



## Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2021 (Under Japanese GAAP)

November 6, 2020

Company name: France Bed Holdings Co., Ltd.	Listing: Tokyo Stock Exchange
Code number: 7840	URL: <a href="https://www.francebed-hd.co.jp">https://www.francebed-hd.co.jp</a>
Representative: Shigeru Ikeda, President & CEO	
Contact person: Tsutomu Shimada, Director (Accounting Group)	Tel: +81-3-6741-5501
Scheduled date to file Quarterly Securities Report: November 13, 2020	
Scheduled date to commence dividend payment: December 4, 2020	
Preparation of supplementary material on quarterly financial results: Yes	
Holding of quarterly earnings announcement: Yes (for institutional investors and securities analysts)	

(Amounts less than one million yen are truncated)

### 1. Consolidated Results for the Six Months Ended September 30, 2020 (from April 1 to September 30, 2020)

#### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended								
September 30, 2020	24,398	(7.3)	1,272	14.2	1,480	36.6	851	27.6
September 30, 2019	26,329	4.0	1,113	(2.4)	1,083	(6.3)	666	(3.3)

Note: Comprehensive income  
 Six months ended September 30, 2020: ¥743 million (71.5%)  
 Six months ended September 30, 2019: ¥433 million (8.1%)

	Profit per share	Fully diluted profit per share
	Yen	Yen
Six months ended		
September 30, 2020	21.95	—
September 30, 2019	17.07	—

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
September 30, 2020	59,901	37,676	62.8	971.75
March 31, 2020	59,798	37,481	62.6	966.70

Note: Shareholders' equity As of September 30, 2020: ¥37,676 million As of March 31, 2020: ¥37,481 million

#### 2. Dividends

	Cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	—	14.00	—	14.00	28.00
Fiscal year ending March 31, 2021	—	14.00	—	—	—
Fiscal year ending March 31, 2021 (Forecast)	—	—	—	14.00	28.00

Note: Revisions to the dividend forecast since most recent announcement: None

#### 3. Forecast of Results for the Fiscal Year Ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	50,000	(4.6)	2,500	0.3	2,600	6.7	1,600	5.2	41.26

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

Footnotes

(1) Changes in significant subsidiaries during the period under review (Changes in specified subsidiaries resulting in changes in the scope of consolidation): Yes

Added: One company (Name) Tsubasa Co., Ltd. Excluded: None

Note: For more information, please refer to "Changes in Significant Subsidiaries during the Period under Review" on page 11 of this document, under (4) Notes Regarding Consolidated Financial Statements of 2. Consolidated Financial Statements and Primary Notes.

(2) Application of special accounting methods for the preparation of the quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatements of financial statements for prior periods:

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies for other reasons: None

3) Changes in accounting estimates: None

4) Restatements of financial statements for prior periods: None

(4) Number of shares issued (common shares)

1) Number of shares issued at the end of the period (including treasury shares)

As of September 30, 2020:	41,397,500 shares	As of March 31, 2020:	41,397,500 shares
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2) Number of treasury shares at the end of the period

As of September 30, 2020:	2,625,685 shares	As of March 31, 2020:	2,625,530 shares
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3) Average number of shares issued during the period

As of September 30, 2020:	38,771,899 shares	As of September 30, 2019:	39,040,276 shares
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The consolidated financial results presented herein are not subject to a quarterly review by certified public accountants or an audit firm.

Note regarding the appropriate use of performance forecasts and other related items:

Caution concerning forward-looking statements

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.

Method of obtaining supplementary materials of the financial results:

The Company is scheduled to make a presentation of financial results for institutional investors and securities analysts on Tuesday, December 1, 2020. The presentation's handout materials will be posted on the Company's website immediately following the presentation.

