FY2022
Financial Briefing Material

May 9, 2023

JMDC Inc.

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Section 1

Summary

FY2022: Performance Highlights

Performance and key KPIs remained strong due to the growth of the core segment "Healthcare-Big Data Segment" and the expansion of the core "Business for Industry" in this segment.

Consolidated Revenue
(Million JPY)

27,809

Y-o-Y

+28%

Consolidated EBITDA
(Million JPY)

7,716

Y-o-Y

+20%

Healthcare-Big Data Revenue

Y-o-Y

+37%

Tele-medicine and Dispensing Pharmacy Support Revenue

Y-o-Y

Tele-medicine	Dispensing Pharmacy Support
+14%	**+7%**

Number of People in Contracted Health Insurance Unions

12.57
million people

Number of Pep Up IDs

5.41 million people

* Estimation of the number of continually-contracted health insurance unions and the number of issued IDs at end of April 2023

Revenue of business for industry

+45%

* Comparison of FY2022 and FY2023

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

FY2022: Business Segments of JMDC Group and Summaries

In Healthcare-Big Data Business, expansion of data assets and business domain expansion accelerated. Tele-medicine Business returned to an expansionary trend as the impact of Covid-19 subsided, and high profitability was sustained. Dispensing Pharmacy Support Business performed well on the back of special demand.

	Business outline	FY2022 Summary
Healthcare-Big Data	**For Industry** Data utilization service for pharmaceutical companies and insurance companies	 • High value-added services drive growth. • Various data assets are expanding due to business expansion. Preparations for the next stage of growth are steadily progressing.
	For Payers and individuals Data analysis for health insurance unions and provision of ICT product “Pep Up” to health insurance union members	 • Each KPI expanded steadily thanks to development of large health insurance unions and the accelerated introduction of Pep Up. • Services for local governments and corporates took off in a big way. • On the other hand, wearable device sales remained sluggish.
	For Medical Service Providers Medicine DB, data analysis/utilization for medical institutions, management consulting/finance, web-based medical inquiries	 • Data volume has expanded significantly due to the increase in the number of facilities with medical institution systems. • Steady growth in business scale due to expansion of services for medical institutions and clinics, etc.
Tele-medicine	Provision of the remote diagnostic imaging service	 • Impact of Covid-19 has diminished. • Sustained solid demand and improved profitability thanks to operational improvements.
Dispensing Pharmacy Support	Development/provision of receipt computer and electronic medication history for pharmacies	 • Steady performance due to special demand for online qualification verification, etc. • On the other hand, competition intensifies with cloud-based electronic drug history, etc.

FY2022: Shareholder Return

With an awareness of the need to both secure investment capacity and return profits to shareholders, the Company will pay a dividend of 12 yen per share for the current fiscal year. The dividend forecast for FY2023 has not yet been determined. The level of shareholder dividends will be determined in consideration of future business performance trends, financial conditions, and other business results.

	FY2022	FY2023 (Forecast)
Record date	March 31, 2023	March 31, 2024
Dividend per share	JPY12	
Total amount of dividend	JPY754 million	To be determined
Effective date	June 7, 2023	

FY2023: Performance Forecast

We plan for solid revenue growth as the demand for data continues to grow. On the profit side, we will continue to invest aggressively in future development, as described below, while remaining mindful of the soundness of our profit margins.

	FY2023 Consolidated Performance Forecast (vs. FY2022 growth rate)	Preconditions of forecast
Revenue	35.0 bil JPY (+26%)	• Healthcare-Big Data continues to grow steadily • Tele-medicine and Dispensing Pharmacy Support will grow moderately due to convergence of Covid-19 • Future M&A not factored in
Operating profit (Rate)	7.6 bil JPY (22%) (+28%)	• Plans to invest in more than 200 new employees in expectation of future growth • Continued to factor in various cost increases associated with aggressive structure reinforcement and expansion of scale
EBITDA (Margin)	10.0 bil JPY (29%) (+30%)	
Profit attributable to owners of parent (Rate)	5.3 bil JPY (15%) (+24%)	• Factoring in corporate taxes calculated logically • No concerns about impairment of subsidiary stocks, not factored in

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

FY2023: New Management Structure

At a meeting of the Board of Directors held today, an informal decision was made to appoint a new President and CEO. The appointment will be formalized through a resolution at the annual general meeting of shareholders in June of this year and at a meeting of the Board of Directors following the general meeting of shareholders.

	New Position (planned)
Yosuke Matsushima	Chairman and Representative Director
Ryo Noguchi	President and CEO, Representative Director
Yuta Yamamoto	Director



Ryo Noguchi

Brief personal history:

March 20007	Passed the National Medical Practitioners Qualifying Examination
April 2007	Boston Consulting Group, Inc.
October 2016	Representative Director, GeneTech K.K.
June 2017	Representative Director, Japan Regenerative Medicine Co., Ltd. (currently Metcela Inc.)
June 2018	Director, Gene Technoscience Corporation (currently Kidswell Bio Corporation)
July 2020	Executive Officer of the Company (in charge of Pharmaceutical Business Division)
April 2022	Executive Officer of the Company (in charge of Payer Support Business Division)
April 2022	Executive Officer of the Company (in charge of Medical Institution Support Business Division)

FY2022 and FY2023: Management View

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

	Management Views
Evaluation for FY2022 performance	• Revenue grew steadily as planned. In particular, the strong growth of the business for industry was the driving force behind the overall performance. With the exception of the sluggish wearables business for health insurance unions, other businesses were also generally favorable. • On the profit side, EBITDA was slightly below the guidance due to bold investments in data acquisition and business capability such as clinical trial Dx. However, the company defended its guidance for net income as a result of cost containment efforts.
FY2023 forecast	• We do not include expectations for undetermined M&A or the startup of new businesses, but rather focus on organic growth (continuous growth of existing businesses) as we have in the past. • The increase in profit margin expected from revenue growth will be allocated to investments in future business opportunities.
Future business outlook for the core business of Healthcare-Big Data	What we have been working on firmly is about to blossom one after another. • The business for industry is moving from the awareness-enlightenment phase to the diffusion and development phase, and in the pharmaceutical companies, it is spreading to the development division in addition to the medical and marketing divisions. Insurance companies are also strengthening their healthcare business, and we have seized on this trend to expand the scope of our value offering beyond the conventional data provision. We believe that this industry trend is not a passing phase, but rather the fuse for data utilization has been lit. • In the data business for payers and individuals, KPIs such as population and Pep Up are growing at an accelerated pace, and the user base is expanding rapidly. In addition, the "Health & Productivity Management Alliance" has been launched, involving companies as an initiative to further expand the base and generate revenue. A framework is now in place to work with Japan's leading health & productivity management companies to solve social issues. • The data business for medical institutions had been lagging behind the competition in the area of medical institution data. Over the past few years, we have greatly expanded our data base and have finally reached a level where we are on par with the competition in terms of data utilization contracts. Going forward, the company aims to further expand its data base to establish an overwhelming position and become the No. 1 provider of medical institution data utilization. • In terms of new business development, both the smart clinic business (Clinic Dx) and the doctor network business are expanding steadily. Despite the intensely competitive environment, we believe that we are well positioned to make our presence felt by offering differentiated services.
Change of management structure	• The main objective is strengthening rather than changing the structure. • We have been leading the industry in the use of healthcare big data, and in the future, data will be implemented in society and data will drive operational reforms within our clients. By placing Noguchi, who excels in business support for pharmaceutical and health insurance companies, at the center of the management team, we have made it clear that we intend to accelerate this trend.

Section 2

FY2022 Performance Report

FY2022: Summary of Consolidated Performance

Both revenues and profits remained at the same level as planned at the beginning of the fiscal year.

(Unit: Million JPY)	FY2021	FY2022	Y-o-Y
Revenue	21,814	27,809	+28%
Operating profit (Rate)	4,783 (22%)	5,926 (21%)	+24%
Profit before taxes (Rate)	4,768 (22%)	5,876 (21%)	+23%
Profit attributable to owners of parent (Rate)	3,247 (15%)	4,267 (15%)	+31%
EBITDA (Margin)	6,411 (29%)	7,716 (28%)	+20%

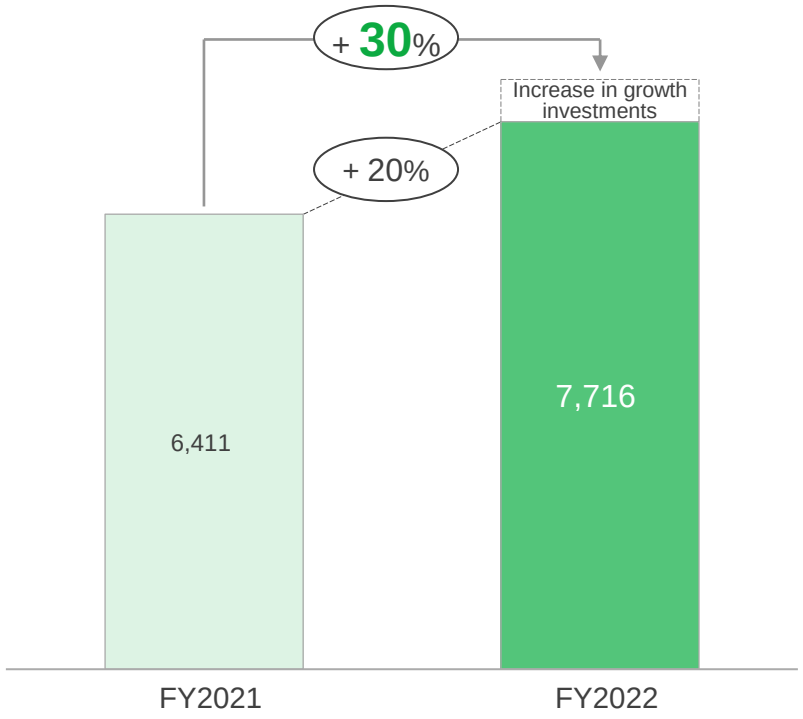
Note: IFRS-based
EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses, EBITDA margin: EBITDA/Revenue

[Reference] FY2022: Consolidated EBITDA and Growth Investments

In fiscal 2022, we invested aggressively to make profitable certain expanding business areas, such as clinical trials and doctor networks. As a result, EBITDA fell slightly short of our guidance, but we believe we were able to set the stage for future growth.

Consolidated EBITDA as Compared to Last Year

(Unit: Million JPY)



- **Increased investment for growth: 590 million yen in total**
  - ✓ Impact of additional investment for digitalization of clinical trial area and acquisition of membership size in doctor network business, etc. (210 million yen)
  - ✓ Impact of additional investments to acquire new data from local governments, medical institutions, etc. (220 million yen)
  - ✓ Impact of expenses related to new M&A investments in RWD and other companies (160 million yen)
- Excluding the factors listed above, normal profitability growth from existing businesses is **+30% Y-o-Y**, with no business feasibility issues.
- RWD has **become profitable** as a result of PMI.

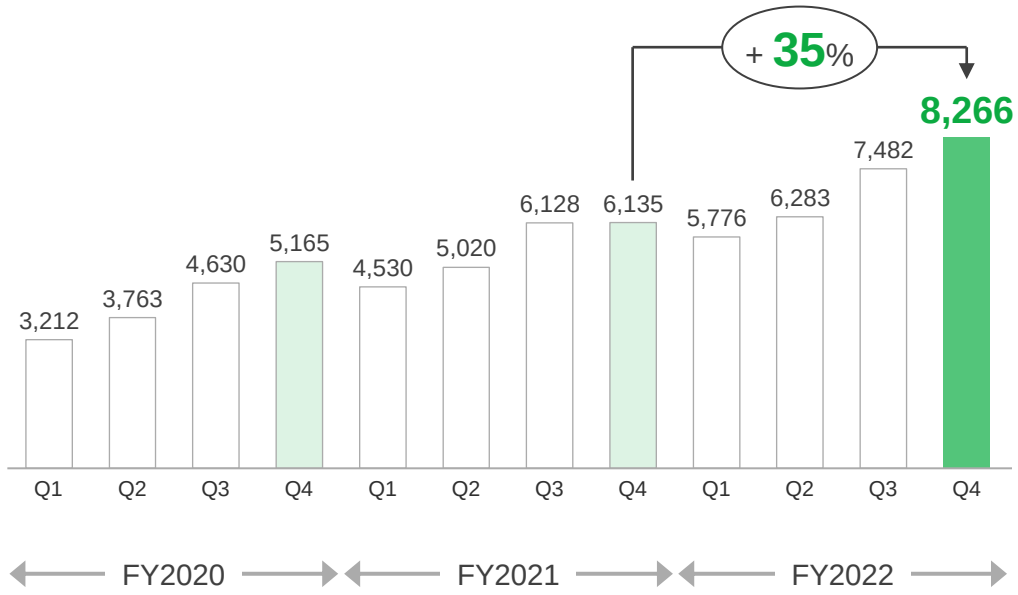
Note: IFRS-based
EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses
The increase in growth investments include M&A-related costs.

FY2022: Consolidated Revenue/EBITDA

In this Q4, we were able to significantly expand our business performance due to the expansion of our business for industry and the start-up of our local government business.

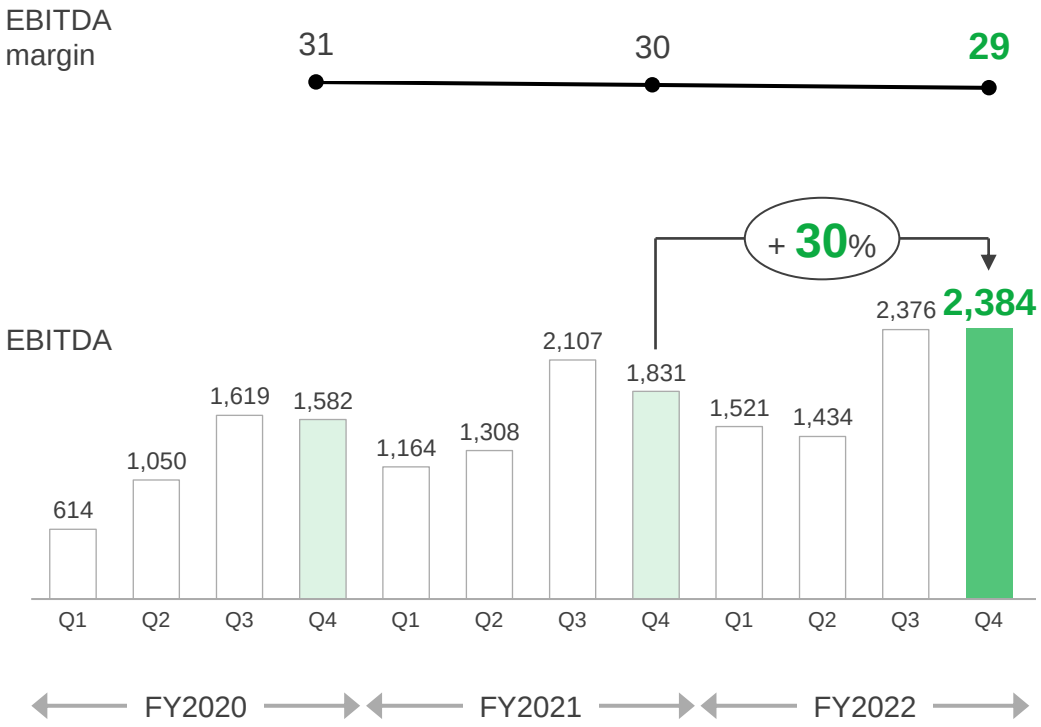
Quarterly Trends of Consolidated Revenue

(Unit: Million JPY)



Quarterly Trends of Consolidated EBITDA/margin

(Unit: Million JPY and %)



Full-year EBITDA margin **29%**

Full-year EBITDA margin **29%**

Full-year EBITDA margin **28%**

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

FY2022: Performance by Segment

Revenue and profit grew in all segments.

(Unit: Million JPY)

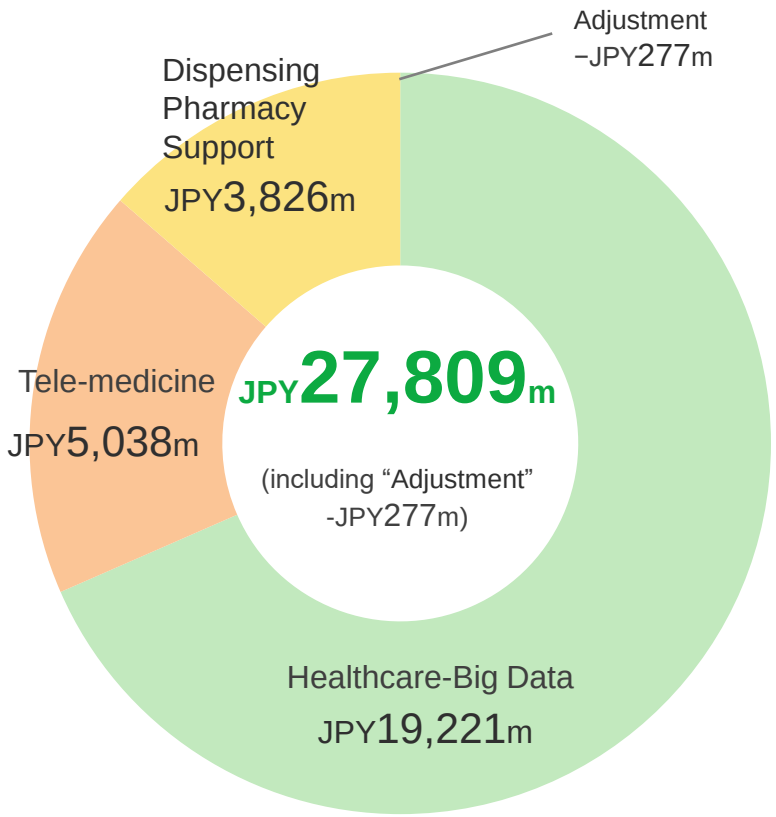
		FY2021	FY2022	Y-o-Y
Healthcare-Big Data	Revenue	14,019	19,221	+37%
	EBITDA	4,859	6,137	+26%
	(Margin)	(35%)	(32%)	
Tele-medicine	Revenue	4,441	5,038	+14%
	EBITDA	1,515	1,768	+17%
	(Margin)	(34%)	(35%)	
Dispensing Pharmacy Support	Revenue	3,582	3,826	+7%
	EBITDA	432	459	+6%
	(Margin)	(12%)	(12%)	
Adjustment	Revenue	-228	-277	-
	EBITDA	-395	-649	-

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

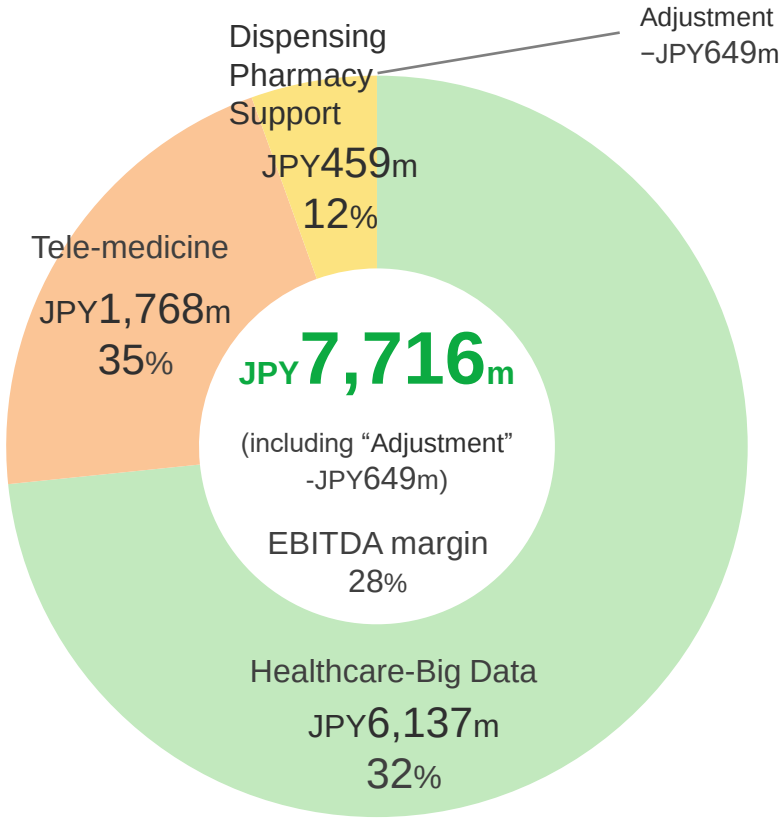
[Reference] FY2022: Revenue/EBITDA by Segment

Healthcare-Big Data Business generates approximately 70% of the Group's revenue and over 70% of its EBITDA. Tele-medicine Business continues to be highly profitable, while Dispensing Pharmacy Support Business maintains stable profitability.

