

# Financial Results Briefing for the Fiscal Year Ended March 31, 2022

May 26, 2022



FRANCE BED HOLDINGS CO., LTD.

<https://www.francebed-hd.co.jp/>

Securities Code: 7840

- ◆ **FY2022 Business Performance Report**
- ◆ **FY2023 Business Performance Outlook**
- ◆ **Major Future Initiatives**

# **FY2022 Business Performance Report**

# 1. FY2022 Consolidated Business Performance

## ● Increased sales and profit

(Million yen)	FY2021	FY2022			
		Plan (Note)	Results	Plan achievement rate	Year-on-year change (%)
Net sales	52,430	54,000	<b>54,398</b>	100.7%	3.7%
Cost of sales	25,392	-	<b>25,398</b>	-	—
Cost of sales ratio	48.4%	-	<b>46.6%</b>	-	(1.7 P)
Gross profit	27,038	-	<b>28,999</b>	-	7.2%
Selling, general and administrative expenses	23,792	-	<b>25,081</b>	-	5.4%
Operating profit	3,246	3,700	<b>3,918</b>	105.8%	20.7%
Operating profit margin	6.1%	6.8%	<b>7.2%</b>	-	1.0 P
Ordinary profit	3,451	3,650	<b>3,959</b>	108.4%	14.7%
Ordinary profit margin	6.5%	6.7%	<b>7.2%</b>	-	0.7 P
Profit attributable to owners of parent	2,295	2,350	<b>2,557</b>	108.8%	11.3%
Profit per share (Yen)	59.87	62.70	<b>69.35</b>	-	-

Note: Figures of business performance outlook announced on May 14, 2021

■ ROE for FY2022: 6.8% (FY2021: 6.1%)

## 2. FY2022 Results by Segment

- Increased sales and decreased profit in the Medical Services Business; increased sales and profit in the Home Furnishings and Health Business

(Million yen)		FY2021	FY2022			
			Plan	Results	Plan achievement rate	Year-on-year change (%)
Medical Services Business	Net sales	32,839	34,200	34,484	100.8%	5.0%
	Segment profit	2,956	3,000	2,882	96.0%	(2.4%)
	Profit margin	9.0%	8.7%	8.3%	-	(0.6P)
Home Furnishings and Health Business	Net sales	19,186	19,800	19,419	98.0%	1.2%
	Segment profit	511	650	1,117	171.8%	118.6%
	Profit margin	2.6%	3.2%	5.7%	-	3.1P
Other	Net sales	404	0	494	-	22.1%
	Segment profit	4	0	3	-	(5.4%)
Adjustments	Net sales	-	-	-	-	-
	Segment profit	(20)	-	(45)	-	-
Total	Net sales	52,430	54,000	54,398	100.7%	3.7%
	Segment profit	3,451	3,650	3,959	108.4%	14.7%

### 3. FY2022 Summary of the Medical Services Business

(Million yen)	FY2021		FY2022		Year-on-year	
	Results	Composition ratio	Results	Composition ratio	Change (amount)	Change (%)
Consolidated net sales	32,839	-	34,484	-	1,645	5.0%
FRANCE BED CO., LTD.	31,846	96.1%	32,505	93.3%	658	2.0%
Nursing care-related rental sales	17,816	53.7%	19,246	55.2%	1,430	8.0%
Property transactions for hospital facilities	4,682	14.1%	4,174	11.9%	(508)	(10.9%)
Other	9,348	28.2%	9,085	26.0%	(263)	(2.8%)
TSUBASA CO., LTD.	782	2.3%	795	2.2%	13	1.7%
KASHIDASU Co., Ltd.	490	1.4%	978	2.8%	487	99.3%
HEMOCARE SERVICE YAMAGUCHI Co., Ltd.	-	-	535	1.5%	535	-
Simple total	33,120	100.0%	34,815	100.0%	1,695	5.1%
Consolidated ordinary profit	2,956	9.0%	2,882	8.3%	(73)	(2.4%)

\* Light blue shaded area indicates figures before consolidation. Due to the timing of acquisitions through M&A, FY2021 results for KASHIDASU Co., Ltd. are for five months, and FY2022 results for HEMOCARE SERVICE YAMAGUCHI Co., Ltd. are for three months.

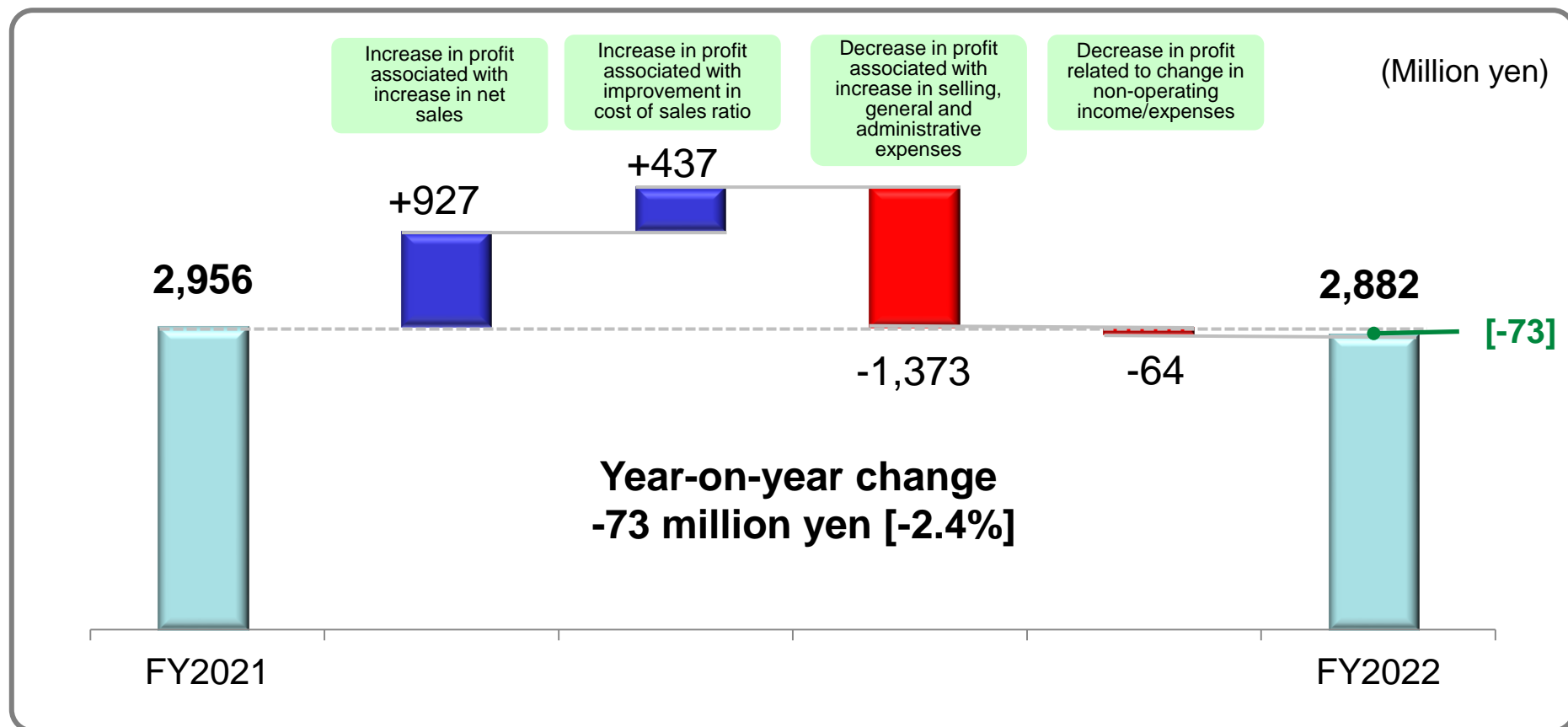
#### [Factors behind increase in net sales]

- Demand for core nursing care-related rental sales remained strong. Furthermore, from FY2022, sales grew through the acquisition of all shares of HEMOCARE SERVICE YAMAGUCHI Co., Ltd., which engages in the welfare equipment rental business, etc. mainly in Yamaguchi Prefecture, and conversion of the company to a consolidated subsidiary.

#### [Factors behind decrease in ordinary profit]

- Sales of ozone-generating equipment and other infection control products, which enjoyed special demand in the previous year, decreased significantly.
- Business expansion expenses, including investments in personnel and delivery vehicles under the medium-term management plan, increased.

## 4. Factors behind Changes in Ordinary Profit in the Medical Services Business



● **The main reason for the decrease in ordinary profit is an increase in selling, general and administrative expenses**

**Main factors behind increase in sales:** Steady expansion of the welfare equipment rental business, conversion of one company acquired through M&A into a consolidated subsidiary, etc.

**Main factors behind decrease in cost of sales ratio:** Increase in sales composition ratio of nursing care-related rentals, which have a low cost of sales ratio

**Main factors behind increase in selling, general and administrative expenses:**

Increase mainly in personnel expenses due to the enhancement of infrastructure in the welfare equipment rental business and the conversion of one acquired company into a consolidated subsidiary, etc.

## 5. FY2022 Summary of the Home Furnishings and Health Business

(Million yen)	FY2021		FY2022		Year-on-year	
	Results	Composition ratio	Results	Composition ratio	Change (amount)	Change (%)
Consolidated net sales	19,186	100%	<b>19,419</b>	<b>100%</b>	232	1.2%
Consolidated ordinary profit	511	2.6%	<b>1,117</b>	<b>5.7%</b>	606	118.6%
Sales to hotels*	1,776	-	<b>1,405</b>	<b>-</b>	(371)	(20.9%)

\* Light blue shaded area indicates figures for business company FRANCE BED CO., LTD. (non-consolidated).

