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May 11, 2023

Consolidated Financial Results for the Fiscal Year Ending March 31, 2023 <Under Japanese GAAP>

Company name: **Paramount Bed Holdings Co., Ltd.**
 Listing: Tokyo Stock Exchange
 Securities code: 7817
 URL: <https://www.paramountbed-hd.co.jp>
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Scheduled date of the ordinary general meeting of shareholders: June 29, 2023
 Scheduled date to file Securities Report: June 29, 2023
 Scheduled date to commence dividend payments: June 12, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended								
March 31, 2023	99,009	9.6	13,452	9.0	14,193	4.4	9,215	1.3
March 31, 2022	90,352	-	12,340	6.5	13,543	0.6	9,092	5.6

Note: Comprehensive income Year ended March 31, 2023: ¥9,432 million: [(12.7%)]
 Year ended March 31, 2022: ¥10,809 million: [11.8%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Year ended	Yen	Yen	%	%	%
March 31, 2023	158.37	-	7.4	8.4	13.6
March 31, 2022	156.39	-	7.7	8.5	13.7

Note: Equity in earnings (losses) of affiliated companies Year ended March 31, 2023: ¥ - million
 Year ended March 31, 2022: ¥ - million

Note: The year-on-year change is not shown because the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) has been applied from the fiscal year ending March 31, 2022.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	172,293	128,697	74.7	2,207.86
March 31, 2022	164,281	121,675	74.1	2,092.47

Reference: Equity

As of March 31, 2023: ¥128,696 million

As of March 31, 2022: ¥121,674 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
Year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	9,151	△6,332	△3,232	45,663
March 31, 2022	7,822	△220	△3,365	45,462

2. Dividends

	Dividends per share					Total amount of cash dividends (Annual)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ending March 31, 2022	–	26.00	–	29.00	55.00	3,198	35.2	2.7
Fiscal year ending March 31, 2023	–	28.00	–	31.00	59.00	3,436	37.3	2.7
Fiscal year ending March 31, 2024 (Forecast)	–	31.00	–	31.00	62.00		36.9	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	48,700	3.9	5,600	(9.9)	5,850	(23.0)	4,000	(20.7)	68.62
Fiscal year ending March 31, 2024	105,000	6.1	14,000	4.1	14,500	2.6	9,800	6.3	168.12

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- a. Changes in accounting policies in accordance with changes in accounting standards, etc.: Yes
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatement: None

- (3) Number of shares issued (common stock)

- a. Number of shares issued at the end of the period (including treasury stock)

As of March 31, 2023	61,754,974 shares
As of March 31, 2022	61,754,974 shares

- b. Number of shares of treasury stock at the end of the period

As of March 31, 2023	3,464,828 shares
As of March 31, 2022	3,606,342 shares

- c. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Year ended March 31, 2023	58,191,123 shares
Year ended March 31, 2022	58,141,503 shares

*** Indication regarding execution of quarterly review procedures**

The completion of quarterly review procedures in accordance with the Financial Instruments and Exchange Act is not required for preparing this quarterly financial results report. At the time of disclosure of this quarterly financial results report, the review procedures for quarterly consolidated financial statements in accordance with the Financial Instruments and Exchange Act are incomplete.

*** Proper use of earnings forecasts, and other special matters**

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the company and on certain assumptions deemed to be reasonable. Consequently, the statements herein do not constitute assurances regarding the company's actual results. Actual financial and other results may differ substantially from the statements herein due to various factors.

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1. Overview of Business Results, etc.

(1) Business Results for the Period under Review

(1) Operating results for the fiscal year under review

During the consolidated fiscal year under review, the Japanese economy showed signs of gradual recovery amid movements toward the normalization of economic activities. However, the outlook remains uncertain against a backdrop of soaring raw material prices, unstable exchange rate trends, and the prolonged crisis in Ukraine.

While progress has been made in the transition to a new phase of “living with COVID,” medical and nursing care-related institutions, which are the main customers of the Paramount Bed Group, continue to be severely impacted. The Group will continue to provide various products and services with the aim of contributing to maintain the medical and nursing care systems.