Revenue



EBITDA/EBITDA Margin



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

Section 3

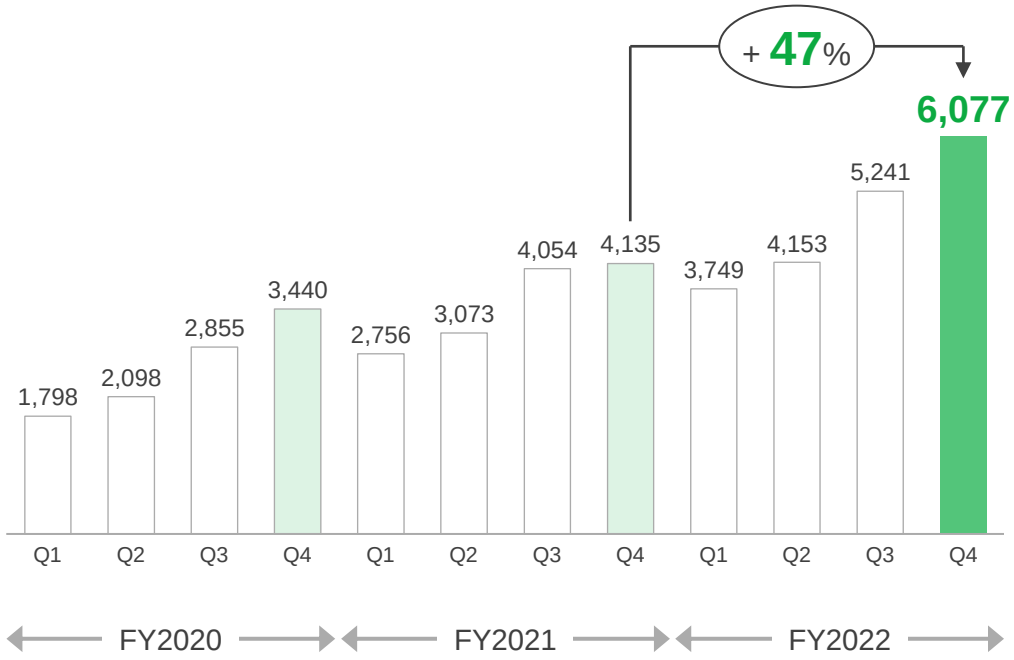
Healthcare-Big Data Business

Healthcare-Big Data Business: Performance

In this Q4, we were able to show stronger growth than ever before, especially in our business for industry.

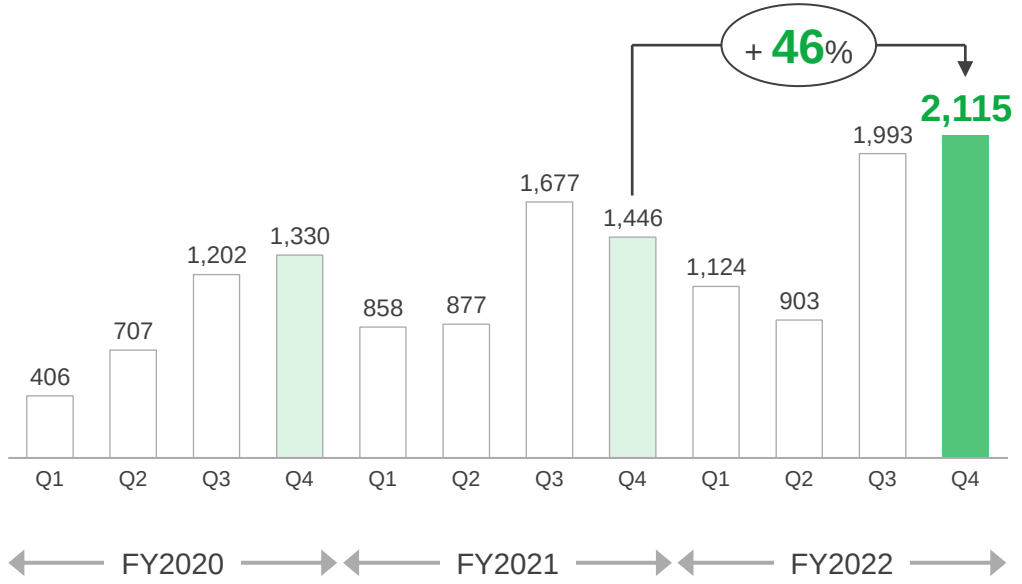
Quarterly Trends of Revenue

(Unit: Million JPY)



Quarterly Trends of EBITDA

(Unit: Million JPY)



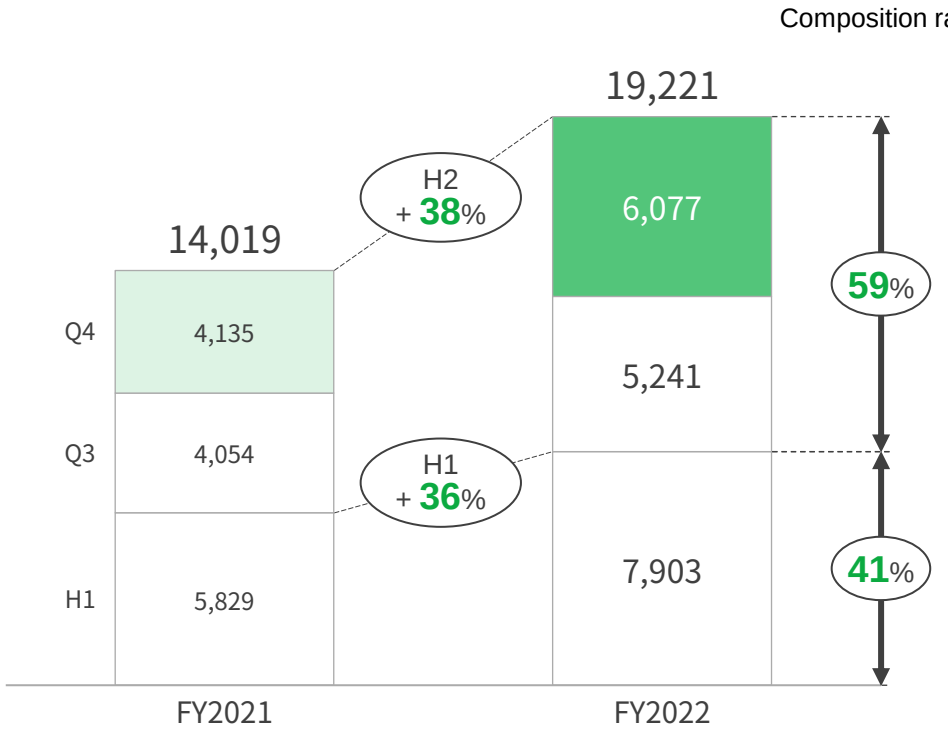
Note: IFRS-based
EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses

Healthcare-Big Data Business: Performance (Comparison to Last Year and Seasonality)

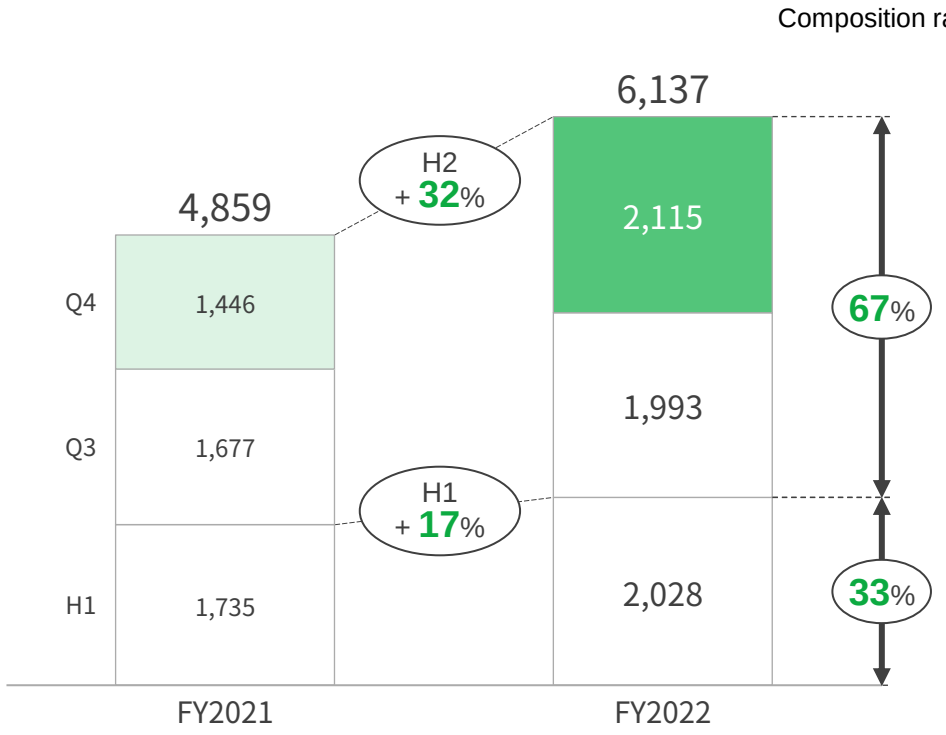
Revenues in the second half of the year were +38% Y-o-Y and EBITDA was +32% Y-o-Y. Businesses such as those for local governments have also started up, accounting for a higher percentage of Q4 results.

Revenue as Compared to Last Year

(Unit: Million JPY)



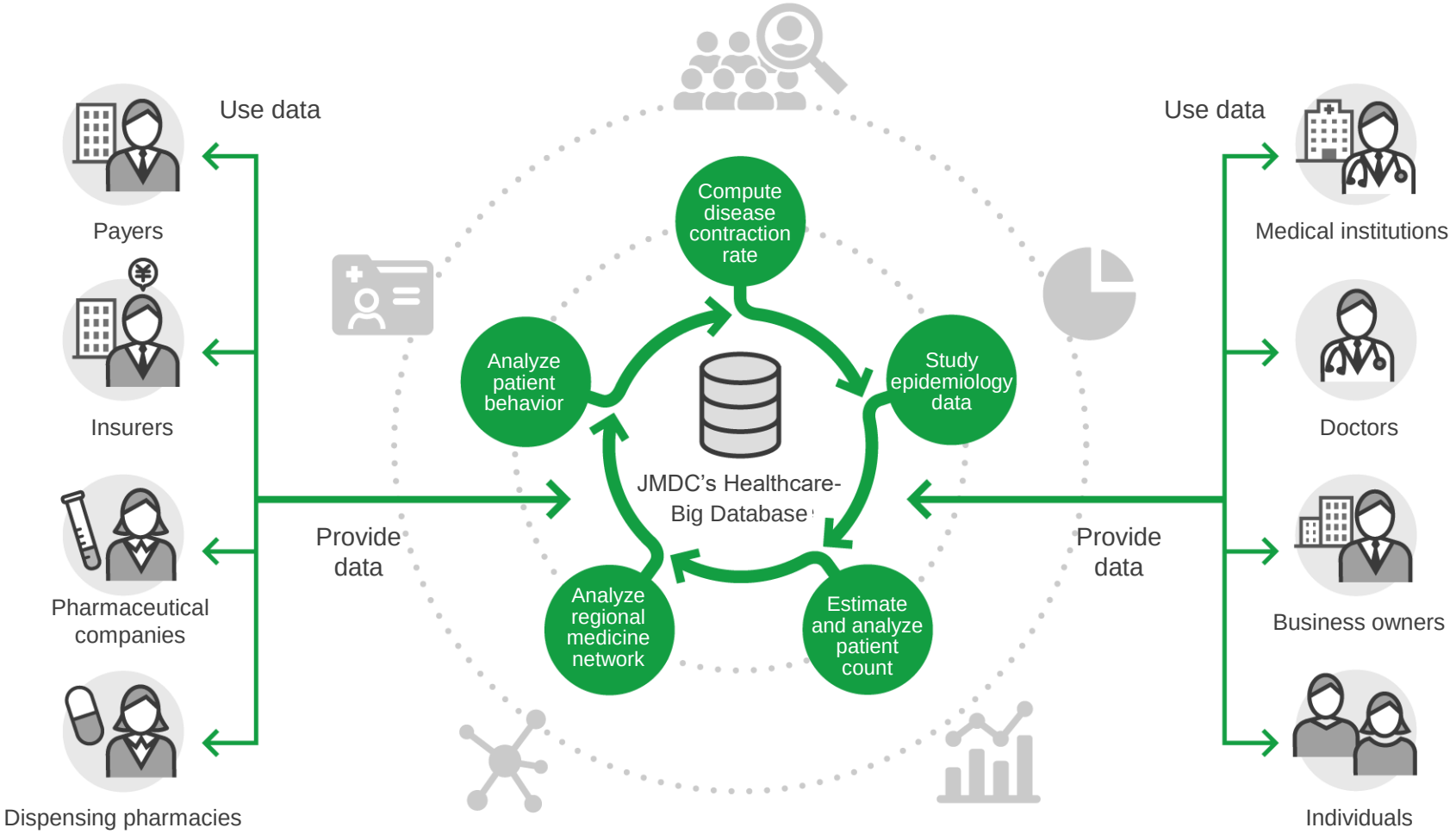
EBITDA as Compared to Last Year



Note: Y-o-Y stood for Year on Year and is a comparison to the previous 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.”

(Unit: Million JPY)

	Data Utilization	Healthcare-Big Data Business Size (FY2022, actual)
For Industry	**Mainly for pharmaceutical companies and insurance companies** • Pharmaceutical companies utilize data for analysis to increase the value of medicine, while insurance companies do so for product development. • Consulting-accelerated expansion of data utilization and improvement in added value. • The use of DBs other than the payer DB has also expanded.	9,578
For Payers/Individuals	**Develop services for health insurance unions and Pep Up** • Accumulate information such as receipts and dispensing histories before devising measures to rein in medical expenses. • Specific health guidance business, in addition to health checkup recommendations and severe disease prevention, expanded steadily. • Expanding business into areas for local governments and corporates.	3,032
For Medical Service Providers	**Rapid expansion of business for medical institutions** • Analyze in-hospital data for use in consultation and finance services. • Provide medical institutions with original applications such as package insert DB of medicine and web inquiry. • Medical care support based on real-time data is also provided.	6,689

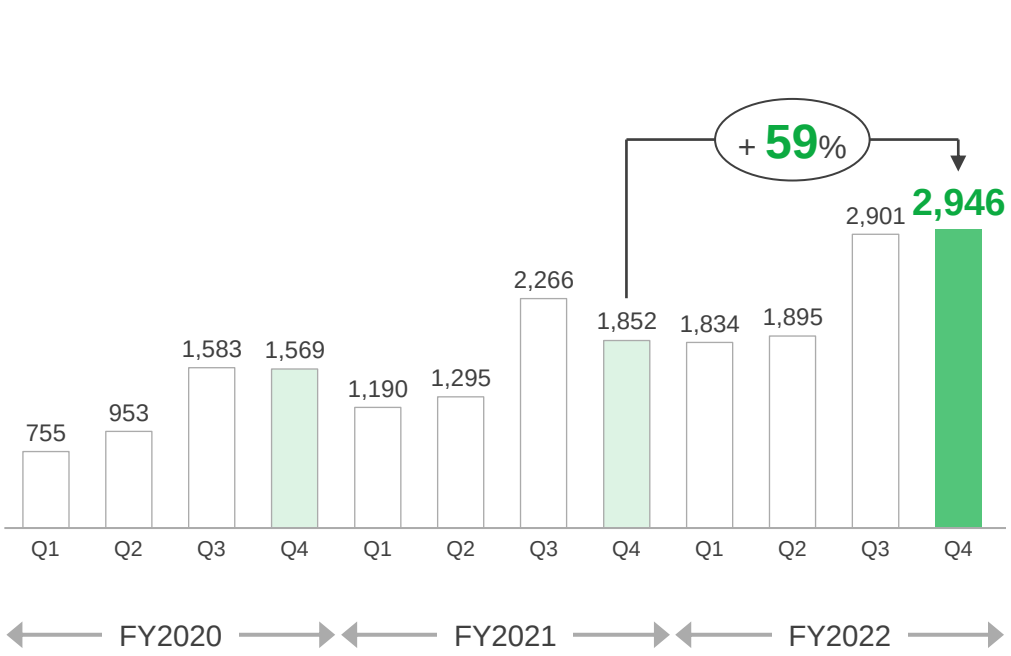
Note: Each business size value represents a simple sum for business management purposes. No adjustment was made to IFRS adjustment values and inter-segment transaction adjustment values.

For Industry: Business Status of Data Utilization

The scale of the business for industry, the core of our earnings, is steadily expanding due to the diversification of data-driven services. In particular, Q4 saw strong growth of 59% Y-o-Y.

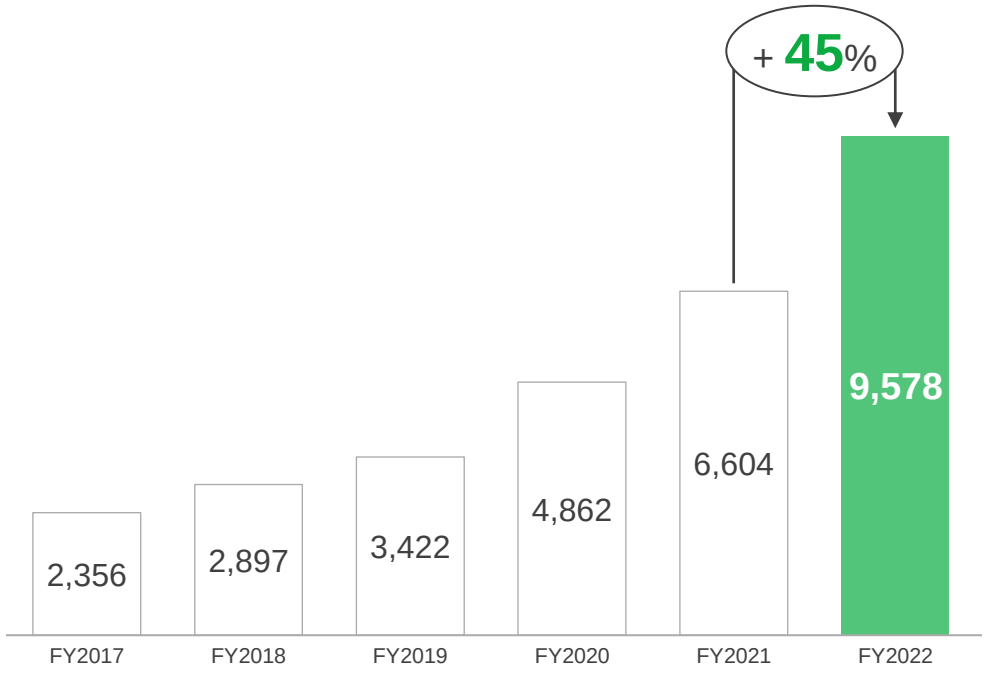
Quarterly Revenue Trends of Business for Industry

(Unit: Million JPY)



Yearly Revenue Trends of Business for Industry

(Unit: Million JPY)



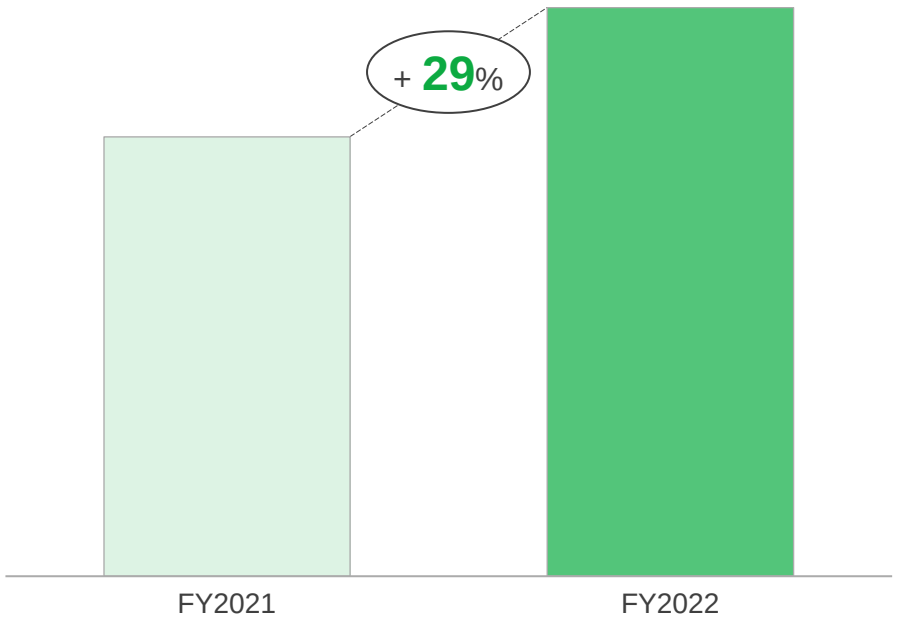
Note: Y-o-Y stood for Year on Year and is a comparison to the previous year.

[Reference] For Industry: Expanding of Data Utilization by Pharmaceutical Clients

Looking at the relationship with pharmaceutical companies, which are the main clients of the business for industry, the volume of transactions with existing clients who already have a track record of data utilization increased by +29% over the previous year. In addition, the number of pharmaceutical clients expanded by 24% over the previous year. The scope of data users also continues to expand.

