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## Financial Results for the Fiscal Year Ended March 31, 2024

May 14, 2024

Stock Exchange Listings : Tokyo Stock Exchange

Company name : JMS Co., Ltd. URL <https://www.jms.cc/english/>  
 Securities code : 7702  
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 Date of general shareholders' meeting (as planned) : Jun 25, 2024  
 Annual securities report filing date (as planned) : Jun 26, 2024 Dividend payable date (as planned) : Jun 26, 2024  
 Supplemental material of annual results : Yes  
 Convening briefing of financial results : Yes

(Note: Amounts below are rounded down to the nearest million yen)

### 1. Consolidated Financial Highlights for the Year Ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

#### (1) Consolidated Financial 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	%
Year ended March 31, 2024	65,292	2.4	(268)	—	145	(75.1)	(36)	—
Year ended March 31, 2023	63,740	9.6	724	(26.1)	586	(47.9)	281	(66.0)

(Note) Comprehensive income: Year ended March 31, 2024: 2,431 million yen [24.2%], Year ended March 31 2023: 1,957 million yen [(22.4)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets ratio	Operating income to net sales ratio
	Yen	Yen	%	%	%
Year ended March 31, 2024	(1.48)	—	(0.1)	0.2	(0.4)
Year ended March 31, 2023	11.50	—	0.7	0.8	1.1

(Note) Equity in earnings of affiliates: Year ended March 31, 2024: 237 million yen, Year ended March 31, 2023: (154) million yen.

#### (2) Consolidated Financial Positions

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As at March 31, 2024	84,709	40,747	47.9	1,657.29
As at March 31, 2023	74,407	38,700	51.8	1,575.95

(Note) Owner's equity: As at March 31, 2024: 40,573 million yen, As at March 31, 2023: 38,530 million yen.

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	3,140	(4,239)	4,775	10,304
Year ended March 31, 2023	2,485	(3,691)	525	6,325

### 2. Dividends

	Dividend per share					Total dividend paid	Payout ratio (Consolidated)	Ratio of total amount of dividends to net assets (Consolidated)
	1st quarter	2nd quarter	3rd quarter	Year end	Annual			
Year ended March 31, 2023	—	8.50	—	8.50	17.00	415	147.8	1.1
Year ended March 31, 2024	—	8.50	—	8.50	17.00	416	—	1.1
Year ending March 31, 2025 (forecast)	—	8.50	—	8.50	17.00		104.0	

### 3. Consolidated Forecast for the Year Ending March 31, 2025 (From April 1, 2024 to March 31, 2025)

(%: 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, 2024	34,000	8.8	250	—	250	—	100	—	4.08
Year ending March 31, 2025	70,000	7.2	800	—	800	448.0	400	—	16.34

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 performance

##### (1) Overview of business performance of this fiscal year

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 management and cell therapy and promotes product development, production and sales.

In regard to the business environment surrounding the JMS Group, there has been a recovery from the stagnant demand caused by the COVID-19 virus, and the demand for products that meet advanced medical needs such as home medical care and diagnostic and therapeutic support is increasing due to the aging of the population and the increase in chronic diseases. In addition, there is a trend toward more stringent regulations on the safety of medical devices, and there is a need to ensure the safety and reliability of products in compliance with new regulations in each region and country. In addition to these conditions, the external environment remains uncertain due to geopolitical risks in Europe and unstable factors in the Chinese economy, as well as soaring raw material prices due to the rise in crude oil prices. Even under these circumstances, the outlook for the medical equipment market is for continued stable growth against the backdrop of the global aging of society, increasing health consciousness, the development of medical infrastructures in emerging countries, and the promotion of medical digitalization in developed countries. In particular, the promotion of medical digitalization requires the reduction of the burden on medical workplaces through the use of online remote and home medical care and the utilization of collected and analyzed data, as well as the streamlining of medical services through the use of AI (artificial intelligence), etc. The provision of optimal solutions through the integration of medical devices and digital technology is expected to gain importance in the market. The importance of providing optimal solutions by integrating medical equipment and digital technology is expected to increase in the market. In Japan, sales of Closed Drug Mixing/Infusion Systems and Infusion Sets with Needleless Access Port were strong during the current fiscal year, while sales of Medical Gloves and Nutrition Sets declined. In overseas markets, sales of Apheresis Kits and Blood Bags were strong, although conditions varied from country to country and region to region.

