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October 30, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)



Company name: Japan Medical Dynamic Marketing, INC.

Listing: Tokyo Stock Exchange

Securities code: 7600

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Representative Director and President

General Manager, Investor Relations Office

Scheduled date to file semi-annual securities report: November 14, 2025

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	11,610	(1.8)	208	(68.9)	130	(80.4)	69	(85.9)
September 30, 2024	11,817	7.9	669	8.3	664	5.1	496	38.0

Note: Comprehensive income For the six months ended September 30, 2025: ¥ (5) million [-%]
For the six months ended September 30, 2024: ¥ (331) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	2.65	-
September 30, 2024	18.85	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	32,677	24,336	74.4
March 31, 2025	33,667	24,741	73.3

Reference: Equity

As of September 30, 2025: ¥ 24,320 million

As of March 31, 2025: ¥ 24,679 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	0.00	-	15.00	15.00
Fiscal year ending March 31, 2026	-	0.00			
Fiscal year ending March 31, 2026 (Forecast)			-	17.00	17.00

Note: Revisions to the forecast of cash dividends most recently announced: None

Note: Breakdown of the second quarter dividend for the fiscal year ending March 31, 2026 :

Commemorative dividend - yen
Special dividend - yen

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	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
Full year	24,800	(1.3)	700	(55.0)	550	(63.1)	300	-	11.38

Note: Revisions to the financial result forecast most recently announced: Yes

* Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies()
Excluded: - companies()

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	26,475,880 shares
As of March 31, 2025	26,475,880 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	122,344 shares
As of March 31, 2025	141,438 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	26,340,725 shares
Six months ended September 30, 2024	26,334,528 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

These forward-looking statements such as financial forecasts contained in this report are based on information currently available to the Company and certain assumptions deemed to be reasonable by the Company, and do not mean that the Company promises to achieve them. Actual results and other future events may differ significantly due to various factors. Please refer to “(3) Explanation on Consolidated Financial Forecasts and Other Forward-looking Statements” on page 3 of the attached document for the assumptions underlying the forecasts, notes on using the forecasts, etc.

The Company will hold a financial results briefing for institutional investors and analysts on November 12, 2025. Financial results briefing materials to be used on the day of the briefing will be posted on the Company’s website on the day of the briefing.

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1. Qualitative Information on the Six Months Ended Financial Results

(1) Explanation of Operating Results

During the six months ended of September 30, 2025 of the Group, net sales were ¥11,610 million (down ¥207 million, or 1.8% year on year), operating profit came to ¥208 million (down ¥461 million, or 68.9% year on year), ordinary profit was ¥130 million (down ¥534 million, or 80.4% year on year), and profit attributable to owners of parent amounted to ¥69 million (down ¥426 million, or 85.9% year on year). Net sales of our own products accounted for 79.6% of consolidated net sales (80.9% in the same period last year).

In Japan, net sales were ¥6,362 million (up ¥20 million, or 0.3% year on year), after the partial deduction of promotional expenses in accordance with Accounting Standard for Revenue Recognition. In the United States, net sales to external customers decreased to \$35,802 thousand (down \$145 thousand or 0.4% year on year), and after translation into the Japanese yen, net sales were ¥5,247 million (down ¥228 million, or 4.2% year on year) due to the impact of the yen's appreciation. (Reference: The exchange rate for the U.S. sales was 146.58 yen to the U.S. dollar in the six months under review, compared to 152.34 yen to the U.S. dollar in the same period of the previous year.)

Sales by product segment are as follows.

For the joint category in Japan, Total Hip Arthroplasty (THA) maintained double-digit growth due to the increased number of cases acquired as acquisitions at new facilities progressed. On the other hand, Bipolar Hip Arthroplasty (BHA) came slightly short of the high level in the same period of the previous year and Total Knee Arthroplasty (TKA) decreased year on year. As a result, net sales in Japan for this category stood at ¥2,421 million (up 2.0% year on year).

For the artificial knee joint category in the United States, the main product BKS TriMax continued to show double-digit growth, however by persistent delivery delays for certain outsourced components, the overall net sales of Total Knee Arthroplasty (TKA) declined slightly due to a decrease in the number of cases acquired, including Balanced Knee System - Revision which faces temporary supply constraints.

For the artificial hip joint category, net sales of Total Hip Arthroplasty (THA) increased year on year, as Trivicta Hip Stem, our new product, remained strong. As a result, net sales in the joint category in the United States were \$35,738 thousand (down 0.3% year on year). After translation into Japanese yen, net sales were ¥5,238 million (down 4.1% year on year) due to the effect of the yen's appreciation.

