



PARAMOUNT BED
HOLDINGS

Financial Results Briefing for the First Six Months of the Fiscal Year Ending March 2022 (FYE 3/2022)

April 1, 2021 ~ September 30, 2021

Nov 10, 2021

Securities code: 7817

Paramount Bed Holdings Co., Ltd.

as human, for human

Sales and income increased

Each of the Medical care, the Nursing care, and the Health promotion business generally exceeded their targets.

Outside Japan, sales increased mainly in Indonesia and China, where major subsidiaries are located.

Sales of the mainstay bed product for home care, which was released in August last year, continued to be strong.

Full year forecast revised

Operating income and current net income attributable to owners of parent expected to increase

Customer demand is expected to be very favorable for each business area, but there are still operational and semiconductor procurement risks due to the pandemic.

The forecast figures for the second half are unchanged, and those for the full year is expected to come from the upswing in the first half.

Impact on sales (Medical care business)

Sales should be better than expected due to a rise in the number of medical institutions acquiring beds by utilizing subsidies and increased income from pandemic response.

The situations outside Japan will vary from country to country.

Impact on sales (Nursing care business)

Demand for monitoring products should be strong at elderly care facilities. The number of users receiving home care also increased.

Impact on sales (Health promotion business)

Strong sales continue due to Stay-at-home trend.

Production impact

The impacts of the lockdown measures in Vietnam and potential power shortages in China are currently minor. We will still need to continue paying close attention to issues surrounding material procurement.

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1. Overview of Results for the First Six Months of the Fiscal Year Ending March 31, 2022

1-1. Overview of Financial Results

Sales and income increased

Record high sales and profits for the first half financial results

(Unit: millions of yen)

	FYE 3/2021 1Q/2Q	FYE 3/2022 1Q/2Q			
	Results	Budget*	Results	% to Budget	YoY Change ^{*1}
Net sales	38,048	39,000	41,237	+5.7%	-
Operating income (Operating margin)	4,646 (12.2%)	5,000 (12.8%)	6,297 (15.3%)	+25.9%	+35.5%
Ordinary income (Ordinary margin)	4,893 (12.9%)	5,250 (13.5%)	6,827 (16.6%)	+30.0%	+39.5%
Profit attributable to owners of Parent(Net Income) (Net margin)	2,625 (6.9%)	3,450 (8.8%)	4,925 (11.9%)	+42.8%	+87.6%
Annual Dividend (Interim dividend) ^{*2}	103 yen (50 yen)	53 yen (26 yen)	-	-	actual +2.9%

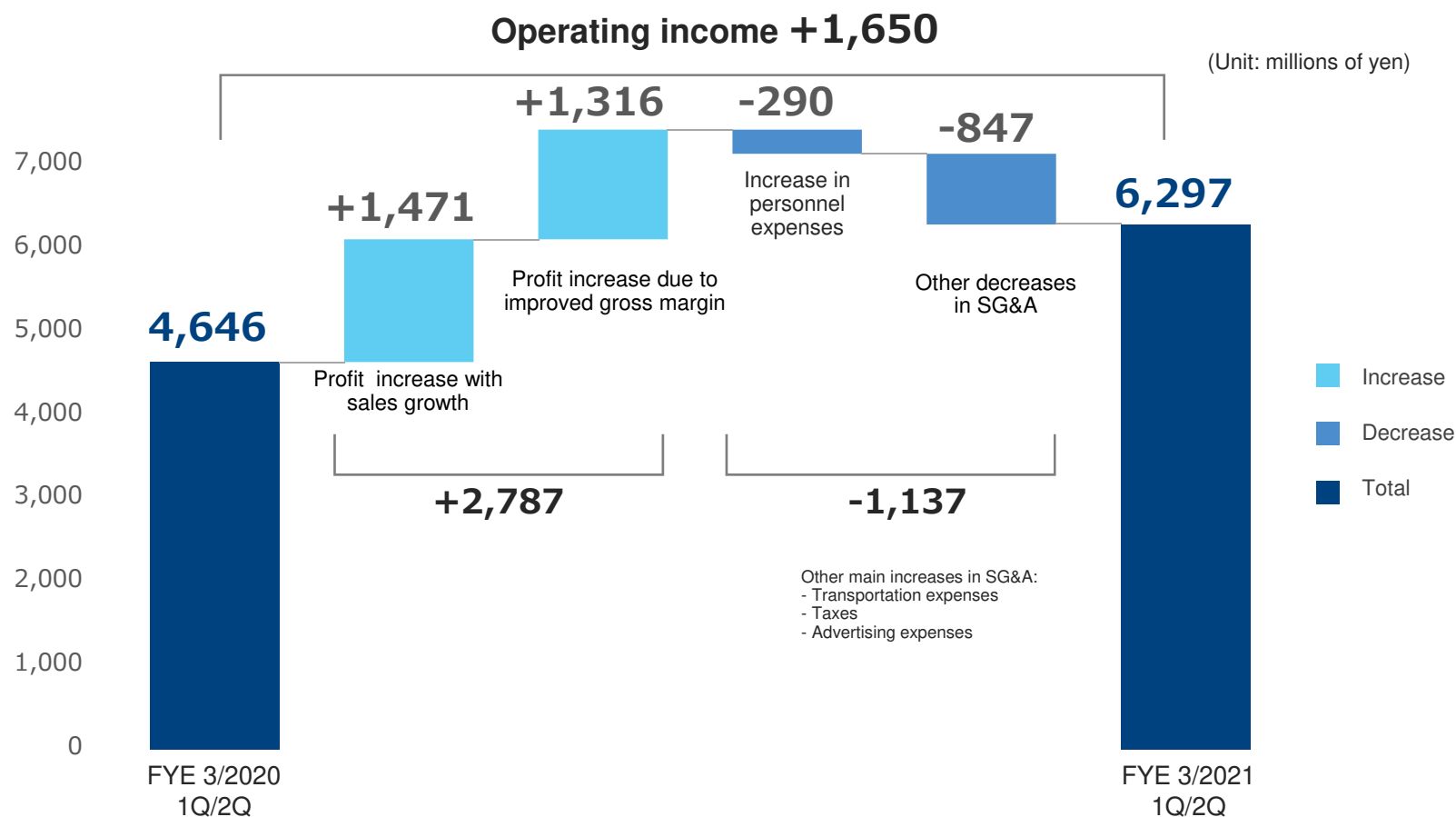
*1: The year-on-year sales change for net sales is not shown because the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) will be applied from the fiscal year ending March 31, 2022.

