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Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending December 31, 2025 (Under Japanese GAAP)

November 14, 2025

Listing: TSE

Company name: EM SYSTEMS CO., LTD

Securities code 4820 URL <https://emsystems.co.jp>

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results presentation: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending December 31, 2025 (from January 01, 2025 to September 30, 2025)

(1) Consolidated operating results (Cumulative)

(Percentage indicate YoY changes)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended September 30, 2025	18,114	2.0	3,363	5.0	3,818	2.8	2,402	59.0
September 30, 2024	17,755	16.8	3,201	77.5	3,715	68.9	1,510	11.3

(Note) Comprehensive income For the nine months ended December 31, 2025: 2,477 million yen (69.5%) For the nine months ended December 31, 2024: 1,461 million yen (0.8%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2025	34.72	34.61
September 30, 2024	21.54	21.47

(2) Consolidated financial positions

	Total assets	Equity	Equity to total assets ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2025	28,768	20,195	69.9	290.43
December 31, 2024	31,669	20,619	64.8	297.04

(Reference) Owner's equity 20,105 million yen for the third quarter of the fiscal year ending December 2025 20,534 million yen for the fiscal year ending December 2024

2. State of dividends

	Annual dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	9.00	-	26.00	35.00
Fiscal year ending December 31, 2025	-	17.00	-		
Fiscal year ending December 31, 2025 (Forecast)				22.00	39.00

(Note) Presence or absence of revisions from the most recently announced dividend forecast: None

3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2025 (from January 01, 2025 to December 31, 2025)

(Percentages indicate YoY changes)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending December 31, 2025	23,479	(5.5)	3,627	(18.7)	4,389	(15.3)	2,691	11.0	38.90

(Note) Correction of financial forecast from the most recent financial forecast: None

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly added: 1 company (Company name) Precal Co., Ltd., Excluded: none (Company name) -

(2) Application of specific accounting for the consolidated quarterly financial statements: Yes

(Note) For details, please refer to the attached document on page 9, "2. Quarterly Consolidated Financial Statements and Main Notes (3) Notes on Quarterly Consolidated Financial Statements (Notes on Accounting Treatments Specific to the Preparation of Quarterly Consolidated Financial Statements)."

(3) Changes in accounting policies, changes in accounting estimates, retrospective restatement

(i) Changes in accounting policies due to revisions of accounting standards : None

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates : None

(iv) Retrospective restatement : None

(4) Number of shares issued (common stock)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	70,514,800 shares
As of December 31, 2024	70,514,800 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	1,290,594 shares
As of December 31, 2024	1,384,894 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2025	69,182,295 shares
Nine months ended September 30, 2024	70,138,331 shares

※ Review of attached consolidated quarterly financial statements by a certified public accountant or an audit firm: None

Note regarding appropriate use of forecasts and other special items

(Cautionary Statement Regarding Forward-Looking Statements)

The forward-looking statements such as earnings forecasts contained in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended as a guarantee of their achievement. Actual results may differ significantly due to various factors.

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the quarter

During the nine months ended September 30, 2024, the Japanese economy was affected by increasing global economic uncertainties, such as fluctuations in foreign exchange rates, persistently high energy and raw material prices, and changes in international trade policies. As a result, it has become necessary to closely monitor the situation as these factors may impact corporate earnings.

In the medical industry, which is the main business partner of our group, efforts are being made to secure human resources and increase wages for medical and nursing care workers through the improvement of the stability and sustainability of the medical insurance system by promoting efficiency and optimization via medical DX based on initiatives such as the "Medical DX Reiwa Vision 2030," as well as through various revisions to medical service fees.

Our group has continued its efforts to realize high-quality medical care through the promotion of medical DX and innovation. In line with the expansion of the scope of the online eligibility verification system under the "Medical DX Reiwa Vision 2030" and the promotion and dissemination of electronic prescriptions, we have sequentially expanded the adaptation of the online eligibility verification system to medical assistance and the installation of electronic prescription systems. As a result, the number of installations during the nine months ended September 30, 2024 exceeded our expectations.

In each segment of our group's business, based on the "Medium-Term Management Plan FY2025–FY2027" formulated in 2024, we have continued to generate potential projects more efficiently by shifting from traditional face-to-face sales to strengthened inside sales activities, as well as through organizational restructuring aimed at enhancing finished goods capabilities and profitability, website renewal, utilization of MA tools, and improvements in the marketing mix such as strengthening digital content. During the nine months ended September 30, 2024, although the concentrated demand for electronic prescriptions has subsided, net sales and operating profit increased as a result of progress in adapting the online eligibility verification system to medical assistance and hardware replacement due to the end of Windows 10 support. Profit attributable to owners of parent increased significantly due to the rebound from impairment losses recorded in the same period of the previous year in the medical systems business and the nursing care/welfare systems business.

