

# Financial Results for the First Quarter of Fiscal Year Ending March 31, 2020



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Stock Exchange Listings : Tokyo 1st Section

Company name : JMS Co., Ltd. (URL <http://www.jms.cc/>)  
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 Quarterly statement filing date (as planned) : August 9, 2019 Dividend payable date (as planned) : —  
 Supplemental material of quarterly results : None  
 Convening briefing of quarterly results : None

(Note: Amounts below are rounded down to the nearest million yen)

## 1. Consolidated Financial Highlights for the Interim Period Ended June 2019 (From April 1, 2019 to June 30, 2019)

(1) Consolidated operating results (%: change from the same previous period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2019	13,494	(3.2)	91	224.9	187	132.0	48	111.3
Three months ended June 30, 2018	13,936	5.3	28	(38.6)	80	(45.7)	22	(90.4)

(Note) Comprehensive income : Three months ended June 30, 2019 : (265) million yen [—%], Three months ended June 30, 2018 : (135) million yen [—%].

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2019	1.98	—
Three months ended June 30, 2018	0.94	—

## (2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As at June 30, 2019	65,016	31,473	48.2
As at March 31, 2019	67,320	31,900	47.2

(Note) Owner's equity : June 30, 2019 : 31,343 million yen, March 31, 2019 : 31,765 million yen.

## 2. Dividends

	Dividend per share				
	1st quarter	2nd quarter	3rd quarter	Fiscal year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2019	—	8.00	—	8.00	16.00
Year ending March 31, 2020	—	—	—	—	—
Year ending March 31, 2020 (forecast)	—	8.00	—	8.00	16.00

(Note) Correction of dividend forecast from the most recent dividend forecast : None

## 3. Consolidated Forecast for the Year Ending March 2020 (From April 1, 2019 to March 31, 2020)

(%: change from the same previous period)

	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	Yen
Half year ending September 30, 2019	29,600	4.1	750	52.8	850	43.1	600	40.7	24.61	24.61
Year ending March 31, 2020	60,000	3.3	1,800	23.1	2,000	31.6	1,400	20.7	57.43	57.43

(Note) Correction of financial forecast from the most recent financial forecast : None

The aforementioned projections are based on the information currently available, and may contain some uncertainties.  
The final results might be significantly different from the aforementioned projections due to changes in business conditions.

#### 4. Overview of business results for the first quarter

##### (1) Overview of consolidated business results

JMS strives to enhance product development, production and sales as well as to improve the quality of corporate management and the corporate value, in order 'To be a bridge for the people who give and seek medical care, and to bring a smile to people by contributing to a healthy and better life' under our Founding Spirit of 'For People's Precious Life'. JMS has set up Business Unit (BU) type organization, and set three Business Units, 'Hospital Products BU' mainly handles infusion and enteral nutrition, 'Surgical & Therapy BU' mainly handles Dialysis and Cardiovascular, and 'Blood Management & Cell Therapy BU' mainly handles Blood Transfusion.

JMS recorded consolidated net sales for the first quarter of 13,494 million yen, down by 3.2% / 442 million yen (year-over-year).

The influence of decreased sales was offset by the improved sales cost ratio, resulting in operating profit of 91 million yen, up by 224.9% (year-over-year). The addition of share of profit of entities accounted for using equity method resulted in an ordinary profit of 187 million yen, up by 132.0% (year-over-year). Adding the extraordinary items and the income taxes resulted in the profit attributable to owners of parent of 48 million yen, up by 111.3% (year-over-year).

Business performance by geographical segment.

##### (i) Japan

Increased sales of Closed Mixing/Infusion System for Drug "NEO SHIELD" was offset by decreased sales of Dysphagia related products which benefited from insurance coverage expansion compare in the last fiscal year, reducing net sales to 9,515 million yen, down by 6.8% (year-over-year). Despite the influence of decrease sales, the increase in dividend income from affiliated companies resulted in a profit of 257 million yen, up by 476.9% (year-over-year), for this geographical segment.

##### (ii) Singapore

Increased sales of Apheresis kits for the North America market was offset by the decreased sales of Blood bags and Infusion Sets for the South Asia market, reducing net sales to 4,553 million yen, down by 2.1% (year-over-year). The improved sales cost ratio resulted in profit of 247 million yen, up by 76.7% (year-over-year), for this geographical segment.

##### (iii) China

Decreased sales of Infusion Sets for the Japan market due to production transfer to the plant in Philippines reduced net sales to 667 million yen, down by 12.1% (year-over-year). The influence of decreased sales resulted in loss of 10 million yen, down by 9 million yen (year-over-year), for this geographical segment.

##### (iv) Philippines

Increased sales of Infusion Sets for the Japan market raised net sales to 639 million yen, up by 97.0% (year-over-year). The influence of increased sales reduced loss to 69 million yen, improved by 60 million yen (year-over-year), for this geographical segment.

##### (v) Germany

Increased sales of Blood bags raised net sales to 789 million yen, up by 0.2% (year-over-year). Increased cost of purchase by influence of foreign currency exchange resulted in profit of 53 million yen, down by 5.9% (year-over-year), for this geographical segment.

The remaining geographical segments recorded net sales of 1,289 million yen, up by 9.2% (year-over-year), and profit of 45 million yen, down by 5.5% (year-over-year).

