



mascot character
EMMA

Results of Operations for December 2022,3rd Quarter

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

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Supporting Date Shared Information System Foundation

Reference Pharmacy DX achieved through MAPs for PHARMACY DX
The features of MAPs for NURSING CARE

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
- Online eligibility verification (mandatory from April 2023), Electronic prescriptions (from January 2023)
Aiming for integration of health insurance card/Individual Number card (autumn of 2024)
- Standardization of electronic medical record information

Initiatives



- Promotion of digital marketing (site renewal, use of MA tools)
- Application of online business negotiation tools, and non-face-to-face sales, Exhibition at hybrid expo
(Enhancement of online seminars)
- Provision of online eligibility verification system, plans to commercialize/release electronic prescriptions, hosting of seminars related to electronic prescriptions
- Linkage between our system and EM-AVALON (portal site for medical institutions)
- Participation in the government-promoted electronic medical record standardization verification project

Pharmacies



- Responses to the Post-Covid-19 Status
(Optimization of operations within pharmacies, promotion of online medication guidance, delivery of medications, etc.)
- Reorganization, M&A and DX strategy development, Reform of pharmacist work style
- Increase in the number of drugstores with dispensing facilities in the drugstore industry
- Hybridization of exhibitions
- Online eligibility verification (mandatory from April 2023), Electronic prescriptions (from January 2023)
Aiming for integration of health insurance card/Individual Number card (autumn of 2024)

Initiatives



- Promotion of digital marketing (site renewal, use of MA tools)
- Proposals for utilization of IT introduction subsidies
- Collaboration with Good Cycle System Co., Ltd and enhanced electronic medical history proposal capabilities
- Linkage between our system and EM-AVALON (portal site for medical institutions)
- Provision of online eligibility verification system, plans to commercialize/release electronic prescriptions, hosting of seminars related to electronic prescriptions
- 「MAPs for PHARMACY DX」 → To be released by the end of the year

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, Revision of Nursing Care Compensation
- Responses to the Post-Covid-19 Status
(Provision of non-contact services, limitations on facility usage, strengthening infection countermeasures, etc.)
- Trends toward revision of long-term care fees in 2024
- Improvement of data accuracy by LIFE support (Long-term care Information system For Evidence)

Initiatives



- Development of MAPs for NURSING CARE → Release and sales Promotion
- Strengthening of chain store sales proposal capabilities , Promotion of TOP coverage
- Strengthening of digital marketing (site renewal, use of MA tools)
- Application of exhibitions and online exhibitions, Online business negotiation tools, non-face-to-face sales
(Enhancement of online seminars)
- Efficient support and data output for LIFE by Sukoyaka-san

Marketing Activities ,Sale Activities

Clinic	Pharmacy	Long-term	contents
○	○	○	Strengthening Web Marketing : Implementation of SEO and SEM measures, Application of YouTube channel, Raise awareness, Enhancement of online seminars Product website renewal, MA tools, content enhancement
○	○	○	Implementation of promotional activities using TV commercials (investment in 4Q)
○	○	○	Improving business partner and customer loyalty through the comprehensive portal site EM-AVALON
○	○		Application of electronic contracts, and estimates and configuration examinations conducted personally by customers through "MAPs DIRECT," an e-commerce site
○			Promotion of sales of "MAPs for CLINIC with ORCA" through collaboration with associates of ORCA, Japan Medical Association standard receipt software
	○		Sales promotion of "MAPs Optional Prescription Reader"
	○		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)"
	○		MAPs for PHARMACY DX" to be released
		○	MAPs for NURSING CARE" release and sales promotion
○	○	○	Medical and long-term care information sharing ,Ensure collaboration among hospitals, clinics, and pharmacies, and Long-term care/welfare facilities ,EHR (Electronic Health Record)promotion
○	○		Promotion of online eligibility verification/electronic prescriptions
○	○	○	Application of M&A



Social contribution activities

- Sponsor participation in the KIMIKO DATE x YONEX PROJECT



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



Miharu Imanishi Player
(affiliated with our company)
Taisho Pharmaceutical Lipovitan
All Japan Tennis
Championships 97th
★ Women's Doubles Winner★

写真：安藤章様

Social contribution activities

<Company-led support 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.

- 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.

- Participation in PHR proliferation activities (Representative: Professor Taku Iwami Ph.D. at Kyoto University)

We participate in the activities of the PHR Council, which aims to promote the appropriate proliferation of Personal Health Records (PHR) and contribute to further improving health and safety, and we support the proliferation of a framework ensuring that data relating to medical care, long-term care, health, etc. is used at the discretion of the individual concerned.

Social contribution activities

- **Participation in the Cross-ministerial Strategic Innovation Promotion Program (SIP) (Cabinet Office)**
Scheduled participation from 2023 in the third phase of the program, spearheaded by the Cabinet Office's Council for Science, Technology and Innovation (CSTI), aimed at promoting initiatives along the entire path from basic research to effective exit strategies (practical application/commercialization)
 - **Participation in on-site verification of electronic prescriptions (Social Insurance Medical Fee Payment Fund)**
Participation as the only pharmacy site vendor in on-site verification in Nagasaki Prefecture in preparation for the launch of electronic prescription services, in response to a request for cooperation from the Social Insurance Medical Fee Payment Fund
 - **Cooperation in the electronic prescription model project (Ministry of Health, Labour and Welfare)**
Cooperation in the e-prescription model project aimed at launching e-prescription services in advance within four regions in Japan (Sakata, Yamagata Prefecture; Sugakawa, Fukushima Prefecture; Asahi, Chiba Prefecture; and Asa, Hiroshima Prefecture), in response to a request for cooperation from the Ministry of Health, Labour and Welfare
- <Support activities based on co-creation of value with customers>**
- **Commencement of acceptance of donations of EM Online Shop points (Japanese Red Cross Society and WFP)**
Addition of a donation item to the conversion destination of points granted to customers based on the purchase amounts of supplies and consumables
10% of the donation amount added to the total by the Company following compilation of data

- We announced our long-term goals (KPIs) in February 2022, and moved our sustainability system from the development stage to implementation.
- We are promoting sustainability management under the slogan “Another Step Toward a Better Tomorrow.”

