Financial Results Briefing for the First Six Months of the Fiscal Year Ending March 2023 (FYE 3/2023)

April 2, 2022 ～ September 30, 2022

Nov. 8, 2022
Securities code: 7817
Paramount Bed Holdings Co., Ltd.

as human, for human

Executive Summary

Sales increased while operating income decreased

Each of the Medical care, the Nursing care, and the Health promotion business exceeded their targets.
Sales of main beds for home care continued to be strong.
Operating income exceeded the forecast due to the effect of increased revenue, but decreased from the previous year due to soaring raw material prices.

Annual plan remains unchanged

Operating income expected to increase for the full year

Inquiries from the market are strong for each business, and steady progress is expected, but there are still operational risks and procurement risks due to the impacts of COVID-19, as well as the risks that raw material prices will remain high due to exchange rates and high oil prices, etc.

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1. Overview of Results for the First Six Months of the Fiscal Year Ending March 31, 2023

1-1. Overview of Financial Results

PARAMOUNT BED HOLDINGS

Sales increased while operating income decreased

Compared to the budget, operating income increased by 30%, and
ordinary income and net income increased by 50%.

(Unit: millions of yen)

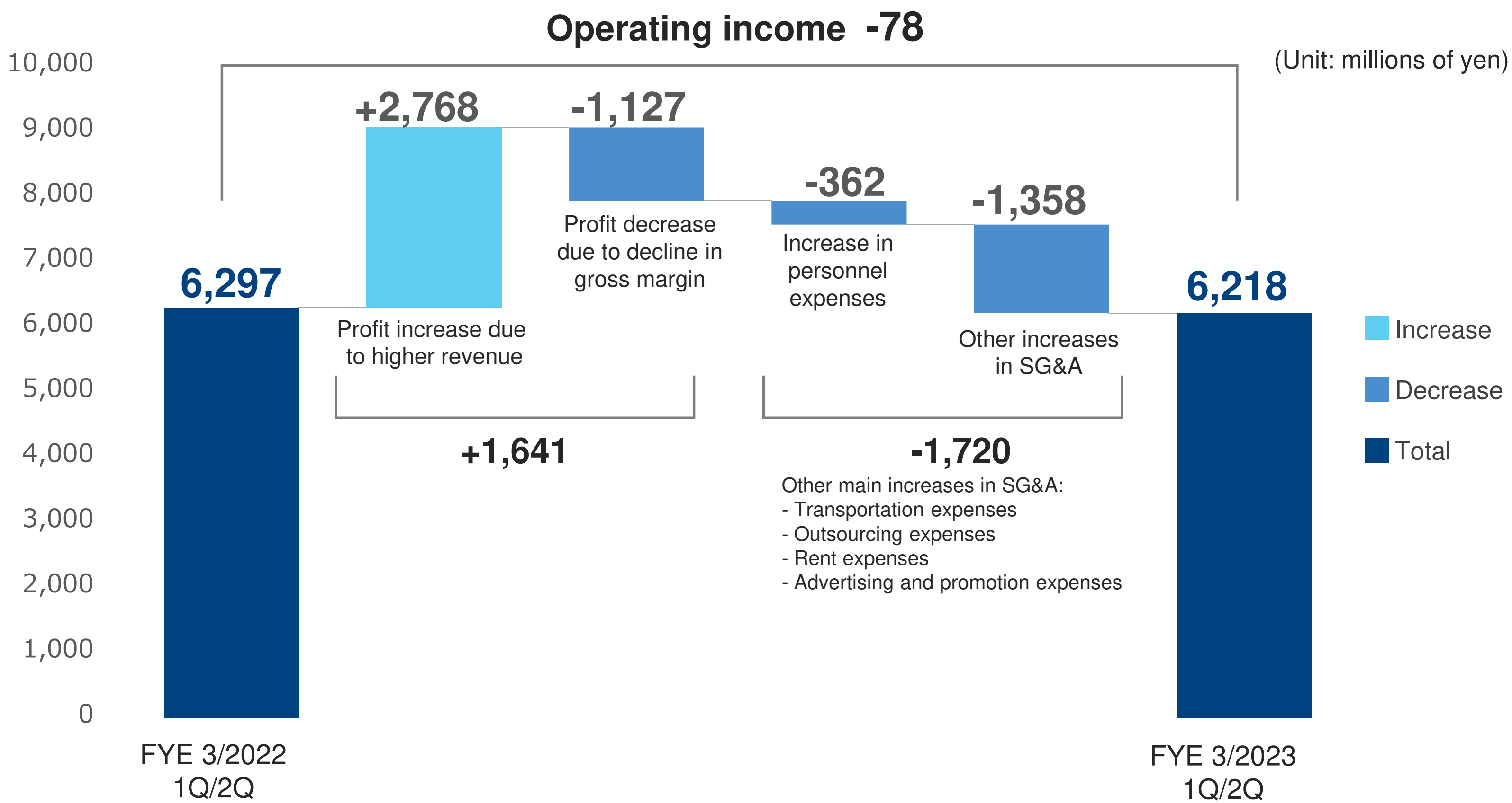
	FYE 3/2022 1Q/2Q	FYE 3/2023 1Q/2Q			
	Results	Forecast	Results	% to Forecast	YoY Change
Net sales	41,237	42,700	**46,850**	+9.7%	+13.6%
Operating income (Operating income margin)	6,297 (15.3%)	4,700 (11.0%)	**6,218 (13.3%)**	+32.3%	-1.3%
Ordinary income (Ordinary income margin)	6,827 (16.6%)	4,900 (11.5%)	**7,601 (16.2%)**	+55.1%	+11.3%
Profit attributable to owners of Parent (Net profit margin)	4,925 (11.9%)	3,300 (7.7%)	**5,044 (10.8%)**	+52.8%	+2.4%
Annual Dividend (Interim dividend)	55 yen (26 yen)	57 yen (28 yen)	**–**	–	+3.6%

1-2. Factors Causing Changes in Operating Income

PARAMOUNT BED HOLDINGS

Profit decreased due to decline in gross margin and increase in SG&A, despite the effect of higher revenue

Gross margin decreased by 2.4% due to soaring prices of raw materials.
SG&A expenses, in addition to personnel expenses, included transportation expenses and an increase in costs associated with the establishment of a large-scale maintenance center.



1-3. Financial Status

PARAMOUNT BED HOLDINGS

Net assets increased by 3,445 million yen (vs. previous fiscal year-end)

(Unit: millions of yen)

	March 31, 2022	September 30, 2022	Change	YoY Change
Current assets	94,035	93,941	-94	-0.1%
Non-current assets	70,246	73,785	+3,539	+5.0%
Total assets	164,281	167,726	+3,445	+2.1%
Current liabilities	25,387	22,879	-2,508	-9.9%
Non-current liabilities	17,218	17,262	+44	+0.3%
Total liabilities	42,606	40,141	-2,465	-5.8%
Net assets	121,675	127,584	+5,909	+4.9%
Total liabilities and net assets	164,281	167,726	+3,445	+2.1%

2. Overview by Business

2-1. Medical Care Business

Net sales increased 15% vs. budget

For domestic medical institutions, in addition to the effect of increased medical fees and various subsidies in response to COVID-19, there was a rush of demand before price rises went into effect. Overseas sales were in line with the previous year and the budget and increased due to the effect of the weaker yen.

