

FY2019 3Q Financial Results

Medical Data Vision Co,Ltd.
(Code: 3902)

Nov 11th, 2019



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Target for FY2019

**Expand orders for
CADA-BOX**

**Achieved 22 new clients
(Sales from 13 clients are
included in FY2019 sales)**

**Make our key subsidiaries
profitable**



**MDV
Trial**

**Sales: JPY 160 mil
Profit: JPY 36 mil**



Doctorbook




**Sales: JPY 223 mil
Profit: JPY 1 mil**





FY2019 3Q Financial Summary



Good Point

- ❑ **Both 3Q sales and 3Q profit reached record high**
Sales: 114.7% YoY
Operating income: Recovered from deficit and recorded JPY 461 mil operating income  P7~
- ❑ **Ad hoc survey on data utilization services grew significantly**
130.5% YOY  P14
- ❑ **MDV Trial achieved profitability in FY3Q target**  P15

Bad Point

- ❑ **Not likely to achieve CADA-BOX's target order for 22 hospitals**  P8、23
- ❑ **Subsidiaries could not achieve enough new orders**  P8、15、25

Financial Summary

Unit: million yen

	FY2017 3Q	FY2018 3Q	FY2019 3Q	YoY	FY2019 Old Forecast*	FY2019 Revised Forecast *	Progress Rate (Compared with revised forecast)
Sales	2,109	2,403	2,757	114.7%	4,250	3,840	71.8%
Operating Income	171	-18	461	—	500	650	71.1%
Operating Margin	8.1%	—	16.8%	—	11.8%	16.9%	—

* The full-year consolidated forecast for the fiscal year ending December 2019 has been revised as stated above from the forecast announced on February 12, 2019, as disclosed on November 11, 2019.

[Sales]

- **CADA-BOX's target order has not been met**
Affects approximately JPY -240 mil of sales
We saw CADA-BOX sales would be JPY 300 mil, which could not be achieved this year.

- **Subsidiaries could not achieve enough new orders (Doctorbook, MDV Trial)**
Affects approximately JPY -116 mil of sales
 - Doctorbook: The dental field, an existing service, performed well. For the new medical field, since we are focusing on acquiring a doctor account, we have determined that it is difficult to achieve the prospected sales target.
 - MDV Trial : Orders for clinical trials using data have started to progress. Because collecting electronic medical record data delayed, we see the sales targets could not be achieved.

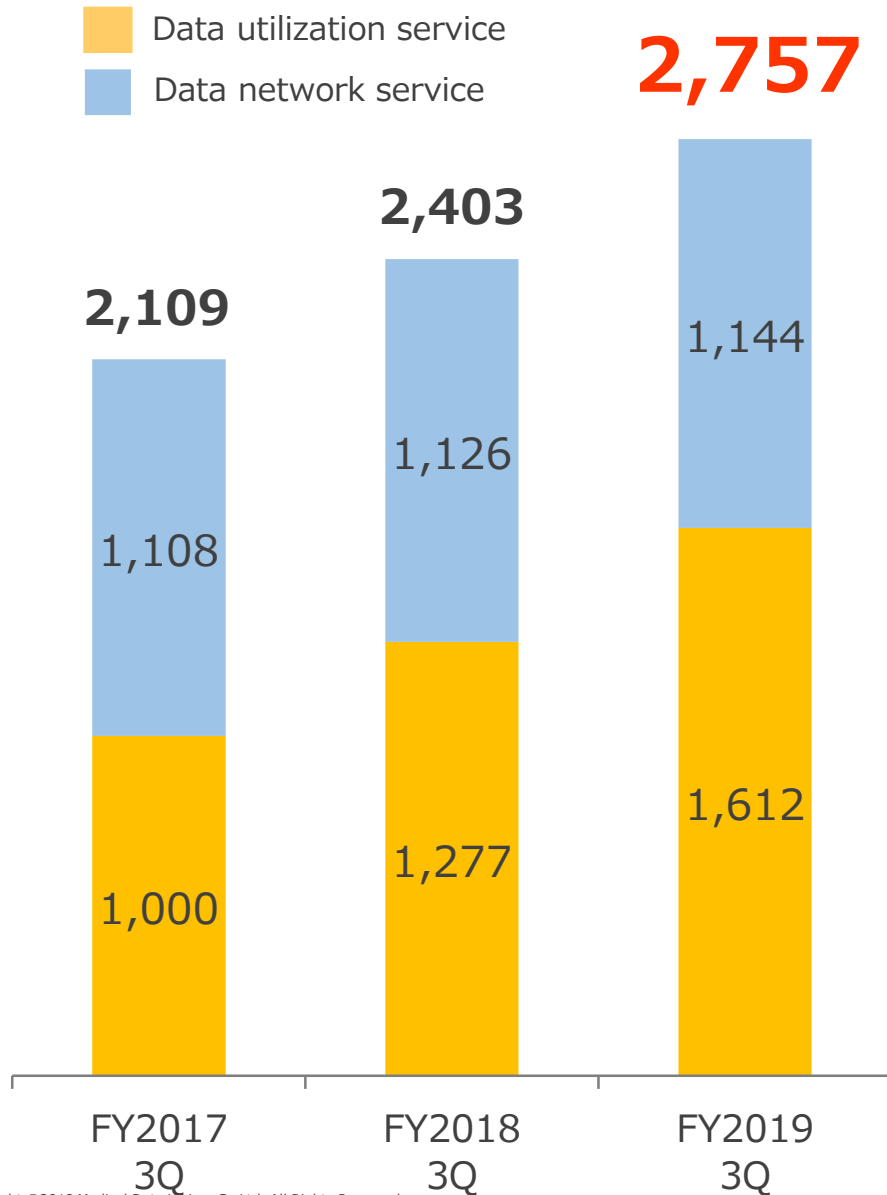
[Profit]

- **Increased ad hoc survey projects with high profitability for data utilization services**