As a result of the above, JMS recorded consolidated net sales of 65,292 million yen in this period, up by 2.4% / 1,551 million yen (year-over-year), due in part to an increase in yen equivalent value resulting from yen depreciation. Despite the effect of sales increase, the impact of soaring prices of raw material and electricity costs as well as the increase in labor costs in preparation for the recovery in demand and the increase in research and development expenses, and the impairment and disposal losses of inventory, resulted in an operating loss of 268 million yen (operating profit of 724 million yen in the same period of the previous year). Recording of equity in earnings of affiliates and subsidy income resulted in an ordinary profit of 145 million yen, down by 75.1% (year-over-year). As a result of adding and subtracting income taxes, the loss attributable to owners of parent totaled 36 million yen (the profit attributable to owners of parent totaled 281 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, Infusion Sets with Needleless Access Port and Hemodialysis Machines for China showed steady performance, decreased sales of Medical Gloves and Nutrition Sets as well as AV Fistula Needles for Europe due to customers' inventory adjustments, resulted in net sales of 42,899 million yen, down by 3.8% (year-over-year). The increase of subsidy income and dividend income from affiliates resulted in a profit of 601 million yen, up by 59.1% (year-over-year).

###### (ii) Singapore

Sales increase of Apheresis Kits for North America and Blood Bags for Asia / Africa due to a recovery of stagnation of overseas demand as well as increase in the yen equivalent from yen depreciation resulted in net sales of 24,180 million yen, up by 7.2% (year-over-year). Despite the effect of increased sales, the impact of raw materials costs and electricity costs and increased labor costs in preparation for the recovery in demand, resulted in segment loss of 280 million yen (profit of 159 million yen in the same period of the previous year).

###### (iii) China

Although demand remained on an expansionary trend due to market growth, the decrease sales of AV Fistula Needles and Blood Purification Tubing Sets due to the customers' inventory adjustments resulted in net sales of 3,690 million yen, down by 9.7% (year-over-year). The impact of soaring prices of raw materials and increased labor costs resulted

in segment loss of 84 million yen (profit of 79 million yen in the same period of the previous year).

(iv) Philippines

Increased sales of AV Fistula Needles and Blood Bags for Asia resulted in net sales of 3,728 million yen, up by 0.3% (year-over-year). Due to soaring prices of raw materials and electricity costs as well as increased labor costs and depreciation associated with investing in facilities, resulted in segment loss of 245 million yen (profit of 85 million yen in the same period of the previous year).

(v) Germany

Due to increased sales of AV Fistula Needles and Blood Bags for Europe, net sales were 4,250 million yen, up by 13.3% (year-over-year). Due to the effect of increased sales, resulted in segment profit of 485 million yen, up by 171.6% (year-over-year).

(vi) Others

Due to decreased sales of AV Fistula Needles and Scalp Vein Needles for North America, net sales amounted to 4,042 million yen, down by 24.8% (year-over-year), with a segment profit of 11 million yen, down by 91.8% (year-over-year).

(2) Overview of the financial condition

Total assets as of the end of this period totaled 84,709 million yen, up by 10,301 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 48,665 million yen, up by 6,402 million yen from the end of the previous consolidated fiscal year, mainly due to an increase in cash and deposits. Non-current assets increased to 36,043 million yen, up by 3,898 million yen from the end of the previous consolidated fiscal year, mainly due to the increase of tangible fixed assets.

(Liabilities)

Current liabilities increased to 29,929 million yen, up by 7,492 million yen from the end of the previous consolidated fiscal year, mainly due to an increase in current portion of long-term loans payable. Non-current liabilities increased 761 million yen to 14,031 million yen. The main reason for this increase was an increase in lease liabilities.