Concerning the business results for the consolidated fiscal year under review, net sales demonstrated strong performance with figures exceeding those in the previous consolidated fiscal year for the medical and nursing care, and health promotion businesses. In the medical care business, sales increased for product sales, maintenance services, and recurring revenue business, due to our flexible response to an increase in demand, following the promotion of workstyle reform initiatives for staff in medical institutions. Within the nursing care business, in addition to the continued strong sales performance of our flagship beds for use in home care, our new products launched in March 2022 also contributed to sales throughout the year, and our rental wholesale of assistive products also achieved good results. Partly due to the effect of various subsidies for nursing care facilities, new demand for the adoption of nursing care robots to watch over patients, as well as demand for renewal of beds and other equipment, has also expanded. In the health promotion business, despite a sense of stagnation was observed in consumer sentiment toward consumer durables in response to rising prices, sales grew especially for new products, thanks to our efforts to improve product recognition through promotional activities and other initiatives.

One of the topics for the period under review was the opening of large-scale maintenance bases by PARAMOUNT CARE SERVICE CO., LTD., which engages in the rental wholesale of assistive products as part of our nursing care business. These large-scale bases, which carry out maintenance of rental equipment and other work, were opened in May 2022 in Takatsuki City, Osaka, and in November 2022 in Atsugi City, Kanagawa, respectively. Including the Chiba Ohira Maintenance Center (Sammu City, Chiba), the company now has three large-scale maintenance bases. In addition to promoting streamlining and labor-saving through gathering rental equipment of the neighboring bases for maintenance, disinfection, and storage work, the delivery system will also be reviewed, and a system will be developed to enable the company to respond swiftly to growing demand. Furthermore, in May 2022, all 23 PARAMOUNT CARE SERVICE maintenance bases in Japan were certified as conforming to the requirements of the “JIS Y2001” standards on the management of maintenance processes for assistive products for rental. This certification, also known as the “Safety Maintenance Authorization” system, conducts evaluation and certification by a third party of the process management for the safety of “rental assistive product maintenance service providers”, in accordance with JIS Y2001. PARAMOUNT CARE SERVICE is the first company in Japan to acquire this certification.

In terms of product development, we launched a bedside table with a lock function in November 2022. Targeted for use in nursing care, all casters for this table can be locked and unlocked with a single pedal mechanism. By reviewing the shape of the table legs, we also improved convenience for users.

As a part of our efforts to diversify our business, Paramount Bed Co., Ltd., jointly with SBI Investment Co., Ltd., established a corporate venture capital (CVC) fund, Paramount Bed-SBI Healthcare Fund Investment Limited Partnership No. 1, in October 2022. This fund targets promising startups in Japan and overseas, whose strengths lie in the fields of medical care, nursing care, and health promotion. Through the Fund, we aim to create new business opportunities to bring the Paramount Vision 2030 to fruition, by combining our own technologies, expertise, human networks, and other resources with those of external organizations to enable new synergies.

Since it was founded, the Paramount Bed Group has engaged in activities that aim to contribute to

society through its business. To promote ESG management, we have established as our “Materialities” (important issues), “Environmentally conscious business activities,” and “Creation of an environment where everyone can live healthily and happily,” among others. As a new initiative for the consolidated fiscal year under review, we developed an educational program in June 2022 for learning about the importance of sleep and provided this for free to interested teachers, with the aim of supporting the development of the generations that will lead future generations. In October of the same year, we published our first integrated report, “Paramount Bed Holdings Co., Ltd. Integrated Report 2022.”

Next, our sales for the consolidated fiscal year under review, categorized by the main products, are shown below.

Product	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Percentages indicate year-on-year changes.
Beds	28,785	33,427	16.1
Mattresses	5,601	6,328	13.0
Ward and Residential Equipment	6,546	6,983	6.7
Medical Equipment	7,540	8,453	12.1
Rental	25,124	26,935	7.2
Parts, etc.	4,340	4,953	14.1
Other	12,413	11,926	(3.9)
Total	90,352	99,009	9.6

As a result of the above, net sales in the consolidated fiscal year under review increased by ¥8,656 million (9.6%) year-on-year to ¥99,009 million, operating profit increased by ¥1,112 million (9.0%) year-on-year to ¥13,452 million, ordinary profit increased by ¥595 million (4.4%) year-on-year to ¥14,139 million, and quarterly net profit attributable to shareholders of the parent company increased by ¥122 million (1.3%) to ¥9,215 million.

