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Summary of Financial Statements for the Three Months Ended June 30, 2022 [IFRS] (Consolidated)



August 9, 2022

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 Listing: Tokyo Stock Exchange
 Stock code: 4483
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 Scheduled date to file quarterly securities report: August 12, 2022
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results presentation meeting: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the first three months of the fiscal year ending March 31, 2023 (from April 1, 2022 to June 30, 2022)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2022	5,776	27.5	1,081	31.3	1,120	38.8	759	41.0
June 30, 2021	4,530	41.0	823	130.5	806	129.0	538	128.9

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Three months ended June 30, 2022	765	42.1	762	41.7	13.55	12.73
June 30, 2021	538	128.9	538	128.9	9.62	9.03

Reference: EBITDA Three months ended June 30, 2022 ¥1,521 million [30.7%]

Three months ended June 30, 2021 ¥1,164 million [89.6%]

Notes: 1. EBITDA: Operating profit + Depreciation and amortization ± Other income and/or expenses

2. During the first quarter ended June 30, 2022, the Company finalized the provisional accounting treatment for business combinations. As a result, figures for the first three months ended June 30, 2022 reflect the finalization of the provisional accounting treatment.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent
As of	Millions of yen	Millions of yen	Millions of yen	%
June 30, 2022	63,265	31,389	31,416	49.7
March 31, 2022	62,053	31,165	31,170	50.2

Note: During the first quarter ended June 30, 2022, the Company finalized the provisional accounting treatment for business combinations. As a result, figures for the fiscal year ended March 31, 2022 reflect the finalization of the provisional accounting treatment.

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	—	0.00	—	10.00	10.00
Fiscal year ending March 31, 2023	—				
Fiscal year ending March 31, 2023 (Forecast)		—	—	—	—

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Fiscal year ending March 31, 2023	27,500	26.1	6,000	25.4	6,000	25.8	4,000	23.4	4,000	23.2	Yen 69.73

Note: Revisions to the earnings forecasts most recently announced: None

Reference: EBITDA Fiscal year ending March 31, 2023 ¥8,000 million [24.8%]

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Added companies: - (company name), Excluded companies: - (company name)

- (2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

- (3) Number of issued shares (ordinary shares)

- (i) Total number of issued shares at end of the period (including treasury shares)

As of June 30, 2022	56,624,208 shares
As of March 31, 2022	56,514,208 shares

- (ii) Number of treasury shares at end of the period

As of June 30, 2022	497 shares
As of March 31, 2022	497 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

For the three months ended June 30, 2022	56,526,889 shares
For the three months ended June 30, 2021	56,008,585 shares

- * Quarterly financial results reports are exempt from quarterly reviews conducted by certified public accountants or an audit corporation.**

- * Proper use of earnings forecasts, and other special items**

Notes on forward-looking statements

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Actual business and other results may differ substantially due to various factors. For details regarding matters related to earnings forecasts, please refer to page 4 of the attached materials.

How to obtain supplementary documents on financial results

Supplementary documents on financial results are released via TDnet on the same day.

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1. Qualitative information regarding financial results for the three months ended June 30, 2022

(1) Explanation of operating results

JMDC Inc. (the “Company”) is promoting the health of citizens, and delivering increased value of medical service providers and helping optimize their operations through gathering diverse data on the Japanese healthcare industry and thus benefiting society, with the aim of realizing a sustainable healthcare system by leveraging data and ICT.

In the Healthcare-Big Data segment, to promote the health services of health insurance associations, we provide analysis services for data held by payers as well as personal health record (PHR) services developed by the Company. We also provide services such as medical data analysis and medical factoring to medical institutions as well as medicine databases. Furthermore, we have created a database of anonymously processed information in the course of pursuing this business and are promoting scientific and industrial applications of this data.

In the Tele-medicine segment, we provide a matching service that connects medical institutions lacking a sufficient number of radiologists with contracted radiologists using a remote image interpretation system, as well as an ASP service that connects medical institutions with radiologists via the cloud to enable remote diagnostic imaging.

