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Securities code: 7817

June 8, 2020

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 38TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

The 38th Ordinary General Meeting of Shareholders of PARAMOUNT BED HOLDINGS CO., LTD. (the “Company”) will be held as described below.

In order to prevent the spread of novel coronavirus disease (COVID-19), the government and governors of prefectures have issued strong requests to refrain from going out. The Company has made careful consideration on this matter and has resolved to hold the General Meeting of Shareholders while taking all appropriate measures to prevent infections.

However, considering the strong request to refrain from going out and the importance of preventing spread of infection, 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., Thursday, June 25, 2020 (Japan Standard Time).

1. Date and Time: Friday, June 26, 2020 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 from this year.

We appreciate your kind understanding.

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 38th term (from April 1, 2019 to March 31, 2020), 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 38th term (from April 1, 2019 to March 31, 2020)

Items to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal 4:** Election of Four (4) Directors Who Are Audit and Supervisory Committee 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 15 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>).

Notice Concerning Measures against Novel Coronavirus Disease (COVID-19) infection

- We will notify any major adjustments to the operation of the General Meeting of Shareholders due to the infection status and announcement from the government, etc. preceding the day of the General Meeting of Shareholders on the Company's website (<https://www.paramountbed-hd.co.jp>).
- Alcohol-based hand sanitizer will be provided near the reception of the venue. The Company requests shareholders to bring and wear a mask.
- Body temperature will be checked near the entrance of the venue. Anyone who has a fever or seems to be unwell may be requested not to enter the venue.
- Body temperatures and health conditions of staff who are serving at the venue will have been checked, and they will wear masks.
- In order to reduce the infection risks and ensure business continuity of the Company, the number of Directors attending the General Meeting of Shareholders may be reduced regardless of their health conditions on the day of the General Meeting of Shareholders. Also, the Directors who will attend the General Meeting of Shareholders will wear masks.
- Explanations on the business report, Non-consolidated Financial Statements, Consolidated Financial Statements, and audit report from the Audit and Supervisory Committee will be made brief in the General Meeting of Shareholders in order to shorten the duration of the meeting to mitigate the risks of virus infection.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal 1: Appropriation of Surplus

The Company would like to appropriate surplus as described below.

Matters related to the year-end dividend:

While the Company attaches great importance to returning profits to shareholders in the way that reflects financial results, it determines the dividend after a comprehensive consideration of the need for robust internal reserves to further strengthen the financial position and management foundation in order to actively invest for development of businesses and to deal with rapid changes in the operating environment.

That being the case, the Company proposes to pay a year-end dividend for the 38th term as follows.

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property and total amount thereof
50 yen cash per common share
Total dividends: 1,453,147,700 yen
As 50 yen per share was paid as an interim dividend, the total dividend per share for the term will be 100 yen.
- (3) Effective date of distribution of dividends of surplus
June 29, 2020

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for proposal

- (1) It is proposed that the business purpose in the Articles of Incorporation of subsidiaries be added to the Company’s business purpose in Article 2 in preparation for the business development of the Group.
- (2) In order to ensure flexible dividend payments of surplus, the Company proposes to make amendments to the Articles of Incorporation to enable the Board of Directors to determine dividends of surplus, in accordance with the Article 459, Paragraph 1 of the Companies Act. The amendments include addition of Article 32 (Organizational Body to Determine Dividends of Surplus, Etc.), deletion of existing Article 7 (Acquisition of Treasury Shares) whose contents duplicate part of the newly added Article 32, and other necessary amendments as follows.

2. Details of the amendments

The details of the amendments are as follows.

