日本エムディエム
JAPAN MEDICAL DYNAMIC MARKETING

Japan Medical Dynamic Marketing,INC.

Financial Results Briefing for the Second Quarter (Interim Period) of the Fiscal Year Ending March 2027

November 13, 2026

Representative Director and President
Toshiyuki Hironaka

TSE Prime Market
Securities code：7600

Copyright © Japan Medical Dynamic Marketing, INC. All Rights Reserved.



- Agenda -

1. Results for the First Half of the Fiscal Year Ending March 2027		P. 3
- Consolidated Net Sales		P. 4
- Consolidated Statement of Income		P. 5
- Year-on-Year Analysis of Operating Profit		P. 6
- Consolidated Net Sales by Major Product Category		P. 7
Japanese Market		P. 8
- Total Sales in Japan		P. 9
- Sales in Japan – Joint		P.10
- Sales in Japan – Trauma		P.11
- Sales in Japan – Spine		P.12
U.S. Market		P.13
- Total Sales in U.S.		P.14
- Sales in U.S. – Knee Joints		P.15
- Sales in U.S. – Hip Joints		P.16
2. Full-Year Earnings Forecast for the FYE March 2027		**P.17**
- Forecast Assumptions		P.18
- Consolidated Statement of Income (Revised Forecast)		P.19
- Consolidated Net Sales by Major Product Category (Revised Forecast)		P.20
- Revision to the Dividend Forecast and Future Shareholder Return Policy		P.21
3. Integrated Implementation of Growth Strategies and Structural Reforms		P.22
- Overview of Structural Reforms and Growth Strategies		P.23
- Structural Reform ① — ODEV (U.S.)		P.24
- Structural Reform ② — JMDM (Japan)		P.25
- Growth Strategy ① — Japan: Focus on Four Priority Areas		P.26
- Growth Strategy ② — U.S.: Rebuilding the Sales Base		P.27
- Growth Strategy ③ — Expansion into a New Business Area		P.28

Results for the First Half of the FYE March 2027

1

Our Product Segments


Hip Joints


Trauma


Knee Joints


Spine

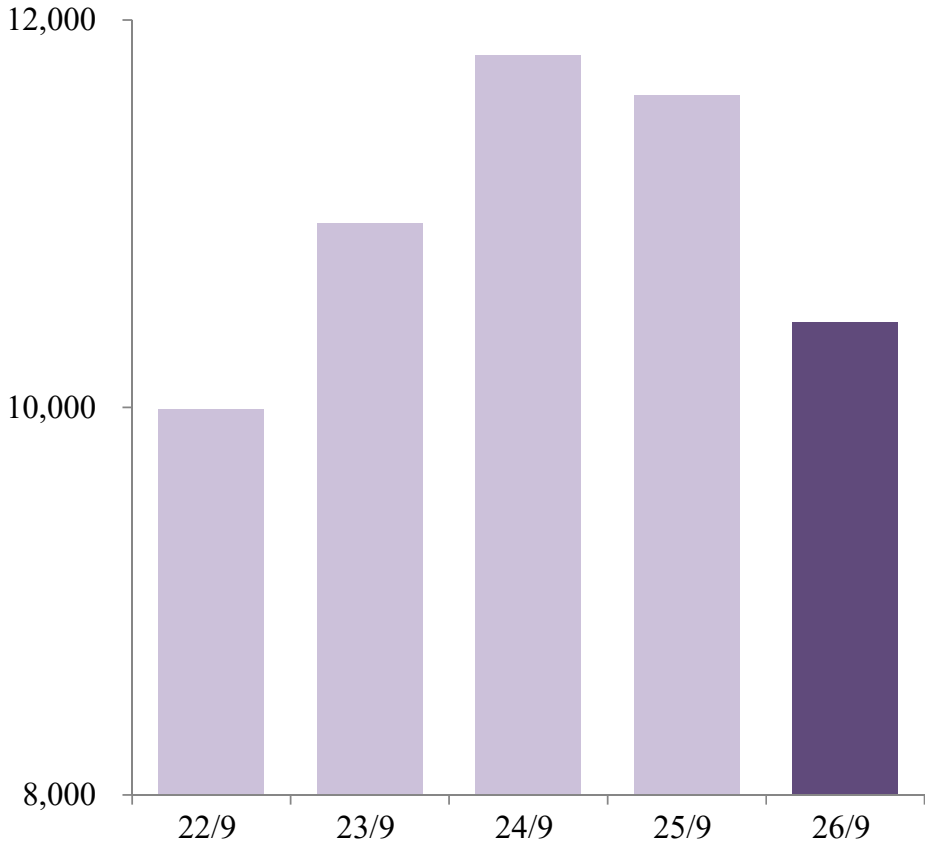
日本エム・ディ・エム
JAPAN MEDICAL DYNAMIC MARKETING

Consolidated Net Sales

Sales

YoY Change

(Unit : Millions of yen)



10,437M yen
(△10.1% YoY)
【After sales deductions】

10,437M yen
(△1,173M yen)

Japanese Market

【After sales deductions】

5,475M yen
(vs. 25/9 △13.9%)

U.S. Market

【After converting to yen】

4,962M yen
(vs. 25/9 △5.4%)

Exchange rate impact: +270M yen

Consolidated Statement of Income

(Unit: Millions of yen, %)	First Half FYE Mar. 2027		YoY change		First Half FYE Mar. 2026	
	Results	Ratio to sales	Amount of change	Ratio of change	Results	Ratio to Sales
Net sales	**10,437**	**100.0**	**△ 1,173**	**△ 10.1**	**11,610**	**100.0**
Cost of sales	4,637	44.4	+54	+1.2	4,582	39.5
SG&A	6,836	65.5	+17	+0.2	6,819	58.7
Operating profit (loss)	**△ 1,036**	**△ 9.9**	**△ 1,244**	**-**	**208**	**1.8**
Ordinary profit (loss)	**△ 1,161**	**△ 11.1**	**△ 1,291**	**-**	**130**	**1.1**
Interim net profit (loss)*	**△ 1,749**	**△ 16.8**	**△ 1,819**	**-**	**69**	**0.6**

* Profit (loss) attributable to owners of parent.