As a result, operating results for the nine months ended September 30, 2024 were as follows: Net sales were 18,114 million yen (up 2.0% YoY), operating profit was 3,363 million yen (up 5.0% YoY), ordinary profit was 3,818 million yen (up 2.8% YoY), and profit attributable to owners of parent was 2,402 million yen (up 59.0% YoY).

The operating results by segment are as follows.

(Pharmacy System Business)

Regarding the pharmacy system business, although the implementation of optional software related to the online eligibility verification system progressed, the segment's net sales remained flat and operating profit decreased due to the completion of the installation of electronic prescriptions and the temporary impact on sales caused by the end of support for Windows 10.

As a result, for the nine months ended September 30, 2024, the Pharmacy Systems Business recorded net sales of 14,723 million yen (down 0.1% YoY) and operating profit of 3,413 million yen (down 10.2% YoY).

(Medical System Business)

With regard to the Medical Systems Business, in addition to restructuring the organizational framework and implementing a wide range of approaches utilizing digital marketing, the accelerated installation of electronic prescriptions led to increases in both segment Net sales and Operating profit.

As a result, for the nine months ended September 30, 2024, the Medical Systems Business recorded net sales of 2,256 million yen (up 22.6% YoY) and operating profit of 168 million yen (compared to an operating loss of 340 million yen in the same period of the previous year).

(Nursing care/Welfare System Business)

Regarding the nursing care/welfare system business, due to the impact of the 2025 nursing care fee revision, we have accelerated the replacement from "Hibiki Symphony" to "MAPs for NURSING CARE," resulting in a decrease in the number of some licenses and a decline in sales of maintenance service. On the other hand, segment depreciation decreased due to impairment losses recorded in the previous fiscal year, and operating loss slightly improved year on year as a result of cost reduction efforts within the segment. In addition, net sales from the subscription model of "MAPs for NURSING CARE" have been steadily increasing.

As a result, for the nine months ended September 30, 2024, the nursing care/welfare system business recorded net sales of 394 million yen (down 11.8% YoY) and an operating loss of 263 million yen (compared to an operating loss of 320 million yen in the same period of the previous year).

(Other businesses)

As for other businesses, while Choki Co., Ltd. achieved growth in its performance, the completion of individual new function development and paid legal compliance work for Eimei Software System Development (Nanjing) Co., Ltd. in the previous fiscal year resulted in flat net sales, but operating profit decreased.

As a result, for the nine months ended September 30, 2024, other businesses recorded net sales of 839 million yen (down 1.1% YoY) and operating profit of 13 million yen (down 70.9% YoY).

(The above segment Net sales and Operating profit (loss) are amounts before elimination of inter-segment transactions.)

(2) Overview of financial positions for the quarter

(Assets)

As of the end of the third quarter of the consolidated fiscal period, current assets amounted to 14,009 million yen, a decrease of 4,340 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to decreases in cash and deposits by 3,527 million yen and notes and accounts receivable - trade by 631 million yen, respectively. Non-current assets amounted to 14,759 million yen, an increase of 1,439 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to increases in goodwill by 766 million yen, investment property by 159 million yen, and investment securities by 217 million yen, respectively.

As a result, total assets amounted to 28,768 million yen, a decrease of 2,900 million yen compared to the end of the previous fiscal year.

(Liabilities)

Current liabilities as of the end of the third quarter consolidated accounting period were 7,180 million yen, a decrease of 1,892 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to decreases in income taxes payable by 1,206 million yen, accounts payable by 284 million yen, and other items by 578 million yen, respectively. Non-current liabilities were 1,392 million yen, a decrease of 585 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to a decrease in long-term borrowings by 561 million yen.

As a result, total liabilities amounted to 8,573 million yen, a decrease of 2,477 million yen compared to the end of the previous consolidated fiscal year.

(Net assets)

Net assets as of the end of the third quarter of the consolidated fiscal period were 20,195 million yen, a decrease of 423 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to a decrease of 568 million yen in retained earnings.

As a result, the equity to total assets ratio was 69.9% (64.8% at the end of the previous consolidated fiscal year).

(3) Explanation regarding forward-looking statements such as consolidated forecasts

Regarding the consolidated forecasts for the fiscal year ending December 2025, based on the results to date and the recent business environment, we have revised the full-year consolidated forecasts due to anticipated fluctuations in performance. For further details, please refer to the "Notice Regarding Revision of Consolidated Forecasts and Dividend Forecasts for the Fiscal Year Ending December 2025" announced on October 27, 2025.

