

Second Quarter Financial Results Briefing for the Fiscal Year Ended March 31, 2023

December 1, 2022



FRANCEBED HOLDINGS

FRANCE BED HOLDINGS CO., LTD.

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

Securities Code: 7840

- ◆ **Second Quarter 2023 Business Performance Report**
- ◆ **FY2023 Business Performance Outlook**
- ◆ **Major Future Initiatives**

Second Quarter 2023 Business Performance Report

1. Consolidated Business Performance (the Six Months Ended September 30, 2022)

● Sales and operating/ordinary profit increased, profit attributable to owners of parent decreased

(Million yen)	Second Quarter 2022	Second Quarter 2023	Year-on-year	
			Change (amount)	Change (%)
Net sales	25,978	28,244	+2,265	+8.7%
Cost of sales	11,851	13,102	+1,250	—
Cost of sales ratio	45.6%	46.4%	—	+0.7P
Gross profit	14,126	15,141	+1,015	+7.1%
Selling, general and administrative expenses	12,260	13,200	+939	+7.6%
Operating profit	1,865	1,941	+76	+4.0%
Operating profit margin	7.1%	6.9%	—	▲0.3P
Ordinary profit	1,901	1,958	+57	+3.0%
Ordinary profit margin	7.3%	6.9%	—	▲0.4P
Profit before income taxes	2,043	2,042	▲0	▲0.0%
Profit*	1,305	1,239	▲66	▲5.0%

* Profit attributable to owners of parent

■ Profit per share 34.21yen

2. Results by Segment (the Six Months Ended September 30, 2022)

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

		Second Quarter 2022	Second Quarter 2023	Year-on-year	
				Change (amount)	Change (%)
		(Million yen)			
Medical Services Business	Net sales	16,446	18,325	+ 1,879	+11.4%
	Segment profit	1,567	1,488	▲79	▲5.0%
	Profit margin	9.5%	8.1%	—	▲1.4P
Home Furnishings and Health Business	Net sales	9,290	9,705	+ 415	+4.4%
	Segment profit	373	504	+ 130	+34.9%
	Profit margin	4.0%	5.2%	—	+1.1P
Other	Net sales	242	213	▲28	▲11.8%
	Segment profit	1	1	▲0	▲31.5%
Adjustments	Net sales	—	—	—	—
	Segment profit	▲42	▲35	+ 6	—
Total	Net sales	25,978	28,244	+ 2,265	+8.7%
	Segment profit	1,901	1,958	+ 57	+3.0%

3. Summary of the Medical Services Business (the Six Months Ended September 30, 2022)

(Million yen)	Second Quarter 2022		Second Quarter 2023		Year-on-year	
	Results	Composition ratio	Results	Composition ratio	Change (amount)	Change (%)
Consolidated net sales	16,446	—	18,325	—	+1,879	+11.4%
FRANCE BED CO., LTD.	15,704	94.6%	16,607	89.6%	+903	+5.7%
Nursing care-related rental sales	9,520	57.3%	9,973	53.8%	+453	+4.8%
Property transactions for hospital facilities	1,645	9.9%	2,009	10.8%	+363	+22.1%
Other	4,538	27.3%	4,625	24.9%	+87	+1.9%
TSUBASA CO., LTD.	391	2.3%	390	2.1%	▲1	▲0.2%
KASHIDASU Co., Ltd.	497	3.0%	487	2.6%	▲10	▲2.0%
HEMOCARE SERVICE YAMAGUCHI Co., Ltd.	—	—	1,040	5.6%	+1,040	—
Simple total	16,592	100.0%	18,526	100.0%	+1,933	+11.6%
Consolidated ordinary profit	1,567	9.5%	1,488	8.1%	▲79	▲5.0%

* Light blue shaded area indicates figures before consolidation for reference purposes. Due to the timing of acquisition through M&A, Second Quarter 2022 results for HEMOCARE SERVICE YAMAGUCHI Co., Ltd. have not been presented.

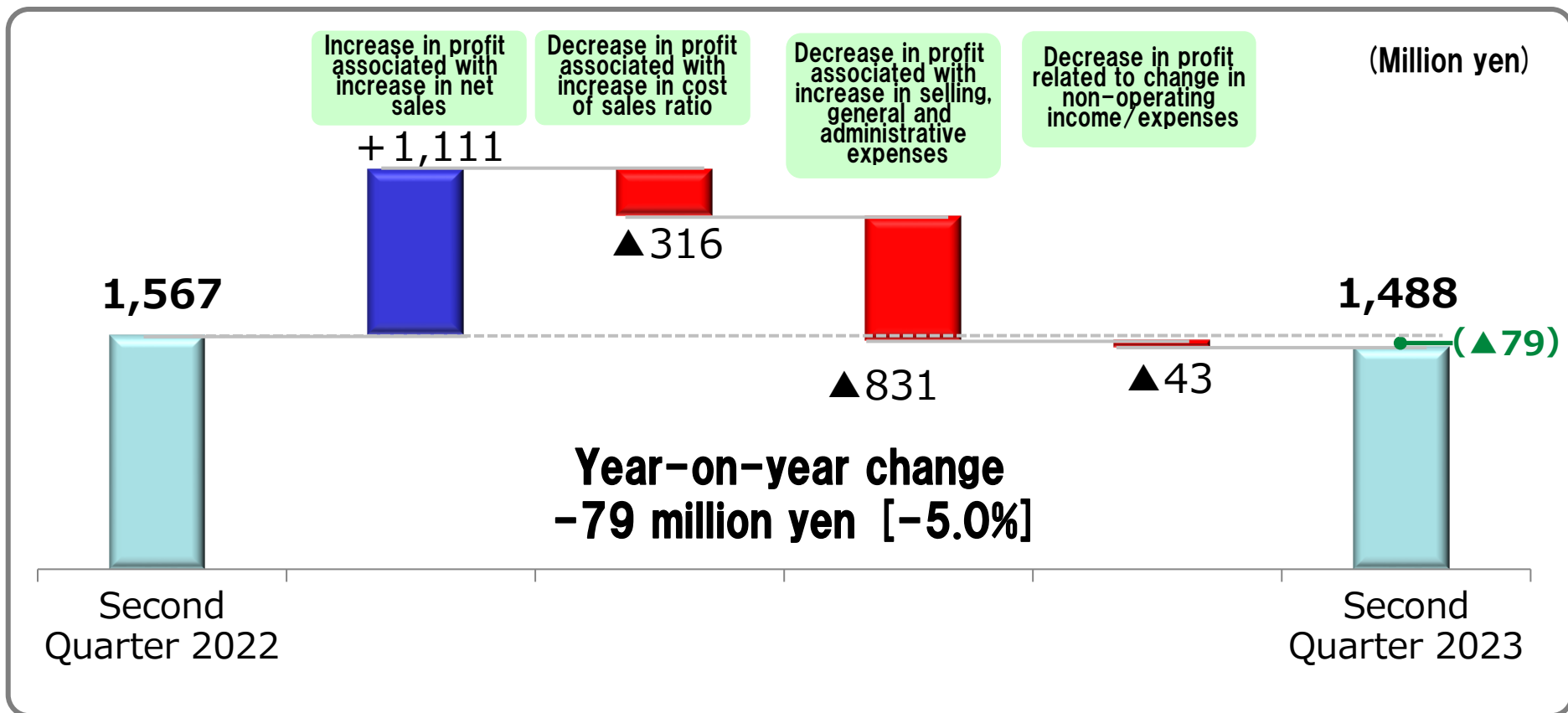
【Factors behind increase in net sales】

- Demand for core nursing care-related rental sales remained strong. Sales by the division handling property transactions for hospital facilities have mounted a recovery. The increase is furthermore a result of having made HEMOCARE SERVICE YAMAGUCHI Co., Ltd a consolidated subsidiary, acquired by means of M&A in December 2021.

【Factors behind decrease in ordinary profit】

- Increase in cost of sales ratio (greater share of sales by the division handling property transactions for hospital facilities, which has a high cost of sales ratio, etc.)
- Increase in selling, general and administrative expenses (investment in personnel and establishment of new maintenance centers, amortization of goodwill arising from M&A)

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 company acquired through M&A into a consolidated subsidiary, etc.

Main factors behind increase in cost of sales ratio: Greater share of net sales with respect to property transactions for hospital facilities, which have a high cost of sales ratio, etc.