## Contents

1. Qualitative Information on Quarterly Results.....	2
(1) Summary of Operating Results.....	2
(2) Summary of Financial Position .....	3
(3) Forward-looking Statements Including Forecasts of Consolidated Business Results .....	4
2. Consolidated Financial Statements and Primary Notes .....	5
(1) Consolidated Balance Sheets.....	5
(2) Consolidated Statements of Income and Comprehensive Income.....	7
Consolidated Statements of Income	
For the six months ended September 30, 2019 and 2020.....	7
Consolidated Statements of Comprehensive Income	
For the six months ended September 30, 2019 and 2020.....	8
(3) Consolidated Statements of Cash Flows .....	9
(4) Notes Regarding Consolidated Financial Statements .....	11
Notes Regarding the Going Concern Assumption.....	11
Notes Regarding Significant Changes in the Amount of Shareholders' Equity .....	11
Changes in Significant Subsidiaries during the Period under Review.....	11
Segment Information .....	11
Significant Subsequent Events.....	13

## 1. Qualitative Information on Quarterly Results

### (1) Summary of Operating Results

During the first six months ended September 30, 2020 ("the period under review"), business activities in general were stagnant in Japan in the midst of the COVID-19 crisis, and the Japanese economy suffered a sharp downturn. After the state of emergency was lifted nationally in late May, business activities gradually began to rebound. However, despite some signs of recovery, considerable uncertainty remains and the future of the Japanese economy remains opaque.

Under these circumstances, the France Bed Group (the "Group") stepped up its efforts to bolster the senior-care businesses (focusing available resources on our core competency) and to improve the profitability of the Home Furnishing and Health Business, both of which are key initiatives of its Medium-Term Management Plan. Revenue from the business of renting special-needs equipment to consumers, which is the core of the Medical Services Business, remained robust, as nursing-care services proved essential in assisting users and their family members to maintain normal lives even amid the ongoing COVID-19 crisis. The operating performance of the Home Furnishing and Health Business was on a track for recovery with the normalization of business activities from the latter half of the fiscal year under review. However, the above factors did not entirely offset the decreases in net sales caused by the voluntary restraint of economic activities under the state of emergency. As a result, the Group reported consolidated net sales of 24,398 million yen for the period under review, down 7.3% from the same period of the previous fiscal year.

Attributable to efforts to improve the cost of sales ratio and curb selling, general and administrative expenses, the Group posted operating profit of 1,272 million yen for the period under review, up 14.2% year on year. Ordinary profit amounted to 1,480 million yen, up 36.6% year on year, and profit attributable to owners of parent climbed 27.6% to 851 million yen.

The performance of each business segment for the period under review is described below:

#### 1) Medical Services Business

In the core rental business handling special-needs equipment, the Group delivered services with the utmost care in order to prevent the spread of COVID-19 infection, asking employees to check their body temperature regularly, wear facial masks and disinfect their hands before and after visiting customers. During the period under review, Tsubasa Co., Ltd., which is headquartered in Kagawa Prefecture and handles the rental of special-needs equipment, was added to the scope of consolidation of the Company.

In January 2020, we began renting, in selected regions, a newly developed multi-position bed which is designed to make it easy for a bedridden person to get up from the bed on his/her own. This bed can be adjusted to four different positions—from horizontal to upright—to help the user practice self-care while helping ease the stress on caregivers. We have been expanding this initiative into other regions in a sequential manner. By running advertisements including TV commercials and holding small product presentation meetings for care managers and others in these selected regions, we have been sharing information about target users and conveying the features of the new bed to potential customers.

During the national health crisis, although we were unable to adequately engage in sales activities in hospitals and nursing-care facilities, we worked to carry out sales of COVID-19 infection control products, including ozone-generating equipment and disposable gloves, in addition to sales of beds and accessories, our flagship products.

As a result, the Group achieved net sales of 15,015 million yen in the Medical Services Business for the period under review, down 3.0% year on year. Segment profit surged 7.5% to 1,227 million yen.

#### 2) Home Furnishing and Health Business

During the fiscal period under review, the Group opened three new showrooms (Minato-ku in Tokyo, Kakegawa-shi in Shizuoka and Shiojiri-shi in Nagano) and expanded the floor space of an existing showroom in Tsu-shi in Mie. By ensuring an environment to minimize the risk of viral infection through advance reservation systems and the restriction on the numbers of visitors entering the showrooms, we offered the public more opportunities for a hands-on experience of our value-added products designed to promote better

health and quality of sleep. For online retailers who are enjoying increasing demand, we focused on expanding sales of three-fold spring mattress Fold Air and other products that can be delivered using the parcel delivery service.

