

For Translation Purposes Only

June 2, 2014

Listed Company Name:	JMS Co., Ltd.
Representative:	Hiroaki Okukubo President and Representative Director
Stock exchange listing:	Tokyo 1st section
Securities code:	7702

Notice regarding Establishment of New Company in the Philippines and Factory Building at IZUMO plant for production capacity enhancement.

~ For global business expansion to meet growing global healthcare markets ~

JMS Co., Ltd. (headquarters: Hiroshima, Japan; President: Hiroaki Okukubo; hereinafter: JMS) announces to establish a new company in Republic of the Philippines and a new factory building at IZUMO plant, the domestic mother plant for business expansion in Japan and overseas markets by enhancing production capacity and cost competitiveness.

1. Background and Purpose

Recently, there are growing demands for safer, more reliable, and high quality medical products, especially in emerging countries based on the improvement of medical infrastructure and national income driven by their strong economic growth. In Japan, the national healthcare expenditure is soaring likewise due to the growing demands driven by the aging society along with more advanced but expensive medical treatments. Given this situation, the government is trying to curb the growth of total healthcare expenditure to deal with the financial deficit and its healthcare budget. For this reason, it is increasingly important to provide the medical products which can support more cost-efficient medical services.

JMS Group has been providing medical products to patients and medical professionals in more than 80 countries from our production sites located in Japan and Asian countries. We have decided to establish a new plant in the Philippines and additional factory building at our mother plant located in IZUMO to meet these growing global demands for medical products as a source of our growth, and supply the products for more cost-effective medical service by enhancing our cost competitiveness. We will proceed with restructuring of production sites utilizing their strength and capability to the maximum extent from the viewpoint of group-wide optimal production for global business expansion.

2. Overview of new company & building expansion

【New Company】

- | | |
|-------------------------------|--|
| 1. Company name | JMS HEALTHCARE PHL, INC. |
| 2. Location | First Philippine Industrial Park, Tanauan City, Batangas
Republic of the Philippines |
| 3. President | Kazuo Maehara |
| 4. Capital | 212 million PHP (approx. 500 million JPY) |
| 5. Business | Manufacturing and selling medical devices for Infusion/Transfusion therapy and Hemodialysis treatment. |
| 6. Establishment | May 20 th , 2014 |
| 7. Capital Contribution ratio | 100% owned by JMS |
| 8. Production Commencement | April 2016 |
| 9. Site area | 47,600 m ² (Floor area: approx. 15,000 m ²) |

【New Factory Building】

- | | |
|----------------------------|--|
| 1. Name | JMS Co., Ltd. IZUMO plant |
| 2. Location | Shimokoshi-cho, Izumo, Shimane, Japan |
| 3. Floor area | 10,724 m ² |
| 4. Products | Related products of Pre-filled syringes and Cardiovascular therapy |
| 5. Production Commencement | End of 2015 |

JMS will care for patients, and provide safer, reliable, and high quality goods and services from the medical professionals' perspective to contribute to the medical and society based on our theme; 'medical safety', 'medical efficiency', 'regenerative medicine' and 'improving the quality of life (QOL) for people requiring medical services'.

～ Contact ～

Corporate Planning Dept. E-Mail: pub-bpd@jms.cc

The forecast in this press release is based on limited information available at the moment of disclosure and contain potential risks and uncertainty such as changes in social conditions. It should be noted that this press release is based on the information available as of disclosure, and may differ in the future.

<END>