FY2024 Q1
Financial Briefing Material

August 2, 2024

JMDC Inc.

Section 1

FY2024 Q1 Performance Report

FY2024 Q1: Performance Highlights

High growth is continuing, especially in Healthcare-Big Data Business. Profit growth is also at a healthy level, excluding the impact of the transfer of subsidiaries in the previous Q1.

Consolidated Revenue
(Million JPY)

8,422

Y-o-Y

[Excluding impact of transfer of subsidiaries, etc.]

+26% **+38%**

Consolidated EBITDA
(Million JPY)

1,718

Y-o-Y

[Excluding impact of transfer of subsidiaries, etc.]

+2% **+25%**

Healthcare-Big Data Revenue

Y-o-Y

+47%

Tele-medicine Revenue

Y-o-Y

+15%

Revenue of business for Industry

Y-o-Y

+27%

Pep Up related sales

+50%

Number of Pep Up IDs

6.89 million people

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

FY2024 Q1: Management Viewpoints

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

	Management Viewpoints
Evaluation of FY2024 Q1 performance	• While revenues have been steady, we are concerned that profits may be causing concern to investors. • However, the reason for the low profit growth rate is clear, and we view the actual situation as healthy. Due to special factors such as the transfer of subsidiary Unike in the previous Q1, operating income in the previous year (FY2023) Q1 recorded an extraordinary 136% increase compared to FY2022 Q1. When measuring the soundness of business growth, it is necessary to exclude the impact of these special factors in the previous year. We appreciate your understanding that these special factors may have obscured the results. • The core Healthcare-Big Data business areas also performed well, with the business for Payers growing significantly due in part to the acquisition of Cancerscan. In addition, for Industry, consulting services for pharmaceuticals continued to do well, and services for medical institutions were also solid due to the expansion of services, so there are no concerns about Normalized Revenue/EBITDA.
Forecast for Q2 of FY2024	• Although we previously did not disclose the half-year forecast, we have decided to do so this time in order to give investors a correct understanding of the situation, given our concern that the business outlook for the current fiscal year has become unclear due to the special factors mentioned earlier. • The overview of Q2 is expected to show significant growth due to organic growth as well as the contribution of revenue from Cancerscan. It should be noted that revenue from Cancerscan, which operates businesses for local governments, had previously been recorded concentrated in Q4, but by correctly recognizing revenue in line with the business reality, it is now expected to contribute to revenue and profit in Q2 as well.
Sense of market conditions in FY2024, the post-COVID-19	• Looking back on the changes that occurred during the COVID-19, expectations for digital transformation rose in various businesses amid the need for a mandatory review of existing operations, and numerous initiatives were tried. However, few of these efforts were able to generate an impact commensurate with the high expectations, and after the Covid-19 convergence, a sense of disappointment and a sense of reality caused many efforts to falter and stagnate. For example, the digitalization of MR activities for pharmaceutical companies was one such example. • On the other hand, JMDC's services to date have been used to improve the accuracy of various decisions in the healthcare industry by using data to observe the actual status of diseases and medical practices, and not primarily to digitally replace existing operations. Therefore, in our view, while there were no major tailwinds for us in the Covid-19 disaster, there has been no reversal either. • After the Covid-19, clients are becoming more data literate and seeking more accurate decision making under the swing back to operational optimization. In particular, pharmaceutical companies are increasingly focusing on the use of data to optimize resource allocation and efficient promotion methods that provide ROI, and the scope of projects is expanding in response to the growing expectations for our data, analysis, and consulting capabilities. We will continue to promote true evolution based on the essential value of data.
Financial Status after Large-scale M&A and Future Fundraising	• We have achieved sound cash management by borrowing while promoting integrated cash management at group companies. We are in a position to respond flexibly to new investments and do not expect to raise funds in the immediate future unless there is a major investment project that will significantly evolve our business structure.

FY2024 Q1: Summary of Consolidated Performance

Excluding the impact of transfer of subsidiaries in the previous Q1, both revenue and profit grew steadily.

(Unit: Million JPY)	FY2023 Q1	FY2024 Q1	Y-o-Y	[Reference] Excluding impact of transfer of subsidiaries, etc.
Revenue	6,698	8,422	+26%	**+38%**
Operating profit (Rate)	2,546 (38%)	1,089 (13%)	-57%	**+20%**
Profit before taxes (Rate)	2,552 (38%)	1,072 (13%)	-58%	**+17%**
Profit attributable to owners of parent (Rate)	2,040 (31%)	727 (9%)	-64%	**+23%**
EBITDA (Margin)	1,679 (25%)	1,718 (20%)	+2%	**+25%**

