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(Securities code: 7702; Tokyo Stock Exchange)  
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## Notice Concerning Formulation of Medium-Term Management Plan.

We are pleased to announce the outline of our medium-term management plan 2027, which covers the three-year period from fiscal 2024 to 2027 (fiscal year ending March 31, 2025 - fiscal year ending March 31, 2027).

Medium-term Management Plan 2027  
Theme "Change and Challenge to Create the Future"

### I. Previous Medium-Term Management Plan + FY2023 Review

The previous medium-term management plan started with the unprecedented COVID-19. While fulfilling our responsibility to continue our business and ensure a stable supply, we generally achieved our sales target, thanks to a recovery in demand from the COVID-19 both in Japan and overseas, as well as the impact of foreign exchange due to the yen's depreciation. However, profits fell far short of targets due to the impact of higher-than-expected prices for raw materials costs and electricity costs, leaving us with the task of improving profitability.

### II. Medium-Term Management Plan 2027

Under the theme of "Change and Challenge to Create the Future," we will not only improve profitability in the short term, but also enhance our corporate value in the medium to long term by responding to various demands of society, transform ourselves into a company with long-term durability, and take on the challenge of creating a sustainable society in cooperation with our stakeholders. We have established the following basic policy and medium-term initiatives to achieve these goals.

#### 1. Basic Policy

##### (1) Profit structure reform

To optimize the Group's structure through a fundamental review of the Group's profit structure based on the efficiency of invested capital, and to achieve stable profit generation by executing business strategies that adapt to the market environment in Japan and overseas.

##### (2) Promotion of globalization

Accelerate global expansion by focusing on allocating management resources and strengthening the structure to capture growing overseas demand and strengthening problem-solving capabilities for customer.

#### 2. Initiatives

##### (1) Strengthen business portfolio management

Strengthen business management with an awareness of the cost of capital, and through a management orientation that balances growth, profitability, and capital efficiency, build a portfolio that can withstand changes in the environment and enhance corporate value in order to achieve our long-term vision.

##### (2) Strengthen management base through structural reforms

With an eye on the next 10 years, promote structural reforms to optimize the entire group and build a strong management foundation that will generate stable profits even in a changing environment, while maintaining a high level of competitiveness.

##### (3) Expand global business profit

Develop optimal solutions business suited to regional characteristics, accelerate globalization of business,

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promote penetration of the JMS brand, build a solid business foundation, and expand business profit.

(4) Promotion of Sustainability Management

To realize a virtuous cycle of profit contribution to society and the economy as a whole and medium to long-term enhancement of corporate value by actively and proactively promoting initiatives as part of our management strategy to realize a sustainable society and to resolve materiality through our business and corporate activities.

3. Management Indicators

(Consolidated) Operating profit 2.5 billion yen ROIC 3.5% or more (FY2027)

\*For details of the Medium-term Management Plan 2027 "Change and Challenge to Create the Future", please refer to the attached document.

END

JMS CO.,LTD.

# Medium-term Management Plan 2027

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— Change and Challenge to Create the Future —

May 14, 2024

- 1. What is the future of JMS**
- 2. Review of the Previous Medium-term Management Plan**
- 3. New Medium-term Management Plan 2027**

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## Our Spirit **For People's Precious Life**



**Corporate  
Philosophy**  
- Our Mission -

**To be a bridge for the people who give and seek healthcare, and to bring a smile to people by contributing to a healthy and quality life.**



**Long-term  
Vision**

**A solutions company that develops products and services with the constant aim of solving issues in the healthcare field.**

