Growth Strategy

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

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

Phase I
April 2020 – March 2024

Focus points
1. Expansion of current businesses
2. Fully engaging in health promotion business
3. Establishing the foundations for change

Accelerate speed of expansion utilizing partnerships and CVC

Phase II
April 2024 – March 2027

Focus points
1. Expansion of recurring revenue businesses
2. Advancement of health promotion business
3. Leap forward in key areas of Asia

To be an indispensable company to society by creating new value

Phase III
April 2027 – March 2030

Target for the final year of Phase II

Net sales	120 billion yen
Recurring transaction volume*1	45 billion yen
Operating profit	17 billion yen
EBITDA*2	29 billion yen

Address the SDGs and social contributions, as well as develop the human resource base and renew ERP system
Leverage CVC to create new value in our businesses

*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.

Corporate Principles

Paramount Vision 2030

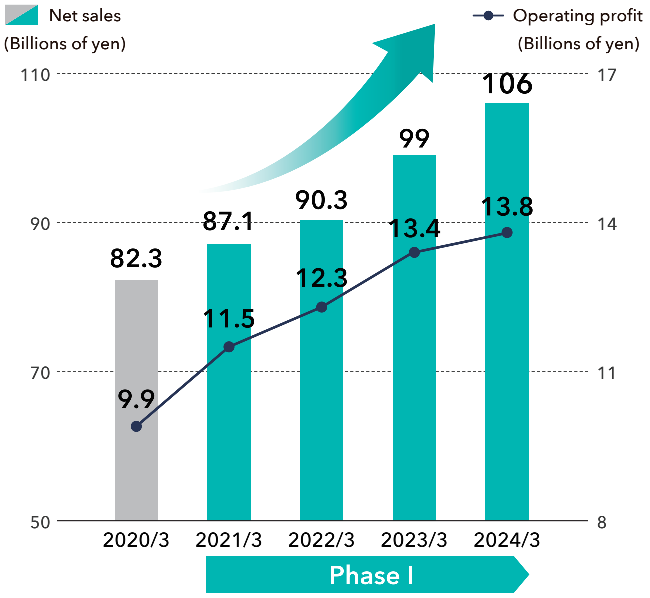
Smiles for Everyone from Medical and Nursing Care to Health Field

Medium-term Management Plan

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

25.3 billion yen 2020/3 > 34 billion yen 2024/3 > 2027/3 Target Increase to 45 billion yen

34% growth

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

1.2 billion yen 2020/3 > 2.2 billion yen 2024/3 > 2027/3 Target Increase to over 5 billion yen

79% growth

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

7.1 billion yen 2020/3 > 10.6 billion yen 2024/3 > 2027/3 Target Increase to 15 billion yen

48% growth

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

パラマウントベッド Healthcare Fund

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

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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

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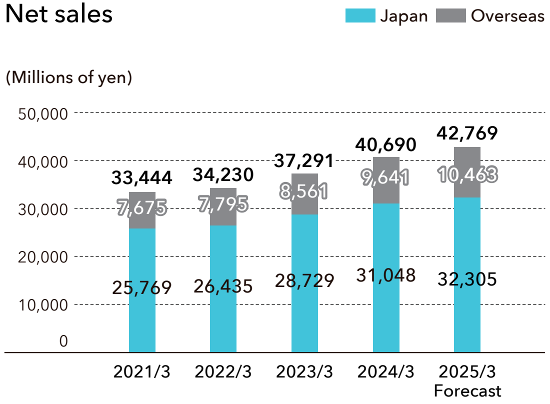
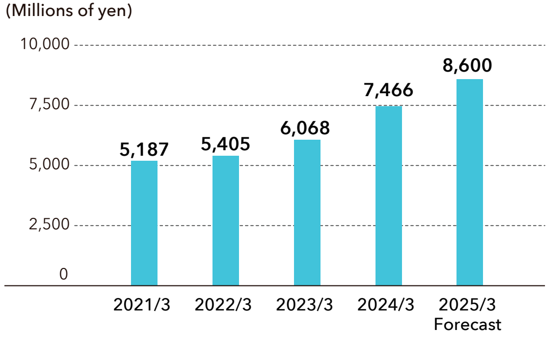
Growth Strategy for the Medical Care Business

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.

