

Results of Operations

for December 2026, 1st Quarter

 **EM SYSTEMS CO.,LTD.**

May 14, 2026
TSE Prime Section:4820

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Topics

Overview of Business Results

Introduction of Welfare Administration-Related has run its course

In addition to the end of the cycle of demand for the introduction of the Online Qualification Check system and Electronic Prescription, we prioritized the strategic shift to acquiring new companies and value-added products to expand our future revenue base, and restrained our own replacement. As a result, there was a reactionary decrease from the same period of the previous fiscal year.

Revised interim forecast

Demand for hardware replacement was higher than planned, which compensated for delays in some initial installations. Profits were revised downward for the first half of the fiscal year due to the higher-than-expected decline in the absence of concentrated demand in Welfare Administration-Related, as well as the front-loaded investment of various expenses (implementation of the second half-year plan in the first half). Interim dividends forecast has been revised based on the payout ratio of 100% (5 yen).

Full-Year Forecast

No change at this time, but continue to scrutinize

We will continue to assess the impact of Welfare Administration-Related's outlook on our full-year financial results and dividends forecast, and will promptly announce any changes to our financial results forecast or our growth scenario that may be necessary.



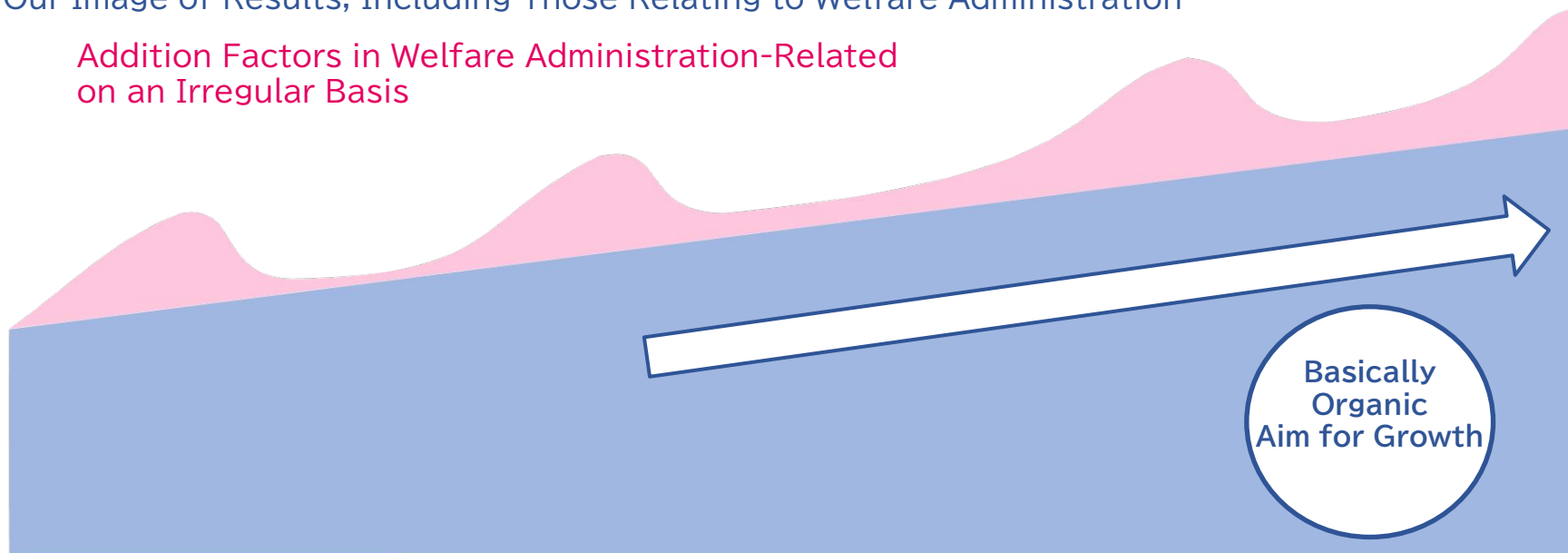
[Mid-Term Management Plan FY2025-FY2027](#)

Image of Medium- to Long-Term Performance Related to Welfare Administration

Contribution to sales and profit to be largely completed by 2025, and focus on re-strengthening of organic growth strategy.

Our Image of Results, Including Those Relating to Welfare Administration

Addition Factors in Welfare Administration-Related
on an Irregular Basis



Overview of Business Results

FY2026.Q1

FY2026. Q1 Consolidated Financial Results

Units:millions of yen

	FY2025 Q1 Result	FY2026 Q1 Result	YoY change	YoY (%)
Sales	6,714	5,039	△1,675	△24.9%
EBITDA	2,032	434	△1,597	△78.6%
Operating Profits	1,533	216	△1,316	△85.9%
Ordinary Profits	1,701	388	△1,312	△77.2%
Net Income	1,139	155	△983	△86.4%

FY2026. Q1 Topics

Sales: The concentrated demand in Welfare Administration-Related (online qualification check option soft, electronic prescription), which was strong in the same period of the previous fiscal year, has run its course and a reactionary decline has occurred. In addition, sales decreased due to the temporary impact of shifting sales resources from promotion of in-house replacement to acquisition of new companies and value-added products in anticipation of future ARPU improvement.

EBITDA and Operating Profits: Profits decreased significantly due to the significant impact of the absence of Welfare Administration-Related.

Net Income: Decreased due to the decrease in operating income. Regarding the full-year forecast, we are carefully examining the outlook for Welfare Administration-Related.

* EBITDA is calculated by adding depreciation, system failures, and other one-time expenses back to operating profits.

Status by Segment

FY2026.Q1

Overview of Sales and Operating Profit by Segment

Pharmacy and Clinic segments will be significantly affected by the end of the special demand cycle. We are currently carefully examining the outlook for Welfare Administration-Related.

In the Long-Term Care/Welfare segment, the revision of the price system implemented in advance was successful, and the improvement in earnings power has been steadily progressing.

IT Systems for Pharmacies

Sales

Initial revenue decreased due to the absence of special demand (online qualification check: -349 million yen, electronic prescription: -834 million yen), as well as temporary factors (initial system: -421 million yen) caused by prioritizing the strategic shift to acquiring new companies and value-added products and curbing the promotion of in-house replacement.

In recurring revenue, supply sales declined temporarily due to a rebound from last-minute demand ahead of the price adjustment in the previous fiscal year, and maintenance sales declined due to a switch to manufacturer maintenance for hardware.

Operating Profits

Decreased due to the significant impact of the fall of Welfare Administration-Related.

IT Systems for Clinics

Initial revenue decreased due to the disappearance of concentrated demand in Electronic Prescription (-183 million yen) and temporary factors (-57 million yen) caused by prioritizing the shift from promoting the in-house replacement of initial systems to acquiring new companies.

Recurring revenue increased due to steady progress in the replacement of systems from other companies.

Operating loss was recorded due to the significant impact of the end of concentrated demand in Electronic Prescription.

IT Systems for Long-Term Care/Welfare

Subscription revenue increased steadily due to an increase in the number of licenses for "MAPs for NURSING CARE" and a revision of the pricing system to match the added value of the service. However, maintenance revenue decreased due to the defection of some users during the transition period from older products.

Operating loss improved slightly due to an increase in billing revenue.

Sales and Operating Profit by Segment

Sales

Units:millions of yen

	FY2025 Q1	FY2026 Q1	YoY change	YoY % change
Pharmacies	5,490	4,074	△1,415	△25.8%
Clinics	831	592	△239	△28.8%
Long-Term Care/Welfare	127	133	5	4.2%
Other	298	279	△18	△6.2%

