

3Q FY2022 Financial Results

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

November 14, 2022

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3Q results

1Q–3Q earnings progressing basically on target

- Sales ¥4,327mn +9.5% YoY
- Ordinary income ¥1,159mn +11.9% YoY
- Ordinary income margin 26.8% +0.6P YoY

Business progress

Progress on key initiatives for data utilization service

- Signing of three-year usage contract with Australian company
Prospection to supply medical DB
- Start of 「MDV analyzer」 service using integrated DB with DeNA

Topics

Topics for end-3Q onward

- Conclusion of capital/operating alliance with Sensing, also plans to take a stake in that company
- Restructuring of MDV Trial and absorption into MDV, strengthening of data trial business

3Q FY2022 Financial Results

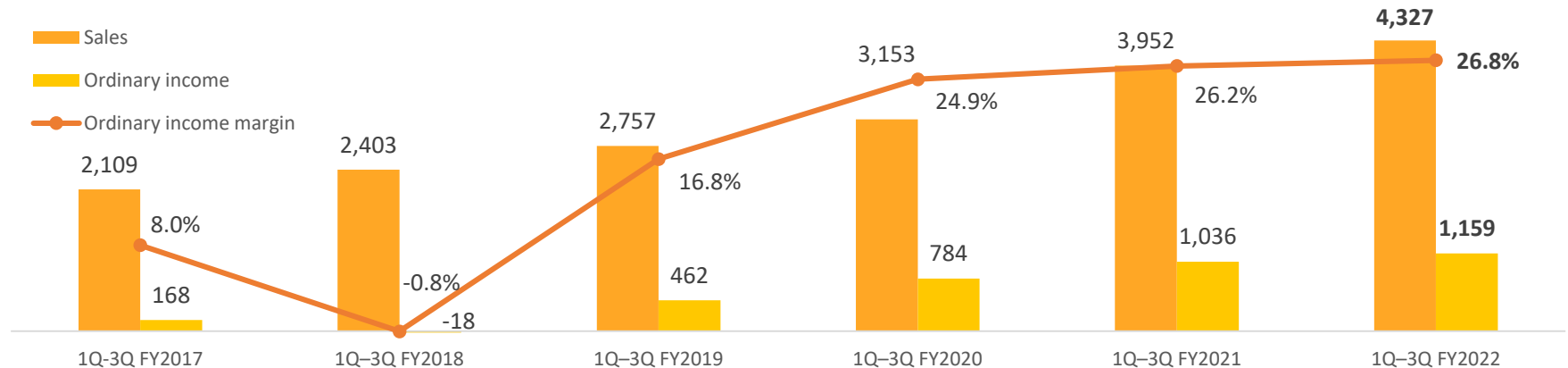


3Q FY2022 results highlights

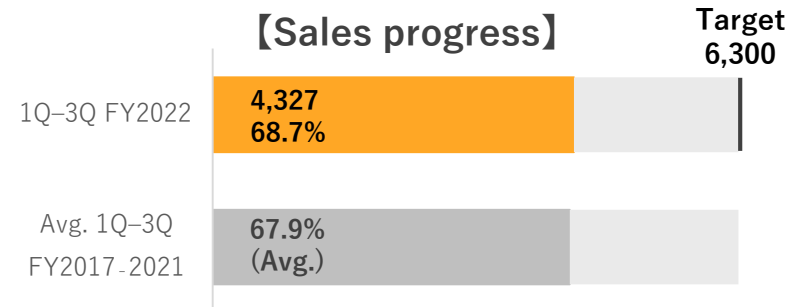
(Millions of Yen)

1Q–3Q sales progressing basically on target

Ordinary income above target through 3Q, ordinary income margin also remains high at 26.8%



	Data network service	Data utilization service	All-company total
Sales YoY	1,506 +0.3%	2,821 +15.1%	4,327 +9.5%
Gross income YoY	966 -4.8%	2,583 +17.2%	3,549 +10.3%
Ordinary income YoY	—	—	1,159 +11.9%



