



PARAMOUNT BED
HOLDINGS

**Financial Results Briefing for the First Six Months
of the Fiscal Year Ending March 2024 (FYE 3/2024)
April 1, 2023 to September 30, 2023**

November 7, 2023

Securities code: 7817

Paramount Bed Holdings Co., Ltd.

as human, for human

Executive Summary

Increased sales and profits, and all-time highs for the first six months

Proposed products and services for responding to increased demand due to promoting operational efficiency in medical facilities and nursing care facilities performed well. In the Health Promotion business, we continued to achieve record sales despite changes in consumer behavior and sluggish store visits due to the intense heat. Operating income increased as the effects of increased revenue and improved gross margins exceeded increases in expenses.

Annual plan remains unchanged All-time high sales and profits for fourth consecutive quarter

The Medical Care and Nursing Care Businesses captured increased demand for operational efficiency, including for work style reforms. In the Health Promotion Business, we are aiming to increase sales by strengthening marketing, including via the introduction of new commercials. Although ERP costs have peaked, profits have also reached record highs due to increased revenue.

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1. Overview of Results for the First Six Months of the Fiscal Year Ending March 2024

1-1. Overview of Financial Results

Sales and profits increased

In the first six months of the fiscal year ending March 2024, both sales and profits reached all-time highs

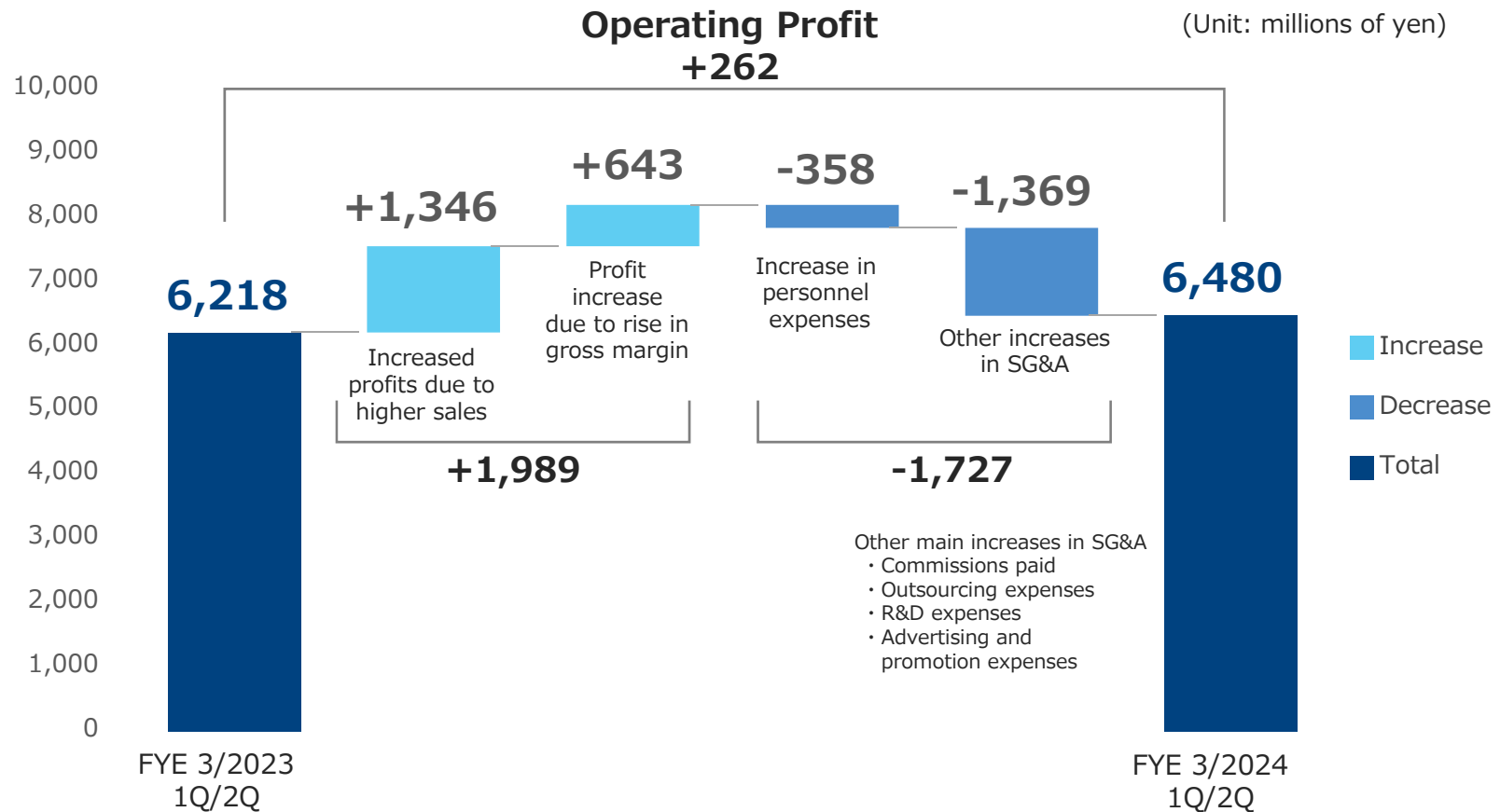
(Unit: millions of yen)

	FYE 3/2023 1Q/2Q	FYE 3/2024 1Q/2Q			
	Results	Forecast	Results	% to Forecast	YoY Change
Net sales	46,850	48,700	49,720	+2.1%	+6.1%
Operating profit (Operating profit margin)	6,218 (13.3%)	5,600 (11.5%)	6,480 (13.0%)	+15.7%	+4.2%
Ordinary profit (Ordinary profit margin)	7,601 (16.2%)	5,850 (12.0%)	7,819 (15.7%)	+33.7%	+2.9%
Profit attributable to owners of Parent (Net profit margin)	5,044 (10.8%)	4,000 (8.2%)	5,298 (10.7%)	+32.5%	+5.0%

1-2. Factors Causing Changes in Operating Profit

Profits increased due to the effects of increased revenue

Gross margin improved by approx. 1.3% due to the effects of price revisions. Of the increases in SG&A expenses, approx. 500 million yen was spent as system-related costs associated with ERP renewal.



1-3. Financial Status

Net assets increased by 5,551 million yen

(Unit: millions of yen)

	March 31, 2023	September 30, 2023	Change	YoY Change
Current assets	97,135	94,292	-2,842	-2.9%
Non-current assets	75,158	81,052	+5,894	+7.8%
Total assets	172,293	175,345	+3,051	+1.8%
Current liabilities	26,300	23,311	-2,988	-11.4%
Non-current liabilities	17,296	17,784	+488	+2.8%
Total liabilities	43,596	41,096	-2,500	-5.7%
Net assets	128,697	134,248	+5,551	+4.3%
Total liabilities and net assets	172,293	175,345	+3,051	+1.8%

2. Overview by Business

2-1. Medical Care Business

+10% vs. previous period

Demand for operational efficiency and digitalization is increasing as domestic medical institutions promote work style reforms for doctors. Recurring sales increased by approx. 20%

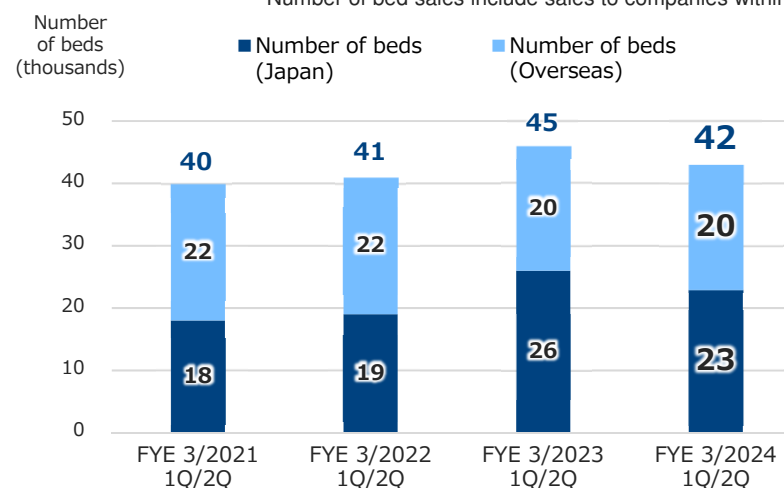
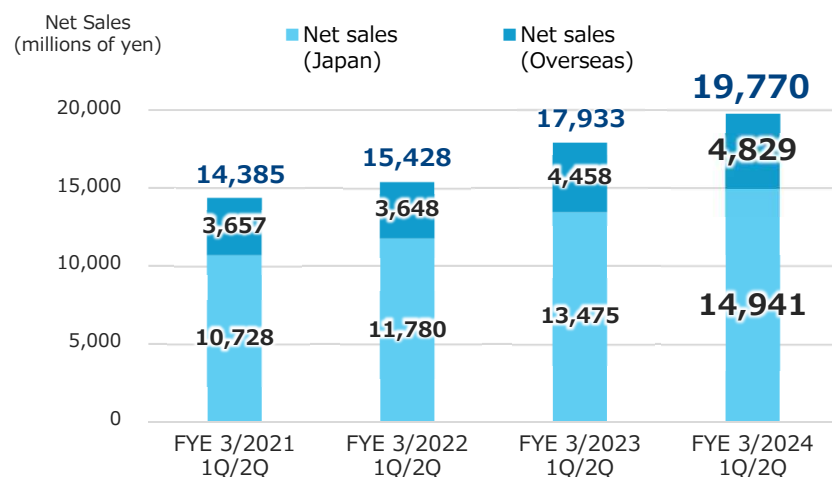
(Unit: millions of yen)