(Amended parts are underlined)

Current Articles of Incorporation	Proposed amendments
<p>(Purpose) Article 2 (Article text omitted) (1) to (2) (Article text omitted) (3) Manufacturing and sale of furniture <u>and</u> building materials (4) to (32) (Article text omitted) <u>(Acquisition of Treasury Shares)</u> <u>Article 7</u> <u>The Company may acquire treasury shares through market transactions, etc. by resolution of the Board of Directors in accordance with Article 165, Paragraph 2 of the Companies Act.</u> Articles <u>8</u> to <u>32</u> (Article text omitted) (Newly established)</p>	<p>(Purpose) Article 2 (Unchanged) (1) to (2) (Unchanged) (3) Manufacturing and sale of furniture, building materials, <u>and household equipment</u> (4) to (32) (Unchanged) (Deleted) Articles <u>7</u> to <u>31</u> (Unchanged) <u>(Organizational Body to Determine Dividends of Surplus, Etc.)</u> <u>Article 32</u> <u>Unless otherwise provided for by laws and regulations, the Company shall, by resolution of the Board of Directors, determine dividends of surplus and other matters set forth in the items of Article 459, Paragraph 1 of the Companies Act.</u></p>
<p>(Date of Record for Dividend of Surplus) Article 33 1. (Article text omitted) (Newly established) 2. In addition to the provisions of the preceding <u>paragraph</u>, the Company may pay dividends of surplus by setting a record date.</p>	<p>(Date of Record for Dividend of Surplus) Article 33 1. (Unchanged) 2. <u>The record date for interim dividends of the Company shall be September 30 of each year.</u> 3. In addition to the provisions of the preceding <u>two paragraphs</u>, the Company may pay dividends of surplus by setting a record date.</p>
<p><u>(Interim Dividend)</u> <u>Article 34</u> <u>The Company may pay interim dividends by setting a record date as of September 30 of each year by resolution of the Board of Directors.</u></p>	<p>(Deleted)</p>
<p>(The Period of Exclusion Concerning Dividends) Article <u>35</u> (Article text omitted)</p>	<p>(The Period of Exclusion Concerning Dividends) Article <u>34</u> (Unchanged)</p>

Proposal 3: Election of Five (5) Directors (Excluding Directors 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) Directors (excluding Directors 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) Directors.

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 Director 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 and Human Resource Department
5	Yosuke Kimura	New election	Corporate Officer, 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)	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. Reelection 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) [Significant concurrent position outside the Company] Chairperson of Paramount Bed Co., LTD.	907,375 shares
	<p>[Reasons for nomination as candidate for Director] Kyosuke Kimura has been a Director 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)	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) [Significant concurrent position outside the Company] President and Chief Executive Officer of Paramount Bed Co., LTD.	873,749 shares
	<p>[Reasons for nomination as candidate for Director] 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 this year. 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	Apr. 1980 Joined Paramount Bed Co., LTD. Apr. 2009 Corporate Officer, Director of Sales Division of Paramount Bed Co., LTD. June 2010 Member of the Board, Director of Sales Division of Paramount Bed Co., LTD. Oct. 2011 Member of the Board of the Company June 2013 Senior Managing Director of the Company June 2013 Senior Managing Director, Director of Sales Division of Paramount Bed Co., LTD. Apr. 2015 Senior Managing Director, General Manager of Corporate Planning Department of the Company Apr. 2015 Senior Managing Director of Paramount Bed Co., LTD. Oct. 2015 Senior Managing Director of the Company (present position) Apr. 2020 Senior Managing Director and Chief Strategy Officer of Paramount Bed Co., LTD. (present position) [Significant concurrent position outside the Company] Senior Managing Director and Chief Strategy Officer of Paramount Bed Co., LTD.	6,127 shares
[Reasons for nomination as candidate for Director] Izumi Sato has been primarily responsible for the Sales and Corporate Planning Divisions, and from 2010 he has worked as a Director of Paramount Bed Co., LTD., from 2011 he has worked as a Director 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.			
4	Toshiyuki Hatta (December 21, 1961) Reelection	Apr. 1984 Joined Paramount Bed Co., LTD. June 2011 Corporate Officer, General Manager of Human Resource Department and Public and Investor Relations Department of Paramount Bed Co., LTD. Oct. 2011 Corporate Officer, General Manager of Human Resource Department and Public and Investor Relations Department of the Company June 2018 Corporate Officer, General Manager of General Affairs Department and Human Resource Department of the Company June 2018 Corporate Officer, Executive Director of Administration Division of Paramount Bed Co., LTD. June 2019 Member of the Board, General Manager of General Affairs Department and Human Resource Department of the Company (present position) June 2019 Member of the Board, Executive Director of Administration Division of Paramount Bed Co., LTD. (present position) [Significant concurrent position outside the Company] Member of the Board, Executive Director of Administration Division of Paramount Bed Co., LTD.	1,200 shares
[Reasons for nomination as candidate for Director] 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 Member of the Board of the Company from 2019. The Company has selected him as a candidate again based on his plentiful experience and achievements in the Group.			

