

1Q FY2023 Financial Results

Medical Data Vision Co., Ltd.

(Code: 3902)

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1Q results

1Q sales up 3.2% YoY, on target progress

• Sales	¥1,559mn	YoY	+3.2%
• Ordinary income	¥424mn	YoY	-7.9%
• Ordinary income margin	27.2%	YoY	-3.3P

Business progress

FY2023 strategic budget formation focused on 2H sales growth

- Insurer DB sales off to a brisk start
- Sales staff shortage at start of year expected to be eliminated during 1H
- Sales on target for build up toward 2H

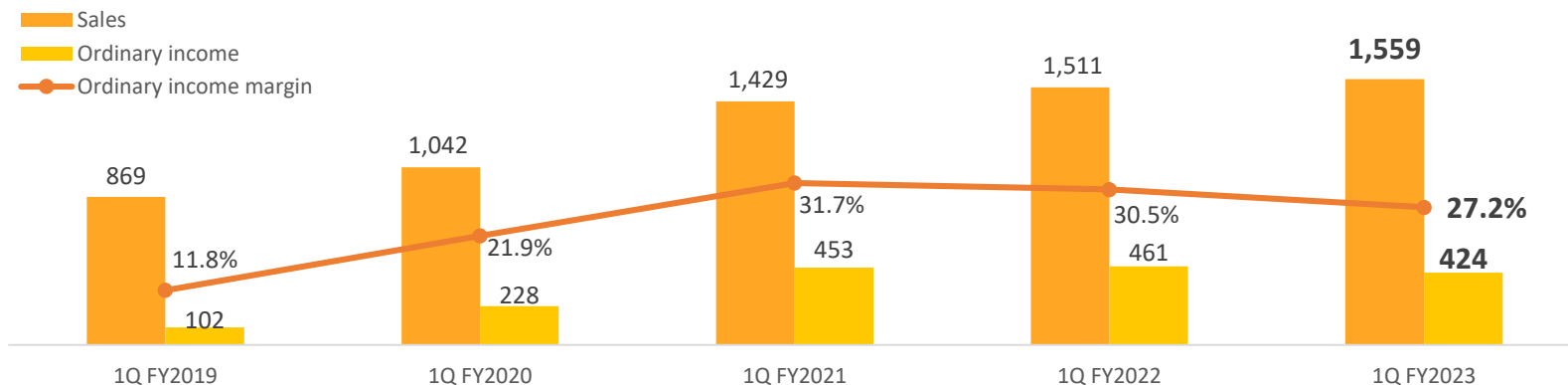
1Q FY2023 Financial Results



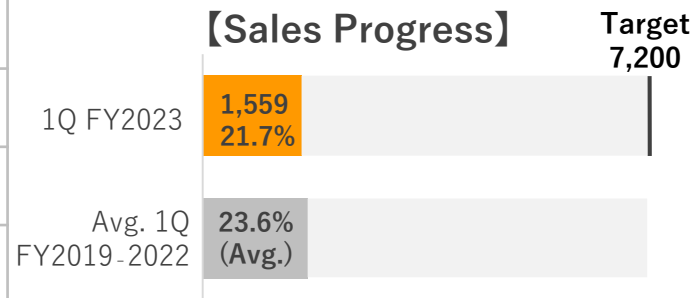
1Q FY2023 results highlights

1Q earnings progress on target

Flat YoY growth, but earnings progress basically in line with average



(Millions of Yen)	Data network service	Data utilization service	Other service	All-company total
Sales	388	1,022	147	1,559
YoY	+4.0%	+0.2%	+26.6%	+3.2%
Gross income	199	916	122	1,238
YoY	-11.3%	-3.1%	+38.8%	-1.6%
Ordinary income	—	—	—	424
YoY	—	—	—	-7.9%



1Q FY2023 results comparison

Fall in number of sales staff for pharmaceutical companies, but sales steady YoY

Ordinary income declines, mainly on rise in costs related to expansion in insurer data sales

(Millions of Yen)	1Q FY2023 (Jan-Mar 2023)		
	Result	YoY	
		Result	Change
Sales	1,559	1,511	+ 3.2%
Sales growth rate	+ 3.2%	+ 5.7%	-2.5 P
Ordinary income	424	461	-7.9%
Ordinary income margin	27.2%	30.5%	-3.3 P
Employees	256	245	+ 4.5%
Sales per employee	6.0	6.1	-1.2%

