

FY2024 Q1 Financial Results

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

May 13, 2024

1	Executive Summary	-----	3
2	FY2024 Q1 Financial Results	-----	4
3	Business progress	-----	15
4	Appendix	-----	27

Q1 results

Q1 results generally in line with plan

- H1 FY focuses on measures to achieve growth in H2, overall progressing steadily
- Steady investment growth to achieve 2025 mid-term management plan (headcount increase, R&D)

Business progress

Strategic budgeting this period focuses on H2 business growth

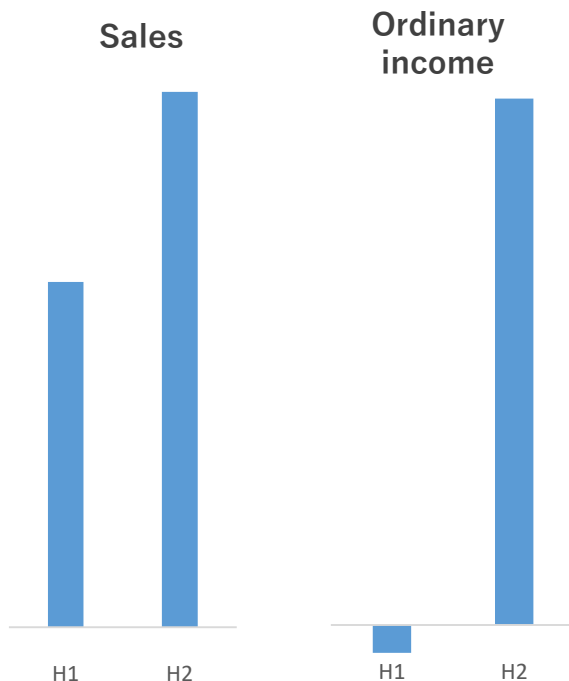
- With an increase in number of 'MDV Act' contract hospitals, steady accumulation of recurring sales
- 'ALPHA SALUS' focuses on measures to increase sales in H2
- 'Karteco' launches massive PR to attract downloads

FY2024 Q1 Financial Results

Q1 results generally in line with plan

H1 FY focuses on measures to achieve growth in H2, overall progressing steadily

Image of this fiscal year's performance plan



Concept of this FY's plan

- ① Sales growth through increased headcount, mainly in sales
- ② Expansion of sales of cloud-based services
- ③ Aggressive deployment of Karteco

H1 : Increase/strengthen sales force, order-taking activities for cloud-based services, and wide-spread adoption of Karteco

H2 : Accumulation of recurring and non-recurring sales through expansion of cloud-services and sales growth by increasing Karteco users

Q1 Status

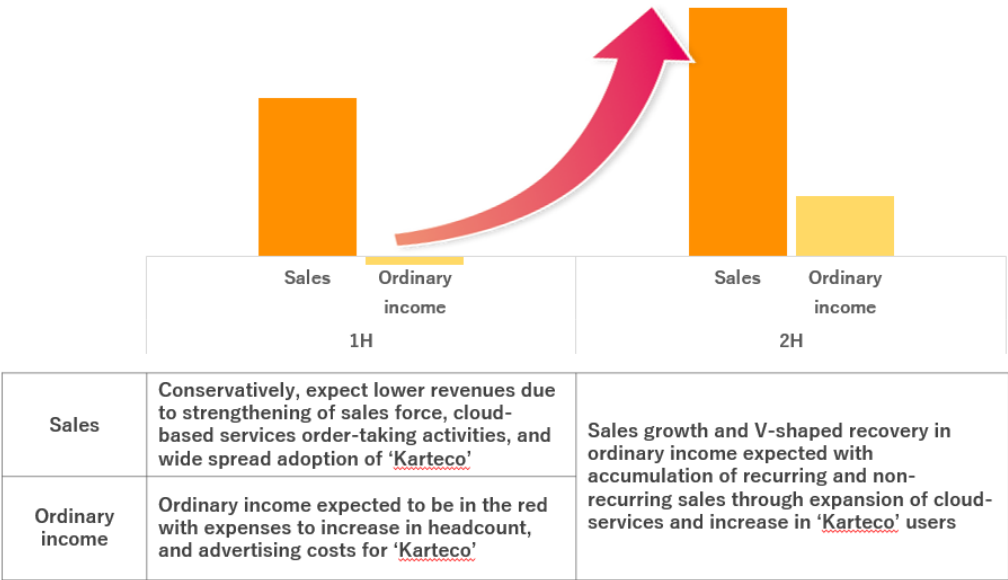
- Data utilization services slightly impacted by project delays, remains generally in line with plan
- Karteco delays cat sensing function (February→ Q2 release scheduled)
- Steady investment growth to achieve 2025 mid-term management plan (headcount increase, R&D)

Execute investments for growth as explained in FY 12/2023 financial results

Investments planned for H1 on track

FY2023 Financial Results P.27 (Announced on February 13, 2024)

Image of this fiscal year's performance plan



FY2024 Q1 results comparison (year-on-year)

Overall lower YoY however profits in line with plan

Main reason for decline in sales was due to lower sales in data utilization services

(Millions of Yen)	FY2024 Q1 results	FY2023 Q1 results	YoY	備考
Sales	1,388	1,559	-11.0%	・Sales of data utilization services decreased (-94M) ・Subsidiaries sales decreased (-42M) ・Sales of data network services decreased _non-recurring sales (-24M)
Sales growth	-11.0%	+ 3.2%	-14.2 P	
Operating income	53	423	-87.3%	・Net sales decreased (-170M) ・SG&A expense increased (+ 176M) ・Non-operating expenses increased (+ 32M)
Ordinary income	22	424	-94.6%	
Ordinary income margin	1.6%	27.2%	-25.6 P	
Employees	261	256	+ 2.0%	
Sales per employee	5.3	6.0	-12.7%	

FY2024 Q1 results:cost analysis

Rising costs mainly in R&D, but generally in line with plan

AWS user fees and other external services costs continue to increase with yen's depreciation

