PARAMOUNT BED HOLDINGS

42nd

Business Report

From April 1, 2023 to March 31, 2024

Securities code: 7817 PARAMOUNT BED HOLDINGS CO., LTD.

WELL-BEING for all beings

Top Message

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

President and Chief Executive Officer
Tomohiko Kimura

We extend our heartfelt thanks to our shareholders for their ongoing support.
The Company hereby provides reports in relation to the overview of business and the financial results for the 42nd term (from April 1, 2023 to March 31, 2024).

Business Results for the Fiscal Year under Review

With regard to consolidated business results for the fiscal year under review, costs and various expenses increased, including rising material procurement prices with the depreciating yen. However, as a result of our efforts to implement various measures to respond to increased demand associated with the promotion of work style reforms for medical and nursing care staff, etc., net sales came to ¥106,016 million, reaching a new record high. In terms of profits, operating profit came to ¥13,818 million (up 2.7% year on year) and ordinary profit came to ¥15,920 million (up 12.6% year on year), while profit attributable to owners of parent came to ¥10,622 million (up 15.3% year on year), also reaching new record highs in terms of profits, respectively.

The Company paid a year-end dividend of ¥34 per share, which is an increase of ¥3 over initial forecasts, for the fiscal year under review. As a result, in combination with the interim dividend of ¥31 per share, the annual dividend came to ¥65 per share.

The Company also reviewed the dividend policy. While we have previously set the dividend on equity ratio (DOE) of 2.7% and the payout ratio of 30%, we will change to a DOE of 4.0% and a payout ratio of 50% as the benchmark from the next fiscal year (fiscal year ending March 31, 2025) and determine the amount based on the dividend policy in which shareholders together can be conscious of the growth. The Company intends to pay interim and year-end dividends of ¥48 and ¥49 per share, respectively, resulting in an annual dividend of ¥97 per share for the next fiscal year, a significant increase year on year.

Future Business Development

The Group launched Phase II (final year: fiscal year ending March 31, 2027) of the medium-term business plan "Paramount Vision 2030" from the fiscal year ending March 31, 2025. Upholding "expansion of recurring business," "evolution of health promotion business," and "rapid growth in focused areas in Asia" as key measures, we will focus on expanding business to enhance corporate value further.

We also formulated a new brand message, "WELL-BEING for all beings." As we expand our business beyond the conventional framework of a medical care and nursing care bed manufacturer with our diversification of business, and expand and change the business line further for the future, we believe that it is important to redefine the value the Group provides to stakeholders worldwide. A QR code is included on the special feature page to view a video that expresses our thoughts and worldview included in this message. The Group as a whole will strive to further contribute to society and enhance corporate value by continuously proposing new solutions to respond to social issues and customer needs that change and diversify still more in the future.

Going forward, we humbly ask our shareholders for their understanding and support.

Topics

- Full update of the "INTIME 1000," electric beds for general household use
- Supported "Parasport Support Project" of Chiba Lotte Marines pro baseball team

"INTIME 1000" wins Good Design Award

The "INTIME 1000," our electric bed fully updated in April, won the Good Design Award 2023. Features such as the design and the idea of hiding the structural part of the bed were highly evaluated.

GOOD DESIGN AWARD
2023年度受賞

- Paramount Care Service established Funabashi Branch

Paramount Care Service began rental of "Avance" and "pasola," original walkers for indoor use

Paramount Care Service began the rental of the "Avance" pickup walker and the "pasola" forearm support walker as superiorly designed and convenient original products.

Avance

pasola

2023
Apr.
May
Jun.
Jul.
Aug.
Sep.
Oct.
Nov.
Dec.
2024
Jan.
Feb.
Mar.

- Launched "Lifmia," an electric lift-up chair
- Launched "Metis Series" electric beds for medical facilities
- Launched wide-sized beds "Rakusho Wing" for home care

Launched provision of "Nemuri CONNECT" monitoring support system

The "Nemuri CONNECT" monitoring support system enables management of information detected by the "Nemuri SCAN" body motion sensor in the cloud. Equipped with a function that centrally manages various resident information, the system contributes to the nursing care DX promotion.

Illustration of control panel of "Nemuri CONNECT"

- Paramount Care Service relocated Toshima Branch and established Sakai Branch

Four main companies of the Group received certification under the Certified KENKO Investment for Health Outstanding Organizations Recognition Program

The program certifies enterprises recognized as particularly excellent in their management and promotion of the health and productivity of their employees. In addition to the Company, Paramount Bed, Paratechno, and Paramount Care Service received the certification.

