

FY 2018.12 Financial Results

Medical Data Vision Co., Ltd.

(Code : 3902)

February 12th, 2019



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FY 2018.12 Financial results overview

Financial results overview

Millions of yen
YoY

	FY 2017.12	FY 2018.12	FY 2018.12 (after the revision)	
Sales	3,225	3,577	3,500	+ 10.9%
Operating income	569	351	208	- 38.2%
Ordinary income	565	351	208	- 37.7%
Net income	354	69	0	- 80.4%

Ref. " Notice on Revision of Full-Year Earnings Forecast " on November 12, 2018.

2nd Year of Business Expansion Period

- Establish a New Medical Utilization Business -

Goals for Business Expansion Period (FY 2017 - FY 2019)

● Introduce CADA-BOX to 344 hospitals in secondary medical area

● Expand our data infrastructure

● Expand Data usage and utilization business

● Build business alliance (M&A)

Goals

Achievements

★ Introduce CADA-BOX to 24 hospitals



New introduction 3 hospitals

Expand Medical Code



YoY +9 hospitals

★ Start medical trial business



Improvement of business environment completed

★ Provide medical advisory services



Started medical checkup / examination data collection

Expand ad hoc investigation service



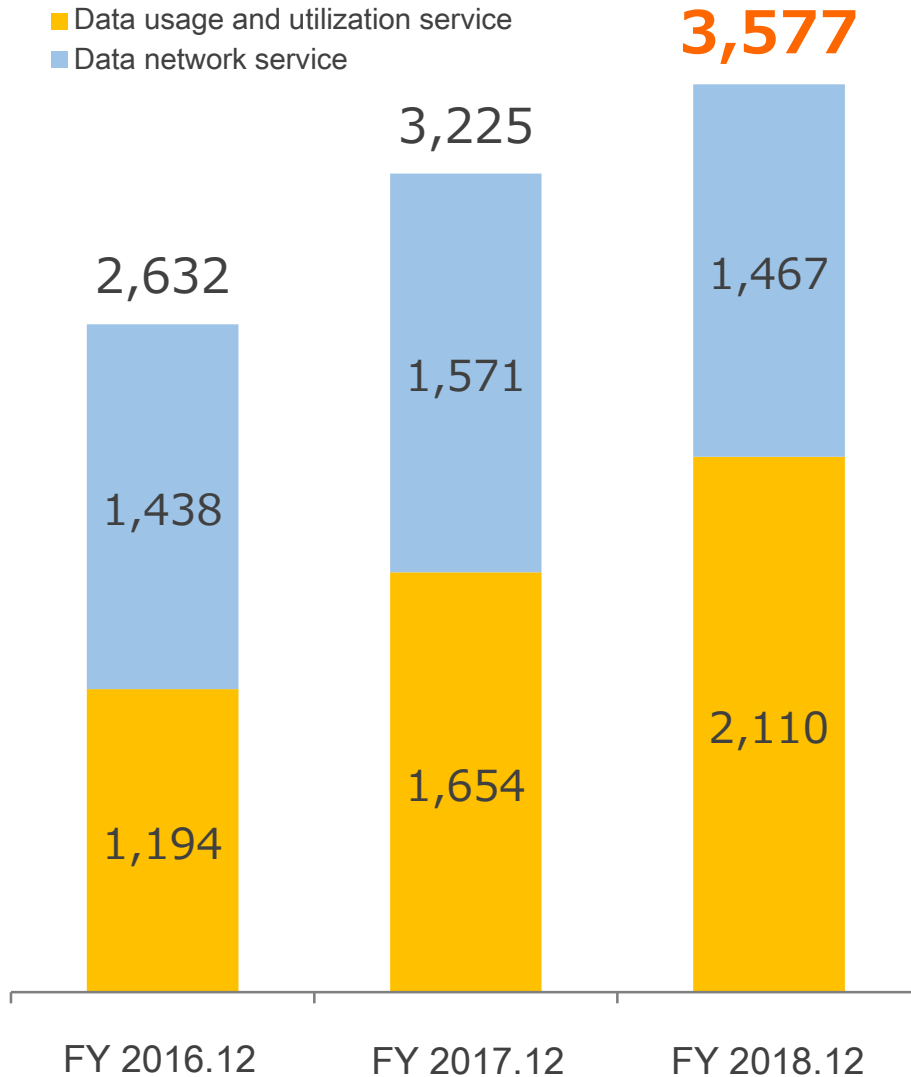
YoY +35.4%

We put an effort on goals with ★

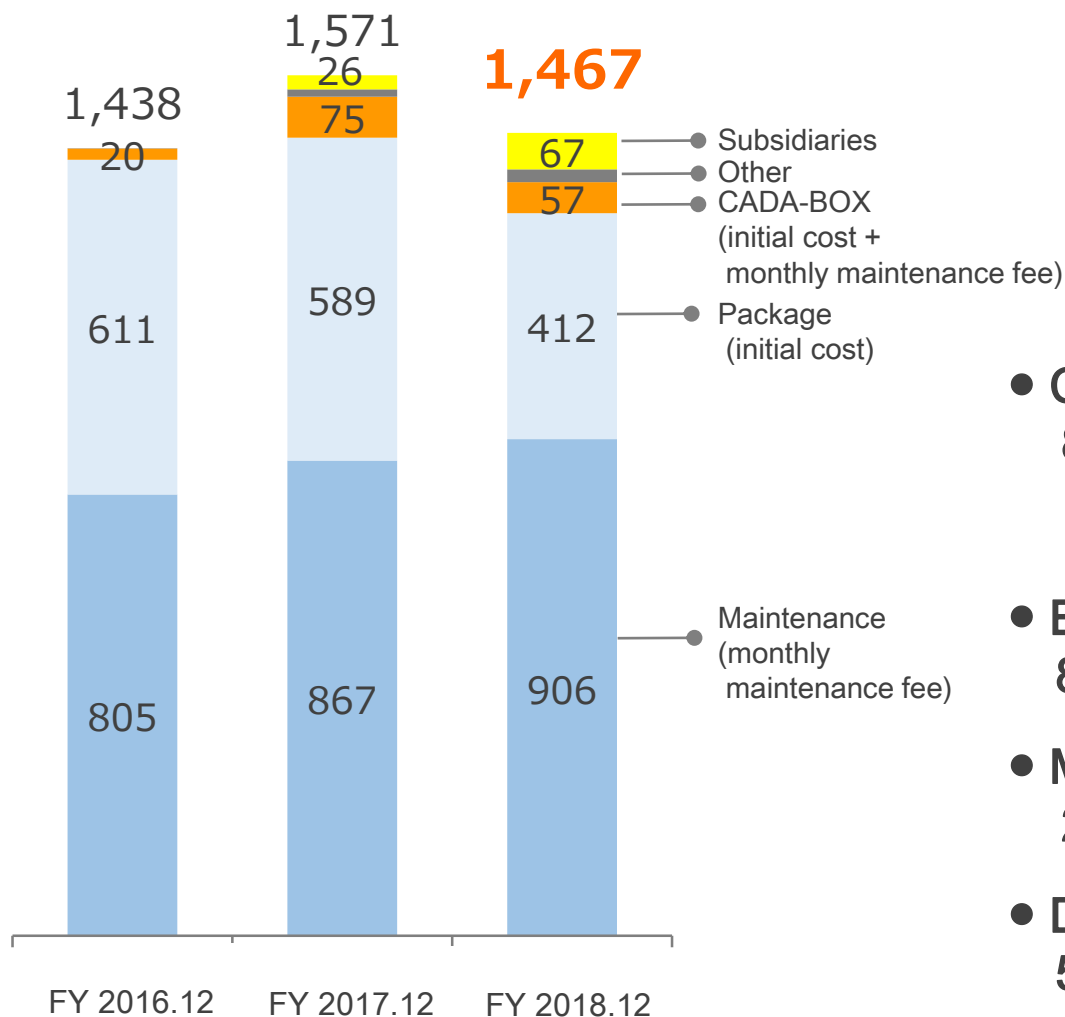
Sales

Millions of yen

- Data usage and utilization service
- Data network service



**YoY
+10.9%**

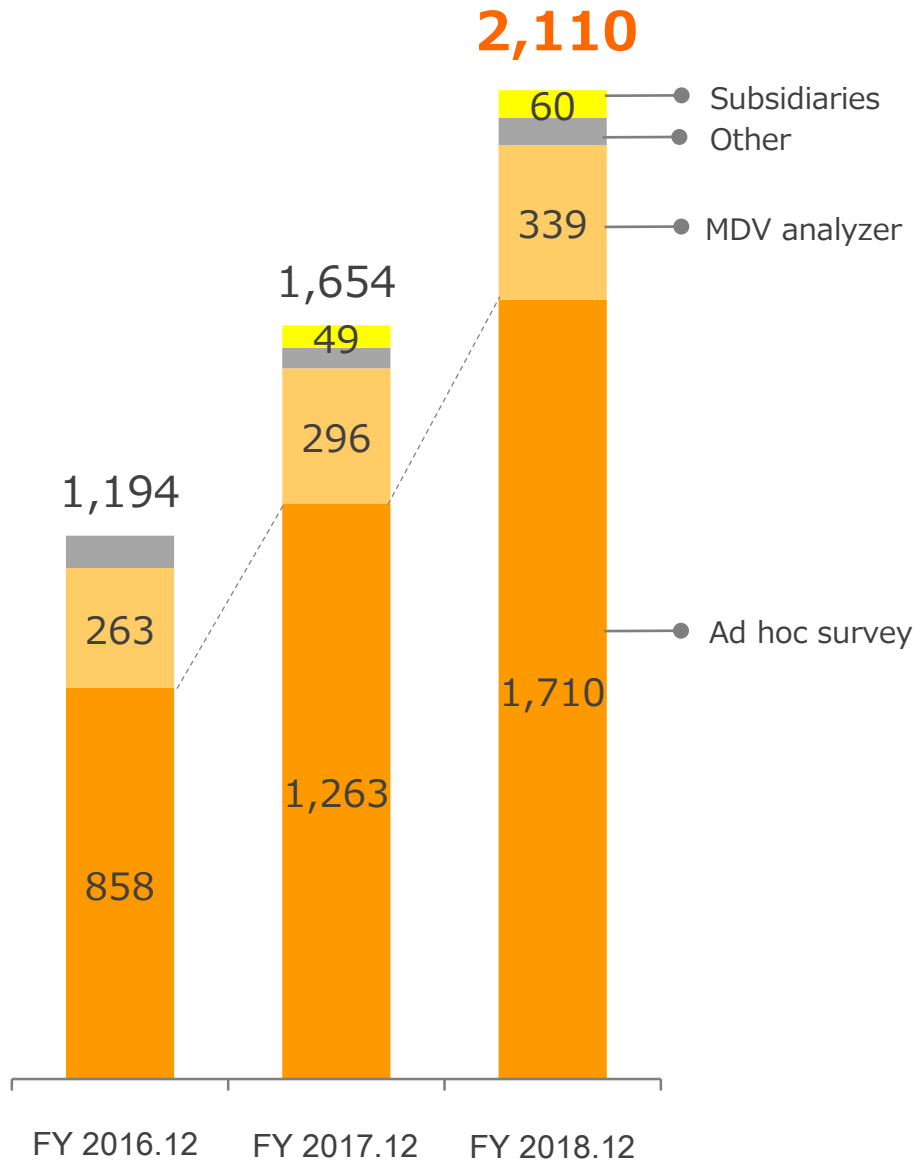


YoY -6.6%

- **CADA-BOX**
8 hospitals (YoY +3)
FY 2018 - book 2 revenues from 2 hospitals
FY 2019 - book 1 revenues from 1 hospital
- **EVE**
801 hospitals (YoY +2)
- **Medical Code**
274 hospitals (YoY +2)
