

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



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Stock Exchange Listings : Tokyo 1st Section

Company name : JMS Co., Ltd. (URL <http://www.jms.cc/>)  
 Securities code : 7702  
 Representative : Hiroaki Okukubo, President and Representative Director  
 Inquiries : Masaki Endo, Executive Officer, Head of Business Administrative Office  
 TEL : +81-82-243-5844  
 Quarterly statement filing date (as planned) : February 12, 2021 Dividend payable date (as planned) : —  
 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 December 2021 (From April 1, 2020 to December 31, 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	%
Nine months ended December 31, 2020	42,749	(1.8)	1,673	11.8	1,565	(9.0)	1,427	21.3
Nine months ended December 31, 2019	43,552	(1.6)	1,497	8.9	1,720	21.3	1,176	20.0

(Note) Comprehensive income : Nine months ended December 31, 2020 : 1,725 million yen [91.7%], Nine months ended December 31, 2019 : 900 million yen [56.2%].

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2020	58.47	—
Nine months ended December 31, 2019	48.26	—

## (2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As at December 31, 2020	67,949	33,804	49.5
As at March 31, 2020	66,567	32,470	48.6

(Note) Owner's equity : December 31, 2020 : 33,662 million yen, March 31, 2020 : 32,336 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, 2020	—	8.00	—	9.00	17.00
Year ending March 31, 2021	—	8.50	—		
Year ending March 31, 2021 (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 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
Year ending March 31, 2020	59,500	1.6	2,000	(13.6)	2,200	(17.7)	1,600	(19.1)	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 operating results for the third quarter

##### (1) Overview of consolidated operating 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 third quarter of 42,749 million yen, down by 1.8% / 803 million yen (year-over-year), by the influence of the strong yen in foreign currency translation. Despite the influence of decreased sales and the increase in R&D expense, the operating profit totaled 1,673 million yen in this period, up by 11.8% (year-over-year), due to the influence of the decreased selling cost. The influence of foreign exchange losses resulted in an ordinary profit of 1,565 million yen, down by 9.0% (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 increased to 1,427 million yen, up by 21.3% (year-over-year).

Business performance by geographical segment.

##### Japan

Increased sales of Hemodialysis Machines for China market and Closed Drug Mixing/Infusion System "NEO SHIELD" were offset by decreased sales of Infusion Sets, reducing net sales to 30,142 million yen, down by 2.5% (year-over-year). Despite the decreased selling cost, the influence of decreased sales and the increase in R&D expenses resulted in a profit of 641 million yen, down by 10.2% (year-over-year), for this geographical segment.

##### Singapore

Despite the increased sales of Blood bags for East Asia market, net sales reduced to 15,180 million yen, down by 0.4% (year-over-year), due to influence of foreign currency translation. The increase of labor cost and the influence of foreign exchange losses resulted in a profit of 633 million yen, down by 40.3% (year-over-year), for this geographical segment.

##### China

Increased sales of Blood Purification Circuit for the Japan market raised net sales to 2,226 million yen, up by 8.0% (year-over-year). The influence of increased sales due to addition of new products resulted in a profit of 249 million yen, up by 375.6% (year-over-year), for this geographical segment.

##### Philippines

Increased sales of Apheresis kits for the North America market raised net sales to 2,143 million yen, up by 9.5% (year-over-year). The influence of increased sales resulted in the black of 77 million yen, improved by 103 million yen (year-over-year), for this geographical segment.

##### Germany

Despite the increased sales of AV Fistula Needle, net sales reduced to 2,293 million yen, down by 1.0% (year-over-year), due to influence of foreign currency translation. The influence of foreign exchange losses resulted in a profit of 159 million yen, down by 9.2% (year-over-year), for this geographical segment.

The remaining geographical segments recorded net sales of 2,921 million yen, down by 23.5% (year-over-year), and profit of 87 million yen, up by 0.1% (year-over-year).

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

(2) Overview of the financial positions

Total assets as of the end of this second third quarter totaled 67,949 million yen, up by 1,382 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 increased to 38,691 million yen, up by 1,603 million yen from the end of the previous consolidated fiscal year, mainly due to the increase of merchandise and finished goods. Non-current assets decreased to 29,257 million yen, down by 221 million yen from the end of the previous consolidated fiscal year, mainly due to the decrease of plant and equipment.

