

Supplementary Materials (business overview)

Medical Data Vision Co.,Ltd.

(Code : 3902)

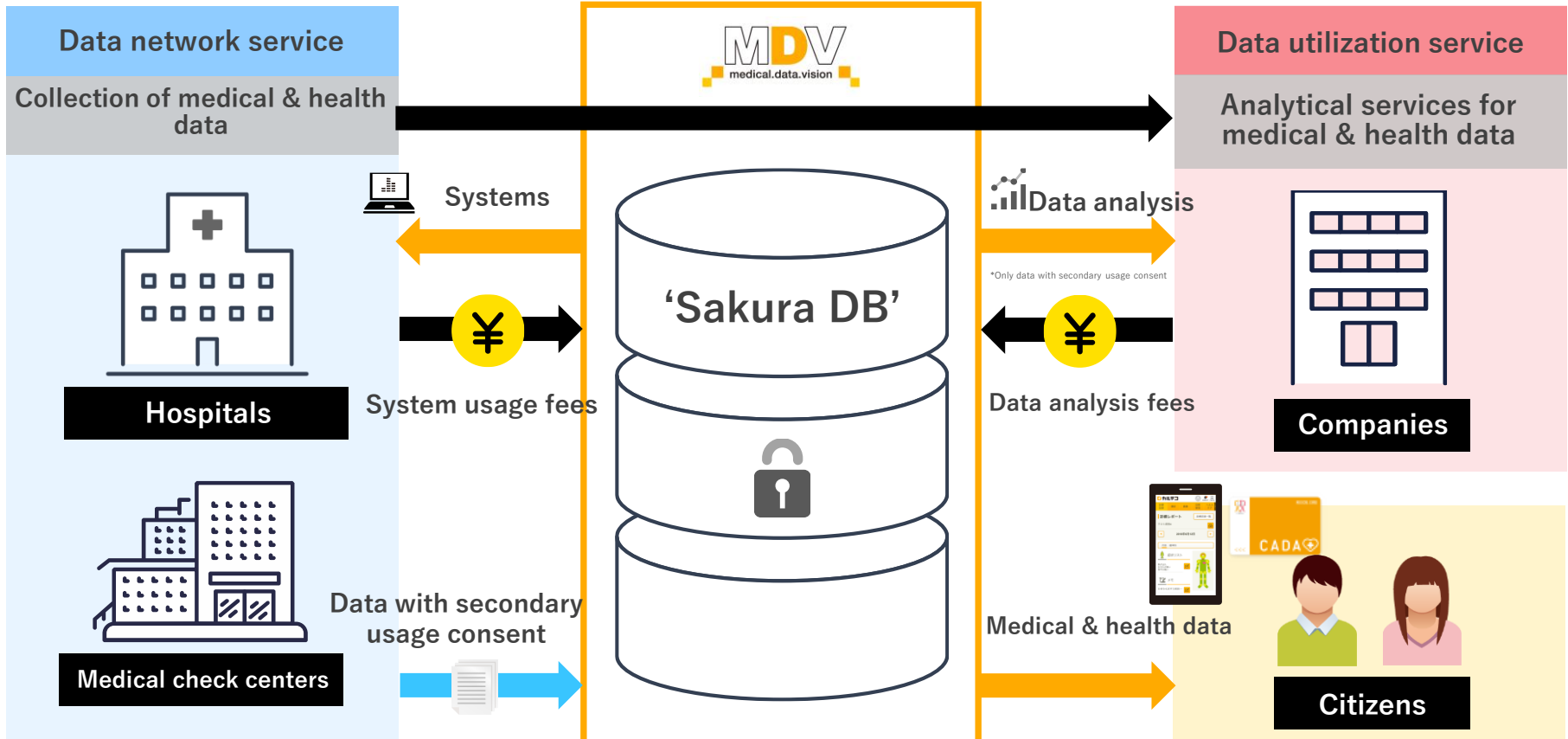
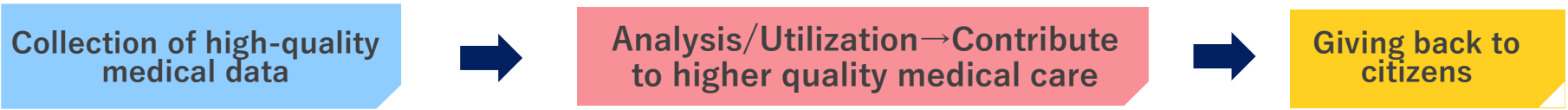
February 13, 2023

