July 30, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: Japan Medical Dynamic Marketing, INC.
Listing: Tokyo Stock Exchange
Securities code: 7600
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Representative: Toshiyuki Hironaka President and Representative Director
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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 three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	5,325	(10.0)	(526)	-	(540)	-	(417)	-
June 30, 2025	5,920	(2.2)	150	(58.9)	105	(71.4)	65	(75.9)

Note: Comprehensive income For the three months ended June 30, 2026: ¥ (148) million [-%]
For the three months ended June 30, 2025: ¥ (354) million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	(15.85)	-
June 30, 2025	2.50	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	35,384	24,829	70.1
March 31, 2026	35,678	25,427	71.2

Reference: Equity
As of June 30, 2026: ¥ 24,805 million
As of March 31, 2026: ¥ 25,399 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, 2026	-	0.00	-	17.00	17.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		0.00	-	17.00	17.00

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

Note: Breakdown of the first quarter dividend for the fiscal year ending March 31, 2027 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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
Six months ending September 30, 2026	11,670	0.5	(260)	-	(410)	-	(330)	-	(12.53)
Full year	25,370	6.1	430	(25.1)	140	(73.8)	60	(77.2)	2.28

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 June 30, 2026	26,475,880 shares
As of March 31, 2026	26,475,880 shares

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

As of June 30, 2026	122,344 shares
As of March 31, 2026	122,344 shares

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

Three months ended June 30, 2026	26,353,536 shares
Three months ended June 30, 2025	26,334,442 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

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 first quarter of the fiscal year ending March 31, 2027, for the Group, net sales were ¥5,325 million (down ¥594 million, or 10.0% year on year), operating loss came to ¥526 million (operating profit of ¥150 million in the same quarter a year ago), ordinary loss was ¥540 million (ordinary profit of ¥105 million in the same quarter a year ago), and loss attributable to owners of parent amounted to ¥417 million (profit attributable to owners of parent of ¥65 million in the same quarter a year ago). Net sales of our own products accounted for 79.7% of consolidated net sales (79.5% in the same quarter a year ago).

In Japan, net sales were ¥2,768 million (down ¥430 million, or 13.4% 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 $15,925 thousand (down $2,812 thousand, or 15.0% year on year), and after translation into yen, net sales were ¥2,556 million (down ¥164 million, or 6.0% year on year) due to the impact of the yen’s depreciation. (Reference: The exchange rate for U.S. sales was 145.21 yen to the U.S. dollar in the same quarter a year ago and was 160.54 yen to the U.S. dollar in the quarter under review.)

Sales by product segment are as follows.

For the joint category in Japan, the impact of the recent news coverage continued into the first quarter, following the fourth quarter of the previous fiscal year. There has been a trend toward suspending the adoption of our products in some medical institutions. The number of cases involving Total Hip Arthroplasty (THA), Bipolar Hip Arthroplasty (BHA), and Total Knee Arthroplasty (TKA) decreased, leading to a decline in sales compared with the same period of the previous fiscal year. As a result, net sales in Japan for this category were ¥1,013 million (down 16.6% year on year).

For the joint category in the United States, the number of cases acquired remained strong following the nationwide rollout of our new product, Trivicta Hip Stem, in the United States, leading to an increase in the net sales of Total Hip Arthroplasty（THA） compared with the same period of the previous fiscal year. On the other hand, sales of Total Knee Arthroplasty (TKA) declined compared with the same period of the previous fiscal year as a result of a decrease in the number of cases acquired due to supply constraints caused by continued delivery delays for certain components of the artificial knee joint replacement product Balanced Knee System – Revision, the manufacturing of which is outsourced. As a result of these factors, net sales for the joint category in the United States were $15,925 thousand (down 14.8% year on year). After translation into Japanese yen, net sales were ¥2,556 million (down 5.8% year on year) due to the impact of the yen’s depreciation.

In the Trauma category, the sales of Prima Hip Screw, a treatment material for femoral neck fractures, declined slightly, and the sales of ASULOCK, a treatment material for femoral trochanteric fractures, declined compared with the same period of the previous fiscal year due to intensifying competition. As a result, net sales in Japan for this category were ¥935 million (down 10.8% year on year).

In the spine category, the per-case price of the KMC Kyphoplasty System (BKP) declined in Japan, leading to a decrease in sales compared with the same period of the previous fiscal year. The number of cases involving Pedicle Screw and other products also declined, and net sales for the category as a whole decreased compared with the same period of the previous fiscal year. As a result, net sales in Japan for this category were ¥750 million (down 15.8% year on year).

The cost-to-sales ratio was 45.0%, up 6.6 percentage points from 38.4% in the same quarter a year ago. The main factors were an increase in fixed manufacturing costs per unit at our subsidiary in the United States due to a decline in production volume, as well as a rise in the cost of imported materials in Japan caused by the weakening of the yen.

Selling, general and administrative expenses totaled ¥3,457 million (down 1.2% year on year). This was due to lower commission expenses resulting from the decline in U.S. sales, which offset the increase in U.S. expenses in yen terms reflecting the weaker yen, as well as increased research and development expenses. The decrease in sales resulted in the ratio of selling, general and administrative expenses to net sales of 64.9% (59.1% in the same quarter a year ago).

