

FY2021 Financial Results

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

February 14, 2022



メディカル・データ・ビジョン株式会社

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4Q and FY2021 Financial Results

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✓ Revised targets exceeded, strong 4Q ordinary income margin of 32.4%

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✓ Target sales growth of 11.1% YoY, ordinary income margin of around 25% on continued investment

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✓ Proactively seek external partnerships, continue to take on challenges for future growth

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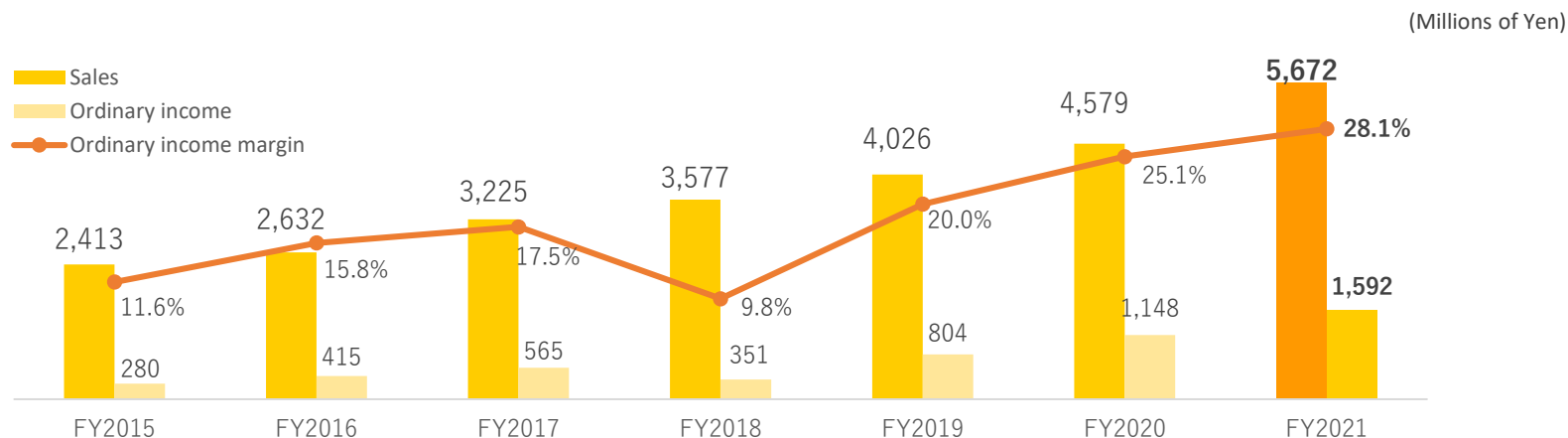
✓ Target FY2025 sales of 10 billion yen

4Q and FY2021 Financial Results

FY2021 results highlights

Full-year sales and profit beat revised targets

Strong growth, with sales up 23.9% and ordinary income 38.7% YoY



| (Millions of Yen) | Data network service | Data utilization service | All-company total |
|---------------------|----------------------|--------------------------|-------------------|
| Sales YoY | 2,061 +28.7% | 3,610 +21.3% | 5,672 + 23.9% |
| Gross income YoY | 1,373 +16.9% | 3,270 +20.8% | 4,643 + 19.6% |
| Ordinary income YoY | — | — | 1,592 + 38.7% |

【Versus target】

Revised FY2021 sales target

5,450

+4.1%

FY2021 sales

5,672

FY2021 results comparison

Growth of 15% YoY in sales, ordinary profit margin above 20%

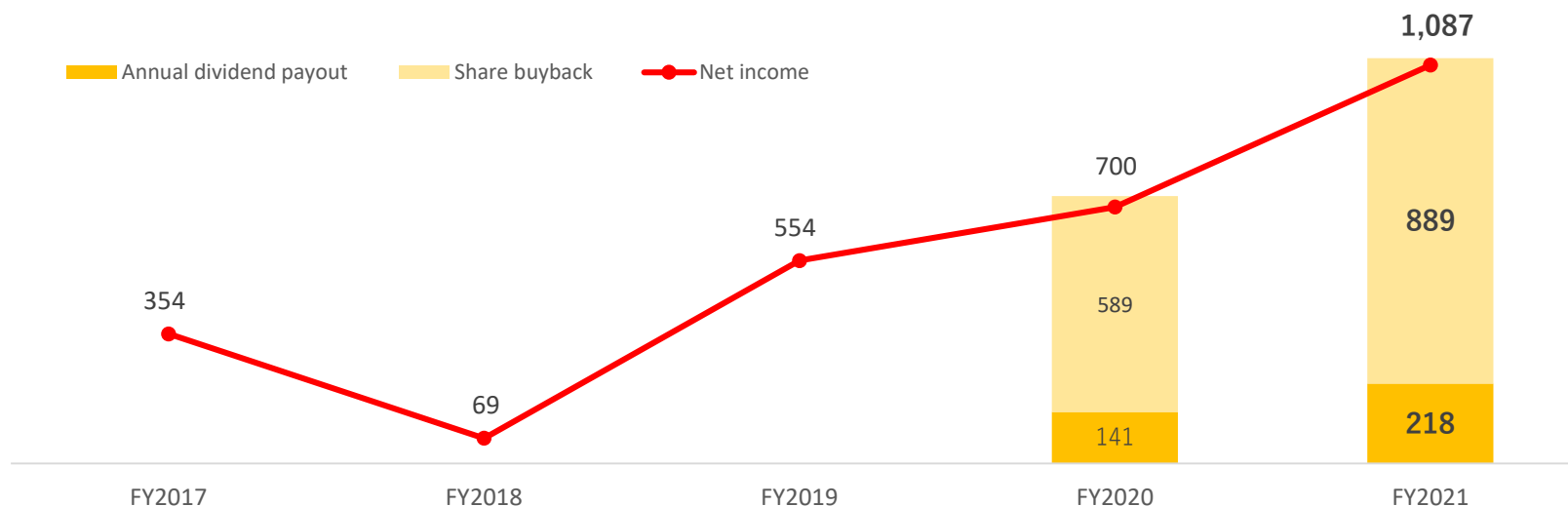
4Q ordinary income margin of 32.4% a factor for significant outperformance against profit target

| (Millions of Yen) | 4Q FY2021 (October-December 2021) | | | | | FY2021 (January-December 2021) | | |
|------------------------|--------------------------------------|--------|---------|--------|---------|-----------------------------------|--------|---------|
| | Result | YoY | | QoQ | | Result | YoY | |
| | | Result | Change | Result | Change | | Result | Change |
| Sales | 1,720 | 1,426 | + 20.6% | 1,316 | +30.6% | 5,672 | 4,579 | +23.9% |
| Sales growth | 20.6% | 12.4% | +8.2 P | 19.0% | +1.6 P | 23.9% | 13.7% | +10.2 P |
| Ordinary income | 556 | 363 | +52.9% | 317 | +75.4% | 1,592 | 1,148 | +38.7% |
| Ordinary income margin | 32.4% | 25.5% | +6.9 P | 24.1% | +8.3 P | 28.1% | 25.1% | +3.0 P |
| Headcount | 245 | 237 | +3.4% | 246 | -0.4% | 245 | 237 | + 3.4% |
| Sales per employee | 7.0 | 6.0 | + 16.7% | 5.3 | + 31.2% | 23 | 19 | + 19.8% |