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About Our Business



business model



Our business journey

Steadily expanding business fields, sales, and scale in line with our corporate vision



Data utilization service to embark on a growth path

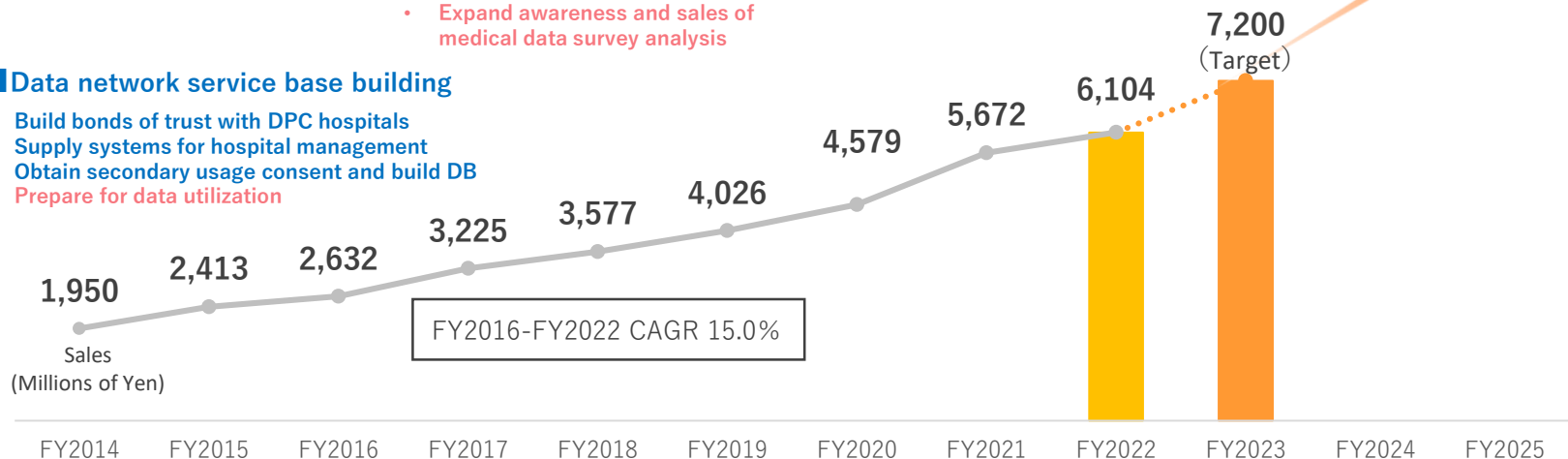
Start of data utilization service

- Develop new market for data utilization
- Expand 'Sakura DB' (create pathway to secure data from data network)
- Expand awareness and sales of medical data survey analysis

- Business growth amid market expansion
- Begin further strengthening data and DB
- M&A to accelerate growth
- Consider scheme to return information to citizens