2020

Policy/system formulation

- Strategic incorporation of the SDGs into our management
- Formulation of basic sustainability policy
- Establish internal promotion system

2021



Materiality (key issues) formulation

- Formulation of our own materiality (key issues) from the perspective of the key issues facing both our business and our stakeholders

2022

Formulation of long-term goals (KPI)

- Formulation of KPIs to solve social issues and promote sustainability management (~2030)
- Launch each activity to achieve KPIs

category	topics
Environment	<ul style="list-style-type: none"> • Endorsement of recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) in December 2021 • Commencement of analyses of multiple climate change scenarios, and consideration of updating disclosed information • Visual representation of the reduction in greenhouse gas emissions achieved through digital transformation of our system group 
Social	<ul style="list-style-type: none"> • Review of human resource investments (skill improvement measures for each employee, internal personnel system, etc.) • In-house awareness raising by our SDGs Promotion Committee, comprised of in-house organizations • Promotion of health management
Governance	<ul style="list-style-type: none"> • Disclosure of information in compliance with the Corporate Governance Code, which was revised in June 2021 • Establishment of a Sustainability Committee, comprised of executives (Committee Chairman: President & CEO) • Enhancement of internal controls and compliance • Four independent outside directors out of a total of ten directors (including two female directors) • Disclosure of our Skill Matrix
External Evaluation	<ul style="list-style-type: none"> • Recognized as an Excellent Corporation for Health & Productivity Management 2022 (large enterprise category) • S&P/JPX Carbon Efficient Index: First selection • FTSE Blossom Japan Sector Relative Index: First selection 

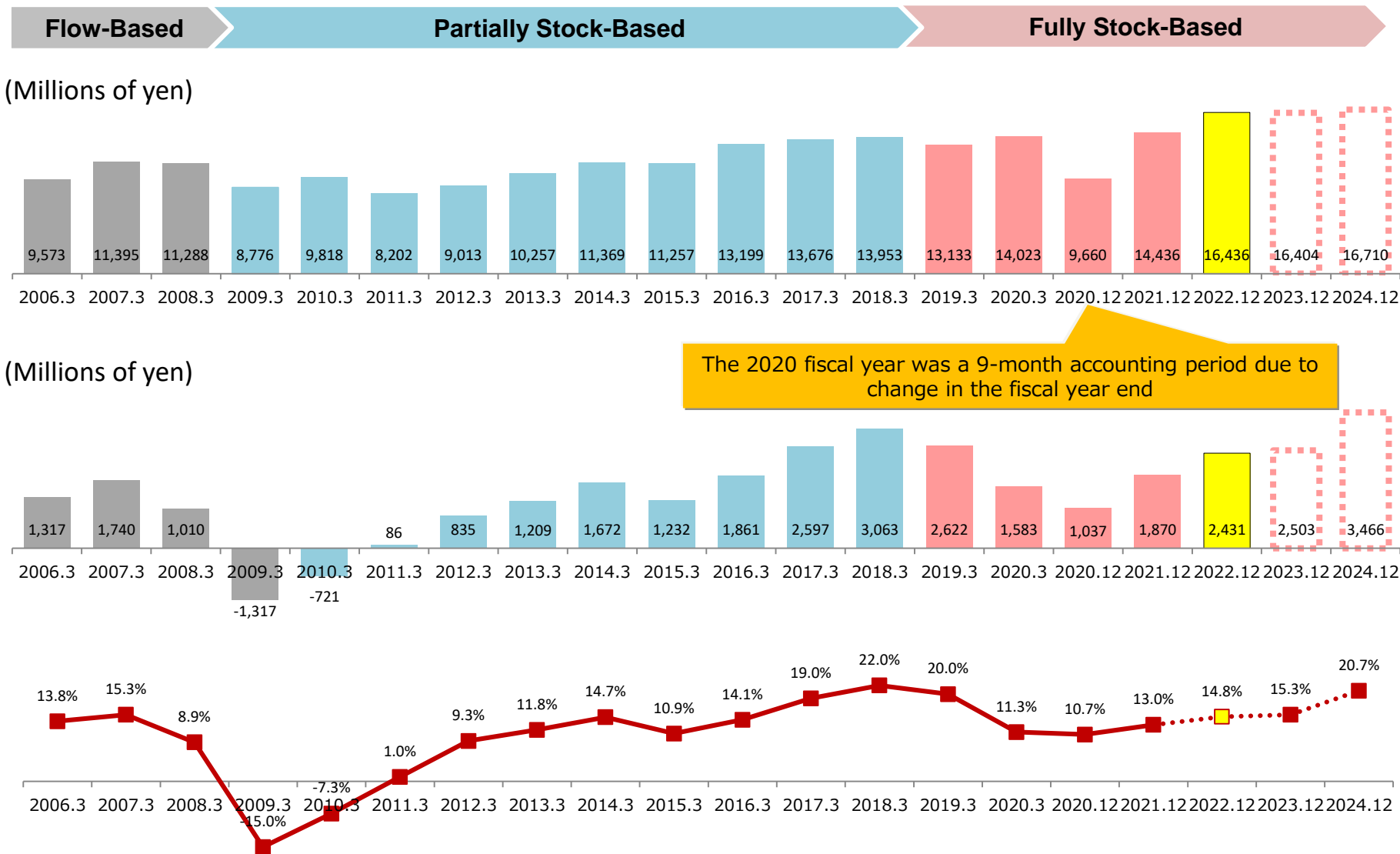
consolidated results of December 31 2022, 3rd Quarter

	December 31 2021 3 rd Quarter	December 31 2022 3 rd Quarter	Compared to previous year
Sales	10,386 millions of yen	12,491 millions of yen	20.3%
Operating Profits	1,172 millions of yen	2,113 millions of yen	80.3%
Ordinary Profits	1,762 millions of yen	2,457 millions of yen	39.5%
Net Income	1,251 millions of yen	1,644 millions of yen	31.4%

Topics for December 31 2022, 3rd Quarter

- Contribution to sales growth by accelerating installation of systems in preparation for the introduction of online eligibility verification, mandatory in principle (from April 2023)
- Billing sales also made steady progress due to an increase in the number of MAPs series customers.
- Increase in non-operating expenses due to amortization of goodwill of affiliated companies via application of the equity method.

