

1Q FY2022 Financial Results

Medical Data Vision Co., Ltd.
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メディカル・データ・ビジョン株式会社

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1Q FY2022 Financial Results

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- ✓ Despite the application of new revenue recognition standards, 1Q marked a steady start against target full-year sales of ¥6.3bn

2

Progress on FY2022 Strategies and Focus Businesses ---- 14

- ✓ Further explanation of FY2022 strategies and additional data on progress

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1Q Topics

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- ✓ Announcement of business alliance with DeNA Group as a new partnership

1Q FY2022 Financial Results

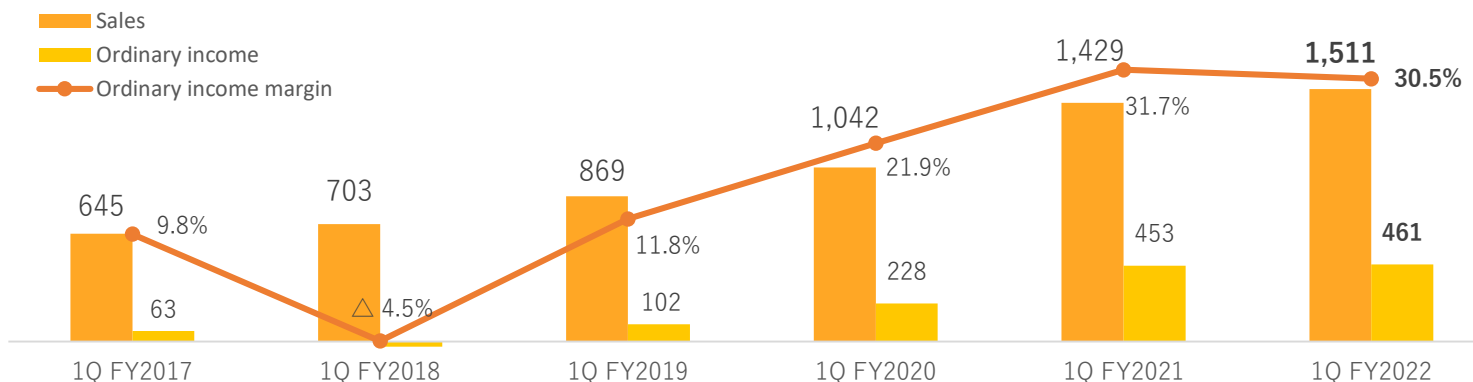


1Q FY2022 results highlights

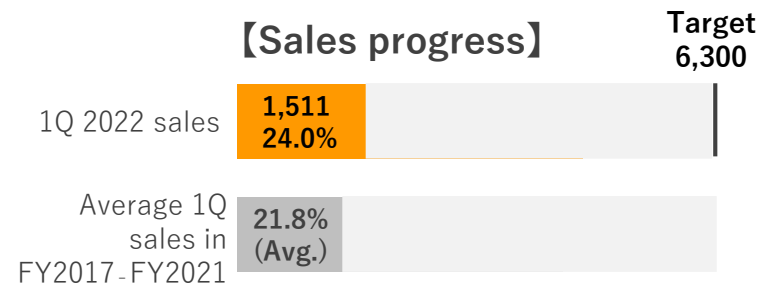
(Millions of Yen)

1Q progress against full-year targets as expected

Despite the application of new revenue recognition standards, 1Q marked a steady start against target full-year sales of ¥6.3bn.



	Data network service	Data utilization service	All-company total
Sales YoY	490 -11.2%	1,020 +16.3%	1,511 +5.7%
Gross income YoY	312 -15.4%	946 +19.5%	1,259 +8.4%
Ordinary income YoY	—	—	461 +1.6%



1Q FY2022 results comparison

1Q sales up slightly on 1Q FY2021's high growth

Sales in 1Q FY2021 boosted by temporary strong domestic demand for pharmaceuticals, in part owing to the impact of the COVID-19 pandemic

(Millions of Yen)	1Q FY2022 (Jan–Mar 2022)				
	Actual (new basis)	YoY (old basis)		【Ref.】 YoY (adjusted to new basis*)	
		Actual	Change	Ref	Change
Sales	1,511	1,429	+ 5.7%	1,499	+ 0.8%
Sales growth rate	+5.7%	+37.1%	-31.4 P	—	—
Ordinary income	461	453	+1.6%	—	—
Ordinary income margin	30.5%	31.7%	-1.2 P	—	—
Employees	245	243	+0.8%	—	—
Sales per employee	6.1	5.8	+ 4.8%	—	—

*Sales in 1Q FY2021 would have been ¥69mn higher when applying the new revenue recognition standards to contracts straddling FY2020 and FY2021 and FY2021 and FY2022 .

Change in sales booking method from new revenue recognition standards

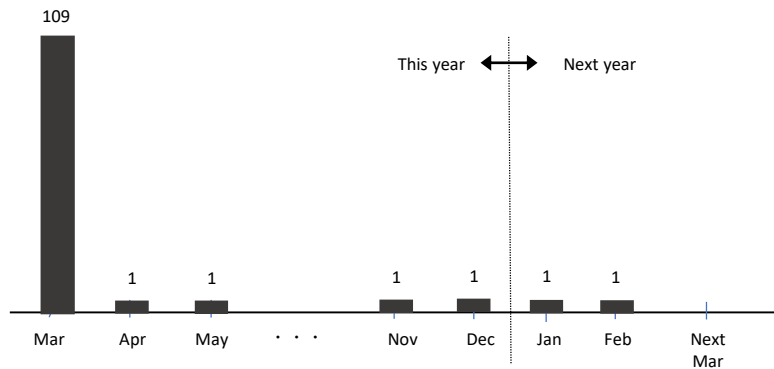
Adjustment in historical sales data to reflect new standards

Main impact on sales from medical data survey analysis in Data utilization service