In the Trauma category, Prima Hip Screw, a treatment material for femoral neck fractures, and ASULOCK, a treatment material for femoral trochanteric fractures, remained at single-digit growth because of intensifying competition. In addition, net sales of Screw & Plate and other products decreased due to the impacts of products that are planned to be discontinued as a result of a product portfolio review and a decrease in the number of surgeries caused by the extremely hot summer. As a result, net sales in Japan for this category were ¥2,088 million (down 2.1% year on year).

In the spine category, the number of cases acquired of KMC Kyphoplasty system showed double-digit growth in Japan. In contrast, the number of cases acquired for the Pedicle Screw and others decreased, resulting in the slight decrease of net sales in Japan. As a result, total net sales for the spine category in Japan and the United States were ¥1,753 million (down 0.6% year on year).

In cost of sales, in-house manufacturing costs increased due to higher procurement costs resulting from the impact of U.S. reciprocal tariffs on procurement from Europe and Taiwan, as well as higher labor and other overhead costs associated with response to prioritized supplying. As a result, cost of sales amounted to ¥4,582 million (up 6.3% from ¥4,310 million in the same period of the previous year), and the cost-to-sales ratio was 39.5%, compared to 36.5% in the same period of the previous year.

Selling, general and administrative expenses saw increases in personnel expenses due to wage increases in Japan and the United States, as well as expenses for a biennial seminar in the U.S. hosted by the Company, among other factors. As a result of the yen's appreciation against the U.S. dollar, expenses in the U.S. decreased after translation into yen, making the total selling, general and administrative expenses of ¥6,819 million (down 0.3% year on year). The ratio of selling, general and administrative expenses to net sales was 58.7% (57.9% in the same period of the previous year), partially due to a decrease in net sales.

Operating profit was ¥208 million (down 68.9% year on year), being affected by the lower net sales and a higher cost-to-sales ratio.

Ordinary profit was ¥130 million (down 80.4% year on year) as a result of recording non-operating income of ¥50 million, including foreign exchange gains of ¥42 million, and recording non-operating expenses, including interest expenses of ¥91 million and equity method investment loss of ¥25 million for a joint venture of Changzhou Waston Ortho Medical Appliance Co., Limited in China.

In addition, as for extraordinary losses, ¥14 million was recorded for loss on retirement of non-current assets such as medical instruments, and ¥7 million was recorded for products of which sales have been discontinued. As a result, profit attributable to owners of parent was ¥69 million (down 85.9% year on year).

Segment results (before elimination of intersegment transactions) are as follows.

1) Japan

Net sales were ¥6,362 million (up 0.3% year on year) and operating profit was ¥170 million (down 33.3% year on year).

2) United States

Net sales were ¥7,737 million (up 5.5% year on year) and operating profit was ¥63 million (down 82.7% year on year).

(2) Explanation of Financial Position

Total assets at the end of the six months under review decreased ¥989 million from the end of the previous fiscal year to ¥32,677 million. The main factors for the decrease were in raw materials and supplies of ¥1,506 million, notes and accounts receivable - trade, and contract assets of ¥1,098 million, and cash and deposits of ¥997 million, while merchandise and finished goods increased by ¥2,468 million.

Total liabilities decreased ¥583 million from the end of the previous fiscal year to ¥8,341 million. The main factors for the decrease were a decrease of ¥1,276 million in accounts payable-other and an increase of ¥814 million in long-term borrowings.

Total net assets decreased ¥405 million from the end of the previous fiscal year to ¥24,336 million. The main factor for the decrease was ¥327 million in retained earnings due to the payment of dividends of surplus.

(3) Explanation of Consolidated Financial Forecasts and Other Forward-looking Statements

We have revised our full-year consolidated earnings forecast for the fiscal year ending March 2026, which was originally announced on September 5, 2025. For specific details, please refer to the “Notice Regarding Revision of Full-Year Consolidated Earnings Forecast for the Fiscal Year Ending March 2026” announced today (October 30, 2025).