FY2021 shareholder returns

Shareholder returns

(Millions of Yen)



| | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
|---------------------------------|--------|--------|--------|--------|--------|
| Net income per share | ¥8.86 | ¥1.74 | ¥13.85 | ¥17.72 | ¥27.74 |
| Dividends per share | — | — | — | ¥3.6 | ¥5.6 |
| Dividend payout ratio | — | — | — | 20.3% | 20.1% |
| Share buyback (millions of yen) | — | — | — | 589 | 889 |
| Total payout ratio | — | — | — | 104.5% | 101.8% |

※Total payout ratio = (share buybacks + dividend payments) ÷ net income

※Dividend payments begun from FY2020

4Q FY2021 results: cost analysis

Continued R&D investment for future growth

4Q hiring costs controlled despite improvement in conditions for 2022

| (Millions of Yen) | 【Consolidated】 4Q FY2021 | 【Consolidated】 4Q FY2020 | YoY | 【Consolidated】 3Q FY2021 | QoQ | Details |
|-------------------|-----------------------------|-----------------------------|--------|-----------------------------|--------|--|
| CoGS | 295 | 230 | +28.1% | 248 | +19.1% | • Consolidation of subsidiary (Be-α) from FY2021 (+¥66M) |
| Personnel costs | 428 | 454 | -5.9% | 380 | +12.5% | • Negative YoY because of decline in year-end bonuses |
| Hiring costs | 11 | 7 | +52.1% | 9 | 21.1% | • Hiring target missed despite improvement in some areas |
| Others | 439 | 376 | +16.7% | 370 | +18.7% | • Continued R&D investment |
| R&D costs | 77 | 48 | +61.0% | 100 | -22.9% | • Investment in moving services to a cloud basis, development of new services (for BtoC, medical institutions), etc. |
| Total costs* | 1,163 | 1,062 | +9.5% | 999 | +16.4% | |

*The total of CoGS and SG&A

FY2021 results: cost analysis

R&D costs as expected, personnel costs controlled owing to hiring struggles

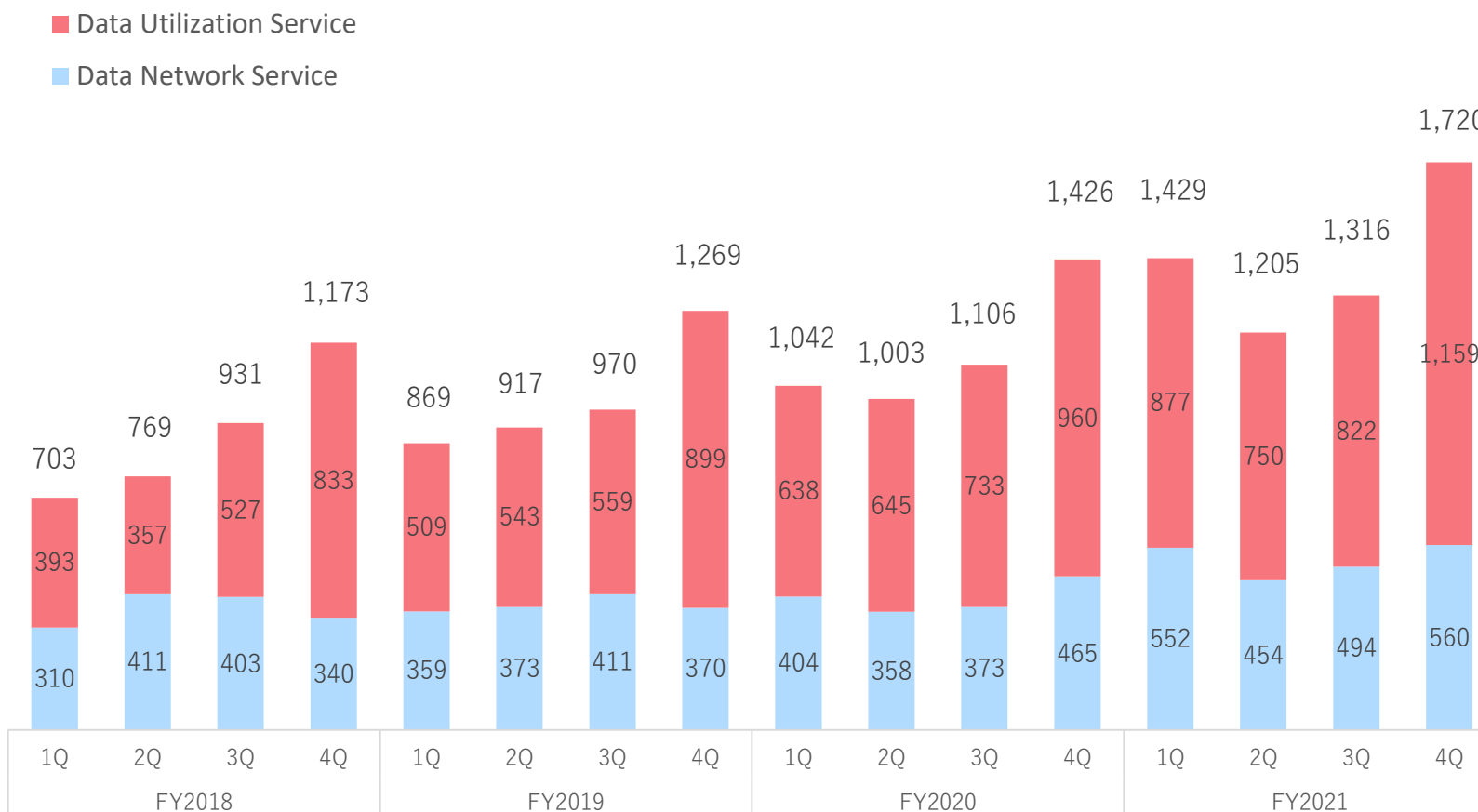
CoGS up on consolidation of subsidiary, higher outsourcing costs

| (Millions of Yen) | 【Consolidated】 FY2021 | 【Consolidated】 FY2020 | YoY | Details |
|-------------------|--------------------------|--------------------------|---------|--|
| CoGS | 1,028 | 697 | +47.5% | <ul style="list-style-type: none"> • Consolidation of subsidiary (Be-α) from FY2021 (+¥226M) • Higher outsourcing costs (inc. for medical data survey analysis) (+ ¥92M) |
| Personnel costs | 1,550 | 1,478 | +4.9% | <ul style="list-style-type: none"> • Up YoY on impact of new consolidation, pay increases |
| Hiring costs | 34 | 23 | +45.4% | <ul style="list-style-type: none"> • Up on increased hiring activities in 2021, but fell short of target |
| Others | 1,498 | 1,257 | +19.2% | <ul style="list-style-type: none"> • Large YoY increase owing to R&D costs (+¥203M) |
| R&D costs | 316 | 113 | +180.0% | <ul style="list-style-type: none"> • Investment in moving various services to a cloud basis, development of new services (for BtoC, medical institutions), etc. |
| Total costs* | 4,078 | 3,433 | + 18.8% | |

*The total of CoGS and SG&A

Sales by quarter (breakdown by service)

