Japan Medical Dynamic Marketing,INC.

The Six Months Ended of Financial Results Briefing for the Fiscal Year Ending March 2026

November 12, 2025

Representative Director and President
Toshiyuki Hironaka

TSE Prime Market
Securities code：7600

- Agenda -

Results for the Six Months Ended of the FYE March 2026

1

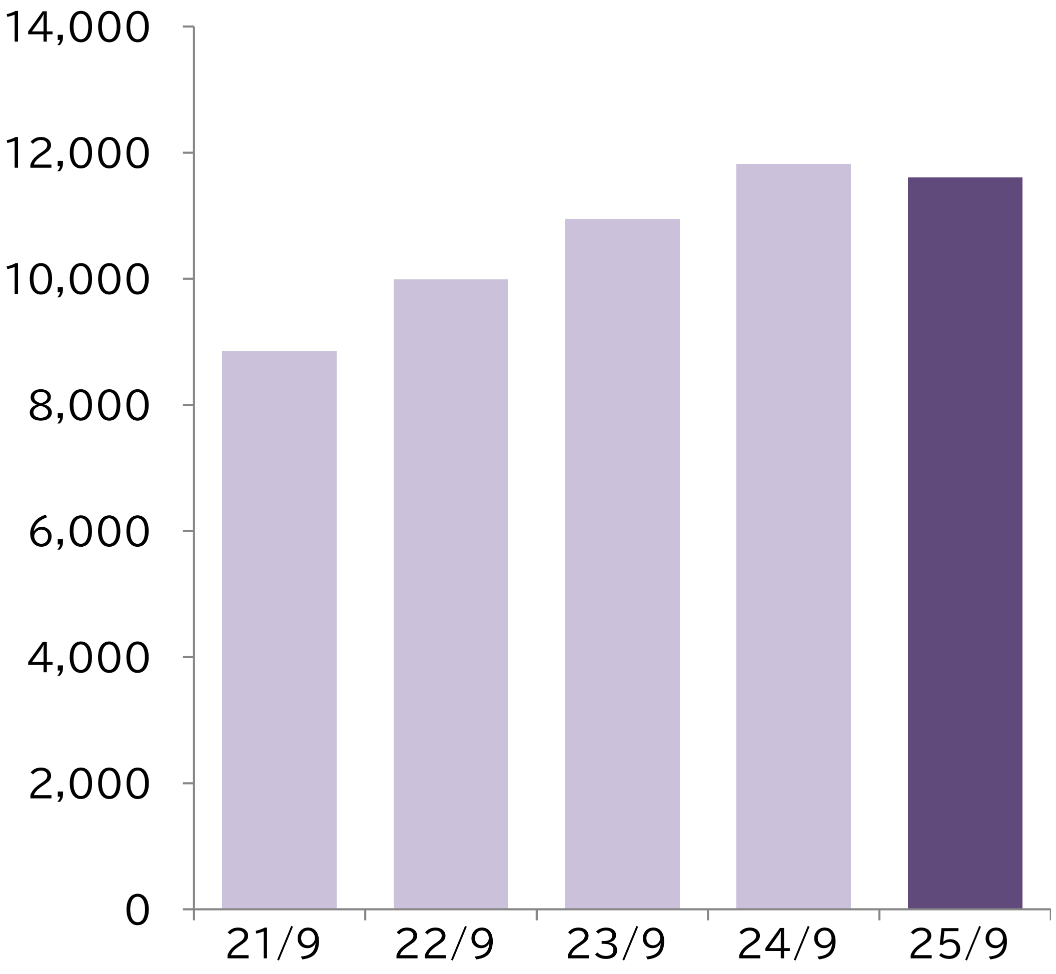
日本エム・ディ・エム
JAPAN MEDICAL DYNAMIC MARKETING

Results for the Six Months Ended of the FYE March 2026

Consolidated Net Sales

Sales	11,610M yen
YoY Change	(vs24/9△1.8%)

(Unit : Millions of yen)

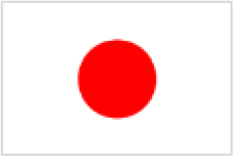


11,610M yen

(△207M yen)

Japanese Market

【After sales deductions】



6,362M yen

(vs24/9 +0.3%)

U.S. Market

【After converting to yen】

5,247M yen

(vs24/9 △4.2%)

(Exchange rate impact △200 million yen)

Consolidated Statement of Income

(Unit : Millions of yen , %)	FYE Mar.2026 interim period		YoY change		FYE Mar.2025 interim period	
	Results	Ratio to sales	Amount of change	Ratio of change	Results	Ratio to sales
Net sales	**11,610**	100.0	△ 207	△ 1.8	11,817	100.0
Cost of sales	4,582	39.5	+272	+6.3	4,310	36.5
SG&A	6,819	58.7	△ 18	△ 0.3	6,837	57.9
Operating profit	**208**	1.8	△ 461	△ 68.9	669	5.7
Ordinary profit	**130**	1.1	△ 534	△ 80.4	664	5.6
Interim net income*	**69**	0.6	△ 426	△ 85.9	496	4.2

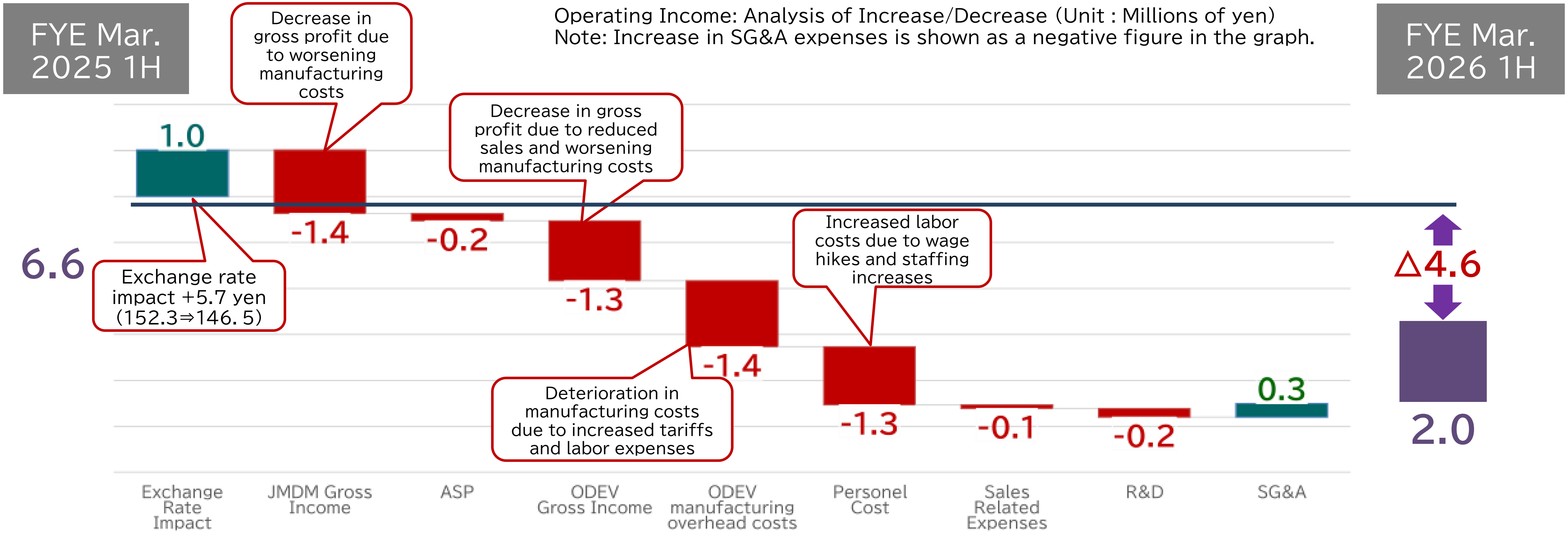
* Interim net income attributable to parent company shareholders