Main factors behind increase in selling, general and administrative expenses: Increase in investment costs allocated to personnel and establishment of new maintenance centers, increase in amortization of goodwill arising from M&A, etc.

5. Summary of the Home Furnishings and Health Business (the Six Months Ended September 30, 2022)

(Million yen)	Second Quarter 2022		Second Quarter 2023		Year-on-year	
	Results	Composition ratio	Results	Composition ratio	Change (amount)	Change (%)
Consolidated net sales	9,290	100%	9,705	100%	+415	+4.4%
Consolidated ordinary profit	373	4.0%	504	5.1%	+130	+34.9%
Sales to hotels*	639	—	643	—	+3	+0.5%

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

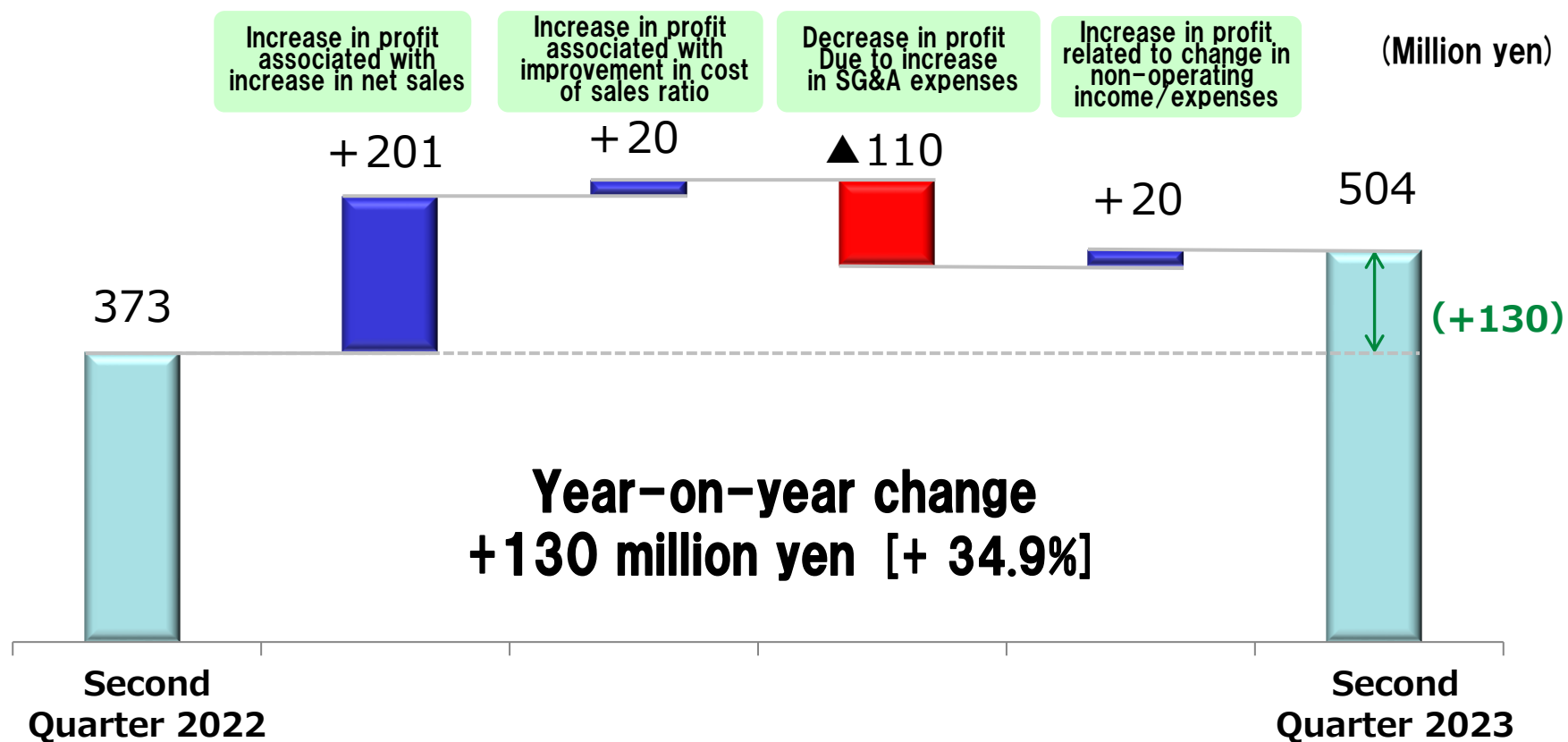
【 Factors behind increase in net sales 】

- Strong sales through use of our showrooms in offering high-value-added products that include Eco Mark-certified mattresses equipped with antibacterial function as a standard feature, a series of motorized beds, and bed-type massage machines.

【 Factors behind increase in ordinary profit 】

- Prices adjusted to reflect rising manufacturing and procurement costs.
- Decrease in distribution cost ratio due to focus placed on sales of high-value-added 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 a gain in profits attributable to higher net sales**

Main factors behind increase in sales: Robust sales of high unit-price, high-value-added products such as mattresses, motorized beds, and health appliances

Main factors behind increase in selling, general and administrative expenses: Increase in advertising expenses and showroom renovation costs, etc.

7. Second Quarter 2023 Consolidated Balance Sheet

(Million yen)	End of FY2022 (As of March 31, 2022)	Second Quarter 2023 (As of September 30, 2022)	Compared to the end of FY2022
Current assets	31,159	29,897	▲1,262
Non-current assets	33,128	32,561	▲567
Deferred assets	10	3	▲6
Total assets	64,298	62,462	▲1,836
Current liabilities	19,174	16,394	▲2,779
Non-current liabilities	7,583	8,529	+945
Total liabilities	26,757	24,924	▲1,833
Shareholders' equity	35,677	35,879	+202
Accumulated other comprehensive income	1,862	1,658	▲204
Total net assets	37,540	37,537	▲2
Total liabilities and net assets	64,298	62,462	▲1,836
Shareholders' equity ratio	58.3%	60.0%	+1.7P

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

- ① **Assets ▲1,836 million yen** : Cash and deposits ▲3,814 million yen (Decrease in funds due to reduction of interest-bearing debt, etc.)
Securities +2,700 million yen (Increase in short-term securities used in management of surplus funds, etc.)
- ② **Liabilities ▲1,833 million yen** : Interest-bearing debt ▲1,800 million yen (Redemption of bonds, etc.)
- ③ **Net assets ▲2 million yen** : Net income +1,239 million yen , Dividends from surplus ▲655 million yen , purchase of treasury shares ▲380 million yen , etc.
- ④ **Shareholders' equity ratio 60.0%** +1.7pt

8. 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
Second Quarter 2022	2,675	▲3,284	▲624	12,202	▲1,168※	11,033
Second Quarter 2023	4,300	▲5,247	▲2,882	10,778	▲3,814	6,963
Year-on-year	+1,625	▲1,962	▲2,257	—	▲2,646	—

* In the second quarter of FY2022, cash equivalents increased by 25 million yen due to a merger with an unconsolidated subsidiary, in addition to cash flows from operating, investing, and financing activities.

Status of consolidated cash flows

The balance of cash and cash equivalents decreased by 3,814 million yen from the end of the previous fiscal year to 6,963 million yen.

① Cash flows from operating activities (Cash inflow of 4,300 million yen)

(Cash inflow) Profit before income taxes 2,042 million yen, depreciation 2,828 million yen, etc.

(Cash outflow) Income taxes paid 374 million yen, decrease in trade payables 298 million yen, etc.

② Cash flows from investing activities (Cash outflow of 5,247million yen)

(Cash inflow) Proceeds from sale of property, plant and equipment 176 million yen, etc.

(Cash outflow) Purchase of property, plant and equipment 2,483 million yen, Purchase of short-term securities 2,700 million yen, etc.

③ Cash flows from financing activities (Cash outflow of 2,882 million yen)

(Cash inflow) Long-term borrowings 1,500 million yen, proceeds from sale and leaseback transactions 1,706 million yen, etc.

(Cash outflow) Redemption of bonds 1,800 million yen, payback of short-term borrowings 1,235 million yen, repayments of finance lease liabilities 1,853 million yen, dividends paid 654 million yen, purchase of treasury shares 382 million yen etc.

