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November 7, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: FRANCE BED HOLDINGS CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 7840
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Scheduled date to file semi-annual securities report: November 14, 2025
Scheduled date to commence dividend payments: December 5, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and securities analysts)

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

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	29,259	0.0	1,782	(16.0)	1,765	(17.7)	1,047	(20.9)
September 30, 2024	29,250	3.1	2,124	4.3	2,145	3.6	1,325	6.1

Note: Comprehensive income For the six months ended September 30, 2025: ¥839 million [(18.5)%]
For the six months ended September 30, 2024: ¥1,031 million [(2.8)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	31.20	29.45
September 30, 2024	38.36	36.35

(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
September 30, 2025	67,084	39,158	58.3	1,173.36
March 31, 2025	70,888	40,607	57.2	1,175.06

Reference: Equity
As of September 30, 2025: ¥39,158 million
As of March 31, 2025: ¥40,607 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, 2025	—	17.00	—	23.00	40.00
Fiscal year ending March 31, 2026	—	17.00			
Fiscal year ending March 31, 2026 (Forecast)			—	24.00	41.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2026	62,300	2.8	4,750	1.1	4,750	1.3	3,050	3.5	88.25

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 semi-annual 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: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2025	34,747,500 shares
As of March 31, 2025	34,747,500 shares

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

As of September 30, 2025	1,374,846 shares
As of March 31, 2025	189,920 shares

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

Six months ended September 30, 2025	33,571,153 shares
Six months ended September 30, 2024	34,547,596 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* 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.

How to obtain supplementary material on financial results

The Company is scheduled to make a presentation of financial results for institutional investors and securities analysts on Thursday, November 27, 2025. The presentation's handout materials will be posted on the Company's website by the day before the presentation.

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1. Summary of Operating Results, etc.

(1) Summary of Operating Results for the Six Months Ended September 30, 2025

During the six months ended September 30, 2025 (the “period under review”), the Japanese economy remained on a path to gradual recovery against the backdrop of improvement in corporate earnings and the income environment. At the same time, however, the situation remains uncertain due to factors such as stagnant consumer spending resulting from continued rising prices and the impact of U.S. trade policy.

Under these circumstances, the Group formulated a 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 the period under review, the core welfare equipment rental business remained strong against the backdrop of a continuously expanding market environment, and showed steady growth. At the same time, however, the wholesale sales to furniture stores of the Home Furnishings and Health Business trended weakly due to the decrease in new housing starts and the decline in consumer confidence in durable consumer goods.

As a result, in terms of operating results of the Group, net sales amounted to 29,259 million yen, which remained flat year on year, operating profit amounted to 1,782 million yen, down 16.0% year on year, ordinary profit amounted to 1,765 million yen, down 17.7% year on year, and profit attributable to owners of parent amounted to 1,047 million yen, down 20.9% year on year.

Effective from the first quarter of the fiscal year ended 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 the eight months from February 1, 2024 to September 30, 2024, with respect to the six months ended September 30, 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 semi-annual 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. In regards to the Group’s year on year changes excluding this impact, net sales increased by 424 million yen, up 1.4% year on year, operating profit decreased by 270 million yen, down 13.1% year on year, and ordinary profit decreased by 306 million yen, down 14.8% year on year.

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. Additionally, in response to rising costs such as personnel expenses, we have initiated efforts to improve labor productivity by streamlining service centers with storage and maintenance functions and digitizing contract documents. Furthermore, with respect to the customer transfer initiatives, which are our main focus, we implemented a large-scale contract succession in June 2025 and thereby contributed to the expansion of rental sales.

For wholesale transactions for welfare equipment rental business operators, we launched an original model for rental wholesale companies to expand the sales of the wholesale-only “RaKuDa” bed.

In transactions for hospitals and elderly care facilities, we focused on selling IoT sensor-equipped beds and IoT equipment as products aimed at enhancing productivity in medical settings and streamlining operations through the introduction of care technology in nursing facilities.

In the linen supply business, demand has expanded against the backdrop of increased hygiene awareness since the COVID-19 pandemic, and in order to address this, we implemented capital investments to capture demand, including the opening of a new linen factory in Shizuoka Prefecture in April 2025.

