as human, for human
PARAMOUNT BED HOLDINGS

PARAMOUNT BED HOLDINGS CO., LTD.

Integrated Report 2022

Editorial Policy

Reporting Coverage
Paramount Bed Holdings Co., Ltd.
and consolidated subsidiaries

Reporting Period
April 2021–March 2022
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 objective of emphasizing the improvement of corporate value through the value creation process and to promote 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 our judgment 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.

Contents

For a society where all people can enjoy lifelong health

The Paramount Bed Group started as a specialized manufacturer of hospital beds and has provided a variety of solutions while expanding its business domain into the fields of facilities for elderly care, home care, and health promotion. We are proud of the fact that our customers' living environments are improved through the use of our Group's products and services, and that our customers are truly happy to use them. This also helps us realize our corporate principles. We will respond to changes in the environment accurately by placing importance on dialogue with all stakeholders, realize our corporate principles, and contribute to society through our business activities.

Paramount Vision 2030

Smiles for Everyone from Medical and Nursing Care to Health Field

Corporate principles

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

Statement

as human, for human

Paramount Bed Group at a glance

We are doing our business in and outside of Japan to support comfortable healthcare environments by providing products and services in the medical, nursing care, and health promotion fields.

Our Group, centered on Paramount Bed, which manufactures and sells medical and nursing care beds and other products, develops medical, nursing care, and health-related businesses in and outside of Japan, aiming to sustainably increase corporate value and contribute to society through company business.

Paramount Bed Group Outline

Major Group Companies

PARAMOUNT BED HOLDINGS CO., LTD.
Holding company

Paramount Bed Co., Ltd.	Paramount Bed Asia Pacific Pte. Ltd.	Paratechno Co., Ltd.	Paramount Care Service Co., Ltd.
Manufacture and sale of medical and nursing care beds, mattresses, hospital furniture, and medical equipment	Regional HQ company	Provision of services such as inspection, repair, disinfection, and maintenance leasing of beds and mattresses	Rental wholesale business that rents out a variety of assistive products to rental service providers

Domestic Established nationwide offices (sales offices, maintenance centers, factories, etc.) to quickly respond to customer requests

Paramount Bed: 15 locations

Paramount Care Service: 78 locations

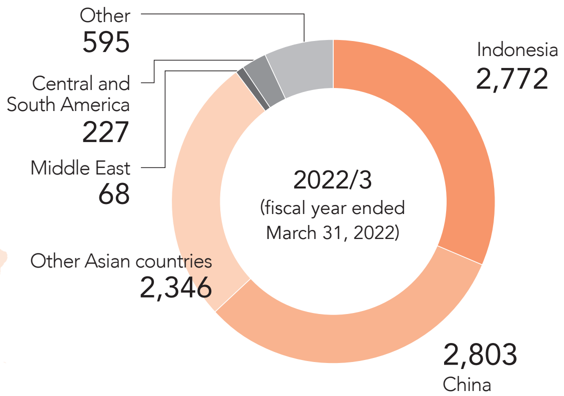
Paratechno: 13 locations

Overseas Established the optimal production, sales, and supply structure through the development of bases centered on Asia

10 overseas locations, 4 factories

Delivery record in 110 or more countries

Overseas sales by region (Millions of yen)



Business Results for the Fiscal Year Ended March 31, 2022

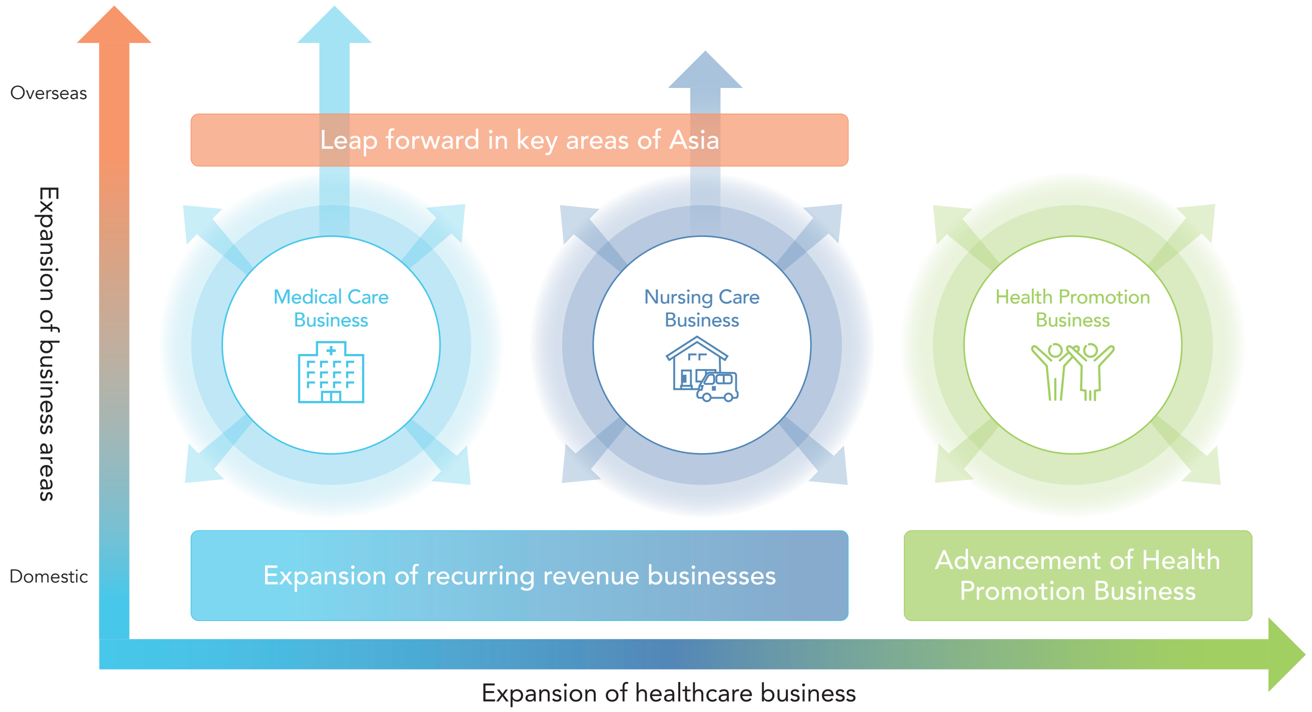
Net sales	Operating income	Operating income margin
90,352 million yen	12,340 million yen	13.7%

Three Businesses

Medical Care Business	Nursing Care Business	Health Promotion Business
No.1 domestic market share* in bed sales	No.1 domestic market share* in bed sales and rentals	Rapid growth
Net sales 34,230 million yen	Net sales 52,317 million yen	Net sales 2,141 million yen
Supporting patient care and hospital operations through products and services for medical institutions	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 nursing care products	Supporting healthier and more personalized lifestyles with products and services that help people get better sleep

*Estimated by the Company based on annual sales results

Direction of Business Expansion



We bring smiles for everyone from medical and nursing care to health field.

Tomohiko Kimura
President and Chief Executive Officer

Meaning of Existence

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

Since its foundation, Paramount Bed Group has been working on "social contribution through company business" as the base of its businesses. The motive for the founding came when the founder saw piles of hospital beds that had been offered as materials for military steel after the war, and thought that hospitals might be in need of beds.

The medical care field is an important environment that determines whether people live or die. Beds and other medical equipment support the medical care field. In order to meet the needs of the medical care field, we must have the technological capability to always be at the forefront of the times. This thought is expressed as "Cutting-edge Technology" in our group principles, "We Create Comfortable Healthcare Environments through Cutting-edge Technology with a Human Touch." The following word "Human Touch" expresses our wish to place importance not only on technology but also on human kindness, in the spirit of placing importance on humanity. In all aspects of medical care, nursing care, and health promotion, we raise the concept that people are always at the center as the paired concept of "Technology." "Creating Comfortable Healthcare Environments" is the very meaning of our existence, and its realization leads to "social contribution through company business." We will do our business according to our principles while making our products and services respond to the changing times and environment.

We are proud that we have always been one step ahead in our industry. The source of our strength lies in the fact that all of our employees always sincerely listen to our users. For example, our mainstay "Rakusho Plus series" beds for home care have been a longtime hit, receiving favorable reviews even two years or more after the release. This is the result of our employees, who are in contact with the medical and nursing care fields, sharing the opinions and thoughts of customers with the Company and realizing a one-stop value chain from product development to manufacturing and sales. Furthermore, we have been able to accurately grasp the trends of the times. For example, several years before the "One Medical School in Each Prefecture" concept was announced in 1973, a policy to establish a medical university (medical school) in each prefecture that had no medical schools, we made a large-scale investment to expand our production facilities. This enabled us to meet the huge demand at the time of construction rush of new university hospitals. Subsequently, in anticipation of the arrival of an aging society, we were ahead in beginning development of products for the nursing care field. Today, we are working to develop products and services that will help extend healthy life in anticipation of growing health awareness around the world.

"Paramount Vision 2030" and Medium-term Management Plan

Steadily promote Phase I of the Medium-term Management Plan to realize the Vision 2030

About a year before I took office as president in 2020, I set up a project team to formulate and discuss the next-generation vision. During this process, I always wanted to grow the entire group in every aspect, and wanted to link the growth of the company to the happiness and growth of our employees, as well as to our contribution to society. The vision for the 10 years ahead, "Smiles for everyone from medical and nursing care to health field" expresses our desire to contribute to the lives of all people, regardless of gender, age, nationality, race, or other factors.

There was once a British slogan for social welfare policy, "from the cradle to the grave." My ultimate goal is to be involved as part of the social infrastructure from the beginning to the end of a person's life, just as this slogan suggests. In the "Health Promotion Business," which is currently the third pillar of our focus, we are promoting the plan to develop products and services to extend healthy life expectancy as much as possible, with "Sleep" which greatly affects health as a starting point, while utilizing sensing technology.

The first phase (April 2020 to March 2024) of the Medium-term Management Plan under the "Paramount Vision 2030" was a difficult start in the face of the COVID-19 disaster. From the very beginning of my appointment, I worked on infection control measures and established a remote work environment, a sales structure that operates across as few prefectures as possible, and a production system with a smaller group of employees. The numerical targets for Phase I were set at 89 billion yen in net sales and 12 billion yen in operating income. Despite various restrictions, we were able to achieve these targets in the fiscal year ended March 31, 2022 ahead of schedule. Therefore, in May 2022, we announced the targets for Phase II through the fiscal year ending March 31, 2027 and the direction of focused activities, looking ahead to the future, while maintaining the direction of "Expansion of current business," "Fully engaging in Health Promotion Business," and "Establishing the foundations for change" set forth in the Phase I plan.

The direction and focus points are "Expansion of recurring revenue businesses," "Advancement of Health Promotion Business," and "Leap forward in key areas of Asia." With regard to "Expansion of recurring revenue businesses," we will further accelerate our activities in the rental wholesale business, packaged rentals centered on equipment and ceiling supply units for hospitals, and on-site services for medical facilities. We will also realize continuous business development that is not a sellout and to a stock-type business by further developing IoT-based services, such as monitoring support systems.

In the "Advancement of Health Promotion Business," our main goal is to establish the health promotion business as the third pillar of our business. In the expanding the sleep market, we will develop businesses that contribute to society by extending healthy life expectancy through improved sleep.

With regard to "Leap forward in key areas of Asia," we will expand our business in Asia, which is our main focus. In many Asian countries, the percentage of manual beds is still high. On the other hand, demand for highly functional beds, including ICUs, is expected to increase in China, Indonesia, India, and other countries with large populations due to the growing need to improve the medical environment. Our Group already has bases and production factories in these regions, and we aim to further increase our market share and establish our brand.

Long-term Outlook

Contribute to society through our business so that all people can enjoy lifelong health

To put it bluntly, we believe that the ideal world would be one in which medical and nursing care beds, our main business, are not used as much as possible. This is because we believe that people becoming healthy and not having to use medical beds will bring more "smiles." Through our Group's technology, we aim to contribute to people's health and well-being from birth to the end of their lives by providing a personalized lifestyle tailored to each individual's condition. This is why I included the word "Health" in the vision, and I believe that the final form of my great dream is to spread it throughout the world.

For Sustainable Growth

Collaborate with internal and external stakeholders

We consider "Customer success," "Business expansion and creation through collaboration with other companies," and "Change in corporate culture" are important for sustainable growth in the future.

The "Customer success" means understanding what kind of results our customers expect from our products and services, and helping them achieve those expectations. In order to further evolve our recurring revenue businesses, it is very important to be close to our customers and to have a viewpoint of "How we can keep them satisfied." To ensure that customers who use our products and services continue to use them, our sales and other departments will play a central role in picking up their needs and linking them to the evolution of our products and services. To achieve this, we will create a system that enables us to update our products and services to meet the needs of our customers during the development stage.

With regard to "Business expansion and creation through collaboration with other companies," we will work on business reforms to shift from "selling goods" to "selling experiences" that enhances product value to improve customer satisfaction. We believe that business reform requires collaboration with a wide range of companies, and we intend to actively pursue such collaboration regardless of the size of the company or its ownership stake. As an example of such collaboration, in 2018, we established a joint venture with a professor at the University of Tokyo to provide products and services utilizing cutting-edge sensor technology, called Signtle Inc., and in 2021, we established a joint venture with Nippon Telegraph and Telephone West Corporation to provide online healthcare services that utilize sleep data, called NTT PARAVITA Co., Ltd. Furthermore, we believe that there are a wide range of industries that could potentially collaborate with our sensor technology, including housing, home appliances, automobiles, and hotels. We will not wait to hear about future collaboration, but will actively go and make chances.

Create an organizational culture that supports challenges each other through thorough communication

The "Change in corporate culture" fosters and encourages human resources who can take on new challenges on their own, value communication, and create the Paramount Bed Group of the future.

One of my ideals is a "Culture with thorough communication." A good organization is built on a foundation of "Mutual understanding" and "Relationship of trust," and with the existence of diverse ways of thinking, including a sense of values, it is necessary to have the ability to communicate more effectively with others. I would like to encourage all employees, including the management team, to communicate with each other.

The other is a "Encourage challenges." We have kept a high market share in the field of medical and nursing care beds for many years by remaining committed to being the top in the industry. This culture is something to be proud of, and we must take it over. Meanwhile, it is also important to create an environment and culture that is challenging and that makes it easy for employees to take on new challenges in new fields. We would like to foster a culture in which those who take action toward new challenges, even if they fail as a result, will be highly valued for their challenge to the end.

Address materiality

In conjunction with the formulation of the "Paramount Vision 2030," from the perspective of sustainability, we have organized and are working on the following six materialities (priority issues): "Support for the establishment of a sustained medical and nursing care system," "Creation of an environment where everyone can live healthily and happily," "Pursuit of product safety," "Promotion of employee health, diversity and work style reform," "Environmentally conscious business activities," and "Ensuring compliance."

One example of "Support for the establishment of a sustained medical and nursing care system" includes activities for early detection of dementia. We have sensor technology that can estimate sleep status including respiratory rate and heart rate from body movement. We believe that this sensor technology can be applied in the future to identify "Mild cognitive impairment," which is an early stage of dementia.

One example of " Creation of an environment where everyone can live healthily and happily" includes the automatic operation function of "Active Sleep BED" developed in the health promotion business. We contribute to people's health through "Sleep" with the functions that the bed's back is raised slightly to make it easier for the user to breathe and fall asleep, and that the angle of the bed automatically changes to the user's preferred position when falling asleep and to a flat position during sleep to make it easier for the user to turn over.

As part of our efforts "Environmentally conscious business activities," we are supporting tree-planting activities based on the points that are earned with the sleep score and by answering questionnaires in a smartphone application for the electrical bed "Active Sleep BED," which allows users to monitor their sleep status. Accumulation of points promotes health and contributes to society. In March 2022, we decided to establish "PB Mangrove Forest," a mangrove forest of approximately 20 hectares and 50,000 trees in Indonesia.

