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May 15, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

Company name: FRANCE BED HOLDINGS CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 7840
 URL: <https://www.francebed-hd.co.jp>
 Representative: Shigeru Ikeda, Representative Director, Chairman and President
 Inquiries: Akihiko Osada, Director (in charge of Accounting/General Affairs Group)
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 Scheduled date of annual general meeting of shareholders: June 25, 2024
 Scheduled date to commence dividend payments: June 26, 2024
 Scheduled date to file annual securities report: June 25, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(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	%
Fiscal year ended March 31, 2024	59,151	0.9	4,587	2.3	4,657	3.8	3,134	15.9
March 31, 2023	58,578	7.6	4,481	14.3	4,485	13.2	2,702	5.6

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥3,402 million [54.8%]
 For the fiscal year ended March 31, 2023: ¥2,197 million [(2.8)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	87.28	86.85	8.2	6.9	7.7
March 31, 2023	74.80	—	7.1	6.9	7.6

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2024: ¥34 million
 For the fiscal year ended March 31, 2023: ¥4 million

(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
March 31, 2024	68,575	38,211	55.7	1,106.37
March 31, 2023	64,679	38,124	58.9	1,058.41

Reference: Equity
 As of March 31, 2024: ¥38,211 million
 As of March 31, 2023: ¥38,124 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	7,829	(5,616)	633	13,202
March 31, 2023	8,928	(6,691)	(2,659)	10,355

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	–	16.00	–	20.00	36.00	1,296	48.1	3.4
Fiscal year ended March 31, 2024	–	17.00	–	22.00	39.00	1,372	44.6	3.6
Fiscal year ending March 31, 2025 (Forecast)	–	17.00	–	22.00	39.00		44.8	

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

* **Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2024	38,397,500 shares
As of March 31, 2023	41,397,500 shares

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

As of March 31, 2024	3,859,837 shares
As of March 31, 2023	5,377,343 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	35,907,080 shares
Fiscal year ended March 31, 2023	36,121,556 shares

* Financial results reports are exempt from audit 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 Friday, May 31, 2024. The presentation's handout materials will be posted on the Company's website by the day before the presentation.

Consolidated Financial Statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	9,355	10,702
Notes receivable - trade	557	488
Accounts receivable - trade	8,925	9,452
Electronically recorded monetary claims - operating	1,025	1,066
Securities	3,500	6,000
Merchandise and finished goods	5,880	5,960
Work in process	373	380
Raw materials and supplies	2,128	2,095
Other	1,257	1,078
Allowance for doubtful accounts	(38)	(40)
Total current assets	32,966	37,184
Non-current assets		
Property, plant and equipment		
Assets for lease	5,088	5,313
Accumulated depreciation	(3,488)	(3,654)
Assets for lease, net	1,599	1,659
Buildings and structures	17,888	18,556
Accumulated depreciation	(11,879)	(11,990)
Buildings and structures, net	6,009	6,566
Machinery, equipment and vehicles	5,678	5,787
Accumulated depreciation	(4,399)	(4,537)
Machinery, equipment and vehicles, net	1,279	1,250
Tools, furniture and fixtures	3,255	3,451
Accumulated depreciation	(2,902)	(3,014)
Tools, furniture and fixtures, net	353	436
Land	7,197	7,211
Leased assets	14,965	14,673
Accumulated depreciation	(10,455)	(11,035)
Leased assets, net	4,509	3,637
Construction in progress	120	108
Total property, plant and equipment	21,069	20,870
Intangible assets		
Goodwill	929	691
Leased assets	513	358
Software	601	665
Other	179	20
Total intangible assets	2,225	1,736
Investments and other assets		
Investment securities	519	535
Long-term loans receivable	72	62
Deferred tax assets	2,043	1,639
Retirement benefit asset	4,725	5,437
Other	1,110	1,137
Allowance for doubtful accounts	(85)	(82)
Total investments and other assets	8,385	8,730
Total non-current assets	31,680	31,336

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Deferred assets		
Bond issuance costs	33	53
Total deferred assets	33	53
Total assets	64,679	68,575

