Walden Research Japan

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EM SYSTEMS (4820)

Consolidated Fiscal Year		Sales	Operating	Recurring	Profit Attributable to	EPS	DPS	BPS
(Million Yen)		Sales	Profit	Profit	Owners of Parent	(Yen)	(Yen)	(Yen)
FY12/2021		14,436	1,870	2,607	1,829	25.72	11.00	263.12
FY12/2022		16,919	2,395	2,791	1,893	26.75	12.00	274.94
FY12/2023CoE		20,455	2,256	2,805	1,764	24.97	14.00	-
FY12/2022	YoY	17.2%	28.1%	7.0%	3.5%	-	-	-
FY12/2023CoE	YoY	20.9%	(5.8%)	0.5%	(6.8%)	-	-	
Consolidated Q1 to Q3		Sales	Operating	Recurring	Profit Attributable to	EPS	DPS	BPS
(Million Yen)		Sales	Profit	Profit	Owners of Parent	(Yen)	(Yen)	(Yen)
Q1 to Q3 FY12/2022		12,491	2,113	2,457	1,644	-	-	-
Q1 to Q3 FY12/2023		15,198	1,804	2,199	1,357	-	-	
Q1 to Q3 FY12/2023	YoY	21.7%	(14.6%)	(10.5%)	(17.4%)	-	-	-

Source: Company Data, WRJ Calculation

1.0 Results Update (14 November 2023)

Expanding System Usage Fee Sales

On 10 November 2023, EM SYSTEMS, developing and selling IT systems of mission-critical tasks for pharmacies as the leader in Japan, released its Q1 to Q3 FY12/2023 results. It has been revealed that the Company is making steady progress with its aggressive M&A activities. For example, the Company saw system usage fee sales for Q3 (July to September) increased by 38.1% over the same period of the previous year due mainly to the M&A results. At the same time, the Company suggests that it now sees its market share increased up to 43.0% on the IT Systems for Pharmacies side due to the same reason. Going forward, the Company is to thoroughly pursue economies of scale by promoting post-merger integration as well as further M&As being in sight for the sake of enhancing its overwhelming competitiveness even firmer than now. For FY12/2024, sales are to inevitably show little growth as sales associated with introduction of the online eligibility verification systems are not to reappear, but the Company suggests operating profit margin is to recover. This is due to a prospect for the Company to benefit from the M&A results on a full-year basis for its core operations, e.g., those of pursuing system usage fee sales, which are expected to increase fast in particular. On to of this, the Company is also looking to set up new earnings pillars from a long-term perspective by means of expanding market shares on the IT Systems for Clinics side as well as on the IT Systems for Long-Term Care/Welfare side.

For reference: Results Breifing Materials for Q1 to Q3 FY12/2023 in Japanese

(English edition due in the morning, Japan time, on 16 November 2023 at the earliest)

IR Representative: Hirokazu Tokuchi, General Manager / IR Section, General Affairs Department (tokuchi@emsystems.co.jp)

2.0 Company Profile

Digital Support Skills for Practical Settings of Medical Treatment and Nursing in Japan

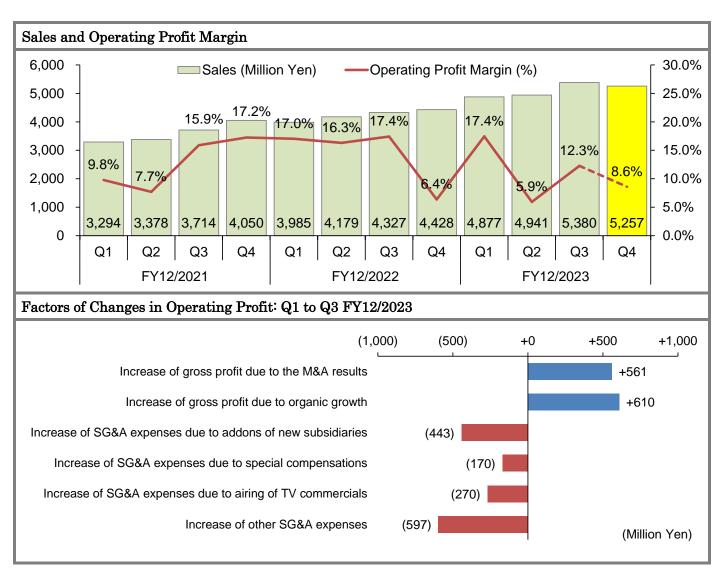
Company Name	EM SYSTEMS CO., LTD.
	Company HP
	Financial Results EM SYSTEMS CO., LTD.
	Share Price (Japanese)
Established	23 January 1980
Listing	4 April 2022: Tokyo Stock Exchange Prime Market (ticker: 4820)
	13 November 2012: Tokyo Stock Exchange 1st Section
	2 May 2003: Tokyo Stock Exchange 2nd Section
	15 December 2000: JASDAQ
Capital	¥2,785m (as of the end of September 2023)
No. of Shares	74,514,800 shares, including 3,818,149 treasury shares (as of the end of Sep. 2023)
Main Features	The leader of IT systems of mission-critical tasks for pharmacies in Japan
	(market share: 43.0%)
	Horizontally expanding into clinics and long-term care/welfare, based on MAPs
	MAPs (Medical Advance for People, System), representing the Company's
	common information system infrastructure
Segments	I . IT Systems for Pharmacies
	II . IT Systems for Clinics
	III. IT Systems for Long-Term Care/Welfare
	IV. Other
Representative	Representative Director and President: Hiromasa Kunimitsu
Shareholders	Kokko Co., Ltd. 36.79%, MEDIPAL HLD 9.99%, The Master Trust Bank of Japan, T.
	5.73%, Goldman Sachs International 4.79% (as of the end of June 2023, but for
	treasury shares)
Head Office	Yodogawa-ku, Osaka-city, Osaka-prefecture, JAPAN
No. of Employees	Consolidated: 592, Parent: 432 (as of the end of December 2022)

Source: Company Data

3.0 Recent Trading and Prospects

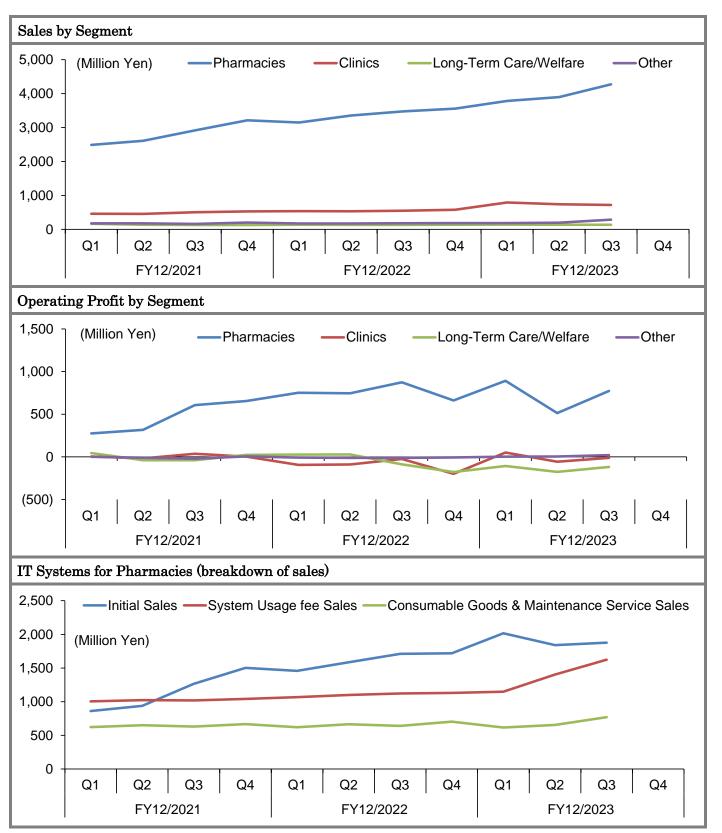
Q1 to Q3 FY12/2023

For Q1 to Q3 FY12/2023, sales came in at ¥15,198m (up 21.7% YoY), operating profit ¥1,804m (down 14.6%), recurring profit ¥2,199m (down 10.5%) and profit attributable to owners of parent ¥1,357m (down 17.4%). Meanwhile, gross profit came in at ¥7,432m (up 18.7%) and SG&A expenses ¥5,628m (up 35.7%), implying gross profit margin of 48.9% (down 1.2% points) and SG&A ratio of 37.0% (up 3.8% points). As a result, operating profit margin came in at 11.9% (down 5.0% points).



Source: Company Data, WRJ Calculation

On the mainstay IT Systems for Pharmacies side, developing and selling IT systems of mission-critical tasks for pharmacies, sales came in at ¥11,953m (up 19.3%), operating profit ¥2,178m (down 8.1%) and operating profit margin 18.2% (down 5.5% points), having accounted for 78.6% of the Company's sales and 122.4% for operating profit. Thus, it should be the case that the Company's performance hinges on that of the Pharmacies side to a large extent.