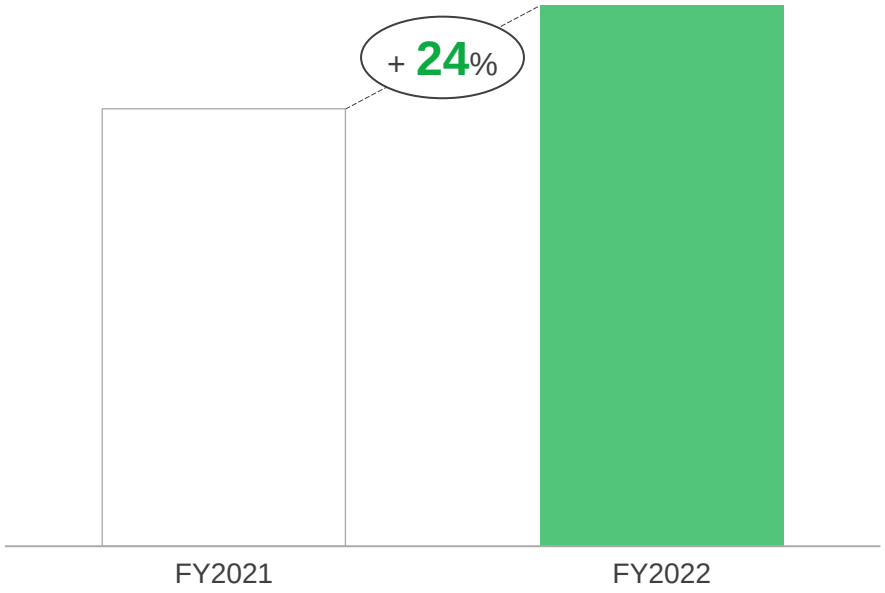
Transactions per client with existing pharmaceutical clients

(Amount basis)



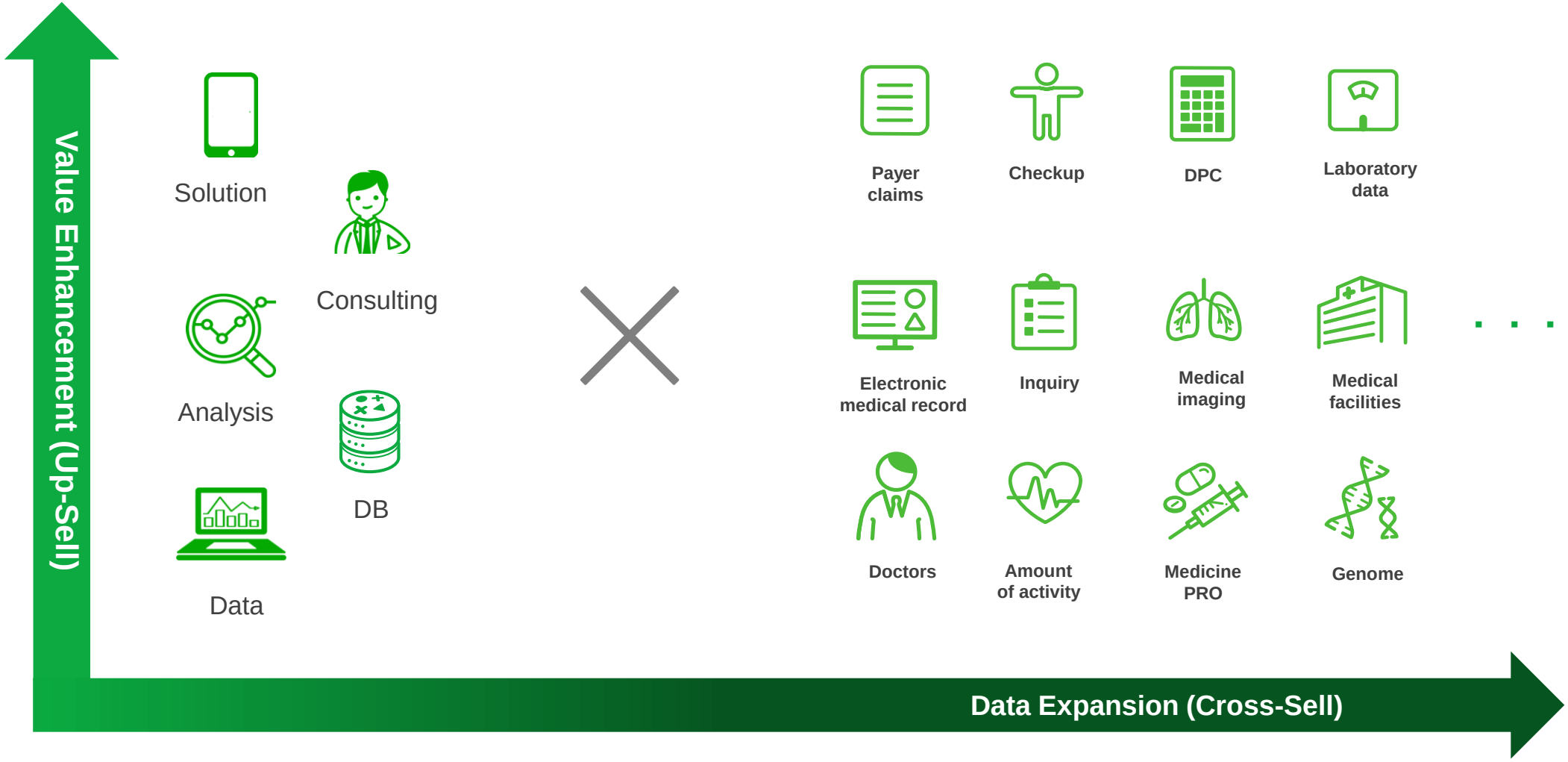
Number of pharmaceutical clients

(Number of companies basis)



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).

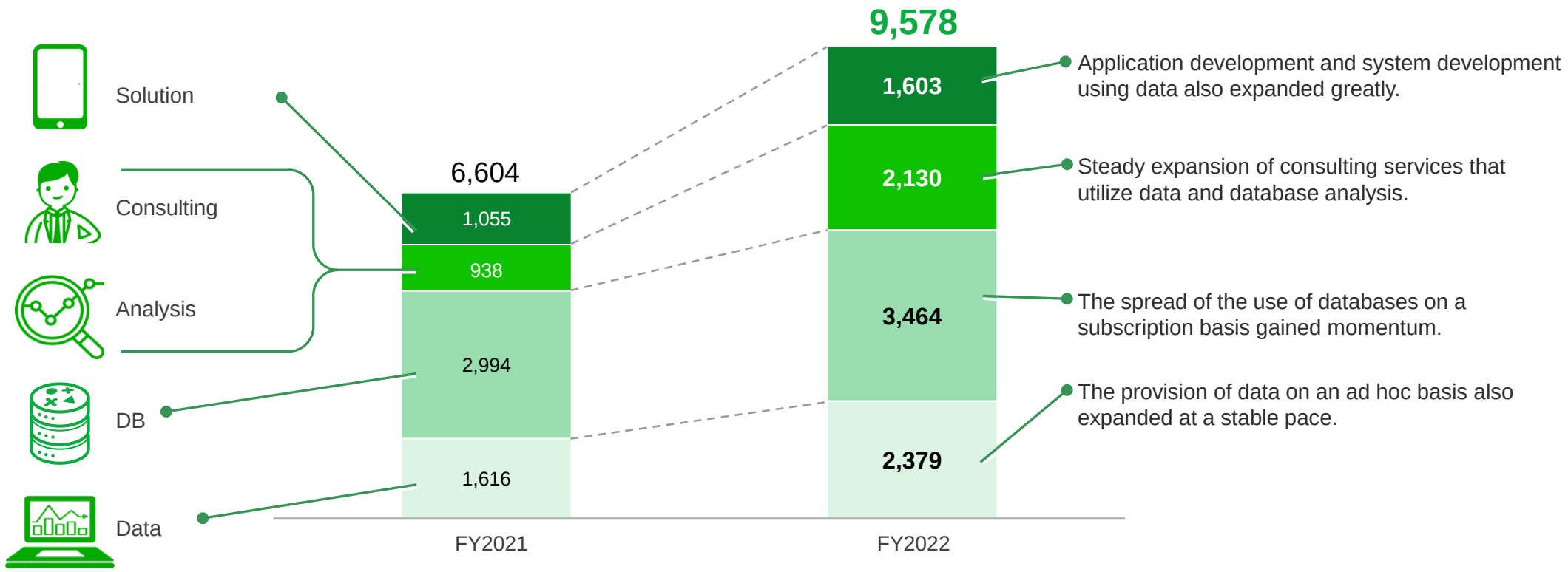


For Industry: Up-Sell Efforts

Steady growth has been achieved through diversification of data high value-added services such as consulting, analysis, and solutions.

Up-Sell Status (Revenue by Service)

(Unit: Million JPY)

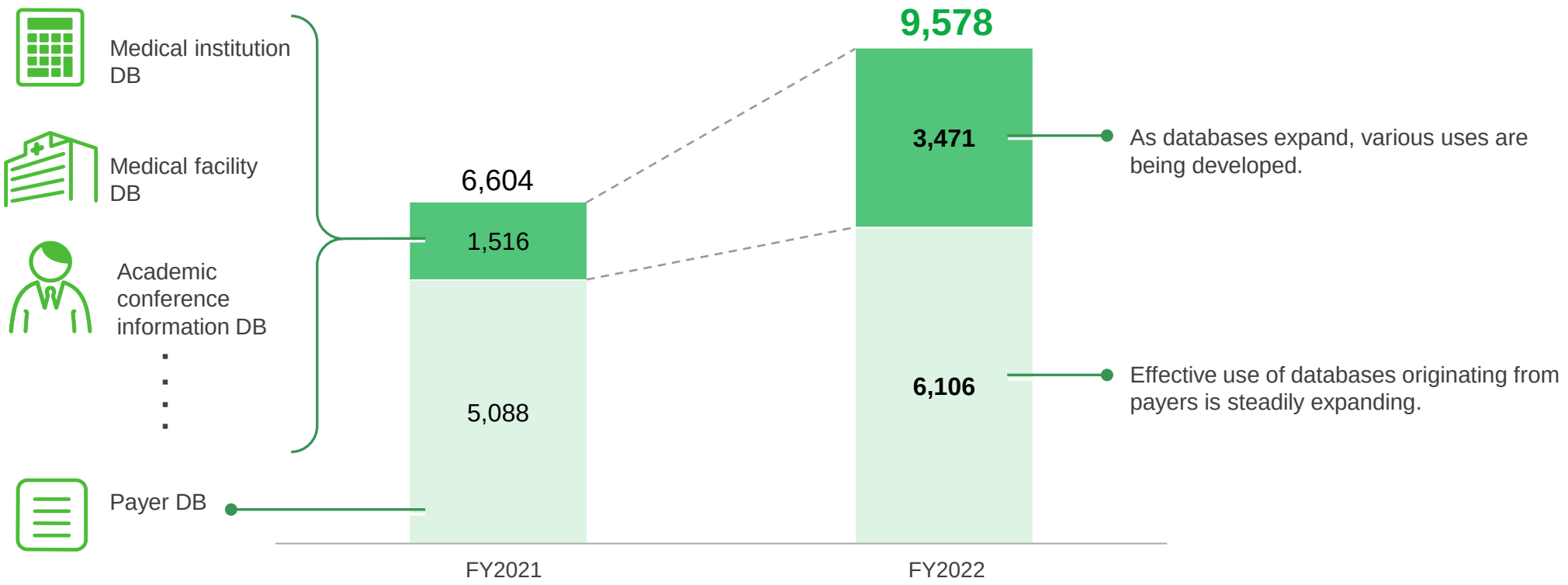


For Industry: Cross-Sell Performance of DBs Other Than Payer DB

Data sales other than Payer DB, for which we have been stepping up efforts, are also growing rapidly.

Cross-Sell Performance (Sales by Data Category)

(Unit: Million JPY)

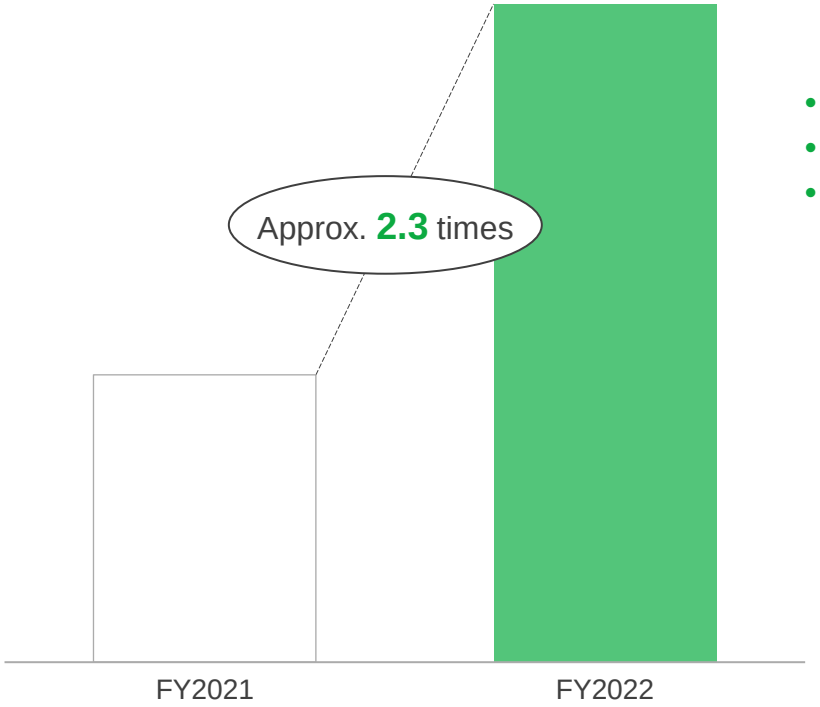


Reference] For Industry: Sales growth through the use of medical institution-derived data and networks

Cross-selling efforts are no longer limited to the impression that JMDC = Payer data, and sales from data derived from medical institutions are beginning to contribute significantly to the growth of the industry-oriented (for pharmaceutical companies) business.

Sales for industry using data and networks of medical institutions

(Amount basis)



- **DPC (Diagnosis Procedure Combination) Data**
- **Medical Record Data**
- **Clinical Trial Dx**

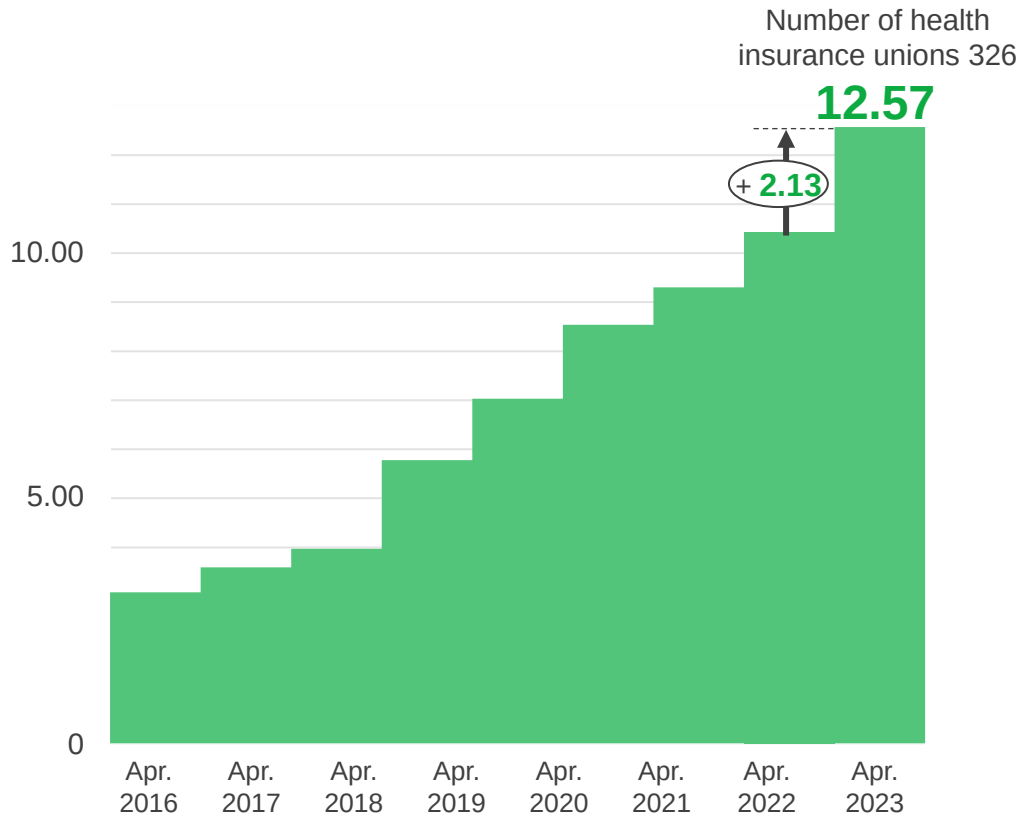
For Payers/Individuals: Widening the Data Platform

As the use of data by health insurance unions continues to expand, orders for our services are accelerating. In addition to maintaining our dominant position in this area, we are also making steady progress in providing services to national health insurance, local governments and Japan Health Insurance Association (as described later). In addition, the number of Pep Up users is expanding at an accelerated pace, with a number of large health insurance unions adopting our services.

JMDC Population Count Trend

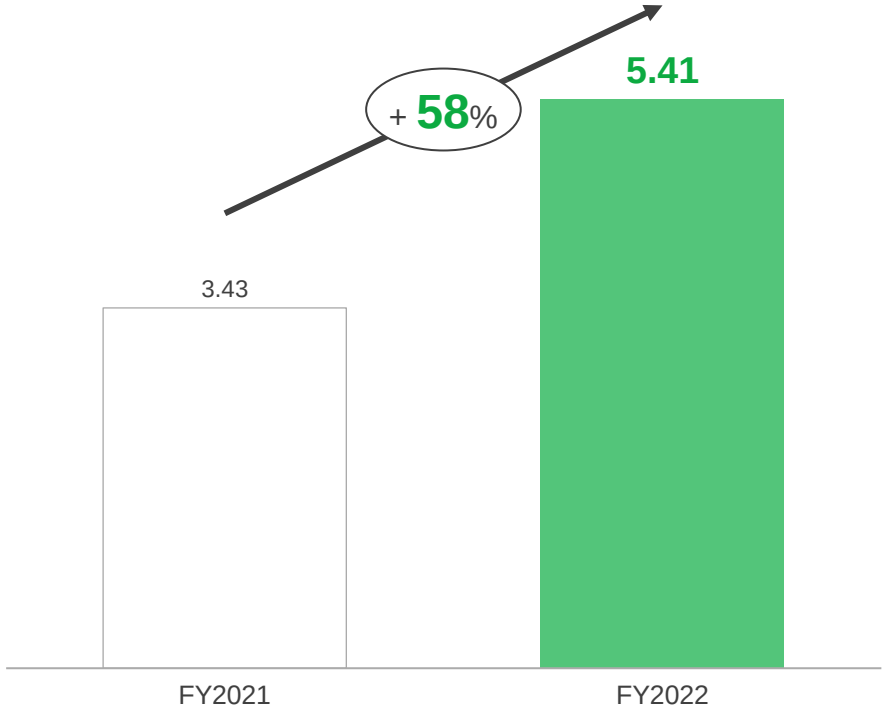
The population rapidly expanding

(Unit: Million people)



Pep Up: Number of User IDs

(Unit: Million people)



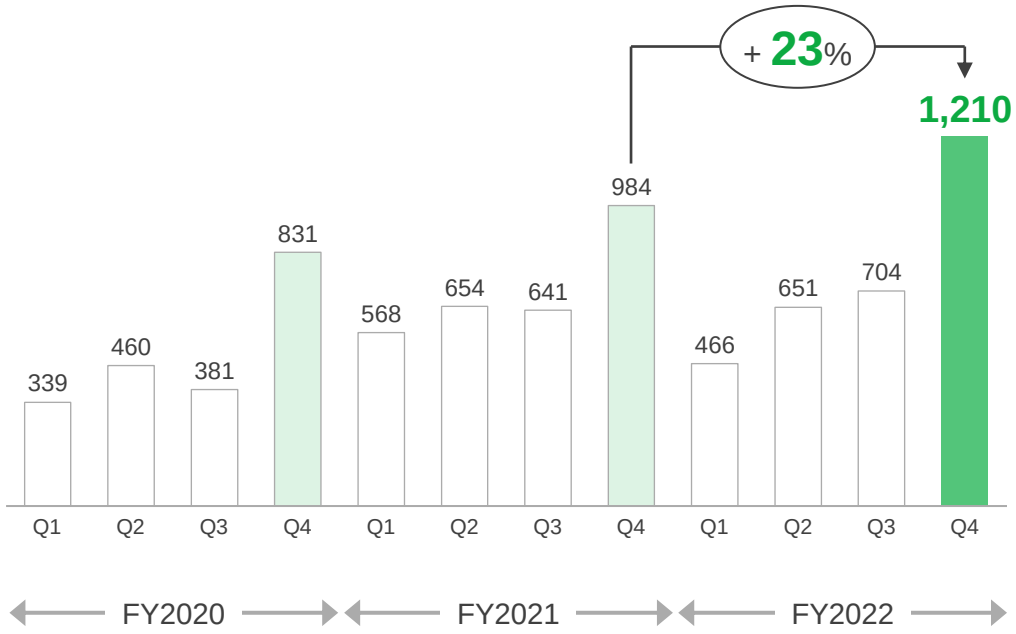
Note: Members represent the total number of members of health insurance unions that have continuous contracts with us as of the end of April and September of each year (excluding one-time transactions, rounded off), provided that the numbers for past years are the total member numbers as of the date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

For Payers/Individuals: State of Business

In the current fiscal year, the decrease in sales of wearables was offset by growth in services provided through Pep Up and business for local governments and national health insurance.