Data network service base building

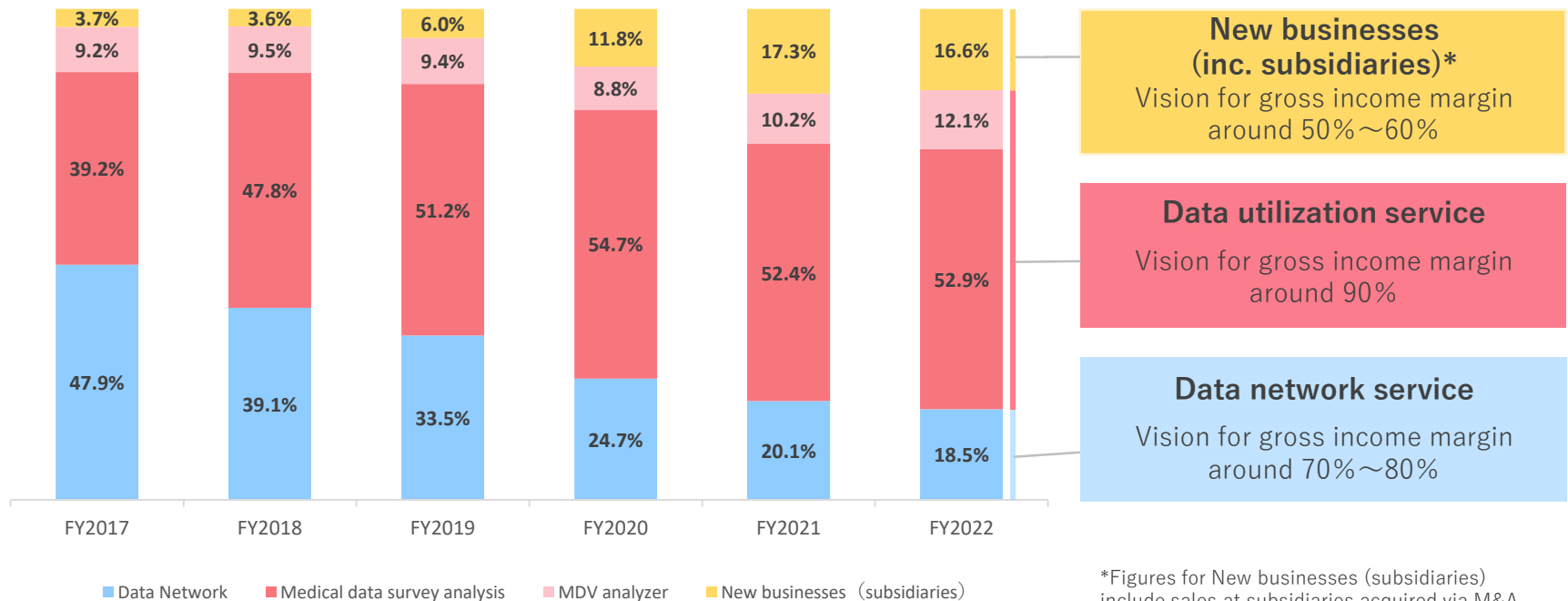
- Build bonds of trust with DPC hospitals
- Supply systems for hospital management
- Obtain secondary usage consent and build DB
- Prepare for data utilization



Change in sales weighting by service

Data network crucial to data collection, turn data utilization into sales

Weighting of new businesses rising in part due to M&A



We possess the largest domestic stock of high-quality medical data in the rapidly growing medical big data market

Business conditions

- Valuable **big data (42.32mn patients) being collected** from the Japanese medical frontline
- Aiming to raise medical care quality by **building bonds of trust with major hospitals**
- Alliance with DeNA to create **the largest DB in Japan for insurers data (about 18m patients)**
- Expect further rapid market growth for the data utilization service

Business model

- A **hybrid model** rooted in marketing capabilities as well as IT
- A **business field with barriers to entry** that are not easy to overcome
- Significant growth potential from expansion into data utilization services

Earnings structure

- Main business model **has strong profitability**
- Data network service mostly a recurring revenue business, but a mixed recurring and non-recurring business model in data utilization service gives the earnings structure balance

