

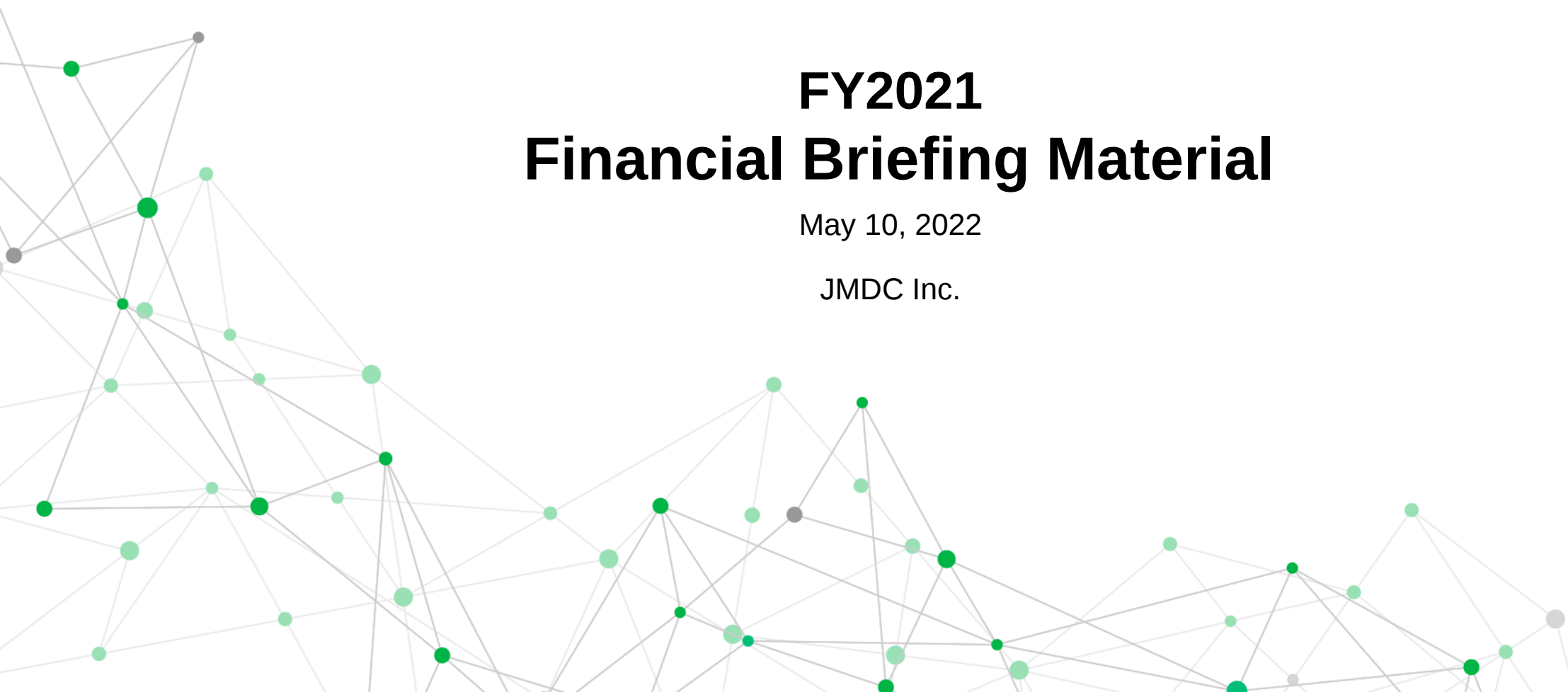
JMDC



FY2021 Financial Briefing Material

May 10, 2022

JMDC Inc.



INDEX

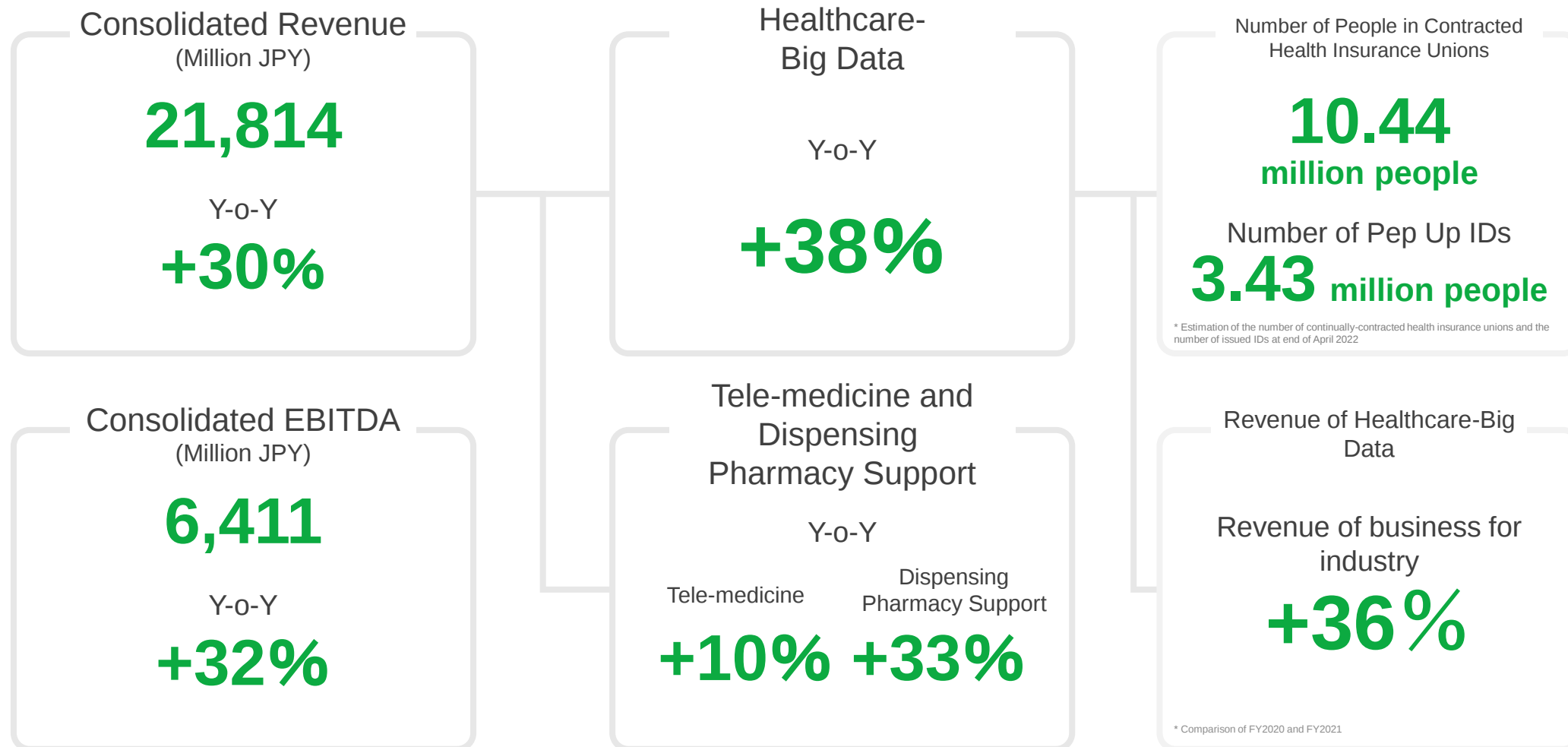
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5. Dispensing Pharmacy Support Business
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7. Business Outlook

Section 1

Summary

FY2021: Performance Highlights

Although Q4 was affected by seasonal leveling, the full-year results and major KPIs were firm and exceeded performance forecasts, which had been revised upward.



FY2021: Business Segments of JMDC Group and Summaries

Healthcare-Big Data accelerated not only data utilization, but also data accumulation. Tele-medicine and Dispensing Pharmacy Support delivered solid results although they continued to be affected by Covid-19.

	Business Outline		FY2021 Summary
Healthcare-Big Data	For Industry Data utilization service for pharmaceutical companies and insurance companies		Data applications expand through providing consulting/analysis/solutions. As a result, revenue growth, especially among Top 5 customers, increased significantly.
	For Payers and Individuals Data analysis for health insurance unions and provision of ICT “Pep Up” products to health insurance union members		The introduction of Pep Up was accelerated, and services were launched for local governments. Business scale expanded, and a new data platform was developed.
	For Medical Service Providers Medicine DB, data analysis/utilization for medical institutions, management consulting/finance, web-based medical inquiries		As services for medical institutions expanded, data accumulation accelerated. Data utilization is gradually expanding in business for industry.
Tele-medicine	Provision of the remote diagnostic imaging services		Although Covid-19 continues to have an impact, business development is progressing well, including improved profitability through operational improvements and pharmaceutical approvals for the AI algorithm.
Dispensing Pharmacy Support	Development/provision of receipt computers and electronic medication histories for pharmacies		Uncertainty in dispensing pharmacy management caused by Covid-19 will continue to affect the company's business, but M&As have expanded the scale of the business, and the accumulation of pharmacy-derived data is on track.

FY2021: Shareholder Return

We will pay a dividend of 10 JPY per share in order to manage the Company while paying attention to maintaining an appropriate balance between shareholder return and securing financial resources for investment for future growth.

The dividend forecast for the fiscal year ending March 31, 2023, remains to be determined. The shareholder dividend level will be determined in consideration of the Company's future management performance, such as operating results and financial condition.

	FY2021	FY2022 (Forecast)
Record date	March 31, 2022	March 31, 2023
Dividend per share	JPY10	
Total amount of dividend	JPY565 million	To be determined
Effective date	June 7, 2022	

FY2022: Performance Forecast

The plan is based on the assumption of revenue growth as an extension of existing businesses, not including M&A or new businesses. In terms of profit, we aim to manage the company with an awareness of healthy profit margins while continuing to invest aggressively in business opportunities with an eye to future growth.

	FY2022 Consolidated Performance Forecast (vs. FY2021 growth rate)	Preconditions of forecast
Revenue	27.5 bil JPY (+26%)	• Healthcare-Big Data continues to grow steadily • Tele-medicine and Dispensing Pharmacy Support will grow moderately in anticipation of coexistence with Covid-19 • Future M&A not factored in
Operating profit (Rate)	6 bil JPY (22%) (+25%)	• Aggressive investment in human resources, including the hiring of more than 190 new employees, is incorporated with a view to continued future growth. • Factoring in costs such as increased office rents due to the strengthening of the organization and expansion of the scale of operations • Develop new business investment plans based on the assumption that a certain profit margin will be secured.
EBITDA (Margin)	8 bil JPY (29%) (+25%)	
Profit attributable to owners of parent (Rate)	4 bil JPY (15%) (+23%)	• Assumption of no change in financial conditions and credit environment • Factoring in corporate taxes calculated logically • No concerns about impairment of subsidiary stocks, not factored in

FY2021 and FY2022: Management View

To help shareholders, investors, and other stakeholders better understand the company, we provide management view on points on which questions may be raised.

Management Views	
FY2021 Q4 performance	• In data utilization for industry, revenue leveled off in Q3 and Q4 due to a shift from budget rush demand at the end of the fiscal year to demand stimulated by proposals of consulting, analysis, solutions, etc. Specifically, 200-300 million JPY of revenue was brought forward from Q4 to Q3. • In Tele-medicine business, there was an impact of about negative 100 million JPY in revenue due to spread of Omicron variant. • Judging by the pipeline status in FY2022, demand continues to be on a steadily increasing trend.
FY2022 forecast	• This forecast is based on the premise that we will continue to invest aggressively in business opportunities aiming for future growth. • The high profit margins from existing strong business models remain unchanged, but we will aggressively invest resources in clinical trial Dx and other large growth markets as they appear likely to develop. In the event that costs are incurred ahead of schedule during the start-up phase of the business, there is a possibility that profits will be squeezed in some areas, but we will disclose and publicize such cases as appropriate.
Impact of Covid-19 on long-term trends	• There has been no significant short-term impact (neither positive nor negative) on Healthcare-Big Data. In the future, we believe that the new Dx trend that is emerging in response to Covid-19 will grow into a full-fledged trend particularly in the area of clinical trials and create new demand over the medium to long term. • Post-Covid-19 normalization is expected to cause reactionary growth in Tele-medicine and Dispensing Pharmacy Support.
Shareholder return levels	• We will make appropriate shareholder return a reality while striking a balance between the internal reserves required of issuers of Prime Market stock and shareholder return. • For FY2021, we decided to set the dividend payout ratio at 17%, taking into account our capacity to invest for growth.
Initiatives on ESG and SDGs	• We will work on such initiatives while being conscious of our required responsibilities as issuers of Prime Market stock. We will also actively disclose and announce the details of such initiatives to ensure our stakeholders' clear understanding.

Section 2

FY2021 Performance Report

FY2021: Summary of Consolidated Performance

With continued business scale expansion and healthy profit growth, we exceeded our initial and revised plans.

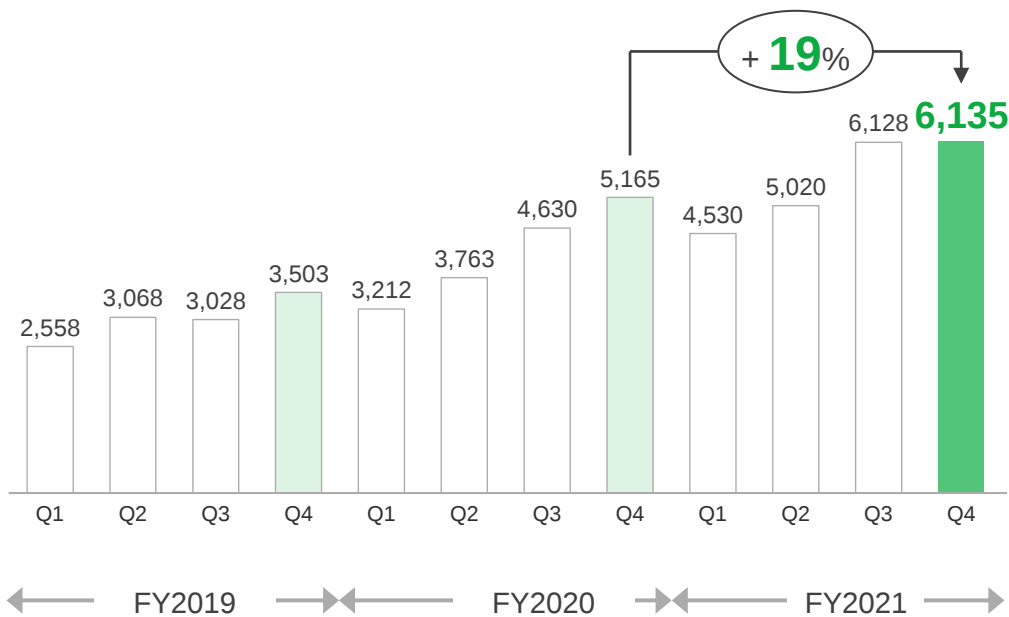
(Unit: Million JPY)	FY2020	FY2021	Y-o-Y
Revenue	16,771	21,814	+30%
Operating profit (rate)	3,695 (22%)	4,800 (22%)	+30%
Profit before taxes (rate)	3,636 (22%)	4,785 (22%)	+32%
Profit attributable to owners of parent (rate)	2,476 (15%)	3,258 (15%)	+32%
EBITDA (margin)	4,867 (29%)	6,411 (29%)	+32%

FY2021: Consolidated Revenue/EBITDA

Demand leveled off in Q3 and Q4. This is due to the leveling off of demand from the previous rush demand for budgets at the end of the fiscal year to the early stimulation of demand through consulting proposals and other means.

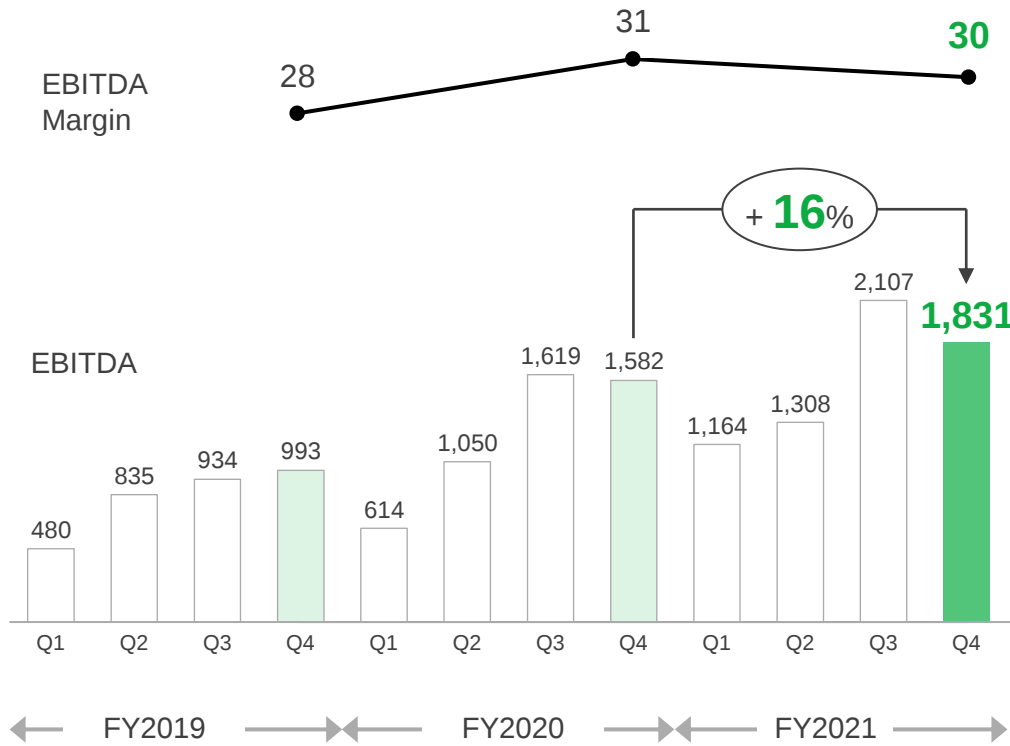
Quarterly Trends of Consolidated Revenue

(Unit: Million JPY)



Quarterly Trends of Consolidated EBITDA/Margin

(Unit: Million JPY and %)



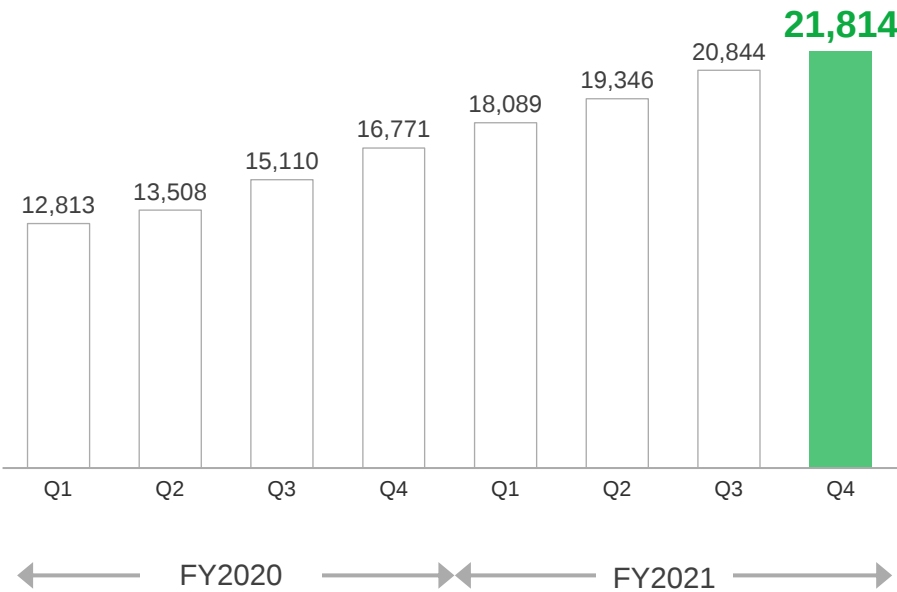
Note: IFRS-based
EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses, EBITDA margin: EBITDA/Revenue

[Reference] FY2021: Consolidated Revenue/EBITDA (LTM Basis)

Even on LTM basis, which excludes seasonality, both revenue/EBITDA are growing steadily.

