

# Supplementary Materials (business overview)

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Medical Data Vision Co.,Ltd.

( Code : 3902 )

August 10, 2023

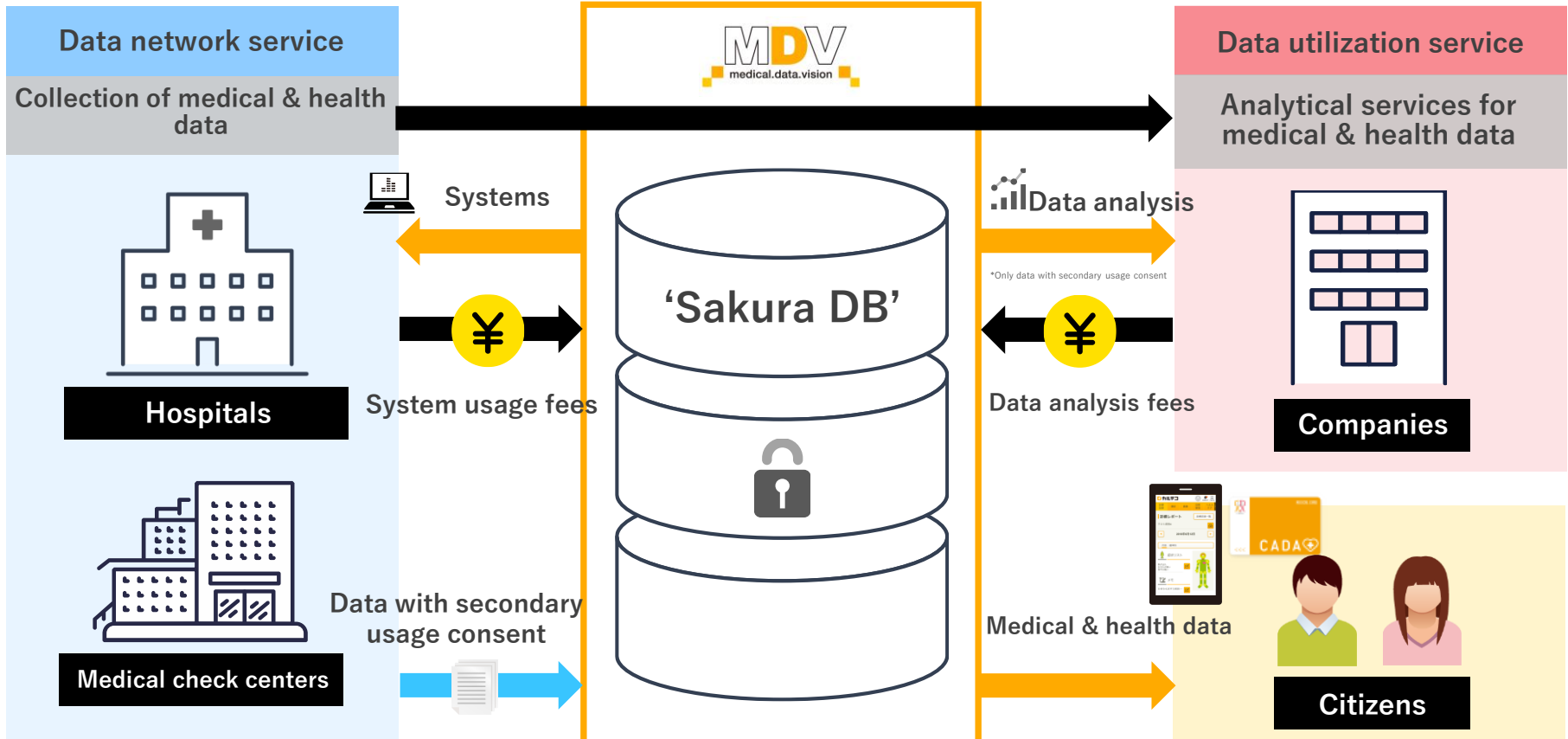
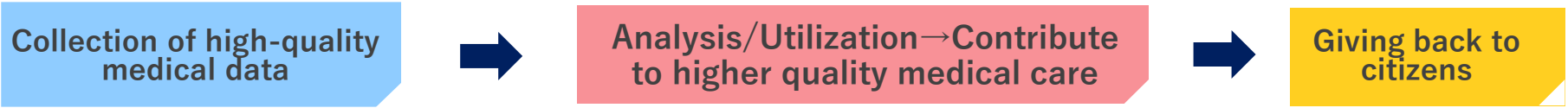
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# About Our Business

