

PARAMOUNT BED
HOLDINGS

Integrated Report 2024

WELL-BEING for all beings



Reporting Coverage

Paramount Bed Holdings Co., Ltd. and consolidated subsidiaries

Reporting Period

April 2023 – March 2024

In order to provide up-to-date and important information, the report includes information before and after the above time period.

Guidelines Referenced

- “International Integrated Reporting Framework” recommended by the International Integrated Reporting Council
- “Guidance for Collaborative Value Creation” issued by the Ministry of Economy, Trade and Industry

Editorial Policy

This report has been compiled with the primary objectives of emphasizing the improvement of corporate value through the value creation process and promoting understanding of the Paramount Bed Group’s business and initiatives, with our shareholders and investors as the primary audience.

The information on products and services (including those under development) described in this report is not intended as advertising or promotional purposes.

Cautionary Statement Regarding Forecasts

Descriptions regarding the future performance in this report, such as business forecasts, are based on the judgment of the Group in accordance with information available at the time of preparation of the report and involve potential risks, uncertainties, and other factors. Therefore, please be advised that actual results may materially differ from those forecasted due to changes in various factors.

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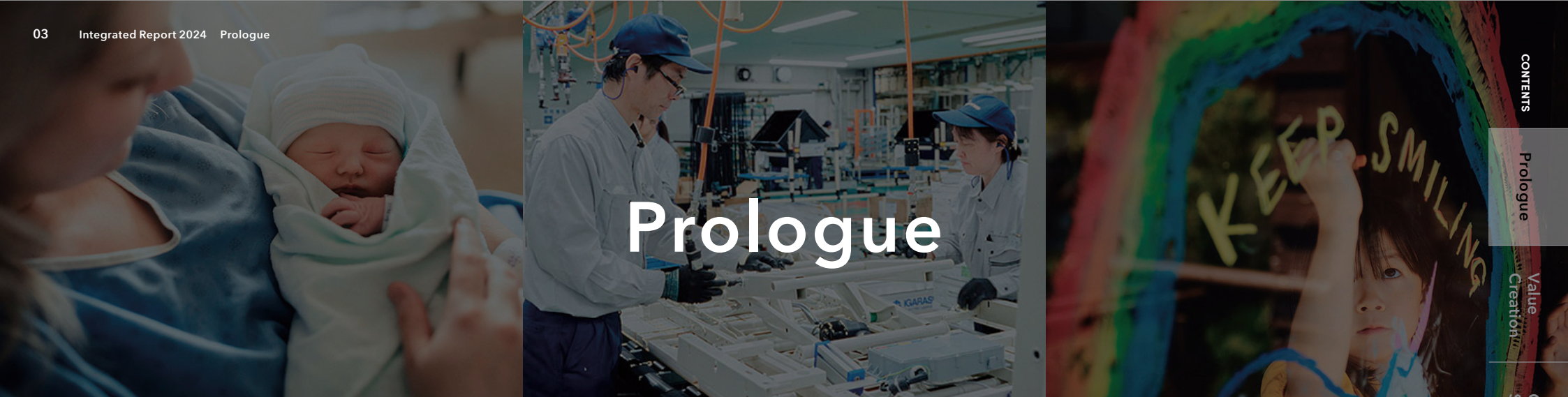
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Prologue

Brand Message

We uphold the Paramount Vision 2030, expressed as “Smiles for everyone from medical and nursing care to health field,” and are expanding the business beyond the conventional framework of a medical care and nursing care bed manufacturer.

As we continue to expand and change the business line further for the future, we have formulated a brand message, “WELL-BEING for all beings,” that expresses the value the Group provides to stakeholders worldwide.



WELL-BEING for all beings

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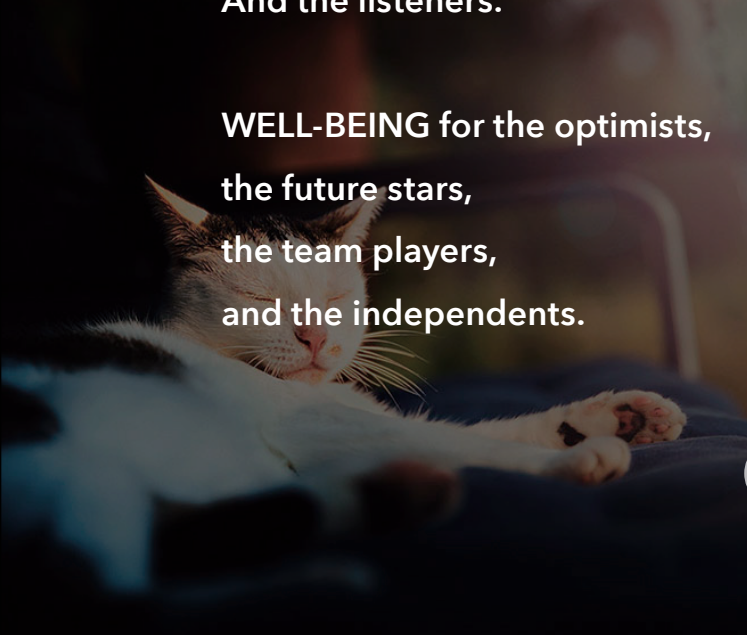
Prologue

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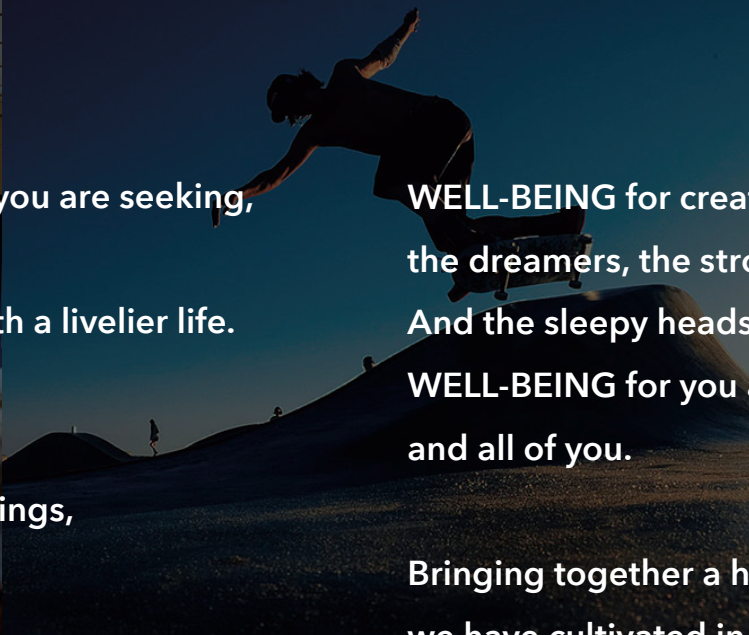


No matter who you are, or what you are seeking,
at Paramount Bed Group,
our purpose is to provide you with a livelier life.

WELL-BEING for the new lives,
WELL-BEING for the new beginnings,
WELL-BEING for the carers,
And the listeners.



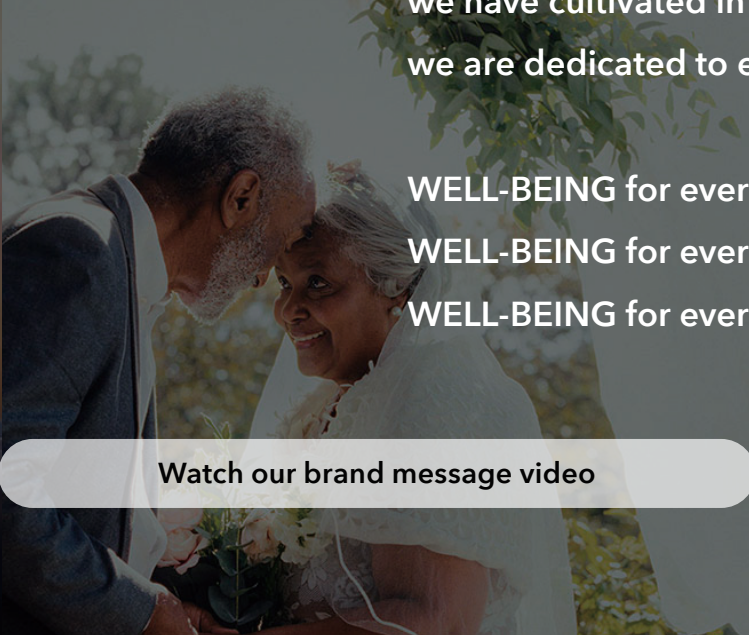
WELL-BEING for the optimists,
the future stars,
the team players,
and the independents.



WELL-BEING for creatives, the ambitious,
the dreamers, the strong-willed, the home bodies,
And the sleepy heads.

WELL-BEING for you and you.
and all of you.

Bringing together a human approach with technology
we have cultivated in the medical and nursing care fields,
we are dedicated to enriching your life.



WELL-BEING for every age.
WELL-BEING for every day.
WELL-BEING for every moment.

[Watch our brand message video](#)

Message from the CEO

Upholding our new brand message, we express our hope to the world

Tomohiko Kimura

President and Chief Executive Officer

Message from the CEO

The thoughts behind our new brand message, “WELL-BEING for all beings”

We extend our heartfelt thanks to shareholders and investors for your ongoing support.

The Paramount Bed Group released its new brand message, “WELL-BEING for all beings,” in May 2024. Since our establishment in 1947, we have been contributing to society through a hands-on approach, beginning with the manufacture and sale of medical beds, our original business, and by continuing to work closely with customers and address their concerns. Today, we are developing our business beyond the framework of a bed manufacturer, aiming to provide services that target all people across the world based on our three core businesses of medical care, nursing care, and health promotion. What is the “value we provide to society” in light of such company-wide changes? Believing it a good opportunity to clearly state this once again, we decided to update our brand message.

The term “WELL-BEING” was introduced by the World Health Organization (WHO), which defined it as, “a positive state experienced by individuals and societies. Similar to health, it is a resource for daily life and is determined by social, economic and environmental conditions.” “WELL” means “good,” while “BEING” means “state.” “Good state” may be a vague definition, but we feel that the phrase encapsulates our thoughts as a concept. This is because we as a Group have

always believed that the “good state” of people in our society differs from person to person, and that each individual should enjoy moments of happiness and joy in their own way. This thinking was behind expanding our services to include not only medical and nursing care professionals and people going through treatment and recovery, but also people around the world who want to live healthier lives. And, we added “all beings,” which encompasses “all living things,” to create the phrase “WELL-BEING for all beings,” which was then established as the new brand message. The message has been designed so that the “all beings” portion can be changed in order to express the diverse values of each individual and our approach of continually working closely with people during various situations and moments in their lives. We want to be a company that continues to grow by fostering a corporate culture in which each individual employee can think about the kind of WELL-BEING he or she wants to deliver and to whom. Moreover, in order to embody our new brand message, we must change and evolve even more than ever before. Looking back over the past few years, while there have been some difficult times due to unexpected external pressures from the spread of COVID-19, it is also true that our Group’s raison d’être and organizational unity have grown stronger. Even in the midst of an unprecedented situation and a sense



uneasiness across our and client workplaces, we did not run away, and as a result of remaining alongside our customers, we were able to gain their trust more than before. Having fully felt the potential of our Company, I intend to confidently send the message of “WELL-BEING for all beings” out to the world. In reality, however, not a small number of people see our Group as just being a bed manufacturer. We will continue to take on challenges, while proactively harnessing cooperation

with other companies and corporate venture capital (CVC), so that our ultimate goal is to be recognized as ‘the Paramount Bed Group when it comes to WELL-BEING’.

To spread our brand message, we created a two-minute long video that conveys our approach in an easy-to-understand way. Please enjoy watching the video.



Watch our brand message video

As a way of achieving various kinds of “WELL-BEING,” as well as realizing sustainable growth alongside society, the Paramount Bed Group has identified the following six materialities (priority issues).

1. Support for the establishment of a sustainable medical and nursing care system

Solving social issues through our business based on materiality

- 2. Creation of an environment where everyone can live healthily and happily
 - 3. Pursuit of product safety
 - 4. Promotion of employee health, diversity, and work style reform
 - 5. Environmentally conscious business activities
 - 6. Ensuring compliance
- “1. Support for the establishment of a sustainable medical and nursing care system” mainly involves supporting medical and nursing care providers in improving work efficiency and reforming work styles. While demand for medical and nursing care services is increasing due to population aging on one hand, challenges including labor shortages and overworking among providers are compounding on the other. We provide comprehensive support to providers in terms of both products and services, such as a huge variety of beds and sensing technology-equipped devices, along with on-site nursing assistant and concierge services, thereby helping to develop sustainable systems for the medical and nursing care industries, which is much needed infrastructure in society.
- With “2. Creation of an environment where everyone can live healthily and happily,” we leverage our many years of knowledge on sleep to help improve the performance of students, workers, athletes, and many other people. In recent years,

we have also been actively promoting initiatives related to Femtech, which refers to products and services that try to solve women’s health issues through technology. In addition, we are focusing on increasing awareness of the importance of sleep toward nurturing next-generation leaders by giving extracurricular and hands-on lessons to local elementary and junior high school students, as well as offering educational programs.

“3. Pursuit of product safety” is a topic that we have remained steadfastly committed to since our founding in 1947 from the perspective of manufacturing and selling products. Having inherited the spirit and knowledge honed by our predecessors over the years, we will establish systems to improve quality even further in our continual efforts to provide products that customers can use safely and securely.

We see “4. Promotion of employee health, diversity, and work style reform” as a priority matter in enhancing the corporate value of the Group. This is because healthy employees who can make use of diverse skills and values in their work are the driving force of a company, and that will ultimately lead to improved quality in the products and services we deliver to our customers.

First, in terms of health, we encourage the use of applications that measure sleep status and provide training aimed at



helping employees understand and learn how to deal with depression. We have also introduced a service for carrying out stress checks. Moreover, we have established external consultation services and work closely with industrial physicians. As a result of these initiatives, four major Group companies have been recognized as “2024 Certified Health & Productivity Management Outstanding Organizations (Large Enterprise Category)” by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.

As for promoting diversity, we have set targets for the following indicators: percentage of female workers in management positions, ratio of childcare leave taken by male employees, and ratio of female employees among new graduate hires (compared to number of new hires). In addition, we have incorporated maternity leave before and after childbirth, child caregiver leave, shortened work hours, a Career Challenge System, a Side Job/Concurrent Job System for current employees, a post-retirement rehiring system, a Comeback System for former employees who have left the company, and various other systems. A system for men taking childcare leave was launched in October 2022. As the timing happened to coincide with my own circumstances, I was the first person to take this leave. This was a great way to build momentum, and the uptake rate has been increasing as awareness of the system and my experience spreads throughout the company. With the promotion of work style reforms, we aim to establish

work-life management customized to each individual’s lifestyle. For instance, to help employees balance work with childcare or nursing care, we offer support to enable our various systems to be combined; these include telework, area sales, limited work locations, and leave for accompanying a spouse due to job transfer.

“5. Environmentally conscious business activities” is an important topic connected with climate change and biodiversity. To reduce environmental impact in our production processes, we are gradually expanding measures related to reusing transportation jigs used for delivering products, reusing returnable containers for assembly parts, simplifying packaging materials, using easily recyclable raw materials, and switching to renewable energies. We were also the first bed manufacturer to receive certification under the wide-area treatment certification system for industrial waste, which enabled us to collect our products that have become waste over a wide area for recycling or appropriate disposal. By utilizing this system, we strive to fulfill our responsibilities until the very end of the manufacturing process.

We consider “6. Ensuring compliance” to simply be continuing to do what a company should do as a matter of course. The Group has long been committed to serving people and society. As a way of continuing to grow sustainably in future, we will steadily promote thorough fair trade practices and highly transparent governance with proper corporate ethics.

Message from the CEO

We have entered Phase II of our Medium-term Management Plan. Our aim is to fully move away from just being a bed manufacturer

In April 2024, we entered Phase II of our Medium-term Management Plan. Our focus points are: 1. Expansion of recurring revenue businesses, 2. Advancement of health promotion business, and 3. Leap forward in key areas of Asia. Toward these three points, Phase I involved planting many seeds and making reforms. We achieved our operating profit target of 12 billion yen two years ahead of schedule, and since then, both revenues and profits have continued to increase, with both net sales and operating profit reaching record highs for four years in a row. Thanks to the support of our employees, shareholders, and investors, we were able to move into Phase II largely as planned. Here, I would like to offer my thanks once again.

With Phase II's first focus point, "1. Expansion of recurring revenue businesses," we are aiming to achieve stable and sustainable growth by strengthening our recurring revenue model. "2. Advancement of health promotion business" is a major target tied to the achievement of the Group's vision, "smiles for everyone from medical and nursing care to health field." For "3. Leap forward in key areas of Asia," we aim to expose the Asian market to the value we provide to become a globally active corporation. In the medical and nursing care industries, numerous factors are causing problems at

care facilities and other institutions, such as labor shortages brought on by work style reforms and soaring energy and material costs. In the midst of these circumstances, those on the ground have needs that we understand precisely because we work so closely with our customers. To meet these needs, we plan to distinguish ourselves from the rest by providing products and services that can only be created by our Group, harnessing new technologies, such as digital sensing, on top of our accumulated knowledge. We also intend to leverage

the strengths of each of our Group companies in order to become a company that achieves "WELL-BEING" for people around the world beyond the boundaries of medical and nursing care.

I would like to sincerely ask all valued shareholders and investors for your continued support.



About the Paramount Bed Group

Our Group develops medical, nursing care, and health-related businesses in and outside of Japan, aiming to contribute to society through the company's business and sustainably increase corporate value.

Corporate Principles

**We Create Comfortable Healthcare Environments
through Cutting-edge Technology with a Human Touch**

Paramount Vision 2030

Smiles for Everyone from Medical and Nursing Care to Health Field

Major Group Companies



[Holding company]
Paramount Bed Holdings Co., Ltd.



PARAMOUNT BED

Paramount Bed Co., Ltd.

Manufacture and sale of beds, mattresses, body motion sensors, and the like for medical care, nursing care, and health promotion purposes



**PARAMOUNT BED
ASIA PACIFIC**

Paramount Bed Asia Pacific Pte. Ltd.

Regional HQ company



PARATECHNO

Paratechno Co., Ltd.

Provision of after-sales support for and maintenance leasing of Group products, on-site services, and other services



**PARAMOUNT
CARE SERVICE**

Paramount Care Service Co., Ltd.

Rental wholesale business that rents out a variety of assistive products to rental service providers

Three Businesses



Medical Care Business

Supporting patient care and hospital operations through products and services for medical institutions



Nursing Care Business

Contributing to the improvement of the nursing care environment for users and operational efficiency of nursing care providers through sales and rentals of a wide range of assistive products for nursing care facilities and home care



Health Promotion Business

Supporting healthier and more personalized lifestyles with products and services that help people get better sleep

Financial and Non-financial Highlights



Net Sales

106,016 million yen
7.1% increase YoY



Operating profit

13,818 million yen
2.7% increase YoY



Dividends

65 yen per share
3,760 million yen in total
10.2% increase YoY



Domestic locations

107 locations **2** factories
Paramount Bed (15 locations)
Paramount Care Service (79 locations)
Paratechno (13 locations)



Overseas locations

10 locations **4** factories
Southeast Asia, China, India,
Central and South America, etc.



Number of employees
(consolidated)

4,126

History of Paramount Bed



1947
Kimura Shindai Seisakujo, Ltd.
is founded



1966
A new large-scale factory
is built in Chiba



1983
The industry's first electric
bed for home care is developed



2003
The "INTIME" brand for
household use is developed



2016
The Smart Bed System is
developed



2023
The "Nemuri CONNECT"
system is launched



1962
Japan's first electric bed
is developed



1968
The trading department is
newly established
The global business is launched



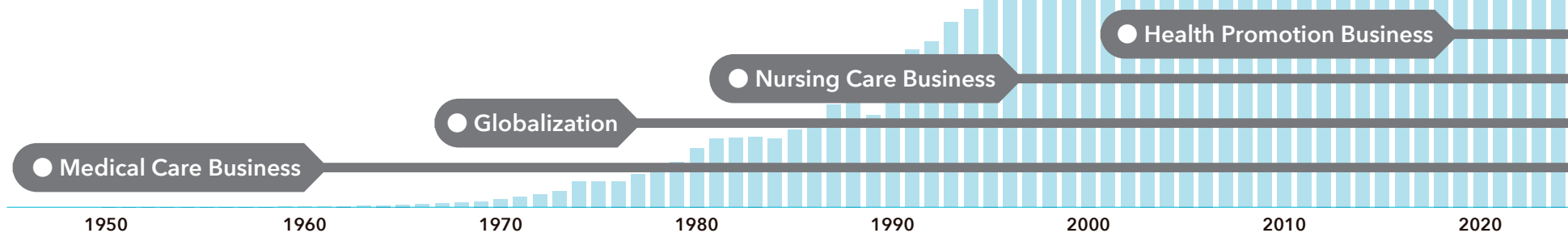
1987
Corporate name change
and stock offering



2011
The Company is transitioned
to a holding company



2020
The ICT-equipped home care bed
"Rakusho Plus" is developed



1940s-

Corporate culture of contributing to society through the business and a bottom-up approach to the management

1960s-

Establishment of a mass production system with integrated production
Establishment of a position as the top manufacturer in Japan

1980s-

Expansion of the nursing care business to respond to the aging population
Establishment of product safety and quality improvement systems

2000s-

Diversification of business (strengthening of services and recurring revenue business)
Acceleration of globalization

Value Creation



Medical Care Business

Supporting medical facilities and enriching the lifestyles of tomorrow for patients and medical workers

The global healthcare situation is experiencing increasing challenges year by year. Lifestyle diseases are increasing as populations grow older, and new illnesses and infectious diseases are appearing.

