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January 30, 2026

Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Under Japanese GAAP)



Company name: Japan Medical Dynamic Marketing, INC.

Listing: Tokyo Stock Exchange

Securities code: 7600

URL: <https://www.jmdm.co.jp/>

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: None

Holding of financial results briefing: None

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

1. Consolidated financial results for the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 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	%
Nine months ended December 31, 2025	17,928	(2.9)	518	(57.9)	475	(60.2)	287	(67.3)
December 31, 2024	18,458	8.6	1,229	3.9	1,194	(2.5)	879	20.0

Note: Comprehensive income For the nine months ended December 31, 2025: ¥ 807 million [(48.8)%]
For the nine months ended December 31, 2024: ¥ 1,575 million [9.5%]

	Basic earnings per share	Diluted earnings per share
Nine months ended December 31, 2025	Yen 10.90	Yen -
December 31, 2024	33.39	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of December 31, 2025	Millions of yen 34,474	Millions of yen 25,149	% 72.9
March 31, 2025	33,667	24,741	73.3

Reference: Equity

As of December 31, 2025: ¥ 25,123 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
Fiscal year ended March 31, 2025	Yen -	Yen 0.00	Yen -	Yen 15.00	Yen 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 third 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: None

* 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 quarterly 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2025	26,344,568 shares
Nine months ended December 31, 2024	26,334,505 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the nine months ended December 31, 2025 of the Group, net sales were ¥17,928 million (down ¥530 million, or 2.9% year on year), operating profit came to ¥518 million (down ¥711 million, or 57.9% year on year), ordinary profit was ¥475 million (down ¥719 million, or 60.2% year on year), and profit attributable to owners of parent amounted to ¥287 million (down ¥591 million, or 67.3% year on year). Net sales of our own products accounted for 79.5% of consolidated net sales (81.0% in the same period last year). A series of media reports in Japan have been affecting net sales, resulting in a certain degree of decrease compared with the same period of the previous year.

In Japan, net sales were ¥9,795 million (down ¥142 million, or 1.4% year on year), after partial deduction of promotional expenses in accordance with Accounting Standard for Revenue Recognition. In the United States, net sales to external customers decreased to \$54,464 thousand (down \$1,265 thousand, or 2.3% year on year), and after translation into Japanese yen, net sales were ¥8,133 million (down ¥387 million, or 4.6% year on year) due to the impact of the yen's appreciation. The exchange rate was 149.33 yen to the U.S. dollar in the nine months under review, compared to 152.90 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 single-digit growth with an increase in the number of cases acquired due to the introduction of our new product "Ovation Tribute NEO stem" in addition to the acquisition of new facilities. On the other hand, Bipolar Hip Arthroplasty (BHA) came slightly short of the high level in the same period of the previous year in terms of the number of cases acquired, and Total Knee Arthroplasty (TKA) also had a decrease in the number of cases acquired, resulting in lower net sales. As a result of these factors, net sales in Japan for this category were ¥3,680 million (down 2.0% year on year).

For the artificial knee joint category in the United States, while the main product BKS TriMax delivered single-digit growth with an increase in the number of cases acquired, overall net sales of Total Knee Arthroplasty (TKA) declined as a result of a decrease in the number of cases acquired, due to temporary supply constraints by persistent delivery delays for certain components of the artificial knee joint replacement product Balanced Knee System - Revision, the manufacturing of which is outsourced. In the artificial hip joint category, as the number of cases acquired of our new product Trivicta Hip Stem, which was launched across the United States, remained strong, net sales of Total Hip Arthroplasty (THA) increased, albeit only slightly. As a result of these factors, net sales for the joint category in the United States were \$54,298 thousand (down 2.3% year on year). After translation into Japanese yen, net sales were ¥8,108 million (down 4.6% year on year) due to the impact 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 on the back of intensifying competition. On the other hand, net sales of Screw & Plate and other products decreased slightly due to the impacts of products that are planned to be discontinued as a result of a product portfolio review and other factors. As a result of these factors, net sales in Japan for this category were ¥3,302 million (down 3.6% year on year).

