Financial Statements
for the Fiscal Year Ended March 31, 2019
(From Apr. 1, 2018 to Mar. 31, 2019)

Summary of consolidated results

JMS Co., Ltd.
Company Code No. 7702

May 10, 2019
## Highlights in Business Results

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>56,520</td>
<td>58,059</td>
<td>1,538</td>
<td>2.7%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>573</td>
<td>1,462</td>
<td>888</td>
<td>154.9%</td>
</tr>
<tr>
<td>Ordinary profit</td>
<td>820</td>
<td>1,520</td>
<td>699</td>
<td>85.3%</td>
</tr>
<tr>
<td>Profit attributable to owners of parent</td>
<td>631</td>
<td>1,160</td>
<td>528</td>
<td>83.8%</td>
</tr>
<tr>
<td>Basic earnings per share ※</td>
<td>JPY 25.91</td>
<td>JPY 47.59</td>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>

### Exchange Rate (average during period)

<table>
<thead>
<tr>
<th></th>
<th>US Dollar</th>
<th>Euro</th>
<th>Singapore Dollar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr. - Mar. 2018</td>
<td>110.85</td>
<td>126.67</td>
<td>81.74</td>
</tr>
<tr>
<td>Apr. - Mar. 2019</td>
<td>110.91</td>
<td>130.42</td>
<td>81.69</td>
</tr>
</tbody>
</table>

*We have conducted a share consolidation of common stock of JMS Co., Ltd. pursuant to which two (2) shares were consolidated into one (1) share effective as of October 1, 2017. Accordingly, the “Net income per share” has been calculated assuming that such share consolidation has been conducted at the beginning of the previous fiscal year.

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**Increased in sales (2nd straight year) and increased in profit.**

### Sales
- Increased sales of New Hemodialysis Machine “GC-X01” and Dysphagia related products
- Increased sales of Apheresis kits
- Increased sales of Hemodialysis Machine

### Profit
- Increase in operating Profit, the influence of sales increase as well as the decreased selling cost and the influence of foreign currency exchange
- The addition of share of profit of entities accounted for using equity method and the loss on abandonment of inventories resulted in an ordinary profit increase

### Dividend forecast
- Annual dividend: JPY 16 per share (incl. interim dividend JYP 8 per share)
### Summary by segment (geographical area)

#### Japan

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>41,214 JPY million</td>
<td>41,659 JPY million</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>3,585 JPY million</td>
<td>3,215 JPY million</td>
</tr>
</tbody>
</table>

Sales incl. internal transaction: 37,957 JPY million (1.1% increase) | Sales for third party: 795 JPY million (1.5% increase) | Profit: 3,585 JPY million (64.0% increase)

#### Singapore

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>18,975 JPY million</td>
<td>20,043 JPY million</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>1,434 JPY million</td>
<td>1,561 JPY million</td>
</tr>
</tbody>
</table>

Sales incl. internal transaction: 656 JPY million (5.6% increase) | Sales for third party: 9,363 JPY million (1.5% increase) | Profit: 1,434 JPY million (8.0% increase)

#### China

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>3,585 JPY million</td>
<td>3,215 JPY million</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>1,434 JPY million</td>
<td>1,561 JPY million</td>
</tr>
</tbody>
</table>

Sales incl. internal transaction: 27 JPY million (10.3% decrease) | Sales for third party: 1,076 JPY million (8.0% increase) | Profit: 27 JPY million (8.0% increase)

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### Sales

**Increased sales of New Hemodialysis Machine “GC-X01” and Dysphagia related products raised net sales.**

**Increased sales of Apheresis kits for North America market raised net sales.**

**Decreased sales of Infusion Sets for Japan market due to production transfer to the plant in Philippines reduced net sales.**

### Ordinary Income

**Despite the influence of loss on abandonment of inventories, the decrease in selling costs resulted in profit increase.**

**The influence of sales increase as well as the influence of foreign currency exchange resulted in profit increase.**

**The influence of sales decrease and the decrease of labor cost and other expenses resulted in profit increase.**
### Summary by segment (geographical area)

#### Philippines
- **Sales incl. internal transaction**
- **Profit**
- **Sales Increased 165.4%**
- **Profit Improved by 215 million yen**

- *(Apr. - Mar. 2018)*: 682 (629)
- *(Apr. - Mar. 2019)*: 1,810 (414)

