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

November 7, 2024

Stock Exchange Listings : Tokyo Stock Exchange

Company name : JMS Co., Ltd. (URL <https://www.jms.cc/english/>)  
 Securities code : 7702  
 Representative : Ryuji Katsura, President and Representative Director  
 Inquiries : Jo Sueda, Executive Officer, Head of Corporate Affairs Division  
 TEL : +81-82-243-5844  
 Quarterly statement filing date (as planned) : November 13, 2024 Dividend payable date (as planned) : December 10, 2024  
 Supplemental material of quarterly results : Yes  
 Convening briefing of quarterly results : Yes

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

### 1. Consolidated Financial Highlights for the Interim Period Ended September 2024 (From April 1, 2024 to September 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	%
Six months ended September 30, 2024	33,830	8.3	155	—	(118)	—	(258)	—
Six months ended September 30, 2023	31,248	4.2	(320)	—	(135)	—	(258)	—

(Note) Comprehensive income : Six months ended September 30, 2024 : 68 million yen [(96.3)%] ,  
 Six months ended September 30, 2023 : 1,884 million yen [(18.7)%] .

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	(10.56)		—	
Six months ended September 30, 2023	(10.58)		—	

#### (2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As at September 30, 2024	84,075	40,620	48.1
As at March 31, 2024	84,709	40,747	47.9

(Note) Owner's equity: September 30, 2024: 40,450 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	—	8.50	—	—	—
Year ending March 31, 2025 (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 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
Year ending March 31, 2025	70,000	7.2	700	—	400	174.0	100	—	4.08

(Note) Correction of financial forecast from the most recent financial forecast. : Yes

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 performance

##### (1) Overview of business performance for the current interim period

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 interim consolidated accounting period, in Japan, sales of Closed Drug Mixing/Infusion Systems, which we are focusing on as a core business, were strong, and sales of Prefilled Syringes, for which drug prices were raised in the NHI drug price and medical service fee revisions, and Dysphagia-related products, for which medical service fees were applied, increased. In overseas markets, sales of our mainstay Apheresis Kits and Blood Bags increased, and sales of AV Fistula Needles (AV Fistula Needles for hemodialysis) also remained strong. In addition, sales of Leukocyte Reduction Filters, which we acquired in the previous fiscal year, increased.

As a result of the above, net sales of 33,830 million yen, up by 8.3% / 2,582 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 and the price pass-on measures that have been implemented since the previous period, Operating profit was 155 million yen (operating loss of 320 million yen in the previous interim consolidated accounting period) due to the increase in depreciation expenses associated with capital investment, in addition to the soaring costs of raw materials and electricity. Despite the fact that there was an investment profit from the equity method, the exchange rate worked against us to a large extent, and as a result of recording an exchange loss, the ordinary loss was 118 million yen (ordinary loss of 135 million yen in the previous interim consolidated accounting period). After adding and subtracting corporate taxes, etc., the interim net loss attributable to the parent company was 258 million yen (the interim net loss attributable to the parent company for the previous interim consolidated accounting period was 258 million yen).

Business performance by geographical segment.

##### (i) Japan

Although sales of medical gloves decreased, sales of Prefilled Syringes, Dysphagia-related products and Closed Drug Mixing/Infusion Systems were strong. In addition, sales of Hemodialysis Machines for China and sales to affiliated companies increased. As a result, net sales were 22,253 million yen (up 7.1% from the previous interim consolidated accounting period). Segment profit resulted in 426 million yen (compared to a loss of 101 million yen in the previous interim consolidated accounting period) due to the revenue increase including price pass-on.

##### (ii) Singapore

In addition to increased sales of Apheresis Kits for North America and Blood Bags for Africa and Asia, the weaker yen also contributed to an increase in yen-denominated sales, resulting in net sales of 12,891 million yen (up 17.1% from the previous interim consolidated accounting period). In terms of segment profit and loss, despite the positive effect of increased revenue, the segment loss was 418 million yen (compared to a loss of 194 million yen in the previous interim consolidated accounting period), due to the significant adverse impact of foreign exchange rates, in addition to the sharp rise in raw material costs and increased transportation costs, and the recording of foreign exchange losses.

