

Translation

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Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (Under Japanese GAAP)

February 13, 2026
Listing: TSE

Company name	EM SYSTEMS CO., LTD		
Securities code	4820	URL https://emsystems.co.jp	
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Inquiries	(Title)	Senior Executive Officer, Chief of Business Strategy Headquarters	(Name) Daigo Kobayashi Tel +81(0)6-6397-1888
Scheduled date for ordinary general meeting of shareholders:	March 27, 2026		Scheduled date to commence dividend payments: March 30, 2026
Scheduled date to file annual securities report	March 26, 2026		
Preparation of supplementary material on financial results: Yes			
Holding of financial results briefing: Yes			

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

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (from January 01, 2025 to December 31, 2025)

(1) Consolidated operating results

(Percentages indicate YoY changes)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended December 31, 2025	23,658	(4.7)	3,676	(17.6)	4,313	(16.8)	2,452	1.1
December 31, 2024	24,837	22.0	4,464	91.6	5,184	80.7	2,425	23.6

(Note) Comprehensive income For the fiscal year ending December 2025: 2,718 million yen (10.1%) For the fiscal year ended December 2024: 2,469 million yen (18.6%)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets ratio	Net sales Operating profit margin
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2025	35.44	35.32	12.0	14.6	15.5
December 31, 2024	34.54	34.43	11.8	17.0	18.0

(2) Consolidated financial positions

	Total assets	Equity	Equity to total assets ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
December 31, 2025	27,506	20,432	73.9	293.77
December 31, 2024	31,669	20,619	64.8	297.04

(Reference) Owner's equity For the fiscal year ending December 2025: 20,334 million yen For the fiscal year ended December 2024: 20,534 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended December 31, 2025	2,008	(2,222)	(3,840)	7,847
December 31, 2024	5,756	194	(3,567)	11,884

2. Cash dividends

	Annual dividends per share					Total dividends (aggregate)	Payout ratio (Consolidated)	Ratio of dividends to net assets (consolidated)
	End of first quarter	End of second quarter	At the end of the third quarter	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended December 31, 2024	-	9.00	-	26.00	35.00	2,428	101.3	11.9
Fiscal year ended December 31, 2025	-	17.00	-	22.00	39.00	2,699	110.1	13.2
Fiscal year ending December 31, 2026 (Forecast)	-	14.00	-	18.00	32.00		101.0	

3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2026 (from January 01, 2026 to December 31, 2026)

(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
Six months ending June 30, 2026	10,242	(15.7)	1,393	(33.1)	1,654	(31.1)	921	(42.5)	13.31
Fiscal year ending December 31, 2026	22,762	(3.8)	3,316	(9.8)	3,939	(8.7)	2,193	(10.6)	31.69

* Notes

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

New: 1 company (Company name) Precal Co., Ltd., Excluded: - company (Company name) -

(2) 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

(3) Number of shares issued (common stock)

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

As of December 31, 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 December 31, 2025	1,293,794 shares
As of December 31, 2024	1,384,894 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2025	69,191,973 shares
Fiscal year ended December 31, 2024	70,206,024 shares

(Reference) Overview of Non-consolidated Results

1. Non-consolidated financial results for the fiscal year ended December 31, 2025 (from January 01, 2025 to December 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate YoY changes)

	Revenue		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended December 31, 2025	18,829	(5.6)	2,768	(24.5)	3,810	(15.0)	2,229	13.2
December 31, 2024	19,937	15.3	3,668	110.3	4,483	88.2	1,969	15.6

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
December 31, 2025	32.22	32.12
December 31, 2024	28.06	27.97

(2) Non-consolidated financial positions

	Total assets	Equity	Equity to total assets ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
December 31, 2025	24,071	19,105	79.1	275.21
December 31, 2024	28,307	19,543	68.8	281.91

(Reference) Owner's equity Fiscal year ending December 2025: 19,050 million yen Fiscal year ending December 2024: 19,488 million yen

* Financial results reports are not subject to audits by certified public accountants or audit corporations.