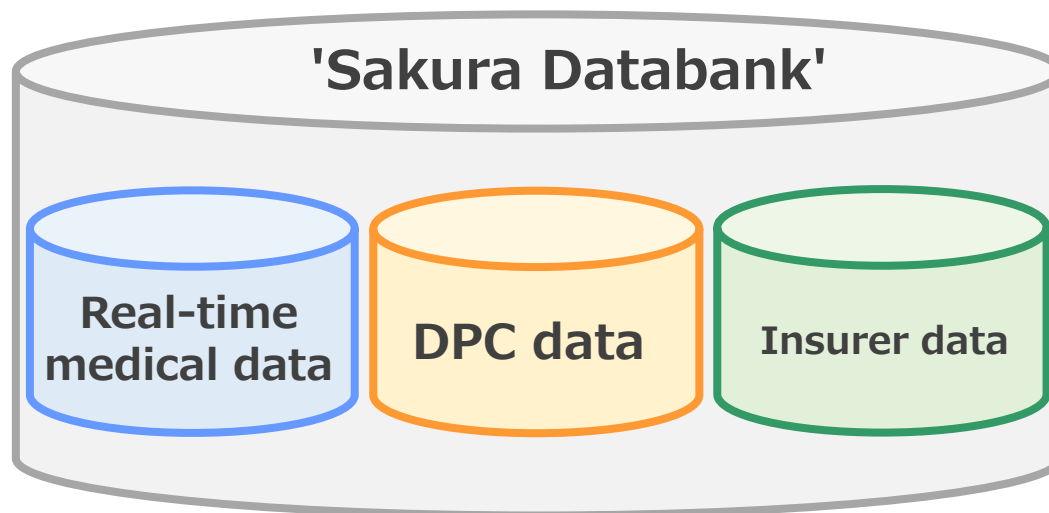
Current business opportunities/challenges and the direction of growth

Raise speed of business development by strengthening alliances
Pursue investment in B2C business to realize our future vision

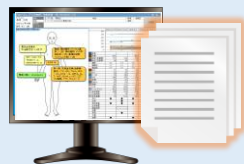
	Opportunities	Challenges
Data network service	<ul style="list-style-type: none">• Grow sales partners via shift to cloud• Nationwide medical check system sales• Room to expand the scope of subsidiary operations	<ul style="list-style-type: none">• Sluggish on-premises services• Slow growth in new services
Data utilization service	<ul style="list-style-type: none">• Market expansion, promote awareness of the benefits of data utilization• Promote use outside the pharmaceutical sector• Acquire largest insurer data stock via alliance with DeNA	<ul style="list-style-type: none">• Maintaining and improving the speed of growth• Hire more data analysis staff and expediting training
New businesses	<ul style="list-style-type: none">• Lack of large-scale healthcare DB for citizens• Growth prospects for BtoC healthcare business• New technologies such as BlockChain, AI	<ul style="list-style-type: none">• Establish business model for BtoC services• Accelerate links with SBI Group and others

Medical data held by MDV





Real-time medical data



Features

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

Immediacy

DPC data



Features

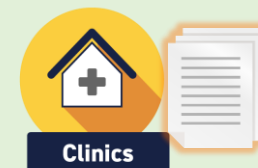
Data focus on treatment/surgery of acute diseases

Extensive patient data (all ages, ins. types)

Data on disease severity (tumor stage, etc.)