- **Reduced labor costs by improving employee productivity**

Sales

Unit: million yen



YoY
114.7%

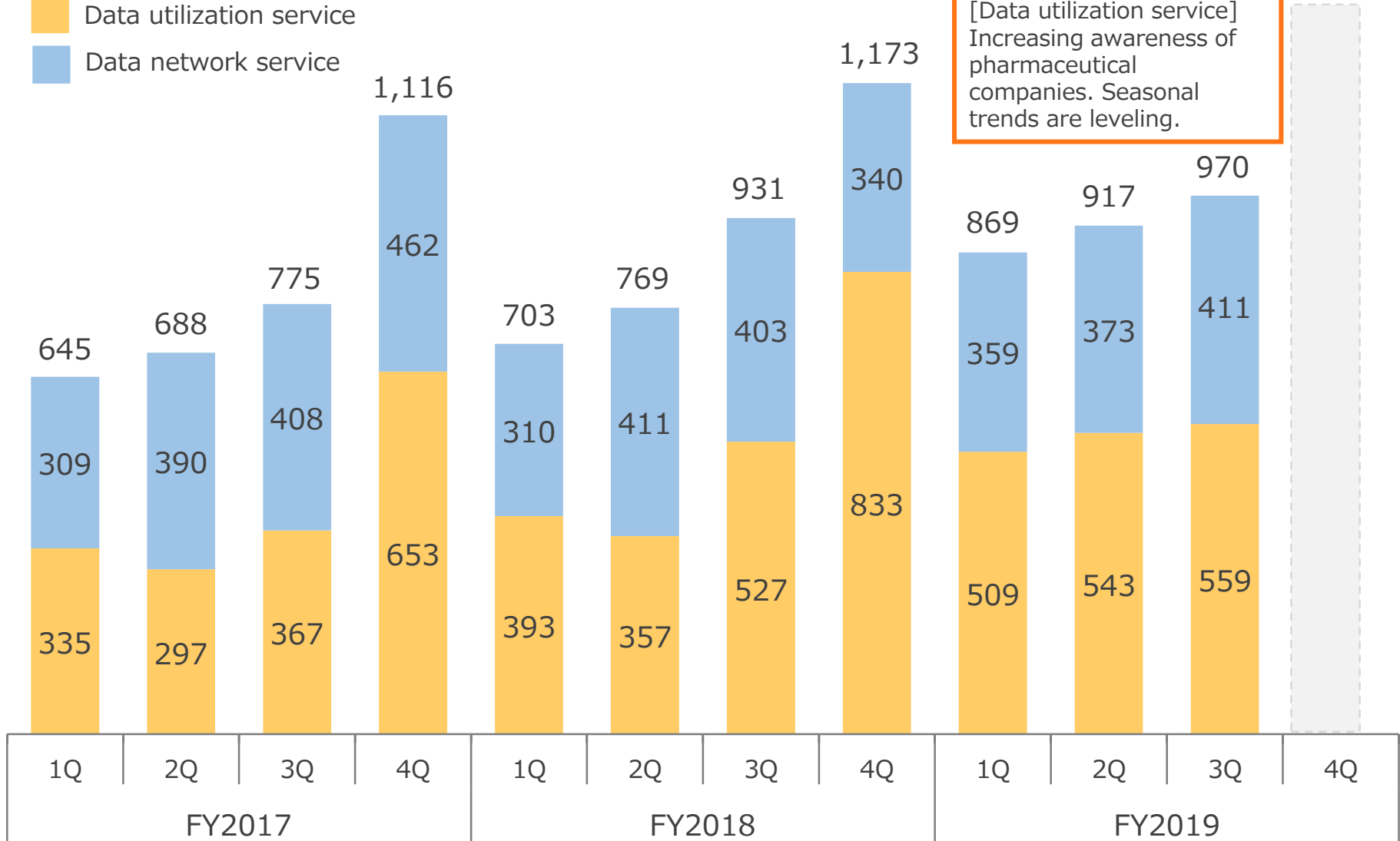
Quarterly sales trends

Unit: million yen

(Grey charts does NOT indicate our expected results.)

- Data utilization service
- Data network service

[Data utilization service]
Increasing awareness of pharmaceutical companies. Seasonal trends are leveling.