Note regarding appropriate use of forecasts and other special items

(Cautionary Statement Regarding Forward-Looking Statements)

Forward-looking statements such as performance forecasts contained in this document are based on information currently available to the Company and on certain assumptions that are deemed reasonable. They are not intended as a guarantee of achievement by the Company. Actual results may differ significantly due to various factors. For the conditions underlying the forecasts and notes regarding the use of forecasts, please refer to the attached document on P.4, "1. Overview of Operating Results, etc. (4) Outlook for the Future."

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the period

During the fiscal year under review, the Japanese economy continued to require close monitoring of factors affecting corporate earnings, such as persistently high resource prices, heightened international tensions, and uncertainties arising from changes in the domestic political situation.

In the medical industry, which is the main customer base of our group, the social implementation of medical DX based on initiatives such as the "Medical DX Reiwa Vision 2030" is accelerating. As the urgent issue of improving the stability and sustainability of the medical insurance system through greater efficiency and optimization becomes more pressing, various fee revisions have led to the full-scale launch of concrete initiatives aimed at securing human resources and improving working conditions for medical, nursing care, and welfare professionals. As a result, the importance of system investment to strengthen management foundations is increasing further.

In our group, we have continued our efforts to promote medical DX and innovation to realize high-quality medical care. Specifically, we have strongly promoted the implementation support for various systems in response to the expansion of the scope of the online eligibility verification system under the "Medical DX Reiwa Vision 2030," adaptation to medical assistance, and the accelerated spread of electronic prescriptions. As a result, the number of system installations during the fiscal year exceeded our initial expectations.

In each segment of our group's business, we focused on achieving the "Medium-Term Management Plan FY2025–FY2027" by strengthening inside sales activities, renewing our website, utilizing MA tools, enhancing digital content, and improving our marketing mix to efficiently acquire potential projects. Furthermore, we implemented organizational restructuring through the introduction of a company system, enabling faster decision-making in each segment and establishing an optimal service delivery structure that promptly responds to customer needs. In addition, we promoted the introduction of AI tools in call centers, conducted efficient system operation training using online platforms, and advanced the use of AI in internal operations, thereby working to improve service quality and strengthen our profit structure through operational efficiency. During the fiscal year under review, the response to the online eligibility verification system for medical assistance and hardware replacement due to the end of Windows 10 support progressed steadily. On the other hand, net sales and operating profit decreased due to the waning of concentrated demand for electronic prescriptions, which had been active in the previous fiscal year. Regarding profit attributable to owners of parent, although impairment losses on unlisted shares were recorded in the fourth quarter, profit increased due to the absence of impairment losses in the medical systems and nursing/welfare systems businesses that were recorded in the previous fiscal year.

As a result, the operating results for the fiscal year were as follows: Net sales were 23,658 million yen (4.7% decrease YoY), operating profit was 3,676 million yen (17.6% decrease YoY), ordinary profit was 4,313 million yen (16.8% decrease YoY), and profit attributable to owners of parent was 2,452 million yen (1.1% increase YoY).

The operating results by segment are as follows.

(Pharmacy System Business)

Regarding the pharmacy system business, the introduction of options associated with the expansion of the operational scope of the online eligibility verification system and hardware replacements due to the end of Windows 10 support progressed steadily. On the other hand, net sales and operating profit decreased due to the waning demand for the introduction of electronic prescriptions, which had occurred in the previous fiscal year.

As a result, for the fiscal year ended March 31, 2024, the Pharmacy Systems Business recorded net sales of 19,236 million yen (down 7.1% YoY) and operating profit of 3,967 million yen (down 24.5% YoY).

(Medical System Business)

Regarding the Medical Systems Business, we strengthened the acquisition of potential projects through organizational restructuring following the introduction of the company system and a multifaceted approach utilizing digital marketing. In addition, as a result of steadily capturing demand for hardware replacement due to the accelerated introduction of electronic prescriptions and the end of Windows 10 support, both net sales and operating profit increased.

As a result, for the fiscal year ended March 31, 2024, the Medical Systems Business recorded net sales of 2,879 million yen (up 12.3% YoY) and operating profit of 32 million yen (compared to an operating loss of 423 million yen in the previous fiscal year).

