Translation

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Consolidated Financial Results for the Six Months of the Fiscal Year Ending December 31, 2026 (Under Japanese GAAP)

August 10, 2026

Company name	EM SYSTEMS CO., LTD				Listing: TSE
Securities code	4820	URL https://emsystems.co.jp			
Representative	(Title)	President&Representative Director	(Name) Hiromasa Kunimitsu		
Inquiries	(Title)	Senior Executive Officer, Chief of Business Strategy Headquarters	(Name) Daigo Kobayashi	Tel +81(0)6-6397-1888	
Scheduled date to file semi-annual securities report:		August 10, 2026	Scheduled date to commence dividend payments:	September 3, 2026	

Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

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

1. Consolidated Financial Results for the Six Months of the Fiscal Year Ending December 31, 2026 (from January 01, 2026 to June 30, 2026)

(1) Consolidated operating results (Cumulative)

(Percentages indicate YoY changes)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2026	10,434	(14.1)	922	(55.7)	1,279	(46.7)	663	(58.6)
June 30, 2025	12,149	10.6	2,080	70.4	2,400	55.8	1,603	62.6

(Note) Comprehensive income 2026 interim period of fiscal year ending December 1,054 million yen ((34.2) %) 2025 interim period of fiscal year ending December 1,601 million yen (52.2%)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2026	9.58	9.55
June 30, 2025	23.18	23.10

(2) Consolidated financial positions

	Total assets	Equity	Equity to total assets ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
June 30, 2026	26,776	19,996	74.3	287.31
December 31, 2025	27,506	20,432	73.9	293.77

(Reference) Owner's equity Current interim period of fiscal year ending December 2026 19,901 million yen, as of the fiscal year ended December 2025 20,334 million yen

2. Cash dividends

	Annual dividends per share				
	End of the first quarter	End of the second quarter	End of the third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	-	17.00	-	22.00	39.00
Fiscal year ending December 31, 2026	-	5.00			
Fiscal year ending December 31, 2026 (Forecast)			-	18.00	23.00

(Note) 1.Whether there are any revisions to the most recently announced dividend forecast: No

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
Fiscal year ending December 31, 2026	22,762	(3.8)	3,316	(9.8)	3,939	(8.7)	2,193	(10.6)	31.69

(Note) 1. Correction of financial forecast from the most recent financial forecast: None

※ Notes

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

New 1 company (Company name) Conduct Co., Ltd., Excluded - companies (Company name) -

(2) Application of accounting methods specific to the preparation of interim consolidated financial statements: Yes

(Note) For details, please refer to P.8 of the attached materials, “2. Interim Consolidated Financial Statements and Major Notes (3) Notes to the Interim Consolidated Financial Statements (Application of Accounting Procedures Specific to the Preparation of Interim Consolidated Financial Statements).”

(3) Changes in accounting policies, Changes in accounting estimates, Retrospective restatement

(i) Changes in accounting policies based on revisions of accounting standard :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 June 30, 2026	70,514,800 shares
As of December 31, 2025	70,514,800 shares

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

As of June 30, 2026	1,244,395 shares
As of December 31, 2025	1,293,794 shares

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

Six months ended June 30, 2026	69,237,472 shares
Six months ended June 30, 2025	69,161,339 shares

※ The second-quarter (interim period) financial results summary is not subject to review by a certified public accountant or an audit corporation.

※ Explanation concerning the appropriate use of Forecasts, Other notes

The forward-looking statements regarding performance forecasts, etc. contained in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and actual performance, etc. may differ significantly due to various factors.

○Table of Contents of Attached Materials

1.Qualitative Information on the Current Interim Financial Results

(1) Explanation of Operating results

During the current interim consolidated accounting period, in the medical industry, which is a major customer of our Group, the social implementation of medical DX based on the “Medical DX Reiwa Vision 2030” and other initiatives has been accelerating. Enhancing the stability and sustainability of the medical insurance system through greater efficiency and optimization has become an urgent issue, and the importance of system investments aimed at strengthening management foundations has increased further.

Under these circumstances, our Group has continued to pursue initiatives such as medical DX and the promotion of innovation toward the realization of high-quality healthcare. During the Current interim consolidated accounting period, the introduction of online eligibility verification systems and electronic prescriptions, which had driven revenue over the past several fiscal years, reached a plateau; however, we continued to address various reimbursement revisions and promote the development and provision of new value-added services utilizing advanced technologies, including generative AI.

