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July 31, 2023

## Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2024 (Under Japanese GAAP)

Company name: **Paramount Bed Holdings Co., Ltd.**  
Listing: Tokyo Stock Exchange  
Securities code: 7817  
URL: <https://www.paramountbed-hd.co.jp>  
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Scheduled date to file Quarterly Securities Report: August 10, 2023  
Scheduled date to commence dividend payments: —  
Preparation of supplementary material on quarterly financial results: None  
Holding of quarterly financial results presentation meeting: None

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

### 1. Consolidated financial results for the first three months of the fiscal year ending March 31, 2024 (from April 1, 2023 to June 30, 2023)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2023	24,318	6.9	3,258	1.5	4,178	5.4	2,859	6.5
June 30, 2022	22,752	11.4	3,210	2.7	3,962	18.2	2,685	14.3

Note: Comprehensive income      Three months ended June 30, 2023:      ¥4,216 million      [9.0%]  
Three months ended June 30, 2022:      ¥3,867 million      [43.0%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2023	49.05	—
June 30, 2022	46.18	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	170,055	131,106	77.1
March 31, 2023	172,293	128,697	74.7

Reference: Equity  
As of June 30, 2023:      ¥131,105 million  
As of March 31, 2023:      ¥128,696 million

## 2. Dividends

	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	28.00	—	31.00	59.00
Fiscal year ending March 31, 2024	—				
Fiscal year ending March 31, 2024 (Forecast)		31.00	—	31.00	62.00

Note: Revisions to the dividends forecasts most recently announced: None

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

(Percentages indicate year-on-year changes.)

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

Note: Revisions to the earnings forecasts most recently announced: None

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of special accounting for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - (i) Changes in accounting policies in accordance with changes in accounting standards, etc.: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None
- (4) Number of shares issued (common shares)

- (i) Number of shares issued at the end of the period (including treasury shares)

As of June 30, 2023	61,754,974 shares
As of March 31, 2023	61,754,974 shares

- (ii) Number of treasury shares at the end of the period

As of June 30, 2023	3,465,953 shares
As of March 31, 2023	3,464,828 shares

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

Three months ended June 30, 2023	58,289,509 shares
Three months ended June 30, 2022	58,148,580 shares

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

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

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

**Caution concerning forward-looking statements**

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, the statements herein do not constitute assurances regarding the Company's actual results. Actual financial and other results may differ substantially from the statements herein due to various factors. Please refer to "1. Qualitative information regarding financial results for the period under review, (3) Information regarding consolidated earnings forecasts and other forward-looking statements" on page 3 of the attached materials for the suppositions that form the assumptions for the earnings forecasts and cautions regarding the use of the earnings forecasts.

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# 1. Qualitative information regarding financial results for the period under review

## (1) Information regarding operating results

During the three months ended June 30, 2023, the Japanese economy saw the easing of various restrictions related to COVID-19 infections and the normalization of social and economic activities. However, the future remains unclear due to factors such as surging resource prices associated with the protracted situation in Ukraine and foreign exchange rate trends associated with rising overseas interest rates and prices.

The fiscal year ending March 31, 2024 is the final year of Phase I of the Group's medium-term management plan based on "Paramount Vision 2030," which describes the type of company we aim to be in 2030. We steadily implement initiatives for the key measures of Phase I, "expansion of current business," "fully engaging in health promotion business," and "establishing the foundations for change," to build a foundation for medium- to long-term growth. We are also moving forward with activities in preparation for the basic policies of Phase II: "expansion of recurring revenue business," "advancement of health promotion business," and "leap forward in key areas of Asia." The Group has set targets of ¥120,000 million in net sales and ¥17,000 million in operating profit for the fiscal year ending March 31, 2027, which is the final year of Phase II.

