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November 4, 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026 (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 file semi-annual securities report: November 13, 2026
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, 2026 (from April 1, 2026 to September 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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	10,437	(10.1)	(1,036)	-	(1,161)	-	(1,749)	-
September 30, 2025	11,610	(1.8)	208	(68.9)	130	(80.4)	69	(85.9)

Note: Comprehensive income For the six months ended September 30, 2026: ¥ (1,907) million [-%]
For the six months ended September 30, 2025: ¥ (5) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	(66.39)	-
September 30, 2025	2.65	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	33,528	23,070	68.8
March 31, 2026	35,678	25,427	71.2

Reference: Equity
As of September 30, 2026: ¥ 23,070 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	-	0.00			
Fiscal year ending March 31, 2027 (Forecast)			-	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

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

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
Full year	21,700	(9.3)	(1,500)	-	(1,750)	-	(2,500)	-	(94.86)

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, 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 September 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)

Six months ended September 30, 2026	26,353,536 shares
Six months ended September 30, 2025	26,340,725 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 13, 2026. 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 September 30, 2026, for the Group, net sales were ¥10,437 million (down ¥1,173 million, or 10.1% year on year), operating loss came to ¥1,036 million (operating profit of ¥208 million in the same period of the previous year), ordinary loss was ¥1,161 million (ordinary profit of ¥130 million in the same period of the previous year), and loss attributable to owners of parent amounted to ¥1,749 million (profit attributable to owners of parent of ¥69 million in the same period of the previous year). Net sales of our own products accounted for 79.3% of consolidated net sales (79.6% in the same period last year).

In Japan, net sales were ¥5,475 million (down ¥887 million, or 13.9% 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 were $31,007 thousand (down $4,795 thousand or 13.4% year on year). After translation into Japanese yen, net sales declined to ¥4,962 million (down ¥285 million, or 5.4% year on year), but the weaker yen helped narrow the rate of decline. The exchange rate for the U.S. sales was 160.03 yen to the U.S. dollar in the six months under review, compared to 146.58 yen to the U.S. dollar in the same period of the previous year.

Sales by product category are as follows.

For the joint category in Japan, our business opportunities declined at some medical institutions, and there has been a trend toward suspending the adoption of our products, leading to a decrease in the number of acquired cases involving Total Hip Arthroplasty (THA), Bipolar Hip Arthroplasty (BHA), and Total Knee Arthroplasty (TKA). As a result, net sales in Japan for this category were ¥1,947 million (down 19.5% year on year).

For the joint category in the United States, following the nationwide rollout of our new product, Trivicta Hip Stem, in the United States, the number of cases involving Total Hip Arthroplasty (THA) remained strong, leading to an increase in the net sales of artificial hip joint products compared with the same period of the previous fiscal year. On the other hand, for artificial knee joint products, net sales decreased significantly compared with the same period of the previous fiscal year due to a decrease in business transactions with some existing customers caused by previous delivery delays, as well as a relative decline in the competitiveness of our products amid growing demand for products based on new concepts. As a result of these factors, net sales in the United States for this category were $31,007 thousand (down 13.2% year on year). After translation into Japanese yen, net sales declined to ¥4,962 million (down 5.3% year on year), but the weaker yen helped narrow the rate of decline.

In the Trauma category, sales of Prima Hip Screw, a treatment material for femoral neck fractures, declined. Also, net sales of ASULOCK, a treatment material for femoral trochanteric fractures, declined on the back of intensifying competition and other factors. As a result of these factors, net sales in Japan for this category were ¥1,885 million (down 9.7% year on year).

In the spine category, net sales declined due to lower insurance reimbursement prices for the KMC Kyphoplasty System (BKP) in Japan, and the number of acquired cases involving Pedicle Screw and other products decreased. As a result of these factors, net sales in Japan for this category were ¥1,497 million (down 14.1% year on year).

