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October 30, 2025

Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2026 (Under Japanese GAAP)

Company name: **Paramount Bed Holdings Co., Ltd.**
 Listing: Tokyo Stock Exchange
 Securities code: 7817
 URL: <https://www.paramountbed-hd.co.jp>
 Representative: Tomohiko Kimura, President and Chief Executive Officer
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Scheduled date to file semi-annual securities report: November 14, 2025
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results presentation meeting: None

(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, 2026 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2025	47,119	(3.2)	2,652	(35.3)	3,141	(9.1)	2,372	4.4
September 30, 2024	48,674	(2.1)	4,099	(36.7)	3,454	(55.8)	2,272	(57.1)

Note: Comprehensive income Six months ended September 30, 2025: ¥2,705 million [47.6%]
 Six months ended September 30, 2024: ¥1,832 million [(74.8)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2025	42.31	–
September 30, 2024	39.55	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
September 30, 2025	180,863	137,302	75.9
March 31, 2025	183,027	137,284	75.0

Reference: Equity
 As of September 30, 2025: ¥137,301 million
 As of March 31, 2025: ¥137,283 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, 2025	–	48.00	–	49.00	97.00
Fiscal year ending March 31, 2026	–	0.00			
Fiscal year ending March 31, 2026 (Forecast)			–	0.00	0.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2026	113,000	4.1	13,800	6.3	14,200	10.5	10,000	10.1	178.36

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

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Application of special accounting for preparing semi-annual 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, 2025	57,598,692 shares
As of March 31, 2025	57,598,692 shares

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

As of September 30, 2025	1,513,008 shares
As of March 31, 2025	1,531,117 shares

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

Six months ended September 30, 2025	56,075,137 shares
Six months ended September 30, 2024	57,451,988 shares

*** Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.**

*** 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 4 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, 2025, the outlook for the Japanese economy remained uncertain due to factors such as the soaring raw material prices caused by the prolonged trend of yen depreciation, stagnant consumer confidence caused by higher prices exceeding wage increases, and the impact of labor shortages.

The Group is focusing on the priority measures of “expansion of recurring revenue business,” “evolution of health promotion business,” and “rapid growth in focused areas in Asia” in Phase II of the medium-term management plan based on the “Paramount Vision 2030,” which describes the type of company we aim to be in 2030.

The operating results of our three core businesses for the six months ended September 30, 2025 were as follows. Beginning with the medical care business, in Japan, under the environment which remained severe for hospital management due to the ongoing labor shortage and persistently high heating and lighting expenses and material prices, sales of beds and other products was sluggish. However, demand for products and services that contribute to operational efficiency and task shifting that help medical staff continued to remain strong, and the recurring revenue business showed steady growth. In the overseas market, sales declined due to the postponement or disappearance of large-scale projects in Indonesia and China, where sales are large. As a result, net sales in the medical care business increased by 0.6% year-on-year to ¥17,975 million.

In the nursing care business, net sales decreased by 2.2% year-on-year to ¥28,478 million, mainly due to sluggish product sales to nursing homes, which continue to face the same difficult business environment as domestic medical institutions, despite steady performance of sales and rentals for home use. In the health promotion business, net sales decreased by 26.2% year-on-year to ¥664 million, mainly because of a slump in visitors to retail shops due to the decline in consumer confidence caused by higher prices and the effects of the extremely hot summer.

As for topics, we launched the new electric beds “Rakusho Fit” series for home care on August 25, 2025. The “Rakusho Fit” series is the successor to the flagship “Rakusho Plus” series for home care, which was launched in August 2020 with cumulative sales of over 230,000 units. In addition to improved comfort and usability for bed users through the new “Fit Line Bottom” structure that reduces misalignment and enhances pressure dispersion when raising the back, the “LCD touch panel type hand switch” that allows customization of display contents and button size, and the new “panoramic design” that opens up the view of the foot area. Furthermore, the structure also contributes to improved inventory efficiency and utilization rates for assistive products rental providers through thorough unit commonality. We aim to contribute to improving convenience for both care receivers and care supporters.

The information on disaggregation of net sales for the six months ended September 30, 2025 is as follows.