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# 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

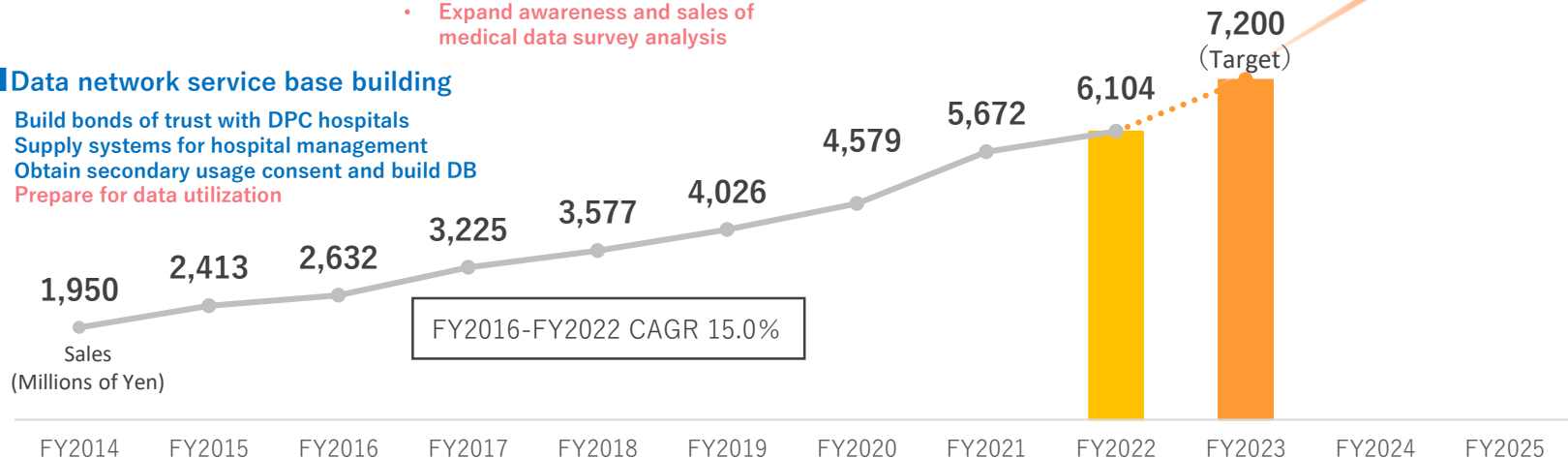
#### Start of data utilization service

- 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

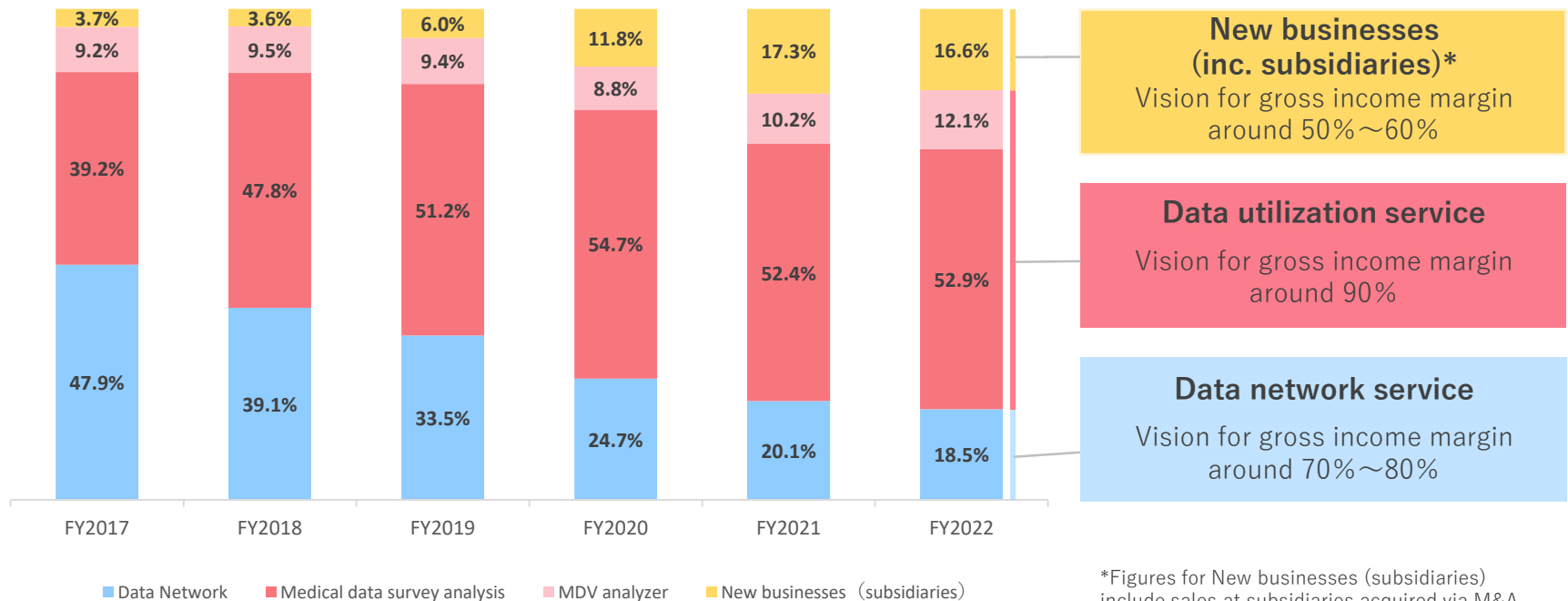
- Build bonds of trust with DPC hospitals
- Supply systems for hospital management
- Obtain secondary usage consent and build DB
- Prepare for data utilization



# 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



\*Figures for New businesses (subsidiaries) include sales at subsidiaries