

FY2024 Q2 Financial Results

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

August 8, 2024

1	Executive Summary	-----	3
2	FY2024 Q2 Financial Results	-----	4
3	Business progress	-----	15
4	Appendix	-----	30

Q2 results

Sales progression standing behind plan

- Top line impacted by Karteco delay and data utilization services lower sales
- H1 YoY profit decline related to upfront investments for growth that are progressing as planned

Business progress

Investment for growth to achieve 2025 mid-term plan progressing as planned overall

- Significant increase in staffing, building a structure for future growth progressing as planned
- ‘MDV Act’ development is progressing as planned
- ‘ALPHA SALUS’ software glitch detected, but should not affect year plan
- ‘Karteco’ sales and downloads behind plan due to delays in development of some functions
- Data Utilization Services, aiming to boost sales in H2 with significant increase in sales personnel

FY2024 Q2 Financial Results



FY2024 Q2 results comparison (year-on-year)

Sales progression standing behind plan, profits in line with initial plan

Sales : Lower sales in data utilization services. Recovery in H2 thanks to significant increase in sales personnel

Profit : H1 YoY profit decline related to upfront investments for growth that are progressing as planned

(Millions of Yen)	H1		
	FY2024 Q2 results	FY2023 Q2 results	YoY
Sales	2,780	3,002	-7.4%
Sales growth	-7.4%	+ 5.1%	—
Operating income	26	719	-96.3%
Ordinary income	-32	700	—
Ordinary income ratio on sales	-1.2%	23.3%	—
Number of Employees	297	263	+ 12.9%

FY2024 Q2 results highlights (vs. Plan)

Sales progression standing behind plan, profits in line with initial plan

Sales : Lower sales in data utilization services. Recovery in H2 thanks to significant increase in sales personnel

Profit : H1 YoY profit decline related to upfront investments for growth that are progressing as planned

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

Image of this fiscal year's performance plan



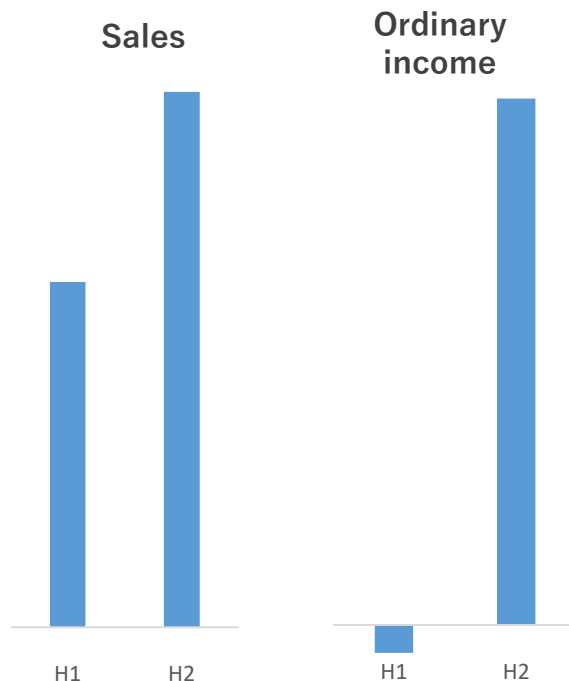
Sales	Conservatively, expect lower revenues due to strengthening of sales force, cloud-based services order-taking activities, and wide spread adoption of 'Karteco'	Sales growth and V-shaped recovery in ordinary income expected with accumulation of recurring and non-recurring sales through expansion of cloud-services and increase in 'Karteco' users
Ordinary income	Ordinary income expected to be in the red with expenses to increase in headcount, and advertising costs for 'Karteco'	

Sales progression standing behind plan, profits in line with initial plan

Sales : Lower sales in data utilization services. Recovery in H2 thanks to significant increase in sales personnel

Profit : H1 YoY profit decline related to upfront investments for growth that are progressing as planned

Image of this fiscal year's performance plan



Concept of this FY's plan

- ① Sales growth driven by increased headcount in sales teams
- ② Expansion of sales in 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

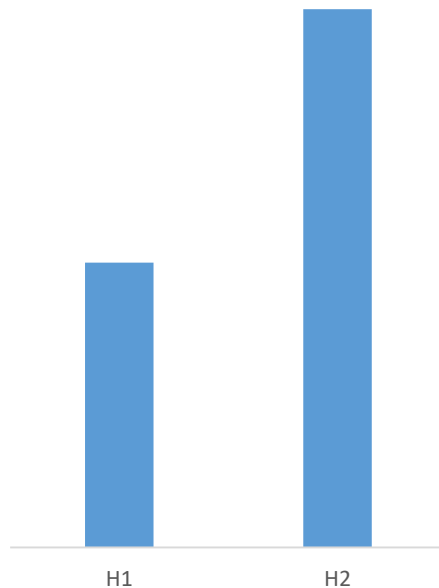
Q2 Status

- 'MDV Act' development is progressing as planned
- 'ALPHA SALUS' software glitch detected, however no change to plan
- 'Karteco' sales and downloads behind plan due to delays in development of some functions
- 'Data utilization services' standing slightly behind plan. Aim to boost sales H2, large projects being carried over from Q1 to Q3 or later and significant increase in sales personnel.

‘MDV Act’ on track, ‘Karteco’ slightly behind plan

‘Karteco’ features release scheduled for Q2 and large-scale PR both carried over to Q3

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

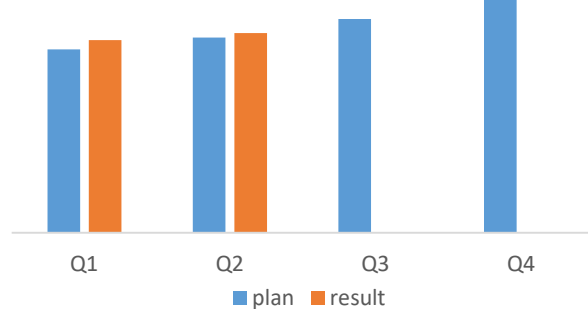
H2 : Accumulation of recurring and non-recurring sales through expansion of cloud-services and sales growth by increasing Karteco users

Q2 Status

- ‘MDV Act’ development is progressing as planned
- ‘ALPHA SALUS’ software glitch detected, however no change to plan
- ‘Karteco’ cat sensing function released, large-scale PR carried over to Q3

Sales by Services of Focus (vs. Plan)

MDVAct



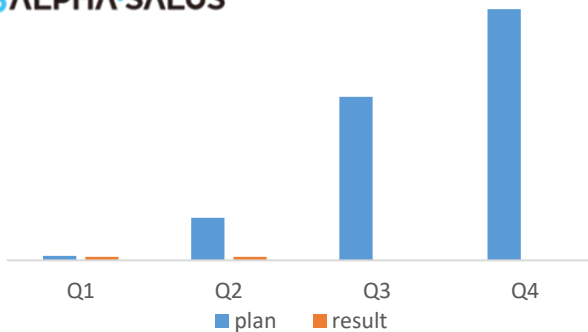
Concept of this FY's plan

- 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

Q2 Status

- Number of hospitals with paid contracts increasing steadily (2024 Q1 652 hospitals→2024 Q2 674 hospitals)

ALPHA-SALUS



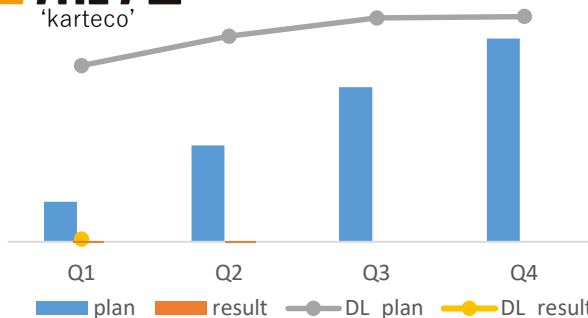
Concept of this FY's plan

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

Q2 Status

- Software issue being addressed, no change to plan as on track to resolve issue.