### [Factors behind increase in net sales]

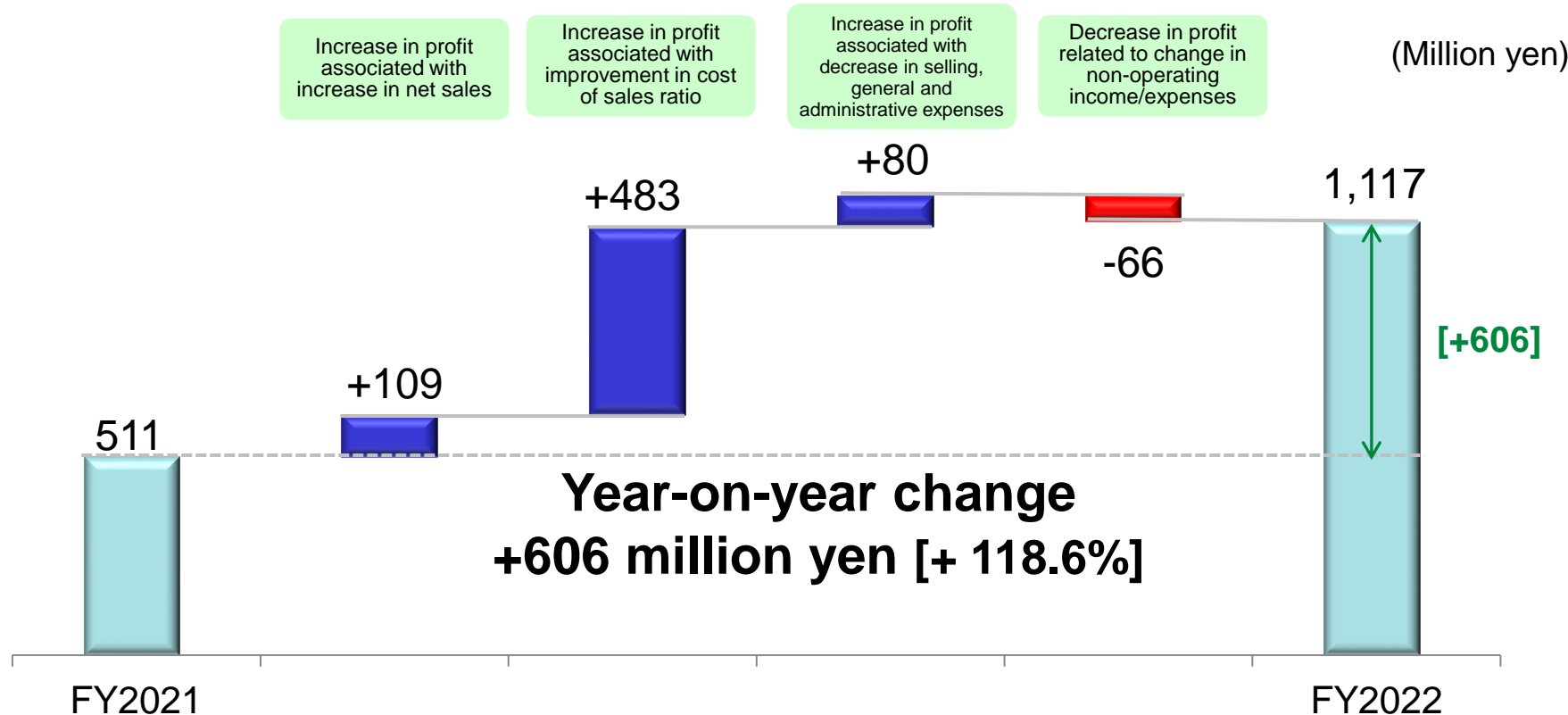
- In the previous fiscal year, visitors to furniture stores decreased due to the COVID-19 pandemic, and exhibition sales events, etc. were canceled. However, these are gradually normalizing.
- Sales to hotels, which underwent a decline in business due to the prolonging of the COVID-19 pandemic, decreased significantly.

### [Factors behind increase in ordinary profit]

- Profitability improved due to focus on sales of high value-added products.
- Distribution costs have decreased due to a shift to middle- and high-end products and a decrease in sales volume of low-priced and popular products.



## 6. Factors behind Changes in Ordinary Profit in the Home Furnishing and Health Business



### ● The main reason for the increase in ordinary profit is improvement of the cost of sales ratio

**Main factors behind the increase in sales:** Sales to furniture retailers, which had been sluggish following the issuance of the first declaration of a state of emergency in the previous fiscal year, recovered.

**Main factors behind improvement in the cost of sales ratio:** Sales of high unit-price, high value-added mattresses with a high gross profit margin were strong.

**Main factors behind the decrease in selling, general and administrative expenses:** Freight charges, etc. decreased.

# 7. FY2022 Consolidated Balance Sheet

(Million yen)	End of FY2021 (As of March 31, 2021)	End of FY2022 (As of March 31, 2022)	Compared to the end of FY2021
Current assets	32,055	31,159	(895)
Non-current assets	30,135	33,128	2,993
Deferred assets	27	10	(17)
Total assets	62,217	64,298	2,080
Current liabilities	17,698	19,174	1,475
Non-current liabilities	7,106	7,583	477
Total liabilities	24,804	26,757	1,953
Shareholders' equity	35,255	35,677	421
Accumulated other comprehensive income	2,157	1,862	(294)
Total net assets	37,412	37,540	127
Total liabilities and net assets	62,217	64,298	2,080
Shareholders' equity ratio	60.1%	58.3%	(1.7P)

## Status of consolidated balance sheet (Main causes of changes; topics)

(1) Assets +2,080 million yen • Securities -1,600 million yen

• Property, plant and equipment +2,383 million yen (Purchase of building for New Tokyo Service Center, etc.)

(2) Liabilities +1,953 million yen • Borrowings +2,737 million yen, lease liabilities +789 million yen, income taxes payable -738 million yen, etc.

(3) Net assets +127 million yen • Profit +2,557 million yen, dividends of surplus -1,154 million yen, treasury shares -933 million yen, etc.

(4) Shareholders' equity ratio: 58.3% -1.7pt

## 8. FY2022 Status of Cash Flows

(Million yen)	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at beginning of period	Net increase (decrease) in cash and cash equivalents	Cash and cash equivalents at end of period
FY2021	10,408	(6,995)	(1,918)	10,636	1,565*	12,202
<b>FY2022</b>	<b>6,011</b>	<b>(7,778)</b>	<b>316</b>	<b>12,202</b>	<b>(1,423)*</b>	<b>10,778</b>
Year-on-year	(4,396)	(782)	2,235	-	-	(1,423)

\* In addition to cash flows from operating, investing, and financing activities, cash equivalents increased by 70 million yen due to a change in the scope of consolidation in FY2021, and increased by 25 million yen due to a merger with an unconsolidated subsidiary in FY2022.

### Status of consolidated cash flows

The balance of cash and cash equivalents decreased by 1,423 million yen from the end of the previous fiscal year to 10,778 million yen.

#### (1) Cash flows from operating activities (Cash inflow of 6,011 million yen)

(Cash inflow) Profit before income taxes 3,883 million yen, depreciation 5,468 million yen, etc.

(Cash outflow) Increase in inventories 678 million yen, etc.

#### (2) Cash flows from investing activities (Cash outflow of 7,778 million yen)

(Cash outflow) Purchase of property, plant and equipment 6,403 million yen, purchase of shares of subsidiaries resulting in change in scope of consolidation 1,285 million yen, etc.

#### (3) Cash flows from financing activities (Cash inflow of 316 million yen)

(Cash inflow) Short-term borrowings 600 million yen, long-term borrowings 2,300 million yen, proceeds from sale and leaseback transactions 3,828 million yen, etc.

(Cash outflow) Purchase of treasury shares 990 million yen, repayments of finance lease liabilities 3,361 million yen, dividends paid 1,152 million yen, etc.

# **FY2023 Business Performance Outlook**

# 1. Assumptions behind Business Performance Forecasts (Environmental awareness and issues in core business)

Business	Business environment	Issues and initiatives
Medical Services Business	(External environment) <ul style="list-style-type: none"> <li>Continued increase in number of elderly people and users of long-term care insurance</li> <li>Risk of raw material price inflation caused by the Ukrainian situation and the depreciation of the yen.</li> </ul>	<ul style="list-style-type: none"> <li>Expansion in the number of personnel and bases to address the expanding welfare equipment rental market.</li> <li>Strengthening of rental asset management system to reduce rental costs, despite limited impact of raw material price inflation in the rental business</li> </ul>
	(Internal environment) <ul style="list-style-type: none"> <li>Ramping up of business performance contribution of HOMECARE SERVICE YAMAGUCHI Co., Ltd., which was made a subsidiary through M&amp;A in the previous fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening of the subsidiary management structure.</li> </ul>
Home Furnishings and Health Business	(External environment) <ul style="list-style-type: none"> <li>Continued shrinking of market and oligopolistic consolidation of furniture retailers</li> <li>Risk of raw material price inflation caused by the Ukrainian situation</li> <li>Increasing demands to address environmental management and ESG management issues</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening of the use of showrooms to expand exhibitions and sales opportunities for the Company's products</li> <li>Implementing price revisions (price increases) timed to coincide with switching to new products</li> <li>Advancement of development and introduction of eco-friendly products such as MORELIY</li> </ul>
	(Internal environment) <ul style="list-style-type: none"> <li>Continuation of decline in net sales despite improvement in profitability</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of exposure opportunities for the Company's products through rollout of new TV commercials and opening of new showrooms</li> </ul>

