

Integrated Report 2024

Medical Data Vision Co., Ltd.



Philosophy

MDV's Management Philosophy



Our Mission

We will promote the use of ICT in the fields of medicine and healthcare and strive to make advanced use of information.





Our Goal

Our goal is to innovate in the medical and healthcare fields in Japan to create benefits for everyone in their daily life.



Our Pledges

◆ To everyone involved in medicine and healthcare

We aim to think things through from your perspective and develop together through problem-solving.

◆ To our colleagues

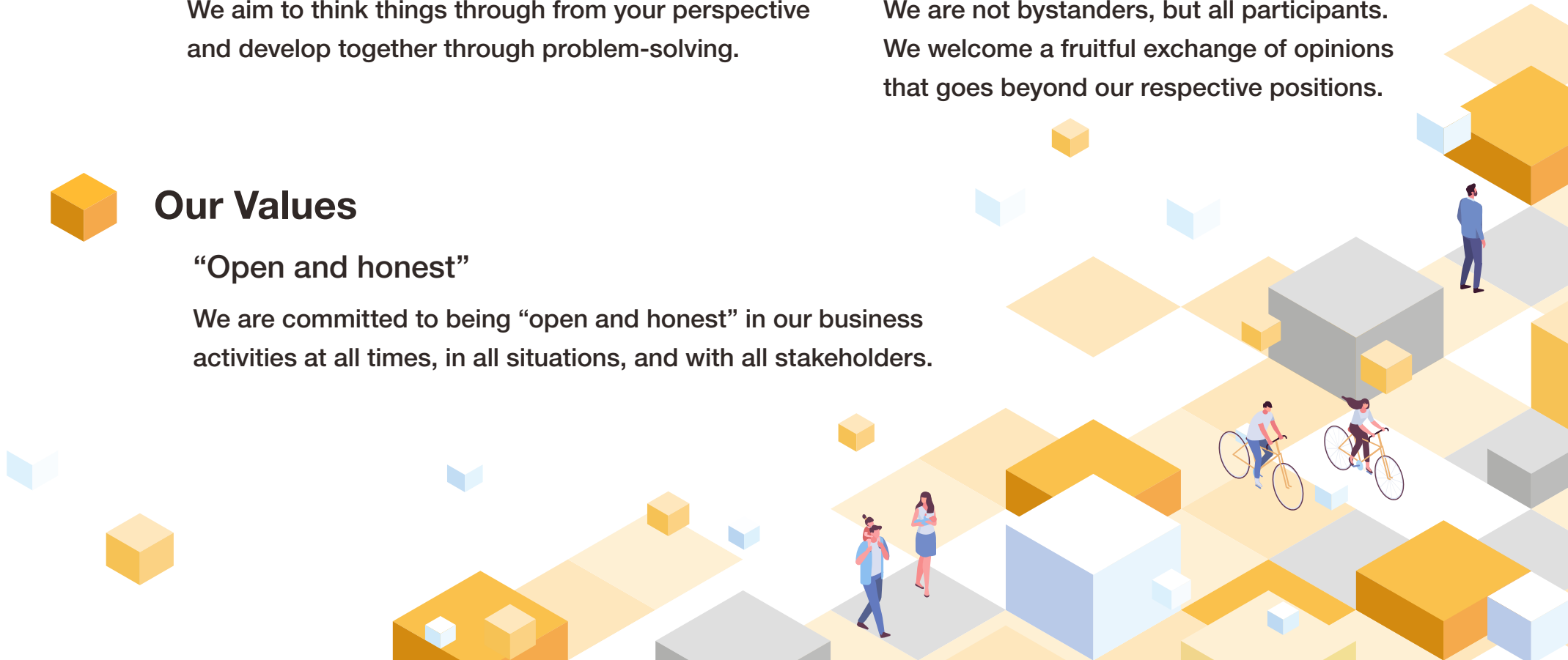
We are not bystanders, but all participants. We welcome a fruitful exchange of opinions that goes beyond our respective positions.



Our Values

“Open and honest”

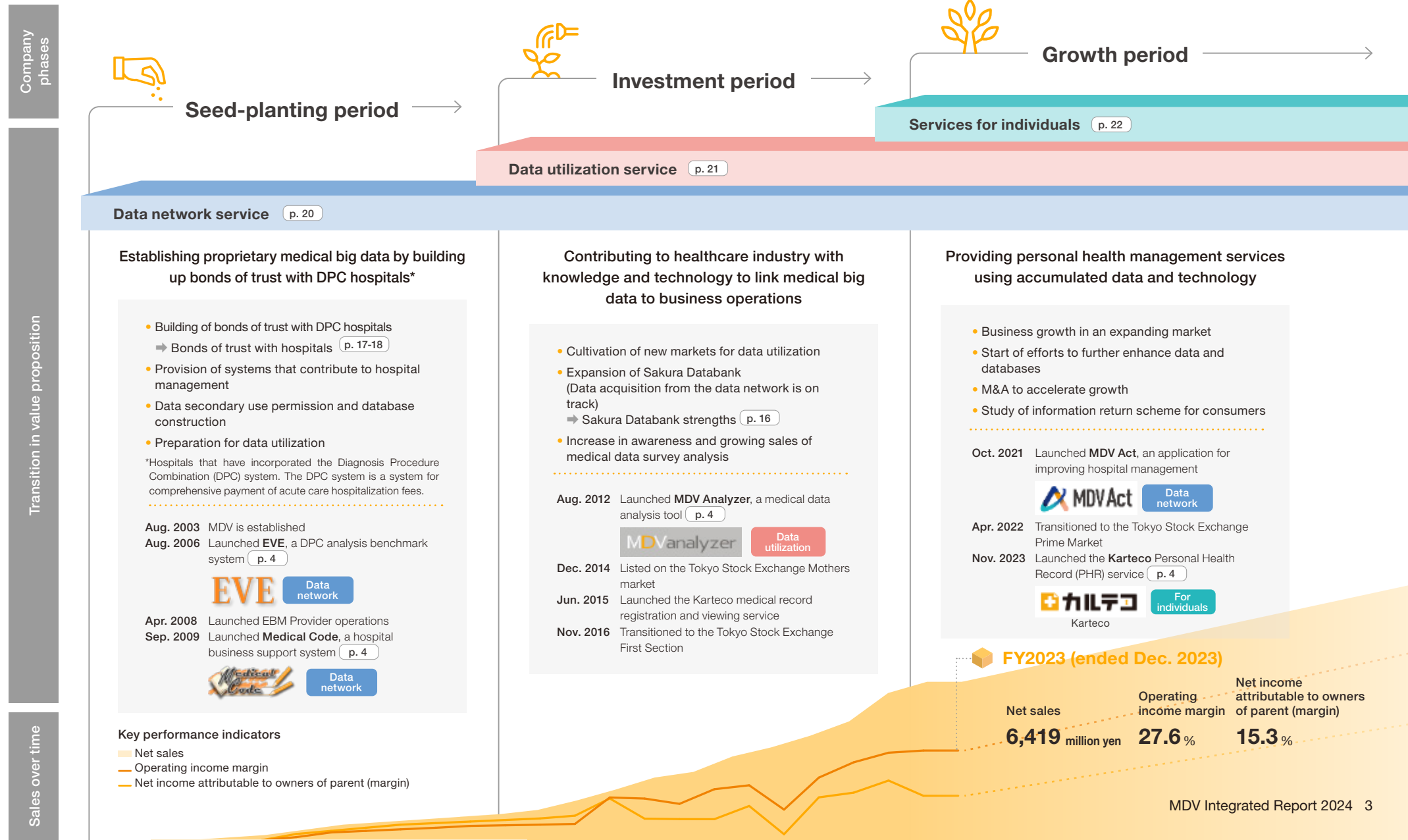
We are committed to being “open and honest” in our business activities at all times, in all situations, and with all stakeholders.



History

MDV's History

Since our founding, we at Medical Data Vision have steadily expanded our business domain, growing our sales and overall scale to help realize a society where individuals can keep track of their lifetime medical and healthcare data, and can select necessary medical and health services based on their own data.



History Solving Customer Issues through Products and Services



1 Data network service

For medical institutions and health check centers

EVE

Customer issues

- Want to understand the position and challenges of their own hospital with the introduction of the DPC system

Our DPC management system can analyze the difference between volume-based billing and DPC billing, as well as analyze and benchmark various indicators such as the number of patients, length of hospital stay, and medical resources by disease and case versus other hospitals.

The benchmarking function for comparison with other hospitals allows hospital managers to identify trends and characteristics at their own facility, understand its strengths and weaknesses, and enable specific discussions about medical policies, which are the foundation of hospital management.

For details (Japanese only): <https://www.mdv.co.jp/solution/medical/hospital/eve/>



Customer issues

- Want to analyze DPC data
- Want to save time and effort in preparing documents

Utilizing standard format data such as DPC data and electronic health insurance claims data, we provide multifaceted support for hospital management, including hospital cost accounting and improvement of medical care unit costs. Unlimited user registration enables smooth information sharing within the hospital, helps to reform mindsets and drive actions to enable management improvement.

