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December 28, 2023

To whom it may concern

Company name: JMDC Inc.
Representative: Ryo Noguchi,
President and CEO
(TSE Prime Market, Stock Code: 4483)
Contact: Tomohiro Mochizuki,
Senior Executive Officer and CFO
(E-mail: ir@jmdc.co.jp)

Notice of Acquisition of Shares in Cancerscan (to Make It JMDC's Subsidiary)

JMDC Inc. (the "Company") announces that at the meeting of its Board of Directors held on December 28, 2023, the Company resolved to make Cancerscan Inc. ("Cancerscan") JMDC's subsidiary by acquiring its shares. The details are as follows.

1. Objectives of and reasons for acquiring shares

The Company, under its corporate philosophy of "Providing a Healthy and Prosperous Life for All Individuals," aims to realize a sustainable healthcare system through our efforts to resolve current issues in the medical field, such as "increasing medical expenses (2025 problem)," "regional disparities in medical services," "increasing lifestyle-related diseases," and "labor shortages" by leveraging the power of data and ICT. More specifically, the Company is providing support in various forms to optimize healthcare services to all patients by building up data generated from various healthcare players and returning them to society at large.

Cancerscan was established in 2008 to improve the cancer screening participation rate by local governments, and has launched a project to improve the specified health checkup participation rate since 2014. Since its establishment, the company has conducted many joint research projects in close cooperation with academia and accumulated scientific evidences, and as a result, has a strong track record and know-how on behavioral change in the field of preventive medicine. As a result, Cancerscan has established strong relationships with more than 700 of the approximately 1,700 local governments in Japan in just nine years since the launch of the specified health checkup rate improvement business in 2014. Furthermore, through the provision of services to local governments, Cancerscan has accumulated health checkup data and claims data (medical fee details) on a total of 8.8 million people, and is promoting efforts to contribute to the extension of healthy life expectancy by returning these health data to society and consumers.

From April 2021, with the aim of solving social issues such as increasing medical costs and extending healthy life expectancy in local governments, the Company has established a business division for local governments based on the knowledge and achievements accumulated through providing services to health insurance unions since the company's establishment in 2002. The scale of the business has expanded rapidly, tripling in size in one year, and we have established

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relationships with more than 50 local governments at present.

By making Cancerscan a subsidiary through this acquisition of shares, we believe that we will be able to further accelerate the expansion of the Group's business in the Payers/Individuals fields by developing services and solutions that we have cultivated through transactions with health insurance unions through Cancerscan's strong client base in local governments, and by providing solutions such as lifestyle-related disease treatment programs developed by applying Cancerscan's strength in behavioral modification know-how to our clients' health insurance unions and companies. This acquisition of shares will contribute to the realization of our vision of a sustainable healthcare system by leveraging the power of data and ICT to solve social issues.

2. Overview of the subsidiary to be transferred

(1)	Name	Cancerscan Inc.			
(2)	Location	1-3-8 Nishi-Gotanda, Shinagawa-ku, Tokyo			
(3)	Name and position of the representative	Jun Fukuyoshi, Representative Director and President			
(4)	Business lines	Specific health checkup services for National Health Insurance (notification and recommendation services), etc.			
(5)	Capital	10.5 million yen			
(6)	Establishment	November 19, 2008			
(7)	Major shareholders and the ratio of their shareholdings (as of May 31, 2023)	Due to the intention of the counterparty, the major shareholders and their shareholding ratios are not disclosed.			
(8)	Relationship between the listed company and the company concerned	Capital relationship	Not applicable		
		Human relationship	Not applicable		
		Business relationship	Not applicable		
		Applicability of being related parties	Not applicable		
(9)	Consolidated financial results and financial conditions of the company concerned during the past three years				
Term for the settlement of accounts		Term ended May 2021		Term ended May 2022	Term ended May 2023
Net assets		¥929 million		¥1,642 million	¥2,097 million
Total assets		¥1,690 million		¥2,249 million	¥2,695 million

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Net assets per share	¥8,452.51	¥14,933.37	¥19,063.86
Net sales	¥2,397 million	¥3,411 million	¥4,177 million
Operating profit	¥806 million	¥1,018 million	¥696 million
Ordinary profit	¥810 million	¥1,013 million	¥690 million
Net profit for the current term	¥504 million	¥712 million	¥454 million
Net profit per share	¥4,581.85	¥6,480.86	¥4,130.48
Dividend per share	—	—	—

(Note) Effective from the fiscal year ending May 31, 2023, the new revenue recognition standard (ASBJ Statement No. 29: Accounting Standard for Revenue Recognition and ASBJ Guidance No. 30: Guidance on Accounting Standard for Revenue Recognition) was applied, and sales and cost of sales equivalent to 14 months were recorded for the relevant period. Considering the aforementioned effects, the Company recognizes net sales for the fiscal year ending May 31, 2023 of XX million yen and operating income of XX million yen.

3. Overview of parties from which shares are acquired

(1)	Name	Several individual shareholders
(2)	Address	Since the Company will acquire shares from several individuals, we will refrain from disclosing their addresses.
(3)	Relationship between the listed company and the individual concerned	There are no capital, personal, business, or related party relationships.

4. Number of shares to be acquired, acquisition price, and shares owned before and after the acquisition

(1)	Number of shares owned before the transfer	— (Percentage of voting rights held: —%)
(2)	Number of shares to be acquired	110,000 shares (Percentage of voting rights held: 100%)
(3)	Acquisition price	14,200 million yen
(4)	Number of shares owned after the transfer	110,000 shares (Percentage of voting rights held: 100%)

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5. Schedule

(1)	Resolution of the Board of Directors	December 28, 2023
(2)	Conclusion of a share transfer agreement	December 28, 2023
(3)	Transfer of shares	January 31, 2024 (planned)

6. Future outlooks

The Company plans to closely examine the impact of this share acquisition on its consolidated financial results for the fiscal year ending March 31, 2024. Specifically, as mentioned above, Cancerscan's core business is for local governments, and since sales are concentrated in the month of March, which is the end of the local government's fiscal year, we plan to closely examine the probability of its achievement. If the need for timely disclosure arises in the future, we will promptly disclose the information. We believe that this share acquisition will contribute to the enhancement of the Group's corporate value over the medium to long term.