カルテコ 'karteco'



Concept of this FY's plan

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

Q2 Status

- Development delay for cat sensing function (Q2→Q3 release scheduled)
- Large-scale PR such as TV commercials planned for Q2 to be carried over to Q3
- Karteco advertisement expense of 400 million yen, only 20% spent vs. planned usage of 80% in H1

Data network service sales (year-on-year)

Revenues decreased compared to the same period last year due in part to the impact of partial cancellation of sales

Non-recurring sales decreased due to partial cancellation of sales; however, sales are likely to bounce back once the software issue is resolved

(Millions of Yen)	H1		
	FY2024 Q2 results	FY2023 Q2 results	YoY
Data network service	625	723	-13.5%
Recurring	428	442	-3.1%
Non-recurring	50	133	-62.3%
New businesses (subsidiaries)	146	146	-0.4%
Karteco	0	0	—

‘MDV Act’ sales growth rate progressing as planned

Both number of downloads and sales of ‘Karteco’ fall short of plan due to delay in large-scale PR to align with new function introduction

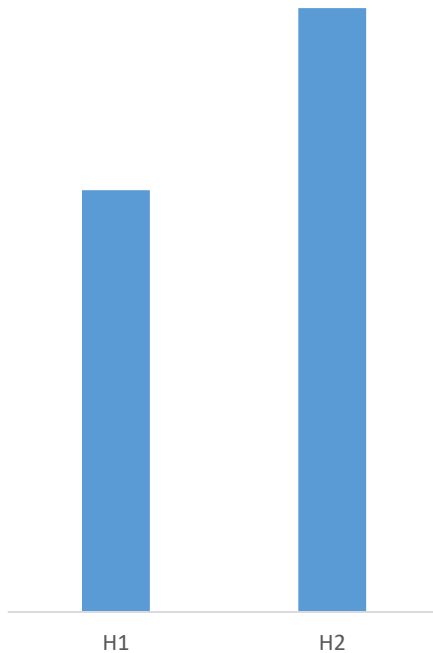
Indicators		FY2022 Results	FY2023 Results	FY2024 Q1 Results	FY2024 Q2 Results(Q1-Q2)	FY2024 Targets
MDV Act sales growth rate		—	—	— ※	+ 196.8%	+ 78.4%
Number of installations of medical checkup systems		94	100	97	97	161
Karteco	Number of downloads	—	—	62,105	167,698	780,000
	Sales (Millions of Yen)	—	—	0	0	520

※ ‘MDV Act’ launches paid functions starting 2023 Q2

Sales for Q2 generally in-line with plan, but did not make up for Q1 gap

Large projects expected in Q1 carried over to Q3 or later

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 thanks to increased sales force

Q2 Status

- Large projects expected in Q1 carried over to Q3 or later
- Sales personnel significantly increased (+6)

Data utilization service sales (year-on-year)

Steady accumulation of 'MDV analyzer' recurring sales

Temporary decline in medical data survey analysis sales due to training and developmental stage of sales personnel

(Millions of Yen)	H1		
	FY2024 Q2 results	FY2023 Q2 results	YoY
Data utilization service	1,904	2,007	-5.1%
Medical data survey analysis	1,451	1,563	-7.2%
MDV analyzer	453	443	+ 2.2%

FY2024 Q2 results:cost analysis

Substantial increase in staff, building a foundation for future growth progressing as planned

Headcount increase, upfront investment in 'MDV Act', 'ALPHA SALUS', 'Karteco'

(Millions of Yen)	【Consolidated】 FY2024 Q2 results	【Consolidated】 FY2023 Q2 results	YoY	Details
CoGS	376	336	+ 11.9%	<ul style="list-style-type: none"> • Increase in support costs (mainly costs for MDV paid features, Karteco, and other cloud services) (+23M) • Increase in outsourcing costs (+12M)
Personnel Costs	510	468	+ 9.0%	<ul style="list-style-type: none"> • Higher wage costs from salary increases, headcount rise, etc. (+42M)
Hiring costs	20	13	+ 49.6%	<ul style="list-style-type: none"> • New graduate training-related expenses (+7M)
Others	531	342	+ 55.3%	<ul style="list-style-type: none"> • Increase in advertising expenses (mainly Karteco, special shareholder benefit expenses) (+113M) • Increase in support costs (mainly AWS and other external service fees) (+14M)
R&D costs	51	6	+ 673.3%	<ul style="list-style-type: none"> • Increase in MDV Act development expenses (+35M) • Increase in Karteco development expenses (+6M)
non-operating expenses	28	21	+ 34.1%	<ul style="list-style-type: none"> • Investment loss on equity-method affiliate of SENSING Co., Ltd. (+7M)
Total costs※	1,446	1,168	+ 23.9%	
Employees	297	263	+ 12.9%	

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

Business progress



Status of services of focus for the current fiscal year and growth of data utilization services

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'

4

Growth of data utilization services

Number of paid contracts steadily increasing and sales expanding

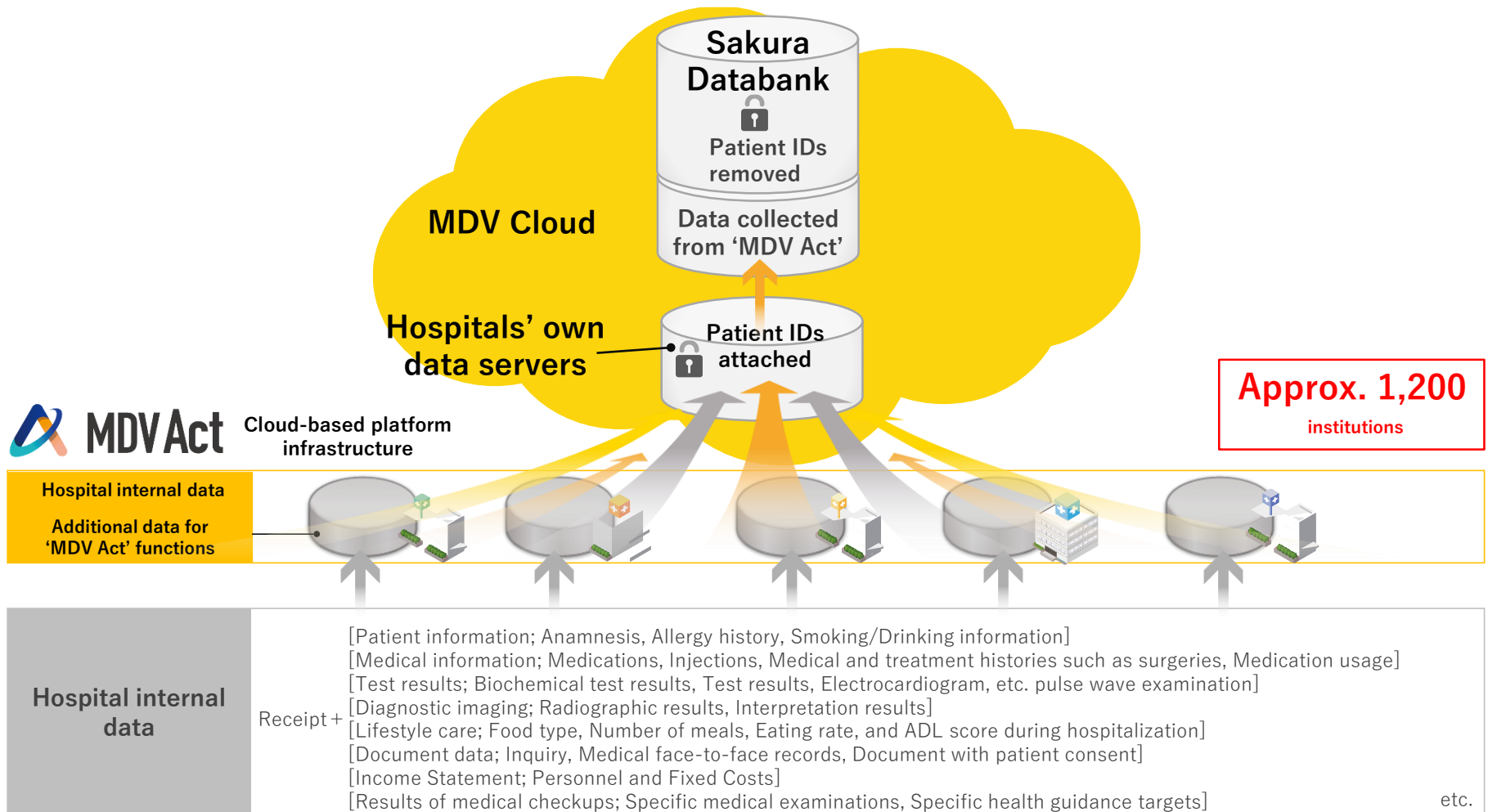
Release of paid functions to expand sales and collect new data