Comparative YoY Analysis of Operating income

Operating Profit 200M yen

Operating profit decreased by 460 M yen year-on-year, primarily due to a decline in gross profit (down 430 M yen) resulting from reduced sales and increased manufacturing overhead costs, the impact of yen appreciation on ODEV product procurement and SG&A expenses (100 M yen), and an increase in SG&A expenses (130 M yen).

Operating Income: Analysis of Increase/Decrease (Unit : Millions of yen)
Note: Increase in SG&A expenses is shown as a negative figure in the graph.



Decrease in gross profit due to worsening manufacturing costs caused by reduced sales, tariffs, and increased labor expenses (Δ430 M yen)

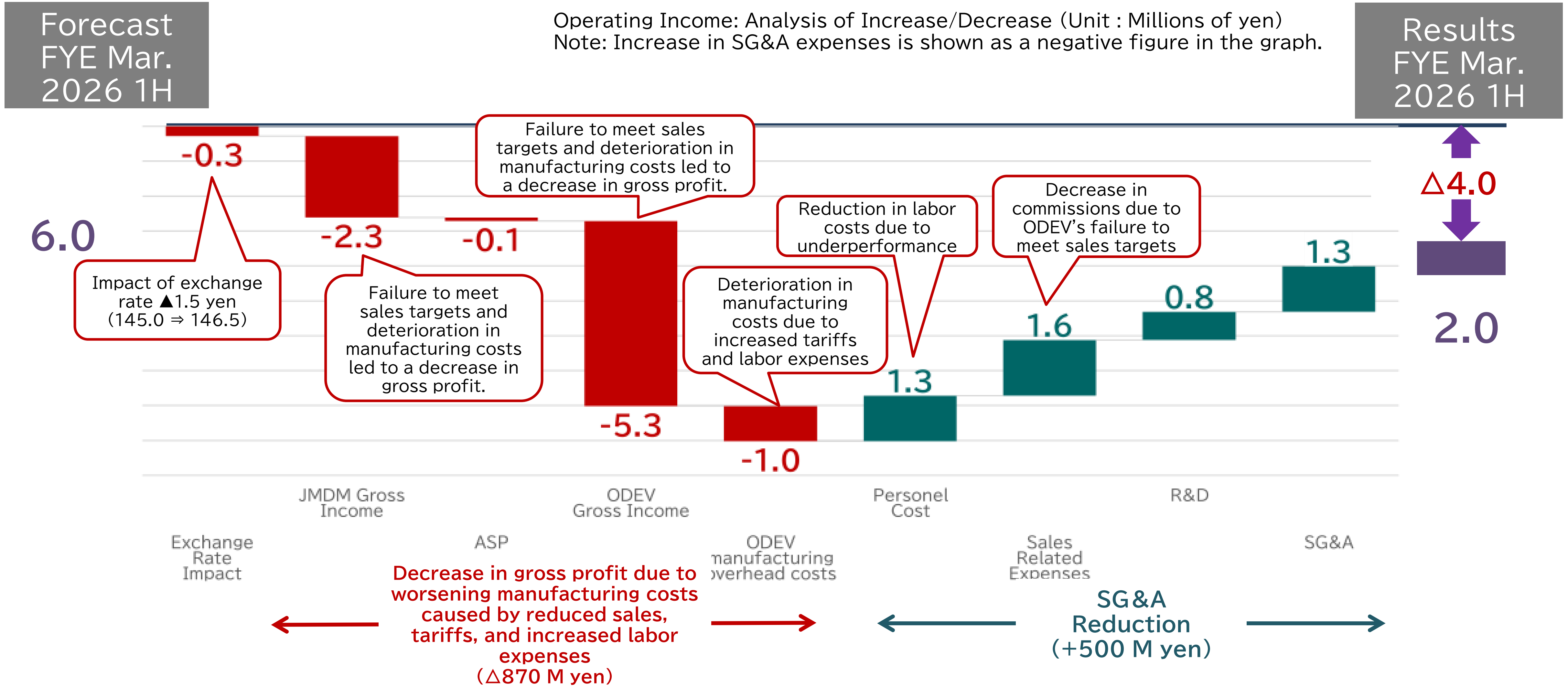
Increase in SG&A expenses (Δ130 M yen)

Operating Profit Comparison vs. Initial Forecast for 1H

Operating Profit 200M yen

Operating profit decreased by 400 M yen compared to the initial plan, despite efforts to control SG&A (500 M yen). This was due to a decline in gross profit (down 870 M yen) resulting from lower-than-planned sales, tariffs, and increased manufacturing costs stemming from worsening production costs.

Operating Income: Analysis of Increase/Decrease (Unit : Millions of yen)
Note: Increase in SG&A expenses is shown as a negative figure in the graph.



Consolidated Net Sales by Location /Product

(Unit : Millions of yen , %)	FYE Mar.2026 interim period Results	FYE Mar.2026 interim period Ratio to sales	YoY change Amount of change	YoY change Ratio of change	FYE Mar.2025 interim period Results	FYE Mar.2025 interim period Ratio to sales
Japan	6,362	54.8	+20	+0.3	6,341	53.7
Joint	2,421	20.9	+48	+2.0	2,373	20.1
Trauma	2,088	18.0	△ 46	△ 2.1	2,134	18.1
Spine	1,743	15.0	△ 6	△ 0.3	1,749	14.8
Ohther	198	1.7	+11	+5.9	187	1.6
Subtoral	6,451	55.6	+8	+0.1	6,443	54.5
Deduction *3	△ 89	△0.8	+13	-	△102	△0.9
U.S. *1	5,247	45.2	△ 228	△ 4.2	5,476	46.3
Joint	5,238	45.1	△ 223	△ 4.1	5,461	46.2
Spine	9	0.1	△ 4	△ 35.9	14	0.1
Total	11,610	100.0	△ 207	△ 1.8	11,817	100.0
Sales of Own Brand Product	9,241	79.6	△ 397	△ 1.3pt	9,638	80.9
US$ *2	35,802		△ 145	△ 0.4	35,947	
*1 Conversion rate (yen)	146.58		△ 5.76		152.34	

