



PARAMOUNT BED
HOLDINGS

Financial Results Briefing for the Fiscal Year Ending March 2021 (FYE 3/2021)

April 1, 2020 ~ March 31, 2021

May 20, 2021

Securities code: 7817

Paramount Bed Holdings Co., Ltd.

as human, for human

Impact of COVID-19

The impact on production is minor.

In sales, the impact on the medical area is significant.

It will be necessary to continue monitoring the impact on sales and delivery activities in future.

Results for the Fiscal Year Ended March 31, 2021

Sales and profits increased. Operating income reached a new record level for the first time in seven years since the year ended March 31, 2014.

The year-end dividend increased by 3 yen.

Change of Period of Paramount Vision 2030 Medium-Term Management Plan and Publication of Performance Targets

The final year of Phase I of the Vision was changed to the year ending March 31, 2024.

The Company is aiming for 89 billion yen in sales and 12 billion yen in operating income in the year ending March 31, 2024.

We will accelerate investment in the strengthening of the foundation for growth from Phase II.

Impact on production

As a result, the impact was minor. We will continue to maintain stable supply by strengthening ties with parts and materials suppliers.

Impact on marketing (Medical care business)

The management of many hospitals remains in trouble. Some have requested the delay of deliveries in order to prevent infection. Overseas, although the conditions vary depending on the country, it will take time for sales activities to be normalized.

Impact on marketing (Nursing care business)

Although there were temporary disruptions and restrictions on sales activities, the impact on performance was minor. Contributions were made by sales of products such as “Nemuri SCAN”, “Rakusho Plus” and “cococia Riraku flow”.

Impact on marketing (Health promotion business)

Stay-at-home demand has been captured by strengthening promotions.

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1. Overview of Results for the Fiscal Year Ended March 31, 2021

1-1. Overview of Results for the Fiscal Year Ended March 31, 2021

Sales and profits increased, with operating and ordinary income reaching record levels

The year-end dividend increased by 3 yen. The annual dividend was 103 yen per share.

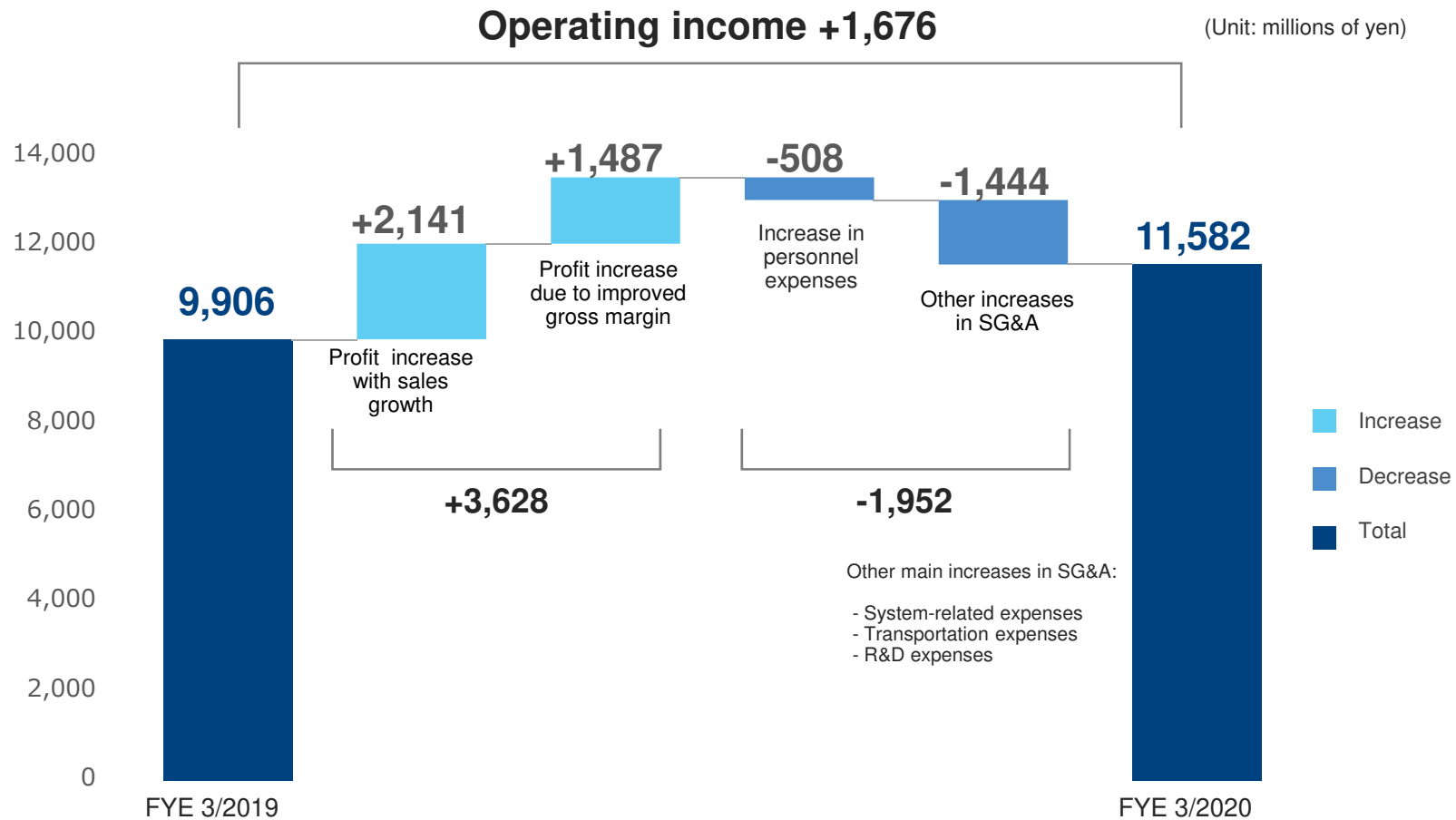
(Unit: millions of yen)

	FYE 3/2020	FYE 3/2021			
	Results	Budget	Results	% to Budget	YoY Change
Net sales	82,379	84,000	87,171	+3.8%	+5.8%
Operating income (Operating margin)	9,906 (12.0%)	10,800 (12.9%)	11,582 (13.3%)	+7.2%	+16.9%
Ordinary income (Ordinary margin)	10,145 (12.3%)	11,200 (13.3%)	13,461 (15.4%)	+20.2%	+32.7%
Profit attributable to owners of Parent(Net Income) (Net margin)	7,043 (8.5%)	7,000 (8.3%)	8,611 (9.9%)	+23.0%	+22.3%
Annual Dividend	100 yen	-	103 yen	-	+3.0%

1-2. Factors Causing Changes in Operating Income

Gross margin improved by 1.7 points due to factors such as an increase in product sales

In SG&A, personnel expenses mainly in rental wholesales, system-related expenses and transportation expenses increased.



