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February 7, 2025

## Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)

Company name: FRANCE BED HOLDINGS CO., LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 7840  
 URL: <https://francebed-hd.co.jp>  
 Representative: Shigeru Ikeda, Representative Director, Chairman and President  
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 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: None  
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2024	44,180	3.0	3,269	4.2	3,309	4.3	2,082	6.1
December 31, 2023	42,885	0.2	3,136	(2.0)	3,171	(1.2)	1,960	(3.2)

Note: Comprehensive income For the nine months ended December 31, 2024: ¥2,321 million [41.9%]  
 For the nine months ended December 31, 2023: ¥1,636 million [(1.6)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	60.25	55.64
December 31, 2023	54.42	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	68,626	39,215	57.1	1,134.77
March 31, 2024	68,575	38,211	55.7	1,106.37

Reference: Equity  
 As of December 31, 2024: ¥39,215 million  
 As of March 31, 2024: ¥38,211 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	17.00	–	22.00	39.00
Fiscal year ending March 31, 2025	–	17.00	–		
Fiscal year ending March 31, 2025 (Forecast)				22.00	39.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2025	61,000	3.1	4,800	4.6	4,800	3.0	3,000	(4.2)	86.86

Note: Revisions to the earnings forecasts most recently announced: None

\* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None

Note: For details, please refer to “(3) Notes Regarding Quarterly Consolidated Financial Statements (Notes Regarding Changes in Accounting Policies)” under 2. Quarterly Consolidated Financial Statements and Primary Notes on page 9 of the accompanying materials.

- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	38,397,500 shares
As of March 31, 2024	38,397,500 shares

- (ii) Number of treasury shares at the end of the period

As of December 31, 2024	3,839,890 shares
As of March 31, 2024	3,859,837 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	34,550,934 shares
Nine months ended December 31, 2023	36,030,624 shares

- \* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

- \* Explanation regarding appropriate use of earnings forecasts, and other special matters

Caution regarding 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.

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## 1. Summary of Operating Results, etc.

### (1) Summary of Operating Results for the Nine Months Ended December 31, 2024

During the nine months ended December 31, 2024 (the “period under review”), the Japanese economy saw a trend of gradual recovery against the backdrop of improvement in the employment and income environment and escalating demand from inbound tourists, among others. At the same time, however, the outlook remained uncertain due to factors such as the rapid exchange rate fluctuations, persistently high raw material prices and energy prices, and concerns over a downturn in consumer sentiment caused by the rise in the price of goods.

Under these circumstances, the Group formulated a new medium-term management plan encompassing three years beginning in April 2024, and has accordingly been working to create corporate value through sustainability management aimed at realizing a sustainable society, while enhancing its operations by continuing to intensively allocate its management resources in the senior-care business.

In terms of operating results of the Group in the period under review, performance was adversely affected by factors such as rising procurement costs due to the prolonged depreciation of yen, increasing personnel expenses due to wage hikes, and surging distribution costs, but the core welfare equipment rental business achieved robust growth and results from property transactions for hospitals and welfare facilities were strong. As a result, net sales amounted to 44,180 million yen, up 3.0% year on year, operating profit amounted to 3,269 million yen, up 4.2% year on year, ordinary profit amounted to 3,309 million yen, up 4.3% year on year, and profit attributable to owners of parent amounted to 2,082 million yen, up 6.1% year on year.

Effective from the first quarter of the fiscal year ending March 31, 2025, the fiscal year-end of HOMECARE SERVICE YAMAGUCHI Co., Ltd., a consolidated subsidiary, has been changed from October 31 to March 31 in alignment with the consolidated balance sheet date. Due to this change in the fiscal year-end, the consolidated financial results of the period under review encompass 11 months of profit and loss attributable to said consolidated subsidiary. Further details are presented in “(3) Notes Regarding Quarterly Consolidated Financial Statements (Changes in Scope of Consolidation or Scope of Application of the Equity Method) (Change in fiscal year of consolidated subsidiary)” under 2. Quarterly Consolidated Financial Statements and Primary Notes.