Source: Company Data

On the Pharmacies side, the Company's aggressive M&A activities have made Good Cycle System Inc. consolidated subsidiary (goodwill of \mathbb{\fi}532m to be written off by \mathbb{\fi}106m pa) since the beginning of Q2, which was followed by another one UNIKE SOFTWARE RESEARCH CO.,LTD.(goodwill of \mathbb{\fi}2,099m to be written off by \mathbb{\fi}120m pa) since the beginning of Q3, which accelerated the growth rate of sales on the Pharmacies side. In particular, this has contributed significantly to the rapid expansion of system usage fee sales, according to the Company.

At the same time, the Company also suggests that almost half of the net increase of the Company's gross profit is attributable to that of the M&A results on the Pharmacies side. As is taken for granted, the Company also saw an increase of SG&A expenses as a result of the M&As, but the impact of the incurred expenses were rather smaller, having made the whole M&A addons this time see a contribution to the Company's operating profit, albeit not much, according to the Company.

FY12/2023 Company Forecasts

FY12/2023 Company forecasts (announced on 10 November 2023) are going for prospective sales of \$20,455m (up 20.9% YoY), operating profit of \$2,256m (down 5.8%), recurring profit of \$2,805m (up 0.5%) and profit attributable to owners of parent of \$1,764m (down 6.8%), while operating profit margin of 11.0% (down 3.1% points).

Initial Company forecasts (announced on 14 February 2023) have been revised up for prospective sales as the above-mentioned M&A deals have contributed rather more than assumed, while earnings have been revised down. For the expenses, the impact from airing of TV commercials to strategically raise own awareness and payment of special compensations to employees will be larger than initially assumed, according to the Company. Meanwhile, Company forecasts have remained unchanged for planned annual dividend, going for ¥14.00 per share, implying payout ratio of 56.1%.

Consolidated Fiscal Year				Operation	Dooruning	Drofit Attributoble to
(Million Yen)	Date	Event	Sales	Operating Profit	Profit	Profit Attributable to Owners of Parent
FY12/2023CoE	14-Feb-23	Q4 Results	19,608	2,827	3,333	2,217
FY12/2023CoE	11-May-23	Q1 Results	19,608	2,827	3,333	2,217
FY12/2023CoE	9-Aug-23	Q2 Results	19,608	2,827	3,333	2,217
FY12/2023CoE	10-Nov-23	Q3 Results	20,455	2,256	2,805	1,764
		Amount of Gap	846	(571)	(527)	(452)
		Rate of Gap	4.3%	(20.2%)	(15.8%)	(20.4%)
FY12/2023CoE	14-Feb-23	Q4 Results	19,608	2,827	3,333	2,217
FY12/2023CoE	10-Nov-23	Q3 Results	20,455	2,256	2,805	1,764
		Amount of Gap	846	(571)	(527)	(452)
		Rate of Gap	4.3%	(20.2%)	(15.8%)	(20.4%)
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q1 to Q2 FY12/2023CoE	14-Feb-23	Q4 Results	9,342	1,033	1.290	827
Q1 to Q2 FY12/2023CoE	11-May-23	Q1 Results	9,342	1,033	1,290	827
Q1 to Q2 FY12/2023Act	9-Aug-23	Q2 Results	9,818	1,144	1,394	789
Q 1 10 Q2 1 1 12/2020/101	0 / lug 20	Amount of Gap	476	111	104	(38)
		Rate of Gap	5.1%	10.8%	8.1%	(4.7%)
Q1 to Q2 FY12/2023CoE	14-Feb-23	Q4 Results	9,342	1,033	1,290	827
Q1 to Q2 FY12/2023Act	9-Aug-23	Q2 Results	9,818	1,144	1,394	789
	Ŭ	Amount of Gap	476	111	104	(38)
		Rate of Gap	5.1%	10.7%	8.1%	(4.6%)
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q3 to Q4 FY12/2023CoE	14-Feb-23	Q4 Results	10,266	1,794	2,043	1,390
Q3 to Q4 FY12/2023CoE	11-May-23	Q1 Results	10,266	1,794	2,043	1,390
Q3 to Q4 FY12/2023CoE	9-Aug-23	Q2 Results	9,790	1,683	1,939	1,428
	ŭ	Amount of Gap	(476)	(111)	(104)	38
		Rate of Gap	(4.6%)	(6.2%)	(5.1%)	2.7%
Q3 to Q4 FY12/2023CoE	10-Nov-23	Q3 Results	10,637	1,112	1,411	975
		Amount of Gap	847	(571)	(528)	(453)
		Rate of Gap	8.7%	(33.9%)	(27.2%)	(31.7%)
Q3 to Q4 FY12/2023CoE	14-Feb-23	Q4 Results	10,266	1,794	2,043	1,390
Q3 to Q4 FY12/2023CoE	10-Nov-23	Q3 Results	10,637	1,112	1,411	975
		Amount of Gap	371	(682)	(632)	(415)
		Rate of Gap	3.6%	(38.0%)	(30.9%)	(29.9%)

Source: Company Data, WRJ Calculation

4.0 Financial Statements

Income Statement (Cumulative / Quarterly)

