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Securities code: 7817

June 9, 2021

To our shareholders:

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

## NOTICE OF THE 39TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

The 39th Ordinary General Meeting of Shareholders of PARAMOUNT BED HOLDINGS CO., LTD. (the “Company”) will be held as described below.

In order to avoid the risk of the novel coronavirus disease (COVID-19), the Company requests the shareholders not to attend the General Meeting of Shareholders in person unless absolutely necessary, and exercise their voting rights in writing (by mail) or via 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., Monday, June 28, 2021 (Japan Standard Time).

**1. Date and Time:** Tuesday, June 29, 2021 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

- Taking fairness to all shareholders into consideration, we have resolved to cease distributing gifts to shareholders attending the General Meeting of Shareholders.

We appreciate your kind understanding.

### 3. Purposes:

#### Items to be reported:

1. Business Report and Consolidated Financial Statements for the 39th term (from April 1, 2020 to March 31, 2021), 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 39th term (from April 1, 2020 to March 31, 2021)

#### Items to be resolved:

- Proposal 1:** Election of Five (5) Board Members (Excluding Board Members Who Are Audit and Supervisory Committee Members)
- Proposal 2:** Determination of Remuneration to Grant Restricted Shares to Board Members (Excluding Board Members Who Are Audit and Supervisory Committee Members and Outside Board 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, etc. will take precedence if you exercise your voting rights both via the Internet, etc. 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, etc. more than once.
- (4) Among the documents that should be submitted with this Notice, based on laws and regulations and Article 14 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:** Election of Five (5) Board Members (Excluding Board Members 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) Board Members (excluding Board Members 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) Board Members.

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 Board Member are as follows:

