



PARAMOUNT BED
HOLDINGS

Financial Results Briefing for the Fiscal Year Ending March 2024 (FYE 3/2024)

May 21, 2024

Securities code: 7817

Paramount Bed Holdings Co., Ltd.

Executive Summary

FYE 3/2024 The recurring revenue business saw growth. Sales and operating profit have increased for four consecutive periods, leading to all-time high sales and profits.

The Paramount Vision Phase II Medium-Term Management Plan has been updated with new indicators disclosed.

The dividend policy was revised. A significant dividend increase is expected in FYE 3/2025.

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1. Overview of Results for the Fiscal Year Ending March 31, 2024

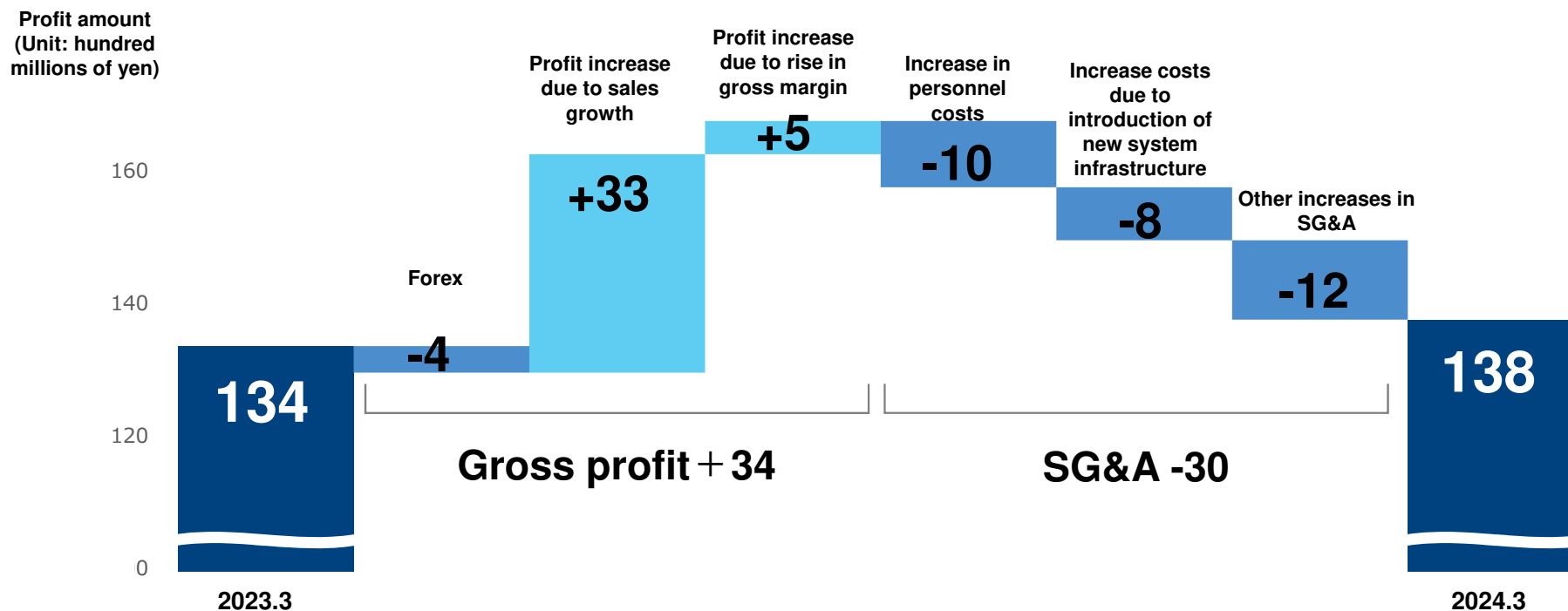
Overview of Financial Results

Sales and profit increased, setting all-time highs in sales and profits

(Unit: millions of yen)	FYE 3/2023	Forecast	FYE 3/2024	% to forecast	YoY change
	Results		Results		
Net sales	99,009	105,000	106,016	+ 1.0%	+ 7.1%
Operating profit (Operating profit margin)	13,452 (13.6%)	14,000 (13.3%)	13,818 (13.0%)	-1.3%	+ 2.7%
Ordinary profit (Ordinary profit margin)	14,139 (14.3%)	14,500 (13.8%)	15,920 (15.0%)	+ 9.8%	+ 12.6%
Profit attributable to owners of Parent (Net profit margin)	9,215 (9.3%)	9,800 (9.3%)	10,622 (10.0%)	+ 8.4%	+ 15.3%

Factors Causing Changes in Operating Profit

Recurring revenue business has grown steadily
Achieved profit growth despite increased costs