1Q FY2023 results: cost analysis

Rise in CoGS from increase in insurer data procurement, booking of costs for start of cloud services

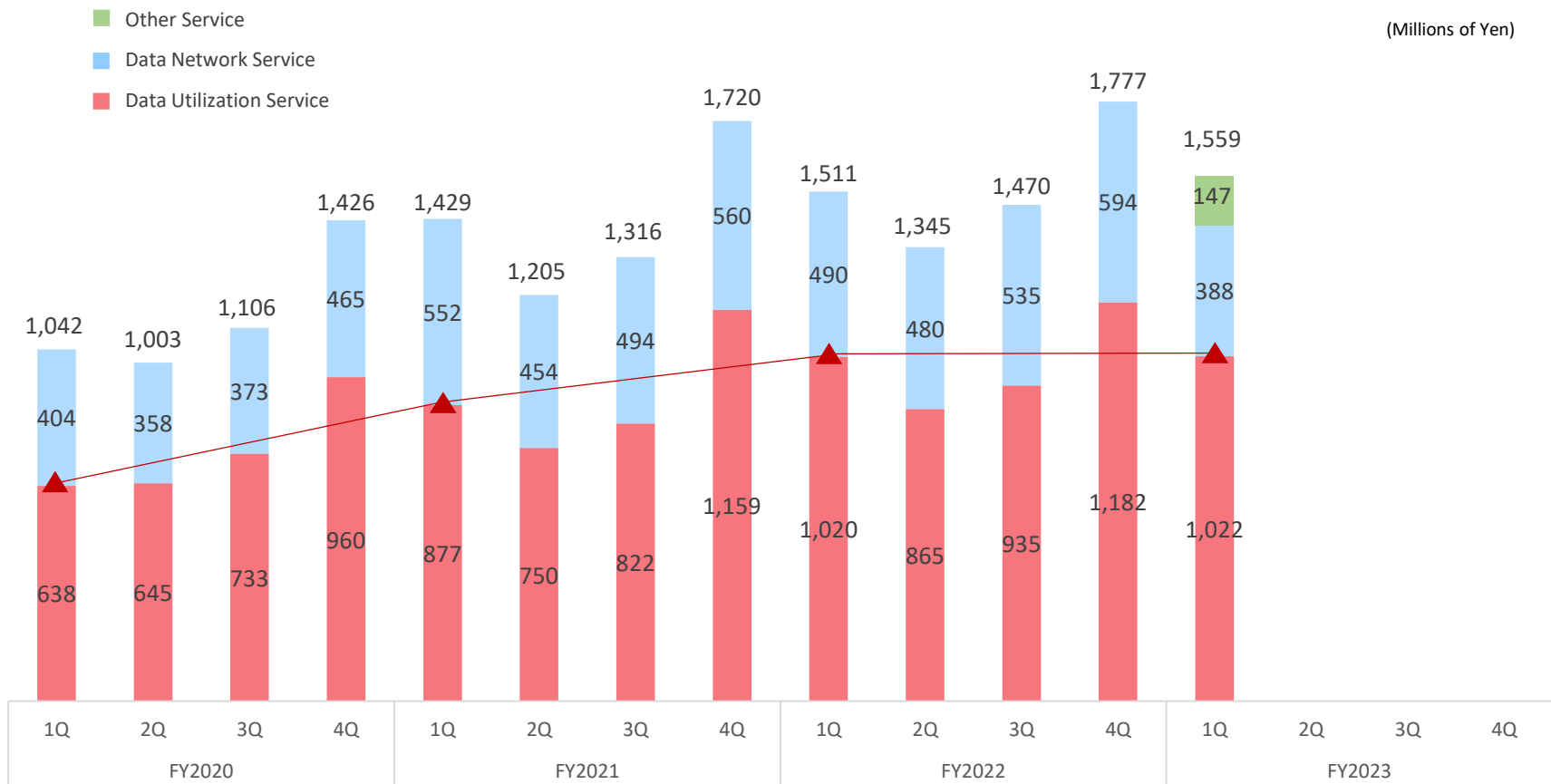
Personnel costs rise owing to salary hike of around 5% to combat consumer price inflation, secure sufficient headcount