To Our Stakeholders

Bring "smiles" to everyone by contributing to society through company business

Last year, we received a letter from one of our bed users. The person, who was paralyzed after an accident, told us that the electric bed has enabled them to eat without the help of others. We also received a comment from a person receiving nursing care that they were grateful for the voice-operated bed, which allowed them to do more things on their own. We were very happy to be able to help our customers and realize that we are contributing to society through company business. I believe this is a sign that our activities are getting closer to the realization of our corporate principles and vision.

Currently, our cumulative sales of medical and nursing care beds total approximately 8 million units worldwide. We, the Paramount Bed Group, have received such a great deal of recognition, and at the same time, we believe that we bear a great responsibility. We will continue to do our utmost to deliver the "smiles" described in our vision by providing products and services that are needed while asking for teaching from many people.

1. Growth Path

Founded as a specialized manufacturer of hospital beds, we have grown through the development of businesses that support comfortable healthcare environments.

Our Group was founded in 1947 as a specialized manufacturer of hospital beds. Since then, we have developed a variety of products and services while expanding our business domain into the fields of facilities for elderly care and home care in response to the needs of the times, following the aging of the population. In recent years, in response to growing health consciousness, we have also entered the health promotion business, proposing a comfortable sleeping environment for all people. We have expanded our business domain by contributing to the realization of a prosperous medical and welfare society and the creation of a comfortable healthcare environment.

2022/3
90,352 million yen

History of Growth

1947: Kimura Shindai Seisakujo, Ltd. is founded

1950: Kimura Shindai Industry Co., Ltd. is established

1966: The Chiba Factory is built

1987: The Corporate name is officially changed to Paramount Bed Co., Ltd. Over-the-counter stock offerings

1993: The Company is listed on the 2nd Section of the Tokyo Stock Exchange

1996: The Company is listed on the 1st Section of the Tokyo Stock Exchange

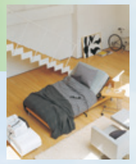
2002: Safety Promotion Council for Medical and Home Care Bed is established

2011: The Company is transitioned to holding company

2022: The Company is listed on TSE Prime Market

Changes in Business Domain

Health Promotion Business 2000s-



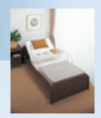
2003: The "INTIME" brand offering quality sleep and health is established

2019: The "Active Sleep" brand in the sleep and health domain is established

2021: NTT PARAVITA is established to provide online healthcare services

Nursing Care Business 1980s-

1980: The automatic urine collection device Scat-Clean is developed



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

1993: The first "Rakusho" bed for home care is developed

2001: The "Callisto series," low-floor electric beds for facilities for elderly care are developed

2007: Sunnetwork Co., Ltd. (current Paramount Care Service Co., Ltd.) becomes a subsidiary. The Company enters in the assistive products rental wholesale business

2010s: The sleep sensor-based monitoring support system starts to be provided

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

Globalization 1960s-

1968: The Trade Department is established The export is enhanced

1995: The first overseas subsidiary is established in Indonesia

2004: An overseas subsidiary is established in China

2010- A network of sales locations and a global production system in optimal locations, with a focus on ASEAN, India, and Central and South America are organized

Medical Care Business 1947-

1940s: The Company starts manufacturing hospital beds as a postwar revitalization business

1955-1960: In-house gatch beds tailored to the Japanese physique are developed

1962: The Japan's first electric bed is developed

1969: A quiet electric bed motor is developed

1987: An all-electric ICU bed is developed

1998: A high-functional hospital bed, "KA-6000," is developed

2002: A maintenance company (Paratechno) is established

2008: A bed with a sensor to detect user's getting out of the bed, "Metis" is developed

2016: An integrated bedside care information system "Smart Bed System" is developed

2010s: On-site services in hospitals are expanded

Transition of Net Sales

1950 1960 1970 1980 1990 2000 2010 2020 2022

Accumulation of Strengths

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 the business (strengthening of service and recurring revenue business) Acceleration of globalization

Social Background

1940s-
Postwar recovery

1960s-
Hospital construction rush
Growing needs for medical beds

1980s-
Facilities for elderly care are developed
Growing needs for home care

2000s-
Shortage of nurses and caregivers
Growing health consciousness

2. Strengths of the Paramount Bed Group

With our three strengths as pillars, we will lead the industry in the medical and nursing care fields and expand our business into the health promotion domain.

The main strengths of our Group are (1) a one-stop system to provide solutions necessary for healthcare environments, with beds as the mainstay, (2) strong relationships of trust with customers built over the years, and (3) a corporate culture that emphasizes integrity with the idea of contributing to society through our business. With our strengths as pillars, we will lead the industry in the medical and nursing care fields and expand our business into the health promotion domain.

Strength 1

One-stop solution system

A system to provide one-stop solutions for healthcare environments, with beds as the mainstay

We have established a one-stop system to provide products and services necessary for healthcare environments, with beds as the mainstay, by proposing high-dimensional solutions to customer needs and issues, from planning, development, manufacturing, sales and rentals, to quality control, maintenance, and after-sales follow-up.

- Planning and marketing skills
- Cutting-edge technology
- Ability to make proposals and sales ability to meet customers' needs
- Production and logistics systems that ensure timely and appropriate supply
- Maintenance and quality control
- After-sales service

Strength 2

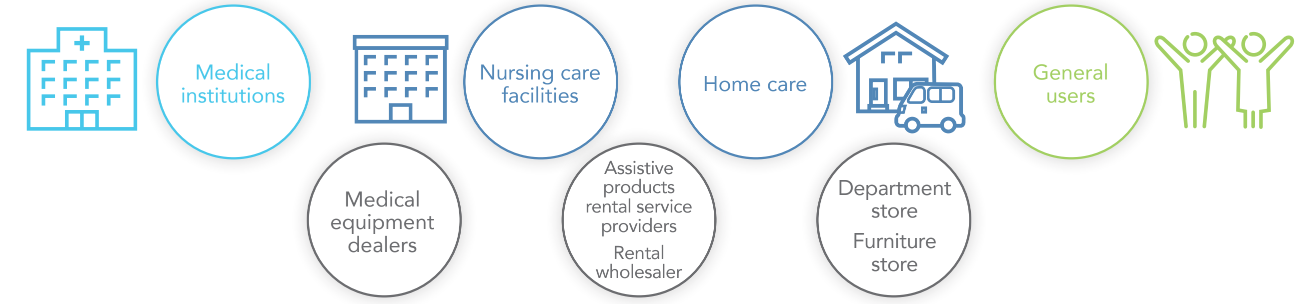
Customer Base

Strong relationship of trust with customers built over the years

The customer base of our Group includes medical institutions and medical equipment dealers in the medical care business, nursing care facilities, assistive products rental service providers and rental wholesalers in the nursing care business, dealers in the medical, nursing care, and health promotion businesses, and all users of our products and services.

As a result of our sincere response to the various opinions and requests since our establishment, we have been able to build strong relationships of trust with many customers over the years. We will continue to create new value by listening to feedback from our customers throughout the Group.

■ Our Group's Customers



Strength 3

The ability to turn a human touch into value

Social contribution through our business
A corporate culture that values integrity

Based on the idea of "Social contribution through company business," each and every one of our employees are working with a sense of mission and pride in supporting the medical, nursing, and healthcare fields. We are thoroughly committed to a bottom-up approach to the management, learning from the voices of our customers, and conduct business activities with a value on contact with our customers, such as direct sales to medical and nursing care facilities.

■ 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.

1: 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.
2: Paramount Bed Group understands and observes the laws and regulations relevant to its business activities and the rules of a fair society.
3: 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.
4: Paramount Bed Group is committed to the preservation of the global environment and conducts environmentally conscious business activities.
5: 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.
6: Paramount Bed Group respects countries' and regions' cultures and customs and contributes to the development and furtherance of society.
7: 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.

3. Business Model

We will build a strong customer base by providing nursing care environment and the best products and services to meet needs of customers in the medical, nursing care, and health promotion domains.

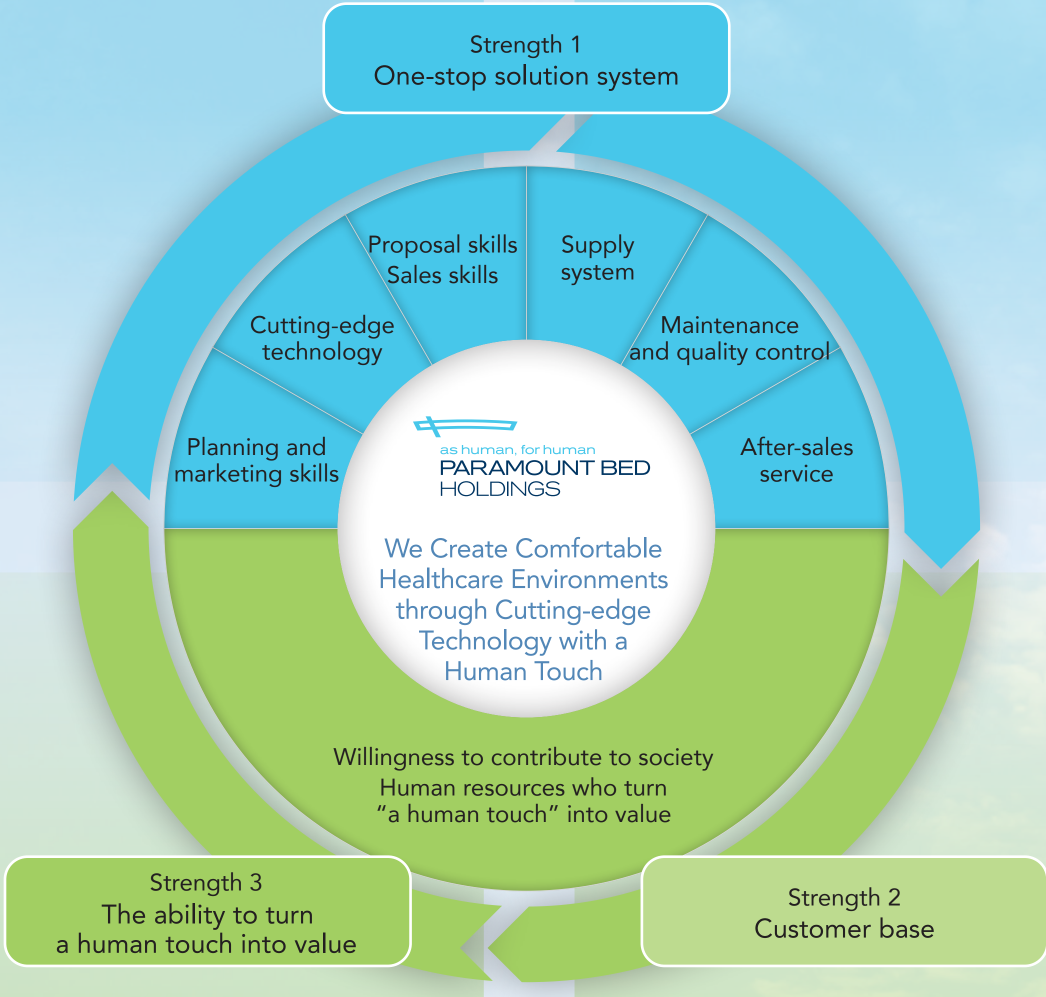
The strength of our business and management base, backed by cutting-edge technology and a human touch, leads to a cycle of value creation: "listening to the voice of customers → proposing the optimal healthcare environment → customer base strengthened through the process of meeting expectations with the best products and services = listening to the voice of customers" and create the best products and services for our customers.

Propose Optimal Healthcare Environments

With planning and marketing skills, cutting-edge technology, and proposal/sales skills that respond closely to customers, we propose solutions necessary for healthcare environments.

Meet Expectations with the Best Products and Services

We provide the best products and services at a one-stop with production and logistics systems, and after-sales service that can supply products in timely and appropriate manners.



We discuss and act with the mindset of "Providing products and services that are truly useful for front-line workers and users."

Listen to the Voice of Customers

We earn further trust by responding sincerely to customer requests and issues.

Strengthen Customer Base

4. Value Creation Process

We provide comfortable healthcare environments through our medical, nursing care, and health-related business activities to build a virtuous cycle of value creation.

Our Group creates comfortable healthcare environments through a business model that takes full advantage of internal and external capabilities, and that is based on its strengths in one-stop solutions and the ability to turn a human touch into value. We build a virtuous cycle of value creation by building strong relationships of trust with our customers through the pursuit of the best products and services, and by investing the capital we gain as a result. The economic value of our Group is closely related to social value. In other words, we believe that our business expansion itself will contribute to society. Through business activities related to medical care, nursing care, and health promotion, we continue to provide comfortable lifestyles for everyone as well as create social value.

Realization of comfortable healthcare environments as a partner of customers

Input

Internal and external capabilities supporting our strengths

Human capital
Social contribution through our business by placing importance on a bottom-up approach to management

Intellectual capital
Extensive knowledge linking the medical, nursing, and sleep fields, and knowledge of quality and safety

Manufacturing capital
Rapid realization of on-site feedback with the world's top-level production capacity
Nationwide service network that responds quickly to the needs

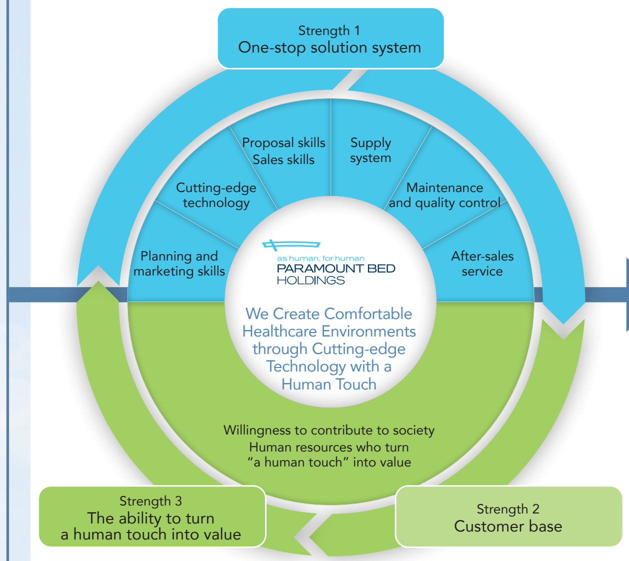
Natural capital
Promotion of resource-recycling businesses
Contribution to a low-carbon society

Social capital
Strong ties with stakeholders, including information sharing and collaboration

Financial capital
Strong financial base

Business Model

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



Business domains

Medical care
As a partner of medical institutions, we work with medical care professionals to help patients return to society as quickly as possible.

Nursing care
As a partner of healthcare providers, we work with those involved in nursing care to achieve a high quality of life for everyone.

Health promotion
As your partner, we provide a sleep-centered environment to realize a vibrant lifestyle.

Output

Pursuit of the best products and services together with our customers

Outcomes

Building strong relationships of trust with customers

Business value

Financial indicators
- Net sales
- Operating income
- Operating income margin
- EPS (Earnings Per Share)
- The ratio of recurring revenue business to net sales in japan

Non-financial Indicators
- Number of on-site service contracts
- Number of units of monitoring sensors sold
- Bed sales
- Number of beds rented for home care

Social value

Safe and comfortable sleep/healthcare environments
- Improvement of management (of hospitals and nursing care facilities), improvement of the nursing care environment
- Reduction of the burden on nurses and caregivers
- Quick recovery of patients into society
- High quality of life for care receivers
- Lively life, healthy life extension, improved sleep

Environmental value

Reduction of environmental burden in business activities

Contribution to the realization of a recycling society

5. For Sustainable Growth

We will transform our business model in response to changes in society and the times, and as a partner of our customers, we will co-create truly valuable products and services to contribute to a society where all people can enjoy lifelong health.

Our Group is promoting "Paramount Vision 2030," which is to be realized by 2030, and the Medium-term Management Plan based on the vision. We are also working on six materialities (priority issues) aimed at the sustainability of our Group and society. In the business domains of medical care, nursing care, and health promotion, which are highly contributable 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 of them and contributing to society in which all people can enjoy lifelong health.

