FY2024 Q2
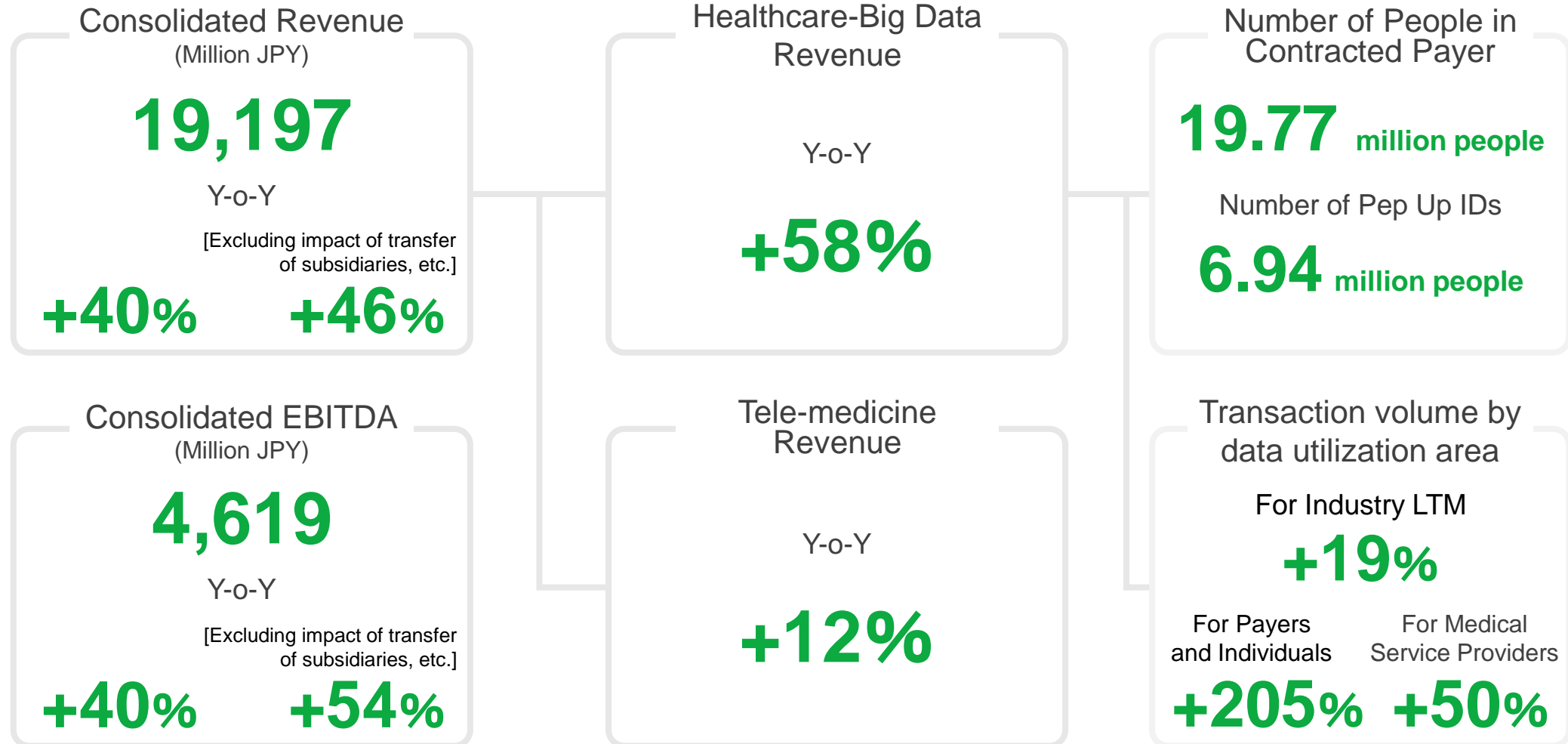# Financial Briefing Material

November 5, 2024

JMDC Inc.

Section 1

Summary

FY2024 Q2: Performance Highlights

Both revenue and EBITDA are performing well. In addition, our main KPIs are expanding steadily.

Consolidated Revenue
(Million JPY)

19,197

Y-o-Y

[Excluding impact of transfer of subsidiaries, etc.]

+40%　　**+46%**

Healthcare-Big Data Revenue

Y-o-Y

+58%

Number of People in Contracted Payer

19.77 **million people**

Number of Pep Up IDs

6.94 **million people**

Consolidated EBITDA
(Million JPY)

4,619

Y-o-Y

[Excluding impact of transfer of subsidiaries, etc.]

+40%　　**+54%**

Tele-medicine Revenue

Y-o-Y

+12%

Transaction volume by data utilization area

For Industry LTM

+19%

For Payers and Individuals

For Medical Service Providers

+205%　**+50%**

Note: IFRS-based
EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses

[Reference] FY2024: Business Segments of JMDC Group

Healthcare-Big Data business saw a significant expansion of its business base, including payers and medical institutions. Business for Industry maintained favorable performance as a whole, although the tailwind has eased a little. Tele-medicine business has established itself as a leader in medical operations and is expanding its role.

	Business Outline	Summary of FY2024 H1
Healthcare-Big Data	**For Industry** Data utilization service for pharmaceutical companies, insurance companies, etc.	• In the pharmaceutical domain, the development of new usages for data utilization continued, and although the Q2 growth rate was somewhat soft, a recovery is expected in the second half of the year. • In the life and non-life insurance domain, data provision has recovered to a certain extent, and with an increase in development projects, the domain has returned to a growth trend.
	For Payers and Individuals Data analysis for health insurance unions, provision of "Pep Up," an ICT product for health insurance union members, and services for local governments	• Each KPI expanded significantly as development of payers and introduction of Pep Up accelerated. • With the grouping of Cancerscan, the scale of the business in the local government domain has expanded rapidly.
	For Medical Service Providers Medicine DB, data analysis for medical institutions, management consulting/finance, web-based medical inquiries, system for attracting patients/taking reservations	• The gap with competitors narrowed in terms of data volume due to a sustained increase in the number of medical institution systems installed. • Consulting business and financing for medical institutions are also performing well. • Smart Clinic continues to expand.
Tele-medicine	Provision of remote diagnostic imaging service	• Maintain high profitability due to solid demand and strengthened operations.
Dispensing Pharmacy Support	Development/provision of receipt computer and electronic medication history for pharmacies	• The transfer of subsidiaries in FY2023 led to a reduction in the scale of the business, but stable revenue and profit were generated.

4

FY2024 Q2: Management Viewpoints

In order to further deepen the understanding of shareholders, investors and other stakeholders, we will provide management viewpoints.

Management Viewpoints

Results for FY2024 Q2 (1)

The reasons for the seemingly weak performance of business for Industry and the outlook for the future

- As a whole, we exceeded our H1 guidance announced at Q1 results announcement in terms of both revenue and profit, and were able to fulfill our commitments to a certain extent. In Healthcare-Big Data segment, the core business, revenue grew 32% and EBITDA 42% (both in a single Q2), even on an organic basis, excluding the effect of the large M&A of Cancerscan.
- The reason for this is that the business for Industry is biased toward H2 (October-March), making it susceptible to the impact of demand fluctuations in the H1 when sales are relatively small. In addition, Q2 results in the previous fiscal year (FY2023) were strong, with a growth rate of +32% compared to FY2022, due to the upward swing. In other words, the Q2 figures for the single Q2 appear sluggish, due in part to the upward swing in the comparative year in Q2, which is susceptible to fluctuations in demand.
- However, data business tends to expand as customer literacy grows, and the nature of the business is that it does not increase or decrease significantly in a short period of time, but rather gradually permeates the market. Business for Industry has not lost its sustained growth momentum, and we have no concerns about H2 growth, which is expected to be around 25% compared to the previous year, which was a good year.

Results for FY2024 Q2 (2)

Factors contributing to the strong performance of business for Payers/Individuals and for Medical Service Providers, and the outlook for the future.

- The business for Payers/Individuals and for Medical Service Providers continues to perform well. Until now, the data infrastructure business has been promoted mainly for the purpose of data collection, and its profitability has been low compared to the business for Industry, but its earnings contribution in recent years has become something to be fully proud of (details are provided in Section 5).
- In Payers/Individuals domain, local government business expanded significantly with the addition of Cancerscan as a group company. In health insurance unions business, which had been the overwhelming No. 1 business area, and in local government business, which has now become the No. 1 business area, further de facto standardization has accelerated the development of white spaces, and the amount of service use by existing clients has also increased. The business area is continuing to expand due to these multi-layered and rippling effects.
- In Medical Service Providers area, the base of data infrastructure services that promote in-hospital Dx is also expanding. The real goal of expanding its base is to provide consulting and financing services that utilize data within medical institutions. The consulting and finance business is highly profitable, and we feel that its potential business scale could surpass that of data utilization for Industry.

Although H1 results exceeded forecasts, are there any revisions to the full-year forecast?

- Although we exceeded our H1 guidance, we are not considering revisions to our performance, as our budget is originally biased toward H2.
- Progress in each business toward H2 has been steady, and we will continue to promote the steady achievement of our goals.

Progress and response to monetization as stated in the business outlook in the FY2023 full-year financial results announcement

- The vision of returning the value of data to society and monetizing it is progressing well, and is beginning to materialize in the growth and profitability of the business for Payers/Individuals and for Medical Service Providers.
- The challenges and needs of Payers/Individuals and Medical Service Providers are expected to further expand along with social structural changes, and we expect business growth in this area as well as to become a source of revenue at a level comparable to that for Industry.

Section 2

FY2024 Q2 Performance Report

FY2024 Q2: Summary of Consolidated Performance

Excluding the impact of the transfer of subsidiaries in Q1 of last year, both revenue and profit grew steadily in H1.

(Unit: Million JPY)	FY2023 H1	FY2024 H1	Y-o-Y	[Reference] Excluding impact of transfer of subsidiaries, etc.
Revenue	13,746	19,197	+40%	**+46%**
Operating profit (Rate)	3,602 (26%)	3,250 (17%)	-10%	**+73%**
Profit before taxes (Rate)	3,615 (26%)	3,167 (17%)	-12%	**+54%**
Profit attributable to owners of parent (Rate)	2,662 (19%)	2,189 (11%)	-18%	**+59%**
EBITDA (Margin)	3,303 (24%)	4,619 (24%)	+40%	**+54%**

Note: IFRS-based
EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses, EBITDA margin: EBITDA/Revenue

FY2024 Q2: Comparison to H1 Plan

The business environment has been favourable, and the results for H1 exceeded the plan announced in Q1.

(Unit: Million JPY)	FY2024 H1 Plan	FY2024 H1 Actual	Comparison to H1 Plan
Revenue	18,700	19,197	**+3%**
Operating profit (Rate)	2,800 (15%)	3,250 (17%)	**+16%**
Profit before taxes (Rate)	2,750 (15%)	3,167 (17%)	**+15%**
Profit attributable to owners of parent (Rate)	1,850 (10%)	2,189 (11%)	**+18%**
EBITDA (Margin)	4,000 (21%)	4,619 (24%)	**+15%**

Note: IFRS-based
EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses, EBITDA margin: EBITDA/Revenue

[Reference] FY2024: Progress Against Full-Year Forecasts

Although we have exceeded our H1 plan, we continue to be conservative in our full-year plan and have left the plan unchanged at this time. If there are any major changes to the plan in the future, we will disclose them appropriately.
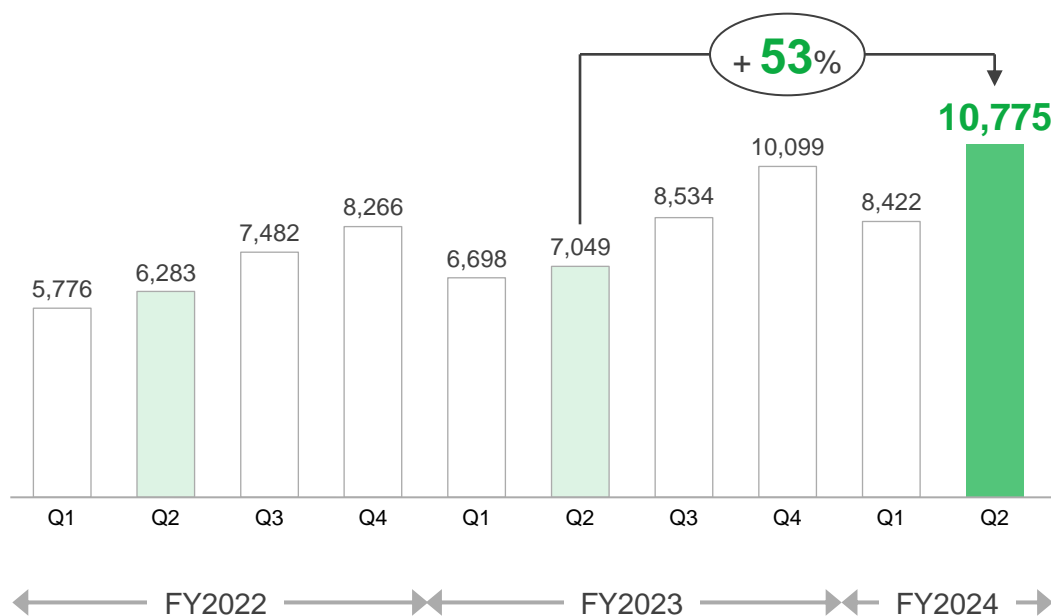
(Unit: Million JPY)	FY2024 H1	FY2024 Full-Year Forecasts	FY2024 H1 Progress ratio	(FY2023 H1) Progress ratio
Revenue	19,197	43,000	**45%**	42%
Operating profit (Rate)	3,250 (17%)	9,300 (22%)	**35%**	41%
Profit before taxes (Rate)	3,167 (17%)	9,100 (21%)	**35%**	41%
Profit attributable to owners of parent (Rate)	2,189 (11%)	6,200 (14%)	**35%**	41%
EBITDA (Margin)	4,619 (27%)	12,000 (28%)	**38%**	34%

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Note: IFRS-based
EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses, EBITDA margin: EBITDA/Revenue

FY2024 Q2: Quarterly Consolidated Revenue/EBITDA

The expansion of the business domain of the Healthcare-Big Data business drove growth, and both revenue and EBITDA grew more strongly than in previous years.
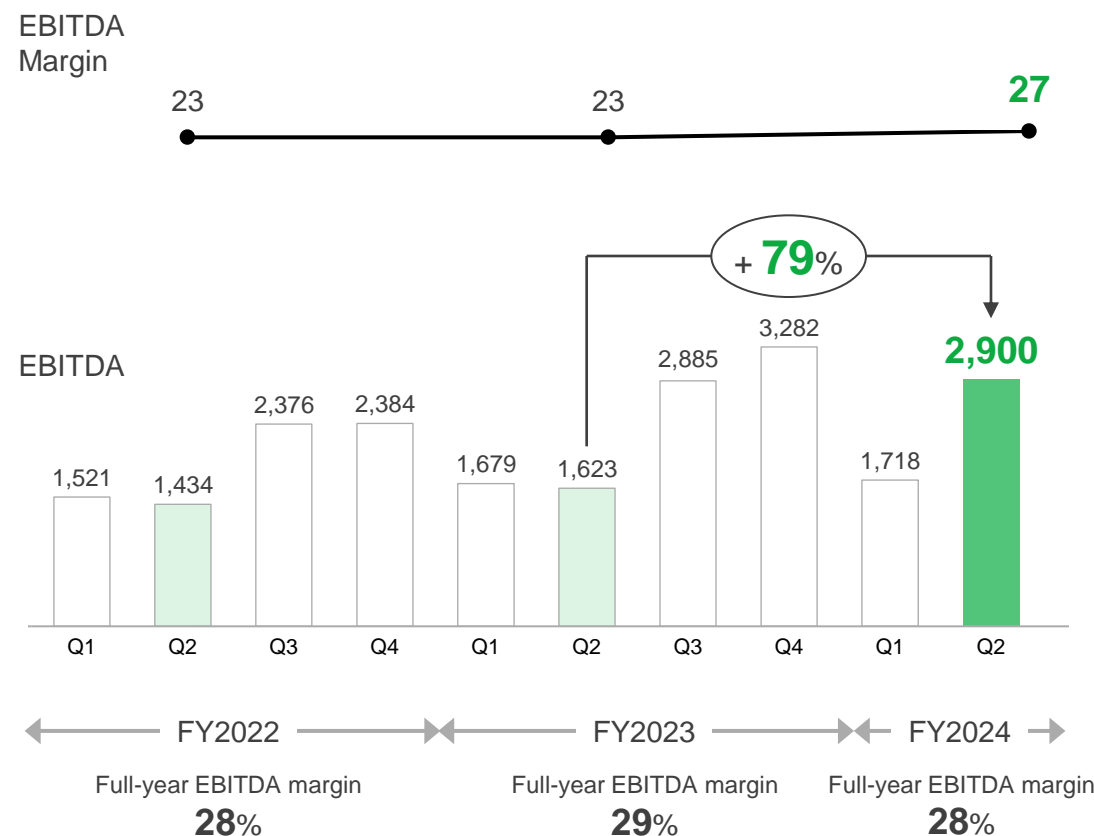

Quarterly Trends of Consolidated Revenue

(Unit: Million JPY)

+ **53**%

10,775

5,776 / 6,283 / 7,482 / 8,266 / 6,698 / 7,049 / 8,534 / 10,099 / 8,422

Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2

FY2022 — FY2023 — FY2024

Quarterly Trends of Consolidated EBITDA/margin

(Unit: Million JPY and %)

