

Supplementary Materials (business overview)

Medical Data Vision Co.,Ltd.

(Code : 3902)

August 10, 2021

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Company Profile

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Company Profile (As of the end of June 2021)

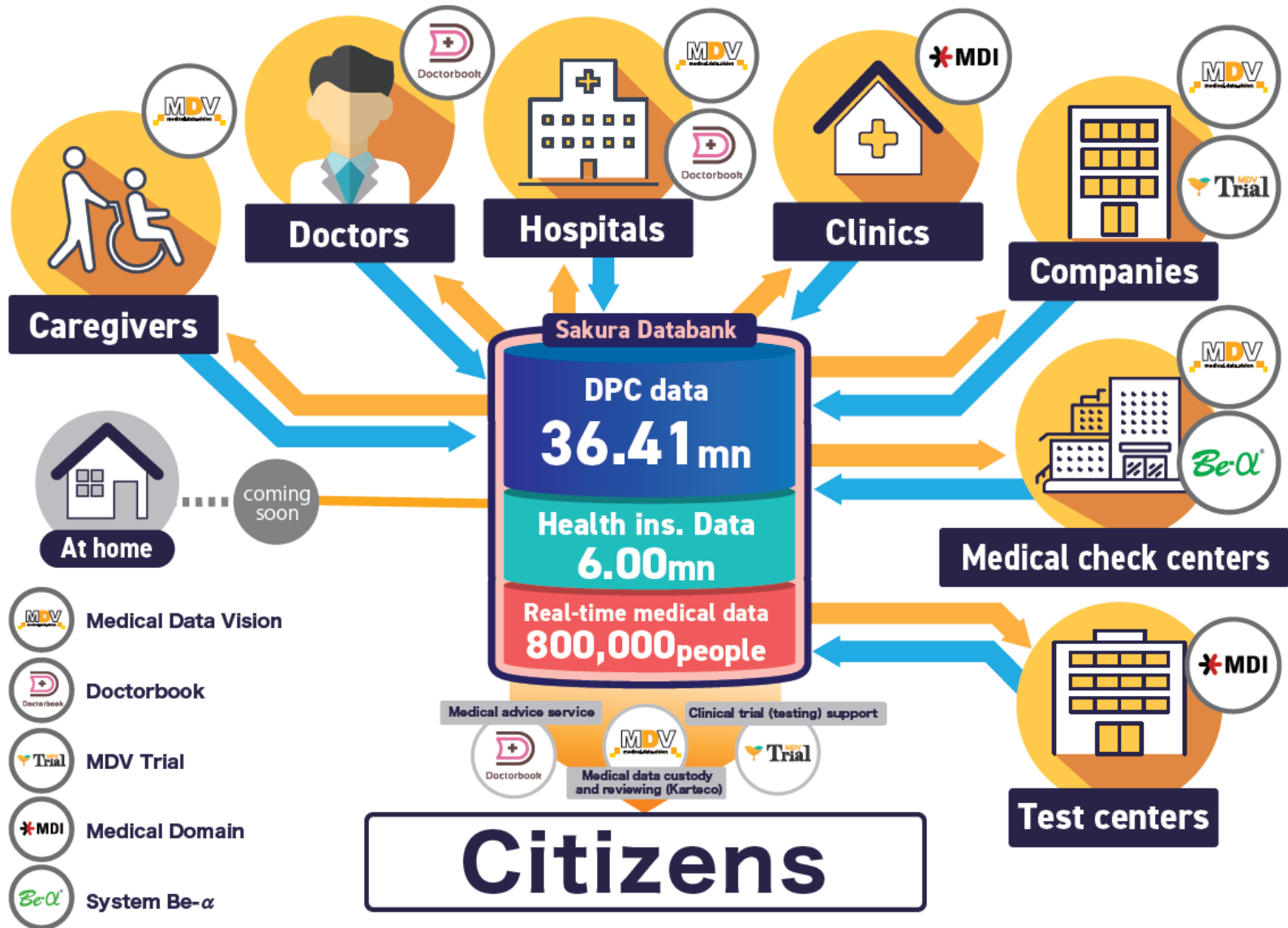


| | |
|-----------------------|--|
| Company Name | Medical Data Vision Co.,Ltd. |
| Established | August 20 , 2003 |
| Head Office | Sumitomo Fudosan Kanda Building 10F, 7 Kanda-Mitoshirocho,Chiyoda-ku,Tokyo |
| Number of Employees | 237 employees (Number of employees in the group, As of the end of December 2020) |
