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Summary of Financial Statements for the Fiscal Year Ended March 31, 2023 [IFRS] (Consolidated)



May 9, 2023

Company name: JMDC Inc.
 Listing: Tokyo Stock Exchange
 Stock code: 4483
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 Scheduled date to hold an Ordinary General Meeting of Shareholders: June 29, 2023
 Scheduled date to commence dividend payments: June 7, 2023
 Scheduled date to file a Securities Report: June 30, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	27,809	27.5	5,926	23.9	5,876	23.2	4,274	31.8
March 31, 2022	21,814	30.1	4,783	29.5	4,768	31.1	3,242	30.9

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Fiscal year ended	Millions of yen	%	Millions of yen	%	Yen	Yen
March 31, 2023	4,267	31.4	4,299	32.4	71.17	67.69
March 31, 2022	3,247	31.2	3,248	31.3	57.74	54.16

	Equity attributable to owners of parent Profit ratio	Total assets Ratio of profit (loss) before tax	Revenue Operating profit ratio
Fiscal year ended	%	%	%
March 31, 2023	8.9	7.3	21.3
March 31, 2022	10.9	7.9	21.9

Reference: Equity method profit (loss) Fiscal year ended March 31, 2023 ¥- million
 Fiscal year ended March 31, 2022 ¥- million
 EBITDA Fiscal year ended March 31, 2023 ¥7,716 million [20.4%]
 Fiscal year ended March 31, 2022 ¥6,411 million [31.7%]

Notes: 1. EBITDA: Operating profit + Depreciation and amortization ± Other income and/or expenses
 2. During the fiscal year ended March 31, 2023, 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) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent	Owners' equity per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2023	98,567	64,524	64,539	65.5	1,025.89
March 31, 2022	62,053	31,165	31,170	50.2	551.17

Note: During the fiscal year ended March 31, 2023, the Company finalized the provisional accounting treatment for business combinations. As a result, figures as of March 31, 2022 reflect the finalization of the provisional accounting treatment.

(3) Consolidated cash flows

	Cash flows from (used in) operating activities	Cash flows from (used in) investing activities	Cash flows from (used in) financing activities	Cash and cash equivalents balance at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	4,062	(22,769)	28,296	22,782
March 31, 2022	3,808	(8,101)	(2,414)	13,192

2. Cash dividends

	Annual dividends					Total dividend (Total)	Payout ratio (Consolidated)	Ratio of owners' equity to gross assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	—	—	—	10.00	10.00	565	17.3	1.9
Fiscal year ended March 31, 2023	—	—	—	12.00	12.00	754	16.9	1.5
Fiscal year ending March 31, 2024 (Forecast)	—	—	—	—	—		—	

Note: The Company has decided that the year-end dividend per share for the fiscal year ended March 31, 2023 shall be ¥12. For more details, please refer to "Notice Concerning Dividends of Surplus" released on May 9, 2023.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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	%	Yen
Fiscal year ending March 31, 2024	35,000	25.9	7,600	28.2	7,550	28.5	5,300	24.0	5,300	24.2	84.25

Reference: EBITDA Fiscal year ending March 31, 2024

¥10,000 million [29.6%]

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (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 March 31, 2023	62,910,608 shares
As of March 31, 2022	56,514,208 shares

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

As of March 31, 2023	574 shares
As of March 31, 2022	497 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2023	59,965,644 shares
Fiscal year ended March 31, 2022	56,244,379 shares

(Reference) Outline of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

	Revenue		Operating profit		Ordinary profit (loss)		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	9,409	17.2	2,006	23.8	1,816	6.8	1,323	9.3
March 31, 2022	8,026	27.0	1,621	47.6	1,700	64.2	1,211	65.0

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2023	22.08	21.00
March 31, 2022	21.54	20.20

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	73,222	59,843	81.7	950.74
March 31, 2022	41,388	29,273	70.7	517.60

Reference: Equity As of March 31, 2023 ¥59,811 million
 As of March 31, 2022 ¥29,251 million

* **Financial results reports are exempt from audits 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 5 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. Outline of business performance

(1) Outline of business performance for the fiscal year under review

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 for payers, centered on 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.

The Company’s financial results for the fiscal year ended March 31, 2023, were as follows.

Furthermore, the impact of COVID-19 during the fiscal year under review was limited as in the previous fiscal year.