Inequalities in access to healthcare in developing countries and increasing burdens on medical workers as medicine become more advanced, etc.

First, we must ensure that patients can spend their time comfortably. Furthermore, we facilitate faster patient recovery by improving the environment of medical settings and ensuring that medical workers can work to their full potential.

We are aiming for this kind of medical care, and supporting patients, medical workers, and hospital operations.

Medical Care

Nursing Care Business

Supporting ways of life unique to each individual to bring about more and more moments of joy

The worries and stress involved in nursing care are an issue affecting both care workers and patients.

The solutions to physical and mental fatigue, as well as financial concerns, are not simple.

Adding to this, the older population is rapidly increasing, but the younger generation and workers are shrinking.

It is crucial to do more to decrease the burden on nursing care workers.

Words of gratitude come naturally, with smiles all around.

We are working to bring more small moments of joy to care workers and patients alike.

We are supporting patients, their families, and everyone involved with nursing care.

Nursing Care

Health Promotion Business

Aiming for a world where people lead healthy lives, where there is little need for medical or nursing care.

We think it would be ideal if there were no need to use our medical and nursing care products and services.

People must be aware of their own health and take preventative measures without panicking when treatment or care becomes necessary.

We also play a role in achieving ongoing and lasting health.

Sleep is important for recovering from daily fatigue and refreshing the body and mind.

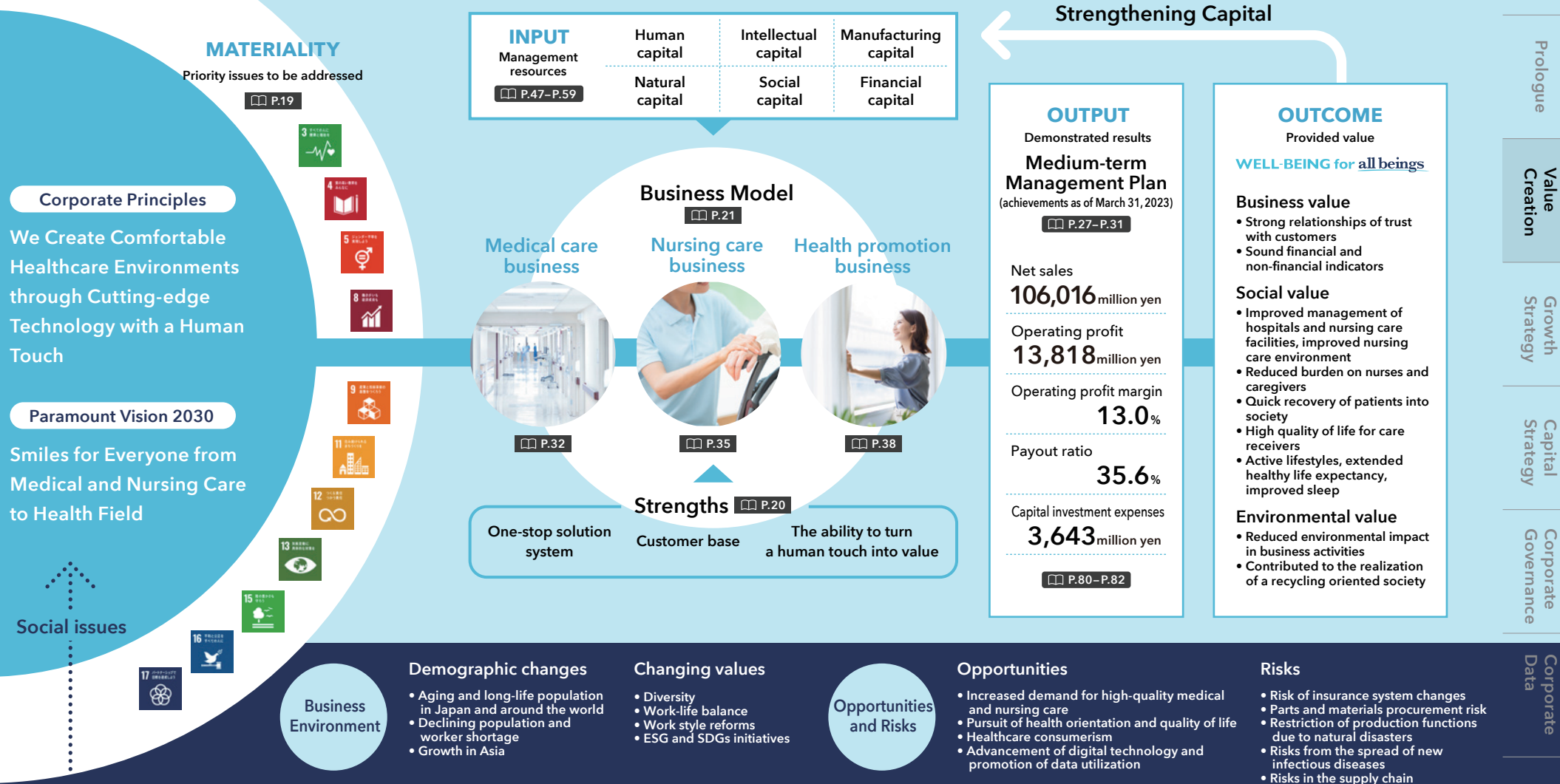
Getting appropriate and fulfilling sleep is an important step toward health.

We are providing services that are only possible because we have been taking “sleep” seriously since our founding in 1947.

Health Promotion



Value Creation Process



Materiality

At the Paramount Bed Group, in order to grow sustainably together with society, we have formulated materialities (priority issues) that we should address on a priority basis. These include various social issues, such as those we have addressed since our founding and SDGs advocated by the United Nations. Based on these materialities, we will continue contributing to resolving social issues through our business activities.

Materialities	Priority items	SDGs	ESG category
1 Support for the establishment of a sustained medical and nursing care system	- Support for improvement of efficiency of medicine and nursing care and work style reform - Support for education of nurses and nursing care personnel - Relief supply system for emergencies	    	S
2 Creation of an environment where everyone can live healthily and happily	- Proposal of sleep environments with scientific basis - Support for the creation of a comfortable work environment for nurses and nursing care personnel - Support for the improvement of performance through the proposal of better sleep for athletes - Support for the development of the next generation of leaders	    	S
3 Pursuit of product safety	- Establishment of system for product safety - Enlightenment of safe usage - Active involvement in industry group initiatives	   	S
4 Promotion of employee health, diversity and work style reform	- Employee health and labor safety initiatives - Promotion of diversity - Promotion of work style reforms	  	S
5 Environmentally conscious business activities	- Reduction of environmental impact in production processes - Reduction of environmental impact through the entire product life cycle - Contribution to the realization of a recycling oriented society	    	E
6 Ensuring compliance	- Corporate ethics initiatives - Ensuring fair trade - Promotion of highly transparent governance	 	G

The Cultivated Strengths of the Paramount Bed Group

We are pursuing true solutions to issues and continuing to expand our services. Not stopping at bed development and sales, we are also involved in everything from the development and sales of various products necessary in the healthcare environment to hospital operations support. We do this so that everyone—patients, medical workers, nursing care workers, and more—can live and work comfortably. Furthermore, we are a one-stop service provider utilizing connections between Group companies, and we utilize voices in the field to achieve quality improvement. These are strengths that only the Paramount Bed Group—having led the industry for many years—can offer.

01

One-stop solution system

Seamless connections across the Group

We propose high-dimensional solutions addressing customer needs and issues, from planning, development, manufacturing, and sales and rentals of products and services necessary for healthcare environments, with beds as the mainstay, to after-sales quality control, maintenance, and general follow-up. We have established a system that can achieve one-stop provision.

02

Customer base

A completely unique industry network

We have developed strong relationships of trust over long years with medical institutions, medical equipment dealers, nursing care facilities, assistive products rental service providers and rental wholesalers, dealers in the medical care, nursing care, and health promotion businesses, and more. We share needs that we might not notice alone and ideas that we might not think of alone, and we work together to tackle social issues.

03

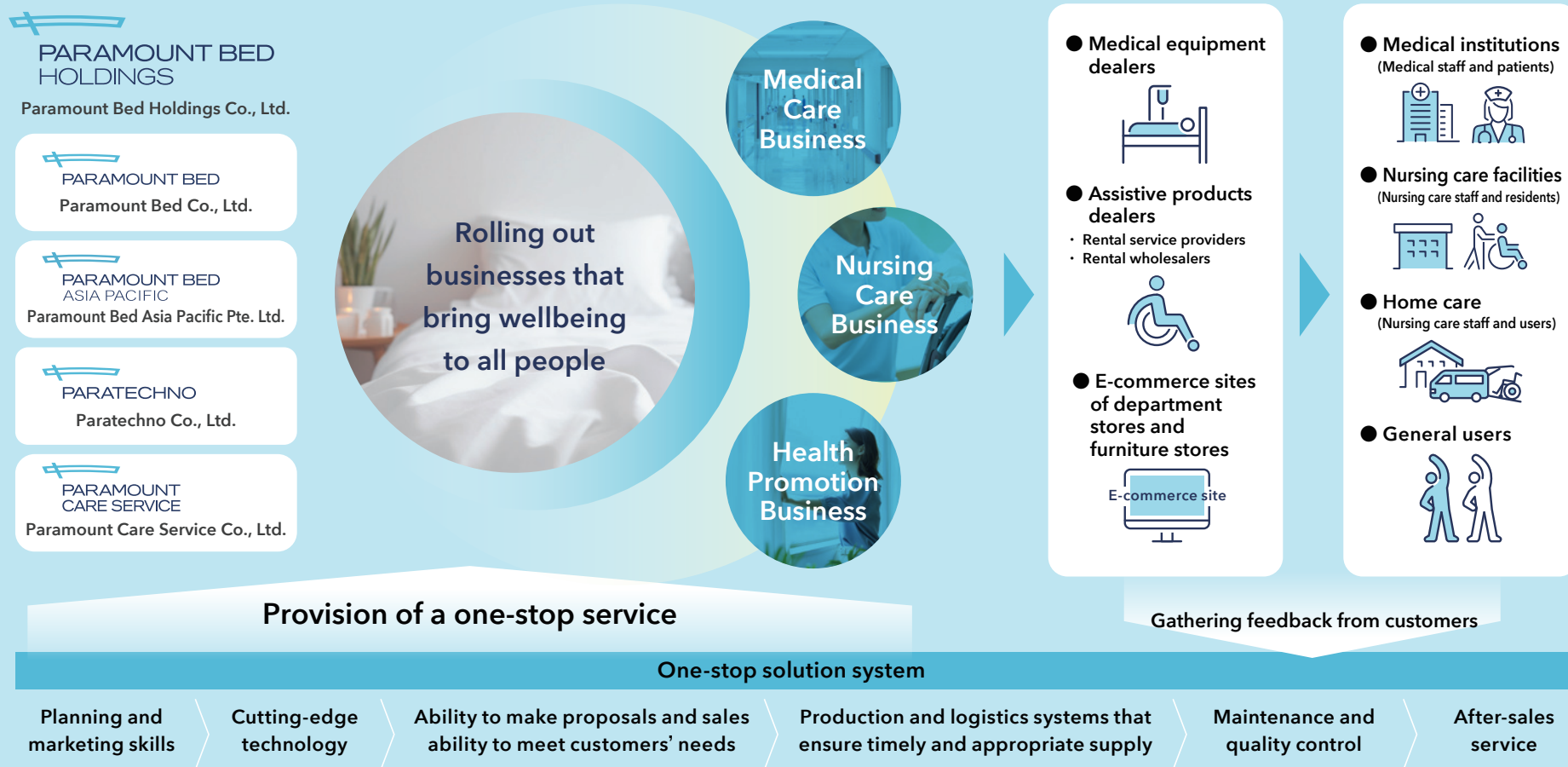
The ability to turn a human touch into value

Our sense of mission to contribute to society remains unchanged since our founding

The environment around our businesses is growing more diverse and complex with time. But by continuing to hold our unchanging principle of “social contribution through company business” for over 75 years, we have been able to adapt flexibly. And based on this idea, in the future we will continue to attend to each difficulty faced by medical settings and users in order to be a company that society needs.

Business Model

Applying the PDCA cycle to improve quality and create new value



Features 1

Expected role for the Paramount Bed Group

Toward Reforming Work Styles in the Medical and Nursing Care Industries

Demand for medical and nursing care is increasing as the percentage of people aged 65 and over increases.

Furthermore, the serious personnel shortage due to a shrinking working population is not an occurrence unique to the medical and nursing fields. A negative spiral is occurring in which a continuously increasing burden on staff is leading more employees to leave the work force due to harsh work environments. Japan is facing significant social issues such as these.

For instance, nursing duties involve large amounts of time spent recording patients' vital signs, such as body temperature and blood pressure, and this kind of work can sometimes take up over half of a nurse's overtime work hours.

Also, data entry mistakes and omissions can occur when making entries on electronic charts while looking at notes about measured results and observations.

There is an increasing demand for facility operations that not only provide a safe environment for patients and other persons receiving care, but also ensure that medical and nursing care workers can work under reasonable conditions without extreme burdens.



The Group has continued to expand its business areas in order to resolve problems occurring at medical settings. To reduce the burden on medical and nursing care workers, we develop products and services that reduce labor and improve efficiency. We leverage years of cultivated knowledge and technology to provide new services to people all over the world.

Through the Medical Care Business, we support a hospital's entire operations with the Smart Bed System, which streamlines the recording of vital signs and monitoring of a patient's condition, as well as nursing assistant services, maintenance of beds with stationed services, concierge services, and medical equipment maintenance and management services to assist medical workers in their duties.

In the Nursing Care Business, we offer "Nemuri CONNECT," a monitoring support system that enables the centralized management of information such as hours slept, heart rate, body

weight, and elimination of persons receiving care, and which can be easily shared among managers and staff. The mainstay product of the system, "Nemuri SCAN," is capable of remotely checking whether a user is sleeping or awake, when they wake up and fall asleep, respiratory rate, and the like simply by placing the device under the mattress. It reduces the burden on nursing care workers while ensuring the safety of residents, especially when monitoring them through the night, etc.

With these kinds of services for DX, simply "introducing" them is not sufficient for achieving optimal results. It is important for customers to "utilize" them properly. For this reason, the Group is focusing on interviews prior to their introduction and support after introduction. We will also create comfortable working environments for medical and nursing care workers, thereby helping them focus on their important primary work.

Medical Care Business



No. of hospitals that signed contracts for on-site services

107 hospitals 2023/3 > **113** hospitals 2024/3 **+6%**

No. of hospitals where the Smart Bed System has been introduced

32 hospitals 2023/3 > **46** hospitals 2024/3 **+44%**

Nursing Care Business



Cumulative no. of Nemuri SCAN units sold (medical and nursing care total)

155k units 2023/3 > **202k** units 2024/3 **+30%**

No. of facilities that signed contracts for Nemuri CONNECT

Launched in October 2023 > **177** facilities 2024/3

Features 2

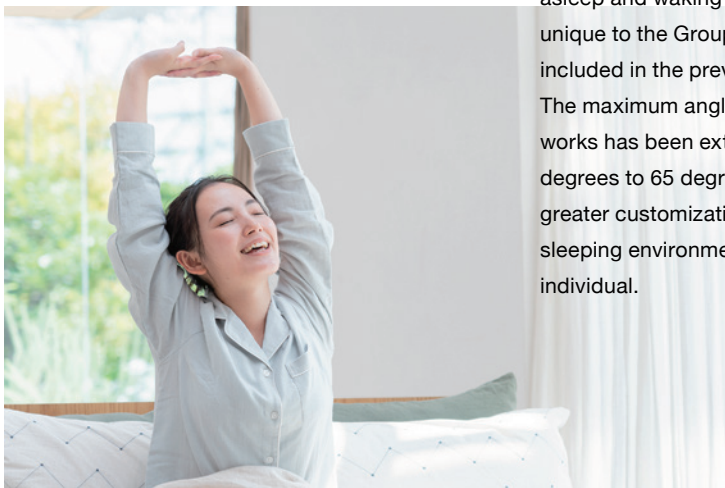
Tackling Social Issues Related to Sleep by Harnessing the Results of Years of Research

Why do people sleep every day? During sleep, damage to the body incurred over one day is repaired by the following day. When we are awake and active, our bodies expend energy and incur damage in ways we are not even aware of. For this reason, sleep not only eliminates “tiredness,” but also allows the body to repair itself at the cellular level in the heart, brain, and other important organs. Sleep is so necessary and important for life that humans have been unable to find a way to go without this unprotected and dangerous period of time over our about 6 or 7 million years of evolution. Having said that, we have few

opportunities to learn about the importance of sleep. Japan is also known as a “nation of sleep debt” with an average sleep duration of 6 hours and 18 minutes, the lowest among over 50 countries and regions across the world (according to a survey by Sleep Cycle in Switzerland). Sleep deficiency and poor quality sleep have been shown to increase the risk of developing lifestyle-related diseases, cardiovascular disease, depression, dementia, and other diseases. Not only that, but results also show that countries with a higher GDP per capita sleep better. According to a U.S. think tank, sleep deficiency and poor quality sleep in Japan cost the

nation about 15 to 20 trillion yen each year. The “sleep” issue weighs heavily on both the health of individuals and the economy of Japanese society as a whole.

Over many years, the Group has accumulated knowledge through wide-ranging studies at the Paramount Bed Sleep Research Laboratory, with a focus on the development of beds and mattresses for medical and nursing care use. We have used this knowledge to develop the “Health Promotion Business.



“Through this, we provide products and services that go hand-in-hand with people’s sleep.

One of our mainstay products, the automatic electric bed “Active Sleep BED” that utilizes sleep sensors, underwent a full update in April 2024, the model’s first since its launch in 2019.

We have integrated customer feedback in redesigning the product to make it even better than ever. The main update has been made to the “NEMURI automatic operation function,” which automatically moves the bed while a user is falling asleep and waking up, a technology unique to the Group that was also included in the previous model.

The maximum angle that the function works has been extended from 30 degrees to 65 degrees, allowing for greater customization to create a sleeping environment tailored to each individual.

Health Promotion Business

Features of the Active Sleep Brand

Active Sleep

A new proposal: “angle for falling asleep”

Raising the top of the bed slightly helps users breathe better and fall asleep easier. For this reason, we have proposed the “angle for falling asleep.” The angle can be changed in accordance with a user’s physical condition each day.



Automatic bed operation

Once the system detects that a user has fallen sound asleep, it begins automatic operation. The bed moves slowly from the “angle for falling asleep” to a flat state for ease of turning over during sleep. Moreover, when the preset wake-up time approaches, the head of the bed automatically rises to wake the user up in a comfortable manner.



Freely adjustable mattress firmness

Firm or soft? You can control the firmness in a million different ways for ultimate sleeping comfort tailored to your physical condition on a certain day. Firmness can be adjusted for each part of the body, thereby comfortably supporting a variety of body shapes.



Growth Strategy

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2030 Goals and Roadmap

Our Group is promoting “Paramount Vision 2030,” which is to be realized by 2030, and the Medium-term Management Plan based on the vision.

In the business domains of medical care, nursing care, and health promotion, which contribute highly to society, we will transform our business model in response to changes in society and the times, while co-creating customer value as a partner to our customers and contributing to a society in which all people can enjoy lifelong health.

Medium-term Management Plan



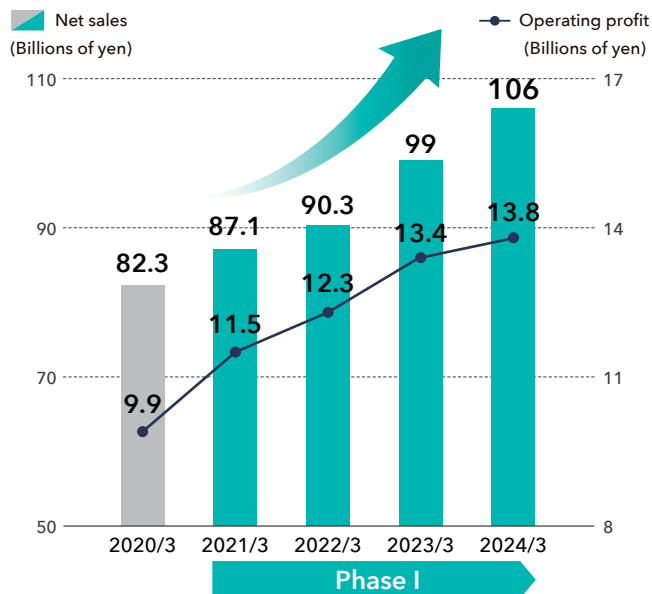
^{*1} Total value of cash earned through recurring revenue businesses. Adopted as an indicator to show a more accurate situation.

^{*2} Calculated as the total of operating profit and depreciation and amortization. Adopted as an indicator to promote further growth investments in light of changes in the business line.