(Liabilities)

Current liabilities decreased to 21,660 million yen, down by 234 million yen from the end of the previous consolidated fiscal year, mainly due to the decrease of Notes and accounts payable-trade. Non-current liabilities increased to 12,484 million yen, up by 282 million yen from the end of the previous consolidated fiscal year, mainly due to the increase of long-term loans payable.

(Net assets)

Net assets increased to 33,804 million yen, up by 1,334 million yen from the end of the previous consolidated fiscal year, mainly due to the increase of retained earnings by the profit attributable to owners of parent. Note that the capital adequacy ratio increased by 0.9 percentage points to 49.5%.

(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 December 31,</u> <u>2020</u>
Assets		
Current assets		
Cash and deposits	5,765	6,102
Notes and accounts receivable - trade	15,683	16,125
Securities	254	254
Merchandise and finished goods	7,735	8,688
Work in process	2,787	2,830
Raw materials and supplies	3,928	3,921
Other	962	797
Allowance for doubtful accounts	(29)	(29)
Total current assets	37,088	38,691
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,358	8,193
Machinery, equipment and vehicles, net	7,807	7,354
Other, net	7,805	7,902
Total property, plant and equipment	23,970	23,450
Intangible assets	538	589
Investments and other assets		
Investments and other assets, gross	4,980	5,228
Allowance for doubtful accounts	(10)	(11)
Total investments and other assets	4,969	5,217
Total non-current assets	29,479	29,257
Total assets	66,567	67,949

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

(Millions of yen)

	<u>As at March 31,</u> <u>2020</u>	<u>As at December 31,</u> <u>2020</u>
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,446	7,641
Short-term borrowings	4,189	4,500
Current portion of long-term borrowings	3,402	4,043
Income taxes payable	571	302
Provision for bonuses	1,060	612
Other	4,224	4,560
Total current liabilities	21,895	21,660
Non-current liabilities		
Long-term borrowings	9,986	10,327
Provision for retirement benefits for directors (and other officers)	116	117
Retirement benefit liability	731	807
Asset retirement obligations	134	139
Other	1,232	1,092
Total non-current liabilities	12,201	12,484
Total liabilities	34,096	34,144
Net assets		
Shareholders' equity		
Share capital	7,411	7,411
Capital surplus	10,362	10,362
Retained earnings	15,932	16,932
Treasury shares	(270)	(242)
Total shareholders' equity	33,435	34,463
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	203	335
Foreign currency translation adjustment	(1,302)	(1,136)
Total accumulated other comprehensive income	(1,098)	(801)
Non-controlling interests	133	142
Total net assets	32,470	33,804
Total liabilities and net assets	66,567	67,949

## Consolidated statements of income

JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

	<u>Nine months ended</u> <u>December 31, 2019</u>	<u>Nine months ended</u> <u>December 31, 2020</u>
Net sales	43,552	42,749
Cost of sales	31,978	31,428
Gross profit	11,574	11,321
Selling, general and administrative expenses	10,077	9,648
Operating profit	1,497	1,673
Non-operating income		
Interest income	13	8
Dividend income	42	43
Share of profit of entities accounted for using equity method	236	182
Other	168	86
Total non-operating income	460	321
Non-operating expenses		
Interest expenses	147	133
Foreign exchange losses	66	256
Other	22	39
Total non-operating expenses	236	429
Ordinary profit	1,720	1,565
Extraordinary income		
Gain on sales of non-current assets	69	2
Gain on sales of investment securities	—	1
Subsidy income	—	305
Total extraordinary income	69	309
Extraordinary losses		
Loss on sales of non-current assets	2	1
Loss on abandonment of non-current assets	16	8
Loss on valuation of investment securities	65	—
Retirement benefits for directors (and other officers)	41	—
Total extraordinary losses	124	10
Profit before income taxes	1,665	1,864
Income taxes - current	407	338
Income taxes - deferred	75	98
Total income taxes	483	437
Profit	1,182	1,427
Profit attributable to non-controlling interests	5	0
Profit attributable to owners of parent	1,176	1,427

## **Consolidated statements of comprehensive income**

JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

	<u>Nine months ended</u> <u>December 31, 2019</u>	<u>Nine months ended</u> <u>December 31, 2020</u>
Profit	1,182	1,427
Other comprehensive income		
Valuation difference on available-for-sale securities	106	131
Foreign currency translation adjustment	(388)	165
Total other comprehensive income	(282)	297
Comprehensive income	900	1,725
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	898	1,715
Comprehensive income attributable to non-controlling interests	1	9