FY2021 Q1
Financial Briefing Material

JMDC Inc.

August 5, 2021

Section 1

FY2021 Q1　Performance Report

FY2021 Q1 Performance Highlights

The JMDC Group achieved steady growth in all segments, led by the Healthcare-Big Data business. The growth was driven by the non-consolidated financial results of JMDC, which is the Group's core entity.

Consolidated revenue
(Million JPY)

4,530

Y-o-Y

+41%

Consolidated EBITDA
(Million JPY)

1,164

Y-o-Y

+90%

Healthcare-Big Data

Y-o-Y

+53%

Tele-medicine and Dispensing Pharmacy Support

Y-o-Y

Tele-medicine	Dispensing Pharmacy Support
+19%	**+33%**

JMDC (non-consolidated) net sales growth

Y-o-Y

+50%

JMDC (non-consolidated) EBITDA growth

Y-o-Y

+310%

Note: IFRS-based, except that JMDC (non-consolidated) figures are in accordance with Japanese GAAP.
EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses

FY2021 Q1: Summary of Consolidated Performance

Demand for data is rising significantly for industry (pharmaceutical companies, life and non-life insurance companies, etc.). On the other hand, progress in recruitment activities has been slower than our plan to substantially increase in workforce due to increasingly intense competition for human resources. As a result, a sizable profit remained for Q1.

(Unit: Million JPY)	FY2020 Q1	FY2021 Q1	Y-o-Y
Revenue	3,212	4,530	+41%
Operating profit (Rate)	357 (11%)	826 (18%)	+131%
Profit before taxes (Rate)	352 (11%)	809 (18%)	+130%
Profit attributable to owners of parent (Rate)	235 (7%)	540 (12%)	+130%
EBITDA (Margin)	614 (19%)	1,164 (26%)	+90%

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

(Reference) FY2021: Progress toward the 1st Half Performance Forecast

We achieved a high progress ratio against the 1st half performance forecast, particularly for profit items.

(Unit: Million JPY)	FY2021 Q1	FY2021 1H Plan	Progress ratio
Revenue	**4,530**	**9,000**	**50%**
Operating profit (Rate)	**826** **(18%)**	**1,250** **(14%)**	**66%**
Profit before taxes (Rate)	**809** **(18%)**	**1,200** **(13%)**	**67%**
Profit attributable to owners of parent (Rate)	**540** **(12%)**	**800** **(9%)**	**68%**
EBITDA (Margin)	**1,164** **(26%)**	**2,100** **(23%)**	**55%**

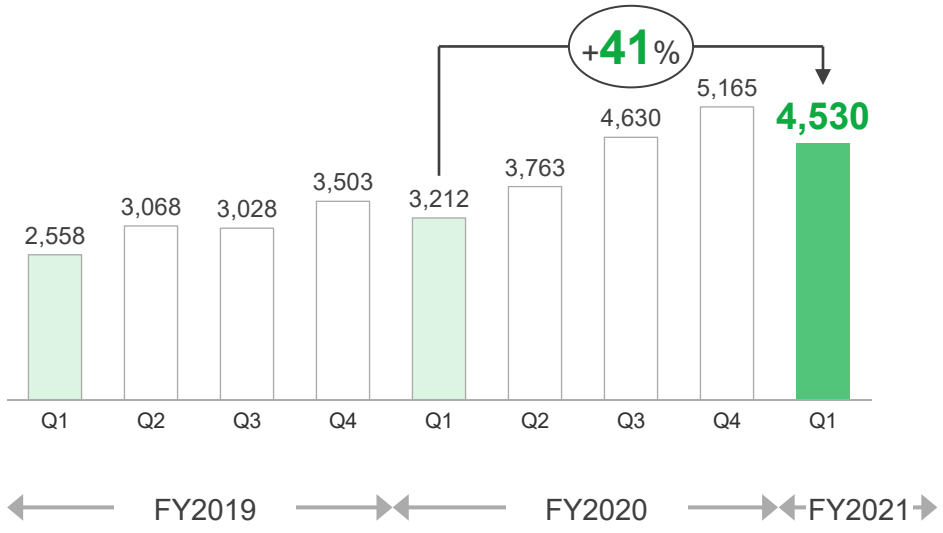
Note: IFRS-based
EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses, EBITDA margin: EBITDA/Revenue

FY2021 Q1: Consolidated Revenue/EBITDA

Even in Q1, which normally experiences the lowest demand of the year due to seasonal factors, we secured steady revenue this year.
We also achieved high profitability as revenue growth outpaced rises in fixed costs.

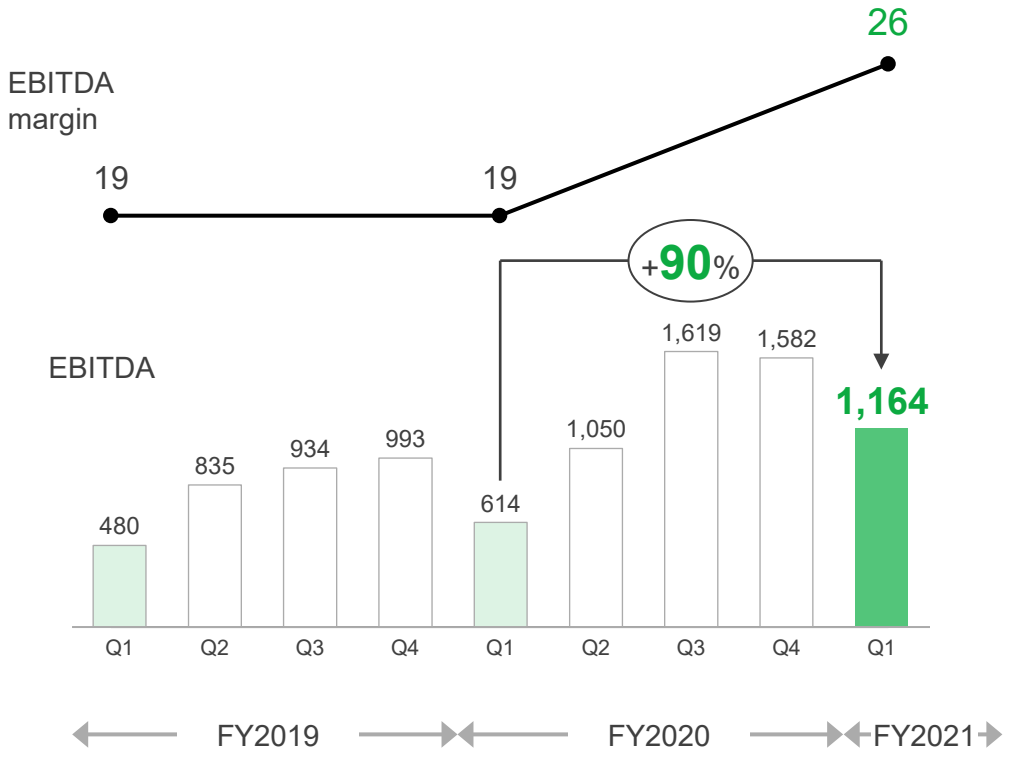
Quarterly trends of consolidated revenue

