

Supplementary Materials (business overview)

Medical Data Vision Co.,Ltd.

(Code : 3902)

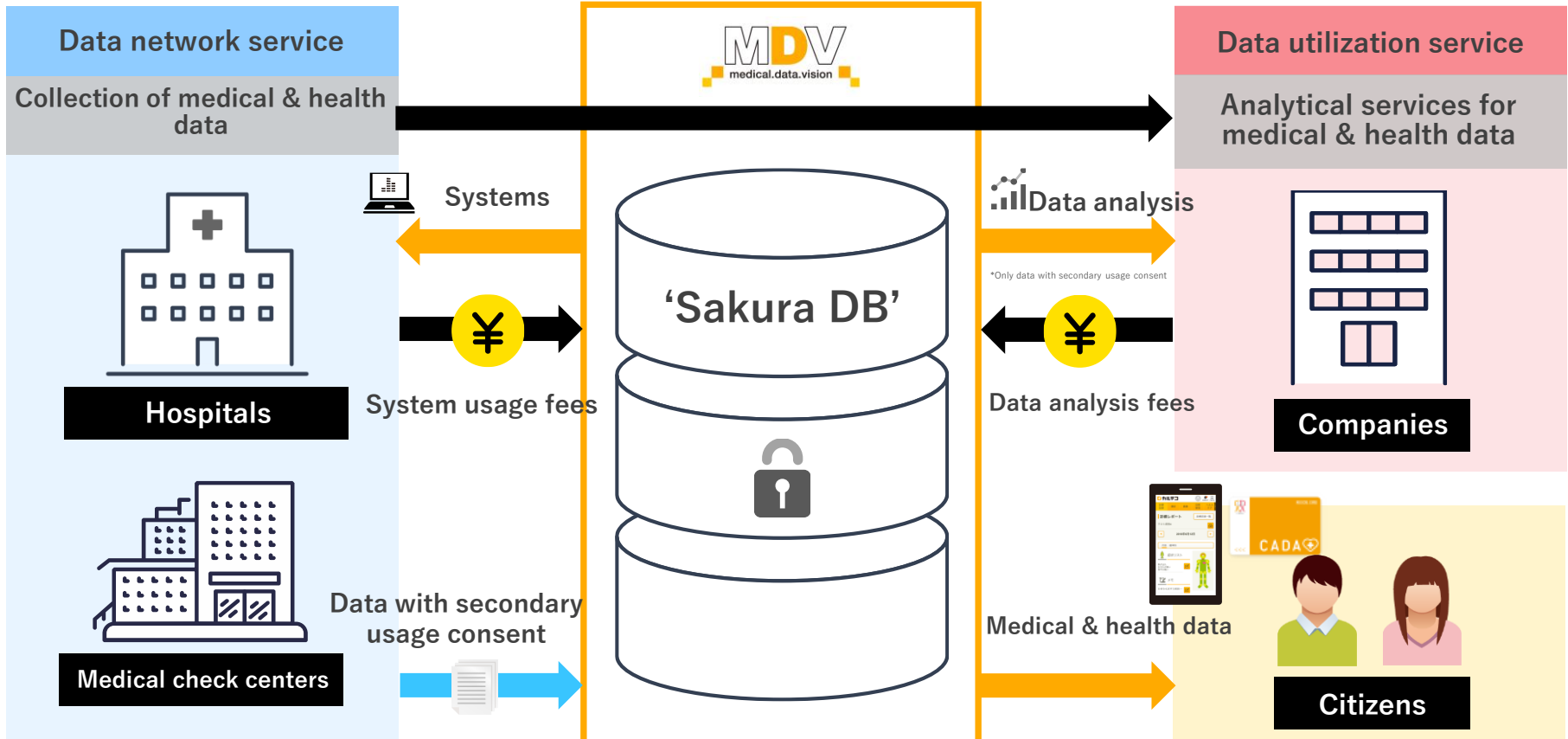
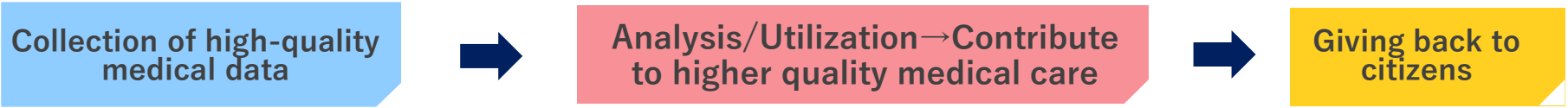
November 13, 2023

