

Financial Results Briefing

FINDEX Inc.

Fiscal Year Ending December 2021 Financial Results
August 2021



Agenda

- FY2021 Q2 Financial Results
- FY2021 Full Year Outlook
- News Releases
 - Vision for 2025
 - The Others

FY2021 Q2 Financial Results

FY2021 Q2 Year to year Comparison (Consolidated)

- The first quarter of 2020 had a higher profit structure than usual due to hospitals spending their budgets on COVID-19.

→ Therefore, this quarter's performance was negative compared to the same period last year but exceeded the initial forecast.

- In 2021, large hospital installation projects that were scheduled for the second half of the year were accelerated.

→ Sales in the first half of the fiscal year exceeded the initial forecast.

Based on the above two points, the current quarter is performing well against the full-year forecast.

(¥ Millions)

	FY2020 Q2 Actual (Consolidated)	FY2021 Q2 Actual (Consolidated)	Year-on-year ratio	Relative to budget
Net Sales	2,260	2,405	106.4 %	109.5%
Operating Income	552	488	88.4 %	122.2%
Ordinary Income	555	505	91.0 %	126.2%
Profit Attributable to Shareholders of Parent	375	340	90.7 %	123.8%
Earning per Share (yen)	14.67	13.30	—	—

Results by Segment (Consolidated)

(¥ Millions)

	Reportable Segment		Adjustment (*1)	Total (consolidated) (*2)
	System Development	Health-tech		
Sales to external customer	2,388	16	—	2,405
Intersegment sales / transfer amount	1	—	-1	—
Total	2,390	16	-1	2,405
Segment profit or loss (operating income)	601	-112	—	488

*1. Adjustment amount is due to elimination of intersegment sales.

*2. Segment profit or loss is matched with operating income in the consolidated statement of income.

FY2021 Q2 Our Customer

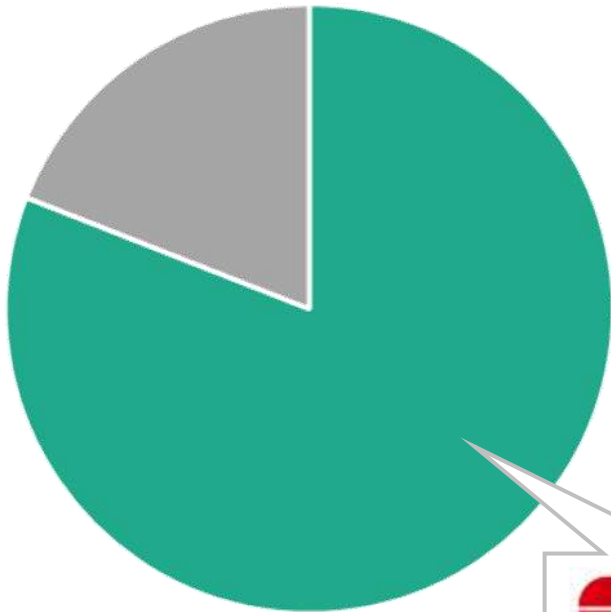
Number of System Users at the End of Q2 2020 vs. Q2 2021

(Number of facilities)

Scale	FY2020	FY2021 Q2	Changes*
Large hospitals (More then 500 Beds)	256	255	-1
Medium sized hospitals (100 to 499 Beds)	570	583	13
Small hospitals (20 to 99 Beds)	132	132	0
Clinics (0 to 19 Beds)	1,166	1,181	15
Other medial-related facilities	55	54	-1
Non-medical facilities	13	19	6
Community-based comprehensive care	20	24	4
Total	2,212	2,248	36

*The growth is the net increase in the number of new users (Include classification changes), and in addition to these, there are system updates.

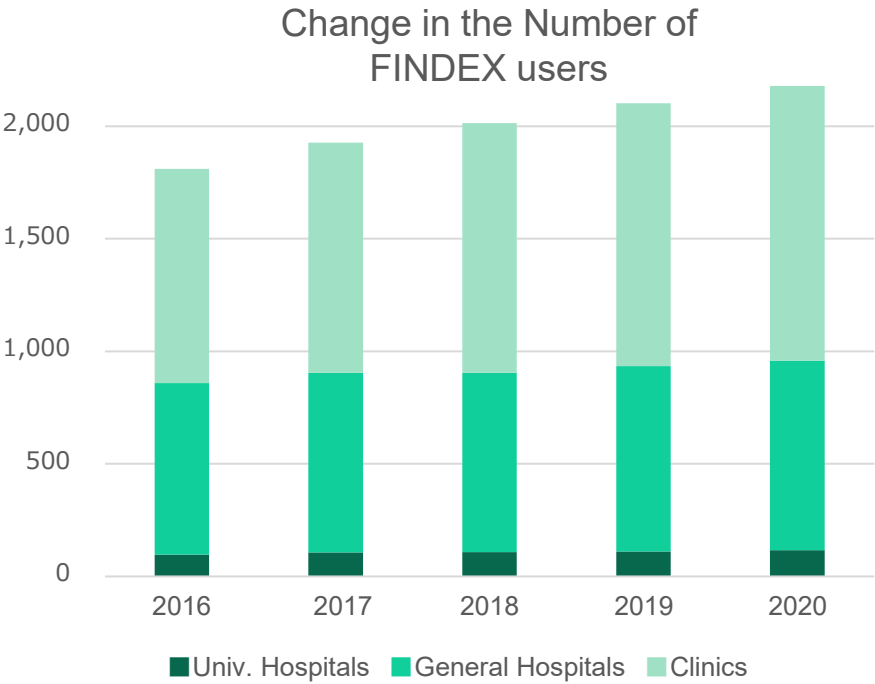
Our Market Share



An Overwhelming Market Share of
78.5%
in National University Hospitals

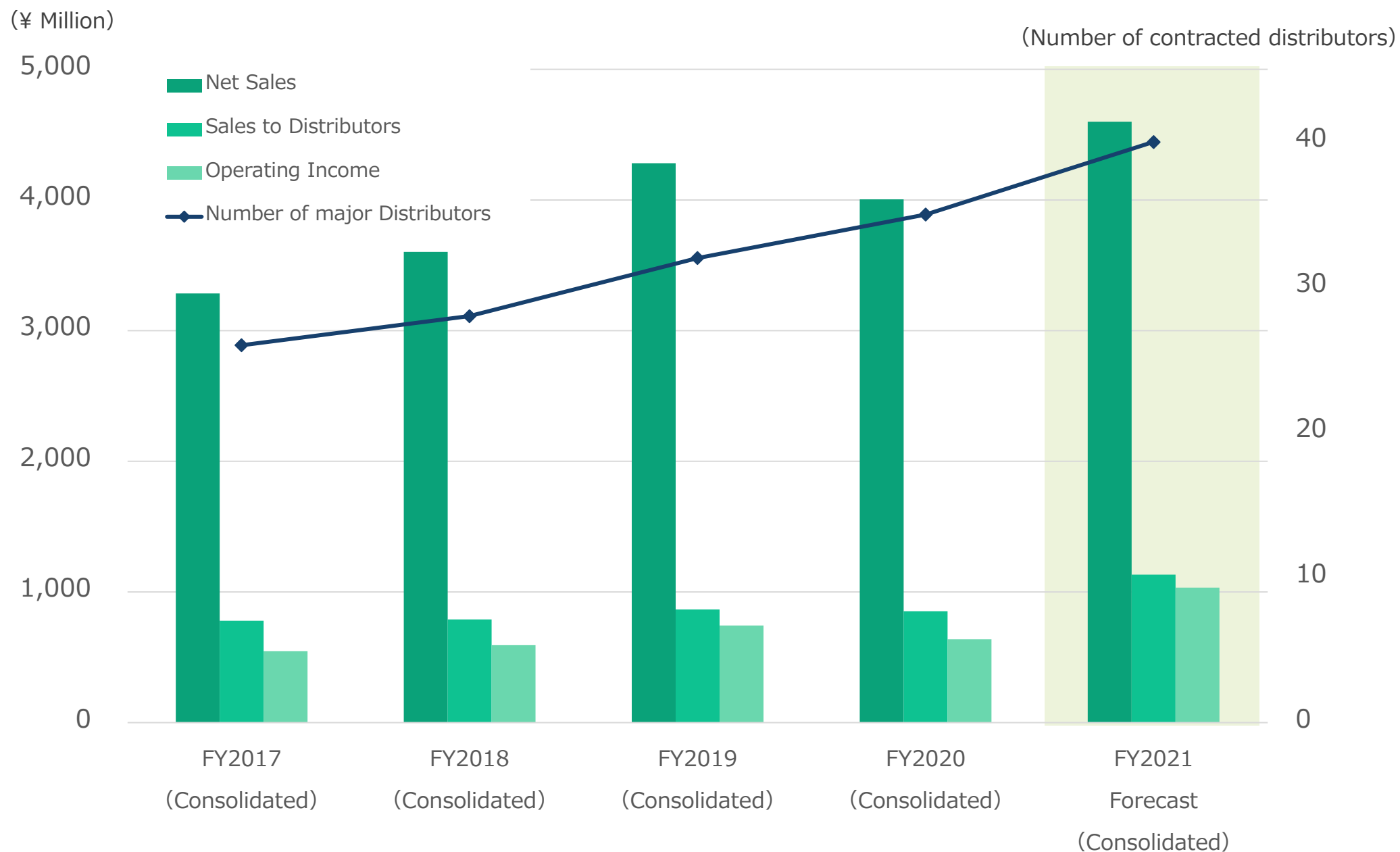
Market share in large hospitals with more than 500 beds = **63.6%**

Other hospitals and clinics → **Over 1,800**



(as of June 2021)

Environment around Our Distributors



Expand business performance and develop high-margin business

GAP (Gaze Analyzing Perimeter) Business - Updates

Domestic



Demonstrations ongoing via contracted distributors

- **The Number of Units Sold = 8** (GAP-Screener/GAP)
- 1/3 of eye clinics are our system users
⇒ Has access to effective sales channels
- Temporarily suspended demonstrations to address fogging up issues
⇒ Already solved and resumed (see page 10)

Further researches underway with Kyoto University

- Selected by AMED*₁ as a collaborative project for medical-industrial collaboration and AI implementation, with a total budget of **JPY 260 million for 5 years**.
- Useful not only as a perimeter but also for detecting MCI (early-stage dementia), other psychiatric disorders and brain diseases.