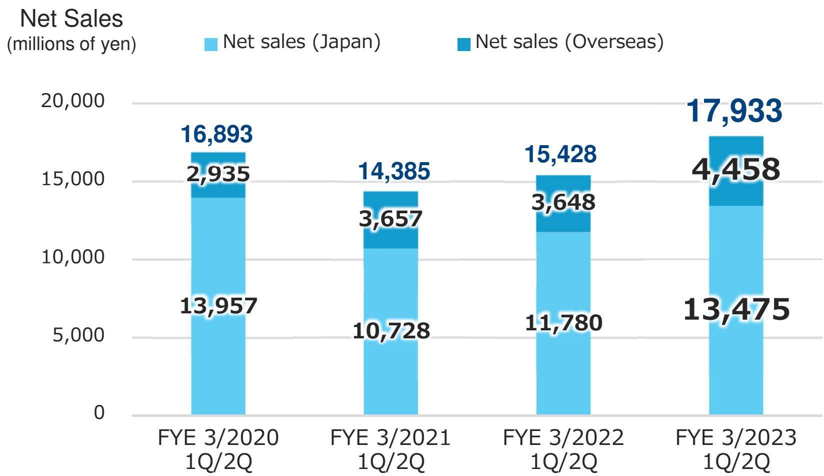
(Unit: millions of yen)

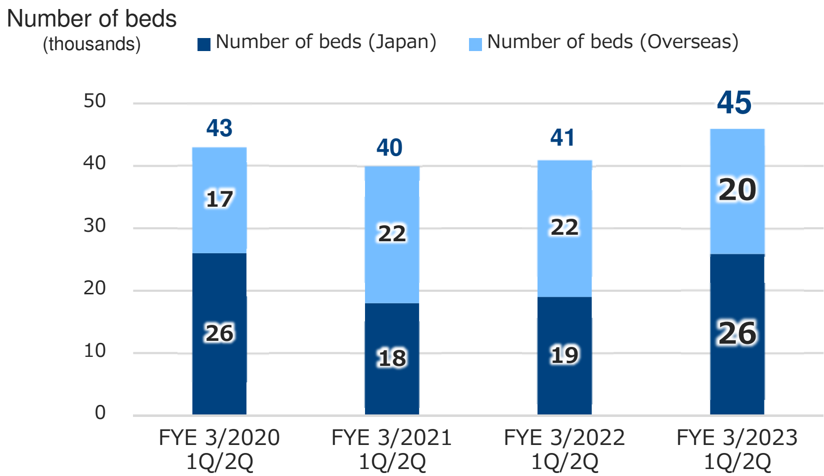
	FYE 3/2020 1Q/2Q	FYE 3/2021 1Q/2Q	FYE 3/2022 1Q/2Q	FYE 3/2023 1Q/2Q Results	FYE 3/2023 1Q/2Q YoY
Net sales	16,893	14,385	15,428	**17,933**	+16%
Japan	13,957	10,728	11,780	**13,475**	+14%
Overseas	2,935	3,657	3,648	**4,458**	+22%

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

	FYE 3/2020 1Q/2Q	FYE 3/2021 1Q/2Q	FYE 3/2022 1Q/2Q	FYE 3/2023 1Q/2Q Results	FYE 3/2023 1Q/2Q YoY
Number of beds sold	43	40	41	**45**	+10%
Japan	26	18	19	**26**	+35%
Overseas	17	22	22	**20**	-12%

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





2-2. Nursing Care Business

PARAMOUNT BED HOLDINGS

Strong performance for both nursing homes and home care

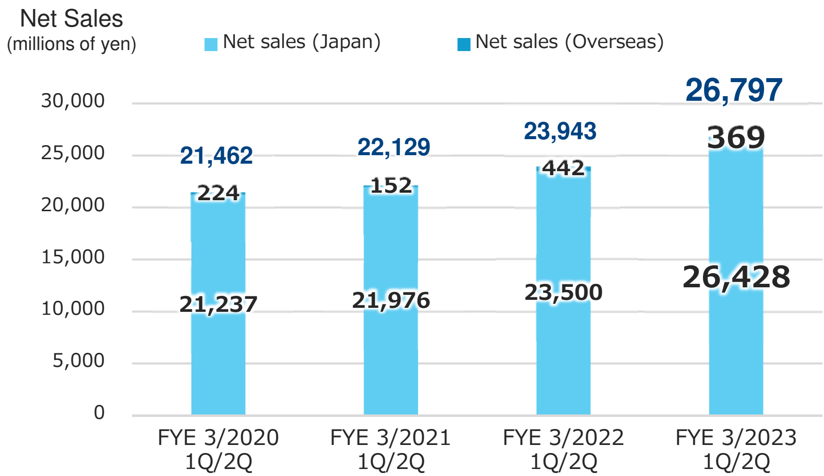
The number of monitoring sensors was about 11,000 units, in line with the previous year. Mainstay models for home care continue to perform well. The "Q-Aura ONE" that was released in March also contributed. Rental wholesale sales increased by about 7%.

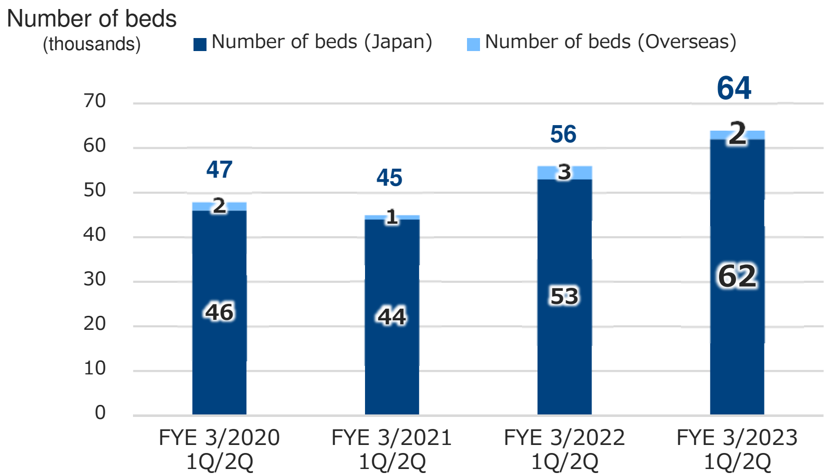
(Unit: millions of yen)	FYE 3/2020 1Q/2Q	FYE 3/2021 1Q/2Q	FYE 3/2022 1Q/2Q	FYE 3/2023 1Q/2Q	
				Results	YoY
Net sales	21,462	22,129	23,943	**26,797**	+12%
Japan	21,237	21,976	23,500	**26,428**	+12%
Overseas	224	152	442	**369**	-17%

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

	FYE 3/2020 1Q/2Q	FYE 3/2021 1Q/2Q	FYE 3/2022 1Q/2Q	FYE 3/2023 1Q/2Q Results	YoY
Number of beds sold	47	45	56	**64**	+15%
Japan	46	44	53	**62**	+17%
Overseas	2	1	3	**2**	-29%

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





2-3. Health Promotion Business

Net sales increased by approx. 25%

The "INTIME 3000" released in September last year contributed to the increase in net sales. Will continue to strengthen measures to improve brand recognition.

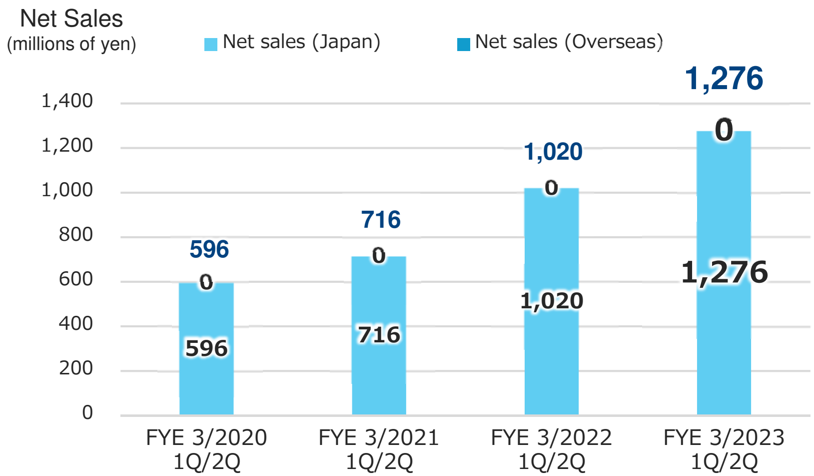
(Unit: millions of yen)