(Unit: Million JPY)



Quarterly trends of consolidated EBITDA/margin

(Unit: Million JPY and %)



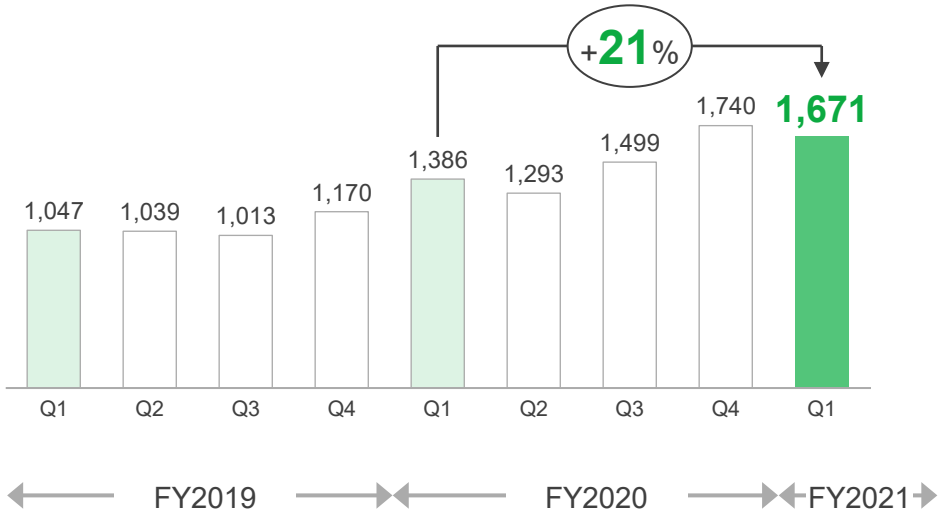
Note: IFRS-based
EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses, EBITDA margin: EBITDA/Revenue

FY2021 Q1: SG&A Expenses/Employees (Consolidated)

To actively capture quickly expanding business opportunities, the Group continues to proactively strengthen its workforce. However, as noted above, recruitment results have fallen short of the plan due to overheated competition for top-quality human resources. The recent increase in the number of employees was due to an M&A transaction in the Dispensing Pharmacy Support business.

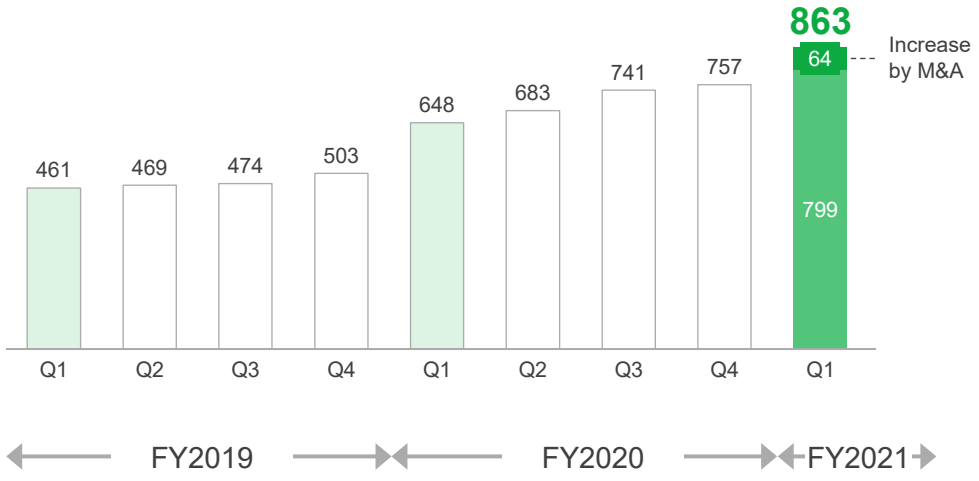
Quarterly trends of SG&A expenses (consolidated)

(Unit: Million JPY)



Quarterly trends of the number of employees (consolidated)

(Unit: persons)



Note: IFRS-based

FY2021 Q1: Performance by Segment

All segments achieved steady growth both in revenue and profit, overcoming the impact of COVID-19.
In particular, the profit growth rate in the Healthcare-Big Data segment remains high.

(Unit: Million JPY)

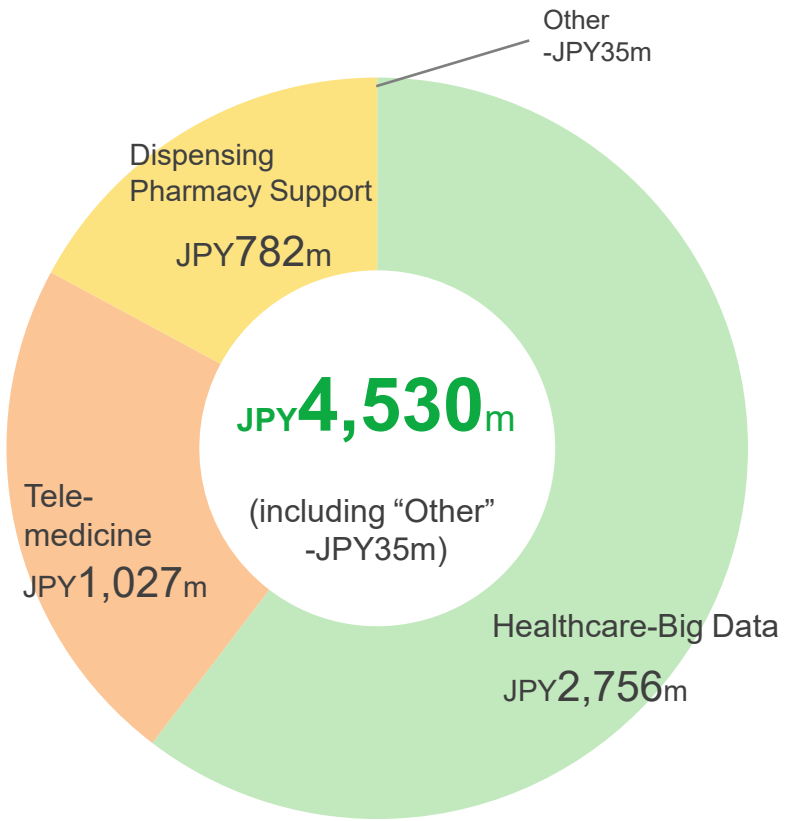
		FY2020 Q1	FY2021 Q1	Y-o-Y
Healthcare-Big Data	Revenue	1,798	2,756	+53%
	EBITDA	406	858	+111%
	(Margin)	(23%)	(31%)	
Tele-medicine	Revenue	861	1,027	+19%
	EBITDA	231	330	+43%
	(Margin)	(27%)	(32%)	
Dispensing Pharmacy Support	Revenue	588	782	+33%
	EBITDA	39	49	+26%
	(Margin)	(7%)	(6%)	
Adjustment	Revenue	-35	-35	-
	EBITDA	-63	-74	-