3Q FY2022 results comparison

Strong 3Q ordinary income growth of 20.6% YoY

Sales growth also a steady 13.9% YoY adjusted to the new basis

(Millions of Yen)	3Q FY2022 (Jul-Sep 2022)				
	Actual	YoY		【Ref.】 YoY (adjusted to new basis*)	
		Actual	Change	Ref	Change
Sales	1,470	1,316	+11.7%	1,291	+13.9%
Sales growth rate	+11.7%	+19.0%	-7.3P	—	—
Ordinary income	382	317	+20.6%	—	—
Ordinary income margin	26.0%	24.1%	+ 1.9P	—	—
Employees	255	246	+3.7%	—	—
Sales per employee	5.7	5.3	+7.7%	—	—

*Parent sales in 3Q FY2021 would have been ¥25mn lower when applying the new revenue recognition standard to contracts straddling FY2020 and FY2021 and FY2021 and FY2022

Impact of new revenue recognition standard on sales, etc.

Expect 4Q sales to exceed those of 2021 under the old standard

Forecast 4Q sales growth to be significantly higher than 20% when adjusted to the new basis

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	1,345	1,470		6,300
YoY	⑤ = ④ ÷ ③	+0.8%	+14.1%	+13.9%		+16.0%

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

3Q FY2022 results: cost analysis

Expect 4Q personnel costs to increase on rise in number of engineers

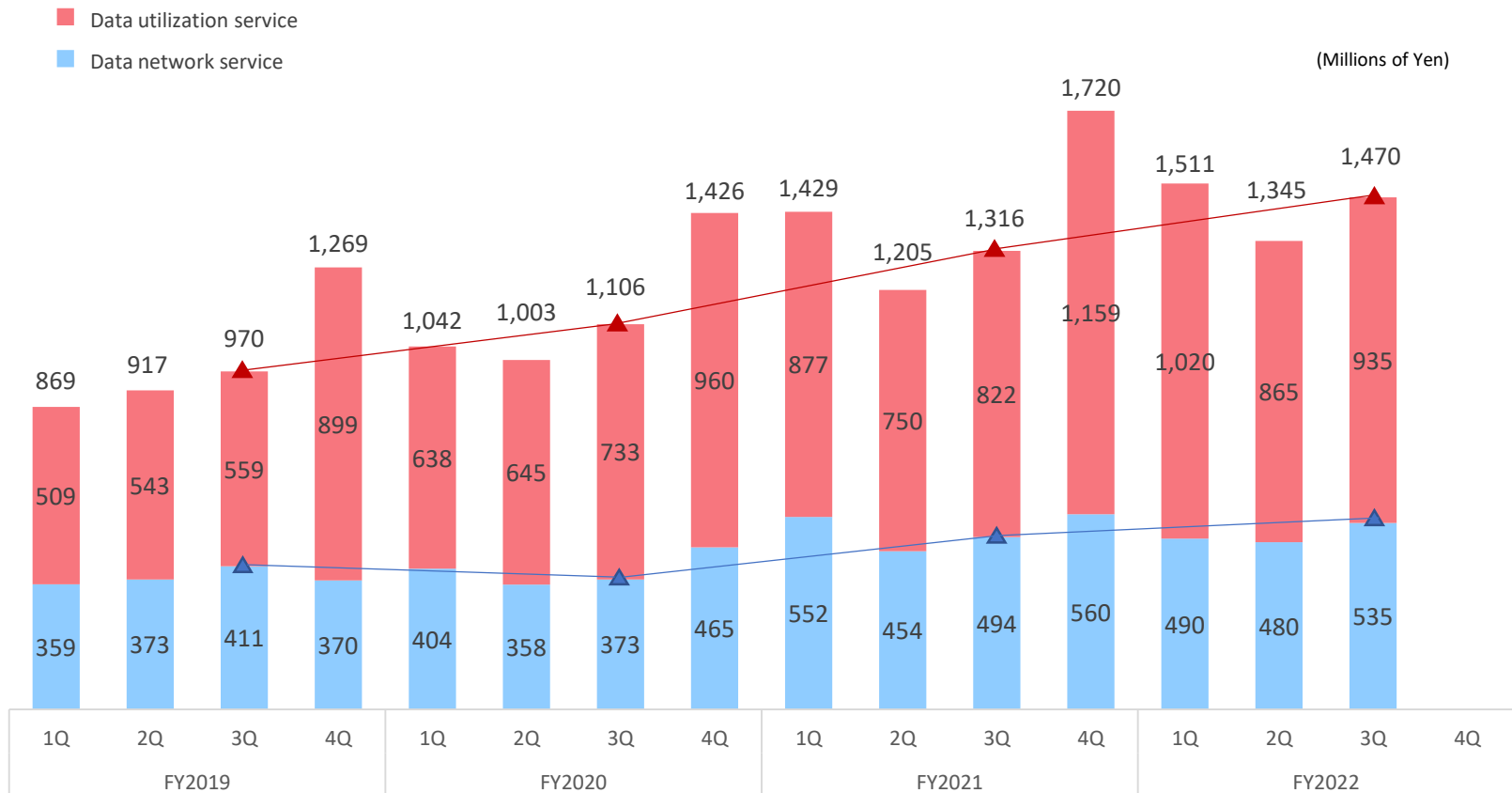
Expect 4Q R&D costs to be lower on unused reserve funds