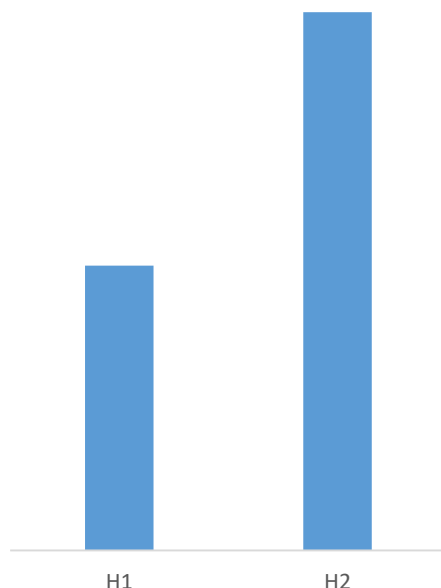
(Millions of Yen)	【consolidated】 FY2024 Q1 results	【consolidated】 FY2023 Q1 results	YoY	備考
CoGS	342	320	+ 6.9%	• Increase in cloud service costs (paid functionality for MDV Act, ALPHA SALUS) (+20M)
Personnel costs	459	439	+ 4.5%	• Higher wage costs from salary increases, headcount rise, etc. (+16M)
Hiring costs	16	8	+ 106.8%	• Increase in recruitment commission fees (+ 4M)
Others	532	375	+ 41.9%	• Increase in support costs (Fees for external services such as AWS and Salesforce) (+ 34M)
R&D costs	129	34	+ 279.4%	• Increase in ALPHA SALUS development expenses (+ 114M) • Decrease in MDV Act development expenses (-11M)
non-operating expenses	32	0	—	• Investment loss on equity-method affiliate of SENSING Co., Ltd. (+ 32M)
Total costs*	1,367	1,135	+ 20.4%	

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

‘MDV Act’ & ‘ALPHA SALUS’ progressing as planned

Karteco’s large scale PR postponed to Q2, effect to also appear after Q2

Data network service
Image of this fiscal year’s performance plan



Concept of this FY’s plan

Sales growth through 3 services in focus this FY

- ①Expansion of MDV Act sales
- ②Expansion of ALPHA SALUS sales
- ③Aggressive deployment of Karteco

H1 : Order-taking activities for cloud-based services,
wide-spread adoption of Karteco

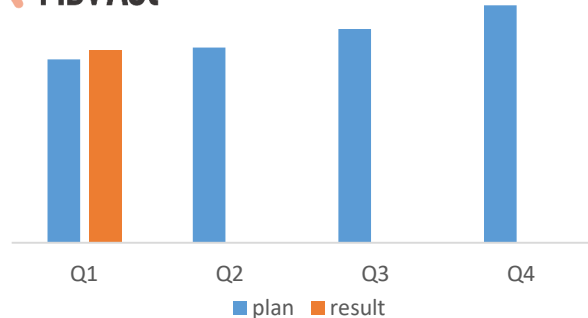
H2 : Accumulation of recurring and non-recurring sales through
expansion of cloud-services and sales growth by increasing
Karteco users

Q1 Status

- MDV Act, ALPHA SALUS progressing as planned
- Karteco delays cat sensing function
(February → Q2 release scheduled)

Sales by Services of Focus (vs. Plan)

MDVAct



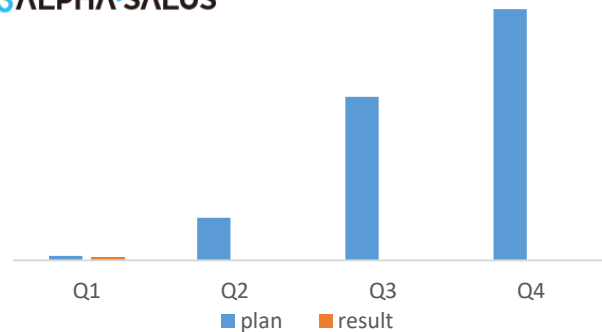
Concept of this FY's plan

- Steady build-up of recurring sales by increasing the number of contracted hospitals
- Sales growth by acquiring new contracted hospitals through release of new paid functions and cross-selling to existing customers

Q1 Status

- Number of hospitals with paid contracts increasing steadily (2023 Q4 638 hospitals → 2024 Q1 652 hospitals)

ALPHA-SALUS



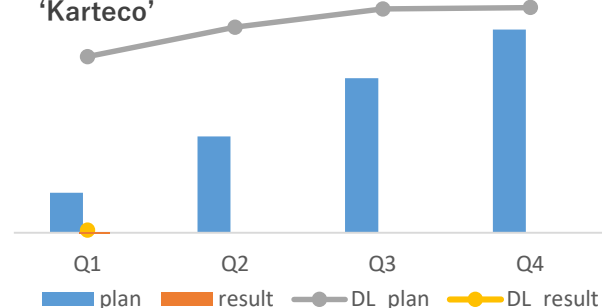
Concept of this FY's plan

- Target number of Medical checkup system installed facilities : 161 facilities (+61 facilities From FY2023)

Q1 Status

- Progress as planned

カルテコ 'Karteco'



Concept of this FY's plan

- Number of downloads 780,000 downloads
- Sales 520mn yen

Q1 Status

- Development of cat sensing function delayed (February → Q2 release scheduled)
- Large scale PR postponed to Q2 due to cat sensing function development delays
- Sony AI technology cooperation, functional enhancement

Data network service sales (year-on-year)

Steady recurring sales through cloud migration

Impacted by decrease in recurring sales of on-premises services and
Decline in sales of subsidiaries

(Millions of Yen)	FY2024 Q1 results	FY2023 Q1 results	YoY	Details
Data network service	332	388	-14.5%	
Recurring	220	230	-4.4%	• Medical code maintenance fee decreased (-7M)
Non-recurring	48	72	-33.2%	• Data conversion sales decreased (-14M)
New businesses (subsidiaries)	63	86	-26.0%	• System Be Alpha Co., Ltd. sales decreased (-19M)
Karteco	0	—	—	

‘MDV Act’ sales progressing as planned

Major new downloads for Karteco to begin Q2 onwards, PR activities postponed to Q2

