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Securities identification code: 7817

June 10, 2016

To our shareholders:

Kyosuke Kimura

President

PARAMOUNT BED HOLDINGS CO., LTD.

2-14-5 Higashisuna, Koto-ku, Tokyo, Japan

NOTICE OF THE 34TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 34th Ordinary General Meeting of Shareholders of PARAMOUNT BED HOLDINGS CO., LTD. (the "Company"), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail.

Please indicate your approval or disapproval of the proposals on the enclosed voting form after reviewing the attached Reference Documents for the General Meeting of Shareholders, and return it by postal mail to reach us no later than 5:00 p.m., Tuesday, June 28, 2016 (Japan Standard Time).

Meeting Details

- 1. Date and time:** Wednesday, June 29, 2016 at 10:00 a.m. (Japan Standard Time)
- 2. Venue:** 2-14-5 Higashisuna, Koto-ku, Tokyo, Japan
Head Office, Bldg. 2, 4F
- 3. Purposes:**
 - Items to be reported:**
 1. Business Report and Consolidated Financial Statements for the 34th Term (from April 1, 2015 to March 31, 2016), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Board
 2. Non-Consolidated Financial Statements for the 34th Term (from April 1, 2015 to March 31, 2016)
 - Items to be resolved:**
 - Proposal 1:** Appropriation of surplus
 - Proposal 2:** Partial amendments to the Articles of Incorporation
 - Proposal 3:** Election of seven (7) Directors
(excluding Directors who are Audit and Supervisory Committee Members)
 - Proposal 4:** Election of three (3) Directors who are Audit and Supervisory Committee Members
 - Proposal 5:** Election of one (1) Director who is a Substitute Audit and Supervisory Committee Member
 - Proposal 6:** Determination of Amount of Remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members)
 - Proposal 7:** Determination of Amount of Remuneration for Directors who are Audit and Supervisory Committee Members

4. Other Items Relating to this Notice

Among the paperwork that should be submitted with this Notice, based on laws and Article 15 of the Articles of Incorporation, the following items are on the Company's website (<http://www.paramountbed-hd.co.jp>) so they are not listed in this Notice.

- (1) Consolidated Notes to the Consolidated Financial Statements
- (2) Individual Notes to the Financial Statements

Therefore, the paperwork submitted with this Notice are a part of the Consolidate Financial Statements or Financial Statements audited when the Accounting Auditor made the Accounting Audit Report.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of surplus

The Company would like to appropriate surplus as described below.

Matters related to the year-end dividend:

While aiming to both sustainably improve the Company's corporate value and further strengthen the Company's business structure, based on the results of this business year and from a viewpoint focused on shareholders, we are working to provide stable and continual dividends.

Therefore, we have made the term-end dividend for the 34th term as follows.

(1) Type of dividend property
Cash

(2) Allocation of dividend property and total amount thereof
35 yen cash per common share, total amount of dividends: 998,011,350 yen

As 35 yen per share was paid as an interim dividend, the total dividend per share for the term will be 70 yen (increase of 10 yen over the previous business year).

(3) Effective date of distribution of dividends of surplus
June 30, 2016

Proposal 2: Partial amendments to the Articles of Incorporation

1. Reason for proposal

- (1) Due to the promulgation of the “Act for Partial Revision of the Companies Act” (Act No. 90 of 2014), by majority vote it became possible to transition to a Company with Audit and Supervisory Committee which has an Audit and Supervisory Committee composed of outside directors. In order to further reinforce the Company’s corporate governance structure by further strengthening the supervisory function of the Board of Directors, the Company would like to transition to a Company with Audit and Supervisory Committee. Accordingly, the Company will make the necessary changes to transition to a Company with Audit and Supervisory Committee by newly establishing rules regarding the Audit and Supervisory Committee Members and Audit and Supervisory Committee and delete rules related to the Audit and Supervisory Board Members and Audit and Supervisory Board.
- (2) Other, change to the number of Articles necessary in connection with the above changes.

2. Details of the amendments

The details of the amendments are as follows.

The amendments to the Articles of Incorporation in this proposal will take effect at the conclusion of this General Meeting of Shareholders.

