



PARAMOUNT BED
HOLDINGS

Financial Results Briefing for the First Six Months of the Fiscal Year Ending March 2025 (FYE 3/2025)

Nov 7, 2024

Securities code: 7817

Paramount Bed Holdings Co., Ltd.

Sales in the nursing care business remained strong, but sales in the medical and health promotion businesses fell short of expectations

**Full-year earnings forecast for FYE3/2025 revised based on results in the first half
: Higher sales, lower profits, than the previous year**

Regarding shareholder returns, in addition to a significant increase in dividends for FYE3/2025, the company decided to carry out share buy-backs (up to 1.8 million) and cancel treasury shares (4.15 million).

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1. Overview of Results for the First Six Months of the Fiscal Year Ending March 31, 2025

Overview of first six months financial results

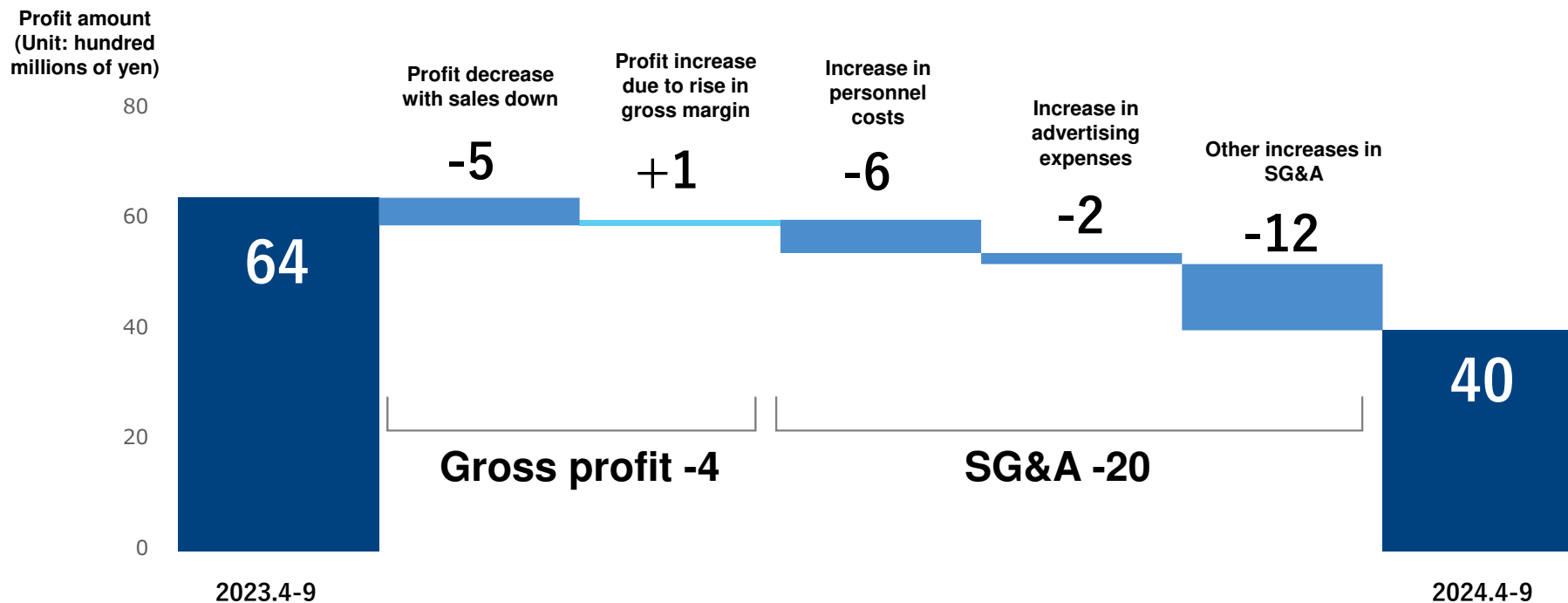
Both sales and profit decreased YoY

(Unit: millions of yen)	2023.4-9 Results	Forecast	2024.4-9 Results	% to forecast	YoY change
Net sales	49,720	51,000	48,674	-4.6%	-2.1%
Operating profit (Operating profit margin)	6,480 (13.0%)	5,200 (10.2%)	4,099 (8.4%)	-22.2%	-36.7%
Ordinary profit (Ordinary profit margin)	7,819 (15.7%)	5,450 (10.7%)	3,454 (7.1%)	-36.6%	-55.8%
Profit attributable to owners of Parents (Net profit margin)	5,298 (10.7%)	3,850 (7.5%)	2,272 (4.7%)	-41.0%	-57.1%
Recurring transaction volume*1	16,737	18,436	18,641	+1.1%	+11.4%
EBITDA *2	11,041	10,474	9,469	-9.6%	-14.2%

*1. The total amount of cash obtained from the recurring revenue business. *2. Calculated as the sum of operating profit and depreciation expenses.