## 2. FY2023 Consolidated Business Performance Forecast

### ■ Consolidated income plan

(Million yen)	FY2022 Results	FY2023 Plan	Year-on-year change (amount)	Year-on-year change (%)
Net sales	54,398	<b>57,500</b>	<b>3,102</b>	5.7%
Operating profit	3,918	<b>4,200</b>	<b>282</b>	7.1%
Profit margin	7.2%	<b>7.3%</b>	-	0.1P
Ordinary profit	3,959	<b>4,180</b>	<b>221</b>	5.5%
Profit margin	7.2%	<b>7.2%</b>	-	0.0P
Profit	2,557	<b>2,650</b>	<b>93</b>	3.6%
Profit margin	4.7%	<b>4.6%</b>	-	(0.1P)
Profit per share (Yen)	69.35	<b>72.71</b>	-	-

### 3. FY2023 Business Performance Forecast by Segment

#### ■ Income plan by segment

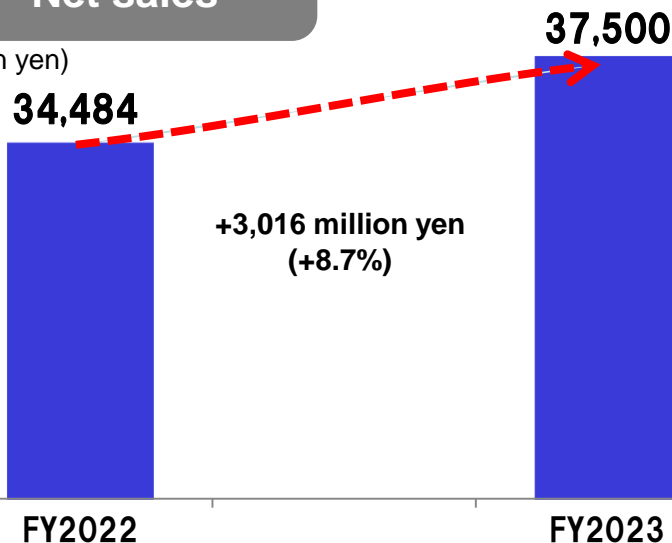
(Million yen)		FY2022 Results	FY2023 Plan	Year-on-year change (amount)	Year-on-year change (%)
Medical Services Business	Net sales	34,484	<b>37,500</b>	3,016	8.7%
	Ordinary profit	2,882	<b>3,030</b>	148	5.1%
	Profit margin	8.3%	<b>8.0%</b>	-	-
Home Furnishings and Health Business	Net sales	19,419	<b>19,800</b>	381	1.9%
	Ordinary profit	1,117	<b>1,180</b>	63	5.6%
	Profit margin	5.7%	<b>5.9%</b>	-	-
Total	Net sales	54,398	<b>57,500</b>	3,102	5.7%
	Ordinary profit	3,959	<b>4,180</b>	221	5.5%
	Profit margin	7.2%	<b>7.2%</b>	-	-

Note: Excludes "Other," which is not a reporting segment.

## 4. Outlook and Main Initiatives in the Medical Services Business

### Net sales

(Million yen)



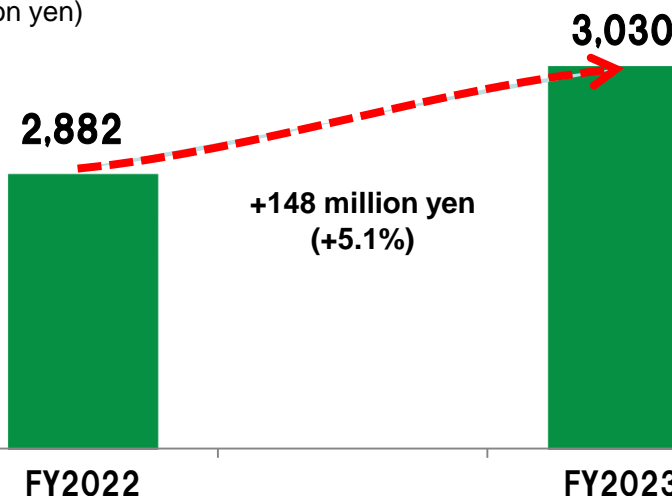
### [FY2023 Full-year plan]

**Net sales: 37,500 million yen**  
(+3,016 million yen, +8.7% YoY)

**Ordinary profit: 3,030 million yen**  
(+148 million yen, +5.1% YoY)

### Ordinary profit

(Million yen)



## Major initiatives

◆ **Concentrating management resources on the welfare equipment rental business in line with strategy under the medium-term management plan**

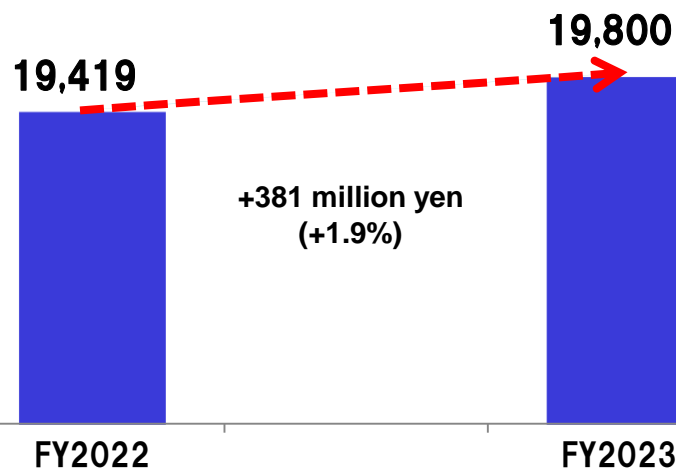
- (1) **Expansion of the scale of the welfare equipment rental business**
  - Opening of new sales offices (five locations)
  - Increase in sales staff (recruitment of 62 persons, including new graduates)
- (2) **Expansion of sales of priority rental products**
  - Strengthening promotion of multi-position beds
  - Promotion of in-house product Multi-fit handrail
- (3) **Cost reduction and business efficiency enhancement through utilization of data**



## 5. Outlook and Main Initiatives in the Home Furnishings and Health Business

### Net sales

(Million yen)



### [FY2023 Full-year plan]

**Net sales: 19,800 million yen**

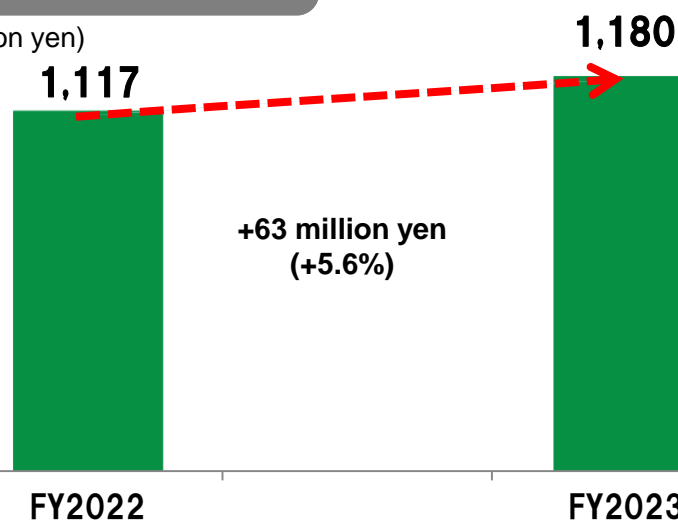
(+381 million yen, +1.9% YoY)

**Ordinary profit: 1,180 million yen**

(+63 million yen, +5.6% YoY)

### Ordinary profit

(Million yen)



## Major initiatives

◆ **Work to expand profit margin through development of products that meet prevailing needs, in line with strategy under the medium-term management plan**

### (1) Improvement of profitability

- Sales expansion for high-value-added products with functional value in terms of hygiene and environmental performance, and products with proprietary functions such as bed-type massage machines

### (2) Expansion of locations to highlight the Company's products

- Opening of the Group's exhibition venue (one location)
- Expansion of in-shop galleries (six locations)

## 6. Capital Investments

(Million yen)		FY2021 Full-year Results	FY2022 Full-year Results	FY2023 Full-year Plan
Capital investment amount	Rental assets	4,288	4,554	4,553
	Equipment for manufacturing and distribution	343	318	516
	Service centers	1,611	1,386	105
	Acquisition of software	161	180	229
	Other	365	223	90
	<b>Total</b>	<b>6,770</b>	<b>6,663</b>	<b>5,496</b>
Depreciation		4,931	5,468	5,828

### <Main capital investment results and plans>

#### FY2022 Results

Acquisition of rental assets: 4,554 million yen (Medical Services Business)