	FYE 3/2021	FYE 3/2022	FYE 3/2023	FYE 3/2024 1Q/2Q	
	1Q/2Q	1Q/2Q	1Q/2Q	Results	YoY
Net Sales	14,385	15,428	17,933	19,770	+10%
Japan	10,728	11,780	13,475	14,941	+11%
Overseas	3,657	3,648	4,458	4,829	+8%

(Units: thousands, fractions rounded. YoY comparisons are calculated based on actual numbers.)

	FYE 3/2021	FYE 3/2022	FYE 3/2023	FYE 3/2024 1Q/2Q	
				Results	YoY
Number of beds sold	40	41	45	42	-7%
Japan	18	19	26	23	-12%
Overseas	22	22	20	20	-1%

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



*Applied "Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29) from FYE 3/2022

2-2. Nursing Care Business

Beds for both nursing facilities and home care continue to be strong

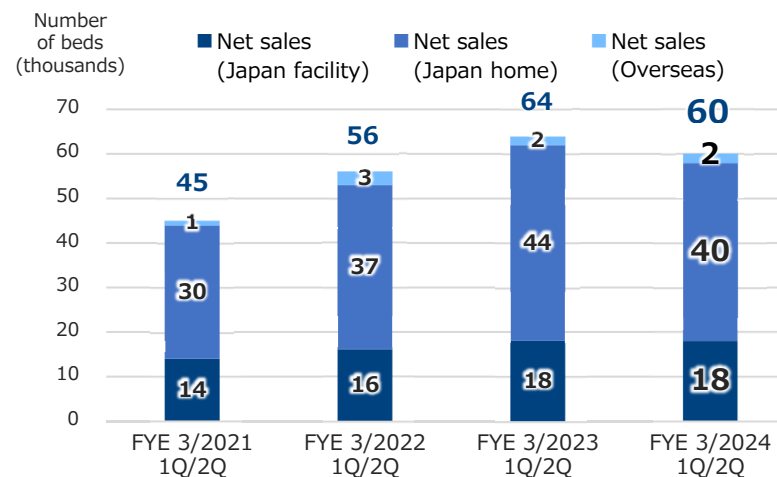
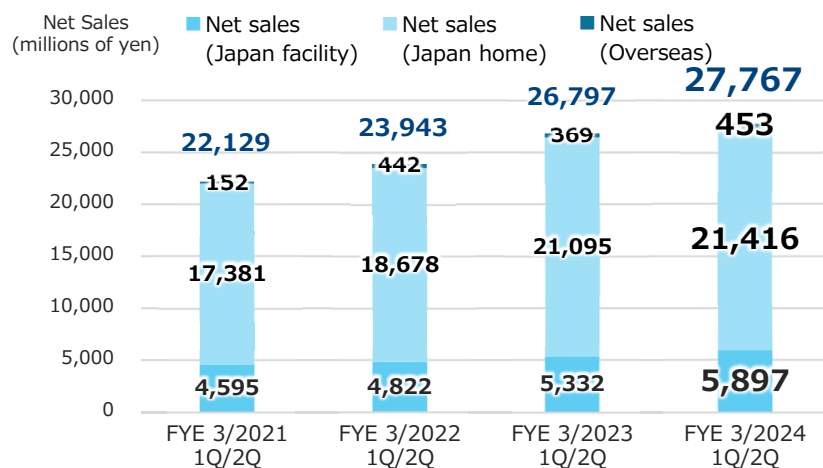
Sales of Nemuri SCAN increased by 26% from the previous period to 13,600 beds. Sales for home care increased due to expanded sales of equipment, despite a lull in bed sales and the return of rental beds from COVID-19 facilities. Rental wholesale increased by approx. 3%

(Unit: millions of yen)	FYE 3/2021	FYE 3/2022	FYE 3/2023	FYE 3/2024 1Q/2Q	
	1Q/2Q	1Q/2Q	1Q/2Q	Results	YoY
Net sales	22,129	23,943	26,797	27,767	+4%
Japan nursing facility	4,595	4,822	5,332	5,897	+11%
Japan home care	17,381	18,678	21,095	21,416	+2%
Overseas	152	442	369	453	+23%

(Units: thousands, fractions rounded. YoY comparisons are calculated based on actual numbers.)

Number of beds sold	FYE 3/2021	FYE 3/2022	FYE 3/2023	FYE 3/2024 1Q/2Q	
				Results	YoY
Number of beds sold	45	56	64	60	-6%
Japan nursing facility	14	16	18	18	+2%
Japan home care	30	37	44	40	-11%
Overseas	1	3	2	2	+20%

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



*Applied "Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29) from FYE 3/2022

2-3. Health Promotion Business

Sales increased only slightly

The number of customers visiting stores was sluggish due to changes in consumer sentiment following the reclassification of COVID-19 as a Class 5 infectious disease and the effects of the intense heat. New commercials were introduced in October to strengthen sales of products such as the INTIME 1000, which was released in April.

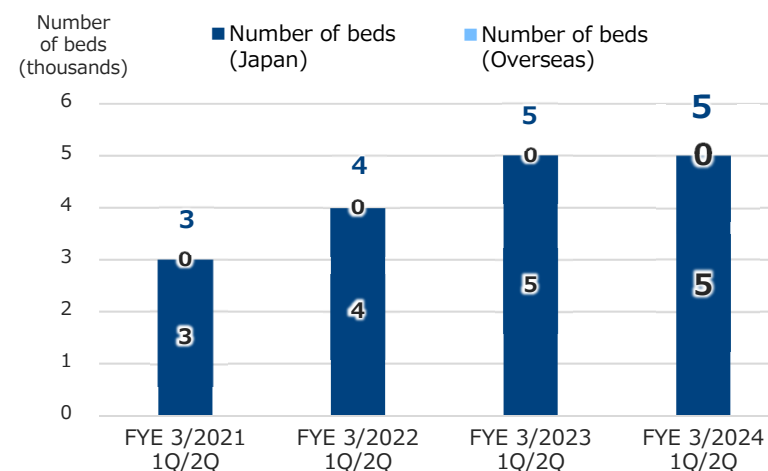
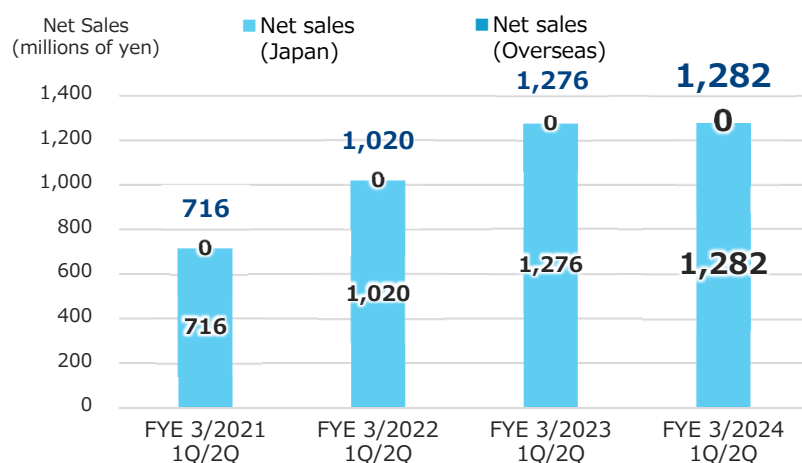
(Unit: millions of yen)

	FYE 3/2021	FYE 3/2022	FYE 3/2023	FYE 3/2024 1Q/2Q	
	1Q/2Q	1Q/2Q	1Q/2Q	Results	YoY
Net sales	716	1,020	1,276	1,282	+0%
Japan	716	1,020	1,276	1,282	+0%
Overseas	0	0	0	0	0%

(Units: thousands, fractions rounded. YoY comparisons are calculated based on actual numbers.)