Factors Causing Changes in Operating Profit

The increase in SG&A expenses was as expected, but sluggish growth in the gross profit margin due to rising raw material prices and the decline in sales caused profits to decrease.



Financial Status

Fixed assets increased with the expansion of recurring businesses.

Unit: millions of yen	2024.3	2024.9	Change	Change %
Current assets	95,496	90,562	-4,934	-5.2%
Non-current assets	84,523	87,104	+2,581	+3.1%
Total assets	180,020	177,667	-2,353	-1.3%
Current liabilities	24,897	21,142	-3,755	-15.1%
Non-current liabilities	19,106	20,142	+1,036	+5.4%
Total liabilities	44,004	41,267	-2,737	-6.2%
Net assets	136,016	136,400	+384	+0.3%
Total liabilities and net assets	180,020	177,667	-2,353	-1.3%

2 . Overview by Business

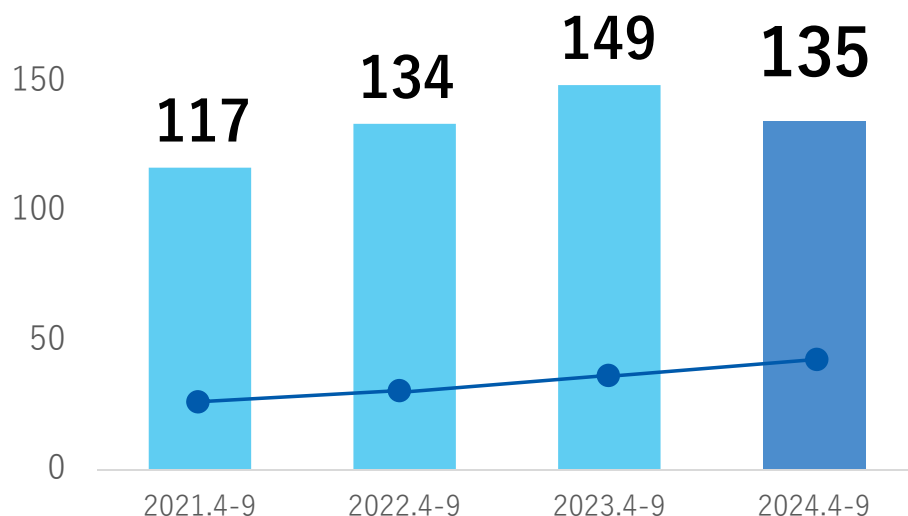
Medical Care Business (Japan)

Sales of beds and equipment decreased due to a widespread wait-and-see attitude toward capital investment in the harsh business environment at hospitals.

Products and services that contribute to the efficiency and digitalization of operations in line with work style reforms for doctors performed steadily.

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

*Line chart describes recurring transaction volume



No. of hospitals with on-site staffing service contracts

110 hospitals **>** **121** hospitals **+ 10%**
2023.9 2024.9

No. of hospitals with Smart Bed System installations

36 hospitals **>** **53** hospitals **+ 47%**
2023.9 2024.9

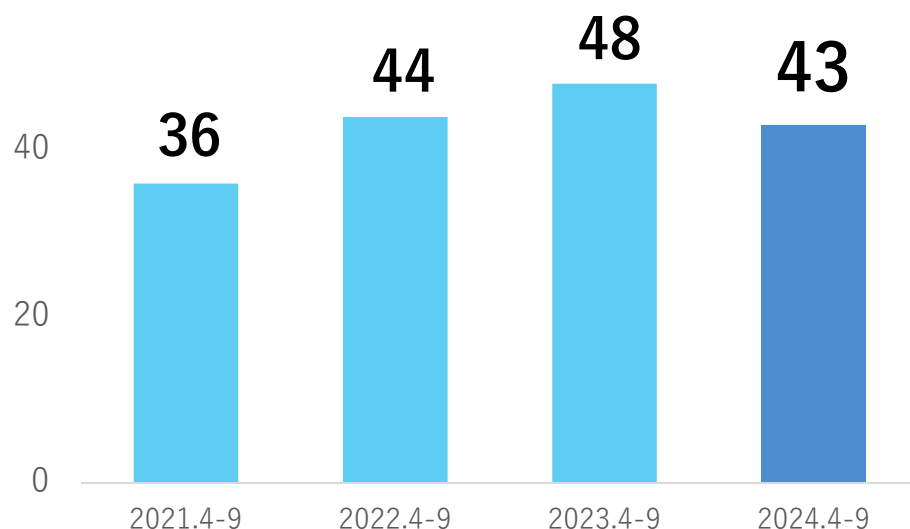
Recurring transaction volume (medical care)

3.6 billion yen **>** **4.3** billion yen **+ 21%**
2023.4-9 2024.4-9

Medical Care Business (Overseas)

In Indonesia, the number of orders received for private hospital projects increased.
In China, revenues decreased due to the disappearance of special demand from the previous fiscal year after the end of the zero-COVID policy.