Financial Status

Net assets increased by 7,727 million yen

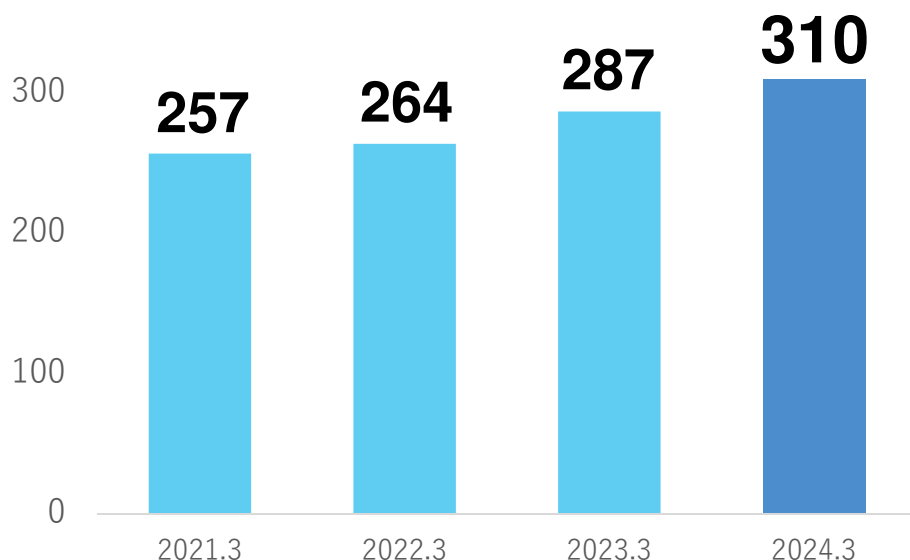
Unit: millions of yen	FYE 3/2023	FYE 3/2024	Change	YoY Change
Current assets	97,135	95,496	-1,639	-1.7%
Non-current assets	75,158	84,523	+9,365	+12.5%
Total assets	172,293	180,020	+7,727	+4.5%
Current liabilities	26,300	24,897	-1,403	-5.3%
Non-current liabilities	17,296	19,106	+1,810	+10.5%
Total liabilities	43,596	44,004	+408	+0.9%
Net assets	128,697	136,016	+7,319	+5.7%
Total liabilities and net assets	172,293	180,020	+7,727	+4.5%

2 . Overview by Business

Medical Care Business (Japan)

Efficiency and digitalization related to medical staff work-style reforms drive increased results. Recurring revenue business advanced.

Medical care business sales in Japan
(hundred millions of yen)



No. of hospitals with on-site staffing service contracts

107 hospitals **>** 113 hospitals + 6%
2023.3 2024.3

No. of hospitals with Smart Bed System installations

32 hospitals **>** 46 hospitals + 44%
2023.3 2024.3

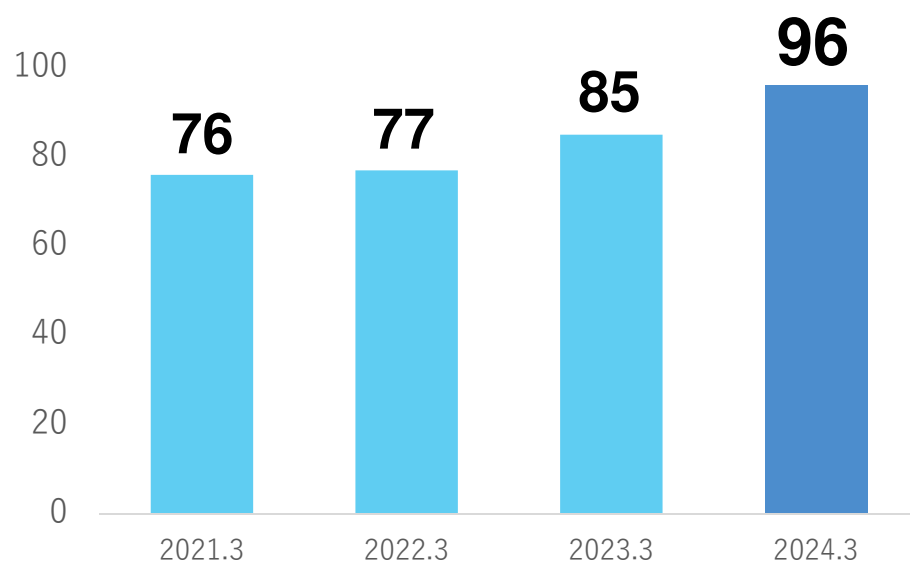
Recurring transaction volume (medical care)

6.0 billion yen **>** 7.4 billion yen + 23%
2023.3 2024.3

Medical Care Business (Overseas)

Increased sales of High-function type contributed to higher revenue

Medical care business sales in overseas
(hundred millions of yen)



No. of beds sold for overseas markets

41 thousand 2023.3 \rightarrow 40 thousand 2024.3 -0%

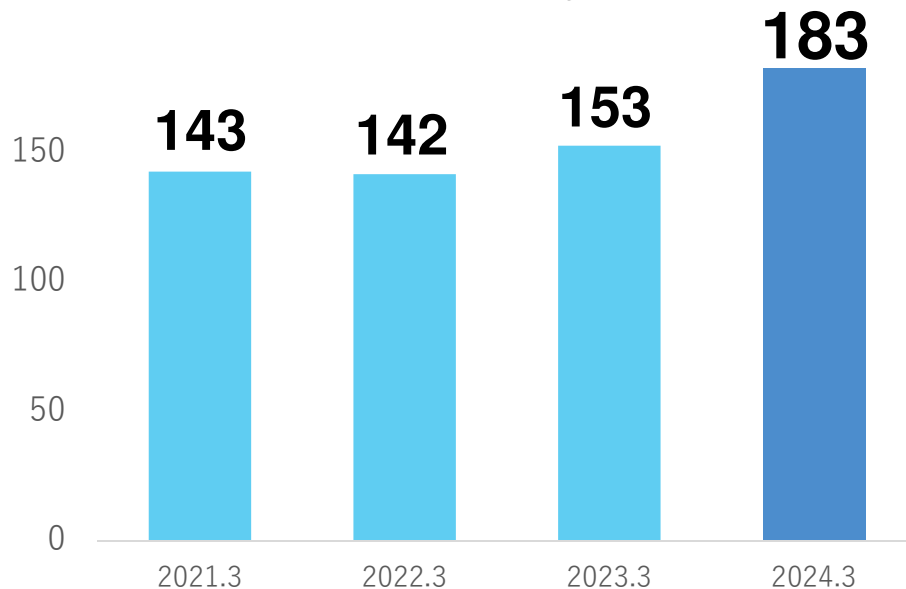
Sales for India including non-consolidated