Semi-annual Consolidated Financial Statements and Primary Notes
Semi-annual Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	3,182,342	2,184,419
Notes and accounts receivable - trade, and contract assets	6,130,286	5,031,810
Merchandise and finished goods	9,934,088	12,402,976
Work in process	452,627	596,778
Raw materials and supplies	3,500,239	1,993,624
Other	672,872	725,323
Allowance for doubtful accounts	(5,840)	(6,043)
Total current assets	23,866,617	22,928,889
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	810,323	948,799
Machinery, equipment and vehicles, net	330,793	328,892
Tools, furniture and fixtures, net	4,646,492	4,470,377
Land	1,959,993	1,959,832
Other	200,022	203,695
Total property, plant and equipment	7,947,625	7,911,597
Intangible assets	430,209	412,035
Investments and other assets		
Investments in capital of subsidiaries and associates	128,736	105,407
Deferred tax assets	1,222,231	1,252,276
Other	71,777	67,713
Allowance for doubtful accounts	(1)	(6)
Total investments and other assets	1,422,745	1,425,390
Total non-current assets	9,800,580	9,749,024
Total assets	33,667,198	32,677,914

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,330,964	1,143,665
Short-term borrowings	3,142,336	3,286,523
Lease liabilities	32,560	45,459
Income taxes payable	159,873	87,437
Accrued expenses	625,195	657,090
Accounts payable - other	1,417,972	141,137
Provision for bonuses	270,256	208,986
Provision for bonuses for directors (and other officers)	24,224	15,138
Other	254,932	65,903
Total current liabilities	7,258,313	5,651,340
Non-current liabilities		
Long-term borrowings	109,964	924,606
Lease liabilities	1,669	183,713
Retirement benefit liability	1,410,754	1,447,236
Provision for share awards for directors (and other officers)	92,939	82,750
Asset retirement obligations	31,563	31,699
Long-term deposits received	20,500	20,500
Total non-current liabilities	1,667,390	2,690,506
Total liabilities	8,925,704	8,341,847
Net assets		
Shareholders' equity		
Share capital	3,001,929	3,001,929
Capital surplus	2,591,309	2,606,817
Retained earnings	15,751,719	15,424,617
Treasury shares	(165,639)	(144,651)
Total shareholders' equity	21,179,319	20,888,712
Accumulated other comprehensive income		
Deferred gains or losses on hedges	80,013	43,822
Foreign currency translation adjustment	3,496,551	3,457,607
Remeasurements of defined benefit plans	(76,623)	(70,117)
Total accumulated other comprehensive income	3,499,941	3,431,312
Non-controlling interests	62,233	16,041
Total net assets	24,741,493	24,336,067
Total liabilities and net assets	33,667,198	32,677,914

Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Thousands of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	11,817,968	11,610,493
Cost of sales	4,310,877	4,582,662
Gross profit	7,507,090	7,027,831
Selling, general and administrative expenses		
Freight and packing costs	202,879	178,120
Salaries and allowances	2,016,874	2,096,351
Retirement benefit expenses	66,242	67,531
Legal welfare expenses	185,561	192,255
Welfare expenses	172,183	180,378
Provision of allowance for doubtful accounts	1,643	208
Travel and transportation expenses	153,486	136,345
Depreciation	717,890	688,378
Research and development expenses	468,813	470,662
Commission expenses	1,799,030	1,741,468
Other	1,053,252	1,067,994
Total selling, general and administrative expenses	6,837,857	6,819,697
Operating profit	669,233	208,133
Non-operating income		
Interest income	89	143
Foreign exchange gains	37,018	42,206
Other	5,964	7,661
Total non-operating income	43,072	50,011
Non-operating expenses		
Interest expenses	24,146	91,706
Share of loss of entities accounted for using equity method	17,555	25,040
Other	5,735	11,228
Total non-operating expenses	47,437	127,975
Ordinary profit	664,868	130,169
Extraordinary losses		
Loss on retirement of non-current assets	22,973	14,184
Loss on discontinued product	-	7,723
Total extraordinary losses	22,973	21,908
Profit before income taxes	641,895	108,261
Income taxes - current	130,083	51,377
Income taxes - deferred	9,785	(18,260)
Total income taxes	139,869	33,116
Profit	502,025	75,144
Profit attributable to non-controlling interests	5,499	5,344
Profit attributable to owners of parent	496,526	69,800

Semi-annual Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit	502,025	75,144
Other comprehensive income		
Deferred gains or losses on hedges	(61,715)	(36,191)
Foreign currency translation adjustment	(781,723)	(51,293)
Remeasurements of defined benefit plans, net of tax	10,260	6,506
Total other comprehensive income	(833,178)	(80,978)
Comprehensive income	(331,153)	(5,833)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(325,086)	1,172
Comprehensive income attributable to non-controlling interests	(6,066)	(7,005)

(3) Notes to the Six Months Ended Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

Not applicable.