1-3. Financial Status

Net assets increased by ¥6,756 million (vs. previous fiscal year-end)

(Unit: millions of yen)

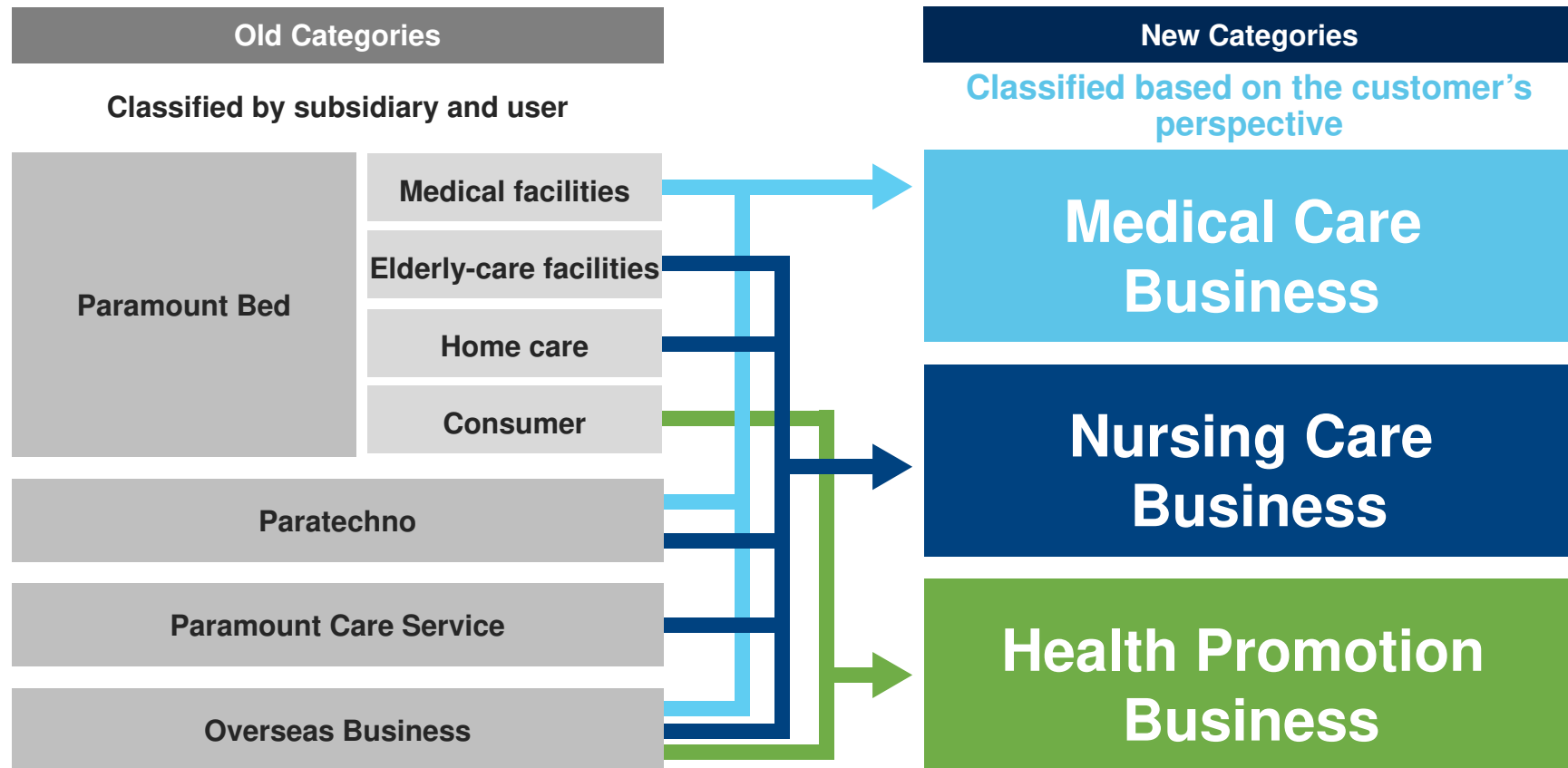
	March 31, 2020	March 31, 2021	Change	YoY Change
Current assets	76,848	86,144	+9,296	+12.1%
Non-current assets	67,409	68,213	+804	+1.2%
Total assets	144,257	154,358	+10,101	+7.0%
Current liabilities	22,212	23,720	+1,508	+6.8%
Non-current liabilities	14,978	16,814	+1,836	+12.3%
Total liabilities	37,191	40,535	+3,344	+9.0%
Net assets	107,066	113,822	+6,756	+6.3%
Total liabilities and net assets	144,257	154,358	+3,344	+7.0%

2. Overview by Business

2-0. Changes to business categories in new medium-term plan

Change to customer-centric business categorization

Shift to new categories of Medical care business, Nursing care business, and Health promotion business