In the Dispensing Pharmacy Support segment, we develop and sell systems such as receipt computers and electronic medication history systems to health insurance pharmacies, and also conduct tests of our own systems as we operate our own dispensing pharmacies.

Operating results for the three months ended June 30, 2022 are as follows.

(Operating results)

(Millions of yen)

Category	9th fiscal year Three months ended June 30, 2021	10th fiscal year Three months ended June 30, 2022	YoY change	
Revenue	4,530	5,776	1,245	27.5%
Operating profit	823	1,081	257	31.3%
EBITDA [Margin]	1,164 [25.7%]	1,521 [26.3%]	357	30.7%

(Segment results)

(Millions of yen)

Category		9th fiscal year Three months ended June 30, 2021	10th fiscal year Three months ended June 30, 2022	YoY change	
Healthcare-Big Data	Segment revenue	2,756	3,749	993	36.0%
	Segment profit [ratio]	858 [31.1%]	1,124 [30.0%]	266	31.1%
Tele-medicine	Segment revenue	1,027	1,175	147	14.4%
	Segment profit [ratio]	330 [32.1%]	439 [37.4%]	109	33.1%
Dispensing Pharmacy Support	Segment revenue	782	910	127	16.4%
	Segment profit [ratio]	49 [6.4%]	47 [5.3%]	(1)	(4.0)%
Adjustment	Segment revenue	(35)	(58)	(23)	—
	Segment profit	(74)	(90)	(16)	—
Total	Revenue	4,530	5,776	1,245	27.5%
	EBITDA [margin]	1,164 [25.7%]	1,521 [26.3%]	357	30.7%

(Note) EBITDA is an objective indicator for judging the achievement of the JMDC Group’s management policies and strategies or management objectives. The JMDC Group uses EBITDA to measure the performance of each segment and believes that it is a useful and necessary measure to assess the Group’s performance more effectively. The formulas for calculating EBITDA and EBITDA margin are as follows.

- EBITDA: Operating profit + Depreciation and amortization ± Other income and/or expenses
- EBITDA margin: EBITDA / Revenue x 100

Healthcare-Big Data

During the three months ended June 30, 2022, various negative factors such as the curtailment of face-to-face sales due to the spread of the novel coronavirus disease (COVID-19) continued as in the previous fiscal year. However, the business continued to expand.

The number of contracted health insurance associations, the number of IDs issued for the PepUp health information platform developed by the Company, and the annual transaction value per customer at pharmaceutical and insurance companies all continued to increase on a year-over-year basis.

At the same time, in order to capture rapidly expanding business opportunities and accelerate future growth through expanding data volume and data types and increasing services and solutions, we continue to make proactive up-front investments focused on personnel.

As a result, segment revenue for the three months ended June 30, 2022 was ¥3,749 million and segment profit (segment EBITDA) was ¥1,124 million.

Tele-medicine

During the three months ended June 30, 2022, although the impact of a decrease in diagnostic imaging requests per medical institution due to the voluntary refraining from visiting hospitals as a result of the spread of COVID-19 continued, there was a gradual recovery year on year, and revenue increased on a year-on-year basis as a result of the increase in the number of medical institutions utilizing remote image services.

We continue to take measures to expand our business, including adding functions to “AI-RAD,” an artificial intelligence engine platform that assists in diagnostic imaging, and preparations for full-scale business development in China.

As a result, segment revenue for the three months ended June 30, 2022 was ¥1,175 million and segment profit (segment EBITDA) was ¥439 million.

Dispensing Pharmacy Support

During the three months ended June 30, 2022, we worked to cultivate new customers while securing replacement demand from existing customers. Although the Group continued to be affected by a decline in sales at its own dispensing pharmacies and investment constraints at client dispensing pharmacies due to people refraining from visiting medical agencies, which will in turn reduce the number of times they visit dispensing pharmacies as a result of the spread of COVID-19, sales increased on a year-on-year basis affected by the addition of a former competitor to the Group during the first quarter of the previous fiscal year.