II . ii . Changes in consolidate results by fiscal year



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

	December 31 2021	December 31 2022, 3 rd Quarter	YoY change	YoY % change
Assets	24,809	25,044	235	0.9%
Current assets	12,574	12,516	(58)	(0.5%)
Fixed assets	12,234	12,527	293	2.4%
Tangible fixed assets	1,333	1,382	49	3.7%
Intangible fixed assets	2,521	2,328	(192)	(7.6%)
Investments and other assets	8,380	8,816	436	5.2%
Liabilities	5,983	5,840	(142)	(2.4%)
Current liabilities	4,167	3,911	(255)	(6.1%)
Fixed liabilities	1,815	1,929	113	6.2%
Net assets	18,826	19,203	377	2.0%
Shareholder's equity	18,708	19,042	333	1.8%
Cumulative amount of other comprehensive	19	78	58	299.3%
Stock acquisition rights	55	55	0	0.0%
Non-controlling interests	42	27	(14)	(33.9%)

Major YoY Changes

Software in progress	(233)	millions of yen
Goodwill	(73)	millions of yen
Software	122	millions of yen
Investment account securities	623	millions of yen
Income tax payable	(183)	millions of yen
retained earnings	833	millions of yen
Treasury stock	(499)	millions of yen

II . iv . By Segment Sales/Operating Profits

(Millions of yen)

	Financial year ended December 31 2021, 3 rd Quarter		December 31 2022, 3 rd 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	8,016	1,197	9,975	1,959	24.4%	2,370	1,173	98.0%
IT Systems for Clinic	1,427	20	1,623	195	13.7%	(210)	(230)	-
IT Systems for long-term care/welfare	430	(35)	401	(28)	(6.7%)	(33)	2	-
Other Business	519	(33)	528	8	1.6%	(35)	(2)	-

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

- ✓IT Systems for Pharmacies···Expanded installation of online eligibility verification systems contributed to an increase in sales.
Billing sales increased due to an increase in the number of customers.
- ✓IT Systems for Clinics·····Both initial sales and billing sales increased due to both installation expansion of online eligibility verification systems and an increase in the volume of system sales.
There was an increase in selling and administration expenses incurred in expanding market share in the field of clinics as well as manufacturing costs in response to revisions.
- ✓IT Systems for long-term care/welfare····Decrease in initial sales due to the initialization of a large project in the same period of the previous year
Commencement of depreciation associated with the release of MAPs for NURSING CARE, and an increase in sales and administration expenses for the purpose of market share expansion
- Other Business ·········Sales have increased due to the expansion of our subsidiary cashless business
Both sales and operating profits decreased in our pharmacy business due to the impact of the spread of COVID-19.

Ⅱ . v . By Segment Sales Breakdown

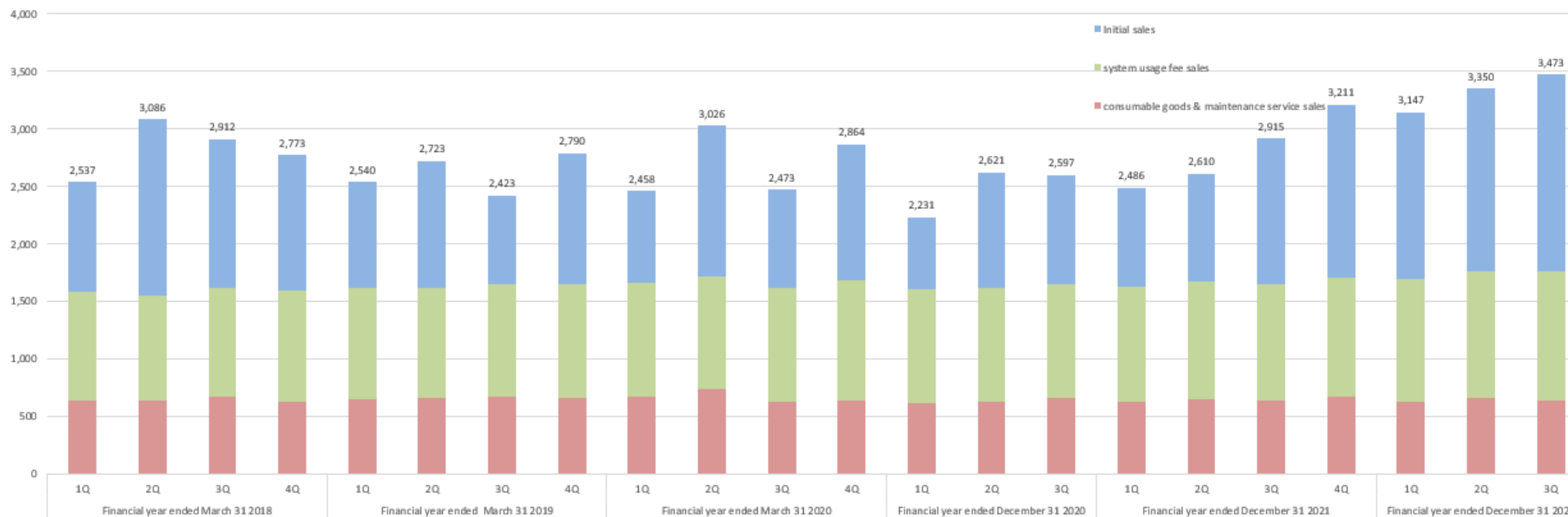
(Millions of yen)

