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May 14, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (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
 Contact: Yuichi Naguchi, Corporate Officer, General Manager of Investor Relations Dept.
 TEL: 03-3648-1100

Scheduled date of the ordinary general meeting of shareholders: June 27, 2025
 Scheduled date to commence dividend payments: June 9, 2025
 Scheduled date to file Securities Report: June 27, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of 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 fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	108,583	2.4	12,977	(6.1)	12,846	(19.3)	9,083	(14.5)
March 31, 2024	106,016	7.1	13,818	2.7	15,920	12.6	10,622	15.3

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥9,597 million [(27.6)%]
 For the fiscal year ended March 31, 2024: ¥13,252 million [40.5%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2025	159.24	–	6.6	7.1	12.0
March 31, 2024	182.61	–	8.0	9.0	13.0

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2025: ¥– million
 For the fiscal year ended March 31, 2024: ¥– million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	183,027	137,284	75.0	2,448.54
March 31, 2024	180,020	136,016	75.6	2,368.78

Reference: Equity

As of March 31, 2025: ¥137,283 million

As of March 31, 2024: ¥136,015 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	10,045	264	(8,804)	41,437
March 31, 2024	7,521	(8,163)	(5,969)	39,740

2. Dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	–	31.00	–	34.00	65.00	3,760	35.6	2.8
Fiscal year ended March 31, 2025	–	48.00	–	49.00	97.00	5,512	60.9	4.0
Fiscal year ending March 31, 2026 (Forecast)	–	62.00	–	63.00	125.00		70.1	

Note: The dividends forecasts for the fiscal year ending March 31, 2026 are calculated based on the new dividend policy. For details, please refer to the “Notice Regarding Change in Dividend Policy (Raising the Level)” released today.

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
Six months ending September 30, 2025	48,200	(1.0)	3,400	(17.1)	3,600	4.2	2,700	18.8	48.16
Fiscal year ending March 31, 2026	113,000	4.1	13,800	6.3	14,200	10.5	10,000	10.1	178.36

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes

Newly included: None, Excluded: One company (Sadashige Special Plywood Co., Ltd.)

Note: For details, please refer to “3. Consolidated financial statements and significant notes thereto, (5) Notes to consolidated financial statements (Changes in the scope of consolidation or application of equity method)” of the Attached Materials on page 14.

- (2) 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

- (3) Number of shares issued (common shares)

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

As of March 31, 2025	57,598,692 shares
As of March 31, 2024	61,754,974 shares

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

As of March 31, 2025	1,531,117 shares
As of March 31, 2024	4,334,941 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	57,045,957 shares
Fiscal year ended March 31, 2024	58,172,792 shares

*** Indication regarding execution of review procedures**

The completion of review procedures in accordance with the Financial Instruments and Exchange Act is not required for preparing this financial results report. At the time of disclosure of this financial results report, the review procedures for 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. Overview of operating results and others, (1) Overview of operating results during the fiscal year under review” on page 2 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. Overview of operating results and others

(1) Overview of operating results during the fiscal year under review

(i) Operating results during the fiscal year under review

During the fiscal year under review, the Japanese economy continued to gradually recover, due to expectations of improvement in the employment and income environment and an increase in inbound demand. However, the future remains unclear due to factors such as the soaring raw material prices resulting from the prolonged depreciation of the yen, 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 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 fiscal year under review were as follows. Beginning with the medical care business, sales of beds and other products were sluggish due to the continuing trend of wait-and-see attitude toward capital investment among medical facilities, 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 in Japan. However, demand for products and services that contribute to operational efficiency and task shifting in response to reforms in work styles of physicians remained strong. In the overseas market, sales in China declined mainly due to a reactionary drop from the special demand at the dawn of the zero-COVID policy and postponement of projects caused by the anti-corruption movement. As a result, net sales in the medical care business decreased by 1.1% year-on-year to ¥40,225 million. In the nursing care business, net sales increased by 6.4% year-on-year to ¥65,277 million, driven by efforts such as expanding sales of the “Nemuri CONNECT” monitoring support system and the “Nemuri SCAN” body motion sensor for nursing homes, enhancing the lineup of various assistive products for home care, and expanding the rental wholesale business for assistive products. In the health promotion business, net sales decreased by 23.7% year-on-year to ¥1,685 million, mainly due to a slump in visitors to retail shops.

