November 4, 2026

Company name	Japan Medical Dynamic Marketing, INC.
Name of representative	Toshiyuki Hironaka President and Representative Director (Securities code: 7600 ; Tokyo Stock Exchange Prime)
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Notice Regarding the Clarification of Management Responsibility and the Promotion of a Business Improvement Plan

The Company takes very seriously the consolidated financial results for the second quarter of the fiscal year ending March 31, 2027, the downward revision of the full-year consolidated financial forecast, and the revision of the dividend forecast, all of which were announced today. Accordingly, the Company has decided to clarify management responsibility and to promote a business improvement plan aimed at achieving an early recovery in business performance and stabilizing its financial base, as described below.

1. Clarification of Management Responsibility

The Company recorded a significant operating loss and a loss attributable to owners of parent for the cumulative second quarter period of the fiscal year ending March 31, 2027, and has revised downward its full-year consolidated financial forecast as well as revised its year-end dividend forecast to no dividend. Taking these results seriously, and from the perspective of clarifying management responsibility, the Company will reduce executive compensation as follows.

- With regard to basic compensation, reduction measures have already been implemented since the beginning of the current fiscal year. In addition to this, the Company will review performance-linked compensation and stock compensation as follows.
- With respect to the President and Representative Director, in addition to the reduction in basic compensation already implemented since the beginning of the fiscal year, performance-linked compensation for the current fiscal year will not be paid and stock compensation will not be granted, resulting in an approximate 54% reduction in total annual compensation.
- With respect to the other executive officers, in addition to the reduction in basic compensation already implemented since the beginning of the fiscal year, performance-linked compensation and stock compensation for the current fiscal year will be reviewed, resulting in an approximate 23% to 41% reduction in total annual compensation depending on position.
- With respect to independent outside directors who are not Audit and Supervisory Committee members, the Company will accept the voluntary return of 15% of their monthly compensation for the five-month period from November 2026 through March 2027, subject to each director’s request and consent.
- With respect to independent outside directors who are Audit and Supervisory Committee members, the Company will accept the voluntary return of 5% to 10% of their monthly compensation for the five-month period from November 2026 through March 2027, subject to each director’s request and consent.

The Company's management will take full responsibility for restoring business performance and rebuilding its financial base, and will steadily implement the following measures.

2. Measures to Restore Business Performance and Improve Cash Flow

(1) Measures to Restore Sales

- In Japan, based on analyses of sales, case volumes, and customer and sales activity data, we will narrow our focus to priority customers and products, and strengthen sales activities aimed at promoting continued use following new product adoption and recovering case volumes at existing customers.
- In the United States, we will review, on a monthly basis, variances between actual sales and plans, and advance both the implementation and review of measures aimed at restoring sales.

(2) Measures to Improve Manufacturing Costs

- We will promote a shift to direct procurement from Japan and Asia, mainly for trauma and spine products, in order to reduce procurement costs across the Group.

(3) Structural Reform at U.S. Subsidiary

- At Ortho Development Corporation, our U.S. subsidiary ("ODEV"), workforce reductions were implemented in October 2026.
- While proceeding with reductions in fixed costs through workforce reductions, we will maintain functions necessary for business continuity, including product supply, quality assurance, and regulatory affairs.

(4) Measures to Reduce Expenses and Improve the Profit Structure

- We will review expenses and capital expenditures across the Group and work to curb cash outflows.
- We will review the priorities of development themes and investment projects and promote a more selective and focused allocation of investment.

(5) Measures to Improve Cash Flow

- Based on demand and inventory levels, we will review procurement and production volumes in order to optimize inventory and reduce the funding burden.
- At ODEV, we will strengthen management by monitoring on a monthly basis new purchase orders, outstanding orders, future purchasing plans, and actual receipts separately, together with inventory balances and cash flow.

3. Future Outlook

Although workforce reductions at ODEV are expected to reduce personnel and labor costs, one-time expenses such as retirement-related costs will be incurred in the fiscal year ending March 31, 2027. Taking into account these costs and the effects of the structural reforms, the Company will work from this fiscal year to improve its earnings structure and cash generation capability.

The Company will strive to restore business performance and recover corporate value by aiming to return to operating profitability, achieve stable positive free cash flow, and stabilize its financial base.

We would like to express our sincere apologies for the significant concern this has caused to our shareholders, investors, and all other stakeholders. Going forward, the management team will work together as one to restore business performance and rebuild trust.

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.