Results of Operations for December 2024, 2nd Quarter

（TSE Prime Section : 4820）

EM SYSTEMS CO.,LTD.

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Topics
December 2024, 2nd Quarter

- M&As and an increase in the number of customers contributed to record sales and sales of recurring income 1 for the half-year
- EBITDA, excluding one-time system failure response costs[2], achieved a significant increase of 38% year-on-year (operating profits: +7%)
- Dividends increased by 2 yen over the initial forecast due to upward revision of business performance
- The full-year forecast remains unchanged in consideration of system failure-related costs

Overall market environment

Digital transformation in the medical field accelerated (including a nationwide medical information platform, standardization of electronic medical record information, and digital transformation of medical fee revisions)

Adoption of the online eligibility verification system and optional software as well as incorporation of electronic prescriptions accelerated due to the establishment of a system to incentivize digital transformation in the medical field under the 2024 medical fee and medication price revisions

IT Systems for Clinics

Intensive demand for the online eligibility verification system has ended, and customers are gradually incorporating electronic prescriptions
Sales of "MAPs for CLINIC" continued to increase steadily from the previous fiscal year as it gained recognition as a highly functional app/cloud-based product
System failures resulted in post-incident response expenses
(As a future measure, the company is working to make the system available even in the event of a failure and to reduce the occurrence of failures.)

IT Systems for Pharmacies

Despite the end of intensive demand for the online eligibility verification system, incorporation of electronic prescriptions accelerated
Good Cycle System Inc. became a wholly owned subsidiary
Promotion of digital transformation in the medical field increased sales of "Sumareki," a cloud-based electronic drug history system bundled with receipt computers for "ReceptyNEXT," which has numerous customers
Released "Prescription Sharing" and "Cloud POS Cash Register System Linkage Enhancement" to boost operational efficiency

IT Systems for long-term care/welfare

The development phase progressed steadily, and inquiries increased due to measures to accelerate replacement of existing products (Hibiki and Symphony)

*1 From among all sales, this refers to the sum of billing, supply, and maintenance sales (or the total sales minus the initial sales (flow sales))
*2 Reserves to cover expenses for system failures that occurred in the 1st and 2nd quarters

Performance Overview
December 2024,2nd Quarter
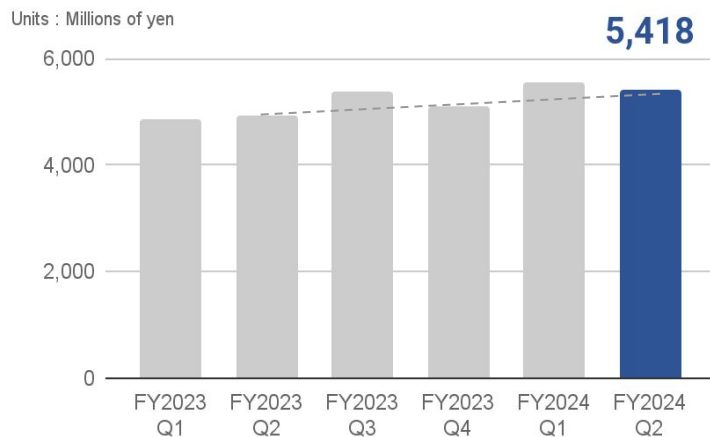
Consolidated results of FY 2024 Q2

Units:Millions of yen

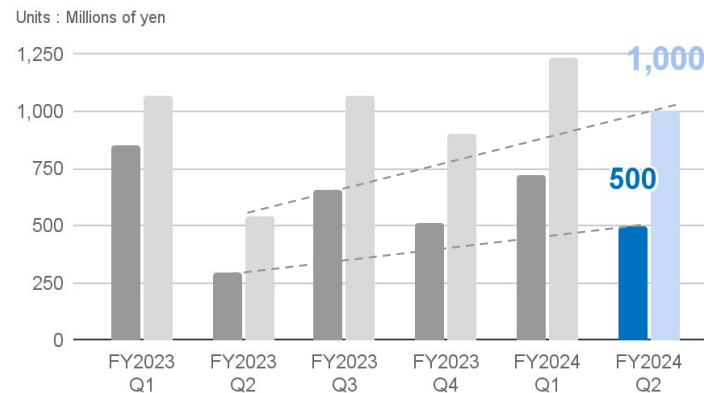|	FY2023 Q2 Result	FY2024 Q2 Estimated results	FY2024 Q2 Result	Compared to previous year	Compared to estimated results
Sales	9,818	11,044	10,989	11.9%	△0.5%
EBITDA	1,613	-	2,231	38.3%	-
Operating profits	1,144	1,350	1,221	6.7%	△9.6%
Ordinary profits	1,394	1,676	1,540	10.5%	△8.1%
Net income	789	1,053	985	24.9%	△6.4%

Topics for FY 2024 Q2

Sales： Achieved steady sales growth due to M&A of Good Cycle Systems Inc. and Unike Software Research Co., Ltd.

EBITDA: EBITDA showed a significant increase due to steady incorporation electronic prescriptions

Operating profits: In addition to an increase in sales, operating profits also increased due to a year-on-year decrease in one-time expenses such as TV commercial broadcasts and special compensation payments

Operating profits decreased from the revised forecast due to the addition of reserves for user retention following revision of the interim earnings forecast accompanying system failures in the latter half of June

Net income： Net income increased year-on-year due to the elimination of losses related to the phased acquisition of Good Cycle Systems, Inc.

＊EBITDA is calculated by adding depreciation, amortization, and reserves to cover expenses for system failures back into the operating profits

Status by Segment
December 2024,2nd Quarter

Sales / Operating Profits-Summary（By Segment）

IT Systems for Pharmacies

IT Systems for Clinics

IT Systems for long-term care/welfare

Sales

Sales of recurring income grew 29.4% year-on-year to 4,948 million yen due to M&As and an increase in the number of customers

Initial sales increased slightly overall due to an increase in electronic prescription sales (of 1,008 million yen) and the effect of M&As (of 551 million yen), despite the end of the previous year's intensive demand for the online eligibility verification system (a 1,298 million yen decrease)

Although billing sales increased due to an increase in the number of customers, sales of recurring income remained stable overall due to a decrease in maintenance sales resulting from the in-house replacement of Uni-Medical, for which support is scheduled to end
Initial sales declined year-on-year, as the effects of the end of intensive demand for the online eligibility verification system (a decrease of 362 million yen) was not offset by the increase (of 49 million yen) in electronic prescription sales

In terms of sales of recurring income, billing sales increased by roughly 11 million yen accompanying in-house replacement of Hibiki and Symphony with "MAPs for NURSING CARE," while maintenance sales decreased by roughly 23 million yen

Operating profits

Despite the end of the intensive demand for the online eligibility verification system, operating profits increased due to M&As and an increase in the number of customers incorporating electronic prescriptions

Operating losses increased due to the end of the intensive demand for the online eligibility verification system as well as due to reserves for one-time expenses to respond to customers who experienced system failure

Operating losses narrowed slightly due to improving manufacturing costs

＊Sales of recurring income are the sum of billing , supplies, and maintenance.

