

Supplementary Materials (business overview)

Medical Data Vision Co.,Ltd.

(Code : 3902)

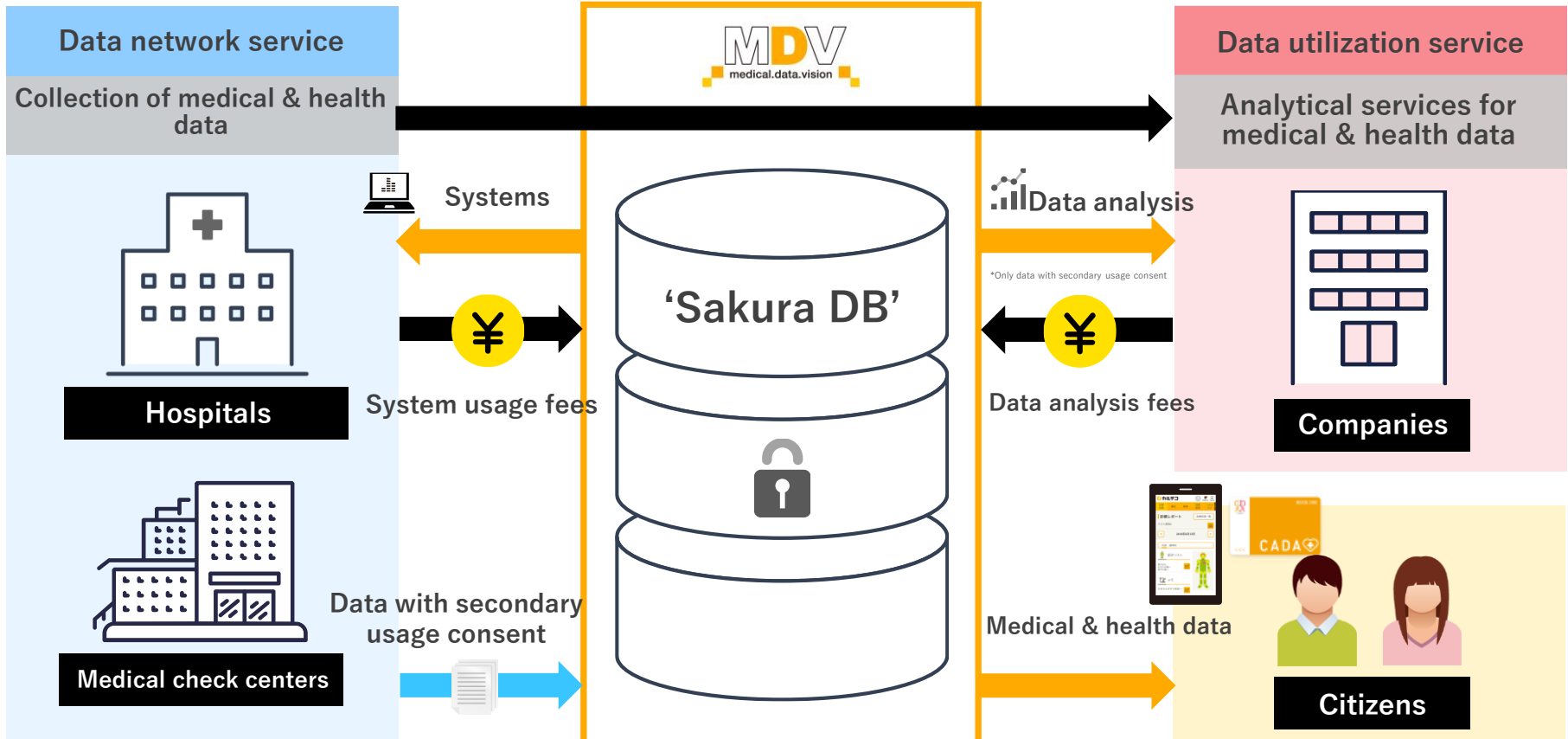
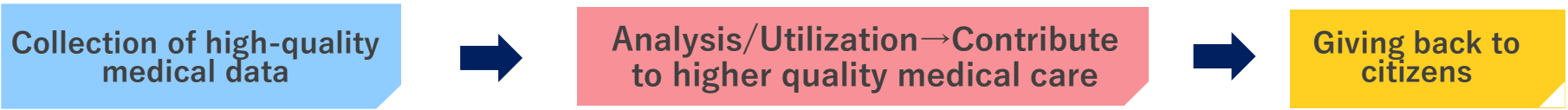
August 8, 2024