acquired via 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 (44.06mn 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 (19.46m 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

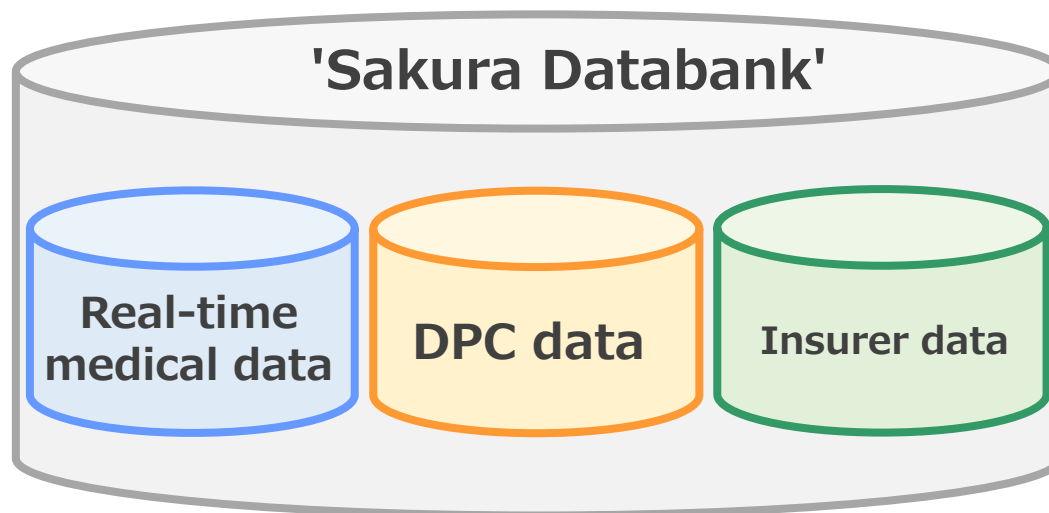
|                          | Opportunities   | Challenges  |
|--------------------------|---|---|
| Data network service     | <ul style="list-style-type: none"><li>• Grow sales partners via shift to cloud</li><li>• Nationwide medical check system sales</li><li>• Room to expand the scope of subsidiary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