2-1. Medical Care Business

Decreased despite a recovery in the second half

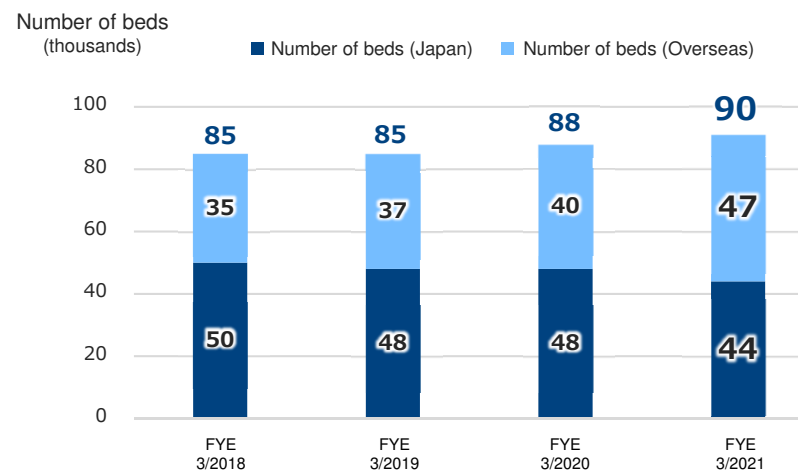
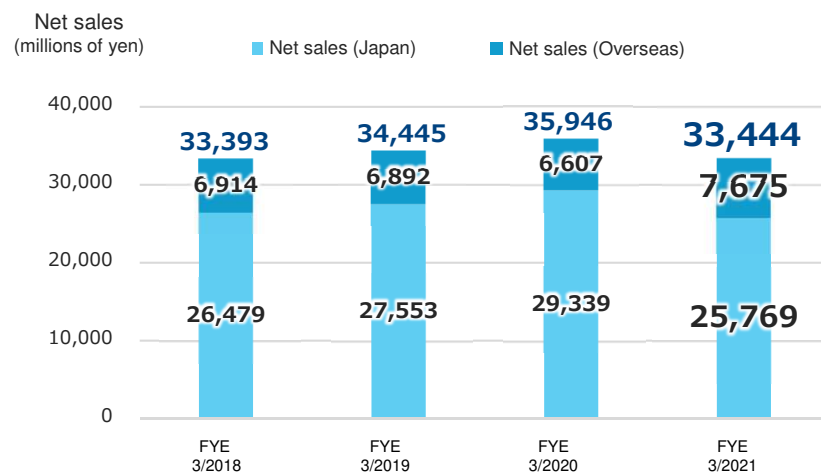
Domestic results were almost in line with the figures announced in October. Maintenance was solid. The number of units sold overseas surpassed Japan for the first time due to immediate hospital bed demands in some countries.

(Unit: millions of yen)

	FYE3/2018	FYE3/2019	FYE3/2020	FYE3/2021	
				Results	YoY
Net sales	33,393	34,445	35,946	33,444	-7%
Japan	26,479	27,553	29,339	25,769	-12%
Overseas	6,914	6,892	6,607	7,675	+16%

(Units: thousands, fractions rounded)

	FYE3/2018	FYE3/2019	FYE3/2020	FYE3/2021	
				Results	YoY
Number of beds sold	85	85	88	90	+3%
Japan	50	48	48	44	-8%
Overseas	35	37	40	47	+17%



2-2. Nursing Care Business

Revenues for nursing home also recovered, resulting +13% in total sales

Sales for nursing home were up 10% year-on-year. Nemuri SCAN totaled 36,000 units.

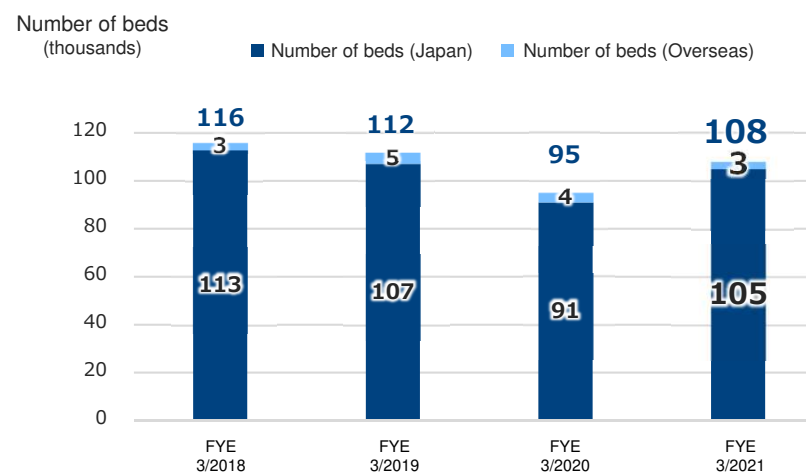
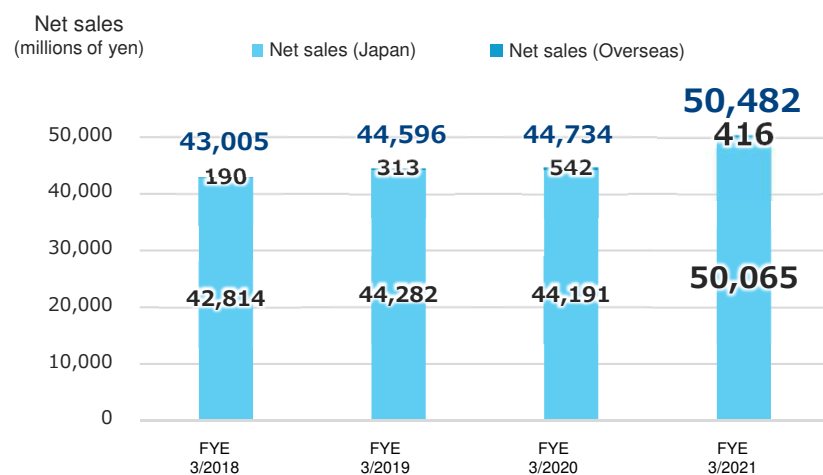
New beds for home care performed well, up 14% year-on-year. Rental wholesale also performed well. New mattresses contributed.

(Unit: millions of yen)

	FYE3/2018	FYE3/2019	FYE3/2020	FYE3/2021	
				Results	YoY
Net sales	43,005	44,596	44,734	50,482	+13%
Japan	42,814	44,282	44,191	50,065	+13%
Overseas	190	313	542	416	-23%

(Units: thousands, fractions rounded)

	FYE3/2018	FYE3/2019	FYE3/2020	FYE3/2021	
				Results	YoY
Number of beds sold	116	112	95	108	+13%
Japan	113	107	91	105	+15%
Overseas	3	5	4	3	-37%