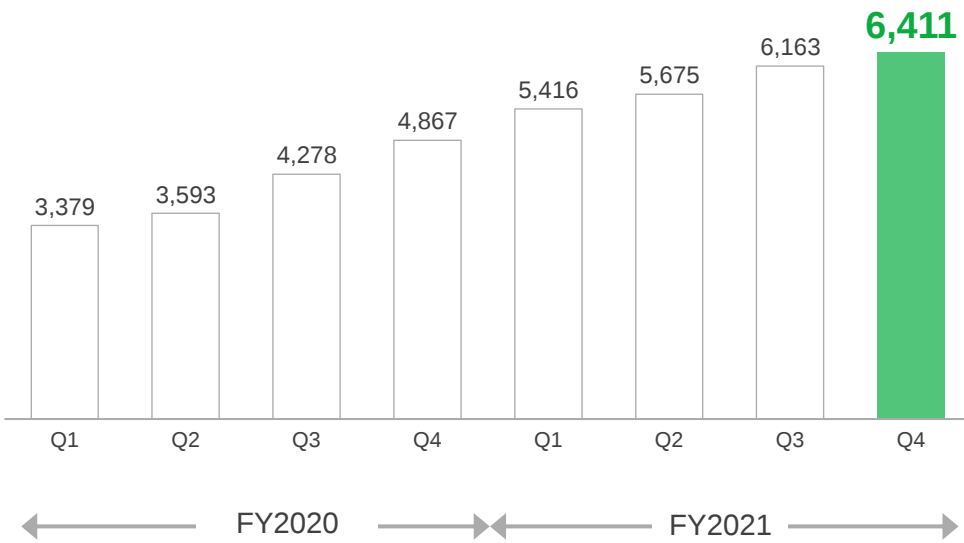
LTM Trends of Consolidated Revenue

(Unit: Million JPY)



LTM Trends of Consolidated EBITDA

(Unit: Million JPY)



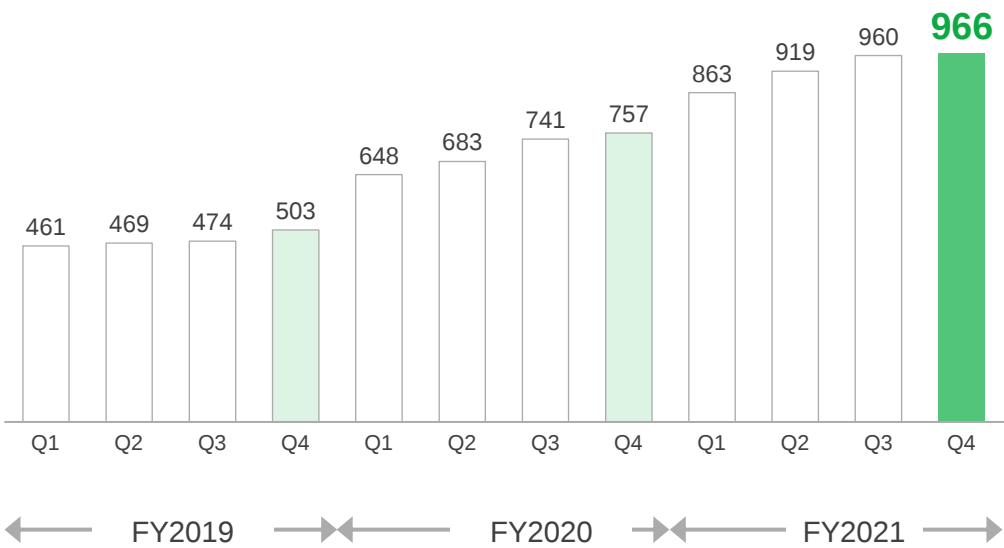
Note: IFRS-based
EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses
LTM: Last Twelve Months (the past 12 months from the latest quarter)

FY2021: Employee/SG&A Expenses (Consolidated)

Our presence in the recruitment market is improving, and we are making steady progress in bolstering our organization to support the next wave of growth.

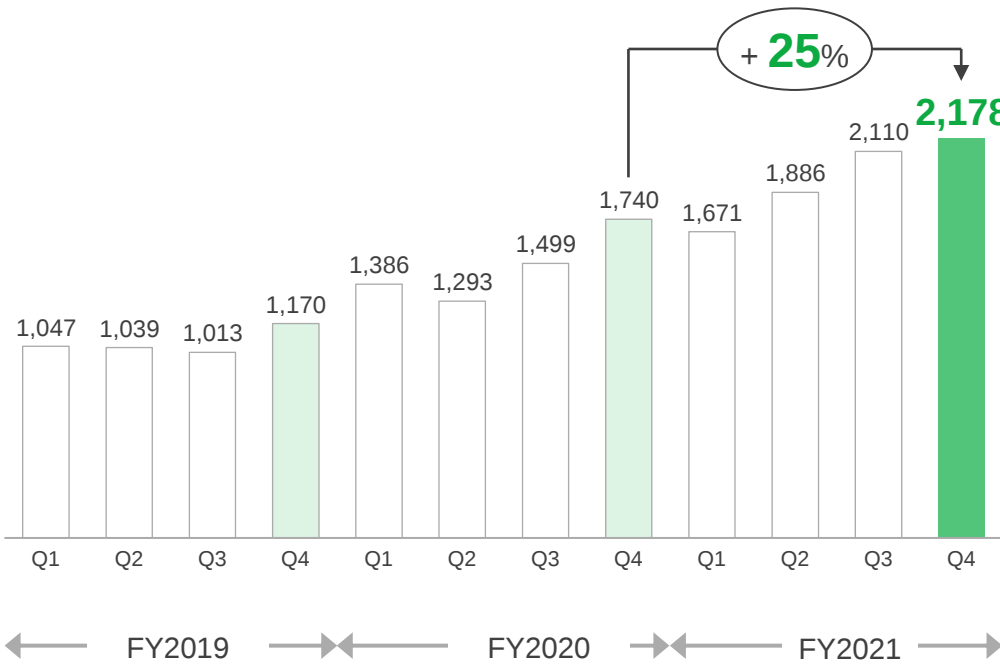
Quarterly Trends in the Number of Employees (consolidated)

(Unit: persons)



Quarterly Trends of SG&A Expenses (consolidated)

(Unit: Million JPY)



Note: IFRS-based

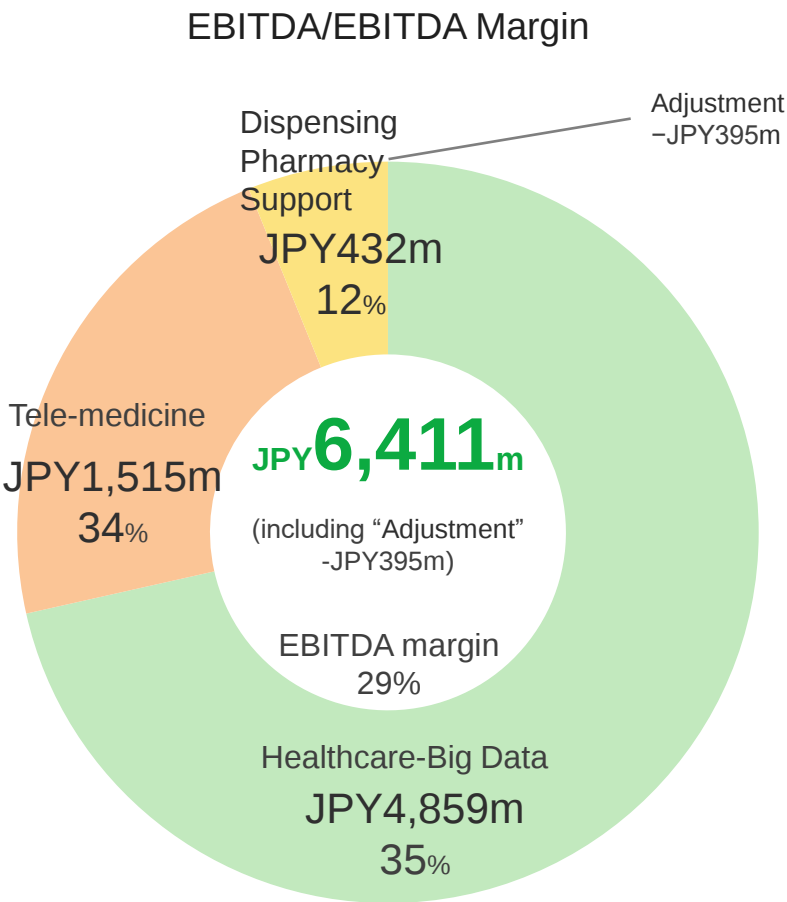
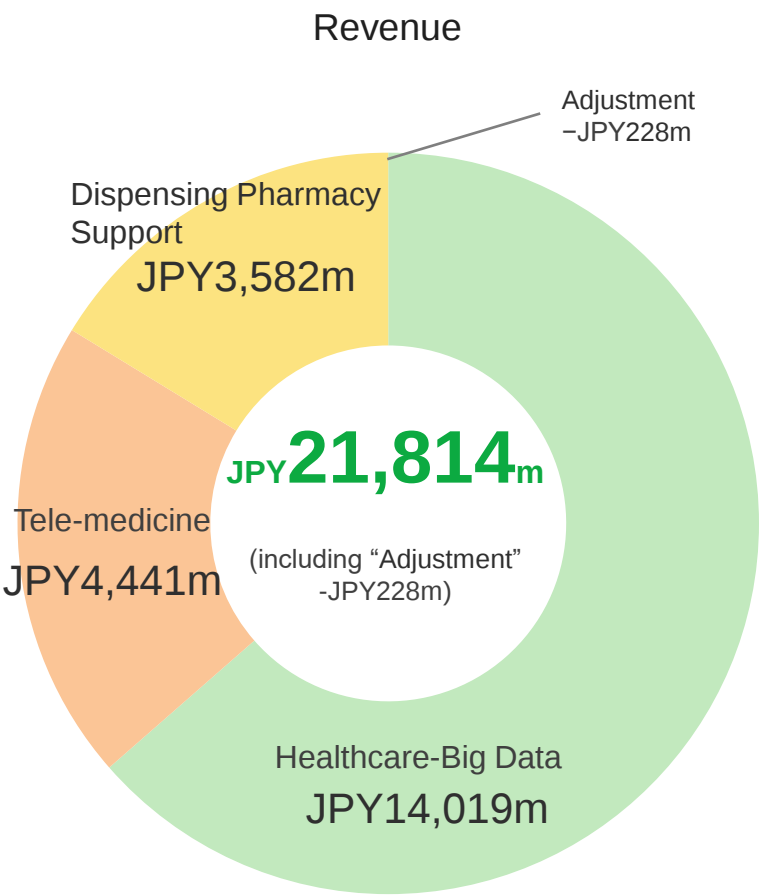
FY2021: Performance by Segment

All segments achieved steady growth both in revenue and profit, although they were partially affected by Covid-19.

(Unit: Million JPY)		FY2020	FY2021	Y-o-Y
Healthcare-Big Data	Revenue	10,193	14,019	+38%
	EBITDA	3,647	4,859	+33%
	(Margin)	(36%)	(35%)	
Tele-medicine	Revenue	4,046	4,441	+10%
	EBITDA	1,224	1,515	+24%
	(Margin)	(30%)	(34%)	
Dispensing Pharmacy Support	Revenue	2,692	3,582	+33%
	EBITDA	371	432	+16%
	(Margin)	(14%)	(12%)	
Adjustment	Revenue	-160	-228	-
	EBITDA	-376	-395	-

[Reference] FY2021: Revenue/EBITDA by Segment

Healthcare-Big Data generates more than 60% of JMDC Group’s revenue and 70% of its EBITDA. Tele-medicine continued to maintain high profitability, while Dispensing Pharmacy Support’s profitability has recovered to previous levels.



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

Section 3

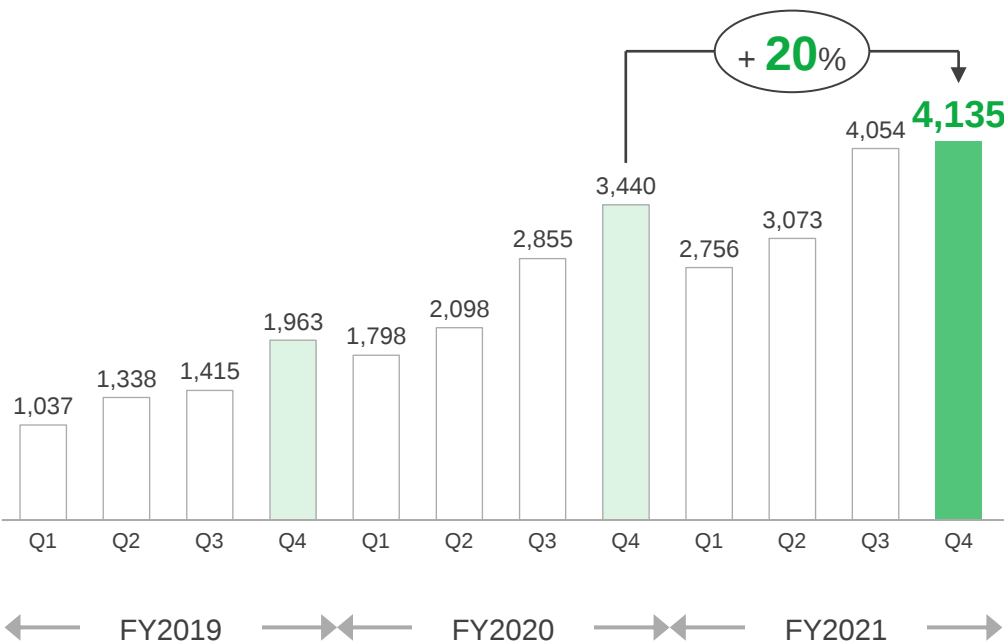
Healthcare-Big Data Business

Healthcare-Big Data Business: Performance

There was an increase of 140-150 million JPY in temporary costs and upfront investments. This was due to an increase in the composition of businesses with high cost of sales (Pep Up point business) in payer business (+30 million JPY), an increase in recruitment and M&A advisory fees (+50 million JPY), and active investment in new businesses (+45 million JPY).

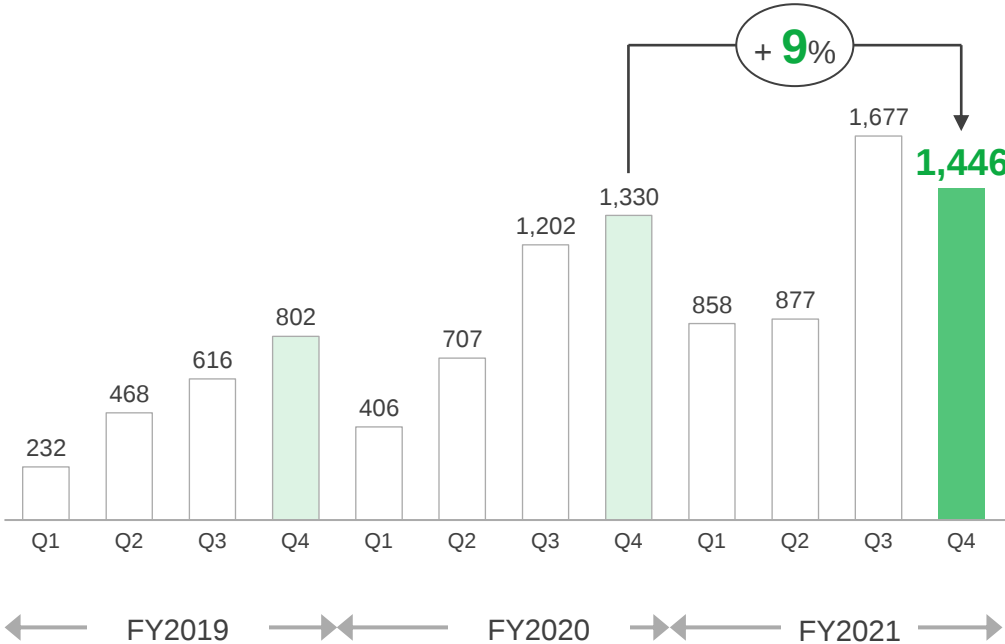
Quarterly Revenue Trends

(Unit: Million JPY)



Quarterly EBITDA Trends

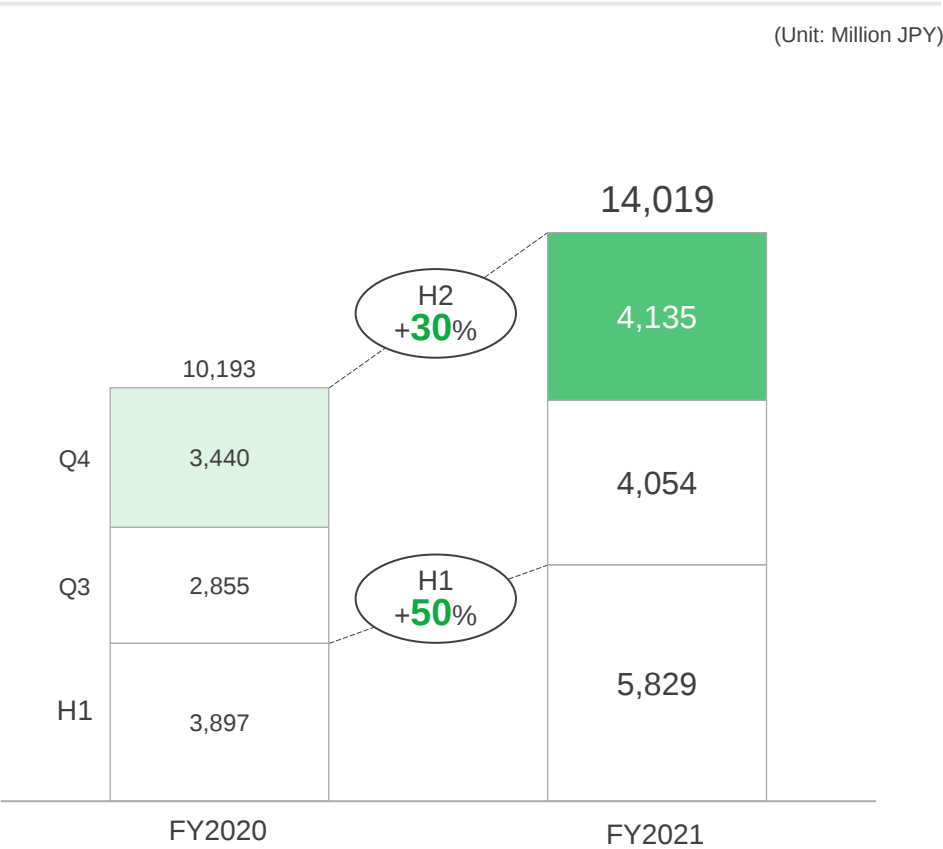
(Unit: Million JPY)



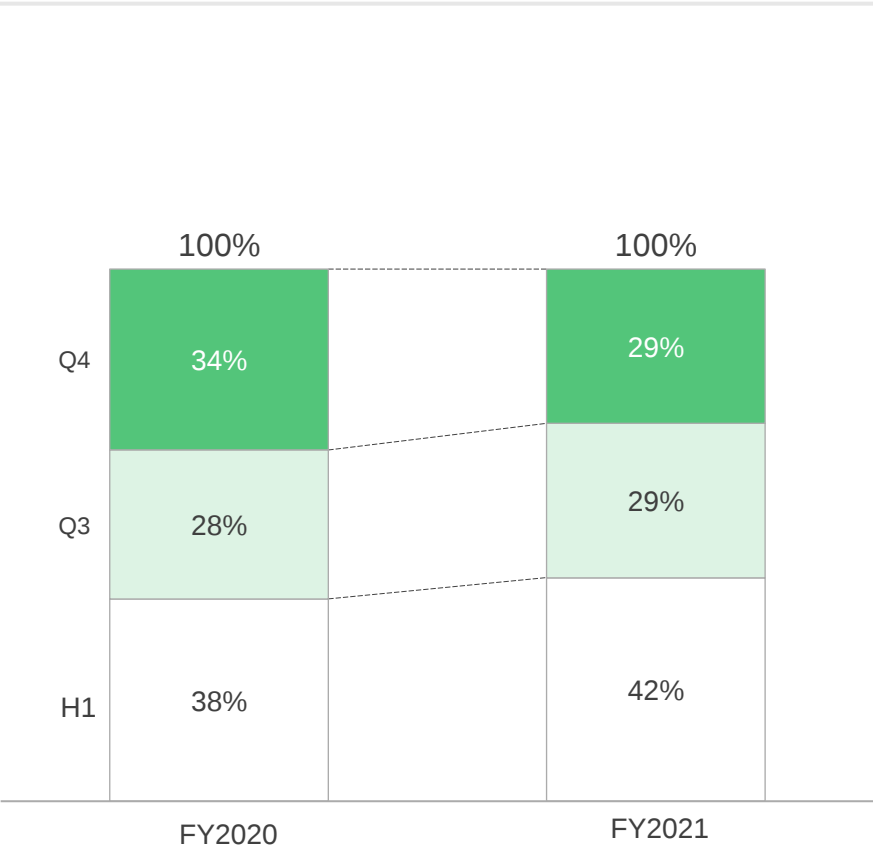
Healthcare-Big Data Business: Performance (Seasonal Leveling)

Revenues in H2 were +30% Y-o-Y, with Q3 and Q4 revenues roughly on the same level.

