Japan Medical Dynamic Marketing, INC.

Financial Results Briefing for the Fiscal Year Ending March 2026



May 13, 2026

President and Representative Director
Toshiyuki Hironaka

日本エム・ディ・エム
JAPAN MEDICAL DYNAMIC MARKETING

TSE Prime Market
Securities code：7600

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

-Table of Contents-

1 . Results for the FYE March 2026 P. 3
- Consolidated net sales P. 4
- Consolidated income statement P. 5
- Comparison of operating income with the previous year P. 6
- Consolidated net sales by major products 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
- U.S. Sales - Knee Joint P.15
- U.S. Sales - Hip Joint P.16

2 . Review of the FYE March 2026 P.17
- Results of FYE March 2026 for major initiatives P.18
- SAICO Project progress report P.19
- New product information P.21
- Key Factors Behind the Deterioration in the Cost-to-Sales Ratio P.22
- Strengthening Compliance and Governance Frameworks P.24
- Results of sustainability initiatives P.25

3 . Forecast for the FYE March 2027 P.26
- Prerequisites P.27
- (Interim) Consolidated income statements P.28
- (Full Year) Consolidated income statement P.29
- (Full Year) Consolidated sales by major product categories P.30
- Major Initiatives for the FYE March 2027 P.31
- FY2027 U.S. Profitability Improvement Action Plan P.32
- Trends in capital expenditure, etc. P.33

4 . Long-term VISION「RT500」1st Stage Rolling Plan2029 P.34
- Quantitative targets P.35
- Key Initiatives for the Domestic Business to Achieve the FY2029 Targets P.36
- Key Initiatives for the U.S. Business to Achieve the FY2029 Targets P.37
- Non-Compliance with TSE Prime Listing Criteria P.38

Results for the Fiscal Year Ended March 31, 2026

1

Our Product Segments


Hip Joint


Trauma


Knee Joint


Spine

JMDM
JAPAN MEDICAL DYNAMIC MARKETING

Results for the FYE March 2026

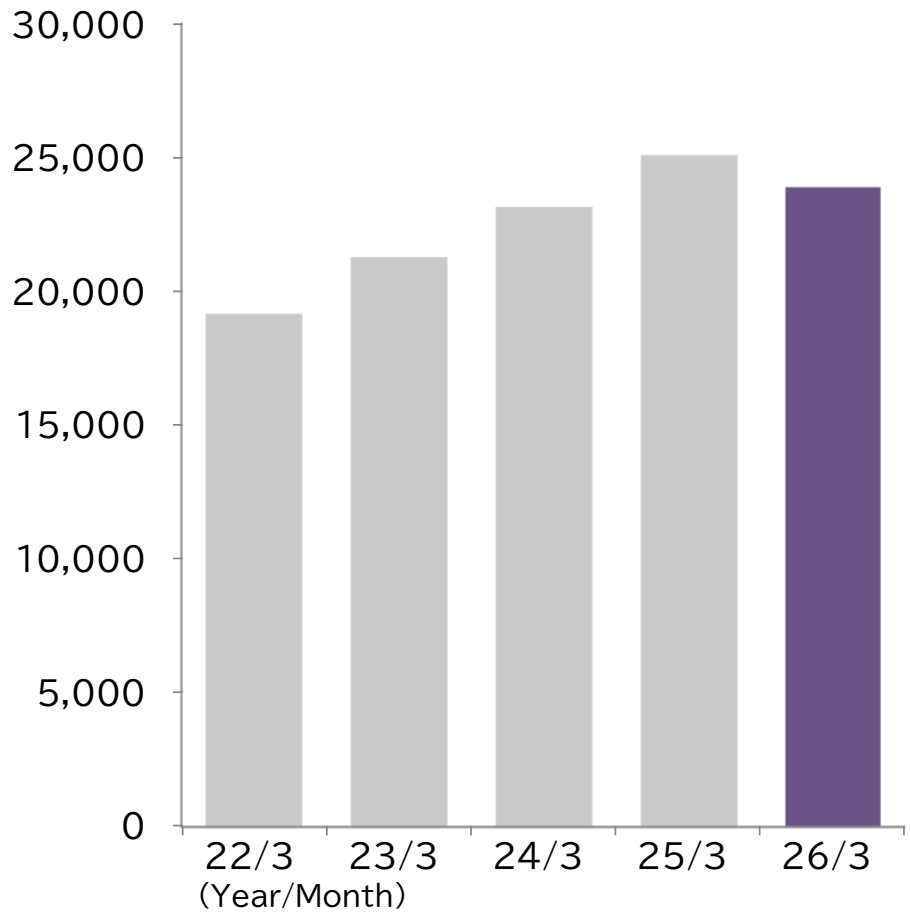
Consolidated net sales

Sales

Ratio of change

23,917 M yen
(YoY△4.8%)
【After sales deductions】

(Unit: million yen)



Full-Year Consolidated Net Sales

23,917 M yen

Japan

【After sales deductions】

13,100 M yen
(YoY△3.8%)

USA

【after conversion to yen】

10,800 M yen
(YoY△5.9%)

(Exchange rate impact△100 M yen)

Consolidated income statement

(Unit : Millions of yen , %)	FYE2026 Actual	FYE2026 Ratio to sales	YoY change Difference in amount	YoY change Ratio of change	FYE2025 Actual	FYE2025 Ratio to sales
Net sales	**23,917**	**100.0**	**△1,197**	**△ 4.8**	**25,114**	**100.0**
Cost of sales	9,775	40.8	+307	+3.3	9,467	37.7
SG&A	13,567	56.7	△523	△ 3.7	14,090	56.1
Operating profit	**574**	**2.4**	**△981**	**△ 63.1**	**1,555**	**6.2**
Ordinary profit	**534**	**2.2**	**△954**	**△ 64.1**	**1,488**	**5.9**
Net profit*	**263**	**1.1**	**+724**	**-**	**△461**	**△1.8**