Net sales by business

(Millions of yen)

Sales categories	Six months ended September 30, 2024	Six months ended September 30, 2025	Change
Medical care	17,866	17,975	0.6%
Nursing care	29,105	28,478	(2.2)%
Health promotion	900	664	(26.2)%
Others	801	–	–%
Total	48,674	47,119	(3.2)%

Net sales by region

(Millions of yen)

Sales categories	Six months ended September 30, 2024	Six months ended September 30, 2025	Change
Domestic	43,778	43,217	(1.3)%
Overseas	4,895	3,901	(20.3)%
Total	48,674	47,119	(3.2)%

As a result of the above, net sales for the six months ended September 30, 2025 decreased by ¥1,555 million (down 3.2%) year-on-year to ¥47,119 million. In terms of profits, mainly due to the decreased gross profit resulting from the sales decline and expenses incurred in connection with the MBO process announced on September 24, 2025, operating profit decreased by ¥1,446 million to ¥2,652 million (down 35.3%), ordinary profit decreased by ¥313 million to ¥3,141 million (down 9.1%) due to foreign exchange gains, etc., and profit attributable to owners of parent increased by ¥100 million to ¥2,372 million (up 4.4%) mainly due to the absence of impairment losses incurred in the previous fiscal year.

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, 2025 stood at ¥180,863 million, a decrease of ¥2,163 million compared with the end of the previous fiscal year. The main aspects that contributed to this decrease were decreases in notes and accounts receivable - trade.

Total liabilities stood at ¥43,561 million, a decrease of ¥2,181 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, and income taxes payable.

Net assets stood at ¥137,302 million, an increase of ¥17 million compared with the end of the previous fiscal year. The main aspect that contributed to this increase was an increase in valuation difference on available-for-sale securities.

As a result of the above, equity-to-asset ratio as of September 30, 2025 rose by 0.9 points, compared with the end of the previous fiscal year to 75.9%.

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

No revisions have been made to the consolidated earnings forecasts announced on September 24, 2025.

(4) Implementation of management buyout

The Company resolved at the meeting of the Company's Board Members held on September 24, 2025, to express an opinion in support of a tender offer (the "Tender Offer") for the common shares of the Company (the "Company Shares") by TMKR Co., Ltd. for the purpose of a so-called management buyout (MBO) (Note), and to recommend that the Company's shareholders tender their shares in the Tender Offer.

The foregoing Board Members' resolution was made on the assumption that the Company Shares are expected to be delisted through the Tender Offer and subsequent series of procedures.

For details, please refer to the "Notice Regarding the Implementation of MBO and Recommendation to Tender" released on September 24, 2025.

Note: A management buyout (MBO) generally refers to a transaction in which the management of the target company acquires shares of the target company by investing all or part of the acquisition funds on the assumption that the target company's business will continue.

2. Semi-annual consolidated financial statements and significant notes thereto

(1) Semi-annual consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	34,943	34,536
Notes and accounts receivable - trade	28,992	22,086
Lease receivables and investments in leases	7,838	8,225
Securities	8,593	8,666
Merchandise and finished goods	9,333	9,769
Work in process	423	453
Raw materials and supplies	2,719	2,737
Other	1,690	2,093
Allowance for doubtful accounts	(4)	(8)
Total current assets	94,531	88,563
Non-current assets		
Property, plant and equipment		
Buildings and structures	33,800	33,814
Accumulated depreciation	(23,682)	(23,992)
Buildings and structures, net	10,117	9,821
Machinery, equipment and vehicles	9,880	9,571
Accumulated depreciation	(8,129)	(7,983)
Machinery, equipment and vehicles, net	1,750	1,588
Land	8,518	8,518
Leased assets	2,406	2,709
Accumulated depreciation	(920)	(998)
Leased assets, net	1,486	1,710
Assets for rent	68,741	72,141
Accumulated depreciation	(43,922)	(46,484)
Assets for rent, net	24,819	25,656
Construction in progress	185	92
Other	12,539	12,683
Accumulated depreciation	(10,618)	(10,784)
Other, net	1,920	1,899
Total property, plant and equipment	48,799	49,288
Intangible assets		
Goodwill	286	253
Other	5,642	5,665
Total intangible assets	5,928	5,919
Investments and other assets		
Investment securities	21,682	24,333
Other	12,848	13,596
Allowance for doubtful accounts	(762)	(837)
Total investments and other assets	33,767	37,092
Total non-current assets	88,495	92,300
Total assets	183,027	180,863