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	
					H1	H2	H1	H2	H1	H2
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	★ Regional liaison analysis tool					

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

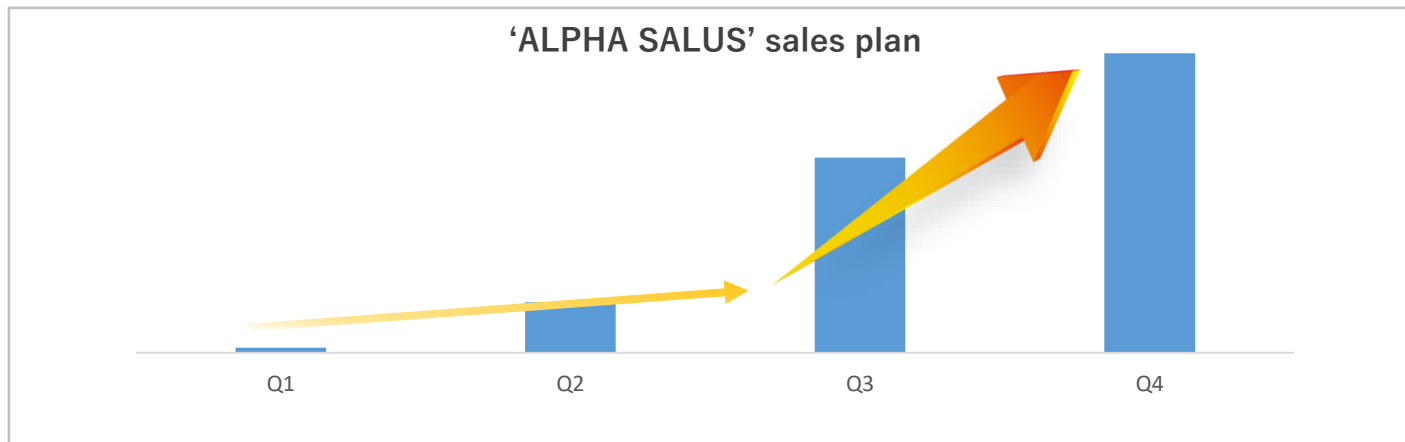
'MDV Act' enables collection of various hospital internal data



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

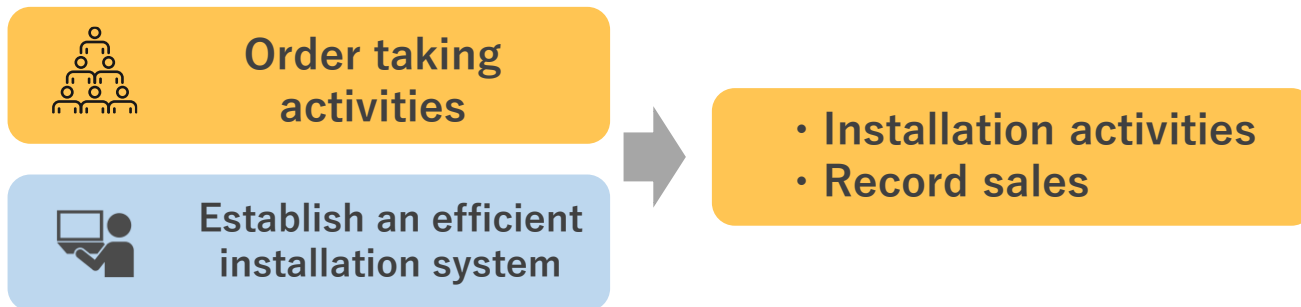
Progress slightly delayed due to a program malfunction