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

#### (i) Medical Services Business

In the core welfare equipment rental business, amid the increasing population of late elderly persons as the baby-boomer generation turns 75 years or older, we increased our number of bed rentals to elderly persons who need low-level care (needed support condition and condition of need for long-term care level 1) in order to meet the demand for home care for elderly persons who need medium- to high-level care under the long-term care insurance system, and also hired sales personnel to increase the number of continual rental contracts and upgraded our fleet of delivery vehicles. In addition, due to the lack of successors and other recent business succession issues, we focused on gaining rental contracts mainly by strengthening the transfer of customers from welfare equipment rental business operators.

In product development, we persisted with efforts to expand sales of the RaKuDa bed for home-care needs that can be delivered and assembled by one person targeting welfare equipment rental business operators. In addition, we launched sales in November of the TWIN WAVE TW-80 nursing-care mattress, which is made using the BREATHAIR® material developed by TOYOBO MC Corporation, features a reversible design that allows the sleep comfort to be adjusted, and is also excellent in terms of hygiene. Furthermore, applying the manufacturing method of a bedding manufacturer for high-grade down quilts, we launched sales in August of the MOFUPITA positioning cushions that provide benefits in nursing care settings, such as helping to prevent bedsores, and support caregivers.

In regard to hospitals and welfare facilities, amid the situation where issues such as the shortage of human resources for nursing care causing labor productivity improvement to be sought after, we continued sales promotion activities to put on track the sale of IoT-related equipment for reducing

workloads and achieving labor savings including beds fitted with the monitoring sensor M-2, and also the B-to-B rental business with products such as furniture and appliances for elderly care facilities.

As a result, the Medical Services Business recorded net sales of 29,275 million yen, up 4.7% year on year, and ordinary profit of 2,496 million yen, up 7.3% year on year.

(ii) Home Furnishings and Health Business

In the Home Furnishings and Health Business, as consumer sentiment toward durable consumer goods continues to fall and the number of furniture specialty stores in Japan continues to decrease, we focused on sales of high-performance higher-price-bracket products such as the motorized bed series as well as core products that include the LT (LIFE TREATMENT) Mattress premium model, LT LEGACY, mainly through our own showrooms, and in July, we opened the FRANCE BED Gallery Funabashi and the Saitama Showroom in order to increase the number of spaces that showcase the Group's products. Furthermore, in light of the rising percentage of elderly persons in non-urban regions and other factors, we opened the FRANCE BED Nagano Motorized Bed Showroom in November as a new community-based showroom that integrates the Group's two business segments.

Meanwhile, with the aim of increasing sales of our living room products, in May we opened in Minato-ku, Tokyo, our first sofa specialty showroom, which features products of the prominent South Korean JAKOMO sofa manufacturer as the main brand, and also set up JAKOMO Studio in-shop sofa studios at ten of the Group's showrooms in Japan.

In sales for hotels, despite the delays in new openings and renovation work due to rising hotel occupancy rates accompanying the increase in overseas visitors to Japan and domestic tourists as well as due to surging construction costs and other factors, there has been an increasing trend in orders due to recent improvement in the appetite for capital investment.

As a result, the Home Furnishings and Health Business posted net sales of 14,469 million yen, down 0.6% year on year, and ordinary profit of 798 million yen, down 5.8% year on year.

## (2) Summary of Financial Position for the Nine Months Ended December 31, 2024

### Assets

Total assets increased by 51 million yen from the end of the previous fiscal year ("the previous year-end"), to 68,626 million yen as of December 31, 2024. Current assets were down 262 million yen to 36,921 million yen from the previous year-end. This was primarily due to decreases of 4,864 million yen in cash and deposits and 1,165 million yen in notes and accounts receivable - trade (including electronically recorded monetary claims - operating), which were partially offset by increases of 4,500 million yen in securities and 1,102 million yen in inventories. Non-current assets increased by 323 million yen from the previous year-end to 31,660 million yen. This result was primarily due to the purchase and depreciation and amortization of property, plant and equipment, and intangible assets, and an increase in retirement benefit asset which is included in investments and other assets.