The above-mentioned figures do not include consumption tax, etc.

(2) Overview of the financial condition

Total assets as of the end of this first quarter totaled 65,016 million yen, down by 2,304 million yen from the end of the previous consolidated fiscal year. The details of assets, liabilities and net assets are as shown below.

(Assets)

Current assets decreased to 35,498 million yen, down by 2,250 million yen from the end of the previous consolidated fiscal year, mainly due to the decrease of cash and deposits by the repayment of loans payable.

Non-current assets decreased to 29,518 million yen, down by 53 million yen from the end of the previous consolidated fiscal year, mainly due to the decrease of investments and other assets by the receipt of an accounts receivable - other about the subsidy.

(Liabilities)

Current liabilities decreased to 21,675 million yen, down by 987 million yen from the end of the previous consolidated fiscal year, mainly due to the decrease of Short-term loans payable by the repayment of loans payable.

Non-current liabilities decreased to 11,867 million yen, down by 889 million yen from the end of the previous consolidated fiscal year, mainly due to the decrease of long-term loans payable by the transfer to current liabilities.

(Net assets)

Net assets decreased to 31,473 million yen, down by 427 million yen from the end of the previous consolidated fiscal year, mainly due to the fluctuation of foreign currency translation adjustment.

Note that the capital adequacy ratio increased by 1.0 percentage points to 48.2%.

(3) Overview of consolidated business forecast

Consolidated business forecast for the fiscal year ending March 31, 2020 released on May 10, 2019 has not been revised, as the overall business environment remained unclear.

## 5. Consolidated Financial Statements

### **Consolidated Balance Sheet** JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

	<u>As at March 31,</u> <u>2019</u>	<u>As at June 30,</u> <u>2019</u>
Assets		
Current assets		
Cash and deposits	7,081	5,252
Notes and accounts receivable - trade	15,846	15,106
Securities	149	143
Merchandise and finished goods	7,777	7,897
Work in process	2,433	2,712
Raw materials and supplies	3,624	3,557
Other	867	860
Allowance for doubtful accounts	(32)	(30)
Total current assets	37,748	35,498
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,413	8,381
Machinery, equipment and vehicles, net	7,643	7,494
Other, net	7,356	8,320
Total property, plant and equipment	23,413	24,196
Intangible assets	503	467
Investments and other assets		
Investments and other assets, gross	5,665	4,865
Allowance for doubtful accounts	(11)	(10)
Total investments and other assets	5,654	4,854
Total non-current assets	29,571	29,518
Total assets	67,320	65,016

**Consolidated Balance Sheet**  
JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

	<u>As at March 31,</u> <u>2019</u>	<u>As at June 30,</u> <u>2019</u>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,808	8,626
Short-term borrowings	4,220	3,457
Current portion of long-term borrowings	3,483	3,348
Income taxes payable	379	316
Provision for bonuses	1,075	560
Other	4,695	5,365
Total current liabilities	22,663	21,675
Non-current liabilities		
Long-term borrowings	10,626	9,457
Provision for retirement benefits for directors (and other officers)	106	104
Retirement benefit liability	775	763
Asset retirement obligations	141	137
Other	1,107	1,405
Total non-current liabilities	12,756	11,867
Total liabilities	35,420	33,543
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,411	7,411
Capital surplus	10,362	10,362
Retained earnings	14,323	14,216
Treasury shares	(276)	(276)
Total shareholders' equity	31,821	31,713
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	297	293
Foreign currency translation adjustment	(353)	(664)
Total accumulated other comprehensive income	(56)	(370)
Non-controlling interests	135	130
Total net assets	31,900	31,473
<b>Total liabilities and net assets</b>	67,320	65,016

## Consolidated Statements of Income

JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

	<u>Three months ended</u> <u>June 30, 2018</u>	<u>Three months ended</u> <u>June 30, 2019</u>
Net sales	13,936	13,494
Cost of sales	10,482	10,040
Gross profit	3,454	3,454
Selling, general and administrative expenses	3,425	3,362
Operating profit	28	91
Non-operating income		
Interest income	3	4
Dividend income	21	23
Share of profit of entities accounted for using equity method	105	94
Subsidy income	8	49
Other	22	34
Total non-operating income	160	207
Non-operating expenses		
Interest expenses	47	49
Foreign exchange losses	55	54
Other	5	8
Total non-operating expenses	108	111
Ordinary profit	80	187
Extraordinary income		
Gain on sales of non-current assets	3	0
Total extraordinary income	3	0
Extraordinary losses		
Loss on abandonment of non-current assets	20	0
Total extraordinary losses	20	0
Profit before income taxes	63	187
Income taxes - current	89	93
Income taxes - deferred	(51)	44
Total income taxes	38	138
Profit	24	49
Profit attributable to non-controlling interests	2	0
Profit attributable to owners of parent	22	48

## Consolidated Statements of Comprehensive Income

JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

	<u>Three months ended</u> <u>June 30, 2018</u>	<u>Three months ended</u> <u>June 30, 2019</u>
Profit	24	49
Other comprehensive income		
Valuation difference on available-for-sale securities	(39)	(3)
Foreign currency translation adjustment	(121)	(310)
Total other comprehensive income	(160)	(314)
Comprehensive income	(135)	(265)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(136)	(260)
Comprehensive income attributable to non-controlling interests	0	(5)