



Financial Results for the First Quarter of Fiscal Year Ending March 31, 2025

August 9, 2024

Stock Exchange Listings : Tokyo Stock Exchange

Company name : JMS Co., Ltd. (URL <https://www.jms.cc/english/>)
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 Supplemental material of quarterly results : Yes Dividend payable date (as planned) : —
 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 2024 (From April 1, 2024 to June 30, 2024)

(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, 2024	16,177	10.8	42	—	194	—	(92)	—
Three months ended June 30, 2023	14,600	2.2	(111)	—	(73)	—	(260)	—

(Note) Comprehensive income : Three months ended June 30, 2024 : 1,200 million yen [(4.1%)],
 Three months ended June 30, 2023 : 1,153 million yen [(24.5%)].

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2024	(3.77)		—	
Three months ended June 30, 2023	(10.66)		—	

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As at June 30, 2024	83,592	41,744	49.7
As at March 31, 2024	84,709	40,747	47.9

(Note) Owner's equity: June 30, 2024: 41,561 million yen, March 31, 2024: 40,573 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, 2024	—	8.50	—	8.50	17.00
Year ending March 31, 2025	—	—	—	—	—
Year ending March 31, 2025 (forecast)	—	8.50	—	8.50	17.00

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

3. Consolidated Forecast for the Year Ending March 2025 (From April 1, 2024 to March 31, 2025)

(%: 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
Half year ending September 30, 2024	34,000	8.8	250	—	250	—	100	—	4.08
Year ending March 31, 2025	70,000	7.2	800	—	800	448.0	400	—	16.34

(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 result for the first 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 Management & Cell Therapy and promotes product development, production and sales.

During the consolidated cumulative first quarter, sales of Closed Drug Mixing/Infusion Systems remained strong. Additionally, sales in Japan of Prefilled Syringes and Dysphagia-related products increased due to the drug price revisions and the revision of medical service fees. In overseas markets, in addition to the mainstay Apheresis Kits and Blood Bags, sales of Leukocyte Reduction Filters, a business acquired in the previous fiscal year, increased.

As a result of the above, net sales of 16,177 million yen, up by 10.8% / 1,576 million yen (year-over-year), due in part to the increase in yen-denominated sales resulting from the depreciation of the yen. Despite the effect of sales increase, the growth of main products and the price increase from the previous year, Operating profit was 42 million yen (operating loss of 111 million yen in the same period of the previous year) due to the effect of increased sales, despite soaring raw material costs and increased manufacturing expenses. Ordinary profit amounted to 194 million yen (ordinary loss of 73 million yen in the same period of the previous year) due to equity in earnings of affiliates and foreign exchange gains, and after income taxes, net loss attributable to owners of the parent amounted to 92 million yen (net loss attributable to owners of the parent of 260 million yen in the same period of the previous year).

Business performance by geographical segment.

(i) Japan

Despite a decrease in sales of medical gloves, sales of Prefilled Syringes, Dysphagia-related products, and Closed Drug Mixing/Infusion Systems were strong, and sales related to the Hemodialysis Business for China increased, resulted in net sales of 10,705 million yen (up 8.3% year-over-year). Segment profit of 252 million yen (loss of 64 million yen in the same period of the previous year) due to the effect of increased revenue.

(ii) Singapore

In addition to increased sales of Apheresis Kits for North America and Blood Bags for Asia and Africa, the weaker yen also contributed to an increase in yen-denominated sales, resulted in net sales of 5,738 million yen (up 14.1% year-over-year). Segment profit of 40 million yen (loss of 59 million yen in the same period of the previous year), despite the positive effect of increased revenue, due to factors such as the sharp rise in raw material costs and increased labor costs.

(iii) China

Sales of AV Fistula Needles, Hemodialysis Blood Tubing Sets, and Hemodialysis Machines were strong, reflecting continued growth in demand due to market expansion, and net sales of 1,010 million yen (up 4.2% year-over-year) were recorded. Segment loss of 36 million yen (loss of 4 million yen in the same period of the previous year) due to an increase in depreciation expenses associated with capital investment.

(iv) Philippines

Sales of Blood Bags for Asia and AV Fistula Needles for Europe declined, but sales of Infusion Sets and Apheresis Kits for Japan increased, resulting in net sales of 911 million yen (up 1.3% year-over-year). Segment loss of 149 million yen (segment profit of 14 million yen in the same period of the previous year) due to an increase in labor and manufacturing expenses, despite increased sales.

(v) Germany

Sales of AV Fistula Needles and Blood Bags for Europe declined, resulting in net sales of 938 million yen (down 11.4% year-over-year). Segment profit of 74 million yen (down 43.9% year-over-year) due to the impact of lower sales.

(vi) Others

Sales of Leukocyte Reduction Filters for China increased, resulting in net sales of 1,152 million yen (up 13.3% year-over-year) and a segment loss of 12 million yen (profit of 10 million yen in the same period of the previous year).

(2) Overview of the financial condition

Total assets at the end of the first quarter of the current fiscal year decreased 1,116 million yen from the end of the previous fiscal year to 83,592 million yen. Details of assets, liabilities and net assets are as follows.

(Assets)

Current assets decreased 1,918 million yen to 46,746 million yen. This was mainly due to a decrease in cash and deposits resulting from repayment of loans payable. Fixed assets increased by 802 million yen from the end of the previous fiscal year to 36,845 million yen. This was mainly due to an increase in property, plant and equipment.