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



No. of beds sold for overseas markets

20 thousand **>** 20 thousand +3%
2023.4-9 2024.4-9

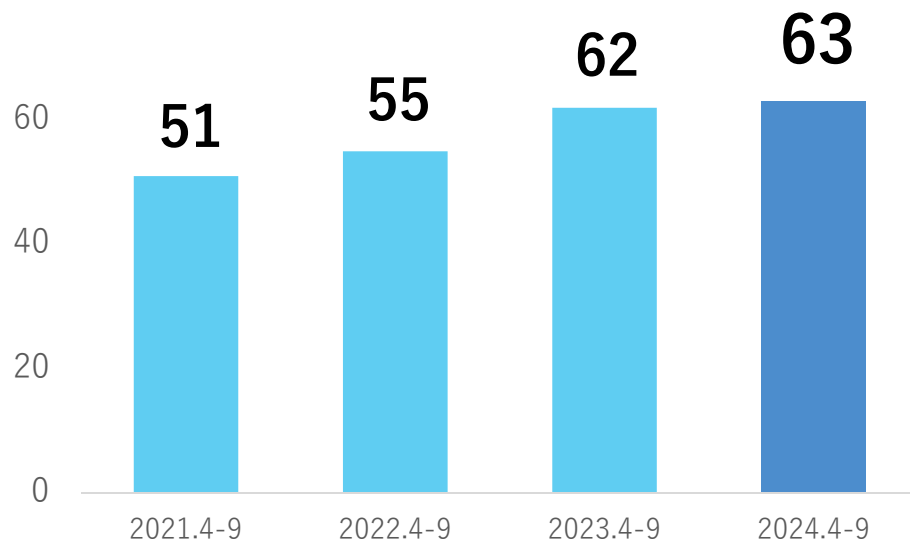
Sales for India including non-consolidated

0.8 billion yen **>** 0.9 billion yen +12%
2023.4-9 2024.4-9

Nursing Care Business (for nursing homes)

Sales to nursing homes exceeded budgets and performed steadily.
Sales of Nemuri SCAN were down slightly YoY, but roughly in line with plans.

Nursing Care Business facilities
(hundred millions of yen)



Nemuri SCAN first six-months sales volume (nursing care)

12 thousand **➤** **11** thousand **-11%**
2023.4-9 2024.4-9

Nemuri SCAN cumulative sales volume (nursing care)

157 thousand **➤** **199** thousand **+27%**
2023.9 2024.9

No. of facilities with Nemuri CONNECT contracts

2023.10 **➤** **271** Facilities **—**
Service launch 2024.9

*The nursing care business figures include overseas business.

Nursing Care Business (for home care)

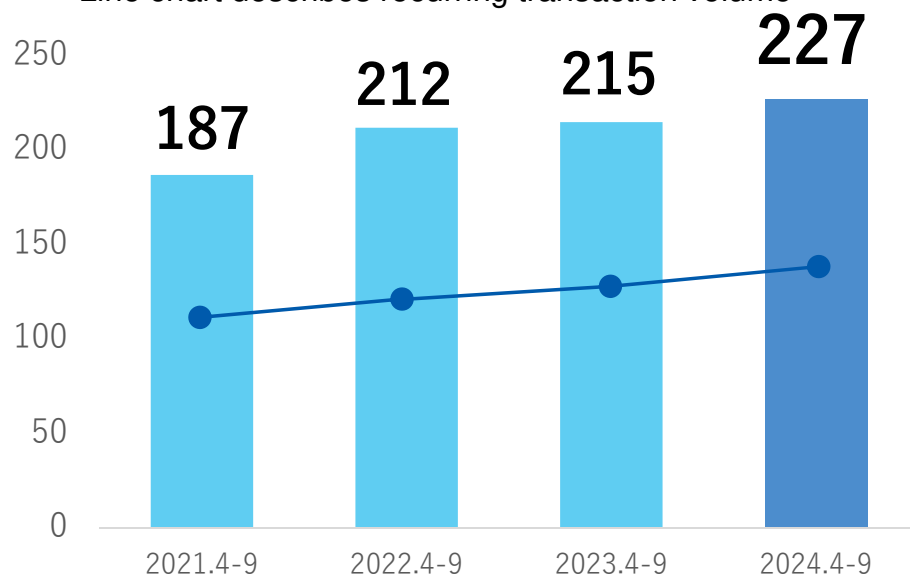
Sales of assistive devices were strong, thanks to expansion of our product lineup.