The cost-to-sales ratio was 44.4%, up 4.9 percentage points from 39.5% in the same period of the previous year. The main factors were an increase in fixed manufacturing costs per unit of product 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 ¥6,836 million (up 0.2% year on year). This was due to an increase in the U.S. subsidiary's expenses in yen terms reflecting the weaker yen and increased research and development expenses and welfare expenses, which offset the lower commission expenses resulting from the decline in U.S. sales. The decrease in sales resulted in the ratio of selling, general and administrative expenses to net sales of 65.5% (58.7% in the same period of the previous year).

Operating loss was ¥1,036 million (operating profit of ¥208 million in the same period of the previous year), reflecting the lower net sales and the higher cost-to-sales ratio.

Ordinary loss was ¥1,161 million (ordinary profit of ¥130 million in the same period of the previous year) as a result of recording non-operating income of ¥40 million, including foreign exchange gains of ¥34 million, and recording non-operating expenses of

¥165 million, including interest expenses of ¥125 million.

Extraordinary income included ¥4 million in gain on sale of non-current assets, while extraordinary losses included ¥15 million in loss on retirement of non-current assets such as medical tools. In addition, ¥628 million in deferred income taxes was recorded due to the reversal of deferred tax assets at the U.S. subsidiary. As a result, loss attributable to owners of parent amounted to ¥1,749 million (compared with profit attributable to owners of parent of ¥69 million in the same period of the previous year).

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

1) Japan

Net sales were ¥5,475 million (down 13.9% year on year) and operating loss was ¥50 million (operating profit of ¥170 million in the same period of the previous year).

2) United States

Net sales were ¥6,721 million (down 13.1% year on year) and operating loss was ¥1,035 million (operating profit of ¥63 million in the same period of the previous year).

(2) Explanation of Financial Position

Total assets at the end of the interim period under review decreased ¥2,150 million from the end of the previous fiscal year to ¥33,528 million. The main decreases were in cash and deposits of ¥660 million, notes and accounts receivable - trade, and contract assets of ¥913 million, tools, furniture and fixtures of ¥186 million, and deferred tax assets of ¥592 million, while the main increases were in merchandise and finished goods of ¥102 million and investments in capital of affiliates of ¥234 million.

Total liabilities increased ¥206 million from the end of the previous fiscal year to ¥10,457 million. The main increases were in short-term borrowings of ¥685 million and long-term borrowings of ¥321 million, while the main decreases were in notes and accounts payable - trade of ¥518 million and income taxes payable of ¥189 million.

Total net assets decreased ¥2,356 million from the end of the previous fiscal year to ¥23,070 million. The main decrease was in retained earnings of ¥2,199 million.

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

We have revised the full-year consolidated financial forecast for the fiscal year ending March 31, 2027, which was announced on May 8, 2026. For details, please refer to the “Notice Regarding the Difference Between the Consolidated Financial Forecast and Actual Results for the Second Quarter of the Fiscal Year Ending March 31, 2027, Revision of the Full-Year Consolidated Financial Forecast, Revision of Dividend Forecast, and Future Shareholder Return Policy” announced today (November 4, 2026).

Semi-annual Consolidated Financial Statements and Primary Notes

Semi-annual Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	3,107,052	2,446,493
Notes and accounts receivable - trade, and contract assets	5,237,506	4,323,550
Merchandise and finished goods	13,095,937	13,198,236
Work in process	451,609	355,272
Raw materials and supplies	2,628,635	2,689,901
Other	371,384	328,577
Allowance for doubtful accounts	(1,338)	(1,075)
Total current assets	24,890,789	23,340,956
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	954,577	913,989
Machinery, equipment and vehicles, net	339,419	337,461
Tools, furniture and fixtures, net	5,285,883	5,099,565
Land	1,962,603	1,961,950
Other	238,930	241,481
Total property, plant and equipment	8,781,414	8,554,448
Intangible assets	429,939	416,445
Investments and other assets		
Investments in capital of subsidiaries and associates	80,793	315,125
Deferred tax assets	1,436,629	844,596
Other	64,190	61,687
Allowance for doubtful accounts	(4,757)	(4,757)
Total investments and other assets	1,576,856	1,216,651
Total non-current assets	10,788,210	10,187,544
Total assets	35,678,999	33,528,501

