

# Supplementary Materials (business overview)

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Medical Data Vision Co.,Ltd.

( Code : 3902 )

May 13, 2024

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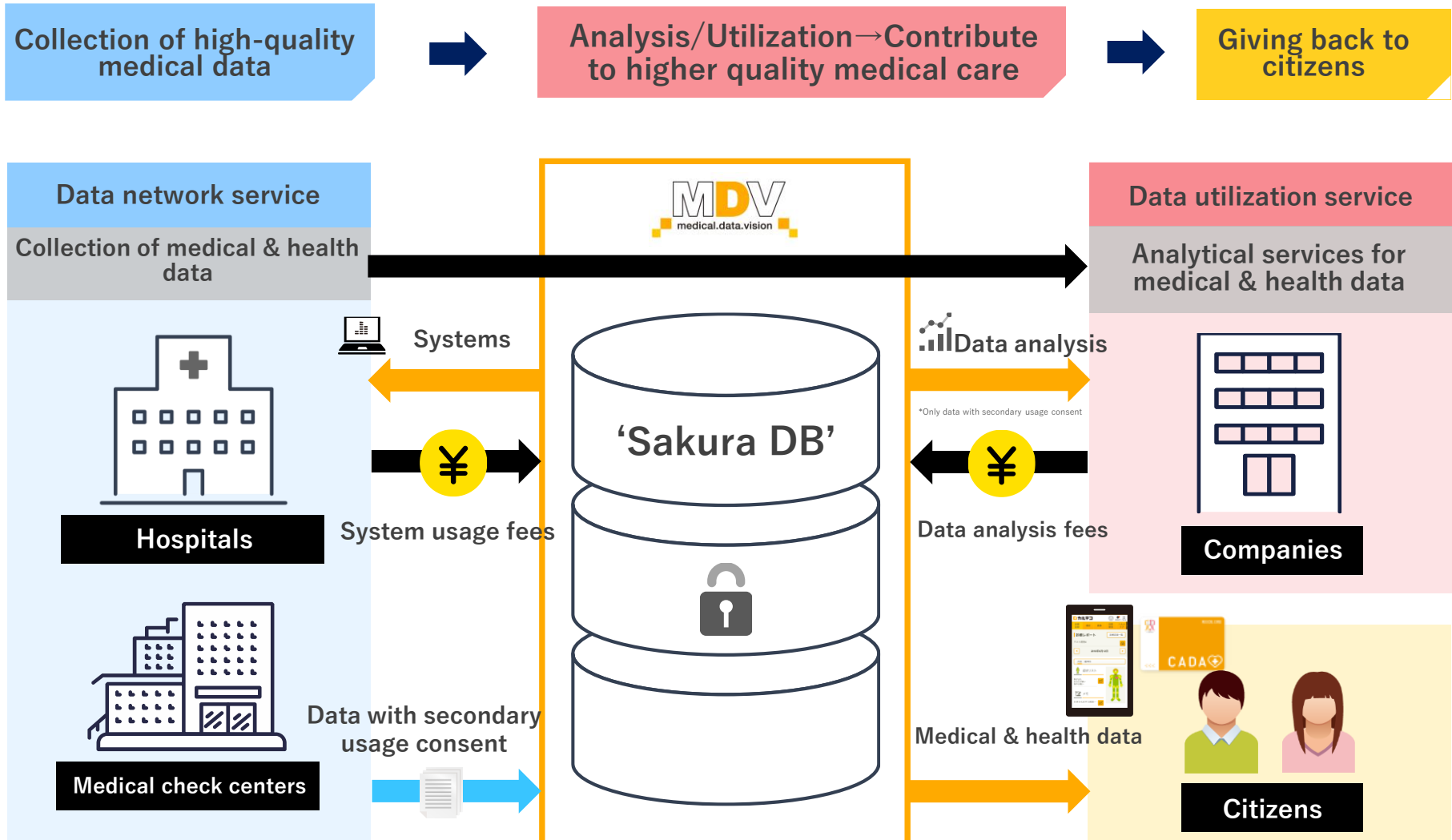
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# About Our Business

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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