For details (Japanese only):

https://www.mdv.co.jp/solution/medical/hospital/medical_code/

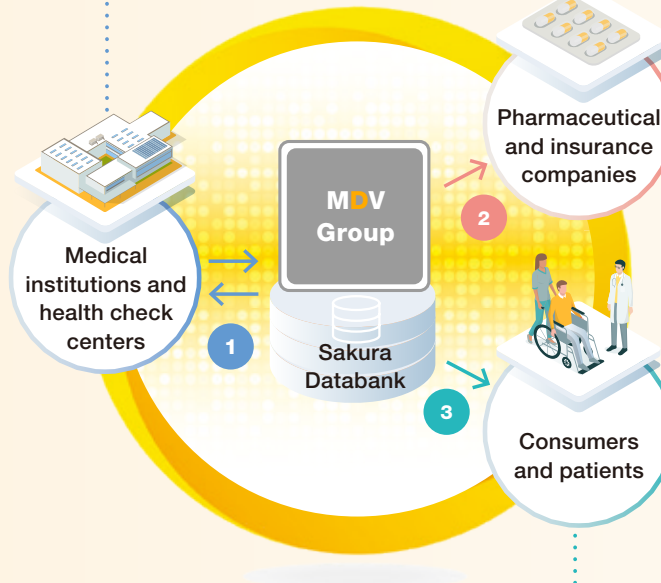


Customer issues

- Want to analyze DPC data
- Want to save time and effort in preparing documents

Our cloud-based applications utilize existing products such as EVE and Medical Code as an entry point for analysis, capable of listing indicators necessary for hospital management analysis. Even those unfamiliar with analysis can easily identify overall hospital management issues and areas for improvement (all bed functions, including outpatient and community comprehensive care wards) and document them without hassle.

For details (Japanese only): <https://portal-ap.mdv.co.jp/app/mdv-act/>



2 Data utilization service

For healthcare and insurance companies

MDV analyzer

Customer issues

- Want to know prescription status of their products
- Want to compare market share with competitors' products

Our web-based analysis tool allows customers to easily grasp their number of patients, prescription days, prescription volume, etc., based on Japan's largest medical database. It enables analysis based not only on diseases and drugs, but also multivariate analysis based on actual medical practices such as surgeries and examinations.

For details: <https://en.mdv.co.jp/ebm/>

Ad hoc survey service

Customer issues

- Want to know prescription status of their products
- Want to compare market share with competitors' products

Our service provides tailor-made reports and other services to meet customers' needs. Analysis for research papers is also available.

3 Services for individuals

For consumers and patients



Karteco

Customer issues

- Want to manage one's own health as well as loved ones'

The Karteco service allows users to manage their own health and that of their loved ones. In addition to the function of recording medical information, the application version of Karteco allows measurement of vitals such as pulse rate, respiratory rate, and autonomic nervous system using a smartphone.

Based on the measurement results, we recommend a simple test kit that can be used at home.

Karteco helps users notice slight changes in the user's (and their family's) physical condition in daily life, and helps prevent and detect illnesses at an early stage.

For details (Japanese only): <https://karteco.jp/>

For the app:



At a Glance

MDV supports medical care based on overwhelming data



Facilities using MDV services

Number of contracted medical institutions

Over **1,200**



Support track record

Number of inquiries

5,286 per year

Regional study sessions for users

Total **10,466** facilities



Databases

Patients with hospital data

46 million patients

Insured patient database

21.02 million patients

Note: FY2023 (ended Dec. 2023)

Net sales

6.4 billion yen

Ordinary income

1.7 billion yen

Number of employees

262

Year-on-year
sales growth

+5.2%

ROE

25.2%

Note: FY2023 (ended Dec. 2023)

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Editorial Policy

This Integrated Report is the first published by Medical Data Vision. It is designed to serve as an important communication tool with our shareholders, investors, and other stakeholders. In creating this report, we seek to build greater communication and value creation by providing easy-to-understand information about our business model, our goals, and our efforts to create value.

Note: Amounts are rounded down to the nearest million yen, while percentages are rounded to the nearest unit.

Referenced Guidelines

- GRI Standards
- IFRS Foundation Integrated Reporting Framework
- Task Force on Climate-related Financial Disclosures (TCFD) Guidelines
- Ministry of Economy, Trade and Industry Guidance for Collaborative Value Creation 2.0
- Ministry of Economy, Trade and Industry Ito Report on Human Capital Management 2.0

Organizations in Reporting Scope

Medical Data Vision Co., Ltd. and its group companies

Reporting Period

January 1 to December 31, 2023

(Some information outside of this period is also provided.)

Publication Date

June 2024

Caution Regarding Future Outlooks

Forward-looking statements in this report, such as performance forecasts, are based on currently available information and are judged to be reasonable, but are subject to uncertainties.

Actual results may differ due to various factors.

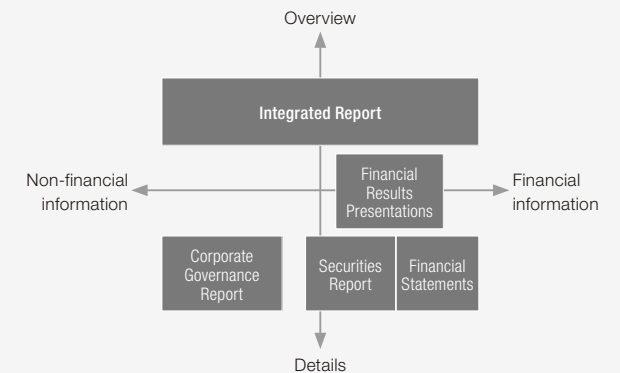
Other Media

Corporate website: <https://en.mdv.co.jp/>

Investor relations page: <https://en.mdv.co.jp/investor-relations/>

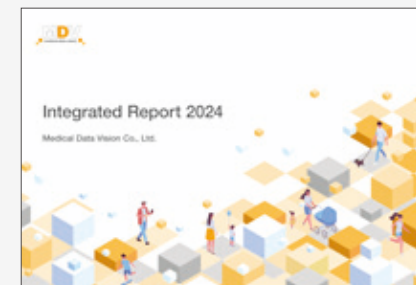
Sustainability page: <https://en.mdv.co.jp/sustainability/>

Information Structure



Cover Design

The cover is a representation of the world we want to create, including a society where data is accessible and all individuals can lead a life true to themselves.



Note: In this report, "MDV" refers to Medical Data Vision.

Message from the CEO

Using big data to improve healthcare quality and build a healthcare environment with active consumer participation

Becoming a leading medical big data holder in Japan by building a network with medical institutions

As the company name suggests, Medical Data Vision was born in 2003 with a vision, inspired by data, about how we could build an ideal future for medical care. But why would I, someone from the multimedia industry, jump over to healthcare to start a data business? It all started with a sense of urgency that I felt while researching the medical industry. Medical fees are determined uniformly according to the nature of medical treatment, and departments with heavy workloads are short-staffed. Compared to other industries, ICT for healthcare information was lagging far behind, and data was not being utilized. Medical practitioners in the field were exhausted because their work had not been streamlined at all, while patients were left feeling anxious because they had no opportunity to accurately understand their own medical and health information.

At the time, problems such as the refusal to accept pregnant and nursing mothers for emergency transport were becoming apparent, which imbued me with a mission to achieve. This sense of what I could do to contribute became what is now our business model. That contribution would be to improve the quality of medical care by accumulating healthcare-related big data and achieving what is called "evidence-based medicine," or EBM. Not only that, but medical data would be fed back to individuals to achieve patient-oriented care through self-management and self-utilization. To achieve this, our mission at the beginning of our business was to gain the trust of medical institutions and physicians, the source of this data, and we launched MDV as a player in the hospital management support business.

After almost 20 years since this founding, we now have two main pillars of business. The first is our data network services, where we provide hospitals with management analysis systems and accumulate medical information for which the hospitals have given permission for secondary use. Under Japan's DPC (diagnosis procedure combination) system, we launched EVE, a DPC analysis benchmark system for hospitals, and Medical Code, a hospital business support system, providing these on-premises* and building up our brand. Utilizing our accumulated expertise, we are currently helping hospitals to achieve high-quality medical care and efficient management with a core focus on our cloud-based service MDV Act, which we have evolved to stay in line with current trends. In developing this service, we focused on ensuring absolute ease of use and a rigorous maintenance system that leverages our IT insights. In collecting data, it is essential to have relationships of trust, offer benefits to data providers, and ensure risk management to justify our ability to receive such important information. In addition to gaining the trust of hospitals through a generous support system that includes call centers, seminars, and study sessions, we also established a user group to provide a forum for hospitals to exchange information on how the system is being used and to build horizontal ties. Currently, approximately 1,200 facilities across Japan, mainly DPC hospitals, have implemented our solutions. Since creating these services, we have continued to make improvements based on user feedback, and we believe that we are the only company with a data collection model that continues to grow as it is used, ensuring a long-term useful lifespan.

The second pillar is our data utilization services, where we analyze accumulated medical information and provide it to institutions such as pharmaceutical companies and research institutes. Through these institutions, we make broad contributions to drug discovery, the improvement of medical products, and education about disease mechanisms. We are also taking on the challenge of utilizing data for consumers, the people we have endeavored to serve from the very beginning, to help them in everyday scenarios. Thanks to the direct data pipeline from medical institutions, we are able to provide speedier updates and higher-quality data analysis based on a significant volume of data, including abundant data on the elderly population and insured patient data.



Hiroyuki Iwasaki
President

Message from the CEO

Although we operated at a loss for the first five years of our existence, we have pushed forward with the belief that if we continue to do what is right and fair, we will earn society's acceptance, and with belief in the power of persistence, something I learned from my mother who never gave up on anything. Sometimes a company offers the unique ability to cut into issues that the industry has been only vaguely aware of. As a result of our steady efforts, we have built a strong network of medical institutions and physicians, and our medical big data, which now boasts the largest quantity and quality in Japan with data on one in every three people, gives us an unrivaled competitive advantage. We have made "open and honest" one of our management philosophies, and we teach our employees the importance of this as the basis of our way of life.