- **Doctorbook (subsidiary)**
57 mil yen (YoY +119.9%)

Data usage and utilization service

Millions of yen



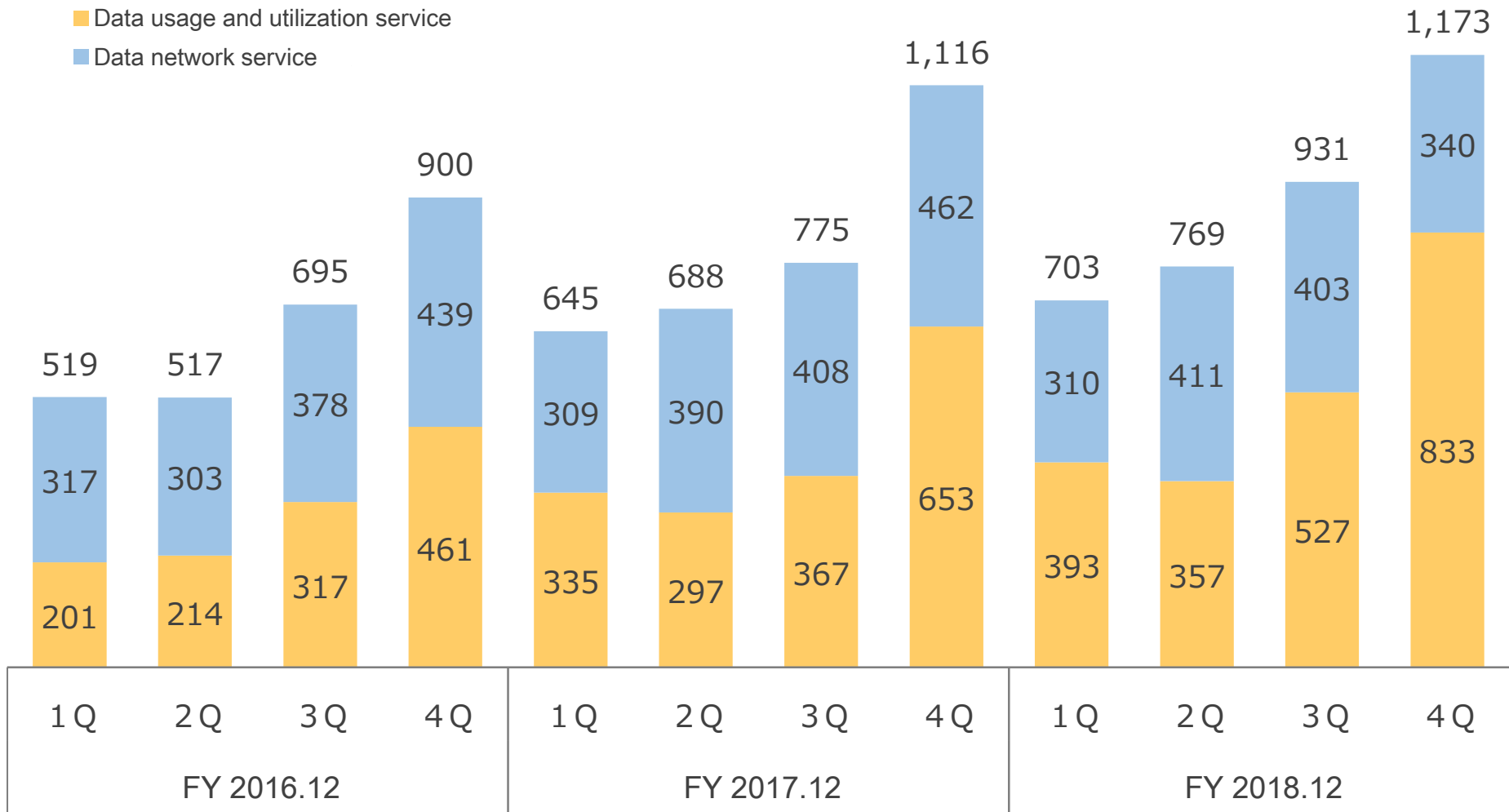
YoY +27.6%

- Ad Hoc Survey Service
17.1 bil yen
(YoY +35.4%)
- MDV analyzer
15 companies
(YoY +2)
- MDV Trial (subsidiary)
60 mil yen

Quarterly sales trend

Millions of yen

- Data usage and utilization service
- Data network service



Sales analysis

Millions of yen

		FY 2016.12		FY 2017.12		FY 2018.12		YoY
			Sales ratio		Sales ratio		Sales ratio	
Network	Maintenance	805	30.6%	867	26.9%	906	25.3%	104.6%
	Package	611	23.2%	589	18.3%	412	11.5%	69.9%
	CADA-BOX	20	0.8%	75	2.3%	57	1.6%	76.7%
	Other	1	0.0%	13	0.4%	23	0.7%	177.7%
	Subsidiaries	0	0.0%	26	0.8%	67	1.9%	250.4%
合計		1,438	54.6%	1,571	48.7%	1,467	41.0%	93.4%
Usage and utilization	MDV analyzer	263	10.0%	296	9.2%	339	9.5%	114.8%
	Ad hoc survey	858	32.6%	1,263	39.2%	1,710	47.8%	135.4%
	Other	71	2.7%	45	1.4%	0	0.0%	0.4%
	Subsidiaries	0	0.0%	49	1.5%	60	1.7%	121.5%
Total		1,194	45.4%	1,654	51.3%	2,110	59.0%	127.6%
Net sales		2,632	100.0%	3,225	100.0%	3,577	100.0%	110.9%

【Data network】

Package : Mainly initial introduction cost of "EVE" and "Medical Code" (EVE: 400,000 yen, Medical Code: 8.2 million yen)

Maintenance : Mainly monthly maintenance fee for "EVE" and "Medical Code" (EVE: 50,000 yen / month, Medical Code: 100,000 yen/ month)

Subsidiaries : Doctorbook Company , CADA Company , MDV new connect Company

【Data usage and utilization service】

MDV analyzer : Annual fee 20 million yen for 1 company

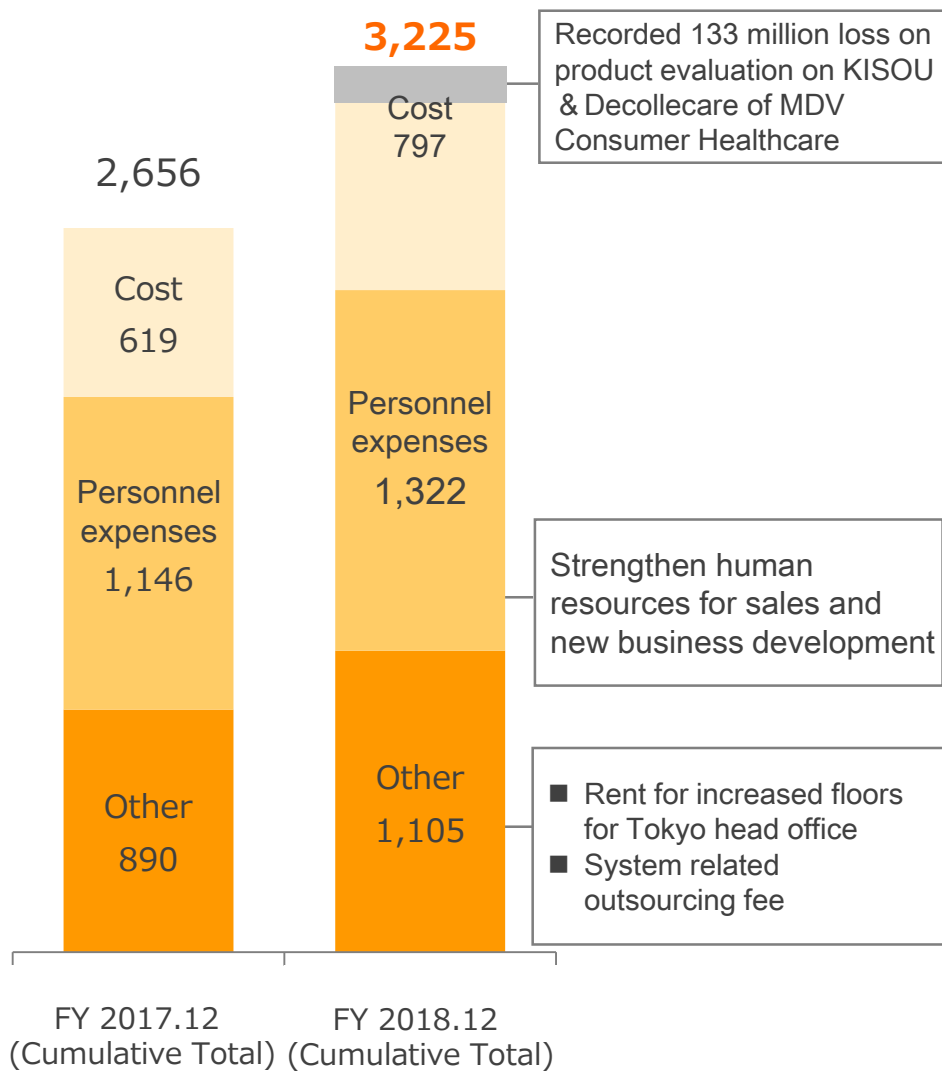
Ad Hoc : Mostly 3.5-4 million yen per project. Price depends on the project. Some exceeds 10 million yen