	FYE 3/2021	FYE 3/2022	FYE 3/2023	FYE 3/2024 1Q/2Q	
				Results	YoY
Number of beds sold	3	4	5	5	-8%
Japan	3	4	5	5	-8%
Overseas	0	0	0	0	0%

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



*Applied "Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29) from FYE 3/2022

2-4. List by Business

Recurring domestic sales increased by 7% to 16.7 billion yen

Net Sales

(Unit: millions of yen)

	FYE 3/2023	FYE 3/2024	
	1Q/2Q Results	1Q/2Q Results	YoY
Medical Care Business	17,933	19,770	+10.2%
Nursing Care Business	26,797	27,767	+3.6%
Health Promotion Business	1,276	1,282	+0.4%
Other	842	900	+6.9%
Total	46,850	49,720	+6.1%

Number of beds sold

(Units: thousands, fractions rounded)

	FYE 3/2023	FYE 3/2024	
	1Q/2Q Results	1Q/2Q Results	YoY
	45	42	-7%
	64	60	-6%
	5	5	-8%
	-	-	-
	115	107	-7%

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

*Reference data (recurring domestic sales)

(rounded to the nearest hundred million yen)

Medical Care Business	2.9 billion yen	3.6 billion yen	+21%
Nursing Care Business	12.7 billion yen	13.1 billion yen	+3%
Total	15.7 billion yen	16.7 billion yen	+7%

2-5. Overseas Sales by Region

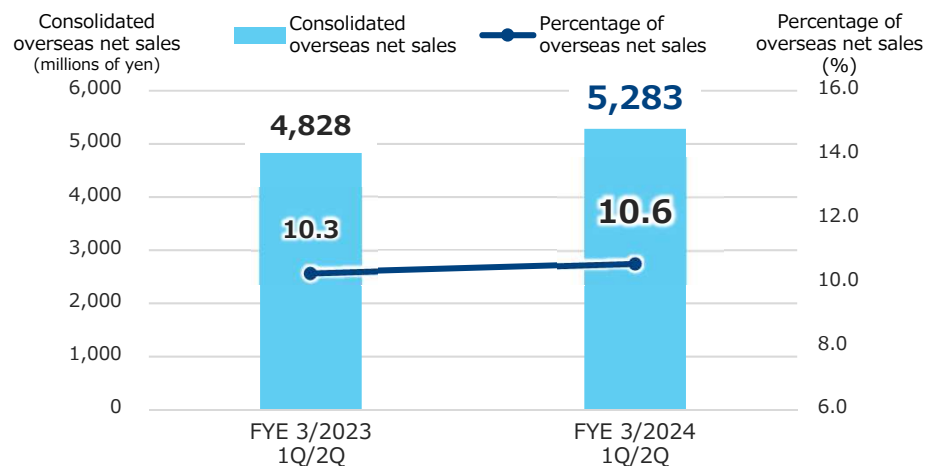
Increased 9% vs. the previous year

China saw an increase in sales in reaction to the lock down in the previous year. Sales in Indonesia are biased toward the second half of the fiscal year.

(Unit: millions of yen)	FYE 3/2023 1Q/2Q	FYE 3/2024 1Q/2Q	YoY
Consolidated overseas net sales	4,828	5,283	+9%
Overseas sales ratio	10.3%	10.6%	—

Consolidated overseas sales by region

(Unit: millions of yen)	FYE 3/2023 1Q/2Q	FYE 3/2024 1Q/2Q	YoY
Asia	4,241	4,743	+12%
Indonesia	1,552	1,134	-27%
China	1,499	2,024	+35%
Other Asia	1,188	1,584	+33%
Middle East	144	21	-85%
Central and South America	214	446	+108%
Other	228	72	-68%



3. Outlook for the Fiscal Year Ending March 31, 2024

3-1. Outlook for the Full Year

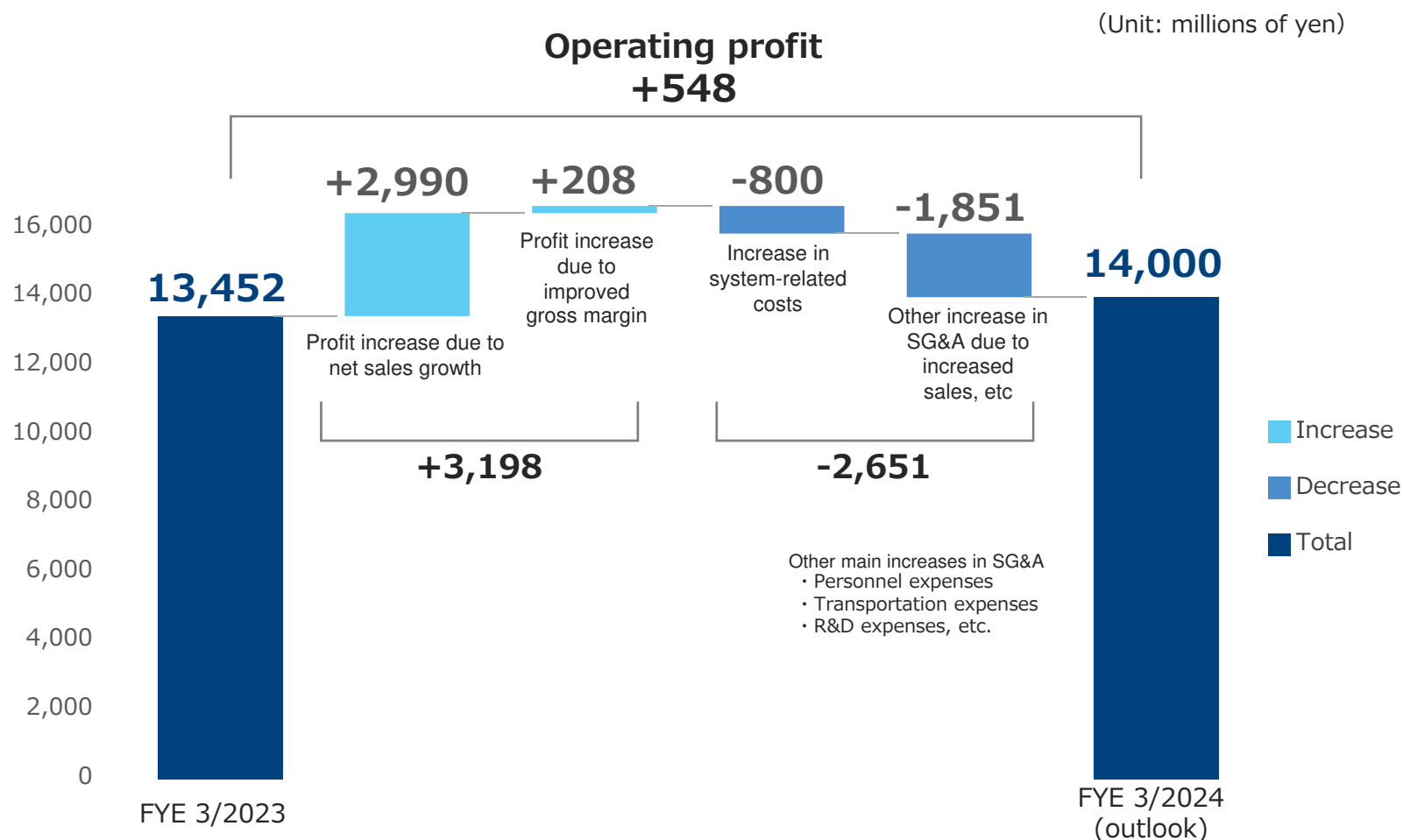
Sales and profits to increase for the 4th consecutive year to reach all-time highs

(Unit: millions of yen)

	FYE 3/2023	FYE 3/2024			YoY
	Results	First half results	Second half prospects	Full year forecast	
Net sales	99,009	49,720	55,280	105,000	+6.1%
Operating profit (Operating profit margin)	13,452 (13.6%)	6,480 (13.0%)	7,520 (13.6%)	14,000 (13.3%)	+4.1%
Ordinary profit (Ordinary profit margin)	14,139 (14.3%)	7,819 (12.0%)	6,681 (12.1%)	14,500 (13.8%)	+2.6%
Profit attributable to owners of parent (Net profit margin)	9,215 (9.3%)	5,298 (10.7%)	4,502 (8.1%)	9,800 (9.3%)	+6.3%