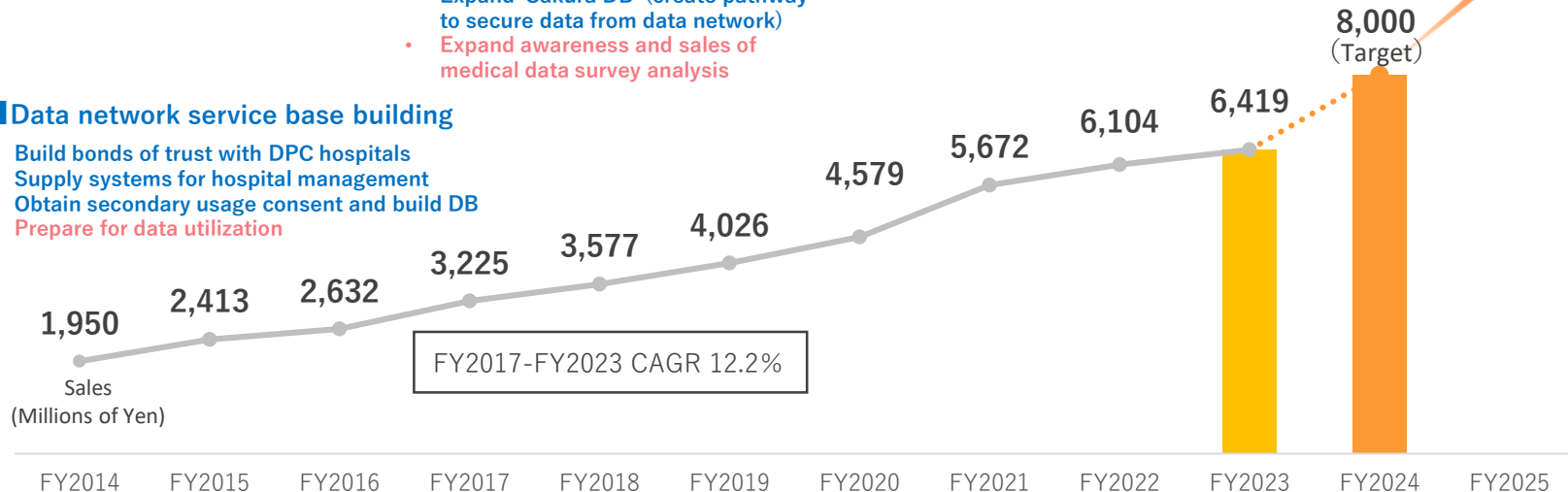
- Business growth amid market expansion
- Begin further strengthening data and DB
- M&A to accelerate growth
- Consider scheme to return information to citizens