Operating Profits

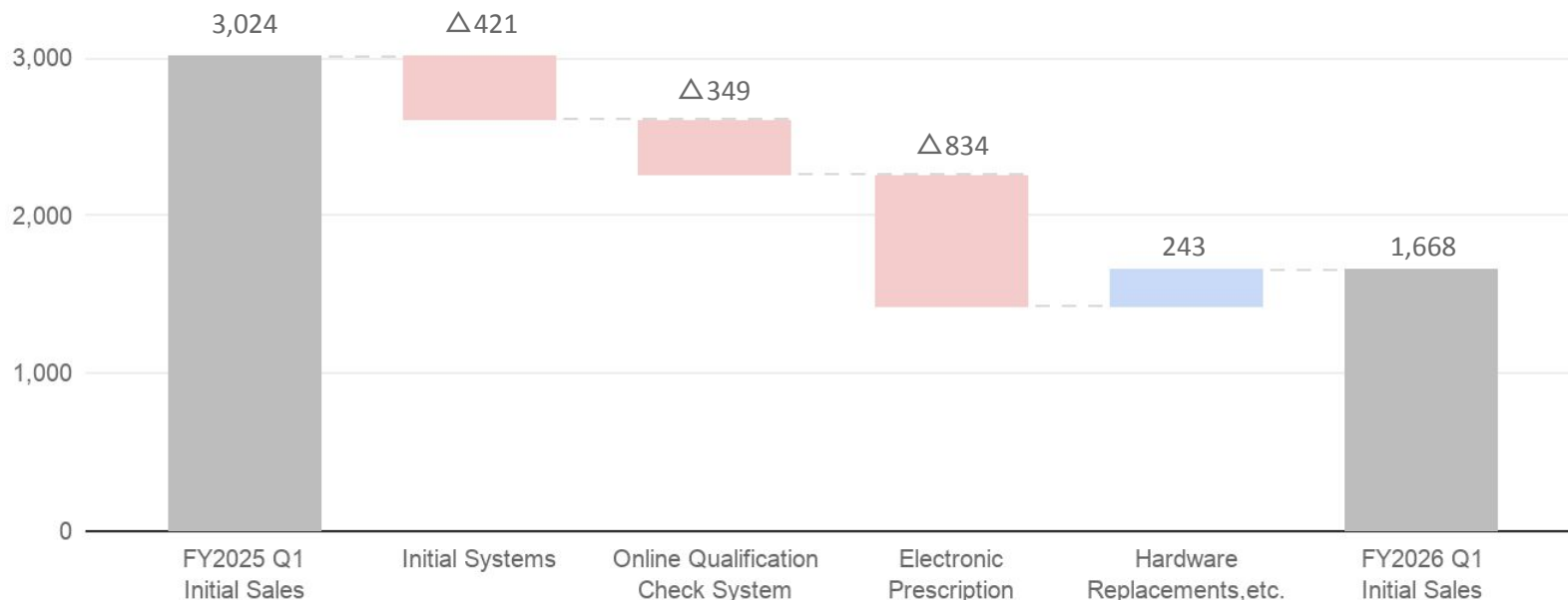
Units:millions of yen

	FY2025 Q1	FY2026 Q1	YoY change	YoY % change
Pharmacies	1,459	374	△1,085	△74.4%
Clinics	123	△170	△294	-
Long-Term Care/Welfare	△97	△76	20	-
Other	22	40	17	76.4%

* Sales and operating profits by segment are the amounts before elimination of inter-segment transactions.

Increase/Decrease in Initial Sales

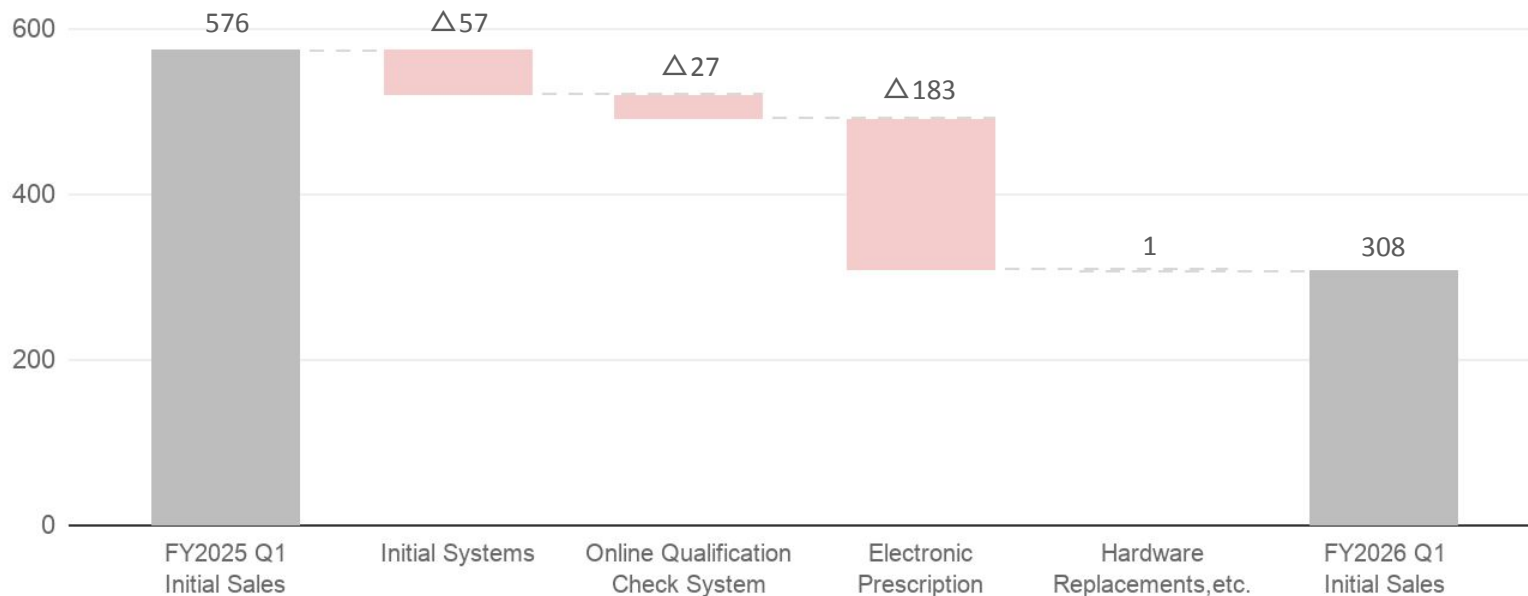
Units: millions of yen



* Categories of increases/decreases are the amounts before applying the revenue recognition standard and before taking into account changes in consolidated subsidiaries.

Increase/Decrease in Initial Sales

Units: millions of yen

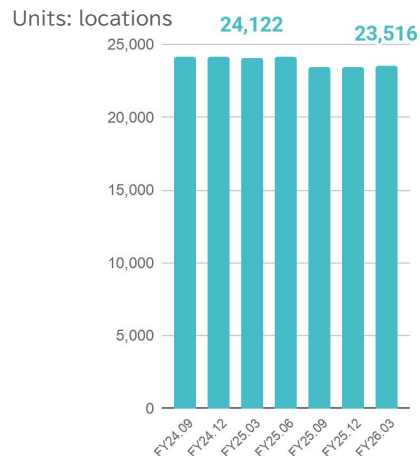


* Categories of increases/decreases are amounts before considering increase/decrease of consolidated subsidiaries.

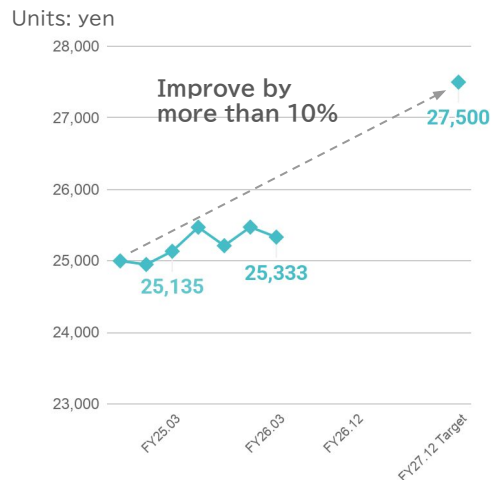
ARPU for pharmacies fluctuated due to changes to hardware manufacturer maintenance and seasonal factors, despite the continuing effects of upward pressure from Welfare Administration, etc.
The number of clinic customers is steadily increasing due to customers switching from competitors' products, following the completion of the peak demand for Welfare Administration-Related.

IT Systems for Pharmacies

Number of Customers*1



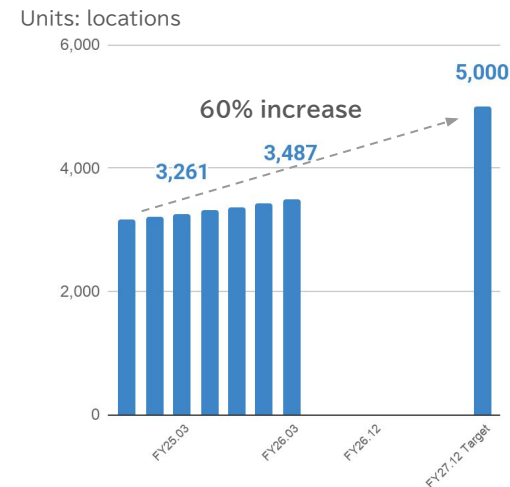
ARPU*2



- Enhanced sales of management functions (prescription sharing, BI tools, POS cash registers, etc.).
- Revision of product prices in consideration of improving product added value, rising prices, and other factors.
- Review of duplicate products and maintenance systems due to M&As and past initiatives.

IT Systems for Clinics

Number of Customers*1




- Expand sales channels such as OEM supply and agency development.
- Accelerate provision of systems that meet market needs such as online medical care, reservations, and medical inquiries.
- Consider diverse options such as M&As and alliances.

*1 Number of consolidated customers


*2 ARPU(Average Revenue Per User) is calculated by [Individual (monthly billing sales + monthly maintenance sales)/Number of customers in the target period]

Company Initiatives


Market Environment




In line with the 2040 problem (the declining working-age population and peaking of the elderly population), there is an urgent need to secure and improve the efficiency of human resources amid an increase in demand for medical care and long-term care/welfare.



Increased number of cyberattacks in the medical and long-term care/welfare fields, and continued enhancements to security measures through on-site inspections, etc.




Increase in the number of large-scale chain long-term care facilities due to the aging of society.
Establishment of Long-Term Care Information Infrastructure to consolidate information related to long-term care and reduce the burden on the field of long-term care and medical care.




Formulation of electronic medical record standard specifications by the government and announcement of the framework of the certification system.

Continue to monitor the status of consideration for the formulation of the dissemination plan in the summer of 2026.


Initiatives



Development of unique solutions that leverage the characteristics of our business as an all-in-one services provider for pharmacies, clinics, and long-term care/welfare.
Enhanced content and provision of online seminars/webinars for medical practitioners, etc. on EM-AVALON, an information website specializing in medical and long-term care/welfare fields.



Provision of functions such as prescription sharing systems, prescription readers, and automatic generation of SOAP guidance sentences to resolve issues such as labor shortages and operational efficiency.
M&A of precal, Inc. to change over to a business model centered on services.