Data network service sales steady, data utilization service sales up in 4Q

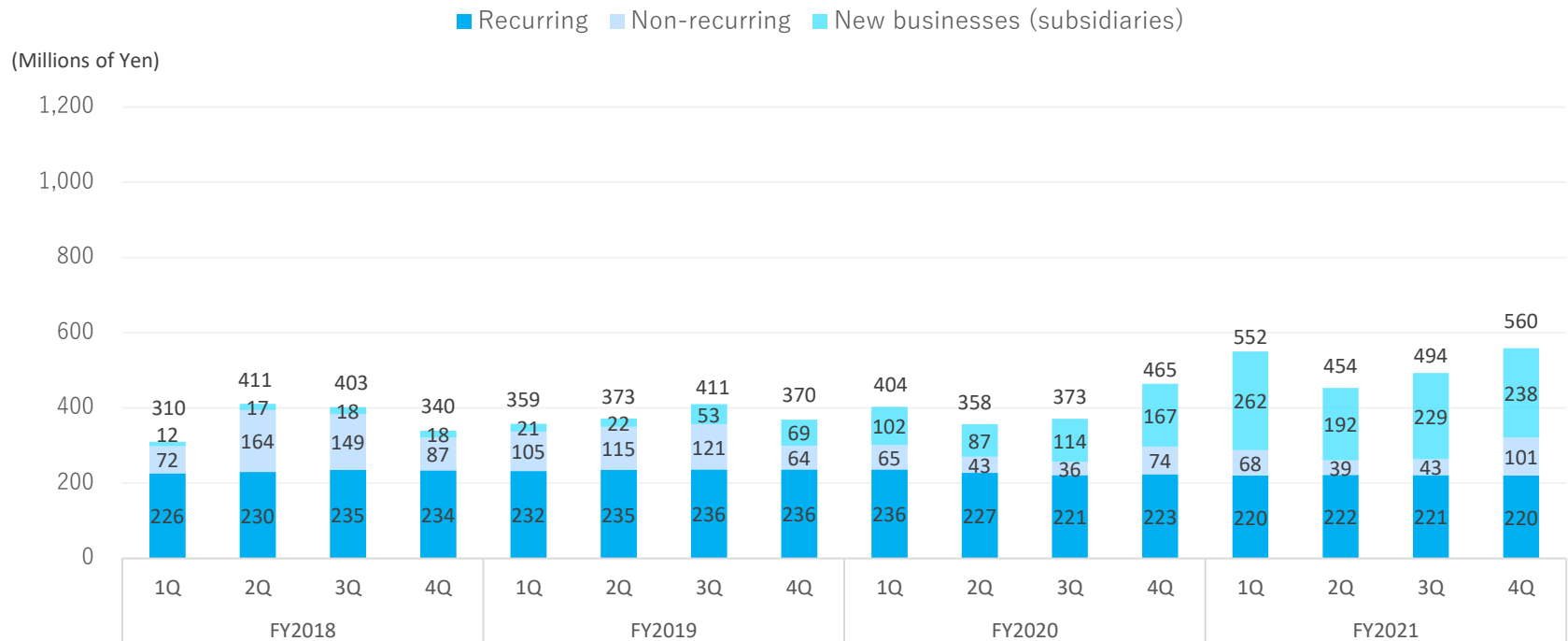


Data network service sales breakdown

Trending steady with no major fluctuation, sales continue to rise from growth at subsidiaries

Non-recurring sales rebound due to easing in face-to-face marketing restraint, but outlook remains uncertain

Sales from new businesses (subsidiaries) grew steadily in 4Q



KPI for data network service

KPI for this service are the number of patients and its denominator the number of hospitals

Maintain the high number of hospitals using 'EVE'

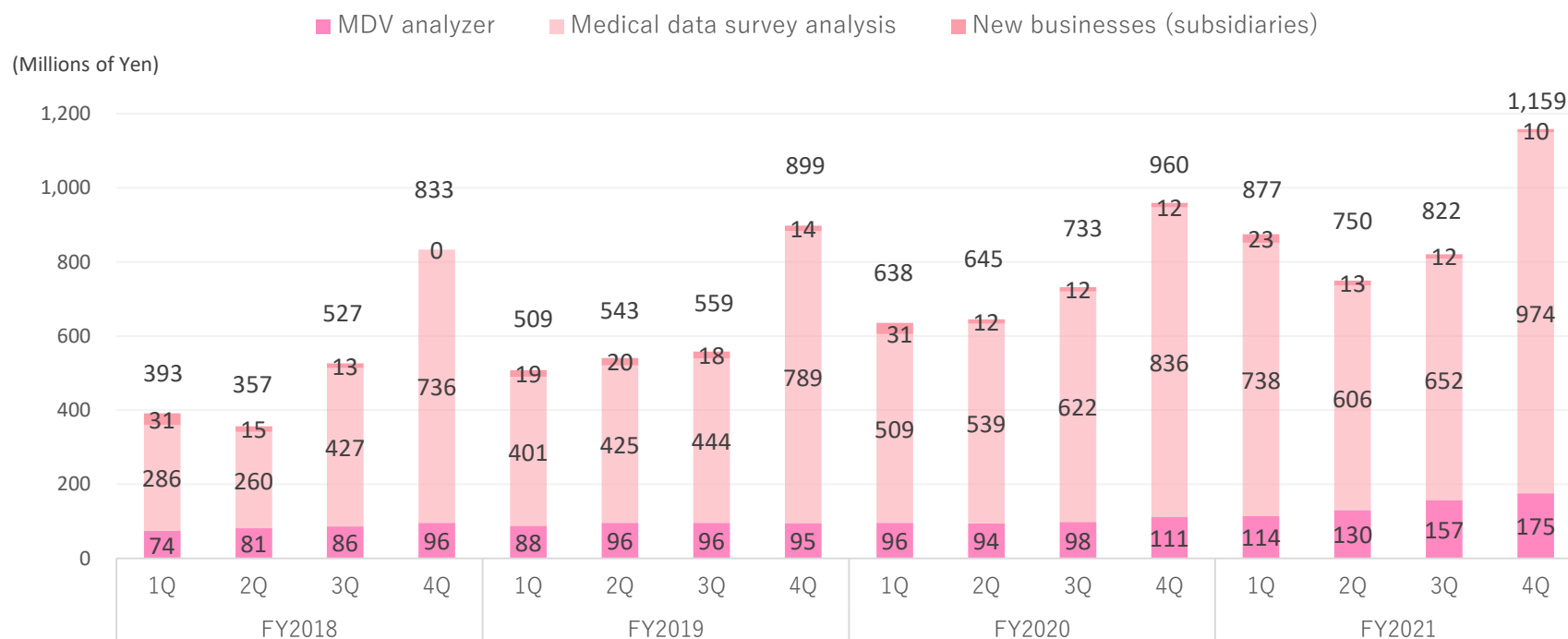
Intend to add the number of hospitals using cloud consultation system 'Alpha Salus' to KPI

| Indicators | FY2016 Results | FY2017 Results | FY2018 Results | FY2019 Results | FY2020 Results | FY2021 Results | FY2022 Targets |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| No. of hospital using 'EVE' | 791 | 799 | 801 | 802 | 772 | 770 | 750~770 |
| No. of hospitals using 'MDV Act' | — | — | — | — | — | 558 | 1,000 |

Data utilization service sales breakdown

Levelling out in medical data survey analysis sales, but brisk sales in 4Q

Further growth in use of 'MDV analyzer'. Aim to maintain 4Q level in 2022.
Medical data survey analysis sales up 15% in 4Q. Nearing 1 billion yen on a quarterly basis.