EBITDA Margin

23   23   27

EBITDA

+ **79**%

2,900

1,521 / 1,434 / 2,376 / 2,384 / 1,679 / 1,623 / 2,885 / 3,282 / 1,718

Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2

FY2022 — FY2023 — FY2024

Full-year EBITDA margin **28**%

Full-year EBITDA margin **29**%

Full-year EBITDA margin **28**% (plan)

Note: IFRS-based
EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses, EBITDA margin: EBITDA/Revenue
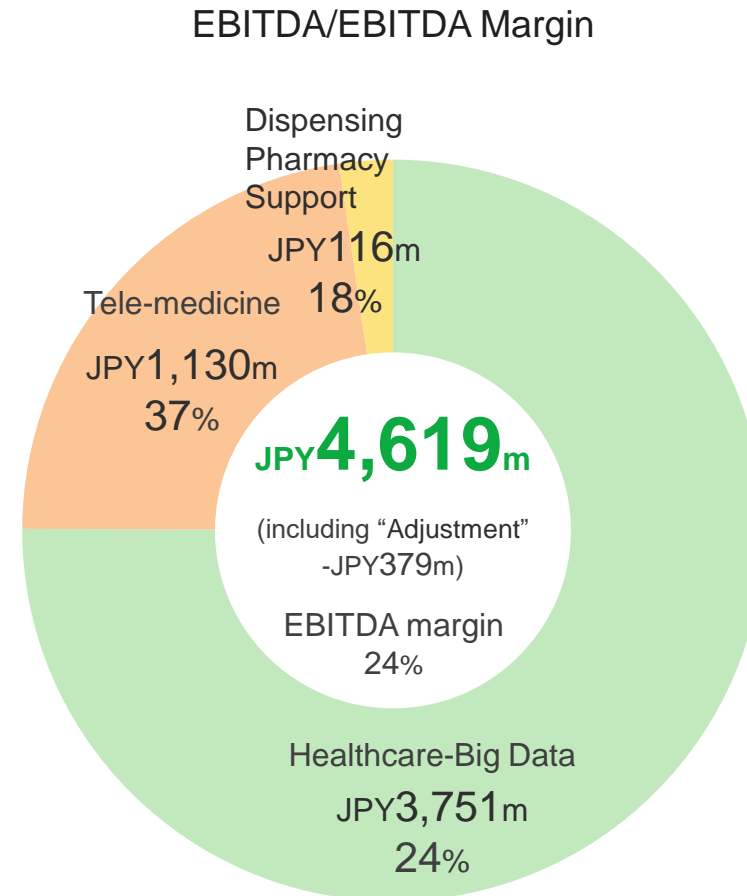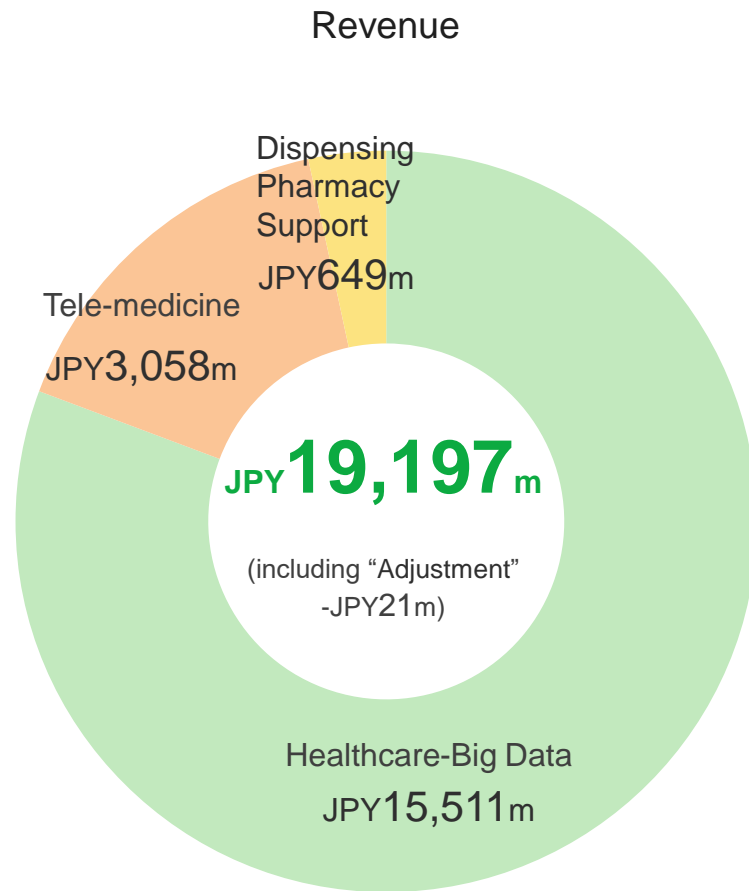
FY2024 Q2: Performance by Segment

Both revenue and profit increased thanks to the high growth of the Healthcare-Big Data segment, which is a core segment, and the stable growth of the Tele-medicine segment.

(Unit: Million JPY)		FY2023 H1	FY2024 H1	Y-o-Y
Healthcare-Big Data	Revenue	9,834	15,511	**+58%**
	EBITDA	2,492	3,751	**+51%**
	(Margin)	(25%)	(24%)	
Tele-medicine	Revenue	2,740	3,058	+12%
	EBITDA	1,014	1,130	+11%
	(Margin)	(37%)	**(37%)**	
Dispensing Pharmacy Support	Revenue	1,261	649	-49%
	EBITDA	133	116	-13%
	(Margin)	(11%)	(18%)	
Adjustment	Revenue	-89	-21	-
	EBITDA	-338	-379	-

FY2024 Q2: Revenue/EBITDA by Segment

The core Healthcare-Big Data segment generates more than 70% of the Group's revenue and EBITDA. The Tele-medicine segment continues to maintain high profitability, and the Dispensing Pharmacy Support segment generates stable sales and profits.

Revenue

Dispensing Pharmacy Support
JPY649m

Tele-medicine
JPY3,058m

JPY**19,197**m

(including "Adjustment" -JPY21m)

Healthcare-Big Data
JPY15,511m

EBITDA/EBITDA Margin

Dispensing Pharmacy Support
JPY116m
18%

Tele-medicine
JPY1,130m
37%

JPY**4,619**m

(including "Adjustment" -JPY379m)

EBITDA margin
24%

Healthcare-Big Data
JPY3,751m
24%

Note: IFRS-based
EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses, EBITDA margin: EBITDA/Revenue
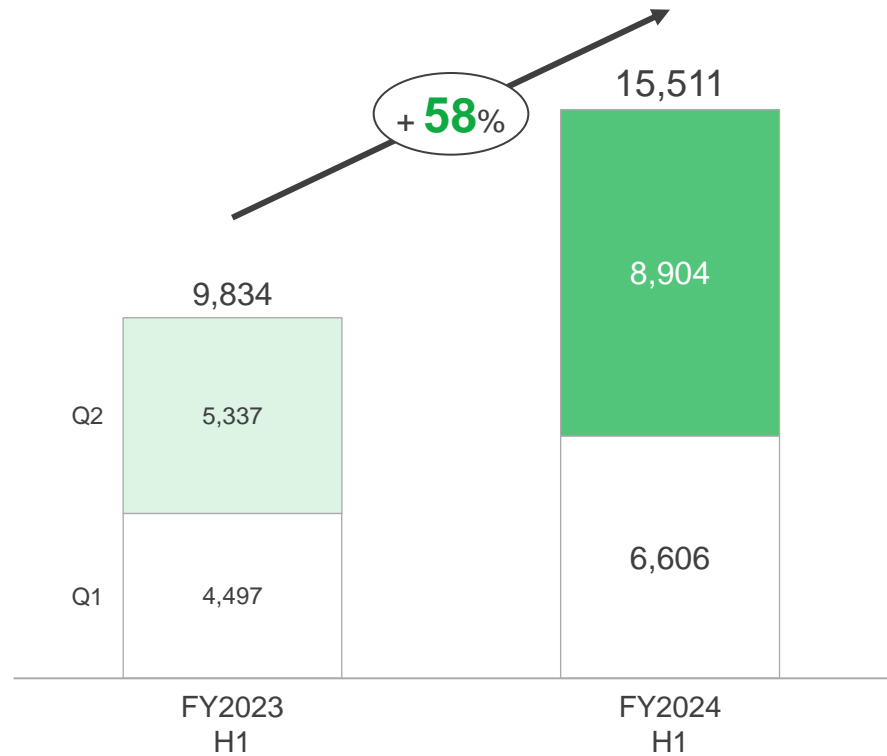
Section 3
Healthcare-Big Data Business

Healthcare-Big Data Business: Revenue

Revenue expanded significantly, thanks to contributions from business for Payers/Individuals and business for Medical Service Providers.
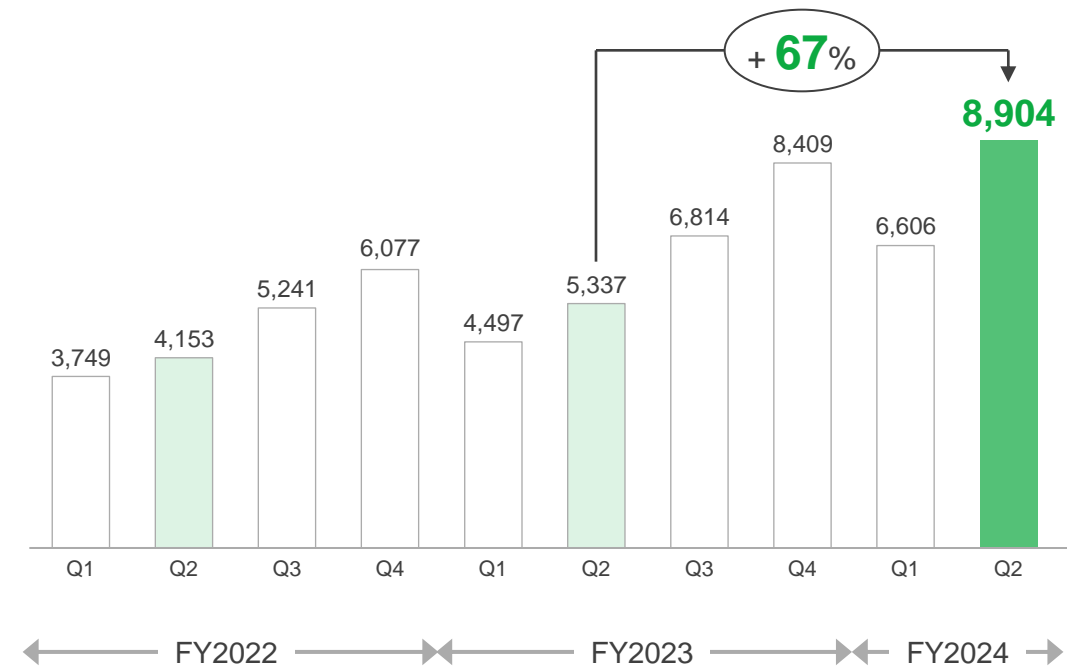
Revenue as Compared to Last Year

(Unit: Million JPY)

+ **58**%

	FY2023 H1	FY2024 H1
	9,834	15,511
Q2	5,337	8,904
Q1	4,497	6,606

Quarterly Trends of Revenue

(Unit: Million JPY)

+ **67**%

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	3,749	4,153	5,241	6,077	4,497	5,337	6,814	8,409	6,606	8,904

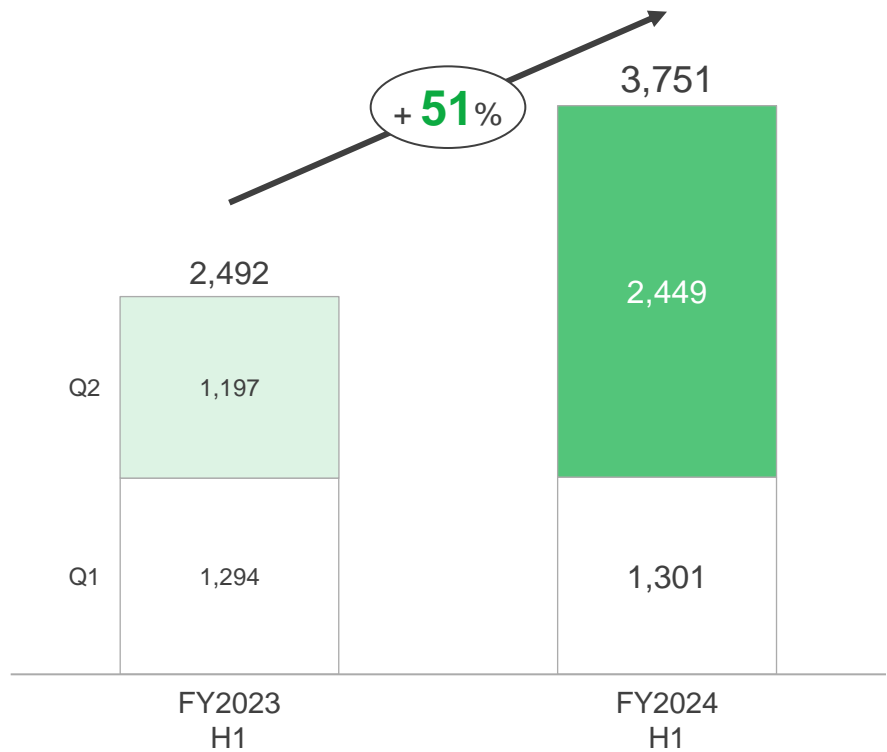FY2022 — FY2023 — FY2024

Note: IFRS-based

14

Healthcare-Big Data Business: EBITDA

Profitability is also improving in line with revenue growth.

EBITDA as Compared to Last Year
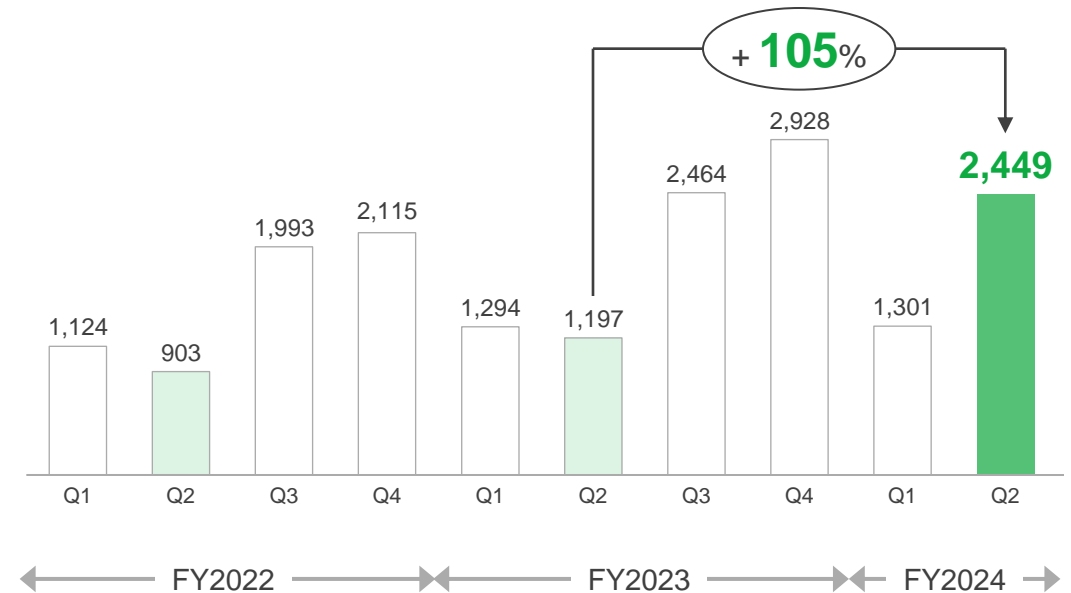
(Unit: Million JPY)

+ **51**%

3,751

2,492

Q2 1,197

2,449

Q1 1,294

1,301

FY2023
H1

FY2024
H1

Quarterly Trends of EBITDA

(Unit: Million JPY)

+ **105**%

1,124

903

1,993

2,115

1,294

1,197

2,464

2,928

1,301

2,449

Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2

FY2022   FY2023   FY2024

Note: IFRS-based
EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses
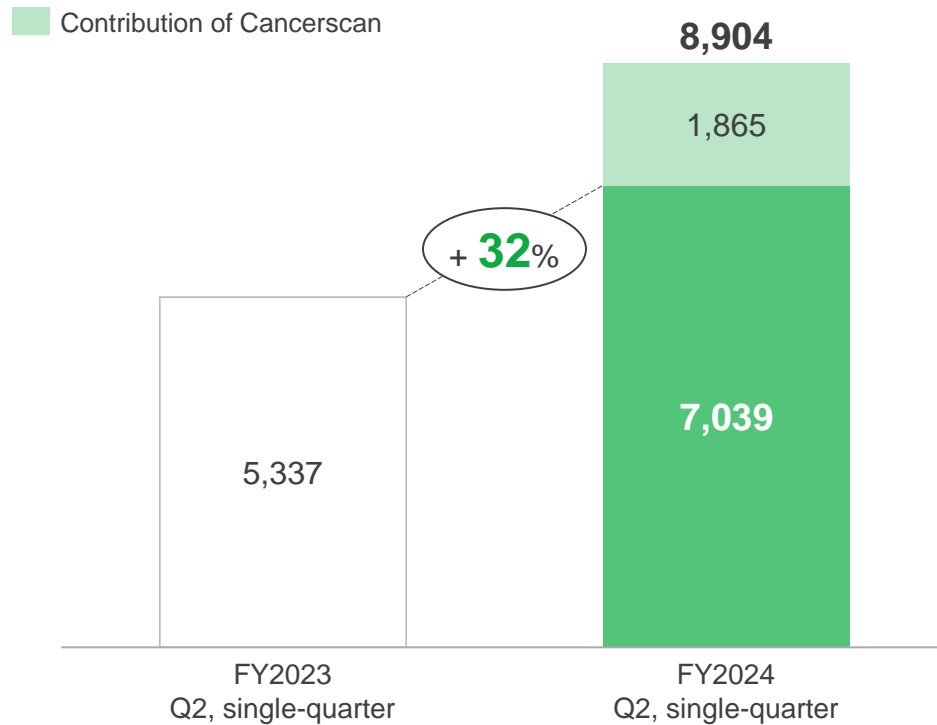
[Reference] Healthcare-Big Data Business:
Strong Growth in Existing Businesses (Organic Growth)

Organic growth in existing businesses, excluding the impact of Cancerscan, which joined the group last year, also maintained strong growth.