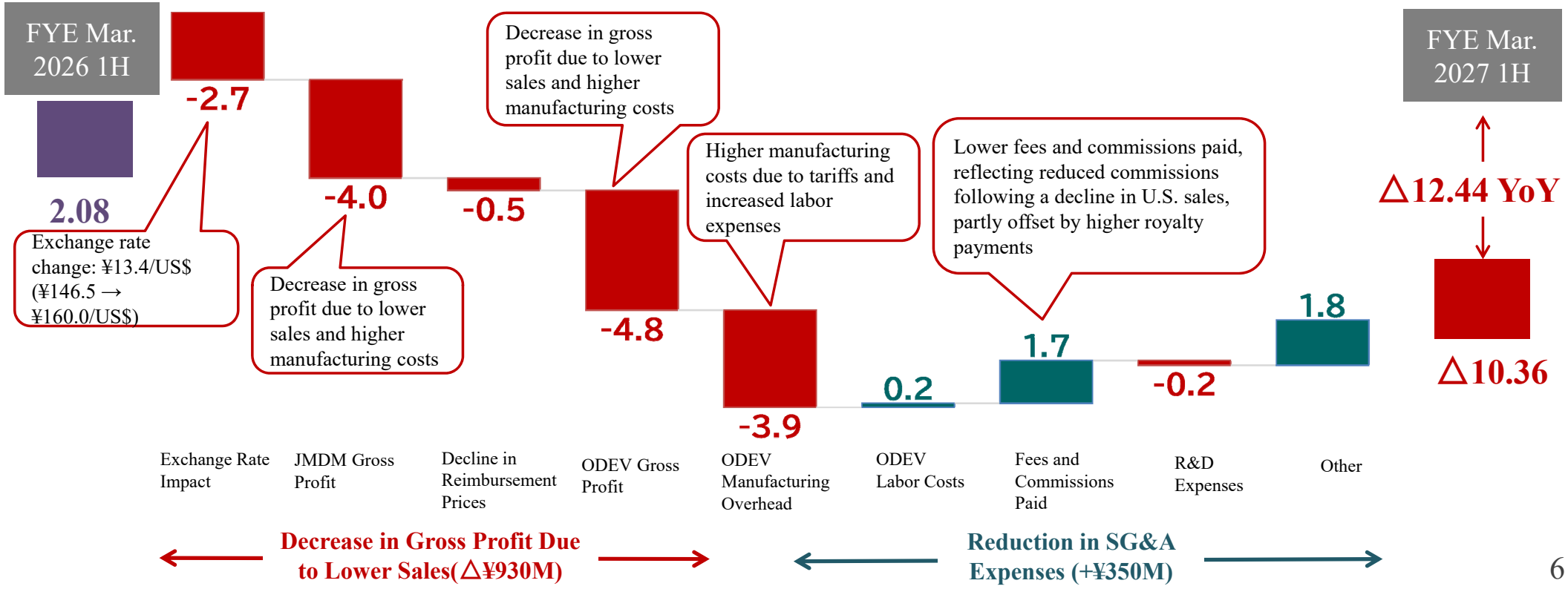
Item	Main factor
Net sales	Sales declined in both Japan and the U.S.
Cost of sales	Reduced production at the U.S. subsidiary increased the burden of fixed manufacturing costs. Yen depreciation also raised the cost of imported goods purchased in Japan.
SG&A	Higher R&D and employee benefit expenses, together with the impact of yen depreciation, were partly offset by lower fees and commissions paid.
Operating loss	Mainly due to lower gross profit from reduced sales and a higher cost of sales ratio.
Ordinary loss	In addition to the operating loss, interest expenses increased.
Interim net loss	Deferred income tax expense of ¥629 million was recorded following the reversal of deferred tax assets at the U.S. subsidiary.

Operating Income: Analysis of Increase/Decrease

(Unit: ¥100 million)
△1,030M

Operating profit fell from ¥200 million in the same period last year to an operating loss of ¥1.03 billion, a year-on-year decline of ¥1.24 billion. Gross profit decreased by ¥930 million due to lower sales and by a further ¥390 million due to higher manufacturing costs, including tariffs and labor costs. Although SG&A expenses were reduced by ¥350 million, partly due to lower commissions, these savings were insufficient to offset the impact of lower sales and higher manufacturing costs, resulting in a substantial deterioration in operating results.

Operating Income: Analysis of Increase/Decrease (Unit: ¥100 million)
Note: Increases in SG&A expenses are shown as negative figures in the graph.



Consolidated Net Sales by Location / Product

(Unit: Millions of yen, %)	First Half FYE Mar. 2027 Results	First Half FYE Mar. 2027 Ratio to Sales	Year-on-Year Change Amount of change	Year-on-Year Change Ratio of change		First Half FYE Mar. 2026 Results	First Half FYE Mar. 2026 Ratio to Sales
Japan	**5,475**	**52.5**	**△ 887**	**△ 13.9**		**6,362**	**54.8**
Joint	1,947	18.7	△ 473	△ 19.5		2,421	20.9
Trauma	1,885	18.1	△ 203	△ 9.7		2,088	18.0
Spine	1,497	14.3	△ 246	△ 14.1		1,743	15.0
Other	213	2.0	+14	+7.3		198	1.7
Subtotal	5,543	53.1	△ 907	△ 14.1		6,451	55.6
Sales deductions*4	△ 68	△ 0.7	+20	△ 23.2		△ 89	△ 0.8
U.S.*1	**4,962**	**47.5**	**△ 285**	**△ 5.4**		**5,247**	**45.2**
Joint	4,962	47.5	△ 276	△ 5.3		5,238	45.1
Total	**10,437**	**100.0**	**△ 1,173**	**△ 10.1**		**11,610**	**100.0**
Sales of Own-Brand Products*2	**8,335**	**79.3**	**△ 972**	**△ 10.5**		**9,307**	**79.6**
U.S. Sales (US$)*3	**31,007**		**△ 4,796**	**△ 13.4**	#	**35,803**	
*1 U.S. sales are converted into yen using the average exchange rate for the period.	160.03		+13.45			146.58	

*2 The ratio is calculated using sales before sales deductions as the denominator. *3 In thousands of U.S. dollars. *4 Sales deductions resulting from the application of the Accounting Standard for Revenue Recognition.