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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

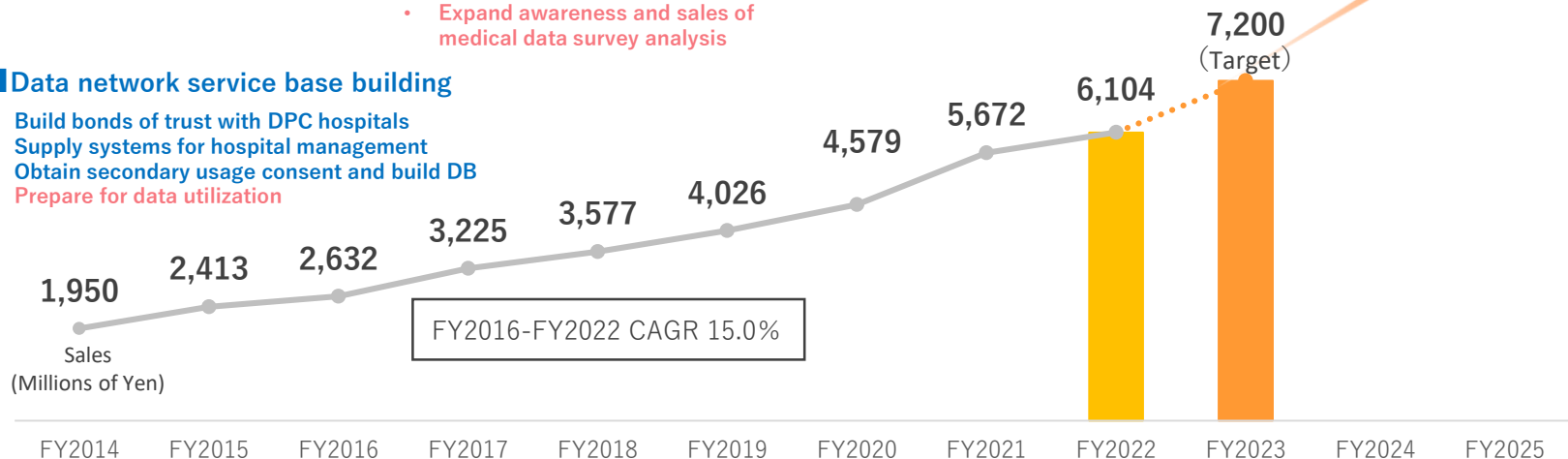
- Business growth amid market expansion
- Begin further strengthening data and DB
- M&A to accelerate growth
- Consider scheme to return information to citizens