(Millions of Yen)	【Consolidated】 1Q FY2023	【Consolidated】 1Q FY2022	YoY	Details
CoGS	320	251	+27.3%	<ul style="list-style-type: none"> • Rise in costs related to insurer data sales (+29M) • Rise in costs for start of cloud services (paid functionality for MDV Act, Alpha Salus) (+28M)
Personnel costs	439	410	+7.2%	Higher wage costs from salary increases, headcount rise, etc. (+29M)
Hiring costs	8	13	-38.9%	Fall in costs for mid-career hires (-4M)
Others	375	378	-0.9%	
R&D costs	34	68	-49.8%	Fall in HMV concept-related development costs (-30M)
Total costs*	1,135	1,041	+9.1%	

*The total of CoGS and SG&A

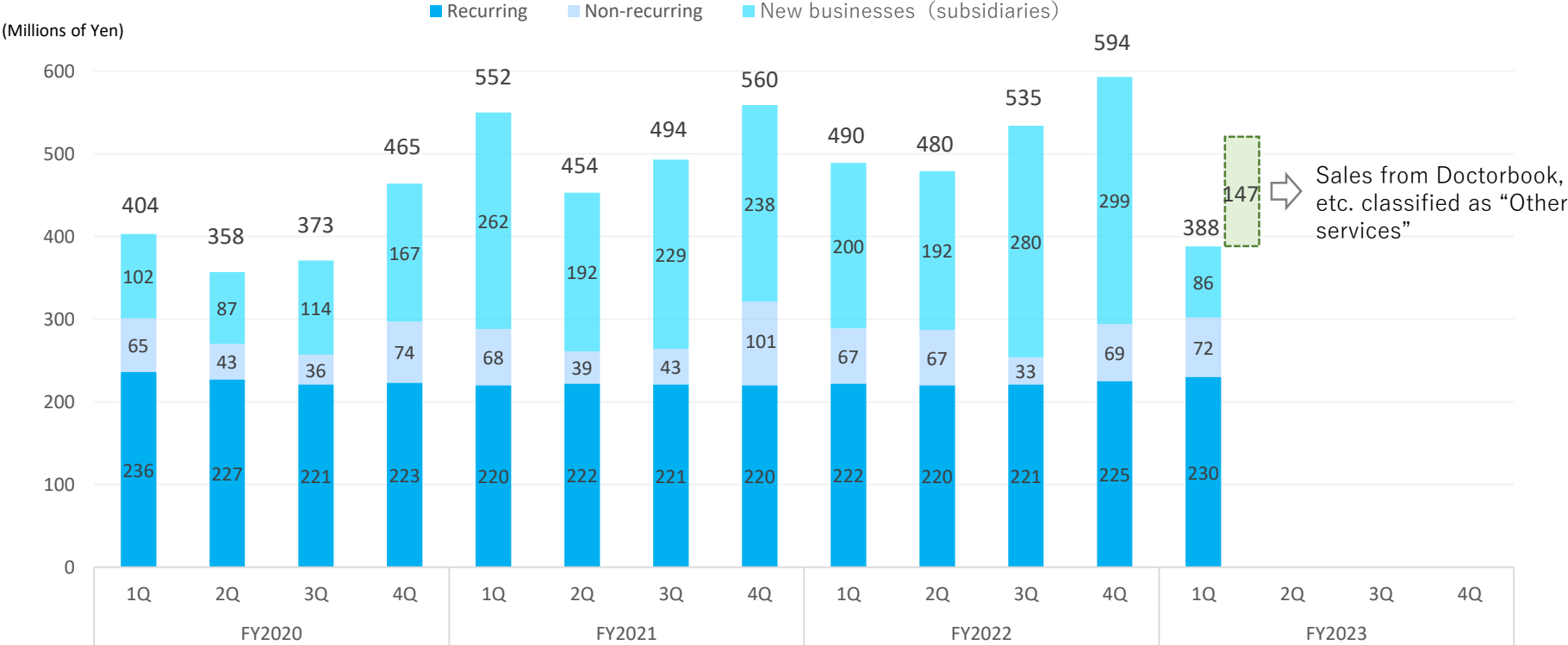
Sales by quarter (breakdown by service)

Only slight increase in data utilization service sales owing to fall in headcount



Data network service sales breakdown

Recurring sales stable with no major fluctuation
 Some sales from new businesses (subsidiaries) reclassified as “Other services”
 from FY2023



Steady progress in order volume from ‘MDV Act’ paid contract hospitals

Number of hospitals using cloud services surpasses 1,000, number of client hospitals reaches new historical high

