

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities code: 7817

June 7, 2019

To our shareholders:

Kyosuke Kimura
President and Chief Executive Officer
PARAMOUNT BED HOLDINGS CO., LTD.
2-14-5 Higashisuna, Koto-ku, Tokyo, Japan

NOTICE OF THE 37TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 37th 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 or electromagnetic means (such as the Internet). Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights as described in “Guide for exercise of voting rights, etc.” (in Japanese only) by 5:00 p.m., Wednesday, June 26, 2019 (Japan Standard Time).

1. Date and Time: Thursday, June 27, 2019 at 10:00 a.m. (Japan Standard Time)
(Reception opens at 9:00 a.m.)

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 37th term (from April 1, 2018 to March 31, 2019), 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 37th Term (from April 1, 2018 to March 31, 2019)

Items to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendments to the Articles of Incorporation
Proposal 3: Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

4. Other Items Relating to This Notice:

- (1) Approval will be assumed if you exercise your voting rights using the voting form without indicating approval or disapproval for each proposal.
- (2) Your vote via the Internet will take precedence if you exercise your voting rights both via the Internet and by returning the voting form by postal mail.
- (3) Your final vote will take precedence if you exercise your voting rights via the Internet more than once.
- (4) 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 (<https://www.paramountbed-hd.co.jp>) so they are not listed in the documents attached to this Notice.
 - (i) Notes to the Consolidated Financial Statements
 - (ii) 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.

- 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 (<https://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.

That being the case, the Company proposes to pay a year-end dividend for the 37th term as follows.

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property and total amount thereof
50 yen cash per common share
Total dividends: 1,503,156,350 yen
As 50 yen per share was paid as an interim dividend, the total dividend per share for the term will be 100 yen.
- (3) Effective date of distribution of dividends of surplus
June 28, 2019

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for proposal

It is proposed that the business purpose in the Articles of Incorporation of each subsidiary be added to the Company’s business purpose in Article 2 in preparation for the business development of the Group.

2. Details of the amendments

The details of the amendments are as follows.

(Amended parts are underlined)

Current Articles of Incorporation	Proposed amendments
<p>(Purpose) Article 2 (Article text omitted) (1) to (4) (Article text omitted) (Moved from the current item 18) (Newly established) (Newly established) (Newly established) (5) Import and export of goods listed in the preceding items (6) Lease, rental, broker, maintenance, and repair of goods listed in the preceding items 1 to <u>4</u> (7) Sale of goods listed in the preceding items 1 to <u>4</u> when they are second-hand (8) Cleaning, wiping, disinfection, and sterilization of goods listed in the preceding items 1 to <u>4</u> (9) to (12) (Article text omitted) (13) <u>Temporary personnel agency</u> business (14) to (15) (Article text omitted) (Newly established) (Newly established) (Newly established) (16) to (17) (Article text omitted) (18) <u>Development and sale of software</u> (19) to (27) (Article text omitted)</p>	<p>(Purpose) Article 2 (Unchanged) (1) to (4) (Unchanged) (5) <u>Development and sale of software</u> (6) <u>Development, production, and sale of biological information measurement devices</u> (7) <u>Development, production, and sale of devices, etc. that are applications of the skin electronics technology</u> (8) Import and export of goods, <u>etc.</u> listed in the preceding items <u>1</u> to <u>7</u> (9) Lease, rental, broker, maintenance, and repair of goods, <u>etc.</u> listed in the preceding items 1 to <u>7</u> (10) Sale of goods, <u>etc.</u> listed in the preceding items 1 to <u>7</u> when they are second-hand (11) Cleaning, wiping, disinfection, and sterilization of goods listed in the preceding items 1 to <u>7</u> (12) to (15) (Unchanged) (16) <u>Fee-charging employment placement service and worker dispatching undertaking</u> business (17) to (18) (Unchanged) (19) <u>Issue, sale, and management of prepaid payment instruments</u> (20) <u>Development of the methods of measurement and analysis of biological information, etc. and provision of the service thereof</u> (21) <u>Provision of data analysis services</u> (22) to (23) (Unchanged) (Moved to the proposed amendments item 5) (24) to (32) (Unchanged)</p>

Proposal 3: Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

At the time of the conclusion of this General Meeting, the terms of office of all five (5) 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 five (5) 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		Position and responsibilities, etc. in the Company
1	Kyosuke Kimura	Reelection	President and Chief Executive Officer
2	Michihide Kimura	Reelection	Executive Vice President and Chief Financial Officer
3	Izumi Sato	Reelection	Senior Managing Director
4	Tomohiko Kimura	Reelection	Senior Managing Director
5	Toshiyuki Hatta	New election	Corporate Officer, General Manager of General Affairs Department and Human Resource Department