| Capital | JPY 992,661,739 |
| President and CEO | Hiroyuki Iwasaki |
| TSE code / TSE market | 3902 / Tokyo Stock Exchange First Section (Listed on Mothers market in December 16, 2014) |
| Major Shareholders | SBI Holdings, Inc. (20.80%) MEDIPAL HOLDINGS CORPORATION (8.19%) CMIC HOLDINGS Co., Ltd. (2.44%) Hiroyuki Iwasaki (President and CEO) (2.04%) ※Shareholding ratio excluding treasury stock |
| Major Subsidiaries | Doctorbook Inc. MDV Trial Co., Ltd Medical Domain Co., Ltd. System Be Alpha Co., Ltd. |

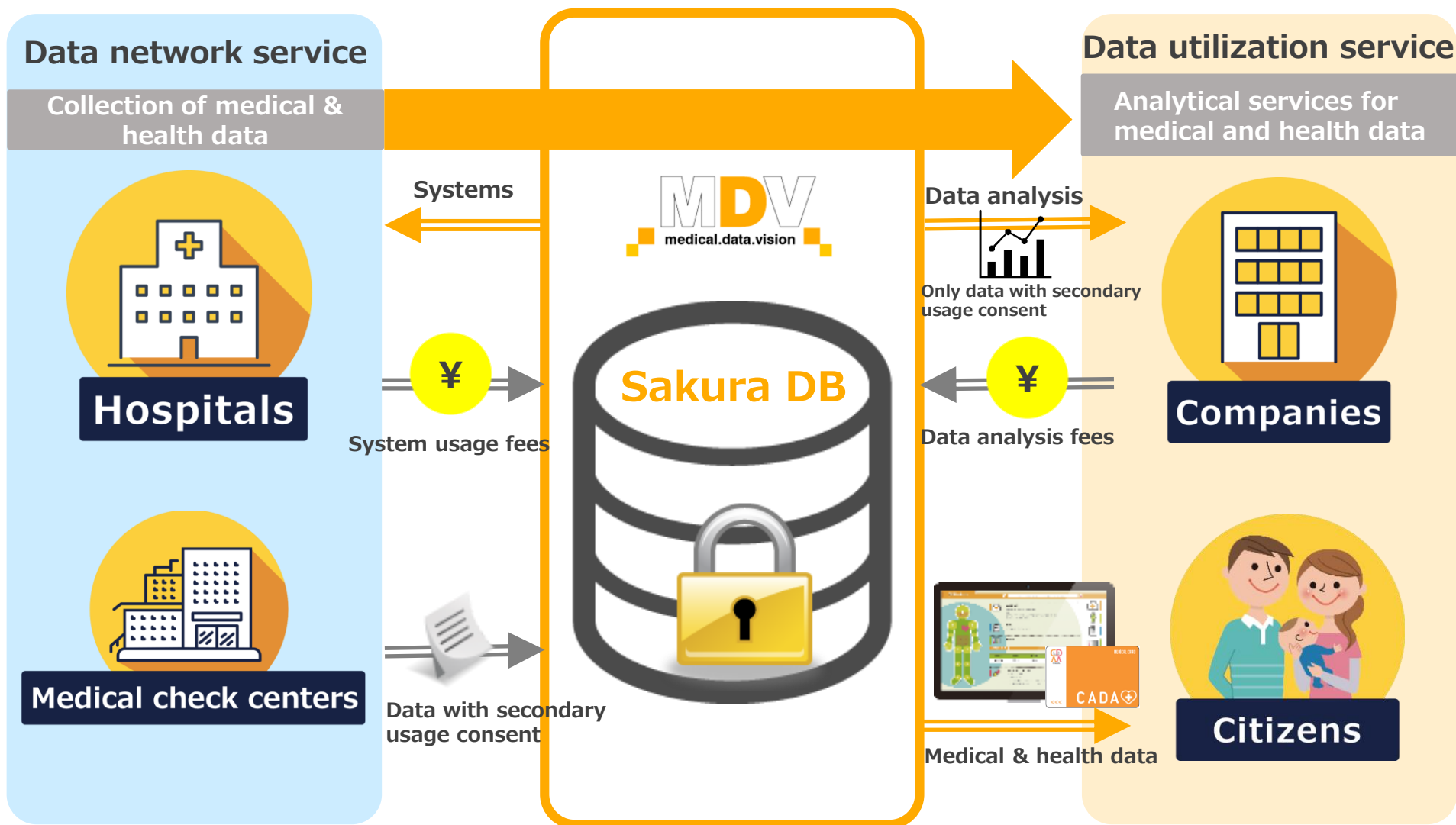
Main group companies and business fields