KPI for data utilization service

KPI for this service are the number of users of each service and the growth in average spend per user

Aim to maintain and accelerate 2021 net rate of contract growth for 'MDV analyzer'

Target sales expansion from higher client volume and increase in number of cases in medical data survey analysis

| Indicators | FY2018 Results | FY2019 Results | FY2020 Results | FY2021 Results | FY2022 Targets |
|--|----------------|----------------|----------------|----------------|----------------|
| No. of contracts (each type) for 'MDV analyzer' | 25 | 25 | 27 | 44 | 50 |
| No. of companies using medical data survey analysis | — | 93 | 103 | 118 | 130 |
| Sales from top 10 clients for medical data survey analysis (millions of yen) | — | 1,221 | 1,410 | 1,667 | 1,800 |
| No. of patients in MDV large-scale medical database (10,000) | 2,593 | 2,984 | 3,451 | 3,849 | — |
| No. of patients in Health Insurance Association database (10,000) | — | — | 616 | 762 | — |

FY2022 Financial Outlook

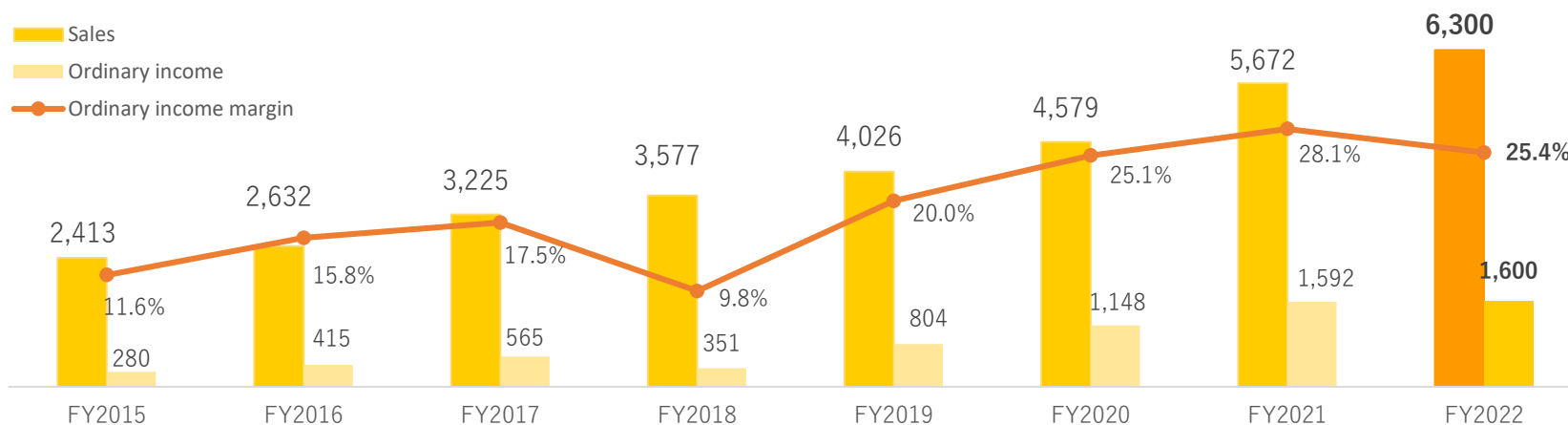


FY2022 financial outlook

(Millions of Yen)

Target sales growth of 11.1% YoY, ordinary income margin of around 25% on continued investment

Data utilization service sales expected to grow by over 17%



| (Millions of Yen) | Data network service | Data utilization service | All-company total |
|-------------------|----------------------|--------------------------|-------------------|
| Sales | 2,068 | 4,231 | 6,300 |
| YoY | +0.3% | +17.2% | +11.1% |
| Gross income | 1,270 | 3,758 | 5,029 |
| YoY | -7.5% | +14.9% | +8.3% |
| Ordinary income | — | — | 1,600 |
| YoY | — | — | +0.4% |

FY2022 financial outlook

■ Consolidated

| (Millions of Yen) | FY2021 | FY2022 | |
|------------------------|--------|--------------|---------|
| | Result | Target | YoY |
| Sales | 5,672 | 6,300 | + 11.1% |
| Operating income | 1,594 | 1,599 | + 0.3% |
| Ordinary income | 1,592 | 1,600 | + 0.4% |
| Ordinary income margin | 28.1% | 25.4% | -2.7 P |
| Net income | 1,087 | 1,098 | + 1.1% |
| Dividend per share | 5.6 | 6.0 | +7.1% |

■ By service

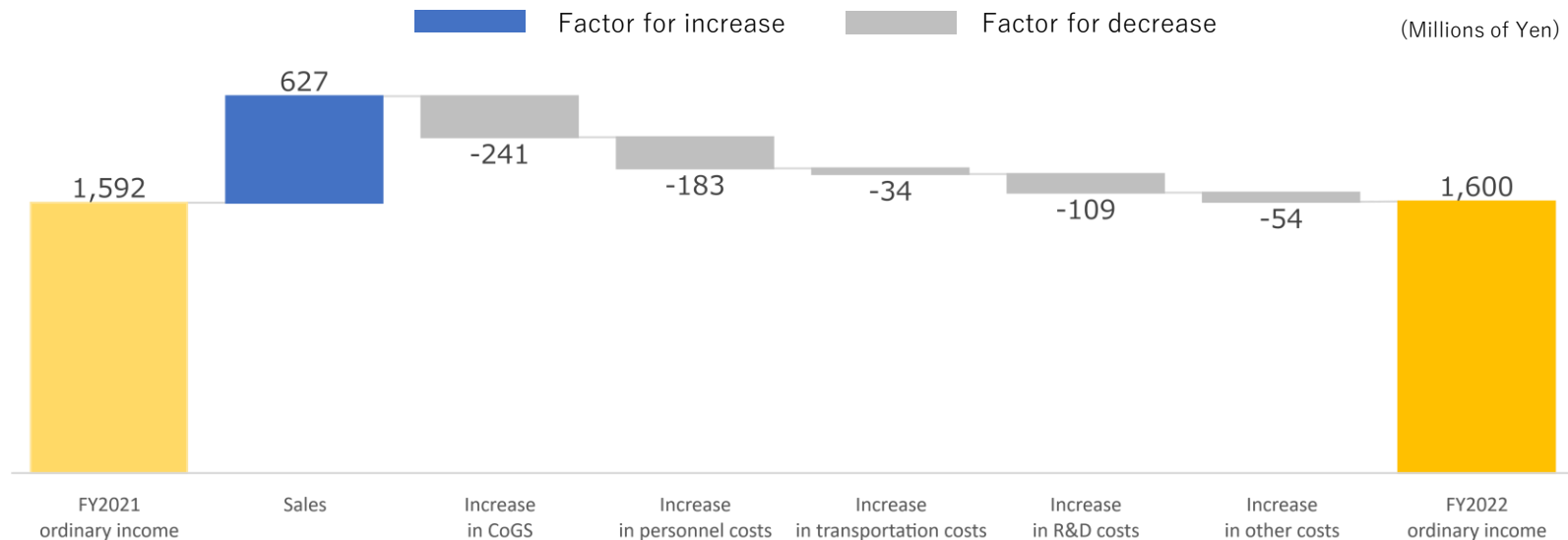
| (Millions of Yen) | FY2021 | FY2022 | |
|-------------------------------|--------|--------------|---------|
| | Result | Target | YoY |
| Data network service | 2,061 | 2,068 | + 0.3% |
| New businesses (subsidiaries) | 922 | 931 | + 0.9% |
| Data utilization service | 3,610 | 4,231 | + 17.2% |
| New businesses (subsidiaries) | 59 | 56 | -5.0% |

Factor analysis for change in ordinary income (FY2021 vs FY2022)

