

FY2023 Q3 Financial Results

Medical Data Vision Co., Ltd.

(Code: 3902)

November 13, 2023

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Q3 Cumulative Results

Sales in Q3 fell short of plan due to subsidiary missing targets

• Sales	4,487mn yen	YoY	+ 3.7%
• Ordinary income	1,063mn yen	YoY	- 8.0%
• Ordinary income margin	23.7%	YoY	- 3.0P

Full Year Earnings Forecast

Reaching full year sales target not easy, however operating income expected to be achieved

- MDV on track towards plan, but subsidiaries showing slow down
- As of Q3, approx. 200mn yen short of plan
- Aiming to achieve sales from data utilization services, and profits by cost reductions

Focus points and additional measures for the FY

Business plan is progressing with additional measures underway to achieve medium-term plan

- Steady shift to cloud services, laying the groundwork for database expansion
- Sales of data utilization services and insurer data both on target
- Forming alliances to reinforce achievement of medium-term plan

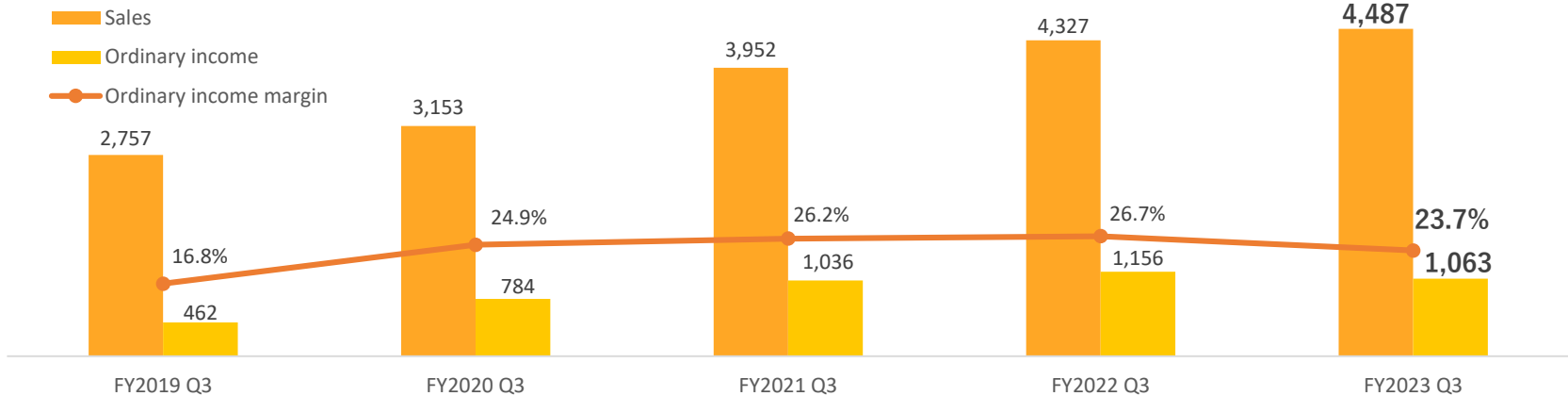
FY2023 Q3 Financial Results



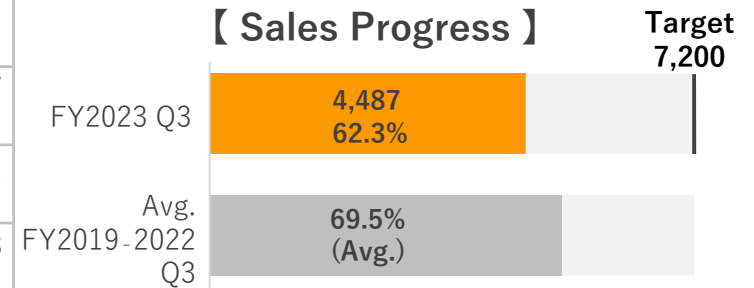
FY2023 Q3 results highlights

Q3 sales fell short, due to subsidiary missing targets

Ordinary income progressing per plan, but a decrease YoY



(Millions of Yen)	Data network service	Data utilization service	Other service	All-company total
Sales	1,053	3,030	402	4,487
YoY	-5.2%	+7.4%	+2.1%	+3.7%
Gross income	482	2,698	320	3,501
YoY	-26.7%	+4.4%	+4.1%	-1.4%
Ordinary income	—	—	—	1,063
YoY	—	—	—	-8.0%



FY2023 Q3 results comparison

Factors behind subsidiary's short fall were product upgrades and changes to dynamics with COVID-19 situation settling down

Installation delays of medical check systems due to functional upgrades
Impact of transition back from online to face-to-face as COVID-19 settled down

(Millions of Yen)	FY2023 Q3 (Jul-Sep 2023)		
	Result	YoY	
		Result	Change
Sales	1,485	1,470	+1.0%
Data network service	330	380	-13.1%
Data utilization service	1,023	935	+9.4%
Other service	130	154	-15.5%
Ordinary income	363	381	-4.6%
Ordinary income margin	24.5%	25.9%	-1.4 P
Employees	260	255	+2.0%
Sales per employee	5.7	5.7	-1.0%