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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

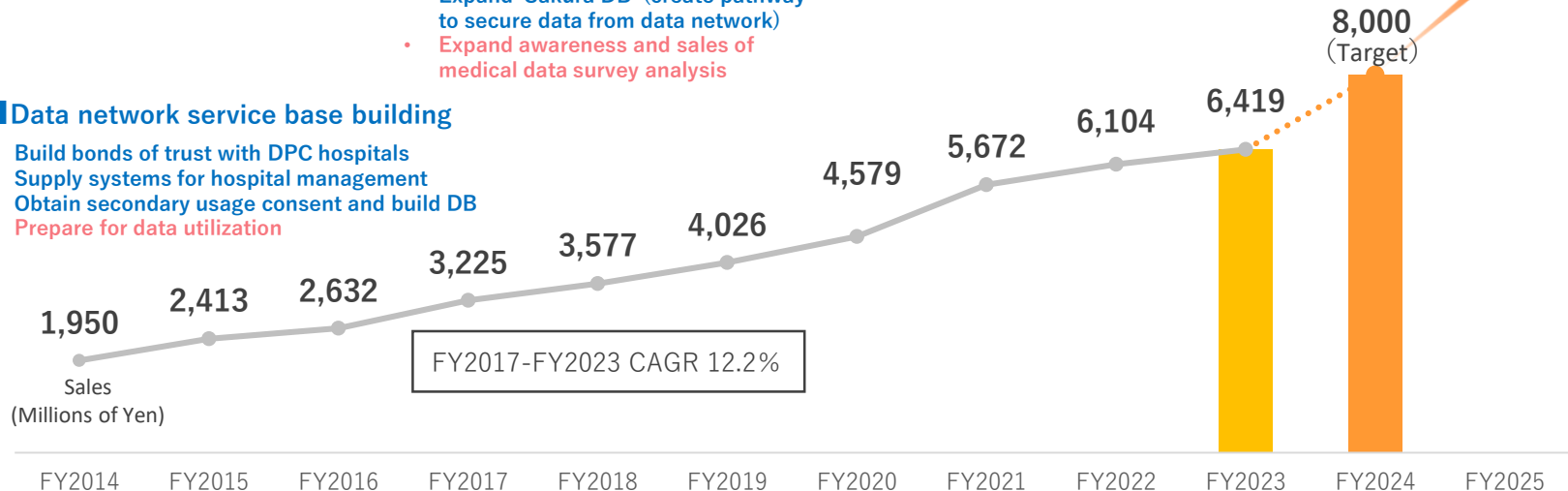
- Business growth amid market expansion
- Begin further strengthening data and DB
- M&A to accelerate growth
- Consider scheme to return information to citizens