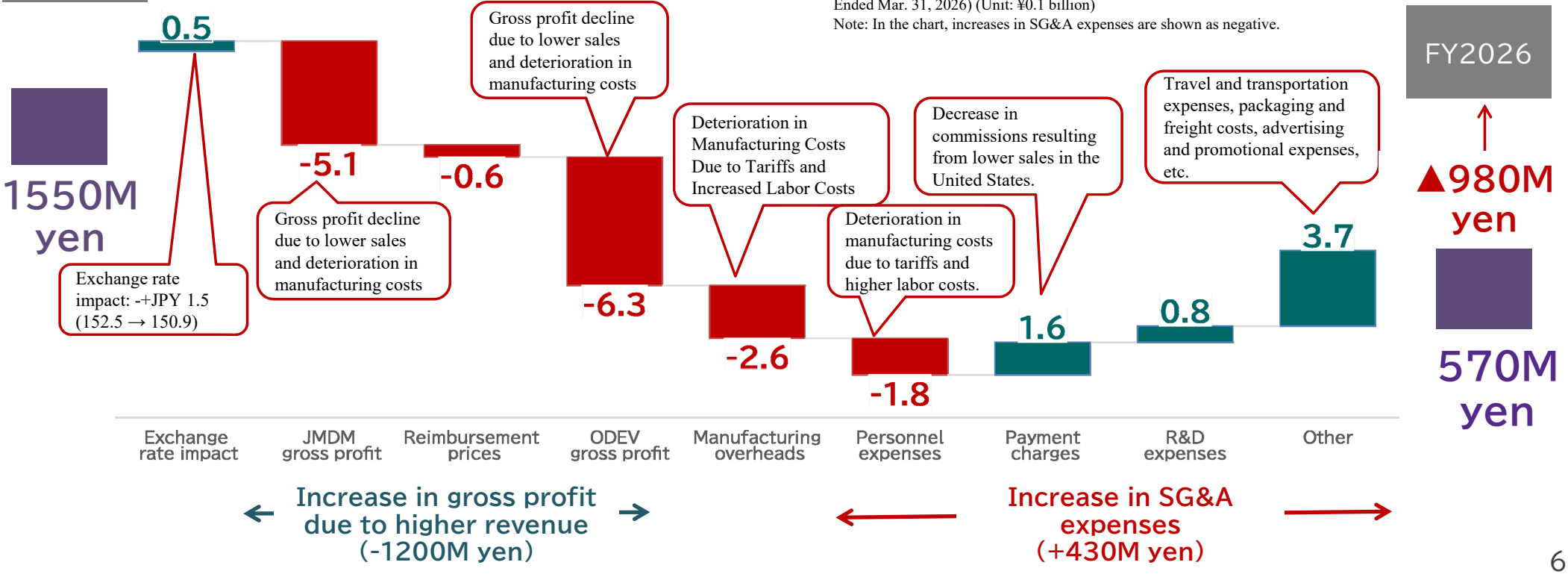
* Profit attributable to parent company

Comparison of operating income with the previous year

Operating profit 570M yen

Operating profit declined from ¥1.55 billion in the previous fiscal year to ¥0.57 billion in the current fiscal year, a decrease of ¥0.98 billion year on year. The main factors behind this decline were as follows : Gross profit decreased by ¥1.20 billion due to lower sales in Japan and the U.S. Gross profit was further reduced by ¥0.26 billion due to higher manufacturing costs, including increased labor costs, manufacturing overhead related to production support, and higher procurement costs. On the other hand, selling, general and administrative expenses improved (decreased) by ¥0.43 billion year on year, driven by cost control initiatives despite increases in personnel expenses. This partially offset the negative impact on profit. However, the decline in gross profit and the deterioration in manufacturing costs outweighed these improvements, resulting in operating profit falling below the level of the previous year.

Operating Profit Bridge Analysis: FY2025 (Year Ended Mar. 31, 2025) to FY2026 (Year Ended Mar. 31, 2026) (Unit: ¥0.1 billion)
Note: In the chart, increases in SG&A expenses are shown as negative.



Consolidated net sales by major product

(Unit : Millions of yen , %)

	FYE2026 Actual	FYE2026 Ratio to sales	YoY change Difference in amount	YoY change Ratio of change	FYE2025 Actual	FYE2025 Ratio to sales
Japan	**13,109**	**54.8**	**△ 524**	**△ 3.8**	13,634	54.3
Joint	4,904	20.5	△ 332	△ 6.4	5,237	20.9
Trauma	4,444	18.6	△ 209	△ 4.5	4,653	18.5
Spine	3,493	14.6	△ 50	△ 1.4	3,543	14.1
Others	432	1.8	+25	+6.0	407	1.6
Subtotal	13,274	55.5	△ 568	△ 4.1	13,842	55.1
Deduction *3	△ 164	△ 0.7	+44	+ 21.0	△208	△ 0.8
U.S. *1	**10,807**	**45.2**	**△ 672**	**△ 5.9**	11,479	45.7
Joint	10,774	45.0	△ 703	△ 5.9	11,449	45.6
Spine	32	0.1	+1	+ 6.2	30	0.1
Total	**23,917**	**100.0**	**△ 1,197**	**△ 4.8**	25,114	100.0
Sales of Own Products	**19,064**	**79.2**	**△ 1,379**	**△ 6.7**	20,443	80.7
US$ *2	**71,509**		**△ 3,770**	**△ 5.0**	75,279	
*1 Conversion rate (yen)	150.98		△ 1.52		152.50	

*2 Thousands of dollars *3 Sales deductions: Deductions associated with the application of revenue recognition standards

Japanese Market



Japanese Market

Total sales in Japan

Sales

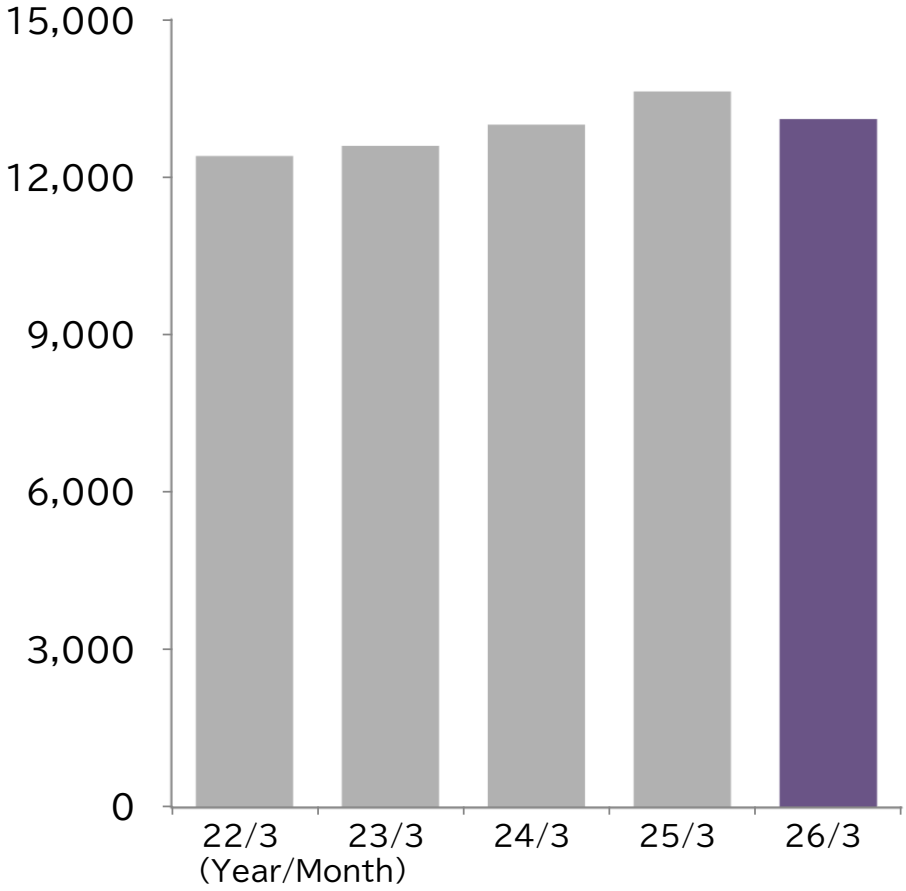
Ratio of change

13,109 M yen

(YoY△3.8%)

【After sales deductions】

(Unit: million yen)



Review

■ Full-Year Net Sales in Japan

■ Due to a series of media reports, the number of cases acquired declined at certain hospitals, particularly from 4Q onward, resulting in a year-on-year decrease of ¥524 million (-3.8%).

■ The impact on net sales from the reimbursement price reduction implemented in 2025 was ¥66 million (-0.5%) year on year.