FY2023 Q3 results:cost analysis

Rise in CoGS mainly from increase in insurer data procurement

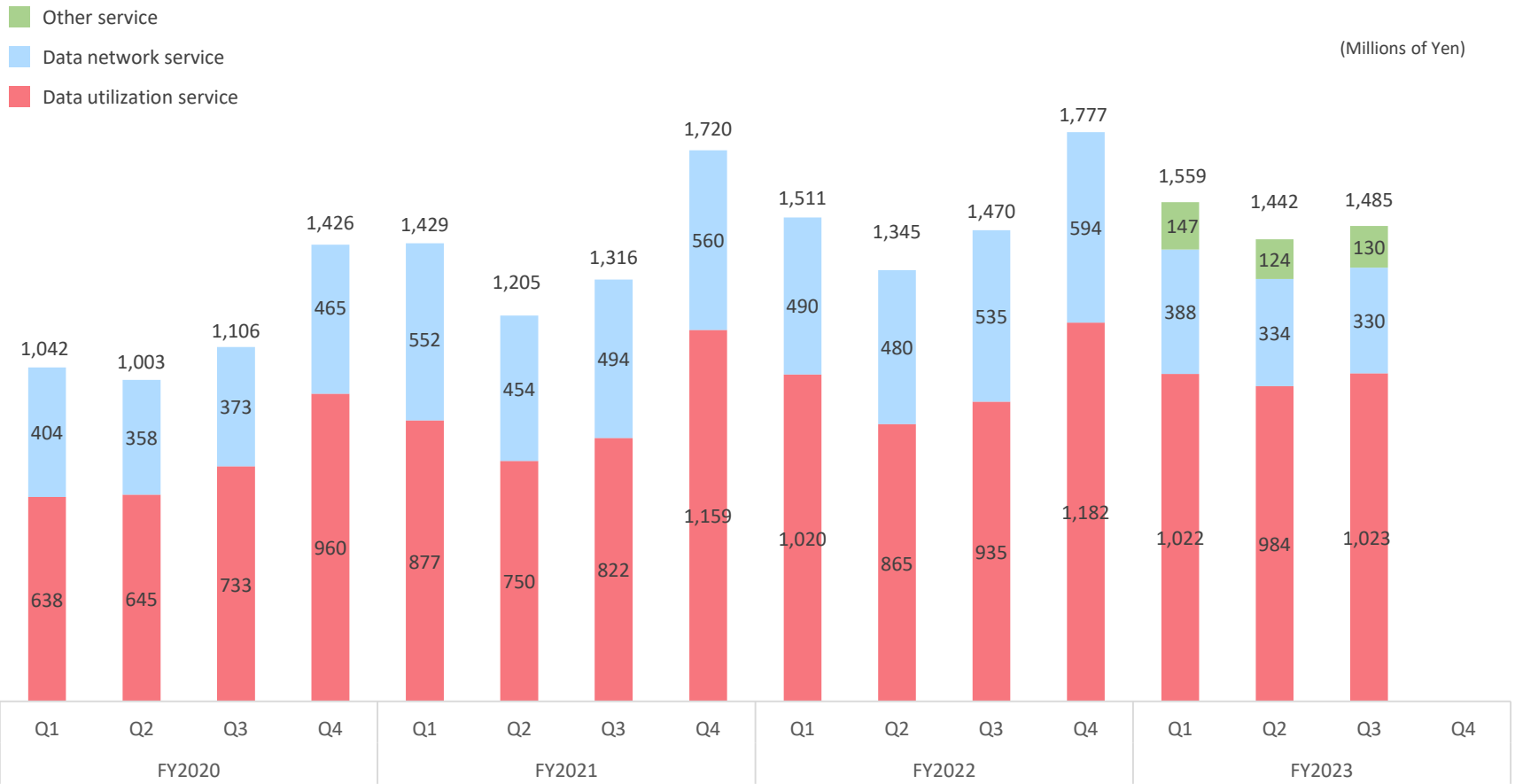
Booking of 28mm yen investment loss from investment in SENSING Co., Ltd. equity-method affiliate under non-operating costs

(Millions of Yen)	【Consolidated】 FY2023 Q3	【Consolidated】 FY2022 Q3	YoY	Details
CoGS	328	281	+ 16.6%	Rise in costs related to obtaining insurer data sales (+26mm yen) Rise in costs in launching cloud services (paid functionality for MDV Act, Alpha Salus) (+15mm yen)
Personnel costs	445	419	+ 6.2%	Higher wage costs from salary increases, headcount rise, etc. (+23mm yen)
Hiring costs	9	11	-15.1%	Decrease in costs for mid-career hires (-1mm yen)
Others	319	389	-17.8%	
R&D costs	24	78	-68.6%	<ul style="list-style-type: none"> • Expense items for launching cloud services (paid functionality for MDV Act, Alpha Salus) moved to CoGS (-41mm yen) • Lower HMV concept-related development costs (-30mm yen) • Receipt Checker development costs (+ 18mm yen)
non-operating expenses	28	0	—	Investment loss on equity-method affiliate (+ 28mm yen)
Total costs*	1,121	1,089	+ 2.9%	

※ The total of CoGS , SG&A and non-operating expenses

Sales by quarter (breakdown by service)