*On-premises: A form of information system in which the user company owns, builds, and operates its own servers, a common form of system operation until the use of cloud services became widespread

Expanding data utilization services for individuals under the medium-term management plan

In 2015, we released Karteco, a medical information storage and viewing service for individuals, and launched a personal health record (PHR) business that enables self-management and utilization of medical and health information. I personally see the service as a type of infrastructure that deals one-on-one with consumers and creates culture and habits that make it more natural for consumers to participate in healthcare. In order to create a society where citizens can participate in healthcare, which was our initial desire and goal when we started the company, we are now envisioning a scenario to expand our data utilization business based on our strength in big data for the next stage of growth.

Our roadmap for this is a series of key materiality issues identified in 2022, which are the basis for our medium-term management plan with the theme of "further strengthening the data acquisition base and forge open alliances." This plan's final year is FY2025, ending December 2025. The MDV Group's vision is to harness data to realize "a society where individuals can track and understand their lifetime medical and healthcare data" and "a society where individuals can select necessary medical and healthcare services based on their lifetime data."

The base for further strengthening our data acquisition capabilities is now in place with the release and migration of MDV Act, a cloud-based application for improving hospital management that has already been adopted by approximately 1,200 hospitals, evolving from the previous on-premises model. Going forward, we aim to further expand our customer base and the types of data we accumulate by enhancing functionality on the cloud. A specific example is the 2023 upgrade of Karteco to newly incorporate sensing functionality for measuring autonomic balance, pulse rate, and respiration rate simply by taking a video of the user's face with a smartphone. While individuals tend to be less concerned with their own health, the app's concept of health management for the user and their treasured family is intended to lower barriers for product adoption and to expand sales as a common health data tool covering the entire family (including the users themselves and pets) through demonstrating the appeal of safeguarding the health of family members and pets. This, in turn leads to raised awareness about the user's own health. In addition, we plan to build a new pillar in our network services by expanding sales of the cloud-based health checkup system ALPHA-SALUS and linking its information with Karteco to strengthen the field of health checkups, including via online medical services (Online Doctor Bank (ODB)) that bridge accumulated medical data with health checkup data, and via recommendations for medical examinations for patient re-examinations after health checkups.

The implementation of such complex services is crucial to drive true behavior change in healthcare, and collaboration with a variety of companies is essential to this end. In addition to investing in companies collaborating in the insured patient data area and companies with sensing technology implemented in Karteco, we will work to enter adjacent fields and expand our market share in the fast-growing

medical big data market through alliances with strong market players, including areas such as sales of physical test kits. Most recently, MDV has achieved net sales of 6.419 billion yen and ordinary income of 1.7 billion yen for the fiscal year ended December 2023, and we aim to achieve more than 10 billion yen in net sales and 2.5 billion yen in ordinary income for the fiscal year ending December 2025.

Fostering an organizational culture that encourages growth without fear of failure

In order to create an unprecedented medical model, it is essential to foster an organizational culture that encourages growth without fear of failure. In our conduct guidelines, we highlight several key words, including "goal-setting," "dynamic action," "wisdom," "speed," "cheerful greeting," "smiling," "potential," "team orientation," and "dialogue," in addition to our core philosophy of "open and honest." In addition, we have developed a new model of the kind of human resources we seek, modeled after those who are able to take on challenges with a sense of speed, going out to obtain knowledge and information on their own. We are also placing emphasis on new graduate recruitment and developing infrastructure such as training and evaluation systems. We believe that in building this culture within the healthcare industry and among consumers, we should first focus on tackling the challenge of building it within our own company.

Furthermore, our belief is that the ultimate satisfaction in our work comes from contributing to the joy and happiness of others. For myself, this perspective offers me the greatest reason to persistently evolve this business, since it allows us to contribute to the health of all mankind, and human happiness is fundamentally based on health. My intent is to share this concept with my colleagues, to begin by building an organizational culture within MDV, and then move forward as a team that always holds our dreams and goals close to our hearts.

Today, though medical technology is advancing alongside general technological evolution, many people are concerned and distrustful when it comes to day-to-day medical dealings. This makes it important to build relationships of trust between doctors and patients based on objective evidence so that they can talk with each other as equals, and to improve medical literacy so that each individual can understand his or her own health and illness, choose medical and health services on his or her own, and engage in early prevention and treatment. In Japan, the world's first super-aging society, we aim to achieve sustainable growth by solving problems through our business and fulfilling our mission of realizing healthcare in which consumers play a leading role. I hope you all will closely watch our continued work to tackle social issues in our "open and honest" style.



Value Creation Process

Materiality Issues p. 10-11

Contributing to a decarbonized society

Realizing a society where individuals can keep track of their lifetime medical and healthcare data, and can select necessary medical and health services based on their own data

Helping to secure reliable medical data infrastructure and improve the quality of medical care

Generating innovation through creative, proactive human resources with collaboration skills

Enhancing our corporate governance system

Basic Sustainability Policy

p. 23

Input

Business Model/Output

Outcome

Management Capital

p. 12-18

Financial capital

- Cash and deposits: Approx. **3.2** billion yen
- Net assets: Approx. **4.3** billion yen
- Equity-to-assets ratio: **68.3%**

Human capital

- Human resources with extensive knowledge of the medical and pharmaceutical industries
- Scientists who work with big data

Social capital

- Strong customer base
 - Relationships of trust with medical institutions
 - Number of contracted medical institutions: Over 1,200
- Brand power as a pioneer

Intellectual capital

- Sakura Databank
- Japan's largest database of high-quality medical big data (DPC: 46 million people; insured: 21.02 million people)
- Data cleansing expertise

Medium-term Management Plan

p. 19

Expansion of Capital

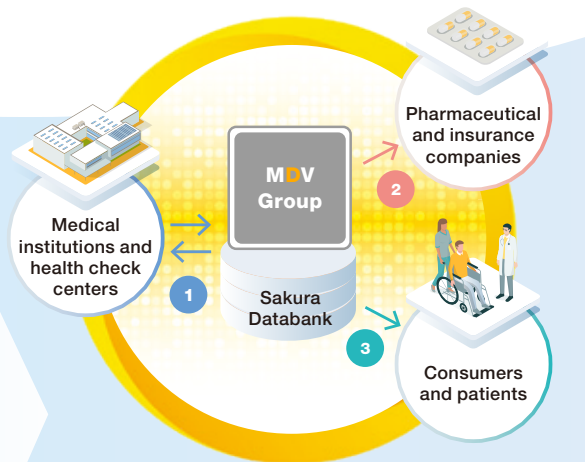
Human resource development policy and environment improvement

Open alliances

Database expansion

Business Model

p. 12



1

Data network service

p. 20

For medical institutions

- Providing data solution systems for DPC-eligible hospitals
- Management analysis systems

2

Data utilization service

p. 21

For pharmaceutical and insurance companies

Providing analysis results and ad hoc surveys, having received secondary usage permission and anonymized the data

3

Services for individuals

p. 22

For individuals

A PHR web service that enables users to view their medical records and health check results from medical institutions on their smartphones, computers and other devices

Management Capital

Financial capital

- FY2025 (ending Dec. 2025)
Net sales: **10** billion yen
Ordinary income: **2.5** billion yen or higher

Human capital

- Cultivating proactive business development personnel through a culture and mechanisms that encourage them to take on challenges
- Cultivating human resources who can accept diverse values and ways of thinking and take part in co-creation

Social capital

- Solidifying our customer base through customer support systems and user groups
- Developing new services through collaborations with new alliance partners
- Popularizing the use of Karteco by leveraging close relationships with medical institutions and health check centers

Intellectual capital

- Expanding Sakura Databank
- Increasing the amount of medical and health check data through alliances and by acquiring new customers (system users)
- Accumulating knowledge by building a library of analysis results

Delivered Value

Shareholders and investors

Maximizing cash generation

Employees

Employee satisfaction and environment improvement so that employees can fully demonstrate their abilities

Business partners (medical institutions)

Soundness of hospital management
Maintaining and improving medical infrastructure

Business partners (pharmaceutical and insurance companies)

Development of new drugs and insurance products

Business partners (consumers and patients)

Improving the medical literacy of individuals

Management Philosophy

p. 1

Our mission

Our mission is to facilitate the effective utilization of data by promoting shifts to ICT in the medical and healthcare fields.

Our goal

Our goal is to innovate in the medical and healthcare fields in Japan to create benefits for everyone in daily life.

Risks, compliance and information security

p. 27

Governance

p. 26

Process for Identifying Materiality Issues

MDV has identified key materiality issues to prioritize in order to help create a society in which patients can select their own treatment.

We will promote initiatives for each materiality issue, with the aims of increasing corporate value and achieving sustainable growth.

Process for Identifying Materiality Issues

Step 1

Identification and Categorization of Sustainability Themes

In identifying social issues related to our business activities and mission, we have referred to global indicators including SASB, the GRI Standards and the SDGs, while also investigating industry trends and taking into account our business strategies and other topics based on interviews with executives and employees.

Step 2

Assessment of Importance Levels from the Perspective of MDV and Its Stakeholders

Having identified and categorized each sustainability theme, we evaluated their importance on two axes: importance to MDV, and importance to stakeholders.

Step 3

Proposal of Specific Materiality Issues











We used our importance level assessment to define potential themes that could become materiality issues, and came up with specific proposals based on each theme's relevance to our value creation process.