(Operating results)

(Millions of yen)

Category	9th fiscal year (From April 1, 2021 to March 31, 2022)	10th fiscal year (From April 1, 2022 to March 31, 2023)	YoY change	
Revenue	21,814	27,809	5,995	27.5%
Operating profit	4,783	5,926	1,142	23.9%
EBITDA [Margin]	6,411 [29.4%]	7,716 [27.7%]	1,305	20.4%

(Segment results)

(Millions of yen)

Category		9th fiscal year (From April 1, 2021 to March 31, 2022)	10th fiscal year (From April 1, 2022 to March 31, 2023)	YoY change	
Healthcare-Big Data	Segment revenue	14,019	19,221	5,202	37.1%
	Segment profit [ratio]	4,859 [34.7%]	6,137 [31.9%]	1,278	26.3%
Tele-medicine	Segment revenue	4,441	5,038	597	13.5%
	Segment profit [ratio]	1,515 [34.1%]	1,768 [35.1%]	253	16.7%
Dispensing Pharmacy Support	Segment revenue	3,582	3,826	244	6.8%
	Segment profit [ratio]	432 [12.1%]	459 [12.0%]	27	6.4%
Adjustment	Segment revenue	(228)	(277)	(49)	–
	Segment profit	(395)	(649)	(254)	–
Total	Revenue	21,814	27,809	5,995	27.5%
	EBITDA [margin]	6,411 [29.4%]	7,716 [27.7%]	1,305	20.4%

Note: EBITDA is an objective indicator for judging the achievement of the JMDC Group’s (the “Group’s”) management policies and strategies or management objectives. The 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

The Group possesses the largest scale of healthcare big data in Japan that is available for public through data anonymization of receipts (admitted patients, day patients, prescriptions), medical examinations and member records received from health insurance associations. During the fiscal year ended March

31, 2023, the number of contracted health insurance associations and the annual transaction value per customer at pharmaceutical and insurance companies which the Company uses and utilizes, each continued to increase on a year-on-year basis, and the business is continuing to expand.

Moreover, the PepUp health information platform developed by the Company is used to generate individualized advice and display risk of diseases for every individual user based on the above healthcare-big data. The number of IDs issued for PepUp continued to expand during the fiscal year ended March 31, 2023.

In addition to the above business expansion, the Company significantly expanded its data originating from medical institutions by making Real World Data Co., Ltd. its subsidiary in July 2022, etc., and started initiatives to provide services in new areas such as clinical trials, etc.

During the fiscal year ended March 31, 2023, there were changes to the sales style, etc. due to the spread of the novel coronavirus disease (COVID-19), but the impact was limited and business continued to expand.

As a result, segment revenue for the fiscal year ended March 31, 2023 was ¥19,221 million and segment profit (segment EBITDA) was ¥6,137 million.

Tele-medicine

The Group has the biggest platform for radiologists in Japan. During the fiscal year ended March 31, 2023, although there were impacts from 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, there was recovery year on year. Furthermore, revenue increased on a year-on-year basis as a result of the increase in the number of medical institutions utilizing remote image interpretation 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 overseas, including in China.

As a result, segment revenue for the fiscal year ended March 31, 2023 was ¥5,038 million and segment profit (segment EBITDA) was ¥1,768 million.

Dispensing Pharmacy Support

During the fiscal year ended March 31, 2023, we worked to cultivate new customers while securing replacement demand from existing customers. Although there were limited impacts from the spread of COVID-19, sales increased on a year-on-year basis.

As a result, segment revenue for the fiscal year ended March 31, 2023 was ¥3,826 million and segment profit (segment EBITDA) was ¥459 million.

As a result of the above, for the fiscal year ended March 31, 2023, revenue increased to ¥27,809 million, operating profit to ¥5,926 million, and EBITDA to ¥7,716 million. Adjustments to reconcile EBITDA to operating profit are as follows.