Q3 sales increase limited due to subsidiary slowdown

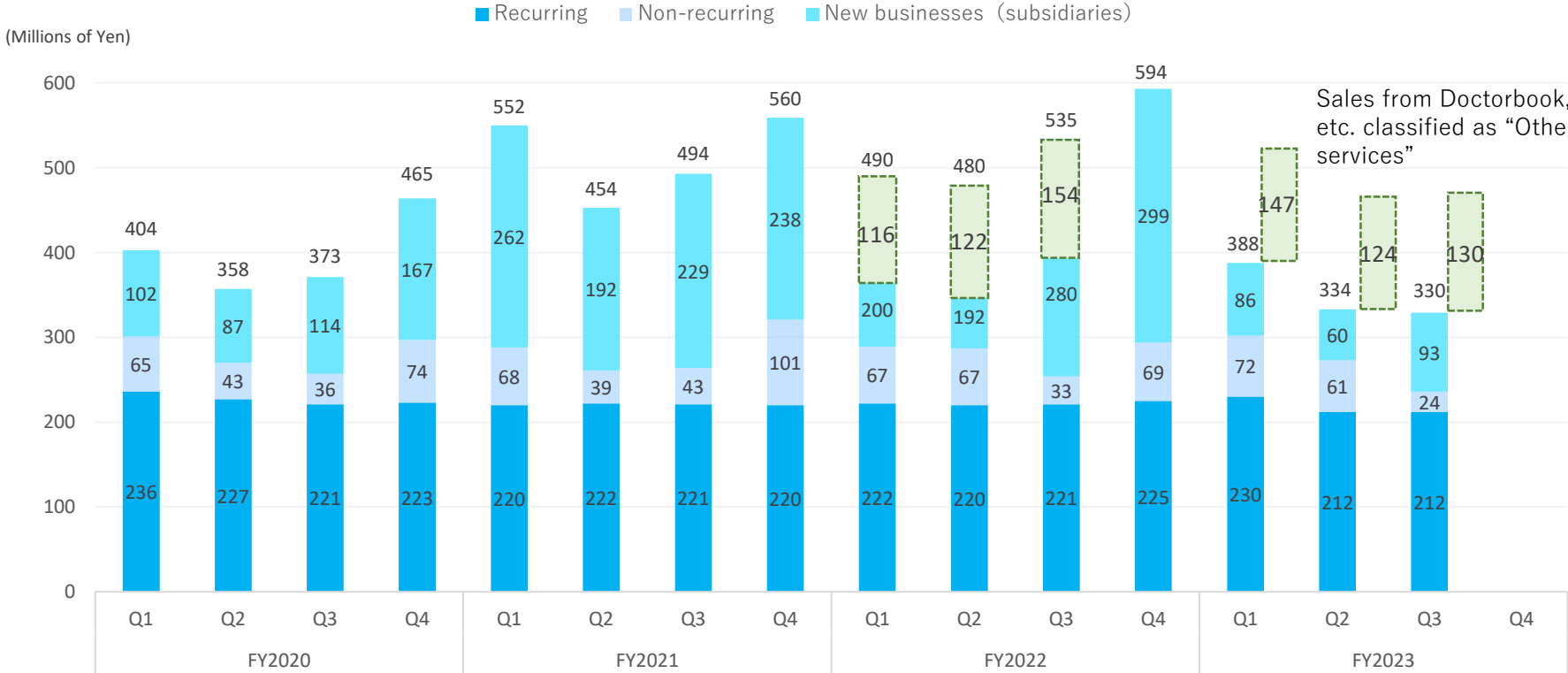


Data network service sales breakdown



MDV on target but subsidiary short fall leading to decline in revenue

Installation delays of medical check systems due to functional upgrades already resolved



Steady increase in number of 'MDV Act' paid contract hospitals, goal attainment in sight

Reaching target KPI for cloud based health management system looking difficult

Indicators	FY2020 Results	FY2021 Results	FY2022 Results	FY2023 Q1 Results	FY2023 Q2 Results	FY2023 Q3 Results	FY2023 Targets
No. of hospitals using cloud services	–	–	993	1,025	1,047	1,094	1,200
Number of hospitals with paid contracts for 'MDV Act'	–	–	–	0 (315※)	507	570	600
Number of installations of medical check systems	–	–	94	94	93	93	109

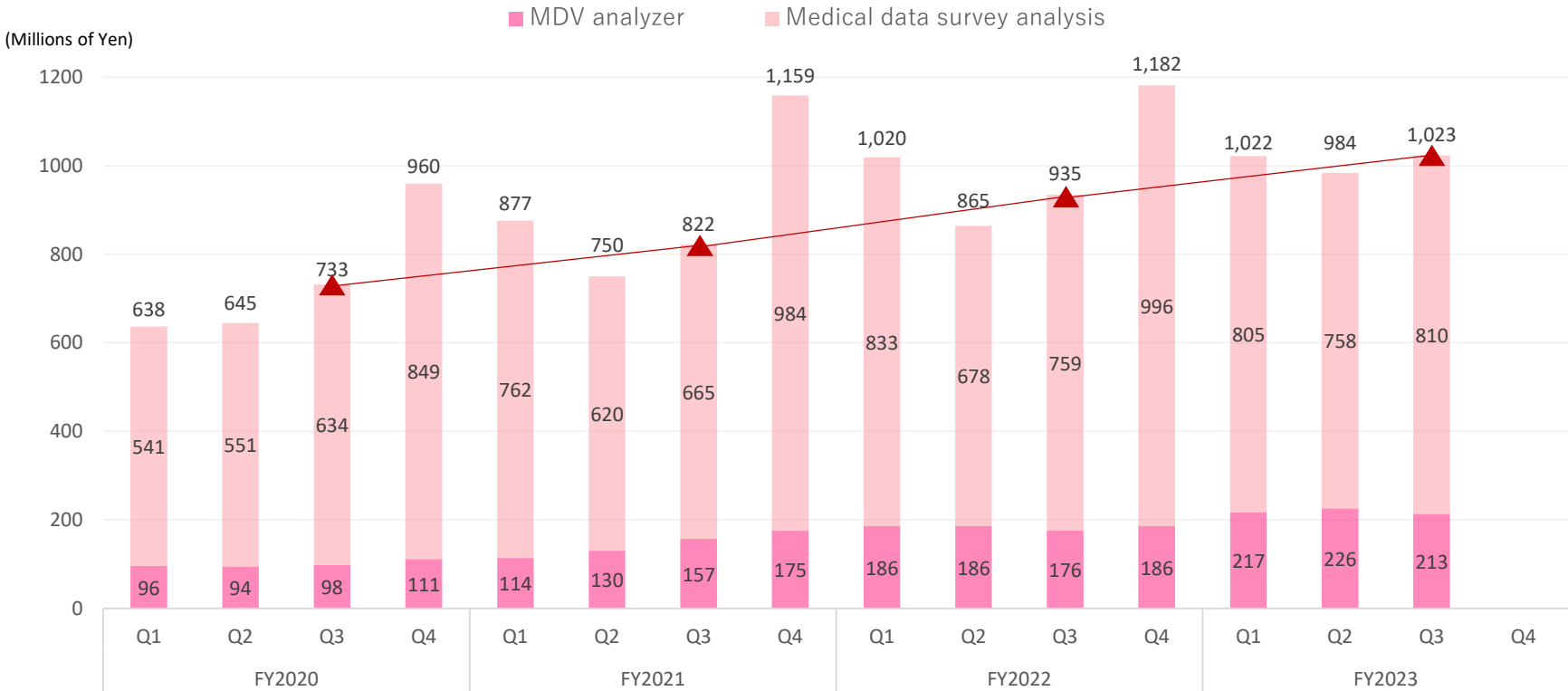
※Order volume

Data utilization service sales breakdown



Data utilization service performance in line with plans, however no extra buffer for Q4

Some pharmaceutical companies shifting budgets from ‘MDV analyzer’ to raw data purchasing



*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.