# Value Creation Process for "The Future of JMS"

Corporate Philosophy

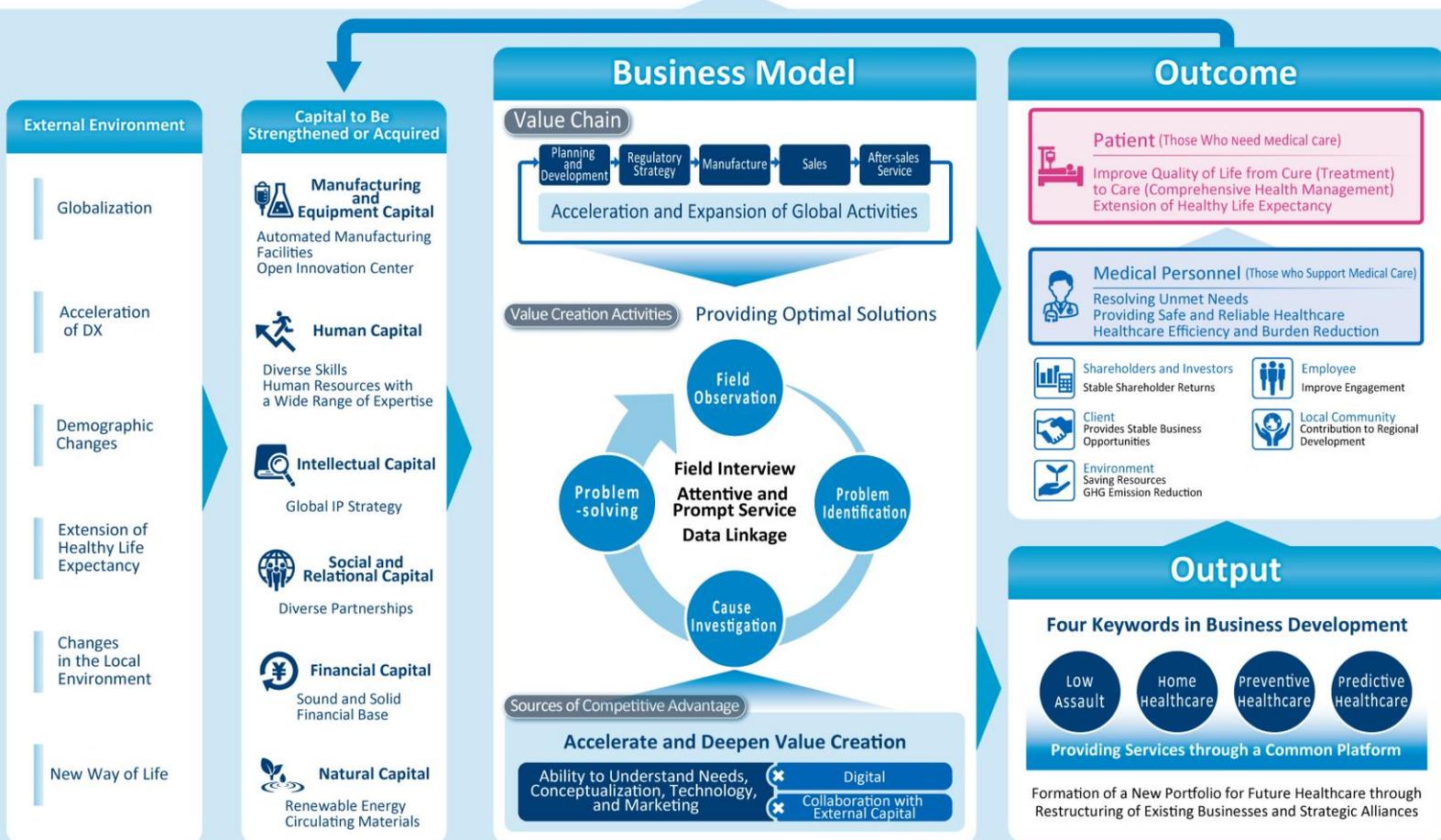
To be a bridge for the people who give and seek healthcare, and to bring a smile to people by contributing to a healthy and quality life.

Long-term Vision

A solutions company that develops products and services with the constant aim of solving issues in the healthcare field.

Materiality Themes

- Creating Impact to Support Environmental and Social Issues
- Diverse, Independent Human Resources to Support Value Creation
- Contribution to Environmental Issues
- Building Sound Governance



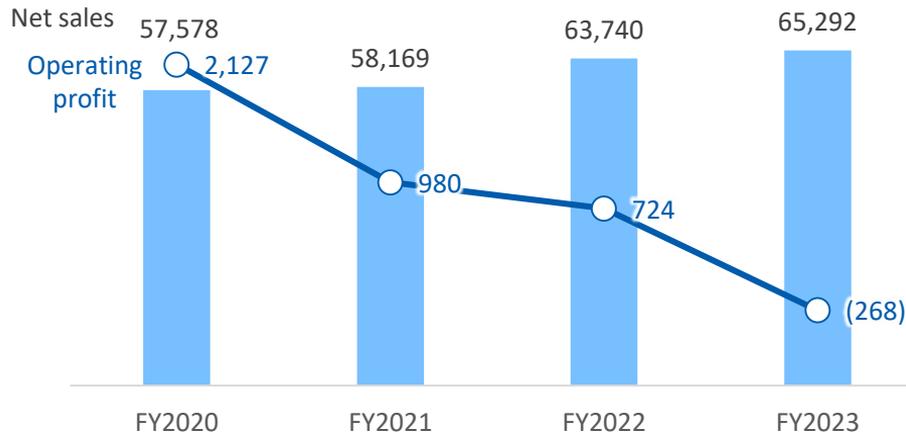
1. What is the future of JMS
- 2. Review of the Previous Medium-term Management Plan**
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# Review of the Previous Medium-term Management Plan (FY2020-FY2022) and FY2023

Although net sales increased due to a recovery in demand in Japan and overseas and the impact of the yen's depreciation, profitability declined due to the impact of higher raw material and electricity costs. Need to increase corporate value through balanced response to growth, profitability, and capital efficiency by reorganizing business portfolio and promoting global expansion from a medium to long term perspective.

## Performance

(unit: JPY million)



**GAIN-RG2023 (FY2020-2022)**

Previous Medium-term Management Plan

## Results

- Apheresis Kits and Blood Bags, mainstay products overseas, grew, while Closed Drug Mixing/Infusion Systems grew to become major products in Japan.
- Aggressive M&A investment in COVID-19 disaster and acquisition of Acute Blood Purification business and Leukocyte Reduction Filter business.
- Alliances are promoted, although time is required to create value.

# Future Issues

Amid the need to improve capital efficiency as well as sustainable growth and profitability, the key is to allocate and utilize management resources in a balanced manner by leveraging the company's strengths through **selection and concentration**.