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Kyosuke Kimura (September 20, 1950) Reelection	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 position outside the Company] President and Chief Executive Officer of Paramount Bed Co., LTD.	911,375 shares
		[Reasons for nomination as candidate for Director] Kyosuke Kimura has been a Director and Representative Director of the Company and the subsidiaries of the 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	Michihide Kimura (September 11, 1958) Reelection	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 and Chief Financial Officer of Paramount Bed Co., LTD. Feb. 2011 Member of the Board of the Company Oct. 2011 Senior Executive Director and Chief Financial Officer of the Company June 2018 Executive Vice President and Chief Financial Officer of the Company (present position) June 2018 Executive Vice President and Chief Financial Officer of Paramount Bed Co., LTD. (present position) [Significant concurrent position outside the Company] Executive Vice President and Chief Financial Officer of Paramount Bed Co., LTD.	911,116 shares
		[Reasons for nomination as candidate for Director] Michihide Kimura has been a Director of the Company and the subsidiaries of the Group for many years and has been engaged in the corporate management as Representative Director since 2018. The Company has selected him as a candidate again based on his plentiful experience and achievements as the financial officer of 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
3	<p>Izumi Sato (March 24, 1958)</p> <p>Reelection</p>	<p>Apr. 1980 Joined Paramount Bed Co., LTD.</p> <p>Apr. 2009 Corporate Officer, Director of Sales Division of Paramount Bed Co., LTD.</p> <p>June 2010 Member of the Board, Director of Sales Division of Paramount Bed Co., LTD.</p> <p>Oct. 2011 Member of the Board of the Company</p> <p>June 2013 Senior Managing Director of the Company</p> <p>June 2013 Senior Managing Director, Director of Sales Division of Paramount Bed Co., LTD.</p> <p>Apr. 2015 Senior Managing Director, General Manager of Corporate Planning Department of the Company</p> <p>Apr. 2015 Senior Managing Director of Paramount Bed Co., LTD. (present position)</p> <p>Oct. 2015 Senior Managing Director of the Company (present position)</p> <p>[Significant concurrent position outside the Company] Senior Managing Director of Paramount Bed Co., LTD.</p>	6,027 shares
	<p>[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.</p>		
4	<p>Tomohiko Kimura (July 17, 1977)</p> <p>Reelection</p>	<p>Apr. 2008 Joined Paramount Bed Co., LTD.</p> <p>June 2010 Corporate Officer, Deputy Director of Business Strategy Planning Division of Paramount Bed Co., LTD.</p> <p>Apr. 2011 Corporate Officer, Director of Global Business Division of Paramount Bed Co., LTD.</p> <p>Oct. 2011 Corporate Officer of the Company</p> <p>June 2014 Senior Corporate Officer of the Company</p> <p>June 2015 Member of the Board of Paramount Bed Co., LTD.</p> <p>Apr. 2016 Senior Managing Director of Paramount Bed Co., LTD. (present position)</p> <p>June 2018 Senior Managing Director of the Company (present position)</p> <p>[Significant concurrent position outside the Company] Senior Managing Director of Paramount Bed Co., LTD.</p>	820,149 shares
	<p>[Reasons for nomination as candidate for Director] Tomohiko Kimura has been primarily responsible for the Business Strategy Planning and Global Business Divisions. He has worked as a Corporate Officer of Paramount Bed Co., LTD. from 2010, a Corporate Officer of the Company from 2011, a Senior Managing Director of Paramount Bed Co., LTD. from 2016, and a Senior Managing Director of the Company from 2018. The Company has selected him as a candidate again based on his plentiful experience and achievements in the Group.</p>		

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
5	Toshiyuki Hatta (December 21, 1961) New election	Apr. 1984 Joined Paramount Bed Co., LTD. June 2011 Corporate Officer, General Manager of Human Resource Department and Public and Investor Relations Department of Paramount Bed Co., LTD. Oct. 2011 Corporate Officer, General Manager of Human Resource Department and Public and Investor Relations Department of the Company June 2018 Corporate Officer, General Manager of General Affairs Department and Human Resource Department of the Company (present position) June 2018 Corporate Officer, Executive Director of Administration Division of Paramount Bed Co., LTD. (present position) [Significant concurrent position outside the Company] Corporate Officer, Executive Director of Administration Division of Paramount Bed Co., LTD.	1,000 shares
[Reasons for nomination as candidate for Director] Toshiyuki Hatta has been primarily responsible for the Human Resource and Public and Investor Relations Departments, and from 2011 he has worked as a Corporate Officer of the Company and Paramount Bed Co., LTD. The Company has selected him as a new candidate based on his plentiful experience and achievements in the Group.			

Note: There is no special interest between each of the candidates and the Company.