Japanese Market

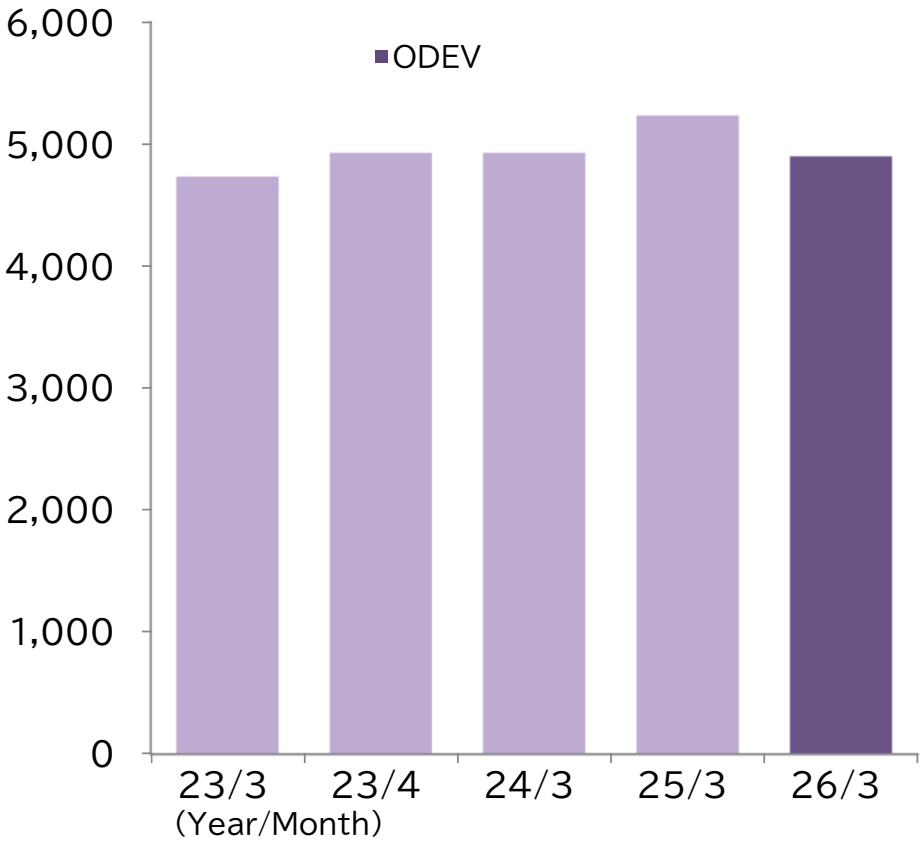
Domestic sales [Joint]

Sales

Ratio of change

4,904M yen
(YoY△6.4%)

(Unit: million yen)



Review

[Artificial Hip Joints]

For both THA (Total Hip Arthroplasty) and BHA (Bipolar Hip Arthroplasty), the number of cases acquired declined at certain hospitals, particularly from 4Q onward, due in part to the impact of a series of media reports

Major product	New products	
 decreased	 decreased	
Entrada Hip Stem	Promontory Hip Stem	Ovation Tribute NEO Stem

(Launched in March 2025)

[Artificial Knee Joints]

YoY Decline

Major product	New products
 Slightly decreased	
BKS TriMax	Balanced Knee System Uni

Japanese Market

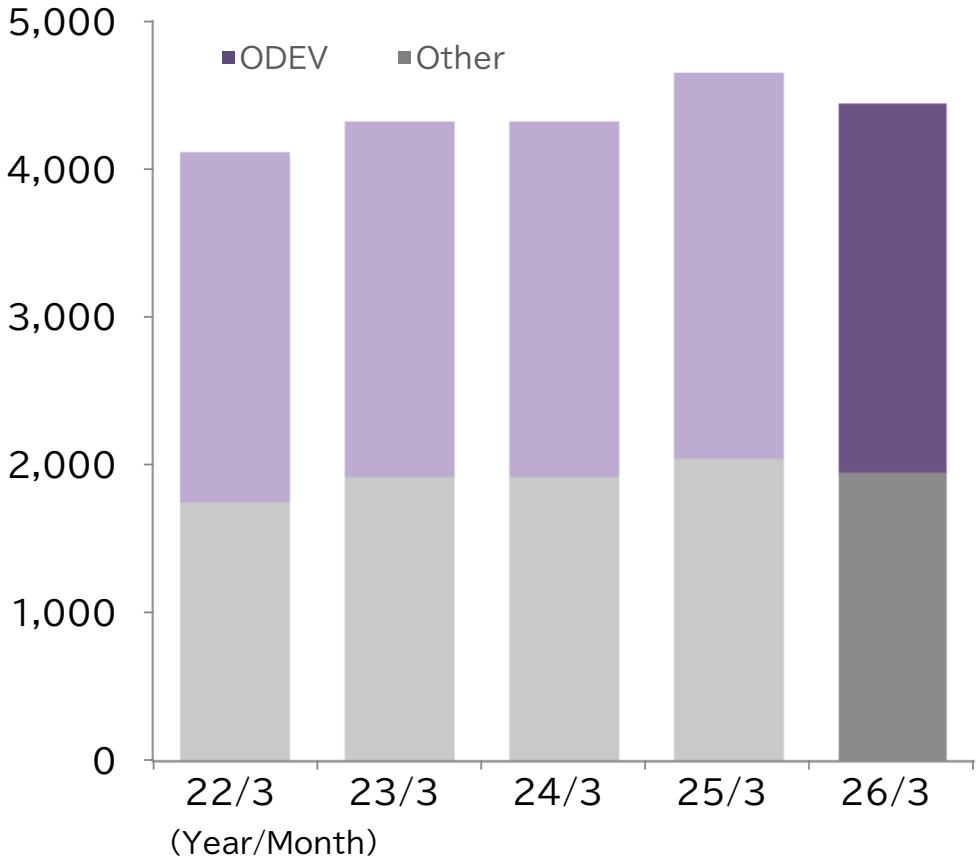
Domestic sales [Trauma]

Sales

Ratio of change

4,444M yen
(YoY△4.5%)

(Unit: million yen)



Review

- **Key Products**
  - **PHS (for femoral neck fractures): growth**
  - **ASULOCK (for trochanteric fractures): slight decline**
- **Sales of Screws & Plates decreased due to shipment suspension caused by inventory shortages and a decline in surgical procedures resulting from extreme heat.**

Major products



PHS



PHS Side Plate



ASULOCK

Japanese Market

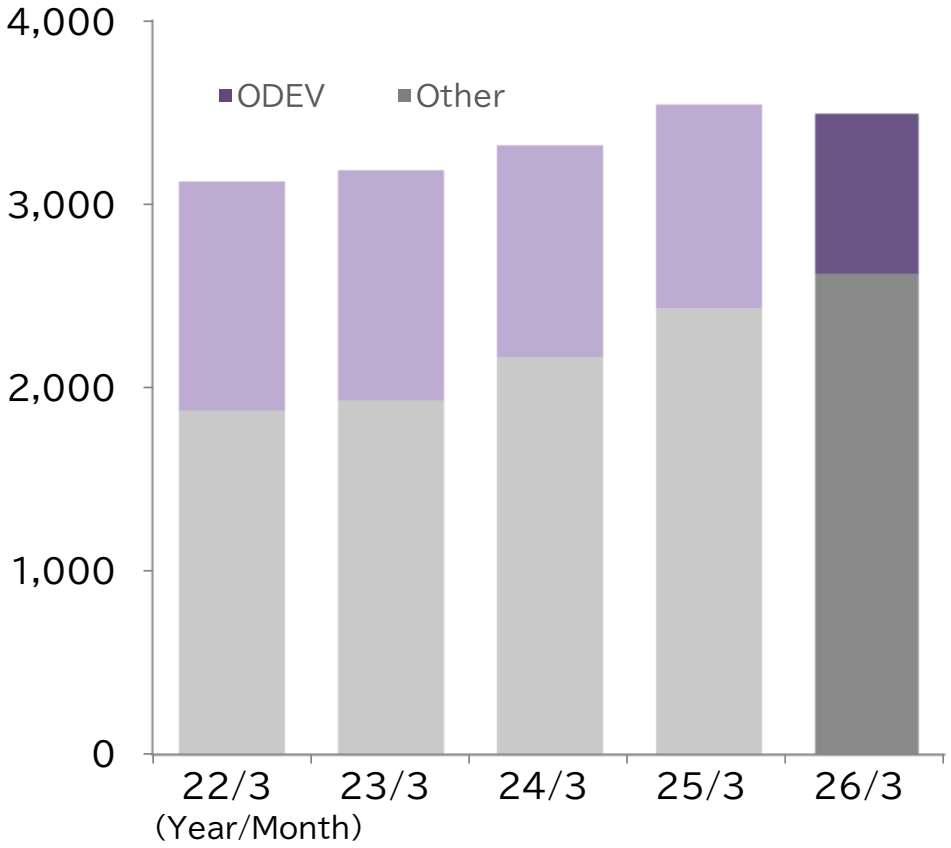
Domestic sales [Spine]

Sales

Ratio of change

3,493 M yen
(YoY△1.4%)

(Unit: million yen)