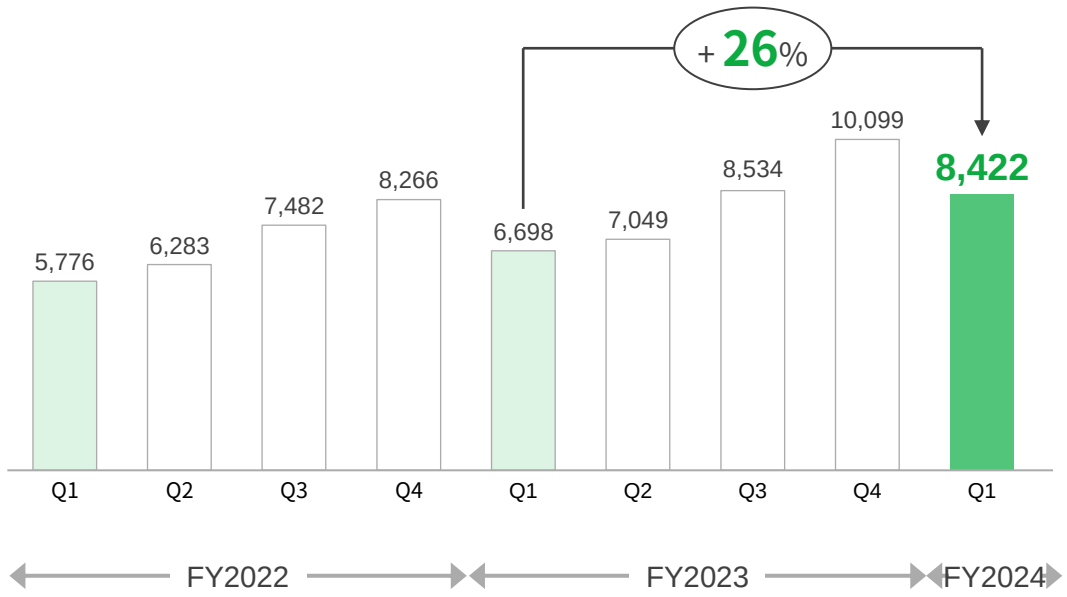
Note: IFRS-based
EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses, EBITDA margin: EBITDA/Revenue

FY2024 Q1: Quarterly Consolidated Revenue/EBITDA

We believe that we have made a good start in Q1, the trough of revenue and profit for the fiscal year. A discussion of normalized revenue and EBITDA is provided on the next page.

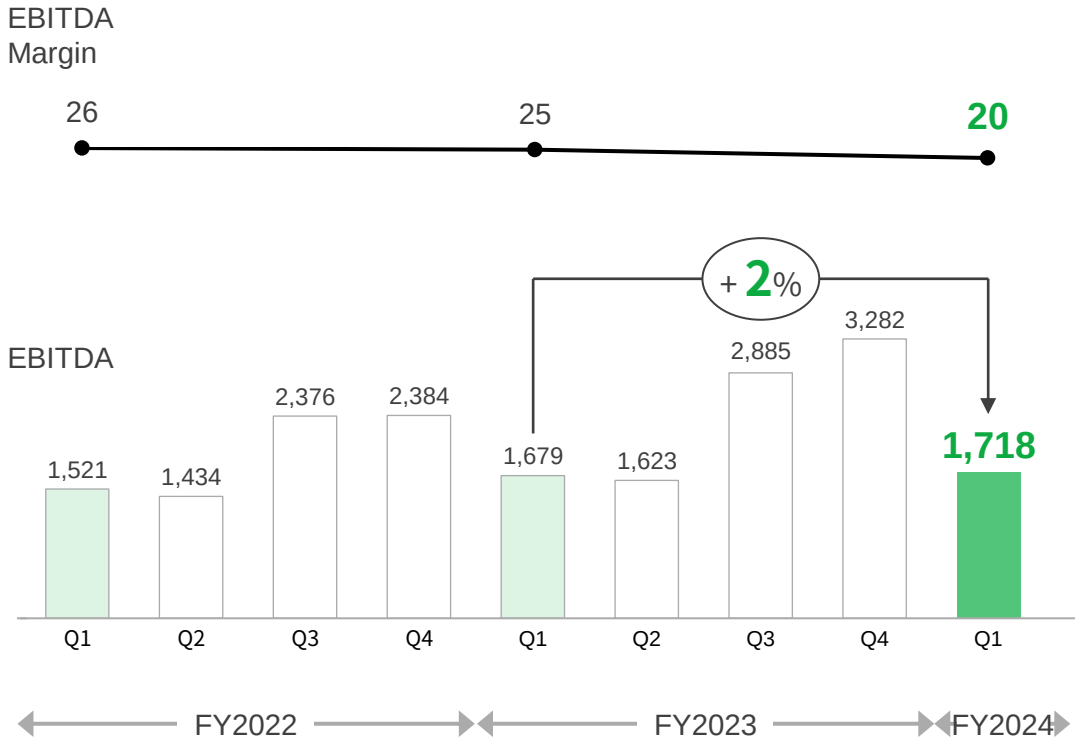
Quarterly Trends of Consolidated Revenue

(Unit: Million JPY)



Quarterly Trends of Consolidated EBITDA/margin

(Unit: Million JPY and %)



Full-year EBITDA margin
28%

Full-year EBITDA margin
29%

Full-year EBITDA margin
28% (plan)