## **Allocate Resources to Growth and New Businesses**

- Allocate resources from a focus on improving core businesses to growth and new businesses
- Developing human resources and establishing structure to create new value from the patient's perspective

## **Optimization of Product Lines and Cost Reduction**

- Execution of consolidation of unprofitable products, integration of standards, price increase, etc.
- Promote thorough cost reductions and concentrate resources on core products

## **Careful Selection of Investments and Use of Alliances**

- Promote capital and development investment with high ROI (return on investment)
- Supplementing or saving resources by utilizing external capital

1. What is the future of JMS
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# Recognition of Business Environment

Sustainability management must be promoted with an overview on the external environment, which is undergoing drastic changes, such as rising raw material costs and the expansion of protectionist trade policies. Especially in developed countries, there is an increasing need to improve quality of life (QOL) while coexisting with illness from cure to care due to the aging population, such as home healthcare.

## Community

### Transition to a Sustainable Society

#### Promotion of Human Capital Management

➤ DE&I/Global Human Resource Development

## Economy

### Soaring Raw Material and Fuel Costs

#### Rise in Manufacturing Costs

➤ Optimal Location Production  
/Appropriate Price Shifting

## Politics

### Expansion of Protectionist Trade Policies

#### Expansion Led by China

➤ Localization of Production / M&A

## Technology

### Super-aging in Developed Countries

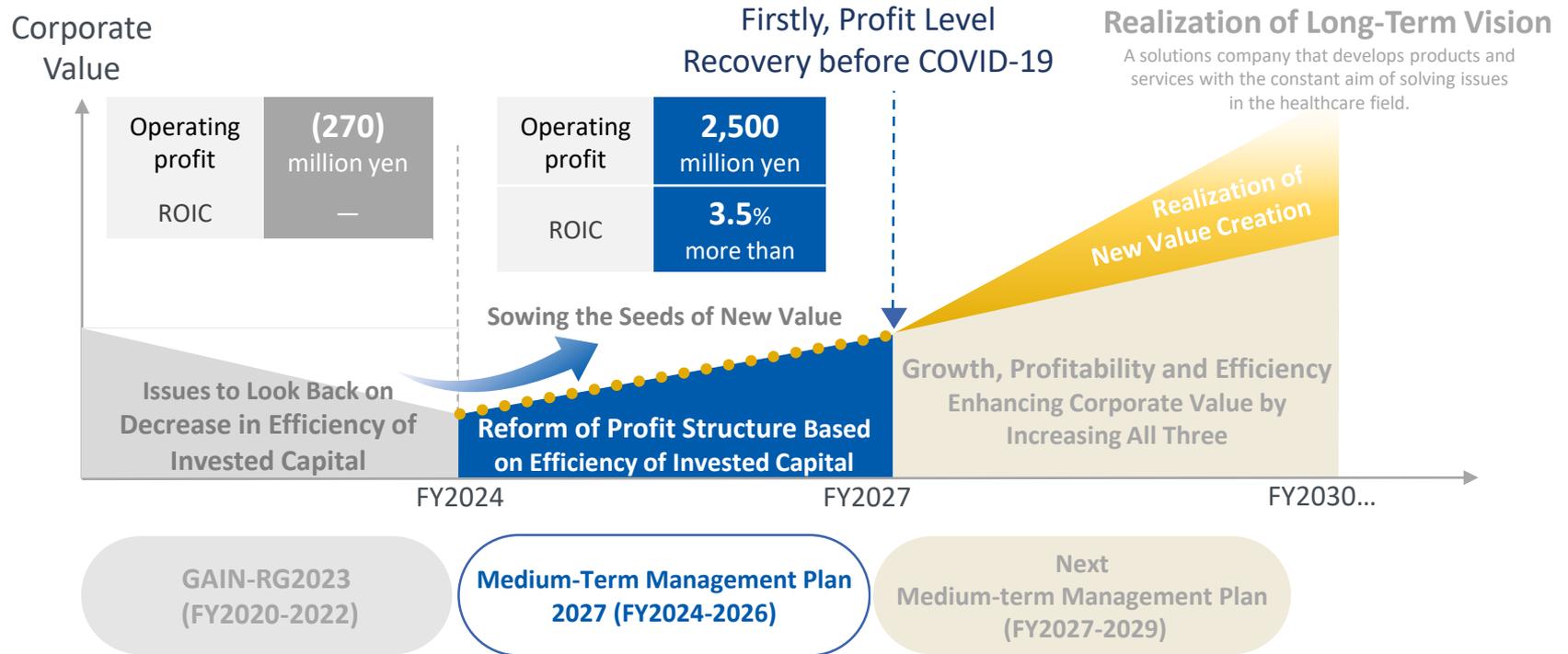
#### From Cure to Care, Expanding Home Health Care

➤ Strengthening Oncological Therapy Area,  
Providing Solutions

# Positioning of Medium-term Management Plan 2027

The Bridge to Good Health Care

Under the new medium-term management plan, the company will move into a structural reform phase to achieve optimal allocation of resources to achieve the long-term vision.



# Medium-term Management Plan 2027

In the structural reform phase, build up stable profit earning capacity and strengthen problem-solving capabilities to capture overseas demand as a new growth driver.

**Medium-term Management Plan Theme:**

**- Changes and Challenges to Create the Future -**

## Basic Policy:



### Profit Structure Reform

To optimize the Group's structure through a fundamental review of the Group's profit structure based on the efficiency of invested capital, and to achieve stable profit generation by executing business strategies that adapt to the market environment in Japan and overseas.



### Promotion of Globalization

Accelerate global expansion by focusing on allocating management resources and strengthening the structure to capture growing overseas demand and strengthening problem-solving capabilities for customer.