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Growth Strategy for the Medical Care Business

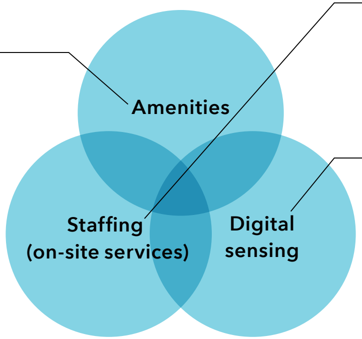
Feature

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.

Ward equipment rentals and maintenance, TVs, refrigerators, and Wi-Fi usage services, etc.
In-patient amenity sets, etc.

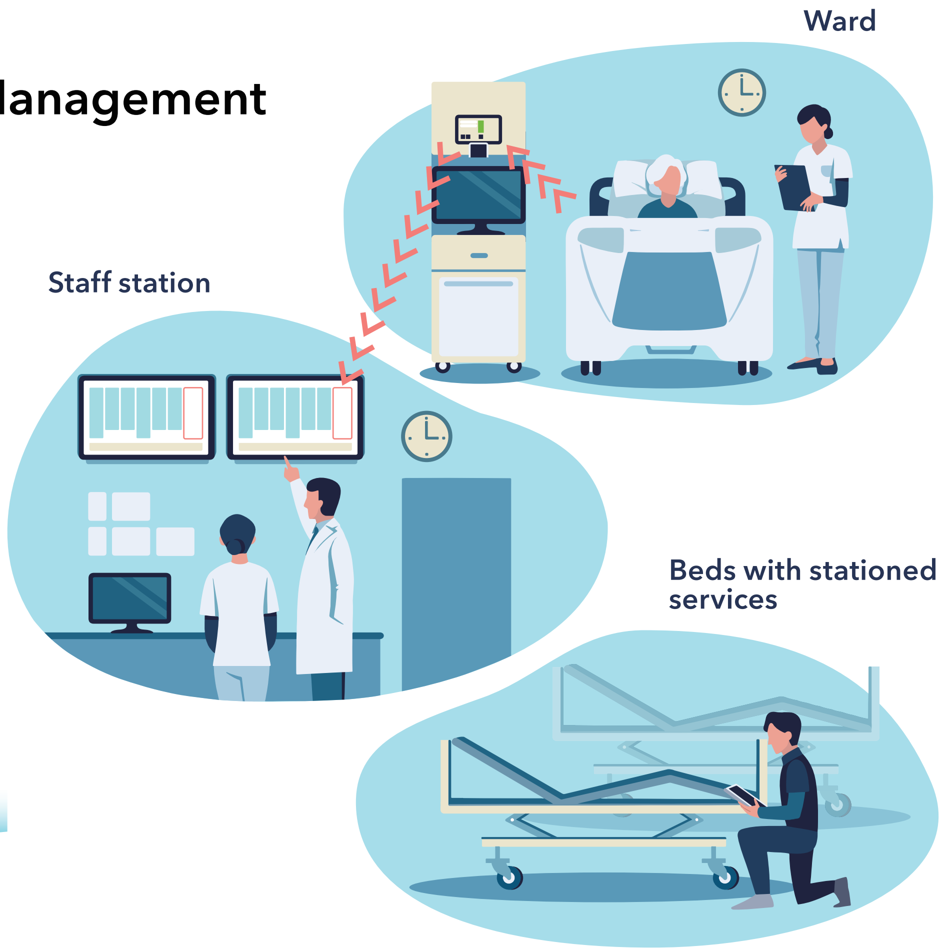
Contributing to improved patient satisfaction, reduction of capital investment burden, and management improvement



Maintenance of beds with stationed services, management of various types of medical equipment, nursing assistant services, concierge services, etc.

Nemuri SCAN, Risho CATCH, Smart Bed System, etc.

Contributing to improved operational efficiency, task shifting support, improved medical safety, and more



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.