In terms of our results for the three months ended June 30, 2023, net sales in the medical care business increased 7.2% year-on-year to ¥9,186 million, mainly due to the steady expansion of recurring revenue business in Japan and higher overseas sales year-on-year, primarily in China. In the nursing care business, net sales increased 6.6% year-on-year to ¥13,953 million, mainly due to efforts to expand sales of products other than beds for home care, as well as steady performance of rental wholesale business for home care and sales for nursing facilities. In the health promotion business, "INTIME 1000," the core model of the INTIME series, was fully remodeled in April 2023. In addition to promoting the introduction of displaying the new model at retail stores, we are building a new promotional strategy. Net sales in the health promotion business increased by 7.1% year-on-year to ¥700 million.

Topics include the establishment of a new Saitama Branch in Minuma-ku, Saitama-shi, Saitama on May 10, 2023 and the relocation of the Minami-Tokyo Branch to Omoriminami, Ota-ku, Tokyo on May 29, 2023 to improve sales and delivery efficiency and customer convenience for Paramount Care Service Co., Ltd., which operates a rental wholesale business for assistive products.

In terms of product development, we launched "Lifmia," an electric lift-up chair designed to allow users to sit comfortably for long periods of time, on June 1, 2023. We aim to improve the quality of life (QOL) of those requiring nursing care by encouraging them to get out of their nursing beds.

The information on disaggregation of net sales for the three months ended June 30, 2023 is as follows.

### Net sales by business

(Millions of yen)			
Sales categories	Three months ended June 30, 2022	Three months ended June 30, 2023	Change
Medical care	8,571	9,186	7.2%
Nursing care	13,085	13,953	6.6%
Health promotion	653	700	7.1%
Others	442	477	8.0%
Total	22,752	24,318	6.9%

## Net sales by region

(Millions of yen)			
Sales categories	Three months ended June 30, 2022	Three months ended June 30, 2023	Change
Domestic	20,724	21,791	5.1%
Overseas	2,027	2,526	24.6%
Total	22,752	24,318	6.9%

As a result of the above, net sales for the three months ended June 30, 2023 increased by ¥1,565 million (up 6.9%) year-on-year to ¥24,318 million. In terms of profits, while gross profit margin improved, expenses such as system-related expenses for the launch of a new Enterprise Resource Planning system and personnel expenses for business expansion increased. This resulted in operating profit increasing by ¥48 million to ¥3,258 million (up 1.5%), ordinary profit increasing by ¥215 million to ¥4,178 million (up 5.4%), and profit attributable to owners of parent increasing by ¥173 million to ¥2,859 million (up 6.5%).

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

**(2) Information regarding financial position**

Total assets as of June 30, 2023 stood at ¥170,055 million, a decrease of ¥2,238 million compared with the end of the previous fiscal year. The main aspects that contributed to this decrease were decreases in cash and deposits, and notes and accounts receivable - trade.

Total liabilities stood at ¥38,948 million, a decrease of ¥4,647 million compared with the end of the previous fiscal year. The main aspects that contributed to this decrease were decreases in income taxes payable, and notes and accounts payable - trade.

Net assets stood at ¥131,106 million, an increase of ¥2,409 million compared with the end of the previous fiscal year. The main aspects that contributed to this increase were increases in retained earnings, and foreign currency translation adjustment. As a result of the above, equity-to-asset ratio as of June 30, 2023 rose by 2.4 points, compared with the end of the previous fiscal year to 77.1%.

**(3) Information regarding consolidated earnings forecasts and other forward-looking statements**

No revisions have been made to the consolidated earnings forecasts announced on May 11, 2023.