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	12/2022	12/2022	12/2022	12/2022	12/2023	12/2023	12/2023	12/2023	Net Chg.
Sales	3,985	8,164	12,491	16,919	4,877	9,818	15,198	-	+2,707
Cost of Sales	1,930	4,051	6,230	8,644	2,232	4,960	7,766	-	+1,536
Gross Profit	2,054	4,113	6,260	8,275	2,645	4,858	7,432	-	+1,172
SG&A Expenses	1,375	2,753	4,147	5,879	1,793	3,713	5,628	-	+1,481
Operating Profit	679	1,360	2,113	2,396	851	1,144	1,804	-	(309)
Non Operating Balance	145	243	344	395	110	250	395	-	+51
Recurring Profit	824	1,603	2,457	2,791	961	1,394	2,199	-	(258)
Extraordinary Balance	-	-	-	(2)	(141)	(150)	(118)	-	(118)
Profit before Income Taxes	824	1,603	2,457	2,789	820	1,244	2,081	-	(376)
Total Income Taxes	265	522	828	914	310	459	725	-	(103)
Profit Attributable to Non-Controlling Interests	(4)	(8)	(14)	(18)	(1)	(4)	(2)	-	+12
Profit Attributable to Owners of Parent	563	1,089	1,644	1,893	511	789	1,357	-	(287)
Sales YoY	+21.0%	+22.4%	+20.3%	+17.2%	+22.4%	+20.3%	+21.7%	-	-
Operating Profit YoY	+110.3%	+133.4%	+80.3%	+28.1%	+25.4%	(15.9%)	(14.6%)	-	-
Recurring Profit YoY	+83.5%	+56.7%	+39.5%	+7.0%	+16.6%	(13.0%)	(10.5%)	-	-
Profit Attributable to Owners of Parent YoY	+88.2%	+58.4%	+31.4%	+3.5%	(9.3%)	(27.6%)	(17.4%)	-	-
Gross Profit Margin	51.5%	50.4%	50.1%	48.9%	54.2%	49.5%	48.9%	-	(1.2%)
SG&A Ratio	34.5%	33.7%	33.2%	34.7%	36.8%	37.8%	37.0%	-	+3.8%
Operating Profit Margin	17.0%	16.7%	16.9%	14.2%	17.4%	11.7%	11.9%	-	(5.0%)
Recurring Profit Margin	20.7%	19.6%	19.7%	16.5%	19.7%	14.2%	14.5%	-	(5.2%)
Profit Attributable to Owners of Parent Margin	14.1%	13.3%	13.2%	11.2%	10.5%	8.0%	8.9%	-	(4.2%)
Total Landon Tours / Describer Constitution Tours	32.2%	32.6%	33.7%	32.8%	37.8%	36.9%	34.8%	_	+1.1%
Total Income Taxes / Profit before Income Taxes	32.2 /0	32.070	33.7 /6		37.0%	30.976	UT.U70		1 1.170
Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	11.170
Income Statement	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Q4	YoY
Income Statement (Million Yen)	Cons.Act Q1 12/2022	Cons.Act Q2 12/2022	Cons.Act Q3 12/2022	Cons.Act Q4 12/2022	Cons.Act Q1 12/2023	Cons.Act Q2 12/2023	Cons.Act Q3 12/2023		YoY Net Chg.
Income Statement (Million Yen) Sales	Cons.Act Q1 12/2022 3,985	Cons.Act Q2 12/2022 4,179	Cons.Act Q3 12/2022 4,327	Cons. Act Q4 12/2022 4,428	Q1 12/2023 4,877	Q2 12/2023 4,941	Q3 12/2023 5,380	Q4	YoY Net Chg. +1,053
Income Statement (Million Yen) Sales Cost of Sales	Cons.Act Q1 12/2022 3,985 1,930	Cons.Act Q2 12/2022 4,179 2,121	Q3 12/2022 4,327 2,179	Cons.Act Q4 12/2022 4,428 2,414	Cons.Act Q1 12/2023 4,877 2,232	Cons.Act Q2 12/2023 4,941 2,728	Q3 12/2023 5,380 2,806	Q4	YoY Net Chg. +1,053 +627
Income Statement (Million Yen) Sales Cost of Sales Gross Profit	Cons.Act Q1 12/2022 3,985 1,930 2,054	Cons.Act Q2 12/2022 4,179 2,121 2,059	Cons.Act Q3 12/2022 4,327	Cons.Act Q4 12/2022 4,428 2,414 2,015	Cons.Act Q1 12/2023 4,877 2,232 2,645	Cons.Act Q2 12/2023 4,941 2,728 2,213	Q3 12/2023 5,380	Q4	YoY Net Chg. +1,053 +627 +427
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses	Q1 12/2022 3,985 1,930 2,054 1,375	Cons.Act Q2 12/2022 4,179 2,121 2,059 1,378	Q3 12/2022 4,327 2,179 2,147 1,394	Q4 12/2022 4,428 2,414 2,015 1,732	Q1 12/2023 4,877 2,232 2,645 1,793	Cons.Act Q2 12/2023 4,941 2,728 2,213 1,920	Cons.Act Q3 12/2023 5,380 2,806 2,574 1,915	Q4	YoY Net Chg. +1,053 +627 +427 +521
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit	Q1 12/2022 3,985 1,930 2,054 1,375 679	Cons.Act Q2 12/2022 4,179 2,121 2,059 1,378 681	Q3 12/2022 4,327 2,179 2,147 1,394 753	Q4 12/2022 4,428 2,414 2,015 1,732 283	Q1 12/2023 4,877 2,232 2,645 1,793 851	Cons.Act Q2 12/2023 4,941 2,728 2,213 1,920 293	Cons.Act Q3 12/2023 5,380 2,806 2,574 1,915 660	Q4	YoY Net Chg. +1,053 +627 +427 +521 (93)
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance	Q1 12/2022 3,985 1,930 2,054 1,375 679 145	Q2 12/2022 4,179 2,121 2,059 1,378 681 98	Q3 12/2022 4,327 2,179 2,147 1,394 753 101	Q4 12/2022 4,428 2,414 2,015 1,732 283 51	Cons.Act Q1 12/2023 4,877 2,232 2,645 1,793 851 110	Cons.Act Q2 12/2023 4,941 2,728 2,213 1,920 293 140	Cons.Act Q3 12/2023 5,380 2,806 2,574 1,915 660 145	Q4	YoY Net Chg. +1,053 +627 +427 +521 (93) +44
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit	Q1 12/2022 3,985 1,930 2,054 1,375 679	Cons.Act Q2 12/2022 4,179 2,121 2,059 1,378 681	Q3 12/2022 4,327 2,179 2,147 1,394 753	Q4 12/2022 4,428 2,414 2,015 1,732 283 51 334	Cons.Act Q1 12/2023 4,877 2,232 2,645 1,793 851 110 961	Cons.Act Q2 12/2023 4,941 2,728 2,213 1,920 293 140 433	Cons.Act Q3 12/2023 5,380 2,806 2,574 1,915 660 145 805	Q4	YoY Net Chg. +1,053 +627 +427 +521 (93) +44 (49)
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance	Q1 12/2022 3,985 1,930 2,054 1,375 679 145 824	Cons.Act Q2 12/2022 4,179 2,121 2,059 1,378 681 98 779	Q3 12/2022 4,327 2,179 2,147 1,394 753 101 854	Q4 12/2022 4,428 2,414 2,015 1,732 283 51 334 (2)	Cons.Act Q1 12/2023 4,877 2,232 2,645 1,793 851 110 961 (141)	Cons.Act Q2 12/2023 4,941 2,728 2,213 1,920 293 140 433 (9)	Cons.Act Q3 12/2023 5,380 2,806 2,574 1,915 660 145 805 32	Q4	YoY Net Chg. +1,053 +627 +427 +521 (93) +44 (49) +32