In the value-added product category, our antibacterial mattresses under the brand name of Culiess AG™, the industry's first specialized hygiene bedding brand, with a top layer woven from AGLiza® antibacterial threads jointly developed with Toyobo Co., Ltd., were received particularly well primarily among highly hygiene-conscious consumers. In August, we started to sell AS Culiess AG 95 down comforter and comforter cover under said brand.

As the occupancy rate fell sharply in the Japanese hotel industry, reflecting a drastic decrease in inbound demand and self-restraint on business and personal travel, demand for both new and replacement beds from hotels slowed. Under these circumstances, we promoted the sale of Culiess AG™ mattresses with hotel specifications, our unique functional products, and offered suggestions to equip hotel rooms with day beds and so forth, with an eye to expanding their use for telework at hotels.

As a result, the Group posted net sales of 9,185 million yen in the Home Furnishing and Health Business for the period under review, which was a year-on-year decline of 14.0%, with segment profit of 24 million yen, compared with a loss of 47 million yen for the same period the previous fiscal year.

## (2) Summary of Financial Position

### Assets

Total assets as of September 30, 2020 increased by 102 million yen to 59,901 million yen compared with the end of the previous fiscal year ("the previous year-end"). Current assets were down 108 million yen to 31,727 million yen from the previous year-end. This was primarily due to an increase of 4,016 million yen in cash and deposits, and decreases of 860 million yen in notes and accounts receivable - trade (including electronically recorded monetary claims - operating), 1,199 million yen in securities and 581 million yen in inventories. Non-current assets increased by 222 million yen, to 28,135 million yen, from the previous year-end. This reflected the purchase and depreciation/amortization of property, plant and equipment and intangible assets and an increase in investment securities resulting from market price rises, among other things.

### Liabilities

Total liabilities decreased by 92 million yen to 22,224 million yen from the previous year-end. This was mainly due to an increase of 520 million yen in income taxes payable and 143 million yen in accrued consumption taxes, and a decrease of 898 million yen in notes and accounts payable - trade (including electronically recorded obligations - operating).

### Net assets

Net assets increased by 195 million yen to 37,676 million yen from the previous year-end. This was primarily due to a profit of 851 million yen attributable to owners of parent, which was partially offset by a decrease of 542 million yen resulting from the payment of dividends from surplus.

As a result, the shareholders' equity ratio increased to 62.8% from 62.6% at the previous year-end.

### Cash flow position

Cash and cash equivalents increased by 2,716 million yen from the previous year-end to 13,353 million yen as of September 30, 2020. Details of individual cash flow items are as follows:

#### 1) Cash flows from operating activities

Net cash provided by operating activities amounted to 5,878 million yen, compared with 177 million yen for the same period the previous year. Operating cash inflows included profit before income taxes of 1,330 million yen, the reporting of depreciation (a non-cash item) of 2,400 million yen, the collection of notes and accounts receivable - trade of 883 million yen and a corporate tax refund of 1,558 million yen, which offset cash outflows that included the payment of 923 million yen in notes and accounts payable - trade.

#### 2) Cash flows from investing activities

Net cash used in investing activities amounted to 2,676 million yen, compared with 2,995 million yen for the same period the previous year. Cash outflows from investing activities included the purchase of property, plant and equipment worth 2,292 million yen and loans receivable to subsidiaries, etc. worth 125 million yen.

3) Cash flows from financing activities

Net cash used in financing activities amounted to 557 million yen, compared with 532 million yen for the same period the previous year. Financing cash inflows included an increase of 300 million yen in short-term borrowings and sales and leasebacks of 1,355 million yen, which were offset by cash outflows that included redemption of bonds amounting 300 million yen, repayments of finance lease obligations of 1,370 million yen, and the payment of cash dividends of 541 million yen.

(3) Forward-looking Statements Including Forecasts of Consolidated Business Results

Forecasts of business results for the fiscal year ending March 31, 2020, which were included in "Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2021," announced on July 31, 2020, still stand.