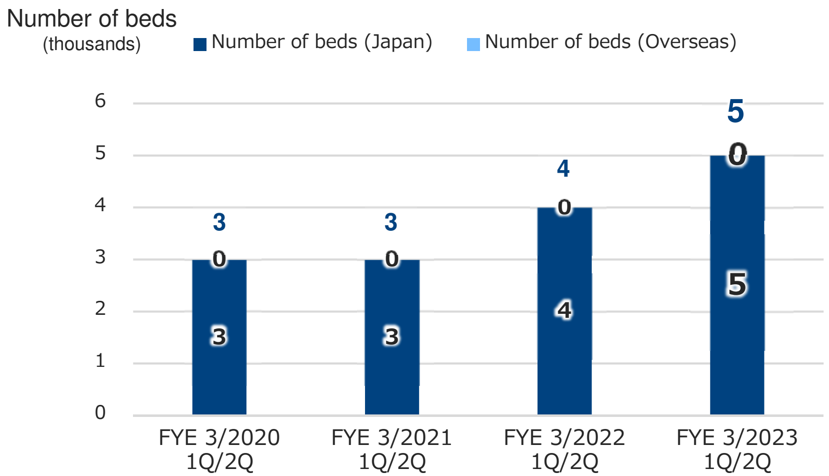
		FYE 3/2020 1Q/2Q	FYE 3/2021 1Q/2Q	FYE 3/2022 1Q/2Q	FYE 3/2023 1Q/2Q	
					Results	YoY
Net sales		596	716	1,020	**1,276**	+25%
	Japan	596	716	1,020	**1,276**	+25%
	Overseas	0	0	0	**0**	0%

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

		FYE 3/2020 1Q/2Q	FYE 3/2021 1Q/2Q	FYE 3/2022 1Q/2Q	FYE 3/2023 1Q/2Q Results	YoY
Number of beds sold		3	3	4	**5**	+27%
	Japan	3	3	4	**5**	+27%
	Overseas	0	0	0	**0**	0%

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





2-4. List by Business

PARAMOUNT BED HOLDINGS

Bed sales increased by approx. 13% to 115,000 units

The figures for "Other" are for Sadashige Special Plywood, which became a subsidiary in October 2019.

Net sales

(Unit: millions of yen)

	FYE 3/2022 1Q/2Q	FYE 3/2023 1Q/2Q	
	Results	Results	YoY
Medical Care Business	15,428	17,933	+16%
Japan	11,780	13,475	+14%
Overseas	3,648	4,458	+22%
Nursing Care Business	23,943	26,797	+12%
Japan	23,500	26,428	+12%
Overseas	442	369	-17%
Health Promotion Business	1,020	1,276	+25%
Japan	1,020	1,276	+25%
Overseas	0	0	0%
Other	844	842	-0%
Total	41,237	46,850	+14%

Number of bed sales

(Units: thousands, fractions rounded)

	FYE 3/2022 1Q/2Q	FYE 3/2023 1Q/2Q	
	Results	Results	YoY
Medical Care Business	41	45	+10%
Japan	19	26	+35%
Overseas	22	20	-12%
Nursing Care Business	56	64	+15%
Japan	53	62	+17%
Overseas	3	2	-29%
Health Promotion Business	4	5	+27%
Japan	4	5	+27%
Overseas	0	0	0%
Other	–	–	–
Total	102	115	+13%

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

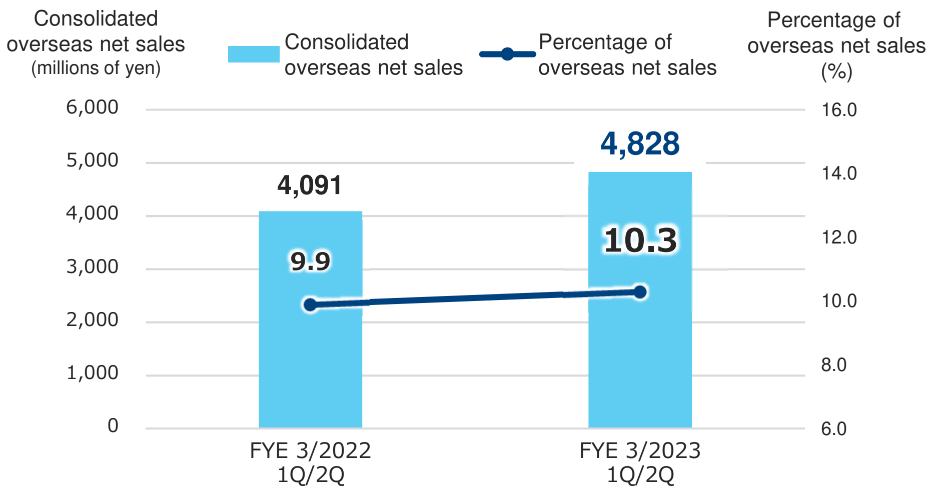
2-5. Overseas by Region

Increased 15% vs. the previous year

In China, there was a reactionary increase from the lockdowns in the previous year.
There were strong increases in India, although some of the sales were non-consolidated.

(Unit: millions of yen)

	FYE 3/2022 1Q/2Q	FYE 3/2023 1Q/2Q	YoY
Consolidated overseas net sales	4,091	**4,828**	+18%
Overseas sales ratio	9.9%	**10.3%**	–



Consolidated overseas sales by region

(Unit: millions of yen)

	FYE 3/2022 1Q/2Q	FYE 3/2023 1Q/2Q	YoY
Asia	3,889	**4,241**	+9%
Indonesia	1,528	**1,552**	+2%
China	1,173	**1,499**	+28%
Other Asia	1,187	**1,188**	+0%
Middle East	19	**144**	+658%
Central and South America	77	**214**	+178%
Other	106	**228**	+115%

3. Outlook for the Fiscal Year Ending March 31, 2023

3-1. Outlook for the Full Year

PARAMOUNT BED HOLDINGS

Operating income to increase for the full year

The initial forecast remains unchanged.

(Unit: millions of yen)