Subsidiaries : MDV Trial Company

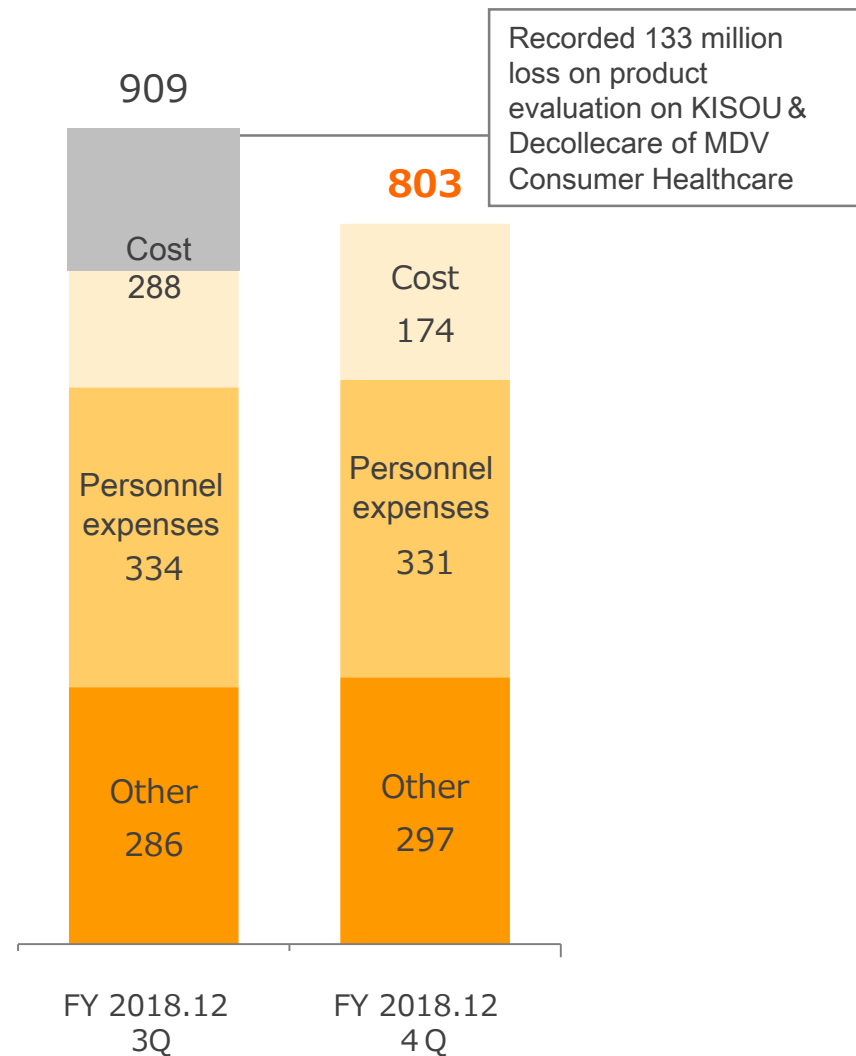
Cost analysis

Millions of yen

【YoY】



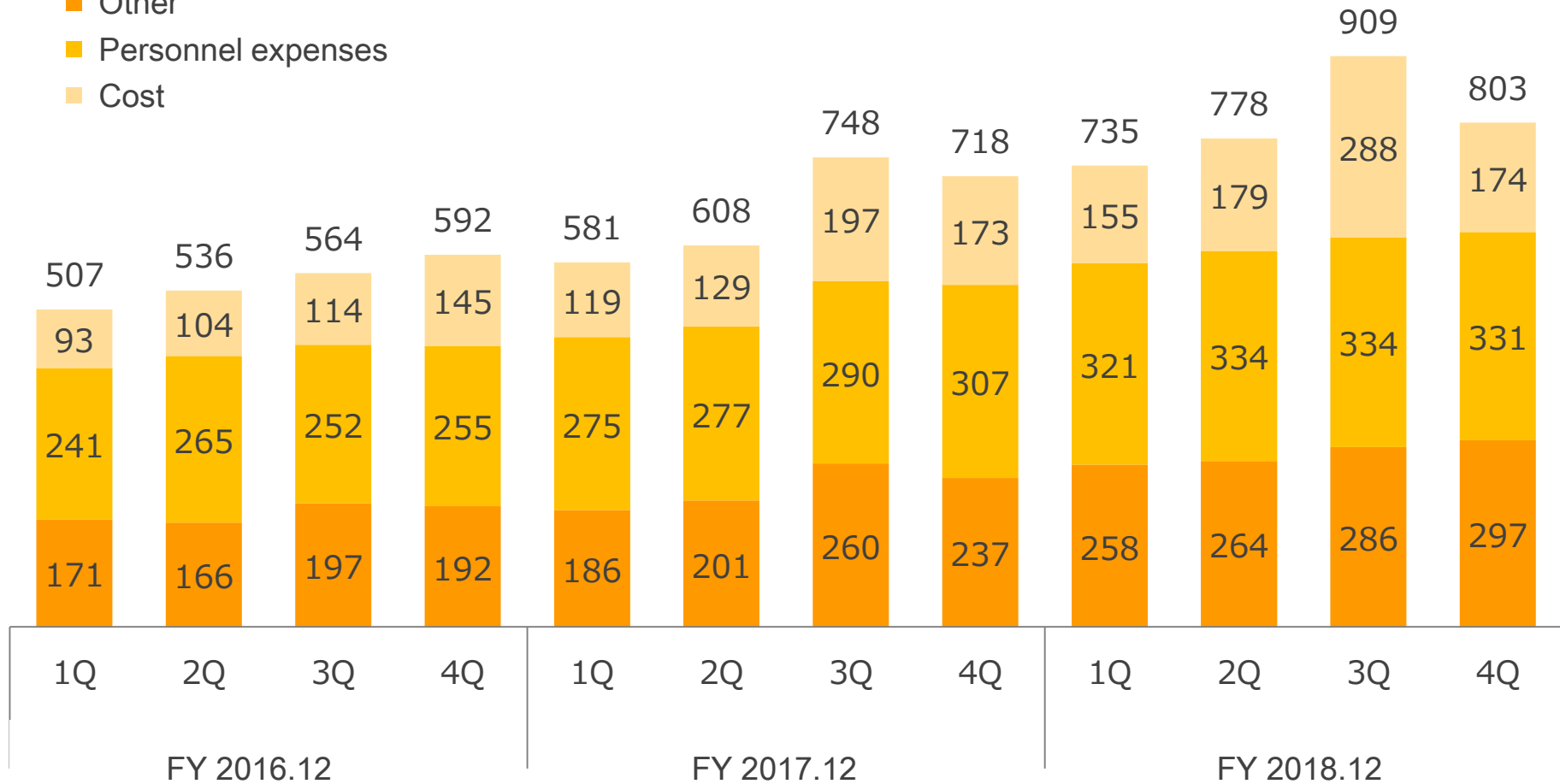
【QoQ】



Quarterly cost trend

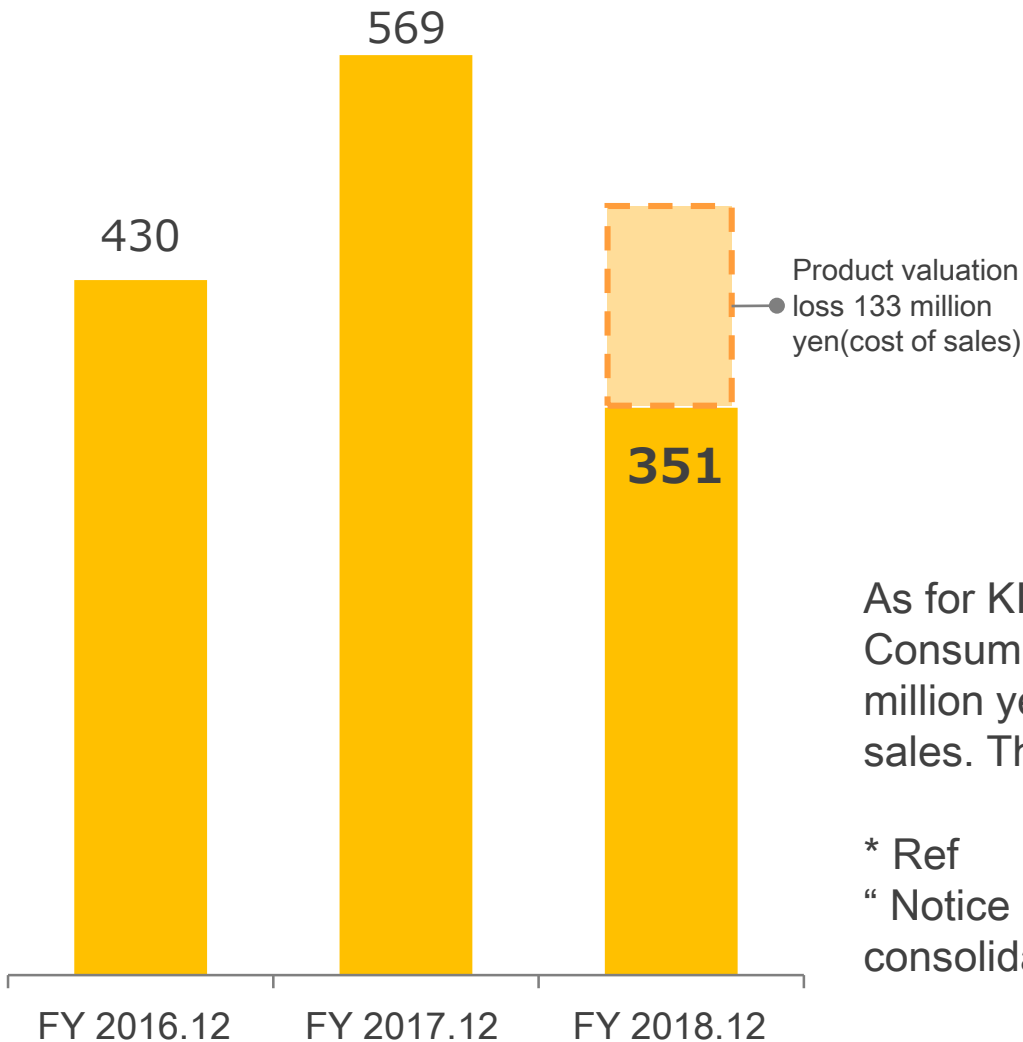
Millions of yen

- Other
- Personnel expenses
- Cost



Operating income

Millions of yen



YoY
-38.2%

As for KISOU & Decollecare sold by MDV Consumer Healthcare Co., Ltd., we recorded 133 million yen of product valuation loss as a cost of sales. The subsidiary is scheduled to withdraw.*

* Ref

“ Notice concerning the abolition of all business of consolidated subsidiary ” Jan 15th

Consolidated statements of income

	FY 2016.12		FY 2017.12		FY 2018.12		
	Result	Sales ratio	Result	Sales ratio	Result	YOY	Sales ratio
Net sales	2,632	100.0%	3,225	100.0%	3,577	110.9%	100.0%
Cost of sales	458	17.4%	619	19.2%	797	128.7%	22.3%