(Net assets)

Net assets increased 2,047 million yen from the end of the previous fiscal year to 40,747 million yen. This was mainly due to changes in foreign currency translation adjustments. The equity ratio decreased by 3.9 percentage points from the end of the previous fiscal year to 47.9%.

(3) Overview of the cash flows

As of the end of the consolidated fiscal year, cash and cash equivalents amounted to 10,304 million yen, up by 3,979 million yen from the previous consolidated fiscal year. Cash flows from various activities are described in more detail below.

(Cash flows from operating activities)

Net cash provided by operating activities was 3,140 million yen, up by 654 million yen (year-over-year), mainly due to an increase in trade receivables.

(Cash flows from investing activities)

Net cash used in investing activities was 4,239 million yen, up by 548 million yen (year-over-year), mainly due to expenditures related to the acquisition of investments in subsidiaries, which resulted in a change in the scope of consolidation.

(Cash flows from financing activities)

Net cash provided by financing activities was 4,775 million yen, up by 4,250 million yen (year-over-year), mainly due to the balance difference of loan payable.

(4) Overview of consolidated business forecast

As for the future outlook, although conditions vary by country and region, a recovery and expansion of demand are expected, especially overseas. However, the business environment is becoming increasingly challenging both domestically and internationally. There are risks such as intensified competition in sales, price declines, and the loss of major customers. Additionally, in Japan, factors such as rising transportation fares, surging prices of various goods, and wage increases are expected to drive up costs. In light of these circumstances, under the newly formulated Medium-term Management Plan 2027, the JMS will work to improve short-term earnings by, among other things, promoting price increases and further cost reductions to absorb the impact of rising costs, and will also strive to enhance its corporate value over the medium to long term by responding to various demands from society and transforming itself into a company that is durable over the long term. We will also work to transform ourselves into a company with long-term durability by increasing our corporate value over the medium to long term in response to various demands of society. The forecast of consolidated financial results for the next fiscal year (ending March 2025) is as follows.

## &lt; Consolidated business forecast &gt;

(Unit: million yen)

	Result of last fiscal year ended Mar. 2024	Forecast of current fiscal year ending Mar. 2025	Changes from same previous period
Net sales	65,292	70,000	7.2%
Operating profit	(268)	800	—
Ordinary profit	145	800	448.0%
Profit attributable to owners of parent	(36)	400	—

Exchange rate for the forecast: 1USD=145yen, 1EUR=156yen, 1SGD=106yen.