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes	Q1 12/2022 3,985 1,930 2,054 1,375 679 145 824	Cons.Act Q2 12/2022 4,179 2,121 2,059 1,378 681 98 779 - 779	Cons.Act Q3 12/2022 4,327 2,179 2,147 1,394 753 101 854 - 854	Cons.Act Q4 12/2022 4,428 2,414 2,015 1,732 283 51 334 (2) 332	Cons.Act Q1 12/2023 4,877 2,232 2,645 1,793 851 110 961 (141) 820	Cons.Act Q2 12/2023 4,941 2,728 2,213 1,920 293 140 433 (9) 424	Cons.Act Q3 12/2023 5,380 2,806 2,574 1,915 660 145 805 32 837	Q4	YoY Net Chg. +1,053 +627 +427 +521 (93) +44 (49) +32 (17)
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes	Cons.Act Q1 12/2022 3,985 1,930 2,054 1,375 679 145 824 - 824 265	Cons.Act Q2 12/2022 4,179 2,121 2,059 1,378 681 98 779 - 779 257	Cons.Act Q3 12/2022 4,327 2,179 2,147 1,394 753 101 854 - 854 306	Cons.Act Q4 12/2022 4,428 2,414 2,015 1,732 283 51 334 (2) 332 86	Cons.Act Q1 12/2023 4,877 2,232 2,645 1,793 851 110 961 (141) 820 310	Cons.Act Q2 12/2023 4,941 2,728 2,213 1,920 293 140 433 (9) 424 149	Cons.Act Q3 12/2023 5,380 2,806 2,574 1,915 660 145 805 32 837 266	Q4	YoY Net Chg. +1,053 +627 +427 +521 (93) +44 (49) +32 (17) (40)
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests	Q1 12/2022 3,985 1,930 2,054 1,375 679 145 824 - 824 265 (4)	Cons.Act Q2 12/2022 4,179 2,121 2,059 1,378 681 98 779 - 779 257 (4)	Cons.Act Q3 12/2022 4,327 2,179 2,147 1,394 753 101 854 - 854 306 (6)	Cons.Act Q4 12/2022 4,428 2,414 2,015 1,732 283 51 334 (2) 332 86 (4)	Cons.Act Q1 12/2023 4,877 2,232 2,645 1,793 851 110 961 (141) 820 310 (1)	Cons.Act Q2 12/2023 4,941 2,728 2,213 1,920 293 140 433 (9) 424 149 (3)	Cons.Act Q3 12/2023 5,380 2,806 2,574 1,915 660 145 805 32 837 266 2	Q4	YoY Net Chg. +1,053 +627 +427 +521 (93) +44 (49) +32 (17) (40) +8
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent	Cons.Act Q1 12/2022 3,985 1,930 2,054 1,375 679 145 824 - 824 265 (4) 563	Cons.Act Q2 12/2022 4,179 2,121 2,059 1,378 681 98 779 - 779 257 (4) 526	Cons.Act	Cons.Act Q4 12/2022 4,428 2,414 2,015 1,732 283 51 334 (2) 332 86 (4) 249	Cons.Act Q1 12/2023 4,877 2,232 2,645 1,793 851 110 961 (141) 820 310 (1) 511	Cons.Act Q2 12/2023 4,941 2,728 2,213 1,920 293 140 433 (9) 424 149 (3) 278	Cons.Act	Q4	YoY Net Chg. +1,053 +627 +427 +521 (93) +44 (49) +32 (17) (40)
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY	Cons.Act Q1 12/2022 3,985 1,930 2,054 1,375 679 145 824 - 824 265 (4) 563 +21.0%	Cons.Act Q2 12/2022 4,179 2,121 2,059 1,378 681 98 779 - 779 257 (4) 526 +23.7%	Cons.Act Q3 12/2022 4,327 2,179 2,147 1,394 753 101 854 - 854 306 (6) 555 +16.5%	Cons.Act Q4 12/2022 4,428 2,414 2,015 1,732 283 51 334 (2) 332 86 (4) 249 +9.3%	Cons.Act Q1 12/2023 4,877 2,232 2,645 1,793 851 110 961 (141) 820 310 (1) 511 +22.4%	Cons.Act Q2 12/2023 4,941 2,728 2,213 1,920 293 140 433 (9) 424 149 (3) 278	Cons.Act	Q4	YoY Net Chg. +1,053 +627 +427 +521 (93) +44 (49) +32 (17) (40) +8
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY	Cons.Act Q1 12/2022 3,985 1,930 2,054 1,375 679 145 824 - 824 265 (4) 563 +21.0% +110.3%	Cons.Act Q2 12/2022 4,179 2,121 2,059 1,378 681 98 779 - 779 257 (4) 526 +23.7% +161.9%	Cons.Act Q3 12/2022 4,327 2,179 2,147 1,394 753 101 854 - 854 306 (6) 555 +16.5% +27.6%	Cons.Act Q4 12/2022 4,428 2,414 2,015 1,732 283 51 334 (2) 332 86 (4) 249 +9.3% (59.5%)	Cons.Act Q1 12/2023 4,877 2,232 2,645 1,793 851 110 961 (141) 820 310 (1) 511 +22.4% +25.4%	Cons.Act Q2 12/2023 4,941 2,728 2,213 1,920 293 140 433 (9) 424 149 (3) 278 +18.2% (57.0%)	Cons.Act Q3 12/2023 5,380 2,806 2,574 1,915 660 145 805 32 837 266 2 568 +24.3% (12.4%)	Q4	YoY Net Chg. +1,053 +627 +427 +521 (93) +44 (49) +32 (17) (40) +8
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY	Cons.Act Q1 12/2022 3,985 1,930 2,054 1,375 679 145 824 - 824 265 (4) 563 +21.0% +110.3% +83.5%	Cons.Act Q2 12/2022 4,179 2,121 2,059 1,378 681 98 779 - 779 257 (4) 526 +23.7% +161.9% +35.7%	Cons. Act Q3 12/2022 4,327 2,179 2,147 1,394 753 101 854 - 854 306 (6) 555 +16.5% +27.6% +15.6%	Cons.Act Q4 12/2022 4,428 2,414 2,015 1,732 283 51 334 (2) 332 86 (4) 249 +9.3% (59.5%) (60.5%)	Cons.Act Q1 12/2023 4,877 2,232 2,645 1,793 851 110 961 (141) 820 310 (1) 511 +22.4% +25.4% +16.6%	Cons.Act Q2 12/2023 4,941 2,728 2,213 1,920 293 140 433 (9) 424 149 (3) 278 +18.2% (57.0%) (44.4%)	Cons.Act	Q4	YoY Net Chg. +1,053 +627 +427 +521 (93) +44 (49) +32 (17) (40) +8
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY	Cons.Act Q1 12/2022 3,985 1,930 2,054 1,375 679 145 824 - 824 265 (4) 563 +21.0% +110.3% +83.5% +88.2%	Cons.Act Q2 12/2022 4,179 2,121 2,059 1,378 681 98 779 - 779 257 (4) 526 +23.7% +161.9% +35.7% +35.6%	Cons. Act Q3 12/2022 4,327 2,179 2,147 1,394 753 101 854 - 854 306 (6) 555 +16.5% +27.6% +15.6% (1.6%)	Cons.Act Q4 12/2022 4,428 2,414 2,015 1,732 283 51 334 (2) 332 86 (4) 249 +9.3% (59.5%) (60.5%) (56.9%)	Cons.Act Q1 12/2023 4,877 2,232 2,645 1,793 851 110 961 (141) 820 310 (1) 511 +22.4% +25.4% +16.6% (9.3%)	Cons.Act Q2 12/2023 4,941 2,728 2,213 1,920 293 140 433 (9) 424 149 (3) 278 +18.2% (57.0%) (44.4%) (47.1%)	Cons.Act	Q4	YoY Net Chg. +1,053 +627 +427 +521 (93) +44 (49) +32 (17) (40) +8 +13