Sales of mainstay beds also remained at a high level.

PCS Tokyo, which became a consolidated subsidiary in July, partially contributed to increase in sales of rental wholesale business.

Nursing Care Business (home care) (hundred millions of yen)

*Line chart describes recurring transaction volume



*The nursing care business figures include overseas business.

Recurring transaction volume (nursing care)

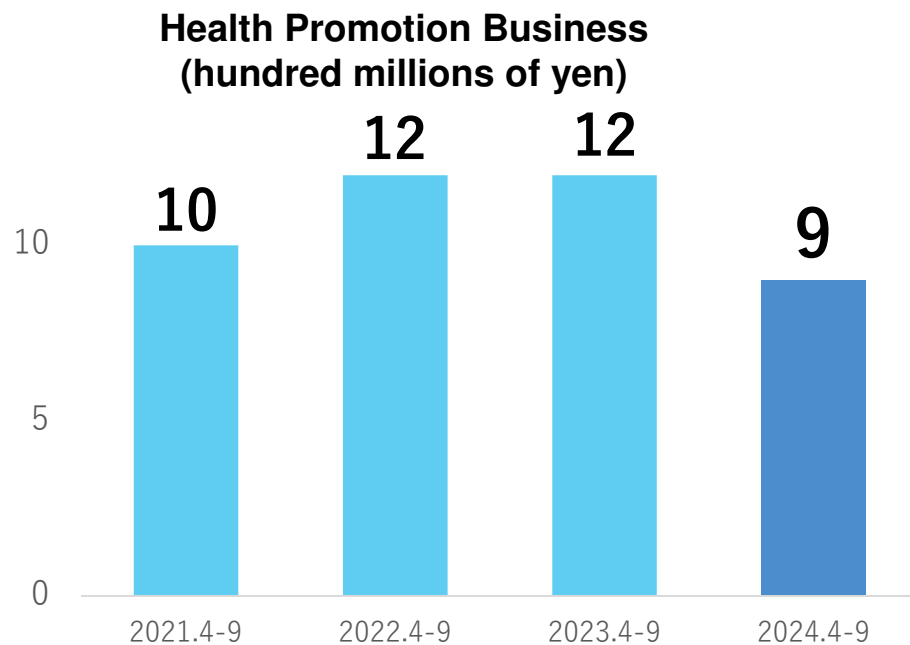
13.1 billion yen **➤** **14.2** billion yen **+9%**
2023.4-9 2024.4-9

No. of rental wholesale users

534 thousand **➤** **609** thousand **+14%**
2023.9 2024.9

Health Promotion Business

Sales decreased due to a shift in consumer behavior from “consumption of goods” to “consumption of experience” and a decline in sentiment toward durable consumer goods due to rising prices.



Overseas Sales by Region

Unit: millions of yen	2024.4-9	2025.4-9	YoY Change
Asia	4,743	4,422	-7.3%
Indonesia	1,134	1,602	+41.2%
China	2,024	1,416	-30.0%
Other Asia	1,584	1,403	-11.4%
Outside Asia	539	473	-12.3%
Consolidated overseas net sales	5,283	4,895	-7.3%
Overseas sales ratio	10.6%	10.1%	

*The figures for "Indonesia," "China," and "Other Asia" are included in "Asia."