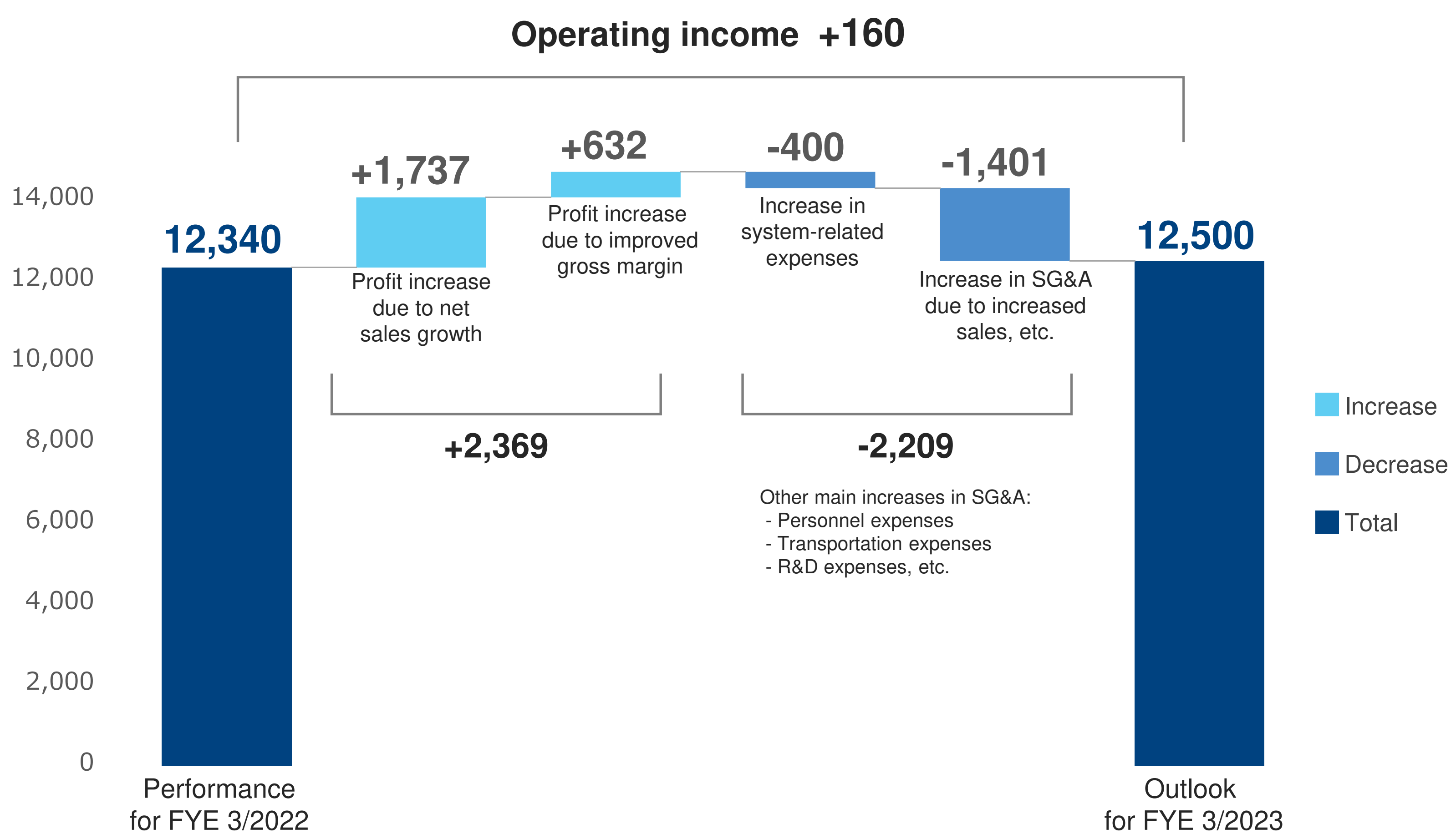
	FYE 3/2022	FYE 3/2023			
	Results	First half results	Second half prospects	Full year forecast	YoY
Net sales	90,352	46,850	47,150	**94,000**	+4.0%
Operating income (Operating income margin)	12,340 (13.7%)	6,218 (13.3%)	6,282 (13.3%)	**12,500** **(13.3%)**	+1.3%
Ordinary income (Ordinary income margin)	13,543 (15.0%)	7,601 (16.2%)	5,299 (11.2%)	**12,900** **(13.7%)**	-4.8%
Profit attributable to owners of parent (Net profit margin)	9,092 (10.1%)	5,044 (10.8%)	3,756 (8.0%)	**8,800** **(9.4%)**	-3.2%
Annual dividend	55 yen	28 yen	29 yen	**57 yen**	+3.6%

3-2. Factors Causing Changes in Operating Income

Actively roll out activities for future growth

Gross margin is expected to improve.

(Unit: millions of yen)



3-3. Outlook for Medical Care Business

PARAMOUNT BED HOLDINGS

Continuing strong inquiries in Japan

Maintenance and recurring revenue business are also strong.
For overseas, expand sales of high value-added products

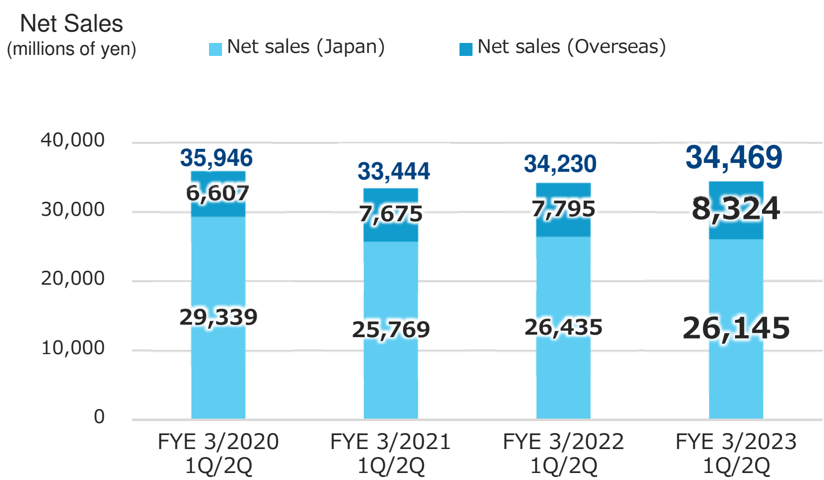
(Unit: millions of yen)

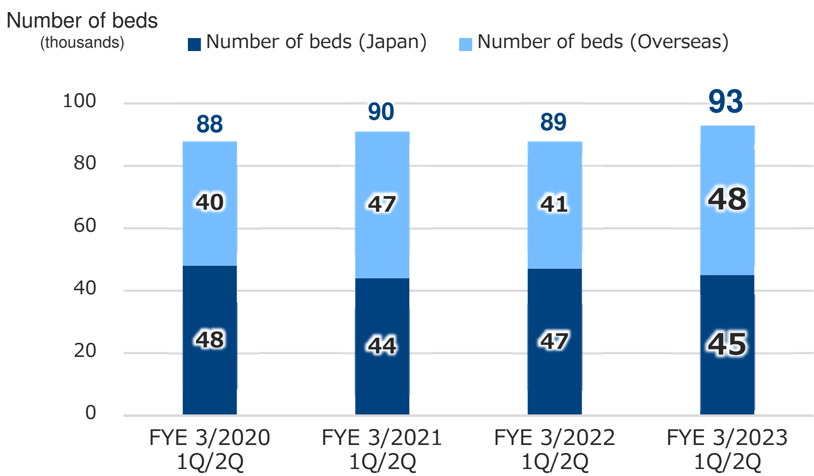
	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023 Forecast	FYE 3/2023 YoY
Net sales	35,946	33,444	34,230	**34,469**	+1%
Japan	29,339	25,769	26,435	**26,145**	-0%
Overseas	6,607	7,675	7,795	**8,324**	+7%

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

	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023 Forecast	FYE 3/2023 YoY
Number of beds sold	88	90	89	**93**	+4%
Japan	48	44	47	**45**	-5%
Overseas	40	47	41	**48**	+15%

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





3-4. Outlook for Nursing Care Business

PARAMOUNT BED HOLDINGS

Continuing the strong performance of the first half

For nursing homes, stimulate demand with monitoring sensors as a pillar.
For home care, sales of "Rakusho Plus" and "Q-Aura ONE" will remain strong to perform well.
Rental wholesale will continue to expand.