As a result, segment revenue for the three months ended June 30, 2022 was ¥910 million and segment profit (segment EBITDA) was ¥47 million.

As a result of the above, for the three months ended June 30, 2022, revenue increased to ¥5,776 million, operating profit to ¥1,081 million, and EBITDA to ¥1,521 million. Adjustments to reconcile EBITDA to operating profit are as follows.

(Reconciliation of EBITDA to operating profit)

(Millions of yen)

	9th fiscal year Three months ended June 30, 2021	10th fiscal year Three months ended June 30, 2022
EBITDA	1,164	1,521
Depreciation and amortization	(365)	(444)
Other income	25	19
Other expenses	(0)	(14)
Operating profit	823	1,081

(2) Explanation of financial position**(i) Assets, liabilities and equity****Assets**

Assets at the end of the first quarter under review were ¥63,265 million, an increase of ¥1,212 million compared with the end of the fiscal year ended March 31, 2022. Major changes included an increase of ¥3,157 million in goodwill as a result of the acquisition of new consolidated subsidiaries, etc., and a decrease of ¥3,065 million in cash and cash equivalents.

Liabilities

Liabilities at the end of the first quarter under review were ¥31,876 million, an increase of ¥988 million compared with the end of the fiscal year ended March 31, 2022. This was primarily due to increases of ¥129 million in lease liabilities under current liabilities and ¥356 million in lease liabilities under non-current liabilities due to the expansion of business activities.

Equity

Equity at the end of the first quarter under review was ¥31,389 million, an increase of ¥223 million compared with the end of the fiscal year ended March 31, 2022. This was primarily due to the recording of ¥759 million in profit while dividends of ¥565 million were recorded.

(ii) Cash flows

Cash and cash equivalents (“cash”) at the end of the first quarter under review was ¥10,128 million, a decrease of ¥3,065 million compared with the end of the fiscal year ended March 31, 2022.

The respective cash flow positions for the three months ended June 30, 2022, and the factors thereof are as follows.

Cash flows from operating activities

During the three months ended June 30, 2022, profit before tax was ¥1,120 million, an increase of ¥313 million on a year-on-year basis. Other inflows included depreciation and amortization of ¥444 million and a decrease in trade and other receivables of ¥438 million. At the same time, there was an outflow of ¥1,016 million from recording income taxes paid. As a result, net cash provided by operating activities was ¥1,089 million.

Cash flows from investing activities

Net cash used in investing activities was ¥3,245 million. This was primarily due to purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥2,729 million and purchase of intangible assets of ¥318 million.

Cash flows from financing activities

Net cash used in financing activities was ¥909 million. This was primarily due to the recording of ¥563 million in dividends paid.

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

As for the consolidated earnings forecasts, although the impact of the spread of COVID-19 continues to be unpredictable, the Company believes that the impact on the Group will not deviate significantly from the initial forecast at this time. As a result, there is no change to the consolidated earnings forecasts stated in the “Summary of Financial Statements for the Fiscal Year Ended March 31, 2022” released on May 10, 2022.