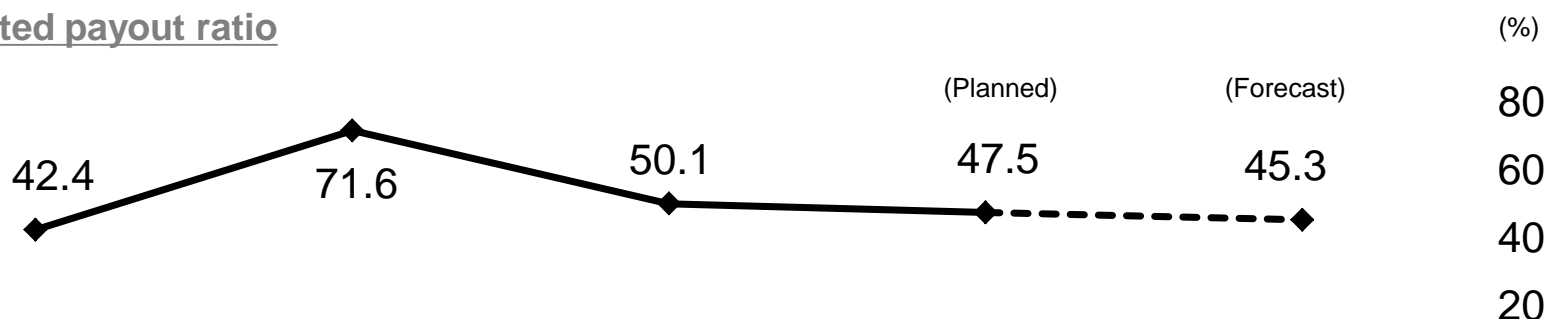
#### FY2023 Full-year plan

Acquisition of rental assets: 4,553 million yen (Medical Services Business)

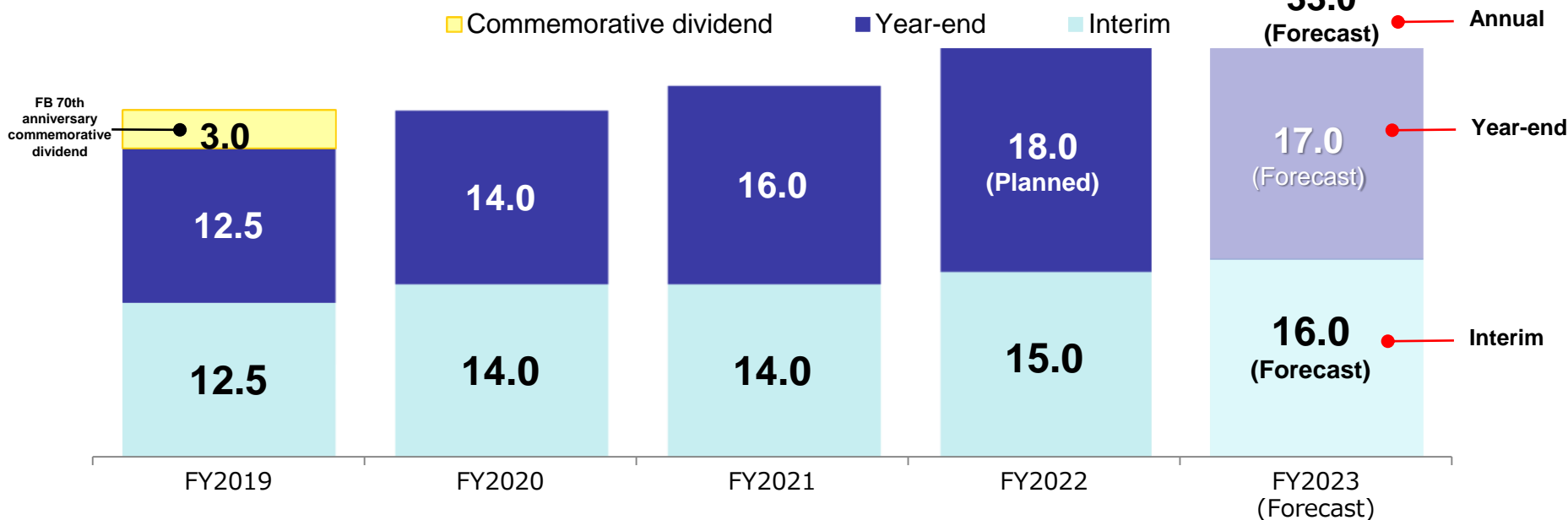
# 7. Dividends

## ■ Changes in dividends per share and payout ratio

### Consolidated payout ratio



### Dividends per share (Yen)



**FY2022 (planned):** Annual dividend 33 yen (Payout ratio 47.5%)

**FY2023 (Forecast):** Annual dividend 33 yen (Payout ratio 45.3%)

## 8. Changes in Consolidated Business Performance

### ■ Changes in consolidated business performance for most recent five years

(Million yen)		FY2019	FY2020	FY2021	FY2022	FY2023 (Forecast)
Interim	Net sales	25,296	26,329	24,398	25,978	-
	Ordinary profit	1,156	1,083	1,480	1,901	
	Profit margin	4.5%	4.1%	6.0%	7.3%	
Full-year	Net sales	51,764	52,430	52,430	54,398	57,500
	Ordinary profit	2,361	2,436	3,451	3,959	<b>4,180</b>
	Profit margin	4.5%	4.6%	6.5%	7.2%	<b>7.2%</b>

# Major Future Initiatives

1. Medical Services Business
2. Home Furnishings and Health Business

# 1. Medical Services Business

## Expansion of Welfare Equipment Rental Business Share

### ◆ Expansion of welfare equipment rental sales bases (consolidated subsidiaries overall)

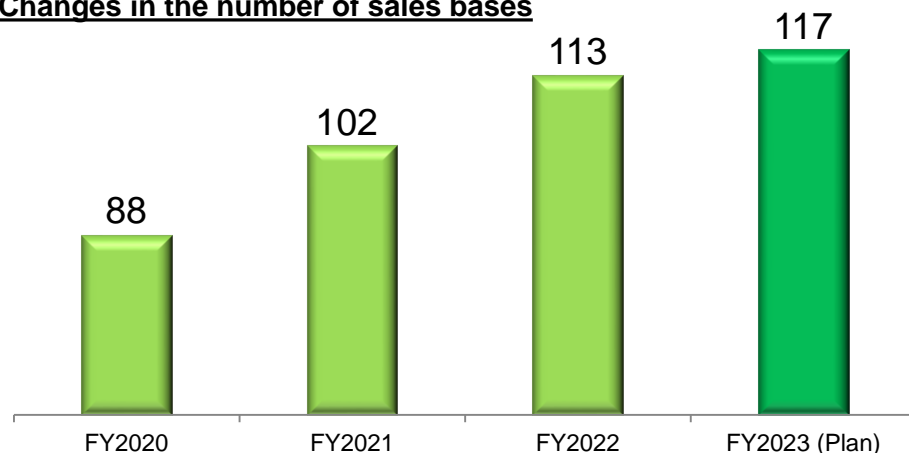
- Further strengthening of the silver business (concentrating management resources on our core competency)

**102** sales offices  
(As of March 31, 2021)

**113** sales offices  
(As of March 31, 2022)

**117** sales offices  
(Plan by March 31, 2023)

Changes in the number of sales bases



#### Sales offices scheduled to open in FY2023 (+five locations)

- FB Medical Kodaira Sales Office (Kodaira City, Tokyo)
- FB Medical Osaka Yodogawa Sales Office (Osaka City, Osaka)
- FB Medical Soka Sales Office (Soka City, Saitama)
- FB Medical Kobe Sales Office (Kobe City, Hyogo)
- TSUBASA Tosan Sales Office (Sanuki City, Kagawa)

\* Absorbed into FB: KASHIDASU Kobe Sales Office (Kobe City, Hyogo)

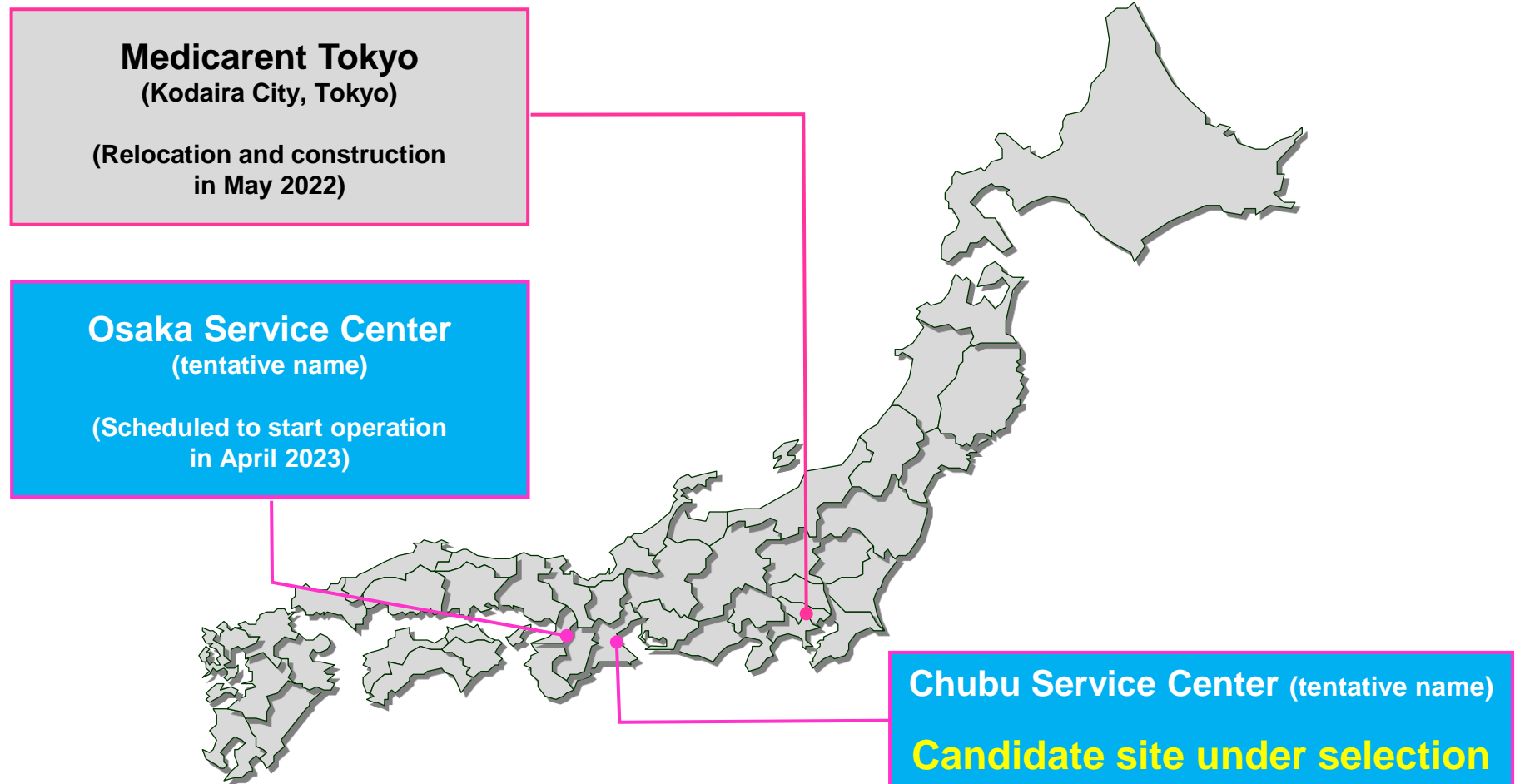
### ◆ Increase in sales staff (consolidated subsidiaries overall)