Revenue (Q2, single-quarter)

(Unit: Million JPY and %)

- Contribution of Cancerscan

8,904

1,865

+ 32%

7,039

5,337

FY2023
Q2, single-quarter

FY2024
Q2, single-quarter

EBITDA (Q2, single-quarter)

(Unit: Million JPY and %)

- Contribution of Cancerscan

2,449

748

+ 42%

1,701

1,197

FY2023
Q2, single-quarter

FY2024
Q2, single-quarter

Note: IFRS-based
EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses, EBITDA margin: EBITDA/Revenue
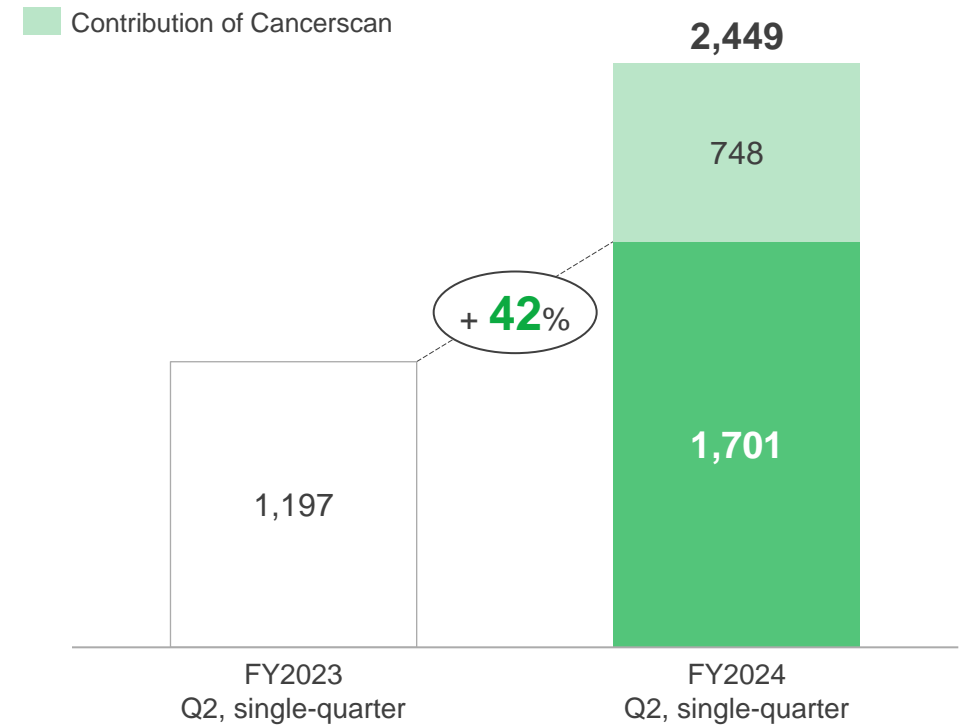
JMDC Healthcare-Big Data

JMDC will support the evolution of medicine by accumulating diverse healthcare data in Japan and building an environment enabling any player in the healthcare industry to use the data.
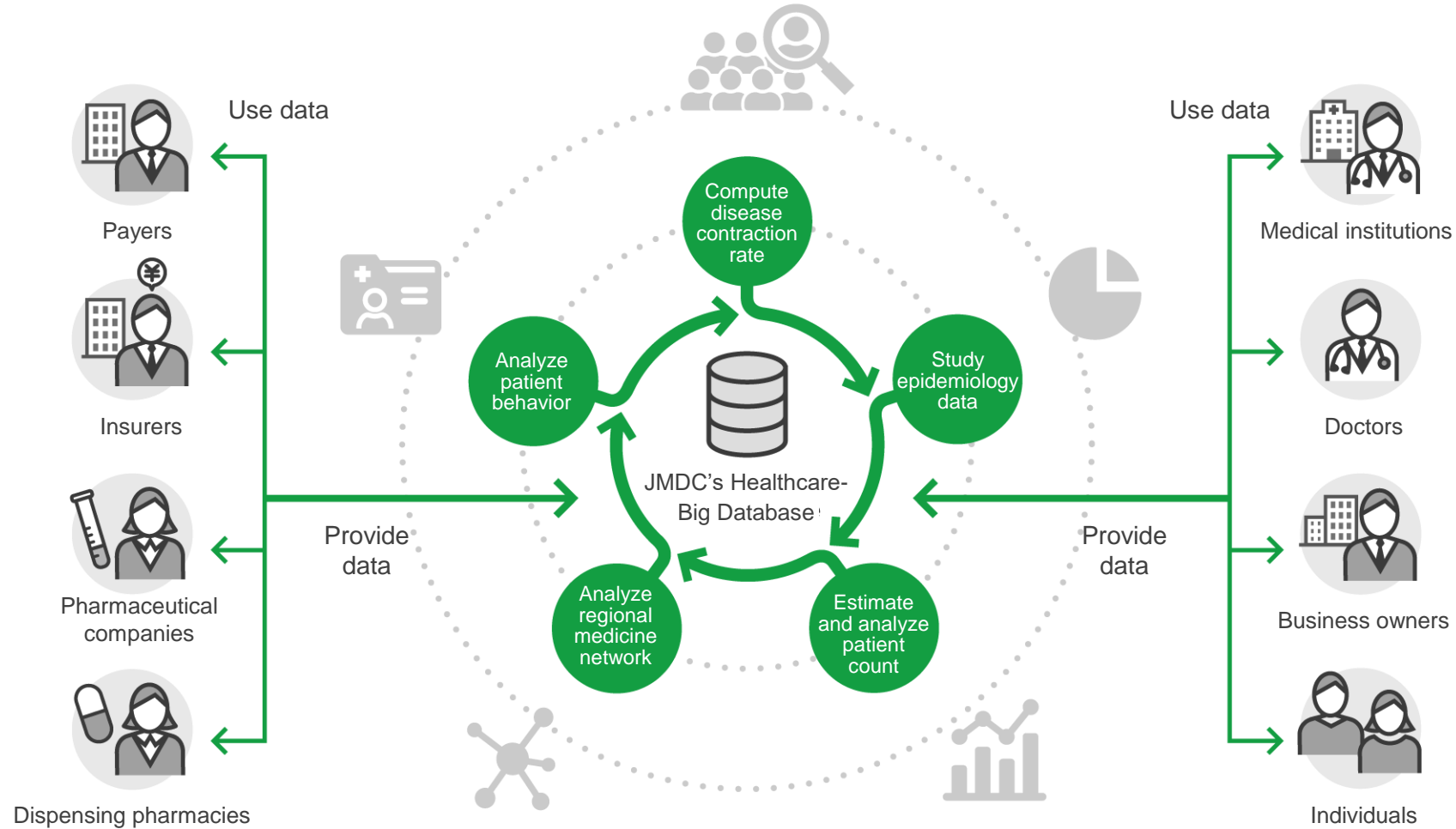
Healthcare-Big Data Business: Outline

We operate our business by offering data utilization-based services to a range of players in the healthcare industry, such as "For Industry" (mainly for pharmaceutical companies and insurance companies), "For Payers/Individuals," and "For Medical Service Providers."

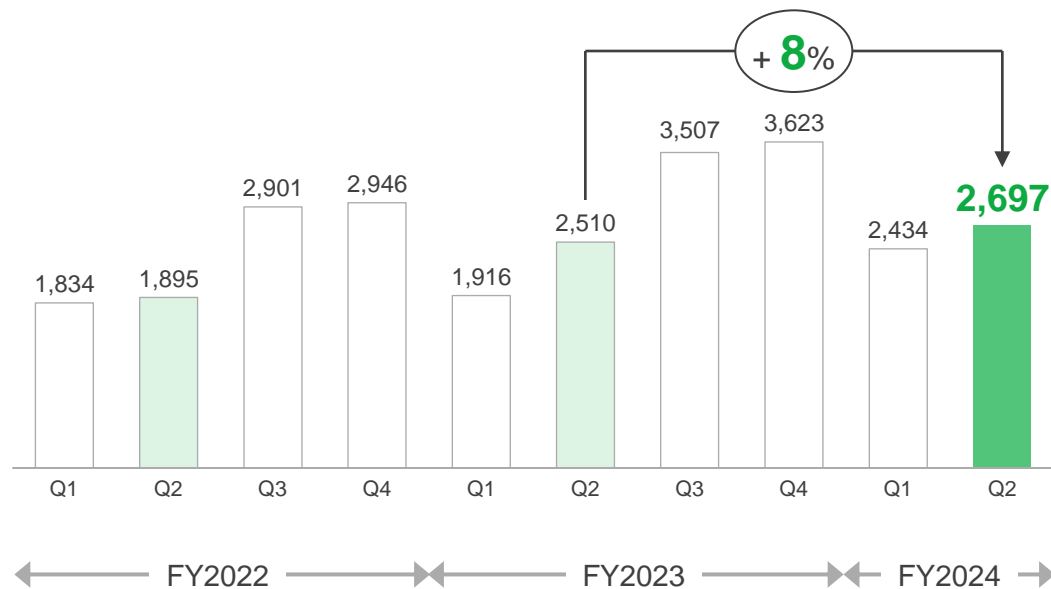| (Unit: Million JPY)	Data Utilization	Healthcare-Big Data Business Size
		(FY2024 H1, Actual)
For Industry	**Mainly for pharmaceutical companies and insurance companies** • Pharmaceutical companies utilize data for analysis to increase the value of medicine, while insurance companies do so for product development. • Consulting-accelerated expansion of data utilization and improvement in added value. • The use of DBs other than the payer DB has also expanded.	5,131
For Payers/Individuals	**Develop health business support services and Pep Up for health insurance unions and local governments** • Accumulate information such as receipts and dispensing histories before devising measures to rein in medical expenses. • Specific health guidance business, in addition to health checkup recommendations and severe disease prevention, expanded steadily. • Expanding business into areas for local governments and other payers.	4,536
For Medical Service Providers	**Rapid expansion of business for medical institutions** • Analyze in-hospital data for use in consultation and finance services. • Provide medical institutions with original applications such as package insert DB of medicine and web inquiry. • Medical care support based on real-time data is also provided.	5,947
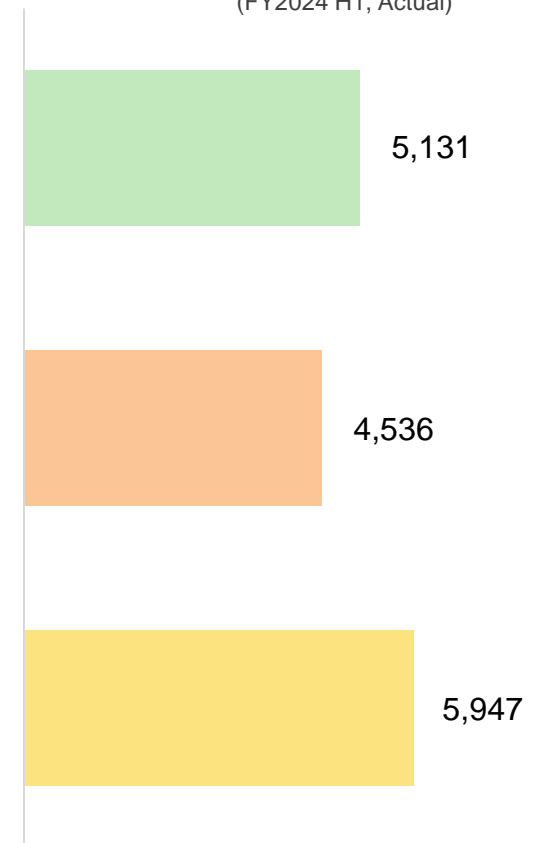
Note: Each business size value represents a simple sum for business management purposes. No adjustment was made to IFRS adjustment values and inter-segment transaction adjustment values.

For Industry: Business Status of Data Utilization

The life and non-life insurance domain has returned to a growth trend, but the growth rate was somewhat soft compared to Q2 of the previous year. The growth trend is expected to recover from Q3 onwards.
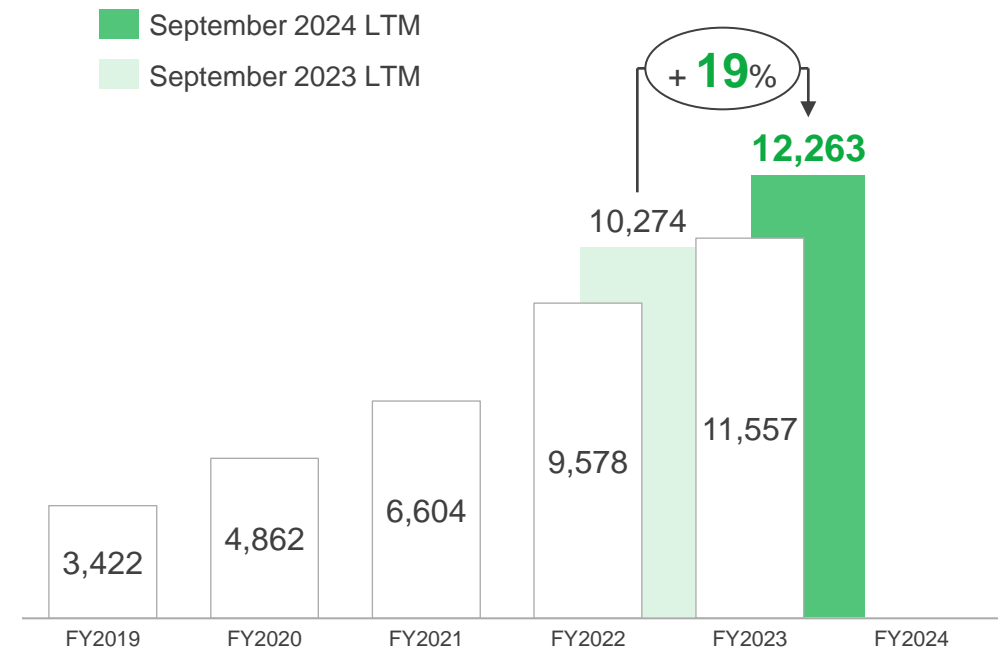
Quarterly Revenue Trends of Business for Industry
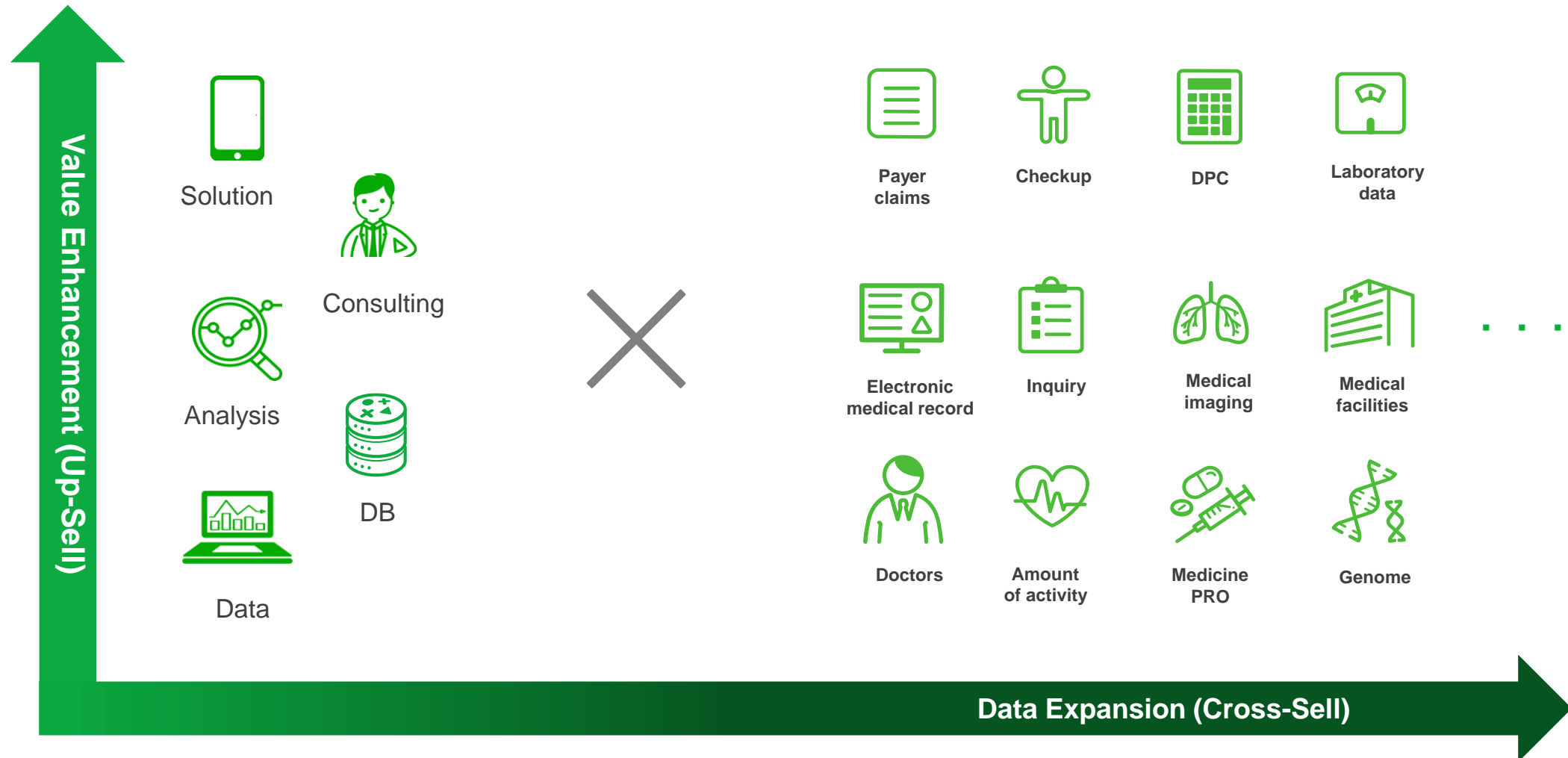
(Unit: Million JPY)