	Financial year ended December 31 2021,3 rd Quarter	December 31 2022 3 rd Quarter	YoY change	YoY % change
Net sales	10,386	12,491	2,105	20.3%
IT Systems for Pharmacies	8,016	9,975	1,959	24.4%
(initial sales)	3,064	4,756	1,692	55.2%
(system usage fee sales)	3,046	3,291	244	8.0%
(consumable goods sales)	1,329	1,349	19	1.5%
(maintenance service sales)	576	578	2	0.4%
IT Systems for Clinics	1,427	1,623	195	13.7%
(initial sales)	656	827	170	25.9%
(system usage fee sales)	531	588	56	10.7%
(consumable goods sales)	46	45	(1)	(2.6%)
(maintenance service sales)	192	162	(29)	(15.5%)
IT Systems for long-term care/welfare	430	401	(28)	(6.7%)
(initial sales)	74	28	(45)	(61.4%)
(system usage fee sales)	124	147	22	17.8%
(consumable goods sales)	0	0	0	-
(maintenance service sales)	231	226	(5)	(2.3%)
Other Businesses	519	528	8	1.6%
Adjustments	(8)	(37)	(29)	-

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

II . vi . IT Systems for Pharmacies

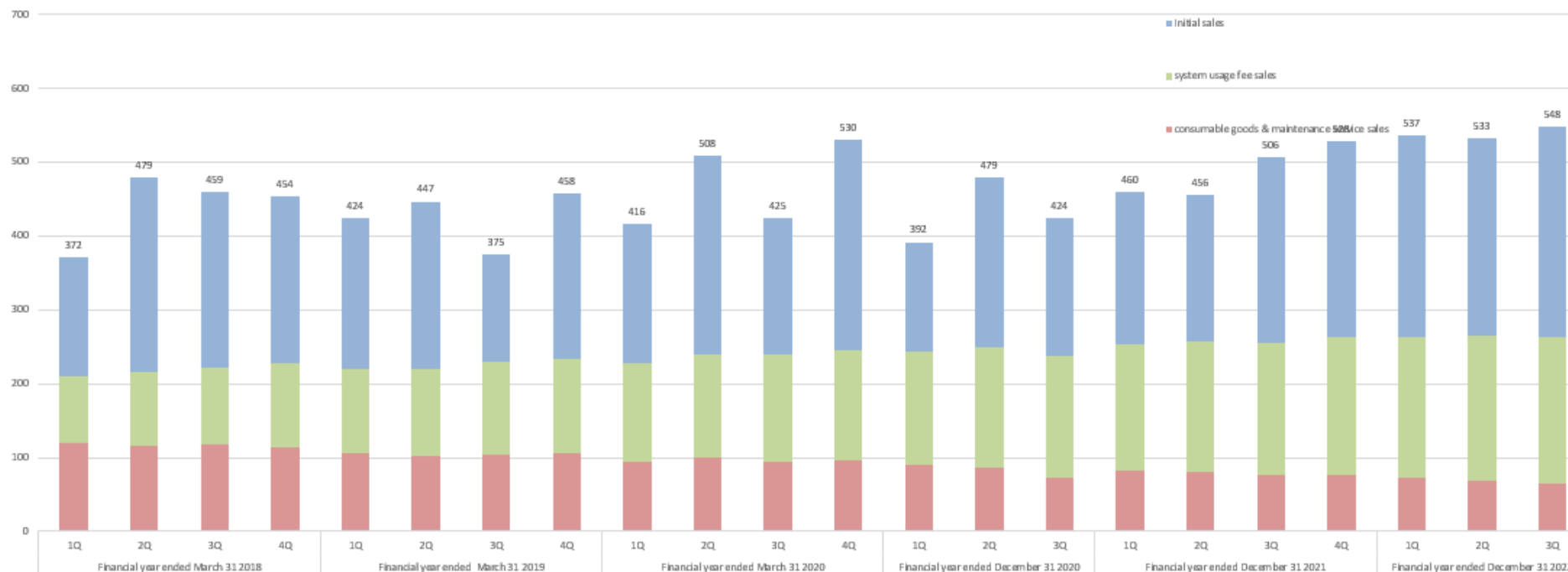
Quarterly Sales (Units: Millions of yen)



	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				Financial year ended December 31 2022		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Initial sales	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	1,502	1,458	1,586	1,711
system usage fee sales	946	920	948	964	969	964	972	987	989	981	995	1,039	988	994	996	1,004	1,022	1,019	1,042	1,068	1,100	1,122
consumable goods & maintenance service sales	638	634	667	630	652	657	675	659	668	741	620	639	614	621	659	622	650	631	667	621	664	640
Total	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	3,211	3,147	3,350	3,473