| Company | Business |
|---|--|
|  Medical Data Vision | <ul style="list-style-type: none"> • Development, sale & maintenance of management analysis systems • Medical data analysis, surveys, consulting |
|  Doctorbook | <ul style="list-style-type: none"> • Creation & operation of medical info video website |
|  MDV Trial | <ul style="list-style-type: none"> • Data-based clinical trial business • SMO business |
|  Medical Domain | <ul style="list-style-type: none"> • Consultation support system • Development, sale & maintenance of various data converters |
|  System Be-a | <ul style="list-style-type: none"> • Development, sale & maintenance of software including health consulting systems • Agency sales for electronic medical records, etc. |

Group strategy: unification and utilization of medical and health data



Target major growth in data utilization service



Services overview

【Data network service】

| Product | Overview | Price |
|--------------|---|---|
| EVE | <p>Analysis of charges/DPC fee gap, patient #s/stay length/resources by disease/condition, and benchmarking with other hospitals</p> <p>Uses benchmarks to identify user hospital's trends/strengths & weaknesses, helps with detailed investigation of treatment policy as core of hospital management</p> | <p>Installation: ¥4mn</p> <p>Maintenance: ¥50,000/mth.</p> |
| Medical Code | <p>Uses standardized format for DPC/elec. receipt data to support hospital management in areas like costing, raising treatment prices</p> <p>Unlimited user registration promotes smooth internal data sharing, change in awareness/actions to help improve management</p> | <p>Installation: ¥8.2mn</p> <p>Maintenance: ¥100,000/mth.</p> |
| CADA-BOX | <p>System for hospitals that allows linkage to existing electronic records by merging online patient-use data portal Karteco and deferred medical fee payment service CADA Payment</p> <p>Free to use for patients</p> | <p>Installation: ¥20mn</p> <p>Maintenance: ¥500,000/mth.</p> |

【Data utilization service】

| Product | Overview | Price |
|------------------------------|--|---------------------------------|
| MDV analyzer | <p>Online analysis tool allowing clients to easily examine data on patient numbers, prescription lengths/volumes using Japan's largest medical database</p> <p>Enables multifaceted analysis based on actual medical practice (surgery, testing) as well as disease and drug regimen</p> | <p>¥20mn/yr.</p> |
| Medical data survey analysis | <p>Provision of tailored reports in line with client's wishes</p> | <p>Avg. ¥3.5-4mn per survey</p> |

Business transition



- Develop system to obtain patient consented real time data
- Build database for recoupment of investments
- Expand revenues to underpin investments