Progress of the Medium-term Management Plan

Looking Back on Phase I

Our operating profit target of 12 billion yen for the fiscal year ended March 31, 2024 was exceeded two years ahead of schedule. Since then, both revenues and profits have continued to increase, with both net sales and operating profit reaching record highs for four years in a row.



New Indicators for Phase II

In addition to net sales and operating profit, we have added recurring transaction volume and EBITDA as new management indicators. Recurring transaction volume has been adopted as an indicator to show the status of recurring revenue businesses, one of our priority measures in Phase II, and we aim to achieve 45 billion yen in the fiscal year ending March 31, 2027. As this business expands, the Group's business line will continue to change as we increase the percentage of recurring revenue products and services that generate ongoing revenues. In light of this situation, we have set EBITDA as an indicator for earning power through past investments and earning resources for further growth investments in future. This figure is calculated as the sum of operating profit and depreciation and amortization. The target is 29 billion yen for the fiscal year ending March 31, 2027.

	(Billions of yen)			
	2024/3 Results	2025/3 Estimates	2027/3 Targets	vs. 2024/3
Net sales	106	112	120	+13%
Recurring transaction volume ^{*1}	34	38.2	45	+32%
Operating profit	13.8	14	17	+23%
EBITDA ^{*2}	23.5	25	29	+23%

^{*1} Total value of cash earned through recurring revenue businesses. Adopted as an indicator to show a more accurate situation.

^{*2} Calculated as the total of operating profit and depreciation and amortization. Adopted as an indicator to promote further growth investments in light of changes in the business line.

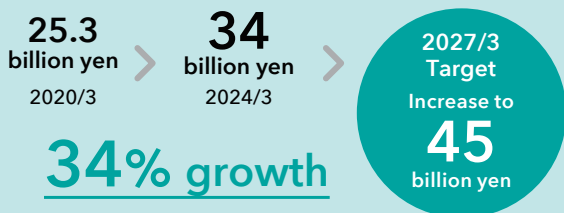
Focus Points for Phase II

1 Expansion of recurring revenue businesses

We aim to achieve stable and sustainable growth by strengthening our recurring revenue model. In recent years, despite increasing demand, there have been serious labor shortages at medical and nursing care facilities. As a good partner in facility management, the Group will also promote improvements in the quality of our services and develop new products and services. In the area of home care, we will work to expand the assistive product rental wholesale business.

- Accelerate expansion of current recurring revenue businesses
- Develop new lineup for recurring revenue businesses utilizing sensing technology, AI, IoT, etc.

Recurring transaction volume

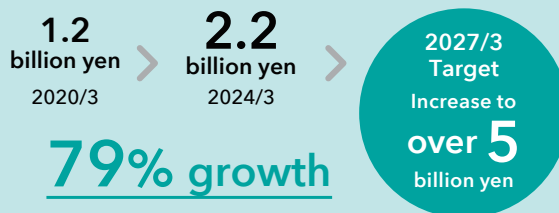


2 Advancement of health promotion business

We will grow our health promotion business with the target of net sales of 5 billion yen in the fiscal year ending March 31, 2027, in order that it becomes the third pillar behind medical care and nursing care as a business that contributes highly to society toward extending healthy life expectancy. We will leverage the Group's proprietary sensor technology and knowledge gained through corporate venture capital to address social issues in Japan, which is known as a "nation of sleep debt."

- Expand sleep improvement products
- Develop products and services contributing to extending healthy life expectancy
- Expand services provided by partnering with other companies

Health promotion business net sales

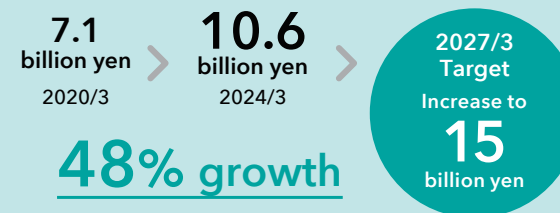


3 Leap forward in key areas of Asia

We will focus on areas with large populations, namely Indonesia, China, and India, where the number of hospital beds and level of sophistication of beds are expected to increase in future. By doing so, we will increase market share of medical and ward equipment, centered on hospital beds. To this end, we will strive to improve quality and productivity through meticulous area management tailored to local needs.

- No.1 market share of medical beds in the countries of operation
- Add production sites to support increase in number of beds sold
- Aim for 10% CAGR in net sales

Overseas net sales



Steady expansion of focus area businesses in Phase II

CVC Growth Strategy

Investing in Innovative Technologies and Services for Designing the Future of the Healthcare Field



Official website [🔗](#)

The Group established a corporate venture capital (CVC) fund in collaboration with SBI Investment Co., Ltd., a company renowned for its strong investment record and expertise in the healthcare field. Over the seven and a half years following its establishment in October 2022, the CVC fund is expected to invest five billion yen in promising start-up companies in Japan and overseas with strengths in the fields of medical care, nursing care, and health promotion. The fund will allow us to generate new synergies by combining our technology, expertise, and connections with those of other companies. It also aims to create new value for the future of the healthcare field.

PICK UP

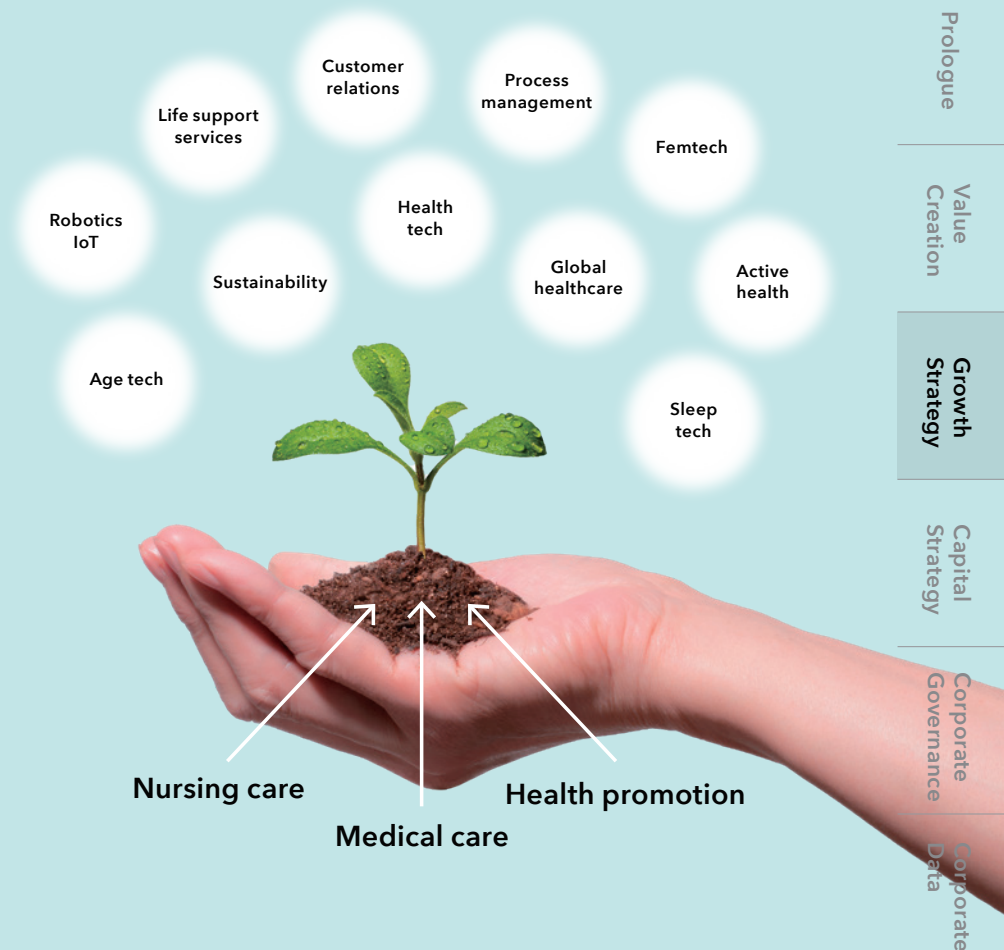
LinkJapan Inc.



Automatically customizes the bedroom environment in accordance with sleep status

HomeLink, an application provided by LinkJapan, enables users to control household appliances throughout the home via a smartphone, turning a home into a smart home for a more comfortable life. We have built a service to link this app with the Group's "Active Sleep App." This linkage can improve users' quality of life by automatically turning off the TV when the bed detects that the user has fallen asleep, automatically adjusting the air conditioner to the optimal temperature during sleep, automatically opening the curtains shortly before the user wakes up, and more.

Automatically controls the room in time with when you fall asleep and wake up
Just fall asleep and the lights go out, the heating is turned to 20°C, and the TV goes off



CVC Investment Record *As of August 31, 2024

LinkJapan Inc.



Develops and provides IoT platforms for private homes

TENTIAL Inc.



Operates wellness-related businesses

Digireha, Inc.



Operates rehabilitation tool Digireha utilizing digital art and sensors

AMI Inc.



Works toward auscultation DX through stethoscope research and development

MEDCOM, INC.



Plans, develops, sells, and maintains MEDCOM, a dedicated smartphone for medical institutions

Better Place Co., Ltd.



Supports for implementation and design of retirement pension systems using the Fukushi Hagukumi Corporate Pension Fund

X Detect Inc.



Develops and provides solutions to reduce the burden on patients and healthcare providers through sensing and visualizing vital data

SISI CO., LTD



Plans and sells skin-friendly and functional skincare products

MedUp, Inc.



Develops and provides reservation and information sharing systems for medical institutions

SOXAI. Inc



Develops and sells IoT devices equipped with sensing technology based on electromagnetic wave engineering, and rolls out businesses for data collection and processing using AI

ACCELStars, Inc.



A start-up developed by the University of Tokyo Provides a service to monitor sleep status via wearable devices and smartphone questionnaires

S'UIMIN inc.



A start-up developed by the University of Tsukuba Develops sleep measurement services using wearable devices and AI

Medical Care Business

We support patients, medical workers, and hospital operations. This includes everything from general hospital wards, highly acute care facilities such as emergency and critical care centers and ICUs, perinatal, neonatal and pediatric care units, and rehabilitation facilities. Centered on the manufacture and sale of hospital beds, which is our original business, we are providing a wide range of products and services to meet the various on-site demands of medical settings in Japan and abroad.

Main Products and Services

■ Development, manufacture, sales, and rental of products and services used at hospitals

- Medical beds utilizing sensing technology
- A broad lineup of mattresses to suit diverse needs and bed peripherals such as handrails
- Medical equipment, ceiling supply units, furniture, and systems used in medical facilities, etc.

■ Repair work and after-sales service (medical equipment manufactured by the Paramount Bed Group and other companies)

■ Operation support services at medical facilities as well as patient satisfaction improvement support services (on-site services)

- Provision of various services to meet on-site needs
- Provision of the Smart Bed System, which contributes to reducing the burden of nursing operations through the integrated management of patient vital signs



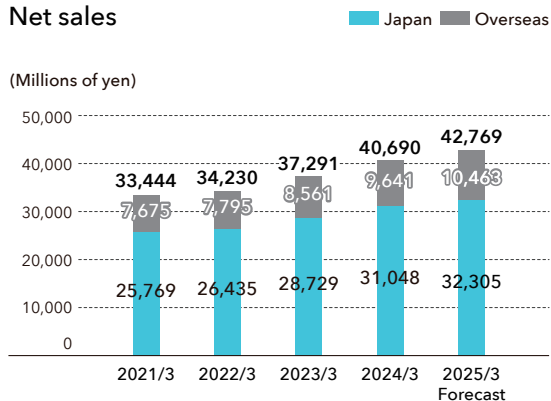
On-site service examples:

Nursing assistant services	Bed cleaning, bed making, meal delivery and clearing, tea serving, and hospital equipment inspection, etc.
Maintenance of beds with stationed services	Bed and equipment maintenance, centralized inventory management, etc.
Concierge services	Guiding patients using special hospital rooms to their ward and room, helping with inpatient life, etc.
Medical equipment maintenance and management services	Medical equipment collection, cleaning, and inspection; entrusted call center services, repairs, regular inspection work, or other services for equipment made by medical equipment manufacturers in Japan and abroad

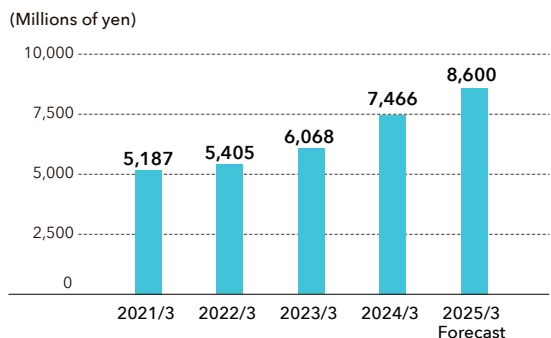


Growth Strategy for the Medical Care Business

Net sales



Recurring transaction volume (medical care)



Key points from the fiscal year ended March 31, 2024

Medical institutions in Japan are actively promoting operational efficiency and digitalization toward improving the working environments of healthcare providers. Against this backdrop, the Group's products and services, including the Smart Bed System and various operational support services at medical facilities, remained strong, resulting in net sales of 31.0 billion yen (8% increase year on year). Overseas, we saw an increase in sales of high-functional beds, which contributed to revenue growth. Net sales amounted to 9.6 billion yen (13% increase year on year).

Future business strategy

✓ Enhancement and expansion of recurring revenue businesses

✓ Promotion of the digital domain

Main KPIs (March 31, 2027)

No. of hospitals that signed contracts for on-site services Over **150** hospitals

No. of hospitals where the Smart Bed System has been introduced Over **150** hospitals

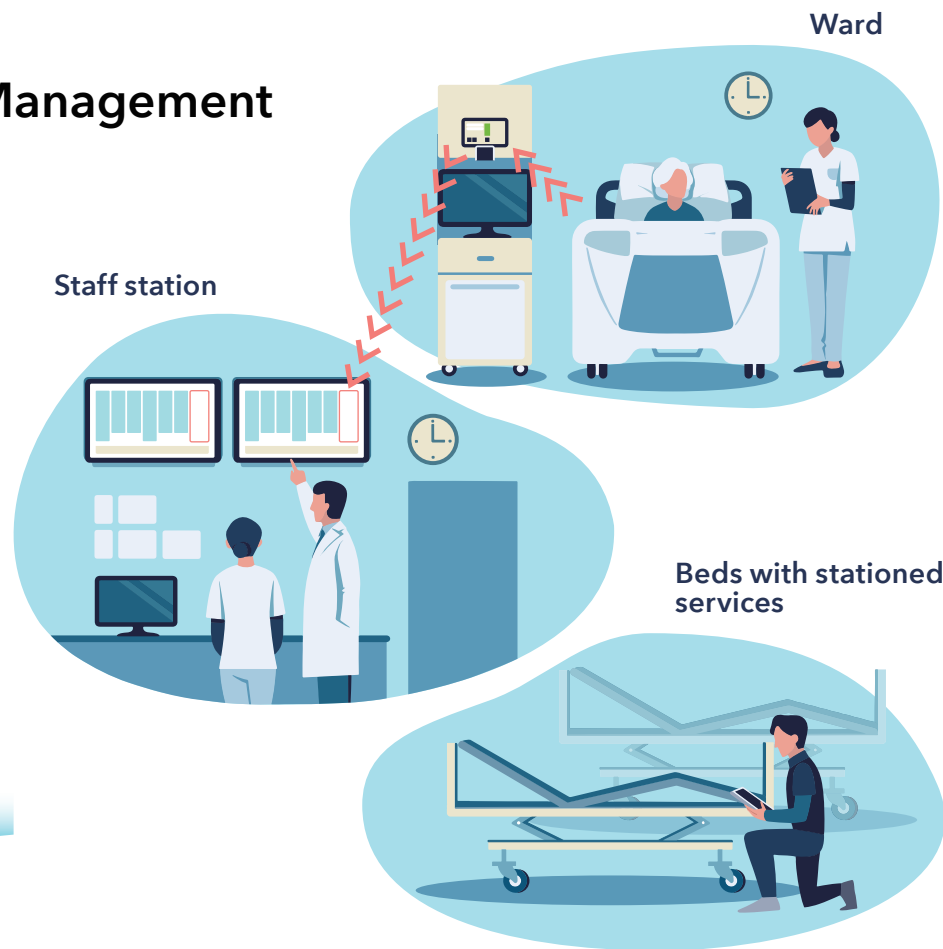
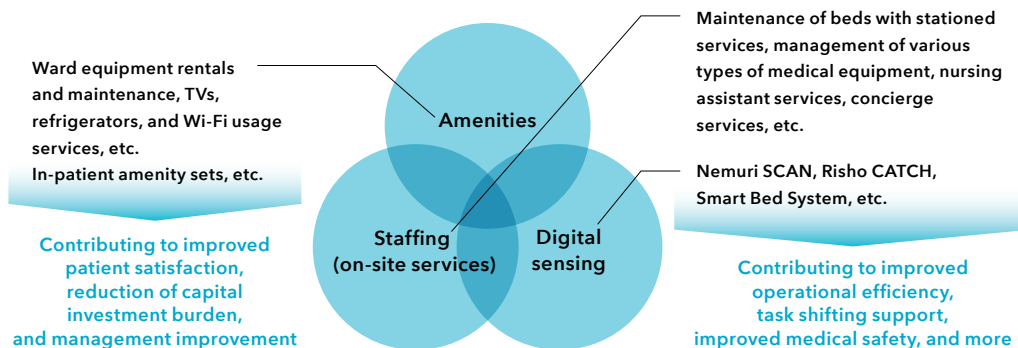
For “Enhancement and expansion of recurring revenue businesses,” in addition to acquiring new contracts, we will focus on maintaining and expanding existing recurring contracts, aiming to further build up the number of recurring revenue products and services and strengthen profitability. To achieve this, we will strengthen our foundational back office system suitable for recurring revenue business, and alongside enhancing our product and service lineup, we will secure CVC and other alliance partners. In “Promotion of the digital domain,” it is important to increase customer satisfaction by continually ensuring points of contact with customers before and after the introduction of a product. To this end, we will enhance our customer success management system, as well as strengthening initiatives such as building evidence and adding new functions.

Growth Strategy for the Medical Care Business

Feature

Three Provided Values to Support Hospital Management

As a partner to medical institutions, the Group works together with healthcare providers with the aim of supporting patients in getting back to normal life as soon as possible. The conditions surrounding hospital management in Japan are becoming increasingly severe, making it difficult to improve patient satisfaction. Factors behind this include a decreased workforce as a result of work style reforms for physicians that began in April 2024. Other factors include rapid rises in costs for utilities and material procurement. We therefore support hospital management by providing services in three categories: 1. Amenities, 2. Staffing, and 3. Digital sensing. In addition to reducing a hospital's capital investment burden and staff workload, these measures contribute to medical safety. This will ultimately lead to improved patient satisfaction. We will continue to develop a lineup of services for solving issues in our aim to become a partner that supports medical institutions more than ever before.





Nursing Care Business

We develop products and services for nursing care facilities and home care, and support both caregivers and care receivers. For nursing care facilities, we offer a total range of tools and equipment necessary for the operation of facilities, from beds, care lifts, and monitoring support systems to furniture used in living rooms and dining rooms. For the home care, we provide assistive products, such as beds and mattresses, to companies that sell or rent them to users through sales and rental wholesale.

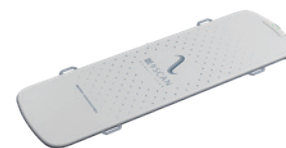
Main Products and Services

Development, manufacture, sales, and rental of assistive products

• Beds • Mattresses • Care lifts • Walking aids etc.

Development, manufacture, sales, rental, and service provision of monitoring support systems

• Body motion sensor “Nemuri SCAN”
• Cloud-based monitoring support system “Nemuri CONNECT”



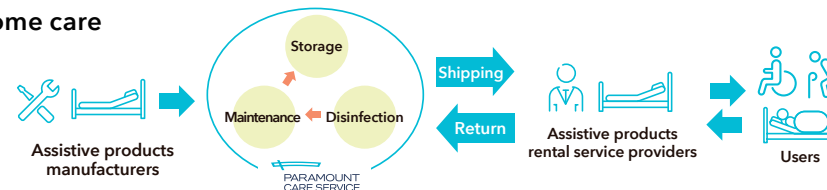
Body motion sensor
“Nemuri SCAN”



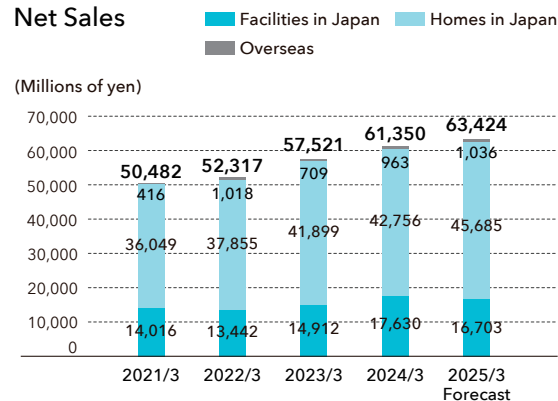
Home care bed
“Rakusho Plus Series”

Rental wholesale business for home care

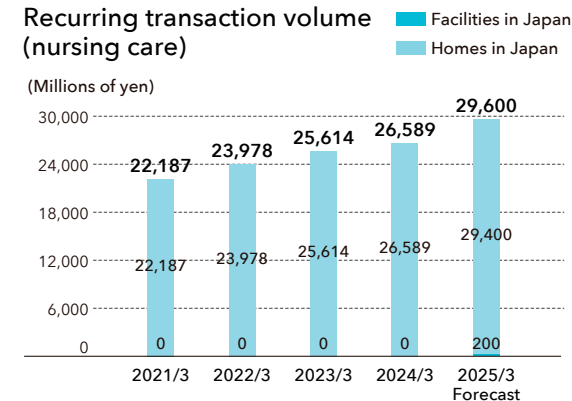
We provide products to assistive products rental service providers, with the Group also handling shipping, collection, disinfection, maintenance, and storage.