Sales / Operating Profits（By Segment）

Sales

Units：Millions of yen

	FY2023 Q2	FY2024 Q2	YoY change	YoY % change
Pharmacies	7,681	9,013	1,331	17.3%
Clinics	1,529	1,198	△330	△21.6%
long-term care/welfare	278	283	4	1.8%
Other	386	572	186	48.3%

Operating Profits

Units：Millions of yen

	FY2023 Q2	FY2024 Q2	YoY change	YoY % change
Pharmacies	1,405	1,684	278	19.8%
Clinics	△7	△306	△298	-
long-term care/welfare	△285	△229	56	-
Other	5	40	34	655.9%

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

Initial sales - Breakdown of Increases/Decreases（Pharmacies）

Positive

The electronic prescriptions business environment was favorable and results exceeded those planned（with the portion planned for the second half now occurring in the first half）

Although hardware replacements decreased year-on-year due to intensive demand in response to the end of support for Windows 8.1 last year, the results exceeded those planned

Inline

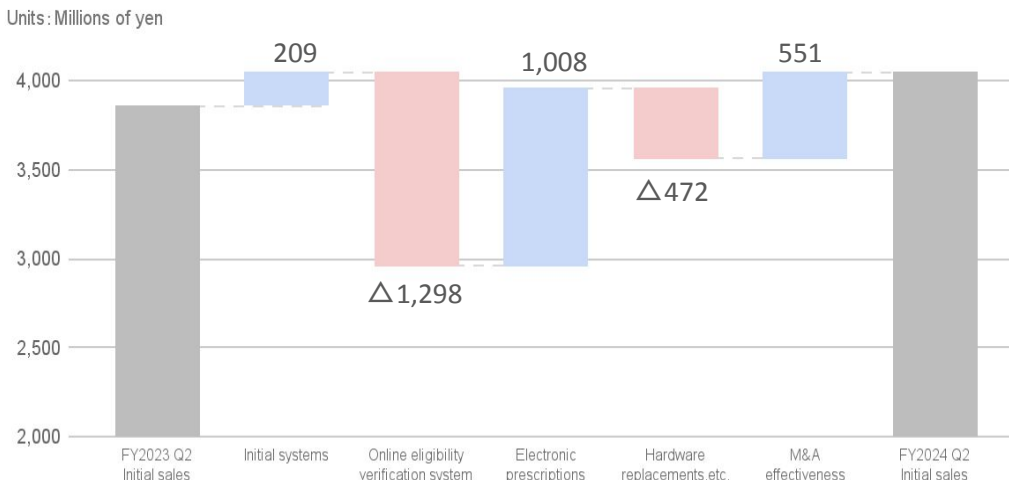M&A effects were in line with those planned in advance

Intensive demand for the online eligibility verification system in the previous fiscal period ended as planned

Negative

Although initial system sales, etc. surpassed those of last year, they fell short of the plan

Recording of post-incident response expenses for the "leap day" system failure

Increase/Decrease in Initial sales

Units：Millions of yen

209

1,008

551

△472

△1,298

| | FY2023 Q2 Initial sales | Initial systems | Online eligibility verification system | Electronic prescriptions | Hardware replacements,etc. | M&A effectiveness | FY2024 Q2 Initial sales |

＊Categories of increases/decreases are the amounts before applying revenue recognition standards

Increase/Decrease in Initial sales

Units：Millions of yen

△39

△362

49

34

FY2023 Q2 Initial sales | Initial systems | Online eligibility verification system | Electronic prescriptions | Hardware replacements,etc. | FY2024 Q2 Initial sales

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

- 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 revising software accompanying system changes
- Our intention is to increase our share of each market by continuing to actively pursue M&As

IT Systems for Pharmacies

Market share
43.9%
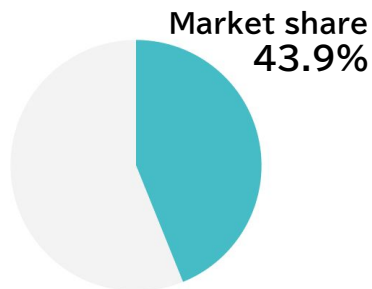
Number of customers:24,170(QoQ+141)
Target population   :55,000
Mid-term goals   :25,000

IT Systems for Clinics

Market share
3.4%
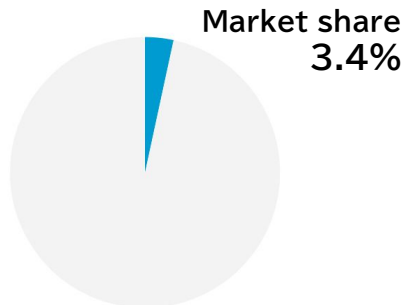
Number of customers: 3,100(QoQ+30)
Target population   :90,000
Mid-term goals   : 7,000

IT Systems for long-term care/welfare

Market share
5.7%
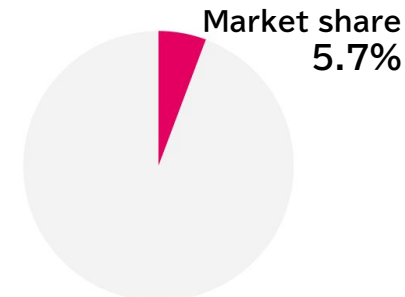
Number of Licenses   : 14,283(QoQ△54)
Target population   :250,000
Mid-term goals   : 25,000

（as of June 30 , 2024）

＊1 Number of our customers is the number of customers of system products sold by us.
＊2 The number of target customers for each product is set independently by the Company.
＊3 Targets in the mid-term plan are those announced in February 2022.