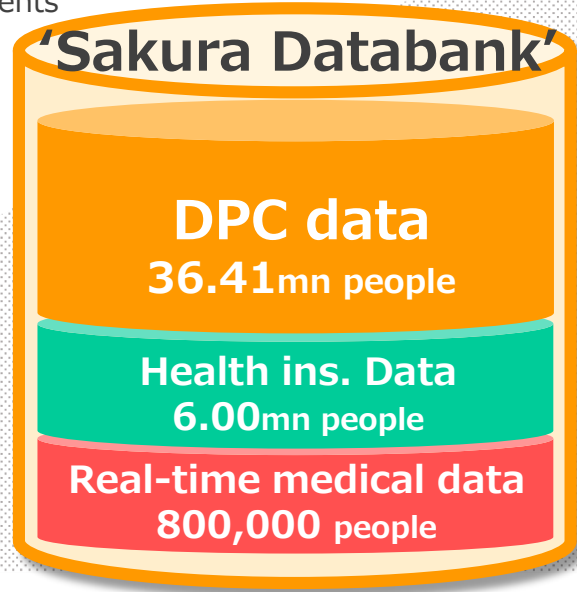
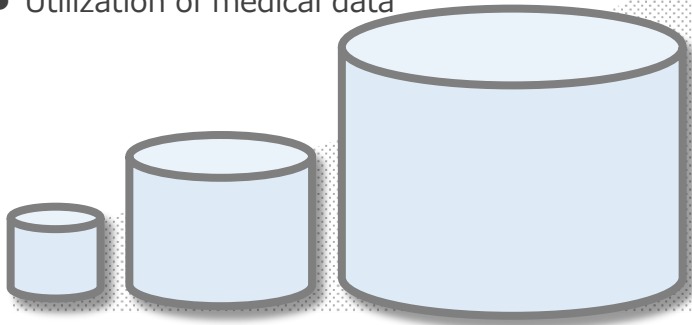
- Completion of building database foundation
- Expand data utilization service



Completion of stable growth foundation

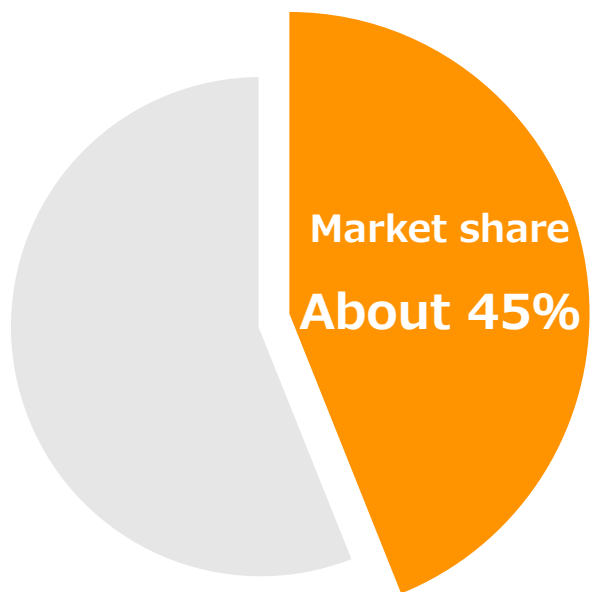
- Scale expansion and integration of medical data
- Further expand data utilization service
- Shareholder return

- Start accumulating data by providing systems
- Utilization of medical data



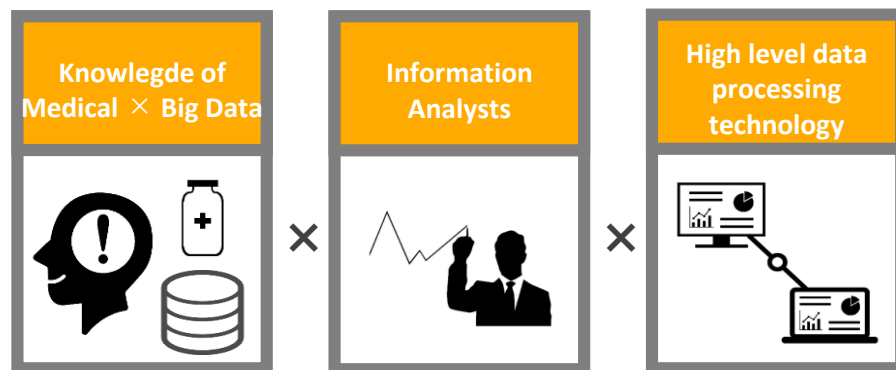
① Overwhelmingly number of users

Strong network with medical institutions to gain about 45% market share and build a business foundation

