

# Financial Results for the First Quarter of Fiscal Year Ending March 31, 2021



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Stock Exchange Listings : Tokyo 1st Section

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 Supplemental material of quarterly results : None  
 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 2020 (From April 1, 2020 to June 30, 2020)

(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, 2020	13,579	0.6	630	586.6	685	265.9	659	—
Three months ended June 30, 2019	13,494	(3.2)	91	224.9	187	132.0	48	111.3

(Note) Comprehensive income : Three months ended June 30, 2020 : 826 million yen [—%], Three months ended June 30, 2019 : (265) million yen [—%].

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2020	27.05	—
Three months ended June 30, 2019	1.98	—

## (2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As at June 30, 2020	66,435	33,077	49.6
As at March 31, 2020	66,567	32,470	48.6

(Note) Owner's equity : June 30, 2020 : 32,945 million yen, March 31, 2020 : 32,336 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, 2020	—	8.00	—	9.00	17.00
Year ending March 31, 2021	—	—	—	—	—
Year ending March 31, 2021 (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 2021 (From April 1, 2020 to March 31, 2021)

(%: 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	Yen
Year ending March 31, 2021	59,500	1.6	2,000	(13.6)	2,200	(17.7)	1,600	(19.1)	65.62	65.62

(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 results for the first quarter

##### (1) Overview of consolidated business results

JMS strives to enhance product development, production and sales as well as 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 has set up Business Unit (BU) type organization, and set three Business Units, 'Hospital Products BU' mainly handles infusion and enteral nutrition, 'Surgical & Therapy BU' mainly handles Dialysis and Cardiovascular, and 'Blood Management & Cell Therapy BU' mainly handles Blood Transfusion.

JMS recorded consolidated net sales for the first quarter of 13,579 million yen, up by 0.6% / 85 million yen (year-over-year).

The operating profit totaled 630 million yen in this period, up by 586.6% (year-over-year), due to the influence of sales increase, the improved sales cost ratio and decreased selling, general and administrative expenses. The addition of share of profit of entities accounted for using equity method resulted in an ordinary profit of 685 million yen, up by 265.9% (year-over-year). As a result of adding and subtracting subsidy income of extraordinary income and income taxes, the profit attributable to owners of parent of 659 million yen, up by 61 million yen (year-over-year).

Business performance by geographical segment.

##### (i) Japan

Increased sales of Examination Gloves and Closed Drug Mixing/Infusion System "NEO SHIELD" were offset by decreased sales of Infusion Sets, reducing net sales to 9,367 million yen, down by 1.6% (year-over-year). Despite the influence of decrease sales, improved sales cost ratio and decreased selling, general and administrative expenses resulted in a profit of 551 million yen, up by 114.3% (year-over-year), for this geographical segment.

##### (ii) Singapore

Increased sales of Blood bags for West Asia market raised net sales to 5,151 million yen, up by 13.1% (year-over-year). The influence of sales increase resulted in a profit of 278 million yen, up by 12.4% (year-over-year), for this geographical segment.

##### (iii) China

Decreased sales of Infusion Sets for the Japan market due to production transfer to the plant in Philippines reduced net sales to 587 million yen, down by 12.0% (year-over-year). Despite the influence of decrease sales, the decrease of labor cost resulted in a profit of 22 million yen, up by 32 million yen (year-over-year), for this geographical segment.

##### (iv) Philippines

Due to a temporary suspension of production activities under the influence of COVID-19, decreased sales of Infusion Sets for the Japan market reduced net sales to 492 million yen, down by 23.0% (year-over-year). Due to decreased selling, general and administrative expenses, reduced loss to 49 million yen, improved by 19 million yen (year-over-year), for this geographical segment.

##### (v) Germany

Increased sales of AV Fistula Needle raised net sales to 796 million yen, up by 0.9% (year-over-year). The influence of sales increase resulted in profit of 72 million yen, up by 34.7% (year-over-year), for this geographical segment.

The remaining geographical segments recorded net sales of 947 million yen, down by 26.5% (year-over-year), and profit of 14 million yen, down by 69.2% (year-over-year).

The above-mentioned figures do not include consumption tax, etc.

(2) Overview of the financial condition

Total assets as of the end of this first quarter totaled 66,435million yen, down by 131 million yen from the end of the previous consolidated fiscal year. The details of assets, liabilities and net assets are as shown below.

(Assets)

Current assets decreased to 37,047 million yen, down by 40 million yen from the end of the previous consolidated fiscal year, mainly due to the decrease of notes and accounts receivable trade. Non-current assets decreased to 29,388 million yen, down by 90 million yen from the end of the previous consolidated fiscal year, mainly due to the decrease of property, plant and equipment.