Japanese Market



Japanese Market

Total Sales in Japan

Sales for the First Half

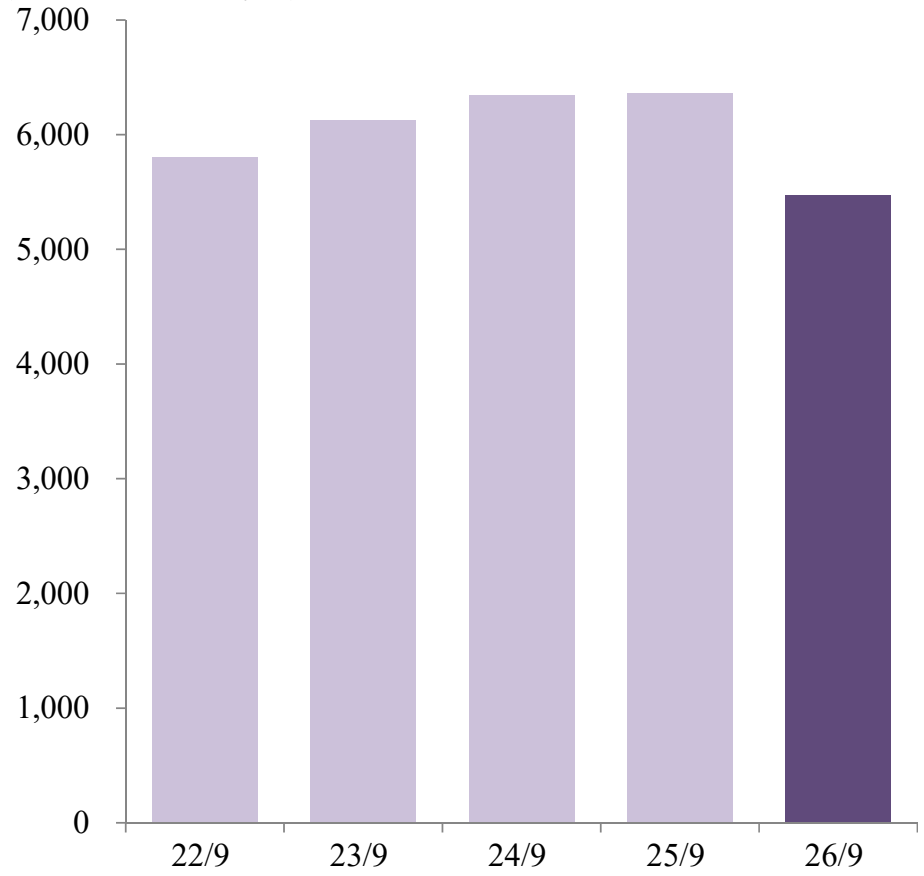
YoY Change

5,475M yen

(△13.9%)

【After sales deductions】

(Unit: Millions of yen)



Review

5,475M yen

(△887M yen)

- ✓ **Sales declined in Joint replacement products, trauma, and spine.**
- ✓ **In the joint segment in particular, opportunities for sales discussions decreased at some medical institutions, and some institutions deferred adopting our products.**

Japanese Market

Sales in Japan - Joint

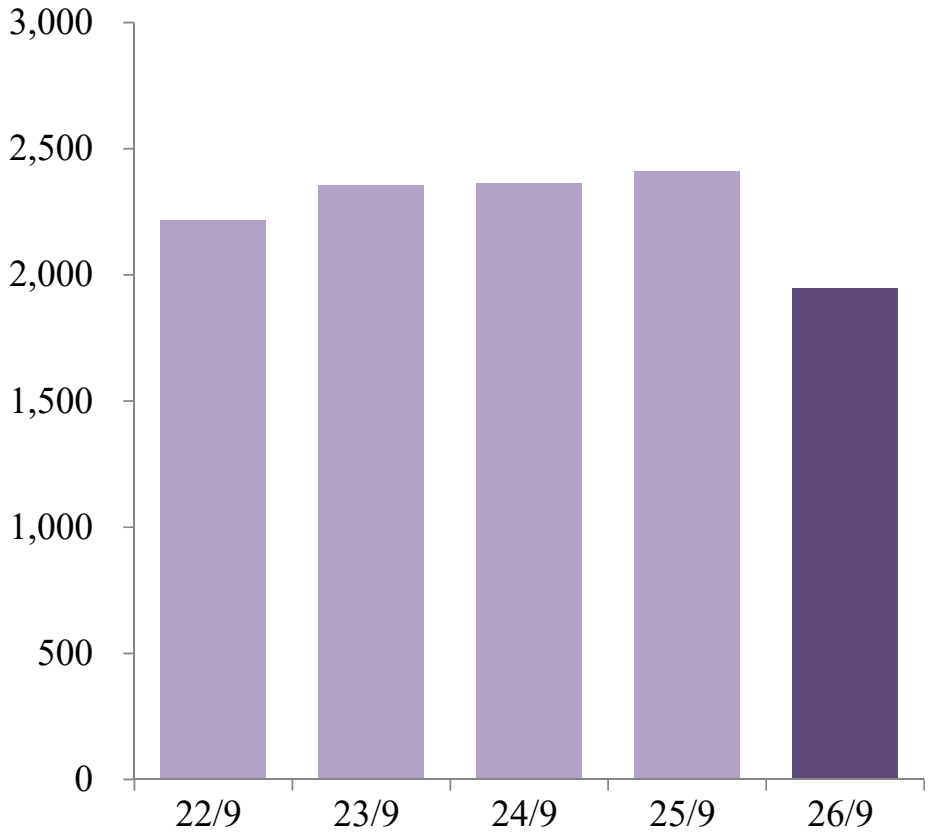
Sales for the First Half

1,947M yen

YoY Change

(△19.5%)

(Unit: Millions of yen)



Review

【Hip Joints】— Year-on-year decline

THA (Total Hip Arthroplasty): Sales declined significantly as opportunities for sales discussions decreased at some medical institutions and some institutions deferred adopting our products.