1,834	1,895	2,901	2,946	1,916	2,510	3,507	3,623	2,434	2,697
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2

+ 8%

← FY2022 → ← FY2023 → ← FY2024 →

Yearly Revenue Trends of Business for Industry

(Unit: Million JPY)

- September 2024 LTM
- September 2023 LTM

+ 19%

12,263

3,422	4,862	6,604	9,578	10,274 / 11,557	
FY2019	FY2020	FY2021	FY2022	FY2023	FY2024

LTM: Last Twelve Months (the past 12 months from the latest quarter)

For Industry: Maximize Revenue of Effective Data Usage

To expand data utilization, we will take measures in the form of raising value-added (Up-Sell) and widening data categories (Cross-Sell).
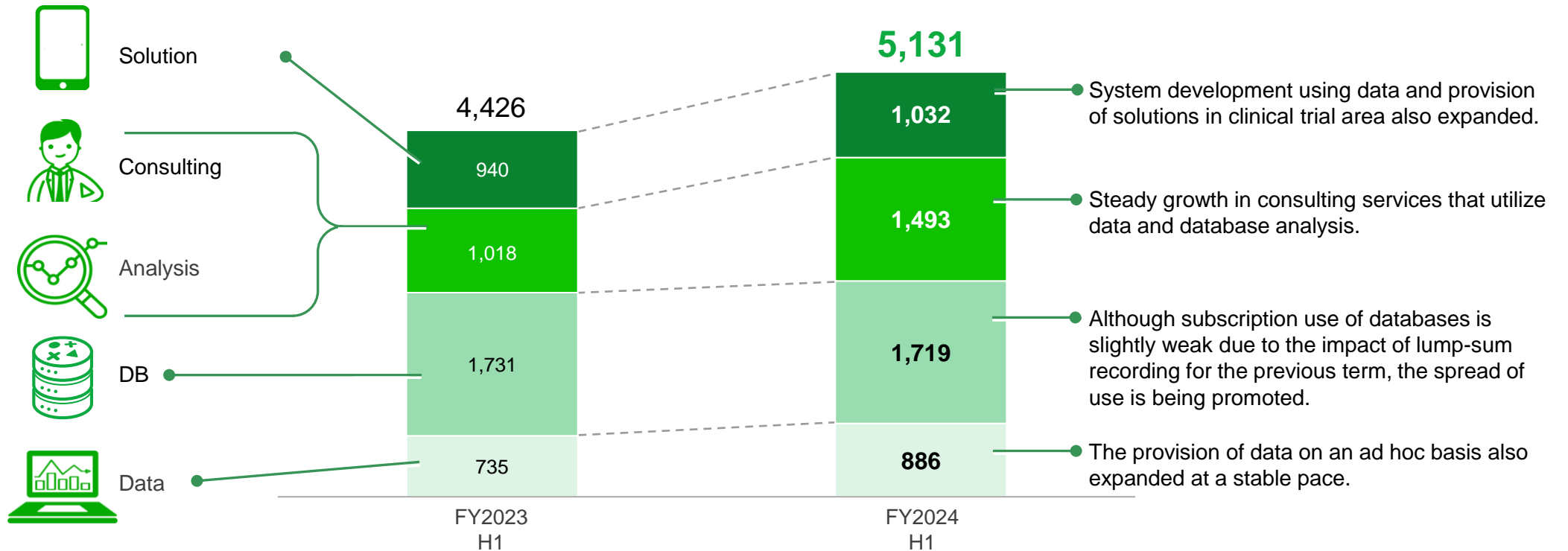
Value Enhancement (Up-Sell) ↑

Solution

Consulting

Analysis

DB

Data

×

Payer claims	Checkup	DPC	Laboratory data
Electronic medical record	Inquiry	Medical imaging	Medical facilities
Doctors	Amount of activity	Medicine PRO	Genome

· · ·

Data Expansion (Cross-Sell) →

For Industry: Status of Up-selling

In addition to data provision, the diversification of high-value-added data services such as consulting, analysis, and solutions is progressing, and the scale of business for Industry is steadily expanding.

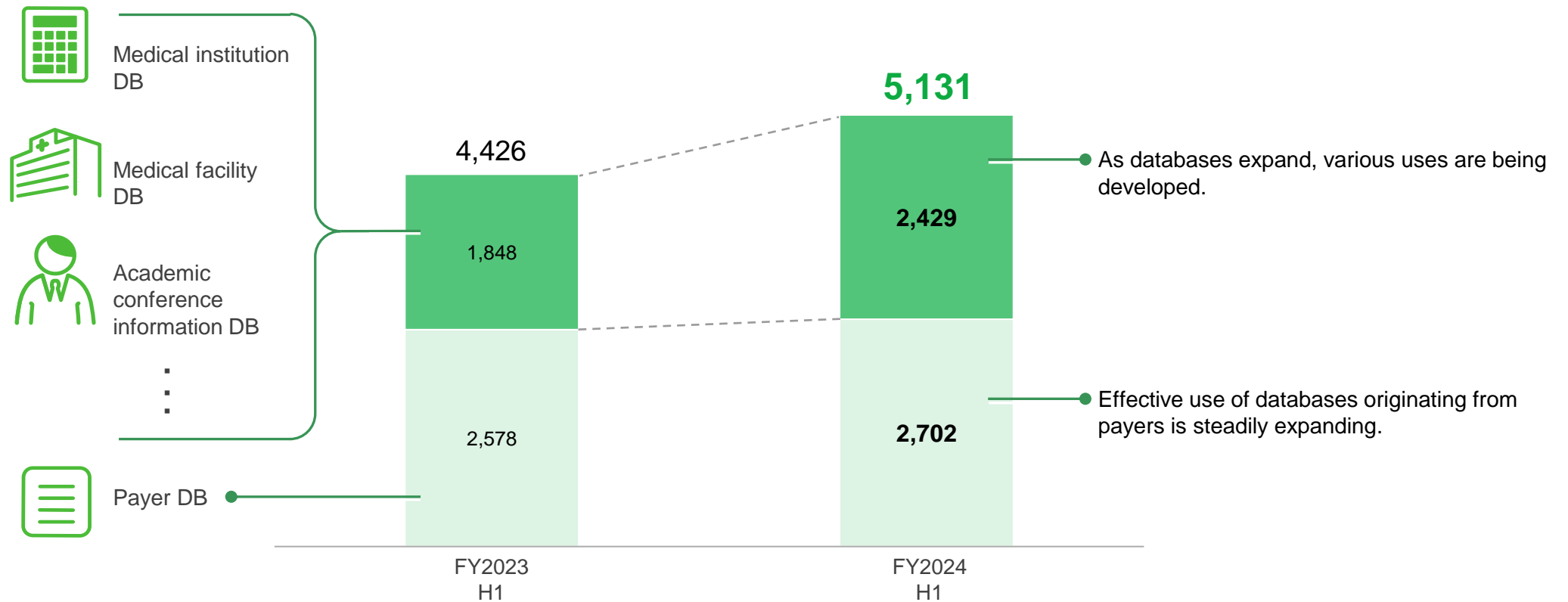## Status of Up-selling (Revenue by Service)

(Unit: Million JPY)

Solution

Consulting

Analysis

DB

Data

4,426

940	
1,018	
1,731	
735	

5,131

1,032	
1,493	
1,719	
886	

FY2023
H1

FY2024
H1

System development using data and provision of solutions in clinical trial area also expanded.

Steady growth in consulting services that utilize data and database analysis.

Although subscription use of databases is slightly weak due to the impact of lump-sum recording for the previous term, the spread of use is being promoted.

The provision of data on an ad hoc basis also expanded at a stable pace.

For Industry: Status of Cross-selling

The data acquisition we have been working on has been successful, and sales from data other than Payer DBs are also rapidly increasing.

## Status of Cross-selling (Sales by Data Category)

(Unit: Million JPY)

Medical institution DB

Medical facility DB

Academic conference information DB

Payer DB

4,426

1,848

2,578

FY2023
H1

5,131

2,429

2,702

FY2024
H1

As databases expand, various uses are being developed.

Effective use of databases originating from payers is steadily expanding.

[Reference] For Industry: Use-case Examples in Pharmaceutical Companies for Rare Diseases

High-value-added projects that utilize multiple data and advanced predictive models are expanding.

Predictive Model Construction

Based on medical claims data from patients diagnosed with Disease A, we construct predictive models.

Disease A

Similar Diseases
- Disease X
- Disease Y
- Disease Z

Predictive Model

Potential Patients
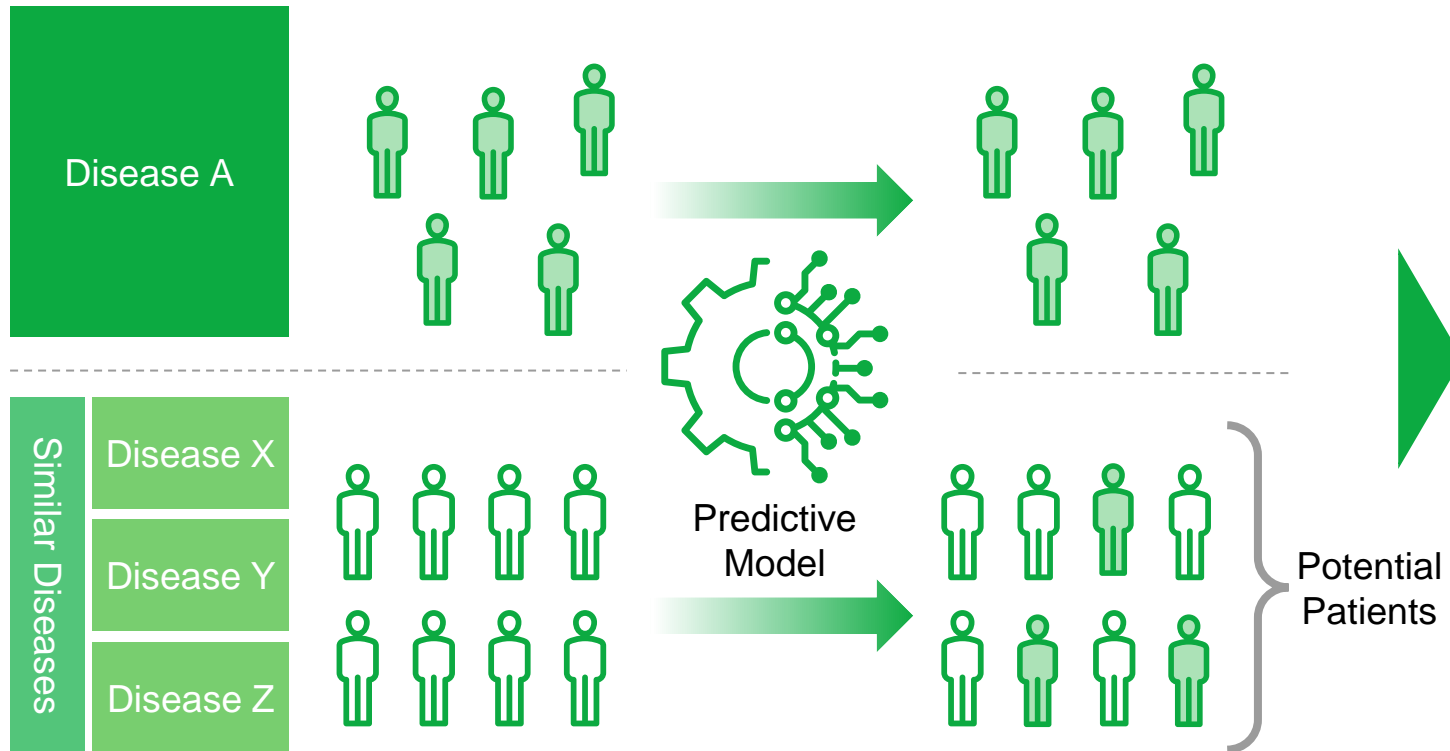
Estimation of the number of patients and their location distribution

By combining multiple data and prediction models, we estimate the number and location distribution of potential/diagnosed patients.

Hospital A

Hospital B

Hospital C

Clinic D

Payer DB

Other DBs
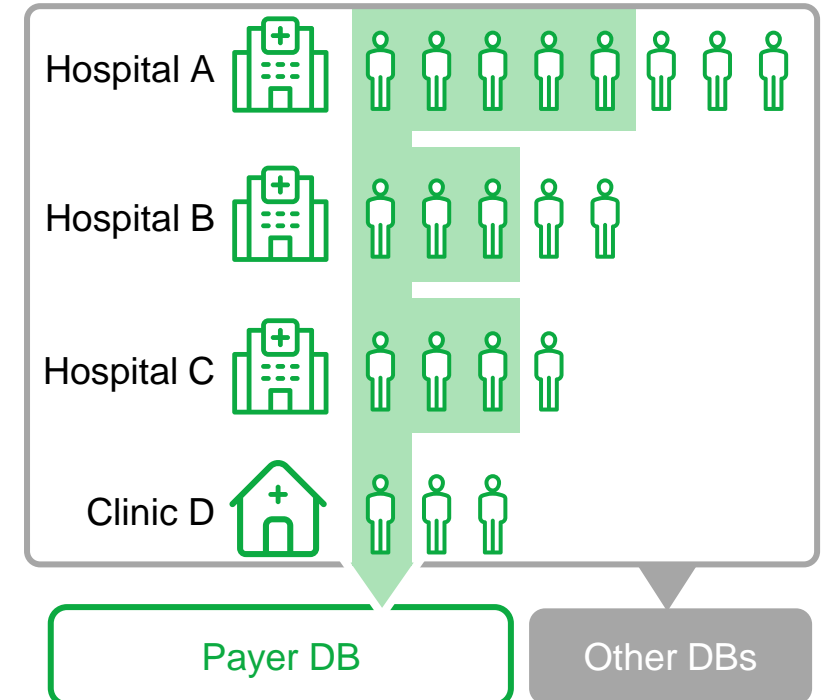
[Reference] For Industry: Solutions for Post-Marketing Surveillance in Pharmaceutical Companies

We construct data sets that combine Real World Data from medical institutions with additional information, and carry out effi cient post-marketing surveillance (PMS).
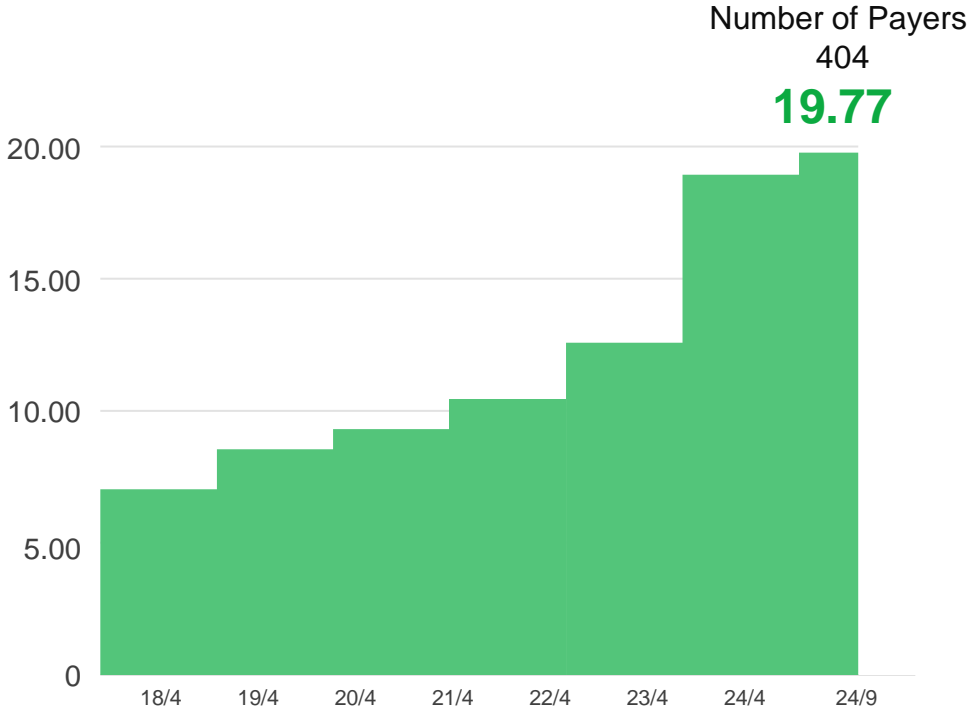

