Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities code: 7817
June 8, 2018

To our shareholders:

Kyosuke Kimura
President
PARAMOUNT BED HOLDINGS CO., LTD.
2-14-5 Higashisuna, Koto-ku, Tokyo, Japan

NOTICE OF THE 36TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 36th Ordinary General Meeting of Shareholders of PARAMOUNT BED HOLDINGS CO., LTD. (the "Company"), which will be held as described below.
If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail or electromagnetic means (such as 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., Wednesday, June 27, 2018 (Japan Standard Time).

1. Date and Time: Thursday, June 28, 2018 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

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 36th term (from April 1, 2017 to March 31, 2018), 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 36th Term (from April 1, 2017 to March 31, 2018)

Items to be resolved:

Proposal 1: Appropriation of Surplus

Proposal 2: Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Proposal 3: 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 will take precedence if you exercise your voting rights both via the Internet 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 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 (http://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 (http://www.paramountbed-hd.co.jp).

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 36th term as follows.

(1) Type of dividend property
Cash

(2) Allocation of dividend property and total amount thereof
45 yen cash per common share
Total dividends: 1,339,386,660 yen
As 45 yen per share was paid as an interim dividend, the total dividend per share for the term will be 90 yen.

(3) Effective date of distribution of dividends of surplus
June 29, 2018

Proposal 2: 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 seven (7) 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:

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, position, responsibilities and significant concurrent positions outside the Company</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">1</td><td>Kyosuke Kimura
(September 20, 1950)</td><td>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. (present position)
Feb. 2011 President and Chief Executive Officer of the Company (present position)
[Significant concurrent position outside the Company]
President and Chief Executive Officer of Paramount Bed Co., LTD.</td><td>911,375 shares</td></tr>
<tr><td colspan="3">[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.</td></tr>
<tr><td rowspan="2">2</td><td>Michihide Kimura
(September 11, 1958)</td><td>Feb. 1983 Joined Paramount Bed Co., LTD.
Sept. 1987 Member of the Board of Paramount Bed Co., LTD.
Nov. 1992 Auditor of the Company
Apr. 2000 Member of the Board, Director of Finance and System Administration Division of Paramount Bed Co., LTD.
Apr. 2009 Senior Executive Director of Paramount Bed Co., LTD. (present position)
Feb. 2011 Member of the Board of the Company
Oct. 2011 Senior Executive Director and Chief Financial Officer of the Company (present position)
[Significant concurrent position outside the Company]
Senior Executive Director of Paramount Bed Co., LTD.</td><td>911,116 shares</td></tr>
<tr><td colspan="3">[Reasons for nomination as candidate for Director]
Michihide Kimura has been a 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 as the financial officer of the Group.</td></tr>
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<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, position, responsibilities and significant concurrent positions outside the Company</th><th>Number of the Company’s shares owned</th></tr>
<tr><td rowspan="2">3</td><td>Izumi Sato
(March 24, 1958)</td><td>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. (present position)
Oct. 2015 Senior Managing Director of the Company (present position)
[Significant concurrent position outside the Company]
Senior Managing Director of Paramount Bed Co., LTD.</td><td>5,927 shares</td></tr>
<tr><td colspan="3">[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.</td></tr>
<tr><td rowspan="2">4</td><td>*
Tomohiko Kimura
(July 17, 1977)</td><td>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 (present position)
June 2015 Member of the Board of Paramount Bed Co., LTD.
Apr. 2016 Senior Managing Director of Paramount Bed Co., LTD. (present position)
[Significant concurrent position outside the Company]
Senior Managing Director of Paramount Bed Co., LTD.</td><td>820,149 shares</td></tr>
<tr><td colspan="3">[Reasons for nomination as candidate for Director]
Tomohiko Kimura has been primarily responsible for the Business Strategy Planning and Global Business Divisions and from 2010 he has worked as a Corporate Officer of Paramount Bed Co., LTD., from 2011 he has worked as a Corporate Officer of the Company and from 2015 he has worked as a Director of Paramount Bed Co., LTD. The Company has selected him as a candidate based on his plentiful experience and achievements in the Group.</td></tr>
</table>

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
5	Ikuo Sakamoto (April 30, 1953)	Apr. 1977 Joined Paramount Bed Co., LTD. June 2000 Member of the Board of Paramount Bed Co., LTD. June 2002 Member of the Board, Director of Sales Division of Paramount Bed Co., LTD. Apr. 2009 Member of the Board, Director of Technical Engineering Division of Paramount Bed Co., LTD. Oct. 2011 Member of the Board of the Company (present position) Jan. 2014 Member of the Board, Senior Sales Director of Paramount Bed Co., LTD. Apr. 2016 Member of the Board of Paramount Bed Co., LTD. (present position) [Significant concurrent position outside the Company] Member of the Board of Paramount Bed Co., LTD.	15,600 shares
	[Reasons for nomination as candidate for Director] Ikuo Sakamoto has been primarily responsible for the Sales and Technical Engineering Divisions and from 2000 he has worked as a Director of Paramount Bed Co., LTD. and from 2011 he has worked as a Director of the Company. The Company has selected him as a candidate again based on his plentiful experience and achievements in the Group.		

Notes: 1. An asterisk (*) indicates a new candidate for Director.
2. There is no special interest between each of the candidates and the Company.