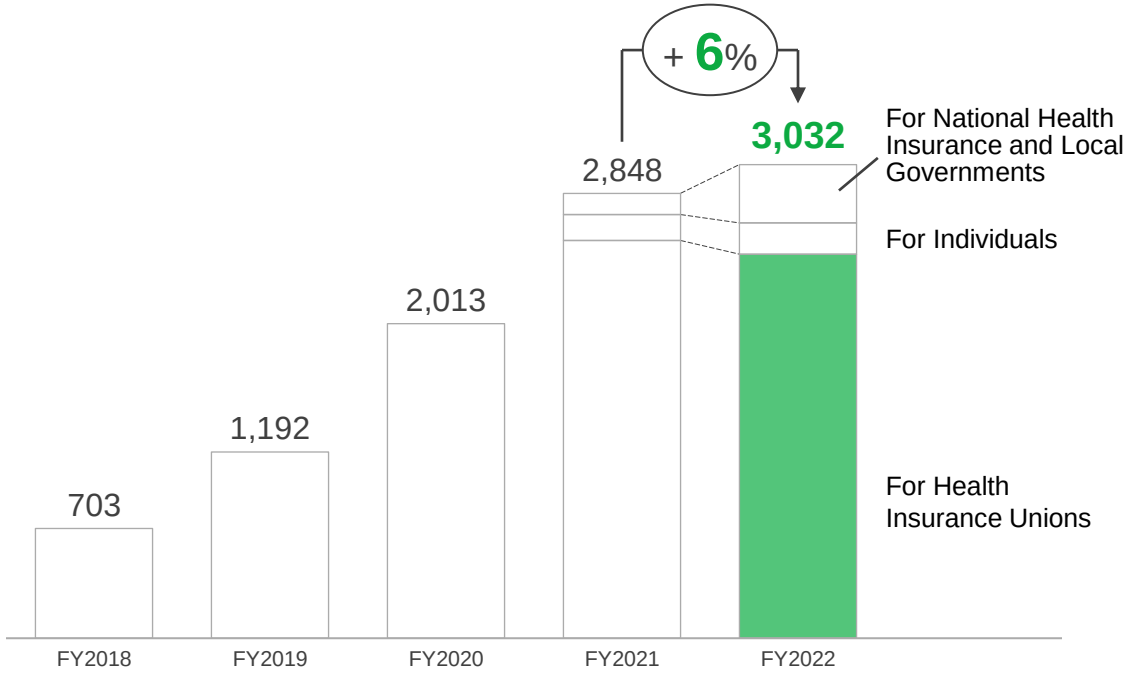
Quarterly Revenue Trends of Business for Payers/individuals

(Unit: Million JPY)



Yearly Revenue Trends of Business for Payers/individuals

(Unit: Million JPY)

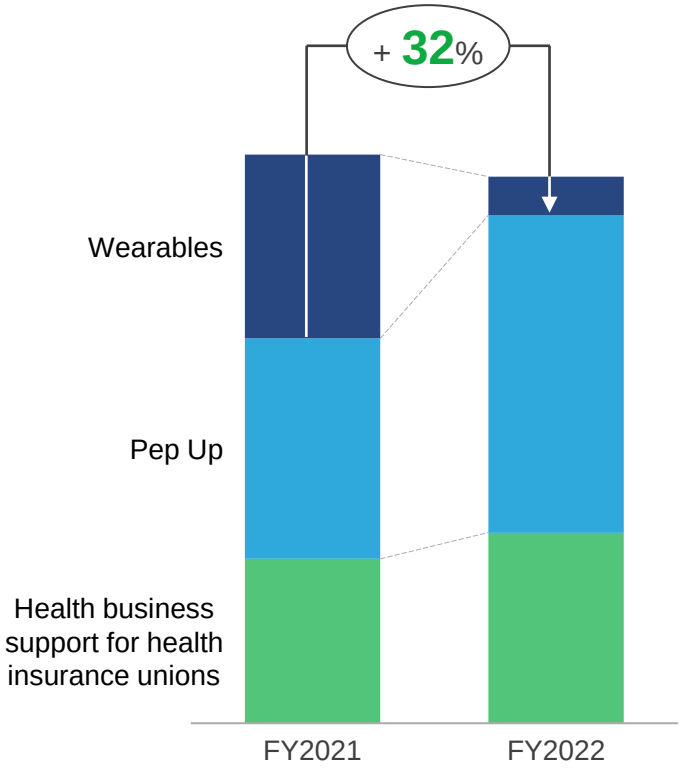


[Reference] For Payers/Individuals: Change in Service Breakdown and Development of Next Fields

Sales to health insurance unions are showing steady growth of +32% Y-o-Y, excluding sales of wearables, due to the rapid expansion of Pep Up-related services. In addition, services for local governments and corporates have made a significant start this fiscal year, laying the groundwork for further growth in the next fiscal year and beyond.

For Health Insurance Unions: Revenue Breakdown by Service

(Amount base)



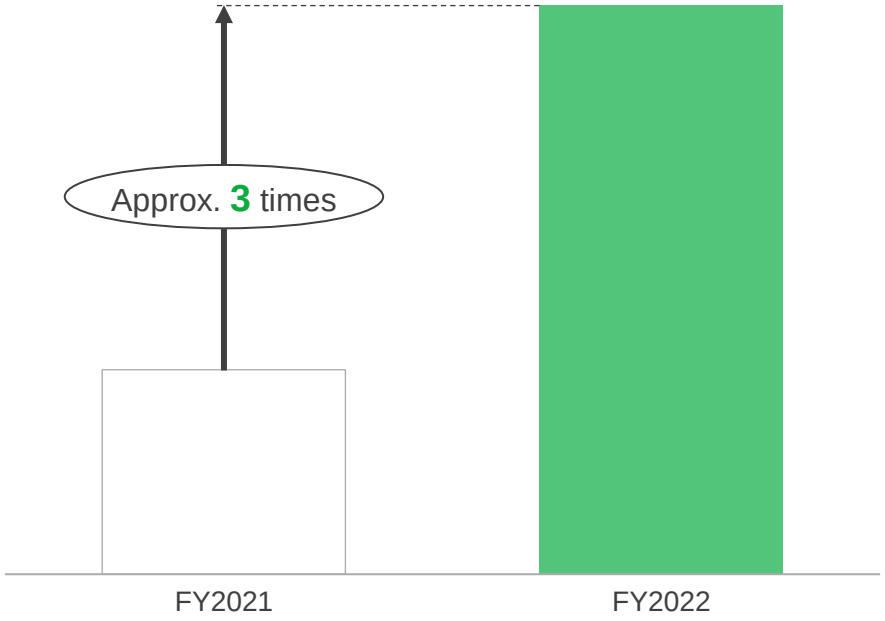
Wearables
Unlike the previous fiscal year, demand growth is sluggish this fiscal year

Pep Up
Accelerated adoption by health insurance unions, resulting in increased revenues from related services

Health business support
Existing business for health insurance unions is solid, and services for prevention of serious illnesses, etc. are also being launched.

Sales Related to Services for Local Governments and Corporate Customers

(Amount base)



[Reference] For Payers/Individuals: Functional Expansion of Pep Up

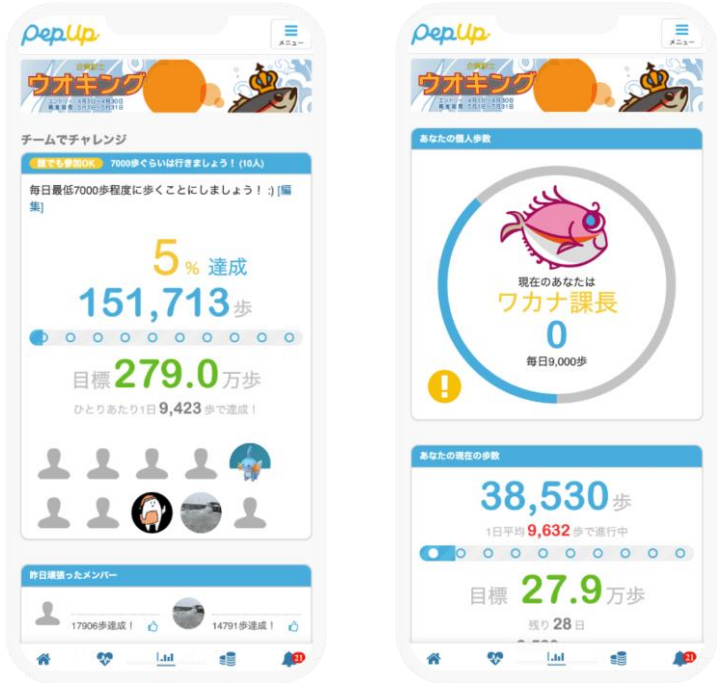
The introduction pace has greatly accelerated as we continue to expand and improve functions that benefit both the health insurance unions and the users. We will continue to maintain a high level of service loyalty.

Functional Expansion and Improvement

1. Expansion of management screen for health insurance unions (design renewal, enrollment status, MAU, etc.)
2. Pep Up health quiz renewal
3. Walking rally functional modification
4. Additional e-learning contents (breast cancer, mental health, etc.)
5. Support for large scale health insurance unions (reduction of the burden of point assignment, identification, etc.)
6. Improved generic notification analysis management screen
7. Expansion of items displayed in health checkup results
8. Indication of reduced assessments in medical expense notices

⋮

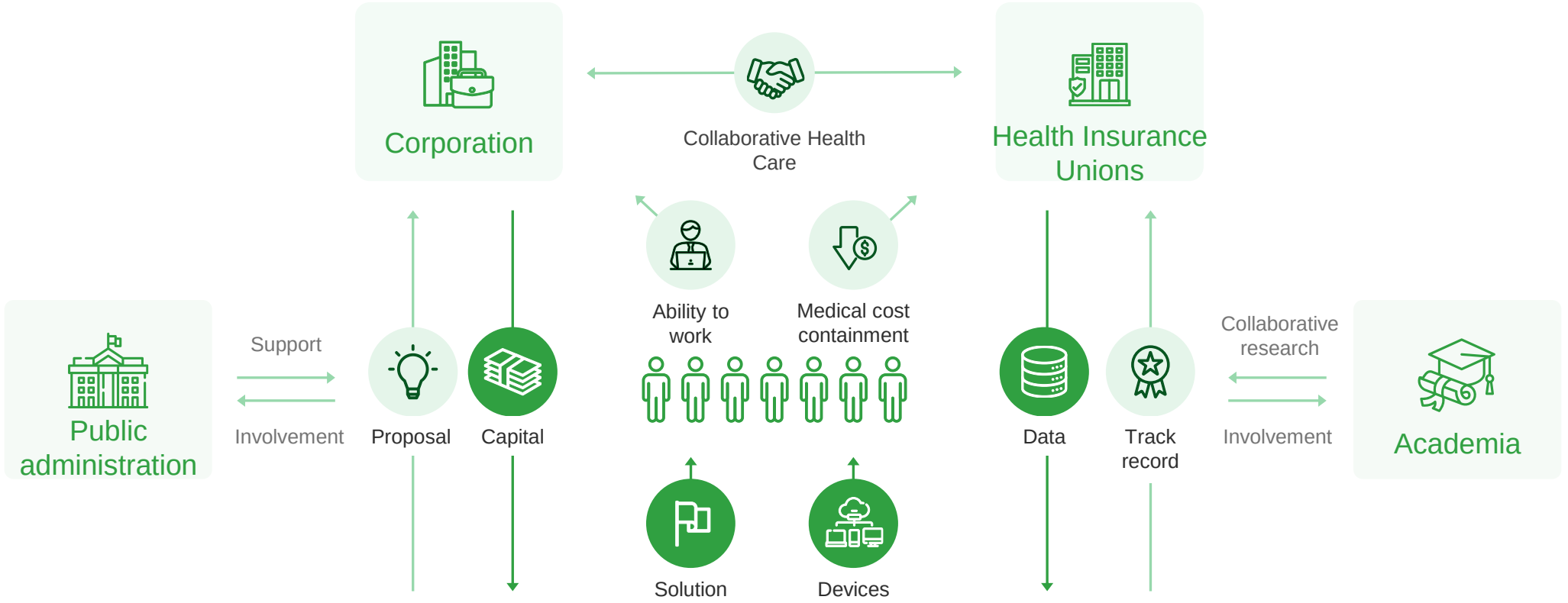
Specific examples of functional modifications (Walking Rally)



- Better visibility of team participation status and emphasis on team functions
- Display personal goals so that one person can enjoy working on them
- Other playful elements are added to make the experience more enjoyable and less boring (title function, etc.)

For Payers/Individuals: Health & Productivity Management Alliance for Employers

The Health & Productivity Management Alliance was launched under the leadership of OMRON Corporation. Companies share their know-how with each other by utilizing data and implementing specific initiatives to improve the health of their employees. Since the announcement in March, many companies have already announced their participation in the alliance, and it is becoming a big swell of interest.



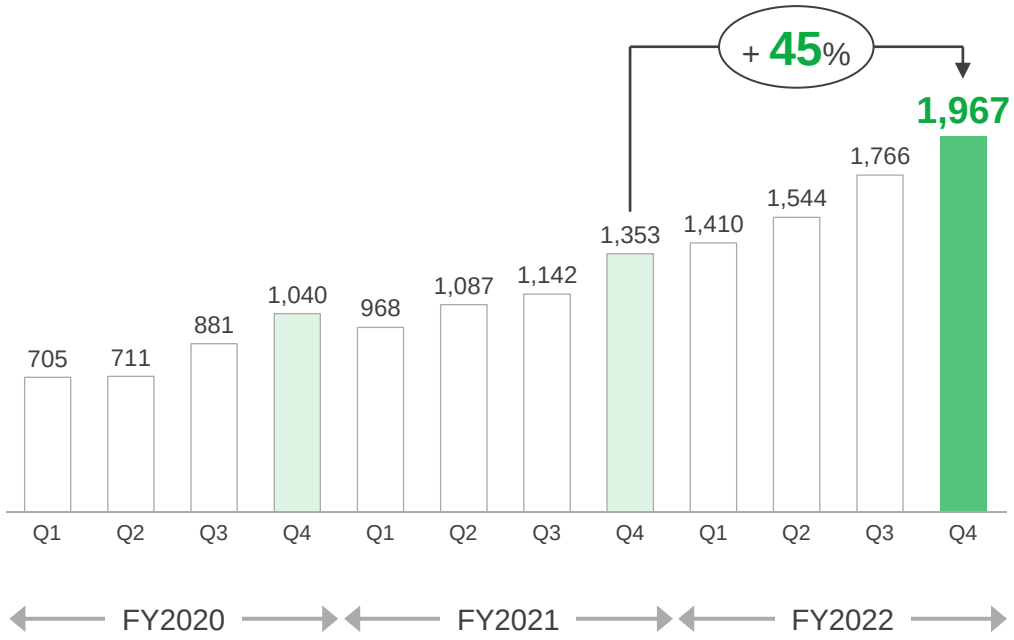
Health & Productivity Management Alliance

For Medical Service Providers: State of Business

The scale of our business is rapidly expanding due to the expansion of services for medical institutions. In addition, the data utilization infrastructure based on transactions with medical institutions (hospitals) is expected to further expand in the future.

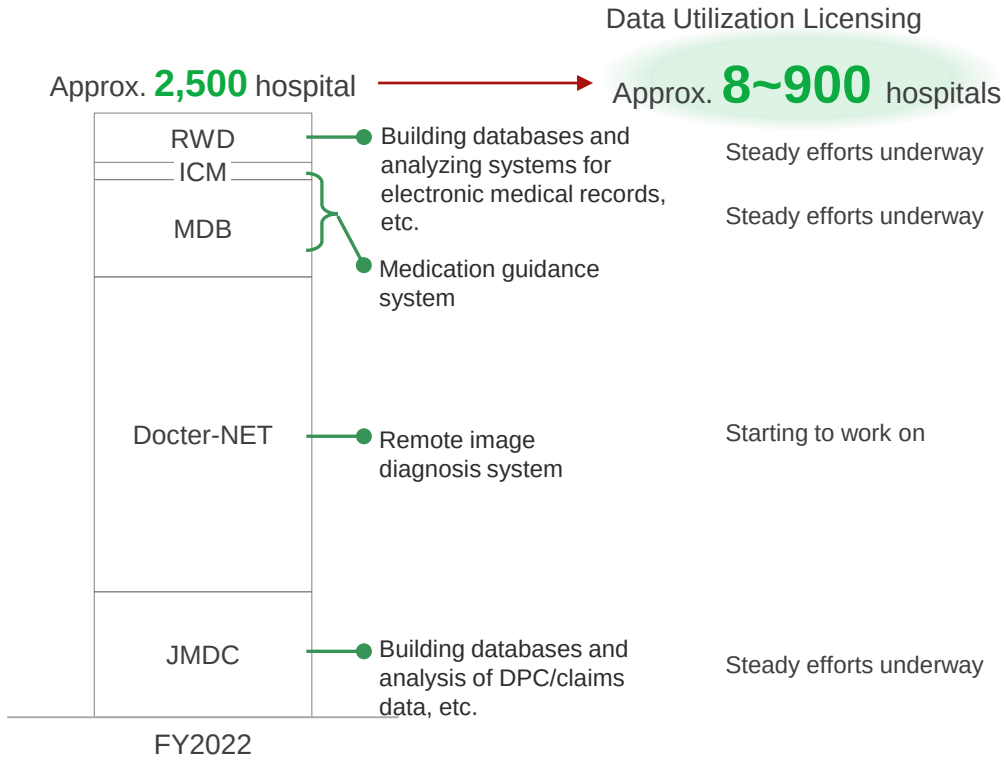
Quarterly Revenue Trends of Business for Medical Service Providers

(Unit: Million JPY)



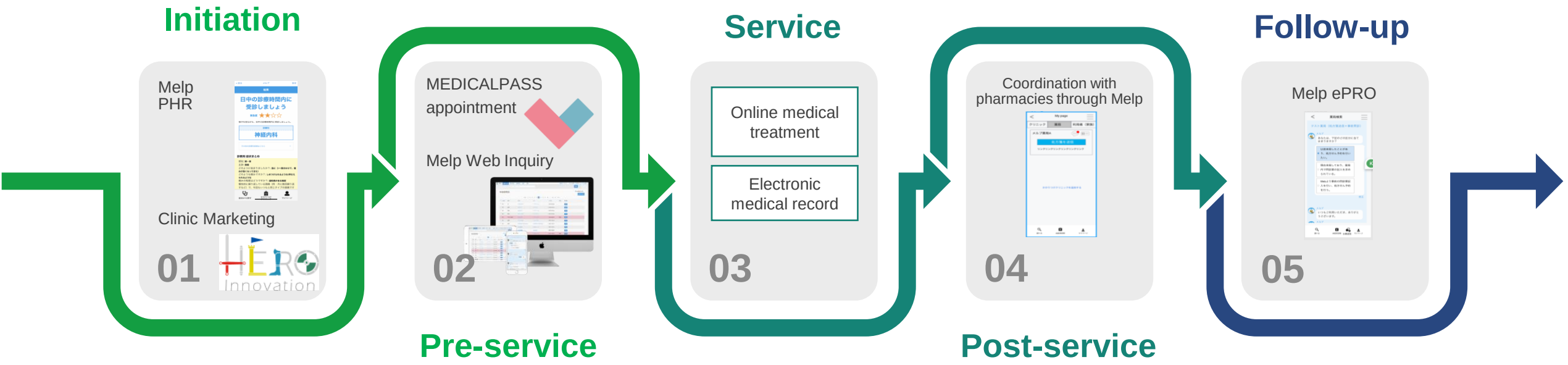
Number of systems provided to medical institutions (hospitals) by JMDC Group companies

(Number of facilities basis)



For Medical Service Providers: Toward the Realization of Smart Clinics

After Covid-19, there has been a change in the consultation behavior of social consumers. Against the backdrop of this change, we are strengthening our response to the entrance (attracting patients, making appointments, and web-based inquiries) and exit (cooperation with pharmacies and PROs) at first. For the core part of diagnosis, such as electronic medical records, we do not have our own mold, and our strategy is to respond flexibly according to the clinic's situation.

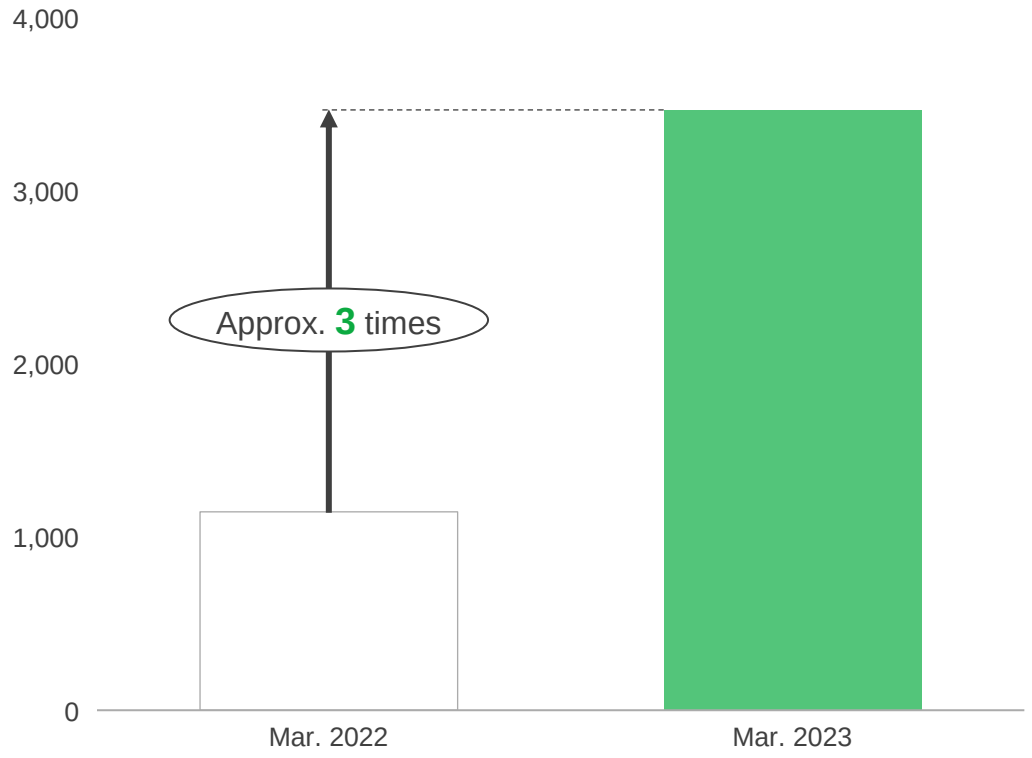


For Medical Service Providers: Penetration of Smart Clinics

Both the number of clinics transacting business and the number of user patients are expanding rapidly. The cycle of service expansion leading to new user growth is accelerating.