Electronic medical records

DPC data

Additional Information Collection System

On-premise / Cloud

Real World Data

Additional collected data

data sets
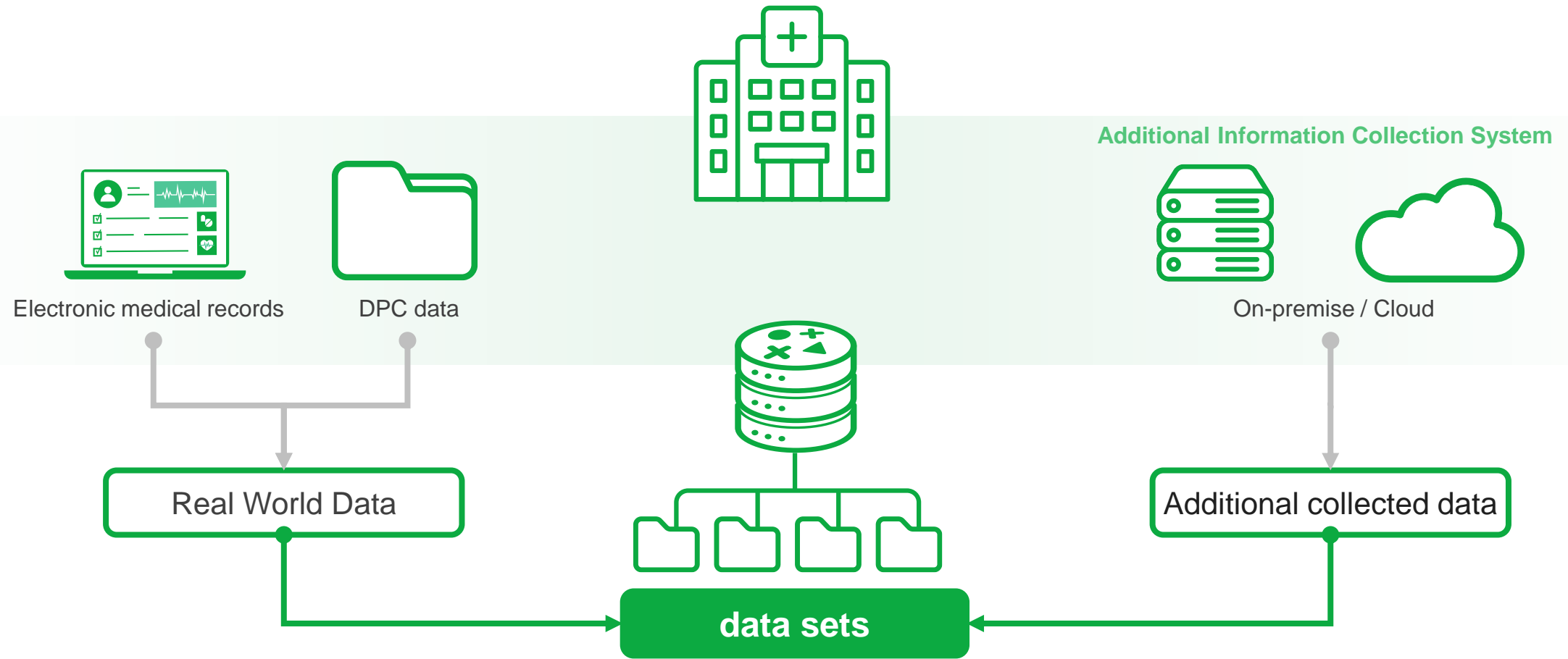
For Payers, Individuals: Expansion of Data Infrastructure

The cycle of expanding services leading to an increase in new users continues, and the business platform continues to expand.

JMDC Population Count Trend

The population continues to expand   (Unit: Million people)

Number of Payers
404
19.77

Pep Up: Number of User IDs   PepUp

(Unit: Million people)

+ **22**%

6.94

5.69

At the end of September 2023   At the end of September 2024
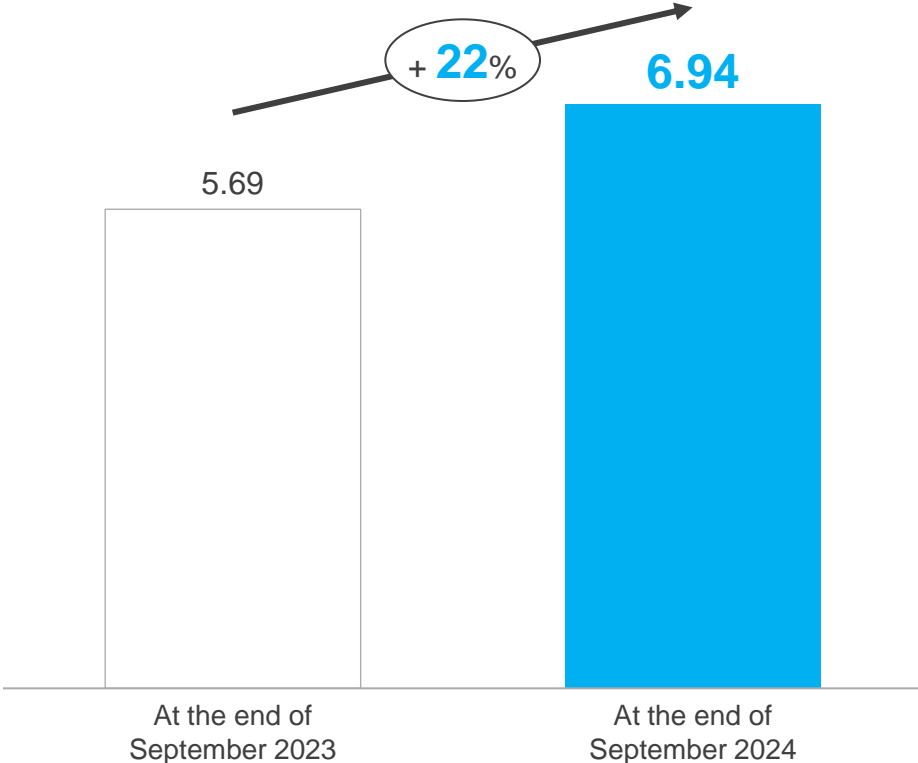
Note: Members represent the total number of members of payers that have continuous contracts with us as of the end of April of each year (excluding one-time transactions, rounded off), provided that the numbers for past years are the total member numbers as of the date of this presentation of payers.

For Payers, Individuals: State of Business

Due to the expansion of the scale of operations in the local government domain, sales in this business domain has grown rapid ly. In addition, Pep Up-related sales have maintained stable growth due to the expansion of the business base.
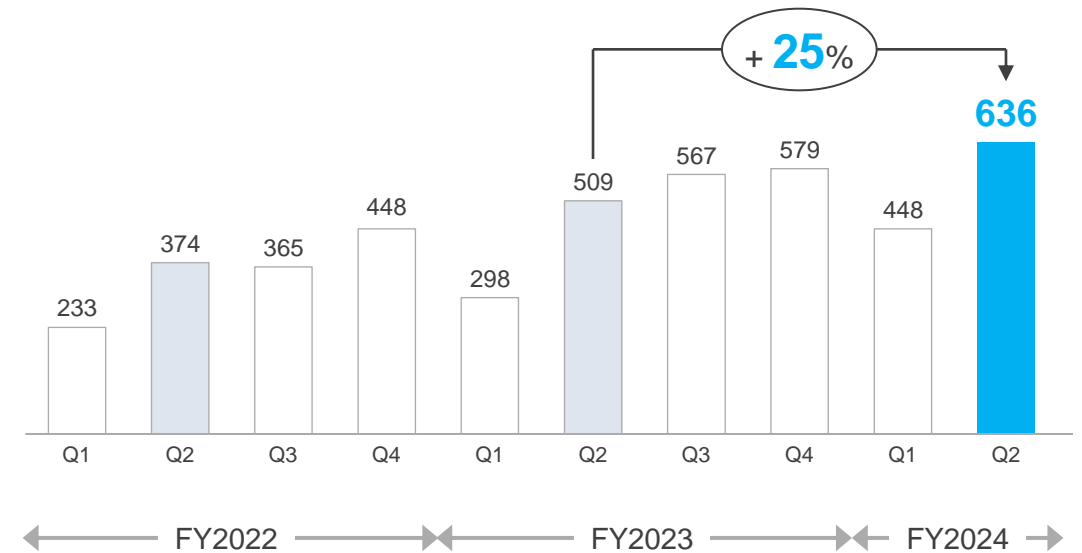
Quarterly Revenue Trends of Business for Payers/individuals

(Unit: Million JPY)

+ **233**%

3,132

| | 466 | 651 | 704 | 1,210 | 547 | 940 | 1,101 | 2,017 | 1,403 | 3,132 |
| Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |

←—— FY2022 ——→ ←—— FY2023 ——→ ← FY2024 →
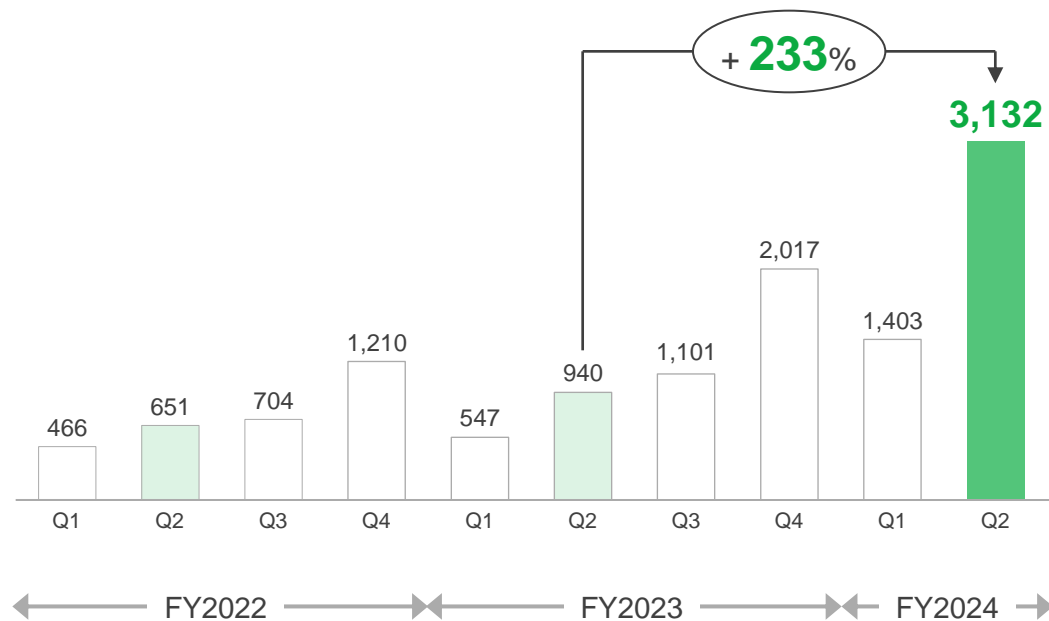
Quarterly Revenue Trends in Pep Up related sales

(Unit: Million JPY)

+ **25**%

636

| 233 | 374 | 365 | 448 | 298 | 509 | 567 | 579 | 448 | 636 |
| Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |

←—— FY2022 ——→ ←—— FY2023 ——→ ← FY2024 →

[Reference] For Payers, Individuals: Change in Business Structure

The scale of business in the local government domain has expanded rapidly as a result of Cancerscan's participation. In addition, in the existing area for health insurance unions, the market is steadily expanding due to the promotion of Pep Up usage by members and other factors.

Sales for Payers/Individuals as Compared to Last Year
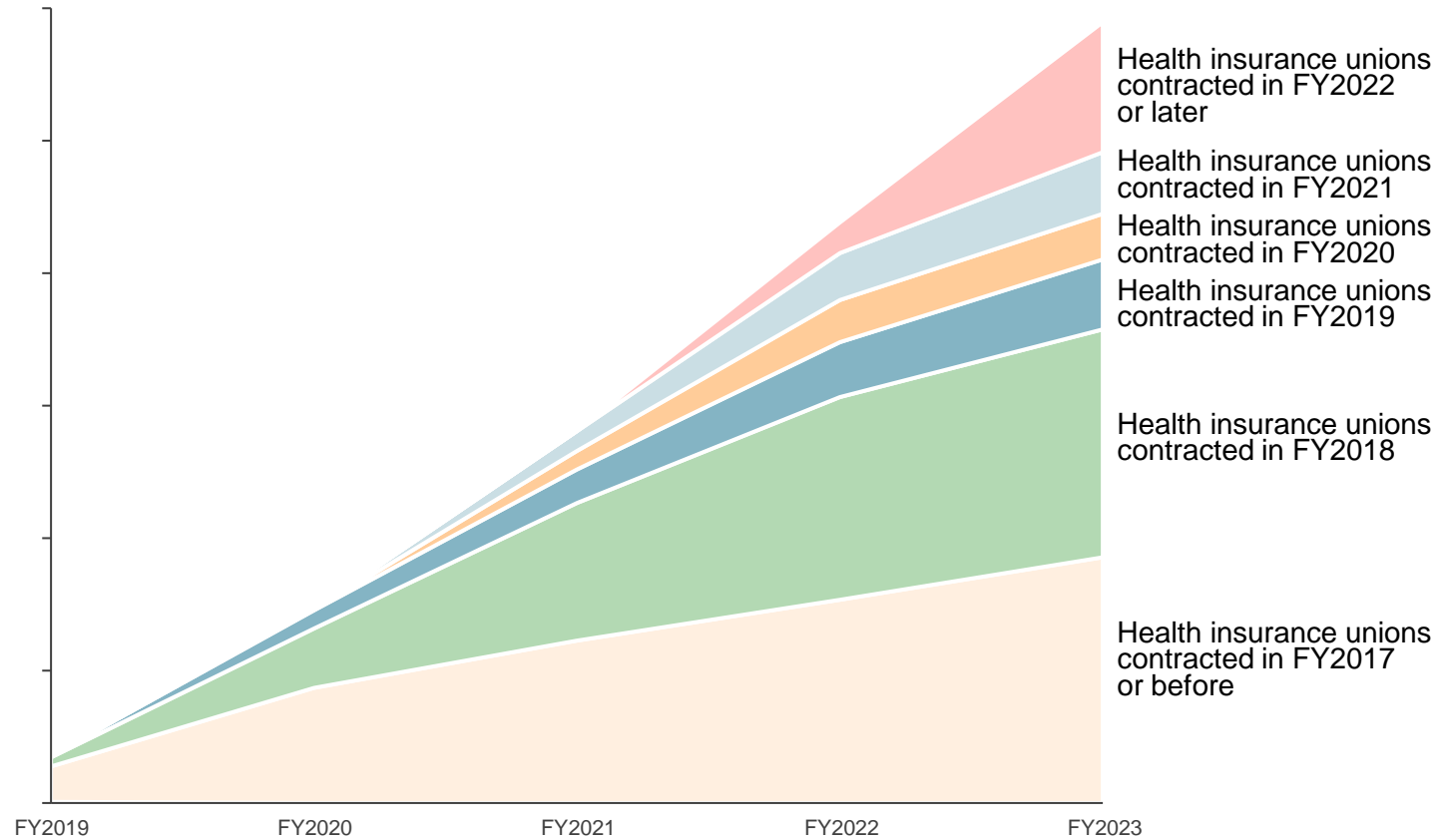
(Unit: Amount basis)

+ **205**%

+ **27**%

FY2023
H1

FY2024
H1

Local government domain
- Cancerscan's business is most profitable in Q2 of each quarter, so the scale of the business has expanded rapidly.

- In addition, by applying an accounting method that recognizes revenue over a certain period of time within the existing local government domain, we have corrected the excessive concentration of revenue in Q4.

Pep Up-related
- Growth accelerated as more and more people who are members of health insurance unions started using Pep Up.

Provision of systems for health insurance unions, etc.
- Steady growth through the continued expansion of the number of health insurance unions to which we provide services.

PepUp

The use of Pep Up by health insurance union members is accelerating, and stable growth is continuing. In the future, we will promote initiatives so that it can be used by people other than health insurance union members.
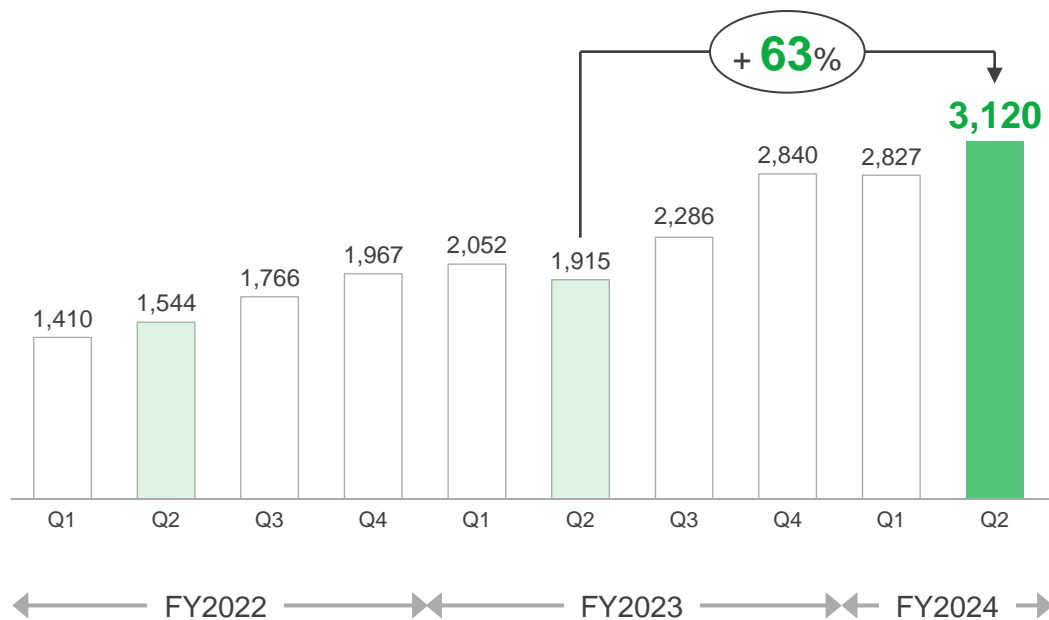
Pep Up Business Scale

Health insurance unions contracted in FY2022 or later

Health insurance unions contracted in FY2021

Health insurance unions contracted in FY2020

Health insurance unions contracted in FY2019

Health insurance unions contracted in FY2018

Health insurance unions contracted in FY2017 or before

FY2019 FY2020 FY2021 FY2022 FY2023

- The number of users of the health insurance unions that have already introduced it in the past has gradually expanded with each passing year. The scale of business is gradually increasing accordingly.