(Nursing care/Welfare System Business)

As for the nursing care/welfare system business, with an eye on the 2025 revision of nursing care fees and the advancement of nursing care DX, we strategically accelerated the replacement to "MAPs for NURSING CARE." Although this replacement temporarily reduced the number of some licenses and sales of maintenance service, operating loss improved compared to the previous consolidated fiscal year due to a decrease in depreciation resulting from impairment losses recorded in the previous consolidated fiscal year and thorough cost reduction efforts. This system migration is a proactive initiative aimed at building a stable stock revenue base for the future and providing further DX-related services. Net sales from subscription fees for "MAPs for NURSING CARE" are steadily increasing.

As a result, in the fiscal year under review, the Nursing Care/Welfare System Business recorded net sales of 566 million yen (down 0.6% YoY) and an operating loss of 378 million yen (compared to an operating loss of 450 million yen in the previous fiscal year).

(Other businesses)

As for other businesses, while the performance of Choki Co., Ltd. improved, net sales and operating profit decreased due to the completion of individual new function development and paid support in response to legal revisions at Yimei Software System Development (Nanjing) Co., Ltd. in the previous fiscal year.

As a result, net sales in other businesses for the fiscal year ended March 31, 2024 were 1,119 million yen (down 4.7% YoY), and operating profit was 28 million yen (down 52.1% YoY).

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

(2) Overview of the financial position for the period

(Assets)

At the end of the current consolidated fiscal year, current assets amounted to 12,948 million yen, a decrease of 5,401 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to a decrease of 4,036 million yen in cash and deposits and a decrease of 1,086 million yen in notes and accounts receivable - trade. Non-current assets amounted to 14,558 million yen, an increase of 1,238 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to increases of 123 million yen in buildings and structures, 797 million yen in goodwill, and 200 million yen in investment property.

As a result, total assets amounted to 27,506 million yen, a decrease of 4,163 million yen compared to the end of the previous consolidated fiscal year.

(Liabilities)

At the end of the current consolidated fiscal year, current liabilities amounted to 5,769 million yen, a decrease of 3,302 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to decreases in notes and accounts payable - trade by 194 million yen, current portion of long-term borrowings by 256 million yen, accounts payable - other by 855 million yen, income taxes payable by 1,455 million yen, and accrued consumption taxes by 437 million yen. Non-current liabilities amounted to 1,304 million yen, a decrease of 673 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to decreases in long-term borrowings by 564 million yen and long-term accounts payable - other by 193 million yen.

As a result, total liabilities amounted to 7,074 million yen, a decrease of 3,976 million yen compared to the end of the previous consolidated fiscal year.

(Net assets)

Net assets at the end of the fiscal year amounted to 20,432 million yen, a decrease of 1 million 870 thousand yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 522 million yen in retained earnings, although there was an increase of 237 million yen in valuation difference on available-for-sale securities.

As a result, the equity to total assets ratio was 73.9% (64.8% at the end of the previous fiscal year).

(3) Overview of Cash Flows for the Period

Cash and cash equivalents (hereinafter referred to as "funds") for the fiscal year ended decreased by 4,036 million yen compared to the end of the previous fiscal year, amounting to 7,847 million yen.

The cash flows for the fiscal year and their main factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 2,008 million yen. This was mainly due to income before income taxes of 3,624 million yen, depreciation of 1,086 million yen, and an increase in accounts receivable of 1,088 million yen, while income taxes paid amounted to 2,407 million yen.

(Cash flows from investing activities)

Funds used as a result of investing activities amounted to 2,222 million yen. This was mainly due to proceeds from rental of investment property of 1,048 million yen, while there were purchases of property, plant and equipment related to system development of 935 million yen, and purchase of shares of subsidiaries resulting in change in scope of consolidation of 995 million yen, among other factors.

(Cash flows from financing activities)

Funds used as a result of financing activities amounted to 3,840 million yen. This was mainly due to repayments of long-term borrowings of 835 million yen and dividends paid of 2,971 million yen, among other factors.

(4) Future Outlook

Regarding the future outlook, as the declining birthrate and aging population continue to progress, reforms in the medical, nursing care, and welfare industries to enhance the sustainability of the social security system have become an urgent issue. In particular, the social implementation of medical DX is becoming increasingly important as a key to strengthening information collaboration in community healthcare and reducing the burden on medical, nursing care, and welfare workers.