**FY2023 Welfare equipment sales staff +62 persons**

# 1. Medical Services Business

## Enhancement of infrastructure to support business expansion

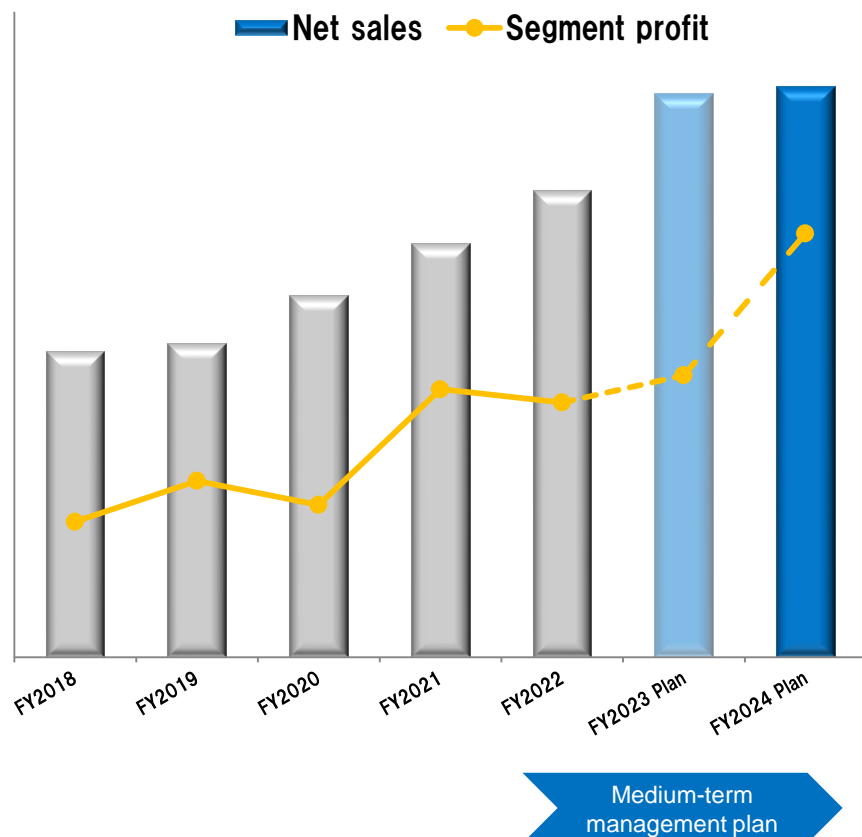
### New construction/relocation plan for core maintenance centers



# 1. Medical Services Business

## Initiatives to Reduce the Number of Discarded Rental Items

### Medical Services Business



Steadily grow business performance in welfare equipment rental business

While business performance grows, **over 100,000** rental items are **discarded** every year.

Even for amount for which book value remains, **disposal** reaches **250 million yen** annually.

Reduction of total number of discarded items

Development of products suited to rental

**Reduction of environmental load; growth of profit**



# 1. Medical Services Business

## Strengthening of “Corporate Rental” for Hospitals and Facilities for the Elderly

Proposal of products that help reduce labor, at rental prices that support introduction

Prevention of bedsores

Transfer support

Reduction of assistance burden



Powered turning bed

Support for getting out of bed

Promotion of self-reliance

Reduction of assistance burden



Multi-position bed

## 2. Home Furnishings and Health Business

Development of Products that Meet Prevailing Needs

Proposing richness beyond sleep comfort, for everyone

Looper Move



GRANMAX-  
Premium



## 2. Home Furnishings and Health Business

### Initiatives for the Creation of New Added Value with Consideration of the Environment

#### Promote recycling through a structure that eases dismantling of mattresses

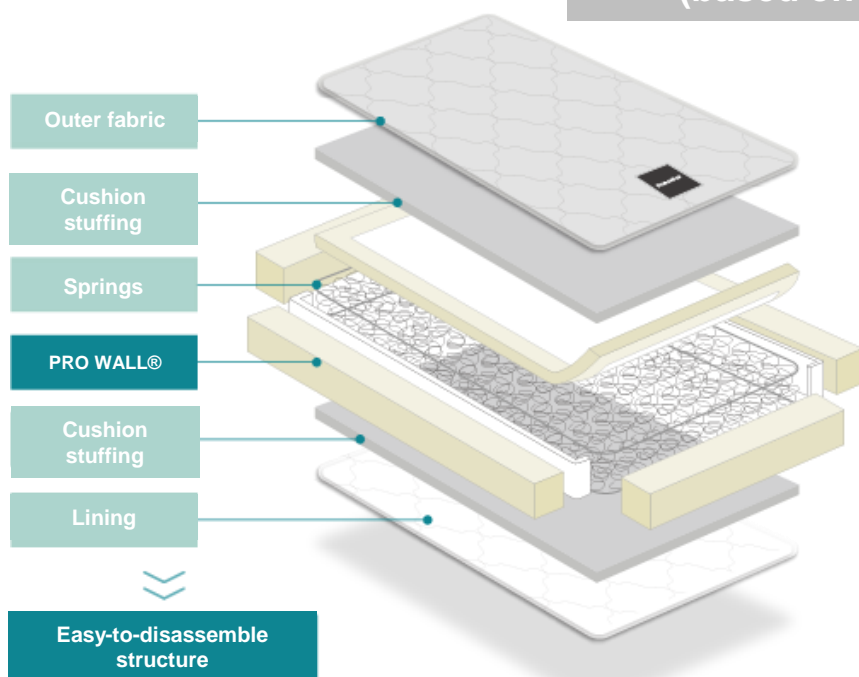


**Environmentally friendly  
mattress dismantling system  
MORELIY**

Number of local governments that do  
not collect or accept mattresses:  
**Approximately 18%**  
(based on in-house research)



エコマーク認定商品  
21 130 003



All mattresses displayed in showrooms  
will be switched to MORELIY structure

## 2. Home Furnishings and Health Business

### Initiatives for the Creation of New Added Value with Consideration of the Environment

Contributing to the creation of a sustainable society with bed frames that, following mattresses, do not place a burden on the environment

Environmentally friendly  
bed frame  
LT 101 F PL LG



LT-101F PL LG (Gray)



Head board



PALM LOOP™

Recycled board technology from Panasonic that utilizes waste wood from oil palm trees





## 2. Home Furnishings and Health Business

### Creation of a System Unaffected by Retailer Trends

#### <The Group's exhibition venues>

**32** venues (March 2022 results)



- ✓ Displays in major ordinance-designated cities and core cities have been completed
- ✓ Displays will be considered for favorable properties

#### <FRANCE BED Gallery\*>

**18** venues (March 2022 results)



- ✓ Gradually expanding number of stores

\* A special section that displays and sells only FRANCE BED products, installed within a furniture store.