In terms of topics concerning the health promotion business, the “Active Sleep BED,” an electric bed equipped with “NEMURI automatic operation” functions which was remodeled in April 2024, won the Gold Award in the smart home appliance category of the “Home Appliance Awards 2024-2025” jointly held by “GetNavi,” a product information magazine by ONE PUBLISHING Co.,Ltd. and “KADEN Watch,” a home appliance and lifestyle information website operated by Impress Corporation. In addition, on April 18, 2025, “PARAMOUNT BED Nemuri Gallery KITTE OSAKA” opened in KITTE OSAKA, a large-scale commercial complex directly connected to JR Osaka Station. This is the first Nemuri Gallery to open in a commercial complex. The “Active Sleep BED” and the “INTIME” series of electric beds for household use are on display, and visitors can actually experience the comfort of sleeping in this space. Taking the opportunity of winning the Home Appliance Award and the opening of the new store, we will strengthen various promotions to promote a new style of sleep called “angle for falling asleep,” in which sleepers sleep at an inclined angle.

Among recent topics in our overseas operations is the launch of full-scale operations at a new plant of our subsidiary in India in February 2025. In addition to increasing the rate of in-house production by introducing coating equipment, the plant has doubled its production capacity compared to the previous plant. In response to demand in the fast-growing Indian medical market, we will strive to ensure stable operation of the new plant and expand our product lineup to meet local needs.

The information on disaggregation of net sales for the fiscal year ended March 31, 2025 is as follows.

Net sales by business

(Millions of yen)

Sales categories	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change
Medical care	40,690	40,225	(1.1)%
Nursing care	61,350	65,277	6.4%
Health promotion	2,210	1,685	(23.7)%
Others	1,764	1,394	(21.0)%
Total	106,016	108,583	2.4%

Net sales by region

(Millions of yen)

Sales categories	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change
Domestic	95,411	98,530	3.3%
Overseas	10,605	10,053	(5.2)%
Total	106,016	108,583	2.4%

As a result of the above, net sales for the fiscal year ended March 31, 2025 increased by ¥2,566 million (up 2.4%) year-on-year to ¥108,583 million. In terms of profits, while the gross profit improved resulting from the sales increase, there were an increase in personnel expenses and the recording of investment-related expenses for medium- to long-term growth. Mainly due to these factors, operating profit decreased by ¥841 million to ¥12,977 million (down 6.1%), ordinary profit decreased by ¥3,073 million to ¥12,846 million (down 19.3%) due mainly to foreign exchange losses, and profit attributable to owners of parent decreased by ¥1,538 million to ¥9,083 million (down 14.5%).

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

(ii) Future Outlook

As for the future outlook, although recovery trend of economic activity is expected, the outlook remains uncertain due to labor shortages, inflation concerns, and the impact of US tariff policies.

Medical facilities and nursing homes in Japan, the Group's main customers, are expected to continue to face a difficult business environment, as various costs, such as personnel expenses and heating and lighting expenses, will continue to rise, while the revenue side, medical and nursing care fees, will both be unrevised in the fiscal year ending March 31, 2026. The Group aims to contribute to the maintenance and development of Japan's medical and nursing care infrastructure by focusing on expanding sales of products and services that contribute to improving the productivity of medical and nursing care staff and increasing the income of facility management, which have been expanding in recent years.

In light of recent changes in the business environment, we have revised Phase II of our medium-term management plan, which concludes in the fiscal year ending March 31, 2027. For details, please refer to the "Notice Regarding the Medium-term Management Plan" released today.