Business Environment

Demographic changes

- Aging and long-life population in Japan and around the world
- Declining population and worker shortage
- Growth in Asia

Changing values

- Diversity
- Work-life balance
- Work style reforms
- ESG and SDGs initiatives

Opportunities and Risks

Opportunities

- Increased demand for high-quality medical and nursing care
- Pursuit of health orientation and quality of life
- Healthcare consumerism
- Advancement of digital technology and promotion of data utilization

Risks

- Risk of institutional changes
- Parts and materials procurement risk
- Restriction of production functions due to natural disasters
- Risks from the spread of new infectious diseases
- Risks in the supply chain

Increase in business value

To be "indispensable" as a partner of our customers

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

Phase II
Medium-term Management Plan
(April 2024 - March 2027)

Phase III
Medium-term Management Plan
(April 2027 – March 2030)

Direction and focus points for Phase I

1. Expansion of current businesses
2. Fully engaging in Health Promotion Business
3. Establishing the foundations for change

Direction and focus points for Phase II

1. Expansion of recurring revenue businesses
2. Advancement of Health Promotion Business
3. Leap forward in key areas of Asia

Enhance partnerships with other companies to expand and create businesses, and achieve the above

Paramount Vision 2030

Smiles for everyone from medical and nursing care to health field

FYE March, 2027 Targets

Net sales	120 billion yen
Operating income	17 billion yen
Operating income margin	14.2 %
The ratio of recurring revenue business to net sales in Japan	45.0 %

Materialities

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

Our business model

Enhancement of social and environmental value

Progress in "Paramount Vision 2030" Phase I

We exceeded Phase I performance targets in the fiscal year ended March 2022. We continue to steadily implement priority measures and promote initiatives with an eye toward Phase II.

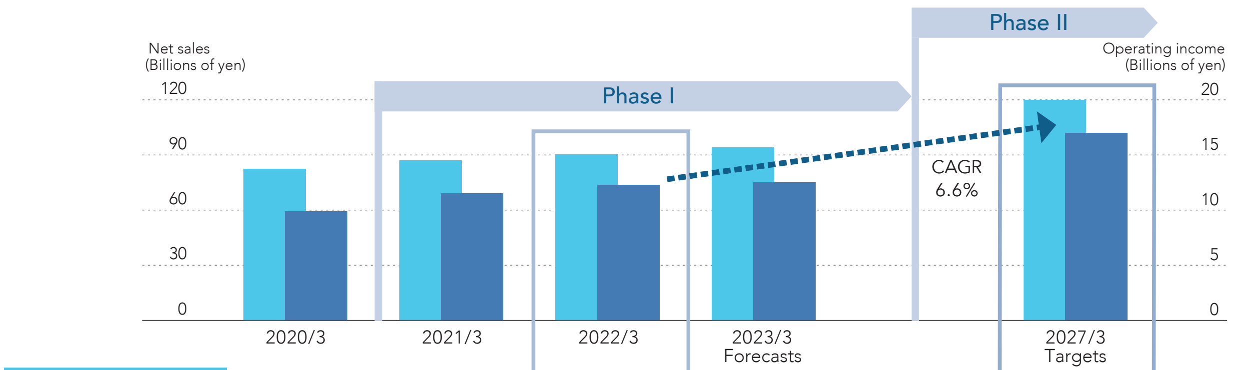
In April 2020, our Group announced "Paramount Vision 2030," the vision for the next 10 years, toward the year 2030. Based on this vision, we have formulated a Medium-term Management Plan with Phase I covering the period from the fiscal year ended March 31, 2021 to the fiscal year ending March 31, 2024. The priority measures of Phase I include "Expansion of current businesses," Fully engaging in Health Promotion Business," and "Establishing the foundations for change." We have also positioned this period as a period of strategic investment for future medium- and long-term growth and will increase investment in systems, new businesses, and facilities, as well as strengthening initiatives for ESG, other environmental issues, social contribution, and the human resource base more than ever.

Since the targets for Phase I were exceeded two years earlier, in the fiscal year ended March 31, 2022, we announced, in May of the same year, the direction and performance targets for focused activities in Phase II (final year: fiscal year ending March 31, 2027), looking ahead to the future, while keeping the original direction and priority measures themselves.

We will steadily implement the priority measures of Phase I and promote initiatives with an eye toward the direction of Phase II.

Performance and Targets

120 billion yen in net sales and 17 billion yen in operating income in the final year of Phase II



	2020/3	2021/3	2022/3	2023/3 Forecasts	2027/3 Targets
Net sales	82.3	87.1	90.3	94.0	120
Operating income	9.9	11.5	12.3	12.5	17
Operating income margin	12.0%	13.3%	13.7%	13.3%	14.2%
The ratio of recurring revenue business to net sales in Japan	33.8%	34.6%	36.0%	37.6%	45.0%

Net Sales by Business Segment: Results and Targets

(Billions of yen)

	2022/3 Results	2027/3 Targets	vs. 2022/3 Results
Medical care business	34.2	49.6	+45%
Nursing care business	52.3	62.9	+20%
Health promotion business	2.1	5.5	+157%
Others	1.6	2.0	+20%

Consolidated Overseas Net Sales: Results and Targets

(Billions of yen)

	2022/3 Results	2027/3 Targets	vs. 2022/3 Results
Asia	7.9	13.5	+70%
Indonesia	2.7	4.9	+77%
China	2.8	4.6	+64%
Other Asian countries	2.3	4.0	+71%
Outside of Asia	0.8	1.5	+69%
Total	8.8	15.0	+70%
Overseas sales ratio	9.8%	12.5%	–

Direction and focus points of the Medium-term Management Plan

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

1. Expansion of current businesses
2. Fully engaging in Health Promotion Business
3. Establishing the foundations for change

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

Phase II
Medium-term Management Plan
(April 2024 – March 2027)

1. Expansion of recurring revenue businesses

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

Increase the ratio of recurring revenue business to net sales in Japan to 45%

2. 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

3. Leap forward in key areas of Asia

- No.1 share of medical beds in the 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

Direction and Focus Points for Phase II

The direction and focus points of Phase II, which ends in the fiscal year ending March 31, 2027, include "Accelerate expansion of recurring revenue businesses," "Advancement of Health Promotion Business," and "Leap forward in key areas of Asia." The current recurring revenue business in our Group includes packaged rentals centered on medical equipment and on-site services for medical facilities, as well as rental wholesale business for home care. In the coming years, we will aim to further develop IoT, such as monitoring sensors, to develop an ongoing business that is not a sellout, but staying close to our customers. With this initiative, we will expand stock-type businesses, such as increasing the ratio of recurring revenue model in Japan from current 36% to 45% in the fiscal year ending March 31, 2027. In the "Advancement of Health Promotion Business," we will develop products and services with functions that make sleep more comfortable in the expanding sleep market, and expand businesses that contribute to society by extending healthy life expectancy through improved sleep to achieve the net sales of 5 billion yen in the health promotion business in the fiscal year ending March 2027. In the "Leap forward in key areas of Asia" we will focus on China, Indonesia, and India, where the number of hospital beds is expected to increase and where we have our locations and where the population is large, and expand our business in these countries to be the top hospital bed manufacturer in Asia. We aim to achieve overseas net sales of 15 billion yen.

Record high for fiscal year ended March 31, 2022

The fiscal year ended March 31, 2022 was a year of strong performance, with net sales, operating income, ordinary income, and net income attributable to owners of the parent all reaching record highs, despite the impact of the COVID-19 infectious disease and the semiconductor shortage. On the sales front, sales of the mainstay "Rakusho Plus series" of nursing care beds for home care remains solid. The product is highly appreciated for its improved convenience for both users and rental companies by providing a function that links the bed with the smartphone app, and for its effectiveness in preventing the spread of infection during COVID-19 disaster with a function to call up the smartphones of family members and nursing care staff. In addition, the sensor system that enables remote monitoring from nursing care facilities continued to be well-received. We believe that demand for monitoring devices using sensor technology will continue to grow, both from the perspective of the safety that comes from being able to remotely watch over people with sensors and of improving the working environment.

With regard to the health promotion business, we released the "INTIME3000" bed, which maintains a comfortable posture with a reclining function with less pressure, a feature we have developed in our production of medical beds. Sales have remained solid while capturing the stay-at-home demand.

For the fiscal year ending March 31, 2023, we see supply chain disruptions due to the lockdown in China and Russia's invasion of Ukraine, and we are considering that the impact on our own factories and the supply of semiconductors and components will continue to be severe and will closely monitor them. We are proud that our products are indispensable to the medical and nursing care fields, and we are taking various methods to secure parts, with the cooperation of our suppliers.

In the medical care business, we will accelerate overseas sales, especially in Asia, and at the same time, in Japan, we will strengthen the ongoing provision of recurring services so that we can sustain our existing relationships with customers over the long term. In the nursing care business, we will continue to work on market penetration of "Nemuri-SCAN." In order to further penetrate the market, we consider it is important to increase the satisfaction of facilities that have introduced the system. We will continue to develop best practices horizontally by ensuring that our products are being used, and at the same time, we will work toward more effective nursing care and monitoring using the sensors. In the health promotion business, we will work to increase awareness of our main brands, "INTIME" and "Active Sleep," through various advertising media and social media.

Concrete roadmap for the realization of "Paramount Vision 2030"

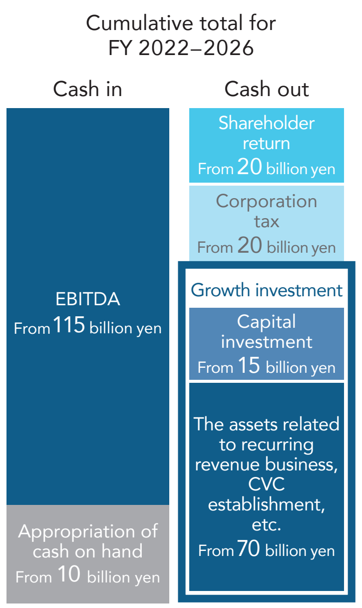
As explained in the "Medium-term Management Plan" (pages 20-21), we have already achieved the performance targets for Phase I of the Vision, and have now announced the targets and focus points for Phase II. Going forward, we will continue to implement the priority measures of Phase I, while keeping an eye on the direction of Phase II. At the same time, we will also strengthen our efforts to address the SDGs and social contributions, as well as our investments in developing the human resource base and renewing our core system.

We plan to continue our mangrove planting activities in Indonesia, which began in October 2021. In addition to contribution to the SDGs through our business activities, we will continue to consider the environment and promote approaches in a manner that will firmly lead to the growth of the Company.

With regard to our human resource base, the skills required will change as we anticipate an increase in the development of software services in the future. We will build an education system to enable employees to acquire higher IT skills than ever before.

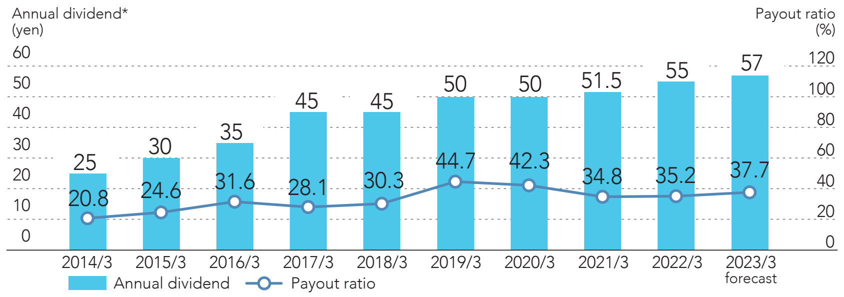
The renewed core system is scheduled to start operation in May 2023. As we are considering strengthening our overseas expansion, a system that was not unified across domestic and overseas locations was a challenge in terms of decision-making and operational efficiency. By unifying platforms, we aim to accelerate management decision-making and reform employee work styles. In addition, we will promote the digitization of all business operations, shorten the time required for conventional operations through systemization utilizing DX, and create an environment so that employees can use their additional free time to perform higher value-added operations.

Cash Distribution Plan



Shareholder return

	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3 forecast
Annual dividend* (yen)	25	30	35	45	45	50	50	51.5	55	57
Dividends on equity ratio(DOE) (%)	1.9	2.1	2.4	2.9	2.7	2.8	2.7	2.7	2.7	—
Payout ratio (%)	20.8	24.6	31.6	28.1	30.3	44.7	42.3	34.8	35.2	37.7
Share repurchase (Billions of yen)	0	4.06	3.28	3.33	0	0	4.38	0	0	—



*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, 2013.

Aim to strengthen ties with customers and shift to a stock-type business

In Phase II of the Mid-term Management Plan, we disclosed our cash distribution plan (see above figures). We plan to allocate cash to growth investments and shareholder returns for the five years through to the fiscal year ending March 31, 2027.

In the growth investments, we will invest in the assets related to recurring revenue business to strengthen ongoing relationships with customers, as well as in capital investment and the establishment of a Corporate Venture Capital (CVC). Through investment in the assets related to recurring revenue business, we intend to expand our stock-type business and shift to a more stable business portfolio. In the capital investment, in addition to the aforementioned investment in core system, we plan to expand our factory in India and replace aging factory facilities. As for CVC, we would like to accelerate our business development with the help of venture companies to provide services with a sense of speed. We will work together with various venture companies to expand business collaborations in the fields of medical and nursing care, and health promotion.

We have introduced an indicator called the dividend on equity ratio (DOE) which started in 2020, when we formulated our new vision. We believe that it would be ideal if we could increase dividends in a stable manner so that shareholders would hold onto shares for the long term, targeting DOE 2.7% and a dividend payout ratio of 30%. We would also like to consider flexible additional returns from time to time, taking into account market conditions and other factors.

Corporate growth always requires taking on challenges. As the person in charge of finance, I will always work closely with the Company to support taking on those challenges. Sometimes I need to apply the brakes, and take great responsibility to prevent fraud as CFO. I will monitor and control risks so that I can appropriately support prompt decision making.

Strategy by Business

The Group started out as a specialized manufacturer of hospital beds and has developed a variety of products and services while expanding its business domain into the fields of facilities for elderly care and home care in the aging population. In recent years, we have entered the health promotion business, focusing on proposing comfortable sleep environments for healthy people. We are also active in promoting overseas business.

Business Domains | Summary and Forecast | Net Sales Results and Forecast

Medical care

Through products and services for medical institutions, we support patient care and hospital operations.

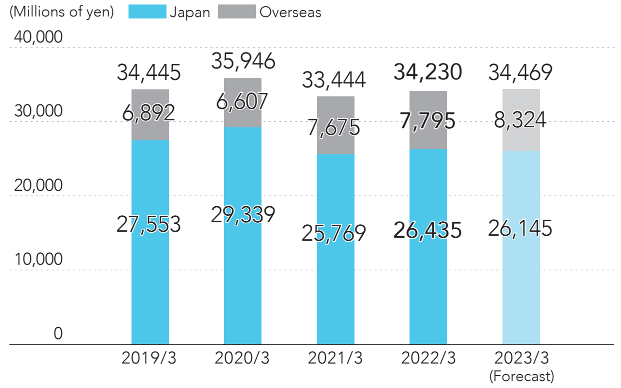
We contribute to the improvement of the medical environment by providing products and services to a wide range of medical facilities in and outside of Japan, including general hospital wards, highly acute care facilities such as emergency and critical care centers and ICUs, perinatal and neonatal care units, and recovery-phase rehabilitation facilities. In addition, we help create an environment where health care professionals can concentrate on their professional work by providing various services such as maintenance of beds and other medical equipment on their behalf.

Fiscal year ended March 31, 2022 — **Recurring revenue business expanded**

- More medical institutions in Japan saw improved revenues. Rental and resident services for hospitals expanded. Overseas sales increased in total despite the rebound from special demand.