- ✓ **BHA (Bipolar Hip Arthroplasty): Sales declined as opportunities for sales discussions decreased at some medical institutions.**

Products	Products	
		
Entrada Hip Stem	Promontory Hip Stem	Ovation Tribute NEO Stem

【Knee Joints】— Year-on-year decline

Products	Products
	
BKS TriMax	Balanced Knee System Uni

Sales in Japan - Trauma

Japanese Market

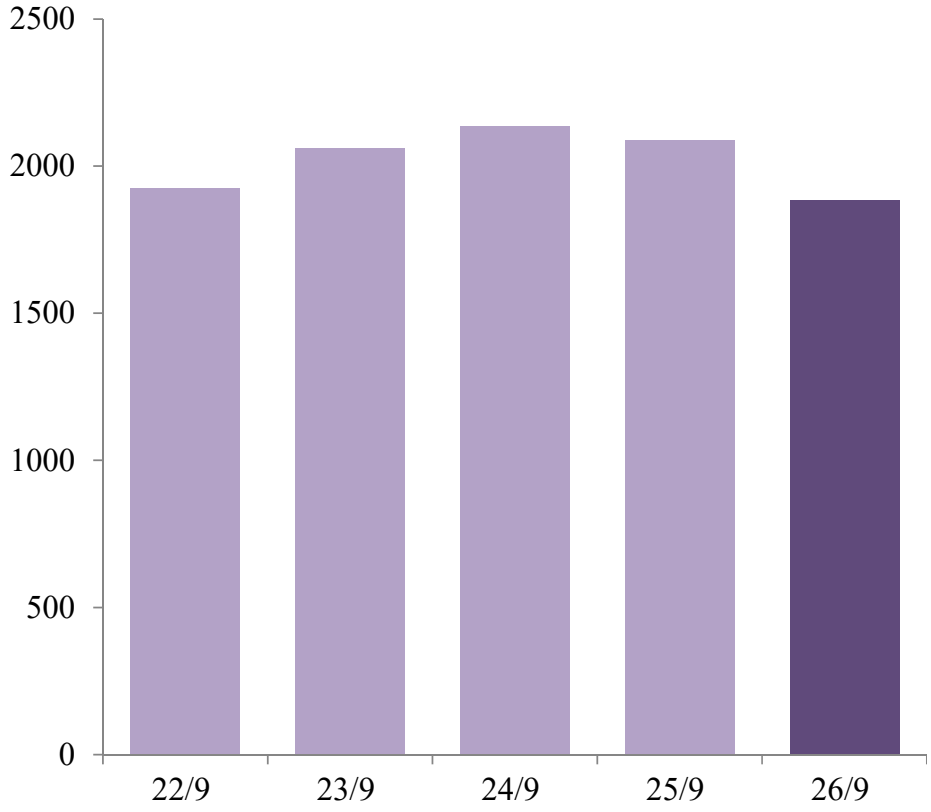
Sales for the First Half

YoY Change

1,885M yen

(△9.7%)

(Unit: Millions of yen)



Review

✓ **Main products: Year-on-year decline**

・Sales of both PHS, a product for treating femoral neck fractures, and ASULOCK, a product for treating intertrochanteric femoral fractures, declined due to intensifying competition.

Main Products and Third-party Products



PHS



PHS Side Plate



ASULOCK

Japanese Market

Sales in Japan - Spine

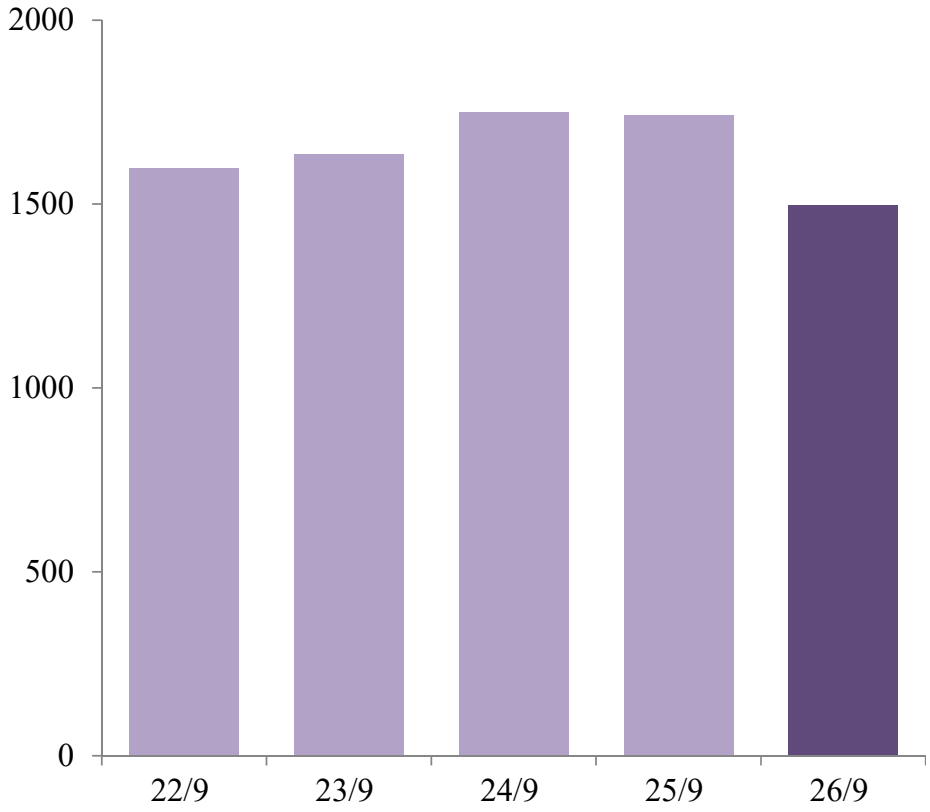
Sales for the First Half

1,497M yen

YoY Change

(△14.1%)

(Unit: Millions of yen)



Review

- ✓ **BKP: Sales declined significantly, affected by a substantial reduction in the reimbursement price for the KMC Kyphoplasty System.**
- ✓ **The number of cases secured for products such as pedicle screws declined.**

Main Products and Third-party Products



Lince Plate



Linceα Plate



Vusion Ti 3D cage



Vusion ARC cage



KMC Balloon Kyphoplasty

U.S Market



U.S Market

Total Sales in U.S.