For the next fiscal year, we forecast net sales of ¥113,000 million (up 4.1% from the fiscal year under review), operating profit of ¥13,800 million (up 6.3%), ordinary profit of ¥14,200 million (up 10.5%), and profit attributable to owners of parent of ¥10,000 million (up 10.1%).

(2) Overview of financial position of the fiscal year under review

(i) Assets, liabilities and net assets

Total assets at the end of the current fiscal year increased by ¥3,007 million compared with the end of the previous fiscal year, and stood at ¥183,027 million. The main aspect that contributed to this increase was an increase in assets for rent.

Liabilities increased by ¥1,738 million compared with the end of the previous fiscal year, and stood at ¥45,742 million. The main aspect that contributed to this increase was an increase in notes and accounts payable - trade.

Net assets increased by ¥1,268 million compared with the end of the previous fiscal year, and stood at ¥137,284 million. The main aspects that contributed to this increase were the disposal of treasury shares to provide restricted share incentive for employee stock ownership plan and increases in foreign currency translation adjustment and remeasurements of defined benefit plans.

As a result of the above, equity-to-asset ratio decreased by 0.5 points, compared with the end of the previous fiscal year to 75.0%.

(ii) Cash flows

Cash and cash equivalents (hereinafter called “cash”) stood at ¥41,437 million at the end of the current fiscal year. The respective cash flows and their causes during the fiscal year under review, are as follows.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥10,045 million. This was mainly due to an increase in cash from profit before income taxes of ¥12,833 million and depreciation of ¥11,099 million, despite an increase in assets for rent of ¥8,438 million due to the expansion of recurring revenue business and an increase in inventories of ¥2,503 million.

Cash flows from investing activities

Net cash provided by investing activities amounted to ¥264 million. This was mainly due to an increase in cash from proceeds from sale of securities of ¥4,841 million, despite purchase of property, plant and equipment of ¥2,365 million and purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥2,000 million.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥8,804 million. This was mainly due to a decrease in cash from dividends paid of ¥4,714 million and purchase of treasury shares of ¥4,020 million.

(Reference) Trends in cash flow-related indicators

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Equity ratio (%)	74.7	75.6	75.0
Equity ratio based on market value (%)	79.8	83.1	76.1
Ratio of interest-bearing debt to cash flow (%)	62.4	82.0	70.2
Interest coverage ratio (times)	97.3	63.6	60.8

Equity ratio: equity/total assets

Equity ratio based on market value: market capitalization/total assets

Ratio of interest-bearing debt to cash flow: interest-bearing debt/cash flow from operating activities

Interest coverage ratio: operating cash flows/interest payments

1. Each indicator is calculated based on consolidated financial indicators.
2. Market capitalization is calculated by multiplying the closing share price at the end of the fiscal year by the number of shares issued (after deducted treasury shares) at the end of the fiscal year.
3. Interest-bearing debt covers all liabilities on which interest has been paid among liabilities recorded in the consolidated balance sheet.
4. Operating cash flows represents cash flows from operating activities in the consolidated statement of cash flows. For interest payments, interest paid in the consolidated statement of cash flows is used.

2. Basic concept regarding selection of accounting standards

Taking into account the comparability of consolidated financial statements over the period and the comparability between companies, the Group intends, for the time being, to prepare consolidated financial statements based on Japanese accounting standards.