*1 AMED: Japan Agency for Medical R&D

Overseas



Applied for MDR*₂ in EU

- Approval procedures slowed down due to Covid-19
- **CE mark** (EU standard compliant) already obtained
- Contracted with an exclusive distributor in Japan, and secured export routes and local sales network ⇒ Number of local dealers:
EU: 33, Middle East & Africa: 23

Formulating sales strategies for other regions

- Negotiating with other corporations for collaborations to build sales networks
- Sales in China, India and ASEAN region
⇒ utilize credibility from Japan and EU
- Sales in Americas 1
⇒ developing process for FDA approval

*2 MDR: Medical Devices Regulations

Both sales and further R&D are smoothly progressing as there are strong expectations for this newly developed patented perimeter.

*There are some project delays due to Covid-19 related restrictions.

GAP Business - New Challenges for COVID-19

Eliminates lens fogging caused by wearing a mask, which became a habit in the COVID-19 era. This enables safe, reliable, and accurate testing even while wearing a mask

Before COVID-19

No expectation of wearing a mask for testing



COVID-19 Pandemic

After COVID-19

Wearing masks is now required in hospitals. It is recommended that examiners perform tests with masks on



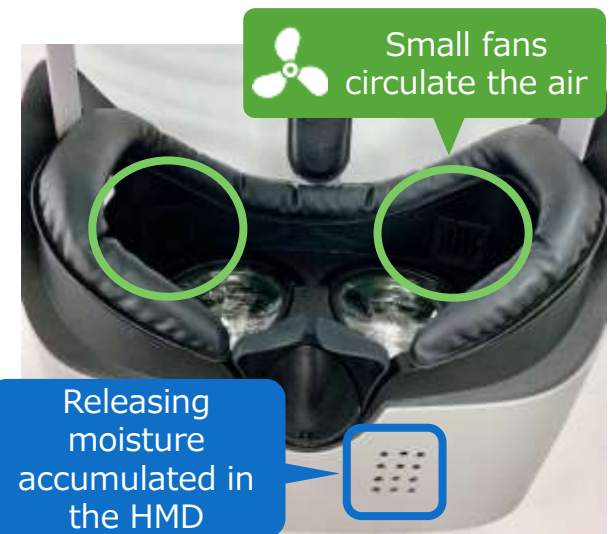
New Challenges for COVID-19

Tightly wearing the head-mounted display (HMD) creates a dark room, resulting in fogging of the lens during the test due to breathing leakage from the mask

Solution

Two small fans are installed on the mounting surface to release internal moisture. Outside air is also drawn in, allowing the examinee to perform the test while wearing a mask

It is effective not only when wearing a mask, but also when sweating in the summer and when the temperature changes in the winter



FY2021 Full Year Outlook

Growth of new segments
on the background of stable growth
in medical system development

2021 Forecast (Consolidated)

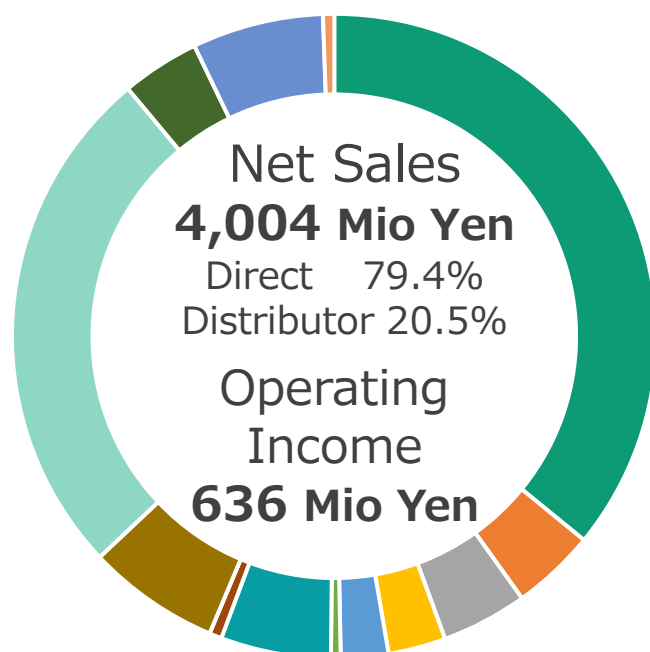
- Aggressive business expansion with the establishment of two additional locations and a new group company
- Starting sales of GAP in April 2021, with plans to sell more than 100 units

(¥ Million)

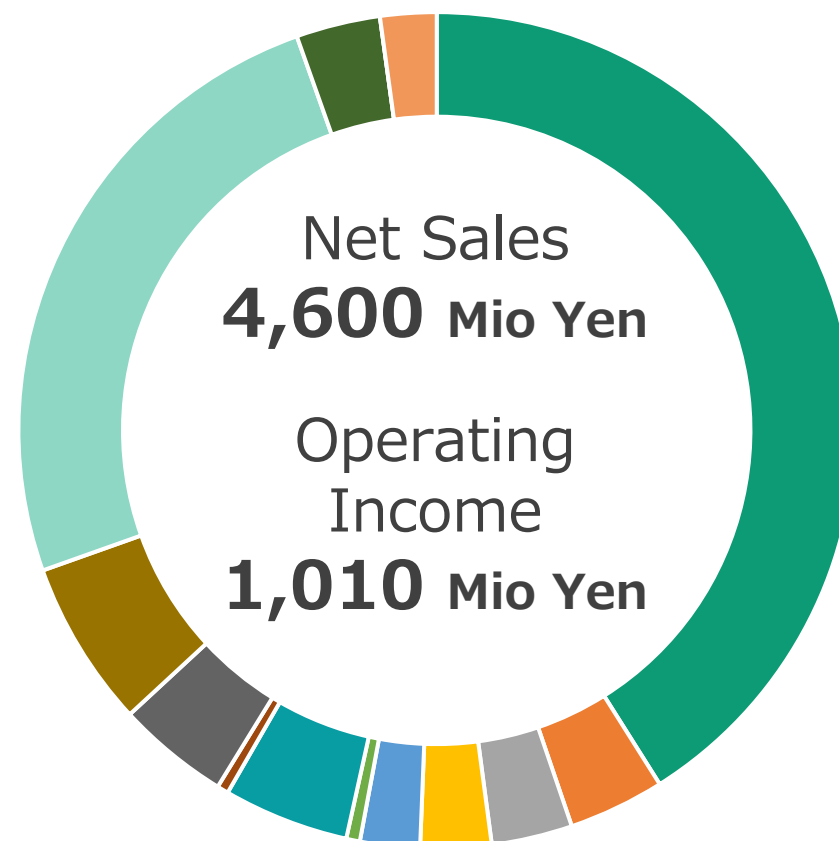
	2020 Actual (Consolidated)	2021 Forecast (Consolidated)	
	Amount	Amount	YoY ratio
Net Sales	4,004	4,600	+14.9%
Operating Income	636	1,010	+58.7%
Ordinary Income	643	1,010	+57.0%
Profit Attributable to Owners of Parent	430	700	+62.6%
Earning per Share (yen)	16.81	27.34	—
Dividend per Share (plan)			
Interim Dividend (yen)	2.50	2.50	—
Year end Dividend (yen)	5.50	5.50	—
Full year Dividend (yen)	8.00	8.00	—

製品別 売上高予測

2020
Consolidated



2021
Consolidated



Generate Steady Profit from HealthTech Business

Accelerate transformation to cloud for medical systems

Medical Systems

- Contributing to the development of ICT in medical institutions and the delivery of efficient medical services
- The impact of COVID19 will change the way systems are used in the future
 - ⇒ Aiming to make all products available in the cloud, start selling a monthly subscription model

Office Systems

- Rapid growth in the volume of installations, including large-scale implementation at national centers
- Efficient sales development through collaboration and existing medical distribution network
 - ⇒ Increase in inquiries from hospital back offices, small and medium-sized municipalities and corporations.

HealthTech

- Start Selling GAP in Domestic Market in April and Full-Scale Launch of Visual Field-Testing Business
- Enhancing approaches to medical data analysis and AI diagnostic support
 - ⇒ Collaborating with Fitting Cloud to develop a new business utilizing healthcare data

A solid green vertical bar is positioned on the left side of the slide.