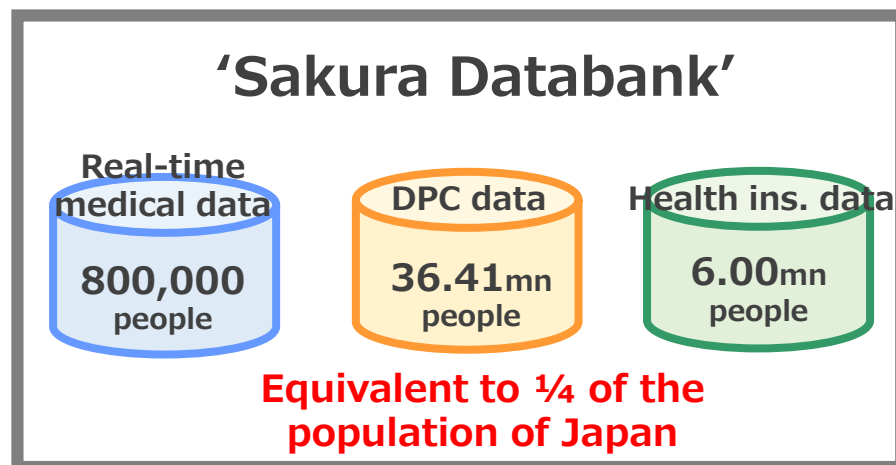


Share of our products in 1,757 DPC hospitals
(As of the end of March 2021)

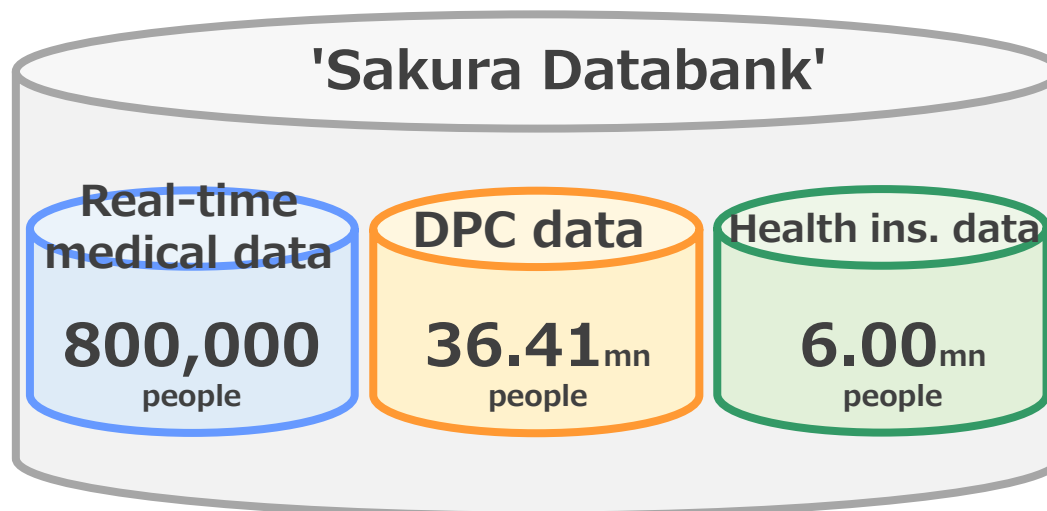
② Owns all essential assets for medical big data retention and utilization



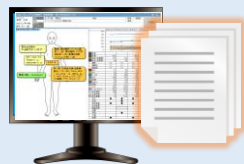
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'Sakura Databank' (large-scale medical database)



Real-time medical data



Features

All types of hospital data inc. test results, images, appointment info

Immediacy

DPC data



Hospitals

Features

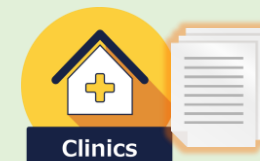
Data focus on treatment/surgery of acute diseases

Extensive patient data (all ages, ins. types)

Data on disease severity (tumor stage, etc.)

Analytical extensibility (e.g. combination with test data)

Health ins. data



Clinics

Features

Data focus on chronic and light disease stages

Useful for individual tracking

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Financial Results · Financial Statements

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Change in data network service sales category (from 1Q FY2021)