With government-led initiatives, the implementation of the online eligibility verification system and electronic prescription system based on the My Number Card has entered a period of establishment. Going forward, it is expected that the need for information sharing among multiple professions, including the nursing care and welfare sectors, will further expand through the digitalization of medical information and greater utilization of ICT.

In addition, revisions to medical and nursing care fees have included measures to improve working conditions for personnel and the establishment of additional payments for medical DX, resulting in a strong demand at the field level for greater operational efficiency and a shift toward higher-quality, face-to-face, and specialized services. In all medical, nursing care, and welfare settings, it has become essential to enhance added value through the utilization of digital technology.

Our group will execute our business plans in line with the "Medium-Term Management Plan FY2025–FY2027." By maximizing the benefits of the company system, we will promptly reflect the on-site needs of each business domain into finished goods and services. At the same time, we will leverage advanced technologies such as AI to enhance the convenience of finished goods and provide high-quality services that comprehensively support everything from implementation to operation. Through these efforts, we will support the creation of an environment where medical and nursing care/welfare professionals can focus on their specialized work, thereby aiming for sustainable enhancement of corporate value. Furthermore, through our "Common Information System Platform" MAPs series, we will realize our group vision of "a company that supports the frontlines of Japan's medical and nursing care through digital technology." By utilizing cloud systems for information sharing, we will further support medical and nursing care/welfare professionals from both safety and operational efficiency perspectives.

In this environment, for the fiscal year ending December 2026, we forecast consolidated results as follows: Net sales 22,762 million yen (down 3.8% YoY), operating profit 3,316 million yen (down 9.8% YoY), ordinary profit 3,939 million yen (down 8.7% YoY), and profit attributable to owners of parent 2,193 million yen (down 10.6% YoY).

Please note that the above forecasts are based on information available as of the date of this announcement, and actual results may differ from the forecasted figures due to various factors in the future.

2. Basic policy regarding the selection of accounting standards

Our group applies Japanese accounting standards in order to ensure comparability with domestic industry peers.

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

(Unit: Million yen)

	Previous fiscal year (December 31, 2024)	For the fiscal year (December 31, 2025)
Assets		
Current assets		
Cash and deposit	11,884	7,847
Notes and trade receivables	4,293	3,207
Merchandise and finished goods	873	456
Others	1,299	1,440
Allowance for doubtful accounts	(2)	(4)
Total current asset	18,349	12,948
Non-current assets		
Property, plant, and equipment		
Buildings and structures	1,243	1,384
Accumulated depreciation	(793)	(811)
Buildings and structures, net	449	572
Land	348	348
Leased assets	119	121
Accumulated depreciation	(97)	(119)
Leased assets, net	22	2
Construction in progress	-	9
Other	1,455	1,599
Accumulated depreciation	(1,035)	(1,157)
Other (net)	419	442
Total property, plant and equipment, net	1,241	1,376
Intangible assets		
Software	1,091	749
Software in progress	30	160
Goodwill	1,265	2,063
Others	1,107	1,047
Total intangible assets	3,494	4,021
Investment Other assets		
Investment securities	906	1,043
Investment property	10,707	11,120
Accumulated depreciation	(4,438)	(4,651)
Investment property, net	6,268	6,469
Leasehold and guarantee deposits	167	178
Deferred tax assets	1,006	658
Other	249	823
Allowance for doubtful accounts	(14)	(12)
Total investment and other assets	8,584	9,160
Total non-current assets	13,320	14,558
Total assets	31,669	27,506

(Unit: Million yen)

	Previous fiscal year (December 31, 2024)	For the fiscal year (December 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,376	1,181
Current portion of long-term borrowings	833	577
Accounts payable	2,217	1,361
Lease liabilities	37	0
Income taxes payable	1,584	128
Accrued consumption taxes	508	71
Provision for bonuses	555	465
Contract liabilities	840	816
Other	1,119	1,166
Total current liabilities	9,072	5,769
Non-current liabilities		
Long-term borrowings	569	5
Lease liabilities	0	2
Deferred tax liabilities	286	334
Liabilities for retirement benefits	137	132
Long-term accounts payable	193	0
Provision for product warranties	1	0
Long-term guarantee deposits	778	814
Other	9	13
Total non-current liabilities	1,977	1,304
Total liabilities	11,050	7,074
Net assets		
Shareholders' equity		
Share capital	2,785	2,785
Capital surplus	2,486	2,502
Retained earnings	15,813	15,290
Treasury shares	(763)	(711)
Total shareholders' equity	20,320	19,867
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	45	282
Foreign currency translation adjustment	168	184
Total accumulated other comprehensive income	213	467
Share acquisition rights	55	55
Non-controlling interests	29	41
Total net assets	20,619	20,432
Total liabilities and net assets	31,669	27,506