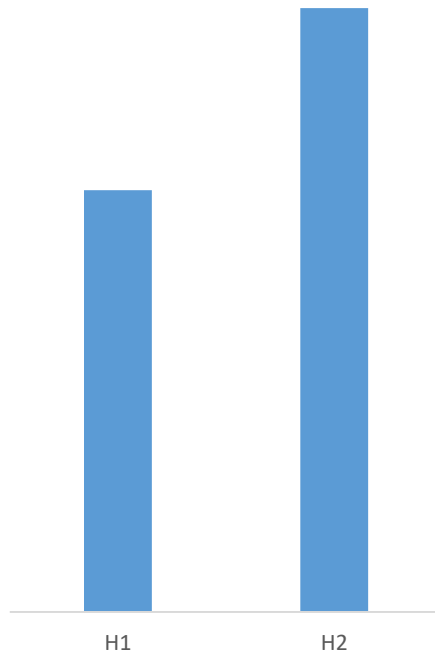
Indicators		FY2022 Results	FY2023 Results	FY2024 Q1 Results	FY2024 Targets
MDV Act sales growth rate		—	—	— ※	+ 78.4%
Number of installations of medical checkup systems		94	100	97	161
Karteco	Number of downloads	—	—	62,105	780,000
	Sales (Millions of Yen)	—	—	0	520

※ ‘MDV Act’ launches paid functions starting 2023 Q2

Progressing mainly in line with plan, despite impact of project delays

Medical data survey analysis projects sliding into Q2 onwards

Data utilization service
Image of this fiscal year's performance plan



Concept of this FY's plan

- Maintain sales growth by strengthening sales force

H1 : Recruitment and development of sales personnel

H2 : Organic sales growth as a result of increased sales personnel

Q1 Status and Futures plan

■ Q1 Status

- Lower YoY due to postponement of large projects from Q1 to Q2

■ Futures Plans

- Increase 5 sales staff (Q2-), training and development into Q4
- Promote further expansion of sales force
- Strengthen cooperation with TXP Medical and promote sales
- Strengthen overseas sales (launch overseas business development office)

Data utilization service sales (year-on-year)

‘MDV analyzer’ increases number of contracts, recurring sales higher

Increase in set contracts for DPC version + Insurer DB version, unit price per customer on an upward trend

(Millions of Yen)	FY2024 Q1 results	FY2023 Q1 results	YoY	備考
Data utilization service	928	1,022	-9.2%	
Medical data survey analysis	702	805	-12.7%	・Large projects postponed to Q2
MDV analyzer	225	217	+ 3.9%	・MDV analyzer contracts on a rise

Business progress



Explanation of the status of focused service for FY2024

1

Cloud based hospital management improvement application
Expand sales of 'MDV Act' paid functions

2

Expand sales of cloud
based medical checkup systems ('ALPHA SALUS')

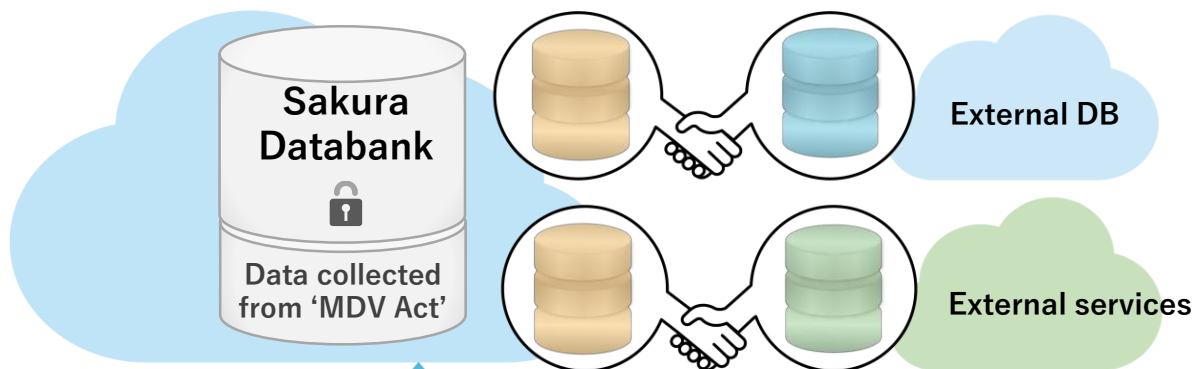
3

Promote widespread adoption of 'Karteco'