On track to solve the issue, therefore no changes to plan for the time being



<H1>

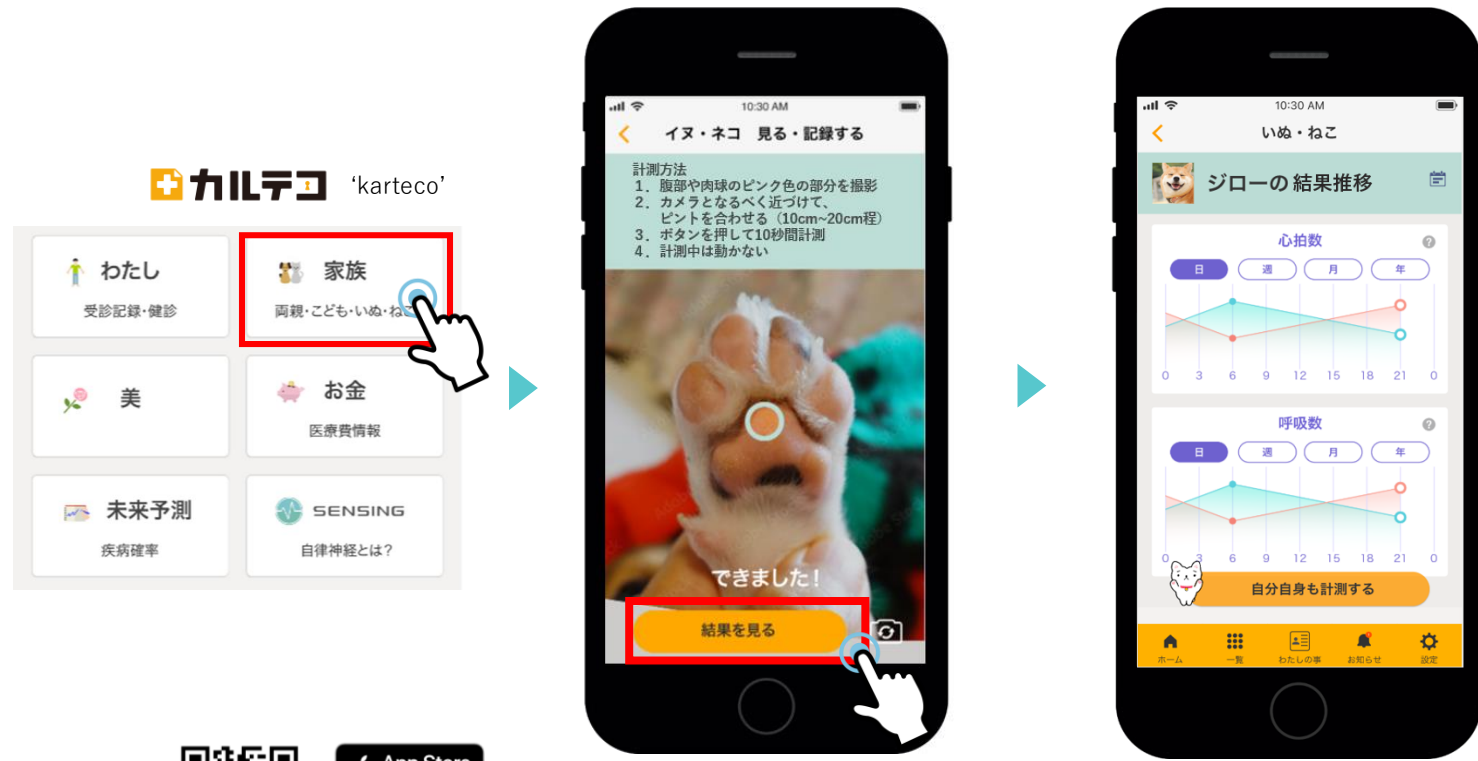
<H2>



3 Promote widespread adoption of 'Karteco'

Strategy to further promote downloads using pets to attract new users

Realization that pets truly have a strong appeal in PR



'World's first' pet sensing technology

3 Promote widespread adoption of 'Karteco'

Raise awareness through mass advertising to significantly increase the number of downloads

Aim for synergy by combining mass media and web advertising

Mass media Advertising

TVCM



Mid-August ~
Area : Kanto, Kansai, Nagoya, Fukuoka, Hokkaido
Broadcasters : Fuji, Nippon Television Network

Traffic Advertising



Mid-August ~
Area : Kanto, Kansai, Nagoya, Fukuoka

Operational Advertising



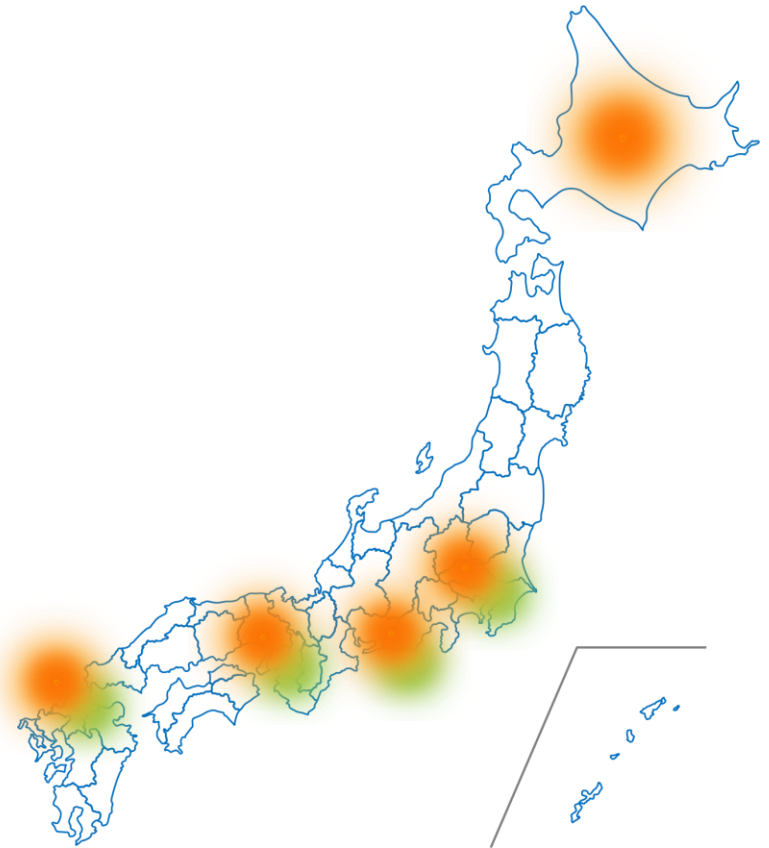
Mid-August ~
Area : Nationwide

OTT(Over The Top) services

※ All screens are images



Web Advertising (continued implementation after Q2)



3 Promote widespread adoption of ‘Karteco’

Sony Biz Networks Corporation introduces ‘Karteco’

Using ‘Karteco’ to improve employees’ well-being

2024.07.18

プレスリリース

コーポレート

ソニービズネットワークスが従業員のウェルビーイング向上を目指す取り組みを開始
～PHRシステム「カルテコ」の導入を決定～

ソニービズネットワークス株式会社

ソニービズネットワークス株式会社（本社：東京都渋谷区）は、メディカル・データ・ビジョン株式会社（東京都千代田区）が開発・提供するPHR（パーソナルヘルスレコード）システム「カルテコ」の導入を決定しましたのでお知らせいたします。

「カルテコ」は自身の診療情報や健診結果を保管し、スマートフォンでいつでもどこでも閲覧できるアプリです。また「カルテコ」は、非接触型生体情報取得技術（センシング）を搭載し、自分の顔をスマホのカメラで10秒間撮影するだけで脈拍数、呼吸数、自律神経のパラメータを簡単に把握できます。

日々の生活や仕事の中で自身の健康状態や診療情報について省みる機会は多くないかと思います。一方で、企業には従業員が健康課題を改善するための体制を構築し、従業員の健康保持増進の取り組みを支援する使命があります。従業員が心身ともに健康で生き活きと働くことのできる環境を会社としてサポートするため、この度「カルテコ」を導入しました。

「カルテコ」の導入により、従業員への健康に対する意識が向上することで従業員のご家族や取引先などステークホルダーの皆さまにも良い影響が波及していくと考えています。

ソニービズネットワークスでは今後も従業員のウェルビーイングを向上させる様々な取り組みをして参ります。

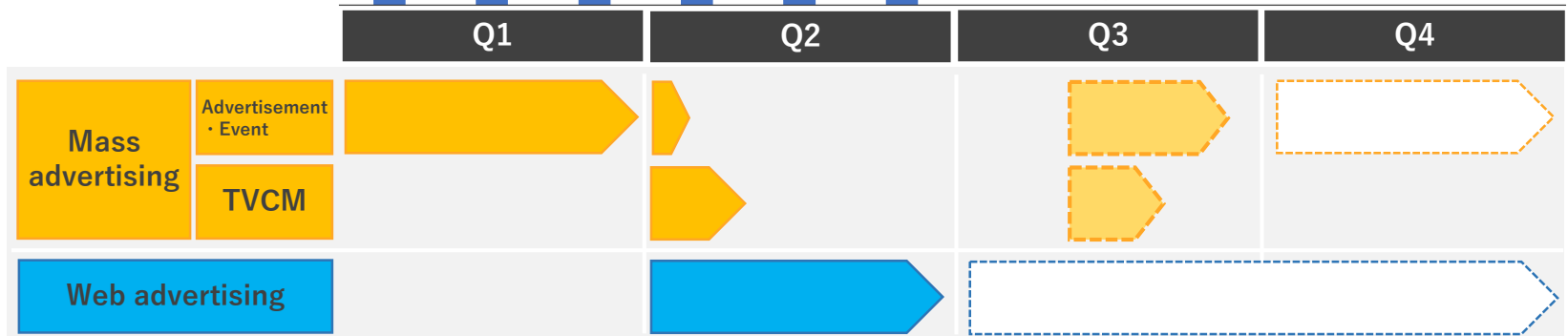
Sony Biz Networks Corporation
Source: Website