2-3. Health Promotion Business

Net sales increased by 29%

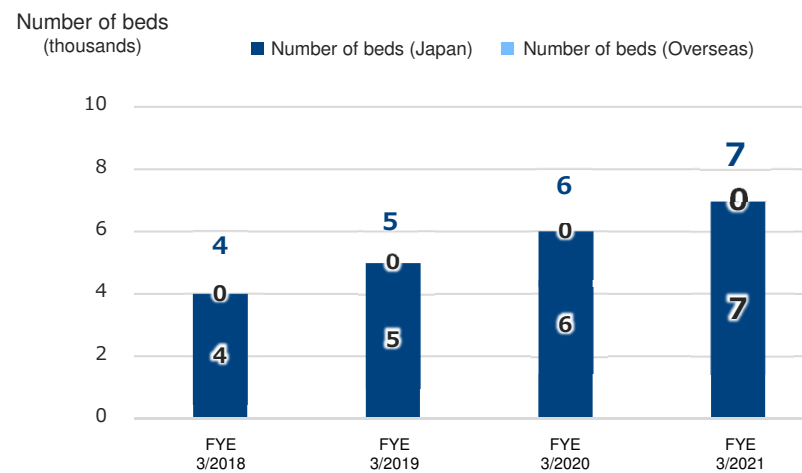
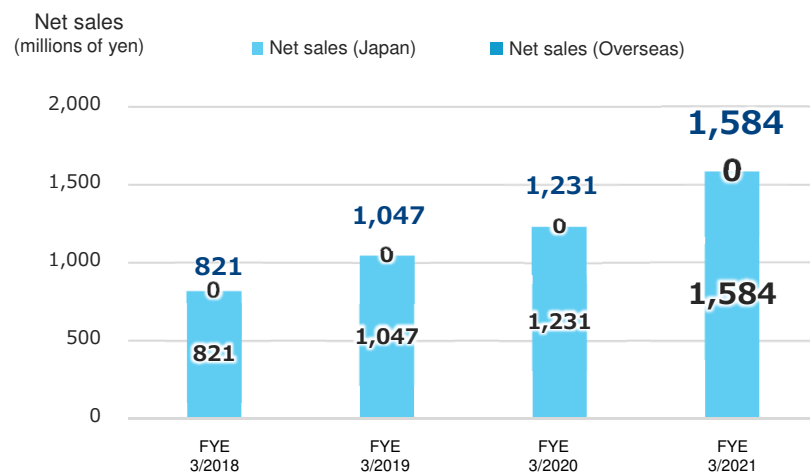
The television commercial was renewed. SNS-related PR was strengthened. Stay-at-home demand was captured.

(Unit: millions of yen)

	FYE3/2018	FYE3/2019	FYE3/2020	FYE3/2021	
				Results	YoY
Net sales	821	1,047	1,231	1,584	+29%
Japan	821	1,047	1,231	1,584	+29%
Overseas	0	0	0	0	0%

(Units: thousands, fractions rounded)

	FYE3/2018	FYE3/2019	FYE3/2020	FYE3/2021	
				Results	YoY
Number of beds sold	4	5	6	7	+26%
Japan	4	5	6	7	+26%
Overseas	0	0	0	0	0%



2-4. List by Business

The figures for “Other” are for Sadashige Special Plywood, which became a subsidiary in October 2019. It contributed for the entire year in the fiscal year ended March 31, 2021.

Net sales

(Units: millions of yen)

	FYE3/2020	FYE3/2021	
	Results	Results	YoY
Medical Care Business	35,946	33,444	-7%
Japan	29,339	25,769	-12%
Overseas	6,607	7,675	+16%
Nursing Care Business	44,734	50,482	+13%
Japan	44,191	50,065	+13%
Overseas	542	416	-23%
Health Promotion Business	1,231	1,584	+29%
Japan	1,231	1,584	+29%
Overseas	0	0	0%
Others	467	1,659	+255%
Total	82,379	87,171	+6%

Number of beds Sales

(Units: thousands, fractions rounded)

	FYE3/2020	FYE3/2021	
	Results	Results	YoY
	88	90	+3%
	48	44	-8%
	40	47	+17%
	95	108	+13%
	91	105	+15%
	2	3	-37%
	6	7	+26%
	6	7	+26%
	0	0	0%
	-	-	-
	188	205	+9%

*Number of beds sales include sales to companies within the group.

2-5. Overseas by Region

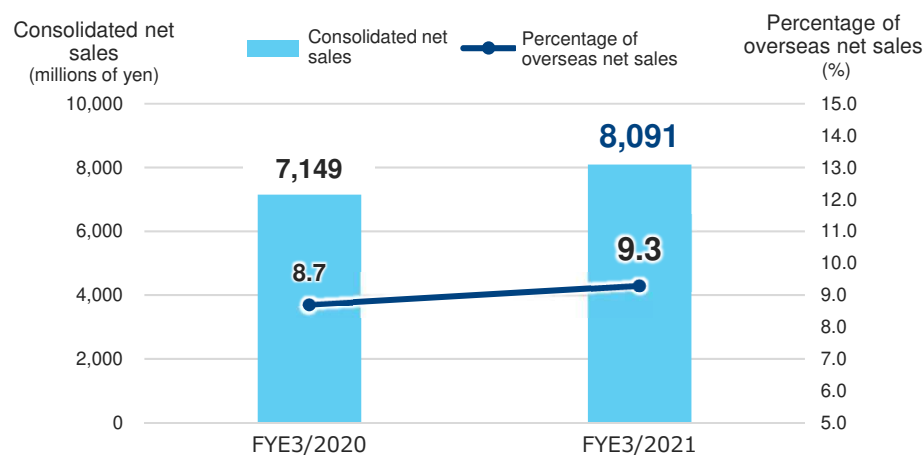
Up 13% year-on-year

There was immediate for hospital beds in locations such as Indonesia and Mexico. Although China was directly hit by the lockdown in the first half, it recovered in the second half and increased year-on-year.

(Unit : millions of yen)	FYE3/2020	FYE3/2021	YoY
Consolidated overseas net sales	7,149	8,091	+13%
Percentage of overseas net sales	8.7%	9.3%	-

Consolidated overseas sales by region

(Unit : millions of yen)	FYE3/2020	FYE3/2021	YoY
Asia	6,429	6,914	+8%
Indonesia	2,343	3,057	+30%
China	2,157	2,199	+2%
Other Asia	1,928	1,656	-14%
Middle East	150	222	+48%
Central and South America	418	808	+93%
Other	152	147	-3%



3. Outlook for the Fiscal Year ending March 31, 2022

3-1. Outlook of financial performance

The “Accounting Standard for Revenue Recognition” will apply from the current fiscal year.