OEM provision of our infrastructure systems and applications to other companies.
Implementation of development and communication in conjunction with administrative trends (electronic medical chart information sharing service, etc.)



Clinics Pharmacies Long-Term Care/Welfare

▶ Compensation revision and system trends

In revisions to medical fee schedules, the pharmacy business environment is facing headwinds, and although we are currently examining trends in subsidies, etc. in Welfare Administration-Related, we recognize that it is urgently necessary to shift to a revenue structure that does not rely on special demand and adds value to our own products and services.

▶ Tightening of Healthcare DX requirements

Development and support costs are increasing in the short term due to the increasing level of system requirements in Welfare Administration, including public-cloud integration. Taking this opportunity, we will accelerate the transition to high-value-added next-generation products and initiate structural reforms that will lead to an increase in the number of customers and ARPU over the medium to long term.

▶ Structural changes in the macro environment and ongoing inflation

In order to respond to soaring infrastructure-related costs and soaring prices due to inflation, we will drastically review the existing price system and promptly promote "comprehensive optimization of the price system" to optimize profitability.

Initiatives to Improve Profitability

▶ Comprehensive optimization of the pricing structure

In light of soaring costs and the tightening of various system requirements, we will promote a comprehensive review of our pricing system and shift to an appropriate structure commensurate with the value provided.

▶ Transforming the pharmacy sales structure into a "Specialized Business"

While continuing our activities to acquire new companies to expand our Pharmacy customer base, which is our earnings base, we have established a specialized activity system with cross-company members to improve ARPU and strengthen sales activities for our own customers (from May 2026). Clarify the role of sales and centralize individual activities.

▶ Re-examination and reduction of costs

Re-examined the company-wide cost structure. Started specific reduction actions to improve SG & A expenses and development efficiency.

Initiatives for the Future

▶ Promotion of Group-wide product development

Product development that pursues high added value and a lower cost ratio, assuming that each Group company will share products and respond to market needs.

▶ Expand business domains and functions through M&A

precal, Inc.:

Started proof of concept (PoC) for next-generation pharmacy business model transformation (realization of a worker-less pharmacy), such as automation of prescription entry.

Conduct Co., Ltd.:

Complement the product lineup in Long-Term Care/Welfare and expand the service base. Accelerate organizational PMI.

AI Implementation in Products: Collaboration with Pharmacists

1 Voice separation and transcription

High-precision identification and recording of conversations between patients and pharmacists. Eliminate the hassle of note-taking and support greater focus on face-to-face patient care.

2 AI SOAP*₁ automatic generation

Generative AI instantly compiles medication history proposals from conversations. Dramatically reduces administrative work time and accelerates the shift from task-oriented to patient-centered duties.

3 Medication guidance hint mode

Scheduled for Implementation in 2026

AI proposes guidance points based on patient background and prescriptions. We are establishing a next-generation guidance style that shifts the workflow from "researching and thinking" to "reviewing AI recommendations."

Implementing AI in Internal Operations: Improving Organizational Productivity

Promotion of AI call center

- ACW*₂ Reduction
Automation of response records shortens post-processing time and improves power receiving rate.
- Dynamic FAQ Generation
The FAQ is generated immediately based on the latest inquiry. Supporting Self-resolution.
- [Vision] AI Automatic Power Receiving
Optimal allocation through AI and full automation of fixed-form responses.

AI automation of internal operations

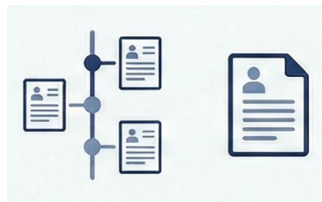
- Improving Development Quality and Efficiency
Accelerate development of high-quality products by supporting code generation and testing through AI.
- Sales and Support Assistance
Automatic summary of customer call memos and CRM linkage reduce administrative burden.

Collaboration with AI to maximize customer experience and accelerate transition to a high-profit structure

*1 S: Subjective information, O: Objective information, A: Assessment, P: Plan

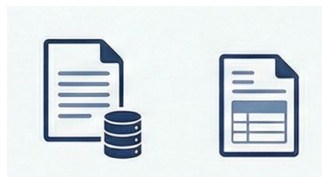
*2 ACW(After Call Work): Post-processing hours, such as clerical work, to be entered after telephone service is completed.

Operational and Input Support (realization of efficiency improvement)



Automatic summary of patient history

Quickly ascertaining the condition of patients before examining them, based on past medical records and test results.



Automation of document creation and posting

Automatic extraction and creation of information required for creation of medical information provision sheets from existing data.



Medical record formatting using voice input

The recording data will be translated into texts, and the data will be automatically arranged in the appropriate medical record format.

Medical and Management Support (improvement of decision-making)



Proposal of medical practice based on data

Presentation of optimal choices and benchmarks based on data from in-house and other clinics.



Support for inquiries from a vast amount of literature

Instantly extracting the necessary information from papers and websites under any given conditions.

Scheduled for incorporation in MAPs for CLINIC in fiscal 2026, realizing a future medical style

Earnings Forecast

FY2026.Q2

Although net sales were generally in line with the initial plan, the Company revised down its forecast for the first half of the fiscal year ending March 31, 2023. While demand for hardware replacement remained strong, demand in Welfare Administration-Related fell more than expected, and the sales mix deviated from the initial plan due to delays in acquiring new and third party customers. In addition, some of the expenses planned for the second half of the fiscal year ended March 31, 2023 were brought forward to the first half of the fiscal year, which also pushed down profits.

Although we have not reviewed our full-year earnings forecast at this time to closely examine the impact of Welfare Administration and other factors, we will disclose any impact on our earnings forecast and growth scenario for the current fiscal year.

Units: Millions of yen

	FY2025 Q2 Initial Forecast	FY2025 Q2 Revised Forecast	Variance	Variance (%)
Sales	10,242	10,273	30	0.3%
Operating Profits	1,393	447	△945	△67.9%
Ordinary Profits	1,654	791	△862	△52.1%
Net Income	921	344	△576	△62.6%

Shareholder Returns

Trends in Shareholder Returns

The interim dividend was revised to 5 yen based on the interim net income after the revision of the earnings forecast and the "dividend payout ratio at the 100% level," which is the policy of the Medium-Term Management Plan.

The year-end dividend remains unchanged from the initial forecast of 18 yen per share, as the Company is currently examining its full-year financial results (dividend payout ratio of 100% is planned to be maintained).



*1 We conducted stock splits on April 1st, 2016 and March 1st, 2018 and January 1st, 2020 at a ratio of two shares per one ordinary share.

The above figures are based on the assumption that the respective stock splits were conducted at the beginning of the fiscal year.

*2 The consolidated dividend payout ratio for FY2026.12 (forecast) is omitted as the Company is currently examining the full-year earnings forecast.

Acquisition and Retirement of Treasury Stock

We have been acquiring treasury stock as a strategic means of improving capital efficiency and enhancing shareholder returns. We will continue to consider shareholder returns, including acquisition of treasury stock, in order to continuously increase the corporate value of each share.

Acquisition Period	Total Acquisition Value	Percentage*2 of Total Shares Issued*1
November 10, 2010 ~	57 million yen	1.14%
February 09, 2011 ~	69 million yen	1.18%
September 05, 2011 ~	79 million yen	1.26%
November 11, 2011 ~	77 million yen	1.08%
May 25, 2015 ~	99 million yen	0.49%
June 18, 2018 ~	500 million yen	1.19%
January 07, 2019 ~	500 million yen	1.18%
June 11, 2020 ~	500 million yen	0.78%
February 10, 2022 ~	500 million yen	0.80%
February 15, 2024 ~	1 billion yen	2.31%

Retirement of treasury stock

Total number of shares cancelled: 4,000,000 shares

(Ratio in relation to the total number of shares issued before cancellation 5.37%)

Cancellation date: December 16, 2024

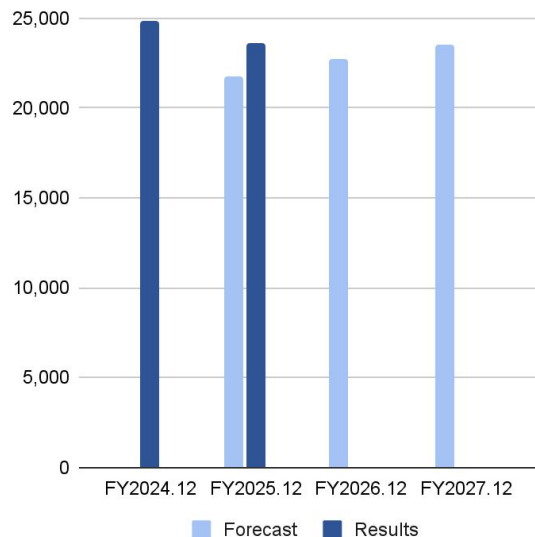
*1 Excluding treasury stock

*2 Rounded to the third decimal place

Appendix.