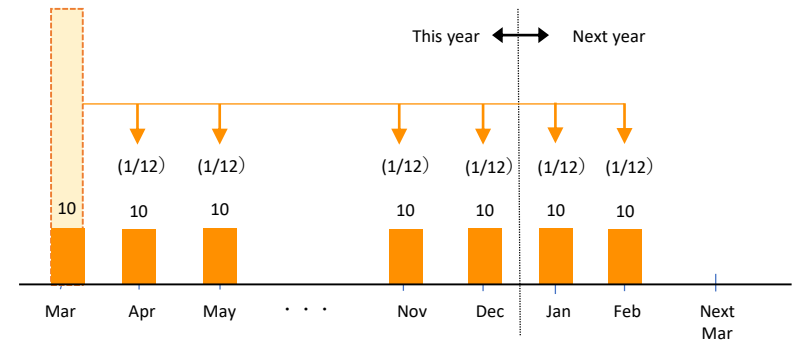
All sales this year to be booked under new standards

(Example) Provision of data over 12 months from March under 12-month data contract (assuming 120 units)

Sales booking under old standards



Sales booking under new standards



Impact of new revenue recognition standards on sales, etc.

Difference of around ¥240mn in FY2021 sales when adjusted for new standards

The effect of the new standards on FY2021 adjusted sales is to increase sales in 1Q but lower sales in 2Q onward

FY2021 sales

(Millions of Yen)

		1Q	2Q	3Q	4Q	Total
Sales (old)	①	1,429	1,205	1,316	1,720	5,672
Adjustment (old→new) *1	②	+69	-26	-25	-261	-243
Adjusted sales (new)	③ = ① + ②	1,499	1,179	1,291	1,458	5,428

FY2022 sales

		1Q	2Q	3Q	4Q	Total (target)
Sales (new)	④	1,511				6,300
YoY comparison	⑤ = ④ ÷ ③	+0.8%				+16.0%

*1 Adjustment based on applying the new revenue recognition standards to sales in the previous year to contracts straddling FY2020 and FY2021 and FY2021 and FY2022.

1Q FY2022 results: cost analysis

Gross profit improved YoY but personnel costs rose on increase in employee remuneration

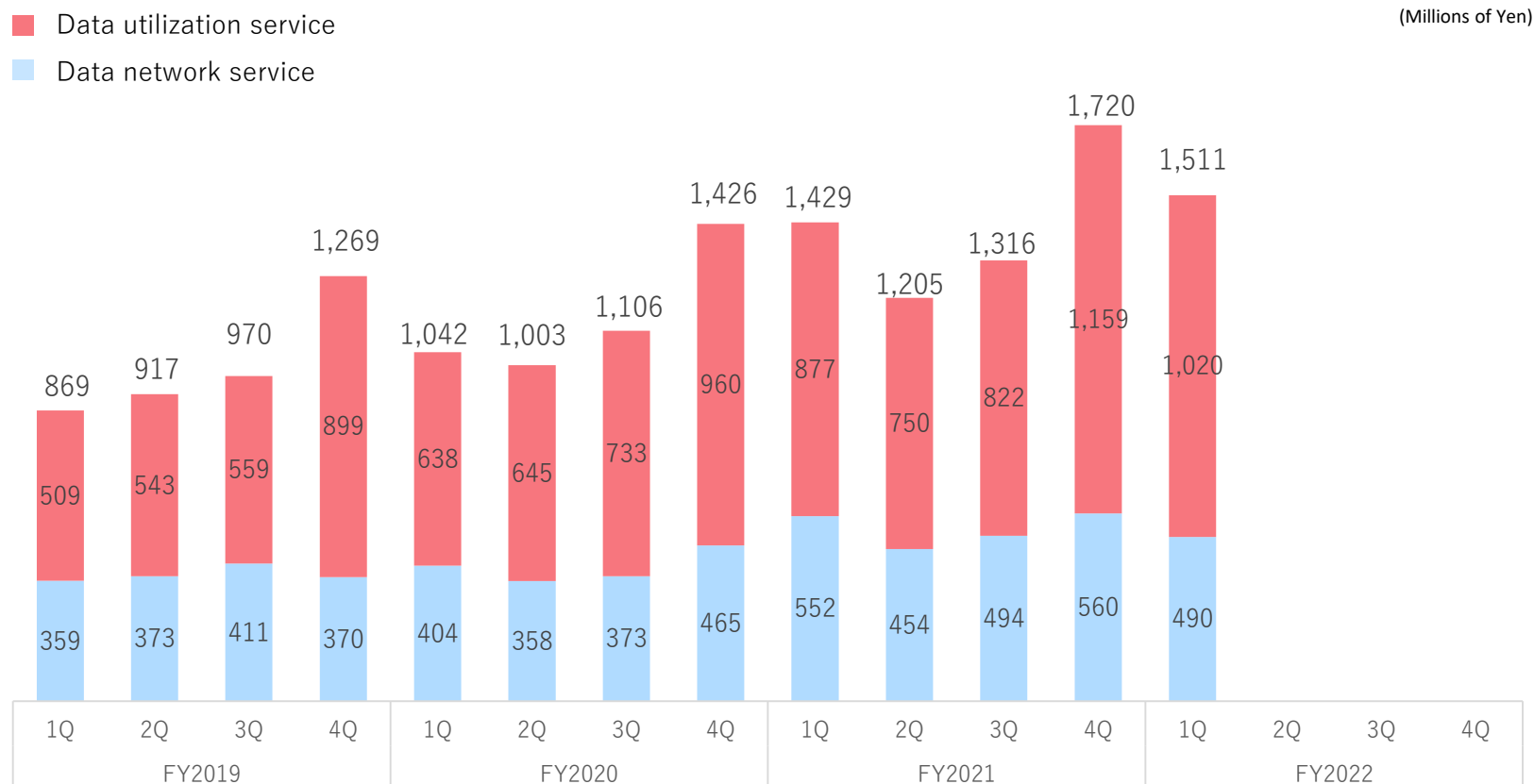
Higher advertising costs include TV commercial for HMV concept