(Reconciliation of EBITDA to operating profit)

	(Millions of yen)	
	9th fiscal year (From April 1, 2021 to March 31, 2022)	10th fiscal year (From April 1, 2022 to March 31, 2023)
EBITDA	6,411	7,716
Depreciation and amortization	(1,686)	(2,016)
Other income	135	275
Other expenses	(76)	(49)
Operating profit	4,783	5,926

(2) Outline of financial position for the fiscal year under review**Assets**

Assets at the end of the fiscal year under review were ¥98,567 million, an increase of ¥36,513 million compared with the end of the fiscal year ended March 31, 2022. This was primarily due to an increase of ¥9,589 million in cash and cash equivalents, in addition to an increase of ¥20,655 million in goodwill due to the acquisition of the shares of Real World Data Co., Ltd. (subsidiary acquisition), etc. For details regarding the changes in cash and cash equivalents, please refer to “(3) Outline of cash flows for the fiscal year under review.”

Liabilities

Liabilities at the end of the fiscal year under review were ¥34,042 million, an increase of ¥3,154 million compared with the end of the fiscal year ended March 31, 2022. This was primarily due to increases of ¥1,222 million in lease liabilities under non-current liabilities and ¥1,007 million in borrowings under non-current liabilities due to the expansion of business activities.

Equity

Equity at the end of the fiscal year under review was ¥64,524 million, an increase of ¥33,359 million compared with the end of the fiscal year ended March 31, 2022. This was primarily due to an increase of ¥3,727 million in retained earnings due to the recording of ¥4,267 million in profit attributable to owners of parent, ¥565 million in dividends paid, etc., in addition to increases of ¥14,902 million and ¥14,728 million in share capital and capital surplus, respectively, as a result of the issuance of new shares through an international offering and the issuance of new shares through third-party allotment for OMRON Corporation, etc.

(3) Outline of cash flows for the fiscal year under review

Cash and cash equivalents (“cash”) at the end of the fiscal year under review was ¥22,782 million, an increase of ¥9,589 million compared with the end of the fiscal year ended March 31, 2022.

Cash flows and factors affecting them for the fiscal year under review were as follows.

Cash flows from operating activities

Cash flows from operating activities amounted to ¥4,062 million, an increase of ¥253 million compared with the fiscal year ended March 31, 2022. This was primarily due to the recording of an increase of ¥1,394 million in trade and other receivables as a result of business expansion, and ¥1,826 million in income taxes paid despite recording ¥5,876 million in profit before tax, and ¥2,016 million in depreciation and amortization.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥22,769 million, an increase of ¥14,668 million compared with the fiscal year ended March 31, 2022. This was primarily due to purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥20,139 million, purchase of property, plant and equipment of ¥822 million, and purchase of intangible assets of ¥1,118 million.

Cash flows from financing activities

Net cash provided in financing activities was ¥28,296 million (¥2,414 million used in the previous fiscal year). This was primarily due to the recording of ¥29,212 million in proceeds from issuance of shares as a result of the issuance of new shares through an international offering and the issuance of new shares through third-party allotment for OMRON Corporation, despite the recording of ¥564 million in dividends paid. Note that although ¥19,330 million in borrowing of funds was taken out in July 2022 to purchase multiple shares, some of which had already been purchased, the full amount was repaid in November of that year. These transactions are included in the proceeds from short-term borrowings and the repayments of short-term borrowings, respectively.

(4) Future outlook

The Group will likely post increased revenue and profit for the fiscal year ending March 31, 2024. The impact of COVID-19 is not expected to affect earnings forecasts as economic activity is expected to recover to levels prior to the spread of COVID-19, taking as an opportunity factors such as revising the way of thinking about wearing masks and lowering the categorization of COVID-19 to Class V under the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases.

(i) Healthcare-Big Data

The Company expects the further expansion of business performance as a result of developing measures for the various players associated with healthcare by creating high value-added data utilization services and expanding data types.

By establishing the “Health & Productivity Management Alliance” in June 2023 and collaborating with OMRON Corporation, with whom the Company signed a capital and business alliance, the Company aims to create data analysis methods and health improvement solutions that will hopefully set a standard for health and productivity management practices by companies, but this is not included in the earnings forecasts as the impact on earnings cannot currently be rationally estimated.

(ii) Tele-medicine

The business performance will likely continue to expand by further strengthening and increasing the operational efficiency of remote image diagnostic support services, and capturing the remote image interpretation needs at medical institutions. Furthermore, the Company is looking into the expansion of the content of services for medical institutions, such as the utilization of AI, as well as the development of business overseas.