# Company-wide Management Targets

Aim to achieve return on invested capital (ROIC) in excess of cost of capital (WACC) through selection and concentration management strategy to increase excess profit and corporate value.  
 As part of the restructuring phase, set targets that are not limited by growth potential (sales) in order to reorganize the business and product portfolio through selection and concentration.

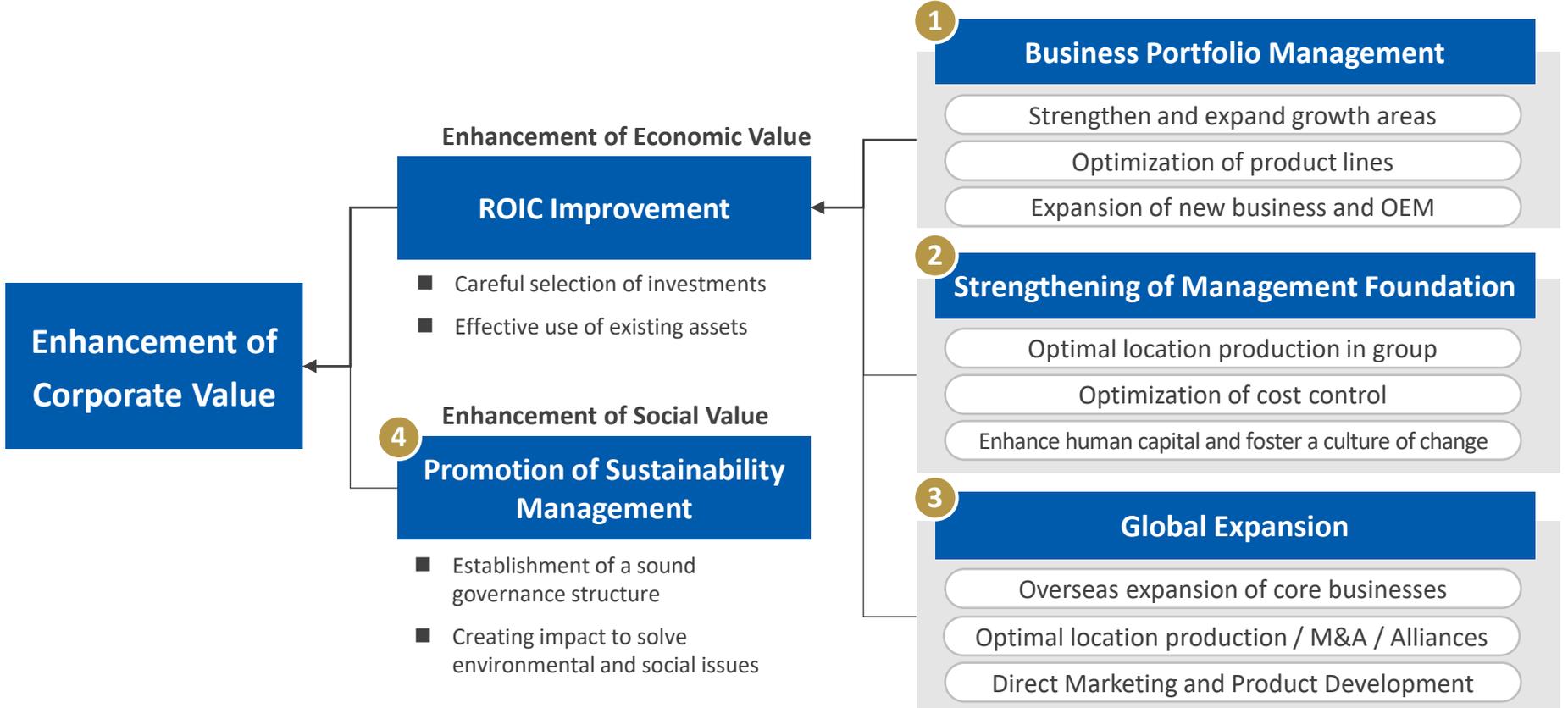
FY2027

Profitability	Operating profit
	<b>2,500</b> million yen
Capital Efficiency	ROIC
	<b>3.5%</b> level (> WACC)

\*The assumptions used in setting the targets are exchange rates of US\$1 = 145 yen, 1 euro = 156 yen, and 1 Singapore dollar = 106 yen.