Continue R&D investment for future growth (FY2022 budget 425 million yen)

Expect higher personnel costs for strengthening marketing and development, higher CoGS for resumption of face-to-face marketing

Expect rise in labor costs (CoGS) and personnel costs due to biennial revision of the medical payment system



| Breakdown of R&D costs | FY2021 | FY2022 |
|---|--------|--------|
| Existing businesses (inc. EBM function development, 'MDV Act', 'Alpha Salus') | 216 | 125 |
| HMV business (inc. AI block chain platform, diabetes AI) | 99 | 167 |
| Others (inc. new businesses, contingency funds) | 0 | 132 |
| Total | 316 | 425 |

FY2022 Strategies and Focus Businesses

MDV strengthened development activities from 2020 amid the difficulties of COVID-19

Created numerous mechanisms (materials) to adapt to change in social structure












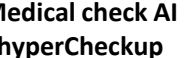





List of services developed by the MDV Group in 2020~2021

1. **App for 'Karteco'** (Oct 2020)
2. **'Online Dr. Book'** (Oct 2020)
3. **'MDV Must'** (Dec 2020)
4. **'MDV Act'** (Oct 2021)
5. **Improvements & move to cloud for 'Alpha Venus' (now known as 'Alpha Salus')** (Nov 2021)
6. **HMV platform** (Nov 2021)
7. **Medical check AI / 'HyperCheckup'** (Nov 2021)
8. **Diabetes AI / 'dAlbet'** (Nov 2021)
9. **'POCKET BRAIN'** (Dec 2021)
10. **Improved functions for 'MDV analyzer'** (Oct 2020~Oct 2021)

Developed multiple products for each service

Increased development of 'MDV analyzer' contributed to sales growth in FY2021

List of services and functions developed and released by MDV Group in 2020~2021

| For medical institutions | For pharm cos. & academia | For consumers (BtoC) | HMV Concept |
|--|---|--|---|
|  病院経営改善アプリケーション |  拡大推計機能 |  オンライン診療プラットフォーム |  HMV platform |
|  小規模病院・診療所向け診療可視化システム |  英語版 |  カルテコアプリ |  Diabetes AI dAlbet |
|  MDVデータプラットフォームサービス 健全な病院経営支援のための情報活用基盤 |  英語版 |  医療略語アプリ |  Medical check AI hyperCheckup |
|  クラウド型総合健康管理システム |  英語版 | | |
|  看護の業務分析アプリケーション |  健保データ版 | | |
|  「公立病院経営強化プラン」作成支援サービス | | | |

Build services by combining materials, actively pursue external partnerships

Aggressive investment in R&D and personnel, continue to take on challenges for future growth

1

Data network service: Year zero for the shift to cloud operations

- ✓ Create pathway from medical data to 'Karteco' and strengthen 'MDV Act'

2

Data utilization service: expand data sales, inc. overseas, and strength operations in insurance field

- ✓ Hiring of new executive director and bolstering of overseas operations, strengthen ties with SBI in insurance field

3

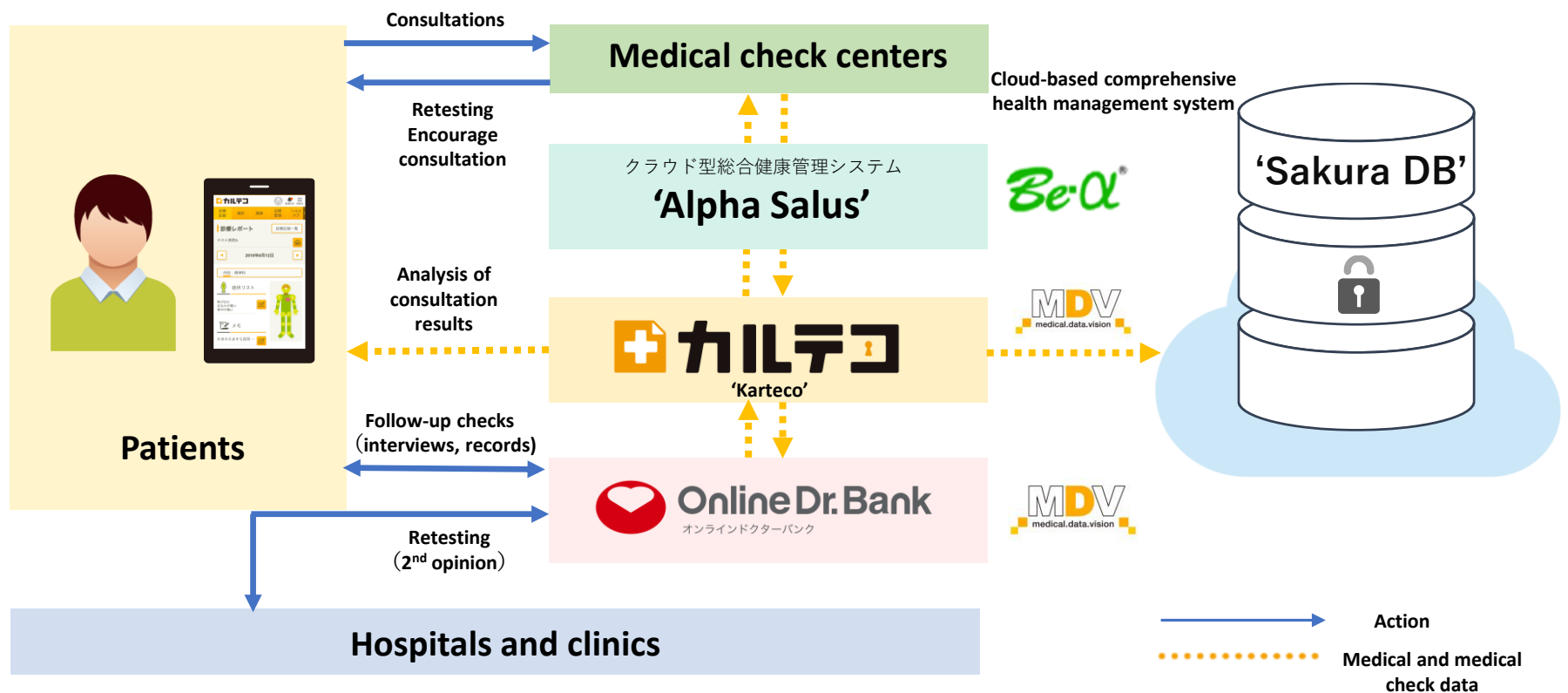
Develop the HMTV business

- ✓ Create the HyperMedicalVision concept and bring it to reality

1)-① Expand sales of cloud-based medical check systems

Promote spread of cloud-based medical check systems and 'Karteco'