## 2. Quarterly consolidated financial statements and significant notes thereto

### (1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	39,820	35,422
Notes and accounts receivable - trade	24,793	22,589
Lease receivables and investments in leases	5,526	5,978
Securities	13,412	13,619
Merchandise and finished goods	8,233	8,670
Work in process	362	445
Raw materials and supplies	2,660	2,974
Other	2,408	2,153
Allowance for doubtful accounts	(83)	(83)
Total current assets	97,135	91,770
Non-current assets		
Property, plant and equipment		
Buildings and structures	32,171	32,315
Accumulated depreciation	(22,617)	(22,873)
Buildings and structures, net	9,553	9,442
Machinery, equipment and vehicles	9,440	9,578
Accumulated depreciation	(8,068)	(8,192)
Machinery, equipment and vehicles, net	1,371	1,386
Land	8,846	8,846
Leased assets	2,652	2,651
Accumulated depreciation	(1,428)	(1,435)
Leased assets, net	1,223	1,216
Assets for rent	52,976	53,673
Accumulated depreciation	(32,245)	(33,042)
Assets for rent, net	20,731	20,630
Construction in progress	579	446
Other	10,682	11,077
Accumulated depreciation	(9,409)	(9,601)
Other, net	1,273	1,476
Total property, plant and equipment	43,579	43,445
Intangible assets		
Other	4,344	4,514
Total intangible assets	4,344	4,514
Investments and other assets		
Investment securities	18,244	20,089
Other	9,820	11,125
Allowance for doubtful accounts	(830)	(889)
Total investments and other assets	27,234	30,325
Total non-current assets	75,158	78,284
Total assets	172,293	170,055

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	13,432	12,010
Lease liabilities	1,542	1,491
Income taxes payable	2,410	729
Provision for bonuses	1,647	764
Provision for bonuses for directors (and other officers)	28	—
Other	7,239	6,256
Total current liabilities	26,300	21,253
Non-current liabilities		
Lease liabilities	3,965	4,022
Retirement benefit liability	7,005	7,156
Other	6,325	6,515
Total non-current liabilities	17,296	17,695
Total liabilities	43,596	38,948
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,207	4,207
Capital surplus	51,902	51,902
Retained earnings	76,338	77,390
Treasury shares	(6,742)	(6,742)
Total shareholders' equity	125,705	126,758
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	889	1,348
Foreign currency translation adjustment	2,400	3,310
Remeasurements of defined benefit plans	(299)	(311)
Total accumulated other comprehensive income	2,990	4,347
Non-controlling interests	0	0
Total net assets	128,697	131,106
Total liabilities and net assets	172,293	170,055



**(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income****Quarterly consolidated statement of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	22,752	24,318
Cost of sales	11,718	12,396
Gross profit	11,033	11,921
Selling, general and administrative expenses	7,823	8,662
Operating profit	3,210	3,258
Non-operating income		
Interest income	40	56
Dividend income	76	53
Foreign exchange gains	619	701
Gain on investments in investment partnerships	13	102
Gain on investments in silent partnerships	70	56
Other	52	64
Total non-operating income	873	1,036
Non-operating expenses		
Interest expenses	23	27
Provision of allowance for doubtful accounts	88	84
Other	8	5
Total non-operating expenses	121	117
Ordinary profit	3,962	4,178
Extraordinary income		
Gain on redemption of investment securities	23	19
Total extraordinary income	23	19
Extraordinary losses		
Loss on valuation of investment securities	13	4
Total extraordinary losses	13	4
Profit before income taxes	3,972	4,192
Income taxes - current	809	902
Income taxes - deferred	477	431
Total income taxes	1,286	1,333
Profit	2,685	2,859
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	2,685	2,859

**Quarterly consolidated statement of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	2,685	2,859
Other comprehensive income		
Valuation difference on available-for-sale securities	(48)	459
Foreign currency translation adjustment	1,203	909
Remeasurements of defined benefit plans, net of tax	27	(11)
Total other comprehensive income	1,181	1,357
Comprehensive income	3,867	4,216
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,866	4,216
Comprehensive income attributable to non-controlling interests	0	0

**(3) Notes to quarterly consolidated financial statements**

**Notes on premise of going concern**

Not applicable.

**Notes on significant changes in the amount of shareholders' equity**

Not applicable.