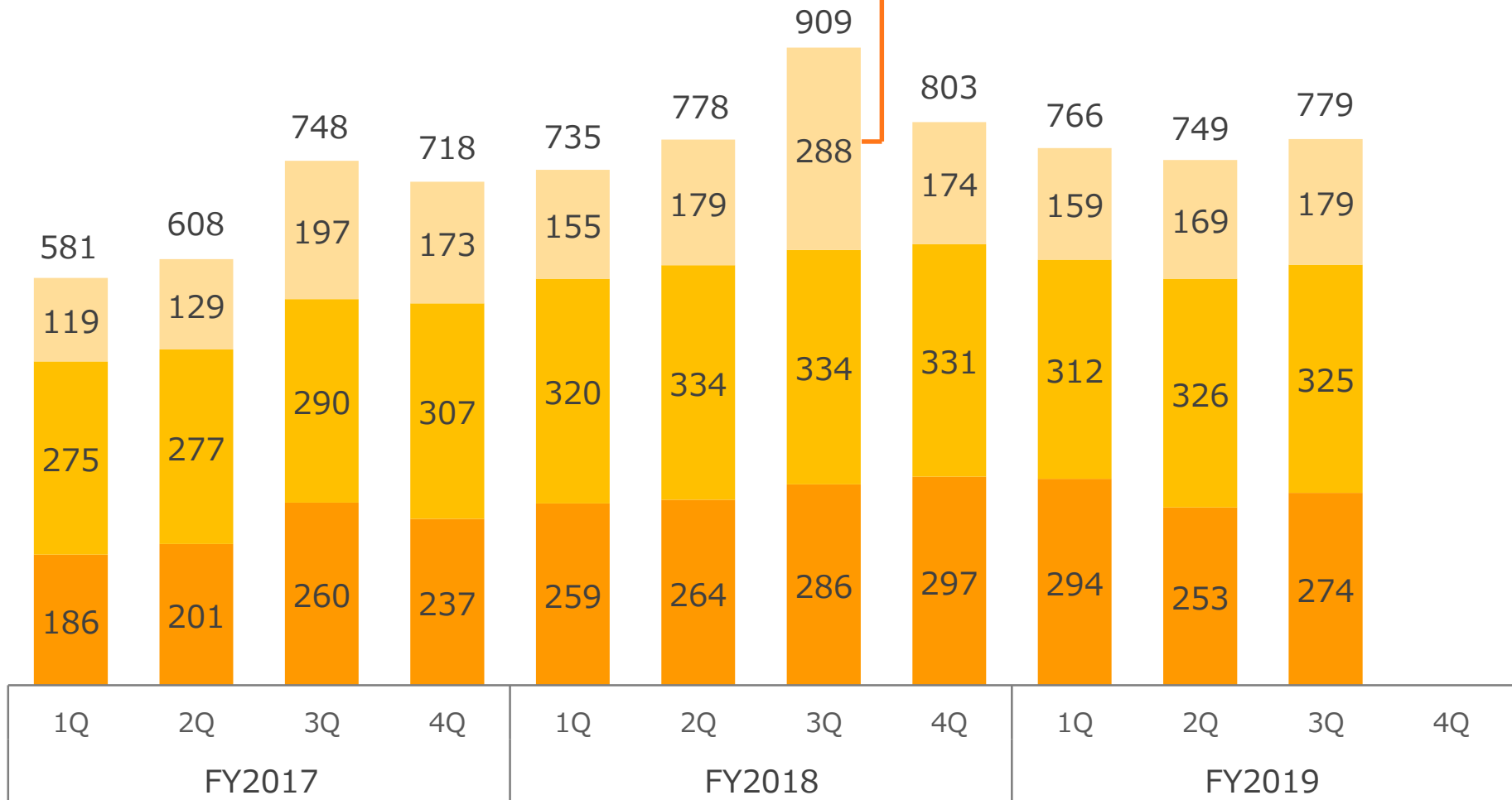


Quarterly Cost Trend

Unit: million yen

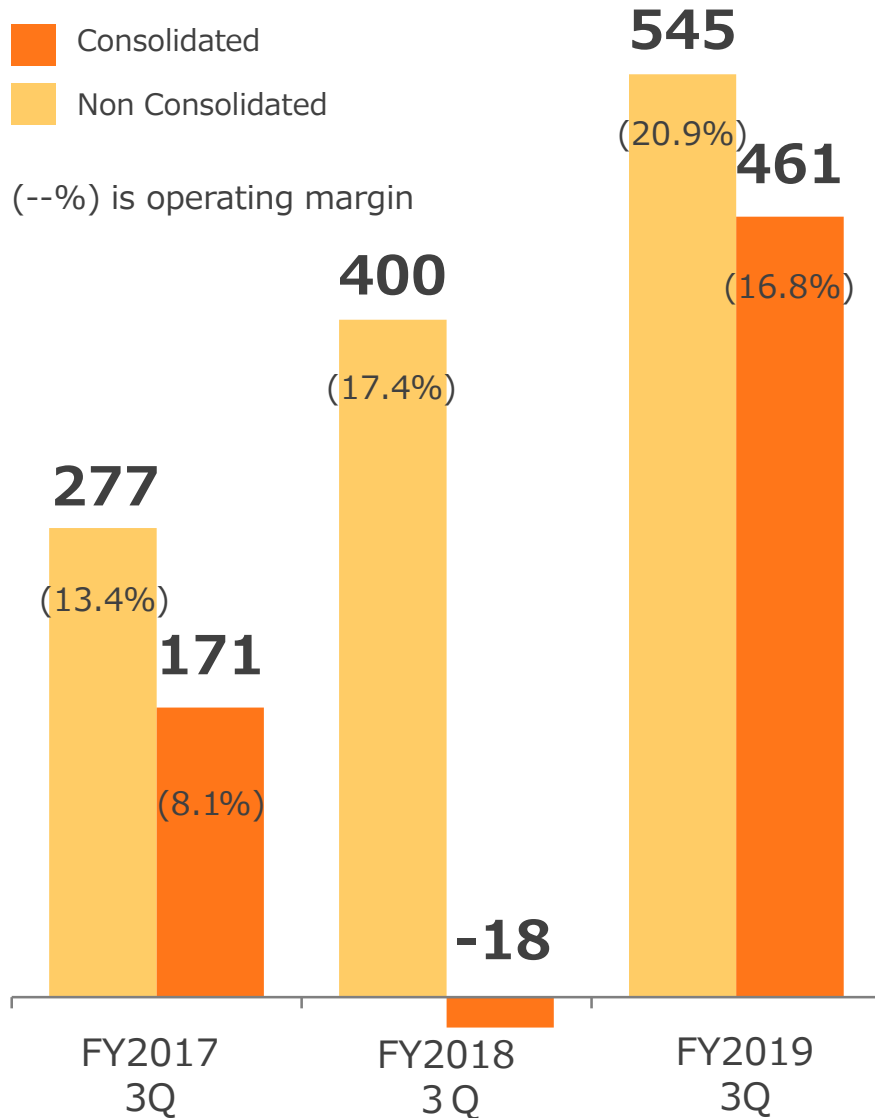
- Cost
- Labor costs
- other expenses

[Cost]
Recorded a JPY 133 mil of loss on valuation of products related to MDV Consumer Healthcare.



Operating Income

Unit: million yen



Both consolidated and non consolidated income marked record high

Data utilization with high profit margin contributed well.