3-2. Factors Causing Changes in Operating Profit

Continuously increase operating profit by overcoming increases in system-related costs due to the effects of increased revenue



3-3. Outlook for Medical Care Business

Expecting expansion of recurring revenue

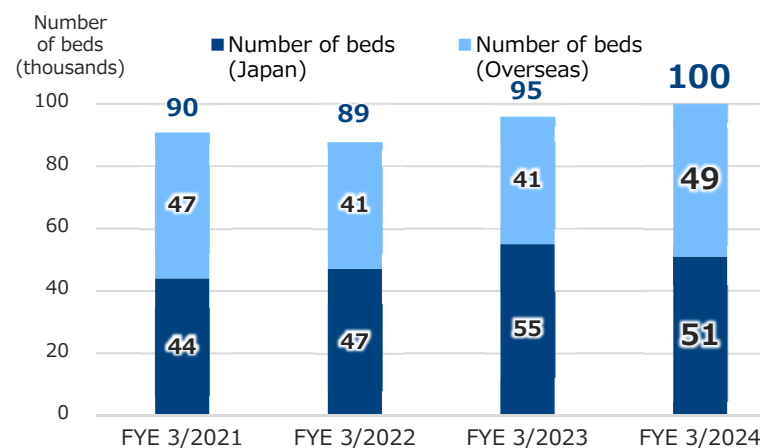
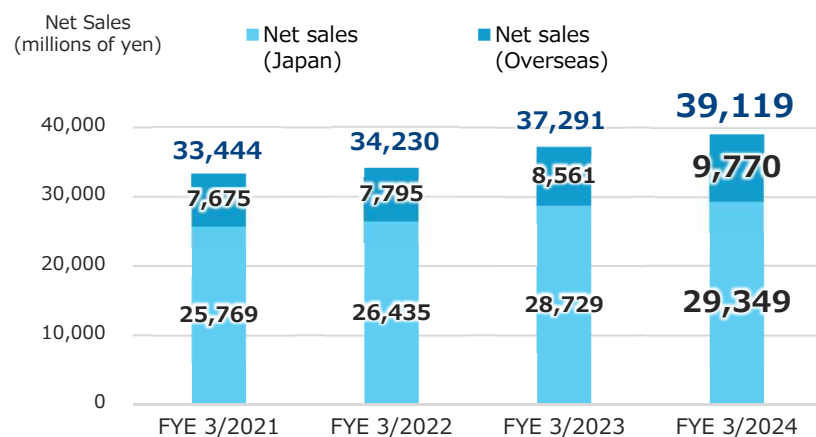
Recurring revenue business and smart bed systems, etc. are expected to expand. In overseas, sales should increase mainly in large markets.

(Unit: millions of yen)

	FYE 3/2021	FYE 3/2022	FYE 3/2023	FYE 3/2024	
				Outlook	YoY
Net sales	33,444	34,230	37,291	39,119	+5%
Japan	25,769	26,435	28,729	29,349	+2%
Overseas	7,675	7,795	8,561	9,770	+14%

(Units: thousands, fractions rounded. YoY comparisons are calculated based on actual numbers.)

	FYE 3/2021	FYE 3/2022	FYE 3/2023	FYE 3/2024	
					YoY
Number of beds sold	90	89	95	100	+5%
Japan	44	47	55	51	-6%
Overseas	47	41	41	49	+21%



*Applied "Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29) from FYE 3/2022

3-4. Outlook for Nursing Care Business

Pursuing reliable increase in net sales by strengthening our lineup

We expanded our product lineup and also introduced original products for rental wholesalers. In the facilities business, emphasis remains on market inroads for the new Nemuri CONNECT and Nemuri SCAN systems.

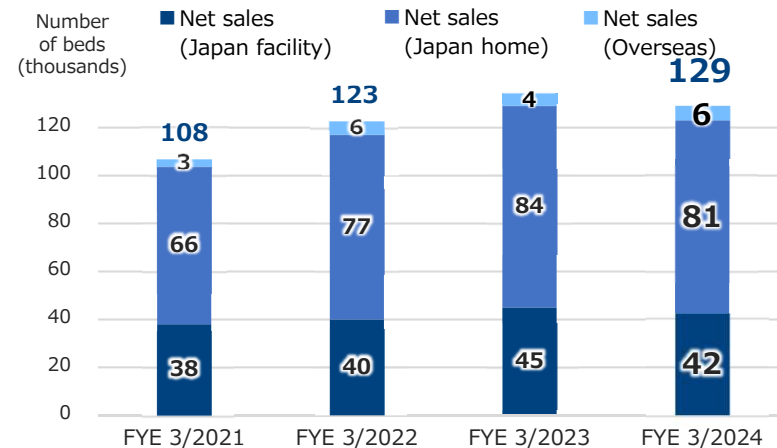
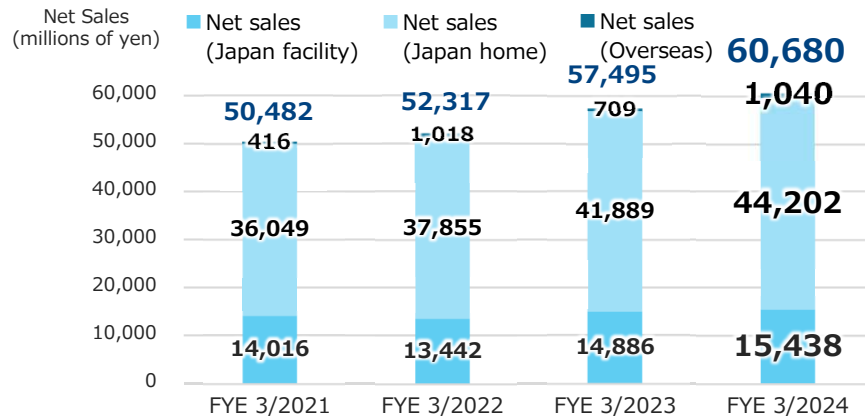
(Unit: millions of yen)

	FYE 3/2021	FYE 3/2022	FYE 3/2023	FYE 3/2024	
				Outlook	YoY
Net sales	50,482	52,317	57,521	60,669	+6%
Japan nursing facility	14,016	13,442	14,912	15,438	+4%
Japan home care	36,049	37,855	41,899	44,202	+6%
Overseas	416	1,018	709	1,029	+45%

(Units: thousands, fractions rounded. YoY comparisons are calculated based on actual numbers.)

	FYE 3/2021	FYE 3/2022	FYE 3/2023	FYE 3/2024	
					YoY
Number of beds sold	108	123	132	129	-3%
Japan nursing facility	38	40	45	42	-7%
Japan home care	66	77	84	81	-3%
Overseas	3	6	4	6	+69%

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



*Applied "Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29) from FYE 3/2022

3-5. Outlook for Health Promotion Business

New commercial is now airing

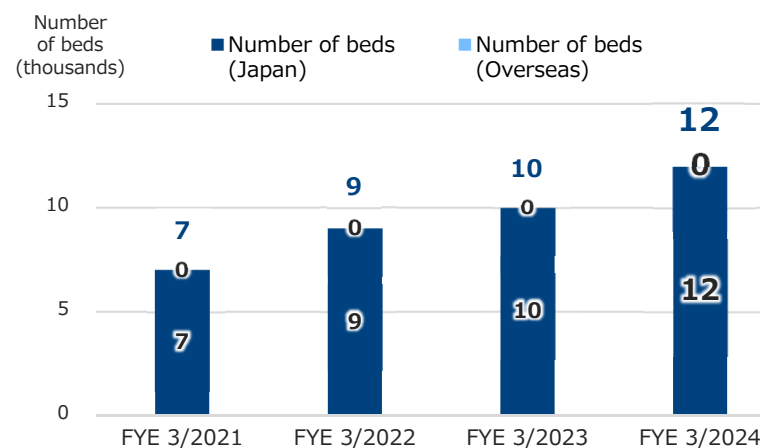
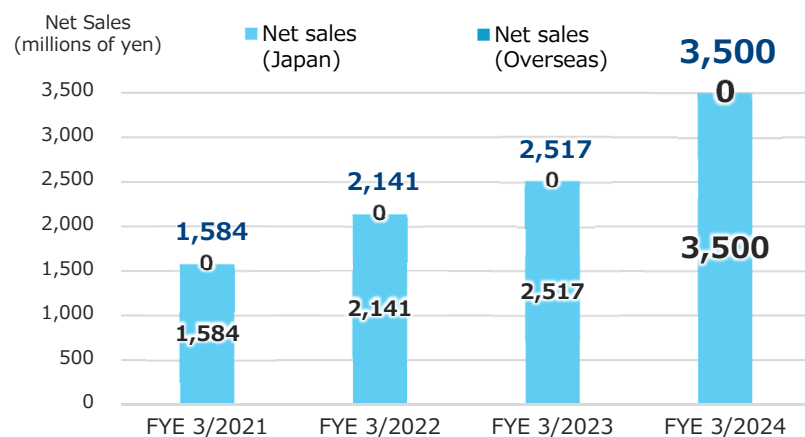
We have renewed our brand strategy and strengthened our various PR activities and dealer support measures. We will strive to expand sales of the new INTIME 1000.