Review

- **BKP: KMC Balloon Kyphoplasty**
  Continued double-digit growth driven by market expansion

- Pedicle Screw and other products
  — Decline in the number of cases acquired

Major products


Lince Plate


Linceα Plate


Vusion Ti 3D cage


Vusion ARC cage


Double digits growth

KMC Balloon Kyphoplasty

U.S. Market



U.S. Market

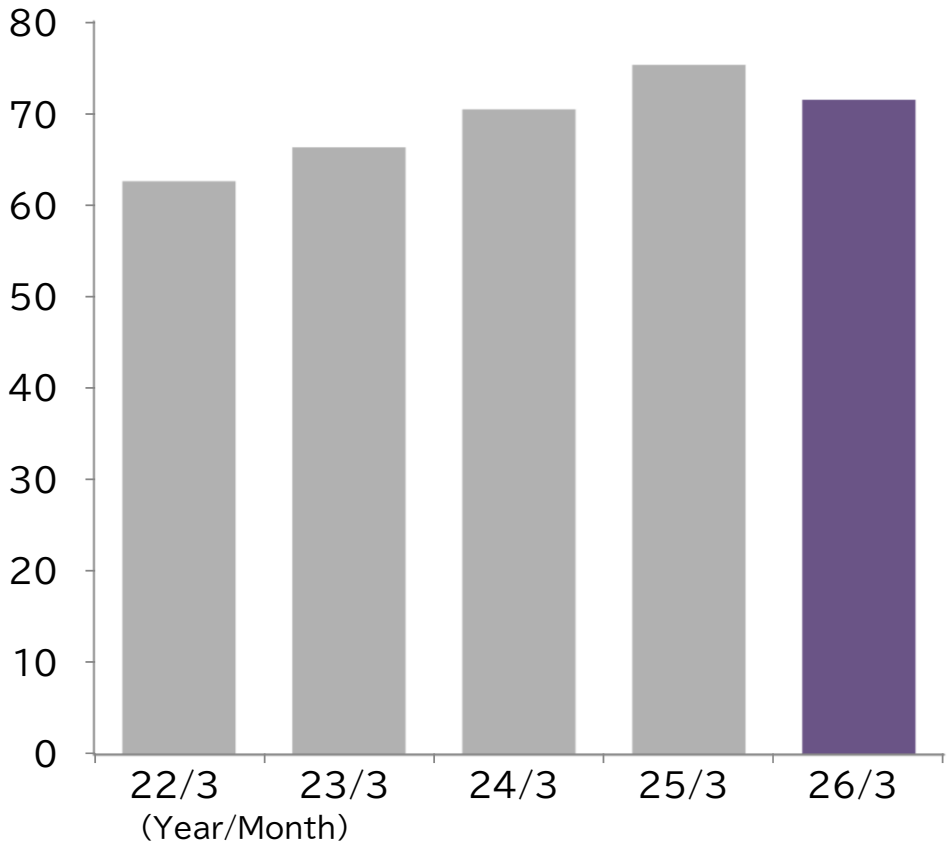
Total sales in U.S.

Sales

Ratio of change

$71.5M
(YoY△5.0%)

(unit：Million of dollars)



Review

■ YoY △3.7M US$

■ Due in part to supply constraints for artificial knee joint products, the number of cases acquired from existing customers decreased.

【Average exchange rate during the period
: 150.98 yen/US$】
(Same period last year : 152.50 yen/US$)

U.S. Market

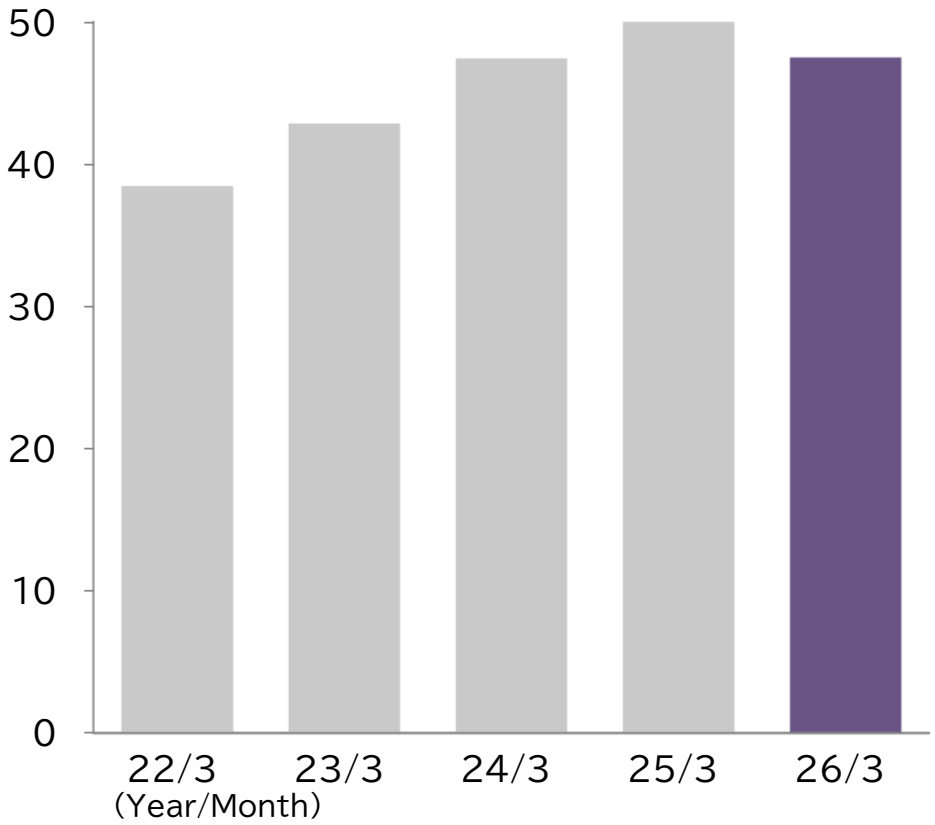
U.S. sales – Knee Joint

Sales

Ratio of change

$47.5M
(YoY△8.5%)

(unit：Million of dollars)



＊ Excluding sales of “KASM” for DePuy Synthes

Review

- **BKS TriMax：Slightly decreased**
- **BKS Revision Knee：Double-digit revenue decline**
  Inventory tightened due to delivery delays for certain outsourced components; recovery is expected from 2Q FY2027.

Major products



Slightly decreased



decreased

BKS TriMax

BKS Uni



double-digit decline

BKS Revision Knee

U.S. sales – Hip Joint

U.S. Market

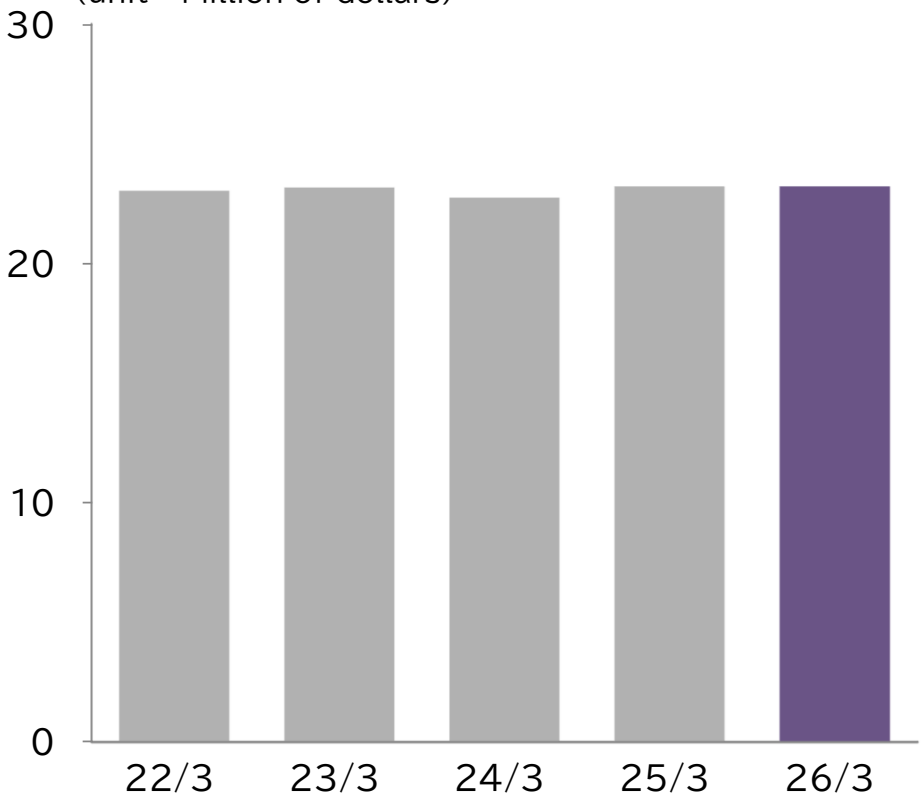
Sales

Ratio of change

$23.2M

(YoY+2.0%)