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

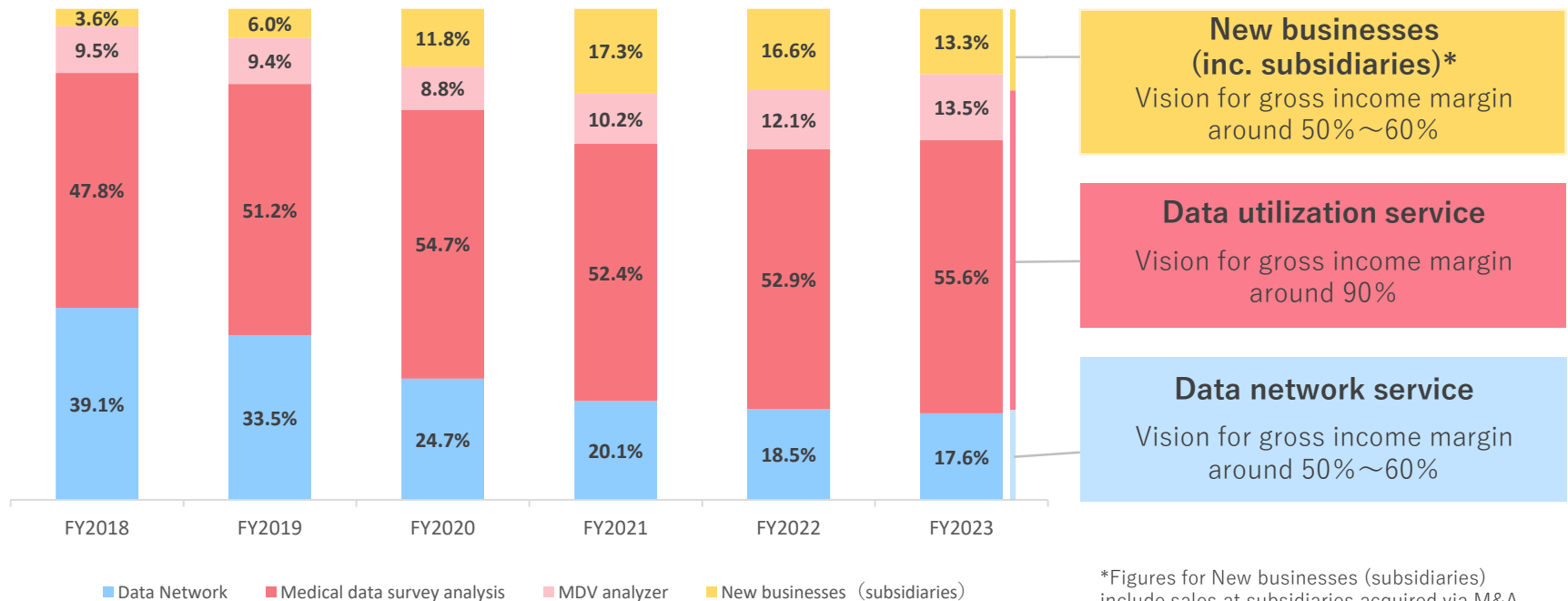
Data network service base building

- 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**



*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 (48.00mn 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 (22.97m 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

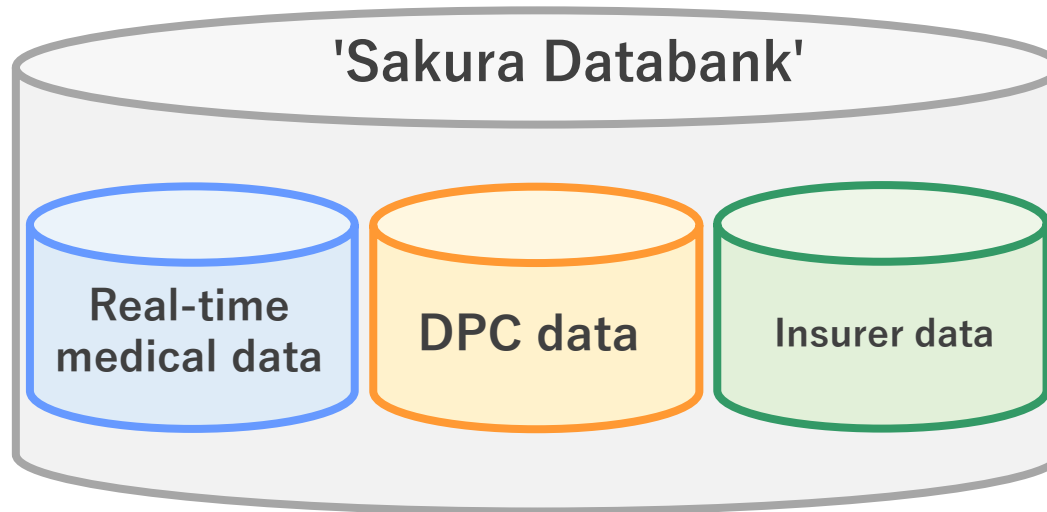
Current business opportunities/challenges and the direction of growth

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

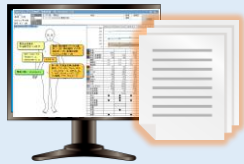
	Opportunities	Challenges
Data network service	<ul style="list-style-type: none">• Grow sales partners via shift to cloud• Nationwide medical check system sales• Room to expand the scope of subsidiary operations	<ul style="list-style-type: none">• Sluggish on-premises services• Slow growth in new services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

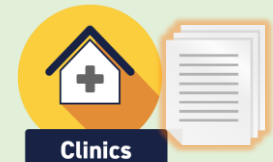
Data focus on treatment/surgery of acute diseases