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

Data network service base building

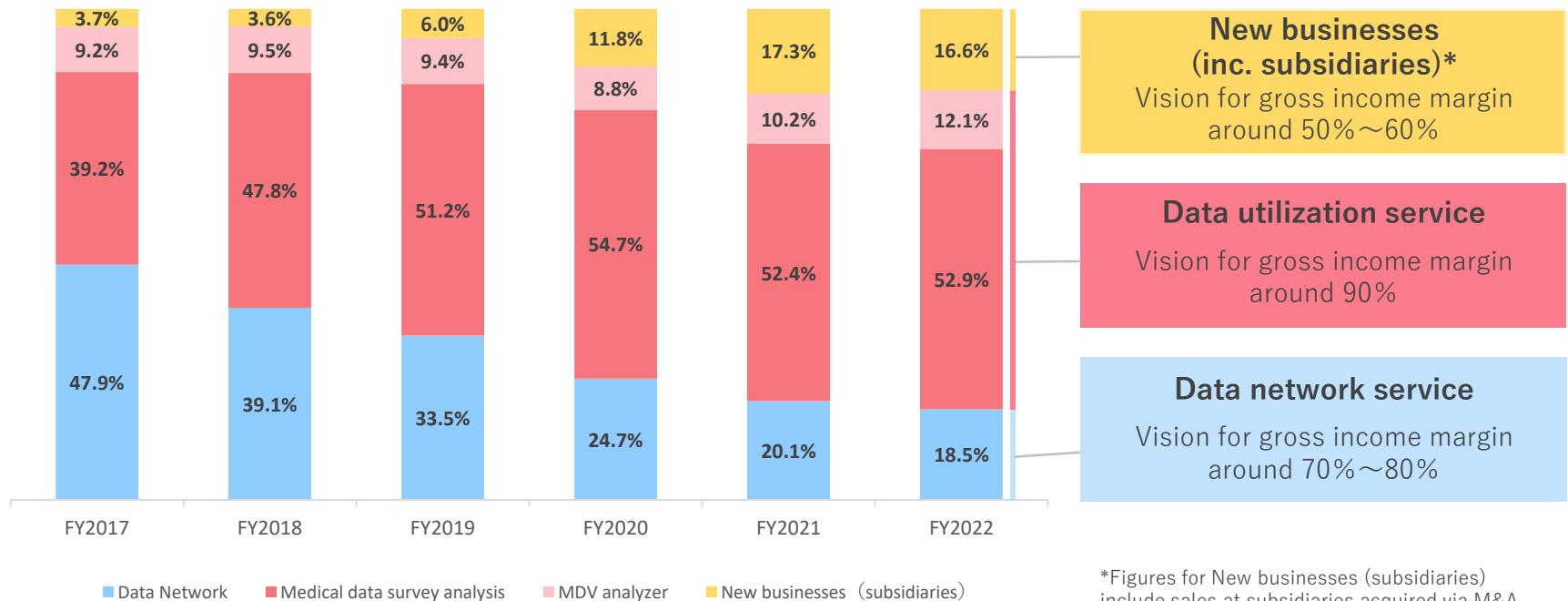
- Build bonds of trust with DPC hospitals
- Supply systems for hospital management
- Obtain secondary usage consent and build DB
- Prepare for data utilization



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 (45.01mn 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 (19.66m 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

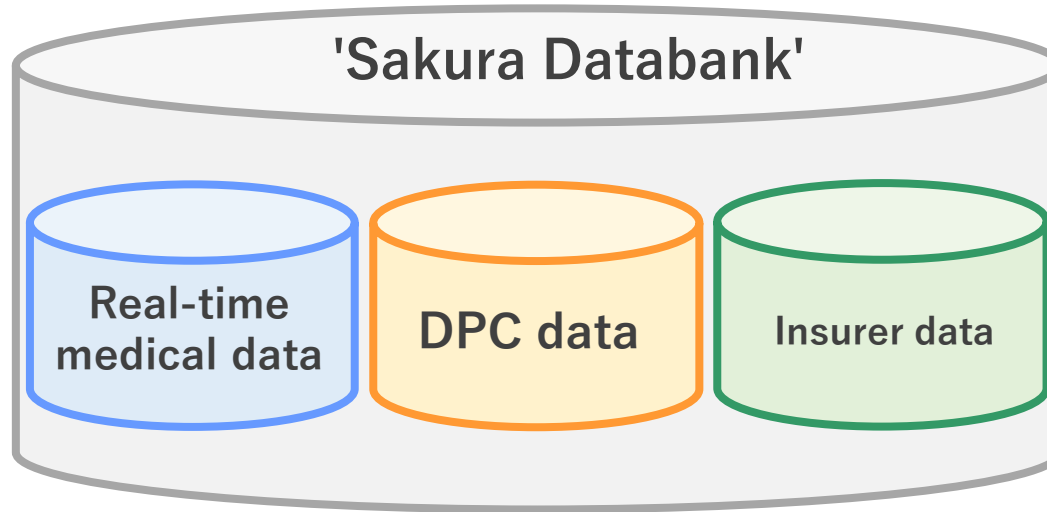
Current business opportunities/challenges and the direction of growth

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

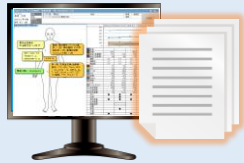
	Opportunities	Challenges
Data network service	<ul style="list-style-type: none">• Grow sales partners via shift to cloud• Nationwide medical check system sales• Room to expand the scope of subsidiary operations	<ul style="list-style-type: none">• Sluggish on-premises services• Slow growth in new services
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

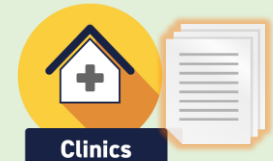
Data focus on treatment/surgery of acute diseases