Gross profit	2,174	82.6%	2,606	80.8%	2,779	106.7%	77.7%
SG&A	1,743	66.2%	2,037	63.1%	2,428	119.2%	67.9%
Operating income	430	16.4%	569	17.6%	351	61.8%	9.8%
Ordinary income	415	15.8%	565	17.5%	351	62.3%	9.8%
Net income before income taxes	293	11.2%	547	17.0%	314	57.6%	8.8%
Net income attributable to shareholders	178	6.8%	354	11.0%	69	19.6%	1.9%

Ref. " Notice on Revision of Full-Year Earnings Forecast " on November 12, 2018.

FY 2019.12 Forecast and Business Progress

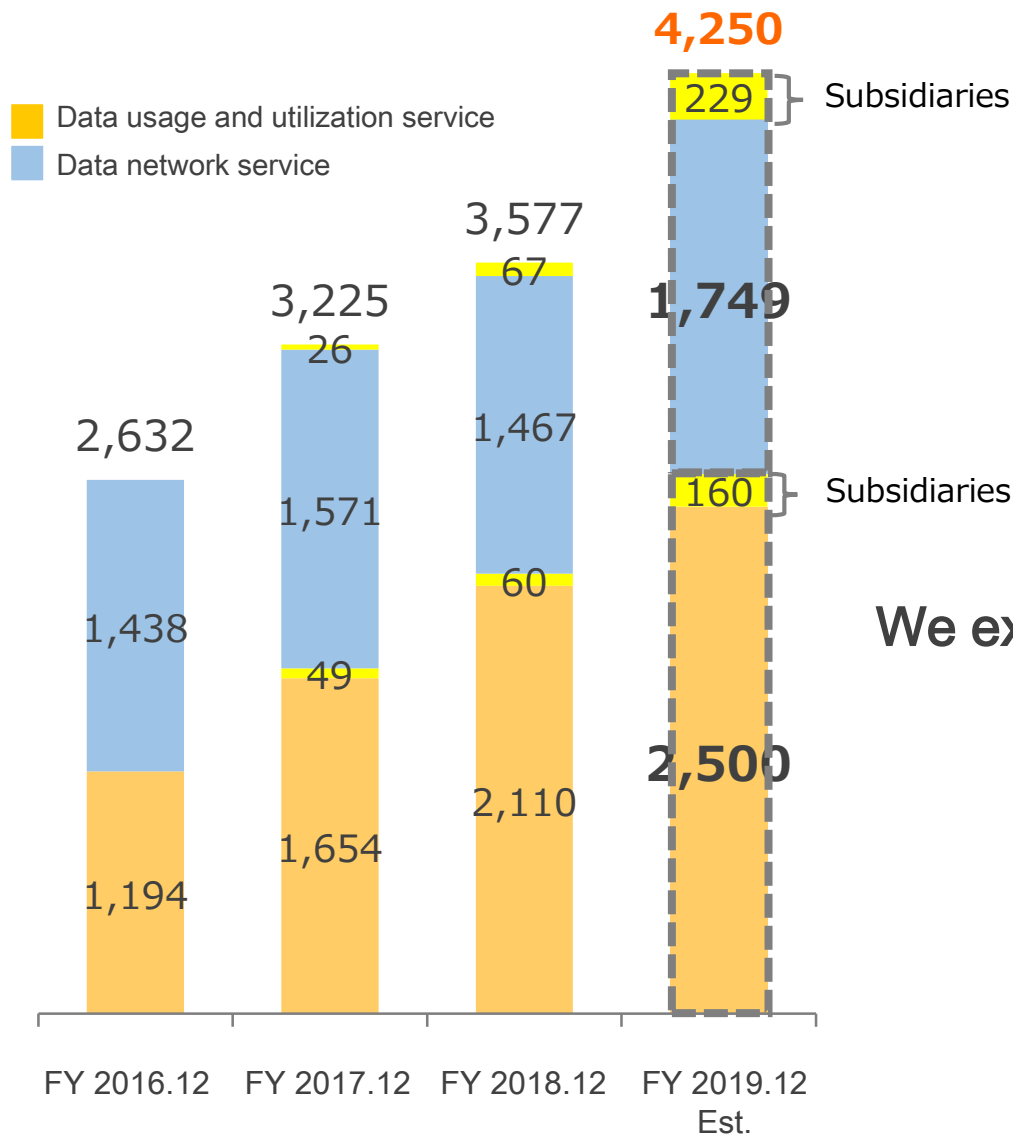
Summary of business outlook

Millions of yen

	FY 2018.12	FY 2019.12 Est.	Increase/ Decrease	YoY
Sales	3,577	4,250	+672	+18.8%
Operating income	351	500	+148	+42.2%
Ordinary income	351	500	+148	+42.1%
Net income	69	279	+209	+302.0%

Sales plan

Millions of yen



YoY
+18.8%

We expect most sales will be realized on
3Q and 4Q
(Ref. P10)