(unit：Million of dollars)



＊ Excluding sales of “KASM” for DePuy Synthes

Review

- **Trivicta Hip Stem(a new product)：Rapid growth**
- **Entrada Hip Stem：Decrease in number of cases acquired**

New hip product: Trivicta Hip Stem



growth

- March 2024: FDA clearance obtained
- September 2024: First case performed
- From November FY2025 (fiscal year ending March 2025): Nationwide U.S. launch commenced

Aim to expand sales through acquisition of new customers.

Major products



decline

Entrada Hip Stem



growth

Alpine Hip Stem

Review of the FYE March 2026

2

JAPAN MEDICAL DYNAMIC MARKETING

Key Results of Major Initiatives for FY2026 (Full Year)

	Region	Details of Initiatives
R&D	JP	• Product Portfolio Review
	US	• Accelerate new product development to expand the product lineup
Manufacturing	US	• Reduce manufacturing costs by strengthening in-house production capacity • **Reduce costs and mitigate risks by strengthening procurement capabilities**
	CN	• Start and scale manufacturing of China-made knee implants
	JP	• Introduce Femoral Heads for THA
Sales	JP	• Expand net sales through focus products and new products Launched new hip product "Ovation Tribute NEO Stem" • Strengthen the sales organization (reorganized into a business division structure effective Apr. 1)
	US	• **Leverage new products to win new customers Nationwide U.S. rollout of the new hip product "Trivicta Hip Stem"** Contributed to growth in the hip category
	CN	• Expand sales of China-made knee implants

SAICO Project: Status Update

P19 P20

Mitigating FX Risk and Reducing Procurement Costs

Fewer cases acquired due to media coverage,PHS/BKP growth

Strengthen specialization to maintain and expand the new customer base

P21

On Track

SAICO Project : Status Update

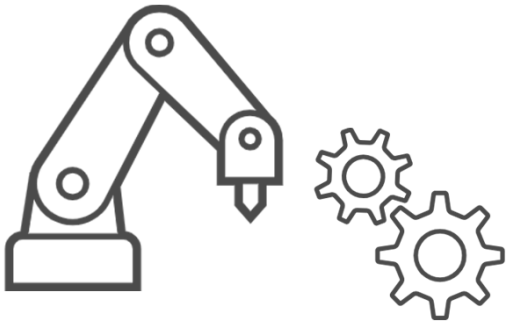
What is the SAICO Project?

An acronym for *Strategic Actionable Initiatives for Cost Optimization*.
This project was launched with the objective of reducing costs across our group by strengthening in-house manufacturing capabilities and enhancing procurement capabilities.

1.Reduce Costs and Mitigate Risks by Strengthening Procurement Capabilities

Dual-sourcing (Multiple Suppliers)

At ODEV, we began outsourcing part of the manufacturing process to multiple suppliers.



- Promoted stabilization of ODEV's manufacturing and supply capacity
- Achieved cost reductions for certain products
- Delivery delays for BKS Primary (knee) were resolved in December
- Delivery delays for BKS Revision (knee) continue, but normalization is expected in FY2027 Q2

2. Reduce Costs and Mitigate Risks by Strengthening Procurement Capabilities

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

A portion of the surgical instruments for the knee implant product "BKS TriMax"



- Part of the medical tools for BKS TriMax has begun to be shared/sourced from WOMA.
- This has achieved a 30% cost reduction compared to manufacturing in the U.S.
- The company is closely monitoring the impact of additional tariffs and is considering a review of its procurement strategy.

Transfer of production to Asian regions, including Malaysia.

- The company is promoting the transfer of production of certain products sold in the Japanese market to the Asian region.
- This initiative aims to mitigate the risk of reciprocal tariffs imposed by the U.S.
- Preparations are also underway to establish a direct shipping scheme to Japan.

SAICO Project : Status Update

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 artificial hip joints
New product “JMDM BIOCERAM AZUL Ceramic Head” *1



- A portion of flagship products has been shifted from U.S.-based procurement to domestic procurement in Japanese yen.
- This reduces foreign exchange risk and lowers procurement costs.
- A stable domestic sourcing framework has been established, contributing to improved profitability.

*1 BIOCERAM AZUL is a registered trademark of Kyocera Corporation

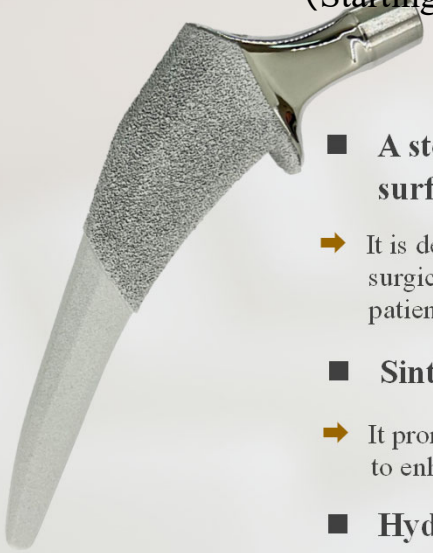
New Product　Trivicta Hip Stem

With growing demand in the US market, we aim to acquire new customers by introducing this new product with a triple taper shape.

Triple Taper Stem

「Trivicta Hip Stem」

（Starting Sales in September 2024 at US market）



Key Features of the New Product

■ **A stem with a tapered shape featuring three flat surfaces.**

➡ It is designed to be compatible with soft-tissue-preserving surgical techniques and is expected to fit a wide variety of patient-specific medullary canal geometries.

■ **Sintered bead coating**

➡ It promotes bone ingrowth within the beads and is expected to enhance long-term stable fixation.

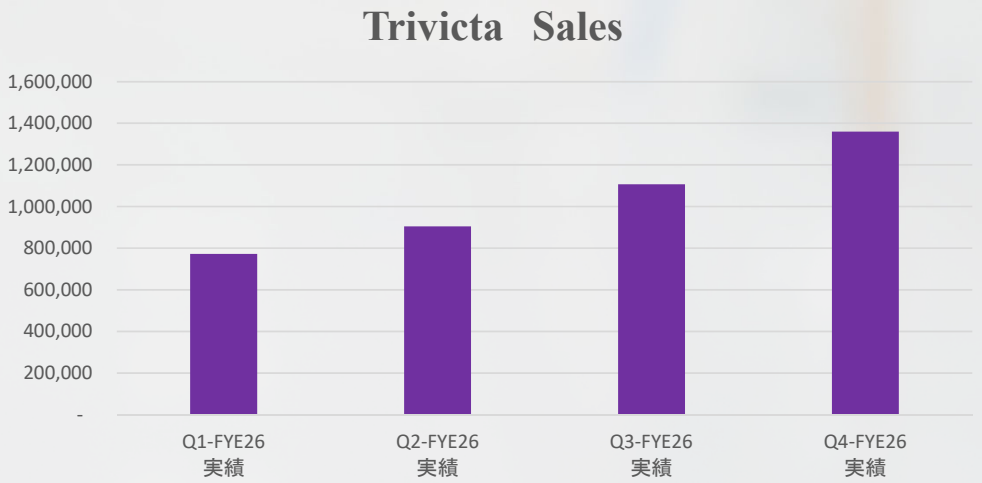
■ **Hydroxyapatite (HA) coating**

➡ The HA coating is expected to promote biological fixation.