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

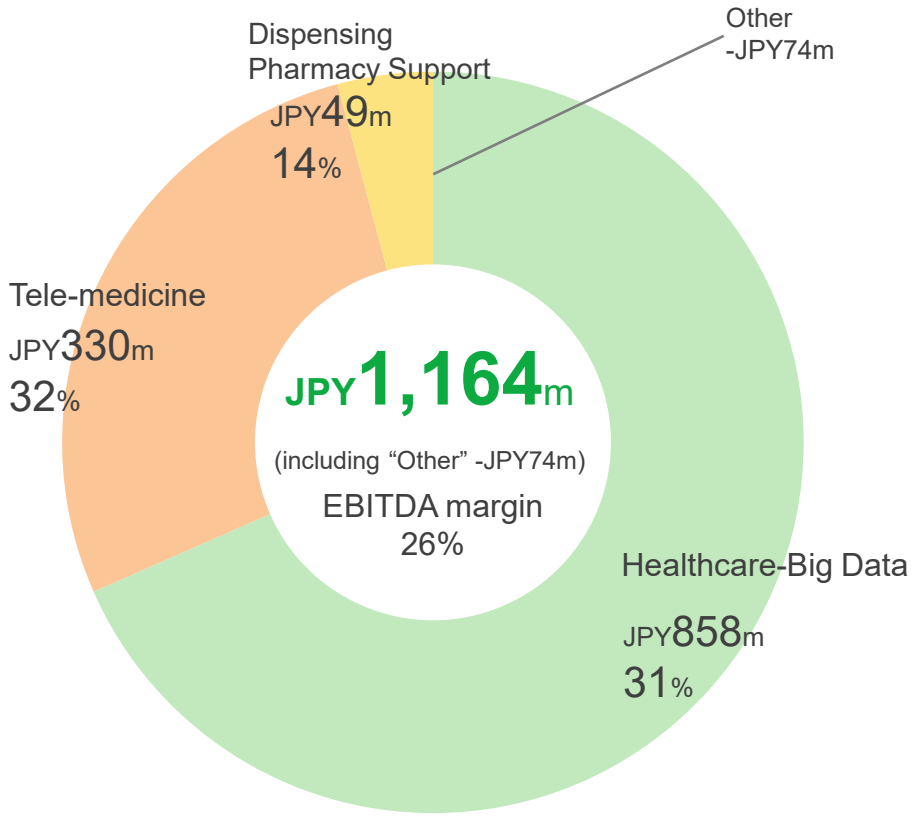
(Reference) FY2021 Q1: Revenue/EBITDA by Segment

Healthcare-Big Data generates more than 60% and 70% of the JMDC Group's revenue and EBITDA, respectively.

Revenue



EBITDA/EBITDA margin



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

Section 2

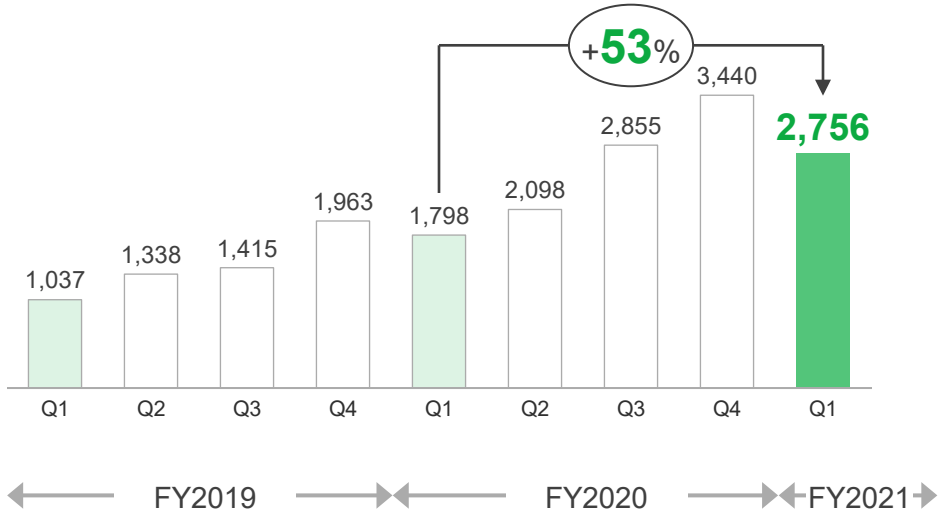
Healthcare-Big Data Business

Healthcare-Big Data Business: Performance

Both revenue and EBITDA continue to show strong growth.

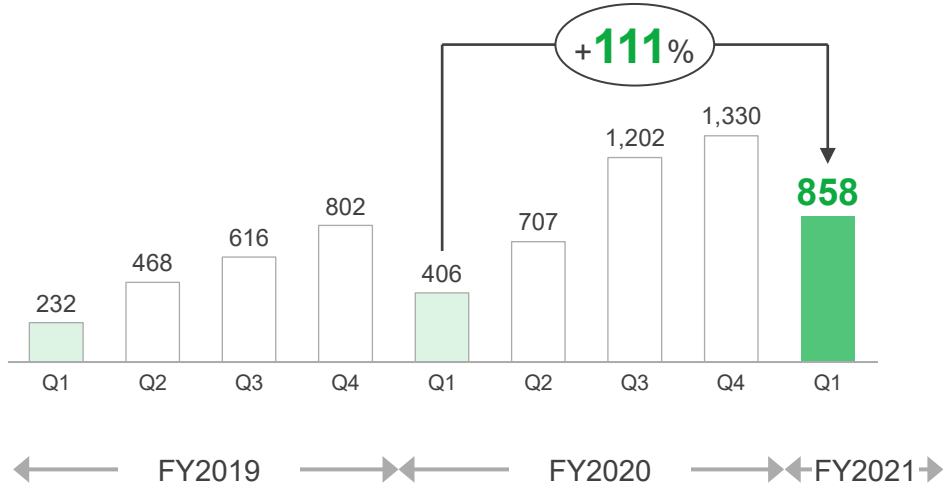
Quarterly revenue trends of Healthcare-Big Data Business

(Unit: Million JPY)



Quarterly trends of EBITDA

(Unit: Million JPY)