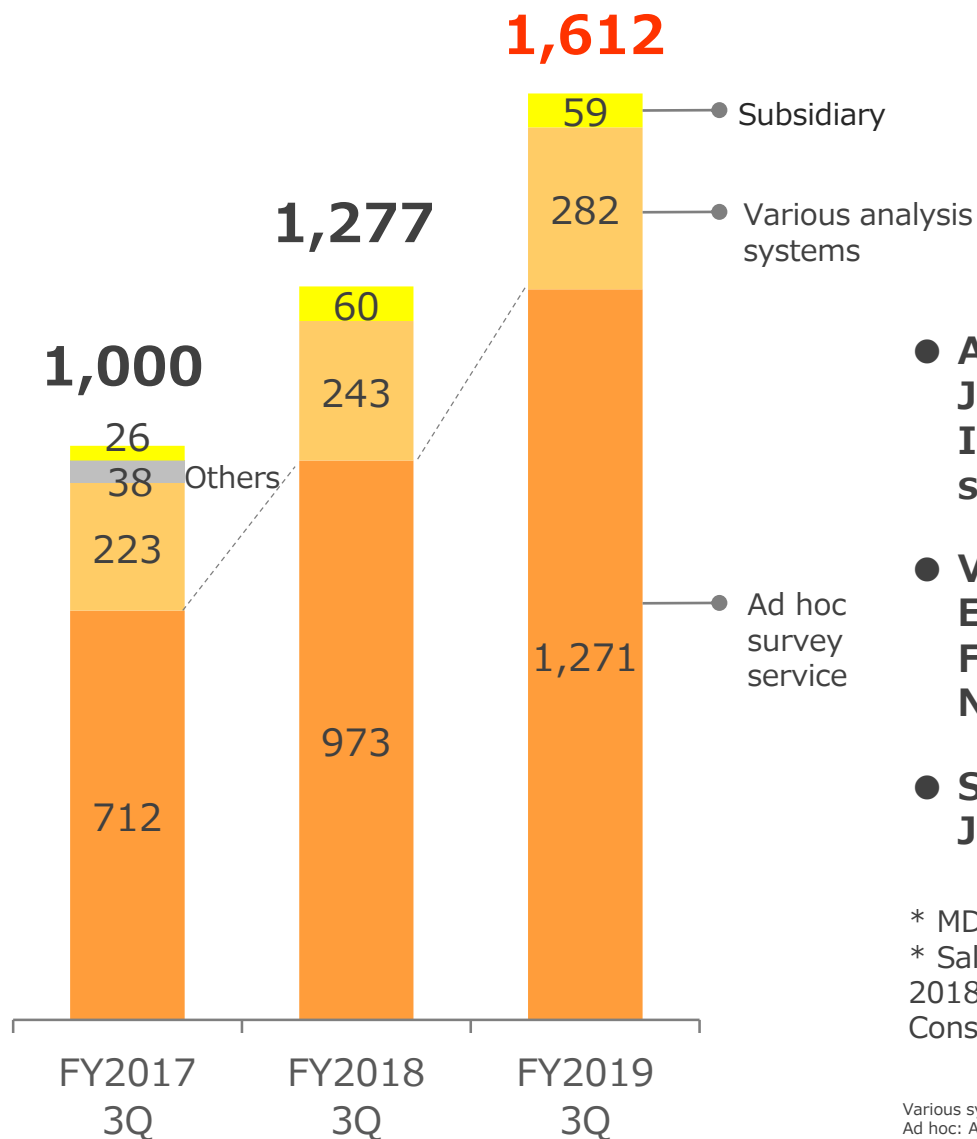
[Consolidated subsidiaries]

- From Apr 2015: CADA (CADA payment)
- From Jan 2017: Doctorbook (dentist networking)
- From Feb 2017: MDV Consumer Healthcare (discontinued)
- From Jul 2017: MDV Trial (Clinical trial)
- From Jan 2018: MDV New Connect (IT system)

Data utilization service

Data utilization service (consolidated results)

Unit: million yen



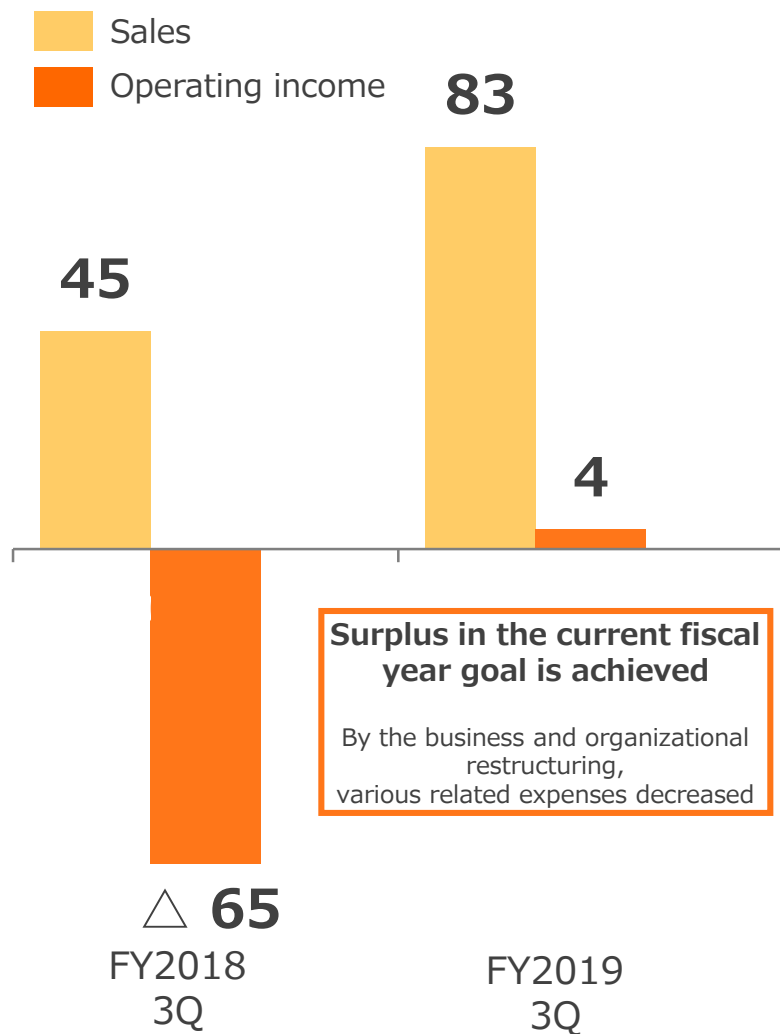
YoY 126.3%

- **Ad hoc survey service**
JPY 1,271 mil (YoY 130.5%)
Increased orders received and improved sales force capabilities
- **Various analysis systems:**
Existing: 3Q19, was 17 on FY2018 3Q,
FY2018 was 19
New : 3Q +1 (Switched to large ad hoc research project)
- **Subsidiary (MDV Trial)**
JPY 54 mil (YoY 122.9%)

* MDV Trial has been consolidated from 3Q 2017
* Sales in 3Q 2017 includes JPY 3 mil of sales and that of 3Q 2018 includes sales of JPY 15 mil. Both sales are from MDV Consumer Healthcare, already discontinued.