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin	Cons.Act Q1 12/2022 3,985 1,930 2,054 1,375 679 145 824 - 824 265 (4) 563 +21.0% +110.3% +83.5% +88.2% 51.5%	Cons.Act Q2 12/2022 4,179 2,121 2,059 1,378 681 98 779 - 779 257 (4) 526 +23.7% +161.9% +35.7% +35.6% 49.3%	Cons. Act Q3 12/2022 4,327 2,179 2,147 1,394 753 101 854 - 854 306 (6) 555 +16.5% +27.6% +15.6% (1.6%) 49.6%	Cons.Act Q4 12/2022 4,428 2,414 2,015 1,732 283 51 334 (2) 332 86 (4) 249 +9.3% (59.5%) (60.5%) (56.9%)	Cons.Act Q1 12/2023 4,877 2,232 2,645 1,793 851 110 961 (141) 820 310 (1) 511 +22.4% +25.4% +16.6% (9.3%) 54.2%	Cons.Act Q2 12/2023 4,941 2,728 2,213 1,920 293 140 433 (9) 424 149 (3) 278 +18.2% (57.0%) (44.4%) (47.1%) 44.8%	Cons.Act Q3 12/2023 5,380 2,806 2,574 1,915 660 145 805 32 837 266 2 568 +24.3% (12.4%) (5.7%) +2.3% 47.8%	Q4	YoY Net Chg. +1,053 +627 +427 +521 (93) +44 (49) +32 (17) (40) +8 +13 (1.8%)
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin SG&A Ratio	Cons.Act Q1 12/2022 3,985 1,930 2,054 1,375 679 145 824 - 824 265 (4) 563 +21.0% +110.3% +83.5% +88.2% 51.5% 34.5%	Cons.Act Q2 12/2022 4,179 2,121 2,059 1,378 681 98 779 - 779 257 (4) 526 +23.7% +161.9% +35.7% +35.6% 49.3% 33.0%	Cons. Act Q3 12/2022 4,327 2,179 2,147 1,394 753 101 854 - 854 306 (6) 555 +16.5% +27.6% +15.6% (1.6%) 49.6% 32.2%	Cons.Act Q4 12/2022 4,428 2,414 2,015 1,732 283 51 334 (2) 332 86 (4) 249 +9.3% (59.5%) (60.5%) (56.9%) 45.5% 39.1%	Cons.Act Q1 12/2023 4,877 2,232 2,645 1,793 851 110 961 (141) 820 310 (1) 511 +22.4% +25.4% +16.6% (9.3%) 54.2% 36.8%	Cons.Act Q2 12/2023 4,941 2,728 2,213 1,920 293 140 433 (9) 424 149 (3) 278 +18.2% (57.0%) (44.4%) (47.1%) 44.8% 38.9%	Cons.Act Q3 12/2023 5,380 2,806 2,574 1,915 660 145 805 32 837 266 2 568 +24.3% (12.4%) (5.7%) +2.3% 47.8% 35.6%	Q4	YoY Net Chg. +1,053 +627 +427 +521 (93) +44 (49) +32 (17) (40) +8 +13 (1.8%) +3.4%
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin SG&A Ratio Operating Profit Margin	Cons.Act Q1 12/2022 3,985 1,930 2,054 1,375 679 145 824 - 824 265 (4) 563 +21.0% +110.3% +83.5% +88.2% 51.5% 34.5% 17.0%	Cons.Act Q2 12/2022 4,179 2,121 2,059 1,378 681 98 779 - 779 257 (4) 526 +23.7% +161.9% +35.7% +35.6% 49.3% 33.0% 16.3%	Cons. Act	Cons.Act Q4 12/2022 4,428 2,414 2,015 1,732 283 51 334 (2) 332 86 (4) 249 +9.3% (59.5%) (60.5%) (56.9%) 45.5% 39.1% 6.4%	Cons.Act Q1 12/2023 4,877 2,232 2,645 1,793 851 110 961 (141) 820 310 (1) 511 +22.4% +25.4% +16.6% (9.3%) 54.2% 36.8% 17.4%	Cons.Act Q2 12/2023 4,941 2,728 2,213 1,920 293 140 433 (9) 424 149 (3) 278 +18.2% (57.0%) (44.4%) (47.1%) 44.8% 38.9% 5.9%	Cons.Act Q3 12/2023 5,380 2,806 2,574 1,915 660 145 805 32 837 266 2 568 +24.3% (12.4%) (5.7%) +2.3% 47.8% 35.6% 12.3%	Q4	YoY Net Chg. +1,053 +627 +427 +521 (93) +44 (49) +32 (17) (40) +8 +13 (1.8%) +3.4% (5.1%)
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin SG&A Ratio Operating Profit Margin Recurring Profit Margin	Cons.Act Q1 12/2022 3,985 1,930 2,054 1,375 679 145 824 265 (4) 563 +21.0% +110.3% +83.5% +88.2% 51.5% 34.5% 17.0% 20.7%	Cons.Act Q2 12/2022 4,179 2,121 2,059 1,378 681 98 779 - 779 257 (4) 526 +23.7% +161.9% +35.7% +35.6% 49.3% 33.0% 16.3% 18.6%	Cons. Act Q3 12/2022 4,327 2,179 2,147 1,394 753 101 854 - 854 306 (6) 555 +16.5% +27.6% +15.6% (1.6%) 49.6% 32.2% 17.4% 19.7%	Cons.Act Q4 12/2022 4,428 2,414 2,015 1,732 283 51 334 (2) 332 86 (4) 249 +9.3% (59.5%) (60.5%) (56.9%) 45.5% 39.1% 6.4% 7.5%	Cons.Act Q1 12/2023 4,877 2,232 2,645 1,793 851 110 961 (141) 820 310 (1) 511 +22.4% +25.4% +16.6% (9.3%) 54.2% 36.8% 17.4% 19.7%	Cons.Act Q2 12/2023 4,941 2,728 2,213 1,920 293 140 433 (9) 424 149 (3) 278 +18.2% (57.0%) (44.4%) (47.1%) 44.8% 38.9% 5.9% 8.8%	Cons.Act Q3 12/2023 5,380 2,806 2,574 1,915 660 145 805 32 837 266 2 568 +24.3% (12.4%) (5.7%) +2.3% 47.8% 35.6% 12.3% 15.0%	Q4	YoY Net Chg. +1,053 +627 +427 +521 (93) +44 (49) +32 (17) (40) +8 +13 (1.8%) +3.4% (5.1%) (4.8%)
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin SG&A Ratio Operating Profit Margin	Cons.Act Q1 12/2022 3,985 1,930 2,054 1,375 679 145 824 - 824 265 (4) 563 +21.0% +110.3% +83.5% +88.2% 51.5% 34.5% 17.0%	Cons.Act Q2 12/2022 4,179 2,121 2,059 1,378 681 98 779 - 779 257 (4) 526 +23.7% +161.9% +35.7% +35.6% 49.3% 33.0% 16.3%	Cons. Act	Cons.Act Q4 12/2022 4,428 2,414 2,015 1,732 283 51 334 (2) 332 86 (4) 249 +9.3% (59.5%) (60.5%) (56.9%) 45.5% 39.1% 6.4%	Cons.Act Q1 12/2023 4,877 2,232 2,645 1,793 851 110 961 (141) 820 310 (1) 511 +22.4% +25.4% +16.6% (9.3%) 54.2% 36.8% 17.4%	Cons.Act Q2 12/2023 4,941 2,728 2,213 1,920 293 140 433 (9) 424 149 (3) 278 +18.2% (57.0%) (44.4%) (47.1%) 44.8% 38.9% 5.9%	Cons.Act Q3 12/2023 5,380 2,806 2,574 1,915 660 145 805 32 837 266 2 568 +24.3% (12.4%) (5.7%) +2.3% 47.8% 35.6% 12.3%	Q4	YoY Net Chg. +1,053 +627 +427 +521 (93) +44 (49) +32 (17) (40) +8 +13 (1.8%) +3.4% (5.1%)