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) New election	<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 (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>	369,339 shares
<p>[Reasons for nomination as candidate for Director] Yosuke Kimura has been primarily responsible for the Technical Engineering and Finance and System Administration Divisions. He has worked as Corporate Officer from 2015 and Member of the Board from 2017 of Paramount Bed Co., LTD., and has worked as Corporate Officer of the Company from 2019. The Company has selected him as a new candidate based on his experience and achievements in the Group.</p>			

Note: There is no special interest between each of the candidates and the Company.

Proposal 4: Election of Four (4) Directors Who Are Audit and Supervisory Committee Members

At the time of the conclusion of this General Meeting, the terms of office of all four (4) Directors who are Audit and Supervisory Committee Members will expire. Therefore, the Company requests the election of four (4) Directors who are Audit and Supervisory Committee Members.

In addition, this proposal has obtained the consent of the Audit and Supervisory Committee.

Candidates for the role of Directors who are Audit and Supervisory Committee Members are as follows.

No.	Name		Position and responsibilities, etc. in the Company
1	Yoshiharu Kitahara	Reelection	Member of the Board (Full-time Audit and Supervisory Committee Member)
2	Yukari Oka	Reelection	Unaffiliated member of the Board (Audit and Supervisory Committee Member)
3	Masaki Sato	Reelection	Unaffiliated member of the Board (Audit and Supervisory Committee Member)
4	Yoshikazu Goto	Reelection	Unaffiliated member of the Board (Audit and Supervisory Committee Member)

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned	
1	Yoshiharu Kitahara (March 6, 1957) Reelection	Apr. 1980 Apr. 2009 Oct. 2011 June 2015 June 2015 June 2018 June 2018	Joined Paramount Bed Co., LTD. Corporate Officer, General Manager of General Affairs Department of Paramount Bed Co., LTD. Corporate Officer, General Manager of General Affairs Department of the Company Member of the Board, General Manager of General Affairs Department of the Company Member of the Board, Director of Administration Division of Paramount Bed Co., LTD. Member of the Board (Full-time Audit and Supervisory Committee Member) of the Company (present position) Auditor of Paramount Bed Co., LTD. (present position)	3,980 shares
		[Significant concurrent position outside the Company] Auditor of Paramount Bed Co., LTD.		
[Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member] Yoshiharu Kitahara has been primarily responsible for Administrative Division mainly in the General Affairs Department. He has worked as Member of the Board of the Company and Paramount Bed Co. from 2015, and has worked as full-time Audit and Supervisory Committee Member of the Company as well as Auditor of Paramount Bed Co., LTD. from 2018. The Company has selected him as a candidate again based on his plentiful experience and achievements in the Group.				
2	Yukari Oka (April 26, 1963) Reelection	Mar. 1995 Apr. 1995 June 2007 Apr. 2011 June 2015 June 2016	Completed The Legal Training and Research Institute of Japan Registered as an attorney-at-law Unaffiliated Auditor of Paramount Bed Co., LTD. Unaffiliated Auditor of the Company Unaffiliated member of the Board of the Company Unaffiliated member of the Board of the Company (Audit and Supervisory Committee Member) (present position)	- shares
		[Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member] Yukari Oka has built up specialized knowledge and high principles as a lawyer. The Company has selected her as a candidate again so she can use that judgment to strengthen the Company's compliance management and corporate governance structure. While she does not have direct corporate management experience, for the above reasons the Company has determined that she can appropriately fulfill her duties as an Outside Director.		
3	Masaki Sato (September 17, 1947) Reelection	June 1973 Mar. 1976 Nov. 1986 July 1993 Dec. 2012 June 2015 June 2016	Joined Nishikata Audit Corporation (Currently Deloitte Touche Tohmatsu LLC) Registered as a Certified Public Accountant Partner, Nishikata Audit Corporation Senior Partner, Tohmatsu & Co. (Currently Deloitte Touche Tohmatsu LLC) Left Deloitte Touche Tohmatsu LLC Unaffiliated Auditor of the Company Unaffiliated member of the Board of the Company (Audit and Supervisory Committee Member) (present position)	- shares
		[Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member] Masaki Sato is a Certified Public Accountant and has high principles based on many years of experience in accounting audits. The Company has selected him as a candidate again so he can use those principles to strengthen the Company's corporate governance structure. While he does not have direct corporate management experience, for the above reasons the Company has determined that he can appropriately fulfill his duties as an Outside Director.		