1.4 billion yen 2023.3 \rightarrow 1.7 billion yen 2024.3 $+22\%$

Nursing Care Business (for nursing homes)

The use of Nemuri SCAN permeates rapidly
 Launch of the cloud-based monitoring support system "Nemuri CONNECT"

Nursing Care Business facilities
 (hundred millions of yen)



Nemuri SCAN annual sales volume (nursing care)

34 thousand **➤** **43** thousand **+ 28%**
 2023.3 2024.3

Nemuri SCAN cumulative sales volume (nursing care)

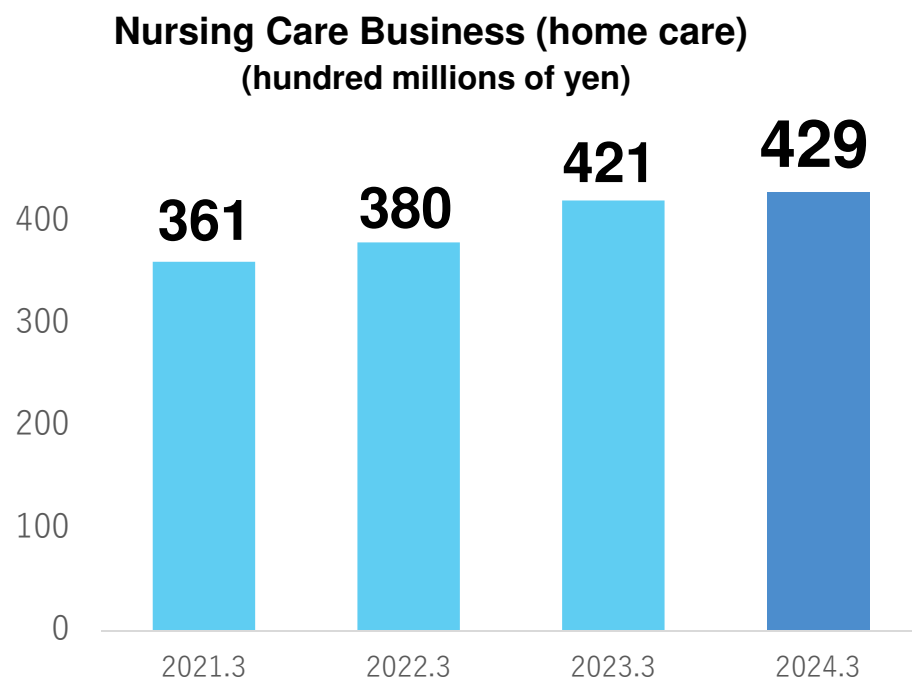
144 thousand **➤** **187** thousand **+ 29%**
 2023.3 2024.3

No. of facilities with Nemuri CONNECT contracts

2023.10 **➤** **177** Facilities **—**
 Service launch 2024.3

Nursing Care Business (for home care)

Sales of assistive products other than beds are expanding
Rental wholesale has grown, overcoming returns from COVID-19 facilities



Recurring transaction volume (nursing care)

25.6 billion yen **➤** **26.5** billion yen **+4%**
2023.3 2024.3

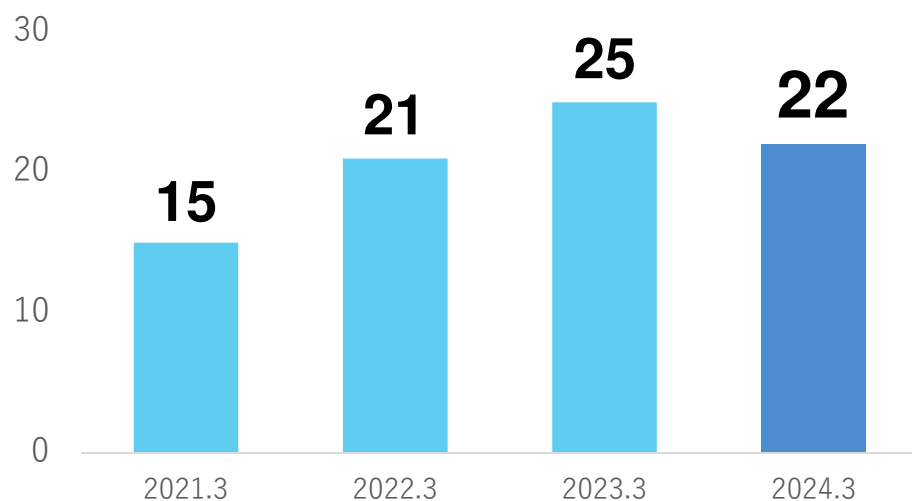
No. of rental wholesale users

512 thousand **➤** **553** thousand **+8%**
2023.3 2024.3

Health Promotion Business

Change in consumer behavior after reclassification of COVID-19 to Class 5 affects sales