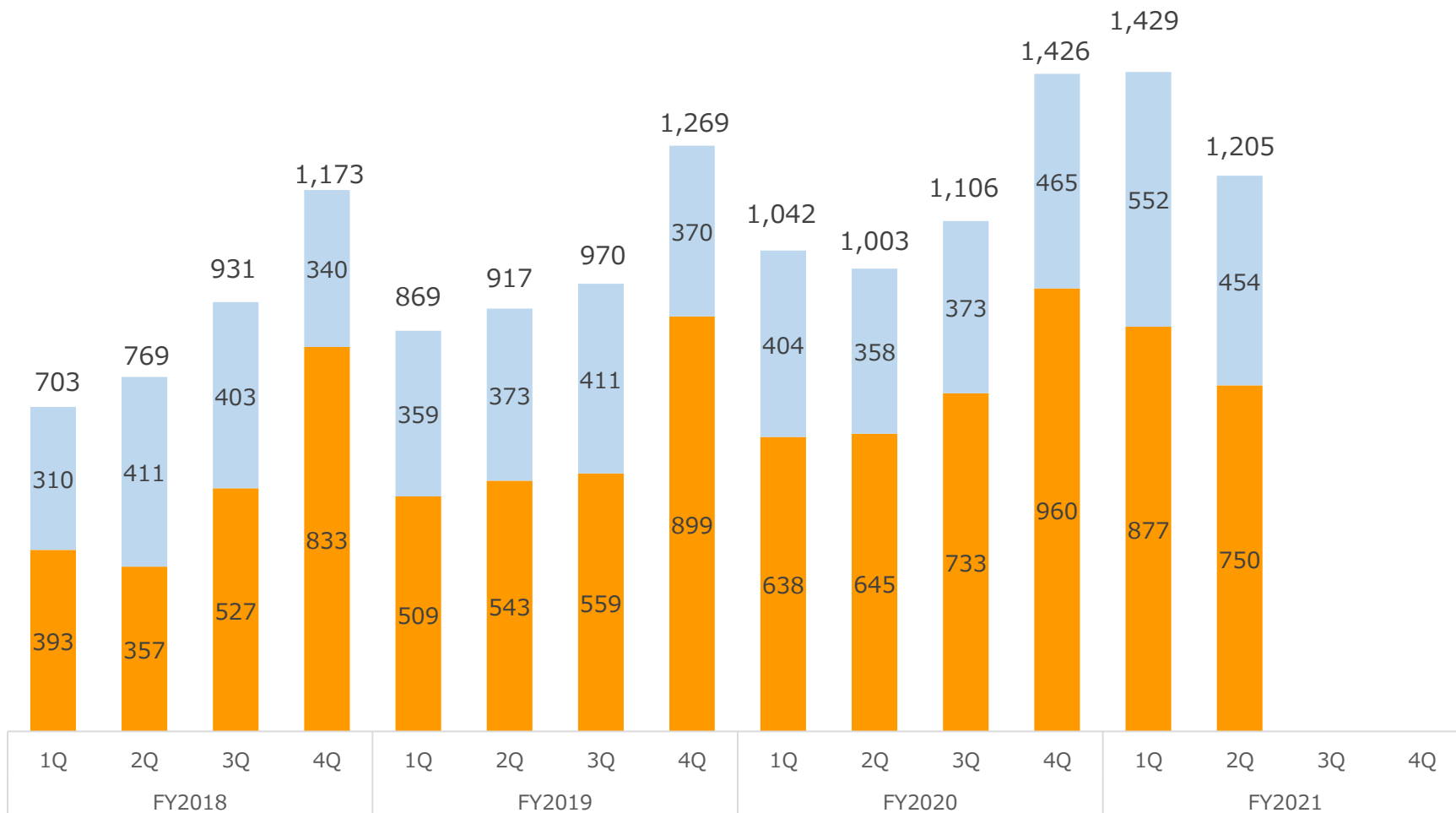
| | Sales category | Remarks |
|--------|---|---|
| Before | Maintenance (monthly fees) | Monthly maintenance fees and monthly usage fees for 'EVE', 'Medical Code', etc. |
| | Packages (initial cost) | Initial installation costs for 'EVE', 'Medical Code', etc. |
| | CADA-BOX | Initial installation costs and monthly maintenance fees for 'CADA-BOX' etc. |
| | Subsidiaries | Sales of subsidiaries |
| | Others | Sales of others |
| After | Recurring (monthly maintenance fees and monthly usage fees) | Monthly maintenance fees and monthly usage fees for 'EVE', 'Medical Code', 'CADA-BOX', 'Kangochi+' etc. |
| | Non-recurring (initial installation costs) | Initial installation costs for 'EVE', 'Medical Code', 'CADA-BOX', etc. |
| | New business (subsidiaries) | Sales of subsidiaries |