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Consolidated Statement of Income)

(Unit: Million yen)

	Previous fiscal year (From January 1, 2024 until December 31, 2024)	For the fiscal year From January 1, 2025 until December 31, 2025
Revenue	24,837	23,658
Cost of sales	11,275	11,779
Gross profit	13,561	11,879
Selling, general and administrative expenses		
Promotion expenses	86	94
Packing and transportation costs	32	23
Advertising expenses	233	149
Provision of allowance for doubtful accounts	5	1
Executive compensation	328	324
Salaries and allowances	3,497	3,526
Bonuses	620	354
Provision for bonuses	444	348
Share-based payment expenses	61	44
Retirement benefit expenses	27	23
Legal welfare expenses	727	672
Travel and transportation expenses	216	257
Communication expenses	112	124
Depreciation	185	196
Amortization of goodwill	209	209
Rent expenses on land and buildings	270	268
Research and development expenses	13	18
Other	2,023	1,562
Total selling, general and administrative expenses	9,097	8,202
Operating profit	4,464	3,676
Non-operating income		
Interest and dividend income	22	46
Real estate lease revenue	1,069	1,044
Miscellaneous income	57	15
Total non-operating income	1,150	1,106
Non-operating expenses		
Interest expense	8	5
Real estate lease expenses	383	457
Miscellaneous losses	39	7
Total non-operating expenses	430	470
Ordinary profit	5,184	4,313
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	48	7
Loss on valuation of investment securities	-	273
Impairment losses	1,440	407
Total extraordinary losses	1,489	689
Net income before income taxes	3,694	3,624
Income taxes - current	1,864	874
Income taxes - deferred	(618)	286
Total income taxes	1,246	1,160
Net income	2,448	2,464
Net income attributable to non-controlling interests	22	12
Profit attributable to owners of parent	2,425	2,452

Consolidated Statement of Comprehensive Income)

(Unit: Million yen)

	Previous fiscal year (From January 1, 2024 until December 31, 2024)	For the fiscal year From January 1, 2025 until December 31, 2025
Net income	2,448	2,464
Other comprehensive income (loss), net of tax		
Valuation difference on available-for-sale securities	(40)	237
Foreign currency translation adjustment	61	16
Other comprehensive income, net of tax	21	254
Comprehensive income	2,469	2,718
Profit attributable to		
Comprehensive income attributable to owners of parent	2,446	2,706
Comprehensive income attributable to non-controlling interests	22	12

(3) Consolidated Statement of Changes in Shareholders' Equity, etc.

For the fiscal year ended December 31, 2024

(Unit: Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance of the period	2,785	3,376	16,101	(1,990)	20,272
Changes during period					
Cash dividends			(1,125)		(1,125)
Profit attributable to owners of parent			2,425		2,425
Acquisitions of treasury shares				(999)	(999)
Treasury shares sold		5		20	26
Cancellation of treasury shares		(617)	(1,588)	2,205	-
Change in ownership interest of parent due to transactions with non-controlling interests		(278)			(278)
Net changes during the period in items other than shareholders' equity					-
Total changes during period	-	(890)	(288)	1,227	48
Balance at end of period	2,785	2,486	15,813	(763)	20,320

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Accumulated other comprehensive income Total			
Balance at the beginning of the period	85	106	191	56	45	20,566
Changes during period						
Cash dividends			-			(1,125)
Profit attributable to owners of parent			-			2,425
Acquisitions of treasury shares			-			(999)
Treasury shares sold			-			26
Cancellation of treasury shares			-			-
Change in ownership interest of parent due to transactions with non-controlling interests			-			(278)
Net changes during the period other than shareholders' equity	(40)	61	21	(0)	(15)	5
Total changes during period	(40)	61	21	(0)	(15)	53
Balance at end of period	45	168	213	55	29	20,619