Trends in Number of Customers

IT Systems for Pharmacies

Units：locations
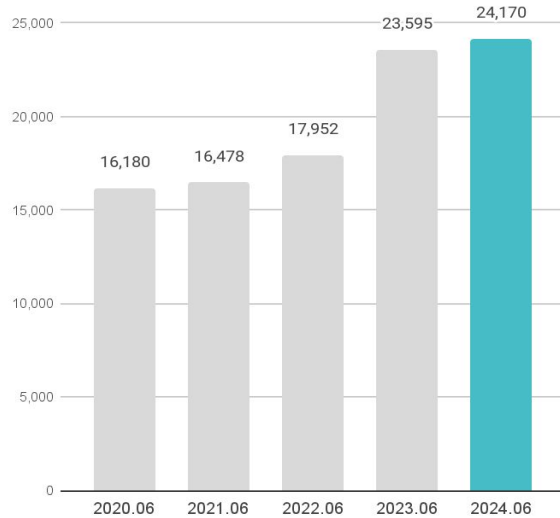
IT Systems for Clinics

Units：locations

IT Systems for long-term care/welfare

Units：licenses

Company Initiatives

Market Environment / Company Initiatives

Market Environment

While demand for medical and long-term care/welfare services will increase in line with the 2025 problem (Japan's falling birthrate and aging of the population), there is an urgent need to secure medical and long-term care/welfare practitioners and improve operational efficiency

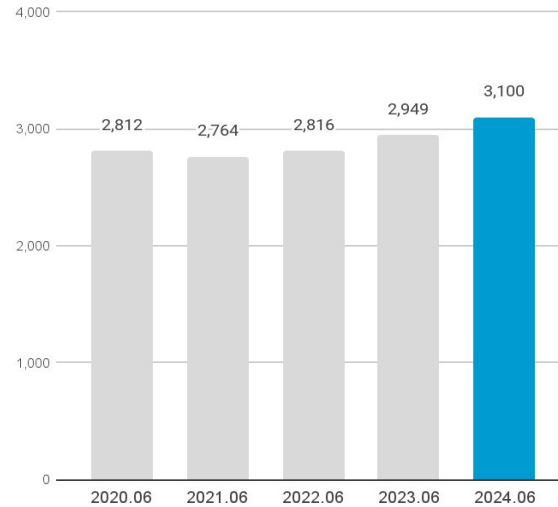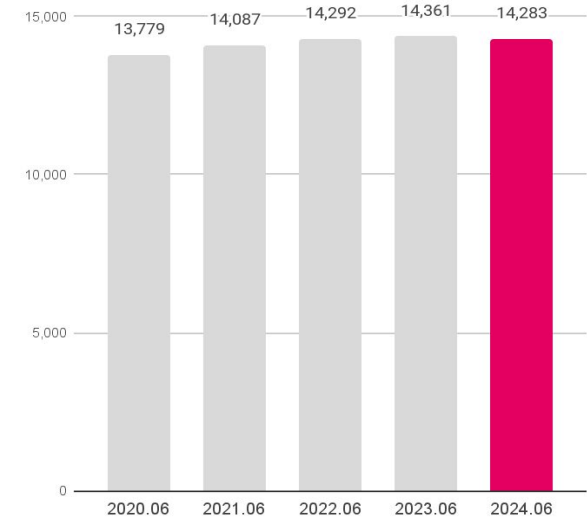Revision of both medical and long-term care/welfare services in 2024 (which only occurs simultaneously once every six years) Dispersion of the timing at which revisions to the various fees are to take effect throughout the year, beginning from April

An increase in cyberattacks on medical organizations making cybersecurity measures and responses mandatory[*1]

Increase in the number of large chain nursing homes due to the aging of society Responses to the Care Plan Data Linkage System, improvement of data accuracy by LIFE support[*2]

Amazon's launch of Amazon Pharmacy services

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 online provision (via the website EM-AVALON) of specialized information for the medical and nursing care fields, and provision of online seminars for medical practitioners

Development of solutions designed to resolve industry issues such as labor shortages and operational efficiency (Ex: prescription sharing systems, prescription readers, etc.)

Participation in the government-promoted electronic medical record standardization verification project

Provision of our products to other companies on an OEM basis at low prices

Clinic　　Pharmacy　　Long-term care/welfare

*1 Ministerial Ordinance Partially Revising the Ordinance for Enforcement of the Medical Care Act(March 10, 2023 Ministry of Health, Labor and Welfare)
*2 LIFE : Long-term care Information system For Evidence

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PMI Progress

- Progression of PMI as steadily as initially envisioned
- Entry into the phase of formulating and implementing measures to generate synergies via measures to improve communication between Group companies and the lively activities of each working group

Field	Measures	Progress
Product Strategy	Improve the added value of each company's systems Reduce development costs by avoiding duplicate software development within the group	Expand sales of integrated products for receipt/electronic drug history utilizing electronic drug history products manufactured by Good Cycle Systems Shifted to a business model centered on billing sales for all group companies Established working groups to commence discussions, and implemented the integration for some products
Management Strategy	Reduce costs through office consolidation and relocation	Consolidated and relocated some offices
	Reduce procurement costs through joint purchasing	Implemented joint purchasing
	Reallocate personnel within the Group without downsizing the staff	Optimized personnel assignments, including consolidation of administrative departments (back-office operations)

System Changes (effective July 1, 2024)

Issues

Improvements to product quality, prompt provision of information to customers on product status and organization of information

Maximization of the value of group companies (consolidated subsidiaries) and enhancements to how the effects of measures are assessed and managed

Product strategy enhancements that leverage Group synergies, and communication of the Group's mission, vision, and purpose

Measures

Establishment of a new headquarters to enhance quality control

Establishment of a new headquarters for management strategies and Group business management

Consolidation of administrative departments (back-office operations) to improve business management efficiency

Appointment of executives to enhance product development at each Group company（EM Technology Laboratory & Good Cycle System）

Enhanced efforts to generate synergies between Group companies by inviting additional managers from each company to attend management meetings, among other measures

Personnel Changes：https://emsystems.co.jp/ir/irnews/2024/240628_01.pdf
Notice of Change of Directors of a Subsidiary：https://emsystems.co.jp/ir/irnews/2024/240515_01.pdf

Sales Model Reform

Sales structure reform

- Reorganization and specialization of each segment
- Enhancement of inside sales divisions
- Reallocation of sales forces, which tend to focus on pharmacies

Enhancement of marketing activities

- Organization and co-sponsorship of seminars
- Utilization of online advertising and industry websites
- Enhanced application of the push type approach

Positive

Increase in the number of potential projects acquired

Further sales activities that lead to more efficient generation of projects

Steady accumulation of expertise in-house

Issues

Increasing Group recognition

In response to system failure,Currently working to improve quality and enhance the provision of information to customers

Fiscal Year Forecast
Year Ending December 31,2024

Fiscal Year Forecast（Year Ending December 31, 2024）

Full-year forecasts remain unchanged from initial projections

Although the first half of the fiscal year exceeded the initial plan due to the advance of some projects such as administrative responses, the full year forecast is expected to be in line with the initial forecast as it is expected to level out in the second half of the fiscal year.

