

as human,
for human



as human, for human
**PARAMOUNT BED
HOLDINGS**

41st

Business Report

From April 1, 2022 to March 31, 2023



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

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

We extend our heartfelt thanks to our shareholders for their ongoing support. The Company hereby provides reports in relation to the overview of business and the financial results for the 41st term (from April 1, 2022 to March 31, 2023).

Business Results for the Fiscal Year under Review

With regard to consolidated business results for the fiscal year under review, the business environment remained challenging due to rising raw material prices and distribution costs and shortage of parts supplies including semiconductors. However, as a result of our efforts to implement various measures to respond flexibly to increased demand associated with the promotion of work style reforms for medical and nursing care staff, etc., the medical care, the nursing care, and the health promotion businesses each exceeded the previous fiscal year, and net sales came to ¥99,009 million, reaching a new record high for the third consecutive fiscal year. In terms of profits, operating profit came to ¥13,452 million (up 9.0% year on year) and ordinary profit came to ¥14,139 million (up 4.4% year on year), while net profit came to ¥9,215 million (up 1.3% year on year), also reaching new record highs in terms of profits, respectively.

The Company paid a year-end dividend of ¥31 per share, which is an increase of ¥2 over initial forecasts, for the fiscal year under review. As a result, in combination with the interim dividend of ¥28 per share, the annual dividend came to ¥59 per share. From the perspective of stable and sustained returns to shareholders, the Company intends to pay interim and year-end dividends of ¥31 and ¥31 per share, respectively, resulting in an annual dividend of ¥62 per share for the next fiscal year. As a result, dividends are expected to increase for the fourth consecutive fiscal year.



President and Chief Executive Officer
Tomohiko Kimura

Future Business Development

In April 2020, we formulated “Paramount Vision 2030,” which describes the type of company we aim to be in 2030, and a medium-term business plan that divides the 10 years until the achievement of that vision in 2030 into three phases. The fiscal year ending March 31, 2024 is the final year of the first phase. This phase is positioned as an investment phase with a view to growth over the next 10 years that upholds a basic policy of the “expansion of current business,” “fully engaging in health promotion business” and “establishing the foundations for change.” In October 2022, we launched a CVC (Corporate Venture Capital) fund as an initiative to create new synergies in the medical care, the nursing care, and the health promotion businesses by collaborating with companies with technologies and know-how that we do not possess. In addition, we are working on updating and renewing our Enterprise Resource Planning system to streamline business processes and further accelerate management decisions, and plan to launch the new system in the second half of the fiscal year ending March 31, 2024. We will focus on building foundations and expanding business in various fields to make even greater progress in the second phase and beyond. Going forward, we humbly ask our shareholders for their understanding and support.

▶ Paramount Bed and The University of Tokyo established a social implementation course to develop telemedicine systems, etc.

▶ Paramount Care Service established Kita-Osaka Maintenance Center

▶ Paramount Care Service became the first in Japan to receive "Safety Maintenance Authorization"

▶ Paramount Bed developed an educational program for junior high school students to learn about sleep

▶ Awarded the "Good Design 2022" in Indonesia

▶ Paramount Bed presented on the effectiveness of nursing care bed use at the LIFE2022 conference

Paramount Care Service received a certificate of appreciation from Suita City, Osaka Prefecture

Paramount Care Service received a certificate of appreciation from Keiji Goto, Mayor of Suita City, Osaka Prefecture for its contribution to support measures for Ukrainian evacuees in Suita City.

Received certification as a 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category)

Paramount Bed Holdings and Paramount Bed received the "2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category)" certification, which is awarded to enterprises recognized as particularly excellent in their efforts to manage and promote the health and productivity of their employees.



2022

Apr.

May

Jun.

Jul.

Aug.

Sep.

Oct.

Nov.

Dec.

2023

Jan.

Feb.

Mar.

Started a CVC fund

A Corporate Venture Capital (CVC) fund was established together with SBI Investment Co., Ltd. to invest in promising domestic and overseas startup companies with strengths in the medical care, the nursing care, and the health promotion fields. An investment of ¥5.0 billion is planned.