(Millions of Yen)	【Consolidated】 1Q FY2022	【Consolidated】 1Q FY2021	YoY	Details
CoGS	251	268	-6.1%	Increase in weighting of low-cost data utilization service sales
Personnel costs	410	364	+12.6%	Rise in salary costs including wage rises (+25mn), rise in hiring/development costs (+8mn)
Hiring costs	13	4	+171.5%	Jan-Mar hiring costs
Others	378	342	+10.6%	Advertising costs (+13mn), compensation (+12mn)
R&D costs	68	51	+31.9%	Large volume of HMV-related development costs in 1Q
Total costs*	1,041	975	+ 6.8%	

*The total of CoGS and SG&A

Sales by quarter (breakdown by service)

Data network service sales stable, data utilization service sales growing steadily

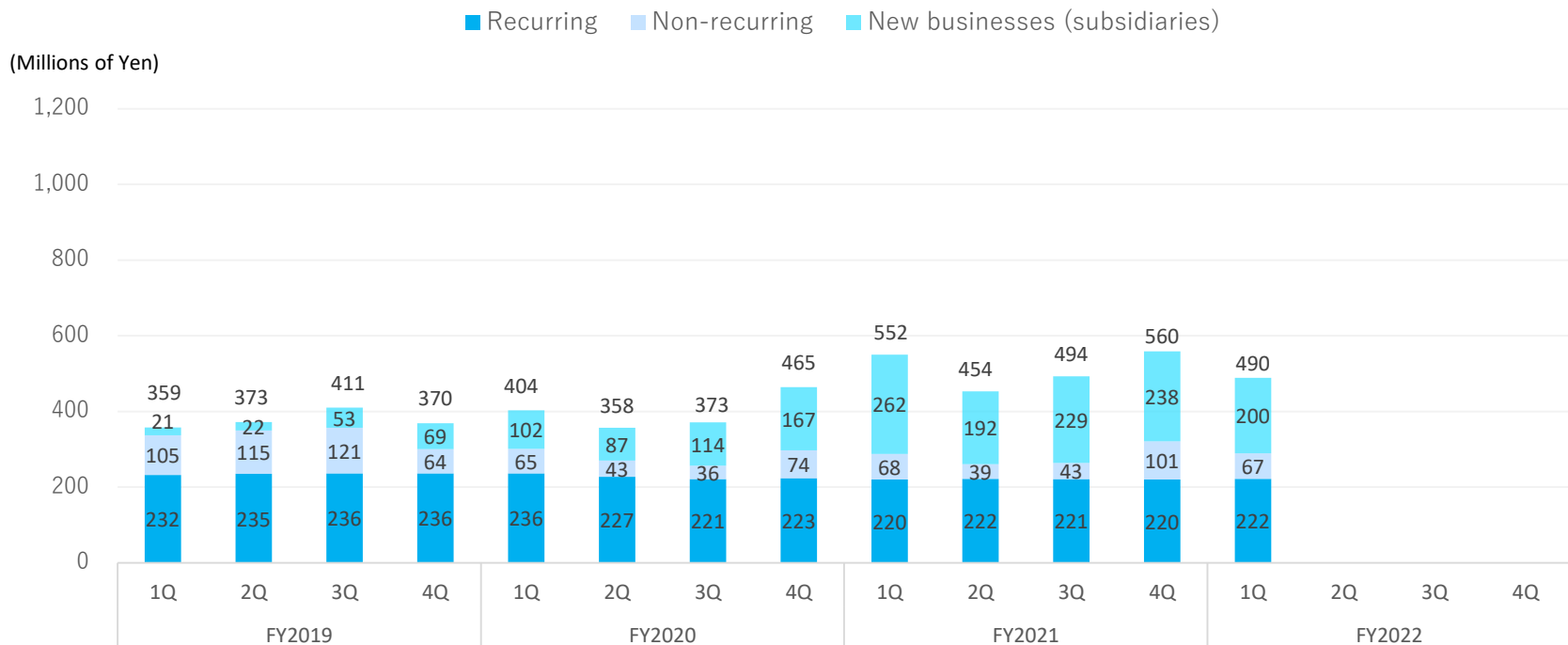


Data network service sales breakdown

Trending steady with no major fluctuation, sales decline at subsidiaries

Sales fall around ¥60mn YoY, but end on target

Impact from YoY sales decline at new businesses (subsidiaries) such as MDI and SBa



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

Maintain the high number of hospitals using 'EVE'

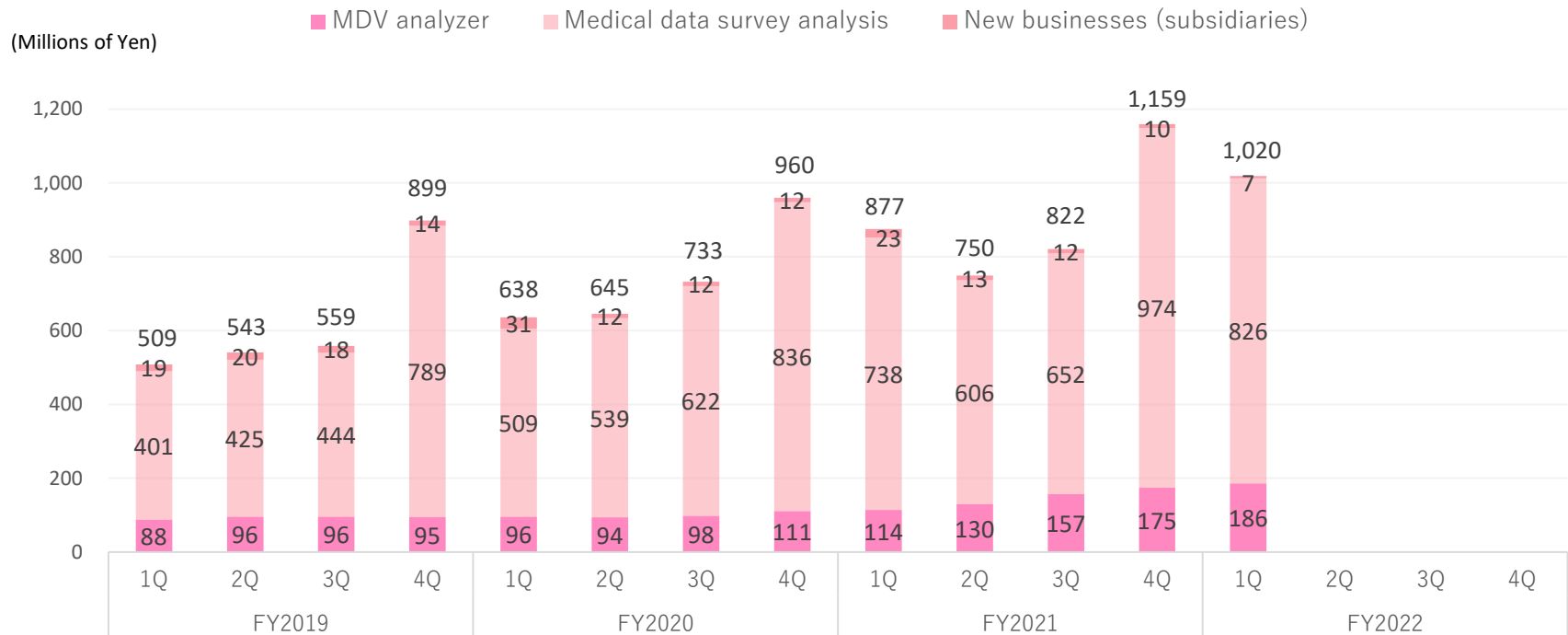
Increase the number of hospital using 'MDV Act', which is the foundation for cloud services