Create pathway to 'Karteco' from cloud-based medical data

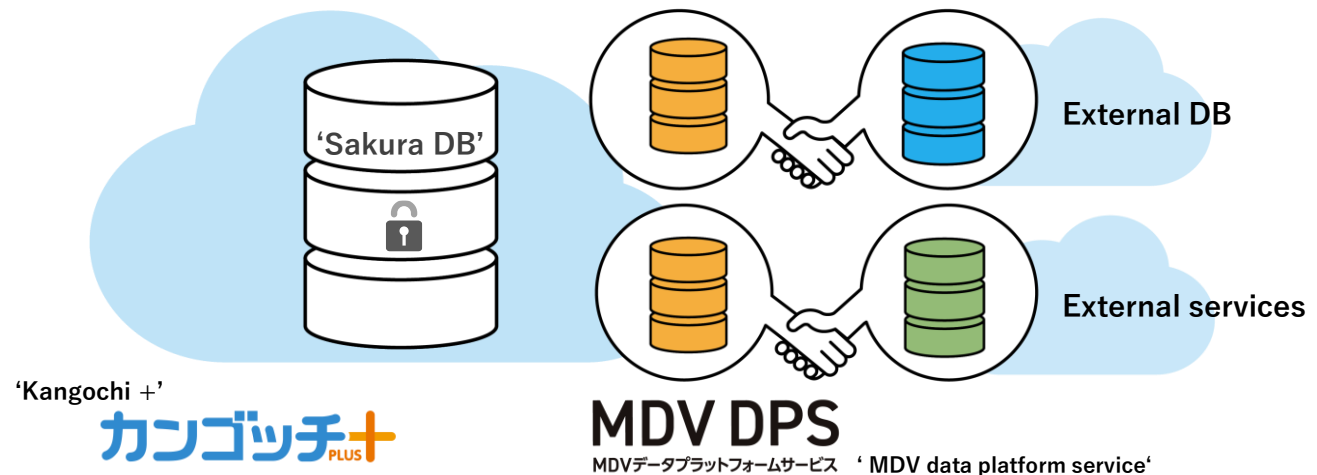


1)-② Pursue a shift to cloud operations focused around 'MDV Act'

Shift to cloud needs to be implemented to raise the extensibility and linkages of data

Bolster the functionality of cloud-based platform 'MDV Act'
Proactively form external partnerships to increase the value of 'Sakura DB'

Cloud
services



On-premises
services



EVE

② Expanding sales of medical data and moving into the health insurance field

Hiring of new Executive Director to strengthen data utilization service, including overseas

Mr. Auvaro's extensive experience will bolster the expansion of the data utilization service

Brings diverse background knowledge and experience in multinational companies to MDV's management team

■ Appointment of Phillipe Auvaro as Executive Director

Experienced in strengthening overseas medical data business, with a focus on rare diseases and orphan drugs

【Career history】

Phillipe Auvaro, born on August 24, 1964 (age 57 / French citizen)

| | |
|----------|---|
| Apr 1991 | Joined Roussel Uclaf S.A. |
| Sep 1995 | Joined Nippon Hoechst Marion Roussel Ltd. |
| Aug 2004 | Joined Sanofi K.K. formerly known as Sanofi-Aventis K.K. |
| Apr 2005 | Joined GlaxoSmithKline K.K. (GSK) |
| Apr 2012 | Appointed as Corporate Officer, Head of Business Innovation Group of GSK |
| Nov 2014 | Appointed as President and Representative Director of Aspen Japan K.K. |
| Jul 2016 | Joined CMIC HOLDINGS Co., Ltd (CMIC) and Appointed as Managing Director, Senior Executive Officer |
| | Appointed as President of OrphanPacific, Inc. |
| Dec 2016 | Appointed as Director and Senior Managing Executive Officer of CMIC |
| Dec 2019 | Resigned Director and Senior Managing Executive Officer of CMIC |
| | Appointed as Executive Officer of CMIC |
| Sep 2021 | Resigned President of OrphanPacific, Inc. |
| Dec 2021 | Resigned Senior Executive Officer of CMIC |



【Comment from Mr. Auvaro】

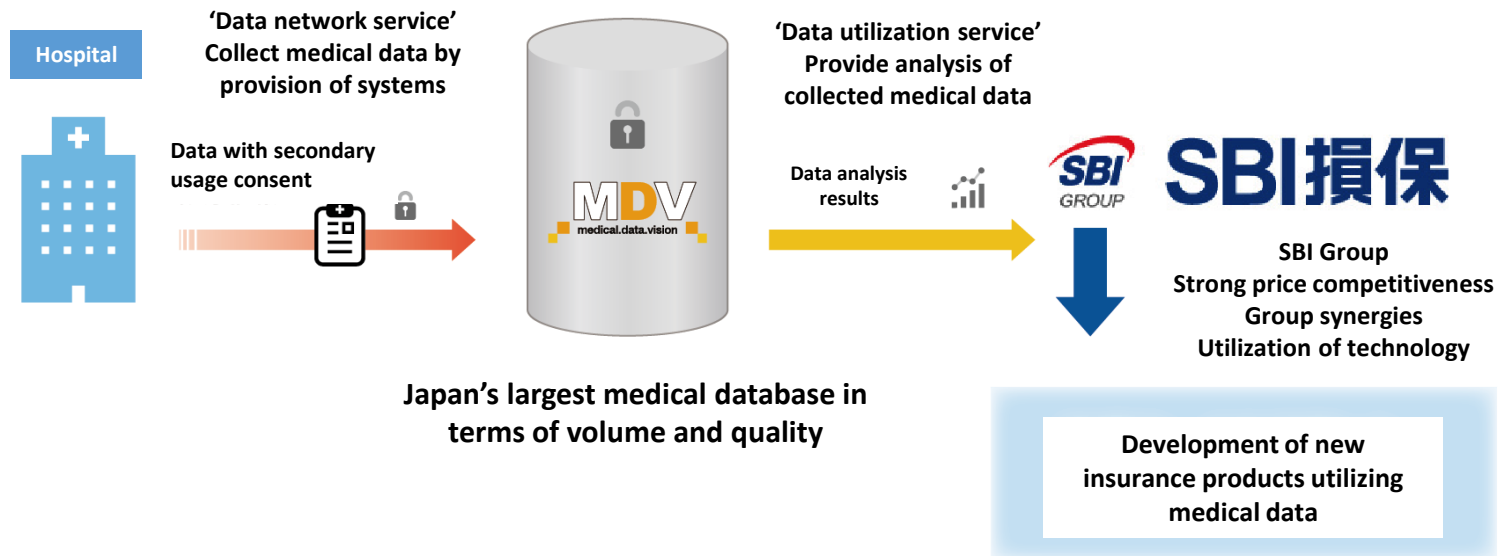
I am very honored to join MDV. It is a challenge for me to contribute to an already successful company. I would like to actively participate in MDV's growth strategy and explore **new areas of activity both domestically and internationally, new applications of data, and collaboration with other companies**. My goal is to develop and provide new data to make healthcare more efficient and convenient for all people in Japan.

MDV has been contributing to the development of oncology treatment methods in Japan. I believe that this successful experience will make a significant contribution to the field of orphan drugs, especially in supporting epidemiological studies. I would also like to incorporate my experience in the field of **health economics and cost-effectiveness of healthcare** into MDV's operations.