Health Promotion Business
(hundred millions of yen)



No. of bed sales (health promotion)

9.8 thousand 2023.3 → 8.4 thousand 2024.3 - 15%

3. Future Strategy and Outlook

Positioning of Corporate Principles, Vision, and Medium-Term Management Plan

Corporate Principles

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

Vision

Paramount Vision 2030

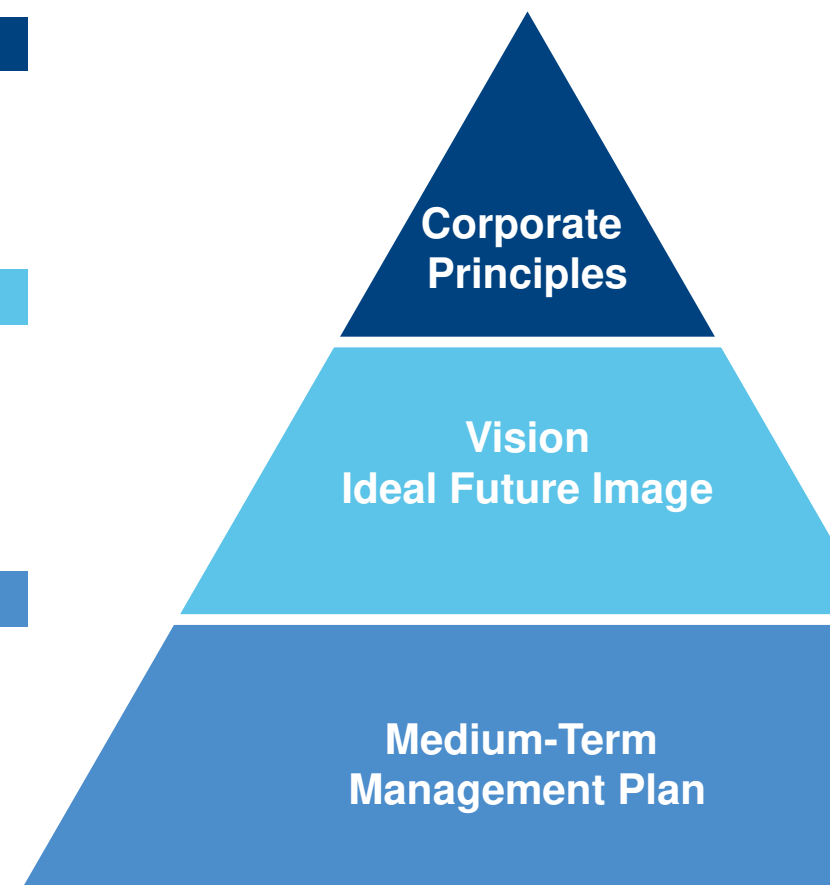
Smiles for everyone from medical and nursing care to health field