▶ Exhibited at HCR2022

▶ Exhibited at Femtech Fes! 2022

Paramount Care Service established Atsugi Maintenance Center

Atsugi Maintenance Center is a large site with a total floor area of 9,712 m². The latest automated equipment, including bed washing machines, mattress washing machines, and automatic packaging machines, have been installed to promote improved productivity and labor savings in maintenance and contribute to building a system that can respond quickly to growing demand in the Kanto region.



Exterior of the Atsugi Maintenance Center

▶ Paramount Care Service established Kita-Kyusyu Branch

[New Product] Full update of the “INTIME 1000,” an electric bed for general household use ~Redesigned for improved usability~

In April 2023, we fully updated the “INTIME 1000,” an electric bed for general household use which is superiorly designed and can “transform” into a nursing care bed when necessary. We gave the hand switch a more compact and stylish design and added features such as an LED light that can also be used as a reading light and a USB port on the holder for charging smartphones and other devices. We added functions and structures that have been often requested for conventional electric beds to improve convenience, such as a structure that allows for robot vacuum cleaners to pass underneath the body of the bed and an optional accessory compartment that follows when the back of the bed is raised. Suggested retail price starts at ¥158,000 (tax-exempt; mattress, etc. not included).



Conceptual illustration of “INTIME 1000” in use

Main Features



Convenient functions such as an LED light and USB port on the hand switch



Neat foot structure that allows robot vacuum cleaners to pass underneath



Optional accessory compartment with easy access when the back of the bed is raised

Financial Review

Consolidated Financial Statements

Consolidated Balance Sheet (Summary)

(Millions of Yen)

Item	Previous Fiscal Year	Current Fiscal Year
	(As of March 31, 2022)	(As of March 31, 2023)
	Amount	Amount
Total current assets	94,035	97,135
Total non-current assets	70,246	75,158
Total assets	164,281	172,293
Total liabilities	42,606	43,596
Total net assets	121,675	128,697
Total liabilities and net assets	164,281	172,293

Consolidated Statement of Cash Flows (Summary)

(Millions of Yen)

Item	Previous Fiscal Year	Current Fiscal Year
	(From April 1, 2021 to March 31, 2022)	(From April 1, 2022 to March 31, 2023)
	Amount	Amount
Cash and cash equivalents at beginning of year	40,756	45,462
Cash flows from operating activities	7,822	9,151
Cash flows from investing activities	(220)	(6,332)
Cash flows from financing activities	(3,365)	(3,232)
Effect of exchange rate change on cash and cash equivalents	469	419
Increase (decrease) in cash and cash equivalents	4,705	7
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	194
Cash and cash equivalents at end of year	45,462	45,663

Consolidated Statement of Income (Summary)

(Millions of Yen)

Item	Previous Fiscal Year	Current Fiscal Year
	(From April 1, 2021 to March 31, 2022)	(From April 1, 2022 to March 31, 2023)
	Amount	Amount
Net sales	90,352	99,009
Operating profit	12,340	13,452
Ordinary profit	13,543	14,139
Net profit	9,092	9,215