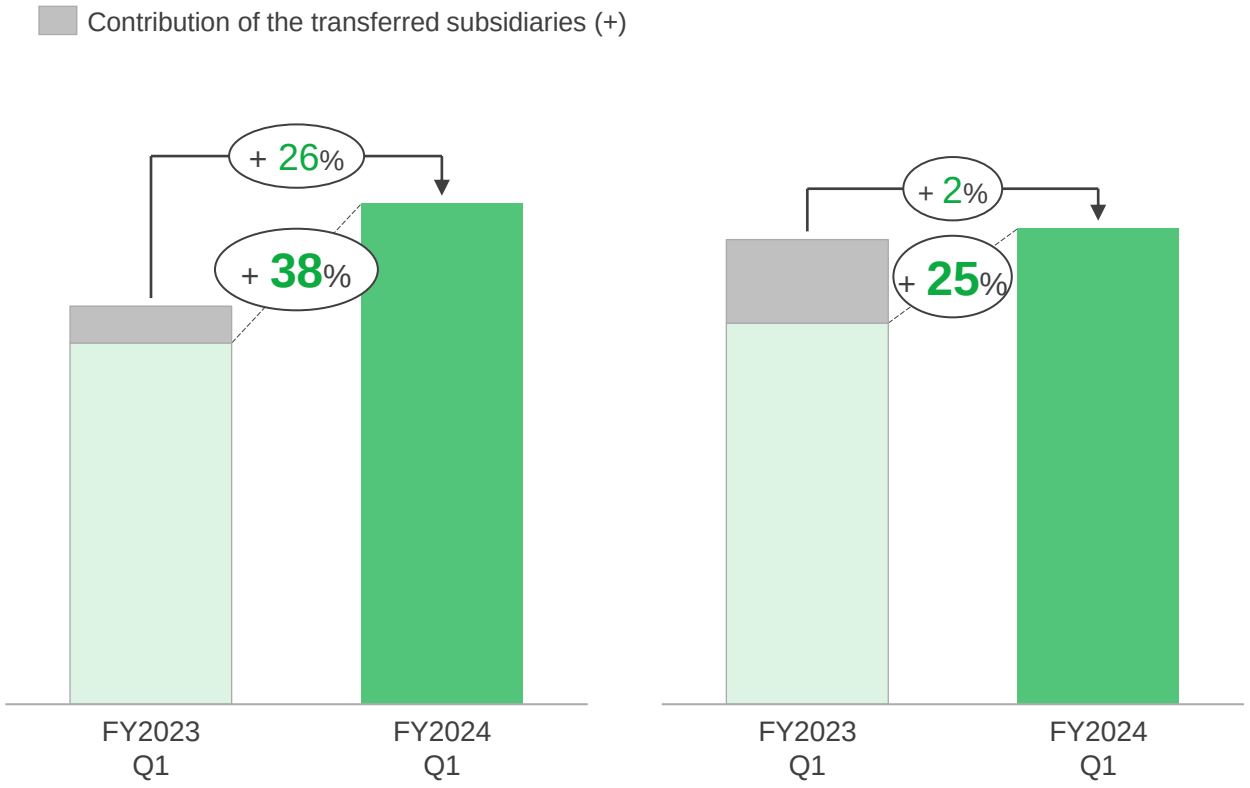
Note: IFRS-based
EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses, EBITDA margin: EBITDA/Revenue

FY2024 Q1: Y-o-Y comparison of Normalized Revenue/EBITDA excluding the impact of transfer of subsidiaries, etc.

In the previous Q1, there was a transfer of subsidiaries and a reversal of provision for directors' retirement benefits of a subsidiary. Excluding these effects, the normalized revenue/EBITDA of the business continued to expand steadily.

Consolidated Revenue/ EBITDA (Q1)

(Amount basis)



- **Growth rate** excluding the impact of transfer of subsidiaries, etc, is **Revenue +38%**, **EBITDA +25%**, maintaining both **business scale expansion** and **profitability**.
- Previous Q1 Revenue/EBITDA includes the following
  - Contribution to Revenue/EBITDA of transferred subsidiaries
  - Reversal of provision for directors' retirement benefits of a subsidiary(Positive impact on EBITDA)

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

FY2024 Q1: Performance by Segment

The growth potential of the Healthcare-Big Data segment and the high profitability of the Tele-medicine segment both generate sustained growth.

(Unit: Million JPY)

		FY2023 Q1	FY2024 Q1	Y-o-Y
Healthcare-Big Data	Revenue	4,497	6,606	**+47%**
	EBITDA	1,294	1,301	+1%
	(Margin)	(29%)	(20%)	
Tele-medicine	Revenue	1,307	1,500	+15%
	EBITDA	448	532	+19%
	(Margin)	(34%)	**(36%)**	
Dispensing Pharmacy Support	Revenue	969	326	-66%
	EBITDA	87	58	-33%
	(Margin)	(9%)	(18%)	
Adjustment	Revenue	-76	-10	-
	EBITDA	-151	-174	-

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

Section 2

Performance forecast for Q2 of FY2024

FY2024 Q2 (single-quarter): Performance Forecast

The growth rate of revenue and profit for this Q1 is somewhat unclear due to special factors as mentioned earlier. In light of this, we are disclosing H1 forecasts in order to improve visibility for investors. The ongoing Q2 is expected to show stronger than usual growth in both revenue and profit due to the expansion of the Healthcare-Big Data Business areas.

(Unit: Million JPY)	**Actual** FY2023 Q2 (single-quarter)	**Plan** FY2024 Q2 (single-quarter)	Y-o-Y
Revenue	7,048	10,277	**+46%**
Operating profit (Rate)	1,056 (15%)	1,710 (17%)	**+62%**
Profit before taxes (Rate)	1,062 (15%)	1,677 (16%)	**+58%**
Profit attributable to owners of parent (Rate)	621 (9%)	1,122 (11%)	**+80%**
EBITDA (Margin)	1,623 (23%)	2,281 (22%)	**+41%**

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

[Reference] FY2024 H1: Performance Forecast

For H1, the impact of special factors is expected to diminish, leading to a healthy growth rate for both revenue and EBITDA.

(Unit: Million JPY)	**Actual** FY2023 H1	**Plan** FY2024 H1	Y-o-Y	[Reference] Excluding impact of transfer of subsidiaries, etc.
Revenue	13,746	18,700	+36%	**+42%**
Operating profit (Rate)	3,602 (26%)	2,800 (15%)	-22%	**+37%**
Profit before taxes (Rate)	3,615 (26%)	2,750 (15%)	-24%	**+33%**
Profit attributable to owners of parent (Rate)	2,662 (19%)	1,850 (10%)	-31%	**+46%**
EBITDA (Margin)	3,303 (24%)	4,000 (21%)	+21%	**+33%**

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

[Reference] FY2024 Q1: Performance by Segment

The core segment, Healthcare-Big Data, is expected to drive growth and continue the trend in each business segment.