(Millions of Yen)	【Consolidated】 3Q FY2022	【Consolidated】 3Q FY2021	YoY	【Consolidated】 2Q FY2022	QoQ	Details
CoGS	281	248	+ 13.5%	243	+ 15.6%	<ul style="list-style-type: none"> •Rise in procurement at SBα, etc. (+21M) •Rise in labor costs (+11M)
Personnel costs	419	380	+ 10.1%	426	-1.8%	<ul style="list-style-type: none"> •Higher wage costs from salary increases, headcount rise, etc. (+20M)
Hiring costs	11	9	+ 15.6%	11	-4.7%	<ul style="list-style-type: none"> •Costs related to adoption of contingency fees, etc. (+1M)
Others	387	370	+ 4.6%	359	+ 7.9%	<ul style="list-style-type: none"> •Support fees (+ 8M) •Goodwill (+7M)
R&D costs	78	100	-22.2%	64	+ 21.9%	<ul style="list-style-type: none"> •Lower development costs for existing businesses ('DPS', etc.) (-24M)
Total costs*	1,088	999	+ 8.9%	1,029	+ 5.7%	

*The total of CoGS and SG&A

Sales by quarter (breakdown by service)

Data network service sales stable, data utilization service sales remain on growth trend



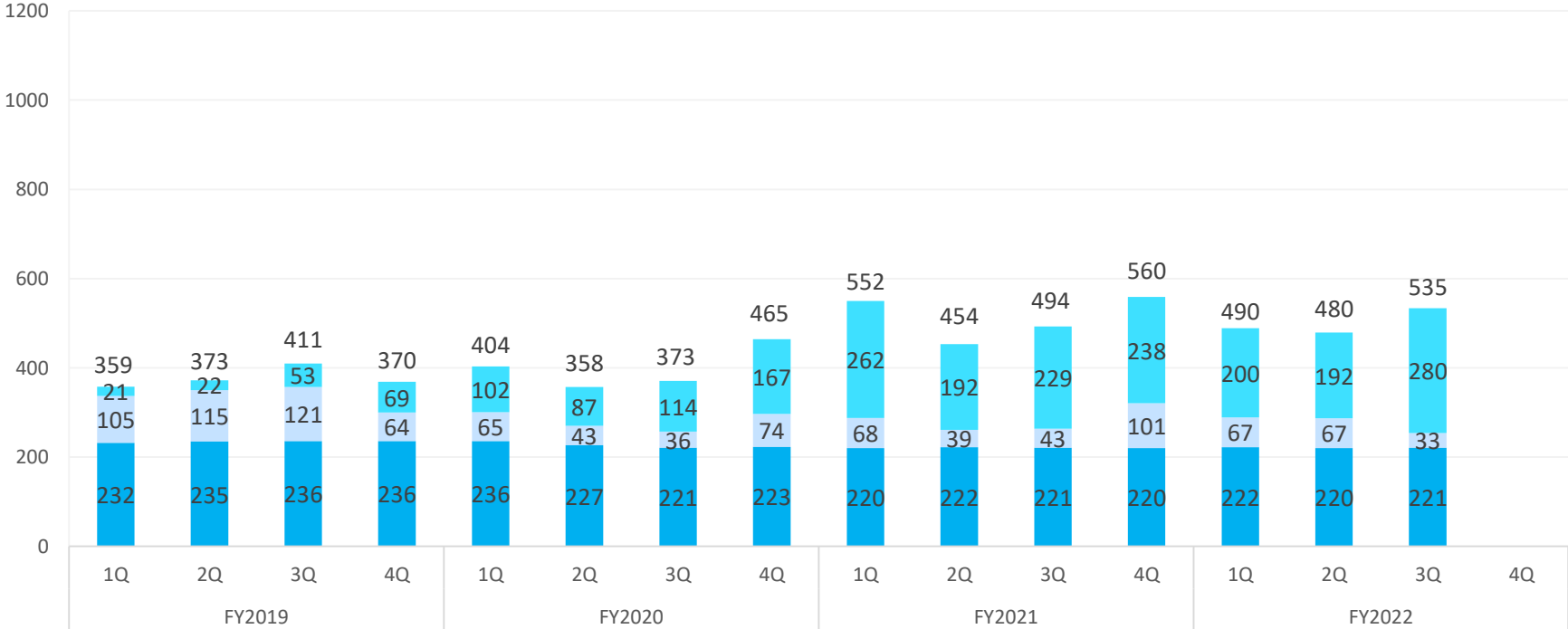
Data network service sales breakdown



Sales expanding at subsidiaries Doctorbook and SB α
Stable sales at parent MDV

(Millions of Yen)

■ Recurring ■ Non-recurring ■ New businesses (subsidiaries)



Steady growth in number of hospitals using cloud services

Number of contracts for 'MDV Act' much higher than for mainstay product 'EVE'