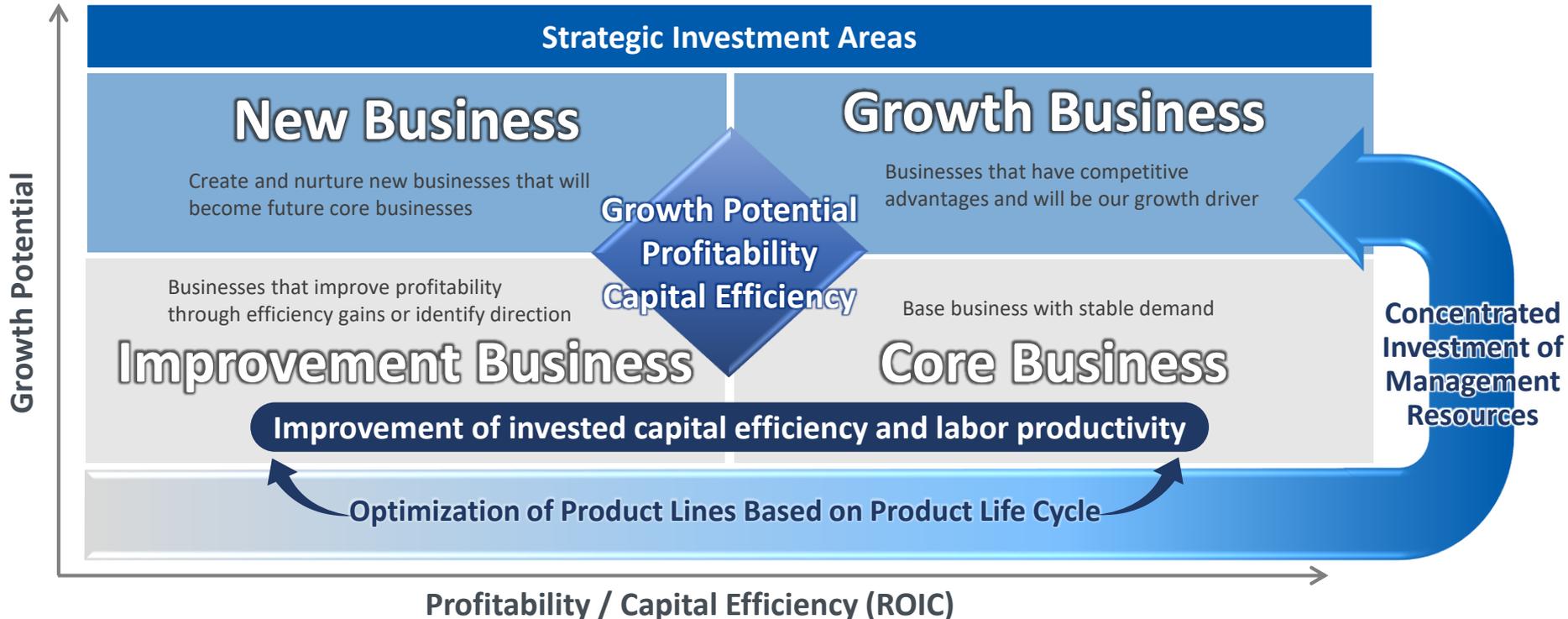
# Logic Tree for Corporate Value Enhancement

Implement the following four key initiatives to enhance corporate value from a company-wide perspective.



# Initiative 1: Strengthen business portfolio management

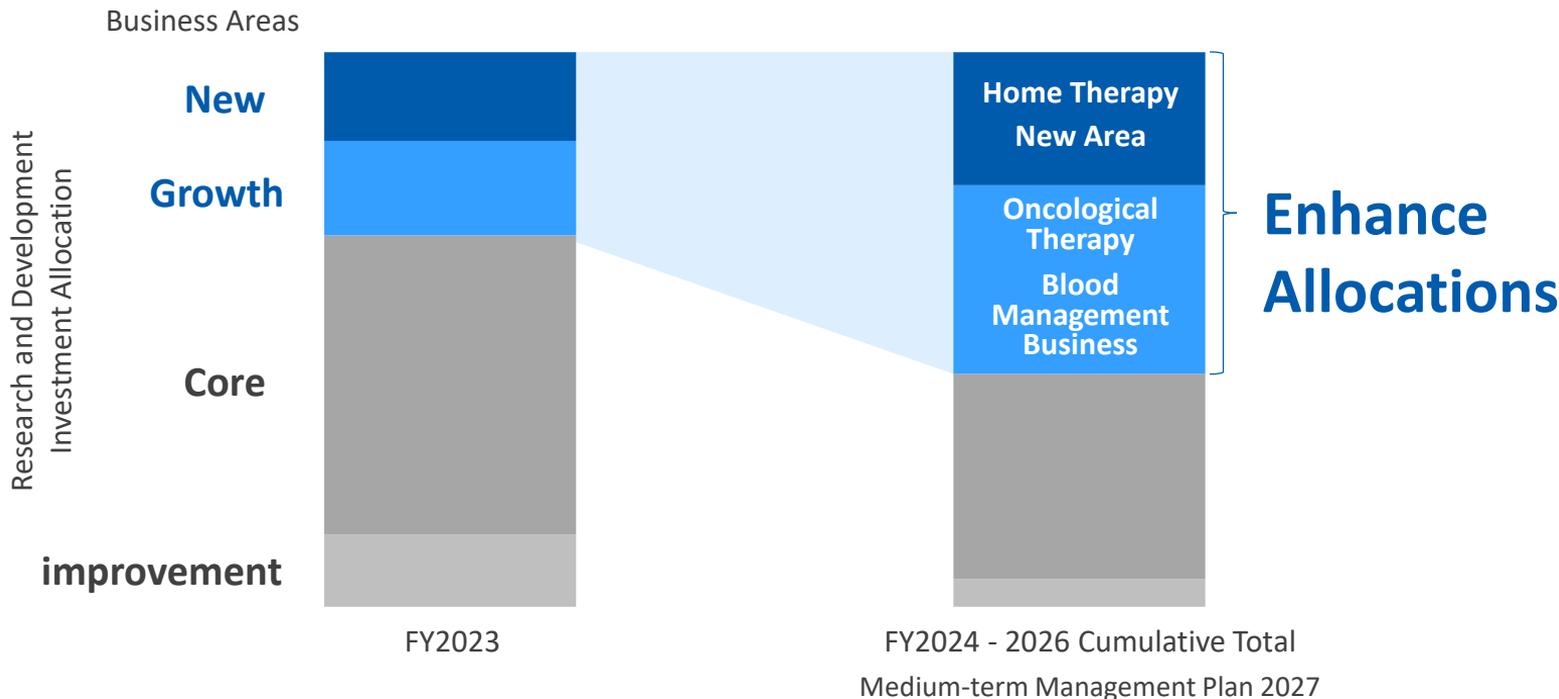
Strengthen business management with an awareness of the cost of capital, and through a management orientation that balances growth, profitability, and capital efficiency, build a portfolio that can withstand changes in the environment and enhance corporate value in order to achieve our long-term vision.



