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## Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2024



February 8, 2024

Stock Exchange Listings : Tokyo Stock Exchange

Company name : JMS Co., Ltd. (URL <https://www.jms.cc/>)  
 Securities code : 7702  
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 Quarterly statement filing date (as planned) : February 13, 2024 Dividend payable date (as planned) : —  
 Supplemental material of quarterly results : Yes  
 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 December 2023 (From April 1, 2023 to December 31, 2023)

#### (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                         | %      |
| Nine months ended December 31, 2023 | 48,035          | 2.4 | 77               | (83.6) | 263             | (37.2) | 54                                      | (58.9) |
| Nine months ended December 31, 2022 | 46,918          | 7.2 | 471              | (61.3) | 420             | (65.9) | 131                                     | (85.1) |

(Note) Comprehensive income : Nine months ended December 31, 2023 : 1,699 million yen [(4.8)%] ,  
 Nine months ended December 31, 2022 : 1,784 million yen [(11.8)%] .

|                                     | Basic earnings per share |  | Diluted earnings per share |  |
|-------------------------------------|--------------------------|--|----------------------------|--|
|                                     | Yen                      |  | Yen                        |  |
| Nine months ended December 31, 2023 | 2.21                     |  | —                          |  |
| Nine months ended December 31, 2022 | 5.39                     |  | —                          |  |

#### (2) Consolidated financial positions

|                         | Total assets    | Net assets      | Capital adequacy ratio |
|-------------------------|-----------------|-----------------|------------------------|
|                         | Millions of yen | Millions of yen | %                      |
| As at December 31, 2023 | 80,255          | 40,014          | 49.6                   |
| As at March 31, 2023    | 74,407          | 38,700          | 51.8                   |

(Note) Owner's equity : December 31, 2023 : 39,842 million yen, March 31, 2023 : 38,530 million yen.

### 2. Dividends

|                                       | Dividend per share |             |             |          |        |
|---------------------------------------|--------------------|-------------|-------------|----------|--------|
|                                       | 1st quarter        | 2nd quarter | 3rd quarter | Year end | Annual |
|                                       | Yen                | Yen         | Yen         | Yen      | Yen    |
| Year ended March 31, 2023             | —                  | 8.50        | —           | 8.50     | 17.00  |
| Year ending March 31, 2024            | —                  | 8.50        | —           |          |        |
| Year ending March 31, 2024 (forecast) |                    |             |             | 8.50     | 17.00  |

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

### 3. Consolidated Forecast for the Year Ending March 2024 (From April 1, 2023 to March 31, 2024)

(%: 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                      |
| Year ending March 31, 2024 | 64,500          | 1.2 | 100              | (86.2) | 400             | (31.8) | 100                                     | (64.4) | 4.08                     |

(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 third quarter

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

JMS strives 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 focused on four fields of business activities such as infusion & enteral nutrition, dialysis, cardiovascular and blood transfusion and promotes product development, production and sales.

During the consolidated cumulative third quarter, in the domestic market, sales of Closed Drug Mixing/Infusion Systems which are being promoted as a focus business, Infusion Sets with Needleless Access Port showed steady performance. On the other hand, sales decreased on Medical Gloves and Nutrition Sets. In overseas markets, although the situation varies depending on the country and region, sales of Apheresis Kits and Blood Bags which are the mainstay products increased, and an increase in yen equivalent value resulting from yen depreciation boosted sales. As a result of the above, JMS recorded consolidated net sales for the third quarter of 48,035 million yen, up by 2.4% / 1,116 million yen (year-over-year). Despite the effect of sales increase, the impact of soaring prices of raw material and electricity costs as well as the increase in labor costs in preparation for the recovery in demand resulted in an operating profit of 77 million yen, down by 83.6% (year-over-year). Recording of equity in earnings of affiliates and subsidy income resulted in an ordinary profit of 263 million yen, down by 37.2% (year-over-year). As a result of adding and subtracting income taxes, the profit attributable to owners of parent was 54 million yen, down by 58.9% (year-over-year).

Business performance by geographical segment.

##### (i) Japan

Despite Sales of Closed Drug Mixing/Infusion Systems, Infusion Sets with Needleless Access Port and Hemodialysis Machines for China showed steady performance, decreased sales of Medical Gloves, Nutrition Sets and Dysphagia related products for domestic market and AV Fistula Needles for Europe due to customers' inventory adjustments, resulted in net sales of 32,009 million yen, down by 2.8% (year-over-year). The increase of subsidy income and dividend income from affiliates resulted in a profit of 228 million yen, up by 66.1% (year-over-year).

##### (ii) Singapore

Sales increase of Apheresis Kits for North America and Blood Bags for Asia / Africa due to a recovery of stagnation of overseas demand as well as increase in the yen equivalent from yen depreciation resulted in net sales of 17,643 million yen, up by 5.0% (year-over-year). Despite the effect of increased sales, the impact of raw materials costs and increased labor costs in preparation for the recovery in demand, resulted in segment loss of 105 million yen (profit of 222 million yen in the same period of the previous year).