2024
健康経営優良法人
Health and productivity

Special Feature

Formulation of a brand message “WELL-BEING for all beings”

We uphold the Paramount Vision 2030, expressed as “Smiles for everyone, from medical care and nursing care to health,” 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. A video that expresses our thoughts and worldview included in this brand message is available. Please visit via the QR code.

WELL-BEING for all beings

[New Product] Full update of the “Active Sleep BED”

In April, we fully updated the “Active Sleep BED” electric bed, which has sleep score assessment and “sleep automatic operation” functions. Besides adding a new function that allows one to take a more relaxed position on the bed, the automatic operation function is improved. By also pursuing comfort in various scenes in life, such as reading, watching television, and eating, we contribute to a comfortable sleeping environment that suits each individual’s situation.

Illustration of “Active Sleep BED”

Illustration of screen capture of the sleep score assessment application

Financial Review

Consolidated Financial Statements

Consolidated Balance Sheet (Summary)

(Millions of Yen)

Item	Previous Fiscal Year (As of March 31, 2023) Amount	Current Fiscal Year (As of March 31, 2024) Amount
Total current assets	97,135	95,496
Total non-current assets	75,158	84,523
Total assets	172,293	180,020
Total liabilities	43,596	44,004
Total net assets	128,697	136,016
Total liabilities and net assets	172,293	180,020

Consolidated Statement of Income (Summary)

(Millions of Yen)

Item	Previous Fiscal Year (From April 1, 2022 to March 31, 2023) Amount	Current Fiscal Year (From April 1, 2023 to March 31, 2024) Amount
Net sales	99,009	106,016
Operating profit	13,452	13,818
Ordinary profit	14,139	15,920
Profit attributable to owners of parent	9,215	10,622

Consolidated Statement of Cash Flows (Summary)

(Millions of Yen)

Item	Previous Fiscal Year (From April 1, 2022 to March 31, 2023) Amount	Current Fiscal Year (From April 1, 2023 to March 31, 2024) Amount
Cash and cash equivalents at beginning of year	45,462	45,663
Cash flows from operating activities	9,151	7,521
Cash flows from investing activities	(6,332)	(8,163)
Cash flows from financing activities	(3,232)	(5,969)
Effect of exchange rate change on cash and cash equivalents	419	688
Increase (decrease) in cash and cash equivalents	7	(5,922)
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	194	–
Cash and cash equivalents at end of year	45,663	39,740

Website Information

PARAMOUNT BED HOLDINGS IR ENGLISH Search

For more detailed financial information, please refer to the various materials made available on the Company website.

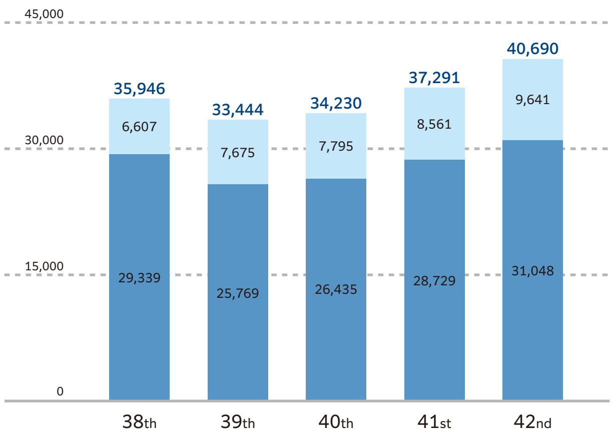
https://www.paramountbed-hd.co.jp/english/ir

Consolidated Net Sales by Business

Medical Care Business

Domestic / Overseas

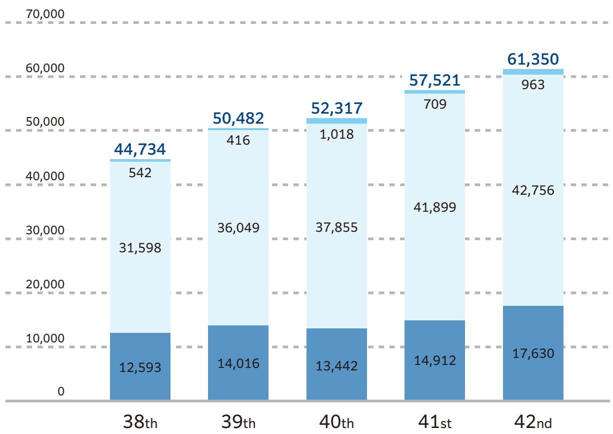
(Millions of Yen)