## ■ 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

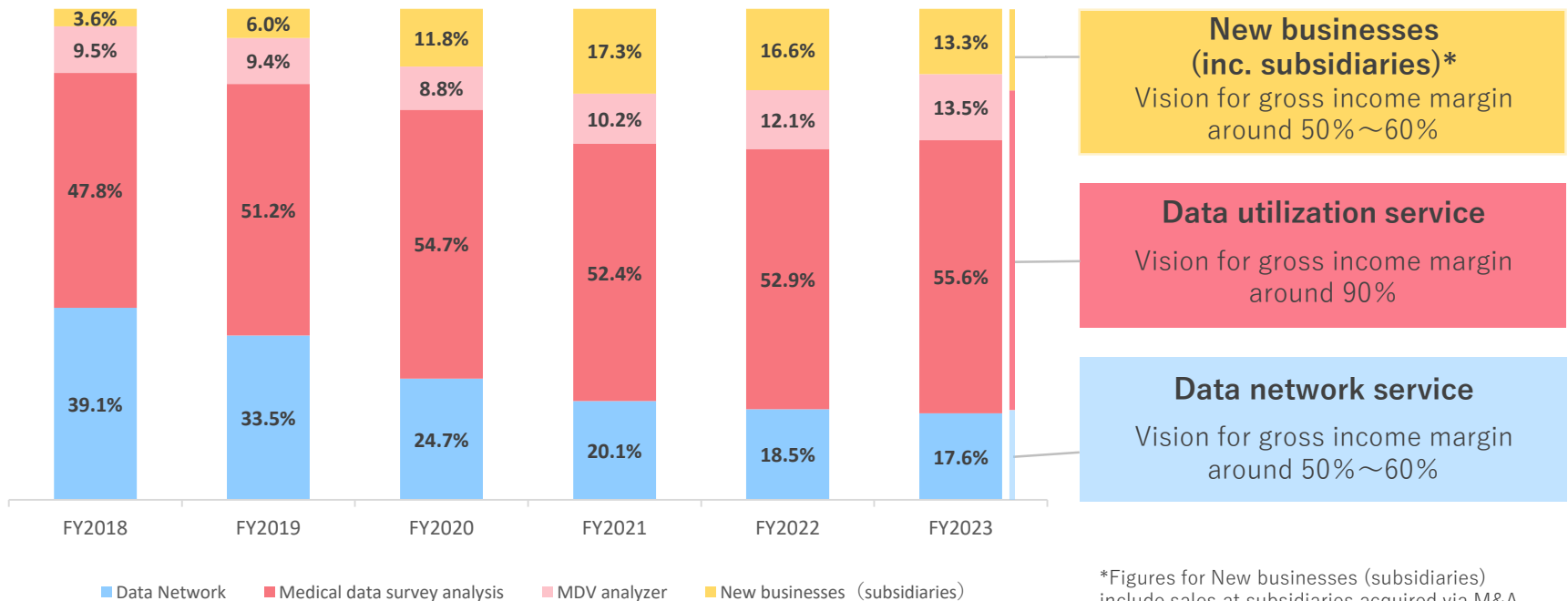
## ■ Data network service base building

- 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



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

## Business conditions

- Valuable **big data (47.08mn 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 (22.56m 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 consumer business to realize our future vision

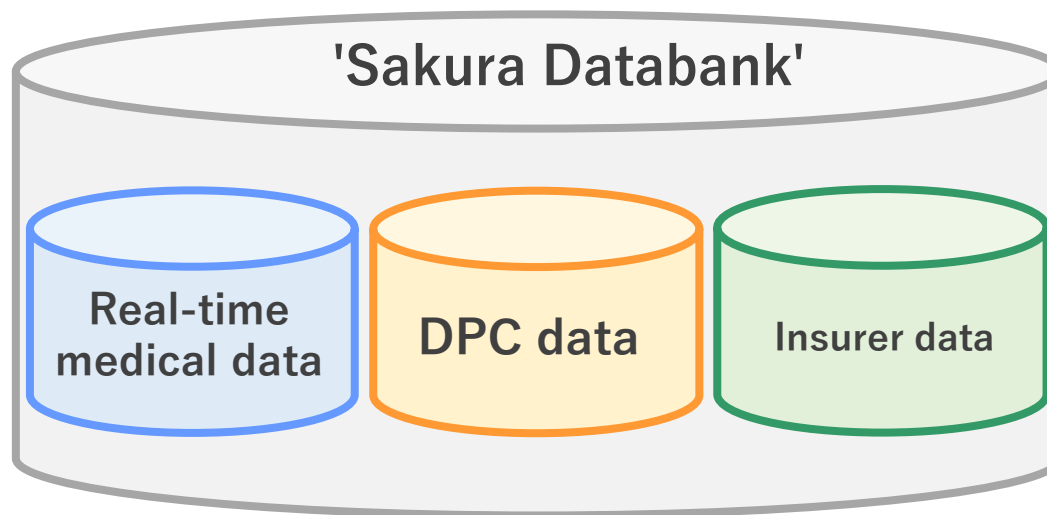
	Opportunities	Challenges
Data network service	<ul style="list-style-type: none"><li>• Grow sales partners via shift to cloud</li><li>• Nationwide medical check system sales</li><li>• Room to expand the scope of subsidiary operations</li></ul>	<ul style="list-style-type: none"><li>• Sluggish on-premises 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 consumer healthcare business</li><li>• New technologies such as BlockChain, AI</li></ul>	<ul style="list-style-type: none"><li>• Establish business model for consumer services</li><li>• Accelerate links with SBI Group and others</li></ul>



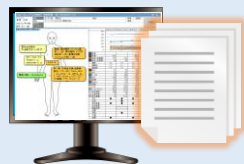
# Medical data held by MDV

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## Real-time medical data



### Features

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

**Immediacy**

## DPC data



### Features

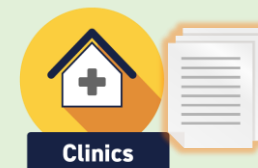
**Data focus on treatment/surgery of acute diseases**