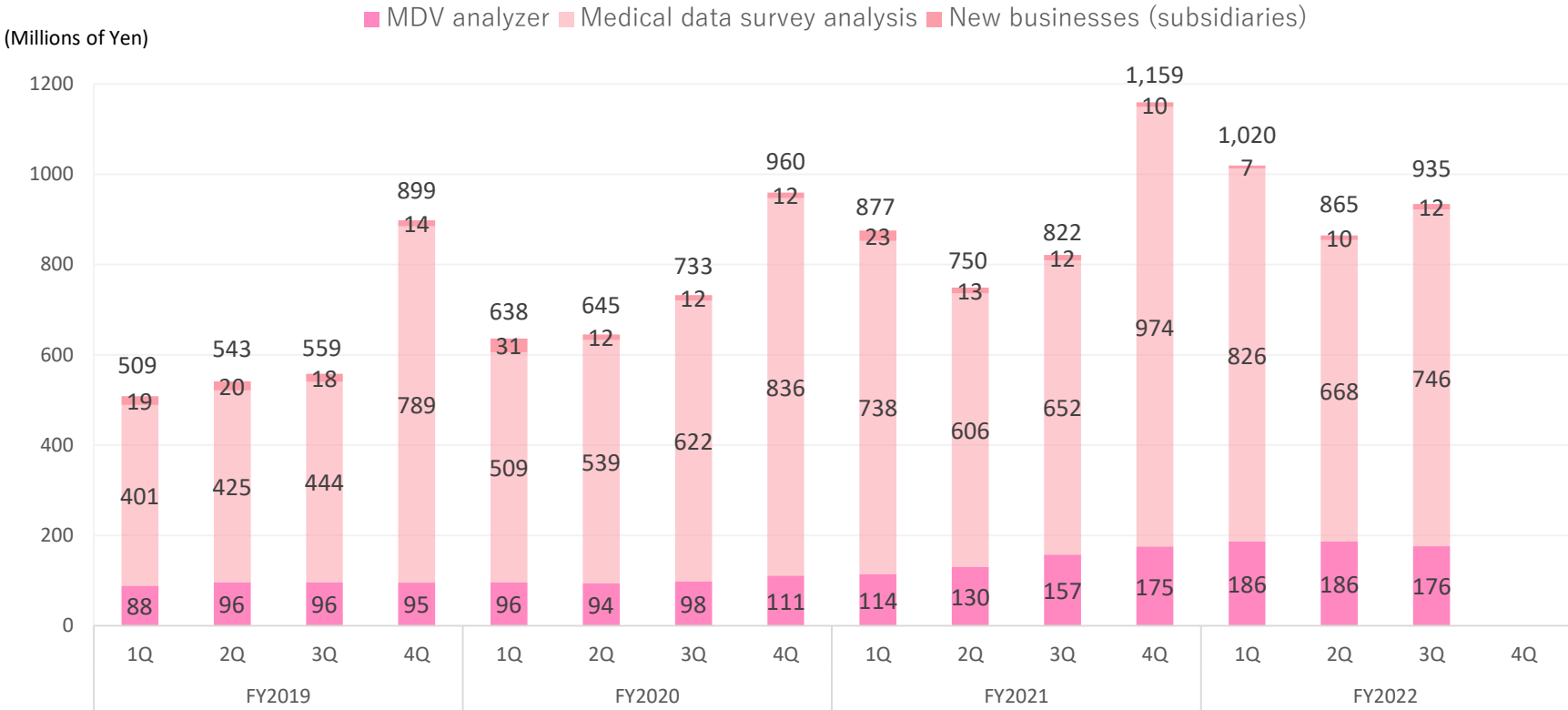
Indicators	FY2019 Results	FY2020 Results	FY2021 Results	1Q FY2022 Results	2Q FY2022 Results	3Q FY2022 Results	FY2022 Targets
No. of hospitals using 'EVE'	802	772	770	753	750	748	750~770
No. of hospitals using cloud services	–	–	–	778	834	897	1,000
No. of hospitals usings 'MDV Act'		–	558	757	809	863	1,000

Data utilization service sales breakdown



Sales growth rate for medical data survey analysis continues to accelerate

Expect 4Q to be the peak for medical data survey analysis sales



Large rise in number of patients in insurer database from alliance with DeNA

Aim to achieve FY2022 target for “MDV analyzer” by strengthening sales of integrated DB

Indicators	FY2019 Results	FY2020 Results	FY2021 Results	1Q FY2022 Results	2Q FY2022 Results	3Q FY2022 Results	FY2022 Targets
No of contracts (each type) for ‘MDV analyzer’	25	27	44	45	40	43	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	4,016	4,120	—
No of patients in insurer database (10,000)*	—	616	762	769	780	1,776	—

*Revised indicator name due to addition of data from insurers other than those in the Japan Health Insurance Association

Progress of 2022 Strategy and Progress of Focus Businesses



1) Progress in shifting 'MDV Act' contracts to cloud basis

Steady expansion in customer base through acquisition of more than 200 new customers

Steady growth toward target of number of hospital using 'MDV Act' being much higher than number of 'EVE' users