■ Sales trends (After category change)

| (Millions of Yen) | FY2018 | | | | FY2019 | | | | FY2020 | | | | FY2021 | |
|----------------------------------|--------|-----|-------|-------|--------|-----|-------|-------|--------|-----|-------|-------|--------|-------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q |
| Data network service total sales | 310 | 722 | 1,126 | 1,467 | 359 | 733 | 1,144 | 1,514 | 404 | 762 | 1,136 | 1,602 | 552 | 1,007 |
| Non-recurring | 72 | 236 | 386 | 473 | 105 | 221 | 342 | 407 | 65 | 109 | 145 | 220 | 68 | 107 |
| Recurring | 226 | 456 | 692 | 926 | 232 | 468 | 704 | 940 | 236 | 463 | 685 | 909 | 220 | 443 |
| New business (subsidiaries) | 12 | 29 | 48 | 67 | 21 | 43 | 97 | 166 | 102 | 189 | 304 | 472 | 262 | 455 |

Quarterly sales breakdown (by service segment)

- Data network service
- Data utilization service



Business indicators

| Main business indicators | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | 2Q FY2021 |
|----------------------------|--------|--------|--------|--------|--------|--------|--------------|
| Net sales (Ymn) | 2,413 | 2,632 | 3,225 | 3,577 | 4,026 | 4,579 | 2,635 |
| Net sales growth (%) | 23.7 | 9.1 | 22.5 | 10.9 | 12.5 | 13.7 | 28.8 |
| Operating income (Ymn) | 282 | 430 | 569 | 351 | 809 | 1,146 | 720 |
| Ordinary income (Ymn) | 280 | 415 | 565 | 351 | 804 | 1,148 | 719 |
| Ordinary income margin (%) | 11.6 | 15.8 | 17.5 | 9.8 | 20.0 | 25.1 | 27.3 |
| Net income (Ymn) | 164 | 178 | 354 | 69 | 554 | 700 | 484 |
| Net income per share (Y) | 4.42 | 4.67 | 8.86 | 1.74 | 13.85 | 17.72 | 12.32 |
| Net assets (Ymn) | 2,489 | 2,809 | 3,164 | 3,278 | 4,023 | 4,136 | 3,993 |
| Total assets (Ymn) | 2,918 | 3,194 | 3,752 | 3,865 | 4,948 | 5,321 | 5,115 |
| Net assets per share (Y) | 65.94 | 70.22 | 79.08 | 81.91 | 99.68 | 104.00 | 100.58 |
| ROA (%) | 10.0 | 13.7 | 16.3 | 9.2 | 18.3 | 22.4 | — |
| ROE (%) | 6.9 | 6.7 | 11.9 | 2.2 | 15.3 | 17.3 | — |
| Equity ratio (%) | 85.3 | 88.0 | 84.3 | 84.8 | 80.6 | 77.0 | 77.1 |
| CoGS (Ymn) | 516 | 458 | 619 | 797 | 662 | 697 | 484 |
| SG&A (Ymn) | 1,614 | 1,743 | 2,037 | 2,428 | 2,554 | 2,736 | 1,430 |

※FY2015 figures are parent data provided for comparison purposes. Per-share data adjusted for past stock splits.

Sales breakdown, other indicators, cash flow statement

| Sales breakdown (Ymn) | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | 2Q FY2021 |
|---------------------------|--------|--------|--------|--------|--------|--------|--------------|
| Data network services | 1,449 | 1,438 | 1,571 | 1,467 | 1,514 | 1,602 | 1,007 |
| Data utilization services | 963 | 1,194 | 1,654 | 2,110 | 2,511 | 2,977 | 1,628 |

| Other indicators | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | 2Q FY2021 |
|--|--------|--------|--------|--------|--------|--------|--------------|
| No. of hospital using 'EVE' | 768 | 791 | 799 | 801 | 802 | 772 | 776 |
| No. of hospitals using 'Medical Code' | 176 | 224 | 265 | 274 | 281 | 260 | 252 |
| No. of hospitals using 'CADA-BOX' | – | 1 | 5 | 5 | 7 | 6 | 6 |
| No. of patients in MDV large-scale medical database (10,000) | 1,265 | 1,723 | 2,117 | 2,593 | 2,984 | 3,451 | 3,641 |