Dividends are planned to be 53 yen per share. This is an increase after taking into account the stock split.

(Unit: millions of yen)

	FYE3/2021	FYE3/2022			YoY ^{*1}
	Results	First half	Second half	Full year forecast	
Net sales	87,171	39,000	42,000	81,000	—
Operating income (Operating income margin)	11,582 (13.3%)	5,000 (12.8%)	5,600 (13.3%)	10,600 (13.1%)	—
Ordinary income (Ordinary income margin)	13,461 (15.4%)	5,250 (13.5%)	5,750 (13.7%)	11,000 (13.6%)	—
Profit attributable to owners of parent (Net profit margin)	8,611 (9.9%)	3,450 (8.8%)	3,750 (8.9%)	7,200 (8.9%)	—
Dividend	103yen	26yen	27yen	53yen	—

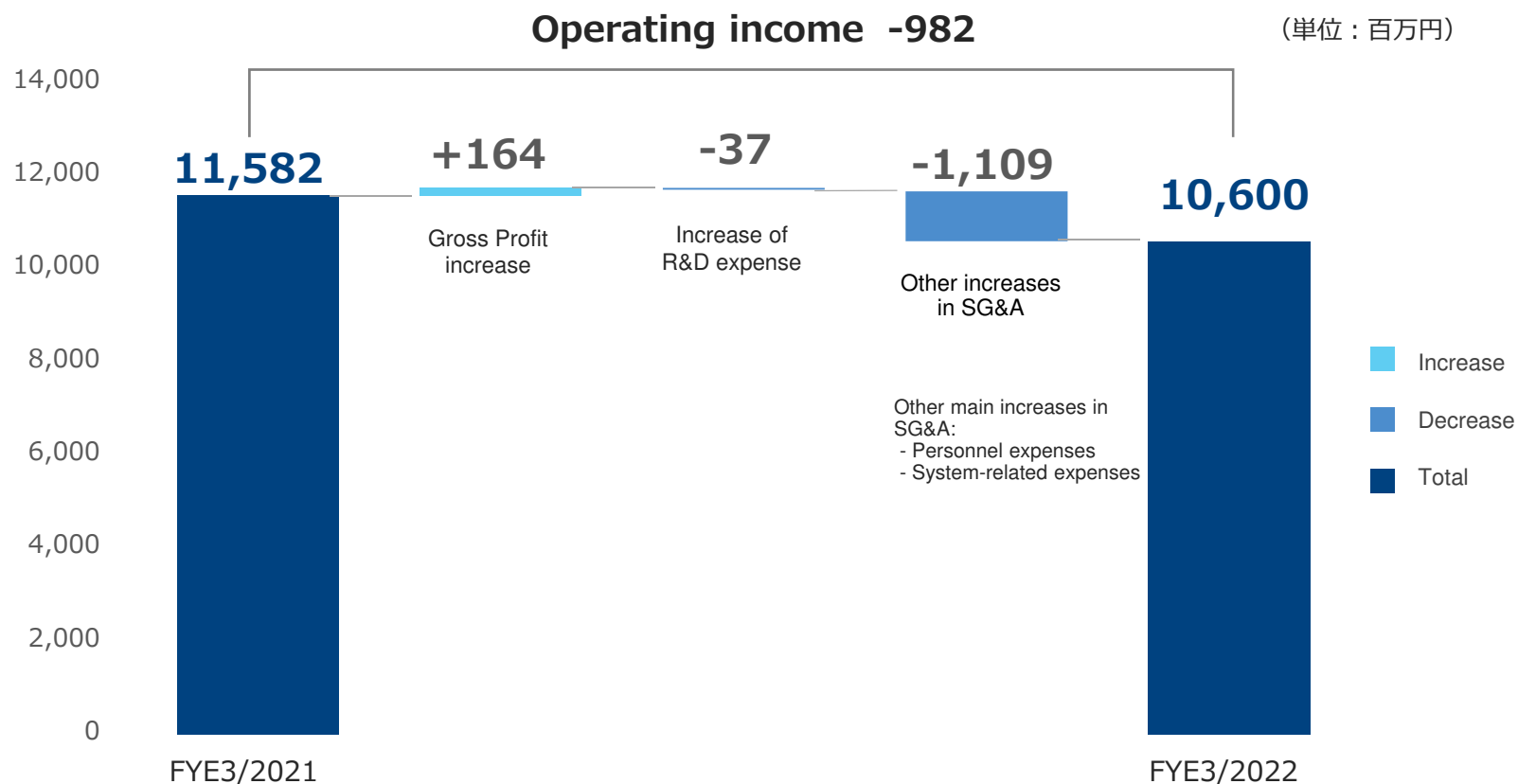
*1: The year-on-year change is not shown because the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) will be applied from the fiscal year ending March 31, 2022.

*2: A 1:2 stock split of common shares was carried out effective April 1, 2021. The results for the fiscal year ended March 31, 2021 are the actual figures prior to the split.

3-2. Factors Causing Changes in Operating Income

Gross profit will increase slightly

Operating income will decrease due to an increase in expenses aimed at future growth.



3-3. Outlook for Medical Care Business

The domestic environment will continue to be harsh

We will expand sales of “Nemuri SCAN” for medical facilities.

Renewal and service demand will be stimulated from maintenance operations.