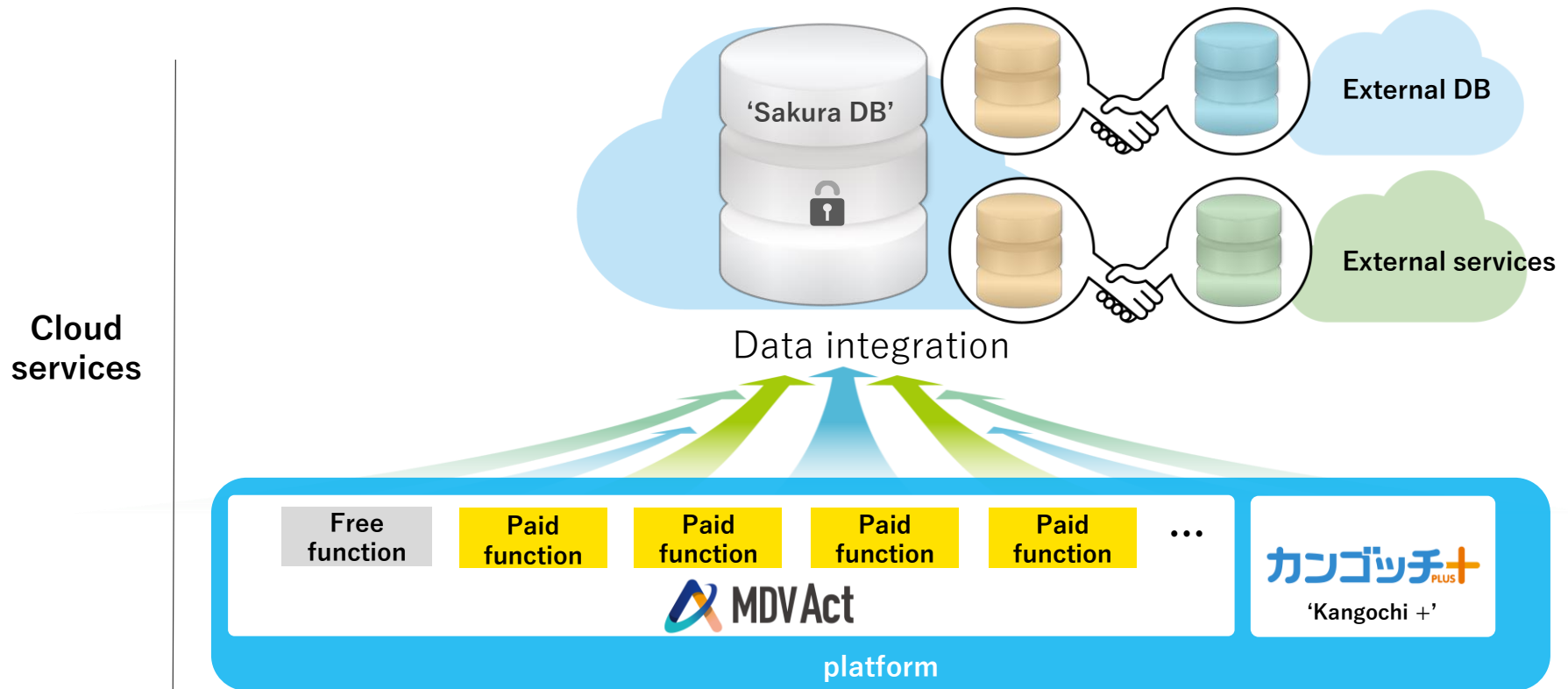


	End-FY2019 (Result)	End-FY2020 (Result)	End-FY2021 (Result)	End 1Q FY2022 (Result)	End-2Q FY2022 (Result)	End-3Q FY2022 (Result)	End-FY2022 (Target)
■ No. of hospitals using 'EVE'	802	772	770	753	750	748	750~770
● No. of hospitals using 'MDV Act'	0	0	558	757	809	863	1,000

1) The future beyond the shift to cloud operations

Shift to cloud makes external linkages easier

Collection and integration of medical data under our 「open alliance」 will lead to further growth in data utilization services

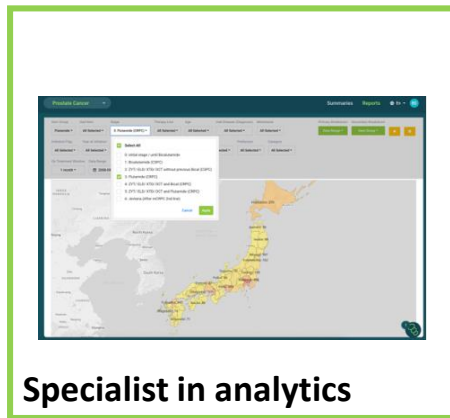


2) Strengthen operations overseas and in insurance field, etc.