- In addition, recently, new introductions have been promoted at large health insurance unions, giving momentum to the growth.

- The penetration of the service among existing clients and the larger size of newly enrolling health insurance unions have created multi-layered and rippling effects of growth.

For Medical Service Providers: State of Business

Supported by steady demand from medical institutions and clinics, we are continuing to expand the scale of our business. In addition, the data utilization platform, backed by transactions with medical institutions (hospitals), is also continuing to expand successfully.
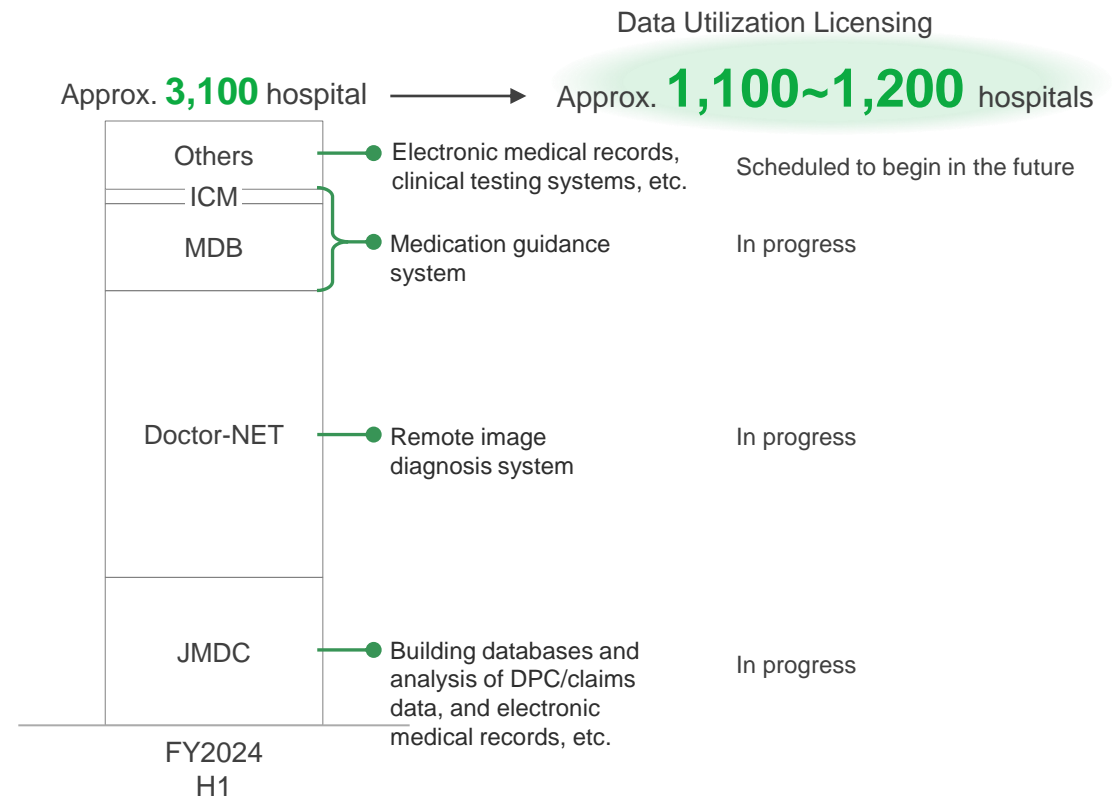
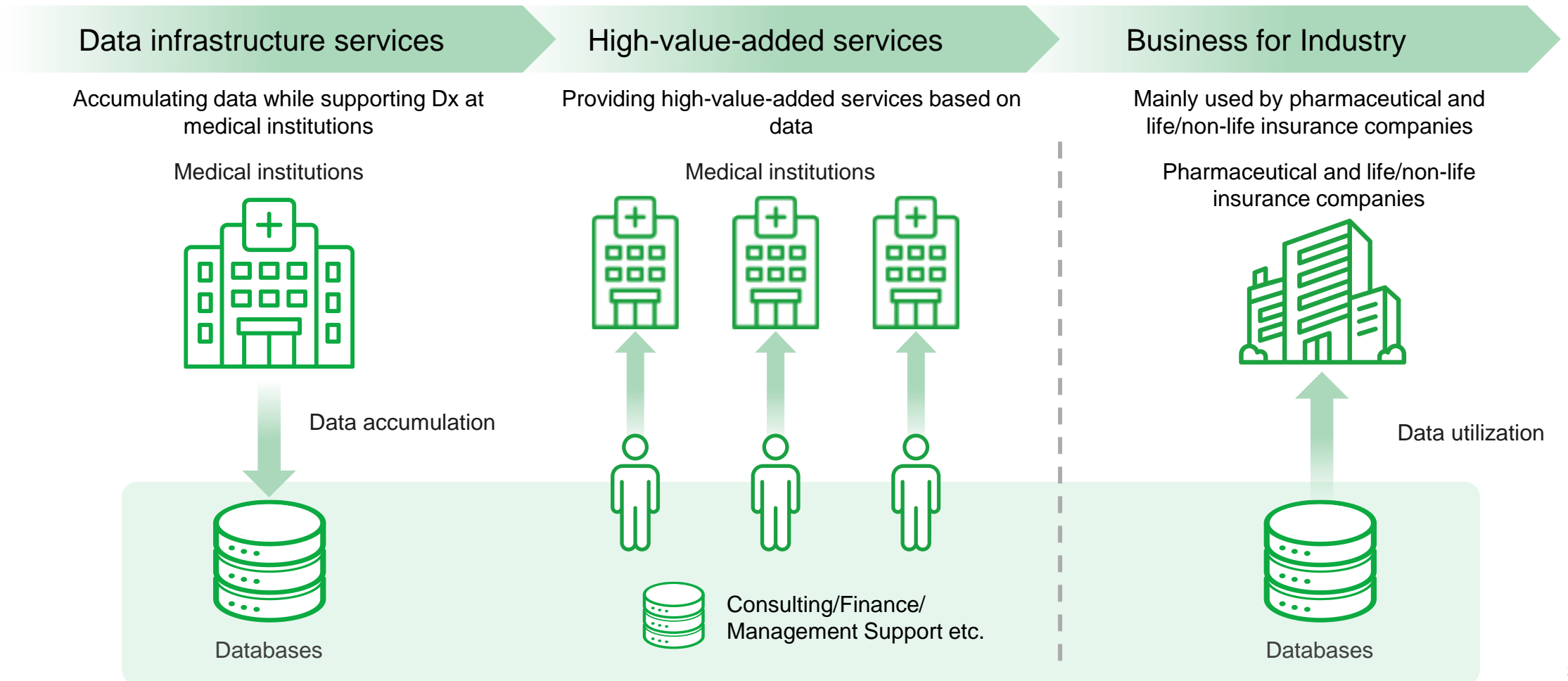## Quarterly Revenue Trends of Business for Medical Service Providers

(Unit: Million JPY)

```
                                                                    + 63%
                                                                              3,120

                                                    2,840    2,827
                                          2,286
                          2,052
                 1,967            1,915
         1,766
1,544
1,410


Q1      Q2      Q3      Q4      Q1      Q2      Q3      Q4      Q1      Q2

←――――― FY2022 ―――――→ ←―――――― FY2023 ―――――→ ← FY2024 →
```

Number of systems provided to medical institutions (hospitals) by JMDC Group companies

(Number of facilities basis)

Data Utilization Licensing

Approx. **3,100** hospital → Approx. **1,100~1,200** hospitals

Others	● Electronic medical records, clinical testing systems, etc.	Scheduled to begin in the future
ICM		
MDB	● Medication guidance system	In progress
Doctor-NET	● Remote image diagnosis system	In progress
JMDC	● Building databases and analysis of DPC/claims data, and electronic medical records, etc.	In progress

FY2024 H1

[Reference] For Medical Service Providers: Structure of Business for Hospitals

We collect data through the provision of services and provide high-value-added consulting and financing services based on this data. The use of the data we have collected in business for Industry is also expanding.

Data infrastructure services

Accumulating data while supporting Dx at medical institutions

Medical institutions

Data accumulation

Databases

High-value-added services

Providing high-value-added services based on data

Medical institutions

Consulting/Finance/ Management Support etc.

Business for Industry

Mainly used by pharmaceutical and life/non-life insurance companies

Pharmaceutical and life/non-life insurance companies

Data utilization

Databases

For Medical Service Providers: Potential of Business for Hospitals

In addition to the provision of systems for medical institutions, our growth is being driven by more profitable, high value-added services such as consulting and financing, which are linked to improved management outcomes for medical institutions. By providing high value-added services to thousands of facilities, we aim to increase the productivity of medical institutions in Japan.

Sales for Medical Service Providers as Compared to Last Year

(Unit: Amount basis)

+ **46**%

FY2023 H1

FY2024 H1

High-value-added services
Consulting and management support is expanding, supported by high demand from medical institutions

Data infrastructure services, etc.
Provision of various systems that meet the Dx needs of medical institutions is expanding.
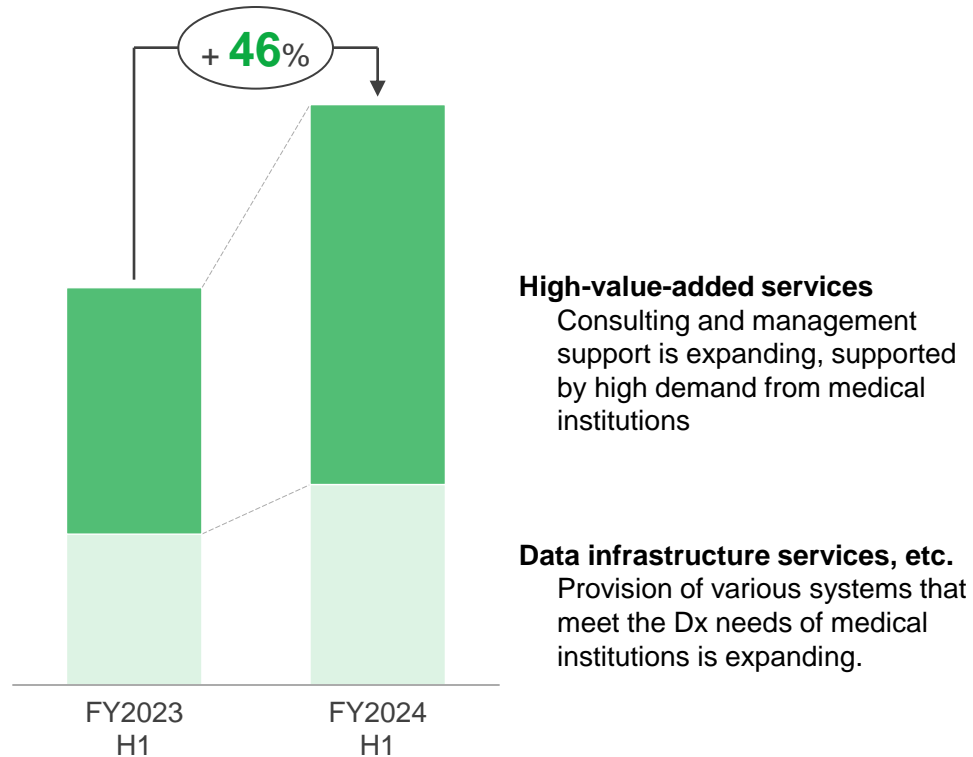
Potential for business growth (Image diagram)

Unit price

High

Low

High-value-added services that utilize data have great potential

Data infrastructure services are also expanding steadily

Number of hospitals

Approx. **1**%

High-value-added services that utilize data

Approx. **3,100** hospitals

Data infrastructure services
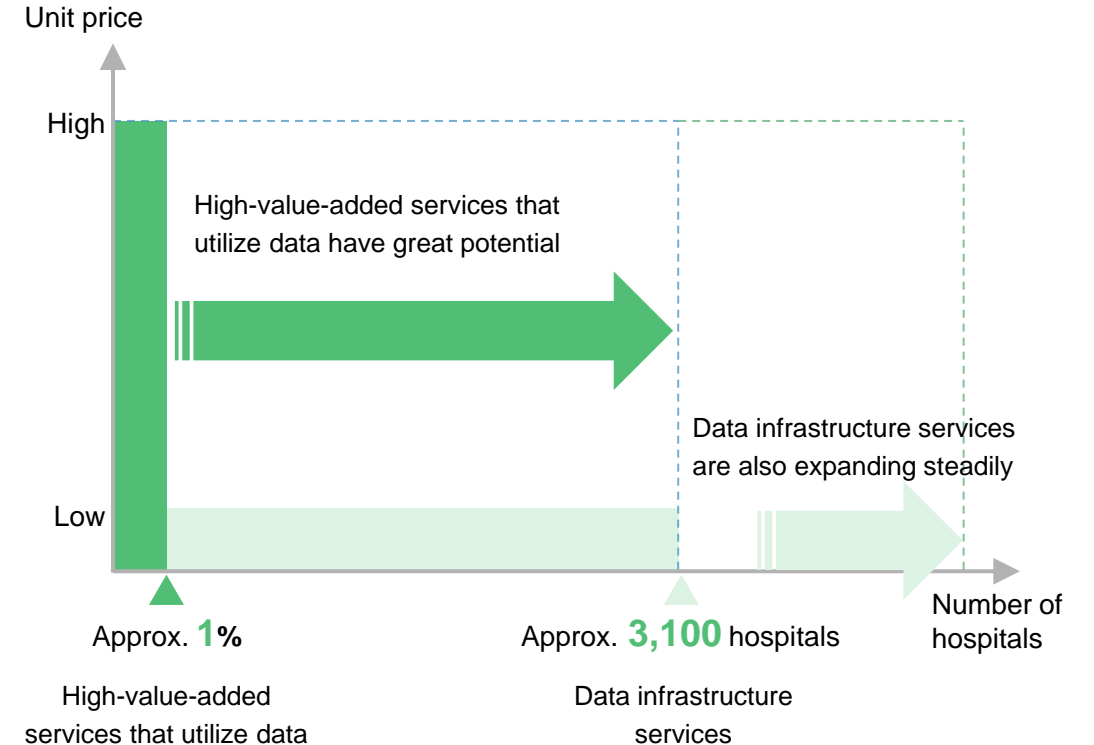
For Medical Service Providers: Toward the Realization of Smart Clinics

After Covid-19, there has been a change in the consultation behavior of social consumers. Against the backdrop of this change, we are strengthening our response to the entrance (attracting patients, making appointments, and web-based inquiries) and exit (payment and PROs) at first.

Initiation

Melp
PHR

Clinic Marketing

01

Pre-service

MEDICALPASS appointment

Melp Web Inquiry

02

Service

Online medical treatment

Electronic medical record

Dynamics

03

Post-service

Semi-self checkout

MEDIREGI

04

Follow-up

Melp ePRO

05
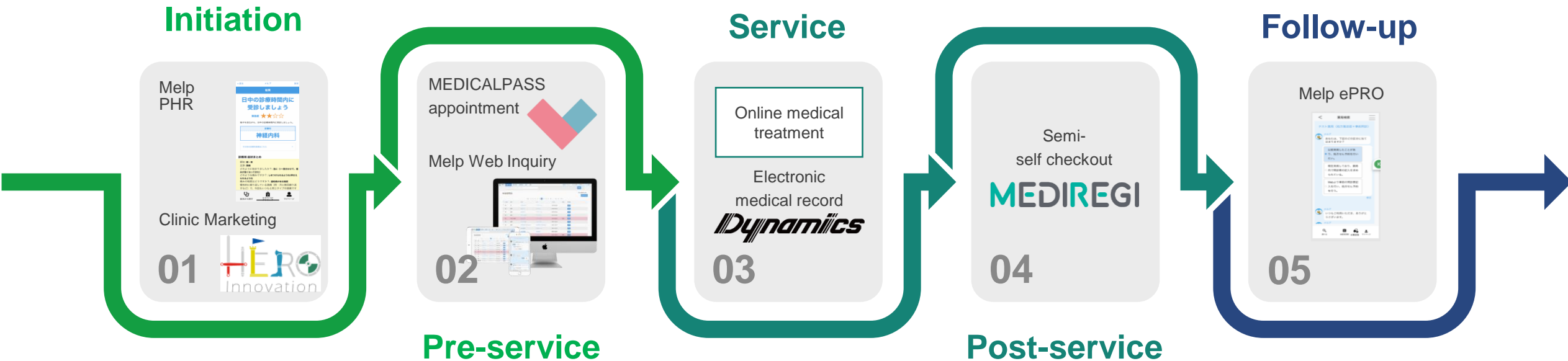
For Medical Service Providers: Penetration of Smart Clinics

The number of transaction clinics and user patients, both of which are touchpoints with patients, are growing steadily.