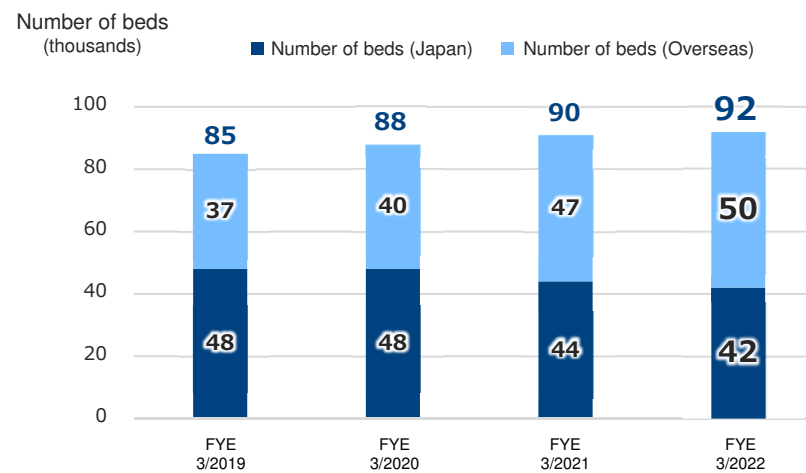
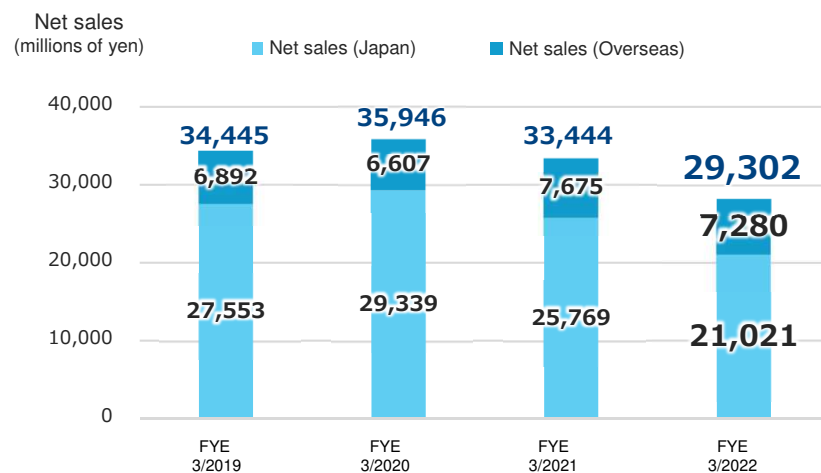
Overseas, we will capture projects for increasing ICU beds, etc. centered on China.

(Unit: millions of yen)

	FYE3/2019	FYE3/2020	FYE3/2021	FYE3/2022	
				Forecast	YoY
Net sales	34,445	35,946	33,444	29,302	-
Japan	27,553	29,339	25,769	21,021	-
Overseas	6,892	6,607	7,675	7,280	-

(Units: thousands, fractions rounded)

	FYE3/2019	FYE3/2020	FYE3/2021	FYE3/2022	YoY
Number of beds sold	85	88	90	92	+1%
Japan	48	48	44	42	-4%
Overseas	37	40	47	50	+7%



*The year-on-year change is not shown because the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) will be applied from the fiscal year ending March 31, 2022.

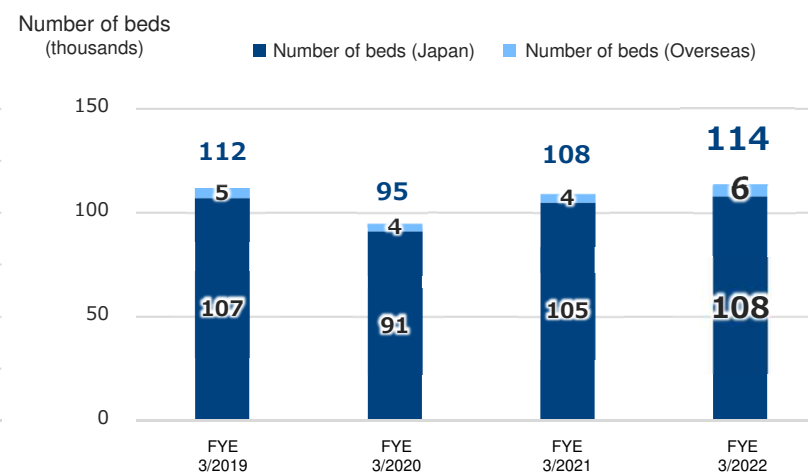
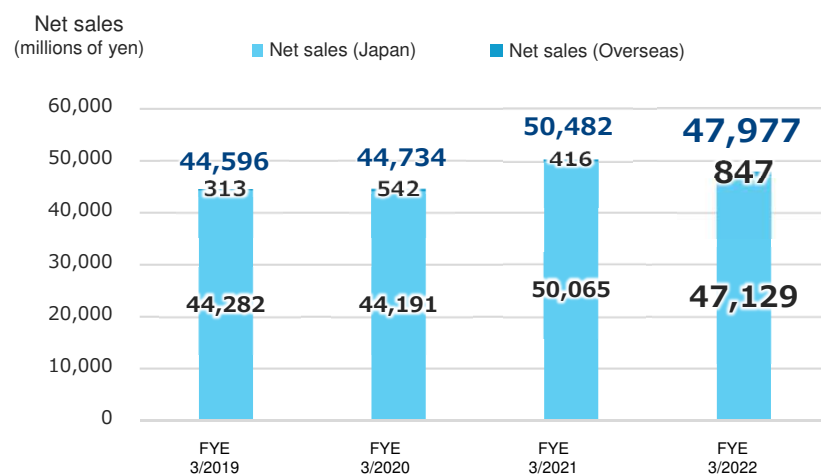
3-4. Outlook for Nursing Care Business

Although the effect of new products has run its course, there will be an increase in the total number of units

(Unit: millions of yen)	FYE3/2019	FYE3/2020	FYE3/2021	FYE3/2022	
				Forecast	YoY
Net sales	44,596	44,734	50,482	47,977	-
Japan	44,282	44,191	50,065	47,129	-
Overseas	313	542	416	847	-

Rentals will remain solid. Although there will be a decrease in major orders of Nemuri SCAN, over 39,000 units are projected to be sold.

(Units: thousands, fractions rounded)					
	FYE3/2019	FYE3/2020	FYE3/2021	FYE3/2022	YoY
Number of beds sold	112	95	108	114	+6%
Japan	107	91	105	108	+3%
Overseas	5	4	3	6	+119%



*The year-on-year change is not shown because the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) will be applied from the fiscal year ending March 31, 2022.