News Releases Our Vision for 2025

Business Overview and Future Outlook

We will contribute to build a society in which all people around the world can lead healthy lives

**Equitable Health
Care Services**

**Effective Use
of ICT**

**Early Detection
of Diseases**

2011-2020

- Active investment in research and development
- Acquisition of technology and knowledge

- Accumulation

2021-2025

- Utilize our refined technologies and knowledge through R&D

- Execution

-2030

- Enrich our society

**Medical
Systems**

Hospital

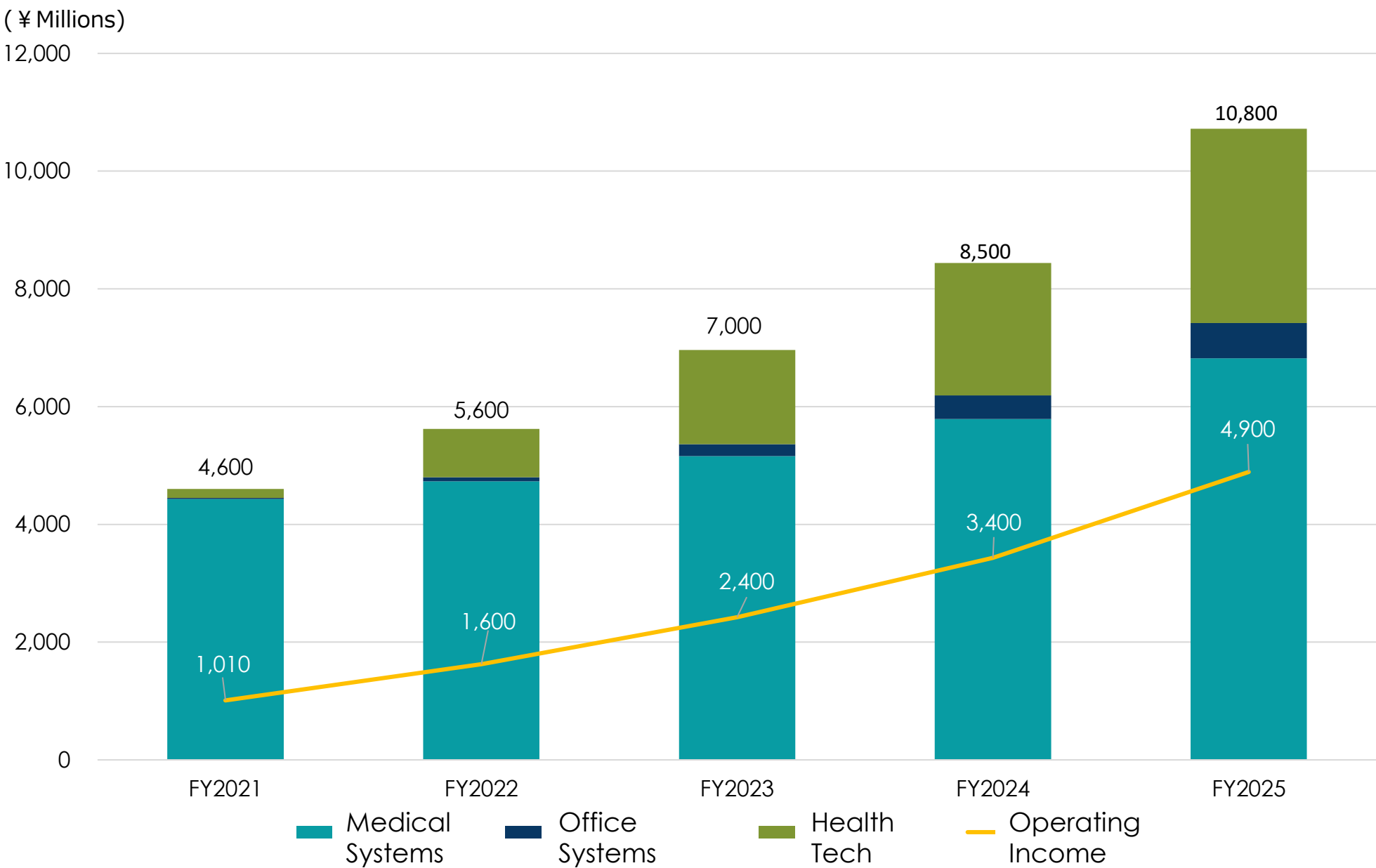
**Office
Systems**

Document/
Workflow

**Health
Tech**

Personal/
Business

Business Targets for the Next 5 Years (Consolidated)



Key Strategies 2021-2025

Build a service supply chain to rapidly penetrate new markets with competitive R&D assets across all business segments

Medical Systems

- Promptly roll out cloud-based hospital information systems to existing users and provide a new billing model to small and mid-sized hospitals.
- Developing a "medical support cloud service" that connects hospitals with existing systems and patients.
- Securely manage the accumulation of medical data in compliance with the Next Generation Medical Infrastructure Act and the Personal Information Protection Act.
- Building a data business to support drug discovery and therapeutic development.

Office Systems

- Selectively devote all DocuMaker Office resources on local governments and public corporations.
- Invest maximum amount of marketing resources in " Approval and Document Management Systems" to raise market awareness.
- Targeting early market leadership through multifaceted development with major manufacturers having sales channels to local governments and mid-sized system vendors having networks in each local area as partners.

HealthTech

- Invest 80% of R&D resources in GAP (Gaze Analyzing Perimeter) and expand product value and sales channels by adding functions and localizing the product for overseas markets.
- In addition to the early penetration into ophthalmic medical institutions via domestic ophthalmic medical device dealers, we will create a new market for medical examinations.
- Establish a market in EU, USA, ASEAN, CHINA, and INDIA by collaborating with companies having strong connections to overseas markets.

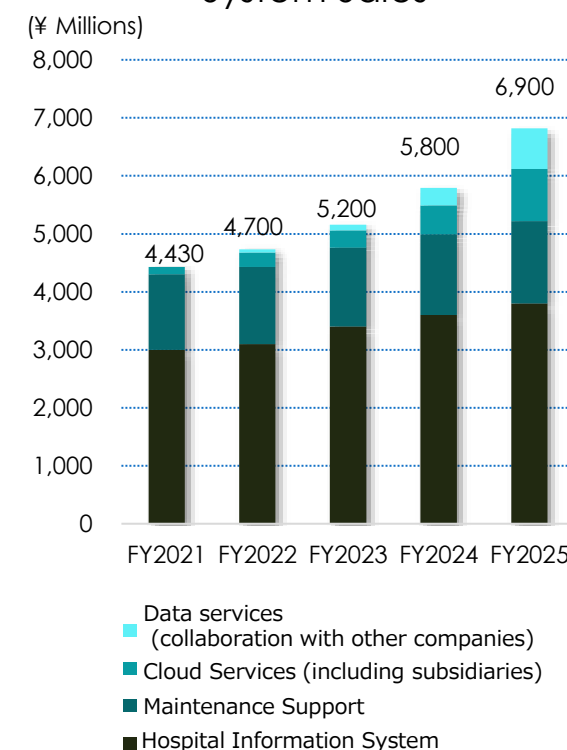
Initiatives in the Medical Systems by 2025

Realize a seamless society by linking external services associated with medical services by utilizing our in-hospital information systems

- Making telemedicine more accessible - Aiming for a community where people receive high-quality medical services regardless of where they are.
- Digitalization in medical institutions contributes to addressing environmental issues.
- Contribution for digitalizing prescriptions, smooth prescribing, and R&D on drug discovery.
- Collaborating with various infrastructures, from making appointments to selecting transportation to/from hospitals.



Targets for Medical System Sales

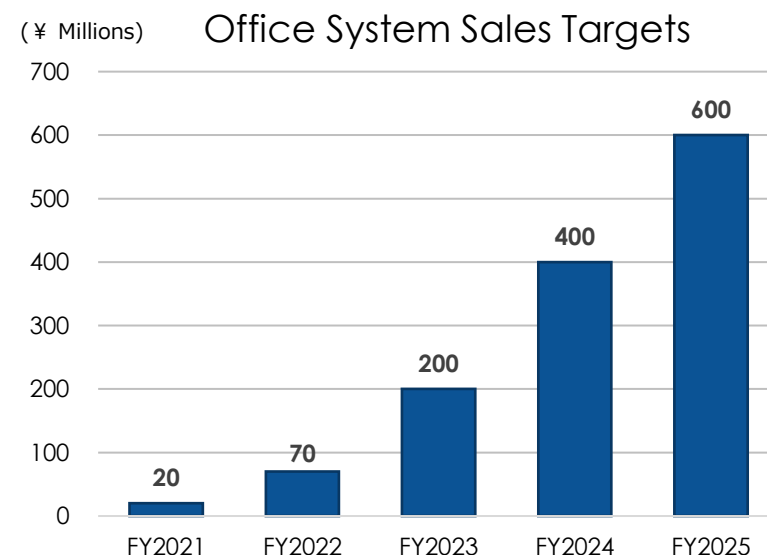


FINDEX provides patient consultation support via cloud computing system
Alliances with various companies to support hospitals and patient care cycles

Initiatives in the Office Systems by 2025

Document management systems with a proven track record in large hospitals - Delivering great usability and reliability to a variety of industries

- The market environment for approval and ledger management systems in small and medium-sized municipalities is favorable due to high demand and low competition.
- Paperless and stamp less work environment leads to more efficient day-to-day operations. (telecommuting is also available)
- Since the platform is shared with the medical version, it can be sold at a low price, but at the same time, it has a lot of experience in terms of functionality and stability, so smooth implementation can be expected.