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,658	2,844
Electronically recorded obligations - operating	1,868	2,002
Short-term borrowings	2,550	2,070
Current portion of long-term borrowings	200	290
Current portion of bonds payable	300	–
Lease liabilities	3,078	2,540
Income taxes payable	1,069	479
Accrued consumption taxes	427	235
Contract liabilities	284	234
Provision for bonuses	1,538	1,567
Provision for bonuses for directors (and other officers)	16	17
Asset retirement obligations	71	–
Other	2,657	2,863
Total current liabilities	16,721	15,144
Non-current liabilities		
Bonds payable	1,500	1,500
Convertible-bond-type bonds with share acquisition rights	–	5,049
Long-term borrowings	3,900	4,810
Lease liabilities	2,808	2,064
Deferred tax liabilities	18	22
Provision for retirement benefits for directors (and other officers)	141	149
Provision for contingent loss	8	8
Retirement benefit liability	507	446
Asset retirement obligations	340	360
Other	608	808
Total non-current liabilities	9,833	15,219
Total liabilities	26,555	30,363
Net assets		
Shareholders' equity		
Share capital	3,000	3,000
Capital surplus	1	–
Retained earnings	38,706	37,755
Treasury shares	(4,941)	(4,170)
Total shareholders' equity	36,766	36,584
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(22)	(20)
Deferred gains or losses on hedges	12	37
Remeasurements of defined benefit plans	1,367	1,609
Total accumulated other comprehensive income	1,358	1,626
Total net assets	38,124	38,211
Total liabilities and net assets	64,679	68,575

(2) Consolidated statement of income and consolidated statement of comprehensive income
Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	58,578	59,151
Cost of sales	27,384	27,261
Gross profit	31,194	31,889
Selling, general and administrative expenses	26,713	27,302
Operating profit	4,481	4,587
Non-operating income		
Interest income	5	8
Dividend income	13	12
Share of profit of entities accounted for using equity method	4	34
Compensation income	27	40
Other	133	136
Total non-operating income	185	233
Non-operating expenses		
Interest expenses	91	83
Compensation expenses	16	36
Other	73	42
Total non-operating expenses	181	163
Ordinary profit	4,485	4,657
Extraordinary income		
Gain on sale of non-current assets	2	8
Gain on sale of investment securities	1	214
Gain on sales of investments in capital of subsidiaries and associates	16	-
Insurance claim income	148	-
Total extraordinary income	168	222
Extraordinary losses		
Loss on sale of non-current assets	8	-
Loss on retirement of non-current assets	23	170
Loss on valuation of investment securities	219	0
Loss on valuation of investments in capital of subsidiaries and associates	9	-
Impairment losses	26	-
Total extraordinary losses	287	171
Profit before income taxes	4,366	4,708
Income taxes - current	1,591	1,284
Income taxes - deferred	72	289
Total income taxes	1,664	1,574
Profit	2,702	3,134
Profit attributable to owners of parent	2,702	3,134

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	2,702	3,134
Other comprehensive income		
Valuation difference on available-for-sale securities	11	1
Deferred gains or losses on hedges	(40)	24
Remeasurements of defined benefit plans, net of tax	(475)	242
Total other comprehensive income	(504)	268
Comprehensive income	2,197	3,402
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,197	3,402
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statement of changes in equity

FY2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,000	1	37,236	(4,560)	35,677
Changes during period					
Dividends of surplus			(1,232)		(1,232)
Profit attributable to owners of parent			2,702		2,702
Purchase of treasury shares				(381)	(381)
Disposal of treasury shares					–
Cancellation of treasury shares					–
Transfer from retained earnings to capital surplus					–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,469	(381)	1,088
Balance at end of period	3,000	1	38,706	(4,941)	36,766

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	(34)	53	1,843	1,862	37,540
Changes during period					
Dividends of surplus					(1,232)
Profit attributable to owners of parent					2,702
Purchase of treasury shares					(381)
Disposal of treasury shares					–
Cancellation of treasury shares					–
Transfer from retained earnings to capital surplus					–
Net changes in items other than shareholders' equity	11	(40)	(475)	(504)	(504)
Total changes during period	11	(40)	(475)	(504)	584
Balance at end of period	(22)	12	1,367	1,358	38,124