(Unit: Million JPY)

		Actual FY2023 H1	**Plan** FY2024 H1	Y-o-Y
Healthcare-Big Data	Revenue	9,834	15,000	**+53%**
	EBITDA	2,492	3,300	**+32%**
	(Margin)	(25%)	(22%)	
Tele-medicine	Revenue	2,740	3,100	**+13%**
	EBITDA	1,014	1,100	**+8%**
	(Margin)	(37%)	(36%)	
Dispensing Pharmacy Support	Revenue	1,261	620	**-51%**
	EBITDA	133	80	**-40%**
	(Margin)	(11%)	(13%)	
Adjustment	Revenue	-89	-20	**-**
	EBITDA	-338	-480	**-**

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

Section 3

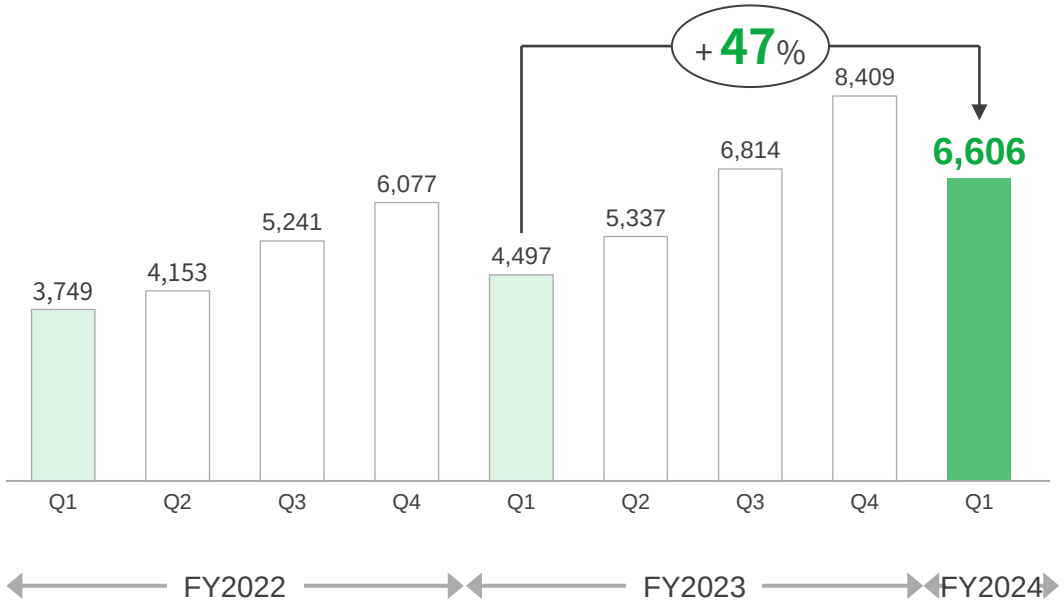
Healthcare-Big Data Business

Healthcare-Big Data Business: Revenue

Revenue continued to grow steadily, and preparations for monetization of the data base, which expanded significantly in the previous fiscal year, are progressing well. On the other hand, profits increased only slightly due to the impact of the reversal of provision for directors' retirement benefits at a subsidiary in the previous Q1.

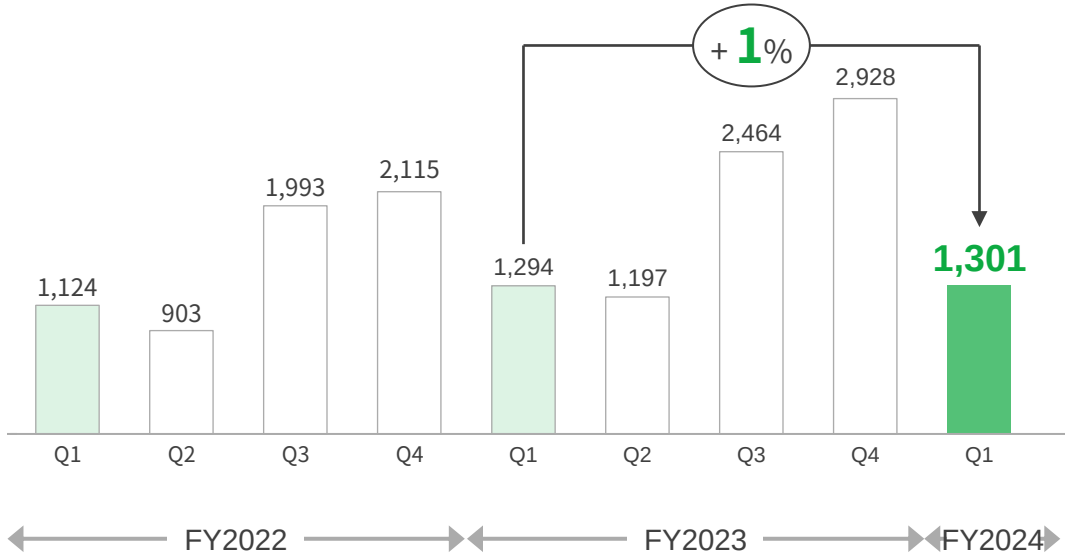
Quarterly Trends of Revenue

(Unit: Million JPY)



Quarterly Trends of EBITDA

(Unit: Million JPY)