3. Outlook for the Fiscal Year Ending March 31, 2025

Outlook for the full year

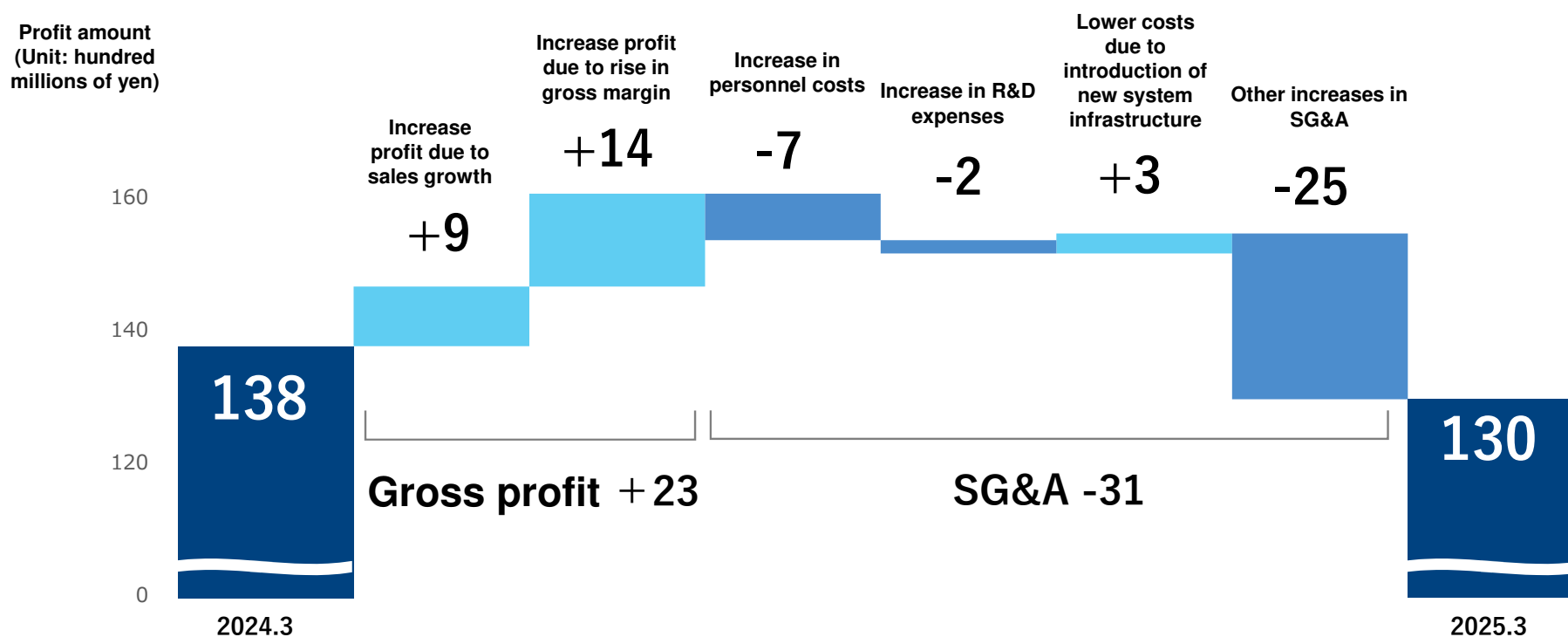
Outlook for the full year revised downward

(Unit: millions of yen)	2024.3	Initial Budget	2025.3	% to initial budget	YoY change
	Results		Revised Outlook		
Net sales	106,016	112,000	108,000	-3.6%	+1.9%
Operating profit (Operating profit margin)	13,818 (13.0%)	14,000 (12.5%)	13,000 (12.0%)	-7.1%	-5.9%
Ordinary profit (Ordinary profit margin)	15,920 (15.0%)	14,500 (12.9%)	12,500 (11.6%)	-13.8%	-21.5%
Profit attributable to owners of Parents (Net profit margin)	10,622 (10.0%)	10,100 (9.0%)	8,500 (7.9%)	-15.8%	-20.0%
Recurring transaction volume *1	34,056	38,200	38,200	0%	+12.2%
EBITDA *2	23,583	25,031	24,031	-4.0%	+1.9%

*1. The total amount of cash obtained from the recurring revenue business. *2. Calculated as the sum of operating profit and depreciation expenses.

Factors Causing Changes in Operating Profit

Focus on measures to improve profitability, such as optimizing prices.

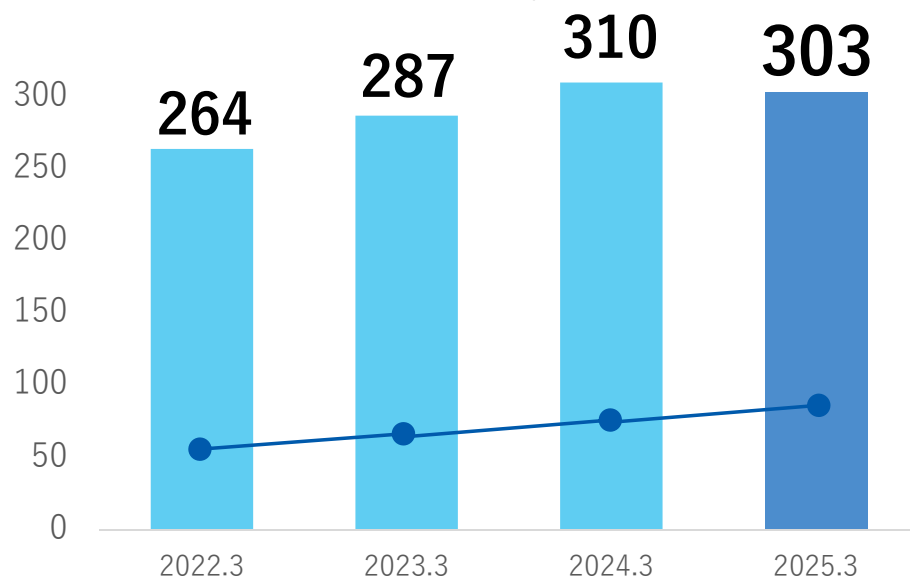


Medical Care Business (Japan)

Although the business situation is showing signs of recovery, we have revised outlook for the full year downward. We expect business related to operational efficiency and digitalization to continue to expand.