For the fiscal year ended December 31, 2025

(Unit: Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	2,785	2,486	15,813	(763)	20,320
Changes during period					
Cash dividends			(2,974)		(2,974)
Profit attributable to owners of parent			2,452		2,452
Acquisitions of treasury shares					-
Treasury shares sold		16		52	69
Cancellation of treasury shares					-
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes during the period in items other than shareholders' equity					-
Total changes during period	-	16	(522)	52	(452)
Balance at end of period	2,785	2,502	15,290	(711)	19,867

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Accumulated other comprehensive income Total			
Balance at beginning of period	45	168	213	55	29	20,619
Changes during period						
Cash dividends			-			(2,974)
Profit attributable to owners of parent			-			2,452
Acquisitions of treasury shares			-			-
Treasury shares sold			-			69
Cancellation of treasury shares			-			-
Change in ownership interest of parent due to transactions with non-controlling interests			-			-
Net changes during the period in items other than shareholders' equity	237	16	254		12	266
Total changes during period	237	16	254		12	(186)
Balance at end of period	282	184	467	55	41	20,432

(4) Consolidated Statement of Cash Flows

(Unit: Million yen)

	Previous fiscal year (From January 1, 2024 until December 31, 2024)	For the fiscal year From January 1, 2025 until December 31, 2025
Cash flows from operating activities		
Net income before income taxes	3,694	3,624
Depreciation	1,355	1,086
Amortization of goodwill	209	209
Impairment losses	1,440	407
Increase (decrease) in liabilities for retirement benefits	2	(4)
Loss (gain) on valuation of investment securities	-	273
Increase (decrease) in provision for product warranties	(1)	0
Increase (decrease) in provision for bonuses	206	(89)
Increase (decrease) in contract liabilities	55	(122)
Increase (decrease) in allowance for doubtful accounts	4	0
Interest income and dividends income	(22)	(46)
Real estate lease revenue	(1,069)	(1,044)
Real estate lease expenses	184	242
Interest expense	8	5
Loss (gain) on sale of fixed assets	-	0
Loss on retirement of fixed assets	48	7
Share-based payment expenses	61	44
Gain on reversal of share acquisition rights	0	-
Decrease (increase) in trade receivables	(1,211)	1,088
(Increase) decrease in inventories	253	433
Increase (decrease) in other current assets (- indicates increase)	(193)	(61)
Increase (decrease) in trade payables	254	(194)
Decrease (increase) in consumption taxes refund receivable	-	8
Increase (decrease) in accrued consumption taxes	230	(437)
Increase (decrease) in other current liabilities	905	(547)
Increase (decrease) in long-term accounts payable (- indicates decrease)	(202)	(193)
Other	50	(313)
Subtotal	6,263	4,375
Interest and dividends received	22	46
Interest paid	(8)	(5)
Income taxes paid	(522)	(2,407)
Cash flows from operating activities	5,756	2,008

(Unit: Million yen)

	Previous fiscal year (From January 1, 2024 until December 31, 2024)	For the fiscal year From January 1, 2025 until December 31, 2025
Cash flows from investing activities		
Purchase of property and equipment	(397)	(935)
Purchase of intangible assets	(358)	(446)
Purchase of investment securities	(1)	(63)
Payment for acquisition of subsidiaries resulting in change in scope of consolidation	-	(995)
Purchase of investment property	-	(415)
Proceeds from rental of investment property	1,072	1,048
Expenditures from leasing of investment property	(184)	(242)
Proceeds from collection of loan receivables	1	0
Increase in loan receivables	(2)	(200)
Guarantee deposits received	70	140
Refund of guarantee deposits received	(55)	(103)
Other	50	(9)

Cash flows from investing activities	194	(2,222)
Cash flows from financing activities		
Repayment of long-term borrowings	(1,091)	(835)
Repayments of lease liabilities	(36)	(34)
Payment for acquisition of subsidiaries resulting in no change in scope of consolidation	(316)	-
Acquisition of treasury shares	(999)	-
Cash dividends paid	(1,123)	(2,971)
Cash flows from financing activities	(3,567)	(3,840)
Effect of exchange rate change on cash and cash equivalents	59	17
Increase (decrease) in cash and cash equivalents	2,442	(4,036)
Cash and cash equivalents at the beginning of the period	9,441	11,884
Cash and cash equivalents at end of the period	11,884	7,847

(5) Notes to Consolidated Financial Statements

(Notes regarding the assumption of a going concern)

There are no applicable items.