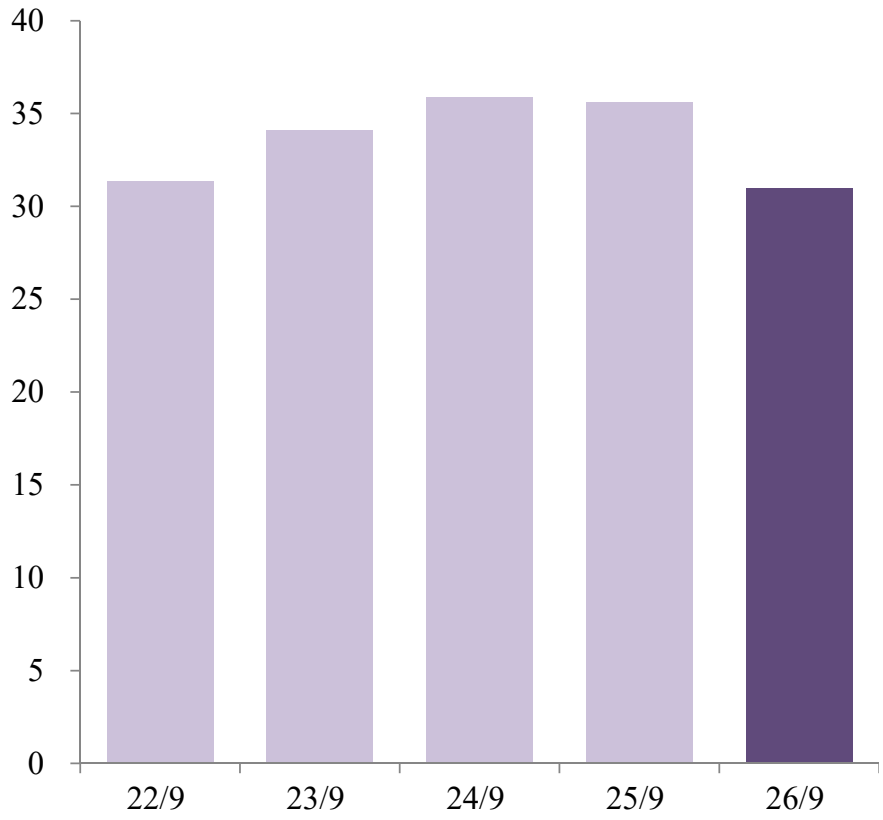
Sales for the First Half

YoY Change

31.0M US$

(△13.4%)

(Unit: Millions of dollars)



Review

4,900M yen
(△280M yen)

- ✓ **Although supply constraints for knee joint products have eased, U.S. sales declined significantly year on year due to reduced business with some major existing customers.**

Average exchange rate: ¥160.03/US$
(Previous year: ¥146.58/US$)

U.S Market

Sales in U.S. - Knee Joints

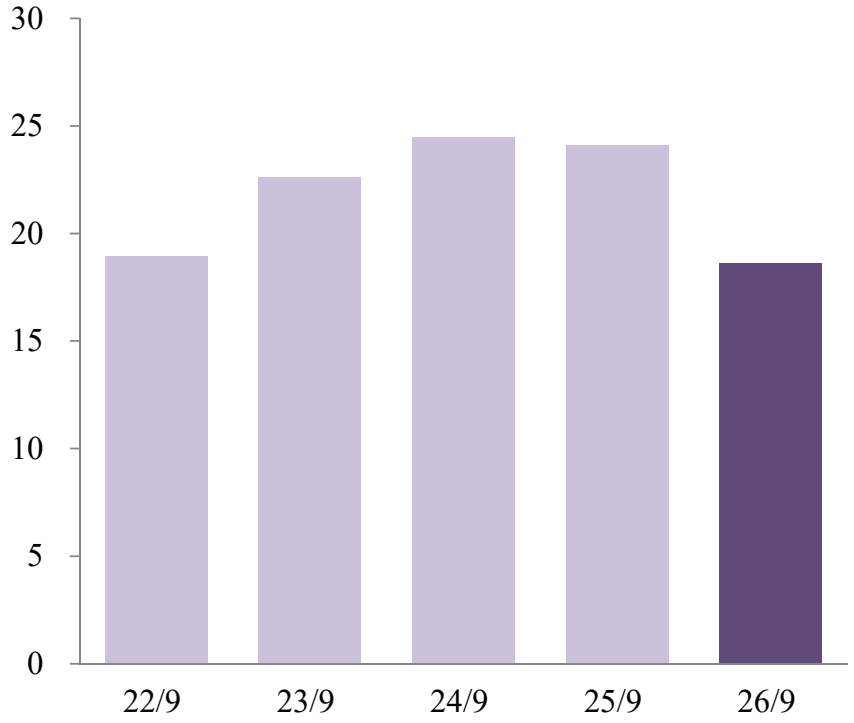
Sales for the First Half

18.5M US $

YoY Change

(△23.2%)

(Unit: Millions of dollars)



* Excluding sales of "KASM" to DePuy Synthes and other items.

Review

✓ **BKS TriMax and BKS Revision Knee: Double-digit sales declines**

Although delivery delays have been resolved, sales to some existing customers have declined. At the same time, the relative competitiveness of our products has weakened amid growing demand for products based on new concepts.

Main Products



Double-digit sales decline



Double-digit sales decline

BKS TriMax | BKS Revision Knee



Double-digit growth

BKS Uni

U.S Market

Sales in U.S. - Hip Joints

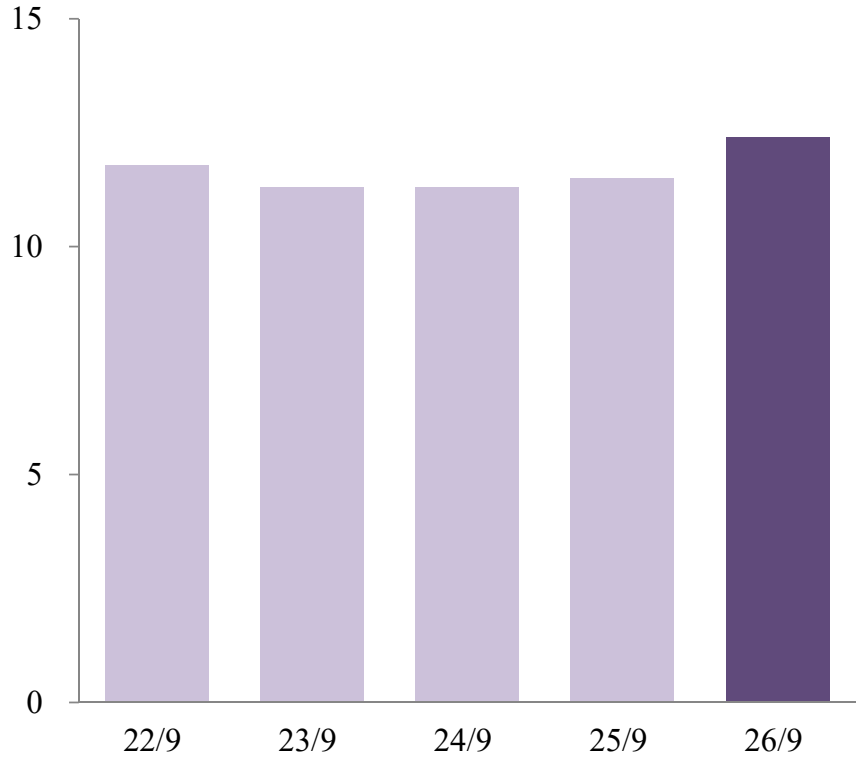
Sales for the First Half

12.4M US $

YoY Change

(+8.0%)