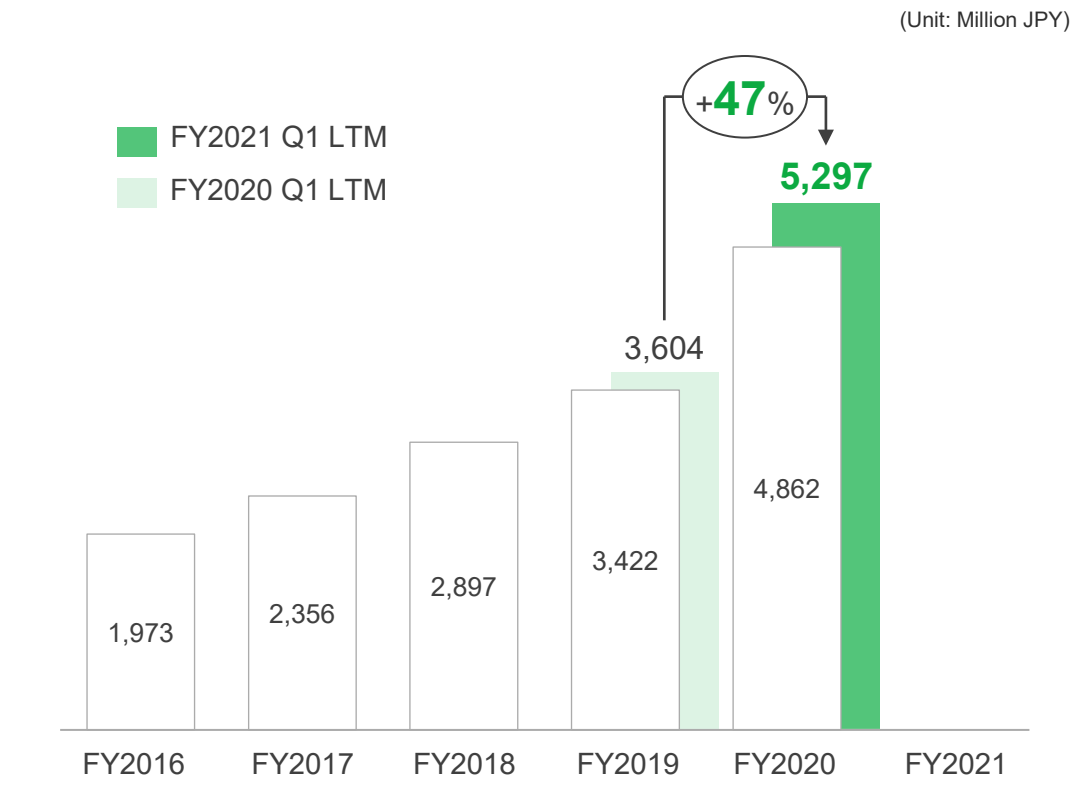


Note: EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses

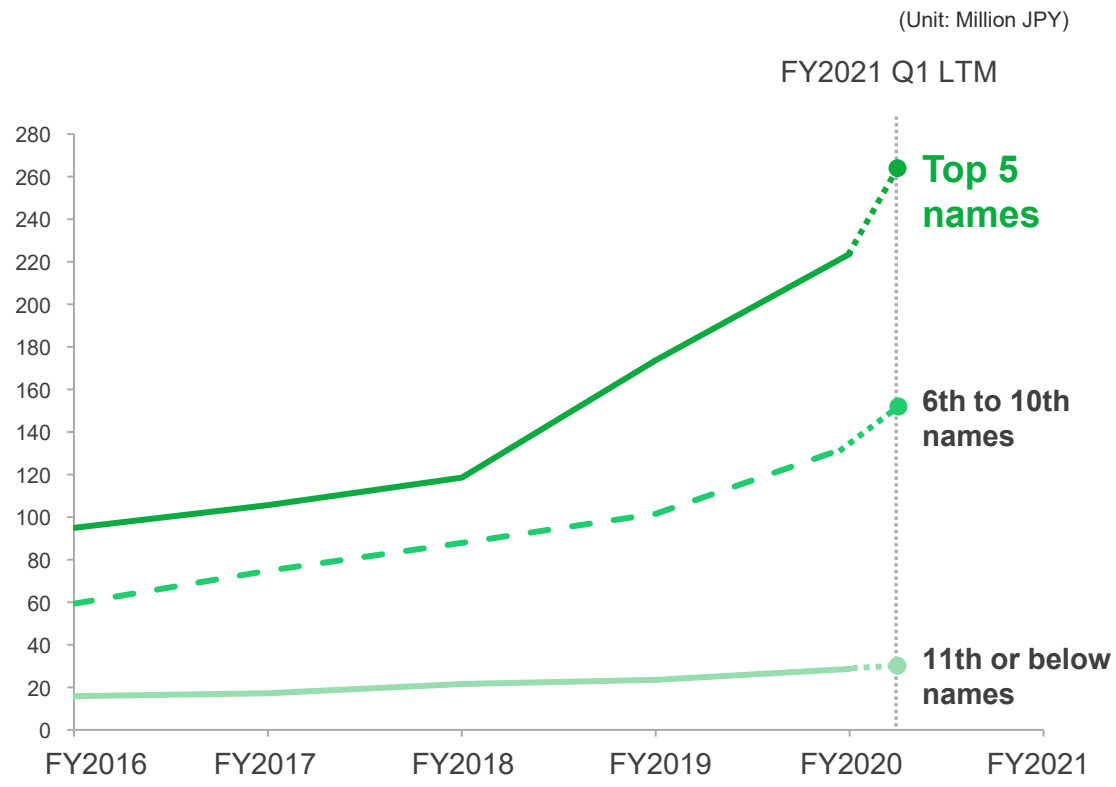
For Industry: Business Status of Data Utilization

Revenue continued to increase in all client segments as data utilization kept expanding.

