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## Financial Results for the First Quarter of Fiscal Year Ending March 31, 2024

August 7, 2023

Stock Exchange Listings : Prime Market of Tokyo

Company name : JMS Co., Ltd. (URL <https://www.jms.cc/>)  
 Securities code : 7702  
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 Quarterly statement filing date (as planned) : August 10, 2023 Dividend payable date (as planned) : —  
 Supplemental material of quarterly results : Yes  
 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 2023 (From April 1, 2023 to June 30, 2023)

#### (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, 2023	14,600	2.2	(111)	—	(73)	—	(260)	—
Three months ended June 30, 2022	14,281	3.5	(104)	—	(78)	—	(36)	—

(Note) Comprehensive income : Three months ended June 30, 2023 : 1,153 million yen [(24.5)%] ,  
 Three months ended June 30, 2022 : 1,527 million yen [215.3%] .

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	(10.66)		—	
Three months ended June 30, 2022	(1.51)		—	

#### (2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As at June 30, 2023	75,964	39,654	52.0
As at March 31, 2023	74,407	38,700	51.8

(Note) Owner's equity: June 30, 2023: 39,478 million yen, March 31, 2023: 38,530 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, 2023	—	8.50	—	8.50	17.00
Year ending March 31, 2024	—				
Year ending March 31, 2024 (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 2024 (From April 1, 2023 to March 31, 2024)

(%: 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
Half year ending September 30, 2023	32,400	8.1	350	—	400	610.5	300	—	12.27
Year ending March 31, 2024	67,000	5.1	1,000	37.9	1,100	87.5	800	184.7	32.72

(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 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 transfusion and promotes product development, production and sales.

During the consolidated cumulative first quarter, in the domestic market, sales of Closed Drug Mixing/Infusion Systems and Blood Bags with Leukocyte Reduction Filter showed steady performance. On the other hand, sales decreased on Medical Gloves and Nutrition Sets as well as Hemodialysis Machines whose demand expansion, reflecting a resumption of capital investment by medical institutions in the previous fiscal year, has already settled down. In overseas markets, although the situation varies depending on the country and region, sales of Apheresis Kits and Blood Bags which are the mainstay products for overseas market as well as Hemodialysis Machines for China increased because there was a demand recovery from the impact of COVID-19.

As a result of the above, JMS recorded consolidated net sales for the first quarter of 14,600 million yen, up by 2.2% / 318 million yen (year-over-year). Despite the effect of sales increase, the impact of soaring prices of raw material and electricity costs as well as the increase of research and development expenses and selling expenses resulted in an operating loss of 111 million yen (operating loss of 104 million yen in the same period of the previous year). Recording of foreign exchange gains and other factors resulted in an ordinary loss of 73 million yen (ordinary loss of 78 million yen in the same period of the previous year). As a result of adding and subtracting income taxes, the loss attributable to owners of parent totaled 260 million yen (the loss attributable to owners of parent totaled 36 million yen in the same period of the previous year).

Business performance by geographical segment.

##### (i) Japan

Despite Sales of Closed Drug Mixing/Infusion Systems, Blood Bags with Leukocyte Reduction Filter and Hemodialysis Machines for China showed steady performance, decreased sales of Hemodialysis Machines, Medical Gloves and Nutrition Sets for domestic market and AV Fistula Needles for Europe due to customers' inventory adjustments, resulted in net sales of 9,887 million yen, down by 1.9% year-over-year). The impact of sales decrease and soaring prices of raw materials and electricity costs resulted in a segment loss of 64 million yen (loss of 175 million yen in the same period of the previous year).

##### (ii) Singapore

Sales increase of Apheresis kits and Blood Bags for Asia and Africa on a recovery trend of stagnation of overseas demand, resulted in net sales of 5,030 million yen, up by 9.9% (year-over-year). Despite the effect of increased sales, the impact of raw materials costs and increased labor costs in preparation for the recovery in demand, resulted in segment loss of 59 million yen (loss of 57 million yen in the same period of the previous year).

##### (iii) China

Increased Sales of Hemodialysis Machines, Hemodialysis Blood Tubing Sets and AV Fistula Needles due to an expansion of demand by market growth, resulted in net sales of 969 million yen, up by 3.1% (year-over-year). The impact of soaring prices of raw materials, increased labor costs and general and administrative expenses, resulted in a loss of 4 million yen (profit of 38 million yen in the same period of the previous year).

##### (iv) Philippines

Despite the decreased sales of Infusion Sets for Japan, increased sales of Blood Bags, Apheresis Kits for Asia and AV Fistula Needles for Europe resulted in net sales of 899 million yen, up by 16.3% (year-over-year). Despite the effect of sales increase, the soaring of raw material and electricity cost as well as labor costs and depreciation associated with investing in facilities, resulted in segment profit of 14 million yen, down by 75.9% (year-over-year).

##### (v) Germany

Due to increased sales of AV Fistula Needles and Blood Bags for Europe, net sales were 1,058 million yen, up

by 20.3% (year-over-year). The effect of increased sales resulted in a profit of 132 million yen, up by 248.9% (year-over-year), for this geographical segment.

(vi) Others

Due to decreased sales of AV Fistula Needles for North America and other factors, net sales amounted to 1,016 million yen, down by 18.6% (year-over-year), with a profit of 10 million yen (loss of 18 million yen in the same period of the previous year).