(Amended parts are underlined)

Current Articles of Incorporation	Proposed Amendments
<p>Chapter 1 General Provisions Article 1 to Article 3 (Article text omitted)</p> <p>(Organizations) Article 4: In addition to the General Meeting of Shareholders and the Directors, the Company shall establish the following organizations.</p> <ol style="list-style-type: none"> 1. Board of Directors 2. <u>Audit and Supervisory Board Members</u> 3. <u>Audit and Supervisory Board</u> 4. Accounting Auditor <p>Article 5 (Article text omitted)</p> <p>Chapter 2 Shares Article 6 to Article 11 (Article text omitted)</p> <p>Chapter 3 General Meeting of Shareholders Article 12 to Article 17 (Article text omitted)</p> <p>Chapter 4: Directors and Board of Directors (Number of Directors) Article 18: The Company shall have twelve (12) or fewer Directors.</p> <p>(Newly established)</p>	<p>Chapter 1 General Provisions Article 1 to Article 3 (Unchanged)</p> <p>(Organizations) Article 4: In addition to the General Meeting of Shareholders and the Directors, the Company shall establish the following organizations.</p> <ol style="list-style-type: none"> 1. Board of Directors 2. <u>Audit and Supervisory Committee</u> <p>(Delete) 3. Accounting Auditor</p> <p>Article 5 (Unchanged)</p> <p>Chapter 2 Shares Article 6 to Article 11 (Unchanged)</p> <p>Chapter 3 General Meeting of Shareholders Article 12 to Article 17 (Unchanged)</p> <p>Chapter 4: Directors and Board of Directors (Number of Directors) Article 18: (1) The Company shall have twelve (12) or fewer Directors (<u>excluding Directors who are Audit and Supervisory Committee Members</u>).</p> <p>(2) <u>The Company shall have five (5) Directors or fewer who are Audit and Supervisory Committee Members</u></p>