Challenge again

- Begin a new Medical Data Utilization Business -

Expansion of orders for CADA-BOX

New orders from 24 hospitals

*13 revenues will be booked for 2019

Make our key subsidiaries profitable



MDV Trial

Sales : 160mil yen

Profit : 36 mil yen



Doctorbook

Sales : 223mil yen

Profit : 1 mil yen

Expansion of orders for CADA-BOX

Expansion of orders for CADA-BOX

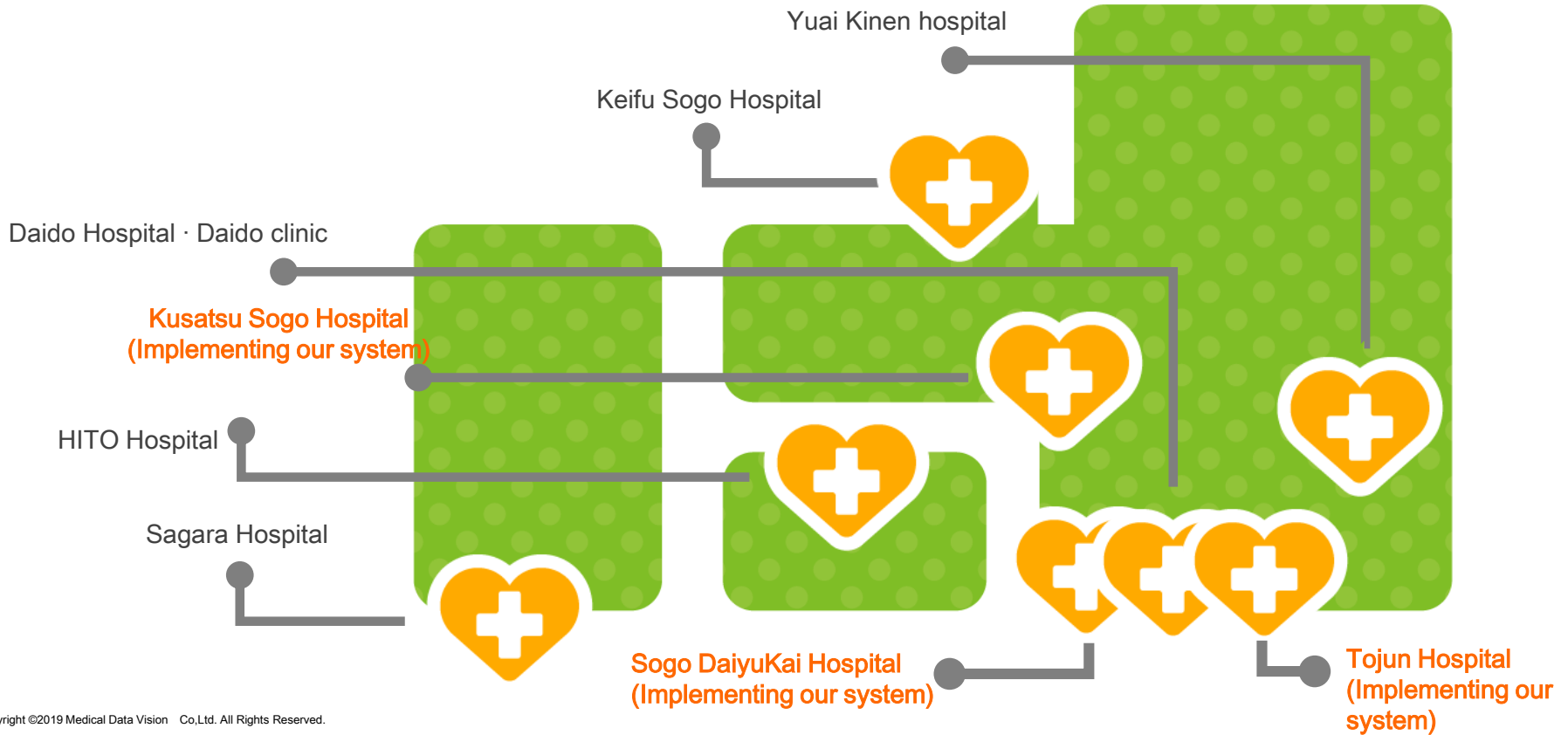
Goal of New Orders for 2019 : 22 hospital

Current Clients

On Implementation : 3 hospitals

Finished implementation : 5 hospitals

* New clients in 2018 is in red letters.



Jisei-Kai Tojun Hospital



Located Adachi-Ku Tokyo, has 164 beds.

Tojun Hospital prides itself on its sophisticated IT infrastructure. In Tojun Hospital, each beds are equipped with a bedside terminal which enable patients to check her medical records or drug information. The hospital has joined "Tokyo Comprehensive Medical Network", an IT network for sharing medical records among hospitals in Tokyo, inNov 2018.



“I believe CADA-BOX will help us to provide better medical services with our patients.If each patient could check and manage her medical records through the Web by Karteco, she could manage her health condition by herself and would further avoids serious illnesses.

If she were hospitalized, she would receive enough and effective medical services, since she would share her medical records with her doctors by Karteco.

CADA payment enables patients to choose their payment method and schedule for their bills. So it will reduce hastles of paying medical bills and increase patient satisfaction as a result.”

- Mr. Masashi Ito, President of Tojun Hospital

Focusing on clients who sympathize with CADA-BOX's concepts

Issues

- Lack of prospective clients
- Lack of facts to show cost effectiveness of our product (necessary for client's decision)

Trend

Organizations with a need of medical information share tend prefer our products and therefore would be potential clients.

Actions

- 80% of visits should be to a new client
- Visit chairpersons or directors

Likely to make contracts with

5 hospitals

Potential clients

Over 40 hospitals

Client acquisition goal for 2019

22 hospitals

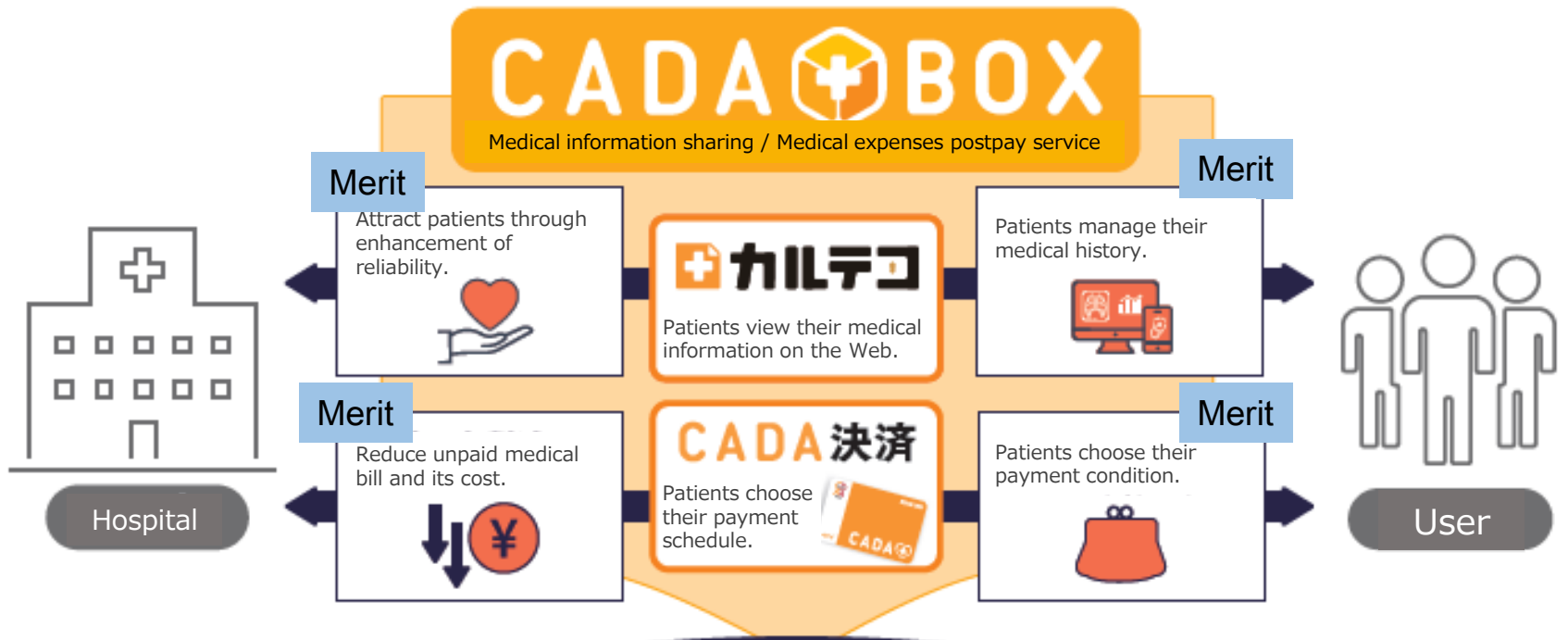
Existing clients

8 hospitals

30

hospitals

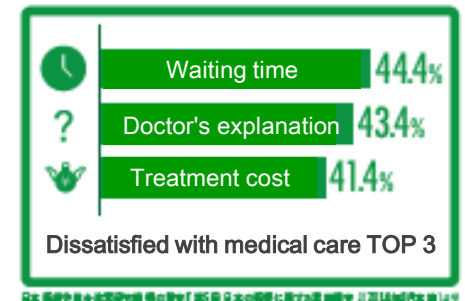
Planning to start a new data business



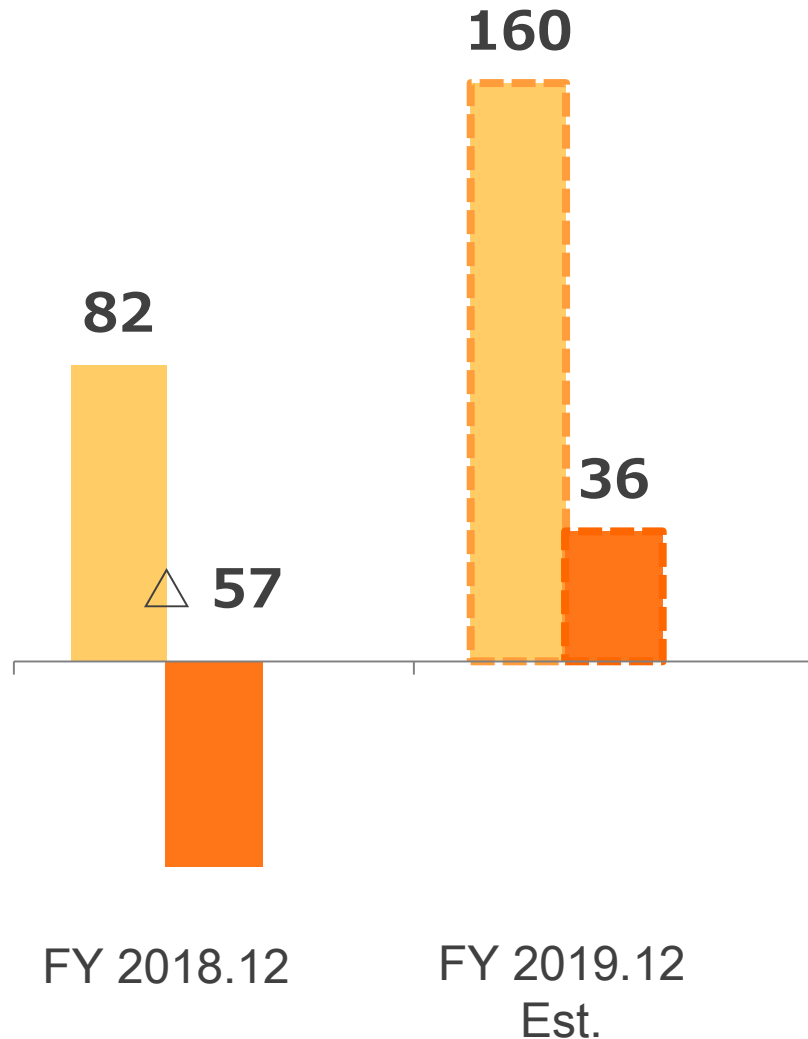
CADA-BOX - An IT system comes with Karteco and CADA payment. Can be linked with medical record systems.