(Thousands of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,396,527	877,944
Short-term borrowings	4,886,158	5,572,046
Lease liabilities	46,910	48,462
Income taxes payable	192,164	2,954
Accrued expenses	653,536	683,398
Accounts payable - other	164,304	146,453
Provision for bonuses	248,467	200,469
Provision for bonuses for directors (and other officers)	21,196	6,060
Other	102,780	74,326
Total current liabilities	7,712,045	7,612,115
Non-current liabilities		
Long-term borrowings	765,818	1,087,797
Lease liabilities	171,798	173,206
Retirement benefit liability	1,464,135	1,392,834
Provision for share awards for directors (and other officers)	85,354	88,006
Asset retirement obligations	31,834	31,971
Long-term deposits received	20,500	20,500
Deferred tax liabilities	-	51,447
Total non-current liabilities	2,539,441	2,845,763
Total liabilities	10,251,486	10,457,879
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	13,418,506
Treasury shares	(144,651)	(144,651)
Total shareholders' equity	21,082,049	18,882,601
Accumulated other comprehensive income		
Deferred gains or losses on hedges	56,296	37,987
Foreign currency translation adjustment	4,325,137	4,162,929
Remeasurements of defined benefit plans	(63,526)	(12,897)
Total accumulated other comprehensive income	4,317,907	4,188,019
Non-controlling interests	27,556	-
Total net assets	25,427,513	23,070,621
Total liabilities and net assets	35,678,999	33,528,501

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, 2025	For the six months ended September 30, 2026
Net sales	11,610,493	10,437,397
Cost of sales	4,582,662	4,637,455
Gross profit	7,027,831	5,799,941
Selling, general and administrative expenses		
Freight and packing costs	178,120	162,971
Salaries and allowances	2,096,351	2,106,271
Retirement benefit expenses	67,531	60,292
Legal welfare expenses	192,255	190,093
Welfare expenses	180,378	247,308
Provision of allowance for doubtful accounts	208	(262)
Travel and transportation expenses	136,345	107,886
Depreciation	688,378	737,141
Research and development expenses	470,662	534,684
Commission expenses	1,741,468	1,712,323
Other	1,067,994	977,397
Total selling, general and administrative expenses	6,819,697	6,836,108
Operating profit (loss)	208,133	(1,036,167)
Non-operating income		
Interest income	143	100
Foreign exchange gains	42,206	34,199
Other	7,661	6,119
Total non-operating income	50,011	40,419
Non-operating expenses		
Interest expenses	91,706	125,237
Share of loss of entities accounted for using equity method	25,040	29,560
Other	11,228	10,763
Total non-operating expenses	127,975	165,561
Ordinary profit (loss)	130,169	(1,161,309)
Extraordinary income		
Gain on sale of non-current assets	-	4,995
Total extraordinary income	-	4,995
Extraordinary losses		
Loss on retirement of non-current assets	14,184	15,768
Loss on discontinued product	7,723	8,473
Total extraordinary losses	21,908	24,242
Profit (loss) before income taxes	108,261	(1,180,556)
Income taxes - current	51,377	(33,099)
Income taxes - deferred	(18,260)	628,831
Total income taxes	33,116	595,731
Profit (loss)	75,144	(1,776,288)
Profit (loss) attributable to non-controlling interests	5,344	(26,663)
Profit (loss) attributable to owners of parent	69,800	(1,749,624)

Semi-annual Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Profit (loss)	75,144	(1,776,288)
Other comprehensive income		
Deferred gains or losses on hedges	(36,191)	(18,309)
Foreign currency translation adjustment	(51,293)	(163,101)
Remeasurements of defined benefit plans, net of tax	6,506	50,629
Total other comprehensive income	(80,978)	(130,780)
Comprehensive income	(5,833)	(1,907,068)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,172	(1,879,512)
Comprehensive income attributable to non-controlling interests	(7,005)	(27,556)

(3) Notes to the Semi-annual 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 Semi-annual 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.