2)-② Strengthen in the insurance field

Strengthen ties with the SBI Group, expand sales in the insurance field

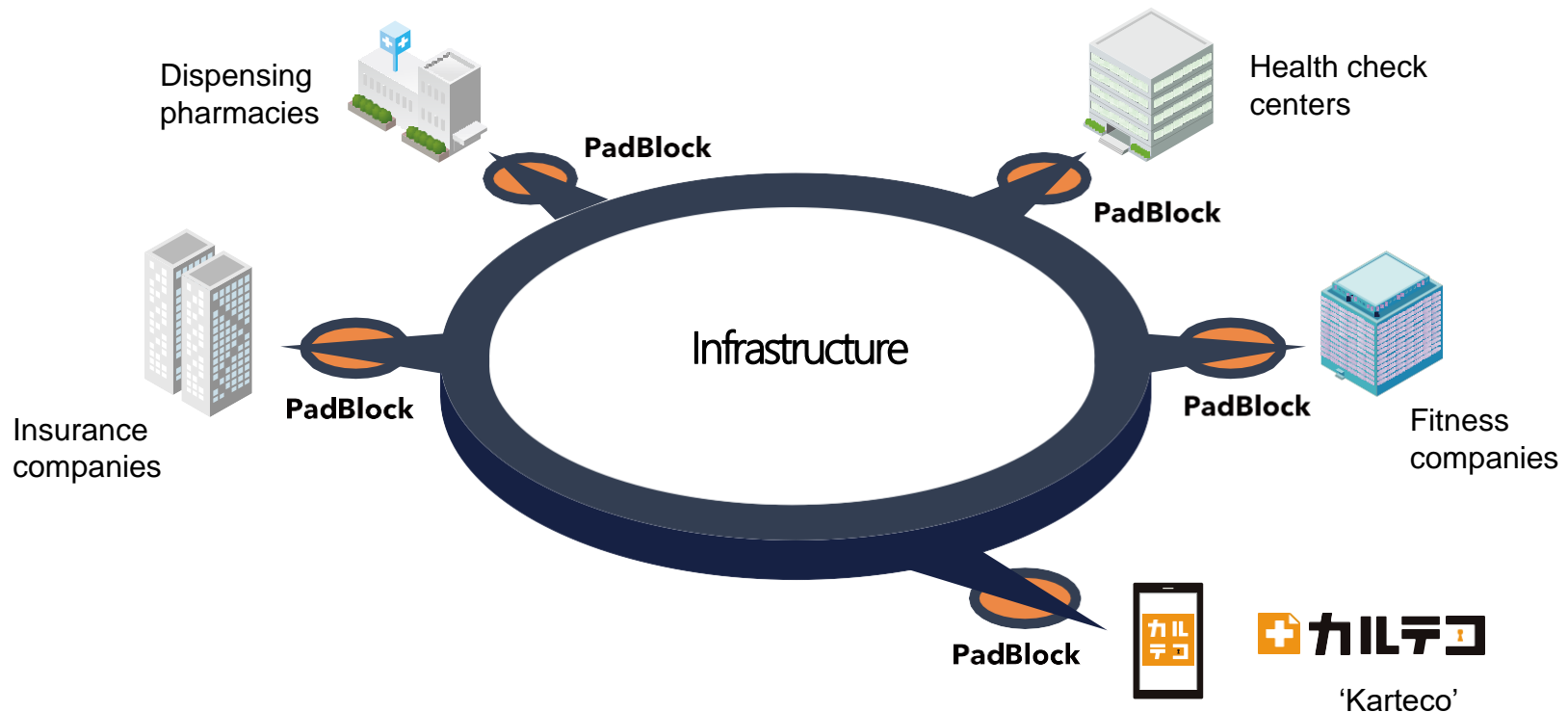
Build up medical data survey analysis sales to the insurance industry through FY2025
Strengthen ties with the SBI Group and insurance industry, create ties with other industries



3)-① The H MV concept

The H MV concept is a challenge investment in future growth

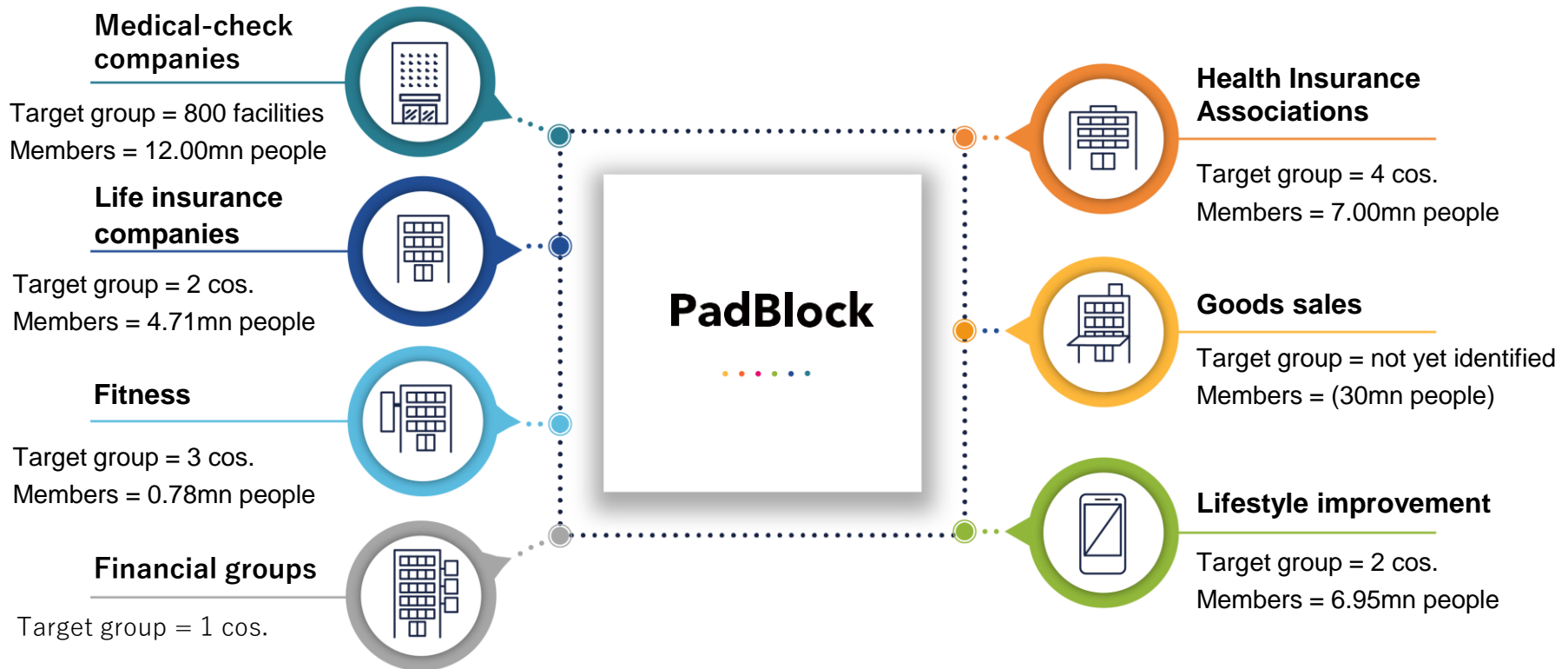
It encompasses the infrastructure necessary to achieve our aim of creating a data utilization society



3)-② Future linkages for the H MV concept

H MV can have links not only with hospitals and healthcare

Linkages to many potential partners (including contacts)
using the PadBlock mechanism