Revenue as Compared to Last Year

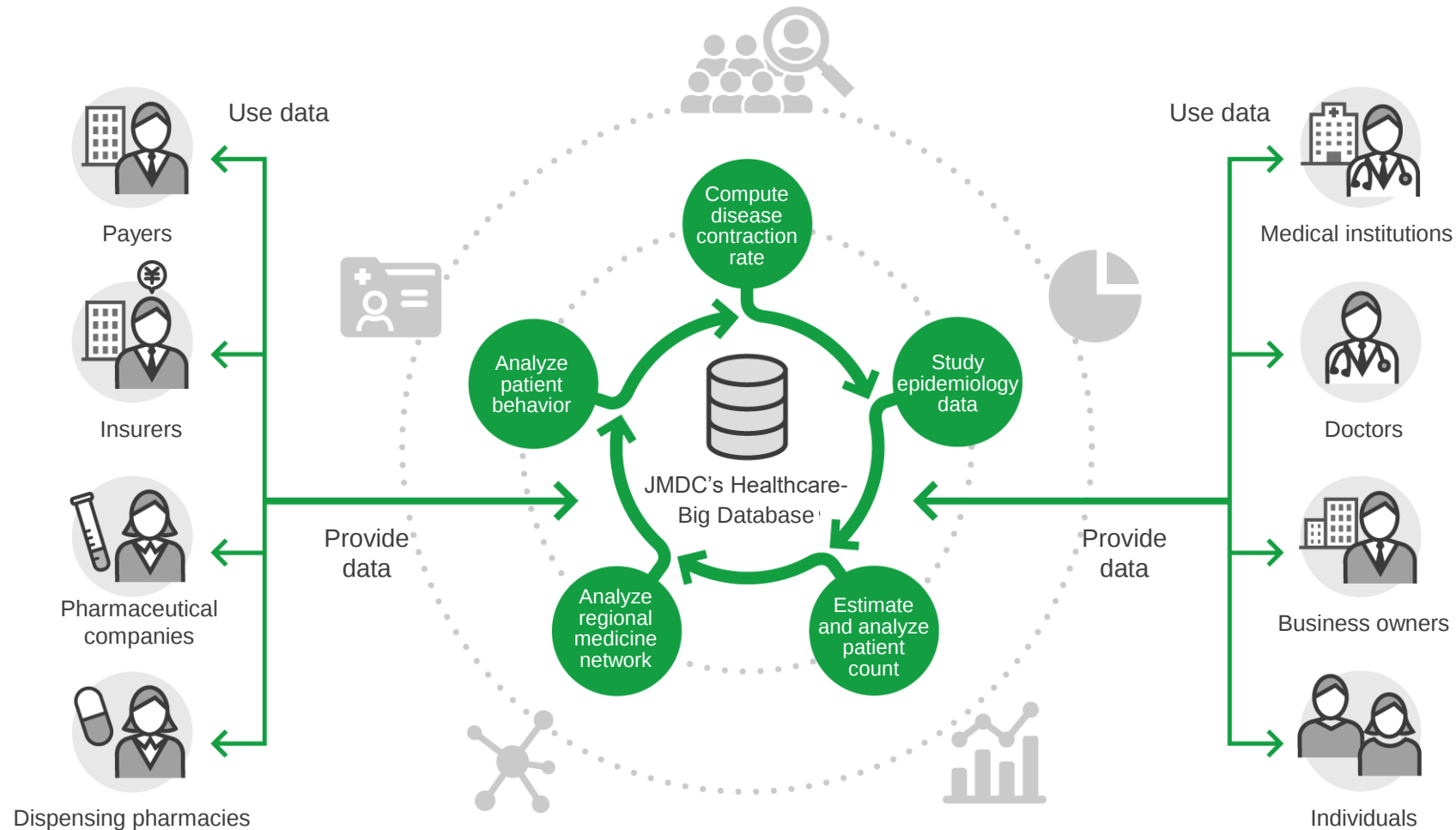


Revenue Composition as Compared to Last Year



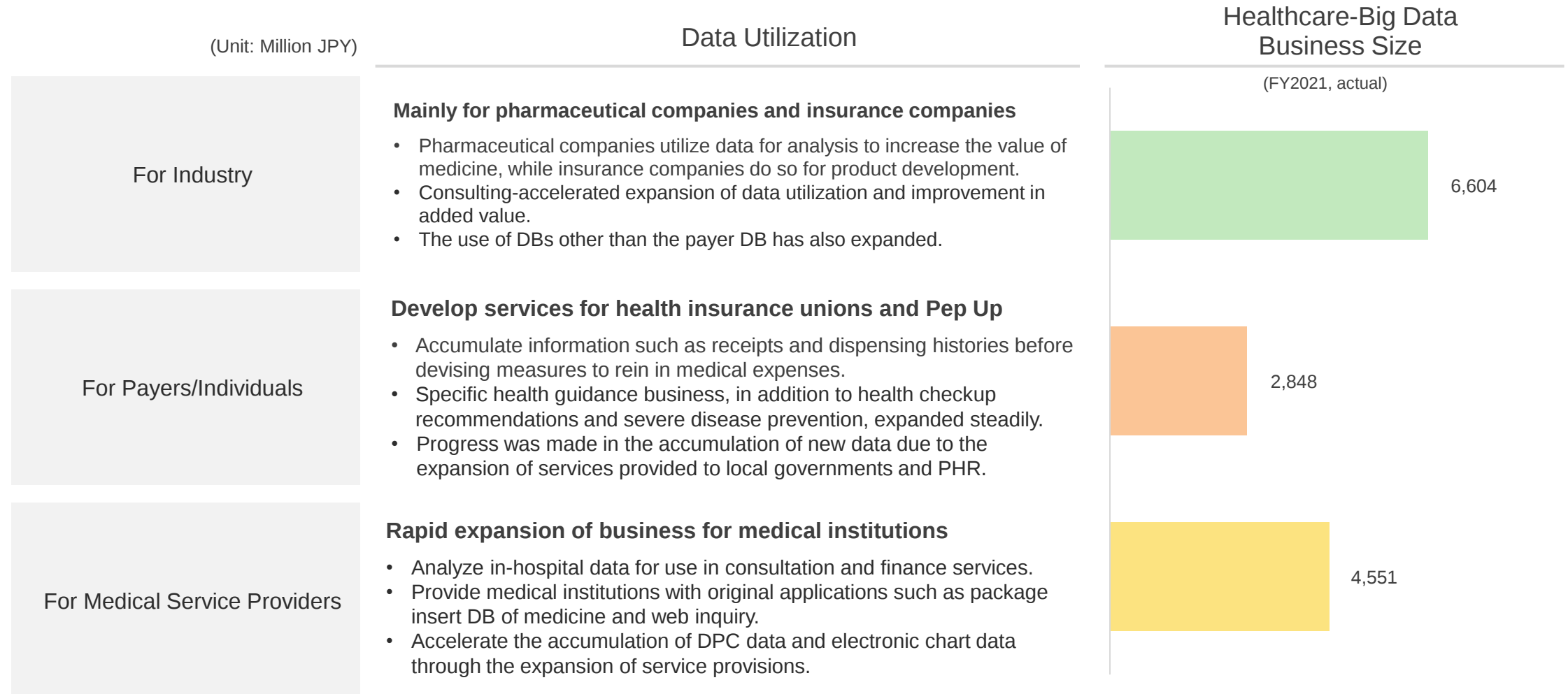
JMDC Healthcare-Big Data

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.”



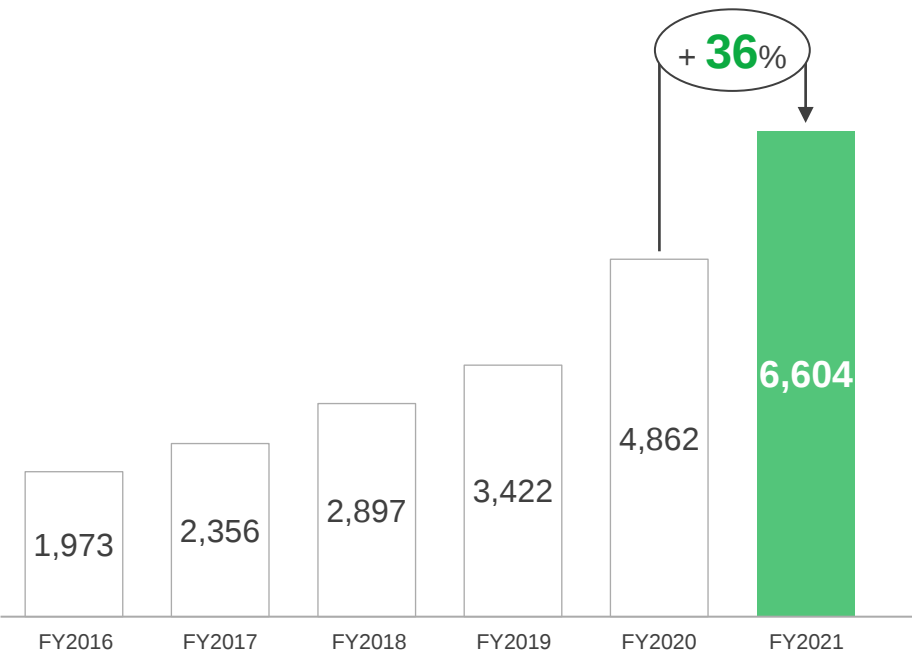
Note: Each business size value represents a simple sum for business management purposes. No adjustment was made to IFRS adjustment values and inter-segment transaction adjustment values.

For Industry: Business Status of Data Utilization

With the continued expansion of applications by leading clients, revenue across all client segments grew.

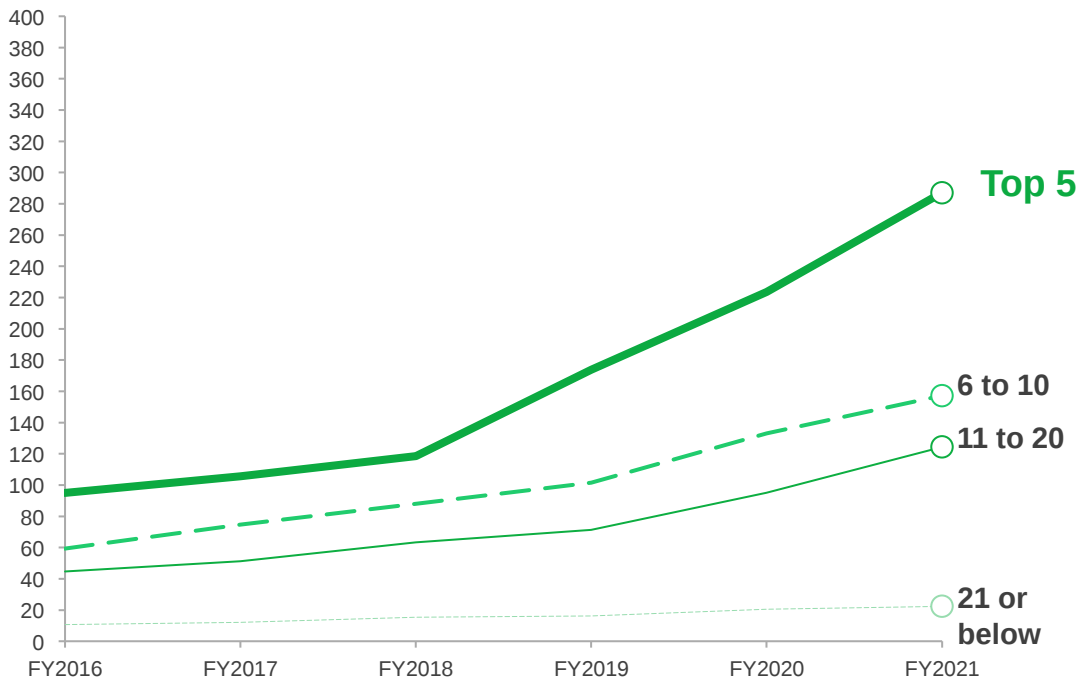
Data Utilization for the Industry: Revenue

(Unit: Million JPY)



Annual Per-company Revenue by Customer Segment

(Unit: Million JPY)

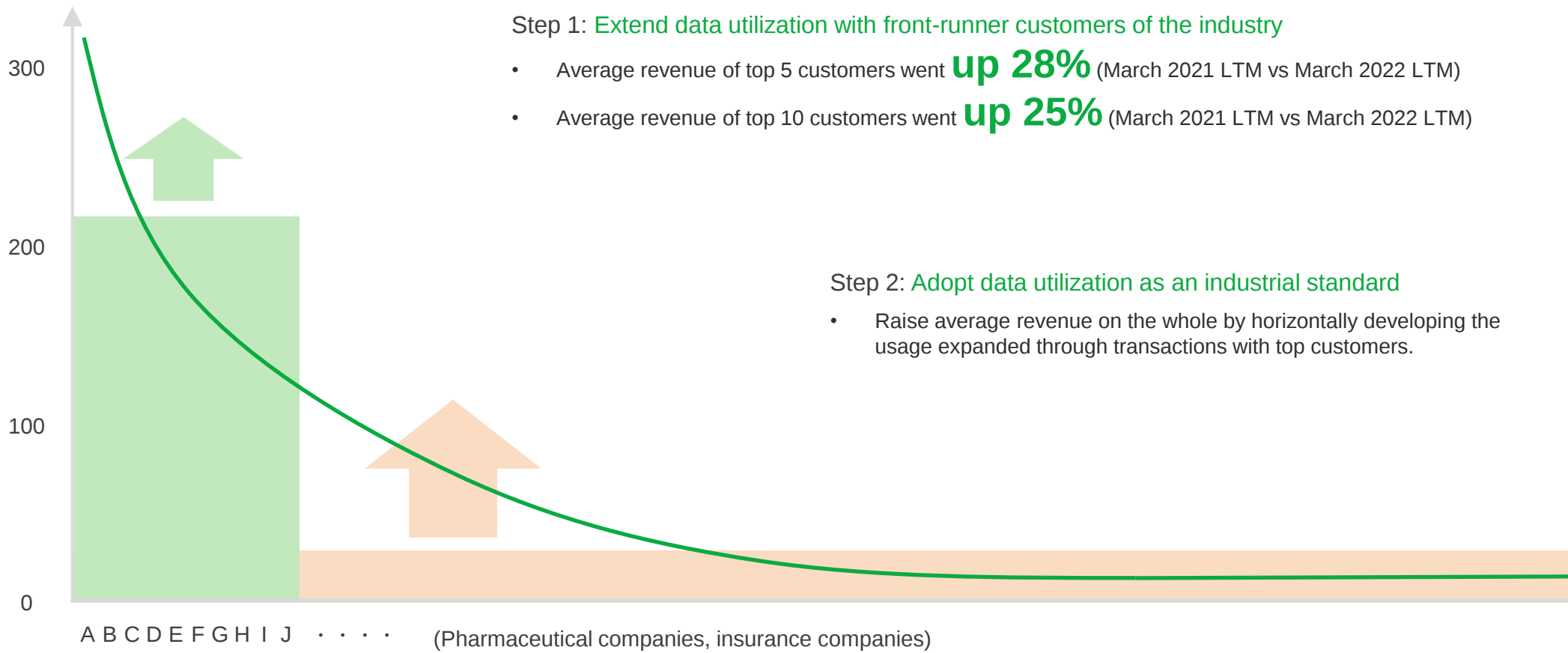


Note: Revenue figures for the top 5, top 6–10, top 11–20, and 21 or below were computed according to the revenue value for each fiscal year.

For Industry: Business Policy on Data Utilization

We will grow the potential of data utilization hand in hand with industry frontrunners, highly eager to use data, and aim to create a world in which data utilization becomes a standard.

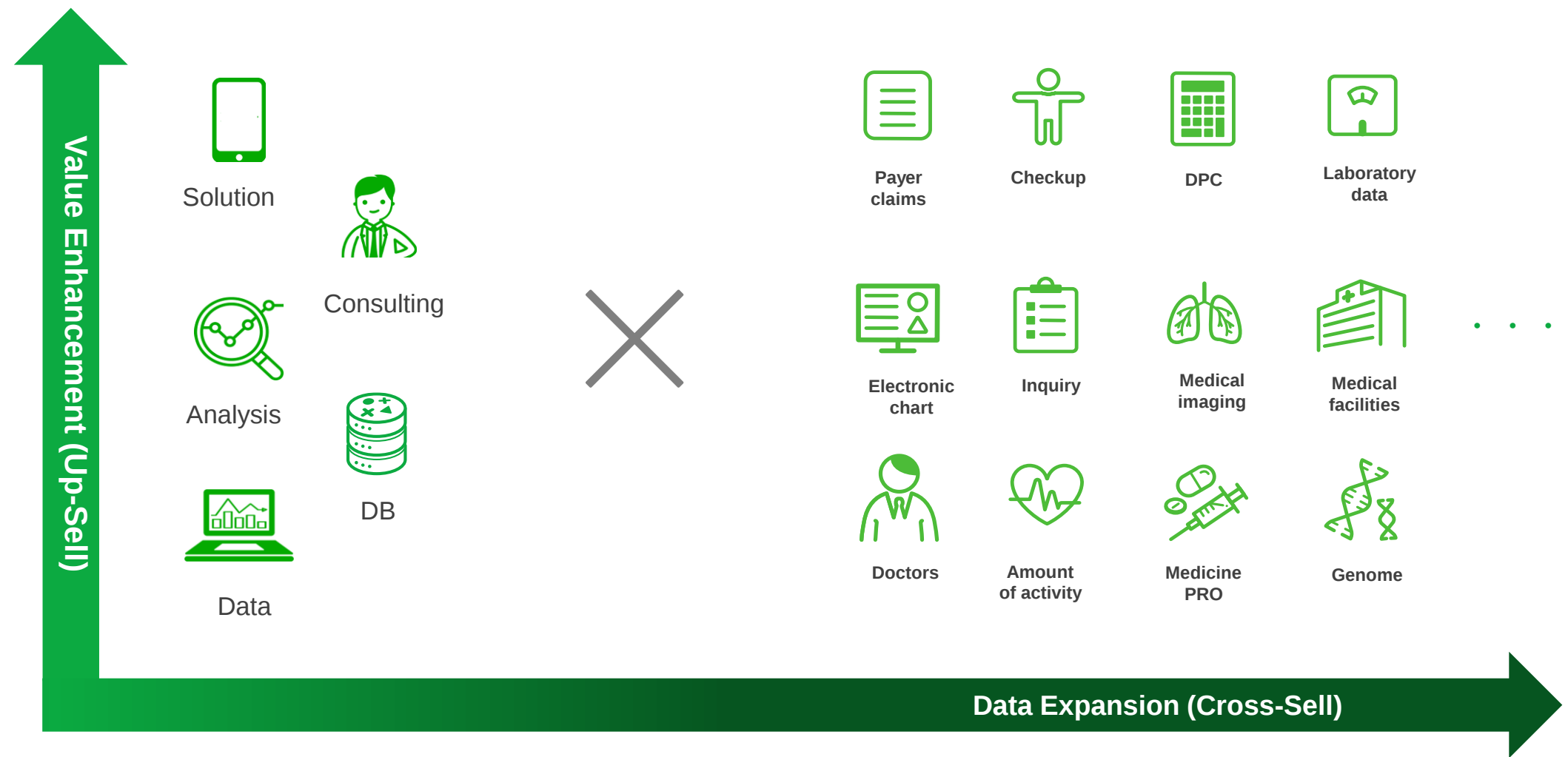
(Unit: Million JPY)



Note: The graph above is image-based.

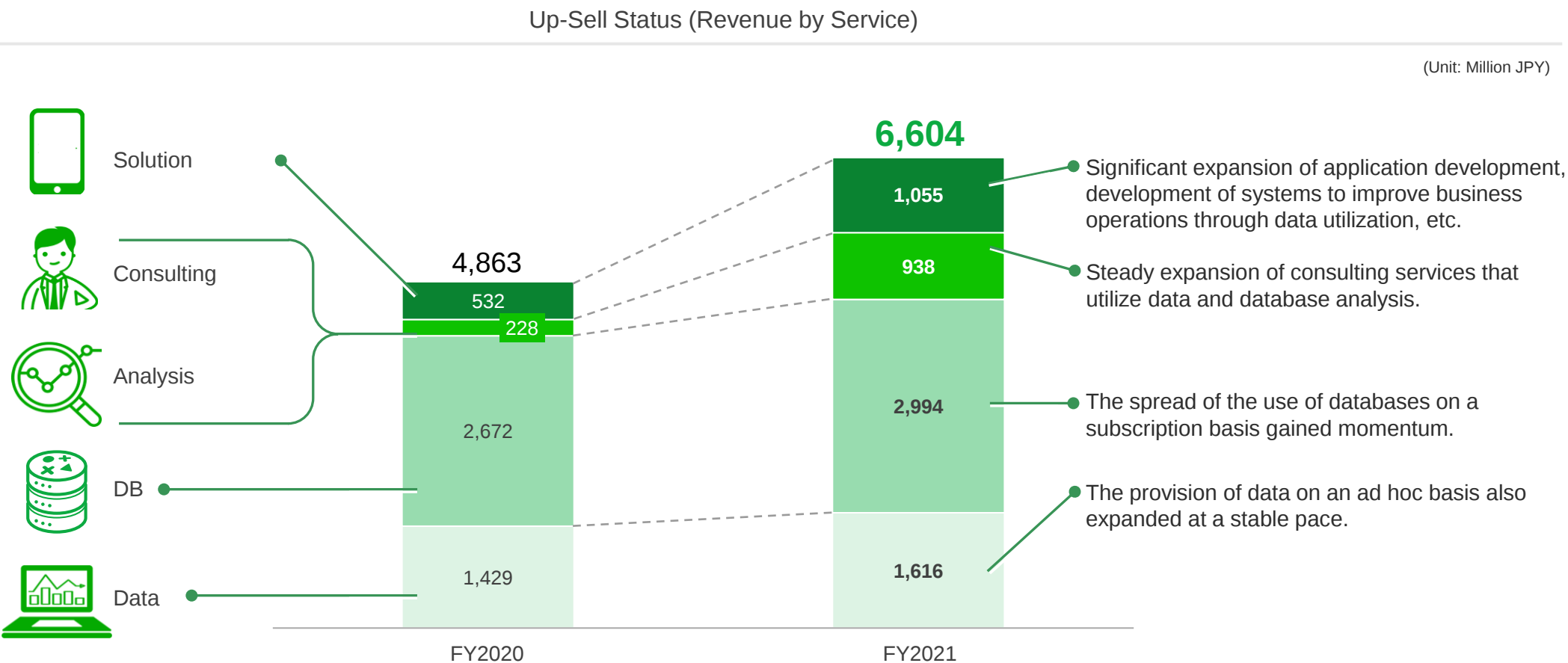
For Industry: Maximize Revenue of Effective Data Usage

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



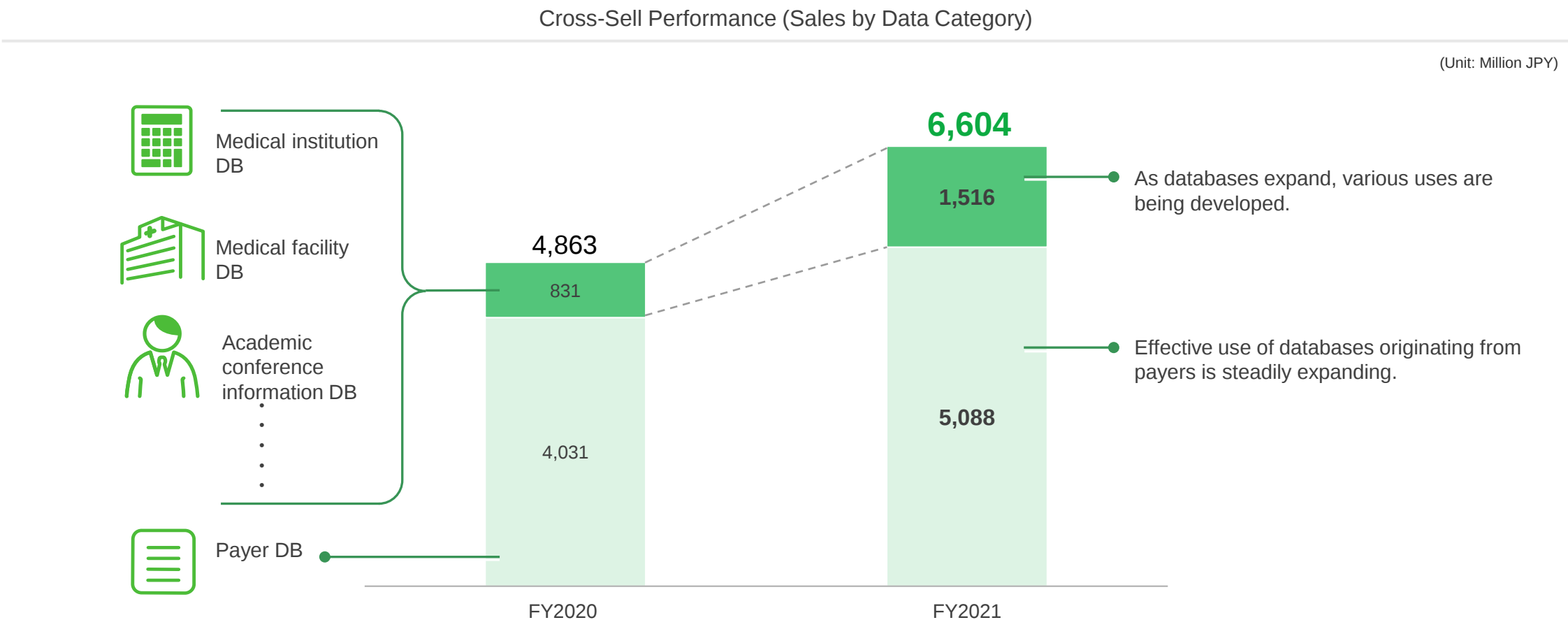
For Industry: Up-Sell Efforts

High value-added services such as consulting and solutions, which have been strengthened as part of the up-sell strategy, have steadily led growth.