(Segment Information, etc.)

I. The Six Months Ended 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

(In thousand yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded on semi-annual 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 semi-annual 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 September 30, 2026 (from April 1 to September 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 semi-annual consolidated statement of income (Note 2)
	Japan	United States	Total		
Net sales					
Revenue from contracts with customers	5,475,282	4,962,115	10,437,397	—	10,437,397
Net sales to external customers	5,475,282	4,962,115	10,437,397	—	10,437,397
Inter-segment net sales or transfers	—	1,759,648	1,759,648	(1,759,648)	—
Total	5,475,282	6,721,763	12,197,046	(1,759,648)	10,437,397
Segment Loss	(50,882)	(1,035,936)	(1,086,819)	50,652	(1,036,167)

Notes: 1. The adjustment for segment loss includes ¥50,652 thousand in elimination of inter-segment transactions.
2. Segment loss is adjusted with operating loss in the semi-annual 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.

(Significant Subsequent Events)

- Workforce reductions and other rationalization measures at our consolidated subsidiary in the United States

On October 15, 2026 (U.S. time), we decided to implement rationalization measures including workforce reductions at Ortho Development Corporation (hereinafter, “ODEV”), our consolidated subsidiary in the United States.

1. Reasons for rationalization including workforce reductions

The Group is promoting a profitability structure reform in both the Japanese and U.S. businesses, aiming to respond to changes in the business environment, restore business performance, and strengthen the earnings base. As profitability improvement is a key management issue for ODEV, whose sales have been declining, we have decided to review the organizational structure to align with the business scale, improve operational efficiency, and reduce fixed costs. As part of these initiatives, we have decided to implement workforce reductions at ODEV.

These initiatives do not involve ODEV’s withdrawal. We are implementing rationalization measures while maintaining functions necessary for business continuity, such as product supply and quality, and regulatory affairs.

2. Details of rationalization including workforce reductions

(1) Target departments	Some departments at ODEV
(2) Target number of employees	About 51 (planned)
(3) Implementation timing	Implemented sequentially from October 15, 2026 (U.S. time)
(4) Retirement program	Apply ODEV's retirement program to target employees

3. Impacts on business results

In connection with this matter, the Company expects to record retirement-related expenses in the fiscal year ending March 31, 2027. The total amount of such retirement-related expenses, the expected reduction in personnel expenses for the fiscal year ending March 31, 2027, the impact of these factors on the Company’s consolidated financial results for the same fiscal year, and the expected reduction in personnel expenses for the fiscal year ending March 31, 2028 and thereafter are currently under review. If any revision to the Company’s financial forecasts or any other matter requiring disclosure arises in the future, the Company will promptly announce it.

4. Overview of ODEV

(1) Name	Ortho Development Corporation
(2) Location of head office	Draper, Utah, the United States
(3) Title and name of the representative	CEO, Hiroyuki Minamiya
(4) Business description	Development, manufacturing and sale of medical devices
(5) Share capital / Equity ownership ratio	$23,278 thousand, 99.4% (as of March 31, 2026)

3. Other

Sales

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

Name and item of each segment			Six months period under review (from April 1 to September 30, 2026)	Compared to the same period last year
			Amount (in thousand yen)	(%)
Medical devices	Japan		5,475,282	86.1
		Joint	1,947,826	80.5
		Trauma	1,885,155	90.3
		Spine	1,497,670	85.9
		Other	213,011	107.3
		Subtotal	5,543,664	85.9
		Sales deduction	(68,382)	―
	United States		4,962,115	94.6
		Joint	4,962,115	94.7
		Spine	―	―
Total			10,437,397	89.9
			Ratio (%)	Change (%)
Sales ratio of our own products			79.3	(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. 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.