Medium-Term Management Plan

Phase I: April 2020–March 2024

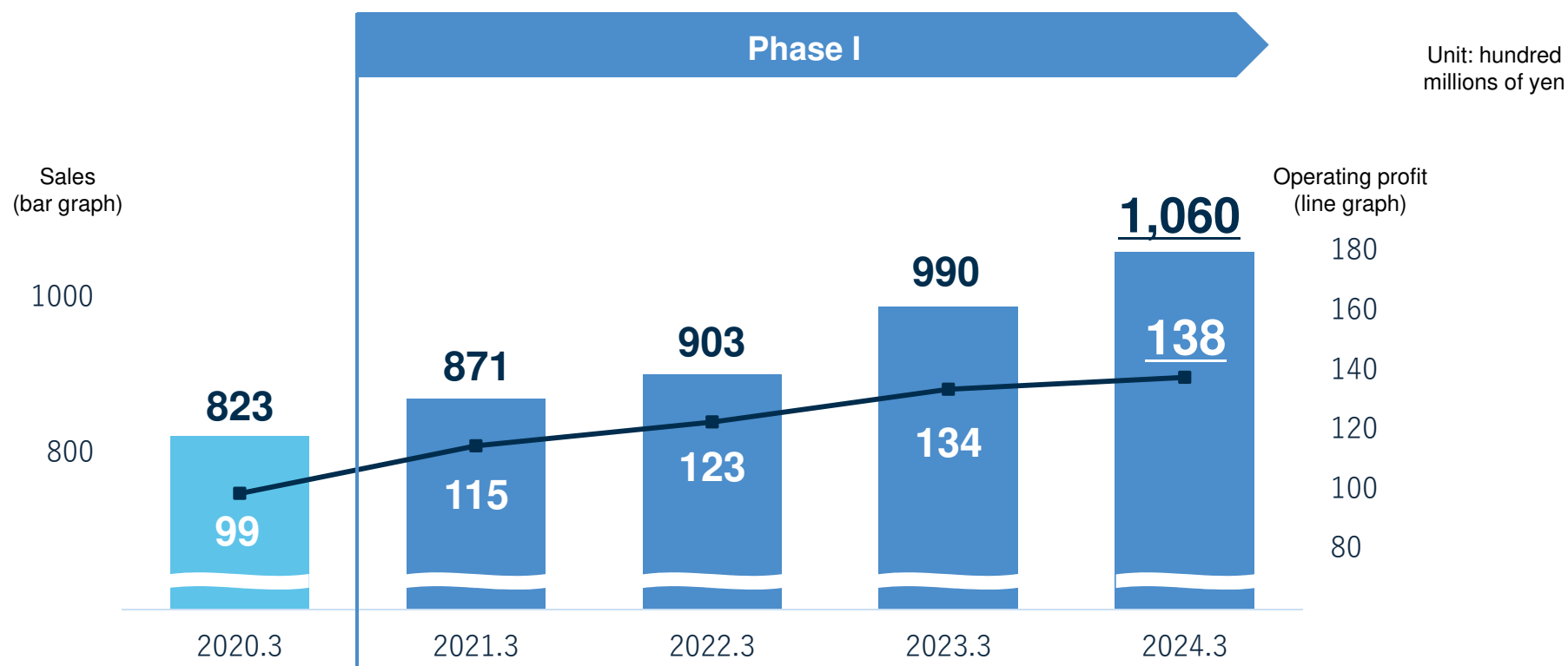
Phase II: April 2024–March 2027

Phase III: April 2027–March 2030



Review of Phase I

Performance targets exceeded 2 years ahead of schedule. All-time high sales and profits for four consecutive years.



Phase II Priority Measures

March 2024

March 2027

March 2030

Phase I Priority Measures

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

Phase II Priority Measures

Expansion of recurring revenue businesses
Advancement of Health Promotion Business
Leap forward in key areas of Asia

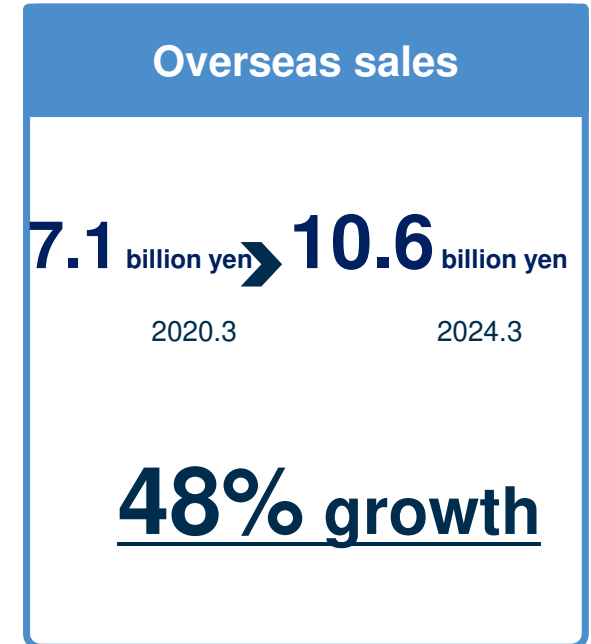
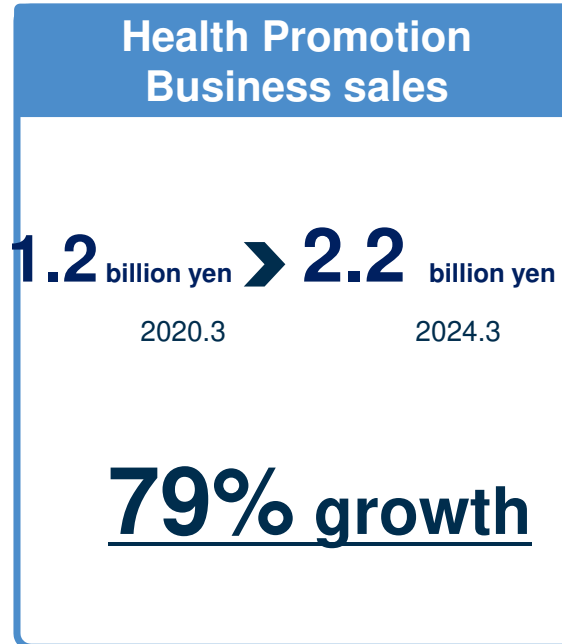
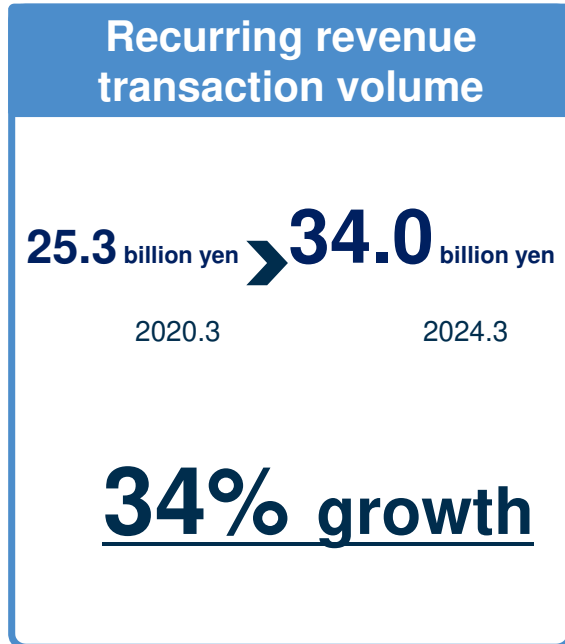


Becoming an indispensable presence as a partner to our customers

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

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Status of Priority Measures Businesses