Step 4

Discussion and Determination of Materiality Issues

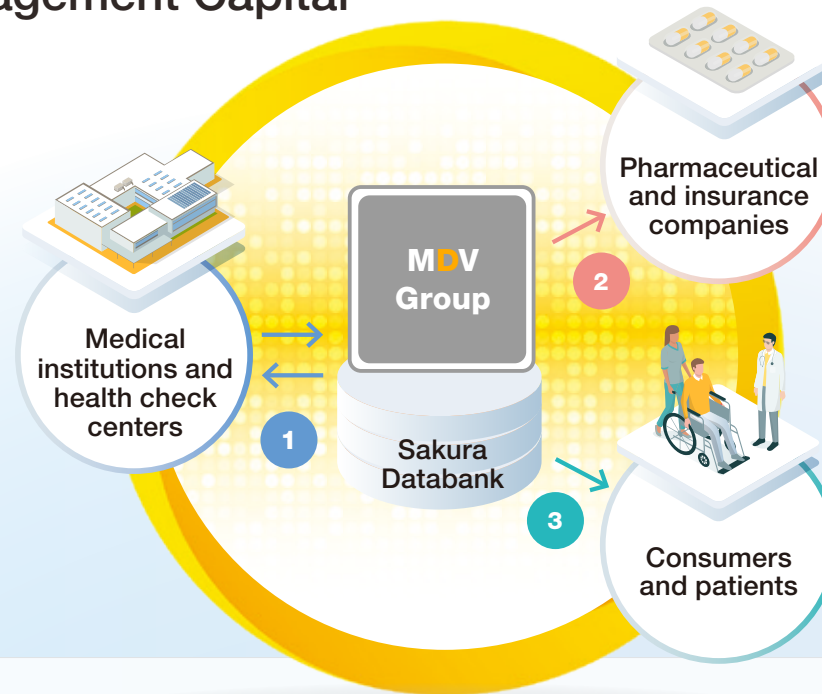
The Sustainability Promotion Committee discussed the specific materiality issue proposals to determine which ones should be prioritized in relation to our strategy, and reported the outcome to the Board of Directors.

List of Materiality Issues

Materiality issues		Specific reasoning	Relevant SDGs	Subject	Medium-term management plan initiatives and policies	
E	Contributing to a decarbonized society	<ul style="list-style-type: none"> Promoting energy and resource conservation through our businesses 	Addressing the issue of climate change is a key element for maintaining the health of individuals. As such, the MDV Group believes that it must consider the global environment in its business activities. In order to reduce the risk of damage to health as well as financial risks brought on by climate change, we will reduce greenhouse gas emissions and work with stakeholders to contribute to the realization of a sustainable society.	 	<ul style="list-style-type: none"> Medical institutions and health check centers Pharmaceutical and insurance companies Local communities 	<ul style="list-style-type: none"> Reducing travel-related GHG emissions by promoting remote medical diagnosis Reducing paper use through digitalization
	Realizing a society where individuals can keep track of their lifetime medical and healthcare data, and can select necessary medical and health services based on their own data	<ul style="list-style-type: none"> Providing highly accessible medical and healthcare data to individuals Helping to improve medical literacy so that individuals can choose appropriate care 	With the progression toward an ultra-aged society, MDV believes that health is the most important element in the pursuit of happiness for everyone. Our business helps individuals improve their medical and healthcare literacy for the sake of their own health, that of their families and of those around them, thereby helping to extend healthy life expectancies.	 	<ul style="list-style-type: none"> Medical institutions and health check centers Consumers and patients 	<ul style="list-style-type: none"> Expanding sales of cloud-based medical examination systems and promoting data links to Karteco Making BtoC investments in the healthcare field
	Helping to secure reliable medical data infrastructure and improve the quality of medical care	<ul style="list-style-type: none"> Promoting the use of ICT for medical and health information Improving productivity and operational efficiency at the medical frontline Contributing to faster development of new drugs through data trials Protecting and making use of intellectual property 	The MDV Group must always ensure the quality of the medical data it provides with the goal of promoting evidence-based medicine and helping to improve the quality of medical care. We conduct thorough data management to ensure data integrity for those who both hold and make use of it.	 	<ul style="list-style-type: none"> Business partners Individuals 	<ul style="list-style-type: none"> Expanding data infrastructure centered on the cloud Maintaining share of the expanding medical big data analytic services market Further strengthening our data acquisition capabilities
S	Generating innovation through creative, proactive human resources with collaboration skills	<ul style="list-style-type: none"> Improving the workplace environment to strengthen human resources Training and developing people to proactively take on challenges Encouraging diversity, equity and inclusion 	People are the MDV Group's source of value creation. We need to generate a wealth of ideas from human resources with diverse backgrounds. We will create an environment in which all current and future employees can work independently and enthusiastically, and foster a culture of taking on the challenge of creating new value.	 	<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> Acquiring talent and investing in human resources Moving into related fields through open alliances
	Enhancing our corporate governance system	<ul style="list-style-type: none"> Enhancing and strengthening governance for sustainable growth Strengthening engagement with stakeholders Strengthening information security management 	The MDV Group strives to maintain and improve relationships of trust with all stakeholders, based on being "open and honest" as part of our management philosophy, in order to continue to grow sustainably.	 	<ul style="list-style-type: none"> Shareholders and investors Employees 	<ul style="list-style-type: none"> Enhancing corporate governance Ensuring information security and protecting user privacy Strengthening risk management Thoroughly enforcing compliance
G						

Business Model and Management Capital

Our business model is built on the interconnection of all the capital we possess. The relationships of trust that our employees have developed with medical institutions have led to the creation of a high-quality database, which in turn leads to customers who utilize our data.



Human Capital p. 13-15

Since our founding, our sales staff has built relationships with customers by going door to door at medical institutions scattered across Japan. Our strength at MDV comes from our talented human resources and their deep insights about healthcare-related systems, medical fees, and drugs, allowing them to address issues faced by institutions.

1 Human resources with extensive knowledge of the medical and pharmaceutical industries

2 Scientists who work with big data



Intellectual Capital p. 16

Our database is the largest in Japan, sourcing data directly from Japanese medical institutions. It holds data for all of Japan and all generations. The quality of this data is enhanced by the data management expertise we have cultivated since our founding.

**1 Sakura Databank
Japan's largest database of high-quality medical big data**

(DPC patients: 46 million people; insured: 21.02 million people)

2 Data cleansing expertise



Social Capital p. 17

Pioneering ahead of our peers, we have created a culture where institutions can confidently entrust their medical data with us, unlocking overwhelming brand power. We continue to maintain and strengthen relationships of trust not only through our products themselves, but also by providing useful information through seminars and study groups.

1 Strong customer base

- Relationships of trust with medical institutions
- Number of contracted medical institutions: Over 1,200

2 Brand power as a pioneer

Source of Value Creation



Human Capital

MDV's Strengths

Strategy

1 Human resources with extensive knowledge of the medical and pharmaceutical industries

We have human resources with extensive knowledge in providing management support to medical institutions and in industry systems, and with abundant experience in proposal-based sales to medical institutions. This knowledge and experience has allowed us to build relationships of trust with medical institutions through the provision of information and support to our customers. The medical data we receive through this process is used to help pharmaceutical companies build appropriate drug supply systems and develop new drugs, aided by our human resources with knowledge and experience regarding the pharmaceutical industry and pharmaceutical data.

2 Scientists who work with big data

One of our strengths comes from our technology to transform the vast amount of medical data acquired from medical institutions into a form that can be utilized by pharmaceutical companies, academia, and other entities. We possess technology capable of efficiently and accurately processing tens of billions of rows of data and standardizing it for analysis across multiple medical institutions. In the phase where this generated data is actually utilized, our human resources with knowledge of medical data design studies appropriately to ensure our customers' surveys are successful.

Human resource development

Human resource development policy

In order for MDV to achieve sustainable growth and realize its management philosophy, which has been in place since its founding, it must form an organizational structure and culture in which all employees understand and practice the corporate culture and are empowered to continue taking on challenges.

In order to cultivate employees who will form this culture, MDV positions human resource development as one of its most important management measures. We aim to 1) instill our management philosophy, 2) create an environment that encourages people to take on challenges, and 3) provide the opportunity to experience growth. Using these three pillars as the basis of our approach, we will create an organization in which diverse human resources can actively participate.

Three measures based on the human resource development policy

- 1 Change employee awareness by instilling MDV's management philosophy and management policies (instilling our management philosophy)
- 2 Create an environment in which people can continue to take on challenges without being tied to existing businesses (encouraging people to take on challenges)
- 3 Establish a system that enables people to experience growth and give back (providing a real sense of growth)

Enhancing human capital

Internal environmental improvement

Internal environmental improvement policy

Based on our human resource development policy, we provide fair opportunities to take on challenges, experience actual growth and actively participate in an environment in which all employees can maintain good physical and mental health and perform to the best of their ability. In order to do so, we have put the following three measures in place.

Three measures based on the internal environmental improvement policy

- 1 Create an environment in which diverse human resources can be assigned, understood, challenged and empowered to actively contribute
- 2 Ensure employee health and safety
- 3 Create good labor-management relations and a working environment that enables coordination and cooperation

Fulfilling
our
mission



Critical Capabilities for MDV to Do Business

The Three Cs

01

Creativity

The ability to go out and obtain knowledge and information on one's own and continue to create new value without fear of failure

02

Challenge

The ability to take on challenges proactively and aggressively with a sense of speed

03

Cooperation

The ability to work and cooperate with a team, including outside the company

In order to realize the society MDV Group aspires to, we must not only extend our existing businesses, but also constantly challenge ourselves and continue to create new value. Therefore, we aim to create an organization in which people who proactively and positively take on challenges can thrive. However, there is only so much one person can do. The ability to seek cooperation from other people and companies and to complement each other to achieve objectives as a team is required at the same time. We will put in place an organizational structure to ensure that people with such capabilities are highly valued and to help them tackle the next challenge.