Data utilization for the industry: revenue



Annual per-company revenue by customer segment

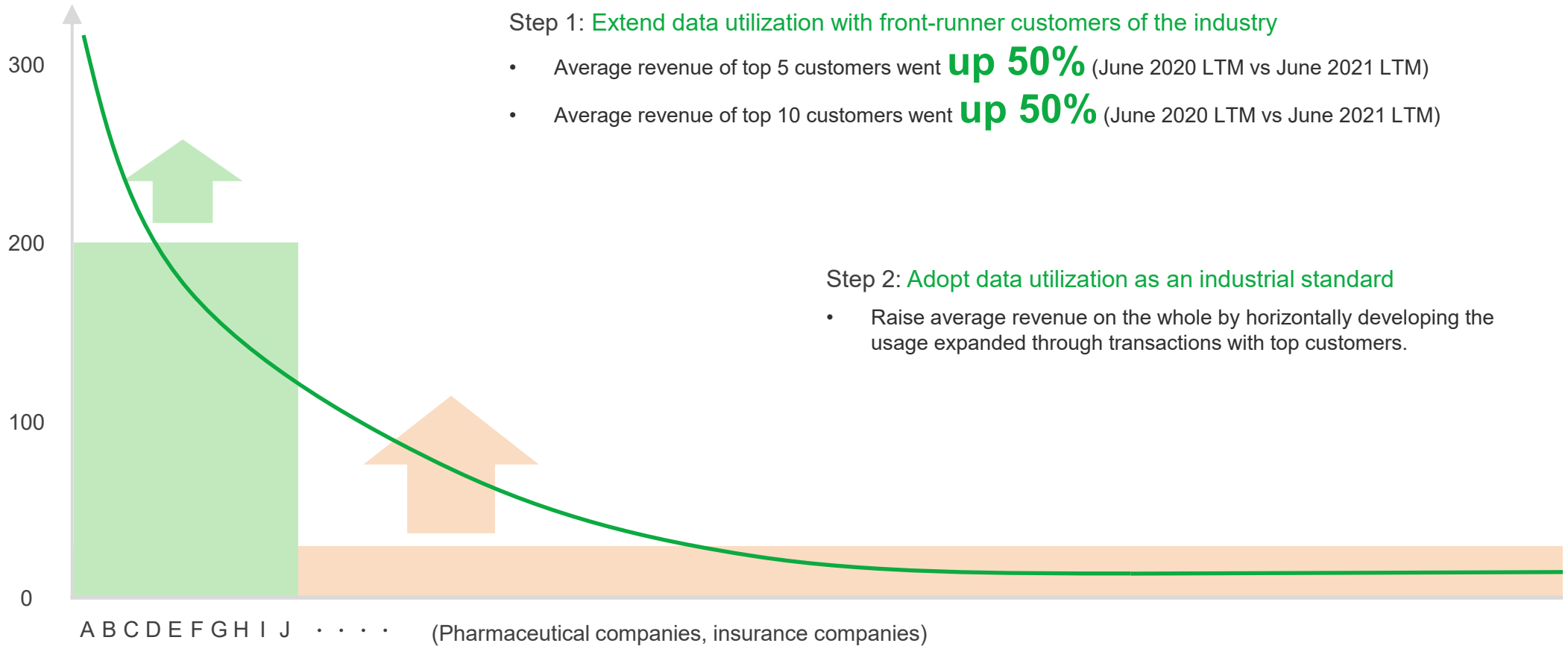


Note: Top 5 names were top 5 firms in revenue value for each fiscal year. Names from the 6th to 10th were firms ranked 6th to 10th in revenue value for each fiscal year. Names from ranked 11th or below were computed according to revenue value for each fiscal year.
LTM: Last Twelve Months (the past 12 months from the latest quarter)

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)



Annual revenue per customer in pharmaceutical companies and insurance companies

Step 1: Extend data utilization with front-runner customers of the industry

- Average revenue of top 5 customers went **up 50%** (June 2020 LTM vs June 2021 LTM)
- Average revenue of top 10 customers went **up 50%** (June 2020 LTM vs June 2021 LTM)

Step 2: Adopt data utilization as an industrial standard

- Raise average revenue on the whole by horizontally developing the usage expanded through transactions with top customers.

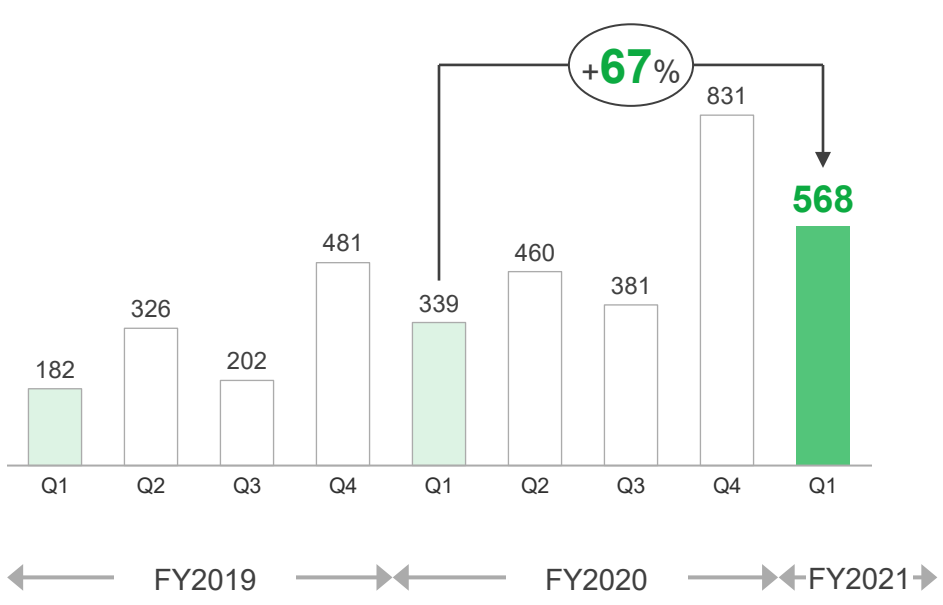
Note: The graph above is image-based.

For Payers, Individuals, and Medical Service Providers: Status of Business

The volume of transactions with payers, individuals, and medical service providers, which is a leading indicator of future expansion of the data platform, is steadily expanding.

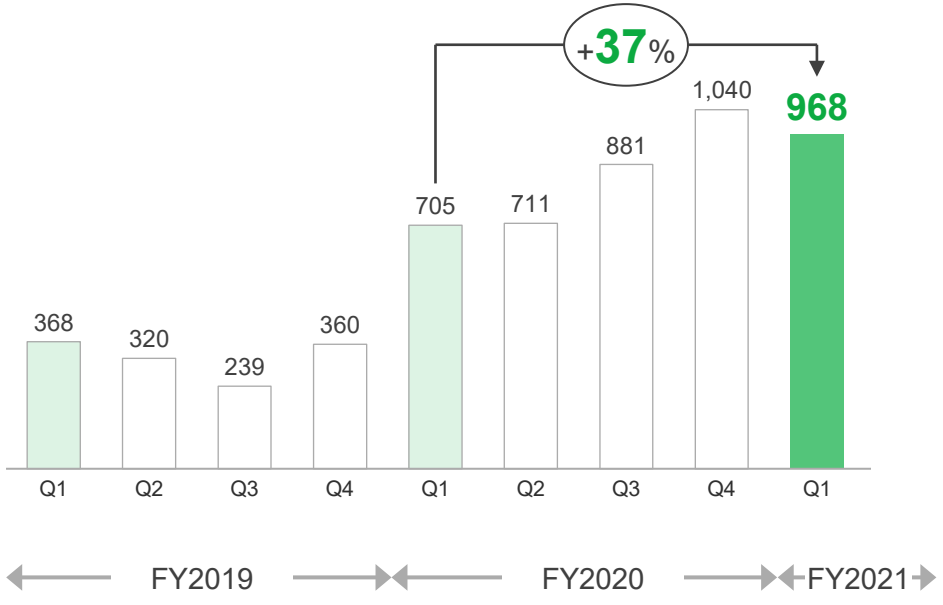
Quarterly revenue trends from business for payers and individuals