Forecast for the fiscal year ending March 31, 2023 — **Sales in large overseas market are expanding**

- In Japan, the sales of recurring revenue business are to expand even though the bed sales are decreasing.
- Overseas, the sales are growing mainly in large markets such as Indonesia, China, and India.



Nursing care

Through sales and rentals of a wide range of nursing care products, we contribute to the improvement of the nursing care environment for users and the business efficiency of nursing care providers.

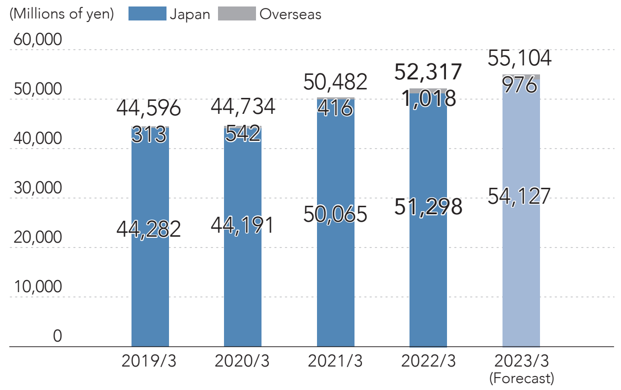
In addition to manufacturing and selling beds, mattresses, and transfer equipment for use in special nursing homes, extended care facilities, private nursing homes, and other facilities for eldely care, as well as for use at home, we are also engaged in the business of renting assistive products to assistive products rental service providers (rental wholesale business). We will further expand our products and services to contribute to user's relief and safety, to reduce the burden on caregivers, and to improve the operational efficiency of assistive products rental service providers.

Fiscal year ended March 31, 2022 — **Sales and rentals continue to be favorable**

- The effects of new products of mainstay models for home care were kept.
- Rental wholesale business also remained strong.
- Overseas, a large project for nursing care facilities in Singapore contributed to the sales increase.

Forecast for the fiscal year ending March 31, 2023 — **Sales for both care facilities and home care are expanding**

- Rental wholesale business remains strong.
- New products launched in March 2022 is making a full-year contribution to the home care business.
- We focus on market penetration of "Nemuri SCAN" for the care facilities.



Health promotion

With products and services that help people get a better sleep, we support healthier and more personalized lifestyles.

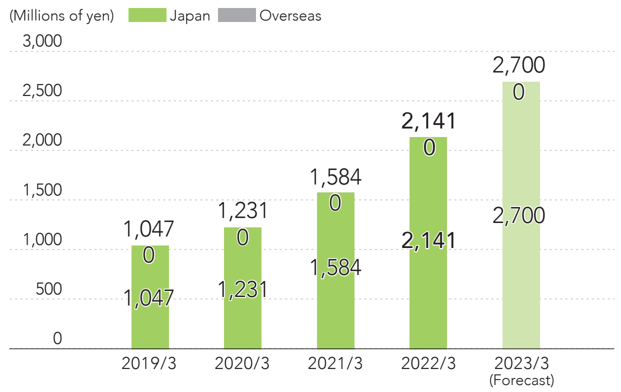
We provide products such as electric beds, mattresses, pillows, and various other services for healthy people to improve their sleep at home so that they can live even healthier lives. Our products and services will further cover a wide range of healthcare fields by leveraging the knowledge we have accumulated over the years in the medical and nursing care fields and the research results of the "Paramount Bed Sleep Research Institute," a specialized research institute.

Fiscal year ended March 31, 2022 — **Up 35% in real terms**

- The new product "INTIME3000" launched in September 2021 contributed to the sales.
- We strengthened promotion through TV, radio, social media, and various events.

Forecast for the fiscal year ending March 31, 2023 — **Up 26% YoY**

- "INTIME3000" is contributing to the sales throughout the year. We will continue to strengthen its promotion.
- Various events are to increase to enhance brand value.
- Measures to improve user satisfaction, strengthen dealer relationships, etc. are to be made.



Medical Care Business

As a partner of medical institutions, we aim to achieve sustainable growth by working with medical care professionals to help patients return to society as quickly as possible.

Main Products and Services

- Manufacture, sale, and rental of various medical equipment, ceiling supply units, systems, and furniture used in medical facilities, with a focus on medical beds.
- Repair work and after-sales maintenance including medical equipment manufactured by Paramount Bed and other companies.
- Support services within medical facilities, including nursing assistant services, maintenance and management of medical equipment, maintenance of beds with stationed services, and concierge services for V.I.P. as well as patient satisfaction improvement support services.

Business Model and Basic Strategy

Centered on the manufacture and sale of hospital beds, which is our core business, we provide a broad lineup of products and services with the functions necessary for each medical field in and outside of Japan, including 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.

We offer total solutions ranging from medical beds that utilize sensing technology, mattresses with bedsore prevention functions, and bed peripherals such as handrails, to medical equipment, ceiling supply units, systems, and furniture used in medical facilities.

The service side is mainly handled by Paratechno Co., Ltd. While most of the services were conventionally repair and after-sales services for our products, the company now also offers package rental services that contribute to hospital management, as well as services to undertake ancillary operations so that medical staff can concentrate on their primary duties. For example, the company undertakes a wide range of services such as serving meals to hospitalized patients, managing and transporting medical equipment and supplies, cleaning and making beds, and concierge services for V.I.P. (contracted with 95 hospitals in Japan as of March 31, 2022).

Many of these services are continuous service offerings (recurring revenue businesses). This business model is also conductive to improving relationships with customers and stabilizing earnings. We will continue to develop new recurring revenue businesses that utilize sensing and AI/IoT technologies to increase the ratio of recurring revenue model in our sales.

Priority measures for the fiscal year ending March 31, 2023

Expand sales in large overseas markets

- In Japan, sales of recurring revenue business are to expand even though the sales and rental volume decreases.
- Overseas, growth is to be centered on large markets such as Indonesia, China, and India.

(Millions of yen)

		2020/3	2021/3	2022/3	2023/3 Forecast	2023/3 vs. previous year
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%

(Thousands of beds rounded to nearest thousand; comparison with previous year calculated based on actual numbers)

		2020/3	2021/3	2022/3	2023/3 Forecast	2023/3 vs. previous year
Number of beds sold		88	90	89	93	+4%
	Japan	48	44	47	45	–5%
	Overseas	40	47	41	48	+15%

Products and Services

"Metis PRO series" for medical facilities

Product image for intensive care unit

Examples of products for neonatal and perinatal care services

Total proposal image of the entire private room

Maintenance operation image

Concierge service image

Nursing Care Business

As a partner of healthcare providers, we aim to achieve sustainable growth by working with those involved in nursing care to realize a high quality of life for everyone.

Main Products and Services

- Manufacture, sale, and rental of various equipment, furniture, and systems used in facilities for elderly care, such as beds for elderly care and the monitoring support system "Nemuri SCAN."
- Manufacture and sales of a wide range of assistive products used for care at home, including home care beds and walking aids.
- Rental wholesale business that supports the business operations of assistive products rental service providers.

Business Model and Basic Strategy

The nursing care business consists of two areas: nursing care facilities and home care.

For nursing care facilities, we offer a total range of tools and equipment necessary for the operation of facilities for elderly care, from nursing care beds, care lifts, and bathing facilities to furniture used in living rooms and dining rooms. In recent years, our system that allows elderly people in care facilities to be monitored remotely and in real time has been well received. By placing the sheet-type body motion sensor "Nemuri SCAN" under the mattress, the system can measure and check the user's sleep, awakening, rising, leaving the bed, and respiratory rate in real time. The system enables safer monitoring with less burden, reducing the workload.

For the home care, we provide assistive products, such as nursing care beds, mainly for use in home care, to companies that sell or rent them to users through sales and rental wholesale. The product development and sales are handled by Paramount Bed Co., Ltd. We strive to develop products that are not only safe and convenient for users, but also reduce the burden and improve operational efficiency for rental service providers that handle them.

The rental wholesale business is handled by Paramount Care Service Co., Ltd. With 78 locations all over Japan (as of March 31, 2022), the company supports the business operations of assistive products rental service providers nationwide by providing delivery, collection, disinfection, maintenance, and storage of assistive products under high quality control.

Priority measures for the fiscal year ending March 31, 2023

Expand sales for both care facilities and home care

- Rentals remain strong.
- New products launched in March 2022 is making a full-year contribution to the home care business.
- To focus on market penetration of "Nemuri SCAN" for the care facilities.

(Millions of yen)

		2020/3	2021/3	2022/3	2023/3 Forecast	2023/3 vs. previous year
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%

(Thousands of beds rounded to nearest thousand; comparison with previous year calculated based on actual numbers)

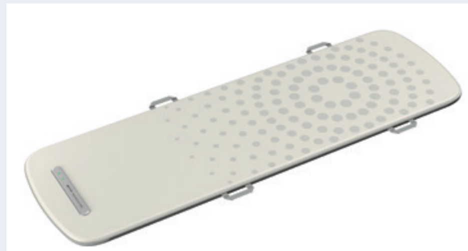
		2020/3	2021/3	2022/3	2023/3 Forecast	2023/3 vs. previous year
Number of beds sold		95	108	123	129	+5%
	Japan	91	105	117	123	+5%
	Overseas	4	3	6	6	+10%

*Number of beds sold includes sales to operating companies within the Group,

Products and Services

Non-wearable body motion sensor "Nemuri SCAN"

- By simply placing the sensor under the mattress, it detects body motion (tossing and turning, breathing, pulse, etc.) of the person on the mattress, and measures sleep conditions, as well as displays estimated heart rate and respiratory rate calculated from body motion in real time.
- It is effective in improving safety of elderly people in nursing care facilities and reducing staff workload during nighttime patrols and other operations.
- It also contributes to the increase in applicants for staff of the facilities and reduction of staff turnover.



"Nemuri SCAN"

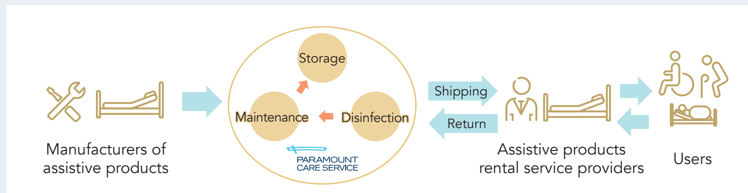
"Rakusho Plus series"

- New back raising mechanism that raises the back from the pelvis.
- Two applications are available to improve usability.
- Smartphones can be used as a remote control.
- Notification from the bed can be received on your smartphone.
- It is equipped with a self-inspection function for rental service providers.

"Rakusho Plus series" bed

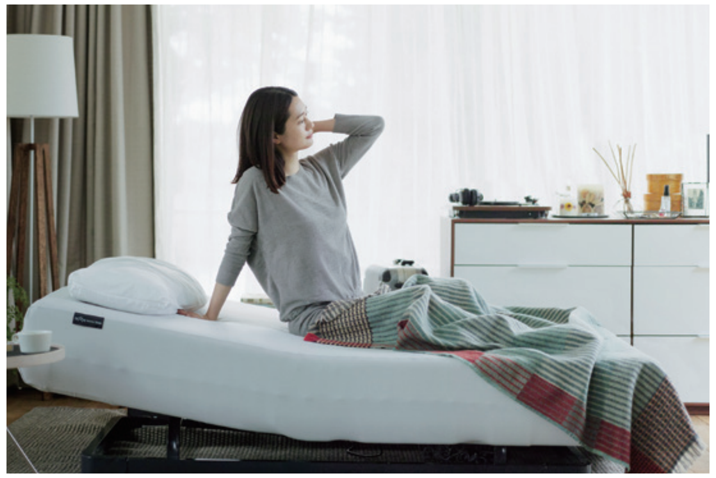
Rental Wholesale Business

- We support for business operations of rental service providers that provide assistive products to home care users under the Long-Term Care Insurance System.



Health Promotion Business

As your partner, we aim to achieve sustainable growth by providing a sleep-centered environment to realize a vibrant lifestyle.



Main Products and Services

Deploy two brands that use know-how and technology cultivated in the medical and nursing care fields for the general healthy people

- Products and services that help people get a better sleep, centered around an electric bed "Active Sleep BED" that utilizes sleep sensors.
- "INTIME," a brand for a comfortable life
  Electric beds with a reclining function that supports getting up smoothly can also be used for nursing care purposes when needed. We also offer a membership service that enriches their lives.
- Promoting the development of services that extend healthy life expectancy through the use of proprietary body motion sensor technology.

Business Model and Basic Strategy

The health promotion business sells beds and bedclothes for health-conscious people who do not need medical or nursing care.

However, since our strength lies in the technology and knowledge we have cultivated in the medical and nursing care fields, we are currently developing our business with two main brands, "INTIME" and "Active Sleep," focusing on beds with functions that apply such technologies.

The "INTIME" bed is designed to be used as a comfortable electric bed that can later be transformed into a nursing care bed, when nursing care is needed, with a concept of "Electric bed, but later nursing bed." We also offer a membership service "Club Paramount" that provides support to INTIME bed owners for a variety of daily life problems.

The concept of "Active Sleep" is to provide health-conscious people with efficient sleep so that they can stay active and energetic in both their daily and professional lives. The "Active Sleep BED" is the first electric bed in Japan to detect the state of sleep and automatically move accordingly, using our sensor technology. Based on the theory that lowered diaphragm makes breathing easier and leads to falling asleep easily, we recommend a sleep posture in which the back is slightly raised. When the sensor detects that the user is in a sound sleep, the bed slowly flattens to facilitate turning over. In order to prevent waking the user from a sound sleep by bed movement, the back section is lowered by one degree per minute. Furthermore, the sensor determines wake-up time and raises the back at just the right timing, allowing the user to wake up pleasantly. These movements can be operated and set via a smartphone, which also scores the quality of sleep.

We will continue to develop "Sleep tech" products that use technology to solve sleep problems.

Priority measures for the fiscal year ending March 31, 2023

Up 26% YoY

- "INTIME3000" contributes to the sales throughout the year.
- To continue to strengthen its promotion.
- To increase various events. Implement measures to improve user satisfaction, strengthen relationships with retailers, etc.

(Millions of yen)

		2020/3	2021/3	2022/3	2023/3 Forecast	2023/3 vs. previous year
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	0%

(Thousands of beds rounded to nearest thousand; comparison with previous year calculated based on actual numbers)

		2020/3	2021/3	2022/3	2023/3 Forecast	2023/3 vs. previous year
Number of beds sold		6	7	9	11	+23%
	Japan	6	7	9	11	+23%
	Overseas	0	0	0	0	0%

Products and Services

Active Sleep BED

- Sleep sensors and the dedicated smartphone app are linked to provide a more comfortable sleep.

Examples of on-board features: relaxing posture, 1 million firmness adjustments, auto-sleep activation, daily sleep scoring, and snore measurement.

Usage image of "Active Sleep BED"

INTIME3000

- Electric bed that can be "transformed" into a nursing care bed
- It pursues comfort on the bed with high design quality and functionality, and is equipped with a back-up mechanism for a relaxing posture like sitting on a sofa.

Image of "INTIME3000" installation

Club Paramount

- Club Paramount is a membership service for individual customers who have purchased an INTIME series bed. It provides a variety of support and services that only Paramount can offer, from comfortable sleep to daily lives.

Club Paramount website https://club-paramount.jp (Japanese only)

Overseas Expansion

We aim to expand our market share overseas by accurately grasping the needs of each country and region.

Features and Strengths

The full-fledged entry of our group into overseas markets dates back to the establishment of our trading department in 1968. Since then, we have focused on providing products that meet the needs of each country, while making efforts to understand the market environment. We have delivered our products to more than 110 countries. Currently, aiming toward localization, we have locations in Southeast Asia, including Indonesia, China, India, the Middle East, Central and South America, 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 which may grow rapidly in the future. We will promote business development tailored to the market needs of each country and strive to penetrate and expand our brand.