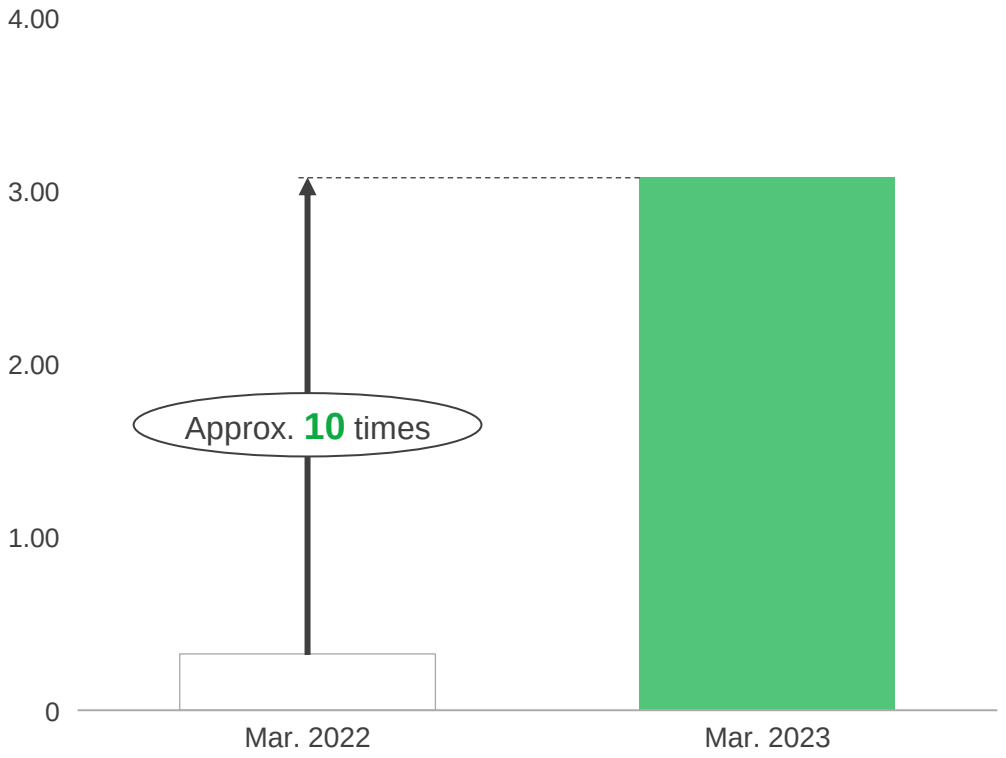
Number of transaction clinics

(Number of facilities basis)



Number of user patients for web-based medical inquiries and appointment services

(Unit: Million people)

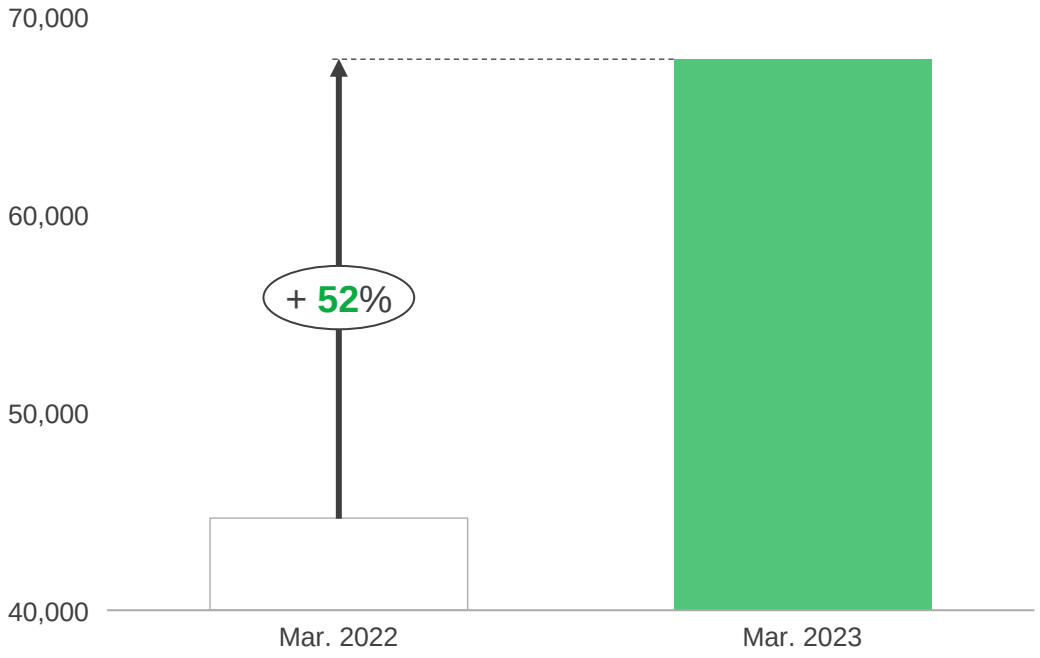


For Medical Service Providers: Expansion of Medical Service Provider Platforms (Antaa, Ishiyaku)

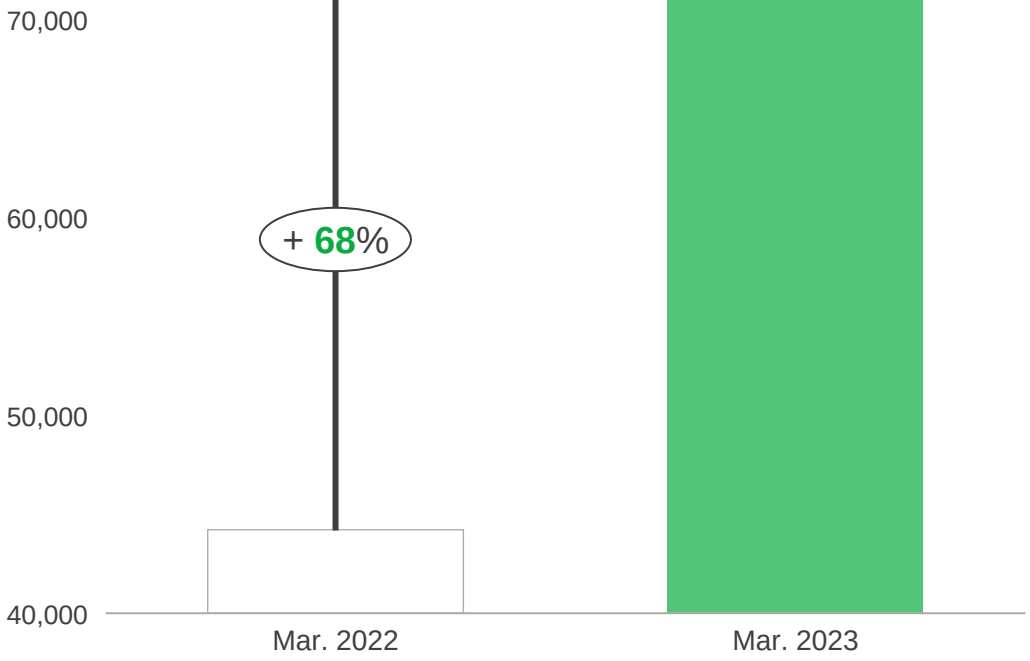
Both "Antaa" and "Ishiyaku" have succeeded in rapidly expanding their networks even in the presence of strong existing platform providers.

Number of “Antaa” Doctor Member Accounts Antaa

(Unit: persons)



Number of “Ishiyaku” User IDs

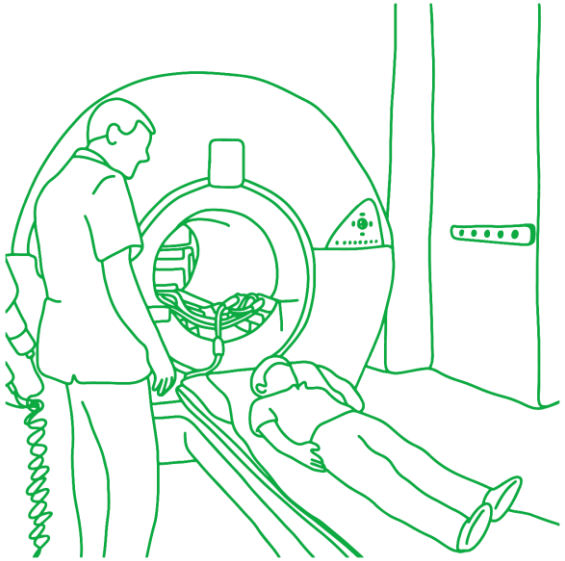


Section 4

Tele-medicine Business and Dispensing Pharmacy Support Business

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

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



Contracted medical institutions

1,303

Tele-RAD

Matching of diagnostic imaging request and contracted radiologists

Conducting Tele-medicine by DtoD

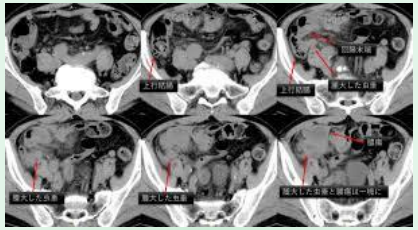


Image DB

Radiologist DB

Largest market share of 28% in Japan

Radiologists

1,063

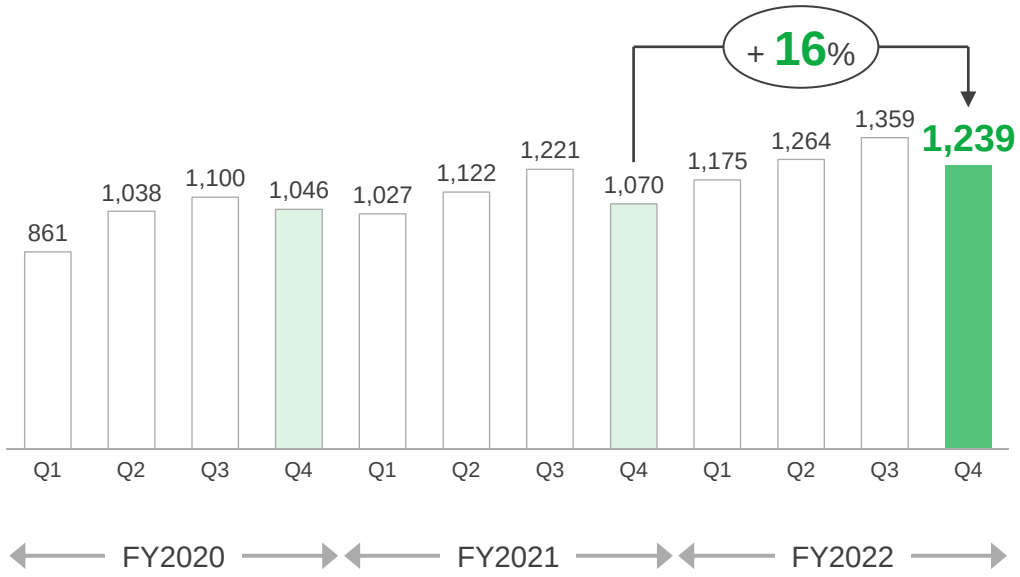
Note: Market share is calculated by Doctor Net based on the "Outlook and Strategy for the Medical Imaging System (PACS) and Related Equipment Market in 2021" published by Yano Research Institute.
The number of contracted medical institutions and radiologists are calculated based on the total number of institutions and radiologists with which Doctor Net has service contracts.
Source: Ministry of Health, Labour and Welfare "Survey on Medical Facility Dynamics in 2020," List of Radiologists on the website of the Japan Radiological Radiological Society.

Tele-medicine Business: Performance

The expansion of business scale supported by solid demand and the improvement of profitability by strengthening operational capabilities have both contributed to the steady performance.

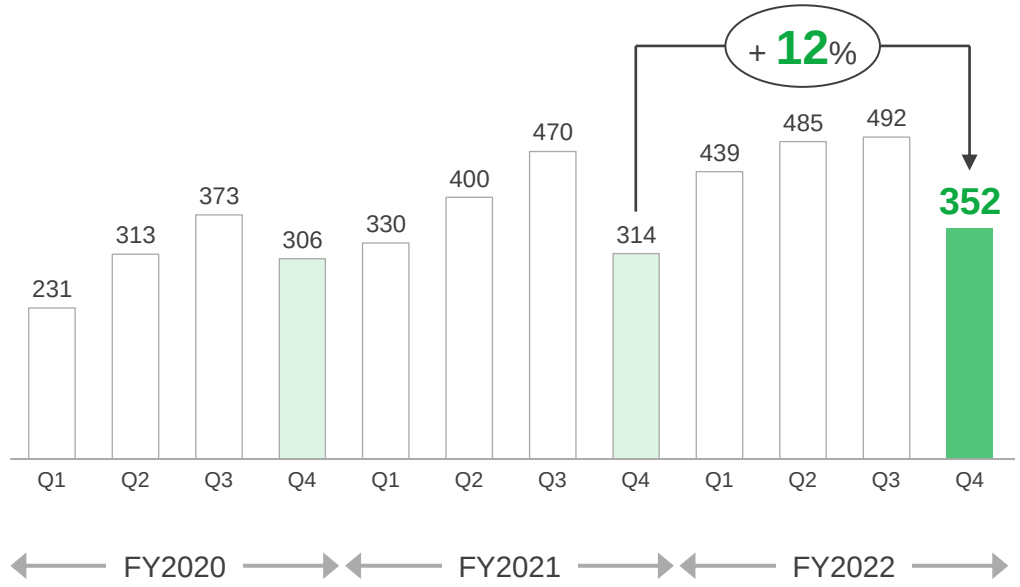
Quarterly Revenue Trends of Tele-medicine Business

(Unit: Million JPY)



Quarterly Trends of EBITDA

(Unit: Million JPY)

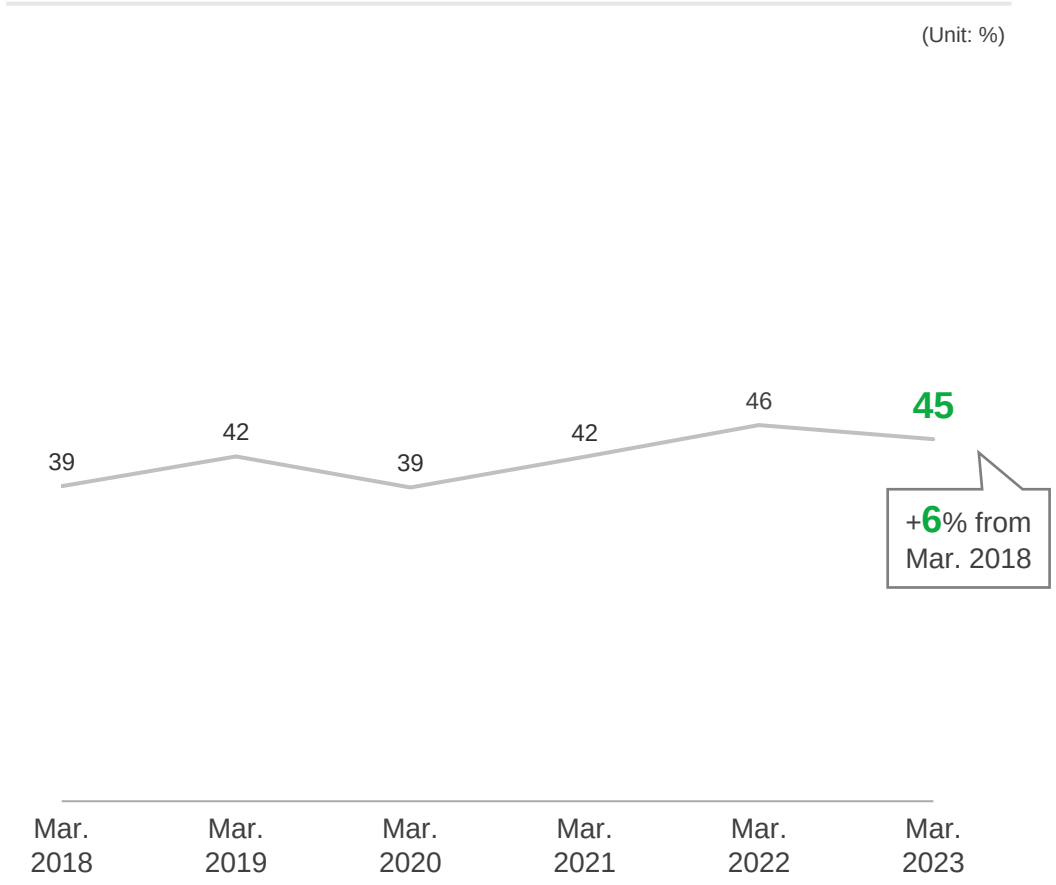


Note: EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses

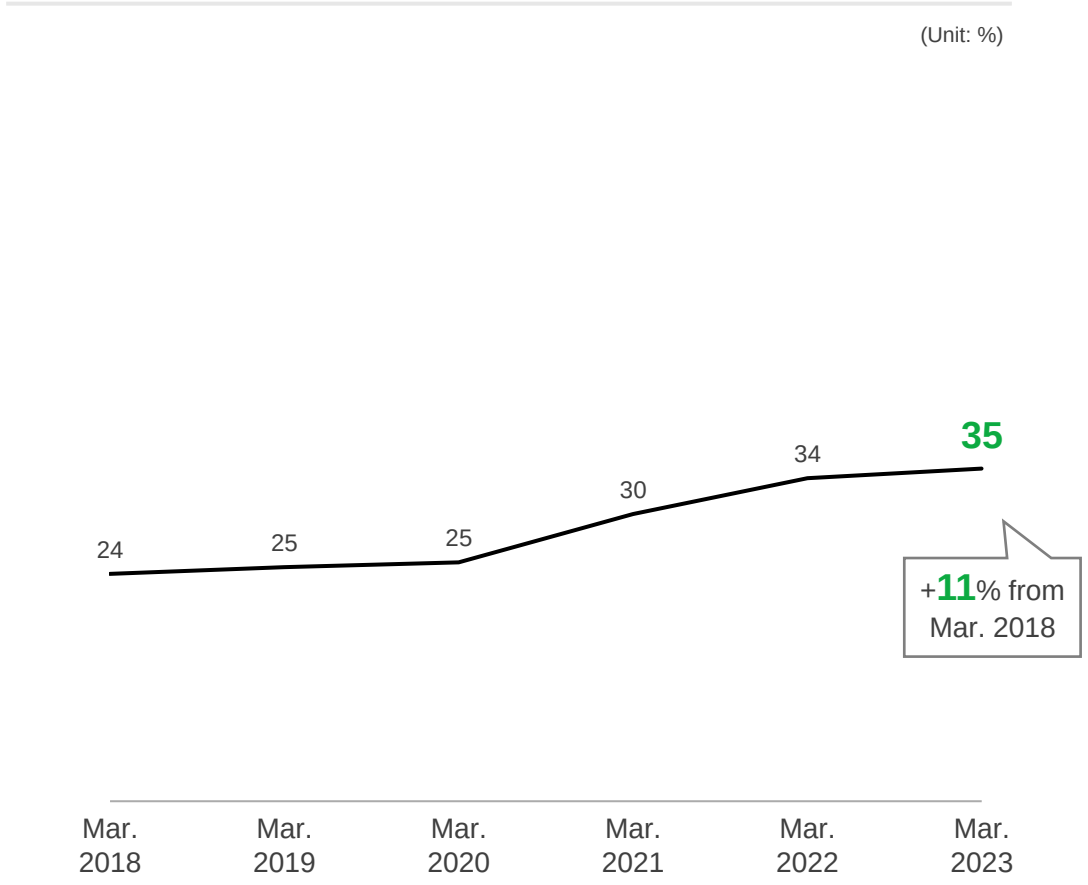
Tele-medicine Business: Changes in Profit Margin

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

Changes in Gross Profit Margin



Changes in EBITDA Margin



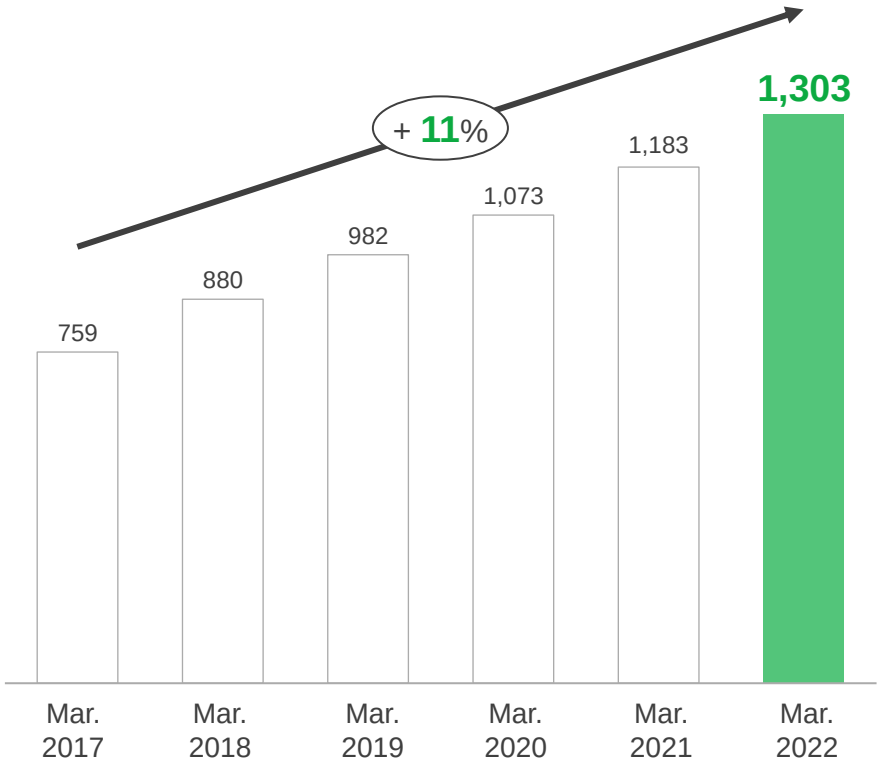
Note: Gross profit margin is shown for Doctor-Net on a non-consolidated basis; EBITDA margin for Mar. 2018 is the EBITDA margin for Doctor-Net on a non-consolidated basis; thereafter it is the EBITDA margin for the Tele-medicine Business segment.
Doctor-NET has been consolidated since April 2018, but 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 radiologists is growing.