(iii) Dispensing Pharmacy Support

Although the Company predicts a rebound from the increase of replacement opportunities due to the introduction of online qualification confirmation using My Number Cards, earnings are expected to remain firm as a result of the utilization of synergy within the Group and enhancement of sales.

As for the Group’s consolidated financial results, we forecast ¥35,000 million in revenue (an increase of ¥7,190 million year on year), ¥7,600 million in operating profit (an increase of ¥1,673 million year on year), ¥7,550 million in profit before tax (an increase of ¥1,673 million year on year) and ¥ 5,300 million in profit attributable to owners of parent (an increase of ¥1,032 million year on year). EBITDA, which the Company deems to be an important business indicator, is forecast at ¥10,000 million (an increase of ¥2,283 million year on year).

The above-mentioned outlook is based on judgments and assumptions derived from information that is currently available to the Company, and the actual business performance in the future may differ significantly due to changes in the situation.

2. Basic approach to the selection of accounting principles

Starting from the fiscal year ended March 31, 2019, the Group began to voluntarily adopt the International Financial Reporting Standards (IFRS) instead of Japanese GAAP in order to make its financial statements more comparable internationally in capital markets and unify the Group’s accounting practices.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated statement of financial position

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and cash equivalents	13,192	22,782
Trade and other receivables	9,283	11,241
Other financial assets	2,561	3,340
Inventories	248	275
Other current assets	693	601
Total current assets	25,979	38,240
Non-current assets		
Property, plant and equipment	8,420	10,772
Goodwill	19,169	39,824
Intangible assets	5,527	5,922
Other financial assets	1,298	1,597
Deferred tax assets	1,516	2,057
Other non-current assets	141	152
Total non-current assets	36,073	60,326
Total assets	62,053	98,567
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	777	994
Trade and other payables	6,182	5,790
Lease liabilities	689	846
Income taxes payable	999	1,201
Contract liabilities	1,843	2,066
Other current liabilities	1,140	1,317
Total current liabilities	11,633	12,216
Non-current liabilities		
Borrowings	10,928	11,935
Lease liabilities	5,401	6,623
Retirement benefit liability	319	322
Provisions	276	692
Deferred tax liabilities	769	730
Contract liabilities	1,560	1,520
Total non-current liabilities	19,254	21,825
Total liabilities	30,887	34,042
Equity		
Share capital	9,091	23,994
Capital surplus	12,483	27,211
Treasury shares	(2)	(2)
Other components of equity	17	28
Retained earnings	9,580	13,308
Total equity attributable to owners of parent	31,170	64,539
Non-controlling interests	(5)	(14)
Total equity	31,165	64,524
Total liabilities and equity	62,053	98,567

(2) Consolidated statement of profit or loss

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Revenue	21,814	27,809
Cost of sales	9,225	11,950
Gross profit	12,589	15,859
Selling, general and administrative expenses	7,864	10,158
Other income	135	275
Other expenses	76	49
Operating profit	4,783	5,926
Finance income	46	38
Finance costs	62	88
Profit before tax	4,768	5,876
Income tax expense	1,526	1,601
Profit	3,242	4,274
Profit attributable to		
Owners of parent	3,247	4,267
Non-controlling interests	(5)	6
Profit	3,242	4,274
Earnings per share		
Basic earnings per share (Yen)	57.74	71.17
Diluted earnings per share (Yen)	54.16	67.69

(3) Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	3,242	4,274
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	3	3
Remeasurements of defined benefit plans	5	21
Total of items that will not be reclassified to profit or loss	8	25
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(2)	(0)
Total of items that may be reclassified to profit or loss	(2)	(0)
Other comprehensive income, net of tax	6	25
Comprehensive income	3,248	4,299
Comprehensive income attributable to		
Owners of parent	3,254	4,292
Non-controlling interests	(5)	6
Comprehensive income	3,248	4,299

(4) Consolidated statement of changes in equity

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 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	Remeasurements of defined benefit plans
Balance as of April 1, 2021	8,971	12,932	(1)	(2)	—	—
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	(2)	3	5
Total comprehensive income	—	—	—	(2)	3	5
Issuance of share acquisition rights	—	—	—	—	—	—
Share-based remuneration transactions	—	—	—	—	—	—
Exercise of share acquisition rights	120	111	—	—	—	—
Forfeiture of share acquisition rights	—	—	—	—	—	—
Purchase of treasury shares	—	—	(0)	—	—	—
Increase (decrease) by business combination	—	(560)	—	—	—	—
Transfer to retained earnings	—	—	—	—	(3)	(5)
Total transactions with owners	120	(449)	(0)	—	(3)	(5)
Balance as of March 31, 2022	9,091	12,483	(2)	(4)	—	—