II . vii . IT Systems for Clinics

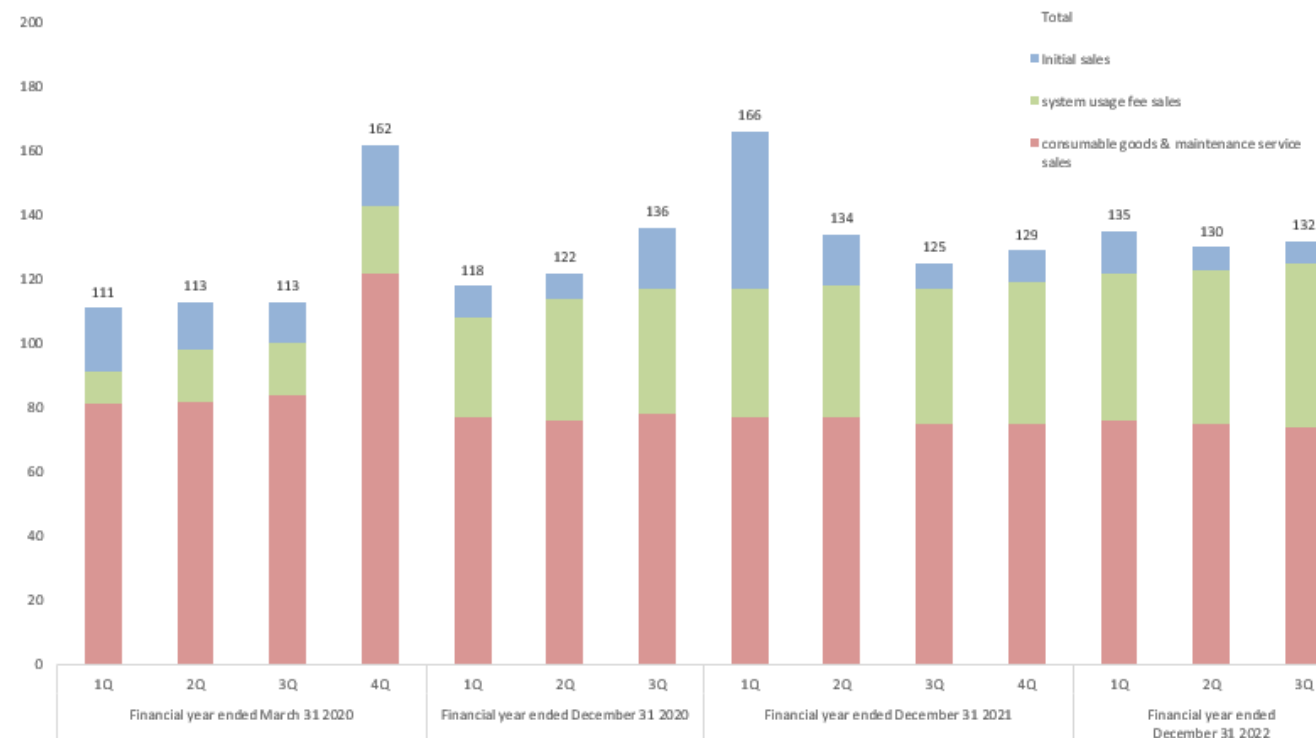
Quarterly Sales (Units: Millions of yen)



	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				Financial year ended December 31 2022		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Initial sales	161	262	237	227	203	227	145	225	189	269	186	285	148	230	187	206	199	250	265	274	267	285
system usage fee sales	91	101	104	113	115	118	126	127	132	139	145	149	154	163	165	172	177	180	187	191	197	198
consumable goods & maintenance service sales	120	116	118	114	106	102	104	106	95	100	94	96	90	86	72	82	80	76	76	72	69	65
Total	372	479	459	454	424	447	375	458	416	508	425	530	392	479	424	460	456	506	528	537	533	548

Ⅱ . viii. IT Systems for Long-term care/Welfare

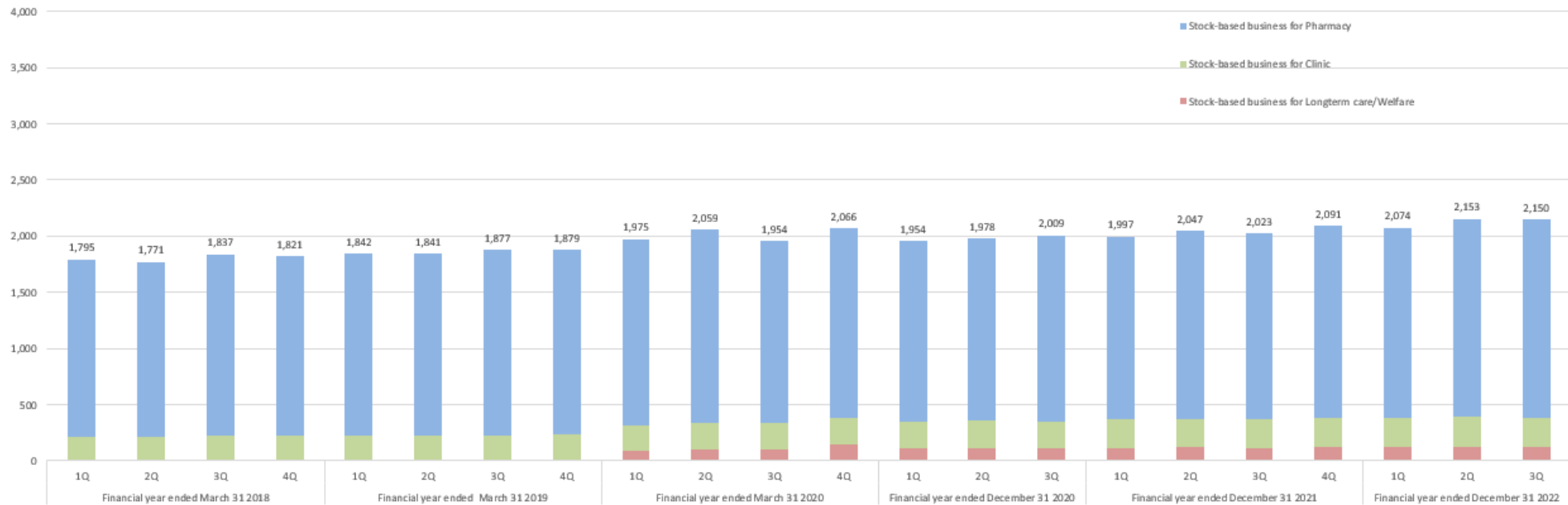
Quarterly Sales (Units: Millions of yen)



	Financial year ended March 31 2020				Financial year ended December 31 2020			Financial year ended December 31 2021				Financial year ended December 31 2022		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Initial sales	20	15	13	19	10	8	19	49	16	8	10	13	7	7
system usage fee sales	10	16	16	21	31	38	39	40	41	42	44	46	48	51
consumable goods & maintenance service sales	81	82	84	122	77	76	78	77	77	75	75	76	75	74
Total	111	113	113	162	118	122	136	166	134	125	129	135	130	132