Overseas Network

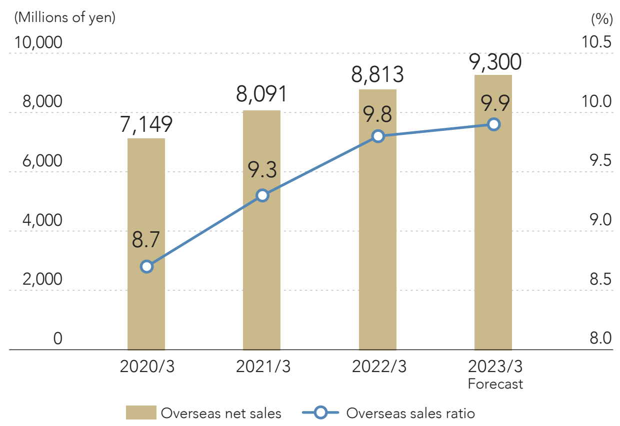
Overseas Group Companies

PT. Paramount Bed Indonesia (Indonesia)	PARAMOUNT BED VIETNAM CO., LTD. (Vietnam)
Paramount Bed (China) Co., Ltd. (China)	PARAMOUNT BED VIETNAM TRADING CO., LTD. (Vietnam)
PARAMOUNT BED (THAILAND) CO., LTD. (Thailand)	PARAMOUNT BED USA Corporation. (U.S.)
PARAMOUNT BED ASIA PACIFIC PTE. LTD. (Singapore)	Paramount Bed Mexico S.A. de C.V. (Mexico)
Paramount Bed India Pvt. Ltd. (India)	Paramount Bed do Brasil Ltda. (Brasil)

Priority measures for the fiscal year ending March 31, 2023

- Focus on increasing market share in large markets such as India, China, and Indonesia
- Respond to growing demand for high-function beds

Overseas Net Sales



Consolidated Overseas Net Sales by Region

(Millions of yen)

	2020/3	2021/3	2022/3	2023/3 Forecast	2023/3 vs. previous year
Asia	6,429	6,914	7,923	8,564	+8%
Indonesia	2,343	3,057	2,772	3,220	+16%
China	2,157	2,199	2,803	2,952	+5%
Other Asian countries	1,928	1,656	2,346	2,391	+2%
Middle East	150	222	68	172	+153%
Central and South America	418	808	227	360	+59%
Other	152	147	595	204	–66%
Total	7,149	8,091	8,813	9,300	+6%

Products for Overseas

Strategic model for overseas markets "PARAMOUNT BED A6"

Medical electric bed for India "Qualitas Nx series"

Source of Value Creation

The knowledge and human resources we have cultivated over the years in the medical and nursing care fields give us a unique advantage.

The Group's strengths, such as one-stop solutions, unique corporate culture and value, and a solid customer base, lie in our stable financial base (financial capital) and non-financial capital which includes human resources who focus on the situation in which our products and services are used and contribute to society through the company business (human capital), broad knowledge of medical care, nursing care and sleep (intellectual capital) and the world's top-level production capacity that allows on-site feedback to be realized promptly (manufacturing capital).

Source of Value Creation

In-house strengths

Human capital

Social contribution through our business by placing importance on a bottom-up approach to management

- Promote human resource development and internal and external collaboration
- Strengthen the organization by securing diverse human resources
- Foster organizational and corporate culture through thorough awareness of legal compliance

Intellectual capital

Extensive knowledge linking the medical, nursing, and sleep fields, and knowledge of quality and safety

- Create innovation through a strong customer base, and research and development of sleep-related technologies
- Continue to work closely with customers after delivery, and accumulate information on customer needs and problems

Manufacturing capital

Rapid realization of on-site feedback with the world's top-level production capacity
Nationwide service network that responds quickly to the needs

- Produce high-quality products in efficient and stable manners
- Enhance value-added by strengthening the manufacturing system
- Further enhance and streamline service locations
- Maintenance system that provides clean, safe and reliable products

Natural capital

Promotion of resource-recycling businesses
Contribution to a low-carbon society

- Promote appropriate waste disposal and recycling using the National Permit System that is certified by government
- Accumulate know-how for long and safe use of products
- Promote resource recycling initiatives and energy-saving activities

Financial capital

Strong financial base

- Equity-to-asset ratio 74.1%
- Stable financial base

×

External forces

Social capital

Strong ties with stakeholders, including information sharing and collaboration

- Build relationships of trust with customers by persistently addressing any challenges
- Contribute to society by creating value in collaboration with our business partners
- Work on the industry and establish a system to strive for product safety (Safety Promotion Council for Medical and Home Care Bed)

- Strengthen information dissemination through webinars, media management, etc. as a leading company in the industry
- Gather information through a strong network of medical and nursing care professionals
- Support education and training for nurses (Kimura Foundation for Nursing Education)
- Share issues from the customer's perspective by conducting customer satisfaction surveys

Three Strengths

Strength 1

One-stop solution system

A system to provide one-stop solutions for healthcare environments, with beds as the mainstay

Strength 2

Customer base

Strong relationship of trust with customers built over the years

Strength 3

The ability to turn human touch into value

Social contribution through our business

A corporate culture that values integrity

Competitive advantages

Pursuing the best products and services together with our customers

Human Capital

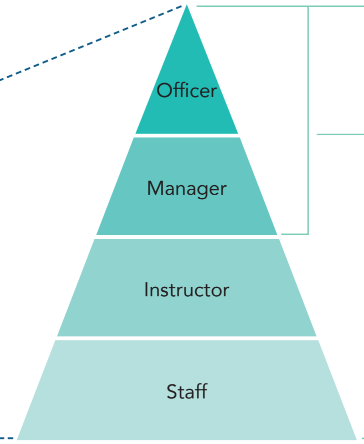
Social contribution through our business by placing importance on a bottom-up approach to management.

Preferred personnel profile

Personnel who can voluntarily take on new challenges, recognize the importance of communication, and create the future of Paramount Bed Group.

Toward strengthening the human resource base

- **Foster empathy for the vision**
  - Clear and shared vision
- **Create a rewarding experience and support growth**
  - Renewal of personnel evaluation system
  - Talent management practices
  - Introduction of succession plan
- **Create a comfortable work environment**
  - Promotion of diverse work styles
  - Promotion of diversity



Executive personnel development

Introduction of succession plan
- Identify and train successors to senior management

Enhancement of overall employee development

Promotion of talent management
- Visualize human resources by job type/ individual capabilities
- Place the right person in the right position and link them to educational measures

Renewal of personnel evaluation system
- Clarify expected roles/behaviors
- Expand opportunities for employees to play an active role according to their characteristics

Creation of supportive environment for employees

- Promote organizational culture reform, Expected culture: "Thorough communication" and "Encourage challenges"
- Promote diverse work styles
- Create an environment where a diverse human resources, including women and senior employees, can play an active role, and feel healthy and happy

Progress of measures to strengthen the human resource base

Make an action plan → Implement/Start-up

Apr. 2020 | Apr. 2021 | Apr. 2022 | Apr. 2023

- **Clear and shared vision**: Formulation of vision, mission, and values → Internal and External Communications
- **Renewal of personnel evaluation system**: Detailed institutional design Internal Consensus → Start of the new system operation → To PDCA cycle
- **Talent management practices**: Within-human Resources Department Project Human Resources by job type Start of requirements organization → Survey of individual employees' capabilities Organization of human resource requirements by job type Education policy review → Placement of right person in the right position Start of educational measures operation → To PDCA cycle
- **Introduction of succession plan**: Selection of key positions Definition of human resource requirements for each position → Candidate search Study of training measures → Start of operation → To PDCA cycle
- **Promotion of diverse work styles Promotion of diversity**: Within-Human Resources Department Project Junior staff project, etc. → Institutional review study → Start of operation → To PDCA cycle

Initiatives to strengthen the human resource base

Clear and shared vision

We have formulated Paramount Vision 2030 and shared it with the entire group. As a measure to spread the vision, employees are required to fill out a goal-setting sheet at the beginning of each fiscal year to set annual activity targets, and set their own visions based on goals of their division or department made according to the mid-term management plan.

Talent management practices

We have created a list of human resource requirements (knowledge, skills, and competencies) for each business field and job type, and are linking this list to the placement of the right person in the right position based on the abilities of individual employees and to educational measures to fill in the gaps. We are also working to enhance our educational system to support individual growth.

Creation of a comfortable work environment

In order to foster awareness and culture throughout the workplace for realization of a comfortable work environment, we have shared the results of the employee engagement survey with all employees, and initiated a change in awareness at each management level.

Promotion of diversity

We aim to place the right person in the right position so that diverse human resources can play an active role regardless of their gender, age, nationality, or disability. We as the entire company are working to realize environmental improvements, such as restructuring the environment for female workers to easily play an active role and supporting the activities of senior employees.

TOPICS Project to create products utilizing women's perspectives

In Paramount Bed Co., Ltd., a group of female technical staff started the "Tsubaki Project (Camellia japonica)," to create products from a woman's perspectives. The members of the project unanimously decided the name of Tsubaki because it symbolizes "Femininity" and "Fashionable", which fit the activity concept of the project. They are engaged in female-specific marketing, and product planning and proposal for mainly obstetrics, gynecology, and pediatrics. They involve female sales representatives and other non-project members in their on-site hearings to uncover detailed needs and opinions. The nursing chair "Hug Hug," a product produced by Tsubaki Project, won the "Kids Design Council Chairman's Award, Incentive Award of the 11th Kids Design Awards" and the "Planning Award of the 5th Cute Sensibility Design Award."

Nursing chair produced by the project and "Tsubaki Project" members

Manufacturing Capital

Rapid realization of on-site feedback with the world's top-level production capacity
Nationwide service network that responds quickly to the needs

Manufacturing Capital (manufacturer)

Features

- Established integrated production system
- Provide responsible products
- Optimal global production site system

Initiatives to strengthen manufacturing capital

(1) Initiatives to "strengthen" manufacturing capital
- Enhance value-added by strengthening the manufacturing system
- Strengthen the optimal global production site system through domestic and international collaboration

(2) Initiatives to "protect and support" manufacturing capital
- Strengthen resilience of production and delivery through Business Continuity Plan (BCP)

A production system that combines the know-how accumulated since the company's founding with state-of-the-art production system

Paramount Bed's factories efficiently and stably produce high-quality products under thorough quality control. The Paramount's Chiba Factory has introduced the "synchronized production system" mainly for bed lines, building an integrated production system from raw materials to finished beds. This method patterns several beds on a cycle, sets the components regularly on conveyor hangers, and continuously conveys them between processes from welding to painting and assembly without interruption. This shortens manufacturing lead time, minimizes in-process inventory, and reduces electricity consumption and waste generated.

Commitment to Quality

We conduct thorough in-process inspections in each department and rigorous inspections of finished products with tens of check items, such as detailed tactile and visual inspections for handrails that patients touch by hand, and foreign object inspections using metal detectors in mattress manufacturing. In addition, Paramount Bed's headquarters and factories are certified with ISO 9001 (Quality Management System) and ISO 13485 (Medical Devices - Quality Management System), which are international standards for managing quality assurance systems, and provide products that comply with each certification.

Provision of luxury wood products with good quality of natural wood

The manufacture of wooden products such as wooden boards for beds is mainly handled by Paramount Bed Group's Sadashige Special Plywood Co., Ltd. Since its founding in 1954, the company has been involved in the processing and wholesaling of furniture and construction materials, as well as the manufacture and sales of housing equipment, starting with wood veneer used for high-end wedding furniture in Fuchu (Fuchu City, Hiroshima). They pursue high design performance, processing technology, and careful craftsmanship that take full advantage of the quality of natural wood to provide high-quality and high-end wooden products.

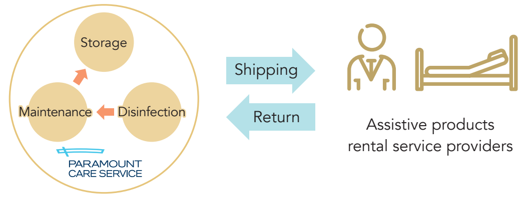
サダシゲ特殊合板㈱

[Corporate Outline]
- Corporate name: Sadashige Special Plywood Co., Ltd.
- Established: 1960 (Founded: 1954)
- Head office: Fuchu City, Hiroshima
- Capital: 30 million yen

Manufacturing capital (rental wholesale)

Features

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



Initiatives to strengthen manufacturing capital

(1) Initiatives to "strengthen" manufacturing capital (rental wholesale)
- Improve and streamline service locations

(2) Initiatives to "protect and support" manufacturing capital (rental wholesalers)
- Pursue safety and relief through higher quality maintenance, disinfection, and cleaning systems

Quality management of Paramount Care Service to deliver clean and reliable products

Paramount Care Service Co., Ltd. which operates an assistive products rental wholesale business, is striving to build a system that can deliver clean and well-maintained assistive products immediately when needed, under thorough quality management to ensure that users can use the products safely and with relief.

Disinfection and cleaning with the utmost care for sanitation

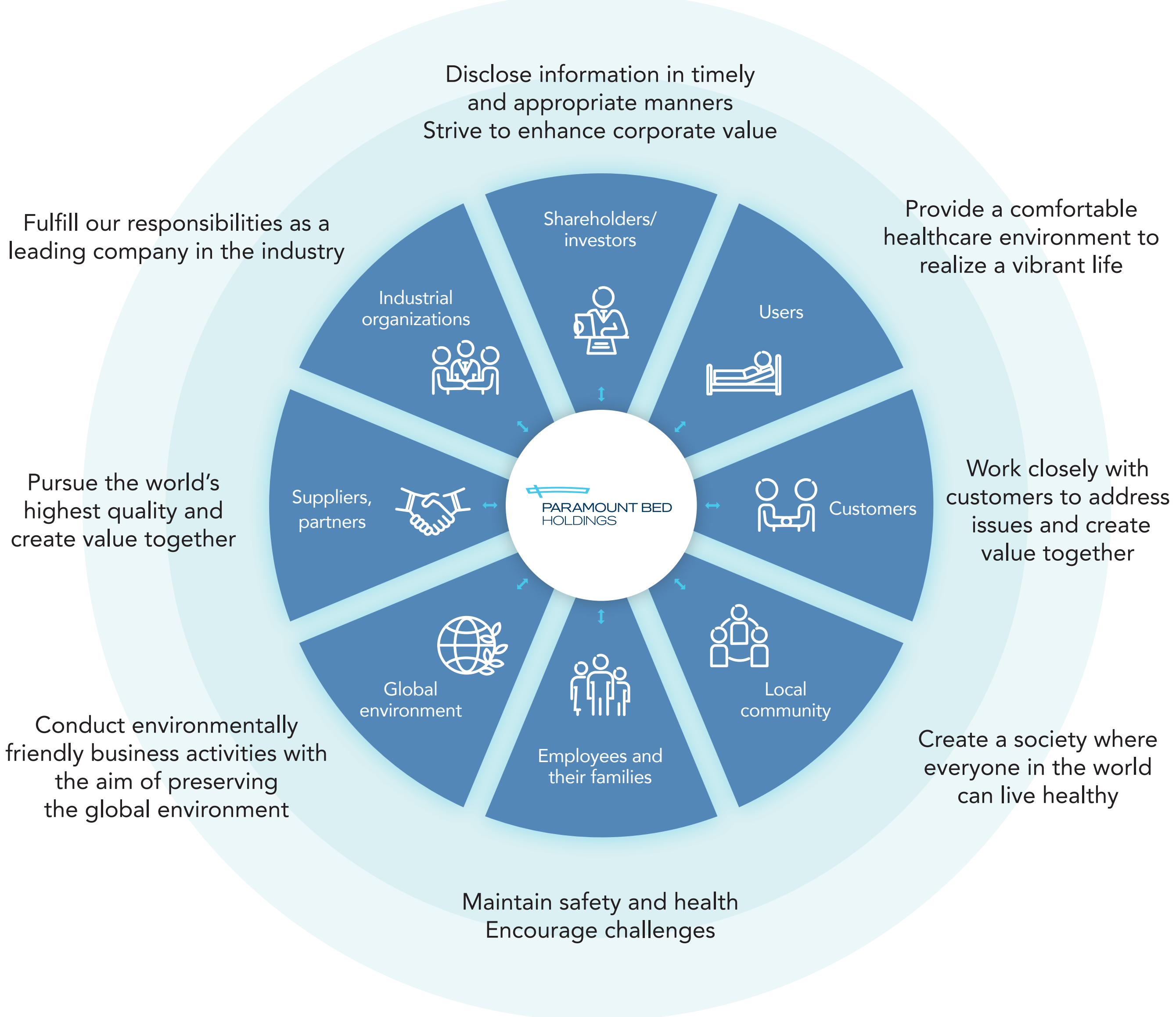
Returned assistive products are first sprayed with an ethanol-based formulation in the transport vehicle. After that, many pieces of assistive products such as beds, wheelchairs, and walkers are washed with water using a high-pressure cleaner. Every little bit of dust and dirt is removed. After cleaning, a slightly acidic environmentally friendly electrolytic solution that is also used to sterilize foodstuffs is poured over the products. Some products are sterilized with ozone disinfection. Disinfected products are periodically sampled and inspected for bacteria to verify the effectiveness of the disinfection process.