Net Sales



Recurring transaction volume (nursing care)

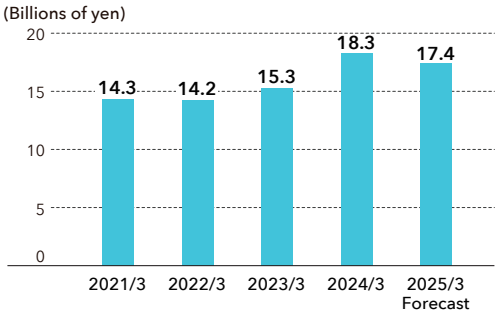


Growth Strategy for the Nursing Care Business (Nursing Care Facilities)

Key points from the fiscal year ended March 31, 2024

The shortage in nursing care providers has become a major issue. Accordingly, local governments are actively promoting the introduction of monitoring support devices. Annual sales volume of our product “Nemuri SCAN” totaled 43,000 units, a 28% increase year on year. This contributed to the results for the fiscal year ended March 31, 2024, ultimately resulting in net sales of 18.3 billion yen (19% increase year on year).

Net sales (nursing care facilities)



Annual no. of Nemuri SCAN units sold



Cumulative no. of Nemuri SCAN units sold



No. of facilities that signed contracts for Nemuri CONNECT



Future business strategy

- Strengthening of recurring revenue businesses
- Promotion of nursing care DX

Main KPIs (March 31, 2027)

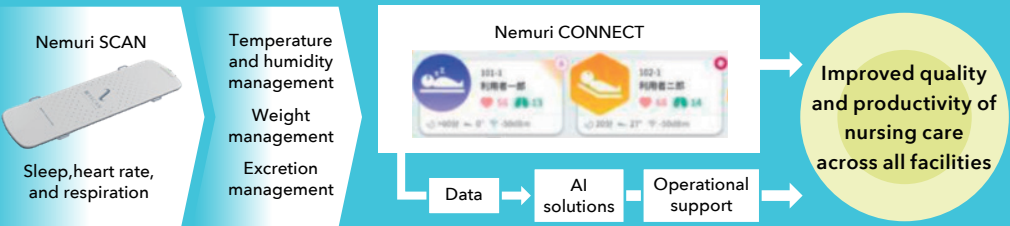
Cumulative no. of Nemuri SCAN units sold	Over 350k units
No. of facilities that signed contracts for Nemuri CONNECT	Over 2,500 facilities

We promote operational efficiency at facilities focusing on the “Nemuri CONNECT” monitoring support system. Moreover, as part of efforts to accelerate DX, we launched a rental service for “Nemuri SCAN,” a sensor that measures sleep by detecting body motions, in January 2024. In the future, we aim to utilize various types of data such as sleep, weight, excretion, temperature and humidity, and similar in advancing toward providing operational support services and AI solutions across entire facilities.

Feature

Launch of the Monitoring Support System “Nemuri CONNECT”

We launched the new monitoring support system “Nemuri CONNECT,” which is capable of cloud-based management of information on sleep, heart rate, respiration, and similar obtained by “Nemuri SCAN.” Various types of information can be managed and viewed in one place, making them easy to share among managers and staff. Since the system is cloud-based, it is possible, for example, for a corporation that operates multiple facilities to display the status of residents at all facilities at once. In the future, the system will be expanded to enable it to be linked with various sensors, with the aim of it further becoming a nursing care digital transformation platform using AI and other

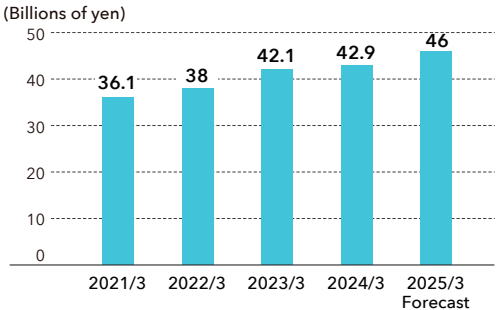


Growth Strategy for the Nursing Care Business (Home Care)

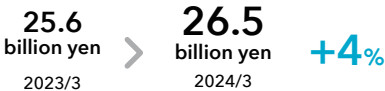
Key points from the fiscal year ended March 31, 2024

In addition to our mainstay beds that have driven growth thus far, we enhanced the lineup of various assistive products, including mattresses and walking aids, along with expanding our rental wholesale business, resulting in net sales remaining high at 42.9 billion yen (1% increase year on year).

Net sales (home care)



Recurring transaction volume



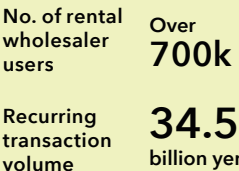
No. of rental wholesaler users



Future business strategy

- ✓ Advancement and enhancement of assistive products
- ✓ Promotion of solutions that help providers, users, and families
- ✓ Expansion of recurring revenue businesses (rental wholesalers)

Main KPIs (March 31, 2027)



We will work to further expand our lineup of assistive products. In addition, we will make efforts to expand rental wholesale, which is a recurring revenue business. Paramount Care Service aims to improve productivity and expand its scale by making use of M&As, in addition to developing a rental business support system and upgrading maintenance and sales locations.

Feature

Implementing M&As Toward Expanding the Rental Wholesale Business

On July 1, 2024, Paramount Care Service Co., Ltd., a rental wholesale business that rents out assistive products to rental service providers, acquired the rental wholesale business unit of SMFL Rental Company, Limited, which had been as an agent of our Group. The company aims to increase its product lineup and provide assistive product rental service businesses with higher quality, safer, and more secure products and services than ever before. Moreover, by bringing together our extensive wealth of knowledge, we hope to achieve Paramount Care Service Co., Ltd.' s vision of "Aiming to contribute to our aging society and create comfortable healthcare environments where everyone can feel peace of mind through our assistive product rental wholesale business."



Health Promotion Business

For people who are highly conscious of improving their sleep and health, we provide products and services that improve daily sleep quality and allow people to live more healthy lives. We develop and sell products such as electric beds, mattresses, and pillows that utilize the research results of the Paramount Bed Sleep Research Institute. And going forward, we will expand our “sleep tech” services that use technology to solve sleep problems.

Main Products and Services

- Development, manufacture, and sales of products for people who are highly conscious of improving their sleep and health

Automatic electric bed
“Active Sleep BED”
 that utilizes sleep sensors




 Active Sleep



The first bed in Japan that detects the status of sleep with sensors and operates automatically. The bed maintains an angle that facilitates sleep while a user is falling asleep, then automatically flattens out once the sensors detect that the user has fallen sound asleep. When it is time to wake up, the bed raises the back when the sensors detect shallow sleep, helping the user to wake up comfortably. The bed can be operated and set up via a smartphone. Moreover, it is also equipped with a function to evaluate the user's quality of sleep.

- Membership service supporting a comfortable daily life

We offer the Club Paramount membership service for individual customers who have purchased the “INTIME” series. We support the comfortable daily lives of our customers by helping them with everything from bed-related concerns after purchase such as disassembling and assembling beds when moving to a new house and consultations on nursing care, to small concerns about daily life.

Electric bed **“INTIME”** that can transform
 in the future for nursing-care use



INTIME
 Produced by PARAMOUNT BED

It is conceptualized as “an electric bed that helps a person's life.” It can first be used as a comfortable electric bed, then be later transformed into a nursing care bed in the future should nursing care become necessary. Also equipped with LED lights that can be used for indirect or supplementary lighting and USB charging ports, the bed does not look like a conventional electric bed with a clean design that blends in well with interiors.

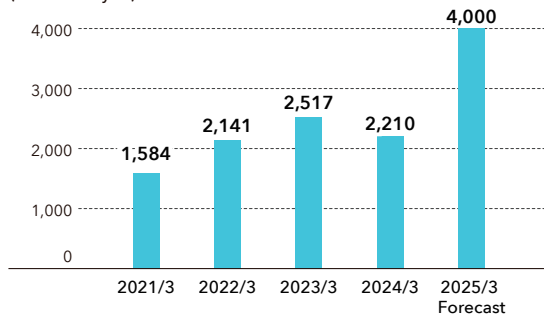
**CLUB
 PARAMOUNT**

Club Paramount 

Growth Strategy for the Health Promotion Business

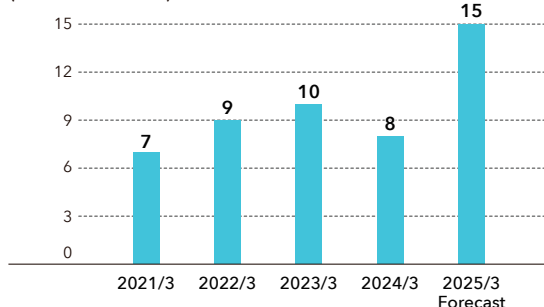
Net Sales

(Millions of yen)



Number of Beds Sold

(Thousands of beds)



*Thousands of beds rounded to nearest thousand

Key points from the fiscal year ended March 31, 2024

With the downgrading of COVID-19 to a Class 5 infection, there was a shift in consumer behavior toward going out and traveling, while demand related to staying home decreased. These factors resulted in net sales of 2.2 billion yen (12% decrease year on year).

Future business strategy

- ✓ **Renewal of communication strategy**
- ✓ **Strengthening product lineup and experience channels**
- ✓ **Taking on the challenge to create new businesses toward Phase III**

Main KPIs (March 31, 2027)

Health promotion business net sales **5 billion yen**

Number of beds sold **over 20k units**

We are strengthening PR activities and providing the right information at the right time for each consumer stage, from learning about our products to purchase. Alongside expanding our product lineup, we will strive to increase the quantity and quality of experience channels to raise awareness of our products. Maintaining consistency across all kinds of communications will also enhance brand strength. In addition, we will actively collaborate with companies in various fields to create new value in order that the health promotion business becomes the third pillar behind medical care and nursing care.

Growth Strategy for the Health Promotion Business

Feature

“Why Not Falling Asleep Properly?” A New PR Strategy to Broaden Product Awareness

The automatic electric bed “Active Sleep BED” that utilizes sleep sensors, one of our mainstay products in the health promotion business. We renewed our PR strategy in April 2024 with the first full update since the model’s launch in 2019. To create buzz around the update, we adopted the phrase “Why not try falling asleep properly?” which was conscious of the consumer’s perspective. We implemented a number of various product awareness measures, including TV commercials and online video ads. Moreover, in order to deepen understanding of products after awareness, we also rolled out online video ads and banner ads using the keyword “グッ度” This will promote understanding of the product’s greatest features; the high customizability of the bed angles, along with the automatic operation function. In addition, we are also implementing measures to strengthen channels for consumers to actually experience products, thereby making them more likely to make a purchase. From product awareness to purchase, we have designed a strategy that appeals to the emotion of consumers, then encourages the logical side of them to make a purchase, under the consistent message of “falling asleep properly.”

Commercial gallery

*“グッ度” is a mixed word of “グッド(good)” and “角度(angle)”. ‘Good’ pronounces ‘good’ in Japanese while ‘angle’ does ‘kakudo’, so we created the word “グッ度” in which the last parts of ‘good’ and ‘kakudo’ rhymes with each other.

Why not try falling asleep properly?



30-second commercial



15-second commercial

グッ度



30-second commercial



Paramount's Overseas Expansion

Overseas Group companies

10 overseas locations
4 factories

 ... Production sites



 **PARAMOUNT BED INDIA Private Limited.**



 **PT. Paramount Bed Indonesia**



 **Paramount Bed (China) Co., Ltd.**

Shanghai Representative Office



 **PARAMOUNT BED VIETNAM CO.,LTD.
PARAMOUNT BED VIETNAM TRADING CO.,LTD.**



PARAMOUNT BED (THAILAND) CO.,LTD.

PARAMOUNT BED ASIA PACIFIC PTE.LTD.

PARAMOUNT BED USA Corporation.

Paramount Bed Mexico S.A. de C.V.

We want to support the medical and nursing care industries, not only in Japan but around the world, as well as the health of people everywhere. Since the establishment of our trading department in 1968, we have been providing services customized to suit the needs of various countries. Our products have been delivered to 110 or more countries worldwide. Currently, aiming toward localization, we have locations in Southeast Asia, including Indonesia, China, India, and other countries. We have also established a regional HQ company Paramount Bed Asia Pacific Pte. Ltd. in Singapore, and are focusing on the Asian region as a promising market predicted to have particularly increasing needs in the future.

Delivery record in

110 or more countries

Taking the No. 1 Market Share for Medical Electric Beds in Key Areas of Asia.

Aiming for Further Expansion, Along with Improved Quality

We have selected Indonesia, China, and India as key focus areas of Asia as they have large populations, therefore increased demand is anticipated. In those three countries, we took the No. 1 share of the medical electric bed market in the fiscal year ended March 31, 2023. Aiming to expand sales even further, we will expand our product lineup in line with the needs of each country, from localized to flagship models. We plan to launch new bed models in Phase II of the Medium-term Management Plan twice as much as in Phase I. In India, we plan to relocate and expand our factory in October 2024, doubling annual bed production volume from previous years. Moreover, we have installed an electrodeposition coating line, thereby allowing the production of products that can adapt to the harsh usage environment in India. In Indonesia, too, we are changing from the single coating line with powder into the double coating line with electrodeposition and powder. This has enabled us to create a system of supplying coatings with a level of quality equivalent to that of Japan to countries across the world. We will support medical infrastructure in various countries by delivering more of our Group's high quality products.



Concept image of new factory in India after completion



Medical electric bed for India,
“Qualitas Nx Series”

Net sales targets for key areas overseas

(Billions of yen)

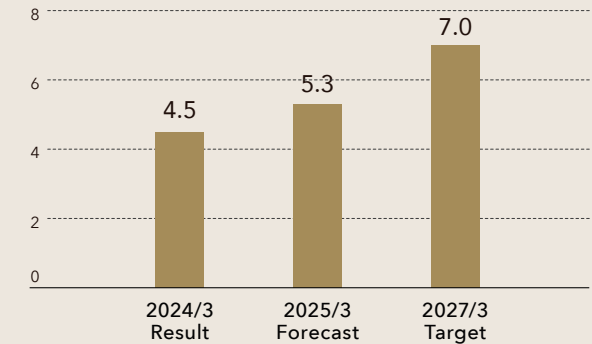
	2024/3 Results	2025/3 Estimates	2027/3 Targets	(vs. 2024/3)
Indonesia	2.8	3.5	4.5	(+61%)
China	3.5	3.6	4.5	(+29%)
India*	1.7	1.9	2.5	(+56%)

*Sales amounts for India include local non-consolidated subsidiaries.
This is not the case for consolidated net sales.

Overseas consolidated net sales	10.6	11.5	15.0	(+41%)
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Number of beds sold overseas

(Ten thousand units)



Message from the CFO

Substantially updating our dividend policy Policy on returns through which we can enjoy our growth together with shareholders



Yosuke Kimura

Senior Managing Director and CFO

Increase in both revenues and profits four years in a row

Net sales exceeded 100 billion yen for the first time

For the fiscal year ended March 31, 2024, both revenues and profits increased for the fourth year in a row, with both sales and profit reaching record highs. Net sales reached 106,016 million yen (7.1% increase year on year), a 1% increase over estimate. This was the first time that net sales exceeded 100 billion yen since our establishment. However, we view this as just a step on the way, and will continue to remain steadfastly committed to our business. In respect of profit, operating profit reached 13,818 million yen (2.7% increase year on year), which was largely in line with estimates. Ordinary profit was 9.8% over estimate at 15,920 million yen (12.6% increase year on year), which was partly due to foreign exchange gains, while net profit attributable to owners of the parent was 8.4% over estimate at 10,622 million yen (15.3% increase year on year). The growth in recurring revenue businesses and the effect of increased revenues due to price revisions led to each type of profit reaching record highs for three years in a row.

Accelerating the rate of expansion in Phase II of the Medium-term Management Plan

Phase I, from April 2020 to March 2024, was the “medium- to long-term investment phase anticipating 10 years of growth.” In this phase, we focused on building a foundation for transformation, as well as expanding the Group’s businesses. If the business line remains the same as before, falling bed sales will bring down Group’s overall business performance. We are therefore expanding our services to break away from this business model and shift to recurring revenue businesses. Businesses other than bed sales have been able to produce



solid results, leading to four years in a row of increased revenues and profits, is surely proof of the fact that the efforts made in Phase I are gradually bearing fruit. Investments made in Phase I will be more fully reflected in sales in Phase II, from April 2024 to March 2027. We will accelerate the rate of expansion by leveraging alliances with other companies and CVC, centered on the three focus points explained in detail on page 29. We will also continue to actively implement growth investments. Rather than “investments for building a foundation” in Phase I, the following three topics are positioned as “investments for producing results.” 1. Recurring assets to strengthen ongoing relationships with customers; 2. Expansion of production facilities and assistive product maintenance facilities/promoting the introduction of a new ERP system; and 3. Active expansion of collaboration with other companies, including CVC investments, for business development. In order to resolve even more concerns of customers, we plan to make aggressive investments in increasing our lineup of recurring revenue services. There are some things that cannot be resolved by us alone. Therefore, we will actively collaborate with other companies in expanding our range of services in order that we can make proposals tailored to customers’ needs. We will also work to strengthen production and maintenance facilities both in Japan and overseas. We will make updates, including the introduction of more efficient machines to increase automation, toward stable production

and maintenance. In India, a new large-scale factory that will double annual bed production volume is scheduled to begin operation during FY2024. Moreover, the new ERP system will be rolled out overseas as necessary. Already in place in Japan, this system, which adapts to changes in business conditions, allows for faster information sharing and decision-making on management matters. These efforts will encourage the growth of our overseas business.