# Concentrated investment of management resources

Aim for sustainable sales and profit growth by increasing allocation of R&D investment to new and growth businesses, which are strategic investment areas.

New	Growth
Improvement	Core



# Strategic Investment Areas - New & Growth -

Develop new businesses by utilizing digital technology and promoting alliances, in response to the diversification of treatment and changes in the healthcare environment.

New	Growth
Improvement	Core

## 【New】 : Home Therapy

### Raising Awareness of Peritoneal Dialysis Therapy Options through DX Promotion

Automatic Peritoneal Dialysis Machines with enhanced communication functions and support for seamless information sharing among multiple professions in a comprehensive regional care system will create a better environment for peritoneal dialysis therapy for aging patients and healthcare professionals who are required to reform work-style.



## 【Growth】 : Oncological Therapy

### Easy-to-use, Domestically Produced Devices Facilitate Problem Solving

- ▶ In Japan, as the number of patients requiring oncological therapy increases and the healthcare field faces a serious manpower shortage, we will promote the creation of new value to build a sustainable healthcare environment in oncological therapy by shifting tasks and improving operational efficiency.
- ▶ Overseas, introduce Closed Drug Mixing/Infusion Systems in the U.S. and other countries.



# Strategic Investment Areas - Growth -

Further increase presence in the global blood management-related market and expand business profit by supplying newly acquired Leukocyte Reduction Filter.

New	Growth
Improvement	Core

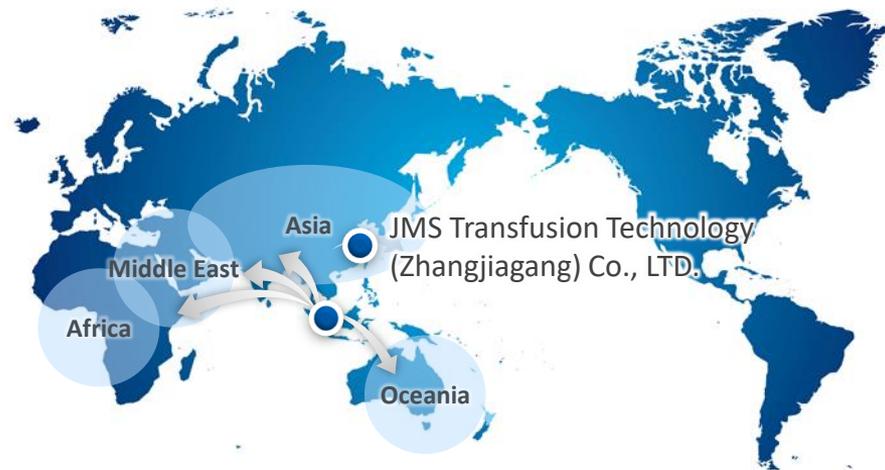
## 【Growth】 : Blood Management Business

### Synergy Generation through In-house Production of Leukocyte Reduction Filter and Integrated Business Operation with Blood Bags

Strengthening the supply chain for Leukocyte Reduction Filter to capture the huge markets of Africa, the Middle East, Asia, and Oceania, where demand is growing.

November 2023

Acquired all equity of a subsidiary of Asahi Kasei Medical Corporation and newly started as JMS Transfusion Technology (Zhangjiagang) CO., LTD.



# Core/Improvement Areas

Maximize operating income in the domestic core business, which has stable demand, by responding to changes in the environment and improving efficiency.

Overseas core businesses will enhance brand presence and link to new growth businesses.

new	growth
improvement	core

## Domestic

### Infusion and Nutrition

### Blood Management and Cell Therapy

### Cardiovascular

### Hemodialysis

#### Maximize Operating profit

- ▶ Efficient sales activities through the use of marketing automation and distributor strategy
- ▶ Create new value by building a platform for ME(Medical Electronics) equipment
- ▶ Optimize product portfolio
- ▶ Alliance promotion
- ▶ Optimize pricing

## Overseas

### Hemodialysis

### OEM/ODM

#### Penetration of the JMS Brand

- ▶ Introduction of AV Fistula Needles with New Functions
- ▶ Develop CDDS (central dialysis fluid delivery system) , a dialysis system unique to Japan
- ▶ Utilize alliances
- ▶ Promote optimization of the entire supply chain and improve QCD (quality, cost, delivery)

### Key Resources for New and Growth Businesses

Strategically Utilize Acquired Cash, Technological Competitiveness, and Established Brands

# Initiative 2: Strengthening the management base through structural reforms

With an eye on the next 10 years, promote structural reforms to optimize the entire group and build a strong management foundation that will generate stable profits even in a changing environment, while maintaining a high level of competitiveness.