With respect to adoption of international financial reporting standards (IFRS), the Group follows a policy of responding in a suitable manner after giving consideration to various circumstances in Japan and overseas.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	33,828	34,943
Notes and accounts receivable - trade	30,382	28,992
Lease receivables and investments in leases	6,525	7,838
Securities	12,918	8,593
Merchandise and finished goods	7,069	9,333
Work in process	397	423
Raw materials and supplies	2,729	2,719
Other	1,730	1,690
Allowance for doubtful accounts	(84)	(4)
Total current assets	95,496	94,531
Non-current assets		
Property, plant and equipment		
Buildings and structures	33,165	33,800
Accumulated depreciation	(23,401)	(23,682)
Buildings and structures, net	9,764	10,117
Machinery, equipment and vehicles	9,716	9,880
Accumulated depreciation	(8,378)	(8,129)
Machinery, equipment and vehicles, net	1,337	1,750
Land	8,846	8,518
Leased assets	2,680	2,406
Accumulated depreciation	(1,201)	(920)
Leased assets, net	1,478	1,486
Assets for rent	57,849	68,741
Accumulated depreciation	(35,998)	(43,922)
Assets for rent, net	21,851	24,819
Construction in progress	562	185
Other	11,986	12,539
Accumulated depreciation	(10,156)	(10,618)
Other, net	1,829	1,920
Total property, plant and equipment	45,670	48,799
Intangible assets		
Goodwill	-	286
Other	4,800	5,642
Total intangible assets	4,800	5,928
Investments and other assets		
Investment securities	23,063	21,682
Deferred tax assets	4,272	4,584
Other	7,349	8,263
Allowance for doubtful accounts	(631)	(762)
Total investments and other assets	34,052	33,767
Total non-current assets	84,523	88,495
Total assets	180,020	183,027

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,185	13,701
Lease liabilities	1,362	1,455
Income taxes payable	2,678	1,648
Provision for bonuses	1,740	1,740
Provision for bonuses for directors (and other officers)	24	22
Other	6,905	7,189
Total current liabilities	24,897	25,759
Non-current liabilities		
Lease liabilities	4,602	5,350
Deferred tax liabilities	6,512	6,958
Retirement benefit liability	7,484	6,883
Other	507	790
Total non-current liabilities	19,106	19,983
Total liabilities	44,004	45,742
Net assets		
Shareholders' equity		
Share capital	4,207	4,207
Capital surplus	51,918	49,877
Retained earnings	83,346	81,085
Treasury shares	(9,077)	(4,020)
Total shareholders' equity	130,394	131,149
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,903	1,608
Foreign currency translation adjustment	3,894	4,096
Remeasurements of defined benefit plans	(177)	428
Total accumulated other comprehensive income	5,620	6,133
Non-controlling interests	0	1
Total net assets	136,016	137,284
Total liabilities and net assets	180,020	183,027

(2) Consolidated statement of income and consolidated statement of comprehensive income
Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	106,016	108,583
Cost of sales	55,384	56,025
Gross profit	50,632	52,558
Selling, general and administrative expenses	36,813	39,581
Operating profit	13,818	12,977
Non-operating income		
Interest income	397	425
Dividend income	290	437
Insurance claim income	14	45
Foreign exchange gains	1,367	-
Gain on investments in investment partnerships	33	-
Gain on investments in silent partnerships	89	-
Gain on sale of scraps	68	62
Other	168	241
Total non-operating income	2,430	1,212
Non-operating expenses		
Interest expenses	118	165
Foreign exchange losses	-	670
Loss on investments in investment partnerships	-	180
Loss on investments in silent partnerships	-	89
Provision of allowance for doubtful accounts	175	133
Other	34	104
Total non-operating expenses	328	1,343
Ordinary profit	15,920	12,846
Extraordinary income		
Gain on sale of investment securities	10	659
Gain on redemption of investment securities	73	276
Total extraordinary income	84	935
Extraordinary losses		
Loss on redemption of investment securities	8	23
Loss on valuation of investment securities	10	3
Loss on sale of shares of subsidiaries and associates	-	446
Loss on valuation of shares of subsidiaries and associates	485	-
Impairment losses	-	475
Total extraordinary losses	504	948
Profit before income taxes	15,500	12,833
Income taxes - current	4,946	3,680
Income taxes - deferred	(68)	69
Total income taxes	4,877	3,749
Profit	10,622	9,084
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	10,622	9,083

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	10,622	9,084
Other comprehensive income		
Valuation difference on available-for-sale securities	1,014	(294)
Foreign currency translation adjustment	1,493	201
Remeasurements of defined benefit plans, net of tax	121	606
Total other comprehensive income	2,630	513
Comprehensive income	13,252	9,597
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,252	9,597
Comprehensive income attributable to non-controlling interests	0	0