Promoting the use of ‘Karteco’ as a tool to maintain and promote employees’ health

3 Promote widespread adoption of 'Karteco'

Achieve 780,000 downloads is the main KPI for this term

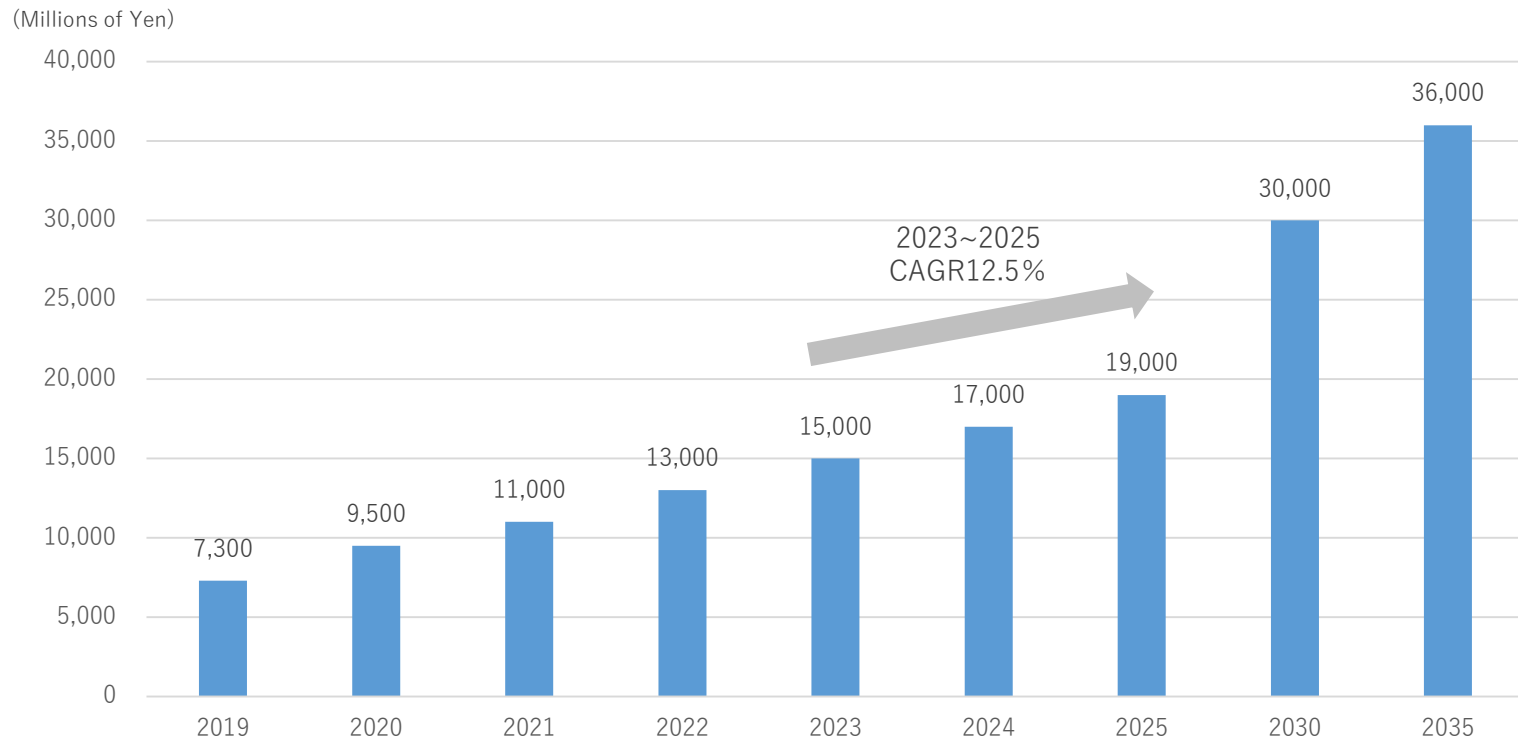
Risk of sales falling short of plan, however profits to be unaffected



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

2023 to 2025 data utilization services market CAGR approximately 12%

MEDICAL BIG DATA ANALYTICAL SERVICES

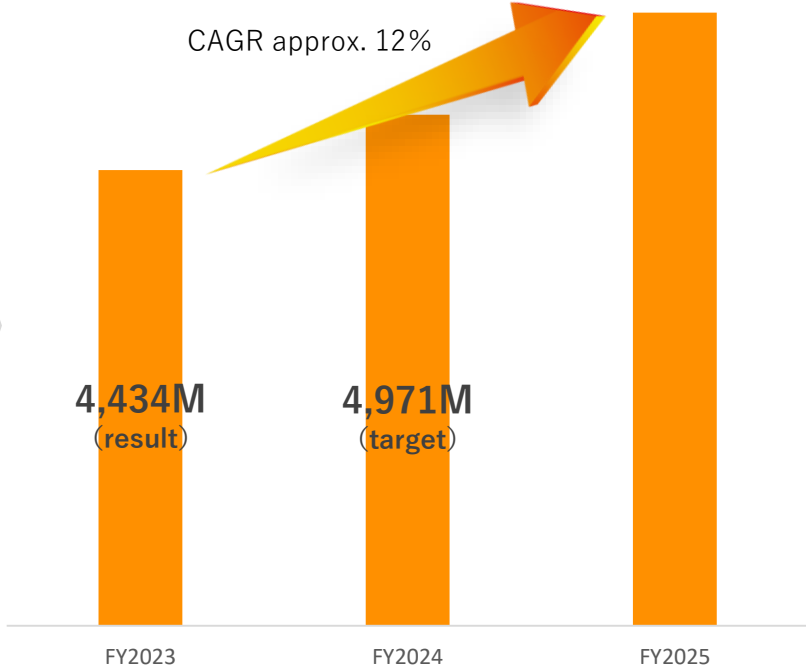


Source: "Current state and future prospects for medical AI and medical big data markets, 2022" Fuji Keizai Group

4 Growth of data utilization services

Up to 2025, build a structure for 2026 onward rapid growth
Maintain the same level of CAGR as the market while increasing headcount and strengthening sales capabilities

Increasing headcount •
Strengthen sales capabilities



4 Growth of data utilization services

Sales expansion by strengthening alliances




Promoting initiatives to expand sales in parallel with increasing headcount



Abundant doctor resources & research expertise

Electronic medical record data of all medical care fields, including emergency medicine



Partner with top-tier hospitals avg 700+ beds



Japan's largest medical database in terms of volume and quality

Strong cultivated network with medical institutions & pharmaceutical companies

'Sakura DB'



Support for research on new treatments and validation of new drugs using digital technology

4 Growth of data utilization services

Increase sales by increasing the unit price of existing transactions and increasing the number of transactions itself, in addition to developing new business divisions