Website Information

PARAMOUNT BED HOLDINGS IR ENGLISH

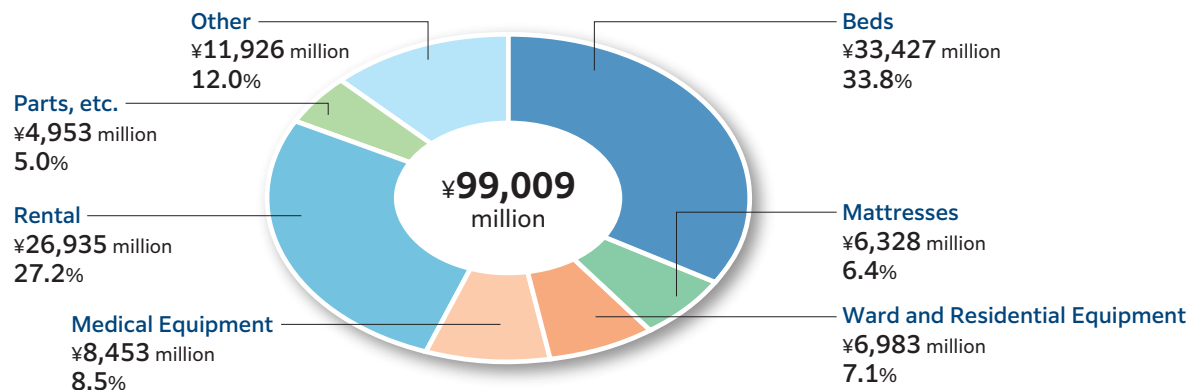
Search



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

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

Consolidated net sales by product



Main Companies of the Paramount Bed Holdings Group

Network

① PARAMOUNT BED HOLDINGS CO., LTD.

Consolidated subsidiaries in Japan

- ② Paramount Bed Co., Ltd.
- ③ Paratechno Co., Ltd.
- ④ Paramount Care Service Co., Ltd.
- ⑤ Sadashige Special Plywood Co., Ltd.

Non-consolidated subsidiaries in Japan

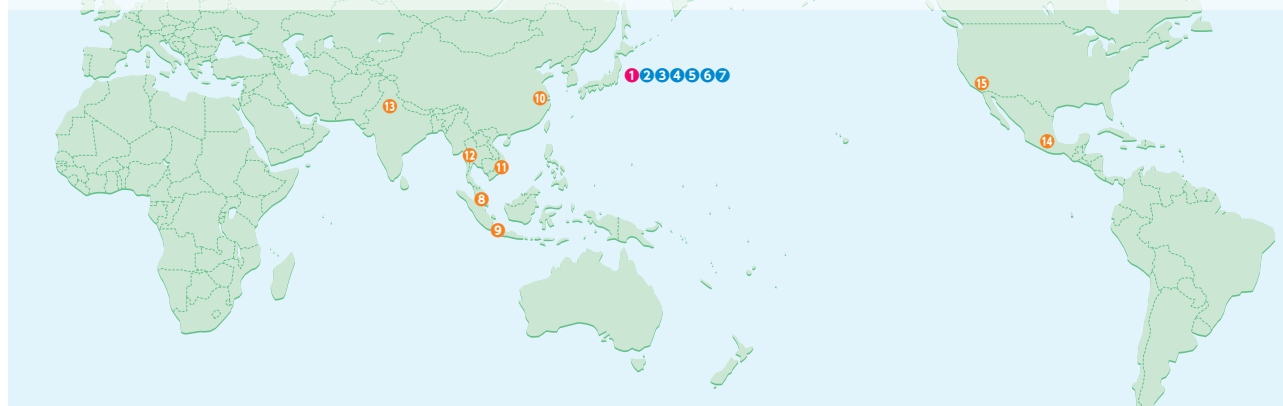
- ⑥ KP Service Co., Ltd.
- ⑦ PARAMOUNT BED Healthcare Fund

Consolidated subsidiaries overseas

- ⑧ Paramount Bed Asia Pacific Pte. Ltd.
- ⑨ PT. Paramount Bed Indonesia
- ⑩ Paramount Bed (China) Co., Ltd.
- ⑪ Paramount Bed Vietnam Co., Ltd.

Non-consolidated subsidiaries overseas

- ⑫ Paramount Bed (Thailand) Co., Ltd.
- ⑬ Paramount Bed India Pvt. Ltd.
- ⑭ Paramount Bed Mexico S.A. de C.V.
- ⑮ Paramount Bed USA Corporation



Key Points for the Fiscal Year under Review

- Net sales increased 9.6% year on year due to solid performance in the medical care, the nursing care, and the health promotion businesses, reaching a new record high for the third consecutive fiscal year.
- Operating profit increased 9.0% year on year as a result of increased demand and the effects of price revisions, etc. despite the continued challenging business environment caused by rising raw material prices and distribution costs.