*Business Market
1,718 cities, towns and villages in Japan (Cities: 792 Towns: 743 Villages: 183)
Source: Ministry of Internal Affairs and Communications

Local Government Digital Transformation Promotion Plan (Jan. 2021 - Mar. 2026)

The Ministry of Internal Affairs and Communications (MIC) has allocated a budget of approximately 3.8 billion yen for local government Digital Transformation (DX) in 2021

This is about five times more than the initial budget for 2020.

The government encourages electronic approval and paperless management of administrative documents

Actively promoting implementation and sales through partners

In addition to the medical field, which is experiencing stable growth,
Make the business for local governments a segment with growth potential

Initiatives in HealthTech by 2025

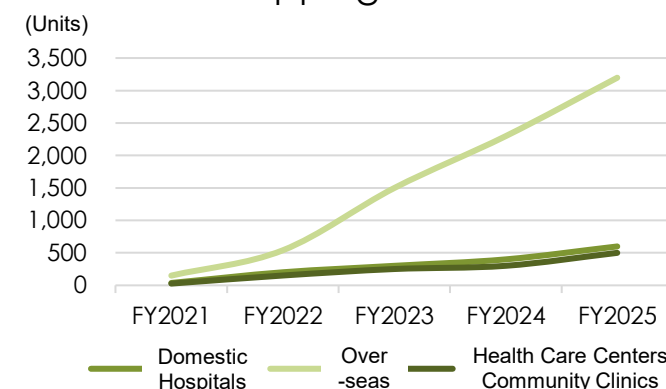
Improve access to healthcare on a global scale and contribute to the development of preventive medicine through our unique and latest technology

- Joint research with Kyoto University for over 5 years - Implemented a new method for easy and quick perimetry.
- Completed medical device registration and earned positive reputations at both domestic and international conferences.
- Comparing to existing perimetry - Smaller and more affordable, takes less time.
⇒ Boosts the number of screening and improves early detection rate.
- Aim to set a new standard of perimetry that can diagnose various diseases with a single test.

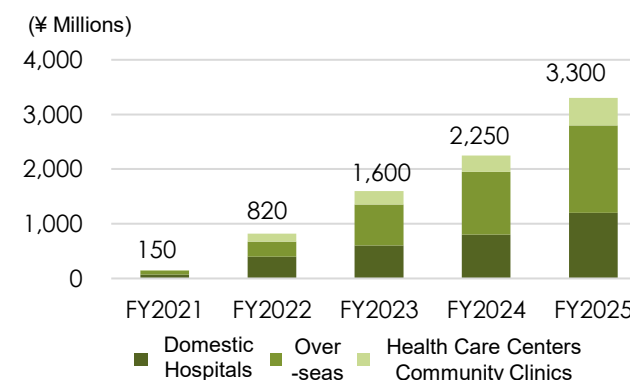


GAP : Gaze Analyzing Perimetry
Medical Device Manufacturing and Sales
Authorization Number : 38B2X10003000002

GAP - Shipping Volume Index



GAP - Numerical Targets



FINDEX is the owner of the patent for technologies applied to GAP
Aiming to launch worldwide with competitive advantages

News Releases
Other New Topics

News Releases – Other New Topics

● Newly opened 2 branches

- **Kyoto Branch (April 2021)** : Established as our second branch in Kansai area to accelerate sales targeting medical institutions and local governments. Also functions as R&D hub.
- **Niigata Branch (May 2021)** : Established to develop marketing plans and extend sales Hokuriku area.

● Fitting Cloud Inc. started from April 2021

- Provides network storage services to Kyoto University Hospital (Primary Service Provider: Google Cloud Platform)
- Develops cloud system foundation for AMED and academic organizations.
⇒ **Services started in July, contracted with the primary service provider.**

● Started partnership with a well-known global corporation **KONICA MINOLTA, Inc.**

- Our “DocuMaker Shelf” as a part of KM’s product ranges to accelerate and support digitalization in local governments.

Appendix

- Corporate Profile
- Basic information
 - Medical System
 - Office System
 - Health Tech

Corporate Profile

Corporate Profile

As of June 30, 2021

Company Name	FINDEX Inc.
Representative	President & CEO Teruo Aibara
Head Office	Asahiseimei-Otemachi 2-6-1, Otemachi, Chiyoda-ku, Tokyo 100-0004, Japan TEL: +81-3-6271-8958 FAX: +81-3-6271-8959
Other Branch Offices	Shikoku, Osaka, Fukuoka, Sapporo, Naha, Niigata, Kyoto
Subsidiary	Eagle Matrix Consulting Co. Ltd. • Fitting Cloud Inc.
URL	https://findex.co.jp/en/index.html
Capital	254 million yen
Employees	289 (Consolidated: 297 As of December 2020) *includes 10 part-time (10 consolidated)