*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.

1-2. Factors Causing Changes in Operating Income

Significant improvement in gross margin partially due to changes in accounting standards

Gross income was affected by strong sales of new products and monitoring sensors. SG&A expenses included an increase in personnel expenses mainly in rental wholesale, and higher transportation expenses due to stronger sales.



1-3. Balance Sheet

Net assets increased by ¥3,912 million (vs. previous fiscal year-end)

(Unit: millions of yen)

	March 31, 2021	September 30, 2021	Change	YoY Change
Current assets	86,144	84,988	-1,156	-1.3%
Non-current assets	68,213	71,232	+3,019	+4.4%
Total assets	154,358	156,220	+1,862	+1.2%
Current liabilities	23,720	21,221	-2,499	-10.5%
Non-current liabilities	16,814	17,264	+450	+2.7%
Total liabilities	40,535	38,485	-2,050	-5.1%
Net assets	113,822	117,734	+3,912	+3.4%
Total liabilities and net assets	154,358	156,220	+1,862	+1.2%

2. Overview by Business

2-1. Medical Care Business

Strong target achievement

In medical facilities in Japan, capital investment was made due to increase in medical fees for COVID-19 response and various subsidies. Outside Japan, despite the reaction to special demand projects in Latin America in the previous term, it was flat due to Indonesia's projects to secure more beds to treat COVID-19 patients.

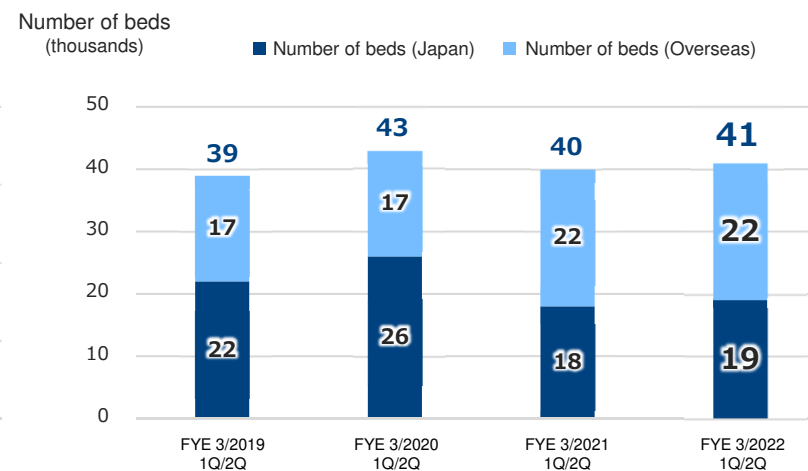
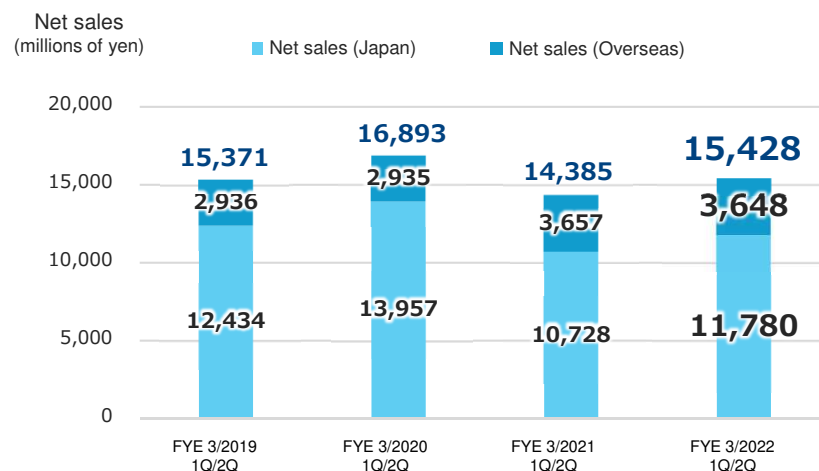
(Unit: millions of yen)

	FYE3/2019 1Q/2Q	FYE3/2020 1Q/2Q	FYE3/2021 1Q/2Q	FYE3/2022 1Q/2Q	
				Results	YoY ⁺¹
Net sales	15,371	16,893	14,385	15,428	-
Japan	12,434	13,957	10,728	11,780	-
Overseas	2,936	2,935	3,657	3,648	-

(Units: thousands, fractions rounded)

	FYE3/2019 1Q/2Q	FYE3/2020 1Q/2Q	FYE3/2021 1Q/2Q	FYE3/2022 1Q/2Q	
				Results	YoY ⁺¹
Number of beds sold	39	43	40	41	+4%
Japan	22	26	18	19	+9%
Overseas	17	17	22	22	+0%

* Bed sales include sales to operating companies within the group.



*1: The year-on-year sales change for net sales 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.