(Liabilities)

Current liabilities increased to 22,425 million yen, up by 530 million yen from the end of the previous consolidated fiscal year, mainly due to the increase of Short-term loans payable. Non-current liabilities decreased to 10,932 million yen, down by 1,269 million yen from the end of the previous consolidated fiscal year, mainly due to the decrease of long-term loans payable.

(Net assets)

Net assets increased to 33,077 million yen, up by 607 million yen from the end of the previous consolidated fiscal year, mainly due to the increase of the profit attributable to owners of parent. Note that the capital adequacy ratio increased by 1.0 percentage points to 49.6%.

(3) Overview of consolidated business forecast

Consolidated business forecast for the fiscal year ending March 31, 2021 released on May 22, 2020 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>2020</u>	<u>As at June 30,</u> <u>2020</u>
Assets		
Current assets		
Cash and deposits	5,765	5,467
Notes and accounts receivable - trade	15,683	14,880
Securities	254	257
Merchandise and finished goods	7,735	8,373
Work in process	2,787	2,925
Raw materials and supplies	3,928	4,286
Other	962	886
Allowance for doubtful accounts	(29)	(30)
Total current assets	37,088	37,047
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,358	8,325
Machinery, equipment and vehicles, net	7,807	7,677
Other, net	7,805	7,775
Total property, plant and equipment	23,970	23,778
Intangible assets	538	527
Investments and other assets		
Investments and other assets, gross	4,980	5,093
Allowance for doubtful accounts	(10)	(10)
Total investments and other assets	4,969	5,083
Total non-current assets	29,479	29,388
Total assets	66,567	66,435

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

(Millions of yen)

	<u>As at March 31,</u> <u>2020</u>	<u>As at June 30,</u> <u>2020</u>
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,446	8,386
Short-term borrowings	4,189	4,697
Current portion of long-term borrowings	3,402	3,250
Income taxes payable	571	416
Provision for bonuses	1,060	569
Other	4,224	5,104
Total current liabilities	21,895	22,425
Non-current liabilities		
Long-term borrowings	9,986	8,716
Provision for retirement benefits for directors (and other officers)	116	113
Retirement benefit liability	731	785
Asset retirement obligations	134	136
Other	1,232	1,180
Total non-current liabilities	12,201	10,932
Total liabilities	34,096	33,357
Net assets		
Shareholders' equity		
Share capital	7,411	7,411
Capital surplus	10,362	10,362
Retained earnings	15,932	16,372
Treasury shares	(270)	(270)
Total shareholders' equity	33,435	33,875
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	203	251
Foreign currency translation adjustment	(1,302)	(1,181)
Total accumulated other comprehensive income	(1,098)	(930)
Non-controlling interests	133	132
Total net assets	32,470	33,077
Total liabilities and net assets	66,567	66,435

## **Consolidated statements of income**

JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

	<u>Three months ended</u> <u>June 30, 2019</u>	<u>Three months ended</u> <u>June 30, 2020</u>
Net sales	13,494	13,579
Cost of sales	10,040	9,802
Gross profit	3,454	3,776
Selling, general and administrative expenses	3,362	3,146
Operating profit	91	630
Non-operating income		
Interest income	4	2
Dividend income	23	24
Share of profit of entities accounted for using equity method	94	114
Subsidy income	49	2
Other	34	27
Total non-operating income	207	171
Non-operating expenses		
Interest expenses	49	45
Foreign exchange losses	54	57
Other	8	14
Total non-operating expenses	111	117
Ordinary profit	187	685
Extraordinary income		
Gain on sales of non-current assets	0	1
Subsidy income	—	170
Total extraordinary income	0	172
Extraordinary losses		
Loss on sales of non-current assets	—	1
Loss on abandonment of non-current assets	0	0
Total extraordinary losses	0	1
Profit before income taxes	187	856
Income taxes - current	93	128
Income taxes - deferred	44	69
Total income taxes	138	198
Profit	49	658
Profit (loss) attributable to non-controlling interests	0	(0)
Profit attributable to owners of parent	48	659

## **Consolidated statements of comprehensive income**

JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

	<u>Three months ended</u> <u>June 30, 2019</u>	<u>Three months ended</u> <u>June 30, 2020</u>
Profit	49	658
Other comprehensive income		
Valuation difference on available-for-sale securities	(3)	47
Foreign currency translation adjustment	(310)	120
Total other comprehensive income	<u>(314)</u>	<u>168</u>
Comprehensive income	<u>(265)</u>	<u>826</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(260)	826
Comprehensive income attributable to non-controlling interests	(5)	0