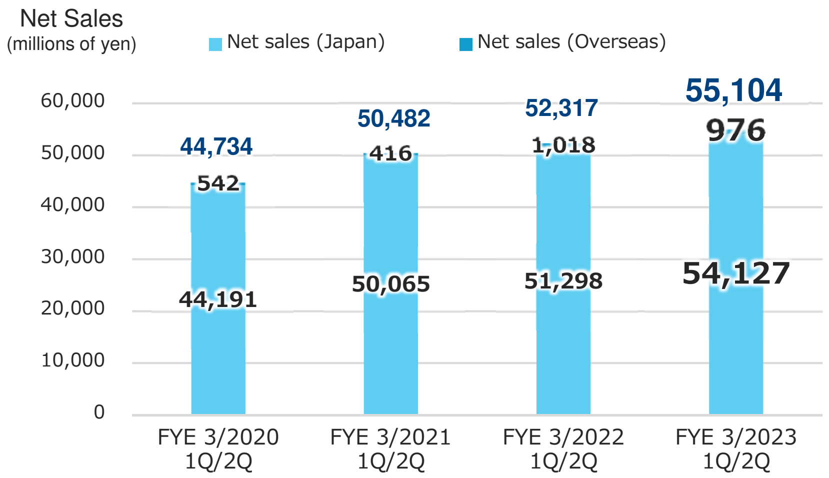
(Unit: millions of yen)

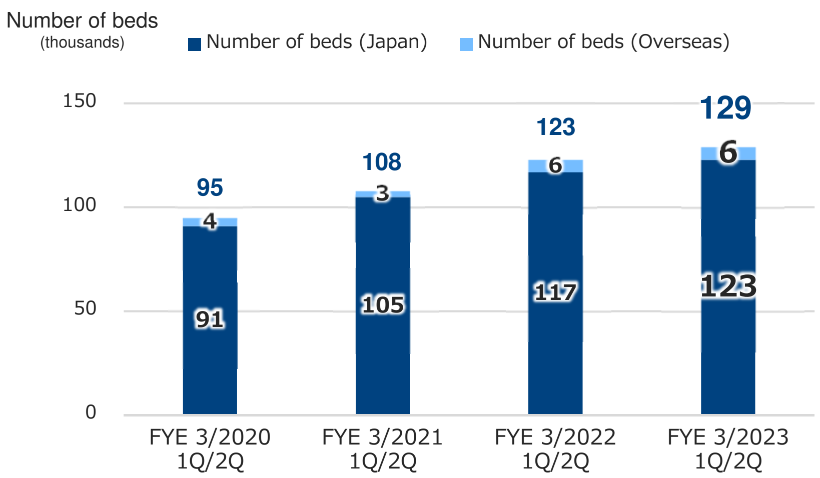
	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023 Forecast	FYE 3/2023 YoY
Net sales	44,734	50,482	52,317	**55,104**	+5%
Japan	44,191	50,065	51,298	**54,127**	+6%
Overseas	542	416	1,018	**976**	-4%

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

	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023 Forecast	FYE 3/2023 YoY
Number of beds sold	95	108	123	**129**	+5%
Japan	91	105	117	**123**	+5%
Overseas	4	3	6	**6**	+10%

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





3-5. Outlook for Health Promotion Business

Expecting continued expansion

Strengthen the sales power of retail shops and improve relationships with them through the Meister system.
Promote usability by adding more functions to product apps, etc.
Continue to aim to expand product fan base and increase awareness.

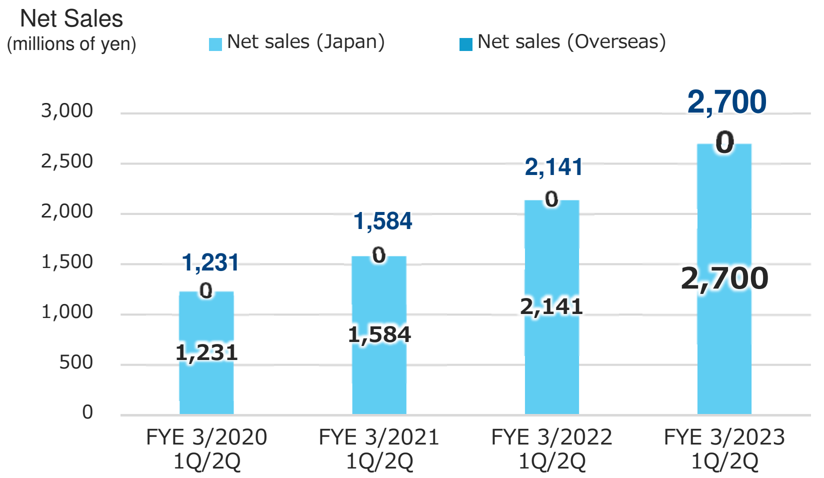
(Unit: millions of yen)

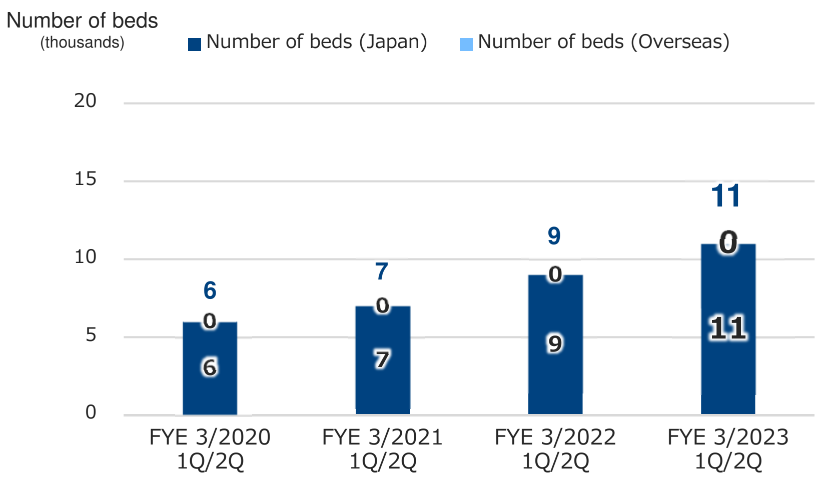
	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023 Forecast	FYE 3/2023 YoY
Net sales	1,231	1,584	2,141	**2,700**	+26%
Japan	1,231	1,584	2,141	**2,700**	+26%
Overseas	0	0	0	**0**	–

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

	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023 Forecast	FYE 3/2023 YoY
Number of beds sold	6	7	9	**11**	+23%
Japan	6	7	9	**11**	+23%
Overseas	0	0	0	**0**	0%

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





3-6. List by Business

PARAMOUNT BED HOLDINGS

Total number of bed sales increases by 6% to 233,000 units

Net sales

(Unit: millions of yen)

	FYE 3/2022	FYE 3/2023	
	Results	Forecast	YoY
Medical Care Business	34,230	**34,469**	+1%
Japan	26,435	**26,145**	-0%
Overseas	7,795	**8,324**	+7%
Nursing Care Business	52,317	**55,104**	+5%
Japan	51,298	**54,127**	+6%
Overseas	1,018	**976**	-4%
Health Promotion Business	2,141	**2,700**	+26%
Japan	2,141	**2,700**	+26%
Overseas	0	**0**	0%
Other	1,662	**1,726**	+4%
Total	90,352	**94,000**	+4%

Number of bed sales

(Units: thousands, fractions rounded)

	FYE 3/2022	FYE 3/2023	
	Results	Forecast	YoY
Medical Care Business	89	**93**	+4%
Japan	47	**45**	-5%
Overseas	41	**48**	+15%
Nursing Care Business	123	**129**	+5%
Japan	117	**123**	+5%
Overseas	6	**6**	+10%
Health Promotion Business	9	**11**	+23%
Japan	9	**11**	+23%
Overseas	0	**0**	0%
Other	-	**-**	-
Total	220	**233**	+6%

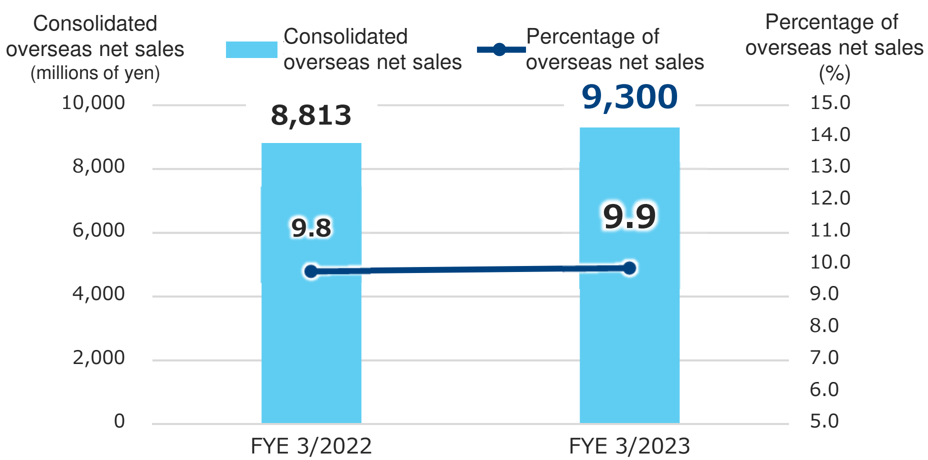
*Number of beds sales include sales to companies within the group

3-7. Overseas by Region

Expanding business in large markets such as Indonesia, China, and India

(Unit: millions of yen)

	FYE 3/2022	FYE 3/2023 Forecast	YoY
Consolidated overseas net sales	8,813	9,300	+6%
Overseas sales ratio	9.8%	9.9%	-



Consolidated overseas sales by region

(Unit: millions of yen)

	FYE 3/2022	FYE 3/2023 Forecast	YoY
Asia	7,923	8,564	+8%
Indonesia	2,772	3,220	+16%
China	2,803	2,952	+5%
Other Asia	2,346	2,391	+2%
Middle East	68	172	+153%
Central and South America	227	360	+59%
Other	595	204	-66%

*The initial forecast remains unchanged.