<p>(Method of Election and Dismissal) <u>Article 19: (1) Directors shall be elected or dismissed by the General Meeting of Shareholders.</u></p> <p>(2) to (4) (Article text omitted)</p> <p>(Term of Office of Directors)</p> <p>Article 20: (1) The term of office of Directors shall be up to the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending <u>within two (2) years</u> after election.</p> <p>(2) The term of office of a Director elected as a substitute shall be the time of expiration of term of office of the Director who resigned.</p> <p>(3) The term of office of Directors elected due an increase of members shall be the time of expiration of term of office of other Directors.</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Representative Director and Executive Directors) Article 21: (1) By resolution of the Board of Directors, one (1) Chairman and one (1) President, and several Vice-Presidents, Senior Executive Directors, and Senior Managing Directors each can be appointed.</p>	<p>(Method of Election and Dismissal) Article 19: (1) Directors <u>shall be elected by a resolution of the General Meeting of Shareholders. However, Directors who are Audit and Supervisory Committee Members shall be distinguished from other Directors and elected.</u></p> <p>(2) to (4) (Unchanged)</p> <p>(Term of Office of Directors)</p> <p>Article 20: (1) The term of office of Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> shall be up to the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending <u>within one (1) year</u> after election.</p> <p>(Delete)</p> <p>(Delete)</p> <p><u>(2) The term of office of Directors who are Audit and Supervisory Committee Members shall be up to the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within two (2) years after election.</u></p> <p><u>(3) The term of office of Directors who are Audit and Supervisory Committee Members elected as substitutes for Directors who are Committee Members shall be the time of expiration of the outgoing Directors who are Audit and Supervisory Committee Members.</u></p> <p>(Representative Directors and Executive Directors) Article 21: (1) By resolution of the Board of Directors, one (1) Chairman and one (1) President, and several Vice-Presidents, Senior Executive Directors, and Senior Managing Directors each can be appointed <u>from among the Directors (excluding Directors who are Audit and Supervisory Committee Members).</u></p>
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<p>(2) (Article text omitted)</p> <p>(Notice of Convocation of the Board of Directors) Article 22: The notice of convocation of the Board of Directors shall be sent out no later than three (3) days prior to the meeting date to <u>each of the Directors and Audit and Supervisory Board Members</u>. However, when there is an emergency, this can be shortened. (Newly established)</p> <p>(Newly established)</p> <p>(Method of Resolution of the Board of Directors) Article 23: (1) Resolutions of the Board of Directors will be made when a majority of Directors who can participate in a vote are present and a majority of <u>Directors present</u> agree. (2) (Article text omitted)</p> <p>(Rules of the Board of Directors) Article 24: (Article text omitted)</p> <p>(Remuneration, etc.) Article 25: Director remuneration, bonus and other profit of a proprietary nature (<u>hereinafter “remuneration”</u>) received from the Company as compensation for execution of duties shall be determined by resolution of the General Meeting of Shareholders.</p> <p>(Exempting Directors from Liability) Article 26:(1)(Article text omitted) (2) (Article text omitted)</p>	<p>(2) (Unchanged)</p> <p>(Notice of Convocation of the Board of Directors) Article 22: (1) The notice of convocation of the Board of Directors shall be sent out no later than three (3) days prior to the meeting date to <u>each of the Directors</u>. However, when there is an emergency, this can be shortened.</p> <p><u>(2) When all the Directors agree, it is possible to hold a meeting of the Board of Directors without going through the process of notification.</u></p> <p><u>(Delegation to Director(s) of Decision of Execution of Important Duty)</u> Article 23: <u>According to the provision of Article 399-13, Paragraph 6 of the Companies Act, by resolution of the Board of Directors, the entire or part of the decision to carry out an important duty (excluding the items given in each of the numbers of Paragraph 5 of the same Article) can be delegated to Director(s).</u></p> <p>(Method of Resolution of the Board of Directors) Article 24: (1) Resolutions of the Board of Directors will be made when a majority of Directors who can participate in a vote are present and a majority of <u>those Directors agree</u>.</p> <p>(2) (Unchanged)</p> <p>(Rules of the Board of Directors) Article 25: (Unchanged)</p> <p>(Remuneration, etc.) Article 26: The remuneration, bonus, and other financial profit Directors <u>(excluding Directors who are Audit and Supervisory Committee Members) and Audit and Supervisory Committee Members</u> receive from the Company as compensation for execution of duties shall be determined by resolution of the General Meeting of Shareholders, <u>with Audit and Supervisory Committee Members distinguished from other Directors</u>.</p> <p>(Exempting Directors from Liability) Article 27: (1) (Unchanged) (2) (Unchanged)</p>
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<p><u>Chapter 5: Audit and Supervisory Board Members and the Audit and Supervisory Board</u></p>	<p>(Delete)</p>
<p><u>(Number of Members)</u> <u>Article 27: The Company shall have five (5) or fewer Audit and Supervisory Board Members.</u></p>	<p>(Delete)</p>
<p><u>(Method of Election and Dismissal)</u> <u>Article 28: Audit and Supervisory Board Members shall be elected and dismissed by the General Meeting of Shareholders</u></p>	<p>(Delete)</p>
<p><u>(2) Resolutions for the election of Audit and Supervisory Board Members shall be made when shareholders with at least one third (1/3) of exercisable shareholder voting rights are present and approve of the resolution by majority decision.</u> <u>(3) Resolutions for the dismissal of Audit and Supervisory Board Members shall be made when shareholders with at least one third (1/3) of exercisable shareholder voting rights are present and two thirds (2/3) or more approve of the resolution.</u></p>	
<p><u>(Term of Office)</u> <u>Article 29: (1) The term of office of Audit and Supervisory Board Members shall be up to the conclusion of the Ordinary General Meeting of Shareholders for the last business year within four (4) years after election.</u> <u>(2) The term of office of an Audit and Supervisory Board Member(s) elected as substitute(s) for Audit and Supervisory Board Member(s) who resigns before his or her term's expiration shall be to the time of office of the Audit and Supervisory Board member(s) who resigned.</u> <u>(3) The period of effectiveness of the resolution for election of a substitute Audit and Supervisory Board Member(s) elected based on Article 329, Paragraph 3 of the Companies Act shall be to the start of the last Ordinary General Meeting of Shareholders for the last fiscal year that ends within four (4) years after election.</u> <u>(4) The term of office of an Audit and Supervisory Board Member who assumes office as a substitute Audit and Supervisory Board Member of the previous Paragraph shall be to the expiration of term of office of the Audit and Supervisory Board Member(s) who resigned. However, that term of office shall not go past the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year</u></p>	<p>(Delete)</p>