Main business divisions of pharmaceutical companies in the company

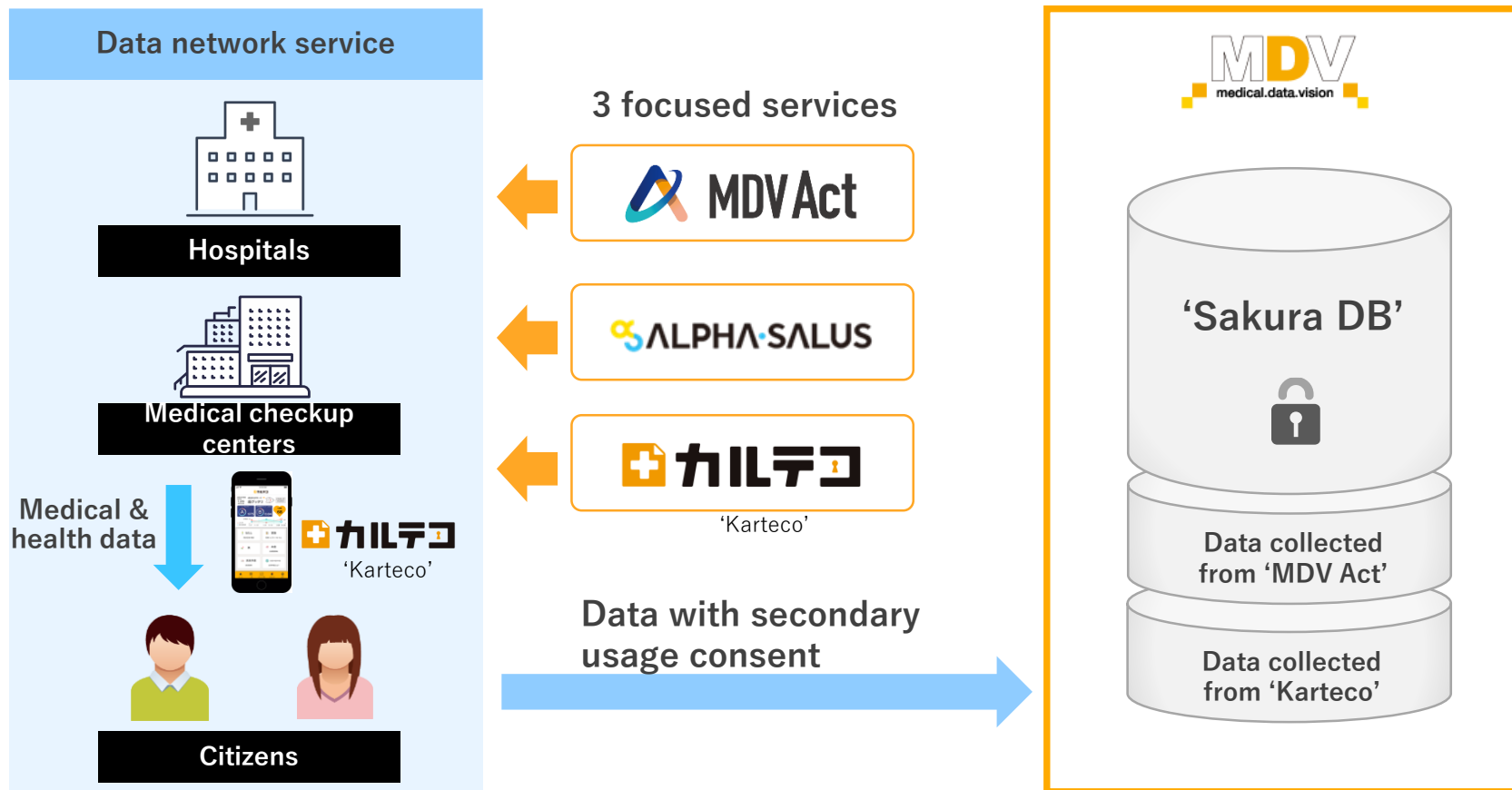


Upsell / Cross-sell

Generate new sales

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

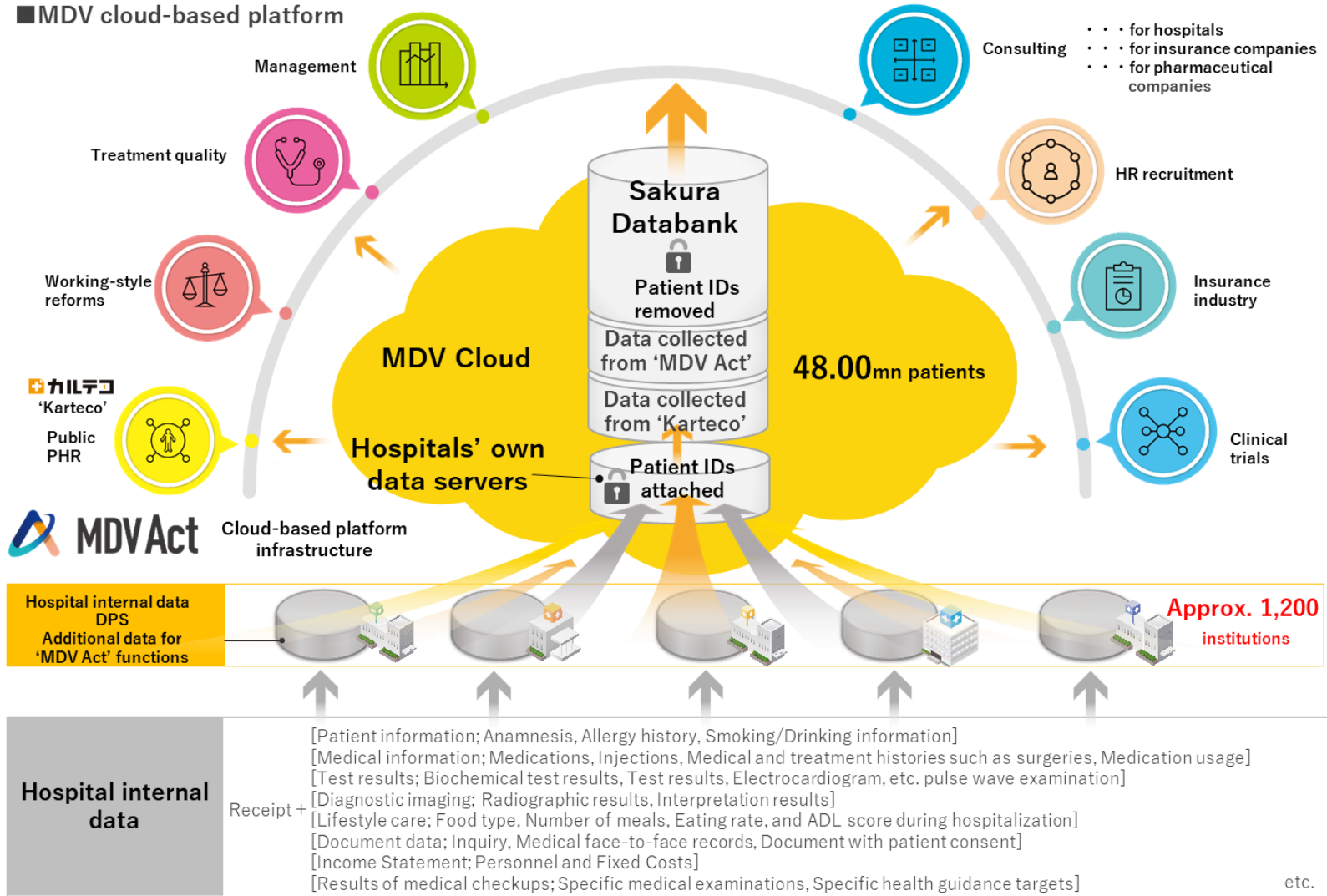
Expand sales of 3 focused services and collect new data