In the spine category, the number of cases acquired of KMC Kyphoplasty system in Japan increased, delivering double-digit growth. In contrast, the number of cases acquired of the Pedicle Screw and others posted a double-digit decrease, resulting in a slight increase in net sales in Japan. As a result of these and other factors, total net sales for the spine category in Japan and the United States were ¥2,650 million (up 0.4% 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 the response to prioritized supplying. As a result, cost of sales amounted to ¥7,158 million (up 5.7% from ¥6,774 million in the same period of the previous year), and the cost-to-sales ratio was 39.9%, compared to 36.7% 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 hosting a biennial seminar in the United States hosted by the Company, among other factors. On the other hand, expenses in the United States after translation into yen decreased due to the yen's appreciation, resulting in total selling, general and administrative expenses of ¥10,252 million (down 1.9% year on year). The decrease in sales resulted in the ratio of selling, general and administrative expenses to net sales of 57.2% (56.6% in the same quarter a year ago).

Operating profit was ¥518 million (down 57.9% year on year), being affected by a higher cost-to-sales ratio in addition to lower net sales.

Ordinary profit was ¥475 million (down 60.2% year on year) as a result of recording non-operating income of ¥155 million, including foreign exchange gains of ¥146 million, and recording non-operating expenses, including interest expenses of ¥145 million and ¥38 million in the share of loss of a joint venture in China, Changzhou Waston Ortho Medical Appliance Co., Limited, accounted for using the equity method.

In addition, as for extraordinary losses, ¥23 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 ¥287 million (down 67.3% year on year).

Segment results are as follows.

1) Japan

Net sales were ¥9,795 million (down 1.4% year on year) and operating profit was ¥468 million (down 14.4% year on year).

2) United States

Net sales were ¥11,848 million (up 4.1% year on year) and operating profit was ¥87 million (down 84.3% year on year).

(2) Explanation of Financial Position

Total assets at the end of the quarter under review increased ¥807 million from the end of the previous fiscal year to ¥34,474 million. The main factor for increases was an increase in merchandise and finished goods of ¥3,821 million. The main factor for decreases was a decrease in raw materials and supplies of ¥1,562 million.

Total liabilities increased ¥399 million from the end of the previous fiscal year to ¥9,325 million. The main factors for increases were an increase in short-term borrowings of ¥1,308 million and long-term borrowings of ¥740 million, while the main factor for decreases was a decrease in accounts payable - other of ¥1,241 million.

Total net assets increased ¥407 million from the end of the previous fiscal year to ¥25,149 million. The main factor for increases was an increase in foreign currency translation adjustment of ¥540 million.

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

There is no change to the consolidated financial forecast for the current fiscal year announced on October 30, 2025.

While the series of media reports in Japan have been affecting net sales, resulting in a certain degree of decrease, we do not believe at this point that the impact has been sufficiently large to warrant revisions to our consolidated earnings forecasts for the full year of the Group.

Quarterly Consolidated Financial Statements and Primary Notes

Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	3,182,342	2,481,409
Notes and accounts receivable - trade, and contract assets	6,130,286	5,320,215
Merchandise and finished goods	9,934,088	13,755,247
Work in process	452,627	372,986
Raw materials and supplies	3,500,239	1,938,020
Other	672,872	746,360
Allowance for doubtful accounts	(5,840)	(6,117)
Total current assets	<hr/> 23,866,617	<hr/> 24,608,122
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	810,323	959,118
Machinery, equipment and vehicles, net	330,793	316,214
Tools, furniture and fixtures, net	4,646,492	4,566,618
Land	1,959,993	1,961,752
Other	200,022	213,599
Total property, plant and equipment	<hr/> 7,947,625	<hr/> 8,017,303
Intangible assets	430,209	420,705
Investments and other assets		
Investments in capital of subsidiaries and associates	128,736	98,074
Deferred tax assets	1,222,231	1,264,495
Other	71,777	65,619
Allowance for doubtful accounts	(1)	(0)
Total investments and other assets	<hr/> 1,422,745	<hr/> 1,428,187
Total non-current assets	<hr/> 9,800,580	<hr/> 9,866,197
Total assets	<hr/> 33,667,198	<hr/> 34,474,319