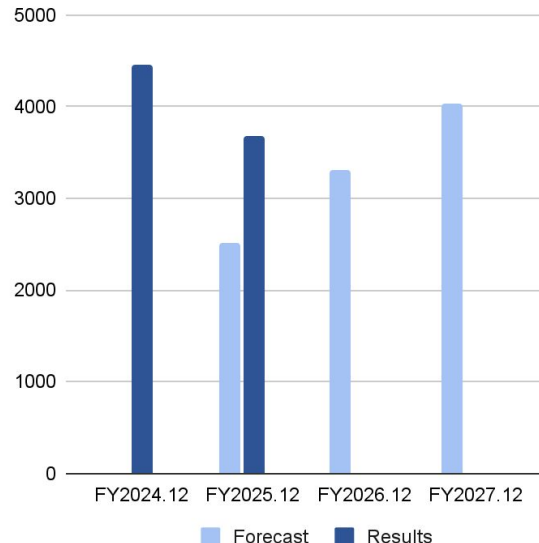
Sales

Units: millions of yen

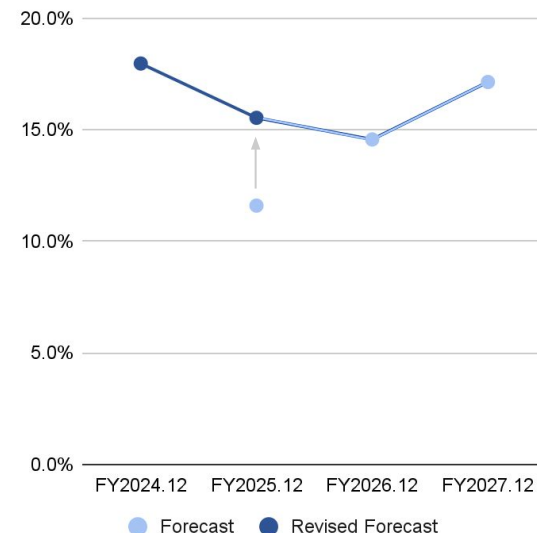


Operating Profit

Units: millions of yen



Operating Profit Margin

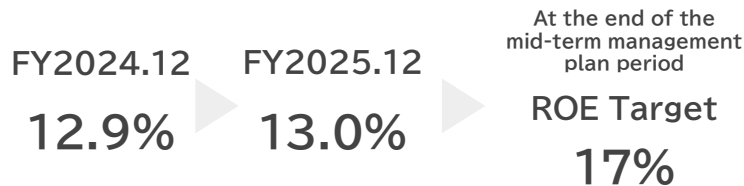


FY2025-FY2027 Medium-Term Management Plan - 2

(millions of yen)	FY2024.12 Results	FY2025.12 Results	FY2026.12 Forecast	FY2027.12 Forecast
Sales	24,837	23,658	22,762	23,511
Year-on-Year Growth Rate	22.0%	Δ4.7%	Δ3.8%	3.3%
IT Systems for Pharmacies	20,699	19,236	18,658	19,074
IT Systems for Clinics	2,564	2,879	2,403	2,656
IT Systems for Long-Term Care / Welfare	570	566	752	833
Other	1,174	1,119	1,125	1,125
Adjustment	Δ171	Δ142	Δ178	Δ178
EBITDA	6,606	4,806	4,361	5,023
Operating Profits	4,464	3,676	3,316	4,031
Operating Margin	18.0%	15.5%	14.6%	17.1%
Year-on-Year Growth Rate	91.6%	Δ17.6%	Δ9.8%	21.5%
IT Systems for Pharmacies	5,255	3,967	3,553	3,944
IT Systems for Clinics	Δ423	32	Δ196	8
IT Systems for Long-Term Care / Welfare	Δ450	Δ378	Δ94	26
Other	60	28	25	23
Adjustment	22	27	29	29
Ordinary Profits	5,184	4,313	3,939	4,634
Net Income	2,425	2,452	2,193	3,064
Dividends Per Share	35	39	32	47

* The figures for the fiscal year ended December 31, 2026 are based on the initial plan announced on February 13, 2026.

ROE Target*1



Shareholder Returns Policy

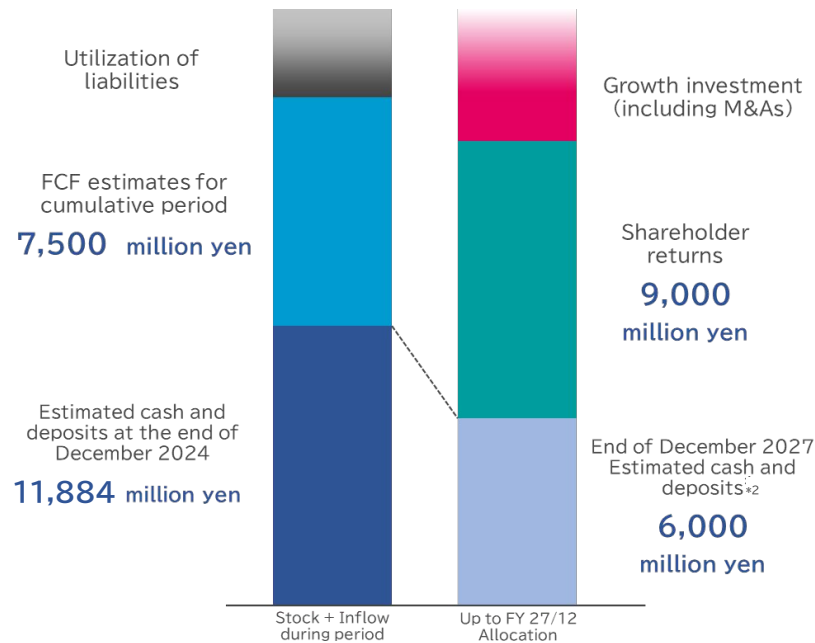
Dividend payout ratio during the mid-term management period

100%

Review of Directors' Compensation System

In order to further promote the sharing of value with shareholders and investors, the Company has introduced a new performance-linked stock compensation plan, in addition to the existing restricted stock plan, with the achievement of the medium-term management plan targets as the KPI.

Capital Allocation

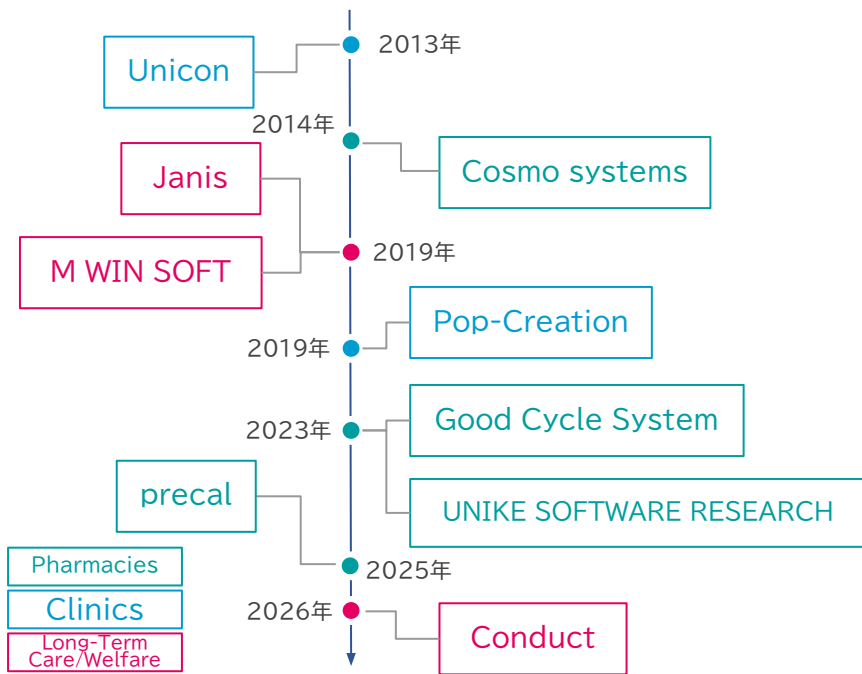


*1 ROE = Net income attributable to parent company shareholders ÷ (Equity at end of period - Total dividends paid at end of period)

*2 Exclusive of unpaid corporate taxes and dividends for the relevant fiscal year.

M&A Performance (Track Record and Effectiveness)

Since 2013, we have acquired nine companies with the aim of expanding our share of the dispensing market and acquiring customers that will serve as a foundation for entering new markets. We intend to continue identifying market changes and responding flexibly in order to expand our customer base in the pharmacy, clinic, and long-term care/welfare fields, and to improve our product lineup and quality.



Pharmacies

Number of customers : 8,000*
Contributions to higher retention and ARPU by enhancing services such as electronic drug history and entry agency services.

Clinics

Number of customers : 1,700*
Conclusion of M&As that contribute to the expansion of our base, including the expansion of sales channels.

Long-Term Care/Welfare

Number of Licenses : 14,500*
Acquisition of product development resources for expansion into the nursing care market and sales networks rooted in advanced expertise and regions.

* Cumulative acquisitions through M&A

Units: millions of yen

	FY2025.12	FY2026 Q1	Change	Percentage Change
Assets	27,506	26,313	△1,192	△4.3%
Current Assets	12,948	11,439	△1,508	△11.7%
Fixed Assets	14,558	14,874	316	2.2%
Tangible Fixed Assets	1,376	1,420	44	3.2%
Intangible Fixed Assets	4,021	4,287	266	6.6%
Investments and Other Assets	9,160	9,167	6	0.1%
Liabilities	7,074	7,135	61	0.9%
Current Liabilities	5,769	5,573	△196	△3.4%
Fixed Liabilities	1,304	1,562	258	19.8%
Net Assets	20,432	19,178	△1,254	△6.1%
Shareholder's Equity	19,867	18,501	△1,366	△6.9%
Cumulative Amount of Other Comprehensive Income	467	574	106	22.8%
Stock Acquisition Rights	55	55	-	-
Non-controlling Interests	41	47	5	13.1%

By Segment Sales Breakdown

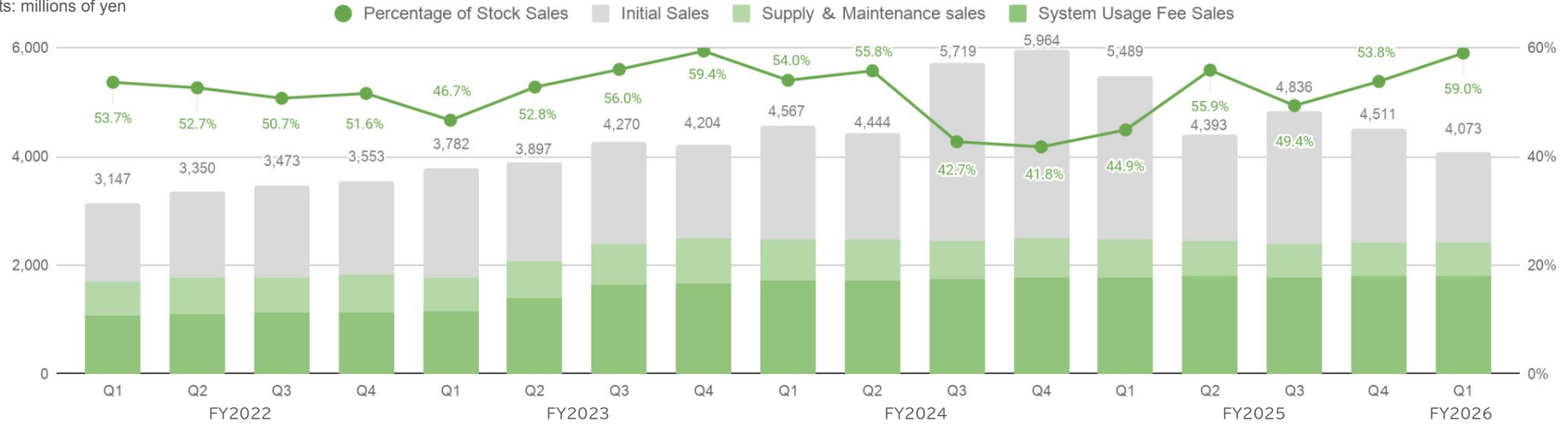
Units : millions of yen

	FY2025 Q1 Results	FY2026 Q1 Results	YoY change	YoY % change
Net Sales	6,714	5,039	△1,675	△24.9%
IT Systems for Pharmacies	5,490	4,074	△1,415	△25.8%
Initial	3,024	1,668	△1,355	△44.8%
System Usage Fee	1,779	1,806	27	1.5%
Consumable Goods	526	475	△51	△9.8%
Maintenance Service	159	124	△35	△22.5%
IT Systems for Clinics	831	592	△239	△28.8%
Initial	576	308	△267	△46.4%
System Usage Fee	223	256	33	15.2%
Consumable Goods	14	12	△2	△19.0%
Maintenance Service	17	14	△3	△18.3%
IT Systems for Long-Term Care/Welfare	127	133	5	4.2%
Initial	20	15	△5	△26.9%
System Usage Fee	55	83	28	51.7%
Consumable Goods	-	-	-	-
Maintenance Service	51	34	△17	△34.1%
Other Businesses	298	279	△18	△6.2%
Adjustments	△34	△40	△6	-

* Net sales by segment are the amounts before elimination of intersegment transactions.

Quarterly Sales (Pharmacies)

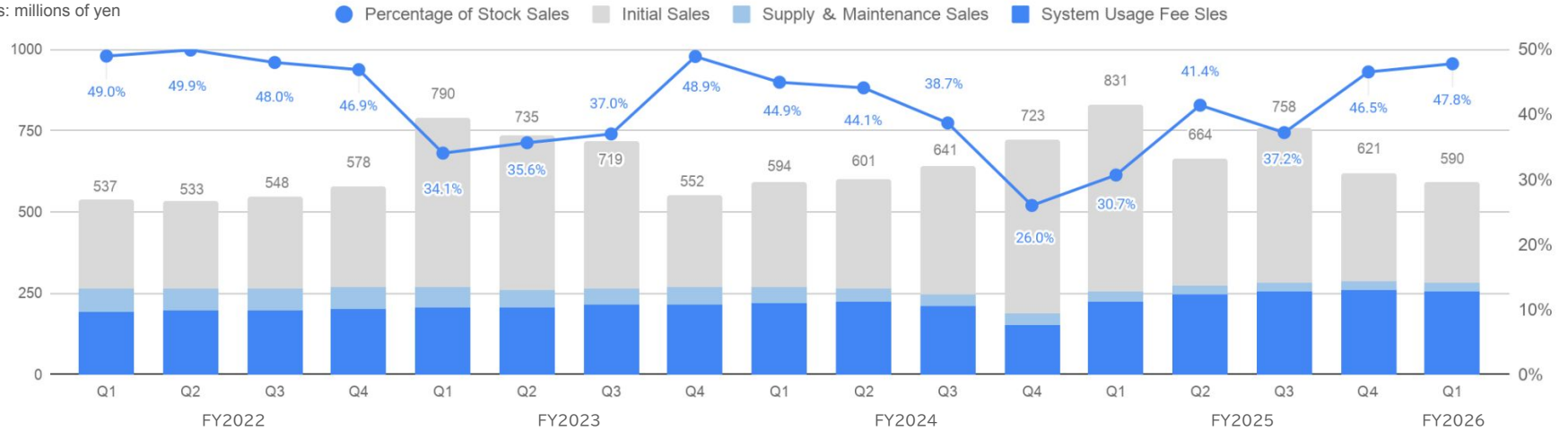
Units: millions of yen



	FY2022				FY2023				FY2024				FY2025				FY2026
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Initial Sales	1,458	1,586	1,711	1,719	2,016	1,840	1,877	1,706	2,099	1,965	3,275	3,472	3,024	1,937	2,448	2,083	1,668
Supply & Maintenance Sales	621	664	640	704	617	654	769	835	754	756	703	710	686	656	617	636	599
System Sage Fee Sales	1,068	1,100	1,122	1,130	1,149	1,403	1,624	1,663	1,714	1,723	1,741	1,782	1,779	1,800	1,771	1,792	1,806

Quarterly Sales (Clinics)

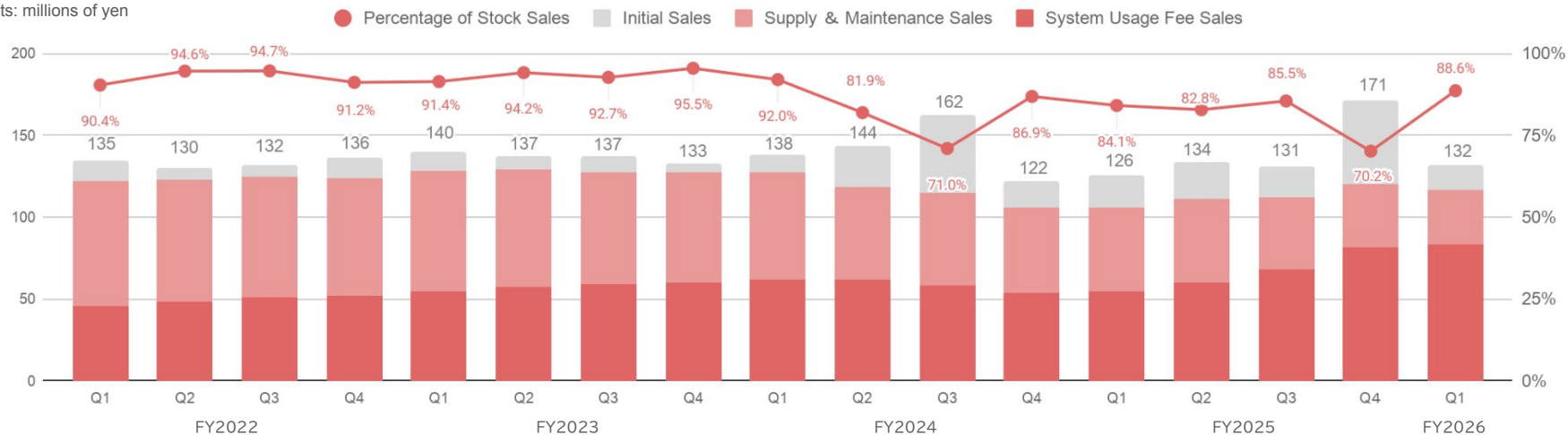
Units: millions of yen



	FY2022				FY2023				FY2024				FY2025				FY2026
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Initial Sales	274	267	285	307	521	473	453	282	327	336	393	535	576	389	476	332	308
Supply & Maintenance Sales	72	69	65	68	64	56	53	55	48	42	39	36	32	27	26	27	26
System Usage Fee Sales	191	197	198	203	205	206	213	215	219	223	209	152	223	248	256	262	256

Quarterly Sales (Long-Term Care/Welfare)

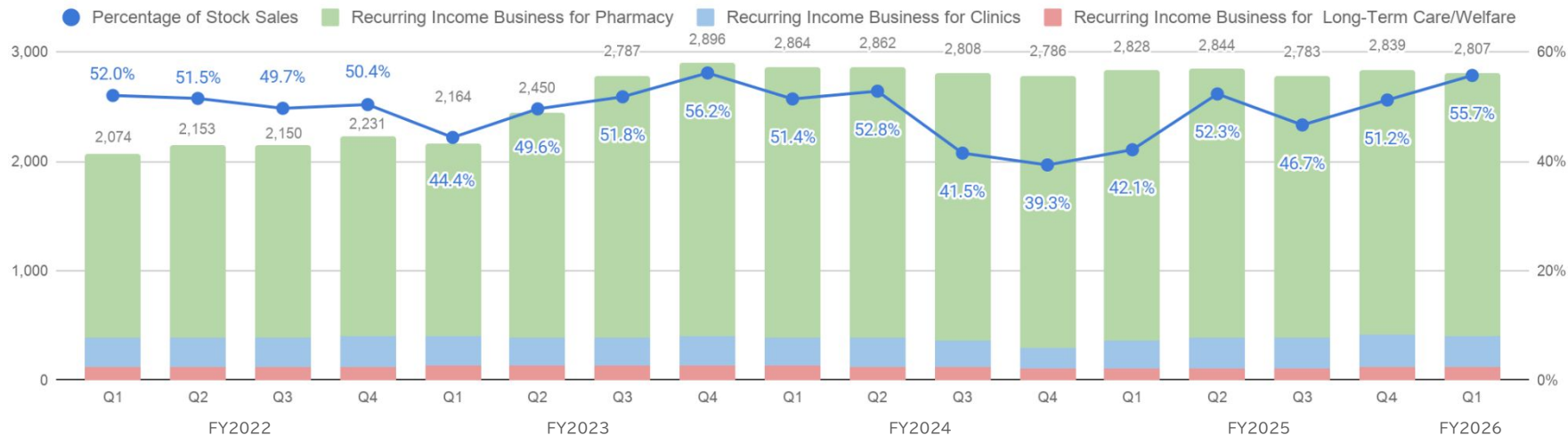
Units: millions of yen



	FY2022				FY2023				FY2024				FY2025				FY2026
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Initial Sales	13	7	7	12	12	8	10	6	11	26	47	16	20	23	19	51	15
Supply & Maintenance Sales	76	75	74	72	73	72	68	67	65	56	57	52	51	51	44	38	34
System Usage Fee Sales	46	48	51	52	55	57	59	60	62	62	58	54	55	60	68	82	83

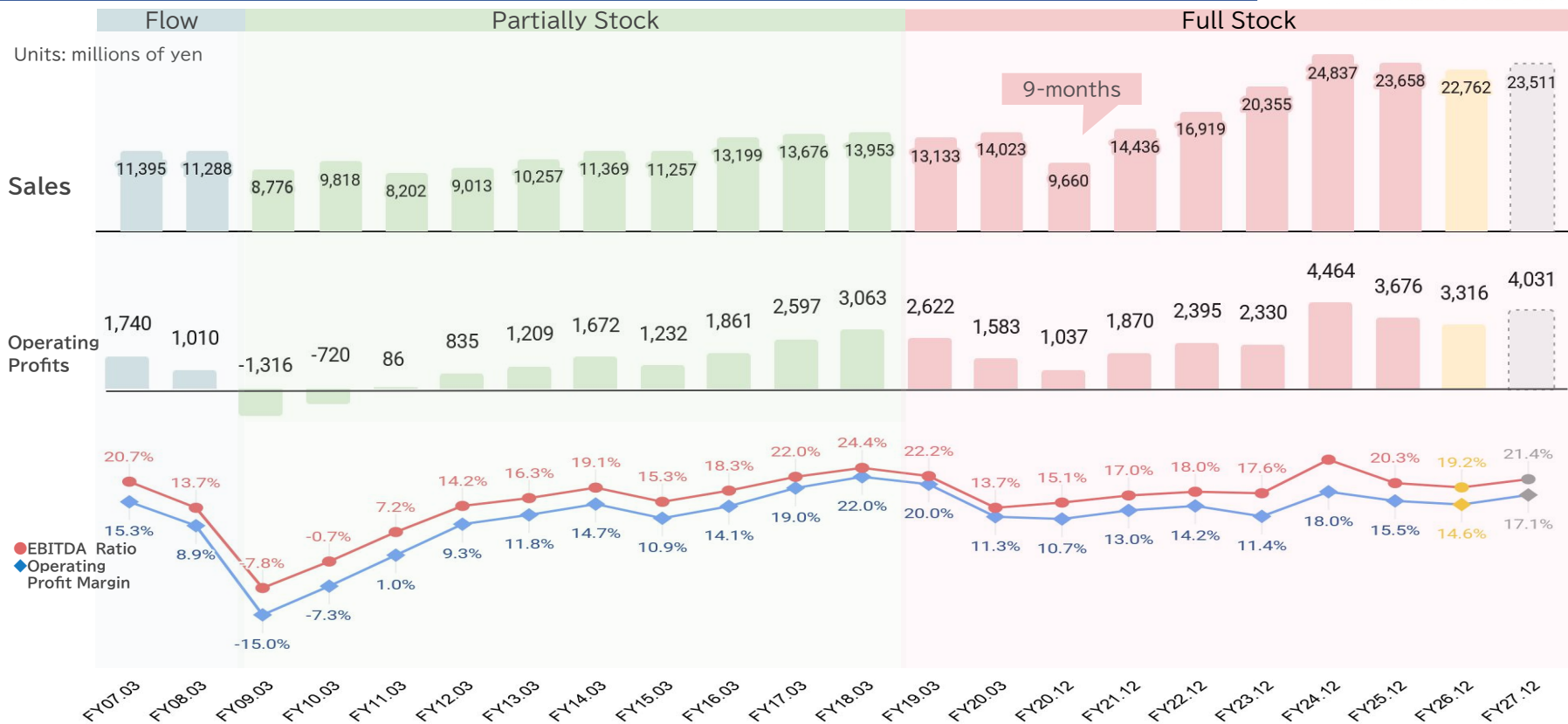
By Segment Recurring Income Business (Quarterly Sales)

Units: millions of yen



	FY2022				FY2023				FY2024				FY2025				FY2026
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Recurring Income Business for Pharmacy	1,689	1,764	1,762	1,835	1,766	2,057	2,394	2,499	2,469	2,479	2,444	2,492	2,466	2,457	2,389	2,429	2,406
Recurring Income Business for Clinics	263	266	263	271	270	263	266	270	268	265	248	188	255	276	282	289	283
Recurring Income Business for Long-Term Care/Welfare	122	123	125	125	128	130	127	127	127	118	116	106	107	111	112	121	118

Changes in Consolidate Results by Fiscal Year



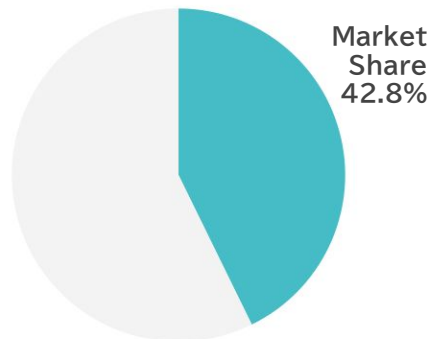
Our Share and Our Approach to Expanding Our Share

While each market continues to consolidate around the top manufacturers, there are still many mid-sized vendors with several thousand customers.

Vendors with 10,000 or fewer customers bear a heavy burden when developing systems in response to revisions.

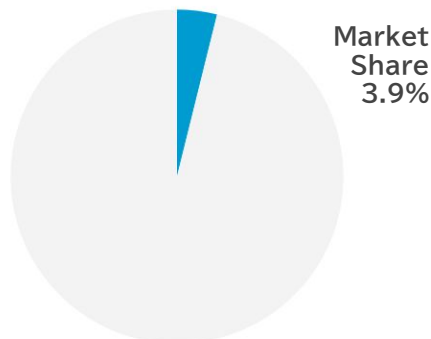
Our intention is to increase our share of each market by continuing to actively pursue M&As.

IT Systems for Pharmacies



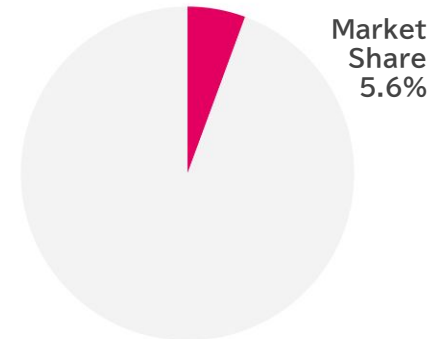
Number of customers: 23,516 (QoQ +34)
Target population: 55,000

IT Systems for Clinics



Number of customers: 3,487 (QoQ +61)
Target population: 90,000

IT Systems for Long-Term Care/Welfare

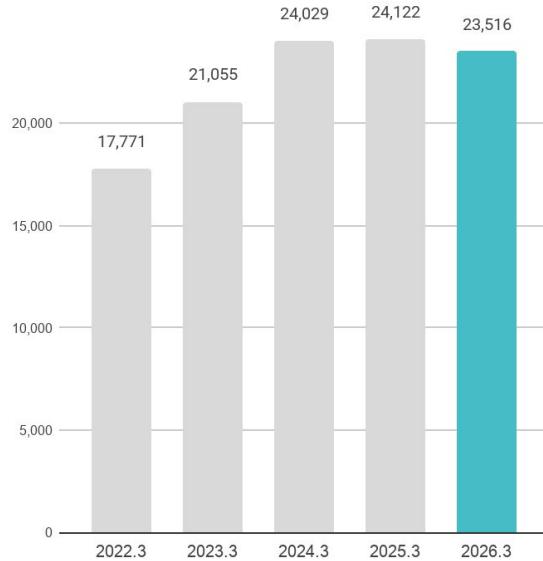


Number of customers: 16,307 (QoQ +3,294)
Target population: 290,000

(As of March 31, 2026)