Initiatives

Promoting DE&I

In our business, we promote diversity, equity, and inclusion (DE&I) because we believe that a wealth of ideas from people with diverse backgrounds is necessary for our further development. As part of our efforts to empower diverse human resources, we have set goals to increase the ratio of women in managerial positions and the rate of men taking childcare leave, with the aim of narrowing the gender gap.

- Targeting a ratio of women in managerial positions of 30% or more, equivalent to the ratio of women in the company's workforce
- Targeting a ratio of men taking childcare leave of 100%

Plan period: November 10, 2023 to December 31, 2026

Looking at our current situation, while there are many female employees returning from childcare leave, there is an issue that there are few women working in management positions. In order to balance work as a manager with the life of the individual, including childcare, our policy is to develop work environments and systems, support career advancement in line with the individual's wishes, provide opportunities with gender fairness, and change the mindset of the people around us.

Ratio of women among new hires*1		53.8%
Average years of continuous service by gender	Men	6.6 years
	Women	5.5 years
Working hours, including average number of overtime hours for employees per month		7.6 hours
Ratio of women in managerial positions		10.5%
Ratio of childcare leave taken	Men	33.3%
	Women	100%
Gender pay gap (Ratio of women's wages to men's wages)	All employees	59.9%
	Of which, regular employees	60.2%
	Of which, non-regular employees*2	—

Period covered: January 1, 2023 to December 31, 2023

*1 Percentage of women among job applicants (including new graduates and mid-career workers) joining the company during FY2023. New graduates consist of those scheduled to join the company in April 2024.

*2 This information is not provided because no non-regular employees are men.



Please refer to our website for details.
<https://en.mdv.co.jp/sustainability/human.html>



Initiatives

Reinforcing new graduate recruitment and establishing a training system

In order to provide sustainable value, we believe it is necessary to foster a corporate culture where we are all united by our philosophy, and from FY2024, we have shifted our hiring policy from a focus on mid-career hires to strengthening the hiring of new graduates. In order for MDV to achieve further growth, our aim is for employees to be imbued with the technologies and expertise we have cultivated so far, and for them to embody the three Cs, (p. 14) where they can always be generating ideas individually, taking on challenges, and bringing out synergies between each other.

In line with the above policy, we are restructuring our training system for new graduates. Here, we specifically define someone who is embodying the three Cs as “someone who can develop their own story and give it shape.” Based on this key phrase, we have established a human resource development policy (p. 13) that encourages employees to think and act on their own initiative. We will nurture human resources who will not just do what they are taught by their supervisors and senior colleagues, but who will act based on what they think is right and what they want to do. It is also an opportunity for supervisors and senior colleagues involved in training to re-assess their company and their daily work.

In April 2024, we conducted a new employee training program, which was attended by 28 new employees who joined the company in FY2024.



Initiatives

Conducting employee engagement surveys

We believe that employee engagement is critical to creating an organization where each individual can be at their best and where there is job satisfaction. In order to ascertain and resolve organizational issues, we introduced an employee engagement survey in FY2023. Since FY2024, we have been restructuring our training system for new graduate employees and, to enable smooth operations, making revisions to our personnel system, and the employee engagement survey will also be used as a means of evaluating the effectiveness of these efforts.

The results of the first year of the survey revealed that there are issues with communication between hierarchical levels, such as between those in management and those in the field. In order to strengthen organizational relationships, we have formulated an overall corporate action plan and action plans for each division, and have begun to work toward a solution. In addition to taking advantage of regular Group-wide meeting opportunities to communicate management’s thoughts on the results of this survey, dialogue meetings between management and employees were held for each individual division to reconcile perceptions. Going forward, we will continue our efforts to create opportunities for two-way dialogue.

In addition, the management level, which serves to bridge different hierarchical levels, will also work to improve organizational management skills by, for example, holding regular meetings with the President.

Engagement score

51.1

Rating

B

Note: Survey utilizes the Motivation Cloud service by Link and Motivation Inc.

Source of Value Creation

Intellectual Capital

MDV's Strengths

Sakura Databank

1 Japan's largest database of high-quality medical big data

(DPC patients: 46 million people; insurance: 21.02 million people*)

We acquire data on all generations among acute care hospital patients directly from medical institutions. Pharmaceutical companies are using such data not only for marketing purposes based on medication information, but about half of our data is used for post-marketing drug surveillance. Our insured patient data includes clinic care, allowing us to perform time-series analysis across medical institutions. Since we hold data on those enrolled in National Health Insurance and the Late-Stage Medical Care System for the Elderly as well, we can analyze data not only for the working generations but also for a wide range of other generations.

*As of December 31, 2023

2 Data cleansing expertise

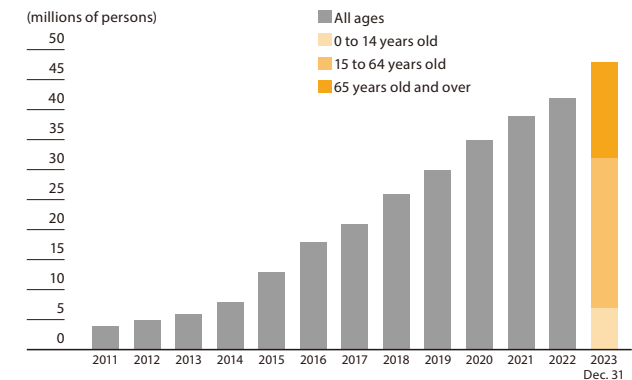
We are confident in the quality of the data we provide. To maintain and improve this quality, we employ more than 100 kinds of data logic checks. By replacing the codes assigned to each medical institution with MDV's own standard codes, we are capable of across-the-board analysis of information on clinical testing.

46 million

Patients with hospital data

Notes:

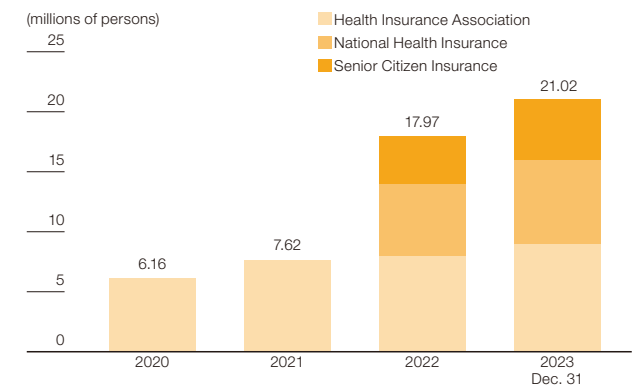
1. Data collection period: April 2008 to December 31, 2023
2. The start date of data provision varies from hospital to hospital.
3. A patient is counted as a single patient even if they have multiple examinations at the same medical institution; however, a patient is counted separately for each data-providing medical institution they visit.



21.02 million

Insured patient data

Note: Data collection period: April 2012 to December 31, 2023



Source of Value Creation



Social Capital

MDV's Strengths

1 Strong customer base

- Relationships of trust with medical institutions
- Number of contracted medical institutions: Over 1,200

Our solutions are utilized by more than 1,200 medical institutions, primarily DPC-eligible hospitals. We believe this popularity comes not only from the product itself, but also the appeal of being able to join our user groups. Regional study sessions for users are held in all parts of Japan, with a cumulative total of 10,466 facilities and 17,308 participants.*1 We also hold widely-praised seminars on a wide range of topics, from product application case studies to system-related discussions, such as regarding revisions to medical fees.

*1 As of December 31, 2023

2 Brand power as a pioneer

Pioneering ahead of our peers, we have developed management support systems for medical institutions and created a culture where these institutions can confidently entrust their medical data with us. As a result, the average contract length is 11 years,*2 demonstrating long-term customer loyalty. One of the reasons for this is our extensive support system. In response to the thousands of inquiries we receive per year (5,286 in 2023), we provide sincere support to our customers in addressing all kinds of issues, from product usage to matters related to medical industry systems. The trust we have built in this way has led to an increase in our market share, which in turn has improved the quality of our benchmark data, leading furthermore to greater customer convenience.

*2 As of December 31, 2023 (contracts for the EVE service)



Regional Study Sessions

Number held **521**

Participating hospitals (cumulative) **10,466**

Participating individuals (cumulative) **17,308**



Seminars

Number held **35**

Participating hospitals (cumulative) **8,369**

Participating individuals (cumulative) **15,252**

Case studies (FY2023, ended Dec. 2023)

Seminar on revision of medical fees

701 participating hospitals, **1,247** participating individuals

Seminar on patient attraction strategies

705 participating hospitals, **1,117** participating individuals

Special Feature

Feedback from Hospital Staff

Since its very founding, Medical Data Vision has valued feedback from its stakeholders, harnessing this feedback to create even more effective services.

We spoke to practitioners in the field about how they utilize our services to improve management and foster awareness, as well as what they expect of the company.

01

Fostering **Awareness of Hospital Management** with Medical Data

Kazuko Yamamoto

Chief, Medical Affairs Section, Administrative Office
Hiroshima City Hiroshima Citizens Hospital

In April 2014, our hospital became a local independent administrative agency, a change that required us to demonstrate more stable management. Though we could specialize in advanced treatments with high unit costs, given requests by the government, we have **a mission to enhance and strengthen emergency medical care systems** as a medical institution serving as a control tower (for emergency medical care control) to eliminate instances where ambulances cannot quickly determine which hospital to deliver emergency patients to.