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

Insurer data



Features

Data focus on chronic and light disease stages

Useful for individual tracking

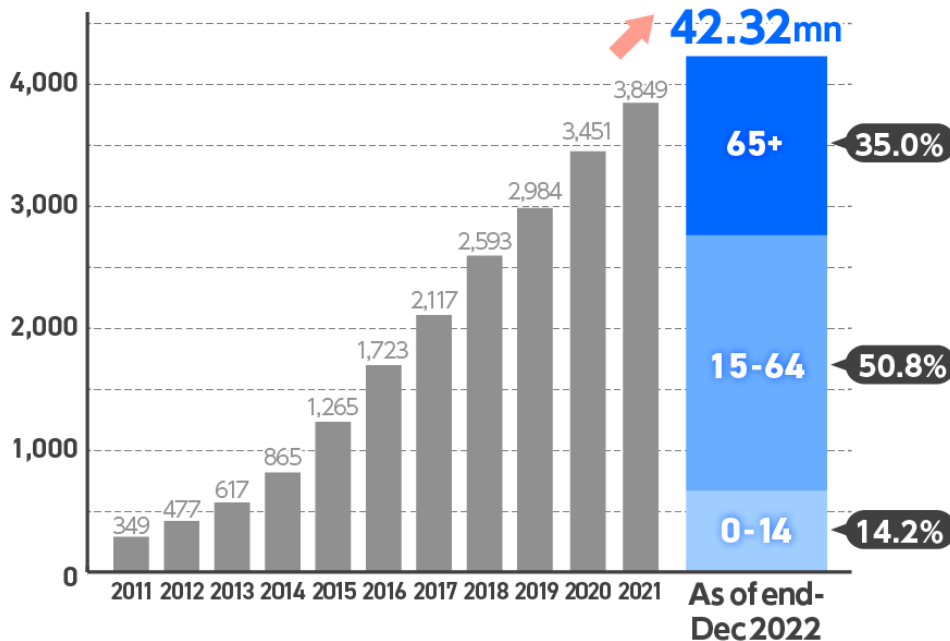
Medical database that has both quality and volume

No. of patients in medical database exceeds 40mn (42.32mn at end-Dec 2022)

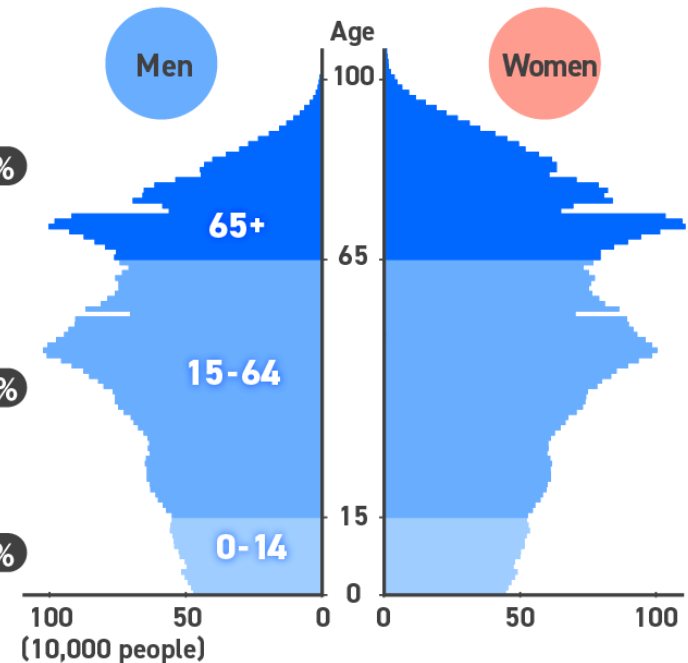
Age distribution of database roughly matches Japan's population pyramid

No. of patients in medical database

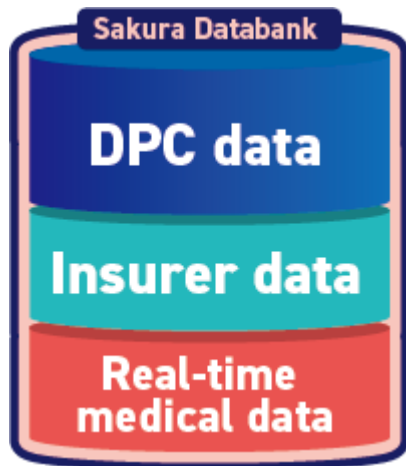
(10,000 people)



Population pyramid (2020)



Source: Based on the Population Projection for Japan (2017 survey), National Institute of Population and Social Security Research



■ Main users



Pharma cos.