(Unit: Million JPY)



Quarterly revenue trends from business for medical service providers

(Unit: Million JPY)



Section 3

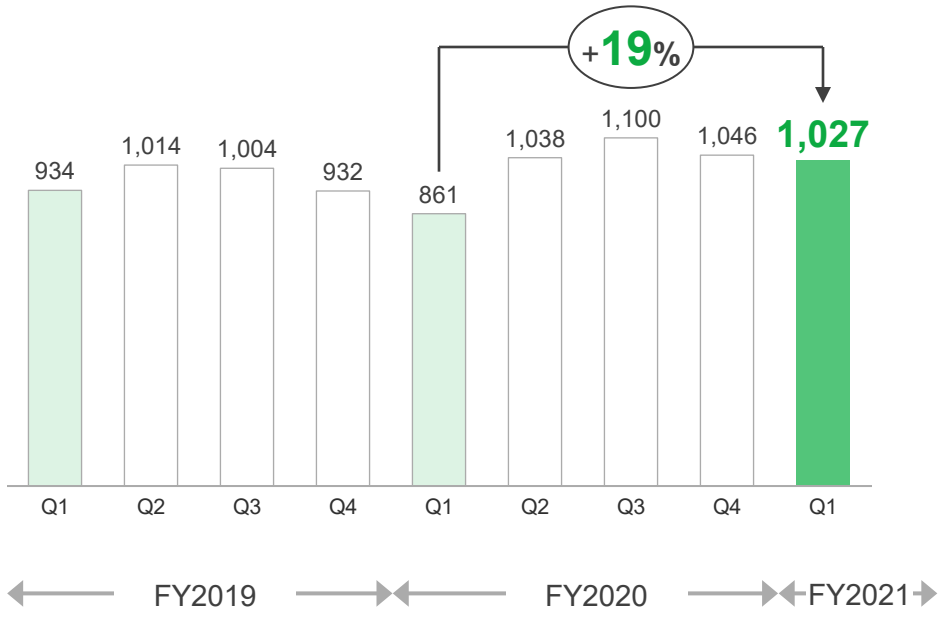
Tele-medicine Business and Dispensing Pharmacy Support Business

Tele-medicine Business: Performance

Although the impact of the spread of COVID 19 infections continues in part, financial performance is recovering at a moderate pace, supported by robust demand.
Profitability also rose due to operational improvements, which were achieved in the previous fiscal year and have become routine practice.

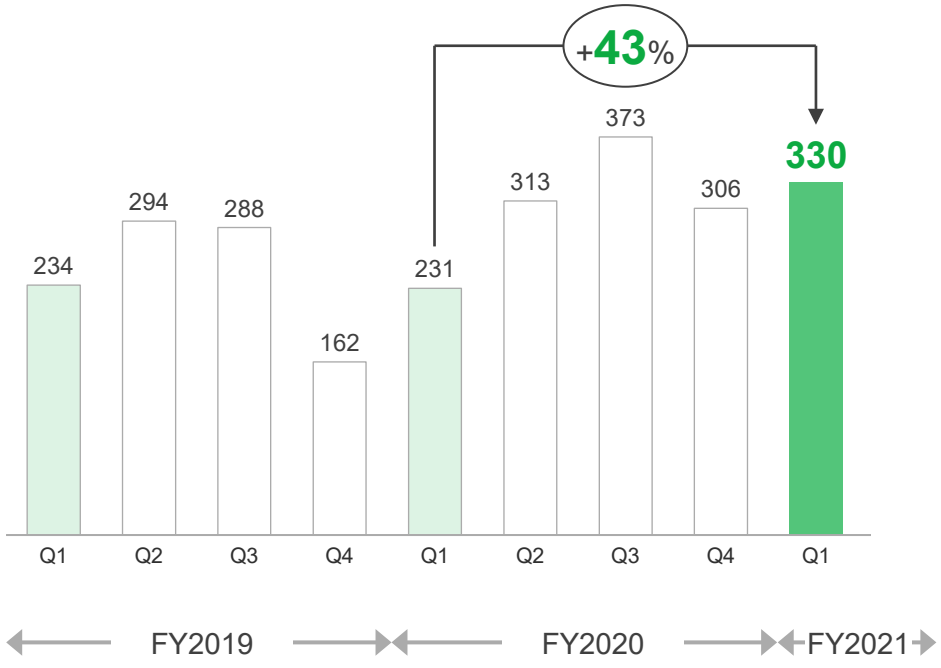
Quarterly revenue trends of Tele-medicine Business

(Unit: Million JPY)



Quarterly trends of EBITDA

(Unit: Million JPY)



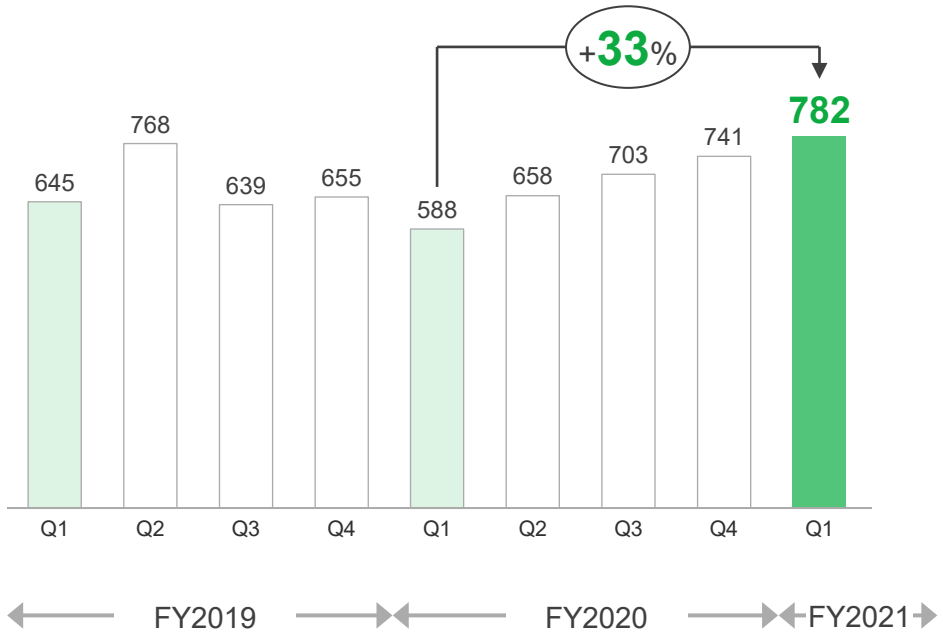
Note: EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses

Dispensing Pharmacy Support Business: Performance

Although this business continues to be partly affected by clients' (dispensing pharmacies) slower investment, the scale of business expanded as JMDC started to sell "P-CUBE n"—a next-generation integrated electronic medication history and receipt computer system—and as a result of an M&A transaction.

