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Securities code: 7817

June 9, 2017

To our shareholders:

Kyosuke Kimura  
President  
**PARAMOUNT BED HOLDINGS CO., LTD.**  
2-14-5 Higashisuna, Koto-ku, Tokyo, Japan

## NOTICE OF THE 35TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 35th 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., Wednesday, June 28, 2017 (Japan Standard Time).

**1. Date and Time:** Thursday, June 29, 2017 at 10:00 a.m. (Japan Standard Time)

**2. Venue:** Head Office, Bldg. 2, 4F  
2-14-5 Higashisuna, Koto-ku, Tokyo, Japan

**3. Purposes:**

**Items to be reported:**

1. Business Report and Consolidated Financial Statements for the 35th Term (from April 1, 2016 to March 31, 2017), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. Non-Consolidated Financial Statements for the 35th Term (from April 1, 2016 to March 31, 2017)

**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 One (1) Substitute Director Who Is an Audit and Supervisory Committee Member

**4. Other Items Relating to This Notice**

Among the documents that should be submitted with this Notice, based on laws and regulations 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) Notes to the Consolidated Financial Statements
- (2) Notes to the Non-Consolidated Financial Statements

Therefore, the documents attached to this Notice are a part of the Consolidated Financial Statements or Non-Consolidated Financial Statements that were audited by the Accounting Auditor and Audit and Supervisory Committee in preparing audit reports.

- If you are attending in person on the day, please present the enclosed voting form at the venue Reception.
- In the event that amendments are made to the Reference Documents for the General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements or Consolidated Financial Statements, the amended versions will be made available on the Company website (<http://www.paramountbed-hd.co.jp>).

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Information

**Proposal 1:** Appropriation of Surplus

The Company would like to appropriate surplus as described below.

Matters related to the year-end dividend:

While the Company attaches great importance to returning profits to shareholders in the way that reflects financial results, it determines the dividend after a comprehensive consideration of the need for robust internal reserves to further strengthen the financial position and management foundation in order to actively invest for development of businesses and to deal with rapid changes in the operating environment.

In addition, Paramount Bed Co., Ltd., which is the core of the Group, celebrated the 70th anniversary of its founding on May 25, 2017. This is due entirely to the warm support of all those concerned, including shareholders, for which we offer our humble and heartfelt thanks.

That being the case, the Company proposes to pay a term-end dividend for the 35th term as follows.

(1) Type of dividend property

Cash

(2) Allocation of dividend property and total amount thereof

50 yen cash per common share (regular dividends: 40 yen; commemorative dividends: 10 yen)

Total dividends: 1,380,716,300 yen

As 40 yen per share was paid as an interim dividend, the total dividend per share for the term will be 90 yen (increase of 20 yen over the previous business year).

(3) Effective date of distribution of dividends of surplus

June 30, 2017



**Proposal 3:** Election of Seven (7) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

At the conclusion of this general meeting of shareholders, the terms of office of all seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereafter the same shall apply in this Proposal) will expire. Therefore, the Company proposes the election of seven (7) Directors.

Moreover, although this proposal has been considered by the Audit and Supervisory Committee, it has expressed its opinion to the effect that it has no objections.