*2 Thousands of dollars *3 Net profit attributable to parent company

Japanese Market

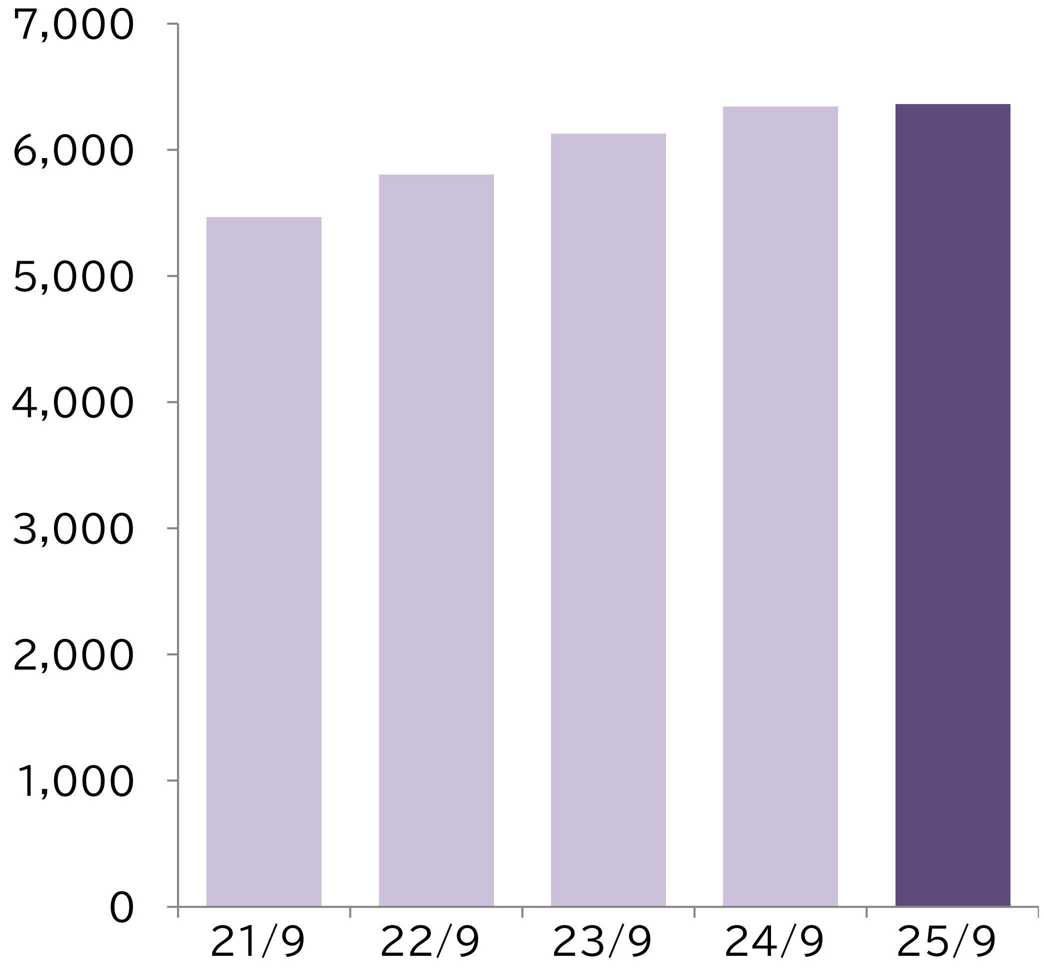
Japanese Market

Total Sales in Japan

Sales **6,362M yen**

YoY Change (vs24/9 +0.3%)

(Unit : Millions of yen)



【After sales deductions】

Review

✓Interim Period Sales High Recorded

Although sales in Trauma and Spine segments declined, growth in the Joint segment resulted in domestic Japanese sales increasing by ¥208 million (+0.3%) compared to the same period last year.

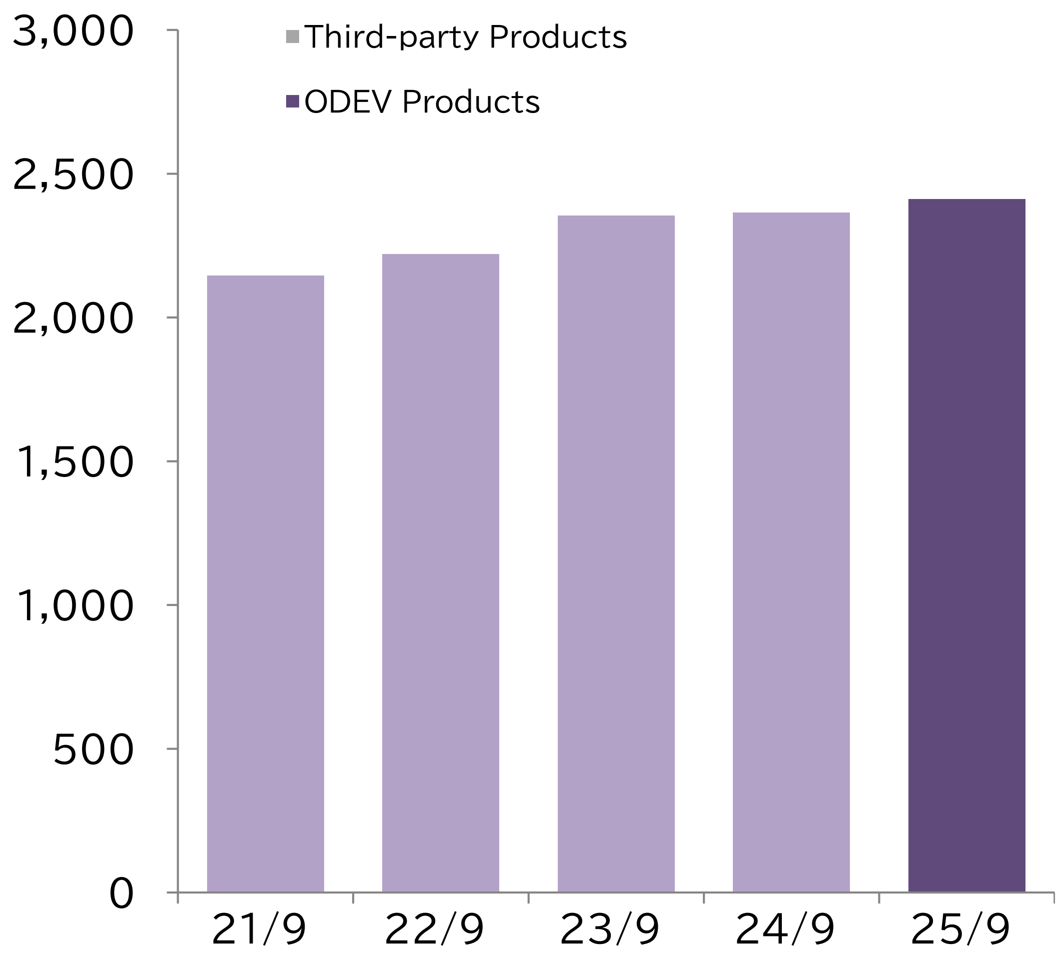
Japanese Market

Sales in Japan – Joint

Sales **2,421M yen**

YoY Change (vs24/9 +2.0%)

(Unit : Millions of yen)



【Before sales deductions】

Review

*1 THA:Total Hip Arthroplasty
*2 BHA:Bipolar Hip Arthroplasty

【Hip Joints】

✓ **THA achieved double-digit growth, partly due to the acquisition of new facilities.** *1
The number of cases using the Entrada Hip Stem product is increasing.