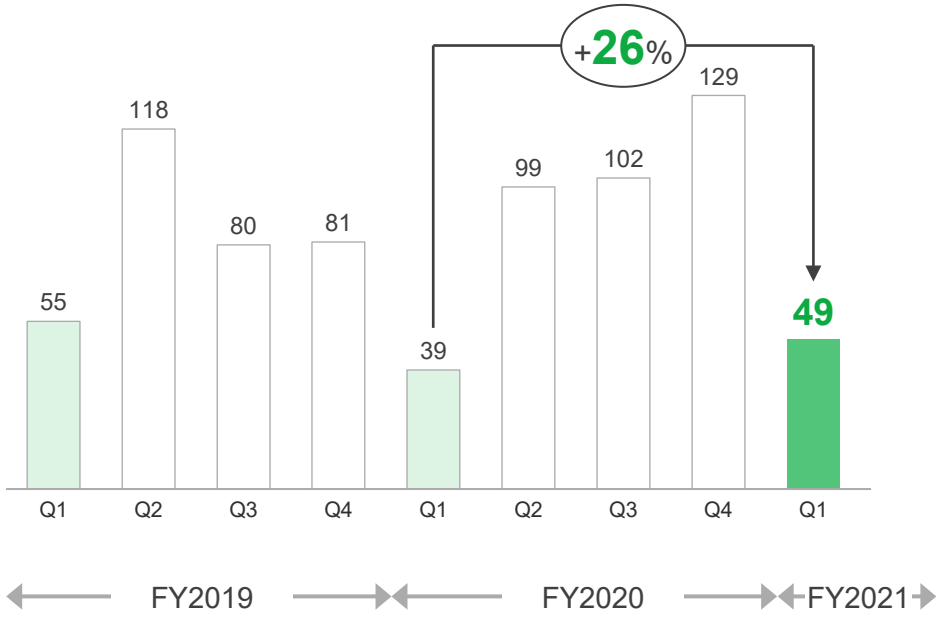
Quarterly revenue trends of the Dispensing Pharmacy Support Business

(Unit: Million JPY)



Quarterly trends of EBITDA

(Unit: Million JPY)



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

Appendix

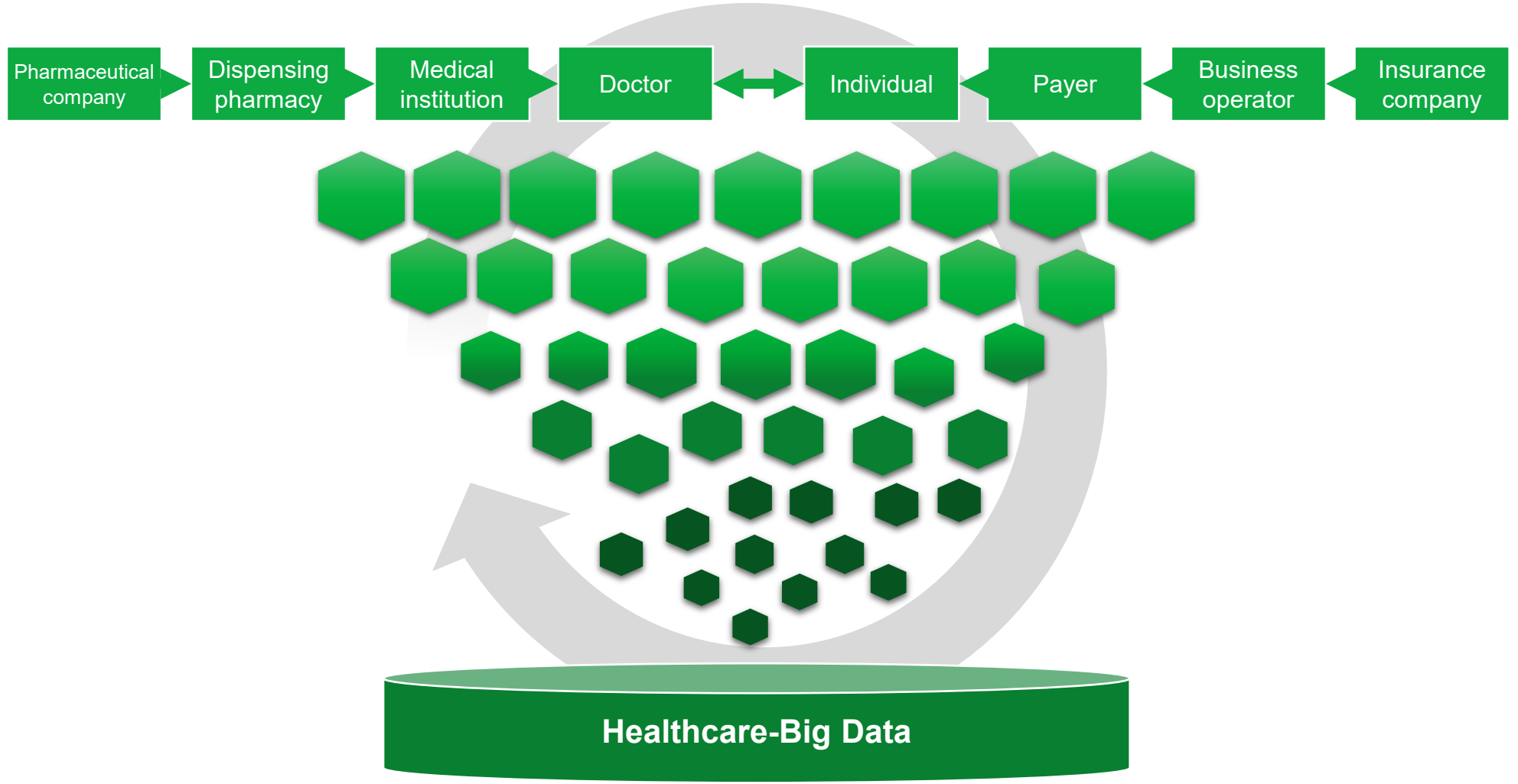
Business Outlook

"Providing a Healthy and Rich Life for All Individuals"

Leveraging data and ICT solutions
to create a sustainable healthcare system

Streamlining Data in the Healthcare Domain

JMDC aims to build and make available for use a data environment in all healthcare domains in Japan to realize medical care that is optimized between doctors and individuals.



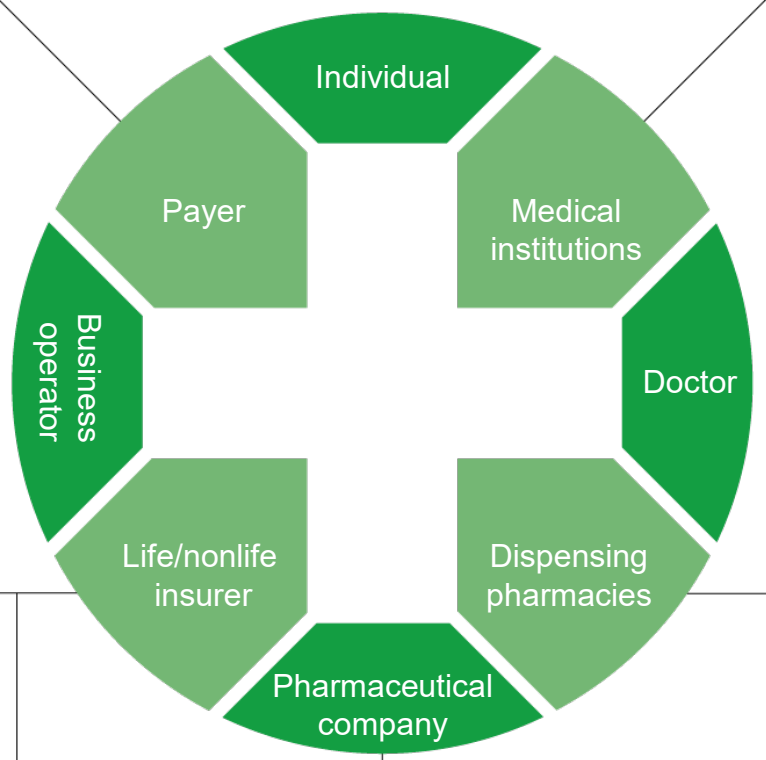
Balance of Businesses According to Customers

JMDC engages in businesses for any type of healthcare industry player in a well-balanced manner by carrying out diverse business activities on the basis of data.

2.0 billion JPY

- Analysis for Payers, provision of ICT tools
- Maintain a dominant business size and support deeper public health services.
- Expect a big potential for growth in providing services for business operators

Business size according to healthcare players (FY2020)



7.3 billion JPY

- Provision of remote diagnostic imaging, medicine DB, and management support tools
- Strengthen services including finance and web inquiry
- Also improve the facility DB and doctor DB.

4.8 billion JPY

- Develop the data utilization business.
- Continue to increase revenue per customer by Up-Selling/Cross-Sell.
- Also expand customers widely with a focus on open data, without limitation to pharmaceutical and insurance companies

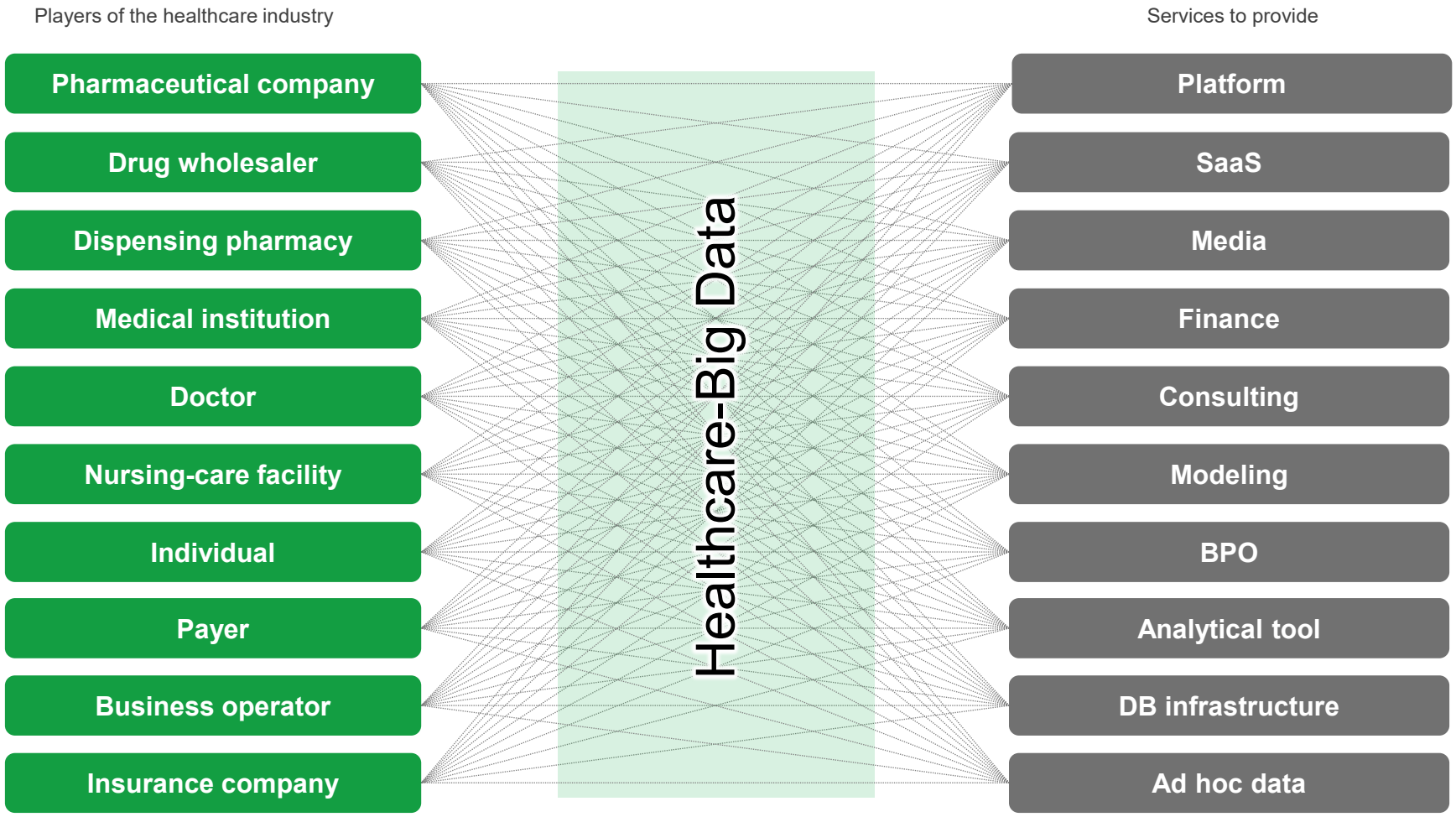
2.7 billion JPY

- Development/provision of electronic medication history and receipt computer.
- Operate an in-house dispensing pharmacy as a showroom.
- Strengthen online processing and medication instruction in the future.

Note: The business size is for JMDC's management and was prepared on a simple aggregation basis and the IFRS adjustment and internal segment transaction adjustment were not adjusted.

Expansion of the JMDC Group's Business

We will continue to provide data-based services of various kinds to healthcare industry players, accumulate new data on the basis of it and run a cycle of generating new services.



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