

October 16, 2026

Company Name: EM SYSTEMS CO., LTD.
Representative: Hiromasa Kunimitsu
Representative Director and President
Code No: 4820
Tokyo Stock Exchange Prime Market
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Notice of Absorption-Type Merger (Simplified Merger and Short-Form Merger) of Wholly-Owned Subsidiaries

This is to notify that the Company has resolved at the Board of Directors meeting held today to merge its wholly-owned subsidiaries, EM Technology Laboratory Co., Ltd. and Good Cycle System Inc., effective January 1, 2027. Details are as follows.

Since the merger is a simplified merger of the Company's wholly-owned subsidiaries, certain disclosure items and details have been omitted.

1. Purpose of the merger

The purpose of the merger is to strengthen the sense of unity within the Group, significantly accelerate the PMI (Post Merger Integration) that has been promoted, and prepare the lineup and structure to firmly build a growth strategy for the next fiscal year and beyond.

By integrating the management resources and platforms of the Company with those of its wholly-owned subsidiaries, EM Technology Laboratory Co., Ltd. and Good Cycle System Inc., the Company aims to further expand its business, accelerate decision-making, and improve operational efficiency, and maximize customer value under a powerful system that unifies planning, development, sales, and services.

2. Outline of the merger

(1) Date of merger

Board of Directors meeting to resolve the merger: October 16, 2026
Date of Merger Agreement: October 16, 2026
Effective date: January 1, 2027 (scheduled)

Note: The merger falls under the category of simplified merger as stipulated in Article 796, Paragraph 2 of the Companies Act for the Company, and falls under the category of short-form merger as stipulated in Article 784, Paragraph 1 of the Companies Act for EM Technology Laboratory Co., Ltd. and Good Cycle System Inc. Therefore, all three companies will carry out the merger without obtaining approval for the merger agreement at the general meeting of shareholders.

(2) Method of the merger

This is an absorption-type merger in which the Company is the surviving company and EM Technology Laboratory Co., Ltd. and Good Cycle System Inc. are the absorbed companies.

(3) Details of allotment related to the merger

No items to be reported

(4) Treatment of share acquisition rights and bonds with share acquisition rights associated with the merger

No items to be reported

3. Overview of the parties to the merger (as of September 30, 2026)

	Surviving company	Absorbed company	Absorbed company
(1) Trade name	EM SYSTEMS CO., LTD.	EM Technology Laboratory Co., Ltd.	Good Cycle System Inc.
(2) Location	1-6-1 Miyahara, Yodogawa-ku, Osaka	1-6-1 Miyahara, Yodogawa-ku, Osaka	1-10-11 Shiba, Minato-ku, Tokyo
(3) Representative Title and Name	Hiromasa Kunimitsu, Representative Director and President	Kanae Sato, Representative Director and President	Kenji Oishi, Representative Director and Chairman Masaki Nishimura, Representative Director and President
(4) Description of business	IT Systems for Pharmacies IT Systems for Clinics IT Systems for Long-Term Care / Welfare	Contract system development for IT systems (Pharmacies, Clinics, Long-Term Care / Welfare)	Development and sales of pharmacy support systems
(5) Capital stock	2,785 million yen	5 million yen	380 million yen
(6) Date of establishment	January 23, 1980	July 1, 2020	December 24, 2004
(7) Number of shares issued	70,514,800 common shares	200 common shares	723,000 common shares
(8) Accounting period	December 31	December 31	December 31
(9) Major shareholders and percentage of shares held	KOKKO Co., Ltd. 37.55% MEDIPAL HOLDINGS CORPORATION 10.20% GOLDMAN SACHS INTERNATIONAL 5.26% GOLDMAN, SACHS & CO.REG 4.97% Hiromasa Kunimitsu 2.96% (Calculated after deducting treasury shares)	EM SYSTEMS CO., LTD. 100%	EM SYSTEMS CO., LTD. 100%

(10) Financial position and operating results for the previous fiscal year (Millions of yen, unless otherwise specified)

	EM SYSTEMS CO., LTD. Fiscal year ended December 2025 (Consolidated)	EM Technology Laboratory Co., Ltd. Fiscal year ended December 2025 (Non-consolidated)	Good Cycle System Inc. Fiscal year ended December 2025 (Non-consolidated)
Accounting period			
Net assets	20,432	796	358
Total assets	27,506	1,191	977
Net assets per share (yen)	293.77	3,983,957.78	496.14
Net sales	23,658	2,396	2,286
Operating income	3,676	274	185
Ordinary income	4,313	274	186
Net income	2,464	196	162
Net earnings attributable to owners of parent	2,452	196	162
Net income per share (yen)	35.44	982,793.28	224.33

4. Status of the Company after the Merger

There will be no change in the trade name, location, title and name of representative, business, capital, or fiscal year end of the Company after the merger.

5. Future Outlook

The impact of the merger on the consolidated financial results is immaterial, as the merger is with a wholly-owned subsidiary of the Company.

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