**Promoting  
Structural  
Reforms**

- Optimize the entire supply chain in light of protectionist trade policies of emerging countries
- Selection of appropriate costing methods, establishment of management systems and introduction of efficiency processes
- Securing human resources to support globalization and digitalization and building a foundation for their development

**Realization  
of Overall Group  
Optimization**

**Strengthening of  
management foundation**

**Stable  
Profit  
Generation**

# Group overall optimization and efficiency improvement

Promote optimization of the entire supply chain, centered on production in the optimal location for the Group, by taking the opportunity of item review as a structural reform aimed at maintaining and improving QCD (quality, cost, and delivery).



# Human Resource Investment Strategy (Long-term Perspective)

Promote human resource mobility and human resource development to strengthen human capital as a source of competitive advantage.

Provide fair career development opportunities and aim for a diverse workforce.

Management Strategy      Value Creation Activities

## Promote Globalization and Provide Optimal Solutions



### ■ Reskilling / DE&I (Diversity, Equity & Inclusion)

- Training rotation
- Effective use of mid-career hires
- Introduction of advanced IT (digital)/global human resources development program
- Increase ratio of female managers

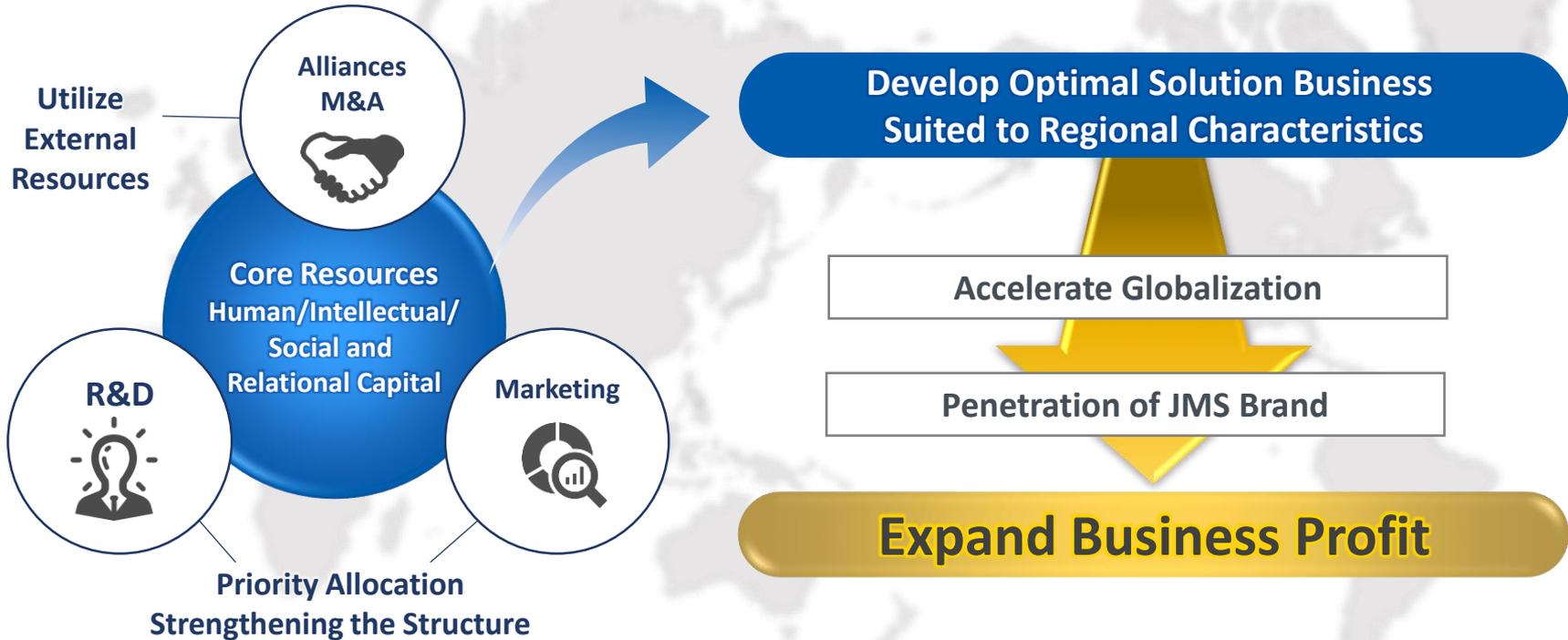
### ■ Improve Employee Engagement

- Internal recruitment system / mid- to long-term career development
- Promote health management that keeps employees physically and mentally healthy