TOPICS
Obtained the certification of "Safety Maintenance Authorization" for the first time in Japan

In May 2022, Paramount Care Service was certified by the Japan Quality Assurance Organization (JQA), a JIS Mark certifying body, as being in compliance with the requirements of the "JIS Y2001" standards for the management of maintenance processes for rental assistive products at all 23 maintenance locations in Japan. JIS Y2001 is a set of standards that were promulgated in March of the same year as guidelines to ensure that assistive products distributed through various rental systems are properly maintained before being rented out, in order to prevent accidents due to poor maintenance. The certification and registration system is called the "Safety Maintenance Authorization" as a proof to support the safe distribution of rental assistive products.

Social Capital

Strong ties with stakeholders, including information sharing and collaboration



TOPICS

Launched of a joint course using a monitoring support system in caregiver training program provided by a vocational school.

In February 2022, Paramount Bed Co., Ltd. and Sanko Gakuen jointly launched a course to think care based on sleep analysis using Paramount Bed's "Nemuri SCAN" monitoring support system in the required course "Care Support Technology (Sleep)" at seven welfare vocational schools nationwide operated by Sanko Gakuen. This course is designed to enable students to learn through practical training how they can intervene in the sleep care of the elderly by actually using the monitoring support system. By learning all from how to use nursing care robots to how to intervene in sleep care in an integrated manner, the course aims to develop human resources who can work and contribute immediately to the nursing care field.

TOPICS

Established a new company with NTT West to provide online healthcare services

On July 27, 2021, Nippon Telegraph and Telephone West Corporation (NTT West) and Paramount Bed Co., Ltd. have jointly established a new company, "NTT PARAVITA Co., Ltd." to provide online healthcare services using sleep data.

The company utilizes NTT West's knowledge in collecting and analyzing the vital data of the elderly using IoT devices to visualize sleep, and Paramount Bed's sheet-type sensor technology that enables real-time monitoring of sleep/wake states, respiratory and heart rate to provide data that contributes to the detection of unwellness, which supports the maintenance of healthy and fulfilling lifestyles of the users.

In November of the same year, the company started a demonstration project in Sakai City, Osaka, to monitor elderly people living alone by using visualization of their sleep rhythms, in collaboration with Graduate School of Medicine, Osaka University.

[Corporate Outline]
- Corporate name: NTT PARAVITA Co., Ltd. (NTT PARAVITA)
- Established: July 2021
- Head office: Osaka, Japan
- Capital: 495 million yen
- Shareholders: NTT West, Paramount Bed

Signtle Inc. conducted a demonstration experiment using a health management system with the University of Tokyo.

Signtle Inc. is a joint venture established in November 2018 by Paramount Bed Co., Ltd. and Professor Takao Someya, Dean of the Graduate School of Engineering at the University of Tokyo. The company aims to develop devices and services that utilize the technology of Professor Someya, a leading expert in skin sensor technology, to contribute to operational support in the medical and nursing care fields.

In December 2021, Signtle conducted a demonstration experiment using its health management system in Ioujima, Nagasaki. This health management system uses skin sensors developed by the company to measure vital signs 24 hours a day, and centralized monitoring by medical personnel and city staff to maintain the health of community people gathering in evacuation centers during disasters and to prevent disaster-related deaths. Based on the findings obtained through this demonstration experiment, the company will work toward social implementation.

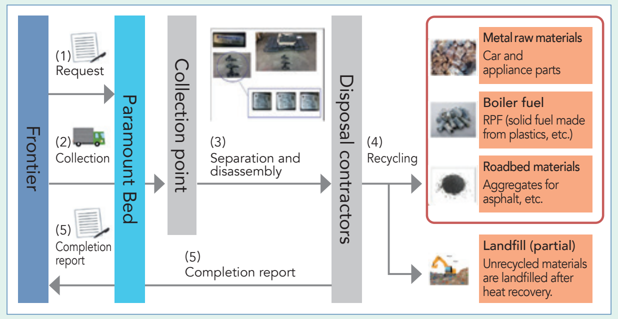
[Corporate Outline]
- Corporate name: Signtle Inc.
- Established: November 2018
- Head office: Bunkyo-ku, Tokyo
- Capital: 10 million yen
- Shareholders: Takao Someya, Paramount Bed and others

Promotion of assistive products recycling in collaboration with Frontier Corp.

Paramount Bed Co., Ltd., in partnership with Frontier Corporation, launched an initiative in November 2021 to collect, sort, and disassemble used assistive products, such as nursing care beds made by Paramount Bed and owned by Frontier, to promote recycling them into metal and fuel.

In April 2012, Paramount Bed became a certified company under the National Permit System* (Certification No. 217) and has been promoting the recycling of its products. Under this initiative, the company collects used Paramount Bed products at Frontier's Chiba Maintenance Center and recycles 99% of them to reduce waste and ensure proper disposal. While gradually expanding the areas covered by the program, the company will improve recycling and promote environmentally friendly activities.

*National Permit System: This is a special exception system of Ministry of the Environment that does not require a license from each local government, which is the basis of the legal system for waste management, and is intended to ensure the reduction of waste and other appropriate treatment of waste by allowing those who are engaged in the manufacture, process, and sale of products (manufacturers), and whose products have become waste, to handle such waste over a wide area.



Recycling flow

Sustainability Initiatives

To realize sustainability, we will work on materiality organized from the perspective of ESG and SDGs.

The Paramount Bed Group has been engaged in various activities to realize a sustainable society and earn the trust of the public. In line with the formulation of the "Paramount Vision 2030" in 2020, we have reorganized our activities into six materialities (priority issues) from the perspective of ESG and SDGs. We have incorporated measures for the materiality into our long-term vision and mid-term management plan to promote them.

Materialities	Priority items	SDGs Targets
1 Support for the establishment of a sustained medical and nursing care system	• Support for improvement of efficiency of medical and nursing care and work style reform • Support for education of nurses and nursing care personnel • Relief supply system for emergencies	3, 4, 8, 11, 17
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 the development of the next generation of leaders	3, 4, 8, 9, 17
3 Pursuit of product safety	• Establishment of system for product safety • Enlightenment of safe usage • Active involvement in industry group initiatives	3, 4, 12, 17
4 Promotion of employee health, diversity and work style reform	• Employee health and labor safety initiatives • Promotion of diversity • Promotion of work style reforms	3, 5, 8
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 society	11, 12, 13, 15, 17
6 Ensuring compliance	• Corporate ethics initiatives • Ensuring fair trade • Promotion of highly transparent governance	4, 16

Environmental Initiatives

The Paramount Bed Group aims to reduce the environmental burden from the corporate activities and throughout the product lifecycle in order to build a sustainable society in harmony with the earth. In addition, we raise "Environmentally conscious business activities" as one of the priority issues (materialities) for promoting ESG management.

Priority items

Reduction of environmental impact in production processes

Examples of initiatives

- Review raw materials, reuse and recycling
- Procure materials with low environmental burden (in cooperation with suppliers)
- Promote energy-saving activities at production sites

Reduction of environmental impact throughout the entire product life cycle

Examples of initiatives

- Promote reuse and recycling
- Promote appropriate waste disposal and recycling using the National Permit System that is certified by government (Certification No. 217)

Contribution to the realization of a recycling society

Examples of initiatives

- Promote "Sleep Points," a social contribution point program linked to tree-planting activities
- Employ biomass plastic for packing bags for rental equipment
- Promote the use of renewable energy
- Promote energy-saving activities at each business site

Throughout the production process

Paramount Bed Co., Ltd. aims to reduce the environmental burden throughout the product lifecycle. We are striving to make effective use of resources by reusing transportation jigs used for delivering products, reusing returnable containers for assembly parts, simplifying packaging materials, and recycling used products under the scheme of the National Permit System for industrial waste (certified in April 2012: Certification No. 217).

We are also focusing on manufacturing that is friendly to the global environment. The integrated production line at our Chiba Factory has achieved a 60% reduction in industrial waste and a 30% reduction in electricity consumption of the painting facilities (compared to the conventional line at Paramount Bed) by completely stopping the use of solvent-based paints to eliminate volatile organic compounds (VOCs) and changing painting chemicals. In addition, we have established the "Factory Energy Saving Secretariat" in our Production Division, and is actively promoting energy-saving activities. We will continue to strive for both further improvement of production technology and consideration for the global environment.


Returnable containers for assembly parts

Contribution to the realization of a recycling society

TOPICS

"Sleep Points," a social contribution point program linked to tree-planting activities

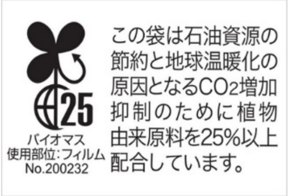
The "Sleep Points" is a social contribution program linked to tree-planting activities and titled "Your sleep becomes a forest." The points are earned according to survey responses and sleep scores on a smartphone app for the electrical bed that allows the user to monitor their sleep status, "Active Sleep BED." In September 2021, we donated 1 million yen (equivalent to planting approximately 5,800 mangrove trees) to the Green Fund of the National Land Afforestation Promotion Organization, which is used to plant mangrove seedlings and other trees in Indonesia. In addition, we have decided to make a mangrove forest, "PB Mangrove Forest," of 50,000 trees in approximately 20 hectares in Nusa Tenggara Province, Indonesia in March 2022. Continuous cultivation of this mangrove forest is expected to absorb and store up to 25,000 tons of carbon dioxide.


Image of mangrove forest
(image sourced by YL Forest Co., Ltd.)

"Sleep Points" Program application screen

Biomass plastic as material for rental equipment packing bags

The rental wholesaler Paramount Care Service co., Ltd. has been using biomass plastic, a plastic material produced from renewable biomass resources (corn, sugarcane starch, etc.), as raw material for packing bags for rental products since September 2021. This has not only saved petroleum resources but also reduced substantial CO_2 emissions. The CO_2 emissions are expected to reduce by approximately 100 tons per year compared to the year before using biomass plastic.



Biomass mark on packing bag


Rental products wrapped in biomass plastic packing bags

Product Safety Initiatives

Fundamental Approach

The Paramount Bed Group is making various efforts to build a safe environment where everyone can truly feel at ease from every perspective, including not only the development of high-quality products, but also the provision of the latest product safety information and the supply of well-disinfected and well-maintained products at rental wholesalers.

Priority items

Establishment of system for product safety

Examples of initiatives

- Establish and enforce the action guidelines
- Acquire third-party certifications such as ISO9001 and ISO13485
- Develop a maintenance system
- Promote acquisition of JIS Mark certification for assistive products
- 2015 Award for Excellence in Product Safety Measures

Enlightenment of safe usage

Examples of initiatives

- Disseminate safety information
- Hold seminars on the safe use of products
- Establish and operate "RoomT2," a research group for the study of falls and tumbles

Active involvement in industry group initiatives

Examples of initiatives

- Establish Safety Promotion Council for Medical and Home Care Bed
- Participate in Japan Assistive Products Association (JASPA), an industry organization

Product safety declaration

Paramount Bed has formulated a product safety declaration and Action Guidelines as policies for the proactive provision of high-quality products and services that can be safely used with confidence by everyone.

We at Paramount Bed will provide products and services made and rendered with the highest priority on the safety of people and property and with full consideration of environmental concerns.

In the development, manufacture, and sales of our products we aim to ensure product safety for the entire period of usage until final disposal.

If we judge that we are unable to ensure the safety of a product, we will promptly discontinue its manufacture or sale.

Action Guidelines

Comply with laws and regulations

We comply with the Consumer Product Safety Act and other laws, regulations, standards and criteria related to product safety.

Foster a product safety culture

We foster a product safety culture by developing and implementing product safety goals.

Product safety management throughout the product lifecycle

We establish an appropriate product safety management system by analyzing risks at each stage of the product life cycle, from planning, development, and design to shipment, assembly, use, and disposal, and by working on the development of safety technologies and the reduction of risks.

Provide information for safe use of the product

We provide information for the safe use of our products by means of warnings and cautions in the instruction manuals and on the products themselves to avoid accidents caused by inattentive or improper handling.

Response to product accidents

In the event of a serious accident involving our products, we promptly confirm the facts and investigate the cause, and if considered necessary, we take measures to prevent the spread of harm by recalling the product or taking other mitigation measures and providing appropriate information.

Review the product safety management system

We regularly review our product safety management system and strive to improve it.

TOPICS

First company in the industry to obtain the JIS Mark-Assistive Products

JIS Mark-Assistive Products


"Rakusho Plus series"

Paramount Bed Co., Ltd. has become the first company in the industry to obtain the JIS Mark-Assistive Products for "Electric nursing care beds for home use" in its home care electric beds "Rakusho S series", which were launched in 2009. The JIS Mark system for assistive products for "Electric care beds for home use" was promulgated on March 20, 2009 by adding new provisions for bed handrails (grips) to JIS T 9254, the existing JIS standards for electric nursing care beds for home use, and improving safety by reviewing gap dimensions with the purpose to prevent accidents such as body parts being caught in the gaps between the side rails and handrails of care beds and between the bed boards.

Our current mainstay models, such as the "Rakusho Plus series" and the "Q-AURA ONE" home care bed, which was launched nationwide in March 2022, are also certified with the same standards.

Reception of the fiscal 2015 Commerce and Distribution Security Councilor Award

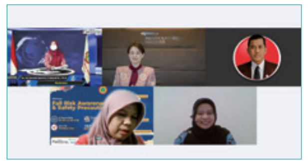
In November 2015, Paramount Bed Co., Ltd. received the "Commerce and Distribution Safety Councilor Award" in the category of Large Manufacturer/Importer in the "9th Award for Excellence in Product Safety Measures in Fiscal Year 2015" sponsored by the Ministry of Economy, Trade and Industry.

The Paramount Bed Group has been striving not only to develop high-quality products and services, but also to provide information and conduct educational activities to ensure the safe use of its products, in line with the corporate principles of "We Create Comfortable Healthcare Environments through Cutting-edge Technology with a Human Touch." This award appreciated the three points listed on the right.

- Initiatives for safer and intrinsic safety design
- Initiatives to develop safe products through the practical application of new technologies
- Analysis of user behavior to understand market needs and reflect them in products

Medical safety seminar held in Indonesia

Paramount Bed Indonesia has been holding medical safety seminars for local nurses continuously. These seminars cover topics such as environmental maintenance around beds and "Hazard prediction training" to prevent accidents involving falls. By communicating Japanese-style nursing methods, the seminars also help the company build relationships with clients and promote our brand. In 2021, when the COVID-19 pandemic struck, the seminar was held online, connecting Paramount Bed's head office in Japan and the studio of the Jakarta branch of the Indonesian National Nurses Association via a web system. Thanks to prior notification of the seminar by the Indonesian National Nurses Association, approximately 2300 nurses attended the seminar.