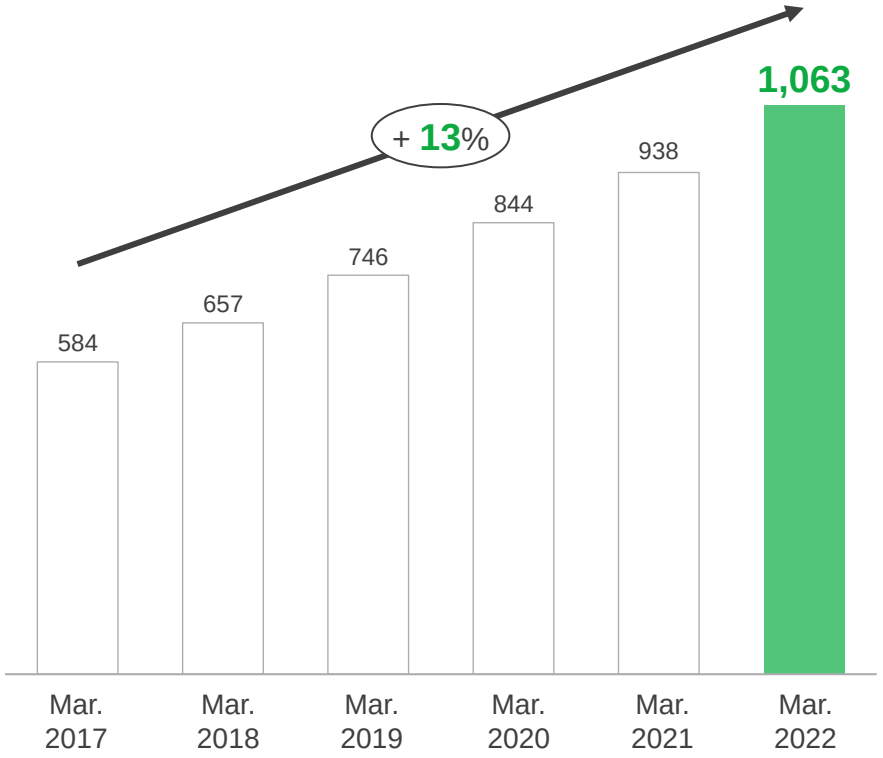
Trend in the Number of Contracted Facilities

(Unit: facilities)



Changes in the Number of Radiologic Interpreters

(Unit: persons)

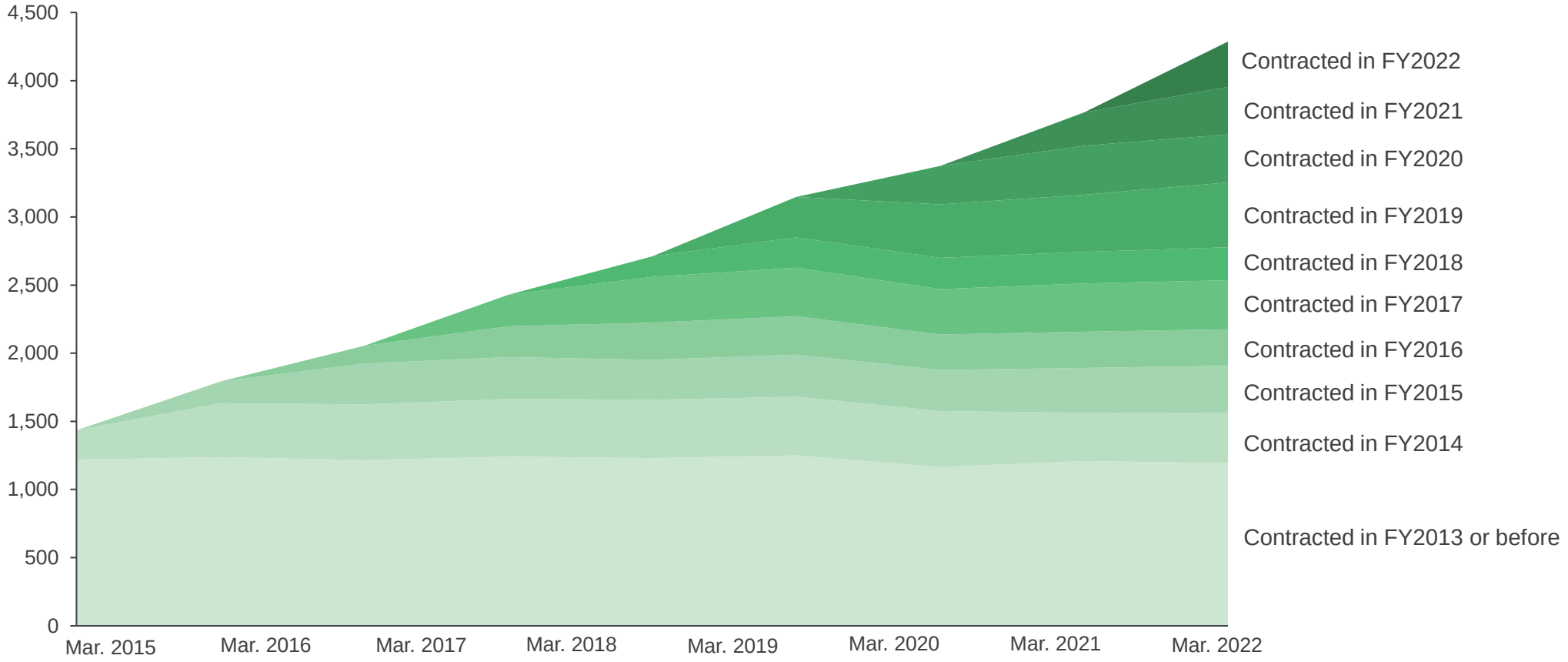


Note: The figures presented as the numbers of contracted facilities and the numbers of radiologic interpreters represent the total numbers of facilities and radiologic interpreters contracted for the services of Doctor-NET. Doctor-NET has been consolidated since April 2018, but the above figures include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

Tele-medicine Business: Accumulation of remote reading service sales

The impact of Covid-19 has subsided, and we believe that the business will continue to expand stably, supported by continued strong demand.

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



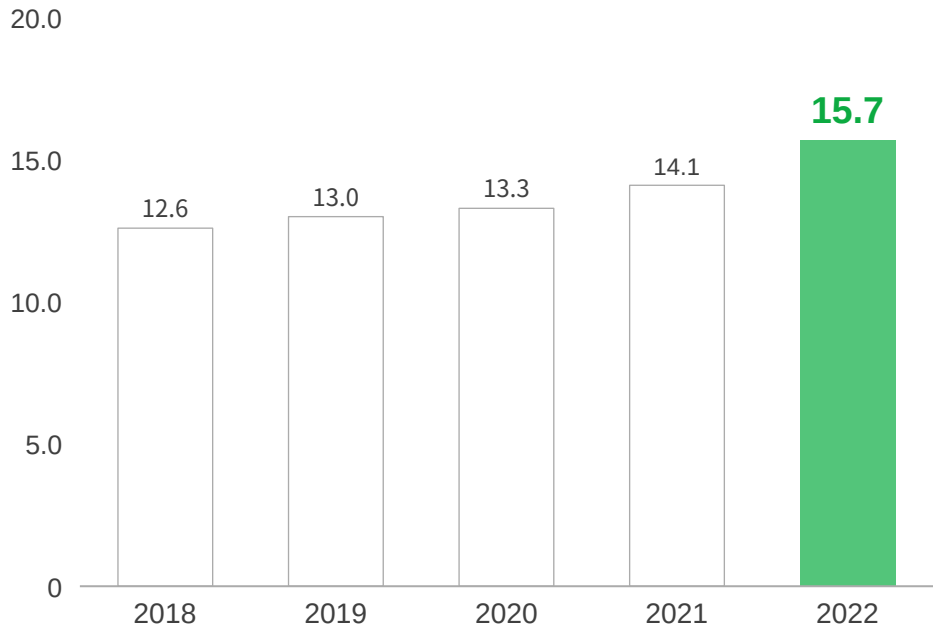
Note: Revenues in this slide are for JMDC's management. Doctor-NET has been consolidated since April 2018, but the above figures include Doctor-NET's revenue for the prior periods.

Tele-medicine Business: Changes in Market Size and Share

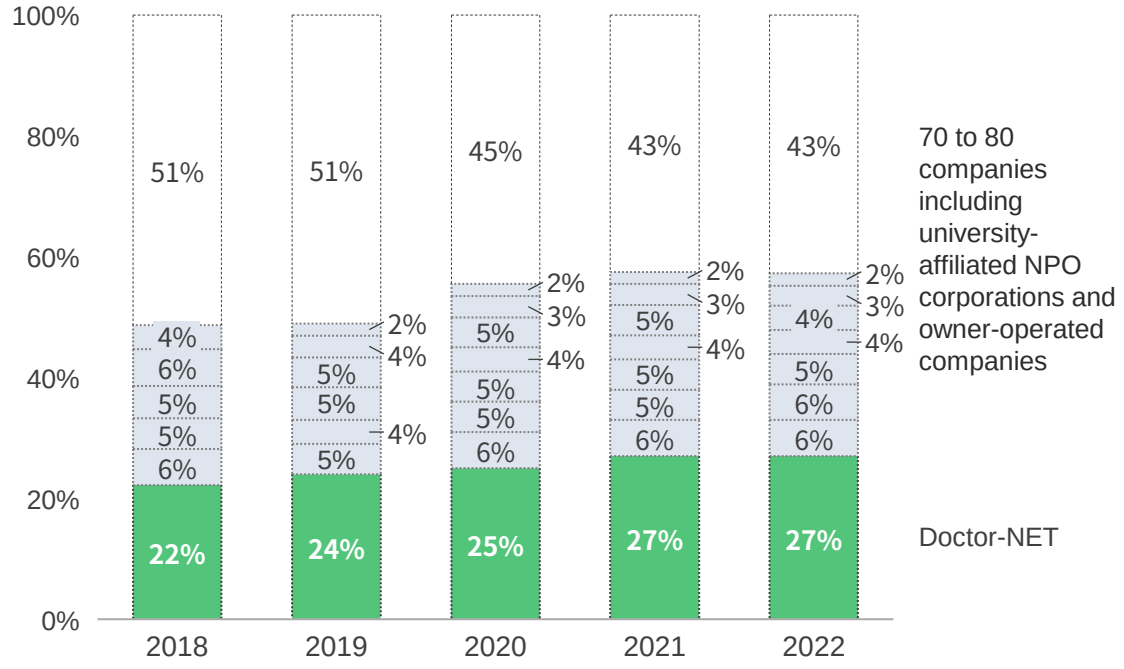
In the growing remote image interpretation market, Doctor Net's market share is steadily expanding.

Changes in the Size of the Remote Image Interpretation Market

(Unit: Billion JPY)



Changes in Market Share



Note: Prepared by Doctor-NET based on “2022 Edition of Outlook and Strategies for Picture Archiving and Communication System (PACS) Market and Markets for Related Devices” and “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: Position in the Global Remote Diagnostic Imaging Market

Doctor-NET boasts a Top 3 position in the global remote diagnostic imaging market. We will leverage this position to expand in the global market.

2020 Rank	Vendor	2020 Volume (Unit: 1,000 sheets)	2020 Share	Key regions/Countries
1	vRad	5,380	8.4%	US
2	Envision	2,500	3.9%	US
3	**Doctor-NET**	**1,900**	**3.0%**	**Japan**
4	Rad365	1,520	2.4%	US
5	Experity Health	1,400	2.2%	US
6	StatRad	1,260	2.0%	US
7	Everlight Radiology	1,050	1.6%	UK/Ireland, Oceania
8	Teleradiology Solutions	1,020	1.6%	India, US
9	ONRAD	1,000	1.6%	US
10	Medica Group	950	1.5%	UK/Ireland
11	Dr Elephant	900	1.4%	China
12	Philips (Direct Radiology)	850	1.3%	US
13	Excalibur Healthcare	700	1.1%	US
14	Telelaudo	600	0.9%	Brazil
15	Real Time Medical	580	0.9%	Canada
16	I-MED Radiology Network	540	0.8%	Oceania
17	Telemedicine Clinic (Unilabs)	460	0.7%	Nordics, UK
18	RadNet	450	0.7%	US
19	DeepTek	400	0.6%	India
20	Real Radiology	400	0.6%	US

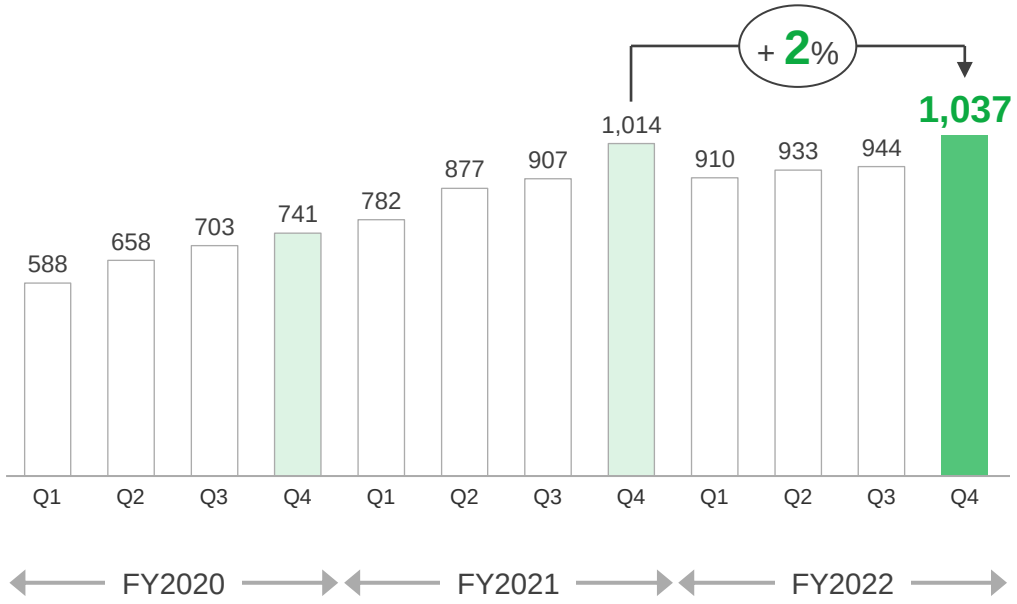
Source: Signify Research “Teleradiology-World-2021”

Dispensing Pharmacy Support Business: Performance

Although still partially affected by investment restraints at dispensing pharmacies, stable revenue and earnings are being generated.

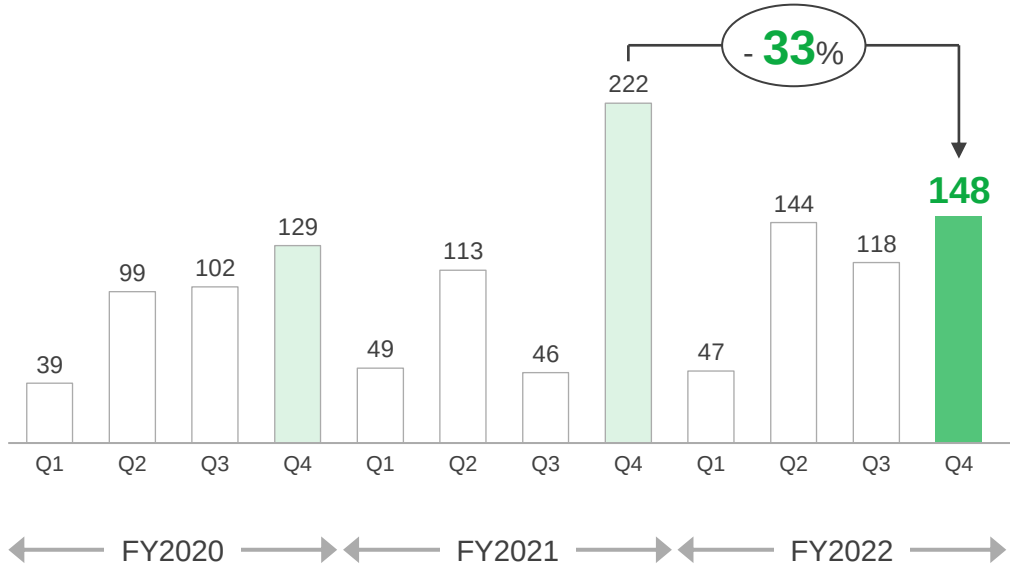
Quarterly Revenue Trends of Dispensing Pharmacy Support Business

(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

FY2023 Performance Forecast

FY2023: Performance Forecast

As in the previous years, we have formulated our revenue and profit plans on the basis of organic growth (continuous growth of existing businesses) with no expectation of M&As or new businesses. We will also aggressively invest in growth while maintaining a balance with profit margins.