Units：Millions of yen

	FY2023 actual	FY2024 forecast
Sales	**20,355**	**22,014**
Pharmacies	16,159	17,555
Clinics	2,802	2,640
Long-term care/welfare	550	812
Others	973	1,182
Adjustment	△131	△177
Operating Profits	**2,330**	**2,573**
Pharmacies	2,939	3,002
Clinics	△130	△178
Long-term care/welfare	△540	△304
Others	48	24
Adjustment	13	29
Ordinary profits	**2,869**	**3,199**
Net income	**1,962**	**2,160**

Changes in Consolidate Results by Fiscal Year

Units:Millions of yen

| | Flow-Based | Partially stock | Fully stock |

Sales

FY07.03	FY08.03	FY09.03	FY10.03	FY11.03	FY12.03	FY13.03	FY14.03	FY15.03	FY16.03	FY17.03	FY18.03	FY19.03	FY20.03	FY20.12	FY21.12	FY22.12	FY23.12	FY24.12
11,395	11,288	8,776	9,818	8,202	9,013	10,257	11,369	11,257	13,199	13,676	13,953	13,133	14,023	9,660	14,436	16,919	20,355	22,014

9 months (FY20.12: 9,660)

Operating Profits

| 1,740 | 1,010 | -1,317 | -721 | 86 | 835 | 1,209 | 1,672 | 1,232 | 1,861 | 2,597 | 3,063 | 2,622 | 1,583 | 1,037 | 1,870 | 2,395 | 2,330 | 2,573 |

● EBITDA Ratio (yellow)

| 20.7% | 13.7% | -7.8% | -0.7% | 7.2% | 14.2% | 16.3% | 19.1% | 15.3% | 18.3% | 22.0% | 24.4% | 22.2% | 13.7% | 15.1% | 17.0% | 18.0% | 17.6% | 17.6% |

◆ Operating Profit Margin (blue)

| 15.3% | 8.9% | -15.0% | -7.3% | 1.0% | 9.3% | 11.8% | 14.7% | 10.9% | 14.1% | 19.0% | 22.0% | 20.0% | 11.3% | 10.7% | 13.0% | 14.2% | 11.4% | 11.7% |

F20.12 Change in the fiscal year end

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Shareholder Returns

Shareholder Returns (Dividends)

- 13th consecutive term of dividend increase *FY2020.12 Excluding changes in fiscal year end
- FY2024 Interim dividend will also be increased

Units：Yen

Legend: — payout ratio(consolidated) ■ Year-end dividend ■ Interim dividend

↑ Change in the fiscal year end (FY2020.12)
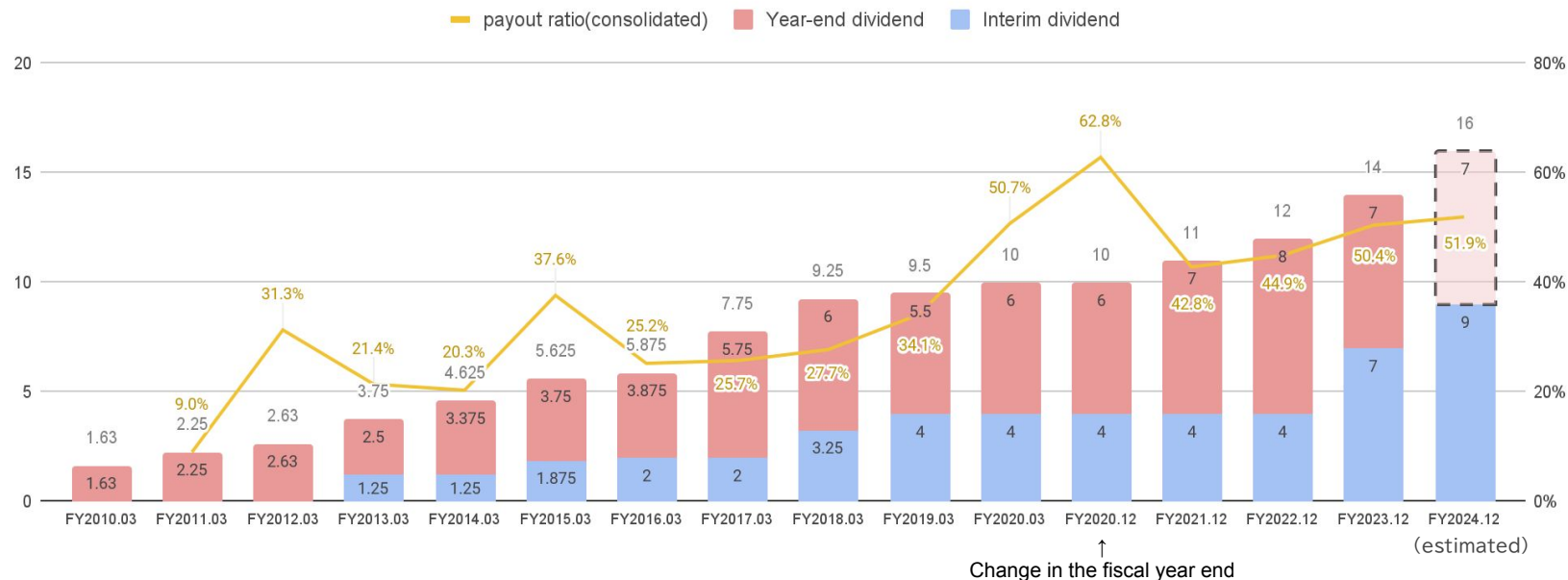
*We conducted stock splits on April 1st, 2016 and March 1st, 2018 and January 1st, 2020 at a ratio of two shares per one ordinary share.
The aforementioned information assumes that each stock split occurred at the beginning of March 2015.