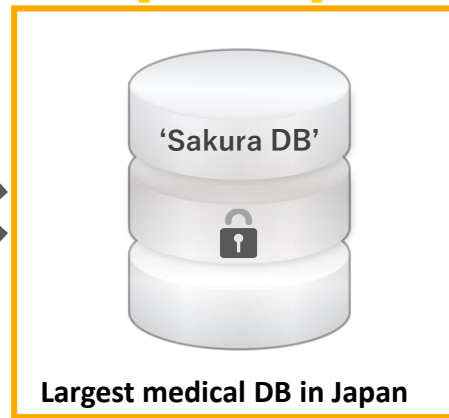
Prospects for increase in overseas name recognition of our medical DB and an increase in medical data sales

Signing of usage contract with Australian company Prospecption. Third partner after IQVIA and TriNetX.

PROSPECTION



MDV
medical.data.vision



< Contract overview >

- **Signing of three-year usage contract** to supply medical DB
- **Uploading MDV's medical DB** to Prospecption's main service "Prospecption technology" a **platform that gives an at-a-glance view of worldwide medical DBs**

< About Prospecption >

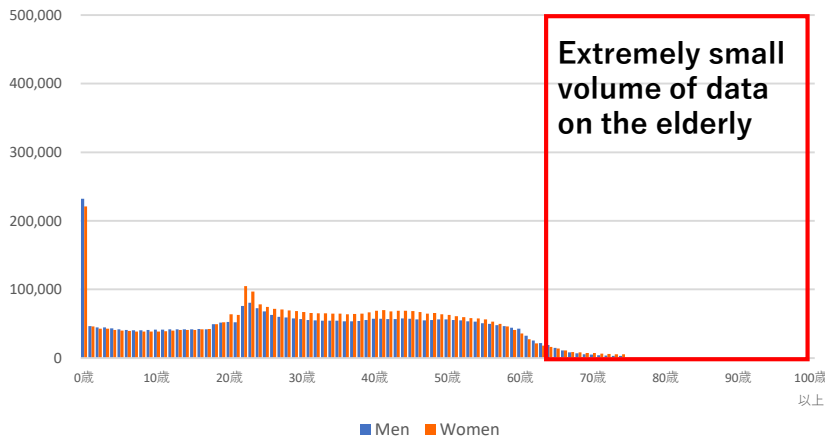
- Provides solutions that improve patient outcomes by leveraging real-world data
- Has transactions with more than 50 life sciences companies in Australia, currently expanding into markets in the Asia-Pacific region including Japan, South Korea, China, and the US
- Prospecption's platform is a service used by leading pharmaceutical companies and academic researchers across the Asia-Pacific region, the UK, and the US. By analyzing the long-term medical records of several hundred thousand patients and using its proprietary analytical technology to evaluate treatment situations and the prices and outcomes these create, it enables healthcare industry professionals to gain a better understanding of patients' conditions and to determine methods for optimizing treatment.

2) Strengthen operations overseas and in insurance field, etc. and progress on operating alliance with DeNA

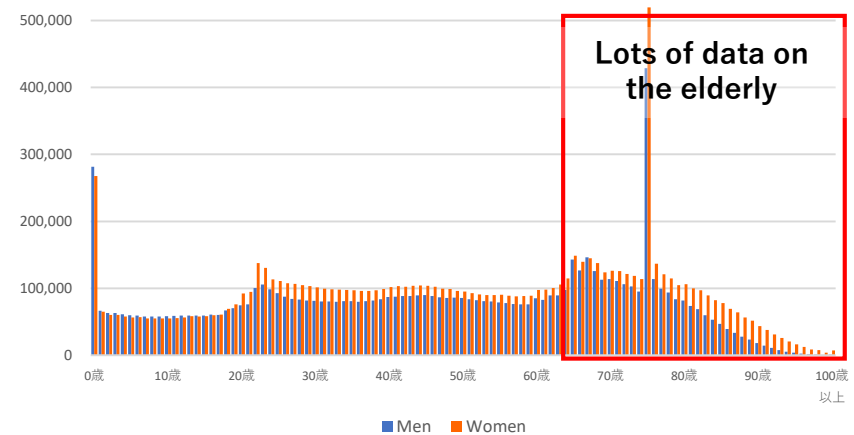
Start of “MDV analyzer” service that features the integrated DB (Aug 31~)