FY2023 Business Performance Outlook

1. Consolidated Income Plan (Progress Achieved)

■ FY2023 Progress toward achieving the consolidated business performance forecast

(Million yen)	FY2022 Results	FY2023 Plan*	Year-on-year change (%)	Second Quarter 2023 Results	Progress relative to plan (%)
Net sales	54,398	57,500	+5.7%	28,244	49.1%
Operating profit	3,918	4,200	+7.1%	1,941	46.2%
Profit margin	7.2%	7.3%	+0.1P	6.8%	—
Ordinary profit	3,959	4,180	+5.5%	1,958	46.8%
Profit margin	7.2%	7.2%	±0.0P	6.9%	—
Profit	2,557	2,650	+3.6%	1,239	46.7%
Profit margin	4.7%	4.6%	▲0.1P	4.3%	—
Profit per share (Yen)	69.35	72.71	—	34.21	—

* The business performance forecast has not been revised since its initial release on May 13, 2022.

2. Profit and loss plan by segment (Progress Achieved)

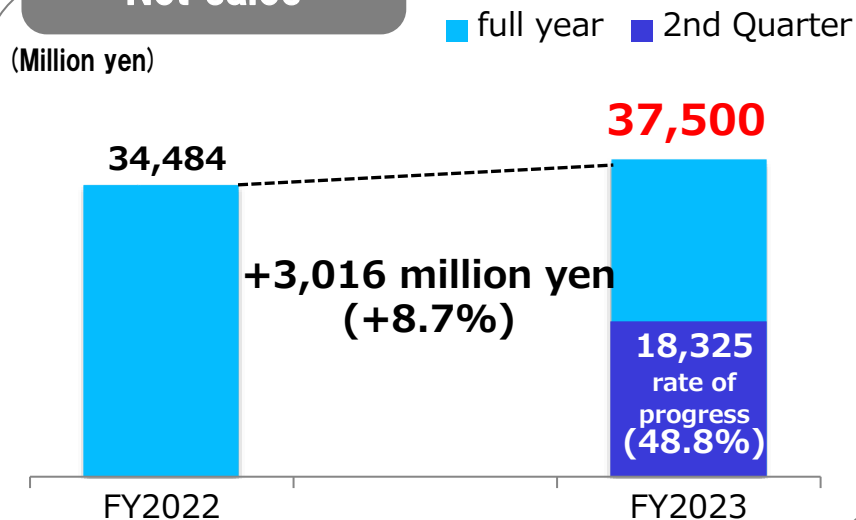
■ FY2023 Progress toward achieving earnings forecast by segment

(Million yen)		FY2022 Results	FY2023 Plan	Year-on-year change (%)	Second Quarter 2023 Results	Progress relative to plan
Medical Services Business	Net sales	34,484	37,500	+8.7%	18,325	48.8%
	Ordinary profit	2,882	3,030	+5.1%	1,488	49.1%
	Profit margin	8.3%	8.0%	—	8.1%	—
Home Furnishings and Health Business	Net sales	19,419	19,800	+1.9%	9,705	49.0%
	Ordinary profit	1,117	1,180	+5.6%	504	42.7%
	Profit margin	5.7%	5.9%	—	5.2%	—
Total	Net sales	54,398	57,500	+5.7%	28,244	49.1%
	Ordinary profit	3,959	4,180	+5.5%	1,958	46.8%
	Profit margin	7.2%	7.2%	—	6.9%	—

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

3. Outlook and Main Initiatives in the Medical Services Business

Net sales

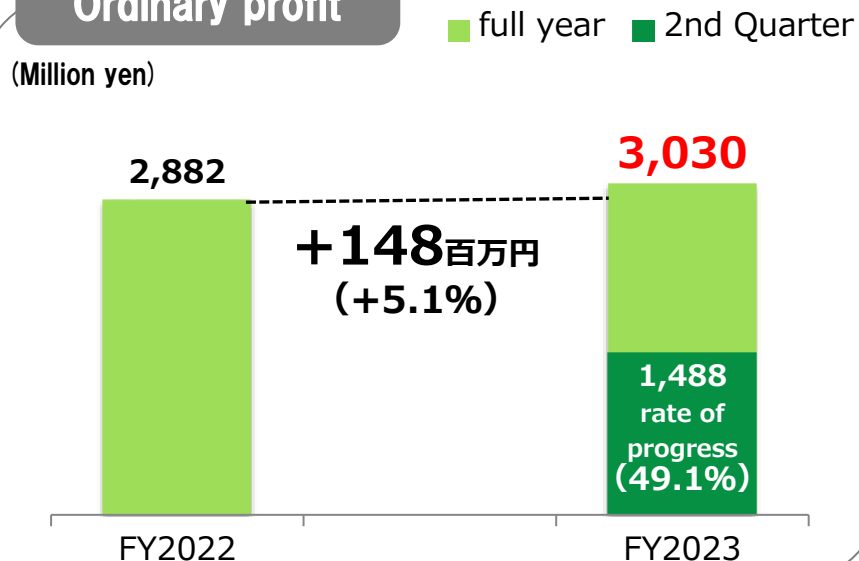


【 FY2023 Full-year plan 】

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



Major initiatives

◆ Expansion of the rental business and improvement of profit margins

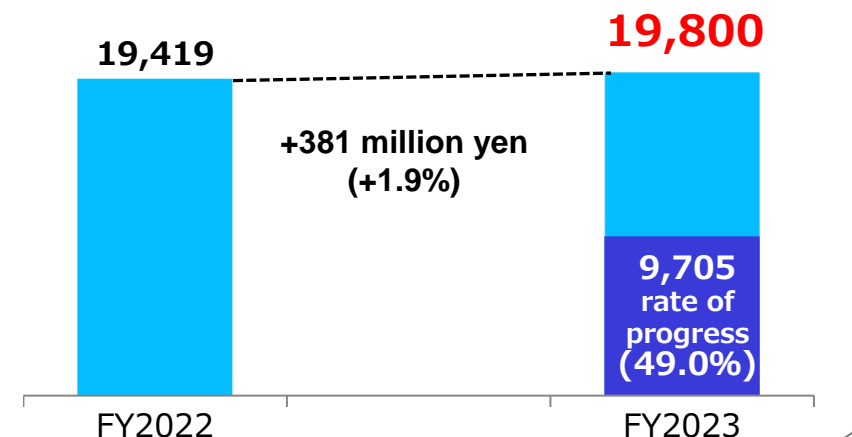
- ① **Onboarding of sales representatives who are new graduates***
 - To be assigned to sales locations in January 2023 following nine months of training (49 sales representatives)
 - ⇒ 28 newly graduated sales representatives from the previous year were assigned to their posts in July 2022.
 - * The above numbers of sales representatives refer to those employed by FRANCE BED CO., LTD. (non-consolidated).
- ② **Effective use of rental assets**
 - Reduction of discarded items (ongoing since first half of 2023)
 - Improvement of rental asset utilization rate (ensuring maintenance man-hour, overhauling maintenance operations, etc.)

4. Outlook and Main Initiatives in the Home Furnishings and Health Business

Net sales

(Million yen)

■ full year ■ 2nd Quarter



【 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)

Major initiatives

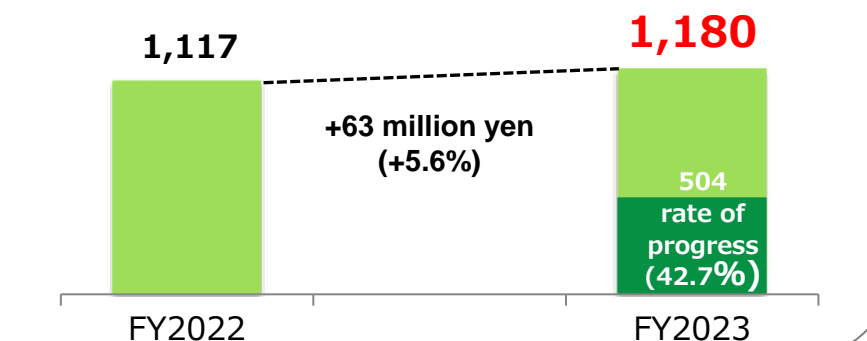
◆ Expansion of sales approaches and securing profits

- ① **New openings and renewals of the Group's exhibition venues**
 - Two exhibition venue locations to be renewed by March 2023 (Asahikawa & Sapporo)
- ② **Addressing raw material price inflation**
 - Price revisions implemented in October (already implemented for some products in January & April 2022)
- ③ **Upgrading of the motorized bed series**
 - Introduction of models targeting the younger generation

Ordinary profit

(Million yen)