Medical device & materials makers



Academia



Research institutions

■ Example uses

- Post-marketing database studies
- Survey of drug prescription trends (by disease, by treatment department)
- Collection of promotional information, evidence extraction
- Target identification and analysis
- Analysis of disease onset factors
- Safety and efficacy validation, evidence extraction
- Feasibility studies
- Research-use data
- Expanding drug applications etc.

Company Profile









Company Profile (As of the end of December 2022)

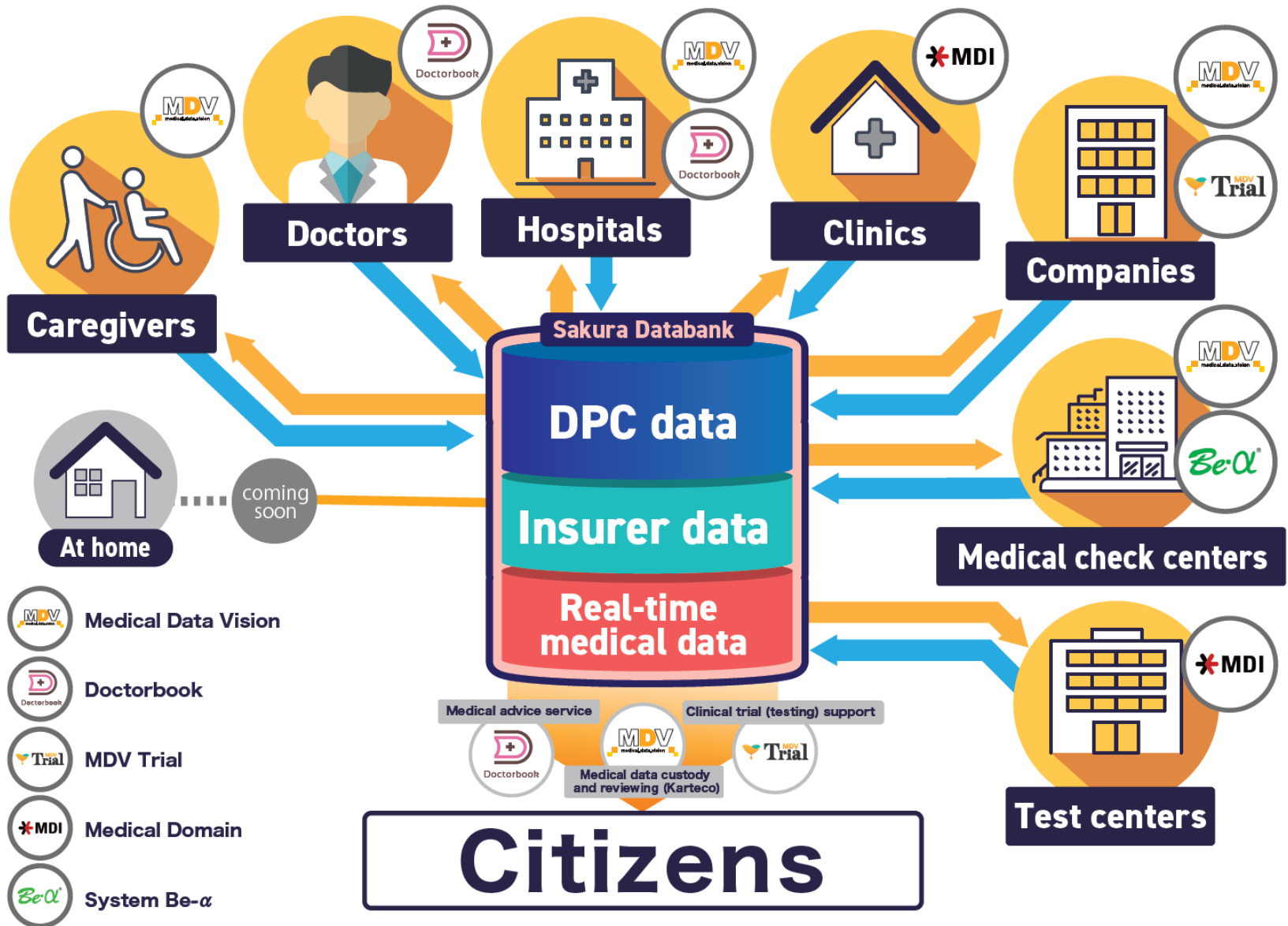


Company Name	Medical Data Vision Co.,Ltd.								
Established	August 20 , 2003								
Head Office	Sumitomo Fudosan Kanda Building 10F, 7 KandaMitoshirocho,Chiyoda-ku,Tokyo								
Number of Employees	257 employees(Number of employees in the group, As of the end of December 2022)								
Capital	JPY 992,661,739								
President and CEO	Hiroyuki Iwasaki								
TSE code / TSE market	3902 / Tokyo Stock Exchange Prime Market (Listed on Mothers market in December 16, 2014)								
Major Shareholders	<table> <tr> <td>SBI Holdings, Inc.</td> <td>(24.63%)</td> </tr> <tr> <td>MEDIPAL HOLDINGS CORPORATION</td> <td>(8.41%)</td> </tr> <tr> <td>Hiroyuki Iwasaki (President and CEO)</td> <td>(2.09%)</td> </tr> <tr> <td>CMIC HOLDINGS Co., Ltd.</td> <td>(1.59%)</td> </tr> </table> <p>※Shareholding ratio excluding treasury shares</p>	SBI Holdings, Inc.	(24.63%)	MEDIPAL HOLDINGS CORPORATION	(8.41%)	Hiroyuki Iwasaki (President and CEO)	(2.09%)	CMIC HOLDINGS Co., Ltd.	(1.59%)
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MEDIPAL HOLDINGS CORPORATION	(8.41%)								
Hiroyuki Iwasaki (President and CEO)	(2.09%)								
CMIC HOLDINGS Co., Ltd.	(1.59%)								
Major Subsidiaries	<p>Doctorbook Inc. System Be Alpha Co., Ltd. MDV Trial Co., Ltd Medical Domain Co., Ltd. AIR BIOS Co., Ltd</p>								

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
 System Be Alpha	<ul style="list-style-type: none"> • Development, sale & maintenance of software including health consulting systems • Agency sales for electronic medical records, etc.