Source: Company Data, WRJ Calculation

Segmented Information (Cumulative/Quarterly)

Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	12/2022	12/2022	12/2022	12/2022	12/2023	12/2023	12/2023	12/2023	Net Chg.
IT Systems for Pharmacies	3,148	6,500	9,975	13,530	3,783	7,681	11,953	-	+1,978
IT Systems for Clinics	538	1,072	1,623	2,202	791	1,529	2,249	-	+626
IT Systems fo Llong-Term Care/Welfare	136	268	401	539	140	278	416	-	+15
Other	172	347	528	713	187	386	671	-	+143
(Adjustments)	(9)	(23)	(36)	(65)	(24)	(56)	(91)	-	(55)
Sales	3,985	8,164	12,491	16,919	4,877	9,818	15,198	-	+2,707
IT Systems for Pharmacies	751	1,496	2,370	3,031	892	1,405	2,178	-	(192)
IT Systems for Clinics	(95)	(184)	(210)	(409)	51	(7)	(20)	-	+190
IT Systems fo Llong-Term Care/Welfare	27	55	(33)	(211)	(108)	(285)	(404)	-	(371)
Other	(9)	(22)	(35)	(42)	2	5	25	-	+60
Segment Profit	674	1,345	2,092	2,369	837	1,118	1,779	-	(313)
(Adjustments)	5	15	21	27	14	26	25	-	+4
Operating Profit	679	1,360	2,113	2,396	851	1,144	1,804	-	(309)
IT Systems for Pharmacies	23.9%	23.0%	23.8%	22.4%	23.6%	18.3%	18.2%	-	(5.5%)
IT Systems for Clinics	(17.7%)	(17.2%)	(12.9%)	(18.6%)	6.4%	(0.5%)	(0.9%)	-	+12.0%
IT Systems fo Llong-Term Care/Welfare	19.9%	20.5%	(8.2%)	(39.1%)	(77.1%)	(102.5%)	(97.1%)	-	(88.9%)
Other	(5.2%)	(6.3%)	(6.6%)	(5.9%)	1.1%	1.3%	3.7%	-	+10.4%
(Adjustments)	0.1%	0.2%	0.2%	0.2%	0.3%	0.3%	0.2%	-	(0.0%)
Operating Profit Margin	17.0%	16.7%	16.9%	14.2%	17.4%	11.7%	11.9%	-	(5.0%)
Segmented Information	Cons. Act	Cons.Act	Cons. Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
Segmented Information	Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	YoY
Segmented Information (Million Yen)									Net Chg.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
(Million Yen)	Q1 12/2022	Q2 12/2022	Q3 12/2022	Q4 12/2022	Q1 12/2023	Q2 12/2023	Q3 12/2023	Q4	Net Chg.
(Million Yen) IT Systems for Pharmacies IT Systems for Clinics IT Systems fo Llong-Term Care/Welfare	Q1 12/2022 3,148 538 136	Q2 12/2022 3,352 534 132	Q3 12/2022 3,475 551 133	Q4 12/2022 3,555 579 138	Q1 12/2023 3,783	Q2 12/2023 3,898 738 138	Q3 12/2023 4,272 720 138	Q4	Net Chg. +797 +169 +5
(Million Yen) IT Systems for Pharmacies IT Systems for Clinics	Q1 12/2022 3,148 538	Q2 12/2022 3,352 534	Q3 12/2022 3,475 551	Q4 12/2022 3,555 579	Q1 12/2023 3,783 791	Q2 12/2023 3,898 738	Q3 12/2023 4,272 720	Q4	Net Chg. +797 +169
(Million Yen) IT Systems for Pharmacies IT Systems for Clinics IT Systems fo Llong-Term Care/Welfare	Q1 12/2022 3,148 538 136	Q2 12/2022 3,352 534 132 175 (14)	Q3 12/2022 3,475 551 133	Q4 12/2022 3,555 579 138	Q1 12/2023 3,783 791 140	Q2 12/2023 3,898 738 138	Q3 12/2023 4,272 720 138	Q4	Net Chg. +797 +169 +5
(Million Yen) IT Systems for Pharmacies IT Systems for Clinics IT Systems fo Llong-Term Care/Welfare Other (Adjustments) Sales	Q1 12/2022 3,148 538 136 172 (9) 3,985	Q2 12/2022 3,352 534 132 175 (14) 4,179	Q3 12/2022 3,475 551 133 181 (13) 4,327	Q4 12/2022 3,555 579 138 185 (29) 4,428	Q1 12/2023 3,783 791 140 187 (24) 4,877	Q2 12/2023 3,898 738 138 199 (32) 4,941	Q3 12/2023 4,272 720 138 285 (35) 5,380	Q4	Net Chg. +797 +169 +5 +104 (22) +1,053
(Million Yen) IT Systems for Pharmacies IT Systems for Clinics IT Systems fo Llong-Term Care/Welfare Other (Adjustments)	Q1 12/2022 3,148 538 136 172 (9)	Q2 12/2022 3,352 534 132 175 (14)	Q3 12/2022 3,475 551 133 181 (13)	Q4 12/2022 3,555 579 138 185 (29)	Q1 12/2023 3,783 791 140 187 (24)	Q2 12/2023 3,898 738 138 199 (32)	Q3 12/2023 4,272 720 138 285 (35)	Q4	Net Chg. +797 +169 +5 +104 (22)
(Million Yen) IT Systems for Pharmacies IT Systems for Clinics IT Systems fo Llong-Term Care/Welfare Other (Adjustments) Sales	Q1 12/2022 3,148 538 136 172 (9) 3,985 751 (95)	Q2 12/2022 3,352 534 132 175 (14) 4,179	Q3 12/2022 3,475 551 133 181 (13) 4,327	Q4 12/2022 3,555 579 138 185 (29) 4,428	Q1 12/2023 3,783 791 140 187 (24) 4,877	Q2 12/2023 3,898 738 138 199 (32) 4,941 513 (58)	Q3 12/2023 4,272 720 138 285 (35) 5,380	Q4	Net Chg. +797 +169 +5 +104 (22) +1,053 (101) +13
(Million Yen) IT Systems for Pharmacies IT Systems for Clinics IT Systems fo Llong-Term Care/Welfare Other (Adjustments) Sales IT Systems for Pharmacies	Q1 12/2022 3,148 538 136 172 (9) 3,985	Q2 12/2022 3,352 534 132 175 (14) 4,179	Q3 12/2022 3,475 551 133 181 (13) 4,327	Q4 12/2022 3,555 579 138 185 (29) 4,428 661	Q1 12/2023 3,783 791 140 187 (24) 4,877	Q2 12/2023 3,898 738 138 199 (32) 4,941 513	Q3 12/2023 4,272 720 138 285 (35) 5,380	Q4	Net Chg. +797 +169 +5 +104 (22) +1,053 (101)
(Million Yen) IT Systems for Pharmacies IT Systems for Clinics IT Systems fo Llong-Term Care/Welfare Other (Adjustments) Sales IT Systems for Pharmacies IT Systems for Clinics	Q1 12/2022 3,148 538 136 172 (9) 3,985 751 (95)	Q2 12/2022 3,352 534 132 175 (14) 4,179 745 (89)	Q3 12/2022 3,475 551 133 181 (13) 4,327 874 (26)	Q4 12/2022 3,555 579 138 185 (29) 4,428 661 (199)	Q1 12/2023 3,783 791 140 187 (24) 4,877 892 51	Q2 12/2023 3,898 738 138 199 (32) 4,941 513 (58)	Q3 12/2023 4,272 720 138 285 (35) 5,380 773 (13)	Q4	Net Chg. +797 +169 +5 +104 (22) +1,053 (101) +13
(Million Yen) IT Systems for Pharmacies IT Systems for Clinics IT Systems fo Llong-Term Care/Welfare Other (Adjustments) Sales IT Systems for Pharmacies IT Systems for Clinics IT Systems fo Llong-Term Care/Welfare	Q1 12/2022 3,148 538 136 172 (9) 3,985 751 (95) 27	Q2 12/2022 3,352 534 132 175 (14) 4,179 745 (89) 28	Q3 12/2022 3,475 551 133 181 (13) 4,327 874 (26) (88)	Q4 12/2022 3,555 579 138 185 (29) 4,428 661 (199) (178)	Q1 12/2023 3,783 791 140 187 (24) 4,877 892 51 (108)	Q2 12/2023 3,898 738 138 199 (32) 4,941 513 (58) (177)	Q3 12/2023 4,272 720 138 285 (35) 5,380 773 (13) (119)	Q4	Net Chg. +797 +169 +5 +104 (22) +1,053 (101) +13 (31)
(Million Yen) IT Systems for Pharmacies IT Systems for Clinics IT Systems fo Llong-Term Care/Welfare Other (Adjustments) Sales IT Systems for Pharmacies IT Systems for Clinics IT Systems for Llong-Term Care/Welfare Other	Q1 12/2022 3,148 538 136 172 (9) 3,985 751 (95) 27 (9)	Q2 12/2022 3,352 534 132 175 (14) 4,179 745 (89) 28 (13)	Q3 12/2022 3,475 551 133 181 (13) 4,327 874 (26) (88) (13)	Q4 12/2022 3,555 579 138 185 (29) 4,428 661 (199) (178)	Q1 12/2023 3,783 791 140 187 (24) 4,877 892 51 (108)	Q2 12/2023 3,898 738 138 199 (32) 4,941 513 (58) (177) 3	Q3 12/2023 4,272 720 138 285 (35) 5,380 773 (13) (119) 20	Q4	Net Chg. +797 +169 +5 +104 (22) +1,053 (101) +13 (31) +33