##### (iii) China

Due to the continued expansion of demand as a result of market growth, sales of AV Fistula Needles, Hemodialysis Blood Tubing Sets and Hemodialysis Machines were strong, and net sales were 1,956 million yen (up 5.2% compared to the previous interim consolidated accounting period). In addition to the sharp rise in raw material costs, the increase in depreciation expenses associated with capital investment resulted in segment loss of 80 million yen (compared to a loss of 22 million yen in the previous interim consolidated accounting period).

##### (iv) Philippines

Although sales of Infusion Sets for the Japanese market increased, sales of Blood Bags for the Asian market and

AV Fistula Needles for the European market decreased, and net sales were 1,825 million yen (down 3.4% from the previous interim consolidated accounting period). In addition to the sharp rise in raw material and electricity costs, there was also an increase in labor costs, resulting in segment loss of 144 million yen (compared to a loss of 36 million yen in the previous interim consolidated accounting period).

(v) Germany

Despite a decrease in sales of AV Fistula Needles and Blood Bags for the European market, sales of Dialysis Therapy Chairs increased, resulting in sales of 2,041 million yen (an increase of 0.8% compared to the previous interim consolidated accounting period). In terms of segment profit, despite the positive effect of increased sales, an increase in personnel costs resulted in segment profit of 195 million yen (a decrease of 19.9% compared to the previous interim consolidated accounting period).

(vi) Others

Despite a decrease in sales of Scalp Vein Needles for North America, sales of Leukocyte Reduction Filters for China increased, resulting in sales of 2,427 million yen (up 29.1% compared to the previous interim consolidated accounting period), and segment loss of 50 million yen (compared to a segment loss of 41 million yen in the previous interim consolidated accounting period).

(2) Overview of the financial condition

(i) Status of assets, liabilities and net assets

Total assets at the end of the current interim consolidated accounting period decreased by 633 million yen compared to the end of the previous consolidated fiscal year to 84,075 million yen.

The details of assets, liabilities and net assets are as follows.

(Assets)

Current assets decreased by 395 million yen compared to the end of the previous consolidated fiscal year to 48,269 million yen. The main reason for this was a decrease in cash and deposits due to repayment of loans.

Noncurrent assets decreased by 237 million yen compared to the end of the previous consolidated fiscal year to 35,805 million yen. The main reason for this was a decrease in property.

(Liabilities)

Current liabilities decreased by 3,950 million yen compared to the end of the previous consolidated fiscal year to 25,978 million yen. The main reason for this was a decrease in short-term loans and long-term loans due within one year. Non-current liabilities increased by 3,445 million yen compared to the end of the previous consolidated fiscal year to 17,477 million yen. The main reason for this was an increase in long-term loans.

(Net assets)

Net assets decreased 127 million yen from the end of the previous fiscal year to 40,620 million yen. This was mainly due to a decrease in retained earnings resulting from the payment of year-end dividends. The equity ratio increased by 0.2 percentage points from the end of the previous fiscal year to 48.1%.

(ii) Situation of the cash flows

As of the end of the consolidated interim fiscal period, cash and cash equivalents amounted to 8,501 million yen, down by 1,372 million yen from the previous consolidated fiscal year. Cash flows from various activities are described in more detail below.

(Cash flows from operating activities)

Net cash provided by operating activities was 255 million yen, down by 151 million yen (year-over-year), mainly due to an increase in accrued consumption tax.

(Cash flows from investing activities)

Net cash used in investing activities was 1,726 million yen, up by 270 million yen (year-over-year), mainly due to expenditures related to the acquisition of tangible fixed assets.