Indicators	FY2019 Results	FY2020 Results	FY2021 Results	1Q FY2022 Results	FY2022 Targets
No. of hospitals using 'EVE'	802	772	770	753	750~770
No. of hospitals using 'MDV Act'	—	—	558	757	1,000

Data utilization service sales breakdown

Further contract growth for 'MDV analyzer'.

Medical data survey analysis sales up, in part on impact of new revenue recognition standards



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	FY2019 Results	FY2020 Results	FY2021 Results	1Q FY2022 Results	FY2022 Targets
No. of contract (each type) for 'MDV analyzer'	25	27	44	45	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)	2,984	3,451	3,849	3,940	—
No. of patients in Health Insurance Association database (10,000)	—	616	762	769	—

Progress on 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 personnel and R&D,
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



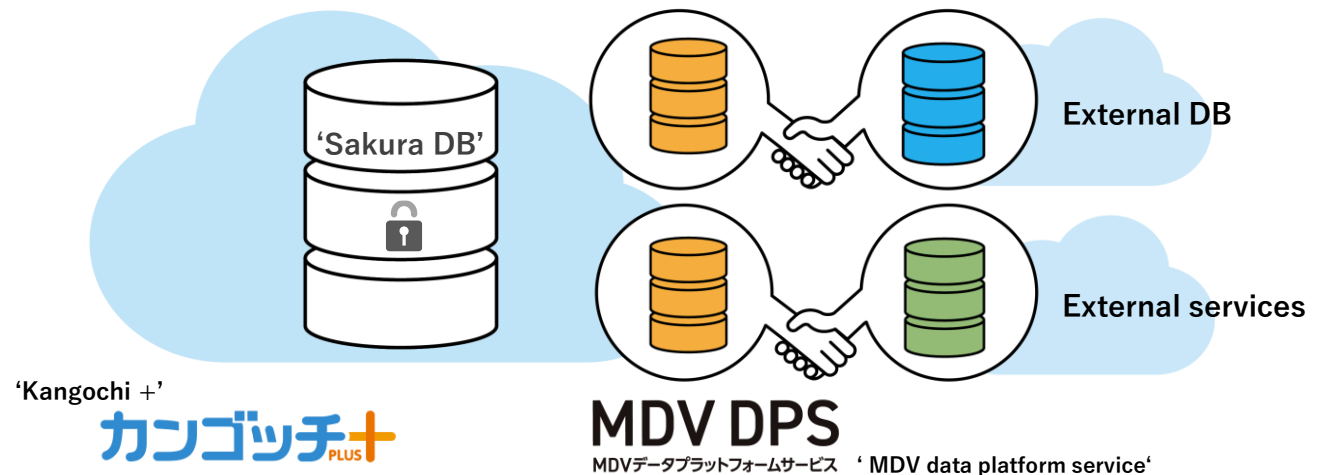
Create the HyperMedicalVision concept and bring it to reality