■ full year ■ 2nd Quarter



5. Capital Investments

(Million yen)		FY2022 Full-year Results	Second Quarter 2023	FY2023 2H Plan	FY2023 Full-year Plan
Capital investment amount	Rental assets	4,554	2,098	2,289	4,388
	Equipment for manufacturing and distribution	318	117	150	267
	Service centers	1,386	116	2	118
	Acquisition of software	180	223	125	348
	Other	223	194	77	272
	Total	6,663	2,750	2,645	5,395
Depreciation		5,468	2,828	2,812	5,640

< Main capital investment results and plans >

Second Quarter 2023 Results

Acquisition of rental assets: 2,098 million yen (Medical Services Business)

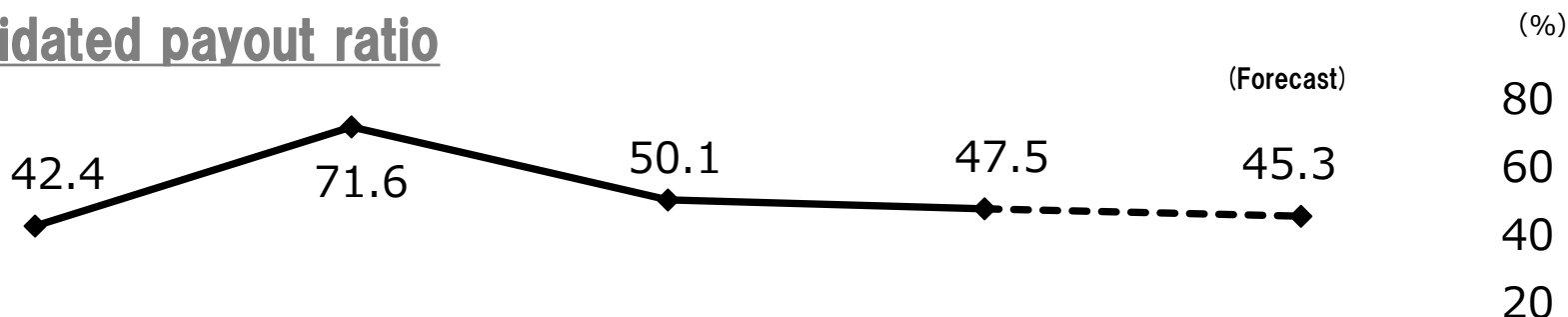
FY2023 Full-year plan

Acquisition of rental assets: 4,388million yen (Medical Services Business)

6. Dividends

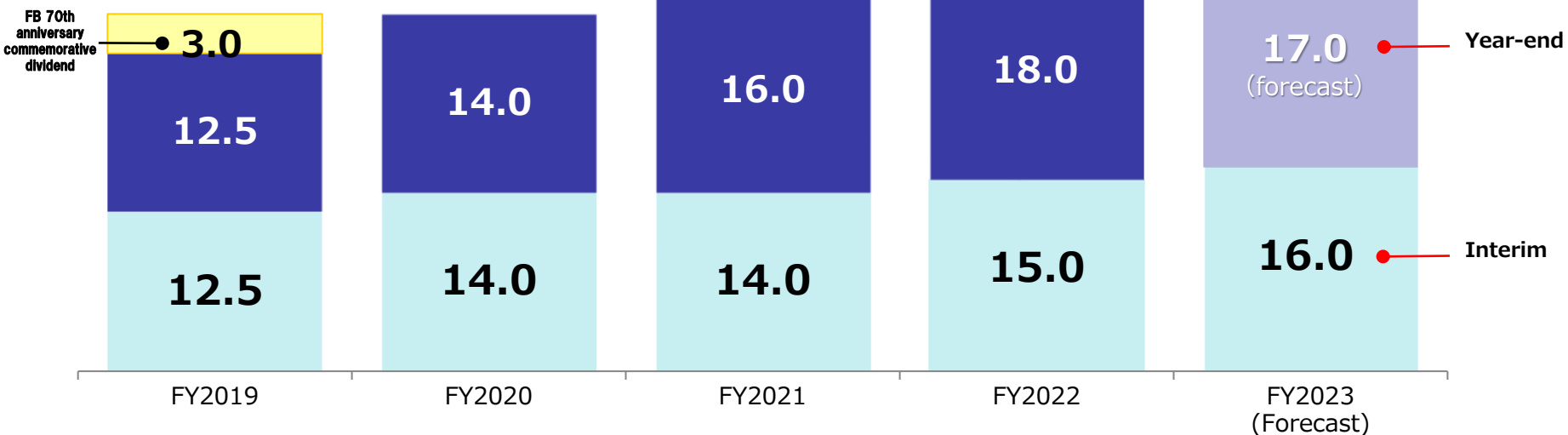
Changes in dividends per share and payout ratio

Consolidated payout ratio



Dividends per share (Yen)

■ Commemorative dividend
 ■ Year-end
 ■ Interim



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

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

7. Changes in Consolidated Business Performance

■ Changes in consolidated business performance for most recent five years

		FY2019	FY2020	FY2021	FY2022	FY2023 (Full-year Plan)
(Million yen)						
Interim	Net sales	25,296	26,329	24,398	25,978	28,244
	Ordinary profit	1,156	1,083	1,480	1,901	1,958
	Profit margin	4.5%	4.1%	6.0%	7.3%	6.9%
Full-year	Net sales	51,764	52,430	52,430	54,398	57,500
	Ordinary profit	2,361	2,436	3,451	3,959	4,180
	Profit margin	4.5%	4.6%	6.5%	7.2%	7.2%