3-8. Capital expenditures, depreciation costs, and R&D expenses

PARAMOUNT BED HOLDINGS

Depreciation of rental assets for home care and medical care business will increase

Capital investment includes opening a large-scale PCS base and renovating coating equipment at the Indonesia factory.

(Unit: millions of yen)	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023 Forecast
Capital expenditures	3,984	2,976	1,822	**3,600**
Depreciation costs	6,895	7,540	7,898	**8,463**
R&D expenses	1,677	1,782	1,697	**1,774**

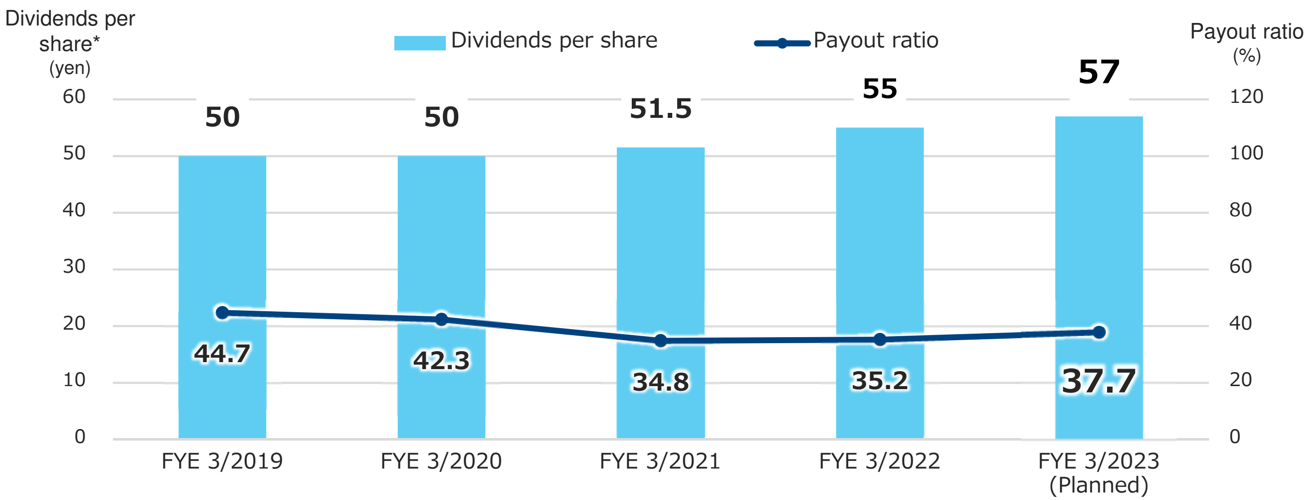
Number of employees	3,494	3,614	3,682	-

3-9. Shareholder Returns (Dividends and Purchase of Treasury Shares)

Basic Policy: Increase in stable dividends with 2.7% DOE and payout ratio of 30% as a guide

Dividends are planned to be 57 yen per share for the fiscal year ending March 31, 2023.
Expect to increase the dividend for three consecutive years.

	FYE 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023 (Planned)
Dividends per share*	50 yen	50 yen	51.5 yen	55 yen	**57 yen**
Dividend on equity (DOE)	2.8%	2.7%	2.7%	2.7%	-
Payout ratio	44.7%	42.3%	34.8%	35.2%	**37.7%**
Value of share buybacks	0 yen	4,382 million yen	0 yen	0 yen	-



* The Company carried out a 1:2 stock split of common shares effective April 1, 2021.
The above figures show the annual dividend per share calculated based on the assumption that the split took place on April 1, 2018.

4 . Medium-Term Management Plan: Phase Ⅱ Targets

4-1. Positioning of Corporate Principles, Long-Term Vision, and Medium-Term Management Plan

Corporate Principles

Corporate Principles

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

Statement

as human, for human

Vision

Paramount Vision 2030

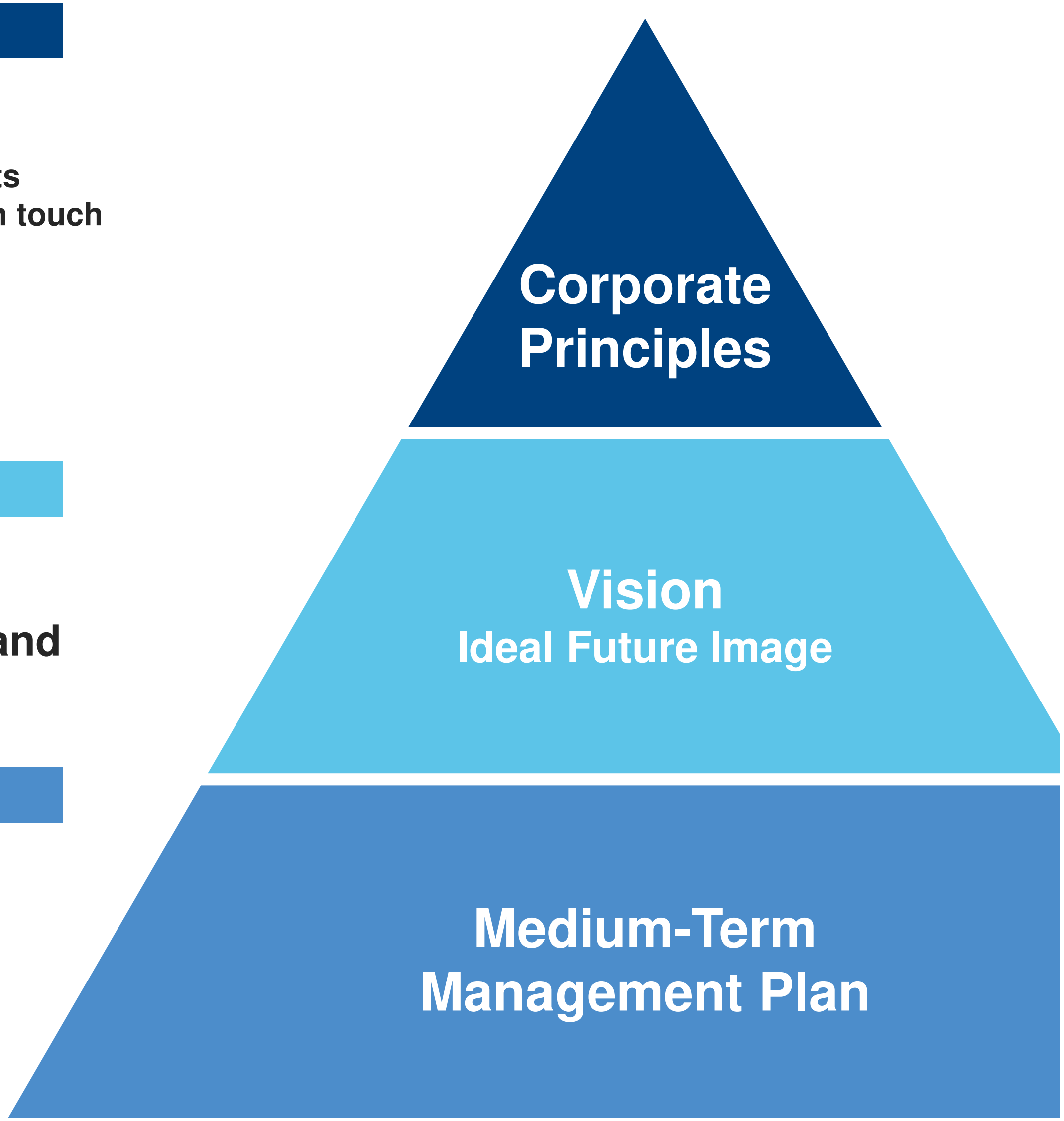
Smiles for everyone from medical and nursing care to health field