(2) Overview of the financial condition

Total assets as of the end of this first quarter totaled 75,964 million yen, up by 1,556 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 43,171 million yen, up by 907 million yen from the end of the previous consolidated fiscal year, mainly due to an increase in merchandise and finished goods. Non-current assets increased to 32,793 million yen, up by 649 million yen from the end of the previous consolidated fiscal year, mainly due to the increase of Property, plant and equipment.

(Liabilities)

Current liabilities increased to 24,685 million yen, up by 2,248 million yen from the end of the previous consolidated fiscal year, mainly due to increases in short-term loans payable and current portion of long-term loans payable. Non-current liabilities decreased to 11,624 million yen, down by 1,646 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 39,654 million yen, up by 954 million yen from the end of the previous consolidated fiscal year, mainly due to changes in foreign currency translation adjustments. Note that the capital adequacy ratio increased by 0.2 percentage points to 52.0%.

(3) Overview of consolidated business forecast

Consolidated business forecast for the first half and ending of March 31, 2024 released on May 12, 2023 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>2023</u>	<u>As at June 30,</u> <u>2023</u>
Assets		
Current assets		
Cash and deposits	6,329	6,993
Notes and accounts receivable - trade	17,197	15,781
Merchandise and finished goods	9,158	10,044
Work in process	3,096	3,577
Raw materials and supplies	5,503	6,117
Other	1,008	685
Allowance for doubtful accounts	(30)	(29)
Total current assets	<u>42,263</u>	<u>43,171</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,219	9,456
Machinery, equipment and vehicles, net	8,756	8,895
Other, net	8,032	8,397
Total property, plant and equipment	<u>26,008</u>	<u>26,749</u>
Intangible assets		
Goodwill	119	116
Other	728	692
Total intangible assets	<u>847</u>	<u>808</u>
Investments and other assets		
Investments and other assets	5,372	5,327
Allowance for doubtful accounts	(84)	(90)
Total investments and other assets	<u>5,287</u>	<u>5,236</u>
Total non-current assets	<u>32,144</u>	<u>32,793</u>
Total assets	<u>74,407</u>	<u>75,964</u>

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

(Millions of yen)

	<u>As at March 31,</u> <u>2023</u>	<u>As at June 30,</u> <u>2023</u>
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,699	8,727
Short-term borrowings	4,002	4,779
Current portion of long-term borrowings	3,916	4,799
Income taxes payable	141	109
Provision for bonuses	1,111	625
Other	4,566	5,644
Total current liabilities	<u>22,437</u>	<u>24,685</u>
Non-current liabilities		
Long-term borrowings	11,599	9,847
Provision for retirement benefits for directors (and other officers)	151	155
Retirement benefit liability	500	538
Asset retirement obligations	189	301
Other	828	781
Total non-current liabilities	<u>13,270</u>	<u>11,624</u>
Total liabilities	<u>35,707</u>	<u>36,310</u>
Net assets		
Shareholders' equity		
Share capital	7,411	7,411
Capital surplus	10,351	10,351
Retained earnings	17,514	17,046
Treasury shares	(219)	(219)
Total shareholders' equity	<u>35,057</u>	<u>34,589</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	362	492
Foreign currency translation adjustment	3,110	4,396
Total accumulated other comprehensive income	<u>3,473</u>	<u>4,889</u>
Non-controlling interests	169	176
Total net assets	<u>38,700</u>	<u>39,654</u>
Total liabilities and net assets	<u>74,407</u>	<u>75,964</u>

**Consolidated statements of income**

JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

	<u>Three months ended</u> <u>June 30, 2022</u>	<u>Three months ended</u> <u>June 30, 2023</u>
Net sales	14,281	14,600
Cost of sales	10,925	11,222
Gross profit	<u>3,356</u>	<u>3,378</u>
Selling, general and administrative expenses	<u>3,460</u>	<u>3,489</u>
Operating loss	<u>(104)</u>	<u>(111)</u>
Non-operating income		
Interest income	1	2
Dividend income	27	25
Foreign exchange gains	59	41
Other	21	35
Total non-operating income	<u>111</u>	<u>104</u>
Non-operating expenses		
Interest expenses	37	43
Share of loss of entities accounted for using equity method	42	18
Other	5	3
Total non-operating expenses	<u>85</u>	<u>66</u>
Ordinary loss	<u>(78)</u>	<u>(73)</u>
Extraordinary income		
Gain on sale of non-current assets	5	0
Total extraordinary income	<u>5</u>	<u>0</u>
Extraordinary losses		
Loss on sale of non-current assets	—	0
Loss on abandonment of non-current assets	5	4
Total extraordinary losses	<u>5</u>	<u>5</u>
Loss before income taxes	<u>(78)</u>	<u>(77)</u>
Income taxes - current	72	86
Income taxes - deferred	(106)	99
Total income taxes	<u>(33)</u>	<u>185</u>
Loss	<u>(44)</u>	<u>(263)</u>
Loss attributable to non-controlling interests	<u>(7)</u>	<u>(2)</u>
Loss attributable to owners of parent	<u>(36)</u>	<u>(260)</u>

**Consolidated statements of comprehensive income**

JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

	<u>Three months ended</u> <u>June 30, 2022</u>	<u>Three months ended</u> <u>June 30, 2023</u>
Loss	(44)	(263)
Other comprehensive income		
Valuation difference on available-for-sale securities	27	130
Foreign currency translation adjustment	1,544	1,286
Total other comprehensive income	<u>1,572</u>	<u>1,416</u>
Comprehensive income	<u>1,527</u>	<u>1,153</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,530	1,146
Comprehensive income attributable to non-controlling interests	(2)	6