#### <The Group's exhibition venues>

July 2021 Opened FRANCE BED Utsunomiya Showroom (first in Northern Kanto area)  
November 2021 Opened FRANCE BED Kanazawa Showroom (first in Hokuriku area)  
February 2022 Opened FRANCE BED Odawara Showroom (first in a large commercial facility)  
April 2022 Opened FRANCE BED Namba Showroom (Osaka City, Osaka)

#### <FRANCE BED Galleries>

April 2021 Opened FRANCE BED Gallery Tokyo Hachioji (inside Murauchi Furniture Access Hachioji main store)  
May 2021 Opened FRANCE BED Gallery Iwaki (inside Yoshida Furniture store)  
February 2022 Opened FRANCE BED Gallery Mishima (inside Kurita Furniture Center Mishima store)

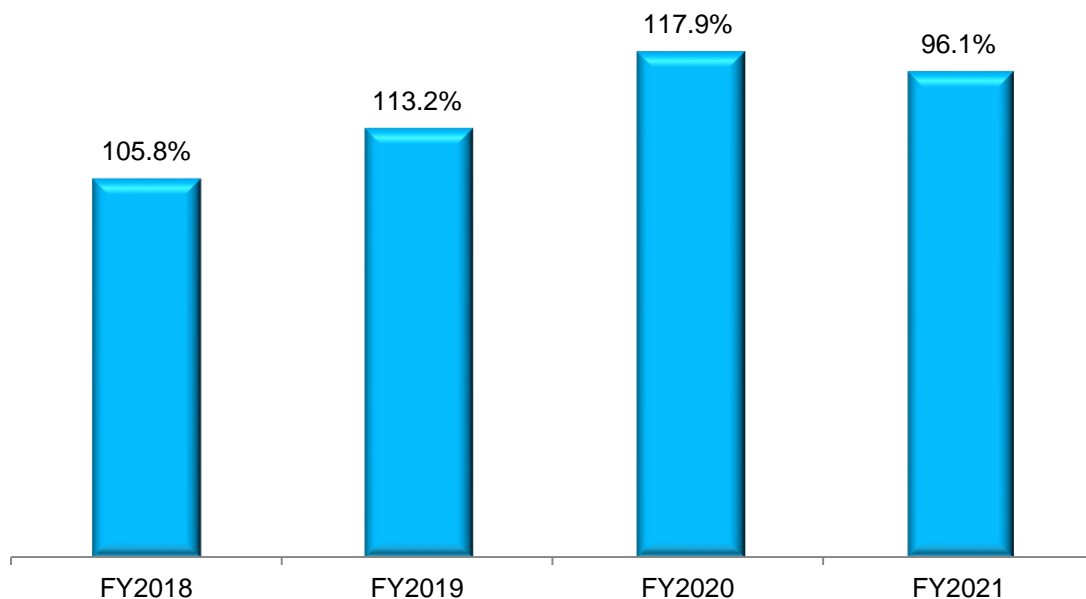


## 2. Home Furnishings and Health Business

### Addressing the Expanding E-commerce Market

#### ◆ Addressing changes in consumer purchasing behavior

[E-commerce net sales: Rate of growth from previous year]



Construction of a logistics collaboration system with Internet mail order company

E-commerce shipping agent service



The Company acts as an agent to handle warehousing, inspection, storage, inventory management, picking, packaging, and shipping of beds and bedding ordered through E-commerce.





# Q&A

# Reference Materials



# Summary of the Company (Pure Holding Company)

## Summary of FRANCE BED HOLDINGS CO., LTD.

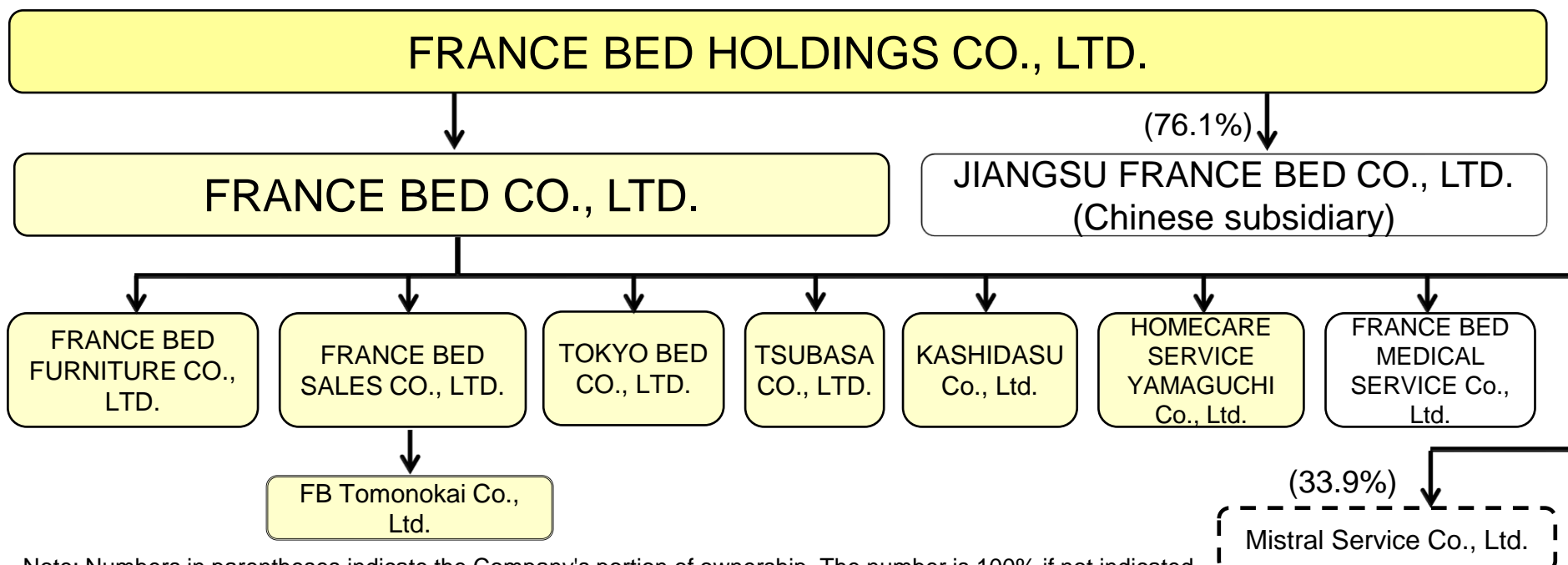
Trade Name	FRANCE BED HOLDINGS CO., LTD.
Location	6th Floor, Shinjuku Square Tower, 6-22-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Established	March 30, 2004
Capital	3.0 billion yen
Representative	Shigeru Ikeda, Representative Director, Chairman and President
Number of employees	55 (Non-consolidated), 1,768 (Consolidated) *As of March 31, 2022
Business Operations	Business management of subsidiaries primarily engaged in business related to the development, production, sales, rental, leasing, etc. of household beds, medical/nursing care beds, welfare equipment, other furniture, bedding, etc.
Securities Code	7840
Listing	Tokyo Stock Exchange Prime Market
Number of shares issued	41,397,500 shares *As of March 31, 2022
Number of shares per share unit	100 shares
Fiscal year-end	March 31



FRANCEBED HOLDINGS

Logo

# Status of Group Companies (As of March 31, 2022)



Note: Numbers in parentheses indicate the Company's portion of ownership. The number is 100% if not indicated.

Consolidated subsidiary

Affiliate accounted for using equity method

Unconsolidated subsidiary

Business segments	Business activities	Major companies
Medical Services	Manufacture, procurement, rental, retail sale and wholesale of medical and nursing care beds and welfare equipment, and linen supply for hospitals, hotels, and other facilities	FRANCE BED CO., LTD., TSUBASA CO., LTD., KASHIDASU Co.,Ltd., HEMOCARE SERVICE YAMAGUCHI Co., Ltd., JIANGSU FRANCE BED CO., LTD., FRANCE BED MEDICAL SERVICE Co., Ltd. and Mistral Service Co., Ltd.
Home Furnishings and Health	Manufacture, procurement, wholesale and door-to-door sale of beds, furniture, bedding, health appliances, and other products, and advertising and setting up of exhibition venues	FRANCE BED CO., LTD., FRANCE BED SALES CO., LTD., FB Tomonokai Co., Ltd., TOKYO BED CO., LTD., FRANCE BED FURNITURE CO., LTD. and JIANGSU FRANCE BED CO., LTD.
Other	Real estate leasing and other businesses	FRANCE BED CO., LTD. and FRANCE BED SALES CO., LTD.

# Distribution Structure for Welfare Equipment Rental Business, and the Company's Business Domains

<The Company's business domains>

Welfare equipment and nursing care products manufacturers

• FRANCE BED CO., LTD., other companies

↓ (Sale)

Welfare equipment rental business operators

(Rental assets are held by the company)

• FRANCE BED CO., LTD.  
• TSUBASA CO., LTD.  
• KASHIDASU Co., Ltd.  
• HOMECARE SERVICE YAMAGUCHI Co., Ltd.  
• Business partners

↓ (Sale)

Rental wholesalers

• FRANCE BED CO., LTD.  
• Business partners

↓ (Rental)

Welfare equipment rental business operators

(Rental assets are not held by the company)

• Business partners

Care managers  
(Care plan consultation/creation)

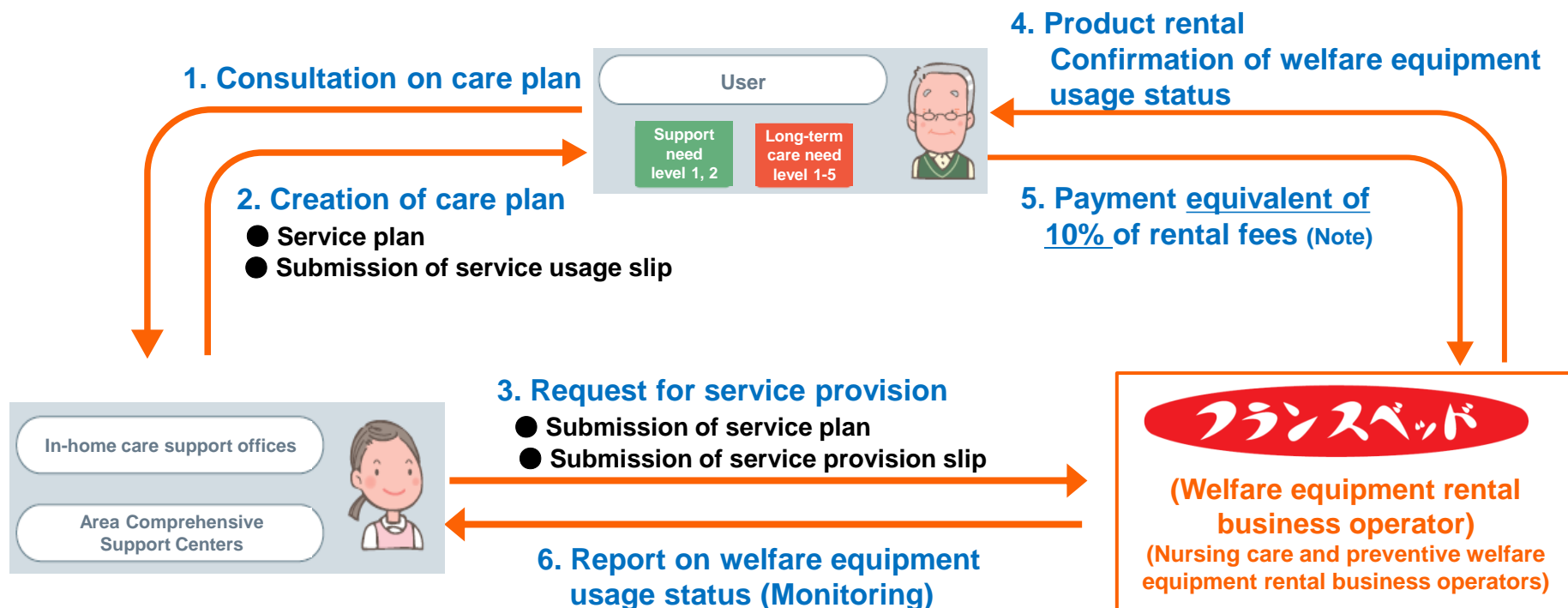
(Welfare equipment rental service)