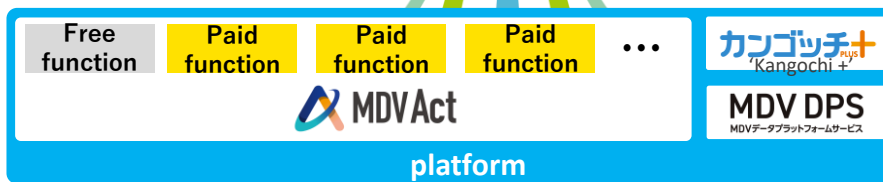
Transition to cloud progressing well

Enhance scalability and coordination of data utilization through cloud

Cloud
services



Data integration



On-premises
services



EVE

Release paid functionality utilizing various data sources

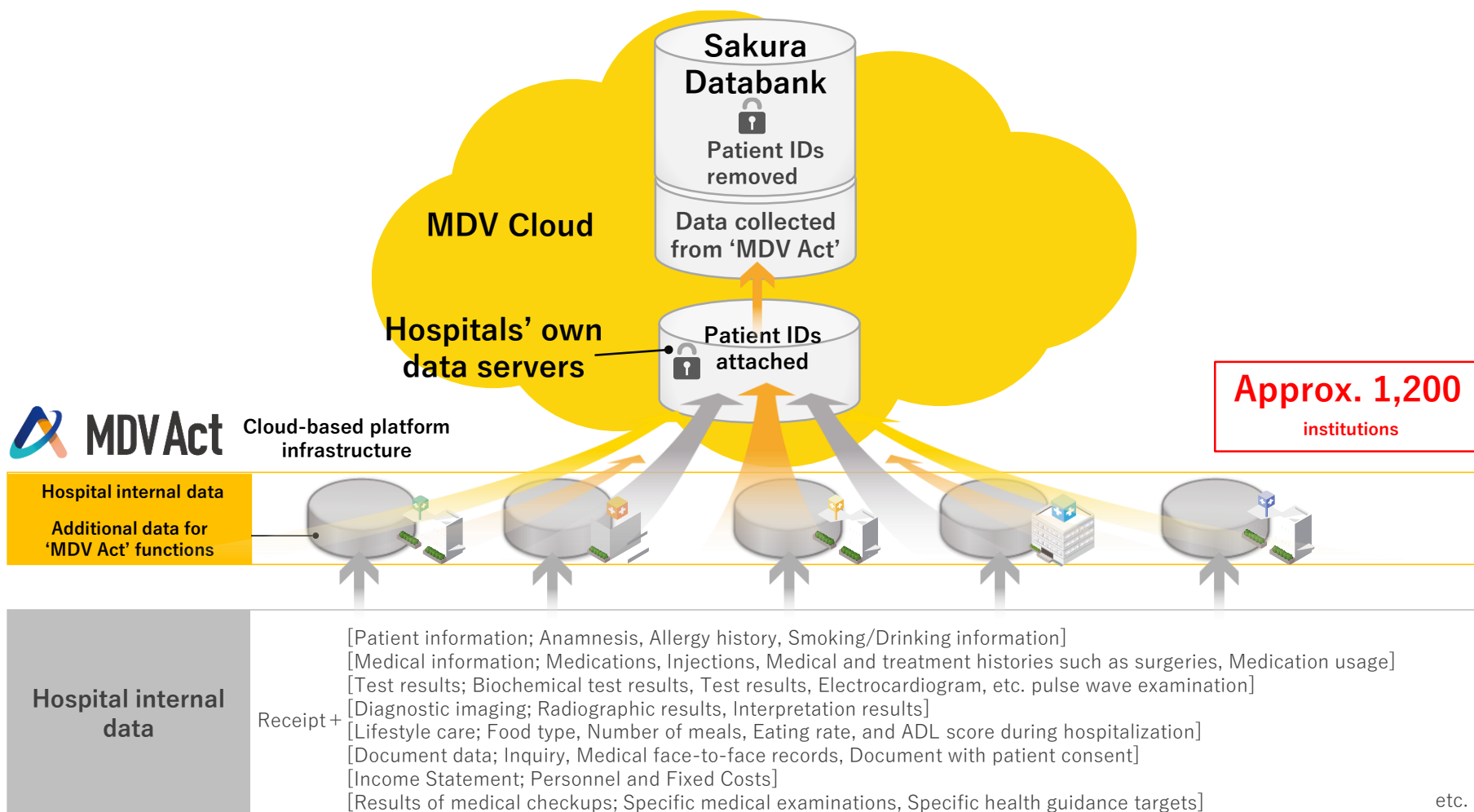
Leading to expanding customer base, increasing sales, and accumulating new data

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	DPC hospitals	50,000 yen	Medical analysis package ★					
		Standardize medical treatment	Data submission additional hospitals (approx. 2,800)*	10,000~30,000 yen						
Administrative support solutions	Electronic records • appointments, consultations • orders • medical accounting • clinical testing, etc.	Support for patient appointment management	Data submission additional hospitals (approx. 5,500)	20,000~100,000 yen						
		Control of bed occupancy Departmental administration								
Marketing solutions	Publicly available information	Support for patient acquisition /local links	General hospitals (7,084) As of Mar end 2023	10,000~50,000 yen	★ Regional liaison analysis tool					
	Information related to referrals	Analysis of external environment Sales support								

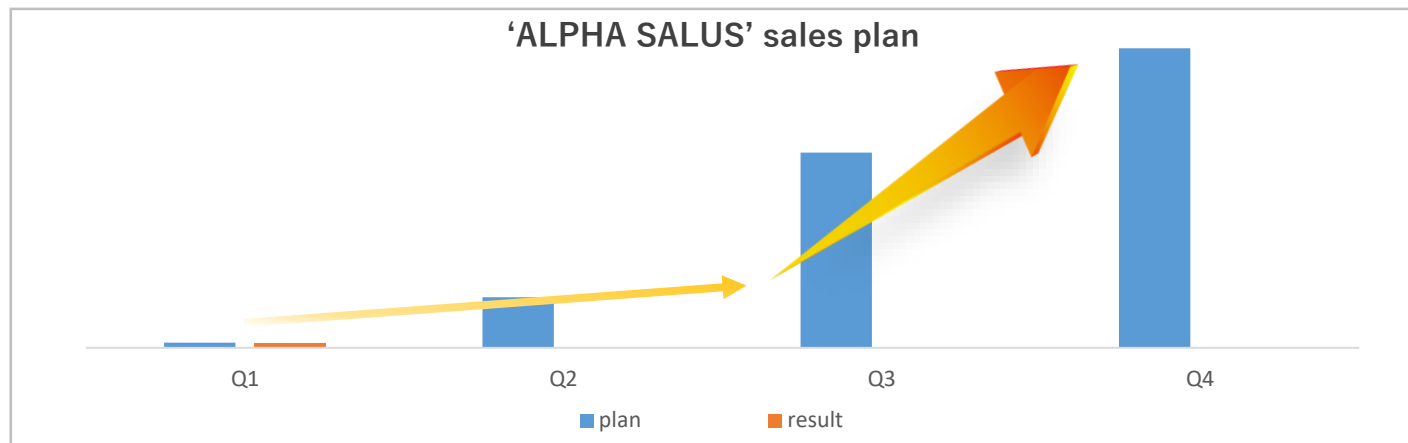
※Number of hospital targets by MDV from within the approx. 5,500 data submission addition hospitals

'MDV Act' enables collection of various hospital internal data



Sales plan for FY weighted toward H2

Establish an installation system and obtain orders in H1, proceed with installation in H2