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity		Retained earnings	Total		
	Share acquisition rights	Total				
Balance as of April 1, 2021	25	23	6,323	28,250	—	28,250
Profit	—	—	3,247	3,247	(5)	3,242
Other comprehensive income	—	6	—	6	—	6
Total comprehensive income	—	6	3,247	3,254	(5)	3,248
Issuance of share acquisition rights	1	1	—	1	—	1
Share-based remuneration transactions	0	0	—	0	—	0
Exercise of share acquisition rights	(5)	(5)	—	225	—	225
Forfeiture of share acquisition rights	(0)	(0)	—	(0)	—	(0)
Purchase of treasury shares	—	—	—	(0)	—	(0)
Increase (decrease) by business combination	—	—	—	(560)	0	(559)
Transfer to retained earnings	—	(8)	8	—	—	—
Total transactions with owners	(3)	(12)	8	(330)	0	(333)
Balance as of March 31, 2022	21	17	9,580	31,170	(5)	31,165

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

(millions of yen)

	Equity attributable to owners of parent					
	Other components of equity					
	Share capital	Capital surplus	Treasury shares	Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance as of April 1, 2022	9,091	12,483	(2)	(4)	—	—
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	(0)	3	21
Total comprehensive income	—	—	—	(0)	3	21
Issuance of share acquisition rights	—	—	—	—	—	—
Exercise of share acquisition rights	169	169	—	—	—	—
Forfeiture of share acquisition rights	—	0	—	—	—	—
Issuance of new shares	14,732	14,558	—	—	—	—
Purchase of treasury shares	—	—	(0)	—	—	—
Dividends	—	—	—	—	—	—
Increase (decrease) by business combination	—	—	—	—	—	—
Transfer to retained earnings	—	—	—	—	(3)	(21)
Total transactions with owners	14,902	14,728	(0)	—	(3)	(21)
Balance as of March 31, 2023	23,994	27,211	(2)	(4)	—	—

	Equity attributable to owners of parent					
	Other components of equity				Non-controlling interests	Total
	Share acquisition rights	Total	Retained earnings	Total		
Balance as of April 1, 2022	21	17	9,580	31,170	(5)	31,165
Profit	—	—	4,267	4,267	6	4,274
Other comprehensive income	—	25	—	25	—	25
Total comprehensive income	—	25	4,267	4,292	6	4,299
Issuance of share acquisition rights	13	13	—	13	—	13
Exercise of share acquisition rights	(2)	(2)	—	337	—	337
Forfeiture of share acquisition rights	(0)	(0)	—	—	—	—
Issuance of new shares	—	—	—	29,290	—	29,290
Purchase of treasury shares	—	—	—	(0)	—	(0)
Dividends	—	—	(565)	(565)	—	(565)
Increase (decrease) by business combination	—	—	—	—	(15)	(15)
Transfer to retained earnings	—	(25)	25	—	—	—
Total transactions with owners	10	(14)	(540)	29,075	(15)	29,059
Balance as of March 31, 2023	32	28	13,308	64,539	(14)	64,524

(5) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before tax	4,768	5,876
Depreciation and amortization	1,686	2,016
Impairment losses (reversal of impairment losses)	40	—
Decrease (increase) in trade and other receivables	(1,336)	(1,394)
Decrease (increase) in inventories	6	(6)
Increase (decrease) in trade and other payables	199	(722)
Other	(124)	205
Subtotal	5,240	5,974
Interest and dividends received	13	0
Interest paid	(58)	(86)
Income taxes paid	(1,387)	(1,826)
Net cash provided by (used in) operating activities	3,808	4,062
Cash flows from investing activities		
Purchase of property, plant and equipment	(446)	(822)
Purchase of intangible assets	(876)	(1,118)
Payments for loans receivable	(2,310)	(790)
Collection of loans receivable	0	110
Purchase of investments	(60)	(192)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	25
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,327)	(20,139)
Other	(80)	158
Net cash provided by (used in) investing activities	(8,101)	(22,769)
Cash flows from financing activities		
Proceeds from short-term borrowings	—	20,145
Repayments of short-term borrowings	(2,622)	(20,358)
Proceeds from long-term borrowings	1,470	1,810
Repayments of long-term borrowings	(784)	(1,439)
Repayments of lease liabilities	(705)	(859)
Proceeds from issuance of shares	—	29,212
Proceeds from exercise of share acquisition rights	225	337
Dividends paid	—	(564)
Other	0	12
Net cash provided by (used in) financing activities	(2,414)	28,296
Net increase (decrease) in cash and cash equivalents	(6,707)	9,589
Cash and cash equivalents at beginning of period	19,898	13,192
Effect of exchange rate changes on cash and cash equivalents	1	0
Cash and cash equivalents at end of period	13,192	22,782

