



Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2022 [Japanese GAAP]

May 12, 2022

Company name: Medical Data Vision Co., Ltd. Listing: Tokyo Stock Exchange
Securities code: 3902 URL <https://www.mdv.co.jp/>
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Scheduled date to file quarterly report: May 13, 2022
Scheduled date to commence dividend payments: -
Preparation of supplementary material on quarterly financial results : Yes
Holding of quarterly financial results briefing : Yes (for institutional investors and analysts)

1. Consolidated financial results for the first quarter of the fiscal year ending December 31, 2022 (from January 1, 2022 to March 31, 2022)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First quarter of FY ending December 31, 2022	1,511	-	470	-	461	-	313	-
First quarter of FY ended December 31, 2021	1,429	37.1	454	98.4	453	98.5	309	103.7

(Note) Comprehensive income First quarter of fiscal year ending December 31, 2022 314 million yen [-%]
First quarter of fiscal year ended December 31, 2021 316 million yen [108.3%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First quarter of FY ending December 31, 2022	8.17	8.17
First quarter of FY ended December 31, 2021	7.86	-

(Note) 1. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) and related implementation guidance have been applied from the beginning of the fiscal year ending December 2022. Consolidated earnings for the 1st quarter of the fiscal year ending December 2022, therefore, are the amount after applying such accounting standard and related implementation guidance, presenting no change from the previous corresponding period.

2. Diluted earnings per share for the three months ended March 31, 2021 are not presented as there are no potential shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of March 31, 2022 (1Q FY2022)	4,446	2,960	65.3
As of December 31, 2021 (FY2021)	5,534	4,205	75.1

(Reference) Equity As of March 31, 2022 2,902 million yen
As of December 31, 2021 4,156 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended December 31, 2021	-	0.00	-	5.60	5.60
FY ending December 31, 2022	-				
FY ending December 31, 2022 (forecast)		0.00	-	6.00	6.00

(Note) Revision of the latest released dividend forecast : None

3. Consolidated earnings forecasts for the fiscal year ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

(Percentages indicate year-on-year changes)

Full year	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	6,300	-	1,599	-	1,600	-	1,098	-	28.74

- (Notes) 1. Revision of the latest released earnings forecasts : None
 2. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) and related implementation guidance have been applied from the beginning of the fiscal year ending December 2022. The above consolidated earnings forecasts therefore are the amount after applying such accounting standard and related implementation guidance, presenting no year-on-year changes.
 3. The Company purchased 763,400 treasury shares from January 1, 2022 to January 25, 2022 based on the resolution of the Board of Directors held on December 22, 2021. Basic earnings per share for the consolidated earnings forecasts takes into account the impact of the purchase of treasury shares.

* Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2022 (changes in specified subsidiaries resulting in changes in scope of consolidation) : None
 Newly included: - companies (Company name) , Excluded: - companies (Company name)

- (2) Application of special accounting treatment to the preparation of quarterly consolidated financial statements : None

- (3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations : Yes
 (ii) Changes in accounting policies other than (i) above : None
 (iii) Changes in accounting estimates : None
 (iv) Restatement : None

(Notes) For more details, please refer to “(3) Notes to quarterly consolidated financial statements (Change in accounting policies) in 2. Quarterly consolidated financial statements and Key notes” on page 4 of the attached materials.

- (4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)	As of March 31, 2022	40,027,526 shares	As of December 31, 2021	40,027,526 shares
(ii) Number of treasury shares at the end of the period	As of March 31, 2022	1,830,678 shares	As of December 31, 2021	1,067,278 shares
(iii) Average number of shares outstanding during the period (cumulative quarterly period)	First quarter of FY ending December 31, 2022	38,348,612 shares	First quarter fiscal year ended December 31, 2021	39,402,919 shares

* Quarterly financial results reports are exempt from a quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in this material are based on information currently available to the Group and on certain assumptions deemed to be reasonable.

2. Quarterly consolidated financial statements and key notes

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	Previous fiscal year (December 31, 2021)	Current first quarter (March 31, 2022)
Assets		
Current assets		
Cash and deposits	3,221,790	1,936,055
Accounts receivable - trade	1,058,670	520,106
Raw materials	11,253	7,813
Other	235,643	276,664
Allowance for doubtful accounts	-2,268	-2,295
Total current assets	4,525,088	2,738,344
Non-current assets		
Property, plant and equipment	140,061	133,980
Intangible assets		
Software	5,088	4,248
Goodwill	222,367	686,447
Other	192	192
Total intangible assets	227,649	690,888
Investments and other assets		
Other	667,835	909,096
Allowance for doubtful accounts	-25,927	-25,756
Total investments and other assets	641,907	883,339
Total non-current assets	1,009,618	1,708,208
Total assets	5,534,706	4,446,553
Liabilities		
Current liabilities		
Accounts payable - trade	97,266	85,664
Income taxes payable	400,206	57,081
Contract liabilities	—	911,029
Provision for bonuses	28,858	12,624
Other	717,227	334,118
Total current liabilities	1,243,559	1,400,518
Non-current liabilities		
Asset retirement obligations	72,509	72,583
Other	12,778	12,789
Total non-current liabilities	85,288	85,373
Total liabilities	1,328,848	1,485,891
Net assets		
Shareholders' equity		
Share capital	992,661	992,661
Capital surplus	1,763,567	1,763,567
Retained earnings	2,879,722	2,488,351
Treasury shares	-1,479,444	-2,341,975
Total shareholders' equity	4,156,506	2,902,604
Non-controlling interests	49,351	58,056
Total net assets	4,205,858	2,960,661
Total liabilities and net assets	5,534,706	4,446,553