Shareholder Returns (Acquisition 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.

[Reference]
Details of the resolution made on February 14, 2024

Total number of shares to be acquired:
Up to 1.6 million shares
(Ratio in relation to the total number of shares issued (excluding treasury stock): 2.26%)

Total amount of shares to be acquired:
Up to 1 billion yen

Acquisition period:
From February 15, 2024 to December 30, 2024

Reason for acquisition:
To implement a flexible capital policy in response to changes in the business environment, to improve capital efficiency, and to enhance shareholder returns.

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 (maximum)**	2.26%[3]

∗1 Excluding treasury stock
∗2 Rounded to the third decimal place
∗3 Assuming that 1.6 million shares are repurchased, which is the upper limit

Regarding the Next Mid-term Management Plan

Regarding the Next Mid-term Management Plan

- Commencement of full-scale considerations for the next medium-term management plan (FY 2025-FY 2027)
- To be announced by the time of the announcement of the financial results for the fiscal year ending December 31, 2024.

Management strategy	- Identify the progress made under the current medium-term management plan, as well as any issues - Consider KPIs appropriate for a recurring income business model - Improve sales and profitability through growth strategies and thorough cost control
Financial strategy	Consider setting financial indicators and targets in a manner that takes shareholders into greater consideration

Appendix.

- Acquired seven companies in order to expand market share in the pharmacy market and
- acquire customers as the 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

Unicon
2013

Cosmo systems
2014

Janis
M_WIN SOFT
2019

2019
Pop-Creation

Pharmacies
Clinics
long-term care/welfare
2023
Good Cycle System
UNIKE SOFTWARE RESEARCH
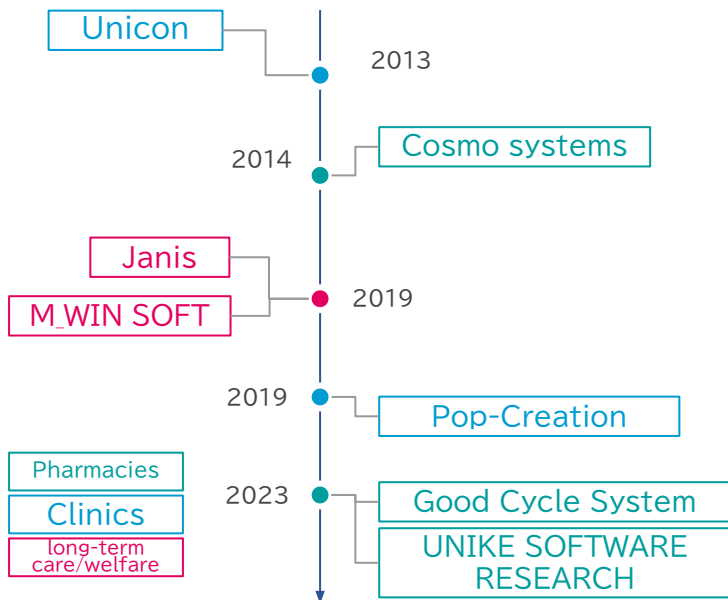
Pharmacies

Number of customers：8,000
Contributions to higher retention and ARPU by enhancing services such as those relating to electronic drug history records

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：11,000
Acquisition of product development resources, etc. to expand into the long-term care/welfare market

Balance Sheet Summary

Units: Millions of yen

	FY2023 Q4	FY2024 Q2	YoY change	YoY % change
Assets	29,387	29,282	△104	△0.4%
Current assets	14,800	15,214	414	2.8%
Fixed assets	14,587	14,067	△519	△3.6%
Tangible fixed assets	1,330	1,436	106	8.0%
Intangible fixed assets	5,186	4,782	△403	△7.8%
Investments and other assets	8,070	7,848	△221	△2.7%
Liabilities	8,821	8,878	57	0.6%
Current liabilities	5,618	6,247	629	11.2%
Fixed liabilities	3,202	2,630	△572	△17.9%
Net assets	20,566	20,404	△161	△0.8%
Shareholder's equity	20,272	20,083	△188	△0.9%
Cumulative amount of other comprehensive	191	240	48	25.2%
Stock acquisition rights	56	55	△0	△1.4%
Non-controlling interests	45	24	△20	△46.1%

By Segment Sales Breakdown

Units : Millions of yen

	FY2023 Q2 Results	FY2024 Q2 Results	YoY change	YoY % change
Net Sales	9,818	10,989	1,170	11.9%
IT Systems for Pharmacies	7,681	9,013	1,331	17.3%
Initial	3,857	4,065	208	5.4%
System usage fee	2,552	3,437	885	34.7%
Consumable goods	886	1,033	147	16.6%
Maintenance service	386	476	90	23.6%
IT Systems for Clinics	1,529	1,198	△330	△21.6%
Initial	995	664	△331	△33.3%
System usage fee	412	443	30	7.5%
Consumable goods	28	25	△2	△10.2%
Maintenance service	92	65	△27	△29.5%
IT Systems for Long-term care/welfare	278	283	4	1.8%
Initial	20	37	16	81.5%
System usage fee	112	124	11	10.4%
Consumable goods	0	0	0	-
Maintenance service	145	121	△23	△16.3%
Other Businesses	386	572	186	48.3%
Adjustments	△58	△79	△21	-

＊Net sales by segment are the amounts before elimination of inter-segmenttransactions