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

*Line chart describes recurring transaction volume



No. of hospitals with on-site staffing service contracts

113 hospitals **>** **125** hospitals **+ 11%**
2024.3 2025.3

No. of hospitals with Smart Bed System installations

46 hospitals **>** **76** hospitals **+ 65%**
2024.3 2025.3

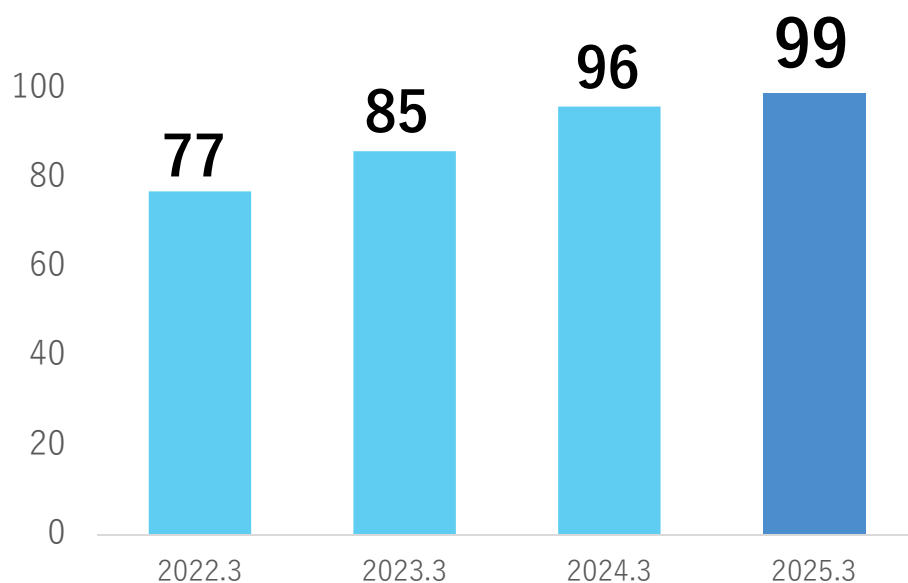
Recurring transaction volume (medical care)

7.4 billion yen **>** **8.6** billion yen **+ 16%**
2024.3 2025.3

Medical Care Business (Overseas)

We have revised our earnings forecast in light of uncertainties in China.
Aim to expand, primarily in Indonesia and India.

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



No. of beds sold for overseas markets

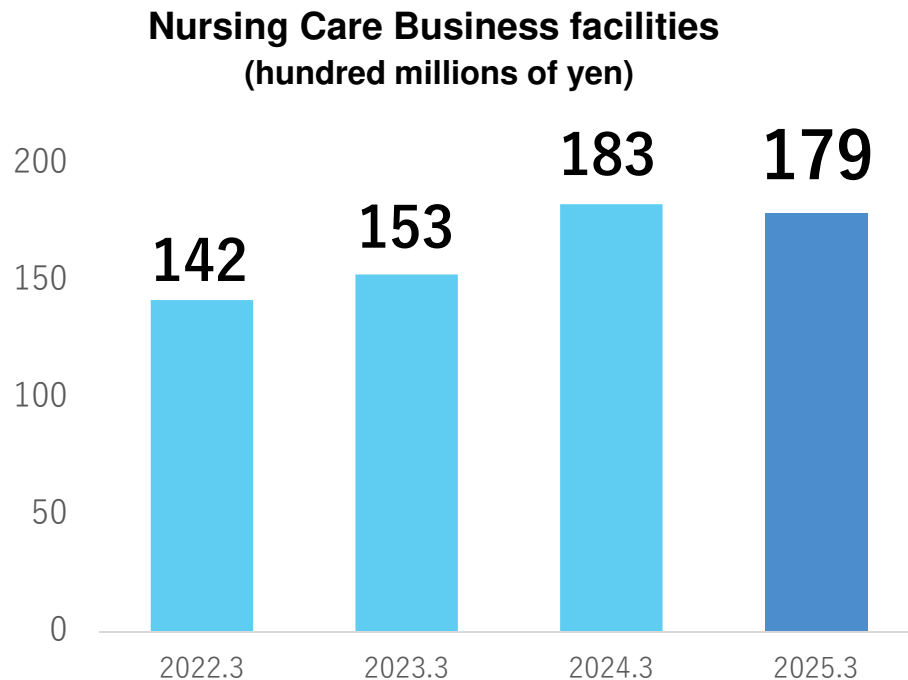
40 thousand 2024.3 → 46 thousand 2025.3 +13%

Sales for India including non-consolidated

1.7 billion yen 2024.3 → 1.9 billion yen 2025.3 +14%

Nursing Care Business (for nursing homes)

We have revised our full-year sales forecast upwards.
Focus on expanding our monitoring support-related devices and system.