For Industry: Cross-Sell Performance of DBs Other Than Payer DB

Revenue of data other than the payer DB, which have been strengthened as part of the cross-sell strategy, are steadily growing.



For Industry: Dx Support for Pharmaceutical Companies

Demand for Dx support focusing on data and ICT has started to increase in various departments of pharmaceutical companies.

Strategic clinical trial support focusing on DB and PHR

Data-driven facility selection



Using RWD with extra data, we optimize clinical trial protocols and support the selection of optimal facilities for clinical trials to avoid delays.

Sales and marketing Dx using payer claim data with extra data

Optimization of sales and marketing



Based on RWD and pharmaceutical company internal data combined with machine learning, we examine effective activities and marketing mix.

DB-based sales and marketing tools

Doctors' academic activity analysis service, "Doctorna"



Find opinion leaders using keywords, such as a disease name or symptom, by aggregating DBs of academic societies and papers in sync with market research.

DCT/Virtual trials



By making full use of EDC systems, such as DB+PHR and EDC, we will enable clinical trials to be held at home and through satellite visits to reduce trial cost.

Safety forecast support



Using various data including RWD, we closely examine the accuracy in the existing forecasting model to develop new and corrective logics.

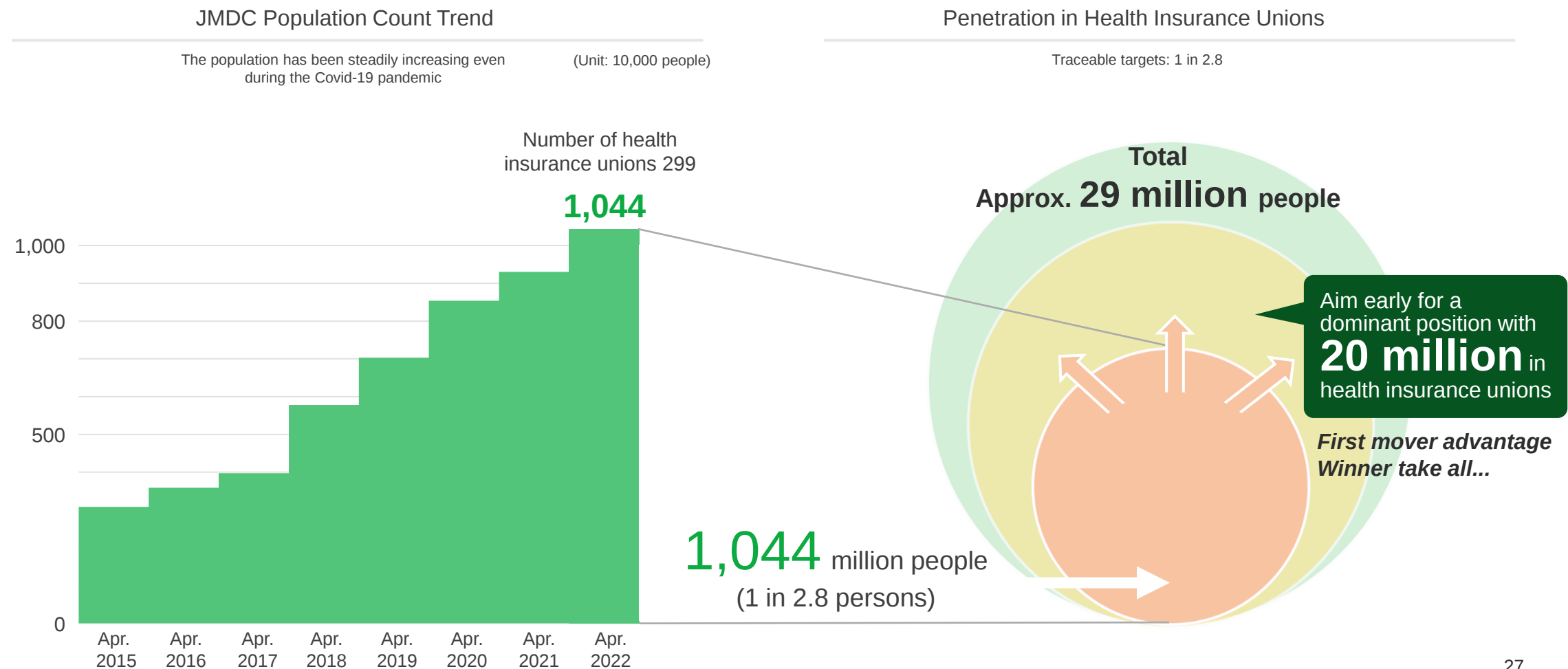
"SCUEL News" – Aggregating and delivering local medical and nursing information



News information provided by medical institutions, physician associations, pharmacist associations, and governments is distributed widely to sales representatives. Information on areas, facilities, and doctors-in-charge are quickly collected.

For Payers/Individuals: Widening the Data Platform

While building an overwhelming position in health insurance unions, we will promote the provision of services to local governments, the Japan Health Insurance Association, and others.

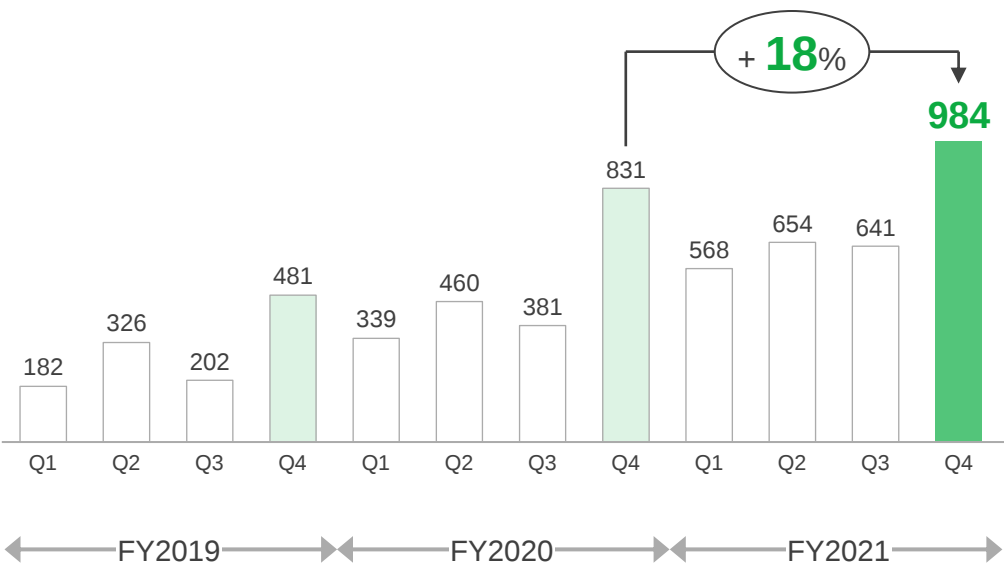


For Payers/Individuals: State of Business

The business of providing solutions through Pep Up for local governments and the national health insurance system is growing. In addition, the cycle in which the enhancement of services leads to the expansion of new users is continuing.

Quarterly Trends in Business Revenue of Payers/individuals

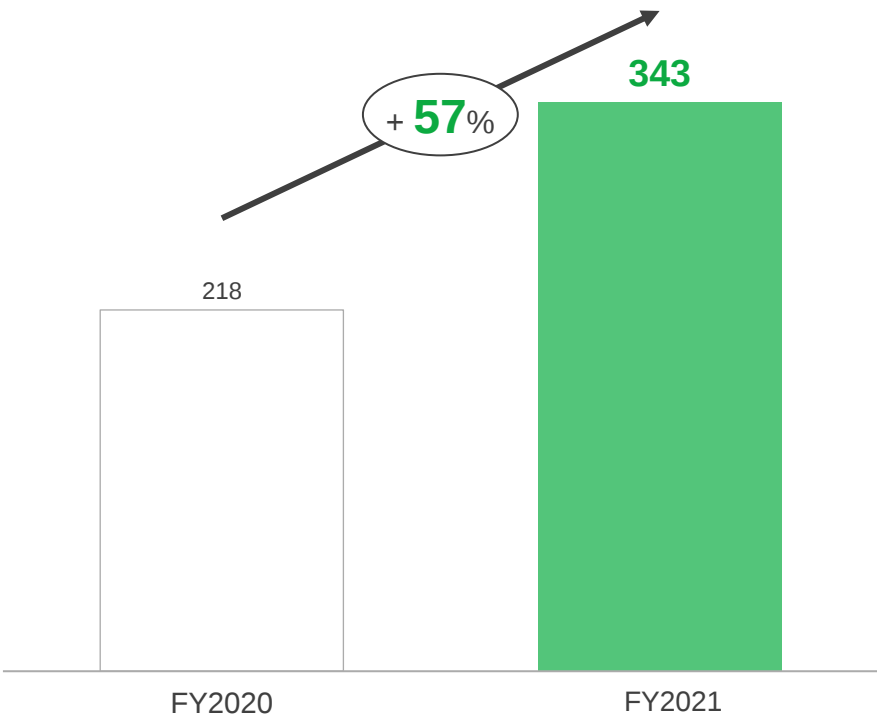
(Unit: Million JPY)



Pep Up: Number of User IDs

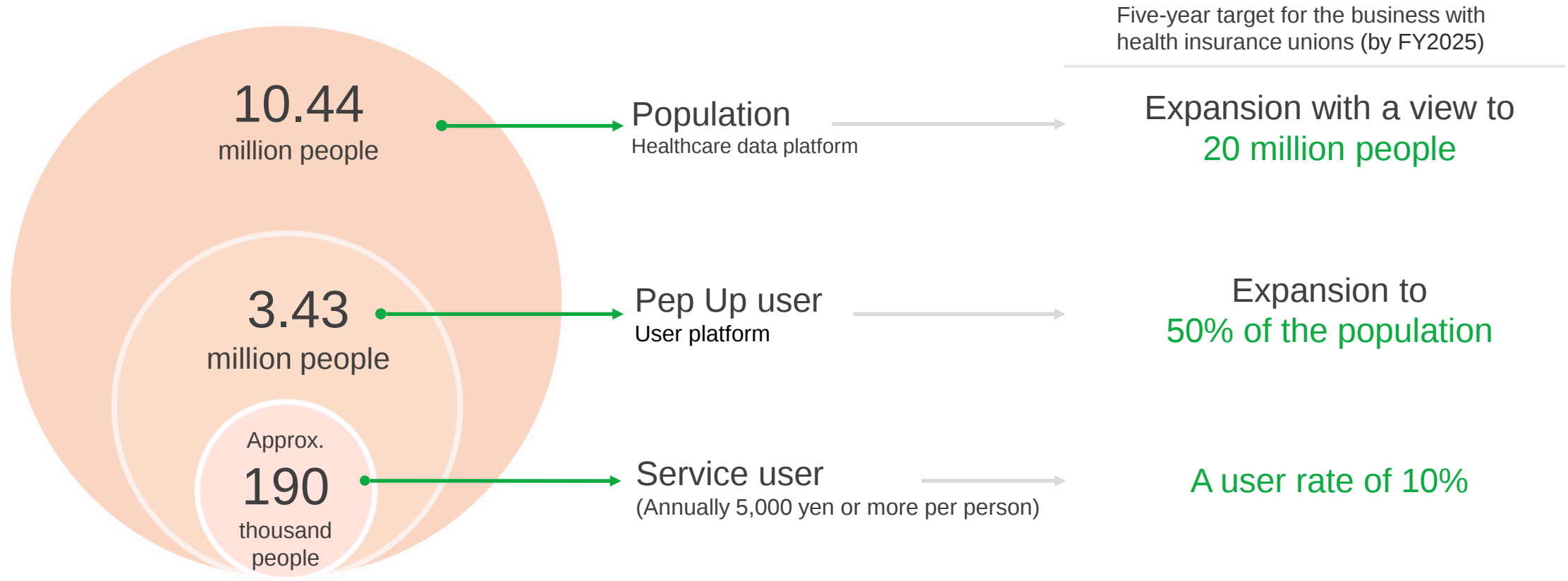


(Unit: 10,000 people)



For Payers/Individuals: Business Engagement Policy

Expanding the business to provide solutions for health enhancement, prevention of extremely serious diseases, etc. by developing health insurance population (healthcare data platform) into a user platform.

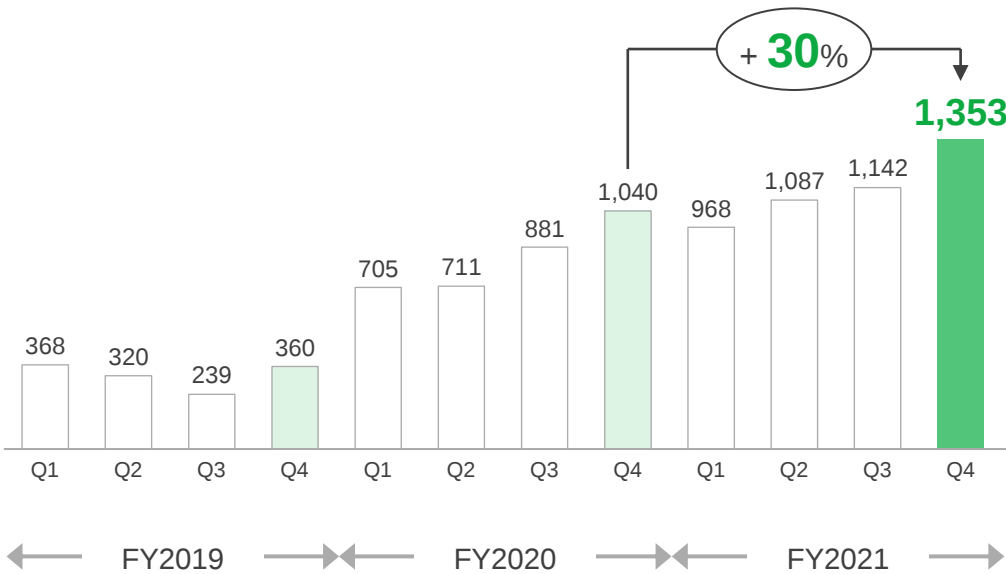


For Medical Service Providers: State of Business

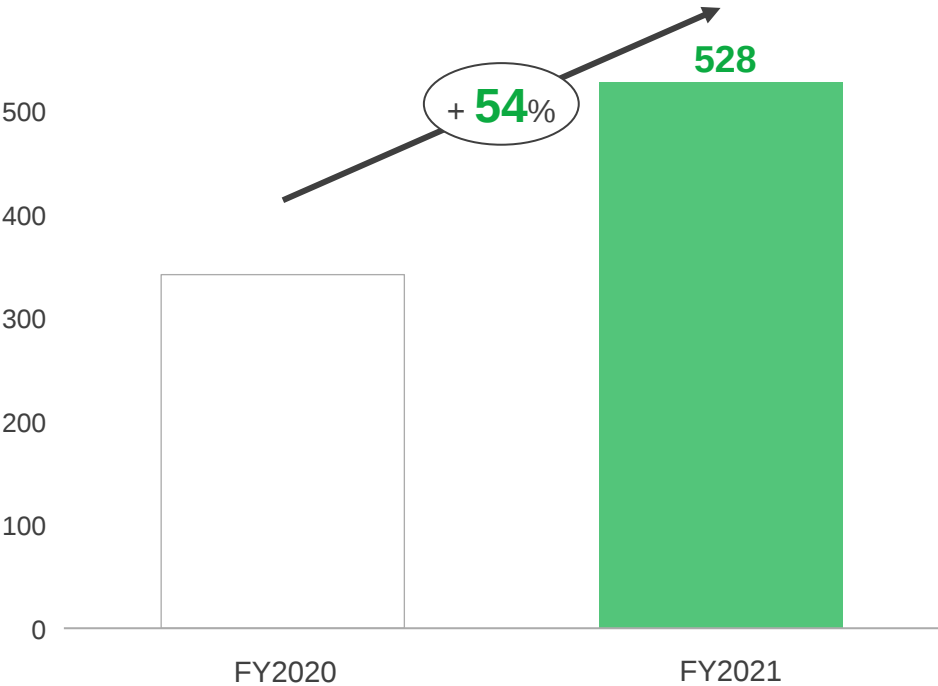
With the steady growth of various services for medical institutions, the enhancement of data platforms originating from medical institutions is making rapid progress.

Quarterly Revenue Trends of Businesses Providing Medical Services

(Unit: Million JPY)

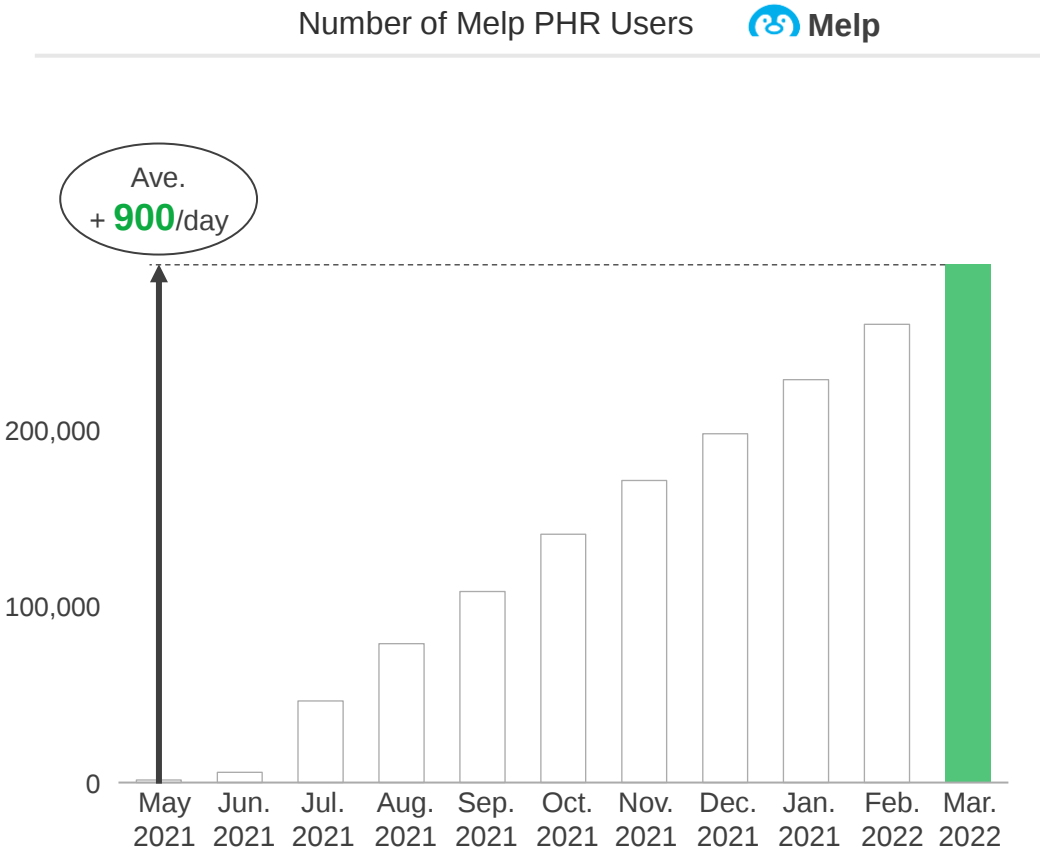
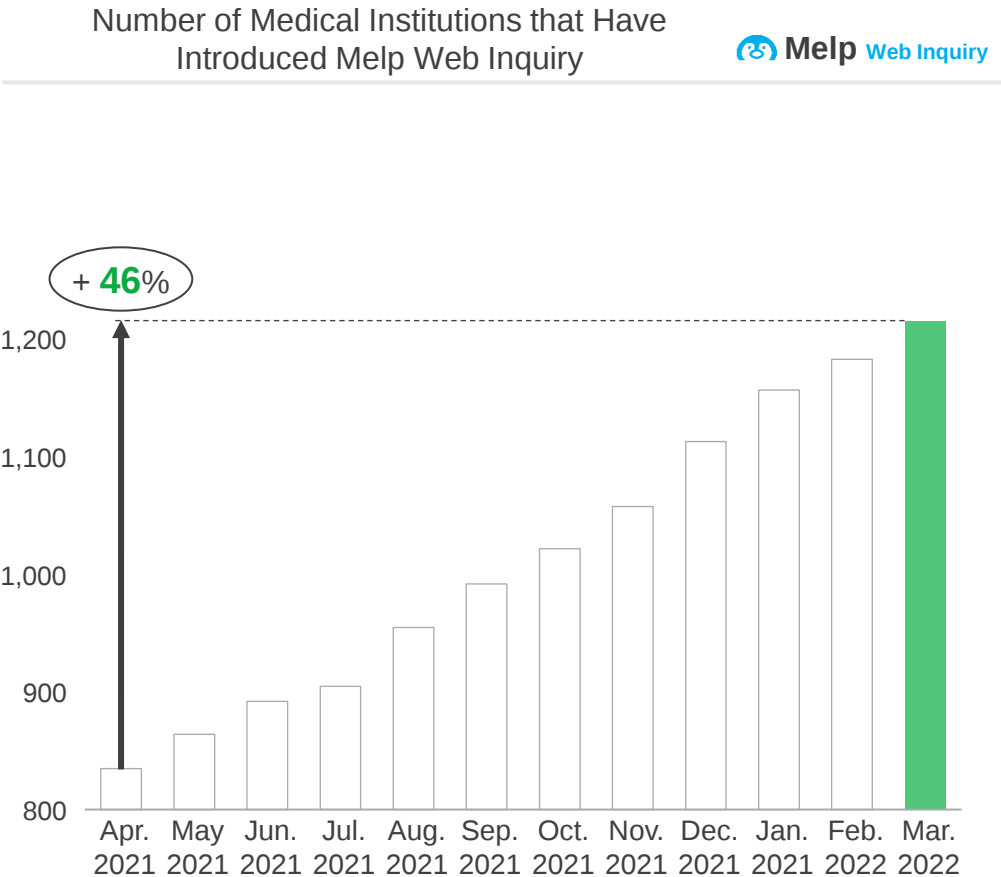


Number of medical institutions (hospitals) capable of utilizing DPC/receipt data



For Medical Service Providers: Initiatives to Promote Healthy Medical Practice (Melp Web Inquiry, Melp PHR)

Both Melp Web Inquiry, which streamlines inquiries with digital technology, and Melp PHR, which enables the digitalization of in-clinic patient behavior, are being introduced at an accelerated pace.