No.	Name		Position and responsibilities, etc. in the Company
1	Kyosuke Kimura	Reelection	Chairperson
2	Tomohiko Kimura	Reelection	President and Chief Executive Officer
3	Izumi Sato	Reelection	Senior Managing Director
4	Toshiyuki Hatta	Reelection	Member of the Board, General Manager of General Affairs Department
5	Yosuke Kimura	Reelection	Member of the Board, General Manager of Finance Department and Information System 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	<p>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.  Feb. 2011      President and Chief Executive Officer of the Company  Apr. 2020      Chairperson of the Company (present position)  Apr. 2020      Chairperson of Paramount Bed Co., LTD. (present position)</p> <p>[Significant concurrent position outside the Company]  Chairperson of Paramount Bed Co., LTD.</p>	1,814,950 shares
<p>[Reasons for nomination as candidate for Board Member]  Kyosuke Kimura has been a Board Member 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.</p>			
2	Tomohiko Kimura (July 17, 1977)  Reelection	<p>Apr. 2008      Joined Paramount Bed Co., LTD.  June 2010      Corporate Officer, Deputy Director of Business Strategy Planning Division of Paramount Bed Co., LTD.  Apr. 2011      Corporate Officer, Director of Global Business Division of Paramount Bed Co., LTD.  Oct. 2011      Corporate Officer of the Company  June 2014      Senior Corporate Officer of the Company  June 2015      Member of the Board of Paramount Bed Co., LTD.  Apr. 2016      Senior Managing Director of Paramount Bed Co., LTD.  June 2018      Senior Managing Director of the Company  June 2019      Senior Executive Director of the Company  June 2019      Senior Executive Director of Paramount Bed Co., LTD.  Apr. 2020      President and Chief Executive Officer of the Company (present position)  Apr. 2020      President and Chief Executive Officer of Paramount Bed Co., LTD. (present position)</p> <p>[Significant concurrent position outside the Company]  President and Chief Executive Officer of Paramount Bed Co., LTD.</p>	1,747,898 shares
<p>[Reasons for nomination as candidate for Board Member]  Tomohiko Kimura has been primarily responsible for the Business Strategy Planning and Global Business Divisions. He has worked as Senior Managing Director of Paramount Bed Co., LTD. from 2016, and has worked as Senior Managing Director of the Company from 2018, as Senior Executive Director from 2019, and as President and Chief Executive Officer from April 2020. 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
3	Izumi Sato (March 24, 1958)  Reelection	<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.</p> <p>Oct. 2015      Senior Managing Director of the Company (present position)</p> <p>Apr. 2020      Senior Managing Director and Chief Strategy Officer of Paramount Bed Co., LTD. (present position)</p> <p>[Significant concurrent position outside the Company] Senior Managing Director and Chief Strategy Officer of Paramount Bed Co., LTD.</p>	12,654 shares
<p>[Reasons for nomination as candidate for Board Member]</p> <p>Izumi Sato has been primarily responsible for the Sales and Corporate Planning Divisions, and from 2010 he has worked as a Board Member of Paramount Bed Co., LTD., from 2011 he has worked as a Board Member 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	Toshiyuki Hatta (December 21, 1961)  Reelection	<p>Apr. 1984      Joined Paramount Bed Co., LTD.</p> <p>June 2011      Corporate Officer, General Manager of Human Resource Department and Public and Investor Relations Department of Paramount Bed Co., LTD.</p> <p>Oct. 2011      Corporate Officer, General Manager of Human Resource Department and Public and Investor Relations Department of the Company</p> <p>June 2018      Corporate Officer, General Manager of General Affairs Department and Human Resource Department of the Company</p> <p>June 2018      Corporate Officer, Executive Director of Administration Division of Paramount Bed Co., LTD.</p> <p>June 2019      Member of the Board, General Manager of General Affairs Department and Human Resource Department of the Company</p> <p>June 2019      Member of the Board, Executive Director of Administration Division of Paramount Bed Co., LTD. (present position)</p> <p>July 2020      Member of the Board, General Manager of General Affairs Department of the Company (present position)</p> <p>[Significant concurrent position outside the Company] Member of the Board, Executive Director of Administration Division of Paramount Bed Co., LTD.</p>	3,200 shares
<p>[Reasons for nomination as candidate for Board Member]</p> <p>Toshiyuki Hatta has been primarily responsible for the Human Resource and Public and Investor Relations Departments. He has worked as Corporate Officer of the Company and Paramount Bed Co., LTD. from 2011, and has worked as a Board Member from 2019. 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	Yosuke Kimura (October 10, 1980)  Reelection	<p>Apr. 2013      Joined Paramount Bed Co., LTD.</p> <p>June 2015      Corporate Officer, Deputy Director of Technical Engineering Division of Paramount Bed Co., LTD.</p> <p>Apr. 2017      Corporate Officer, Director of Technical Engineering Division of Paramount Bed Co., LTD.</p> <p>June 2017      Member of the Board, Director of Technical Engineering Division of Paramount Bed Co., LTD.</p> <p>Apr. 2018      Member of the Board, Executive Director of Finance and System Administration Division of Paramount Bed Co., LTD. (present position)</p> <p>June 2019      Corporate Officer, General Manager of Finance Department and Information System Department of the Company</p> <p>June 2020      Chief Financial Officer and Member of the Board, General Manager of Finance Department and Information System Department of the Company (present position)</p> <p>[Significant concurrent position outside the Company] Member of the Board, Executive Director of Finance and System Administration Division of Paramount Bed Co., LTD.</p>	738,678 shares
<p>[Reasons for nomination as candidate for Board Member]</p> <p>Yosuke Kimura has been primarily responsible for the Technical Engineering and Finance and System Administration Divisions. He has worked as Corporate Officer and a Board Member of Paramount Bed Co., LTD. from 2015 and 2017, respectively, and has worked as Corporate Officer and a Board Member of the Company from 2019 and 2020, respectively. The Company has selected him as a candidate again based on his experience and achievements in the Group.</p>			

- Notes:
1. There is no special interest between each of the candidates and the Company.
  2. The Company implemented a two (2)-for-one (1) share split of its common shares, effective from April 1, 2021. The number of the Company's shares owned by the candidates for Board Member after the share split is stated.
  3. The Company has entered into a directors and officers liability insurance policy with an insurance company. The policy covers a certain amount of losses in cases where an insured bears expenses of litigation arising from the performance of duties as a director or officer and pays an amount of indemnification or settlement money to a third party or company. The insureds in the directors and officers liability insurance policy are Board Members and Corporate Officers of the Company and its subsidiaries, and the premiums for all insureds are fully borne by the Company. If the reelection of each candidate is approved, each of them will continue to be included in the policy as an insured. The Company plans to renew the policy with the same details during their terms of office.

**Proposal 2:** Determination of Remuneration to Grant Restricted Shares to Board Members (Excluding Board Members Who Are Audit and Supervisory Committee Members and Outside Board Members)

Remuneration, etc. paid to the Company's Board Members (excluding Board Members who are Audit and Supervisory Committee Members) in the amount of not more than 500,000,000 yen per year (excluding employee salaries of Board Members who concurrently serve as employees) was approved at the 34th Ordinary General Meeting of Shareholders held on June 29, 2016. The Company hereby requests approval for the payment of new remuneration intended to grant restricted shares to Board Members (excluding Board Members who are Audit and Supervisory Committee Members and Outside Board Members; the "Eligible Members") separately from the maximum amount of remuneration stated above in order to provide the Eligible Members an incentive to sustainably increase the Company's corporate value and to further promote shared value between shareholders and them.