(Application of Accounting Treatment Specific to the Preparation of the Six Months Ended Consolidated Financial Statements)

Tax expenses were calculated by reasonably estimating an effective tax rate after application of tax effect accounting to profit before income taxes for the fiscal year including the six months under review and multiplying profit before income taxes by the estimated effective tax rate.

(Additional Information)

(Change in Presentation)

(The Six Months Ended Consolidated Statement of Income)

Promotion expenses, Advertising expenses, and Taxes and dues, which were separately presented under selling, general and administrative expenses in the same period of the previous fiscal year, have been included in Other under selling, general and administrative expenses since they became immaterial. The consolidated financial statements for the same period of the previous fiscal year have been reclassified to reflect the change in presentation.

As a result, Promotion expenses of ¥68,956 thousand, Advertising expenses of ¥34,138 thousand, Taxes and dues of ¥78,847 thousand, and Other of ¥871,310 thousand, which were presented under selling, general and administrative expenses in the consolidated statement of income for the same period of the previous fiscal year, have been reclassified as Other of ¥1,053,252 thousand.

(Segment Information, etc.)

I. The Six Months Ended of September 30, 2024 (from April 1 to September 30, 2024)

1. Information on the amounts of sales and profits for each reportable segment and information on the breakdown of revenue

(In thousand yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in the six months ended on consolidated statement of income (Note 2)
	Japan	United States	Total		
Net sales					
Revenue from contracts with customers	6,341,671	5,476,296	11,817,968	-	11,817,968
Net sales to external customers	6,341,671	5,476,296	11,817,968	-	11,817,968
Inter-segment net sales or transfers	-	1,860,393	1,860,393	(1,860,393)	-
Total	6,341,671	7,336,689	13,678,361	(1,860,393)	11,817,968
Segment profit	255,310	364,742	620,052	49,180	669,233

Notes: 1. Adjustments for segment profit include ¥49,180 thousand in the elimination of inter-segment transactions.

2. Segment profit is adjusted with operating profit in the six months ended consolidated statement of income.

3. For revenue from contracts with customers in Japan, part of the promotion expenses is deducted by applying the Accounting Standard for Revenue Recognition.

2. Information on impairment losses on non-current assets and goodwill by reportable segment

Not applicable.

II. The Six Months Ended of September 30, 2025 (from April 1 to September 30, 2025)

1. Information on the amounts of sales and profits for each reportable segment and information on the breakdown of revenue

	Reportable segment			Adjustment (Note 1)	(In thousand yen) Amount recorded in the six months ended on consolidated statement of income (Note 2)
	Japan	United States	Total		
Net sales					
Revenue from contracts with customers	6,362,545	5,247,948	11,610,493	-	11,610,493
Net sales to external customers	6,362,545	5,247,948	11,610,493	-	11,610,493
Inter-segment net sales or transfers	-	2,489,128	2,489,128	(2,489,128)	-
Total	6,362,545	7,737,076	14,099,621	(2,489,128)	11,610,493
Segment profit	170,233	63,223	233,457	(25,323)	208,133

Notes: 1 The negative adjustment for segment profit includes ¥25,323 thousand in the elimination of inter-segment transactions.

2. Segment profit is adjusted with operating profit in the six months ended consolidated statement of income.

3. For revenue from contracts with customers in Japan, part of the promotion expenses is deducted by applying the Accounting Standard for Revenue Recognition.

2. Information on impairment losses on non-current assets and goodwill by reportable segment

Not applicable.

3. Other

Sales

Sales for the six months under review by segment are as follows.

Name and item of each segment		Six months ended under review (from April 1, 2025 to September 30, 2025)	Compared to the same period last year
		Amount (in thousand yen)	(%)
Medical devices	Japan	6,362,545	100.3
	Joint	2,421,067	102.0
	Trauma	2,088,262	97.9
	Spine	1,743,796	99.7
	Other	198,449	105.9
	Subtotal	6,451,576	100.1
	Sales deduction	(89,030)	-
	United States	5,247,947	95.8
	Joint	5,238,566	95.9
	Spine	9,381	64.1
Total		11,610,493	98.2
		Ratio (%)	Change (%)
Sales ratio of our own products		79.6	(1.3)

Notes: 1. Inter-segment transactions are offset and eliminated.

2. In Japan, a portion of sales promotion expenses is deducted from net sales due to the application of the Accounting Standard for Revenue Recognition.

3. For sales by item in Japan, the amount of deduction from sales is shown as a lump sum because reasonable proration of such sales deductions is not possible.