(Unit: millions of yen)

	FYE 3/2021	FYE 3/2022	FYE 3/2023	FYE 3/2024	
				Outlook	YoY
Net sales	1,584	2,141	2,517	3,500	+39%
Japan	1,584	2,141	2,517	3,500	+39%
Overseas	0	0	0	0	0%

(Units: thousands, fractions rounded. YoY comparisons are calculated based on actual numbers.)

	FYE 3/2021	FYE 3/2022	FYE 3/2023	FYE 3/2024	
				Outlook	YoY
Number of beds sold	7	9	10	12	+26%
Japan	7	9	10	12	+26%
Overseas	0	0	0	0	0%



*Applied "Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29) from FYE 3/2022

3-6. List by Business

Recurring domestic sales projected to increase 7% YoY to 34 billion yen

Net Sales

(Unit: millions of yen)

	FYE 3/2023	FYE 3/2024	
	Results	Outlook	YoY
Medical Care Business	37,291	39,119	+4.9%
Nursing Care Business	57,495	60,669	+5.5%
Health Promotion Business	2,517	3,500	+39.0%
Other	1,678	1,710	+1.9%
Total	99,009	105,000	+6.1%

Number of beds sold

(Units: thousands, fractions rounded)

	FYE 3/2023	FYE 3/2024	
	Results	Outlook	YoY
	95	100	+5%
	132	129	-3%
	10	12	+26%
	-	-	-
	237	241	+2%

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

*Reference data (recurring domestic sales)

(rounded to the nearest hundred million yen)

Medical Care Business	6 billion yen	6.6 billion yen	+9%
Nursing Care Business	25.6 billion yen	27.4 billion yen	+7%
Total	31.6 billion yen	34 billion yen	+7%

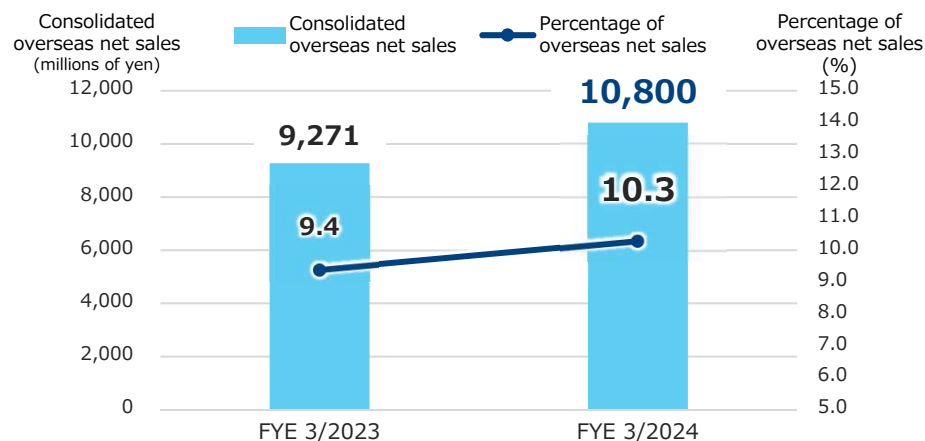
3-7. Overseas Sales by Region

Focus on business expansion in large markets

(Unit: millions of yen)	FYE 3/2023	FYE 3/2024 Outlook	YoY
Consolidated overseas net sales	9,271	10,800	+16.5%
Overseas sales ratio	9.4%	10.3%	-

Consolidated overseas sales by region

(Unit: millions of yen)	FYE 3/2023	FYE 3/2024 Outlook	YoY
Asia	8,174	9,897	+21.1%
Indonesia	2,874	3,657	+27.2%
China	3,029	3,524	+16.3%
Other Asia	2,269	2,715	+19.7%
Middle East	222	235	+5.9%
Central and South America	505	526	+4.0%
Other	369	140	-62.0%



3-8. Capital Expenditures, Depreciation Costs, and R&D Expenses

Capital expenditures includes investments to the new system infrastructure

The budget also includes upgrade to coating equipment at the Indonesian factory.

(Unit: millions of yen)	FYE 3/2021	FYE 3/2022	FYE 3/2023	FYE 3/2024 Budget
Capital expenditures	2,976	1,822	3,653	3,613
Depreciation costs	7,540	7,898	8,482	9,671
R&D expenses	1,782	1,697	1,753	1,975
Number of employees	3,614	3,682	3,946	-

*Reference data

(rounded to the nearest hundred million yen)

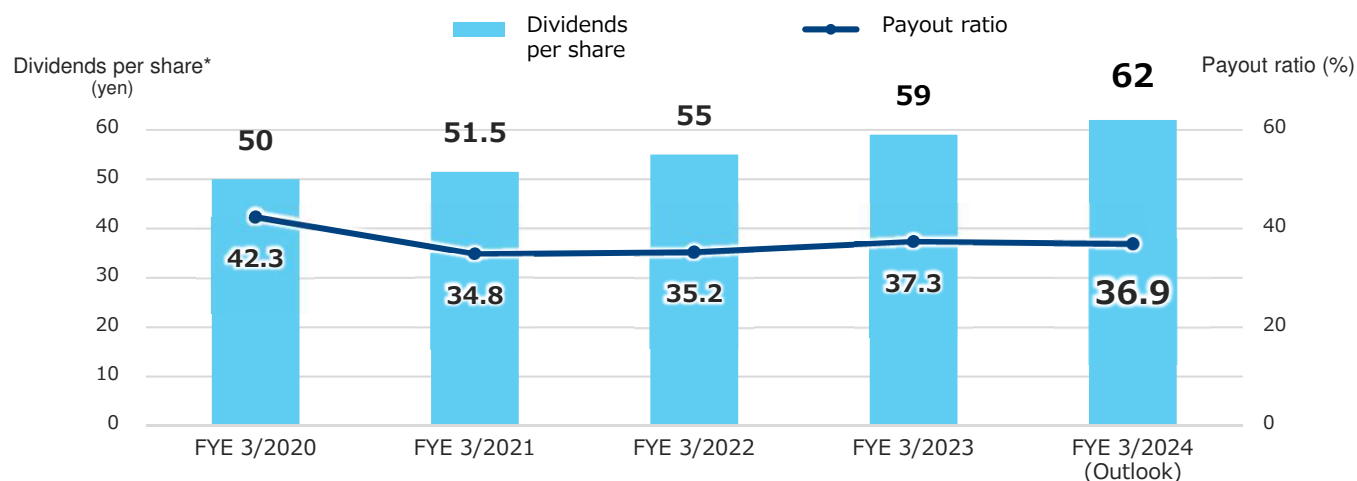
Recurring asset investment value	8.9 billion yen	10.1 billion yen	10.1 billion yen	11.6 billion yen
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3-9. Shareholder Returns (Dividends and Purchase of Treasury Shares)

Basic Policy: Increase in stable dividends with 2.7% DOE and payout ratio of 30% as a guide (under review, including revisions)

The guidance targets an annual dividend of 62 yen in FYE 3/2024 for the fourth consecutive dividend hike.

	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023	FYE 3/2024 Outlook
Dividends per share*	50 yen	51.5 yen	55 yen	59 yen	62 yen
Dividend on equity (DOE)	2.7%	2.7%	2.7%	2.7%	-
Payout ratio	42.3%	34.8%	35.2%	37.3%	36.9%
Value of share buybacks	4,382 million yen	0 yen	0 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, 2019.