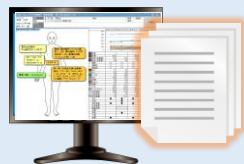
# Medical data held by MDV

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## Real-time medical data



### Features

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

Immediacy

## DPC data



### Features

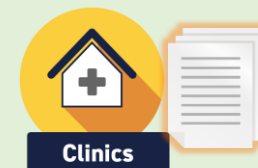
Data focus on treatment/surgery of acute diseases

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

Elderly Data  
(National Health Ins. + Elderly in the Latter Stage of Life)

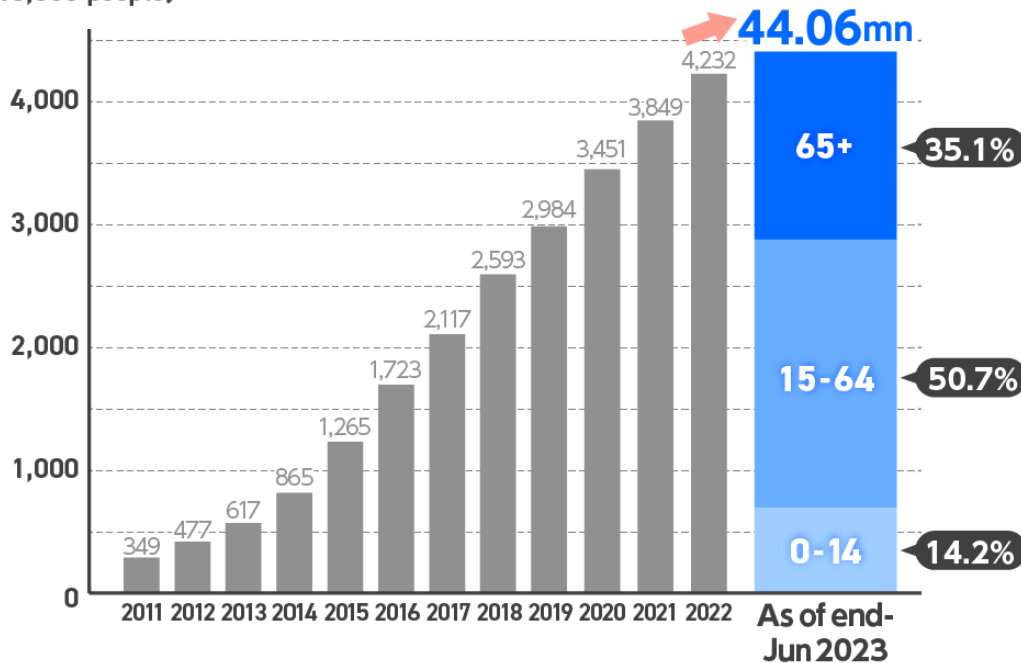
# Medical database that has both quality and volume

No. of patients in medical database exceeds 40mn (44.06mn at end-Jun 2023)

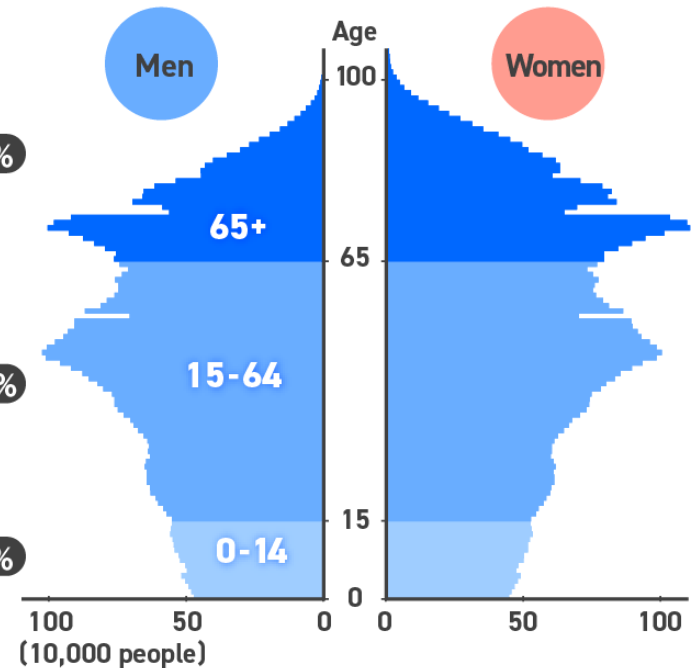
Age distribution of database roughly matches Japan's population pyramid