2. Quarterly Consolidated Financial Statements and Main Notes (1) Quarterly Consolidated Balance Sheet

(Unit: Million yen)

	Previous fiscal year (December 31, 2024)	For the third quarter (September 30, 2025)
Assets		
Current assets		
Cash and deposit	11,884	8,357
Notes and trade receivables	4,293	3,661
Inventories	889	676
Other	1,283	1,318
Allowance for doubtful accounts	(2)	(5)
Total current asset	18,349	14,009
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	449	530
Land	348	348
Leased assets, net	22	2
Construction in progress	-	11
Other (net)	419	494
Total property, plant and equipment, net	1,241	1,387
Intangible assets		
Software	1,091	882
Software in progress	30	43
Goodwill	1,265	2,032
Other	1,107	1,062
Total intangible assets	3,494	4,021
Investment Other assets		
Investment securities	906	1,123
Investment property, net	6,268	6,427
Other	1,424	1,811
Allowance for doubtful accounts	(14)	(12)
Total investment and other assets	8,584	9,350
Total non-current assets	13,320	14,759
Total assets	31,669	28,768

(Unit: Million yen)

	Previous fiscal year (December 31, 2024)	For the third quarter (September 30, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,376	1,513
Current portion of long-term borrowings	833	783
Accounts payable	2,217	1,933
Lease liabilities	37	0
Income taxes payable	1,584	377
Provision for bonuses	555	647
Contract liabilities	840	874
Other	1,628	1,049
Total current liabilities	9,072	7,180
Non-current liabilities		
Long-term borrowings	569	8
Lease liabilities	0	3
Liabilities for retirement benefits	137	126
Provision for product warranties	1	0
Long-term accounts payable	193	193
Long-term guarantee deposits	778	812
Other	296	246
Total non-current liabilities	1,977	1,392
Total liabilities	11,050	8,573
Net assets		
Shareholders' equity		
Share capital	2,785	2,785
Capital surplus	2,486	2,502
Retained earnings	15,813	15,244
Treasury shares	(763)	(711)
Total shareholders' equity	20,320	19,821
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	45	149
Foreign currency translation adjustment	168	133
Total accumulated other comprehensive income	213	283
Share acquisition rights	55	55
Non-controlling interests	29	35
Total net assets	20,619	20,195
Total liabilities and net assets	31,669	28,768

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)
(Nine months ended)

(Unit: Million yen)

	For the nine months ended [previous period end date] (From January 1, 2024 until September 30, 2024)	For the nine months ended From January 1, 2025 until September 30, 2025
Revenue	17,755	18,114
Cost of sales	8,282	8,884
Gross profit	9,473	9,230
Selling, general and administrative expenses	6,272	5,867
Operating profit	3,201	3,363
Non-operating income		
Interest income	8	7
Real estate lease revenue	800	782
Other	31	13
Total non-operating income	839	803
Non-operating expenses		
Interest expense	6	4
Real estate lease expenses	285	339
Other	33	4
Total non-operating expenses	326	348
Ordinary profit	3,715	3,818
Extraordinary income		
Gain on sale of non-current assets	-	0
Total extraordinary income	-	0
Extraordinary losses		
Loss on sale of non-current assets	-	0
Loss on retirement of fixed assets	47	7
Impairment losses	1,344	301
Total extraordinary losses	1,392	309
Net income before income taxes	2,323	3,509
Income taxes	793	1,101
Net income	1,529	2,407
Net income attributable to non-controlling interests	18	5
Profit attributable to owners of parent	1,510	2,402

(Quarterly Consolidated Statement of Comprehensive Income)
(Nine months ended)

(Unit: Million yen)

	For the nine months ended [previous period end date] (From January 1, 2024 until September 30, 2024)	For the nine months ended From January 1, 2025 until September 30, 2025
Net income	1,529	2,407
Other comprehensive income (loss), net of tax		
Valuation difference on available-for-sale securities	(83)	104
Foreign currency translation adjustment	15	(34)
Other comprehensive income, net of tax	(67)	70
Comprehensive income	1,461	2,477
Profit attributable to		
Quarterly comprehensive income attributable to owners of the parent	1,443	2,472
Quarterly comprehensive income attributable to non-controlling interests	18	5

(3) Notes to the quarterly consolidated financial statements

(Notes regarding the assumption of a going concern)

There are no applicable items.

(Notes in case of significant changes in the amount of shareholders' equity)

There are no applicable items.

(Notes on Quarterly Consolidated Statement of Cash Flows)

The quarterly consolidated statement of cash flows for the nine months ended September 30 has not been prepared. The amounts of depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the nine months ended September 30 are as follows.