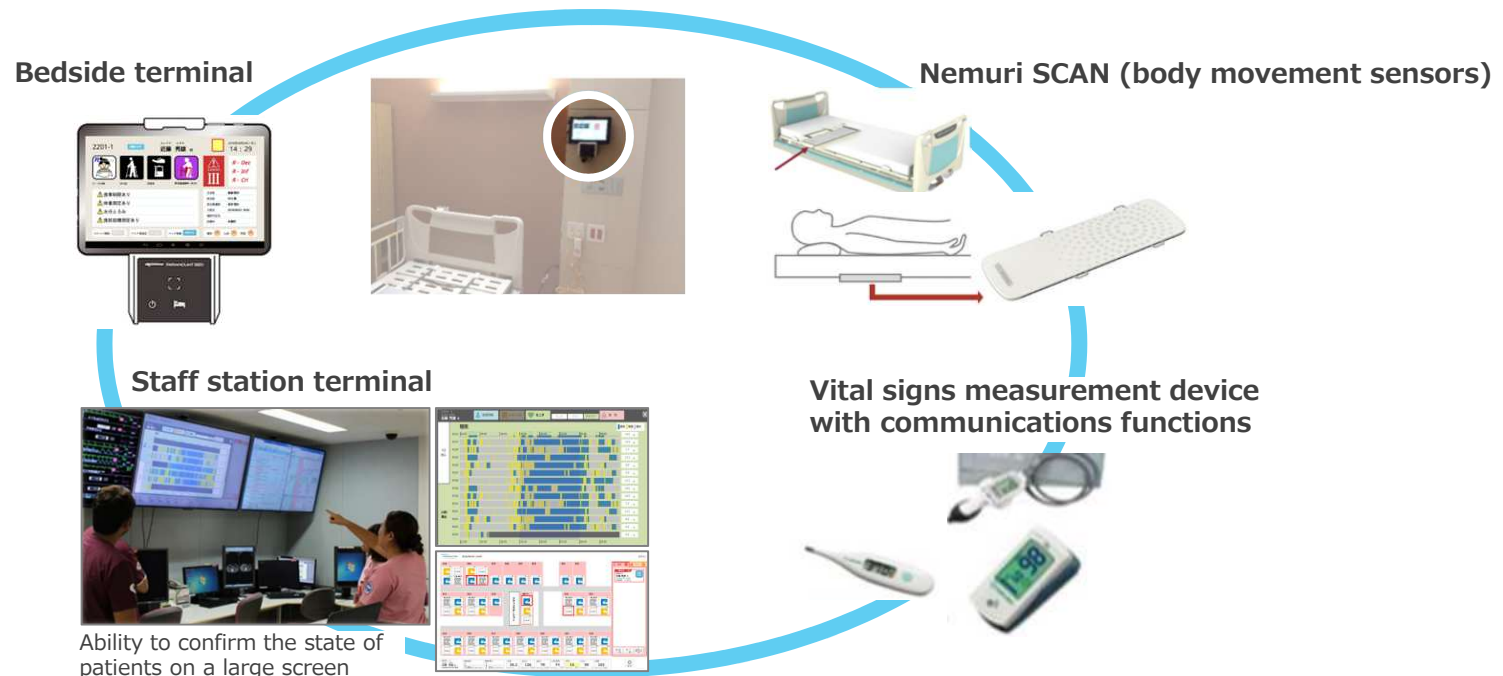
4. Topics

4-1. Topics (Medical Care Business, Japan)

Accelerate sales of the smart bed system

Contribute to the promotion of medical staff work style reforms

- This system, which is built around a bedside terminal and links vital signs measurement devices with a communications function, electronic medical records, staff terminals, various sensors, and other ICT equipment, contributes to input work, information sharing, night-time monitoring, and data utilization.
- Cumulative number of hospitals with deployments: 32 hospitals (as of end-March 2023)
⇒ **Expect approx. 20 hospitals to newly introduce the system this fiscal year**



4-2. Topics (Medical Care Business, Overseas)

Focus on China, India, and Indonesia

Situation in each country (Paramount Bed Holdings estimates)

Indonesia

Population: approx. 270 million Number of hospital beds: approx. 330,000
Annual number of beds sold in the market: approx. 23,000 units (electric ratio: 30%)
Our electric bed market share: approx. 70%



China

Population: approx. 1.4 billion Number of hospital beds: approx. 7 million
Annual number of beds sold in the market: approx. 370,000 units (electric ratio: 9%)
Our electric bed market share: approx. 16%



India

Population: approx. 1.4 billion Number of hospital beds: approx. 1.24 million
Annual number of beds sold in the market: approx. 130,000 units (electric ratio: 20%)
Our electric bed market share: approx. 20%



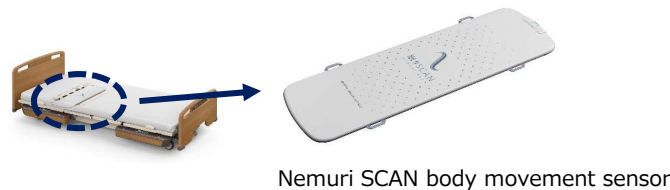
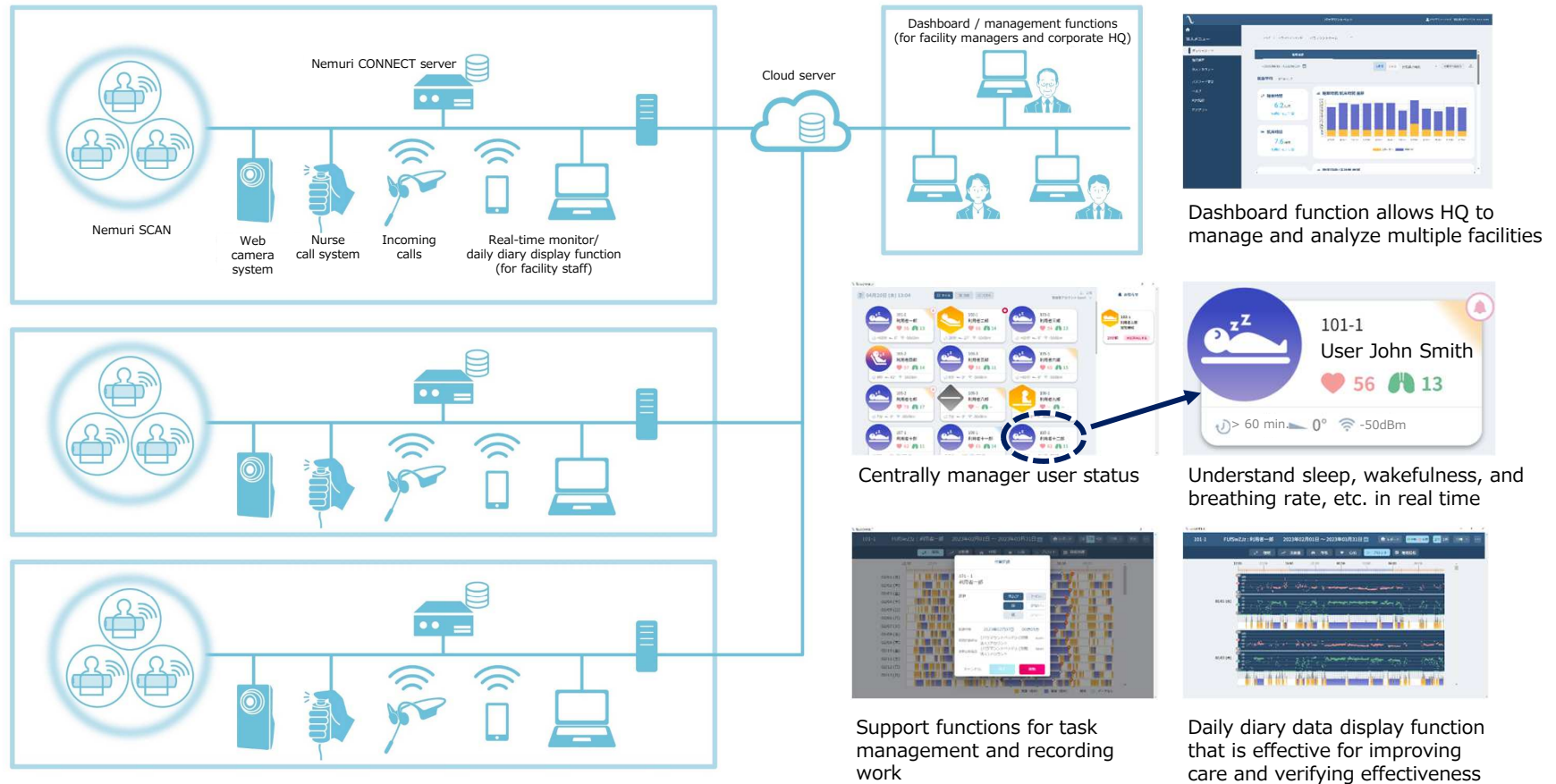
- **Started construction of a new factory in India**
Planned completion and operation
in 2024, doubling production capacity