Units : Millions of yen

Legend: ● Percentage of stock sales ▮ Initial sales ▮ Supply & maintenance sales ▮ System usage fee sales
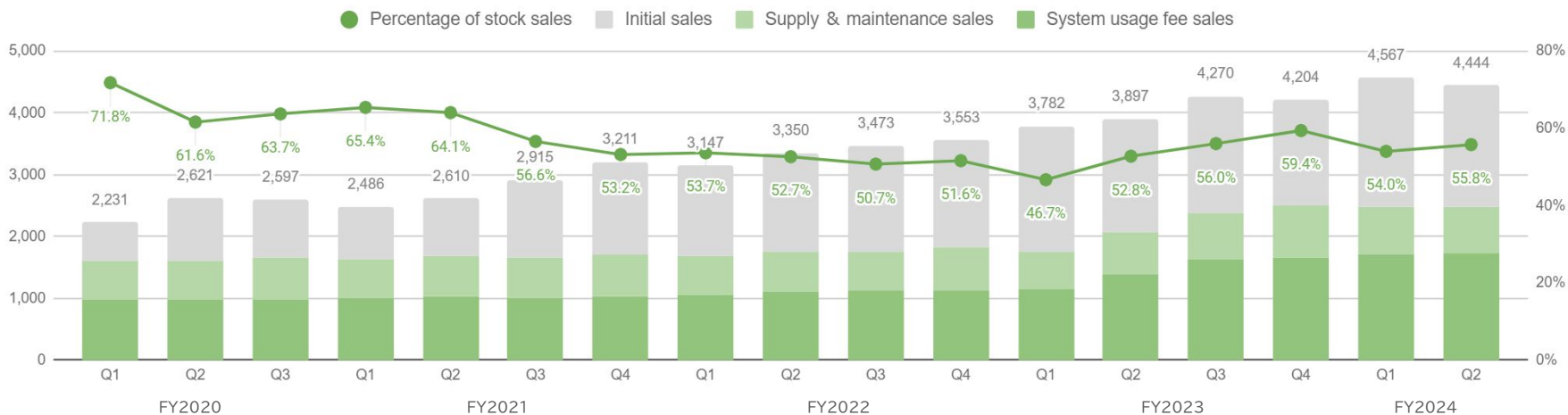
	FY2020			FY2021				FY2022				FY2023				FY2024	
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Initial sales	629	1,006	942	860	938	1,265	1,502	1,458	1,586	1,711	1,719	2,016	1,840	1,877	1,706	2,099	1,965
Supply & maintenance sales	614	621	659	622	650	631	667	621	664	640	704	617	654	769	835	754	756
System usage fee sales	988	994	996	1,004	1,022	1,019	1,042	1,068	1,100	1,122	1,130	1,149	1,403	1,624	1,663	1,714	1,723

Quarterly Sales（Clinics）

Units : Millions of yen
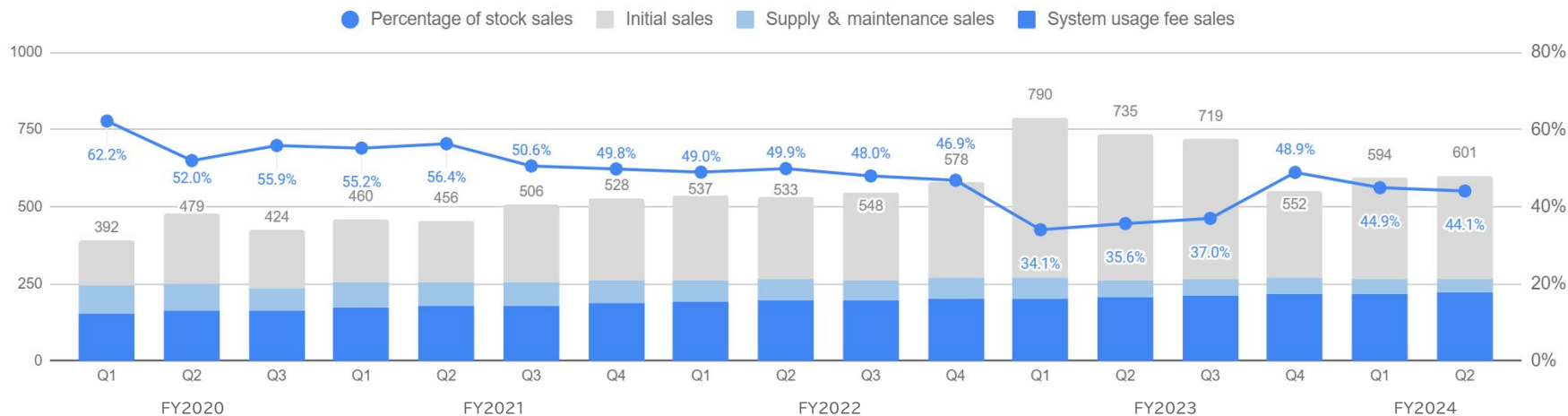
	FY2020			FY2021				FY2022				FY2023				FY2024	
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Initial sales	148	230	187	206	199	250	265	274	267	285	307	521	473	453	282	327	336
Supply & maintenance sales	90	86	72	82	80	76	76	72	69	65	68	64	56	53	55	48	42
System usage fee sales	154	163	165	172	177	180	187	191	197	198	203	205	206	213	215	219	223

Quarterly Sales (Long-term care/welfare)

Units : Millions of yen
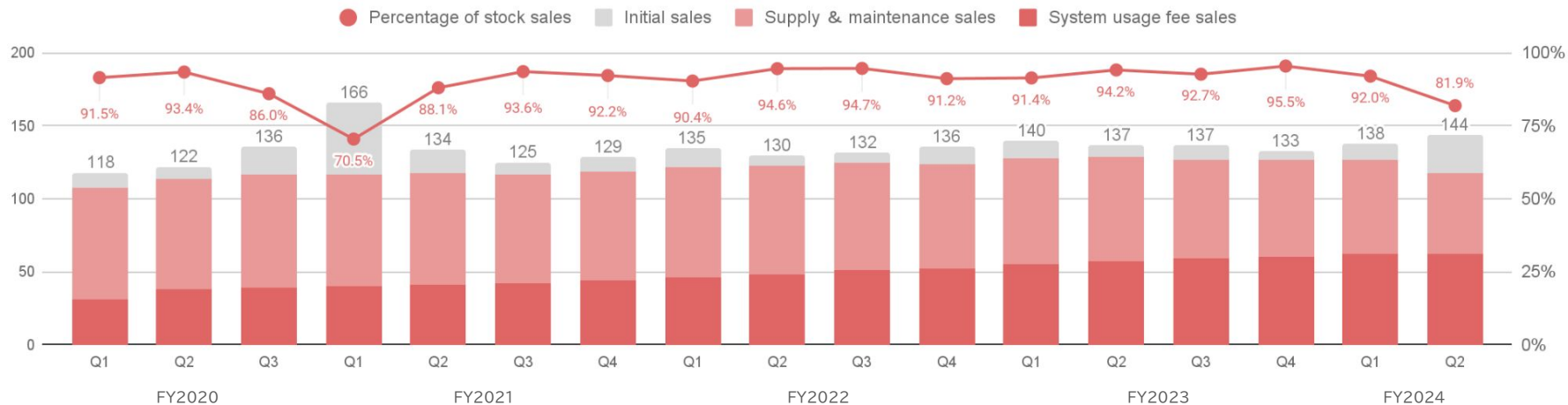
Legend: ● Percentage of stock sales | ▢ Initial sales | ▮ Supply & maintenance sales | ▮ System usage fee sales