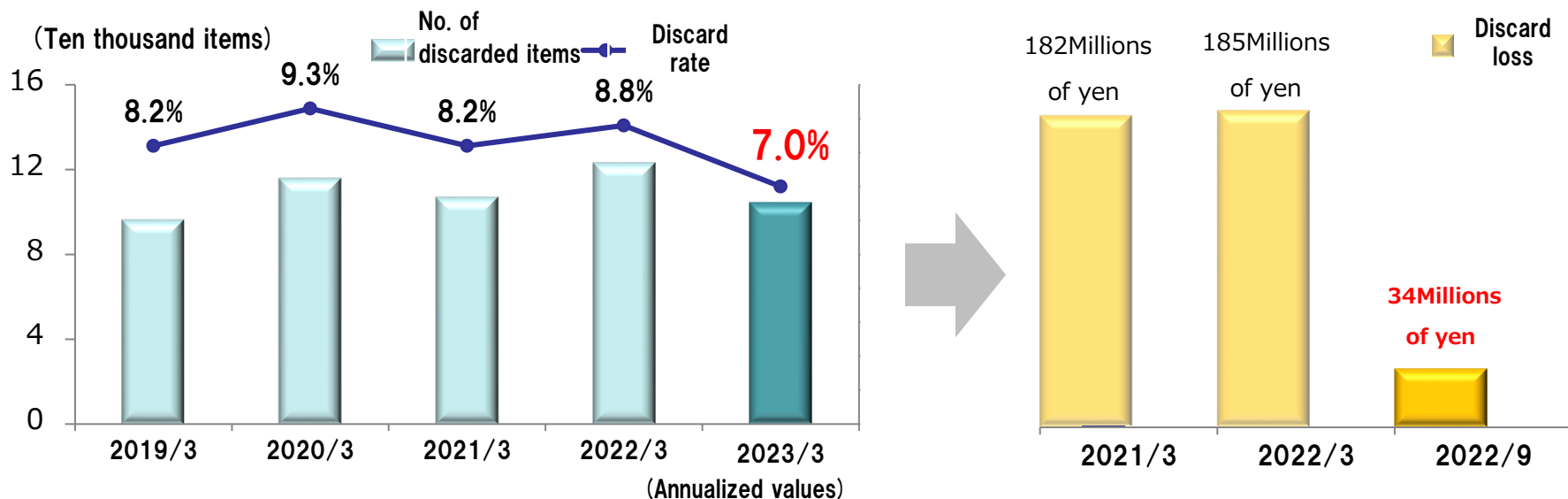
Major Future Initiatives

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

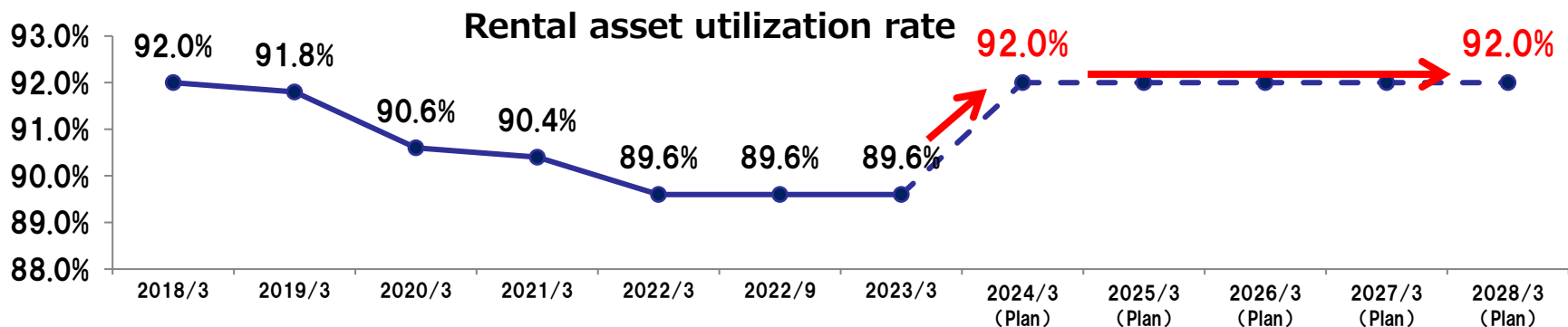
1. Medical Services Business

Improvement of Rental Profit Margin

◆ Initiatives to reduce the number of discarded rental items



◆ Initiatives to achieve higher rental asset utilization rate



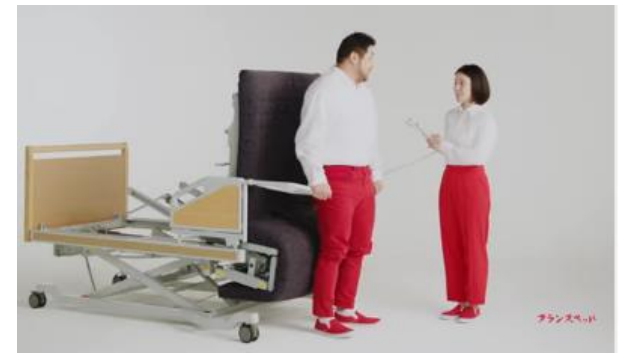
Initiatives to Achieve Workforce Labor Savings

Proposal of rental pricing conducive to enabling adoption of care robots that help achieve workforce labor savings

Stand-up support Bed
Multi-position bed



Enables persons admitted to stand up and walk on their own



Reduces caregiver workloads



Proposal for: Special and private rooms of national public hospitals and social welfare corporations
Rental period: 10 years

Deployment of Products That Meet Prevailing Needs

Bed frames with 555 options aligned with people's lifestyle preferences

FADEAR

Introduction of motorized reclining bed targeting younger households

<Option>



Electric reclining bed

smart bed

Remote control links to smartphone application

Smartphone application for adjusting bed

WiFi



IoT devices from other companies

Operation linked with bed controls

Lighting Curtains Smart remote controls Humidifiers

AI speakers

Voice-operated bed adjustment

Amazon Echo Google Nest

2. Home Furnishings and Health Business

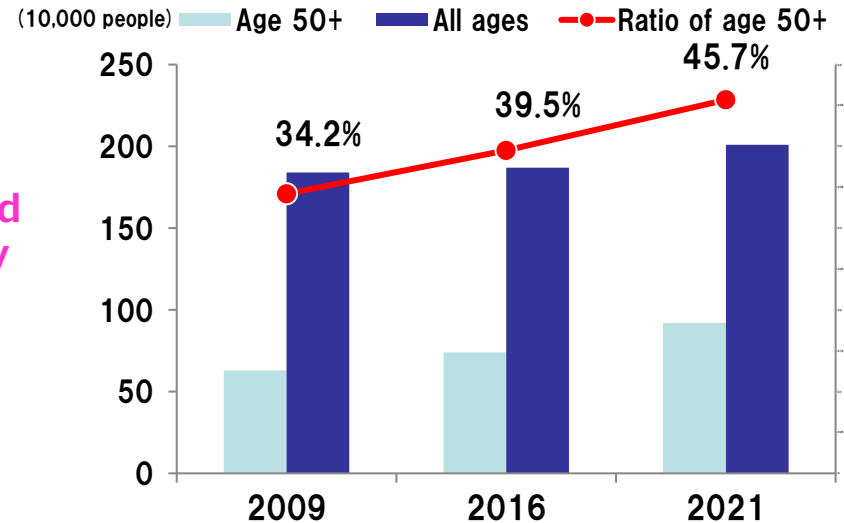
Development of Products That Help Delivery Companies Reduce Labor

New
Electric reclining bed
GRANSUS

The bed aligns with Japan's housing conditions and challenges encountered by delivery drivers as they get progressively older going forward. Its newly designed knockdown frame structure facilitates development of products that can be separated in preparation for delivery.

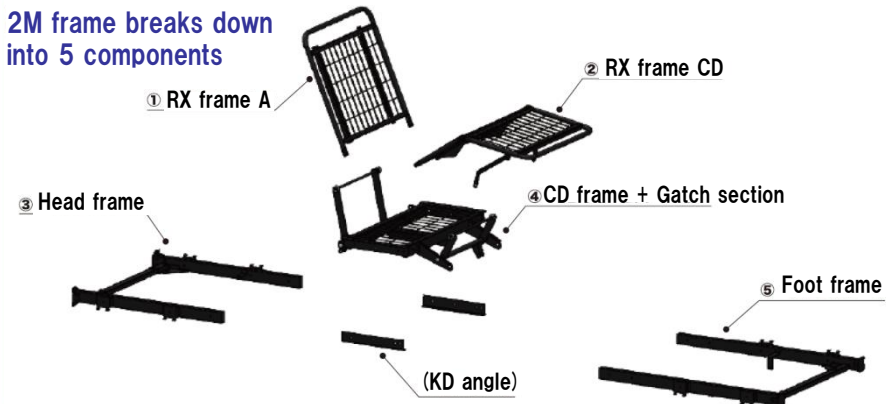


[Number of workers aged 50 and older in the road freight transport sector]



Source: Prepared in-house based on data released by Japan's Ministry of Internal Affairs and Communications

2M frame breaks down into 5 components



2. Home Furnishings and Health Business

New Openings and Renewals of the Group's Exhibition Venues

<The Group's showrooms New store opening plan>

33 venues nationwide (September 2022 results)

(Potential new store locations) Hiroshima, Saitama, Chiba, Iwate, Nagasaki, Ooita

<The Group's exhibition venues Renewal store expansion>

May 2022 Renewal FRANCEBED Akasaka Showroom (Minato-ku, Tokyo)

June 2022 Renewal FRANCEBED Osaka Showroom (Osaka City, Osaka)

November 2022 Relocation and Renewal FRANCEBED Asahikawa Showroom (Asahikawa City, Hokkaido)

December 2022 Relocation and Renewal FRANCEBED Sapporo Showroom (Sapporo City, Hokkaido)

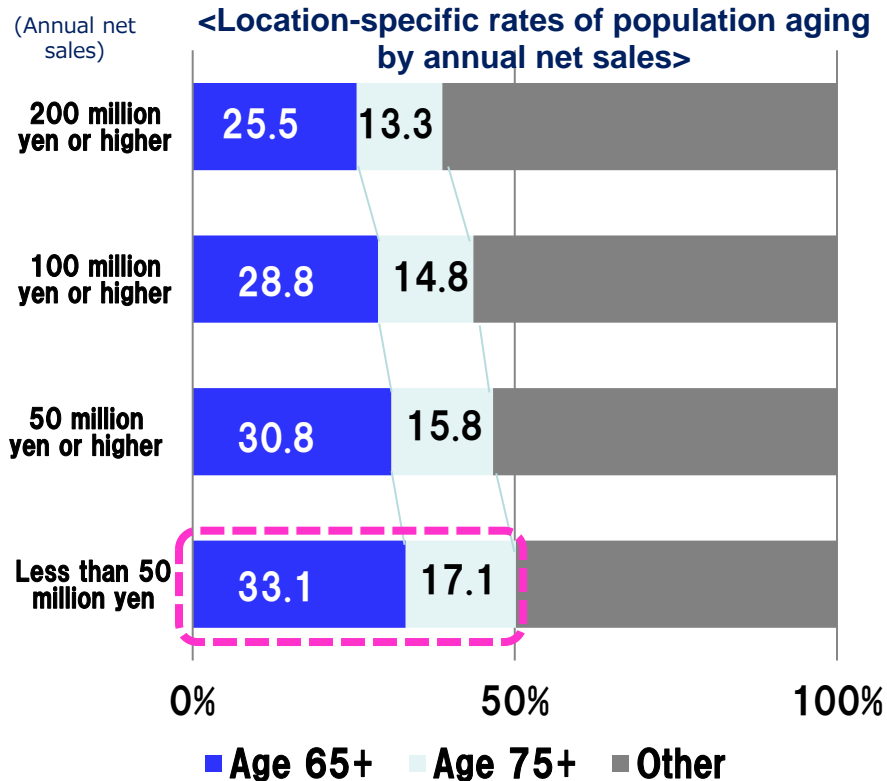


2. Home Furnishings and Health Business

Measures for Increasing Sales on a Regional Basis

Measures to address decrease in number of local furniture stores and plans for a new type of store in geographic regions subject to high rates of population aging