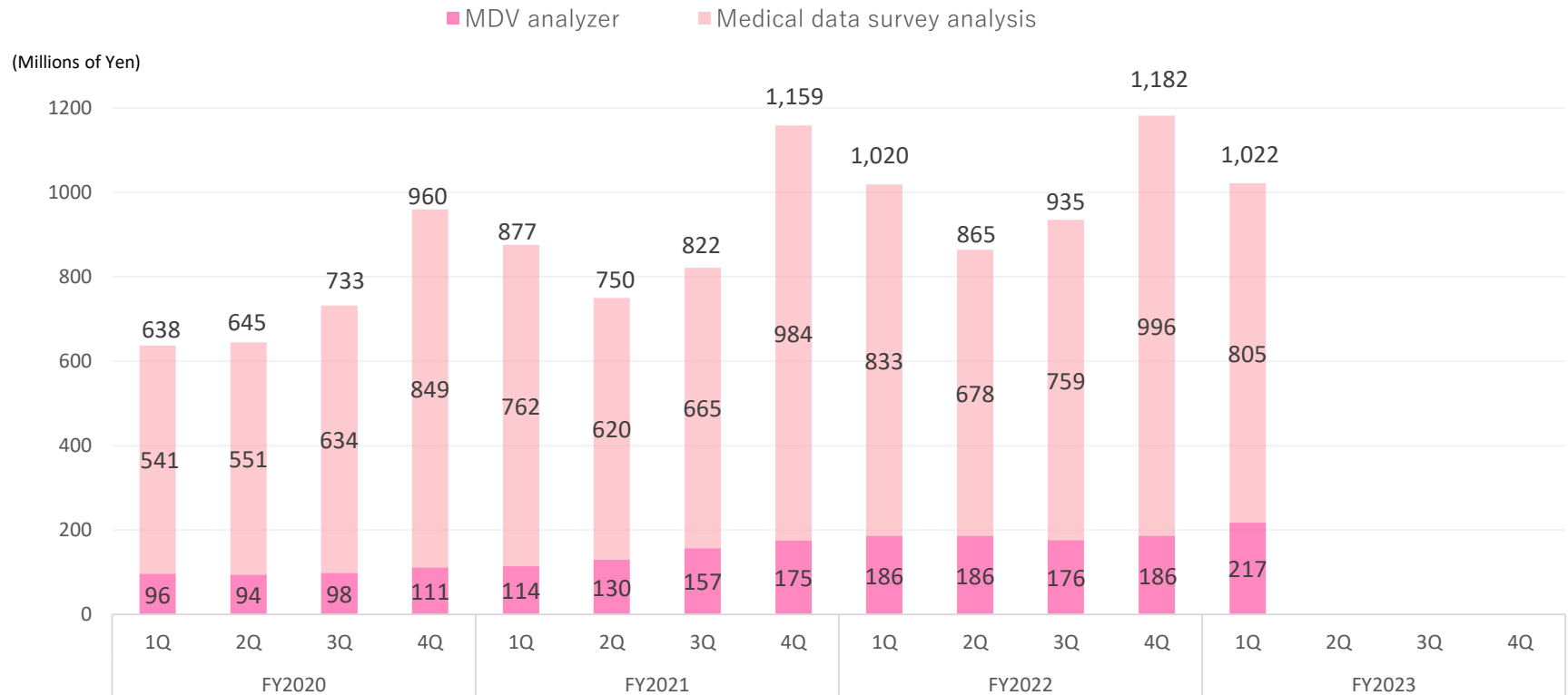
Indicators	FY2020 Results	FY2021 Results	FY2022 Results	1Q FY2023 Results	FY2023 Targets
No. of hospitals using cloud services	–	–	993	1,025	1,200
Number of hospitals with paid contracts for ‘MDV Act’	–	–	–	0 (315※)	600
Number of installations of medical check systems	–	–	94	94	109

※Order volume. To be booked as sales from 2Q.

Data utilization service sales breakdown

Brisk insurer DB sales for ‘MDV analyzer’

Usage increasing mainly at pharmaceutical company divisions working in the chronic disease domain



*Owing to the absorption of MDV Trial on 1 January 2023, its sales, previously listed under New businesses (subsidiaries), are now included in medical data survey analysis.