3-5. Outlook for Health Promotion Business

Continued growth is forecasted

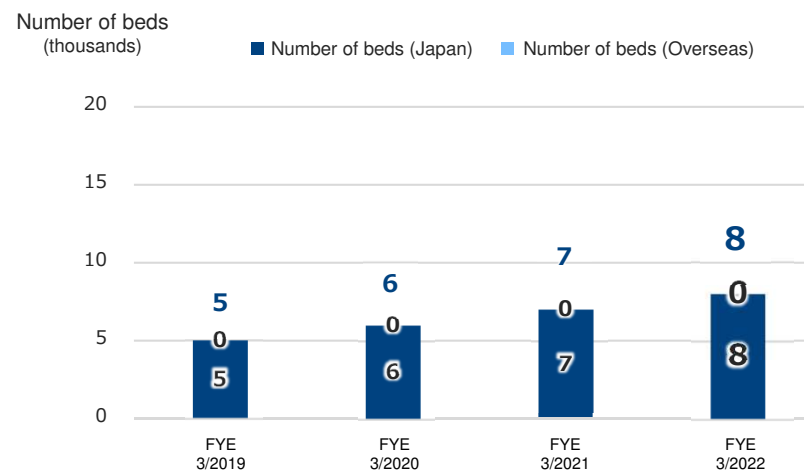
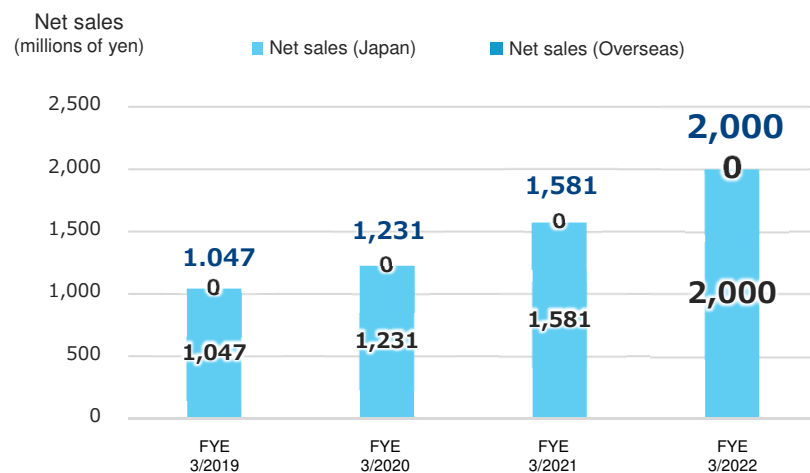
We will strengthen SNS-related PR. Also launch new apps and services.

(Unit: millions of yen)

	FYE3/2019	FYE3/2020	FYE3/2021	FYE3/2022	
				Forecast	YoY
Net sales	1,047	1,231	1,581	2,000	-
Japan	1,047	1,231	1,581	2,000	-
Overseas	0	0	0	0	-

(Units: thousands, fractions rounded)

	FYE3/2019	FYE3/2020	FYE3/2021	FYE3/2022	
				Forecast	YoY
Number of beds sold	5	6	7	8	+14%
Japan	5	6	7	8	+14%
Overseas	0	0	0	0	0%



*The year-on-year change is not shown because the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) will be applied from the fiscal year ending March 31, 2022.

3-6. List by Business

Net sales

(Units: millions of yen)

	FYE3/2021	FYE3/2022	
	Results	Forecast	YoY
Medical Care Business	33,444	29,302	-
Japan	25,769	22,021	-
Overseas	7,675	7,280	-
Nursing Care Business	50,482	47,977	-
Japan	50,065	47,129	-
Overseas	416	847	-
Health Promotion Business	1,581	2,000	-
Japan	1,581	2,000	-
Overseas	0	0	-
Others	1,659	1,720	-
Total	87,171	81,000	-

Number of beds Sales

(Units: thousands, fractions rounded)

	FYE3/2021	FYE3/2022	
	Results	Forecast	YoY
	90	92	+1%
Japan	44	42	-4%
Overseas	47	50	+7%
	108	114	+6%
Japan	105	108	+3%
Overseas	3	6	+119%
	7	8	+14%
Japan	7	8	+14%
Overseas	0	0	0%
	-	-	-
Total	205	214	+4%

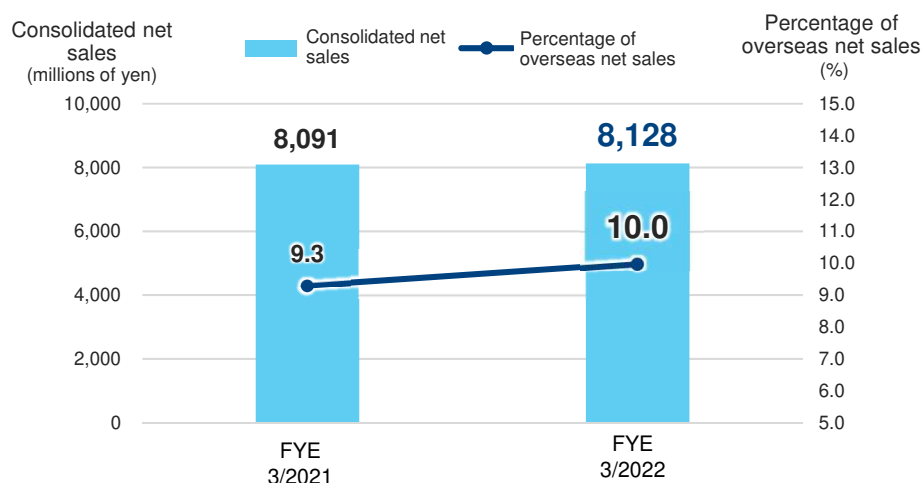
*The year-on-year change is not shown because the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) will be applied from the fiscal year ending March 31, 2022.

*Number of beds sales include sales to companies within the group.

3-7. Overseas by Region

Although immediate demand will fall away, there will be increases in China and other Asian countries

(Unit : millions of yen)	FYE3/2021	FYE3/2022	YoY
Consolidated overseas net sales	8,091	8,128	-
Percentage of overseas net sales	9.3%	10.0%	-



Consolidated overseas sales by region

(Unit : millions of yen)	FYE3/2021	FYE3/2022	YoY
Asia	6,914	7,217	-
Indonesia	3,057	3,053	-
Chine	2,199	2,333	-
Other Asia	1,656	1,831	-
Middle East	222	186	-
Central and South America	808	535	-
Other	147	189	-

*The year-on-year change is not shown because the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) will be applied from the fiscal year ending March 31, 2022.

3-8. Capital expenditures, depreciation costs, and R&D expenses

Depreciation of PCS rental assets, etc. will continue to increase

The amount of capital investment will be back to normal as the new mattress factory and relocation of sales branches completed.