Online seminars


Case study

Social Initiatives (Employees)

Fundamental Approach

The Paramount Bed Group has established a basic stance on respect for human rights and respects the personality of each and every employee. We also strive to raise awareness of items such as protection of human rights and prevention of power harassment by including our basic stance and Q&A in the "Corporate Ethics Guidebook" distributed to our employees.

Priority items

Employee health and labor safety initiatives

Examples of initiatives

- Practice of "healthy company statement"
- Support sleep improvement
- Health and safety initiatives

Promotion of diversity

Examples of initiatives

- Promote women's equality in the workplace
- Promote employment of persons with disabilities
- Develop global human resources

Promotion of work style reforms

Examples of initiatives

- Respond to diverse work styles
- Support balancing work and childcare/nursing care

Basic stance on respect for human rights (including recruitment and employment)

The Paramount Bed Group respects the personality of each and every employee and strives to create a corporate culture that recognizes diverse values. We also strive to promote fair and impartial recruitment activities, and do not engage in any discriminatory or unreasonable employment screening that restrains applicants from freely engaging in job-hunting activities or that affects applicants' human rights, nor do we discriminate in employments based on gender, age, background, place of origin, creed, or physical condition.

"Paramount Bed Group healthy company statement"

The Paramount Bed Group believes that the "Health" of each and every employee is an important management issue for sustainable growth under the corporate principles "We Create Comfortable Healthcare Environments through Cutting-edge Technology with a Human Touch" and the corporate slogan "as human, for human." We hereby declare that we will actively promote the health of our employees.

Main Initiatives for Health Promotion

- Promotion of regular health checkups and reexaminations
- Promotion of family health checkups
- Establishment of a support system for employees undergoing treatment for illness
- Mental health care
- Measures to prevent overwork
- Infectious disease control

Concept of diversity promotion

The Paramount Bed Group is developing various businesses in and outside of Japan with the aim of "Making people around the world healthy and smiling with our services and products."

The key to corporate growth is the growth of our employees. The employees of our Group come from a variety of backgrounds, including nationality, generation, and gender, and this diversity is one of the Paramount Bed Group's strengths.

We will continue our efforts to create a workplace where each and every one of our diverse "Human resources" can play an active role, and we further strengthen and promote our efforts so that their abilities and sensitivities can be utilized in product development, service provision, and other areas.

Promotion Concept

Aim to be a vibrant company with diverse human resources playing an active role

Two directions

Promotion of diversity | Work style reforms

Three Pillars

Promote diverse human resources

By bringing together diverse ideas, we can create more innovations and offer products and services that have never been seen before. As a first step toward this goal, we aim to be a company that makes the most use of women's perspectives.

— Pursuit of diversity promotion using our website
— Increase in the ratio of women hired from new graduates

Support work-life balance (childcare/nursing care) and review work styles

We promote work style reforms to enable work-life management in line with each individual's lifestyle. Paramount Bed has established an area sales position that allows employees to work in specific regions only as a new work style option.

— Establishment of the area sales position
— Initiatives for work style reforms

Foster a workplace culture

We provide opportunities to learn how diversity promotion is important for future business creation and encourage people to take action on their own. We aim to foster a workplace culture where each individual can bring out the best performance from each other.

— Promotion of training and distance learning to encourage understanding
— Understanding and improvement of current conditions using employee awareness surveys

Certification of Excellent Health Companies

Paramount Bed Holdings Co., Ltd., Paramount Bed Co., Ltd., and Paratechno Co., Ltd. have received "Gold Certification" and Paramount Care Service Co., Ltd. has received "Silver Certification" in the Certification of Excellent Health Companies conducted by the health insurance association. We will continue our efforts to further maintain and promote the health of our group employees.

Corporate Governance

Fundamental Approach

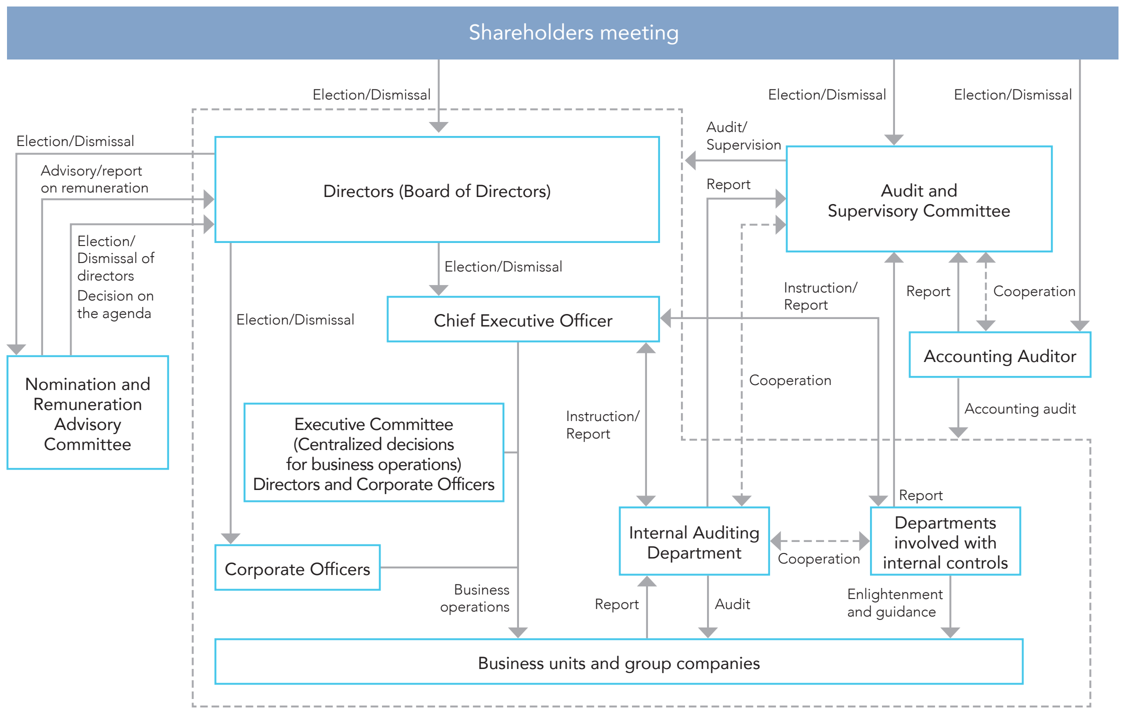
Maintaining a sound framework for corporate governance is required to increase corporate value and fulfill corporate citizenship obligations by managing operations properly and ensuring that all activities are transparent and in compliance with laws and regulations. Paramount Bed Group will continue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

Fundamental Approach to Corporate Governance

1. Respect for the rights of shareholders and equality for all shareholders
2. Sustainable collaboration with shareholders and all other stakeholders to reflect 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 using independent external directors to receive objective advice 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 Structure

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 Director and nine directors	In principle, the Board of Directors is held once a month to discuss and make decisions promptly on matters required by law and of managerial importance.
Audit and Supervisory Committee	Chairman: Internal Director Consists of one internal director and three external directors	In principle, the Audit and Supervisory Committee is 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 the Executive Committee, hearing business reports from directors, and examining important documents.
Executive Committee	Consists of Directors and Corporate Officers of Paramount Bed Holdings and consolidated subsidiaries	In principle, the Committee is held once a month to have active discussions of a wide range of managerial issues to optimize management activities.
Nomination and Remuneration Advisory Committee	Chairman: Internal Director Consists of one internal director and three external directors	Newly established on March 31, 2022. 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 Board of Corporate Auditors.
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 corporate. In addition, it distributes the "Corporate Ethics Guidebook," including the "Compliance Manual," which contains the corporate'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.

Efforts to Improve the Effectiveness of the Board of Directors

Effectiveness Assessment of the Board of Directors

We analyze and evaluate the effectiveness of our Board of Directors with the aim of enhancing its effectiveness and improving corporate value.

Specifically, we recently conducted a questionnaire survey of all directors, including outside directors, regarding the composition of the Board of Directors, its functions and deliberations, the operation of the Board of Directors, and the structure that supports the Board of Directors.

As a result, we confirmed that the Board of Directors is functioning properly as a whole and that its effectiveness is ensured. We also found a positive evaluation that the Board of Directors, led by the President, continues to actively share information and frankly exchange opinions, which is beneficial for ensuring its effectiveness as a whole.

On the other hand, opinions and suggestions were received regarding initiatives for business risk management, including overseas, further strengthening the supervisory function of the Board of Directors, and enhancing opportunities for knowledge and study that can withstand changes in the social and business environment.

By utilizing the results of this evaluation to improve our Board of Directors, we will further enhance its effectiveness.

Risk management

Fundamental Approach/Risk Management System

Aiming to strengthen the company-wide risk management system, the Company has established the 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	Risks having negative impacts on the Group's business, performance, and financial status and mitigation measures
Revisions to systems and other items affecting the business climate	[Risk details] 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-tern 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. [Mitigation measures] 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	[Risk details] 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. [Mitigation measures] 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.
Procurement of certain materials and other items	[Risk details] 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. [Mitigation measures] Expansion of potential suppliers, supplies, and alternative measures. Adoption of general-purpose parts.
Defective products and components	[Risk details] Risk that the Company's reputation may be damaged due to a defective product or other item that requires a large-scale recall with substantial expenses. [Mitigation measures] Development of a perfect 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 details] 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. [Mitigation measures] 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.
COVID-19	[Risk details] Risk of requests from our clients, medical institutions and elderly care facilities, to postpone product deliveries or restrict sales visits as measures to prevent the spread of infection. [Mitigation measures] Non-visit sales activities and enhancement of products utilizing the Internet and non-contact monitoring as a response to infectious diseases.

Ensuring 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.

- 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.

Promotion Structure/Main Initiatives

Paramount Bed Holdings has established a Corporate Ethics Office and is implementing various measures to promote compliance throughout the Group in cooperation with the Legal Department and other divisions.

For example, we have made a "Corporate Ethics Guidebook," which includes "Compliance Manual" that describes our basic stance on corporate ethics as a company, our stance of respecting the position of various stakeholders (customers, business partners, employees, shareholders/ investors, government/ government agencies, local communities, etc.) surrounding the company, and rules and QA for each specific compliance-related theme, and use it in employee training.

In addition, we regularly distribute "Messages from the Corporate Ethics Office," which are intended to remind and enlighten employees about corporate ethics.

To monitor compliance, we conduct "Employee Awareness Surveys" on a timely basis, and have established internal and external consultation and reporting contacts to enable multifaceted monitoring.

Priority items
Corporate ethics initiatives
Ensuring fair trade
Promotion of highly transparent governance

Operating results

■ Financial overview

During the fiscal year ended March 31, 2022, the Japanese economy showed signs of recovery after the eased impact of the COVID-19 infection and other factors, but economic activities were again restricted due to the confirmation of the spread of a new mutation in the second half of the year. In addition, the severe environment continued due to soaring raw material and logistical costs, shortages in the supply of semiconductors and other components, and increasingly tense international conditions.

In the medical and nursing care fields, in which our Group is involved, the prolonged burden on those who are working on the forefront to prevent and contain the spread of this virus infection is becoming an issue. Our Group hopes to contribute to the maintenance of the medical and nursing care systems not only by providing products, but also by continuing to provide various services in medical facilities.

Under such an environment, the net sales for the fiscal year ended March 31, 2022 totaled 90,352 million yen. Operating income increased by 757 million yen (6.5% increase) to 12,340 million yen compared to the previous period, ordinary income increased by 81 million yen (0.6% increase) to 13,543 million yen, and net income attributable to owners of the parent increased by 481 million yen (5.6% increase) to 9,092 million yen.

Financial condition

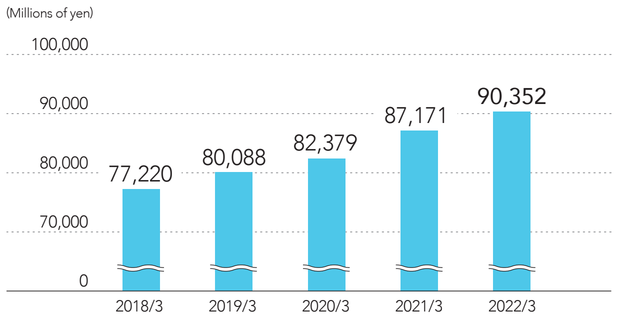
Total assets as of March 31, 2022 increased by 9,923 million yen from March 31, 2021 to 164,281 million yen.

Total liabilities as of March 31, 2022 increased by 2,071 million yen from March 31, 2021 to 42,606 million yen.

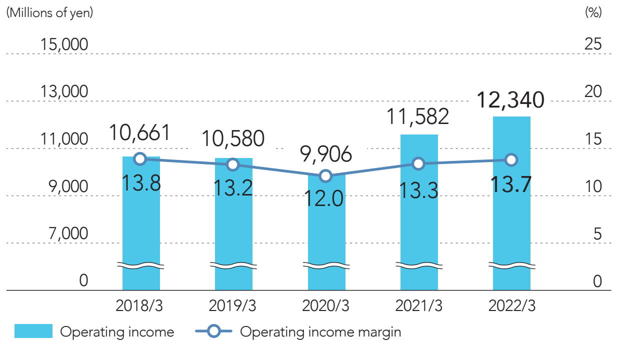
Net assets as of March 31, 2022 increased 7,852 million yen from March 31, 2021 to 121,675 million yen.

As a result, equity-to-asset ratio was 74.06% and net assets per share was 2,092.47 yen.

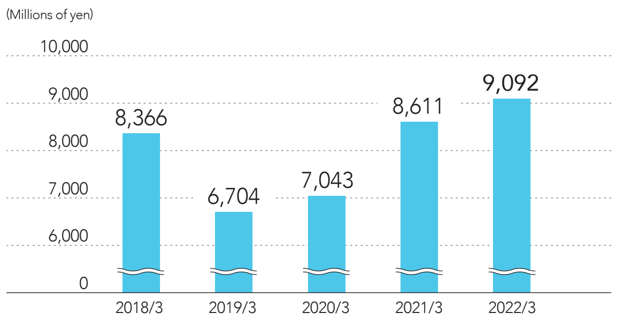
Net Sales



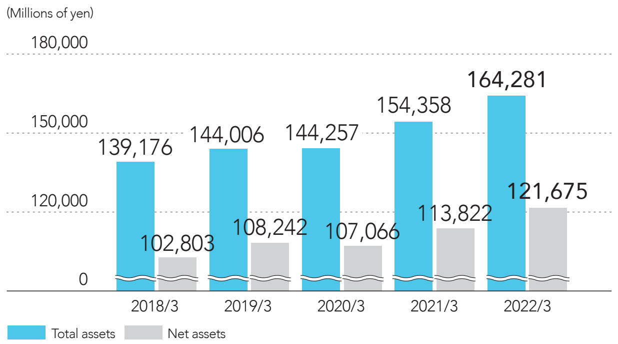
Operating income, Operating income margin



Net income attributable to owners of the parent



Total assets, Net assets



Cash flow status

Cash and cash equivalents (hereinafter referred to as "cash") as of March 31, 2022 totaled 45,462 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 7,822 million yen. This was mainly due to increases in the profit before income taxes of 13,437 million yen and depreciation and amortization of 7,898 million yen, and decreases both in income taxes paid of 4,187 million yen and in the increase in rental assets of 8,442 million yen.

■ Cash flows from investing activities

The cash decreased as the result of investing activities amounted to 220 million yen. This was mainly due to a decrease of 7,752 million yen in purchases of securities and investment securities and 1,047 million yen in purchases of property, plant and equipment, and an increase of 7,940 million yen in sales of securities and investment securities.

■ Cash flows from financing activities

The cash decreased as the result of financing activities amounted to 3,365 million yen. This was mainly due to dividend payments of 3,054 million yen.

Capital investment status

Major capital investments made by our Group in the fiscal year ended March 31, 2022 include 416 million yen for the installation of facilities for factory expansion at Paramount Bed Co., Ltd. and 236 million yen for renovation work at the head office.