Conceptual image of the new factory in India

4-3. Topics (for Nursing Care Business and Facilities)

Nemuri CONNECT cloud-based monitoring support system



More than 160,000 units of Nemuri SCAN and the new Nemuri CONNECT system are contributing to the promotion of DX for nursing care

4-4. Topics (Health Promotion Business)

Promoting a rebuilding of brand strategy
Aiming to change perceptions of electric beds and
expand the market

Renewed the TV commercial for the INTIME brand

- New concept: "Electric beds that bring power to your life"
- "Kimi wa Tennen Shoku" by Eiichi Ohtaki is used as the song for the commercial
- Started airing in October



INTIME 1000 had a model refresh in April



Use image of the new INTIME 1000

- INTIME1000 is an electric bed for consumer households that has outstanding design and can be transformed into a nursing care bed when needed
- Incorporates the most requested functions and structures for conventional electric beds to improve convenience
- Lineup includes 144 different widths, functions, and designs
- Release date: April 2023
- Base price starts from 158,000 yen (tax exempt)

5. Appendix

Medium-Term Management Plan (May 2022)

5-1. Positioning of Corporate Principles, Long-Term Vision, and Medium-Term Management Plan

Corporate Principles

Corporate Principles

We create comfortable healthcare environments through cutting-edge technology with a human touch

Statement

as human, for human

Vision

Paramount Vision 2030

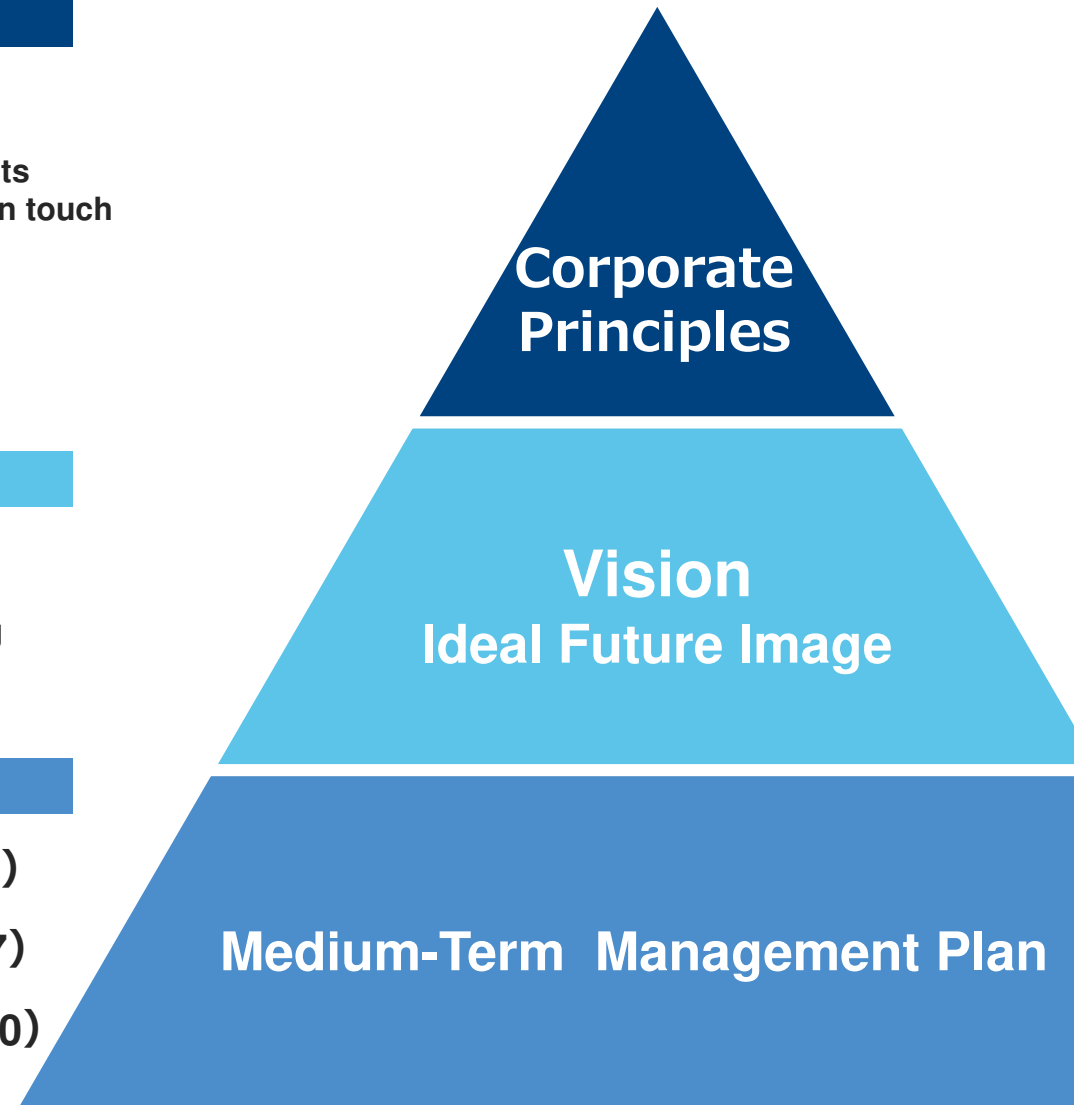
Smiles for everyone from medical and nursing care to health field

Medium-Term Management Plan

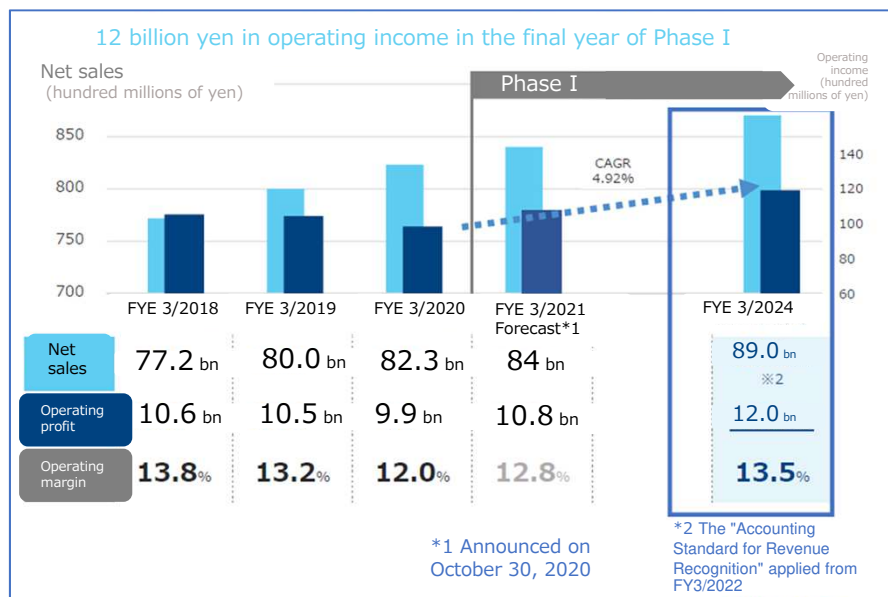
Phase I: (April 2020–March 2024)

Phase II: (April 2024–March 2027)

Phase III: (April 2027–March 2030)



5-2. Status of Phase I



Current situation

- Phase I performance targets
Aim for 12 billion yen in operating profit and 89 billion yen in sales in FYE 3/2024