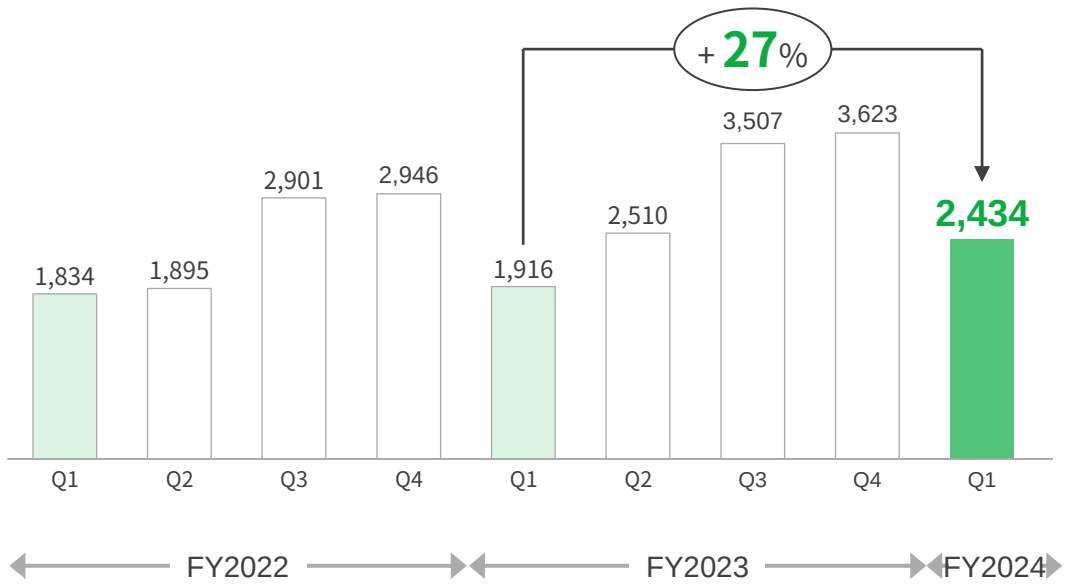
Note: IFRS-based
EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses

For Industry: Business Status of Data Utilization

The business for Industry, which is the core of our revenue, is steadily expanding its scale of operations as its data-driven services are diversifying, especially for pharmaceutical companies.

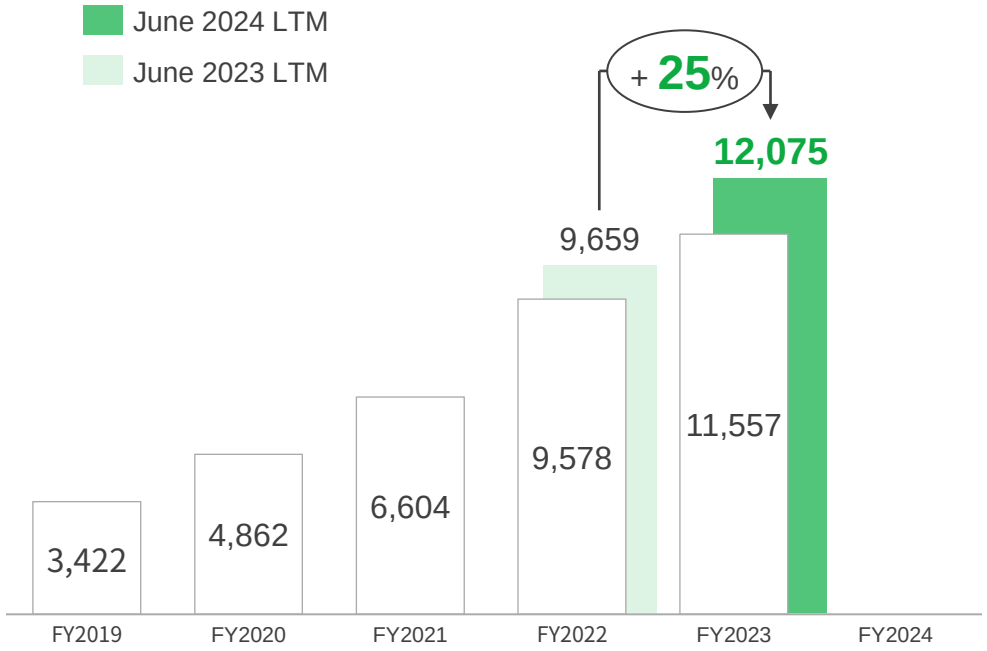
Quarterly Revenue Trends of Business for Industry

(Unit: Million JPY)



Yearly Revenue Trends of Business for Industry

(Unit: Million JPY)



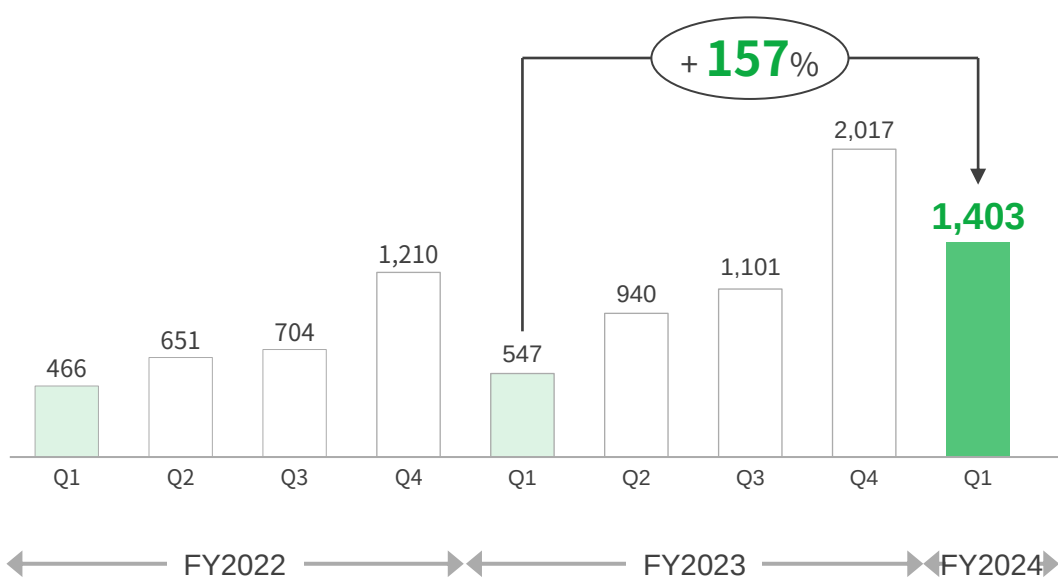
LTM: Last Twelve Months (the past 12 months from the latest quarter)

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

The business for Payers/Individuals is growing rapidly due to sustained growth in Pep Up-related sales and the grouping of Cancerscan. The business for Medical Service Providers continues to expand its scale of operations through the expansion of services for medical institutions and clinics.