(Million Yen) IT Systems for Pharmacies IT Systems for Clinics IT Systems fo Llong-Term Care/Welfare Other (Adjustments) Sales IT Systems for Pharmacies IT Systems for Clinics IT Systems for Clinics IT Systems for Llong-Term Care/Welfare Other Segment Profit (Adjustments) Operating Profit	Q1 12/2022 3,148 538 136 172 (9) 3,985 751 (95) 27 (9) 674 5	Q2 12/2022 3,352 534 132 175 (14) 4,179 745 (89) 28 (13) 671 10 681	Q3 12/2022 3,475 551 133 181 (13) 4,327 874 (26) (88) (13) 747 6 753	Q4 12/2022 3,555 579 138 185 (29) 4,428 661 (199) (178) (7) 277 6 283	Q1 12/2023 3,783 791 140 187 (24) 4,877 892 51 (108) 2 837 14	Q2 12/2023 3,898 738 138 199 (32) 4,941 513 (58) (177) 3 281 12 293	Q3 12/2023 4,272 720 138 285 (35) 5,380 773 (13) (119) 20 661 (1) 660	Q4	Net Chg. +797 +169 +5 +104 (22) +1,053 (101) +13 (31) +33 (86) (7) (93)
(Million Yen) IT Systems for Pharmacies IT Systems for Clinics IT Systems fo Llong-Term Care/Welfare Other (Adjustments) Sales IT Systems for Pharmacies IT Systems for Clinics IT Systems for Clinics IT Systems for Llong-Term Care/Welfare Other Segment Profit (Adjustments) Operating Profit IT Systems for Pharmacies	Q1 12/2022 3,148 538 136 172 (9) 3,985 751 (95) 27 (9) 674 5 679 23.9%	Q2 12/2022 3,352 534 132 175 (14) 4,179 745 (89) 28 (13) 671 10 681 22.2%	Q3 12/2022 3,475 551 133 181 (13) 4,327 874 (26) (88) (13) 747 6 753	Q4 12/2022 3,555 579 138 185 (29) 4,428 661 (199) (178) (7) 277 6 283	Q1 12/2023 3,783 791 140 187 (24) 4,877 892 51 (108) 2 837 14 851	Q2 12/2023 3,898 738 138 199 (32) 4,941 513 (58) (177) 3 281 12 293	Q3 12/2023 4,272 720 138 285 (35) 5,380 773 (13) (119) 20 661 (1) 660	Q4	Net Chg. +797 +169 +5 +104 (22) +1,053 (101) +13 (31) +33 (86) (7) (93)
(Million Yen) IT Systems for Pharmacies IT Systems for Clinics IT Systems fo Llong-Term Care/Welfare Other (Adjustments) Sales IT Systems for Pharmacies IT Systems for Clinics IT Systems fo Clinics IT Systems fo Llong-Term Care/Welfare Other Segment Profit (Adjustments) Operating Profit IT Systems for Pharmacies IT Systems for Pharmacies IT Systems for Pharmacies IT Systems for Clinics	Q1 12/2022 3,148 538 136 172 (9) 3,985 751 (95) 27 (9) 674 5 679 23.9% (17.7%)	Q2 12/2022 3,352 534 132 175 (14) 4,179 745 (89) 28 (13) 671 10 681 22.2% (16.7%)	Q3 12/2022 3,475 551 133 181 (13) 4,327 874 (26) (88) (13) 747 6 753 25.2% (4.7%)	Q4 12/2022 3,555 579 138 185 (29) 4,428 661 (199) (178) (7) 277 6 283 18.6% (34.4%)	Q1 12/2023 3,783 791 140 187 (24) 4,877 892 51 (108) 2 837 14 851 23.6% 6.4%	Q2 12/2023 3,898 738 138 199 (32) 4,941 513 (58) (177) 3 281 12 293 13.2% (7.9%)	Q3 12/2023 4,272 720 138 285 (35) 5,380 773 (13) (119) 20 661 (1) 660 18.1% (1.8%)	Q4	Net Chg. +797 +169 +5 +104 (22) +1,053 (101) +13 (31) +33 (86) (7) (93) (7.1%) +2.9%
(Million Yen) IT Systems for Pharmacies IT Systems for Clinics IT Systems for Llong-Term Care/Welfare Other (Adjustments) Sales IT Systems for Pharmacies IT Systems for Clinics IT Systems for Pharmacies IT Systems for Pharmacies IT Systems for Clinics IT Systems for Clinics IT Systems for Clinics IT Systems for Llong-Term Care/Welfare	Q1 12/2022 3,148 538 136 172 (9) 3,985 751 (95) 27 (9) 674 5 679 23.9% (17.7%) 19.9%	Q2 12/2022 3,352 534 132 175 (14) 4,179 745 (89) 28 (13) 671 10 681 22.2% (16.7%) 21.2%	Q3 12/2022 3,475 551 133 181 (13) 4,327 874 (26) (88) (13) 747 6 753 25.2% (4.7%) (66.2%)	Q4 12/2022 3,555 579 138 185 (29) 4,428 661 (199) (178) (7) 277 6 283	Q1 12/2023 3,783 791 140 187 (24) 4,877 892 51 (108) 2 837 14 851 23.6% 6.4% (77.1%)	Q2 12/2023 3,898 738 138 199 (32) 4,941 513 (58) (177) 3 281 12 293 13.2% (7.9%) (128.3%)	Q3 12/2023 4,272 720 138 285 (35) 5,380 773 (13) (119) 20 661 (1) 660 18.1% (1.8%) (86.2%)	Q4	Net Chg. +797 +169 +5 +104 (22) +1,053 (101) +13 (31) +33 (86) (7) (93) (7.1%) +2.9% (20.1%)
(Million Yen) IT Systems for Pharmacies IT Systems for Clinics IT Systems fo Llong-Term Care/Welfare Other (Adjustments) Sales IT Systems for Pharmacies IT Systems for Clinics IT Systems for Clinics IT Systems for Llong-Term Care/Welfare Other Segment Profit (Adjustments) Operating Profit IT Systems for Pharmacies IT Systems for Clinics	Q1 12/2022 3,148 538 136 172 (9) 3,985 751 (95) 27 (9) 674 5 679 23.9% (17.7%) 19.9% (5.2%)	Q2 12/2022 3,352 534 132 175 (14) 4,179 745 (89) 28 (13) 671 10 681 22.2% (16.7%) 21.2% (7.4%)	Q3 12/2022 3,475 551 133 181 (13) 4,327 874 (26) (88) (13) 747 6 753 25.2% (4.7%) (66.2%) (7.2%)	Q4 12/2022 3,555 579 138 185 (29) 4,428 661 (199) (178) (7) 277 6 283 18.6% (34.4%) (129.0%) (3.8%)	Q1 12/2023 3,783 791 140 187 (24) 4,877 892 51 (108) 2 837 14 851 23.6% 6.4% (77.1%) 1.1%	Q2 12/2023 3,898 738 138 199 (32) 4,941 513 (58) (177) 3 281 12 293 13.2% (7.9%) (128.3%) 1.5%	Q3 12/2023 4,272 720 138 285 (35) 5,380 773 (13) (119) 20 661 (1) 660 18.1% (1.8%) (86.2%) 7.0%	Q4	Net Chg. +797 +169 +5 +104 (22) +1,053 (101) +13 (31) +33 (86) (7) (93) (7.1%) +2.9% (20.1%) +14.2%
(Million Yen) IT Systems for Pharmacies IT Systems for Clinics IT Systems fo Llong-Term Care/Welfare Other (Adjustments) Sales IT Systems for Pharmacies IT Systems for Clinics IT Systems fo Llong-Term Care/Welfare Other Segment Profit (Adjustments) Operating Profit IT Systems for Pharmacies IT Systems for Clinics IT Systems for Llong-Term Care/Welfare	Q1 12/2022 3,148 538 136 172 (9) 3,985 751 (95) 27 (9) 674 5 679 23.9% (17.7%) 19.9%	Q2 12/2022 3,352 534 132 175 (14) 4,179 745 (89) 28 (13) 671 10 681 22.2% (16.7%) 21.2%	Q3 12/2022 3,475 551 133 181 (13) 4,327 874 (26) (88) (13) 747 6 753 25.2% (4.7%) (66.2%)	Q4 12/2022 3,555 579 138 185 (29) 4,428 661 (199) (178) (7) 277 6 283 18.6% (34.4%) (129.0%)	Q1 12/2023 3,783 791 140 187 (24) 4,877 892 51 (108) 2 837 14 851 23.6% 6.4% (77.1%)	Q2 12/2023 3,898 738 138 199 (32) 4,941 513 (58) (177) 3 281 12 293 13.2% (7.9%) (128.3%)	Q3 12/2023 4,272 720 138 285 (35) 5,380 773 (13) (119) 20 661 (1) 660 18.1% (1.8%) (86.2%)	Q4	**Net Chg.** +797 +169 +5 +104 (22) +1,053 (101) +13 (31) +33 (86) (7) (93) (7.1%) +2.9% (20.1%)