✓ BHA remained largely unchanged. *2

Main Product	New Products	
		
Entrada Hip Stem	Promontory Hip Stem	Ovation Tribute NEO Stem

(Scheduled to launch in 2025)

【Knee Joints】

✓ year-on-year decline

Main Product	New Product
	
BKS TriMax	Balanced Knee System Uni

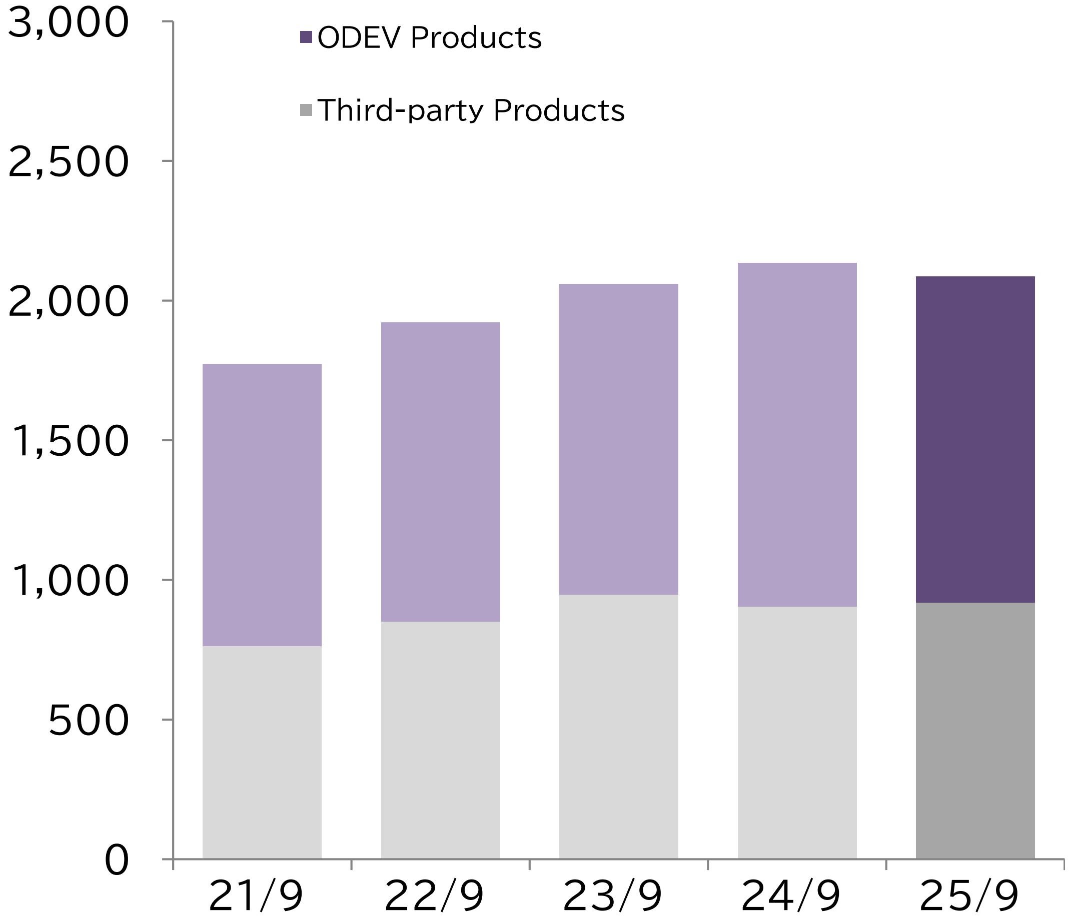
Japanese Market

Sales in Japan – Trauma

Sales: **2,088M yen**

YoY Change: (vs24/9△2.1%)

(Unit : Millions of yen)



【Before sales deductions】

Review

- ✓ Main Products
  Femoral neck fracture products
  PHS , ASULOCK
  Due to intensifying competition, **single-digit growth** compared to the same period last year
- ✓ Products scheduled for discontinuation due to portfolio review and reduced sales of Screw & Plate products due to decreased surgical procedures caused by the heatwave