<H1>

<H2>



**Order taking
activities**



**Establish an efficient
installation system**

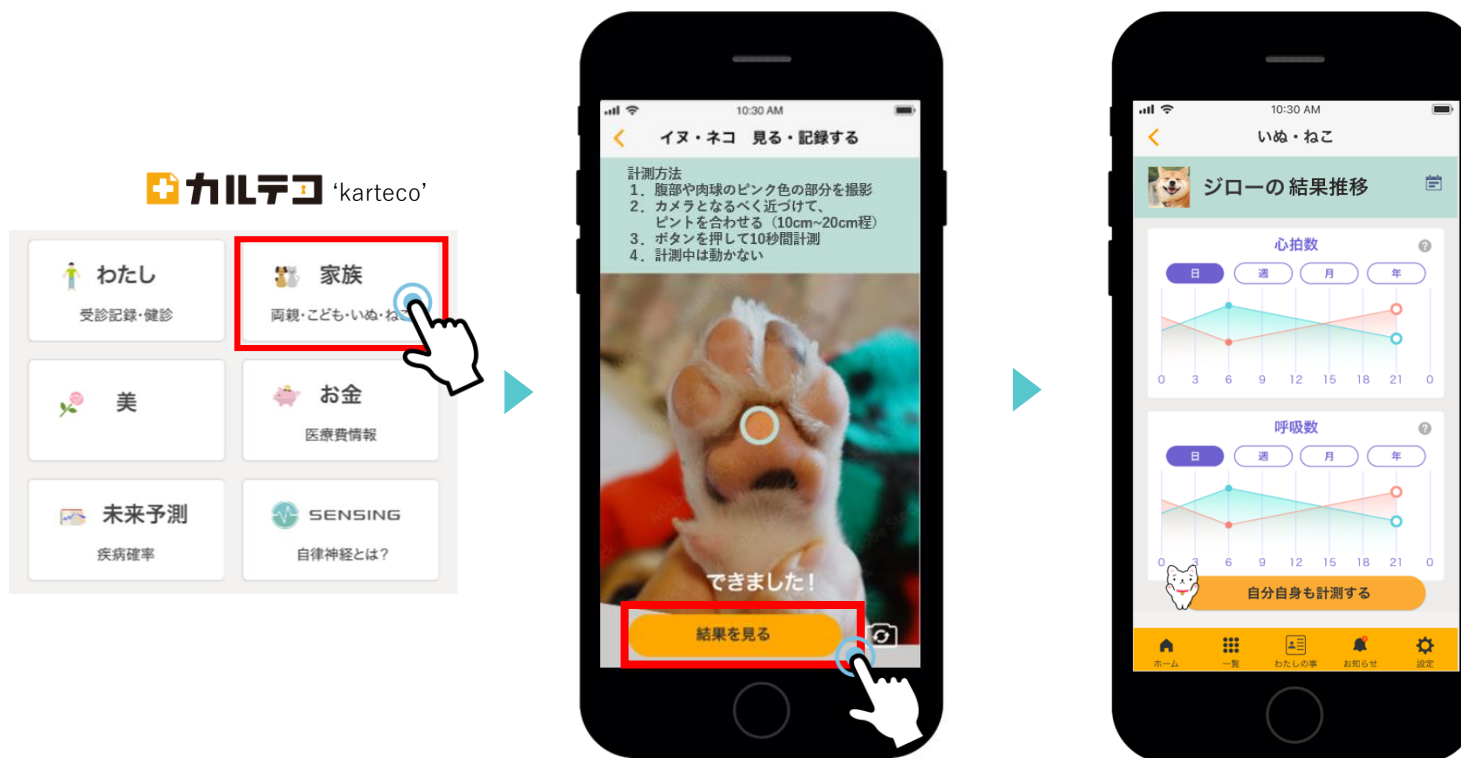


- Installation activities
- Record sales

3 Promote widespread adoption of 'Karteco'

Promote downloads using pets to attract

Thereafter, theme to become health care for the whole family, leading to usage by family members and oneself



‘World’s first’ pet sensing technology

3 Promote widespread adoption of 'Karteco'

Kick off large scale PR activities TVCM



Movie URL

<https://www.youtube.com/watch?v=je3SaSzV6Zl>



3 Promote widespread adoption of 'Karteco'

Kick off large scale PR activities 'interpets 2024' exhibition

✓ About 'interpets'

- **One of the largest pet events in Japan**, proposing an enriching lifestyle for both people and pets
- **Over 700 companies**, pet food, goods, IT appliances, etc

■ Venue



※Image from interpets 2024 website

'Sensing experience' showing great popularity even outside the booth
Lots of Karteco download interests