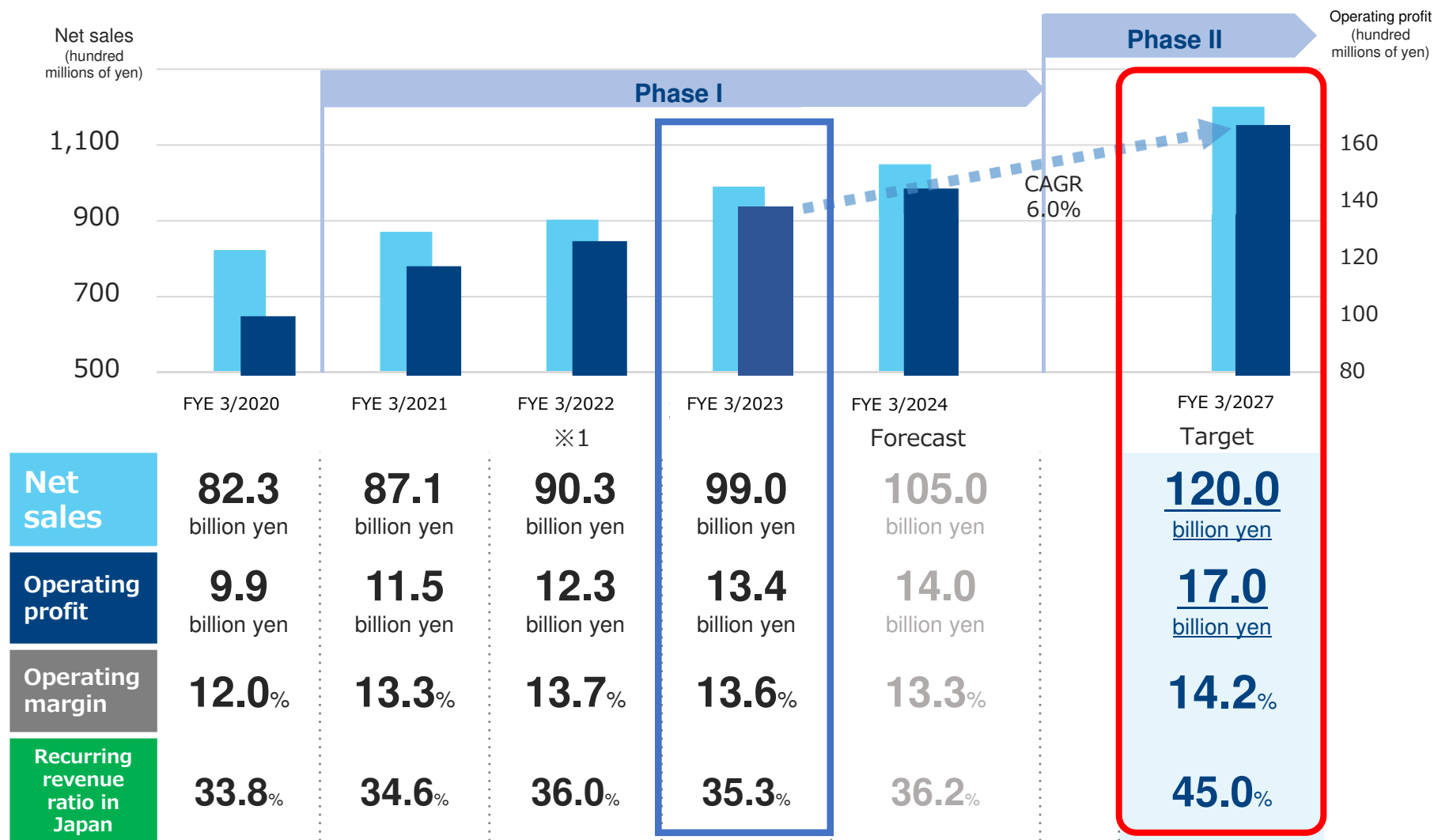
Exceeded in FYE 3/2022

Continue steady implementation of priority measures from Phase I and conduct activities taking the **Phase II direction** into account.

April 2021 briefing materials

5-3. Phase II (FYE 3/2025 – FYE 3/2027) Performance Targets

Final year of Phase II: 120 billion yen in sales and 17 billion yen in operating profit



*1 The "Accounting Standard for Revenue Recognition" applied from FY3/2022

5-4. Phase II Direction and Focal Points

Paramount Vision 2030

Smiles for everyone from medical and nursing care to health field

March 2024

March 2027

March 2030

Phase I Priority Measures

- Expansion of current businesses
- Fully engaging in Health Promotion Business
- Establishing the foundations for change

Phase II Direction and Focus Points

- Expansion of recurring revenue businesses
- Advancement of the Health Promotion Business
- Leap forward in key areas of Asia
- In order to realize the above, "expand and create business through collaboration with other companies"

Becoming an indispensable presence as a partner to our customers

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



5-5. Phase II Direction and Focal Points

Expansion of recurring revenue businesses

- Accelerate expansion of current recurring revenue businesses
 - Assistive products rental wholesale business (Nursing Care)
 - On-site hospital services (Medical Care)
 - Hospital packaged rentals (Medical Care)
- Develop new recurring revenue business menu utilizing sensing technology, AI, IoT, etc.



Increase recurring sales ratio in Japan to 45%

Advancement of Health Promotion Business

- Expansion of sleep improvement products
- Products and services contributing to extending healthy life expectancy
- Expand users by partnering with other companies



Increase Health Promotion Business net sales to over 5 billion yen

Leap forward in key areas of Asia

- No. 1 share of medical beds in countries of operations
- Increase production capacity to support increase in number of beds sold
- Aim for CAGR 10% in sales



Increase overseas net sales to 15 billion yen

Accelerate speed of expansion of each focal point utilizing partnerships and CVC

5-6. Phase II Performance Targets (by Business)

Net sales by business

(Unit: millions of yen)

	FYE 3/2023 Result	FYE 3/2027 Target	vs. FYE 3/2023 Result
Medical Business	37,291	49,600	+33%
Nursing Care Business	57,521	62,900	+9%
Health Promotion Business	2,517	5,500	+119%
Other	1,678	2,000	+19%
Total	99,009	120,000	+21%
Operating profit	13,451	17,000	+26%

5-7. Phase II Performance Targets (Overseas)

Consolidated overseas net sales

(Unit: millions of yen)

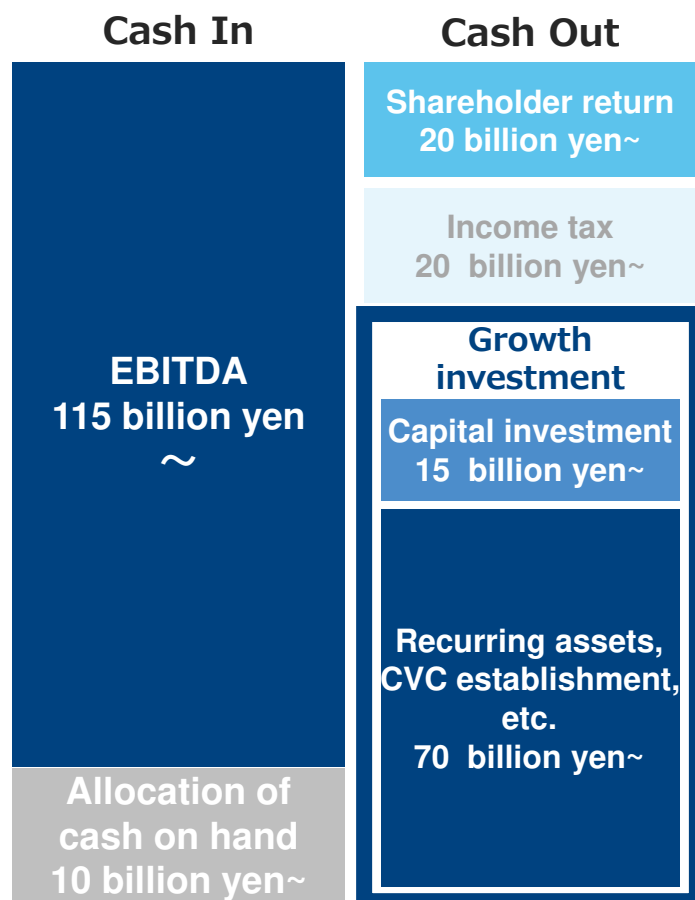
	FYE 3/2023 Result	FYE 3/2027 Target	vs. FYE 3/2023 Result
Asia	8,174	13,500	+65%
Indonesia	2,874	4,900	+70%
China	3,029	4,600	+52%
Other Asia	2,269	4,000	+76%
Outside of Asia	1,096	1,500	+37%
Total	9,271	15,000	+62%
Overseas sales ratio	9.4%	12.5%	-

5-8. Cash Allocation Plan

Priority allocation to recurring asset investments, venture investments, etc.

Aiming to strengthen ties with customers and shift to a recurring revenue business mode

Cumulative total for
FYE 3/2022 ~ FYE 3/2027



Shareholder return

Dividend on equity (DOE) ratio of 2.7%, dividend payout ratio of 30% as a guide

Flexible additional return considering market environment, etc.

Growth investment

Recurring assets to strengthen ongoing relationships with customers

Enhancement of production facilities and maintenance equipment for rental assistive products/Renewal of system infrastructure

Active development of partnerships with other companies, including establishment of CVC for business development

<Stance on level of cash on hand>

Approx. 3 months of working capital



Maintain business operation system capable of continuously providing products and services that contribute to medical and nursing care even in the event of a disaster

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.

Information regarding products and services (including those under development) described in this material is not intended for advertising purposes.

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.