(Thousands of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,330,964	912,067
Short-term borrowings	3,142,336	4,450,573
Lease liabilities	32,560	46,658
Income taxes payable	159,873	53,115
Accrued expenses	625,195	851,823
Accounts payable - other	1,417,972	176,822
Provision for bonuses	270,256	85,530
Provision for bonuses for directors (and other officers)	24,224	22,707
Other	254,932	86,485
Total current liabilities	7,258,313	6,685,782
Non-current liabilities		
Long-term borrowings	109,964	850,234
Lease liabilities	1,669	180,242
Retirement benefit liability	1,410,754	1,469,453
Provision for share awards for directors (and other officers)	92,939	87,040
Asset retirement obligations	31,563	31,767
Long-term deposits received	20,500	20,500
Total non-current liabilities	1,667,390	2,639,238
Total liabilities	8,925,704	9,325,021
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	15,642,041
Treasury shares	(165,639)	(144,651)
Total shareholders' equity	21,179,319	21,106,137
Accumulated other comprehensive income		
Deferred gains or losses on hedges	80,013	47,107
Foreign currency translation adjustment	3,496,551	4,037,010
Remeasurements of defined benefit plans	(76,623)	(66,863)
Total accumulated other comprehensive income	3,499,941	4,017,254
Non-controlling interests	62,233	25,906
Total net assets	24,741,493	25,149,297
Total liabilities and net assets	33,667,198	34,474,319

Quarterly Consolidated Statements of Income and Comprehensive Income

**Quarterly Consolidated Statement of Income
For the Nine-Month Period**

(Thousands of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Net sales	18,458,848	17,928,828
Cost of sales	6,774,723	7,158,227
Gross profit	11,684,124	10,770,600
Selling, general and administrative expenses		
Freight and packing costs	295,107	265,557
Salaries and allowances	3,046,343	3,168,076
Retirement benefit expenses	99,363	101,297
Legal welfare expenses	275,162	282,258
Welfare expenses	258,033	281,721
Provision of allowance for doubtful accounts	1,806	277
Travel and transportation expenses	234,484	201,177
Depreciation	1,086,924	1,038,555
Research and development expenses	726,107	666,047
Commission expenses	2,791,485	2,671,464
Other	1,639,792	1,576,110
Total selling, general and administrative expenses	10,454,611	10,252,544
Operating profit	1,229,513	518,056
Non-operating income		
Interest income	132	188
Foreign exchange gains	44,323	146,455
Other	11,164	9,038
Total non-operating income	55,620	155,682
Non-operating expenses		
Interest expenses	45,493	145,109
Share of loss of entities accounted for using equity method	35,922	38,465
Other	8,732	14,884
Total non-operating expenses	90,147	198,459
Ordinary profit	1,194,985	475,279
Extraordinary losses		
Loss on retirement of non-current assets	33,814	23,024
Loss on discontinued product	-	7,824
Total extraordinary losses	33,814	30,849
Profit before income taxes	1,161,171	444,429
Income taxes - current	251,116	160,067
Income taxes - deferred	11,617	(14,616)
Total income taxes	262,733	145,450
Profit	898,437	298,979
Profit attributable to non-controlling interests	19,241	11,754
Profit attributable to owners of parent	879,196	287,225

Quarterly Consolidated Statement of Comprehensive Income
For the Nine-Month Period

(Thousands of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Profit	898,437	298,979
Other comprehensive income		
Deferred gains or losses on hedges	30,329	(32,906)
Foreign currency translation adjustment	631,710	531,563
Remeasurements of defined benefit plans, net of tax	15,390	9,760
Total other comprehensive income	<u>677,429</u>	<u>508,417</u>
Comprehensive income	1,575,867	807,397
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,555,897	804,538
Comprehensive income attributable to non-controlling interests	19,969	2,858

(3) Notes to Quarterly 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 Quarterly 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 and others for the fiscal year including the quarter under review and multiplying profit before income taxes and others by the estimated effective tax rate.