<p><u>that ends within four (4) years after election.</u></p>	
<p><u>(Statutory Audit and Supervisory Board Member(s))</u> <u>Article 30: The Audit and Supervisory Board shall select the Statutory Audit and Supervisory Board Member(s).</u></p>	(Delete)
<p><u>(Notice of Convocation of the Audit and Supervisory Board)</u> <u>Article 31: (1) The notice of convocation of the Audit and Supervisory Board shall be sent out no later than three (3) days prior to the meeting date to each of the Audit and Supervisory Board Members. However, when there is an emergency, this can be shortened.</u> <u>(2) When there is agreement by all members of the Audit and Supervisory Committee, it is possible to hold a meeting of the Audit and Supervisory Committee without going through the process of notification.</u></p>	(Delete)
<p><u>(Method of Resolution of the Audit and Supervisory Board)</u> <u>Article 32: Unless otherwise specified by laws and regulations, resolutions by the Audit and Supervisory Board shall be made by majority decision.</u></p>	(Delete)
<p><u>(Rules of Audit and Supervisory Board)</u> <u>Article 33: Items concerning the Audit and Supervisory Board shall be according to laws or these Articles of Incorporation and Audit and Supervisory Board rules determined by the Audit and Supervisory Board.</u></p>	(Delete)
<p><u>(Remuneration, etc.)</u> <u>Article 34: Audit and Supervisory Board Member remuneration, etc. shall be determined by resolution of the General Meeting of Shareholders.</u></p>	(Delete)
<p><u>(Exempting Audit and Supervisory Board Members from Liability)</u> <u>Article 35: (1) According to rules of Article 426, Paragraph 1 of the Companies Act, the Company can exempt an Audit and Supervisory Board Member (including past Audit and Supervisory Board Members) who neglected their duties from responsibility for compensation for damages to the legal limit.</u></p>	(Delete)

<p><u>(2) According to the rules of Article 427, Paragraph 1 of the Companies Act, the Company can conclude an agreement with Audit and Supervisory Board Members to limit the amount of responsibility for compensation for damages due to neglect of duty, to the legal limit.</u></p> <p>(Newly established) (Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>Chapter 6: Calculations (Business year) Article <u>36</u>: (Article text omitted) (Date of record for dividend of surplus) Article <u>37</u>: (1) (Article text omitted)</p>	<p><u>Chapter 5: Audit and Supervisory Committee (Statutory Audit and Supervisory Committee Members)</u></p> <p><u>Article 28: The Audit and Supervisory Committee can select Statutory Audit and Supervisory Committee Member(s) by resolution of the Audit and Supervisory Committee.</u></p> <p><u>(Notice of Convocation of the Audit and Supervisory Committee)</u></p> <p><u>Article 29: (1) The notice of convocation of the Audit and Supervisory Committee shall be sent out no later than three (3) days prior to the meeting date to each of the members. However, when there is an emergency, this can be shortened.</u></p> <p><u>(2) When there is agreement by all members of the Audit and Supervisory Committee, it is possible to hold a meeting of the Audit and Supervisory Committee without going through the process of notification.</u></p> <p><u>(Method of Resolution of the Audit and Supervisory Committee)</u></p> <p><u>Article 30: Resolutions of the Audit and Supervisory Committee shall be made by a majority of Audit and Supervisory Committee Members who can participate in a vote and when a majority of said Members are present.</u></p> <p><u>(Rules of Audit and Supervisory Committee)</u></p> <p><u>Article 31: Matters concerning the Company's Audit and Supervisory Committee shall be according to laws and regulations or these Articles of Incorporation and by Rules of Audit and Supervisory Committee determined by the Audit and Supervisory Committees.</u></p> <p>Chapter 6: Calculations (Business year) Article <u>32</u>: (Unchanged) (Date of record for dividend of surplus) Article <u>33</u>: (1) (Unchanged)</p>
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<p>(2) (Article text omitted) (Interim dividend) Article <u>38</u>: (Article text omitted) (The period of exclusion concerning dividends) Article <u>39</u>: (Article text omitted)</p> <p>(Newly established) (Newly established)</p>	<p>(2) (Unchanged) (Interim dividend) Article <u>34</u>: (Unchanged) (The period of exclusion concerning dividends) Article <u>35</u>: (Unchanged)</p> <p><u>Supplement</u> <u>(Interim Measures Regarding Exempting Audit and Supervisory Board Members from Liability)</u> <u>(1) Exemptions of responsibility for compensation for damages by decision of the Board of Directors according to Article 423, Paragraph 1 of the Companies Act for actions by Audit and Supervisory Committee Members (including past Audit and Supervisory Board Members) prior to the conclusion of the 34th Ordinary General Meeting of Shareholders will be by provisions then in force shall remain applicable.</u> <u>(2) Contracts which limit compensation for damages by limited liability agreements according to Article 423, Paragraph 1 of the Companies Act for actions by Audit and Supervisory Committee Members (including past Audit and Supervisory Board Members) prior to the conclusion of the 34th Ordinary General Meeting of Shareholders will be by provisions then in force shall remain applicable.</u></p>
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Proposal 3: Election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The Company plans to make the transition to a Company with Audit and Supervisory Committee once Proposal 2. “Partial amendments to the Articles of Incorporation” is approved as proposed and the terms of office of all eight (8) Directors will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, we ask for the election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)

Moreover, the effectiveness of the adoption of this proposal is conditioned on the amendments in Proposal 2 “Partial amendments to the Articles of Incorporation,” taking effect.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows.