| Cash flow statement (Ymn) | FY2015※2 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | 2Q FY2021 |
|---|----------|--------|--------|--------|--------|--------|--------------|
| Balance of cash and cash equivalents at start of period | 1,799 | 1,751 | 1,959 | 1,697 | 1,574 | 2,944 | 3,177 |
| CF from operating activities | 118 | 196 | 486 | 120 | 1,202 | 964 | 704 |
| CF from investment activities | -218 | -144 | -739 | -271 | -31 | -142 | -12 |
| CF from financial activities | 52 | 139 | -7 | 28 | 199 | -589 | -641 |
| Change in cash and cash equivalents | -47 | 191 | -261 | -123 | 1,370 | 232 | 51 |
| Balance of cash and cash equivalents at end of period | 1,751 | 1,959 | 1,697 | 1,574 | 2,944 | 3,177 | 3,228 |

※2 FY2015 figures are parent data provided for comparison purposes.

Balance sheet

| Balance sheet (Ymn) | End-FY2015 | End-FY2016 | End-FY2017 | End-FY2018 | End-FY2019 | End-FY2020 | 2Q FY2021 |
|----------------------------------|------------|------------|------------|------------|------------|------------|--------------|
| Current assets | 2,416 | 2,797 | 2,864 | 2,773 | 3,872 | 4,319 | 4,168 |
| Cash and deposits | 1,751 | 1,959 | 1,797 | 1,674 | 2,944 | 3,194 | 3,246 |
| Accounts receivables | 596 | 770 | 794 | 949 | 757 | 867 | 642 |
| Raw materials | 9 | 9 | 13 | 15 | 12 | 34 | 24 |
| Merchandise | – | – | 142 | – | – | – | – |
| Others | 57 | 57 | 116 | 134 | 179 | 224 | 256 |
| Allowance for doubtful accounts | – | -0 | -0 | -0 | -22 | -1 | -2 |
| Fixed assets | 497 | 394 | 888 | 1,091 | 1,076 | 1,002 | 946 |
| Tangible fixed assets | 97 | 105 | 173 | 224 | 233 | 177 | 164 |
| Intangible fixed assets | 194 | 127 | 476 | 368 | 356 | 303 | 265 |
| Investments and other assets | 205 | 161 | 238 | 498 | 486 | 521 | 516 |
| Deferred assets | 5 | 2 | – | – | – | – | – |
| Total assets | 2,918 | 3,194 | 3,752 | 3,865 | 4,948 | 5,321 | 5,115 |
| Current liabilities | 407 | 363 | 550 | 543 | 852 | 1,099 | 1,036 |
| Accounts payable | 63 | 39 | 40 | 28 | 33 | 76 | 66 |
| Income taxes payable | 78 | 80 | 188 | 164 | 138 | 298 | 246 |
| Others | 265 | 243 | 321 | 350 | 679 | 725 | 723 |
| Noncurrent liabilities | 21 | 20 | 37 | 43 | 71 | 84 | 85 |
| Asset retirement obligations | 18 | 18 | 33 | 38 | 71 | 72 | 72 |
| Others | 2 | 1 | 4 | 4 | – | 12 | 12 |
| Total liabilities | 429 | 384 | 588 | 587 | 924 | 1,184 | 1,121 |
| Shareholders' equity | 2,489 | 2,809 | 3,164 | 3,278 | 3,989 | 4,100 | 3,942 |
| Capital stock | 910 | 981 | 981 | 992 | 992 | 992 | 992 |
| Capital surplus | 1,495 | 1,565 | 1,565 | 1,599 | 1,756 | 1,763 | 1,763 |
| Retained earnings | 83 | 263 | 617 | 687 | 1,241 | 1,934 | 2,276 |
| Treasury stock | -0 | -0 | -0 | -0 | -0 | -590 | -1,090 |
| Total net assets | 2,489 | 2,809 | 3,164 | 3,278 | 4,023 | 4,136 | 3,993 |
| Total liabilities and net assets | 2,918 | 3,194 | 3,752 | 3,865 | 4,948 | 5,321 | 5,115 |

※End-FY2015 figures are parent data provided for comparison purposes.

Contacts

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

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