Operating loss was ¥526 million (operating profit of ¥150 million in the same quarter a year ago), reflecting the lower net sales and the higher cost of sales.

Ordinary loss was ¥540 million (ordinary profit of ¥105 million in the same quarter a year ago) as a result of recording non-operating income of ¥66 million, including foreign exchange gains of ¥63 million, and recording non-operating expenses, including interest expenses of ¥59 million and ¥15 million in 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, ¥8 million was recorded for loss on retirement of non-current assets such as medical instruments. As a result, loss attributable to owners of parent was ¥417 million (profit attributable to owners of parent of ¥65 million in the same quarter a year ago).

Segment results are as follows.

1) Japan

Net sales were ¥2,768 million (down 13.4% year on year) and operating loss was ¥27 million (operating profit of ¥84 million in the same quarter a year ago).

2) United States

Net sales were ¥3,621 million (down 11.2% year on year) and operating loss was ¥497 million (operating profit of ¥93 million in the same quarter a year ago).

(2) Explanation of Financial Position

Total assets at the end of the quarter under review decreased ¥294 million from the end of the previous fiscal year to ¥35,384 million. The main decreases were in cash and deposits of ¥542 million, and in notes and accounts receivable - trade, and contract assets of ¥638 million, while the main increases were in merchandise and finished goods of ¥493 million and in investments in capital of subsidiaries and associates of ¥244 million.

Total liabilities increased ¥303 million from the end of the previous fiscal year to ¥10,554 million. The main increase was in short-term borrowings of ¥836 million, while the main decreases were in notes and accounts payable - trade of ¥222 million, income taxes payable of ¥177 million, and provision for bonuses of ¥190 million.

Total net assets decreased ¥597 million from the end of the previous fiscal year to ¥24,829 million. The main decrease was in retained earnings of ¥867 million, while the main increase was in foreign currency translation adjustment of ¥188 million.

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

With regard to the consolidated financial forecast announced on May 8, 2026, we are conducting a thorough review—including whether a revision to the forecast is necessary—of domestic sales trends, U.S. sales situations taking into consideration the impact of the prolonged product supply issues on sales, and the status of improvements in manufacturing costs, based on the results for the first quarter of the current fiscal year and the current business environment.

At this time, it is difficult to reasonably estimate the impact on full-year consolidated results; therefore, we have not revised our consolidated financial forecast. Going forward, if we determine that a reasonable calculation is possible and that a revision to our financial forecast is necessary, we will promptly announce it.

Quarterly Consolidated Financial Statements and Primary Notes

Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	3,107,052	2,564,089
Notes and accounts receivable - trade, and contract assets	5,237,506	4,598,541
Merchandise and finished goods	13,095,937	13,589,130
Work in process	451,609	404,015
Raw materials and supplies	2,628,635	2,761,718
Other	371,384	509,754
Allowance for doubtful accounts	(1,338)	(1,136)
Total current assets	24,890,789	24,426,113
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	954,577	956,152
Machinery, equipment and vehicles, net	339,419	317,466
Tools, furniture and fixtures, net	5,285,883	5,259,411
Land	1,962,603	1,963,235
Other	238,930	249,546
Total property, plant and equipment	8,781,414	8,745,813
Intangible assets	429,939	419,569
Investments and other assets		
Investments in capital of subsidiaries and associates	80,793	324,940
Deferred tax assets	1,436,629	1,409,872
Other	64,190	62,734
Allowance for doubtful accounts	(4,757)	(4,758)
Total investments and other assets	1,576,856	1,792,789
Total non-current assets	10,788,210	10,958,172
Total assets	35,678,999	35,384,286

(Thousands of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,396,527	1,174,188
Short-term borrowings	4,886,158	5,722,660
Lease liabilities	46,910	45,523
Income taxes payable	192,164	14,633
Accrued expenses	653,536	799,153
Accounts payable - other	164,304	132,445
Provision for bonuses	248,467	57,529
Provision for bonuses for directors (and other officers)	21,196	3,030
Other	102,780	208,487
Total current liabilities	7,712,045	8,157,650
Non-current liabilities		
Long-term borrowings	765,818	702,380
Lease liabilities	171,798	163,493
Retirement benefit liability	1,464,135	1,391,579
Provision for share awards for directors (and other officers)	85,354	87,256
Asset retirement obligations	31,834	31,902
Long-term deposits received	20,500	20,500
Total non-current liabilities	2,539,441	2,397,111
Total liabilities	10,251,486	10,554,762
Net assets		
Shareholders' equity		
Share capital	3,001,929	3,001,929
Capital surplus	2,606,817	2,606,817
Retained earnings	15,617,954	14,750,320
Treasury shares	(144,651)	(144,651)
Total shareholders' equity	21,082,049	20,214,415
Accumulated other comprehensive income		
Deferred gains or losses on hedges	56,296	92,278
Foreign currency translation adjustment	4,325,137	4,513,827
Remeasurements of defined benefit plans	(63,526)	(14,723)
Total accumulated other comprehensive income	4,317,907	4,591,381
Non-controlling interests	27,556	23,726
Total net assets	25,427,513	24,829,523
Total liabilities and net assets	35,678,999	35,384,286