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,701	11,897
Lease liabilities	1,455	1,590
Income taxes payable	1,648	1,067
Provision for bonuses	1,740	1,728
Provision for bonuses for directors (and other officers)	22	–
Other	7,189	6,725
Total current liabilities	25,759	23,009
Non-current liabilities		
Lease liabilities	5,350	5,929
Retirement benefit liability	6,883	6,582
Other	7,749	8,040
Total non-current liabilities	19,983	20,551
Total liabilities	45,742	43,561
Net assets		
Shareholders' equity		
Share capital	4,207	4,207
Capital surplus	49,877	49,877
Retained earnings	81,085	80,709
Treasury shares	(4,020)	(3,959)
Total shareholders' equity	131,149	130,834
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,608	2,365
Foreign currency translation adjustment	4,096	3,707
Remeasurements of defined benefit plans	428	392
Total accumulated other comprehensive income	6,133	6,466
Non-controlling interests	1	1
Total net assets	137,284	137,302
Total liabilities and net assets	183,027	180,863

(2) Semi-annual consolidated statement of income and semi-annual consolidated statement of comprehensive income**Semi-annual consolidated statement of income**

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	48,674	47,119
Cost of sales	25,113	23,796
Gross profit	23,560	23,322
Selling, general and administrative expenses	19,461	20,669
Operating profit	4,099	2,652
Non-operating income		
Interest income	220	227
Dividend income	196	149
Foreign exchange gains	–	254
Gain on investments in silent partnerships	–	12
Other	227	143
Total non-operating income	644	786
Non-operating expenses		
Interest expenses	77	96
Foreign exchange losses	840	–
Loss on investments in investment partnerships	131	75
Loss on investments in silent partnerships	138	–
Provision of allowance for doubtful accounts	85	70
Other	16	55
Total non-operating expenses	1,289	297
Ordinary profit	3,454	3,141
Extraordinary income		
Gain on sale of investment securities	28	–
Gain on redemption of investment securities	51	39
Gain on revision of retirement benefit plan	–	109
Total extraordinary income	80	149
Extraordinary losses		
Loss on redemption of investment securities	5	2
Loss on valuation of investment securities	3	–
Loss on valuation of shares of subsidiaries and associates	–	6
Impairment losses	475	–
Total extraordinary losses	484	9
Profit before income taxes	3,050	3,280
Income taxes - current	907	803
Income taxes - deferred	(130)	104
Total income taxes	777	908
Profit	2,272	2,372
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	2,272	2,372

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	2,272	2,372
Other comprehensive income		
Valuation difference on available-for-sale securities	(280)	756
Foreign currency translation adjustment	(175)	(388)
Remeasurements of defined benefit plans, net of tax	15	(35)
Total other comprehensive income	(440)	332
Comprehensive income	1,832	2,705
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,832	2,705
Comprehensive income attributable to non-controlling interests	0	0

(3) Notes to semi-annual consolidated financial statements**Notes on premise of going concern**

Not applicable.

Notes on significant changes in the amount of shareholders' equity

Not applicable.

Notes on semi-annual consolidated balance sheet

*1. The amounts due to non-consolidated subsidiaries and affiliated companies are as follows:

	(Millions of yen)	
	As of March 31, 2025	As of September 30, 2025
Investment securities (stocks)	3,141	5,427
Investment securities (other)	1,215	1,360

2. Contingent liabilities

The Company guarantees the liabilities for borrowings from financial institutions as follows:

	(Millions of yen)	
	As of March 31, 2025	As of September 30, 2025
Employees (housing loan obligations)	8	7

Notes on semi-annual consolidated statement of income

* Main items and amounts of selling, general and administrative expenses are as follows:

	(Millions of yen)	
	Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)	Six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)
Salaries and allowances	3,191	3,418
Provision for bonuses	1,055	1,111

Notes on semi-annual consolidated statement of cash flows

- * Reconciliation of balance of cash and cash equivalents at end of period and account balances per the semi-annual consolidated balance sheet is as follows.

	(Millions of yen)	
	Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)	Six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)
Cash and deposits	38,403	34,536
Securities	8,680	8,666
Total	47,084	43,203
Time deposits with maturity over 3 months	(46)	-
Securities investment trusts and bonds with redemption periods exceeding three months	(2,400)	(2,147)
Cash and cash equivalents	44,637	41,056

Notes on segment information, etc.

Segment Information

I Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

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

II Six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)

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