1H sales growth rate likely to be modest owing to shortage of sales staff

Insurer data-related sales trending slightly above target pace

Indicators	FY2020 Results	FY2021 Results	FY2022 Results	1Q FY2023 Results	FY2023 Targets
Sales growth rate in data utilization service segment	+18.5%	+21.3%	+10.9%	+0.2%	+19.4%
Sales related to insurer data (¥mn)	—	—	125	70	500
Sales in the data trial field (¥mn)	69	59	38	8	80
No. of patients in MDV large-scale medical database (10,000)	3,451	3,849	4,232	4,322	—
No. of patients in insurer database (10,000)	616	762	1,797	1,911	—

Business progress



Strategies to achieve 2025 sales of 10bn yen and focus points for FY2023

Shift to cloud for hospital services and progress on insurer DB

Three strategies to achieve 2025 sales of 10bn yen

Focus points for FY2023

1

Customers: hospitals and affiliated health check centers, private clinics focused on health checks

Expand base of data mainly on cloud and maintain market share

- ✓ Promote sales of medical check systems, accelerate data links with 'Karteco'

1

Conduct major shift of the customer base for hospital services to the cloud

2

Expand sales of cloud-based medical check systems ('Alpha Salus')

2

Customers: pharmaceutical makers, insurers, and other companies using data

Maintain share of expanding medical big data analytic services market

- ✓ Strengthen sales of Japan's largest insurers DB and forge new alliances

3

Secure new sales from insurer data

→ Secure market share using 3-way collaboration (DeNA Group · JAST · MDV) insurer DB

3

Customers: alliance partners in the healthcare sector and general consumers

Upfront investment in B2C to feed into MDV growth from 2025

- ✓ Invest in healthcare B2C as a promising growth market

4

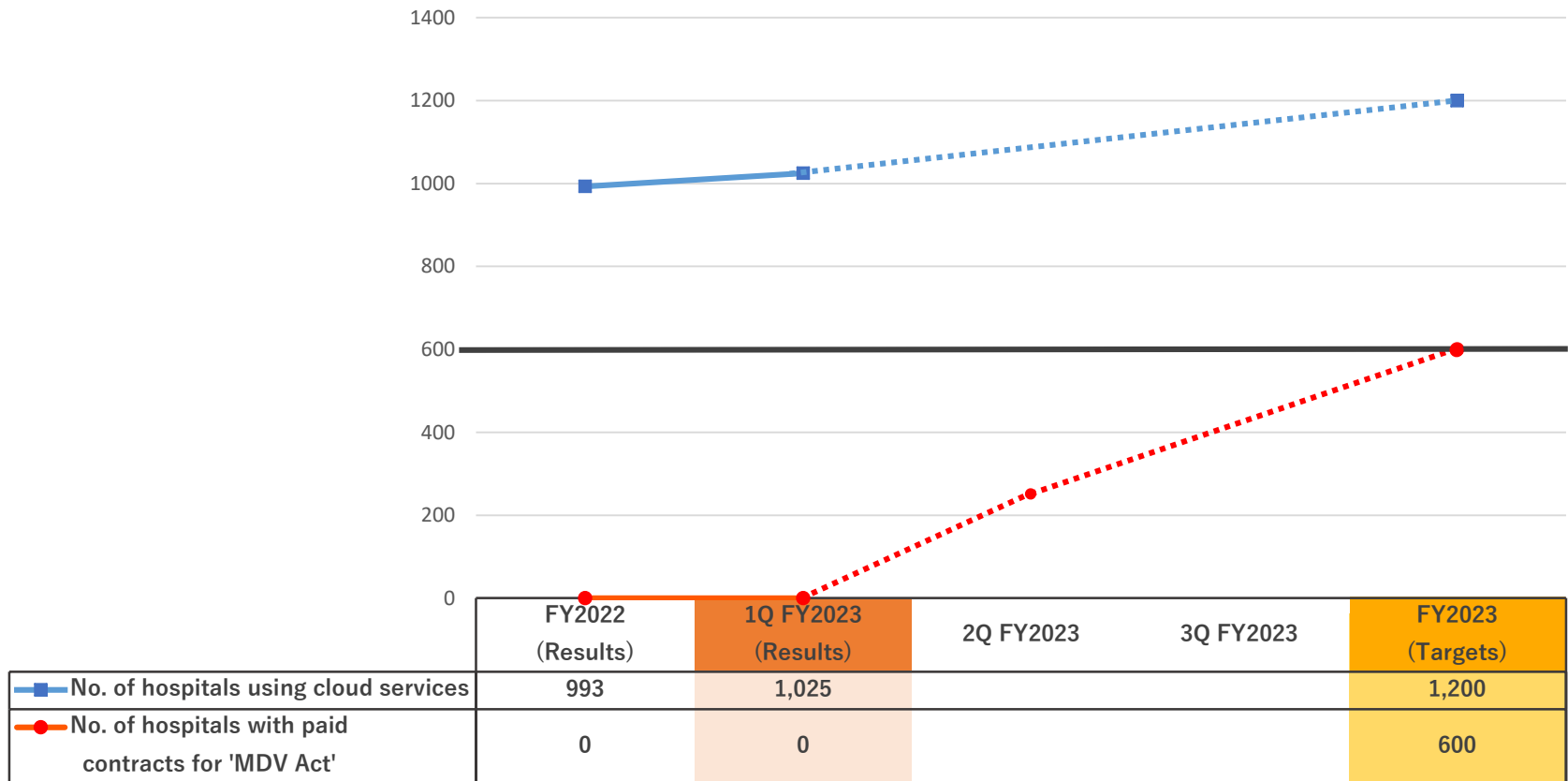
Successfully upgrade 'Karteco', which is the entry point for B2C services