We will renew the entire patient experience with AI-assisted consultations for hospital visits, searches for nearby medical institutions, digital patient registration cards, and web inquiries, while reducing the workload of clinics, such as by eliminating the need to post medical questionnaire sheets.

< 戻る

設定

メルプ

メルプAI受診相談

診療科と緊急度を1分でチェック

生年月日を入力してください

▼

年

▼

月

▼

次に進む

※メルプAI受診相談は医師による診断行為の代替ではありません。正式な予測ではなく補助的なアプリケーションです。症状が悪化した場合は、必ず医師にご相談ください。病院を受診するかどうかの最終的判断はご自身でお願いいたします。

調子どう？

結果

日中の診療時間内に
受診しましょう

緊急度 ★★☆☆☆

様子を見ながら、日中の診療時間内に受診しましょう。

診療科

膠原病科

現在値周辺の「膠原病科」クリニックを
探す

その他の診療科候補はこちら

診察用 症状まとめ

部位：腕・手・足

主訴：関節痛

いつ頃からですか？：1-7日前から

痛みの場所は1か所ですか？：いいえ（複数箇所）

どこが痛みますか？：肘

🔍

病院検索

🏠

診察科から探す

📅

かかろうけ

👤

マイページ

🔍

病院検索

🏠

診察科から探す

📅

かかろうけ

👤

マイページ

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[設定](#)

両国

内科

検索

医療法人社団千秋双葉会 両国

内科 消化器科 乳腺外科

営業終了 営業開始時刻: 15:00 ▼

東京都墨田区緑一丁目14番4号 両国Tビル3F 10階 (両国駅 335m) ▼

マップで見る

電話する 03-5638-3377

医療法人社団東京ハート会 両国キッズクリニック

内科 小児科

営業終了 営業開始時刻: 15:00 ▼

東京都墨田区緑一丁目14番4号 両国Tビル3階 (両国駅 335m) ▼

マップで見る

電話する 03-5669-8100

きらく内科クリニック

内科 消化器科 小児科

営業終了 営業開始時刻: 15:00 ▼

東京都墨田区亀沢一丁目8番5号 HANAWA BLDG. 3階 (両国駅 95m) ▼

マップで見る

ホームページで見る

電話する 03-5610-0385

病院検索

お出かけ先を探す

お休み日づけ

マイページ

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[メニュー](#)

かかりつけクリニック

テスト小児科クリニック

WEB問診に回答

お知らせ

テスト内科・小児科クリニック

📞 090-1234-5678

予約

WEB問診に回答

お知らせ

かかりつけクリニックを追加する



コフモリ サロンの
保険料は **所定の額**で毎月払い
(9000円は3ヶ月一括払い)

※ 歯医・コフモリ・サロン・歯医の保険料は毎月払い
※ 歯医・コフモリ・サロン・歯医の保険料は毎月払い
※ 歯医・コフモリ・サロン・歯医の保険料は毎月払い





病名検索

店から探す

家から探す

[＜ 戻る](#)
[メルブ](#)

基本情報

[吉永 和貴](#)
[編集](#)

[利用者（家族）の基本情報](#)
[かかりつけクリニックの情報](#)

問診情報

2021年05月06日

初診

主訴：咳

今日からで、乾いた咳。

咳の多い時間帯：早朝～起床時

元気さはいつも通り。食欲は少しだけある。

【既往歴】



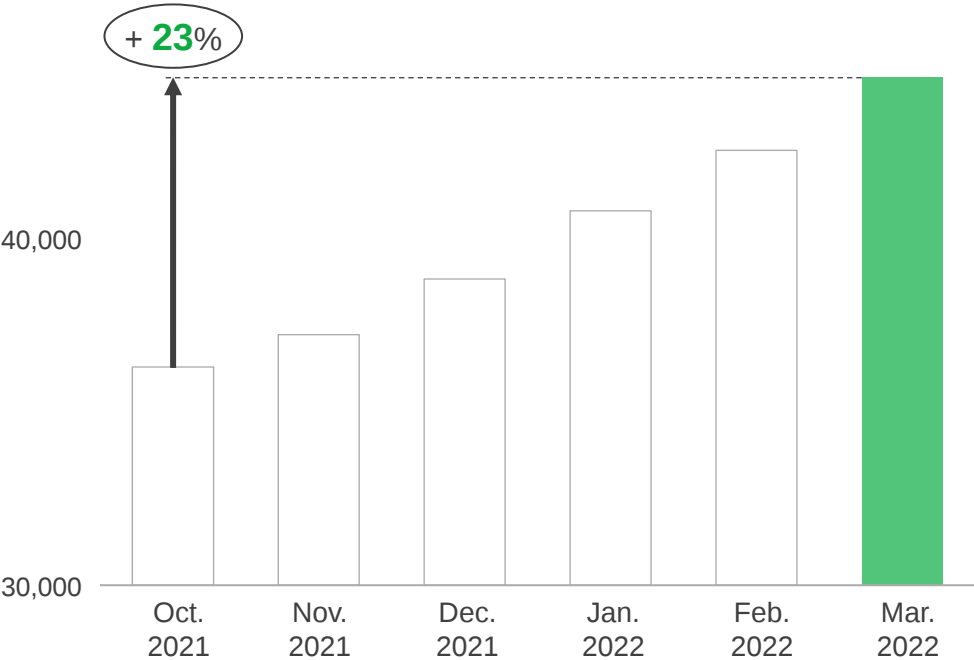
For Medical Service Providers: Expansion of Medical Service Provider Platforms (Antaa, Ishiyaku)

Medical service provider platforms are rapidly expanding as the number of “Antaa” and “Ishiyaku” users increases at an accelerated pace. We will continue to increase engagement with doctors to promote the optimization of medical services.

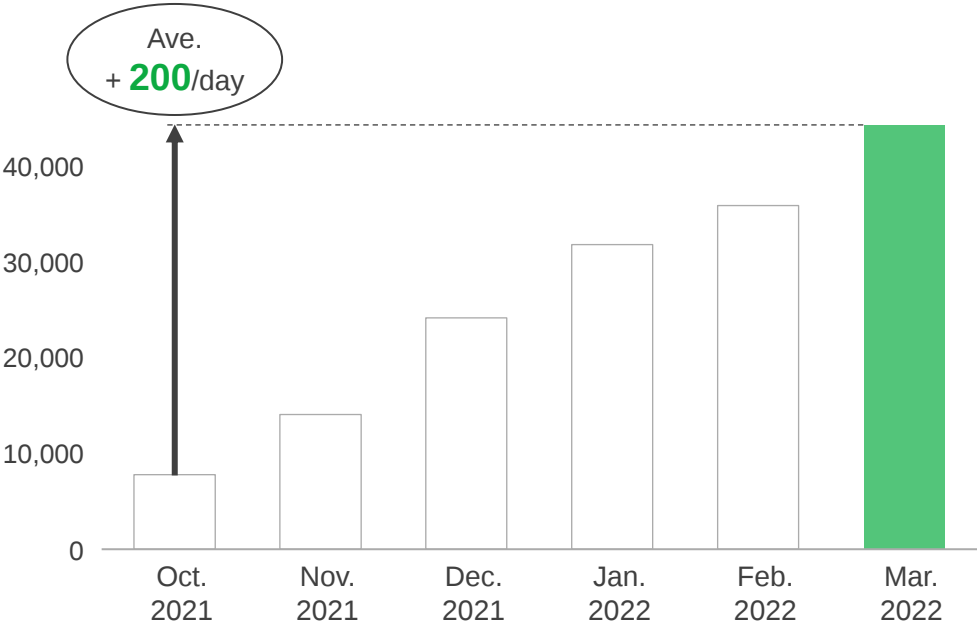
Number of “Antaa” Doctor Member Accounts



(Unit: persons)

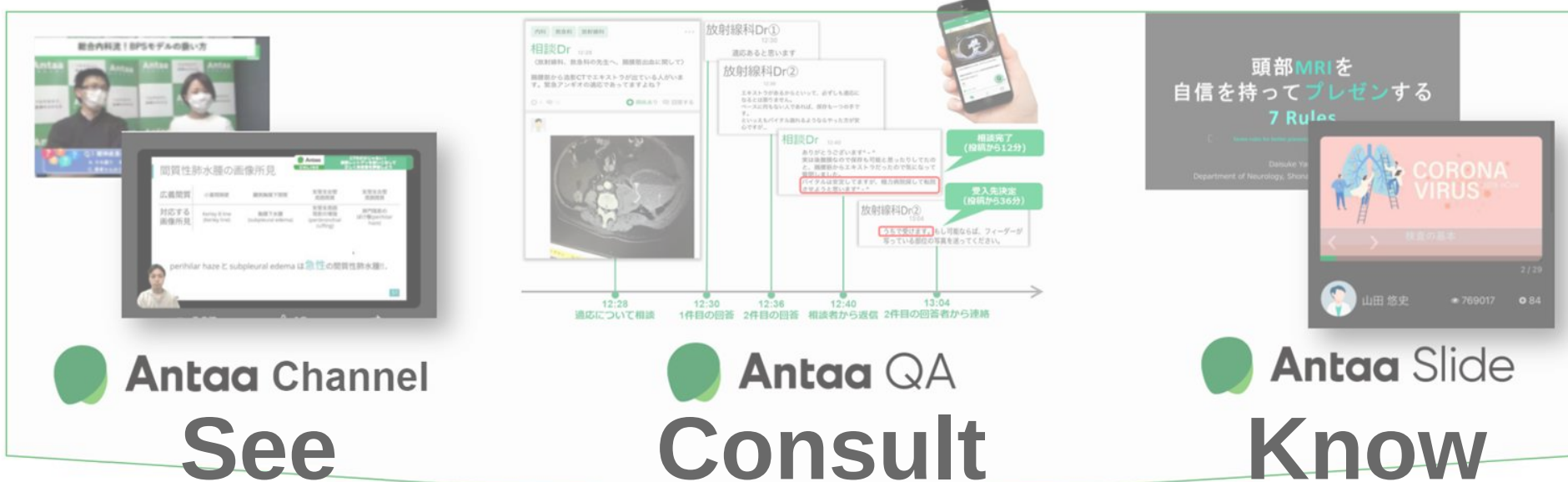


Number of “Ishiyaku” User IDs



[Reference] For Medical Service Providers: Expansion of Medical Service Provider Platforms “Antaa”

By providing an environment for mutual learning and teaching, Antaa is attracting hospital doctors in their 20's and 30's who are highly motivated to learn. It aims to become the de facto learning standard for energetic young doctors, while planning for various initiatives in coordination with doctors who are well-aware of medical issues.



Large- to medium-sized medical institutions

Participants include many doctors working in large to medium-sized medical institutions rather than doctors working in clinics.

Main participants are young doctors in their 20's and 30's

Doctors in their 20's and 30's account for 80% of the total.

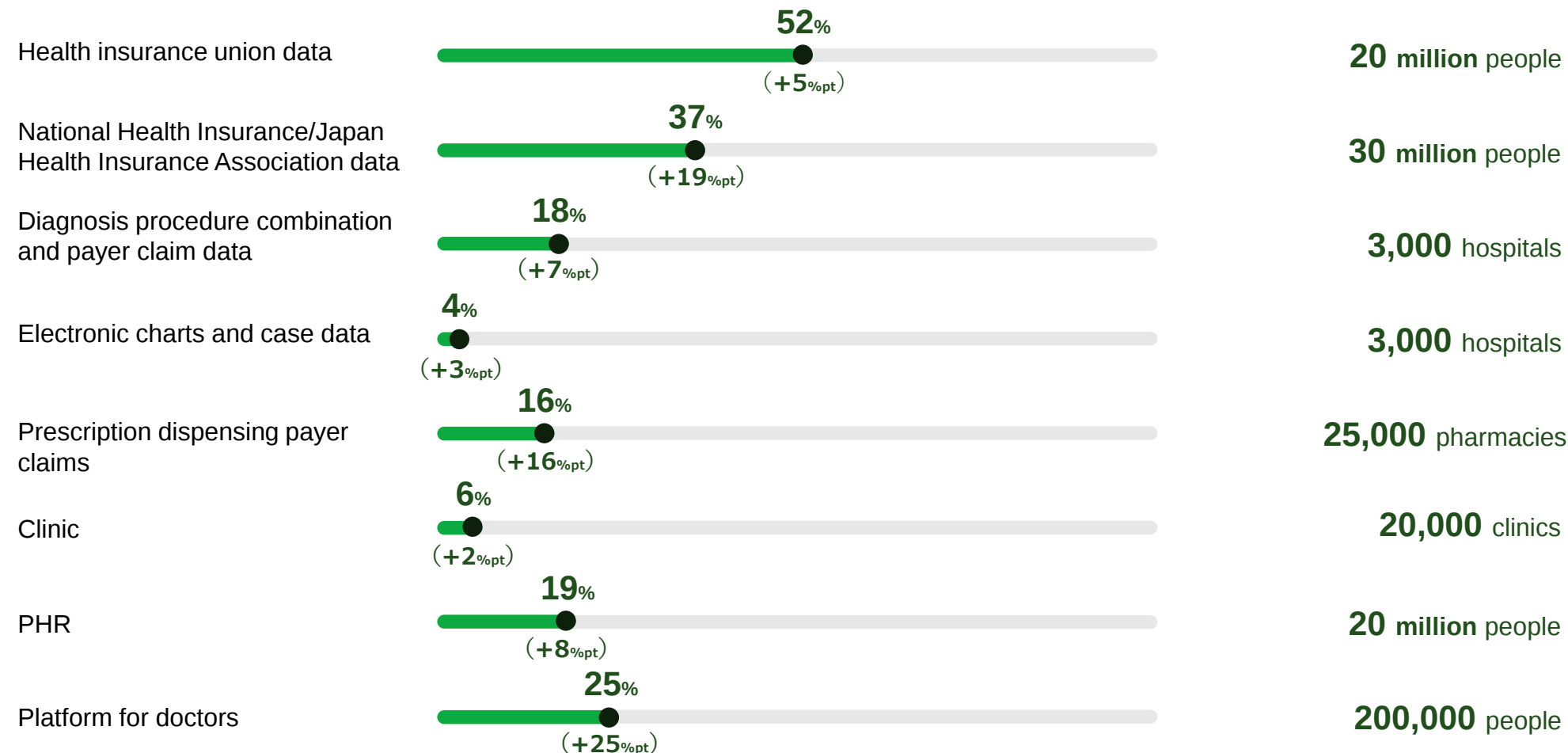
Long self-learning hours and high motivation to learn

Participants include many doctors who participate in external training at their own expense and spend long hours doing self-learning.

Potential of Healthcare-Big Data Business: Expansion of Data Assets

We are collecting a variety of Healthcare-Big Data to support the evolution of healthcare as a whole.
We are steadily expanding our data assets, and will keep our eyes on the prize.

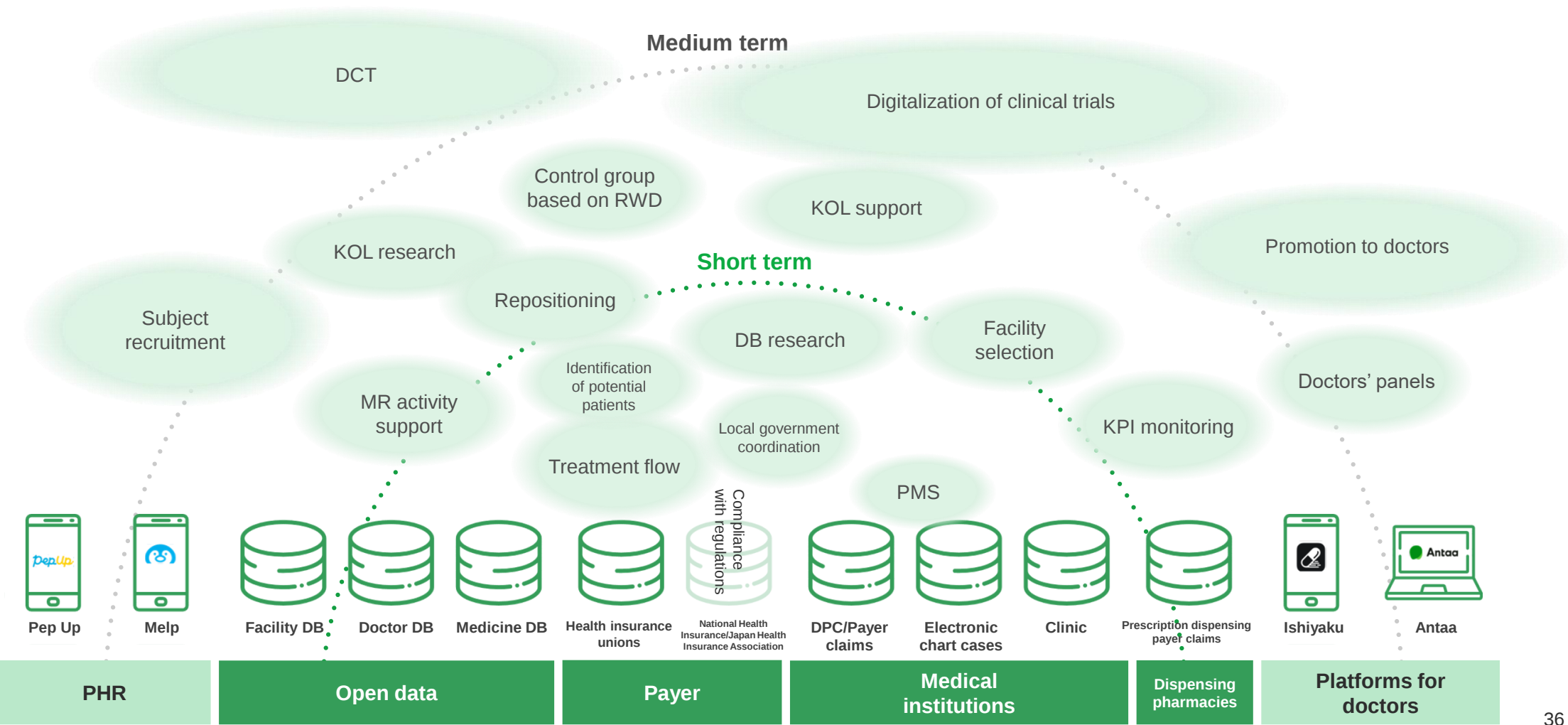
Targets



Potential of Healthcare-Big Data Business: Examples of Data Utilization Enabled by Data Assets

As data assets are accumulated, the scope of data utilization within the industry is expanding.

Example for pharmaceutical companies



Potential of Healthcare-Big Data Business: Business Opportunities for the Industry (1)

At this point, we feel that there are considerable business opportunities based on our discussions with clients.