Main Products , Third-party products

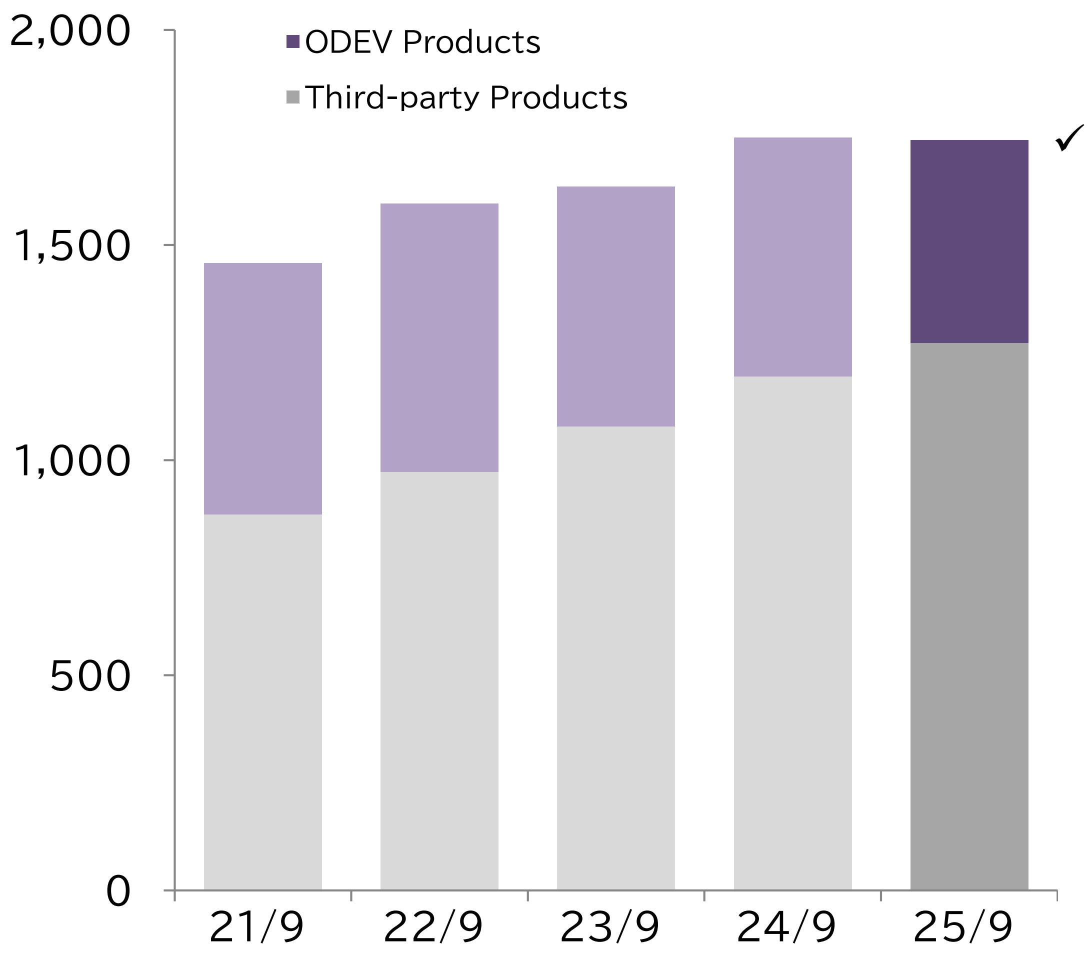
PHS	PHS Side Plate	ASULOCK

Japanese Market

Sales in Japan – Spine

Sales	**1,743**M yen
YoY Change	(vs24/9△**0.3**%)

(Unit : Millions of yen)



【Before sales deductions】

Review

- ✓ BKP:**KMC Balloon Kyphoplasty**
  Double-digit growth continues amid market expansion
- ✓ The number of acquired cases for procedures such as pedicle screws has decreased

Main products , Third-party Products

Lince Plate

Linceα Plate

Vusion Ti 3D Cage

Vusion ARC Cage

KMC Balloon Kyphoplasty

U.S Market

U.S Market

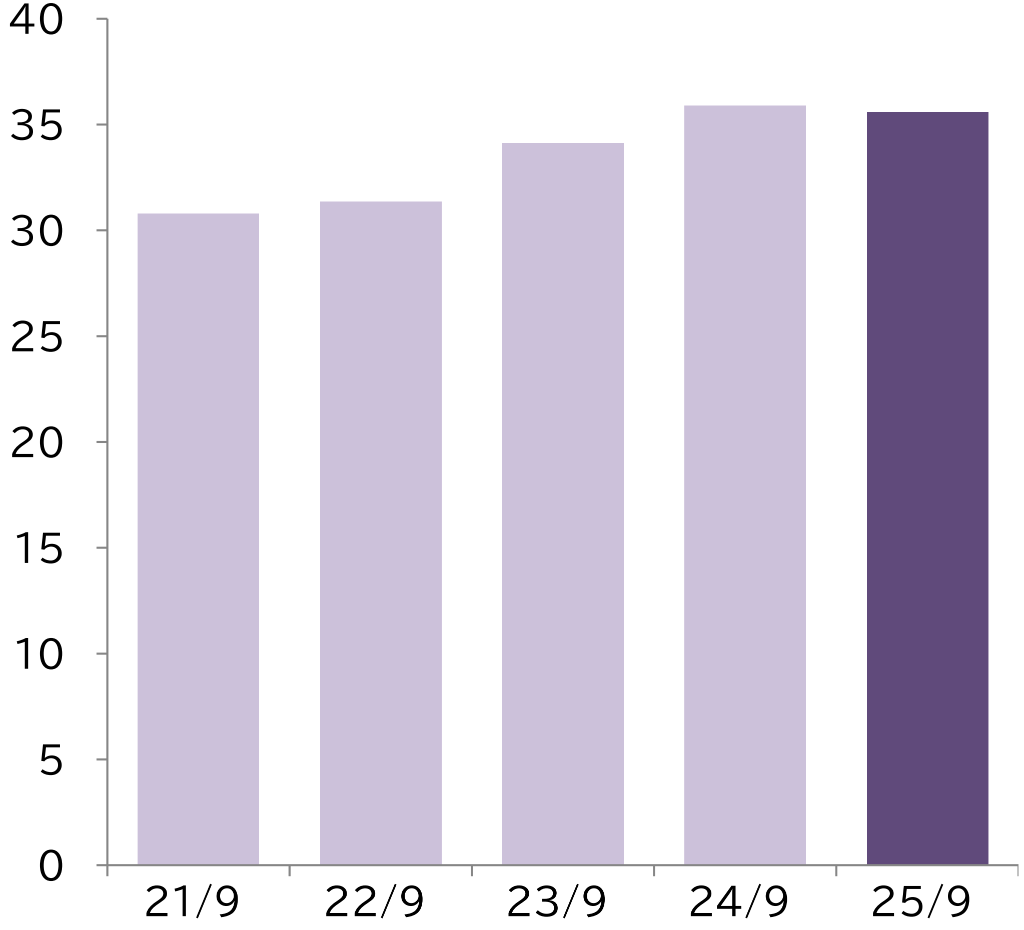
Total Sales in U.S.

Sales

YoY Change

$35.8M
(vs24/9△0.4%)

(Unit：Million of dollars)



Review

5,200 M yen
(△228 M yen)

- ✓ U.S. sales declined due to reduced sales of products affected by temporary supply constraints

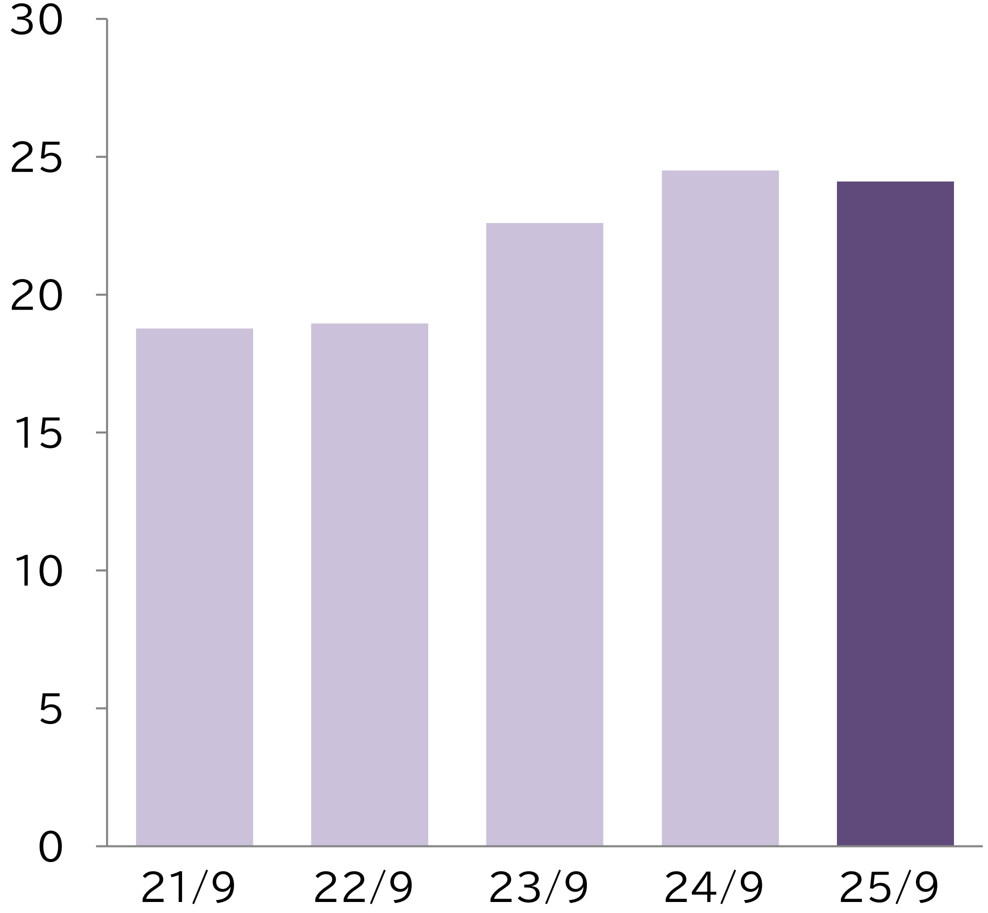
【Conversion rate :146.58yen/US$】
(24/9:152.34yen/US$)