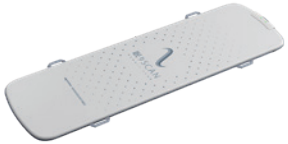
Main Products and Services

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”

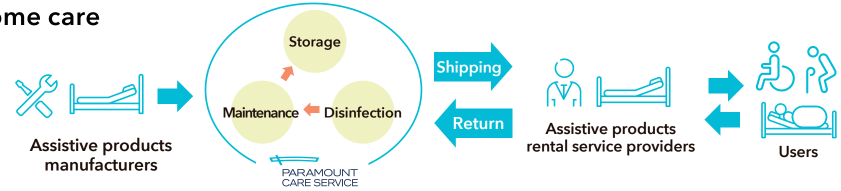


Body motion sensor “Nemuri SCAN”

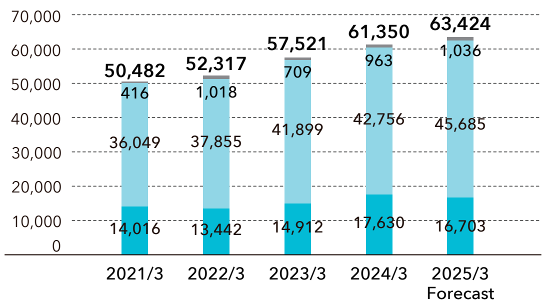
Home care bed “Rakusho Plus Series”

Rental wholesale business for home care

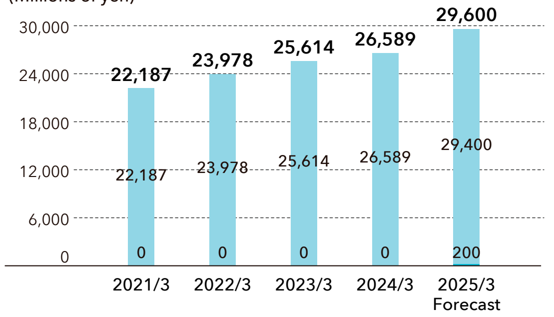
We provide products to assistive products rental service providers, with the Group also handling shipping, collection, disinfection, maintenance, and storage.



Net Sales



Recurring transaction volume (nursing care)

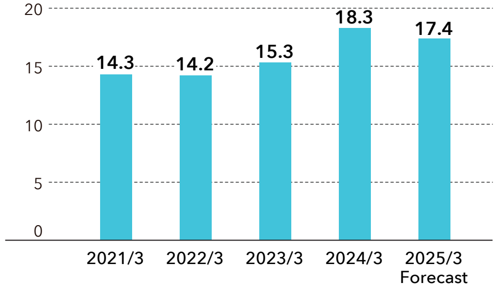


Growth Strategy for the Nursing Care Business (Nursing Care Facilities)

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

34k units 2023/3 > 43k units 2024/3 **+28%**

Cumulative no. of Nemuri SCAN units sold

144k units 2023/3 > 187k units 2024/3 **+29%**

No. of facilities that signed contracts for Nemuri CONNECT

Launched in October 2023 > 177 facilities 2024/3

Future business strategy

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

Main KPIs (March 31, 2027)

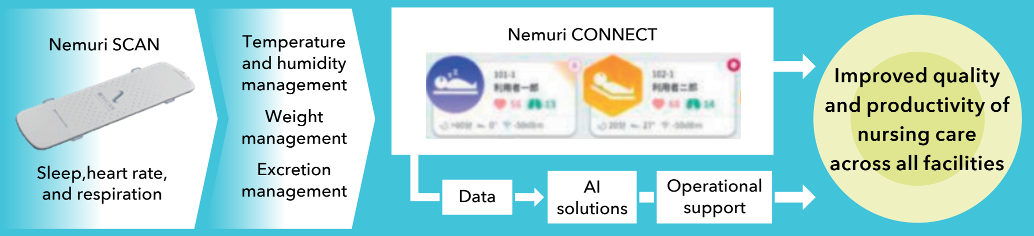
Cumulative no. of Nemuri SCAN units sold	Over 350k units
No. of facilities that signed contracts for Nemuri CONNECT	Over 2,500 facilities

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

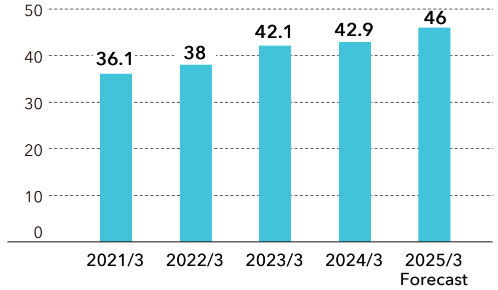


Growth Strategy for the Nursing Care Business (Home Care)

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

25.6 billion yen 2023/3 > 26.5 billion yen 2024/3 +4%

No. of rental wholesaler users

512k 2023/3 > 553k 2024/3 +8%

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)

No. of rental wholesaler users	Over 700k
Recurring transaction volume	34.5 billion yen

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.