Target 4Q orders from upselling and acquisition of multiple prospective clients

Insurer data from health insurance associations



Insurer data in integrated DB with DeNA



< Advantages of integrated DB >

- Allows analysis based on actual data, not estimates
- Enables tracking of the individual treatment situation of elderly patients

Latest Topics



Investment with a view to applications in a wide variety of fields, especially medical

Has highly-accurate, contactless vital-signs sensing technology that is gaining a lot of attention in Japan and overseas

About Sensing

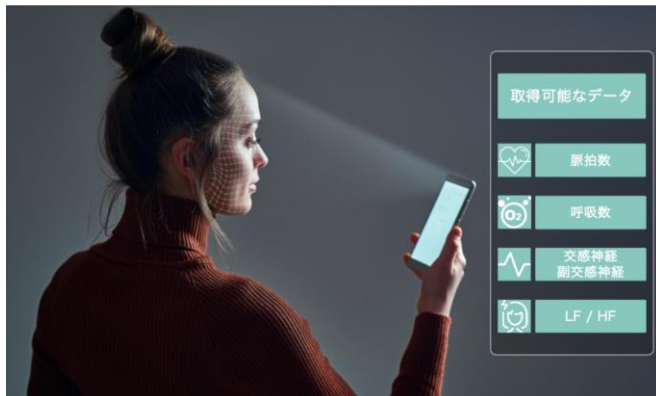
Contactless sensing technology that boast high accuracy

High accuracy

Contactless vital-signs sensing technology that uses only a camera-equipped handset

Competitive advantage

An algorithm that removes shadows to eliminate the impact of light and pigment component separation technology that can measure the pulse very accurately



In the spotlight

Japan

Participation in the working team promoting the Cabinet Office-led Digital Garden City Nation Concept

Overseas

Received an award in the Mobility segment of the world's largest accelerator program <https://sensing-art.com/news/352/>
Interest from overseas is also high, and participation in this program has led to a surge in inquiries



Expectations for future growth from expansion in PHR and other business fields

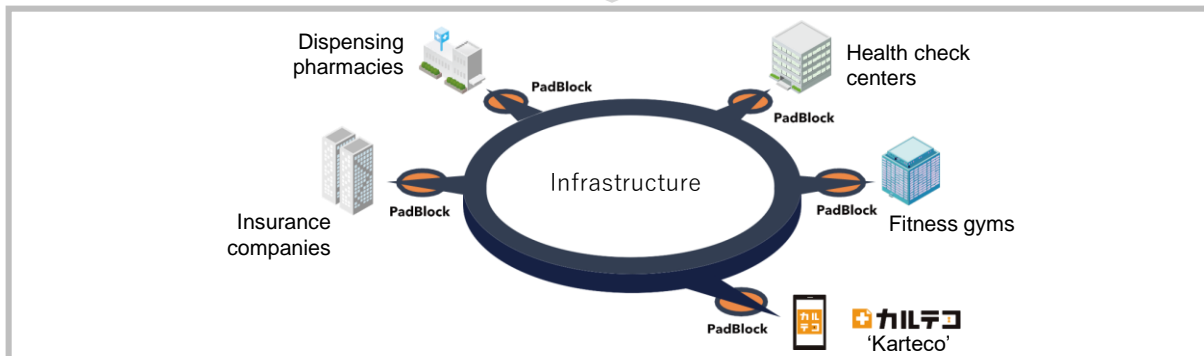
Alliance aimed at application of PHR system 'Karteco'



Highly-accurate and well-regarded contactless vital-signs sensing technology



カイルテコ 'Karteco'
Largest medical DB in Japan



Absorption of MDV Trial with the aim of strengthening data trials

Progress on unifying marketing strategies and utilizing human capital

Aim to accelerate data trial business by leveraging concentrated business resources



Maximizing use of MDV's customer base, trust relationships, and marketing power

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IR Contents in English

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

Contacts

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