II . ix . By Segment Stock-based Business

Quarterly Sales (Units: Millions of yen)



	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				Financial year ended December 31 2022		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Stock-based business for Pharmacy	1,584	1,554	1,615	1,594	1,621	1,621	1,647	1,646	1,657	1,722	1,615	1,678	1,602	1,615	1,655	1,626	1,672	1,650	1,709	1,689	1,764	1,762
Stock-based business for Clinic	211	217	222	227	221	220	230	233	227	239	239	245	244	249	237	254	257	256	263	263	266	263
Stock-based business for Longterm care/Welfare	0	0	0	0	0	0	0	0	91	98	100	143	108	114	117	117	118	117	119	122	123	125
Total	1,795	1,771	1,837	1,821	1,842	1,841	1,877	1,879	1,975	2,059	1,954	2,066	1,954	1,978	2,009	1,997	2,047	2,023	2,091	2,074	2,153	2,150

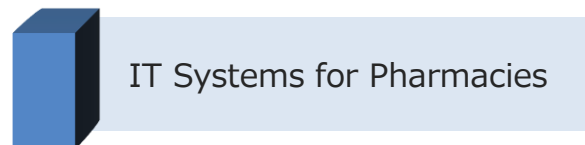
Ⅱ . X . Forecast for the fiscal year ending December 31 2022

(Millions of yen)

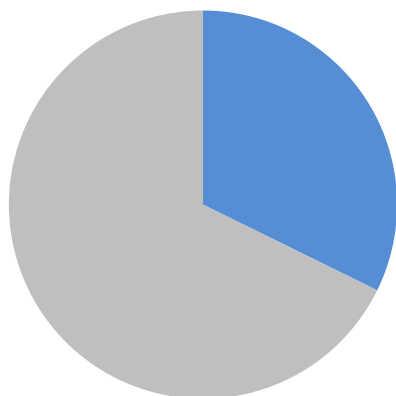
	Fiscal year ended December 31 2021 (actual)	Fiscal year ended December 31 2022 (forecast)
Sales	14,436	16,436
Business for Pharmacy	11,228	13,100
Business for Clinic	1,957	2,152
Business for long-term care/welfare	560	537
Other Business	720	695
Adjustment	(30)	(48)
Operating Profits	1,870	2,431
Business for Pharmacy	1,852	2,845
Business for Clinic	22	(398)
Business for long-term care/welfare	(12)	0
Other Business	(27)	(45)
Adjustment	35	30
Ordinary Profits	2,607	2,977
Net Income	1,829	2,063

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

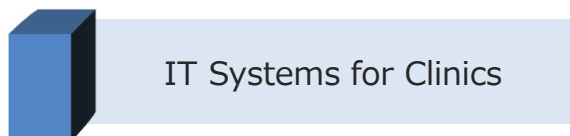
II . xi. Market Share and Number of Customers



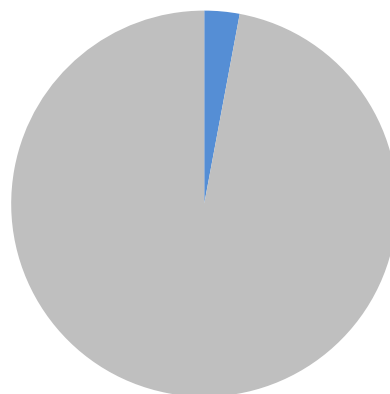
Market share **36.2%**



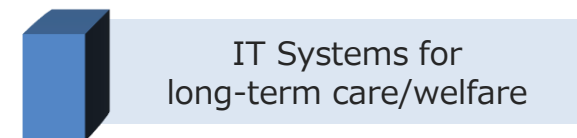
Number of customers : 18,084
Target population : 50,000
Mid-term goals : 25,000