KPI for data utilization service

Concentrate resources to achieve highest sales Q4 plan

Strengthen raw data sales of insurer data to pharmaceutical companies, booked as a lump-sum

Indicators	FY2020 Results	FY2021 Results	FY2022 Results	FY2023 Q1 Results	FY2023 Q2 Results (Q1-Q2)	FY2023 Q3 Results (Q1-Q3)	FY2023 Targets
Sales growth rate in data utilization service segment	+18.5%	+21.3%	+10.9%	+0.2%	+6.4%	+7.4%	+19.4%
Sales related to insurer data (Millions of Yen)	—	—	125	70	153	213	500
Sales in the data trial field (Millions of Yen)	69	59	38	8	16	22	80
No. of patients in MDV large-scale medical database (10,000)	3,451	3,849	4,232	4,322	4,406	4,501	—
No. of patients in insurer database (10,000)	616	762	1,797	1,911	1,946	1,966	—





FY2023 Consolidated Financial Results Forecast



Progress and outlook per service

MDV on track per plan, subsidiary showing slow down

As of Q3, approx. 200mm yen short of plan

Service	Main company	Progress	Outlook
Data network service		Steady increase in number of 'MDV Act' paid contract hospitals but flat performance for the FY	KPI targets expected to be achieved, actual contribution to business performance from next FY onwards
	 System Be Alpha	Installation delays of medical check systems due to bug fixes, impacting sales	Functional upgrades resolved but no. of installation targets unachievable for FY due to insufficient man-hours and personnel
Data utilization service		Sales up to Q3 progressing as planned	Higher budget set for Q4, accelerate sales of insurer database
Other service		Decline in live streaming contracts with a transition back to face-to face as COVID-19 settled down	Taking measures such as launching new services, time needed for actual contribution to business performance

FY2023 Consolidated Financial Results Forecast

Reaching full-year sales target not easy, but operating income looks achievable

Data utilization services to support sales target, while operating income to be achieved through cost reductions

Consolidated

(Millions of Yen)	FY2023 (plan)	FY2023 results (Q1-Q3 cumulative)	Balance to target	Outlook	(for reference) FY2022
Sales	7,200	4,487	2,712		6,104
Operating income	1,800	1,111	688		1,758
Ordinary income	1,800	1,063	736		1,750
Ordinary income margin	25.0%	23.7%	–		28.7%

By service

(Millions of Yen)	FY2023 (plan)	FY2023 results (Q1-Q3 cumulative)	Balance to target	Outlook	(for reference) FY2022
Data network service	1,584	1,053	530		1,534
subsidiaries (SB α, etc.)	461	239	221		407
Data utilization service	4,780	3,030	1,749		4,003
Other service (Doctorbook, etc.)	835	402	432		566

No changes to medium-term management plan

No major delays in the 3 strategies to achieve the mid-term plan, additional measures also in place

FY2025
Sales

10 Billion
yen

FY2025
Ordinary
Income

25 Billion
yen
or more

Progress of FY focus points and additional measures



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

Status of FY2023 focus points towards the 3 strategies to achieve mid-term business plan

Initiatives taken to achieve plan, forming alliances

3 strategies to achieve 2025 sales of 10bn yen

Focus points for FY2023

1

Data network service

Expand base of data mainly on cloud and maintain market share

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

Data utilization service

Maintain share of expanding medical big data analytic services market

3

Secure new sales from insurer data

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

3

Other service (B2C, etc.)

Upfront investment in B2C to feed into MDV growth from 2025

4

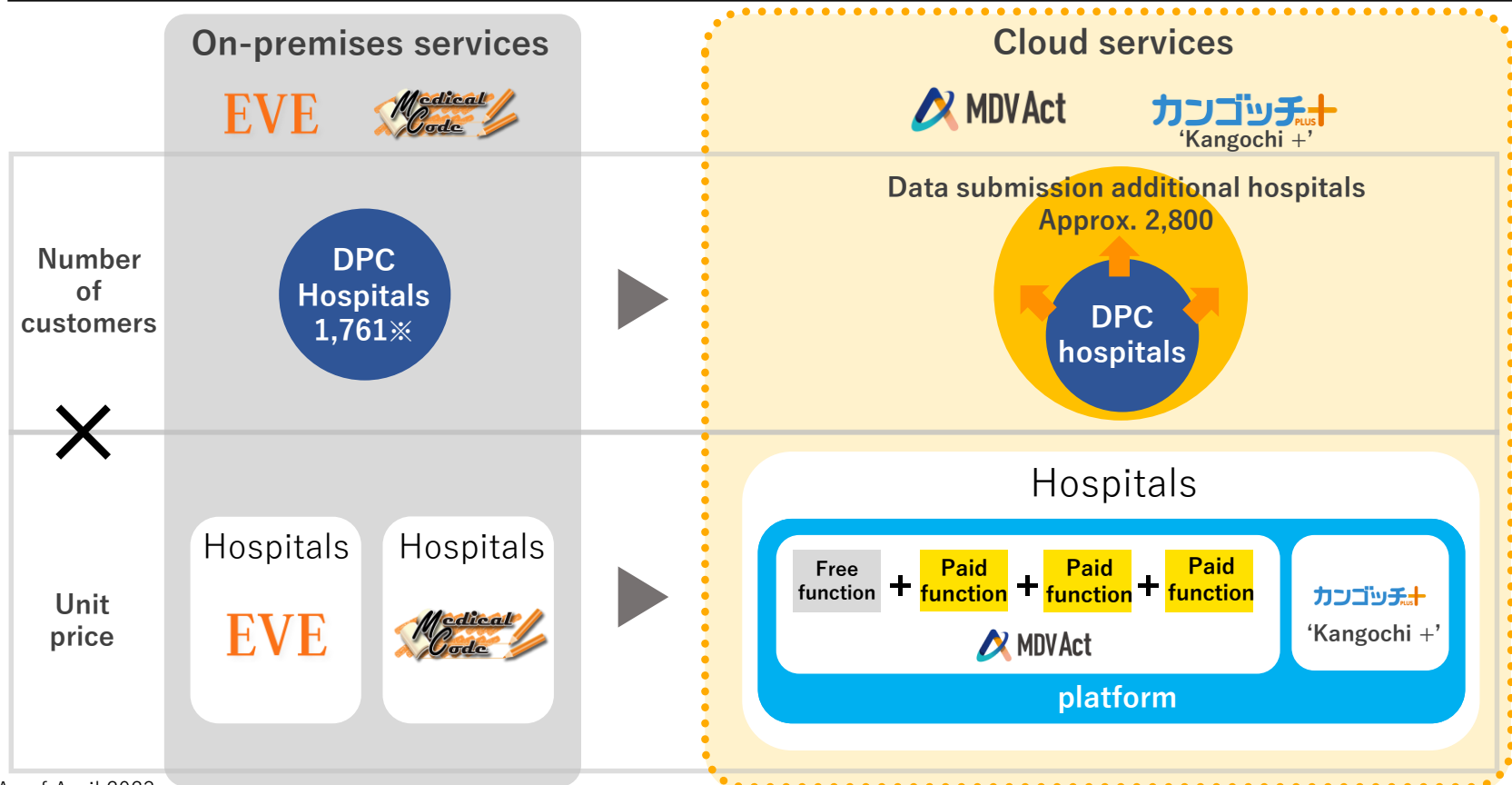
Successfully upgrade 'Karteco'