## 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 March 31,</u> <u>2024</u>
Assets		
Current assets		
Cash and deposits	6,329	10,308
Notes receivable - trade	1,849	1,463
Accounts receivable - trade	15,348	16,835
Merchandise and finished goods	9,158	9,747
Work in process	3,096	3,404
Raw materials and supplies	5,503	5,974
Other	1,008	961
Allowance for doubtful accounts	(30)	(30)
Total current assets	<u>42,263</u>	<u>48,665</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	24,151	26,421
Accumulated depreciation	(14,931)	(16,168)
Buildings and structures, net	<u>9,219</u>	<u>10,253</u>
Machinery, equipment and vehicles	36,060	38,998
Accumulated depreciation	(27,303)	(29,694)
Machinery, equipment and vehicles, net	<u>8,756</u>	<u>9,304</u>
Tools, furniture and fixtures	12,589	13,409
Accumulated depreciation	(10,688)	(11,489)
Tools, furniture and fixtures, net	<u>1,900</u>	<u>1,919</u>
Land	2,696	2,816
Leased assets	425	553
Accumulated depreciation	(325)	(389)
Leased assets, net	<u>99</u>	<u>164</u>
Right of use assets	1,575	3,141
Accumulated depreciation	(620)	(961)
Right of use assets, net	<u>955</u>	<u>2,180</u>
Construction in progress	2,379	2,441
Total property, plant and equipment	<u>26,008</u>	<u>29,079</u>
Intangible assets		
Goodwill	119	315
Other	728	679
Total intangible assets	<u>847</u>	<u>995</u>
Investments and other assets		
Investment securities	4,099	4,834
Deferred tax assets	593	580
Other	678	666
Allowance for doubtful accounts	(84)	(112)
Total investments and other assets	<u>5,287</u>	<u>5,968</u>
Total non-current assets	<u>32,144</u>	<u>36,043</u>
Total assets	<u>74,407</u>	<u>84,709</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 March 31,</u> <u>2024</u>
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,699	8,774
Short-term borrowings	4,002	6,396
Current portion of long-term borrowings	3,916	7,966
Lease liabilities	172	242
Accounts payable - other	3,544	3,956
Income taxes payable	141	297
Contract liabilities	244	189
Provision for bonuses	1,111	1,039
Other	604	1,064
Total current liabilities	22,437	29,929
Non-current liabilities		
Long-term borrowings	11,599	11,067
Lease liabilities	59	1,252
Deferred tax liabilities	279	230
Provision for retirement benefits for directors (and other officers)	151	167
Retirement benefit liability	500	562
Asset retirement obligations	189	323
Other	489	427
Total non-current liabilities	13,270	14,031
Total liabilities	35,707	43,961
Net assets		
Shareholders' equity		
Share capital	7,411	7,411
Capital surplus	10,351	10,351
Retained earnings	17,514	17,055
Treasury shares	(219)	(194)
Total shareholders' equity	35,057	34,623
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	362	779
Foreign currency translation adjustment	3,110	5,169
Total accumulated other comprehensive income	3,473	5,949
Non-controlling interests	169	174
Total net assets	38,700	40,747
Total liabilities and net assets	74,407	84,709

**Consolidated statements of income**

JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

	<u>Year ended March 31,</u> <u>2023</u>	<u>Year ended March 31,</u> <u>2024</u>
Net sales	63,740	65,292
Cost of sales	49,145	51,198
Gross profit	14,594	14,094
Selling, general and administrative expenses	13,869	14,362
Operating profit (loss)	724	(268)
Non-operating income		
Interest income	12	14
Dividend income	47	47
Share of profit of entities accounted for using equity method	—	237
Commission income	45	75
Subsidy income	56	154
Other	97	121
Total non-operating income	258	649
Non-operating expenses		
Interest expenses	167	220
Share of loss of entities accounted for using equity method	154	—
Foreign exchange losses	56	—
Other	19	14
Total non-operating expenses	397	235
Ordinary profit	586	145
Extraordinary income		
Gain on sale of non-current assets	8	17
Gain on sale of investment securities	57	—
Total extraordinary income	65	17
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on abandonment of non-current assets	31	17
Total extraordinary losses	31	17
Profit before income taxes	620	145
Income taxes - current	198	378
Income taxes - deferred	160	(187)
Total income taxes	358	191
Profit (loss)	261	(45)
Loss attributable to non-controlling interests	(19)	(9)
Profit (loss) attributable to owners of parent	281	(36)

**Consolidated statements of comprehensive income**

JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

	<u>Year ended March 31,</u> <u>2023</u>	<u>Year ended March 31,</u> <u>2024</u>
Profit (loss)	261	(45)
Other comprehensive income		
Valuation difference on available-for-sale securities	22	417
Foreign currency translation adjustment	1,672	2,059
Total other comprehensive income	<u>1,695</u>	<u>2,476</u>
Comprehensive income	<u>1,957</u>	<u>2,431</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,977	2,426
Comprehensive income attributable to non-controlling interests	(20)	4



**Consolidated statements of changes in net assets**

Year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,411	10,351	17,652	(233)	35,182
Changes during period					
Dividends of surplus			(415)		(415)
Profit (loss) attributable to owners of parent			281		281
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares			(4)	13	9
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	(138)	13	(125)
Balance at end of period	7,411	10,351	17,514	(219)	35,057

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	339	1,437	1,777	133	37,093
Changes during period					
Dividends of surplus					(415)
Profit (loss) attributable to owners of parent					281
Purchase of treasury shares					(0)
Disposal of treasury shares					9
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes in items other than shareholders' equity	22	1,672	1,695	36	1,732
Total changes during period	22	1,672	1,695	36	1,607
Balance at end of period	362	3,110	3,473	169	38,700