As a result, the Medical Services Business recorded net sales of 19,824 million yen, up 1.7% year on year, and ordinary profit of 1,443 million yen, down 12.7% year on year.

In regards to the year on year changes excluding the impact associated with the change of fiscal year for the aforementioned consolidated subsidiary, net sales increased by 747 million yen, up 3.9% year on year, and ordinary profit decreased by 137 million yen, down 8.6% year on year.

(ii) Home Furnishings and Health Business

In the Home Furnishings and Health Business, as the number of furniture stores in Japan continues to decrease, under the concept of “continued daily cleanliness,” we focused on the sales of merchandise with high added value, such as the “BODY CONDITIONING MATTRESS,” a new product whose upper padding can be washed in cold water, and, the “LT LEGACY Mattress,” a premium model from the “LIFE TREATMENT” core product series, mainly through our showrooms across the country, and stimulated demand through efforts such as increasing the number of events held. However, severe conditions continued due to consumer sentiment toward durable consumer goods falling as a result of continuous price hikes and a decrease in customers visiting stores because of a record-breaking heat wave in the summer. To address this situation, we initiated structural reforms in Home Furnishings and Health Business, including the consolidation and reorganization of production bases, as announced on September 26, 2025.

In sales for hotels, sales grew due to the expansion of hotels using “HOTEL ECO COLLECTION” mattresses for Eco Mark-certified hotels, amid increasingly active capital investment in hotels as demand for accommodation remained strong due in part to the increase in the number of foreign visitors to Japan and the Osaka-Kansai Expo.

As a result, the Home Furnishings and Health Business posted net sales of 9,176 million yen, down 3.4% year on year, and ordinary profit of 337 million yen, down 30.9% year on year.

(2) Summary of Financial Position for the Six Months Ended September 30, 2025

Assets

Total assets decreased by 3,803 million yen from the end of the previous fiscal year (“the previous year-end”), to 67,084 million yen as of September 30, 2025. Current assets were down 3,520 million yen to 34,962 million yen from the previous year-end. This was primarily due to decreases of 986 million yen in cash and deposits, 1,101 million yen in trade receivables, and 1,500 million yen in securities. Non-current assets decreased by 276 million yen from the previous year-end to 32,086 million yen. This result was primarily due to the purchase and depreciation and amortization of property, plant and equipment, and intangible assets.

Liabilities

Total liabilities decreased by 2,354 million yen from the previous year-end to 27,926 million yen. This result was primarily due to decreases of 1,022 million yen in trade payables and 1,038 million yen in income taxes payable.

Net assets

Net assets decreased by 1,449 million yen from the previous year-end to 39,158 million yen. This was primarily due to decreases resulting from the 794 million yen payment of dividends from surplus and the 1,500 million yen purchase of treasury shares, which was partially offset by the 1,047 million yen profit attributable to owners of parent.

As a result, the equity-to-asset ratio increased from 57.2% at the previous year-end to 58.3%.

Cash flows

Cash and cash equivalents decreased by 986 million yen from the previous year-end to 12,236 million yen in the period under review. Details of individual cash flow items are as follows:

(i) Cash flows from operating activities

Net cash provided by operating activities amounted to 2,541 million yen, compared with 3,893 million yen for the same period of the previous fiscal year. Operating cash inflows included profit before income taxes of 1,764 million yen, the reporting of depreciation (a non-cash item) of 2,522 million yen, and a decrease in trade receivables of 1,101 million yen, which were partially offset by cash outflows that included income taxes paid of 1,524 million yen and a decrease in trade payables of 1,022 million yen.

(ii) Cash flows from investing activities

Net cash used in investing activities amounted to 1,366 million yen, compared with 3,438 million yen for the same period of the previous fiscal year. Investing cash outflows included purchase of securities of 2,500 million yen and purchase of property, plant and equipment of 2,753 million yen, which were partially offset by cash inflows that included redemption of securities of 4,000 million yen.