	For the nine months ended [previous period end date] (From January 1, 2024 until September 30, 2024)	For the nine months ended (From January 1, 2025 until September 30, 2025)
Depreciation	1,067 million yen	801 million yen
Amortization of goodwill	160 million yen	144 million yen

(Notes on Segment Information, etc.)

[Segment Information]

I For the nine months ended September 30, 2024

1. Information on net sales and profit or loss amounts by reportable segment, as well as disaggregated revenue information

(Unit: Million yen)

	Reportable segment					Adjustment amount (Note) 1	Quarterly Consolidated Statement of income Recorded amount
	Pharmacy Systems Business	Medical System Business	Nursing care/Welfare System Business	Other businesses	Total		
Revenue							
Initial sales	7,340	1,057	84	-	8,482	-	8,482
Subscription revenue	5,166	652	183	-	6,002	-	6,002
Supply sales	1,525	39	0	-	1,565	-	1,565
Maintenance sales	687	90	179	-	957	-	957
Other business revenue	-	-	-	747	747	-	747
Revenue from contracts with customers	14,719	1,840	447	747	17,755	-	17,755
Net sales to external customers	14,719	1,840	447	747	17,755	-	17,755
Internal net sales or transfers between segments	13	-	-	101	115	(115)	-
Total	14,733	1,840	447	849	17,871	(115)	17,755
Segment profit or loss (-) (Note) 2	3,801	(340)	(320)	47	3,188	13	3,201

(Note) 1. The adjustment amount for segment profit or loss is due to the elimination of inter-segment transactions, etc.

2. Segment profit or loss is adjusted with operating profit in the quarterly consolidated statement of income.

2. Information on Impairment losses of Non-current assets or Goodwill, etc. by reportable segment

(Significant impairment losses related to non-current assets)

Impairment losses on non-current assets have been recorded in the "Medical System Business" and "Nursing Care/Welfare System Business" segments. The amount of impairment losses recorded in the nine months ended September 30, 2024, was 423 million yen for the "Medical System Business" and 920 million yen for the "Nursing Care/Welfare System Business."

(Significant changes in the amount of goodwill)

There are no applicable items.

(Significant gain on bargain purchase)

There are no applicable items.

II For the nine months ended September 30, 2025

1. Information on net sales and profit or loss by reportable segment, and breakdown of revenue

(Unit: Million yen)

	Reportable segments					Adjustment amount (Note) 1	Quarterly Consolidated Statement of income Recorded amount
	Pharmacy System Business	Medical System Business	Nursing care/Welfare System Business	Other businesses	Total		
Revenue							
Initial sales	7,411	1,441	63	-	8,915	-	8,915
Subscription revenue	5,340	728	184	-	6,252	-	6,252
Supply sales	1,513	41	-	-	1,554	-	1,554
Maintenance sales	445	45	147	-	637	-	637
Other business revenue	-	-	-	753	753	-	753
Revenue from contracts with customers	14,710	2,256	394	753	18,114	-	18,114
Net sales to external customers	14,710	2,256	394	753	18,114	-	18,114
Internal net sales or transfers between segments	13	-	-	86	99	(99)	-
Total	14,723	2,256	394	839	18,214	(99)	18,114
Segment profit or loss (-) (Note) 2	3,413	168	(263)	13	3,331	31	3,363

(Note) 1. The adjustment amount of segment profit or loss is due to elimination of inter-segment transactions, etc.

2. Segment profit or loss is adjusted with operating profit in the quarterly consolidated statement of income.

2. Information on impairment losses of non-current assets, goodwill, etc. by reportable segment

(Significant impairment losses related to non-current assets)

Impairment losses on non-current assets have been recorded in the "Medical System Business" and "Nursing Care/Welfare System Business" segments. The amount of impairment losses recorded in the nine months ended September 30, 2024, was 192 million yen for the "Medical System Business" and 109 million yen for the "Nursing Care/Welfare System Business."

(Significant changes in the amount of goodwill)

In the "Pharmacy System Business" segment, goodwill of 911 million yen was recorded in the nine months ended September 30, 2024, as a result of acquiring shares of Precal Co., Ltd. and making it a consolidated subsidiary.

Note that the amount of goodwill as of the end of the third quarter of the consolidated fiscal period is a provisional amount, as the allocation of the acquisition cost has not yet been completed.

(Significant gain on bargain purchase)

There are no applicable items.

(Notes on accounting treatments specific to the preparation of quarterly consolidated financial statements)

With regard to income tax expenses, the effective tax rate after applying tax effect accounting to the pre-tax net income for the consolidated fiscal year including the third quarter consolidated accounting period is reasonably estimated, and the estimated effective tax rate is applied to the pre-tax net income to calculate the tax expenses.