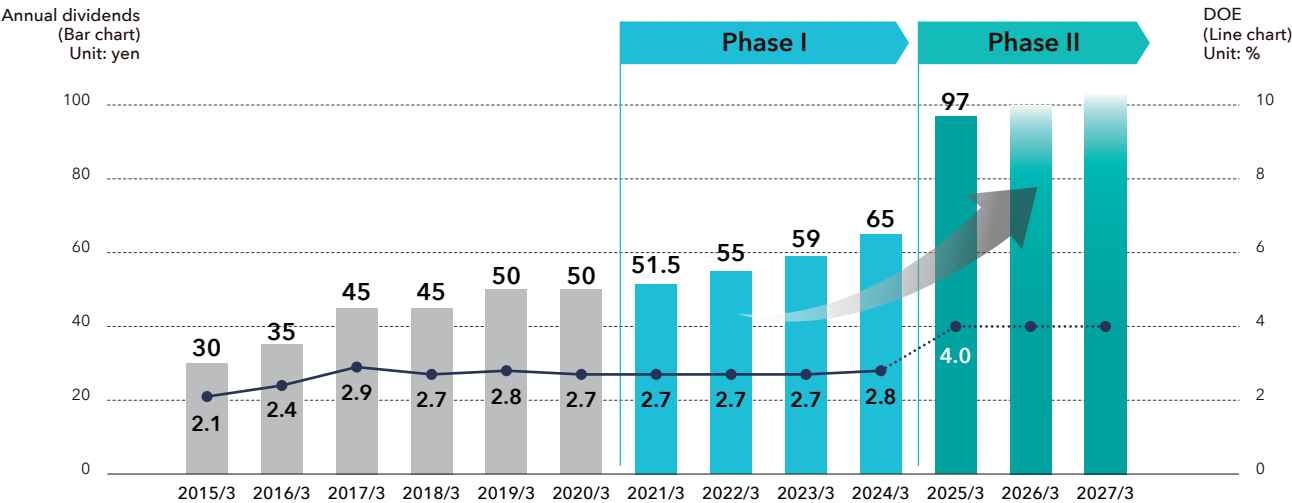
Cash Allocation (Cumulative Total over Phase II Period)

Cash in	Cash out
	Shareholder returns Over 17 billion yen
	Income tax Over 15 billion yen
EBITDA Over 80 billion yen	Growth investment Over 53 billion yen
Appropriation of cash on hand Over 5 billion yen	

Revising the dividend policy:
4.0% DOE and 50% dividend payout ratio

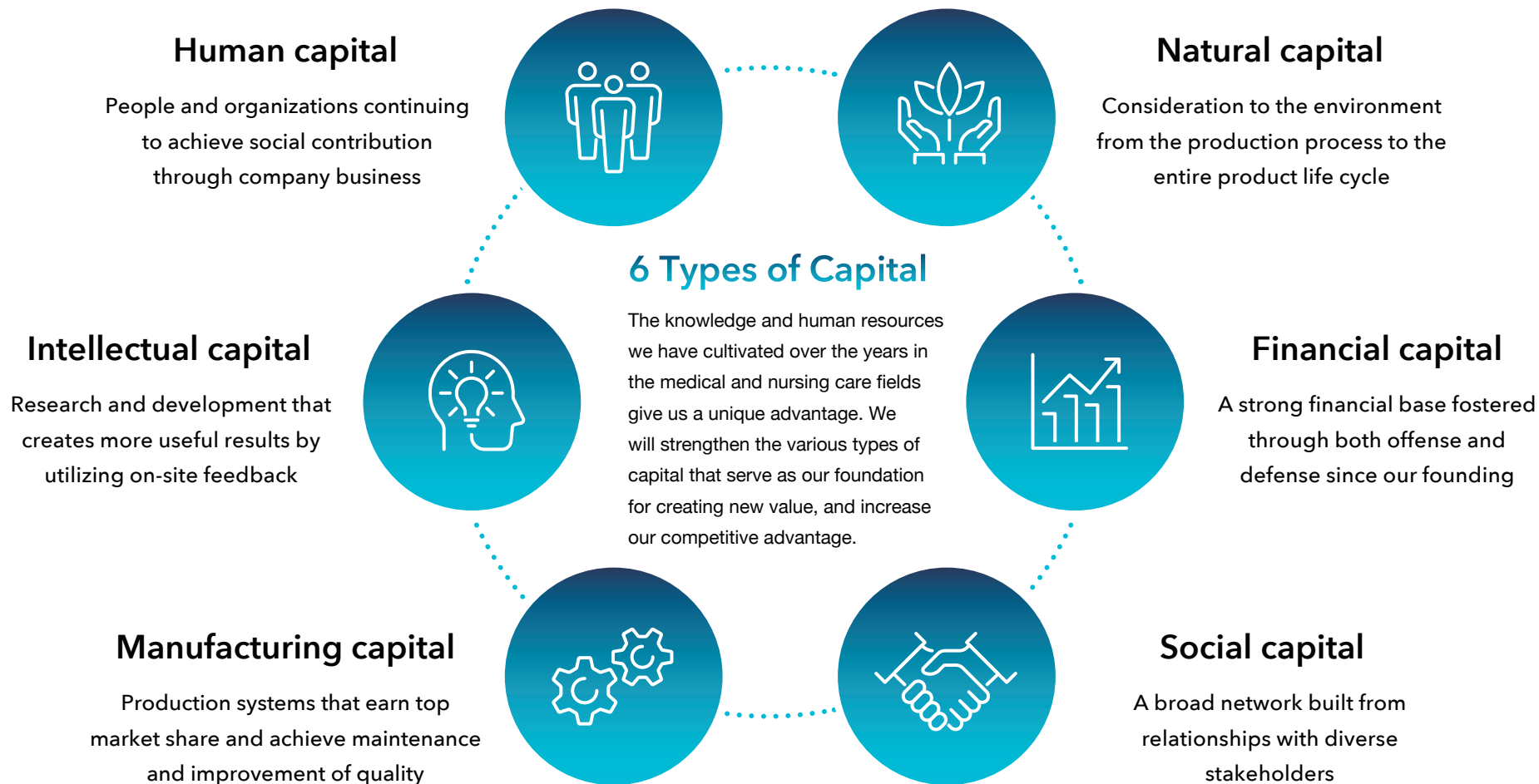
We made bold changes in Phase I toward achieving the Paramount Bed Group’s new ideal vision. And, the results are shown in the figures, which has increased business stability and raised future growth potential, further solidifying confidence in us as a corporation. Therefore, we have announced a new dividend policy so that our shareholders and investors can also fully enjoy the growth of the Group together with us.

Specifically, we previously set DOE at 2.7% and payout ratio at 30%; however from the current fiscal year, we will set 4.0% DOE and 50% payout ratio as a guide. As a result, annual dividends for the current fiscal year are planned to be 97 yen per share, an increase of 32 yen per share over the previous fiscal year. From now on, we intend to consider flexible additional returns as needed while taking business trends and market conditions into account. We would therefore like to ask for your continued support.



Capital Strategy

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Human Capital



Overview of initiatives for strengthening capital

In order to continue achieving social contribution through company business, we will promote the development and strengthening of personnel who have a challenge-taking mindset and create the future of the Paramount Bed Group while valuing communication, as well as collaboration internally and externally. Furthermore, we intend to strengthen our organization by securing diverse human resources, and to foster our organizational and corporate culture through thorough awareness of legal compliance.

*When not indicated otherwise, each indicator for “human capital” is calculated for Paramount Bed Co., Ltd.

Human resources development policy



We believe that it is crucial to strengthen our human resource base in order to make progress with our Medium-term Management Plan, with the pillar of our preferred personnel profile, that is, “personnel who can voluntarily try new fields, recognize the importance of communication, and create the future of Paramount Bed Group,” especially from the perspective of engagement, development, skill/experience, leadership, succession plan, and hiring. To do this, with a focus on “creating a rewarding experience” and “supporting growth,” we will implement various measures for two topics of “enhancing overall employee development” and “hiring and developing global human resources,” and make efforts to develop human resources.

Policy on improving corporate environment



The products and services of the Group are used by a wide range of people. For that reason, we think that it is important to make use of the feelings created from employees with different backgrounds, that is, diverse nationalities, generations, and genders, when developing our products and providing our services. And, in order to better utilize diversity, we are cultivating a “culture with thorough communication,” aimed at mutual understanding and building relationships of trust, and a “culture that encourages challenges” so that experts will continue trying new fields while remaining committed to being the top in the industry. Furthermore, in our Group, we will work to improve our corporate environment from the perspective of diversity, mental health, physical health, and compliance/ethics.

Human Resources Development

■ Enhancing overall employee development

In order to promote human resources development based on “creating a rewarding experience” and “supporting growth,” we are implementing measures emphasizing “learning” for voluntary employee learning, and “experience” for increasing skills through work. We will constantly promote employee growth and development through a cycle of accumulation of experience utilizing learning and learning new things through experience.

Learning

We have created comprehensive learning opportunity “Paramount Campus” as a voluntary learning system supporting employees’ motivation to learn and ability to act. We provide over 220 remote learning courses. Plus, by changing learning into points and incorporating it as a factor for getting promoted, we encourage employee growth and development. We also implement various learning support measures, such as sending employees to a business school or graduate school with the aim of developing highly specialized human resources, and establishing DX classes.

Number of students studying in remote learning class with Paramount Campus

2023/3	845	2024/3	901
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Experience

In order to clarify expected roles and behaviors, and to expand opportunities for employees to play an active role according to their characteristics, we have introduced a new human resources system that ties achievement of action items to evaluations more clearly. We also link applicable education measures for each employee. And in order to encourage employees who want to try new things, we have established our “Career Challenge System” recruiting for transfers between other companies within the Group. Furthermore, we are also making efforts toward identifying and developing executive personnel from a medium- and long-term perspective.

■ Hiring and developing global human resources

In order to improve our ability to respond to globalization, we proactively hire human resources with advanced linguistic abilities and those with a strong interest in working overseas. And aside from offering a range of educational opportunities for language education to support improving TOEIC® scores even after joining the Company, in 2020 we established our “Overseas Trainee System” as part of our Career Challenge System. This is an initiative allowing employees to experience working overseas for a limited time that we recruit for openly.



Improving Our Corporate Environment

Promoting diversity

As for promoting diversity at the Group, we have set targets for the following indicators: percentage of female workers in management positions, ratio of childcare leave taken by male employees, and ratio of female employees among new graduate hires (compared to number of new hires). On top of that, along with responding to the life events of each employee, we are developing and enhancing various systems that enable diverse personnel to work with enthusiasm. For example, maternity leave before and after childbirth, child caregiver leave, shortened work hours, etc. In addition, we are also making efforts to ensure that older personnel can display their skills to the fullest by establishing a post-retirement rehiring system under which retirees can work until 65 according to work tasks and difficulty level. Also, we encourage employees to acquire knowledge and new perspectives from other companies via our Side Job/Concurrent Job System for our current employees and our Comeback System for former employees who have left the Company, thereby increasing the diversity of our organization.

Further, we are actively engaged in efforts to promote understanding of working women throughout society going through the menopause. Our Group was selected as a subsidized entity for the Subsidy Project for Demonstration Projects

for Femtech and Similar Support Services in FY2023 by the Ministry of Economy, Trade and Industry, and we conducted a demonstration project for improving discomfort felt by working women going through the menopause and building support

systems of men at workplaces in collaboration with HITOBITO. inc. We will continue working to contribute to the development of Femtech, since it is a topic that is still very little understood in society.

Percentage of female workers in management positions

	2023/3	2024/3	2029/3 (Targets)
Paramount Bed Co., Ltd.	3.1 %	3.8 %	10 %
Paratechno Co., Ltd.	3.0 %	2.8 %	5 %
Paramount Care Service Co., Ltd.	4.7 %	4.6 %	10 %

Ratio of childcare leave taken by male employees

	2023/3	2024/3	2029/3 (Targets)
Paramount Bed Co., Ltd.	41.4 %	50.0 %	85 %
Paratechno Co., Ltd.	7.7 %	29.4 %	50 %
Paramount Care Service Co., Ltd.	0.0 %	16.7 %	50 %

Ratio of female employees among new graduate hires (compared to number of new hires)

	2023/3	2024/3	Yearly Target
Paramount Bed Co., Ltd.	29.6 %	42.9 %	30 %
Paratechno Co., Ltd.	—	—	—
Paramount Care Service Co., Ltd.	30.0 %	40.0 %	30 %

*Paratechno Co., Ltd. does not hire new graduates.

Improving Our Corporate Environment

Employee health initiatives

With the aim of actively promoting the health of employees, we, alongside our major Group subsidiaries, have established a secretariat within the general affairs department, with the director in charge of administration serving as the Chief Health Management Officer, and are developing systems and promoting measures in cooperation with health and safety committees, industrial physicians, health insurance associations, and other organizations as appropriate.

Through partnering with related companies, we are carrying out demonstration experiments aimed at offering services for sleep-based lifestyle improvements. We encourage employees to use sleep-status measuring applications, and these are useful for improving sleep. Also, we have incorporated understandings of depression and ways to handle it as part of our employee training program to prevent depression. We have introduced services to enable individual stress checks. We have established external consultation services, and we are expanding out consultation system to more closely cooperate with our industrial physicians.

Stress check uptake rate			
2023/3	85.9%	2024/3	87.3%

In recognition of these efforts, Paramount Bed Holdings Co., Ltd., Paramount Bed Co., Ltd., Paratechno Co., Ltd., and Paramount Care Service Co., Ltd. were each recognized as “2024 Certified Health & Productivity Management Outstanding Organizations,” a system designed by the Ministry of Economy, Trade and Industry and awarded by Nippon Kenko Kaigi.



Promoting work style reforms

We are promoting work style reforms in order to establish work-life management customized to each individual’s lifestyle. Specifically, in order to support balancing work and childcare or nursing care, we combine our various systems such as telework, area sales, limited work locations, and leave for accompanying a spouse due to job transfer.



Ensuring compliance

We provide compliance training whenever employees join us in order to further improve our corporate value. We have created the “Corporate Ethics Guidebook” and use it during training. We also regularly convey messages from the Corporate Ethics Office. Furthermore, in order to monitor compliance, we are monitoring the situation on various fronts by conducting employee awareness surveys and establishing reporting contacts.

Compliance training uptake rate			
2023/3	100%	2024/3	100%



Intellectual Capital



Overview of initiatives for strengthening capital

We position all the technology that we have developed and knowledge that we have accumulated thus far, as well as the intellectual property that accompanies the technology and knowledge, as factors that are important for continuously improving our corporate value through our management strategy. To appropriately protect and utilize the intellectual property held by the Group, aside from establishing appropriate management systems, we are also securing employees with specialized knowledge and continuously developing our human resources.

■ Paramount Bed Sleep Research Institute

We believe the mission of the institute is to “confront various issues related to sleep and help to resolve them,” and we promote research and development toward realizing this mission. Concepts that have actually been turned into commercial products include “Nemuri SCAN,” a non-attached sheet-type sensor for detecting body motion, such as turning over during sleep, breathing, heart rate, etc. to monitor sleep status; “even resistance mattresses” with a level of elasticity close to that of the human body to facilitate turning over during sleep, which is necessary for improving sleep quality; and “Nemuri Auto-Operation,” a function for automatically adjusting bed angles in accordance with the sleep status identified by sensors. Alongside enhancing the value of the Group’s products and services, we hope that the results of our research are useful to people around the world through their implementation in society and making them a part of people’s daily lives.

Research and development expenses

Unit: Millions of yen

2023/3	2024/3	2025/3 (Estimate)
1,753	1,868	2,158

Results from COSMOS-PAL Study Selected as Best Abstract at Joint Meeting

Research results from the “COSMOS-PAL Study,” a project in which members of our research team are participating, were selected at the Joint Meeting of The 29th Congress of the Japanese Society for Palliative Medicine and The 37th Annual Meeting of the Japan Psycho-Oncology Society, with two abstracts selected as most excellent and one abstract recognized as excellent. A total of about 900 abstracts were submitted. Of those, only 10 were awarded the top prize.

Abstracts selected as most excellent

- Changes in vital signs obtained from a sheet-shaped body vibrometer during the seven days before death: A prospective study of 776 terminally ill cancer patients
- Activity levels monitored by Nemuri SCAN can be an objective indicator of lack of terminal agitation

Abstract selected as excellent

- Studying the effects and safety of sedation using the “Nemuri SCAN” sheet-shaped body vibrometer: A prospective observational study comparing proportional sedation and continuous deep sedation



Manufacturing Capital



Overview of initiatives for strengthening capital

We have two functions: manufacturer (Paramount Bed) and rental wholesaler (Paramount Care Service). As a manufacturer, we have created structures combining all the accumulated expertise since our founding together with cutting-edge systems, and implement thorough quality control by tactile and visual inspections, foreign object inspections using metal detectors, and other various inspections. As a rental wholesaler, we have built a system that can deliver well-maintained assistive products immediately when needed. We also carry out disinfection and cleaning with the utmost care for sanitation.

Manufacturer

- Effective, integrated production system
- Thorough quality control
- Optimal global production site system through domestic and international collaboration

At our primary Chiba Factory, we have built an integrated production system with everything from raw materials to finished products, centered on bed production. We have established a pattern of making a number of bed units in one cycle. With this method of continuously conveying them between processes from welding to painting and assembly without interruption, we work to shorten manufacturing lead time and minimize in-process inventory, while simultaneously reducing electricity usage and waste generated. In addition, the Paramount Bed's headquarters and factories are certified with international standard ISO9001 (quality management systems) and ISO13485 (medical devices-quality management systems).



Rental wholesaler

- Nationwide store network that can respond quickly
- Maintenance system that provides clean, safe, and reliable products

Along with building a system that ensures immediate delivery of well-maintained assistive products when necessary, we conduct thorough quality control to ensure that these products are safe and reliable for users. In addition, we are striving to improve operational efficiency and cleaning quality through company-developed automatic washing machines. On top of that, we carry out ethanol-based spray cleaning and water cleansing using high-pressure cleaners. After cleaning, along with rinsing using environmentally-friendly, slightly acidic electrolyzed water that is also used for disinfecting foodstuffs, we carry out disinfection using ozone. The disinfected products are inspected for bacteria through regular sampling, and the effectiveness of the disinfection is verified.



■ Responding to the 2024 problem in logistics

Under the Act on the Arrangement of Related Acts to Promote Work Style Reform, upper limits on annual overtime hours in respect of operating vehicles have been in effect since April 1, 2024. This so-called “2024 problem” has affected a variety of industries. In addition, there is increased demand for logistics services, despite a deepening labor shortage in recent years and a reduction in the shifts drivers can work. Against this backdrop, with freight costs rising and lead times for transportation increasing, it has become imperative for companies reliant on logistics in their business to respond. The Group has responded to this situation by updating the Chiba Distribution Center, the Group’s main warehouse in Japan.

Expansion of Chiba No. 2 Distribution Center Streamlines Logistics

In February 2024, we expanded the Chiba No. 2 Distribution Center, one of our main warehouses in Japan. In addition to expanding the cargo sorting area from about 661 m² (approx. 200 tsubo) to about 992 m² (approx. 300 tsubo), a new space for floor storage of about 496 m² (approx. 150 tsubo) has been added. The number of spaces for trucks that can be simultaneously parked and loaded has been increased from six to a maximum of 12 spaces. Thanks to these changes, logistics has become much more streamlined, with reduced driver waiting time, which had been an issue prior to the expansion, increased storage capacity, and much more.



Two-story warehouse



1F cargo handling area

Costs		Functions		Other improvement measures and effects
●External warehouse expenses	20 million yen/year reduction 500 tsubo (approx. 1,653 m ²) × 4,000 yen/tsubo per month × 12 months	●Expansion of cargo sorting area	Approx. 661 m ² (approx. 200 tsubo) ➔ approx. 992 m² (approx. 300 tsubo)	●Shift work allows for nighttime picking and sorting operations ➔Reduces waiting and loading time with regular transfer service for morning shipments ●Roll cages allow small products that take time to sort and load to be prepared in advance ➔Reduces loading time and labor by reducing the number of dispatch operations when loading trucks ●New rest area created for drivers ➔Provides an air-conditioned space where drivers can relax
●Warehouse-to-warehouse transfer expenses	8.8 million yen/year reduction 40,000 yen/day × 220 days/year	●Newly added space for floor storage	0 m ² (0 tsubo) ➔ approx. 496 m² (approx. 150 tsubo)	
●Risk of waiting time costs	120 million yen/year not required 10 million yen/month × 12 months	●Extension of platform	Simultaneous truck parking/loading 6 spaces ➔ 12 spaces	



Overview of initiatives for strengthening capital

We aim to reduce environmental impact throughout our product production process and the entire product life cycle. We review raw materials, procure materials with low environmental impact, and encourage reusing and recycling, as well as promoting energy-saving activities at our production and business sites. We have established the “Factory Energy Saving Secretariat” in our Production Division, and we are always actively promoting these efforts.

■ Environmental targets based on our vision

Our Group advocates “5. Environmentally conscious business activities” as one of our materialities (priority issues). With this, we aim to reduce environmental impact involved in our corporate activities and throughout the entire product life cycle. We have organized the impacts of risks and opportunities related to climate change on our Group business activities, revenue, and other aspects in line with Task Force on Climate-related Financial Disclosures (TCFD) recommendations (see the next page). GHG emissions for the fiscal year ended March 31, 2024 were 3,855 tCO₂, a decrease of 43% compared to the fiscal year ended March 31, 2014, which is the base year. We are committed to further emission reduction activities with the aim of achieving carbon neutrality by 2050.

Scope 1 / Scope 2 emissions volume

2014/3 (base fiscal year)	2024/3	2030 (target)
6,813t CO ₂	3,855t CO ₂	30% reduction

*The indicators have been set as the GHG emissions applicable to Scope 1 and Scope 2, and the scope of calculation includes Paramount Bed Holdings Co., Ltd. and Paramount Bed Co., Ltd.

Introduction of Solar Power Generation at Distribution Center

In June 2024, we installed solar panels on the roof of the Chiba No. 2 Distribution Center with the aim of reducing CO₂ emissions. This initiative contributes to expanding the use of renewable energy and reducing our environmental impact. Electricity used at the mattress factory and No. 2 distribution center is partially supplied by clean energy generated by solar power, which is expected to reduce CO₂ emissions by about 22.2 tons per year.



Task Force on Climate-related Financial Disclosures (TCFD)

Below 2°C scenario

A scenario in which measures are taken, such as strengthening regulations in order to minimize the increase in temperature and changing markets

Key:

▲ : Risk

● : Opportunity

Risk and opportunity	Business impact	Influence on the Company	Company measure
Introduction of a carbon tax ▲ Increased costs for procurement, logistics, and operations due to carbon tax and emission permit transactions	★★★	It is assumed that the introduction of a carbon tax will lead to increased procurement costs for steel and other materials, increased company operation costs at factories, etc., and increased logistics costs, which will likely have a significant impact on the Company's businesses.	- Switch to low-carbon materials - Reduce shipping volume by making shipping between locations more efficient, etc. - Formulate a policy for reducing the Company's CO₂ emissions (Scope 1 / Scope 2)
Strengthened decarbonization measures ▲ Increased renewable energy procurement costs ● Increased demand for environmentally-friendly technologies and services	★★	The strengthening of decarbonization measures requires switching all electricity to renewable energy sources, which will incur additional costs, but the impact on the Company is expected to be small. On the other hand, an increase in demand for the Company's environmentally-friendly technologies and services is predicted.	- Formulate a policy for reducing the Company's CO₂ emissions (Scope 1 / Scope 2) - Quickly grasp changes in customers' environmental consciousness and develop and provide environmentally-friendly products required by those customers at those times
Changing stakeholder awareness ▲ Insufficient response to climate change and lowered reputation ● Increased demand for rental and after-sales services due to customers' increasing environmental awareness	★★★	If we do not disclose information related to environmental measures appropriately or does not set targets for reducing GHG emissions, the risk of reputational damage from stakeholders may occur. However, due to continuing to have a policy of working toward appropriate disclosure in the future, we expect a certain level of impact. On the other hand, we expect significant impact on the Company's businesses, as customers will be more inclined to reduce disposal costs, leading to rising demand for rental services and after-sales services such as component replacement.	- Maintain and improve our reputation as a company that operates with consideration to the environment through appropriate disclosure of information related to climate change, such as the TCFD - Maintain and improve our reputation as a company that takes environmental responsibility by supplying environmentally-friendly products as well as setting and achieving targets for reducing GHG emissions - Accelerate the expansion of our recurring revenue businesses as well as develop new recurring revenue business offerings utilizing sensing technology, AI, IoT, etc.