Source: Company Data, WRJ Calculation

Cash Flow Statement (Cumulative)

Cash Flow Statement	Cons.Act								
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	12/2022	12/2022	12/2022	12/2022	12/2023	12/2023	12/2023	12/2023	Net Chg.
Operating Cash Flow	-	1,258	-	2,472	-	371	-	-	-
Investing Cash Flow	-	(295)	-	(577)	-	(2,168)	-	-	-
Operating Cash Flow and Investing Cash Flow	-	963	-	1,895	-	(1,797)	-	-	-
Financing Cash Flow	-	(876)	-	(1,319)	-	(661)	-	-	-

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

Q1 Q2 Q3 Q4 Q1 Q4 Q4 Q4 Q4 Q4 Q4	Net Chg. +825 +710 +573 +93 +2,201 (10) +3,093 (682) +2,401 +4,602
Cash and Deposit 8,206 8,418 8,353 8,881 8,163 6,445 9,178 Accounts Receivables 2,421 2,314 2,501 2,761 3,494 3,250 3,211 Inventory 725 634 674 1,084 1,744 1,555 1,247 Other 602 996 988 1,123 549 1,051 1,081 Current Assets 11,954 12,362 12,516 13,849 13,950 12,301 14,717 Tangible Assets 1,425 1,408 1,382 1,371 1,407 1,404 1,372 Intangible Assets 1,425 1,408 1,382 1,371 1,407 1,404 1,372 Intangible Assets 2,475 2,393 2,328 2,323 3,169 5,185 5,421 Investments and Other Assets 12,617 12,425 12,527 12,500 12,734 14,869 14,928 Total Assets 24,572 24,787 25,044 <t< th=""><th>+825 +710 +573 +93 +2,201 (10) +3,093 (682) +2,401 +4,602</th></t<>	+825 +710 +573 +93 +2,201 (10) +3,093 (682) +2,401 +4,602
Accounts Receivables 2,421 2,314 2,501 2,761 3,494 3,250 3,211 Inventory 725 634 674 1,084 1,744 1,555 1,247 Other 602 996 988 1,123 549 1,051 1,081 Current Assets 11,954 12,362 12,516 13,849 13,950 12,301 14,717 Tangible Assets 1,425 1,408 1,382 1,371 1,407 1,404 1,372 Intangible Assets 2,475 2,933 2,328 2,323 3,169 5,185 5,421 Investments and Other Assets 8,717 8,623 8,816 8,805 8,157 8,278 8,134 Fixed Assets 12,617 12,425 12,527 12,500 12,734 14,869 14,928 Total Assets 24,572 24,787 25,044 26,349 26,684 27,170 29,646 Accounts Payables 8 9 744 90	+710 +573 +93 +2,201 (10) +3,093 (682) +2,401 +4,602
Inventory 725 634 674 1,084 1,744 1,555 1,247 Other 602 996 988 1,123 549 1,051 1,081 Current Assets 11,954 12,362 12,516 13,849 13,950 12,301 14,717 Tangible Assets 1,425 1,408 1,382 1,371 1,407 1,404 1,372 Intangible Assets 2,475 2,393 2,328 2,323 3,169 5,185 5,421 Investments and Other Assets 8,717 8,623 8,816 8,805 8,157 8,278 8,134 Fixed Assets 12,617 12,425 12,527 12,500 12,734 14,869 14,928 Total Assets 24,572 24,787 25,044 26,349 26,684 27,170 29,646 Accounts Payables 809 744 900 1,398 1,691 1,238 1,222 Short Term Debt 3,633 3,043 3,011 3,546 <td>+573 +93 +2,201 (10) +3,093 (682) +2,401 +4,602</td>	+573 +93 +2,201 (10) +3,093 (682) +2,401 +4,602
Other 602 996 988 1,123 549 1,051 1,081 Current Assets 11,954 12,362 12,516 13,849 13,950 12,301 14,717 Tangible Assets 1,425 1,408 1,382 1,371 1,407 1,404 1,372 Intangible Assets 2,475 2,393 2,328 2,323 3,169 5,185 5,421 Investments and Other Assets 8,717 8,623 8,816 8,805 8,157 8,278 8,134 Fixed Assets 12,617 12,425 12,527 12,500 12,734 14,869 14,928 Total Assets 24,572 24,787 25,044 26,349 26,684 27,170 29,646 Accounts Payables 809 744 900 1,398 1,691 1,238 1,222 Short Term Debt - - - - - 18 157 987 Other 3,362 3,872 3,788 3,911	+93 +2,201 (10) +3,093 (682) +2,401 +4,602
Current Assets 11,954 12,362 12,516 13,849 13,950 12,301 14,717 Tangible Assets 1,425 1,408 1,382 1,371 1,407 1,404 1,372 Intangible Assets 2,475 2,393 2,328 2,323 3,169 5,185 5,421 Investments and Other Assets 8,717 8,623 8,816 8,805 8,157 8,278 8,134 Fixed Assets 12,617 12,425 12,527 12,500 12,734 14,869 14,928 Total Assets 24,572 24,787 25,044 26,349 26,684 27,170 29,646 Accounts Payables 809 744 900 1,398 1,691 1,238 1,222 Short Term Debt - - - - 182 157 987 Other 3,063 3,044 3,011 3,546 3,336 3,800 3,822 Current Liabilities 3,872 3,788 3,911 4,944 </td <td>+2,201 (10) +3,093 (682) +2,401 +4,602</td>	+2,201 (10) +3,093 (682) +2,401 +4,602
Tangible Assets 1,425 1,408 1,382 1,371 1,407 1,404 1,372 Intangible Assets 2,475 2,393 2,328 2,323 3,169 5,185 5,421 Investments and Other Assets 8,717 8,623 8,816 8,805 8,157 8,278 8,134 Fixed Assets 12,617 12,425 12,527 12,500 12,734 14,869 14,928 Total Assets 24,572 24,787 25,044 26,349 26,684 27,170 29,646 Accounts Payables 809 744 900 1,398 1,691 1,238 1,222 Short Term Debt - - - - 182 157 987 Other 3,063 3,044 3,011 3,546 3,336 3,800 3,822 Current Liabilities 3,872 3,788 3,911 4,944 5,209 5,195 6,031 Long Term Debt - - - - -	(10) +3,093 (682) +2,401 +4,602
Intangible Assets 2,475 2,393 2,328 2,323 3,169 5,185 5,421 Investments and Other Assets 8,717 8,623 8,816 8,805 8,157 8,278 8,134 Fixed Assets 12,617 12,425 12,527 12,500 12,734 14,869 14,928 Total Assets 24,572 24,787 25,044 26,349 26,684 27,170 29,646 Accounts Payables 809 744 900 1,398 1,691 1,238 1,222 Short Term Debt - - - - 182 157 987 Other 3,063 3,044 3,011 3,546 3,336 3,800 3,822 Current Liabilities 3,872 3,788 3,911 4,944 5,209 5,195 6,031 Long Term Debt - - - - 222 186 1,759 Other 1,916 1,916 1,910 1,929 1,901 <t< td=""><td>+3,093 (682) +2,401 +4,602</td></t<>	+3,093 (682) +2,401 +4,602
Investments and Other Assets 8,717 8,623 8,816 8,805 8,157 8,278 8,134 Fixed Assets 12,617 12,425 12,527 12,500 12,734 14,869 14,928 Total Assets 24,572 24,787 25,044 26,349 26,684 27,170 29,646 Accounts Payables 809 744 900 1,398 1,691 1,238 1,222 Short Term Debt - - - - 182 157 987 Other 3,063 3,044 3,011 3,546 3,336 3,800 3,822 Current Liabilities 3,872 3,788 3,911 4,944 5,209 5,195 6,031 Long Term Debt - - - - 222 186 1,759 Other 1,916 1,910 1,929 1,901 1,784 1,935 1,921 Fixed Liabilities 1,916 1,910 1,929 1,901 2,006 <t< td=""><td>(682) +2,401 +4,602</td></t<>	(682) +2,401 +4,602
Fixed Assets 12,617 12,425 12,527 12,500 12,734 14,869 14,928 Total Assets 24,572 24,787 25,044 26,349 26,684 27,170 29,646 Accounts Payables 809 744 900 1,398 1,691 1,238 1,222 Short Term Debt - - - - 182 157 987 Other 3,063 3,044 3,011 3,546 3,336 3,800 3,822 Current Liabilities 3,872 3,788 3,911 4,944 5,209 5,195 6,031 Long Term Debt - - - - - 222 186 1,759 Other 1,916 1,910 1,929 1,901 1,784 1,935 1,921 Fixed Liabilities 1,916 1,910 1,929 1,901 2,006 2,121 3,680 Total Liabilities 5,789 5,699 5,840 6,846 7,216	+2,401 +4,602
Total Assets 24,572 24,787 25,044 26,349 26,684 27,170 29,646 Accounts Payables 809 744 900 1,398 1,691 1,238 1,222 Short Term Debt - - - - 182 157 987 Other 3,063 3,044 3,011 3,546 3,336 3,800 3,822 Current Liabilities 3,872 3,788 3,911 4,944 5,209 5,195 6,031 Long Term Debt - - - - 222 186 1,759 Other 1,916 1,910 1,929 1,901 1,784 1,935 1,921 Fixed Liabilities 1,916 1,910 1,929 1,901 2,006 2,121 3,680 Total Liabilities 5,789 5,699 5,840 6,846 7,216 7,317 9,711 Shareholders' Equity 18,642 18,926 19,042 19,329 19,270 19,	+4,602
Accounts Payables 809 744 900 1,398 1,691 1,238 1,222 Short Term Debt - - - - - 182 157 987 Other 3,063 3,044 3,011 3,546 3,336 3,800 3,822 Current Liabilities 3,872 3,788 3,911 4,944 5,209 5,195 6,031 Long Term Debt - - - - 222 186 1,759 Other 1,916 1,910 1,929 1,901 1,784 1,935 1,921 Fixed Liabilities 1,916 1,910 1,929 1,901 2,006 2,121 3,680 Total Liabilities 5,789 5,699 5,840 6,846 7,216 7,317 9,711 Shareholders' Equity 18,642 18,926 19,042 19,329 19,270 19,594 19,667	
Short Term Debt - - - - - 182 157 987 Other 3,063 3,044 3,011 3,546 3,336 3,800 3,822 Current Liabilities 3,872 3,788 3,911 4,944 5,209 5,195 6,031 Long Term Debt - - - - 222 186 1,759 Other 1,916 1,910 1,929 1,901 1,784 1,935 1,921 Fixed Liabilities 1,916 1,910 1,929 1,901 2,006 2,121 3,680 Total Liabilities 5,789 5,699 5,840 6,846 7,216 7,317 9,711 Shareholders' Equity 18,642 18,926 19,042 19,329 19,270 19,594 19,667	
Other 3,063 3,044 3,011 3,546 3,336 3,800 3,822 Current Liabilities 3,872 3,788 3,911 4,944 5,209 5,195 6,031 Long Term Debt - - - - - - 222 186 1,759 Other 1,916 1,910 1,929 1,901 1,784 1,935 1,921 Fixed Liabilities 1,916 1,910 1,929 1,901 2,006 2,121 3,680 Total Liabilities 5,789 5,699 5,840 6,846 7,216 7,317 9,711 Shareholders' Equity 18,642 18,926 19,042 19,329 19,270 19,594 19,667	+322
Current Liabilities 3,872 3,788 3,911 4,944 5,209 5,195 6,031 Long Term Debt - - - - - - 222 186 1,759 Other 1,916 1,910 1,929 1,901 1,784 1,935 1,921 Fixed Liabilities 1,916 1,910 1,929 1,901 2,006 2,121 3,680 Total Liabilities 5,789 5,699 5,840 6,846 7,216 7,317 9,711 Shareholders' Equity 18,642 18,926 19,042 19,329 19,270 19,594 19,667	+987
Long Term Debt - - - - - 222 186 1,759 Other 1,916 1,910 1,929 1,901 1,784 1,935 1,921 Fixed Liabilities 1,916 1,910 1,929 1,901 2,006 2,121 3,680 Total Liabilities 5,789 5,699 5,840 6,846 7,216 7,317 9,711 Shareholders' Equity 18,642 18,926 19,042 19,329 19,270 19,594 19,667	+811
Other 1,916 1,910 1,929 1,901 1,784 1,935 1,921 Fixed Liabilities 1,916 1,910 1,929 1,901 2,006 2,121 3,680 Total Liabilities 5,789 5,699 5,840 6,846 7,216 7,317 9,711 Shareholders' Equity 18,642 18,926 19,042 19,329 19,270 19,594 19,667	+2,120
Fixed Liabilities 1,916 1,910 1,929 1,901 2,006 2,121 3,680 Total Liabilities 5,789 5,699 5,840 6,846 7,216 7,317 9,711 Shareholders' Equity 18,642 18,926 19,042 19,329 19,270 19,594 19,667	+1,759
Total Liabilities 5,789 5,699 5,840 6,846 7,216 7,317 9,711 Shareholders' Equity 18,642 18,926 19,042 19,329 19,270 19,594 19,667	(8)
Shareholders' Equity 18,642 18,926 19,042 19,329 19,270 19,594 19,667	+1,751
	+3,871
Other 140 162 161 174 198 258 267	+625
	+106
Net Assets 18,782 19,088 19,203 19,503 19,468 19,852 19,934	+731
Total Liabilities & Net Assets 24,572 24,787 25,044 26,349 26,684 27,170 29,646	+4,602
Equity Capital 18,707 18,999 19,120 19,424 19,390 19,777 19,857	+737
Interest Bearing Debt 404 343 2,746	+2,746
Net Debt (8,206) (8,418) (8,353) (8,881) (7,759) (6,102) (6,432)	+1,921
Equity Ratio 76.1% 76.6% 76.3% 73.7% 72.7% 72.8% 67.0%	-
Net Debt Equity Ratio (43.9%) (44.3%) (43.7%) (45.7%) (40.0%) (30.9%) (32.4%)	-
ROE (12 months) 11.6% 12.1% 11.9% 9.9% 9.7% 8.2% 8.2%	-
ROA (12 months) 12.5% 13.2% 13.6% 10.9% 11.4% 9.9% 9.3%	-

Source: Company Data, WRJ Calculation

Disclaimer

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