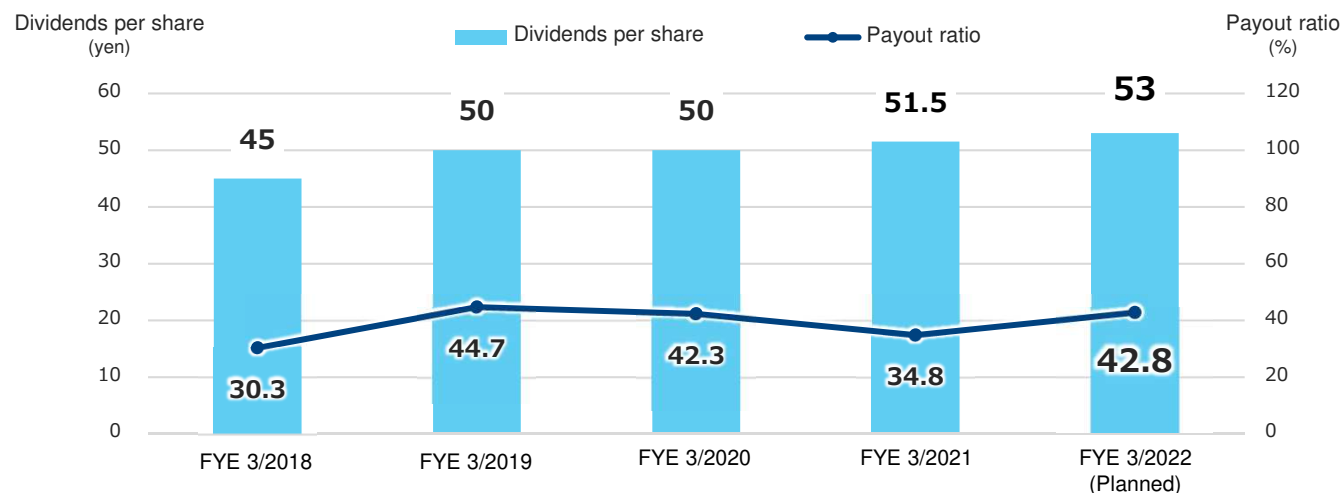
(Unit: millions of yen)	FYE 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022 Budget
Capital Expenditures	2,082	3,984	2,976	2,343
Depreciation costs	6,362	6,895	7,540	8,036
R&D expenses	1,642	1,677	1,782	1,819
Number of employees	3,224	3,494	3,614	-

3-9. Shareholder Returns (Dividends and Purchase of Treasury Shares)

Basic Policy: Stable dividends with 2.7% DOE and payout ratio of 30% as a guide

Dividends are planned to be 53 yen per share in the fiscal year ending March 31, 2022. This is projected to effectively be an increase considering the stock split.

	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2021 (Planned)
Dividends per share	45 yen	50 yen	50 yen	51.5 yen	53 yen
Dividend on Equity (DOE)	2.7%	2.8%	2.7%	2.7%	-
Payout ratio	30.3%	44.7%	42.3%	34.8%	42.8%
Value of share buybacks	0 yen	0 yen	4,382 million yen	0 yen	-



* The Company carried out a 1:2 stock split of common shares effective April 1, 2021. The above figures show the annual dividend per share calculated based on the assumption that the split took place on April 1, 2017.

4-1. Topics

Change of Period of Medium-Term Management Plan and Publication of Performance Targets

(April 2021)

Paramount Vision 2030

Smiles for everyone from medical and nursing care to health field



“Expansion of current business”

“Fully engaging in the health promotion business”

“Establishing the foundations for change”

The Goals of FYE3/2024

Net Sales	89,000 millions of yen
Operating income	12,000 millions of yen
Operating income margin	13.5%

Initiatives to address SDGs and make social contributions, strengthening of human resource foundations, renewal of system infrastructure

4-2. Topics

Strengthening of Health Business PR

Renewal of the INTIME television commercial

The volume of advertising placed also increased

Started radio commercial

Video advertising on the web also increased, centering on SNS



The renewed INTIME television commercial.



Television commercial for Active Sleep BED.



Commercial provided for the TBS radio program "Imoto Ayako no Suppinshan" (from 9:30pm every Wednesday)

April 2021 ranking of good impressions of commercials by business type

No.1 among 65 brands in the housing facilities and accessories category

* Survey by CM Soken Consulting

4-3. Topics

“Rakusho Plus Series” for home care launched in August

- First full renewal of a mainstay model in six and a half years.
 - New sitting-up mechanism that raises the patient from the pelvis.
 - Two apps provided to enhance usability.
 - Smartphone can be used instead of a hand-held control.
 - Notifications from the bed can be received on a smartphone.
 - Incorporates automatic inspection functions for business operators.
- Launched August 2020.
 - Open price.



←For details see here



Rakusho Plus Series



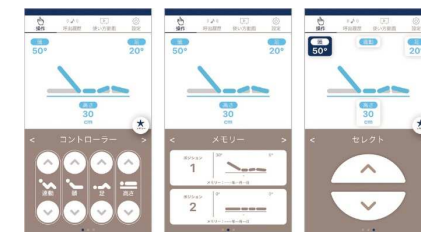
By using a unique mechanism that supports the pelvis, the product achieves stable sitting-up for prevention of slipping and reduction of pressure sensation.



When the call button of the bed is pressed, a notification is sent to the household smartphone specified in the settings.



A smartphone can be used to operate the bed. An easily pressed button arrangement can be chosen.



4-4. Topics

Launched the “cococia Riraku flow” air mattress for preventing bedsores in October

- Fully automated model that does not require setup and simply needs to be turned on.
- Detects weight, body type and posture using AI functions.
- Automatic adjustment of pressure according to condition.
- Equipped with automated postural change function.
- Back support function for maintaining posture with back raised.
- Thickness of 17cm, providing the highest class of body pressure dispersion.
- Launched in October 2020.
- Open price.



“cococia Riraku flow” air mattress for preventing bedsores

Notice

The performance forecasts provided in this document have been prepared based on the information available as of the presentation date.

As such, actual performance may differ from the forecasts due to various factors.

Monetary amounts in this document have been rounded down.

The percentages shown in the % to Budget and YoY Change figures indicate change using + and - symbols, and are rounded to the nearest place.