Various systems: Annual usage fee 20 million yen per company, etc.
Ad hoc: Average unit price 3.5 to 4 million yen per project, but the price varies greatly depending on the number of man-hours
Subsidiaries: MDV trial, MDV consumer health care (As announced on 2019 Jan 15, the business will be abolished)

Unit: million yen

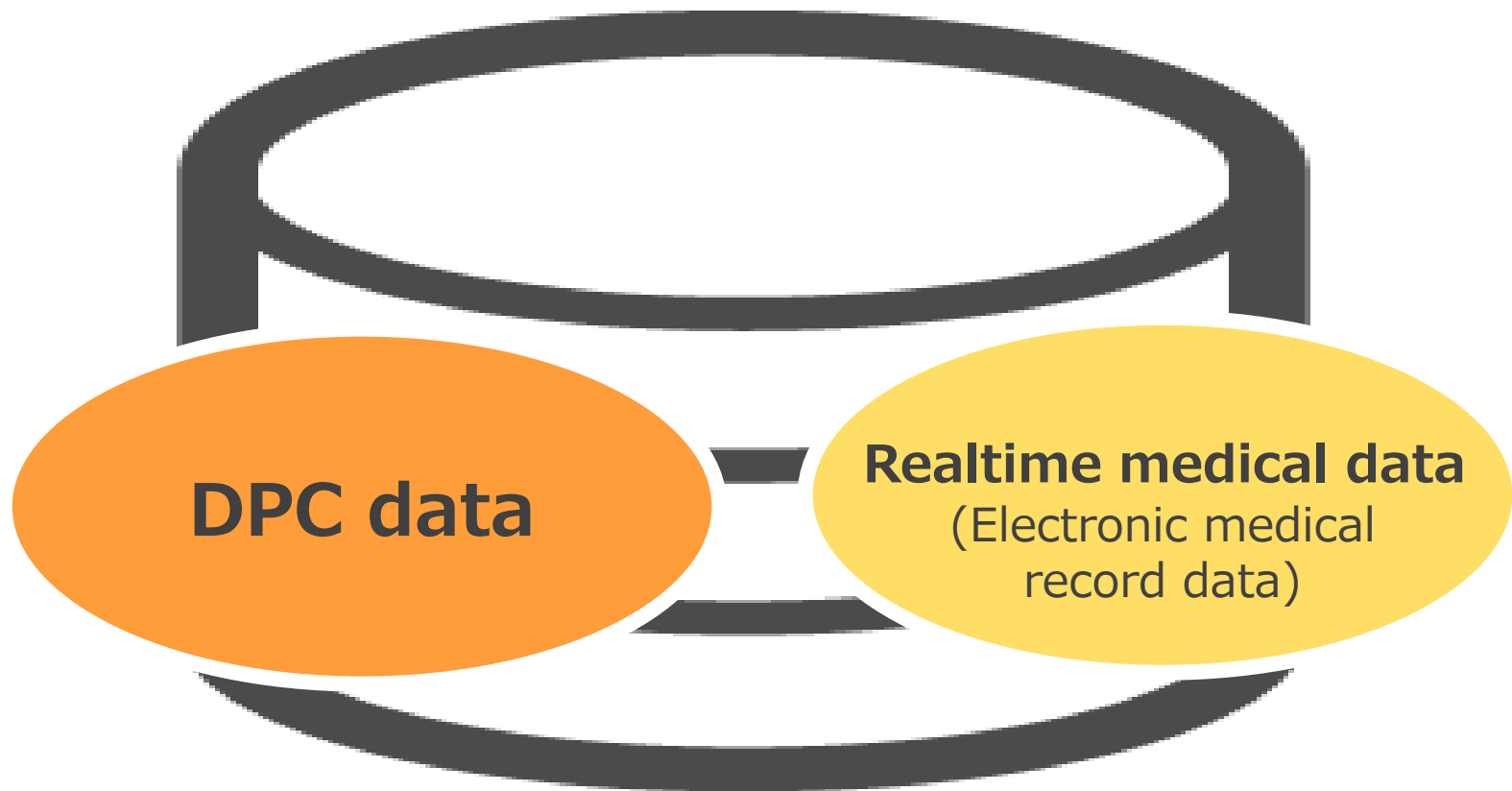


Data utilization clinical trial business

[FY 2019 Revised Forecast]
Sales: JPY 116 mil (formerly JPY 160 mil)
Operating income: JPY 8 mil (formerly JPY 36 mil)

Start getting orders for clinical trials using data from 3Q

2 types of medical data that MDV can use



DPC data

More than 29 million patients

* DPC (Diagnosis Procedure Combination) * is a comprehensive evaluation system for medical fees for acute hospitalization. Hospitals in the DPC system are obliged to submit their records to the Ministry of Health, Labor and Welfare. In prescribed format. DPC data is a collective term for these various types of submitted data. In DPC data, the name of the inpatient, treatment / surgery, medication information, etc. can be found on a daily basis.

Realtime medical data (electronic medical record data) that can be used under a comprehensive data usage contract * with a hospital

About **800,000** patients

* Comprehensive data usage contract is to provide anonymous processing information of medical information in the electronic medical record system to MDV continuously in real time, and MDV agrees to use it and makes a contract thing.

Features of medical data

	Electronic medical record data (Hospital / Outpatient data)	DPC data (Mainly hospitalization data)	Receipt data (Medical remuneration statement)
Information that can be acquired			
Gender / Age	○	○	○
Disease name	○	○	○
Medication information	○	○	○
Surgery and treatment information	○	○	○
Severity	○	○	×
Inspection results	○	△ (Partially available)	×
Image	○	×	×
Vital	○	×	×
Observation	○	×	×
Patient completeness	○	○	△ (Has less data for 65 years and older patients)
Realtime	○	×	×
Patient tracking	×	×	△ (Only health insurance association data can be tracked)

