	FY2014 (as of March 31, 2014)	3Q of FY2015 (as of December 31, 2014)
Net assets		
Shareholders' equity		
Capital stock	3,000	3,000
Capital surplus	1,867	1,867
Retained earnings	32,853	31,841
Treasury shares	(2,083)	(2,083)
Total shareholders' equity	35,638	34,625
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	104	227
Deferred gains or losses on hedges	(2)	42
Remeasurements of defined benefit plans	(218)	(226)
Total accumulated other comprehensive income	(115)	43
Total net assets	35,522	34,669
Total liabilities and net assets	59,443	56,284

**(2) Consolidated Statements of Income and Comprehensive Income**

Consolidated Statements of Income

(Nine months ended December 31, 2013 and 2014)

(Million yen)

	Nine months ended December 31, 2013 (from April 1, 2013 to December 31, 2013)	Nine months ended December 31, 2014 (from April 1, 2014 to December 31, 2014)
Net sales	39,202	37,733
Cost of sales	21,073	19,770
Gross profit	18,128	17,963
Selling, general and administrative expenses	16,209	16,666
Operating income	1,919	1,296
Non-operating income		
Interest income	7	4
Dividend income	19	20
Other	101	111
Total non-operating income	127	137
Non-operating expenses		
Interest expenses	64	60
Sales discounts	25	27
Other	46	48
Total non-operating expenses	135	136
Ordinary income	1,910	1,297
Extraordinary income		
Gain on sales of non-current assets	0	17
Total extraordinary income	0	17
Extraordinary losses		
Loss on retirement of non-current assets	25	12
Provision for loss on dissolution of employees' pension fund	—	12
Total extraordinary losses	25	24
Income before income taxes and minority interests	1,885	1,290
Income taxes – current	123	104
Income taxes – deferred	711	527
Total income taxes	834	631
Income before minority interests	1,051	658
Net income	1,051	658

Consolidated Statements of Comprehensive Income  
(Nine months ended December 31, 2013 and 2014)

(Million yen)

	Nine months ended December 31, 2013 (from April 1, 2013 to December 31, 2013)	Nine months ended December 31, 2014 (from April 1, 2014 to December 31, 2014)
Income before minority interests	1,051	658
Other comprehensive income		
Valuation difference on available-for-sale securities	61	122
Deferred gains or losses on hedges	18	44
Remeasurements of defined benefit plans	—	(7)
Total other comprehensive income	79	159
Comprehensive income	1,131	818
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,131	818
Comprehensive income attributable to minority interests	—	—

### (3) Notes to Consolidated Financial Statements

(Notes to the Going Concern Assumption)

Not applicable

(Notes Regarding Significant Changes in the Amount of Shareholders' Equity)

Not applicable

(Segment Information)

Segment Information

#### 1. Information on net sales and income or loss by reporting segments

Nine months ended December 31, 2013 (From April 1, 2013 to December 31, 2013)

(Million yen)

	Reporting segment			Other (Note 1)	Total	Adjustments (Note 2)	Consolidated statements of income (Note 3)
	Medical Services	Home Furnishing and Health	Total				
Sales							
Sales to external customers	20,652	15,604	36,257	2,945	39,202	—	39,202
Internal sales among segments or transfers	4	440	445	94	539	(539)	—
Total	20,656	16,045	36,702	3,039	39,741	(539)	39,202
Segment income (loss)	1,286	613	1,899	(13)	1,885	33	1,919

Nine months ended December 31, 2014 (From April 1, 2014 to December 31, 2014)

(Million yen)

	Reporting segment			Other (Note 1)	Total	Adjustments (Note 2)	Consolidated statements of income (Note 3)
	Medical Services	Home Furnishing and Health	Total				
Sales							
Sales to external customers	20,292	14,810	35,102	2,631	37,733	—	37,733
Internal sales among segments or transfers	3	507	511	103	615	(615)	—
Total	20,296	15,317	35,614	2,735	38,349	(615)	37,733
Segment income	1,070	187	1,258	13	1,271	25	1,296

Notes 1. The "Other" segment is a business segment not included in the reporting segments and includes businesses such as door-to-door sales, sales of commodities and sundries, exhibition venue set up and real estate leasing.

#### 2. The details of "Adjustments" are as follows.

Segment income

(Million yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Intersegment transaction elimination	564	585
Corporate expenses*	(531)	(560)
Total	33	25

\*Corporate expenses are mainly expenses relating to the general affairs division and other administrative divisions of the company submitting the consolidated financial statements that do not belong to reporting segments.

#### 3. Segment income (loss) is adjusted with operating income reported in the consolidated statements of income.