



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

February 7, 2025

Stock Exchange Listings : Tokyo Stock Exchange

Company name : JMS Co., Ltd. (URL <https://www.jms.cc/english/>)
 Securities code : 7702
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 Supplemental material of quarterly results : Yes Dividend payable date : —
 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 2024 (From April 1, 2024 to December 31, 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	%
Nine months ended December 31, 2024	52,635	9.6	819	958.7	632	139.6	209	287.1
Nine months ended December 31, 2023	48,035	2.4	77	(83.6)	263	(37.2)	54	(58.9)

(Note) Comprehensive income : Nine months ended December 31, 2024 : 1,064 million yen [(37.4)%] ,
 Nine months ended December 31, 2023 : 1,699 million yen [(4.8)%] .

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2024	8.55		—	
Nine months ended December 31, 2023	2.21		—	

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As at December 31, 2024	86,266	41,406	47.8
As at March 31, 2024	84,709	40,747	47.9

(Note) Owner's equity : December 31, 2024 : 41,269 million yen, March 31, 2024 : 40,573 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, 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	1,000	—	700	379.5	250	—	10.21

(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 financial performance for the consolidated cumulative period of this quarter

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 third quarter of the consolidated cumulative period, in Japan, sales of Closed Drug Mixing/Infusion Systems, which we are focusing on as a key business, were strong, and sales of Prefilled Syringes, for which drug prices were raised in the NHI drug price revision, and Dysphagia-related products, for which medical service fees were applied, increased. In overseas markets, sales of our mainstay Blood Bags increased, and sales of AV Fistula Needles also were 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 52,635 million yen in this period, up by 9.6% / 4.6 billion yen (year-over-year), due to the increase in yen conversion amount due to the depreciation of the yen. Operating profit was 819 million yen, up by 958.7% (year-over-year) due to the increase in depreciation and amortization, in addition to the effect of the increase in sales and the pass-on of sales prices implemented from the previous year, despite the impact of factors such as the rise in raw material costs and electricity prices. In addition, due to factors such as unfavorable fluctuations in exchange rates and the recording of foreign exchange losses, ordinary profit was 632 million yen, up by 139.6% (year-over-year), and after adding and subtracting corporate taxes, etc., quarterly net profit was 209 million yen, up by 287.1% (year-over-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 of Hemodialysis Machines for China and sales to affiliated companies increased. As a result, net sales of 34,942 million yen, up by 9.2% (year-over-year). Segment profit of 1,150 million yen, up by 403.7% (year-over-year), resulted in profit of 1,150 million yen due to the effect of increased sales, including progress in price pass-through.

(ii) Singapore

In addition to increased sales of Apheresis Kits for Europe and Blood Bags for Africa and Asia, the weaker yen also contributed to an increase in yen-denominated sales, and net sales were 19,762 million yen, up by 12.0% (year-over-year). In addition to the increase in raw material costs and transportation costs, the unfavorable impact of foreign exchange rates resulted in a foreign exchange loss, and this, despite the positive impact of increased revenue, resulted in segment loss of 255 million yen (compared to a segment loss of 105 million yen in the same period of the previous year).

(iii) China

Sales of AV Fistula Needles and Hemodialysis Blood Tubing Sets were strong due to increased demand resulting from market growth, and net sales were 3,167 million yen, up by 14.3% (year-over-year). As for segment profit and loss, in addition to the sharp rise in raw material costs, the increase in depreciation expenses associated with capital investment resulted in segment loss of 7 million yen (compared to a segment loss of 51 million yen in the same period of the previous year).

(iv) Philippines

Sales of Blood Bags for Asia and AV Fistula Needles for Europe decreased, resulting in net sales of 2,853 million yen, down by 1.7% (year-over-year). In addition, segment loss of 277 million yen (compared to a segment loss of 154 million yen in the same period of the previous year) was recorded, due to the soaring costs of raw materials and electricity, as well as an increase in labor costs.

(v) Germany

Sales of Dialysis Therapy Chairs and AV Fistula Needles for the European market increased, resulting in sales of 3,328 million yen, up by 11.8% (year-over-year). However, despite the positive effect of increased revenue, segment profit was 338 million yen, down by 5.1% (year-over-year), due to increased personnel costs.

(vi) Others

Despite a decrease in sales of Scalp Vein Needles for North America, sales of AV Fistula Needles for North America and Leukocyte Reduction Filters for China increased, resulting in sales of 3,711 million yen, up by 26.8% (year-over-year). Segment loss was 272 million yen (compared to a loss of 2 million yen in the same period of the previous year).

(2) Overview of financial position for the consolidated cumulative period of this quarter

Total assets at the end of the third quarter of the current consolidated fiscal year increased by 1,557 million yen compared to the end of the previous consolidated fiscal year to 86,266 million yen. The details of assets, liabilities and net assets are as follows.

(Assets)

Current assets increased to 50,152 million yen, up 1,486 million yen from the end of the previous consolidated fiscal year. The main reason for this was an increase in notes and accounts receivable. Fixed assets increased to 36,114 million yen, up by 70 million yen from the end of the previous consolidated fiscal year. The main reason for this was an increase in the market value of investment securities, despite a decrease in tangible fixed assets.