## No. of patients in medical database

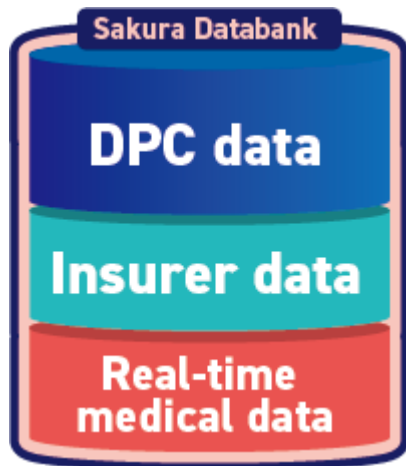
(10,000 people)



## 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

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# Company Profile (As of the end of June 2023)

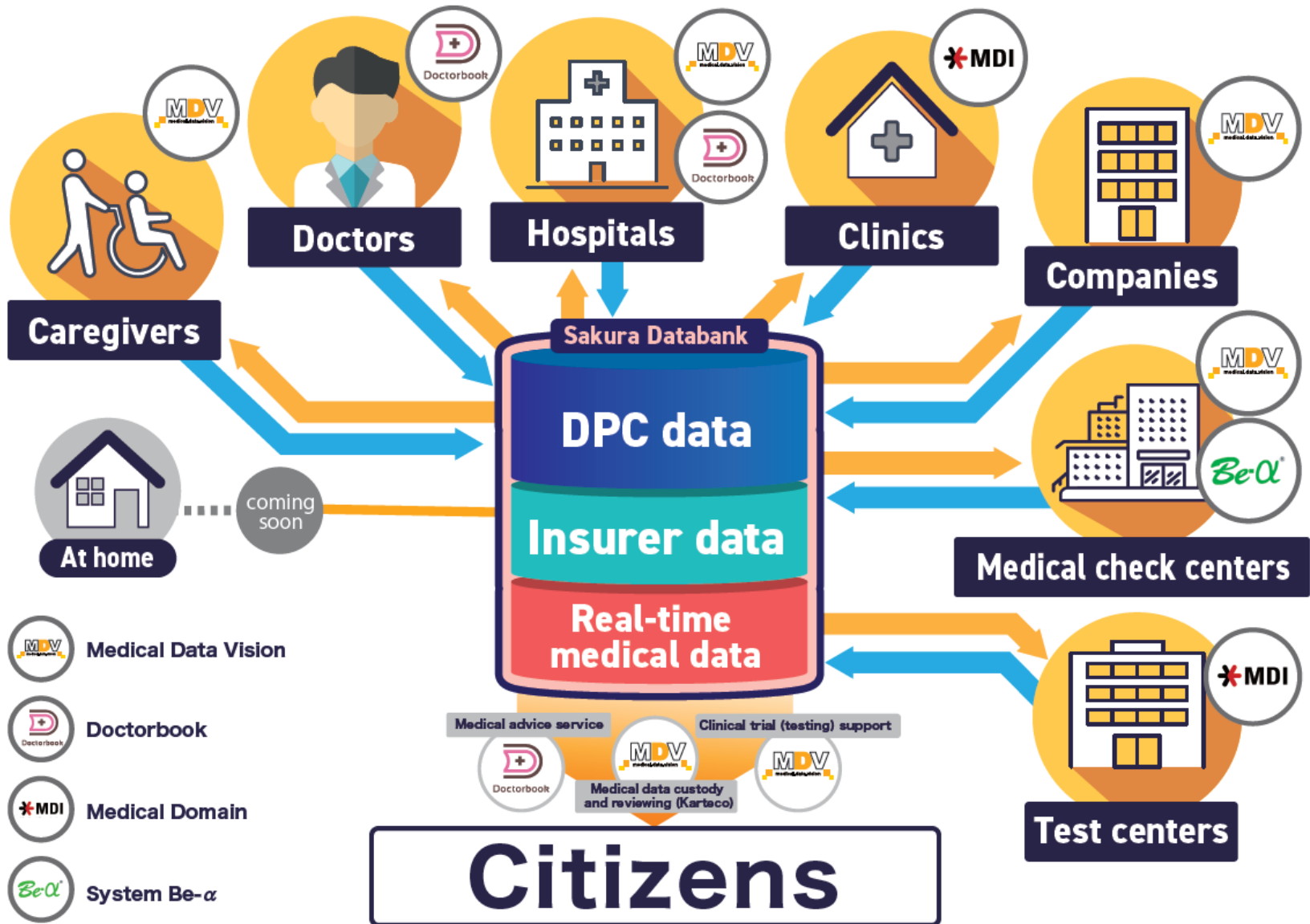


|                                      |  |                    |          |                              |         |                                      |         |                         |         |
|--------------------------------------|--|--------------------|----------|------------------------------|---------|--------------------------------------|---------|-------------------------|---------|
| Company Name                         | Medical Data Vision Co.,Ltd.   |                    |          |                              |         |                                      |         |                         |         |
| Established                          | August 20 , 2003   |                    |          |                              |         |                                      |         |                         |         |
| Head Office                          | Sumitomo Fudosan Kanda Building 10F,<br>7 KandaMitoshirocho,Chiyoda-ku,Tokyo   |                    |          |                              |         |                                      |         |                         |         |
| Number of Employees                  | 263 employees(Number of employees in the group)  |                    |          |                              |         |                                      |         |                         |         |
| Capital                              | JPY 992,661,739  |                    |          |                              |         |                                      |         |                         |         |
| President and CEO                    | Hiroyuki Iwasaki   |                    |          |                              |         |                                      |         |                         |         |
| TSE code / TSE market                | 3902 / Tokyo Stock Exchange Prime Market<br>(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%) |
| SBI Holdings, Inc.                   | (24.63%)   |                    |          |                              |         |                                      |         |                         |         |
| MEDIPAL HOLDINGS CORPORATION         | (8.41%)  |                    |          |                              |         |                                      |         |                         |         |