Users (long-term care insurance users)

# Welfare Equipment Rental Service

This is a rental service of welfare equipment that aids in daily life and nursing care. The service can be used with self-pay **equivalent of 10%** (Note) of welfare equipment rental costs.

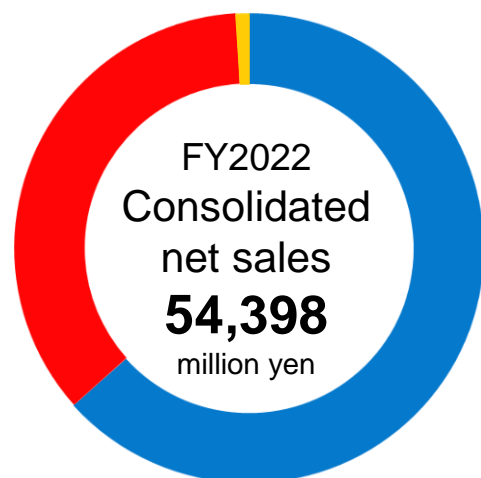
## ● Flow of the welfare equipment rental service



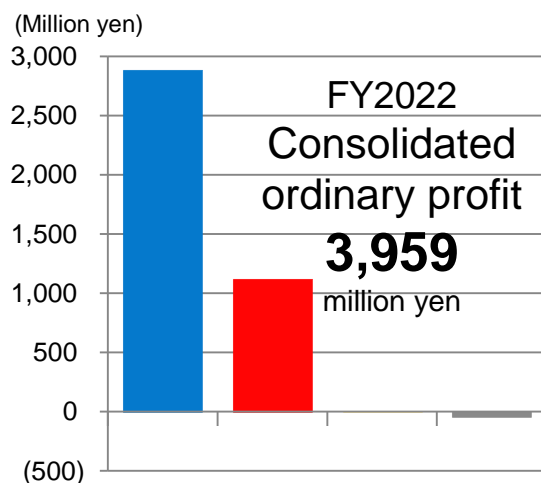
Note: Under the revision of the Long-Term Care Insurance Act (Act No. 123 of 1997) in April 2018, the self-pay ratio is **20%** or **30%** from August 1, 2018 for persons with income above certain levels. Contact local municipal authorities for details.

# FY2022 Summary of Financial Results by Segment

## Net sales and composition ratio by segment



<span style="color: blue;">■</span>	<b>Medical Services Business</b>	<b>34,484 million yen</b> <b>(composition ratio 63.3%)</b>
<span style="color: red;">■</span>	<b>Home Furnishings and Health Business</b>	<b>19,419 million yen</b> <b>(composition ratio 35.6%)</b>
<span style="color: yellow;">■</span>	<b>Other</b>	<b>494 million yen (composition ratio 0.9%)</b>

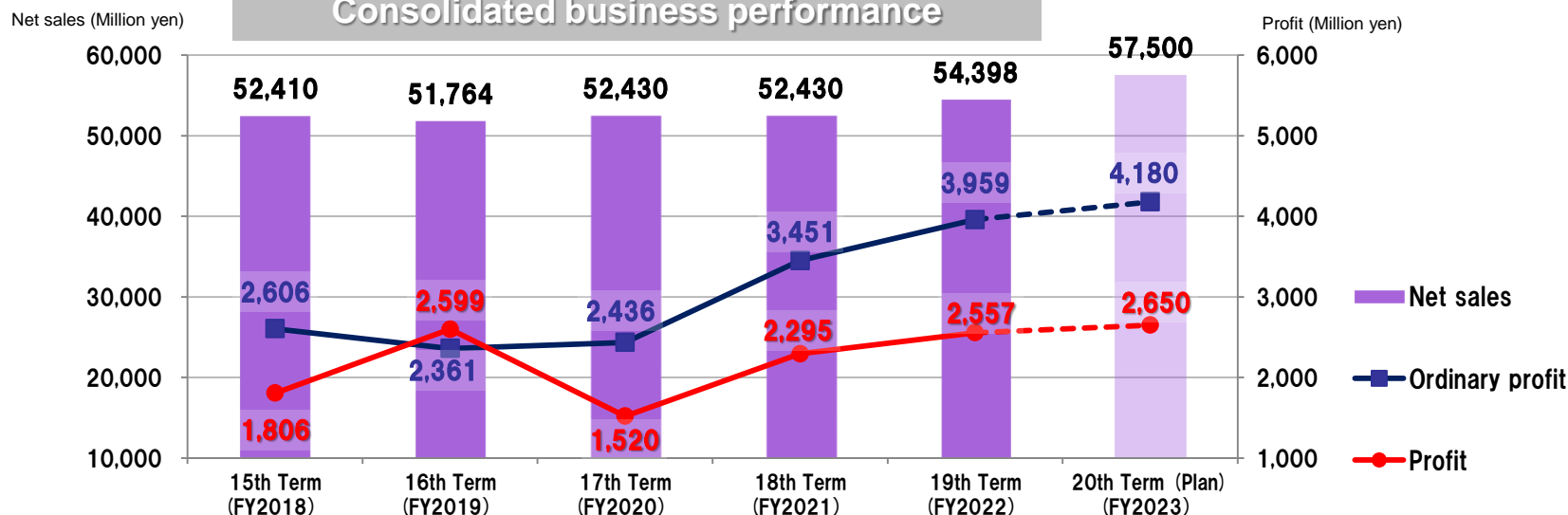


## Profit and composition ratio by segment

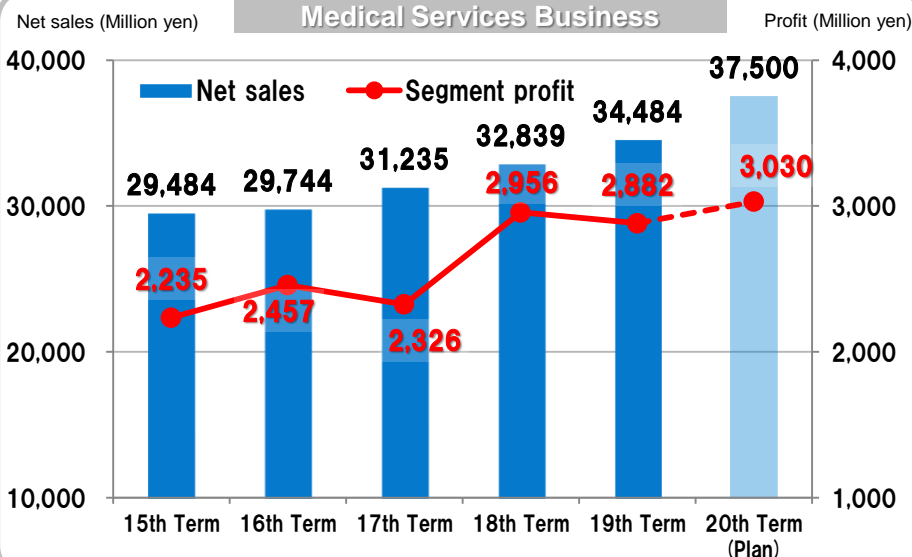
<span style="color: blue;">■</span>	<b>Medical Services Business</b>	<b>2,882 million yen</b> <b>(composition ratio 72.8%)</b>
<span style="color: red;">■</span>	<b>Home Furnishings and Health Business</b>	<b>1,117 million yen</b> <b>(composition ratio 28.2%)</b>
<span style="color: yellow;">■</span>	<b>Other</b>	<b>3 million yen (composition ratio 0.1%)</b>
<span style="color: gray;">■</span>	<b>Adjustments</b>	<b>-45 million yen (composition ratio -%)</b>