To foster awareness of hospital management, study sessions were held for each of our 23 hospital wards at a rate of 2 wards per month. In 2007, our hospital implemented MDV's EVE solution. As evidence-based data, we generated **documents benchmarking our medical resources invested and hospital stay lengths with those of other hospitals**. In one department where we saw particularly strong impact, the percentage of patients discharged within the second stage of hospitalization increased from 58.2% to 79.6%. This freed up beds for use, helping to eliminate the cases we had been facing where patients had to wait four months for hospitalization. The unit price of inpatient care also increased by 10,000 yen per patient, resulting in a significant increase in revenue.

I am grateful to MDV's sales and support staff for consistently showing us **how we can use EVE to make our vision a reality**.

02

Fulfilling the **Mission of Tertiary Emergency Services** through Medical Data Analysis

Kazuki Sato

Chief, Medical Admissions Section
Tsukuba Medical Center Hospital

Our hospital has been designated as an emergency and critical care center by Ibaraki Prefecture and is responsible for tertiary emergency services.* That means it is essential that we efficiently manage hospital bed space because of our mission to accept critically ill patients and ensure access to local medical care. However, before implementation of MDV's EVE solution in 2007, our hospital had been facing **issues like significantly varying medical treatment for the same cases and a lack of guidelines for hospital stay durations**.

Around that time, at a user group study session held in Ibaraki, I watched a presentation on case studies of other hospitals about DPC data analysis that made me realize **the necessity of using data to improve management**. That led to implementing initiatives from other hospitals at our hospital. We also learned that other hospitals had similar problems and were able to **build relationships with them where we could consult with each other**.

Furthermore, by utilizing EVE-ASP and benchmarking our medical resources invested and hospital stay lengths with other hospitals, we now can generate data that contributes to more in-depth management, such as having doctors optimize prescriptions and tests and reviewing hospital stay lengths, thereby enabling the efficient provision of medical care.

Looking ahead, clerical workers will be faced with significantly growing workloads due to work-style reforms for physicians. Our hope is that MDV's systems will facilitate easier data analysis so that we can devote more time to proposing management improvements to further increase efficiency.

*Emergency medical care for patients with life-threatening and critical illnesses that are difficult to treat at primary and secondary emergency departments

Medium-term Management Plan

Two themes for MDV toward 2025

- 1 Massive database expansion focused on medical data
- 2 Moving into related fields via open alliances

FY2025 net sales
10 billion yen

FY2025 ordinary income
At least **2.5** billion yen

Opportunities

Challenges

Data network service

- Expansion of sales outputs thanks to cloud services
- Nationwide expansion of health checkup system sales

- Slow growth in new services
- Building sales channels

Data utilization service

- Expanding markets, promoting awareness of the benefits of data utilization
- Expand business areas by improving data quality

- Maintaining and enhancing growth speed
- Securing and accelerating the development of sales and data analysis personnel

Karteco

- Lack of large-scale healthcare databases for individuals
- Growth prospects for the healthcare business
- High health awareness for family members and pets

- Establishing a business model for PHR services
- Increasing business speed through alliances

Three strategies to achieve our FY2025 goals

1 Customers: health check centers attached to hospitals

- Expand base of data with a cloud focus and grow market share
- Expand sales through the release of new paid functions for MDV Act, expand customer base and accumulate new data
- Expand sales and accumulate health check data by growing sales of medical check systems

2 Customers: pharmaceutical & device manufacturers, academia, and other data-using organizations

- Maintain growth rate with organic growth by growing sales force
- Prepare for dramatic growth in the fiscal year ending December 31, 2026 and beyond

3 Customers: individuals and companies, primarily healthcare-related

- Proactively develop the Karteco PHR service
- Build infrastructure to connect with individuals, establish a new revenue base, and accumulate data from individuals
- Collaborate with companies in other industries that have affinities with healthcare

Review of FY2023 (ended Dec. 2023)

- Released paid functions for MDV Act and steadily increased the number of subscriptions
- Completed upgrade of Karteco

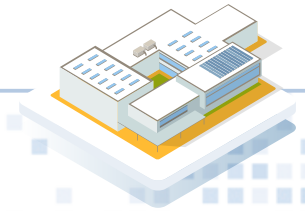
Future actions

- Expand sales through the release of new paid functions for MDV Act, expand customer base
- Expand sales of medical check systems
- Establish a new revenue base through Karteco

Data Network Service

Medical Institutions

Expansion of sales through cloud-based services and aggregation of new medical and health information



Opportunities

- Expansion of sales outputs thanks to cloud services
- Nationwide expansion of health checkup system sales

Challenges

- Slow growth in new services
- Building sales channels

Our main features

By providing a management analysis system to medical institutions, which are the source of medical information, we have built a customer base and trust with these institutions by contributing to management improvement and enhancement of medical quality. We have achieved a dominant market share among DPC target hospitals. Furthermore, along with system provision, we obtain permissions or consents for secondary use, aggregating medical and health checkup data.

After achieving a dominant market share with on-premises* services, we transitioned the system to a cloud-based service. With the expansion of target customers and improvement in user convenience, our customer base continues to grow.

*On-premises: A form of information system where the server is owned, constructed, and operated by the company itself. This was the common system operation form until the widespread use of cloud services.

Review of FY2023 (ended Dec. 2023)

The cloud-based hospital management improvement application MDV Act saw its paid features rapidly permeate DPC target hospitals, steadily increasing the number of customers. It exceeded the target of 600 contracts, reaching 638 facilities.

The cloud-based health checkup system ALPHA-SALUS took time to fix functional bugs, but progress was made. In sales activities, the system that integrates processes up to the health examination recommendation was well received by health checkup facilities, resulting in an accumulation of orders received.

Future actions

For MDV Act, we aim to expand sales and the customer base by releasing paid features to facilities beyond DPC target hospitals, and by aggregating data beyond DPC data.

For ALPHA-SALUS, we will conduct sales activities targeting medical institutions with health checkup facilities attached to DPC target hospitals to increase orders received and expand sales, while also aggregating health checkup data.

Data Network Service KPIs (trends and targets)

(Unit: Hospitals)

Indicator	FY2020 results	FY2021 results	FY2022 results	FY2023 1Q results	FY2023 2Q results	FY2023 3Q results	FY2023 4Q results	FY2023 target
Cloud service user hospitals	—	—	993	1,025	1,047	1,094	1,153	1,200
MDV Act paid subscriber hospitals	—	—	—	0 (315*)	507	570	638	600

*Number of orders received

Pharmaceutical and Insurance Companies

Driving growth with a medical database of indisputable reputation in quality and quantity



Opportunities

- Expanding markets, promoting awareness of the benefits of data utilization
- Expand business areas by improving data quality

Challenges

- Maintaining and enhancing growth speed
- Securing and accelerating the development of sales and data analysis personnel

Our main features

We possess clinical data for over 46 million patients from hospitals, leveraging the Sakura Data Bank, the largest-scale clinical database in Japan with an overwhelming amount of data. We provide aggregated report services, dataset services, and web tool services utilizing this database.

Through proposal-based sales by our knowledgeable sales staff, who are well-versed in DPC data, we have been developing demand among pharmaceutical companies and continue to grow.

Furthermore, since our clinical data is obtained directly from medical institutions, it is possible to acquire new types of clinical data and link multiple types of acquired clinical data.

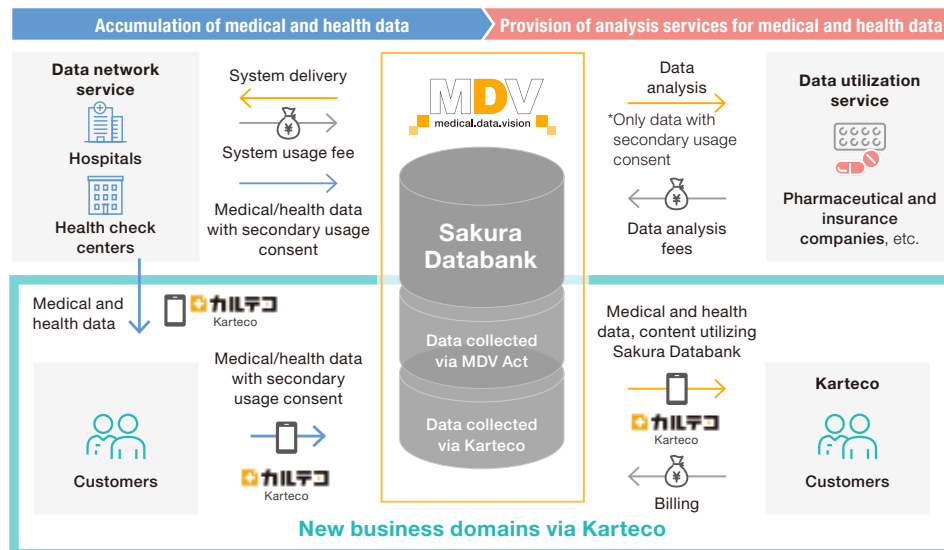
Review of FY2023 (ended Dec. 2023)

Despite not meeting the full-year performance plan due to the delayed increase in sales personnel for pharmaceutical companies from the beginning of the period, the demand for our data remains high. The significant improvement in productivity per sales personnel led to record-high sales in the fourth quarter of FY2023.

Additionally, we have signed multiple business partnership agreements that will contribute to the future growth of our data utilization services. We will continue to actively pursue alliances and strengthen relationships with partners, promoting the provision of new services leveraging these partnerships.

Future actions

We aim to expand sales through organic growth by strengthening our sales personnel, maintaining the current sales growth rate. In addition to the hospital DPC data, which is the main data of the Sakura Data Bank, we will build the largest clinical database in Japan by linking newly aggregated hospital data and consumer healthcare data through MDV Act, ALPHA·SALUS, and Karteco and aim for significant growth in FY2026 and beyond.