**Foster a Culture of Change that Promotes Leadership and Innovation**

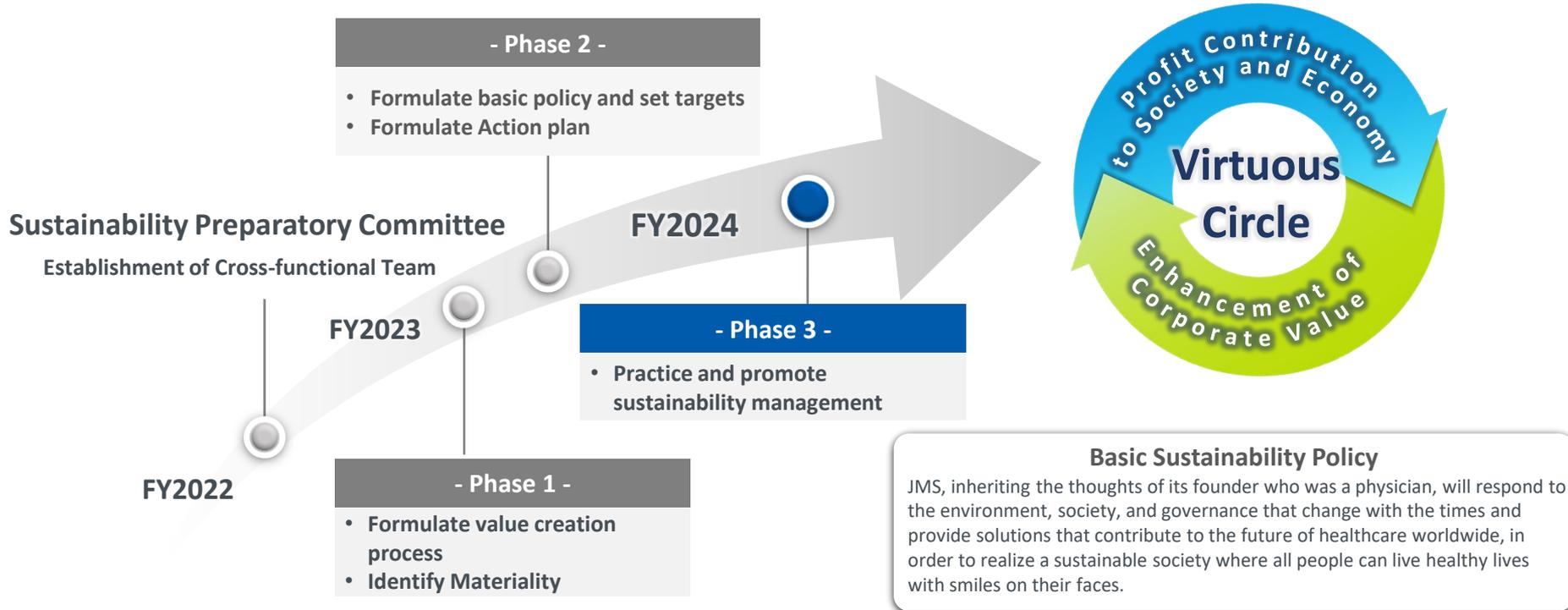
# Initiative 3: Expand global business profit

Develop optimal solutions business suited to regional characteristics, accelerate globalization of business, promote penetration of the JMS brand, build a solid business foundation, and expand business profit.



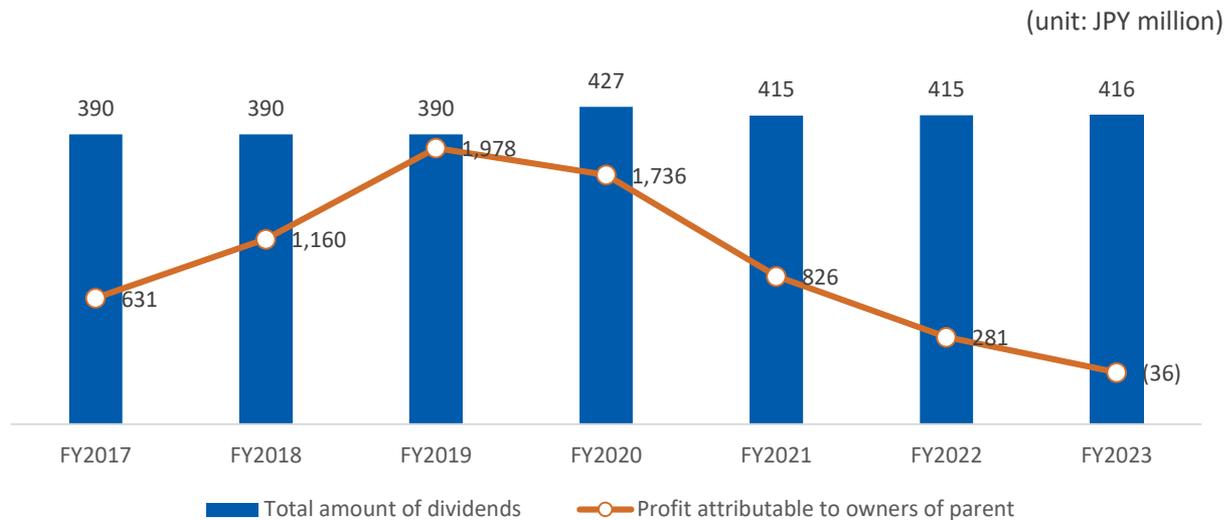
# Initiative 4: Promotion of Sustainability Management

To realize a virtuous cycle of profit contribution to society and the economy as a whole and medium- to long-term enhancement of corporate value by actively and proactively promoting initiatives as part of our management strategy to realize a sustainable society and to resolve materiality through our business and corporate activities.



# Shareholder Return Policy (Consolidated)

Based on the basic policy of stable dividends, we will increase the level of returns to shareholders in line with profit growth.



Fiscal Year	2017	2018	2019	2020	2021	2022	2023
Dividend Payout Ratio	61.8%	33.6%	21.0%	23.9%	50.3%	147.8%	-
Annual dividend per share (Yen)	16	16	17	17	17	17	17(Forecast)



The Bridge to Good Health Care

**Explanation of the appropriate use of profit forecasts and other special notes**

The forward-looking statements, including profit forecasts, contained in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable.