Supplementary Materials (business overview)

Medical Data Vision Co.,Ltd.
(Code : 3902)
August 10, 2023

Copyright © Medical Data Vision Co,Ltd. All Rights Reserved.

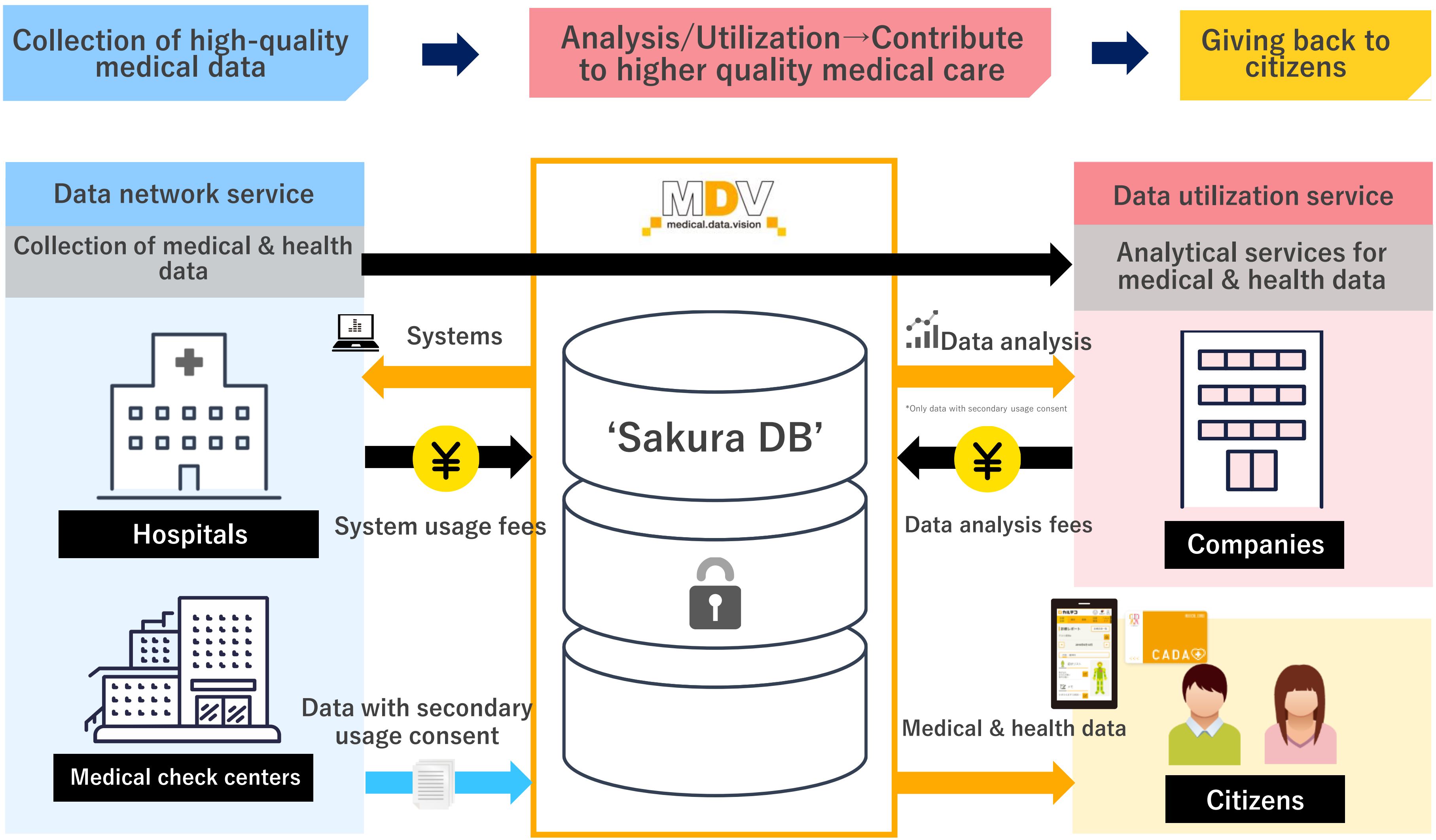
Contents

Copyright © Medical Data Vision Co,Ltd. All Rights Reserved.

About Our Business

Copyright © Medical Data Vision Co., Ltd. All Rights Reserved.

business model



Copyright © Medical Data Vision Co., Ltd. All Rights Reserved.

Our business journey

Steadily expanding business fields, sales, and scale in line with our corporate vision

FY2016	FY2019	FY2025
Seeding period	Investment period	Expansion period

Data network service base building

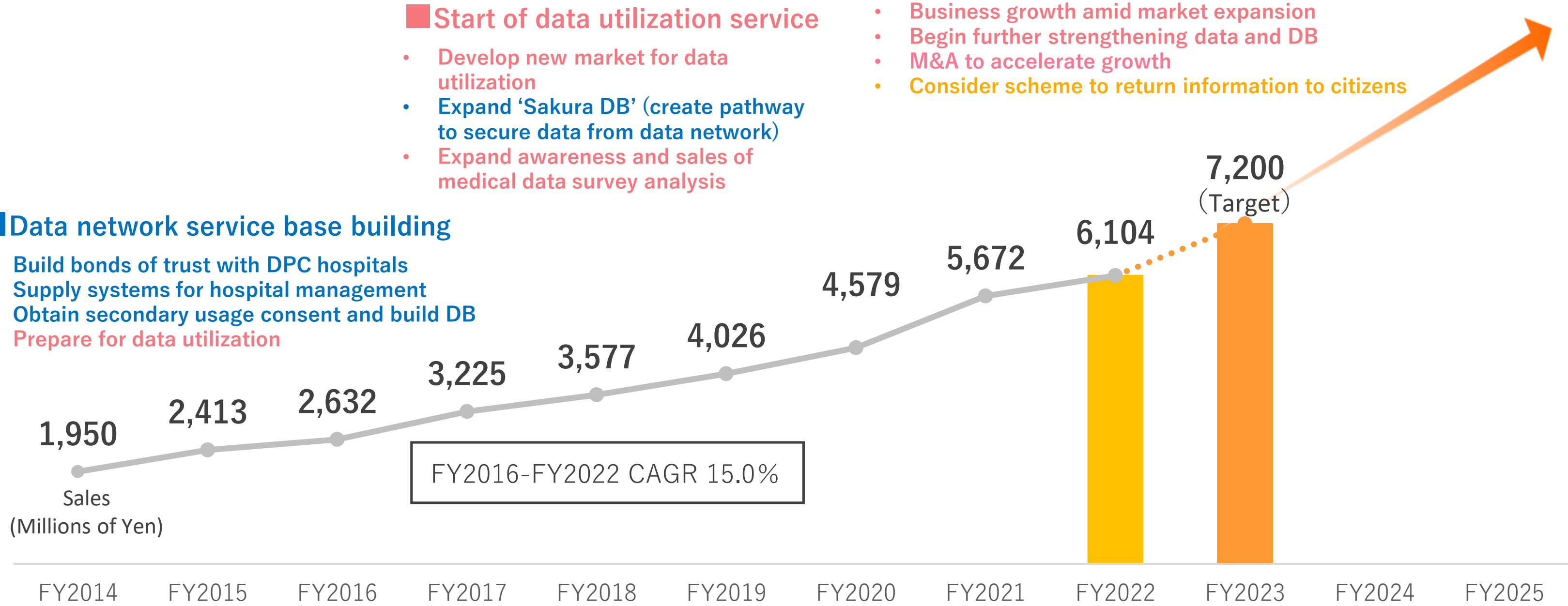
- Build bonds of trust with DPC hospitals
- Supply systems for hospital management
- Obtain secondary usage consent and build DB
- Prepare for data utilization

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 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

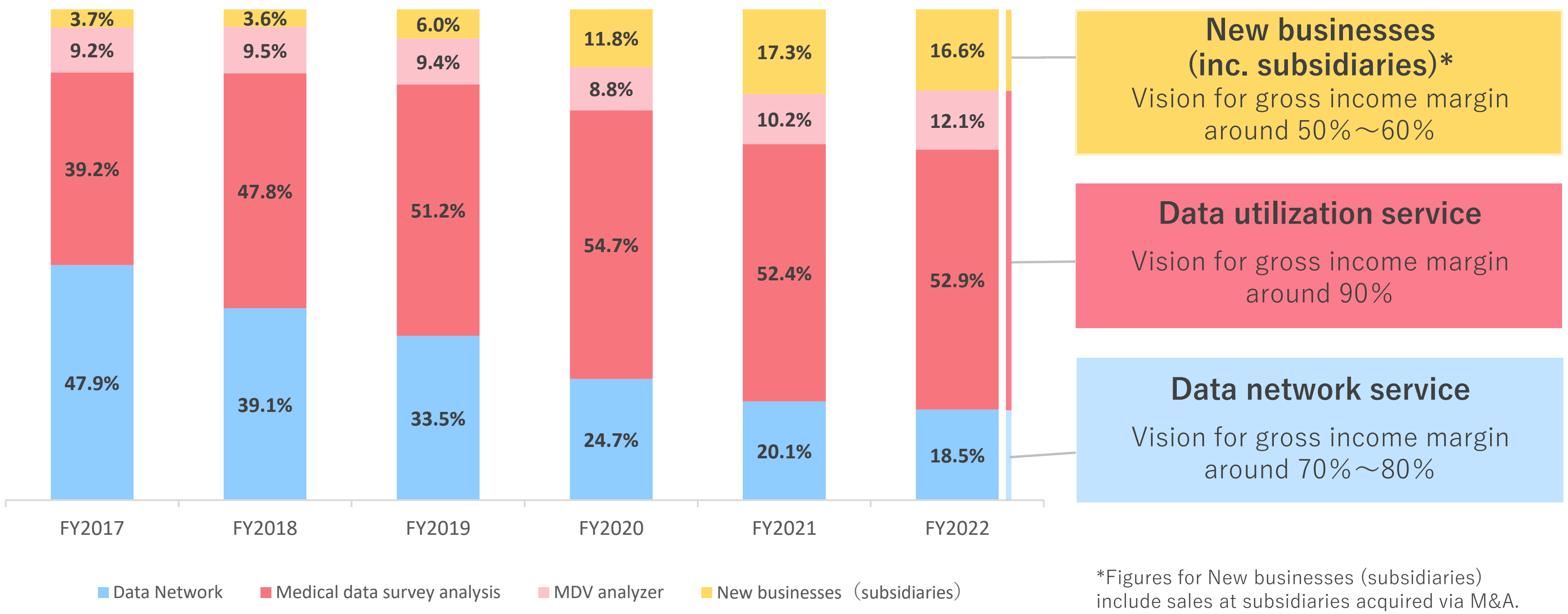


Copyright © Medical Data Vision Co., Ltd. All Rights Reserved.

Change in sales weighting by service

**Data network crucial to data collection,
turn data utilization into sales**

Weighting of new businesses rising in part due to M&A



*Figures for New businesses (subsidiaries) include sales at subsidiaries acquired via M&A.

Copyright © Medical Data Vision Co., Ltd. All Rights Reserved.

Our strengths

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

Business conditions	• Valuable big data (44.06mn patients) being collected from the Japanese medical frontline • Aiming to raise medical care quality by building bonds of trust with major hospitals • Alliance with DeNA to create the largest DB in Japan for insurers data (19.46m patients) • Expect further rapid market growth for the data utilization service
Business model	• A hybrid model rooted in marketing capabilities as well as IT • A business field with barriers to entry that are not easy to overcome • Significant growth potential from expansion into data utilization services
Earnings structure	• Main business model has strong profitability • Data network service mostly a recurring revenue business, but a mixed recurring and non-recurring business model in data utilization service gives the earnings structure balance

Copyright © Medical Data Vision Co., Ltd. All Rights Reserved.

Current business opportunities/challenges and the direction of growth

Raise speed of business development by strengthening alliances

Pursue investment in B2C business to realize our future vision

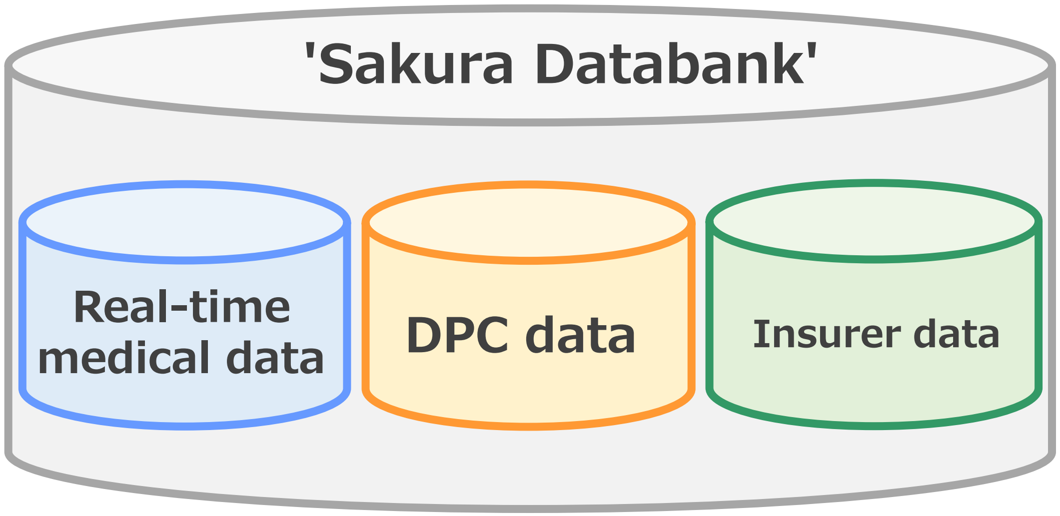
	Opportunities	Challenges
Data network service	• Grow sales partners via shift to cloud • Nationwide medical check system sales • Room to expand the scope of subsidiary operations	• Sluggish on-premises services • Slow growth in new services
Data utilization service	• Market expansion, promote awareness of the benefits of data utilization • Promote use outside the pharmaceutical sector • Acquire largest insurer data stock via alliance with DeNA	• Maintaining and improving the speed of growth • Hire more data analysis staff and expediting training
New businesses	• Lack of large-scale healthcare DB for citizens • Growth prospects for BtoC healthcare business • New technologies such as BlockChain, AI	• Establish business model for BtoC services • Accelerate links with SBI Group and others

Copyright © Medical Data Vision Co., Ltd. All Rights Reserved.

Medical data held by MDV

Copyright © Medical Data Vision Co., Ltd. All Rights Reserved.

Medical data held by MDV



Real-time medical data

Features

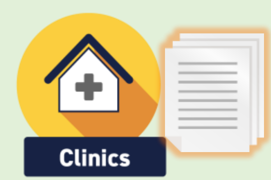
- All types of hospital data inc. test results, images, appointment info
- Immediacy

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）

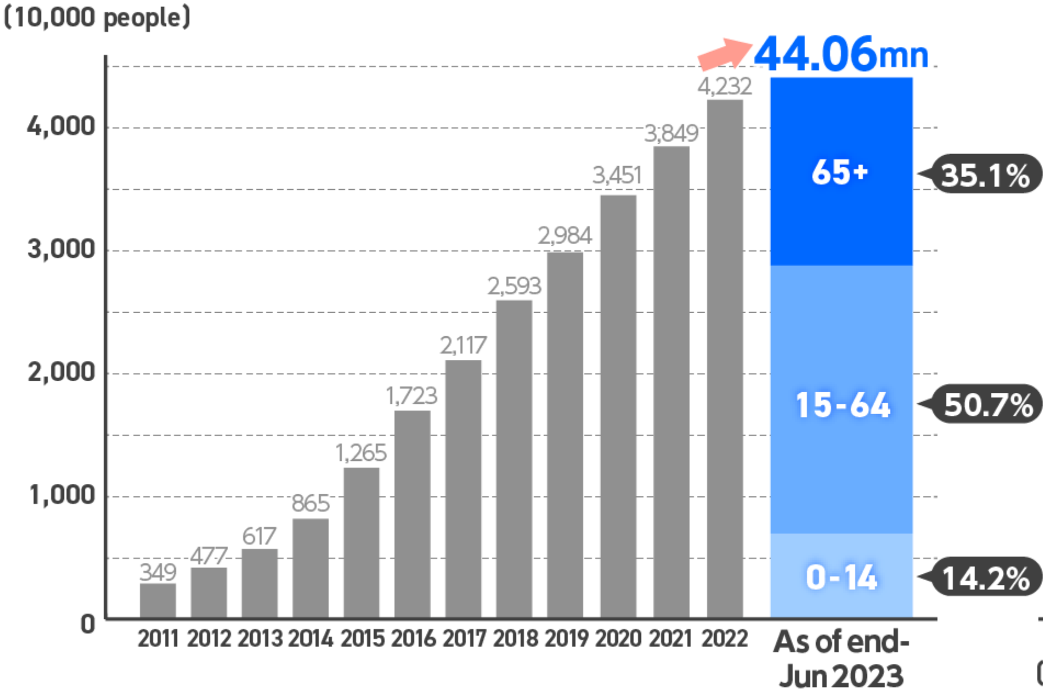
Copyright © Medical Data Vision Co., Ltd. All Rights Reserved.

Medical database that has both quality and volume

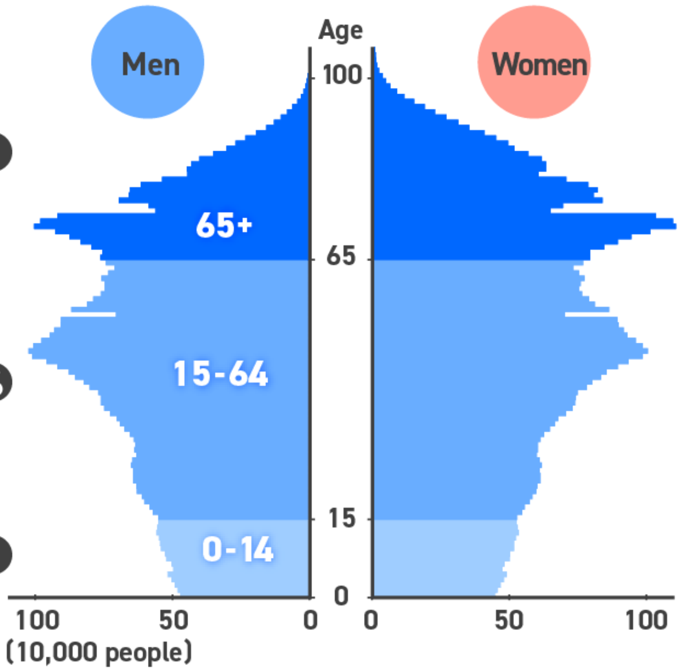
No. of patients in medical database exceeds 40mn (44.06mn at end-Jun 2023)

Age distribution of database roughly matches Japan's population pyramid

No. of patients in medical database



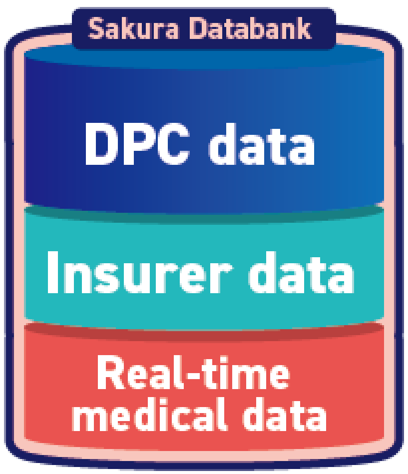
Population pyramid (2020)



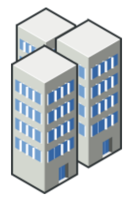
Source: Based on the Population Projection for Japan (2017 survey), National Institute of Population and Social Security Research

Copyright © Medical Data Vision Co., Ltd. All Rights Reserved.

Data users and example uses



■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.

Copyright © Medical Data Vision Co., Ltd. All Rights Reserved.

Company Profile

Copyright © Medical Data Vision Co., Ltd. All Rights Reserved.

Company Profile（As of the end of June 2023）

Company Name	Medical Data Vision Co.,Ltd.
Established	August 20 , 2003
Head Office	Sumitomo Fudosan Kanda Building 10F, 7 KandaMitoshirocho,Chiyoda-ku,Tokyo
Number of Employees	263 employees(Number of employees in the group)
Capital	JPY 992,661,739
President and CEO	Hiroyuki Iwasaki
TSE code / TSE market	3902 / Tokyo Stock Exchange Prime Market （Listed on Mothers market in December 16, 2014）
Major Shareholders	SBI Holdings, Inc. （24.63%） MEDIPAL HOLDINGS CORPORATION （8.41%） Hiroyuki Iwasaki（President and CEO） （2.09%） CMIC HOLDINGS Co., Ltd. （1.59%） ※ Shareholding ratio excluding treasury shares
Major Subsidiaries	Doctorbook Inc. System Be Alpha Co., Ltd. Medical Domain Co., Ltd. AIR BIOS Co., Ltd

