



mascot character  
EMMA

# Results of Operations for December 2021, 3<sup>rd</sup> Quarter

 **EM SYSTEMS CO., LTD.**  
(TSE 1st Section: 4820)

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- ii. Company Initiatives

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Supporting Date      Shared Information System Foundation

## Notice Concerning Application for listing of New Market Category “Prime Market”

We are pleased to announce that, on July 9, 2021, the Company received its “Primary Judgment Results Regarding Compliance with Listing Maintenance Criteria in a New Market Category” from Tokyo Stock Exchange, Inc. (hereinafter referred to as “the TSE”), confirming that it meets the listing maintenance criteria for the new “Prime Market” category.

Based on this result, the board of directors held on September 9 decided that the Company will apply to be listed in the Prime Market.

Going forward, we will proceed with the prescribed procedure for applying to be listed in the new market category according to the schedule set by the TSE.

[July 13, 2021 Public document]

# Company Initiatives regarding the Novel Coronavirus

We would like to express our heartfelt sympathies to all of you who are dealing first-hand with novel coronavirus infections (Covid-19). We pray that the pandemic comes to an end as soon as possible and we pray for your health.

Our company, which continues to support the healthcare (clinics and pharmacies) and long-term care/welfare industries through our systems, is implementing the following initiatives throughout the entire EM Systems Group in order to minimize the effects on the health and safety of our customers and employees, as well as on our business, and to continuously provide the stable system access and service.

## ➤ Working Environments

Utilization of staggered working hours, telecommuting, online meetings and mobile working, as well as creation of office environments that avoid the three Cs.

Installation of sneeze guards at all seats, mask wearing, and thorough disinfection practices, etc.

Implementation of work style reforms that enable employees to work without coming to the office.

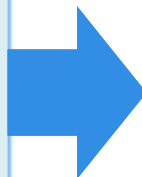
## ➤ Sale Activities

Sales activities via the Internet and telephones.

## Clinics



- Responses to the Post-Covid-19 Status  
(Promotion of online medical care, medical consultations by appointment, transition toward cashless systems, etc.)
- Hybridization of exhibitions by academia and private companies, and transition toward holding such exhibitions online
- Standardization of electronic medical records at medical institutions  
(with the goal of information sharing as government)
- Transition toward electronic prescriptions, and construction of information viewing environments at medical institutions where Individual Number Cards are used as insurance certificates  
(Individual unitization of insurance information, and improvement of patient convenience)



## Initiatives

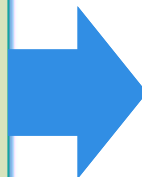


- Transition toward cloud-based systems, and provision of cashless services through our subsidiary ChoQi Co., Ltd.
- Application of online demonstrations and online business negotiation tools, and non-face-to-face sales, Exhibition at hybrid expo (Setting up an online booth)
- Participation in the government-promoted electronic medical record standardization verification project
- Provision of online qualification confirmation system  
(compatible with subsidy system/full operation in October.)
- Enhanced medical system proposal capabilities

## Pharmacies



- Responses to the Post-Covid-19 Status  
(Optimization of operations within pharmacies, promotion of online medication guidance, delivery of medications, etc.)
- Reorganization, and strong performance in M&A drugstore industry  
DX strategy development
- Hybridization of exhibitions and transition toward holding such exhibitions online
- Transition toward electronic prescriptions, and construction of information viewing environments at medical institutions where Individual Number Cards are used as insurance certificates  
(Individual unitization of insurance information, and improvement of patient convenience)



## Initiatives



- Provision of head office systems capable of coordinating with the systems of other companies
- Launch of "EM Analysis Support (free)"  
Release of "MAPs Option | BunseQI (paid)"
- Application of online demonstrations and online business negotiation tools, and non-face-to-face sales
- Provision of online qualification confirmation system  
(compatible with subsidy system/Full operation in October.)
- Collaboration with Good Cycle System Co., Ltd and enhanced electronic medical history proposal capabilities

## Long-term care/welfare



- Increase in the number of new facilities accompanying the aging of society, and increase in the number of large-scale chain long-term care facilities
- Responses to the Post-Covid-19 Status  
(Provision of non-contact services, limitations on facility usage, strengthening infection countermeasures, etc.)
- Increase in the demand for digitization of long-term care records, and promotion of information utilizations
- Revision of long-term care fees  
April, 2021
- Promotion of scientific long-term care by LIFE (Long-term care Information system For Evidence)



## Initiatives MAPS for NURSING CARE

- Development of MAPs for NURSING CARE
- Strengthening of chain store sales proposal capabilities  
Promotion of TOP coverage
- Application of online demonstrations and online business negotiation tools and online exhibitions, non-face-to-face sales
- Proposals to promote systemization, and examination of medical and long-term care information sharing
- Efficient support and data output for LIFE by Sukoyaka-san

## Marketing Activities ,Sale Activities

Clinic	Pharmacy	Long-term care	contents
○	○	○	Strengthening Web Marketing : Implementation of SEO and SEM measures, Application of YouTube channel, Raise awareness
○	○		Application of electronic contracts, and estimates and configuration examinations conducted personally by customers through "MAPs DIRECT," an e-commerce site
○	○		Promotion of non-face-to-face sales focusing existing customers
○			Released "MAPs for CLINIC with ORCA" linked with JMA standard receipt software ORCA
○	○	○	Expansion of sales channels such as OEM and agency businesses
	○		Business partnership with Good Cycle System Co., Ltd, Marketing, Online seminars, Linkage with medication history Linkage of a tool for online medication guidance and follow-ups during periods of administration
	○		Launch of "EM Analysis Support (free)" ,Release of "MAPs Option   BunseQI (paid)"
	○		Sales promotion of MAPs for PHARMACY by YUYAMA Co., Ltd.
○	○	○	Regional comprehensive care and collaboration between hospitals and pharmacies →Realization of collaboration between hospitals and pharmacies through cooperation with CSI Co., Ltd
○	○	○	Application of M&A



## Development activities



### EM Technology Laboratory Co., Ltd (Common name: EMTLab.)

- System development subsidiary funded entirely by EM Systems; Established in July 2020
- Consolidates state-of-the-art technologies and environments where cutting-edge innovations are made
- Creates globally-adaptable development professionals
- Secures promising human resources by being a company that is attractive to developers
- Clarifies and optimizes profitability as a development organization
  - Strengthening product competitiveness through expanding the functions of the already-released MAPs for CLINIC and MAPs for PHARMACY
  - Development of MAPs for NURSING CARE, a long-term care/welfare system, and preparations for release
  - Contribution to standardizing the industry and reducing costs through the OEM provision of a shared engine: Expansion to other companies in the same field

## ESG activity

- Slogan for sustainability activities “A step further into a better future”

Revision of management philosophy and company policy

Formulation of new "#TX" corporate brand logo



Revision of key issues with non-financial indicators

Mapping of social priorities and company management issues



Identification of important issues (materiality)



Corporate brand/logo








医療・介護を「#ありがとう」に変えていく

Full-scale formulation of non-financial (future financial) indicators scheduled for February 2022

# I . ii . Company Initiatives

## ➤ Mapping of social and corporate priorities and identification of important issues (materiality)

Important issues (materiality)	Common SDGs	Related SDGs	Summary of Initiatives	Examples of initiatives
1. Construction of an infrastructure that connects "thank-you's"			<ul style="list-style-type: none"> <li>System development as a stable infrastructure</li> <li>Human resource development to enable continuous system provision</li> <li>Creation of an organization that guarantees quality</li> </ul>	<ul style="list-style-type: none"> <li>Development and dissemination of MAPs series</li> </ul>
2. Construction of trusting relationships that connect "thank-you's"		  	<ul style="list-style-type: none"> <li>Advanced security support</li> <li>Strengthening of corporate governance</li> <li>Realization of well-being</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of compensation committee</li> <li>Formulation of a skill matrix</li> <li>Promotion of health management</li> <li>Vitalization of employee engagement through SDGs</li> <li>Sports promotion activities</li> </ul>
3. Efforts toward an environment that connects "thank-you's"			<ul style="list-style-type: none"> <li>Product development with consideration toward reduction of environmental load</li> <li>Consideration of clean energy utilization</li> <li>Risk management in response to environmental load and climate change</li> </ul>	<ul style="list-style-type: none"> <li>calculation of energy consumption</li> <li>Consideration of actions in response to TCFD recommendations</li> </ul>
4. Collaborative creation of value connected by "thank-you's"			<ul style="list-style-type: none"> <li>System development that contributes to the realization of team medical care</li> <li>Contribution to the further realization of people's health and happiness</li> <li>Provision and proposal of services</li> <li>Contribution to the realization of DX being encouraged by the government and development of human resources that can be promoted</li> </ul>	<ul style="list-style-type: none"> <li>Services for linking medical information (EHR)</li> <li>Human resource development program</li> </ul>

### ■ External evaluation

Certified as a 3-star company in the "5th Nikkei Smart Work Management Survey" that selects leading companies which are working to improve productivity through work style reforms (for 2 consecutive years)



## Social contribution activities

- Sponsor participation in the KIMIKO DATE x YONEX PROJECT



- Ai Love All Tennis Academy  
Participation as a professional tennis player sponsor



## Social contribution activities

- Donations to course for the development of health care AI (Course head: Specially-appointed Assistant Professor Yoshimasa Kawazoe M.D., Ph.D.)

We agree with the purpose of the Artificial Intelligence in Healthcare course at the University of Tokyo, aimed at developing a base for new medical services focused on AI and ICT, and we have been supporting the course's activities through continuous donations since 2017.

- Participation in examination of next-generation electronic medical record base (Representative: Professor Kazuhiko Ohe, M.D., Ph.D. at the University of Tokyo)

We participate in NeXEHRs Consortium, established with the goal of constructing a next-generation electronic medical record sharing platform.

- Cooperation in a project by the Ministry of Health, Labour and Welfare (Researcher: Professor Kazuhiko Ohe, M.D., Ph.D. at the University of Tokyo)

We cooperate in examinations of “research and development of standards to ensure interoperability between medical information provision forms, electronic prescriptions and other electronic medical documents,” a research project by the Ministry of Health, Labour and Welfare, and we participate in verification tests of uploading electronic prescriptions generated according to HL7 FHIR standards into pharmacy receipt computers.

- Support for polypharmacy measures (Representative: Professor Hirohisa Imai Ph.D. at the University of Tokyo)

We agree with the purpose of the polypharmacy measures promoted by the Society for the Promotion of Proper Drug Usage, and we support its activities as a special member.

### consolidated results of December 31 2021, 3<sup>rd</sup> Quarter

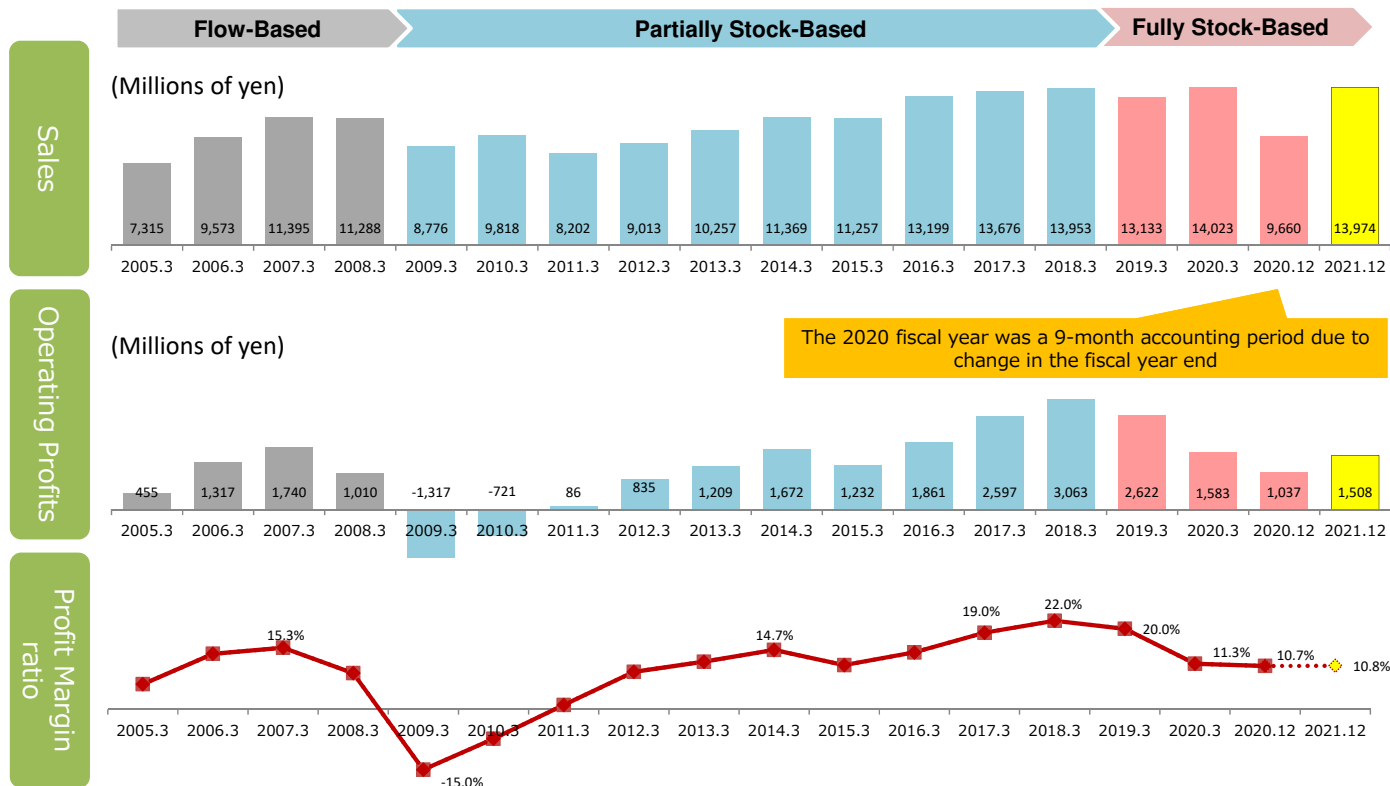
	Financial year ended December 31 2020	December 31 2021 3 <sup>rd</sup> Quarter	Compared to previous year
Sales	9,660 millions of yen	<b>10,386</b> millions of yen	7.5%
Operating Profits	1,037 millions of yen	<b>1,172</b> millions of yen	13.0%
Ordinary Profits	1,469 millions of yen	<b>1,762</b> millions of yen	19.9%
Net Income	1,062 millions of yen	<b>1,251</b> millions of yen	17.8%

※ We have changed the fiscal year ended from March 31 to December 31 starting from the 2020 fiscal year.

### Topics for December 31 2021, 3<sup>rd</sup> Quarter

- Accelerated system installation toward full-scale operation of online qualification confirmation and increased sales
- Steady increase in billing sales following increased number of billing customers
- Manufacturing costs increased due to investment in new system development personnel to handle the unexpected revision of the Long-term Care Act
- Ordinary income increased due to payment of dividends from accumulated income as a result of changes in the business content of our deconsolidated wholly owned subsidiary

## II. ii. Changes in consolidate results by fiscal year



## II . iii . Balance Sheet Summary (Units: Millions of yen)

	December 31 2020	December 31 2021 3 <sup>rd</sup> Quarter	YoY change	YoY % change
<b>Assets</b>	23,096	23,525	428	1.9%
Current assets	11,191	11,174	(16)	(0.1%)
Fixed assets	11,905	12,350	445	3.7%
Tangible fixed assets	1,441	1,389	(51)	(3.6%)
Intangible fixed assets	2,591	2,516	(75)	(2.9%)
Investments and other assets	7,872	8,444	572	7.3%
<b>Liabilities</b>	5,362	5,272	(89)	(1.7%)
Current liabilities	3,476	3,381	(95)	(2.7%)
Fixed liabilities	1,885	1,891	5	0.3%
<b>Net assets</b>	17,734	18,252	518	2.9%
Shareholder's equity	17,675	18,131	455	2.6%
Cumulative amount of other comprehensive	(19)	20	39	(203.2%)
Stock acquisition rights	55	55	0	0.0%
Non-controlling interests	23	46	22	98.2%

### Major YoY Changes

Investment account securities 670 millions of yen

retained earnings 321 millions of yen



## II . iv . By Segment Sales/Operating Profits

(Millions of yen)

	Financial year ended December 31 2020		December 31 2021 3 <sup>rd</sup> Quarter					
	Sales	Operating Profits	Sales			Operating Profits		
			Results	Increase/ decrease amounts	Increase/ decrease rates	Results	Increase/ decrease amounts	Increase/ decrease rates
IT Systems for Pharmacy	7,450	1,079	8,016	566	7.6%	1,197	117	10.9%
IT Systems for Clinic	1,296	(35)	1,427	130	10.1%	20	55	-
IT Systems for long-term care/welfare	376	(14)	430	54	14.4%	(35)	(20)	-
Other Business	576	(7)	519	(56)	(9.8%)	(33)	(25)	-

※Segmented sales and operating profits and losses are the amounts before elimination of internal transactions between segments.

※We have changed the fiscal year ended from March 31 to December 31 starting from the 2020 fiscal year.

- ✓IT Systems for Pharmacies・・Contribution to increased sales through expansion of online qualification confirmation system installations  
Decrease in capitalized for "MAPs for PHARMACY "and higher maintenance costs.
- ✓IT Systems for Clinics・・・・・In addition a full-scale introduction of online qualification confirmation systems, increase in sales as a result of an increase in the number of existing system sales, and a steady increase in billing sales.
- ✓IT Systems for long-term care/welfare・・・・・ In addition to the initial introduction of large-scale projects, billing sales remained strong  
Following the revision of the Long-term Care Act, we have invested in new system development personnel to respond to the revision, resulting in a temporary decrease in new development of "MAPs for NURSING CARE" and increased manufacturing costs.
- ✓Other Business ・・・・・Due to the change in the operation system of rental conference rooms, rental conference room sales are no longer included in the sales and operating income of other businesses, and both the sales and operating income of the pharmacy business decreased due to the decrease in the number of prescriptions caused by the spread of COVID-19.

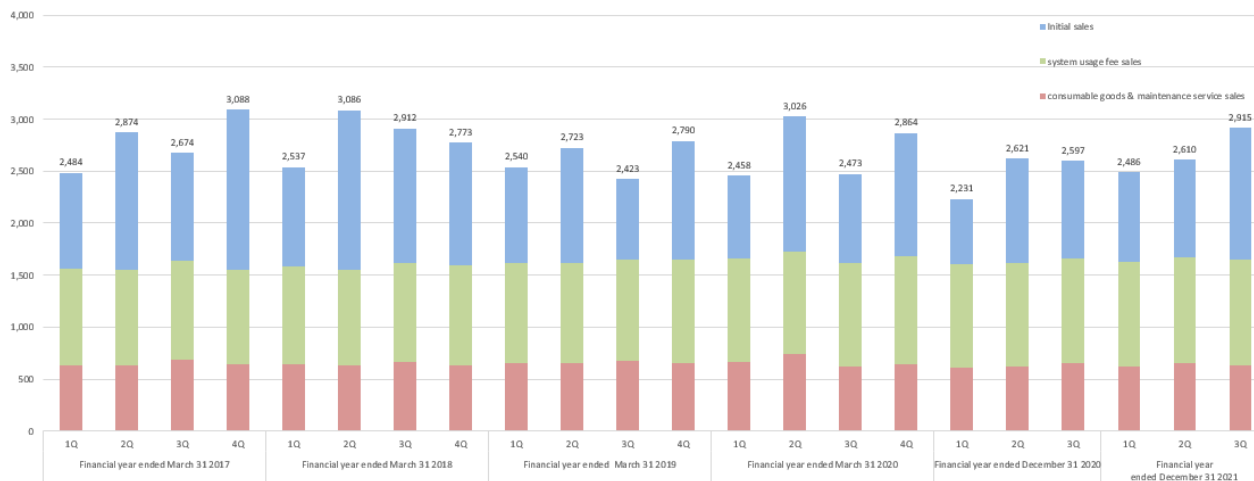
## II. v. By Segment Sales Breakdown

(Millions of yen)

	Financial year ended December 31 2020	December 31 2021 3 <sup>rd</sup> Quarter	YoY change	YoY % change
<b>Net sales</b>	<b>9,660</b>	<b>10,386</b>	<b>725</b>	<b>7.5%</b>
<b>IT Systems for Pharmacies</b>	<b>7,450</b>	<b>8,016</b>	<b>566</b>	<b>7.6%</b>
(initial sales)	2,578	3,064	486	18.9%
(system usage fee sales)	2,978	3,046	68	2.3%
(consumable goods sales)	1,324	1,329	4	0.4%
(maintenance service sales)	569	576	6	1.2%
<b>IT Systems for Clinics</b>	<b>1,296</b>	<b>1,427</b>	<b>130</b>	<b>10.1%</b>
(initial sales)	565	656	91	16.2%
(system usage fee sales)	482	531	48	10.1%
(consumable goods sales)	48	46	(1)	(3.7%)
(maintenance service sales)	200	192	(7)	(3.9%)
<b>IT Systems for long-term care/welfare</b>	<b>376</b>	<b>430</b>	<b>54</b>	<b>14.4%</b>
(initial sales)	36	65	28	79.5%
(system usage fee sales)	109	134	24	22.8%
(consumable goods sales)	0	0	0	–
(maintenance service sales)	230	231	0	0.2%
<b>Other Businesses</b>	<b>576</b>	<b>519</b>	<b>(56)</b>	<b>(9.8%)</b>
<b>Adjustments</b>	<b>(38)</b>	<b>(8)</b>	<b>30</b>	<b>(78.9%)</b>

※Net sales by segment are the amounts before elimination of inter-segment transactions.

## Quarterly Sales (Units: Millions of yen)

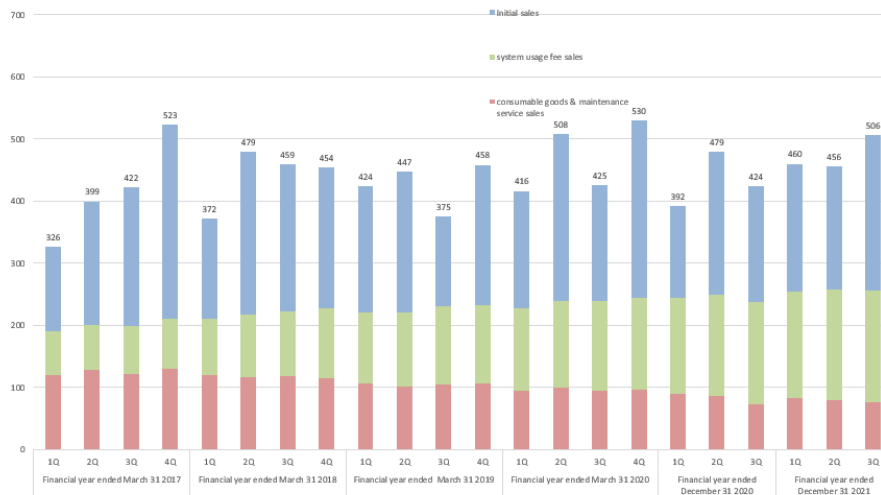


	Financial year ended March 31 2017				Financial year ended March 31 2018				Financial year ended March 31 2019				Financial year ended March 31 2020				Financial year ended December 31 2020			Financial year ended December 31 2021		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	1Q	2Q	3Q
Initial sales	920	1,319	1,037	1,536	953	1,532	1,297	1,179	919	1,102	776	1,144	801	1,304	858	1,186	629	1,006	942	860	938	1,265
system usage fee sales	928	925	951	910	946	920	948	964	969	964	972	987	989	981	995	1,039	988	994	996	1,004	1,022	1,019
consumable goods & maintenance service sales	636	630	686	642	638	634	667	630	652	657	675	659	668	741	620	639	614	621	659	622	650	631
Total	2,484	2,874	2,674	3,088	2,537	3,086	2,912	2,773	2,540	2,723	2,423	2,790	2,458	3,026	2,473	2,864	2,231	2,621	2,597	2,486	2,610	2,915

## Moving Annual Total (Units: Millions of yen)



## Quarterly Sales (Units: Millions of yen)

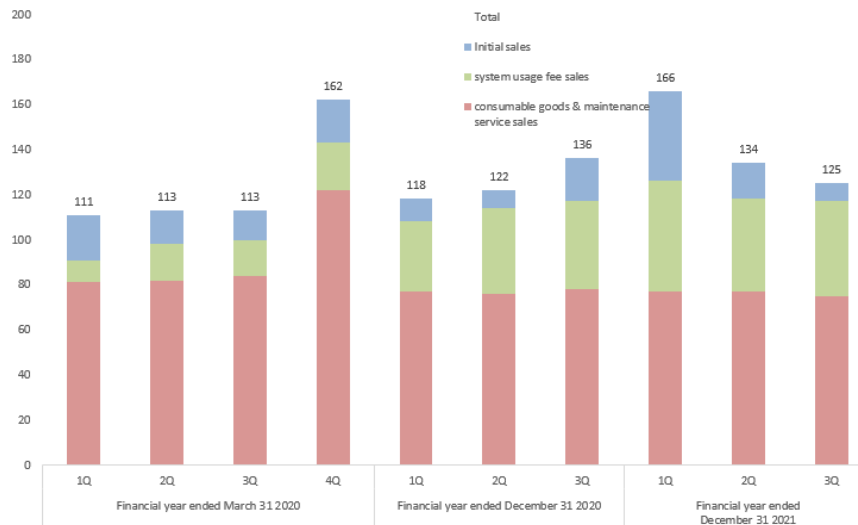


	Financial year ended March 31 2017				Financial year ended March 31 2018				Financial year ended March 31 2019				Financial year ended March 31 2020				Financial year ended December 31 2020			Financial year ended December 31 2021		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	1Q	2Q	3Q
Initial sales	136	198	223	313	161	262	237	227	203	227	145	225	189	269	186	285	148	230	187	206	199	250
system usage fee sales	70	73	78	80	91	101	104	113	115	118	126	127	132	139	145	149	154	163	165	172	177	180
consumable goods & maintenance service sales	120	128	121	130	120	116	118	114	106	102	104	106	95	100	94	96	90	86	72	82	80	76
Total	326	399	422	523	372	479	459	454	424	447	375	458	416	508	425	530	392	479	424	460	456	506

## Moving Annual Total (Units: Millions of yen)

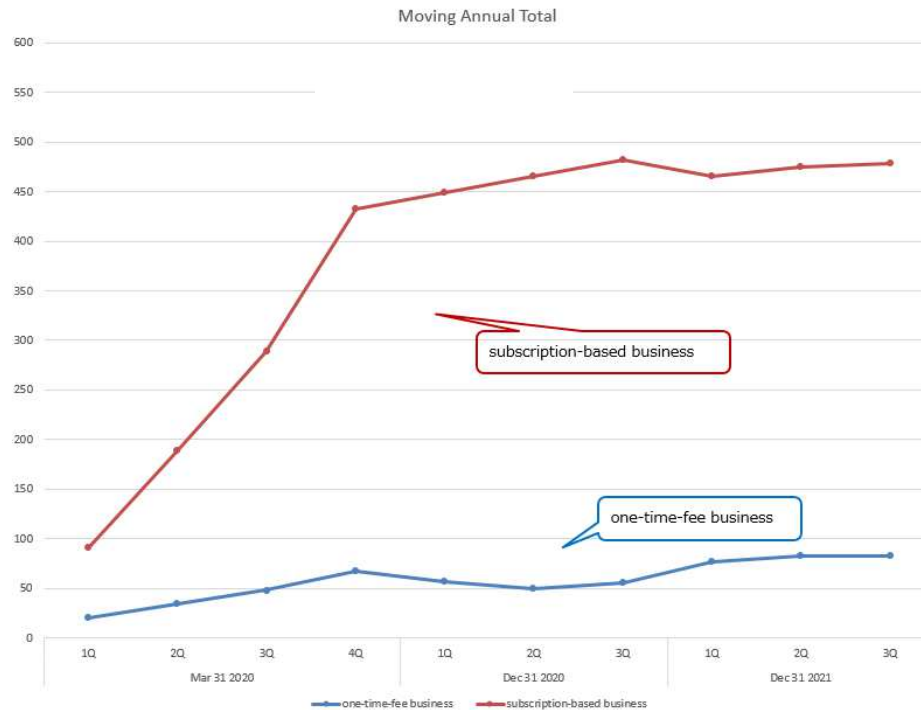


## Quarterly Sales (Units: Millions of yen)



	Financial year ended March 31 2020				Financial year ended December 31 2020			Financial year ended December 31 2021		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	1Q	2Q	3Q
Initial sales	20	15	13	19	10	8	19	40	16	8
system usage fee sales	10	16	16	21	31	38	39	49	41	42
consumable goods & maintenance service sales	81	82	84	122	77	76	78	77	77	75
Total	111	113	113	162	118	122	136	166	134	125

### Moving Annual Total (Units: Millions of yen)





## II . ix . Forecast for the fiscal year ending December 2021

(Millions of yen)

	Fiscal year ended December 31 2020 (actual)	Fiscal year ended December 31 2021 (forecast)
<b>Sales</b>	<b>9,660</b>	<b>13,974</b>
Business for Pharmacy	7,450	10,760
Business for Clinic	1,296	1,891
Business for long-term care/welfare	376	564
Other Business	576	763
Adjustment	(38)	(5)
<b>Operating Profits</b>	<b>1,037</b>	<b>1,508</b>
Business for Pharmacy	1,079	1,492
Business for Clinic	(35)	(81)
Business for long-term care/welfare	(14)	146
Other Business	(7)	(83)
Adjustment	16	34
<b>Ordinary Profits</b>	<b>1,469</b>	<b>2,017</b>
<b>Net Income</b>	<b>1,062</b>	<b>1,357</b>

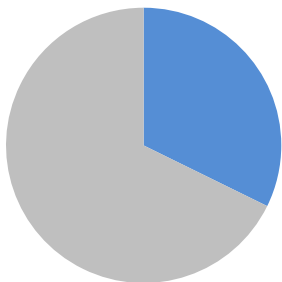
※Segmented sales and operating profits and losses are the amounts before elimination of internal transactions between segments.

※ The Company has changed the fiscal year end from March 31 to December 31 starting from the 2020 fiscal year.

## II . x . Market Share and Number of Customers

IT Systems for Pharmacies

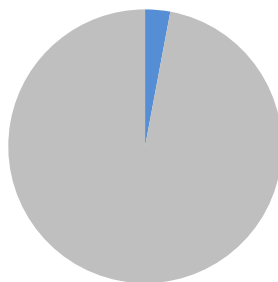
Market share **33.8%**



Number of customers : 16,895  
Target population : 50,000  
Mid-term goals : 25,000

IT Systems for Clinics

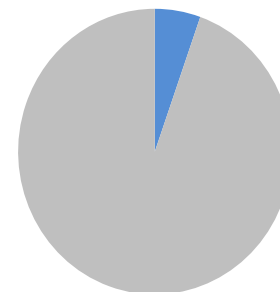
Market share **3.1%**



Number of customers : 2,760  
Target population : 90,000  
Mid-term goals : 10,000

IT Systems for long-term care/welfare

Market share **5.6%**



Number of customers : 14,026  
Target population : 250,000  
Mid-term goals : 10,000

\*1 The number of customers indicates the number of pharmacies and clinics that purchased our system products.

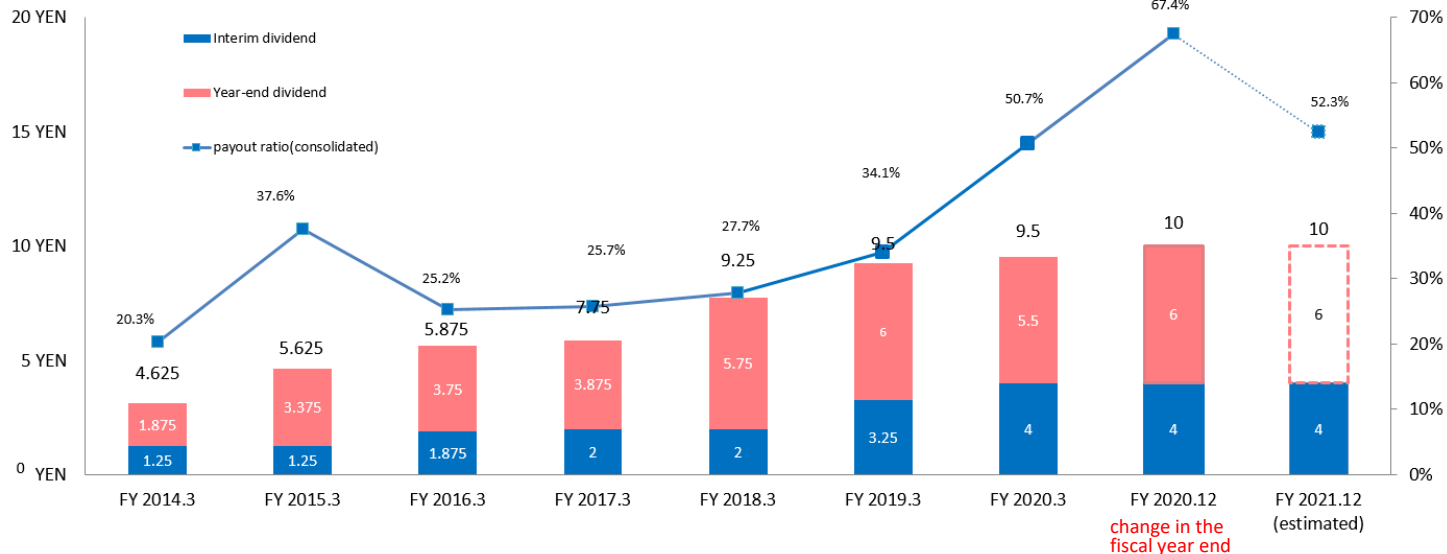
\*2 The above target populations represent the number of pharmacies and clinics that we considered as our potential customers, and differ from the actual number of registered pharmacies and clinics.

\*3 Mid-term goals are as announced in May 2018.

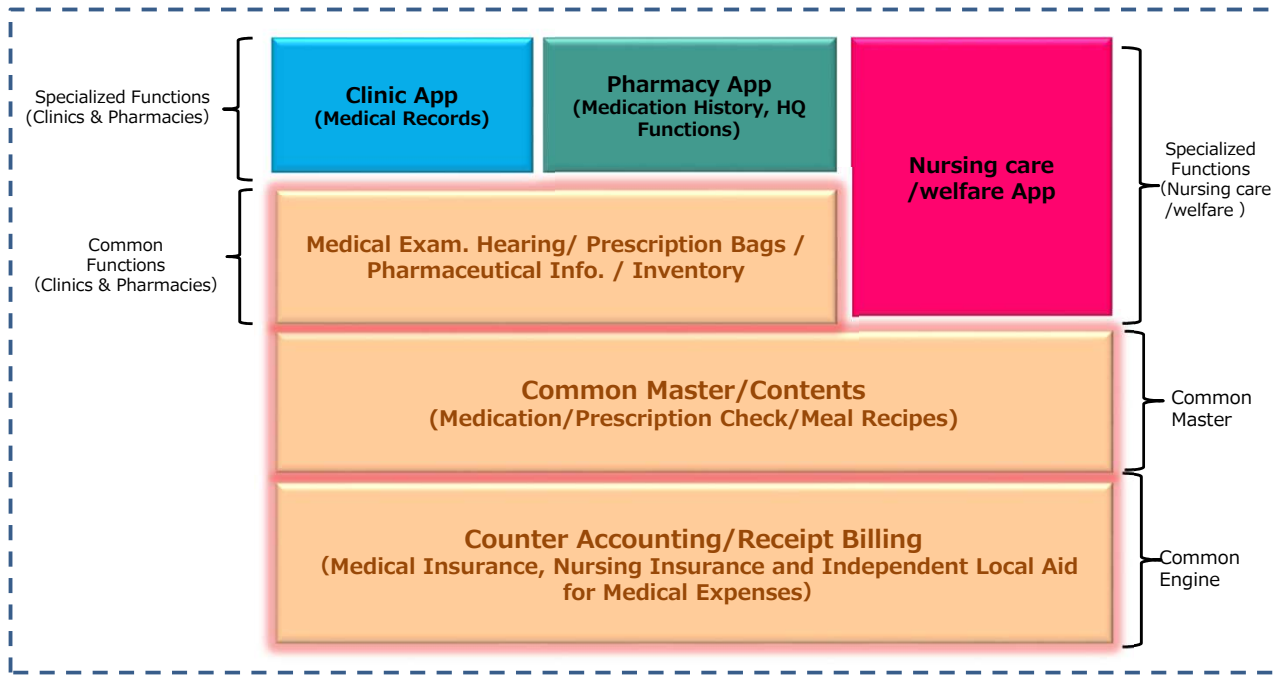
(as of September 30, 2021)

## II . xi. shareholder returns

- Aim at a payout ratio of 30%
- Changing the fiscal year ended from March 31 to December 31 starting from the 2020 fiscal year



\*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 aforementioned information assumes that each stock split occurred at the beginning of March 2014.





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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.