(3) Consolidated statement of changes in equity

Previous fiscal year (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,207	51,902	76,338	(6,742)	125,705
Changes during period					
Dividends of surplus			(3,614)		(3,614)
Profit attributable to owners of parent			10,622		10,622
Purchase of treasury shares				(2,399)	(2,399)
Disposal of treasury shares		16		64	80
Cancellation of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	–	16	7,007	(2,334)	4,689
Balance at end of period	4,207	51,918	83,346	(9,077)	130,394

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	889	2,400	(299)	2,990	0	128,697
Changes during period						
Dividends of surplus						(3,614)
Profit attributable to owners of parent						10,622
Purchase of treasury shares						(2,399)
Disposal of treasury shares						80
Cancellation of treasury shares						
Net changes in items other than shareholders' equity	1,014	1,493	121	2,630	0	2,630
Total changes during period	1,014	1,493	121	2,630	0	7,319
Balance at end of period	1,903	3,894	(177)	5,620	0	136,016

Current fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,207	51,918	83,346	(9,077)	130,394
Changes during period					
Dividends of surplus			(4,717)		(4,717)
Profit attributable to owners of parent			9,083		9,083
Purchase of treasury shares				(4,020)	(4,020)
Disposal of treasury shares		125		378	503
Cancellation of treasury shares		(2,165)	(6,532)	8,698	–
Net changes in items other than shareholders' equity			(94)		(94)
Total changes during period		(2,040)	(2,260)	5,056	755
Balance at end of period	4,207	49,877	81,085	(4,020)	131,149

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,903	3,894	(177)	5,620	0	136,016
Changes during period						
Dividends of surplus						(4,717)
Profit attributable to owners of parent						9,083
Purchase of treasury shares						(4,020)
Disposal of treasury shares						503
Cancellation of treasury shares						–
Net changes in items other than shareholders' equity	(294)	201	606	513	0	418
Total changes during period	(294)	201	606	513	0	1,268
Balance at end of period	1,608	4,096	428	6,133	1	137,284

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	15,500	12,833
Depreciation	9,765	11,099
Impairment losses	–	475
Amortization of goodwill	–	39
Increase (decrease) in provision for bonuses	84	7
Increase (decrease) in retirement benefit liability	440	(540)
Increase (decrease) in allowance for doubtful accounts	(207)	54
Interest and dividend income	(687)	(863)
Foreign exchange losses (gains)	(377)	103
Insurance claim income	(14)	(45)
Interest expenses	118	165
Loss (gain) on investments in investment partnerships	(33)	180
Loss (gain) on investments in silent partnerships	(89)	89
Loss (gain) on sale of short-term and long-term investment securities	(75)	(911)
Loss (gain) on valuation of investment securities	10	3
Loss on valuation of shares of subsidiaries and associates	485	–
Loss (gain) on sale of shares of subsidiaries and associates	–	446
Decrease (increase) in trade receivables	(5,144)	1,164
Net decrease (increase) in lease receivables and investments in leases	(1,008)	(1,313)
Decrease (increase) in assets for rent	(7,717)	(8,438)
Decrease (increase) in inventories	1,314	(2,503)
Increase (decrease) in trade payables	(1,367)	1,734
Payments for lease liabilities	(1,415)	(1,298)
Other, net	1,844	1,475
Subtotal	11,424	13,956
Interest and dividends received	630	893
Interest paid	(118)	(165)
Income taxes refund	452	–
Income taxes paid	(4,867)	(4,639)
Net cash provided by (used in) operating activities	7,521	10,045
Cash flows from investing activities		
Purchase of securities	(500)	–
Proceeds from sale of securities	1,579	4,841
Purchase of property, plant and equipment	(2,853)	(2,365)
Purchase of intangible assets	(1,382)	(1,694)
Purchase of investment securities	(4,441)	(1,581)
Proceeds from sale of investment securities	605	3,419
Purchase of shares of subsidiaries and associates	(386)	(300)
Proceeds from distribution of investment partnerships	236	405
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(2,000)
Purchase of insurance funds	(97)	(31)
Proceeds from maturity of insurance funds	70	49
Loan advances	(1,790)	(351)
Other, net	795	(126)
Net cash provided by (used in) investing activities	(8,163)	264