→ Simultaneously make progress in incorporating new technologies such as vital sign sensing

1 Hospital services to the cloud

Benefits of shift to cloud = 'expanded customer base' and 'cross selling'

Expansion of hospitals to include small/mid size hospitals, cross-sell using 'MDV Act'

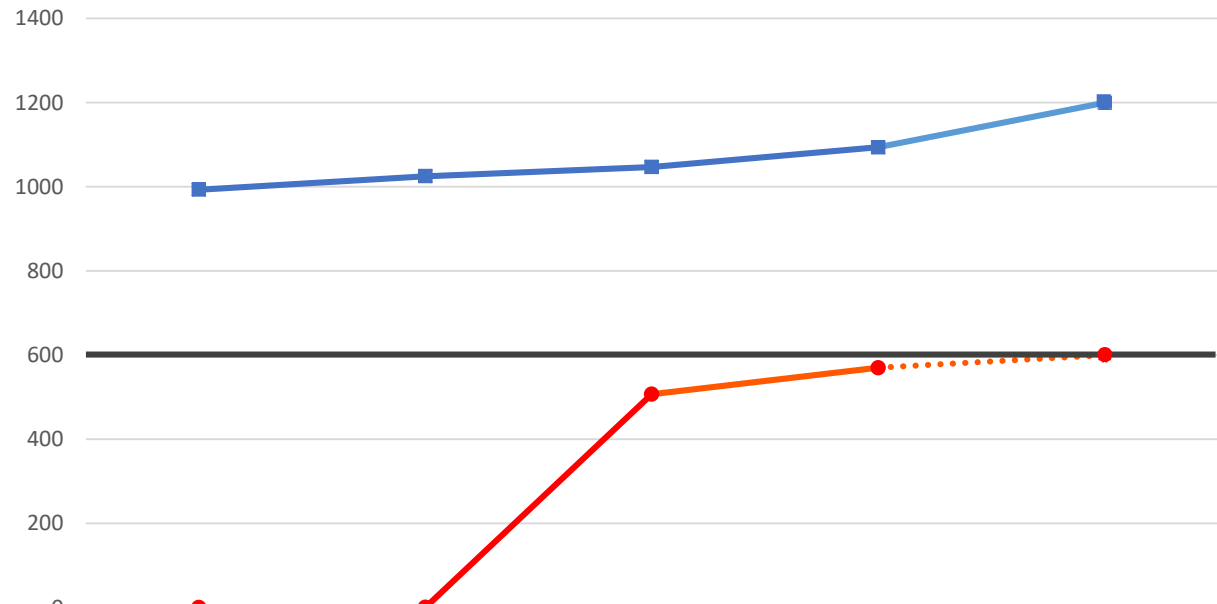


※As of April 2023

1 Hospital services to the cloud

'MDV Act' paid contract hospitals reaches **570** (FY target 600)

Target to be reached early Q4, aim for additional increase



	FY2022 (Results)	FY2023 Q1 (Results)	FY2023 Q2 (Results)	FY2023 Q3 (Results)	FY2023 (Targets)
■ No. of hospitals using cloud services	993	1,025	1,047	1,094	1,200
● No. of hospitals with paid contracts for 'MDV Act'	0	0 (315※)	507	570	600