*The nursing care business figures include overseas business.

Nemuri SCAN annual sales volume (nursing care)

43 thousand **➤** **46** thousand **+6%**
2024.3 2025.3

Nemuri SCAN cumulative sales volume (nursing care)

188 thousand **➤** **234** thousand **+24%**
2024.3 2025.3

No. of facilities with Nemuri CONNECT contracts

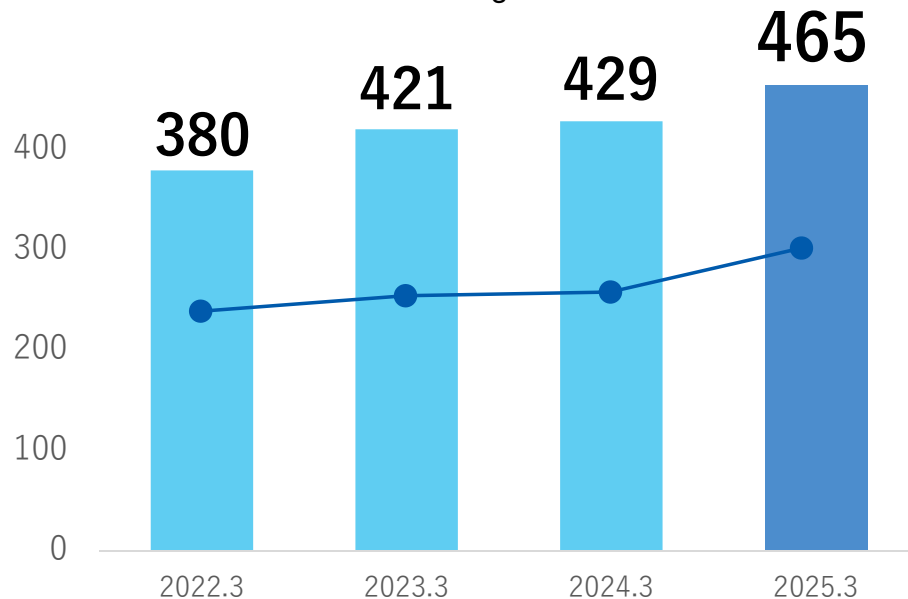
2023.10 **➤** **677** Facilities **—**
Service launch 2025.3

Nursing Care Business (for home care)

The number of users of the rental wholesale business is expected to steadily increase. Aim to expand our original products to strengthen our competitiveness and improve profitability in the medium to long term.

Nursing Care Business (home care) (hundred millions of yen)

*Line chart describes recurring transaction volume



*The nursing care business figures include overseas business.

Recurring transaction volume (nursing care)

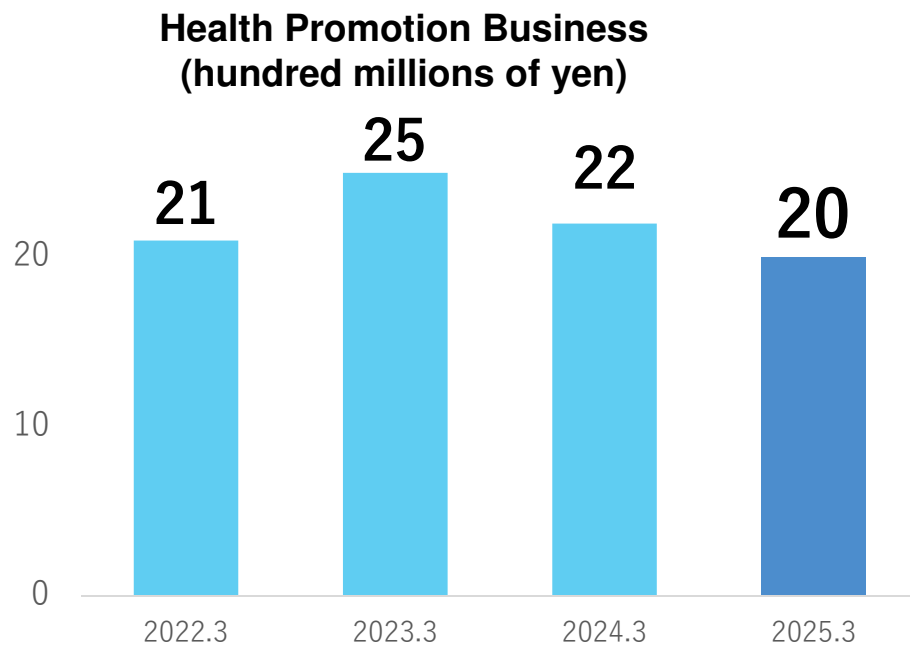
26.5 billion yen **➤** **29.4** billion yen **+11%**
2024.3 2025.3

No. of rental wholesale users

553 thousand **➤** **630** thousand **+14%**
2024.3 2025.3

Health Promotion Business

Revise our strategy to regain business growth.