(Cash flows from financing activities)

Net cash used in financing activities was 408 million yen, up by 4,785 million yen (year-over-year), mainly due to the balance difference of loan payable.

(3) Overview of consolidated business forecast

The consolidated earnings forecast for the fiscal year ending March 2025 (full year), which was announced in the “Consolidated Financial Results for the Fiscal Year Ended March 2024 [Japanese GAAP] (Consolidated)” dated May 14, 2024, has been revised. For details, please refer to the “Notice of Difference Between Forecast and Actual Results for the Interim Consolidated Accounting Period of the Fiscal Year Ending March 2025 and Revision of Full-Year Consolidated Earnings Forecast” announced today. Please note that the above forecasts and other forward-looking statements are based on information currently available to the Company and certain assumptions that the Company considers reasonable. Actual results may differ materially from these forecasts due to various factors.

## 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 September 30,</u> <u>2024</u>
Assets		
Current assets		
Cash and deposits	10,308	8,506
Notes and accounts receivable - trade	18,298	18,261
Merchandise and finished goods	9,747	10,397
Work in process	3,404	3,863
Raw materials and supplies	5,974	6,097
Other	961	1,151
Allowance for doubtful accounts	(30)	(8)
Total current assets	<u>48,665</u>	<u>48,269</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,253	9,969
Machinery, equipment and vehicles, net	9,304	9,239
Other, net	9,521	9,601
Total property, plant and equipment	<u>29,079</u>	<u>28,810</u>
Intangible assets		
Goodwill	315	318
Other	679	654
Total intangible assets	<u>995</u>	<u>972</u>
Investments and other assets		
Investments and other assets	6,081	6,104
Allowance for doubtful accounts	(112)	(81)
Total investments and other assets	<u>5,968</u>	<u>6,023</u>
Total non-current assets	<u>36,043</u>	<u>35,805</u>
Total assets	<u>84,709</u>	<u>84,075</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 September 30,</u> <u>2024</u>
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,774	8,694
Short-term borrowings	6,396	3,940
Current portion of long-term borrowings	7,966	6,930
Income taxes payable	297	196
Provision for bonuses	1,039	1,166
Other	5,454	5,048
Total current liabilities	<u>29,929</u>	<u>25,978</u>
Non-current liabilities		
Long-term borrowings	11,067	14,369
Provision for retirement benefits for directors (and other officers)	167	179
Retirement benefit liability	562	590
Asset retirement obligations	323	325
Other	1,910	2,012
Total non-current liabilities	<u>14,031</u>	<u>17,477</u>
Total liabilities	<u>43,961</u>	<u>43,455</u>
Net assets		
Shareholders' equity		
Share capital	7,411	7,411
Capital surplus	10,351	10,351
Retained earnings	17,055	16,583
Treasury shares	(194)	(177)
Total shareholders' equity	<u>34,623</u>	<u>34,169</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	779	747
Foreign currency translation adjustment	5,169	5,534
Total accumulated other comprehensive income	<u>5,949</u>	<u>6,281</u>
Non-controlling interests	174	169
Total net assets	<u>40,747</u>	<u>40,620</u>
Total liabilities and net assets	<u>84,709</u>	<u>84,075</u>

**Consolidated statements of income**

JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

	<u>Six months ended</u> <u>September 30, 2023</u>	<u>Six months ended</u> <u>September 30, 2024</u>
Net sales	31,248	33,830
Cost of sales	24,466	26,246
Gross profit	6,781	7,583
Selling, general and administrative expenses	7,102	7,428
Operating profit (loss)	(320)	155
Non-operating income		
Interest income	5	6
Dividend income	25	31
Share of profit of entities accounted for using equity method	104	86
Foreign exchange gains	43	—
Other	124	80
Total non-operating income	302	204
Non-operating expenses		
Interest expenses	96	160
Foreign exchange losses	—	261
Other	21	57
Total non-operating expenses	117	478
Ordinary loss	(135)	(118)
Extraordinary income		
Gain on sale of non-current assets	1	2
Total extraordinary income	1	2
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on abandonment of non-current assets	6	19
Total extraordinary losses	7	20
Loss before income taxes	(140)	(136)
Income taxes - current	139	144
Income taxes - deferred	(13)	(18)
Total income taxes	126	126
Loss	(267)	(263)
Loss attributable to non-controlling interests	(8)	(4)
Loss attributable to owners of parent	(258)	(258)