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company’s shares owned
1	Kenji Kimura (June 21, 1947)	April 1977 Joined Paramount Bed Co., LTD. August 1977 Member of the Board of Paramount Bed Co., LTD. August 1979 Senior Managing Director of Paramount Bed Co., LTD. October 1982 Member of the Board of the Company September 1987 Senior Executive Director of Paramount Bed Co., LTD. April 1991 President of Paramount Bed Co., LTD. April 2009 Chairman of Paramount Bed Co., LTD. October 2011 Chairman of the Company (present position)	912,397 shares
[Reasons for nomination as candidate for Director] Kenji Kimura has been a Director and Representative Director and has managed the Company and the Company’s Group for many years. The Company has selected him as a candidate again based on his plentiful experience and achievements.			

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Kyosuke Kimura (September 20, 1950)	<p>April 1979 Joined Paramount Bed Co., LTD. August 1979 Member of the Board of Paramount Bed Co., LTD. October 1982 Member of the Board of the Company September 1987 Senior Managing Director of Paramount Bed Co., LTD. April 1991 Senior Executive Director of Paramount Bed Co., LTD. April 1997 Executive Vice President of Paramount Bed Co., LTD. April 2009 President and Chief Executive Officer of Paramount Bed Co., LTD. (present position) February 2011 President and Chief Executive Officer of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] President and Chief Executive Officer of Paramount Bed Co., LTD. Managing Director of Paramount Bed Asia Pacific PTE. LTD. Chairman of Paramount Bed China Co., Ltd.</p>	911,275 shares
		<p>[Reasons for nomination as candidate for Director] Kyosuke Kimura has been a Director and Representative Director and has managed the Company and the Company's Group for many years. The Company has selected him as a candidate again based on his plentiful experience and achievements.</p>	
3	Michihide Kimura (September 11, 1958)	<p>February 1983 Joined Paramount Bed Co., LTD. September 1987 Member of the Board of Paramount Bed Co., LTD. November 1992 Auditor of the Company April 2000 Member of the Board, Director of Finance and System Administration Division of Paramount Bed Co., LTD. April 2009 Senior Executive Director of Paramount Bed Co., LTD. (present position) February 2011 Member of the Board of the Company October 2011 Senior Executive Director and Chief Financial Officer of the Company (present position)</p> <p>[Significant concurrent position outside the Company] Senior Executive Director of Paramount Bed Co., LTD.</p>	911,016 shares
		<p>[Reasons for nomination as candidate for Director] Michihide Kimura has been a Director of the Company for many years and has been primarily responsible for both the Finance and System Administration Divisions. He has worked as the Company's Senior Executive Director, etc. since 2011 and based on his plentiful experience and achievements, the Company has selected him as a candidate again.</p>	

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned	
4	Izumi Sato (March 24, 1958)	April 1980 April 2009 June 2010 October 2011 June 2013 June 2013 April 2015 April 2015 October 2015 [Significant concurrent position outside the Company] Senior Managing Director of Paramount Bed Co., LTD.	Joined Paramount Bed Co., LTD. Corporate Officer, Director of Sales Division of Paramount Bed Co., LTD. Member of the Board, Director of Sales Division of Paramount Bed Co., LTD. Member of the Board of the Company Senior Managing Director of the Company Senior Managing Director, Director of Sales Division of Paramount Bed Co., LTD. Senior Managing Director, General Manager of Corporate Planning Department of the Company Senior Managing Director of Paramount Bed Co., LTD. (present position) Senior Managing Director of the Company (present position)	5,627 shares
		[Reasons for nomination as candidate for Director] Izumi Sato has been primarily responsible for the Sales and Corporate Planning divisions and from 2010 he has worked as a Director of Paramount Bed Co., from 2011 he has worked as a Director of the Company and from 2013 he has worked as Senior Managing Director. The Company selected him as a candidate again based on his plentiful experience and achievements in the Group.		
5	Ikuo Sakamoto (April 30, 1953)	April 1977 June 2000 June 2002 April 2009 October 2011 January 2014 April 2016 [Significant concurrent position outside the Company] Member of the Board of Paramount Bed Co., LTD.	Joined Paramount Bed Co., LTD. Member of the Board of Paramount Bed Co., LTD. Member of the Board, Director of Sales Division of Paramount Bed Co., LTD. Member of the Board, Director of Technical Engineering Division of Paramount Bed Co., LTD. Member of the Board of the Company (present position) Member of the Board, Senior Sales Director of Paramount Bed Co., LTD. Member of the Board of Paramount Bed Co., LTD. (present position)	15,500 shares
		[Reasons for nomination as candidate for Director] Ikuo Sakamoto has been primarily responsible for the Sales and Technical Engineering Divisions and from 2000 he has worked as a Director of Paramount Bed Co., from 2011 he has worked as a Director of the Company. The Company selected him as a candidate again based on his plentiful experience and achievements in the Group.		