Number of transaction clinics

(Unit: facilities)

Approx. **2** times

Approx. 3,700
At the end of September 2023

Approx. 8,000
At the end of September 2024
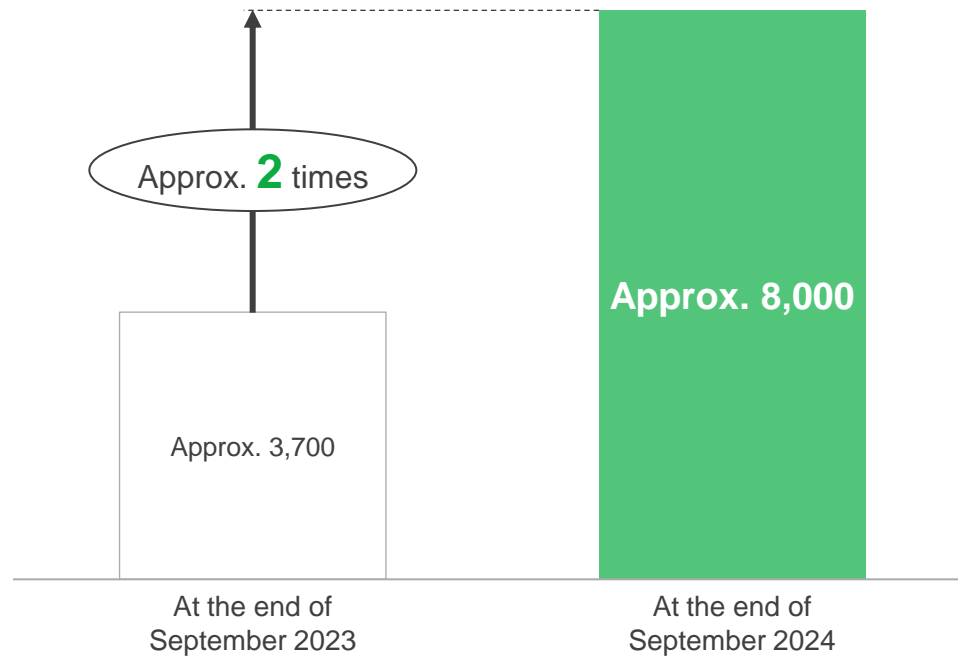
Number of user patients for web-based medical inquiries and appointment services

(Unit: Million people)

+ **33**%

Approx. 3.90
At the end of September 2023

Approx. 5.20
At the end of September 2024
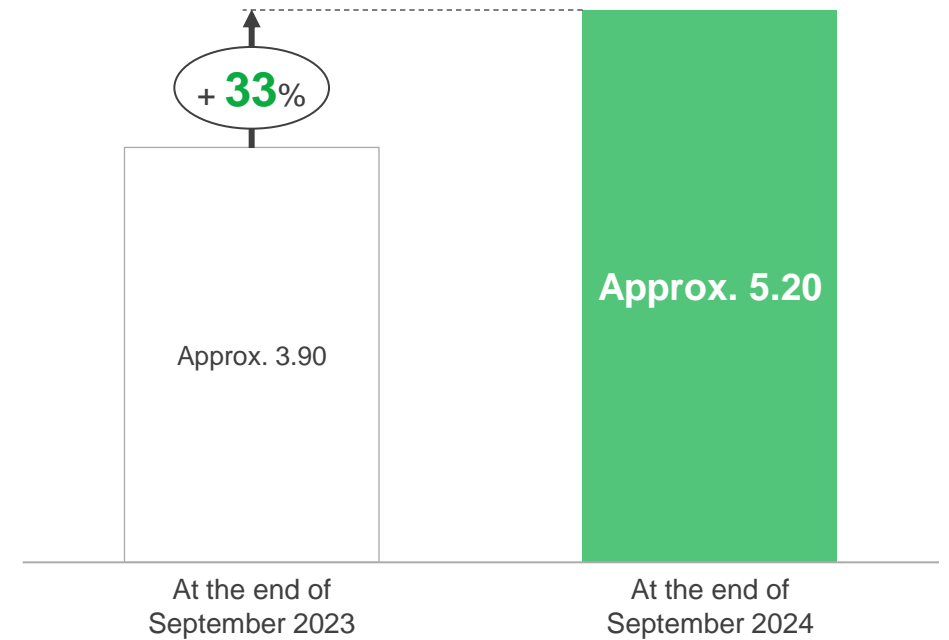
Section 4

Tele-medicine Business and Dispensing Pharmacy Support Business

Tele-medicine Business (Tele-RAD services): Summary

The number of radiologists is approx. 6,000 while there are 110,000 medical institutions and 150 million diagnostic images taken each year in Japan. JMDC aims to fill this gap through effective use of resources of radiologists.

Tele-RAD

Matching of diagnostic imaging request and contracted radiologists

Conducting Tele-medicine by DtoD

Largest market share of 30% in Japan

Contracted medical institutions

1,486

Image DB

Radiologist DB

Radiologists

1,164
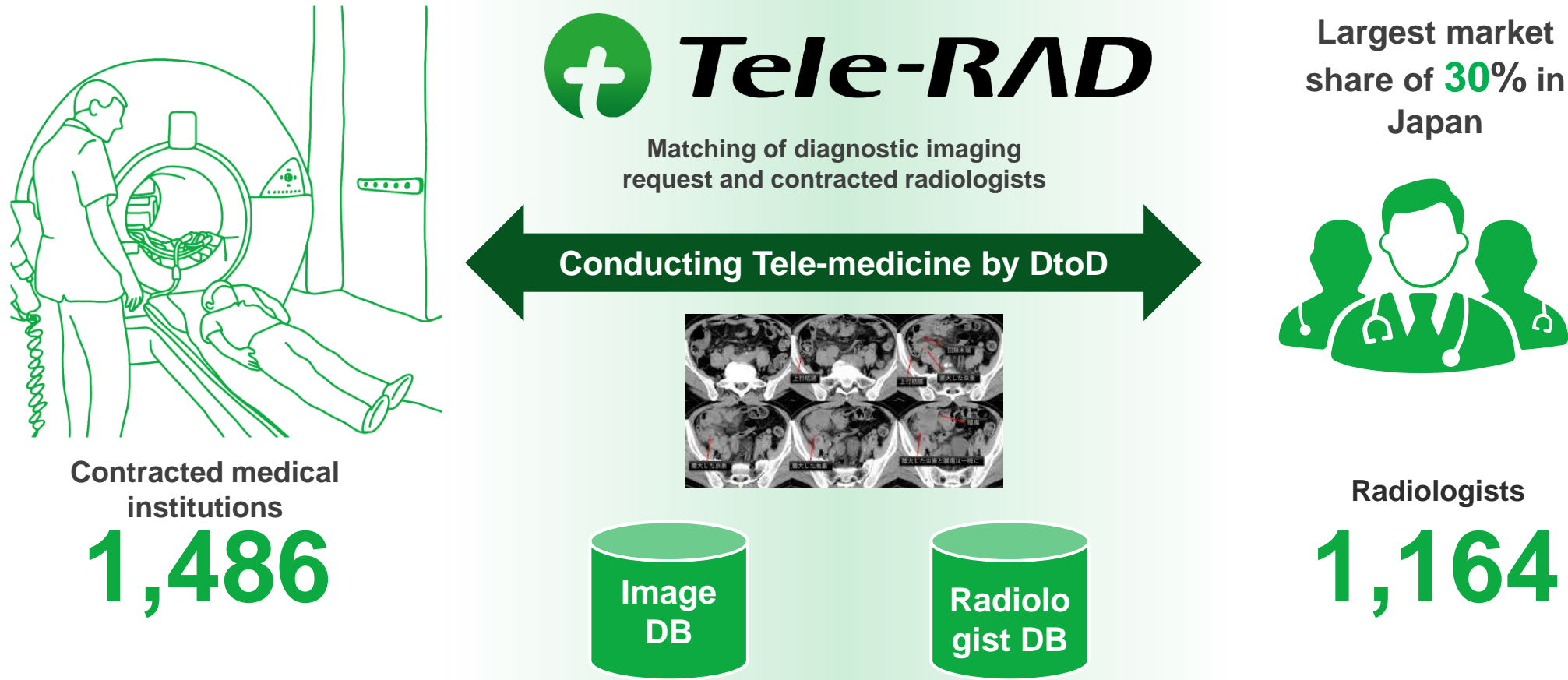
Tele-medicine Business: Performance

Both business scale expansion supported by solid demand and improved profitability from enhanced operational capabilities have been sustained.

Quarterly Revenue Trends of Tele-medicine Business

(Unit: Million JPY)
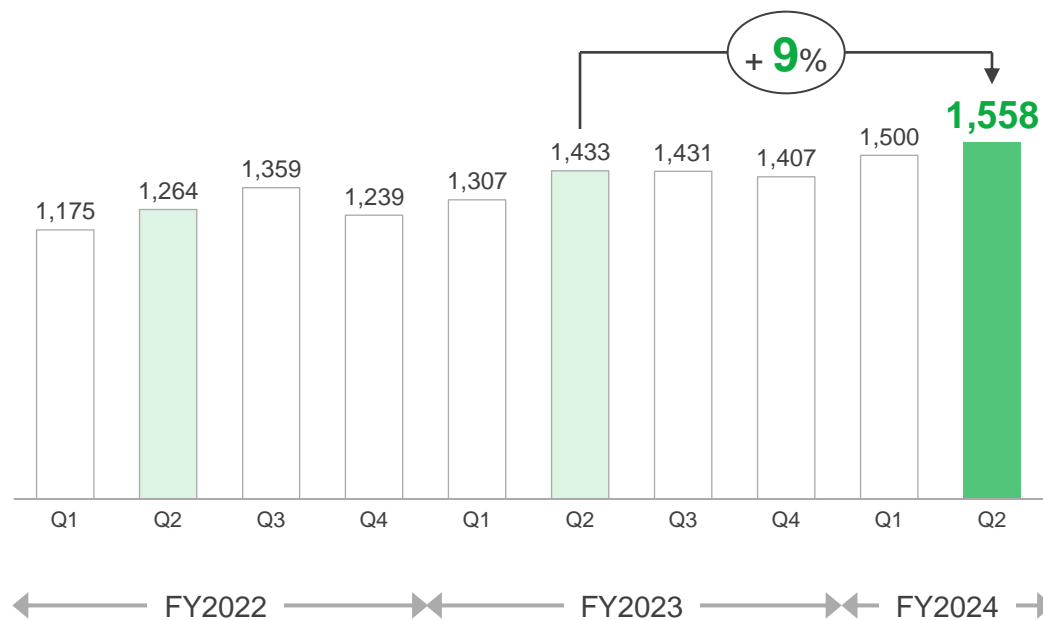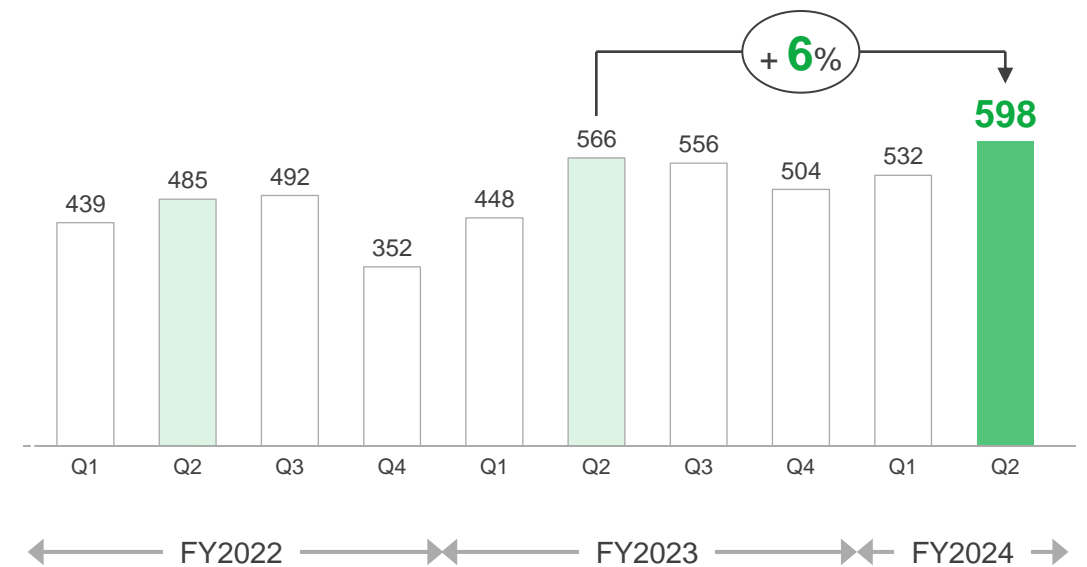
Quarterly Trends of EBITDA

(Unit: Million JPY)

Note: EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses

36

[Reference] Tele-medicine Business: Accumulation of remote reading service sales

We believe that business performance will continue to expand steadily, supported by continued strong demand.

Revenue of Remote Image Interpretation Matching Services (Unit: Million JPY)

Legend (top to bottom):
- Contracted in FY2023
- Contracted in FY2022
- Contracted in FY2021
- Contracted in FY2020
- Contracted in FY2019
- Contracted in FY2018
- Contracted in FY2017
- Contracted in FY2016
- Contracted in FY2015
- Contracted in FY2014
- Contracted in FY2013 or before

X-axis: Mar. 2015, Mar. 2016, Mar. 2017, Mar. 2018, Mar. 2019, Mar. 2020, Mar. 2021, Mar. 2022, Mar. 2023, Mar. 2024

Y-axis: 0, 500, 1,000, 1,500, 2,000, 2,500, 3,000, 3,500, 4,000, 4,500, 5,000

Note: Revenues in this slide are for JMDC's management. Doctor-NET has been consolidated since April 2018, but the above figures include Doctor-NET's revenue for the prior periods.

Dispensing Pharmacy Support Business: Performance

At the end of June last year, we transferred our subsidiaries. Although the size of this segment has shrunk, it continues to generate stable revenue and profit.

Quarterly Revenue Trends of Dispensing Pharmacy Support Business

(Unit: Million JPY)
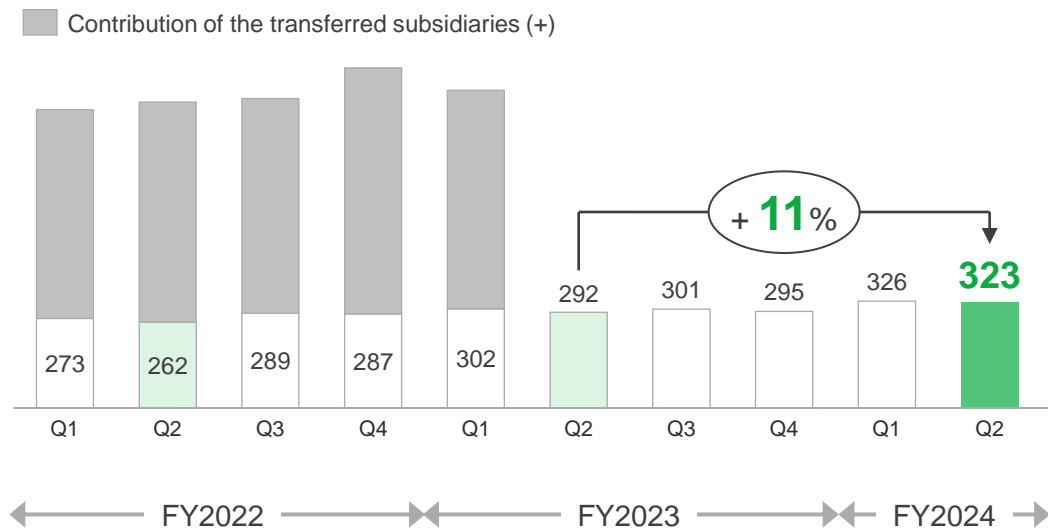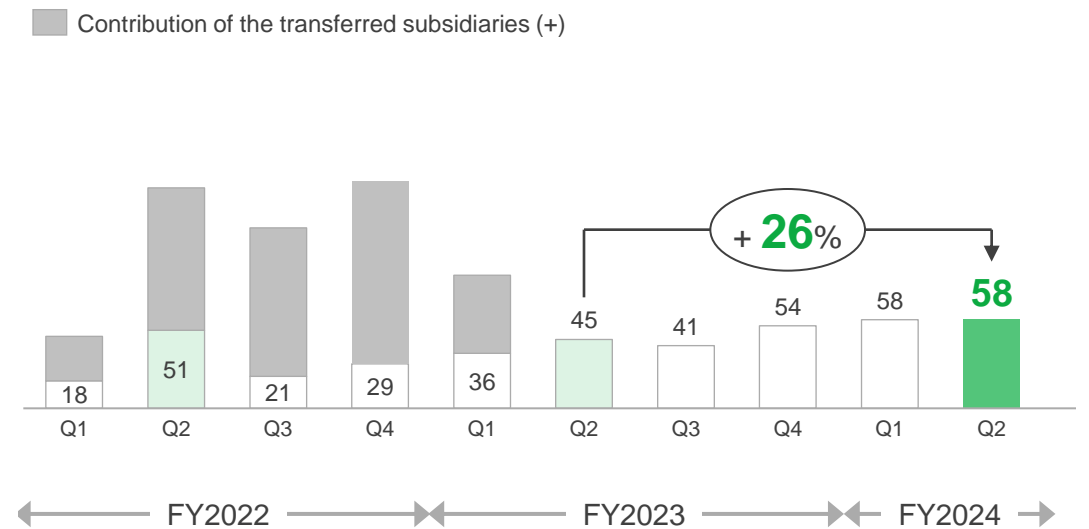
Quarterly Trends of EBITDA

(Unit: Million JPY)

Note: EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses

Section 5

Additional Explanation

Sustained Growth in Business for Industry Continues

Business for Industry is a differentiated business that others cannot imitate due to the presence of our data, and will continue to grow as data literacy increases.