**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)**

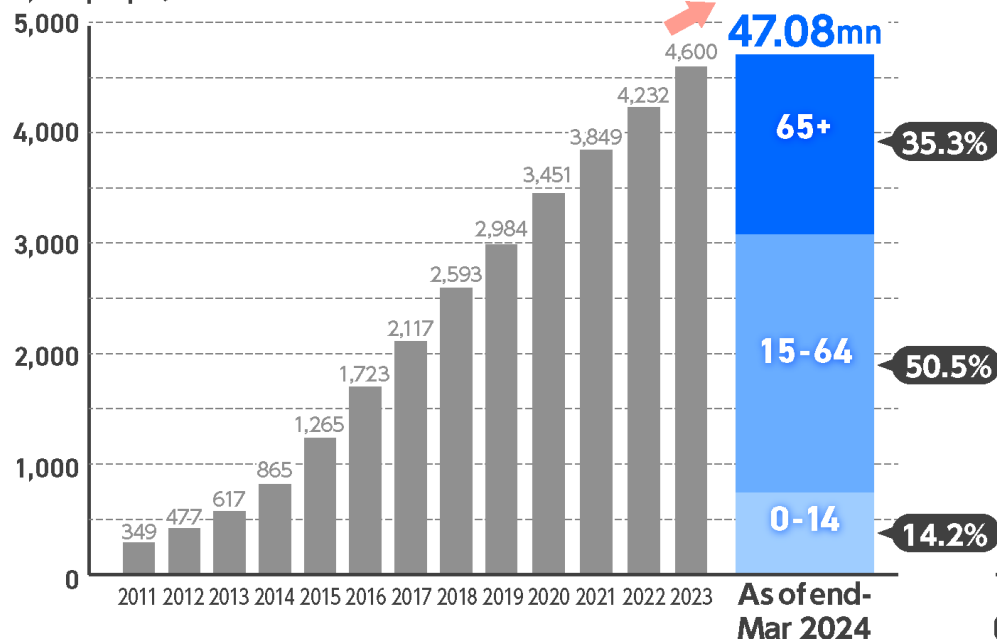
# Medical database that has both quality and volume

No. of patients in medical database exceeds 47mn (47.08mn at end-Mar 2024)

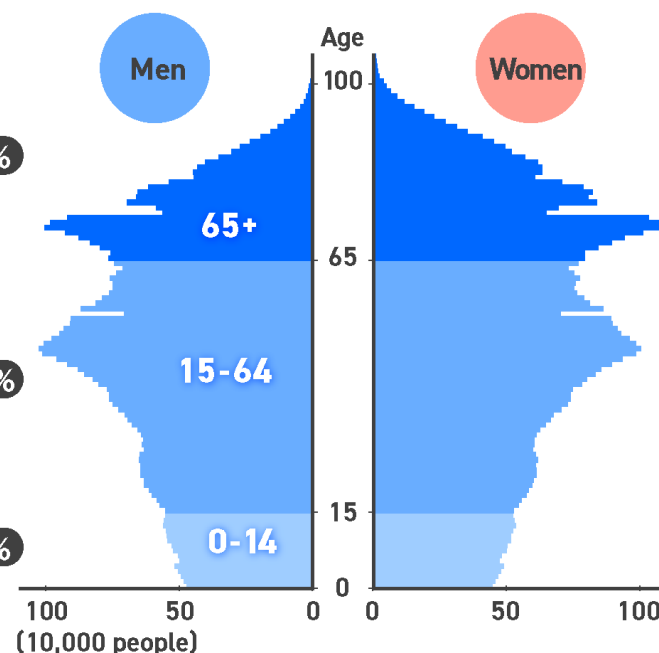
Age distribution of database roughly matches Japan's population pyramid

