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October 30, 2023

## Consolidated Financial Results for the First Six 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: November 13, 2023  
 Scheduled date to commence dividend payments: December 4, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

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

### 1. Consolidated financial results for the first six months of the fiscal year ending March 31, 2024 (from April 1, 2023 to September 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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2023	49,720	6.1	6,480	4.2	7,819	2.9	5,298	5.0
September 30, 2022	46,850	13.6	6,218	(1.3)	7,601	11.3	5,044	2.4

Note: Comprehensive income      Six months ended September 30, 2023:      ¥7,278 million      [5.2%]  
    Six months ended September 30, 2022:      ¥6,917 million      [28.4%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	90.89	—
September 30, 2022	86.73	—

## (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	175,345	134,248	76.6
March 31, 2023	172,293	128,697	74.7

Reference: Equity

As of September 30, 2023: ¥134,247 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	—	31.00			
Fiscal year ending March 31, 2024 (Forecast)			—	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
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 September 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 September 30, 2023	3,433,682 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)

Six months ended September 30, 2023	58,303,227 shares
Six months ended September 30, 2022	58,165,131 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**

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 six months ended September 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 the protracted Ukrainian crisis, instabilities in foreign exchange rate trends associated with rising overseas interest rates and prices, and the slowdown of the Chinese economy.

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 for Phase II of ¥120,000 million in net sales and ¥17,000 million in operating profit for the fiscal year ending March 31, 2027.

In terms of our results for the six months ended September 30, 2023, net sales in the medical care business increased by 10.2% year-on-year to ¥19,770 million, mainly due to the continuation of the steady expansion of recurring revenue business in Japan and higher overseas sales year-on-year. In the nursing care business, net sales increased by 3.6% year on year to ¥27,767 million, mainly due to efforts to expand sales of the "Nemuri SCAN" body motion sensor for nursing facilities, and sales of beds and other assistive products for home care. In the health promotion business, net sales increased just by 0.4% year on year to ¥1,282 million, due to changes in consumer behavior following the downgrading of COVID-19 to a Class 5 disease and the impact of extremely hot weather, which resulted in a slump in visitors to stores.

In terms of product development, we launched the wide-sized electric beds "Rakusho Wing" series for home care on August 1. In addition to increasing the width of the bed to 100 cm, 9 cm more than our standard size, we adopted a structure that enables the length to be switched from our standard length of 191 cm to a 14 cm-longer 205 cm. This expands our lineup to address the needs of elderly people with larger frames, the number of which has been increasing in recent years. Moreover, on September 21 we announced the launch on October 2, 2023, of the "Nemuri CONNECT" monitoring support system, which enables information from the "Nemuri SCAN" body motion sensor, used mainly for monitoring applications in nursing facilities, to be managed in the cloud. By supporting DX in the nursing care field through the provision of this system, we aim to contribute to enhancements in nursing care quality, reductions in workload, and improvements in productivity.

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

### Net sales by business

(Millions of yen)			
Sales categories	Six months ended September 30, 2022	Six months ended September 30, 2023	Change
Medical care	17,933	19,770	10.2%
Nursing care	26,797	27,767	3.6%
Health promotion	1,276	1,282	0.4%
Others	842	900	6.9%
Total	46,850	49,720	6.1%

## Net sales by region

(Millions of yen)

Sales categories	Six months ended September 30, 2022	Six months ended September 30, 2023	Change
Domestic	42,022	44,437	5.7%
Overseas	4,828	5,283	9.4%
Total	46,850	49,720	6.1%

As a result of the above, net sales for the six months ended September 30, 2023 increased by ¥2,870 million (up 6.1%) year-on-year to ¥49,720 million. In terms of profits, in addition to gross profit margin improving, there were delays in the incurring of some expenses such as system-related expenses for the launch of a new Enterprise Resource Planning system, which the Group had previously expected. This resulted in operating profit increasing by ¥261 million to ¥6,480 million (up 4.2%), ordinary profit increasing by ¥218 million to ¥7,819 million (up 2.9%), and profit attributable to owners of parent increasing by ¥254 million to ¥5,298 million (up 5.0%).

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

**(2) Information regarding financial position**

Total assets as of September 30, 2023 stood at ¥175,345 million, an increase of ¥3,051 million compared with the end of the previous fiscal year. The main aspects that contributed to this increase were increases in investment securities.