Steady expansion of businesses in the key areas of Phase II

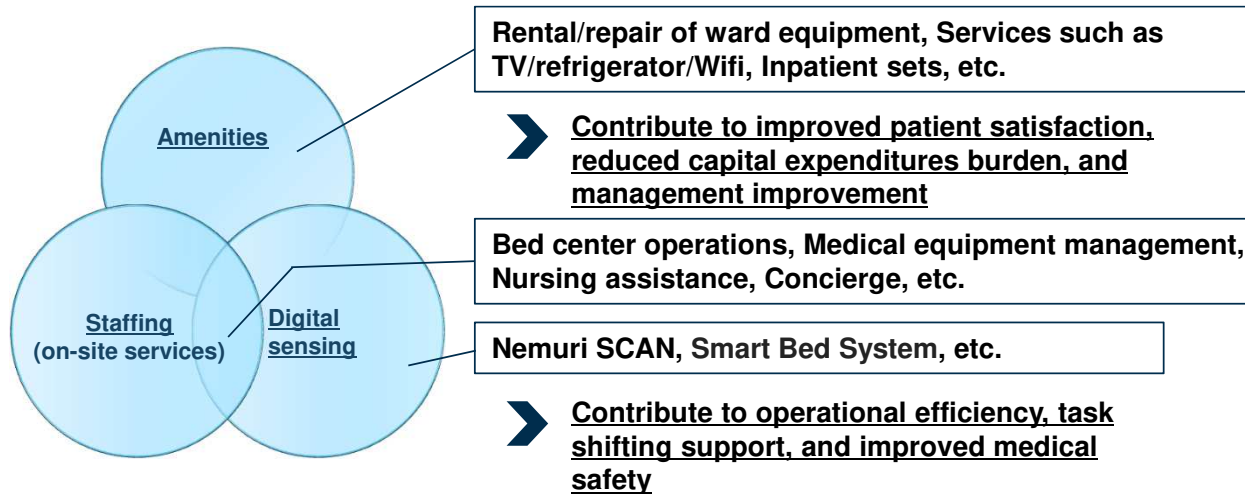
Expansion of Recurring Revenue Business (Medical Care Business)

Aiming to be a partner in hospital management through stronger continuous relationships with medical institutions.

Environment surrounding medical institutions

Shortage of labor due to work-style reforms, Rising costs, Decrease in income due to drop in patients after COVID-19, and Promotion of medical DX.

● Developing various recurring revenue menus to contribute to solve challenge



Provide a combination of tailored services to each hospital

➤ Expansion of the number of contracted hospitals × Increase in revenue per hospital

Main KPIs



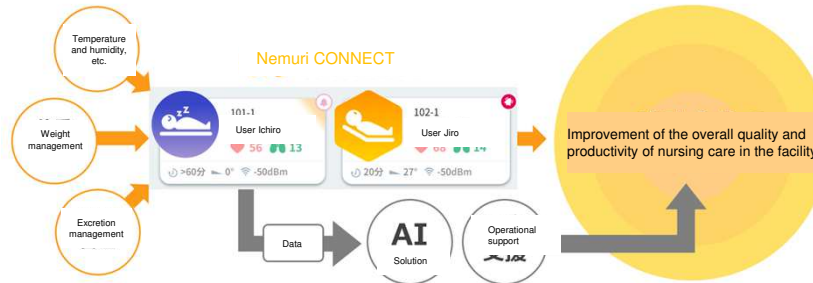
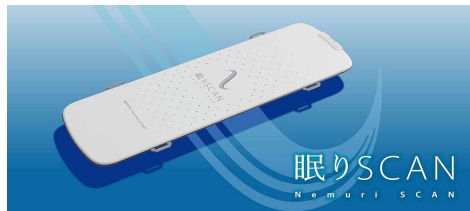
Expansion of Recurring Revenue Business (Nursing Care Business)

Accelerate use of Nemuri SCAN and transition from one-time sales to a recurring revenue model

Environment surrounding the nursing care sector

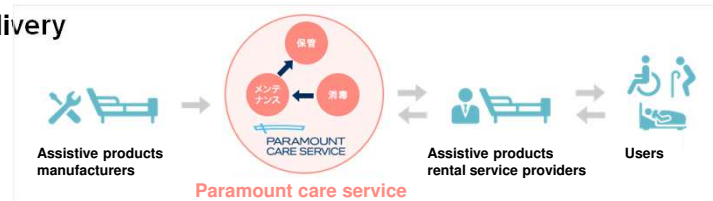
Increasing elderly population, Labor shortage, Rising utility costs, Increasing social welfare costs, Promotion of nursing care DX

●Nursing homes: Contribute to the promotion of nursing care DX centered around Nemuri SCAN/CONNECT



●Home care: Strengthening comprehensive capabilities to expand the number of rental wholesale users

- Efficiency of rental wholesale sites and delivery networks
- Accelerate expansion through M&A
- Expand original products
- Advancements in beds



Main KPIs

Nemuri SCAN cumulative sales volume

202 thousand 2024.3 → 350 thousand ~ 2027.3

No. of facilities with Nemuri CONNECT contracts

177 facilities 2024.3 → 2,500 facilities ~ 2027.3

No. of rental wholesale users

553 thousand 2024.3 → 700 thousand ~ 2027.3

Advancement of Health Promotion Business

Strengthening lineup and marketing for reaccelerated growth

Environment surrounding health promotion business sector

Japan, a nation with a significant sleep deficit, Expanding sleep tech, Increasing health awareness, and Growing health management efforts