Nursing Care Business

Domestic nursing homes / Domestic homecare / Overseas

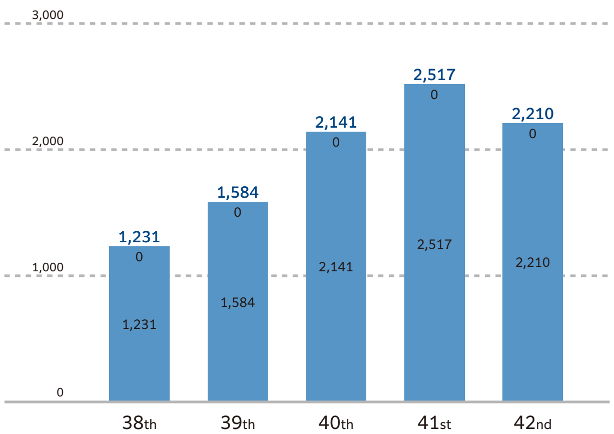
(Millions of Yen)



Health Promotion Business

Domestic / Overseas

(Millions of Yen)



Main Companies of the Paramount Bed Holdings Group

Network

- PARAMOUNT BED HOLDINGS CO., LTD.

<Consolidated subsidiaries in Japan>

- Paramount Bed Co., Ltd.
- Paratechno Co., Ltd.
- Paramount Care Service Co., Ltd.
- Sadashige Special Plywood Co., Ltd.

<Non-consolidated subsidiaries in Japan>

- KP Service Co., Ltd.
- PARAMOUNT BED Healthcare Fund

<Consolidated subsidiaries overseas>

- Paramount Bed Asia Pacific Pte. Ltd.
- PT. Paramount Bed Indonesia
- Paramount Bed (China) Co., Ltd.
- Paramount Bed Vietnam Co., Ltd.

<Non-consolidated subsidiaries overseas>

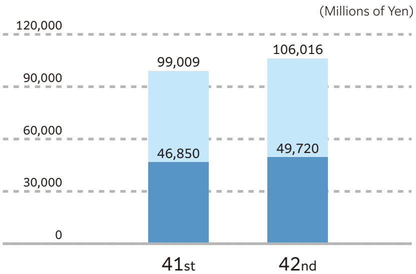
- Paramount Bed (Thailand) Co., Ltd.
- Paramount Bed India Pvt. Ltd.
- Paramount Bed Mexico S.A. de C.V.
- Paramount Bed USA Corporation

Financial Highlight (Consolidated)

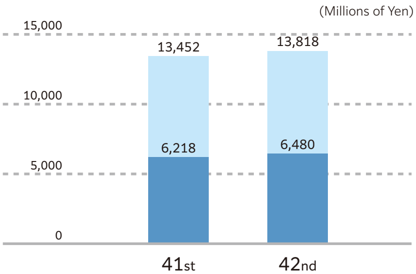
Key Points for the Fiscal Year under Review

- Net sales increased 7.1% year on year due to steady growth in the recurring business, reaching a new record high.
- Operating profit increased 2.7% year on year as a result of increased demand and price revisions, etc. despite the increased expenses due to the rising material procurement prices and introduction of a new Enterprise Resource Planning system.

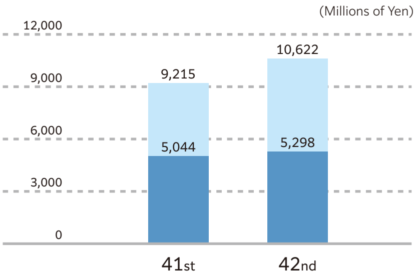
Net sales
¥106,016 million



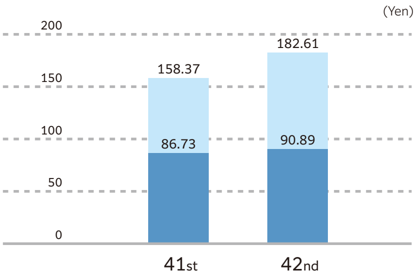
Operating profit
¥13,818 million



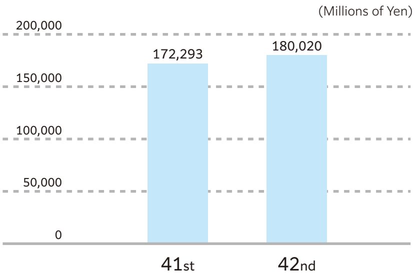
Profit attributable to owners of parent
¥10,622 million



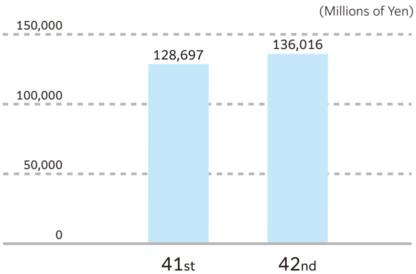
Basic earnings per share
¥182.61



Total assets
¥180,020 million



Net assets
¥136,016 million



Full year　Half year

Share Information

(As of March 31, 2024)