U.S Market

Sales in U.S. – Knee joints

Sales	$ 24.1M
YoY Change	(vs24/9△1.7%)

(Unit：Million of dollars)



振り返り

✓ BKS TriMax：Double-digit growth
BKS Revision Knee：Double-digit revenue decline
Delays in delivery of certain components outsourced to external manufacturers

Main products

Double-digit growth

BKS TriMax

2桁減収

BKS Revision Knee

BKS Uni

＊ DePuy Synthes 社向け「KASM」販売等除く

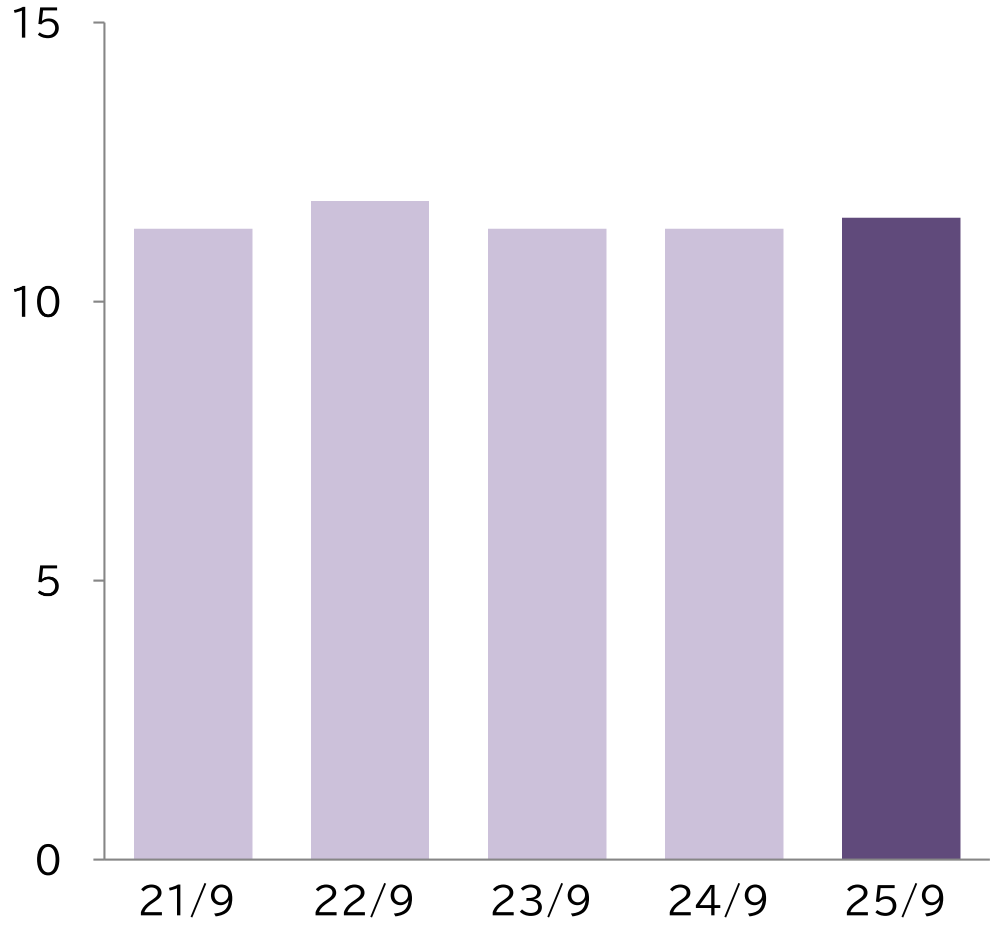
U.S Market

Sales in U.S. – Hip joints

Sales
YoY Change

$11.5M
(vs24/9+1.9%)

(Unit：Million of dollars)



＊ DePuy Synthes 社向け「KASM」販売等除く

振り返り

- ✓ **New "Trivicta Hip Stem"** Accelerated Growth
- ✓ **Entrada Hip Stem：** Decrease in the number of acquired cases

**New "Trivicta Hip Stem"
Market Trend: Introduction of Triple Taper Type Stem**

- Scheduled to begin nationwide sales in the U.S. starting Q3 of the fiscal year ending March 2026

Aiming to expand sales revenue by acquiring new customers

Main products

Decrease in number of cases

Entrada Hip Stem

Double-digit growth

Ovation Tribute Stem

Review of the Six Months Ended for the Fiscal Year Ending March 2026

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Key Initiatives and Results of the Six Months Ended of the FYE March 2026

SAICO Project Status

	Area	Details of Initiatives
Development	Japan	• Product Portfolio Review
	U.S.	• Accelerate new product development to expand product lineup
Manufacture	U.S.	• Reduction of manufacturing costs by strengthening in-house manufacturing capacity P20 • Cost reduction and risk reduction by strengthening procurement capabilities P20 P21
	China	• Started and expanded production of knee joints made in China P21
Sales	Japan	• Sales expansion through focus on existing growth products and new products P23 • Strengthen sales structure (April 1: Organizational restructuring to a business division system) Strengthen expertise and acquire new customers
	U.S.	• Leveraging new products to attract new customers P24 New Hip Joint Product “Trivicta Hip Stem” Available Contributing to growth in the hip joint segment
	China	• Expanding sales of knee joints made in China Proceeding as planned

SAICO Project Progress Report

What is the SAICO Project?

Strategic **A**ctionable **I**nitiatives for **C**ost **O**ptimization
A project launched by our group with the aim of reducing costs by strengthening our in-house manufacturing capabilities and procurement capabilities

1. Reduction of manufacturing costs by strengthening in-house manufacturing capabilities

Strengthening manufacturing capacity through capital investment (ODEV)

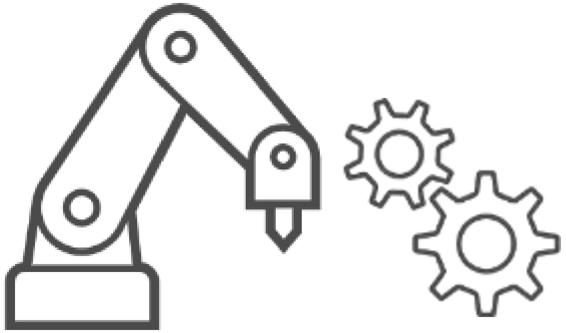
Expanded manufacturing facilities at ODEV (example)

- **ODEV to expand manufacturing facilities**
- Promoting enhancement of in-house manufacturing capabilities

2-1. Cost reduction and risk mitigation through enhanced procurement capabilities

Supplier consolidation (ODEV)

ODEV has begun outsourcing part of its manufacturing processto multiple suppliers.