(Notes on Segment Information, etc.)

[Segment Information]

1. Overview of Reportable Segments

The reportable segments of our group are those components for which separate financial information is available and which are subject to regular review by the Board of Directors for the purpose of making decisions regarding the allocation of management resources and evaluating performance.

Our group is organized into business divisions based on the finished goods we provide, and each company is classified according to the business it operates. The reportable segments are divided into four categories: "Pharmacy Systems Business," "Medical Systems Business," "Nursing Care/Welfare Systems Business," and "Other Businesses."

The major finished goods belonging to each category are as shown in the table below.

Reportable segment	Main products: Merchandise
Pharmacy Systems Business	Development, sales, and maintenance of systems for pharmacies
Medical System Business	Development, sales, and maintenance of systems for clinics
Nursing Care/Welfare System Business	Development, sales, and maintenance of systems for nursing care and welfare service providers
Other businesses	Pharmacy management, cashless payment business, development and operation of statistical information analysis services, and staffing services

2. Method of calculating amounts of Net sales, profit or loss, assets, liabilities, and other items by reportable segment

The accounting methods for the reported business segments are generally the same as those described in the significant matters that form the basis for the preparation of the consolidated financial statements.

The profit of the reportable segments is based on operating profit.

Internal revenues and transfers between segments are based on market prices.

3. Information on net sales, profit or loss, assets, liabilities, and other items by reportable segment, and breakdown of revenue

For the fiscal year ended December 31, 2024

(Unit: Million yen)

	Reportable segments					Adjustment (Note) 1.2.3	Amounts recorded in the consolidated financial statements (Note) 4
	Pharmacy System Business	Medical Systems Business	Nursing Care/Welfare System Business	Other businesses	Total		
Revenue							
Initial sales	10,814	1,592	101	-	12,507	-	12,507
Subscription revenue	6,943	805	237	-	7,986	-	7,986
Supply sales	2,067	54	0	-	2,121	-	2,121
Maintenance sales	855	112	231	-	1,199	-	1,199
Other business revenue	-	-	-	1,022	1,022	-	1,022
Revenue from contracts with customers	20,679	2,564	570	1,022	24,837	-	24,837
Net sales to external customers	20,679	2,564	570	1,022	24,837	-	24,837
Internal net sales or transfers between segments	19	-	-	152	171	(171)	-
Total	20,699	2,564	570	1,174	25,008	(171)	24,837
Segment profit or loss (-)	5,255	(423)	(450)	60	4,441	22	4,464
Segment Assets	9,858	797	141	1,032	11,830	19,838	31,669
Other items							

Depreciation	774	193	171	16	1,156	198	1,355
Increase in property, plant and equipment and intangible assets	627	115	381	0	1,124	-	1,124

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

2. The adjustment amount for segment assets includes company-wide assets of 19,838 million yen. Company-wide assets mainly consist of cash and deposits, investment property, etc. that are not attributable to any reportable segment.

3. The adjustment amounts for Depreciation under Other items, as well as the adjustment amounts for the increase in Property, plant and equipment and Intangible assets, pertain to company-wide Assets.

4. Segment profit or loss (-) is adjusted with operating profit in the consolidated financial statements.

For the fiscal year ended December 31, 2025

(Unit: Million yen)

	Reportable segments					Adjustment (Note) 1.2.3	Amounts recorded in the consolidated financial statements (Note) 4
	Pharmacy System Business	Medical System Business	Nursing care/Welfare System Business	Other businesses	Total		
Revenue							
Initial sales	9,494	1,774	114	-	11,383	-	11,383
Subscription sales	7,128	991	266	-	8,386	-	8,386
Supply sales	2,021	54	-	-	2,076	-	2,076
Maintenance sales	573	58	185	-	817	-	817
Other business revenue	-	-	-	994	994	-	994
Revenue from contracts with customers	19,218	2,879	566	994	23,658	-	23,658
Net sales to external customers	19,218	2,879	566	994	23,658	-	23,658
Internal net sales or transfers between segments	18	-	-	124	142	(142)	-
Total	19,236	2,879	566	1,119	23,801	(142)	23,658
Segment profit or loss (-)	3,967	32	(378)	28	3,649	27	3,676
Segment Assets	10,019	816	94	1,151	12,083	15,423	27,506
Other items							
Depreciation	860	-	-	10	871	214	1,086
Increase in property, plant and equipment and intangible assets	579	266	291	13	1,151	-	1,151

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

2. The adjustment amount for segment assets includes company-wide assets of 15,423 million yen. Company-wide assets mainly consist of cash and deposits, investment property, etc. that are not attributable to any reportable segment.