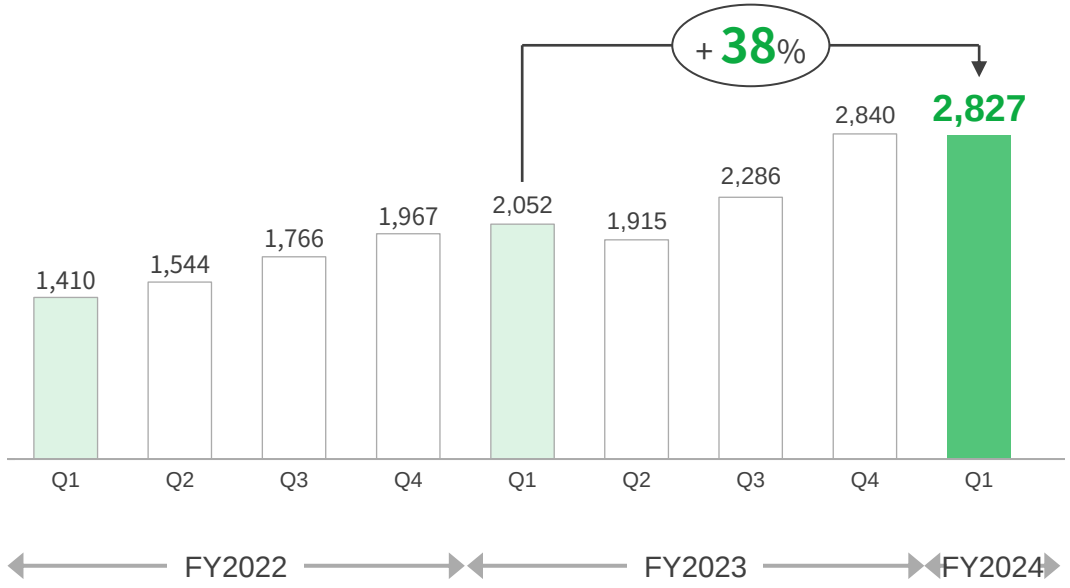
Quarterly Revenue Trends of Business for Payers/individuals

(Unit: Million JPY)



Quarterly Revenue Trends of Business for Medical Service Providers

(Unit: Million JPY)

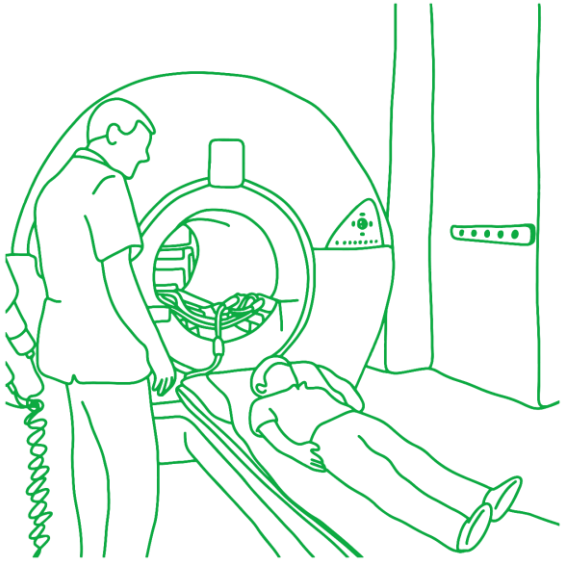


Section 4

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

1,460

Tele-RAD

Matching of diagnostic imaging request and contracted radiologists

Conducting Tele-medicine by DtoD

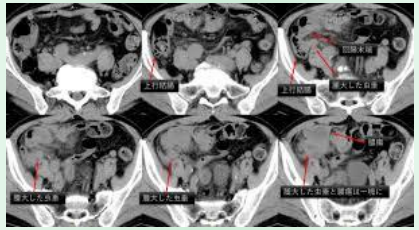


Image DB

Radiologist DB

Largest market share of 30% in Japan

Radiologists

1,153

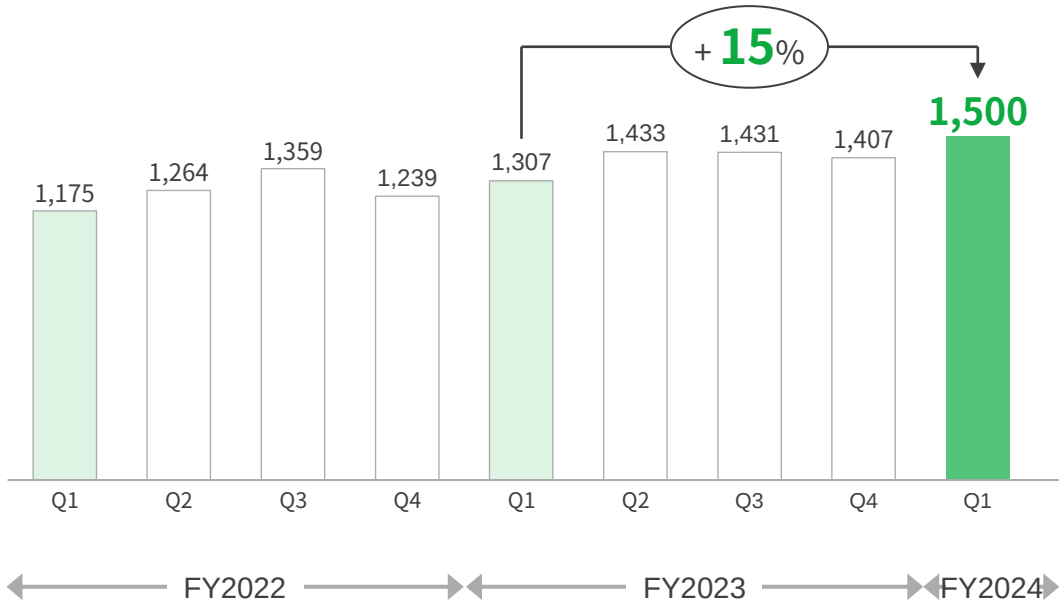
Note: Market share is calculated by Doctor Net. The number of contracted medical institutions and radiologists are the total number of institutions and radiologists with which Doctor Net has service contracts.
Source: Ministry of Health, Labour and Welfare "Survey on Medical Facility Dynamics in 2020," List of Radiologists on the website of the Japan Radiological Radiological Society.