The total amount of the monetary remuneration to be paid to the Eligible Members of the Company for the purpose of granting them restricted shares based on this proposal will be not more than 200,000,000 yen per year as an amount that is deemed reasonable in light of the aforementioned purposes. The specific amount for each Eligible Member and the time of payment, etc., shall be determined by resolution of the Board.

Currently, there are five (5) Board Members (excluding Board Members who are Audit and Supervisory Committee Members). If Proposal 1 is approved and adopted as presented, there will continue to be five (5) Board Members (excluding Board Members who are Audit and Supervisory Committee Members).

Furthermore, the Eligible Members shall pay all monetary remuneration claims that arise under this proposal in the form of property contributed in kind, in accordance with the resolution of the Board of the Company, and shall, in return, receive common shares of the Company that shall be issued or disposed of by the Company. The total number of those common shares of the Company to be issued or disposed of shall be not more than 100,000 shares per year (however, if, on or after the day on which this proposal is approved and adopted, the Company performs a share split (including allotment of shares without contribution) or a reverse share split of its common shares, or any other reason arises necessitating an adjustment to the total number of common shares of the Company to be issued or disposed of as restricted shares, the relevant total number shall be reasonably adjusted). The amount to be paid in per share shall be determined by the Board based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board (if there is no closing price on such date, the closing price on the closest preceding trading day) within the extent that will not be particularly advantageous to the Eligible Members. For such issuance or disposal of the common shares of the Company, an agreement on allotment of restricted shares that includes the following details (the "Allotment Agreement") shall be entered into between the Company and each Eligible Member.

- (1) An Eligible Member shall not transfer, create a security interest on, or otherwise dispose of the common shares of the Company allotted under the Allotment Agreement (the "Allotted Shares") during the period between the date of issue of restricted shares and the date on which the Eligible Member loses the position of the Company's Board Member and Executive Director or any other position specified by the Board of the Company (the "Restriction Period") (the "transfer restrictions").
- (2) If an Eligible Member loses any of the positions mentioned in (1) above before the expiration of the period separately specified by the Board of the Company (the "Service Period"), the Company shall automatically acquire the Allotted Shares without contribution unless there is any reason the Board of the Company deems justifiable.
- (3) The Company shall lift the transfer restrictions of all of the Allotted Shares upon expiration of the Restriction Period, on the condition that the Eligible Member has remained in the position of the Company's Board Member and Executive Director or any other position specified by the Board of the Company throughout the Service Period. However, if the Eligible Member loses any of the positions mentioned in (1) above before the expiration of the Service Period due to the reason the Board of the Company deems justifiable, which is designated in (2) above, the Company shall rationally adjust the number of the Allotted Shares on which the transfer restrictions are to be lifted, and the timing of lifting as needed.

- (4) The Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted at the expiration of the Restriction Period in accordance with the provision of (3) above.
- (5) If, during the Restriction Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of its Board in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift the transfer restrictions on the Allotted Shares with the number of shares that is reasonably determined prior to the date on which the reorganization, etc. becomes effective, by resolution of the Board of the Company.
- (6) In cases specified in (5) above, the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have still not been lifted as of the time immediately after the transfer restrictions were lifted in accordance with the provision of (5) above.
- (7) The method for expressing intentions and giving notifications in the Allotment Agreement, the method for amending the Allotment Agreement, and other matters to be determined by the Board shall be laid out in the Allotment Agreement.

The Company established the basic policy pertaining to the details of remuneration, etc. for individual Board Members at the meeting of the Board held on February 3, 2021, and changed the details at the meeting of the Board held on May 13 of the same year. The grant of the Allotted Shares under this proposal is in line with the policy. Even if this proposal is approved, the Company does not plan to change the policy. As stated above, the amount to be paid in for the Allotted Shares shall be an amount within the extent that will not be particularly advantageous. Given that the maximum number of the Allotted Shares to be granted under this proposal accounts for 0.16 percent of the total number of shares issued (1.61 percent of the total number of shares issued if the maximum number of the Allotted Shares are granted over ten (10) years), which means the rate of dilution is low, the Company has determined that the grant of the Allotted Shares is reasonable.

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.