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

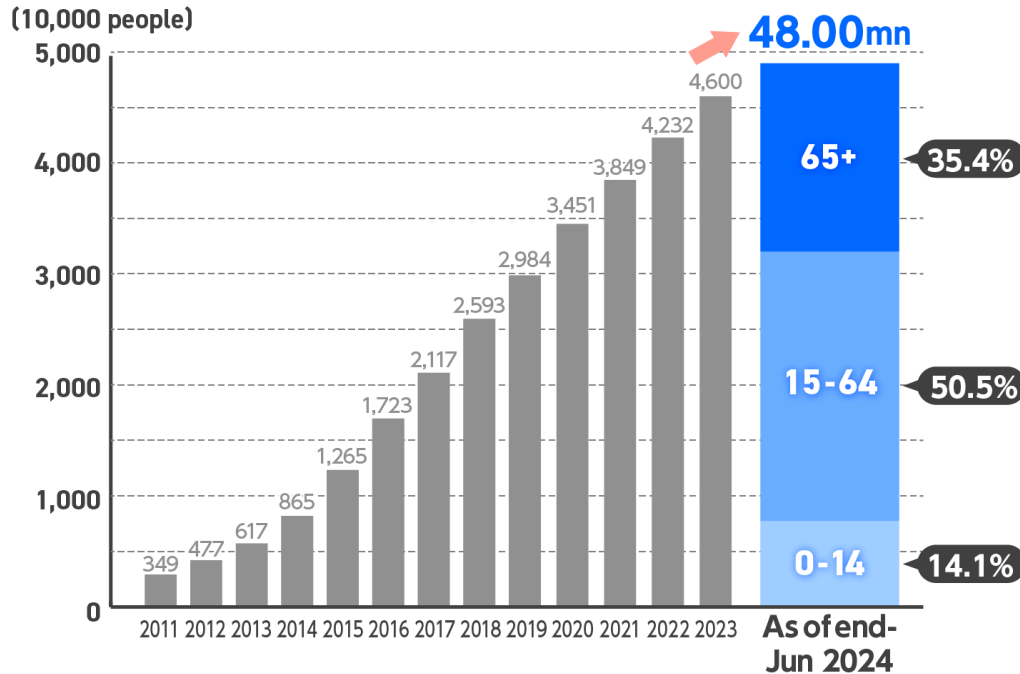
Elderly Data
(National Health Ins. + Elderly in the Latter Stage of Life)

Medical database that has both quality and volume

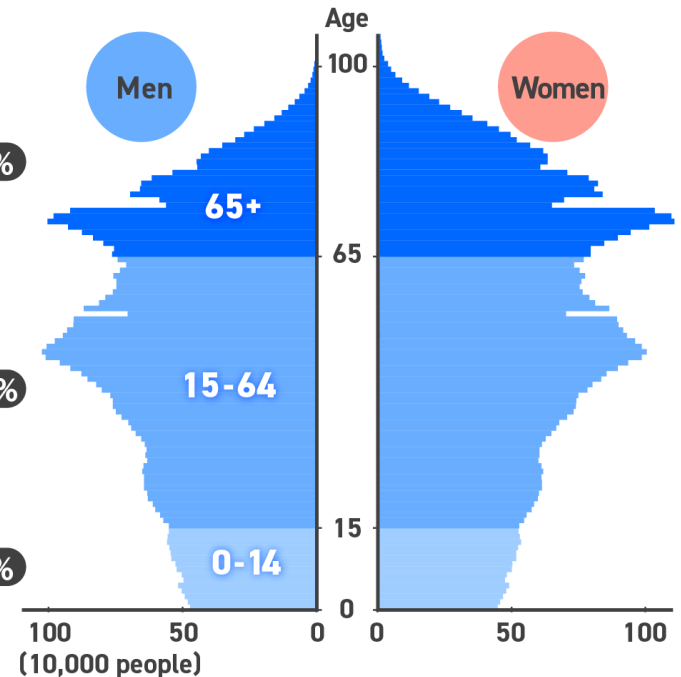
No. of patients in medical database exceeds 48mn (48.00mn at end-Jun 2024)

Age distribution of database roughly matches Japan's population pyramid

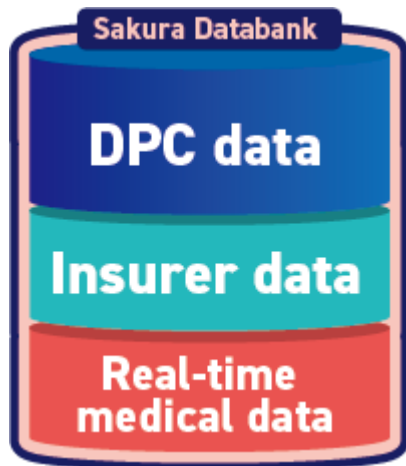
No. of patients in medical database



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 June 2024)

