



Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending December 31, 2023 [Japanese GAAP]

August 10, 2023

Listing: Tokyo Stock Exchange

Company name: Medical Data Vision Co., Ltd.

Securities code: 3902 URL <https://www.mdv.co.jp/>

Representative: (Title) President

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Scheduled date to file quarterly report: August 10, 2023

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)

(Yen amounts are rounded down to millions, unless otherwise noted)

1. Consolidated financial results for the second quarter of the fiscal year ending December 31, 2023 (from January 1, 2023 to June 30, 2023)

(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	%
Second quarter of FY ending December 31, 2023	3,002	5.1	719	-8.2	700	-9.7	445	-14.7
Second quarter of FY ended December 31, 2022	2,856	-	784	-	775	-	521	-

(Note) Comprehensive income Second quarter of fiscal year ending December 31, 2023 446million yen [-14.5%]

Second quarter of fiscal year ended December 31, 2022 521 million yen [-%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Second quarter of FY ending December 31, 2023	11.66		-	
Second quarter of FY ended December 31, 2022	13.64		13.63	

(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 ended December 2022. Consolidated earnings for the 2st quarter of the fiscal year ended December 2022, therefore, are the amount after applying such accounting standard and related implementation guidance, presenting no change from the previous corresponding period.

2. As of the end of the previous consolidated fiscal year, the provisional accounting treatment for business combinations was finalized, and the finalized provisional accounting treatment were reflected in the second quarter of the fiscal year ended December 2022.

3. Diluted earnings per share for the second quarter of the fiscal year ending December, 2023 are not presented as there are no potentially dilutive shares.

(2) Consolidated financial position

	Total assets		Net assets		Equity-to-asset ratio	
	Millions of yen		Millions of yen		%	
As of June30, 2023 (2Q FY2023)	5,586		3,826		66.8	
As of December 31, 2022 (FY2022)	4,897		3,606		71.8	

(Reference) Equity As of June 30, 2023 3,733 million yen

As of December 31, 2022 3,515 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, 2022	-	0.00	-	6.00	6.00
FY ending December 31, 2023	-	0.00	-	-	-
FY ending December 31, 2023 (forecast)	-	-	-	6.50	6.50

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

3. Consolidated earnings forecasts for the fiscal year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

(Percentages indicate year-on-year changes)

	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
Full year	7,200	17.9	1,800	2.4	1,800	2.8	1,200	37.9	31.42

(Notes) Revision of the latest released earnings forecasts : None

* Notes

(1) Changes in significant subsidiaries during the three months ended June 30, 2023 (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 5 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 June 30, 2023	40,027,526 shares	As of December 31, 2022	40,027,526 shares
(ii) Number of treasury shares at the end of the period	As of June 30, 2023	1,830,678 shares	As of December 31, 2022	1,830,678 shares
(iii) Average number of shares outstanding during the period (cumulative quarterly period)	Second quarter of FY ending December 31, 2023	38,196,848 shares	Second quarter fiscal year ended December 31, 2022	38,272,311 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, 2022)	Current second quarter (June 30, 2023)
Assets		
Current assets		
Cash and deposits	2,264,855	3,007,093
Accounts receivable – trade and contract assets	983,665	565,752
Raw materials	13,745	3,293
Other	265,272	302,534
Allowance for doubtful accounts	-2,999	-5,409
Total current assets	3,524,539	3,873,264
Non-current assets		
Property, plant and equipment	137,755	141,744
Intangible assets		
Software	2,060	1,407
Goodwill	257,205	230,609
Other	192	192
Total intangible assets	259,459	232,210
Investments and other assets		
Investment securities	409,922	716,766
Other	590,943	646,946
Allowance for doubtful accounts	-25,243	-24,901
Total investments and other assets	975,622	1,338,811
Total non-current assets	1,372,837	1,712,766
Total assets	4,897,377	5,586,031
Liabilities		
Current liabilities		
Accounts payable - trade	93,155	132,271
Income taxes payable	95,786	275,205
Contract liabilities	755,426	970,735
Provision for bonuses	4,894	15,606
Other	257,529	281,078
Total current liabilities	1,206,791	1,674,898
Non-current liabilities		
Asset retirement obligations	71,554	71,702
Other	12,744	12,744
Total non-current liabilities	84,298	84,446
Total liabilities	1,291,090	1,759,344
Net assets		
Shareholders' equity		
Share capital	992,661	992,661
Capital surplus	1,838,890	1,838,890
Retained earnings	3,045,575	3,261,583
Treasury shares	-2,341,975	-2,341,975
Total shareholders' equity	3,535,151	3,751,160
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-19,503	-17,942
Total accumulated other comprehensive income	-19,503	-17,942
Share acquisition rights	–	3,563
Non-controlling interests	90,639	89,905
Total net assets	3,606,287	3,826,687
Total liabilities and net assets	4,897,377	5,586,031