| Hiroyuki Iwasaki (President and CEO) | (2.09%)  |                    |          |                              |         |                                      |         |                         |         |
| CMIC HOLDINGS Co., Ltd.              | (1.59%)  |                    |          |                              |         |                                      |         |                         |         |
| Major Subsidiaries                   | <p>Doctorbook Inc.<br/>System Be Alpha Co., Ltd.<br/>Medical Domain Co., Ltd.<br/>AIR BIOS Co., Ltd</p>  |                    |          |                              |         |                                      |         |                         |         |

# Main group companies and business fields

| Company   | Business   |
|---|--|
|  <b>Medical Data Vision</b> | <ul style="list-style-type: none"> <li>• Development, sale &amp; maintenance of management analysis systems</li> <li>• Medical data analysis, surveys, consulting</li> </ul>                         |
|  <b>System Be Alpha</b>     | <ul style="list-style-type: none"> <li>• Development, sale &amp; maintenance of software including health consulting systems</li> <li>• Agency sales for electronic medical records, etc.</li> </ul> |
|  <b>Doctorbook</b>          | <ul style="list-style-type: none"> <li>• Creation &amp; operation of medical info video website</li> </ul>   |
|  <b>Medical Domain</b>     | <ul style="list-style-type: none"> <li>• Consultation support system</li> <li>• Development, sale &amp; maintenance of various data converters</li> </ul>  |
|  <b>AIR BIOS</b>          | <ul style="list-style-type: none"> <li>• Development of new treatments and medical services</li> </ul>   |

# 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 &amp; 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>'Main story' of the free-function can list indicators required for hospital management analysis. In addition, allows benchmarking against other institutions on various indicators for DPC hospitals, regional integrated community care facilities, and convalescent facilities.</p> <p>'Medical analysis pack', a paid function, enables data analysis necessary for acute hospitals and care mix hospitals, such as clinical analysis functions and case retrieval functions.</p> | <p>Main story<br/>Free</p> <p>Medical analysis pack<br/>Y50,000/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>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