2-2. Nursing Care Business

Strong performance for both elderly care facility and home care

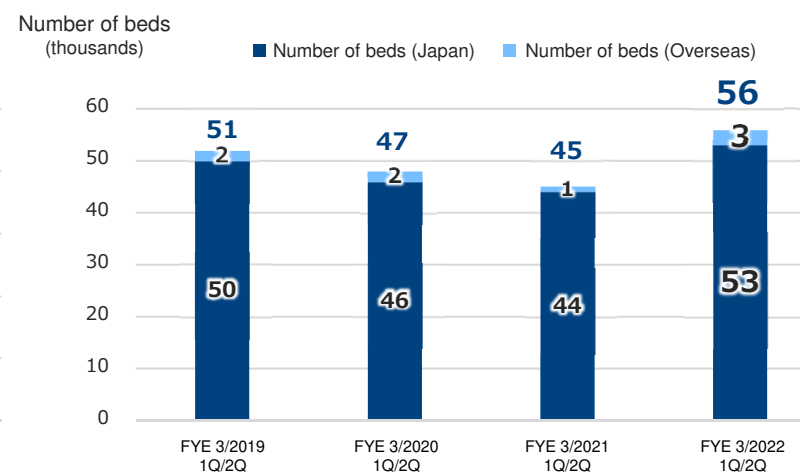
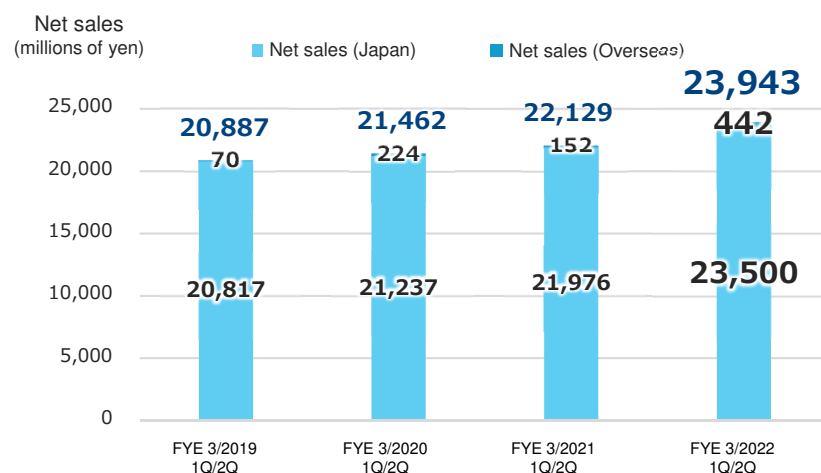
Large projects in Singapore. The effect of new products for home care continued. The number of monitoring sensors increased by 2,000 from the previous year to about 11,500.

(Unit: millions of yen)

	FYE3/2019 1Q/2Q	FYE3/2020 1Q/2Q	FYE3/2021 1Q/2Q	FYE3/2022 1Q/2Q	
				Results	YoY ⁺¹
Net sales	20,887	21,462	21,129	23,943	-
Japan	20,817	21,237	21,976	23,500	-
Overseas	70	224	152	442	-

(Units: thousands, fractions rounded)

	FYE3/2019 1Q/2Q	FYE3/2020 1Q/2Q	FYE3/2021 1Q/2Q	FYE3/2022 1Q/2Q	
				Results	YoY ⁺¹
Number of beds sold	51	47	45	56	+23%
Japan	50	46	44	53	+21%
Overseas	2	2	1	3	+118%



*1: The year-on-year sales change for net sales 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.

2-3. Health Promotion Business

Net sales increased by 42%

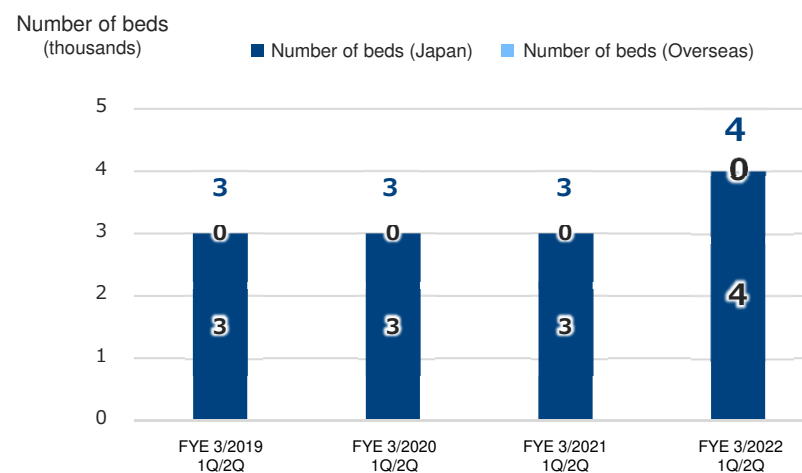
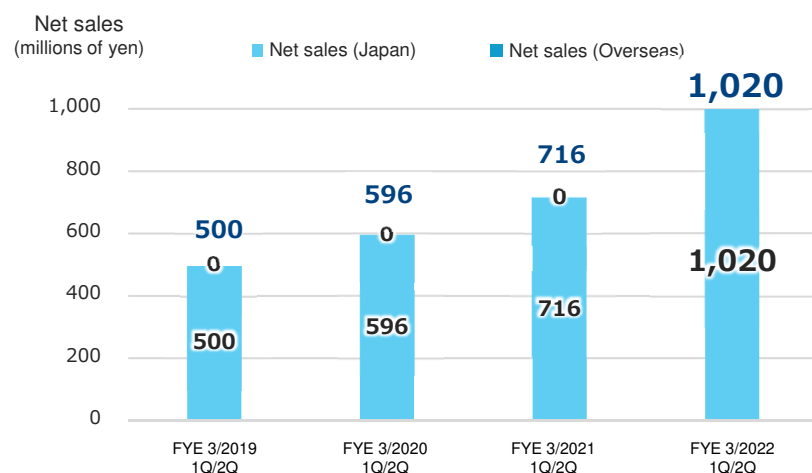
Captured demand from Stay-at-home trend. Continued to strengthen measures to improve brand awareness.

(Unit: millions of yen)

	FYE3/2019 1Q/2Q	FYE3/2020 1Q/2Q	FYE3/2021 1Q/2Q	FYE3/2022 1Q/2Q	
				Results	YoY ⁺¹
Net sales	500	596	716	1,020	-
Japan	500	596	716	1,020	-
Overseas	0	0	0	0	-

(Units: thousands, fractions rounded)

	FYE3/2019 1Q/2Q	FYE3/2020 1Q/2Q	FYE3/2021 1Q/2Q	FYE3/2022 1Q/2Q	
				Results	YoY ⁺¹
Number of beds sold	3	3	3	4	+28%
Japan	3	3	3	4	+28%
Overseas	0	0	0	0	0%



*1: The year-on-year sales change for net sales 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.