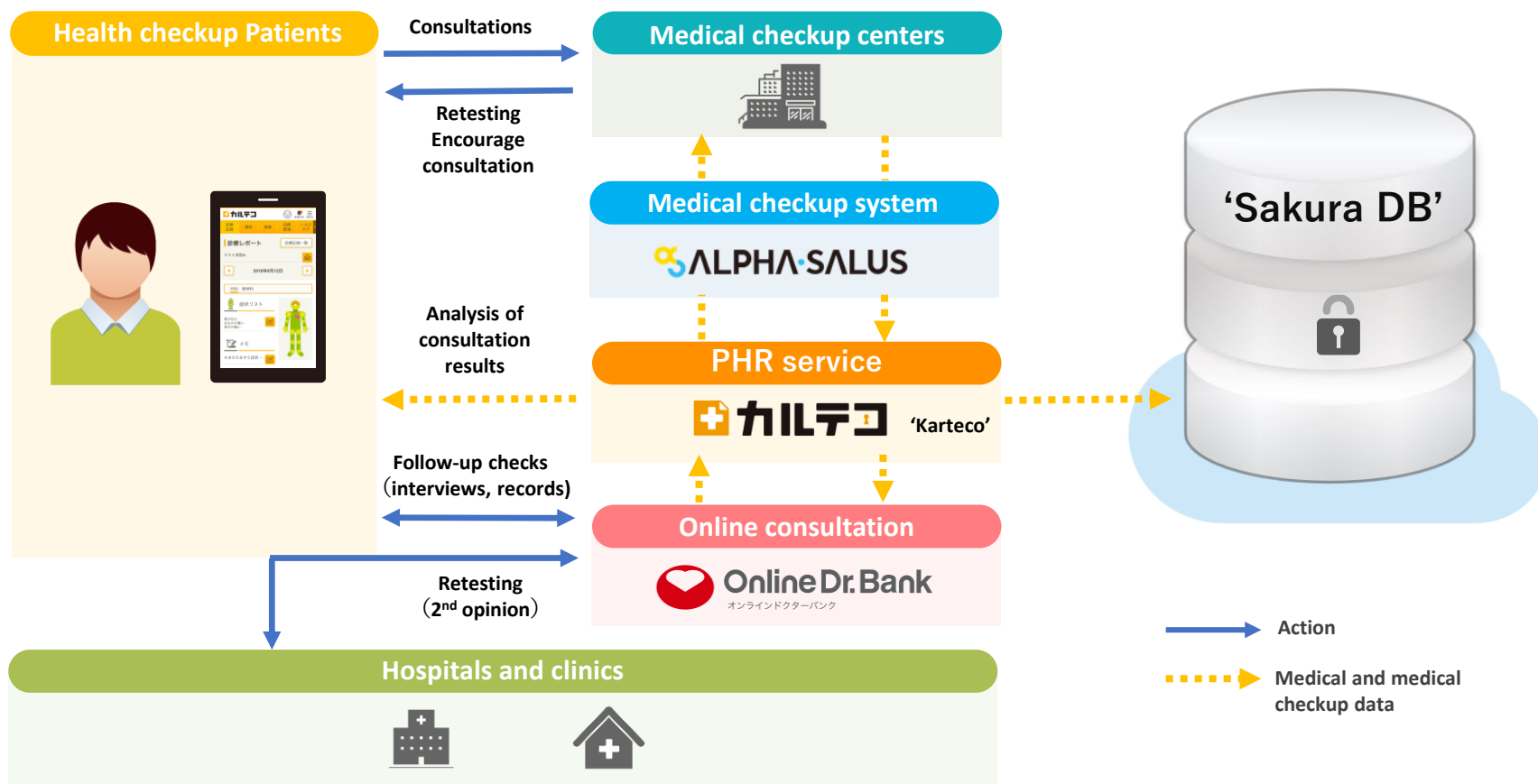
※Order volume

2

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

Installation delay of roughly 6 months due to functional bug fixes

Providing an user flow leading to encouraging consultations well received, prospects/orders in progress



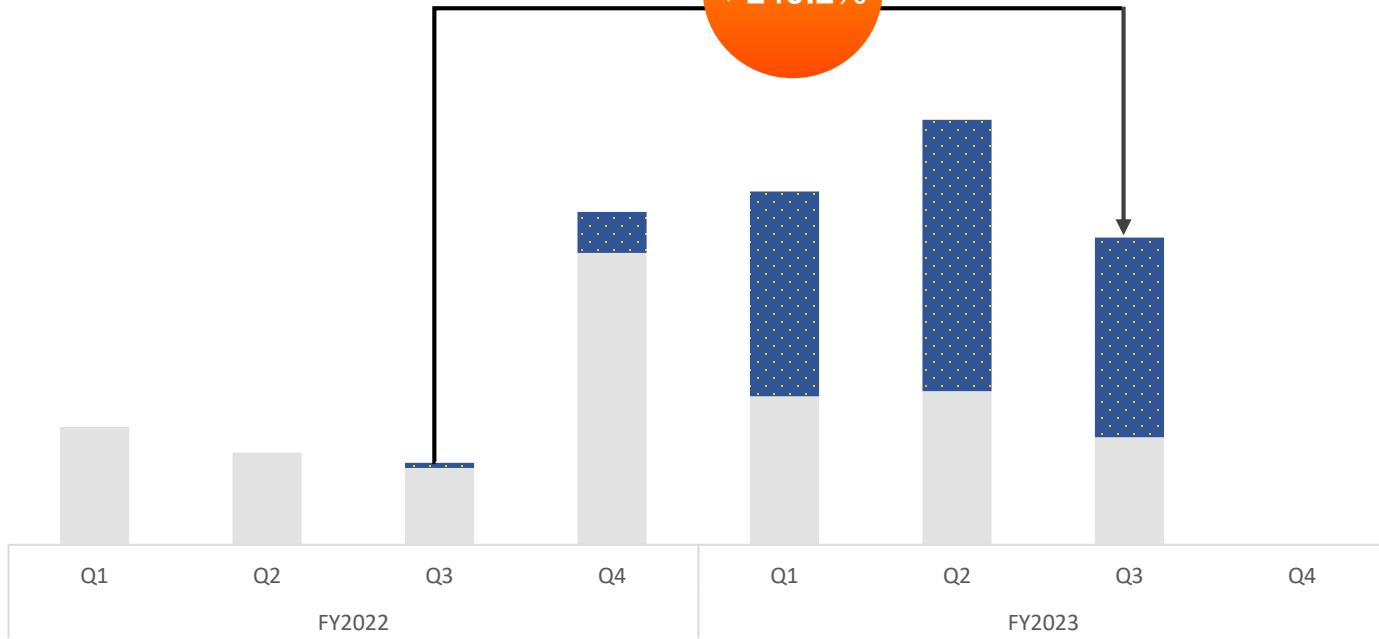
3 Secure new sales from insurer data

Sales on track for data utilization services and insurer database

Emphasis on raw data sales of insurer data for Q4, lump-sum transaction

■ Insurer data sales

+249.2%



Insurer DB



4 Successfully upgrade 'Karteco'

Upgraded 'Karteco' launched

Foundation of Karteco is well underway, for further growth beyond 2025

カルテコ

- Pulse rate (※body temperature)
- Respiratory rate
- Sympathetic nerves
- Parasympathetic nerves
- Total energy level

Illness Prediction

虚血性心疾患 10年以内発症率 28.0%	糖尿病 3年以内発症率 54.0%
脳卒中 10年以内発症率 20.0%	大腸がん 10年以内発症率 7.4%
胃がん 10年以内発症率 13.4%	肝がん 10年以内発症率 99.9%

Medical expense calculator

医療費窓口負担割合
● 3割 ○ 2割 ○ 1割

平均入院医療費
¥475,500円

入院医療費中央値
¥475,500円

医療費の幅(レンジ)
¥40~48万円

計測箇所を円の中に映して焦点を合わせ、「計測開始」ボタンを押し、45秒間、動かさないようにしてください

できました!