As the Group’s business consists of a single segment, segment information has been omitted.

(2)Future Outlook

Concerning our future outlook, alongside the downgrading of COVID-19 to a Class 5 disease, economic activities are expected to normalize further. However, the situation remains uncertain due to factors including soaring raw material and energy prices, supply shortages for semiconductors and other parts, and the prolonged crisis in Ukraine.

The Paramount Bed Group formulated the Paramount Vision 2030 on April 1, 2020, as our vision toward 2030. We have set out our vision of “Smiles for everyone, from medical and nursing care to health fields” with the aim of contributing to everyone in the healthcare sector, based on the technologies and knowledge that we have built up over many years in the fields of medical and nursing care. In our Medium-term Management Plan, based on this vision, we will inject effort into our Phase I (FY2020 – FY2023) priority measures, which are “expansion of current businesses,” “fully engaging in health promotion business,” and “establishing the foundations of change,” as well as our Phase II (FY2024 – FY2026) direction and focus points, which are “expansion of recurring revenue businesses,” “evolution of health promotion business,” and a “rapid growth in focused areas of Asia.” Through these efforts, we aim to achieve our business targets of ¥120 billion in net sales and ¥17 billion in operating profit in FY2026.

Under one of the priority measures “establishing the foundations of change,” we are currently working on updating and renewing our Enterprise Resource Planning system to further streamline business processes and accelerate management decisions. In the coming fiscal year, which marks the final year of Phase I, we plan to put this new Enterprise Resource Planning system into operation in the second half of the fiscal year, and have substantially increased the budget for system-related expenditures in the first half of the fiscal year. Accompanying these efforts, we expect profit to fall in the cumulative second quarter under our forecast of business results for the next fiscal year. On the other hand, as the increase in

gross profit associated with an increase in sales will exceed the increase in expenses, we anticipate both sales and profit growth in our full-year financial results, with the following forecasts: sales of ¥105 billion (6.1% increase year-on-year), operating profit of ¥14 billion (4.1% increase year-on-year), ordinary profit of ¥14.5 billion (2.6% increase year-on-year), and net profit attributable to shareholders of the parent company of ¥9.8 billion (6.3% increase year-on-year).

(2) Financial Highlights for the Period under Review

(1) Assets, Liabilities, and Net Assets

Net assets at the end of the consolidated fiscal year under review increased by ¥8,011 million year-on-year to ¥172,293 million. The main aspects that contributed to this increase were an increase in notes and accounts receivable - trade, and an increase in assets for rent.

Liabilities increased by ¥989 million compared to the end of the previous consolidated fiscal year, to ¥43,596 million. The main reason behind this was an increase in notes and accounts payable - trade.

Net assets increased by ¥7,022 million year-on-year to ¥128,697 million. This was mainly due to an increase in retained earnings.

As a result of the above, equity-to-asset ratio rose by 0.6 points year-on-year to 74.7%.

(2) Cash Flows

Cash and cash equivalents (hereinafter, "funds") at the end of the consolidated fiscal year under review were ¥45,663 million. The cash flow situation and the respective factors in the consolidated fiscal year under review are as follows.

(Cash flows from operating activities)

As a result of our operating activities, the amount of funds increased by ¥9,151 million. This was mainly due to increases in profit before income taxes of ¥13,812 million and the depreciation of ¥8,482 million, along with decreases in income taxes paid of ¥4,685 million and increase in assets for rent of ¥8,005 million.

(Cash flows from investing activities)

The amount of funds decreased by ¥6,332 million as a result of investing activities. This was mainly due to decreases from the purchase of investment securities of ¥2,898 million and the purchase of intangible assets of ¥1,988 million, in spite of the increases from proceeds from sale of securities of ¥1,994 million.

(Cash flows from financing activities)

As a result of financing activities, the amount of funds decreased by ¥3,232 million. This was mainly due to a decrease from dividends paid of ¥3,321 million.