	FY2020			FY2021				FY2022				FY2023				FY2024	
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Initial sales	10	8	19	49	16	8	10	13	7	7	12	12	8	10	6	11	26
Supply & maintenance sales	77	76	78	77	77	75	75	76	75	74	72	73	72	68	67	65	56
System usage fee sales	31	38	39	40	41	42	44	46	48	51	52	55	57	59	60	62	62

Units : Millions of yen

- ● Percentage of stock sales
- ■ Recurring income business for Long-term care/welfare
- ■ Recurring income business for Clinics
- ■ Recurring income business for Pharmacy
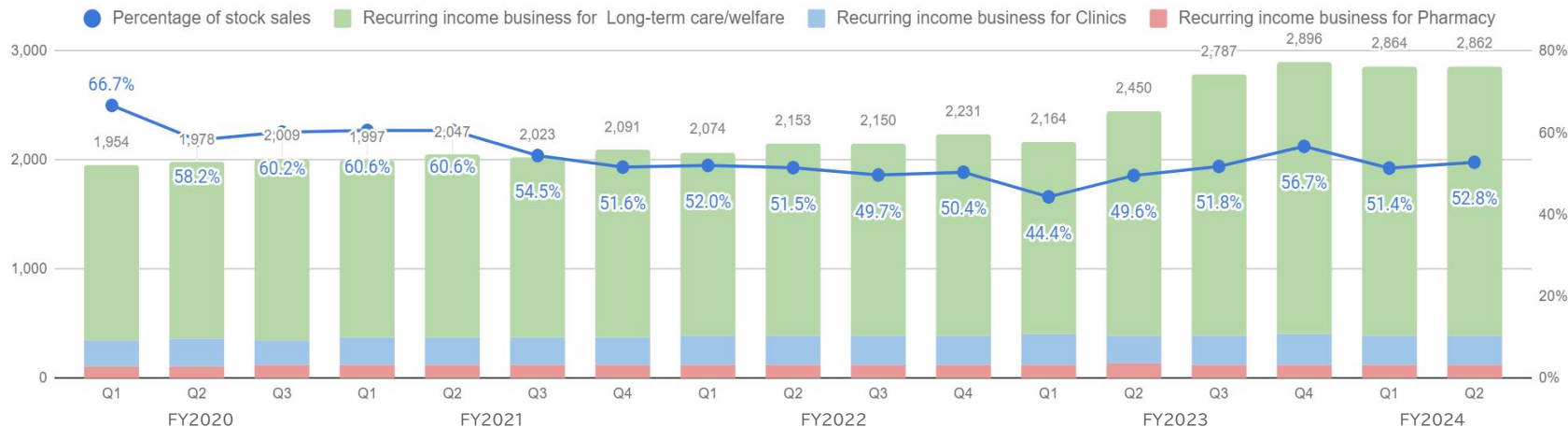
	FY2020			FY2021				FY2022				FY2023				FY2024	
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Recurring income business for Pharmacy	1,602	1,615	1,655	1,626	1,672	1,650	1,709	1,689	1,764	1,762	1,835	1,766	2,057	2,394	2,499	2,469	2,479
Recurring income business for Clinics	244	249	237	254	257	256	263	263	266	263	271	270	263	266	270	268	265
Recurring income business for Long-term care/welfare	108	114	117	117	118	117	119	122	123	125	125	128	130	127	127	127	118

MAPS
シリーズ

Specialized Functions (Clinics & Pharmacies)

| Clinic App (Medical Records) | Pharmacy App (Medication History, HQ Functions) |

Nursing care /welfare App

Specialized Functions (Nursing care /welfare)

Common Functions (Clinics & Pharmacies)

Medical Exam. Hearing/ Prescription Bags / Pharmaceutical Info. / Inventory

Common Master/Contents (Medication/Prescription Check/Meal Recipes)

Common Master

Counter Accounting/Receipt Billing (Medical Insurance, Nursing Insurance and Independent Local Aid for Medical Expenses)

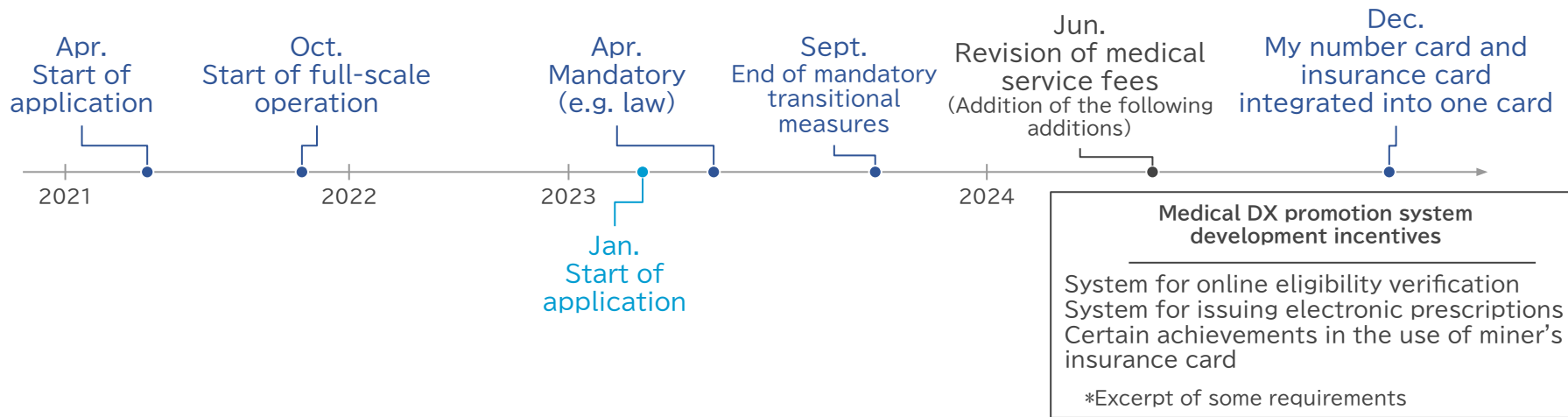Common Engine

Online Eligibility Verification

Obligation • Application and installation largely complete

Electronic Prescriptions

Recommendation • Applications and installations are gradually being made

Apr.
Start of application

Oct.
Start of full-scale operation

Apr.
Mandatory (e.g. law)

Sept.
End of mandatory transitional measures

Jun.
Revision of medical service fees
(Addition of the following additions)

Dec.
My number card and insurance card integrated into one card

2021   2022   2023   2024

Jan.
Start of application

Medical DX promotion system development incentives

System for online eligibility verification
System for issuing electronic prescriptions
Certain achievements in the use of miner's insurance card

*Excerpt of some requirements

How the Online Eligibility Verification System Works

Patient

My Number Card

Place your My Number Card on the card reader

Health Insurance Card

Show health insurance card

Handing over prescriptions

or

Prescription

Clinic/Pharmacy

Card reader with face recognition

Identification by PIN (4 digits)

Visual confirmation

Confirmed by one of the three

＊If computer-linked, data with verified eligibility is imported into the receipt computer.