Opt-in real-time data



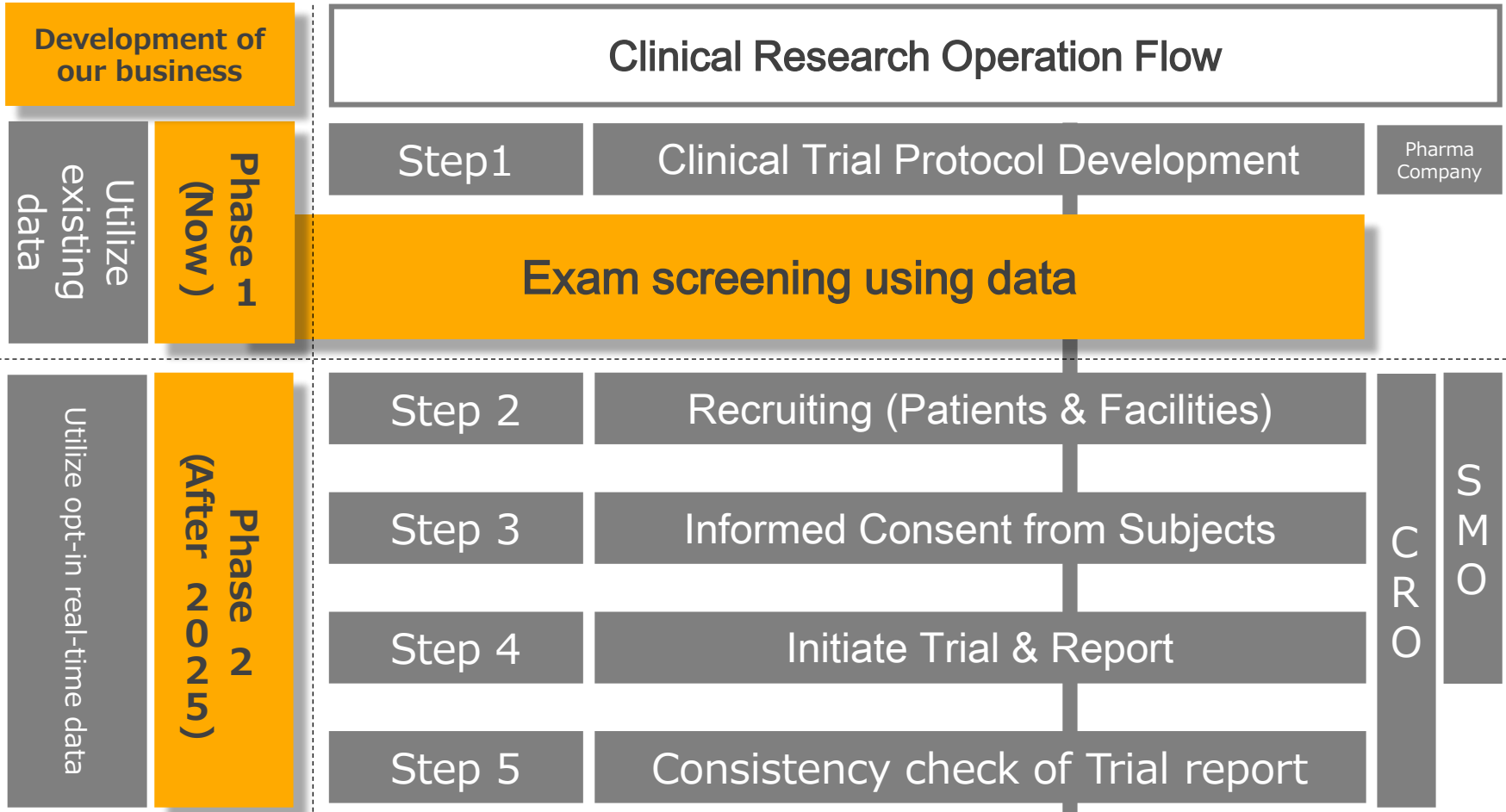
Make our subsidiaries profitable



Data utilization clinical trial business

- Improvement of environment that was behind was completed
- Align with a major clinical trial company
- Start taking orders from clients

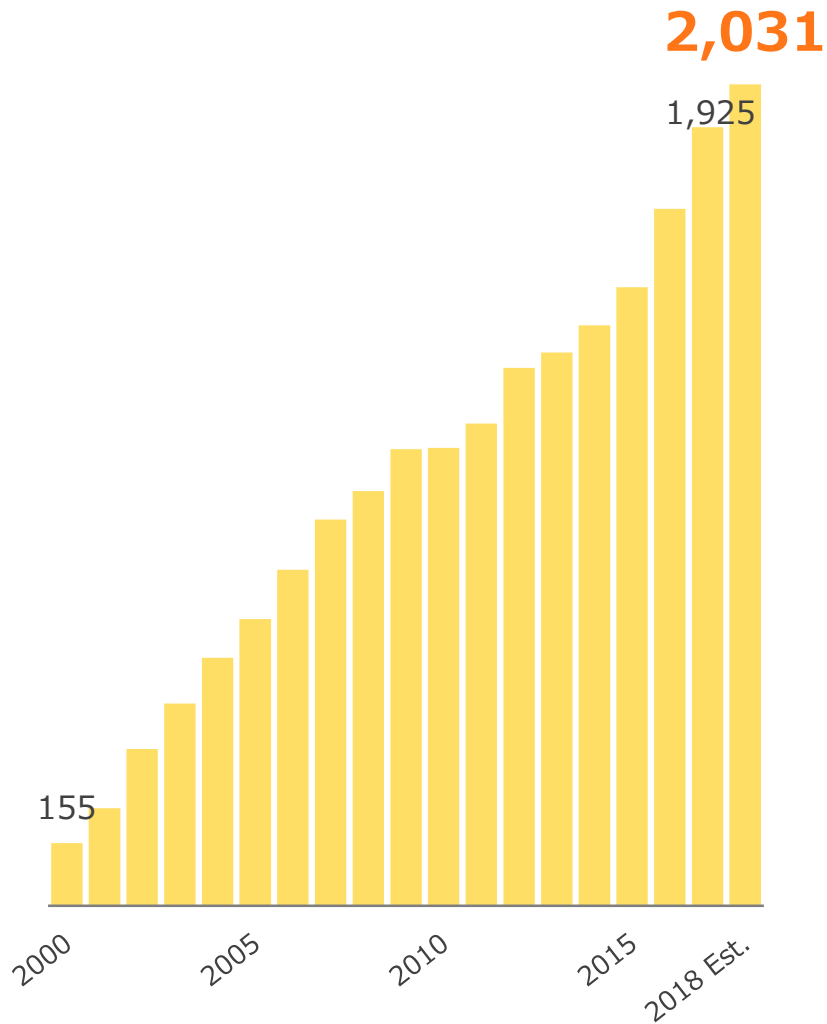
Preparing for rapid and efficient clinical trials using medical big data



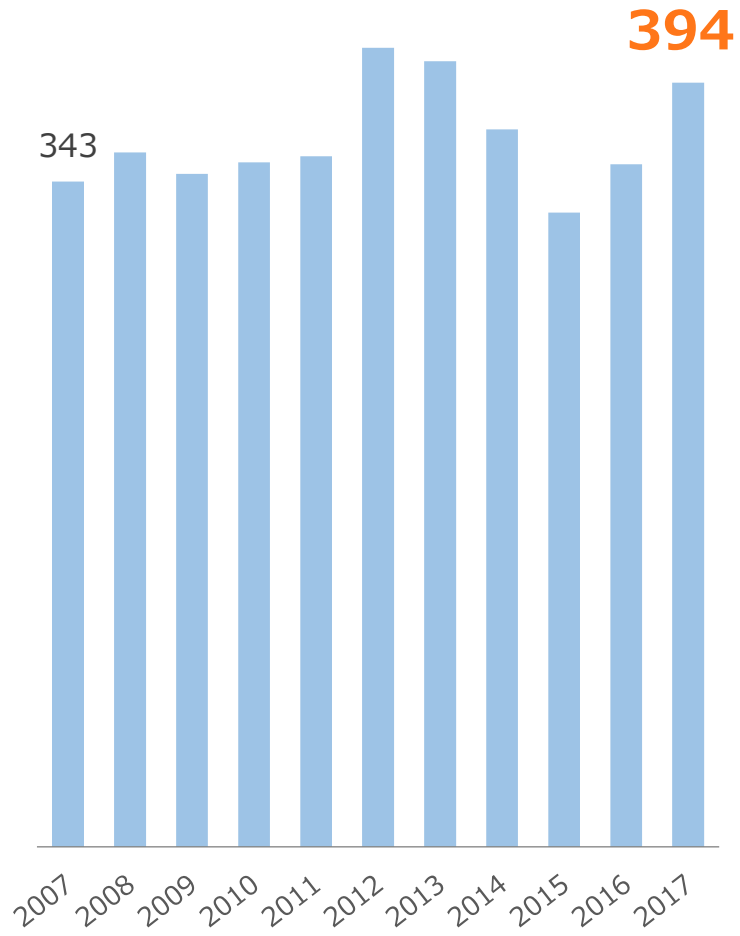
* Opt-in real-time data

Data collected from patients directly, with the consent of data secondary use, collected in real time