### Liabilities

Total liabilities decreased by 952 million yen from the previous year-end to 29,411 million yen. This result was primarily due to decreases of 758 million yen in provision for bonuses and 190 million yen in long-term borrowings, which were partially offset by an increase of 368 million yen in income taxes payable.

### Net assets

Net assets increased by 1,003 million yen from the previous year-end to 39,215 million yen. This was primarily due to the 2,082 million yen profit attributable to owners of parent, which was partially offset by a decrease resulting from the 1,347 million yen payment of dividends from surplus.

As a result, the equity-to-asset ratio increased from 55.7% at the previous year-end to 57.1%.

**(3) Explanation of Forward-looking Statements Including Consolidated Earnings Forecasts**

The consolidated earnings forecasts that we announced in the Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 on May 15, 2024 remain unchanged.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	10,702	5,837
Notes and accounts receivable - trade	9,941	8,788
Electronically recorded monetary claims - operating	1,066	1,053
Securities	6,000	10,500
Merchandise and finished goods	5,960	6,742
Work in process	380	498
Raw materials and supplies	2,095	2,296
Other	1,078	1,219
Allowance for doubtful accounts	(40)	(16)
Total current assets	37,184	36,921
Non-current assets		
Property, plant and equipment		
Land	7,211	7,291
Other, net	13,659	13,415
Total property, plant and equipment	20,870	20,706
Intangible assets		
Goodwill	691	515
Other	1,044	850
Total intangible assets	1,736	1,366
Investments and other assets	8,730	9,587
Total non-current assets	31,336	31,660
Deferred assets	53	44
Total assets	68,575	68,626
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,844	2,688
Electronically recorded obligations - operating	2,002	2,114
Short-term borrowings	2,070	2,070
Current portion of long-term borrowings	290	290
Income taxes payable	479	848
Provision for bonuses	1,567	808
Other provisions	17	11
Other	5,872	5,692
Total current liabilities	15,144	14,524
Non-current liabilities		
Bonds payable	1,500	1,500
Convertible-bond-type bonds with share acquisition rights	5,049	5,041
Long-term borrowings	4,810	4,620
Provisions	158	114
Retirement benefit liability	446	414
Asset retirement obligations	360	361
Other	2,894	2,833
Total non-current liabilities	15,219	14,887
Total liabilities	30,363	29,411



(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Net assets		
Shareholders' equity		
Share capital	3,000	3,000
Capital surplus	–	4
Retained earnings	37,755	38,489
Treasury shares	(4,170)	(4,145)
Total shareholders' equity	36,584	37,348
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(20)	(34)
Deferred gains or losses on hedges	37	10
Remeasurements of defined benefit plans	1,609	1,891
Total accumulated other comprehensive income	1,626	1,866
Total net assets	38,211	39,215
Total liabilities and net assets	68,575	68,626

**(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income****Quarterly Consolidated Statement of Income (Cumulative)**

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	42,885	44,180
Cost of sales	19,346	19,649
Gross profit	23,538	24,531
Selling, general and administrative expenses	20,402	21,262
Operating profit	3,136	3,269
Non-operating income		
Interest income	5	20
Dividend income	12	7
Share of profit of entities accounted for using equity method	–	18
Other	113	90
Total non-operating income	132	137
Non-operating expenses		
Interest expenses	62	57
Share of loss of entities accounted for using equity method	1	–
Other	33	39
Total non-operating expenses	97	96
Ordinary profit	3,171	3,309
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on sale of non-current assets	–	1
Loss on retirement of non-current assets	3	5
Loss on valuation of investment securities	0	–
Loss on sale of investment securities	–	0
Total extraordinary losses	3	6
Profit before income taxes	3,167	3,303
Income taxes - current	702	1,353
Income taxes - deferred	504	(131)
Total income taxes	1,207	1,221
Profit	1,960	2,082
Profit attributable to owners of parent	1,960	2,082