FY2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,000	1	38,706	(4,941)	36,766
Changes during period					
Dividends of surplus			(1,333)		(1,333)
Profit attributable to owners of parent			3,134		3,134
Purchase of treasury shares				(2,000)	(2,000)
Disposal of treasury shares		3		14	18
Cancellation of treasury shares		(2,756)		2,756	–
Transfer from retained earnings to capital surplus		2,752	(2,752)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	(1)	(951)	771	(181)
Balance at end of period	3,000	–	37,755	(4,170)	36,584

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	(22)	12	1,367	1,358	38,124
Changes during period					
Dividends of surplus					(1,333)
Profit attributable to owners of parent					3,134
Purchase of treasury shares					(2,000)
Disposal of treasury shares					18
Cancellation of treasury shares					–
Transfer from retained earnings to capital surplus					–
Net changes in items other than shareholders' equity	1	24	242	268	268
Total changes during period	1	24	242	268	87
Balance at end of period	(20)	37	1,609	1,626	38,211

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	4,366	4,708
Depreciation	5,562	5,363
Impairment losses	26	–
Amortization of goodwill	237	237
Loss (gain) on sale of non-current assets	6	(8)
Loss on retirement of non-current assets	23	170
Increase (decrease) in allowance for doubtful accounts	(46)	(1)
Increase (decrease) in provision for bonuses	114	28
Increase (decrease) in provision for bonuses for directors (and other officers)	(0)	0
Increase (decrease) in retirement benefit liability	5	(61)
Decrease (increase) in retirement benefit asset	(398)	(362)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(46)	8
Loss (gain) on sale of investment securities	(1)	(214)
Loss (gain) on valuation of investment securities	219	0
Interest and dividend income	(19)	(21)
Interest expenses	91	83
Insurance claim income	(148)	–
Share of loss (profit) of entities accounted for using equity method	(4)	(34)
Loss (gain) on sales of investments in capital of subsidiaries and associates	(16)	–
Loss on valuation of investments in capital of subsidiaries and associates	9	–
Decrease (increase) in trade receivables	(325)	(499)
Decrease (increase) in inventories	20	(52)
Increase (decrease) in trade payables	(322)	319
Increase (decrease) in accrued expenses	241	59
Other, net	398	(146)
Subtotal	9,993	9,579
Interest and dividends received	19	20
Interest paid	(89)	(82)
Income taxes paid	(1,042)	(1,688)
Proceeds from insurance income	148	–
Payments associated with disaster loss	(101)	–
Net cash provided by (used in) operating activities	8,928	7,829

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,438)	(4,546)
Proceeds from sale of property, plant and equipment	183	9
Purchase of securities	(5,700)	(7,000)
Proceeds from redemption of securities	3,700	6,000
Proceeds from sale of investment securities	1	234
Purchase of investments in other securities of subsidiaries and associates	–	(31)
Proceeds from sale of investments in capital of subsidiaries and associates	25	–
Loan advances	(34)	–
Proceeds from collection of loans receivable	7	7
Purchase of intangible assets	(361)	(218)
Payments for asset retirement obligations	(72)	(71)
Other, net	(3)	1
Net cash provided by (used in) investing activities	(6,691)	(5,616)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,425)	(480)
Proceeds from long-term borrowings	2,000	1,200
Repayments of long-term borrowings	(262)	(200)
Proceeds from issuance of bonds	1,465	–
Redemption of bonds	(2,100)	(300)
Proceeds from issuance of convertible bond-type bonds with share acquisition rights	–	5,021
Purchase of treasury shares	(382)	(2,004)
Proceeds from sale and leaseback transactions	2,980	2,188
Repayments of lease liabilities	(3,703)	(3,460)
Dividends paid	(1,230)	(1,330)
Net cash provided by (used in) financing activities	(2,659)	633
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	(422)	2,846
Cash and cash equivalents at beginning of period	10,778	10,355
Cash and cash equivalents at end of period	10,355	13,202