(Unit: Millions of U.S. dollars)



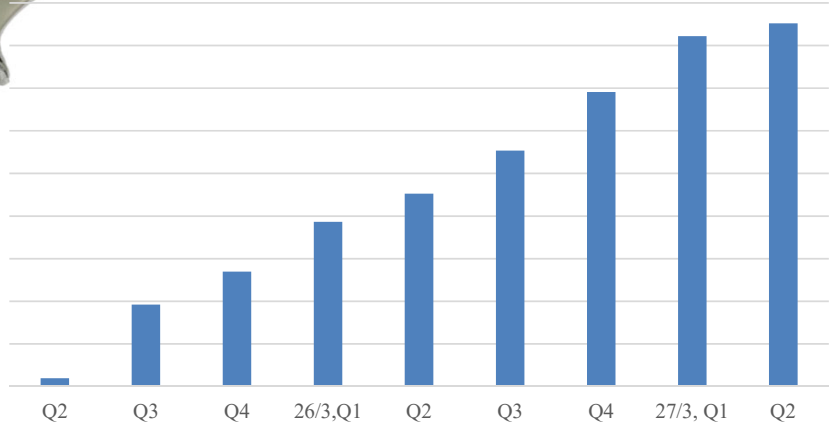
Review

- ✓ **New Product — Trivicta Hip Stem: Growth is accelerating**
- ✓ **Entrada Hip Stem: The number of cases secured declined**

New Product **Trivicta Hip Stem**
Market Trend: Triple-Taper Stems

Aim to increase sales by acquiring new customers





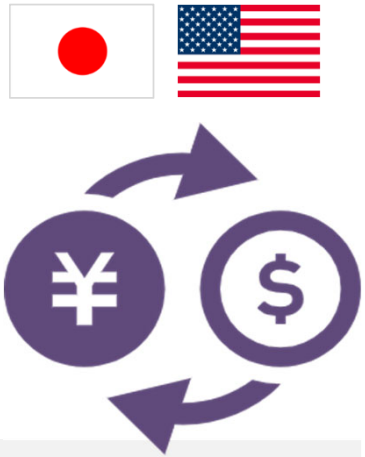
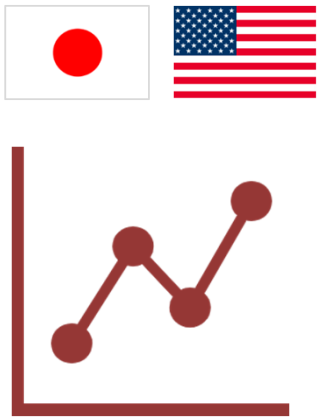
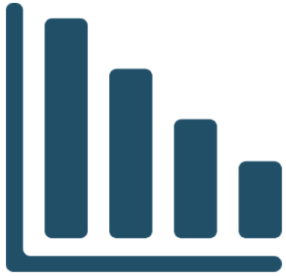
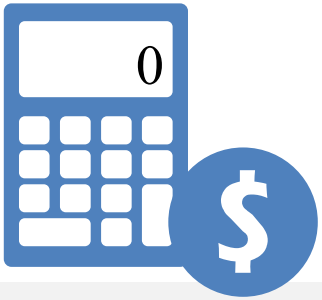
Full-Year Earnings Forecast for the FYE March 2027

2

日本エム・ディ・エム
JAPAN MEDICAL DYNAMIC MARKETING

Assumptions (Revised)

Full-Year Earnings Forecast for the FYE March 2027

	Exchange rate (US$)	Exchange rate sensitivity	Reimbursement price reductions	Cost of Sales
				
FYE Mar. 2027 Forecast	Assumed exchange rate: ¥158.0/US$ for the second half (full-year average: ¥159.0/US$)	Second-half operating profit: +¥8M for each ¥1 appreciation of the yen (full-year sensitivity: ¥35M per ¥1 change)	Expected year-on-year deterioration of ¥100M (0.9%) due to reimbursement price reductions	Cost of sales ratio: 43.3%
FYE Mar. 2026 Results	¥150.9/US$		Year-on-year deterioration of ¥60M (0.5%)	Cost of Sales Ratio: 40.9%

Consolidated Statement of Income (Revised Full-Year Forecast)

(Unit: Millions of yen, %)	FYE Mar. 2027 (Full Year) Forecast	Ratio to Sales	YoY Change Amount of Change	Rate of Change	FYE Mar. 2026 (Full Year) Results	Ratio to Sales
Net sales	**21,700**	**100.0**	**△ 2,217**	**△ 9.3**	**23,917**	**100.0**
Cost of sales	9,400	43.3	△ 375	△ 3.8	9,775	40.9
SG&A	13,800	63.6	+232	+1.7	13,567	56.7
Operating profit (loss)	**△ 1,500**	**△ 6.9**	**△ 2,074**	**-**	**574**	**2.4**
Ordinary profit (loss)	**△ 1,750**	**△ 8.1**	**△ 2,284**	**-**	**534**	**2.2**
Net profit (loss)*	**△ 2,500**	**△ 11.5**	**△ 2,763**	**-**	**263**	**1.1**

* Net profit (loss) attributable to owners of parent.

Item	Main Reasons for the Forecast Revision
Net sales	Continued weak sales in Japan and the U.S., and delays in launching new products planned for the second half.
Cost of sales	A higher cost of sales ratio due to lower production levels at the U.S. subsidiary, a greater burden of fixed manufacturing costs, and higher procurement costs; higher costs of imported goods purchased in Japan due to yen depreciation.
SG&A	Higher R&D expenses and the impact of yen depreciation are expected to continue, partly offset by savings from workforce reductions.
Operating loss	Mainly due to lower gross profit from reduced sales and a higher cost of sales ratio.
Ordinary loss	Reflects the operating loss and an increase in interest expense.
Net loss*	Reflects the above factors and the recognition of ¥629 million in deferred income tax expense following the reversal of deferred tax assets at the U.S. subsidiary.