Task Force on Climate-related Financial Disclosures (TCFD)

4° C scenario

A scenario in which physical effects such as weather anomalies occur as a result of rising temperatures

Key:
▲ : Risk
● : Opportunity

Risk and opportunity	Business impact	Influence on the Company	Company measure
Acute risk (intensification of wind and flood damage) ▲ Risk of a natural disaster severely damaging a raw material supplier, causing operations to be suspended ▲ Risk of a disaster at a production site, causing operations to be suspended ▲ Logistics interruption due to localized torrential rain ● Increased demand for disaster prevention products and services ● Securing trust with quick and stable supply when wind and flood damage occurs	★★★	Suspension of operations and the resulting loss of profit may occur when suppliers with large transaction amounts, production sites, and logistics networks are damaged due to storms or floods. On the other hand, demand for disaster prevention products and services will grow due to intensified and frequent wind and flood damage. Also, it is thought that handling supply in a speedy and stable manner when a disaster occurs could be an opportunity for the Company to secure trust, and we expect significant impact on the Company's businesses.	• Promote multiple suppliers, multiple inventory locations, and adoption of general-purpose items • Secure safe inventory in order to ensure stable supply of products even during a disaster, as well as speedily respond to production by cooperating with other production sites • Establish a system for emergency shipping from other regions as an alternative to disaster-stricken logistics routes • Develop products and services that are effective during times of natural disaster, improve and expand the supply system, disseminate information externally, and conduct promotion activities
Chronic risk (increased temperatures, warming) ▲ Increased costs to handle higher temperatures ● Increased demand for products and services to address reduced sleep quality from higher temperatures ● Increased demand for products and services to make medical care, clinical nursing, and nursing care work more efficient as temperatures increase	★★★	If temperatures rise, costs may occur due to responses to the increased temperatures, such as air-conditioning costs to maintain employee health. On the other hand, we expect significant impact on the Company's businesses as the demand is predicted for measures to mitigate decreased sleep quality from increased temperatures as well as for the Company's products (sleep tech products, the Smart Bed System, etc.) due to expanded demand for supporting medical care, clinical nursing, and nursing care work.	• Reduce air-conditioning costs by introducing high-efficiency air conditioning units, etc. • Develop and sell sleep tech products and the Smart Bed System, disseminate information externally, and conduct promotion activities

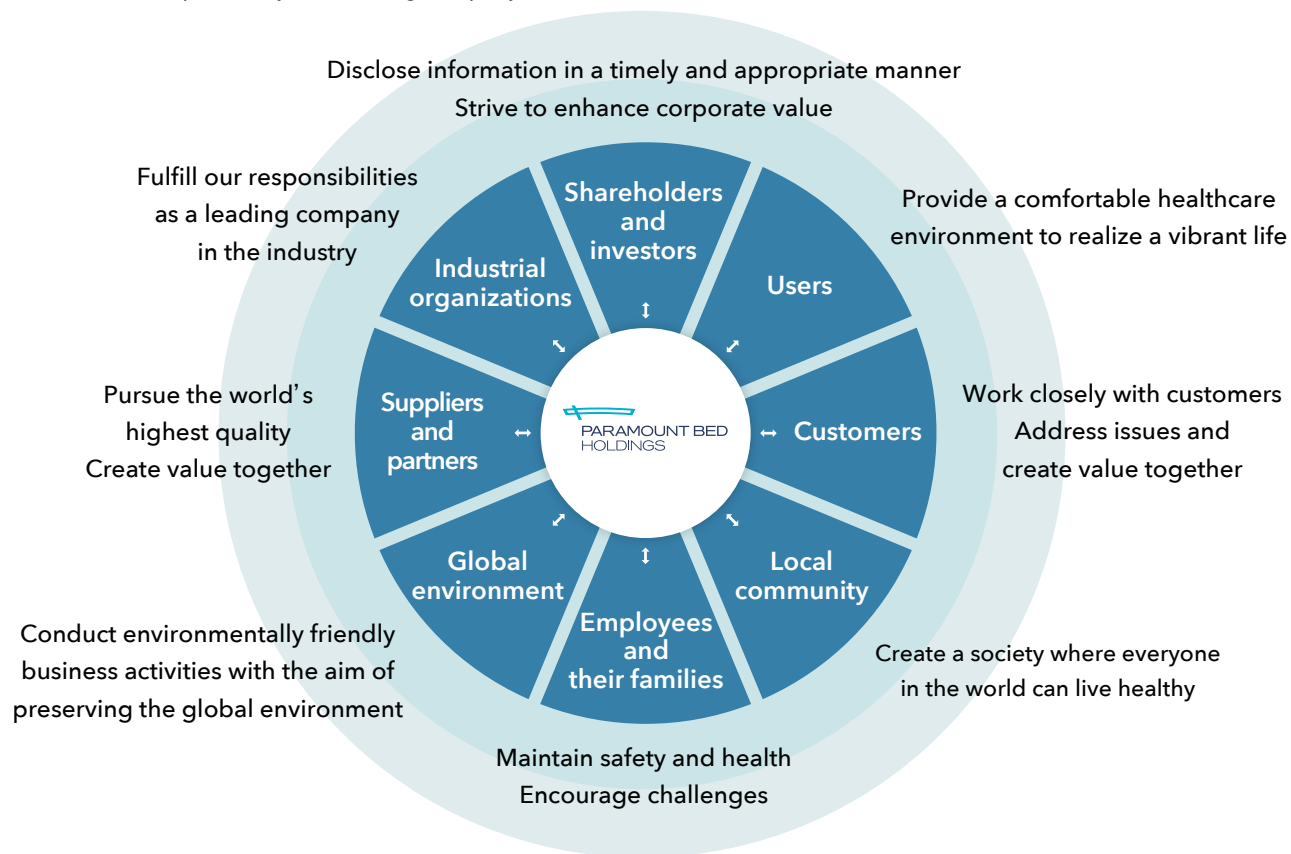


Social Capital



Overview of initiatives for strengthening capital

It is difficult for us alone to solve social issues, and we must cooperate and collaborate with various stakeholders. We will utilize information gained from a strong network with medical and nursing care workers to improve our products and services. Furthermore, we are making efforts to solve social problems as a unified industry by working on the industry to establish a system to strive for product safety, and supporting education and training for nurses, etc. We believe that we have that responsibility as a leading company.





Financial Capital

Overview of initiatives for strengthening capital

We expanded from our original core business of manufacturing and selling medical beds into the nursing care and health promotion fields, addressing customer needs and social issues. This has allowed us to develop diverse revenue streams. In recent years, we have been transitioning from one-time-fee businesses to recurring revenue businesses in order to increase future growth potential. We will update the business line for sustainable growth.

Shareholder returns

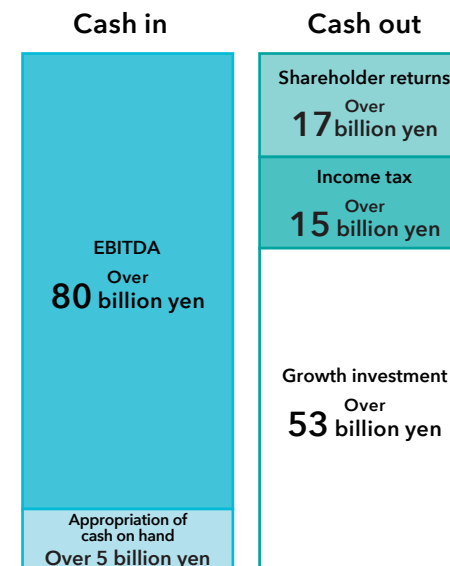
On May 13, 2024, we announced a new dividend policy, setting 4.0% DOE and 50% payout ratio as a guide. We will promote a policy of returns for shareholders and investors through which we can enjoy the growth of the Group together. We will consider flexible additional returns as needed while taking changes in stock prices and market conditions into account in a comprehensive manner.

Growth investment

To meet the needs of client facilities more than ever, we plan to make aggressive investments in increasing our lineup of recurring revenue services. We will actively use CVC and collaborate with other companies as a way of widening the scope of our proposals. Both in Japan and overseas, we will promote the enhancement of facilities to achieve stable production and maintenance by installing highly efficient machines and eliminating the need for manpower through automation. In addition, the new ERP system that can adapt to changes in business conditions and allow for faster information sharing and decision-making on management matters will be rolled out overseas as needed to support the growth of the overseas business.

Cash Allocation

(Cumulative total over Phase II period)



Materiality Initiatives

1 Support for the establishment of a sustainable medical and nursing care system

Making it possible to check a patient's status from a smartphone for medical institutions



MEDCOM, a smartphone for medical institutions produced by MEDCOM, INC., in which we have invested through CVC, was linked with the Group's Smart Bed System and delivered to Seiwakai Medical Corporation Osaka Tatsumi Rehabilitation Hospital. Through this linkage, nurses are now able to check on whether a patient is sleeping or awake, as well as respiratory rate, heart rate, and other information, via smartphone without having to be at the patient's bedside or staff station.


MEDCOM

 MEDCOM 

Conducted project to investigate the effectiveness of nursing care beds



The Group-owned Paramount Healthcare Research Institute, a research and study institute for the medical and nursing care fields, collects and disseminates evidence and information for developing the medical and nursing care industries. The institute launched its "bed effectiveness research project" in 2021. The research is focused on the effectiveness of nursing care beds. Amid an expected increase in demand for nursing care insurance services, scientific evidence is becoming increasingly important for the continuation of the nursing care insurance system, therefore, we will continue to make progress in surveys and research.



Scene of presenting an abstract on the effectiveness of nursing care beds at the 4th Assistive Products Specialist Consultant Research Conference

Materiality Initiatives

2 Creation of an environment where everyone can live healthily and happily

Aiming to develop Femtech to support women at all life stages



Femtech is a term created from the words “female” and “technology.” It refers to products and services that try to solve women’s health issues through technology. Our Group was selected as a subsidized entity for the Subsidy Project for Demonstration Projects for Femtech and Similar Support Services in FY2023 by the Ministry of Economy, Trade and Industry, and we conducted a demonstration project for improving discomfort felt by working women going through the menopause and building support systems of men at workplaces in collaboration with HITOBITO. inc until March 2024. We are actively promoting Femtech-related initiatives, such as exhibiting our products at the Femtech Fes! in February 2024.



Scene from research presentation on demonstration project held in collaboration with HITOBITO. inc. (February 1)

Employee health management service “NEMURI Supporters” wins BOXIL SaaS AWARD Summer 2024



The BOXIL SaaS AWARD is an event held by SMARTCAMP Co., Ltd., which operates the SaaS comparison site “BOXIL SaaS.” SMARTCAMP judges, nominates, and awards outstanding examples of SaaS. Among prizes with a total of 10 items, “NEMURI Supporters” was awarded the “Good Service” prize in the health management systems category. This is awarded to the service with the highest overall score in each category from reviews posted on its website.

What is “NEMURI Supporters” ? [Official website](#)

This is a service provided by NTT PARAVITA Co., Ltd., which was established in collaboration with Nippon Telegraph and Telephone West Corporation and the Group. Employees can get education on sleep, visualize their sleep status, and receive consultations via LINE* and advice on improvements, etc. In particular, the dedicated staff members handle the support on LINE, so it is possible to have as many consultations as wanted at any time without worry.

*LINE is a trademark or registered trademark of LY Corporation.



Materiality Initiatives

2 Creation of an environment where everyone can live healthily and happily

Para canoeist Monika Seryu places sixth at Paris 2024 Paralympics



The Group signed a sponsorship agreement with athlete Monika Seryu in 2022. To help Seryu manage her physical condition, recover from fatigue, and enhance the effects of training, we have provided a bed and body motion sensors to measure sleep status, and offer sleep support by staff from the Group's Sleep Research Institute. At the Paris 2024 Paralympic Games, she competed in women's kayak (KL1), achieving a personal best by placing sixth.



“Para Support Project” for students at schools for special needs education



The Group has been sponsoring the “Para Support Project” initiated by Chiba Lotte Marines Co., Ltd. The initiative aims to offer students at schools for special needs education in Chiba Prefecture the chance to experience the fun and joy of physical exercise through baseball and dance. Along with Chiba Lotte Marines coaches and players, instructors from the Marines Dance Academy participate in the project, which is being held at 37 schools over a three-year period from April 2023 to 2025.



◀ The children interact with one other while getting hands-on experience of basic baseball moves, such as throwing, catching, and hitting



Scene from a class where students can try dancing to the team's support song “WE LOVE MARINES” ▶

Materiality Initiatives

2 Creation of an environment where everyone can live healthily and happily

Provision of educational program for junior high school students to learn about the importance of sleep



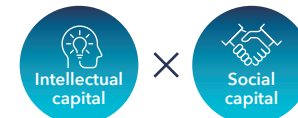
As well as the use of smartphones, increased time spent on club activities and studying has led to a deterioration in sleep quality among junior high school students. With the aim of improving this, we developed an educational program for junior high school students across Japan to learn about the importance of sleep together with ARROWS Inc. The program is offered free of charge as part of ARROW's "SENSEI Yononakagaku" service, which is used by over 90,000 teachers nationwide, and has been evaluated highly since its release in June 2022.



Materiality Initiatives

3 Pursuit of product safety

Creation of brochure for used nursing care beds



The Safety Promotion Council for Medical and Home Care Bed has prepared a pamphlet for everyone who sells or purchases used nursing care beds to help them use the products more safely. The council was established in 2002 with the aims of developing and popularizing safer medical care and nursing care beds and peripheral equipment across the industry, as well as creating an environment in which users can use these beds safely and worry-free by ensuring that the correct usage of these beds is known and fully understood. Group Chairperson Kyosuke Kimura serves as the council's chair.



Used beds can cause unexpected accidents if they are not in a suitable condition or are used incorrectly. To prevent accidents, the brochure lists seven points to check in an easy to understand manner.

Materiality Initiatives

4 Promotion of employee health, diversity, and work style reform

“Career Challenge System” for recruiting for transfers to other companies within the Group



In order to enhance human capital at the Group, we have set “learning” and “experience” as topics for strengthening the development of all employees. The “Career Challenge System” is a measure that contributes to “experience.” It has been provided with the aim of encouraging employees who want to take on new challenges. Thirteen employees have already taken advantage of this system, which recruits people for transfers to other companies within the Group. We will further promote the vitalization of our organization while improving employee capabilities and supporting their career development.



Four Group companies recognized as 2024 Certified Health & Productivity Management Outstanding Organizations



We have been recognized as 2024 Certified Health & Productivity Management Outstanding Organizations (Large Enterprise Category) as part of the Certified Health & Productivity Management Outstanding Organizations Recognition Program jointly awarded by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi. Four companies were recognized, including Paramount Bed Holdings Co., Ltd., Paramount Bed Co., Ltd., Paratechno Co., Ltd., and Paramount Care Service Co., Ltd. We will continue to engage in health promotion management and promote the creation of workplace environments where employees can stay in good health and work comfortably.



PARAMOUNT BED HOLDINGS

PARAMOUNT BED

PARATECHNO

PARAMOUNT CARE SERVICE

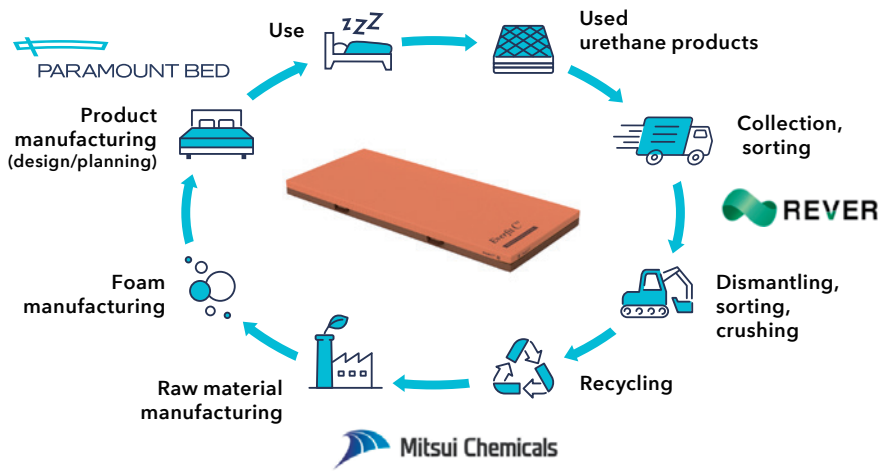
Materiality Initiatives

5 Environmentally conscious business activities

Launch of polyurethane chemical recycling demonstration



An initiative by Paramount Bed Co., Ltd., Mitsui Chemicals, Inc., and REVER CORPORATION aiming to chemically recycle polyurethane contained in bed mattresses was adopted by the Ministry of the Environment for a FY2023 project to promote the establishment of a decarbonized circular economy system. We will work to develop low-carbon technologies and processes for the chemical recycling of used bed mattresses by February 2025.



Expansion of mangrove reforestation activities in Indonesia



Paramount Bed Co., Ltd. has been undertaking mangrove reforestation activities in Indonesia using “Sleep Points,” a points program used in the “Active Sleep BED” smartphone app. The expansion of activities in March 2024 increased the total area of the mangrove forest to 30 hectares, or 70,700 trees, with the maximum amount of CO₂ absorbed and stored expected to be equivalent to up to 30,000 tons. We will continue to conduct reforestation activities in this area as a way of contributing to environmental conservation.



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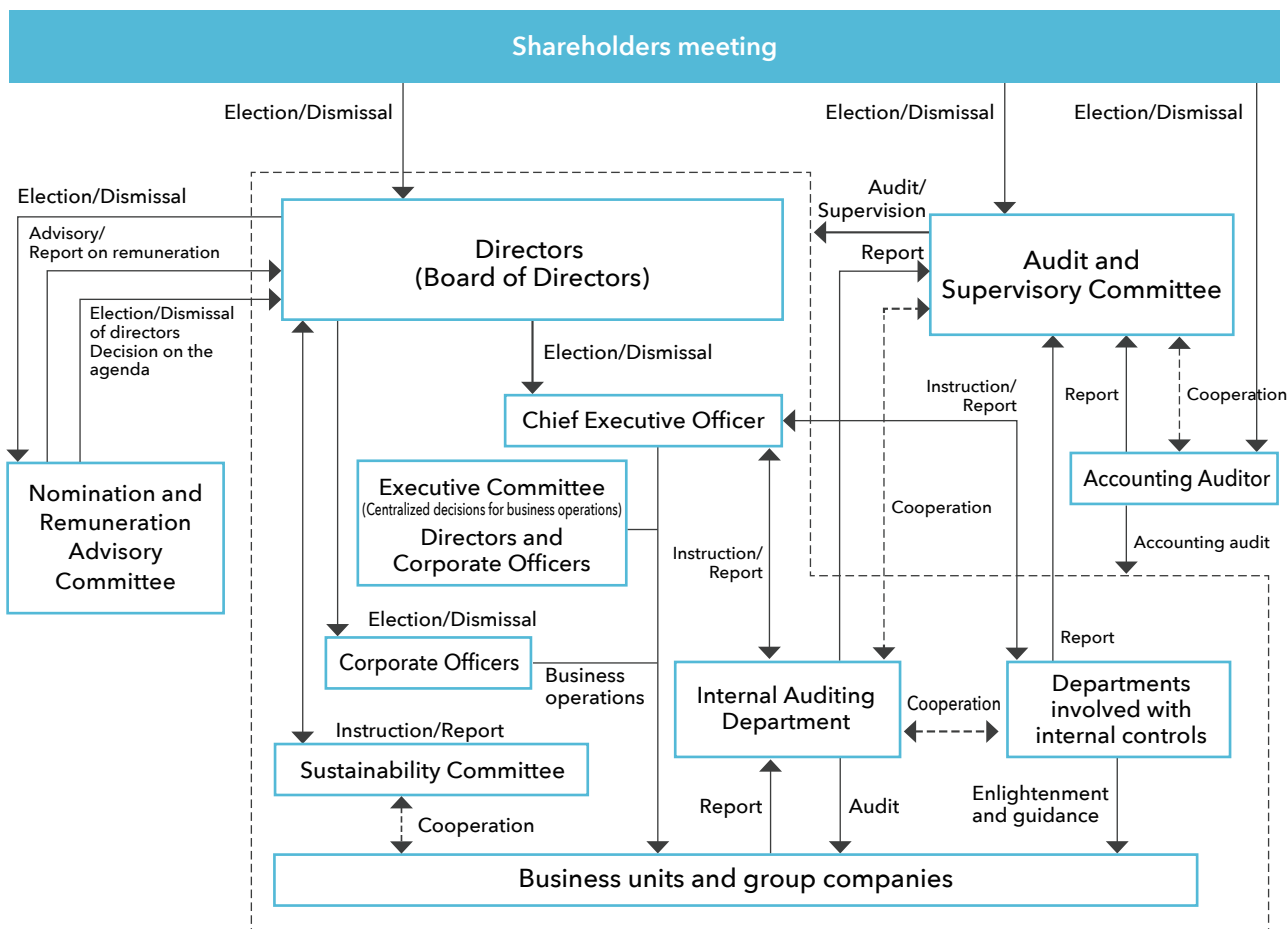
Fundamental approach

Maintaining a sound framework for corporate governance is required to increase corporate value and fulfill corporate citizenship obligations by managing operations properly and ensuring that all activities are transparent and in compliance with laws and regulations. The Paramount Bed Group will continue to position the enhancement of corporate governance as one of its highest management priorities across the entire Group and actively take actions as needed to improve governance according to the fundamental policies stated below.