Tele-medicine Business: Performance

Both business scale expansion supported by solid demand and improved profitability from enhanced operational capabilities have been sustained.

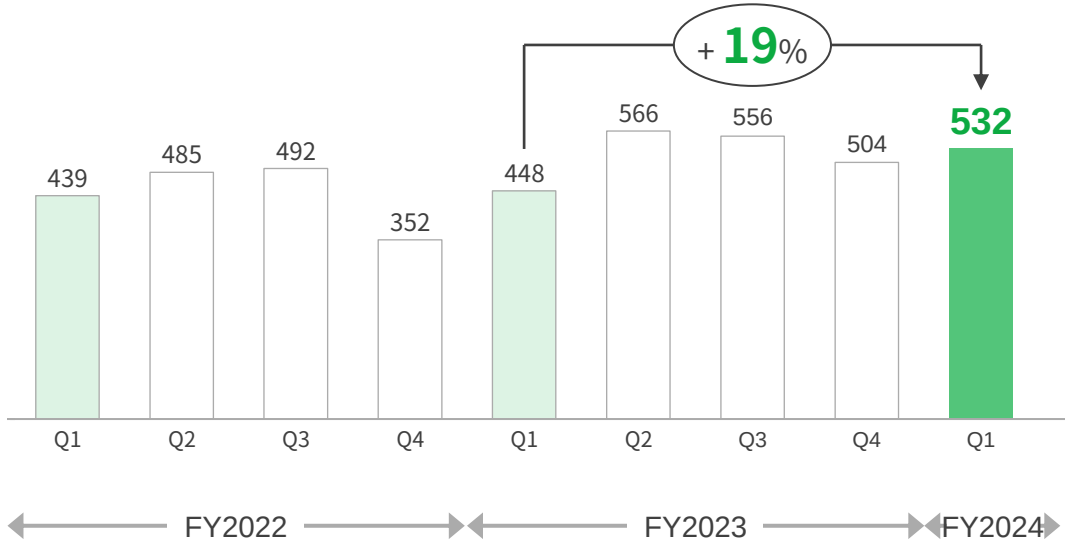
Quarterly Revenue Trends of Tele-medicine Business

(Unit: Million JPY)



Quarterly Trends of EBITDA

(Unit: Million JPY)