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# Sales breakdown by service, sales progress (cumulative)

| (Millions of Yen)                    | FY2020 |       |       |       | FY2021 |       |       |       | FY2022 |       |       |       | FY2023 |       |    |    |
|--------------------------------------|--------|-------|-------|-------|--------|-------|-------|-------|--------|-------|-------|-------|--------|-------|----|----|
|                                      | 1Q     | 2Q    | 3Q    | 4Q    | 1Q     | 2Q    | 3Q    | 4Q    | 1Q     | 2Q    | 3Q    | 4Q    | 1Q     | 2Q    | 3Q | 4Q |
| Data network service total sales     | 404    | 762   | 1,136 | 1,602 | 552    | 1,007 | 1,501 | 2,061 | 490    | 971   | 1,506 | 2,100 | 388    | 723   |    |    |
| Non-recurring                        | 65     | 109   | 145   | 220   | 68     | 107   | 151   | 252   | 67     | 135   | 168   | 237   | 72     | 133   |    |    |
| Recurring                            | 236    | 463   | 685   | 909   | 220    | 443   | 665   | 886   | 222    | 443   | 664   | 890   | 230    | 442   |    |    |
| New Business (Subsidiaries)<br>※1    | 102    | 189   | 304   | 472   | 262    | 455   | 684   | 922   | 200    | 393   | 673   | 973   | 86     | 146   |    |    |
| Data utilization service total sales | 638    | 1,283 | 2,017 | 2,977 | 877    | 1,628 | 2,450 | 3,610 | 1,020  | 1,885 | 2,821 | 4,003 | 1,022  | 2,007 |    |    |
| MDV analyzer                         | 96     | 191   | 289   | 400   | 114    | 245   | 403   | 578   | 186    | 372   | 549   | 735   | 217    | 443   |    |    |
| Medical data survey analysis<br>※2   | 541    | 1,092 | 1,727 | 2,576 | 762    | 1,382 | 2,047 | 3,032 | 833    | 1,512 | 2,271 | 3,268 | 805    | 1,563 |    |    |
| Other service total sales※1          | –      | –     | –     | –     | –      | –     | –     | –     | –      | –     | –     | –     | 147    | 271   |    |    |

※1 From 1Q FY2023, sales of Doctorbook, B2C business, etc., which were included in "New Business (subsidiaries)", are classified as "Other Service total sales".

※2 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.

# Business indicators

| Main business indicators                          | FY2020 | FY2021 | FY2022 | 2Q FY2023 |
|---|--------|--------|--------|-----------|
| Net sales (Ymn)                                   | 4,579  | 5,672  | 6,104  | 3,002     |
| Net sales growth (%)                              | 13.7   | 23.9   | 7.6    | 5.1       |
| Operating income (Ymn)                            | 1,146  | 1,594  | 1,758  | 719       |
| Ordinary income (Ymn)                             | 1,148  | 1,592  | 1,750  | 700       |
| Ordinary income margin (%)                        | 25.1   | 28.1   | 28.7   | 23.3      |
| Net income attributable to owners of parent (Ymn) | 700    | 1,087  | 870    | 445       |
| Net income per share (Y)                          | 17.72  | 27.74  | 22.77  | 11.66     |
| Net assets (Ymn)                                  | 4,136  | 4,205  | 3,606  | 3,826     |
| Total assets (Ymn)                                | 5,321  | 5,534  | 4,897  | 5,586     |
| Net assets per share (Y)                          | 104.00 | 106.69 | 92.04  | 97.74     |
| ROA (%)   | 22.4   | 29.3   | 34.0   | 13.4      |
| ROE (%)   | 17.3   | 26.3   | 24.2   | 12.3      |
| Equity-to-assent ratio (%)                        | 77.0   | 75.1   | 71.8   | 66.8      |
| CoGS (Ymn)  | 697    | 1,028  | 1,074  | 657       |
| SG&A (Ymn)  | 2,736  | 3,049  | 3,271  | 1,625     |

※Per-share data adjusted for past stock splits.