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

(Quarterly consolidated statement of income)

(Three-month period)

(Thousands of yen)

	Previous first quarter (From January 1, 2021 to March 31, 2021)	Current first quarter (From January 1, 2022 to March 31, 2022)
Net sales	1,429,768	1,511,330
Cost of sales	268,250	251,978
Gross income	1,161,518	1,259,352
Selling, general and administrative expenses	706,836	789,128
Operating income	454,681	470,223
Non-operating income		
Interest income	14	15
Reversal of allowance for doubtful accounts	326	171
Other	8	47
Total non-operating income	349	234
Non-operating expenses		
Commission expenses	1,324	9,343
Other	9	—
Total non-operating expenses	1,334	9,343
Ordinary income	453,696	461,114
Extraordinary losses		
Loss on retirement of non-current assets	542	—
Total extraordinary losses	542	—
Net income before income taxes	453,153	461,114
Income taxes – current	116,562	48,491
Income taxes – deferred	19,967	97,955
Total income taxes	136,530	146,446
Net income	316,623	314,667
Net income attributable to non-controlling interests	7,031	1,382
Net income attributable to owners of parent	309,591	313,285

(Quarterly consolidated statement of comprehensive income)
 (Three-month period)

(Thousands of yen)

	Previous first quarter (From January 1, 2021 to March 31, 2021)	Current first quarter (From January 1, 2022 to March 31, 2022)
Net income	316,623	314,667
Comprehensive income	316,623	314,667
Comprehensive income attributable to:		
Owners of parent	309,591	313,285
Non-controlling interests	7,031	1,382

(3) Notes to quarterly consolidated financial statements

(Notes to assumptions for on-going concerns)
Not applicable

(Notes to substantial changes in the amount of shareholders' equity)

The Company acquired 763,400 shares of treasury stock based on a resolution of a meeting of the Board of Directors held on December 22, 2021. Due to this acquisition, treasury stock increased by 862,530 thousand yen during the first quarter of the consolidated fiscal year under review to close at 2,341,975 thousand yen at the end of the same period under review.

(Changes in accounting policies)

(Application of the Accounting Standard for Revenue Recognition, etc.)

The Company has applied the "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020; hereinafter referred to as "Revenue Recognition Accounting Standard"), etc. from the beginning of the first quarter of the consolidated fiscal year under review. Accordingly, the Company recognizes revenue at the time when control over promised goods or services is transferred to customers, in an amount equal to the consideration expected to be received for the said goods or services.

Regarding major changes caused by applying the Revenue Recognition Accounting Standard, revenue under some contracts for data utilization services was previously recognized by category specified in the contract according to the service provided; however, the method for recognizing revenue has been changed and revenue is recorded pro rata over the contract period according to the performance obligation for data delivery or for each data delivery.

In applying the Revenue Recognition Accounting Standard, etc., the Company has followed the transitional treatment stipulated under the proviso of Paragraph 84 of Revenue Recognition Accounting Standard, adjusting retained earnings at the beginning of the first quarter of the consolidated fiscal year under review to account for the cumulative effects of the retrospective application of the new accounting policy prior to that time, and applying the new accounting policy from the adjusted balance.

As a result, "Net sales" for the first quarter of the current fiscal year increased by 299,958 thousand yen, "Selling, general and administrative expenses" decreased by 1,783 thousand yen, and "Operating income," "Ordinary income" and "Net income before income taxes and minority interests" increased by 301,741 thousand yen each. In addition, the balance of "Retained earnings" at the beginning of the fiscal year under review decreased by 486,478 thousand yen.

"Unearned revenue," which was included in "Other" under "Current liabilities" in the Consolidated Balance Sheets for the previous fiscal year, is presented as "Contract liabilities" from the first quarter of the fiscal year under review due to the adoption of revenue recognition accounting standards, etc. And, in accordance with the transitional treatment set out in Paragraph 89-2 of the Revenue Recognition Accounting Standard, the figures for the previous consolidated fiscal year have not been reclassified using the new method of presentation. Furthermore, in accordance with the transitional treatment set forth in Paragraph 28-15 of the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12, March 31, 2020), the information on disaggregation of revenue from contracts with customers for the first quarter of the previous consolidated fiscal year are not presented.