Basic Information on Business Segments

Medical Systems

Our Powerful Solutions

Medical system solutions



Network Imaging System
Claio



Medical Document
Management System
DocuMaker



Radiology
Information System
ProRad RIS



Progress Note System
C-Note



Electronic Medical Record
REMORA



Radiological Image
Viewing System
ProRad Nadia



Document Integrated
Archiving System
C-Scan



PDI Import/Export System
PDI + MoveBy



Radiological Reporting
System
ProRad RS



Imaging & Document Filing
System Package
ClaioBOX



Perinatal system
MapleNote



DocuMaker
Stress Check System

Business solutions



Document Management System
DocuMaker Office

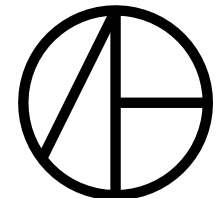


RPA Tool
DigiWorker



Screen Based EAI Tool
Data-Connector

HealthTech



Gaze Analyzing Perimeter
GAP



Vital Sensor
CALM-M

Market Size for Medical Systems

Our Key to Success: Implementation Rate at University Hospitals

500 Beds and Above:
401 institutions

Our Users : **255 institutions**

100-499 Beds:
4,954 Hospitals

Our Users : **583 hospitals**

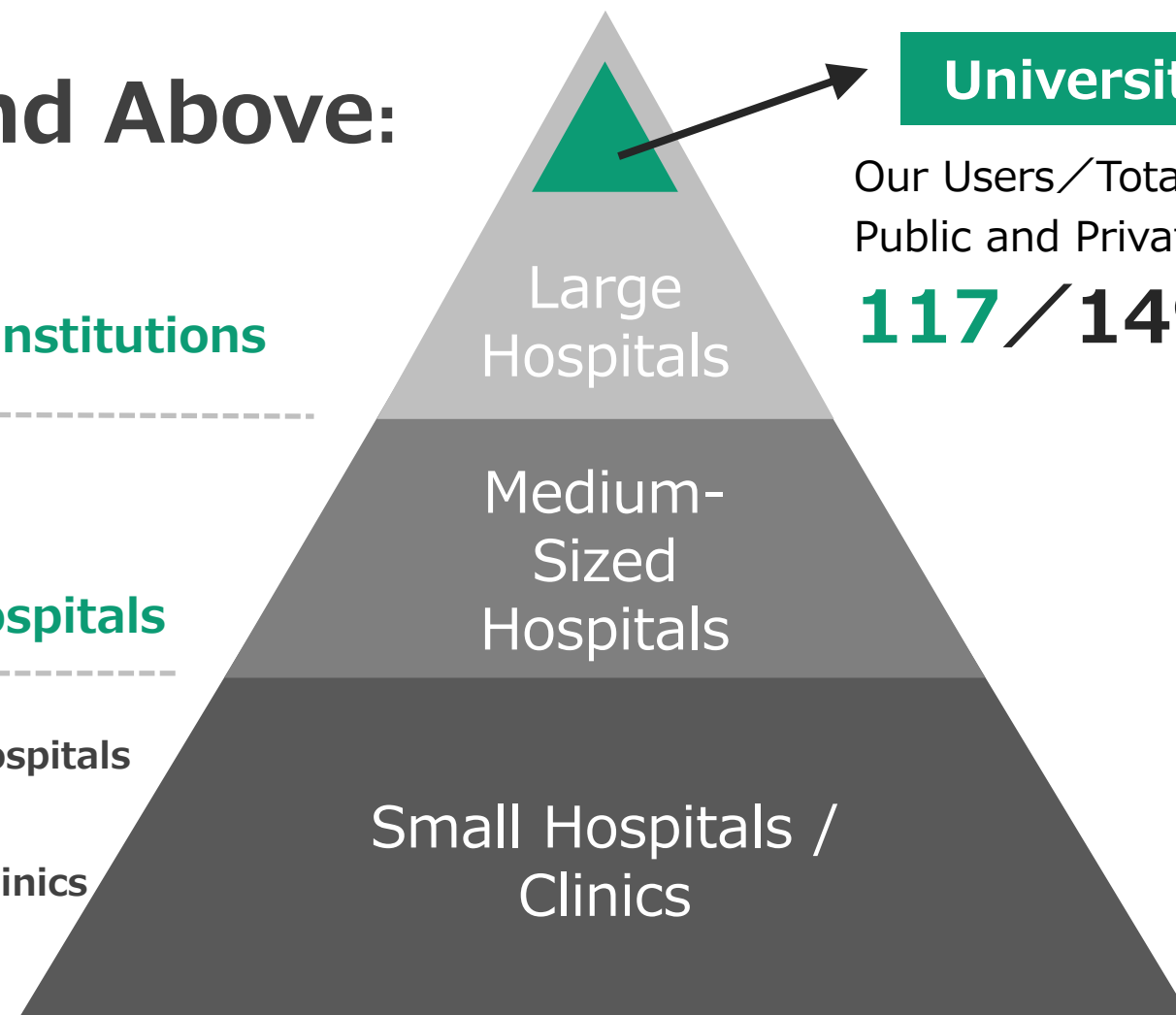
20-99 Beds: **2,945** Hospitals

Our Users : **132 Hospitals**

0-19 Beds : **102,616** Clinics

Our Users : **1,181 Clinics**

Integrated community care product : 18



University Hospitals

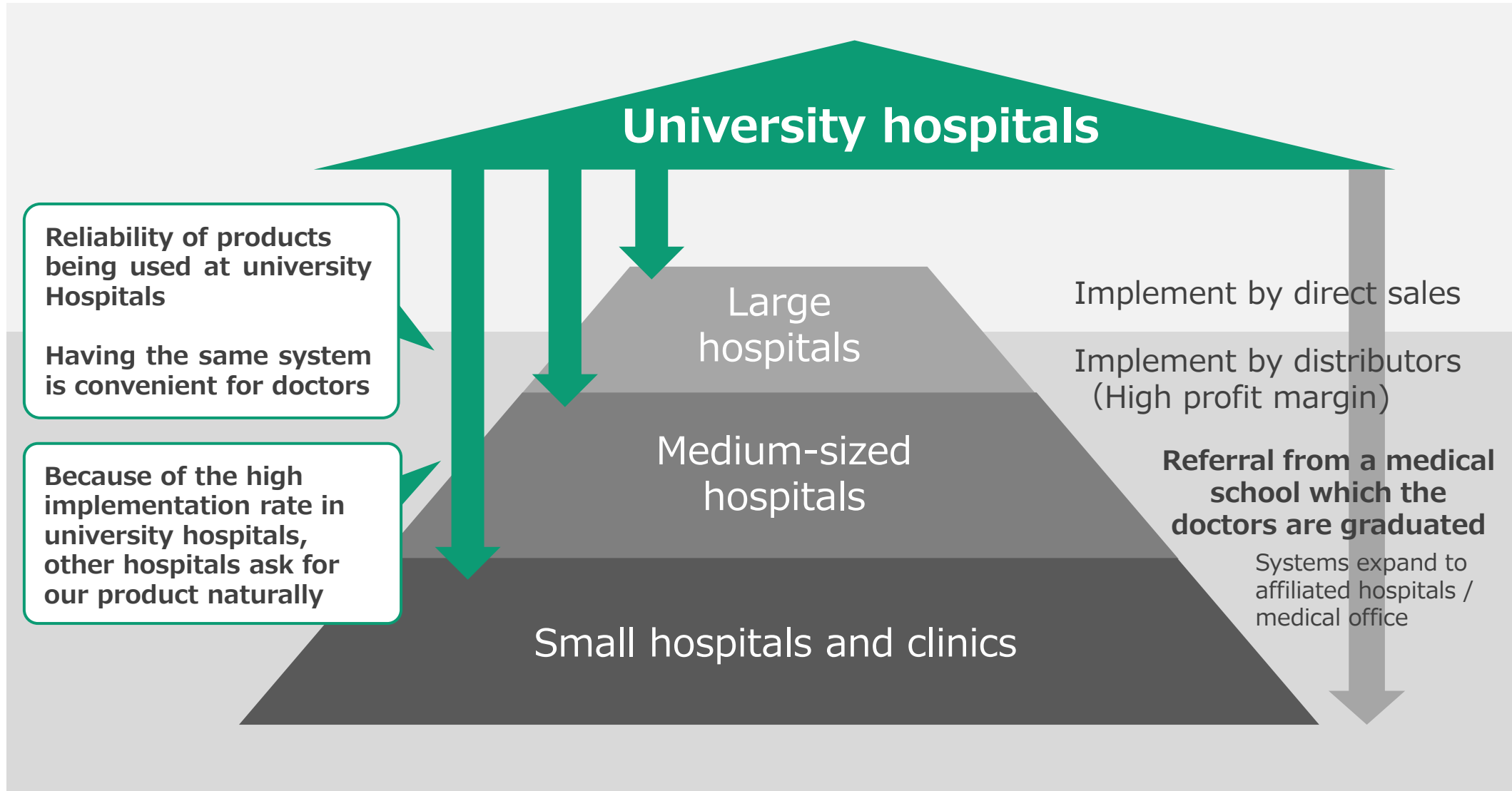
Our Users / Total Number of
Public and Private Hospitals:

117 / 149 institutions

(*including branches)

(As of June 2021)

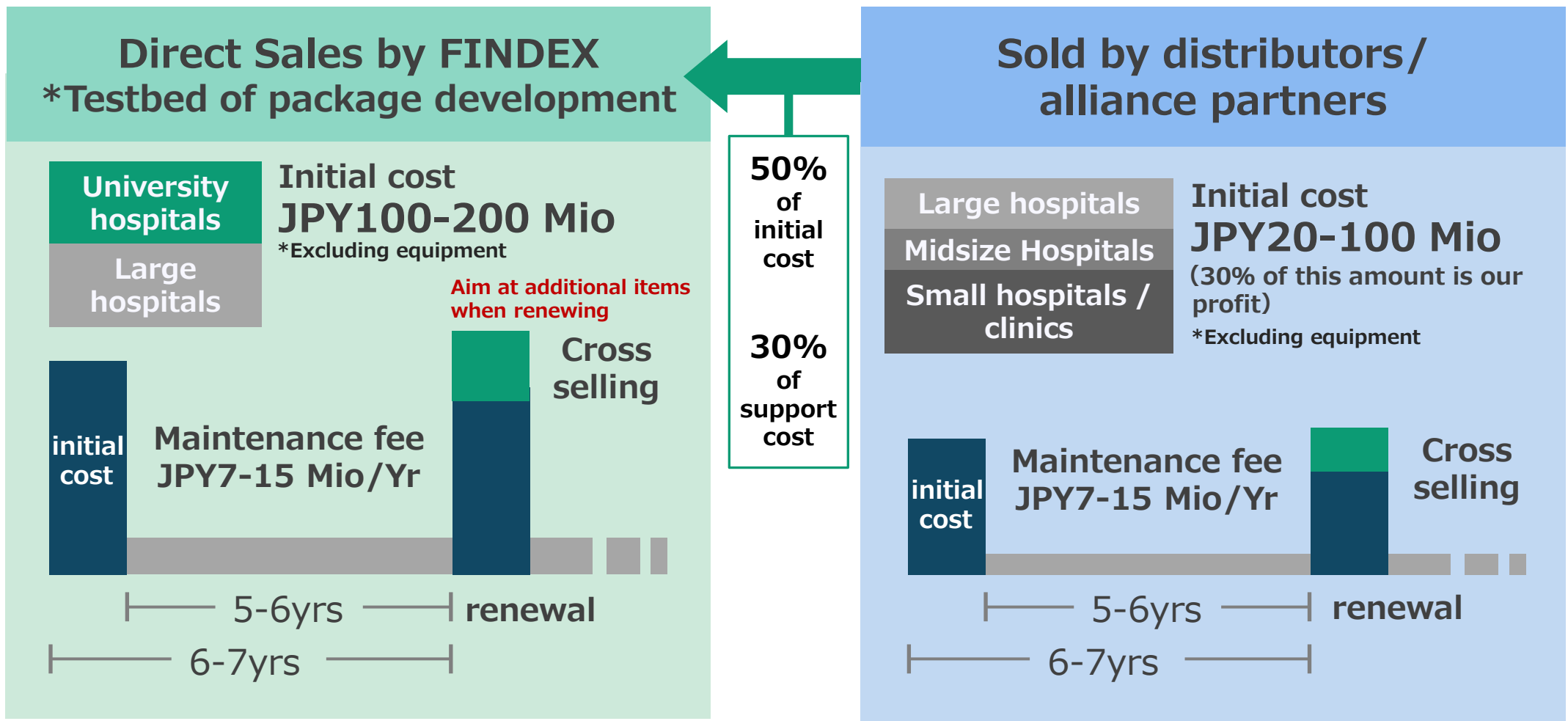
University hospitals lead other hospitals



Sales Cycle of Medical System (Initial & Running Cost)

Medical systems are replaced every 5-6 years depending on the server/PC's life cycles

⇒ Institutions are recently extending their system renewals to every 6-7 years



Cross sell Strategy to Outdistance Competitors

*Claio is a computing platform

Combined solution:
Separate purchases not necessary
Cost saving and User Oriented