1)-① 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

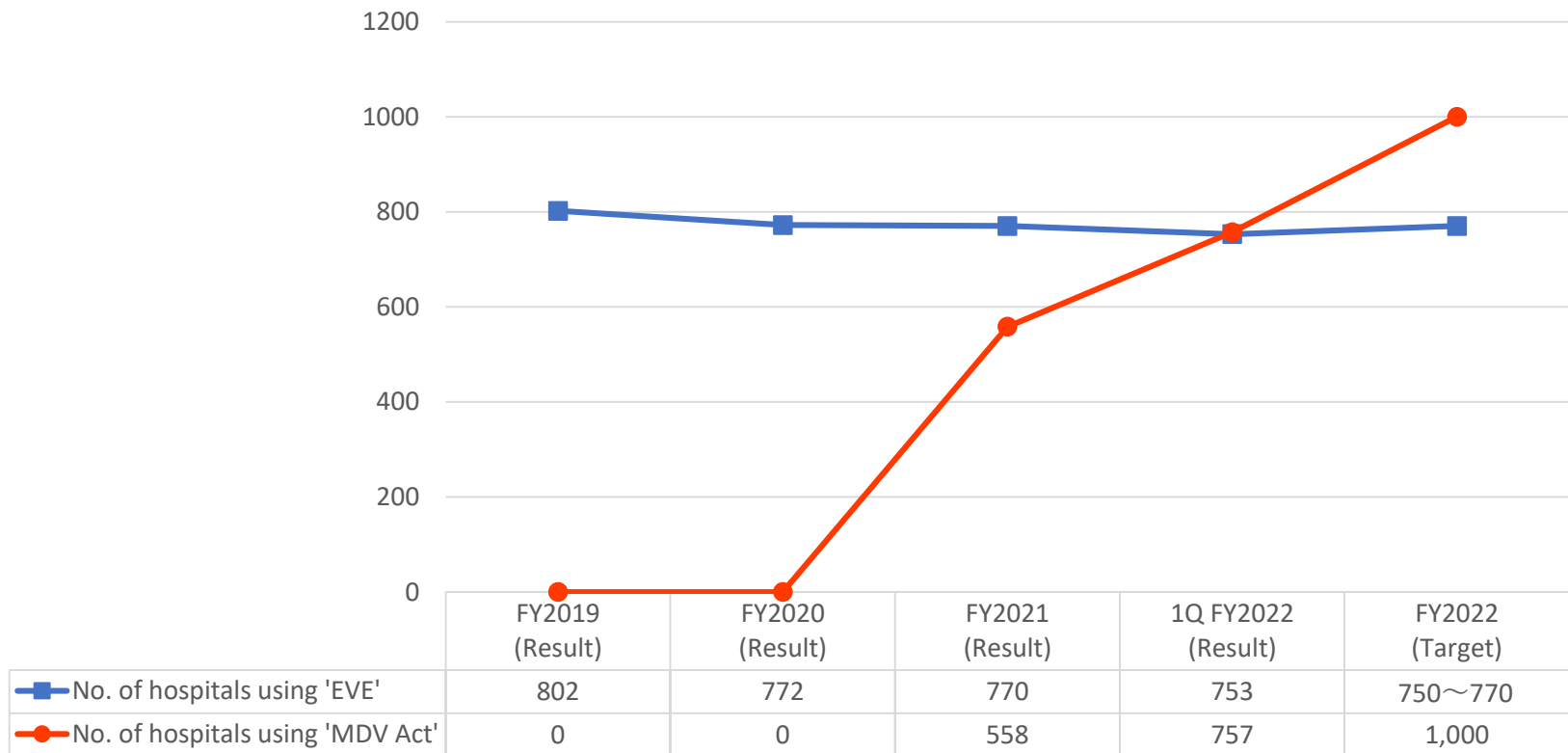


EVE

1)-① Contract growth for 'MDV Act'

Number of hospitals using 'MDV Act' surpassed that for 'EVE' in 1Q

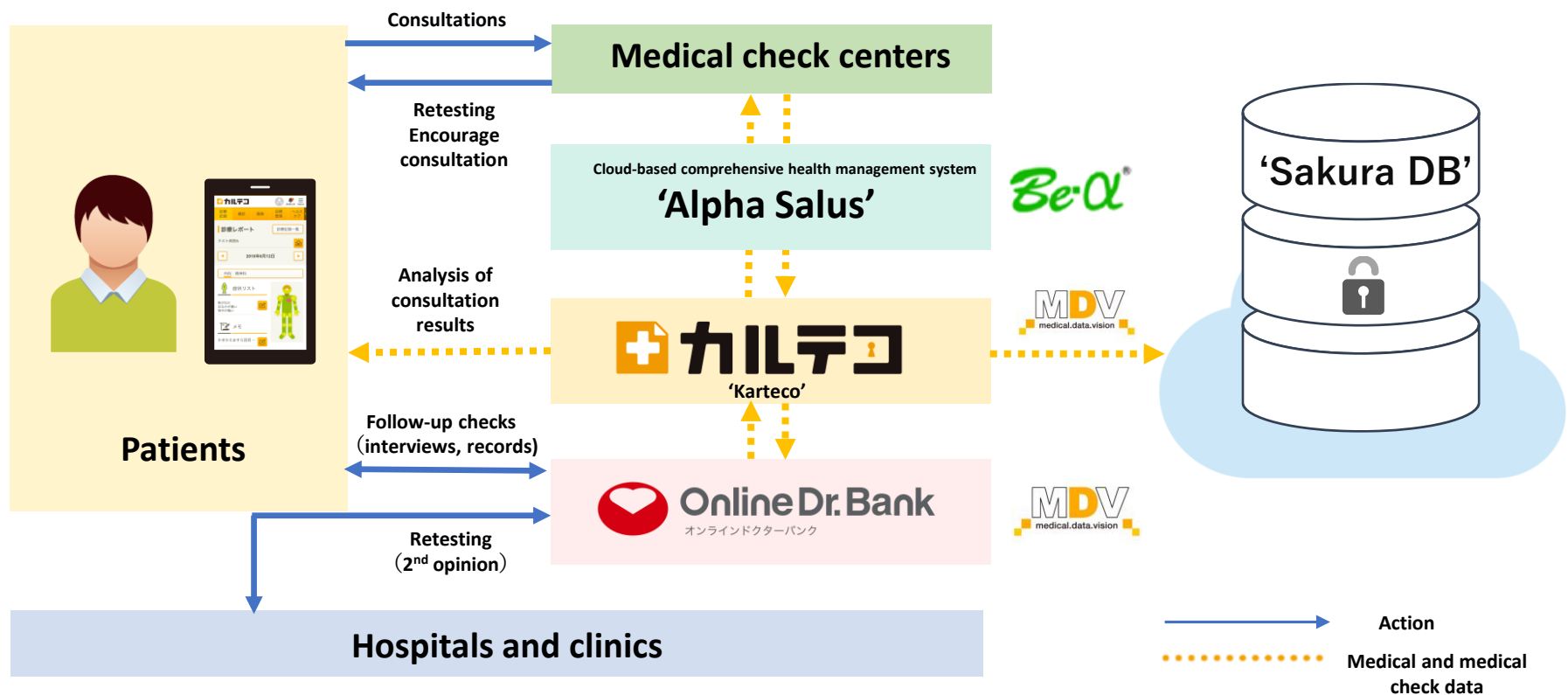
Acquisition of more than 120 new users who were not contracted for existing products