Services for Individuals

Individuals

Building infrastructure and an environment to create a society where individuals can select necessary medical and healthcare services



Opportunities

- Lack of large-scale healthcare databases for individuals
- Growth prospects for the healthcare business
- High health awareness for family members and pets

Challenges

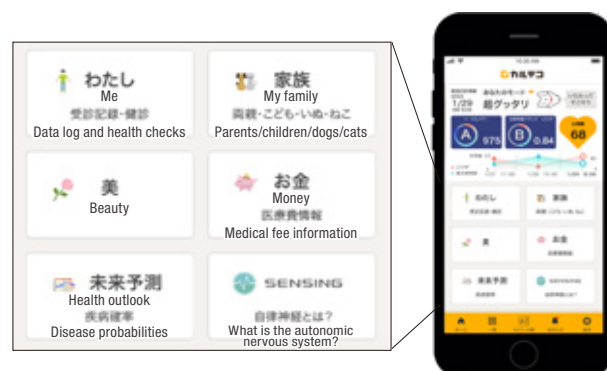
- Establishing a business model for PHR services
- Increasing business speed through alliances

Our main features

Karteco incorporates sensing technology for measuring autonomic balance, pulse rate, and respiration rate simply by taking a ten-second video of the user's face with a smartphone. Knowing these figures makes it easier for individuals to manage their health on a daily basis.

The sensing function can also be applied to pets. For dogs, taking videos of pink areas such as the belly and paw pads allows measurement of autonomic balance, pulse rate, and respiratory rate. In addition, sensing measurement results and concerning symptoms can be used to select recommended test kits for purchase and receive online medical care for a user's pet. Furthermore, health checkup results can be used to predict disease risk and medical costs by disease.

Note: We are currently working to expand this functionality to cats.



Measures the autonomic nervous system and fatigue level

Predicts disease risk

Protects family health

Measures beauty

Online consultation/ checkups

Maintains health checkup results and medical records

Review of FY2023 (ended Dec. 2023)

Since our founding, MDV's management vision has been to realize "a society where individuals can track and understand their lifetime medical and healthcare data" and "a society where individuals can select necessary medical and healthcare services based on their lifetime data." To achieve this, we have completely overhauled the smartphone application version of our Karteco PHR service as a kind of infrastructure connecting MDV, individuals, and medical institutions. Based on its concept of health management for the user and their treasured family, Karteco facilitates a family's health management by measuring the autonomic nervous system balance for the user and their family members, using vital sign sensing technology.

Note: PHR (Personal Health Record): Information on an individual's health, medical care, and long-term care

Future actions

In order to make Karteco a new revenue base, we will provide a range of paid content to individuals that will stimulate their use of the app. These will utilize the Sakura Databank and include vital sign data and health check data, such as vital sign measurements for the user and their family members and pets utilizing our sensing functionality, disease probabilities and medical fee predictions, and so on. In conjunction, we will accumulate data with individual consent, working to enhance the Sakura Databank.

In addition, we will work with other companies that have affinities with healthcare to accelerate our business and encourage broader and greater use.

Sustainability at MDV

The MDV Group's Basic Sustainability Policy

At MDV Group, we are committed to our mission of promoting the use of ICT in the fields of medicine and healthcare and striving to make advanced use of information. Recognizing the resolution of societal challenges in healthcare and wellness as one of our highest management priorities, we aim to enhance sustainable corporate value.

Approach to Sustainability

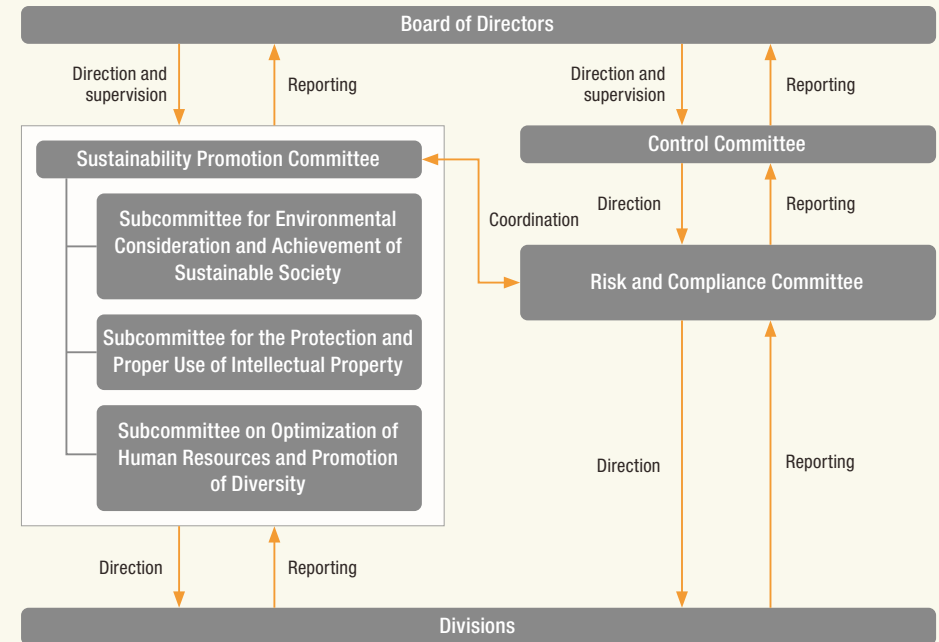
One of the critical social issues in healthcare is the lag in data utilization.

Despite technological advancements improving our quality of life, Japan's use of healthcare data lags behind other industries and countries. With the country's aging population, it is imperative to promote the utilization of medical data. We view addressing these challenges through our business activities as our mission.

The MDV Group identifies key issues to focus on, sets specific initiatives and goals, and strives for sustainable development through their implementation.

 Sustainability: <https://en.mdv.co.jp/sustainability/>

Diagram: Sustainability Promotion Structure



The MDV Group has established the Sustainability Promotion Committee as a subordinate body to the Board of Directors. This committee, chaired by the President, consists of directors, executive officers, heads of departments responsible for risk and compliance oversight, and full-time corporate auditors.

The committee operates the CSR Office, a dedicated department for sustainability promotion. It plans and formulates the overall strategy and measures for the Group's sustainability activities (including human capital utilization, environmental protection, human rights, and intellectual property protection), monitors progress, evaluates achievement levels, and reports and makes recommendations to the Board of Directors on a quarterly basis.

Disclosure of Information Related to Climate Change

In accordance with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), the MDV Group discloses significant information related to climate change as follows:

Governance

Since July 2022, the MDV Group has established the Sustainability Promotion Committee directly under the Board of Directors (Diagram: Sustainability Promotion Structure (p. 23)). The committee meets quarterly and is chaired by the President, who serves as the Chief ESG Officer. The committee comprises full-time corporate auditors, heads of each business division, department directors, and section chiefs. It is responsible for planning and formulating the overall strategy for the Group's sustainability initiatives, monitoring and evaluating progress, and reporting to the Board of Directors on a quarterly basis. For climate change issues, the Subcommittee for Environmental Consideration and Achievement of Sustainable Society has been established under the Sustainability Promotion Committee. This subcommittee formulates activity policies, conducts monitoring, and reports to the Board of Directors quarterly. This structure combines advisory and supervisory functions to advance our sustainability efforts.

Risk Management

The MDV Group identifies, evaluates, and determines preventive and responsive measures for not only short-term risks but also medium- and long-term climate change risks through the Sustainability Promotion Committee. Risks deemed particularly significant are reported to the Board of Directors. Measures are deliberated by the Control Committee and executed by the relevant response organizations. Climate change risks are assessed similarly to company-wide risks, based on the five-level scales of risk impact and frequency of occurrence. The importance of these risks is categorized into four levels to determine which risks require priority attention.

Integrated risk management is achieved through regular collaboration between the Sustainability Promotion Committee and the Risk and Compliance Committee.

Strategy

Based on climate change scenarios, the MDV Group has identified the following as major risks and opportunities affecting the Group's business. These identified risks and opportunities are evaluated both qualitatively and quantitatively through scenario analysis to formulate response measures. The scenarios used for evaluation include the IEA Net Zero Emissions scenario as the 1.5°C scenario and the IPCC SSP5-8.5 scenario as the 4°C scenario.

Risks and opportunities	Classification	Drivers	Risk details	Timeline for occurrence	Magnitude of impact	Assumed impact (millions of yen)	Countermeasures
Transition risks	Policies and regulations	Introduction of/soaring carbon prices	Costs incurred for own emissions (Scope 1 and 2)	Medium term	Minimal	3.4	Actively expand the use of renewable energy and ensure energy conservation/go paperless/install energy-saving equipment in offices
	Market	Expand low-carbon cloud services	Failure to provide systems using environmentally friendly data centers leads to increased customer Scope 3 emissions and reduced demand for services	Medium term	Severe	12,245	Advance migration to cloud services with lower emissions than on-premises services
	Reputation	Lack of actions to reduce GHGs or disclose climate-related information	Decreased evaluation from investors, increased recruitment costs, increased financing costs from financial institutions Decreased revenues due to decreased evaluations from customers	Medium term	Minor Severe	130 1,992	Enhance disclosure of climate-related response information on the company's website and in its securities report; improve CDP score/acquire Science-based Targets (SBT) accreditation
Physical risks	Acute	Intensification of natural disasters	Suspension of operations due to damage to the company's facilities caused by typhoons or other natural disasters	Short to medium term	Medium	635	Review and reinforce BCP system/promote remote work
			System outages due to damage to outsourced data centers		Minor	—	Advance migration to cloud services

• Timeline Short term: Within 3 years, Medium term: 3–10 years, Long term: 10–30 years

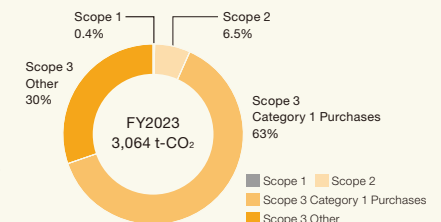
• Magnitude of impact Severe: Enormous loss, Major: Huge loss, Medium: Large loss, Minor: Moderate loss, Minimal: Negligible loss

Indicators and Targets

To evaluate and manage the impact of climate-related issues on our business, we have been calculating greenhouse gas (GHG) emissions (Scope 1, 2, and 3) based on the GHG Protocol standards since FY2022. For the MDV Group, we have set ambitious reduction targets: by FY2030, we aim to reduce Scope 1 and 2 emissions by more than 42% and Scope 3 emissions by more than 25% compared to the baseline emissions of FY2023.