(Unit: Million JPY)	FY2022 Actual	FY2023 Plan	Y-o-Y
Revenue	27,809	35,000	+26%
Operating profit (Rate)	5,926 (21%)	7,600 (22%)	+28%
Profit before taxes (Rate)	5,876 (21%)	7,550 (22%)	+29%
Profit attributable to owners of parent (Rate)	4,268 (15%)	5,300 (15%)	+24%
EBITDA (Margin)	7,716 (28%)	10,000 (29%)	+30%

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

FY2023: 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)

		FY2022 Actual	FY2023 Plan	Y-o-Y
Healthcare-Big Data	Revenue	19,221	25,700	+34%
	EBITDA	6,134	8,100	+32%
	(Margin)	(32%)	(32%)	
Tele-medicine	Revenue	5,038	5,700	+13%
	EBITDA	1,768	2,000	+13%
	(Margin)	(35%)	(35%)	
Dispensing Pharmacy Support	Revenue	3,826	4,000	+5%
	EBITDA	459	400	-13%
	(Margin)	(12%)	(10%)	
Adjustment	Revenue	-277	-300	-
	EBITDA	-649	-500	-

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

Section 7

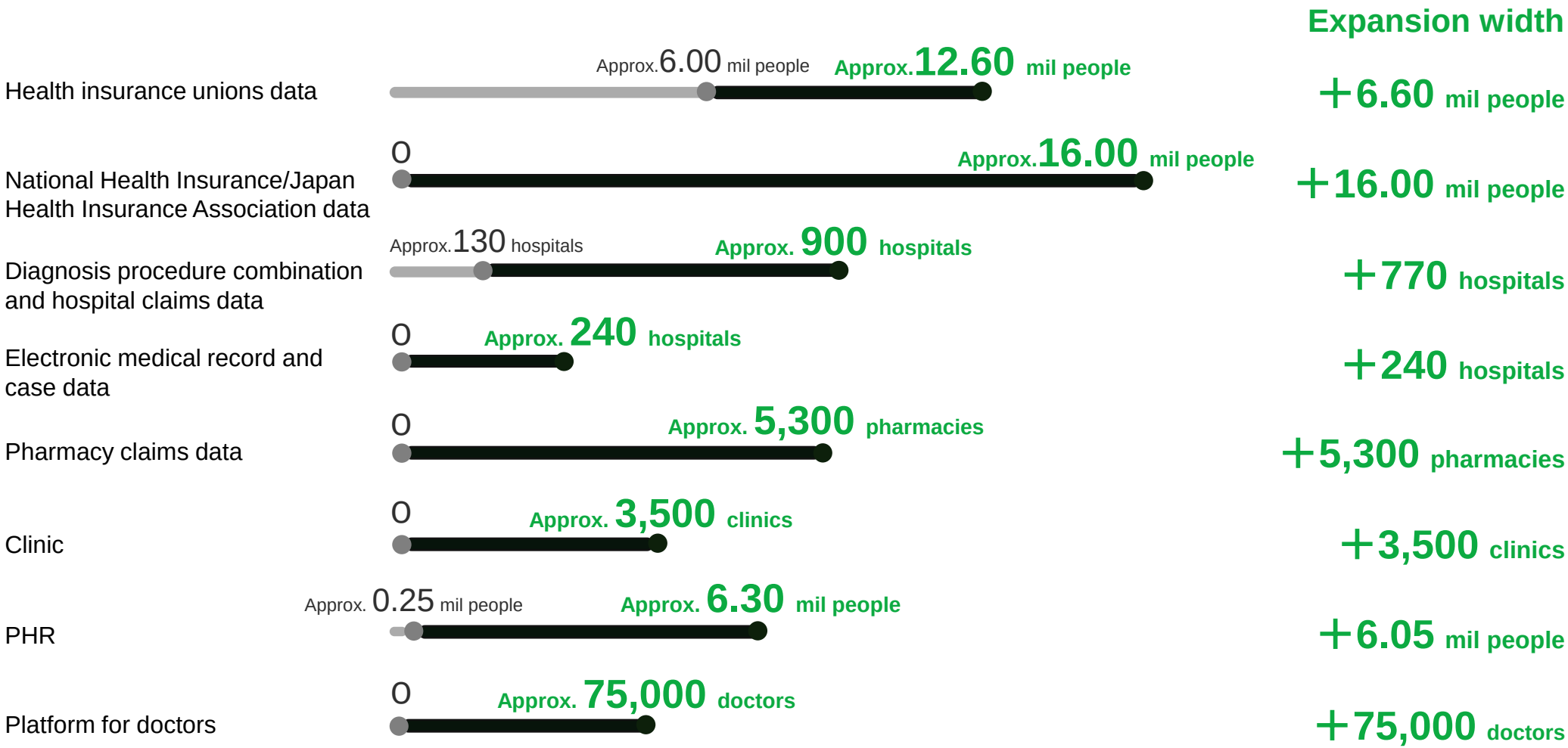
Business Outlook

"Providing a Healthy and Rich Life for All Individuals"

Leveraging data and ICT solutions
to create a sustainable healthcare system

Progress over the past 5 years: Expansion of business assets

Five years ago, the focus was on health insurance unions data. Over the past five years, we have not only expanded our health insurance unions data, but also diversified our data platforms.

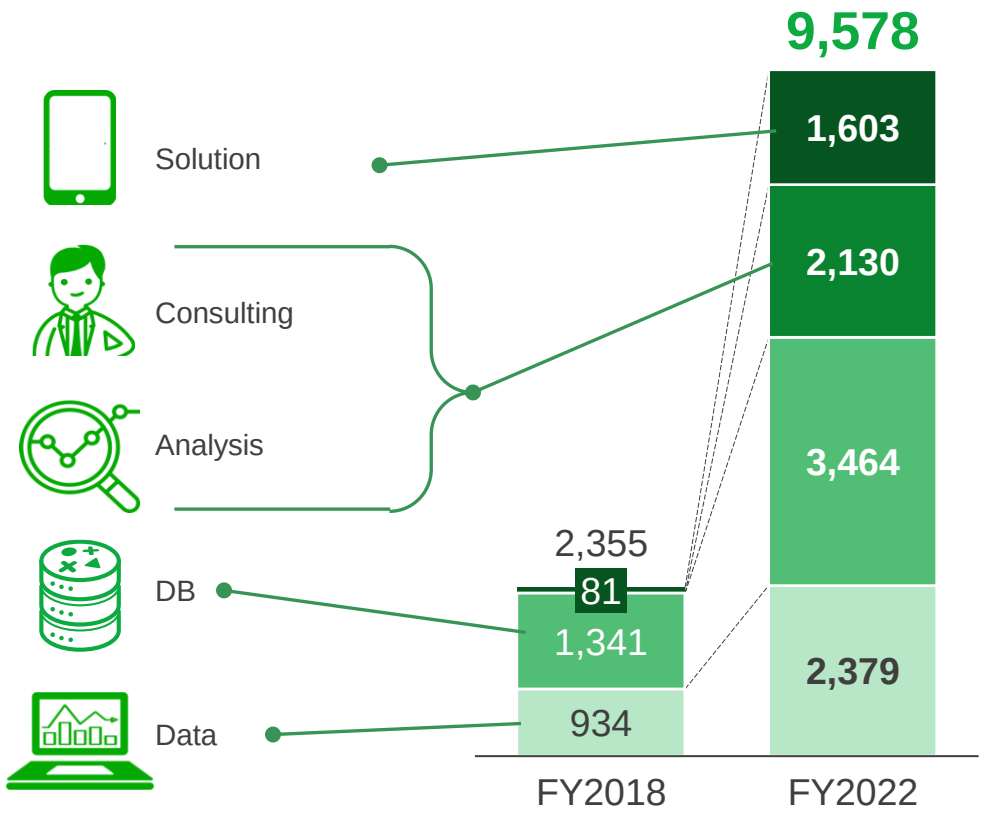


Progress over the past 5 years: Business expansion through Up-Sell and Cross-Sell

From a single leg of data sales of Payer DB, we have added value and diversified the data we provide over the past five years , greatly expanding the scope of data utilization. From a single leg of data sales of Payer DB, we have added value and diversified the data we provide over the past five years, greatly expanding the scope of data utilization.

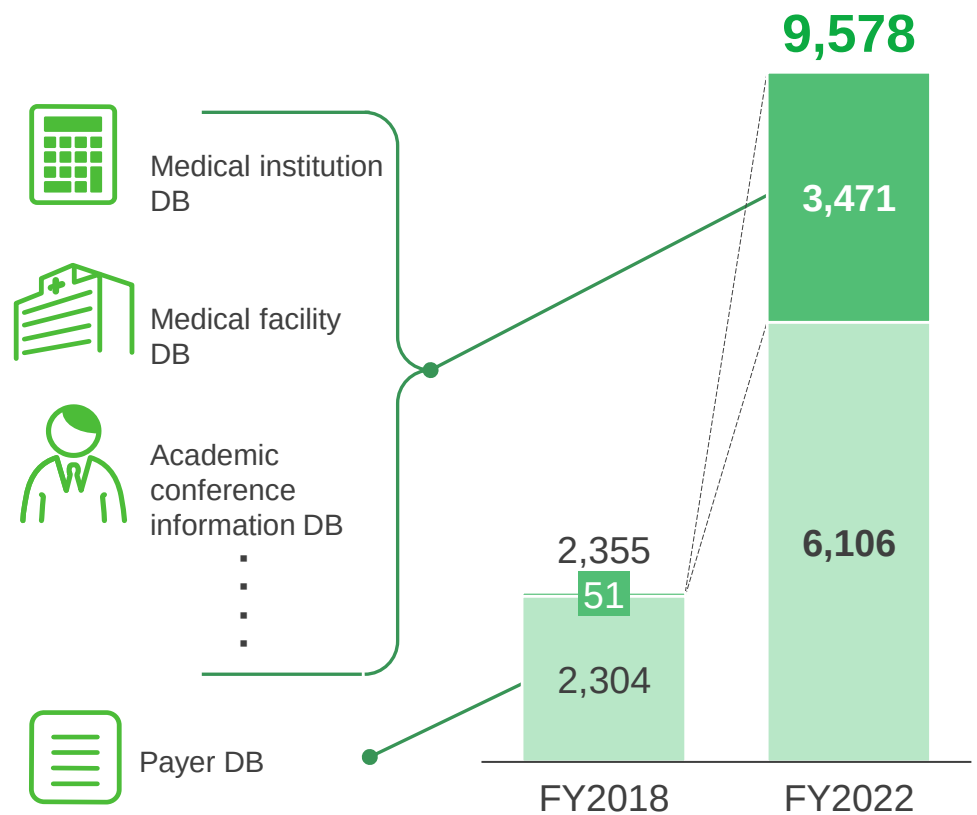
Up-Sell (Sales by Service)

(Unit: Million JPY)



Cross-Sell (Sales by Data Type)

(Unit: Million JPY)

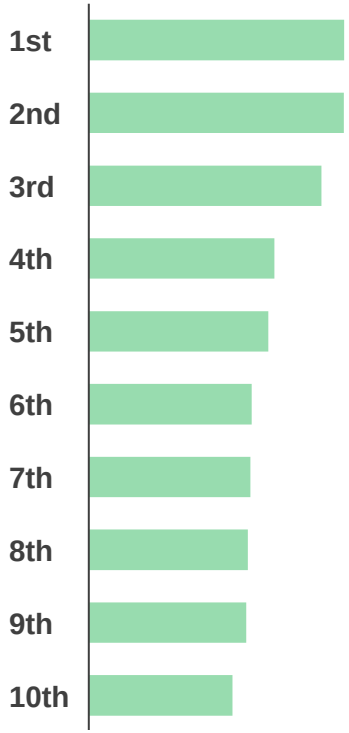


Progress over the past 5 years: Expand Utilization of Data by Top Clients

Transaction volume of data utilization for our top clients in industry has tripled. We will continue to further increase the cap on transaction value and greatly expand the potential market for data.

Sales of Top Customers in FY2018

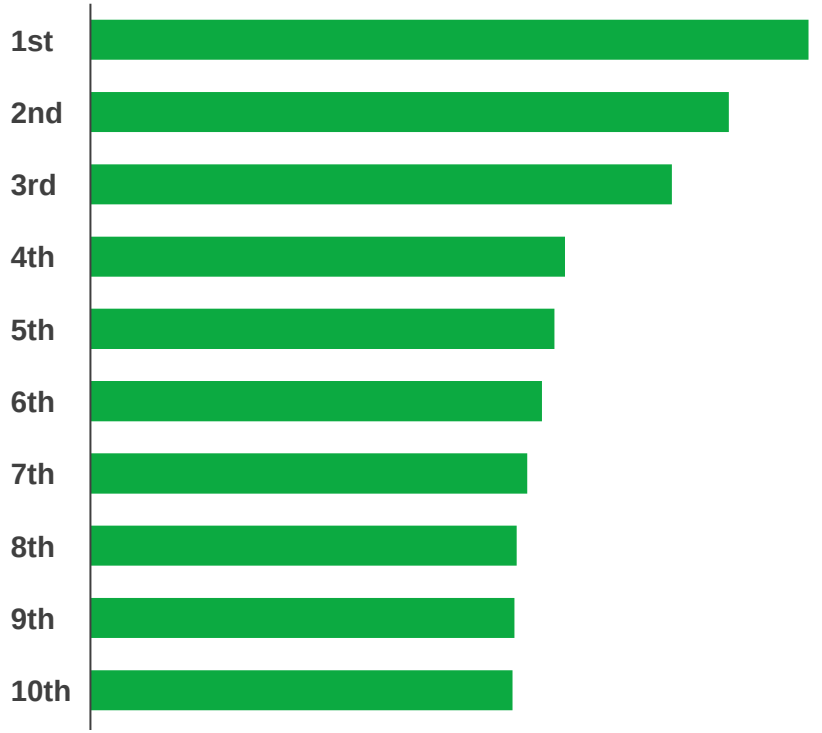
(Amount base)



3x

Sales of Top Customers in FY2022

(Amount base)

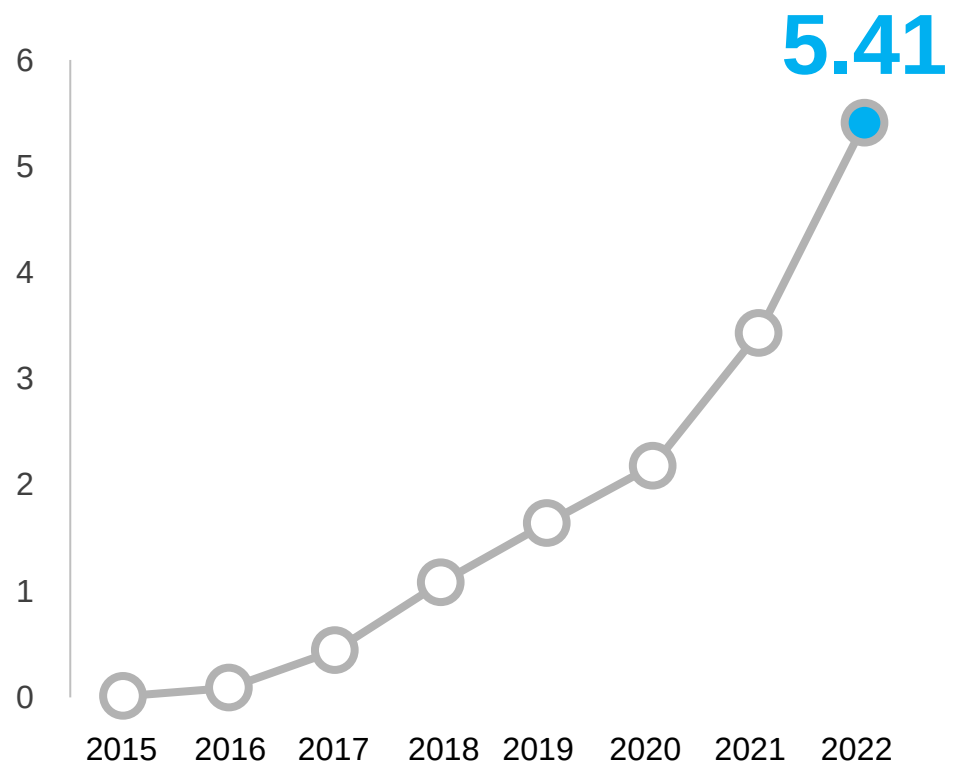


Progress over the past 5 years: Trends in Pep Up Installation

Over the past five years, Pep Up, which was launched as a new business, has grown significantly in terms of both the number of users and sales. It has grown to become the next pillar of our business.

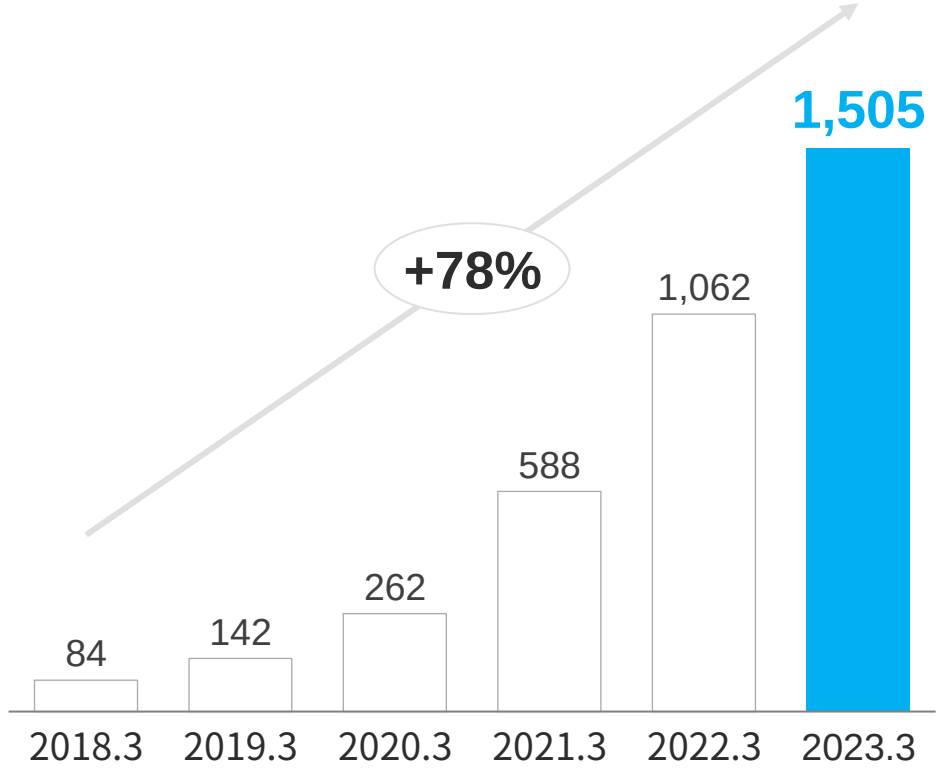
Trends of Pep Up User IDs

(Unit: Million people)



Trends in Pep Up related sales

(Unit: Million JPY)



Progress over the past 5 years: Business Scale by Healthcare Player

Over the past five years, we have expanded into new areas such as medical institutions and dispensing pharmacies. In the future, we will continue to expand into the area of employers (companies).

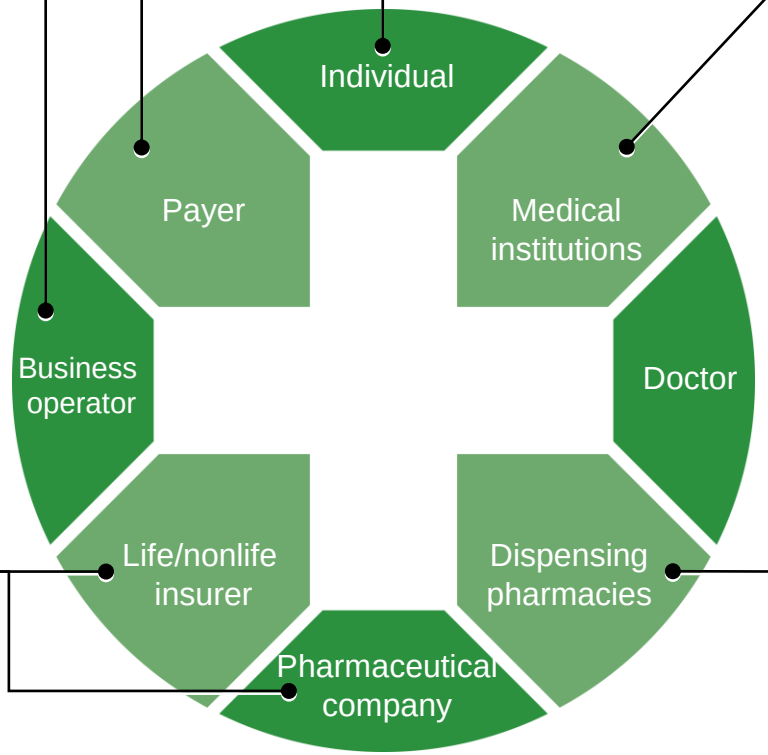
(FY2017→FY2022)

0.6 billion JPY → 3.0 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

0 billion JPY → 11.7 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.



2.4 billion JPY → 9.5 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

0 billion JPY → 3.8 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.

Future Business Policies

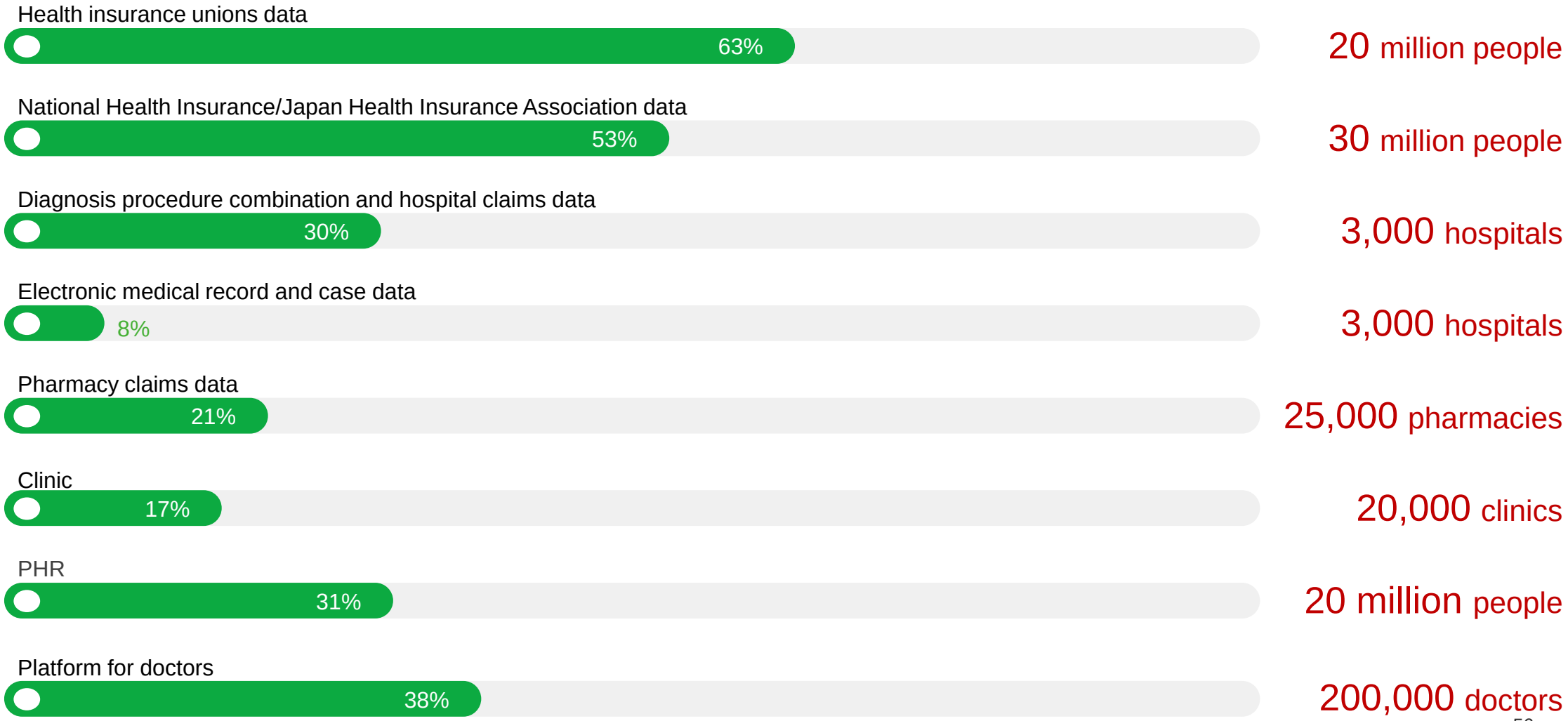
In the next five years, we will strengthen our own assets and promote social implementation of data to lead to social change.