TOTAL JPY **125 Mio**

Endoscopy system Software only JPY **15 Mio**

Obstetrics medical record Software only JPY **30 Mio**

Ophthalmology medical record Software only JPY **30 Mio**

basic Claio JPY **50 Mio**

Claio *Software
manage any kind of test data

Systems
cooperation
function

Server
storage

*The most basic data filing feature of departments' test data

Composition of Findex system

TOTAL JPY **190 Mio**

Firm C Endoscopy system JPY **30 Mio**

Software

Systems cooperation
function

Server storage

Firm B Obstetrics medical record JPY **80 Mio**

Software

Systems cooperation
function

Server storage

Firm A Ophthalmology medical record JPY **80 Mio**

Software

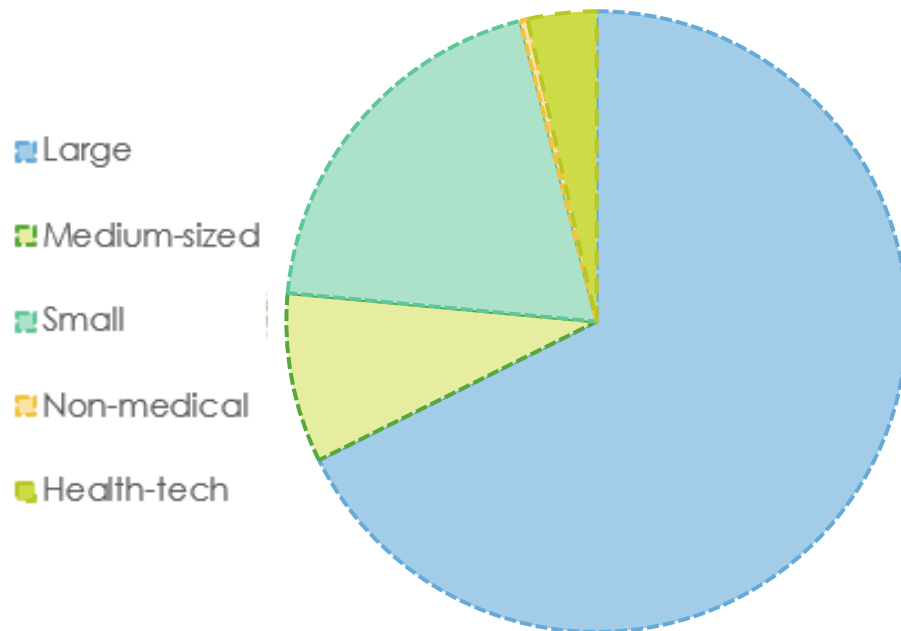
Systems cooperation
function

Server storage

Composition of another company

Sales Channels and Business Forecasting Method

2021 forecast



Most of the sales come from large medical institutions

Since large medical institutions need large systems, projects are usually subject to international competitive biddings. In many cases, discussions with the candidate system developers start more than a year before receiving orders.

Thus FINDEX uses a “**quotation backlog**” instead of an “**order backlog**” to make business forecasts for following years.

*When a purchase size is small, deal can be completed within a few months.

Recent business negotiations consume more time

Timeline Model for a Business with Large Medical Institution

2020/5

Introduction on FINDEX products and services

2020/7

Submit a sample **quotation**

2020/9

Reply to bid (purchase) specification with references and opinions

2020/10

Advertise for bid (purchase)

1-1.5 yrs

2020/12

Submit quotation to the system manufacturers who will place a bid

2020/12

Bidding (FINDEX bid through multiple system manufacturers)

2021/01

Bid opening
(winner is selected within a month)

8m-1yr

2021/08

Receive an order
(sales agreement signed by system manufacturers and medical institution)

2021/12

Recognize sales (system launch)

Basic Information on Business Segments Office Systems

Office System Product Range

Document Management System: DocuMaker Office

- Derived from our **well proven system** in the medical field
- Already developed core parts: **low risk & high profit margin**
- Our targets are **municipalities, Public corporations & medical institutions**
- Digitalize **approval process** and **documents organization**

RPA tool : DigiWorker

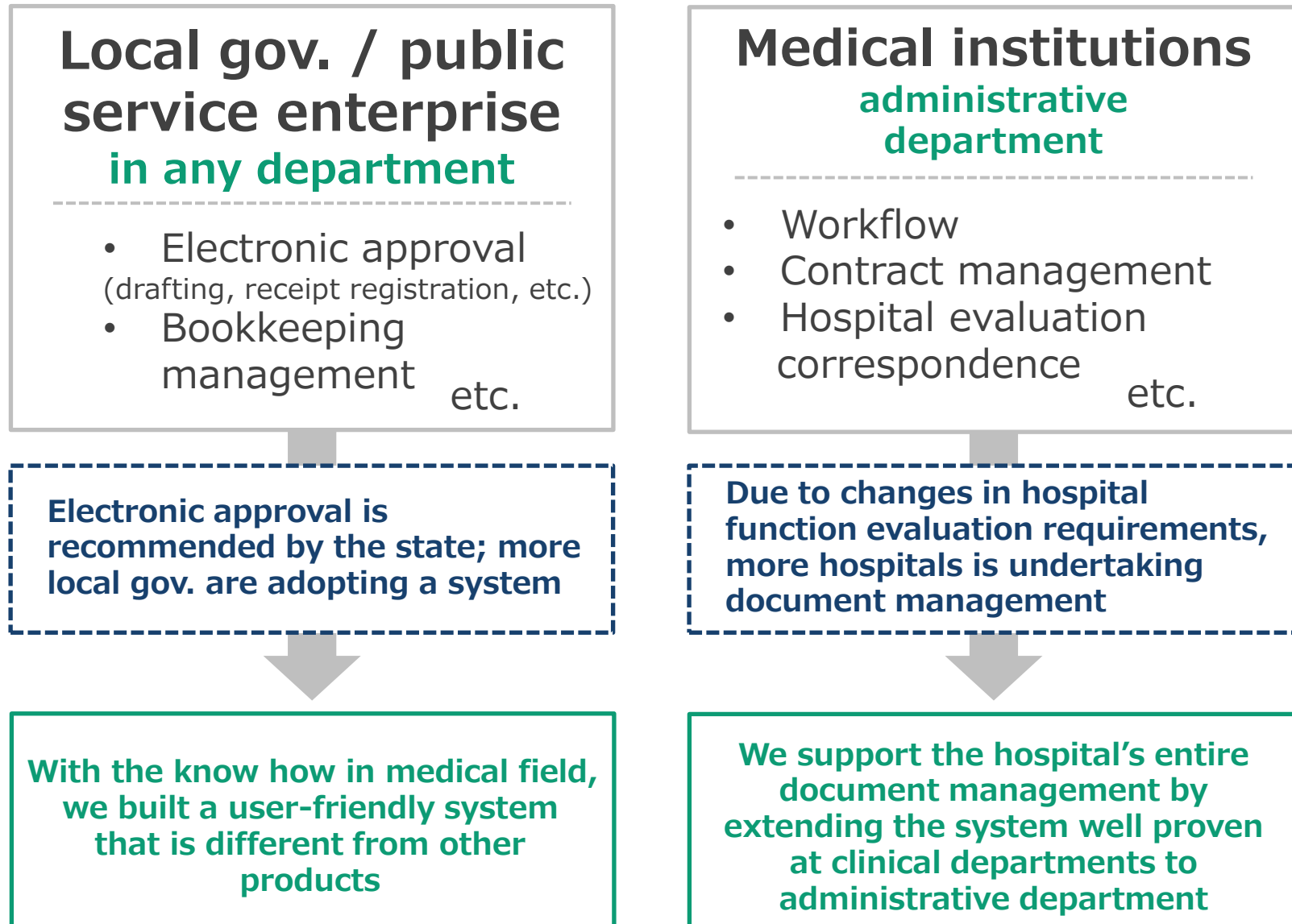
- Productized with our original technology
- Provides **office process automation tool at low cost**

DocuMaker Stress Check System

- A system for **stress check service** providers
- Expanding our business mainly to large business operators, medical institutions, and medical examination facilities

DocuMaker Office's Markets

Mainly targeting local governments and medical institutions where DocuMaker's strengths can be utilized.