Reference: Cash flow-related indicators

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Equity-to-asset ratio (%)	73.7	74.1	74.7
Equity-to-asset ratio on a mark- to-market basis (%)	88.6	70.6	79.8
Cash flow-to-debt-ratio (%)	71.3	81.0	62.4
Interest coverage ratio (times)	141.3	87.9	97.3

Equity-to-asset ratio: $\text{Equity capital} / \text{Total assets}$

Equity-to-asset ratio on a mark-to-market basis: $\text{Market value of shares} / \text{Total assets}$

Cash flow-to-debt-ratio: $\text{Interest-bearing debt} / \text{Operating cash flow}$

Interest coverage ratio: $\text{Operating cash flow} / \text{Interest payments}$

1. All indicators are calculated based on the financial indicators on a consolidated basis.
2. Market value of shares is calculated by multiplying closing stock prices at the end of the period by the number of issued shares at the end of the period (after deducting equity shares).
3. Interest-bearing debt covers all debts on which interest is paid, out of the debts recorded in the consolidated balance sheet.
4. Operating cash flow uses “cash flow from operating activities” in the Consolidated Statement of Cash Flow. With regard to interest payments, the amount of “interest paid” recorded in the Consolidated Statement of Cash Flow is used.

2. Basic Approach to selection of Accounting Standard

The policy of the Paramount Bed Group is to prepare its consolidated financial statements based on the present Japanese standards, in consideration of the comparability of consolidated financial statements between periods and between companies.

With regard to the application of international accounting standards, our policy is to adapt appropriately in consideration of the domestic and overseas situation.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	39,672	39,820
Notes and accounts receivable - trade	23,620	24,793
Lease receivables and investments in leases	4,448	5,526
Securities	14,397	13,412
Merchandise and finished goods	7,196	8,233
Work in process	334	362
Raw materials and supplies	2,111	2,660
Income taxes refund receivable	588	336
Other	1,747	2,072
Allowance for doubtful accounts	(82)	(83)
Total current assets	94,035	97,135
Non-current assets		
Property, plant and equipment		
Buildings and structures	30,881	32,171
Accumulated depreciation	(21,634)	(22,617)
Buildings and structures, net	9,247	9,553
Machinery, equipment and vehicles	8,913	9,440
Accumulated depreciation	(7,534)	(8,068)
Machinery, equipment and vehicles, net	1,378	1,371
Land	8,831	8,846
Leased assets	3,406	2,652
Accumulated depreciation	(2,105)	(1,428)
Leased assets, net	1,301	1,223
Assets for rent	48,614	52,976
Accumulated depreciation	(29,047)	(32,245)
Assets for rent	19,566	20,731
Construction in progress	98	579
Other	10,635	10,682
Accumulated depreciation	(9,306)	(9,409)
Other, net	1,328	1,273
Total property, plant and equipment	41,751	43,579
Intangible assets		
Goodwill	57	-
Other	2,897	4,344
Total intangible assets	2,954	4,344
Investments and other assets		
Investment securities	17,209	18,244
Deferred tax assets	3,412	3,894
Other	5,394	5,925
Allowance for doubtful accounts	(476)	(830)
Total investments and other assets	25,540	27,234
Total non-current assets	70,246	75,158
Total assets	164,281	172,293

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,917	13,432
Lease liabilities	1,847	1,542
Income taxes payable	2,402	2,410
Provision for bonuses	1,595	1,647
Provision for bonuses for directors (and other officers)	28	28
Other	6,598	7,239
Total current liabilities	25,387	26,300
Non-current liabilities		
Lease liabilities	4,288	3,965
Deferred tax liabilities	5,472	5,709
Retirement benefit liability	6,807	7,005
Other	650	615
Total non-current liabilities	17,218	17,296
Total liabilities	42,606	43,596
Net assets		
Shareholders' equity		
Share capital	4,207	4,207
Capital surplus	51,822	51,902
Retained earnings	69,889	76,338
Treasury shares	(7,017)	(6,742)
Total shareholders' equity	118,901	125,705
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,552	889
Foreign currency translation adjustment	1,438	2,400
Remeasurements of defined benefit plans	(218)	(299)
Total accumulated other comprehensive income	2,773	2,990
Non-controlling interests	0	0
Total net assets	121,675	128,697
Total liabilities and net assets	164,281	172,293