- **Achieved diversification of suppliers in the US and promoting stabilization of ODEV's manufacturing and supply capabilities**
- Promoting cost reduction through multiple company integration
- Supply constraints are currently occurring for knee joints due to delivery delays from a new supplier.

2-2. Cost reduction and risk mitigation through enhanced procurement capabilities

Procurement of Chinese-made medical instruments (manufactured by WOMA)

Medical instruments (partial) for knee joint product "BKS TriMax"

- Beginning in February 2024, we will begin supplying BKS TriMax medical instruments to the U.S. market.
- We have achieved a 30% cost reduction compared to manufacturing in the U.S., but we are closely monitoring the impact of the Trump administration's reciprocal tariffs.

Production transfer to the Asian region, including Malaysia

- We are proceeding with the transfer of production for products sold in the Japanese market to the Asian region, including Malaysia.
- Avoiding the impact of U.S. reciprocal tariffs through overseas procurement in the U.S.
- Feasibility study for direct shipments to Japan

2-3. Cost reduction and risk mitigation through enhanced procurement capabilities

Reduction in manufacturing costs through procurement from regions less affected by exchange rate fluctuations

Femoral head for hip joints New product "JMDM BIOCERAM AZUL Ceramic Head" *1 (Sales began in Japan in March 2025)

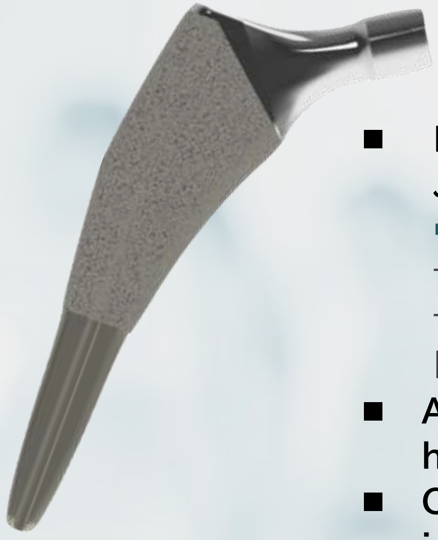
*1 BIOCERAM AZUL is a registered trademark of Kyocera Corporation

- **Switched procurement of some main products from the U.S. to Japan to avoid exchange rate risks and reduce procurement costs**

【Japan New Product Information】 Hip joint Ovation Tribute NEO Stem

In the Japanese market, a new product with a new concept has been added to our hip joint product group, and we are expecting to expand domestic sales.

Hip joint stem
"Ovation Tribute NEO Stem"
(Sales begin in Mar. 2025)



【Features of the new product】

- **Developed as a treatment material for Japanese**
  ➡ Not only is the neck shape suitable for Japanese, but the stem is shorter than previous products, allowing for bone reservation.
- **Also suitable for patients of short height**
- **Contributing to the reduction of capital investment in medical instruments**
  ➡ Standardized with the medical instruments of the conventional product OVATION Tribute Hip Stem.

March 2025
Ovation Tribute NEO Stem Additional Sales Begin

Ovation Tribute Stem Series Overall
4% growth (1H)

【U.S. New Product Information】Hip joint Trivicta Hip Stem

We have commenced nationwide sales of the new "Trivicta Hip Stem" product, featuring a triple-taper shape that meets growing demand in the U.S. market, aiming to acquire new customers.

Scheduled to begin nationwide sales in the U.S. starting in Q3 of the FYE March 2026

トリプル・
テーパーステム

Hip Stem
「Trivicta Hip Stem」

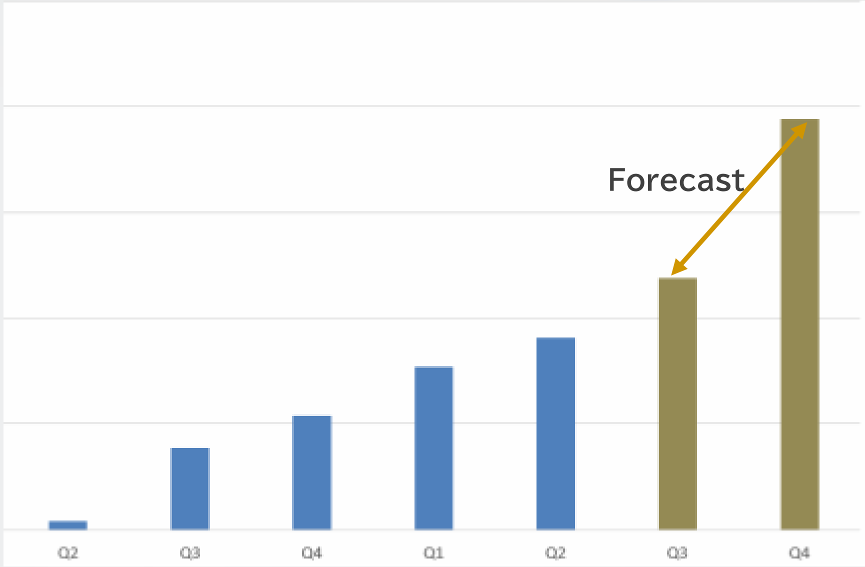
【Features of the new product】

- **Stem shape with three tapered planes(triple taper) shape**
  - ➡ Compatible with surgical techniques that preserve soft tissue, expected to fit a variety of patient spinal canal shapes.
- **Sintered bead coating**
  - ➡ Promotes bone growth within the beads and is expected to promote long-term stable fixation.
- **Hydroxyapatite (HA) coating**
  - ➡ HA coating is expected to promote biological fixation

Sales begin September 2024
Alpha launch ends October 2026 (30 sets available)

30 sets ⇒ increased production to 80 sets

【Trivicta Hip Stem Sales Trends】



Factors Contributing to the Deterioration of the Cost of Sales Ratio

➡Cost of Sales Ratio: 39.5% (+3 Pt YoY)

Revenue decline due to supplier supply issues

➡Sales decreased due to supply constraints of key products such as the knee joint product "Balanced Knee System – Revision."