(Liabilities)

Current liabilities decreased to 27,401 million yen, down by 2,527 million yen compared to the end of the previous consolidated fiscal year. The main reason for this was a decrease in short-term loans and long-term loans due within one year. Non-current liabilities increased to 17,458 million yen, up by 3,426 million yen compared to the end of the previous consolidated fiscal year. The main reason for this was an increase in long-term loans.

(Net assets)

Total net assets increased to 41,406 million yen, up by 658 million yen compared to the end of the previous consolidated fiscal year. The main reason for this was due to changes in the foreign currency translation adjustment account. The equity ratio decreased by 0.1 points compared to the end of the previous consolidated fiscal year to 47.8%.

(3) Overview of consolidated business forecast

The consolidated earnings forecast for the fiscal year ending March 2025, which was announced on November 7, 2024, has been revised. For details, please refer to the “Notice of Revision of Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2025.” released 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 December 31,</u> <u>2024</u>
Assets		
Current assets		
Cash and deposits	10,308	8,882
Notes and accounts receivable - trade	18,298	19,581
Merchandise and finished goods	9,747	10,538
Work in process	3,404	3,818
Raw materials and supplies	5,974	6,429
Other	961	908
Allowance for doubtful accounts	(30)	(7)
Total current assets	<u>48,665</u>	<u>50,152</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,253	10,080
Machinery, equipment and vehicles, net	9,304	9,172
Other, net	9,521	9,583
Total property, plant and equipment	<u>29,079</u>	<u>28,836</u>
Intangible assets		
Goodwill	315	293
Other	679	638
Total intangible assets	<u>995</u>	<u>932</u>
Investments and other assets		
Investments and other assets	6,081	6,425
Allowance for doubtful accounts	(112)	(80)
Total investments and other assets	<u>5,968</u>	<u>6,345</u>
Total non-current assets	<u>36,043</u>	<u>36,114</u>
Total assets	<u>84,709</u>	<u>86,266</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 December 31,</u> <u>2024</u>
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,774	8,953
Short-term borrowings	6,396	5,130
Current portion of long-term borrowings	7,966	6,535
Income taxes payable	297	340
Provision for bonuses	1,039	650
Other	5,454	5,791
Total current liabilities	<u>29,929</u>	<u>27,401</u>
Non-current liabilities		
Long-term borrowings	11,067	14,400
Provision for retirement benefits for directors (and other officers)	167	166
Retirement benefit liability	562	603
Asset retirement obligations	323	340
Other	1,910	1,947
Total non-current liabilities	<u>14,031</u>	<u>17,458</u>
Total liabilities	<u>43,961</u>	<u>44,860</u>
Net assets		
Shareholders' equity		
Share capital	7,411	7,411
Capital surplus	10,351	10,351
Retained earnings	17,055	16,843
Treasury shares	(194)	(177)
Total shareholders' equity	<u>34,623</u>	<u>34,428</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	779	908
Foreign currency translation adjustment	5,169	5,932
Total accumulated other comprehensive income	<u>5,949</u>	<u>6,840</u>
Non-controlling interests	174	137
Total net assets	<u>40,747</u>	<u>41,406</u>
Total liabilities and net assets	<u>84,709</u>	<u>86,266</u>

Consolidated statements of income

JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

	<u>Nine months ended</u> <u>December 31, 2023</u>	<u>Nine months ended</u> <u>December 31, 2024</u>
Net sales	48,035	52,635
Cost of sales	37,297	40,527
Gross profit	<u>10,738</u>	<u>12,108</u>
Selling, general and administrative expenses	<u>10,661</u>	<u>11,288</u>
Operating profit	<u>77</u>	<u>819</u>
Non-operating income		
Interest income	9	9
Dividend income	47	60
Share of profit of entities accounted for using equity method	148	117
Subsidy income	148	29
Other	132	84
Total non-operating income	<u>486</u>	<u>302</u>
Non-operating expenses		
Interest expenses	153	249
Foreign exchange losses	124	156
Other	22	85
Total non-operating expenses	<u>300</u>	<u>490</u>
Ordinary profit	<u>263</u>	<u>632</u>
Extraordinary income		
Gain on sale of non-current assets	2	2
Total extraordinary income	<u>2</u>	<u>2</u>
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on abandonment of non-current assets	6	24
Total extraordinary losses	<u>6</u>	<u>24</u>
Profit before income taxes	<u>258</u>	<u>609</u>
Income taxes - current	271	456
Income taxes - deferred	(57)	(19)
Total income taxes	<u>213</u>	<u>436</u>
Profit	<u>45</u>	<u>173</u>
Loss attributable to non-controlling interests	(9)	(36)
Profit attributable to owners of parent	<u>54</u>	<u>209</u>

Consolidated statements of comprehensive income

JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

	<u>Nine months ended</u> <u>December 31, 2023</u>	<u>Nine months ended</u> <u>December 31, 2024</u>
Profit	45	173
Other comprehensive income		
Valuation difference on available-for-sale securities	263	128
Foreign currency translation adjustment	1,390	762
Total other comprehensive income	<u>1,654</u>	<u>890</u>
Comprehensive income	<u>1,699</u>	<u>1,064</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,697	1,100
Comprehensive income attributable to non-controlling interests	2	(36)