結果を見る

ジローの結果推移

心拍数

呼吸数

自分自身も計測する

Site to purchase test kit

Online medical consultation

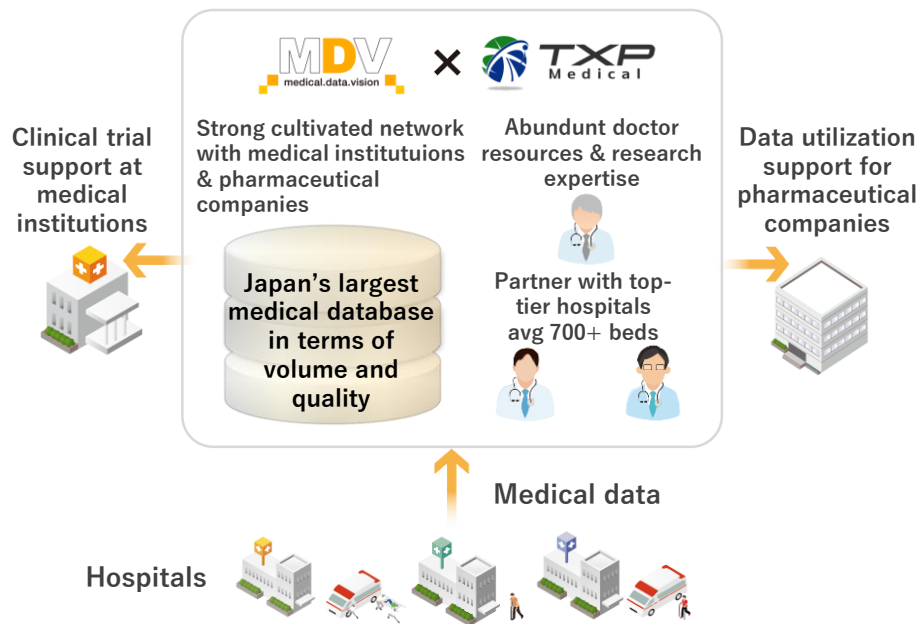
Pet supply sales site

Alliance with data utilization enhancement possible TXP Medical Co. Ltd., focus in acute care

Expand sales by strengthening the quality of the 'Sakura DB', providing further value-add

【Image of value creation through alliance】

【Ref : Clinical trial market size in Japan】



270.5 billion yen※

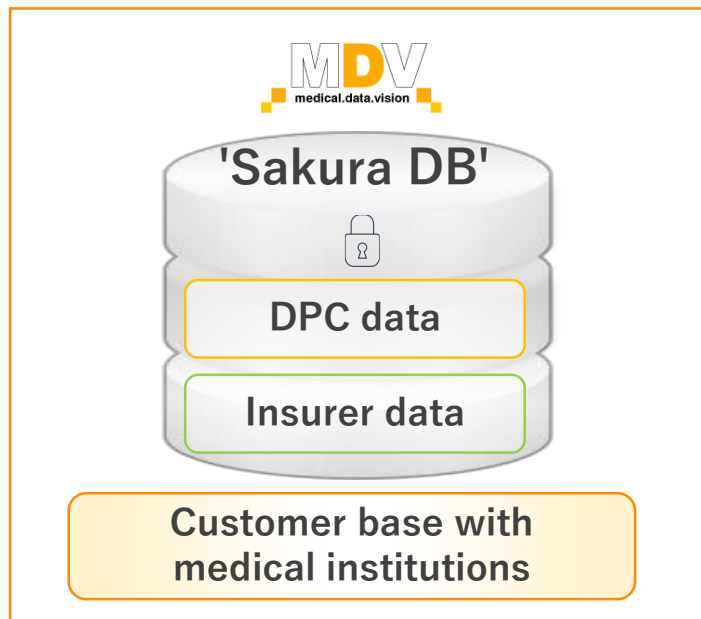


※Source :
Japan CRO Association (2021 Annual Business Results Total Sales Volume)
Japan Association of Site Management Organizations (Members Total Sales Volume 2022 data)

Provide further value-add to pharmaceutical companies, academas, etc & propose more efficient operations for clinical trials

SBI Holdings acquire additional shares of MDV

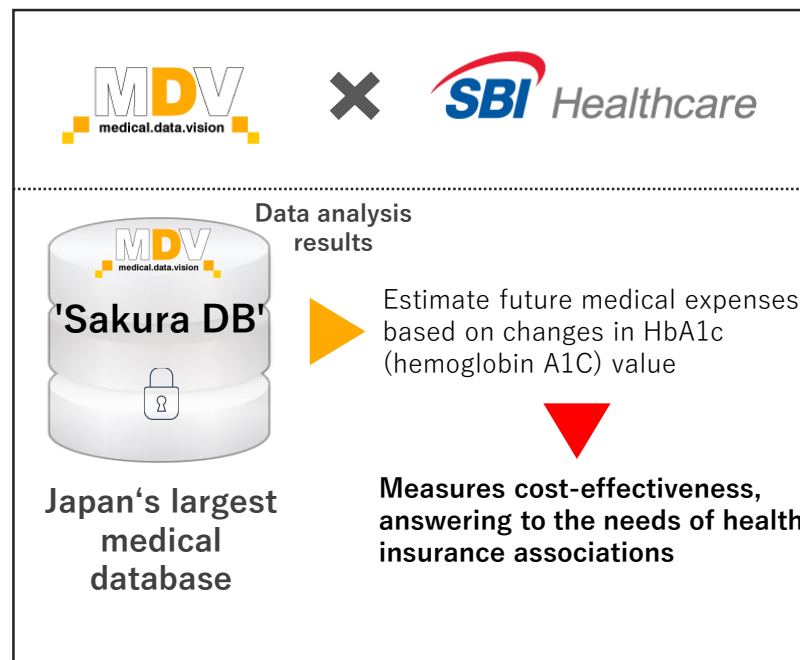
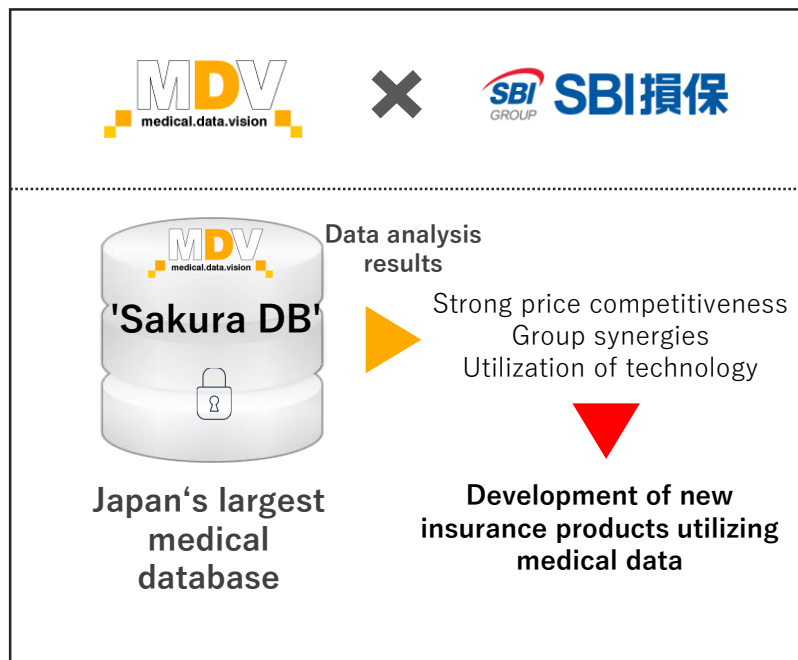
Aim to further strengthen ties with SBI Group