1. Respect for the rights of shareholders and equality for all shareholders.
2. Appropriate collaboration with shareholders and all other stakeholders in consideration of their interests.
3. Proper disclosure of corporate information to maintain transparency.
4. Ensure the effectiveness of the Board of Directors' oversight of business operations by working with independent external directors to obtain advice from an objective standpoint and reflect the opinions of all stakeholders.
5. Engage in constructive dialogue with shareholders who have investment policies that are consistent with the interests of shareholders over the medium and long term.

Corporate Governance Report (Japanese only) [🔗](#)

Relationship chart of corporate organizations and internal control



Functions and roles of major organizational units

Organizational units	Members	Activities and roles
Board of Directors	Chairman: President and Chief Executive Officer Consists of six internal directors and three external directors	In principle, Board of Directors meetings are held once a month to discuss and make prompt decisions on matters required by law and of managerial importance.
Audit and Supervisory Committee	Consists of one internal director and three external directors	In principle, Audit and Supervisory Committee meetings are held once a month to conduct on-site audits of business locations in accordance with the audit policy, work assignments, and annual plan determined by the Audit and Supervisory Committee, as well as to conduct rigorous audits by attending important meetings such as Executive Committee meetings, listening to business reports from directors and others, and examining important documents.
Executive Committee	Consists of directors, etc. of Paramount Bed Holdings	In principle, Executive Committee meetings are held once a month to have active discussions on a wide range of managerial issues and optimize management activities.
Nomination and Remuneration Advisory Committee	Consists of one internal director and three external directors	It is established as a voluntary advisory body to the Board of Directors to further enhance corporate governance by strengthening the independence, objectivity and accountability of the Board of Directors' functions related to the appointment of director candidates and the remuneration of directors, excluding audit and supervisory committee members.
Sustainability Committee	Consists of chairperson and members in charge of related departments, etc.	The committee discusses basic strategies, implementation status of activities, information disclosure, and other matters related to sustainability issues such as climate change and human capital, as well as bringing up matters and reporting to the Board of Directors as appropriate.
Internal Auditing Department	Department Manager and three members	In accordance with the Internal Audit Rules, the Department systematically conducts operational and accounting audits of all divisions, including the Company and its consolidated subsidiaries. In order to ensure the effectiveness of audits, audited divisions that have been identified for improvement are obligated to report the progress of improvement regularly.
Departments involved with internal controls	Mainly Corporate Ethics Office and Finance Department	The Corporate Ethics Office implements various policies to promote compliance in cooperation with various departments within the corporation. In addition, it distributes the "Corporate Ethics Guidebook," including the "Compliance Manual," which contains the corporation's basic stance on corporate ethics, to enlighten and guide employees. It also continuously raises awareness, provides guidance and monitors the legality of its operations. Meanwhile, the Finance Department continuously raises awareness, provides guidance, and monitors internal control over financial reporting.

Board of Directors, Audit and Supervisory Committee Members, Corporate Officers (As of July 1, 2024)



- 1** Kyosuke Kimura
Chairperson
- 2** Tomohiko Kimura
President and Chief Executive Officer
- 3** Yosuke Kimura
Senior Managing Director
- 4** Toshiyuki Hatta
Director
- 5** Masaki Kobayashi
Director
- 6** Kenji Ouchi
Director (Full-time Audit and Supervisory Committee Member)
- 7** Yukari Oka
External Director
(Audit and Supervisory Committee Member)
- 8** Yoshikazu Goto
External Director
(Audit and Supervisory Committee Member)
- 9** Kazuo Takahashi
External Director
(Audit and Supervisory Committee Member)

Board of Directors, Audit and Supervisory Committee Members, Corporate Officers (As of July 1, 2024)

Kyosuke Kimura

Chairperson

Date of birth: September 20, 1950

Apr. 1979: Joined Paramount Bed Co., Ltd.
Aug. 1979: Member of the Board of Paramount Bed Co., Ltd.
Oct. 1982: Member of the Board of the Company
Sep. 1987: Senior Managing Director of Paramount Bed Co., Ltd.
Apr. 1991: Senior Executive Director of Paramount Bed Co., Ltd.
Apr. 1997: Executive Vice President of Paramount Bed Co., Ltd.
Apr. 2009: President and Chief Executive Officer of Paramount Bed Co., Ltd.
Feb. 2011: President and Chief Executive Officer of the Company
Apr. 2020: Chairperson of the Company (present)
Apr. 2020: Chairperson of Paramount Bed Co., Ltd. (present)
Jun. 2021: Outside Member of the Board of Yuasa Trading Co., Ltd.

● Significant concurrent positions
Chairperson of Paramount Bed Co., Ltd.

Tomohiko Kimura

President and Chief Executive Officer

Date of birth: July 17, 1977

Apr. 2008: Joined Paramount Bed Co., Ltd.
Jun. 2010: Corporate Officer, Deputy Director of Business Strategy Planning Division of Paramount Bed Co., Ltd.
Apr. 2011: Corporate Officer, Director of Global Business Division of Paramount Bed Co., Ltd.
Oct. 2011: Corporate Officer of the Company
Jun. 2014: Senior Corporate Officer of the Company
Jun. 2015: Member of the Board of Paramount Bed Co., Ltd.
Apr. 2016: Senior Managing Director of Paramount Bed Co., Ltd.
Jun. 2018: Senior Managing Director of the Company
Jun. 2019: Senior Executive Director of the Company
Jun. 2019: Senior Executive Director of Paramount Bed Co., Ltd.
Apr. 2020: President and Chief Executive Officer of the Company (present)
Apr. 2020: President and Chief Executive Officer of Paramount Bed Co., Ltd. (present)
Apr. 2024: Representative Board Member, President and Chief Executive Officer of Paramount Bed Co., Ltd. (present)

● Significant concurrent positions
Representative Board Member, President and Chief Executive Officer of Paramount Bed Co., Ltd.

Yosuke Kimura

Senior Managing Director

Date of birth: October 10, 1980

Apr. 2013: Joined Paramount Bed Co., Ltd.
Jun. 2015: Corporate Officer, Deputy Director of Technical Engineering Division of Paramount Bed Co., Ltd.
Apr. 2017: Corporate Officer, Director of Technical Engineering Division of Paramount Bed Co., Ltd.
Jun. 2017: Member of the Board, Director of Technical Engineering Division of Paramount Bed Co., Ltd.
Apr. 2018: Member of the Board, Executive Director of Finance and System Administration Division of Paramount Bed Co., Ltd.
Jun. 2019: Corporate Officer, General Manager of Finance Department and of Information System Department of the Company
Jun. 2020: Chief Financial Officer, Member of the Board, General Manager of Finance Department and Information System Department of the Company
Jun. 2023: Senior Managing Director of the Company (present)
Jun. 2023: Senior Managing Director, Executive Director of Finance and System Administration Division of Paramount Bed Co., Ltd. (present)
Apr. 2024: Member of the Board, Senior Corporate Managing Officer and Executive Director of Finance and System Administration Division of Paramount Bed Co., Ltd. (present)

● Significant concurrent positions
Member of the Board, Senior Corporate Managing Officer and Executive Director of Finance and System Administration Division of Paramount Bed Co., Ltd.

Board of Directors, Audit and Supervisory Committee Members, Corporate Officers (As of July 1, 2024)

Toshiyuki Hatta

Director

Date of birth: December 21, 1961

Apr. 1984: Joined Paramount Bed Co., Ltd.
Jun. 2011: Corporate Officer, General Manager of Human Resource Department and Public and Investor Relations Department of Paramount Bed Co., Ltd.
Oct. 2011: Corporate Officer, General Manager of Human Resource Department and Public and Investor Relations Department of the Company
Jun. 2018: Corporate Officer, General Manager of General Affairs Department and Human Resource Department of the Company
Jun. 2018: Corporate Officer, Executive Director of Administration Division of Paramount Bed Co., Ltd.
Jun. 2019: Member of the Board, General Manager of General Affairs Department and Human Resource Department of the Company
Jun. 2019: Member of the Board, Executive Director of Administration Division of Paramount Bed Co., Ltd. (present)
Jul. 2022: Director of the Company (present)
Apr. 2024: Member of the Board, Senior Corporate Managing Officer and Executive Director of Administration Division of Paramount Bed Co., Ltd. (present)

- Significant concurrent positions
Member of the Board, Senior Corporate Managing Officer and Executive Director of Administration Division of Paramount Bed Co., Ltd.

Masaki Kobayashi

Director

Date of birth: August 4, 1972

Apr. 1995: Joined Paramount Bed Co., Ltd.
Dec. 2012: President of Paramount Bed (Thailand) Co., Ltd.
Apr. 2017: Member of the Board of Paramount Bed (China) Co., Ltd.
Jan. 2018: Member of the Board, Executive Sales Director of Shanghai Representative Office of Paramount Bed (China) Co., Ltd.
Jun. 2021: Corporate Officer, Deputy Executive Director of Corporate Planning Division of Paramount Bed Co., Ltd.
Jun. 2022: Member of the Board, Executive Director of Corporate Planning Division of Paramount Bed Co., Ltd. (present)
Jun. 2023: Member of the Board of the Company (present)
Apr. 2024: Member of the Board, Senior Corporate Managing Officer and Executive Director of Corporate Planning Division of Paramount Bed Co., Ltd. (present)

- Significant concurrent positions
Member of the Board, Senior Corporate Managing Officer and Executive Director of Corporate Planning Division of Paramount Bed Co., Ltd.

Kenji Ouchi

Director (Full-time Audit and Supervisory Committee Member)

Date of birth: January 12, 1959

Apr. 1982: Joined Paramount Bed Co., Ltd.
Apr. 2009: Corporate Officer, Executive Director of Finance and System Administration Division of Paramount Bed Co., Ltd.
Oct. 2011: Corporate Officer, General Manager of Finance Department of the Company
Jun. 2019: Corporate Advisor of the Company
Jun. 2022: Director of the Company (Full-time Audit and Supervisory Committee Member) (present)
Jun. 2022: Corporate Auditor of Paramount Bed Co., Ltd. (present)

- Significant concurrent positions
Corporate Auditor of Paramount Bed Co., Ltd.

Board of Directors, Audit and Supervisory Committee Members, Corporate Officers (As of July 1, 2024)

Yukari Oka

External Director (Audit and Supervisory Committee Member)
Date of birth: April 26, 1963

- Mar. 1995: Completed The Legal Training and Research Institute of Japan
- Apr. 1995: Registered as attorney-at-law
- Jun. 2007: External Corporate Auditor of Paramount Bed Co., Ltd
- Apr. 2011: External Corporate Auditor of the Company
- Jun. 2015: External Director of the Company
- Jun. 2016: External Director of the Company (Audit and Supervisory Committee Member) (present)

Yoshikazu Goto

External Director (Audit and Supervisory Committee Member)
Date of birth: October 30, 1955

- Apr. 1980: Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)
- Aug. 2003: Director, Standards Development and Planning Division, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry
- Jun. 2004: Director, Small and Medium Enterprise Agency/Engineering Division, Ministry of Economy, Trade and Industry
- Jul. 2008: Deputy Director-General, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry
- Apr. 2010: Deputy Director-General, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry
- Oct. 2012: Professor, Department of Materials Engineering, School of Engineering, The University of Tokyo
- Jun. 2015: External Director of the Company
- Oct. 2017: Vice-President, General Director of Technical Research Institute of Japan Society for the Promotion of Machine Industry
- Jun. 2018: External Director of the Company (Audit and Supervisory Committee Member) (present)
- Mar. 2022: External Director of Sodick Co., Ltd. (present)
- Jun. 2022: Representative Director of the Japanese Society for Wellbeing Science and Assistive Technology

- Significant concurrent positions
External Director of Sodick Co., Ltd.

Kazuo Takahashi

External Director (Audit and Supervisory Committee Member)
Date of birth: January 8, 1960

- Apr. 1982: Joined Daiwa Securities Co. Ltd.
- Apr. 2007: Senior Managing Director of Daiwa Securities SMBC Co., Ltd. (currently Daiwa Securities Co. Ltd.)
- Apr. 2010: Executive Managing Director of Daiwa Securities Capital Markets Co., Ltd. (currently Daiwa Securities Co. Ltd.)
- Apr. 2012: Member of the Board and Executive Managing Director of Daiwa Securities Co. Ltd.
- Apr. 2013: Member of the Board and Senior Executive Managing Director of Daiwa Securities Co. Ltd.
- Apr. 2017: Corporate Executive Officer and Deputy President of Daiwa Securities Group Inc.
Representative Director and Deputy President of Daiwa Securities Co. Ltd.
- Jun. 2017: Member of the Board, Corporate Executive Officer and Deputy President of Daiwa Securities Group Inc.
- Jun. 2020: Corporate Executive Officer and Deputy President of Daiwa Securities Group Inc.
- Apr. 2022: Advisor of Daiwa Securities Co. Ltd.
- Jun. 2023: External Director of Makino Milling Machine Co., Ltd. (present)
- Jun. 2023: External Director of the Company (Audit and Supervisory Committee Member) (present)
- Sep. 2023: Outside Director of Ai Holdings Corporation (present)

- Significant concurrent positions
External Director of Makino Milling Machine Co., Ltd.
Outside Director of Ai Holdings Corporation

Board of Directors, Audit and Supervisory Committee Members, Corporate Officers (As of July 1, 2024)

Directors	Kyosuke Kimura	Tomohiko Kimura	Yosuke Kimura	Toshiyuki Hatta	Masaki Kobayashi	Kenji Ouchi	Yukari Oka	Yoshikazu Goto	Kazuo Takahashi
Date of appointment as director	October 1982	June 2018	June 2020	June 2019	June 2023	June 2022	June 2015	June 2015	June 2023
Number of shares held (thousand shares)	1,818	1,769	752	12	8	13	22	—	—
Attendance at Board of Directors meetings*	9/9 times	9/9 times	9/9 times	9/9 times	8/8 times	9/9 times	9/9 times	9/9 times	7/8 times
Experience/skills possessed									
Corporate management and management strategy	●	●						●	●
Finance and accounting			●			●			
Production, technology and quality	●		●						
Legal and compliance				●		●	●		
Human resources, labor relations and human resource development		●		●	●				
Global	●	●			●				

*Attendance at Board of Directors meetings covers the period from April 2023 to March 2024.

Corporate Officer, General Manager
of Public Relations Department

Ryoko
Omichi

Interview with External Director

Using my experience as an attorney to maintain corporate value and support the growth of the Group

Changes in society, and changes in the Company

After becoming a qualified attorney in 1995, I have mainly been engaged in corporate legal affairs. My main career as an attorney has involved counseling and handling litigation matters arising in the business operations of a variety of corporations over 30 years.

The Paramount Bed Group became a holding company in 2011. I was appointed as an External Director in 2015 from my previous position of External Corporate Auditor, and in 2016, I was appointed as an External Director (Audit and Supervisory Committee Member) following the Company's transition to a company with an Audit and Supervisory Committee, a role I have been undertaking up to the present day.

The Paramount Bed Group has changed significantly alongside changes in society. In the past, the Company's former mainstay business, the manufacture and sale of medical and nursing care beds, accounted for 70% of domestic market



Yukari Oka
External Director
(Audit and Supervisory
Committee Member)

share, and it has been an industry leader since that time. However, the Company has never been satisfied with the status quo; rather, it has always approached the concerns of its customers and the needs of society with sincerity. As a corporation that supports society, the Company has paid close attention to various matters, and I feel that its flexible response has resulted in the stability of our current management base.

Practicing fundamental compliance

Corporate compliance has received a lot of attention in recent years, but two decades prior, the phrase was not used nearly as often as it is today. The mainstream approach was that the role of a corporation was to chase profits, which differs greatly from current trends. Today, society has changed significantly, with compliance becoming a central focus of corporate management and understood as an important requirement in gaining society's trust.

Compliance for corporations is not simply a matter of observing laws and regulations. Laws and regulations are characterized as something that is applied after a problem has already occurred. In modern society, however, it is extremely important to make decisions before problems occur. Moreover, even if a company's rules and stances are clearly stated in its Corporate Code of Ethical Conduct or Corporate Code of

Ethics, the fact is that society is constantly changing. What is required by society and how can we gain society's trust right now? Each employee is expected to have the ability to think and act by him or herself.

I feel that the Paramount Bed Group has been acting with integrity and with proper ethics even before the word "compliance" was commonplace in society. This is surely thanks to having long instilled employees with the right attitude and a positive approach in their work, along with valuing customers and wanting to pursue happiness for all stakeholders, including shareholders, business partners, and employees. Also highly commendable are activities such as the establishment of the Corporate Ethics Section, a specialized team that works closely with the Legal Department to provide training for employees and prepare guidebooks. Moreover, it is also noteworthy that on top of penetration and retention measures, the Company is working on ways to enable monitoring to be carried out in a multifaceted manner, such as conducting awareness surveys and establishing internal and external consultation and reporting contacts.

Bringing an innate sense of integrity to the world

A particular area of focus in future will be on strengthening compliance at Group companies in various countries toward

expanding business overseas. As legal systems differ between countries, it is important to carry out research in advance and fix any issues quickly after roll out. Here, I hope to use my experience as an attorney to meet the expectations of shareholders and investors.

I have always believed that the Paramount Bed Group is a company of integrity. The many employees I have met so far, as well as the President and other officers, are committed to their day-to-day work with a sense of pride in the Company's products and services. If this spirit in Japan can also permeate across all overseas locations, we should see stronger compliance worldwide.

The new brand message, "WELL-BEING for all beings," further clarifies the Company's raison d'être and its vision for the future. I will help to support the future growth of the Paramount Bed Group, which adapts to an ever-changing society and contributes as a form of infrastructure.



Interview with External Director

Risk Management

Fundamental approach

Aiming to strengthen the company-wide risk management system, the Group has established basic rules for risk management and has designated a responsible department for each risk to manage it. Should a serious risk occur or potentially occur, an emergency task force headed by the President and Chief Executive Officer is immediately convened in accordance with the above rules. We have a system to strive to minimize damage by taking immediate action in addition to receiving guidance and advice from outside experts (corporate lawyer, tax accountants, etc.) as necessary, and to take measures to prevent recurrence.

Examples of business risks and mitigation measures

Major risks	Risk details	Mitigation measures
Revisions to systems and other items affecting the business climate	Although official rates (medical and nursing care fees) are not set for our main products, hospital and nursing care beds, revisions in systems related to the public-sector medical insurance system or long-term care insurance system, and the impact of periodic public-sector rate revisions could reduce capital investment by medical facilities, the end customers of the Group.	Reinforce efforts in the field of health promotion based on the technology and knowledge cultivated over the years in the medical and nursing care fields.
Growth of overseas operations	Risks that generally are not potential problems for operation in Japan, such as revisions to import and export regulations, inadequate technology and manufacturing infrastructures, and the difficulty of recruiting employees.	Gather daily information on political, economic, and social conditions and related regulations in the countries where our production and sales sites are located, and in the regions where we sell our products (in particular, stricter enforcement and changes in environmental regulations, product safety and quality regulations, and medical device registration regulations in each country), and implement necessary responses.

Examples of business risks and mitigation measures

Major risks	Risk details	Mitigation measures
Procurement of certain materials and other items	Risk of delayed procurement due to a delay or interruption in the supply of a vital material or product, resulting in shortage of such materials.	Expansion of suppliers, potential suppliers of supplies, and alternative measures. Adoption of general-purpose parts.
Defective products and components	Risk that the Group's social trust may be reduced due to a defective product or other item that requires a large-scale recall with substantial expenses.	Development of a robust system for product quality control, including manufacturing in accordance with international standards for quality systems and various in-house standards. Signing up for liability insurance.
Natural and other disasters	Risk of an earthquake or other natural disaster or a major fire or other accidents that may severely damage a factory of a Group company or a supplier, causing suspension of operation, delays or reduction of production and shipment.	Formulation of a business continuity plan (BCP) in the event of a major earthquake, preparation of a safety confirmation system and emergency communication networks, and periodic training.
Information security	Risk of information system suspension and information leaks occurring due to large-scale disruptions to cloud services and networks, cyber-attacks, or other events beyond our reasonable expectations, resulting in reduced social trust for the Group.	Along with signing up for liability insurance, implementation of efforts such as enhancing employees' information security awareness.

Compliance

Fundamental approach

The Paramount Bed Group has established corporate principles and code of corporate conduct, and strives to fulfill its social responsibility and further enhance its corporate value by practicing social contribution through its business activities.