Consolidated Net Sales by Location / Product (Revised Full-Year Forecast)

(Unit: Millions of yen, %)	FYE Mar. 2027 (Full Year) Forecast	FYE Mar. 2027 (Full Year) Ratio to Sales	YoY Change Amount of Change	YoY Change Rate of Change	FYE Mar. 2026 (Full Year) Results	FYE Mar. 2026 (Full Year) Ratio to Sales
Japan	**11,900**	**54.8**	**△ 1,209**	**△ 9.2**	**13,109**	**54.8**
Joint	4,230	19.5	△ 674	△ 13.8	4,904	20.5
Trauma	4,170	19.2	△ 274	△ 6.2	4,444	18.6
Spine	3,190	14.7	△ 303	△ 8.7	3,493	14.6
Other	480	2.2	+48	+11.0	432	1.8
Subtotal	12,070	55.6	△ 1,204	△ 9.1	13,274	55.5
Sales Deductions*4	△ 170	△ 0.8	△6		△164	△ 0.7
U.S.*1	**9,800**	**45.2**	**△ 1,007**	**△ 9.3**	**10,807**	**45.2**
Joint	9,780	45.1	△ 994	△ 9.3	10,774	45.0
Other	20	0.1				
Total	**21,700**	**100.0**	**△ 2,217**	**△ 9.3**	**23,917**	**100.0**
Sales of Own-Brand Products*2	**17,160**	**78.5**	**△ 1,904**	**△ 10.0**	**19,064**	**79.2**
U.S. Sales (US$)*3	**61,600**		**△ 9,979**	**△ 13.9**	**71,579**	
*1 Average exchange rate for the period (yen/US$).	159.09		+8.11		150.98	

*2 The ratio is calculated using sales before sales deductions as the denominator.

*3 In thousands of U.S. dollars. *4 Sales deductions resulting from the application of the Accounting Standard for Revenue Recognition.

Revision to the Dividend Forecast and Future Shareholder Return Policy

Year-end dividend forecast for the FYE March 2027 revised from ¥17.00 to ¥0.00 per share

■ Revision to the Dividend Forecast

- Revised the year-end dividend forecast for the FYE March 2027 from ¥17.00 to ¥0.00 per share.
- With an operating loss and significantly negative free cash flow expected, we are prioritizing business recovery and the stabilization of our financial position.

■ Future Shareholder Return Policy

- **The decision to pay no year-end dividend does not change our fundamental commitment to shareholder returns.**
- We will prioritize restoring profitability and cash-generating capacity and strengthening our financial position, with the aim of resuming dividends as soon as possible thereafter.

	Year-end Dividend per Share
Previous Forecast: ¥17.00	¥17.00
Revised Forecast: ¥0.00	¥0.00
Actual Results (FYE Mar. 2026): ¥17.00	¥17.00

Integrated Implementation of Growth Strategies and Structural Reforms

3

日本エム・ディ・エム
JAPAN MEDICAL DYNAMIC MARKETING

Overview of Structural Reforms and Growth Strategies

Rebuild our earnings base through structural reforms and accelerate investment in priority areas

Optimize fixed costs and inventory, and focus the resources generated on priority products and areas in Japan and the U.S. to restore profitability and cash-generating capacity and return to growth.

Structural Reforms (Defensive Measures) — Rebuild the Earnings Structure

A — Reform ODEV's Earnings Structure (U.S.)

Reduce headcount and fixed costs; review development and manufacturing operations; improve inventory management and supply chain management (SCM).

B — Restructure JMDM's Business (Japan)

Review suppliers through SAICO2* and focus the product portfolio on selected priorities.

※ * SAICO2 Project
An initiative to reduce costs by strengthening in-house manufacturing and procurement capabilities.

C — Strengthen Financial Health and Investment Discipline

Improve free cash flow (FCF) by optimizing inventory and capital expenditures on medical instruments and other assets, and strengthening monthly cash management.

Growth Strategies (Offensive Measures) — Restore Growth in Priority Areas

1 — Japan: Focus on Four Priority Areas

Proximal femoral fractures, femoral head replacement, hip joints, and BKP

2 — U.S.: Rebuild the Sales Base

Expand sales of Trivicta Hip Stem and ensure the launch of new products.

3 — New Area: Expand into Perioperative Care

Pre- and postoperative nutritional support (planned launch in spring 2027)

PHASE 1 — Stabilization
Second Half of the FYE March 2027
Begin reducing fixed costs and optimizing inventory.

PHASE 2 — Rebuilding
FYE March 2028
Complete the structural reforms.

PHASE 3 — Return to Growth
FYE March 2029 onward
Return to a growth trajectory driven by priority new products.

Our Goal
Restore profitability and cash-generating capacity
→ Achieve sustainable growth and enhance corporate value

Structural Reform ① - ODEV (U.S.)

Reduce fixed costs at ODEV and align its earnings structure with its sales scale.

Implement workforce reductions, with fixed cost savings of approximately ¥1.27 billion expected in the FYE March 2028.
Review development, manufacturing, and inventory management.

Workforce reduction: 51 employees

Workforce reductions are being implemented in stages from October 2026.

US$8M per year

・Annual fixed cost savings (FYE March 2028)
・Approximately ¥1.27 billion per year (converted at ¥159/US$)

	Planned Changes	Status
Workforce and Fixed Costs	Adjust staffing to a level appropriate for the scale of the business. ・Reductions primarily affect manufacturing and development, with reductions in development implemented in stages.	In Progress
Development Operations	Review development priorities and envisage outsourcing the development of certain products to bring them to market sooner (US$1.75M in the FYE March 2028).	In Progress
Manufacturing Operations	Focus manufacturing on hip and knee joint products. Move cleanroom operations to a daytime shift.	In Progress

Strengthen the Management Structure：Hire an external CFO (planned for January 2027).

Structural Reform ② - JMDM (Japan)

Review suppliers for the Japanese business and focus management resources on priority products.

Shift development and manufacturing previously concentrated at ODEV to the most suitable arrangements for each product. Review products based on growth potential and profitability to improve the cost of sales ratio and focus on priority areas.

Optimize development and manufacturing arrangements by product area (SAICO2)

Product Area	Current Approach	Future Approach
Joint (Hip and Knee)	Developed and manufactured by ODEV	**ODEV will develop and manufacture hip and knee joint products. Outsourcing the development of certain products is envisaged.**
Trauma (Fracture Treatment)	Developed and manufactured by ODEV	**Shift priority trauma products to joint development and manufacturing with suppliers in Japan.**
Spine	Developed and manufactured by ODEV	**Scale back ODEV's development operations. Transfer manufacturing of certain products to suppliers in Japan and overseas.**

※ * SAICO2 Project
An initiative to reduce costs by strengthening in-house manufacturing and procurement capabilities.