 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
 AIR BIOS	<ul style="list-style-type: none"> • Development of new treatments and medical services

Group strategy: unification and utilization of medical and health data



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: Y4mn</p> <p>Maintenance: Y50,000/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: Y8.2mn</p> <p>Maintenance: Y100,000/mth.</p>
MDV Act	<p>A cloud-based application that is the analytical gateway for existing products 'EVE' and 'Medical Code' and offers an at-a-glance view of key indicators for hospital management.</p> <p>Allows benchmarking against other institutions on various indicators for DPC hospitals, regional integrated community care facilities, and convalescent facilities</p>	<p>Free (rollout of paid functionality planned)</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>Y20mn/yr.</p>
Medical data survey analysis	<p>Provision of tailored reports in line with client's wishes</p>	<p>Avg. Y3.5-4mn per survey</p>

Financial Results · Financial Statements



Sales breakdown by service, sales progress (cumulative)

(Millions of Yen)	FY2019				FY2020				FY2021				FY2022			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Data utilization service total sales	509	1,053	1,612	2,511	638	1,283	2,017	2,977	877	1,628	2,450	3,610	1,020	1,885	2,821	4,003
MDV analyzer	88	185	282	377	96	191	289	400	114	245	403	578	186	372	549	735
Medical data survey analysis	401	827	1,271	2,060	509	1,048	1,670	2,506	738	1,345	1,998	2,972	826	1,494	2,240	3,229
Subsidiaries	19	40	59	73	31	44	56	69	23	36	49	59	7	18	30	38
Data network service total sales	359	733	1,144	1,514	404	762	1,136	1,602	552	1,007	1,501	2,061	490	971	1,506	2,100
Non-recurring	105	221	342	407	65	109	145	220	68	107	151	252	67	135	168	237
Recurring	232	468	704	940	236	463	685	909	220	443	665	886	222	443	664	890
Subsidiaries	21	43	97	166	102	189	304	472	262	455	684	922	200	393	673	973