(Additional Information)

(Change in Presentation)

(Quarterly Consolidated Statements of Income)

Promotion expenses, Advertising expenses, and Taxes and dues, which were separately presented under selling, general and administrative expenses in the nine months 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 nine months of the previous fiscal year have been reclassified to reflect the change in presentation.

As a result, Promotion expenses of ¥120,071 thousand, Advertising expenses of ¥49,324 thousand, Taxes and dues of ¥119,005 thousand, and Other of ¥1,351,391 thousand, which were presented under selling, general and administrative expenses in the quarterly consolidated statements of income for the first nine months of the previous fiscal year, have been reclassified as Other of ¥1,639,792 thousand.

(Segment Information, etc.)

I. The Nine Months ended December 31, 2024 (from April 1 to December 31, 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 on quarterly consolidated statement of income (Note 2)
	Japan	United States	Total		
Net sales					
Revenue from contracts with customers	9,937,700	8,521,147	18,458,848	-	18,458,848
Net sales to external customers	9,937,700	8,521,147	18,458,848	-	18,458,848
Inter-segment net sales or transfers	-	2,857,247	2,857,247	(2,857,247)	-
Total	9,937,700	11,378,395	21,316,096	(2,857,247)	18,458,848
Segment profit	547,812	555,135	1,102,947	126,565	1,229,513

Notes: 1. Adjustments for segment profit include ¥126,565 thousand in elimination of inter-segment transactions.

2. Segment profit was adjusted with operating profit in the quarterly 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 Nine Months ended December 31, 2025 (from April 1 to December 31, 2025)

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 on quarterly consolidated statement of income (Note 2)
	Japan	United States	Total		
Net sales					
Revenue from contracts with customers	9,795,607	8,133,220	17,928,828	-	17,928,828
Net sales to external customers	9,795,607	8,133,220	17,928,828	-	17,928,828
Inter-segment net sales or transfers	-	3,715,224	3,715,224	(3,715,224)	-
Total	9,795,607	11,848,445	21,644,052	(3,715,224)	17,928,828
Segment profit	468,743	87,072	555,816	(37,759)	518,056

Notes: 1 The negative adjustment for segment profit includes ¥37,759 thousand in the elimination of inter-segment transactions.

2. Segment profit is adjusted with operating profit in the quarterly 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.

(Notes on Consolidated Statement of Cash Flows)

Quarterly consolidated statement of cash flows has not been prepared for the nine months ended December 31, 2025. Depreciation (including amortization related to intangible assets) for the nine months ended December 31, 2025, is as follows.

	For the nine months ended December 31, 2024 (from April 1 to December 31, 2024)	For the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)
Depreciation	¥1,259,219 thousand	¥1,196,257 thousand

3. Other

Sales

Sales for the nine-month period under review by segment are as follows.

Name and item of each segment		For the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)	Compared with the same period a year ago
		Amount (in thousand yen)	(%)
Medical devices	Japan	9,795,607	98.6
	Joint	3,680,317	98.0
	Trauma	3,302,464	96.4
	Spine	2,626,154	100.3
	Other	313,238	106.6
	Subtotal	9,922,174	98.3
	Sales deduction	(126,567)	-
	United States	8,133,220	95.4
	Joint	8,108,431	95.4
	Spine	24,788	105.5
	Total	17,928,828	97.1
		Ratio (%)	Change (%)
Sales ratio of our own products		79.5	(1.5)

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.