Proposal 3: 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 three (3) Directors who are Audit and Supervisory Committee Members will expire.
Therefore, the Company proposes the election of four (4) Directors who are Audit and Supervisory Committee Members including one (1) additional Director who is Audit and Supervisory Committee Member to enhance the audit system.
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.

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, position, responsibilities and significant concurrent positions outside the Company</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">1</td><td>*
Yoshiharu Kitahara
(March 6, 1957)</td><td>Apr. 1980 Joined Paramount Bed Co., LTD.
Apr. 2009 Corporate Officer, General Manager of General Affairs Department of Paramount Bed Co., LTD.
Oct. 2011 Corporate Officer, General Manager of General Affairs Department of the Company
June 2015 Member of the Board, General Manager of General Affairs Department of the Company (present position)
June 2015 Member of the Board, Director of Administration Division of Paramount Bed Co., LTD. (present position)
[Significant concurrent position outside the Company]
Member of the Board, Director of Administration Division of Paramount Bed Co., LTD.</td><td>3,780 shares</td></tr>
<tr><td colspan="3">[Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member]
Yoshiharu Kitahara has been primarily responsible for administrative divisions mainly in the General Affairs Department and from 2015 he has worked as a Director of the Company and Paramount Bed Co., LTD. The Company has selected him as a candidate for Director who is Audit and Supervisory Committee Member based on his plentiful experience and achievements in the Group.</td></tr>
<tr><td rowspan="2">2</td><td>Yukari Oka
(April 26, 1963)</td><td>Mar. 1995 Completed The Legal Training and Research Institute of Japan
Apr. 1995 Registered as an attorney-at-law
June 2007 Unaffiliated Auditor of Paramount Bed Co., LTD.
Apr. 2011 Unaffiliated Auditor of the Company
June 2015 Unaffiliated member of the Board of the Company
June 2016 Unaffiliated member of the Board of the Company (Audit and Supervisory Committee Member) (present position)</td><td>- shares</td></tr>
<tr><td colspan="3">[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 for Outside Director who is an Audit and Supervisory Committee Member so she can use that judgment to strengthen the Company's compliance management and corporate governance structure. While Yukari Oka 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.</td></tr>
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<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, position, responsibilities and significant concurrent positions outside the Company</th><th>Number of the Company’s shares owned</th></tr>
<tr><td rowspan="2">3</td><td>Masaki Sato
(September 17, 1947)</td><td>June 1973 Joined Nishikata Audit Corporation (Currently Deloitte Touche Tohmatsu LLC)
Mar. 1976 Registered as a Certified Public Accountant
Nov. 1986 Partner, Nishikata Audit Corporation
July 1993 Senior Partner, Tohmatsu & Co. (Currently Deloitte Touche Tohmatsu LLC)
Dec. 2012 Left Deloitte Touche Tohmatsu LLC
June 2015 Unaffiliated Auditor of the Company
June 2016 Unaffiliated member of the Board of the Company (Audit and Supervisory Committee Member) (present position)</td><td>- shares</td></tr>
<tr><td colspan="3">[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 for Outside Director who is an Audit and Supervisory Committee Member so he can use those principles to strengthen the Company’s corporate governance organization. While Masaki Sato 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.</td></tr>
<tr><td rowspan="2">4</td><td>*
Yoshikazu Goto
(October 30, 1955)</td><td>Apr. 1980 Joined Ministry of International Trade and Industry (Currently, Ministry of Economy, Trade and Industry)
Aug. 2003 Director, Standards Development and Planning Division, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry
June 2004 Director, Small and Medium Enterprise Agency/ Engineering Division, Ministry of Economy, Trade and Industry
July 2008 Deputy Director-General, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry
Apr. 2010 Deputy Director-General, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry
Oct. 2012 Professor, Department of Materials Engineering, School of Engineering, The University of Tokyo
June 2015 Unaffiliated member of the Board of the Company (present position)
Oct. 2017 Vice-President, General Director of Technical Research Institute of Japan Society for the Promotion of Machine Industry (present position)
[Significant concurrent position outside the Company]
Vice-President, General Director of Technical Research Institute of Japan Society for the Promotion of Machine Industry</td><td>- shares</td></tr>
<tr><td colspan="3">[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 to 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 for Outside Director who is an Audit and Supervisory Committee Member. While Yoshikazu Goto 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.</td></tr>
</table>

Notes:
1. An asterisk (*) indicates a new candidate for Director who is an Audit and Supervisory Committee Member.
2. There is no special interest between each of the candidates and the Company.
3. At the time of the conclusion of the ordinary general meeting of shareholders of Paramount Bed Co., LTD., scheduled to be held on June 28, 2018, Yoshiharu Kitahara will retire as Director of the company as his term of office expires.
4. Yukari Oka, Masaki Sato, and Yoshikazu Goto are candidates for Outside Director.
5. 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 three (3) years (her tenure in office as an Outside Director who is an Audit and Supervisory Committee Member will be two (2) years).

6. 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 two (2) years.
7. Yoshikazu Goto is currently an Outside Director of the Company and his tenure as Outside Director at the time of the conclusion of this General Meeting of Shareholders will be three (3) years.
8. 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' election is approved, the Company intends to continue these agreements.
9. The Company has specified Yukari Oka, Masaki Sato, and Yoshikazu Goto as Independent Directors 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.