- ✓ Use medical Big Data to develop new products and services in the financial and healthcare fields
- ✓ Promote business that contributes to revitalization of local economies and local medicine
- ✓ Strengthen ties with SBI Holdings' subsidiaries/group-funded companies in medical and healthcare

Further collaborate to promote and accelerate medical big data

Expand the quality and breadth of data utilization service through the alliance, leading to future growth



Future growth built on MDV cloud platform

Launch of new paid function 'regional liaison analysis tool'

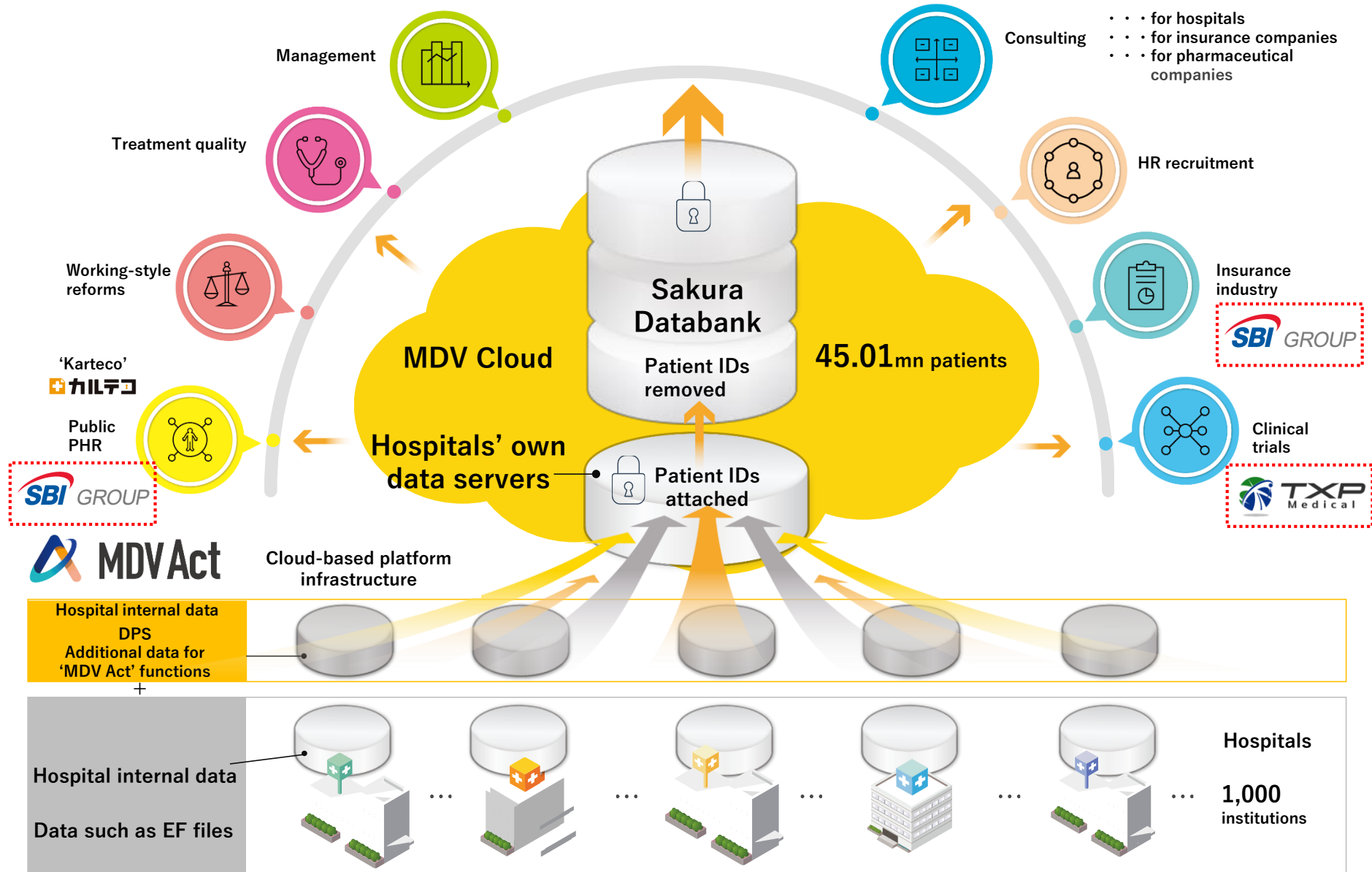
Launching paid functionalities is a key strategy to expand data platform

Release plans for paid functionality of 'MDV Act' (~2025) ★denotes already released

	Data source	Functionality	Target () = no. of hospitals	Monthly fee	Release date					
					2023		2024		2025	
					1H	2H	1H	2H	1H	2H
Management analysis solutions	DPC data	Maximize revenue Standardize medical treatment	DPC hospitals Data submission additional hospitals (approx. 2,800)*	50,000 yen 10,000~30,000 yen	Medical analysis package ★					
Administrative support solutions	Electronic records · appointments, consultations · orders · medical accounting · clinical testing, etc	Support for patient appointment management Control of bed occupancy Departmental administration	Data submission additional hospitals (approx. 5,500)	20,000~100,000 yen						
Marketing solutions	Publicly available information Information related to referrals	Support for patient acquisition /local links Analysis of external environment Sales support	General hospitals (7,084) As of Mar end 2023	10,000~50,000 yen	New! ★ Regional liaison analysis tool					

※Number of hospital targets by MDV from within the approx. 5,500 data submission addition hospitals

Future growth built on MDV cloud platform



IR Contents in English

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