2-4. List by Business

Bed sales increased 15% to 102,000 units

The figures for “Other” are for Sadashige Special Plywood, which became a subsidiary in October 2019.

Net sales

(Units: millions of yen)

	FYE3/2021 1Q/2Q	FYE3/2022 1Q/2Q	YoY *1
	Results	Results	
Medical Care Business	14,385	15,428	-
Japan	10,728	11,780	-
Overseas	3,657	3,648	-
Nursing Care Business	22,129	23,943	-
Japan	21,976	23,500	-
Overseas	152	442	-
Health Promotion Business	716	1,020	-
Japan	716	1,020	-
Overseas	0	0	-
Others	816	844	-
Total	38,048	41,237	-

Number of beds Sales

(Units: thousands, fractions rounded)

	FYE3/2021 1Q/2Q	FYE3/2022 1Q/2Q	YoY
	Results	Results	
	40	41	+4%
Japan	18	19	+9%
Overseas	22	22	+0%
	45	56	+23%
Japan	44	53	+21%
Overseas	1	3	+118%
	3	4	+28%
Japan	3	4	+28%
Overseas	0	0	0%
	-	-	-
Total	89	102	+15%

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

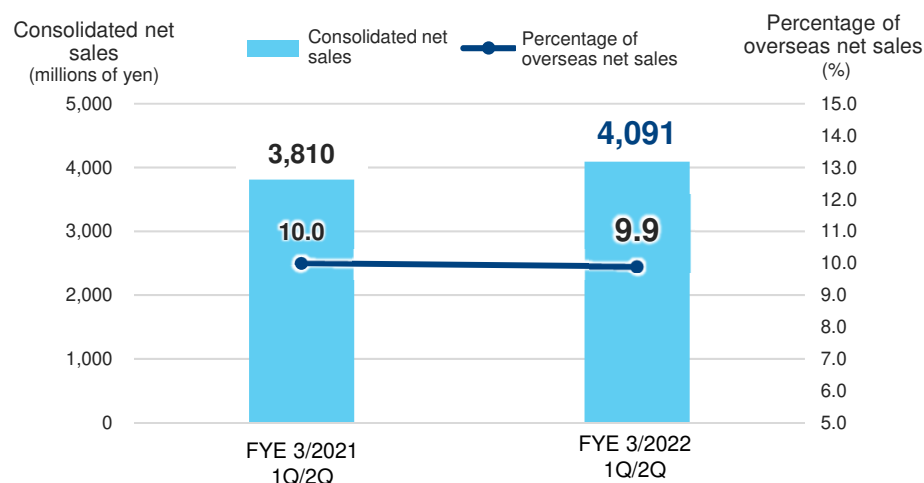
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2-5. Overseas by Region

Total increase from the previous term

In China, there was a reactive increase in sales resulting from lockdowns in the previous term. In Latin America, there was a reactive decrease in sales resulting from special demand projects in the previous term. In other Asian countries, despite the impact of a sharp decline in medical tourism in Thailand, there was an increase due to large-scale long-term care facility projects in Singapore.

(Unit : millions of yen)	FYE3/2021 1Q/2Q	FYE3/2022 1Q/2Q	YoY ^{*1}
Consolidated overseas net sales	3,810	4,091	-
Percentage of overseas net sales	10.0%	9.9%	-



Consolidated overseas sales by region

(Unit : millions of yen)	FYE3/2021 1Q/2Q	FYE3/2022 1Q/2Q	YoY ^{*1}
Asia	2,946	3,889	-
Indonesia	1,405	1,528	-
China	840	1,173	-
Other Asia	701	1,187	-
Middle East	124	19	-
Central and South America	663	77	-
Other	77	106	-

*1: The year-on-year sales change for net sales 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. Outlook for the Fiscal Year ending March 31, 2022

3-1. Outlook of financial performance

Full-year forecast was revised upward, and operating and net income expected to increase

Revision announced on October 28

(*1: announced on Oct. 28) (Unit: millions of yen)

	FYE3/2021	FYE3/2022			YoY ^{*2}
	Results	First half Results	Second half prospects	Full year forecast ^{*1}	
Net sales	87,171	41,237	41,963	83,200	-
Operating income (Operating income margin)	11,582 (13.3%)	6,297 (15.3%)	5,503 (13.1%)	11,800 (14.2%)	+1.9%
Ordinary income (Ordinary income margin)	13,461 (15.4%)	6,827 (16.6%)	5,723 (13.6%)	12,550 (15.1%)	-6.8%
Profit attributable to owners of parent (Net profit margin)	8,611 (9.9%)	4,925 (11.9%)	3,725 (8.9%)	8,650 (10.4%)	+0.4%
Dividend ^{*3}	103yen	26yen	27yen	53yen actual	+2.9%