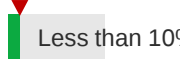
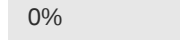
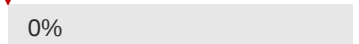
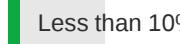
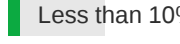
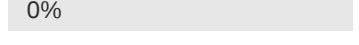
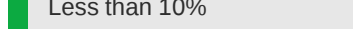
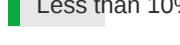
Example for pharmaceutical companies

Pharmaceutical company department	Theme	Outline	Hypothetical: Potential Market Size (JMDC's current penetration)	
Marketing	Identification of potential patients	Increase the number of new patients by identifying and addressing bottlenecks that prevent patients from receiving diagnoses and appropriate medical treatment based on observing patient journeys using RWD.	JPY5 to 10 billion	 Less than 10%
	KPI monitoring	Refine KPIs, such as share of in-house drugs and ratio of new patient acquisition, down to clinical department-level KPIs by utilizing RWD.	JPY3 to 5 billion	 Less than 10%
	Treatment flow	Test against data hypotheses developed based on interviews with doctors on when and to what extent the switching or dropping of a particular drug is occurring.	JPY5 to 10 billion	 10 to 20%
	MR activity support	Support the targeting of key doctors and the planning of lectures based on information about medical institutions and doctors.	JPY10 to 20 billion	 Less than 10%
	Promotion to doctors	Support online promotion using platforms for doctors.	>JPY100 billion	 Less than 1%
Development	Facility selection and subject recruitment	Use RWD to select facilities and regions in which there are many patients who can be subject candidates and use such information in facility selection and subject recruitment.	JPY3 to 5 billion	 Less than 1%
	Control group based on RWD	For clinical trials for which it is difficult to recruit relevant patients, use RWD as the control group.	JPY3 to 5 billion	 Less than 1%
	Promotion of digitalization of clinical trials	Digitalize clinical trial processes that are currently performed manually by using, for example, EDC and electronic worksheets to improve efficiency.	JPY10 to 20 billion	 Less than 10%
	Secondary use of trial data	After anonymization, use patient data that are accumulated through EDC and the like in other trials and further drug development.	JPY3 to 5 billion	 0%
	At-home DCT and clinical trials	In order to enable patients to participate in clinical trials without visiting medical institutions, create a mechanism for home visits by healthcare professionals and at-home measurement and data reporting.	JPY10 to 20 billion	 0%

Potential of Healthcare-Big Data Business: Business Opportunities for the Industry (2)

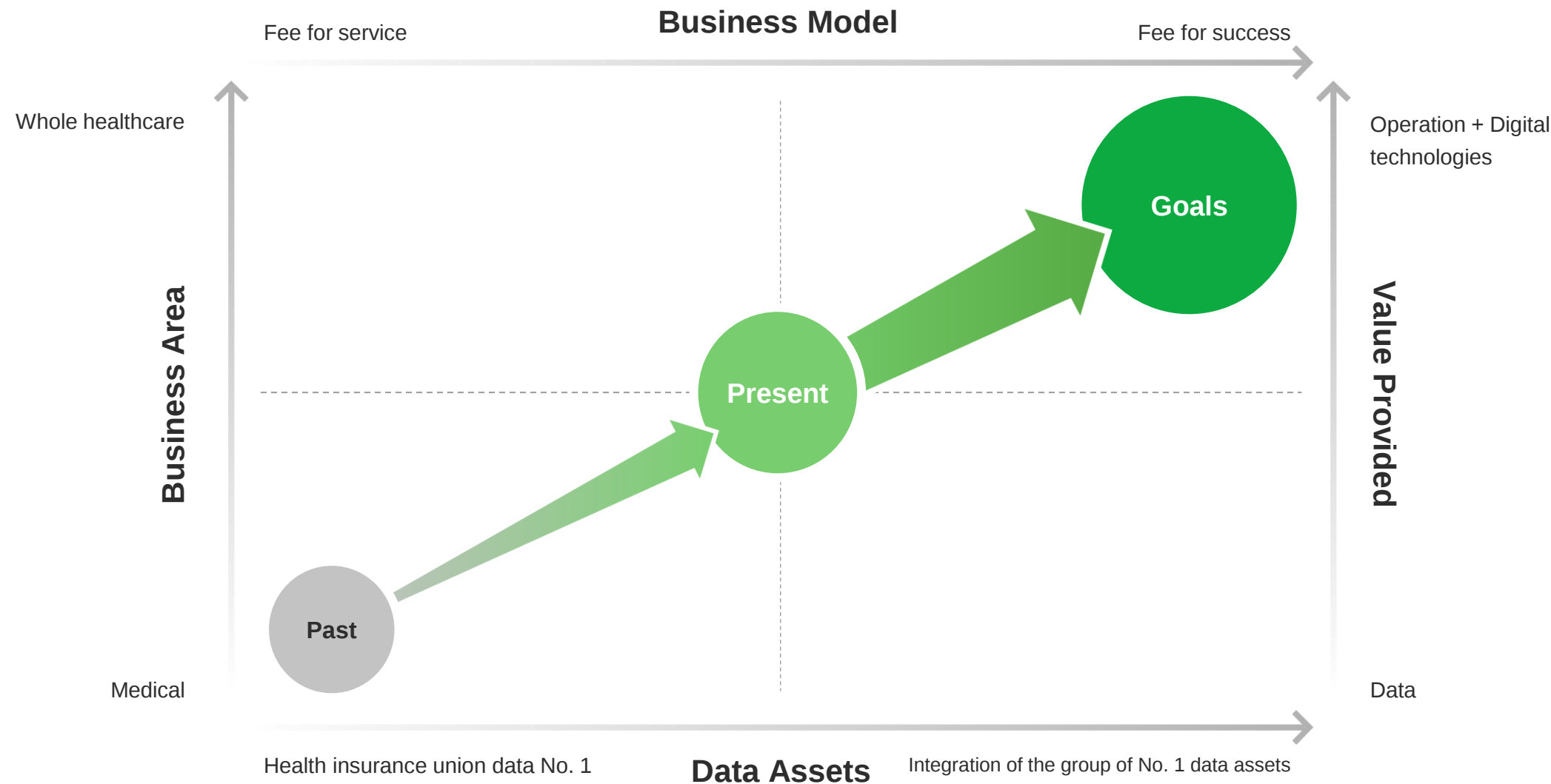
At this point, we feel that there are considerable business opportunities based on our discussions with clients.

Example for pharmaceutical companies

Pharmaceutical company department	Theme	Outline	Hypothetical: Potential Market Size (JMDC's current penetration)	
Drug development	Repositioning	Explore the direction of repositioning by using data to uncover other diseases and specific patient profiles to which existing drugs are effective.	JPY3 to 5 billion	 Less than 10%
	AI drug development	Improve accuracy and shorten the period of development for new drugs that are likely to be effective by utilizing chemical compound libraries and machine learning.	JPY5 to 10 billion	 0%
Medical	DB research	Perform clinical trials using RWD rather than actual patients.	JPY10 to 20 billion	 0%
	KOL support	Based on information from doctor conference presentations and papers, support appropriate KOL targeting and management driven by objective data.	JPY3 to 5 billion	 Less than 10%
	PMS	Conduct post-marketing surveillance on efficacy and safety using RWD.	JPY10 to 20 billion	 Less than 1%
	Patient outcome survey	Support patient outcome surveys and analysis utilizing patient panels.	JPY3 to 5 billion	 Less than 10%
	Analysis of genome information	Identify genomes that are related to the efficacy and safety of drugs by collecting patient genome information and use that information in drug development as well.	JPY10 to 20 billion	 0%
Business development	Evaluation of business potential of pipelines	To analyze the number of patients and the current methods of treatment for each disease, evaluate future feasibility by introducing a pipeline and prioritizing development projects.	JPY10 to 20 billion	 Less than 10%
Corporate	RWD organizational support	Support pharmaceutical companies' efforts to establish and operate dedicated departments or organizations inside their companies to utilize RWD.	JPY3 to 5 billion	 Less than 10%
	Collaboration with local governments	Support pharmaceutical companies' efforts to coordinate with local governments for early detection and acuteness prevention of diseases.	JPY10 to 20 billion	 Less than 1%

Direction of Healthcare-Big Data Business

In order to capture expanding business opportunities, we will continually evolve in all of our data, business models, value offerings, and business areas.

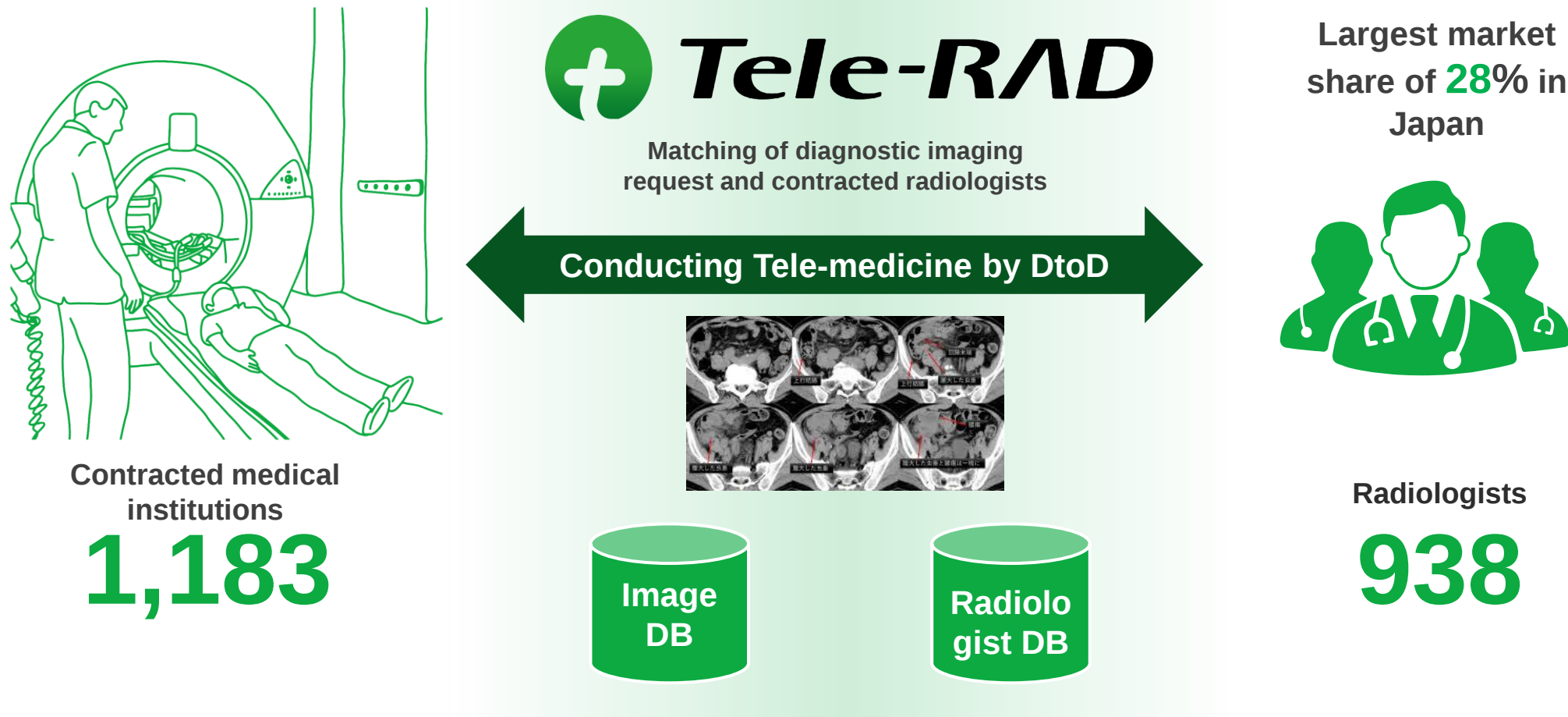


Section 4

Tele-medicine 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.

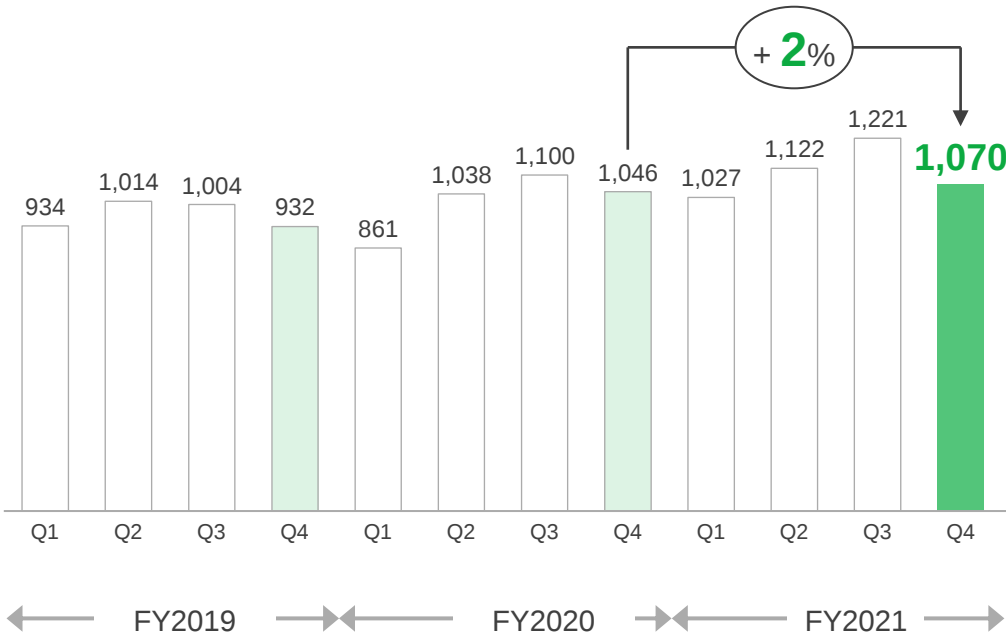


Tele-medicine Business: Performance

The trend of reduced consultations due to the spread of Omicron variant infection impacted the growth of revenue and EBITDA in Q4.

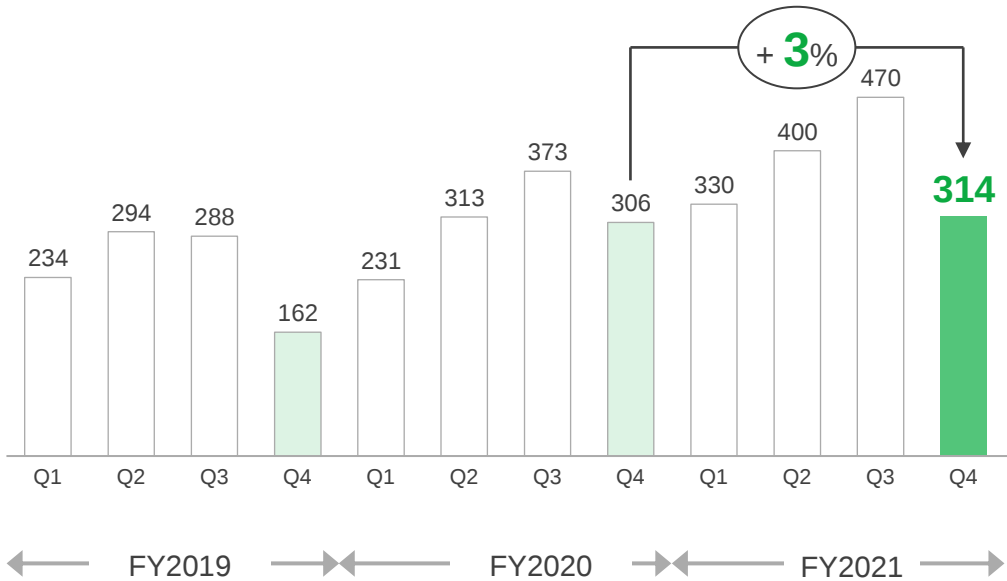
Quarterly Revenue Trends of Tele-medicine Business

(Unit: Million JPY)



Quarterly Trends of EBITDA

(Unit: Million JPY)



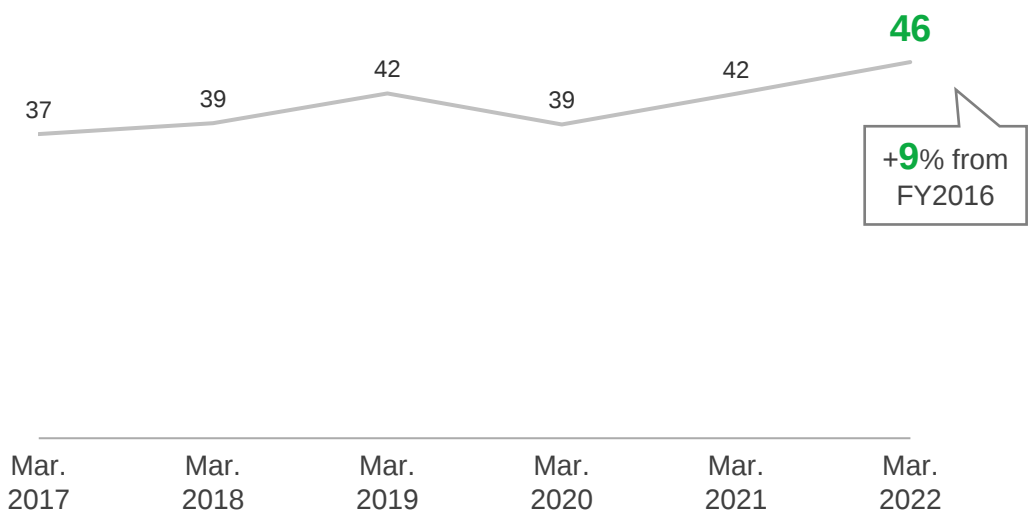
Note: EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses

Tele-medicine Business: Changes in Profit Margin

EBITDA margin has improved by over 10% in the last five years through our efforts to streamline business operations.

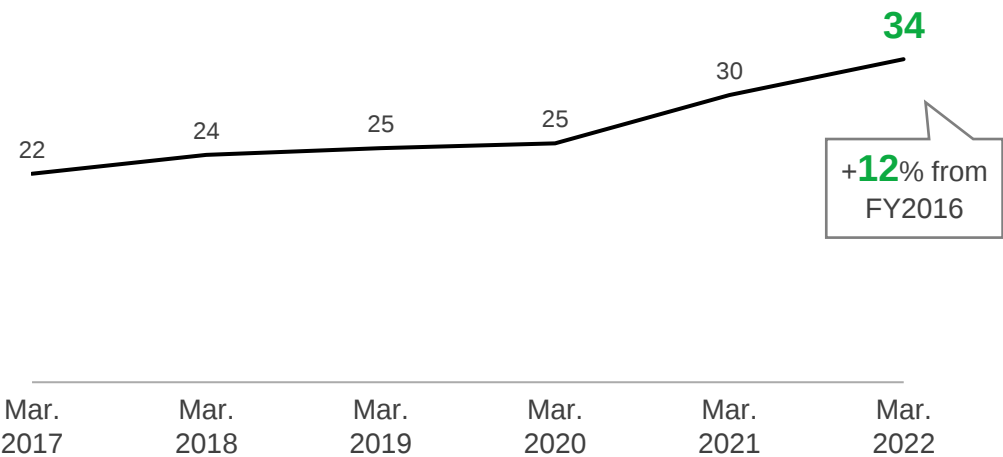
Changes in Gross Profit Margin

(Unit: %)



Changes in EBITDA Margin

(Unit: %)



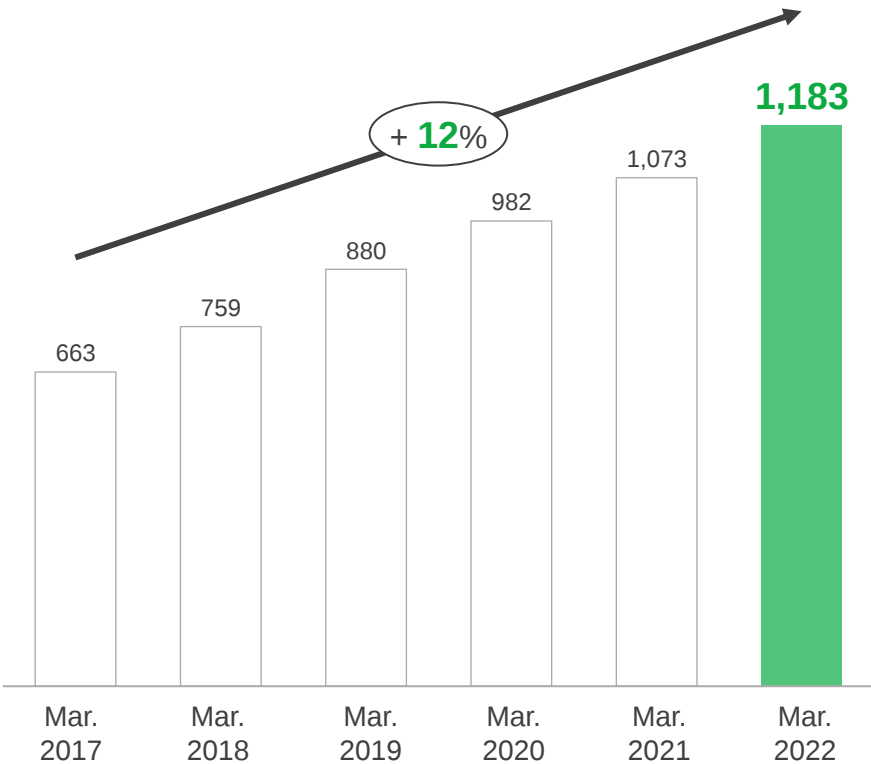
Note: Gross profit margin is shown for Doctor-Net on a non-consolidated basis; EBITDA margin for FY2016 and FY2017 is the EBITDA margin for Doctor-Net on a non-consolidated basis; thereafter it is the EBITDA margin for the Tele-medicine Business segment.
Doctor-NET has been consolidated since April 2018, but the above figures include Doctor-NET's revenue for the prior periods.
Doctor Net on a non-consolidated basis is based on Japanese GAAP, while Tele-medicine Business segment is based on IFRS.
EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses, EBITDA margin: EBITDA/Revenue (or Sales)

Tele-medicine Business: Expansion of the Remote Image Interpretation Platform

Its position as the largest remote image interpretation platform in Japan is strong, and its appeal to institutions and radio logists is growing.