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the Three-Month Period

(Thousands of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	5,920,100	5,325,536
Cost of sales	2,270,585	2,393,848
Gross profit	3,649,515	2,931,688
Selling, general and administrative expenses		
Freight and packing costs	91,540	79,180
Salaries and allowances	1,052,207	1,073,439
Retirement benefit expenses	33,765	30,146
Legal welfare expenses	91,582	89,040
Welfare expenses	99,404	131,929
Provision of allowance for doubtful accounts	(170)	(201)
Travel and transportation expenses	75,667	60,875
Depreciation	346,290	372,701
Research and development expenses	218,049	272,770
Commission expenses	910,654	840,701
Other	580,074	507,310
Total selling, general and administrative expenses	3,499,066	3,457,893
Operating profit (loss)	150,449	(526,204)
Non-operating income		
Interest income	51	39
Foreign exchange gains	9,990	63,981
Other	5,319	2,482
Total non-operating income	15,361	66,502
Non-operating expenses		
Interest expenses	42,999	59,932
Share of loss of entities accounted for using equity method	13,684	15,416
Other	3,908	5,602
Total non-operating expenses	60,593	80,951
Ordinary profit (loss)	105,217	(540,653)
Extraordinary losses		
Loss on retirement of non-current assets	8,100	8,733
Total extraordinary losses	8,100	8,733
Profit (loss) before income taxes	97,117	(549,386)
Income taxes - current	27,443	(122,097)
Income taxes - deferred	991	(4,296)
Total income taxes	28,435	(126,393)
Profit (loss)	68,682	(422,993)
Profit (loss) attributable to non-controlling interests	2,807	(5,181)
Profit (loss) attributable to owners of parent	65,875	(417,811)

Quarterly Consolidated Statement of Comprehensive Income

For the Three-Month Period

(Thousands of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit (loss)	68,682	(422,993)
Other comprehensive income		
Deferred gains or losses on hedges	(60,428)	35,981
Foreign currency translation adjustment	(365,717)	190,041
Remeasurements of defined benefit plans, net of tax	3,253	48,802
Total other comprehensive income	(422,891)	274,825
Comprehensive income	(354,209)	(148,167)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(342,802)	(144,337)
Comprehensive income attributable to non-controlling interests	(11,406)	(3,829)

(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 net income before income taxes and others for the fiscal year including the quarter under review and multiplying net income before income taxes and others by the estimated effective tax rate.

(Segment Information, etc.)

I. First Quarter of the Fiscal Year Ended March 2026 (from April 1 to June 30, 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	3,199,048	2,721,052	5,920,100	—	5,920,100
Net sales to external customers	3,199,048	2,721,052	5,920,100	—	5,920,100
Inter-segment net sales or transfers	—	1,358,091	1,358,091	(1,358,091)	—
Total	3,199,048	4,079,143	7,278,191	(1,358,091)	5,920,100
Segment profit	84,578	93,245	177,824	(27,374)	150,449

Notes:
1. The negative adjustment for segment profit includes ¥27,374 thousand in 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.

II. First Quarter of the Fiscal Year Ending March 2027 (from April 1 to June 30, 2026)

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	2,768,787	2,556,749	5,325,536	—	5,325,536
Net sales to external customers	2,768,787	2,556,749	5,325,536	—	5,325,536
Inter-segment net sales or transfers	—	1,065,001	1,065,001	(1,065,001)	—
Total	2,768,787	3,621,751	6,390,538	(1,065,001)	5,325,536
Segment Loss	(27,942)	(497,158)	(525,100)	(1,104)	(526,204)

Notes:
1. The negative adjustment for segment loss includes ¥1,104 thousand in elimination of inter-segment transactions.
2. Segment loss is adjusted with operating loss 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 three months ended June 30, 2026. Depreciation (including amortization expenses related to intangible assets) for the first three months of the fiscal year under review is as follows.

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Depreciation	¥398,076 thousand	¥428,210 thousand

3. Other

Sales

Sales for the first quarter under review by segment are as follows.

Name and item of each segment			The first quarter under review (from April 1, 2026 to June 30, 2026)	Compared with the same period a year ago
			Amount (in thousand yen)	(%)
Medical devices	Japan		2,768,787	86.6
		Joint	1,013,865	83.4
		Trauma	935,536	89.2
		Spine	750,906	84.2
		Other	110,222	116.8
		Subtotal	2,810,531	86.4
		Sales deduction	(41,744)	—
	United States		2,556,749	94.0
		Joint	2,556,749	94.2
		Spine	—	—
Total			5,325,536	90.0
			Ratio (%)	Change (%)
Sales ratio of our own products			79.7	0.2

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. Sales results by item in Japan are shown as a lump-sum amount of such sales deductions, as a reasonable proration of such sales deductions is not possible.