

June 24, 2022

Company: FINDEX Inc  
 Representative: Teruo Aibara, President & CEO  
 (Stock code: 3649, TSE Prime)  
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## Notice of Change in a Consolidated Subsidiary

FINDEX Inc. (the "Company") has been notified of the exercise of stock options (stock acquisition rights) by directors and employees of its consolidated subsidiary, EMC Healthcare Co., Ltd. ("EMCH").

As a result, the Company's shareholding ratio of EMCH will be decreased, and the Company has confirmed that EMCH will be excluded from its consolidated subsidiaries and become an equity method affiliate of the Company.

Even after EMCH becomes an equity-method affiliate, we are committed to working with EMCH as its shareholder to enhance its corporate value.

### 1. Overview of consolidated subsidiary to be changed

(1)	Company name	EMC Healthcare Co., Ltd.		
(2)	Location	Kioi Royalheights 601, 3-29 Kioi-cho Chiyoda-ku Tokyo		
(3)	Representative & title	Yoshito Date, President & CEO		
(4)	Business	Development, sales, consulting, etc. of digital transformation services in the healthcare field		
(5)	Capital	5 million yen		
(6)	Establishment	February 14, 2017		
(7)	Major shareholders	FINDEX Inc. 53.8% Eagle Matrix Co., Ltd. 43.6% Directors and employees of EMCH 2.6%		
(8)	Relationship between the company and EMCH	Capital	The Company owns 53.8% of the outstanding shares of EMCH.	
		Personnel	There is a personal relationship such as dispatching a director.	
		Business Transaction	There are transactions between the Company and EMCH related to the supply of information system services to the Company's customers and the development and maintenance of medical equipment.	
		Financial	The company has underwritten a 100 million yen straight bond issued by EMCH.	
(9)	Recent three-year performance and financial status	(JPY in Thousands)		
	Fiscal year	2019	2020	2021
	Net assets	(136,766)	(8,724)	(69,846)
	Total assets	72,486	118,508	70,866
	Net assets per share	(71,868.88) yen	(4,584.37) yen	(36,703.12) yen
	Revenue	65,839	222,562	57,415
	Operating profit (loss)	(51,528)	123,715	(64,201)
	Ordinary profit (loss)	(51,597)	127,819	(61,051)
	Profit (loss)	(54,552)	128,042	△61,121
	Net income (loss) per share	(28,666.42) yen	67,284.51 yen	(32,118.75) yen

**2. Status of the shares held by the Company before and after the exercise of the stock acquisition rights and the number of stock acquisition rights exercised by directors and employees of subsidiary**

(1) Number of shares held by the Company before exercise	1,023 shares (Number of voting rights: 1,023) (Percentage of voting rights: 53.8%)
(2) Number of exercises	2,289 (Number of shares to be exercised: 2,289 shares)
(3) Number of shares held by the Company after exercise	1,023 shares (Number of voting rights: 1,023) (Percentage of voting rights: 24.4%)

**3. Schedule**

(1) Date of confirmation of the intention to exercise stock options	June 24, 2022
(2) Date of exercise of stock options by directors and employees of subsidiary	July 1, 2022
(3) Date of change to equity method affiliate	July 1, 2022

**4. Outlook**

In accordance with the exercise of stock options, EMCH will change to an equity-method affiliate effective July 1, 2022. This will improve the Company's consolidated operating income by approximately 30 million yen for the fiscal year ending December 31, 2022. The impact of this event on our performance for the fiscal year ending December 31, 2022, is expected to be minimal, but in a timely manner, we will appropriately announce any matters that should be disclosed.