We are considering obtaining certification from the Science Based Targets (SBT) initiative for our GHG reduction targets. To achieve these goals, we will promote various reduction activities, such as the adoption of renewable energy and thorough energy conservation measures.

Scope	FY2023 (t-CO ₂)
Scope 1	13.5
Scope 2	199.3
Scope 3	2,851



Officers

(as of March 27, 2024)



Hiroyuki Iwasaki

President



Syuuji Asami

Senior Managing Director
General Manager of the User Support
Division



Takuji Yanagisawa

Director
General Manager of the Business
Planning Division, General Manager of
the President's Office, General
Manager of the Web Marketing Office



Masaki Nakamura

Director



Souichi Katsuki

Outside Director



Takao Nakamura

Outside Director



Kiyomi Nojiri

Outside Director (new appointment)



Masaaki Takaki

Full-time Corporate Auditor



Yasunori Matsumoto

Corporate Auditor



Osamu Nakagawa

Corporate Auditor



Kiyohito Hamada

Corporate Auditor

Skill Matrix

Name	Position	Corporate management	Legal affairs, risk management, compliance	Finance, accounting, tax	Sales, marketing	Planning, development	Technology	Industry knowledge	System security and protection of personal information
Hiroyuki Iwasaki	President	○			○	○			
Syuuji Asami	Senior Managing Director	○							
Takuji Yanagisawa	Director	○		○		○			
Masaki Nakamura	Director				○		○	○	○
Souichi Katsuki	Outside Director	○		○	○				
Takao Nakamura	Outside Director	○	○						
Kiyomi Nojiri	Outside Director (new appointment)	○						○	
Masaaki Takaki	Full-time Corporate Auditor			○					○
Yasunori Matsumoto	Corporate Auditor			○					
Osamu Nakagawa	Corporate Auditor			○					
Kiyohito Hamada	Corporate Auditor			○					

Note: In order to clarify the balance of skills as a Board of Directors, the skills possessed by each Director are listed with a particular focus on those skills which they are expected to utilize at the company and do not represent all the skills (knowledge, experience, and abilities) possessed by the Director.



Officer Introduction:
<https://en.mdv.co.jp/investor-relations/management.html>



Latest Notice of Convocation:
https://en.mdv.co.jp/investor-relations/pdf/Notice_of_the_21th_Ordinary_General_Meeting_of_Shareholders_20240306.pdf

Governance

Corporate Governance Approach

At MDV, we recognize the enhancement and enrichment of our corporate governance system as a critical management issue for the continuous improvement of corporate value. To achieve this, we strive to establish and operate a management system that can respond swiftly and accurately to changes in

the business environment. Simultaneously, we aim to ensure the soundness and transparency of the company, aspiring to be a trusted enterprise by all stakeholders, including shareholders, customers, business partners, and employees. This is our fundamental policy regarding corporate governance.

Corporate Governance Structure

Our Board of Directors consists of seven members, including three external directors. The board deliberates and makes decisions on important matters related to the execution of our business and oversees the execution of duties by each director. We have adopted an audit & supervisory board system, comprising four members, including three external corporate auditors. The Audit & Supervisory Board rigorously audits the execution of duties by the directors and conducts accounting and operational audits of the company.

Our company strengthens supervision over the execution of duties by the Board of Directors, which consists of more than one-third external directors, and ensures thorough auditing by the Audit & Supervisory Board, which comprises four members, including three external corporate auditors. Additionally, all three external directors and three external corporate auditors are considered independent directors based on the criteria set by the Tokyo Stock Exchange.

Role and Composition of the Board of Directors (Status of Operation)

Our Board of Directors comprises executives well-versed in various business sectors within the company, as well as independent external directors with expertise in fields such as medicine, corporate management, and law. These directors come from diverse backgrounds in terms of career and age. Furthermore, we continuously strive to enhance the effectiveness of the Board of Directors by analyzing and evaluating its performance as a whole and exchanging opinions as necessary. Among the seven directors, three are independent external directors, with one being female. We will further explore diversity, including gender and internationality, to ensure a diverse composition.

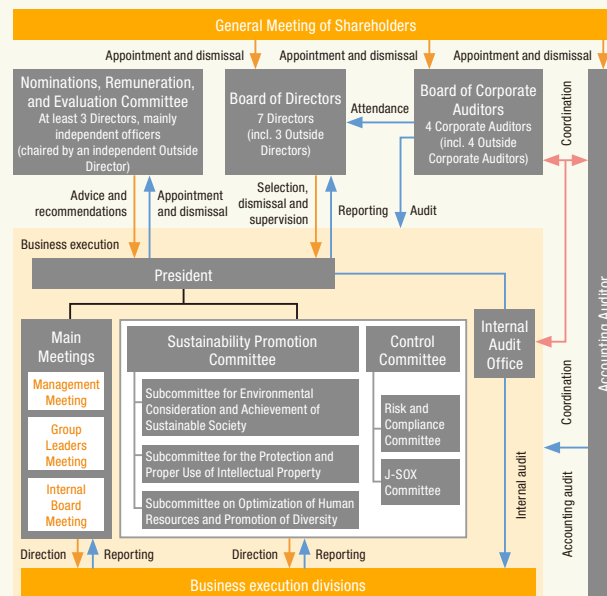
based on recommendations from the Nomination, Remuneration, and Evaluation Committee, which primarily consists of independent external directors. The summary of these results is disclosed annually. To ensure objectivity and improve governance, an independent third-party organization conducts surveys of all directors and corporate auditors.

Based on the evaluation results for the fiscal year ended December 2023, it was confirmed that the Board of Directors generally functions appropriately, and its effectiveness is maintained. However, there were identified areas for improvement to further enhance the effectiveness of the Board of Directors, and we are progressively addressing these issues.

Executive Compensation

The compensation for our directors is determined by the Board of Directors within the limits set by the General Meeting of Shareholders. Factors such as economic conditions, the company's operating environment, and the responsibilities of each director are considered. The compensation amount for each director is determined by the President, authorized by the resolution of the Board of Directors, following criteria established within the company. The Nomination, Remuneration, and Evaluation Committee, primarily consisting of independent external directors, ensures the appropriateness of these decisions and provides appropriate advice. The compensation for corporate auditors is decided through discussions among said corporate auditors within the limits set by the General Meeting of Shareholders.

Diagram: Corporate Governance Structure



Effectiveness Evaluation of the Board of Directors

Each fiscal year, our company conducts an analysis and evaluation of the overall effectiveness of the Board of Directors



Corporate Governance: <https://en.mdv.co.jp/sustainability/governance.html>

Risks, Compliance, and Information Security

Risks

We evaluate and address business risks based on their likelihood of occurrence and impact. Specifically, we focus on compliance with relevant regulations regarding the protection and handling of essential medical data, business continuity against cyberattacks and natural disasters, and adherence to our company's Code of Conduct outlined in our Corporate Ethics Charter.

Our Risk and Compliance Department, as a dedicated unit, handles practical aspects. The Risk and Compliance Committee, consisting of department heads from relevant departments, reviews and evaluates planning and response measures. Reports are then presented to the Board of Directors through the Control Committee, chaired by the President.

KPI items

Annual target:

- Zero compliance violations (achieved in FY2023, ended Dec. 2023)
- No information leakage outside the Group (not achieved in FY2023, ended Dec. 2023: 2 cases)

Initiatives for achieving annual objectives:

- Strengthening information security management level: Maintaining ISO/IEC 27001 certification and addressing zero improvement recommendations in audits (achieved in FY2023, ended Dec. 2023)
- Training: Conducting compliance (two themes) and information security e-learning training, achieving a 100% pass rate in all confirmation tests (achieved in FY2023, ended Dec. 2023)

Compliance

We conduct employee training based on the Code of Conduct outlined in our Corporate Ethics Charter, establish internal reporting and consultation channels, and conduct interviews with all employees to collect information, address inquiries, and verify and respond to facts.

The dedicated Risk and Compliance Department handles practical matters, collaborating with legal counsel and the Management Department depending on the content. The details of the response are reported to the Board of Directors through the Risk and Compliance Committee and the Control Committee.

Information Security

We prioritize compliance with Japan's Act on the Protection of Personal Information and regulations related to medical data handling, ensuring the establishment of rules and systems, employee training, and strengthening of physical and technical measures. We conduct annual internal audits for evaluation and improvement and verify the proper construction and operation of our management system through ISO/IEC 27001 certification audits.

The Risk and Compliance Department manages these practices, collaborating with the Infrastructure Department, Management Department, and Legal Department, including its external legal advisors, as needed. Reports on response measures are presented to the Board of Directors through the Risk and Compliance Committee and the Control Committee.



Basic Policy for Information Security: <https://en.mdv.co.jp/security-policy/>



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