Medium-Term Management Plan

Phase I: (April 2020 ～ March 2024)

Phase II: (April 2024 ～ March 2027)

Phase III: (April 2027 ～ March 2030)



4-2. Status of Phase I

PARAMOUNT BED HOLDINGS

Phase I
Medium-term Management Plan
(April 2020 - March 2024)

Phase II
(April 2024 - March 2027)

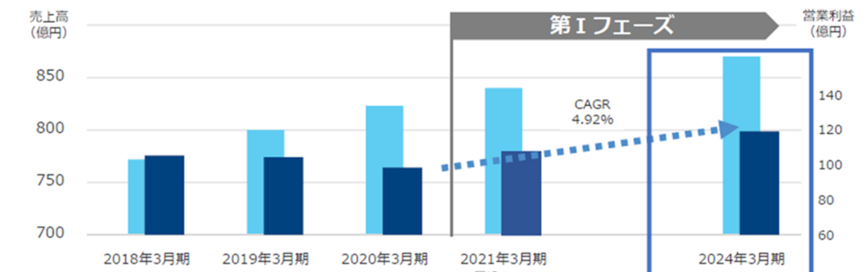
Phase III
(April 2027 - March 2030)

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

Medium- to long-term investment phase anticipating 10 years of growth

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

第Ⅰフェーズ最終年に120億円の営業利益



	2018年3月期	2019年3月期	2020年3月期	2021年3月期 見込み※1	2024年3月期
売上高	772億円	800億円	823億円	840億円	890億円 ※2
営業利益	106億円	105億円	99億円	108億円	120億円
営業利益率	13.8%	13.2%	12.0%	12.8%	13.5%

※1 2020年10月30日発表

※2 2022年3月期より収益認識に関する会計基準を適用

April 2021 Briefing Materials

[Current situation]

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

Exceeded in FYE 3/2022

With keeping steady implementation of priority measures of Phase I, we will also carry out activities taking the **Phase II direction** into account.

4-3. Phase II Direction and Focal Points

Paramount Vision 2030

Smiles for everyone from medical and nursing care to health field

March 2024 → March 2027 → March 2030

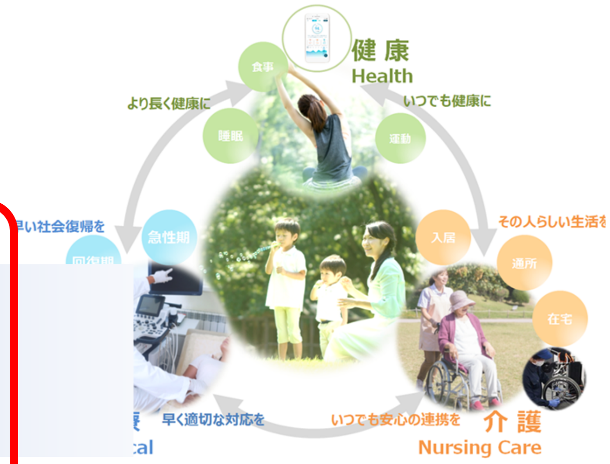
Phase I Priority Measures

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

Phase II Direction and Focus Points

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

In order to realize the above, we will "expand and create business through collaboration with other companies"



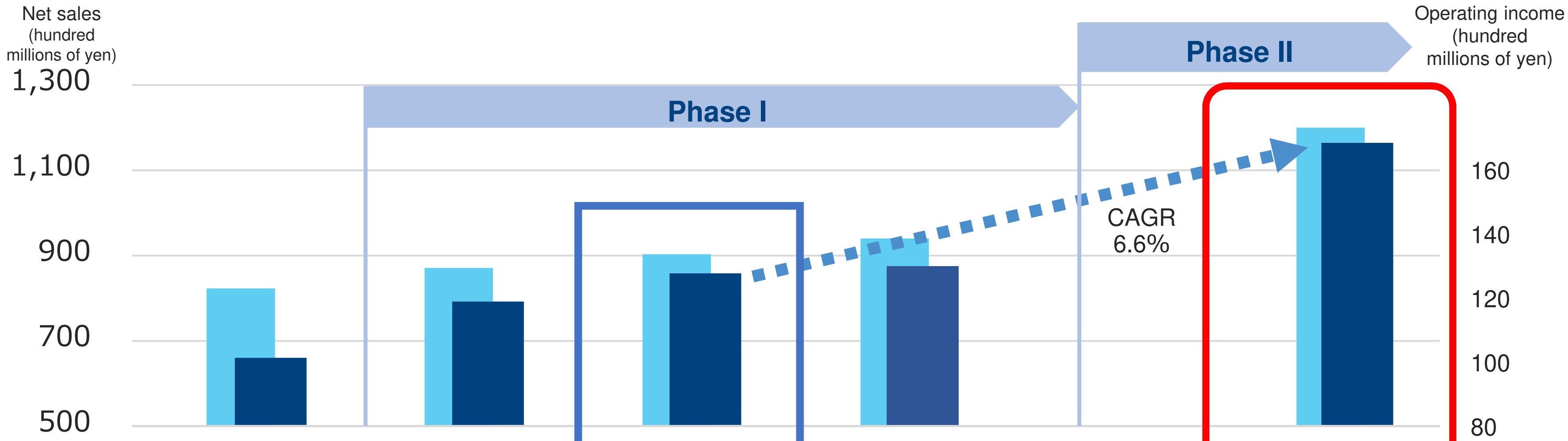
Becoming an indispensable presence as a partner to our customers

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

4-4. Phase II (FYE 3/2025 ~ FYE 3/2027) Performance Targets

PARAMOUNT BED HOLDINGS

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



	FYE 3/2020	FYE 3/2021	FYE 3/2022 *1	FYE 3/2023 Forecast	FYE 3/2023 Target
Net sales	82.3 billion yen	87.1 billion yen	90.3 billion yen	94.0 billion yen	120.0 billion yen
Operating income	9.9 billion yen	11.5 billion yen	12.3 billion yen	12.5 billion yen	17.0 billion yen
Operating margin	12.0%	13.3%	13.7%	13.3%	14.2%
Recurring revenue ratio in Japan	33.8%	34.6%	36.0%	37.6%	45.0%