Rural areas with lower net sales have higher rates of population aging



Planning a new type of store



2. Home Furnishings and Health Business (for Hotels)

Proposal for Hotels Encountering Mounting Demand for Accommodations Particularly Involving Resurgence of Inbound Travel

Promoting the industry's first hotel mattress that is "Eco Mark-certified"

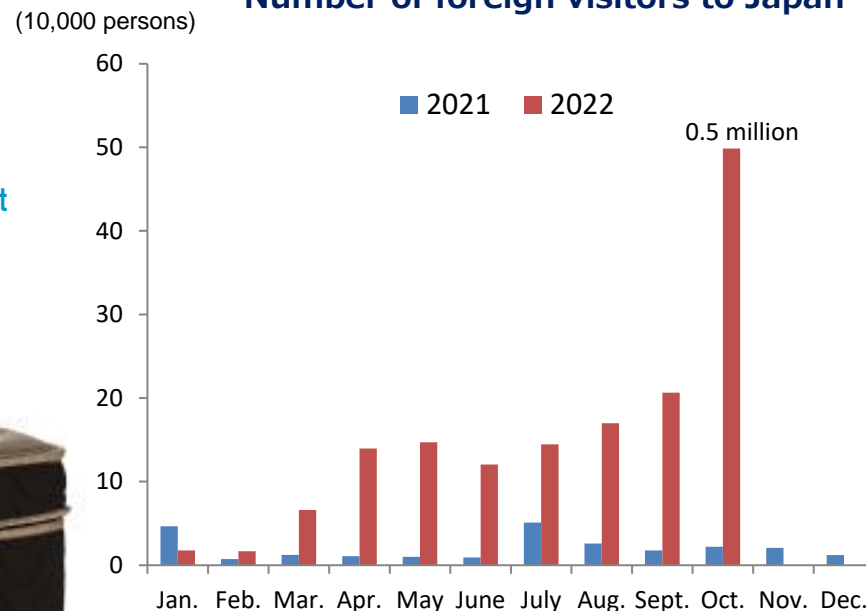
Eco Mark-certified
hotel mattress



Eco Mark-certified product
21 130 003



Number of foreign visitors to Japan



Source: Prepared in-house based on data released by the Japan National Tourism Organization

3. Topics

Topics Relevant to Promotion of ESG Management

(1) Selected as a constituent stock of the new “FTSE Blossom Japan Sector Relative Index” ESG investment index (506 Japanese company equities as of June 30)

FRANCE BED HOLDINGS CO., LTD. has been selected to serve as a constituent stock of this index, which reflects performance of companies that are exceptional in addressing ESG issues relative to other companies in respective industries among listed stocks in Japan. The index has been formed by FTSE Russell, a major ESG ratings agency.



**FTSE Blossom
Japan Sector
Relative Index**

(2) Recipient of Eco Mark Award 2022 top honors

FRANCE BED CO., LTD. received top honors for its environmental initiatives in Eco Mark Award 2022, sponsored by the Japan Environment Association. The company was accordingly recognized for its industry-leading corporate approach that applies perspectives encompassing resource recycling into development of its services and products, having long engaged in such practices since an era when the notion of eco-friendliness had not been much of a consideration in Japan.



(3) Implementation of financing linked to ESG/SDG assessment

The Company has arranged financing subject to ESG/SDG assessment provided by Sumitomo Mitsui Banking Corporation. The latest assessment of the Company determines that it engages in satisfactory initiatives and information disclosure in terms of ESG concerns in its corporate management, and that it shows a strong desire to help achieve the Sustainable Development Goals (SDGs) through its business operations.



Reference Materials

Summary of the Company (Pure Holding Company)

Summary of FRANCE BED HOLDINGS CO., LTD.

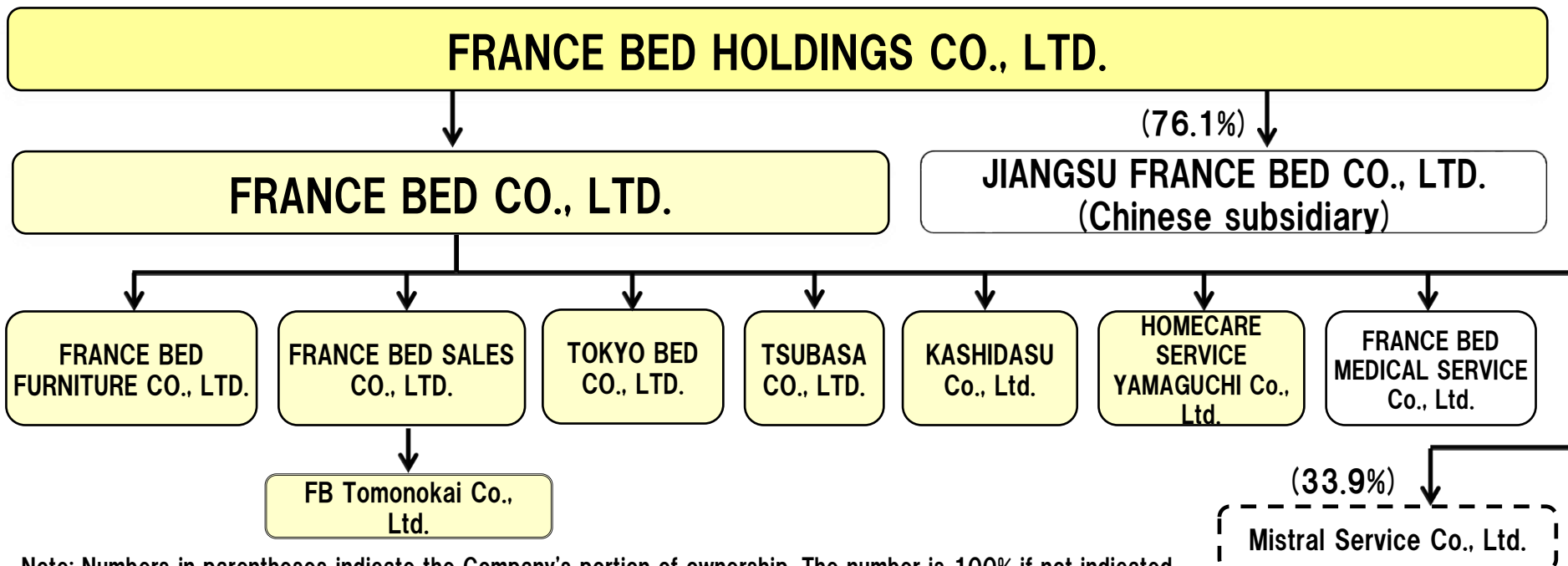
Trade Name	FRANCE BED HOLDINGS CO., LTD.
Location	5th Floor, Shinjuku Square Tower, 6-22-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Established	March 30, 2004
Capital	3.0 billion yen
Representative	Shigeru Ikeda, Representative Director, Chairman and President
Number of employees	60 (Non-consolidated) , 1,820 (Consolidated) *As of September 30, 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 September 30, 2022
Number of shares per share unit	100 shares
Fiscal year-end	March 31



FRANCEBED HOLDINGS

Logo

Status of Group Companies (As of September 30, 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

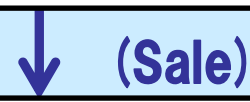
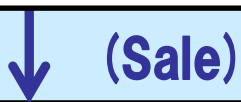
Business segments	Business activities	Major companies
Medical Services	Manufacture, procurement, rental, retail sale and wholesale of medical and nursing care beds and welfare equipment, and linen supply for hospitals, hotels, and other facilities	FRANCE BED CO., LTD., TSUBASA CO., LTD., KASHIDASU Co.,Ltd., HOMECARE 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