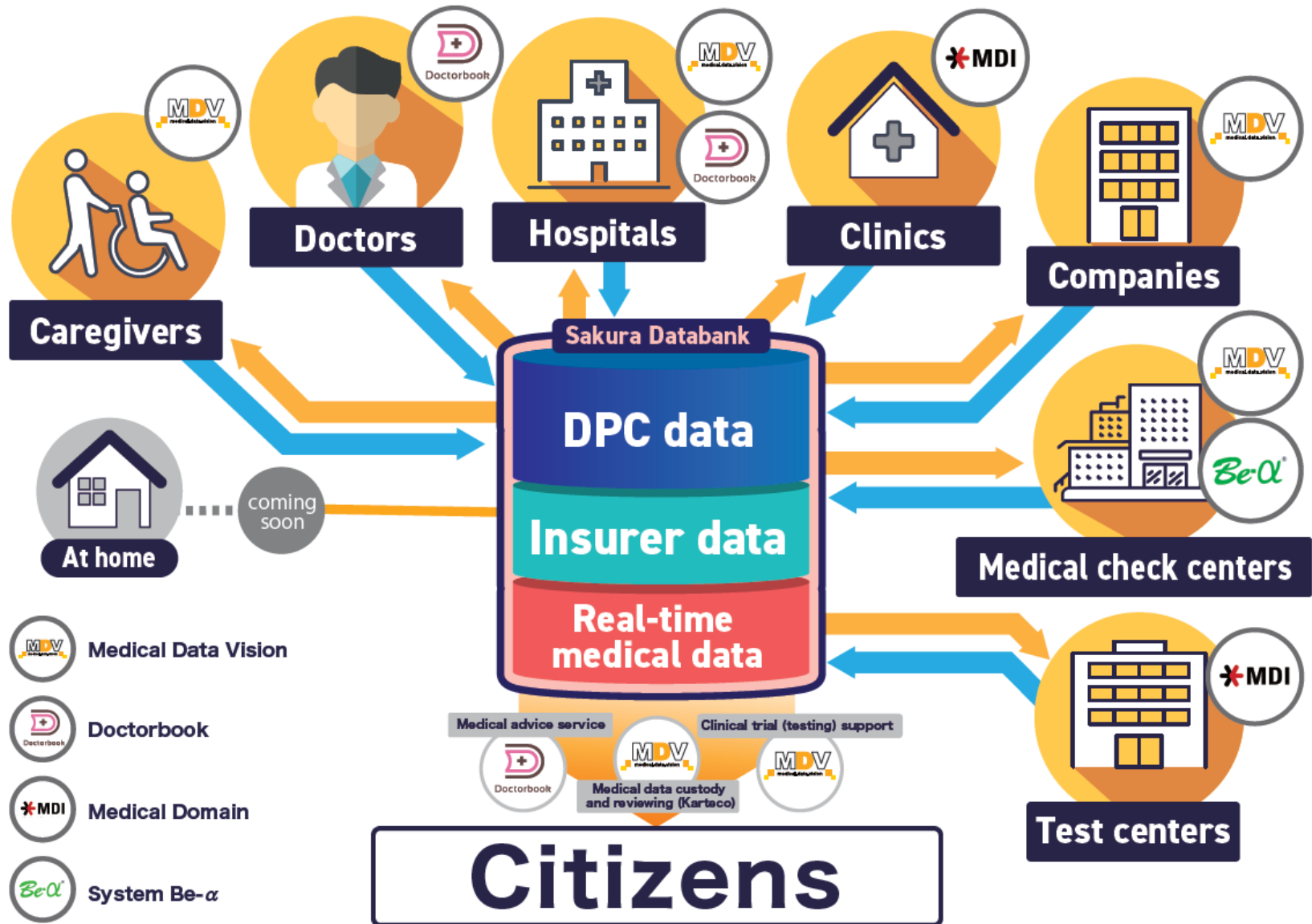


Company Name	Medical Data Vision Co.,Ltd.								
Established	August 20 , 2003								
Head Office	Sumitomo Fudosan Kanda Building 10F, 7 KandaMitoshirocho,Chiyoda-ku,Tokyo								
Number of Employees	297 employees(Number of employees in the group)								
Capital	JPY 992,661,739								
President and CEO	Hiroyuki Iwasaki								
TSE code / TSE market	3902 / Tokyo Stock Exchange Prime Market (Listed on Mothers market in December 16, 2014)								
Major Shareholders	<table border="0"> <tr> <td>SBI Holdings, Inc.</td> <td>(33.66%)</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.	(33.66%)	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
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 & 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