1)-② Expand sales of cloud-based medical check systems

Begin sales of cloud-based medical check systems

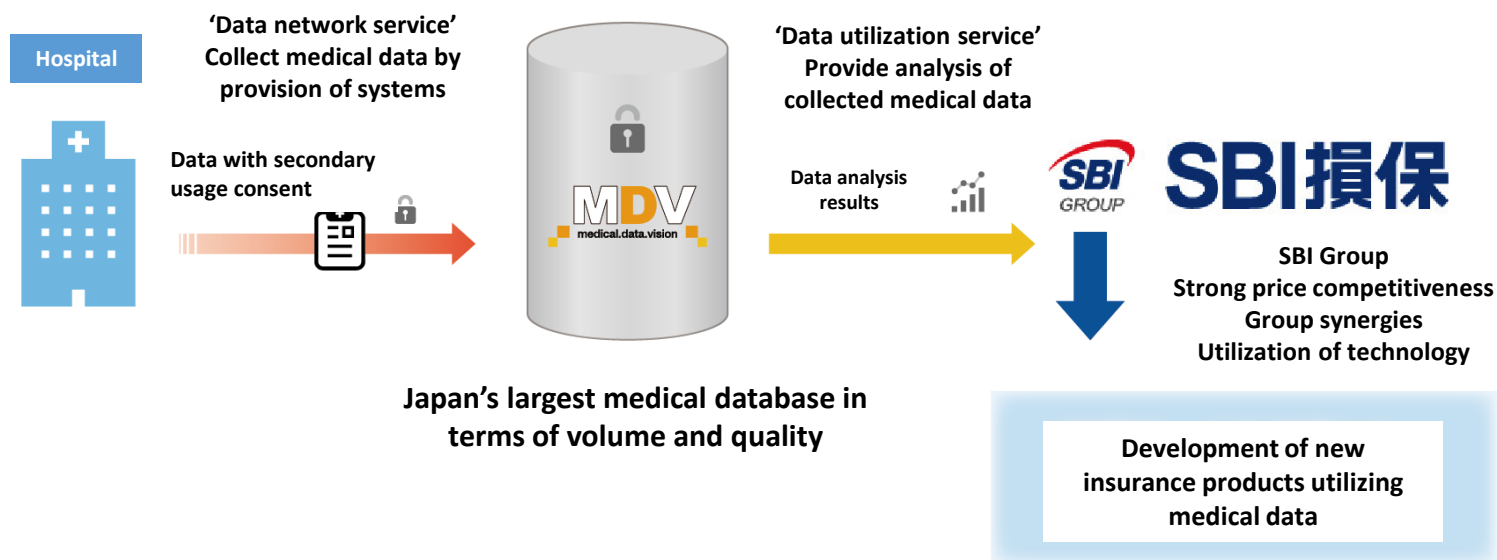
Brisk combined sales of medical check systems in on-premises and cloud-based formats



2) Expand data sales, inc. overseas, and strength operations in insurance field

Bolster data utilization business, including overseas (grow medical data sales)

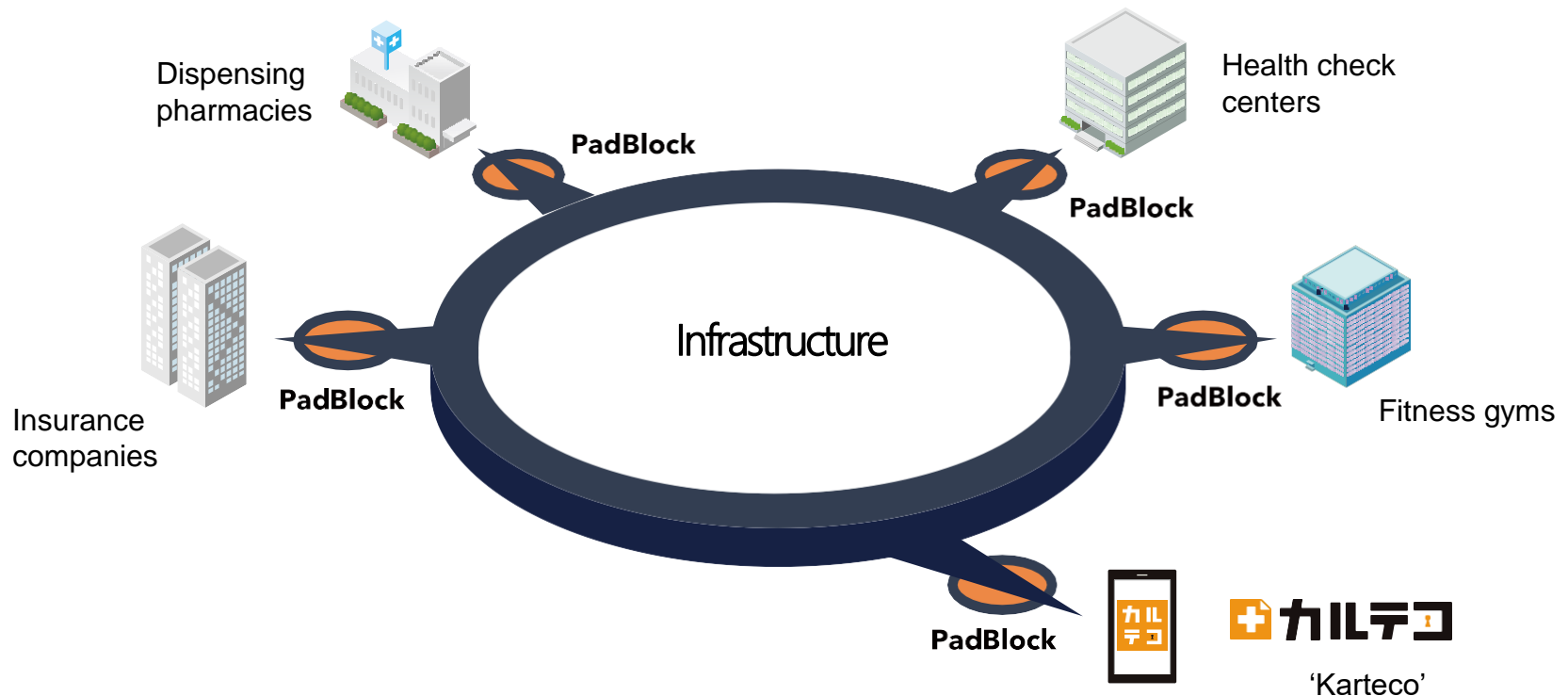
Strengthen ties with the SBI Group, expand sales in the insurance field