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

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)

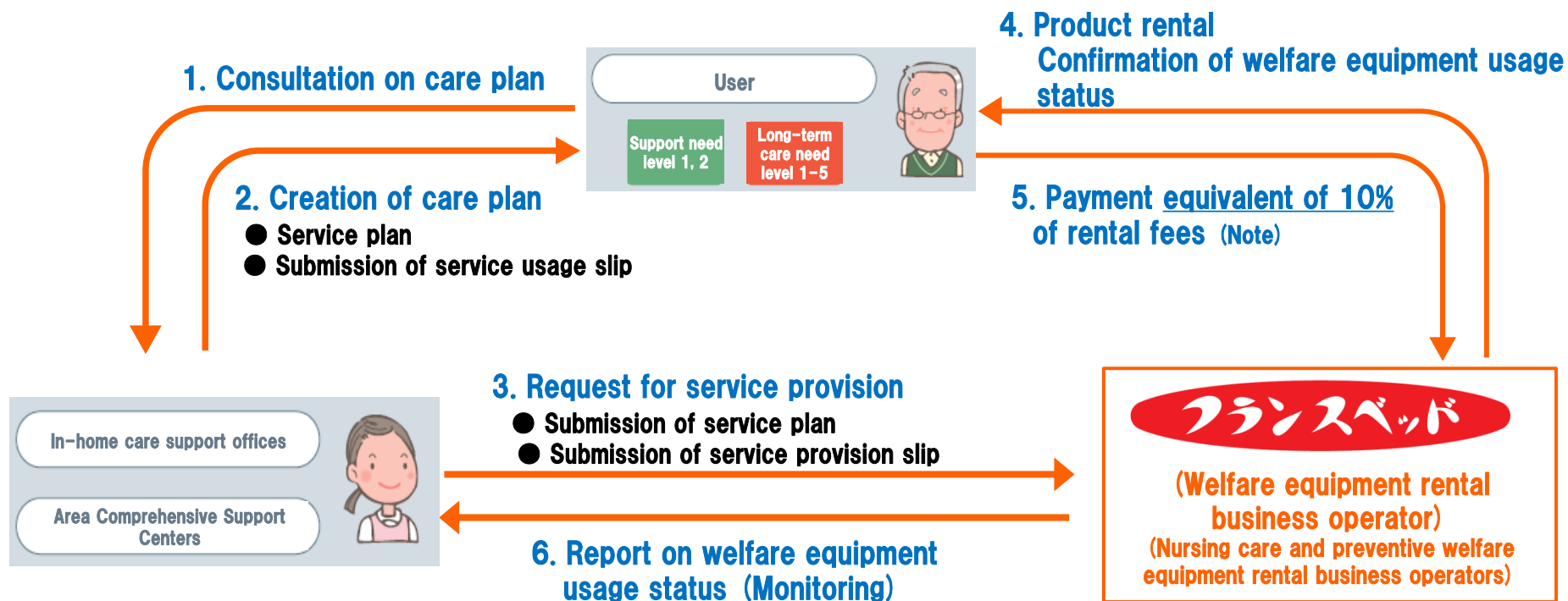
(Welfare equipment rental service)

Users (long-term care insurance users)

Welfare Equipment Rental Service

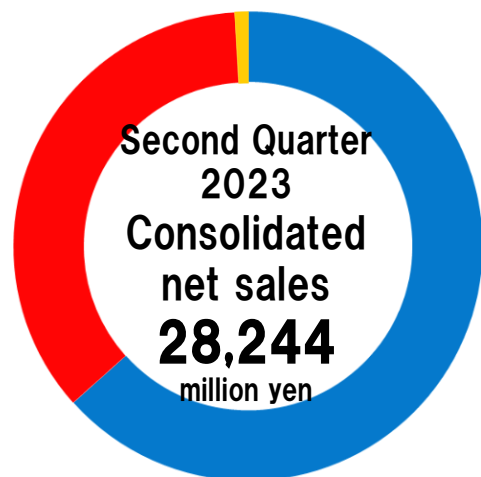
This is a rental service of welfare equipment that aids in daily life and nursing care. The service can be used with self-pay **equivalent of 10%** (Note) of welfare equipment rental costs.

● Flow of the welfare equipment rental service



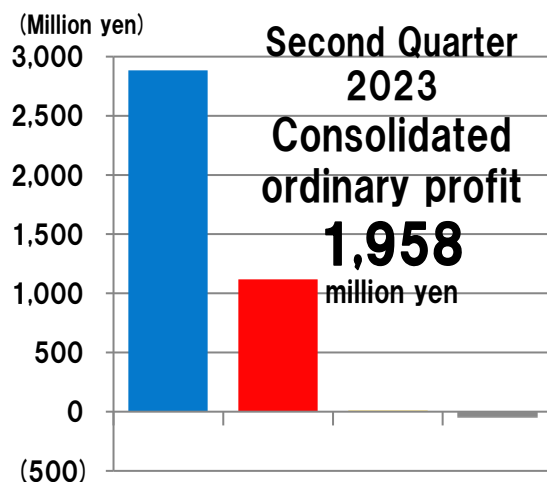
Note: Under the revision of the Long-Term Care Insurance Act (Act No. 123 of 1997) in April 2018, the self-pay ratio is **20%** or **30%** from August 1, 2018 for persons with income above certain levels. Contact local municipal authorities for details.

Second Quarter 2023 Summary of Financial Results by Segment




Net sales and composition ratio by segment

	Medical Services Business	18,325 million yen <u>(composition ratio 64.8%)</u>
	Home Furnishings and Health Business	9,705million yen <u>(composition ratio 34.3%)</u>
	Other	213 million yen (composition ratio 0.7%)