##### (iii) China

Although demand remained on an expansionary trend due to market growth, the decrease sales of AV Fistula Needles due to the stagnation of demand by the spread of COVID-19 and the customers' inventory adjustments resulted in net sales of 2,771 million yen, down by 6.2% (year-over-year). The impact of soaring prices of increased labor costs resulted in segment loss of 51 million yen (profit of 94 million yen in the same period of the previous year).

##### (iv) Philippines

Increased sales of Apheresis Kits and Blood Bags for Asia resulted in net sales of 2,903 million yen, up by 6.8% (year-over-year). Despite the effect of sales increase, the soaring of raw material and electricity cost as well as labor costs and supplies expense with the expansion of production activities resulted in segment loss of 154 million yen (profit of 32 million yen in the same period of the previous year).

##### (v) Germany

Due to increased sales of Blood Bags for Europe, net sales were 2,976 million yen, up by 5.6% (year-over-year). The effect of increased sales and decrease in marine freight charges which had remained high resulted in segment profit of 357 million yen, up by 162.0% (year-over-year), for this geographical segment.

(vi) Others

Due to decreased sales of AV Fistula Needles and Scalp Vein Needles for North America and other factors, net sales amounted to 2,927 million yen, down by 27.0% (year-over-year), with a segment loss of 2 million yen (profit of 42 million yen in the same period of the previous year).

(2) Overview of the financial condition

Total assets as of the end of this third quarter totaled 80,255 million yen, up by 5,847 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 increased to 45,912 million yen, up by 3,649 million yen from the end of the previous consolidated fiscal year, mainly due to an increase in cash and deposits. Non-current assets increased to 34,342 million yen, up by 2,198 million yen from the end of the previous consolidated fiscal year, mainly due to the increase of tangible fixed assets.

(Liabilities)

Current liabilities increased to 24,477 million yen, up by 2,040 million yen from the end of the previous consolidated fiscal year, mainly due to increases in current portion of long-term loans payable. Non-current liabilities increased to 15,763 million yen, up by 2,493 million yen from the end of the previous consolidated fiscal year, mainly due to the increase of long-term loans payable.

(Net assets)

Net assets increased to 40,014 million yen, up by 1,314 million yen from the end of the previous consolidated fiscal year, mainly due to changes in foreign currency translation adjustments. Note that the capital adequacy ratio decreased by 2.2 percentage points to 49.6%.

(3) Overview of consolidated business forecast

Consolidated business forecast for the fiscal year ending March 31, 2024 released on November 7, 2023 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><br><u>2023</u> | <u>As at December 31,</u><br><u>2023</u> |
|--|---------------------------------------|--|
| Assets                                 |                                       |  |
| Current assets                         |                                       |  |
| Cash and deposits                      | 6,329                                 | 7,869                                    |
| Notes and accounts receivable - trade  | 17,197                                | 17,476                                   |
| Merchandise and finished goods         | 9,158                                 | 10,507                                   |
| Work in process                        | 3,096                                 | 3,592                                    |
| Raw materials and supplies             | 5,503                                 | 5,690                                    |
| Other                                  | 1,008                                 | 805                                      |
| Allowance for doubtful accounts        | (30)                                  | (28)                                     |
| Total current assets                   | <u>42,263</u>                         | <u>45,912</u>                            |
| Non-current assets                     |                                       |  |
| Property, plant and equipment          |                                       |  |
| Buildings and structures, net          | 9,219                                 | 9,947                                    |
| Machinery, equipment and vehicles, net | 8,756                                 | 9,177                                    |
| Other, net                             | 8,032                                 | 8,496                                    |
| Total property, plant and equipment    | <u>26,008</u>                         | <u>27,622</u>                            |
| Intangible assets                      |                                       |  |
| Goodwill                               | 119                                   | 319                                      |
| Other                                  | 728                                   | 627                                      |
| Total intangible assets                | <u>847</u>                            | <u>947</u>                               |
| Investments and other assets           |                                       |  |
| Investments and other assets           | 5,372                                 | 5,864                                    |
| Allowance for doubtful accounts        | (84)                                  | (91)                                     |
| Total investments and other assets     | <u>5,287</u>                          | <u>5,772</u>                             |
| Total non-current assets               | <u>32,144</u>                         | <u>34,342</u>                            |
| Total assets                           | <u>74,407</u>                         | <u>80,255</u>                            |