●Aiming to improve public awareness by broadcasting new commercials centering around the two main brands

INTIME

Produced by PARAMOUNT BED



Active Sleep

A new model released in April 2024



New commercials available here ↓



●Creating new businesses in the health promotion sector centered around affiliated companies and CVC-funded firms



SISI ... & more

Main KPIs



CVC information here→



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Leap Forward in Key Area of Asia

Strengthening area management in key countries (Indonesia, China, India)

Environment surrounding overseas business sector

Population growth/economic expansion in Asia, Expansion of medical infrastructure, Protection of domestic industries, Changing competitive environment

● Expanding tailored lineup to the needs of each country



From localized models to flagship models
In Phase II, double the number of bed models introduced compared to Phase I



● Efforts to enhance production capacity/improve quality



- New factory in India (scheduled to start operations within 2024)
⇒ Increase in in-house production rate, doubling of production capacity
- Introduction of new painting line in Indonesia
⇒ Quality improvement through double coating
- Expansion of welding robots in Chinese factories in Phase I
⇒ Operating with over 90% automation rate in welding process

Projected completion image of new Indian factory

Main KPIs

Overseas sales

10.6 billion yen → 15.0 billion yen
2024.3 2027.3

No. of beds sold for overseas markets

45 thousand → 70 thousand
2024.3 2027.3

Management Indicators

(Unit: hundred millions of yen)	2024.3 Results	2025.3 Forecast	2027.3 Target	% change versus 2024.3
Sales	1,060	1,120 ➤	1,200	+ 13 %
Recurring revenue volume value *1	340	382 ➤	450	+ 32 %
Operating profit	138	140 ➤	170	+ 23 %
EBITDA *2	235	250 ➤	290	+ 23 %

*1. The total amount of cash obtained from the recurring revenue business. Adopted as a more accurate indicator of actual performance.

*2. Calculated as the sum of operating profit and depreciation expenses. Adopted as an indicator to promote further growth investment based on changes in our group's business style.

Sales Targets for the Main 3 Businesses:

(Unit: hundred millions of yen)	2024.3 Results	2025.3 Forecast	2027.3 Target	% change versus 2024.3
Medical Care Business	406	427 >	500	+ 23 %
Nursing Care Business	613	634 >	650	+ 6 %
Health Promotion Business	22	40 >	50	+ 127 %

Sales Targets for Overseas Key Areas

(Unit: hundred millions of yen)	2024.3 Results	2025.3 Forecast	2027.3 Target	% change versus 2024.3
Indonesia	28	35 >	45	+ 61 %
China	35	36 >	45	+ 29 %
India *	17	19 >	25	+ 56 %
Consolidated overseas sales	106	115 >	150	+ 41 %

*The sales figures for India include sales to the domestic market, including non-consolidated local subsidiaries. Its number differs from consolidated overseas sales.

Shareholder Return

New dividend policy

DOE ratio of 4.0%, dividend payout ratio of 50% as a guide

Promoting a shareholder return policy that allows our shareholders to experience growth together with us

Annual dividend
(Bar graph, Unit: Yen)

100

80

60

40

20

0

2015.3 2016.3 2017.3 2018.3 2019.3 2020.3 2021.3 2022.3 2023.3 2024.3 2025.3 2026.3 2027.3

30

2.1%

35

2.4%

45

2.9%

45

2.7%

50

2.8%

50

2.7%

51.5

2.7%

55

2.7%

59

2.7%

65

2.8%

97

4.0%

DOE
(Bar graph, Unit: %)

6.0

4.0

2.0

0.0

Purchase of treasury shares
(Unit: hundred millions of yen)

40

32

33

43

24

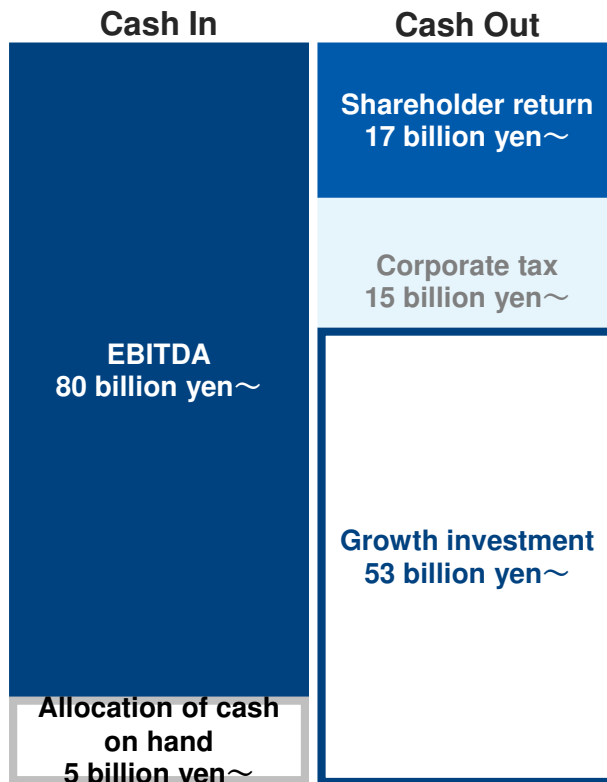
Considering flexible additional returns

* The Company conducted a stock split at a ratio of 2-for-1 for each common share, with April 1, 2021 as the effective date. The annual dividends shown above are calculated assuming that the stock split was implemented on April 1, 2014.