Furthermore, in each segment business of our Group, in order to achieve the “Medium-Term Management Plan FY2025–FY2027,” we implemented organizational restructuring through the introduction of a company-based system, thereby accelerating decision-making in each segment and establishing a system for providing optimal services that promptly respond to customer needs. In addition, we have been working to improve service quality and strengthen our earnings structure through operational efficiency by introducing AI tools into call centers, conducting efficient system operation training utilizing online resources, and promoting the use of AI in internal operations. During the Current interim consolidated accounting period, the establishment of a specialized activity structure comprising selected members from across the Company in the dispensing segment from May onward led to progress in securing the installation of welfare administration-related option software and other products, achieving results that recovered the impact of the decline in demand to a certain extent. However, due to the negative reaction following the end of the welfare administration-related demand that had been active in the previous fiscal year, as well as the impact of changes in our sales strategy aimed at expanding our future earnings base, Net sales and Operating profit fell below the same period of the previous year.

As a result, Operating results for the Current interim consolidated accounting period were Net sales of 10,434 million yen (down 14.1% YoY), Operating profit of 922 million yen (down 55.7% YoY), Ordinary profit of 1,279 million yen (down 46.7% YoY), and Profit attributable to owners of parent of 663 million yen (down 58.6% YoY).

Operating results by segment are as follows.

(Dispensing System Business)

Regarding the Pharmacy System Business, we steadily promoted the securing of installations of optional software related to health and welfare administration during the period by establishing a company-wide specialized activity structure. On the other hand, Net sales and Operating profit decreased due to factors including the end of the concentrated demand in the previous fiscal year, the allocation of sales resources with a focus on acquiring new customers from other companies and value-added products, and the restraint of efforts to promote replacements for existing customers.

As a result, the dispensing system business for the Current interim consolidated accounting period posted Net sales of 8,339 million yen (down 15.6% year on year) and Operating profit of 1,276 million yen (down 39.9% year on year).

(Medical Systems Business)

In the medical systems business, Net sales declined and a loss was recorded in terms of profit, partly because the concentrated demand for electronic prescriptions, which had been active in the previous fiscal year, had run its course, and partly because priority was given to shifting from promoting replacements for existing customers to acquiring new customers from other companies. On the other hand, through the restructuring of the organizational structure and the promotion of strategic approaches utilizing digital marketing, the number of paying customers associated with the introduction of “MAPs for CLINIC” has steadily increased, and billing Net sales have progressed smoothly.

As a result, the Medical Systems business for the Current interim consolidated accounting period recorded Net sales1,225 million yen (down 18.2% YoY) and an operating loss254 million yen (Operating profit80 million yen in the same period of the previous year).

(Nursing Care/Welfare Systems Business)

In the Nursing Care/Welfare System Business, as a result of promoting replacements with “MAPs for NURSING CARE,” although Sales of maintenance service decreased during the transition period, charging Net sales steadily increased due to a review of the pricing structure accompanying the optimization of the revenue structure. In addition, Net sales increased as CONDUCT Co., Ltd. became a consolidated subsidiary, and operating losses also decreased as orders for projects from chain corporations progressed.

As a result, the nursing care/welfare system business for the Current interim consolidated accounting period recorded Net sales411 million yen (up 56.6% YoY) and an operating loss of 130 million yen (operating loss of 169 million yen in the same period of the Previous year).

(Other businesses)

Regarding Other businesses, Net sales decreased due to efforts to optimize management resources at Unike Software Research Co., Ltd. In terms of profit, Operating profit decreased due to the occurrence of temporary expenses at Choki Co., Ltd., among other factors.

As a result, other businesses for the Current interim consolidated accounting period recorded Net sales of 538 million yen (down 5.8% YoY) and Operating profit of 11 million yen (down 51.1% YoY).

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

(2) Explanation regarding Financial positions

(Assets)

As of the end of the Current interim consolidated accounting period, Current assets amounted to 11,792 million yen, a decrease of 1,155 million yen compared with the end of the Previous consolidated fiscal year. This was mainly due to a decrease of 1,263 million yen in Cash and deposits. Non-current assets amounted to 14,983 million yen, an increase of 425 million yen compared with the end of the Previous consolidated fiscal year. This was mainly due to increases of 272 million yen in Goodwill and 492 million yen in Investment securities, despite decreases of 114 million yen in Software in progress and 222 million yen in other of investment Other assets.

As a result, total Assets amounted to 26,776 million yen, a decrease of 730 million yen compared with the end of the previous consolidated fiscal year.

(Liabilities)

At the end of the Current interim consolidated accounting period, Current liabilities were 5,252 million yen, a decrease of 517 million yen compared with the end of the Previous consolidated fiscal year. This was mainly due to decreases of 417 million yen in Current portion of long-term borrowings and 424 million yen in accounts payable, respectively, despite an increase of 376 million yen in Income taxes payable. Non-current liabilities were 1,527 million yen, an increase of 222 million yen compared with the end of the Previous consolidated fiscal year. This was mainly due to an increase of 241 million yen in Long-term borrowings.