3)-③ HMV linkage image



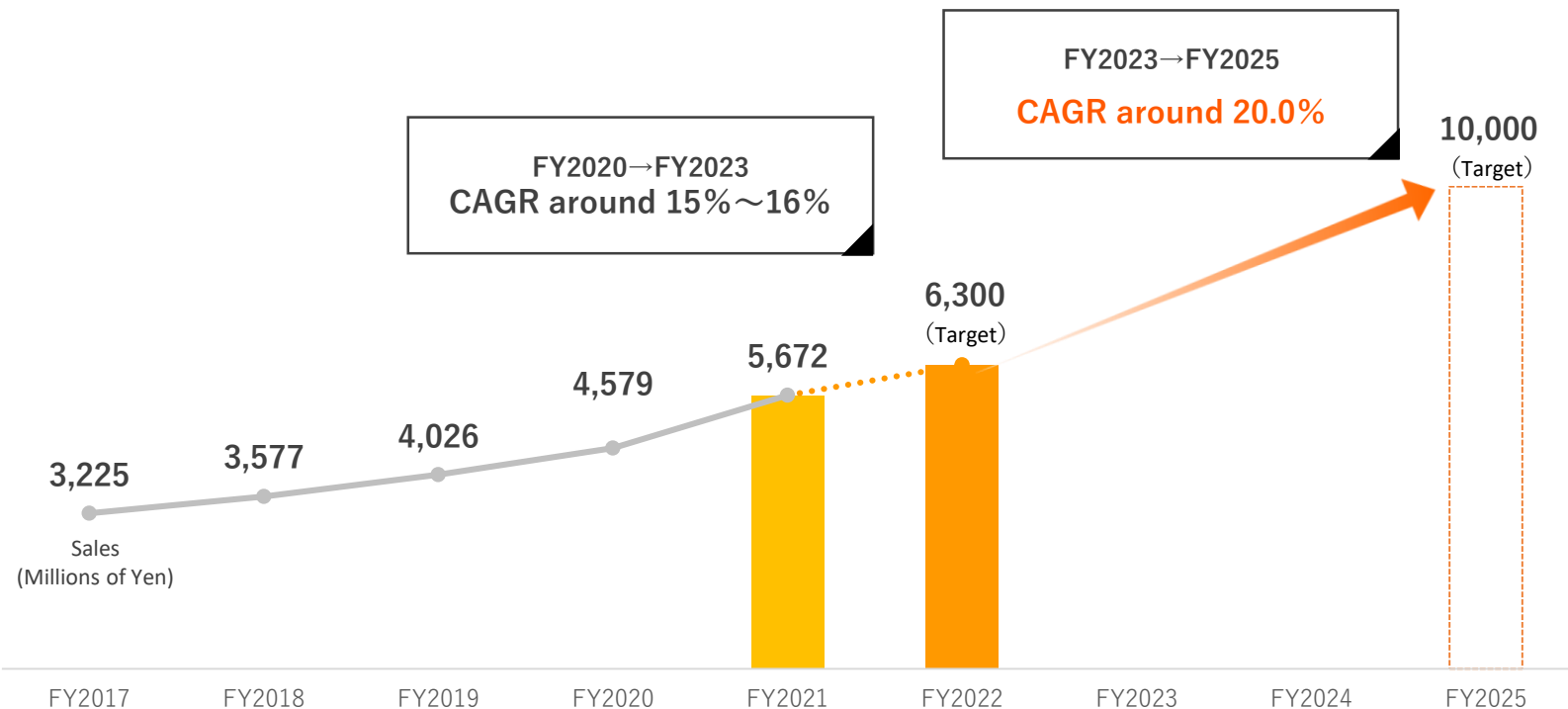
Medium-term management policies

FY2025 target sales and CAGR

Aim to accelerate growth through to FY2025 after a period of additional investment in FY2021-FY2023

Investment phase

Expansion phase

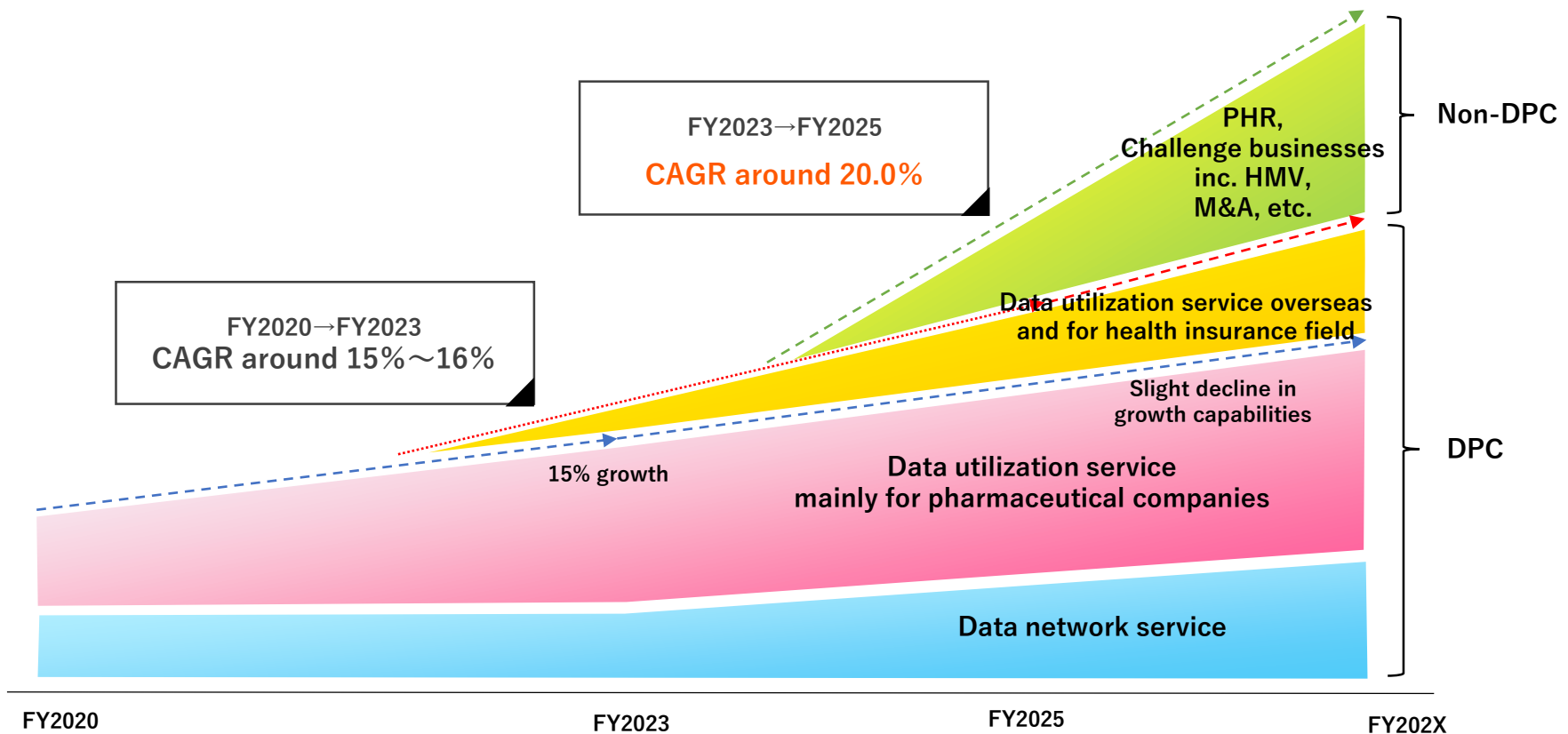


Need to secure new revenue streams as a growth business

Secure revenue base from continued growth in data utilization sales to pharmaceutical companies

Still untapped potential for utilization of our DPC data for more than 38 million patients

Widen the scope of data utilization further to capture of new data from non-DPC hospitals



Formation of medium-term plan to run through 2023~2025

New medium-term plan will be announced in the autumn of 2022

FY2025
Sales

10 Billion
yen

FY2025
Ordinary
Income

2.5 Billion
yen
or more

Management targets that will form the base of the plan

Contacts

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

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メディカル・データ・ビジョン株式会社

〒101-0053 東京都千代田区神田美土代町7番地 住友不動産神田ビル10階
TEL.03-5283-6911 FAX.03-5283-6811