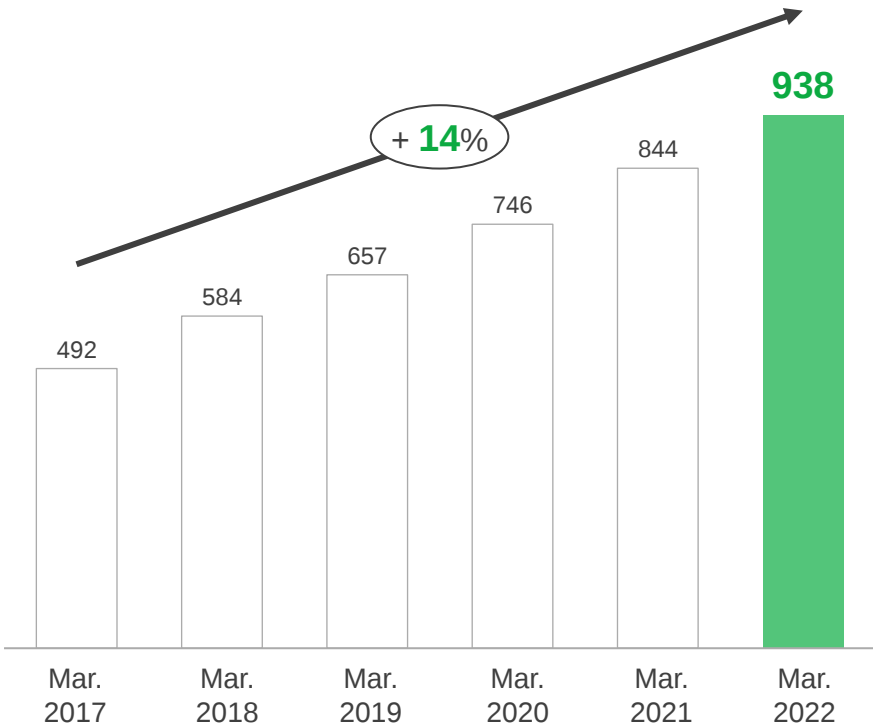
Trend in the Number of Contracted Facilities

(Unit: facilities)



Changes in the Number of Radiologic Interpreters

(Unit: persons)



Note: The figures presented as the numbers of contracted facilities and the numbers of radiologic interpreters represent the total numbers of facilities and radiologic interpreters contracted for the services of Doctor-NET. Doctor-NET has been consolidated since April 2018, but the above figures include Doctor-NET's revenue for the prior periods.

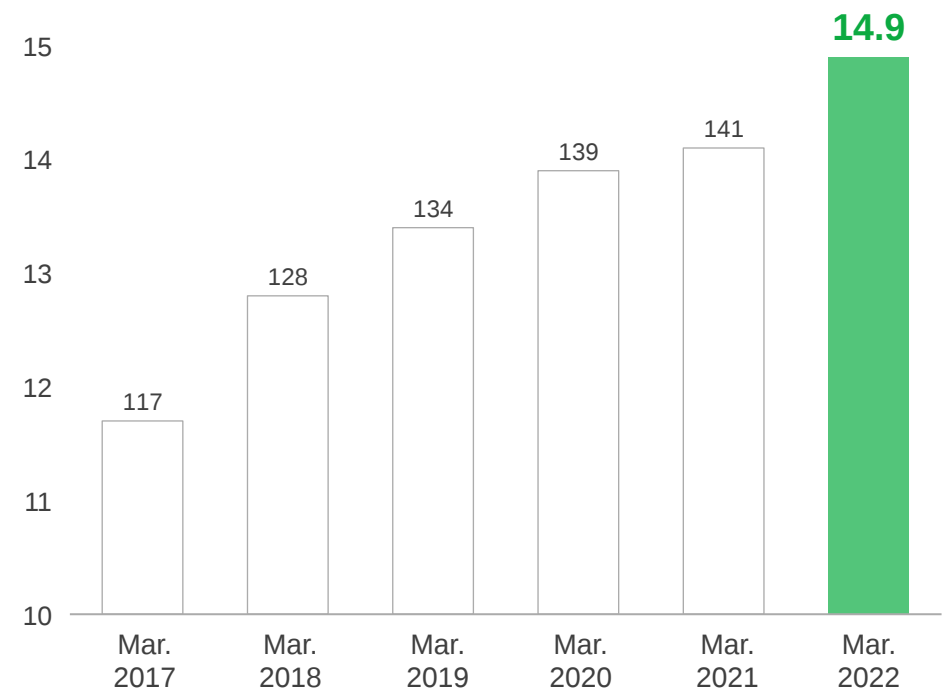


Tele-medicine Business: Changes in Market Size and Share

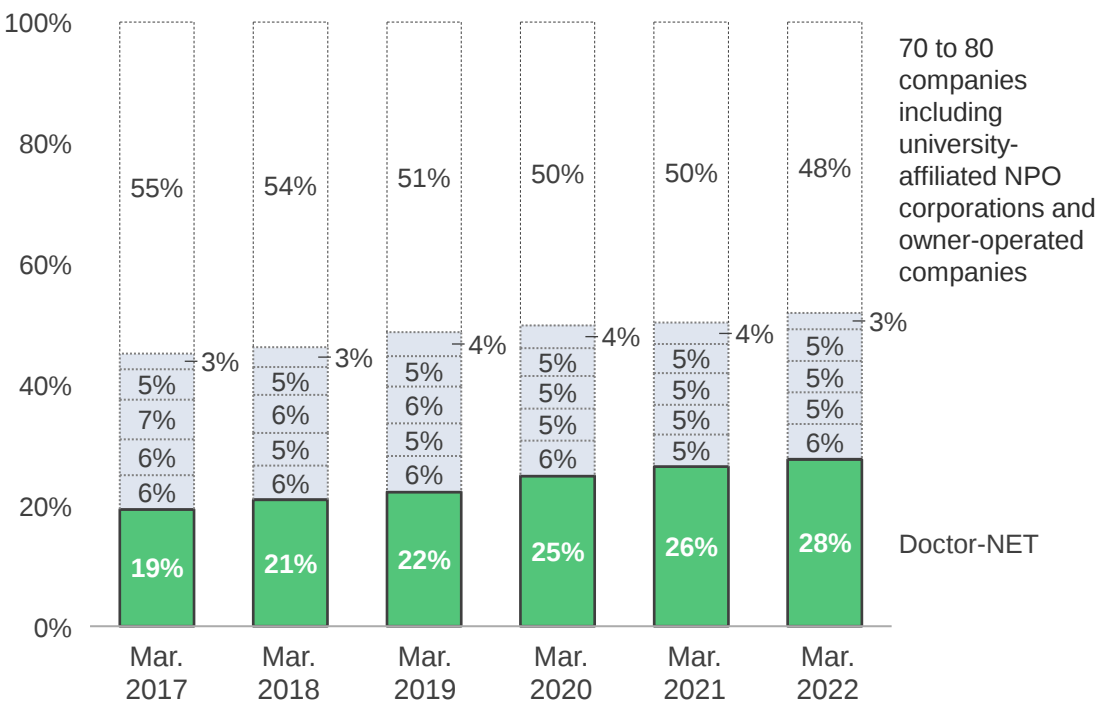
In the growing remote image interpretation market, Doctor Net's market share is steadily expanding.

Changes in the Size of the Remote Image Interpretation Market

(Unit Billion JPY)



Changes in Market Share



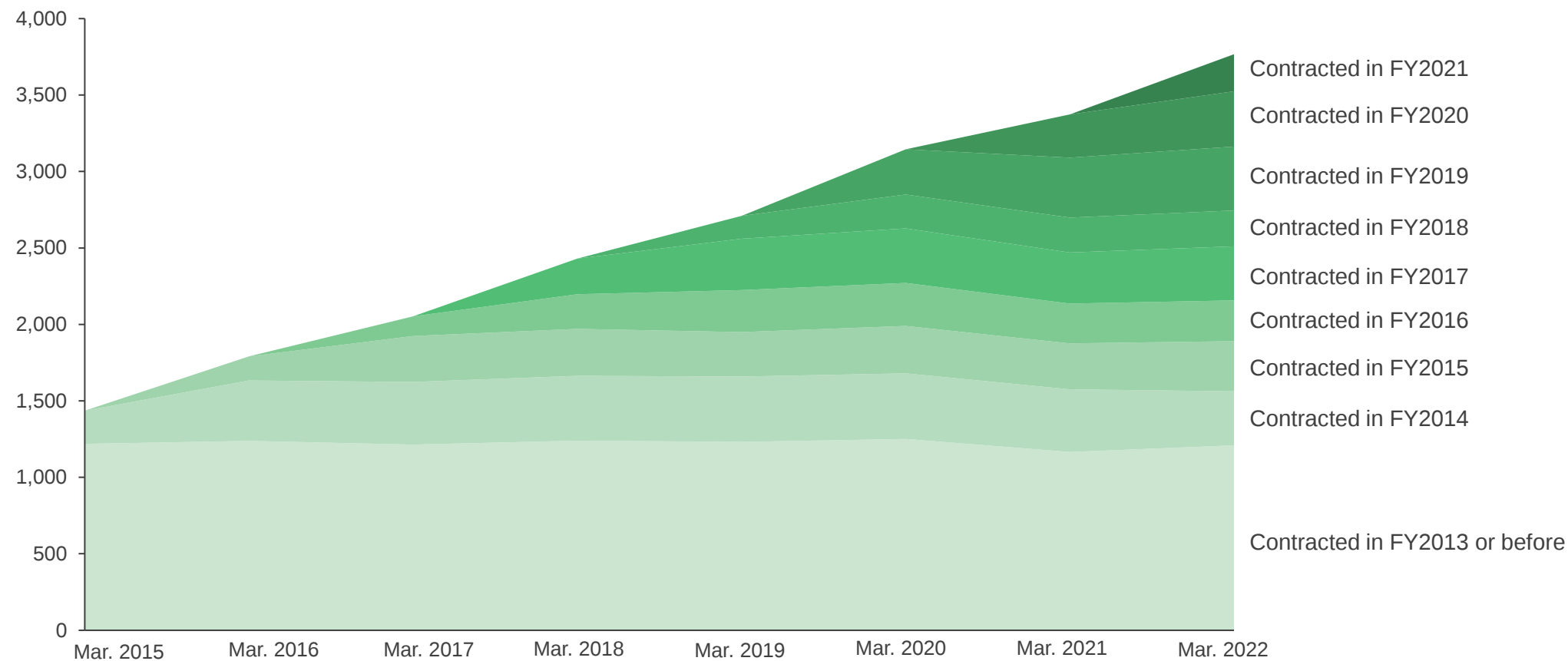
Note: Prepared by Doctor-NET based on "2021 Edition of Outlook and Strategies for Picture Archiving and Communication System (PACS) Market and Markets for Related Devices" published by Yano Research Institute.



Tele-medicine Business (Tele-RAD service): Business Structure

As the number of inspections at each facility declined under the Covid-19 pandemic, the number of inspections requested by JMDC was also affected. On the other hand, as it is difficult for contracted medical institutions to replace our services with substitute services, we expect that our performance will expand at a moderate pace as the number of inspections recovers.

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



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.

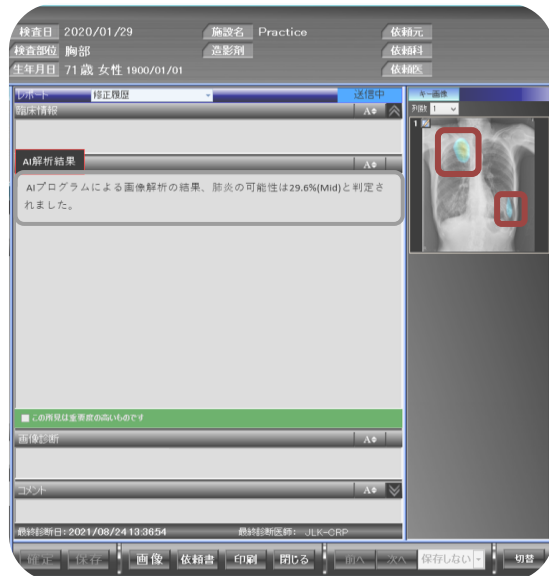
Tele-medicine Business: AI Regulatory Approval

In December 2021, we obtained regulatory approval for a chest X-ray pneumonia detection engine for the first time in Japan. This long-expected chest X-ray engine, rather than CT or MRI, is becoming the major method for diagnosis used by clinics that generally lack the support of radiologists. This engine will enable the detection of pneumonia to be assisted by AI based on radiologist data.

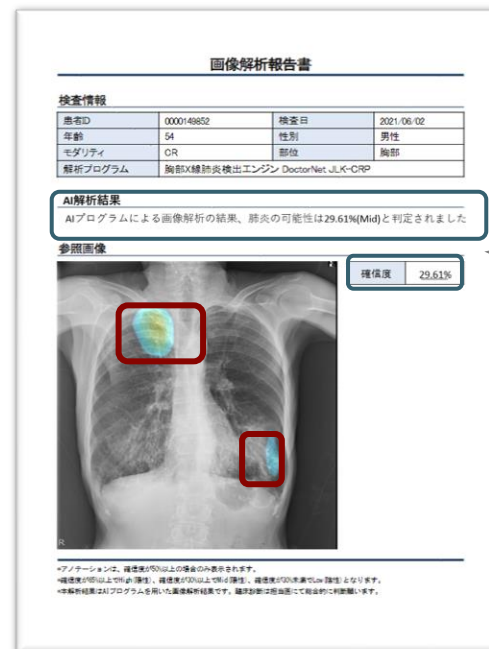
Program outline

- Brand name: Chest X-Ray Pneumonia Detection Engine DoctorNet JLK-CRP
- Date of approval: December 9, 2021
- Medical device approval number: 30300BZX00339000
- General name: Program for X-ray diagnostic imaging workstations
- Class classification: Class II
- Performance: Sensitivity 98.1% and specificity 36.6% (* assuming that the test is positive at a confidence level of 30% or more)

Display on reporting system screen



Presentation of image analysis report



Presentation of confidence level

- The confidence level and label are indicated with such messages as “As a result of image analysis by the AI program, the confidence level of infectious pneumonia is determined to be 65.1% (high).”
- The AI analysis result report also indicates the confidence level clearly to the right of the image.

Presentation of heat map

- For cases with a confidence level of 50% or more, a heat map is shown on the lesion.

Section 5

Dispensing Pharmacy Support Business

Dispensing Pharmacy Support Business (P-CUBE n): Summary

We offer “P-CUBE n,” an integrated electronic medication history and receipt computer system, to realize ICT optimization for pharmacies as a whole. Refining medication instructions optimized for each patient, we provide ICT services to support next-generation pharmacies.



NUMEROUS



To support increasingly diverse pharmacist operations

NETWORK

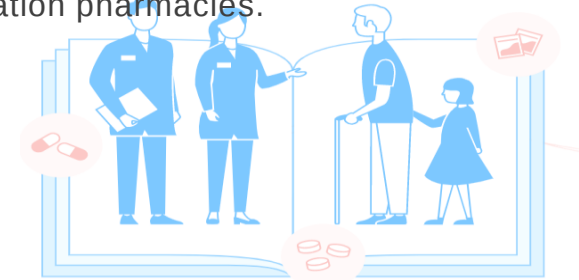


Wide-ranging services that can be networked together

NEXT



To support pharmacists who are shifting to the next generation



FollowNavi

Patent medication follow-up service

Ongoing medication follow-up service using social networking

* Patent pending (Application number: 2019-140708)
* “LINE” is a trademark or registered trademark of LINE Corporation

Prepare a medication history with a next-generation electronic medication history system

POINT 1

Coordination between header information and medication history data entries

- Realize coordination between header information and medication history data entries, which have been entered separately.
- Drastically improve productivity of medication history data entry.

POINT 2

Clear screen layout

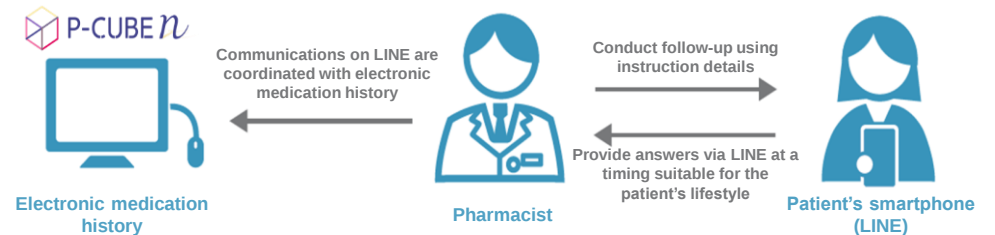
- The series of operations, from instructions to the completion of medication history data entry, were thoroughly reviewed during the upgrade from the previous version
- In combination with a significant change in screen layout, the operating efficiency of the system has been increased.

POINT 3

Improved user friendliness of functions for medicine-specific instruction guidance

- Customizable pharmacy-specific guidance functions that summarize the key points of instructions for each medicine.
- Labor-saving in medication history data entry with a filter function based on patient attributes

Graphical illustration of operation that realizes integration between LINE and electronic medication history



1. Communication with patients using LINE

Reduce the burden on pharmacists and patients using the widely used LINE chat app. Improve the continuity of medication follow-up.

2. Equipped with question content for the conduct of follow-up instructions

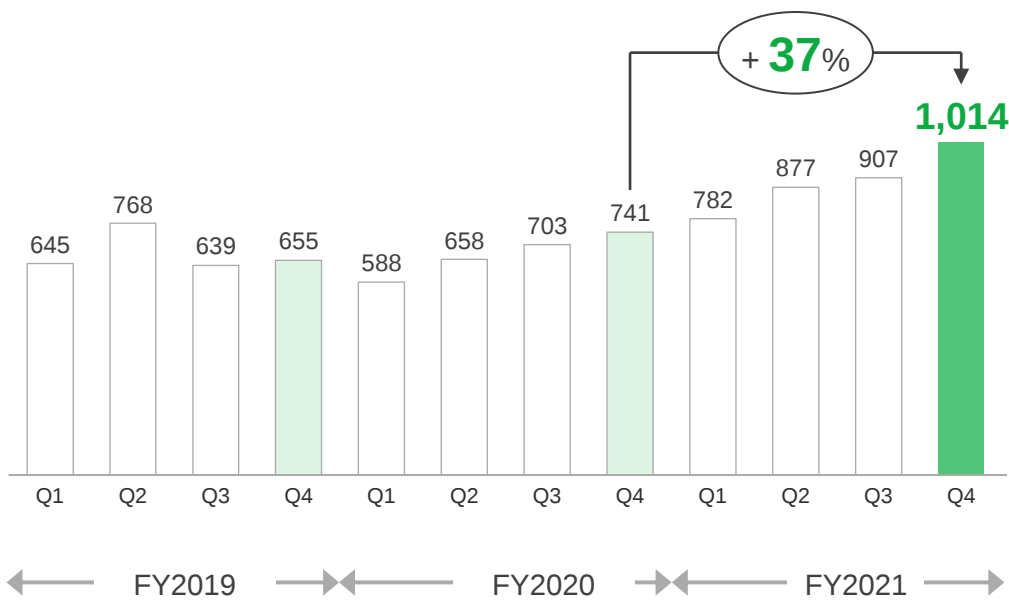
Equipped with content on key instruction points that are specific to various prescription drugs and symptoms. Automation of communication for medication follow-up.

Dispensing Pharmacy Support Business: Performance

Although this business continues to be impacted by reductions in investment by dispensing pharmacies to a certain extent, the most recent performance indicates that it has recovered to its previous levels of profitability.

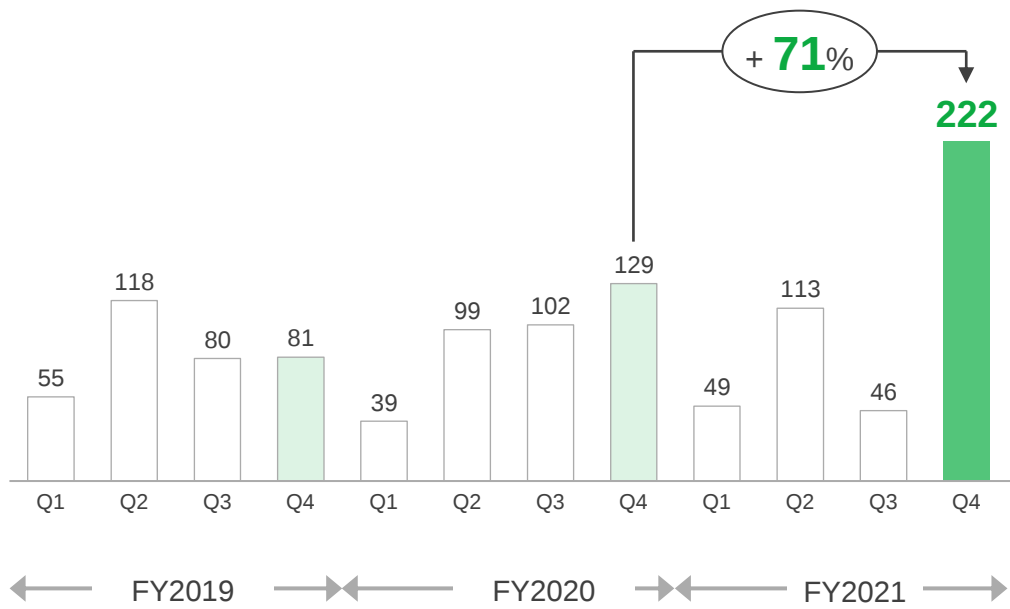
Quarterly Revenue Trends of Dispensing Pharmacy Support Business

(Unit: Million JPY)



Quarterly Trends of EBITDA

(Unit: Million JPY)



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

Section 6

FY2022 Performance Forecast

FY2022: Performance Forecast

As in the previous fiscal year, the plan is based on the assumption of revenue growth as an extension of existing businesses, not including M&A or new businesses. In terms of profit, we will continue to invest aggressively in business opportunities with an eye to future growth, while maintaining a balance between healthy profit margins

(Unit: Million JPY)	FY2021 Actual	FY2022 Plan	Y-o-Y
Revenue	21,814	27,500	+26%
Operating profit (Rate)	4,800 (22%)	6,000 (22%)	+25%
Profit before taxes (Rate)	4,785 (22%)	6,000 (22%)	+25%
Profit attributable to owners of parent (Rate)	3,258 (15%)	4,000 (15%)	+23%
EBITDA (Margin)	6,411 (29%)	8,000 (29%)	+25%

FY2022: Plans by Segment

Healthcare-Big Data continues to drive the Group's growth. Trends in each business segment have been maintained and are expected to grow steadily in the current fiscal year.