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Cash Allocation

Phase II period: Cumulative total



Shareholder return

Dividend on equity (DOE) ratio of 4.0%, dividend payout ratio of 50% 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/Push introduction 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

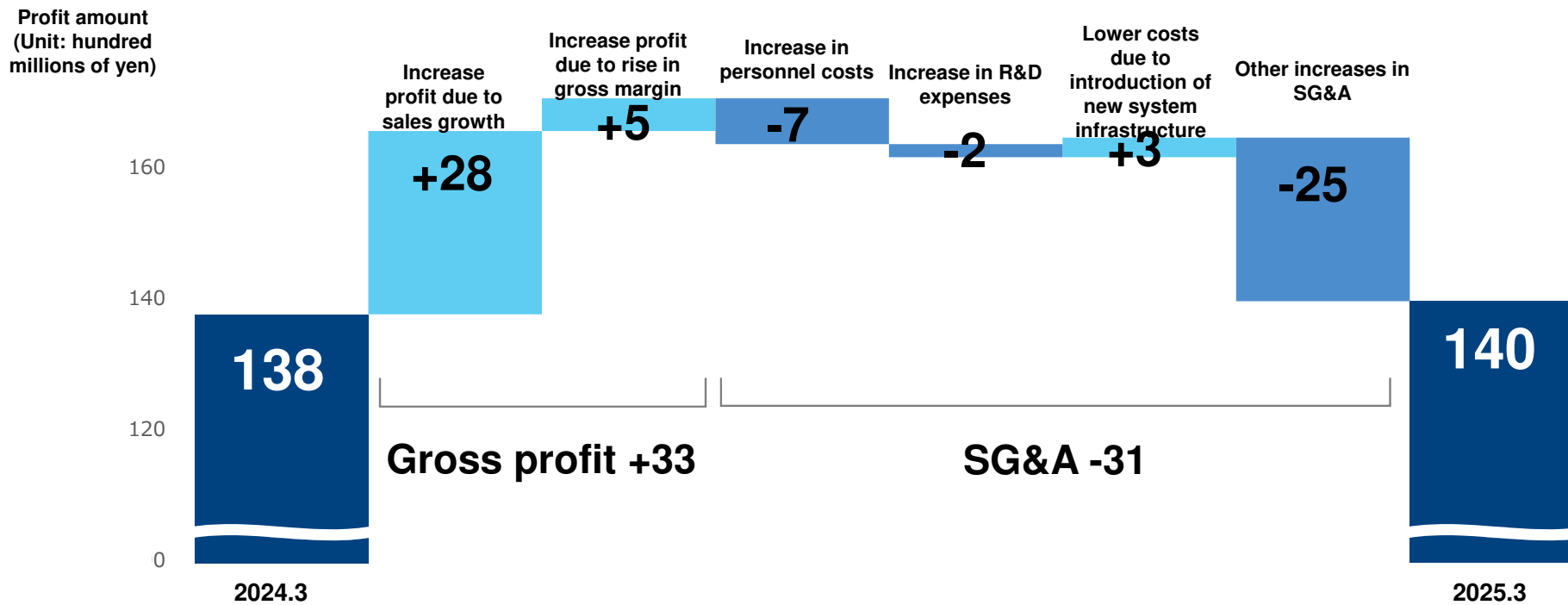
FYE 3/2025 Financial Forecast

Increased sales and operating profit: Despite a budgeted decline in profit for the first half, the full year is expected to set an all-time high.

(Unit: millions of yen)	FYE 3/2024	FYE 3/2025		YoY	
	Full year	First half	Second half		Full year
Net sales	106,016	51,000	61,000	112,000	+ 5.6%
Operating profit (Operating profit margin)	13,818 (13.6%)	5,200 (10.2%)	8,800 (14.4%)	14,000 (12.5%)	+ 1.3%
Ordinary profit (Ordinary profit margin)	15,920 (15.0%)	5,450 (10.7%)	9,050 (14.8%)	14,500 (12.9%)	-8.9%
Profit attributable to owners of Parent (Net profit margin)	10,622 (10.0%)	3,850 (7.5%)	6,250 (10.2%)	10,100 (9.0%)	-4.9%

FYE 3/2025: Factors Causing Changes in Operating Income

Increase profits through continued expansion of recurring revenue business



Capital expenditures, depreciation costs, and R&D expenses

The capital expenditures for FYE 3/2025 are expected to remain at a high level, particularly for ERP-related investments

(Unit: millions of yen)

	2022.3 Results	2023.3 Results	2024.3 Results	2025.3 Forecast
Capital expenditures	1,822	3,653	3,643	4,425
Depreciation costs	7,898	8,482	9,765	11,031
R&D expenses	1,697	1,753	1,975	2,158
Number of employees	3,682	3,946	4,126	-

5. Topic

WELL-BEING for all beings

Our group has set forth Paramount Vision 2030, "Smiles for everyone from medical and nursing care to health field," to expand our business beyond the framework of traditional medical and nursing bed manufacturers. As we continue the future-oriented expansion and evolution of our business, we have created the brand message "WELL-BEING for all beings" to express the value that our group will provide to stakeholders worldwide.

We have prepared a video expressing the worldview embedded in our brand message. Please take a look at the video using the link or QR code below.

<https://www.paramount.co.jp/english/brandmessage>





WELL-BEING for *all beings*

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