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.

Membership service supporting a comfortable daily life

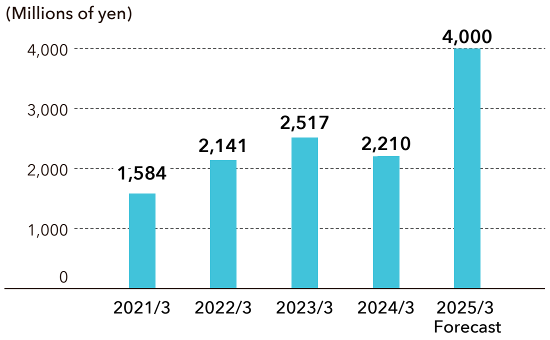
We offer the Club Paramount membership service for individual customers who have purchased the “INTIME” series. We support the comfortable daily lives of our customers by helping them with everything from bed-related concerns after purchase such as disassembling and assembling beds when moving to a new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

CLUB PARAMOUNT

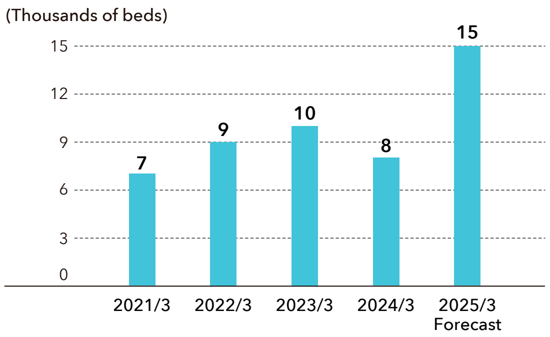
Club Paramount

Growth Strategy for the Health Promotion Business

Net Sales



Number of Beds Sold



*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

Why not try falling asleep properly?

30-second commercial

15-second commercial

グッ度

30-second commercial

*"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.

Paramount's Overseas Expansion

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.

Overseas Group companies

10 overseas locations

4 factories

··· Production sites

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)

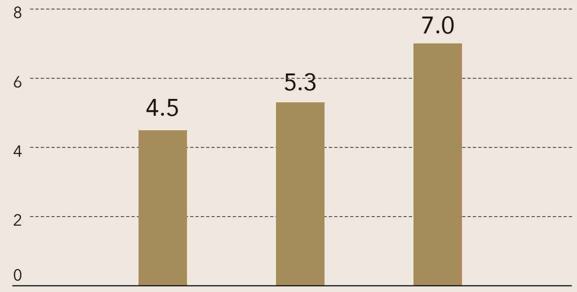
	2024/3 Results	2025/3 Estimates	2027/3 Targets	(vs. 2024/3)
Indonesia	2.8	3.5	4.5	(+61%)
China	3.5	3.6	4.5	(+29%)
India*	1.7	1.9	2.5	(+56%)

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

	2024/3 Results	2025/3 Estimates	2027/3 Targets	(vs. 2024/3)
Overseas consolidated net sales	10.6	11.5	15.0	(+41%)

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.

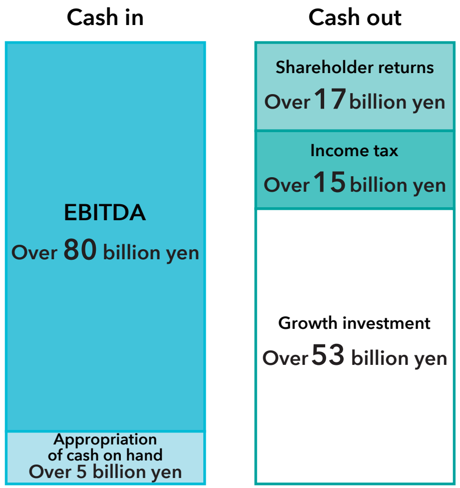
Message from the CFO

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)



Message from the CFO

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.