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned	
6	Yoshiharu Kitahara (March 6, 1957)	April 1980 April 2009 April 2011 June 2015 June 2015	Joined Paramount Bed Co., LTD. Corporate Officer, General Manager of General Affairs Department of Paramount Bed Co., LTD. Corporate Officer, General Manager of General Affairs Department of the Company Member of the Board, General Manager of General Affairs Department of the Company (present position) Member of the Board, Director of Administration Division of Paramount Bed Co., LTD. (present position)	3,680 shares
		[Significant concurrent position outside the Company] Member of the Board, Director of Administration Division of Paramount Bed Co., LTD.		
[Reasons for nomination as candidate for Director] Yoshiharu Kitahara has been primarily responsible for the General Affairs Department and he has worked as Corporate Officer and General Manager of General Affairs Department of Paramount Bed Co., from 2009 and of the Company from 2011. From 2015 he has worked as a Director, General Manager of General Affairs Department of the Company. The Company selected him as a candidate again based on his plentiful experience and achievements in the Group.				
7	Yoshikazu Goto (October 30, 1955)	April 1980 August 2003 June 2004 July 2008 April 2010 October 2012 June 2015	Joined Ministry of International Trade and Industry (Currently, Ministry of Economy, Trade and Industry) Director, Standards Development and Planning Division, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry Director, Small and Medium Enterprise Agency/ Engineering Division, Ministry of Economy, Trade and Industry Deputy Director-General, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry Deputy Director-General, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry Professor, Department of Materials Engineering School of Engineering, The University of Tokyo (present position) Unaffiliated member of the Board of the Company (present position)	- shares
		[Significant concurrent positions outside the Company] Professor, Department of Materials Engineering School of Engineering, The University of Tokyo		
[Reasons for nomination as candidate for Outside Director] Yoshikazu Goto has spent many years primarily in manufacturing industries affairs for industrial promotion focused on companies' manufacturing and has plentiful experience and broad insights regarding industrial-academic collaboration and research. In order to have him continue to use that insight in the management of the Company and to give appropriate counsel and supervision regarding the carrying out of duties of Executive Directors from an independent point of view, the Company has selected him as a candidate for Outside Director. While Yoshikazu Goto does not have direct corporate management experience, for the above reasons the Company has determined that he can appropriately fulfill his duties as an Outside Director.				

Notes:

1. There is no special interest between each of the candidates and the Company.
2. Yoshikazu Goto is a candidate for Outside Director.
3. Currently, Yoshikazu Goto is an Outside Director of the Company and his tenure as Outside Director at the time of the conclusion of this General Meeting of Shareholders will be one year.
4. The Company has concluded a limited liability agreement with Yoshikazu Goto under the provision of Article 427, Paragraph 1 of the Companies Act to limit liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act to the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act. If Yoshikazu Goto's election is approved, the Company intends to continue this limited liability agreement with the candidate.
5. The Company has specified Yoshikazu Goto as an Independent Director according to the specifications of Tokyo Stock Exchange, Inc. and has registered him with the same Exchange.

Proposal 4: Election of three (3) Directors who are Audit and Supervisory Committee Members

With the approval and adoption of Proposal 2: Partial amendments to the Articles of Incorporation as written as a pre-condition, the Company will transition to a Company with Audit and Supervisory Committee.

Therefore, the Company requests the election of three (3) Directors who are Audit and Supervisory Committee Members.

This proposal has the agreement of the Audit and Supervisory Board.

Moreover, the effectiveness of adoption of this Proposal is contingent upon the effective change of the Articles of Incorporation in Proposal 2: Partial amendments to the Articles of Incorporation.

The candidates for Director who are Audit and Supervisory Committee Members are as follows.