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

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

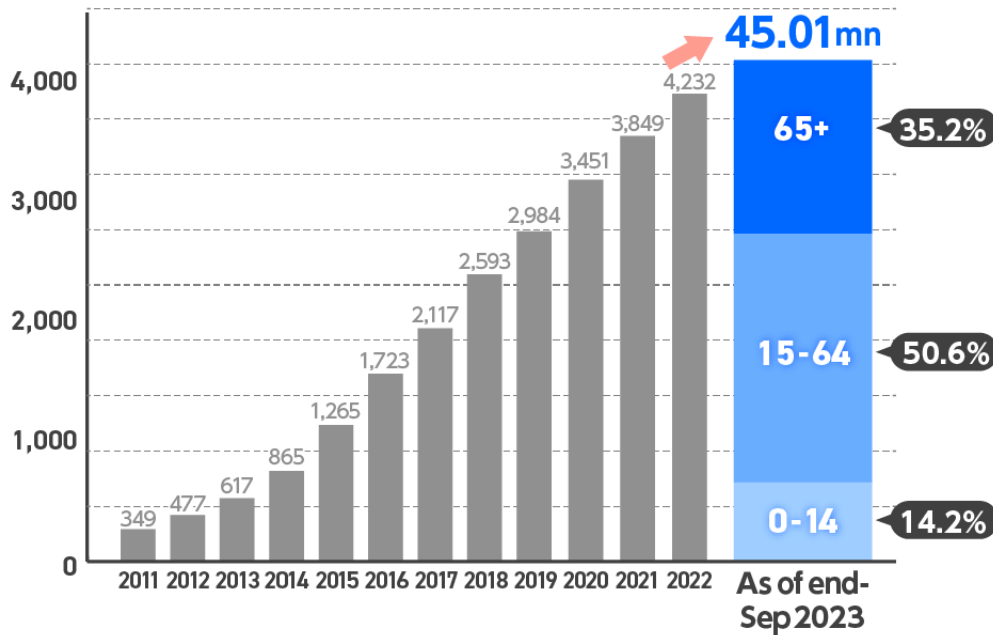
Medical database that has both quality and volume

No. of patients in medical database exceeds 45mn (45.01mn at end-Sep 2023)

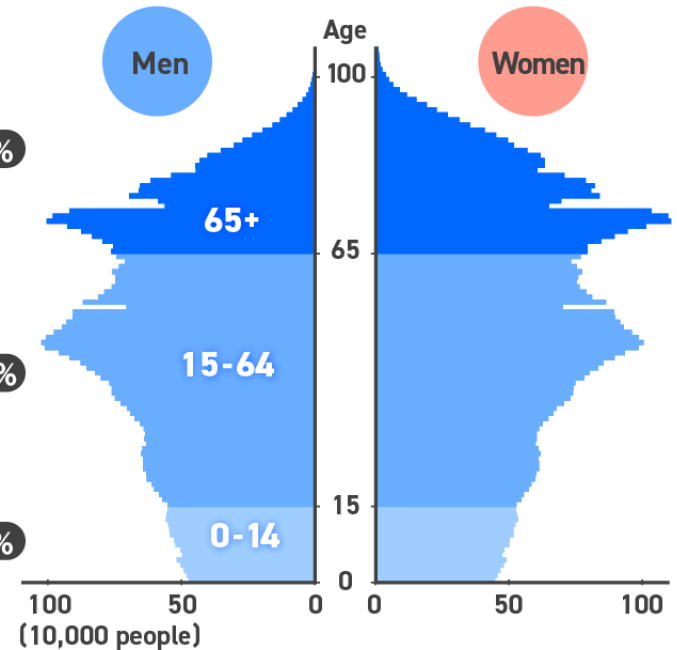
Age distribution of database roughly matches Japan's population pyramid

No. of patients in medical database

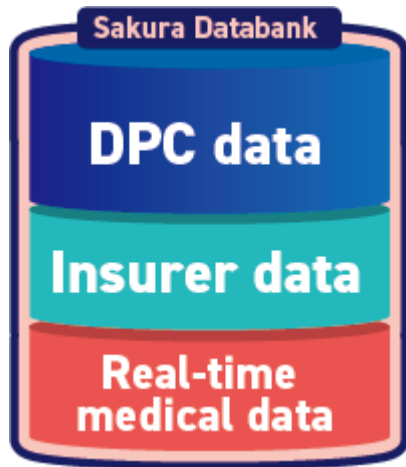
(10,000 people)