Overseas Sales by Region

Outlook revised to reflect uncertainties in China.

Unit: millions of yen	2024.3	2025.3	YoY Change
Asia	9,271	9,690	+4.5%
Indonesia	2,833	3,675	+29.7%
China	3,506	3,077	-12.2%
Other Asia	2,931	2,937	+0.2%
Outside Asia	1,333	1,309	-1.8%
Consolidated overseas net sales	10,605	11,000	+3.7%
Overseas sales ratio	10.0%	10.2%	

*The figures for "Indonesia," "China," and "Other Asia" are included in "Asia."

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 IoT-related investments

(Unit: millions of yen)

	2022.3	2023.3	2024.3	2025.3
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	-

Shareholder Return

Shareholder return policy

DOE ratio of 4.0%, dividend payout ratio of 50% as a guide
Flexible additional return considering market environment and stock price, etc.

Annual dividend
(Bar graph, Unit: Yen)



DOE
(Bar graph, Unit: %)



Planned dividends for FYE3/2025
 Dividends (announced May 13)
 Interim: 48 yen/year-end: 49 yen
 Annual: 97 yen

Buy-back (announced October 30)
 Number of shares acquired: Maximum 1.8 million shares
 Acquisition amount: Maximum 4 billion yen
 Period: Until March 31, 2025

Cancel treasury shares (announced October 30)
 Number of shares canceled: 4.15 million shares
 Date of cancellation: November 29

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

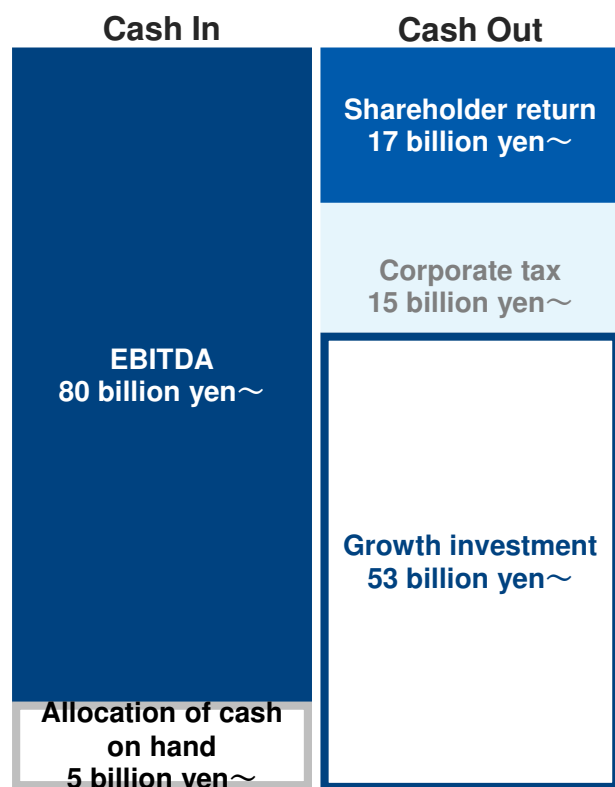


Considering flexible additional returns

* 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.

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 and stock price, 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

4. Topic

Accelerating the evolution of Nemuri CONNECT

Expanding products and services for nursing homes that can be linked with Nemuri CONNECT

- July: "TokiKANRI", an app for recording workload at nursing care facilities.

- Easy recording with one tap on your smartphone
- Automatic graph generation and easy comparison between staff
- Compatible with "Additional reimbursement by building productivity improvement promotion system"



- Oct: Acquire NEC's automatic excretion recording system business

- Automatic detection of toilet users' sitting, exit and excretion status
- Notification of excretion detection and automatic recording of excretion details
- User identification possible in public toilets



- Nov: Bed with automatic weight sensing function

"Espacia Series with weight recording function"

- Automatically senses weight every time the user gets in and out of bed
- Visualizes daily weight changes of the user
- The "Risho CATCH (Detecting function of exiting from bed)" system has added a "sitting on edge detection" function



Accelerating the evolution of Nemuri CONNECT

Aim to become a platform for digital transformation of nursing care



Paramount Care Services develops its own brand

Launched the original brand "PARA CARE-SELECTION-"



**The label signifies "the best assistive devices for each individual."
Aim to provide new value that only Paramount group can offer.**



WELL-BEING for *all beings*

Notice

The future performance and other forward-looking statements contained in this document are based on 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.