Quarterly Revenue Trends of Business for Industry
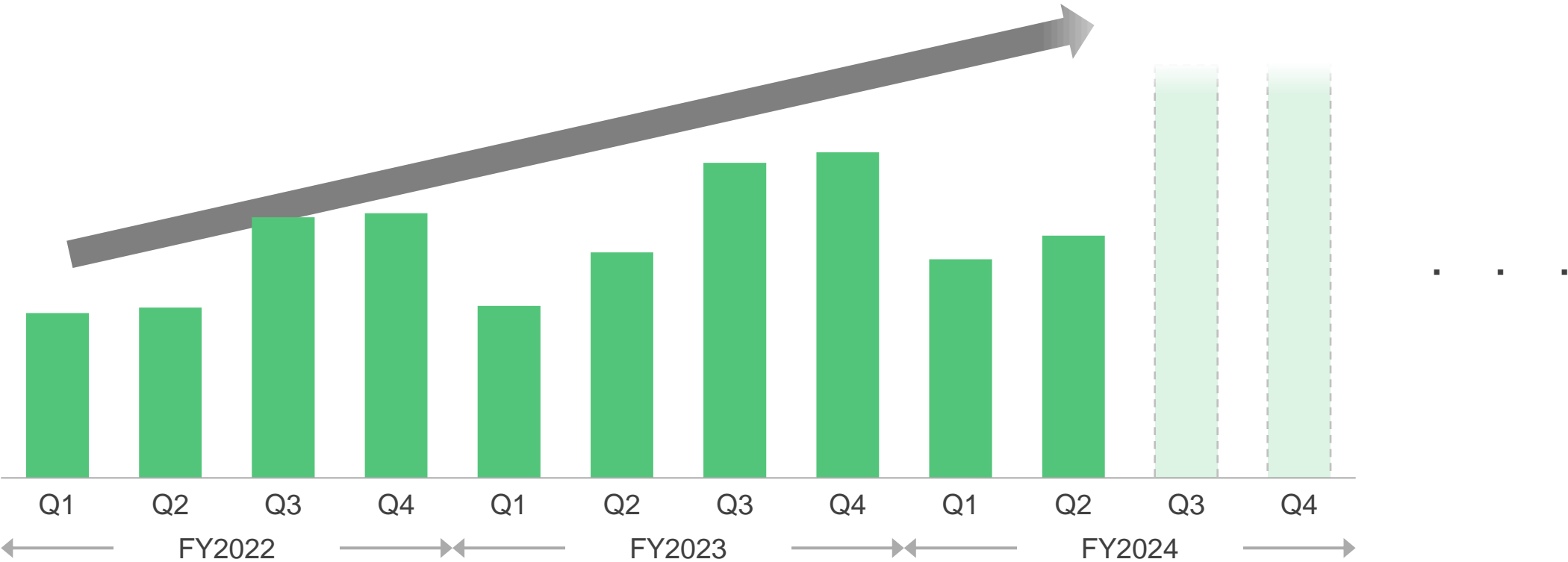
Expect continued strong growth in business for Industry

However, Healthcare-Big Data Business is No Longer Monopole Structure Depending on Business for Industry

All sub-segments are performing well, especially the business for Payers/Individuals and for Medical Service Providers, which has grown significantly this fiscal year.

Revenue: For Industry
(Unit: Million JPY)

	FY2020	FY2021	FY2022	FY2023	FY2024
Full year	4,862	6,604	9,578	11,557	
H1	1,311	1,709	2,485	4,426	5,131

Revenue: For Payers/Individuals
(Unit: Million JPY)

	FY2020	FY2021	FY2022	FY2023	FY2024
Full year	2,013	2,848	3,032	4,606	
H1	799	1,222	1,117	1,488	4,536

Revenue: For Medical Service Providers
(Unit: Million JPY)

	FY2020	FY2021	FY2022	FY2023	FY2024
Full year	3,340	4,551	6,689	9,095	
H1	1,417	2,055	2,955	3,968	5,947

Scale **expanded** in all business areas

Structure of Healthcare-Big Data Business with Balance of 3 Different Businesses

Over the past three years, our overall Healthcare-Big Data business has grown 2.7 times. In particular, the strong growth power for Payers/Individuals and for Medical Service Providers has resulted in a very good balance in the business.

Past (as of the end of September 2021)

Now (as of the end of September 2024)

For Payers/Individuals
21%

For Industry
43%

For Medical Service Providers
36%

Scale of Revenue
2.7 times

For Payers/Individuals
29%

For Industry
33%

For Medical Service Providers
38%
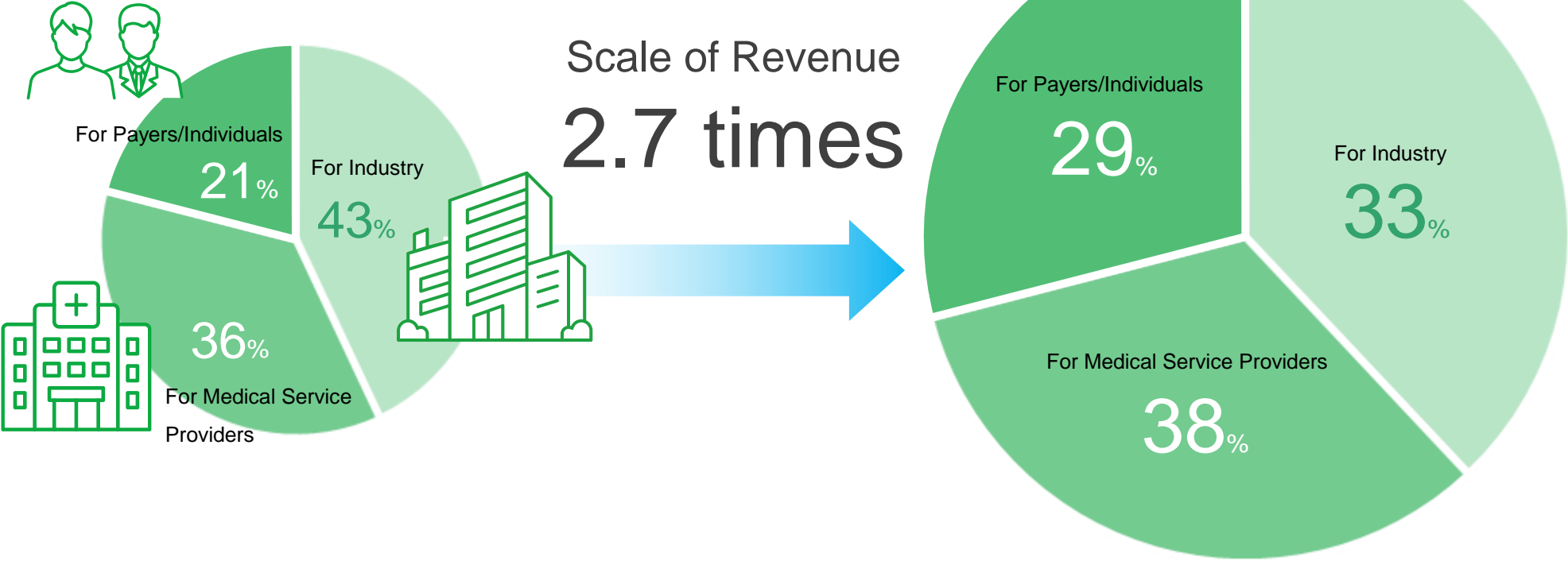
Actually, Earning Power Has Been Equipped in Business for Payers/Individuals and for Medical Service Providers

The growth of the business for Payers/Individuals and for Medical Service Providers has demonstrated economies of scale and greatly expanded profitability. Its profitability has also become something to be proud of.

EBITDA before adjustment[1] : For Payers/Individuals

(Unit: Million JPY)

+ **123**%

1,600

700

FY2022

FY2023
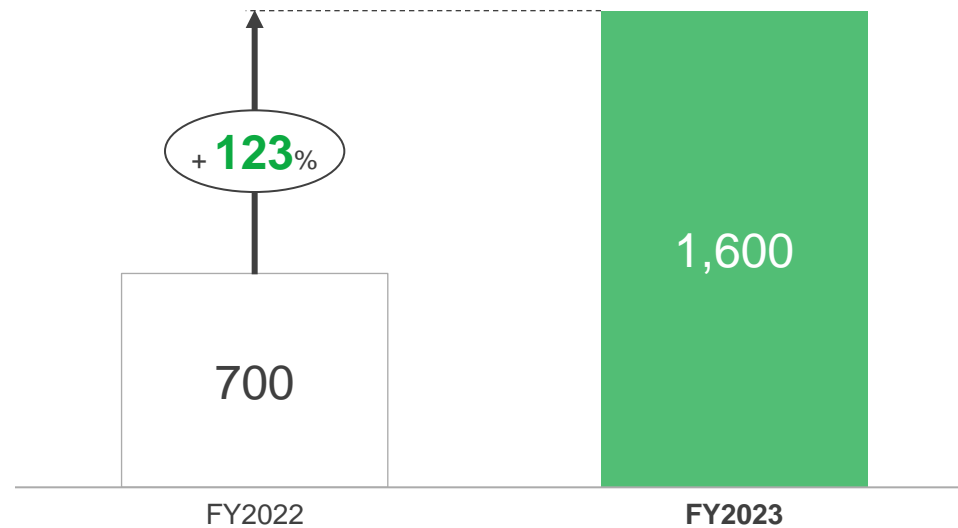
EBITDA before adjustment[1]: For Medical Service Providers

(Unit: Million JPY)

+ **47**%

2,800

1,900

FY2022

FY2023
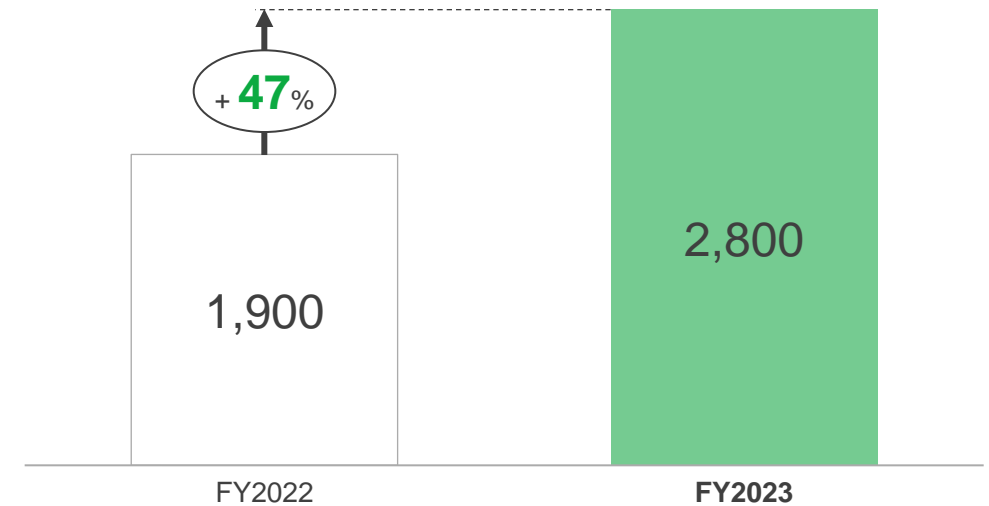
Increased revenue contribution from non-industry sub-segments

1. Reference figures due to difficulty in prorating expenses among business for Industry, Payers/Individuals, and for Medical Service Providers.

Once again, challenges we must face

We are committed to solving the expanding healthcare challenges with data-driven solutions. There is great potential lying ahead that is not affected by the business climate for business for Industry.

Expanding Healthcare Challenges

- ⚠️ Balance between benefits and utilization
- ⚠️ Shortage of medical personnel
- ⚠️ Sustainability of healthcare financing
- ⚠️ Delayed digitization
- ⚠️ Regional differences
- ⚠️ Drag rug/ Drag loss

Expansion of data-based solutions

- AI Drug Discovery
- Clinical Trial Dx
- Marketing Automation
- Online Consultation
- Medical Institution Dx
- PHR
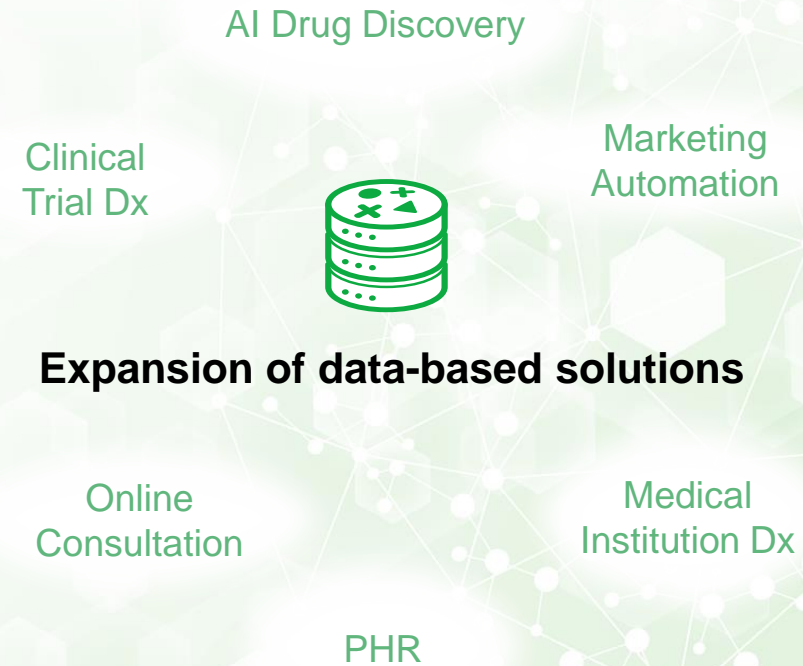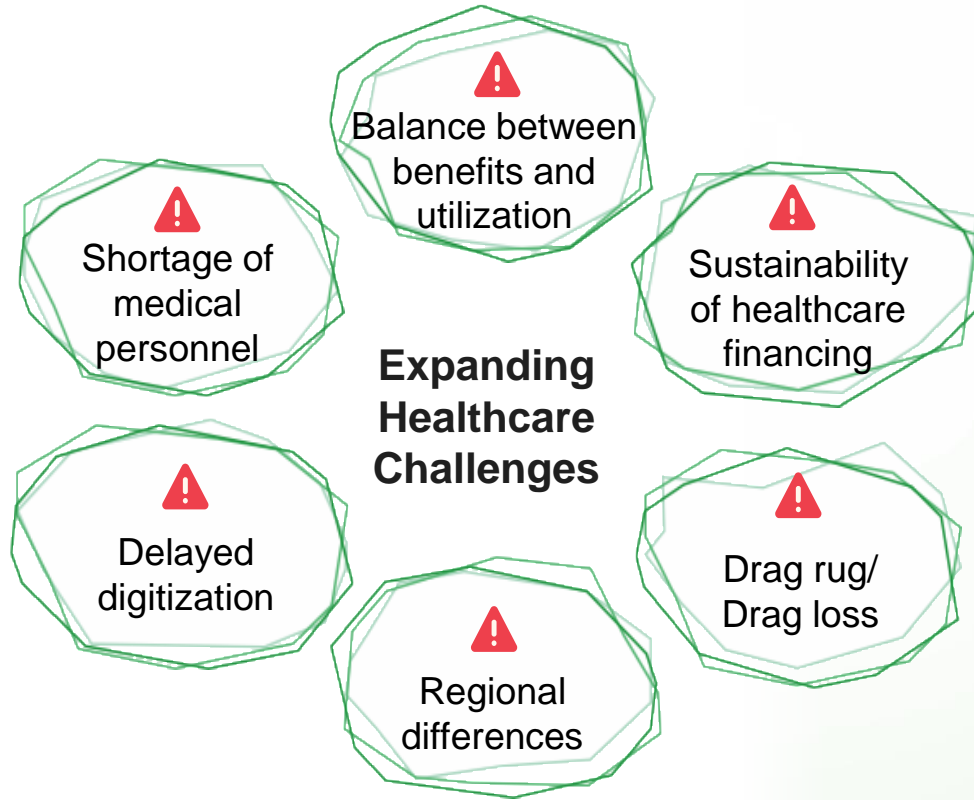
Associated healthcare costs

For Industry
JPY3-4 trillion
Pharmaceutical marketing + R&D expenses

For Payers/Individuals
JPY358 thousand
per capita medical expenditure

For Medical Service Providers
JPY2-3 trillion
Market for services for medical institutions

Reasons why JMDC is ready to face the challenges

In addition to the volume of data, we have been able to attract people who can properly handle that data with the attractiven ess of data, enabling us to provide services and solutions that are unparalleled.

Data cleansing: **approx. 50 people**

Database Engineer: **approx. 50 people**

Data Scientist: **approx. 30 people**

**Doctors, nurses, and other
medical professionals:** **approx. 130 people**

Data Consultant: **approx. 50 people**

We'll Tell You Again and Again: Potential sizing of the market that JMDC could capture in five years

By maximizing the power of data, the scale of monetization is JPY250 billion. We will make every effort to deepen penetration.

For Industry
JPY40-50 billion

For Medical Service Providers
JPY80-100 billion

For Payers/Individuals
JPY80-100 billion

JMDC