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



Company Profile (As of the end of September 2023)

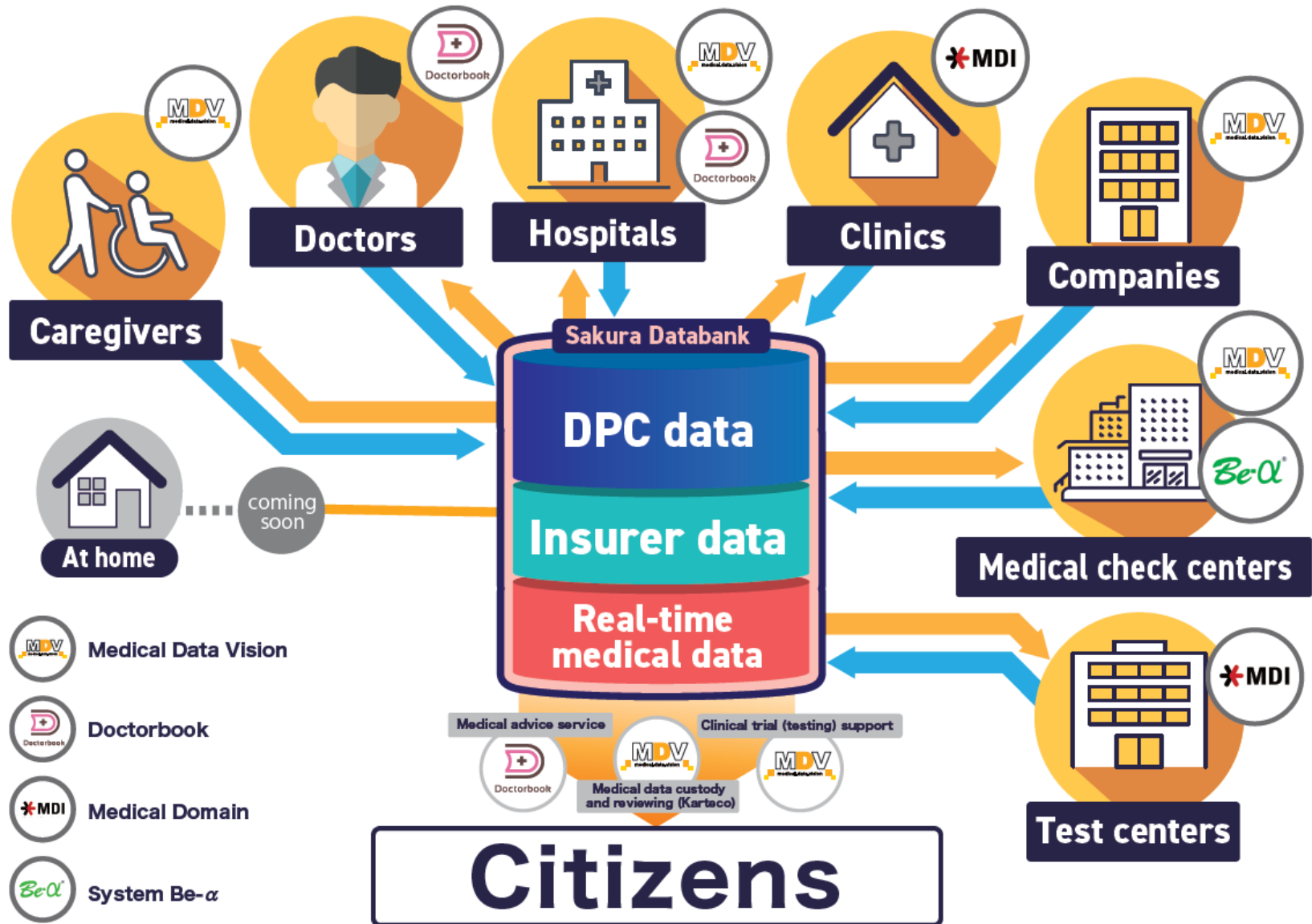


Company Name	Medical Data Vision Co.,Ltd.								
Established	August 20 , 2003								
Head Office	Sumitomo Fudosan Kanda Building 10F, 7 KandaMitoshirocho,Chiyoda-ku,Tokyo								
Number of Employees	260 employees(Number of employees in the group)								
Capital	JPY 992,661,739								
President and CEO	Hiroyuki Iwasaki								
TSE code / TSE market	3902 / Tokyo Stock Exchange Prime Market (Listed on Mothers market in December 16, 2014)								
Major Shareholders (As of the end of June 2023)	<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. 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
 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>'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 package', 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 Free</p> <p>Medical analysis package 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>	Y20mn/yr.
Medical data survey analysis	Provision of tailored reports in line with client's wishes	Avg. Y3.5-4mn per survey