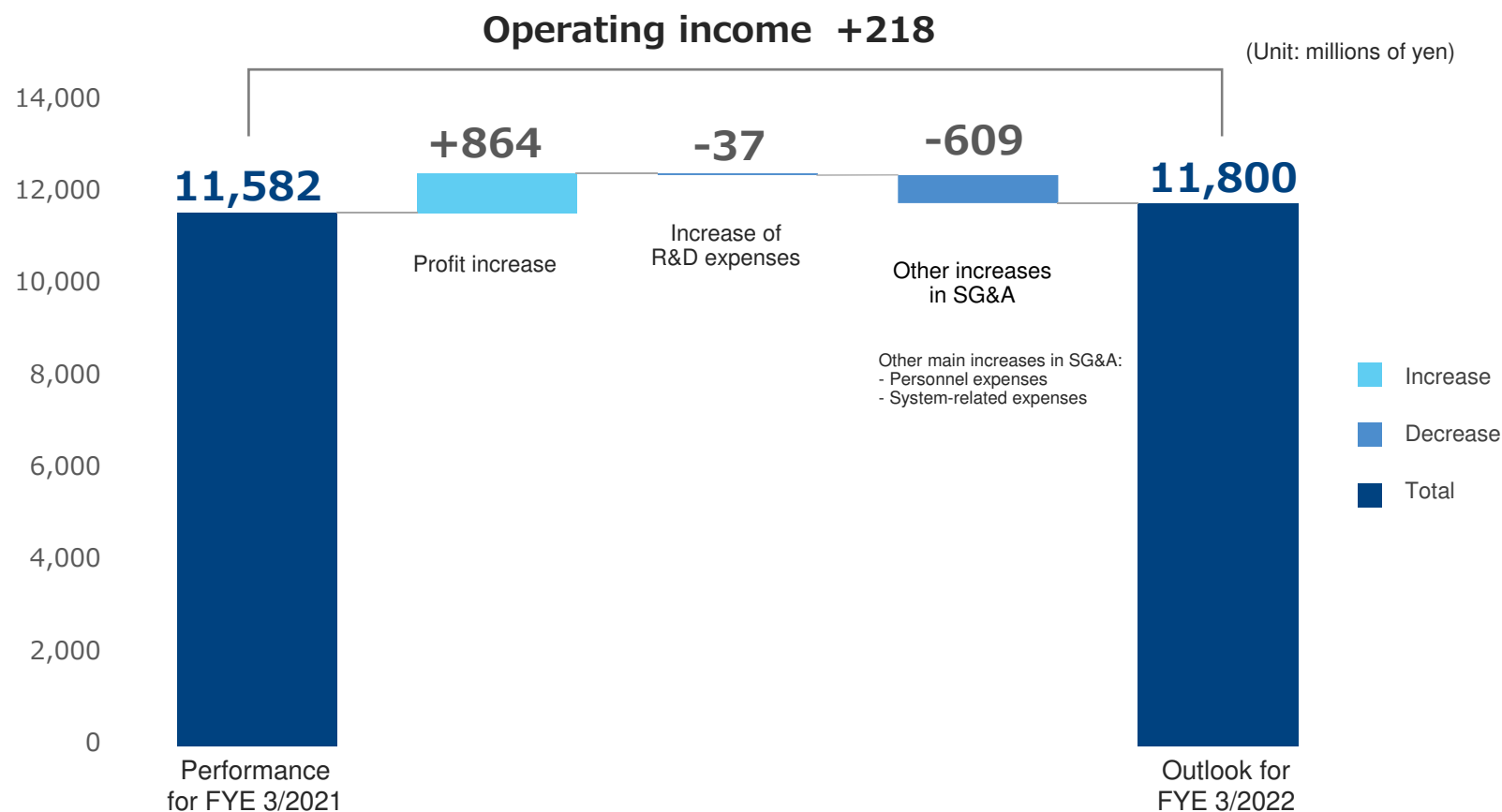
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*3: A 1:2 stock split of common shares was carried out effective April 1, 2021. The results for the fiscal year ended March 31, 2021 are the actual figures prior to the split.

3-2. Factors Causing Changes in Operating Income

Gross income increase

Higher profit to be achieved by limiting the increase in SG&A expenses to 647 million yen.



3-3. Outlook for Medical Care Business

Customer inquiries are increasing in Japan

Maintenance demand is also strong. Expect to expand sales of monitoring sensors for medical use. Overseas, we expect to capture bed projects for ICUs, etc. centered on China.

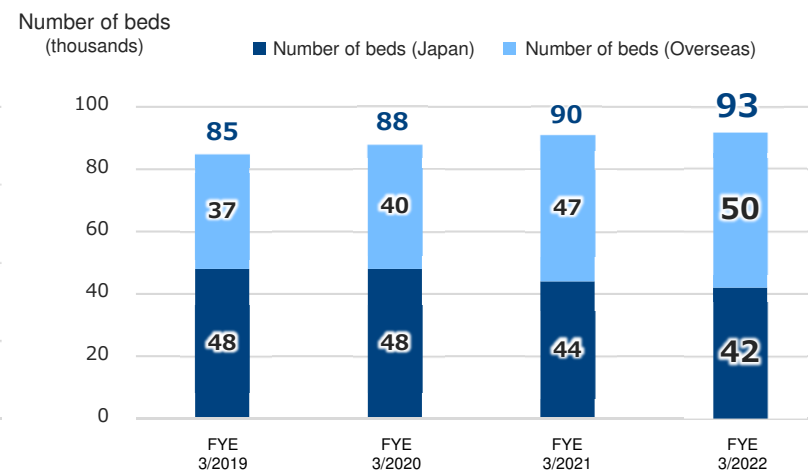
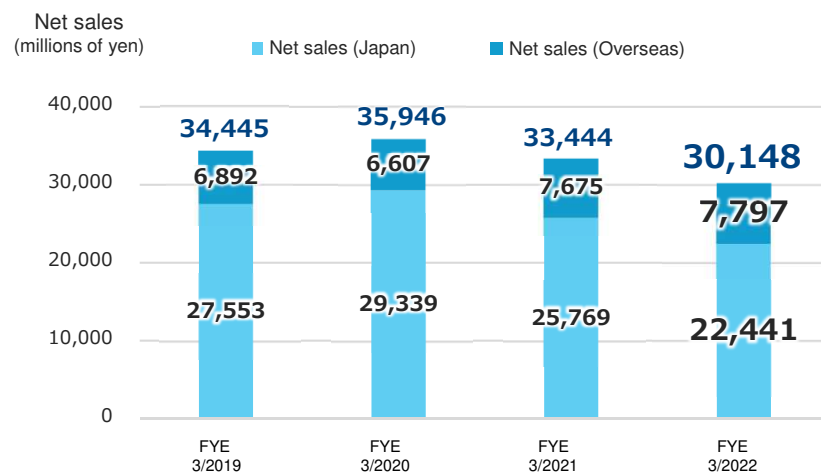
(Unit: millions of yen)

	FYE3/2019	FYE3/2020	FYE3/2021	FYE3/2022	
				Forecast	YoY ⁺¹
Net sales	34,445	35,946	33,444	30,148	-
Japan	27,553	29,339	25,769	22,441	-
Overseas	6,892	6,607	7,675	7,797	-

(Units: thousands, fractions rounded)

	FYE3/2019	FYE3/2020	FYE3/2021	FYE3/2022	
				Forecast	YoY ⁺¹
Number of beds sold	85	88	90	93	+3%
Japan	48	48	44	42	-3%
Overseas	37	40	47	50	+8%

* Bed sales include sales to operating companies within the group.