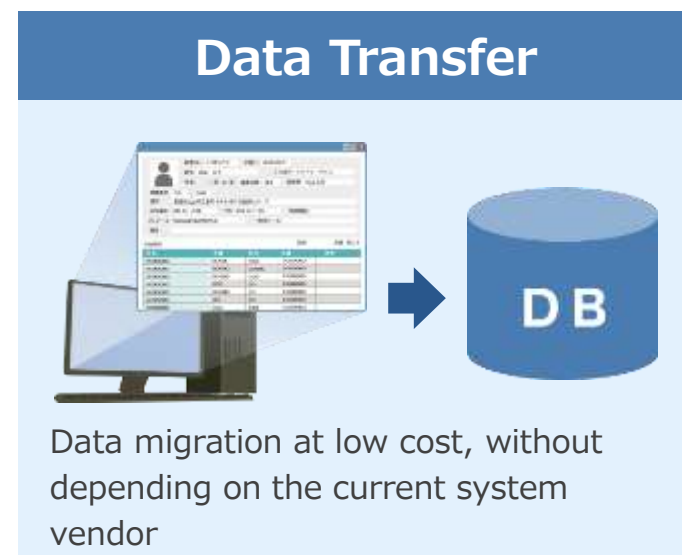
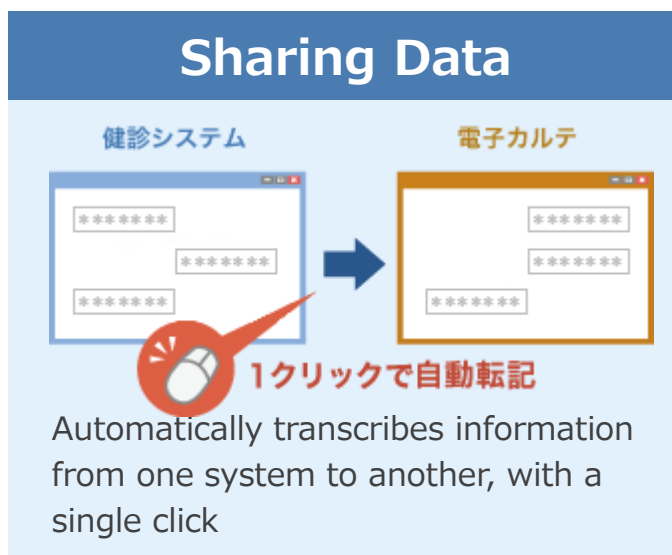
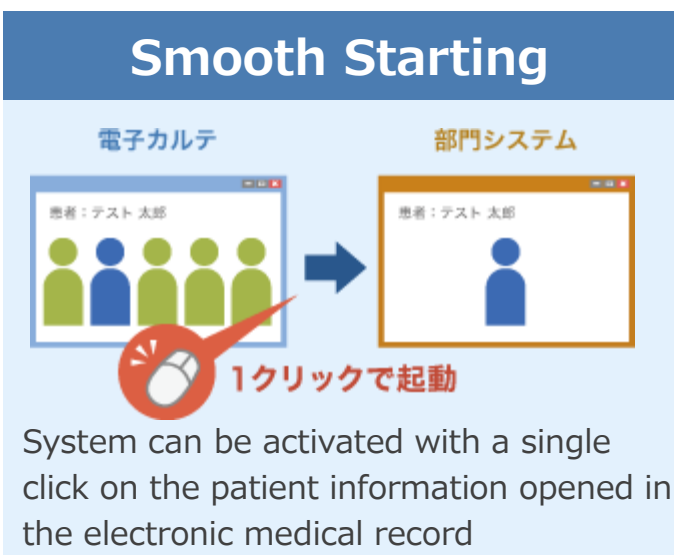


RPA tool: What is DigiWorker?

RPA (Robotic Process Automation)

RPA is program/software to automate business operations, such as to collect, process and register data into system. As now more flexible and diverse work styles are available at many corporations, they are adopting this system to deal with workforce shortages and improve productivities.

Application examples:



Features

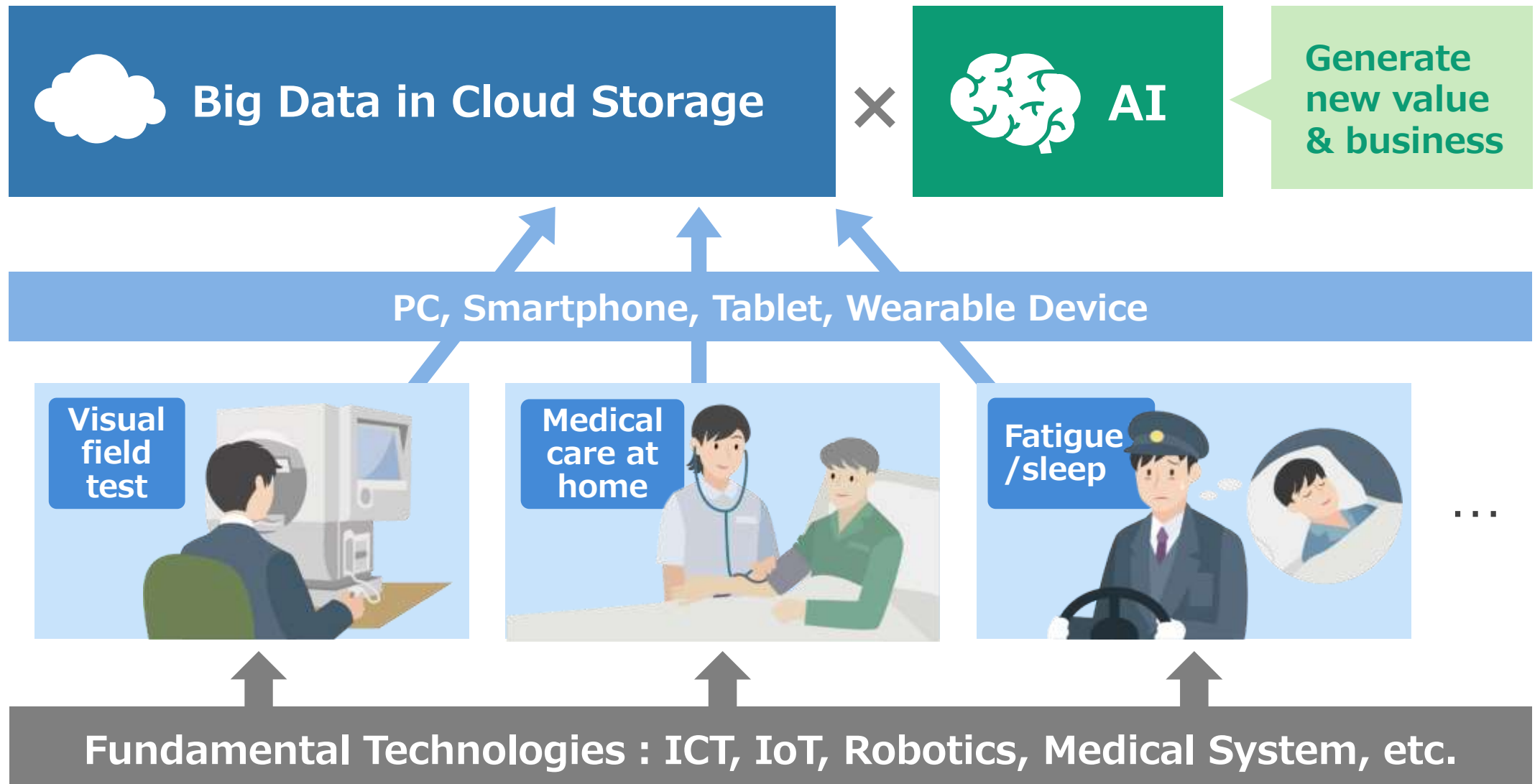
- DigiWorker has already been installed by many medical institutions, but the demand is expected to grow further as RPA draws more attention.
- We have deep knowledge of the operations in medical institutions - We will actively deploy DigiWorker as a tool to improve operational efficiencies and reduce inter-system data migration costs.

Basic Information on Business Segments

Health Tech

Approaches with Our HealthTech

We collect and analyze various data with high-level technologies





Visual Field Test

Establishing a new method of visual field test, aim for early detection of visual field abnormalities and create new business by utilizing big data.

Roll out the business from two aspects

Development of a perimetry system

- Built the world's first perimetry system
- Enabling the test not only at medical institutions but also at health checkup facilities

Collect & analyze visual field defects data

- Distribute our system as a free app
- Gathering visual field defects data from all over the world
- Use the data for disease prevention, drug discovery, and health management

Gaze Analyzing Perimeter – Innovative Features

GAP	Existing Products
System judges examinee's visibility automatically ➡ Results are accurate and errors rarely occur	Examinees judge visibilities by themselves ➡ Causes mistakes and misunderstandings
Takes only 3-5 minutes ➡ Increases numbers of tests per day	Takes approx. 20 minutes ➡ Prior bookings are essential to manage time slots
Space saving design ➡ Can be used anywhere	Requirements and restrictions for installation ➡ Bulky and heavy; Only sold to eye clinics
Examinee does NOT need to lock his/her eyes ➡ User oriented	Examinee needs to lock his/her eyes ➡ Difficult and complicated for kids and aged
Tests can be conducted without skills ➡ Possibilities to be installed in other business formats (e.g. Optical stores)	Operators need to be trained and skilled ➡ Tests need to be conducted by orthoptists *1
Applicable to detect not only retinal diseases but also MCI (Mild Cognitive Impairment) and mental disorders ➡ Further research ongoing for Neurologic diseases and Dementia	Designed only to detect retinal diseases ➡ Cannot be put to another use

*1 Orthoptists are the only authorized operators to conduct visual field test in Japan.

Perimetry Test Equipment/System Market

Automatic perimeter market

- Medical checkup facilities with eye exam
- Hospitals/clinics with ophthalmology
- Eyewear chain stores

Domestic market size of the test equipment

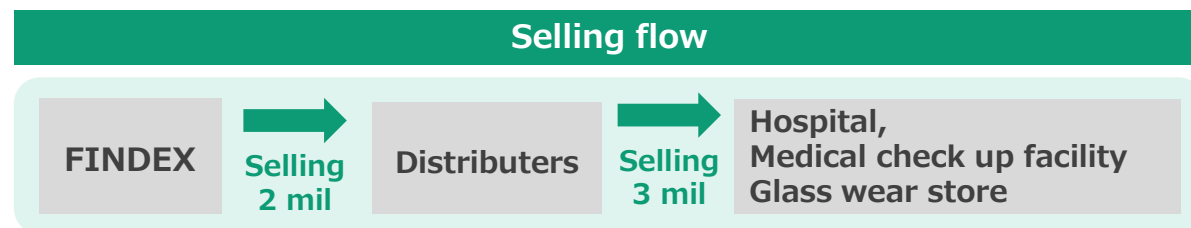
Medical checkup facility : ~1,200 facilities x ¥ 1.5M = ~¥**1.8 B** (physical checkup ver.)