Financial Results • Financial Statements



Sales breakdown by service, sales progress (cumulative)

(Millions of Yen)	FY2020				FY2021				FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
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	1,053	
Non-recurring	65	109	145	220	68	107	151	252	67	135	168	237	72	133	158	
Recurring	236	463	685	909	220	443	665	886	222	443	664	890	230	442	655	
New Business (Subsidiaries) ※1	102	189	304	472	262	455	684	922	200	393	673	973	86	146	239	
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	3,030	
MDV analyzer	96	191	289	400	114	245	403	578	186	372	549	735	217	443	657	
Medical data survey analysis ※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	2,373	
Other service total sales※1	–	–	–	–	–	–	–	–	–	–	–	–	147	271	402	

※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	FY2023 Q3
Net sales (Ymn)	4,579	5,672	6,104	4,487
Net sales growth (%)	13.7	23.9	7.6	3.7
Operating income (Ymn)	1,146	1,594	1,758	1,111
Ordinary income (Ymn)	1,148	1,592	1,750	1,063
Ordinary income margin (%)	25.1	28.1	28.7	23.7
Net income attributable to owners of parent (Ymn)	700	1,087	870	659
Net income per share (Y)	17.72	27.74	22.77	17.27
Net assets (Ymn)	4,136	4,205	3,606	4,024
Total assets (Ymn)	5,321	5,534	4,897	5,571
Net assets per share (Y)	104.00	106.69	92.04	102.85
ROA (%)	22.4	29.3	34.0	20.3
ROE (%)	17.3	26.3	24.2	17.7
Equity-to-asset ratio (%)	77.0	75.1	71.8	70.5
CoGS (Ymn)	697	1,028	1,074	985
SG&A (Ymn)	2,736	3,049	3,271	2,390

※Per-share data adjusted for past stock splits.

Sales breakdown, other indicators, cash flow statement

Sales breakdown (Ymn)	FY2020	FY2021	FY2022	FY2023 Q3
Data network services※1	1,602	2,061	2,100	1,053
Data utilization services	2,977	3,610	4,003	3,030
Other services※1	—	—	—	402

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

Other indicators	FY2020	FY2021	FY2022	FY2023 Q3
No. of hospitals with paid contracts for 'MDV Act'	—	—	—	570※2
No. of hospitals using 'EVE'	772	770	741	719※2
No. of hospitals using 'Medical Code'	260	250	233	209
No. of patients in MDV large-scale medical database (10,000)	3,451	3,849	4,232	4,501
No. of patients in insurer database (10,000)	616	762	1,797	1,966

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

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

Balance sheet

Balance sheet (Ymn)	End-FY2020	End-FY2021	End-FY2022	FY2023 Q3
Current assets	4,319	4,525	3,524	3,986
Cash and deposits	3,194	3,221	2,264	2,862
Accounts receivable – trade and contract assets	867	1,058	983	774
Raw materials	34	11	13	5
Other	224	235	265	349
Allowance for doubtful accounts	-1	-2	-2	△5
Non-current assets	1,002	1,009	1,372	1,585
Property, plant and equipment	177	140	137	129
Intangible assets	303	227	259	218
Investments and other assets	521	641	975	1,237
Total assets	5,321	5,534	4,897	5,571
Current liabilities	1,099	1,243	1,206	1,462
Accounts payable – trade	76	97	93	104
Income taxes payable	298	400	95	208
Contract liabilities	–	–	755	847
Other	725	746	262	301
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	1,546
Shareholders' equity	4,100	4,156	3,535	3,965
Share capital	992	992	992	992
Capital surplus	1,763	1,763	1,838	1,838
Retained earnings	1,934	2,879	3,045	3,475
Treasury shares	-590	-1,479	-2,341	△2,341
Total net assets	4,136	4,205	3,606	4,024
Total liabilities and net assets	5,321	5,534	4,897	5,571

Contacts

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

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