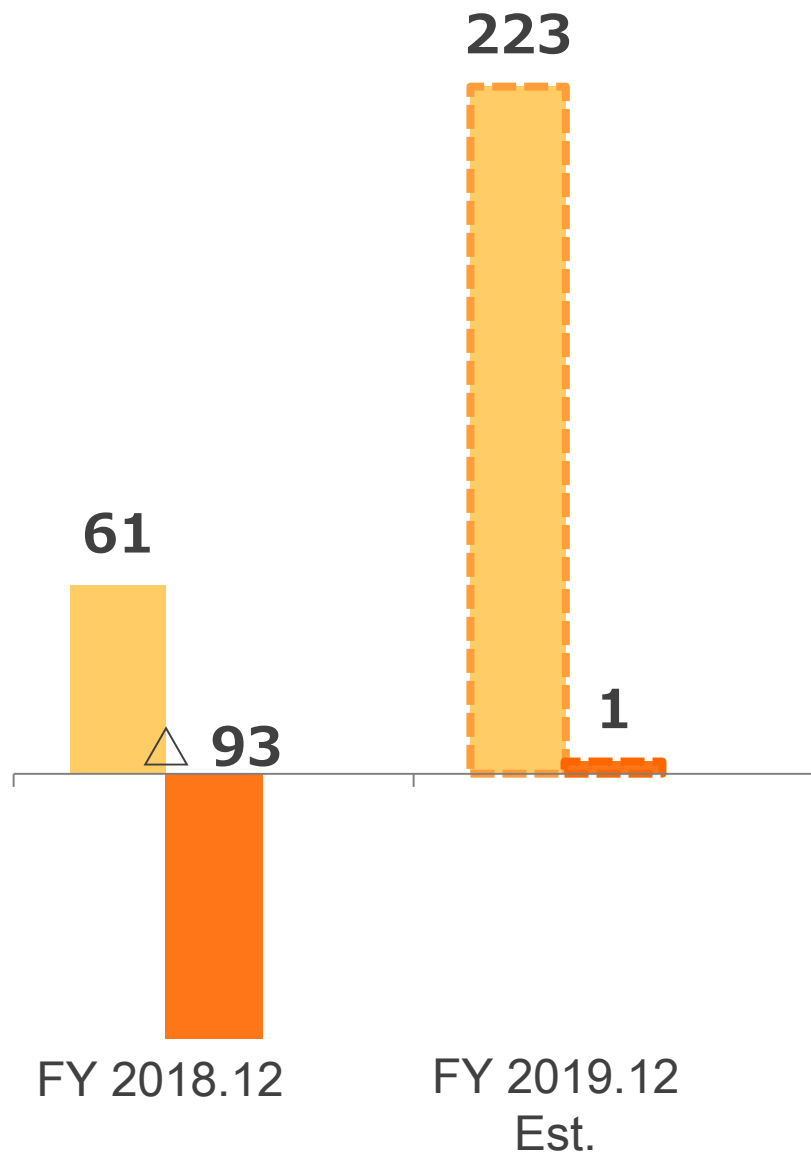
【 Sales of CRO companies】



【Sales of SMO companies】

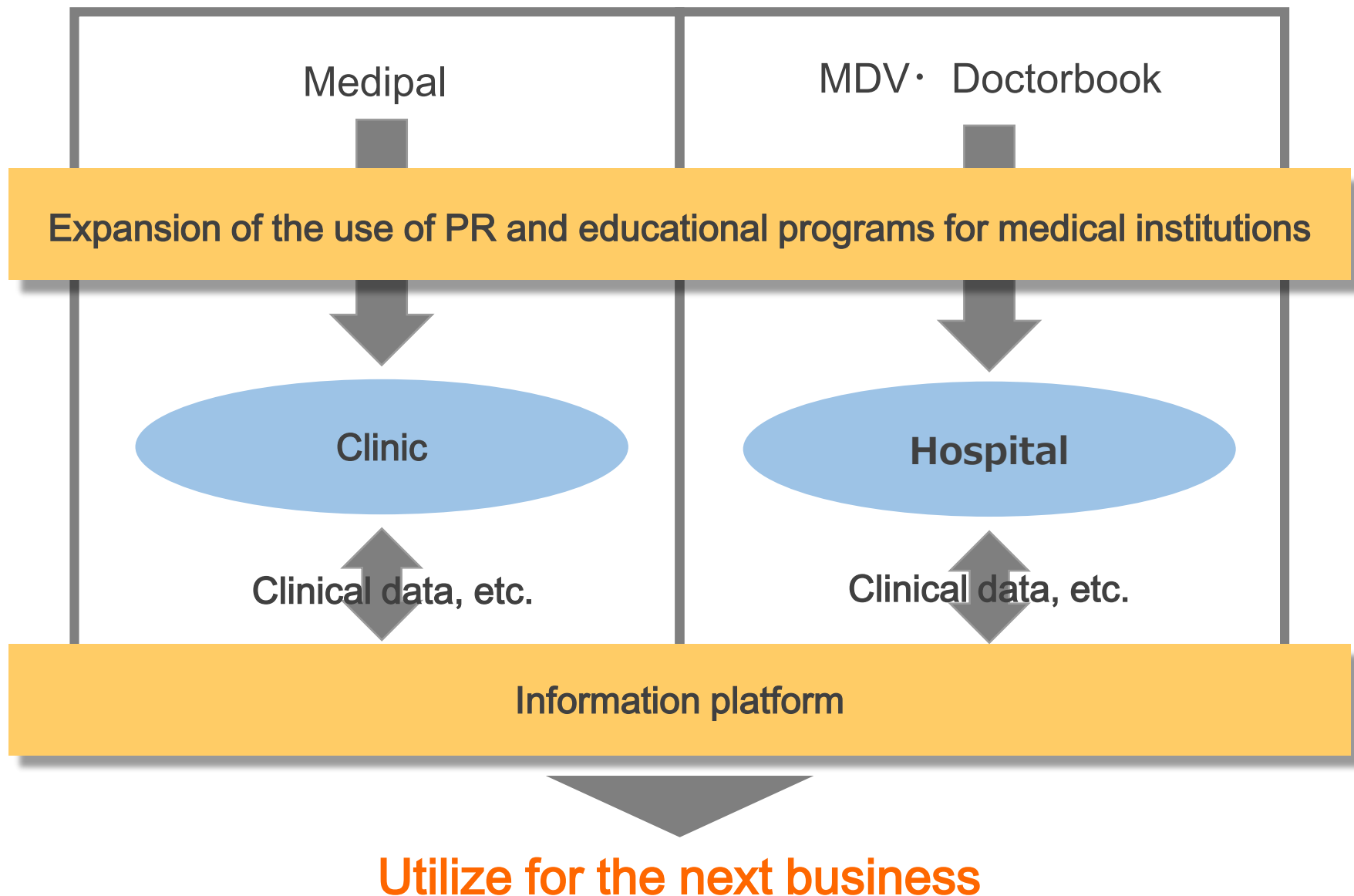


Source: Japan CRO Association 2017 Annual Reports, Japan SMO Association 2018 JASMO Data



Doctor network business

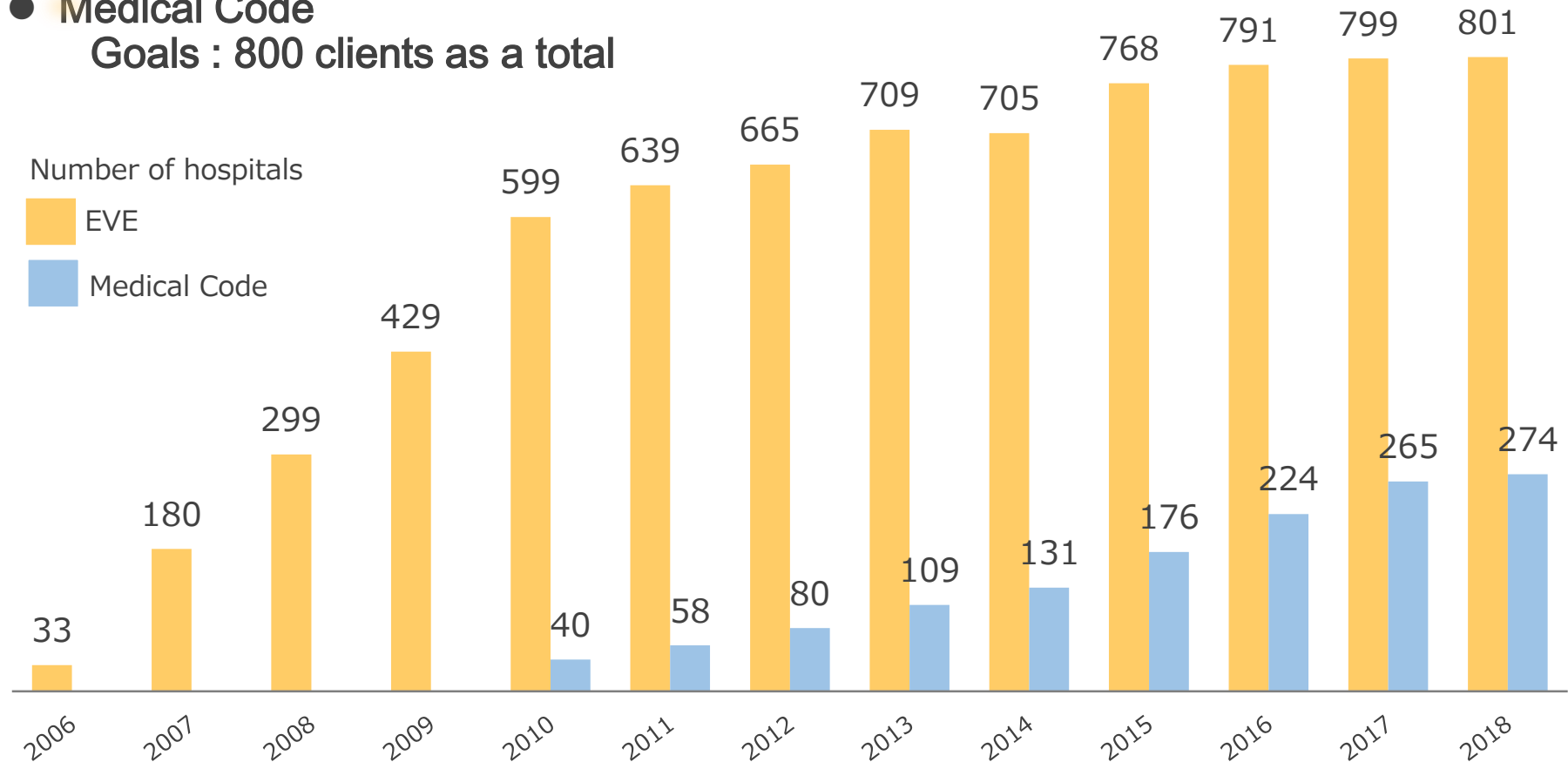
- Sales of PR / educational programs for hospitals
→Alliance with Medipal (Jan 30)
- Development of advisory services for doctors (Examination / Checkup business)
- Increased paid members (dental clinics)
- Increased promotional sales from dental manufacturers