→ At the same time, make progress on incorporating new technologies such as vital sign sensing

Shift to cloud: orders for paid 'MDV Act' contracts

Number of paid contracts for 'MDV Act' reaches **315** (year-end target 600)

Steady progress too on paid contracts from new users acquired for 'MDV Act'

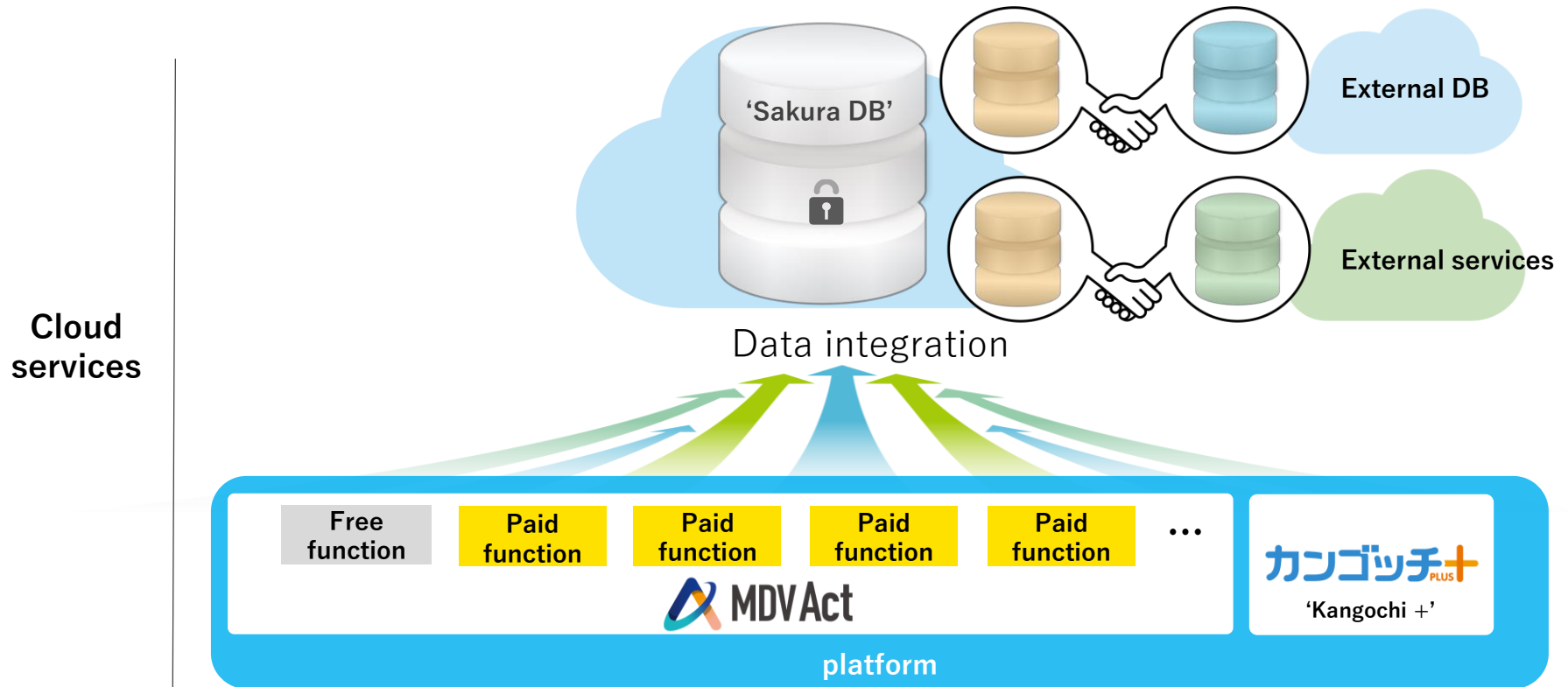


(315※) ※ Order volume. To be booked as sales from 2Q.

Move to the cloud: 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



Shortage of sales staff for pharmaceutical companies an issue since the planning stage

Shortage was the result of strategic allocation of sales staff for insurers and departures
Plan to boost headcount in 1H and regain ground by expanding sales of new services



Sales structure

Sales staff for pharmaceutical companies fell to around 70% of required level owing to allocation of dedicated sales staff for insurers and departures



Plan to recover via hiring in 1H



Insurer DB-format services

MDVanalyzer

Service to start August 2022



Medical data survey analysis

Planned service start 1H 2023



Plan to launch new services

Issues in initial plans mostly **on course to be resolved as of end-1Q**

Issue of shortage of sales staff to be solved in 2Q by strengthening mid-career hires
Insurer DB-format medical data survey analysis also on target for launch



Sales structure

Sales staff for pharmaceutical companies fell to around 70% of required level owing to allocation of dedicated sales staff for insurers and departures



Plan further additional hires once replenishing of sales staff for pharmaceutical companies is achieved in 2Q