## No. of patients in medical database

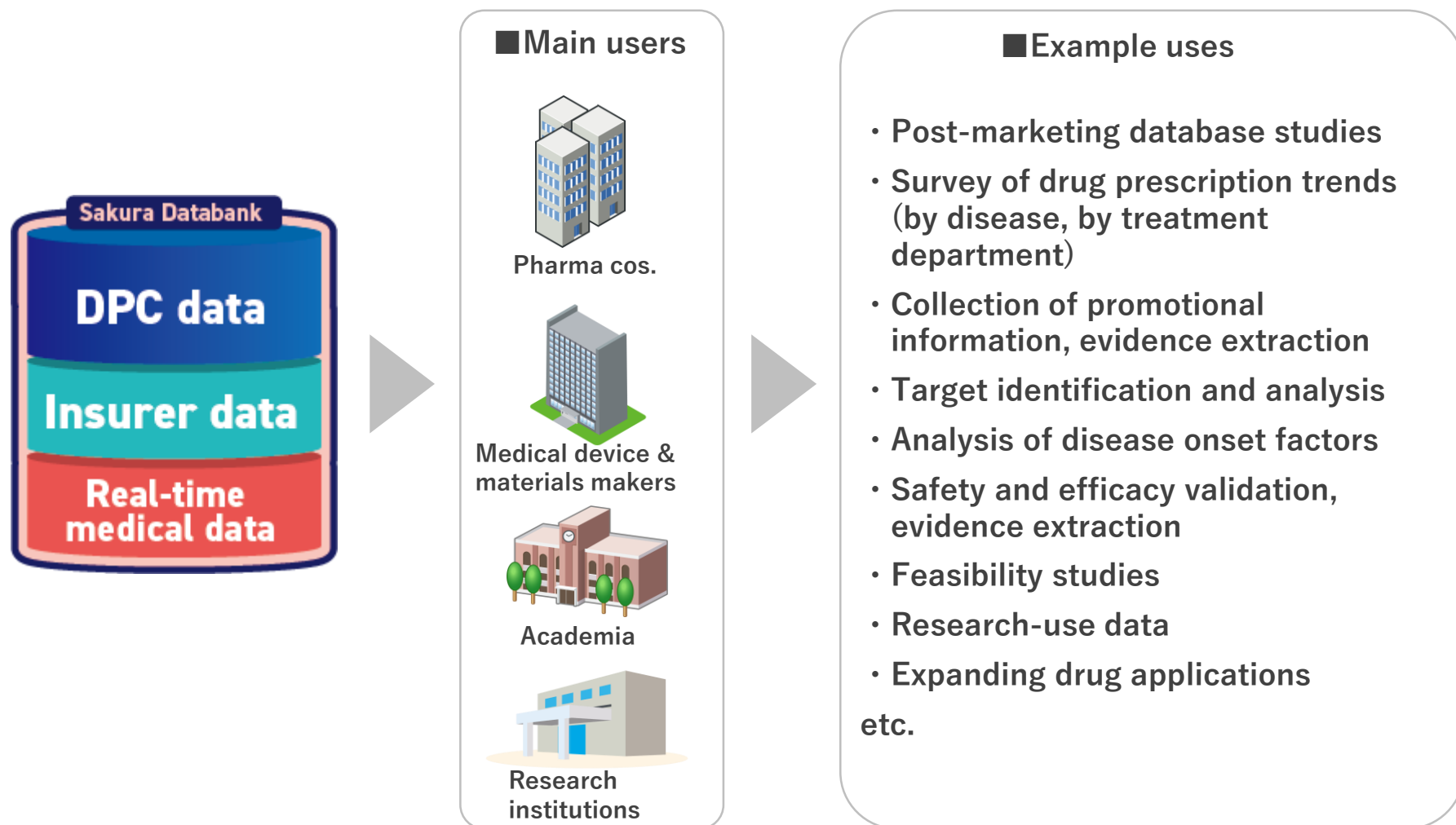
(10,000 people)