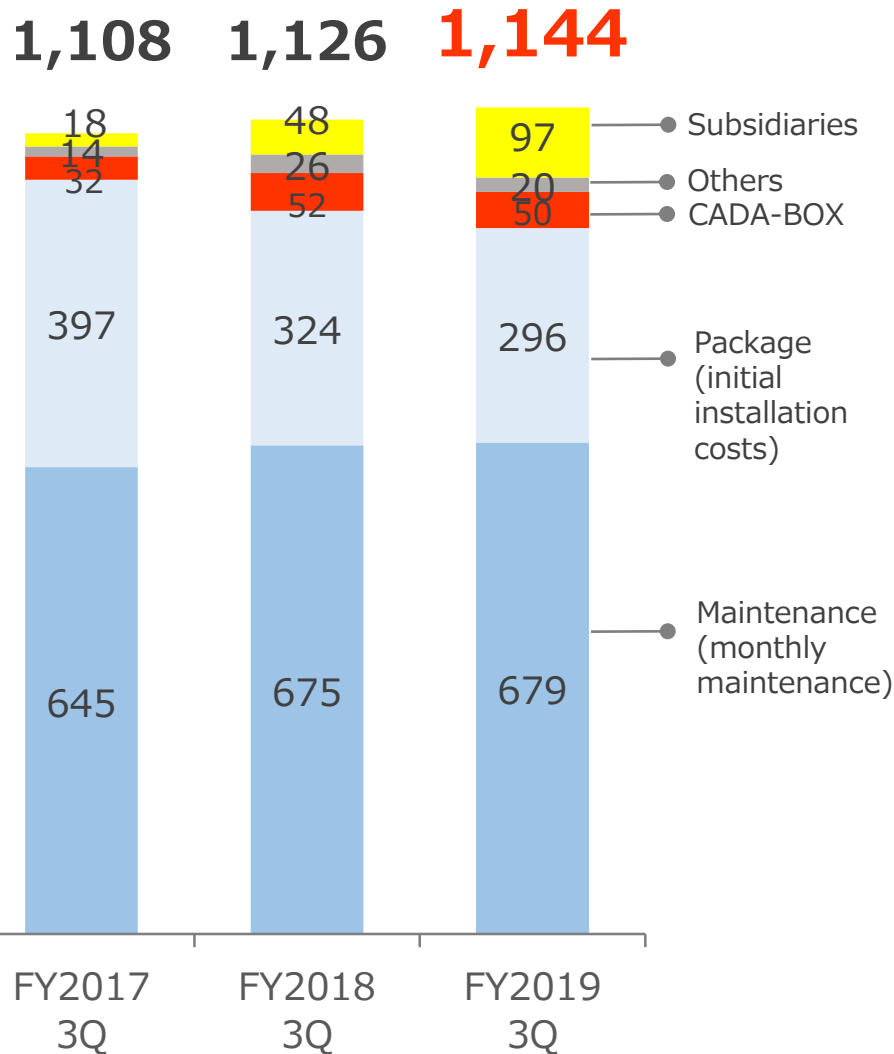
Considering realtime medical data acquisition through a comprehensive data usage contract with a hospital

Scheduled to launch a new service in FY2020

Data Network Service

Data Network Service (consolidated results)

Unit: million yen



YoY 101.6%

Number of clients in FY2019 3Q

- CADA-BOX

Existing: 3Q was 8, Previous year 7

New: 3Q total was 1 (2Q total: 1), Previous year 0

- EVE

Existing: 3Q was 800, Previous year was 802, End of FY2018 was 801

New: 3Q total was 19 (2Q total was 9), Previous year was 21

- Medical Code

Existing: 3Q was 277, Previous year was 273, End of FY2018 was 274

New: 3Q total was 20 (2Q total was 13), Previous year was 21

- Subsidiaries (mainly Doctorbook)

JPY 89 mil (220.1% YoY)

* Doctorbook has been consolidated from 1Q 2017

Package: Mainly "EVE" and "Medical Code" initial installation costs ("EVE": 4 million yen, "Medical Code": 8.2 million yen)

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

Subsidiaries: Doctorbook, CADA, MDV New Connect

Keep Approaching Prospective Clients in the second half

Got order

Hospitals: 2 (would receive another new orders in 3Q)
Regional medical associations: 1

Likely to get order

Hospitals: 2

Approaching

Hospitals: 6
Community medical associations: 3

Total orders

Hospitals: 9
Community medical associations: 1

FY 2019 Sales goal

Hospitals: 22
(Difficult to achieve the goal of this term)