3)-① The H MV concept

The H MV concept is a challenge investment in future growth

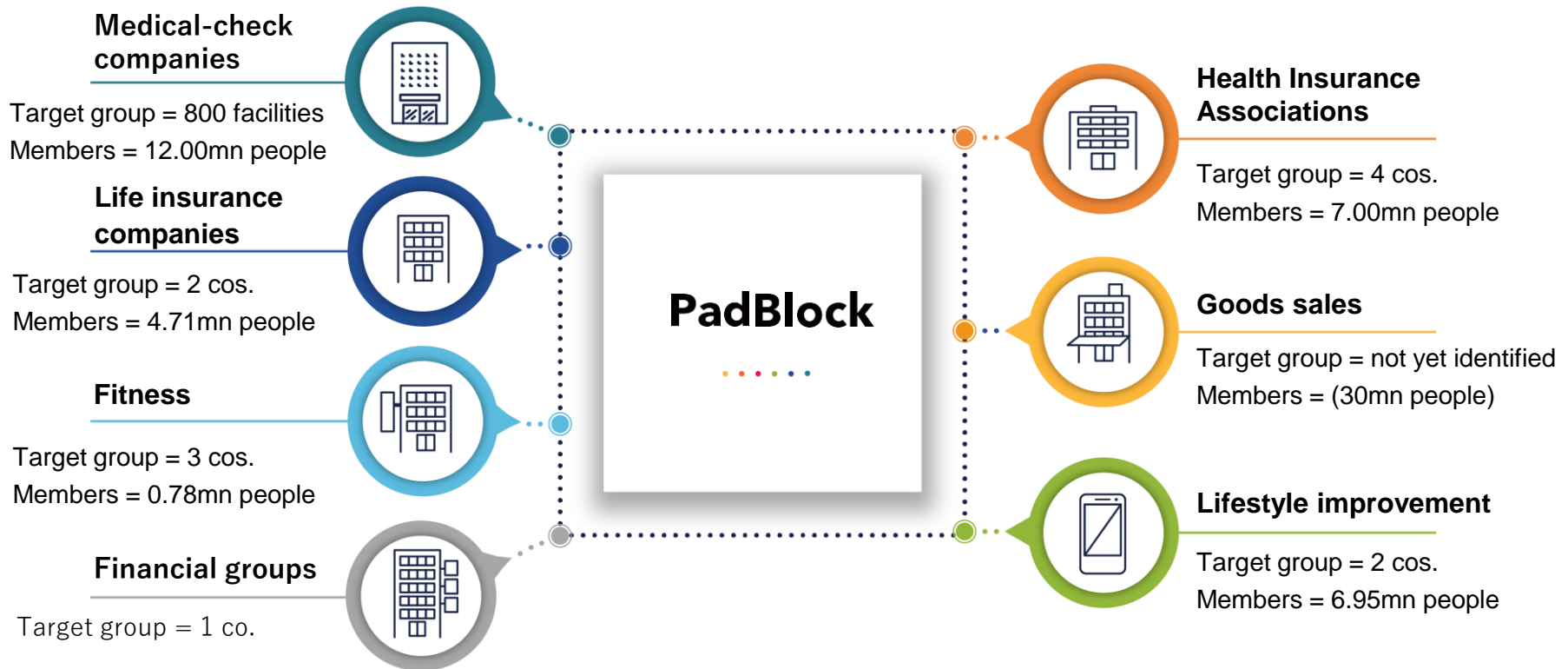
It encompasses the infrastructure necessary to achieve our aim of creating a data utilization society



3)-② Future linkages for the H MV concept

HMV can have links not only with hospitals and healthcare

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



1Q FY2022 Topics



Alliance includes usage of medical big data

Exploration of healthcare business cooperation to solve social issues in health and medicine

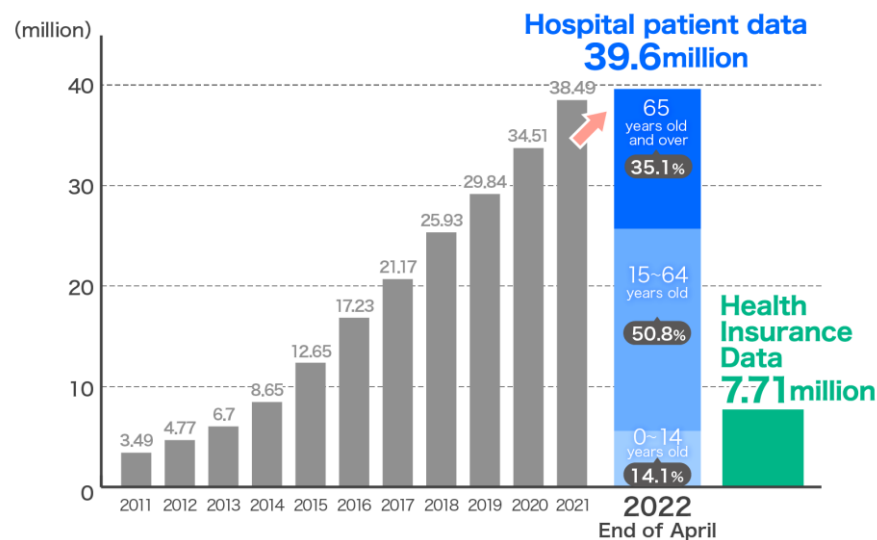
= Key points for cooperation talks =

- (1) Cooperation on utilizing the data accumulated by both companies
- (2) Cooperation on using services and data to promote health and optimize medical costs

The agreement between MDV and DeNA to explore cooperation is rooted in both firms desire to solve social issues in health and medicine by using their respective medical big data.