Focus the Product Portfolio on Selected Priorities

- Evaluate each product based on growth potential and ROIC.
- Reduce inventory by discontinuing unprofitable products and eliminating unnecessary SKUs (product items).
- Focus management resources on highly profitable products.
- Conduct an annual review and make ongoing adjustments.

Restore Trust and Review the Sales Organization

- Provide thorough compliance training to all employees.
- Renew the corporate culture through the KIZUNA Project, which promotes understanding and adoption of our code of conduct.
- Review the sales organization and staffing based on sales performance by region.

Growth Strategy ① - Japan: Focus on Four Priority Areas

Focus on four priority areas in Japan to increase the number of cases secured.

We aim to increase the number of cases secured by focusing sales resources on proximal femoral fractures, femoral head replacement, hip joints, and BKP; introducing new products; restoring the trust of medical institutions; strengthening sales expertise; and optimizing our sales organization.

Trauma
Proximal Femoral Fractures

Target Procedure

Surgical fixation of intertrochanteric femoral fractures using intramedullary nails or other fixation devices

Increase the number of cases secured through new product launches.

Joint：BHA
Femoral Head Replacement

Target Procedure

Surgery to replace the femoral head with a prosthetic femoral head following a femoral neck fracture

Increase the number of cases secured by introducing a new stem product.

Joint：THA
Total Hip Replacement

Target Procedure

Surgery to replace the entire hip joint with an artificial joint to treat conditions such as hip osteoarthritis

Increase the number of cases secured with new products and surgical support tools.

Spine
BKP

Target Procedure

Balloon-assisted reduction of an osteoporotic vertebral fracture, followed by fixation with bone

Further expand sales with products that meet market needs.

Strengthening Sales Capabilities

Restoring Trust

Restore trust through thorough compliance training and a renewal of our corporate culture under the KIZUNA Project.

Expertise and Sales Activity

Enhance expertise through sales training, increase activity in priority areas, and create more opportunities to present our products.

Optimizing the Sales Organization

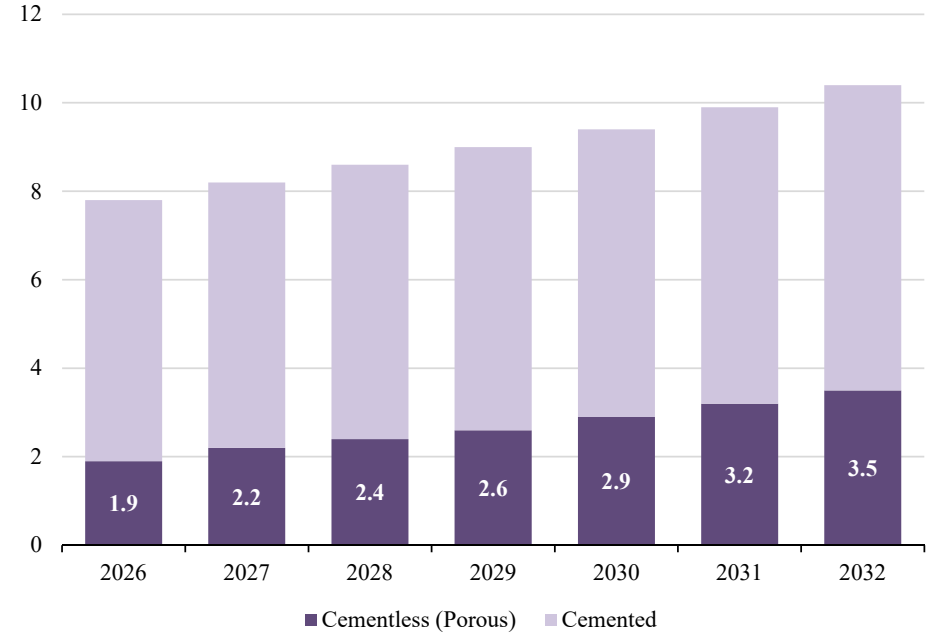
Consider continuously reviewing the sales organization and staffing based on sales performance by region.

Growth Strategy ② - U.S.: Rebuilding the Sales Base

In the U.S., we aim to return to a growth trajectory by stabilizing supply and rebuilding our sales network.
We will first restore the trust of existing customers through a stable product supply, while expanding sales of growth products, launching new products, and reorganizing our sales structure.

Supply	**Restore Trust Through Stable Supply** Ensure a stable supply of priority products by securing safety stock.
Products	**Drive Growth with Growth Products and New Products** Hip joints: Expand sales of Trivicta Stem and launch a new cup product. Knee joints: Expand sales of BKS Revision and launch a new cementless product.
Sales Network	**Rebuild the Sales Network** Rebuild the distributor network under the new head of sales.

U.S. Knee Replacement Market Forecast (US$ billions)



Cementless share: 25% (2026) → 34% (2032)

Source: Company estimates based on the ORTHOWORLD Orthopaedic Industry Annual Report (May 2026) and other sources.

Growth Strategy ③ - Expansion into a New Business Area

Make Nutritional Support Before and After Surgery a New Business Area

In addition to implants and medical instruments, develop a new business providing perioperative nutritional support to help patients recover.

	Prevention and Preoperative Care	Surgery	Postoperative Care and Rehabilitation	At-Home Care and Daily Life
	NEW	Existing Business	NEW	NEW
Patient Needs	Prepare for surgery in good physical and nutritional condition	Undergo a safe and reliable procedure	Recover quickly and return to daily life	Maintain the ability to walk for as long as possible
What We Offer	**Nutritional Support**	**Implants and Medical Instruments**	**Nutritional Support**	**Ongoing Nutritional Support**

Nutritional Supplements

Customers Patients undergoing surgery for fracture treatment (primarily older adults)

Sales Channel Through medical institutions

Contributing to Medical Care Through the Development and Sale of Advanced Medical Devices.

Japan Medical Dynamic Marketing, INC.

Investor Relations Office

E-MAIL

ir@jmdm.co.jp

IR Website

https://www.jmdm.co.jp/ir/

日本エムディエム
JAPAN MEDICAL DYNAMIC MARKETING

Regarding forward-looking statements

- Forward-looking statements in this presentation, including earnings forecasts, are based on information currently available to the Company and certain assumptions that the Company considers reasonable. These statements do not constitute a guarantee that the forecasts will be realized.
- Actual results may differ significantly due to various factors.

Copyright © Japan Medical Dynamic Marketing, INC. All Rights Reserved.