## Consolidated Balance Sheet

JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

|  | <u>As at March 31,</u><br><u>2023</u> | <u>As at December 31,</u><br><u>2023</u> |
|--|---------------------------------------|--|
| Liabilities  |                                       |  |
| Current liabilities  |                                       |  |
| Notes and accounts payable - trade                                   | 8,699                                 | 8,464                                    |
| Short-term borrowings  | 4,002                                 | 4,002                                    |
| Current portion of long-term borrowings                              | 3,916                                 | 6,265                                    |
| Income taxes payable   | 141                                   | 224                                      |
| Provision for bonuses  | 1,111                                 | 648                                      |
| Other  | 4,566                                 | 4,871                                    |
| Total current liabilities  | 22,437                                | 24,477                                   |
| Non-current liabilities  |                                       |  |
| Long-term borrowings   | 11,599                                | 13,338                                   |
| Provision for retirement benefits for directors (and other officers) | 151                                   | 166                                      |
| Retirement benefit liability   | 500                                   | 524                                      |
| Asset retirement obligations   | 189                                   | 306                                      |
| Other  | 828                                   | 1,426                                    |
| Total non-current liabilities  | 13,270                                | 15,763                                   |
| Total liabilities  | 35,707                                | 40,240                                   |
| Net assets   |                                       |  |
| Shareholders' equity   |                                       |  |
| Share capital  | 7,411                                 | 7,411                                    |
| Capital surplus  | 10,351                                | 10,351                                   |
| Retained earnings  | 17,514                                | 17,145                                   |
| Treasury shares  | (219)                                 | (194)                                    |
| Total shareholders' equity   | 35,057                                | 34,714                                   |
| Accumulated other comprehensive income                               |                                       |  |
| Valuation difference on available-for-sale securities                | 362                                   | 626                                      |
| Foreign currency translation adjustment                              | 3,110                                 | 4,501                                    |
| Total accumulated other comprehensive income                         | 3,473                                 | 5,127                                    |
| Non-controlling interests  | 169                                   | 172                                      |
| Total net assets   | 38,700                                | 40,014                                   |
| Total liabilities and net assets                                     | 74,407                                | 80,255                                   |

**Consolidated statements of income**

JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

|   | <u>Nine months ended</u><br><u>December 31, 2022</u> | <u>Nine months ended</u><br><u>December 31, 2023</u> |
|---|--|--|
| Net sales   | 46,918   | 48,035   |
| Cost of sales   | 36,121   | 37,297   |
| Gross profit  | <u>10,796</u>  | <u>10,738</u>  |
| Selling, general and administrative expenses                  | <u>10,325</u>  | <u>10,661</u>  |
| Operating profit  | <u>471</u>   | <u>77</u>  |
| Non-operating income  |  |  |
| Interest income   | 9  | 9  |
| Dividend income   | 47   | 47   |
| Share of profit of entities accounted for using equity method | —  | 148  |
| Commission income   | 40   | 54   |
| Subsidy income  | 26   | 148  |
| Other   | 62   | 78   |
| Total non-operating income                                    | <u>186</u>   | <u>486</u>   |
| Non-operating expenses  |  |  |
| Interest expenses   | 119  | 153  |
| Share of loss of entities accounted for using equity method   | 94   | —  |
| Foreign exchange losses                                       | 12   | 124  |
| Other   | 11   | 22   |
| Total non-operating expenses                                  | <u>238</u>   | <u>300</u>   |
| Ordinary profit   | <u>420</u>   | <u>263</u>   |
| Extraordinary income  |  |  |
| Gain on sale of non-current assets                            | 7  | 2  |
| Gain on sale of investment securities                         | 57   | —  |
| Total extraordinary income                                    | <u>65</u>  | <u>2</u>   |
| Extraordinary losses  |  |  |
| Loss on sale of non-current assets                            | 0  | 0  |
| Loss on abandonment of non-current assets                     | 18   | 6  |
| Total extraordinary losses                                    | <u>19</u>  | <u>6</u>   |
| Profit before income taxes                                    | <u>466</u>   | <u>258</u>   |
| Income taxes - current  | 229  | 271  |
| Income taxes - deferred                                       | 123  | (57)   |
| Total income taxes  | <u>353</u>   | <u>213</u>   |
| Profit  | <u>112</u>   | <u>45</u>  |
| Loss attributable to non-controlling interests                | <u>(18)</u>  | <u>(9)</u>   |
| Profit attributable to owners of parent                       | <u>131</u>   | <u>54</u>  |

**Consolidated statements of comprehensive income**

JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

|  | <u>Nine months ended</u><br><u>December 31, 2022</u> | <u>Nine months ended</u><br><u>December 31, 2023</u> |
|--|--|--|
| Profit   | 112  | 45   |
| Other comprehensive income                                     |  |  |
| Valuation difference on available-for-sale securities          | 23   | 263  |
| Foreign currency translation adjustment                        | 1,648  | 1,390  |
| Total other comprehensive income                               | <u>1,671</u>   | <u>1,654</u>   |
| Comprehensive income   | <u>1,784</u>   | <u>1,699</u>   |
| Comprehensive income attributable to                           |  |  |
| Comprehensive income attributable to owners of parent          | 1,798  | 1,697  |
| Comprehensive income attributable to non-controlling interests | (13)   | 2  |