## Population pyramid (2020)



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



# Company Profile

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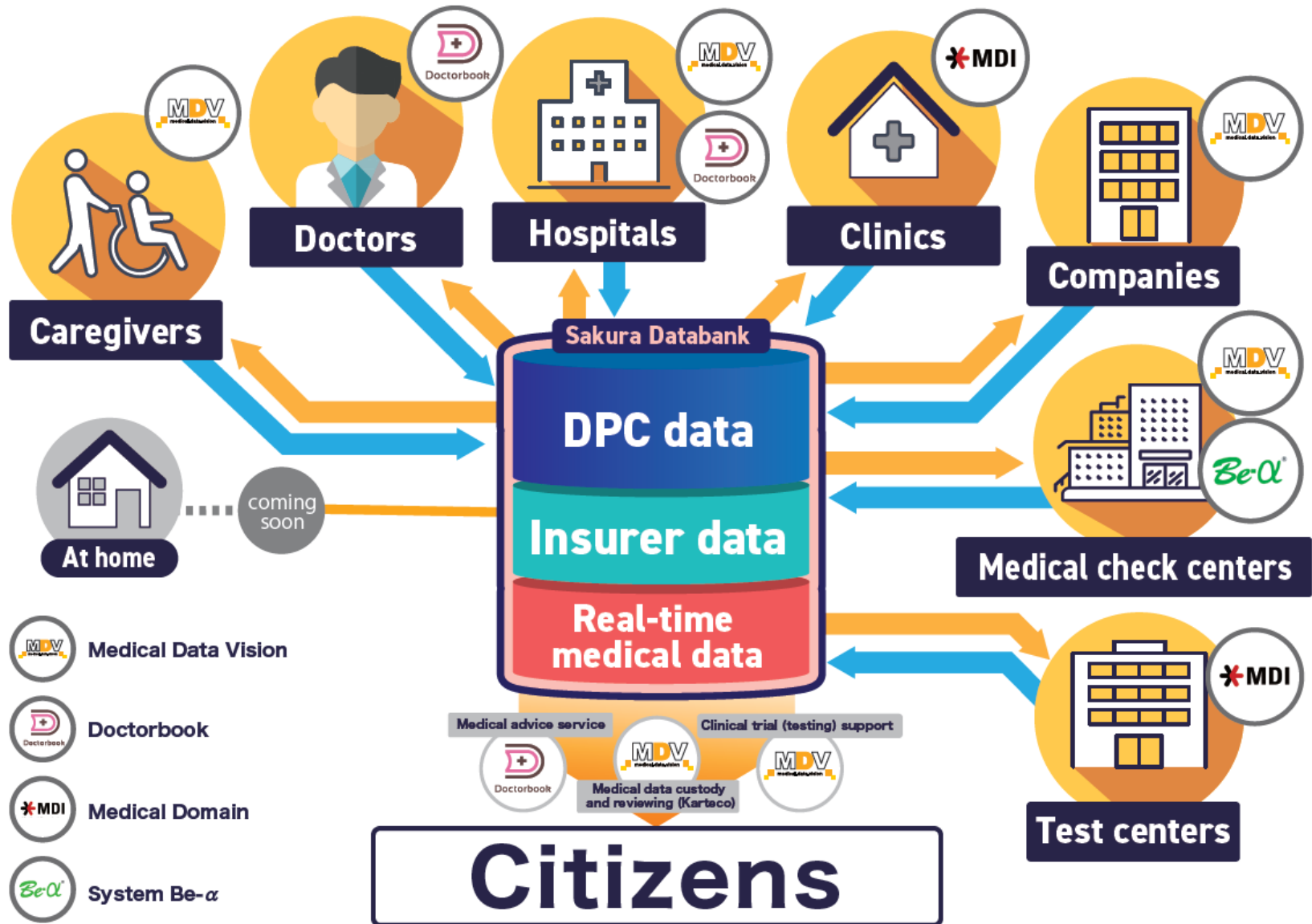
# Company Profile (As of the end of March 2024)

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	261 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 December 2023)	<div> <div>SBI Holdings, Inc.</div> <div>(29.13%)</div> </div> <div> <div>MEDIPAL HOLDINGS CORPORATION</div> <div>(8.41%)</div> </div> <div> <div>Hiroyuki Iwasaki (President and CEO)</div> <div>(2.09%)</div> </div> <div> <div>CMIC HOLDINGS Co., Ltd.</div> <div>(1.59%)</div> </div> <div> <div>※ Shareholding ratio excluding treasury shares</div> </div>
Major Subsidiaries	<div>Doctorbook Inc.</div> <div>System Be Alpha Co., Ltd.</div> <div>Medical Domain Co., Ltd.</div> <div>AIR BIOS Co., Ltd</div>

# 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
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 ¥50,000/mth.</p>
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: ¥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>

## 【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>	¥20mn/yr.
Medical data survey analysis	Provision of tailored reports in line with client's wishes	Avg. ¥3.5-4mn per survey

# Financial Results • Financial Statements

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# Sales breakdown by service, sales progress (cumulative)

(Millions of Yen)	FY2021				FY2022				FY2023				FY2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Data network service total sales	552	1,007	1,501	2,061	490	971	1,506	2,100	388	723	1,053	1,462	332			
Non-recurring	68	107	151	252	67	135	168	237	72	133	158	256	48			
Recurring	220	443	665	886	222	443	664	890	230	442	655	875	220			
New Business (Subsidiaries)	262	455	684	922	200	393	673	973	86	146	239	330	63			
Karteco	—	—	—	—	—	—	—	—	—	—	—	—	0			
Data utilization service total sales	877	1,628	2,450	3,610	1,020	1,885	2,821	4,003	1,022	2,007	3,030	4,434	928			
MDV analyzer	114	245	403	578	186	372	549	735	217	443	657	865	225			
Medical data survey analysis ※	762	1,382	2,047	3,032	833	1,512	2,271	3,268	805	1,563	2,373	3,569	702			
Other service total sales	—	—	—	—	—	—	—	—	147	271	402	521	127			