Share Information

(As of March 31, 2023)

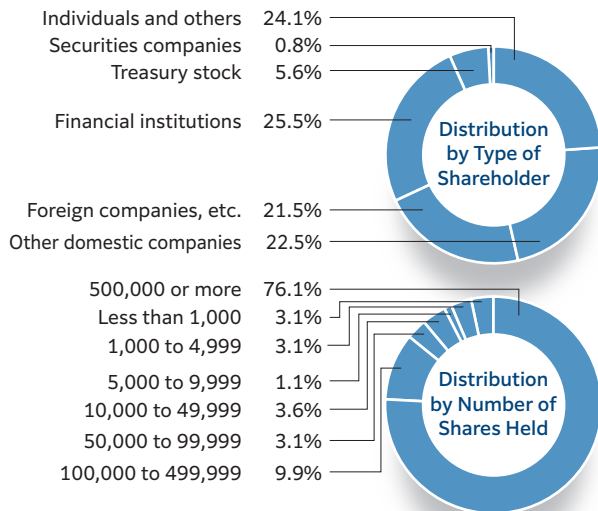
Stock Info

- Number of Shares Authorized 252,000,000
- Total Number of Shares Issued 61,754,974
- Number of Shareholders 10,577
- Principal Shareholders

Name of shareholders	Shareholders' investment in the Company	
	Number of shares held	Shareholding ratio
	(Thousands of shares)	(%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,989	17.1
CTOK Co., LTD.	5,642	9.7
LLAGE WOOD Co.	4,146	7.1
Custody Bank of Japan, Ltd. (Trust Account)	2,030	3.5
Michihide Kimura	1,822	3.1
Kyosuke Kimura	1,812	3.1
Kenji Kimura	1,781	3.1
Tomohiko Kimura	1,762	3.0
THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED 131800	1,644	2.8
SION Co., LTD.	1,375	2.4
WISELIGHT Co., Ltd.	1,375	2.4

* Although the Company holds 3,464,828 shares of treasury stock, the shareholding ratio is calculated after deducting the shares of treasury stock.

● Distribution of Shares



Company Information

(As of March 31, 2023)

Company Info

Company Name PARAMOUNT BED HOLDINGS CO., LTD.
Head Office 14-5, Higashisuna 2-chome, Koto-ku, Tokyo, Postal code 136-8671, Japan
Established October 1982
Capital ¥4,207 million
Number of Employees 3,946 (Consolidated)
Business Lines

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

Shareholder Memo

Business year

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

Ordinary general meeting of shareholders

June of each year

Record date of the above

March 31 of each year

When necessary, other record dates will be determined on an extraordinary basis of the prior notification.

Final date for shareholders to receive dividend

Year-end dividend March 31 of each year

Interim dividend September 30 of each year

Method of public notice

Electronic public notice will be made. However, if it is impossible to publish public notices electronically because of unavoidable circumstances, the public notices shall be made by publication in "The Nikkei" newspaper.

The Company's URL for public notice
<https://www.paramountbed-hd.co.jp>

Shareholder register administrator

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

Handling office

101-0054

3-11 Kandanishiki-cho, Chiyoda-ku, Tokyo (NMF Takebashi Building 6F)

Head Office, Tokyo Securities Transfer Agent Co., Ltd.

(Contact) ☎ 0120-49-7009

Handling operation is conducted in main branch and all domestic branches of Sumitomo Mitsui Trust Bank, Limited.

Mailing address (Contact address)

2-8-4 Izumi, Suginami-ku, Tokyo 168-8522

Operations Center, Tokyo Securities Transfer Agent Co., Ltd.

(Contact) ☎ 0120-49-7009

[Procedures Related to Shares]

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

● **Applications for payment of dividends payable**

These are handled by Tokyo Securities Transfer Agent Co., Ltd., which is the shareholder register administrator for shares of the Company.

● **Contact**

TEL: +81-3-3648-1100 (Main) FAX: +81-3-3648-5781

Business Hours: Monday to Friday, 9:00 a.m. to 5:20 p.m.

* Excludes national holidays, summer holidays, and new year holidays.