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	625		
Non-recurring	68	107	151	252	67	135	168	237	72	133	158	256	48	50		
Recurring	220	443	665	886	222	443	664	890	230	442	655	875	220	428		
New Business (Subsidiaries)	262	455	684	922	200	393	673	973	86	146	239	330	63	146		
Karteco	–	–	–	–	–	–	–	–	–	–	–	–	0	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	1,904		
MDV analyzer	114	245	403	578	186	372	549	735	217	443	657	865	225	453		
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	1,451		
Other service total sales	–	–	–	–	–	–	–	–	147	271	402	521	127	249		

※ 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 Q2
Net sales (Ymn)	5,672	6,104	6,419	2,780
Net sales growth (%)	23.9	7.6	5.2	-7.4
Operating income (Ymn)	1,594	1,758	1,770	26
Ordinary income (Ymn)	1,592	1,750	1,700	-32
Ordinary income margin (%)	28.1	28.7	26.5	-1.2
Net income attributable to owners of parent (Ymn)	1,087	870	979	-86
Net income per share (Y)	27.74	22.77	25.63	-2.27
Net assets (Ymn)	4,205	3,606	4,317	3,975
Total assets (Ymn)	5,534	4,897	6,221	5,600
Net assets per share (Y)	106.69	92.04	111.21	102.33
ROA (%)	29.3	34.0	30.6	-0.5
ROE (%)	26.3	24.2	25.2	-2.1
Equity-to-asset ratio (%)	75.1	71.8	68.3	69.8
CoGS (Ymn)	1,028	1,074	1,388	719
SG&A (Ymn)	3,049	3,271	3,260	2,034

※Per-share data adjusted for past stock splits.

Sales breakdown, other indicators, cash flow statement

Sales breakdown (Ymn)	FY2021	FY2022	FY2023	FY2024 Q2
Data network services	2,061	2,100	1,462	625
Data utilization services	3,610	4,003	4,434	1,904
Other services	—	—	521	249

Other indicators	FY2021	FY2022	FY2023	FY2024 Q2
No. of hospitals with paid contracts for 'MDV Act'	—	—	638 ※	674 ※
No. of hospitals using 'EVE'	770	741	718 ※	663 ※
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	4,800
No. of patients in insurer database (10,000)	762	1,797	2,102	2,297

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

Cash flow statement (Ymn)	FY2021	FY2022	FY2023	FY2024 Q2
Cash and cash equivalents at beginning of period	3,177	3,202	2,264	3,218
CF from operating activities	1,082	910	1,619	-88
CF from investing activities	-26	-868	-437	-490
CF from financing activities	-1,030	-979	-225	-246
Net increase(decrease) in cash and cash equivalents	25	-937	953	-824
Cash and cash equivalents at end of period	3,202	2,264	3,218	2,393

Balance sheet

Balance sheet (Ymn)	End-FY2021	End-FY2022	End-FY2023	FY2024 Q2
Current assets	4,525	3,524	3,524	3,655
Cash and deposits	3,221	2,264	2,264	2,393
Accounts receivable – trade	1,058	967	967	777
Contract assets	–	16	16	11
Raw materials	11	13	13	6
Other	235	265	265	478
Allowance for doubtful accounts	-2	-2	-2	-10
Non-current assets	1,009	1,372	1,372	1,945
Property, plant and equipment	140	137	137	245
Intangible assets	227	259	259	77
Investments and other assets	641	975	975	1,621
Total assets	5,534	4,897	4,897	5,600
Current liabilities	1,243	1,206	1,206	1,515
Accounts payable – trade	97	93	93	101
Income taxes payable	400	95	95	104
Contract liabilities	–	755	755	949
Other	746	262	262	360
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	1,625
Shareholders' equity	4,156	3,535	3,535	3,950
Share capital	992	992	992	992
Capital surplus	1,763	1,838	1,838	1,838
Retained earnings	2,879	3,045	3,045	3,460
Treasury shares	-1,479	-2,341	-2,341	-2,341
Total accumulated other comprehensive income	–	-19	-37	-41
Share acquisition rights	–	–	3	5
Non-controlling interests	49	90	65	61
Total net assets	4,205	3,606	3,606	3,975
Total liabilities and net assets	5,534	4,897	4,897	5,600

Contacts

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

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