Insurer DB-format services

MDVanalyzer

Service to start August 2022



Medical data survey analysis

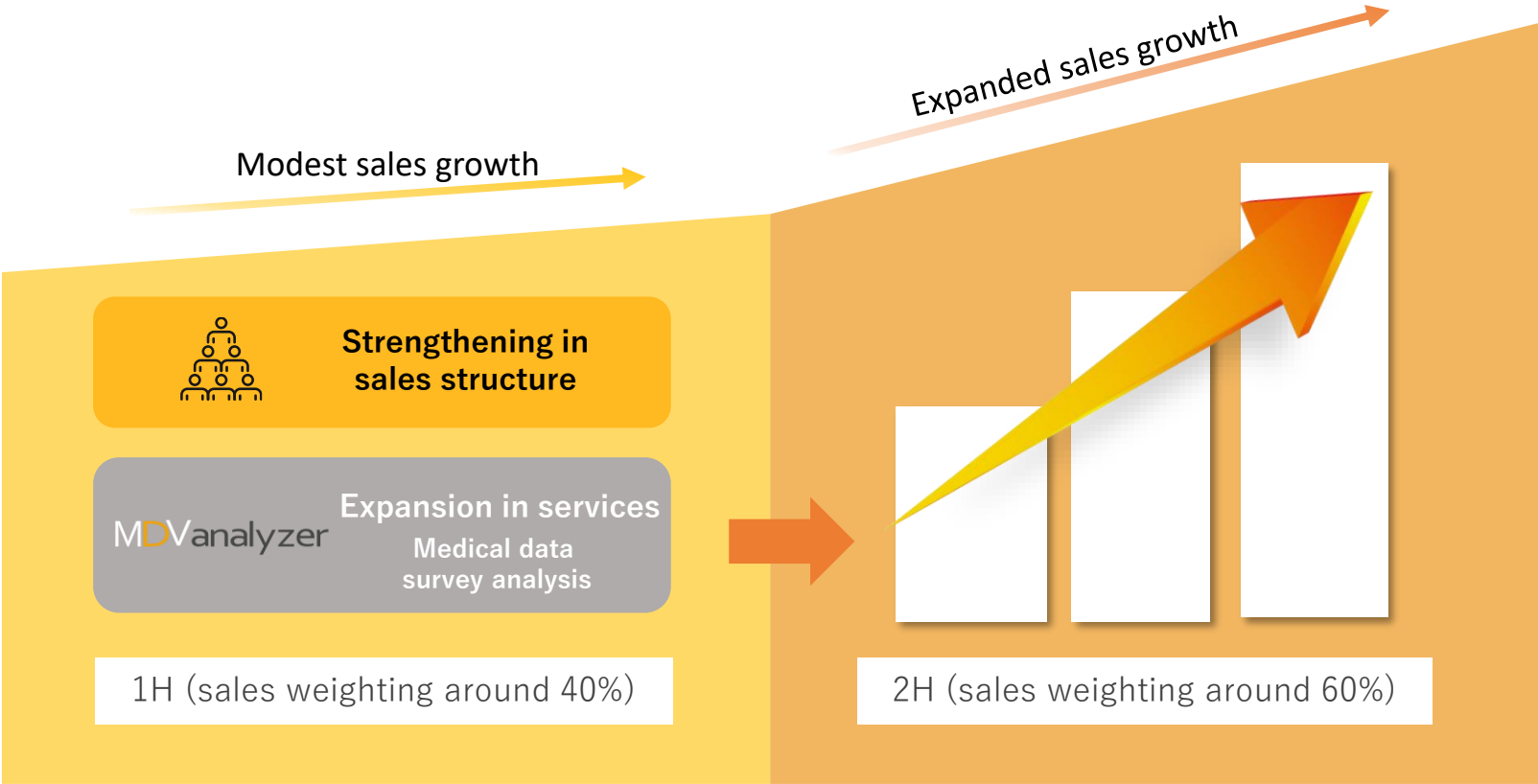
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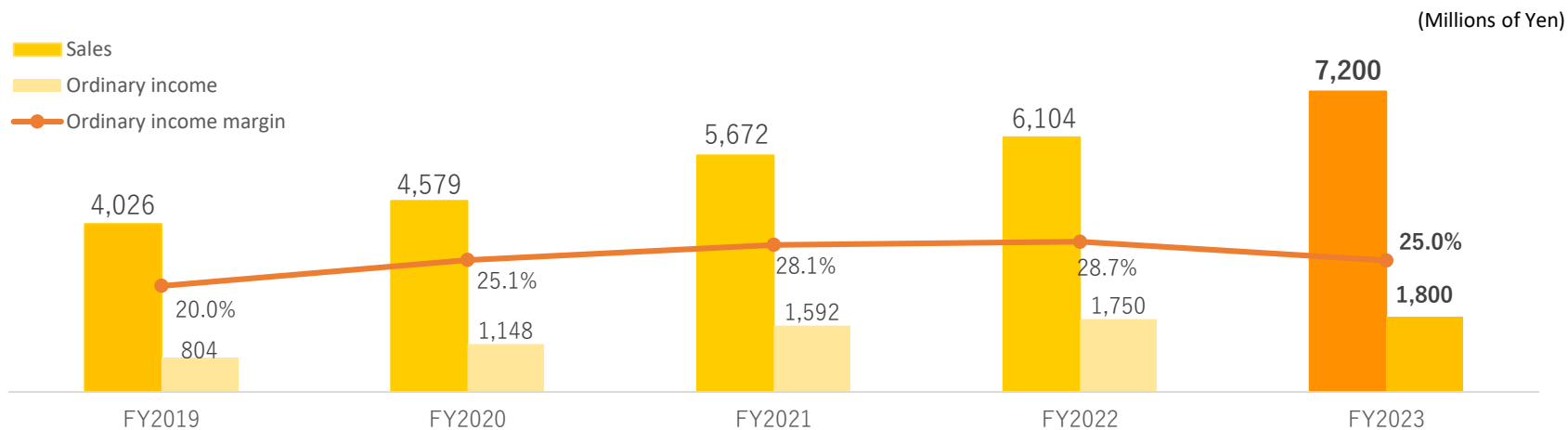
Medical data survey analysis service to start in February 2023

FY2023 earnings target achievement scenario

FY2023 strategic budget formation focused on 2H sales growth
Planning for modest sales growth in 1H owing to shortage of market staff



Steady progress toward FY2023 target achievement in 1Q



(Millions of Yen)	Data network Service	Data utilization service	Others service	All-company total
Sales	1,584	4,780	835	7,200
YoY	–	+19.4%	–	+17.9%
Gross income	850	4,014	690	5,555
YoY	–	+9.4%	–	+10.4%
Ordinary income	–	–	–	1,800
YoY	–	–	–	+2.8%

IR Contents in English

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

Contacts

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