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Purchase of treasury shares	(2,399)	(4,020)
Dividends paid	(3,615)	(4,714)
Other, net	45	(69)
Net cash provided by (used in) financing activities	(5,969)	(8,804)
Effect of exchange rate change on cash and cash equivalents	688	191
Net increase (decrease) in cash and cash equivalents	(5,922)	1,696
Cash and cash equivalents at beginning of period	45,663	39,740
Cash and cash equivalents at end of period	39,740	41,437

(5) Notes to consolidated financial statements**Notes on premise of going concern**

Not applicable.

Changes in the scope of consolidation or application of equity method

In the fourth quarter of the fiscal year under review, Sadashige Special Plywood Co., Ltd. was excluded from the scope of consolidation due to the transfer of all shares of Sadashige Special Plywood Co., Ltd., which was a subsidiary of Paramount Bed Co., Ltd.

Notes on significant changes in the amount of shareholders' equity

1. Purchase of treasury shares

Pursuant to the resolution at the Board of Directors meeting held on October 30, 2024, the Company purchased 1,521,000 shares of treasury shares, resulting in an increase of ¥3,999 million in treasury shares.

2. Cancellation of treasury shares

Pursuant to the resolution at the Board of Directors meeting held on October 30, 2024, the Company cancelled 4,156,282 shares of treasury shares, resulting in decreases of ¥2,165 million in capital surplus, ¥6,532 million in retained earnings, and ¥8,698 million in treasury shares.

As a result, capital surplus, retained earnings, and treasury shares amounted to ¥49,877 million, ¥81,085 million, and ¥4,020 million, respectively, as of the end of the fiscal year under review, including changes caused by the disposal of treasury shares to provide restricted share incentive for employee stock ownership plan.

Notes on consolidated balance sheet

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

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Investment securities (stocks)	2,582	3,141
Investment securities (other)	1,099	1,215
Others	0	-

2. Contingent liabilities

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

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Employees (housing loan obligations)	9	8

Notes on consolidated statement of income

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

	(Millions of yen)	
	Previous fiscal year (April 1, 2023 to March 31, 2024)	Current fiscal year (April 1, 2024 to March 31, 2025)
Transportation costs	4,050	4,200
Salaries and allowances	5,857	6,445
Provision for bonuses	1,070	1,122
Provision for bonuses for directors (and other officers)	24	22
Retirement benefit expenses	584	515

Notes on segment information, etc.

Segment Information

I Previous fiscal year (April 1, 2023 to March 31, 2024)

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

II Current fiscal year (April 1, 2024 to March 31, 2025)

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

Per share information

	(Yen)	
	Previous fiscal year (April 1, 2023 to March 31, 2024)	Current fiscal year (April 1, 2024 to March 31, 2025)
Net assets per share	2,368.78	2,448.54
Basic earnings per share	182.61	159.24

Notes: 1. Diluted earnings per share is not shown because there are no residual shares with dilutive effects.

2. The basis for calculating basic earnings per share is as follows.

	Previous fiscal year (April 1, 2023 to March 31, 2024)	Current fiscal year (April 1, 2024 to March 31, 2025)
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	10,622	9,083
Amount not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent relating to ordinary shares (Millions of yen)	10,622	9,083
Average number of shares during the period (shares)	58,172,792	57,045,957

Significant subsequent events

Not applicable.

4. Other information

Changes in Directors and other officers

For details, please refer to the “Notice of Change in Representative Board Member of the Company and a Subsidiary, and of Determination of Candidates for Board Member of the Company” released on May 14, 2025.