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

	(Millions of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	90,352	99,009
Cost of sales	47,320	51,806
Gross profit	43,031	47,202
Selling, general and administrative expenses	30,691	33,749
Operating profit	12,340	13,452
Non-operating income		
Interest income	166	197
Dividend income	213	203
Insurance claim income	50	74
Foreign exchange gains	763	484
Gain on investments in silent partnerships	111	–
Gain on investments in investment partnerships	173	–
Gain on sale of scraps	75	75
Other	147	221
Total non-operating income	1,701	1,257
Non-operating expenses		
Interest expenses	89	94
Provision of allowance for doubtful accounts	366	375
Loss on investments in investment partnerships	–	33
Other	41	67
Total non-operating expenses	497	570
Ordinary profit	13,543	14,139
Extraordinary income		
Gain on sale of investment securities	22	–
Gain on redemption of investment securities	32	89
Settlement income	–	153
Total extraordinary income	54	242
Extraordinary losses		
Loss on sale of investment securities	24	–
Loss on redemption of investment securities	9	2
Loss on valuation of investment securities	14	173
Loss on valuation of shares of subsidiaries and associates	112	392
Total extraordinary losses	160	568
Profit before income taxes	13,437	13,812
Income taxes - current	4,052	4,560
Income taxes - deferred	292	35
Total income taxes	4,344	4,596
Profit	9,093	9,215
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	9,092	9,215

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	9,093	9,215
Other comprehensive income		
Valuation difference on available-for-sale securities	610	(663)
Foreign currency translation adjustment	1,019	961
Remeasurements of defined benefit plans, net of tax	85	(81)
Total other comprehensive income	1,716	217
Comprehensive income	10,809	9,432
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,808	9,432
Comprehensive income attributable to non-controlling interests	0	0

(3) Consolidated Statements of Changes in Equity
Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,207	51,822	63,798	(7,063)	112,764
Cumulative effects of changes in accounting policies			18		18
Restated balance	4,207	51,822	63,817	(7,063)	112,783
Changes during period					
Dividends of surplus			(3,052)		(3,052)
Profit attributable to owners of parent			9,092		9,092
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		46	47
Transfer from accumulated other comprehensive income to retained earnings			30		30
Net changes in items other than shareholders' equity					
Total changes during period	-	0	6,071	45	6,117
Balance at end of period	4,207	51,822	69,889	(7,017)	118,901

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	942	418	(303)	1,057	0	113,822
Cumulative effects of changes in accounting policies						18
Restated balance	942	418	(303)	1,057	0	113,841
Changes during period						
Dividends of surplus						(3,052)
Profit attributable to owners of parent						9,092
Purchase of treasury shares						(0)
Disposal of treasury shares						47
Transfer from accumulated other comprehensive income to retained earnings						30
Net changes in items other than shareholders' equity	610	1,019	85	1,716	(0)	1,715
Total changes during period	610	1,019	85	1,716	(0)	7,833
Balance at end of period	1,552	1,438	(218)	2,773	0	121,675

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,207	51,822	69,889	(7,017)	118,901
Changes during period					
Dividends of surplus			(3,315)		(3,315)
Profit attributable to owners of parent			9,215		9,215
Change in scope of consolidation			464		464
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		79		276	355
Transfer from accumulated other comprehensive income to retained earnings			85		85
Net changes in items other than shareholders' equity					
Total changes during period	-	79	6,449	275	6,804
Balance at end of period	4,207	51,902	76,338	(6,742)	125,705

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,552	1,438	(218)	2,773	0	121,675
Changes during period						
Dividends of surplus						(3,315)
Profit attributable to owners of parent						9,215
Change in scope of consolidation						464
Purchase of treasury shares						(0)
Disposal of treasury shares						355
Transfer from accumulated other comprehensive income to retained earnings						85
Net changes in items other than shareholders' equity	(663)	961	(81)	217	0	217
Total changes during period	(663)	961	(81)	217	0	7,022
Balance at end of period	889	2,400	(299)	2,990	0	128,697