Introduction status of hospital systems

【Points and Goals】

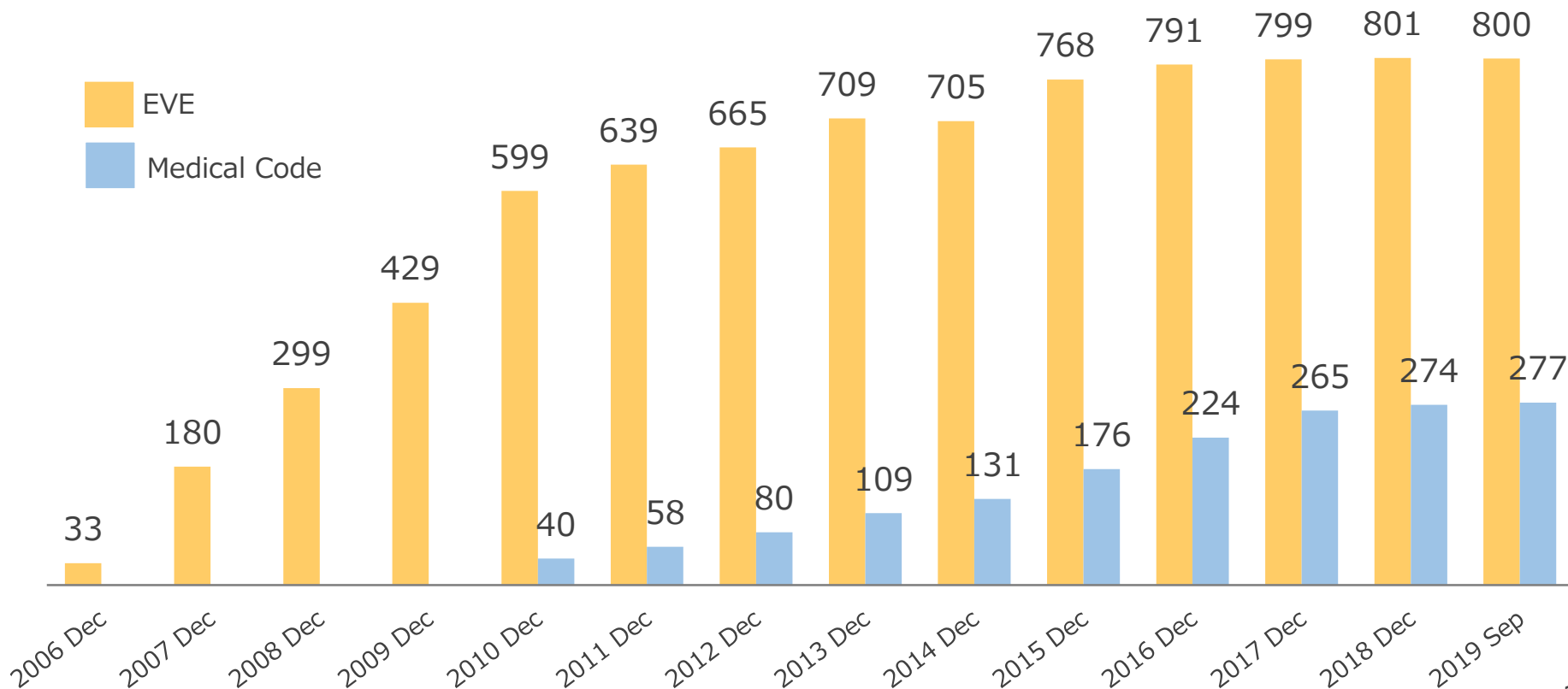
Unit: hospital

□ EVE

Maintain about 45% share of EVE among DPC hospitals

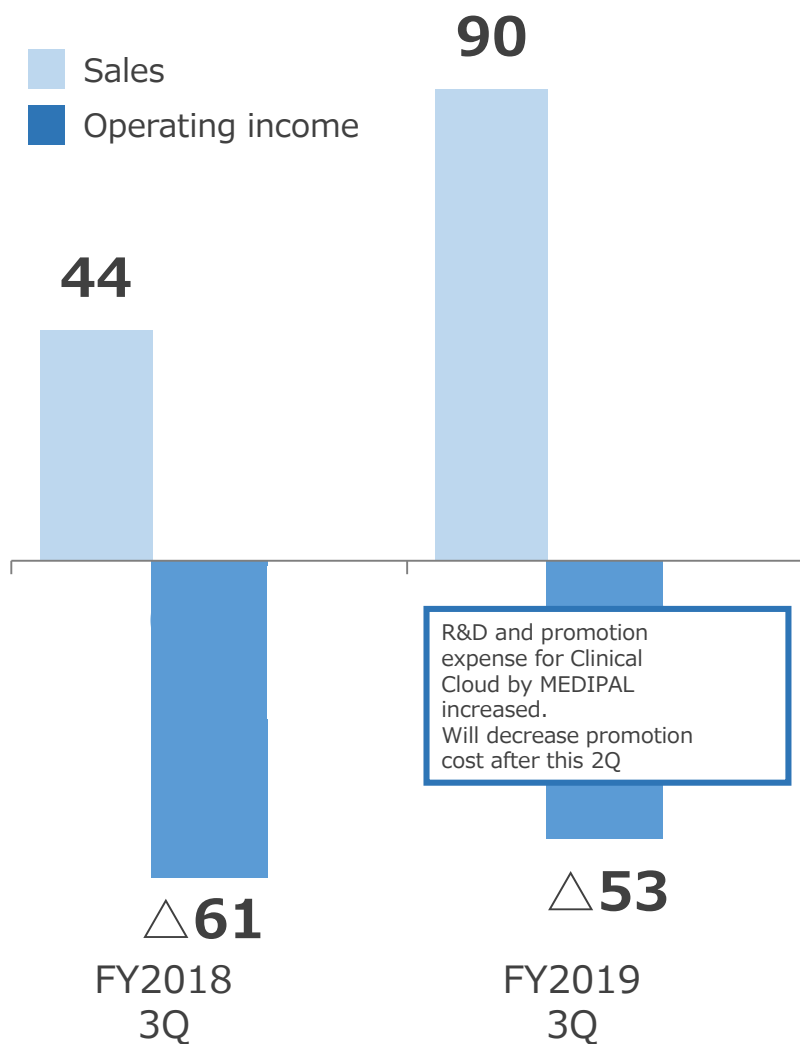
□ Medical Code

Aim to introduce about 800 hospitals



Key subsidiary: Doctorbook (non consolidated)

Unit: million yen



Doctor network business

– Expect 15% of Japanese dentists to join our network –

[FY 2019 Revised Forecast]

Sales: JPY 151 mil (formerly JPY 223 mil)

Operating income: JPY -36 mil (formerly JPY 1 mil)

- On Apr 2019, launched Clinical Cloud by MEDIPAL, an website co-operated with Medipal
- Clinician account is well acquired
- Steady progress in dentist business

On second half, aiming to increase registration of clinicians and establish strong base of business expansion

Deliver rich information content for healthcare professionals

Clinical Cloud by MEDIPAL

キーワード

検索

<p>診断群から探す MDC</p>	<p>医療資格で探す Certification</p>	<p>医療機関 Institution</p>	<p>大学・医局 Medical office</p>	<p>学会 Academia</p>	<p>製薬企業 Manufacturers</p>	<p>プロダクト Products</p>	<p>経営 Education Package</p>
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腎・尿路系疾患及び男性生殖器系疾患