## 2. Consolidated Financial Statements and Primary Notes

## (1) Consolidated Balance Sheets

(Million yen)

	FY2020 (As of March 31, 2020)	Q2 of FY2021 (As of September 30, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits	7,737	11,753
Notes and accounts receivable - trade	8,822	8,037
Electronically recorded monetary claims - operating	788	714
Securities	3,499	2,300
Merchandise and finished goods	5,764	5,177
Work in process	400	406
Raw materials and supplies	2,057	2,057
Other	2,771	1,287
Allowance for doubtful accounts	(5)	(4)
Total current assets	31,836	31,727
Non-current assets		
Property, plant and equipment	17,618	17,679
Intangible assets	1,696	1,615
Investments and other assets	8,597	8,840
Total non-current assets	27,913	28,135
Deferred assets	48	37
<b>Total assets</b>	<b>59,798</b>	<b>59,901</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,828	2,222
Electronically recorded obligations - operating	2,140	1,848
Short-term borrowings	2,700	3,000
Current portion of bonds	600	600
Income taxes payable	68	589
Provision for bonuses	1,221	1,289
Other provisions	11	7
Asset retirement obligations	17	38
Other	4,777	4,994
Total current liabilities	14,365	14,590
Non-current liabilities		
Bonds payable	3,000	2,700
Long-term borrowings	300	300
Provisions	61	69
Retirement benefit liability	510	529
Asset retirement obligations	276	342
Other	3,802	3,691
Total non-current liabilities	7,951	7,633
<b>Total liabilities</b>	<b>22,317</b>	<b>22,224</b>

(Million yen)

	FY2020 (As of March 31, 2020)	Q2 of FY2021 (As of September 30, 2020)
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,000	3,000
Capital surplus	0	0
Retained earnings	34,676	34,979
Treasury shares	(2,507)	(2,507)
Total shareholders' equity	35,168	35,472
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(49)	31
Deferred gains or losses on hedges	1	0
Remeasurements of defined benefits plans	2,360	2,172
Total accumulated other comprehensive income	2,312	2,204
Total net assets	37,481	37,676
Total liabilities and net assets	59,798	59,901



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

## Consolidated Statements of Income

(Six months ended September 30, 2019 and 2020)

(Million yen)

	Six months ended September 30, 2019 (from April 1 to September 30, 2019)	Six months ended September 30, 2020 (from April 1 to September 30, 2020)
Net sales	26,329	24,398
Cost of sales	13,356	11,573
Gross profit	12,973	12,825
Selling, general and administrative expenses	11,860	11,553
Operating profit	1,113	1,272
Non-operating income		
Interest income	3	1
Dividend income	14	15
Share of profit of entities accounted for using equity	0	0
Subsidies for employment adjustment	–	222
Other	79	73
Total non-operating income	97	312
Non-operating expenses		
Interest expenses	28	31
Other	99	72
Total non-operating expenses	127	104
Ordinary profit	1,083	1,480
Extraordinary income		
Gain on sales of non-current assets	–	0
Gain on sales of investment securities	–	0
Total extraordinary income	–	0
Extraordinary losses		
Loss on sales of non-current assets	0	–
Loss on retirement of non-current assets	7	3
Impairment loss	10	43
Loss resulting from temporary suspension of business	–	102
Total extraordinary losses	17	149
Profit before income taxes	1,065	1,330
Income taxes - current	106	516
Income taxes - deferred	292	(37)
Total income taxes	399	479
Profit	666	851
Profit attributable to owners of parent	666	851

Consolidated Statements of Comprehensive Income  
(Six months ended September 30, 2019 and 2020)

(Million yen)

	Six months ended September 30, 2019 (from April 1 to September 30, 2019)	Six months ended September 30, 2020 (from April 1 to September 30, 2020)
Profit	666	851
Other comprehensive income		
Valuation difference on available-for-sale securities	(16)	80
Deferred gains or losses on hedges	4	(0)
Remeasurements of defined benefits plans, net of tax	(220)	(188)
Total other comprehensive income	(233)	(107)
Comprehensive income	433	743
(Breakdown)		
Comprehensive income attributable to owners of parent	433	743
Comprehensive income attributable to non-controlling interests	—	—