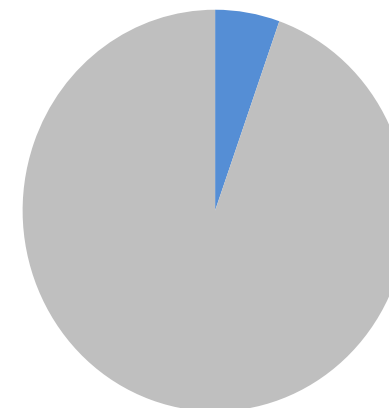
Market share **3.1%**



Number of customers : 2,830
Target population : 90,000
Mid-term goals : 7,000



Market share **5.7%**



Number of customers : 14,313
Target population : 250,000
Mid-term goals : 25,000

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

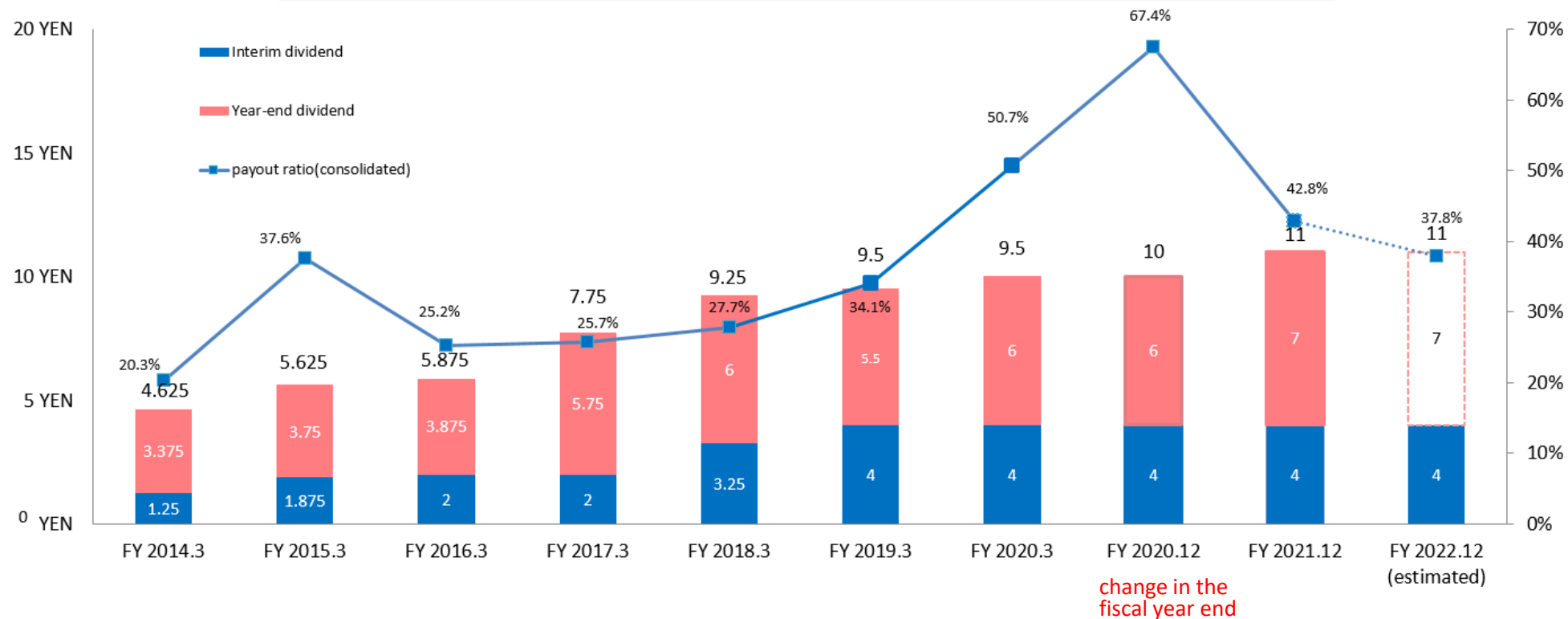
*2 The above target populations represent the number of pharmacies and clinics that we considered as our potential customers, and differ from the actual number of registered pharmacies and clinics.

*3 Mid-term goals are as announced in February 2022.

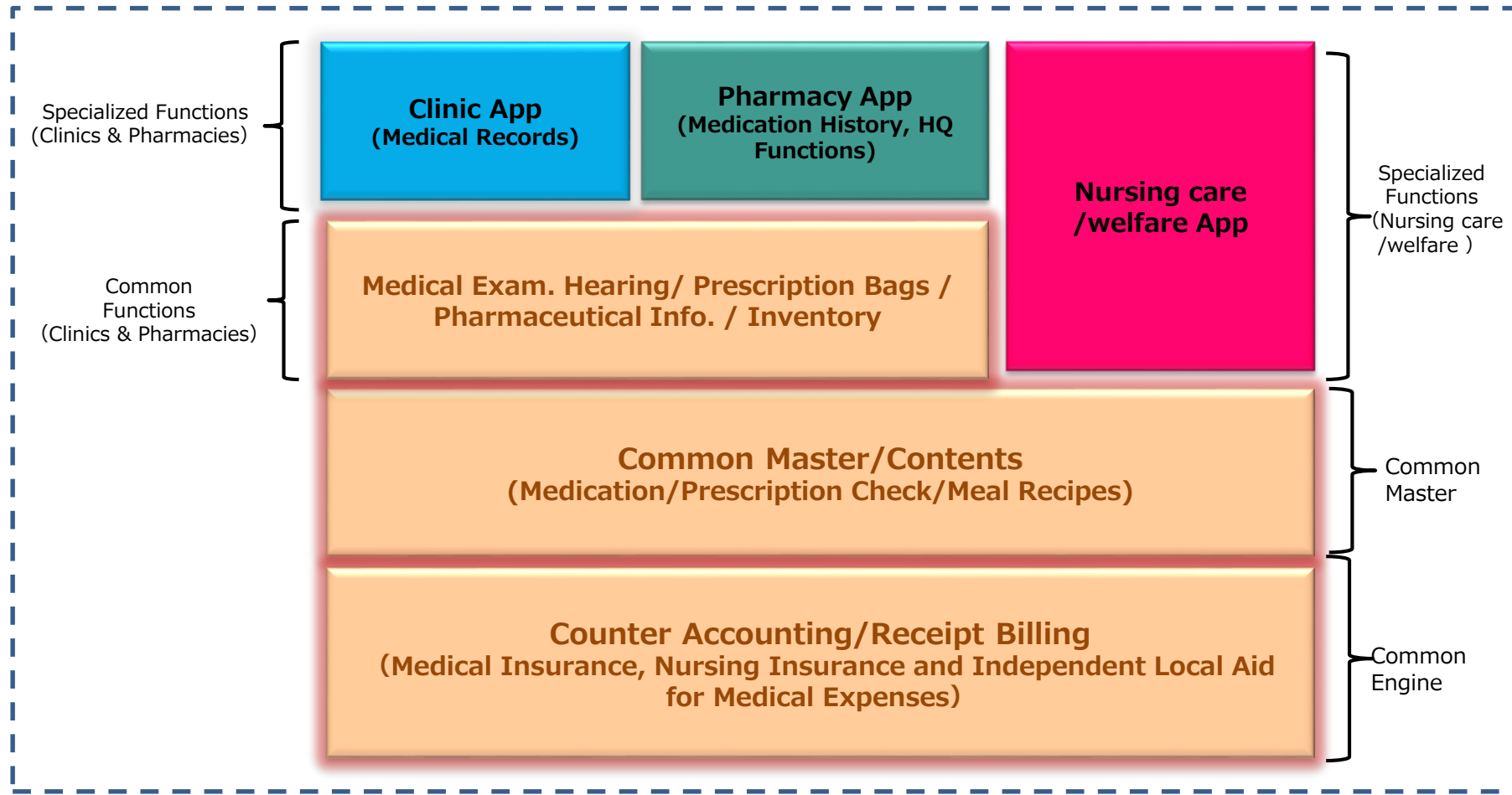
(as of September 30 , 2022)