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

Utilizing Sakura DB with its newly accumulated data to achieve dramatic growth

MDV cloud-based platform

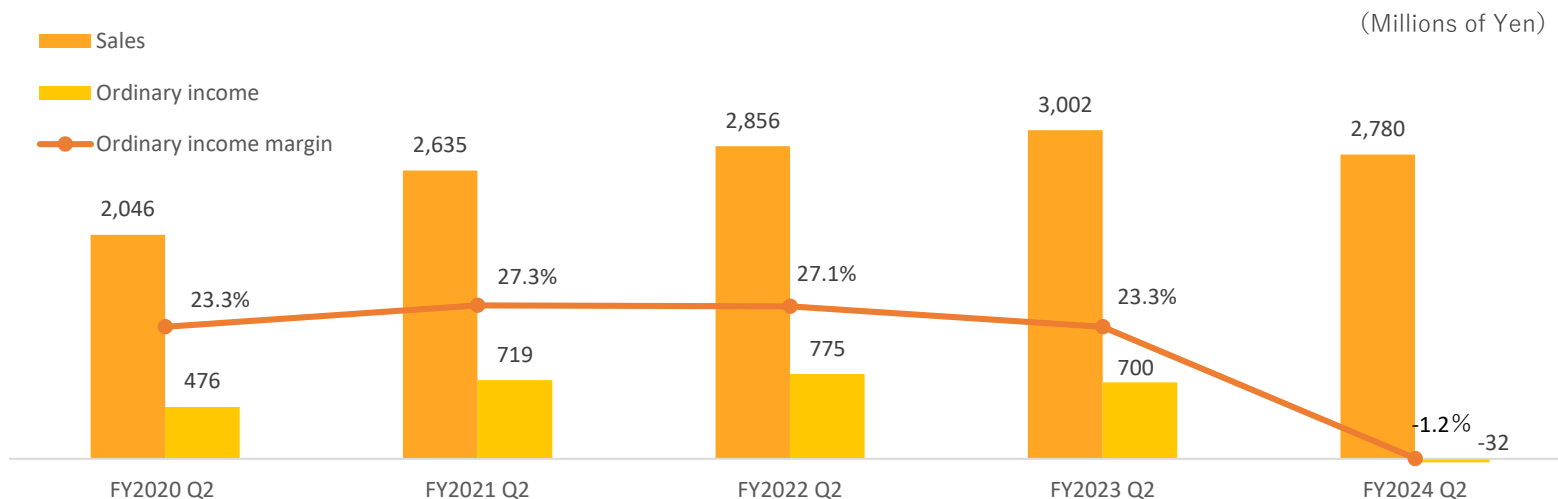


Appendix



H1 results by fiscal year, H1 earnings by service

H1 results by fiscal year



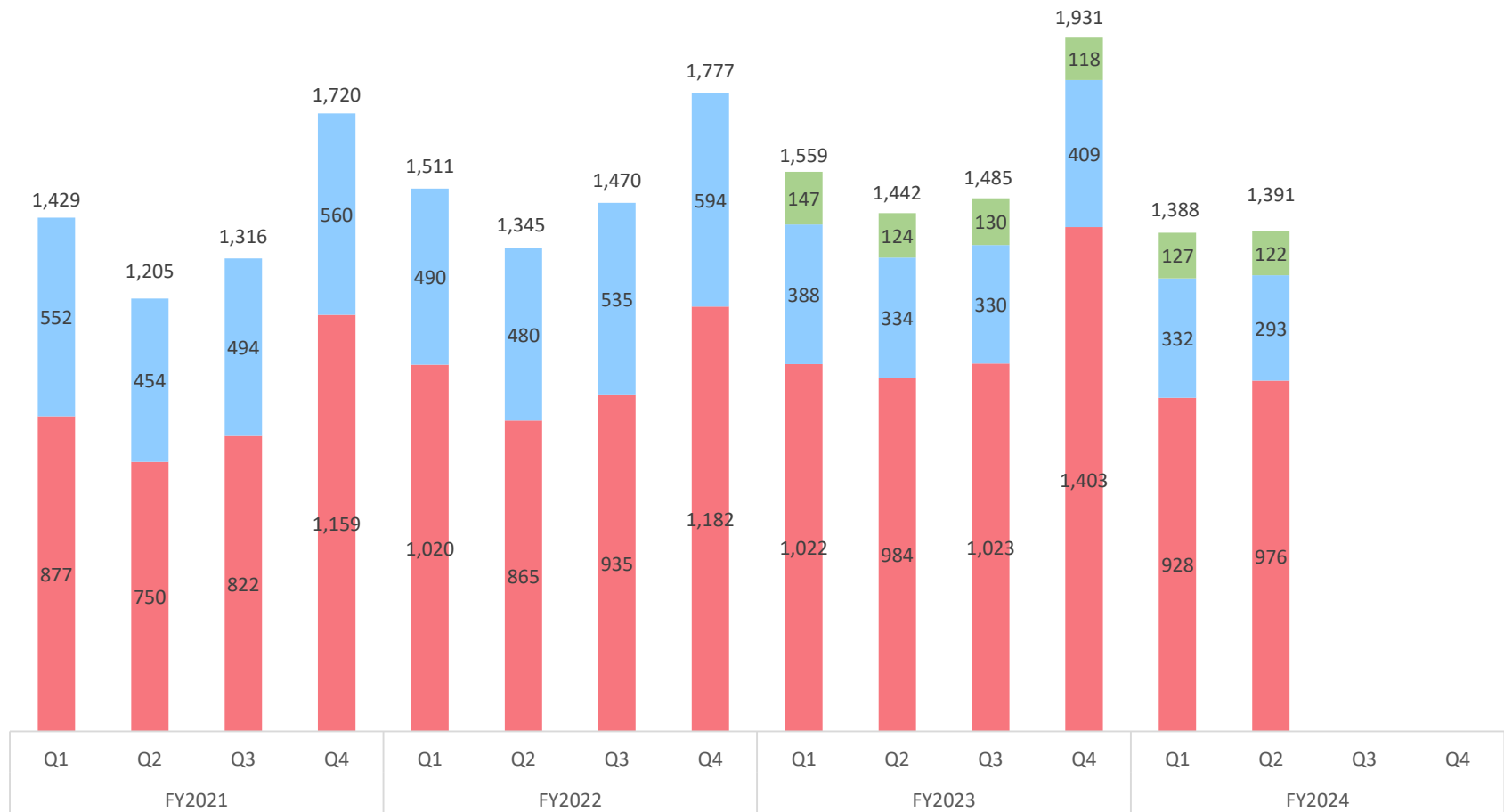
H1 earnings by service

(Millions of Yen)	Data Network Service	Data Utilization Service	Other Service	All-company total
Sales	625	1,904	249	2,780
YoY	-13.5%	-5.1%	-8.1%	-7.4%
Gross income	171	1,681	207	2,061
YoY	-50.8%	-5.4%	-4.7%	-12.1%
Ordinary income	—	—	—	-32
YoY	—	—	—	—

Sales by quarter (breakdown by service)

(Millions of Yen)