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女性生殖器系疾患及び産褥期系疾患・異常妊娠分娩

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血液・造血器・免疫臓器の疾患

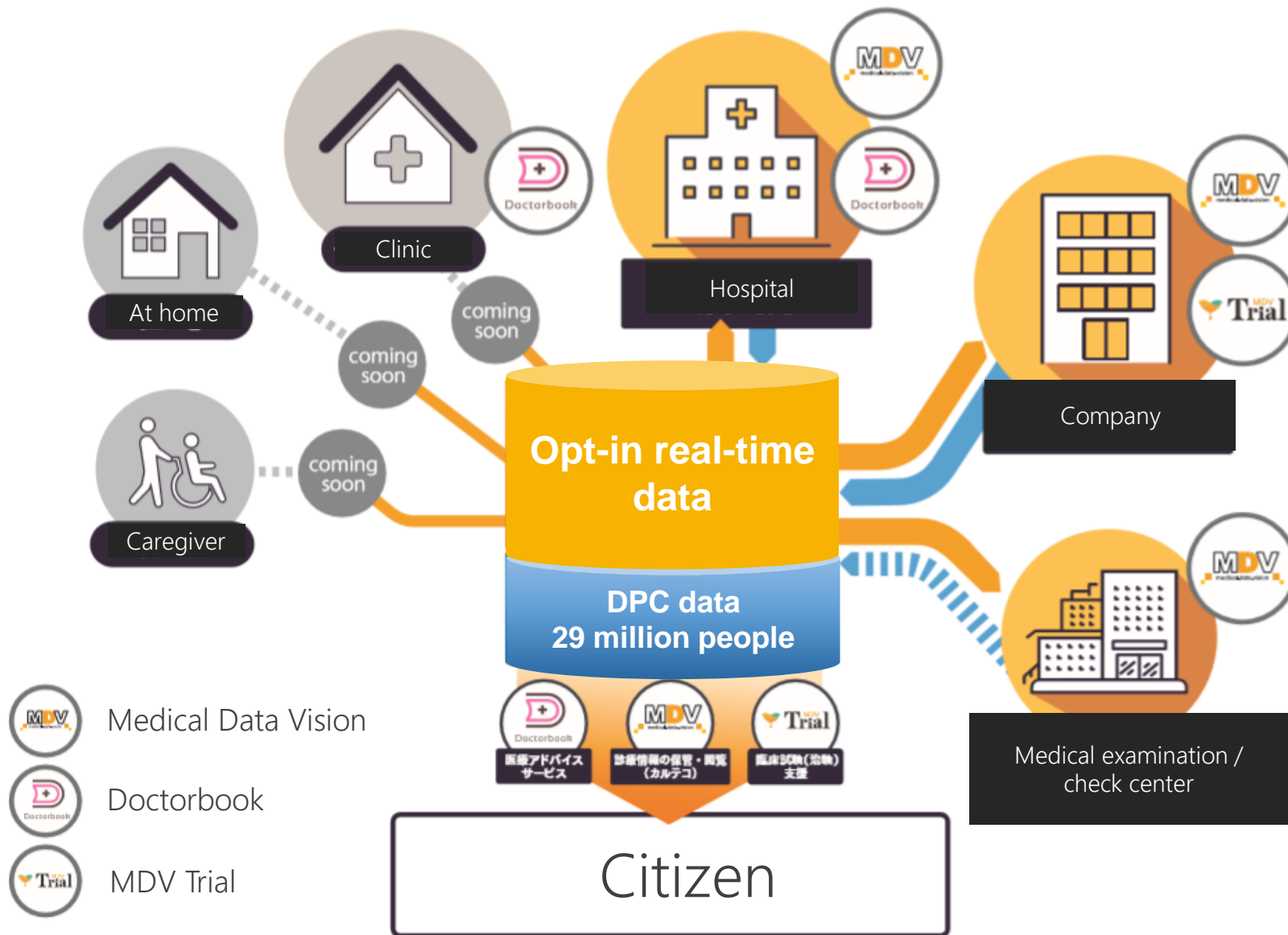
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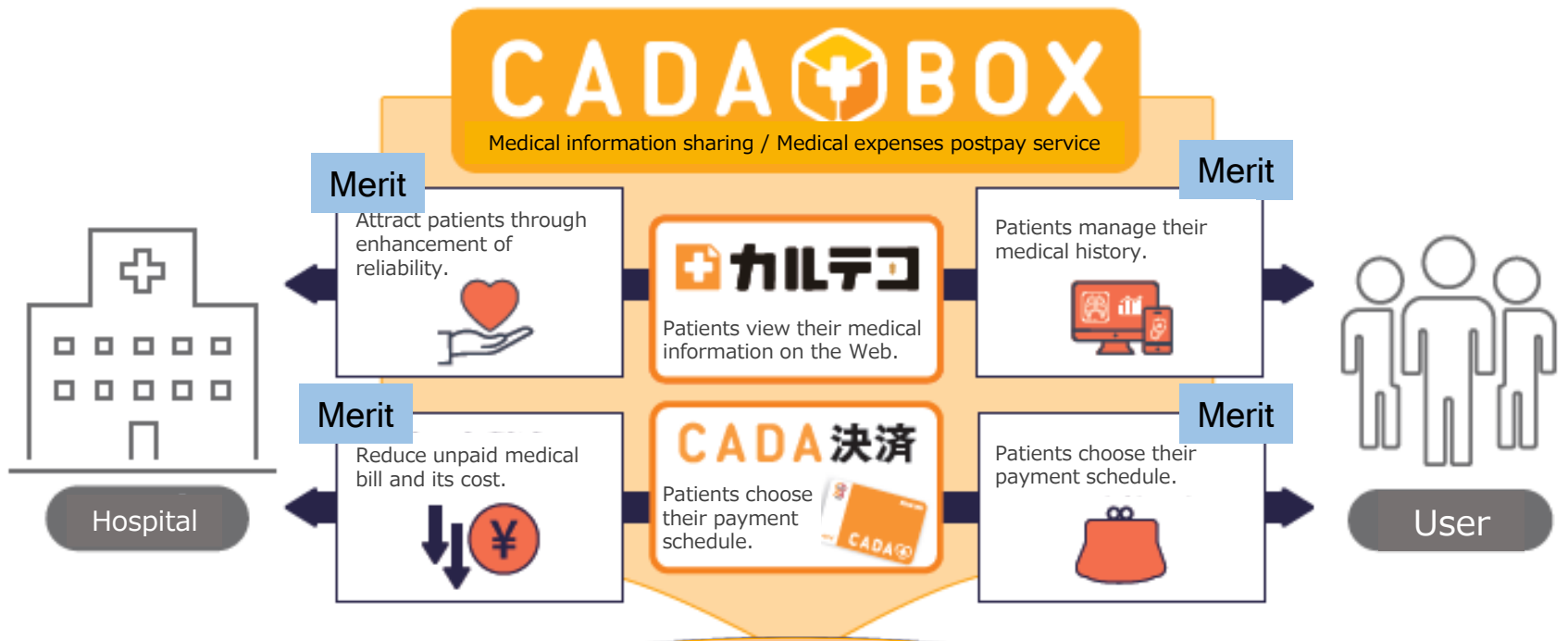


Appendix

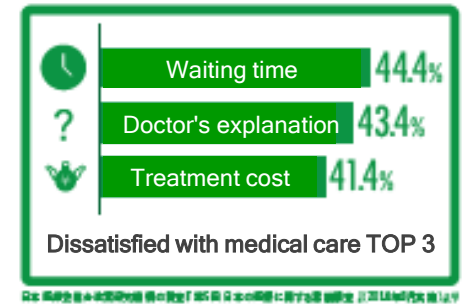


Unify and Utilize Medical and Health Data





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



Contacts

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

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