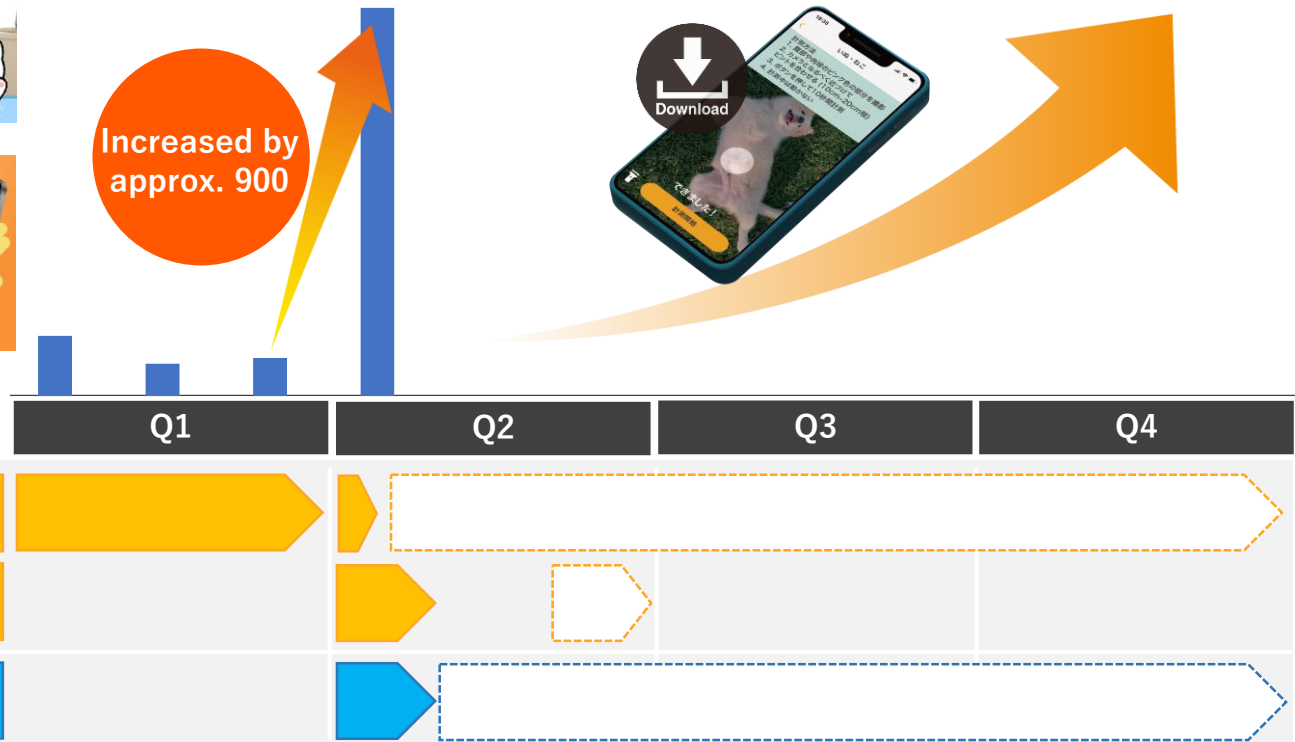


Pets to attract downloads
showing success

3 Promote widespread adoption of 'Karteco'

PR using pets to attract, proving successfully

Large scale PR, mainly TVCM • Web to obtain downloads

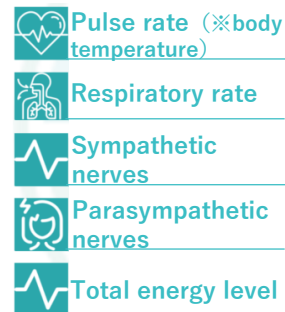


Solid line . . . Completed
Dotted line . . . Plan

3 Promote widespread adoption of 'Karteco'

AI technology cooperation with Sony, to enhance and promote Karteco

Expand 'Disease Risk Report', future risk prediction function to 22 diseases



Health management



Future prediction



Medical cost simulation



Site to purchase test kit

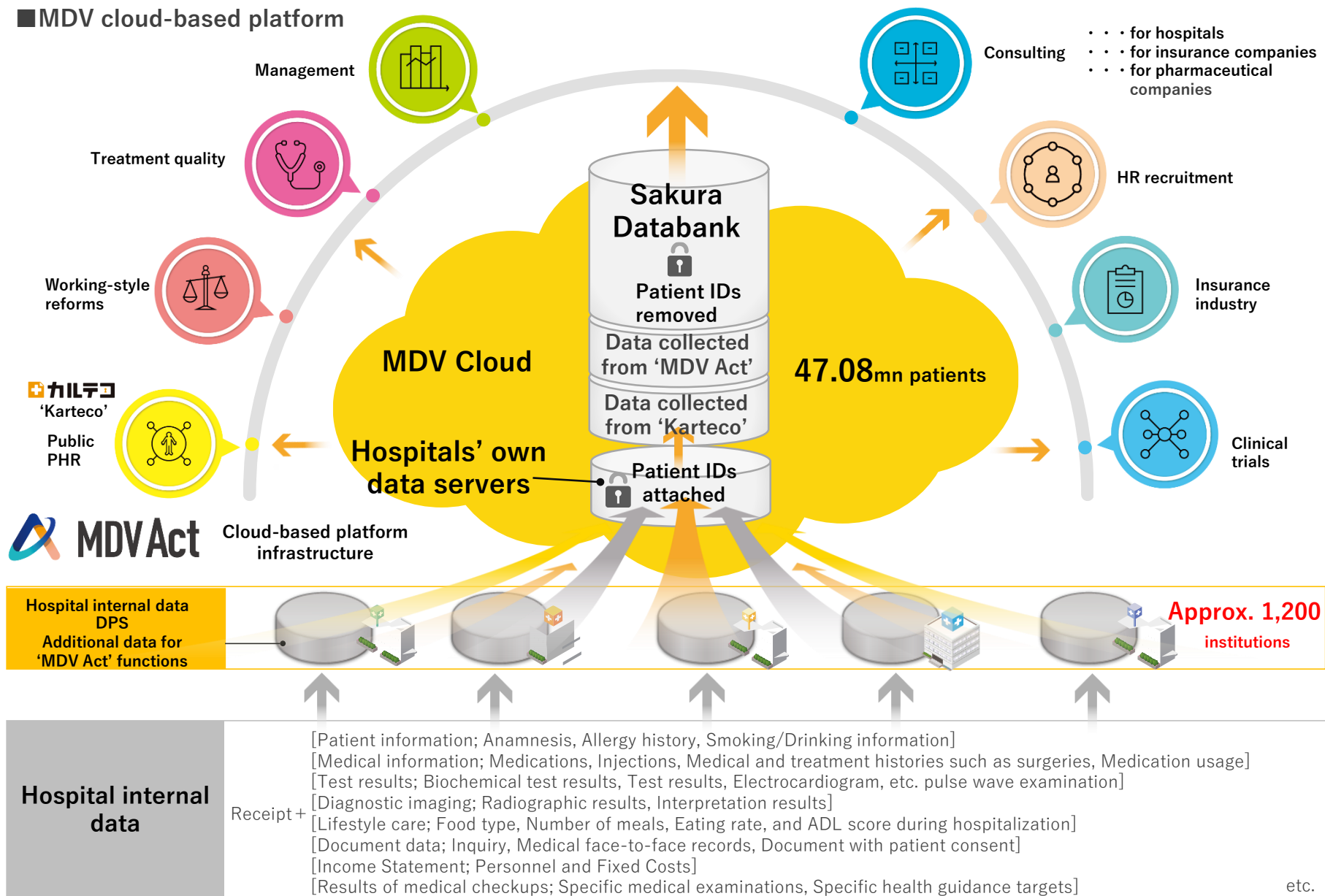
Online medical consultation

Pet supply sales site

6 diseases → expand to 22 diseases