## (3) Consolidated Statements of Cash Flows

(Million yen)

	Six months ended September 30, 2019 (from April 1 to September 30, 2019)	Six months ended September 30, 2020 (from April 1 to September 30, 2020)
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,065	1,330
Depreciation	2,162	2,400
Impairment loss	10	43
Loss (gain) on sales of non-current assets	0	(0)
Loss on retirement of non-current assets	7	3
Increase (decrease) in allowance for doubtful accounts	(5)	(1)
Increase (decrease) in provision for bonuses	0	55
Increase (decrease) in provision for directors' bonuses	(5)	(6)
Increase (decrease) in net defined benefit liability	(27)	(20)
Decrease (increase) in net defined benefit asset	(221)	(204)
Increase (decrease) in provision for directors' retirement benefits	(62)	3
Interest and dividend income received	(17)	(16)
Interest expenses paid	28	31
Share of (profit) loss of entities accounted for using equity method	(0)	(0)
Loss (gain) on sales of investment securities	–	(0)
Subsidies for employment adjustment	–	(222)
Decrease (increase) in notes and accounts payable - trade	423	883
Decrease (increase) in inventories	34	588
Increase (decrease) in accounts payable - trade	(217)	(923)
Increase (decrease) in accrued expenses	(121)	12
Other, net	(386)	241
Subtotal	2,667	4,197
Interest and dividend income received	15	16
Interest expenses paid	(28)	(31)
Amount of employment adjustment subsidy received	–	137
Income taxes (paid) refund	(2,476)	1,558
Net cash provided by (used in) operating activities	177	5,878

(Million yen)

	Six months ended September 30, 2019 (from April 1 to September 30, 2019)	Six months ended September 30, 2020 (from April 1 to September 30, 2020)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,760)	(2,292)
Proceeds from sales of property, plant and equipment	1	0
Purchase of investing securities	–	(700)
Proceeds from redemption of securities	–	600
Purchase of investment securities	(0)	(59)
Proceeds from sales of investment securities	–	0
Loan advances	–	(125)
Collection of loans receivable	13	–
Purchase of intangible assets	(251)	(99)
Other, net	1	–
Net cash provided by (used in) investing activities	(2,995)	(2,676)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	350	300
Redemption of bonds	(300)	(300)
Purchase of treasury shares	(494)	(0)
Proceeds from sales and leasebacks	1,664	1,355
Repayments of lease obligations	(1,141)	(1,370)
Cash dividends paid	(608)	(541)
Other, net	(1)	–
Net cash provided by (used in) financing activities	(532)	(557)
Effect of exchange rate change on cash and cash equivalents	(2)	2
Net increase (decrease) in cash and cash equivalents	(3,353)	2,646
Cash and cash equivalents at beginning of period	13,988	10,636
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	–	70
Cash and cash equivalents at end of period	10,635	13,353

## (4) Notes Regarding Consolidated Financial Statements

## Notes Regarding the Going Concern Assumption

Not applicable.

## Notes Regarding Significant Changes in the Amount of Shareholders' Equity

Not applicable.

## Changes in Significant Subsidiaries during the Period under Review

During the first quarter of this fiscal year, Tsubasa Co., Ltd., which had been a non-consolidated subsidiary of the Company, was added to the scope of consolidation due to its increased significance.

## Segment Information

## 1. Information on net sales and profit (loss) by reporting segment

Six months ended September 30, 2019 (from April 1 to September 30, 2019)

(Million yen)

	Reporting segment			Other (Note 1)	Total	Adjustments (Note 2)	Amounts reported on consolidated statement of income (Note 3)
	Medical Services	Home Furnishing and Health	Total				
Net sales							
Sales to external customers	15,480	10,687	26,167	162	26,329	–	26,329
Internal sales among segments or transfers	1	166	167	2	170	(170)	–
Total	15,481	10,853	26,335	165	26,500	(170)	26,329
Segment profit (loss)	1,141	(47)	1,093	2	1,095	17	1,113