Total liabilities stood at ¥41,096 million, a decrease of ¥2,500 million compared with the end of the previous fiscal year. The main aspects that contributed to this decrease were decreases in notes and accounts payable - trade.

Net assets stood at ¥134,248 million, an increase of ¥5,551 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 September 30, 2023 rose by 1.9 points, compared with the end of the previous fiscal year to 76.6%.

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

No revisions have been made to the consolidated earnings forecasts announced on October 26, 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 September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	39,820	38,100
Notes and accounts receivable - trade	24,793	23,321
Lease receivables and investments in leases	5,526	6,065
Securities	13,412	13,662
Merchandise and finished goods	8,233	8,509
Work in process	362	371
Raw materials and supplies	2,660	2,934
Other	2,408	1,410
Allowance for doubtful accounts	(83)	(82)
Total current assets	97,135	94,292
Non-current assets		
Property, plant and equipment		
Buildings and structures	32,171	32,474
Accumulated depreciation	(22,617)	(23,101)
Buildings and structures, net	9,553	9,372
Machinery, equipment and vehicles	9,440	9,680
Accumulated depreciation	(8,068)	(8,291)
Machinery, equipment and vehicles, net	1,371	1,389
Land	8,846	8,846
Leased assets	2,652	2,611
Accumulated depreciation	(1,428)	(1,480)
Leased assets, net	1,223	1,130
Assets for rent	52,976	55,180
Accumulated depreciation	(32,245)	(33,919)
Assets for rent, net	20,731	21,260
Construction in progress	579	743
Other	10,682	11,380
Accumulated depreciation	(9,409)	(9,764)
Other, net	1,273	1,616
Total property, plant and equipment	43,579	44,359
Intangible assets		
Other	4,344	4,773
Total intangible assets	4,344	4,773
Investments and other assets		
Investment securities	18,244	21,046
Other	9,820	11,855
Allowance for doubtful accounts	(830)	(982)
Total investments and other assets	27,234	31,919
Total non-current assets	75,158	81,052
Total assets	172,293	175,345

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	13,432	11,330
Lease liabilities	1,542	1,349
Income taxes payable	2,410	2,289
Provision for bonuses	1,647	1,593
Provision for bonuses for directors (and other officers)	28	—
Other	7,239	6,749
Total current liabilities	26,300	23,311
Non-current liabilities		
Lease liabilities	3,965	3,835
Retirement benefit liability	7,005	7,227
Other	6,325	6,721
Total non-current liabilities	17,296	17,784
Total liabilities	43,596	41,096
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,207	4,207
Capital surplus	51,902	51,918
Retained earnings	76,338	79,830
Treasury shares	(6,742)	(6,678)
Total shareholders' equity	125,705	129,278
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	889	1,411
Foreign currency translation adjustment	2,400	3,842
Remeasurements of defined benefit plans	(299)	(284)
Total accumulated other comprehensive income	2,990	4,969
Non-controlling interests	0	0
Total net assets	128,697	134,248
Total liabilities and net assets	172,293	175,345



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

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

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	46,850	49,720
Cost of sales	24,869	25,751
Gross profit	21,980	23,969
Selling, general and administrative expenses	15,762	17,489
Operating profit	6,218	6,480
Non-operating income		
Interest income	85	133
Dividend income	126	125
Foreign exchange gains	1,134	1,072
Gain on investments in investment partnerships	99	55
Gain on investments in silent partnerships	81	85
Other	145	111
Total non-operating income	1,673	1,583
Non-operating expenses		
Interest expenses	48	54
Provision of allowance for doubtful accounts	228	174
Other	13	15
Total non-operating expenses	290	244
Ordinary profit	7,601	7,819
Extraordinary income		
Gain on redemption of investment securities	23	19
Total extraordinary income	23	19
Extraordinary losses		
Loss on valuation of investment securities	31	10
Total extraordinary losses	31	10
Profit before income taxes	7,593	7,827
Income taxes - current	2,345	2,436
Income taxes - deferred	203	92
Total income taxes	2,548	2,529
Profit	5,044	5,298
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	5,044	5,298

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

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	5,044	5,298
Other comprehensive income		
Valuation difference on available-for-sale securities	(35)	522
Foreign currency translation adjustment	1,879	1,442
Remeasurements of defined benefit plans, net of tax	29	15
Total other comprehensive income	1,872	1,979
Comprehensive income	6,917	7,278
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,917	7,278
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.