Shift from 'quantity' to 'quality' of data, dramatic growth of data utilization

■ MDV cloud-based platform



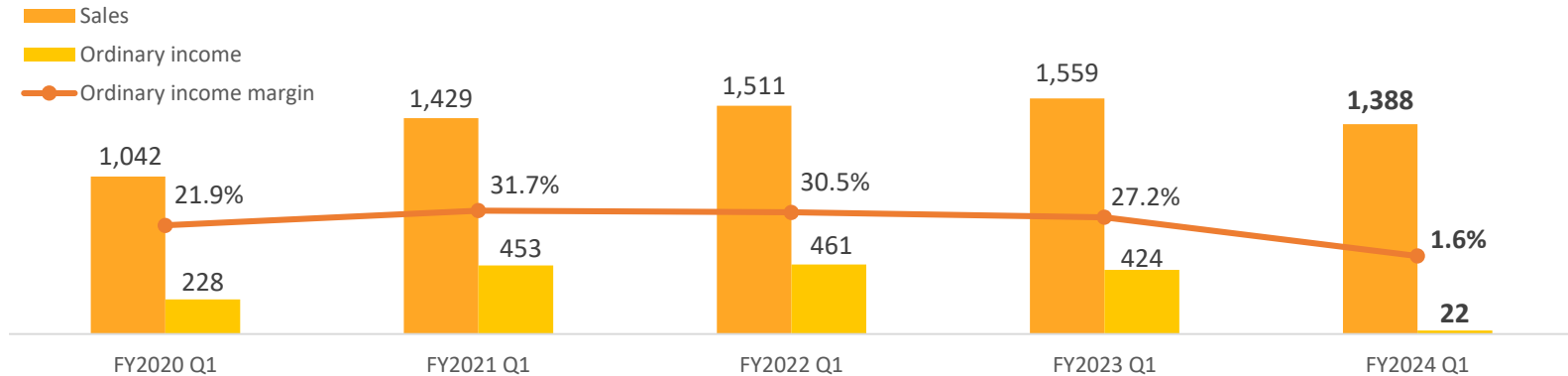
Appendix



Q1 results by fiscal year, Q1 earnings by service

■ Q1 results by fiscal year

(Millions of Yen)



■ Q1 earnings by service

(Millions of Yen)	Data Network Service	Data Utilization Service	Other Service	All-company total
Sales	332	928	127	1,388
YoY	-14.5%	-9.2%	-13.7%	-11.0%
Gross income	112	826	107	1,045
YoY	-43.6%	-9.9%	-12.6%	-15.6%
Ordinary income	—	—	—	22
YoY	—	—	—	-94.6%

Sales by quarter (breakdown by service)

(Millions of Yen)

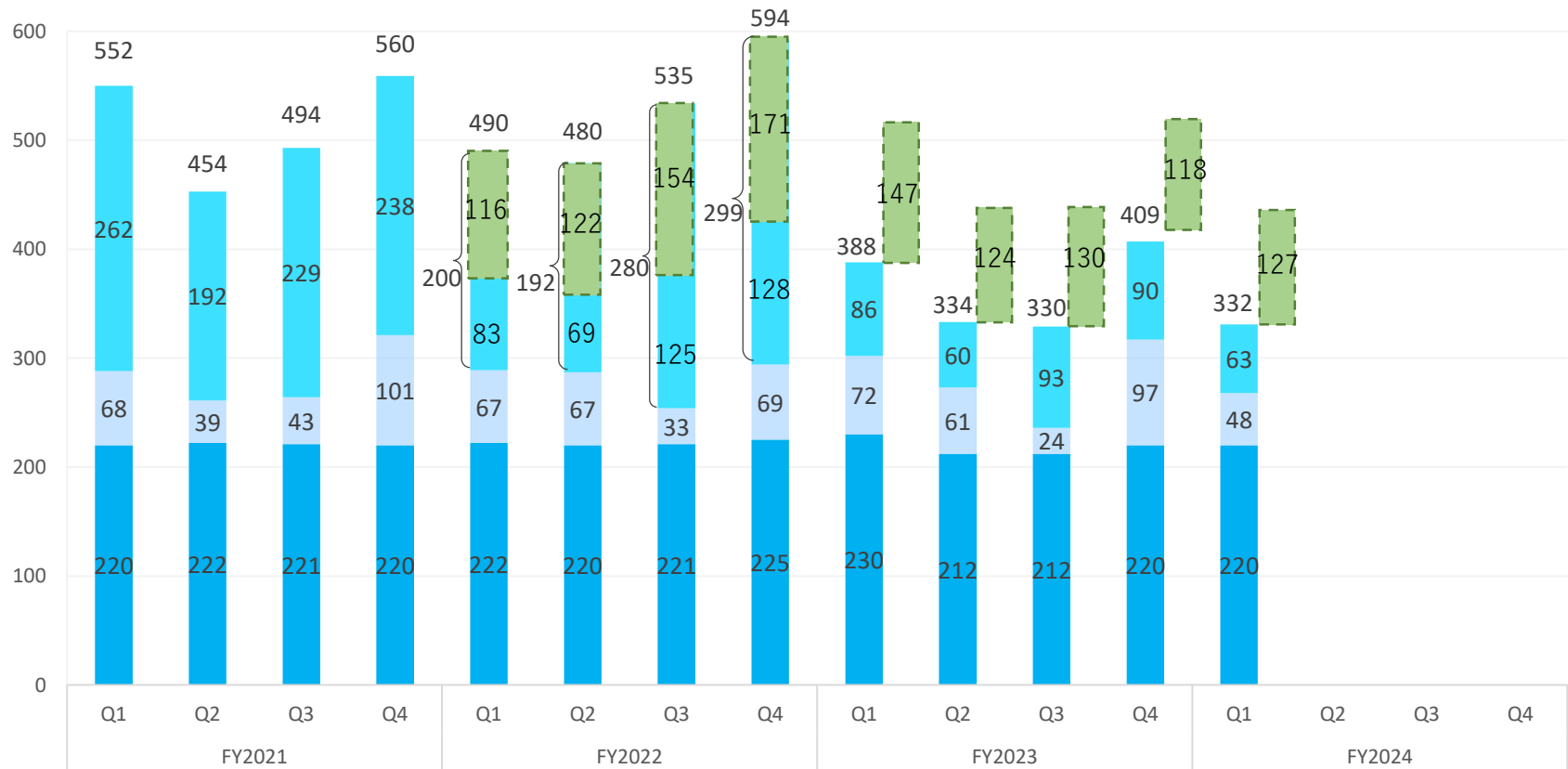
- Other service
- Data network service
- Data utilization service



