

For Translation Purposes Only

December 10, 2013

Listed Company Name:	JMS Co., Ltd.
Representative:	Hiroaki Okukubo President and Representative Director
Stock exchange listing:	Tokyo 1st section
Securities code:	7702

Patent and Know-How License Agreement with Huaren Pharmaceutical Co., Ltd.

JMS Co., Ltd. (hereinafter “JMS”) announced that JMS has entered into a Patent and Know-How License Agreement with Huaren Pharmaceutical Co., Ltd. (hereinafter “Huaren”), Qingdao-based Chinese company, regarding medical devices and pharmaceutical drugs for Peritoneal Dialysis.

1. Background and Objectives

One of JMS’s major businesses is to develop, manufacture, and sell medical devices and pharmaceutical drugs for Peritoneal Dialysis treatment (hereinafter “PD System”). Peritoneal Dialysis (“PD”) is a treatment for patients with chronic renal failure which the patients can undertake daily at their home. PD is prevalent globally because of less physical strain and constraint in daily life for the patients compared to Hemodialysis treatment.

Huaren was founded in 1998, and its principally business is to develop, manufacture, and sell injectable solution, imaging agent, and so on. In 2010, Huaren was listed on Shenzhen Stock Exchange, and started production and sales of peritoneal dialysate from 2011.

Huaren and JMS will enhance PD business in China by leveraging on JMS’s proprietary know-how in production and sales of PD system and Huaren’s production capacity and sales channel.

2. Contract briefing

JMS will provide its proprietary technology of PD system to support Huaren’s production and sales. Huaren will expand its product line using the technology provided by JMS, and pay royalty to JMS according to its sales of the products.

The PD system which JMS provides its technology is a medical device with simple manual operation for safe PD, and we hope to support better quality of life for the patients in China with our system.

3. Overview of Huaren

① Company Name	Huaren Pharmaceutical Co., Ltd.
② Head Office	No. 187, Zhuzhou Road, Laoshan District, Qingdao, Shandong, China
③ Representative	Mr. Liang Fuyou
④ Main Activities	Production/Sales of large-volume injections including anti-cancer drugs, Production/Export of solution, Development/Production/Sales of new packaging material for pharmaceutical products.
⑤ Capital	436,627,000 RMB
⑥ Establishment	May 20, 1998
⑦ Relationship	There is no capital, business, and personnel relationship between Huaren and JMS. Huaren is a non-related party for JMS.

【Reference】

- Dialysis market in China -

In China, approximately two million people suffer chronic renal failure which requires dialysis treatment such as Hemodialysis or Peritoneal Dialysis, and about 15% of them are undertaking actual treatment. The patients who undertake PD treatment account for 10% of them, approx 30,000 patients. The number of patients with PD treatment is estimated to increase 30 % per year.

(JMS estimation)

～ Contact ～

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<p>The forecast in this press release is based on limited information available at the moment of disclosure and contain potential risks and uncertainty such as changes in social conditions. It should be noted that this press release is based on the information available as of disclosure, and may differ in the future.</p>
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