**[Sales]**
Increased sales of Infusion Sets for Japan market raised net sales.

**[Ordinary Income]**
The influence of increased sales reduced loss.

#### Germany
- **Sales incl. internal transaction**
- **Sales for third party**
- **Profit**
- **Sales Increased 2.2%**
- **Profit Increased 54.4%**


**[Sales]**
Increased sales of hemodialysis kits raised net sales.

**[Ordinary Income]**
The influence of increase sales of higher-margin products resulted in profit increase.

#### Others
- **Sales for third party**
- **Profit**
- **Sales Increased 2.8%**
- **Profit Increased 40.7%**

- *(Apr. - Mar. 2019)*: 4,852 165

*This segment includes business activity of domestic subsidiaries, United States, South Korea and Thailand.*

The segment classification has changed starting this fiscal year as below:
- With its increased importance, “Germany” was added as a reporting segment which was previously included in “Others”.
- The previous term’s segment information is indicated in accordance with the new classifications.
Sales by Business Segment

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Infusion &amp; Nutrition</td>
<td>22,901</td>
<td>23,406</td>
</tr>
<tr>
<td>Dialysis</td>
<td>17,829</td>
<td>18,744</td>
</tr>
<tr>
<td>Cardiovascular</td>
<td>4,679</td>
<td>4,372</td>
</tr>
<tr>
<td>Transfusion</td>
<td>(307)</td>
<td>9,611</td>
</tr>
<tr>
<td>Others</td>
<td>1,498</td>
<td>1,306</td>
</tr>
</tbody>
</table>

(Units: JPY million)

- Infusion & Nutrition: 2019 = 2018 + 2.2%
- Dialysis: 2019 = 2018 + 5.1%
- Cardiovascular: 2019 = 2018 - 6.6%
- Transfusion: 2019 = 2018 + 6.4%
- Others: 2019 = 2018 - 12.8%
Sales change by Region (Customer's Location)

<table>
<thead>
<tr>
<th>Region</th>
<th>Apr. – Mar. 2019 Sales composition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>64.3%</td>
</tr>
<tr>
<td>North America</td>
<td>11.9%</td>
</tr>
<tr>
<td>Asia</td>
<td>13.5%</td>
</tr>
<tr>
<td>Europe</td>
<td>8.5%</td>
</tr>
<tr>
<td>Others</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

Sales change by Region:

- **Japan**: Increased by JPY 1,538 million
- **North America**: Decreased by JPY 28 million
- **Asia**: Decreased by JPY 76 million
- **Europe**: Decreased by JPY 837 million
- **Others**: Decreased by JPY 702 million

Total Sales:

- **Apr. - Mar. 2018**: JPY 56,520 million
- **Apr. - Mar. 2019**: JPY 58,059 million

Increase:

- **Increased JPY 1,538 million**
## Selling, General and Admin. Expenses

((unit: JPY million)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Labor Cost</td>
<td>5,767</td>
<td>5,806</td>
<td>39</td>
<td>0.7%</td>
</tr>
<tr>
<td>Transport</td>
<td>1,614</td>
<td>1,652</td>
<td>37</td>
<td>2.3%</td>
</tr>
<tr>
<td>R &amp; D</td>
<td>1,553</td>
<td>1,515</td>
<td>(37)</td>
<td>(2.4%)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>346</td>
<td>335</td>
<td>(11)</td>
<td>(3.2%)</td>
</tr>
<tr>
<td>Others</td>
<td>4,426</td>
<td>4,045</td>
<td>(381)</td>
<td>(8.6%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13,708</strong></td>
<td><strong>13,355</strong></td>
<td><strong>(353)</strong></td>
<td><strong>(2.6%)</strong></td>
</tr>
</tbody>
</table>

[Others]
Due to the decreased selling cost.
Ordinary Profit: Compared with the previous year

[unit: JPY million]

<table>
<thead>
<tr>
<th>Minus factor</th>
<th>Plus factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,520</td>
<td>820</td>
</tr>
</tbody>
</table>

Increased JPY 699 million

- Increase of Gross Profit: 307
- Decrease of SGA: 352
- Decrease of Non-operating profit: (164)
- Impact of Exchange rate: 204

Apr.-Mar. 2018

Apr.-Mar. 2019

The underlined figures exclude impact of exchange rate.
# Forecast for FYE Mar. 2020