The Paramount Bed Group Code of corporate conduct

All of us in the Group are aware of our social mission as a company involved in medical and welfare services and our responsibility as a member of society, and act with integrity in accordance with the following principles.

- The Paramount Bed Group contributes to the enhancement of medical care, clinical nursing, and nursing care environments by providing products and services that satisfy customers through their safety and high quality.
- Paramount Bed Group understands and observes the laws and regulations relevant to its business activities and the rules of a fair society.
- Paramount Bed Group appropriately manages corporate information and provides timely and appropriate information disclosures in order to build public appreciation and confidence in the Paramount Bed Group.
- Paramount Bed Group is committed to the preservation of the global environment and conducts environmentally conscious business activities.
- Paramount Bed Group respects human rights and rejects discrimination of any kind, whether on grounds of race, nationality, gender, age, body, or any other grounds.
- Paramount Bed Group respects countries' and regions' cultures and customs and contributes to the development and furtherance of society.
- The top management of the Paramount Bed Group conducts itself in an exemplary manner in conformity with this code of conduct. In the event of a breach of this code, the top management of the Paramount Bed Group at its responsibility takes measures to resolve the breach, identify the cause, and prevent recurrence.

Main initiatives

Corporate ethics initiatives

- Providing compliance training
- Making a Corporate Ethics Guidebook and utilizing it in training
- Regularly distributing messages from the Corporate Ethics Office

Promotion of highly transparent governance

- Conducting employee awareness surveys on a timely basis
- Establishing consultation and reporting contacts
- Monitoring compliance status from a multifaceted perspective

Human Rights Policy

Respect for human rights is advocated for in the Paramount Bed Group code of corporate conduct, which sets out the code of conduct for each Group employee in realizing our management philosophy, and in this policy we are further clarifying the Group's approach to respecting human rights.

1. Basic approach to human rights	We understand that the Group's business may directly or indirectly have an impact on human rights. We respect human rights as stipulated in the International Bill of Human Rights and in the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and we work to both support and put into practice the United Nation's Guiding Principles on Business and Human Rights.
2. Scope of the Human Rights Policy	The Human Rights Policy applies to all board members, officers, and employees of the Group. We will also ask our business partners for their understanding and support of the Human Rights Policy, and we will expect them to work together with us to respect human rights.
3. Initiatives to respect human rights	We respect the diversity, values, and work styles of each employee and of each individual we work with; do not tolerate any acts of discrimination based on race, ethnicity, religion, age, nationality, origin, gender, sexual orientation, gender identity, pregnancy status, marital status, academic background, political views, or health condition, etc.; and prohibit child labor, forced labor, and any and all types of bullying and harassment. In addition to promoting diversity and inclusion, we also strive to provide a safe and comfortable working environment that eliminates employee anxieties and worries and that allows each and every employee to play an active role.
4. Dissemination of and education about the Human Rights Policy	In order to increase awareness of respect for human rights amongst all Group employees and to reduce the risk of human rights violations, we will also continue to engage in education and awareness activities to ensure that the Human Rights Policy is instilled in and observed by all Group employees.
5. Human rights governance system	In cooperation with related departments, the Corporate Ethics Department implements and manages measures on respecting human rights. The results of these efforts are reported to the Board as appropriate.
6. Conducting human rights due diligence	Through dialogue with various stakeholders, we strive to understand, prevent, and reduce the negative impact of the Group's business activities on human rights.
7. Remedies	If it becomes apparent that a negative impact on human rights has occurred or has been facilitated by the Group or through one of the Group's business partners, then we will strive to take appropriate and effective remedial measures.
8. Dialogue and consultation with stakeholders	We recognize the importance of confirming and understanding the opinions of those affected by the Group's business activities, and we respect human rights by engaging in sincere dialogue and consultation with stakeholders.
9. Information disclosure	We will appropriately disclose our efforts on respecting human rights through the media or our website.

Corporate Data

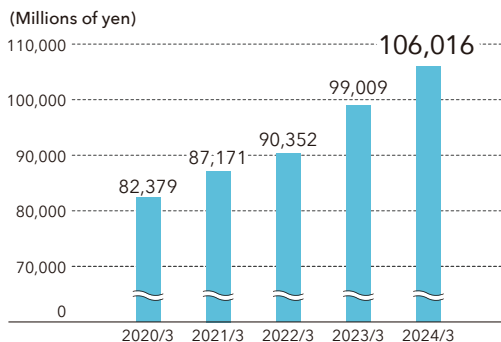
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Prologue

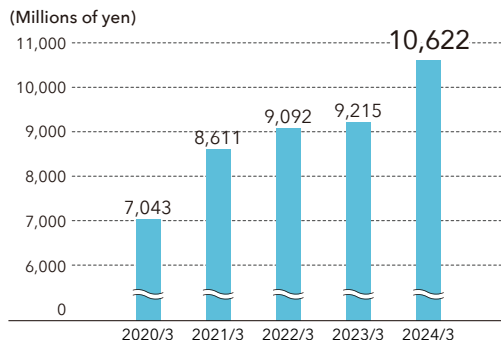
Value
CreationGrowth
StrategyCapital
StrategyCorporate
GovernanceCorporate
Data

Management's Discussion and Analysis of Financial Condition and Results of Operation (MD&A)

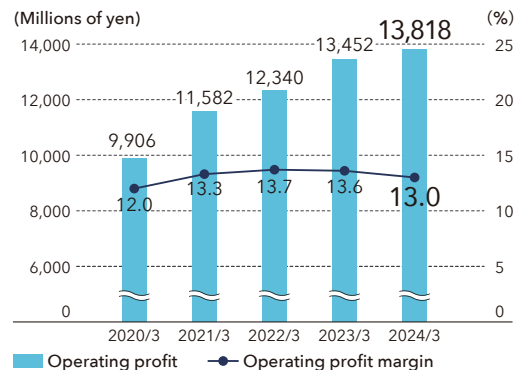
Net sales



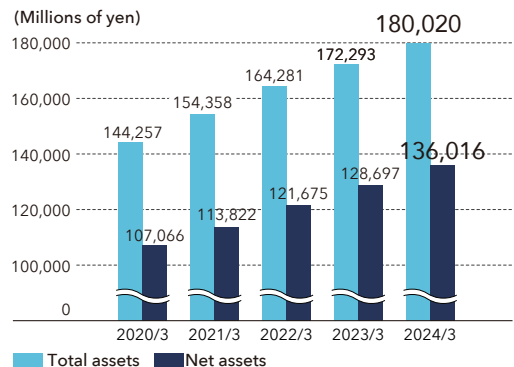
Net profit attributable to owners of the parent



Operating profit, operating profit margin



Total assets, net assets



Financial overview

The fiscal year ended March 31, 2024 was the final year of Phase I of the Group's Medium-term Management Plan, part of the "Paramount Vision 2030," our vision for the year 2030. In that period, we promoted initiatives toward the "expansion of current businesses," "fully engaging in health promotion business," and "establishing the foundations for change," the key measures of this Phase.

As for performance in the three main businesses, in the medical care business, net sales increased 9.1% from the previous fiscal year to 40,690 million yen, mainly due to continued steady expansion of recurring revenue businesses in Japan and increased sales to overseas customers compared to the previous fiscal year. In the nursing care business, increased sales of the "Nemuri SCAN" body motion sensor, which is mainly used in nursing care facilities to monitor patients, and efforts to expand the lineup of various assistive products for home care, as well as a focus on expanding the assistive product rental wholesale business, led to an increase of 6.7% from the previous fiscal year to 61,350 million yen. The health promotion business saw a decrease of 12.2% from the previous fiscal year to 2,210 million yen, partly due to sluggish growth in the number of customers visiting stores due to changes in consumer behavior after COVID-19 was downgraded to a Class 5 infection.

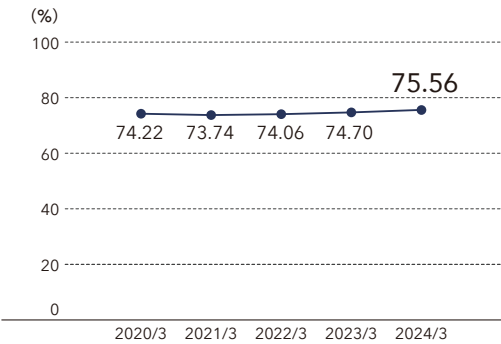
As a result, consolidated net sales increased by 7,007 million yen (7.1% increase) compared to the previous period to total 106,016 million yen. operating profit increased by 365 million yen (2.7% increase) to 13,818 million yen compared to the previous period, ordinary profit increased by 1,781 million yen (12.6% increase) to 15,920 million yen compared to the previous period partly due to foreign exchange gains, and net profit attributable to owners of the parent increased by 1,407 million yen (15.3% increase) to 10,622 million yen.

Financial condition

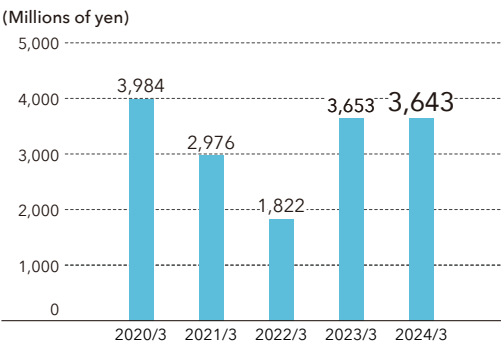
Total assets as of March 31, 2024 increased by 7,726 million yen from March 31, 2023 to 180,020 million yen. Total liabilities increased by 407 million yen to 44,004 million yen. Net assets increased by 7,319 million yen to 136,016 million yen. As a result, equity-to-asset ratio was 75.6% and net assets per share was 2,368.78 yen.

Management’s Discussion and Analysis of Financial Condition and Results of Operation (MD&A)

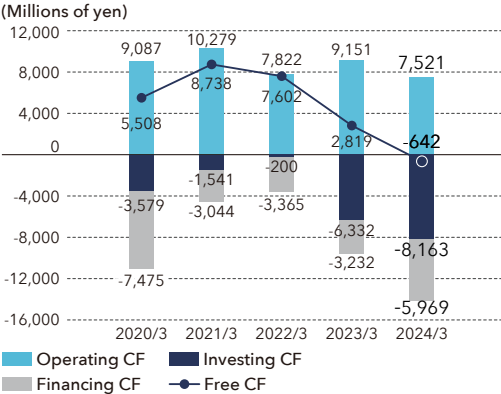
Equity-to-asset ratio



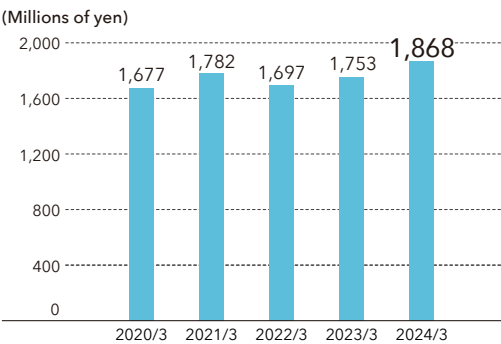
Capital investment expenses



Operating CF, investing CF, financing CF, free CF



Research and development expenses



Cash flow status

Cash and cash equivalents (hereinafter referred to as “cash”) as of March 31, 2024 totaled 39,740 million yen. The status of each cash flow and their factors are as follows.

Cash flows from operating activities

The cash increased as the result of operating activities amounted to 7,521 million yen. This was mainly due to increases in the profit before income taxes of 15,500 million yen and depreciation and amortization of 9,765 million yen, and decreases due to the increase in rental assets of 7,717 million yen and the increase in trade receivables of 9,765 million yen following expansion of the recurring revenue business.

Cash flows from investing activities

The cash decreased as the result of investing activities amounted to 8,163 million yen. This was mainly due to decreases of 4,441 million yen in purchase of investment securities, 2,853 million yen in purchase of property, plant and equipment, such as updating coating facilities at our Indonesia factory, and 1,382 million yen in purchase of intangible assets, such as the ERP system, along with an increase of 1,579 million yen in proceeds from sale of securities.

Cash flows from financing activities

The cash decreased as the result of financing activities amounted to 5,969 million yen. This was mainly dividend payments amounting to 3,615 million yen and purchase of company's own shares amounting to 2,399 million yen.

Capital investment status

Capital investment expenses for the fiscal year ended March 31, 2024 totaled 3,643 million yen. This was mainly related to building our new ERP system amounting to 920 million yen and updating coating facilities at our Indonesia factory, etc. amounting to 464 million yen. There were no material disposals or sales of facilities during this fiscal year.

Research and development status

Based on the corporate principles of “We Create Comfortable Healthcare Environments through Cutting-edge Technology with a Human Touch,” the Group’s research and development activities are handled by the Sleep Research Institute and a total of five departments under the Technology Development Division of the core subsidiary, Paramount Bed Co., Ltd.: R&D Department, Elemental Technology Department, Development Department, Design Department, and IBS Solution Development Department. Research and development expenses for the fiscal year ended March 31, 2024 are 1,868 million yen.

Financial and Non-financial Data

Unit: Millions of yen

	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3
Net sales	75,270	74,089	73,198	77,220	80,088	82,379	87,171	90,352	99,009	106,016
Operating profit	10,038	9,660	11,015	10,661	10,580	9,906	11,582	12,340	13,452	13,818
Operating profit margin (%)	13.3	13.0	15.0	13.8	13.2	12.0	13.3	13.7	13.6	13.0
Ordinary profit	11,553	9,830	11,788	12,161	10,923	10,145	13,461	13,543	14,139	15,920
Net profit attributable to owners of the parent	7,264	6,387	9,034	8,366	6,704	7,043	8,611	9,092	9,215	10,622
Comprehensive income	8,251	5,039	8,533	8,257	7,064	6,212	9,664	10,809	9,432	13,252
Net assets	85,391	85,223	88,391	102,803	108,242	107,066	113,822	121,675	128,697	136,016
Total assets	125,508	126,279	128,962	139,176	144,006	144,257	154,358	164,281	172,293	180,020
Net assets per share (yen)	1,453.42	1,461.50	1,600.45	1,726.95	1,800.25	1,841.97	1,958.23	2,092.47	2,207.86	2,368.78
Basic earnings per share (yen)	122.02	110.88	160.07	148.62	111.84	118.21	148.15	156.39	158.37	182.61
Annual dividend per share (yen)	30.0	35.0	45.0	45.0	50.0	50.0	51.5	55.0	59.0	65.0
Dividends on equity ratio (DOE) (%)	2.1	2.4	2.9	2.7	2.8	2.7	2.7	2.7	2.7	2.8
Dividend payout ratio (%)	24.6	31.6	28.1	30.3	44.7	42.3	34.8	35.2	37.3	35.6
Equity-to-asset ratio (%)	68.04	67.49	68.54	73.87	75.16	74.22	73.74	74.06	74.70	75.56
Return on equity (%)	8.65	7.49	10.41	8.75	6.35	6.54	7.80	7.72	7.36	8.03
Cash flows from operating activities	8,151	9,657	12,019	9,967	7,914	9,087	10,279	7,822	9,151	7,521
Cash flows from investing activities	-3,615	-2,037	-936	-493	-2,464	-3,579	-1,541	-220	-6,332	-8,163
Cash flows from financing activities	-5,375	-5,493	-5,641	-2,621	-2,842	-7,475	-3,044	-3,365	-3,232	-5,969
Cash and cash equivalents	20,453	22,615	27,644	34,435	37,069	35,009	40,756	45,462	45,663	39,740
Price earnings ratio (PER) (times)	12.8	18.3	13.6	19.3	22.0	18.5	16.4	12.8	14.9	15.5
Price to book-value ratio (PBR) (times)	1.09	1.37	1.39	1.57	1.36	1.21	1.24	0.95	1.07	1.18
Research and development expenses	1,246	1,385	1,600	1,589	1,642	1,677	1,782	1,697	1,753	1,868
Number of employees (persons)	2,496	2,638	2,685	2,925	3,224	3,494	3,614	3,682	3,946	4,126

(Note) 1. The Company carried out a 1:2 stock split of common shares effective April 1, 2021. Net assets per share, net profit per share, and annual dividend per share were calculated on the assumption that the share split had been conducted at the beginning of the fiscal year ended March 31, 2015.

2. The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) has been applied from the beginning of the fiscal year ended March 31, 2022, and the key management indicators for the fiscal year ended March 31, 2022 and beyond are those after applying such accounting standard.

Corporate Information (As of March 31, 2024)

Corporate name	Paramount Bed Holdings Co., Ltd.
Head office	14-5, Higashisuna 2-chome, Koto-ku, Tokyo 136-8671, Japan
Phone	+81-3-3648-1100 (operator)
Capital	4,207,430,300 yen
Listing	Tokyo Stock Exchange, Prime Market (Securities Code: 7817)
Number of employees	Consolidated: 4,126

Main Group companies	
Domestic consolidated subsidiaries	Paramount Bed Co., Ltd. Paratechno Co., Ltd. Paramount Care Service Co., Ltd. Sadashige Special Plywood Co., Ltd.
Domestic non-consolidated subsidiaries	KP Service Co., Ltd. PARAMOUNT BED Healthcare Fund
Overseas consolidated subsidiaries	Paramount Bed Asia Pacific Pte. Ltd. PT. Paramount Bed Indonesia Paramount Bed (China) Co., Ltd. Paramount Bed Vietnam Co., Ltd.
Overseas non-consolidated subsidiaries	Paramount Bed (Thailand) Co., Ltd. Paramount Bed India Pvt. Ltd. Paramount Bed Mexico S.A. de C.V. Paramount Bed USA Corporation

Stock Information
 (As of March 31, 2024)

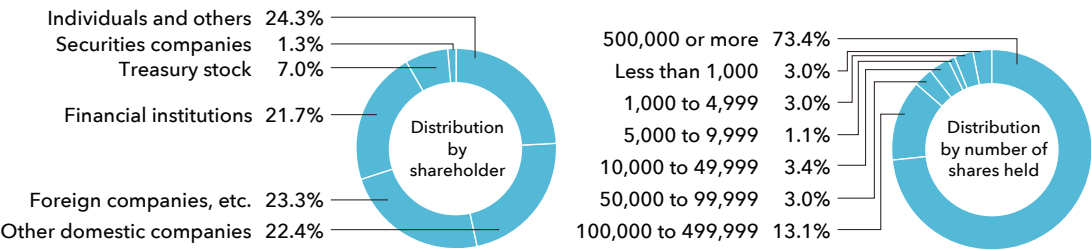
Total number of authorized shares	252,000,000
Total number of shares issued	61,754,974
Number of shareholders	11,435

Major shareholders

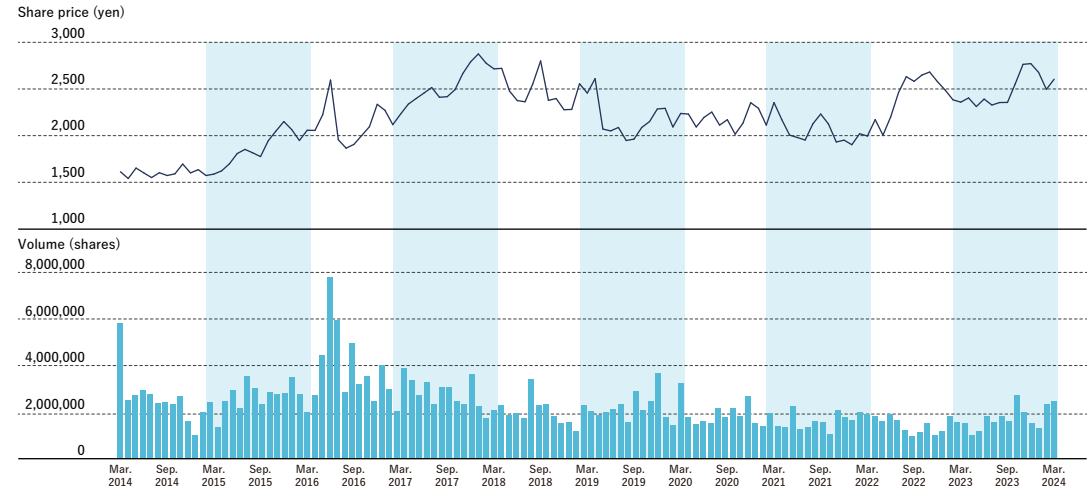
Name of shareholders	Number of shares held	Shareholding ratio
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,620 thousand shares	15.0%
CTOC Co., LTD.	4,266	7.4
LLAGE WOOD Co.	4,146	7.2
Michihide Kimura	1,822	3.2
Kyosuke Kimura	1,818	3.2
Kenji Kimura	1,782	3.1
Tomohiko Kimura	1,769	3.1
Custody Bank of Japan, Ltd. (Trust Account)	1,584	2.8
JP MORGAN CHASE BANK 385632	1,475	2.6
Paramount Bed Group employee shareholding association	1,394	2.4

*The Company holds 4,334,941 shares of treasury stock; however the shareholding ratio is calculated with treasury stock excluded.

Distribution of shares



10-year share price/volume trends 2014 to 2024



*The Company carried out a 1:2 stock split of common shares effective April 1, 2021. Share prices prior to March 2021 are presented on the assumption that an equivalent stock split had taken place.



PARAMOUNT BED
HOLDINGS

<https://www.paramountbed-hd.co.jp/english>