3. The adjustment amounts for Depreciation under Other items, as well as the adjustment amounts for the increase in Property, plant and equipment and Intangible assets, pertain to company-wide Assets.

4. Segment profit or loss (-) is adjusted with operating profit in the consolidated financial statements.

Related Information

For the fiscal year ended December 31, 2024

1. Information by finished goods and services

The information is omitted as similar information is disclosed in the segment information.

2. Information by region

(1) Net sales

As net sales to external customers in Japan account for more than 90% of consolidated net sales in the statement of income, the details are omitted.

(2) Property, plant and equipment

As the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet, the disclosure has been omitted.

3. Information by major customer

As there are no net sales to any specific customer accounting for 10% or more of the consolidated statement of income's net sales, this information is omitted.

For the fiscal year ended December 31, 2025

1. Information by finished goods and services

The information is omitted as similar information is disclosed in the segment information.

2. Information by region

(1) Net sales

As net sales to external customers in Japan account for more than 90% of consolidated statement of income net sales, the disclosure has been omitted.

(2) Property, plant and equipment

As the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet, the disclosure has been omitted.

3. Information by major customer

As there are no net sales to specific customers accounting for 10% or more of the consolidated statement of income's net sales, this information is omitted.

Information on Impairment Losses on Non-current Assets by Reportable Segment

For the fiscal year ended December 31, 2024

(Unit: Million yen)

	Pharmacy Systems Business	Medical System Business	Nursing care/Welfare System Business	Other businesses	Total
Impairment losses	-	432	1,008	-	1,440

For the fiscal year ended December 31, 2025

(Unit: Million yen)

	Pharmacy Systems Business	Medical System Business	Nursing care and welfare system business	Other businesses	Total
Impairment losses	2	270	134	-	407

[Information on Amortization and Unamortized Balances of Goodwill by Reportable Segment]

For the fiscal year ended December 31, 2024

(Unit: Million yen)

	Pharmacy System Business	Medical System Business	Nursing care and welfare system business	Other businesses	Total
Depreciation for the period	170	-	15	22	209
Balance at end of period	1,213	-	-	52	1,265

For the fiscal year ending December 31, 2025

(Unit: Million yen)

	Pharmacy System Business	Medical System Business	Nursing care and welfare system business	Other businesses	Total
Depreciation for the period	187	-	-	22	209
Balance at end of period	2,033	-	-	29	2,063

[Information on Gain on Bargain Purchase by Reportable Segment]

For the fiscal year ended December 31, 2024

There are no applicable items.
For the fiscal year ended December 31, 2025
There are no applicable items.

(Per share information)

Previous fiscal year (From January 1, 2024 until December 31, 2024)		For the fiscal year From January 1, 2025 until December 31, 2025	
Net assets per share	297.04 yen	Net assets per share	293.77 yen
Basic earnings per share	34.54 yen	Basic earnings per share	35.43 yen
Diluted earnings per share	34.43 yen	Diluted earnings per share	35.32 yen

(Note) The basis for the calculation of Basic earnings per share and Diluted earnings per share is as follows.

	Previous fiscal year From January 1, 2024 Until December 31, 2024	For the fiscal year From January 1, 2025 until December 31, 2025
Basic earnings per share		
Profit attributable to owners of parent (million yen)	2,425	2,452
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent related to common stock (million yen)	2,425	2,452
Average number of common shares (shares)	70,206,024	69,191,973
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (million yen)	-	
Increase in number of common shares (shares)	222,854	222,909
Overview of potential shares not included in the calculation of diluted earnings per share as they have no dilutive effect		

(Significant Subsequent Events)

There are no applicable items.