The candidates for Director 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)	Apr. 1977      Joined Paramount Bed Co., LTD. Aug. 1977      Member of the Board of Paramount Bed Co., LTD. Aug. 1979      Senior Managing Director of Paramount Bed Co., LTD. Oct. 1982      Member of the Board of the Company Sept. 1987      Senior Executive Director of Paramount Bed Co., LTD. Apr. 1991      President of Paramount Bed Co., LTD. Apr. 2009      Chairman of Paramount Bed Co., LTD. Oct. 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 of the Company and the Company's Group for many years and has engaged in the corporate management. The Company has selected him as a candidate again based on his plentiful experience and achievements.	
2	Kyosuke Kimura (September 20, 1950)	Apr. 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 Sept. 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. (present position) Feb. 2011      President and Chief Executive Officer of the Company (present position) [Significant concurrent positions outside the Company] President and Chief Executive Officer of Paramount Bed Co., LTD.	911,275 shares
		[Reasons for nomination as candidate for Director] Kyosuke Kimura has been a Director and Representative Director of the Company and the Company's Group for many years and has engaged in the corporate management. 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
3	Michihide Kimura (September 11, 1958)	Feb. 1983      Joined Paramount Bed Co., LTD. Sept. 1987      Member of the Board of Paramount Bed Co., LTD. Nov. 1992      Auditor of the Company Apr. 2000      Member of the Board, Director of Finance and System Administration Division of Paramount Bed Co., LTD. Apr. 2009      Senior Executive Director of Paramount Bed Co., LTD. (present position) Feb. 2011      Member of the Board of the Company Oct. 2011      Senior Executive Director and Chief Financial Officer of the Company (present position) [Significant concurrent position outside the Company] Senior Executive Director of Paramount Bed Co., LTD.	911,016 shares
		[Reasons for nomination as candidate for Director] Michihide Kimura has been a Director of the Company and the Company's Group 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.	
4	Izumi Sato (March 24, 1958)	Apr. 1980      Joined Paramount Bed Co., LTD. Apr. 2009      Corporate Officer, Director of Sales Division of Paramount Bed Co., LTD. June 2010      Member of the Board, Director of Sales Division of Paramount Bed Co., LTD. Oct. 2011      Member of the Board of the Company June 2013      Senior Managing Director of the Company June 2013      Senior Managing Director, Director of Sales Division of 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. (present position) Oct. 2015      Senior Managing Director of the Company (present position) [Significant concurrent position outside the Company] Senior Managing Director of Paramount Bed Co., LTD.	5,727 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., LTD., from 2011 he has worked as a Director of the Company and from 2013 he has worked as Senior Managing Director. The Company has 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	
5	Ikuo Sakamoto (April 30, 1953)	Apr. 1977	Joined Paramount Bed Co., LTD.	15,500 shares
		June 2000	Member of the Board of Paramount Bed Co., LTD.	
		June 2002	Member of the Board, Director of Sales Division of Paramount Bed Co., LTD.	
		Apr. 2009	Member of the Board, Director of Technical Engineering Division of Paramount Bed Co., LTD.	
		Oct. 2011	Member of the Board of the Company (present position)	
		Jan. 2014	Member of the Board, Senior Sales Director of Paramount Bed Co., LTD.	
		Apr. 2016	Member of the Board of Paramount Bed Co., LTD. (present position)	
		[Significant concurrent position outside the Company] Member of the Board of Paramount Bed Co., LTD.		
[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., LTD. and from 2011 he has worked as a Director of the Company. The Company has selected him as a candidate again based on his plentiful experience and achievements in the Group.				
6	Yoshiharu Kitahara (March 6, 1957)	Apr. 1980	Joined Paramount Bed Co., LTD.	3,780 shares
		Apr. 2009	Corporate Officer, General Manager of General Affairs Department of Paramount Bed Co., LTD.	
		Oct. 2011	Corporate Officer, General Manager of General Affairs Department of the Company	
		June 2015	Member of the Board, General Manager of General Affairs Department of the Company (present position)	
		June 2015	Member of the Board, Director of Administration Division of Paramount Bed Co., LTD. (present position)	
		[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., LTD. 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 has 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
7	Yoshikazu Goto (October 30, 1955)	<p>Apr. 1980      Joined Ministry of International Trade and Industry (Currently, Ministry of Economy, Trade and Industry)</p> <p>Aug. 2003      Director, Standards Development and Planning Division, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry</p> <p>June 2004      Director, Small and Medium Enterprise Agency/ Engineering Division, Ministry of Economy, Trade and Industry</p> <p>July 2008      Deputy Director-General, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry</p> <p>Apr. 2010      Deputy Director-General, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry</p> <p>Oct. 2012      Professor, Department of Materials Engineering School of Engineering, The University of Tokyo (present position)</p> <p>June 2015      Unaffiliated member of the Board of the Company (present position)</p> <p>[Significant concurrent position outside the Company] Professor, Department of Materials Engineering School of Engineering, The University of Tokyo</p>	- shares
<p>Reasons for nomination as candidate for Outside Director</p> <p>Yoshikazu Goto has spent many years primarily in the affairs of economic administration 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 his insights 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.</p>			

- 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. Yoshikazu Goto is currently 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 two (2) years.
  4. The Company has concluded a limited liability agreement with Yoshikazu Goto under the provision of Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation 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 his reelection is approved, the Company intends to continue this limited liability agreement with him.
  5. The Company has designated Yoshikazu Goto as an Independent Director according to the specifications of Tokyo Stock Exchange, Inc. and has registered him with the same Exchange. In the event that the reelection of Yoshikazu Goto is approved, the Company plans for him to continue to serve in the role of Independent Director.

**Proposal 4:** Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member

As specified by laws and regulations, the Company requests the election of one (1) Substitute 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.

In addition, this proposal has obtained the consent of the Audit and Supervisory Committee.

The candidate for Substitute 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)	Apr. 1962    Joined Tokyo Regional Taxation Agency July 2001    District Director, Tachikawa Tax Office Aug. 2002    Registered as a Certified Public Tax Accountant June 2008    Outside Audit & Supervisory Board Member, Ohashi Technica, Inc June 2013    Outside Director, Ohashi Technica, Inc	- shares
[Reasons for nomination as candidate for Substitute Outside Director who is an 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 Substitute Outside Director who is an Audit and Supervisory Committee Member so he can use his knowledge and experience to strengthen the Company's corporate governance structure. While Takehisa Taguchi 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 Takehisa Taguchi and the Company.
  2. Takehisa Taguchi is a candidate for Substitute Outside Director who is an Audit and Supervisory Committee Member. In addition, if he becomes an Outside 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, the Company plans to conclude a limited liability agreement with him under the provision of Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation 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.