*1: The year-on-year sales change for net sales 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

Expect to maintain good performance from the first half
Total number of units to increase

Rental business to remain strong. The number of monitoring sensors is expected to be 39,000 including those for medical facilities, despite an anticipated decrease in large-scale projects.

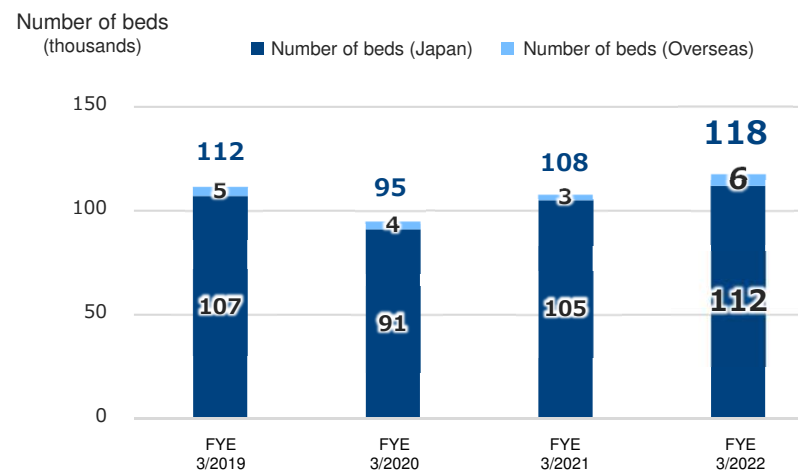
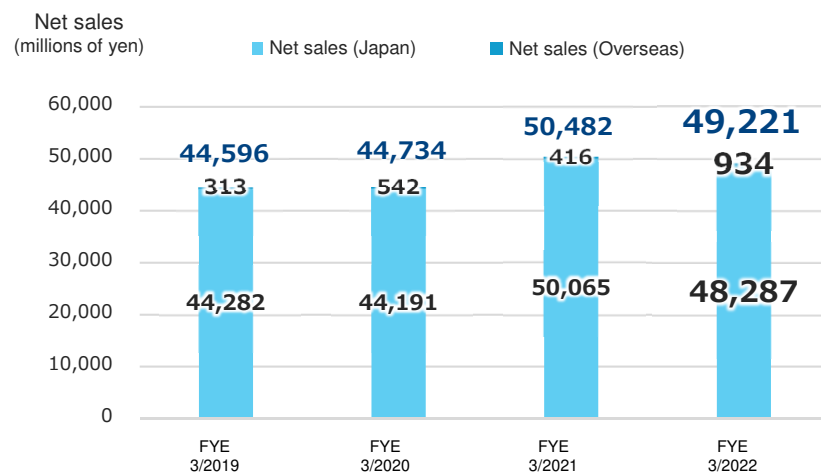
(Unit: millions of yen)

	FYE3/2019	FYE3/2020	FYE3/2021	FYE3/2022	
				Forecast	YoY ^{†1}
Net sales	44,596	44,734	50,482	49,221	-
Japan	44,282	44,191	50,065	48,287	-
Overseas	313	542	416	934	-

(Units: thousands, fractions rounded)

	FYE3/2019	FYE3/2020	FYE3/2021	FYE3/2022	
				Forecast	YoY ^{†1}
Number of beds sold	112	95	108	118	+10%
Japan	107	91	105	112	+7%
Overseas	5	4	3	6	+122%

* Bed sales include sales to operating companies within the group.



*1: The year-on-year sales change for net sales 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

Expansion expected to continue

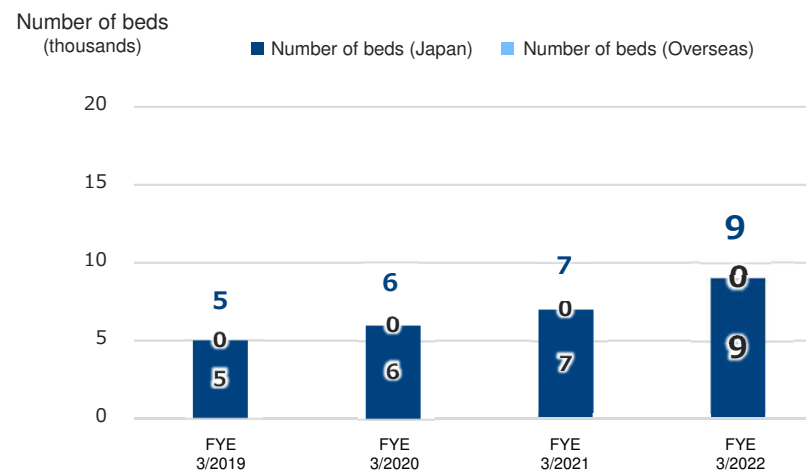
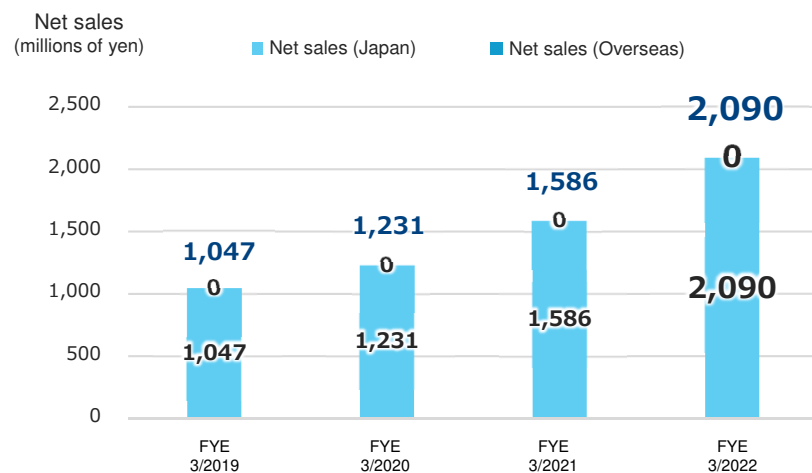
Enhancing PR especially on social media. Starting consumer lifestyle support service for bed purchasers. Strengthening compatibility with other company apps. Aim to expand product fan base and increase awareness.