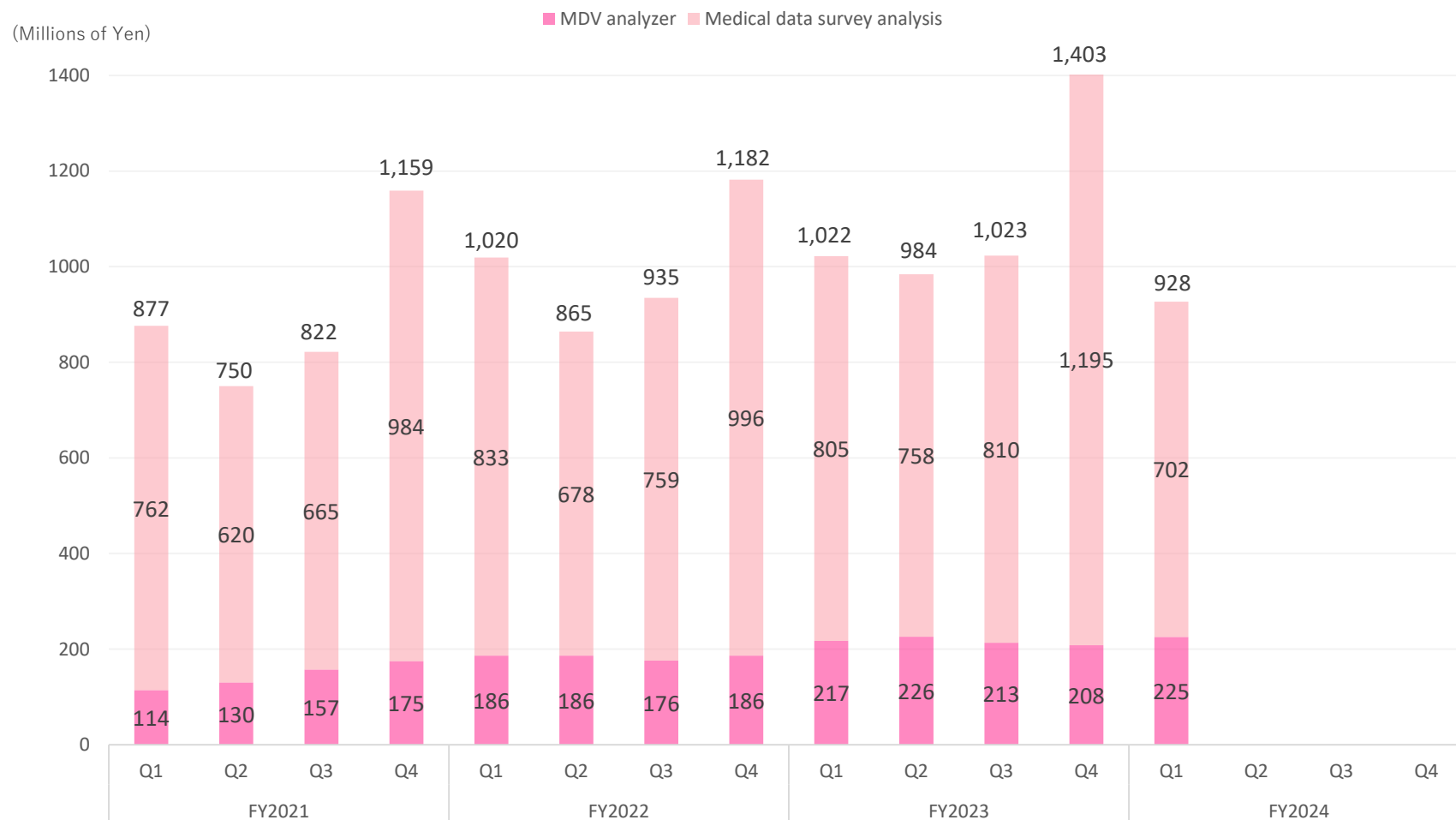
Data network service sales breakdown

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

(Millions of Yen)



Data utilization service sales breakdown



*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.

IR Contents in English

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

Contacts

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

This document provides information intended solely to help readers' understanding of Medical Data Vision Co., Ltd. (MDV). Thus, MDV has no intention to solicit or encourage investment for securities or financial products mentioned in this document. Also, readers are advised that this document is not a disclosure document or statement of financial performance as required by Japan's Financial Instruments and Exchange Act, Act on Investment Trusts and Investment Corporations, related cabinet orders, cabinet office ordinances or rules, the rules governing companies listed on the Tokyo Stock Exchange, or any other applicable rules. This document contains forward-looking statements, including forecasts of financial position, results of operations, and business-related matters, as well as statements related to the plans and goals of the management of Medical Data Vision Co., Ltd. (MDV). There are a number of known and unknown risks and uncertainties that can cause MDV's actual results or performance to differ materially from any explicit or implicit forecasts contained herein. These forward-looking statements also rest on a number of assumptions with regard to MDV's present and future management strategies, as well as the political and economical environments in which MDV will conduct its future business operations. Although the information contained in this document is the best available at the time of publication, no assurances can be given regarding the accuracy, certainty, validity or fairness of this information. The content of this document can be modified or withdrawn without prior notice.



Medical Data Vision Co.,Ltd.

7 KandaMitoshirocho,Chiyoda-ku,Tokyo,Japan 101-0053

TEL.03-5283-6911 FAX.03-5283-6811