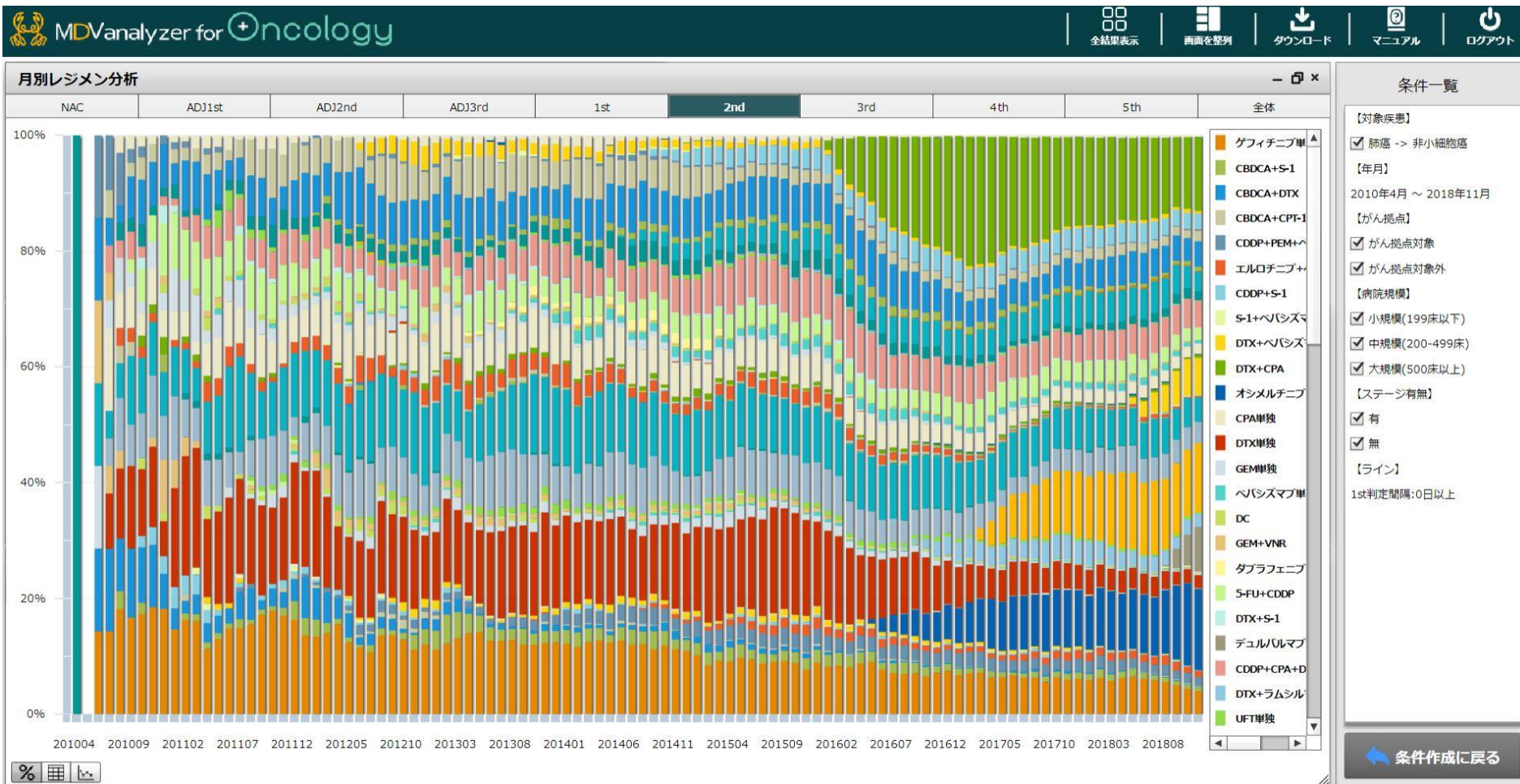
Our existing business

Promote new introduction by MDV salesforce and newly established agency's salesforce

- **EVE**
Maintaining 45% market share
- **Medical Code**
Goals : 800 clients as a total



Launch "MDV analyzer oncology"



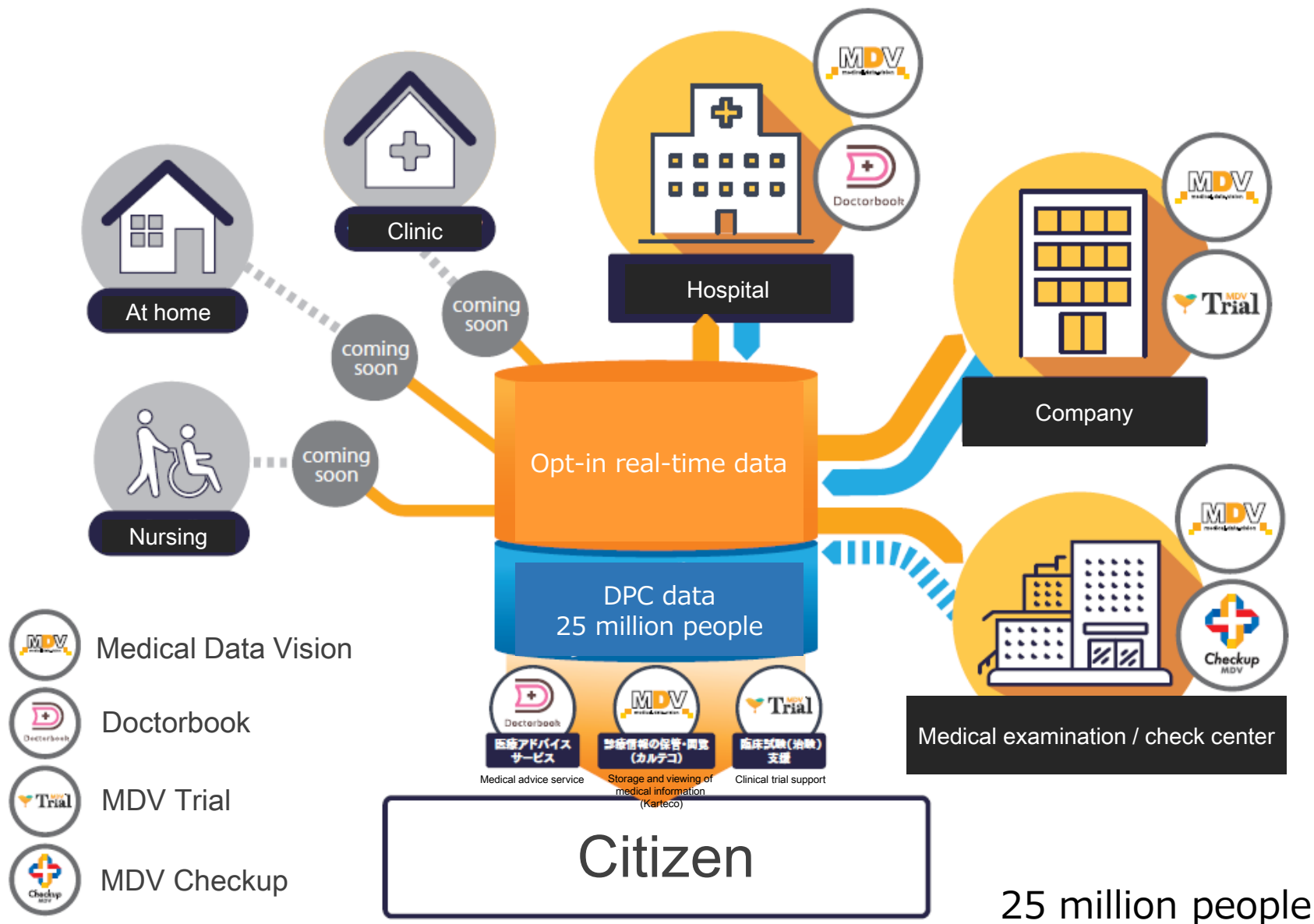
Analysis example

"Regimen analysis": Display the proportion and trend of patients by regimen in each line.

Analysis of trends of anticancer drug therapy by monthly progress with latest data.

Group strategy

Unify and utilize medical and health data



25 million people

Contacts

<https://www.mdv.co.jp/contactus/form.php?classification=7>

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