(Unit: millions of yen)

	FYE3/2019	FYE3/2020	FYE3/2021	FYE3/2022	
				Forecast	YoY ⁺¹
Net sales	1,047	1,231	1,584	2,090	-
Japan	1,047	1,231	1,584	2,090	-
Overseas	0	0	0	0	-

(Units: thousands, fractions rounded)

	FYE3/2019	FYE3/2020	FYE3/2021	FYE3/2022	YoY ⁺¹
	Number of beds sold	5	6	7	9
Japan	5	6	7	9	+21%
Overseas	0	0	0	0	0%



*1: The year-on-year sales change for net sales 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

Bed sales increased 7% to 219,000 units

Net sales

(Units: millions of yen)

	FYE3/2021	FYE3/2022	
	Results	Forecast	YoY *1
Medical Care Business	33,444	30,148	-
Japan	25,769	22,441	-
Overseas	7,675	7,707	-
Nursing Care Business	50,482	49,221	-
Japan	50,065	48,287	-
Overseas	416	934	-
Health Promotion Business	1,584	2,090	-
Japan	1,584	2,090	-
Overseas	0	0	-
Others	1,659	1,739	-
Total	87,171	83,200	-

Number of beds Sales

(Units: thousands, fractions rounded)

	FYE3/2021	FYE3/2022	
	Results	Forecast	YoY
	90	93	+3%
	44	42	-3%
	47	50	+8%
	108	118	+10%
	105	112	+7%
	3	6	+122%
	7	9	+21%
	7	9	+21%
	0	0	0%
	-	-	-
	205	219	+7%

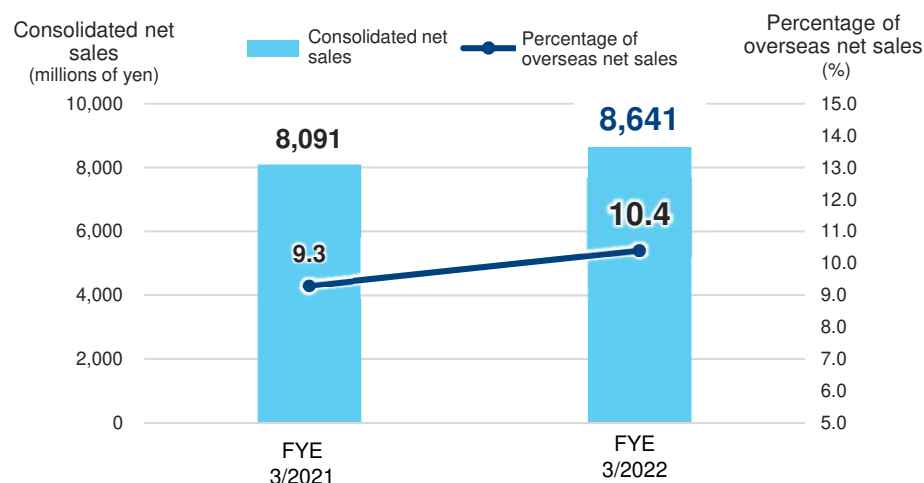
*Number of beds sales include sales to companies within the group.

*1: The year-on-year sales change for net sales 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.

3-7. Overseas by Region

Despite the sales drop-off after the special demand for emergency supply in the previous term, total sales increased.

(Unit : millions of yen)	FYE3/2021	FYE3/2022	YoY ^{*1}
Consolidated overseas net sales	8,091	8,641	-
Percentage of overseas net sales	9.3%	10.4%	-



Consolidated overseas sales by region

(Unit : millions of yen)	FYE3/2021	FYE3/2022	YoY ^{*1}
Asia	6,914	7,911	-
Indonesia	3,057	3,172	-
Chine	2,199	2,497	-
Other Asia	1,656	2,241	-
Middle East	222	131	-
Central and South America	808	387	-
Other	147	212	-

*1: The year-on-year sales change for net sales 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 continued to increase for PCS rental assets, etc.

Capital investment decreases due to the completion of the new mattress factory and the relocation of sales branches.

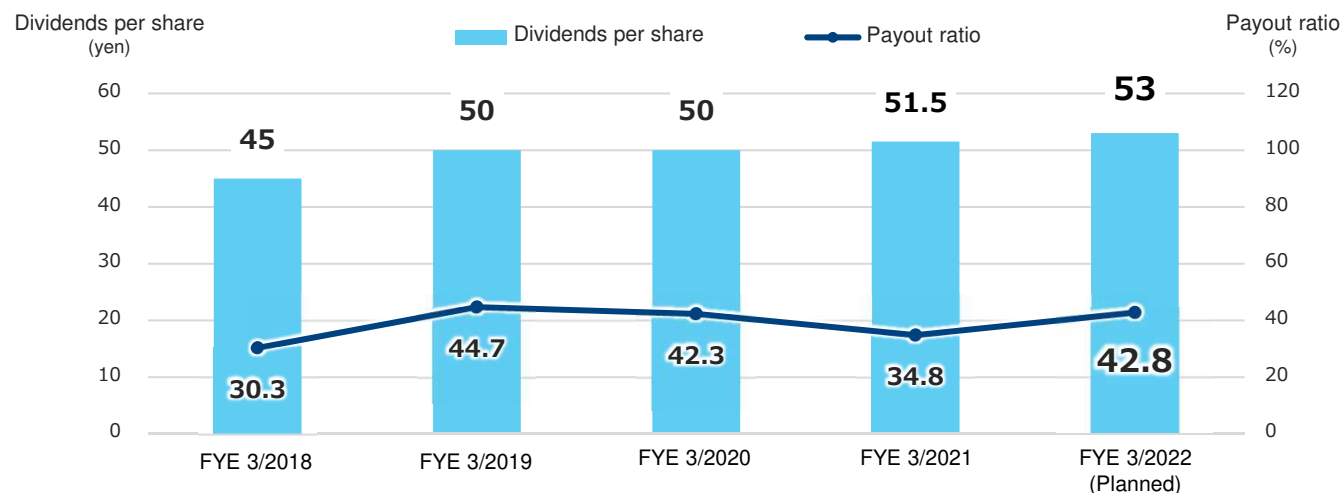
(Unit: millions of yen)	FYE 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022 Budget
Capital Expenditures	2,082	3,984	2,976	2,342
Depreciation costs	6,362	6,895	7,540	8,036
R&D expenses	1,642	1,677	1,782	1,819
Number of employees	3,224	3,494	3,614	-