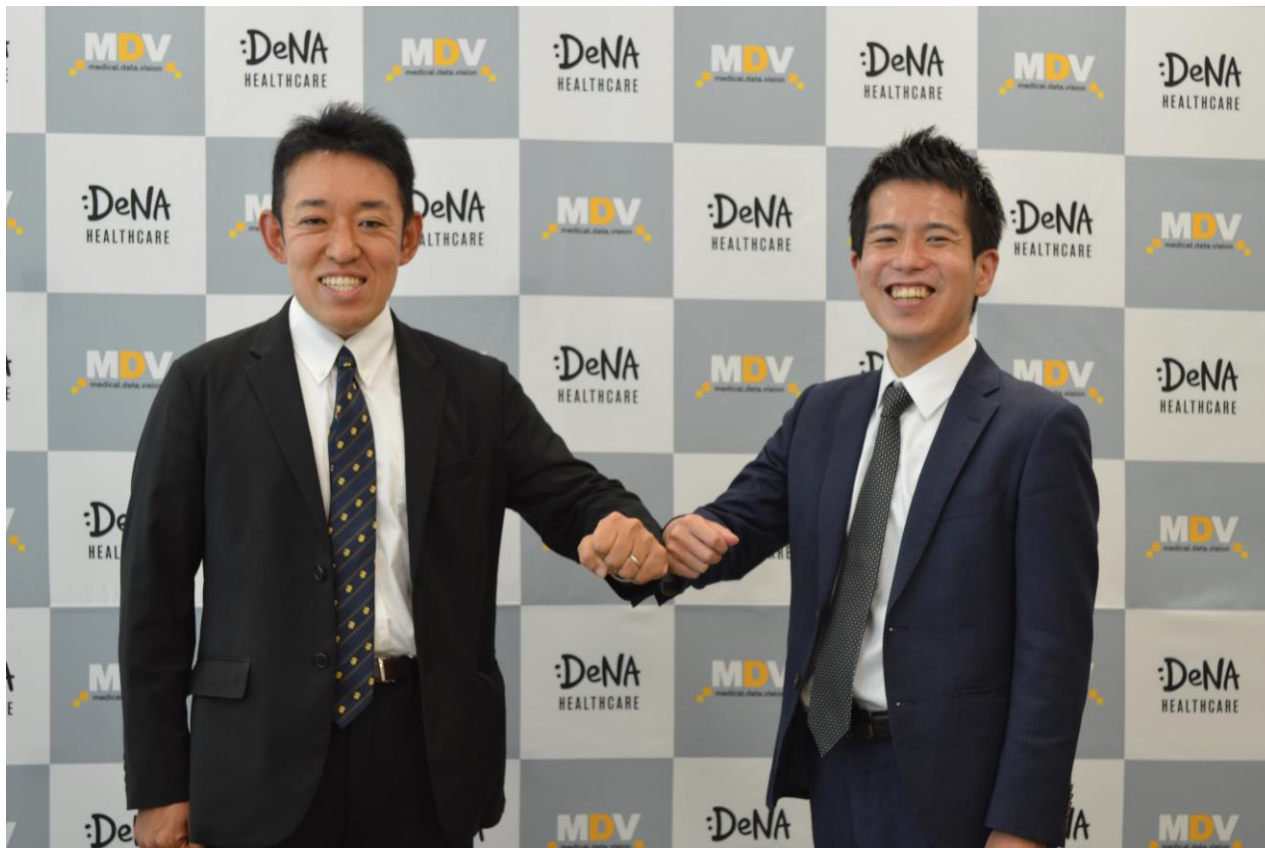
MDV Director Masaki Nakamura says he believes mutual cooperation will expedite realization of the company's corporate philosophy of creating a society in which individuals can select the necessary medical and healthcare services.

Actual number of patients in medical data



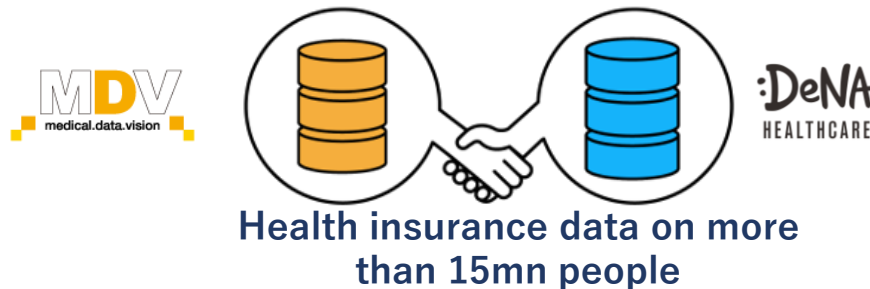
Joint Press Conference scheduled for 11 May

To be attended by DeSC Healthcare, Inc.'s President & CEO Sho Segawa
and MDV's Director Masaki Nakamura



Joining force with DeNA to create the largest health insurance database in Japan (15 million patients)

Aim to load integrated DB onto 'MDV analyzer' and begin providing service in summer 2022



Health Insurance Associations:
7.71mn people

Health Insurance Associations
+ local authorities:
8.08mn people

Hospital data: 39.60mn
(actual patient number)

Largest medical DB in Japan

■ Outline of the Business Alliance

1. Collaboration in data utilization

- ① By combining the database of both companies, it would result into the largest medical database in Japan, regrouping 40 million patient hospital data combined with health insurance data of 15 million patients.
- ② The combined database will be the data source of MDV analytics web tool 「MDV analyzer」 and the service is expected to go-live this summer.

2. Collaboration in Direct-to-Consumer health promotion services

By sharing know-how of their respective services such as MDV's PHR service "Karteco" and DeSC Healthcare's "kencom" both companies will cooperate to further support the health promotion to consumers and contribute to the optimization of medical expenses and services.

*Data as of end-Apr 2022

IR Contents in English

<https://en.mdv.co.jp/investor-relations/>

Contacts

<https://en.mdv.co.jp/application/contactus/form.php?investor-relations-category2>

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