2. Condensed quarterly consolidated financial statements and significant notes thereto

(1) Condensed quarterly consolidated statement of financial position

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and cash equivalents	13,192	10,128
Trade and other receivables	9,283	9,152
Other financial assets	2,561	2,621
Inventories	248	273
Other current assets	693	656
Total current assets	25,979	22,833
Non-current assets		
Property, plant and equipment	8,420	9,081
Goodwill	19,169	22,326
Intangible assets	5,527	5,686
Other financial assets	1,298	1,548
Deferred tax assets	1,516	1,650
Other non-current assets	141	139
Total non-current assets	36,073	40,432
Total assets	62,053	63,265
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	777	985
Trade and other payables	6,182	6,145
Lease liabilities	689	819
Income taxes payable	999	456
Contract liabilities	1,843	2,144
Other current liabilities	1,140	1,311
Total current liabilities	11,633	11,862
Non-current liabilities		
Borrowings	10,928	11,207
Lease liabilities	5,401	5,757
Retirement benefit liability	319	473
Provisions	276	305
Deferred tax liabilities	769	762
Contract liabilities	1,560	1,508
Total non-current liabilities	19,254	20,013
Total liabilities	30,887	31,876
Equity		
Share capital	9,091	9,113
Capital surplus	12,483	12,504
Treasury shares	(2)	(2)
Other components of equity	17	15
Retained earnings	9,580	9,785
Total equity attributable to owners of parent	31,170	31,416
Non-controlling interests	(5)	(26)
Total equity	31,165	31,389
Total liabilities and equity	62,053	63,265

(2) Condensed quarterly consolidated statement of profit or loss and condensed quarterly consolidated statement of comprehensive income

Condensed quarterly consolidated statement of profit or loss

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Revenue	4,530	5,776
Cost of sales	2,057	2,455
Gross profit	2,472	3,320
Selling, general and administrative expenses	1,674	2,244
Other income	25	19
Other expenses	0	14
Operating profit	823	1,081
Finance income	0	54
Finance costs	16	16
Profit before tax	806	1,120
Income tax expense	267	360
Profit	538	759
Profit attributable to		
Owners of parent	538	765
Non-controlling interests	—	(6)
Profit	538	759
Earnings per share		
Basic earnings per share (Yen)	9.62	13.55
Diluted earnings per share (Yen)	9.03	12.73

Condensed quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	538	759
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(0)	4
Total of items that will not be reclassified to profit or loss	(0)	4
Items that may be reclassified to profit or loss		
Foreign exchange differences on translation of foreign operations	(0)	(1)
Total of items that may be reclassified to profit or loss	(0)	(1)
Other comprehensive income, net of tax	(0)	3
Comprehensive income	538	762
Comprehensive income attributable to		
Owners of parent	538	769
Non-controlling interests	—	(6)
Comprehensive income	538	762

(3) Condensed quarterly consolidated statement of changes in equity

Three months ended June 30, 2021 (from April 1 to June 30, 2021)

(Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income	Share acquisition rights
Balance as of April 1, 2021	8,971	12,932	(1)	(2)	—	25
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	(0)	(0)	—
Total comprehensive income	—	—	—	(0)	(0)	—
Issuance of share acquisition rights	—	—	—	—	—	1
Share-based remuneration transactions	—	—	—	—	—	0
Exercise of share acquisition rights	30	21	—	—	—	(1)
Purchase of treasury shares	—	—	(0)	—	—	—
Increase (decrease) by business combination	—	(560)	—	—	—	—
Transfer to retained earnings	—	—	—	—	0	—
Total transactions with owners	30	(538)	(0)	—	0	0
Balance as of June 30, 2021	9,002	12,393	(1)	(2)	—	25

	Equity attributable to owners of parent				
	Other components of equity	Retained earnings	Total	Non-controlling interests	Total
	Total				
Balance as of April 1, 2021	23	6,323	28,250	—	28,250
Profit	—	538	538	—	538
Other comprehensive income	(0)	—	(0)	—	(0)
Total comprehensive income	(0)	538	538	—	538
Issuance of share acquisition rights	1	—	1	—	1
Share-based remuneration transactions	0	—	0	—	0
Exercise of share acquisition rights	(1)	—	50	—	50
Purchase of treasury shares	—	—	(0)	—	(0)
Increase (decrease) by business combination	—	—	(560)	0	(559)
Transfer to retained earnings	0	(0)	—	—	—
Total transactions with owners	0	(0)	(507)	0	(507)
Balance as of June 30, 2021	23	6,862	28,280	0	28,281

Three months ended June 30, 2022 (from April 1 to June 30, 2022)

(Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income	Share acquisition rights
Balance as of April 1, 2022	9,091	12,483	(2)	(4)	—	21
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	(1)	4	—
Total comprehensive income	—	—	—	(1)	4	—
Issuance of share acquisition rights	—	—	—	—	—	—
Share-based remuneration transactions	—	—	—	—	—	—
Exercise of share acquisition rights	21	21	—	—	—	(0)
Purchase of treasury shares	—	—	—	—	—	—
Dividends	—	—	—	—	—	—
Increase (decrease) by business combination	—	—	—	—	—	—
Transfer to retained earnings	—	—	—	—	(4)	—
Total transactions with owners	21	21	—	—	(4)	(0)
Balance as of June 30, 2022	9,113	12,504	(2)	(5)	—	21

	Equity attributable to owners of parent				
	Other components of equity	Retained earnings	Total	Non-controlling interests	Total
	Total				
Balance as of April 1, 2022	17	9,580	31,170	(5)	31,165
Profit	—	765	765	(6)	759
Other comprehensive income	3	—	3	—	3
Total comprehensive income	3	765	769	(6)	762
Issuance of share acquisition rights	—	—	—	—	—
Share-based remuneration transactions	—	—	—	—	—
Exercise of share acquisition rights	(0)	—	41	—	41
Purchase of treasury shares	—	—	—	—	—
Dividends	—	(565)	(565)	—	(565)
Increase (decrease) by business combination	—	—	—	(15)	(15)
Transfer to retained earnings	(4)	4	—	—	—
Total transactions with owners	(4)	(560)	(523)	(15)	(539)
Balance as of June 30, 2022	15	9,785	31,416	(26)	31,389

(4) Condensed quarterly consolidated statement of cash flows

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Cash flows from operating activities		
Profit before tax	806	1,120
Depreciation and amortization	365	444
Decrease (increase) in trade and other receivables	1,077	438
Decrease (increase) in inventories	(14)	(25)
Increase (decrease) in trade and other payables	(583)	(181)
Other	(122)	323
Subtotal	1,529	2,119
Interest and dividends received	0	0
Interest paid	(13)	(13)
Income taxes paid	(710)	(1,016)
Net cash provided by (used in) operating activities	805	1,089
Cash flows from investing activities		
Purchase of property, plant and equipment	(36)	(180)
Purchase of intangible assets	(189)	(318)
Payments for loans receivable	—	(150)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,103)	(2,729)
Other	(9)	132
Net cash provided by (used in) investing activities	(1,339)	(3,245)
Cash flows from financing activities		
Repayments of short-term borrowings	(2,622)	—
Proceeds from long-term borrowings	1,470	—
Repayments of long-term borrowings	(157)	(198)
Repayments of lease liabilities	(160)	(189)
Proceeds from exercise of share acquisition rights	50	41
Dividends paid	—	(563)
Other	1	0
Net cash provided by (used in) financing activities	(1,416)	(909)
Net increase (decrease) in cash and cash equivalents	(1,950)	(3,065)
Cash and cash equivalents at beginning of period	19,898	13,192
Effect of exchange rate changes on cash and cash equivalents	0	0
Cash and cash equivalents at end of period	17,948	10,128

(5) Notes to condensed quarterly consolidated financial statements**Notes on going concern assumption**

Not applicable.

Segment information**(1) Overview of reportable segments**

The JMDC Group's reportable segments are components of the Group for which discrete financial information is available, and whose operating results are regularly reviewed by the Board of Directors to make decisions about managerial resources to be allocated to the segments and assess their performances. The JMDC Group considers similarities in the nature of the services it provides and has three reportable segments: "Healthcare-Big Data," "Tele-medicine," and "Dispensing Pharmacy Support."

The main businesses and principal services included in each reportable segment are as follows.