<table>
<thead>
<tr>
<th></th>
<th>FYE Mar. 2019 Result</th>
<th>FYE Mar. 2020 Forecast</th>
<th>Year-over-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>58,059</td>
<td>60,000</td>
<td>3.3%</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>1,462</td>
<td>1,800</td>
<td>23.1%</td>
</tr>
<tr>
<td><strong>Ordinary profit</strong></td>
<td>1,520</td>
<td>2,000</td>
<td>31.6%</td>
</tr>
<tr>
<td><strong>Profit attributable to owners of parent</strong></td>
<td>1,160</td>
<td>1,400</td>
<td>20.7%</td>
</tr>
<tr>
<td><strong>Basic earnings per share</strong></td>
<td>JPY 47.59</td>
<td>JPY 57.43</td>
<td>---</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Exchange Rate (average during period)</th>
<th>US Dollar</th>
<th>EUR</th>
<th>JPY</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Dollar</td>
<td>110.91</td>
<td>130.42</td>
<td>81.69</td>
</tr>
<tr>
<td>EUR</td>
<td>110</td>
<td>125</td>
<td>82.5</td>
</tr>
</tbody>
</table>

(unit: JPY million)
Topics

※Announcement date

- Settlement of the patent-infringement lawsuit for Enteral nutrition systems Products.
  Mar. 5, 2019

- Recognized as “Certified Health & Productivity Management Outstanding Organization (White 500)”
  Feb. 26, 2019

- Announcement of finished the production of Ono Plant
  Sep. 26, 2018
Overview of the Mid-term Management Plan (GAIN 2020)  
(April 2017-March 2020)

**GAIN 2020**  
Globalization, Acceleration and Innovation for the New generation

<table>
<thead>
<tr>
<th>[Basic Policy]</th>
<th>Promotion of customer-centric business; Group-wide enhancement of productivity</th>
</tr>
</thead>
</table>
| [Numerical targets] | Sales: JPY 62 billion  
Operating profit: JPY 2.5 billion |

**Initiatives**

1. **Organizational reform (Shift to BU structure)**: Rapid expansion of customer-centric optimal business strategies
2. **Creation of next-generation business**: Active challenges to the creation of business that forges our future
3. **Acceleration of global expansion**: Use of alliances and direct marketing
4. **Promotion of optimum production**: Establishment of a competitive global product supply system
5. **Strengthen of kotozukuri**: Creation of new customer value with monozukuri + kotozukuri
- Customer-centric strategy development
  Expanding product line of “NEO SHIELD”, Closed Mixing/Infusion System for Anticancer Drug
  ・Promoting a measure to reduce risks to medical professionals which being exposed to chemotherapy drugs, and suppress the disposal loss of drug

  Developing a new product “TWIN SHIELD”, Catheter connection system
  ・Realizing of safer and more secure connection by simple operation, and contributing to prevention of medical accidents

- Creation of next-generation business
  Anti-adhesive barrier (orthopedics)
  ・Clinical trial is ongoing as planned, expected to be completed by the end of this period
  Stem cell storage bag (regeneration medicine)
  ・Provided to a regenerative medicine institute for clinical research

- Acceleration of global expansion
  Business start of Joint Venture Company in Thailand
  ・Launched domestic sales in Thailand, in view of development to the ASEAN market
  China CDDS business
  ・Promoting the Japanese Hemodialysis system (CDDS) in Chinese market with a local partner

- Promotion of optimal production
  Philippines Plant
  ・Expand operations (at Philippines Plant) and will turn the operating profit into the black
  Reorganization of the domestic production bases
  ・Enhancement production facility of Izumo Plant and finish of the production at Ono Plant
- Strengthening kotozukuri (value creation)
  Participation in the BIODESIGN program *
 ・・・ Seeking a new solution to the issue of medical fields in collaboration with the program participants
Promotion of the collaboration with medical and engineering
 ・・・ Joint development of Arrhythmia analysis system using software

*The program develops solutions to various problems, using the needs in the clinical site as the starting point while verifying the perspective of commercialization from the initial stages of development, and is characterized by approaches that make innovation a reality. The program is cooperated by Hiroshima University and Hiroshima Prefecture.

### Net Sales and Operating profit ratio

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Result</td>
<td>565</td>
<td>581</td>
<td>600</td>
</tr>
<tr>
<td>Operating profit</td>
<td>1.0%</td>
<td>2.5%</td>
<td>3.0%</td>
</tr>
<tr>
<td>JPY</td>
<td>JPY 62 billion</td>
<td></td>
<td>4.0%</td>
</tr>
</tbody>
</table>

[Numerical targets]
The assessment figures described on this report are based on available information at this moment, including uncertain data. Actual results may be different from the figures.