(iii) Cash flows from financing activities

Net cash used in financing activities amounted to 2,161 million yen, compared with 1,226 million yen for the same period of the previous fiscal year. Financing cash outflows included purchase of treasury shares of 1,502 million yen, repayments of finance lease liabilities of 1,446 million yen, and payment of cash dividends of 793 million yen, which were partially offset by cash inflows that included sales and leasebacks of 1,726 million yen.

(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, 2025 on May 15, 2025 remain unchanged.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheet

	(Millions of yen)	
	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	7,223	6,236
Notes and accounts receivable - trade, and contract assets	9,640	8,755
Electronically recorded monetary claims - operating	1,161	945
Securities	10,000	8,500
Merchandise and finished goods	6,517	6,277
Work in process	454	487
Raw materials and supplies	2,315	2,429
Other	1,173	1,333
Allowance for doubtful accounts	(2)	(2)
Total current assets	38,483	34,962
Non-current assets		
Property, plant and equipment		
Land	6,914	6,917
Other, net	13,707	13,851
Total property, plant and equipment	20,621	20,769
Intangible assets		
Goodwill	457	339
Other	844	707
Total intangible assets	1,301	1,047
Investments and other assets		
Retirement benefit asset	7,203	7,100
Other	3,236	3,168
Total investments and other assets	10,440	10,269
Total non-current assets	32,363	32,086
Deferred assets	41	34
Total assets	70,888	67,084
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,666	2,083
Electronically recorded obligations - operating	2,018	1,578
Short-term borrowings	1,540	1,540
Current portion of long-term borrowings	290	590
Income taxes payable	1,677	639
Provision for bonuses	1,642	1,606
Other provisions	15	8
Asset retirement obligations	14	—
Other	5,680	5,379
Total current liabilities	15,546	13,425
Non-current liabilities		
Bonds payable	1,500	1,500
Convertible-bond-type bonds with share acquisition rights	5,039	5,034
Long-term borrowings	4,520	4,075
Provisions	99	98
Retirement benefit liability	405	415
Asset retirement obligations	361	362
Other	2,808	3,015
Total non-current liabilities	14,734	14,500
Total liabilities	30,281	27,926

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Net assets		
Shareholders' equity		
Share capital	3,000	3,000
Capital surplus	—	0
Retained earnings	35,418	35,671
Treasury shares	(205)	(1,699)
Total shareholders' equity	38,213	36,972
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(33)	(16)
Deferred gains or losses on hedges	(10)	(2)
Remeasurements of defined benefit plans	2,437	2,205
Total accumulated other comprehensive income	2,393	2,186
Total net assets	40,607	39,158
Total liabilities and net assets	70,888	67,084

(2) Semi-annual Consolidated Statement of Income and Semi-annual Consolidated Statement of Comprehensive Income**Semi-annual Consolidated Statement of Income**

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	29,250	29,259
Cost of sales	13,022	12,806
Gross profit	16,228	16,452
Selling, general and administrative expenses	14,103	14,670
Operating profit	2,124	1,782
Non-operating income		
Interest income	10	33
Dividend income	6	6
Share of profit of entities accounted for using equity method	8	—
Other	61	58
Total non-operating income	87	99
Non-operating expenses		
Interest expenses	38	36
Compensation expenses	3	51
Other	23	28
Total non-operating expenses	65	115
Ordinary profit	2,145	1,765
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	4	2
Loss on sale of investment securities	0	—
Total extraordinary losses	6	2
Profit before income taxes	2,139	1,764
Income taxes - current	677	525
Income taxes - deferred	136	191
Total income taxes	814	716
Profit	1,325	1,047
Profit attributable to owners of parent	1,325	1,047

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	1,325	1,047
Other comprehensive income		
Valuation difference on available-for-sale securities	(13)	16
Deferred gains or losses on hedges	(49)	7
Remeasurements of defined benefit plans, net of tax	(231)	(231)
Total other comprehensive income	(294)	(207)
Comprehensive income	1,031	839
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,031	839
Comprehensive income attributable to non-controlling interests	—	—