Sales across the U.S. have commenced from the 3rd quarter of the FYE March 2026.

Sales commenced in September 2024.
The α launch is scheduled to conclude in October 2026, with 30 sets.

As of March 2026, production has been increased to 70 sets.



Factors behind the deterioration in the cost of sales ratio

Factors behind the deterioration in the cost of sales ratio: 40.9% (+3.2 pt YoY)

Factors behind the deterioration in the cost of sales ratio

Decline in sales due to supply constraints

- ➡ Continued supply constraints for some key products, including BKS Revision
- ➡ Higher fixed cost burden due to lower sales volume

Increase in labor and manufacturing overhead costs

- ➡ Higher labor costs due to additional workforce to prioritize supply recovery
- ➡ Manufacturing overhead costs remaining elevated amid ongoing efficiency improvements in production

Increase in procurement costs due to tariff impact

- ➡ Impact of U.S. reciprocal tariffs: approximately ¥69 million

SAICO Project
Structural reform to address key challenges

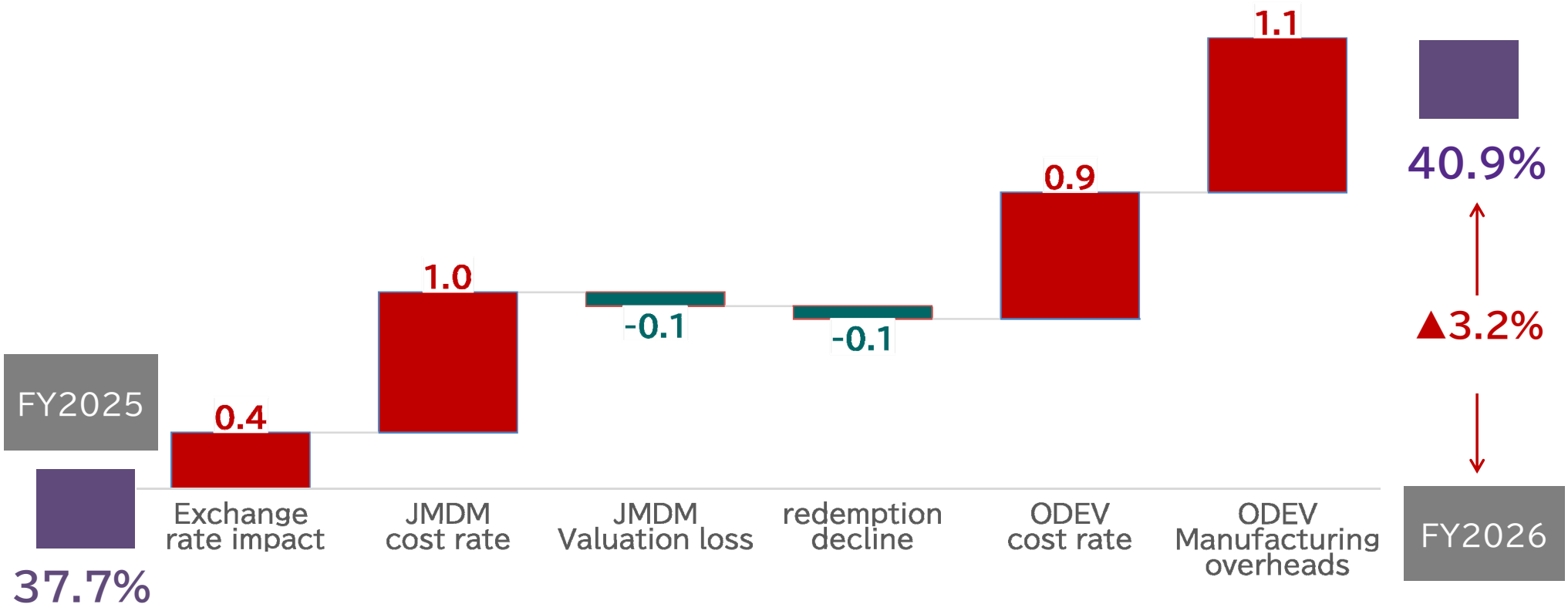
- ・Manufacturing cost improvement
- ・Expansion of in-house manufacturing
- ・Establishment of Asia-based sourcing and direct shipment scheme
- ・Improved profitability management by product
- ・Optimization of investment in medical instruments and inventory

- ● Supply stabilization
- ● Cost reduction
- ● Improvement of cost of sales ratio

Factors behind the deterioration in the cost of sales ratio

Cost of Sales Ratio 40.9%

The cost of sales ratio stood at 40.9%, representing a deterioration of 3.2 pt from 37.7% in the previous fiscal year.
In JMDM (domestic operations), the decline was mainly driven by a lower share of in-house product sales.
In ODEV (U.S. operations), the ratio worsened due to higher manufacturing costs as well as an increase in manufacturing overhead costs. Overall, these factors led to the deterioration in the cost of sales ratio.



Strengthening of Compliance and Governance Framework

Strengthening of Compliance and Governance Framework

■ In response to a series of reported incidents, a special committee was established to conduct a root cause analysis.

- Insufficient internal controls, checks and balances, and supervisory systems
- An evaluation system for the sales division that was overly focused on achieving sales targets
- An insufficiently developed corporate culture emphasizing compliance adherence

■ Preventive Measures Under Implementation

① Expansion of legal and compliance functions
② Strengthening of compliance training and awareness programs
③ Enhancement of approval processes for interactions with healthcare professionals and related parties
④ Revision of the sales department's performance evaluation system
⑤ Suspension of dinners with healthcare professionals and scholarship donations
⑥ Promotion of the "KIZUNA" corporate culture reform project

KIZUNA5

KIZUNA Project

Establishment and rollout of new behavioral principles to rebuild an organization capable of ensuring strict compliance and making autonomous, appropriate decisions

◆ Positioning compliance as the top management priority and focusing on restoring trust

Review of the FYE March 2026

Results of sustainability initiatives

- **GHG emissions (Scope 1 + 2) 1,444t, reduced by △525t(△27%)compared to the FYE March 2020**
- **CDP 2025 Ratings：Climate Change “B” and Water Security “B-” awarded**

Improving patient QOL



Strengthen product development and procurement capabilities for products and services that contribute to improving patient quality of life, thereby contributing to healthcare

- Number of market launch: 0 items
- Two educational programs for orthopedic surgeons conducted

Reducing Environmental Impact

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

CDP DRIVING SUSTAINABLE ECONOMIES

- Reduce GHG emissions (Scope 1 + 2) by △525t(△27%)compared to FYE March 2020
- CDP2025 survey on climate change, we received “B” rating, and in the survey on water security, we received “B-” rating.