**Consolidated statements of changes in net assets**

Year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,411	10,351	17,514	(219)	35,057
Changes during period					
Dividends of surplus			(415)		(415)
Profit (loss) attributable to owners of parent			(36)		(36)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares			(6)	25	18
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	(458)	25	(433)
Balance at end of period	7,411	10,351	17,055	(194)	34,623

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	362	3,110	3,473	169	38,700
Changes during period					
Dividends of surplus					(415)
Profit (loss) attributable to owners of parent					(36)
Purchase of treasury shares					(0)
Disposal of treasury shares					18
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes in items other than shareholders' equity	417	2,059	2,476	4	2,481
Total changes during period	417	2,059	2,476	4	2,047
Balance at end of period	779	5,169	5,949	174	40,747

**Consolidated statements of cash flows**

JMS CO., LTD. and Consolidated Subsidiaries

(Millions of yen)

	<u>Year ended March 31,</u> <u>2023</u>	<u>Year ended March 31,</u> <u>2024</u>
Cash flows from operating activities		
Profit before income taxes	620	145
Depreciation	3,576	3,700
Amortization of goodwill	17	14
Increase (decrease) in allowance for doubtful accounts	(3)	17
Increase (decrease) in provision for retirement benefits for directors (and other officers)	1	(0)
Increase (decrease) in retirement benefit liability	(170)	16
Interest and dividend income	(59)	(61)
Interest expenses	167	220
Foreign exchange losses (gains)	(77)	(94)
Share of loss (profit) of entities accounted for using equity method	154	(237)
Loss (gain) on sale of non-current assets	(7)	(16)
Loss on abandonment of non-current assets	31	17
Loss (gain) on sale of investment securities	(57)	—
Decrease (increase) in trade receivables	(818)	(319)
Decrease (increase) in inventories	(576)	(360)
Increase (decrease) in trade payables	99	(171)
Increase (decrease) in accrued consumption taxes	(124)	230
Decrease (increase) in other current assets	(301)	55
Increase (decrease) in other current liabilities	272	212
Other, net	98	5
Subtotal	<u>2,843</u>	<u>3,375</u>
Interest and dividends received	59	178
Interest paid	(169)	(187)
Income taxes paid	(248)	(226)
Net cash provided by (used in) operating activities	<u>2,485</u>	<u>3,140</u>
Cash flows from investing activities		
Payments into time deposits	(0)	(0)
Purchase of property, plant and equipment	(3,511)	(2,553)
Proceeds from sale of property, plant and equipment	19	23
Purchase of intangible assets	(45)	(89)
Purchase of investment in capital of subsidiaries resulting change in scope of consolidation	—	(1,472)
Payments for acquisition of businesses	(10)	(46)
Purchase of investment securities	(100)	(65)
Proceeds from sale of investment securities	96	—
Other, net	(140)	(35)
Net cash provided by (used in) investing activities	<u>(3,691)</u>	<u>(4,239)</u>
Cash flows from financing activities		
Proceeds from short-term borrowings	11,928	13,325
Repayments of short-term borrowings	(11,409)	(11,226)
Proceeds from long-term borrowings	5,855	7,530
Repayments of long-term borrowings	(5,191)	(4,200)
Proceeds from share issuance to non-controlling shareholders	55	—
Purchase of treasury shares	(0)	(0)
Proceeds from sale of treasury shares	0	—
Dividends paid	(415)	(415)
Repayments of lease liabilities	(297)	(237)
Net cash provided by (used in) financing activities	<u>525</u>	<u>4,775</u>
Effect of exchange rate change on cash and cash equivalents	195	302
Net increase (decrease) in cash and cash equivalents	<u>(485)</u>	<u>3,979</u>
Cash and cash equivalents at beginning of period	<u>6,810</u>	<u>6,325</u>
Cash and cash equivalents at end of period	<u>6,325</u>	<u>10,304</u>