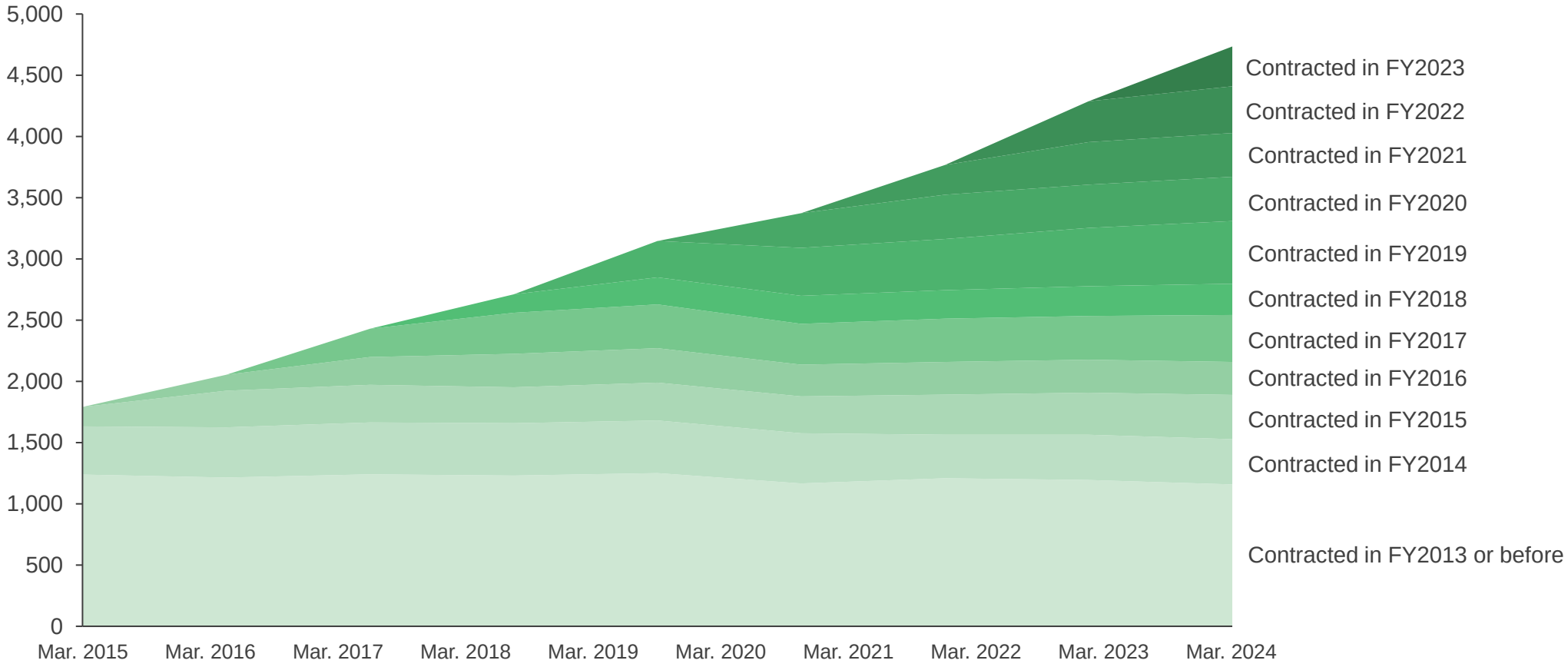


Note: EBITDA: Operating profit + Depreciation and amortization costs ± Other profits and/or losses

[Reference] Tele-medicine Business: Accumulation of remote reading service sales

We believe that business performance will continue to expand steadily, supported by continued strong demand.

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



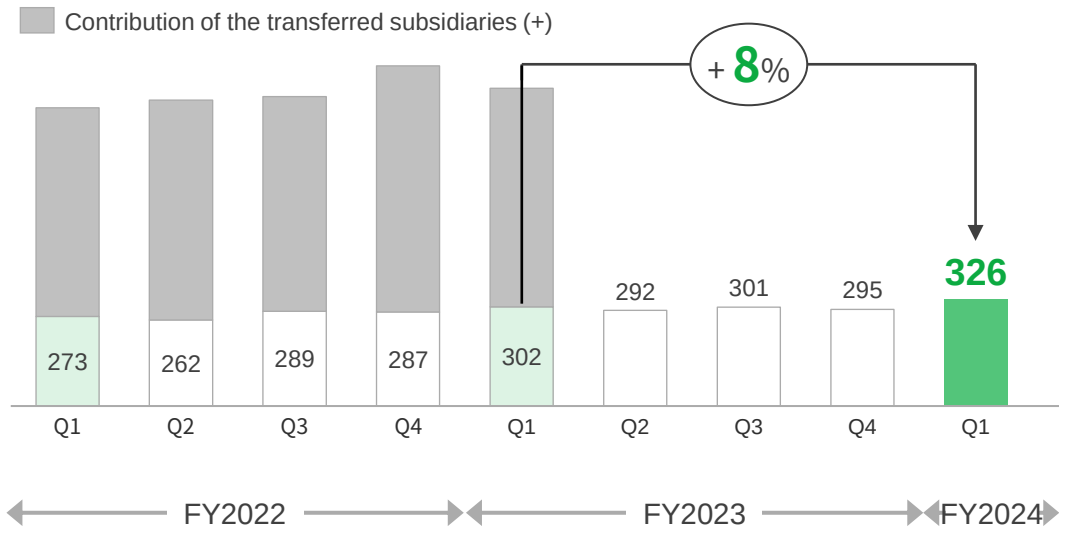
Note: Revenues in this slide are for JMDC's management. Doctor-NET has been consolidated since April 2018, but the above figures include Doctor-NET's revenue for the prior periods.

Dispensing Pharmacy Support Business: Performance

At the end of June last year, we transferred our subsidiaries. Although the size of this segment has shrunk, it continues to generate stable revenue and profit.

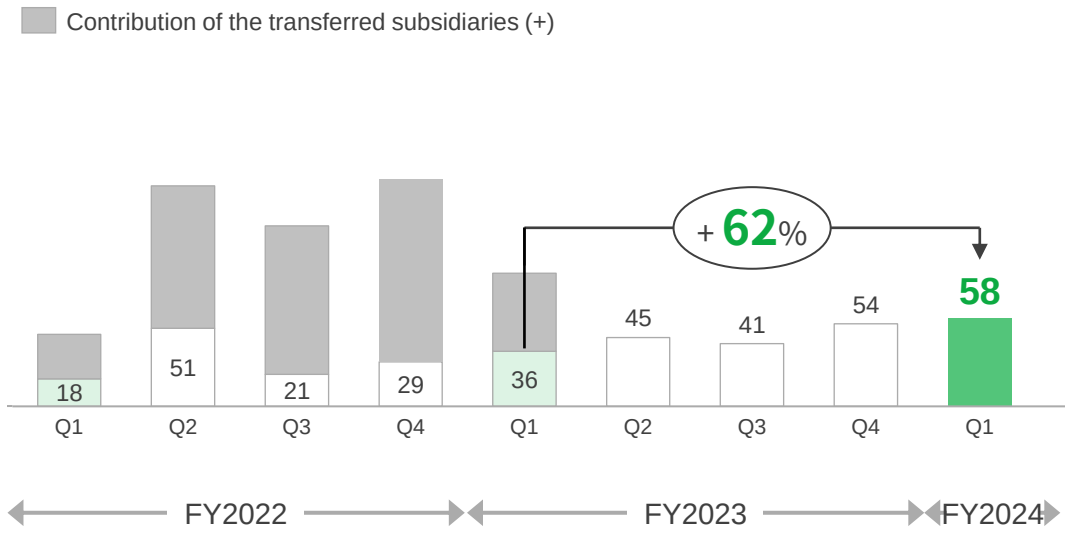
Quarterly Revenue Trends of Dispensing Pharmacy Support Business

(Unit: Million JPY)



Quarterly Trends of EBITDA

(Unit: Million JPY)



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

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