Business indicators

Main business indicators	FY2019	FY2020	FY2021	FY2022
Net sales (Ymn)	4,026	4,579	5,672	6,104
Net sales growth (%)	12.5	13.7	23.9	7.6
Operating income (Ymn)	809	1,146	1,594	1,758
Ordinary income (Ymn)	804	1,148	1,592	1,750
Ordinary income margin (%)	20.0	25.1	28.1	28.7
Net income attributable to owners of parent (Ymn)	554	700	1,087	870
Net income per share (Y)	13.85	17.72	27.74	22.77
Net assets (Ymn)	4,023	4,136	4,205	3,606
Total assets (Ymn)	4,948	5,321	5,534	4,897
Net assets per share (Y)	99.68	104.00	106.69	92.04
ROA (%)	18.3	22.4	29.3	34.0
ROE (%)	15.3	17.3	26.3	24.2
Equity-to-asset ratio (%)	80.6	77.0	75.1	71.8
CoGS (Ymn)	662	697	1,028	1,074
SG&A (Ymn)	2,554	2,736	3,049	3,271

※Per-share data adjusted for past stock splits.

Sales breakdown, other indicators, cash flow statement

Sales breakdown (Ymn)	FY2019	FY2020	FY2021	FY2022
Data network services	1,514	1,602	2,061	2,100
Data utilization services	2,511	2,977	3,610	4,003

Other indicators	FY2019	FY2020	FY2021	FY2022
No. of hospital using 'EVE'	802	772	770	741
No. of hospitals using 'Medical Code'	281	260	250	233
No. of patients in MDV large-scale medical database (10,000)	2,984	3,451	3,849	4,232
No. of patients in insurer database (10,000)	—	616	762	1,797

Cash flow statement (Ymn)	FY2019	FY2020	FY2021	FY2022
Cash and cash equivalents at beginning of period	1,574	2,944	3,177	3,202
CF from operating activities	1,202	964	1,082	910
CF from investing activities	-31	-142	-26	-868
CF from financing activities	199	-589	-1,030	-979
Net increase(decrease) in cash and cash equivalents	1,370	232	25	-937
Cash and cash equivalents at end of period	2,944	3,177	3,202	2,264

Balance sheet

Balance sheet (Ymn)	End-FY2019	End-FY2020	End-FY2021	End-FY2022
Current assets	3,872	4,319	4,525	3,524
Cash and deposits	2,944	3,194	3,221	2,264
Accounts receivable - trade	757	867	1,058	967
Raw materials	12	34	11	13
Merchandise	–	–	–	–
Other	179	224	235	281
Allowance for doubtful accounts	-22	-1	-2	-2
Non-current assets	1,076	1,002	1,009	1,372
Property, plant and equipment	233	177	140	137
Intangible assets	356	303	227	259
Investments and other assets	486	521	641	975
Deferred assets	–	–	–	–
Total assets	4,948	5,321	5,534	4,897
Current liabilities	852	1,099	1,243	1,206
Accounts payable - trade	33	76	97	93
Income taxes payable	138	298	400	95
Other	679	725	746	1,017
Non-current liabilities	71	84	85	84
Asset retirement obligations	71	72	72	71
Other	–	12	12	12
Total liabilities	924	1,184	1,328	1,291
Shareholders' equity	3,989	4,100	4,156	3,535
Share capital	992	992	992	992
Capital surplus	1,756	1,763	1,763	1,838
Retained earnings	1,241	1,934	2,879	3,045
Treasury shares	-0	-590	-1,479	-2,341
Total net assets	4,023	4,136	4,205	3,606
Total liabilities and net assets	4,948	5,321	5,534	4,897

Contacts

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

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