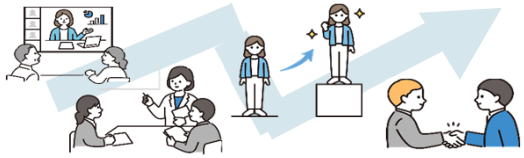
Respecting Human Rights

WE SUPPORT UN GLOBAL COMPACT

Respect for human rights based on the norms of the United Nations Global Compact (UNGC)

- Japan M.D.M. conducted a human rights due diligence for employees: No serious cases

Promoting Diversification of Human Resources



Strengthening human capital management

- Talent management, global human resource development, and some initiatives to enhance enagagement underway

High Quality Response to Medical Needs



Stable supply of safe and reliable medical equipment

- No issues were identified during the ISO 13485 maintenance audit

Promoting Corporate Governance



Compliance with the Corporate Governance Code

Promotion of risk management and compliance management

- Promotion of compliance education, including the subsidiary

Forecast for the Fiscal Year Ending March 2027

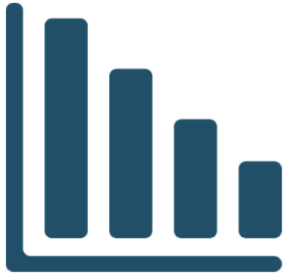
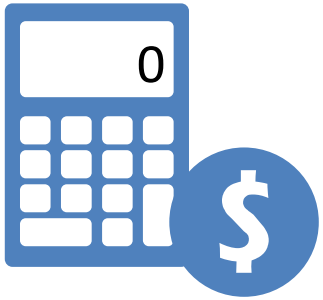
3

JMDM
JAPAN MEDICAL DYNAMIC MARKETING

Forecast for the FYE March 2027

Prerequisites

Assumptions underlying the full-year earnings forecast for the FYE March 2027

	Exchange Rate (USD)	Foreign Exchange Sensitivity	Reduction in Amortized Cost	Cost of Sales
				
				
FY2027 Forecast	Assumed Exchange Rate: ¥155.0 / US$	Operating Profit Impact: ¥1 /$ Change: ¥30 million	Impact of Reduced Amortized Cost: Improved by ¥50 million YoY (0.4% improvement)	Cost of Sales Ratio: 41% U.S. Mutual Tariffs: US$1.5 million
FY2026 Actual	¥150.9 / US$		Worsened by ¥60 million YoY (0.5% deterioration)	U.S. Mutual Tariffs: US$463 k (¥69 million)

(Interim) Consolidated income statements

(Unit : Millions of yen , %)

	FYE2027 interim Forecast	Ratio to sales	YoY change Difference in amount	YoY change Ratio of change	FYE2026 interim Actual	Ratio to sales
Net sales	**11,670**	**100.0**	**+59**	**+0.5**	**11,610**	**100.0**
Cost of sales	4,790	41.0	+207	+4.5	4,582	39.5
SG&A	7,140	61.2	+320	+4.7	6,819	58.7
Operating profit	**△260**	**△ 2.2**	**△ 468**	**-**	**208**	**1.8**
Ordinary profit	**△410**	**△ 3.5**	**△ 540**	**-**	**130**	**1.1**
Net profit ＊	**△330**	**△ 2.8**	**△ 399**	**-**	**69**	**0.6**

＊Profit attributable to parent company

Forecast for the FYE March 2027

(Full Year) Consolidated income statement

(Unit : Millions of yen , %)	FYE2027 Full Year Forecast	Ratio to sales	YoY change Difference in amount	Ratio of change	FYE2026 Full Year Actual	Ratio to sales
Net sales	**25,370**	**100.0**	**+1,452**	**+6.1**	**23,917**	**100.0**
Cost of sales	10,410	41.0	+634	+6.5	9,775	40.8
SG&A	14,530	57.3	+962	+7.1	13,567	56.7
Operating profit	**430**	**1.7**	**△ 144**	**△ 25.1**	**574**	**2.4**
Ordinary profit	**140**	**0.6**	**△ 394**	**△ 73.8**	**534**	**2.2**
Net profit ＊	**60**	**0.2**	**△ 203**	**△ 77.2**	**263**	**1.1**

＊Profit attributable to parent company

Forecast for the FYE March 2027

(Full Year) Consolidated sales by major product categories

(Unit : Millions of yen , %)	FYE2027 Forecast	Ratio to sales	YoY change Difference in amount	Ratio of change	FYE2026 Actual	Ratio to sales
Japan	**12,970**	**51.1**	**△ 139**	**△ 1.1**	**13,109**	**54.8**
Joint	4,850	19.1	△54	△ 1.1	4,904	20.5
Trauma	4,470	17.6	+25	+0.6	4,444	18.6
Spine	3,390	1.4	△ 103	△ 3.0	3,493	14.6
Other	460	1.8	+27	△ 6.4	432	1.8
Subtotal	13,170	51.9	△ 104	△ 0.8	13,274	55.5
Sales deduction *3	△ 200	△ 0.8	△35	+21.7	△164	△ 0.7
U.S. *1	**12,400**	**48.9**	**+1,592**	**+14.7**	**10,807**	**45.2**
Joint	12,400	48.9	+1,625	+15.1	10,774	45.0
Spine	0	0.0	△32	△ 100.0	32	0.1
Total	**25,370**	**100.0**	**+1,452**	**+6.1**	**23,917**	**100.0**
Sales of Own Products	**22,550**	**88.9**	**+3,475**	**+18.2**	**19,064**	**79.2**
US$ *2	**80,000**		**+8,420**	**+11.8**	**71,509**	
*1 Conversion rate (yen)	155.00		+4.02		150.98	

*2 Thousands of dollars *3 Sales deductions: Deductions associated with the application of revenue recognition standards

Major initiatives for the FYE March 2027

In FY2027, we aim to drive top-line growth through the nationwide expansion of Trivicta in the U.S., the launch of our China business, and the enhancement of specialized capabilities in Japan. At the same time, we will promote supply stabilization and cost reduction through stronger supplier management and the SAICO project.

	Region	Details of Initiatives
R&D		• Obtained regulatory approval for products in the artificial joint field (2 products)
		• Expanded the product lineup through the launch of multiple products in the artificial joint field
Manufacturing		• **Strengthened contracts and supply management with key suppliers to prevent the recurrence of supply constraints and establish a stable supply system** • **Reduced manufacturing costs through supplier diversification and other initiatives under the SAICO Project** • Obtained regulatory approval for China-made artificial hip joints and commenced local manufacturing
		• Expansion of the procurement scope for medical instruments
Sales		• **Maintain and strengthen the customer base through enhanced specialization under the divisional organizational structure**
		• **Expand sales through nationwide U.S. rollout of the new product “Trivicta Hip Stem”** • Strengthen new product education and sales capabilities through the National Sales Meeting • Acquire new customers and recover procedure volumes among existing customers
		• Expansion of sales of China-manufactured artificial knee joints • Launch of sales of China-manufactured artificial hip products

日本エムディエム
JAPAN MEDICAL DYNAMIC MARKETING

ORTHO DEVELOPMENT

华森奥斯欧
WASTONORTHO



Forecast for the FYE March 2027

Action Plan to Improve Profitability of the U.S. Business for the FYE March 2027

Achieve both revenue growth and profitability improvement through expansion of new product sales, recovery of procedure volumes for existing products, and supply stabilization

Revenue Growth

- Expansion of New Product Sales
  - Accelerate growth in the hip replacement segment through additional investment in the new product “Trivicta Hip Stem”
  - Launch two orthopedic implant products (alpha launch)
- Supply Normalization
  - Resolve delivery delays for knee implant components and reduce stockouts and backorders
  - Review relationships with suppliers experiencing ongoing supply issues and strengthen a stable supply framework
- Recovery of Procedure Volumes for Existing Products
  - Expand procedure acquisition through additional investment in surgical instruments for the highly competitive Revision Knee segment
  - Utilize Revision Knee as a door opener to expand overall knee replacement market share

Profitability Improvement

- Reduction of Manufacturing Costs
- Reduce manufacturing costs through initiatives under the SAICO Project
  - Promote in-house production
  - Improve manufacturing efficiency
- Inventory Optimization
  - Improve inventory turnover
  - Review supply agreements with key suppliers for major products to establish a stable supply system
- SG&A Efficiency Improvement
  - Enhance SG&A efficiency through rigorous ROI management
  - Review fixed costs and promotional expenses on a zero-based approach

Trends in Capital Expenditures, etc.