Stock Info

● Number of Shares Authorized 252,000,000

● Total Number of Shares Issued 61,754,974

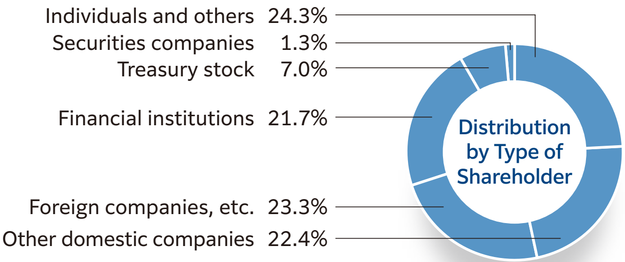
● Number of Shareholders 11,435

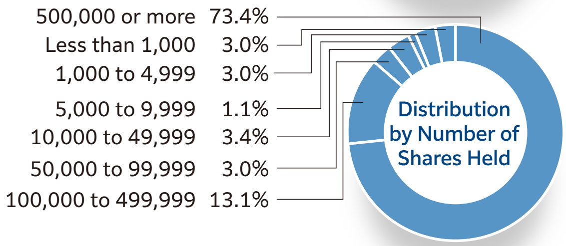
● Principal Shareholders

Name of shareholders	Shareholders' investment in the Company	
	Number of shares held	Shareholding ratio
	(Thousands of shares)	(%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,620	15.0
CTOK 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
JPMorgan Chase Bank 385632	1,475	2.6
Paramount Bed Group employee stock ownership plan	1,394	2.4

* Although the Company holds 4,334,941 shares of treasury stock, the shareholding ratio is calculated after deducting the shares of treasury stock.

● Distribution of Shares





Company Information

(As of March 31, 2024)

Company Info

Company Name	PARAMOUNT BED HOLDINGS CO., LTD.
Head Office	14-5, Higashisuna 2-chome, Koto-ku, Tokyo, Postal code 136-8671, Japan
Established	October 1982
Capital	¥4,207 million
Number of Employees	4,126 (Consolidated)

Business Lines

Control or management of operating companies involved in the manufacture and sale of beds and mattresses, hospital furniture, medical equipment, etc. for medical and nursing care environments; services such as the inspection, maintenance, disinfection, and maintenance leases for beds and mattresses; the rental wholesale business for assistive products; etc. through the ownership of shares or through an equity interest.

Shareholder Memo

Business year
From April 1 of each year to March 31 of the following year

Ordinary general meeting of shareholders
June of each year

Record date of the above
March 31 of each year
When necessary, other record dates will be determined on an extraordinary basis of the prior notification.

Date for determining shareholders entitled to receive dividends
Year-end dividend March 31 of each year
Interim dividend September 30 of each year

Method of public notice
Electronic public notice will be made. However, if it is impossible to publish public notices electronically because of unavoidable circumstances, the public notices shall be made by publication in "The Nikkei" newspaper.
The Company's URL for public notice
https://www.paramountbed-hd.co.jp

Shareholder register administrator
3-11 Kandanishiki-cho, Chiyoda-ku, Tokyo (NMF Takebashi Building 6F)
Tokyo Securities Transfer Agent Co., Ltd.

Handling office
101-0054
3-11 Kandanishiki-cho, Chiyoda-ku, Tokyo (NMF Takebashi Building 6F)
Head Office, Tokyo Securities Transfer Agent Co., Ltd.
(Contact) 0120-49-7009
Handling operation is conducted in main branch and all domestic branches of Sumitomo Mitsui Trust Bank, Limited.

Mailing address (Contact address)
2-8-4 Izumi, Suginami-ku, Tokyo 168-8522
Operations Center, Tokyo Securities Transfer Agent Co., Ltd.
(Contact) 0120-49-7009

[Procedures Related to Shares]

● **Applications for change of address or for purchase demands of shares less than one unit.**
Please send such notifications or applications to the securities company where your account is held. However, for procedures related to shares registered to a special account, please apply to Tokyo Securities Transfer Agent Co., Ltd., which is the administrative organization for special accounts.

● **Applications for payment of dividends payable**
These are handled by Tokyo Securities Transfer Agent Co., Ltd., which is the shareholder register administrator for shares of the Company.

● Contact
TEL: +81-3-3648-1100 (Main) FAX: +81-3-3648-5781
Business Hours: Monday to Friday, 9:00 a.m. to 5:20 p.m.
* Excludes national holidays, summer holidays, and new year holidays.