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	13,437	13,812
Depreciation	7,898	8,482
Amortization of goodwill	76	57
Increase (decrease) in provision for bonuses	119	21
Increase (decrease) in retirement benefit liability	119	198
Increase (decrease) in allowance for doubtful accounts	363	345
Interest and dividend income	(379)	(401)
Foreign exchange losses (gains)	(140)	(86)
Insurance claim income	(50)	(74)
Interest expenses	89	94
Loss (gain) on investments in investment partnerships	(173)	33
Loss (gain) on investments in silent partnerships	(111)	13
Loss (gain) on sale of short-term and long-term investment securities	(21)	(86)
Loss (gain) on valuation of investment securities	14	173
Loss on valuation of shares of subsidiaries and associates	112	392
Decrease (increase) in trade receivables	234	(753)
Net decrease (increase) in lease receivables and investments in leases	(159)	(469)
Increase in assets for rent	(8,442)	(8,005)
Decrease (increase) in inventories	(1,708)	(968)
Increase (decrease) in trade payables	534	96
Payments for lease obligations	(2,098)	(1,670)
Other, net	1,688	1,620
Subtotal	11,402	12,825
Interest and dividends received	382	394
Interest paid	(89)	(94)
Income taxes refund	314	711
Income taxes paid	(4,187)	(4,685)
Net cash provided by (used in) operating activities	7,822	9,151
Cash flows from investing activities		
Purchase of securities	(4,300)	(500)
Proceeds from sale of securities	4,683	1,994
Purchase of property, plant and equipment	(1,047)	(1,814)
Purchase of intangible assets	(474)	(1,988)
Purchase of investment securities	(3,452)	(2,898)
Proceeds from sale of investment securities	3,257	905
Purchase of shares of subsidiaries and associates	(485)	(1,523)
Proceeds from share of profits on partnership	472	177
Purchase of insurance funds	(128)	(369)
Proceeds from maturity of insurance funds	55	123
Loan advances	(211)	(457)
Other, net	1,409	17
Net cash provided by (used in) investing activities	(220)	(6,332)

	(Millions of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Purchase of treasury shares	(0)	(0)
Dividends paid	(3,054)	(3,321)
Other, net	(310)	89
Net cash provided by (used in) financing activities	(3,365)	(3,232)
Effect of exchange rate change on cash and cash equivalents	469	419
Net increase (decrease) in cash and cash equivalents	4,705	7
Cash and cash equivalents at beginning of period	40,756	45,462
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	194
Cash and cash equivalents at end of period	45,462	45,663

(5) Notes on Consolidated Statements
 (Notes on the Going Concern Assumption)
 Not applicable.

(Changes in Accounting Policies)

(Application of the Implementation Guidance on Accounting Standard for Fair Value Measurement)
 The Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 of June 17, 2021) is applied from the start of the consolidated fiscal year under review, and new accounting policies prescribed by the Implementation Guidance on Accounting Standard for Fair Value Measurement shall be applied in the future in accordance with the transitional treatment prescribed in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. This has no impact on the consolidated financial statements.

(Segment Information, etc.)

[Segment Information]

Previous consolidated fiscal year (from April 1, 2021 to March 31, 2022)

The Paramount Bed Group comprises of a single segment related to the bed business, so segment information has been omitted.

Consolidated fiscal year under review (from April 1, 2022 to March 31, 2023)

The Paramount Bed Group comprises of a single segment related to the bed business, so segment information has been omitted.

(Per Share Information)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net asset per share	2,092.47 yen	2,207.86 yen
Net income per share	156.39 yen	158.37 yen

Notes

1. Net income per share after reconciliation of diluted net income per share is not disclosed as there are no potential shares with dilutive effect.

2. The following shows the basis for the calculation of net income per share.

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net income per share		
Net income attributable to shareholders of the parent company (million yen)	9,092	9,215
Amount not attributable to ordinary shareholders (million yen)	—	—
Net income attributable to shareholders of the parent company in relation to shares of common stock (million yen)	9,092	9,215
Average number of shares during the fiscal year (shares)	58,141,503	58,191,123

(Significant Post-Balance Sheet Events)

Not applicable.

4. Others

(Officer Changes)

(1) Change of representative director

Not applicable.

(2) Transfer of other officers

- Candidate for newly appointed Board Member (excluding Board Member who is Audit and Supervisory Committee Member)

Member of the Board, Masaki Kobayashi (Currently Corporate Officer)

- Candidate for newly Outside Board Member who is Board Member of the Audit and Supervisory Committee

Member of the Board, Kazuo Takahashi

- Board Member scheduled to retire (excluding Board Member who is Audit and Supervisory Committee Member)

Senior Managing Director, Izumi Sato

(3) Scheduled date of appointment and retirement

June 29, 2023