Hospital/clinic : ~6,000 facilities x ¥ 2M = ~¥**12 B** (medical ver.)

Eyewear chain store : ~2,000 stores x ¥ 500K = ~¥ **1 B** (If the market is ready)

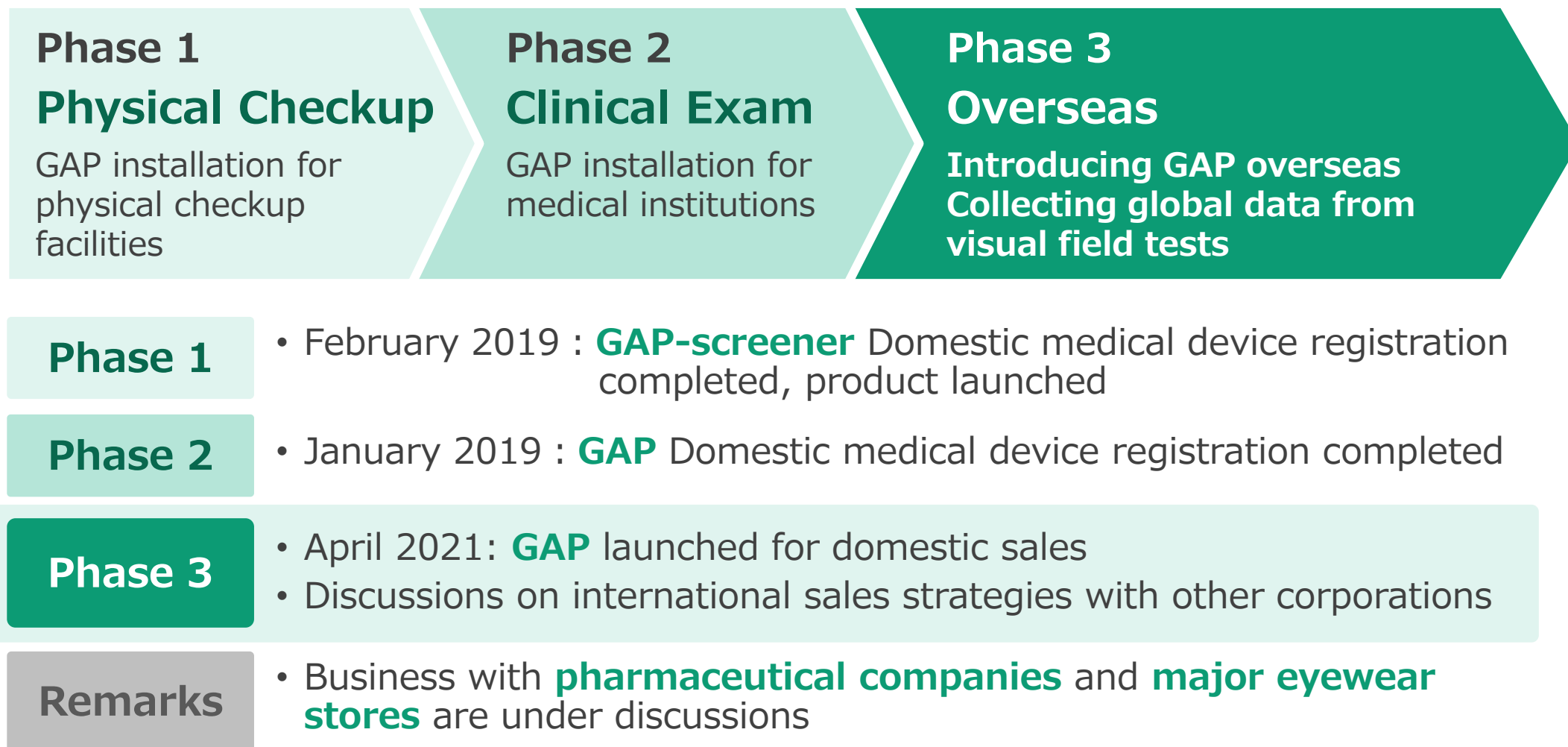
Sales forecast based on the market share assumption in 5 years

Medical checkup facility	30%	¥ 1.8 B
Medical institution	30%	¥ 3.6 B
Eyewear chain store	20%	¥ 200 M



The overseas market size is assumed to be approx. 90 billion yen, just the medical institutions alone

Commercializing our perimeter GAP and utilizing data in three steps



Collecting Global Data of Visual Field Disease by Cloud

Global data collection & analysis of visual field test, including healthy people's data



By providing our system as an easy to use free application, we support people's health management, and also collect data through the app which to be utilized as a Big Data for new business



Global data collection & analysis business of visual field test, which also includes healthy people's data

Ceiling Mounted Monitors Checking sleeping positions with AI technologies

- Capable of monitoring babies and preschoolers' positions during nap times at nursery
- Easy start and easy removal
- No risk of accidental pediatric ingestion as equipment fully attached to the ceilings



Awarded for BabyTech® Award Japan 2020 powered by DNP



Contactless Health Check & Identity Confirmation

- Each participant registers and manages his or her own health data in advance.
- At the event day, participants will be able to scan the QR code to confirm their identity and recent health data and take their temperature without contact.



Possible usage scenarios

- Sports and various event operators
- Restaurant and tourist industry
- Retailers
- Local governments, etc.



With COVID-19 and After COVID-19, supporting health management in public places

* Used at the Kujukuri Triathlon on October 11, 2020.



Wearable Vital Sensor CALM.

- Tracking body motion and pulse wave by using a wearable vital sensor developed by EMC Healthcare Co., Ltd.
- Tracking one's health conditions and detect risks with telemedicine
- Good option for corporations to manage health of their employees
- Comparison with competitor products: Affordably priced, small sized, runs longer and has better data analysis technics



**Contributes to telemedicine,
corporate and personal healthcare**



Solutions

Health Insurance Data Analysis

Visualize health conditions and risks by analyzing receipt data of health insurance records and medical checkup results from patients.

Medical checkup data

Demographic pattern

Pathological pattern

Medical cost estimate

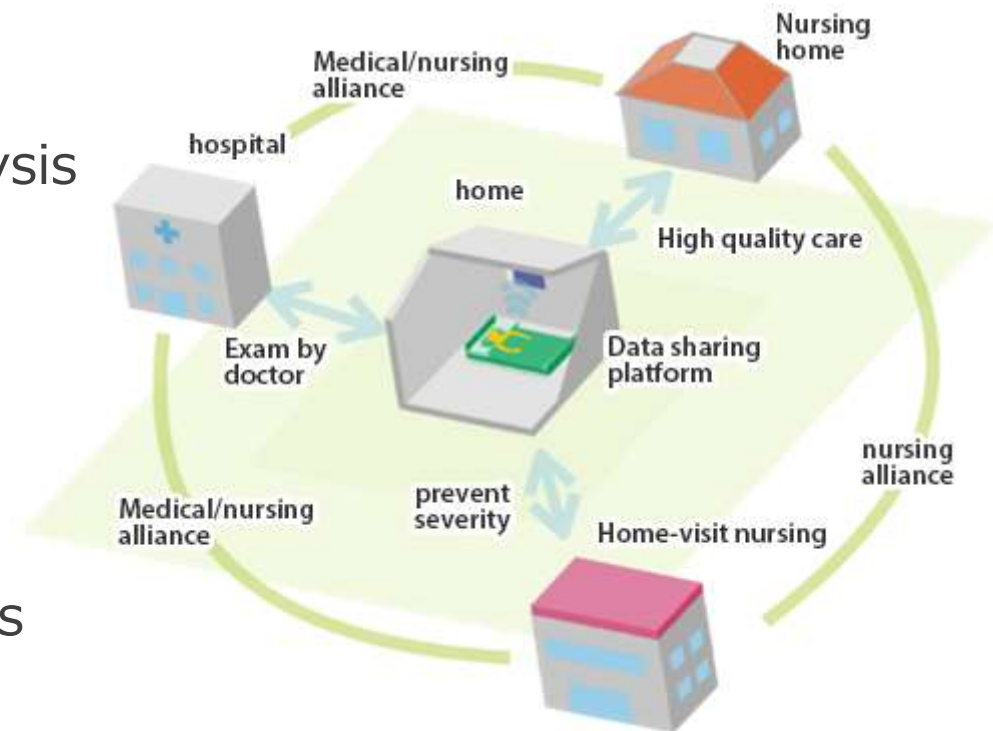
Promote Home Care by Health Information Management

Acquire/analyze sleep data and share analysis results with home healthcare provider.

AI Model: AF (atrial fibrillation) detection solution

Extract necessary information from electrocardiogram data with AI technologies and accurately detect AF at high speed.

(Accuracy rate: 96.6%)



Always have, Always will.