Increased labor and other indirect costs, worsening manufacturing costs due to mutual tariffs under the Trump administration

➡ Declining ASP in the U.S.
➡ Labor costs and other indirect costs are increasing
➡ U.S. Reciprocal Tariffs +100 M yen

SAICO Project

- Expanding In-House Manufacturing
- Multiple Suppliers
- Improving in-house manufacturing costs
- Establishing a scheme for direct shipments from countries such as Malaysia to Japan

⇩

- Establishing an Efficient Supply Chain
- Cost of Sales Ratio Reduction

Strengthening Compliance Management

Measures to Prevent Recurrence of the Damages Claim Lawsuit Occurring at the U.S. Subsidiary

Project Phase 1

Project Phase 2

■ Efforts to Prevent Recurrence

Project Phase 1

1. July 2025 : Utilization of External Consultants
2. Initiation and Progress Management of Initiatives Based on the Recurrence Prevention Action Program
3. Revision of Internal Regulations

Project Phase 2

1. Addition of internal regulations based on U.S. government and industry rules
2. Implementation of Compliance Training for Employees
3. January 2026 : Appointment of Chief Compliance Officer

Full-Year Earnings Forecast for March 2026

3

日本エム・ディ・エム
JAPAN MEDICAL DYNAMIC MARKETING

Prerequisites

Assumptions underlying the full-year earnings forecast for the FYE March 2026

Exchange Rate (US＄)	Exchange Rate Fluctuation Impact	Reimbursement Price Reductions	Manufacturing cost
Assumed exchange rate 2H：152.0yen (Yen/US＄)	Operating profit for the 2H：approximately 15M per 1yen	No Impact on Reimbursement Price	Impact of Additional Tariffs by the Trump Administration：US$0.7M
FYE March 2025 (actual)152.5 (yen/US dollar)		FYE March 2025 (actual)15 M yen (0.1%)	NA

Full-Year Earnings Forecast for March 2026

(After correction) Consolidated Income Statement

(Unit : Millions of yen , %)	FYE Mar.2026 (full year) Forecast	FYE Mar.2026 (full year) Ratio to sales	Compared to previous period Amount of change	Compared to previous period Ratio of change	FYE Mar.2025 (full year) Results	FYE Mar.2025 (full year) Ratio to sales
Net sales	**24,800**	100.0	△ 314	△ 1.3	25,114	100.0
Cost of sales	9,900	39.9	+432	+4.6	9,467	37.7
SG&A	14,200	57.3	+109	+0.8	14,090	56.1
Operating profit	**700**	2.8	△ 855	△ 55.0	1,555	6.2
Ordinary profit	**550**	2.2	△ 938	△ 63.1	1,488	5.9
Interim net income*	**300**	1.2	+761	–	△ 461	△ 1.8

* Interim net income attributable to parent company shareholders

(Comparison with initial forecast) Consolidated Income Statement

(Unit : Millions of yen , %)	FYE Mar.2026 (Full year)		Increase/decrease		FYE Mar.2026 Initial forecast	
	Forecast	Ratio to sales	Amount of change	Ratio of change	Forecast	Ratio to sales
Net sales	24,800	100.0	△ 1,600	△ 6.1	26,400	100.0
Cost of sales	9,900	39.9	+150	+1.5	9,750	36.9
SG&A	14,200	57.3	△ 600	△ 4.1	14,800	56.1
Operating profit	700	2.8	△ 1,150	△ 62.2	1,850	7.0
Ordinary profit	550	2.2	△ 1,150	△ 67.6	1,700	6.4
Interim net income*	300	1.2	△ 1,150	△ 79.3	1,450	5.5

* Interim net income attributable to parent company shareholders

Full-Year Earnings Forecast for March 2026

(After correction) Consolidated Net Sales by Location/Product

(Unit : Millions of yen , %)	FYE Mar.2026 (full year)		Compared to previous period		FYE Mar.2025 (full year)	
	Forecast	Ratio to sales	Amount of change	Ratio of change	Results	Ratio to sales
Japan	13,700	55.2	+66	+0.4	13,634	54.3
Joint	5,350	21.6	+112	+2.2	5,237	20.9
Trauma	4,620	18.6	△ 33	△ 0.7	4,653	18.5
Spine	3,520	14.2	△ 23	△ 0.7	3,543	14.1
Ohther	410	1.7	+2	+0.5	407	1.6
Subtoral	13,900	56.0	+57	+0.4	13,842	55.1
Deduction *3	△200	△0.8	+8	△ 4	△ 208	△ 0.8
U.S. *1	11,100	44.8	△ 379	△ 3.3	11,480	45.7
Joint	11,090	44.7	△ 363	△ 3.2	11,449	45.6
Spine	10	0.0	△ 20	△ 67.4	30	0.1
Total	24,800	100.0	△ 314	△ 1.3	25,114	100.0
Sales of Own Brand Product	19,890	79.6	△ 553	△ 1.1pt	20,443	80.7
US$ *2	74,457		△ 822	△ 1.1	75,279	
*1 Conversion rate (yen)	149.08		△3.42		152.50	

*2 Thousands of dollars *3 Net profit attributable to parent company

Full-Year Earnings Forecast for March 2026

(Comparison with initial forecast) Consolidated Net Sales by Location/Product

(Unit : Millions of yen , %)	FYE Mar.2026 (full year)		Increase/decrease		FYE Mar.2026 Initial forecast	
	Forecast	Ratio to sales	Amount of change	Ratio of change	Forecast	Ratio to sales
Japan	13,700	55.2	△650	△4.5	14,350	54.4
Joint	5,350	21.6	△150	△2.7	5,500	20.8
Trauma	4,620	18.6	△ 180	△ 3.7	4,800	18.2
Spine	3,520	14.2	△ 180	△ 4.9	3,700	14.0
Ohther	410	1.7	△140	△25.5	550	2.1
Subtoral	13,900	56.0	△650	△4.5	14,550	55.1
Deduction *3	△200	△0.8	0	-	△200	△0.8
U.S. *1	11,100	44.8	△ 950	△ 7.9	12,050	45.6
Joint	11,090	44.7	△ 930	△ 7.7	12,020	45.5
Spine	10	0.0	△ 20	△ 66.7	30	0.1
Total	24,800	100.0	△ 1,600	△ 6.0	26,400	100.0
Sales of Own Brand Product	19,890	80.2	△ 1,320	△ 0.1pt	21,210	80.3
US$ *2	74,457		△ 8,646	△ 10.4	83,103	
*1 Conversion rate (yen)	149.08		+4.08		145.00	

*2 Thousands of dollars *3 Net profit attributable to parent company

Key Initiatives for the 2H of the FYE March 2026

	Area	Details of Initiatives
Sales		• Expanding Sales Through Strengthening Expertise and Sales Structure via Business Division System • Accelerate new product development to expand product lineup
		• Expanding Sales Nationwide with the New Product "Trivicta Hip Stem"
		• Started and expanded production of knee joints made in China
Manufacture		• Alpha Launch of Products in the Joint Segment
Sales		• Resolving supply chain issues and rebuilding a stable supply system • SAICO Project for Manufacturing Cost Reduction and Risk Mitigation • Through Enhanced Procurement Capabilities
		• Obtaining regulatory approval for Chinese-made Hip joints and commencing manufacturing • Expansion of Knee joint manufacturing

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

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- Actual results may differ significantly due to various factors.