Reportable segments	Main businesses	Main services
Healthcare-Big Data	Business for industry Business for payers and individuals Business for healthcare providers	Development and provision of medical databases (receipts, pharmaceuticals, etc.) and analysis of medical big data
Tele-medicine	Tele-medicine business	Remote image interpretation matching service and ASP service for remote image interpretation system
Dispensing Pharmacy Support	Dispensing pharmacy support business	Development and sales of business systems for dispensing pharmacies

(2) Information about reportable segments

Revenue and operating results by reportable segments of the JMDC Group are as follows.

Intersegment revenues are based on negotiated transaction prices, taking into account market prices and production costs. Segment profits are EBITDA (Operating profit + Depreciation and amortization ± Other income/expenses).

Figures for the three months ended June 30, 2021 are the figures after retroactive revision due to the finalization of the provisional accounting treatment for business combinations.

Three months ended June 30, 2021 (from April 1 to June 30, 2021)

(Millions of yen)

	Reportable segments				Adjustments (Note)	Consolidated
	Healthcare- Big Data	Tele-medicine	Dispensing Pharmacy Support	Total		
Revenue						
Revenue from external customers	2,748	1,027	755	4,530	—	4,530
Intersegment revenue	8	—	27	35	(35)	—
Total	2,756	1,027	782	4,566	(35)	4,530
Segment profit EBITDA	858	330	49	1,238	(74)	1,164

Note: Adjustments include elimination of intersegment transactions and corporate expenses.

Three months ended June 30, 2022 (from April 1 to June 30, 2022)

(Millions of yen)

	Reportable segments				Adjustments (Note)	Consolidated
	Healthcare- Big Data	Tele-medicine	Dispensing Pharmacy Support	Total		
Revenue						
Revenue from external customers	3,731	1,175	869	5,776	–	5,776
Intersegment revenue	17	–	41	58	(58)	–
Total	3,749	1,175	910	5,835	(58)	5,776
Segment profit EBITDA	1,124	439	47	1,611	(90)	1,521

Note: Adjustments include elimination of intersegment transactions and corporate expenses.

A reconciliation of EBITDA to profit before tax is as follows.

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
EBITDA	1,164	1,521
Depreciation and amortization	(365)	(444)
Other income	25	19
Other expenses	(0)	(14)
Operating profit	823	1,081
Finance income	0	54
Finance costs	(16)	(16)
Profit before tax	806	1,120

Significant subsequent events

Acquisition of Real World Data Co., Ltd.

At a meeting of its Board of Directors held on July 12, the Company resolved to make Real World Data Co., Ltd. JMDC's subsidiary by acquiring its shares, and on July 29, 2022, completed the procedure to acquire all the shares.

(1) Outline of business combination

- | | |
|--|---|
| (i) Name of acquired company: | Real World Data Co., Ltd. |
| Business lines: | Establishment of various databases (information on diagnosis/treatment and school, infant, and pregnant women health examinations, etc.) |
|
(ii) Date of acquisition | |
| | July 29, 2022 |
|
(iii) Percentage of acquired equity with voting rights | |
| | 100% |
|
(iv) Reason for business combination | |
| | To utilize the electronic medical record data (information on diagnosis and treatment) from mainly large medical institutions in order to expand existing business and expand business into the field of clinical trials. |
|
(v) Method of acquisition of control over the acquired company | |
| | Acquisition of shares for cash consideration |

(2) Payment price, and fair values of acquired assets and assumed debts on the date of acquisition

Payment price and a breakdown of the price are not disclosed due to the intention of the parties concerned. Furthermore, fair values of acquired assets and assumed debts are currently in the process of being calculated.

Funds borrowing

The Company resolved, at a Board of Directors meeting held on July 27, 2022, to borrow funds. The outline is as follows.

- | | |
|-----------------------------|---|
| (i) Use of funds | The funds will be allocated to purchase multiple shares, some of which have already been purchased. |
| (ii) Creditor | Mizuho Bank, Ltd. |
| (iii) Balance of borrowings | ¥19,330 million |
| (iv) Borrowing rate | Floating |
| (v) Borrowing date | July 28, 2022 |
| (vi) Borrowing period | 1 year |