As a result, total Liabilities amounted to 6,779 million yen, a decrease of 294 million yen compared with the end of the Previous consolidated fiscal year.

(Net assets)

As of the end of the Current interim consolidated accounting period, Net assets amounted to 19,996 million yen, a decrease of 435 million yen compared with the end of the Previous consolidated fiscal year. This was mainly due to an increase of 344 million yen in Valuation difference on available-for-sale securities, despite a decrease of 859 million yen in Retained earnings.

As a result, the Equity to total assets ratio was 74.3% (73.9% at the end of the Previous consolidated fiscal year).

(3) Explanation Concerning Consolidated Forecasts and Other Forward-Looking Information

There are no changes to the full-year consolidated Forecasts for the fiscal year ending December 2026 from the full-year consolidated Forecasts announced in the “Financial Results Summary for the Fiscal Year Ended December 2025” dated February 13, 2026.

2. Interim Consolidated Financial Statements and Major Notes (1) Interim consolidated Balance sheet

(Unit: Million yen)

	Previous consolidated fiscal year (December 31, 2025)	Current interim consolidated accounting period (June 30, 2026)
Assets		
Current assets		
Cash and deposit	7,847	6,583
Notes and trade receivables	3,207	2,971
Merchandise and finished goods	455	549
Other	1,441	1,697
Allowance for doubtful accounts	(4)	(9)
Total current asset	12,948	11,792
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	572	626
Land	348	367
Leased assets, net	2	1
Construction in progress	9	0
Other (net)	442	378
Total property, plant and equipment, net	1,376	1,374
Intangible assets		
Software	749	806
Software in progress	160	45
Goodwill	2,063	2,335
Other	1,047	1,030
Intangible assets Total	4,021	4,218
Investments Other assets		
Investment securities	1,043	1,536
Investment property, net	6,469	6,429
Other	1,660	1,438
Allowance for doubtful accounts	(12)	(13)
Investments Other assets Total	9,160	9,390
Total non-current assets	14,558	14,983
Total assets	27,506	26,776

(Unit: Million yen)

	Previous consolidated fiscal year (December 31, 2025)	Current interim consolidated accounting period (June 30, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,181	1,107
Current portion of long-term borrowings	577	159
Accounts payable	1,361	936
Income taxes payable	128	505
Provision for bonuses	465	383
Contract liabilities	816	918
Other	1,238	1,240
Total current liabilities	5,769	5,252
Non-current liabilities		
Long-term borrowings	5	246
Liabilities for retirement benefits	132	159
Long-term guarantee deposits	814	819
Other	352	300
Total non-current liabilities	1,304	1,527
Total liabilities	7,074	6,779
Net assets		
Shareholders' equity		
Share capital	2,785	2,785
Capital surplus	2,502	2,509
Retained earnings	15,290	14,430
Treasury shares	(711)	(683)
Total shareholders' equity	19,867	19,040
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	282	626
Foreign currency translation adjustment	184	233
Total accumulated other comprehensive income	467	860
Share acquisition rights	55	55
Non-controlling interests	41	39
Net assets total	20,432	19,996
Total liabilities and net assets	27,506	26,776

(2) Interim consolidated Statement of income and interim consolidated Statement of comprehensive income

(Interim consolidated Statement of income)

(Unit: Million yen)

	Previous interim consolidated accounting period (From January 1, 2025 to June 30, 2025)	Current interim consolidated accounting period (From January 1, 2026 Through June 30, 2026)
Revenue	12,149	10,434
Cost of sales	5,949	5,422
Gross profit	6,200	5,011
Selling, general and administrative expenses	4,119	4,089
Operating profit	2,080	922
Non-operating income		
Interest income	3	14
Real estate lease revenue	536	558
Other	5	19
Non-operating income Total	545	592
Non-operating expenses		
Interest expense	3	2
Real estate lease expenses	221	227
Other	1	5
Total non-operating expenses	226	235
Ordinary profit	2,400	1,279
Extraordinary income		
Gain on sale of non-current assets	0	-
Total extraordinary income	0	-
Extraordinary losses		
Loss on retirement of fixed assets	7	6
Impairment losses	99	187
Total extraordinary losses	107	193
Income before income taxes Net income	2,293	1,085
Income taxes	684	424
Net income	1,608	660
Net income attributable to non-controlling shareholders or interim net loss attributable to non-controlling shareholders (-)	5	(2)
Profit attributable to owners of parent	1,603	663

(Interim consolidated Statement of comprehensive income)

(Unit: Million yen)

	Previous interim consolidated accounting period (From January 1, 2025. to June 30, 2025)	Current interim consolidated accounting period (From January 1, 2026 to June 30, 2026)
Net income	1,608	660
Other comprehensive income (loss), net of tax		
Valuation difference on available-for-sale securities	53	344
Foreign currency translation adjustment	(60)	48
Other comprehensive income, net of tax	(7)	393
Comprehensive income	1,601	1,054
Profit attributable to		
Interim Comprehensive income attributable to owners of parent	1,595	1,056
Interim Comprehensive income attributable to non-controlling shareholders	5	(2)

(3) Notes to Interim Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on significant changes in the amount of Shareholders' equity)

Not applicable.

