September 5, 2025

Company name	Japan Medical Dynamic Marketing, INC.
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Notice Regarding Revision of Consolidated Earnings Forecasts for the Second Quarter of the Fiscal Year Ending March 31, 2026, and Revision of Consolidated Earnings Forecasts for the Full Year of the Fiscal Year Ending March 31, 2026

We hereby announce that we have revised our consolidated earnings forecasts for the second quarter of the fiscal year ending March 31, 2026, as well as our consolidated earnings forecasts for the full fiscal year ending March 31, 2026, which were announced on April 30, 2025.

1. Revision to Second Quarter Consolidated Earnings Forecast

(1) Revision to Consolidated Earnings Forecast for the Second Quarter of the Fiscal Year Ending March 31, 2026 (April 1, 2025 to September 30, 2025)

	Net sales (Millions of yen)	Operating profit (Millions of yen)	Ordinary profit (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Basic earnings per share (Yen)
Previous forecast (A)	12,250	600	500	350	13.29
Revised forecast (B)	11,750	210	150	80	3.04
Change (B-A)	△500	△390	△350	△270	
Percentage change (%)	△4.1%	△65.0%	△70.0%	△77.1%	
(Reference) Results for the previous period (Second quarter of the fiscal year ending March 31, 2025)	11,817	669	664	496	18.85

(2) Reason for Revision

Consolidated sales for the second quarter are expected to fall below the previous forecast. This is due to the ongoing supply constraints for artificial knee joint products in the United States which lead to a temporary slowdown in the number of surgery cases in two markets, Japan and the United States.

Operating profit is expected to fall below the previous forecast due to a decrease in gross profit accompanying lower sales, as well as increased costs stemming from higher indirect expenses such as labor costs incurred to endorse shipments, and the impact of U.S. reciprocal tariffs on procurement from Europe and Taiwan. Specifically, this was due to the U.S. subsidiary deploying more personnel than planned to avoid inventory shortages, while also prioritizing stable supply of key products and preparations for the nationwide launch of the new product “Trivicta Hip Stem”. Additionally, labor costs increased due to wage adjustments both domestically and internationally. However, based on sales trends, we are proceeding with a review of staffing plans for the second half of the year. Furthermore, for products sold exclusively in the Japanese market, we are reviewing our procurement structure. This includes advancing production transfers to Asian regions, including Malaysia, to avoid the impact of reciprocal U.S. tariffs on overseas sourcing from the U.S., while also exploring the feasibility of direct shipments to Japan. Additionally, in response to revised sales forecasts, we are working to reduce fixed costs by curbing new investments in medical instruments and maximizing the utilization of existing instruments to optimize depreciation expenses. Through these measures, we anticipate that while we are forced to accept a temporary decline in profits, we will lead to improved earnings in the medium term. Furthermore, due to the decrease in operating profit, ordinary profit and profit attributable to owners of parent are also expected to fall below the previous forecast.

2. Revision of full-year consolidated earnings forecast

(1) Revised Full-Year Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

	Net sales (Millions of yen)	Operating profit (Millions of yen)	Ordinary profit (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Basic earnings per share (Yen)
Previous forecast (A)	26,400	1,850	1,700	1,450	55.06
Revised forecast (B)	25,450	1,010	900	600	22.78
Change (B-A)	△950	△840	△800	△850	
Percentage change (%)	△3.6%	△45.4%	△47.1%	△58.6%	
(Reference) Results for the previous period (Year ending March 31, 2025)	25,114	1,555	1,488	△461	△17.54

(2) Reason for revision

Full-year consolidated net sales are expected to fall below the previous forecast. While sales expansion is planned in the U.S. through nationwide sales of the new artificial hip product “Trivicta Hip Stem”, reflecting the revised outlook for the second quarter, the impact of supply constraints for certain products is expected to persist.

Regarding operating profit, while we are pushing hard to improve SG&A efficiency, we anticipate increased costs due to factors such as a decline in gross profit accompanying sales decrease, an increase in indirect expenses like labor costs, and the impact of U.S. reciprocal tariffs on procurement from Europe and Taiwan. Furthermore, due to revising the assumed exchange rate for the second half of the year from ¥145 to ¥148 per US dollar, which also factors in the deterioration of import procurement costs in Japan, the outlook is now below the previous forecast. Due to the decrease in operating profit, ordinary profit and profit attributable to owners of parent are also expected to fall below the previous forecast.

In addition to expanding our customer base through the launch of the new products mentioned above, we are advancing profitability improvements through cost reductions stemming from enhanced in-house manufacturing capabilities and streamlined SG&A. We are working hard to realize the impact of these initiatives in speed. Furthermore, we are progressing with minimizing supply chain risks by strengthening relationships with our suppliers

3. Full-Year Dividend Forecast

As stated above, we have revised downward our full-year consolidated earnings forecast. However, considering the performance outlook for the next fiscal year and beyond, and from the perspective of prioritizing stable profit distribution to shareholders, we will maintain the previously announced dividend of ¥17 per share.

We will also work to enhance our in-house manufacturing capabilities, diversify our suppliers, and improve the efficiency of SG&A. Through these efforts, we are striving to improve profitability and achieve sustainable shareholder returns.

Note: The above forecasts are based on information available as of the date of this document's release. Please note that actual results may differ from these forecasts due to various factors. Should significant changes be anticipated, we will promptly notify you.