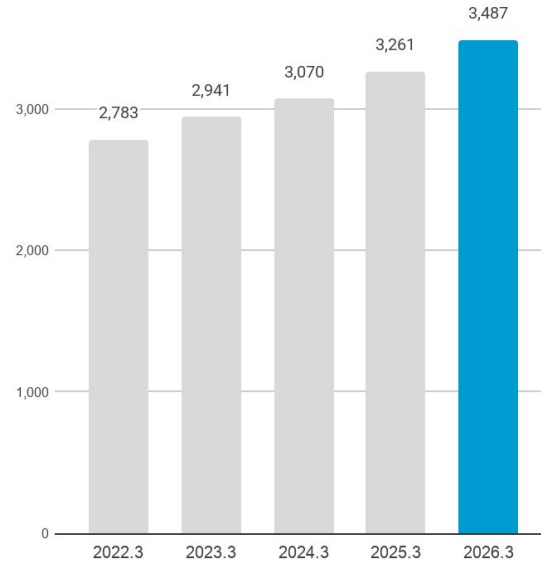
IT Systems for Pharmacies

Units: locations



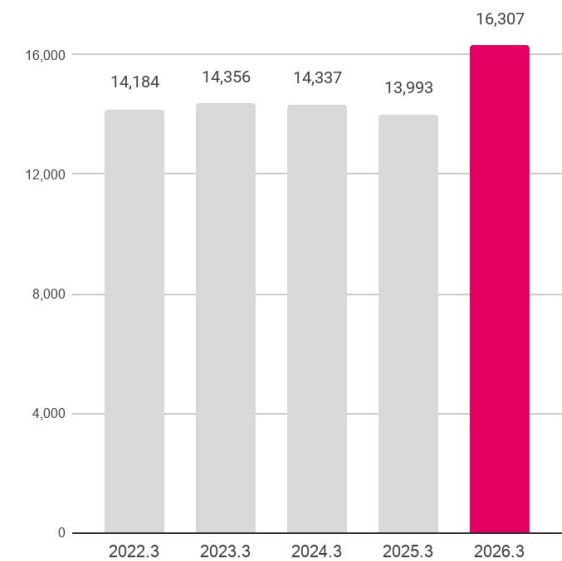
IT Systems for Clinics

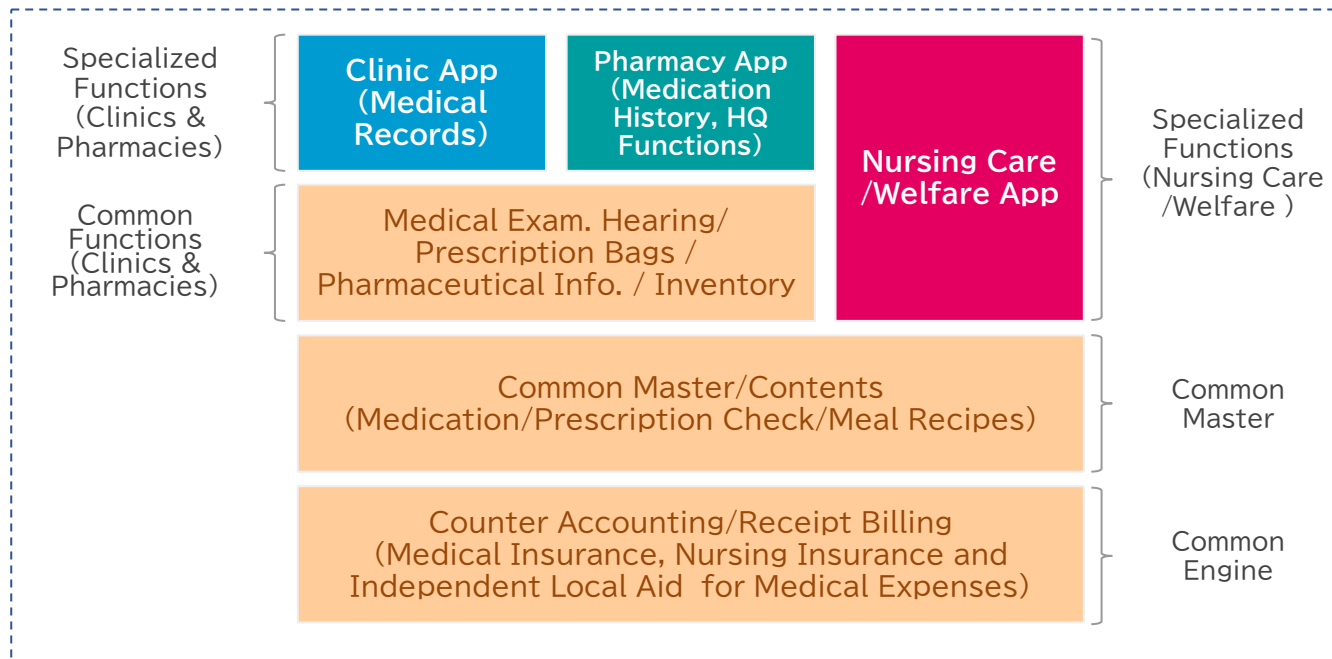
Units: locations



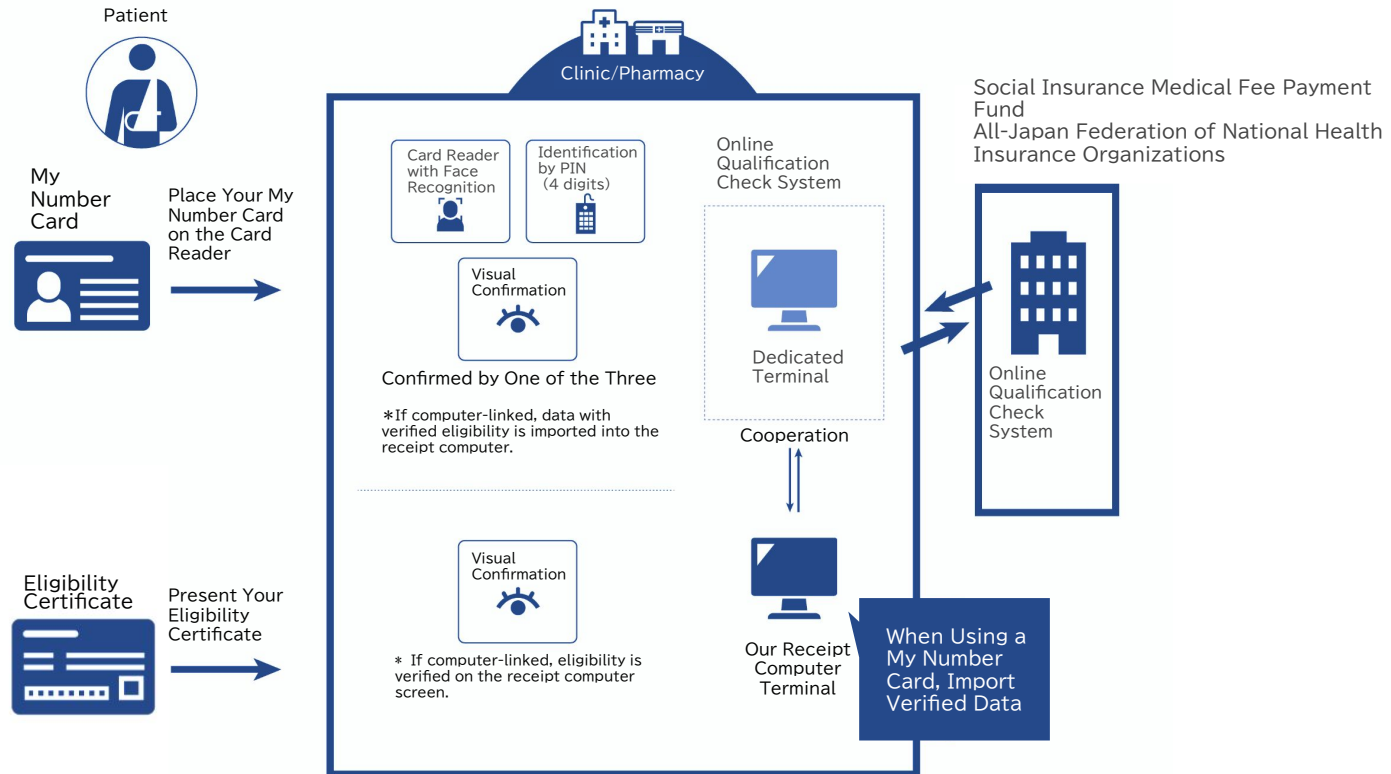
IT Systems for Long-Term Care/Welfare

Unit: licenses



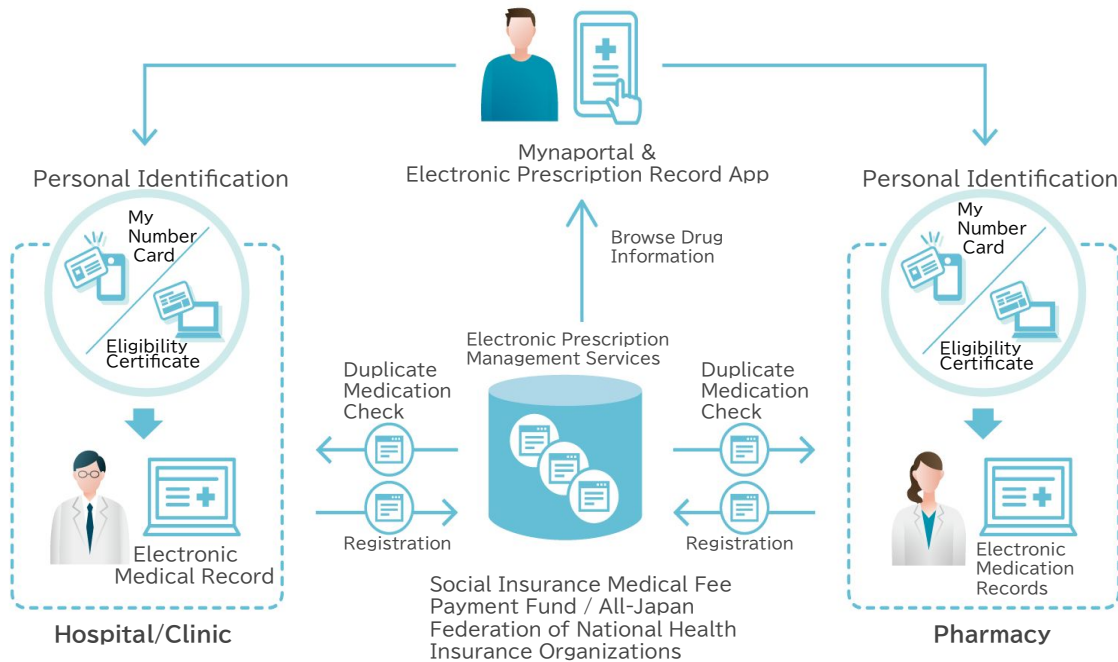


How the Online Qualification Check System Works



How Electronic Prescription Function

Electronic prescription are a system for managing prescriptions electronically. It enables users to refer to the latest prescription and dispensing information at multiple medical institutions and pharmacies, and to check for duplicate medications.



In order to visualize the mid-term management plan “Enhancement of Business Foundation” and achieve sustainable corporate growth, we will implement a review of the long-term goals through 2030, and will continue to integrate ESG issues into our management strategies, including human resource education and governance enhancements.

Important Issue	Major KPIs through 2030
1. Digital Solutions for the Future of Medical and Long-Term Care/Welfare	<ol style="list-style-type: none"> Provision of new solutions and services utilizing advanced technologies (number of cases) Number of facilities linking medical information collaboration (EHR service) : 1,200 facilities (including medical institutions and insurance pharmacies) Promotion of other industries and new partnerships and collaborations (number of alliances): 10 companies Contributions to advanced academic research and administrative promotion in the medical field (number of cases)
2. Secure Information Foundation and Governance to Build Trust	<ol style="list-style-type: none"> No serious security incidents (continued) Zero scandals and major violations of laws and regulations (continued) Acquisition and maintenance of Information Security Management System (ISMS) certification Implementation of BCP drills: Once a year (continued) Compliance training e-learning completion rate: 100% per year Continuous evaluation and improvement of the effectiveness of the quality control functions
3. Human and Earth Health That Support Sustainable Growth	<p>Human Capital</p> <ol style="list-style-type: none"> Ratio of women in management positions: 30%, Male childcare leave acquisition rate: 30% Equivalent to [A] in the employee engagement survey rating Continuation of Excellent Corporation for Health & Productivity Management Human resources investment to enhance employee transformation adaptability (annual training hours / personnel, expenses / personnel) <p>Environmental Considerations</p> <ol style="list-style-type: none"> Greenhouse gas emissions (Scope 1+2): 25% reduction compared to 2020 Electronic ratio of major internal and external processes (electronic contracts, etc.): 80%

Aim for further corporate growth and contributions to society by encouraging each and every employee to shine and improve the vitality of the organization as a whole.

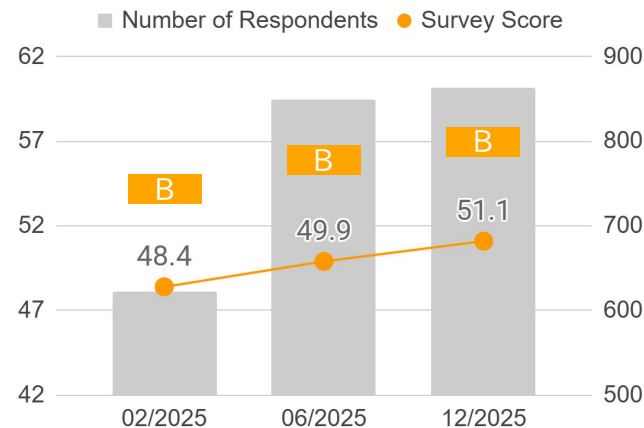
Enhancement of Employee Engagement

Regularly conduct employee engagement surveys to identify and resolve issues related to the organization's direction and strategy promotion.

Improvement activities at each company, organization, and company level based on the results.

Activate and strengthen organizational culture.

Invest in health management and well-being.



External Evaluations

- Recognized as 3.5 stars in the Nikkei Sustainable Comprehensive Survey Smart Work Management Edition
- FTSE Blossom Japan Sector Relative Index: continued authorization



FTSE Blossom
Japan Sector
Relative Index

Contributing to social welfare through sports support, with the goal of becoming an indispensable company that "enhances national health levels."

Activity Information

Support for Tennis Academies and Professional Tennis Players

Support for the Tennis Academy *Ai Love All Tennis Academy*.
Endorsement and patch contracts with professional tennis players.
Organization of events for medical practitioners *EM Tennis Clinic*.

Sponsored by the Osaka Medical Tennis Association Cooperation in Events at the Osaka Physician Tennis Doubles Convention and Tennis Clinic

Support for conventions through events to assist medical practitioners in wellbeing.
We hold family and kids clinics, providing a refreshing opportunity for busy doctors and their families through interaction with doubles tournament participants and professional expertise.

<Participation Pro>
Aiko Nakamura Pro (President of Ai Love All Tennis Academy), Tetsuya Chaen Pro,
Risa Ozaki Pro, Haruka Kaji Pro, Taiyo Yamanaka Pro, Coach Kunio Koga

▼ Scene at a kids clinic



Research Support Activities

- **Donations to Medical AI/Digital Twin Development Course (Course Head: Specially-Appointed Assistant Professor Yoshimasa Kawazoe M.D., Ph.D.)**
Endorsing the purpose of activities of the University of Tokyo's Course on Artificial Intelligence in Healthcare, which aims to develop a foundation for new medical services based on AI and ICT, we started donating to the course from fiscal year 2017. From fiscal 2023, we plan to continue contributing to the research and development of this course in support of the establishment of the Medical AI/Digital Twin Development Course, which is an extension of this course.
- **Support for examination of next-generation electronic medical record base (Representative: Professor Kazuhiko Ohe, M.D., Ph.D. at the University of Tokyo)**
Participation in the activities of *NeXEHRs*, established with the goal of constructing a next-generation electronic medical record sharing platform.
- **Participation in PHR Proliferation Activities (Representative: Professor Taku Iwami Ph.D. at Kyoto University)**
Participation in the activities of the *PHR Promotion Council* (General Incorporated Association), which aims to promote the appropriate proliferation of Personal Health Records (PHR) and contribute to further improving health and safety, and support for the proliferation of a system enabling individuals to utilize data relating to medical care, long-term care, health, etc. at their own discretion.

Supporting Activities

- **Participation in the Cross-Ministerial Strategic Innovation Promotion Program (SIP) (Cabinet Office)**
Participated in the specification development of core functions for "Cloud-Based Standard Electronic Medical Charts" as a cooperating institution in SIP Phase 3, "Building an Integrated Healthcare System," led by the Council for Science, Technology and Innovation of the Cabinet Office.
- **Contribution to the promotion of digital transformation in the medical field**
We participated early on in building the foundation for medical digital transformation led by the Ministry of Health, Labor and Welfare, and contributed to its nationwide spread through model projects for Online Qualification Check and Electronic Prescription. Leveraging the knowledge gained through this project, we are currently working to create further medical information sharing systems, including Electronic Medical Chart Information Sharing Service.

Donation Activities

- **Commencement of Acceptance of Donations of EM Online Shop Points (Japanese Red Cross Society and WFP)**
Addition of a donation option as a redemption item for points granted to customers based on their purchase amounts of supplies and consumables.
The Company adds 10% to the total donation amount compiled from customer point redemptions.



#TX | Thanks Transformation

医療・介護を「#ありがとう」に変えていく

The contents in this presentation materials are based on assumptions judged to be valid and information available to the Company's management at the time they were prepared.

The Company assumes no obligation to update or revise any information, whether as a result of new information, future events or otherwise.

As forecasts contained herein are based on assumptions of numerous uncertain factors,

Actual results may differ significantly from these forecasts for a number of reasons.

EM SYSTEMS CO., LTD. IR Section

Inquiries: <https://emsystems.co.jp/ir/mailform.html>