**Consolidated statements of comprehensive income**

JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

	<u>Six months ended</u> <u>September 30, 2023</u>	<u>Six months ended</u> <u>September 30, 2024</u>
Loss	(267)	(263)
Other comprehensive income		
Valuation difference on available-for-sale securities	273	(32)
Foreign currency translation adjustment	1,878	364
Total other comprehensive income	<u>2,152</u>	<u>332</u>
Comprehensive income	<u>1,884</u>	<u>68</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,881	73
Comprehensive income attributable to non-controlling interests	3	(5)

**Consolidated statements of cash flows**

JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

	<u>Six months ended</u> <u>September 30, 2023</u>	<u>Six months ended</u> <u>September 30, 2024</u>
Cash flows from operating activities		
Loss before income taxes	(140)	(136)
Depreciation	1,820	1,944
Amortization of goodwill	7	18
Increase (decrease) in allowance for doubtful accounts	(1)	(51)
Increase (decrease) in provision for retirement benefits for directors (and other office)	(1)	(2)
Increase (decrease) in retirement benefit liability	(6)	42
Interest and dividend income	(30)	(37)
Interest expenses	96	160
Foreign exchange losses (gains)	(64)	(18)
Share of loss (profit) of entities accounted for using equity method	(104)	(86)
Loss (gain) on sale of non-current assets	(0)	(1)
Loss on abandonment of non-current assets	6	19
Decrease (increase) in trade receivables	71	132
Decrease (increase) in inventories	(1,281)	(1,168)
Increase (decrease) in trade payables	(581)	(95)
Increase (decrease) in accrued consumption taxes	117	(170)
Decrease (increase) in other current assets	243	(37)
Increase (decrease) in other current liabilities	416	134
Other, net	(11)	7
Subtotal	<u>554</u>	<u>653</u>
Interest and dividends received	30	37
Interest paid	(79)	(188)
Income taxes paid	(98)	(247)
Net cash provided by (used in) operating activities	<u>407</u>	<u>255</u>
Cash flows from investing activities		
Payments into time deposits	(0)	(0)
Purchase of property, plant and equipment	(1,368)	(1,522)
Proceeds from sale of property, plant and equipment	6	7
Purchase of intangible assets	(28)	(63)
Payments for acquisition of businesses	(46)	—
Purchase of investment securities	—	(5)
Advance payments for purchase of shares of subsidiaries and associates	—	(98)
Proceeds from distributions from investment partnerships	—	6
Other, net	(20)	(50)
Net cash provided by (used in) investing activities	<u>(1,456)</u>	<u>(1,726)</u>
Cash flows from financing activities		
Proceeds from short-term borrowings	6,096	6,215
Repayments of short-term borrowings	(7,240)	(8,482)
Proceeds from long-term borrowings	7,255	7,182
Repayments of long-term borrowings	(1,408)	(5,000)
Purchase of treasury shares	(0)	(0)
Dividends paid	(207)	(207)
Repayments of lease liabilities	(118)	(116)
Net cash provided by (used in) financing activities	<u>4,377</u>	<u>(408)</u>
Effect of exchange rate change on cash and cash equivalents	220	76
Net increase (decrease) in cash and cash equivalents	<u>3,548</u>	<u>(1,802)</u>
Cash and cash equivalents at beginning of period	<u>6,325</u>	<u>10,304</u>
Cash and cash equivalents at end of period	<u>9,874</u>	<u>8,501</u>