(Notes on segment information, etc.)

[Segment Information]

I Previous interim consolidated accounting period (For the six months ended June 30, 2025)

1. Information on Net sales and amounts of profit or loss by reportable segment, and disaggregated information on revenue

(Unit: Million yen)

	Reporting segments					Adjustments (Note) 1	Interim consolidated Statement of income Amount recorded
	Pharmacy Dispensing System Business	Medical Systems Business	Long-Term Care/Welfare System Business	Other businesses	Total		
Revenue							
Initial sales	4,961	965	43	-	5,971	-	5,971
Billing revenue	3,572	472	115	-	4,160	-	4,160
Supply sales	1,034	28	-	-	1,063	-	1,063
Maintenance sales	307	31	103	-	442	-	442
Other business sales	-	-	-	512	512	-	512
From contracts with customers Revenue generated	9,876	1,497	262	512	12,149	-	12,149
Net sales to external customers	9,876	1,497	262	512	12,149	-	12,149
Internal Net sales or transfer amounts between segments	9	-	-	59	68	(68)	-
Total	9,885	1,497	262	571	12,218	(68)	12,149
Segment profit or loss (-) (Note) 2	2,124	80	(169)	23	2,059	21	2,080

(Note) 1. Adjustments to segment profit or loss mainly consist of eliminations of intersegment transactions, etc.

2.Segment profit or loss is reconciled with Operating profit in the interim consolidated Statement of income.

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

(Material 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 amounts of such Impairment losses recorded for the Current interim consolidated accounting period were 19 million yen for the "Medical System Business" and 80 million yen for the "Nursing Care/Welfare System Business".

(Significant changes in the amount of Goodwill)

Not applicable.

(Important Gain on bargain purchase)

Not applicable.

II Current interim consolidated accounting period (From January 1, 2026 to June 30, 2026)

1. Information on Net sales and amounts of profit or loss by reportable segment, and disaggregated information on revenue

(Unit: Million yen)

	Reporting segments					Adjustment amount (Note) 1	Interim consolidated Statement of income Recorded amount
	Pharmacy Dispensing System Business	Medical Systems Business	Nursing Care/Welfare System Business	Other businesses	Total		
Revenue							
Initial sales	3,399	636	95	-	4,132	-	4,132
Billing revenue	3,668	532	248	-	4,449	-	4,449
Supply sales	1,016	25	-	-	1,042	-	1,042
Maintenance revenue	242	30	66	-	339	-	339
Other business sales	-	-	-	470	470	-	470
From contracts with customers Revenue arising	8,327	1,225	411	470	10,434	-	10,434
Net sales to external customers	8,327	1,225	411	470	10,434	-	10,434
Internal Net sales or transfer amount between segments	11	-	-	68	79	(79)	-
Total	8,339	1,225	411	538	10,514	(79)	10,434
Segment profit or loss (-) (Note) 2	1,276	(254)	(130)	11	902	19	922

(Note) 1. The adjustment to segment profit or loss mainly consists of eliminations of inter-segment transactions, etc.

2. Segment profit or loss is reconciled with Operating profit in the interim consolidated Statement of income.

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

(Significant Impairment losses related to Non-current assets)

In the "Medical System Business" and "Nursing/Welfare System Business" segments, Impairment losses on Non-current assets have been recognized. The amounts of the Impairment losses recognized in the Current interim consolidated accounting period were 82 million yen for the "Medical System Business" and 104 million yen for the "Nursing/Welfare System Business".

(Significant changes in the amount of Goodwill)

In the “Nursing Care/Welfare System Business” segment, Goodwill of 409 million yen was recognized during the Current interim consolidated cumulative period as a result of acquiring shares of CONDUCT CO., LTD. and making it a consolidated subsidiary.

In addition, the amount of Goodwill as of the end of the Current interim consolidated accounting period is a provisionally calculated amount because the allocation of the acquisition cost has not been completed.

(Important Gain on bargain purchase)

Not applicable.

(Application of accounting treatments specific to the preparation of interim consolidated financial statements)

(Calculation of tax expenses)

For income taxes, we reasonably estimate the effective tax rate after applying tax effect accounting to pre-tax Net income for the consolidated fiscal year including the current interim consolidated accounting period, and calculate income taxes by multiplying pre-tax Net income by such estimated effective tax rate.

(Changes in Accounting Policies)

Not applicable.