(Unit: Million JPY)		FY2021 Actual	FY2022 Plan	Y-o-Y
Healthcare-Big Data	Revenue	14,019	18,900	+35%
	EBITDA	4,859	6,400	+32%
	(Margin)	(35%)	(34%)	
Tele-medicine	Revenue	4,441	4,900	+10%
	EBITDA	1,515	1,700	+12%
	(Margin)	(34%)	(35%)	
Dispensing Pharmacy Support	Revenue	3,582	3,900	+9%
	EBITDA	432	400	-8%
	(Margin)	(12%)	(10%)	
Adjustment	Revenue	- 228	-200	-
	EBITDA	- 395	- 500	-

Section 7

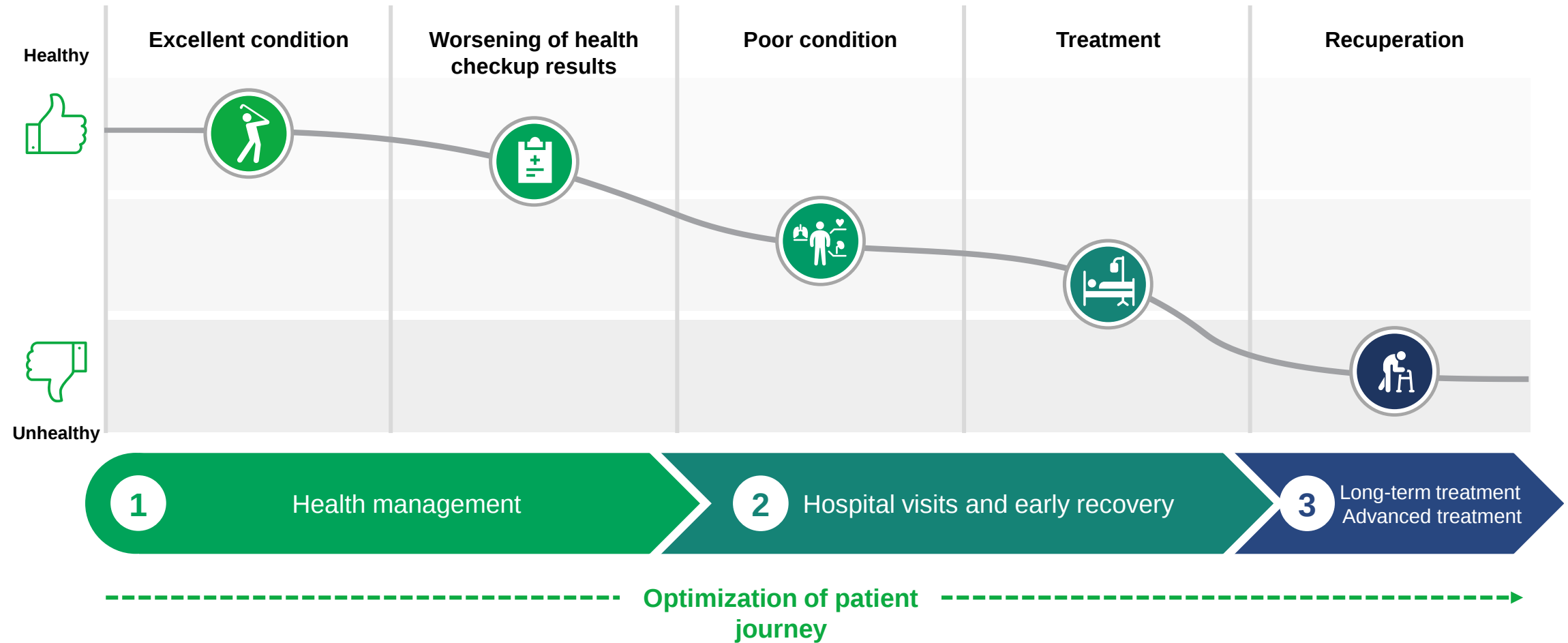
Business Outlook

"Providing a Healthy and Rich Life for All Individuals"

Leveraging data and ICT solutions
to create a sustainable healthcare system

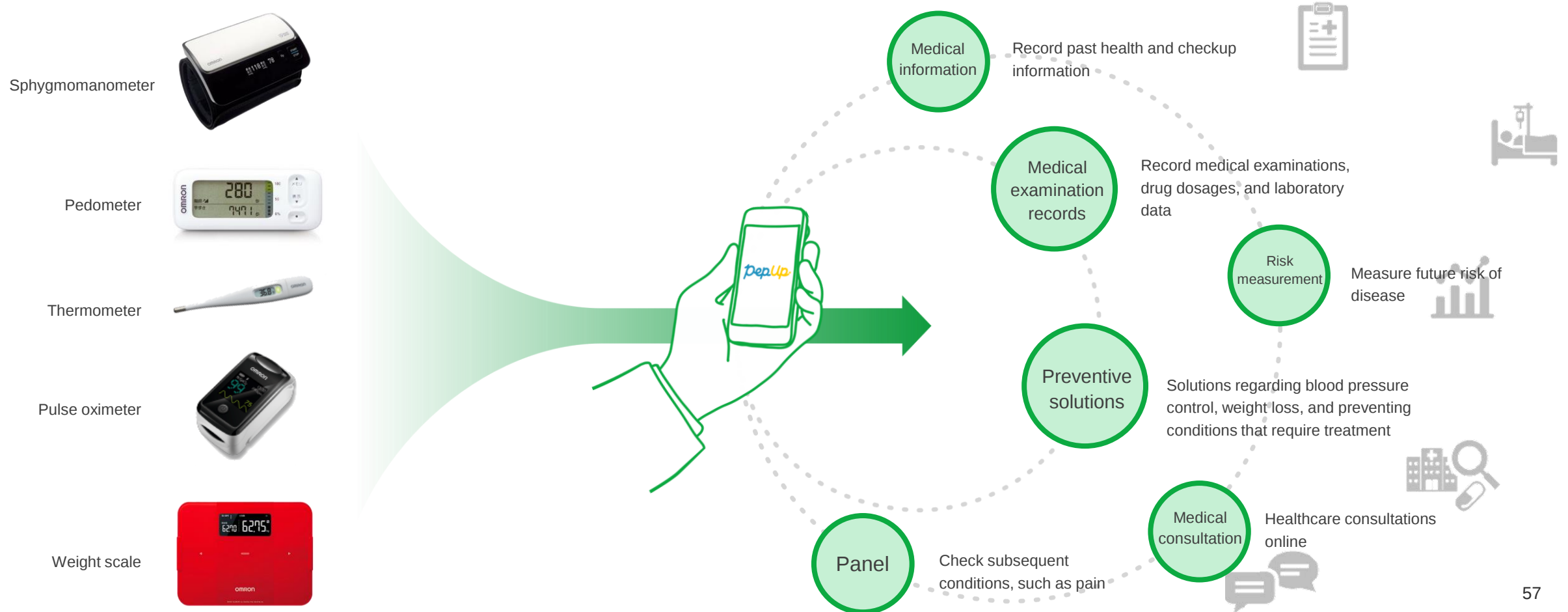
What Should We Do to Realize Our Mission?

In order to realize the optimization of the health care system, we need to optimize the journey of each patient from the healthy stage through the disease stage.



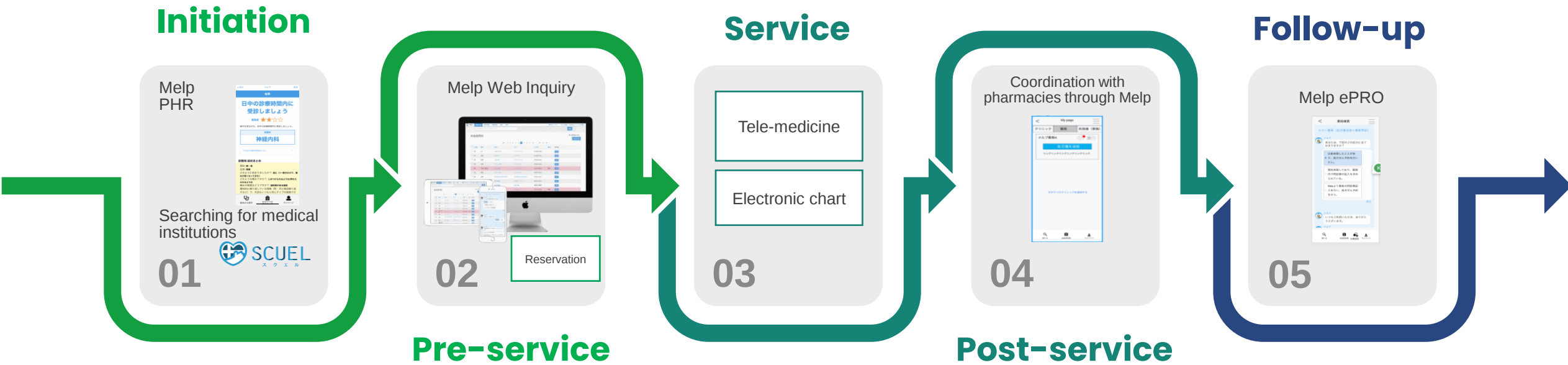
① Health Management Optimization

Using devices to manage daily health is where the patient journey begins. We can further increase an individual's understanding through our partnership with Omron.



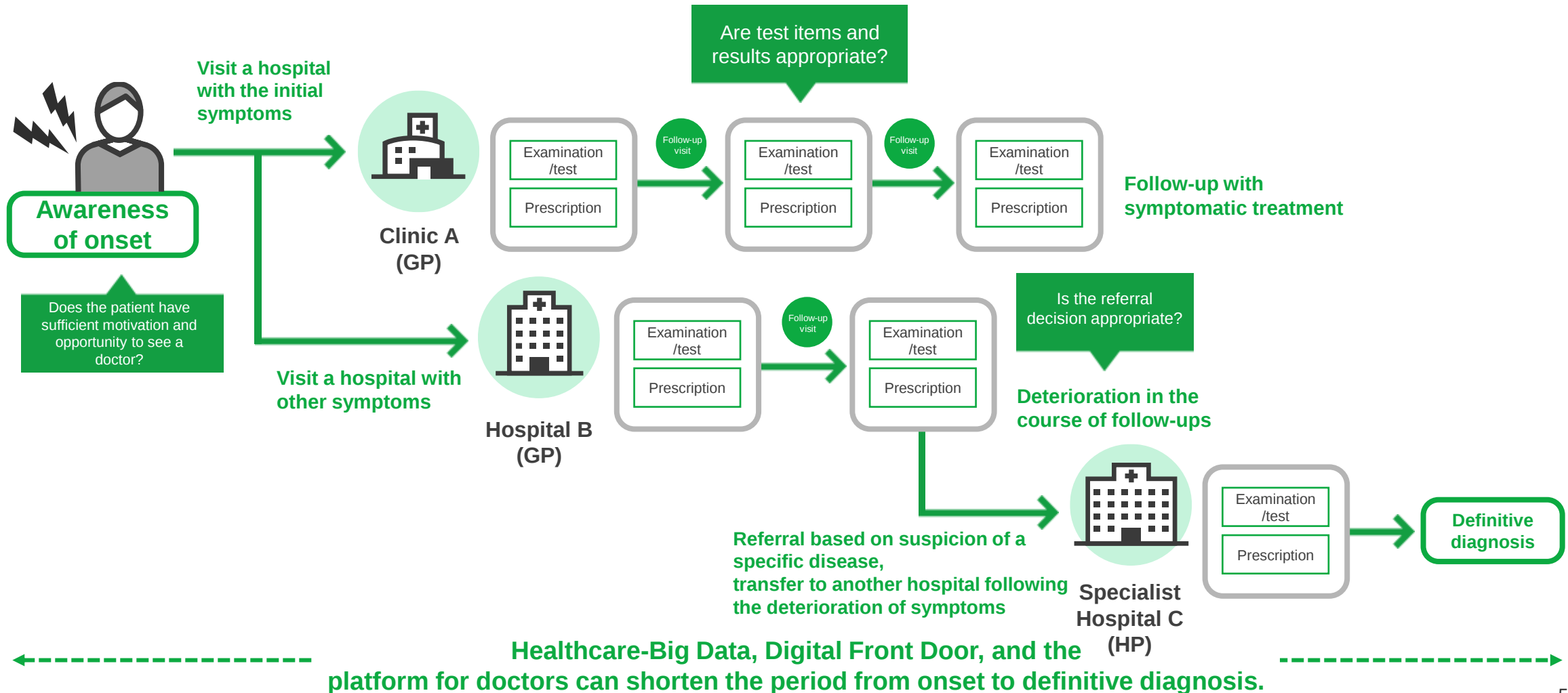
② Renewing the Medical Experience of Hospital Visits—Digital Front Door

This is a service to streamline patient contacts by using digital technologies, thereby encouraging low-cost participation in medical services.



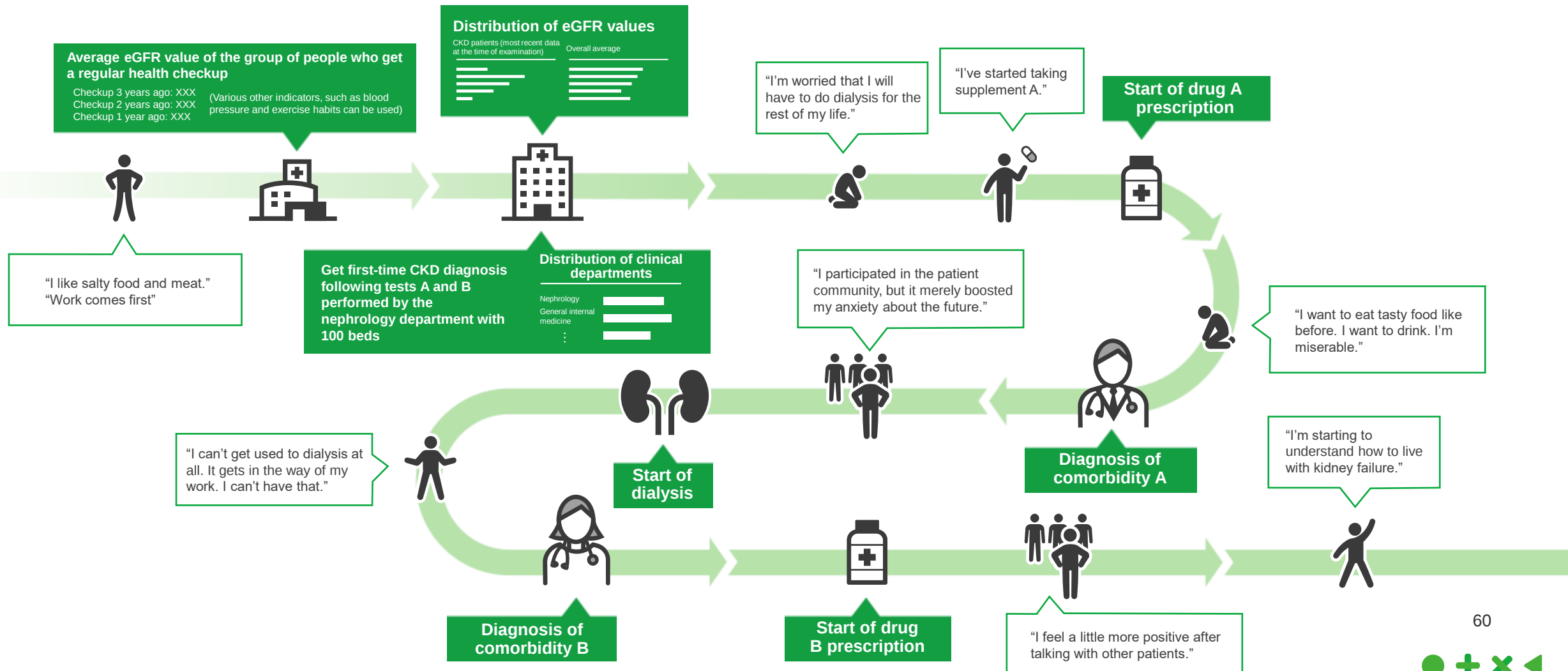
② Optimization through Definitive Diagnosis

For diseases with low diagnosis rates, we will develop a mechanism to prevent patients from getting lost through data-based observational studies and data coordination among medical institutions and doctors.



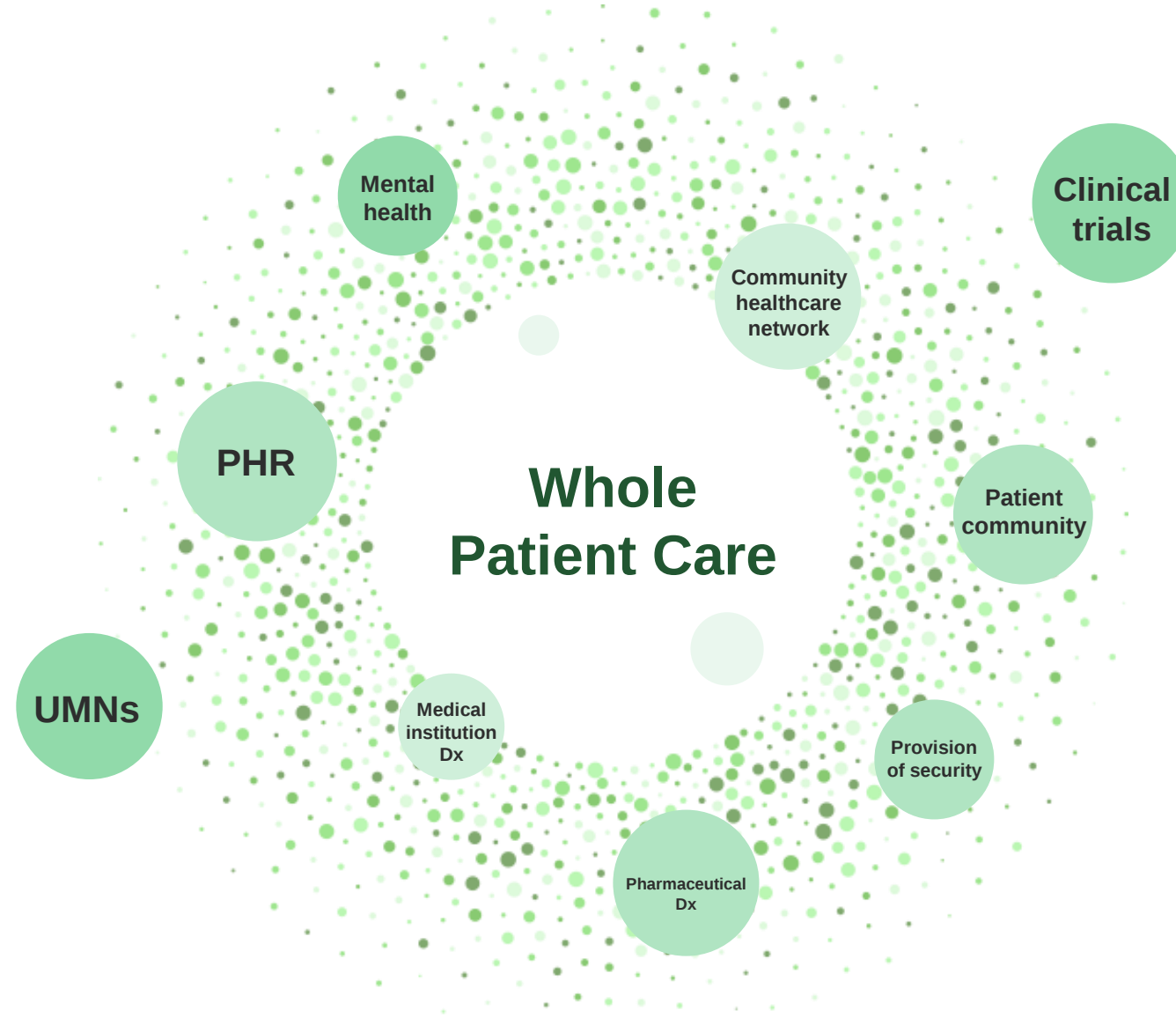
③ Fostering Understanding throughout the Long-term Treatment Process

By providing information through PHR, recruitment announcements, patient communities, and big data to address unmet medical needs (UMNs), we can increase the motivation of patients in long-term treatment and help them realize that life is rewarding until the end.



Toward Realizing Whole Patient Care

To realize a “Whole Patient Care” that optimizes the patient’s journey, we will continue to acquire various capabilities.



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