Visual confirmation

＊ If computer-linked, eligibility is verified on the receipt computer screen

Online eligibility verification system

Dedicated terminal

Cooperation

Our receipt computer terminal

When using a My Number Card, import verified data

Social Insurance Medical Fee Payment Fund
All-Japan Federation of National Health Insurance Organizations

Online eligibility verification system

How Electronic Prescriptions Function

Electronic prescriptions 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.

Enhancement of Sustainability Management
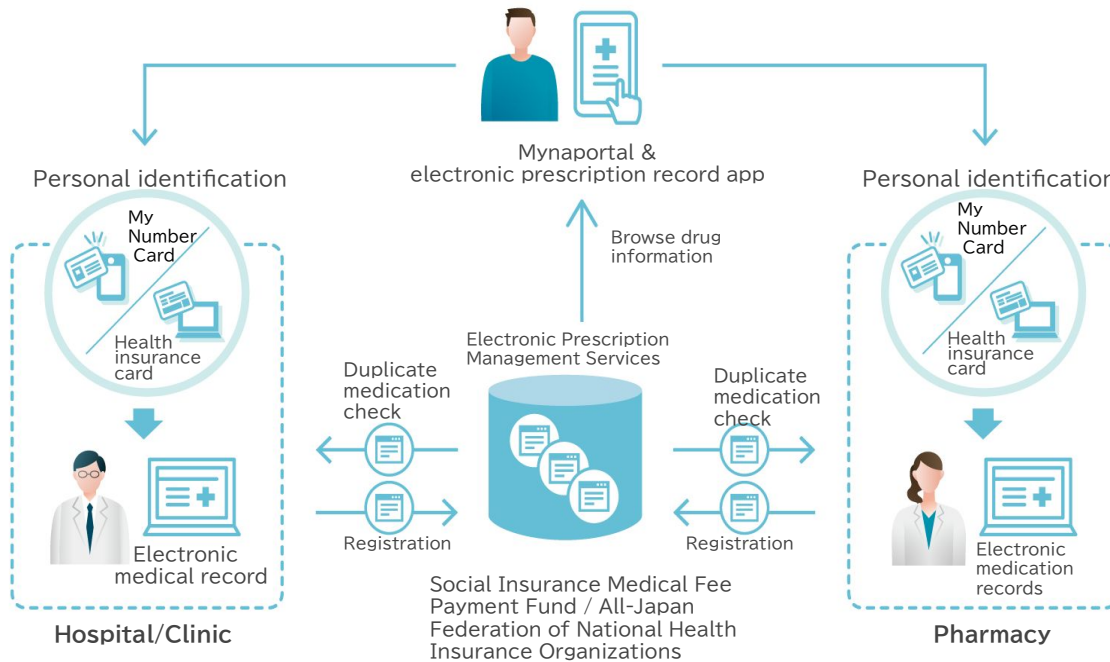
- **Human Capital-related Initiatives**
  Expand recruitment activities
  Full-scale operation of human resource education and training
  system development
  Provision of opportunities to self-enhance skills (e-Learning)

- **Set long-term goals (KPIs) based on materiality**
  Established 18 long-term goals through 2030, including "Improve Employee Engagement Score
  The Sustainability Committee will review the status of achievement and goals

Disclose details of initiatives and progress in achieving targets in annual reports and on sustainability website.(Link)

External Evaluation

- Recognized as an Excellent Corporation for Health & Productivity Management 2024
- 7th Nikkei Smart Work Management Survey 3.5 stars: one step up
- S&P/JPX Carbon Efficient Index: First selection:continued authorization
- FTSE Blossom Japan Sector Relative Index:continued authorization

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- **Support for tennis academies and professional tennis players**
  ・Support for the tennis academy "Ai Love All Tennis Academy"
  ・Affiliation contract with professional tennis players
  ・Provision of a "EM Tennis Clinic"(Scheduled for 2024: Fukuoka, Kanto)

Imamura Pro, EM SYSTEMS
[ITF World Tennis Tour]
W15 singles champion for 2 consecutive weeks /
W50 doubles champion

Professional tennis player Saki Imamura, who belongs to EM Systems, won the W15 singles (Thailand) for two consecutive weeks, and won the W50 doubles(Yamanashi).

2Photos from the EM Tennis Clinic in Kanto in 2023.
Ai Love All Tennis Academy representative, Aiko Nakamura, and all other players from the Academy were in attendance.
Many medical practitioners participated and enjoyed the clinic!

Saki Imamura, Pro tennis player, EM SYSTEMS

Social Contribution Activities

Research Support Activities

- ### Donations to Medical AI/Digital Twin Development Course（Course head: Specially-appointed Assistant Professor Yoshimasa Kawazoe M.D., Ph.D.）
  We endorse the 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, and we have been supporting R&D through continuous donations to the course since 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.

- ### 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 the activities of the 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 Teikyo）
  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

Supporting Activities

- **Participation in the Cross-ministerial Strategic Innovation Promotion Program (SIP) (Cabinet Office)**
  Participated in formulating specifications for the core functions of cloud-based standardized electronic medical records as a cooperating organization in the third phase, which began from FY2023, of a project to establish an integrated healthcare system under the Strategic Innovation Promotion Program (SIP), which promotes initiatives from basic research to practical applications and commercialization, and is spearheaded by the Council for Science, Technology and Innovation of the Cabinet Office.

- **Advance implementation of online eligibility verification and electronic prescriptions (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. Continued project for advance implementation of new features for online eligibility verification and electronic prescription systems after November 2023.

Donation Activities

- **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.

TX | Thanks Transformation

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