Six months ended September 30, 2020 (from April 1 to September 30, 2020)

(Million yen)

	Reporting segment			Other (Note 1)	Total	Adjustments (Note 2)	Amounts reported on consolidated statement of income (Note 3)
	Medical Services	Home Furnishing and Health	Total				
Net sales							
Sales to external customers	15,015	9,185	24,200	198	24,398	–	24,398
Internal sales among segments or transfers	2	133	136	2	139	(139)	–
Total	15,017	9,319	24,337	201	24,538	(139)	24,398
Segment profit (loss)	1,227	24	1,251	2	1,253	18	1,272

Notes: 1. The "Other" segment is a business segment not included in any of the reporting segments and includes such businesses as real estate leasing.

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

Segment profit

(Million yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Elimination of inter-segment transactions	496	508
Corporate expenses*	(478)	(489)
Total	17	18

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

3. Segment profit (loss) is adjusted to be consistent with the operating profit reported in the consolidated statements of income.

2. Information on impairment loss on non-current assets or goodwill by reporting segment

(Significant impairment loss relating to non-current assets)

Six months ended September 30, 2019 (from April 1 to September 30, 2019)

(Million yen)

	Reporting segment			Other	Total	Adjustments	Amounts reported on consolidated statement of income
	Medical Services	Home Furnishing and Health	Total				
Impairment loss	–	10	10	–	10	–	10
Total	–	10	10	–	10	–	10

Six months ended September 30, 2020 (from April 1 to September 30, 2020)

(Million yen)

	Reporting segment			Other	Total	Adjustments	Amounts reported on consolidated statement of income
	Medical Services	Home Furnishing and Health	Total				
Impairment loss	–	43	43	–	43	–	43
Total	–	43	43	–	43	–	43

## Significant Subsequent Events

### (Business combination through acquisition)

France Bed Holdings Co., Ltd. (the "Company") passed a resolution at a meeting of its Board of Directors held on September 29, 2020 for acquiring shares in Kashidasu Co., Ltd. through the Company's consolidated subsidiary France Bed Co., Ltd. in order to make Kashidasu Co., Ltd. a subsidiary of France Bed Co., Ltd. (a second-tier subsidiary of the Company). A share transfer agreement was concluded on the same day and the procedures for the share transfer was completed on October 30, 2020 in accordance with the agreement.

#### 1. Outline of the business combination

##### (1) Name of the acquired company and its business

Name of the acquired company: Kashidasu Co., Ltd.

Business: Care goods services business and home remodeling business

##### (2) Main reasons for the business combination

In the Medical Services Business, the France Bed Group's mainstay business, we have been working to expand the business base and business scale through the improvement of sales offices and the use of M&A, with the aim of enlarging the market share of the special-needs equipment renting business, which is the core of the Medical Services Business.

Kashidasu Co., Ltd., the shares of which were acquired by the Company, was a member of the LONGLIFE Group consolidated by LONGLIFE HOLDING Co., Ltd., which mainly operates a nursing care business. Established in 2011, Kashidasu Co., Ltd. sells and rents care goods and provides welfare services.

The Company believes that with the addition of the customer base held by Kashidasu Co., Ltd. as a result of the share acquisition, the Medical Services Business of the France Bed Group will have a stronger business base to enable a further expansion of its business scale.

##### (3) Date of the business combination

October 30, 2020

##### (4) Legal form of the business combination

Share acquisition in exchange for cash

##### (5) Name of the combined entity

No change

##### (6) Percentage share of voting rights acquired

100.0% (indirect holding)

##### (7) Main reason for the decision to acquire the company

Availability of the method of share acquisition in exchange for cash

#### 2. Details of the acquisition cost of the acquired company and breakdown by type of consideration

The acquisition price is not disclosed because of a confidentiality agreement between the parties.

#### 3. Breakdown and amounts of major related costs

Advisory fee, etc.: 42 million yen

#### 4. Goodwill arising from the share acquisition, reason for the goodwill, and method and period of amortization

Unable to confirm at present.

#### 5. Amounts and breakdown of assets and liabilities acquired on the business combination date

Unable to confirm at present.