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
1	*Hiroshi Kuramoto (May 24, 1953)	April 1978 June 2001 April 2009 June 2010 June 2013 June 2015 June 2015 [Significant concurrent position outside the Company] Auditor of Paramount Bed Co., LTD.	1,000 shares
		[Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member] Hiroshi Kuramoto has primarily been responsible for the public relations and internal audit sections and has been a Corporate Officer of Paramount Bed Co., Ltd. from 2001 and a President of Paratechno Co., Ltd. from 2010. He has worked as the Company's Auditor since 2015. Based on his plentiful experience and achievements in the Group, the Company has selected him as a candidate for Director who is an Audit and Supervisory Committee Member.	
2	*Yukari Oka (April 26, 1963)	March 1995 April 1995 June 2007 April 2011 June 2015	- shares
		Completed The Legal Training and Research Institute of Japan Registered as an attorney-at-law Unaffiliated Auditor of Paramount Bed Co., LTD. Unaffiliated Auditor of the Company Unaffiliated member of the Board of the Company (present position)	
		[Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member] Yukari Oka has built up specialized knowledge and high principles as a lawyer. The company has selected her as a candidate for Outside Director who is an Audit and Supervisory Committee Member so she can use that judgment to strengthen the Company's compliance management and corporate governance structure. While Yukari Oka does not have direct corporate management experience, for the above reasons the Company has determined that she can appropriately fulfill her duties as an Outside Director.	

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
3	*Masaki Sato (September 17, 1947)	<p>June 1973 Joined Nishikata Audit Corporation (Currently Deloitte Touche Tohmatsu LLC)</p> <p>March 1976 Registered as a Certified Public Accountant</p> <p>November 1986 Partner, Tohmatsu Awoki & Sanwa (Currently Deloitte Touche Tohmatsu LLC)</p> <p>July 1993 Senior Partner, Tohmatsu & Co. (Currently Deloitte Touche Tohmatsu LLC)</p> <p>December 2012 Left Deloitte Touche Tohmatsu LLC</p> <p>June 2015 Unaffiliated Auditor of the Company (present position)</p>	- shares
<p>[Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member] Masaki Sato is a Certified Public Accountant and has high principles based on many years of experience in accounting audits. The company selected him as a candidate for Outside Director who is an Audit and Supervisory Committee Member so he can use those principles to strengthen the Company's corporate governance organization. While Masaki Saito does not have direct corporate management experience, for the above reasons the Company has determined that he can appropriately fulfill his duties as an Outside Director.</p>			

Notes:

1. An asterisk (*) indicates a new candidate for Director who is an Audit and Supervisory Committee Member.
2. There is no special interest between each candidate and the Company.
3. Yukari Oka and Masaki Sato are candidates for Outside Director.
4. Yukari Oka is currently an Outside Director of the Company but her tenure in office as an Outside Director as of the conclusion of this General Meeting of Shareholders will be one year.
5. Masaki Sato is currently an Unaffiliated Auditor of the Company but his tenure in office as an Unaffiliated Auditor as of the conclusion of this General Meeting of Shareholders will be one year.
6. The Company has concluded a limited liability agreement with Yukari Oka, who is an Outside Director, as specified in Article 423, Paragraph 1 of the Companies Act, based on Article 427, Paragraph 1 of the Companies Act, limiting liability to the minimum liability amount as specified in Article 425, Paragraph 1 of the Companies Act. If Yukari Oka's election is approved, the Company intends to continue this agreement.
7. The Company has concluded a limited liability agreement with Masaki Sato, who is an Unaffiliated Auditor, as specified in Article 423, Paragraph 1 of the Companies Act, based on Article 427, Paragraph 1 of the Companies Act, limiting liability to the minimum liability amount as specified in Article 425, Paragraph 1 of the Companies Act. If Masaki Sato's election is approved, the Company intends to re-conclude this limited liability agreement with him as an Outside Director.
8. The Company has specified Yukari Oka as an Independent Director as specified by Tokyo Stock Exchange, Inc. and has registered her with the same Exchange. Also, Masaki Sato is registered as an Independent Director with the same Exchange as an Unaffiliated Auditor and the Company intends to register him again as an Outside Independent Director.

Proposal 5: Election of one (1) Director who is a Substitute Audit and Supervisory Committee Member

With the approval and adoption of Proposal 2: Partial amendments to the Articles of Incorporation as written as a pre-condition, the Company will transition to a Company with Audit and Supervisory Committee.