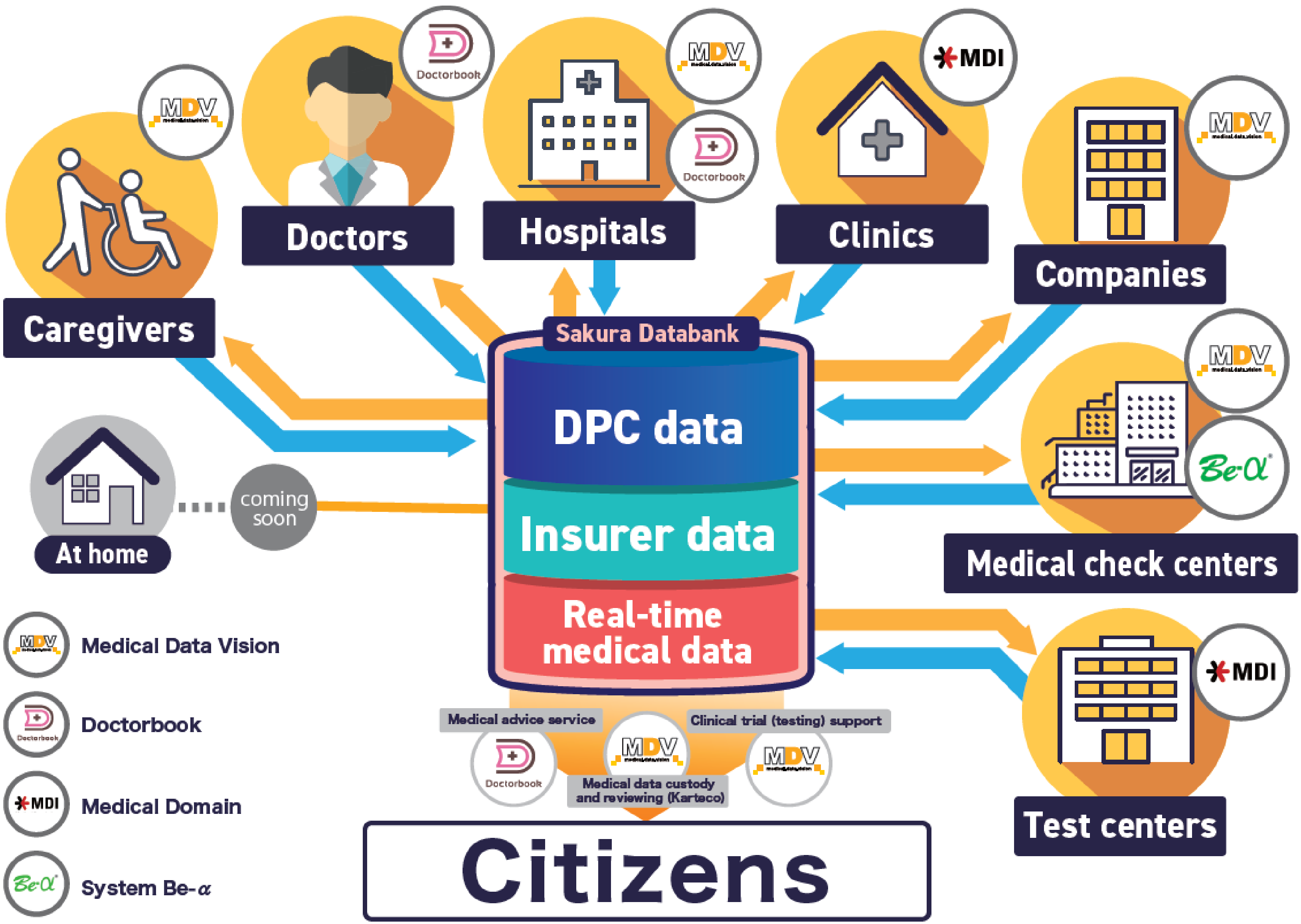
Copyright © Medical Data Vision Co., Ltd. All Rights Reserved.

