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

### **Announcement of JMS Group Mid-term Management Plan (April 2017-March 2020)**

JMS Co., Ltd.(herein after JMS) hereby announces our new Mid-term Management plan (hereinafter “the Plan”) “GAIN 2020” for fiscal years 2017 to 2019 (year ending March 31, 2020) with a view to promote JMS Group’s sustainable business and enhance corporate value. The outline of the plan is as follows.

#### **<<GAIN 2020>>**

- Globalization, Acceleration and Innovation for the New generation -

Since its founding in 1965 in the spirit of “For People’s Precious Lives”, JMS has pursued a mission of “Being a bridge for the people who give and seek medical care, and to bring smiles to people by contributing to healthy and better lives”. JMS strives to enhance its corporate activities in order to contribute to improve Quality of Life for patients and medical professionals.

In regard to the business environment surrounding JMS, in Japan while the government continues the healthcare policy to restrain medical expenditures which has been increasing, demand for advanced medical devices is rising so that they can support the advancement of medical care and solve the issues of aging society.

In overseas, there is a growing need for medical care and business opportunities of medical devices especially in emerging countries with economic development.

In the given environment, JMS stands to our corporate spirit “For People’s Precious Life” and with its technology development capability it aims to contribute to the development of medical care and society by "Creation and provision of value that is truly helpful for resolution of challenges in Healthcare" and "Serve as a promoter of innovations which generate new waves in the market".

JMS established the following mid-term management plan.

#### **1. Basic Policy**

##### **(1) Customer-centric business development**

In order to respond more accurate and faster to the highly and specialized challenges and demands in medical field, our Company shall change our perspective of business operation addressed to customer needs from the medical front.

(2) Company-wide enhancement of productivity

Our Company shall improve profitability by increasing operational efficiency through creativity, reducing “MUDA”(streamlining), and improving group-wide productivity from both aspects of business management and organizational functions.

## 2. Initiatives

(1) Organizational reform: shift to Business unit (“BU”) structure

Aiming at organizations that can respond quicker and more accurate to the various issues faced in medical front, we drive an organizational reform into a customer-centric BU organization structure. To build and proceed an effective business strategy and improve competitiveness in each business field, we promote seamless operations from development, production, to sales by expediting all decision-making under the leadership of each head of BU and allocating management resources with agility and efficiency.

(2) Strategic development under BU structure

In order to achieve the following business vision, each BU shall promptly develop optimal customer-centric business strategies.

**<Hospital Products BU>** ... Strengthen product capabilities and lineups to lay the foundation for stable growth and profitability.

- In the infusion field, we shall deliver the value through providing product lineups that solve issues on infection control, injection control, and medical accident measures to obtain customers trust and market share.
- In the nutrition field, we shall supply convenient and safety products, and become a total coordinator of nutritional therapies such as nutrition management, rehabilitation and, recovery.

**<Surgical & Therapy BU>** ... We shall strive to improve profitability by reviewing products, services and operation systems.

- In the dialysis field, we shall introduce the Japanese Hemodialysis therapy in Asia which is excellent in safety and efficiency, and secure stable profits through the business development in domestic and overseas market.
- In the surgical treatment field, we shall improve the profitability of existing businesses and search for new growing business.

**<Blood Management & Cell Therapy BU>** ... We shall increase customer value by introducing new technologies and aim for a higher business growth.

- In the blood management field, we shall expand business in the process from blood collection to transfusion in both whole blood collection field and blood component collection field, and become necessary company in the blood business in Japan.
- In the cell therapy field, we shall develop products required for regenerative medicine by the collaboration with medical professionals and medical-engineering, and contribute to progress in clinical application.

(3) Creation of next-generation business

We shall support growth of our core business by developing products that can contribute to improvement of patient’s Quality of Life and medical safety and efficiency, and also actively create next-generation business that will forge our future.

- Expand the business in the fields of cancer treatment, digestive organ surgery, and orthopedic surgery
- Develop the technology of biodegradable materials for anti-adhesive material and decomposition stents in digestive tracts
- Develop manufacturing and processing systems for regenerative medical products
- Proceed on open innovation based on industry-academia-government collaboration and collaborate external technologies
- Utilize ICT technology, such as IoT and AI

(4) Acceleration of global expansion

We shall expand core business in global market which we expanded in Japan by cooperating with alliances, and develop new market and new products through direct marketing, aiming at over 40% of sales in global market.

- Expand Japanese Hemodialysis system in Chinese market
- Expand of Peritoneal dialysis system in overseas by technical licensing
- Increase the sales using the advantage of having production bases in China, Indonesia and the Philippines
- Conduct direct marketing in the expanding Asian markets

(5) Promotion of optimal production

We shall optimize production by reorganizing group production structure and managing production bases seamlessly and strategically, and establish a supply system of the competitive products for global market by strengthening supply capacity and competitiveness (in cost, quality, and function).

- Expand operations at Philippines Plant and transform into a state-of-the-art facility
- Improve supply capacity and core manufacturing technology of the Izumo Plant as mother plant in Japan

(6) Strengthening *kotozukuri* (value creation)

While leveraging the strengths of *monozukuri* (manufacturing), we shall deliver new customer value by strengthening *kotozukuri*.

- Offer systems, services and solutions with our products
- *Kotozukuri* through business process such as research, marketing, and product planning

### 3. Numerical Targets

In the fiscal year ending March 2020, we shall aim to achieve consolidated sales of 62,000 million yen and an operating profit of 2,500 million yen.

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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.

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