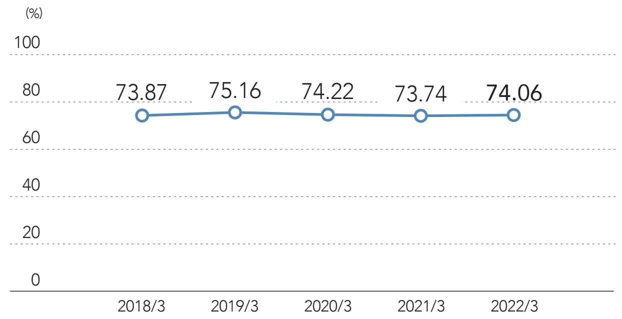
As a result, capital investment expenses for the fiscal year ended March 31, 2022 totaled 1,822 million yen. There were no material disposals or sales of facilities during the fiscal year ended March 31, 2022.

Research and Development Status

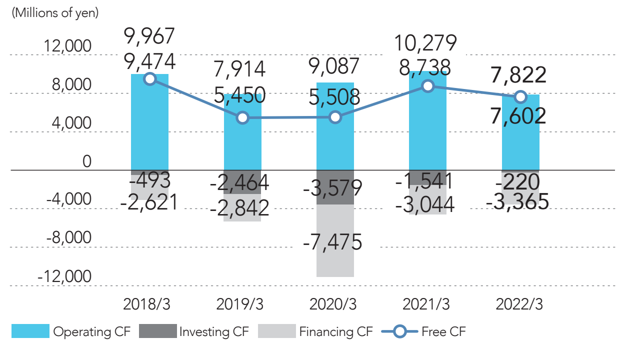
Based on the corporate principles of "We Create Comfortable Healthcare Environments through Cutting-edge Technology with a Human Touch," the Group's research and development activities are handled by the Sleep Research Institute and a total of five departments under the Technology Development Division of the core subsidiary, Paramount Bed Co., Ltd.: R&D Department, Elemental Technology Department, Development Department, Design Department, IBS Solution Development Department.

Research and development expenses for the fiscal year ended March 31, 2022 are 1,697 million yen.

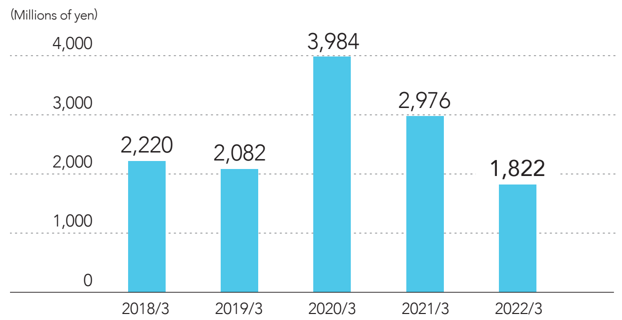
Equity-to-asset ratio



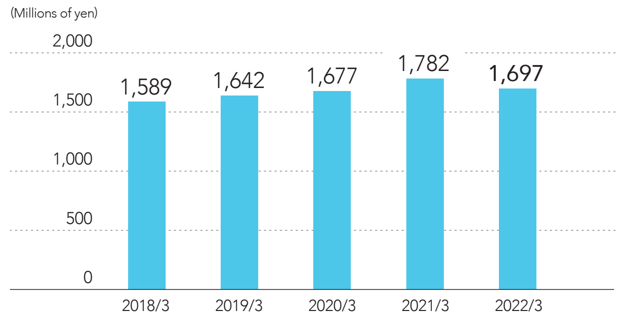
Operating CF, Investing CF, Financing CF, Free CF



Capital investment expenses



Research and development expenses



Financial and Non-financial Data

	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3
Net sales (Millions of yen)	66,716	72,794	75,270	74,089	73,198	77,220	80,088	82,379	87,171	90,352
Operating income (Millions of yen)	11,239	11,541	10,038	9,660	11,015	10,661	10,580	9,906	11,582	12,340
Operating income margin (%)	16.8	15.9	13.3	13.0	15.0	13.8	13.2	12.0	13.3	13.7
Ordinary income (Millions of yen)	11,981	12,357	11,553	9,830	11,788	12,161	10,923	10,145	13,461	13,543
Net income attributable to owners of the parent/Net income (Millions of yen)	7,093	7,384	7,264	6,387	9,034	8,366	6,704	7,043	8,611	9,092
Comprehensive income (Millions of yen)	8,344	7,884	8,251	5,039	8,533	8,257	7,064	6,212	9,664	10,809
Net assets (Millions of yen)	76,625	82,571	85,391	85,223	88,391	102,803	108,242	107,066	113,822	121,675
Total assets (Millions of yen)	103,901	122,302	125,508	126,279	128,962	139,176	144,006	144,257	154,358	164,281
Net assets per share (yen)	1,246.90	1,345.41	1,453.42	1,461.50	1,600.45	1,726.95	1,800.25	1,841.97	1,958.23	2,092.47
Net income per share (yen)	115.77	120.51	122.02	110.88	160.07	148.62	111.84	118.21	148.15	156.39
Dividends on equity ratio (DOE) (%)	1.9	1.9	2.1	2.4	2.9	2.7	2.8	2.7	2.7	2.7
Dividend payout ratio (%)	19.4	20.8	24.6	31.6	28.1	30.3	44.7	42.3	34.8	35.2
Equity-to-asset ratio (%)	73.45	67.50	68.04	67.49	68.54	73.87	75.16	74.22	73.74	74.06
Return on equity (%)	9.70	9.30	8.65	7.49	10.41	8.75	6.35	6.54	7.80	7.72
Cash flows from operating activities (Millions of yen)	9,465	6,373	8,151	9,657	12,019	9,967	7,914	9,087	10,279	7,822
Cash flows from investing activities (Millions of yen)	-10,327	-7,055	-3,615	-2,037	-936	-493	-2,464	-3,579	-1,541	-220
Cash flows from financing activities (Millions of yen)	-1,415	8,809	-5,375	-5,493	-5,641	-2,621	-2,842	-7,475	-3,044	-3,365
Cash and cash equivalents (Millions of yen)	13,060	21,313	20,453	22,615	27,644	34,435	37,069	35,009	40,756	45,462
Price earnings ratio (PER) (times)	15.5	13.4	12.8	18.3	13.6	19.3	22.0	18.5	16.4	12.8
Price to book-value ratio (PBR) (times)	1.44	1.20	1.09	1.37	1.39	1.57	1.36	1.21	1.24	0.95
Research and development expenses (Millions of yen)	1,119	1,256	1,246	1,385	1,600	1,589	1,642	1,677	1,782	1,697
Number of employees (persons)	2,288	2,404	2,496	2,638	2,685	2,925	3,224	3,494	3,614	3,682

(Note) 1. The Company carried out a 1:2 stock split of common shares effective April 1, 2021. Net assets per share and net income per share were calculated on the assumption that the share split had been conducted at the beginning of the fiscal year ended March 31, 2013.
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 are the those after applying the such accounting standard.

Board of Directors, Audit and Supervisory Committee Members, Corporate Officers

(As of June 29, 2022)

Directors	Kyosuke Kimura	Tomohiko Kimura	Izumi Sato
Position	Chairperson	President and Chief Executive Officer	Senior Managing Director
Date of birth	September 20, 1950	July 17, 1977	March 24, 1958
Background	April 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. (present) (Significant concurrent positions) Chairperson of Paramount Bed Co., Ltd. Outside Member of the Board of Yuasa Trading Co., Ltd.	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) (Significant concurrent position) President and Chief Executive Officer of Paramount Bed Co., Ltd.	Apr. 1980: Joined Paramount Bed Co., Ltd. Apr. 2009: Corporate Officer, Director of Sales Division of Paramount Bed Co., Ltd. Jun. 2010: Member of the Board, Director of Sales Division of Paramount Bed Co., Ltd. Oct. 2011: Member of the Board of the Company Jun. 2013: Senior Managing Director of the Company Jun. 2013: Senior Managing Director, Director of Corporate Planning Department, Paramount Bed Co., Ltd. Apr. 2015: Senior Managing Director, General Manager of Corporate Planning Department of the Company Apr. 2015: Senior Managing Director of Paramount Bed Co., Ltd. Oct. 2015: Senior Managing Director of the Company (present) Apr. 2020: Senior Managing Director and Chief Strategy officer of Paramount Bed Co., Ltd. Apr. 2022: Senior Managing Director of Paramount Bed Co., Ltd. (present) (Significant concurrent position) Senior Managing Director of Paramount Bed Co., Ltd.

Directors	Toshiyuki Hatta	Yosuke Kimura	Kenji Ouchi
Position	Director	Director	Director (Full-time Audit and Supervisory Committee Member)
Date of birth	December 21, 1961	October 10, 1980	January 12, 1959
Background	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. 2020: Member of the Board, General Manager of General Affairs Department of the Company Jun. 2022: Director of the Company (present) (Significant concurrent position) Member of the Board, Executive Director of Administration Division of Paramount Bed Co., Ltd.	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. (present) 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. 2022: Director of the Company (present) (Significant concurrent position) Member of the Board, Executive Director of Finance and System Administration Division of Paramount Bed Co., Ltd.	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 position) Corporate Auditor of Paramount Bed Co., Ltd.

Directors	Yukari Oka	Masaki Sato	Yoshikazu Goto
Position	External Director (Audit and Supervisory Committee Member)	External Director (Audit and Supervisory Committee Member)	External Director (Audit and Supervisory Committee Member)
Date of birth	April 26, 1963	September 17, 1947	October 30, 1955
Background	Mar. 1995: Completed The Legal Training and Research Institute of Japan Apr. 1995: Registered as an 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)	Jun. 1973: Joined Nishikata Audit Corporation (currently Deloitte Touche Tohmatsu LLC) Mar. 1976: Registered as a Certified Public Accountant Nov. 1986: Partner, Nishikata Audit Corporation Jul. 1993: Senior Partner, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) Dec. 2012: Left Deloitte Touche Tohmatsu LLC Jun. 2015: External Corporate Auditor of the Company Jun. 2016: External Director of the Company (Audit and Supervisory Committee Member) (present)	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). (Significant concurrent position) External Director of Sodick Co., Ltd.

Directors	Kyosuke Kimura	Tomohiko Kimura	Izumi Sato	Toshiyuki Hatta	Yosuke Kimura	Kenji Ouchi	Yukari Oka	Masaki Sato	Yoshikazu Goto
Date of appointment as director	October 1982	June 2018	October 2011	June 2019	June 2020	June 2022	June 2015	June 2016	June 2018
Number of shares held (shares)	1,819,236	1,755,827	16,443	6,558	743,150	—	—	—	—
Attendance at Board of Directors meetings*	9/9 times	9/9 times	9/9 times	9/9 times	9/9 times	—	9/9 times	9/9 times	9/9 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	●	●							

*April 2021 - March 2022

Corporate Officer	Tatsunori Aiko	General Manager, Public & Investor Relations Dept.
Corporate Officer	Masaki Kobayashi	

Corporate Information/Stock Information

Corporate Outline

Corporate name	Paramount Bed Holdings Co., Ltd.
English 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, First Section (currently Prime Market) (Securities Code: 7817)

Business lines	Control or management through ownership of shares or interests in business companies engaged in the manufacture and sale of medical and nursing care beds, mattresses, hospital room furniture, medical equipment, and services such as inspection, repair, disinfection, and maintenance leasing of beds and mattresses, as well as the rental wholesale of assistive products

Number of employees	Consolidated: 3,682 (as of March 31, 2022)

Stock Information (as of March 31, 2022)

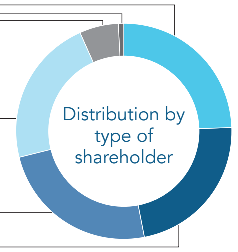
- Total number of authorized shares 252,000,000
- Total number of shares issued 61,754,974
- Number of shareholders 11,419
- Major shareholders

Name of shareholders	Investment in the Company: Number of shares held (thousand shares)	Investment in the Company: Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,063	15.6
CTOK Co., LTD.	5,642	9.7
LLAGE WOOD Co.	4,146	7.1
Michihide Kimura	1,822	3.1
Kyosuke Kimura	1,819	3.1
Kenji Kimura	1,797	3.1
Tomohiko Kimura	1,755	3.0
THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED 131800	1,648	2.8
WISE LIGHT Co., LTD.	1,375	2.4
SION Co., LTD.	1,375	2.4

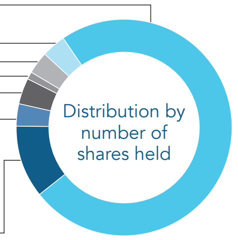
* Although the Company holds 3,606,342 shares of treasure stock, the shareholding ratio is calculated after deducting the shares of treasury stock.

- Distribution of shares

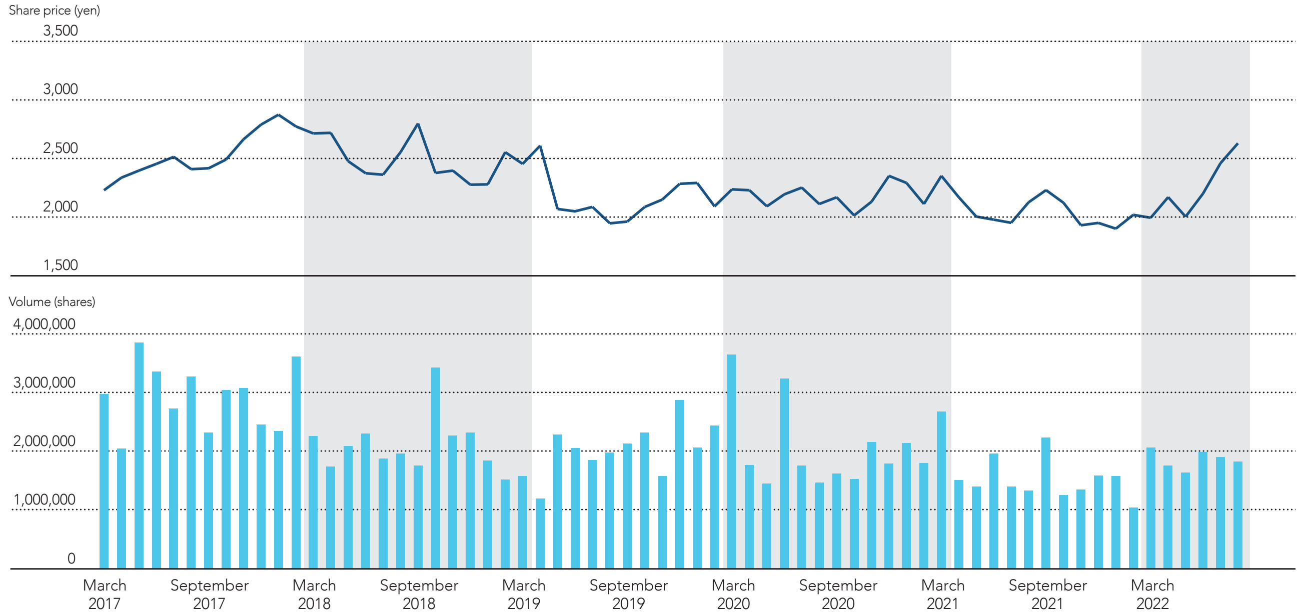
Individuals and Others	24.5%
Securities companies	0.8%
Treasury stock	5.8%
Financial institutions	22.2%
Foreign companies, etc.	24.2%
Other domestic companies	22.5%



500,000 or more	74.0%
Less than 1,000	3.4%
1,000 to 4,999	3.4%
5,000 to 9,999	1.1%
10,000 to 49,999	3.8%
50,000 to 99,999	3.4%
100,000 to 499,999	10.9%



- 5-year share price/volume trends



*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.

Introduction of Publishing Media

Home Page
https://www.paramountbed-hd.co.jp/english

Annual Securities Report
https://www.paramountbed-hd.co.jp/ir/reference/securities (Japanese only)

Corporate Governance Report
https://www.paramountbed-hd.co.jp/ir/reference/other (Japanese only)

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