(6) Notes concerning the consolidated financial statements**Notes on going concern assumption**

Not applicable.

Segment information, etc.**(1) Overview of reportable segments**

The 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 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 main 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 medical service 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) Computation method for the amount of revenue, profit or loss, and other items for each reporting segment

The accounting methods for the reportable segments are the same as those described in the accounting policies. Intersegment revenues are based on negotiated transaction prices, taking into account market prices and production costs.

The profits of reporting segments are in EBITDA and formula for calculating is as follows.

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

(3) Information on the amount of revenue, profit or loss, and other items for each reporting segment

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments				Adjustments (Note)	Consolidated
	Healthcare- Big Data	Tele-medicine	Dispensing Pharmacy Support	Total		
Revenue						
Revenue from external customers	13,949	4,441	3,423	21,814	—	21,814
Intersegment revenue	70	—	158	228	(228)	—
Total	14,019	4,441	3,582	22,042	(228)	21,814
Segment profit						
EBITDA	4,859	1,515	432	6,806	(395)	6,411
Other items						
Depreciation and amortization	1,161	262	262	1,686	0	1,686
Impairment losses	—	40	—	40	—	40

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

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments				Adjustments (Note)	Consolidated
	Healthcare- Big Data	Tele-medicine	Dispensing Pharmacy Support	Total		
Revenue						
Revenue from external customers	19,138	5,038	3,631	27,809	—	27,809
Intersegment revenue	83	—	194	277	(277)	—
Total	19,221	5,038	3,826	28,087	(277)	27,809
Segment profit EBITDA	6,137	1,768	459	8,366	(649)	7,716
Other items						
Depreciation and amortization	1,407	344	263	2,015	0	2,016
Impairment losses	—	—	—	—	—	—

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

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
EBITDA	6,411	7,716
Depreciation and amortization	(1,686)	(2,016)
Other income	135	275
Other expenses	(76)	(49)
Operating profit	4,783	5,926
Finance income	46	38
Finance costs	(62)	(88)
Profit before tax	4,768	5,876

(4) Information about products and services

A listing of the products and service categories was omitted, because they are identical to the reportable segments.

(5) Information by region

Information by region was omitted because over 90% of the Group's total revenue was generated in Japan and its non-current assets are nearly entirely located in the country.

(6) Information about major customers

Information about major customers was omitted as there are no parties accounting for 10% or more of revenue in the consolidated statement of profit or loss out of revenue from external customers.

Information per share**(1) Basis for calculating the basic earnings per share**

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit attributable to owners of parent (Millions of yen)	3,247	4,267
Profit not attributable to ordinary shareholders of parent (Millions of yen)	—	—
Used to calculate the basic earnings per share Profit (Millions of yen)	3,247	4,267
Weighted average of the number of ordinary shares (Thousands of shares)	56,245	59,966
Basic earnings per share (Yen)	57.74	71.17

(2) Basis for calculating the diluted earnings per share

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Used to calculate the basic earnings per share Profit (Millions of yen)	3,247	4,267
Profit adjustment (Millions of yen)	—	—
Used to calculate the diluted earnings per share Profit (Millions of yen)	3,247	4,267
Weighted average of the number of ordinary shares (Thousands of shares)	56,244	59,966
Increase in the number of ordinary shares		
Share acquisition rights (Thousands of shares)	3,721	3,085
Weighted average of the number of ordinary shares after dilution (Thousands of shares)	59,965	63,051
Diluted earnings per share (Yen)	54.16	67.69

Significant subsequent events

Not applicable.