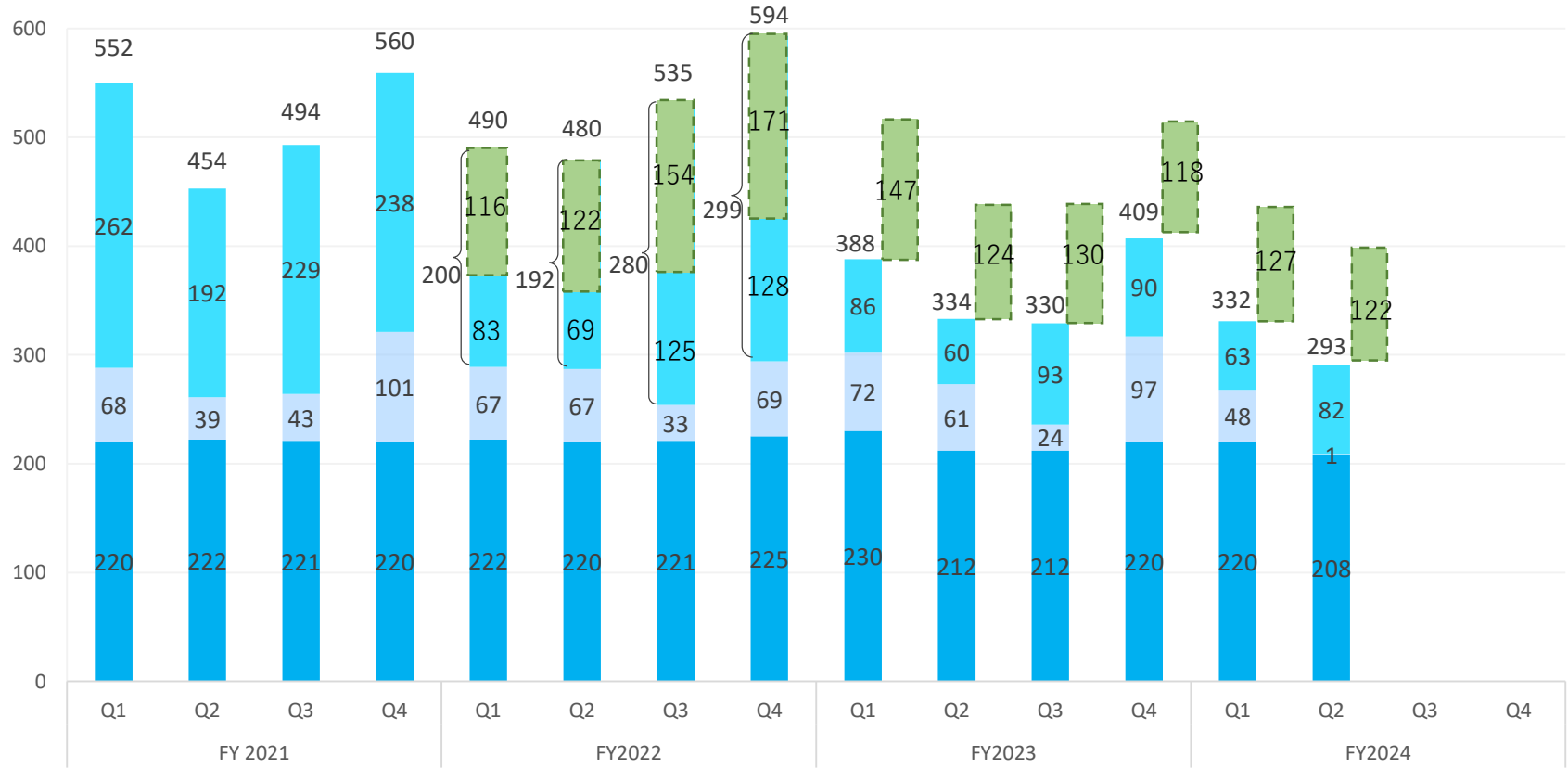
- Other service
- Data network service
- Data utilization service



Data network service sales breakdown

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

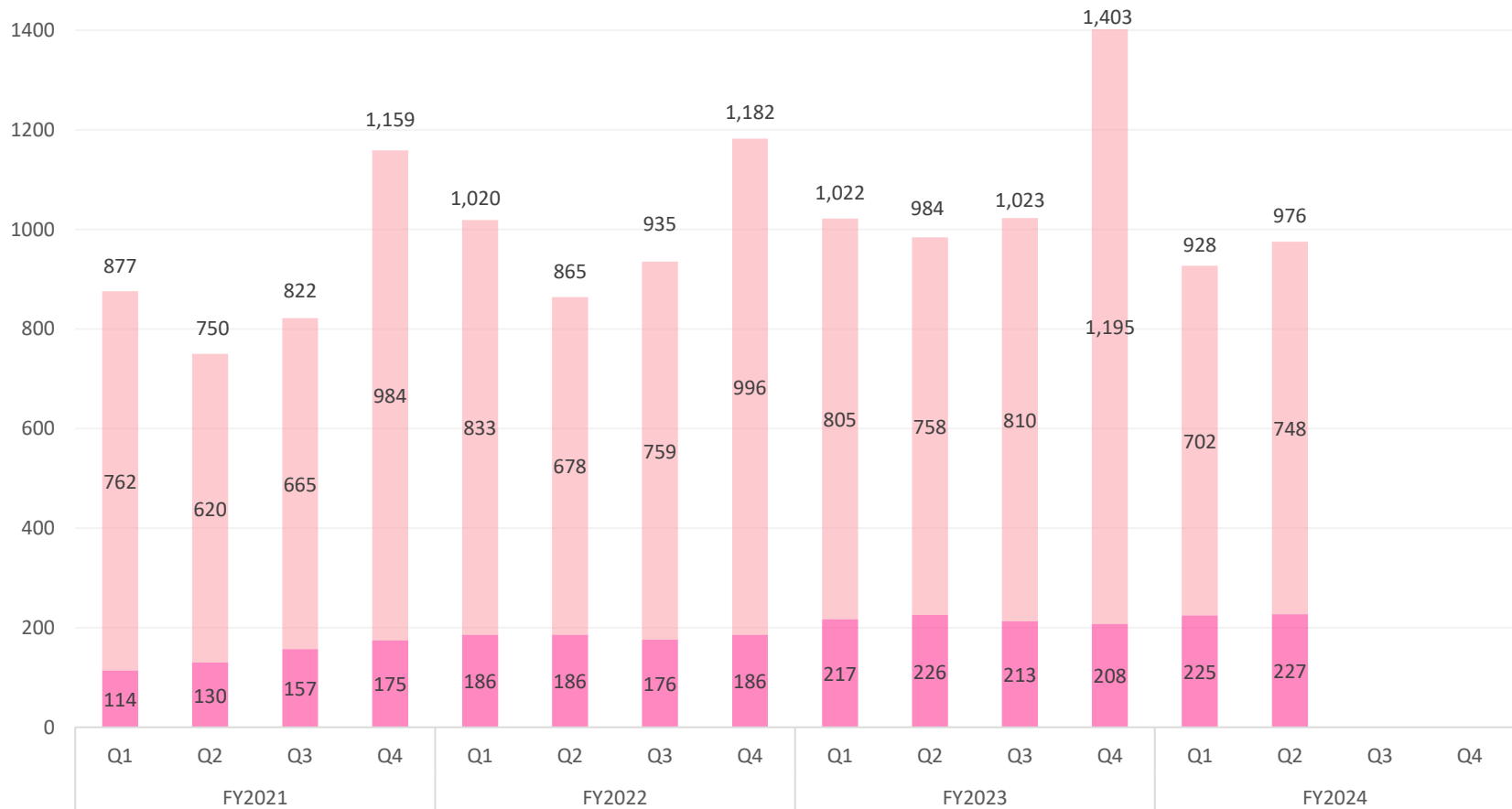
(Millions of Yen)



Data utilization service sales breakdown

(Millions of Yen)

■ MDV analyzer ■ Medical data survey analysis



*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