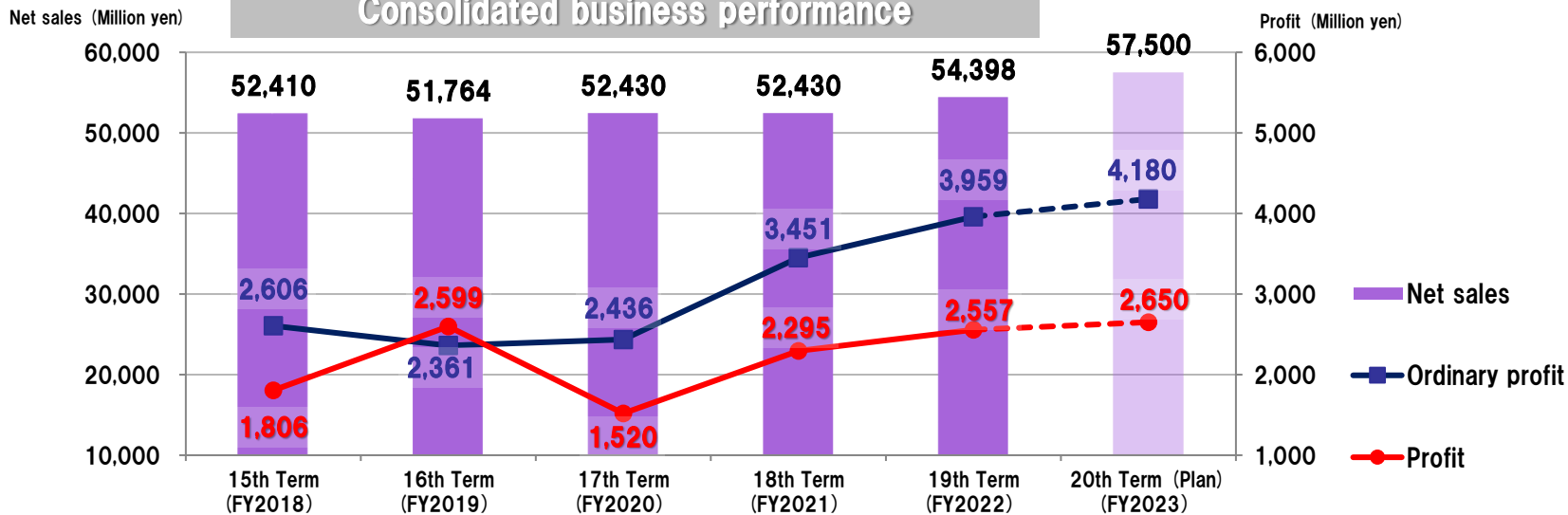


Profit and composition ratio by segment

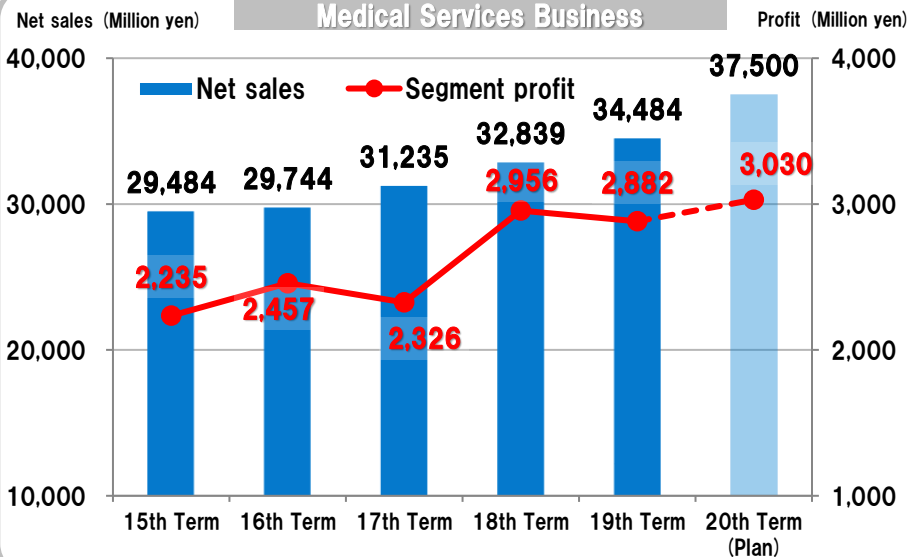
	Medical Services Business	1,488million yen <u>(composition ratio 75.9%)</u>
	Home Furnishings and Health Business	504million yen <u>(composition ratio 25.7%)</u>
	Other	1 million yen (composition ratio 0.0%)
	Adjustments	-35 million yen (composition ratio -%)

Changes in Business Performance

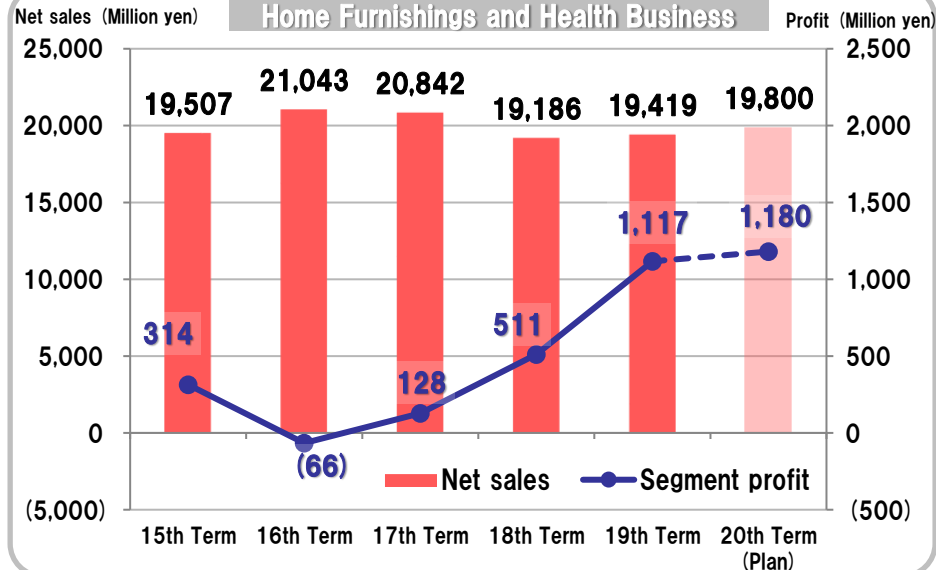
Consolidated business performance



Medical Services Business

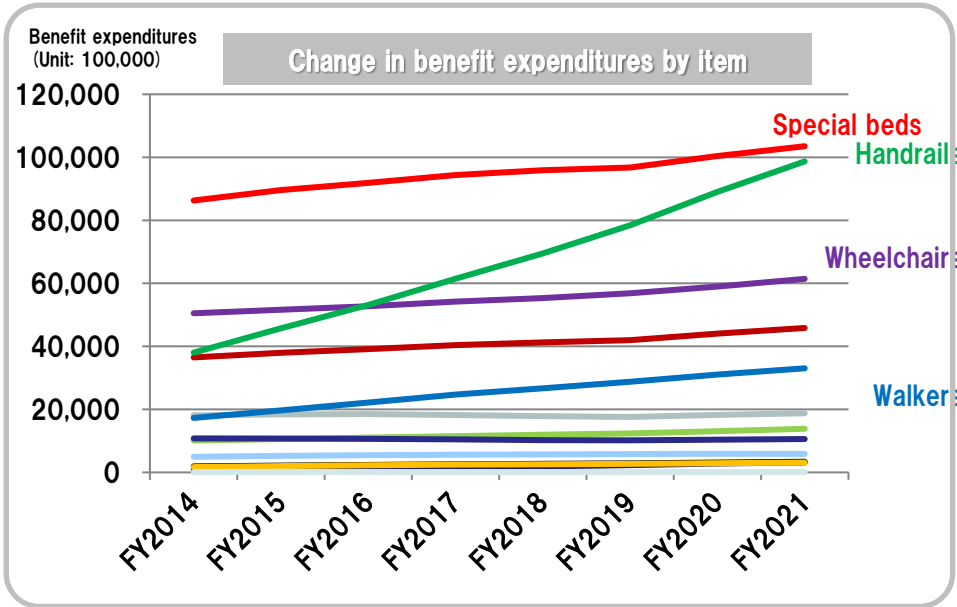
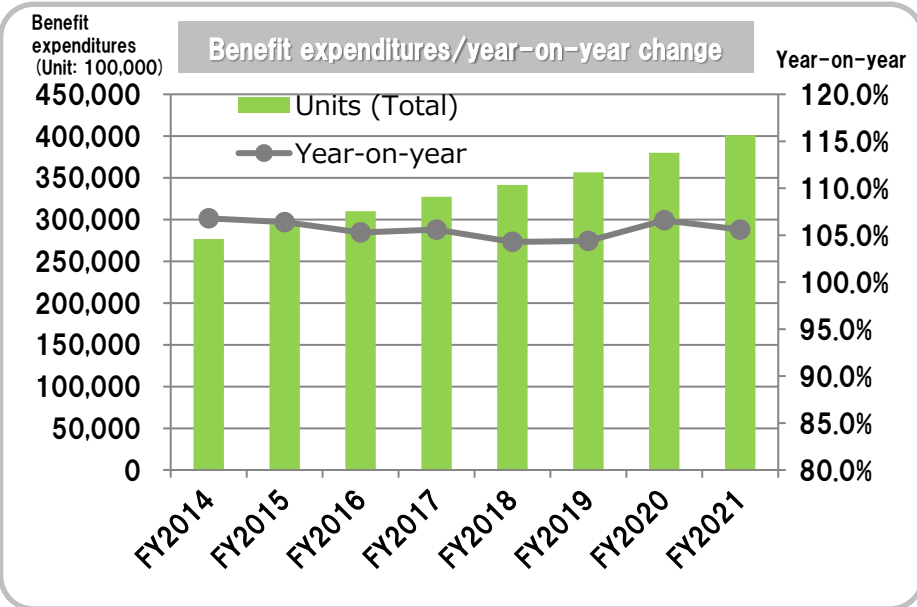


Home Furnishings and Health Business



*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 ≒ 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	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%	401,176	105.60%
Wheelchairs	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%	61,421	104.10%
Wheelchair accessories	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%	5,828	99.10%
Special beds	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%	103,544	103.10%
Special bed accessories	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%	45,835	104.00%
Bedsore prevention equipment	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%	18,767	102.90%
Turning equipment	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%	3,161	113.50%
Handrails	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%	98,696	110.80%
Slopes	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%	13,810	105.80%
Walkers	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%	33,029	106.30%
Canes	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%	3,373	108.30%
Wandering motion detector for elderly dementia patients	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%	3,094	106.30%
Transfer lifts	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%	10,552	102.00%
Automatic excretion processor	127	123.4%	131	103.2%	120	92.1%	112	93.2%	96	85.9%	82	85.5%	77	93.6%	65	84.80%

* 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

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