# Changes in Business Performance

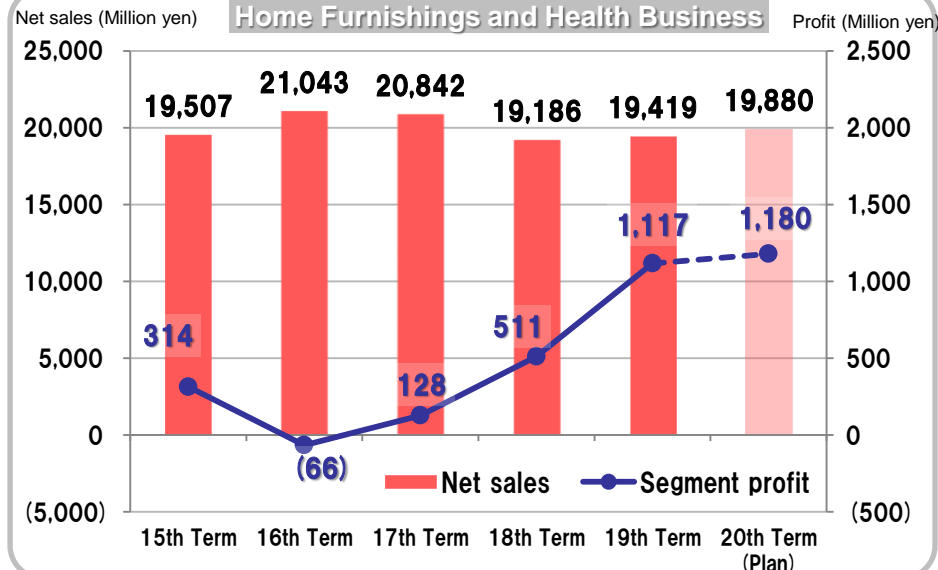
## Consolidated business performance



## Medical Services Business

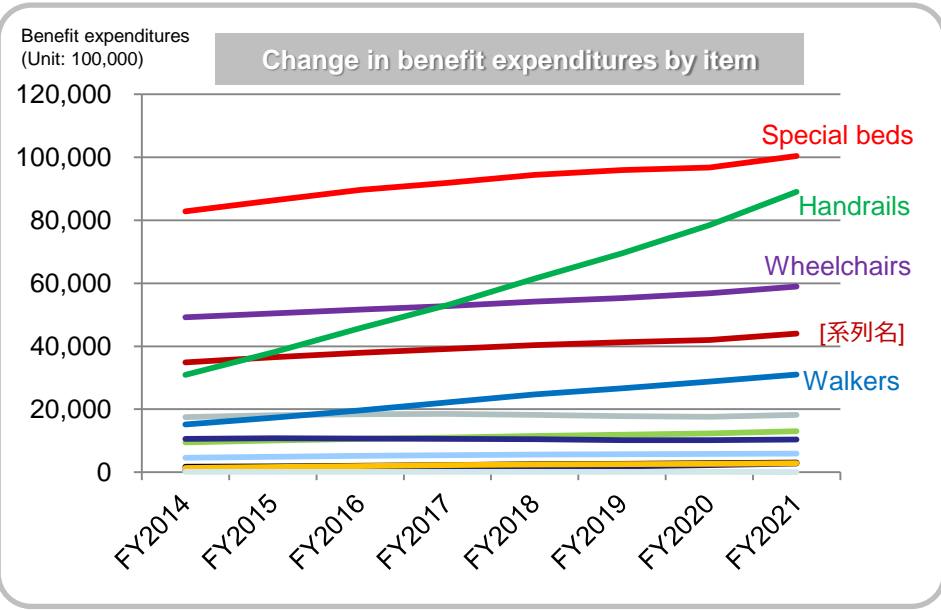
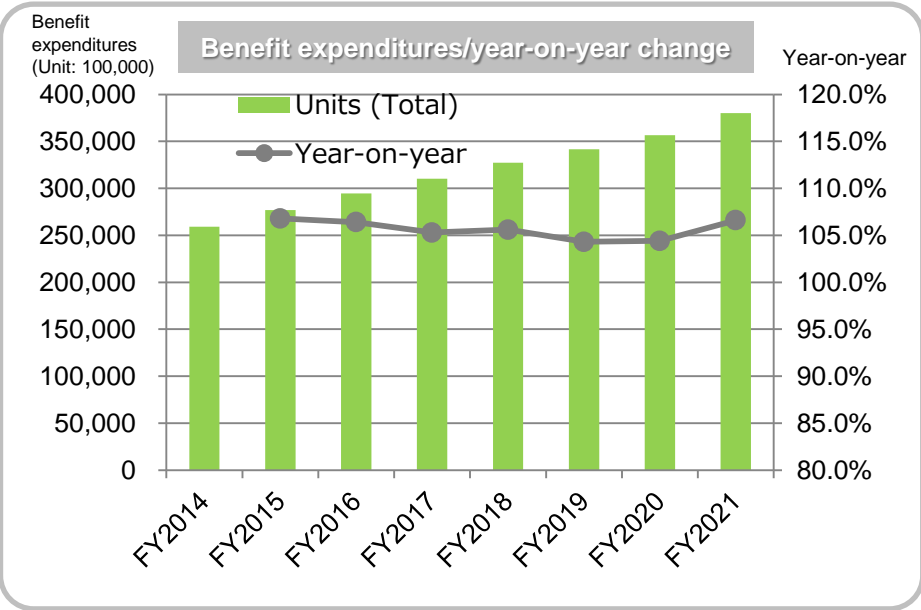


## Home Furnishings and Health Business



\*From the 19th term (FY 2022), segment profit has been changed from operating profit to ordinary profit. In the above table, the 15th to 17th terms show operating profit; the 18th and subsequent terms show ordinary profit.

# Changes in Long-Term Care Benefit Expenditures, etc. for Welfare Equipment Rental Service



(Unit: 100,000  $\div$  1 million yen) [Changes in expenditures for welfare equipment rental items]

	FY2014			FY2015			FY2016			FY2017			FY2018			FY2019			FY2020			FY2021		
	Units	YoY		Units	YoY		Units	YoY		Units	YoY		Units	YoY		Units	YoY		Units	YoY		Units	YoY	
Total	259,144			276,818	106.8%		294,428	106.4%		310,110	105.3%		327,368	105.6%		341,526	104.3%		356,626	104.4%		380,016	106.6%	
Wheelchairs	49,217			50,475	102.6%		51,619	102.3%		52,751	102.2%		54,200	102.7%		55,324	102.1%		56,834	102.7%		59,001	103.8%	
Wheelchair accessories	4,631			4,934	106.5%		5,218	105.8%		5,435	104.2%		5,607	103.2%		5,684	101.4%		5,785	101.8%		5,878	101.6%	
Special beds	82,865			86,302	104.1%		89,607	103.8%		91,927	102.6%		94,407	102.7%		95,895	101.6%		96,766	100.9%		100,448	103.8%	
Special bed accessories	34,853			36,457	104.6%		37,970	104.1%		39,134	103.1%		40,386	103.2%		41,236	102.1%		41,981	101.8%		44,058	104.9%	
Bedsore prevention equipment	17,481			18,076	103.4%		18,383	101.7%		18,512	100.7%		18,201	98.3%		17,825	97.9%		17,603	98.8%		18,237	103.6%	
Turning equipment	712			713	100.2%		723	101.4%		807	111.6%		1,355	167.9%		1,878	138.5%		2,295	122.2%		2,785	121.3%	
Handrails	30,930			37,989	122.8%		45,733	120.4%		53,118	116.1%		61,494	115.8%		69,502	113.0%		78,455	112.9%		89,041	113.5%	
Slopes	9,430			10,099	107.1%		10,593	104.9%		11,023	104.1%		11,498	104.3%		11,916	103.6%		12,357	103.7%		13,058	105.7%	
Walkers	15,183			17,296	113.9%		19,670	113.7%		22,136	112.5%		24,683	111.5%		26,696	108.2%		28,779	107.8%		31,066	107.9%	
Canes	1,726			1,903	110.3%		2,112	111.0%		2,315	109.6%		2,543	109.8%		2,701	106.2%		2,870	106.3%		3,114	108.5%	
Wandering motion detector for elderly dementia patients	1,385			1,693	122.2%		1,961	115.8%		2,221	113.3%		2,436	109.7%		2,555	104.9%		2,671	104.5%		2,909	108.9%	
Transfer lifts	10,629			10,753	101.2%		10,707	99.6%		10,610	99.1%		10,445	98.4%		10,218	97.8%		10,148	99.3%		10,345	101.9%	
Automatic excretion processor	103			127	123.4%		131	103.2%		120	92.1%		112	93.2%		96	85.9%		82	85.5%		77	93.6%	

\* Ministry of Health, Labour and Welfare, "Monthly Report on Statistics of Long-term Care Benefit Expenditures"

\* Figures for each fiscal year are totaled from the amount screened in May of the year under review to the amount screened in April of the following year.

## (Inquiries)

Administrative Planning Department Email: [ir@francebed-hd.co.jp](mailto:ir@francebed-hd.co.jp)

## Notes on the Future Outlook

This presentation contains forward-looking statements, including forecasts, beliefs, expectations, intentions, and strategies of the Company. These are grounded in judgments and assumptions based on information currently available to the Company. Actual outcomes may differ materially from predictions due to various factors including uncertainties inherent in the judgments and assumptions, and the potential for fluctuations caused by future business operations and changes in internal and external circumstances. The Company bears no obligation to revise any content concerning future forecasts.

Causes of the above uncertainties and fluctuations include, but are not limited to, the following.

- Fluctuations in economic conditions and in demand and market conditions in major markets
- Political situations and trade and other regulations in major markets
- Exchange rate fluctuations
- Business developments involving competitors' products/services, pricing policies, alliances, M&A, etc.
- Strategic changes by alliance partners concerning partnerships with the Company
- The Company's ability to carry out cost reductions and capital investments as planned
- The Company's ability to develop new products and introduce them to markets