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. Topics

4-1. Topics

New products for the medical business

New model of the mainstay "Metis PRO Series" for medical facilities launched (June)

- The mainstay model for hospitals offers superior mobility, the latest back-raising function, and a bed exit sensor.
- Equipped with a bed navigation system for centralized control of all functions.
- Can be used with an air mattress to prevent bedsores.
- Also shows data from the monitoring support system.
- Obstacle detection function to prevent trapping, etc.
- Maximum user weight increased from 138 kg to 153 kg.

- Released in June 2021.
- Open price.



Electric bed "Metis PRO Series" for medical facilities



Bed navigation system (left) and air mattress setting screen (right)

4-2. Topics

Enhanced product functions for the elderly care business

Mainstay bed for home care: "Rakusho Plus Series" Added a voice control function to the operating app (July)

- A function for those who have difficulty pressing buttons with fingers.
- Whenever the app detects a voice command that expresses an action, the bed is operated wirelessly.
- Safety measures such as continuous operation setting and maximum angle limit.
- Link-up with external operating switches is also possible.
- In the future, it will also be able to link with communication devices for the disabled.
- Distribution started in July 2021.
- Compatible with iOS and iPad OS versions 11 and newer.



Electric bed for home care: "Rakusho Plus Series"



App screen image during voice operation

4-3. Topics

New products for the health promotion business

"INTIME Series", which provide bed comfort along with sophisticated aesthetic design and functionality, added a new model in September. The new beds are equipped with a back-raising mechanism that allows the user to assume a relaxed posture like sitting on a sofa.

- Named "INTIME 3000 Series."
- Equipped with the latest back-raising mechanism that tilts the entire bed.
- The user is positioned so that the feet are lower than the seat, as if sitting on a sofa.
- Nursing care options such as handrails can be installed when necessary.
- Can be linked with an optional sleep sensor.
- Released in September 2021.
- Suggested retail price is 330,000 yen
(Tax not included, mattress etc. sold separately)



"INTIME 3000 Series" in use

4-4. Topics

New businesses

Through joint investment with NTT West, established a new company in July to provide online data-based healthcare services

- Name: NTT PARAVITA CORPORATION.
- Established: July 2021
- Headquarters: Osaka, Japan
- Capital: 495 million yen
- Shareholders:
Nippon Telegraph and Telephone West Corporation
Paramount Bed Co., Ltd.
- Business overview:
Healthcare service business that aims to support early detection of potential illness using information and communication technology, while also providing information for health promotion



地域の方々や従業員様の
健康増進※をサポートし
地域社会を元気に！

想定されるお客さま



健康増進サポートサービス



※ 健康維持、重症化予防、ウェルビーイング、医療・介護現場の発展、地域包括ケアシステムへの貢献等を含みます

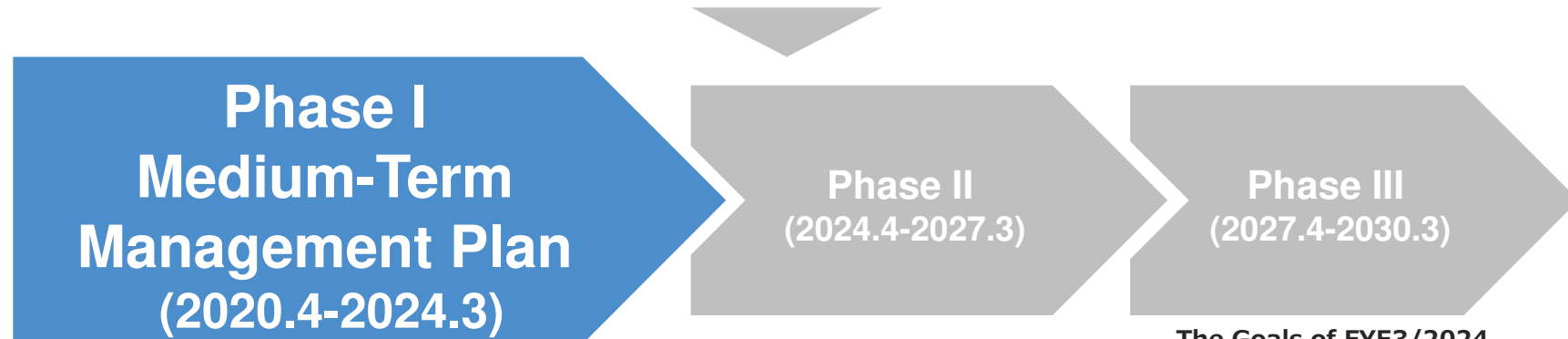
4-5. Topics

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

4-6. Topics

SDG-related topics

(1) Biomass plastic adopted as the packaging material for rental products

- Initiating company: Paramount Care Service Co., Ltd.
- Plant-derived raw materials are used to make rental product packing bags.
- CO2 reduction resulting from photosynthesizing plants used as raw material.
- Saving petroleum resources.
- The CO2 reduction amount is expected to be 100 tons per year.



(2) Donation for planting about 5,800 mangrove saplings

- Initiating company: Paramount Bed Co., Ltd.
- Linked with the social contribution program "Sleep Points" through the Active Sleep BED app.
- A total of 1 million yen donated, including the accumulated points converted up to the end of August.
- The funds will be used for planting and growing mangrove and other seedlings in Indonesia, and is expected to result in the planting of 5,800 trees.



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.