※ 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	FY2021	FY2022	FY2023	FY2024 Q1
Net sales (Ymn)	5,672	6,104	6,419	1,388
Net sales growth (%)	23.9	7.6	5.2	-11.0
Operating income (Ymn)	1,594	1,758	1,770	53
Ordinary income (Ymn)	1,592	1,750	1,700	22
Ordinary income margin (%)	28.1	28.7	26.5	1.6
Net income attributable to owners of parent (Ymn)	1,087	870	979	-15
Net income per share (Y)	27.74	22.77	25.63	-0.41
Net assets (Ymn)	4,205	3,606	4,317	4,049
Total assets (Ymn)	5,534	4,897	6,221	5,632
Net assets per share (Y)	106.69	92.04	111.21	104.25
ROA (%)	29.3	34.0	30.6	0.4
ROE (%)	26.3	24.2	25.2	-0.4
Equity-to-asset ratio (%)	75.1	71.8	68.3	70.7
CoGS (Ymn)	1,028	1,074	1,388	342
SG&A (Ymn)	3,049	3,271	3,260	991

※Per-share data adjusted for past stock splits.

# Sales breakdown, other indicators, cash flow statement

Sales breakdown (Ymn)	FY2021	FY2022	FY2023	FY2024 Q1
Data network services	2,061	2,100	1,462	332
Data utilization services	3,610	4,003	4,434	928
Other services	—	—	521	127

Other indicators	FY2021	FY2022	FY2023	FY2024 Q1
No. of hospitals with paid contracts for 'MDV Act'	—	—	638 ※	652 ※
No. of hospitals using 'EVE'	770	741	718 ※	669 ※
No. of hospitals using 'Medical Code'	250	233	207	204
No. of patients in MDV large-scale medical database (10,000)	3,849	4,232	4,600	4,708
No. of patients in insurer database (10,000)	762	1,797	2,102	2,256

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

Cash flow statement (Ymn)	FY2021	FY2022	FY2023
Cash and cash equivalents at beginning of period	3,177	3,202	2,264
CF from operating activities	1,082	910	1,619
CF from investing activities	-26	-868	-437
CF from financing activities	-1,030	-979	-225
Net increase(decrease) in cash and cash equivalents	25	-937	953
Cash and cash equivalents at end of period	3,202	2,264	3,218

# Balance sheet

Balance sheet (Ymn)	End-FY2021	End-FY2022	End-FY2023	FY2024 Q1
Current assets	4,525	3,524	3,524	4,009
Cash and deposits	3,221	2,264	2,264	2,854
Accounts receivable – trade	1,058	967	967	807
Contract assets	–	16	16	14
Raw materials	11	13	13	4
Other	235	265	265	338
Allowance for doubtful accounts	-2	-2	-2	-10
Non-current assets	1,009	1,372	1,372	1,623
Property, plant and equipment	140	137	137	260
Intangible assets	227	259	259	84
Investments and other assets	641	975	975	1,278
Total assets	5,534	4,897	4,897	5,632
Current liabilities	1,243	1,206	1,206	1,473
Accounts payable – trade	97	93	93	123
Income taxes payable	400	95	95	49
Contract liabilities	–	755	755	749
Other	746	262	262	551
Non-current liabilities	85	84	84	109
Asset retirement obligations	72	71	71	96
Other	12	12	12	12
Total liabilities	1,328	1,291	1,291	1,583
Shareholders' equity	4,156	3,535	3,535	4,021
Share capital	992	992	992	992
Capital surplus	1,763	1,838	1,838	1,838
Retained earnings	2,879	3,045	3,045	3,531
Treasury shares	-1,479	-2,341	-2,341	-2,341
Total accumulated other comprehensive income	–	-19	-37	-39
Share acquisition rights	–	–	3	3
Non-controlling interests	49	90	65	63
Total net assets	4,205	3,606	3,606	4,049
Total liabilities and net assets	5,534	4,897	4,897	5,632

## Contacts

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

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