Main group companies and business fields

Company	Business
Medical Data Vision	・Development, sale & maintenance of management analysis systems ・Medical data analysis, surveys, consulting
System Be Alpha	・Development, sale & maintenance of software including health consulting systems ・Agency sales for electronic medical records, etc.
Doctorbook	・Creation & operation of medical info video website
Medical Domain	・Consultation support system ・Development, sale & maintenance of various data converters
AIR BIOS	・Development of new treatments and medical services

Copyright © Medical Data Vision Co., Ltd. All Rights Reserved.

Group strategy: unification and utilization of medical and health data



Copyright © Medical Data Vision Co., Ltd. All Rights Reserved.

Services overview

【Data network service】

Product	Overview	Price
EVE	Analysis of charges/DPC fee gap, patient #s/stay length/resources by disease/condition, and benchmarking with other hospitals Uses benchmarks to identify user hospital’s trends/strengths & weaknesses, helps with detailed investigation of treatment policy as core of hospital management	Installation: Y4mn Maintenance: Y50,000/mth.
Medical Code	Uses standardized format for DPC/elec. receipt data to support hospital management in areas like costing, raising treatment prices Unlimited user registration promotes smooth internal data sharing, change in awareness/actions to help improve management	Installation: Y8.2mn Maintenance: Y100,000/mth.
MDV Act	’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. 'Medical analysis pack', a paid function, enables data analysis necessary for acute hospitals and care mix hospitals, such as clinical analysis functions and case retrieval functions.	Main story Free Medical analysis pack Y50,000/mth.

【Data utilization service】

Product	Overview	Price
MDV analyzer	Online analysis tool allowing clients to easily examine data on patient numbers, prescription lengths/volumes using Japan’s largest medical database Enables multifaceted analysis based on actual medical practice (surgery, testing) as well as disease and drug regimen	Y20mn/yr.
Medical data survey analysis	Provision of tailored reports in line with client’s wishes	Avg. Y3.5-4mn per survey

Copyright © Medical Data Vision Co., Ltd. All Rights Reserved.

medical.data.vision

Financial Results ・Financial Statements

Copyright © Medical Data Vision Co., Ltd. All Rights Reserved.

Sales breakdown by service, sales progress (cumulative)

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

※1　From 1Q FY2023, sales of Doctorbook, B2C business, etc., which were included in "New Business (subsidiaries)", are classified as "Other Service total sales".
※2　Owing to the absorption of MDV Trial on 1 January 2023, its sales, previously listed under "New businesses (subsidiaries)", are now included in Medical data survey analysis.

Copyright © Medical Data Vision Co., Ltd. All Rights Reserved.

Business indicators

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

※Per-share data adjusted for past stock splits.

Copyright © Medical Data Vision Co., Ltd. All Rights Reserved.

Sales breakdown, other indicators, cash flow statement

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

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

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

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

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

Copyright © Medical Data Vision Co., Ltd. All Rights Reserved.

Balance sheet

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

Copyright © Medical Data Vision Co., Ltd. All Rights Reserved.

Contacts

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

This document provides information intended solely to help readers' understanding of Medical Data Vision Co., Ltd. (MDV). Thus, MDV has no intention to solicit or encourage investment for securities or financial products mentioned in this document. Also, readers are advised that this document is not a disclosure document or statement of financial performance as required by Japan's Financial Instruments and Exchange Act, Act on Investment Trusts and Investment Corporations, related cabinet orders, cabinet office ordinances or rules, the rules governing companies listed on the Tokyo Stock Exchange, or any other applicable rules. This document contains forward-looking statements, including forecasts of financial position, results of operations, and business-related matters, as well as statements related to the plans and goals of the management of Medical Data Vision Co., Ltd. (MDV). There are a number of known and unknown risks and uncertainties that can cause MDV's actual results or performance to differ materially from any explicit or implicit forecasts contained herein. These forward-looking statements also rest on a number of assumptions with regard to MDV's present and future management strategies, as well as the political and economical environments in which MDV will conduct its future business operations. Although the information contained in this document is the best available at the time of publication, no assurances can be given regarding the accuracy, certainty, validity or fairness of this information. The content of this document can be modified or withdrawn without prior notice.

Copyright © Medical Data Vision Co., Ltd. All Rights Reserved.