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	2,139	1,764
Depreciation	2,574	2,522
Amortization of goodwill	117	117
Loss (gain) on sale of non-current assets	0	(0)
Loss on retirement of non-current assets	4	2
Increase (decrease) in allowance for doubtful accounts	(18)	(0)
Increase (decrease) in provision for bonuses	(31)	(36)
Increase (decrease) in provision for bonuses for directors (and other officers)	(10)	(7)
Increase (decrease) in retirement benefit liability	(39)	10
Decrease (increase) in retirement benefit asset	(238)	(231)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(48)	(1)
Loss (gain) on sale of investment securities	0	–
Interest and dividend income	(17)	(40)
Interest expenses	38	36
Share of loss (profit) of entities accounted for using equity method	(8)	–
Decrease (increase) in trade receivables	1,600	1,101
Decrease (increase) in inventories	(374)	92
Increase (decrease) in trade payables	(976)	(1,022)
Increase (decrease) in accrued expenses	(343)	(114)
Other, net	(97)	(129)
Subtotal	4,271	4,062
Interest and dividends received	15	42
Interest paid	(44)	(38)
Income taxes paid	(348)	(1,524)
Net cash provided by (used in) operating activities	3,893	2,541
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,346)	(2,753)
Proceeds from sale of property, plant and equipment	1	0
Purchase of securities	(4,500)	(2,500)
Proceeds from redemption of securities	3,500	4,000
Purchase of investment securities	–	(48)
Proceeds from sale of investment securities	0	–
Purchase of shares of subsidiaries and associates	(54)	–
Payments for asset retirement obligations	–	(14)
Proceeds from collection of loans receivable	3	5
Purchase of intangible assets	(43)	(57)
Net cash provided by (used in) investing activities	(3,438)	(1,366)
Cash flows from financing activities		
Repayments of long-term borrowings	(145)	(145)
Purchase of treasury shares	(0)	(1,502)
Proceeds from sale and leaseback transactions	1,224	1,726
Repayments of lease liabilities	(1,547)	(1,446)
Dividends paid	(758)	(793)
Net cash provided by (used in) financing activities	(1,226)	(2,161)
Net increase (decrease) in cash and cash equivalents	(771)	(986)
Cash and cash equivalents at beginning of period	13,202	13,223
Cash and cash equivalents at end of period	12,430	12,236

(4) Notes Regarding Semi-annual Consolidated Financial Statements**Notes on Segment Information, etc.**

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

Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

	Reporting segment			Other (Note 1)	Total	Adjustments (Note 2)	Amounts reported on semi-annual consolidated statement of income (Note 3)
	Medical Services	Home Furnishings and Health	Total				
Net sales							
Sales to external customers	19,491	9,505	28,997	252	29,250	–	29,250
Internal sales among segments or transfers	2	199	202	5	208	(208)	–
Total	19,494	9,705	29,199	258	29,458	(208)	29,250
Segment profit (loss)	1,653	489	2,142	1	2,144	0	2,145

Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

	Reporting segment			Other (Note 1)	Total	Adjustments (Note 2)	Amounts reported on semi-annual consolidated statement of income (Note 3)
	Medical Services	Home Furnishings and Health	Total				
Net sales							
Sales to external customers	19,824	9,176	29,000	258	29,259	–	29,259
Internal sales among segments or transfers	1	223	224	6	231	(231)	–
Total	19,826	9,399	29,225	265	29,490	(231)	29,259
Segment profit (loss)	1,443	337	1,781	1	1,782	(16)	1,765

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)	
	Six months ended September 30, 2024	Six months ended September 30, 2025		
Elimination of inter-segment transactions	842	867		
Corporate revenue and expenses*	(841)	(884)		
Total	0	(16)		

* 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 semi-annual consolidated statement of income.

Notes Regarding Significant Changes in the Amount of Shareholders' Equity

The Company conducted a purchase of 1,184,800 treasury shares based on a resolution adopted at the Board of Directors meeting held on May 15, 2025.

In addition, the Company conducted a disposal of 4,800 treasury shares on July 22, 2025 based on a resolution adopted at the Board of Directors meeting held on June 27, 2025.

As a result, treasury shares increased by 1,494 million yen in the period under review, to 1,699 million yen at the end of the period under review.

Notes Regarding the Going Concern Assumption

Not applicable