(Liabilities)

Current liabilities decreased 2,182 million yen to 27,747 million yen. This was mainly due to decreases in short-term loans payable and current portion of long-term loans payable. Non-current liabilities increased 68 million yen from the end of the previous fiscal year to 14,100 million yen. This was mainly due to an increase in lease obligations.

(Net assets)

Net assets increased 996 million yen from the end of the previous fiscal year to 41,744 million yen. This was mainly due to changes in foreign currency translation adjustments. The equity ratio increased 1.8 percentage points from the end of the previous fiscal year to 49.7%.

(3) Overview of consolidated business forecast

Consolidated business forecast for the first half and ending of March 31, 2025 released on May 14, 2024 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>2024</u>	<u>As at June 30,</u> <u>2024</u>
Assets		
Current assets		
Cash and deposits	10,308	6,358
Notes and accounts receivable - trade	18,298	18,647
Merchandise and finished goods	9,747	10,851
Work in process	3,404	3,732
Raw materials and supplies	5,974	6,228
Other	961	935
Allowance for doubtful accounts	(30)	(7)
Total current assets	<u>48,665</u>	<u>46,746</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,253	10,360
Machinery, equipment and vehicles, net	9,304	9,427
Other, net	9,521	10,134
Total property, plant and equipment	<u>29,079</u>	<u>29,921</u>
Intangible assets		
Goodwill	315	315
Other	679	661
Total intangible assets	<u>995</u>	<u>977</u>
Investments and other assets		
Investments and other assets	6,081	6,037
Allowance for doubtful accounts	(112)	(90)
Total investments and other assets	<u>5,968</u>	<u>5,947</u>
Total non-current assets	<u>36,043</u>	<u>36,845</u>
Total assets	<u>84,709</u>	<u>83,592</u>

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

(Millions of yen)

	<u>As at March 31,</u> <u>2024</u>	<u>As at June 30,</u> <u>2024</u>
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,774	9,056
Short-term borrowings	6,396	5,574
Current portion of long-term borrowings	7,966	5,873
Income taxes payable	297	75
Provision for bonuses	1,039	650
Other	5,454	6,515
Total current liabilities	<u>29,929</u>	<u>27,747</u>
Non-current liabilities		
Long-term borrowings	11,067	10,912
Provision for retirement benefits for directors (and other officers)	167	173
Retirement benefit liability	562	617
Asset retirement obligations	323	342
Other	1,910	2,055
Total non-current liabilities	<u>14,031</u>	<u>14,100</u>
Total liabilities	<u>43,961</u>	<u>41,847</u>
Net assets		
Shareholders' equity		
Share capital	7,411	7,411
Capital surplus	10,351	10,351
Retained earnings	17,055	16,755
Treasury shares	(194)	(194)
Total shareholders' equity	<u>34,623</u>	<u>34,323</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	779	871
Foreign currency translation adjustment	5,169	6,366
Total accumulated other comprehensive income	<u>5,949</u>	<u>7,238</u>
Non-controlling interests	174	183
Total net assets	<u>40,747</u>	<u>41,744</u>
Total liabilities and net assets	<u>84,709</u>	<u>83,592</u>

Consolidated statements of income

JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

	<u>Three months ended</u> <u>June 30, 2023</u>	<u>Three months ended</u> <u>June 30, 2024</u>
Net sales	14,600	16,177
Cost of sales	11,222	12,541
Gross profit	<u>3,378</u>	<u>3,635</u>
Selling, general and administrative expenses	<u>3,489</u>	<u>3,592</u>
Operating profit (loss)	<u>(111)</u>	<u>42</u>
Non-operating income		
Interest income	2	3
Dividend income	25	31
Share of profit of entities accounted for using equity method	—	102
Foreign exchange gains	41	79
Other	35	25
Total non-operating income	<u>104</u>	<u>242</u>
Non-operating expenses		
Interest expenses	43	79
Share of loss of entities accounted for using equity method	18	—
Other	3	12
Total non-operating expenses	<u>66</u>	<u>91</u>
Ordinary profit (loss)	<u>(73)</u>	<u>194</u>
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	<u>0</u>	<u>0</u>
Extraordinary losses		
Loss on sale of non-current assets	0	—
Loss on abandonment of non-current assets	4	5
Total extraordinary losses	<u>5</u>	<u>5</u>
Profit (loss) before income taxes	<u>(77)</u>	<u>189</u>
Income taxes - current	86	28
Income taxes - deferred	99	248
Total income taxes	<u>185</u>	<u>277</u>
Loss	<u>(263)</u>	<u>(87)</u>
Profit (loss) attributable to non-controlling interests	<u>(2)</u>	<u>4</u>
Loss attributable to owners of parent	<u>(260)</u>	<u>(92)</u>

Consolidated statements of comprehensive income

JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

	<u>Three months ended</u> <u>June 30, 2023</u>	<u>Three months ended</u> <u>June 30, 2024</u>
Loss	(263)	(87)
Other comprehensive income		
Valuation difference on available-for-sale securities	130	91
Foreign currency translation adjustment	1,286	1,196
Total other comprehensive income	<u>1,416</u>	<u>1,288</u>
Comprehensive income	<u>1,153</u>	<u>1,200</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,146	1,191
Comprehensive income attributable to non-controlling interests	6	9