Therefore, as specified by law, the Company requests the election of one (1) Director who is an Audit and Supervisory Committee Member as a provision against the possibility of there being a deficit of Directors who are Audit and Supervisory Committee Members.

This proposal has the agreement of the Audit and Supervisory Board.

Moreover, the effectiveness of adoption of this Proposal is contingent upon the effective change of the Articles of Incorporation in Proposal 2: Partial amendments to the Articles of Incorporation.

The candidate for Director who is an Audit and Supervisory Committee Member is as follows.

Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
Takehisa Taguchi (July 14, 1943)	April 1962 Joined Tokyo Regional Taxation Agency July 2001 District Director, Tachikawa Tax Office August 2002 Registered as a Certified Public Tax Accountant June 2008 Corporate Auditor, Ohashi Technica, Inc June 2013 Director, Ohashi Technica, Inc [Significant concurrent positions outside the Company] Director, Ohashi Technica, Inc	- shares

[Reasons for nomination as candidate for Outside Director who is a Substitute Audit and Supervisory Committee Member]
 Takehisa Taguchi has specialized knowledge and broad experience cultivated as a Tax Accountant. The company has selected him as a candidate for Outside Director who is a Substitute Audit and Supervisory Committee Member so he can use that knowledge and experience to strengthen the Company's corporate governance structure. While Takehisa Taguchi does not have direct experience in corporate management, the Company has determined that because of the above reasons, he can appropriately fulfill the duties of Outside Director who is an Audit and Supervisory Committee Member.

Notes:

1. There is no special interest between Takehisa Taguchi and the Company.
2. Takehisa Taguchi is a candidate for Outside Director who is a Substitute Audit and Supervisory Committee Member.
 In addition, if he becomes a Director who is an Audit and Supervisory Committee Member, the Company intends to register him as an Independent Director as specified by Tokyo Stock Exchange, Inc.
3. If Takehisa Taguchi becomes an Outside Director who is an Audit and Supervisory Committee Member, he and the Company will conclude a limited liability agreement with the minimum amount of liability as specified in Article 425, Paragraph 1 of the Companies Act as specified in Article 423, Paragraph 1 of the Companies Act, based on Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation.

Proposal 6: Determination of Amount of Remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members)

Remuneration paid to the Company's Directors in the amount of no more than 500 million yen (excluding employee salaries) was approved by the 29th General Meeting of Shareholders held on May 30, 2011, and has remained at that amount to the present. However, the Company plans to make the transition to a Company with Audit and Supervisory Committee once Proposal 2: Partial amendments to the Articles of Incorporation is approved as proposed. Therefore, according to Article 361, Paragraph 1 and Paragraph 2 of the Companies Act, upon discontinuance of the current Director's remuneration amount, the Company would like to specify a new amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members). Upon consideration of the amount of remuneration for Directors up to now and the recent economic situation, the Company would like to make the amount of remuneration no more than 500 million yen and, concerning the actual amount for each Director (excluding Directors who are Audit and Supervisory Committee Members) and timing of payment, etc., to be determined by resolution of the Board of Directors.

Moreover, the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall not include the employee salaries of employee-directors.

Currently, there are eight (8) Directors (two (2) of whom are Outside Directors) but if Proposal 2 and Proposal 3 are approved as presented, there will be seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members), one of whom will be an Outside Director.

Moreover, the effectiveness of adoption of this Proposal is contingent upon the effective change of the Articles of Incorporation in Proposal 2: Partial amendments to the Articles of Incorporation.

Proposal 7: Determination of Amount of Remuneration for Directors who are Audit and Supervisory Committee Members

With Proposal 2: Partial amendments to the Articles of Incorporation being approved as proposed as a pre-condition, the Company will transition to a Company with Audit and Supervisory Committee. Therefore, in accordance with Article 361, Paragraph 1 and 2 of the Companies Act, considering the duties and responsibilities of the Audit and Supervisory Committee Members, in addition to determining the amount of remuneration of Directors who are Audit and Supervisory Committee Members to be no more than hundred million yen (100,000,000 yen), we would like to have the actual amount for each Director who is an Audit and Supervisory Committee Member and timing of payment, etc., be determined by discussion among the Directors who are Audit and Supervisory Committee Members.

If Proposal 2 and Proposal 4 are approved as proposed, there will be three (3) Directors who are Audit and Supervisory Committee Members.

Moreover, the effectiveness of adoption of this Proposal is contingent upon the effective change of the Articles of Incorporation in Proposal 2: Partial amendments to the Articles of Incorporation.