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

4-5. Phase II Direction and Focal Points

PARAMOUNT BED HOLDINGS

Expansion of recurring businesses

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

Increase recurring sales ratio in Japan from current 36% to 45%

Advancement of Health Promotion Business

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

Increase Health Promotion Business net sales to over 5 billion yen

Leap forward in key areas of Asia

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

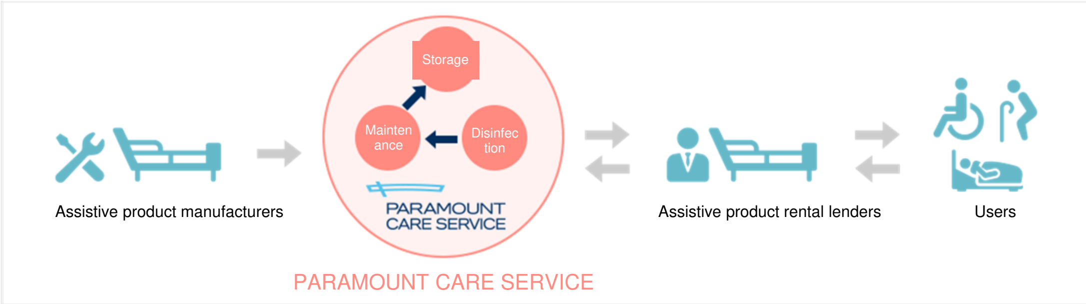
Increase overseas net sales to 15 billion yen

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

4-6. Recurring Revenue Businesses (Rental Wholesale)

PARAMOUNT BED HOLDINGS

Workflow for assistive products rental wholesale (Paramount Care Service)



Disinfection/Cleaning

Repair

Inspection/Examination

Packing/Storage

Establishing large-scale maintenance centers to promote efficiency and to respond to expanding demand

Kita-Osaka Maintenance Center (opened in May)

Location: Taktsuki City, Osaka Prefecture
Total floor area: 10,433m^2

*The Company's largest maintenance and storage facility

Atsugi Maintenance Center (opened in November)

Location: Atsugi City, Kanagawa Prefecture
Total floor area: 9,712m^2

*With the Chiba-Ohira Maintenance Center, there are two large-scale locations in the Kanto region

4-7. Recurring Revenue Businesses (for Hospitals / New Businesses)

Examples of on-site services for hospitals


Equipment management and repair work


Nursing assistant work

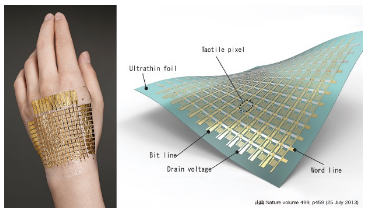

Concierge work

Developing a new recurring revenue business model

Utilization of Nemuri SCAN


Towards a new system that won't sell out

Skin electronics technology



Utilization of new sensor technologies

Collaboration with other companies through CVC

パラマウントベッド Healthcare Fund

Established a CVC on October 1
Will combine external technologies, know-how, and personal connections, etc. to create new synergies

Name	PARAMOUNT BED Healthcare Fund
Fund size	5 billion yen
Operation period	7.5 years
Investment areas	Medical/nursing/health
Operating company	SBI Investment Co., Ltd.

Accelerate expansion of current recurring revenue businesses

Develop new recurring revenue businesses

Expand recurring revenue ratio in Japan from 36% to 45%

4-8. Advancement of the Health Promotion Business

PARAMOUNT BED HOLDINGS

Two brands based on the know-how and technologies cultivated from medical and nursing care

INTIME

Electric bed that can "transform" into a nursing care bed

INTIME1000 Series

(Hollywood style round board type)

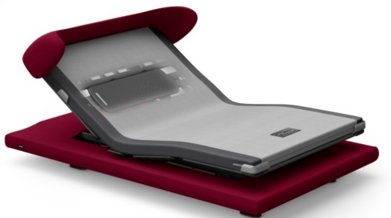


Image of the INTIME2000i Series

(Bordeaux red / equipped with sleep measurement sensor)

Image of the INTIME3000 series

(Cube type / classy dark)

Active Sleep App

"Self-adjusting for sleep" / sleep scoring

Links a sleep sensor to a smartphone app
- Relaxed posture
- 1 million type of firmness adjustment
- "Self-adjusting for sleep"
- Scores daily sleep condition
- Snoring measurement

etc.

Develop products and services that make sleep more comfortable, centered around the bed, which is the centerpiece of the bedroom

Expand Health Promotion Business sales to 5 billion yen

4-9. Leap Forward in Key Areas of Asia

PARAMOUNT BED HOLDINGS

Focus on China, India, and Indonesia

Situation in each country (FYE 3/2022, Paramount Bed Holdings estimates)

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

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

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

- **No. 1 market share of medical beds** in countries of operations, focusing on China, India, and Indonesia
- Increase production capacity to support increase in number of beds sold
- Aim for CAGR 10% in sales

Increase overseas net sales to 15 billion yen

4-10. Phase II Performance Targets (Overseas)

PARAMOUNT BED HOLDINGS

Consolidated overseas net sales

(Unit: millions of yen)

		FYE 3/2022 Result	FYE 3/2027 Target	vs. FYE 3/2022 Result
Asia		7,923	**13,500**	+70%
	Indonesia	2,772	**4,900**	+77%
	China	2,803	**4,600**	+64%
	Other Asia	2,346	**4,000**	+71%
Outside of Asia		890	**1,500**	+69%
Total		8,813	**15,000**	+70%
Overseas sales ratio		9.8%	**12.5%**	-

4-11. Phase II Performance Targets (by Business)

PARAMOUNT BED HOLDINGS

Net sales by business

(Unit: millions of yen)

	FYE 3/2022 Result	FYE 3/2027 Target	vs. FYE 3/2022 Result
Medical Business	34,230	**49,600**	+45%
Nursing Care Business	52,317	**62,900**	+20%
Health Promotion Business	2,141	**5,500**	+157%
Other	1,662	**2,000**	+20%
Total	90,352	**120,000**	+33%
Operating income	12,340	**17,000**	+38%

4-12. Cash Allocation Plan

PARAMOUNT BED HOLDINGS

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

Aiming to strengthen ties with customers and shift to a recurring business model

Cumulative total for
FYE 3/2023 ~ FYE 3/2026

Cash in

- **EBITDA**
  115 billion yen~
- **Allocation of cash on hand**
  10 billion yen~

Cash out

- **Shareholder return**
  20 billion yen~
- Income tax
  20 billion yen~
- **Growth investment**
  - **Capital investment**
    15 billion yen~
  - **Recurring assets, CVC establishment, etc.**
    70 billion yen~

Shareholder return

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

Flexible additional return considering market environment, etc.

Growth investment

Recurring assets to strengthen ongoing relationships with customers

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

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

<Stance on level of cash on hand>

Approx. 3 months of working capital

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

5-1. Topics

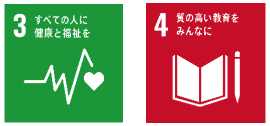
PARAMOUNT BED HOLDINGS

Accelerate activities to contribute to SDGs

Identify 6 material issues (materiality) and promote efforts to address them

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

Free "sleep" education program for junior high school students (June)



Purpose:
Deepen understanding of sleep and learn about its importance

Destination:
The "SENSEI Yononakagaku" platform (provided by ARROWS Inc.), where more than 40,000 teachers nationwide are registered

Results:
In about five months, classes were held nationwide for approx. 25,000 junior high school students. The program is scheduled to be held for an additional 10,000 junior high school students this fiscal year.

Image of the sleep education program for junior high school students

PARAMOUNT BED HOLDINGS

Accelerate activities to contribute to SDGs

Published the Paramount Bed Holdings Integrated Report 2022

Public URL: https://www.paramountbed-hd.co.jp/ir/reference/integration
(Japanese only, English version will be published by the end of December 2022)

Main content:
- Introduction
- Message from the President and Chief Executive Officer
- Value creation story
- Medium-term management plan
- Message from the CFO
- Strategy by business
- Sources of value creation
- Sustainability initiatives
- Performance and Corporate information

Cover of the Integrated Report

Notice

The performance forecasts provided in this document have been prepared based on the information available as of the presentation date.
As such, actual performance may differ from the forecasts due to various factors.
The information on products and services (including those under development) listed in this document is not intended for advertising purposes.
Monetary amounts in this document have been rounded down.
The percentages shown in the % to Budget and YoY Change figures indicate change using + and - symbols, and are rounded to the nearest place.