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
4	Yoshikazu Goto (October 30, 1955) Reelection	<p>Apr. 1980 Joined Ministry of International Trade and Industry (Currently, Ministry of Economy, Trade and Industry)</p> <p>Aug. 2003 Director, Standards Development and Planning Division, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry</p> <p>June 2004 Director, Small and Medium Enterprise Agency/ Engineering Division, Ministry of Economy, Trade and Industry</p> <p>July 2008 Deputy Director-General, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry</p> <p>Apr. 2010 Deputy Director-General, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry</p> <p>Oct. 2012 Professor, Department of Materials Engineering, School of Engineering, The University of Tokyo</p> <p>June 2015 Unaffiliated member of the Board of the Company</p> <p>Oct. 2017 Vice-President, General Director of Technical Research Institute of Japan Society for the Promotion of Machine Industry (present position)</p> <p>June 2018 Unaffiliated member of the Board of the Company (Audit and Supervisory Committee Member) (present position)</p> <p>[Significant concurrent position outside the Company] Vice-President, General Director of Technical Research Institute of Japan Society for the Promotion of Machine Industry</p>	- shares
<p>[Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member] Yoshikazu Goto has spent many years primarily in the affairs of economic administration for industrial promotion focused on companies' manufacturing and has plentiful experience and broad insights regarding industrial-academic collaboration and research. In order to have him use his insights in the management of the Company and to further strengthen the Company's corporate governance structure, the Company has selected him as a candidate again. While he does not have direct corporate management experience, for the above reasons the Company has determined that he can appropriately fulfill his duties as an Outside Director.</p>			

- Notes:
1. There is no special interest between each of the candidates and the Company.
 2. Yukari Oka, Masaki Sato, and Yoshikazu Goto are candidates for Outside Director.
 3. Yukari Oka is currently an Outside Director of the Company and her tenure in office as an Outside Director at the time of the conclusion of this General Meeting of Shareholders will be five (5) years (her tenure in office as an Outside Director who is an Audit and Supervisory Committee Member will be four (4) years).
 4. Masaki Sato is currently an Outside Director of the Company and his tenure in office as an Outside Director who is an Audit and Supervisory Committee Member at the time of the conclusion of this General Meeting of Shareholders will be four (4) years.
 5. Yoshikazu Goto is currently an Outside Director of the Company and his tenure in office as an Outside Director at the time of the conclusion of this General Meeting of Shareholders will be five (5) years (his tenure in office as an Outside Director who is an Audit and Supervisory Committee Member will be two (2) years).
 6. The Company has concluded limited liability agreements with Yukari Oka, Masaki Sato, and Yoshikazu Goto who are Outside Directors, as specified in Article 423, Paragraph 1 of the Companies Act, based on Article 427, Paragraph 1 of the Companies Act and in the Company's Articles of Incorporation, limiting liability to the minimum liability amount as specified in Article 425, Paragraph 1 of the Companies Act. If these three (3) candidates' reelection is approved, the Company intends to continue these agreements.
 7. The Company has specified Yukari Oka, Masaki Sato, and Yoshikazu Goto as Independent Officers as specified by Tokyo Stock Exchange, Inc. and has registered them with the same Exchange. If the reelection of these three (3) candidates is approved, the Company plans for their appointments as Independent Officers to continue.