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

(Quarterly consolidated statement of income)

(Six-month period)

(Thousands of yen)

	Previous second quarter (From January 1, 2022 to June 30, 2022)	Current second quarter (From January 1, 2023 to June 30, 2023)
Net sales	2,856,737	3,002,351
Cost of sales	495,847	657,306
Gross income	2,360,889	2,345,045
Selling, general and administrative expenses	1,576,673	1,625,472
Operating income	784,215	719,572
Non-operating income		
Interest income	17	10
Dividend income	0	563
Reversal of allowance for doubtful accounts	342	342
Other	139	756
Total non-operating income	499	1,672
Non-operating expenses		
Share of loss of entities accounted for using equity method	—	21,055
Commission expenses	9,343	—
Other	41	61
Total non-operating expenses	9,385	21,117
Ordinary income	775,329	700,127
Extraordinary losses		
Loss on retirement of non-current assets	—	1,061
Total extraordinary losses	—	1,061
Net income before income taxes	775,329	699,065
Income taxes – current	111,446	252,320
Income taxes – deferred	141,993	2,288
Total income taxes	253,440	254,609
Net income	521,889	444,456
Net loss attributable to non-controlling interests	-68	-733
Net income attributable to owners of parent	521,958	445,189

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

(Thousands of yen)

	Previous second quarter (From January 1, 2022 to June 30, 2022)	Current second quarter (From January 1, 2023 to June 30, 2023)
Net income	521,889	444,456
Other comprehensive income		
Valuation difference on available-for-sale securities	—	1,560
Total other comprehensive income	—	1,560
Comprehensive income	521,889	446,017
Comprehensive income attributable to:		
Owners of parent	521,958	446,750
Non-controlling interests	-68	-733

(3) Quarterly consolidated statement of cash flows

	(Thousands of yen)	
	Previous second quarter (From January 1, 2022 to June 30, 2022)	Current second quarter (From January 1, 2023 to June 30, 2023)
Cash flows from operating activities		
Net income before income taxes	775,329	699,065
Depreciation	28,008	22,843
Amortization of goodwill	37,932	26,596
Increase (decrease) in allowance for doubtful accounts	578	2,067
Increase (decrease) in provision for bonuses	-10,689	10,712
Interest and dividend income	-17	-573
Share of loss (profit) of entities accounted for using equity method	—	21,055
Loss on retirement of non-current assets	—	1,061
Decrease (increase) in trade receivables	206,721	417,912
Decrease (increase) in inventories	-1,197	12,258
Increase (decrease) in trade payables	-18,005	39,115
Increase (decrease) in accounts payable - other	-7,544	-20,769
Increase (decrease) in accrued expenses	-6,387	3,077
Increase (decrease) in contract liabilities	100,823	215,309
Other	-118,910	-93,044
Subtotal	986,642	1,356,689
Interest and dividends received	17	573
Income taxes refund (paid)	-375,133	-79,080
Net cash provided by (used in) operating activities	611,526	1,278,181
Cash flows from investing activities		
Payments into time deposits	-800	—
Proceeds from withdrawal of time deposits	20,418	—
Purchase of property, plant and equipment	-10,200	-17,907
Purchase of investment securities	-150,550	-325,649
Payments of leasehold deposits	—	-3
Proceeds from refund of leasehold deposits	11,430	30,661
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-467,090	—
Other	66	1,953
Net cash provided by (used in) investing activities	-596,726	-310,946
Cash flows from financing activities		
Proceeds from share issuance to non-controlling shareholders	110,200	—
Purchase of treasury shares	-871,874	—
Proceeds from issuance of share acquisition rights	—	3,563
Dividends paid	-217,498	-228,560
Net cash provided by (used in) financing activities	-979,172	-224,997
Net increase (decrease) in cash and cash equivalents	-964,371	742,238
Cash and cash equivalents at beginning of period	3,202,172	2,264,855
Cash and cash equivalents at end of period	2,237,800	3,007,093

(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)

Not applicable

(Changes in accounting policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as the "Guidance on Accounting Standard for Fair Value Measurement") will be applied from the beginning of the first quarter of the current fiscal year, and the new accounting policy stipulated by the Implementation Guidance on Accounting Standard for Fair Value Measurement will be applied in the future in accordance with the transitional treatment stipulated in Article 27-2 of the Guidance on Accounting Standard for Fair Value Measurement. This has no effect on the quarterly consolidated financial statements.