Social implementation of data and social change through it

1. Overwhelming position in healthcare big data
2. National diffusion of PHR products
3. Healthcare as a Service

1. Overwhelming Position in Healthcare Big Data: Data Asset Goals for the next 5 years

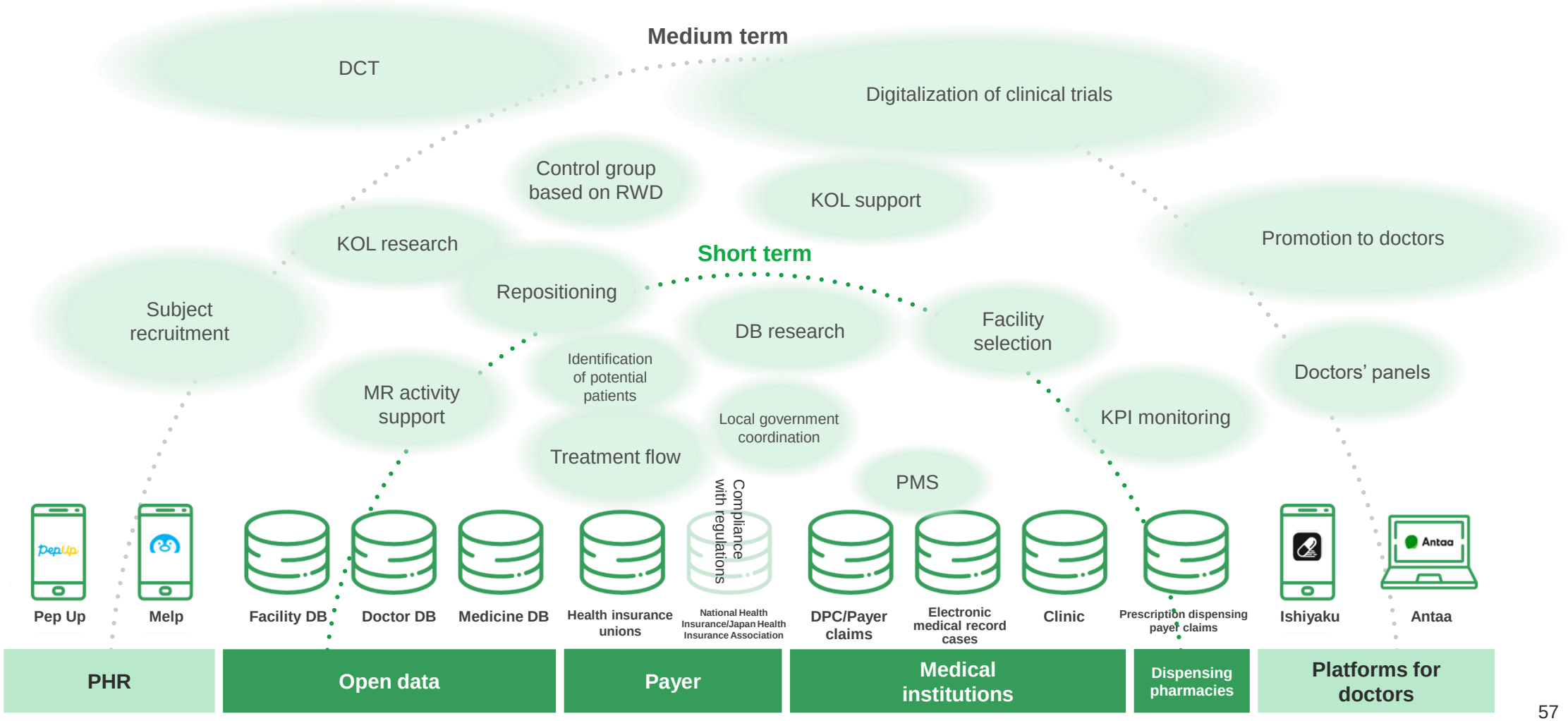
We aim to acquire the majority of data in all healthcare data areas in five years.



1. Overwhelming Position in Healthcare Big Data: Exclusive Position in Healthcare Data Business

As data assets accumulate, the range of data utilization in industry will further expand, and we will become the overwhelming leader in this area.

Example for pharmaceutical companies

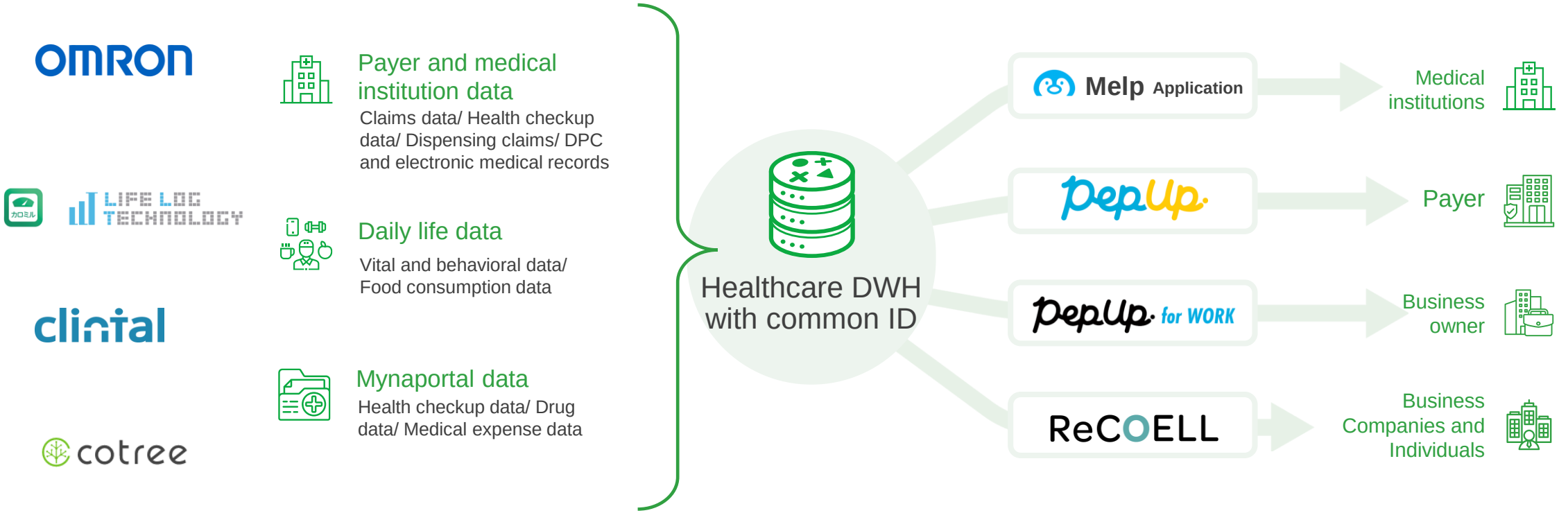


Beyond the current data assets

Field	From sample representativeness to **total number coverage**
Value	From understanding the current situation to **providing individualized solutions**
Market	From data utilization demand to **overall healthcare and healthcare market**

2. National diffusion of PHR products: **Aiming to build PHR services that connects 20 million people**

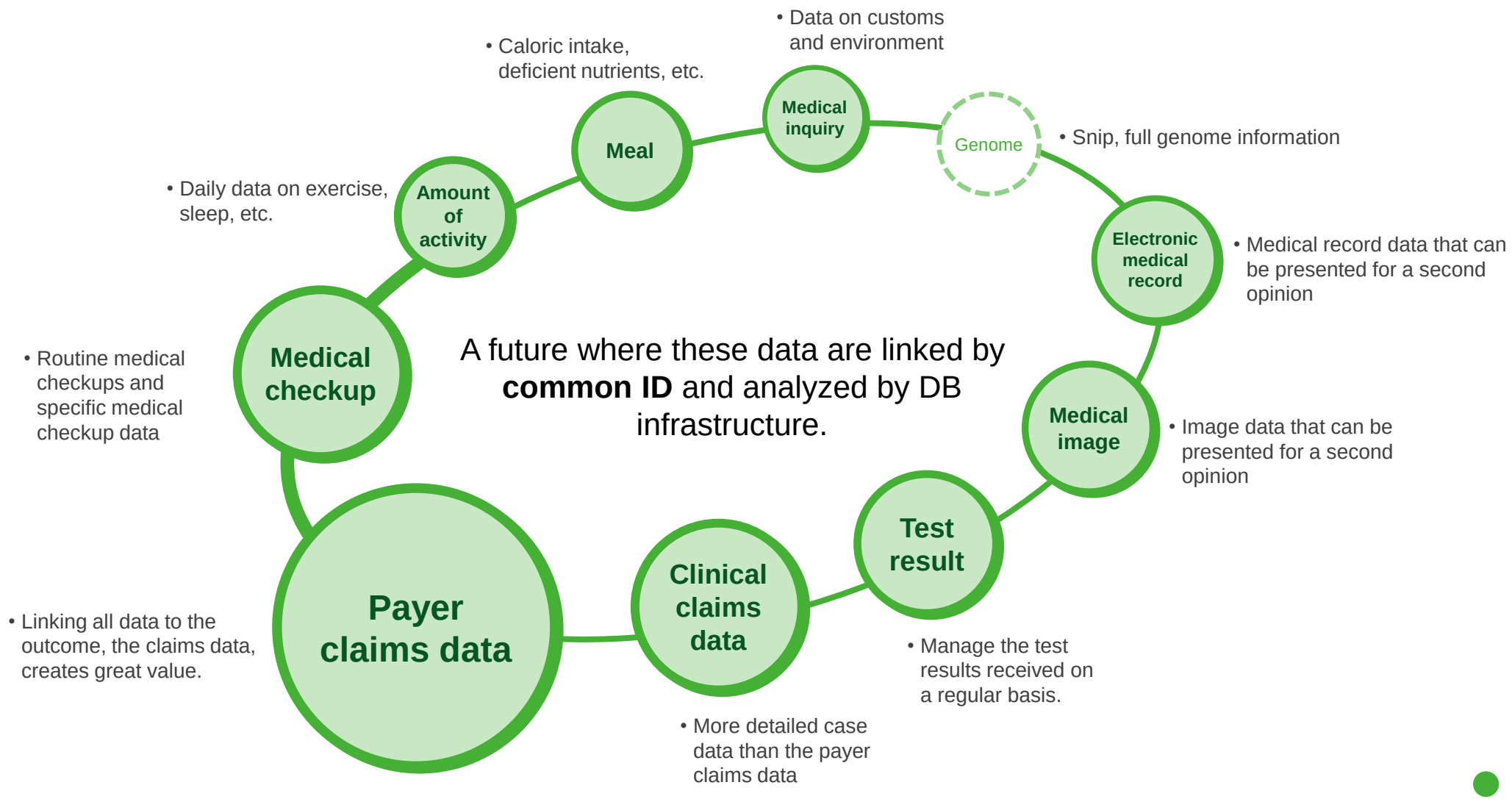
JMDC Group has developed and provided multiple PHRs to meet the needs of target users. In the future, we will convert them into a common ID and develop them into PHR products that are connected to 20 million people and serve as a service platform for healthcare.



National PHR service covering 20 million

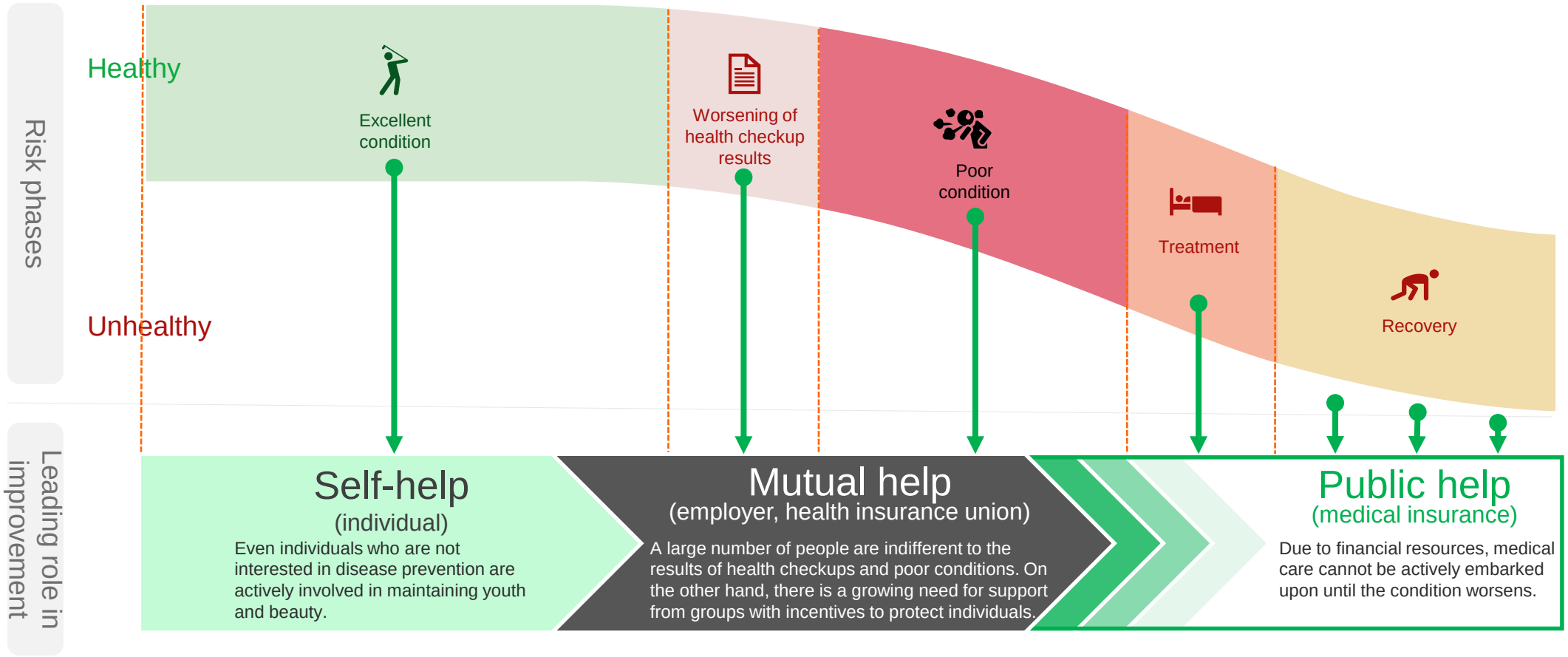
2. National diffusion of PHR products: PHRs connect each data

The value of data will increase multiplicatively as various data are linked through PHR and the common ID infrastructure.



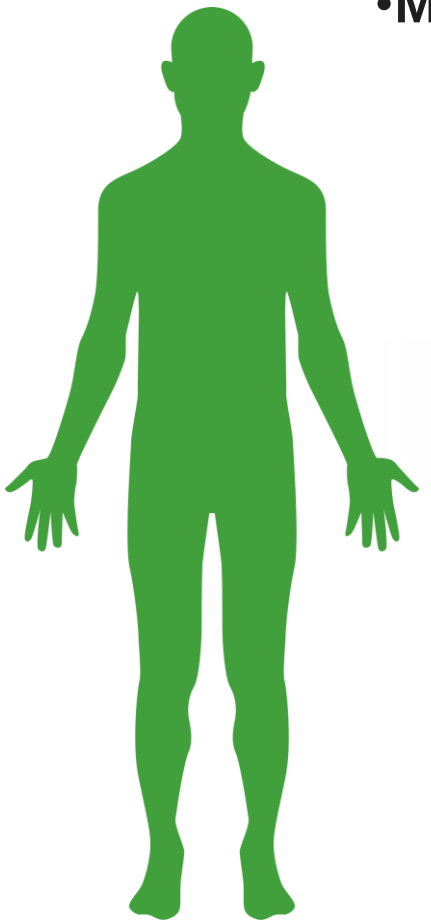
3. Healthcare as a Service: Making Health Promotion and Disease Prevention a Business

In order to make healthcare (health promotion and disease prevention) into a service, it is important to determine who to target for business development in accordance with the risk phase.



3. Healthcare as a Service: **Creation of long-term healthcare services**

Through PHR contact with social consumers and data contact with health insurance unions and corporations, we aim to provide services that consistently support healthcare throughout an individual's lifetime.



- **Maintain and manage individual health over the long term**

Self-help



- Maintain youth
- Improve the physical structure of the body

Mutual help



- Risk Diagnosis
- Prevention

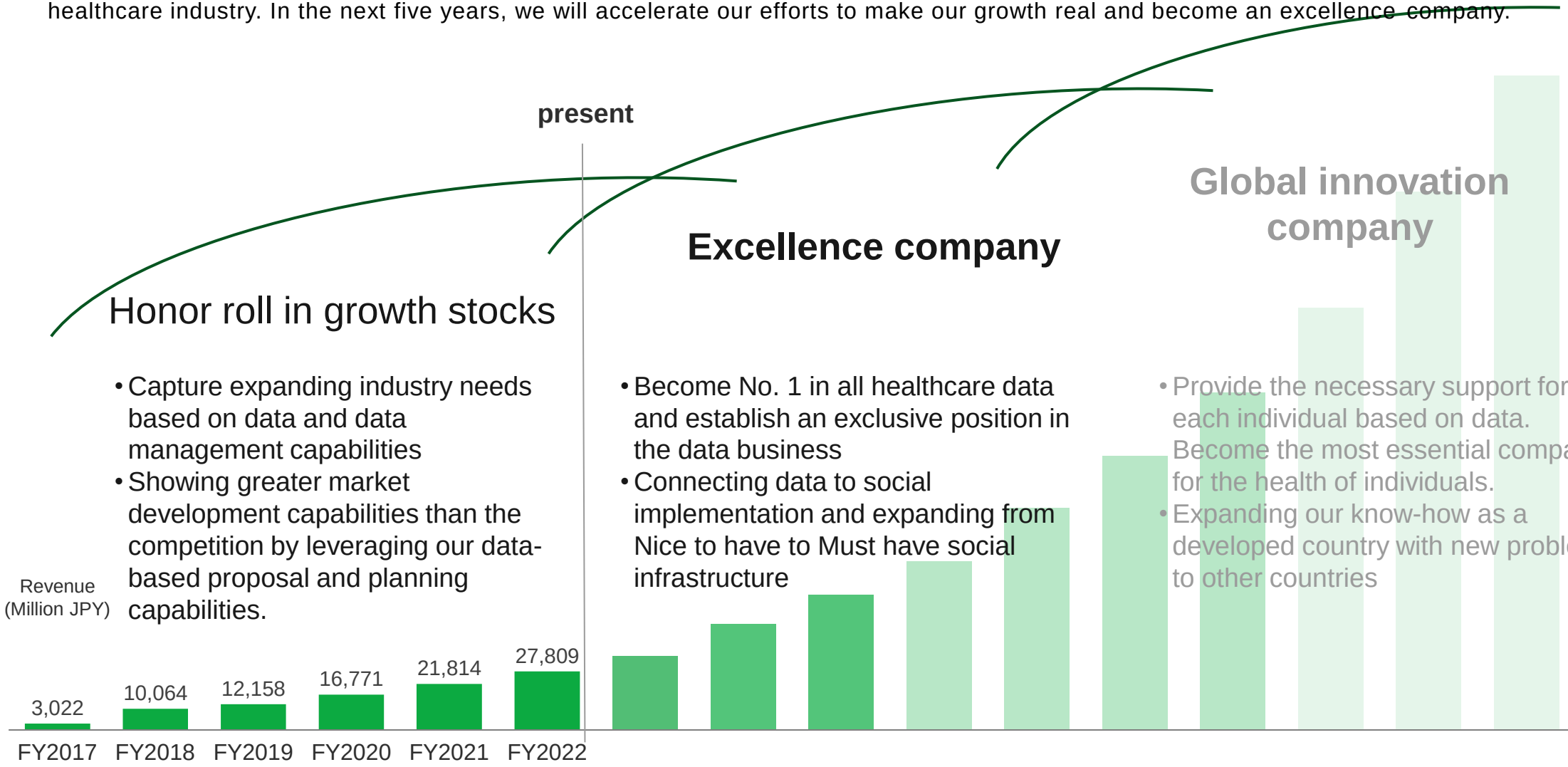
Public help



- Diagnosis
- Medical treatment

Toward an Excellence Company

While we have achieved steady growth since our listing, we are only at the beginning of our journey given the enormous potential of the healthcare industry. In the next five years, we will accelerate our efforts to make our growth real and become an excellence company.



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