II . xii. 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

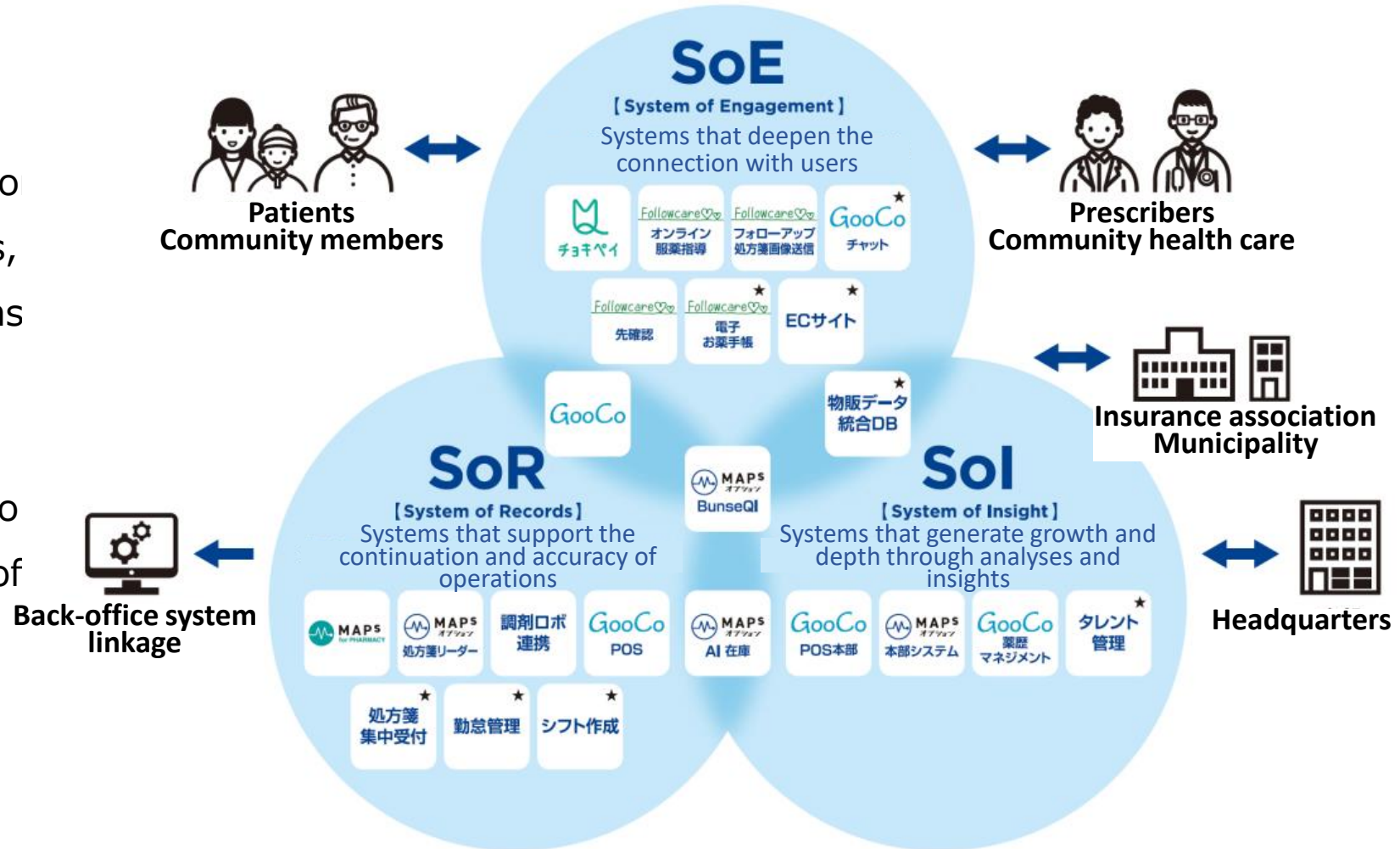


*We conducted stock splits on April 1st, 2016 and March 1st, 2018 and January 1st, 2020 at a ratio of two shares per one ordinary share. The aforementioned information assumes that each stock split occurred at the beginning of March 2014.



Reference: Pharmacy DX achieved through MAPs for PHARMACY DX

In addition to receipt computers, electro medical records, and peripheral devices, this enables selections and combinations solutions/systems to be matched with customers in a variety of scenarios. Moving forward, we will also continue to promote linkage with systems outside of our Group.



Solutions planned by EM Systems regarding future development and collaboration

Reference: The features of MAPs for NURSING CARE

- Provides a cloud-based system, reduces installation work, and streamlines data input operations
- Provides tools capable of reducing the workloads of long-term care/welfare offices
- Achieves information linkage between medical care and long-term care/welfare
- Provides a common engine, master, etc. to other companies via low-priced OEM



Overall view of MAPs for NURSING CARE



Clinic

Information linkage between medical care and welfare/long-term care via MAPs series



Pharmacy



Long-term care/welfare

Service designs that are easy to implement	Staff-friendly, functional designs	Support for various support and benefit plan services	Standardized systems	Smart long-term care records that enable concentration on care
No installer requirements, and easy operation	Screen designs that enable intuitive operation	Support for long-term care insurance services	Transmission to the National Health Insurance Organization	Compatibility with tablets and smartphones*
No server equipment requirements, cloud-based	Support for staff schedule management	Support for disability welfare services	Compatibility with LIFE *	Support for additional specified offices*
Initial license cost of zero yen	No location restrictions, enabling use in any scenario	Support for community life support (mobility support) services	Compatibility with standard interfaces *	Support for voice input*
Ability of customers to procure computers and tablets on their own	Support for staff payroll management	Benefit claims	Provision of common engine, master, etc. via OEM	Linkage with sensors*

*Support in order



医療・介護を「#ありがとう」に変えていく

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