**Quarterly Consolidated Statement of Comprehensive Income (Cumulative)**

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	1,960	2,082
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	(14)
Deferred gains or losses on hedges	(0)	(27)
Remeasurements of defined benefit plans, net of tax	(322)	281
Total other comprehensive income	(324)	239
Comprehensive income	1,636	2,321
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,636	2,321
Comprehensive income attributable to non-controlling interests	–	–

**(3) Notes Regarding Quarterly Consolidated Financial Statements****Notes Regarding Changes in Accounting Policies**

*Application of Accounting Standard for Current Income Taxes, etc.*

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the first quarter of the fiscal year ending March 31, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment in the proviso of paragraph 65-2(2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022).

There is no impact on the quarterly consolidated financial statements as a result of this change in accounting policy.

**Notes on Segment Information, etc.**

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

Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(Millions of yen)

	Reporting segment			Other (Note 1)	Total	Adjustments (Note 2)	Amounts reported on quarterly consolidated statement of income (Note 3)
	Medical Services	Home Furnishings and Health	Total				
Net sales							
Sales to external customers	27,941	14,569	42,511	373	42,885	–	42,885
Internal sales among segments or transfers	5	231	237	5	243	(243)	–
Total	27,947	14,801	42,748	379	43,128	(243)	42,885
Segment profit (loss)	2,325	847	3,173	2	3,175	(4)	3,171

Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(Millions of yen)

	Reporting segment			Other (Note 1)	Total	Adjustments (Note 2)	Amounts reported on quarterly consolidated statement of income (Note 3)
	Medical Services	Home Furnishings and Health	Total				
Net sales							
Sales to external customers	29,275	14,469	43,745	434	44,180	–	44,180
Internal sales among segments or transfers	3	260	263	8	272	(272)	–
Total	29,279	14,730	44,009	443	44,453	(272)	44,180
Segment profit (loss)	2,496	798	3,295	2	3,298	11	3,309

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 (loss) (Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Elimination of inter-segment transactions	1,124	1,229
Corporate revenue and expenses*	(1,128)	(1,217)
Total	(4)	11

\* Corporate revenue and expenses are primarily revenue and expenses that do not belong to the reporting segments pertaining to the company submitting the consolidated financial statements.

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

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

The Company conducted a disposal of 23,300 treasury shares on July 22, 2024 based on a resolution adopted at the Board of Directors meeting held on June 28, 2024.

As a result, treasury shares decreased by 25 million yen in the period under review, to 4,145 million yen at the end of the period under review.

### Notes Regarding the Going Concern Assumption

Not applicable

### Notes Regarding Quarterly Consolidated Statement of Cash Flows

A quarterly consolidated statement of cash flows has not been prepared for the nine months ended December 31, 2024. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the nine months ended December 31, 2023 and 2024 are as follows:

	Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)
Depreciation	4,047	3,837
Amortization of goodwill	178	175

### Changes in Scope of Consolidation or Scope of Application of the Equity Method

#### *Change in fiscal year of consolidated subsidiary*

Effective from the first quarter of the fiscal year ending March 31, 2025, the fiscal year-end of HOMECARE SERVICE YAMAGUCHI Co., Ltd., a consolidated subsidiary, has been changed from October 31 to March 31 in alignment with the consolidated balance sheet date. The fiscal period for said consolidated subsidiary is to encompass 11 months with respect to the nine months ended December 31, 2024 due to this change in the fiscal year-end, and the effect associated with this change in the fiscal year-end has been adjusted through the quarterly consolidated statement of income.

Said consolidated subsidiary posted net sales of 415 million yen, operating profit of 71 million yen, ordinary profit of 73 million yen, and profit before income taxes of 72 million yen for the period from February 1, 2024 to March 31, 2024.