# Sales breakdown, other indicators, cash flow statement

| Sales breakdown (Ymn)     | FY2020 | FY2021 | FY2022 | 2Q FY2023 |
|---------------------------|--------|--------|--------|-----------|
| Data network services※1   | 1,602  | 2,061  | 2,100  | 723       |
| Data utilization services | 2,977  | 3,610  | 4,003  | 2,007     |
| Other services※1          | —      | —      | —      | 271       |

※1 From 1Q2023, Doctorbook, B2C business, etc., which were included in "Data Network Services" are classified as "Other Services".

| Other indicators   | FY2020 | FY2021 | FY2022 | 2Q FY2023 |
|--|--------|--------|--------|-----------|
| No. of hospitals with paid contracts for 'MDV Act'           | —      | —      | —      | 507 ※2    |
| No. of hospitals using 'EVE'                                 | 772    | 770    | 741    | 725 ※2    |
| No. of hospitals using 'Medical Code'                        | 260    | 250    | 233    | 216       |
| No. of patients in MDV large-scale medical database (10,000) | 3,451  | 3,849  | 4,232  | 4,406     |
| No. of patients in insurer database (10,000)                 | 616    | 762    | 1,797  | 1,946     |

※2 Includes hospitals that subscribe to and use 'EVE' and 'MDV Act' paid contracts.

| Cash flow statement (Ymn)                           | FY2020 | FY2021 | FY2022 | 2Q FY2023 |
|---|--------|--------|--------|-----------|
| Cash and cash equivalents at beginning of period    | 2,944  | 3,177  | 3,202  | 2,264     |
| CF from operating activities                        | 964    | 1,082  | 910    | 1,278     |
| CF from investing activities                        | -142   | -26    | -868   | -310      |
| CF from financing activities                        | -589   | -1,030 | -979   | -224      |
| Net increase(decrease) in cash and cash equivalents | 232    | 25     | -937   | 742       |
| Cash and cash equivalents at end of period          | 3,177  | 3,202  | 2,264  | 3,007     |

# Balance sheet

| Balance sheet (Ymn)                             | End-FY2020 | End-FY2021 | End-FY2022 | 2Q FY2023 |
|---|------------|------------|------------|-----------|
| Current assets                                  | 4,319      | 4,525      | 3,524      | 3,873     |
| Cash and deposits                               | 3,194      | 3,221      | 2,264      | 3,007     |
| Accounts receivable – trade and contract assets | 867        | 1,058      | 983        | 565       |
| Raw materials                                   | 34         | 11         | 13         | 3         |
| Other   | 224        | 235        | 265        | 302       |
| Allowance for doubtful accounts                 | -1         | -2         | -2         | -5        |
| Non-current assets                              | 1,002      | 1,009      | 1,372      | 1,712     |
| Property, plant and equipment                   | 177        | 140        | 137        | 141       |
| Intangible assets                               | 303        | 227        | 259        | 232       |
| Investments and other assets                    | 521        | 641        | 975        | 1,338     |
| Total assets                                    | 5,321      | 5,534      | 4,897      | 5,586     |
| Current liabilities                             | 1,099      | 1,243      | 1,206      | 1,674     |
| Accounts payable – trade                        | 76         | 97         | 93         | 132       |
| Income taxes payable                            | 298        | 400        | 95         | 275       |
| Contract liabilities                            | –          | –          | 755        | 970       |
| Other   | 725        | 746        | 262        | 296       |
| Non-current liabilities                         | 84         | 85         | 84         | 84        |
| Asset retirement obligations                    | 72         | 72         | 71         | 71        |
| Other   | 12         | 12         | 12         | 12        |
| Total liabilities                               | 1,184      | 1,328      | 1,291      | 1,759     |
| Shareholders' equity                            | 4,100      | 4,156      | 3,535      | 3,751     |
| Share capital                                   | 992        | 992        | 992        | 992       |
| Capital surplus                                 | 1,763      | 1,763      | 1,838      | 1,838     |
| Retained earnings                               | 1,934      | 2,879      | 3,045      | 3,261     |
| Treasury shares                                 | -590       | -1,479     | -2,341     | -2,341    |
| Total net assets                                | 4,136      | 4,205      | 3,606      | 3,826     |
| Total liabilities and net assets                | 5,321      | 5,534      | 4,897      | 5,586     |

## Contacts

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

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