Growth investment in surgical instruments to drive increased procedure adoption of the new product “ Trivicta ”

(Unit: Millions of yen)	FYE Mar 2023 Actual	FYE Mar 2024 Actual	FYE Mar 2025 Actual	FYE Mar 2026 Actual	FYE Mar 2027 Forecast
Investment in plant and equipment	1,317	1,916	1,668	2,311	1,194
Depreciation and amortization expense*	1,549	1,595	1,671	1,613	1,710
R&D expenses	662	874	959	864	1,010

* “Depreciation and amortization” in Income Statement is not equal to “Depreciation and amortization”

Long-term VISION「RT500」
1st Stage Rolling Plan 2029

4

JMDM
JAPAN MEDICAL DYNAMIC MARKETING

Rolling Plan 2029

Quantitative Targets

Position FYE March 2027 as a turning point toward profitability improvement, aiming to reaccelerate revenue growth through new product introductions in the U.S. and recovery of procedure volumes, while improving profitability toward FY Ending March 2029 through manufacturing cost reductions and SG&A efficiency improvements.

(Unit: million yen, %)	1st Stage						2nd Stage			
	FYE2026				FYE2027		FYE2028		FYE2029	
	Forecasts	Ratio to sales	Actual	Ratio to sales	Forecasts	Ratio to sales	Target	Ratio to sales	Target	Ratio to sales
Consolidated net sales	**26,400**	**100.0**	**23,917**	**100.0**	**25,370**	**100.0**	**27,500**	**100.0**	**30,000**	**100.0**
Operating profit	**1,850**	**7.0**	**574**	**2.4**	**430**	**1.7**	**1,000**	**3.6**	**1,500**	**5.0**
Net profit *	**1,450**	**5.5**	**263**	**1.2**	**60**	**0.2**	**500**	**1.8**	**1,000**	**3.3**
ROE	**5.8%**	-	**1.1%**	-	**0.2%**	-	**2.0%**	-	**3.9%**	-
ROIC	**4.3%**	-	**1.3%**	-	**1.0%**	-	**2.2%**	-	**3.3%**	-
Dividend payout ratio	**Stable Dividend Payout30% or Higher**	-	**157.4%**	-	**Stable Dividend Payout30% or Higher**	-	**Stable Dividend Payout30% or Higher**	-	**Stable Dividend Payout30% or Higher**	-
Average exchange rate during the period(Yen/US$)	**145.0**	-	**150.9**	-	**155.0**	-	**155.0**	-	**155.0**	-

＊Net profit attributable to parent company

Rolling Plan 2029

Key Strategic Initiatives for the Domestic Business Toward Achieving FYE March 2029 Targets

FY Ending March 2027 – FY Ending March 2029

Aim to restore domestic revenue and profitability through enhanced specialization, new product introductions, SG&A efficiency improvements, and strengthened governance

FYE2029

Domestic sales recovery

Domestic sales: ¥14,500 million

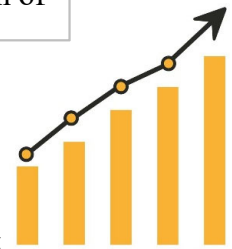
To restore domestic sales through continuous strengthening of expertise and introduction of new products in growth areas

Deepening of divisional structure

- Strengthen expertise and proposal capabilities by therapeutic area
- Enhance education and promotional initiatives
- Promote market share expansion at existing accounts and acquisition of new customers

Introduction of new products in growth areas

- Launch new products in the HIP Fracture segment
- Expand the product portfolio in chronic disease and trauma-related areas
- Increase the number of applicable surgical cases through improvements to instruments for existing flagship products



Improvement of profitability

SG&A Ratio Improvement	Operating Margin Improvement

Improve profitability through optimized SG&A management and enhanced operational efficiency leveraging AI

Effective Review of SG&A Expenses

- Strengthen governance over business entertainment expenses and scholarship donations
- Optimize investment allocation based on product-level profitability
- Improve profitability through the review of transaction and contract terms

Promotion of Operational Efficiency Through AI Utilization

- Apply AI to inventory management, order processing, and sales management
- Improve efficiency in sales support and preparation of sales materials
- Reduce routine administrative tasks and shift resources toward higher value-added activities



Strengthened governance framework

Strict Compliance Adherence

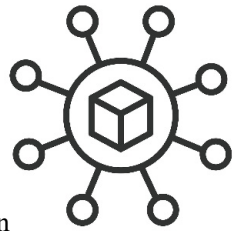
Strengthening the domestic governance foundation to support trust recovery and sustainable growth

Enhancement of legal and compliance functions

- Expand legal and compliance personnel
- Strengthen prior review of initiatives for medical institutions and healthcare professionals
- Reinforce employee training and internal consultation systems

Advanced business management

- Regular review of profitability by business and product
- Accelerate early identification of risk cases and reporting to management
- Enhance KPI management to improve execution capability



Rolling Plan 2029

Key Strategic Initiatives for the U.S. Business Toward Achieving FYE 2029 Targets

FY Ending March 2027 – FY Ending March 2029

The U.S. business aims to achieve both growth and profitability improvement through expansion of new product sales, cost reduction initiatives, and strengthening of the supply system.

FYE2029

Growth of U.S. Revenue

Revenue: US$ 100 million

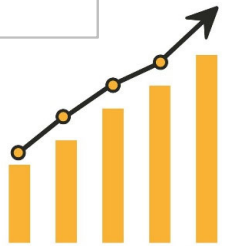
Reaccelerate U.S. revenue growth through recovery of procedure volumes among existing customers and introduction of new products

Strengthening the Existing Business

- Expand overall knee implant market share, leveraging BKSR and new product introductions as growth drivers
- Strengthen sales channels through initiatives such as nationwide distributor meetings

New Product Introduction

- Sequential launch of four new orthopedic implant products



Profitability and Cash Improvement

Improvement of operating profit margin	Improvement of free cash flow

Improve profitability and cash generation through cost reduction and inventory optimization

SAICO Project

- Promote manufacturing cost reduction, expansion of in-house production, and procurement improvements
- Advance refund procedures to recover additional U.S. tariffs already paid

Inventory Optimization

- Improve inventory turnover through strengthened inventory management
- Enhance alignment between demand forecasting and supply planning to reduce excess inventory and stockouts



Operational Strengthening

Reinforcement of a stable supply system

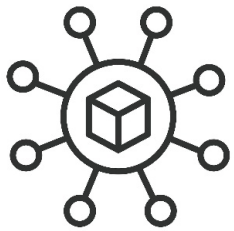
Strengthen the operational foundation supporting growth and profitability

Supplier Collaboration Enhancement Measures

- Promote VMI (Vendor Managed Inventory) agreements with key suppliers to ensure supply stability
- Improve delivery performance and reduce supply constraint risks to enhance OTD (On-Time Delivery) performance

Strengthening the S&OP Framework

- Enhance integration among demand forecasting, sales planning, and production and procurement planning
- Promote expansion of in-house production



Measures to Address Non-Compliance with TSE Prime Market Listing Requirements

■ The Company currently falls below the TSE Prime Market listing maintenance requirement of JPY 10 billion in tradable share market capitalization, and is therefore in a state of non-compliance. The Company is required to exceed this standard within the improvement period from April 1, 2026 to March 31, 2027.

◆ The Company will prepare an application for listing on the TSE Standard Market.

Taking into account the uncertainty regarding whether the Prime Market listing criteria can be fully satisfied within the improvement period, the Company has decided to proceed with preparations for an application to the TSE Standard Market in order to enhance the certainty of maintaining its listing.

1. While continuing initiatives aimed at meeting the Prime Market listing criteria within the improvement period,
2. the Company will simultaneously proceed with preparations required for an application to the Standard Market and will disclose its policy and progress at an appropriate timing.

Criteria	Standard	Prime
Number of Shareholders	400 or more shareholders	800 or more shareholders
Number of Tradable Shares	2,000 Trading Units	20,000 Trading Units
Tradable Share Market Capitalization	JPY 1 billion or more	JPY 10 billion or more
Tradable Share Ratio	25% or more	35% or more

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

Japan Medical Dynamic Marketing, INC.

Investor Relations Office

E-MAIL

ir@jmdm.co.jp

Web SITE

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

Notes

The forward-looking statements in this document are based on information currently available to us and certain assumptions that we consider reasonable, and are not intended as a promise by us which will be realized. Actual results may differ materially due to various factors.

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

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